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PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, FEBRUARY 26, 1958

(Legislative day of Monday, February 24, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Feltham S. James, national chaplain of the American Legion, and minister of Bethel Methodist Church, of Charleston, S. C., offered the following prayer:

Almighty and Eternal Father of mankind, guardian and guide of the destinies of our Nation, in this moment of silence we stand in Thy presence, confessing our belief in Thee and invoking Thy divine guidance. We bless Thee for all those in days gone by who bravely withstood injustice, and who thus founded our Nation in the fear of God and in the name of human freedom.

We thank Thee for the land wherein Thou hast set our feet, and for its rich heritage of faith in Thee. As we lift our eyes upward to the Stars and Stripes floating in the sunlight, and as they thus lead our vision to look beyond, to the eternal hills and to Thy firmament on high, may we ever dedicate ourselves to those high ideals of justice, freedom, and democracy.

Look with Thy protective care, we pray, upon the President of these United States, and upon all others who, by the confidence of their fellow men, have been called to the stewardship of national affairs. Endow, we beseech Thee, all the Members of this Senate with a right understanding, pure purpose, and sound speech. Enable them to rise above all self-seeking and party zeal, into the larger sentiments of public good and human brotherhood.

We lay these petitions before Thee in the name of Him who said, "And I, if I be lifted up, will draw all men unto Me." Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 25, 1958, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Finance Committee and the Internal Security Subcommittee of the Committee on the Judiciary were authorized to meet today during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour for the introduction of bills and the transaction of other routine business, with statements limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

THE ARMED SERVICES AND PARKINSON'S LAW—II

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, in the morning hour, I may proceed for 2 additional minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, there has been much talk about the debilitating effects of interservice rivalries. I point out that while service rivalries have caused friction and waste, rivalry in this sense should not be confused with service competition. Service competition has done much to uphold the morale of the services, and undoubtedly it has saved the country lives and dollars. There is a need for continued, healthy service competition; but the lines should be drawn sharply, so that honest, worthwhile endeavors to excel will not be compounded by efforts to eradicate or to place one service paramount to the others.

I think there is much to be said in behalf of continuation of the Joint Chiefs of Staff, because by means of the Joint Chiefs we obtain the best judgment and the combined thinking of the best men in all the services. If the Joint Chiefs of Staff concept were to be done away with, the alternative would be the creation of a single Chief of Staff or principal military adviser to the President, who would, on the basis of his single judgment, as against the collective judgment of the Joint Chiefs of Staff at the present time, be empowered to make decisions in behalf of the security of the country. Such a substitution—such one-man judgment—should be avoided as much as possible. Far better than to break up the system we have at this time, I believe it would be in the best interests of the Nation and our security to bring about a reorganization within the Pentagon itself.

Parkinson's law—the multiple additions to a civilian bureaucracy—is a classic illustration of what is happening in the Pentagon. It is my understanding that there are in excess of 30 assistant secretaries or their equivalent in the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force. These assistant secretaries have their assistants; and in addition to these, there are numerous commissions and committees. Many of these civilians in the Pentagon can, and do, give directives to the military personnel stationed there; and they do so while the responsibility rests, not with them, but with the officers to whom they issue orders. The question of the coupling of authority with responsibility in the Pentagon is one which the Armed Services Committees of the Congress ought to investigate and make recommendations to correct. In the Pentagon there are too many political appointees who know too little about matters military. Too many of these appointees stay for too short a time, learn too little, and accomplish little except to add to the disorder already prevalent throughout that building. Too many of these temporary civilian administrators try to formulate policy in all fields of defense; and very likely too many of them, all too often, interfere when they should be minding their own business.

In my opinion, it would be a good thing if the Armed Services Committee would look into the question of the chain of command and would find out, for example, just how many steps there are between the individual Joint Chiefs of Staff and the President of the United States, or, for that matter, the Secretary of Defense.

We find, for example, that in the New York Times of February 6, 1958, an article by Hanson W. Baldwin states that General Maxwell D. Taylor, Army Chief of Staff said last September, "There are 19 civilian officials between the Army Chief of Staff and the Commander in Chief who either command, control or influence his [the Chief of Staff's] conduct of the business of the Army."

The civilian bureaucracy which has grown up in the Department of Defense should be overhauled. It is not a small, policy-forming group superimposed on the separate services, as was originally contemplated. Instead, it now numbers thousands of employees who do not confine themselves to policy, but who duplicate and confuse the work done by the individual services and who delve deeply into administration, operations, and even command. It is time to

streamline the Defense Department. It is time to take a look-see at this swollen civilian bureaucracy, and it is time to reduce the number of assistant secretaries and assistants to the assistant secretaries. It is time to find out what the numerous commissions and committees have been doing; and if they have been doing nothing, it is time to abolish them. It is time for a housecleaning, not to the end that the Pentagon must be made an example of, but to the end that greater efficiency, better organization, and greater stability in the Department of Defense can be established. It is time to do away with the political appointee, and to put in his place the dedicated public servant. It is time to recognize that the Defense Establishment in its proper sphere can, and does, make a contribution to our democracy. It is time to restore greater respect among and between the services; and it is time to give to our military leaders, under sound, civilian administration, the functions which are supposedly theirs under the laws of the land.

Mr. FLANDERS. Mr. President, on this subject, will the distinguished Senator from Montana yield to me?

Mr. MANSFIELD. I am speaking under limited time. If I have time, I am glad to yield.

The VICE PRESIDENT. Without objection, the Senator from Montana may yield on the additional time.

Mr. FLANDERS. I desire to call the attention of the distinguished Senator from Montana to a bill which I introduced last week or the week before last. It embodies in very simple, legislative form the most illuminating testimony I have heard on the subject of the organization of the Defense Department. That testimony was given by Admiral Nimitz.

The bill provides for a great simplification. It places squarely on the National Security Council the responsibility for strategy, and it leaves squarely with the three services all questions of tactics. It provides for an alternating chairmanship by the head of one or another of the three services, in rotation, and for the presence of the current chairman of the Joint Chiefs of Staff as aide to the Secretary in all the proceedings of the National Security Council.

It struck me that that made very great sense, was very simple, and in itself would mean the making of a profound change in the characteristics of the Defense Department.

I trust that the distinguished Senator from Montana will note that incorporation, in the form of proposed law, of the suggestion made by Admiral Nimitz.

Mr. MANSFIELD. Mr. President, I thank the Senator from Vermont. I shall examine his bill, and shall give it most earnest and serious consideration.

MORNING BUSINESS

The VICE PRESIDENT. Routine morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED PROVISIONS AND SUPPLEMENTAL APPROPRIATIONS—(S. DOC. NO. 79)

A communication from the President of the United States, transmitting drafts of proposed provisions and proposed supplemental appropriations for the fiscal year 1958 in the amount of $510,000 for the legislative branch, $60,000 for the National Capital Planning Commission, $400,000 for the Department of Justice, and $192,000 for the District of Columbia (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Defense, transmitting, pursuant to law, reports of overobligations of appropriations in the Departments of the Army, Navy, and Air Force (with accompanying papers); to the Committee on Appropriations.

REPORT OF REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation for the National Advisory Committee for Aeronautics for "Salaries and expenses" for the fiscal year 1958 had been reapportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT OF UNITED STATES INFORMATION AGENCY

A letter from the Director, United States Information Agency, Washington, D. C., transmitting, pursuant to law, a report of that Agency, for the period July 1 to December 31, 1957 (with an accompanying report); to the Committee on Foreign Relations.

REPORTS PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, reports for partial restoration of the balances withdrawn from the appropriations "Salaries and expenses, Bureau of Foreign Commerce" and "Export control, Bureau of Foreign Commerce" (with accompanying reports); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Agriculture and Forestry:

"House Concurrent Resolution 121

"A concurrent resolution urging the Congress of the United States to provide funds sufficient to continue the agricultural conservation program of the United States Department of Agriculture in 1959 on the same basis as it is operating in 1958

"Whereas the farm lands of the State of Mississippi have suffered in the past, and are now suffering, great damage from soil erosion and depletion of farm woodlands; and

"Whereas farm income generally is not high enough to enable farmers to perform as great an extent of soil and water conservation practices on their farms as is desirable in the public interest; and

"Whereas the agricultural conservation program of the United States Department of Agriculture, by sharing with the farmer in paying the cost of carrying out soil and water conservation practices, has brought about a substantial increase in all counties of Mississippi in the amount of conservation work done on farms; and

"Whereas a substantial reduction in funds available through the agricultural conservation program for assisting farmers in performing conservation practices on their farms would result in a drastic reduction in amounts of practices performed and consequently would be a severe handicap to continued progress in soil and water conservation in the State: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein)*, That the Congress of the United States is hereby urged to continue the authorization for the agricultural conservation program for 1959 at not less than the amount authorized for 1958 and that copies of this resolution be furnished to the President of the United States Senate and the Speaker of the United States House of Representatives, to the chairmen of the Appropriations Committees of the House and Senate, to the chairman of the Subcommittees on Agricultural Appropriations of the House and Senate, to the chairmen of the Committees on Agriculture of the House and Senate and to all members of the Mississippi delegation in the Congress."

A letter from the chairman of the Conference of Americans of Central-Eastern European Descent, of New York, N. Y., transmitting a petition signed by sundry members of that organization, proposing a policy of full inclusion of naturalized citizens in claim settlements in accordance with the concepts of Public Law 857, 81st Congress (with accompanying papers); to the Committee on the Judiciary.

A petition signed by Herman Gibbert, and sundry other members of Aerie 2580, Fraternal Order of Eagles, of Winamac, Ind., relating to discrimination against job seekers based on age; to the Committee on Labor and Public Welfare.

By Mr. STENNIS:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Public Works:

"House Concurrent Resolution 122

"A concurrent resolution memorializing the Congress of the United States to refrain from placing tolls or restrictions upon the use of river waterways

"Whereas the suggestion has been made whereby the water transportation industry of the United States of America would be restricted and burdened by the imposition of Federal tolls and controls; and

"Whereas in the judgment of the Legislature of the State of Mississippi any river waterways' toll would be detrimental to the economic development and prosperity of the people of the United States and should not be imposed: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein)*, That the Congress of the United States be and it is hereby petitioned and requested to refrain from any imposition of restrictions or tolls on the free use of the river waterways of the United States, and leave same free for unimpeded development and use; and be it further

"*Resolved*, That a copy of this resolution be mailed by the clerk of the house of representatives to Senators JAMES O. EASTLAND and JOHN C. STENNIS, and to Congressmen THOMAS G. ABERNETHY, JAMES WHITTEN, FRANK SMITH, JOHN BELL WILLIAMS, ARTHUR WINSTEAD, and WILLIAM COLMER."

THE NATURAL-GAS BILL—LETTER

Mr. HUMPHREY. Mr. President, an additional organization from my State of Minnesota has been added to the growing number of groups opposed to the

passage of the so-called Harris-O'Hara natural-gas bill.

I ask unanimous consent that a letter I have received from the recording secretary of the Public School Employees' Union, Local No. 63, of Minneapolis, Minn., informing me of this opposition, be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

PUBLIC SCHOOL EMPLOYEES' UNION, LOCAL 63,
Minneapolis, Minn., February 20, 1958.

HUBERT H. HUMPHREY,
Senate Building,
Washington, D. C.

DEAR SIR: The members of Public School Employees' Local 63, Building Service Employees International Union, voted to go on record as opposing passage of the Harris-O'Hara gas bill.

We are asking for your support in opposition to this proposed legislation.

Yours very truly,
JAMES C. LINTON,
Recording Secretary.

SELF-HELP DAIRY STABILIZATION PROGRAM—LETTER

Mr. HUMPHREY. Mr. President, a great deal of interest has been shown in the Midwest for the so-called self-help dairy stabilization program bill, H. R. 10020.

Mr. President, I ask unanimous consent that a letter I have just received from Wallace Miller, manager of the Minnesota Valley Breeders' Association endorsing this bill be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

MINNESOTA VALLEY BREEDERS' ASSOCIATION,
New Prague, Minn., February 19, 1958.

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Reference is made to the self-help dairy stabilization program known as H. R. 10060.

This program is being sponsored by all the major farm organizations consisting of the National Grange, the National Milk Producers Federation, the National Farmers Union, the National Conference of Commodity Organizations, and Farm Bureau delegates attending a Midwest conference on dairying.

On Wednesday, February 5 our board of directors, consisting of 160 members from all parts of Minnesota who represent 50,000 dairy-farmer members, discussed the self-help dairy stabilization program.

A resolution was unanimously adopted that a letter be sent to the Minnesota United States Senators and Representatives urging them to support the self-help dairy-stabilization program H. R. 10060.

It appears that finally all major farm organizations are in agreement on a dairy price-support program that will be largely supported and financed by the dairymen themselves.

Since there appears to be great support for this program that will entail very little Federal funds, we sincerely hope that you will do everything within your power to bring about such legislation.

Sincerely yours,
WALLACE MILLER, *Manager.*

VETERANS BENEFITS—RESOLUTION

Mr. HUMPHREY. Mr. President, at a regular meeting held in Minneapolis, Minn., on January 10, 1958, the Bearcat Post 504 of the American Legion, Department of Minnesota, adopted a resolution opposing any curtailment or repeal of benefits to our veterans.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas it has been reported in the press, on radio news programs, and, in many national publications, that legislation to curtail, limit, and repeal certain features of existing legislative benefits to veterans, their wives, widows, and certain dependents will be introduced in this present session of the 85th Congress; and

Whereas it is further reported that, by Executive order, certain services granted to veterans through the United States Veterans' Administration will be greatly reduced; and

Whereas it is reported that curtailment of certain services and benefits now granted to veterans by law and administration directive, is essential to the safety and welfare of the Nation in that the money saved by such economy will greatly assist in the advanced proposed program of national defense: Now, therefore, be it

Resolved by the Bearcat Post 504, the American Legion, Department of Minnesota, in regular meeting assembled January 10, 1958, in the city of Minneapolis, Minn., That we oppose now, as we did in 1932 and 1933, any legislation or directive to curtail or repeal any benefits to which our veterans are now entitled, in the name of economy in Government to provide the necessary funds to carry out other suggested programs and services; and be it further

Resolved, That the Members of the Congress and Senators from Minnesota be informed of this action and that their reaction to such legislation or directives will be carefully observed during the coming months.

PRESERVATION OF NATURAL RESOURCES—RESOLUTION

Mr. HUMPHREY. Mr. President, at their midwinter board meeting held in Minneapolis, Minn., on February 15 and 16, the Minnesota Federation of Business and Professional Women's Clubs, Inc., adopted a resolution supporting the national wilderness preservation bill.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

THE MINNESOTA FEDERATION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS, INC.,
Hibbing, Minn., February 20, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY:

Whereas it is vital for every country to preserve their natural resources of soil, water, and forests; and

Whereas it is vital that the United States act now to preserve our national parks and wilderness areas, wildlife refuges, and other such existing areas; and

Whereas the recreational value, to our citizens, of our national parks wilderness areas and other such areas, is increasing each year: Therefore be it

Resolved, That the Minnesota Federation of Business and Professional Women's Clubs, Inc., assembled at our midwinter board meeting in Minneapolis February 15 and 16, go on record supporting the national wilderness preservation bill, and that copies of this resolution be sent to Senator HUMPHREY and Senator THYE and all Minnesota Members of the House of Representatives.

Sincerely yours,
NEOLA J. MADDISON,
State President.
EVELYN KEPPEL,
Corresponding Secretary.

AMENDMENT OF DUCK STAMP ACT—LETTER

Mr. HUMPHREY. Mr. President, the Madelia Sportsmen's Club of Madelia, Minn., has recently gone on record favoring S. 2617, the bill introduced by Senator MAGNUSON to amend the Duck Stamp Act.

I ask unanimous consent that the letter I have received from Darwyn L. Seibert, secretary of the club, informing me of this action be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

ROYAL BLUE FOOD STORE,
Madelia, Minn., February 21, 1958.

Senator HUBERT HUMPHREY, of Minnesota,
United States Senate Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The Madelia Sportsmen's Club of Madelia, Minn., would like to go on record as favoring a bill introduced last session by Senator MAGNUSON. This bill proposes to amend the Duck Stamp Act by allocating 65 percent of receipts for acquisition of waterfowl areas. It authorizes purchase or leasing of small wetlands in a new category to be designated waterfowl production areas. The bill does not propose an increase in the $2 duck-stamp fee.

The Madelia Sportsmen's Club is very much in favor of this bill, and hope you will do what you can to see it pass. Thank you.

Sincerely yours,
DARWYN L. SEIBERT,
Secretary.

PAY TELEVISION—LETTER

Mr. HUMPHREY. Mr. President, at a meeting held on February 12, 1958, the delegates to the St. Paul Trades and Labor Assembly went on record opposing pay TV.

I ask unanimous consent that the letter I have just received from E. D. McKinnon, secretary of the Trades and Labor Assembly informing me of this action, be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

TRADES AND LABOR ASSEMBLY,
St. Paul, Minn., February 20, 1958.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The delegates to the St. Paul Trades and Labor Assembly were advised at their meeting on February 12 that a move is underway by broadcasting stations to make a charge for television programs. Also, that

certain areas may be blacked out by television stations for certain programs unless they are permitted to make charges for their services.

Too much information was not available on this subject, but I was instructed to write to our Senators and Congressmen urging them to oppose any plan that would impose a further tax or charge on the owners of receiving sets.

We trust we will have your cooperation if and when this matter comes before Congress.

Very truly yours,

E. D. McKINNON, *Secretary.*

PROHIBITION OF DISCRIMINATION BECAUSE OF AGE—RESOLUTION

Mr. HUMPHREY. Mr. President, on February 20, 1958, the Stillwater Aerie of the Fraternal Order of Eagles adopted a resolution supporting S. 3188, which I cosponsored with Senator NEUBERGER to prohibit discrimination because of age in the hiring and employment of persons by Government contractors.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the Fraternal Order of Eagles is engaged in a nationwide job after 40 campaign to eliminate age discrimination in employment as an unwarranted practice which is depriving many thousands of physically sound, skilled and experienced workers of the means of a livelihood, and which is resulting in a tragic waste of manpower in the American economy; and

Whereas there is now pending in the United States Senate S. 3188, introduced by Senator RICHARD L. NEUBERGER, and cosponsored by nine other Senators, to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; and

Whereas enactment of such proposed legislation would provide employment for many competent workers now barred by age discrimination, and would set an inspiring example by Government for all industry for the adoption of similar policies: Now, therefore, be it

Resolved, That Stillwater Aerie of the Fraternal Order of Eagles hereby goes on record for support of bill S. 3188, and urges enactment of this pending legislation into law.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 3039. A bill amending the Agricultural Trade and Assistance Act of 1954, as amended (Rept. No. 1323).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 242. Concurrent resolution providing for the remains of the unknown American of the Second World War and of the unknown American of the Korean conflict to lie in state in the rotunda of the United States Capitol before burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va. (Rept. No. 1324); and

H. Con. Res. 246. Concurrent resolution authorizing the printing of additional copies of the compendium of papers collected for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means.

By Mr. HENNINGS, from the Committee on Rules and Administration, with amendments:

S. Res. 259. Resolution providing assistance to Members of the Senate in the discharge of their responsibilities in connection with visiting foreign dignitaries, and for other purposes (Rept. No. 1325).

LENA B. HASKELL

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 266) to pay a gratuity to Lena B. Haskell, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Lena B. Haskell, widow of Stephen R. Haskell, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EMMA L. SCOTT

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 267) to pay a gratuity to Emma L. Scott, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Emma L. Scott, mother of Herman L. Scott, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ANNIE (NANCY) E. T. LEVAY

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 268) to pay a gratuity to Annie (Nancy) E. T. Levay, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Annie (Nancy) E. T. Levay, daughter of Arthur Wilkins, an employee of the Senate at the time of his death, a sum equal to 10 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPEAL OF CERTAIN AUTHORIZATIONS OF EXPENDITURES FROM CONTINGENT FUND OF THE SENATE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 269) to repeal certain authorizations to make expenditures from the contingent fund of the Senate, and submitted a report (No. 1326) thereon; which resolution was placed on the calendar, as follows:

Resolved, That the authorizations provided by Senate Resolution 129, agreed to June 26, 1947; Senate Resolution 300, agreed to June 20, 1950; Senate Resolution 116, agreed to May 15, 1941; Senate Resolution 59, agreed to January 29, 1947; Senate Resolution 234, agreed to May 20, 1954; and Senate Resolution 250, agreed to April 13, 1950, as amended by Senate Resolutions 311, agreed to July 27, 1950; 209, agreed to September 13, 1951; 262, agreed to January 24, 1952; 333, agreed to June 12, 1952; 106, agreed to June 8, 1953; and 137, agreed to August 3, 1953, are hereby repealed.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Clifford W. Tupper, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3361. A bill to promote the national merchant marine policy by providing for the construction of 90 merchant vessels; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. THYE:

S. 3362. A bill to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH:

S. 3363. A bill to amend the Internal Revenue Code of 1954 so as to increase the import taxes on petroleum and petroleum products; to the Committee on Finance.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 3364. A bill for the relief of Antonios Thomas; to the Committee on the Judiciary.

By Mr. COOPER (for himself and Mr. MORTON):

S. 3365. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES (for himself and Mr. JAVITS):

S. 3366. A bill to amend title II of the Social Security Act to permit any instrumentality of two or more States to obtain social security coverage, under its agreement, for those of its employees who are in policemen's or firemen's positions covered by a retirement system and who desire such coverage; to the Committee on Finance.

By Mr. BUSH:

S. 3367. A bill for the relief of the Tatem Manufacturing Co.; and

S. 3368. A bill for the relief of Meriden Industries Co.; to the Committee on the Judiciary.

By Mr. JAVITS:

S. J. Res. 156. Joint resolution to defer a reduction in support prices for dairy products under present economic conditions until Congress can make appropriate provision to prevent serious injury therefrom to dairy farmers; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. KEFAUVER:

S. J. Res. 157. Joint resolution to amend the Constitution to authorize governors to fill temporary vacancies in the House of Representatives; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself and Mr. IVES):

S. J. Res. 158. Joint resolution to provide for the compensation to United States citizens of certain property vested under the Trading With the Enemy Act; to the Committee on the Judiciary.

RESOLUTIONS

Mr. HENNINGS, from the Committee on Rules and Administration, reported the following original resolutions, which were placed on the calendar:

S. Res. 266. Resolution to pay a gratuity to Lena B. Haskell;

S. Res. 267. Resolution to pay a gratuity to Emma L. Scott;

S. Res. 268. Resolution to pay a gratuity to Annie (Nancy) E. T. Levay; and

S. Res. 269. Resolution to repeal certain authorizations to make expenditures from the contingent fund of the Senate.

(See above resolutions printed in full, which appear under the heading "Reports of Committees.")

INSTALLATION OF AUDIO SYSTEM IN SENATE CHAMBER

Mr. WILEY. Mr. President, on several occasions in the past I have recommended that the Senate modernize itself by adopting an electronic system for the purpose of amplifying the proceedings in our Chamber. Many times I have stood close to the very front and have not been able to hear you, Mr. President, and I must say that is true also of the voice of the majority leader. I might say also a number of Senators have spoken to me about it.

But more than that, people from my own and other States who come to Washington and sit in the galleries of the Senate are entitled to hear the discussions on the floor.

It is indeed unfortunate that, seated in the galleries, so many of our American citizens, and foreign visitors, too, who are earnestly interested in our work, cannot hear many of our statements.

I am sure that my colleagues with soft voices have a lot of good to pass on to all of us; but often I, for one, have to rely on the following morning's CONGRESSIONAL RECORD to furnish me with a complete text of what I should have been able to hear in entirety on the floor. Many times I have heard others speak of this situation.

The public is entitled to hear the discussions on the floor of the Senate. That is what they come here for. The press is entitled to hear us. Many times I have thought that several members of the press would fall into the pit of this Chamber in trying to hear what was going on, because many Senators' voices are so soft and melodious that they cannot be heard. I am sure that many of my colleagues share my interest in this matter.

Therefore, I now submit a resolution directing the Senate Committee on Rules and Administration to make a study to find the best way possible to insure that the full proceedings and deliberations on the floor of the Senate be heard throughout the Senate Chamber.

I might say that I have heard suggestions that there might be on the Vice President's desk a loudspeaker, and also on the desks of the secretaries, so that a speaker could be heard throughout this assembly.

Mr. President, I realize that we are so conservative that we prefer to follow old methods and old precedents; but this is the age of the space ship. We have gone by the atom age. The Senate should be so equipped that at least we can hear each other talk, and also so that visitors who are courteous enough to try to hear what is going on can hear the discussions.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD and appropriately referred.

The resolution (S. Res. 265) submitted by Mr. WILEY (for himself and Mr. HUMPHREY) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a complete study and investigation of the desirability and feasibility of the installation in the Senate Chamber of an audio system designed to enable occupants of the Senate galleries to clearly hear the proceedings and deliberations carried on by the Senate.

SEC. 2. The committee shall report its findings, together with its recommendations for such action as it deems advisable, to the Senate at the earliest practicable date.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. HUMPHREY. I wish to commend the Senator from Wisconsin for the action which he has taken, which I believe is long overdue. It is within the spirit of the times to use electronic devices, recording devices, and broadcasting devices. That is a part of the pattern of the 20th century. It seems to me such devices are used everywhere else except in the United States Senate.

The Senator from Wisconsin has indicated that there are those in this Chamber with soft voices who often have some very good and substantial statements to make and which ought to be heard.

I may say the Senator from Minnesota has been gifted with and privileged to have leathery lungs——

Mr. WILEY. The Senator means good bellows.

Mr. HUMPHREY. I am very appreciative of that gift, but on occasion debate in this Chamber might be much more enlightening, and we might be in a position to discuss matters in a more gentlemanly and friendly manner, if the suggestion of the Senator from Wisconsin were put in effect.

I thank and commend the Senator from Wisconsin, and say that his service is beyond the call of duty, and what he suggests is long overdue.

Mr. WILEY. I may say that heretofore I have mentioned this subject, but recently I have had persons from the west coast, from your State, Mr. President, commenting on what they call the ridiculousness of the situation. Of course, I could not help agreeing with them. Men representing great commonwealths and States rise on the floor and they have much to say that is worthwhile, yet in many instances their voices cannot be heard.

We notice that the reporters of debates have to run up close to some Senators, and across the whole Chamber, in order to hear what is being said. Anyone sitting in a back seat does not know what is going on.

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired.

Mr. CHAVEZ. Mr. President, will the Senator yield to me? I know something about this subject.

Mr. WILEY. I am very happy to yield if I may have more time, because this subject is very important, and is also for the benefit of the Vice President, who is now in the chair.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. CHAVEZ. I was the chairman of the committee which authorized the refurbishing of this Chamber. Thinking at that time that Senators might want to have their voices heard in all sections of the Chamber, it was wired for that purpose. If the Senator from Minnesota and the Senator from Wisconsin will get busy, they will learn they can plug in at any time and have the benefit of electronic devices, amplification of sound, and so forth. There are possibly more than 50 or 60 intakes which can be utilized at this moment. We were away ahead of the times. I hope the Senator from Wisconsin will succeed in his effort.

Mr. WILEY. I thank the Senator. I hope we shall be able to plug in. Let us get something done. Wisconsin can show the way. We have adequate facilities in our assembly, including a vote-registering machine.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that I may be included as a sponsor of the resolution submitted by the Senator from Wisconsin [Mr. WILEY].

The VICE PRESIDENT. Without objection, it is so ordered.

CONSTRUCTION OF MERCHANT SHIPS IN PRIVATE SHIPYARDS

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill authorizing the Maritime Administration to have constructed in private shipyards 30 merchant vessels of the mariner or other types considered essential to maintain a merchant marine adequate for national defense purposes.

The bill provides that after the vessels are completed, the Maritime Administration shall make arrangements for their operation, charter or sale to best carry out the established United States merchant marine policy.

This Nation has recognized the importance of a strong merchant fleet as an arm of our defense effort. Many of our ships in the World War II category

will soon become obsolete and national policy requires their replacement. The Joint Chiefs of Staff and the ODM have recognized this situation but the Congress has been lax in providing the necessary funds.

The purpose of my measure is to place this problem squarely before Congress so that all Members may become acquainted with the state of our merchant marine today and its fate tomorrow in the event we continue to neglect it. These facts will be developed through hearings and in debate.

I am positive that, once aware of the facts, Congress will take the necessary steps to preserve our merchant fleet as a defense must. I am also certain that the administration will support the measure I have introduced today.

In addition to providing 30 replacement ships, my bill will help the economic situation by providing more work and jobs in the shipyards of the Nation.

The Office of Defense Mobilization and the Joint Chiefs of Staff are well aware of the present precarious position in which the American merchant marine finds itself. One of the principal purposes of the bill is that hearings may be held at which representatives of the Joint Chiefs of Staff and the Office of Defense Mobilization can appear and make their views known.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3361) to promote the national merchant-marine policy by providing for the construction of 30 merchant vessels, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

GRAND PORTAGE NATIONAL MONUMENT, MINN.

Mr. THYE. Mr. President, I introduce, for appropriate reference, a bill to establish a national monument at Grand Portage, Minn. This monument would preserve an area of great and unique historical interest to our Nation.

This proposal is presented in the interest of persons concerned with preserving historical sites, and at the request of the Grand Portage Band of the Chippewa Indians. It is intended that a 100-acre site on the shore of Lake Superior, which was set aside as a national historic site in 1953, should be the main part of the national monument. The National Park Service would reconstruct the stockade which was once maintained by the Northwest Fur Co., and the Park Service would also maintain a historical museum at the site.

The Grand Portage trail was long used as an Indian route to avoid the Pigeon River rapids during fur-trading days of the Northwest. The 9-mile Grand Portage trail from the lakeshore to the site of Fort Charlotte on the Pigeon River will be incorporated into the monument site.

It would be significant to the State of Minnesota if action could be completed on this bill in Congress during this session so that dedication of this historic monument might take place during Minnesota's statehood centennial year.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3362) to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

INCREASED IMPORT TAXES ON PETROLEUM PRODUCTS

Mr. YARBOROUGH. Mr. President, last Thursday, because of the continued excessive imports of foreign oil, Texas crude-oil production allowable for March was cut down to 9 producing days a month. This is the lowest allowable flow in modern history, with only 2,517,814 barrels daily in March.

This represents a cutback of 513,814 barrels daily, which in terms of money at current prices is more than $1.5 million a day.

Consider the effect on the economy when the second largest industry of the State produces only 9 days a month. The resultant unemployment and loss of consumer purchasing power and loss of tax revenues to schools and all levels of government that result from limiting a great industry to less than one-third of its allowable potential has hit every stratum of our society and every phase of our economy. During 1956, the last year for which complete records are available, Texas produced 42.5 percent of the Nation's oil—a total of 1.2 billion barrels. The present rate of production is only 75 percent as much. All the Southwestern States are similarly hit.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparison of domestic and foreign oil production for the years from 1953 to November 1957.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMPARISON OF DOMESTIC AND FOREIGN PRODUCTION

The contrast between conditions in the domestic industry and in foreign-producing areas which supply the major part of the crude oil brought into the United States is quite significant. Despite the much larger number of producing wells, crude-oil production in Texas is now at a lower level than in 1953, 5 years ago, and for the United States as a whole crude-oil production is up only 5.6 percent above 1953. Meanwhile, production in foreign areas has increased quite substantially as shown by the following tabulation:

Area	Crude oil production (thousand barrels daily)			Change, 1953 to November 1957	
	1953	1954	Nov. 1957	Thousand barrels daily	Percent
Texas	2,792	2,669	2,722	−70	−2.5
Other States	3,666	3,673	4,100	+434	+11.8
United States	6,458	6,342	6,822	+364	+5.6
Canada	222	263	428	+206	+92.8
Venezuela	1,745	1,895	2,562	+817	+46.8
Middle East	2,431	2,749	3,704	+1,273	+52.4

Source: United States figures from Bureau of Mines. Foreign figures from World Oil.

Texas allowable

	Barrels daily
March 1957	3,771,162
February 1958	2,999,660
Down	771,502

Mr. YARBOROUGH. Mr. President, this comparison was prepared and sent to me on February 19, 1958, by the Honorable Ernest O. Thompson, a member of the Railroad Commission of Texas, and a man long recognized as one of the world's foremost authorities on oil production.

General Thompson's figures show that while Texas oil production has decreased 2.5 percent in the past 5 years, and other domestic oil production has increased only a modest 11 percent in the past 5 years, foreign imports have made drastic gains. From 1953 to 1957, imports from Venezuela have increased 46 percent, and those from the Middle East have increased over 52 percent. As of last November, Venezuela and Middle East crude oil production totaled 6,266,000 barrels daily, while our domestic production totaled 6,800,000 barrels daily. Up to the present moment, more and more companies are seeking to bring foreign oil into the United States. This excessive importation, unless slowed to a reasonable rate, will continue to replace American domestic crude, and growing armies of the unemployed will roam our roads.

Let me read a portion of the letter from General Thompson dated February 19, 1958. This noted authority said:

On Monday of this week I was in Washington at the request of Secretary Sinclair Weeks, Secretary of Commerce, who is the Chairman of the Cabinet Oil Import Committee. He wanted to ask me my views on what should be done about imports, and I told him that in my opinion the President should promptly order a 20-percent reduction in imports of oil, and that this should come very promptly if disaster were to be avoided.

Mr. President, the issue of cheap foreign oil imports is not, as some would have us believe, merely a fight among wealthy interests. The moderate- and low-income-bracket people of America are deeply concerned. At this time more than 200,000 persons are unemployed in Texas. This is nearly 6 percent of the labor force, the highest number without work since the terrible thirties. Much of this unemployment in Texas is the result of the foreign oil imports situation. Let me read a telegram I received from Mr. R. R. Dawson, president of the Baytown Employees Federation:

DEAR SENATOR: As you well know, crude oil allowables in Texas are now at the lowest level in history. Also, unemployment in the State as well as in the Nation as a whole is on the rise. We feel that foreign imports of oil (both crude and finished products) are the primary factors contributing to both these conditions.

We as employees of the Humble Oil & Refining Co., are very much concerned about this problem. What we are most interested in is—what plans are now in progress by the Congress of the United States?

This telegram is typical of many of the reports I am receiving. With a 9-day production month set for March, things

are not going to improve on a voluntary basis.

This administration's much-ballyhooed voluntary imports program has not and will never meet the critical need to stop excessive imports. Some of the major oil companies need the kind of voluntary treatment we received in the Army. The sergeant used to say, "I want four volunteers—you, you, you, and you." The critical unemployment situation alone is more than adequate justification for demanding that the administration tell importing firms: "You, you, you, and you cut imports 20 percent, and I mean now."

The President of the United States has that power now. It was granted to him by Congress in 1955, when it was found by the committee that the imports of foreign oil had reached a critical stage. Since he has the power, he can, at one stroke of the pen, stop the imports of foreign oil, and thus stop the armies of unemployed throughout the Nation from growing larger.

As things stand now, there is no immediate help in sight for the thousands who have been laid off, with drilling activities down to a record low. As of last week, rotary drilling operations took a sharp dip, with 277 rigs stacked that were drilling a year ago. The rigs are stacked in the Southwest, but they run around the clock for foreign oil and the cartels. In terms of bread and bacon for Texas families, the year's decrease means nearly 6,000 men off the job from the rigs alone, men who were working a few months ago.

More men have lost jobs; they have no money. They include well-service machinemen, perforators, cementers, oil truckers, oilfield equipment men, the base men, the geologists, and men in all the other related businesses. The unemployment reaches back to those who mine the ore and manufacture the steel. It is the discontinuance of the use of heavy steel which is causing unemployment to spread to every corner of the Nation.

The drilling picture is only one part of the picture. The unemployment pinch can be traced to any part of the oil industry, and it is being felt by virtually all the Midwest and Southwest oil-producing States. For example, our neighbors in Louisiana and Oklahoma have recently had production cutbacks, too.

We are immediately concerned with the well-being of the millions who work with oil, whose jobs and business depend on the domestic oil economy, and most of whom are fighting bankruptcy and hunger.

Who, it might be asked, is not concerned with the economic well-being of these millions of Americans involved?

This administration has the legal authority and the moral responsibility to stop excessive oil imports. But in its characteristic fashion of love for ultra-big business, the administration has continued to dance with the oil moguls while the people pay for the music.

Mr. President, it all comes down to this: How long are we to let major oil importers flood this country to the ruination of the people and to the threat of the national security? Six members of the President's Cabinet have signed a solemn declaration that the rate of imports is so high that it constitutes a threat to our national security. Yet this administration has floated along complacently on a flood of foreign oil with campaign fund dollar signs shining in its eyes. Why, Mr. President, Jack Porter's $100 GOP dinner at Houston was little peanuts compared to the hundreds of millions of dollars involved in this question.

Mr. President, in order to met this critical emergency, I introduce for reference to the appropriate committee a bill to amend the Internal Revenue Code of 1954 so as to increase the import taxes on petroleum and petroleum products.

This proposal would raise the import duty on crude petroleum by 84 cents a barrel, raise the import tax on gasoline from 2 to 3 cents a gallon, and on lubricating oil from 4 to 5 cents a gallon.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3363) to amend the Internal Revenue Code of 1954 so as to increase the import taxes on petroleum and petroleum products, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 4521 of the Internal Revenue Code of 1954 (relating to import tax on petroleum products) is amended—

(1) by striking out "one-half cent per gallon" in paragraph (1) (tax on crude petroleum, etc.) and inserting "2 cents per gallon";

(2) by striking out "2½ cents per gallon" in paragraph (2) (tax on gasoline or other motor fuel) and inserting "3 cents per gallon"; and

(3) by striking out "4 cents per gallon" in paragraph (3) (tax on lubricating oil) and inserting "5 cents per gallon."

SEC. 2. The amendments made by this act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the first day of the first month which begins after the date of the enactment of this act.

ADMISSION OF CERTAIN IMPORTED ARTICLES FOR EXHIBITION AT KENTUCKY STATE FAIR WITHOUT PAYMENT OF TARIFF

Mr. COOPER. Mr. President, on behalf of myself, and my colleague, the junior Senator from Kentucky [Mr. MORTON], I introduce, for appropriate reference a bill which would permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair to be admitted without payment of tariff. A companion bill is being introduced today in the House of Representatives by Representative JOHN M. ROBSION, Jr. It is my information that bills of this type have been presented and enacted in previous years, establishing the precedent, and the valid and useful purpose of the bill which I introduce.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3365) to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes, introduced by Mr. COOPER (for himself and Mr. MORTON), was received, read twice by its title, and referred to the Committee on Finance.

POSTPONEMENT OF REDUCTION IN SUPPORT PRICES FOR DAIRY PRODUCTS

Mr. JAVITS. Mr. President, we are faced today with an amazing paradox, referred to by my colleagues, the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Minnesota [Mr. HUMPHREY]. I should like to call attention to it, and to make a suggestion somewhat different from theirs.

Consumer prices have risen sharply to another record in January, the United States consumer price index standing at 122.3 compared with 121.6 in December, the base of 100 equaling the 1947–49 average. This is a rise of 0.6 percent, the steepest since last summer. Notwithstanding this fact, inventory liquidations, it appeared only Monday, to the extent of $5.7 billion were the major element in a drop in the gross national product in the last quarter of 1957 of $7.4 billion compared with the preceding third quarter. The unemployment figures of 6.7 percent of the working force certainly show that we are in an economic downturn or recession at this time. So do cutbacks in output and shorter workweeks. Normally prices would become an invitation to buy under such circumstances, not a squeeze on the consumer, which represents a rising price structure and a falling gross national product.

There are some major questions which need to be answered for the people. These include whether our economy is doing as much as it should in terms of productivity increases, whether the national income is being fairly shared by the different elements of the population that contribute to it, what and whether prices are being determined competitively or are inadequately responsive to supply and demand due to built-in rigidity attributable to size or organization in American business.

Therefore, I respectfully suggest that we come again to the position which we took before World War II, when we set up what was called the Temporary National Economic Conference, which operated from December, 1938, to December, 1941, just before World War II began.

Last year I suggested that we proceed with such a study through the Committee on Interstate and Foreign Commerce. I now urge very strongly that, either through the Committee on Interstate and Foreign Commerce or through a select committee, we undertake the same kind of study that we made immediately prior to World War II.

All of us are being asked by our constituents what we are doing specifically about the high cost of living. I think a new overall consideration of the problems I have suggested and many others is needed in some such comprehensive way as was afforded by the TNEC.

My resolution, Senate Resolution 137, calls for a study by the Committee on

Interstate and Foreign Commerce of the consumer interest in the economy. It is the consumer whose interest is now at stake.

Ours is a consumer's economy, in consumption, and increasingly in production. In consumption because the consumer is king and can make or break any business so long as we enforce the antitrust laws adequately to give him alternatives of choice. In production because of the increasingly widespread ownership of our means of production through direct ownership of securities by almost 9 million Americans and indirect ownership through their deposits in mutual savings banks, their life-insurance policies, and their interest in pension, welfare, and retirement funds. There is a great opportunity for service to our economy right now, and we should undertake it.

I believe we can profit from our present situation, and learn what we need to learn, and legislate if we need to legislate. Instead of spending our time calling each other names, we should find out what to do about our situation in the most informed way of which our Republic is capable.

I introduce a joint resolution, and ask that it be appropriately referred.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 156) to defer a reduction in support prices for dairy products under present economic conditions until Congress can make appropriate provision to prevent serious injury therefrom to dairy farmers, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

EMPLOYMENT OF WORKING CAPITAL FUNDS IN PROCUREMENT OF CERTAIN EQUIPMENT — AMENDMENT

Mr. FLANDERS submitted an amendment, intended to be proposed by him, to the bill (S. 2595) to authorize the employment of working capital funds in the procurement and replacement of durable productive equipment, which was referred to the Committee on Armed Services, and ordered to be printed.

READJUSTMENT OF POSTAL RATES—AMENDMENTS

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, which was ordered to lie on the table, and to be printed.

Mr. MORSE (for himself, Mr. YARBOROUGH, and Mr. PROXMIRE) submitted an amendment, intended to be proposed by them, jointly, to House bill 5836, supra, which was ordered to lie on the table, and to be printed.

Mr. CLARK (for himself and Mr. PROXMIRE) submitted an amendment, intended to be proposed by them, jointly, to House bill 5836, supra, which was ordered to lie on the table, and to be printed.

Mr. YARBOROUGH submitted an amendment, intended to be proposed by him, to House bill 5836, supra, which was ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT

Mr. FLANDERS submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

REMOVAL OF LIMITATION ON AMOUNT OF INCOME EARNED WHILE RECEIVING SOCIAL SECURITY BENEFITS—ADDITIONAL COSPONSOR OF BILL

Mr. LANGER. Mr. President, I ask unanimous consent that the name of the Senator from New York [Mr. JAVITS] be added as a cosponsor of the bill (S. 3328) to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder, introduced by me on February 21, 1958.

The VICE PRESIDENT. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (S. 3197) to authorize reduced retired pay plus pension or compensation to certain retired personnel of the armed services who retired prior to January 1, 1957, and that the bill be referred to the Committee on Finance.

S. 3197 would appear to authorize social-security payments to military personnel retired prior to January 1, 1957, if they have reached age 65 and are not presently receiving social-security benefits. A waiver of a portion of retired pay would be required in order to receive the additional benefits.

This bill relates to laws administered by the Veterans' Administration and the Social Security Administration, both of which are under the jurisdiction of the Committee on Finance.

The VICE PRESIDENT. Without objection, the Committee on Armed Services will be discharged from the further consideration of the bill, and it will be referred to the Committee on Finance.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. REVERCOMB:

Address delivered by him at the Lincoln memorial dinner held under the auspices of the executive committee and the Republican Women's Committee of Ohio County, at Wheeling, W. Va.

By Mr. CASE of New Jersey:

Address by Senator SMITH of New Jersey before Woodrow Wilson School of Public and International Affairs, Princeton University, February 24, 1958.

By Mr. MAGNUSON:

Statetment prepared by him relating to the American merchant marine.

By Mr. DIRKSEN:

Statement prepared by him entitled "Salute to the Czech People."

By Mr. NEUBERGER:

Statement prepared by his office on the ingredients of Oregon beef candy.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Archie M. Meyer, of Arizona, to be United States marshal for the district of Arizona, for the term of 4 years.

Donald A. Fraser, of Connecticut, to be United States marshal for the district of Connecticut, for a term of 4 years.

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan, for a term of 4 years—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, March 5, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARINGS ON CERTAIN BILLS BY THE COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, on behalf of a subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 5, 1958, at 10:30 a. m. in room 424, Senate Office Building, on S. 2461, a bill to prohibit unauthorized disclosure of certain information by members, officers, and employees of regulatory agencies of the Government, and S. 2462, a bill to prohibit certain communications with respect to adjudicatory matters pending before Government agencies.

Persons desiring to be heard should notify the subcommittee by Monday, March 3, 1958, so that a schedule can be prepared for those who wish to appear and testify.

The subcommittee consists of myself, chairman; the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Nebraska [Mr. HRUSKA].

INTERNATIONAL SCIENCE ORGANIZATION TO EXPEDITE THE SPACE AGE

Mr. WILEY. Mr. President, from the morning newspaper I note that the leading physicist of Germany has propounded

a theory which may explain the behavior of all basic particles, and therefore may explain the pattern of the universe.

The physicist, Dr. Werner Heisenberg, of the University of Goettingen, stated that to prove the correctness of this theory might take as long as 2 years; but he indicated that there are many signs that the new theory is right.

If the correctness of this theory can be proved, it may well provide the key, for example, to unlocking the secrets of the law of gravity. It may be the answer for which man has been searching to the problem of breaking his ties with the earth and venturing forth into space.

Mr. President, I believe that the proof of this theory and other scientific ideas might well be expedited by many years if there were established an international scientific organization in which the best scientific brainpower of all nations of the earth could be concentrated for the purpose of pure research.

Such an organization is vitally needed as we enter the so-called space age. It is imperative that in this era all scientific endeavor be devoted exclusively to peaceful pursuits. I call attention to a speech I delivered this week at Georgetown University; in it I dealt with the challenges of the space age, and outlined my views on such an international, scientific organization.

I also take this opportunity to call attention to the splendid research program on legal problems of outer space which has been begun by the American Bar Association. It is vitally important that our legal rights and our legal liabilities be thoroughly investigated before we actually begin an extensive program of exploration of our universe.

The American Bar Association has wisely established a committee composed of some of the Nation's most outstanding attorneys, and headed by David F. Maxwell, of Philadelphia, a distinguished former president of the bar association.

I request unanimous consent that the report of the ABA actions, taken from the New York Times of February 23, be printed in the RECORD, together with the text of my remarks at Georgetown University and the report from today's Washington Post and Times Herald regarding the theory of Professor Heisenberg.

There being no objection, the remarks and articles were ordered to be printed in the RECORD, as follows:

CHALLENGES, OLD AND NEW, IN THE SPACE AGE: THE NEED FOR AN INTERNATIONAL SPACE ORGANIZATION

(Address by Hon. ALEXANDER WILEY, of Wisconsin, at Georgetown University on February 24, 1958)

Tonight, we are going to talk about the space age. When we think in terms of outer space, and interplanetary travel, we think in terms of everything new—everything futuristic.

Our concepts of the space age deal mostly with rocket ships, missiles, earth satellites, and space men. As we stand on the threshold of this new era, many of us tend to think that we are cutting ourselves off from the past, and will be living strictly in an age of new challenges, most of which defy credibility.

Tonight, however, we will discuss not only the new challenges, but we will endeavor to demonstrate that the basic challenges of the space age are the same challenges which have confronted man since his earliest days on earth.

THE CHALLENGE OF CURIOSITY

Throughout the ages, man has been challenged by his overwhelming curiosity. He has had a compelling desire to know what lies beyond the horizon. He has wanted to find out why things are as they are. Most of man's progress through the ages has come about through the basic fact that he is more intelligently curious than any of the lesser animals.

One of the most compelling reasons for our arrival in the space age is that man's curiosity is once again leading him into the unknown. Compulsion to understand his environment and to improve conditions of that environment, is possibly one of the greatest challenges in the history of mankind.

THE CHALLENGE TO CONQUER AND CONTROL NATURE

In the earliest times, man encountered fire. It was not long before man had brought this natural phenomenon under his control, and was using it to further his purposes.

Later, he met still another challenge—that of the sea. Within a relatively short time, the intelligent curiosity of man, combined with the desire to control his environment, made it possible for him to use the sea as a means of transporting him from one continent to another.

There was once a man named Benjamin Franklin, whose curiosity about a natural phenomenon known as lightning, resulted in his pulling a spark down from a cloud on a key. Still another man, Thomas Edison, learned that this spark could be used to generate light for the use of man.

Only a few years ago, the ingenuity of man devised a means to smash an atom, thus bringing about the dawn of a new era in which we now find ourselves.

One of nature's greatest challenges to mankind through the ages has been that of gravity. For hundreds of years, man has been trying to find ways of defying and controlling gravity. He has used balloons to begin his adventure of air travel. The science of aerodynamics put him into the age of mechanized aviation. And now, a new science, that of astronautics, is about to take him beyond the pull of gravity, into outer space.

These concepts that I have mentioned are, of course, well-known facts. But, nevertheless, they are among the challenges which have brought us to the threshold of the space age. And they are the challenges which will take us into what may well be mankind's greatest adventure—the conquest of the universe.

CHALLENGE TO LIVE IN PEACE

However, one of the greatest challenges man has had throughout his history is that of living in peace and harmony with his fellow man. This is a challenge man has not been able to conquer thus far.

However, it is a challenge which he must now face and master. The space age has made our planet in reality a small speck in the universe. It has brought our continents within minutes of each other. When I first came to Washington, Wisconsin was one of the safest places in the world from enemy attack. Now, it is nearer to attack than even New York City or Washington. It is, in fact, only a matter of a very few minutes from the heart of Russia to my home town of Chippewa Falls, in the heart of Wisconsin.

Thus we must hope that man can learn to live with his neighbor as a friend and brother, in order that the challenge of space may be met in the name of all humanity, not in the name of individual nations or political philosophies.

NEW CHALLENGE OF PHYSICAL EXPLORATION

I do not mean to imply that the space age is going to mean nothing but recurrences of our old problems. Every day we are facing new challenges and new problems, which would have seemed preposterous or improbably futuristic, even 3 or 4 years ago.

The two sputniks of Soviet Russia and our own Explorer satellite contain scientific instruments which relay back to earth information on cosmic rays, weather, temperature, radio communications, and other subjects of vital importance.

The artificial satellites of the future will contain even more instruments, including television cameras, which will convey back to earth information of infinite value in helping man understand his environment.

A single earth-bound observer can see only a little of the earth's surface. He sees but a part of larger events that often involve the entire earth. In order to be able to understand the natural events which affect the earth, an observer must have a vantage point from a distance.

Within the next few years, scientists throughout the world anticipate placing manned space stations in orbit. From this vantage point, man will for the first time be able to observe the earth in its entirety. Our basic concepts of the earth may be drastically changed, after studies of this type are completed. We will undoubtedly notice that in many instances our maps and globes are in slight error. We will be able to observe the formation of storms and give accurate information as to the path they are following. It is conceivable that within the next few years, man will have developed means of controlling weather and climate from his vantage point outside the earth's atmosphere.

POSSIBILITY OF INSTANTANEOUS WORLDWIDE RADIO-TV

There is still much of the earth's surface, particularly at the North and South Poles, which man has not seen or charted. The scientific platform in outer space will be of invaluable assistance in getting the accurate information about these unknown areas.

A Russian scientific report published more than two years ago has shown that with artificial satellites, man can control communications throughout the world.

In other words, if my speech tonight were being televised, it would be possible, in theory, to relay the television signal from Georgetown University to a satellite located several hundred miles in space, from where, in turn, that signal would be relayed to any other area of the earth's surface we wished to reach. The possibilities of this new means of mass communication startle the imagination.

In American hands, it would mean that we would achieve a means of reaching behind the Iron Curtain into every home with a radio or television set, giving our message of truth.

It might well mean the end of invisible barriers for radio and television communication. On the other hand, if Soviet Russia were to achieve mastery of this technique, it would mean that she could blanket the world with her insidious propaganda, directly invading even our own homes with her insidious lies.

This, I believe, is one of the most important aspects of our space program in the foreseeable future. The Free World must dominate this area.

Another aspect of space platforms, which is obvious to everyone, is its potential use for military purposes. A nation which first masters the challenge of putting a permanent base in space will have within its power the ability to dictate terms to the rest of the earth. Here, again, the Free World must be first in technical achievement for peaceful purposes.

The space platform will serve not only as an observation post for the earth, but it will provide an observation post for further study of the universe. These studies will give needed data for the next step in the conquest of space—that of man's travel to the moon and the other planets.

THE ORDER OF THE UNIVERSE

Since the earliest days of man's awareness, he has used the universe as a basis for locating himself on earth. He has recognized that there is a system and regularity to the celestial bodies overhead.

The science of navigation depends largely on the order which appears in the universe.

Dr. Werner von Braun, the eminent scientist who has enabled the United States to place the Explorer in orbit, recently reemphasized that there is system in the universe, just waiting to be unveiled by the exploring mind of man.

The order and system which Dr. Von Braun describes, shows that our universe is not something that just happened, it indicates even more clearly that the universe was the work of a supreme architect.

Some people say that in venturing forth into outer space, we are tampering with the laws of God. I believe, however, that as man continues to explore and penetrate God's vast reaches of creation, he is furthering his faith and belief in the fact that there is a Supreme Being, in whose hands lies the destiny of the universe.

WHAT IS THE REAL NATURE OF MATTER?

We dare not forget that in physical matter alone will not be found the ultimate answer to life's meaning.

Of course, we are breaking barriers which have prevented our understanding of the nature of matter. We are finding answers—some of the answers—to the mysteries of life.

But we have hardly begun to understand not solely the physical laws of the universe, but the metaphysical and the spiritual laws which govern man.

THE SPACE AGE AND OUR EVERYDAY LIVES

On the level again, of practical application, how many of you have stopped to consider the drastic changes which the space age will effect in the everyday life of man on earth? Many of you in this audience are planning a career in the Foreign Service of our Nation. Some of you may be lawyers. Others are teachers. Have you ever considered the dynamic changes which may be brought about in these fields of endeavor, as the space age becomes a reality?

It is conceivable that within the lifetime of some of you in this audience, we will have established a Foreign Service post on the moon, not for the purpose of maintaining diplomatic relations, but for the purpose of protecting American interests. It is also conceivable that the Foreign Service officers in various posts throughout the world will have to be schooled in our rights and territorial privileges on the moon, or even possibly on some other planet.

The questions confronting the legal profession are too numerous to mention. An entirely new field of law will soon be open for study as a result of the space age. Questions of territorial claim must be determined. Perhaps, it is a very remote possibility, but we must determine responsibility in the event an unburned portion of one of our satellites accidentally falls on Russia, or a fragment of one of the Russian satellites falls on the United States or elsewhere. Definitive answers are needed for these, and hundreds of other questions.

CHALLENGE TO EDUCATION

We are all aware that the coming of the space age has presented the greatest challenge in its history to the American educational system. Many aspects of this system have been judged and found wanting. A need has clearly been demonstrated for complete reevaluation of our concepts of education, beginning with the grade-school level, and going clear through the college and university curriculums.

The new concept of education will have to take into recognition the fact that what is being taught this year may very well be completely obsolete by next year. It presents an entirely new challenge to the teaching profession, to keep pace with events as they occur in the fast-moving age of space.

MAJOR CHALLENGE: USE OF SPACE FOR PEACE

We turn now to what I consider to be the major challenge of the space age—that of utilizing this new frontier only for peaceful purposes.

It would be appalling to think that mankind, using all its ingenuity arrived at the threshold of this new era only to use it as a means of destroying itself.

This, I am sure, is not a part of the plan of the great Creator of the universe. I hope that future generations will look upon man's arrival at the space age as the time when he came to his senses and discontinued the practice of making war. Mankind in the future should be able to look with pride upon its ancestors of all nationalities and political philosophies who finally reached the maturity to stop quarreling among themselves, and to unite in the common objectives of exploring the universe. The time to arrive at that maturity is now.

PROPOSED NEW INTERNATIONAL SPACE ORGANIZATION

We have arrived at this great new era through the utilization of scientific thought. I believe that it may well be that scientists can show us the way for forgetting petty differences and uniting our efforts toward one common goal.

I suggest that scientists of our Nation, working through national scientific organizations, investigate the possibility of forming an international scientific organization on outer space problems. This group of scientists would represent the best brainpower of all nations of the earth to plan for coordinated and dynamic programs of peaceful utilization of outer space.

This organization could:

1. Encourage scientific cooperation between nations which could never be accomplished through other isolated channels.

2. It would encourage scientific thought without basing this thought primarily on political philosophies.

3. It would encourage scientists from Soviet Russia to use the data they have acquired from their sputniks and other research programs to try to further international scientific objectives, to the extent that they are permitted to do so.

4. Above all, by spearheading this organization, the United States would clearly demonstrate to all nations of the world that America is taking the leadership in planning for peaceful uses of outer space.

A program of this type would possibly speed by many years the accomplishment of many objectives of peaceful programs for space. If the nations of the world must continually plan a space program which is based on war and peace, they are cutting the efficiency of their research programs almost in half.

I wish to emphasize that this organization should deal with problems of a purely scientific nature. Leave political aspects of control of outer space to statesmen. But let us see if the scientists who have brought us to this point in history cannot show us the way around the current barriers.

CHALLENGE TO ALL

The most important instrument we have in meeting this challenge are the mind and spirit of man and his Creator. I believe that man will successfully face this new era—where we are smashing the atom and adventuring into illimitable space—with hope and faith. This is especially true if man will "work and despair not," as Carlyle said. I trust future generations will look back on the last half of the 20th century not only as the beginning of the space age, but also as the beginning of the age of international understanding and peace.

We cannot conclude this talk without referring to the challenge that has been with us ever since the Second World War was won. It is phrased in the language of Molotov: "All roads lead to communism."

We know that there is an unending campaign to spread Communist influence, to weaken the Western World and to take over additional areas for communism. This campaign has remained unabated since the war ended. It is now increasingly active in the former colonial and underdeveloped areas of Asia and Africa. Someone has said that this process of the Kremlin of nibbling away at the periphery is one thing, but it also pursues its course to neutralize or minimize the direct effectiveness of the Western World, by seeking to disarm the Western alliance and making the West unaware of the real threat to its own way of life.

Now what are we going to do about it? The answer to this challenge that faces us is one of alertness and adequacy, and not being taken in by the thought that the Soviets will abandon their long-range goal of world dominion. Our defenses must not only be military, but we must continue to better our social order, maintaining freedom's light so that it will be cast out over the world for the uncommitted, the halfcommitted, the neutralists to see. We must be equal to the task so that the Soviet Union will not set the pattern for humanity for the next half century.

The lust for power, dominion, territory must be restrained. That is the job of our diplomats. It was the Kaiser who said that a treaty is "but a scrap of paper," and we must in this challenging world remember that statement.

The moral responsibility of nations, as with individuals must be generated. In other words, the temporary meeting of minds in and of itself is not sufficient, there must be contracting parties who will live up to their agreements.

The challenge of the space age is a challenge to all of civilization. Mankind must recognize this challenge as a signal to roll up its sleeves and go to work for the common good. The current International Geophysical Year has shown that men of all nations and beliefs can cooperate on a program of benefit to civilization. Humanity cannot afford to ignore the fact that time is running out. We might even say that the current challenge is for man to make up his mind whether he is going to continue to exist, or whether he will perish.

I believe that man is now mature enough to meet the challenge of the space age.

[From the New York Times of February 23, 1958]

SPACE LAW URGED BEYOND 53 MILES—MCGILL PROFESSOR TELLS BAR ATMOSPHERIC LIMIT OUGHT TO DECIDE SOVEREIGNTY

ATLANTA, February 22.—The American Bar Association was told today that national sovereignty should end 53 miles up in the air. The law of outer space—whatever it is—would take over then.

John Cobb Cooper, a McGill University professor who is an expert on space law, said international control was the only practical answer. And he said governments had already indicated some acceptance of the principle.

Space law was one topic today at a combined southern regional and midwinter session of the bar association. Some 2,000 lawyers are here for the meetings.

A special committee to study the legal problems of space was set up by the ABA's section on international and comparative law. It includes representatives of the State Department and the armed services.

DISCUSSES TWO QUESTIONS

Professor Cooper discussed these questions:

Where does outer space begin? What law or laws should govern it?

Mr. Cooper noted that the United States and most other countries claimed complete sovereignty in the airspace over their territory. This means that no plane or other objects may enter that air without permission.

But, Mr. Cooper said, legally the word "airspace" covers only that portion of the atmosphere where there is enough air to provide some aerodynamic lift for airplanes or balloons.

He quoted scientific opinion that 53 miles up was the last point where the air was dense enough to give any lift to an airplane. That is about twice as high as any plane has flown.

Thus Mr. Cooper concluded that no country had really staked out a claim to own or control space beyond the 53-mile mark.

As a practical matter, Mr. Cooper said, nations have already recognized that something beyond a national government must deal with outer space. He cited the fact that the three satellites that have circled the earth in recent months must have passed over every country but that none had protested any violation of sovereignty.

Mr. Cooper said chaos was the only alternative to some form of international control. He urged an agreement—negotiated through the United Nations—to set up an international body for regulation of space guidance.

BUFFER ZONE STUDIED

The first problem of any international organization, he said, would be to try to draw a line between nationally controlled air space and outer space. He said there might have to be an intermediate zone where there was some atmosphere, but not much.

The space law committee set up today has David F. Maxwell of Philadelphia, a past president of the bar as chairman. Other members are:

Loftus Becker, legal adviser of the State Department; Ralph E. Becker, of Washington; Professor Cooper, Arnold W. Knauth, of the International Law Association; A. C. Lazure, of the Army Ordnance Department; Dean Edward Levi, of the University of Chicago Law School, and Prof. Leon Lipson and M. J. McDougal, of the Yale Law School.

Also Dean John Ritchie 3d, of the Northwestern University Law School; Dean Robert E. Sullivan, of the Montana University Law School; Rear Adm. Chester Ward, the Navy Judge Advocate General; Frank Simpson 3d, of Los Angeles and Andrew G. Haley, of the American Rocket Society.

[From the Washington Post and Times Herald of February 26, 1958]

THEORY OF PHYSICIST MAY BE COSMIC KEY SOUGHT BY EINSTEIN

(By Edward Gramarekian)

Germany's leading physicist has stirred the scientific world with an announcement of a theory which may explain the behavior of all the basic particles of matter and, thereby, the universe.

Up to the present, thirty-odd subatomic particles were described and explained by different theories which were contradictory and, therefore, highly unsatisfactory. Scientists have been looking for a single, unified theory that would cover all the particles and eliminate the contradictions.

World-famed Prof. Werner Heisenberg of the University of Goettingen, announced during a lecture there Monday night that he and his associates had discovered such a unified theory. Complete proof of its correctness may take a year or two, Heisenberg said, but there are many signs that the theory is right.

By explaining the behavior of all particles, the unified theory will relate in one set of mathematical equations all natural phenomenon such as electromagnetism, gravity, light, heat and nuclear energy.

The greatest obstacle has been the bringing together of electromagnetism and gravity in one set of relationships. Separate theories exist for these phenomenon and have produced some of the greatest inventions of our civilization, but all attempts to unify the two theories have been unsuccessful.

Prof. Albert Einstein attempted it in the unified field theory he published in 1950 after 30 years of work, but his theory has yet to be proved. No experiments have been devised or calculations carried out to prove it so far.

Einstein himself said he had not been able to confront the theory with suggestions for proof. According to some mathematicians, new mathematical methods would need to be devised to approach a proof.

It probably will take a year or two at least to prove Heisenberg's unified theory. If shown to be correct it will be hailed as the greatest scientific achievement of our age and, possibly, of all time.

Meanwhile, physicists regard the theory with traditional caution or even skepticism. A university physicist in the Washington area who did not wish to be named said that he had a preprint of a paper on the subject by Heisenberg and Wolfgang Pauli, both Nobel prize-winning physicists. He said they had not, by any means, proved the theory.

Many details have to be worked out, he said, and it will not be accepted by physicists until this is done.

Heisenberg and Pauli did not try to consider gravity in the paper, the Washington physicist said, but only set up a single field theory to explain and describe the elementary subatomic particles of matter. In the list of particles, the authors did not list the graviton, the fundamental gravity particle.

ADDRESS OF HON. JOHN DAVIS LODGE BEFORE SOUTHERN REGIONAL MEETING OF AMERICAN BAR ASSOCIATION

Mr. WILEY. Mr. President, I am pleased to note an increasing amount of thoughtful discussion of the tremendous importance of America's program for mutual security through aid and trade.

An excellent speech along these lines, which has just come to my attention through a friend who had heard it, was a statement made by the United States Ambassador to Spain, the former Governor of Connecticut, the Honorable John Lodge.

Speaking before the southern regional meeting of the American Bar Association in Atlanta last Thursday, Ambassador Lodge presented an eloquent and well-rounded review of America's meeting of the Soviet challenge through military strength at home, through mutual security abroad, and through extension of the reciprocal trade agreements program.

Naturally, before so distinguished an assembly of attorneys, Ambassador Lodge's comments on the responsibilities of the American bar in particular were especially appropriate.

As another worthy commentary on the background of S. 3318, which I am pleased to cosponsor with the able chairman of our Committee on Foreign Relations [Mr. GREEN], I send to the desk the text of Governor Lodge's address.

I ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JOHN DAVIS LODGE, UNITED STATES AMBASSADOR TO SPAIN, BEFORE THE OPENING ASSEMBLY SESSION OF THE AMERICAN BAR ASSOCIATION'S SOUTHERN REGIONAL MEETING, FEBRUARY 20, 1958, ATLANTA, GA.

Mr. President, members of the American Bar Association, distinguished guests, ladies, and gentlemen, for one who knows best the Connecticut and the Housatonic, and something of the Potomac, and who has been living and working for the past 3 years in the land of the Ebro, and the Tagus, and the Guadalquivir, and the Manzanares, it is both a pleasure and a privilege to visit the banks of the Chattahoochee.

A pleasure because I am certain that there is no hospitality more justly famous than that of the South and no capital of the South more friendly and sociable, and yet more alert and progressive than Atlanta.

And it is a very special privilege, and, indeed, a high honor, to be invited to address the distinguished gathering here today, both as a member of the bar and as a man in public service.

One of the greatest legal minds of the ages, Justice Oliver Wendell Holmes, has written these luminous words about lawyers:

"But to those who believe with me that not the least godlike of man's activities is the large survey of causes, that to know is not less than to feel, I say—and I say no longer with any doubt—that a man may live greatly in the law as well as elsewhere; that there as well as elsewhere his thought may find its unity in an infinite perspective; that there as well as elsewhere he may wreak himself upon life, may drink the bitter cup of heroism, may wear his heart out after the unattainable."

And so we lawyers have a very special responsibility in this difficult and dangerous world. Indeed, you have, during the past year or so, heard a number of brilliant speeches on the need for creating a world of law. Lawyers are in a unique position to understand what it means to bring the public force to bear against the criminal, whether that criminal is an individual or a nation. This is not only the essential challenge to our generation, it is, of course, an age-old challenge, one which we shall have to meet in one way or another if we are to survive. We shall have to impose the necessary disciplines upon ourselves if our freedom is not to be crushed by disciplines imposed on us by others.

Under the leadership of our great President we are, of course, responding to this fateful challenge in many ways. Justice Holmes' famous dictum that "the foundation of jurisdiction is physical power," is helpful to a real understanding of the challenge. Physical power is, of course, expressed in many ways.

In his excellent address on the state of the Union, President Eisenhower has told us that we have, essentially, great military strength; that we are taking steps to equal and eventually to surpass Russian scientific achievements; and that our economic assets are more than equal to the task of meeting Soviet imperialist aggression on nonmilitary fronts. The President has also made strong recommendations with respect to mutual economic assistance and international trade, recommendations which will, I hope, be endorsed by the Congress in order to provide these additional safeguards to our national security.

We must, of course, meet the Soviet threat on every front on which it presents itself.

The Soviets have achieved their major conquests without war. Quite obviously, there is no present reason for them to go to war if they can reach their immediate objectives without it. We can, of course, avoid war by allowing them to add to their already vast colonial empire without the use of military power. This is a policy which we reject for it is defeat by default.

Just as the criminal may be deterred from committing a crime by the certain prediction that he will be severely punished if he does, so can we avoid war by convincing the Russians through our actions that the punishment which would be visited on them would be awful in its destructiveness. However, as long as the Soviets continue to resort to actions short of war in enslaving other people, we must, in our own interest, resort to actions short of war in blocking them and in our efforts to help peoples already enslaved. Soviet successes, except for the Hungarian tragedy, have so far been achieved not by military invasion but by subversion, external pressure, internal force, bribery, coercion, and corruption. Even Hungary originally was subjected from within. Indeed, communism has never won in a free and fair election. The enslavement of some 600 million people has been achieved largely from within: the trojan horse technique; the fifth column taking advantage of the opportunities for incitement provided by free systems of government and exploiting the weaknesses in these countries. We must learn to defeat the Russian Communists in this twilight zone of action.

In his state of the Union message the President said:

"But what makes the Soviet threat unique in history is its all-inclusiveness. Every human activity is pressed into service as a weapon of expansion. Trade, economic development, military power, arts, science, education, the whole world of ideas—all are harnessed to this same chariot of expansion.

"The Soviets are, in short, waging total cold war.

"The only answer to a regime that wages cold war is to wage total peace."

We must wage this total peace, then, by intelligent diplomacy in all its forms, by projecting truth both inside and outside the Iron Curtain; by basic scientific research and by a great revival in education; by military and economic aid; by loans and by foreign trade; and by every resource of the human spirit. We must exhaust every means at our disposal to checkmate our enemies in order to avoid the holocaust of total hot war. For wars are but extensions of peacetime conflicts. I am confident that we can use these means and at the same time keep our atomic deterrent powder dry. But it will not be easy.

Underlying our various efforts there must be a basic sense of unity. For, if the Western World is truly united, Soviet imperialism can make no headway and the Soviet empire will eventually crack and sway and finally crash from inanition. Our President has worked hard to achieve this unity by his presence at the NATO meeting in Paris and by many other means. The Secretary of State too, has made great contributions. His visit to Spain, following the NATO meeting, has for example, been most useful in this connection. For although Spain is not a member of NATO, Spain is an Atlantic nation; Spain is the site of important bases; and Spain proved her anticommunism some 20 years ago in a bloody civil war in which a million lives were lost. Indeed the Spanish people understand well what it means to fight and to experience the treachery of international communism. The full cooperation of the noble people of Spain is vital to the unity of Western Europe. If we can forge real unity in Western Europe, it will constitute a mighty force; it will place the Soviets on the defensive.

The challenge of European unity goes back over many centuries. In a recently published and remarkable book, entitled "Journey for Our Time," the Marquis de Custine, writing in 1839, states that if the European nations do not learn to achieve unity, the Russians will be able to conquer them diplomatically and without even firing a shot. Unity, not uniformity, or even unanimity, is what we seek. We seek it not only abroad, but at home. Our dedicated President deserves and needs all our support in his efforts to protect America and lead the Western World in the cause of a durable peace. To us Americans this means sublimating private desire to the public good. It means placing the emphasis not on our differences but on the broad sweep of our common aspirations and interests. Let's turn off the heat and turn on the light. It means that in our contacts with each other and with our friends abroad we should stress the things which unite us rather than those which tend to divide us. Benjamin Franklin's famous exhortation, "We must all hang together, or assuredly we shall hang separately," is as valid today as it was when he uttered it.

I should like to stress particularly the economic field as a vital battleground. The United States, by far the world's greatest trading nation, is in a commanding position to determine the outcome of the economic struggle. Accordingly, the result of this titanic conflict may in great degree be determined by decisions that the Congress will make this year. On these decisions may well hinge, not only the fate of Western civilization, but our very survival as an independent people. The United States, standing alone, could not for long preserve either its prosperity or its free institutions. Indeed, ultimately we would succumb as a nation. We live increasingly in an interdependent world, a world in which political boundaries no longer coincide with economic frontiers. Indeed, our security and our prosperity depend upon the security, the stability, and the unity of our allies. Their security and continued stability depend in turn in large measure on economic conditions. Their unity can hardly be achieved without American economic aid. To retreat to fortress America, a suggestion one still hears rather desperately offered, is to retreat from life. We can no more avoid the struggle of the marketplace than we can avoid the sweaty bull ring of politics, or the bloody arena of war if all other weapons fail. There are many reasons why we cannot go back to fortress America.

First, with the productive capacity of our friends harnessed to our common cause, we have an overwhelming advantage in industrial power over the Soviet Empire. Conversely, this industrial power, in the predatory clutches of our enemies, would be more than enough to overwhelm us.

Second, the military bases which our allies share with us and the military forces they join with ours give us at present a strategic advantage for defense, thus greatly decreasing the cost of defense and the likelihood of war. These bases—these forces—in enemy hands, would vastly increase the cost of our defense and would immeasurably multiply both the hazards of war and the risks of defeat. To say that missiles and rockets would rob us of this advantage is merely to assert that we must, of course, not only keep pace but set the pace in this field as well as in others. There may, as we are well aware, be instances where conventional arms in a limited area will have to be resorted to. This is not a time, and indeed, there has never been a time, when a great nation could safely rest on its laurels and say, "My work is done."

In addressing the Congress President Eisenhower said:

"In much the same way, we have tremendous potential resources on other non-military fronts to help in countering the Soviet threat: education, science, research, and, not least, the ideas and principles by which we live. And in all these cases the task ahead is to bring these resources more sharply to bear upon the new tasks of security and peace in a swiftly changing world."

Our economic power can in certain cases effectively prevent the Soviets from spreading the evil tentacles of despotism at the expense of our friends. We can use the economic weapon to impede the Russians in their attempt to colonize large areas of the world where we wish to see friendly nations prosper in peace and independence.

Moreover, it is vital that we maintain our access to raw materials and world markets. Without these, available investment capital would dry up; fear and doubt would replace confidence and faith, and the prosperity with which we support our defenses, as well as a full life, would disappear.

For the more industrialized nation, prosperity and continued progress depend in great part on foreign trade. For the new nations in Asia and Africa, trade is vital to their development; indeed, to the very establishment of their nationhood.

Mr. Khrushchev, the first secretary of the Communist Party, recently stated: "We declare war upon you * * * in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system." Just as Hitler warned us in Mein Kampf, so has Mr. Khrushchev warned us: "We will bury you," he said.

Mr. Khrushchev has shown that he understands the opportunities that exist in the field of development assistance, and he has been busy in this area also.

What are the decisions to be made this year which will so vitally affect the outcome of this grim contest? One concerns the appropriation for the mutual-security program which involves military aid, defense support or economic aid, and development loans. Another concerns the bill to renew the trade-agreements program. These measures suffer from a common handicap. They are difficult to dramatize, particularly in an election year. The effects of aid and trade are important but they are gradual; they are indirect; they are not quickly and readily visible. Accordingly, it may be hard to mobilize public opinion on behalf of these valuable weapons. And yet, we must mobilize our total arsenal short of war. Let us, as our President has eloquently urged, wage total peace and use our predominant productive power. Let us also get some facts across to our alert citizenry. Let us point out that economic aid and foreign trade are not bountiful gestures from a generous people. We are a generous people; yes. There are programs which do come from the great heart of America and which are of enormous benefit to many millions of people who are not as fortunate as we. Yet, with all our natural wealth, our skills, and our inventiveness, the United States must look outside its borders for many of its most essential needs; and, if our productivity is to be maintained, and our economy expanded, we must sell a portion of the goods we produce to non-Americans.

Over 4½ million wage earners, about 7 percent of our entire labor force, owe their jobs to foreign trade.

In 1956, 5 percent of our national income, $17.2 billion, came from the sale of American goods to other countries. Imported materials are 10 percent of the total raw materials which the United States consumes, and many of them are of such vital importance to our economy that, for example, we have to import about 18 percent of the iron ore we use to make steel, 88 percent of the manganese and cobalt, 97 percent of the nickel. In brief, we account for 20 percent of the world's exports

and 15 percent of the world's imports. We are, indeed, the world's largest trading nation.

Our friends are, of course, just as dependent on trade and in many cases even more so. They cannot buy from us unless they can export. This is undeniable and it is vital. Without international trade in food there would be widespread hunger, despair, unrest, and political chaos, a fertile seedbed for communism. These are central truths. We of the non-Communist world must, therefore, work together. The common welfare depends in great part on international trade.

Since 1954, the Soviet empire has concluded numerous trade agreements particularly in the Middle East and Africa. This trend is a threat to American national security. It is another weapon in world domination. Secretary of State Dulles has said:

"What is needed is a willingness of the free nations, first to moderate the unjustifiable trade barriers in cooperative agreements with one another and, second, to agree to handle in an orderly and equitable way the trade problems and controversies which inevitably arise between them."

Today many people live in appalling poverty. There is throughout the world a revolution of rising expectations. Trade is essential for attaining these goals.

Because trade and economic aid lie in a sensitive zone there is a temptation to have two foreign policies. We want to defend ourselves with military power and by means of military alliances but, subconsciously perhaps, there is a desire in some quarters to retreat to fortress America in our economic policies. This is not only contrary to our economic interests, it is fraught with danger. In order to achieve a more durable peace we must bring all our power to bear on a concurrent front. Military might is only a part of our total power. Moreover, two-thirds of the mutual security budget, or $2½ billion, is military. It helps our allies to bear the burden of the common defense.

We need all the friends we can get; and we must help our friends to sustain a share of the military burden in the struggle in which we are irrevocably joined. We must help equip their manpower not only for defense in the military sense, but also for industrial and other economic defenses. A much lesser amount, a modest amount relatively speaking, is devoted to economic development.

We do not seek to buy for these allied nations an industrialized economy overnight, nor do we seek to purchase their friendship. What we do seek is to give them the bright hope of progress so that they can resist the somber menace of Communist oppression. We seek to give them technical assistance whereby specialists from other nations teach farmers, workers, businessmen, and government officials the best means to increase their own efficiency and productivity. We provide economic assistance whereby the United States, along with other governments and international agencies, makes funds available for the surveys and engineering and the basic improvements required to stimulate further development.

Funds for economic development are increasingly being made available on a loan rather than a gift basis. The development loan fund was created last year to provide loans for economic development on more businesslike terms than in the past. The fund (1) separates development efforts from other objectives, and (2) provides financing of long-term projects when funds are not available from other sources.

The $625 million appropriation which the President has requested this year for the development loan fund is minimal if Soviet efforts to penetrate the uncommitted nations of Asia and Africa are to be effectively and promptly countered and if we are to continue helping to build up the essential defense industries and facilities of our already committed allies.

If our friends abroad did not have the chance to trade, we would have to increase our economic aid program to a tremendous extent in order to keep them strong enough to resist communism. This would be a great additional burden on the American taxpayer, and it is doubtful if it could succeed.

In the past the United States has provided the leadership, releasing the power of initiative through a gradual, moderate reduction of tariffs on a reciprocal basis under the trade agreements program. The President has asked the Congress to renew the program for 5 years, a period which, as the President put it in his message of January 30, "is necessary to carry the trade agreements program through the early formative period of the European Economic Community and strengthen our ability to further vital American interests there and elsewhere in the world."

In speaking of the need of protecting our own freedom through the trade agreements program, I am very mindful indeed of protecting the livelihood of the workers and the owners of the businesses of America. The bill for the extension of the Trade Agreements Act contains all the safeguards for American industry contained in the present act plus the authority to raise tariff rates somewhat higher to alleviate serious injury in certain exceptional cases. The President's authority in this respect provides safeguards against injuries and hardships which these measures might cause here at home.

Programs for the expansion of trade and for economic assistance are, as I have attempted to show, essential in defense terms alone. The benefits far more than justify the cost. But the strategic benefits are only the beginning of the total rewards to the American people of sound foreign economic policies. Broadened trade during the past year has provided steadily expanding markets for the manufacturers of our country and will continue to do so.

In the case of development assistance, a relatively modest loan of United States Government funds for engineering or basic projects can provide the seed money to release development funds from governments and international agencies, and may open the way for private participation in a development project. Development in turn provides expanding markets for American capital goods, and in the long run, as experience shows, it creates a net increase in outlets for the consumer goods we manufacture. Development also means more reliable, more economical sources of raw materials, and continuously widening opportunities for American private investment.

Thus, even if a program of broadened trade were not demanded for strategic reasons, it would be justified as a stimulus to American prosperity and progress. Accordingly, economic assistance which is essential to our defense will ultimately also produce important contributions to our economic growth.

In a recent forthright speech before the National Press Club, Secretary Dulles made this profound remark:

"It is up to us to make our freedom so rich, so dynamic, so self-disciplined that its values will be beyond dispute and its influence become so penetrating as to shorten the life expectancy of Communist imperialism."

Let us by all means place great reliance on our economic strength. Let us use it as a weapon short of war. But let us recognize also that our high standard of living is not a protection in a jungle world where unbridled passions are still on the march. Our creature comforts are not a shield in the struggle for survival. Indeed, they may well be a disadvantage. History produces many examples of the decline and fall of proud, rich nations and their conquest by nations which had no luxuries, few comforts, and in some instances little culture.

This, ladies and gentlemen, is where our mettle will be tested. The choice is obvious but painful. It is the classical choice; guns or butter. We must show that we are more capable of sacrifice than the people for whom austerity may be both a necessity and a creed. We have more to sacrifice. They perhaps have only their lives to lose. We Americans have more to give up and therefore more to defend.

Alexander's Macedonians, Alaric's Goths, Attila's Huns, Genghis Khan's Mongols, George Washington's tattered volunteers. History contains many examples of the victory of austerity over material abundance. The Spaniards were lean and hungry in 1492. This helped them to discover, explore, colonize, and settle large parts of the New World. It also gave them the motive power and the courage to oust the Arabs from their last stronghold in Spain—Granada—where the Moorish king and his court were living a life of sybaritic ease in the palaces and patios, the fountains and the flower-scented gardens of the Alhambra. The Christians did not die in the coliseum and in the catacombs of Rome or fight the crusades, in defense of their personal belongings. They had a sense of mission, a deep feeling of dedication, a lofty inspiration. We know, deep down in our hearts, that we do not live by bread alone. We know that the cult of mediocrity and the fear of excellence have no place among America's finest traditions. We know also that we Americans are still capable of enduring blood, sweat, and tears to protect not our standard of living but the culture, the dignity, the sweetness of life, the spiritual values which we associate with our beloved America. We know that in order to exercise the leadership of western civilization in this hour of decision we must rally behind our President and prove to a confused and distracted world that we value our duties even more than our rights, our obligations even more than our privileges, and that we recognize that freedom and responsibility are inseparable.

We can hardly take refuge in the thought that it is virtuous for us to devote our energies to the satisfaction of our own appetites, and when this is accomplished, to invent new appetites to satisfy.

Neither can the challenge be met by the optimistic philosophy which holds that all life's problems can be solved either by scientific research, or by the expenditure of money, or by appointing a commission.

Vice President NIXON spelled out our obligations clearly and vigorously in a speech last October in California. "If the Free World is to survive," he said "we cannot rest on our past achievements or our present position of military superiority. We must constantly push forward on all fronts—military, economic, and moral—if we are to defeat the very real threat which the Communist Empire poses to free men everywhere."

No individual—no nation—has ever achieved greatness by placing the accent on ease. Justice Holmes said: "The measure of power is obstacles overcome," and again, "To love glory more than the temptations of wallowing ease." Had Patrick Henry said, "Give me security or give me death," his name would not be known today. The greatness of America lies not in our standard of living, wonderous as it is; not in our material possessions, unprecedented and comforting as they are; but in our ability to strive and to push ever outward the frontiers of human knowledge. It lies in our capacity to cross thought barriers as well as sound barriers. It lies in the realm of ideas, for ideas are the necessary precursors of action; even the atom bomb will move to the measure of men's thoughts. It lies not in our size as a country but in our nobility as a people—in our capacity for dedication to great causes; in our ability to live by and die for the timeless tenets of human conduct on

which our country was founded. No struggle, no victory; no victory, no crown; "no wilderness, no Moses; no cross, no Christ."

"There is a tide in the affairs of men which taken at the flood leads on to fortune."

Ladies and gentlemen, this is the tide; it is at the flood; the rest is up to us.

ADOLFO LOPEZ MATEOS

Mr. CHAVEZ. Mr. President, I know of my own knowledge of the fine contribution the Vice President has made in order to bring about better understanding between the United States and Latin America. Three or four days ago I listened to the Senator from Florida [Mr. SMATHERS] deliver an outstanding speech on the very idea the Vice President has tried to impress on the American people.

Dean Acheson, in his recent book, Power and Diplomacy, in speaking of the importance of our relations with states of the Western Hemisphere and Europe, had this to say:

A principle which is as fundamental as it is disregarded, is that in the organization and maintenance of power, relations with States which are closest geographically and in interest and purpose are the most important.

Our closest neighbor to our south is the United States of Mexico. Mexico is a modern, dynamic, and rapidly growing nation of 30,538,000 people, with vast resources and a tremendous reservoir of manpower, both practically untouched. Mexico is a wonderful country.

As the keystone to successful relations with Latin America, Mexico is preeminent, not only because of its size, proximity, and resources, but mostly because of the outstanding liberal and democratic characteristics of its leaders and the institutions they represent.

Cardenas may be anathema to certain American oil companies, but to those who believe in the democratic ideals of Jefferson, Lincoln, and Juarez, he represents the hope and aspirations of the lowly and downtrodden of the hemisphere. Avila Camacho, Aleman, and the present great leader, President Adolfo Ruiz Cortines, carry on his work. Public works, hydroelectric power, diversification of agriculture, improved transportation systems, school construction, and the development of industry have been astounding. All this, mind you, Mr. President, without one penny of aid, direct or indirect, from this country. While we have been sending aid elsewhere, not one penny have we sent to Mexico.

To carry on this work and to represent the traditions of the Revolutionary Party, all of Mexico's political forces—labor, farmers, Indians, industry, and government—are united behind the party's candidate for president, Adolfo Lopez Mateos, who has been the Secretary of Labor under President Ruiz Cortines.

I shall not attempt to eulogize Lopez Mateos at this time. However, I do wish to state that no better man could have been selected to carry on the traditions of his party nor to better represent western ideals of democracy, freedom, and liberalism. I have known him well and favorably for many years. The United States will have a close friend and the Free World a stanch defender in Mr. Adolpho Lopez Mateos. His address accepting the nomination of the party is an outstanding example of statesmanship. I ask unanimous consent to have a transcript of the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman of the national convention, members of the central executive committee, fellow delegates, with faith in the doctrines inherited from our elders, confidence in the institutions established by the people and a determination to create a greater Mexico in its human, political, and social aspects, in you I greet the representative groups of our country, the members of our party, and the forces that promote our national progress.

THE PARTY'S PROGRAM

The party to which we belong cherishes the philosophy of the Mexican revolution. It seeks fulfillment of the constitutional principles embodying the ideals and postulates of that revolution. It holds that the goal of our progress lies in achieving higher standards for our people; higher standards of health, culture, material life, and civic awareness; standards that will also enable the individual to enjoy his inalienable rights and participate in the tasks of government that are incumbent upon all of us.

The philosophy of the Mexican revolution grew out of the life of the people. It is realistic and Mexican; it proclaims a basic concept: national unity. It received its ideals from the liberators of 1810 and the framers of the 1857 constitution. It has incorporated also the experiences that have enabled us, in our time, to overcome both the internal and external obstacles blocking the way of the nation's advancement.

HARDSHIPS AND BENEFITS

In the 1917 constitution we have a clear and precise doctrine in which ideals, convictions, and reality have been successfully balanced. Our constitution embodies the spirit of progress, free from injustice. Under it, as our country advances to greater heights hardships are to be expected. But these hardships must not be borne by one group of citizens only, while the others are left free to receive benefits therefrom. Hardships and benefits must be shared by all, and thereby our strength will be increased and the continuous development of Mexico accelerated.

REAFFIRMATION OF PRINCIPLES

At this time, Mexico reaffirms the essential principles that are its historical heritage. Of all these, the most precious is the principle of freedom. Independence, reform, and revolution are but different aspects of Mexico's basic national structure—freedom. Political and economic freedom together are our loftiest aspirations. It is no accident that at this moment in world history our nation, independent and respected by all countries, has expressed its historical experiences in a firmly established international doctrine based on loyal friendship among nations.

MAN, FAMILY, AND NATION

Throughout the course of its life, Mexico has been formulating a policy designed to recognize man as the supremely important factor in history; the family, as the indestructible bulwark of society; and the nation itself, as a common ground for all and a common treasury of ideals and traditions that has given us moral substance and earned for Mexico the respect of the society of nations.

In order to forge a way of life founded on human dignity, justice, and law, our country will never renounce its right of self-determination, for ours is a country that fought valiantly against the remnants of a colonial past, dictatorship at home, and misunderstanding abroad.

THE GREAT TASKS OF THE REVOLUTION

The contribution of the Mexican revolution to the old concept of freedom may be stated thus: in order to enjoy full and genuine freedom, men must be assured a standard of living that considers each of them as an individual, a civilized being; as a people, a strong, healthy, and industrious community; and as a nation, a country at peace within its borders, and a sovereign nation having friendly relations with all the countries of the world.

As each new stage of our national development opens before us, the sum of all that was accomplished in the earlier stages is the point of departure for even greater achievements. The sense of continuity in the great tasks of revolution is an endless chain linking the efforts of yesterday with those of today and those that we shall have to undertake tomorrow in the service of Mexico.

Improvement in the standards of living of our entire population was the main objective of the revolution and continues to be our constant goal. As the revolution developed, our efforts toward achievement have been guided by procedures that will mature and reach completion as the result of long-term action. But the tenets of the revolution remain constant and they will be even more imperative as long as the inequalities existing in our society reveal contrasts—which we have thus far been unable to eliminate—between those who possess naught but life and those who are profiting by an economic development through which they have acquired wealth and, in some cases, even privileges.

As a Nation we have become aware of the fact that the fundamental solution to our problems lies in our own efforts. Only we, as Mexican citizens making up our Nation, we who are united by the indestructible bonds of our common history, can open the door to our common welfare. We can find no better means of achieving it than by our own work.

PRODUCTIVE WORK

If our work is to be fruitful, it must be performed in peace and harmony. It must be carried on in an atmosphere of social peace in which the rights of each person and the rights of all are merged and strengthened. It must be made productive through the application of methods that will economize effort and increase yield. It must be based on the kind of equity that will give impetus to the progress of one and all, and lead to a better distribution of the benefits gained in a common effort. Moreover, it must strive for conditions that will permit Mexico's exportable goods to be traded freely with other nations, under friendly arrangements in accordance with Mexico's needs. Therefore, we desire peace at home and peace abroad. Domestic peace does not mean simply the absence of upheavals or disturbing events; it must be a dynamic peace, a peace that creates enthusiasm for work and stimulates production and savings. In a country where the economically productive group exercise their rights in a climate of mutual understanding and fair play, the workers will do a better job. And those who can and should invest their capital in business that will promote general progress, will be inclined to undertake new productive activities.

INTERNATIONAL PEACE

Peaceful foreign relations may be strengthened only if there is understanding that each country must learn to respect the rights of the others and demand equal respect for its own rights, without foreign intervention in its internal affairs, or gestures of aggression or threats coming from outside.

INDUSTRY AND AGRICULTURE

At this stage our fundamental economic objective is industrialization, which can create a better standard of living and which involves a concept of our problems that includes the entire Nation. Industrialization

does not mean a vast number of plants and factories established haphazardly; it means rather the proper application of our resources in order to achieve a level of production that will guarantee a decent existence for our increasing population. Agriculture, skilled crafts, manufacturing, services, distribution, and all other aspects of our national economy must be balanced and directed according to rules that will be conducive to achieving abundance to meet our needs, improve employment conditions, raise the living standards of all, and permit more of the population to become both producers and consumers, duly capable of enjoying the benefits of culture, physical health, and sound recreation.

Therefore, our national crusade for progress will have as its rule the careful balance between the various factors of production; for in the modern complexities of social and economic life no one factor can be set apart or capriciously subordinated to any other. Thus, we must especially endeavor to keep a continuing balance between agriculture and industry.

To maintain both the quantity and the quality of consumption on the part of farmers and workers who are the basic elements in our population we must of necessity carry out our plan for economic development. This must be done, not by aiming for quick and spectacular results that may turn out to be only temporary, but rather by concentrating the forces of production on sustained efforts that in the end will assure solid advancement.

CONSTANT ACTIVITY

Because of the increasing needs of our population, any stoppage in our development would mean retrogression. The imperative need of increasing the production of goods and services for home consumption and for export must be met by the proper utilization of our human, natural, and financial resources. These resources must not stand idle or be allowed to work to the detriment of the community, either now or in the future, by being improperly used. We must prevent their waste, because waste will surely occur if we do not try to keep their development in line with the possibilities of their growing utilization.

EMIGRATION OF LABOR

With modern technical practices in agriculture and with industrialization, we shall reach an effective stage of improvement that will help to absorb the workers who emigrate from overpopulated areas of Mexico to be employed abroad. The purchasing power of the great masses of society must be strengthened and increased if we are to have manufacturing production on a large scale. Agriculture, in turn, cannot achieve the desired degree of development unless it can rely upon industrial production to make available the machinery, tools, fertilizers, and other equipment called for by modern conditions.

PRIVATE AND PUBLIC ENTERPRISE

To reach that objective there must be coordination between private and public enterprise, so that each may carry on its activities in its own field. The State must provide incentives that will encourage private enterprise to develop its undertakings in the best interest of the country as a whole, without any tinge of monopoly or cornering. It is desirable to maintain the prevailing system of free enterprise and free foreign exchange, which is in harmony with the economic structure of our country and has given great impetus to our development. The use of Mexico's financial resources obtained from domestic savings, in projects for the collective benefit and general development, and their channeling into production by private enterprise should meet our needs and encourage capital investment; then, whenever deemed advisable, we shall seek to supplement them from abroad.

Economic development, with its short and long term consequences, requires that the use of the country's present and potential resources be harmonized, and it must be ever kept in mind that the most valuable of these resources is the human element, because it is the active factor in all kinds of work undertaken to achieve a better life for our people.

NATURAL RESOURCES

The problems caused by our constantly increasing population, which in the near future will rise sharply, must be taken into account. They compel us to face without delay the need to increase our productive capacity. If, as is true, our population is reaching a 3 percent rate of growth, the increase in national production must maintain the same proportion if we are to escape stagnation. It would be dangerous not to keep careful watch over the way our natural resources, potential as well as those now being developed, are utilized, for lack of foresight now might well impoverish the nation in the future. It is the prime duty of all Mexicans to take care of our natural resources, both renewable and nonrenewable, and the problem must be given the great significance it merits. We have only to recall that the misguided exploitation of our forests has resulted in the erosion of once arable lands that now lie idle and wasted. The conservation of land and water is a mission obligatory upon all Mexicans who are conscious of their duty to their country and to themselves, and I am sure that those who live in the ejidos as well as the small farmers, will enthusiastically cooperate in carrying out a national conservation program.

GOVERNMENT RESPONSIBILITY

In our time economic development cannot be wholly natural and spontaneous. The state has a very important role to play, through its policies; not by acting as a substitute for private initiative but by creating conditions that will stimulate productive activity.

Economic growth can be guided into the proper channels by an adequate plan embracing projects for the common good, appropriate tax and credit measures, and improved institutions that will speed and balance the entire process. This calls for the preparation of an official program setting forth both the aims and the means that, when properly coordinated, will lead to better results in both public and private fields. The success of such a program will depend above all on its realistic adaptation to the national situation; it must conform to the best thinking of the active elements of the country's economic life. And it can be drafted only if your candidate has close contact with the people.

A program thus prepared will include all fields—cultural, social, economic, and political—for the complexities of national life permit no separation of these aspects. They must all be viewed as factors that are dependent one upon another.

AGRARIAN REFORM AND PROTECTION OF LABOR

The rights of our people in the ejidos to their lands and the rights of labor are two fundamental realities of the revolution and to us they are equally essential and undeniable. Therefore, we shall uphold, in all their vigor, the agrarian reform, the right to strike, and the measures protecting labor.

The landless small farmers are one of the primary concerns of all of us who are deeply imbued with the meaning of the Mexican revolution. Despite the continued efforts of the revolutionary governments, there are still large groups of the population whose economic, cultural, civic and social-security conditions are far below par. Hence I consider it imperative that greater efforts be made and more resources applied, at all levels of Government, so that those large groups of fellow citizens may reach, as soon as possible, the standard of living to which they are entitled.

THE OIL INDUSTRY

With respect to the nationalized petroleum industry, we shall not retreat one step. This is a conquest of the revolution, the purpose of which is to establish our economic independence. Our oil resources are part of our national assets, and they are not to be touched except for the good of Mexico. We place our trust in the patriotism of the Mexican people for obtaining the funds needed for the expansion of our oil industry. The growth of Pemex—the official agency of the oil industry—should be based on domestic Mexican credit; and every effort ought to be made to adapt the industry more closely to the rules of economic soundness and balance, so that it may more fully serve the country. Therefore, we hope that those who are serving in our petroleum industry will continue to understand the problems of this great national undertaking and contribute the same kind of patriotic cooperation they have been giving in the past.

CAMPAIGN AGAINST ILLITERACY

Another grievous problem is the lack of schools throughout the country. No economic policy would have significant results and would be poor indeed if illiteracy were not eradicated. I can hardly underestimate here the difficulties that must be overcome if we are fully to satisfy the aspirations and the needs of our constantly increasing school-age population. With the help of all sectors of the country, there must be no slackening whatsoever in the efforts of our Government to find an effective plan for solving this problem, which is vital to the present and the future of our Mexico. It is a difficult but not an impossible task. I am certain that the teachers may be counted upon, as always, with their noteworthy spirit of sacrifice, to give the best of their minds and their strength in this undertaking of truly great national importance.

In carrying on the work to be done in public education, we shall be guided by the conviction that we can find the solution to each and all of our great national problems if people and Government work together in close union, for experience has taught us that when they join forces in a common task, all obstacles can indeed be surmounted.

THE PEOPLE'S HEALTH

Increased productivity, which must be achieved if the Mexican standard of living is to be improved, needs more than better techniques, which, in many cases, will mean greater investments. It also demands that the worker, both urban and rural, enjoy the good health that will permit him to render the effort likely to produce more for the benefit of the national economy, the individual himself, and his family. Therefore, the improvement and preservation of the health of our people is another of the state's urgent tasks, and it must count upon the cooperation of all social services to expand their health programs and gradually and unremittingly broaden their welfare and social-security coverage.

SPIRITUAL AND MATERIAL UNITY

The country must remain united both spiritually and materially, moving progressively toward such a union in a steadfast spirit of patriotism. Communication facilities of all kinds must be available to convey promptly to every corner of our territory both our living thought and our natural or manufactured products. In a land as extensive as Mexico, with its 760,373 square miles, little will be achieved if our growing population and our expanding production are not brought together by improved means of transportation, so that goods may be taken

to the places where they are needed, thereby preventing shortages in some localities and surpluses elsewhere.

COMMUNICATIONS

The rehabilitation of and the necessary construction work on our railroads must continue without delay. An efficient and complete system of communications is a necessary condition to our continued progress. In speaking of means of communication, I am referring to both railroads and our great trunk highways and secondary and feeder roads. These, together with maritime and air routes and the lines of channels of electronic communication, comprise a vast system for the circulation of ideas, people, and goods that will help the nation to move forward in full strength. All of those who work in our communications system—transport, railroad, truck and bus, and other services—must cooperate, as they have been, to maintain the efficiency of that vast network. They will thus be doing a patriotic and indispensable job in helping to preserve our unity.

THE MISSION OF YOUTH

The youth of Mexico have an outstanding task to perform in working for our continued progress. Their creative minds, their high aspirations, and their unsullied ideals must contribute to the great and honorable work of building a better Mexico. Our young people, both men and women, possess the imagination and the inspiration to uncover the nation's finest potentialities. The conquest of deserts, the exporation of our seas, the overcoming of geographical obstacles, and the discovery of nature's secrets are open to them because they share the will to learn and deeply feel an eagerness for knowledge that stirs their minds and their hearts. Our growing nation calls upon all Mexican youth to pledge themselves anew to work for better instruments in science, industry, the humanities, and labor, so that this nation to which they themselves must in the future give leadership and spiritual strength may not falter.

WOMEN AND SUFFRAGE

The women of Mexico, in whom the most steadfast and highest virtues are embodied, have likewise a lofty task. Vigilance over the moral heritage that strengthens Mexican homes and gives them stability is necessary to preserve and enrich our family life. As a people, we love our traditions and we have never disavowed our beliefs: this is the way we like to be and we shall continue to be. Mexico's spiritual gain depends upon our women, for it is in the home that the child, who becomes the citizen of tomorrow, learns and retains his permanent values: the sense of his own dignity and respect for the dignity of others; the concept of family unity; the love of his country as a common home; and the aspiration to seek his place in society along the path of righteousness, personal integrity, and public responsibility. Homes guided by a firm but generous mother, by tender sentiments and noble ideals, will inevitably produce a better people, who will always be an honor to Mexico.

Women are now for the first time entering upon a presidential campaign, as citizens enjoying the full civil rights granted them by the revolution in a memorable act of justice, which granted them the dignity that was their due. The right to vote does not uproot women from family and home to lure them into politics. Rather, women's suffrage brings into the home a deeper understanding of great national issues, a daily inquiry on matters that are of concern to us all. This will prove once again that neither contentious preaching nor deceptive enticement can change women's most intimate sentiments or wean them away from their home and family. Now, the Mexican women too will be citizens working for their country. We must not distinguish them from men, except to honor them in greater measure.

ARMED FORCES

Mexico may well take pride in its armed services: the Army, the Navy, and the Air Force. They are exemplary organizations, devoted completely to the maintenance of our institutional life, the assurance of domestic tranquility and the defense of our nation's sovereignty. If elected by the people, I will continue to work for the moral, professional, and economic advancement of the armed services.

ADMINISTRATIVE INTEGRITY

The very status of public servant must presuppose a person's unquestionable fitness for office. It is therefore especially desirable that my fellow citizens rest assured that honesty in public administration has been resolutely embodied in the ideological patrimony of Mexico, in such a way that every public official is aware that integrity is a concomitant of his post. No government can appeal to the people or achieve social progress if the officials who compose it do not make themselves deserving of the respect and esteem of all their fellow citizens. We shall not limit ourselves to asking for passive integrity, that is, simply the omission of improper acts; we shall seek to obtain an active integrity that will instill in officials the urge to render faithfully all the service appropriate to their post, responsibility, and rank.

CONSULTATION WITH THE PEOPLE

In the course of our direct contact with the people during the coming campaign, I shall be elaborating a program for action. In that process, so as to exercise the best possible judgment regarding needs, problems, and solutions, I shall rely not only on the contribution of experienced men who have studied them, but also on the opinions of the people in the ejidos, the small farmers, the workers, and the industrialists, state employees, educators and students, the women and, in general, all Mexicans who feel concern for the progress of our country.

PUBLIC WORKS

In developing the lines of future action, one must first consider to what extent the program of the revolutionary governments has been carried out. For a number of years now those administrations have been building a greater Mexico. If I am elected by the people, I will continue to act according to the principles of the revolution on which those programs have been based; projects that will bring irrigation to large areas and thereby increase production; communication and transportation projects that will raise our highway, railroad, and air systems to new levels and give us better national integration; port works, which in our great maritime program are only in the initial stage but which have already contributed much to the nation's development; electric powerplants and new units within our petroleum industry, because both of these provide us with the power needed for industry, throughout the nation; schools, to the extent needed; and finally, increased benefits for the low-income groups whose improvement depends directly upon Government action.

COMPLETE FREEDOM

Before all else, I solemnly pledge that I shall spare no effort to maintain the civil freedoms that we possess, in the granting of which the Government has reached a high level and made it possible for us in Mexico to enjoy the freedom to live and to think, to express our thoughts, and to believe as we choose; to assemble, to work, and to criticize the Government to the broadest conceivable extent.

Acting on these general principles, I shall seek constant contact with all sectors of the country, in order to receive inspiration from them and to transmit to them my own thought. In the electoral campaign I shall endeavor to put before the people positive conclusions only, and points of view uncolored by personal or subjective inclinations.

RUIZ CORTINES, PATRIOT

I am only an emissary of our party whose duty it is to carry the party's doctrine to the people and evaluate the accomplishments of the revolution. Until yesterday I had the privilege of serving the country in the administration of that outstanding patriot, President Adolfo Ruiz Cortines, who has added luster to the revolution and brought honor to Mexico.

SOLEMN PLEDGE

As of this moment, I enter upon the mission that, as the party's candidate, I promise to fulfill. In this task I shall be unceasingly guided by the tradition of the heroes and patriots who built our Mexico and set the pattern to be followed.

I now pledge my very life in this struggle for the welfare of our country. Again I place myself at the service of Mexico to heed its dynamic wishes and aspirations. And I call upon the Mexican people, represented here, to move forward and win another battle at this new stage of our political life, so that we shall keep moving with determination along the path of our glorious destiny.

SKIING IN NEW MEXICO

Mr. CHAVEZ. Mr. President, we in New Mexico are of course tremendously interested in all the Western Hemisphere, but we are particularly interested in New Mexico.

We in New Mexico are delighted with the increasing number of people who are coming to visit our fine State and to live in it. In recent years we have developed many new industries, and this in turn has led to better development of all our resources. We expect to make even greater progress in the years to come. Because New Mexico, the Land of Enchantment, is the subject of so much interest, I want to invite the attention of my colleagues to our example of the diversification in recreation we are achieving. New Mexico is fast becoming noted as a winter sports center. On our national forests and on private land we are developing excellent ski areas, with modern facilities and tows. In the high elevations of our scenic mountains one can enjoy a full day of skiing, while in our towns the temperature is warm and pleasant.

In order that New Mexico ski areas may be better known to all, I have compiled a list of developed ski areas from information furnished to me by the United States Forest Service. I ask unanimous consent to have the list printed in the RECORD at the close of my remarks. We in New Mexico are adding new areas and developing them so quickly that this list may not be complete, but it does give an excellent picture of the type of facilities available.

The Congress by providing for the development of recreation in the National Forests through Operation Outdoors, and by providing for forest development roads or forest highways, is helping to foster this opportunity for the people to enjoy and to utilize our great natural resources.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico?

There being no objection, the list was ordered to be printed in the RECORD,

Developed ski areas in New Mexico

Location	Name	Season	Ski lift	Elevation	Slopes	Trails	Shelter	Equipment
On Taos-Las Vegas highway, State No. 3; 27 miles from Taos, 48 miles from Las Vegas.	Agua Piedra	Dec. 15-Mar. 15	700-foot rope tow, weekends.	8,000 to 11,000 feet.	10 to 61 percent	Yes	Log cabin with fireplace	Rent or sale at resort, half mile from course.
East of Arroyo Seco, 20 miles northeast of Taos off State No. 3.	Taos Ski Valley	Nov. 1-May 15	1 4,000-foot Poma lift; 1 700-foot Poma lift, daily.	9,000 to 12,000 feet.	3 expert courses, 10 percent up.	do	80-person capacity lodge with restaurant, bar, ski shop, and rentals.	80-person capacity lodge with restaurant, bar, ski shop, and rentals.
On Taos-Las Vegas highway, State No. 3; 25 miles from Taos, 50 miles from Las Vegas.	Sipapu	Dec. 1-Mar. 15	1 980-foot Kuli tow; 1 250-foot rope tow, daily.	8,000 to 11,500 feet.	15 to 50 percent	do	40-person capacity, meals, ski rental and sales.	40-person capacity, meals, ski rental and sales.
29 miles northeast of Albuquerque, 16 miles east on U. S. 66, 6 miles northeast on Highway 10, 7 miles northwest on Loop Road. Chains often needed last 7 miles (rent at Sandia Park store).	La Madera	Nov. 25-Apr. 15	1 T-bar, 4,200 feet, daily except Monday.	8,500 to 10,500 feet.	3 to 50 percent	do	Cabin	Rental at area.
24 miles southeast of Gallup, 11 miles south of U. S. 66 via Fort Wingate.	McGaffey	Dec. 15-Mar. 15		8,000 feet	Yes		None	Gallup.
4 miles northwest of Ruidoso, which is on U. S. 70; 78 miles west of Roswell; 45 miles from Alamogordo; 135 miles from El Paso.	Cedar Creek	Dec. 15-Mar. 15	1 300-foot rope tow	7,800 feet	do	Yes	2 open front	Rental at Ruidoso.
1 mile east from business district of Cloudcroft, State Highway 83; 20 miles from Alamogordo; 110 miles from El Paso.	Cloudcroft	Jan 1-Mar. 1	1 300-foot rope tow	9,000 feet	do	None	None	Rental Cloudcroft.
1 mile south from business district of Cloudcroft.	Cloudcroft Lodge	Jan. 1-Mar. 1	1 1,200-foot rope tow	do	do	do	Cloudcroft Lodge on area has meals, rental and lodging.	Cloudcroft Lodge on area has meals, rental and lodging.
3 miles north of junction of Los Alamos west road and State Rd. No. 4 and west 4 miles on Camp May Rd. (dirt road, chains needed).	Pajarito Mountain	Dec. 1-Apr. 1	2,300-foot rope tow. Fee daily $2; season $15.	9,200 feet	5 to 60 percent		1 public shelter	Santa Fe and Los Alamos.
19 miles northeast of Santa Fe	Santa Fe Basin	Nov. 15-Apr. 10	150-foot double rope tow; 2,800-foot chair lift.	10,500 feet	do	Yes, 12 miles.	Large modern public shelter.	Rental at inn and at Santa Fe.

Location	Lodging	Meals	Instruction	First aid	Land	Parking	Information	Ski clubs
On Taos-Las Vegas highway, State No. 3; 27 miles from Taos, 48 miles from Las Vegas.	At Taos, 27 miles	Resort half mile from course.	Not now available	Ski patrol.	Carson National Forest	200 cars	Forest supervisor, Taos, N. Mex.	None.
East of Arroyo Seco, 20 miles northeast of Taos off State No. 3.	80-person capacity lodge with restaurant, bar, ski shop, and rentals.	80-person capacity lodge with restaurant, bar, ski shop, and rentals.	Daily certified Southern Rocky Mountain Ski Association School.	do	Carson National Forest and private.	350 cars	do	Do.
On Taos-Las Vegas highway, State No. 3; 25 miles from Taos, 50 miles from Las Vegas.	40-person capacity, meals, ski rental and sales.	40-person capacity, meals, ski rental and sales.	Professional daily	do	Carson National Forest	50 cars	do	Taos Ski Club.
29 miles northeast of Albuquerque, 16 miles east on U. S. 66, 6 miles northeast on Highway 10, 7 miles northwest on Loop Road. Chains often need last 7 miles (rent at Sandia Park store).	At Albuquerque	Yes	Certified by National Ski Association.	do	Cibola National Forest	300 cars	Forest supervisor, Albuquerque, N. Mex.	Albuquerque Ski Club, University Club, High School Ski Club.
24 miles southeast of Gallup, 11 miles south of U. S. 66 via Fort Wingate.	Gallup	Gallup	Not now available	Gallup	do	100 cars	Forest ranger, Gallup, N. Mex.	Gallup, 20-30 Club.
4 miles northwest of Ruidoso, which is on U. S. 70; 78 miles west of Roswell; 45 miles from Alamogordo; 135 miles from El Paso	Ruidoso	Ruidoso	do	Ruidoso	Lincoln National Forest	50 cars	Forest supervision, Alamogordo, N. Mex.	Apache Ski Club, Ruidoso.
1 mile east from business district of Cloudcroft, State Highway 83; 20 miles from Alamogordo; 110 miles from El Paso.	Cloudcroft	Cloudcroft	do	Cloudcroft.	Private	Unlimited	Cloudcroft Chamber of Commerce.	None at present.
1 mile south from business district of Cloudcroft.	Cloudcroft Lodge on area has meals, rental, and lodging.	Cloudcroft Lodge on area has meals, rental, and lodging.	Ski club	do	do	do	do	El Paso Ski Club, Alamo Ski Club, Convair Ski Club.
3 miles north junction of Los Alamos west road and State Rd. No. 4, and west 4 miles on Camp May Rd. (dirt road, chains needed).	Los Alamos	Los Alamos	Not now available	Ski patrol.	Atomic Energy Commission.	100 cars	Forest ranger, Santa Fe, N. Mex.	Los Alamos Ski Club.
19 miles northeast of Santa Fe	Santa Fe	At area	Professional instructors, classes.	do	Santa Fe National Forest	300 cars	do	Bus service to area on weekend from Santa Fe, $1. Santa Fe Winter Sports Club.

RECOMMENDATIONS OF JOHN S. GLEASON, JR., COMMANDER, THE AMERICAN LEGION, WITH REGARD TO A SOUND DEFENSE PROGRAM

Mr. MARTIN of Pennsylvania. Mr. President, National Defense has always been the most important thing confronting our country. Certain reports coming from Russia have created even a greater interest. The American Legion has always been outstanding in its advocacy of a strong national defense. This is because its membership has had grim experiences in all parts of the world.

In the last copy of the American Legion magazine, John S. Gleason, Jr., the distinguished commander of that great organization, who has an outstanding military record, discusses a sound defense program. He states, "the greatest advantage we hold over the Soviets is the quality of our manpower."

Mr. President, I ask that the preliminary portion of Mr. Gleason's article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to printed in the RECORD, as follows:

There can be no more fatal form of self-deception for this or any other nation than the idea that weapons can take the place of warriors.

The speed, ranges, and destructive power of today's weapons—not to speak of tomorrow's—stagger the imagination. They are far beyond anything that was even dreamed of when the American Legion first came into being nearly 40 years ago. Yet Legionnaires knew then and know now that no weapons can make up for lack of fully trained fighting men to operate them in battle or for lack of competent, experienced leaders at all levels of command to direct their use.

The Legionnaires' knowledge is distilled from the memories of a thousand battlefields. They have seen for themselves what comes of sending undertrained men into battle. They know from grim experience the price in blood that must be paid in war by a nation that refuses to pay the price in dollars of training its young men before war comes. Instinct—the instinct of the veteran warrior—warns them that if war comes again, whatever the power of our weapons, the quality and competence of our fighting men will be the decisive factor as it has always been.

That is why the national leadership of the American Legion has so consistently demanded, year after year, the training of our youth for military service in time of need. No national commander, no officer of the American Legion, whatever his position, could otherwise be responsibly representative of the Legion's membership.

Nuclear explosives, long-range rockets, supersonic aircraft, nuclear-powered submarines, and surface ships, all the wonders of electronics and of the pentration of outer space by manmade vehicles have not changed one iota a basic, unshakeable fact. This is that the skill, courage, leadership, and self-sacrifice of men ready to offer their lives for their country, and trained by their country to do so to some purpose, are the essential ingredients of victory in war and of security in peace.

This nuclear-jet-electronic revolution is a technological revolution. It is the product of human intellects and skills. It profoundly affects and will continue to affect all human institutions; it has become a way of life. If not correctly appraised and applied by any nation or any institution, it may also become a way of death.

It has not changed the relative importance of man and machines. Man is still the master of his creatures, however enormous the capabilities he has engineered into them. But to retain this mastery, to exploit to the full the capabilities which human genius has produced, demands vastly increased capabilities from man himself; capabilities which take years to acquire and other years to perfect.

Mr. MARTIN of Pennsylvania. Mr. President, Commander Gleason then states that we must stockpile both weapons and military skill. I ask unanimous consent that this portion of his article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This is where our military program has fallen down.

We have been stockpiling military hardware and nuclear explosives. We have not been stockpiling the military skills necessary to use the hardware and the explosives effectively if war should come.

What makes our present position in this respect truly dangerous is the fact that our Soviet enemy has been stockpiling both weapons and military skills.

When the Soviet leaders began picking up the pieces of their shattered economy after the end of World War II, they faced a grim prospect unless they were prepared to abandon all plans for world domination. This they were not ready to do. But how were they to overcome the odds against them? The United States had atomic weapons; they had none. The United States had long-range aircraft and a vast experience in their operation; they had none. They didn't even have a respectable air defense system. The Soviet planners saw at once that they could not hope to overtake the American lead in long-range air-atomic capabilities based on manned aircraft as the means of delivery.

The only Soviet hope was in weapons of massive destruction, hurled outward from their land mass against the bases, the cities, the military establishments of the Free World. That was why, immediately after World War II ended, the Soviet planners made the development of long-range missiles their primary objective. Their present lead in that class of weapons is the product of 12 years of thorough planning and hard work.

That planning began with people. The Soviet personnel program—both in education and in subsequent training and use of the human product—was the cornerstone of their accomplishments in the armaments field.

I am not nearly so alarmed by the enemy's gains in developing missiles as I am by his gains in creating the broad, firm foundation of trained manpower upon which to base his future efforts in weapons production and in any type of war in which his weapons may be employed. He is much farther ahead of us in this respect than he is in hardware.

Our most urgent, indeed, desperate, military requirement is to overtake that lead, and to do it just as quickly as possible.

If we do not immediately start a crash program to bring our military leadership and technical skill up to the standards of the nuclear-jet-electronic revolutionary era in which we live, crash programs to improve the qualities of our missiles or any other weapon are not going to matter very much.

Time is the vital commodity. We have wasted the postwar years. We have been producing weapons geared to the standards of the technological revolution, while pursuing military manpower policies geared to the standards of World War II.

We must avoid becoming immobilized by considering only one kind of war—the all-out nuclear attack. That may come, and we must be prepared for it. But we must also be prepared to deter or defeat limited and localized aggressions. The Free World can be fatally weakened, can be nibbled to death, unless aggression of this type is met with firm resistance.

Mr. MARTIN of Pennsylvania. Mr. President, Commander Gleason then discusses how the United States, for both limited and total war, requires two kinds of military manpower—active and reserve. I ask unanimous consent that this portion of his article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

For both limited and total wars, we require two kinds of military manpower—active and reserve. We can never expect, within any reasonable limit of expenditure, to keep in active service on a full-time basis all the military personnel we would need to fight an all-out war. We cannot even expect—as was shown in Korea—to keep enough full-time people to deal with a good-sized limited war. Trained reserves have a part to play in either type of conflict.

As the basis of our deterrent force, intended to present the Soviet enemy with an unacceptable—indeed, prohibitive—risk in launching total war, we must depend on our power of instant retaliation in kind. Today this retaliatory power is of two kinds: the long-range nuclear-armed aircraft of the Strategic Air Command, operating from fixed bases at home and overseas; and the great aircraft carriers of the Navy, which are mobile bases that can strike with nuclear-armed planes from any place on the oceans of the world.

I do not subscribe to the often-heard theory that a war, if it ever begins, will be all over and decided, one way or the other, in a few days of frightful nuclear violence. That is a form of thinking which has had a hypnotic effect on our military policy. It assumes that all enemy plans and all of ours will turn out as scheduled; while in fact all experience shows that the unexpected is what always happens in war. It is quite possible that the first shock of the nuclear exchange would indeed result in frightful, but not fatal, injuries to both sides; and that thereafter the struggle would continue by all available means and perhaps over a considerable period of time. In any case, well-trained and properly equipped Reserve units will have a part to play that we shall neglect at our peril.

In the first shock of nuclear explosions in this country there will be severe local casualties and disruption. I believe that the presence in all our communities of considerable numbers of trained reservists of all the services would be a stabilizing factor in preserving order, maintaining transportation and communications, allaying panic, and generally minimizing the effect of the hostile action. For the first few days, until organized civilian effort can be made effective, military, rule might well be the only recourse.

Local military commanders—perhaps the commanders of the corps areas now planned by the Army—might well be empowered to take under their control all National Guard and Reserve units in their area, and to call up all individual reservists not attached to units, should a hostile attack occur. This, of course, would require a detailed plan for each such area, and each unit commander and individual reservist would have to understand exactly what to do when the siren blows.

Such a plan would not prevent the later use of Reserve forces for their mobilization objectives, since in any event by the time it

would be possible to assemble and move them from the stricken area it may be presumed that civilian recovery agencies would be functioning. This arrangement does not take the place of State military forces composed of personnel not subject to call for active Federal duty; such forces will be most useful, and will afford the Governors an element of military force which will be permanently available to them after the first emergency is over.

Obviously, in any prolonged major war there will be need for reserve units for all the services, trained and tailored for the particular purposes of the service to which they belong. Their level of training must be such that they can be effectively used within certain time limits. These time limits are much shorter today than they have ever been before.

In limited war the major requirements are mobility and flexibility. We must have the right kind of forces for any conceivable emergency, and we must be able to move them very rapidly to any spot on the globe where they may be required, and support and reinforce them as a developing situation may demand. Army and Marine divisions, the Navy's amphibious and fast carrier forces, the tactical wings of the Air Force and its airlift capabilities may all be called upon to meet such limited emergencies. The followup may well include National Guard or Reserve units as well as individual Reservists as replacements.

So we return to our major requirements: Regular forces with a high percentage of career personnel, supported by Reserve forces with a far higher level of combat readiness than we have ever known. Both must be maintained in numbers and quality sufficient to meet the demands of national survival in the nuclear-jet-electronic age, capable of defending the Nation today with today's weapons, adaptable to constant technological changes, and geared to the needs of the future as well as the present.

Mr. MARTIN of Pennsylvania. Mr. President, Commander Gleason then discusses a plan to implement the manpower policies of our country. This discussion has to do with the Regular Army, its pay and housing, as set forth by the Cordiner Committee. I ask unanimous consent that this portion of the article be printed in the RECORD as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

To implement the manpower policies needed to provide such forces, here is what needs to be done:

First, let us consider the Regular forces, which are the cornerstone of the whole structure and whose responsibilities include the training of the Reserve forces.

We must start now. The targets of our immediate effort are the young men who are now in their first enlistments in all the armed services or who are serving out their periods of obligatory service as junior officers. Our immediate objective is to induce a higher percentage of these young men to reenlist or, if officers, to extend their period of active service or to apply for Regular commissions. But beyond this our ultimate purpose must be to establish a military career pattern which will be continuously attractive to a sufficient number of our best young men.

We must squarely face the fact that we cannot do this as the enemy does it—by compulsion. We can draft men for 2 years' training and service under the selective-service law, and this we must continue to do. It serves both as an original motivating force for voluntary enlistment in all the armed services and a means of supplying already trained personnel to the units of our Reserve components. But the 2-year draftee is of little value himself in building a hard-core career service. We must depend on motivations consistent with the standards of a free society and a free-enterprise competitive economy.

There are three areas of motivation to which, I believe, our military career policy should be addressed. These are pay, security, and pride, though not necessarily in that order.

Congress and the financial element of the executive branch must abandon the ancient shibboleth that the United States cannot afford to pay its military people at rates reasonably comparable with the incomes of persons employed by profitmaking enterprises. The exact opposite is true—we cannot afford not to pay such rates. Our present rapid turnover of military personnel violates every principle of sound economics and personnel administration and would ruin any competitive business enterprise in a matter of months. The net result of present practices is to dilute efficiency at all operating levels and to emasculate the future leadership of the services—or rather, to strangle it in its cradle.

Faced with the problem—which has long been known within the services—Secretary of Defense Charles E. Wilson in March 1956 appointed a Defense Advisory Committee on Professional and Technical Compensation to examine the whole problem and determine "the adjustments that might be needed * * * in order to attract and retain the competent personnel required by our defense activities." This Committee was headed by Mr. Ralph J. Cordiner, president of the General Electric Co.; its membership included civilian officials and senior officers of all the armed services as well as distinguished industrialists and educators. It was provided with a thoroughly competent military and civilian staff. The Cordiner Committee on May 8, 1957, presented the most comprehensive and progressive program for the solution of military compensation problems which has ever been put together.

The suggested program proposes:

1. A modern compensation plan to pay people what their services are actually worth, instead of on the basis of longevity of service.

2. A manpower management plan to provide for proper and effective administration of the pay plan, giving greater flexibility and control over the distribution of skills in the services with emphasis on quality rather than quantity.

The principles and objectives of the Cordiner proposals received the virtually unanimous approval—in most cases the enthusiastic acclamation—of experienced senior officers and civilian officials of the military services. Secretary Wilson accepted the Cordiner report with words of praise. Legislation translating its recommendations into law was prepared and sent to the White House.

At its national convention in Atlantic City, N. J., last September, the American Legion, in resolution No. 30, petitioned "the President and the United States Congress to enact legislation implementing the Cordiner Committee Report."

The Bureau of the Budget and the Treasury, however, took a different view. They regarded the proposals as inflationary. They considered that a military pay raise would result in demands for money from other Government employees. There was fear that the debt limit might be exceeded. In short, holding down spending in the current fiscal year was more important than anything else.

The sputniks and the evidence of a Soviet breakthrough in the missile field have resulted in a change of atmosphere. President Eisenhower, speaking to the Nation from Oklahoma City on November 14, said bluntly: "The military services are underpaid. We must be fair with them. Justice demands this, but also compelling is the factor of efficiency in our defense forces. We cannot obtain and retain the necessary level of technical proficiency unless officers and men, in sufficient numbers, will make the armed services their career."

The fact is that the Cordiner proposals, if enacted into law, will indeed require increased spending for 2 or possibly 3 years. But this spending will be a sound investment in skilled military manpower, and it will pay good dividends. After the third year the Cordiner plan will begin to pay its way and even to result in substantial savings. It will cut down the incredibly costly rate of turnover, decrease losses from training accidents and faulty maintenance, reduce the number of personnel required to produce a given level of military effort, and provide a long-term solution to basic military manpower problems by making the service more attractive as a career.

These long-term problems have got to be solved if this Nation is to survive. If the present conditions are allowed to continue until the senior group of World War II officers and top-level enlisted men begin to pass into retirement, an imbalance of experienced leadership and technical military skills will be created which will take a generation to correct.

At whatever cost, the United States must procure and retain the military leadership and skills required for the national security.

Decent pay, commensurate with skill and leadership responsibility, is part of the price.

It contributes not only to individual well-being, but to a man's pride. A young soldier who finds that his company officers are struggling to make ends meet, are talking, as many officers do, of leaving the service, has little motivation to stay in himself. When he sees that the noncommissioned technicians assigned as his instructors are underpaid and overworked, why should he seek to join their ranks?

For all these reasons, I believe that legislation embodying the Cordiner recommendations should be enacted by this Congress as a matter of prime urgency.

Dollars and cents, however, are not the whole story. There is an intangible feeling that a country which treats its military people in a niggardly way has very little regard for the military profession as such. Consider the effect among combat officers of the services when the bill providing increased pay for medical and dental officers was enacted. The bill was passed to hold enough doctors and dentists in uniform, but the line officer's reaction was, "Isn't my profession as highly regarded as theirs?"

The need here is not only for higher pay, but for challenge—a stimulus to which Americans habitually respond. The rewards for proficiency and self-betterment should be there, but they should be hard to get, not easy. Tougher standards in selection and promotion are needed. The two ideas go hand in hand; they are the cornerstones of a proud and vigorous career military service.

Implicit in such a change of national attitude toward the military profession is the ever-recurrent question of the size and constitution of the forces. Nothing has had a worse effect on the retention of skilled manpower than the recent personnel cuts imposed for budgetary reasons. They fell hardest on the Reserve officers on extended active duty who today form by far the largest segment of our whole officer corps. Many of these officers were urged, after World War II and/or Korea, to remain in service and make a career of it. Now, suddenly, they are kicked out before reaching retirement age, with no compensation except "severance pay." Does this encourage young officers to stay in a military career?

There are other points which require attention. Housing is one of the most important of them. Our servicemen are marrying early. Almost all officers above the lowest commissioned grade and almost all career enlisted men are married. If wives and families are unhappy, so are husbands and fathers. More and better Government housing is only part of the answer. It's needed, but there will never be enough. A high percentage of service families will have to find their own housing, and pay for it out of their allowance for quarters. This allowance should be set as the Cordiner report suggests in a reasonable relationship to the cost of procuring accommodations and should be adjustable by Presidential action to meet rising rental indexes.

Directly connected with the contentment of service families are better dislocation allowances for the constant moving and separation which is an unavoidable element of military life, and the restoration of the many so-called fringe benefits such as post exchange and commissary privileges.

Insofar as the Regular services are concerned, the problem is not procurement of "bodies." The services have consistently been able under existing law to fill their ranks to the annual numbers permitted by appropriations. Selective Service brings it its required quotas, but far larger numbers come in by voluntary entry (partly draft-stimulated) to the enlisted ranks or to officer candidate programs. The problem is to retain not only enough of these men, but enough of the cream of the crop to build progressively a career personnel structure in each of the services.

With the Reserve components, which include the National Guard, the problem has a somewhat different aspect. Here the initial problem is to procure enough pretrained men, since the required level of readiness added to the far shorter periods of training time available to the citizen soldier (or sailor or airman or marine) who must earn his own living requires that all this training time be devoted to unit training. Hence the man entering a Reserve unit must already have had basic training and preferably instruction in at least one military specialty appropriate to his unit.

One source of such pretrained personnel is to be found in draftees who have finished their 2 years of service and have a remaining Reserve obligation. What is needed is the enforcement of existing law, by which these men can be required to perform their Reserve service with designated units. Another source is the 6 months' active duty training program for reservists. If the number of men who volunteer for this program should fall below the needs of the Reserve components, the men needed to bring Reserve rosters up to strength should be obtainable through Selective Service.

Mr. MARTIN of Pennsylvania. Mr. President, the distinguished commander of the Legion further discusses the matter of the number in the National Guard and Reserve. He feels that instead of decreasing the Guard and Reserve, those components should be increased. He ends his article by saying that the basic quality of our human raw material—their resourcefulness, imagination, initiative and all-round adaptability to our present technological revolution—is far superior to that of Soviet Russia.

Mr. President, I ask unanimous consent that the concluding portion of his article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The present ceilings on the number of men who can be paid for attending drills for the Army components (National Guard, 400,000; Army Reserve, 300,000) are unrealistic and should be raised at least 50 percent. Considerable savings in money and effort could be realized if duplication of local effort were reduced by no longer activating Guard or Army Reserve units in communities where a unit of the other type is already flourishing and can usefully absorb the local personnel resources.

Also, in case of future reductions in the Regular Army (which I certainly hope are not going to take place) there should at least be a corresponding increase in the strength of the Army's Ready Reserve strength. Thus if a Regular armored division is to be deactivated, a National Guard or Army Reserve armored division should take its place.

However, it is my belief that for the time being and in the light of the emergency situation thrust upon us by Soviet arms progress, all proposed personnel reductions in the Armed Forces, Active and Reserve, should be canceled until a thorough restudy of our personnel requirements has been made by the Joint Chiefs of Staff and submitted—without alteration by the civilian staff of the Defense Department—to the President, the Secretary of Defense, and the Armed Services Committees of the Senate and House of Representatives.

Directly related to this requirement is the urgent need for clearer expression, at the highest levels of decision, of the professional military views of the leaders of our armed services. I am unalterably opposed to the suggestion that there should be a single military chief—a super-Chief of Staff through whom all military advice reaching the President and the Congress should be channeled. That idea, for every nation which has tried it, has been the sure prelude to defeat in war. Our Joint Chiefs of Staff, representing the three armed services on an equal basis, was the command agency which won the last war and upon which we must depend to win the next one if it comes. But the voice of the Joint Chiefs is today diffused and smothered by the vast civilian bureaucracy which has accumulated in the Department of Defense. The Defense Department today serves less as a coordinating agency than as a barrier by which the three military departments are walled off from ready access to the Commander in Chief. Reform in this matter is urgently demanded.

All of this has nothing at all to do with the kind of weapons systems we need or the respective states of the missile art, the electronics art or any other aspect of armament.

To all of these, trained manpower in readiness is basic.

The cornerstone of our military policy must be the military profession.

The United States has a military profession, but alas, it is not an honored profession save in the minds of a dedicated few. The people of the United States do not consider an officer in uniform to be as important a member of the community as a scientist, a lawyer, a doctor, or an engineer.

Faced with an enemy who places the military profession at the topmost levels of compensation, reward, and public esteem, there can in the end be but one outcome of this state of affairs if allowed to continue: Defeat in war or a price paid for victory that will make victory itself seem little worth the gaining.

We cannot hope to oppose our enemy successfully with forces of less quality in leadership, experience, or technical skill. That is what we are trying to do today, on the feeble plea that we can afford no better.

We have one advantage which the Soviets cannot match within this generation or the next—the basic quality of our human raw material. The American youth—in resourcefulness, imagination, initiative, and all-round adaptability to the miracles of the technological revolution—is far superior to his Soviet counterpart. We must cash in on this priceless asset. We can by appealing to these qualities—with the proper admixture of challenge and reward—create from this raw material a military profession and military forces both Active and Reserve which can make this Nation secure against any enemy. But let me repeat: we must start now.

COST OF LIVING AT NEW PEAK

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Cost of Living at New Peak," written by Bernard D. Nossiter and published in this morning's issue of the Washington Post and Times Herald.

The article calls attention to a stubborn fact about our economy that some people would like to ignore but many more people would like to have explained satisfactorily, and that is that while employment goes down, and farm income goes down, and business activity goes down, prices still go up, up, up.

One of the correctives in a private enterprise system, Mr. President, is a flexible price system which lets prices rise in good times and go down in bad times. But obviously something is wrong here; prices go up in good times and in bad times they keep going up.

Studies I have seen, by Gardner Means and others, indicate that a great deal of our inflation has come about in the so-called administered price section of our economy in which a few companies dominate an industry, in which in many cases there has not been a price reduction in more than 25 years.

The cruel anomaly of inflation in recession is so striking that I think it should be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COST OF LIVING AT NEW PEAK

(By Bernard D. Nossiter)

Soaring food prices led living costs to another peak in January, the Labor Department announced yesterday. The advance averaged 0.6 percent, biggest monthly spurt since July 1956.

Rugged weather in the South destroyed crops and helped lift food prices to a new record that accounted for four-fifths of the overall gain.

But most other commodities and services also increased slightly. So far, the business slump has inspired little retail price cutting.

In December, the Consumer Price Index had held steadily at the old record of 121.6. Last month, it mounted to 122.3. This was 3.5 percent above a year ago. It meant that a middle-income urban family was paying $12.23 for goods averaging $10 through 1947–49.

FOOD PRICES UP 1.8 PERCENT

Florida's freeze and heavy rains in Texas were blamed for the stiff advance in fruits and vegetables. Farmers sent fewer hogs and cattle to market and meats also rose sharply. All food prices jumped 1.8 percent in January, exceeding the previous high set last August by 0.3 percent.

Commissioner Ewan Clague of the Bureau of Labor Statistics doubted that prices would turn down in February and March. Last month's storms have not yet completed their food price lifting effect, he said, and this will be reinforced by February's blizzards.

But he noted that the fall in business has slashed a wide array of raw material prices at wholesale—wool, lumber, zinc, copper and

rubber among others—and these should reach consumers by the summer or fall.

In Washington, food costs, the only items measured here in January rose even more rapidly than across the country. The 2.5-percent gain was the biggest recorded since the Government began compiling a monthly food index here in 1941. But metropolitan food prices had been declining for the previous 5 months and the January advance left them a shade under last August's record.

Locally, cabbage, lettuce, oranges, and frozen orange juice scored the biggest gains. Pork chops, bacon, ham, hamburger, chuck roast, round steak, frying chickens, and haddock were all higher, too. Bread was costlier, but eggs declined as they normally do in January.

The new national index will make an estimated 1,350,000 workers eligible for pay increases on March 1 under cost-of-living contract clauses.

But an uncounted number of this group have been laid off and will not benefit. About 1 million auto workers are in line for 3-cent-an-hour gains or equivalent salary increases for white-collar workers. But the industry's three giants, Ford, General Motors, and Chrysler, calculated only 741,000 would receive boosts. Another 350,000 in farm machinery, aircraft and electrical manufacturing plants, are due for 2-cent-an-hour increases.

Consumer prices have now risen virtually without a pause for 23 months. In this time, they have slipped only once, remained unchanged twice, and advanced 6.7 percent.

USUAL LAG IN INDEX

Economists generally are not surprised that the recession has not yet bitten into retail prices. As Clague observed, the index characteristically lags behind both business upturns and declines. Moreover, food prices, accounting for nearly a third of the index, are least affected by changes in income and employment. Consumers cut back on everything else before they reduce food buying.

But slumping auto sales brought further discounts in new-car prices last month; used cars were also lower. Clothing and house furnishings were down, too, largely because of the customary January sales. However, gas and electricity, coal and fuel oil, gasoline, haircuts, beauty treatments, doctor and hospital fees and most reading and recreation items were all higher.

The overall rise in prices and cutbacks in hours worked shaved the purchasing power of factory workers' take-home pay by about 2 percent. The drop was more than 4.5 percent as compared with January 1957.

COLD WAR WEAPON: POINT 4 AID

Mr. SMITH of New Jersey. Mr. President, when a program is successful and its many accomplishments evident to all who sincerely desire to know, it is no time to hide its light under a bushel. Mr. William L. Ryan, of the Associated Press, believes in just such a policy of positiveness as demonstrated by his article in the January 11 issue of the Chicago Daily News, entitled "Cold War Weapon: Point 4 Aid."

He vividly describes the deep and affectionate interest of the peoples of the Middle East in the United States technical assistance program and the political returns which it is bringing to America. "The cry abroad," he excitedly says, "is for more and better Americans."

Here is tangible evidence of the great gains which American foreign policy, through the mutual security program, has thus far achieved. I urge all my colleagues to read this article and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLD WAR WEAPON: POINT 4 AID—UNITED STATES TECHNICIANS WINNING FRIENDS AMONG NEEDY OF WORLD

(By William L. Ryan)

In Arab Lebanon, a housewife says to the grocer: "Give me a half dozen point 4 eggs."

In Iran, a Persian tribe, overwhelmed with gratitude took a solemn oath to protect point 4 and its people at all times. Once when the United States aid program was threatened, the tribe was ready to march to Teheran.

In the developing economic-political global war with communism, technical assistance may look like only a minor skirmish. But it is one field in which Americans have been successful, one field in which Americans have built up more gratitude than resentment. It has left a deep and lasting mark in many a struggling country.

Most people in the world's underdeveloped countries still refer to the United States program by its original name: Point 4. Now it's under the International Cooperation Administration.

(The term "point 4" comes from the way President Truman referred to his program for aid to underdeveloped countries during his January 20, 1949, inaugural message.)

When the Lebanese housewife demands point 4 eggs, she means the high-grade eggs produced by American agriculture experts in Lebanon. The eggs are greatly superior to the unpalatable local variety.

The whole vast Middle East, a major theater in the political-economic contest between democracy and communism, is dotted with such so-called trivial projects. Local people don't think the projects are trivial.

When the tribesmen swore to protect American technicians, they were mindful of a project which once was a butt of Washington jokes.

American hygiene experts went to the villages with a campaign to rid the bathhouses—the villagers' social centers—of the filth which made those places breeding areas of contagion.

Today, technical assistance is a weapon whose potency has been newly recognized by the Russians. Iron Curtain technicians wait eagerly for a chance to supplant Americans in the underdeveloped world.

Quietly, without publicity fanfare, a little army of American technicians chalked up an impressive record as ambassadors of good will. It numbered only 2,961 in 1957.

Before Congress this session is a proposal to increase the number of 3,302, and to increase the annual budget by $20 million to $150 million for operations in 57 countries in the next 18 months.

There has been some criticism that the ICA has had too much headquarters personnel and not enough men in the field. Likewise, there has been criticism that the technical staffs, adding to the large numbers of Americans abroad, often cause local resentments.

An Associated Press survey indicates, however, that of all Americans abroad, the technical experts are the least resented. Indeed, in many places, they are highly popular. There are some outstanding exceptions.

There are some bad ones, the survey shows; a few loudmouths; the heavy-drinking, high-living ones who arouse local annoyance. Others fail or refuse to adapt to local conditions.

But among the technicians, these are the exceptions. On the whole, the survey shows, the technicians are among the most popular Americans overseas.

The lack of available good people results in many projects' being sprinkled with incompetents, career bureaucrats and adventure seekers, who insist on all the comforts of home and hesitate to adapt to local conditions.

These are the ones who create "Little Americas" and raise resentments. There are some like this in the diplomatic service, too.

But among technicians, such bad ones are not representative. Many experts work devotedly in uncomfortable, remote villages, building up a well of gratitude and good will among local populations.

James Smith, new director of the Government's foreign aid agency, reports he already has taken action to make sure the number of technicians is kept to the minimum needed to carry out assigned tasks.

He has instructed overseas missions that henceforth each technician will be linked directly to a specific project. He wants no floaters with little to do but shuffle papers at headquarters.

This policy may result in cutting down the number of ICA people abroad in some countries. But even with such requirements, the overall total will go up if Congress grants the increases.

The cry abroad is for more and better Americans.

TENTH ANNIVERSARY OF SUBJUGATION OF CZECHOSLOVAKIA

Mr. SMITH of New Jersey. Mr. President, it is exceedingly fitting that we pause to note the 10th anniversary of the subjugation of Czechoslovakia by communism. This unhappy land unfortunately provides a prime example of the dire consequences to free men of forming coalition governments with Communists, consequences which the amiable smiles of the Khrushchevs can neither obliterate nor distort.

The forces of the Free World were woefully inadequate in 1948, but the great mutual effort since then has spared any nation, protected by the Free World collective security system, from suffering the same fate.

To the brave people of Czechoslovakia, as to the Free World, this is a sad anniversary, but we in America wish them to know that our friendship is steady and deep, and that we share with them the hope that they will soon again rejoin the freedom-loving, independent nations of the world.

FORTIETH ANNIVERSARY OF THE PROCLAMATION OF THE INDEPENDENCE OF ESTONIA

Mr. LANGER. Mr. President, I ask unanimous consent that several letters I have received relating to the 40th anniversary of the proclamation of independence of the Republic of Estonia be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE ESTONIAN NATIONAL COMMITTEE IN THE UNITED STATES,
New York, N. Y., February 6, 1958.

The Honorable WILLIAM LANGER,
United States Senate,
Washington, D. C.

SIR: On February 24, 1958, the Estonian nation and people of Estonian descent all over the world are commemorating the 40th anniversary of the proclamation of independence of the Republic of Estonia.

For over a decade in Communist enslavement, the Estonians have been subjected to

inhuman and brutal oppression. Their hope for restoration of freedom, however, is still alive and their moral resistance against Soviet tyranny continues.

This moral strength of the Estonian people is deeply rooted in the conviction of theirs, that the United States will never give up its efforts for the liberation of Estonia and the other captive countries, before this aim has been fully achieved.

Every reassurance on continuation of this policy of liberation would serve as greatest moral support to this anti-Communist spirit of the captive Estonian nation. It also would encourage the anti-Communist activities of the free Estonians all over the world.

All statements, messages, and greetings on occasion of this great Estonian holiday will be broadcast to Estonians behind the Iron Curtain, published in the free Estonian press, and read at solemn commemorative meetings of Estonians in all continents.

The Estonian National Committee in the United States, representing all Americans of Estonian descent, has the honor of extending to you its deepest gratitude for the warm interest in the Estonian cause you have shown hitherto, and into the continuation of which we trust.

Very truly yours,

AUGUST KARSNA,
President.

THE ESTONIAN NATIONAL COMMITTEE IN THE UNITED STATES,
New York, N. Y., February 28, 1957.

THE HONORABLE WILLIAM LANGER,
United States Senate,
Washington, D. C.

SIR: On behalf of the Americans of Estonian descent and the Estonian refugees in this country, the Estonian National Committee in the United States takes the liberty to bring to your attention the enclosed declaration adopted unanimously by the people assembled in New York at the solemn commemoration of the 39th anniversary of the proclamation of independence of the Republic of Estonia.

We hope that you will support our cause which is aimed at a more resolute and active policy against communism and toward the liberation of Estonia and other captive countries.

Very truly yours,

AUGUST KARSNA,
President.

DECLARATION

The U. S. S. R. has committed multiple crimes against the rights of the Estonian nation and against liberties, properties and lives of Estonians. The perpetration of these crimes continues in violation of precepts of international law and solemn commitments of the U. S. S. R.

The same pattern of crimes is being practiced over other Soviet dominated countries, and preparation for new aggressions and other crimes is under way on a worldwide scale. Millions are suffering under Soviet imposed terror and misery. No people in the world have accepted voluntarily the Soviet system. All are longing for the opportunity to overthrow the Communist regime.

Throughout history Estonians have been fighting against the foreign invaders until they regained their independence after the liberation war against the Soviet Union. The same spirit prevails at present. Only overwhelming Soviet forces stationed in Estonia prevent the people from driving out the enemy.

In their tragic situation they are looking for support from the Free World. Sporadic declarations about law, liberty, and rights of subjugated nations are not sufficient if they are not implemented.

We declare that for achievement of international peace and justice it is necessary that the Free World condemn Soviet acts of aggression as international crimes, exercise pressures for the termination of these crimes and as a first step demand the withdrawal of all Soviet forces and administration from Estonia and the other occupied countries. This should be the primary condition in any dealings with the U. S. S. R.

MARCH 22, 1955.

HON. JUHAN VASAR,
President, the Estonian National Committee in the United States, New York, N. Y.

DEAR MR. VASAR: This will acknowledge and thank you for your letter of recent date which has arrived, concerning the resolution adopted by members attending the 37th anniversary of the proclamation of independence of the Republic of Estonia.

I appreciate your kindness in sending this to me.

With just every good wish and hoping you are well, I am,

Sincerely.

MARCH 8, 1954.

HON. JUHAN VASAR,
President, the Estonian National Committee, New York, N. Y.

DEAR MR. VASAR: This is to acknowledge and thank you for your letter of March 4th and the attached resolution in behalf of the Estonians in this country. I am taking the liberty of putting this in the CONGRESSIONAL RECORD.

With kindest regards, I am,

Sincerely.

BUSINESS RECESSION AND THE COST OF LIVING

Mr. HUMPHREY. Mr. President, this is a day of miracles. The junior Senator from Wisconsin [Mr. PROXMIRE] commented on news stories which appeared in this morning's New York Times, Washington Post, and other newspapers regarding the increase in the cost of living, notwithstanding a recession.

We have just witnessed another amazing event over the past weekend. The press carried the story that consumer prices rose to a record high, despite recession.

The New York Times story reads in part as follows:

The United States consumer price index for January was 122.3 compared with 121.6 in December. The base of 100 equals the price average for the years 1947–49. The rise from last December amounted to six-tenths of 1 percent and was the steepest since July 1956, when the increase was seven-tenths of 1 percent.

In the Wednesday, February 26, issue of the New York Times, in a feature article by Edwin L. Dale, Jr., we read the following:

Food prices are up—buying power drops, and a full scale business recession is under way.

All of this appears at a time when farmers' income is down and farm prices are dropping. Furthermore, the administration insists upon pursuing an agricultural policy which will cause further declines in prices on farm production. These price reductions at the producer level are not translated into reduced prices at the consumer level.

The consumer is the victim of an ever rising cost of living, and the agricultural producer is the victim of a cost-price squeeze. To put it bluntly, something is cockeyed.

The administration's economic policies have resulted in higher interest rates, inflation, recession, growing unemployment, heavy losses in the stock market, increased burdens upon the taxpayers for financing the public debt, and a recordbreaking level of private indebtedness.

The answer of the administration to these mounting problems and distressing developments is, according to the President, "That things will be better in March." This is the 1958 version of that familiar old GOP refrain entitled "Prosperity Is Just Around the Corner."

Added to this dismal picture is the report of a gathering in Valley Forge, Pa., where the former President, Mr. Herbert Hoover, in addressing the meeting, informed the press that he used the same speech in February 1958 that he had used in 1931. It was that speech which, in 1931, proclaimed that the economic problems of today would soon be overcome and that things would soon be much better. This reply of history should send a cold chill through our political and economic system. The Republican President in 1931 assured the Nation that all would be well. The Republican President in 1958 gives us the same assurance.

President Eisenhower said on Wednesday, February 12:

We have had most of our bad news on the unemployment front. I am convinced that we are not facing a prolonged downswing in activity. Every indication is that March will commence to see the start of a pickup in job opportunities.

Shades of Hoover. This is a Valley Forge speech of 1931 repeated word for word in 1958 by its original author and rephrased again in 1958 by the first Republican President since 1932.

The Nation's economy is in trouble. The time for action to stem the recession is now. Many practical suggestions have been made, and more will be outlined in explicit detail. My advice to the Congress and to the administration is get busy. Get on with the job of checking the recession before it gets out of hand. The least that we can do is to plan projects and be prepared to move quickly and effectively. The strength and prosperity of the American economy is not only vital to all our people, but to the hopes and aspirations of mankind everywhere. The success of our foreign policy, the durability of our defense are dependent upon a strong, vital, and expanding economy.

The Soviet Union could win no greater victory than to witness a major recession and depression in the United States.

Mr. President, I wish now to refer to another subject.

The VICE PRESIDENT. The Senator from Minnesota has the floor.

PROBLEMS OF DISARMAMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent to insert in the RECORD the first of two articles by Mr. Harold Stassen, the President's former Special Assistant on Disarmament, which appeared in today's New York Times.

The subject of disarmament is becoming of increasing concern as the world attempts to find some way to halt the arms race in which we are engaged. More and more voices throughout our country are speaking up on this vital matter and one of these that deserves to be listened to is that of Mr. Stassen. Mr. Stassen advocates in his article a step which is very close to one I suggested in my speech of February 4 in this Chamber on "United States Foreign Policy and Disarmament." This step is the breaking up of the present complex disarmament package of the Western Powers.

Mr. Stassen advocates a 2-year suspension of nuclear weapons test explosions under a rigid reciprocal system of inspection. Mr. Stassen believes such a step could possibly be negotiated within the next 6 months. I believe that all Americans should give earnest thought to this proposal to see whether it would not, if adopted, help to alleviate the great tension which exists in the world today.

I should also like to add that on Friday, February 28, in the Senate Caucus Room at 10 a. m., the Subcommittee on Disarmament will have an opportunity to discuss the problem of disarmament with Mr. Stassen in open session. This hearing is the first of a series which the subcommittee plans to hold over the next several weeks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STASSEN ASSERTS AN ACCORD ON ARMS IS FEASIBLE IN 1958

(By Harold E. Stassen)

PHILADELPHIA, February 25.—I believe that a trial agreement for 2 years between the United States and the Soviet Union on a first-step limitation of armaments and the suspension of nuclear explosions under a rigid reciprocal system of inspection can be negotiated within the next 6 to 9 months.

I am convinced that such a first step, calling for equal sacrifices by both sides and affecting both evenly, could pave the way for a longer and more lasting control and limitation of armaments while at the same time lessening the dangers of war.

Such a trial agreement cannot and must not be allowed to be a substitute for our continuing a powerful and alert military position. But it would give us time to seek and make further progress toward a more inclusive and lasting agreement.

PACT HELD NO HANDICAP

Should the trial period end in failure, or if we are unable to convert it into a more substantial agreement, this 2-year agreement would not and could not constitute a handicap to our security or to our efforts to maintain the peace.

After a long study and first-hand dealing with the major problems affecting peace, I propose that the first step or trial agreement consist of four basic parts:

First, the establishment of a special agency of the United Nations with the responsibility of inspecting and assuring the fulfillment of the steps agreed upon by signatories for the reduction, control, and limitation of armaments.

Second, the installation of necessary inspection posts inside the territories of the Soviet Union and the United States, equipped with scientific instruments designed to verify the ending of nuclear test explosions.

STEPS TERMED FEASIBLE

Third, the Soviet Union and the United States to agree not to conduct any nuclear explosions for 2 years from the date the treaty is ratified both by the United States Senate and the Supreme Soviet.

Fourth, the setting up of a negotiating group to work effectively and seek diligently additional steps of disarmament during this first 2-year period.

In my opinion, these four measures of a first step are feasible. On the basis of the progress made in the thorough and persistent negotiations in London in 1957, I believe that such a first-step agreement could be worked out during 1958.

In fact, I think it should be possible to work out such an agreement so that it would be available for ratification by the United States Senate before it recesses in July or August of 1958, and for ratification at the same time by the Supreme Soviet.

We must expect that such an agreement would put some brakes on research and further development and advance in nuclear weapons by the United States.

But it would likewise put some brakes on further advances in nuclear weapons by the Soviet Union.

In this period of 2 years more time would also be provided for scientists to follow through in their research on the effects of radiation from strontium 90 and cesium 137, thrown into the atmosphere from the nuclear tests.

NO CAUSE FOR ALARM SEEN

Research thus far seems to make it quite clear that this radiation is not grounds for the kind of alarm that some have expressed. But it also seems clear that this radiation is not entirely harmless and that the degree of harm has not yet been adequately measured by essential and thorough research.

The trial period and first-step agreement I propose would have the effect of opening up both sides to a beginning of necessary United Nations inspection and would develop experiences in the methods of limitation and control. It would put the United Nations realistically and practicably in the field of armament control, and this is the role envisioned for the United Nations in article 26 of the charter.

But what is most important is that this first step would afford an essential opportunity for both sides to observe how each acts under an agreed system of continual inspection.

I am convinced that no agreement is workable and the future will be one of increased terror and uncertainty if either side seeks special advantages in any arrangements set up between the United States and the Soviet Union. Certainly we cannot agree to any one-sided arrangement, such as one that does not provide for adequate and effective inspection.

WARNS ON UNDERRATING

On the other hand, we must not make the mistake of underrating the intelligence of the Russians and believing that the leaders of the Soviet Union would be unable to recognize any one-sided advantage we might seek for ourselves at their expense.

The necessary system of inspection to monitor a cessation of nuclear test explosions is one that is practical and capable of being installed within 6 months.

It would require 11 or 12 inspection stations on each side, appropriately and effectively distributed geographically, and equipped with seismic, acoustic, electromagnetic and radiation-measuring scientific instruments.

Each station would need to be manned by qualified personnel of the United Nations, including experts from the United States and the Soviet Union.

AUTHORITY FOR INSPECTORS

The United Nations inspectors would need the authority—if their scientific instruments indicated that an illegal nuclear explosion had occurred—to go promptly to the location indicated by their instruments and make an on-the-spot investigation.

This is an essential part of the whole plan, and I believe it possible and reasonable and practical to achieve and maintain in operation once negotiations have brought about this first-step trial period of 2 years.

I consider it urgent, therefore, for us immediately to make the necessary moves seeking to bring about such an agreement.

The first essential move is for the United States to inquire whether other countries associated with the United States in mutual defense are agreeable that the United States make such a proposal to the Soviet Union.

This means we should consult the Governments of Britain, France, Canada, West Germany, Italy and the other NATO countries, as well as those countries associated with the United States in collective security agreements in the Near East, the Far East, and the Western Hemisphere.

OTHER NATIONS WELCOMED

If other nations express any wish to join the trial agreement to suspend nuclear explosions under a rigid system of inspection for 2 years, then we should, of course, welcome them.

But the most important requirement is to get the Soviet Union and the United States into a mutual agreement, even if no other country joined in the first instance, for an agreement between the Soviet Union and the United States is basic.

Britain has made some nuclear test explosions and has done extensive research. The British may feel that they need to conduct a few more tests before they are willing to stop. This would be understandable.

France has done research. France may feel that she wishes to conduct a first nuclear test before she agrees to join an agreement to suspend nuclear explosions. This, too, would be understandable.

These are decisions for Britain and for France and for other sovereign states to make.

DESTRUCTIVE POWER GROWS

But everyone knows that both the Soviet Union and the United States have conducted extensive nuclear test explosions. And everyone knows that both now have tremendous destructive power within their armaments.

Therefore no time should be lost in starting negotiations aiming to bring about the installation of the necessary inspection for nuclear explosions and the setting up of the exact legal terms to be fulfilled by both.

What is essential is that the other members of the United Nations agree that the supervision of this trial period between the United States and the Soviet Union be in the hands of a United Nations commission.

It is fair to ask whether this trial period would necessarily bring about an even more substantial agreement in the limitation of armaments in the immediate future.

It is my view that the prospects for the future would be far better than if the present deadlock continues, giving rise to increasing tensions and a terrific arms race.

I believe that this first step of a 2-year trial agreement between the United States and the Soviet Union with the guaranty of rigid inspection would improve prospects of a lasting peace. It would be and should be acclaimed by millions of people around the world.

APPRAISAL OF WORK OF HAROLD STASSEN, SPECIAL ADVISER ON DISARMAMENT

Mr. HUMPHREY. Mr. President, there appeared in the Washington Star

of Sunday, February 23, a provocative and challenging article by Mr. Jerome H. Spingarn entitled "Appraisal of Stassen's Mission Shows Frustration, Achievement."

Mr. Spingarn discusses with objectivity and candor the work of Harold Stassen, Special Adviser on Disarmament. He also points out the conflicts in the administration over the handling of the disarmament question and refers to the disagreements between the Secretary of State and Mr. Stassen, over both procedural and substantive matters in the disarmament question.

It is about time that the American people had a clearcut statement from both the Secretary of State and the former adviser on disarmament as to their differences. Disarmament is public business of the highest priority. It is not to be a special, carefully guarded secret of contesting forces within an administration.

Mr. Stassen is to appear before the Senate Subcommittee on Disarmament, Friday, February 28. It is to be hoped that he will present to us a frank and candid statement with a review of the recent London disarmament discussions, the disarmament activity in the United Nations, and finally the relationships with the State Department. The Congress will welcome any advice that Mr. Stassen may feel free to give as to how we might proceed with disarmament negotiations, what, if any, are the prospects for successful accomplishment.

I ask unanimous consent that the article referred to be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APPRAISAL OF STASSEN'S MISSION SHOWS FRUSTRATION, ACHIEVEMENT

(By Jerome H. Spingarn)

With the departure of Harold Stassen, the White House disarmament staff is scheduled to be dismantled and a chapter in the long effort to negotiate peace is closed.

From the point of view of the spectator of the popular sport of bureaucratic pugilism, the challenger from Minnesota was carried out of the ring on a stretcher after a bout with Secretary of State John Foster Dulles that went more rounds than any fight since the Sullivan-Kilrain match. But it is much too early to say that the entire Stassen mission was a failure.

In many ways, the conflict between Secretary Dulles and Mr. Stassen was the product of a basic difference of opinion between White House and State Department that existed even before the Eisenhower administration came to power.

Presidents see foreign policy problems in a broader context than their Secretaries of State. They sense the urgency of the times, they reflect the concerns of the electorate and they hope to write history. In making stirring speeches about disarmament, both Presidents Truman and Eisenhower had some difficulty in finding words that could inspire the public without offending the State Department.

Secretaries of State, on the other hand, soon become absorbed by their Department, which tends to see diplomacy as a long unhurried process. They have learned that it is dangerous to seek perfection, and they recoil from acts of dramatic leadership. To the diplomat there abideth these three: Patience, power, and professionalism, and the greatest of these is professionalism.

A RISKY ASSIGNMENT

The appointment of Harold Stassen as Special Assistant to the President for Disarmament in 1955 tended to give institutional form to this basic split. When he took the job, Washington wiseacres pointed out that the White House corridors ran deep in the gore of special assistants who came to coordinate the policies of major departments.

But there were two reasons why Harold Stassen seemed to have a chance to win despite the tradition: (1) The multinational capability to wage nuclear warfare created a situation new to history, which called for new solutions; (2) President Eisenhower had exhibited a strong interest in disarmament, and was willing to exhibit a greater personal leadership on this issue.

For a brief period, it looked as if the new alinement would work. On at least one occasion, in the spring of 1955, President Eisenhower called in the heads of the Defense Establishment, and decisively overruled their objections to a disarmament move. It looked at last as though arms control planning was finding a central authority.

The turning point for the Stassen mission was September 24, 1955, when the President was stricken with his heart attack.

From that moment on, Mr. Stassen was on his own in the bureaucratic jungle.

In spite of the loss of active Presidential support, he continued to take his job seriously. He assembled an able staff of experts in the field. And he addressed himself to three basic tasks: To get the departments of the United States Government to agree on a disarmament policy; to get the NATO allies to agree on a policy; and to get Russia to agree on a policy. He had made substantial progress on the first two, and was getting ready to begin to negotiate seriously with the Russians when his mission ended.

THE ICBM PROBLEM

Nothing better illustrates the stumbling blocks that lay in Mr. Stassen's path than the matter of controlling weapons which travel through outer space, such as the intercontinental ballistic missile.

The ICBM is headline stuff today, and the Western Powers, aware of current Russian superiority in this field, are quite unanimous in their desire to bring these missiles under control. But back in 1955, when the initials ICBM were meaningful only to engineers and military men, Mr. Stassen was peddling to all Government agencies who would listen a plan which offered a method of arresting the development and manufacture of these weapons before any nation could acquire them. Enforcement of his plan was based on the fact that these weapons must have many flight tests before they can become dependably operational, and that the flight tests can easily be detected.

But the control plan never won approval, until January 1957, when Ambassador Henry Cabot Lodge made the very general assertion that the United States, at the forthcoming London disarmament conference, would try to win approval in principle of a proposal to control outer space vehicles. When Mr. Stassen went to London he was unable to make a concrete proposal along this line until late summer, and then all he could say was that the matter should be referred to a committee for study. A very short time later, the U. S. S. R. announced that it had operational ICBM's.

TACTICAL COURTESY

When Mr. Stassen went to London, he thought his primary job would be to extract an agreement from the Russians. Firm in matters of substance, he was courteous and considerate in manner, because he had evolved a theory in previous negotiations that the Russians had a national inferiority complex, and that courtesy and consideration might go a long way with them. Throughout his tour of duty he refrained from public condemnation.

Soon after the London conference, he paid a call on the Russian delegation, accompanied by members of his mission, representing all of the agencies of the Government concerned with arms control. In an off-the-record session he showed the Russians a "talking paper"—a preliminary description of the proposals he expected to make more formally later. Observers at the conference agree that this gesture, more than any other, earned the gratitude of the Russians, and resulted in a more flexible attitude than they had ever exhibited before.

However, the direct approach to Russia caused consternation in England and France, whose leaders had momentary fears of being caught between two giants. And it was sternly disapproved in Washington.

Most of the rest of the 5½ months at London were spent in a long series of private consultations with the NATO powers, while the United States position was recast into a new position which could receive unanimous Western support.

According to observers, when Mr. Stassen was at last ready to present the Western package at one of the final meetings of the conference, he read a set of proposals which did not go as far as the "talking paper." The Russians rejected them with the first harsh words of the conference.

But it is authoritatively reported that they took the trouble to seek Mr. Stassen out privately to extend a friendly personal greeting and to say something like this: "We could embarrass your Government by publishing your 'talking paper' and showing how you withdrew from it. But we never will. We want to keep open the channels for informal, off-the-record conversation on disarmament. We appreciated your courtesy."

MISSION UNACCOMPLISHED

At London, Mr. Stassen had no way of knowing how far the Russians would go toward signing a genuine disarmament agreement with real enforcement provisions. There is still no way of knowing. But he wanted to put them to the test, and the fact that he never had an opportunity to do so was a source of great frustration.

What he did have an opportunity to do was to obtain from the various departments of Government here at home a set of basic proposals which now comprise the Western package.

He also managed to achieve some degree of unity among the Western Powers on basic principles of disarmament.

Most impressive, however, has been Mr. Stassen's achievement with the Russians. He moved them along to the point where they were willing to talk, for the first time, about international inspection of the interior of Russia. This important concession was made twice, once in connection with zones of aerial inspection (but the two sides never agreed on what zones would be inspected) and once in connection with enforcement of a plan for cessation of bomb tests. He also won Russian acceptance of United States figures for force levels, and of United States suggestions for deposition of agreed lists of excess armaments in arms control depots. And he persuaded them to drop their demand that "Ban the bomb" must be a prerequisite to first steps toward arms control.

Finally, his dogged persistence, his refusal to recriminate, his sincere desire to lift the threat of thermonuclear war helped to offset a growing anti-American feeling in many parts of the world.

THE SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

Mr. THYE. Mr. President, I am in receipt of a letter from the Brooten Pub-

lic School of Brooten, Minn., dealing with the school lunch and milk programs. I ask unanimous consent that the letter may be printed in the body of the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BROOTEN PUBLIC SCHOOL,
Brooten, Minn., February 18, 1958.

Hon. EDWARD THYE,
United States Senate,
Washington, D. C.

DEAR MR. THYE: We who are working directing with the public school lunch program have been following with interest your recent work in the community school lunch program and the special milk program. We urge that you continue to work for these programs because we feel the children in our community are benefiting greatly.

Our program, though a small one, is perhaps typical of many schools in Minnesota. Of our total enrollment of 420 youngsters in grades 1–12, from 250 to 280 eat at school. In addition a small number carry cold lunches and have access to milk. Up until this month we have been able to meet expenses through use of Government surplus foods. However, we have received very little meat this year and this is one of our most costly items. Our supplies of butter, cheese, dried milk, and dried eggs are adequate. However, because not enough funds were made available by the Federal Government, the amount of frozen ground beef, frozen turkeys, canned meats, canned fruits, and canned vegetables have been cut considerably. We feel that we will need to cut the quality and quantity of food served per child as our dwindling stocks are depleted and we must purchase all of these items.

There is a ray of hope, however, in that Mr. Andrew Taylor, State director of the community school lunch program, has informed us that beginning in March we will again receive the full reimbursement on the type A lunch program. We hope that with this aid we will be able to maintain our present lunch program. If, however, we find we cannot continue then we will have to make a choice (1) to cut quality and quantity of food served, (2) to charge more per lunch, or (3) to pay the deficit from district funds. Choice (1) is the least desirable from the standpoint of health promotion, yet it seems the most likely choice in our school. Choice (2) would curtail the program immediately and would affect our low income families most. Choice (3) is very unlikely as a choice because our school district could not afford a further financial burden.

From the above discussion we hope you can see the situation facing many small Minnesota schools. We need more surplus foods or Government purchased foods. Without the special milk program and community lunch program we would be forced to raise the price per lunch. This, we feel, would be highly detrimental to the school lunch program in furthering community health.

Therefore, Mr. THYE, we urge that you work to preserve the special milk program and to obtain more funds to be used for food purchases for the school lunch program.

Respectfully yours,
VICTOR W. CLARK,
Superintendent.

Mr. THYE. Mr. President, I also ask that another letter dealing with the same subject, written to me by the chairman of the St. Paul Area Public Health Council, together with a resolution adopted by that organization, be printed in the RECORD at this point.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

ST. PAUL AREA PUBLIC HEALTH COUNCIL,
St. Paul, Minn., February 12, 1958.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: On January 30, 1958, the St. Paul Area Public Health Council (Greater St. Paul Community Chest and Council), representing more than 60 member organizations in Ramsey County and West St. Paul, adopted a resolution regarding Federal subsidy of school lunch and milk programs. The text of the resolution is attached.

On behalf of the health council, I wish to call your attention to this expression of community concern for the nutrition of its schoolchildren, and hope that you will give this point of view your favorable consideration.

Thank you for your interest and cooperation.

Sincerely yours,
F. M. OWENS, Jr., M. D.,
Chairman.

ST. PAUL AREA
PUBLIC HEALTH COUNCIL,
January 30, 1958.

Resolved—

Whereas there is a need to continue the school lunch and milk program in the interests of child growth and development; and

Whereas there is a need for program subsidy and for surplus foods to hold the pupil lunch costs to a level where schoolchildren of modest means can purchase a school lunch: Be it

Resolved, That the Congress of the United States be urged to continue the present Federal subsidy arrangements for school lunch and milk, and to make available an adequate supply of surplus foods for these purposes until a workable plan can be established whereby the various States can provide the full subsidy and obtain the necessary surplus foods.

OPPOSITION TO PASSAGE OF THE NATURAL GAS BILL

Mr. THYE. Mr. President, I am in receipt of a resolution adopted by the Minneapolis Central Labor Union, in opposition to the passage of the Harris-O'Hara natural-gas bill.

I ask unanimous consent that it be printed in the body of the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OPPOSING PASSAGE OF THE HARRIS-O'HARA GAS PRICE INCREASE BILL

Resolved by the Central Labor Union of the City of Minneapolis—

Whereas the Congress of the United States has presently under consideration the so-called Harris-O'Hara (H. R. 8525) bill; and

Whereas this bill would remove effective Federal control over the production and sale of natural gas to pipeline companies; and

Whereas the cost of gas to home consumers is particularly important in Minnesota in view of weather conditions in this State; and

Whereas it has been estimated that the passage of this bill will increase the cost of gas to home consumers by $40 per year; and

Whereas the bill is designed only to aid existing gas and oil producers; and

Whereas the passage of the bill would adversely affect the employment of Minnesota employees in the gas industry: Now, therefore, be it

Resolved, That the Central Labor Union of the City of Minneapolis, Minn., oppose the passage of this, or similar legislation; and be it further

Resolved, That a copy of this resolution be sent to every Member of the United States Congress from the State of Minnesota.

Passed February 12, 1958.

WALTER R. CRAMOND,
President, Minneapolis Central Labor Union.

PAY TELEVISION: LET THE PUBLIC DECIDE

Mr. LONG. Mr. President, the Senate Committee on Interstate and Foreign Commerce has voted to report favorably Senate Resolution 251, which would undertake to prevent the limited testing of pay television, as previously decided upon by the Federal Communications Commission. As a member of this body, I believe I know something of the pressures that have been exerted in the effort to have this resolution adopted.

I am not an advocate of pay television. I have never seen it. I have no idea whether the public will like it or not. Yet I do know that pay television could not possibly succeed unless the public liked it much better than the free programs they are presently seeing.

There has been a tremendous amount of misrepresentation of this issue to the public. Many television stations have undertaken to tell the public that pay television would mean that the public would be required to pay for the same programs they now receive free of charge at the expense of commercial advertisers.

The FCC has stated that it will hear applications for pay television programs starting on March 1. The Commission very wisely decided that it would not permit pay programs to be shown except in cities where there are at least four television stations. In other words, wherever the experiment with pay television would be conducted, the public would have available all three networks free at the same time the pay program went on the air.

Personally, I can see no reason whatever why the public should not have the opportunity to look at pay television and decide for itself whether it wishes to have pay television permanently. I am fully convinced that television will never reach its full potential if we refuse to let people who have new ideas try them out.

It would have made just as much sense to have permitted the motion picture theaters to outlaw radio and television as it would to adopt Senate Resolution 251. As the Wall Street Journal points out, it would have made just as much sense to have outlawed gasoline engines at a time when the old Stanley Steamer was the best product known to the automobile industry.

I am also much in sympathy with the statement and the article which are appearing in the Christian Science Monitor, which set forth that the present campaign to prevent the public from seeing pay television is much like the successful fight made more than 20 years ago by the dairy interests to prevent the public from having a real chance to try margarine.

Mr. President, a few days ago I addressed myself to the Chairman of the Federal Communications Commission. I told him in my letter that I had seen an advertisement by the president of the Zenith Corp. which complained that many television stations were violating their licenses in giving a completely one-sided, biased, and prejudiced explanation of the pay television issue. I asked that this matter be investigated.

Immediately thereafter, and before I had even received an answer from the Chairman of the Commission, I began to receive thousands of letters and post cards from northeast Louisiana. I learned that station KNOE–TV in that area had been presenting programs in which it was represented to the public that pay television would mean that there would be no more free programs. The public was told that they would be required to pay for the same programs they are presently seeing.

If my information is correct, the public was told that that it would cost them as much as $700 a year in order to see the programs which are presently being presented free over KNOE–TV. Hearing only one side of the argument, the public became terribly alarmed, and I have received more than 12,000 communications as a result of the programs of this single station.

By contrast, on the other side of the State, in Shreveport, La., station KSLA–TV presented a television debate in which a spokesman of the Columbia Broadcasting System debated an advocate of pay television. So far as I have been able to determine, the broadcast in which both sides were heard did not generate a single letter, as compared to the programs at KNOE–TV which have generated more than 12,000 cards and letters to my office alone.

I know, Mr. President, that other Senators have been receiving the same type of pressure. The public has been misinformed about this issue and the campaign of misinformation continues.

The question which I wish to ask Senators is: Shall we reward those station owners who are, I believe, in violation of their license presenting a controversial public issue in such a way that the public hears only one side of the argument all for the selfish advantage of a handful of station owners? Many of these station owners have complete monopolies in the areas where their programs are shown.

As I say, Mr. President, I do not know whether I would favor pay television after I had seen it. I have no idea what the public will think about it when it has been tried. However, I am unwilling to vote anyone out of business without even permitting him the opportunity to display his product. That is what we are being asked to do by Senate Resolution 251.

How can any believer in the American system of free enterprise vote to prohibit by Federal law a legitimate enterprise from offering its product to the public? If the public does not want pay television, it will continue to look at the free programs. However, it may very well be that a person who spends as much as $150 for a black and white set, or $600 for a color set, might be willing to pay a few extra dollars in order to have something worth seeing on his screen.

If someone wants to undertake to sell him something better than he is getting, I see no reason why Congress should pass a law to say that the seller cannot sell and the buyer cannot buy. That does not happen to be the American way of doing things.

Now, Mr. President, I ask unanimous consent to have printed in the RECORD a copy of my letter to the Chairman of the FCC together with the reply which I have just received. I also ask unanimous consent to have printed in the RECORD at this point several editorials and articles from outstanding newspapers which take the same position I am advocating now that the public should have the right to decide for itself.

I also ask unanimous consent to have printed in the RECORD at this point the text of the reply I am sending to the thousands of cards and letters I have received.

I also ask unanimous consent to have printed in the RECORD the press release issued by the chairman of the Zenith Corp., together with the release by the Federal Communications Commission, explaining what the Commission has in mind.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., February 10, 1958.

The Honorable JOHN C. DOERFER,
Chairman, Federal Communications Commission, Washington, D. C.

DEAR MR. CHAIRMAN: I read a statement by E. F. McDonald, Jr., president of Zenith Radio Corp., in the city edition of the Washington Daily News dated Wednesday, February 5, 1958, at pages 20–21, a copy of which is enclosed.

The allegation is made by Mr. McDonald that certain television stations in the country, pursuant to urging by their network, are employing their facilities to make false charges against subscription television, all of which, it is alleged, is a part of a propaganda campaign to induce members of the public to write letters in opposition to subscription television to Members of Congress.

It was my understanding that the law imposes upon television station licensees the duty of fair and objective presentation of all controversial issues to the public. It is my further understanding that they cannot use their facilities for one-sided and unfair propaganda campaigns in which they or anyone with whom they associate have an interest.

If my understanding of the law is correct and if the charges are factual, then it would be true that certain television licensees have improperly used their facilities and have violated their duties as licensees.

I have taken no position on subscription television, although I cannot understand why the American people are not capable of deciding for themselves whether they like pay television after they have seen it.

I take no position with respect to the allegations made by Mr. McDonald. I am concerned with determining the truth or falsity of the allegations. If Zenith's charges are not true, then this fact should be exposed to the public. If they are true, then it is highly important that we determine whether such licensees have violated the law or whether the law should be strengthened to avoid such tremendous unrestrained concentrations of propaganda power.

I would appreciate your determining the treatment that television stations have given to subscription television since October of 1957, particularly with regard to the fairness of their presentation of the subject. I would appreciate a report from you at your earliest convenience.

I am aware that your Commission is presently under fire in connection with other matters. However, inferences that you have been unduly influenced by the networks are inconsistent with the fact that you did not yield to the pressures which are presently being brought to bear on the Congress in connection with this matter. It may well be that the fundamental soundness of our democratic form of government may be in for a serious testing. It is in that light that I believe everyone having any connection with this problem should carefully examine his conscience at the present time.

Sincerely yours,

RUSSELL B. LONG.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., February 14, 1958.

Hon. RUSSELL B. LONG,
United States Senate,
Washington, D. C.

DEAR SENATOR LONG: This will acknowledge receipt of your letter of February 10, 1958, and enclosure, concerning the allegation of Mr. E. F. McDonald, Jr., president of Zenith Radio Corp., "that certain television stations in the country, pursuant to urging by their network, are employing their facilities to make false charges against subscription television, all of which, it is alleged, is a part of a propaganda campaign to induce members of the public to write letters in opposition to subscription television to Members of Congress." In your letter, you refer to the fairness doctrine with respect to the treatment of controversial issues by broadcast licensees and state, "If my understanding of the law is correct and if the charges are factual, then it would be true that certain television licensees have improperly used their facilities and have violated their duties as licensees."

I appreciate your interest in writing to me concerning the above matter. The contents of your letter are being studied and I expect to be in a position to submit a full reply to you shortly.

Sincerely yours,

JOHN C. DOERFER,
Chairman.

[From the Wall Street Journal of February 10, 1958]

FEDERAL COMMUNICATIONS COMICS

For years the Federal Communications Commission has been solemnly debating whether to permit pay television to compete with free television.

A few months ago the FCC at last decided to authorize controlled pay TV tests, setting the first of next month as the deadline for applications.

Now the House Commerce Committee has stepped into the scrambled TV picture with a resolution asking the FCC to postpone any action. The resolution will probably have its effect, possibly a permanent effect, if for no other reason than that the committee is the parent of a subcommittee currently investigating charges of wrongdoing against some FCC members.

We hold no brief for pay TV. It may be a silly idea, or even a menace to the entertainment of the American public, as its foes contend. Nor do we question the right of a Congressional committee to hold exhaustive hearings on a matter that has somehow got into the bailiwick of a creature of Congress—the FCC—for decision.

But we do suggest that pay TV could not possibly be as silly as the muddle the bureaucrats and the lawmakers are making of it.

In a supposedly free economy, competition embraces not only fighting it out between makes of autos, for example, but also between automotive principles. Suppose Federal regulators and legislators had decreed some 50 years ago that the steam auto should be developed to the exclusion of all others. Fortunately, officialdom was not in a position to make that decision, and the people in their wisdom decided otherwise.

The question involved in pay TV is no more complex than that. All that was ever necessary was to submit the question to the jury of the market place; the people would quickly enough decide whether they wanted only free TV, or both. Instead the controllers waste time and money fretting about it, and the House Commerce Committee threatens in effect to deny the people a choice at all.

The lengths to which Federal control has been carried in this case are comical all right—especially in the light of all the concern habitually expressed in Washington about the need to foster competition.

[From the Christian Science Monitor]

COIN TELEVISION

(By William H. Stringer)

WASHINGTON.—There has been a lot of lively debate lately over the merits or demerits of pay television. This is the toll TV—or as Variety impudently calls it, the "Feevee" system—where you drop a coin in the meter (or use a prepaid punch card), and then can tune in on special-event television programs.

These programs, sponsors plan, would be first-run moving pictures, operas, plays, musical comedies, and special sporting events (not 11 p. m. wrestlers)—shows not ordinarily carried on the great free television system now available in the United States.

Well, is pay television a good idea? And if it looks at all promising, should it have a trial run here and there?

The Federal Communications Commission has invited stations to apply for permission to conduct limited 3-year tests of this subscription television. But strong opposition has reared its rabbit ears.

Now the House Interstate and Foreign Commerce Committee has been holding hearings and will report shortly the august sentiment of Congress (or a few solons whose opinions have been sample) as to whether the FCC plans should be approved or frowned upon.

Congressmen, those great exponents of the free-enterprise system, seem to feel—some few of them—that this new venture in free enterprise could be dangerous. One confirmed free enterpriser, Representative EMANUEL CELLER, Democrat, of New York, is sponsoring a bill to prohibit broadcast of pay programs on regular TV channels.

What's all this cowboy-program-type shooting about?

It seems that the television networks and prominent spokesmen for the TV industry, plus the motion-picture owners, don't want pay television to be given a trial. Apparently they are afraid the public might get to hankering for the better programs and the industry would have to go through a vast readjustment in the direction of subscription TV and less mammoth advertising revenue.

No one can be quite certain how the capricious American public would take to having to pay for television which they now bemusedly believe that they get free. But in a television survey taken in the Greater Los Angeles area, 52.2 percent of those questioned said they would pay a fee to see new movies and other box-office features, while 33.7 percent said they were unwilling.

When it came right down specifically to a famous musical, My Fair Lady, 56.4 percent said they were willing to pay to see that on their home TV, but 36.2 percent said "No." The Metropolitan Opera Co. didn't fare so well, only 48.4 percent being willing to pay, while 39.2 percent said "No." But at least 59.2 precent said the FCC should approve the proposed tests, while 24 percent said the tests shouldn't be held.

A lot of fog has been injected into this question of our free-enterprise television—or as Variety truncates it, "freevee." Listeners, of course, pay for the programs—good, bad, and mediocre—in the prices they pay for the products advertised. (You don't get much for nothing these days.)

Advertising is a legitimate part of the cost of any product—whether it is advertised over television or in a magazine. How else would the public know the product was for sale? Conversely, one can buy a magazine or newspaper cheaper than its actual production cost because the advertising carried foots part of the bill. It foots all of the bill for today's television.

By the same token, it's difficult to see why it's somehow unethical or downright destructive of American values to have toll TV tested. It's akin to a publisher trying out a new magazine which carries no advertising—where the subscriber pays the entire cost of production. It may succeed or fail, but there's no constitutional provision against the venture; in fact, it's free enterprise.

In Britain, all these years, the radio listener and television viewer has paid for his program by fees—not a coin in the box but by buying an annual license. Lately commercially sponsored television has been permitted, side by side with the fee variety, and there is a neat competition there as to who has the better programs. The advertising on the British commercial programs, incidentally, is nowhere nearly so obtrusive and blatant as the American variety.

If the American public doesn't like toll TV, the test will speedily prove it. Frequently the public has been willing to pay something to obtain a better product. If this should happen, much of the television industry might rush to get on the bandwagon.

More likely, the two systems, "Feevee" and "Freevee," would exist side by side with perhaps the "Freevee" bill of fare left poorer than at present. The most lamentable consequence might be the closing of more neighborhood movie houses, with more folks staying home in front of the black picture boxes.

But why not approve the test, and let the public decide?

[From the Washington Post of January 27, 1958]

TOLL TV DECISION SHOULD BE LEFT TO CONSUMER

(By George E. Sokolsky)

It would seem to me that Congress ought to leave the question of toll TV or advertisers' TV to the consumer. After all, if you or I are willing to pay a quarter to see Ward Bond drive a wagon, while boy kisses girl and the Indians hoopla, that ought to be our option. There can be no public reason for opposing toll TV, although there may be many private ones.

Recently, having become more sedentary, I like, very late at night, to turn on an old-fashioned movie, some of which are very amusing. But I grow weary of having the sequence interrupted by a girl dancing a ballet in front of a box of soap or a fellow with a beard shaving it off, or a woman squirting some stuff on herself to avoid smelling like a human being.

But what is even worse than the interruptions is the extremely low quality of the advertisements. Do you really believe that one filter tip is superior to another and that if you have a headache one kind of stuff gets rid of it faster than the other?

If this is true, the FTC is doing a very bad job because it should not permit the inferior commodity to advertise at all. Besides, I don't have a headache and I hate anyone who suggests that I may have a headache. The suggestion might bring one on. So now, I have a device which someone sent me that knocks everything off the air which I reject. But most of the time I forget to use it.

I simply leave the room when the bad advertising comes on. Who needs to know how women make their hair look fancy?

Why spoil my illusions by telling me that the young thing really looks like an old hag, but she has some stuff which she buys in a drugstore that removes or erases all her blemishes, all marks of character and refinement, that colors her hair and shades her eyebrows and distorts her mouth and sets her hair and gives her curls, natural and unnatural?

All I want to do is to escape for an hour, before going to bed, from the trials and tribulations of life and politics and Nikita Khrushchev and George Kennan.

There is a committee of Congress called House Interstate and Foreign Commerce Committee, which has to pass on this subject. It is said that a combination of networks and theater owners are organized against natural human progress, namely "toll TV." I don't blame them. The networks make money from advertising and the movie houses are having a tough time as it is.

However, a little competition might help them both to improve their product, which is pretty poor.

[From the Christian Science Monitor of February 7, 1958]

LOBBYISTS TWIDDLE OFF SWITCH ON TRIAL FOR PAY TV—PUBLIC ENTITLED TO DECIDE

(By Richard L. Strout)

WASHINGTON.—If the public wants pay television why shouldn't it have it?

Although this is a hard question to answer, lobbyists in Congress appear about to sidetrack the proposal.

Such a drive against letting the public make its own choice hasn't been seen in Washington since dairy interests tried to block repeal of the 65-year-old Federal ban on oleomargarine in 1950.

The lobbyists today represent commercial television groups whose interests would be affected by the proposed new competition.

COMMERCIALS TUNED OUT

So-called pay TV would eliminate interruption by commercial advertisements in return for cash fees which would be collected in a number of ways.

The advantages of the system, according to its sponsors, would be that full-length recent motion pictures or current sporting events could be shown, free of advertising interruptions.

These advantages have not been guaranteed. They might not last and the public after a trial of the system might reject it.

The point is that the current fight in Congress is to block the public from having the trial.

Just as the dairy lobby tried to prevent the public from trying out oleomargarine so the anti-TV lobby today doesn't want the public to choose for itself.

Under the American competitive system it has generally been the procedure to let great commercial rivals fight their battle out in public with the final test up to the consumers. For example, airplane travel is now damaging transportation by railway but it has not been considered wise to restrict airplane travel because of this, though strict regulations as to safety and route allocation are applied.

After years of blocking sale of colored margarine the House finally repealed the Federal ban 3 to 1 in 1949, the Senate repealed it 4 to

1, and the Federal stricture ended in 1950. Dairy States went down fighting but few would think of reviving the old Federal ban today.

The argument regarding pay television today is not whether it is a good system or a bad system, but whether the public should have the right to try it out.

Shall the public decide, or shall Congress decide it for the public?

This week the big House Commerce Committee went into closed session to decide its procedure after 2 weeks of public hearings last month.

THEATERS CONCERNED

Large sections of the big amusement industry are involved.

Legitimate theaters blamed loss of audiences on motion pictures; then motion pictures blamed loss of audience on television; now both motion picture and commercial TV interests see a possible new competitor in pay TV.

Publicly the rivals minimize the challenge on pay TV. At the same time they want to take no chances. Through Representatives in Congress they are set to block the infant industry before it is started.

Chairman of the House Commerce Committee is Representative OREN HARRIS, Democrat, of Arkansas. Mr. HARRIS has not disguised his opposition to pay TV. Neither have most of the other members of the committee.

Observers have concluded that the real question in the committee is not whether to kill pay TV but how to kill it: either by a direct, immediate prohibition as incorporated in a bill by EMANUEL CELLER, Democrat, of New York, or by a more devious strategy of approving a resolution that the Federal Communications Commission shall ban tests until either Congress or the FCC itself holds hearings.

TRYOUT DELAY ASKED

On February 6 the House committee voted 17 to 7 to ask the FCC to postpone tryouts of pay TV.

* * * * *

Critics charge members have been too closely identified with the commercial interests they are regulating.

Chairman HARRIS himself recently announced he had sold interests in a local Arkansas television station.

SURVEY REPORTED

A tremendous battle over pay TV is under way.

The trade magazine Broadcasting circulated the results of a study it had made in 10 cities; it reported that 33.4 percent want pay TV, 66.6 percent are against it sight unseen.

There are evidences of organized propaganda: 2 Illinois Congressman of adjoining districts have received 10,000 pieces of mail apiece—all but a handful opposing pay TV.

Columnist George E. Sokolsky calls such arguments inconclusive. Under our competitive system, says this conservative columnist, the only way to implement free enterprise is to let commercial rivals show their wares.

The Wall Street Journal explains the unusual unanimity of the House Commerce Committee against pay TV, in a quotation from a Congressman:

"First, it's an election year. The public, as far as we can tell, doesn't like pay TV. It gets down to a basic thing—money out of your pocket for something you're getting free now. Or maybe even simpler, something else to take your money away."

STATEMENT ON CONGRESSIONAL COMMITTEE ACTION BY E. F. MCDONALD, JR., PRESIDENT, ZENITH RADIO CORP.

CHICAGO, February 20, 1958.—I am not surprised by the action of the House and Senate Commerce Committees in adopting resolutions to delay subscription television pending further Congressional action.

Members of these committees were put under terrific pressure by sacks of mail from constituents who had been frightened by a campaign of deliberate misrepresentation into believing that even a limited test of subscription TV would deprive them of the advertising programs they now receive.

The campaign originated with the heads of the three TV networks, who decided to use their astounding power to mold public opinion to kill off subscription television before the public had a chance to see it and decide for themselves whether they liked it.

Affiliated stations conducted fear campaigns in which they told their audiences that subscription television would make them pay for the programs they are now receiving, and urged them to write letters of protest to their Congressmen. This generated hundreds of thousands of letters to Members of the Congress, and resulted in the resolutions to delay the test.

I am confident that either Congress or the Department of Justice will air the facts about this misuse of the air, and that ultimately subscription TV will have the traditional American chance to offer its services in the market place, so that the people can make their own decision.

FCC SUBSCRIPTION TV PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION,

Washington, D. C., November 18, 1957.

The so-called subscription TV proceeding before the Commission involves the proposal that channels now used for free television broadcast be also authorized for transmitting special programs, the proper reception of which would require the payment of a charge by the viewers.

The Commission authorized experimentation of toll TV as early as 1950. On February 25, 1952, the Zenith Radio Corp. petitioned the Commission to authorize pay TV on a regular basis. A similar petition was received from Skiatron Television, Inc., on September 11, 1954. Other petitioners were largely holders of construction permits for UHF (ultra high frequency) television stations.

On February 10, 1955, the Commission instituted a rulemaking proceeding in this matter (docket 11279). Comments were invited on the many legal, technical, and policy questions involved.

Subsequently, on May 23, 1957, the Commission issued a further notice in this proceeding in which it asked for comments on proposals by three different subscription systems—"Phonevision," sponsored by Zenith and its associated Teco, Inc.; "Subscriber-Vision," sponsored by Skiatron; and "Telemeter," sponsored by International Telemeter Corp., owned by Paramount Pictures, Inc.

In its May 23 notice the Commission concluded that (1) it has authority to permit toll TV operation if it finds it in the public interest to do so; (2) it would consider trial demonstrations if pertinent information about proposed operation was furnished, and (3) it would leave for future consideration the question of whether subscription transmission should be classed as broadcast or some other service.

During September 1957 the Commission was informed of two additional proposed toll TV methods—"Bi-Tran," proposed by Blonder-Tongue Laboratories, Inc., and "Teleglobe," proposed by Teleglobe Pay-Television System, Inc.

On October 17, 1957, the Commission adopted its first report in the subscription TV proceeding. This report opened the way to consider applications by commercial TV stations for authorizations to conduct limited pay TV operations if they meet prescribed conditions. It provides, in brief:

No action will be taken on trial subscription TV applications before next March. The trial period will be 3 years. Both VHF and UHF stations can participate. They can use any subscription method which meets the technical requirement of noninterference to other radio services, and will not degrade the technical quality of regular TV service. Each qualified subscription method may be tried in up to 3 cities receiving good TV quality (grade A) TV signals from at least 4 TV stations. Each such method can be tried in not more than three of these eligible markets. More than one method may be tried in an individual market. More than 1 TV station in a trial market may try the same method, and an individual station may try more than one method.

Trial of any qualified subscription method is a matter for negotiation between the station and the proponent. Tollcast would be over the particular channel assigned to a TV station for regular TV broadcast. Participating stations have the public service responsibility of selecting or rejecting subscription programs, determining the maximum charges to subscribers, and continuing to provide the required minimum hours of free TV program service apart from the time given to fee TV operation.

At this stage of the proceeding the Commission is not selecting any particular subscription method or methods; the trial period will afford an opportunity for interested TV stations to demonstrate different systems, for the public to make its own judgment of the subscription service offered, and for the Commission to obtain needed information to determine whether extended authorization of this new type of service would be in the public interest.

Currently proposed subscription methods differ both in the techniques used and in the manner of collecting payments for the programs furnished.

"Phonevision" would operate through a central unit in the community served. Special programs on regular TV signals would be sent to this center by cable from the participating TV station. The center would "scramble" each such program and return it to the station for transmission in scrambled form. Punched cards would enable the subscriber to activate his decoding apparatus to permit unscrambled reception on his set.

In the "Subscriber-Vision" method, customers would likewise use punched cards, and these would also record the viewer's selection of programs for billing purposes.

Under the "Telemeter" method, subscribers would pay for each program at the start of viewing. This would be accomplished by means of a coin box attached to the receiver. This attachment would activate the decoding apparatus.

"Bi-Tran" envisions simultaneously "piggybacking" a fee TV program on the same channel as the normal free program. This would be done by a highly technical process it calls contra-phase-multiplexing.

"Teleglobe" contemplates transmission of the video (picture) signal only, without scrambling, but sending the aural (sound) portion by wire line, for which the subscriber would pay a fee.

Other subscription methods would be eligible for testing by TV stations if they met the technical requirements. Commission decision on each application by a TV station to engage in trial tollcasts will be governed by whether the specific operation proposed meets the stated conditions and would serve the objectives of the test.

To date, more than 25,000 formal and informal filings have been received in the subscription TV proceeding. These fill over 75 volumes and constitute the largest record of its kind in the Commission's history.

This proceeding does not involve pay TV projects for theaters and homes which employ common carrier or private cable facilities to carry special programs to paying audiences. These and other "closed-circuit" (wired) TV operations, not being transmitted over the air, do not require Commission licensing. However, the Commission has authority to curb any type of radiation which causes interference to regular radio services.

ELIMINATION OF ONION FUTURES FROM ORGANIZED MARKETS

Mr. POTTER. Mr. President, I should like to discuss proposed legislation pending in our Committee on Agriculture and Forestry—two identical bills, S. 778 and S. 1514—designed to eliminate onion futures from organized markets.

This proposed legislation has strong support from an overwhelming majority of onion growers, shippers, and receivers in all parts of the country. It is certainly true in my own State of Michigan that more than 95 percent of all growers and shippers of onions are opposed to continued trading in onion futures, and I am reliably informed that the same is true in all other onion producing sections of the country.

Resolutions opposing trading in onion futures are on record by the National Onion Association, the American Farm Bureau Federation, 13 State farm bureau groups—New York, Ohio, Michigan, Indiana, Wisconsin, Iowa, Minnesota, Colorado, Utah, Idaho, Oregon, Washington, and California—the United Fresh Fruit and Vegetable Association, Vegetable Growers of America, Texas Citrus and Vegetable Growers and Shippers, Western Growers Association, and numerous other farm organizations.

Here is an agricultural industry that has never had any type of Government aid and has never asked for any. Growers and shippers ask only that they be allowed a free hand in meeting their marketing problems without interference from outside influences, factors unrelated to the onion industry in every way.

Futures trading in onions was instituted some 15 years ago by the mercantile exchanges over strenuous objections from the onion industry—growers and shippers alike. Growers did not need a futures market and feared that trading in futures would disrupt orderly marketing procedures. Their fears were well grounded.

The onion industry has no criticism of futures markets in staple commodities—cotton, grain, sugar—nonperishable commodities basic to various manufacturing processes. With these commodities real economic services are rendered. Hedging on the part of both producers and buyers lends stability to the industries concerned.

In onion futures trading the opposite is true. The onion futures market renders little, if any, service to anyone except the speculator. Futures in onions constantly disrupts the orderly marketing of the crop. On the long side of the market, very little buying is done except by speculators. Few onions are purchased for processing of any kind and very little futures buying is done by any processors. No receiver or processor can successfully hedge against his anticipated requirements by buying futures. In buying, a purchaser has only a contract calling for delivery any time within a specified month. If he has bought 15 cars to meet his needs in March, he may get all 15 on March 1 or, just as likely, all 15 during the last 5 days of the month. The buyer, either a processor or retailer, needs regular daily supplies, so many each day during the month, but delivery within the month is at the option of someone other than himself. Further, most buyers know well that they cannot expect quality to meet their needs from board delivery onions.

In the marketing of most of the onion crop, each buyer purchases the raw product, adds his service cost and passes the raw product on to the ultimate consumer. Users of onions have little need of an opportunity to hedge their purchases and they do very little of it.

With almost 100 percent of all purchases of onion futures contracts classed as speculative, let us look at the selling side. Do growers use futures extensively to hedge? Certainly not, according to a survey of open contracts on the Chicago Mercantile Exchange as of October 31, 1957, recently prepared and released by the Commodity Exchange Authority.

This report by a Government agency shows 89.6 percent of all traders were speculators: Of the remaining 10.4 percent, more than half of the short contracts, classed as hedgers, were actually contracts held by brokers based on "financing contracts" with growers. Under those contracts to finance a grower, there is usually no delivery of cash onions in settlement, according to the CEA report. The contract is closed out on a basis of a money settlement. The broker, through financing a grower's operation, has used the grower's onions to protect the broker's speculative position. Actually, then, less than 5 percent of the trading can be classed as true hedging. The CEA states that it does not appear that the hedging use of the futures market has been of such character as to be of importance in marketing onions.

To further illustrate how completely speculative this onion futures game is, in 1 season of 5 months' trading—I say 5 months' trading because all trading in the crop of any one year must end in March—in 1 season's trading over 130,000 carload contracts were dealt in, but only 1,300 cars of actual onions were delivered—about 1 percent. In the 1956–57 season, total actual onions handled through the futures market was only 615 cars. The total northern crop of onions would run somewhat over 50,000 cars. Yet, pressures of a system handling only 615 of these cars constantly disrupt and depress the total cash market.

An excellent example of this disrupting influence is cited in another CEA report, one issued in March 1957. According to this report the onion-futures market reached a high of $2.20 per 50-pound sack on February 4. Three weeks later, on February 25, price of the March futures on the Chicago Mercantile Exchange registered a low of 87 cents, a drop of 60 percent. During March there was a substantial recovery with the futures expiring on March 22 at $1.58 to $1.60. Quoting this CEA report:

> Price movements such as this cannot be justified by supply-and-demand factors and must be attributed either to manipulative activity or, as appears to be the case in this instance, to a wave of excessive speculation.

Further quoting the CEA report:

> At that time (early February), informed market opinion was expressed that this interruption in the orderly process of marketing onions would result in a delay in disposing of the old crop, with a resultant shrinkage and deterioration which might be expected to have a disastrous effect upon the market.

During the spring of 1956 a series of breaks drove the market down to 10 cents per 50-pound bag before trading ended in March. Empty new bags cost 20 cents each or twice the level of the futures market. These breaks are spectacular but small breaks are maneuvered from time to time throughout every trading season. During the current season breaks varying from 15 cents to 30 cents per 50-pound bag in 1 day have occurred. Again quoting the CEA reports:

> It is clear that futures trading in onions has widened and accentuated price movements over short periods of time within a marketing season.

Such wild maneuvering in onion futures as I have described tends to create in the public mind distrust of all futures markets, even in the staple, large volume commodities.

Such raids on the onion-futures market constantly disrupt and depress cash markets. During delivery months for several years, the futures price has been consistently below cash markets, constantly pulling them down. The only exceptions to this have been short periods, since the introduction of the current legislation, when the exchanges were attempting to make the futures picture appear attractive.

When breaks such as the one a year ago occur, growers find the value of their remaining stock on hand suddenly cut to as little as a third of its previous value, shippers find business completely disorganized and receivers suffer on all stocks on hand or shipments en route.

Several changes have been made in exchange regulations to supposedly correct the evils. None of the changes have so far eliminated the situation that the onion futures market is in the control of a small group of individuals; none of the changes have altered the fact that the onion futures can be and is frequently driven down at the whim of a small group. It must be noted, too, that no corrective changes were made until forced by the pressure of the current legislation. These changes are made only by the governing bodies of the exchanges and can be, and will be, reversed if the pressure is removed.

The nature of the commodity itself is such that it makes futures trading impractical and regulation impossible. Onions, compared to the stable futures commodities, are highly perishable. All trading in a season's crop must terminate in March. Perhaps more important is the small volume of the crop which makes control and maneuvering by a

small group so easy, and regulation so impossible. The total northern onion crop of about 30 million bushels is minute compared to the volume of staples such as cotton and grains. Even then only a fraction of these 30 million bags qualifies as to variety and grade for futures trading.

The whole system of futures trading in onions with its very high percentage of speculation, involving little or no merchandise, becomes simply bets placed by two parties as to whether the price of onions will go up or down.

It has become common practice to use several devices to depress the market in a manner entirely unrelated to supply and demand. The methods are particularly effective due to the small volume and perishable nature of the commodity. Once the market is so depressed, the short operators, those who have sold futures, reap their profit by buying back at the lower prices, thus canceling out their contracts.

Due to the forces of the true supply and demand situation, the market gradually recovers a part of the forced drop. The process is then repeated. What matter if onions are driven down to 10 cents a bag so long as a profit can be made with each maneuvered break? Onions merely correspond to poker chips in this enormous gambling operation. The difference is that as the value of the poker chips is depressed, the livelihood of the onion growers and shippers is jeopardized in a game which they do not want and have no part in.

Trading in onion futures renders no service, disrupts the orderly distribution of an item in our food supply, and seriously undermines the financial status of a segment of our farm population. The elimination of onion futures trading would fulfill the basic concept of the law—that of restraining our destructive tendencies, without violating or disturbing our peaceful, creative activities.

It is my earnest hope that prompt and favorable action will be taken on the pending legislation to eliminate futures trading in onions.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement made before a subcommittee of the Committee on Agriculture and Forestry by Mr. Veril Baldwin, of Stockbridge, Mich., president of the National Onion Association, and one of the outstanding onion farmers of the country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF VERIL BALDWIN, PRESIDENT, NATIONAL ONION ASSOCIATION, STOCKBRIDGE, MICH.

Mr. BALDWIN. Mr. Chairman and members of the committee, my name is Veril Baldwin from Stockbridge, Mich., onion grower and shipper, and president of the National Onion Association.

I also represent the following organizations that have taken a definite stand in support of legislation to eliminate onions from futures trading:

The Michigan Muck Farmers Association.
The Michigan Onion Growers Association.
The Michigan Farm Bureau, with some 66,000 members.
The Wisconsin Farm Bureau.
The Wisconsin Muck Farmers Association.
The Michigan Agricultural Conference consisting of 88 organized groups, with approximately 60,000 members.
The Michigan Vegetable Council.
The United Fresh Fruit & Vegetable Association, with over 5,000 members.
The Vegetable Growers of America, with 5,000 to 6,000 members.
The Indiana Muck Crop Growers Association.
The Western Growers Association.
The Associated Colorado Growers & Shippers.
The Indiana Potato Growers Association.
The New York State Vegetable Growers Association.
The Texas Citrus & Vegetable Growers Association.
The Idaho Growers & Shippers Association.
The Southwest Idaho Growers Association.
The Malheur County Onion Growers Association.
The Hollendale Marketing Association.
The Southern Minnesota Vegetable Growers Association.
The Colorado Onion Growers Association.
The Colorado Growers & Shippers.
The Oakfield & Elba Growers Association.
The Oswego Vegetable Growers Association.
The Colorado Potato Growers Exchange.
The Chicago Carlot Potato Dealers.
The Olathe Potato Growers Association.

I would like to comment, if I may, that there is some duplication of organizations, where we contend that we represent the onion industry. The opposition has raised the question as to whether or not we completely represent the industry. We would like to point out that where the National Onion Association appears to have few members in certain areas, such as Wisconsin, that we had duplicate organizations that we represent, such as the Wisconsin Farm Bureau and the Wisconsin Muck Farmers Association and the United Fresh Fruit & Vegetable Organization, which is a national organization, and the VGA, which is the Vegetable Growers of America, and a national organization, and also the Farm Bureau of Wisconsin, and also the National Farm Bureau.

Senator HUMPHREY. What you are saying is that your membership cuts across into these other organizations, as well as their membership into yours; is that correct?

Mr. BALDWIN. That is right, and that those organizations are on record as to the same thing that we are supporting.

Senator HUMPHREY. I want you to know I was never very impressed by the argument that you did not represent the onion growers. I think you do.

Mr. BALDWIN. Thank you.

Mr. Chairman, market organizations and onion operators in the following terminal markets have authorized the National Onion Association to represent their interests at the Senate Agricultural Subcommittee hearings on futures, August 12, 1957: Washington, D. C.; Philadelphia, Pa.; St. Louis, Mo.; Pittsburgh, Pa.; Portland, Oreg.; Cleveland, Ohio; Jacksonville, Fla.; Buffalo, N. Y.; Indianapolis, Ind.; Albany, N. Y.; Chicago, Ill.; Minneapolis, Minn.; Boston, Mass.; Providence, R. I.; and Salt Lake City, Utah.

We have on file with the House Agricultural Subcommittee petitions with thousands of names supporting legislation to prohibit futures trading in onions.

I represent over 110 organized groups and, together with other representatives of national organized groups here, we represent millions of paid members.

In the face of this formidable array of organized strength, the opposition in previous hearings has had the audacity to raise the question as to whether or not we represent the onion industry. The onion industry is admittedly a small industry. The National Onion Association is likewise a small organization, but it has more paid members today than ever before in its history, and is the only organized group representing the onion industry. It is a fair statement that practically every bushel of onions produced in the United States is produced or handled by members of the National Onion Association, or by other groups we represent here. How could the situation possibly be covered more completely?

We have no criticism or objection to futures trading in other more stable commodities where real services of economic value are rendered. We do think that the tremendous unfavorable publicity pertaining to futures trading in onions for many years has discredited all futures trading and, if continued, will always tend to discredit, in the eyes of the public, futures trading in more suitable commodities.

Futures trading in onions was forced on the onion industry and, in the past 10 years, has perhaps caused more hardship and dissatisfaction and unfavorable publicity such trading in all other commodities combined for the past 40 years.

Forced to accept futures trading in onions, the onion industry for many years insisted that the Merchantile Exchange modify and improve its onion futures operations. The stock answer and attitude was that they were in a legal business to stay, that they had millions of dollars to spend to protect their rights, and that the little people in the onion business would just have to learn to live with it.

We have no criticism of the Commodity Exchange Authority and we admit that they have forced some valuable restrictive regulations on trading, but they admittedly have been unable to regulate trading in onions to eliminate the evil practices that are destroying the onion industry.

In fairness to the situation, we also admit that the Mercantile Exchange, under this legislative pressure, has adopted some constructive rules and regulations. However, the people I represent have no confidence in the permanency of constructive regulations adopted under pressure, and they know that exchange members who make and change the rules are not interested in a stable market but in a sharply moving market, with traders changing their positions often, all of which brings in additional brokerage revenues. These accumulative brokerage revenues oftentime exceed the value of the commodity traded.

The people I represent want no more time spent in efforts at regulations and controls, but wish to be free from the effects of a system that bleeds the onion industry of millions of dollars and contributes nothing but chaos and demoralization to cash markets.

The opposition has brought out the fact that onions fluctuated and were cheap before futures trading existed; however, I would like to point out that a bag of onions for 50 cents today is vastly different from a bag of onions at 50 cents 15 years ago, as the cost of production has perhaps trebled.

Further, I remember no history of prices, even in depression days, equal to the 10 cents per bag record established not so very long ago on the Chicago futures market, this being less than half the cost of the empty bag.

Only last February onion prices on the Mercantile Exchange were forced down from a high of over $2 to 85 cents in 3 weeks' time. This rapid decline was brought about even though stocks of onions on hand throughout the country were not adequate to meet normal needs until the spring crop was ready. This drastic price break resulted in complete chaos in cash markets, even to the point of recognition in bulletins issued from several brokers' offices. Onion movement temporarily came to a standstill, and formerly light supplies began to back up and became burdensome.

Futures trading is unbelievably disturbing to the cash market during liquidation months. All value gained from a hedging program is usually offset by the chaos and loss during liquidation months.

The onion industry has never asked Congress for any kind of price support or subsidy. The industry has experienced incredible hardships due to wildly fluctuating markets and artificially depressed prices. Most people in the onion business feel that one of their greatest problems is the adverse effects of futures trading on mercantile exchanges.

Futures trading in onions has become a great factor in the onion business. Most people in the business think it is a very bad and undesirable factor. I have been convinced for some time that, since onion growers are subject to the depressed prices caused by futures trading, they must avail themselves of the upswings in the market if they are to stay in business. I have used [illegible] policy in my own business with some success. I make this statement to counteract the opposition's contention that only those who have lost money on the board are opposed to it.

However, the majority of onion growers, for various reasons—lack of finances, lack of information, and small size of operation—are unable to use the services of the board, but are victimized by its adverse effects. I have long been convinced that futures trading in onions was detrimental to the onion industry.

Futures trading results in overproduction by giving some growers encouragement to plant through early quotations that are attractive. Especially, it brings overproduction through broker financing to stimulate brokerage income and provide onions under the brokers' control during delivery months.

Futures trading in onions results in many cars of minimum quality onions thrown on the market intentionally to reduce the price of all onions, both cash and board, so shorts can cover commitments profitably. Onions are too small an industry, too perishable, too short-seasoned to lend themselves to futures trading. This is the sober, studied judgment of practically everyone in the onion industry.

Further, futures trading in onions renders no real service, economic or otherwise, as does futures trading in more stable commodities.

Onions are not processed or used in manufacturing to any extent, so buying to hedge for future use is almost nonexistent. The average grower, as has been pointed out, cannot successfully use the market to hedge his sales.

Mention has been made of the value of information received from trading exchanges. It is a well-known fact that misinformation to influence the market is one of the biggest factors used by onion futures traders.

In the words of one associate broker on the exchange, "It's just a good crap game." The onion industry thoroughly agrees, but must add "with loaded dice."

The people I represent are opposed to futures trading because it serves no useful purpose. Yet it robs the industry of millions of dollars and contributes nothing. Neither does it affect consumer prices one way or the other, as experience has shown.

The opposition to eliminating organized futures trading consists almost entirely of a few people interested in brokerage revenues or growers who are financed by board money and under obligation to those interested in brokerage revenues and board control.

Senator HUMPHREY. Are you saying here, Mr. Baldwin, that when these prices slide down to these disastrous low levels, it does not reflect itself in the retail establishment to the consumer?

Mr. BALDWIN. Yes, Mr. Chairman; I said just that. We have observed for a good many years the price follows the pattern of something like 8 cents a pound to the retailer, and that continues throughout the season, and the price on the board, or the price on the cash market, or the price to the farmer, can fluctuate $1 a bag to $2 a bag, with practically no effect whatever, either up or down, to the consumer price.

Senator HUMPHREY. Thank you very much.

Mr. BALDWIN. Of course, one reason for that is that the other services that enter into the cost of food that applies to so many things is fairly constant. And the farmer receives less and less percentage of the value of the raw material.

We realize that the Senate committee wishes a record of evidence in their own files, but time and space compels us to refer you to a tremendous amount of evidence on file in the House Agricultural Subcommittee which is available to you.

Previous testimony by the opposition has been most abusive in its attacks on the NOA and its leadership, even to the point of character assassination type of statements, which I have ignored.

The question for consideration here is not personalities but the future welfare of an industry. The National Onion Association has no apologies for carrying out the overwhelming mandate from its members, and is working for the welfare of the industry in the only democratic American way possible.

We sincerely urge your support of this legislation to prohibit futures trading in onions so the industry can be free to study and work out other problems it may face.

Senator HUMPHREY. Thank you very much, Mr. Baldwin. That is a very fine statement. We have the testimony of the House subcommittee. The main reason for this hearing was that some of the opponents of this legislation asked to be heard and we work on the proposition here that if people want to be heard, time will be taken out to hear them.

Mr. BALDWIN. Thank you very kindly, Mr. Chairman, and thank you for stepping up my time so that I can leave and be with my family. I would like to mention that if any question comes up that you want further information pertaining to the National Onion Association, the secretary of that association, Jack Rose, is here, and although he is not scheduled to testify, he will be available to answer questions.

Senator HUMPHREY. Thank you. I want you to know, Mr. Baldwin, that the National Onion Association enjoys a good reputation in the presence of this committee, and you have some mighty good affiliates on the list that you submitted. So I don't think we will have to spend any time justifying the virtues of the organization.

Mr. BALDWIN. Thank you, that is refreshing, in view of some of the criticisms that one sometimes gets.

Senator HUMPHREY. Thank you, sir.

A PUBLIC WORKS PROGRAM AND THE EXISTING ECONOMIC SITUATION

Mr. GORE. Mr. President, I congratulate the able junior Senator from Minnesota [Mr. HUMPHREY] for joining those who are urging a public-works program to relieve the severe and growing unemployment.

I desire to point out to him that he has joined distinguished company. Only the day before yesterday a very distinguished American, with far more power of direction in such matters than a mere United States Senator has, made a statement on that subject. I shall read three selected sentences from the statement, a portion of which I had printed in the CONGRESSIONAL RECORD of yesterday, where it appears on page 2802. In regard to a public-works program and an antirecessionary program, that distinguished gentleman said:

> Let's do it by the means of doing things that need to be done in our country. It would be far better to push these projects when there is the time of slack employment. I think it is just ordinary horse sense. I think all of us agree. So let's do that.

I was pleased to read this speech. I have been making similar speeches for a month now.

Does the Senator from Minnesota identify that statement?

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. GORE. I yield.

Mr. HUMPHREY. It is my recollection that the speech to which the Senator from Tennessee has referred is one delivered by the President of the United States, Mr. Eisenhower.

Mr. GORE. The Senator from Minnesota is eminently correct. But does he recognize any similarity between the words the President used in the speech he delivered the day before yesterday and the Eisenhower-Nixon budget which is pending before the Congress?

Mr. HUMPHREY. Mr. President, if there is any similarity, it is by sheer coincidence, and surely not by premeditation or planning.

Let me add that one finds in the words the Senator from Tennessee has read from the President's speech a pronouncement of good intentions, but with no means of fulfilling them, because the budget the President has sent to the Congress ignores the existing fact of the economic recession. The President referred to inflation, when, in fact, the country is now suffering the growing pains of a recession.

Mr. GORE. How can the Senator from Minnesota explain the fact that the President has talked about proceeding in one way whereas his administration is acting in the opposite way?

Mr. HUMPHREY. I cannot. But the administration has done very well up to date in riding both those horses at the same time, and thus proceeding rapidly in opposite directions. The administration has stretched itself almost to the point of no return; it really has been able to do so. We see that happening again and again. It is government by appearance, rather than government by substance.

Mr. GORE. It was a long time ago that a very venerable gentleman was perplexed about the voice of Jacob and the hands of Esau.

Mr. HUMPHREY. That Biblical reference is still very appropriate. The fact is that this administration has no plans; or, if it has any plans, it does not have the courage to put them into effect. It had better get off dead center pretty soon, or else the country will be in great trouble.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Under the 3-minute limitation, the time of the Senator from Tennessee has expired.

Mr. GORE. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Is the Senator from Minnesota aware of the fact that on yesterday the cost of living was reported as having reached a new all-time high?

Mr. HUMPHREY. Let me say to the Senator from Tennessee that the administration has produced the unique accomplishment of having at the same time unprecedented heights in the cost of living and a growing problem of unemployment and recession. One has to be very good to do that.

MUTUAL SECURITY

Mr. KEFAUVER. Mr. President, there was held in Washington yesterday one of the most interesting, useful, and important conferences ever to have taken place during the time I have been a Member of the Senate. I refer to the Conference on Foreign Aspects of United States National Security.

Gathered in Washington were leading citizens from all parts of the country to discuss the mutual security program. Feeling that better information is important in arriving at a proper decision, I would say that the conference was a very excellent one. Yesterday at noon I had the pleasure of hearing a very splendid address by Adlai E. Stevenson, and later an address by the former President of the United States, Harry S. Truman. President Eisenhower addressed the conference last night.

I ask unanimous consent that the text of the addresses be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

SPEECH BY EISENHOWER

Mr. Chairman, and fellow Americans, I am speaking tonight at a unique dinner in Washington. At this dinner are national leaders from all walks of life, every sector of our land, and both political parties.

They have been meeting all day in our Nation's Capital, considering one of the most critical and embracing problems of our times—that of maintaining the peace.

I am honored to join with them tonight, for they are dedicated people. They are dedicated to this proposition:

In the last analysis, we can have positive security only through positive peace.

Today, a principal deterrent to war is adequate military strength. We are sustaining it, and will keep on sustaining it.

A POSITIVE PEACE

But a positive peace is one brought about by active work to create the living conditions, the level of education and health, the mutual understanding, and the sense of common purpose that make possible the genuine everyday substance of living in harmony with our neighbors.

Peace is an affirmative, constructive, continuing development. Its foundation is an educational process that will give to all peoples a fuller understanding of the shadows of fear under which we live, and a united determination to dispel them.

To maintain America's military strength during the next 5 years, with no great or early change in the world situation, we shall spend more than $200 billion. This almost unimaginable sum will, together with similar but smaller expenditures of our allies, keep us in a strong security posture. But these sums, great as they are, cannot produce a single constructive, useful thing for human beings. Indeed they can give us no more than relative security; only true peace can give us true security.

TOWARD A BETTER LIFE

For the past 4 decades the primary goal of American foreign policy—overriding all others—has been to bring about this kind of peace—a peace in which every nation may confidently progress, each in its own way, toward a better life for all its people.

The methods we use in working for this kind of peace are many and varied. They include day-to-day diplomacy, talks with heads of friendly governments, tireless efforts to work out amicably the clashes of interest that naturally arise even among friends.

They include building the mechanisms of peace, such as treaties of friendship and the United Nations. They involve the effort to take specific steps toward peace, among them, satisfactory disarmament plans. They include information activities, cultural programs, educational exchanges and promotion of mutually profitable foreign trade. And they involve the program of mutual security.

It is with this last item that I shall principally deal.

It is my conviction that, urgent as the outlay for our own missiles and other modern weapons may be, a strong program of military and economic aid is equally urgent.

This is a strong statement. It is bare, plain fact.

AN ANNUAL STRUGGLE

My friends, we are talking about a program that has been proving its worth in practice for over 10 years, and yet, every time another year comes around, the mutual security program is compelled to engage in a life-and-death struggle for its very existence.

Why? The reason is that the attack is based, not on the record, not on the facts. It is based on slogans, prejudices, penny-wise economy and above all, an outright refusal to look at the world of 1958 as it really is.

What the ostrich-like opponents of mutual security seem to be saying is: "Billions for armament, but not 1 cent for peace."

Let's get away from sloganizing, and look at facts.

To do so, let us seek answers to three simple questions.

What is the mutual security program?

What good has it done?

What is its present function?

What is mutual security?

Mutual aid is of two kinds: Military and economic.

ONE BILLION EIGHT HUNDRED MILLION FOR MILITARY

Of these, the military side is much larger. In our request for 1959, the sum needed for direct military assistance to others is $1,800,000,000. Defense support, which is the financial assistance we give certain countries in order to help them maintain necessary military forces, accounts for another $830,000,000.

The military strength maintained by these friendly countries is as necessary to our security as it is to theirs. Moreover, the unit costs in sustaining this allied power are far less than in producing similar strength from our own resources.

If we should attempt to do the whole task ourselves, our overall costs would go up at an appalling rate. The number of young men inducted into our Armed Forces would be sharply increased.

In short, I know of no responsible military authority who would for a moment consider abandoning or weakening our program of military aid.

But having provided, with the cooperation of our friends, for safety against military assault, we face only a bleak future of indefinite support of huge armaments unless we get on with the constructive work of peace. One of the major tools available to us, which serves both defensive and constructive purposes, is economic aid.

Economic and technical aid totals $1,300,000,000. This is about half of what we spend for the military portions of the program.

ON TECHNICAL ASSISTANCE

The larger part of this activity falls under three headings.

One is technical assistance. Often these countries have the needed funds, and labor, and determination, to carry out splendid development programs. These include improvements in irrigation, agriculture, roads, dams, health projects, schools, and industry. Our small investment in providing the special skills of our experts supplies the necessary spark to release all this creative energy.

Another major part of economic aid is loans. Many of the newly developing countries cannot, in the early stages, borrow money from investors or banks. The new Development Loan Fund will tide them over this difficult period, until their economies become stronger.

Still another category of economic aid is called special assistance. This includes, among other things, grants where loan repayment would be impossible.

In short, economic aid is designed to bridge the two great gaps that stand in the path of most of the newly developing countries: Lack of trained manpower and lack of capital.

EVIDENCE OF CONNECTION BETWEEN MUTUAL AID AND PEACE

Now, the second question: What good has all our mutual aid done?

The answer is this. Mutual aid has repeatedly played a major part in keeping Free World countries from losing their freedom. It has thwarted the Communist hope of encircling and isolating us by taking over vulnerable smaller countries, through aggression or subversion.

I give a few examples:

GREECE INCIDENT RECALLED

Consider Greece, in the winter of 1947. Some 30,000 Communist guerrillas, financed from foreign sources, had seized control of large parts of the country. The Government did not have the resources to strengthen either its small, poorly equipped forces or the crumbling economy.

At that point, under the Truman doctrine, United States economic and military aid went to work.

With its help, by the fall of 1949, the number of guerrillas was reduced to less than a thousand, and later wiped out altogether. And, during the years that followed, the tottering economy was restored to prewar levels.

The result: Freedom saved in a crucial sector. Communist imperialism checked.

Recall the critical situation in Iran before the fall of [Premier Mohammed] Mossadegh.

The economy was in chaos. Pro-Communist elements within the country were strong. The stage was set for a Communist takeover of this strategic country.

But the Shah and his people reacted vigorously, deposed Mossadegh and reestablished law and order. American economic and military aid were promptly given and greatly bolstered the new government. Now the country's oil, so important to our European allies is flowing again. A vigorous develop-

ment program is in progress. Iran has found strength as a nation.

The result: Again, freedom saved. Communist imperialism checked at a crucial point.

In 1954, we saw a clear case of the connection between mutual aid and peace in Vietnam. When Vietnam was partitioned in July 1954, South Vietnam faced the threat of overt aggression. It had the problem of absorbing nearly a million refugees. The country was full of private armies and subversive groups.

RED FAILURE IN VIETNAM

In spite of these appalling difficulties, Communist efforts to dominate South Vietnam have entirely failed. For this modern miracle, the Vietnamese people under the dedicated leadership of President [Ngo Dinh] Diem deserve great credit. At the same time, American aid of all kinds played an indispensable role. With our help a national army was organized and trained. Technicians helped the Government to set up institutions needed for healthy business and national life.

The result: Once more, freedom saved, Communist imperialism checked, at a highly critical point.

Now ask yourselves, my friends: If this flood had not been stemmed at these points, where would it be now?

Can there really be anyone left in America who will say: "Never mind. Let these countries go one by one. We shall find peace and security in fortress America."

We might as well try to find peace by building another Chinese wall.

Our hope for permanent peace today is not in fortifications and walls, it is in the hearts and minds and unity of purpose of the people whose ideals we share throughout the free world.

THE PRESENT CONNECTION BETWEEN MUTUAL AID AND PEACE

Our third question is: What is the present function of mutual aid?

As our mutual aid programs have shifted from meeting postwar emergencies to building the long-range basis for peace, the scene of operations has shifted. Our technical and economic aid is now concentrated heavily in the newly developed countries of Asia and Africa.

Throughout large parts of these continents vast reserves of human energy are opening up in a way that has not happened for centuries.

This poses blunt questions. Is this tremendous force to become funneled into violence, rioting, destruction of orderly government, and Communist exploitation? Or will this force be channeled into producing better education, wider sharing of prosperity, improved health and living standards, and greater freedom, self-determination, and self-respect? Is our goal a just and permanent peace or is it just a precarious security built on arms alone?

If you wonder why there is so much restlessness in such places as the Middle East, South Asia, and the Far East, look at a single figure.

Over a large part of this area, the average individual has 20 cents a day to live on.

Some ask: "Hasn't this been true for centuries? Why then is it suddenly such a problem?"

One reason is that most of the countries involved have recently become independent. The world has seen 20 new countries born since World War II. With independence and with greater knowledge of the outside world there has been a new hope, and a new determination to have a better life.

In these countries the trained Communist agent is always present, trying to make Communist capital out of this normal and healthy dissatisfaction with needless poverty.

In the last few years the Communists have added a new technique: Blocked in their efforts to use military force for expansion, they have turned to offers of economic loans and credits—and this in spite of their own low standard of living at home. They are trying to imitate a valuable and needed program we began 10 years ago.

There is a vast difference, however, between the purpose of Russian loans and credits and the purpose of our economic aid.

The Soviet Union wants to gain economic, and ultimately political control of the countries she pretends to help.

We, on the other hand, want these countries to stand on their own feet as proud, robust friends and partners with whom we can live in mutual respect.

Improved agriculture and industry raise living standards and give more and more people a solid stake in peace.

Improved education brings greater political stability and international understanding.

Improved health cuts down poverty and misery, which are well-known breeding grounds of disorder and communism.

NEIGHBORHOOD OF WORLD

My friends, if we are to find the world we seek, we must catch the vision of the neighborhood of the world. When we have done this, all such measures as mutual security will seem as natural and logical—or as necessary to our own good—as our activities for community prosperity, health and education seem now.

While economic aid undeniably helps other nations, it likewise strengthens our own security and economic position. It establishes good relations with nations from whom we obtain important raw materials and other goods. Asia, for example, supplies five-sixths of the world's rubber and half of its tin. Moreover, the countries principally concerned represent the greatest potential market for future trade relations. Already they are buying five times as much from us as in 1938.

If anyone, then, wants to judge this entire program only on a what's-in-it-for-me basis, he can find all the justification he needs. But beyond this, if others want to add another element, "Do unto others as you would have them do unto you," I see no reason to apologize for acknowledging this kind of motive.

DO-GOODERS FOR AMERICA

I can see no great evidence of intelligence in sneering at do-gooders if their do-gooding helps America at the same time that it helps our friends.

But it is not a primary purpose of mutual aid to produce expressions of gratitude and affection.

We should rather look for these things: Is economic aid helping these countries to hold off Communist attempts to turn discontent into subversion? Is it helping them to become sturdy, self-respecting members of a peaceful, Free-World community? Is it helping to win, for all of us, a secure and just peace?

The answer is "Yes."

Tonight I am not discussing the importance to peace and to our own domestic prosperity of the fullest possible trade with other nations—trade which means jobs to more than 4½ million Americans. That would take another speech in itself, but let me try to pack my views into 1 or 2 sentences.

Under current conditions, the urgency of both our mutual security and our reciprocal trade-agreements legislation leaves no margin for error. These are not merely suggestions or helpful hints.

They are iron imperatives of security and the building of true peace.

MUTUAL AID AND THE SOVIET UNION

Of course, in the last analysis, the success of our efforts for peace depends heavily on our relations with the Soviet Union. We urgently want these relations improved.

We have urged that orderly preparatory discussions be undertaken to lay the groundwork for a productive, high-level conference.

We have indicated a wide range of crucial topics on which we would be willing to work toward agreement.

A start has been made toward increased exchanges of people and ideas, through an agreement in principle recently concluded in Washington.

A greatly increased flow, in both directions, of leaders of thought in the two countries would be productive in making the voices of our two peoples more influential than are the pronouncements of governments. In line with this thought I suggested, in a recent letter, that visitors to us by such nongovernmental Soviet leaders would be welcomed.

Another American proposal is that, beginning perhaps with cooperative projects aimed at conquering major diseases, we might embark on a broad program of science for peace, which would raise the level of scientific knowledge and achievement all over the world.

Moreover, our country proposes that we seek without delay to work out practical mechanisms to insure that outer space will be devoted only to peaceful uses.

We will spare no exertion, we will neglect no approach—with the people of the Soviet Union, as with those of the Free World—whenever there is any promise of another step, large or small, toward a world of prosperity, justice and harmony.

PUBLIC SUPPORT ASKED

In conclusion, my fellow Americans, the action I would like to ask of you is simple. It is your fullest support of the pending programs of mutual military and economic aid.

Success in these fields, as always in a democracy, depends on you.

It depends on the fullest understanding by every American of the importance of these programs to our country, as well as an understanding of the hopes and needs and views of our friends overseas. It depends not only on what we are willing to give, but on what we are willing to receive and learn from others. It depends on our realization of the indispensable role played by mutual aid to produce a safe and peaceful world.

And remember this: As our aid program goes forward with your support, people all over the world will know that it is not a maneuver carried out by a dictator—rather it is an expression of goodwill and basic common sense coming from the voluntary act of a free people.

This is no time for shortsighted narrowness. The array of leaders of both parties who have come together here today is eloquent proof that on this issue partisanship has indeed taken a holiday. The urgency of the times and the opportunity before us call for greatness of spirit transcending all party considerations.

The tasks of building and sustaining a mighty military shield are hard, and tremendously costly. The tasks of patiently building a sound peace in a sound world are less costly, but even harder.

Americans have always shown a greatness of spirit and capacity of understanding equal to the demands of both war and peace. Americans will show these qualities now, and in the years ahead.

SPEECH BY TRUMAN

I am here today simply because this is a very important meeting for the security of the United States and the peace of the world. The people of this country have given me every honor a man can have. All I want to do now is to try to repay the people of the United States, who gave me those honors, with what I hope may be a contribution to the peace of the world.

I am delighted to see so many of my friends, Republican, as well as Democrats, present at this meeting. This is a good example of a bipartisan approach to a foreign policy, and that's the approach we ought to use. Partisan politics ought to stop at the water's edge.

I have come here today to talk to you, because I have been told that the mutual security program is in grave danger of being emasculated by the Congress. If that is true then I must tell you frankly that I think the country is in a very bad fix, and I will tell you why I think so.

We are planning to spend $40 billion on defense next year—and it probably ought to be more. Then the year after that we will have to spend some added billions. Year after year the weapons of war get more expensive and more destructive. We are caught hard and fast in the most terrible armaments race in history. The Russians invent something, and we have to try to match it. Then we invent something, and the Russians have to try to match that.

THE RACE GOES ON

Already, we have weapons so destructive as to endanger the very existence of the human race, but we have to go on and on making them more destructive and more terrible.

Now what can we hope from all these weapons—all these billions of dollars we must spend for defense? The most we can hope to gain from them is a stalemate—to buy time. Buy time for what, you may ask. And that is the question; that is the real question. What are we going to do with the precious time we buy with all the billions and billions we are pouring into arms?

There is one thing that recent history taught us. Hitler wanted to use poison gas in World War II, but when he found out that we had a more effective gas than his, he hesitated and then canceled his plans. Well, we've bought time with terrible weapons, but what are we going to do in these precious days that may be our last chance to keep mankind from being blown off the face of the earth? Are we to go one blindly with no hope, no plans for ending the armament race, no program for establishing a just peace in the world except to pile weapon upon weapon? No, my friends, that is not the answer. There must be a better way. There is a better way, and we shall find it—with God's help, we shall find it.

Why haven't we come forward with some new ideas to compare with point 4, the Marshall plan, the Atlantic Treaty. We live today in a dearth of ideas. The clock has been turned back to the nineteen twenties.

Let's run the hands of the clock up to date with new ideas to meet today's problems.

NO CLEAR SIGNPOSTS

The way is not easy; it is not marked with clear and certain signposts. But some things about it are clear. There are some lessons we should have learned from experience—some things we know are worth trying.

One of our best hopes is economic assistance for other nations. This is a chance to move forward, to do something affirmative toward peace, behind the shield our defense forces form for us. Foreign economic assistance—the mutual security program—is the cutting edge on the tool that gives some meaning and purpose to all our efforts for defense.

I will not undertake to explain here how the mutual security program works and why it is so important. It is enough to say that the military assistance portions of it are absolutely vital to our defense and, among other things, give us more defense for the money than other measures could possibly give.

It is enough to say that the economic assistance portions are our effort to help create conditions among countless millions in many lands that will lead them to take the path of democracy rather than communism. It is among those countless millions that the battle for peace and justice in the world will be won or lost. It is in their minds and hearts that the decision will be made.

There are strong forces on the side of freedom in the struggle now going on in the world. There are many brave and wise leaders who want their nations to follow the path of democracy. But if they are to succeed, they must have some outside help.

They can do most of the job themselves, and they will, but in many cases a margin of help from us will mean the difference between success and failure. And failure means the loss of more peoples and more countries to the tyranny of Communist dictatorship. It means Communist slaughter of the innocent, as in Hungary, Latvia, Rumania, and Poland, Estonia, Czechoslovakia, and Lithuania.

OTHER WAYS SOUGHT

Remember, it is impossible for us to win the struggle against communism by military means alone. We must find other ways. And he who destroys any reasonable means to that end does so at his peril, and at the peril of us all.

Now I have heard that there are Members of Congress who expect to do most of their economizing on the budget this year by voting to cut the funds for foreign economic aid—these are the funds for technical assistance (which we used to call point 4) and the development loan fund.

The budget requests for these two funds together are less than $800 million—little more than 1 percent of the total budget and much of this money will go out as loans which will be repaid to us. How anyone can justify aiming his cuts at those funds is beyond me. If there is any money on the budget that holds out any hope for mankind, this is it. And we ought not to be talking cutting it but about raising it—perhaps raising it substantially.

I will pass for the time being the question of whether the total budget is too big or too small. Opinions may differ on that. But whatever your opinion may be as to the total, this is the part that ought to be regarded as most sacred of all.

There are many people who say they don't like the foreign-aid program because they believe it is administered badly—but you can't abolish the Government on that account.

You cannot abolish the entire Government of the United States just because it's being badly administered. Neither is that the way to correct mistakes in the mutual-security program. Examine it all you please, correct all the mistakes you can, improve it every year and every day, eliminate waste, and increase efficiency—but don't scuttle the ship just to stop the leaks.

A PLEA TO DEMOCRATS

And I want to say a word in a political vein to my Democratic brethren in Congress. There was a Democratic vote last year to cut a budget item which should not have been cut, and we are still having a hard time explaining it. Please don't put us on that kind of spot again.

If the Democrats in Congress refuse to spend at least as much for foreign economic assistance as this administration recommends, we will never, never be able to explain it. People will forgive us for spending too much in the search for peace; they will never forgive us for refusing to spend enough.

I will not refuse to offer any political advice to the Republicans. I will only pause to throw down this challenge: I challenge the Republicans to do as well by this bill as the Democrats do, and then let's see how we come out.

There won't be any lobbyists buttonholing Congressmen and Senators to support this peace money. The special interests have nothing to gain and no ax to grind here. But there will be a silent plea from all the countless millions who yearn for peace in the world. Who is to speak for them? Is not their future worth something? Is not mankind worth saving?

People talk of giveaways and look to see how the political winds are blowing. But the political approach which should decide this matter is the politics of survival. And survival requires that we face up to our jobs in the world and go about it with zealous faith in freedom. We must show the world that freedom is the best answer to human needs. To fail in this would be the real giveaway program—the program that would give away everything the United States stands for.

It is given to us in our time to be trustees of democracy and freedom in this hour of their great peril. It is our solemn obligation to see that peace and freedom do not perish from this earth. We owe this duty to our children and our children's children; we owe it to the whole human race. And I humbly believe that Almighty God will be with us and help us to meet that solemn obligation.

CONFERENCE ON FOREIGN ASPECTS OF UNITED STATES NATIONAL SECURITY

(Address by Adlai E. Stevenson)

I have come here today to say that I think foreign aid is an essential weapon in the armory of American diplomacy and an essential tool for accomplishing America's peaceful purposes.

It is not often, as you may have noticed, that I can agree with the administration so wholeheartedly. Indeed, we have had some sharp disagreements. I think of BROOKS HAYS' story about that stubborn old Ozark moonshiner who was apprehended and hauled into court for the tenth time. The exasperated judge exploded: "Man, you have caused this court more trouble and you have cost the taxpayers more money than anyone ever did before, and this time I'm going to sentence you to the full extent of the law. Have you anything to say?" The grizzled old fellow shifted his tobacco and said: "Well, Judge, I may have caused you some trouble, but no more than you have caused me."

I feel a little like that about the administration that has arranged this meeting today. But it is one of the greatest blessings of our party system that what unites us is usually more important than what divides us. And that is especially true today because there is nothing, literally nothing—nuclear weapons, ballistic missiles, atomic powered submarines—more important than what unites us here today, Democrats and Republicans alike.

I don't think this meeting should ever have been held; I don't think it should have been necessary to stir up public support and pressure on Congress to vote some money for foreign economic aid which is just as imperative, in my judgment more so, than the defense appropriations that are voted so easily. And that's what I've come to talk about—economic aid as distinguished from foreign military assistance and defense support, about which the Secretary of Defense and others will doubtless speak to you. I wish it had never been called foreign aid; I wish it had been labeled economic defense, foreign investment, or economic development. For that's what it is, and my assignment is to talk about funds for technical assistance to the underdeveloped countries, funds for loans for basic economic development and grants for special projects and emergencies—in all less than a billion dollars, not a fourth of what the President is asking for mutual security altogether, and

only about 2 percent of what we are spending on our Defense Establishment alone.

But its merit is not just that it is relatively inexpensive. Its merit is that it is essential; military defense and improving economic conditions in the uncommitted countries are not alternatives—they are both essential. Does anyone really think that the Soviet Union, for example, would deliberately launch a direct attack against this country—if our defense and retaliatory capability is adequate? But does anyone doubt that Communist political-economic-psychological probing and penetration will go on and on all around the world? Does anyone doubt that they will nibble away at the Free World and progressively isolate us if they can? Does anyone doubt that they are making a massive effort to tip the scales of power in the decisive areas—in the 18 countries that have recently won independence and among the third of all mankind with a per capita income of less than $100? Does anyone doubt that they are succeeding after what has happened in a few years from North Africa to Indochina? They have even won elections in important states in India and Indonesia.

I say, and I hope you agree, that the Soviet-Chinese bid by aid, trade, propaganda and subversion to win these uncommitted areas is far more dangerous than Soviet missiles or Chinese manpower just now. This is the hot war now, and we have been losing ground in the underdeveloped countries which Lenin and Stalin (and Khrushchev, I suspect) believed to be the decisive stepping stones, first to the domination of Europe and ultimately the world. A progressive weakening of our position in these areas in the next few years, coupled with dramatic Soviet advances in the military field, will further neutralize sentiment among many of our friends. And the enhancement of Soviet prestige in the uncommitted areas as a result of sputnik and Russian educational achievements cannot be exaggerated.

Obviously this isn't just a contest with communism. Our interest in the independence of these vast areas would be just as vital if Russia and China were still governed by imperial czars and emperors.

Everyone testifies that in the long run the only way to stop Communist expansion is to create strong, healthy states resolved to keep their independence and capable of resisting. This cannot be done by military aid alone. Indeed, I believe overemphasis on military assistance and defense pacts furthers Communist success by lending credibility to the propaganda that we are warmongers and interested only in buying military allies.

Well, if all this is so, why is there any hesitation about helping these countries to modernize their ancient societies, to develop economically and thereby fulfill the aspirations of their people for human dignity and a tolerable standard of living?

I can't answer that question, unless the imperative importance of economic development with our help and by our methods, instead of Soviet methods, is not fully understood. And that, I suppose, is why we are here.

I would argue that at no time has the principle of foreign aid been of greater significance or more directly served the interests of the United States than it does today. For the full scale of the Communist challenge is only now becoming apparent—some $2 billion of credits and grants—mostly for economic assistance—since 1955. In 1957 they sent over 2,000 technicians to 19 countries: 400 to India alone. Last year they brought more than 2,000 trainees to Communist countries for technical training. Much of this aid has gone to key countries—India, Afghanistan, Indonesia, Egypt, and Syria. The purpose is obvious—to bring about economic dependence in strategic areas which will sooner or later lead to political subservience.

And the Communists have many advantages in this contest, with their lower costs, their large pool of specialists, and their power to inflict sacrifices on their people. They also have advantages in the appeal which their own recent history of rapid development offers to backward lands, in their capacity to absorb agricultural surpluses in trade arrangements with underdeveloped countries, their language facility, and their closer identification with poor and backward peoples.

But even if the Communists were to call off their campaign of economic and political penetration the need for our effort to help these emerging nations make the transition to modern viable economies would remain. For so long as a billion people in this shrinking world see no hope of fulfilling their impatient demands for a better life the threat of disorder, desperate measures and dictatorship remains, and there can be no real hope for the secure peace the world is yearning for.

The importance of economic aid has been enhanced in this last year by another development. While Soviet offers of loans and trade have been increasing, opportunities for trade with the West have been dangerously cut. The countries along the Asian fringe depend heavily upon the export of primary products. Their expansion and their hopes of further industrial development have been buoyed up in the last decade as a result of the commerce stimulated by the booming economic conditions in the West. But in the last year, the trend has been reversed. Export income for primary producers fell by some $600-700 million in 1957 alone and this, I need hardly point out, is a figure largely in excess of any aid the countries received from the West during that period. In other words, economic opportunities in the Communist bloc are increasing at a time when Western opportunities are shrinking. We should indeed compound disaster if at this time, having cut trade, we cut aid as well. Thus the stagnant state of our economies makes our foreign aid program more urgent than ever.

Nor, frankly, is this only a matter of strategic or diplomatic interest. We should have learned by this time that the most developed countries are the best customers and that by helping to develop those large and growing areas, we are at the same time helping ourselves. For we are helping to create new opportunities for mutually profitable trade and investment and to obtain more dependable sources of the vital raw materials on which we are becoming increasingly dependent. Moreover, the economic fortunes of thousands of our own people are tied up with the continuance of foreign aid. In any year, our steady tendency is to sell more than we buy. In present conditions of trade, the surplus which America runs with the rest of the world rarely falls below a billion dollars a year and can rise to as much as three or four billion dollars. In the last year the dollar gap has reopened sharply since domestic recession has cut American purchases abroad.

In these conditions, foreign aid, which places dollars in the hands of important customers overseas, is one means of protecting our great export industries from a sharp cut in our overseas commerce. I sometimes think that those who speak contemptuously of economic aid programs as handouts do not always realize in which hands the handout ultimately comes to rest—for it is very largely the hands of the workers and stockholders engaged in export industry, and a sizable number of American farmers as well.

But please don't misunderstand me. From what I have said I wouldn't want you to conclude that I am wholly satisfied with our foreign aid program, past or present. I'm not. And I have, I confess, some sympathy for those in and out of Congress who have hesitated over our foreign aid policies in recent years.

These programs have only marginally fulfilled their task and certainly have offered no very hopeful pointers to the future. They have been geared in too high a degree to purely military considerations. They have contained no guaranty of future continuance. They have thus been unsuitable as a basis for long-term economic growth. They have in short been wavering and haphazard. Though they have done something, they have certainly not done enough.

But we have begun to realize that if foreign aid is to make its full contribution to the growth of a more stable world, it must be on a sustained, thought-through, and coordinated basis. The development fund for loans on a sustained basis is a reflection of this thinking, and I emphatically approve this new approach.

We know something now about the rhythms of development toward a modernized technical economy. Our aim should be to assist the underdeveloped and emergent nations to achieve a level of domestic saving which has a chance of becoming self-sustaining. The difficulty is that the poverty of so many of these communities in Asia and Africa makes the original act of saving virtually impossible. Saving is nonconsumption and if consumption standards are low enough, to consume less can mean simple extinction.

The progressive role that development investment can play is to push these emergent economies through the first stages of capital accumulation. In each economy, the needs will vary, though we can make a good guess that roads, transportation, power, water supplies, and planning surveys will be among the first necessities. As the capital from outside helps to build up these first levels of investment, local capacity to save will increase and as domestic savings rise and private investment opportunities increase, the aid programs can taper off. Such a concept gives a beginning, a middle, and an end to our efforts and sees to it that at the end, we leave behind not Cadillacs and file boxes but the solid economic apparatus of a modern state.

I believe we have made a start toward this phased, sustained, and thought-through concept of foreign aid and it is this approach which I most heartily support as the future shape of our operations. In it I see more than a means of diplomacy or an underpinning of our own economic stability. I see it as a new and characteristic American contribution to the science of good human relations and to the exciting experiment of living together in a world made one by science and technology.

I would hope that this conference might conclude that the primary problem is growth; that the threat of communism in the underdeveloped areas is less military than it is economic, political, and moral; that the need in these critical areas is social and economic modernization. I believe a powerful and sound case can be made to Congress and the country for a program to promote economic and social health and self-reliance without military strings. And such a program should include, in my opinion, the following:

First. This year the full $625 million requested should be appropriated to the economic development fund, and next year the fund should be put on a permanent basis so that it can plan investments forward for some years, not merely on a project basis but in terms of the total requirements of the receiving nation. Our emphasis should be on

loans not gifts where feasible. You remember Confucius' question: "Why do you dislike me? I have never done anything to help you."

Second. We must make clear our support for the Indian 5-year plan on a long-term basis and enlist other nations to do likewise so that the Indians can proceed with reasonable confidence that they can achieve their essential objectives. India—twice the size of the Marshall plan world—will need a sustained support to get over the hump. If we fail there, our cause will suffer grievously.

Third. We should explore methods of increasing private capital investment, although risk capital can't and won't begin to do the job of basic development—roads, power, transportation, schools, etc. But with strong Government leadership and with a steady flow of Government capital, private investment will have an enlarging role to play.

Fourth. We must learn to use our surpluses of food and fiber as a major constructive resource in economic development, not as charity but as a working capital—to enable men to divert their labor from agriculture to roads, dams, power stations and the like without creating an inflationary demand for food and clothing. Our great agricultural productivity is a source of strength if we have the wit to use it.

Fifth. I think it is time we coordinated our economic affairs with our friends instead of all going it alone. The whole of the industrialized Free World has the same interest in seeing the underdeveloped areas make the transition to self-sustaining growth while maintaining their independence. This is a global enterprise; and it should be organized on that basis. For Western Europe and Japan this coordination would give a badly needed sense of common constructive purpose at a time when military problems alone seem to hold the center of the international stage. Moreover, coordination would also make possible useful contributions from some of the smaller states of the Free World.

I do not believe it is necessary to set up a single international fund. But the governments of the Free World should gather, assess what they are doing, and make common cause in enlarging their efforts in both technical assistance and the supply of capital. Before the NATO conference, I suggested that the OEEC in Paris might offer a useful gathering place for this new enterprise. That organization, a product of the Marshall plan, has the flexibility, the staff, and the tradition of constructive purpose to do the job. I am confident that from such collaboration a new spirit would emerge in the Free World, a new sense of the powers and constructive possibilities of democracy, a unity based on hope rather than fear.

Sixth. Against the background of an enlarged and stabilized American program, weaving together the great resources of the industrialized nations, giving play to private as well as Government initiative, we could well invite Mr. Khrushchev to coordinate his efforts with ours if he is really interested in the economic development and political independence of these less fortunate countries. Such cooperation, and I hope we leave no stone unturned in our effort to cooperate, could avoid the waste and hazard of blackmail that results from competition in this kind of effort. And if the Soviets are not interested in joining our international effort, such an offer would at least unmask the motives behind their assistance programs.

A final word, and perhaps the most important. I hope we Americans will cease to be ashamed of generosity and magnanimity. No nation ever before approached what this one has done to help others help themselves, and not by any means just in self-protection either. Why don't we glory in it? Why aren't we proud of it? Why do we ridicule our best instincts? I have said before, and I repeat, that I haven't seen any repeal of the command to love your neighbor.

But, of course, we all know that it is a matter of enlightened self-interest for the United States to throw the weight of its resources into the economic development of the transitional areas of Asia, the Middle East, and Africa. We know that the loss of these areas to communism would have incalculable consequences. We know that our economy is increasingly dependent on imported materials. We know that Western Europe and Japan, even more, need an expanding world market if they are to continue healthy. And if we doubt the reality of these immediate interests, measure the costs, in all directions, of the engulfment of China by communism.

But there is something more to be said and understood. We live at an exciting moment in world history. The next half-century will be full of change and growth and rising aspiration. Industrial maturity takes some 5 or 6 decades. That was what it took Britain from the beginning of the industrial revolution, then the United States, commencing with the Civil War, then Japan. And it has taken Russia about 50 years from the great revolt against feudalism in 1905 to launch sputnik. But the rhythm of modernization is faster now. We can assume that China and India, which number about half the human race, will reach industrial maturity by the end of the century. And what about all those other scores of millions in Asia, the Middle East, Africa, and Latin America?

This is one of the great watersheds of history. At the turn of the 21st century it is certain that there will be in those areas great, powerful nations, capable of applying to their resources all that modern science can afford. Our children and our grandchildren will share the planet with the citizens of these newer nations.

What kind of world will that be? Will it be dominated by new and bitter conflicts, rooted in bitter memories from a difficult colonial past, in memories of racial discrimination, in memories of painful difficulty faced alone during the awkward transition to modernization? Or will it be a world held together by bonds of common humanity, by memories of shared adventure during the period of transition, by a common respect for the dignity and stature of the individual human being, by a common will to maintain a regime of international order on this tiny planet?

I am deeply convinced that the outcome depends on what the governments and peoples of the industrialized world do now—over the next decade—not on what is done a half century from now. The peoples of Asia, the Middle East, and Africa are now gathering momentum; the new nations are now defining their inner character and purpose; what we do or fail to do now will thus cast long shadows.

In this very precise and concrete sense, the present generation in the West bears a heavy and inescapable responsibility for the kind of world in which their children and grandchildren will live. This is the ultimate stake, the ultimate interest, in what we call, so inadequately, foreign aid.

IMPORTANCE OF THE MAINTENANCE OF A FULLY COMPETITIVE, FREE-ENTERPRISE ECONOMY

Mr. KEFAUVER. Mr. President, I desire to address the Senate at this time; and I ask unanimous consent that I may proceed for a total of 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, one of the gravest tasks which faces Americans today is the maintenance of a fully competitive, free-enterprise economy.

I doubt whether many Americans are aware of the extent to which we have lost the benefits of competition in the business and industrial life of the United States. I say this despite the fact every one of us in this country is in part paying for that loss through high prices, and in unemployment with all its costs and dangers, and in the loss of the creative business vigor which made American industry the marvel of the world.

It is astonishing that in the world of business itself, and even among those businesses which have been most disenfranchised by inability to compete fully and fairly, the true facts are often unknown or brushed aside or accepted as merely inevitable.

What is involved is nothing less than our ability to provide substantially full employment for the American labor force as it grows in size year by year. Involved in this loss of economic freedom, and most directly involved, is the gradual loss in the purchasing power of the dollar through higher and higher prices.

It certainly has affected the traditional freedom of any enterprising American to go into business with a chance of prospering in an enormous field of endeavor.

It is a truism that the United States is only as strong as its economy. In two world wars it has been the overwhelming strength of our industry and our economy which has seen us through.

CONTEST WITH SOVIET UNION

We are in a contest with the Soviet Union for more than domination of the world through superior military might. In the long view, whether we succeed or fail will depend on the strength and vitality of our economy under the traditional American system, as against that of the Soviet Union under totalitarian control.

If never a shot were fired in anger between these two enormously powerful nations, the contest between them could and doubtless will be decided by the strength and vitality of their economies.

The leaders of the Soviet Union today are realists. They know our economic strength and they are desperately attempting to equal it. They have made great progress in doing so particularly in the field of heavy industry. Yet they know our weaknesses. They know, and we have the testimony of Mikoyan as evidence, that whether or not we keep our present superior economic strength depends on the degree to which competition—and I mean true competition—is kept alive in the industry and business of the United States.

There is nothing which would be so alien to the United States as a system of economics based on scarcity. We have been a growing country since our earliest beginnings and that growth is now being greatly accelerated. Yet without any question we have seen major elements in business and industry base their plans not on the traditional belief in lower prices through greater production but in the maintenance of high

prices and high profits on the basis of lowered production. We have only to look at our two major industries, steel and automobiles, to see to what extent this philosophy of higher prices in the face of lower production has insinuated itself into the American economy.

Possibly on a short-term basis, concerned solely with immediate profits rather than ultimate soundness, this business philosophy may seem attractive. But it is obviously not in the public interest.

The fact that the economics of scarcity has taken such a hold in such crucial places in the United States, is testimony to the growing degree of concentration of economic power into the hands of fewer and fewer corporations.

HENRY FORD'S CONTRIBUTION

In my judgment this is a betrayal of the American ideal of economic development. Our economy has always been based, when it has been successful, on expansion and growth and technical progress. That uniquely American genius, Henry Ford, made errors in his later life which are obvious to us now. But he contributed not only to this Nation but the world the idea of mass production and the assembly line. He saw further than that; he was so advanced that many of his contemporaries thought he was a fool. To allow the public to absorb the increased production which his genius created, he cut prices. At the same time he understood, as few industrialists of his time understood, that the American worker himself was an important part of his mass-production market. Henry Ford, to the astonishment and dismay of his competitors, raised wages to a level which permitted workers not only to buy his products but those of other mass-production industries.

Certainly we have a kind of competition in certain industries. It can be vigorous. The astonishing thing to the observer, however, is how rarely this competition extends to prices. Such competition as there is, is not protecting the American public from price gouging and inflation. Price competition must not be allowed to pass from the American scene. Without price competition, along with competition as to quality and service, concentration and monopoly will be the consequences.

We have a dynamic and growing Nation. We must have dynamic and growing industry and business to match the growth of population. Business and industry today are under the stimulation of a $40 billion a year defense budget. I do not think our best minds have attempted to deal with the problems our economy will face if peace could be assured and real disarmament would permit a substantially lower budget for defense purposes. Yet we cannot admit and must not hope that $40 billion defense budgets—or budgets increasingly higher—are a permanent fixture of our Nation and our economy.

An economy stripped of the present stimulus of defense expenditures would be vastly different than that we now live with. I am sure that in a peacetime economy, the growth we have permitted in concentration of industrial power and monopoly would show up in stark relief. It is a growth which imperils the progress of our country. It imperils our free-enterprise system under which we have grown so strong and powerful.

The United States is the acknowledged leader of the Free World. That leadership arises from our industrial strength. The economic strength of the entire Free World is tied to our strength. If our economy stumbles, the jar is felt throughout the Free World. Our current recession has been echoed and reechoed abroad, just as the great American depression was felt around the world.

I do not think I overemphasize when I say concentration and monopoly in American business, because of its stifling effect, could cause us to lose a contest which is based as much on economics as on arms.

OBLIGATION OF CONGRESS TO REGULATE COMMERCE

The Constitution places an obligation upon the legislative body to regulate both interstate and foreign commerce. Our predecessors have not shirked their responsibility in carrying out this obligation. In the late 1800's when it was apparent that the welfare of our people was being threatened by the great trusts so vividly exemplified by the Standard Oil trust, the Congress passed the Sherman Act in 1890. This act, among other things, made illegal every contract, combination in the form of trust and otherwise, or conspiracy in restraint of trade. It also made it illegal to monopolize, or attempt to monopolize, or combine or conspire to monopolize any part of trade and commerce. In 1914, our basic antitrust laws were added to by the passage of the Federal Trade Commission Act and the Clayton Antitrust Act. Subsequent amendments and acts have been added to this body of law.

STATISTICS SHOW INCREASED CONCENTRATION

At the very core of the monopoly problem is the increasing concentration of economic power and control of a large proportion of the industrial economy by a small number of giant corporations. I am very doubtful if our antitrust laws are proving adequate to meet this great problem. Just last year the Antitrust and Monopoly Subcommittee issued a report entitled "Concentration in American Industry." The basic data for this report were prepared for the Antitrust Subcommittee by the Bureau of the Census. It would be beneficial reading for every one of our legislators. It reveals that in the period 1947 to 1954 the 50 largest companies have increased their share of manufacture from 17 to 23 percent of the total. It shows that the 100 largest companies have increased their share from 23 to 30 percent of the total and that the 200 largest companies have increased their share from 30 to 37 percent of the total. A further study of the report will reveal that the four largest companies of many product classes represent 75 to 100 percent of total shipments. It also reveals that in approximately 3 times as many other product classes the four largest companies are responsible for 50 to 74 percent of the total shipments. Furthermore, according to a report on "Corporate Mergers and Acquisitions in Manufacturing and Mining" released by the Federal Trade Commission in May 1955, the number of mergers in 1954 was 3 times that of 1949. Such mergers have increased since this report from 387 in 1954 to 537 in 1956. It might be added that these statistics include only acquisitions of an entire company and do not include divisions or parts of companies. That this trend of increase in mergers results in growing concentration is evidenced by the fact that nearly two-thirds of the 1,773 acquisitions accounted for during this period were made by companies with assets of $10 million or more. In contrast to this phenomenon, acquiring companies with assets of less than $1 million made less than 8 percent of the total acquisitions during this same period. Companies in the $50-million-and-over class accounted for 522 of the 1,773 mergers and companies from $10 million to $50 million accounted for 643.

In the complex industrial society of today, mergers and acquisitions take a wide variety of different and sometimes completely opposite directions, which have traditionally been designated as horizontal, vertical, and conglomerate. Horizontal acquisitions are those in which the firms involved are engaged in roughly similar lines of production; vertical acquisitions are those in which the purchase represents a movement either forward toward the end-product stages or backward toward raw materials; and conglomerate acquisitions are those in which there is no discernible relationship in the nature of business between the purchasing and the acquired firms.

Examples of horizontal mergers are the acquisition of Ballard & Ballard by Pillsbury Mills and the current merging of Youngstown Sheet & Tube Co. with Bethlehem Steel Corp. A recent example of a large-scale vertical merger was the acquisition by International Paper Co., the world's largest paper producer, of Long-Bell Lumber Co., the Nation's second largest lumber company. Perhaps the most outstanding examples of conglomerate activity are the many acquisitions of firms in unrelated industries by Olin Mathieson.

It is apparent that some of these mergers have a more direct effect upon competition, but aside from that problem, Mr. President, what disturbs me is the effects of the rapid increase in concentration in business of which accelerated mergers are a material part. I am concerned also about the growth of economic power which results from this concentration of more and more business in the hands of one or a few concerns in more and more industries.

I am deeply concerned about the effects of this trend in our economy on medium size and small businesses and the opportunity of new business to enter the market with a fair chance of success. The cause of my concern in this respect becomes apparent if we contrast the condition of small business in recent years.

SMALL FIRMS GET DECREASED SHARE OF BUSINESS

Let us first look at the decreasing share of manufacturing business which is being left by the giant companies for smaller concerns. At the end of 1952 a few corporations having more than $100 million of assets each owned 51.5 percent of all of the assets of the manufacturing corporations in the United States. At the end of 1955 this percentage had grown to 57.1 percent of all the assets which were owned by the corporations in the over-$100-million asset group. In other words, their share of the pie had increased by more than 10 percent in the period. In 1956 their share of total manufacturing assets had increased to 59 percent. According to 1957 reports of the Federal Trade Commission and Fortune magazine, about one-half of 1 percent of the manufacturing corporations in the United States had 57 percent of the sales made by all manufacturing corporations, leaving only 43 percent for all others—large, medium, and small manufacturers.

I am further disturbed when I see that reports of the Federal Trade Commission and the Securities and Exchange Commission reveal that annual rates of profits on stockholders' equity after taxes for corporations with assets of $1 billion or more increased from a rate of 14.9 for the first quarter of 1956 to 16 in the first quarter of 1957, while the rate after taxes of stockholders' equity of corporations with less than $250,000 decreased from 10.3 to 8.4 in the same quarters.

With such a showing of these results of concentration translated into control of shipments of products, dollar sales and profits, Dun & Bradstreet's reports on commercial deaths are equally disturbing.

Such deaths increased from 6,496 in the first half of 1956 to 7,089 in the first half of 1957. The rate of failures per 10,000 business concerns in the first half of 1956 was 46 as compared with 53.7 per 10,000 business concerns in the first half of 1957. That was the highest rate of failures per 10,000 concerns since 1941. It is also important in understanding this trend to note that it applies to businesses which are not just starting. As recently as January 29, 1958, the New York Times cited 333 failures in the preceding week as compared with 258 for the same week in 1956.

MOST FAILURES IN SMALL BUSINESS

I think we all know that practically all of these failure are in medium and small businesses. I believe there is a direct connection in our economy between the poor success of the medium and small businesses.

Mr. President, there is a Big One, a Big Two, a Big Four, or a Big Eight in all of America's basic industries today. I want it clearly understood that I do not oppose big business as such, because I am fully aware of the great many blessings that big business has brought to the American way of life. But what disturbs me, Mr. President, is whether or not, as concentration in American business life grows, these great corporations are competing in the traditional sense that has so long brought blessings to the citizenry of this country.

PRICES, UNEMPLOYMENT RISING

As I have previously stated, the cost of living and prices are presently at an all-time high. Every day newspapers and trade journals are reporting an ever-increasing number of basic industries that are cutting back production, with resulting increases in unemployment. For instance, just last week, the steel industry was reported operating at approximately 54 percent of capacity. Also, the great automotive industry was reported operating at approximately 60 percent of capacity. In recent days the Labor Department has designated one-third of the major industrial centers as areas of substantial unemployment. Unemployment is increasing, it has reached 4,494,000 and during the month of January alone increased 1,120,000. This was the greatest single month's increase in our history.

There can be little doubt that the solution of these economic problems besetting our competitive-enterprise system is one of the most essential tasks of this generation. Time may prove the solution our most essential task.

America prospers on full employment. I do not think that our stability at home of power and influence in the world will long permit us the gigantic waste of manpower and plant capacity which lack of true competition is forcing upon us.

Increased concentration in our basic industries is making it more difficult—and in many industries impossible—for new enterprises to be energized.

The relationship between concentration and prices, the effect of administered prices upon the free flowing of our economy, and the causes of high and still-rising prices must be understood.

It has been obvious to many, if not to the administration, for a long time that the kind of inflation we are experiencing is not of the classical kind in which money outran commodities and consumers bid prices up. Prices have stayed up. They have gone higher in a period of falling production. The administration applied the classical remedy to what it thought was a classical economic condition. It mistakenly applied the tight-money policy to dry up what it thought was excess spending. President Eisenhower himself cautioned against major spending a few months ago. The Federal Reserve System and the United States Treasury in their own spheres sent the cost of money skyrocketing. And prices stayed right up there and have even gone higher.

TIGHT MONEY NO SOLUTION

Tight money was no solution to the problems of this inflation. It became apparent that the concentration of power in the hands of supercolossal corporations permitted them to ignore the usual operations of supply and demand. That power is permitting them to make profits, even increased profits in some cases, on a declining market. That power is placing some of these supercolossal corporations to a large extent beyond the operations of Federal policy.

Yet we have antitrust laws on the books. Why is it that these laws have not resulted in price competition in these basic industries?

Let me give two industry cases in point. Prior to last July, an examination of the prices quoted by all of the manufacturers in the steel industry of America will reveal that there was substantial price identity for the thousands of products produced in this great industry. On or about July 1 past, the United States Steel Corp. announced that it was raising its prices on the average of approximately $6 per ton in order to offset automatic wage increases which were necessitated by its wage contract with labor. Immediately thereafter all of the other basic producers of steel products raised their prices substantially identical to the level set by the United States Steel.

Another case in point are the recent price increases announced in the automotive industry. When the 1958-model automobiles were made available to the public it was revealed by all of the basic automotive manufacturers that prices had been increased. A comparative analysis of prices in the automotive industry will reveal that there is substantial price similarity when each of the various classes of automobiles is considered comparatively. The leaders in the automotive industry have publicly stated that automobile prices were increased to offset new wage increases in that industry.

If all the manufacturers in the steel industry had the same or identical costs of production, or if all of the manufacturers in the automotive industry had the same or identical costs of production, I could understand somewhat the necessity of each manufacturer having to raise its individual prices to the same level that the leader had raised its prices. However, Mr. President, none of the manufacturers in the steel industry nor in the automobile industry profess to have the same costs of production.

The Antitrust and Monopoly Subcommittee, it will be remembered, has recently completed hearings in the steel industry and the chairman of the United States Steel Corp.'s board of directors, Mr. Roger Blough, stated that in his opinion it was highly competitive for all of the producers to have the same price. I cannot agree with this assertion on the part of Mr. Blough because it is absolutely contrary to all of the basic economic laws that I have always held acceptable and, most certainly if all the manufacturers of our basic industries adhere to this proposition, quite obviously the American people will be denied the fruits of price competition.

CONCENTRATION IS ROOT OF PROBLEM

It seems clear that the very root of the trouble in American industry lies in this problem of concentration. For instance, the big four producers of steel enjoy 58.7 percent of the total productive capacity of that industry. And in the automotive industry, the General Motors Corp. last month enjoyed approximately 56 percent of the total sales of that industry. Quite logically the question might be asked, "Is it so strange that

when the dominant leaders in these industries change their prices that all the others in these industries follow suit?" I do not personally find it so strange because when one realizes the great economic resources possessed by the leaders in these great industries, it is not too hard to understand why the smaller members of the industry choose to follow along in their footsteps, under the umbrella and protection of these great companies. On the other hand, the American people are not getting the benefits of price competition.

The problem is this. Under our antitrust laws today, if the members of one of our industries combine or conspire and agree to fix and maintain prices, such conspiracy and agreement would be unlawful and violative of the Sherman Antitrust Act and section 5 of the Federal Trade Commission Act. On the other hand, if all of the members of one of our basic industries, such as steel or automotive, make it a regular practice of following the lead of the dominant party in the industry, prices are fixed and maintained just as effectively as if they were the result of an illegal agreement, and the American people are just as effectively denied the fruits of competition. But it appears today that this type of pricing does not transcend our antitrust laws as presently interpreted and enforced.

With the exception of those monopolies which are presently regulated by our regulatory agencies, the traditional remedy in cases when the fruits of competition were being denied the American people has been to invoke section 2 of the Sherman Act. This section permits dissolution of monopolies.

There is a question today as to whether the Sherman Act, as interpreted is capable of reaching all the types, kinds, and degrees of monopoly.

There is an equally important question as to whether section 2 is being employed, in cases where it would work, by this administration.

ADMINISTRATION'S FAILURE TO PRESS SECTION 2 CASES

The present administration has made much of its progress in antitrust matters. But the fact is that it has invoked section 2 of the Sherman Act in only two cases of any significance since it came to power in January 1953.

On July 2, 1954, a civil antitrust case was filed against United Fruit Co. The title of the case is United States against United Fruit Company. The complaint charged that United Fruit Co. had obtained a monopolistic position in the production, transportation, and importation phases of the banana industry. In addition to injunctions against alleged illegal practices, the complaint sought divorcement, dissolution, and divestiture of United's properties, facilities, and affiliates suitable to dissipate United's control and to establish effective competition in the banana industry.

On February 4, 1958, the Department of Justice announced the entering in court of a consent judgment. That judgment provides in part that the United Fruit Co. shall submit a proposed plan for setting up a competitor by June 30, 1966, under which the competitor is to be capable of importing 9 million stems of bananas per year. The Attorney General, Mr. Rogers, said this would take over 35 percent of United Fruit Co.'s banana import business.

Thus, the public must wait from July 2, 1954, to June 30, 1966, 12 years, and such further time as will be necessary to work out in court any proposed plan for setting up a competitor and the getting of the competing company into actual operation before any relief from the monopoly is received by the public. I believe the then Assistant Attorney General, Stanley N. Barnes, indicated at the time the case was filed that United controlled 85 percent of the lands used for banana cultivation in the American tropics, except Ecuador. It largely controlled the railroad facilities in producing countries and shipments to this country. There remains the question as to how effective the competition of the company to be created will be with United still controlling approximately 50 percent of the business.

The second case to which I referred is United States against General Motors Corp. This is a civil case which was filed July 6, 1956, charging General Motors with monopolizing the manufacture and sale of transit and intercity buses. General Motors was alleged to have manufactured and delivered at least 65 percent of the new buses delivered in the United States during each year from 1952 through 1955. More than 20 bus manufacturers were alleged to have withdrawn from the business from 1925 through 1955, and no new manufacturers have entered the business since 1946. General Motors was alleged to have obtained its monopoly by various illegal and unfair practices. The complaint sought to limit General Motors' sales to 50 percent of the annual bus requirements of certain named bus operating companies which were alleged to have been under the domination of General Motors in the purchase of buses.

This case is still pending in the court. I, therefore, shall not go into the case other than to point out the economic insignificance of this attack on General Motors, which is the largest manufacturing corporation in the world, and the dominant automobile manufacturer in that industry.

The complaint alleges that General Motors' dollar sales of buses in 1955 were $55 million. If it lost all of its sales of buses, instead of less than 50 percent of those sales, it would have practically no effect upon its position as the dominant power. In 1955 its total dollar sales were $12,443,277,428. Thus, its total dollar sales for buses were less than one-half of 1 percent of its total sales. Such an approach to the enforcement of the monopoly section of the Sherman Act, although good so far as it goes, is not, in my opinion, any realistic enforcement of section 2 of the Sherman Act. It is a mere peripheral approach, and does not reach the hard core of the monopoly problem which was intended to be reached by the act, and which must be reached today if competition is not to pass from the American scene.

PROBLEM OF BIGNESS

This problem is forcing us to face more intelligently the problem of bigness.

The attitude toward bigness has been changing in the United States, especially since the Second World War. There can be no question that the bigness of many enterprises in the war helped us in great degree to win the battle of production on which our military victory was so largely based.

It once was true that citizens of liberal and progressive casts of mind almost automatically found themselves against bigness as such. But this attitude has changed. Now we find even such a stanch liberal as David E. Lilienthal coming strongly to the defense of bigness.

There is much to be said of the new point of view. It is quite true, as an example, that the wealth and resources of Du Pont made possible the long years of research from which came such developments as cellophane and nylon. There is a kind of bigness, such as that of the American Telephone & Telegraph Co., which is inherent in the kind of service it performs. No small company could do the job.

But it is a mistake to think that mere bigness always leads to efficiency. There is a point beyond which additional production—of automobiles, for instance—does not result in lowered costs.

Whether bigness is tolerable is a relative matter. To put it very simply, whether bigness is a good and proper thing or not depends on whether the bigness serves us or we serve bigness.

Does bigness result in better service and lower prices? Does it result in technological progress and improved products and service?

Or, on the other hand, does bigness serve to force out competition or create a dominance of such competition as is permitted to remain in the field, thus maintaining high prices and supernormal profits?

There can be no question that the wrong kind of bigness is on the increase in the United States. There is no question, either, that as these concentrations of economic power increase, we become progressively less able to control the problems they bring.

The problem will not simply disappear by itself. It will become greater if we merely sit still and try to ignore it. The Congress and the Nation must face up to the problem and earnestly seek solutions. And I am certain that no one solution will bring any satisfactory answer.

I think history—and very recent history at that—will show that when a nation loses its economic freedom, the loss of political freedom follows as certainly as night follows day. We saw it happen in Germany. We saw it happen in Italy. We saw it happen in Japan. We could see it happen in the United States of America.

It might be said that the easiest way would come through Government ownership or through strict regulation. They might solve a part of the problem, but they would create other problems of their own. Both are repugnant to me. Either

might well result in stagnation of enterprise, when the exact opposite is the result we hope to achieve.

But it must appear obvious that if we do not solve the problem of economic concentration, those solutions are going to be seriously proposed.

It must be pointed out that much of the regulation we have today in the fields of transportation, communications, and utilities resulted from excessive concentration of power in those industries and the blatant misuse of such power.

This regulation to a great extent immunizes many endeavors from the application of the antitrust laws. However, all our basic productive industries are fully subject to their application, and it is to these industries that our economic life is most sensitive.

It is in these industries that great masses of unemployment can arise. The unemployment which deeply troubles us now is largely coming from cutbacks in our basic industries, such as steel and automobiles. It is these industries upon which we must depend if we are once again to reach a state of full employment.

In this connection, what is happening in the automobile industry ought to be a matter of deep concern to all of us. The automobile industry is the greatest single direct source of jobs and purchasing power in America.

ONE IN SEVEN DEPENDS ON AUTO INDUSTRY

According to Standard & Poor's industry survey on autos, roughly one person in every 7 gainfully employed in our country depends upon the automobile industry, directly or indirectly, for livelihood. It is normally the largest single consumer of such basic commodities as steel, rubber, flat glass, nickel, and lead. It is the main support of our great petroleum industry. It can be seen that an economic decline in the automobile industry is a matter of the gravest economic concern. It is like a snowball at the top of a giant hill, as it starts down the hill. Think of the many, many small-business men that will be affected by the slowdown in this great industry.

A slowdown in the automobile industry is disturbing enough, but when one realizes that it has been accompanied by an increase in automobile prices, then we really have a problem. The seriousness of these price increases was reported on December 20 by the Bureau of Labor Statistics. That Bureau announced that the price increases of the 1958 model automobiles were responsible for three-quarters of the rise in the consumer price index in November. This was the biggest 1-month jump in the consumer price index since last July, and according to this announcement, these new car prices average 11.5 percent higher than October prices, and 4 percent higher than a year ago.

Attorney General William P. Rogers has recognized the relationship between the cost of living and antitrust law enforcement. On December 9, shortly after assuming office, he stated in a press statement, "If antitrust laws are effective, the cost of living will be kept down." I agree with this statement by our Attorney General, and I certainly hope that he will endeavor to utilize our antitrust laws to their fullest, in order to keep the cost of living as low as possible. On the other hand, I am afraid the problem transcends the words of our Attorney General. I believe we have stood idly by in America and allowed large corporations to become so much larger that today concentration has reached such a peak that the only solution is either to dissolve some of the great corporations or to find other means of energizing new undertakings in these industries in order to create the competition which today is not present.

In 1950, section 7 of the Clayton Act was amended by the Celler-Kefauver amendment in order to strengthen the enforcement program against mergers and acquisitions. I have been greatly disappointed in the enforcement program under this strengthened law. I think stronger enforcement is needed on the part of the Department of Justice and the Federal Trade Commission. I think there needs to be a strengthening of the laws in a great many respects. Congress should provide heavier penalties in the antitrust laws. Under present conditions many corporations can violate the antitrust laws and pay fines, since the penalties simply become an operating expense.

NEED FOR PREMERGER BILL

Also Congress should pass the premerger notification bill, which I am happy to note the administration has recommended. This was made graphically necessary recently when the district judge denied the motion for summary judgment on the Government's part in the Bethlehem-Youngstown merger suit. It would be very helpful if a stay provision were added to this law in order to safeguard the scrambling of the assets of merging concerns while lengthy litigation is in progress.

NEED TO STRENGTHEN CLAYTON ACT

We also need to restore the Clayton Act to the position it held before the decision of the Supreme Court in the Standard Oil of Indiana case in 1951, and as finally interpreted on January 27, 1958. By virtue of this decision, discriminations, however harmful and destructive, can be justified if the defendant can show that such discrimination was engaged in in good faith to meet competition. Since that time price discriminations have been rampant. Always these price discriminations are indulged in on the basis of meeting competition in good faith. That is the basis on which price discriminations occurred in the days of the old Atlantic & Pacific Tea Co., which was investigated in the early 1930's. We must make up our minds whether or not we are serious about competition and against restraints of trade. I am afraid that we live in a period of rationalization. I, for one, am unable to see the difference in the danger between monopoly and dominance, whether operated reasonably or unreasonably, or the difference between price discriminations, which destroy competition, whether engaged in under the guise of meeting competition in good faith.

There is something more needed to assure free and fluid competition than we can obtain from laws alone.

There is the question of capital.

The so-called tight-money policy of the present administration, as bitter a mistake as it has committed, has all but obliterated sources of capital for many growing businesses, and has even more gravely affected the start of new industrial enterprises. I am aware that defense funds have sometimes been used as sources of capital. Indirectly they were employed to keep Studebaker-Packard in business. Yet there ought to be capital available outside the defense program.

In the light of present capital needs, it appears clearly that another mistake of this administration was in devitalizing the Reconstruction Finance Corporation. It was often attacked by liberals, yet there can be no question that it served a great need during one of the most trying periods in our history.

NEW RFC NECESSARY

I am of the opinion that an agency of the type of the Reconstruction Finance Corporation should now be reconstituted to supply capital necessary for the creation of industrial enterprises in areas in which sufficient competition does not now exist.

I might point out that there is precedent for this. A clear precedent lies in the aluminum industry.

When World War II was coming on, it was obvious that a very large expansion of aluminum production would be required. The question arose as to whether that additional production would come from expanded facilities of the Aluminum Company of America, the sole producer, or whether additional producers should be enabled to enter the field. Fortunately, it was decided to encourage a new producer.

In 1940 the Reconstruction Finance Corporation extended a loan of $15,800,000 to the Reynolds Metals Co., which previously had been a fabricator rather than a producer of aluminum. In 1941 Reynolds poured its first aluminum ingot.

The loan to Reynolds was one which would not have been made by private bankers. The Aluminum Co., with its vast resources and 100 percent dominance of the field, appeared too formidable as competition to a fledgling entry in the field. They could also point to many examples of companies which had attempted to enter the field and failed.

Reynolds grew and prospered, and its aluminum was vital to the war effort. But in addition to that, it had broken the logjam.

In 1946 the Kaiser Aluminum & Chemical Co. took over several surplus war plants which had been operated by Alcoa, and began production of aluminum ingots. Although RFC did not furnish the capital for that particular venture, it should be remembered that various Kaiser undertakings had received many RFC loans during the early days

of the war. It was from these basic sources that the principal financing was drawn for Kaiser Aluminum.

Today, not only Alcoa and Reynolds are in the field, but so are other producers such as the Harvey Aluminum Co., the Anaconda Aluminum Co., and now Olin Mathieson is about to begin aluminum production at a new plant in Louisiana. Private financing can now be obtained in this field, but it was RFC which paved the way.

From an absolute monopoly in 1940, we now have six basic producers. The result has been that where in 1940 there were between 2,000 and 3,000 small-product manufacturers and fabricators of aluminum products, there are now some 28,000 such manufacturers.

The benefits of the destruction of this monopoly have reached all over the Nation. Not only have the plants of the various producers created jobs in diverse parts of the Nation, but fabricators have created jobs almost everywhere. And Alcoa remained a strong and prosperous enterprise itself. We have all benefited from the great increase in the supply of one of the most useful of all metals.

It took a war to do this. But it also took the RFC. In the face of concentrations in other industries, the energization of new business is becoming more difficult every year. If we are reluctant to dissolve these giants of industry, then one remedy is to assist in the adequate capitalization of competitors.

Although loan facilities for small business are not presently adequate, nevertheless, some effort has been made to meet this need. The Small Business Administration, which got off to a bad start, is doing slightly better today. But it is not just small business which needs help in getting started or expanding. Many medium-sized concerns cannot secure financial sources, such as stock issues or bond buyers, and, as a result, are falling by the wayside. There is no reason why a reconstituted RFC could not adequately serve both small, medium, and large business in furnishing needed capital which is unavailable from private sources.

MORE FUNDS NEEDED BY ENFORCEMENT AGENCIES

Mr. President, I believe the enforcement departments of our Government should have increased appropriations in order to be able to carry out the laws. They should request increased appropriations when and where they can be used effectively. Such appropriations are good investments.

The Antitrust and Monopoly Subcommittee, of which I am chairman, is presently carrying on a study of administered prices in our basic industries. Thus far we have completed studies in the steel industry and are presently engaged in studying the practices of the automotive industry. Involved in this investigation of administered prices are legislative questions directly related to the free-enterprise philosophy, existing antitrust law enforcement, and consideration of new antitrust legislation.

Illustrative questions are whether the extent of existing and increasing concentration in some industries such as steel is monopolistic, and, if so, whether the result is due to the insufficiency of antitrust laws or their enforcement; whether prices are administered in highly concentrated industries in such a manner that price competition is negligible and whether existing antitrust laws are broad enough to reach the problem; whether present antitrust laws are sufficient to protect the economy from undue price increases in these highly concentrated industries where prices are not the result of open market forces, and especially when excess capacity exists and production is declining; whether the public interest is protected by this type of pricing practice without the need of legislation; whether price leadership patterns exist in such industries due to the existence of a few large members or dominant control by one or a few companies; whether this pattern can be reached under present antitrust laws and whether the laws should be broadened. To attempt to answer these questions at this time would be premature. A great deal more must be learned about the nature and behavior of administered prices. For this reason we are going to hold further hearings, in order to determine what new laws, if any, are required. It is my hope and belief that if it is found that new laws are required, avenues of strengthening our antitrust laws will be found, in order to make of them a more effective instrument in dealing with present-day realities.

SUBCOMMITTEE TO CONTINUE STUDIES

In connection with the high degree of concentration that exists in many industries, the subcommittee intends to continue its study in that field. Many important questions must be determined with respect to this high degree of concentration, among which are the causes and effects of the movement, a study in order to determine the part that mergers have played in this increased concentration picture must be made, and a review of the enforcement programs of the Federal Trade Commission and the Department of Justice under the anti-merger law must be engaged in.

During this year it is my hope that we can have appear before the Antitrust and Monopoly Subcommittee representatives of the Department of Justice, the Federal Trade Commission, and leading legal and economic scholars, in order to gain from them their expert opinion and advice as to the solution of these troublesome problems. It is my hope that before this legislative year expires, some of the answers to the problems besetting our free enterprise system can be determined.

Mr. President, we may very well have arrived at the time in American life when it is necessary to amend our 1890 Sherman and 1914 Federal Trade and Clayton Acts in order to meet the dynamic demands of our 1958 society. Free and open competition is as necessary to the American way as are free speech and free religion. It must not be allowed to pass from the scene. Our antitrust laws must be made fully capable of serving as a guardian of the public interest. Special interests must not be allowed to prevail in America to the detriment of the pubic interest. It is our obligation to see to it that both our interstate and our foreign commerce are conducted in such a manner that the benefits inure to the American public.

HISTORIC BACKGROUND OF FORT CLATSOP NEAR ASTORIA, OREG.

Mr. NEUBERGER. Mr. President, the Senate Committee on Interior and Insular Affairs will soon consider my bill, S. 3087, to authorize establishment of the Fort Clatsop National Memorial near the mouth of the Columbia River. A valuable and moving letter in support of this bill has just been sent to me by one of the most distinguished residents of my State. He is Dr. Burt Brown Barker, former vice president of the University of Oregon and past president of the Oregon Historical Society. Dr. Barker is an illustrious historian in his own right and the author of Oregon Prize of Discovery, Exploration, and Settlement—1952—a scholarly study of Dr. John McLoughlin, the pioneer factor of the Hudson's Bay Co., and other influences in the dramatic early development of the Oregon country.

Dr. Barker, with his great knowledge of Pacific Northwest history, has set forth the factual background which justifies a national memorial park, under custodianship of the National Park Service, at Fort Clatsop near Astoria, Oreg. For the information of my colleagues in the Senate, I ask unanimous consent that this outstanding letter by Dr. Burt Brown Barker be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ESTRELLA VILLA,
Palm Springs, Calif., February 21, 1958.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am just in receipt of your bill S. 3087 to provide for the establishment of Fort Clatsop National Memorial near Astoria, Oreg.

As you know, I have been a member of the board of the Oregon Historical Society for many years. That organization has been the moving factor in securing title to the plot of ground on which Lewis and Clark spent the winter of 1805–06. It has that title now. Also, I was chairman of the committee appointed by the late Governor Patterson of Oregon to plan for the celebration of the sesquicentennial of that event. This committee had oversight and supervision of the reconstruction of the post or fort in which Lewis and Clark and their party spent the winter of 1805–06, from plans and specifications of the journal of that expedition. The final events of that celebration were held there with more or less nationwide publicity and with special publicity in the States through which Lewis and Clark passed.

Because of my intimate association with that event and of my feeling of its national importance, I wish now to urge the passage of your bill.

An understanding of the historical events surrounding and growing out of that expedition should be understood in order to get a picture of their national significance. At the time of the Louisiana Purchase, the Mississippi River marked the western boundary of the United States. The purchase of

Louisiana from France extended that border to the crest of the Rocky Mountains. Had President Thomas Jefferson contented himself with this purchase and made no effort to push our borders beyond the Rocky Mountains to the Pacific Ocean, it is entirely possible that the discovery of the Columbia River by Captain Gray in 1792 might have lost its ultimate historical significance to the United States. The Columbia was more than 2,000 miles west of our border and France was the controlling factor in intervening Louisiana. To make effective the discovery of the Columbia River, two things had to happen: First, we had to acquire Louisiana, and second, we had to go beyond the boundary that purchase gave us, cross over the Rocky Mountains, actually traverse the intervening territory and camp on the water of the recently discovered Columbia River where it entered the Pacific Ocean.

At the time the Columbia was discovered, I venture the opinion that no living man would have been so bold as to ever dream that these two things could be accomplished. As a matter of fact the purchase of Louisiana was a most unexpected windfall. No American event brought about its possibility. That was born in the mind of Napoleon Bonepart in his effort to further his own plan. But once he made the suggestion, President Thomas Jefferson, knowing of the discovery of the Columbia, had the foresight to see that the purchase of Louisiana would make possible the crossing of the Rocky Mountains and the penetration of the land between the mountains and the Pacific Ocean. In this way exploration and possible settlement could be added to discovery to further the claim of the United States to the territory west of the Rocky Mountains. It was that foresight which caused Jefferson to plan the expedition which Lewis and Clark accomplished.

Other facts must be borne in mind. It was the expedition of Lewis and Clark which caused John Jacob Astor to organize his fur company and send his partners to establish his fur post at the mouth of the Columbia River (1811). His vessel, the *Tonquin*, arrived and his post was set up in the nick of time. Ever since the Columbia had been discovered the North West Co. had made repeated efforts to find its northern waters, in order that they might follow it to the Pacific Ocean. In their efforts, they discovered the MacKenzie and the Fraser Rivers but not the Columbia. They persisted, however, and so nearly did they come to accomplishing their purpose that their representative, David Thompson, arrived at the mouth of the Columbia River only 3 months after Astor's expedition did. Imagine both his surprise and chagrin when he found the Astor party had beaten him by 3 short months.

Thus it is evident that if the Astor party had not been there first, the English would have had a claim it would have been next to impossible for the United States to have overcome. Sir Francis Drake had landed on the Oregon coast and called it New Albion (New England) in 1578. If the Astor party had not arrived as it did, then David Thompson would have been the first, and the explorations and settlements which the North West Co. following him made, would have given England such a claim to the territory west of the Rockies that our chances of ever being able to capitalize on the discovery of Captain Gray would have been very slim. Mere discovery is not enough. It must be followed by exploration and settlement. Thus the first settlement of the Astor party was most vital and it was based entirely on the expedition of Lewis and Clark.

In closing I believe I am safe in concluding that without the expedition of Lewis and Clark we would not have been able to support our claim to settlement following the discovery of Captain Gray. If we could not, then England would have had not only British Columbia but the territory to the south.

Our Government had a difficult task to establish its claim to our western domain based, as it was, on the Astor settlement following the discovery of the Columbia. But the claim prevailed and as a result this district west of the Rocky Mountains is the only part of our domain which was neither fought for nor bought and is directly the result of the expedition of Lewis and Clark.

That fact is unique in American history. The Oregon Historical Society has guarded, protected, and preserved the site where the intrepid Lewis and Clark expedition had its winter camp. In my opinion it is as sacred to our Government and as distinctive in which it stands for, as any other memorial property in the United States. It certainly is as deserving of protection and control as any other historic site for it carries the distinction of representing a peaceful penetration and acquisition of territory for the United States which no other historic site can claim.

We gladly preserve victories of war, let us now preserve a peaceful victory, the only one of its kind in American history.

Very truly,

BURT BROWN BARKER.

H. V. HIGLEY, ADMINISTRATOR OF THE VETERANS' ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated August 9, 1957, from John Roady, commander of Buddies Chapter, No. 11, of the Disabled American Veterans, of Dallas, Tex., relating to the removal of H. V. Higley as Administrator of the Veterans' Administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO THE MEMBERS OF THE UNITED STATES SENATE AND THE MEMBERS OF THE UNITED STATES HOUSE OF REPRESENTATIVES

DISABLED AMERICAN VETERANS,
BUDDIES CHAPTER, NO. 11,
Dallas, Tex., August 9, 1957.

DEAR SIR: A year ago on May 8, 1956, this DAV chapter sent a telegram to President Eisenhower requesting him to fire H. V. Higley as Administrator of the Veterans' Administration.

We charged that Higley had set himself up as the hatchetman, and as the handpicked agent of big business, including the munition makers, and arms manufacturers, and the Bureau of the Budget, to purge the rolls of wartime disabled veterans.

Since that time, things have gone from bad to worse. Read the enclosed copy of a resolution adopted recently by the DAV State convention in Ohio, and readopted by this chapter. These facts, and more, too, call for the Congress of the United States to take notice of this situation at once. The disabled veterans must return to Congress who sent them to war, and who passed the laws that are now being ruthlessly violated by Higley with his "word of mouth" instructions that has thrown the entire VA into confusion more chaotic even than the days of Charles Forbes who was sent to prison. The VA employees throughout the country are confused, and they are in utter contempt of the "threatening tactics" which they know is in violation of the laws and regulations.

Mr. Higley is now attempting to put into operation the asinine recommendations made by the President's Commission on Pensions, and the President and his coworkers have not had the guts to submit any recommendations to the Congress to change the law, but instead they are trying to circumvent the Congress.

This is already a national scandal, and the disabled veterans whom Congress has rightfully and properly provided for are today in a state of fear, and those who have had their service-incurred disabilities severed have been made to feel after 12 to 15 years following the war that they have been stealing from their Government they put on the uniform to protect. We give away billions trying to buy friends among the Communist enemies of this country, while we build hatred for our Government among the nation's proven defenders.

We request you to pass a joint resolution of both Houses before adjournment that will freeze the present 1945 rating schedule as of January 1, 1957, as the same existed on that date, and that the 1925 schedule be also frozen as the same covers veterans of World War I. This emergency action we need pending a Congressional investigation by the Senate Committee on Government Operations headed by Senator JOHN L. MCCLELLAN, and we request the Senate to call for this investigation into the violation of the Public Law 144, 73d Congress, and the VA instructions issued thereunder for its interpretation. These have never been changed but they are being violated every day since December 12, 1954, in a most arbitrary and dictatorial manner.

JOHN ROADY,
Commander.
P. D. JACKSON,
Legislative Chairman.

DALLAS, TEX., *August 6, 1957.*

JOSEPH BURKE,
National Commander, Disabled American Veterans, Cincinnati, Ohio.

In regular meeting assembled Monday night, August 5, the Buddies Chapter, No. 11, Dallas, Tex., went on record unanimously to request of you that the national organization invitations, to attend our national convention, to H. V. Higley, Veterans' Administrator of the Veterans' Administration, be canceled. He is public enemy No. 1 to American wartime disabled veterans of this Nation. This invitation should be withdrawn immediately, and if he does attend our national convention, delegates should turn their backs on him or walk out of the convention while he is on the rostrum. Instead of making it possible for Higley to fawn on the wounded and the disabled with hypocritical grins while he is issuing orders to delete and scuttle the rating schedule and break service connections on 40,000 and before he is finished it will reach 100,000. This man, who has broken the moral code of decency, should be made to know that the Disabled American Veterans will not tolerate him in the evil methods. Let us substitute for this archenemy some speaker who will strike the keynote of this fight and inspire us to stand up and call upon Congress to stop the purge of the compensation rolls by himself or his goon gangs out of central office. Dallas regional office has had the visit of three of these goons and they have played hell. May we urge and suggest in place of Higley that a Congressman like JOHN P. SAYLOR, of Pennsylvania, and WRIGHT PATMAN, from Texas, Senator WAYNE MORSE, of Oregon, or any other United States Congressman or Senator, and if this is done they be briefed as to the theme for keynote address. We must not overlook our very own, who is capable of making this keynote address, former State senator of Ohio and the adjutant for the past 20 years of the De-

partment of Ohio, DAV, Albert L. Daniels, of Greenfield, Ohio.

Yours in comradeship.

JOHN ROADY,
Commander of Buddies Chapter 11.

EQUAL RIGHTS FOR WOMEN

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Mabel Purdy, president of the Business and Professional Women's Clubs of New York State, enclosing a resolution approving Senate Joint Resolution 80, relating to equal rights for women.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

BUSINESS AND PROFESSIONAL WOMEN'S CLUBS OF NEW YORK STATE, INC.,
New Rochelle, N. Y., January 24, 1958.

Hon. WILLIAM LANGER,
United States Senator, Senate Office Building, Washington, D. C.

DEAR MR. LANGER: The board of directors of the Business and Professional Women's Clubs of New York State, Inc., in session at its regularly scheduled semiannual meeting at Utica, N. Y., January 17–19, 1958, approved the enclosed resolution reaffirming its support of the amendment titled "Senate Joint Resolution 80."

We wish to commend you for your efforts in behalf of this legislation and to urge your continued support.

Yours very truly,

MABEL PURDY,
President.

RESOLUTION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS OF NEW YORK STATE, INC.

Whereas it has long been a stated policy of the National Federation of Business and Professional Women's Clubs, Inc., and of its component State federations to lend their efforts toward bringing about the enactment of an equal-rights amendment to the Federal Constitution; and

Whereas such an amendment, titled "Senate Joint Resolution 80," was presented to the 1st session of the 85th Congress, subsequently received a favorable report from the Senate Judiciary Committee, and is now on the Senate Calendar to be called up for a vote, but has not yet been reported on by the House Judiciary Committee: Therefore be it

Resolved, That the board of directors of the Business and Professional Women's Clubs of New York State, Inc., assembled in Utica, N. Y., January 18, 1958, for its regularly scheduled semiannual meeting, reaffirm its approval of and support for this amendment, and express its sincere commendation to the sponsors of Senate Joint Resolution 80, and to the members of the Senate Judiciary Committee for their efforts in behalf of this legislation; be it further

Resolved, That said board of directors strongly urge the leaders of both Houses of Congress to lend their efforts toward the passage of this amendment, without qualifications, restrictions, or amendments; and be it further

Resolved, That copies of this resolution be sent to the sponsors of Senate Joint Resolution 80, to the chairmen of both Senate and House Judiciary Committees, to the majority and minority leaders of both Houses of Congress, and to the Senators and Representatives from New York State.

PLIGHT OF OLD PEOPLE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from a North Dakota farm wife, which represents a typical case.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I don't know if you now or in the future will be able to correct this situation but the way it stands today it certainly is a bad one.

My husband is 60 years of age. I am 52. Both are active, in good health and willing and anxious to work. We own (with a mortgage company) 480 acres of good Cass County land but due partially to too much water, poor drainage and poor farming on the part of my son who was renting the place until this fall, we didn't have enough crop to pay our interest or principal let alone to live on for the winter.

The house is fixed for two families and nicely and we have been unable to rent it so have no income there. We have tried several agencies to no avail. I have a few places "on the string" for January but nothing definite. I am a demonstrator saleslady but there seems to be no market for my type of work. Neither of us has ever received unemployment checks and neither care for the idea. We want work. Now, my husband applied for work at the stockyards (5 miles away) where they needed help desperately and was turned down because he was over 45.

What is to be done with the people over 50—need work—have pride, but no income? It is a long time to 65. We have a home but no income to maintain it at present. I am sure there are many like us. Does it take a war to put the middle aged to work? Surely not; in this land of ours we should all be able to find a livelihood.

I hope that you or someone will soon be able to come up with an answer to the need of the many, and an immediate answer.

READJUSTMENT OF POSTAL RATES

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. MONRONEY] for himself and the Senator from Idaho [Mr. CHURCH] to strike out beginning with the quotation mark in line 14 on page 33 down to and including line 4 on page 34, relating to first-class postage rates, and in lieu thereof insert the following: "4 cents for each ounce or fraction thereof."

Mr. CLARK. Mr. President, on behalf of the junior Senator from Wisconsin [Mr. PROXMIRE] and myself, I send to the desk an amendment to the postal pay bill which we intend to call up later today or tomorrow.

The purpose of the amendment is to restore the so-called Rhodes amendment to the bill as it passed the House, which would put a ceiling on subsidies for second-class mail carriage.

The PRESIDING OFFICER. The amendment will lie on the desk and be printed.

Mr. CARLSON. Mr. President, yesterday the chairman of the Senate Committee on Post Office and Civil Service asked unanimous consent that Mr. Edwin A. Riley, Director of the Postal Services Division, Bureau of Operations, of the Post Office Department, be permitted to sit on the floor of the Senate. I said:

Mr. President, reserving the right to object—and I shall certainly not object—if it should develop that the minority should wish to have someone sit on the floor also, I sincerely hope the chairman will agree that we may have that permission.

Mr. JOHNSTON of South Carolina. I shall be very glad to accede to any such request.

Based upon that statement in the RECORD, I ask unanimous consent that Mr. George M. Moore, an executive assistant to the Postmaster General, may have the privilege of the floor during the debate on the postal-rate bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCNAMARA. Mr. President, before the Senate concludes its action on postal rates and postal employees' pay there no doubt will be a number of votes on various aspects of these measures.

The form of some of the amendments, or of the questions to be voted on, may becloud some of the basic issues. Thus, the votes we cast may not fairly reflect our views.

Because of this I should like, for the RECORD, to state my basic position on these matters clearly.

First, there is no question in my mind that the postal employees deserve a raise, and a substantial one. My record shows that I have been a firm supporter of their just cause.

But I should like to say that I do not approve of the announced plan to combine the postal employees' pay increases with the postal-rate bill.

I do not pretend to understand all the motivations behind this maneuver, but I think it does a disservice to the American public and to the postal employee.

I agree with my good friend, the senior Senator from Oregon [Mr. MORSE], that such an action could well tie together forever these two measures—to the detriment of the employees.

We are told that one reason for this maneuver is to circumvent another Presidential veto of the postal pay raise, if it goes to him linked to his long-sought rate increase.

All I have to say to that is that the President has his job to do downtown, and I have my job to do here on Capitol Hill.

And my job here, as I see it, is to work for a square deal for the American mail-using public, and for the postal employee, who certainly deserves a substantial raise in pay.

Frankly, I resent efforts designed to force me to swallow a postage rate increase in order to give the postal employees their deserved pay raise.

Now, Mr. President, I should like to deal specifically with the postal rate increase.

If the volume of my own office mail were to guide my judgment, I would be against raising second- and third-class postage rates.

I do not think my office is alone in receiving vast amounts of mail initiated by the second- and third-class mail lobbies.

And since that mail is all coming first class, perhaps we could wipe out the postal deficit simply by arguing about this subject each year.

But the backers of the present second- and third-class rates have convinced me of one thing. They have convinced me that if their rates should not be raised, then none of the rates should be raised.

There is much to the argument that the postal service is a service of the Government to the people, and it is not expected to pay its own way.

Congress and the administration, however, appear determined to raise the postal rates. And perhaps that is all right. But in so doing we are penalizing the people who deserve this increase the very least.

On one extreme, the proposed increase would penalize the user of first-class mail by raising his rates. I think—despite the weird juggling of figures by the Post Office Department in its cost ascertainment system—most of us are in agreement that first-class mail is the only class that pays its own way.

At the other extreme, we would raise the book rate by 25 percent, and books certainly are about as educational as any material we can get through the use of the mails.

Despite the colloquy entered into yesterday on the question of increasing the rates on library books, a thorough examination of the bill and the report indicates that the cost of mailing books to the libraries from various sources would be increased 25 percent under the proposed legislation. I certainly think that would be a most untimely increase in the cost of mailing books to libraries.

Let me recur to the proposed increase in first-class postage, from the present 3 cents to 4 or 5 cents.

I find the reasoning in the report very interesting. The report and the bill seek to establish a new postal philosophy which goes like this:

The users of first-class mail get privacy, security, and swift dispatch. Therefore, such mail should pay more than its own way.

The report states that "first-class mail is a basic service, and should make a greater contribution to the overhead expense than the subsidiary classes."

Mr. President, I have long thought that it was the function of the Post Office Department to carry the mail.

Under the philosophy of the pending bill the first-class mail users are expected to pay the Department a bonus for doing its job.

I think that is definitely unfair to the American people.

If we must raise the postal rates, it should be done on the so-called subsidiary classes, especially second and third class.

These classes receive what must be considered a subsidy. They do not pay their own way, so the taxpayers help them.

I should like to give my colleagues a little demonstration as to how this subsidy works.

During the past 10 months a member of my staff has engaged in a little hobby. He has been collecting the third-class mail that clutters up his mailbox day after day. What are the results of that hobby?

Here, Mr. President, before me is 6½ pounds of junk mail—about 150 pieces of advertising literature that came to him unsolicited.

There should really be more. He had lived in the house only about a year, so he was not on too many mailing lists.

He did not save the two newspaper-sized shopping guides that came in the mail each week because he did not want to create a fire hazard.

Mr. President, this 6½ pounds of mail cost the mailers, at current third-class rates, a maximum of $2.30.

These pieces have been weighed for the purpose of computing first-class postage. If sent first class, they would have cost $5.44.

Thus the taxpayer is subsidizing the advertisers on the mail sent to this 1 person alone over a 10-month period by the amount of $3.14.

Multiply that by the number of people in his neighborhood or the people in his city.

One more part of this little demonstration, Mr. President, is this letter [indicating] from a magazine publisher. I don't know what it says, because it has not been opened. If it had been mailed first class it would have cost 6 cents.

The mailing cost under the third-class rates was only 1½ cents.

But under the little window in the envelope are two shiny new pennies. I think that is the crowning irony, Mr. President.

This company can afford to give away 2 pennies as an advertising gimmick, but it will not pay its own share of the mailing costs.

The total of the 1½ cents paid under the third-class rate, plus the 2 pennies, is 3½ cents, but the first-class postage, without the pennies, would have been 6 cents. This is certainly a graphic demonstration of unnecessary and unrequired subsidy.

To sum up my position, Mr. President, the postal employees deserve a substantial raise.

The effort to link together the postal rate increase and the postal pay raise is an unfair procedure.

First-class mail rates should not be raised.

If there is to be an increase in rates, it should be confined to second and third class.

Mr. NEUBERGER. Mr. President, I should like to reply briefly to the able presentation made on the floor of the Senate by my very good friend, the Senator from Michigan [Mr. McNAMARA]. I think there is no Member of this body who is a greater friend of working men and women than is the Senator from Michigan. He is their champion on nearly every issue which comes before the Senate.

I invite his attention to the question of who pays the postal deficit. Today we have a postal deficit of about $700 million a year. If we pass the postal-pay bill, of which I am proud to be a sponsor, and which is a most meritorious bill, as the Senator from Michigan has pointed out, the postal deficit will be nearly $1 billion unless we increase postal rates.

Who takes care of the postal deficit? It is the taxpayers of the United States. That is the only place where the money to narrow or to cover the deficit can originate. There is no other source.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. NEUBERGER. I should like to complete my statement, and then I shall be very happy to yield.

Who pays the taxes? I included in the RECORD of yesterday, which appeared on our desks this morning, certain charts and tables from the Treasury Department, demonstrating the income brackets which contribute the bulk of the income taxes of this country. These tables and charts demonstrate that about one-third of the postal deficit will be borne directly by 94 percent of the American families who occupy the two lower income brackets.

The question is, Shall the users of the mail pay costs of carrying the mail, or shall all the income-tax payers pay it, regardless of how much they draw upon the mail services?

The Senator from Michigan has said that the rate should be increased for second- and third-class users, but not for first-class users. He claims that the first-class mail will carry a disproportionate share of mail costs under the bill which now is before the Senate. Let me say to the Senator from Michigan, who is as fine, faithful, loyal, and stanch a member of the Democratic Party as I know of, that even if we adopt the 5-cent postal rate, first-class mail will still carry a lower proportion of the total post office costs than it did during the administration of that greatest of all champions of the plain people, the peerless Democratic President, Franklin Delano Roosevelt.

If it is wrong, if it is unfair, if it is unwise to have first-class mail carry more than its out-of-pocket cost of operating the post office, we may wonder why that situation was not changed during the very long tenure in the White House of President Roosevelt, and the tenure in office of his appointees as Postmasters General of the United States.

If this condition was unfair, I refuse to believe that they would not have changed it.

The Senator from Michigan referred to second-class mail users and third-class mail users. I am afraid the factor in the bill that he ignores is the extremely substantial increase which it now contains for second-class users of mail and third-class users of mail. He exhibited to us samples of so-called junk mail. I would hesitate to call all of it junk mail. It is what I would rather describe as circular mail. Some of it comes from very small business organizations which cannot afford the expense of advertising in the press, in the magazines, or over television and radio. Be that as it may, by way of accurate description, the fact remains that in the bill the third-class mail is raised from 1½ cents apiece to 2½ cents apiece at the end of the second year. That is a 66⅔-percent increase, if I am not mistaken.

If the Senator from Michigan believes that such an increase on third-class users is too modest, I suggest that he read some of the telegrams of protest which I am receiving in my office today from third-class mail users, protesting that the increase is far too high.

The able Senator from Michigan also mentioned the newspapers and magazines and other periodicals which are sent through the mail at the second-class mail rate. The pending proposed legislation calls for an increase of 20 percent a year for each of the next 3 years on the advertising material in those publications, and 10 percent a year for each of 3 years on editorial and informational and descriptive content.

Only today I received a letter from the publisher of the largest daily newspaper in my State, expressing considerable disappointment at these increases, stating that they were too high. I do not honestly believe it would be wise to make the increases in second-class and third-class still higher.

I wish to say for the information of my friend from Michigan that the question in the Committee on Post Office and Civil Service was not whether the increases on second-class or third-class mail should be higher than they are in the bill, but whether they should be substantially lower. I see the Senator from Kansas and the Senator from Kentucky on the floor. They are thoroughly familiar with the controversy which existed in committee.

Mr. CARLSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Oregon yield to the Senator from Kansas?

Mr. NEUBERGER. I shall yield in a moment. I am sure the Senators will support me in my pointing out to our amiable friend from Michigan that the committee voted for the highest level of rates on second-class and third-class mail which were proposed during the discussions in committee.

It seems to me that this basic fact should demonstrate again that it would be quite unfair and quite unwise if the Senate should increase the rates on second-class mail and third-class mail still higher. I now yield to the Senator from Kansas.

Mr. McNAMARA. Mr. President, I thought the Senator was going to yield to me. I thought we had a commitment in that regard.

Mr. NEUBERGER. I am sorry. I shall yield to the Senator from Michigan immediately after I have yielded to the Senator from Kansas.

Mr. CARLSON. Mr. President, the Senator from Michigan has raised some very important points which I believe the Senator from Oregon has discussed and explained very well indeed, and very effectively and factually. I should like to give some figures with respect to second-class mail. The second-class rate was raised 30 percent in 1951. The increase applied equally to the editorial and advertising content of the second-class publications. Let us bear in mind that these rates are cumulative; that is, that the 66⅔-percent increase which is proposed will apply to the original 30 percent, which will mean an additional increase of 18 percent commencing in 1951. If the 30-percent increase is added to another 60 percent increase, plus the 18 percent increase for the advertising portion, it will mean a 108-percent increase since 1951.

Therefore I sincerely hope that the Senator from Michigan will give some thought to the 108-percent increase in the second-class postage rate since 1951. I thank the Senator from Oregon for yielding to me.

Mr. NEUBERGER. I thank the Senator from Kansas for his informative remarks.

Mr. McNAMARA. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. I yield now to the Senator from Michigan.

Mr. McNAMARA. I should like to say to the Senator from Oregon that I appreciate his remarks. However, I do not appreciate the fact that he apparently missed completely the point I had in mind. He indicated that I was in favor of raising some rates and not in favor of raising other rates. My position, as I tried to make it very clear, is that I am opposed to raising any rates, whether they be first class or any other class.

However, I say that if we are to raise any rates the poorest case of all has been made in favor of raising the first-class postage rate. I do not want to raise any rates. I hope the Senator will not misconstrue my position.

Furthermore, the Senator from Oregon has pointed out that the mail I have exhibited comes from persons who cannot afford any other kind of advertising. I have gone through this mail, and, generally speaking, it comes from people who take full page advertisements in the daily newspapers. They are the most wealthy of all advertisers.

I have listened to the colloquy, and I have not heard any reference to the increase in the postage rate on books sent to libraries. That increase amounts to 25 percent. Notwithstanding the colloquy of yesterday, that provision is still in the pending bill. The publishers who are mailing books to libraries will have their rates raised by 25 percent.

Mr. NEUBERGER. I shall ask a question on that point later. I regret it very much if I misconstrued the Senator's position. I understand his position today is that there should not be any mail rate increase on any class of mail.

Mr. McNAMARA. That is correct. I say further that the poorest case has been made on the increase of the first-class mail rate. That is my exact position.

Mr. NEUBERGER. First I should like to ask a question of the Senator from Michigan. Does he agree with me that if there is no increase in any class of mail rates we will have a Post Office deficit of approximately $1 billion after we pass the thoroughly merited and justified postal pay increase bill?

Mr. McNAMARA. No. I do not have the figures on that point. With the phony phraseology that is used, it may be anything. I believe that any case can be made, as I pointed out, with the use of the language that is employed and the phony yardstick that is used in the report. No one can tie it down. It is vague and very indefinite. In other words, the yardstick can be 30 inches or 84 inches under various interpretations. I do not believe anyone can tell what it is.

Mr. NEUBERGER. The staff of the Post Office Department indicates to us that the deficit is about $700 million a year. We know that the postal-pay bill will cost about $270 million a year. Is it not true, therefore, that if the deficit gap is not closed by the users of the mail, it must be closed by the general taxpayers of the Nation?

Mr. McNAMARA. I think that argument falls flat on its face, because if we are to get money from postage rates to pay the expenses of the agencies of Government, pretty soon we will be told that the first-class postage rates should pay for the expense of the standing Army. That would make as much sense as the argument the Senator is advancing on that point.

Mr. NEUBERGER. The Senator should realize that even if we adopt the 5-cent postage rate, we still will not totally close the Post Office deficit gap after we pass the postal pay increase bill, which is urgently needed.

Mr. McNAMARA. I do not believe we should.

Mr. NEUBERGER. I should like to say to the Senator that I entered the hearings opposed, as he is, to an increase in the rates.

Mr. McNAMARA. I am sure of it.

Mr. NEUBERGER. However, I feel it is the duty of a Senator to listen to the evidence and to make up his mind on the basis of the evidence. He may be wrong, and he may be ill advised, but it is his duty to judge the evidence as he sees it.

Mr. McNAMARA. That is true.

Mr. NEUBERGER. The evidence determined me to support substantial increases in second-class mail rates and third-class mail rates and parcel-post

rates and the first-class rate. I realized that otherwise we were asking the general taxpayers of the United States to make up the postal deficit. About 75 percent of the first-class mail is sent by business firms, organizations, and corporations. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NEUBERGER. The Senator from Michigan stated that most of the so-called junk mail, as he described it, comes from big corporations—comes from people who can well afford to advertise, I think he said.

Mr. McNAMARA. The Senator raised the point; I answered it.

Mr. NEUBERGER. The Postmaster General and the career officials of the Post Office Department called our attention to the fact that about 75 percent of the first-class mail is sent out by corporations, and that the average family mails very few letters. Why should the average family, in the withholding of the income tax that is collected from the paycheck of the wage earner hard at work, pay, through those taxes, for the mail sent by the business corporations which use 75 percent of the first-class mail service?

When I looked at the figures supplied by the Treasury and saw that most of the families in the United States are in the lower income brackets, and that those families pay the bulk of the income taxes, I did not want to ask them, with my vote in the Senate, to make up the Post Office Department deficit.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. LAUSCHE. It has been said to me that under the declaration of policy contained in the bill, certain standards have been fixed which, when applied in the future, will forever preclude the readjustment of the rates charged, especially for the large magazines. I now refer to section 103 (a) on page 24 of the bill, under the title "Declaration of Policy." In paragraph 2 on page 26, I read the following:

> The collection, transportation, and delivery of first-class mail is the primary function of the Postal Establishment. The cost of first-class mail shall be (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title plus (B) an amount determined to be the fair value of all extraordinary and preferential services, specially designed facilities, and other factors relating thereto. The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out-of-pocket" cost basis.

Is it a fact that under this declaration of policy, until the policy shall be changed by some future Congress, all the costs for overhead, buildings, workers, and other types of services will be charged to the first-class mail in ascertaining the allocation that shall be made?

Mr. NEUBERGER. I should like to have the distinguished chairman of the full committee answer that question. He and his staff are primarily the authors of the statement of policy. When the committee voted on the statement of policy, it was not my understanding that the statements which have been made by the Senator from Ohio were correct. It was not my understanding that this declaration of policy would in any way preclude further increases in the future on the large publications which use the mails. I shall ask the chairman of the committee to answer the question.

Mr. LAUSCHE. It has been said to me that until this declaration of policy shall be changed, it will never be possible to increase the rates charged for the large magazines and other mail which is supposed to be especially subsidized.

Mr. JOHNSTON of South Carolina. That is not so. The Congress does not give up one iota of its ratemaking authority.

Mr. LAUSCHE. But where is there language that allows charges to be made to second- and third-class mail for the building of post offices, the hiring of personnel, the rental of trucks, and all the general operating expenses? Where in the bill is there language that warrants the charging of any of these items to second- and third-class mail?

Mr. JOHNSTON of South Carolina. That total cost of operating the postal service is allocated by the Post Office to the different branches within the Department.

Mr. LAUSCHE. Then the information which has come to me, that under this declaration of policy, none of the general operating costs can be charged in the future to second- and third-class mail, is erroneous.

Mr. JOHNSTON of South Carolina. It is erroneous. So far as the amendment is concerned, the only thing which would justify raising first-class postage to 5 cents is the modernization of the post offices.

Mr. LAUSCHE. I ask the Senator from South Carolina to refer, please, to page 30. The section I shall read comes under the heading, "Identification of and Appropriations for Public Services."

> SEC. 104. (a) The following shall be considered to be public services for the purposes of this title.

By "public services," I understand the bill contemplates that the general taxpayer shall pay the charges. I now refer to page 30, paragraph (2). The bill provides that the taxpayers shall pay for "the loss resulting from the operation of such public welfare postal services as the star route system, rural free delivery, third- and fourth-class post offices."

Mr. JOHNSTON of South Carolina. I think the Senator omitted an important phrase, "The loss resulting from." Furthermore, it is Congress who determines the amount of that loss.

Mr. LAUSCHE. I read it. Within those types of services, are the big magazines delivered?

Mr. JOHNSTON of South Carolina. Some are delivered at every post office and on every route, I imagine.

Mr. LAUSCHE. So the magazines such as have been discussed are delivered at third- and fourth-class post offices, through the star route system, and through the rural free delivery.

Mr. JOHNSTON of South Carolina. That is correct. I may say to the Senator that if all the magazines were eliminated, the same rural carriers and the same third- and fourth-class post offices would still be operating. I do not think a single employee would be eliminated from any of them.

Mr. LAUSCHE. But under the language I have read, the magazines are delivered, upon the principle that it is a public service for which the general taxpayer should pay.

Mr. JOHNSTON of South Carolina. That is not what the policy provides. Title I simply identifies public service functions performed by the Post Office Department and then goes on to provide that Congress shall determine how much they amount to each year.

Mr. LAUSCHE. The bill provides, in section 104 (a):

> The following shall be considered to be public services for the purposes of this title.

That would mean that the delivery of magazines under paragraph (2), provided for on page 30, would be considered as a public service which the general taxpayer would have to bear.

Mr. JOHNSTON of South Carolina. As I have pointed out it is Congress that determines how much of the cost of operating the Post Office Department shall be charged as a public service cost.

Mr. LAUSCHE. What bothers me is this question: On what principle can we declare it to be a policy that the delivery of these magazines is a public service for which the taxpayers ought to pay? It is a pretty hard case to make, it seems to me.

Mr. MORTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. MORTON. Who has the floor?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. NEUBERGER. I had yielded the floor after the Senator from Ohio addressed his question, because the chairman of the full committee undertook to answer the question of the Senator from Ohio.

Mr. President, if the Senator from Ohio has no further questions to address to me, I yield the floor.

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from South Carolina [Mr. JOHNSTON].

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Ohio?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. LAUSCHE. I should like to ask another question.

Mr. JOHNSTON of South Carolina. Very well; I yield.

Mr. LAUSCHE. I note the following on page 26 of the bill, at the end of paragraph (2), in lines 22 to 25:

The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or out-of-pocket cost basis.

It has been said to me that under that language the only charges which could be made for second-class and third-class mail would be those represented by out-of-pocket payments made to truckers, railroads, and others, but none of the charges for operating the post office.

Mr. JOHNSTON of South Carolina. I should like to inform the Senator from Ohio that this language does not change the existing law regarding the allocation of costs to the various classes.

Mr. LAUSCHE. That may be true. But are we not confronted with this danger: After declaring this as a policy, hereafter it will never be possible to make a change by which there will be assigned to second-class or third-class mail anything other than incremental or out-of-pocket costs. Is that not correct?

Mr. JOHNSTON of South Carolina. All the way through it will be the actual cost of handling the mail, whatever it may be. That is my interpretation of it.

Mr. LAUSCHE. I agree that that may be the existing law. But this language declares the policy for the future. It provides that in the future the Post Office shall not charge second-class or third-class mail with any costs other than incremental or out-of-pocket costs.

Mr. JOHNSTON of South Carolina. They should be charged only actual costs. That is what the bill does.

Mr. LAUSCHE. What does the phrase "out of pocket" mean?

Mr. JOHNSTON of South Carolina. It means the actual cost of handling a particular piece of mail.

Mr. LAUSCHE. I notice that the phrase "out of pocket" is set forth in quotation marks. Therefore, obviously, it has been ascribed a special meaning.

Mr. JOHNSTON of South Carolina. It is the actual cost of handling a particular piece of mail, whatever it may be.

Mr. LAUSCHE. Does the bill contain a definition of the phrase "out of pocket"?

Mr. JOHNSTON of South Carolina. I think it will be found that in the past the Postmaster General has used that term, and that the Department is now using it. So far as that is concerned, the phrase "out-of-pocket costs" has been used for many years.

Mr. LAUSCHE. I should like to inquire about that, because it is my understanding that for purposes of this declaration of policy, the words "incremental or 'out-of-pocket' cost basis" connote only the costs which are paid actually out of pocket to railroads, truckers, and others who haul, and do not include at all the hiring of personnel or the management of buildings.

Mr. JOHNSTON of South Carolina. It means the out-of-pocket cost of every expense that arises in handling a particular piece of mail.

Mr. LAUSCHE. I am very grateful to the Senator from South Carolina, because I believe that in the future this debate will become important.

Mr. JOHNSTON of South Carolina. I am glad we have had the debate.

Mr. LAUSCHE. My fear is that it will be claimed that "out of pocket" means only the money actually paid to someone for hauling the mail, and not the proportionate share of the cost of hiring personnel, managing the buildings, and so forth.

Mr. JOHNSTON of South Carolina. I would object to any ruling other than that the meaning is all the costs of handling the mail, whether they be the costs of transportation, the cost of hiring employees, or whatnot.

Mr. LAUSCHE. Let it be understood that, for the purpose of the bill, the words "incremental or 'out-of-pocket' cost" mean all the costs, including the hiring of personnel, the managing of buildings, and other costs, proportionately.

Mr. JOHNSTON of South Carolina. That phrase means any costs of handling a particular piece of mail.

Mr. SPARKMAN. Mr. President, will the Senator from South Carolina yield to me?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SPARKMAN. I desire to call the attention of the distinguished chairman of the committee to the fact that I have submitted an amendment—which has been printed, and has been placed on the table—to strike out lines 5 to 10, on page 42 of the bill.

On yesterday the Senator from South Carolina read into the RECORD a clarifying statement which I understand takes care of the situation. In other words, as I now understand, the satisfactory evidence which is called for here will be simply nothing more than the stamping, on the outside of the book or parcel, of the name of the organization which is seeking this privilege. Is not that the effect of the statement?

Mr. JOHNSTON of South Carolina. That is true; and the present requirements will continue in effect.

Mr. SPARKMAN. In other words, this provision of the bill is not intended to establish a new procedure, as I understand.

Mr. JOHNSTON of South Carolina. No; it is not.

Mr. SPARKMAN. And stamping the name on the outside, as stated yesterday afternoon by the Senator from South Carolina, will be sufficient and satisfactory evidence, as I understand.

Mr. JOHNSTON of South Carolina. That is true. The regulations in that field will be the same as the ones we have at the present time.

Mr. SPARKMAN. I thank the Senator from South Carolina for his statement. In view of the statement he has made, I shall not call up my amendment.

Mr. President, while I am on my feet I desire to express my gratitude to the Senator from South Carolina and his committee for the excellent job they have done in bringing this bill to the floor of the Senate, together with Senate bill 27, which relates to pay raises. They have performed a monumental task, let me say, even though I do not agree with everything contained in the bill.

Mr. JOHNSTON of South Carolina. So far as that is concerned, neither do I.

Mr. SPARKMAN. Nevertheless, Mr. President, I wish to express to the chairman and the other members of the committee my great appreciation and my gratitude to them for the excellent job they have done in connection with the bill.

Mr. JOHNSTON of South Carolina. I thank the Senator very much.

Mr. JAVITS. Mr. President, will the Senator from South Carolina yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JAVITS. I desire to address the question to my colleague, the Senator from South Carolina, as chairman of the committee. I may say that he is a most important Senator and chairman.

Mr. JOHNSTON of South Carolina. I thank the Senator from New York.

Mr. JAVITS. The provisions of the bill leave to the Postmaster General the establishment of regulations as to the administration of the 5-cent rate, if provision for it remains in the bill, within areas such as New York City, where there are a number of post offices, not merely one. Hence, I have obtained from the Postmaster General a letter which I should like to read into the RECORD.

Mr. JOHNSTON of South Carolina. I believe it will be found that in a great many cities there exists a situation similar to the one which the Senator from New York probably will call to our attention at this time. In short, there is only one general post office for a city, and then there are subpost offices in the city, and then there are rural routes extending into the surrounding country. The bill covers all that.

Mr. JAVITS. In New York City we have not one general post office only, but one post office for two of our counties, and another post office for another county, and yet another post office for another county. So a major problem is presented.

The Postmaster General has written to me, at my request, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., February 25, 1958.

Hon. JACOB K. JAVITS,
United States Senate,
Washington, D. C.

DEAR SENATOR JAVITS: This refers to your inquiry concerning application of the 4-cent local letter rate as proposed in pending legislation.

The 4-cent local letter rate would apply between all the independent post offices, stations, and branches located in the five boroughs of New York.

The temporary 5-cent rate would, therefore, not be required between such offices.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

Mr. JOHNSTON of South Carolina. I am glad the Senator has placed that in the RECORD.

Mr. JAVITS. Will the chairman of the committee tell me whether it was in contemplation by the committee that this should be the case, as written to me by the Postmaster General?

Mr. JOHNSTON of South Carolina. That is what the committee thought would take place, and the Postmaster General testified along that line before the committee.

Mr. BUSH. Mr. President, I should like to ask the chairman of the committee a question, if he will yield for that purpose.

Mr. JOHNSTON of South Carolina. I shall retain the floor just for that purpose. Then I shall yield the floor.

Mr. BUSH. I should like to call the attention of the chairman of the committee to page 42, line 11, of the bill, which is covered by the report on page 12, at the top. It has to do with enlarging the present limitations on the size of parcel post. I see that an amendment has been offered by the Senator from Massachusetts and other Senators to strike that provision from the bill. I should like to ask the chairman, the distinguished Senator from South Carolina, whether that amendment meets with his approval.

Mr. JOHNSTON of South Carolina. I will answer the Senator by saying that I would not object to having that provision stricken, if we retained the provision for 84 inches in girth. I do not think much opposition will be found to that proposal. I think most of those interested would agree to increasing the allowable girth from 72 inches to 84 inches.

Mr. BUSH. What would be the reason for such a provision?

Mr. JOHNSTON of South Carolina. My reason is that the committee has received many complaints to the existing limitation. For example, dresses cannot be sent through the mail, because they cannot be bundled up and packaged properly in small packages. For that reason, a little more leeway is needed in order to send such packages. It will be found that the railroads will not lose anything. In my opinion, they are being paid additionally for carrying such packages by express.

Mr. BUSH. I sympathize with the shippers who want to be able to send a larger package, for their convenience, but we are faced with a situation that is constantly referred to here, and which was referred to by our distinguished chairman in an article he wrote for the Reader's Digest, in which he pointed out more room is needed in the post offices. We are in pretty bad shape so far as sufficient room is concerned. We must correct that situation, and that cannot be done by increasing the size of packages which can be sent through the mail.

I ask the Senator from South Carolina if he would be willing to strike the whole provision out, at least until we get the post offices in a position where they can handle larger packages. The trouble now is that the post offices cannot adequately handle packages which can legally be sent through the mail.

Mr. JOHNSTON of South Carolina. The question has given us quite a bit of concern. It must be remembered that until 1952 there was an allowance of 100 inches in girth and 70 pounds. Then that allowance was changed and was decreased. Some persons thought that the allowance for the girth was cut a little too much.

Mr. BUSH. I may say to the Senator that I do not believe the size was cut enough. I hope the Senator will support the amendment, so that we will not increase the size of packages which can be sent at this time, when we are screaming about the lack of space and the very bad effect it is having on the whole postal service. There is no use increasing the load.

Mr. JOHNSTON of South Carolina. I shall take into consideration what the Senator has said. At the appropriate time I shall look into the question. So many complaints have been made about the regulation that I thought I should call the Senate's attention to the provision.

Mr. BUSH. I thank the Senator. I should like to observe that there have been no hearings on this particular section of the bill.

Mr. JOHNSTON of South Carolina. There have been hearings and that question was discussed time and time again during the hearings. We have been having hearings on the bill since last July.

Mr. BUSH. Was that particular part of the bill covered in the hearings?

Mr. JOHNSTON of South Carolina. The Senator will notice that representatives of the express company appeared before the committee and testified.

Mr. BUSH. Did they testify on this particular phase of the bill?

Mr. JOHNSTON of South Carolina. They testified at the time, and I imagine they testified in favor of the provision. There are bills in the committee introduced by members of the committee which would strike out the provision and put into effect the old law, which provides an increase in size even beyond what is now proposed.

Mr. BUSH. I am sure the Senator is correct when he says that such persons testified before the committee, but I wonder if they testified particularly in favor of this section of the bill.

Mr. JOHNSTON of South Carolina. They testified on the provision which would increase the weights and measurements for express.

Mr. BUSH. And they were opposed to any increase, I take it.

Mr. JOHNSTON of South Carolina. Yes.

Mr. BUSH. I thank the chairman very much.

Mr. JOHNSTON of South Carolina. In order to keep the record straight, I should like to say that the express company representatives opposed the provision, but other witnesses were in favor of the increase in both size and weight.

Mr. BUSH. Representatives of dress manufacturers, for example?

Mr. JOHNSTON of South Carolina. Not only dress representatives, but others. There were many requests, as I recall it.

Mr. BUSH. As I said to the Senator, I am not surprised that any shipper——

Mr. JOHNSTON of South Carolina. The express company representatives testified before the committee. They would be the ones to testify in regard to the size and measurements of the packages, and their testimony is in the hearings.

Mr. PASTORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. I should like to ask a question with respect to the one raised by the distinguished Senator from New York [Mr. JAVITS], who, I regret, is not in the Chamber at the present time. Realizing the fact that the distinguished chairman of the committee is more or less opposed to an increase to 5 cents on first-class mail, I address my question to the distinguished ranking member of the Republican Party on the committee, with the kind permission of the distinguished Senator from South Carolina, if he will yield.

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. In regard to local and nonlocal mail, which gages whether the cost shall be 4 or 5 cents, I understand one of the traditional aspects of first-class mail is that there is no measure of cost because of distance. Whether a letter was mailed to a house next door or to someone in San Francisco made no difference, because the cost of the postage stamp was always the same. A 3-cent stamp was used in each instance.

The proposal before us now is to have a 4-cent stamp and a 5-cent stamp. I am one of those who believe that our post-office system must be modernized and improved, and I believe the cost of doing so must be borne by the users of the mails. After all, the deficit is not something we shall be able to sweep under the carpet. Someone will have to pay the deficit. I say those who use the mails should pay the deficit, rather than have 80 percent of the American people, the average people who pay 80 percent of the taxes which are paid to the United States Government, carry the load.

With that statement as a predicate, I now ask my question. Let us take the ordinary housewife who sits down and writes a letter. How is she going to know when to put a 4-cent stamp or a 5-cent stamp on her envelope, without picking up the telephone and paying 10 cents to ascertain that fact from the postmaster?

Mr. CARLSON. I do not know whether the Senator from South Carolina has the floor or not.

Mr. PASTORE. I should like to address that question to the Senator from Kansas, if the Senator from South Carolina will yield for that purpose.

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. I shall be glad to try to answer the question. I may point out that this would not be our first experience in this country with having a first-class local rate and a first-class non-local rate. We had that experience when we had in effect 3-cent and 2-cent first-class rates. I am not saying that it would not bring about some difficulties. We have heretofore had difficulties, but we have solved them.

At the instance of our friends from New York there was written into the law a provision that excepted Queens County, N. Y.

The bill that we have under consideration would authorize the Postmaster General to determine the locations where first-class mail can be carried locally and nonlocally. When that matter was before the committee, I made some inquiries with regard to it. I asked, for instance, if Bethesda, Md., would be considered a part of a local operation with respect to Washington, and the Postmaster General said it would be, since such mail is handled out of the Washington offices.

This is a matter which will have to be handled administratively. It will cause some problems; there is no question about that. At the same time, it has been handled in that way before. That is the only way I know to handle it.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator permit me to add one point?

Mr. PASTORE. Mr. President, I understand I have the floor at present.

Mr. JOHNSTON of South Carolina. The Senator does but I simply wished to make a comment along the same line.

Mr. PASTORE. I yield.

Mr. JOHNSTON of South Carolina. The postmasters who came before the committee to testify on the bill stated that this procedure would cause a great deal of confusion. They felt that some people would not put the necessary stamps on their letters, and the letters would have to be returned. The postmasters did not think this procedure would be a good one.

Mr. PASTORE. I realize that there are going to be some administrative difficulties along the line suggested by the distinguished Senator from Kansas [Mr. CARLSON]. I am not so very much worried about the administrative difficulties as I am worried about the difficulties to be faced by about 25 percent of the people who use the first-class mail.

I am not concerned about the insurance companies, for those companies will find out pretty quickly what the 4-cent zones and the 5-cent zones are. I am not concerned about the lawyers, doctors, and the commercial groups who are going to send out first-class mail, because they can find out very easily what the situation is.

What I am worried about, and what I am deeply concerned about, is the American housewife who sits down to write a letter, but does not know whether she should put on it a 4-cent stamp or a 5-cent stamp, without picking up the telephone to call the postmaster to find out whether the letter will go to a 4-cent zone or a 5-cent zone.

We are not talking about administrative difficulties. We are talking about a new system, which will require a reeducation on the part of the American public, in order to understand what the zones will be, so that they will be able to know whether to use a 4-cent stamp or a 5-cent stamp.

We will actually place many of the average people in this country in the position of not wishing to take a chance, so they will pay 5 cents when they should use a 4-cent stamp. That is a peril involved in the 5-cent rate, and I think it is a very serious one.

I repeat that I am one of those who believe that the post offices should be modernized and should be improved. I am one of those who feel that the users of the mail should pay for the modernization, and that the American taxpayers as a whole, in general, should not be charged for it.

I believe we are proposing a formula which will cause a lot of trouble. We will have postal employees going back to the persons sending the letters to collect extra postage; or we will find ourselves in the pitfall of having the American housewife pay 5 cents to mail a letter when the letter only requires a 4-cent stamp.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MONRONEY. I subscribe completely to the thoughts expressed by my distinguished colleague, the Senator from Rhode Island. Much of the mail which is sent by the average private correspondent will wind up in a postage-due situation, or in a status where there has been an overpayment.

Further than that, the bill is so wide open that it makes it possible for one man to be given the right to say to the officials of the city of New York, "Your people can send a letter 40 miles—perhaps into Connecticut, New Jersey, or Pennsylvania, for 4 cents." Yet we say to the constituents of the distinguished Senator from Texas, or of the distinguished Senator from Florida, or of the distinguished Senator from Kansas, "You cannot send a letter bearing 4 cents postage 5 miles between your home town and the next town; because the Postmaster General has not designated that area as a general, metropolitan area."

That would be a bad way to run a railroad, and it is a bad way to run a post office. I think it is one of the gravest faults of the bill, in addition to the fact that there is an overloading on the first-class mail user of a burden of more and more of the cost of operating the Post Office Department.

Mr. PASTORE. Does the distinguished Senator from Oklahoma not feel that there is something even more serious involved than what he has stated? The question here is not whether the Postmaster General has designated the zone, but the question is, How does the average person who uses the mail know the zone, unless he is educated as to where the zone begins and where the zone ends?

By this process we shall have to develop a new reeducation program to enable citizens to determine the boundaries of the zones. The ordinary American housewife who sits down to write a letter, either to a son or to a friend, will have to find out where the zone begins and where the zone ends every time she writes a letter. Otherwise she will not know whether to put a 4-cent stamp or a 5-cent stamp on the letter.

Mr. NEUBERGER. Mr. President, will the Senator yield? I should like to ask the Senator a question.

Mr. PASTORE. I yield.

Mr. NEUBERGER. It is obvious that it costs far less for the Post Office Department to deliver a letter within a city or within a metropolitan area than it costs to deliver a letter far out in the countryside, or even across the breadth of the vast American Continent. Is it not really a sound principle that the person who mails a letter for delivery locally, which does not require a single bit of transportation on an airplane, on a railroad train, or on an intercity bus, should pay a lower rate than someone who may send a letter across the vast width of the American Continent, from California to New England?

Mr. PASTORE. Does the Senator feel that when I sit down in Rhode Island to write a letter to Oregon I should pay less than if I write a letter to Los Angeles, Calif.?

Mr. NEUBERGER. No; I do not.

Mr. PASTORE. Very well. Is the principle not the same?

Mr. NEUBERGER. Let me say that a difference in degree can be so great that it is a difference in kind. It is obviously impossible for each letter to bear its own cost. If we were to attempt to do that we would destroy the rural free delivery. It is quite apparent to everybody who knows anything about the mail that it is far more expensive to deliver a letter on a remote rural route than it is to deliver a letter in a crowded apartment-house district in a vast city.

There is a very substantial difference in the cost of shifting a letter within a few local post offices, or in the same post office, as compared to transporting a letter on an airplane or a train. That difference is vast. One of the main charges of cost that the Post Office Department must bear and pay is the cost of its airplane transportation, its railroad transportation, and transportation of mail on trucks and buses which carry intercity mail.

It seems to me that if it is possible to restore the principle, which formerly was in effect in our postal service, of allowing local mail to pay a somewhat lower rate than is provided for a letter which goes across the American continent, or far out into the continent, it would be beneficial to restore it.

Mr. BUSH. Mr. President, will the Senator yield to me?

Mr. PASTORE. In a moment. I have the floor.

Mr. BUSH. Yes.

Mr. PASTORE. That is a point of view, and I submit that it is an argument, but it is not exactly an answer to the question I am asking at present. I am asking, How will a housewife know when to use a 4-cent stamp or a 5-cent stamp, unless she has gone through a process of being educated as to where the zone begins and ends?

Mr. BUSH. Mr. President, I should like to speak to the question, when the Senator has finished.

Mr. PASTORE. That is the first question.

My second point is this: I understand that the additional temporary rate of 1 extra penny, from 4 cents to 5 cents, is being placed on the first-class mail alone. If we are going to be consistent in our philosophy, then why should we not have the modernization and improvement aspect of this burden shared by the second- and third-class mail users, as well as the first-class mail users?

Mr. NEUBERGER. The second- and third-class mail users will have to pay a very substantial increased rate under the bill. Whether it is put in one fund or another, the money is still to be collected.

Mr. PASTORE. The fact of the matter is that first-class mail is to pay an increase from 3 cents to 4 cents, and I understand that the extra penny, from the 4 cents to the 5 cents, is to become a part of a special fund out of which the improvements are to be made. Therefore, one can argue that the rates on second-class mail and third-class mail are being raised in order to make those rates commensurate with the increase from 3 cents to 4 cents on the first-class mail. It has been proposed that we raise an extra penny on the first-class mail, which, as I understand the matter from the debate which has taken place in the Chamber, will be used to establish a fund of $175 million to be used to make improvements and for modernization. Therefore, the cost of the improvements and the modernization is being allocated to one class of mail, and not to the three classes of mail.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I want to clarify some language appearing on page 26 of the bill, beginning in line 22, with the sentence reading:

> The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out of pocket" cost basis.

The reason I ask the question is that it pertains to the argument of the Senator from Rhode Island, who points out that the increases which are to be levied against second- and third-class mail in this instance are to be on the basis of the out-of-pocket costs of the Post Office Department, and not the facilities.

Mr. PASTORE. Precisely.

Mr. HUMPHREY. Judging from the declaration of policy in section 103, apparently it is not intended to include in the rate structure for second- and third-class mail the costs of modernization and improvement of facilities which are to be charged against the increase in first-class mail rates. I should like to have that point clarified, if that is not the case.

Mr. PASTORE. That is precisely my understanding. I understand that the presentation before the committee was precisely on that point. The same argument and logic were used. We are already increasing the rate from 3 to 4 cents, but temporarily, for a period of 3 years, we are raising the nonlocal mail rate from 4 to 5 cents, in order to accumulate a cushion which will be used to modernize and improve our post offices. It is abundantly clear to me that the money being raised for modernization and improvement is being obtained by a levy on first-class mail, and not on second- and third-class mail.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. NEUBERGER. Would the distinguished Senator support the 5-cent rate if the extra cent were merely placed in the general fund, and not allocated to modernization and improvement?

Mr. PASTORE. I would support any rate which was commensurately justifiable with relation to the various classes of mail; and if a 5-cent rate were necessary in order to make the post office a pay-as-you-go business, I would be for it also. If a 5-cent rate became necessary in order to support the post office and make the users of the mail pay for it, rather than requiring 80 percent of average Americans who pay income taxes to pay for the half billion dollar deficit every year, I would be for it. I say, let us make our rates fair. A 5-cent charge is being proposed, not to balance the budget of the Post Office Department. It is proposed to impose a temporary fee of an extra cent in order to build up a cushion or fund to modernize and improve facilities; but it is not proposed to impose that responsibility upon second- and third-class users.

Mr. NEUBERGER. Let me give the distinguished Senator from Rhode Island a few basic facts about the increase.

If we adopt the 5-cent postage rate, as proposed in the pending bill, it will mean that first-class users will be paying about 138 percent of their share of post office costs. This will be substantially less than the proportion which first-class mail bore during the administration of our incomparable Democratic President of the United States, Franklin D. Roosevelt.

It is my understanding, from what I have learned from the officials of the Post Office Department, both the Postmaster General and the career appointees, that virtually during the entire history of this country first-class mail has carried a disproportionate share of the cost, for one simple reason.

The entire operation of every post office in the United States, large and small, is geared to the handling of first-class mail. The number of deliveries each day, the whole pattern of personnel, the use of transportation facilities, and everything which results in incurring costs, stems from the scheduling of first-class mail. This is true not only in United States post offices, but it is true of virtually all modern post office systems in the Free World.

Even with the increase proposed, we shall still be short of the proportion of the cost carried by first-class mail when the great Franklin D. Roosevelt was our President.

If this is unfair to our average citizens, to the little fellow, why did not President Franklin D. Roosevelt do something about it?

Mr. PASTORE. The only difference is this: we are talking about 1958.

Mr. NEUBERGER. Who uses first-class mail service?

Mr. PASTORE. If the Senator's argument is sound, why charge anything at all for other than first-class mail? If we must have a first-class post office, and second-class and third-class mail are only incidental, why do we charge for them at all?

I am not quarreling about first-class mail having preference. I understand that. I was once a member of the Committee on Post Office and Civil Service. I am not quarreling about an increase in second- and third-class rates. What I am saying is that the accommodations which are to be modernized and improved are being used by the second-class mailer, and the third-class mailer, as well as by the first-class mailer. Why do we try to collect the money for moderrnization and improvement from the first-class mailer alone?

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CARLSON. The Senator from Rhode Island is making a very fine statement, and he has asked a question. He asks why we did not place a portion of the burden on second-class and third-class mailers, as well as first-class. That is a logical question. The distinguished Senator has served on the committee. He well knows that under the terms of the pending bill substantial increases would be made in second- and third-class rates. There are already great complaints, and I am sure the Senator will agree that we could not further increase those rates.

As the distinguished Senator knows, much has been said about magazines getting a free ride. However, we forget about the small weekly newspaper which would be put out of business by the elimination of second- and third-class mail.

Mr. PASTORE. I do not join in that philosophy. I think we must have second- and third-class mail. They both serve a very useful purpose.

The argument I make is this: Is it not a fact that, so far as the temporary imposition for modernization and improvement is concerned, it is being charged solely and strictly against the first-class users, and not second- and third-class users?

Mr. CARLSON. Yes; the reason being that that is the only place from which to collect great sums of money.

Mr. PASTORE. The easiest place.

Mr. CARLSON. It is the only place.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MONRONEY. I agree entirely with what the distinguished Senator has said, that it is a fraud on the average housewife to force her to pay 5 cents for the uncertain cost of delivering a first-class letter in a metropolitan area.

The proposed increase has been called temporary—a 3-year increase. I point out that our present 3-cent postage rate, which has been in effect since 1932, was instituted as a temporary increase above the 2-cent rate.

Third, I point out that the testimony of the Postmaster General before our committee was that he did not expect to spend for new buildings a thin dime of the extra $175 million which the first-class users pay. He intends to rent the buildings; and he expects to obtain cheaper rent under the new leases than he is paying today.

He wants to spend $175 million a year in order to add new equipment to the buildings. I asked the Postmaster General, who was a good Chevrolet dealer, if the Internal Revenue Service would allow him to write off in 3 years the cost of new labor-saving equipment when the life of the equipment was 20 years. He said he could not do it as an individual; but he is asking the taxpayers to write off the cost of new equipment in 3 years when the life of the equipment may be as much as 20 years.

I say that that is not proper accounting procedure. It is not fair or ethical treatment of the first-class mail users. It will lead only to confusion worse confounded in the Post Office Department. That is why we repealed the 2-stage first-class rate which was previously in effect.

Mr. BUSH. Mr. President, I wish to return to the Senator's original question, namely, how it will be feasible, if possible, for the average housewife to distinguish between what is required—a 4-cent stamp or a 5-cent stamp? Incidentally, and parenthetically, I should like to compliment the distinguished Senator from Oregon [Mr. NEUBERGER] on the excellent case he has been making on the bill, particularly this afternoon.

Mr. NEUBERGER. I thank the Senator from Connecticut.

Mr. BUSH. I admire the way he has been handling it.

Now I should like to ask my friend from Rhode Island why he thinks it would be so difficult for a housewife or anyone else to determine whether a letter required a 5-cent stamp or a 4-cent stamp. I am sure the Post Office Department will issue some regulations in that connection. I am sure the Post Office Department will be in a position to supply some information. One way to find out would be to go to the post office to inquire about the mail rate, whether it be on first-class or airmail or foreign mail or parcel post. It is not unusual for a citizen to go to the post office for information. It may take a little time. However, we are in a period of transition and we are talking about increasing our revenues by approximately $175 million for a very worthy and necessary purpose.

Why is the Senator from Rhode Island so dubious about mailers being able to adjust themselves to the new condition?

Mr. PASTORE. It is not a matter of being dubious about it. After all, there is a possibility that the users of the mail will be able to find out what zone is involved. No one has questioned it.

Mr. BUSH. Then what is the problem?

Mr. PASTORE. The problem is this. First of all, this is to be a temporary procedure for 3 years. The average housewife will not know, without picking up the telephone, where a zone begins or ends. She will have to pick up the telephone to find that out every time she writes a letter. Will the Senator from Connecticut dispute the fact that the average housewife will not know where a zone begins or ends?

Mr. BUSH. I certainly would dispute it. I would say that the average housewife would know more than 90 percent of the time, and the times when there would be some doubt would be very few. Contrary to being usual, it would be most unusual.

Mr. PASTORE. Does the Senator from Connecticut know now where his zone is going to begin and end?

Mr. BUSH. No; but I can find out very quickly.

Mr. PASTORE. He can find out very quickly, he says. How? By picking up the telephone. That is exactly what I am saying.

Mr. BUSH. It may be that the Post Office Department might pay me the courtesy of mailing me a statement saying "This is it."

Mr. PASTORE. Is there anything in the bill which provides that the Postmaster General shall send a notice to every person living in the country telling him where his zone begins and ends?

Mr. BUSH. So far as I know, there is nothing like that in the bill. Furthermore, I see no reason why there should be.

Mr. PASTORE. That is the suggestion——

Mr. BUSH. That is my suggestion. However, it does not have to be in the bill, necessarily. The Post Office Department has some judgment, I am sure.

Mr. PASTORE. Fundamentally what we are getting at is this: I live in the city of Providence, and I do not know, as I stand here this afternoon, preparing to vote on the bill, just how far I can mail a letter with a 4-cent stamp and how far I can mail a letter with a 5-cent stamp until the postmaster in my locality has defined the zones for me.

Mr. BUSH. What is wrong with that?

Mr. PASTORE. There may be nothing wrong with it. However, all I am saying is that it is an inconvenience to the American housewife. I say it is putting her to the pain and trouble of determining when she can mail a 4-cent stamped letter and when she can mail a 5-cent stamped letter.

I say we are getting away from the basic tradition. I realize that there have been one or two exceptions, but traditionally we have always boasted of the fact that in America, no matter where we live, and no matter how far or how near we live with respect to anyone else, a 3-cent stamped first class letter will get there.

Now we are about to change that basic philosophy. We are talking of juggling the zones. I say that we are about to inconvenience the average housewife. I am not saying that it is impossible to determine the zones. What we are about to do would put a burden on the back of the average American in each locality by asking him to find out just how far he can send a 4-cent stamped letter or a 5-cent stamped letter.

I wager that more than 75 percent of all the mail in this country does not bear a zone designation in the address. That is because most people do not know in which zone they live or in what zone the addressee lives. That has been a very great inconvenience for the Post Office Department, and it has caused the mail users a tremendous amount of trouble.

It seems to me we are adding insult to injury this afternoon by compelling every housewife, every time she writes a letter, to first find out whether she can send it for a 4-cent stamp or a 5-cent stamp.

How will it all end? I say it will end by the average mail users putting a 5-cent stamp on the letter and the big houses putting a 4-cent stamp on their letters, because they will have their secretaries find out where a zone begins and ends.

Mr. NEUBERGER. I should like to ask the distinguished Senator from Rhode Island if he would advocate an abolition of the use of zone rates for parcel post shipments.

Mr. PASTORE. No; I would not.

Mr. NEUBERGER. He thinks that is all right?

Mr. PASTORE. That is fourth-class mail; that is an entirely different matter.

Mr. NEUBERGER. Is it not a fact that the average housewife who sends a package by parcel post, and that every person who sends a Christmas parcel, the most sacred mail that can be sent, must pay for the transportation of the parcel based on a zone rate?

Mr. PASTORE. I ask the Senator how many American housewives he thinks send parcel post packages without taking them to the post office to find out what the postage is going to be.

Mr. NEUBERGER. A great many people would find it——

Mr. PASTORE. I do not believe so.

Mr. NEUBERGER. A great many people would find it convenient to be able to mail their Christmas presents without taking them to the post office, but they must go to the post office because of the zone rates.

Mr. PASTORE. That is correct. Now we are told that every American housewife who sends a letter must go to the post office to find out whether it will take a 4-cent stamp or a 5-cent stamp. That is exactly my point.

Mr. NEUBERGER. Why does not the Senator offer an amendment to the bill, which would be germane, to abolish the zone system for parcel post shipments, many of which consist of Christmas parcels? Why does he not offer such an amendment?

Mr. PASTORE. I may get around to it.

Mr. NEUBERGER. I shall await the offering of such an amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The obvious answer is that on letter mail a standard rate is applied. In connection with parcel post, the packages vary in weight, and it is necessary to take a package to the post office and to pay the rate according to the zone involved. It is necessary to undergo a physical examination with the package, so to speak.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. NEUBERGER. We have heard how inconvenient the zone system is. The Senator from Rhode Island said also that the average American will have imposed upon him this terrible zone system. Is the distinguished Senator from Rhode Island aware of the fact that the Post Office Department tells us that at least 75 percent of all first-class mail is sent by business corporations and large organizations?

Mr. PASTORE. I realize that, Mr. President; I am not disputing it. I know that 75 percent of the first-class mail is sent by commercial houses. I realize that only 25 percent of the first-class mail is sent by the average American. I am one of those who believes that the mail system should be put on a pay-as-you-go basis. I hope I am not being misunderstood in that respect. I am one of those who have said for a long time that we should raise the rates on the mail and avoid the tremendous deficit of approximately half billion dollars which the Post Office Department incurs each year. I believe all that. I believe the committee has gone as far as it can on second-class mail. I believe it has gone as far as it can on third-class mail. I believe all those things. I am not opposed to the Senator's bill. The only question I am raising is that today we are asked to do something that is unorthodox. We are now being told that it will be necessary to apply zones to the first class mail.

I have never sent a parcel post package without first taking it to the post office to find out what it weighed and how much it cost to send it. Now we will get something new. A person, before he can send a letter, will have to get information as to the zones. The average housewife will have to leave her kitchen table, or a person will have to leave his library, to find out from the postmaster whether the letter will take a 4-cent stamp or a 5-cent stamp. No one will know the zone limits unless he finds out about them, and becomes educated at the post office. By the time the people become educated, the 3 years will have expired. [Laughter.] The 3 years will have expired, and all we will be doing will be running around in circles.

If we are going to do it, let us get away from all the hocus-pocus and do it right. If we need $157 million, let us get it in the right way. Let us not start a 4-cent and 5-cent combination for 1 year or for 2 years or for 3 years. Let us not say that if a letter is mailed from Cranston, R. I., to Providence, R. I., it will cost 4 cents, but if it is mailed from Pawtucket it will take 5 cents. I cite those examples in my State. Similar examples can be cited in Oregon and other States. I venture to say that there is not a Senator on the floor who knows today where it will cost 5 cents or 4 cents to mail a letter until perhaps some future date. The only way to find out will be by going to the post office and be educated. I say that if America needs more education, let us provide it in the schools; let us not start by having the post office provide it. [Laughter.]

That is precisely the point I am making. It is a very simple point. I am not arguing against an increase in mail rates. All I am saying is that we should do it in a sensible way. The proposed method is apparently the convenient way of doing it; but it does not seem to me to be the painless way of doing it. I do not wish to reiterate what I have already said, and I have talked on the bill more than I expected to talk on it. I am referring to the point raised by the distinguished Senator from New York [Mr. JAVITS] who is very troubled about what the postal rates would be in New York City. We can imagine how the average housewife in Oregon or Rhode Island would feel if she must first go to the post office to get an answer to the question whether her letter requires a 4-cent stamp or a 5-cent stamp. The American housewife will either have to pick up the telephone, or put on her coat and go down to the post office to find out. I do not think we ought to do that to the American housewife. If 5 cents is needed, then let us make it 5 cents across the board. If 4 cents is needed, let us make it 4 cents across the board.

But the idea that the Postmaster will begin to fix and adjust the zones after a census has been taken, and that in perhaps 5, 6, or 7 months from now we will find out what the zones are, is ridiculous. Just about the time we become accustomed to that, the law will expire.

I say this is not the way to accomplish the purpose. This is something which is troubling me. I have an open mind on the bill. But I question the idea of an additional charge on one class of mail for modernization and improvement of the post offices. I think that cost should be shared, first, by all; and, second, that some other system should be devised which will not cause inconvenience to the average American.

Eighty percent of the income taxes and other taxes of the Nation are collected from Mr. and Mrs. Average American. I know that Mr. and Mrs. Average American are being called upon to pay off a half-billion-dollar postal deficit every year. That is wrong. I feel that the postal deficit should be sustained by the users of the mails. I believe the rates should be raised. But I think the way in which we are proceeding, on the basis of a temporary charge of 5 cents for first-class postage for a period of 3 years, will not only cause a lot of confusion, but will be oppressive to the average American who uses the mail perhaps once in a long while and will not know whether to use a 4-cent or a 5-cent stamp. We simply cannot do this to the American people.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JAVITS. Apparently I was the spark that set the Senator off.

Mr. PASTORE. And what a spark it was.

Mr. JAVITS. I have enjoyed every minute of the Senator's speech. He has made an eloquent case.

I should like to ask the distinguished junior Senator from Oregon, who has done outstanding work on the bill, a question or two, while the Senator from Rhode Island listens, as my questions affect his position.

I observe that the Senator from Oregon is not on the floor at the moment, so perhaps some other member of the committee can answer my question.

Mr. MORTON. I will try to do so.

Mr. JAVITS. Was the 5-cent rate made temporary, rather than an across-the-board 5-cent rate, in order to minimize the action? In other words, are we really putting the burden on second- and third-class mail; but for the post office renovation are we making the 5-cent first-class rate temporary for the obvious reason that we do not want to have it remain in effect any longer than we absolutely have to, and it is felt that 3 years is adequate? In other words, is this an effort to do something for the first-class rate rather than an effort to tax it when we are not taxing the others?

Mr. MORTON. I think probably the author of the amendment ought to explain that point. From my own standpoint, I agree with much that the Senator from Rhode Island has said. There is no question that the proposal is awkward. There is a need for the funds. This seems to me to be a practical way of getting, within the next three years, the revenue which is necessary. Congress has not, for 20 years, made appropriations for the type of equipment and machinery that is really needed for modern postal service.

Mr. JAVITS. My colleague from Rhode Island and I have had debates before. I know how sincere he is when he says he favors the principle of the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I think I should call the attention of the Senate to the fact that I intend to propose an amendment which will accomplish the same purpose, but in a different way. I am against the proposed 5-cent first-class postage rate.

Approximately $152 million is being received each year by the retirement fund for the postal workers alone. My proposal is to take that money, use it for three years, and then to pay it back after about 1965. My amendment provides for the payment of interest and principal over a term of 20 years.

I think the improvements which will be made in the post offices will save enough money to let the Post Office De-

partment pay back the money it borrows. I shall offer such an amendment at the appropriate time.

Mr. JAVITS. I share the view of the Senator from Rhode Island at the moment. I wonder if he feels that the 3-year period is really an attempt to minimize the action, and that the alternative is 5 cents across the board?

Mr. PASTORE. The chances are that if the rate was 5 cents across the board, we could get away with it for 1 year, and then let the rate revert to 4 cents; I do not know. But I see great injury and much inconvenience. Three years was chosen because a great deal of money is not really required. There is involved $175 million for the improvement of the postal service. That is not a large sum of money. All things considered, the inconvenience will really outweigh the amount of money which will be received.

I suppose that if a person puts a 5-cent stamp on a letter, when he could have put on a 4-cent stamp, he will simply lose the extra cent. But if a person puts a 4-cent stamp on a letter instead of a 5-cent stamp, the extra cent will have to be collected from the addressee.

But I see other inconveniences. To use the expression of the Senator from Kentucky [Mr. MORTON], real awkwardness will come out of all this. I should think there would be a more sensible, a more practical, a more convenient way of raising $175 million. That is the only thing that bothers me; it is the only thing that bothered the Senator from New York; otherwise, he would not have written to the Postmaster General.

Mr. JAVITS. The Senator from Rhode Island is correct in bringing this to our attention.

Mr. MORTON. I agree with the Senator that there will be awkwardness and inconvenience. As he was speaking, I was thinking in terms of my own family. My wife probably does not have any greater than average intelligence in some things. She did not have it when she said "yes" to me. But she is reasonably intelligent. When she sits down to pay her bills at home, she will have some 4-cent stamps there for use within the community. We happen to live just outside Louisville, but it is within the community. If she is writing to our son at college, she will use a 5-cent stamp. I do not think she writes many letters within the community, other than to pay the bills. Within the community, she uses the telephone. It is easier to call up Aunt Minnie than it is to write a letter. I think her chief inconvenience will be the buying of the stamps. That will cause her more inconvenience than paying 5 cents for a stamp.

Mr. PASTORE. I have raised the question because it has disturbed me. I hope that before the matter is crystallized, before we take a vote, some Senator will come forward with an idea which will obviate the awkwardness and place the matter on an even keel so as to enable us to act intelligently. What we all want to do is to place the Post Office on more of a pay-as-you-go basis, without, at the same time, inconveniencing the American housewife too much.

Mr. MONRONEY obtained the floor.

Mr. CARLSON. Mr. President, will the Senator yield, that I may suggest the absence of a quorum?

Mr. MONRONEY. I yield for that purpose.

Mr. CARLSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I ask unanimous consent to add the name of the junior Senator from Wisconsin [Mr. PROXMIRE] to the amendment designated 2–25–58–F.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the name of the junior Senator from Wisconsin [Mr. PROXMIRE] be transferred from the sponsorship of the pay bill to the amendment to which I have just referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I feel that I do not need to take very much of the time of the Senate.

The pending question does not relate to raising more revenue. The question is simply whether the deficit of the Post Office Department shall be shared in major degree by those who use the mails, or whether the deficit shall be saddled on the backs of those who pay the income taxes.

The Congress could leave the rates as they are today, and thus could cause a $900-million deficit to be built up; but the taxpayers would have to pay the bill.

So, we are only trying to transfer the obligation—the cost of transporting the mails—primarily to those who use the mails, and thus remove it from the backs of the general taxpayers. That is the purpose of the bill.

Mr. President, no bill dealing with revenue can be perfect; neither can a bill dealing with postal rates be perfect.

I believe that, with one exception, the bill the committee has reported is a good one. I believe it properly recognizes that each class of mail users should pay a proportionately higher charge for transporting and handling the mail than is the case at the present time.

I believe the bill will result in increasing in a very proper degree the rates on the first-class, second-class, third-class, and fourth-class mail users.

The major question before us—and once we settle it, I believe we can move rather rapidly—is whether the rate for first-class mail shall be 4 cents or 5 cents. If the rate is increased to 5 cents—as the Republican members of the subcommittee voted, and as the Senator from Kansas [Mr. CARLSON], the ranking Republican member, sponsors—we shall be increasing by 66⅔ percent the rate charged for the carrying of first-class letters. That will be far more of an increase—almost double, in fact—than the increase proposed for the other classes of mail, even though all cost accounting will show that today those who use the first-class mail pay the heaviest share, even at the present 3-cent rate.

But now it is proposed that the first-class rate be increased to 5 cents. That increase is sponsored by the Republican members of the subcommittee, with the exception of the distinguished senior Senator from North Dakota [Mr. LANGER]. All the other Republican members of the subcommittee favor increasing the first-class rate by approximately 66⅔ percent.

Mr. KNOWLAND. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. KNOWLAND. The Senator from Oklahoma recognizes the fact, does he not, that the minority Members could not have participated in reporting the bill unless some Senators on the Democratic side had joined them?

Mr. MONRONEY. That is correct; and the names of those Senators were made public at the time. But the fact is that only two Members on the Democratic side favored the bill, and five or six of the Democratic Members were opposed to it.

So, Mr. President, the line is clearly drawn.

If those on the Republican side choose to present the public with a 66⅔ increase in the rate charged for first-class mail, I think the public will rise in righteous wrath and will say that such an increase not only is unfair and inequitable, but also will result in having the greater part of the increased revenue to be realized by the Post Office Department obtained from those who use the first-class mail, as will be shown, and as my distinguished colleague, the Senator from Rhode Island, has just pointed out.

Furthermore, the proposal for a 5-cent rate is one which will result in a very awkward situation, under which the housewives will not really know the cost of mailing a first-class letter into metropolitan areas, inasmuch as, under the present proposal, the rate could be changed at will by the Postmaster General of the United States. So even if the housewives finally learned, after 1, 2, or 2½ years, the rate on first-class mail, the rate would still be subject to being changed at will by the Postmaster General whenever he might choose to change the 4-cent rate to a 5-cent rate, or vice versa.

Much has been made of the statement that the proposed increase will be for only 3 years, and that the revenue thus raised will be used for the purchase of new equipment. Mr. President, I say that is the finest example of political camouflage I have ever seen. The 3-cent stamp now in use was voted as a temporary increase on the 2-cent stamp away back in 1932. But it has been in effect ever since.

If anyone believes that this administration or another administration, even

a Democratic one, once a 5-cent rate is charged those who use the first-class mails, will repeal it during my lifetime or that of any other Member of the Senate, I think he is greatly mistaken. Anyone who entertains such a belief is simply blowing soap bubbles. I do not think the rate will be reduced, once it is increased.

The idea that the additional funds, thus raised, would be used for the construction of buildings and for rehabilitation of the postal plant suddenly developed after the resistance arose to the proposed 5-cent rate, which is sponsored by the Republican Party and the Republican Members.

Mr. President, the testimony of the Postmaster General is that not one penny of the increased revenue thus obtained will be used for the construction of buildings. We find that testimony on page 543 of the hearings. The Postmaster General definitely pointed out that the money would be used only for modernization. In that connection, let me read from the hearings, as follows:

Mr. SUMMERFIELD. A good deal of that is modernization as well. All of these buildings do not have to be replaced—some will be modernized.

Senator MONRONEY. This reequipping is not going to be for 3 years that you propose the 5-cent tax. This equipment ought to last about 20 years. The income-tax department would take a dim view of you writing off your equipment in 3 years' time and for that reason, I do not see why the Government should be expected to pay for all of the cost of modernization out of 3 years of the 5-cent postage. We are not that poor. This is a capital investment.

Mr. President, it is 20 years overdue. It will serve for another 20 years. Yet Mr. Summerfield wishes to have the first-class mail users pay for it over a period of 3 years. That simply is not good business.

Mr. President, when we speak of the 5-cent rate, we must realize that approximately 44 percent of the first-class mail would still move at the 4-cent rate, whether under the Democratic-sponsored universal 4-cent stamp or under the Republican-sponsored hybrid 4-cent—5-cent stamp. Consequently, we must realize that the 1-cent increase would apply to the 56 percent which moves out of town and out of the metropolitan areas.

The PRESIDING OFFICER. (Mr. DOUGLAS in the chair). Let there be order in the Chamber. The Chair asks that the pages be quiet. The Chair has now made this request of them twice, and the Chair asks them to pay attention to it.

Mr. MONRONEY. Mr. President, the testimony of the Postmaster General was that the business use of the first-class mail amounts to almost 80 percent of its total use. That means that even though the rate for first-class mail is increased to 5 cents, 80 percent of the total representing the business use of the first-class mail, will be tax deductible. Business firms will be able to deduct the increased expense caused to them by the imposition of the proposed 5-cent rate; and because of the corporate income tax structure, Uncle Sam will pay half of the added cost.

In that case only half of the increased revenue now anticipated will be actually obtained in the case of the 80 percent of first-class mail represented by business mail, because the increased charge will be tax deductible.

Furthermore, the 4-cent rate which we are sponsoring will yield only $178 million less than the amount of revenue expected from the Postmaster General's 5-cent rate. That does not take into account the offsetting tax loss which will occur with respect to first-class business mail.

Consequently, if consideration is given to that situation, and also to two or three other items which we have included in the bill in an attempt to avoid the proposed 5-cent rate, it will be found that the bill with the amended first-class rate would produce within about $130 million of the amount which would be produced by the rate and the bill the Postmaster General favors.

The Postmaster General proposed an increase of 1 cent in the airmail rate. When those of us who take the position on the pending issue of not favoring the proposed 5-cent rate, we sought other equitable means of making up the deficit. Consequently, even though I am somewhat partial to the cause of civil aviation, and airmail, as many of my colleagues realize, I suggested increasing the airmail rate the Postmaster General has requested. He has requested an increase from 6 cents to only 7 cents. The present bill provides an increase to 8 cents, corresponding to the 33⅓ percent increase which the proposed 4-cent rate would impose on those who use the first-class mail, as a result of increasing the first-class rate from 3 cents to 4 cents. I believe such an increase would be equitable.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. PASTORE. Is that increase limited to a 3-year period?

Mr. MONRONEY. It is not. It is permanent legislation.

Mr. PASTORE. Therefore, if it is true that the difference is only about $130 million, as between the recommendation of the Senator from Oklahoma and the bill as reported by the committee, if we consider the fact that the improvement and modernization can be amortized over 20 years instead of 3 years, we come out even insofar as modernization is concerned.

Mr. MONRONEY. I am grateful to the Senator from Rhode Island because he has stated the situation exactly. As a matter of fact, the increase of 2 cents in air-mail postage rates will result in about $17 million additional revenue.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Kansas.

Mr. CARLSON. The Senator has been discussing air-mail rate increases. According to the 1956 cost-ascertainment study, air mail at the 6-cent rate is more than paying its cost at the present time, and an additional charge of 2 cents would result in a far greater increase than would be applied to any other type of mail. Is that correct?

Mr. MONRONEY. It is said that figures do not lie, but liars can figure. There are dozens of different cost ascertainment studies by which one can prove anything he wishes to about conditions in the Post Office Department. I think there were a number of such ascertainment studies before the committee. If the cost of first-class letter mail is to be increased 33⅓ percent, then airmail rates ought to be increased 33⅓ percent.

I am certainly against the Postmaster General's proposal to increase first-class rates by 66⅔ percent and air-mail rates by only 16⅔ percent.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Rhode Island.

Mr. PASTORE. Is it not true that airmail is superpreferential mail? One does not have to send mail that way. He can send it first class and still pay only the regular first-class mail rate, but if he prefers to have the mail get super, preferential treatment, I do not see anything unreasonable in raising the cost for carrying such mail from 6 to 8 cents, as against raising the cost for carrying first-class mail from 3 to 5 cents. I think the equities lie heavily on the side of the position of the distinguished Senator from Oklahoma, as an alternative to the awkwardness that we have been talking about, of having to reeducate the people of the country as to zone differences before they can send out a letter.

Mr. MONRONEY. Many magazines and association publications have mail handled at a cost of about one-eighth of a cent. The bill provides that the cost of that mail shall be increased in three annual gradations of one-eighth cent. Everyone knows mail cannot be handled for one-eighth of a cent. The bill provides that the minimum second-class rate shall be at least one-half cent. That will bring in several million dollars more revenue.

It is also proposed to change the accounting system to more businesslike methods, so the cost of the Government's contribution to employee retirement will be included in postal costs, because it is a proper part of the cost of handling mail. Railroad companies have to include their contributions to the retirement funds in their costs for ratemaking purposes. Why should the Post Office exclude the retirement payments? This additional cost item should increase parcel post rates, which are increased by the Interstate Commerce Commission, by 6 or 7 percent. So we have tried to present a good, sound, workable bill, with the object of having the users of mail pay for the cost of operating the Post Office Department, with the exception of the cost of public service operations, and putting the Post Office Department on a proper cost ascertainment and proper operating basis.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Colorado.

Mr. CARROLL. I am impressed with the remarks of the distinguished Senator from Oklahoma with reference to the 4-cent rate; but the Senator in his remarks has made reference to newspapers and other periodicals. I observe that on page 5 of the report it is stated:

NOTE.—The existing low preferential rates on newspapers or periodicals of religious, educational, scientific, etc., nonprofit organizations, * * * and other publications for classroom use are continued without material change.

I had not intended to bring this point out during the discussion at this time, but I may say to the distinguished Senator from Oklahoma that it is my information that there is a material change in the rates for the distribution of religious and educational papers. I should like to have that point clarified.

Mr. MONRONEY. I think the statement the Senator read may not be entirely accurate, as I believe a percentage of the increase in the minimum rate from one-eighth of a cent to one-half cent does apply to religious and scientific papers. I should like to check it further. It applies to trade associations, union newspapers, and others which heretofore have been delivered for one-eighth of a cent.

Let me give an illustration. Representatives of the rural carriers, who are very patriotic and understanding, came to my office a few weeks ago. We were talking about the rate bill. They told me they sent thousands of copies of their publications all over the United States, and as far away as Hawaii. I think about 5,000 copies were involved. They told me all those publications were sent as far away as Hawaii, Alaska, and elsewhere, for a total cost of $48. They said they knew this mail could not be carried from Washington to Baltimore at that cost.

It is a fact that on that kind of mail we are raising the minimum rate to one-half cent. However, I am not sure whether that provision affects religious, scientific, or educational publications, but it does affect trade association publications, and publications of other organizations that are nonprofit.

Mr. CARROLL. But it is not proposed to raise the rates for religious and educational publications, is it?

Mr. MONRONEY. I am not sure, but I believe these publications are affected.

Mr. CARROLL. I may say to the distinguished Senator from Oklahoma that I have had two long distance calls on this point. I shall later have a formula on which to interrogate the Senator. In Colorado the publishers of a religious paper have stated that the proposal would substantially interfere with their publication. They may have been misinformed, but I think not.

Mr. MONRONEY. Is it registered as a religious publication?

Mr. CARROLL. I think it is.

I should like to ask the Senator how the proposal would affect the National Education Association group in its dissemination of information through the mail.

Mr. MONRONEY. I would have to have further information to answer that question specifically. I may say that, aside from religious and similar special categories of mail, I am against delivering a piece of mail for one-eighth of a cent. If the groups are not in the special eleemosynary category, I think they can pay a minimum of one-half cent. We are proposing to raise the cost of postage stamps to individuals to whom it may be a much greater hardship.

I cannot reconcile the continued attempt to shift to the general taxpayer the cost of handling publications, aside from religious, scientific, and educational ones. I do not believe that other publications are entitled to be given a free ride, at Uncle Sam's expense, or at the expense of the general taxpayer.

Mr. CARROLL. If the Senator will yield further, I appreciate his observation. I simply wanted to find out whether the statement in the report was true, in view of the information I had received from sources in the State of Colorado. I desired to ascertain whether there was any material change, as indicated by the report.

Mr. MONRONEY. In order to be sure, I would have to know the class and the rate and the schedule under which the particular publication moves. It could be the publication is in the category which it is proposed to raise from one-eighth cent to one-half cent.

I will say to my people in Oklahoma, if they are in that category, that they ought to pay one-half cent. I am not going to worry if they do have to pay one-half cent. As a matter of fact, I thought they should pay a minimum of 1 cent. That would make even more unnecessary the nickel postage stamp which the Republicans are trying to impose on the people of the United States.

Mr. CARROLL. I will have more information for the Senator from Oklahoma, and I will try to present the formula which is presented to me, so that the Senator may examine it. I hope that we may pursue this matter further.

Mr. MONRONEY. I thank the distinguished Senator, and will be happy to look into the matter further, and discuss it with him.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague from Tennessee.

Mr. GORE. Do I correctly understand that under the terms of the bill, if it is enacted into law, the rural carrier organization or any other private organization could obtain a nationwide distribution of 5,000 copies of its trade publication, including distribution in all of our insular possessions, for less than $100?

Mr. MONRONEY. I was told by a representative of the rural carriers who came into my office that the cost of mailing several thousand copies of their monthly report was in the neighborhood of $48. I was amazed to hear that, but I was also pleased with the frankness of the spokesman, who stated he believed they ought to pay a substantial amount more.

Mr. GORE. Then why did the committee not report a bill containing a recommendation for more than one-half cent for delivering mail on a nationwide basis?

Mr. MONRONEY. I proposed a 1-cent minimum, and the committee decided it would rather take the half cent, moving the rate up gradually to the half cent. We shall have meetings from year to year. If there is a need to make the rate higher at a later date I think we could do so. I do say we are moving toward adjusting the unjustified privileges which are extended to many people in our second-class mail structure.

Mr. GORE. The able Senator says, "If there is a need to go higher." Should there not be some relationship between the cost of a service and the charge for the service?

Mr. MONRONEY. Historically we have, of course, carried various classes of mail at rates less than cost because we felt it was in the public interest to do so.

I wish to quote the figure for 1956 relating to the religious, educational, and welfare publications, the first group which the Senator asked about. The alleged cost to the Post Office Department for the handling of that mail was $2,223,000. The amount paid for that service was $199,000.

Then we come to the agricultural, business, and professional publications, which is the category I am now talking about. The cost of handling those was $30,752,000, and the income from them was only $7,187,000. That means that less than one-fourth of the revenue needed to cover the cost of handling was obtained.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. The Senator is stating, is he not, that the particular provision of the bill goes in the right direction but by no means is sufficient in the amount designated if there is to be a relationship between the cost of the service rendered and the charge made.

Mr. MONRONEY. I quite agree with the Senator. The Senator should bear in mind that I am referring to nonprofit publications. For that reason the Congress has been rather generous. We are now starting to increase the rate on those publications, to reduce the levy on the general taxpayer and to make the publications carry a little bit more of their own load.

Mr. President, the figure which is set forth in the bill as the cost of various public service functions is 15 percent of total expenditures. Even assuming a 10 percent figure for public service, the 4-cent rate would provide more than enough revenue to cover the cost of operations of the Post Office Department.

There will always be an amount properly chargeable to public services. These include the cost of reduced rates on newspapers or periodicals of certain nonprofit organizations; on certain matter sent free through the mails; free-in-county

mailing privileges; free postage and reduced postage rates on reading matter and other articles for the blind; free mailing privileges to the Diplomatic Corps and the countries of the Pan American Postal Union; free mailing privileges to the Pan American Sanitary Bureau; reduced second-class postage rates to certain organizations; reduced third-class postage rates to certain organizations; free postage, including free airmail postage, for postcards, ballots, voting instructions, and envelopes transmitted in the mails under the authority of the Federal Voting Assistance Act of 1955; reduced fourth-class postage rates for books, films, recordings, and related materials for educational use; such public welfare postal services as the star route system, rural free delivery, third- and fourth-class post offices; nonpostal services, such as the sale of documentary stamps for the Department of the Treasury; performing special services such as cash on delivery, insured mail, special delivery, and money orders; free handling of registered mail for the post office and other Federal agencies; transportation subsidies borne by the postal establishment in compliance with or resulting from the nonenforcement of Federal statutes; additional cost of transporting United States mail by foreign air carriers at a universal postal union rate in excess of the rate prescribed for United States carriers; and other services provided in the interests of the public welfare, the costs of which exceed revenues therefrom.

If we consider the cost of those services to be only 10 percent of the gross revenue, instead of the 15 percent which the bill sets forth as the proper amount, then a 4-cent universal postage stamp and the other increases, such as are provided for air mail and second-class mail, would pay the balance of the post office costs.

One thing more, and then I shall close. It is not all profit to the Government, when a 5-cent postage stamp is required. I received a telephoie call from Maurice Stans, the Acting Director of the Bureau of the Budget, in answer to a telegram to him. Mr. Stans said:

> On the assumption that your telegraphic request relates to the added postage cost to the Federal Government agencies on their mailings resulting from a 5-cent nonlocal letter rate as compared to a 4-cent rate, our estimate is that the added cost is about $6 million a year.

The 5-cent rate would not bring in the total profit claimed by the Postmaster General, because $6 million would go out in the form of additional costs to the Government. The total costs would be even greater. Take the case of the 48 States. It will be found that the cost of sending out income tax blanks for State tax agencies, down to the county tax assessors, would be much greater. The cost would be passed on to every taxpayer.

The cost would be passed on to every customer of a utility which uses the mails for billing. Finally the cost of the 5-cent rate would get back to the taxpayer.

When we are through analyzing the entire situation and considering all the beautiful generalities and all the promises of post offices in every Congressional District, with only 3 years' duration for the 5-cent stamp, it will be found that the 4-cent stamp which we are proposing, together with the other increases, would yield about as much hard, cold, net revenue as the 5-cent stamp being proposed by the Republicans.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LONG. What would be the difference in income to the Government when we calculate the additional revenue which would be received, and take from that the $6 million of additional cost to which reference is made, and subtract from it the cost of handling the mail of various Government agencies?

Mr. MONRONEY. We should then deduct the cost of other mail, borne by State and local taxation. I have made the assertion that when we consider the cost which finally rests on the general taxpayer, it will be found that in the long run no more net revenue will be produced by the 5-cent rate than would be produced by our 4-cent proposal.

Mr. LONG. Does the Senator make the statement that when we take into consideration the various items, no more revenue would really be produced by having a 5-cent rate for nonlocal delivery?

Mr. MONRONEY. The Postmaster General estimated that his bill would produce $178 million more than our proposed 4-cent universal stamp. Since his testimony, the 8-cent airmail rate and other increases have been added. We can deduct $6 million in Federal Government mailing to out-of-town destinations. If we go through the State tax-supported agencies which must use the mail in heavy amounts, we find that the additional burden on them would have to be paid for by taxes. When we come to the utility customers, we find that the cost rests on the user of the utilities. I doubt if we would gain a thin dime by the passage of the Postmaster General's 5-cent bill. Also, as my colleague from Rhode Island [Mr. PASTORE] has so ably pointed out, we would have a nightmare. When we once had a first-class rate of 2 cents locally and 3 cents for out-of-town deliveries, the Post Office Department begged us to institute a universal stamp for first class.

Mr. LAUSCHE. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. LAUSCHE. I invite the Senator's attention to that part of the bill which declares the future policy.

Mr. MONRONEY. Unless the question has something to do with the difference in first-class rates, I should prefer to discuss it after we dispose of this hard, clear-cut issue of 5 cents versus 4 cents. If the Senator's question relates to the difference between the 5-cent and the 4-cent stamp, I shall be glad to try to answer it.

Mr. LAUSCHE. Let me state my understanding of the declaration of policy, and ask the Senator from Oklahoma whether I am substantially correct.

As I understand, the declaration of policy contemplates throwing certain walls around the formula for allocating costs, so that in the future, if the Congress should determine that there has been an inequitable allocation of costs, no change could be made in the formula without revocation of the declaration.

Mr. MONRONEY. I do not understand that to be the case.

However, I understand that an amendment has been prepared and will be offered by the very distinguished President pro tempore of the Senate and chairman of the Senate Appropriations Committee, which would modify some of the declarations. I understand that it makes 15 percent chargeable to public services, and provides that the allocation shall be made by the Appropriation Committees of both Houses, after a Budget Bureau recommendation on public service costs. So the situation will be in control of the proper agencies in the Congress to determine what amount should be chargeable to public services and the allocation can be changed each year, as the Congress sees fit.

Mr. LAUSCHE. That is, the amendment would make possible each year a readjustment of the figures reflecting the charge to public services?

Mr. MONRONEY. That is my understanding.

Mr. LAUSCHE. And no policy would be declared to the effect that the allocations which are made in this declaration shall become binding until repealed?

Mr. MONRONEY. That is correct. I think the amendment of the distinguished President pro tempore of the Senate should have the very serious consideration of the Senate. I intend to support the position he takes, because it would leave the final determination, year by year, in the hands of the Appropriation Committees of the two Houses, and their decision would be based upon estimates furnished to them by the Bureau of the Budget.

I thank the Senator for his question, and I yield the floor.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to announce that I hope it will be possible for the Senate to start voting on the pending measure some time today. However, I do not expect to ask the Senate to have any yea-and-nay votes after 6:30 this evening.

Mr. CARLSON. Mr. President, I rise in support of the committee bill, as reported by the Committee on Post Office and Civil Service. Despite the fact that my distinguished colleague the Senator from Oklahoma [Mr. MONRONEY] has

called it a Republican bill, it is a committee bill. I hope that we will be able to consider this important matter from a nonpartisan viewpoint.

As a matter of fact, every Postmaster General for the past 25 years has urged the modernization of the Post Office Department. Yesterday a telegram was read from the distinguished former Postmaster General, James A. Farley, endorsing the pending measure with respect to postal rates. Last evening I read a telegram from former Postmaster General J. M. Donaldson. It was my privilege to serve as a member of the committee while Mr. Donaldson was the Postmaster General. There was some question as to whether Mr. Donaldson favored the pending legislation. Some question was raised on that score by the chairman of the committee, and by the Senator from Oklahoma. I wish to read a telegram which I received today, so that there will be no question as to where former Postmaster General Donaldson stands on the question:

To clarify my previous telegram I approve the 4-cent permanent rate on first-class mail. It is my understanding that the revenue from the 1 cent additional or the 5 cent temporary rate is to be used for a postal building program which is urgently needed. Congress has not appropriated money for a postal building program in the last 20 years and unless the Congress wants to appropriate several hundred million dollars now for that purpose not chargeable to postal expenditures I favor the 5 cent temporary rate which I think is a better way to raise the money for the purpose intended.

J. M. DONALDSON,
Former Postmaster General.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MORTON. I believe the Senator from Kansas will agree with me that former Postmaster General Donaldson is a notable figure in at least one respect, in that he was the first Postmaster General, to my knowledge, who was a career man. I served in the House when Mr. Donaldson was virtually running the Post Office Department although he had not yet been made Postmaster General. Certainly no man knows more of the problems of the postal service and the problems of its relationship with the American people, and no man has greater dedication to the service, than Mr. Donaldson. I am very happy that the matter was clarified. I feel sure that his opinion will carry great weight not only with the Members of the Senate, but with the entire Nation.

Mr. MONRONEY. Mr. President, will the Senator yield so that I may clarify the RECORD?

Mr. CARLSON. I yield.

Mr. MONRONEY. I too, am very fond of Mr. Donaldson. I served on the committee when he was Postmaster General. However, I understand that Mr. Donaldson's telegram was based on a building program. I should like to cite the fact that the bill before the Senate has nothing whatever to do with buildings, but only with equipment. At page 543 of the hearings I asked Mr. Summerfield this question:

Senator MONRONEY. I want to compliment you very greatly on some of the designs of modern, factory-type postal buildings instead of the Grecian pseudo-Roman architecture that bedevils the American scene so much in past public buildings, but this $175 million that you are talking about, that is only for equipment, is it not?

Mr. SUMMERFIELD. That is right.

Consequently, we have the testimony of Mr. Summerfield that the pending bill has nothing to do with a building program, but has to do only with an equipping program. I am sure Mr. Donaldson is in error when he thinks it involves a building program.

Mr. CARLSON. I regret that my good friend from Oklahoma takes that view, because the Post Office Department estimates that 12,000 new postal facilities, which would be built by private capital under the proposed program, would cost about a third less than if they were built under a public-works program. We have heard a great deal of discussion about the need for public works.

The PRESIDING OFFICER. The Chair must ask Senators and other persons in the Chamber who wish to converse to retire to the cloakroom, in order that the Senate may transact its business.

Mr. CARLSON. Mr. President, I wish to confine myself at this time exclusively to the two provisions in the postal rate increase bill, H. R. 5836, as amended and approved by the Senate Post Office and Civil Service Committee, which, in my opinion, transcend every other provision in importance and in their implications for the future.

I refer to section 202, which provides "for a period of 3 years only" a letter mail rate of 5 cents on out-of-town letters—and title III, which establishes a postal modernization fund, moneys from which shall be used to rehabilitate and to enlarge existing federally owned postal facilities, as well as to undertake the installation of modern mail-handling equipment in new and in existing postal facilities which would be capable of giving the people of this country the modern mail service they have a right to expect.

There are several points which we must remember, Mr. President, before we start to discuss the particulars of this bill.

The first of these is the incontrovertible fact that the Post Office deficit for this year is estimated at about $700 million—and, that, with impending and badly needed wage increases and other cost increases which will undoubtedly be imposed on the Department's budget—and over which the the Department has no control—the postal deficit next year will reach nearly a full billion dollars.

Second, there is nothing historically sacrosanct about the postal deficits. Well-known authorities, such as former Congressman Clyde Kelly and Dr. Jules Bachman have shown conclusively that, if one excludes from the Post Office budget direct subsidies and the cost of public-welfare services authorized by the Congress, the Post Office actually broke even from its inception up until the end of World War II.

Let us keep that in mind. The Post Office Department broke even during all those years. But rising costs and static postage rates have combined to create a cumulative postwar postal deficit of almost $6 billion, as was mentioned by the distinguished chairman of the committee yesterday.

Third, the United States postal deficit is unique. It is far larger than the deficits of all the other nations of the Free World put together.

Fourth, the United States Post Office, despite the fact that it pays the highest salaries of any postal service in the world and is charged the highest transportation costs, is charging postage rates on letter mail today far lower than any of the 34 major postal systems in the world.

Fifth, the postal facilities of this country are in a state of dynamic obsolescence. They are inadequate for mail needs today, and they will be tragically inadequate tomorrow, unless we do something constructive about it now.

As was brought out in the hearings before our committee, the Post Office Department is now handling 60 billion pieces of mail annually. By 1970 the amount will have risen to about 75 billion pieces of mail. It is absolutely necessary that Congress take some action toward modernizing the Post Office Department.

The proposed legislation under consideration, Mr. President, as approved by the Senate Post Office and Civil Service Committee attacks these chronic postal problems at their very base.

It will bring the postal deficit down to reasonable size. This does not mean it will turn the post office into a money-making concern; there will still remain a deficit, but the bill will keep the deficit within reason.

The bill will give the Post Office Department the means by which it can modernize and rehabilitate its ancient and inadequate facilities, so that it will be able to give the people of this country modern service at less cost to the taxpayer.

Before proceeding further, I want to refute two persistent myths that have grown up around the proposed legislation we are considering.

As concerns the first myth, I say most emphatically this is not a 5-cent postage bill. It is a 4-cent postage bill, with the provision that, for 3 years only—from July 1, 1958, to June 30, 1961—a nickel shall be charged for out-of-town letters only, and that the revenues from that extra penny of postage for such letters shall be placed in the Postal Modernization Fund and used exclusively to meet the extremely urgent emergency caused by our swiftly deteriorating postal facilities. This will provide a fund of $525 million.

I am firmly convinced that, unless inflationary forces prevail in our economy to a fantastic degree, the postal-modernization program proposed by President Eisenhower and made possible by the 3-year 5-cent rate on out-of-town letters, would create economies in the

handling of the mail so significant that on June 30, 1961, when all first-class postage rates will revert to 4 cents, it will still leave the Post Office Department capable of operating without a sizable deficit.

If we fail to meet this challenge courageously, we will create merely a temporary stopgap in the postal deficit problem. Our action would fall tragically short of a permanent solution. It would accomplish very little to improve the postal service, and it would not enable the Postmaster General to accomplish the economies in mail handling which could make continuing monstrous postal deficits—and perennial postage rate debates—as old-fashioned as the covered wagon or the pony express.

As a matter of fact, during the hearings before our committee in the last 2 weeks, we heard a statement from the Prentiss-Hall Corp., which had circularized its constituents, the people who buy their service. Prentiss-Hall stated that if Congress would vote $700 million for the modernization of the Post Office Department, it would not be necessary to increase the postal rates in any category.

I have been in Congress for some 24 years. I know that Congress will not vote $700 million for the modernization of the Post Office Department. If it did, I would be frank to admit that the modernization could be accomplished. But we are not going to do it; at least we have not done it. Congress has voted only $200 million in the past 10 years for the modernization of the Post Office Department. Therefore, I submitted a proposal to the committee, and it was approved by the committee, and it is before the Senate today.

I made the proposal for the very reason that while I was Governor of Kansas, buildings were needed for our State educational institutions, mental hospitals, and eleemosynary institutions. As the Governor of the State, I was instrumental in having the legislature enact millage taxes on real property in Kansas so as to establish a fund for the construction of those buildings. That happened 8 years ago. I invite Senators to go to Kansas today to see the new buildings which are being provided for our educational, mental, and eleemosynary institutions. Those buildings never would have been constructed on the basis of direct appropriations by the legislature.

That is why I conceived the idea of setting aside a fund of $175 million for each of 3 years, or $525 million for the 3-year period.

As to the second myth, the proposed increase in first-class postage rates cannot, by any stretch of the imagination, be correctly labeled as an attempt to place the burden of reducing the postal deficit and rehabilitating the service unfairly on the shoulders of the so-called little man.

We have heard much discussion about the little man and how the 5-cent letter postage would affect him. The exact opposite is the truth. This bill, in effect, protects the little man. The fact is that about 75 percent of all first-class mail is business mail. The Senator from Oklahoma [Mr. MONRONEY] said 80 percent. I agree with him.

But more than 50 percent of all income taxes, the source of the funds which pay the interest on the addition to the national debt caused by the postal deficit, are paid by private individuals. I might add that the 1955 figures from the United States Treasury show that 91 percent of all personal income taxes were paid by individuals with annual incomes of less than $8,000.

It is estimated that the bill would cost the average American family only $2.50 a year in additional postage. By contrast, the average American family's share of the tax burden created by the ever-mounting postal deficit is about $7.20 a year. That is something to which we should give consideration when we vote on this amendment this afternoon.

I suggest in all sincerity that the proposed postage rate increase would lift some of the financial burden off the shoulders of the sorely tried individual taxpayer and would place more of the burden on those who actually use the mails.

I know, Mr. President, that there are those who say we should attempt to repair the financial condition of the post office by concentrating our postage rate increases on the publishers and business users of third-class mail rather than on the first-class letterwriters.

That has already been brought out in the discussion by the distinguished Senator from Rhode Island [Mr. PASTORE] and other Senators. It is easy to say, "Let us put it on the second-class mail and the third-class mail."

To the Members of the Senate I say: Show how these rates can be increased sufficiently to produce any significant revenue without dealing a deathblow to a sizable and important segment of our economy.

If the increases in second- and third-class rates were voted to the extent that these classes of mail were reasonably close to self-sustaining, who would suffer the most? Not the publishing and direct mailing industries whom we hear so often attacked in these debates. They would have the resources at their command to weather the economic storm somehow, no matter how much of a battering they took. No, Mr. President; the principal sufferers of any unrealistically large increase in these rates would be the same little people whom we want to protect—the small publisher, who is just getting along and hoping to do better in the future; the small-business man, who cannot afford to buy space in the metropolitan daily papers, but who can prosper reasonably by making use of the service afforded by third-class mail; and finally, the consumer, who would pay higher prices for subscriptions and commodities.

We all know first-class mail is long overdue for an increase. It has not been raised since 1932. Since that time postal costs have increased 110 percent.

Because it is the preferred service—the expedited service—the service for which millions of dollars of equipment and facilities exist and which would not exist otherwise, first-class mail has always paid far more than the costs allocated to it.

From 1926 through 1941, for instance, first-class mail, on the average, paid 40.5 percent more than its cost. When, in 1932, the percentage dropped down to a point where first-class mail was paying only 12 percent more than its cost, an alarmed Congress raised first-class rates from 2 to 3 cents.

But since the end of World War II, skyrocketing costs and static rates have driven that percentage steadily down and down, until today, for the first time in history, first-class mail is failing to pay its own way.

It is not even breaking even; it is losing money.

Without including any cost for preferred service whatsoever, on a straight cost accounting basis first-class mail today is paying only 97 percent of its allocated costs.

The proposed legislation we are considering today will not only restore first-class mail to its rightful and historic place in the postal rate structure; it will also reduce the postal budget to manageable proportions; it will help to pay for a badly needed postal pay raise; and, above all, it will provide the means by which we can modernize the postal service and give the people of this country a finer postal service at less cost.

So much, Mr. President, for the myths surrounding this legislation. I shall now speak about solid facts—the need for new equipment and new postal facilities.

Here is the problem that faces the postal service—not simply the postal service in this administration, but in the administrations in the immediate past, and, unless we approve the proposed legislation before the Senate today, any administration in the future. I know personally, from 25 years of experience, that administrations in the future will face the same problem unless Congress takes action.

The average age of the average postal facility in the United States is somewhere near 50 years.

Postmaster General Summerfield has pointed out time after time that we cannot expect 20th century service from 19th century post offices and facilities.

That is not only true now; it is becoming more tragically true with the passing of each year.

Many, many of our postal facilities today not only are obsolete and incapable of being modernized, but are pitifully overcrowded. In this, the strongest and wealthiest country in the world, we still have some post offices where the mail must be stored—and even worked—outside, on the sidewalks, because there is no room inside the buildings.

The mail volume which our post offices must handle this fiscal year is estimated at 61 billion pieces—more than the mail of all the rest of the Free World put together. But the increase in mail volume for this year, over last year—just 1 year's increase—could run as high as 3 billion pieces. This increase of 1 year alone is equal to the entire mail volume of Holland, and is equal to one-third of the entire mail volume of France, and

to one-sixth of the entire mail volume of England.

The Bureau of the Census has estimated that, as the population increases and as the per capita use of the mails increases, the time will not be long in coming when the Post Office will not be able to recruit a sufficient work force to handle the volume of mail, unless we do something constructive about it now.

The Bureau of the Census has estimated that this chaotic condition could occur by 1990, and that unless we do something about it, the Post Office Department will not then be able to handle the mail.

From my own personal observations I feel that the point of no return would be reached far sooner than that. I personally and sincerely believe, Mr. President, that, considering the conditions under which our postal employees must work, there is cause for every American citizen to give thanks for the dedication and the ingenuity of every single one of our 500,000 postal employees—the postmasters, the supervisors, the carriers, the clerks, the PTS employees, the mail handlers, and all the rest.

Too many of our postal facilities all over the country were built as public monuments to whichever administration happened to be in power at the time, and only as an afterthought was any consideration given to the efficient handling and dispatch of the mails. These stately memorials to civic pride are usually multistoried affairs, with awkward and unnecessary steps leading up to the entrances. Their lobbies are antique, and are inadequate for the services of the public. In some post offices the working conditions would not be tolerated in the jute mill of a maximum-security penitentiary.

They are badly lighted, badly ventilated, and overcrowded. From an operational point of view, they have inadequate tailgate space for trucks, and inadequate parking space for both Government vehicles and the vehicles of the patrons. Such antique edifices as these —and they are all too typical—could not possibly house the modern conveyor systems and other equipment which could bring to the postal service a degree of automation and efficient and more economical handling of the mail. Too often they stand in exactly the wrong locality—right in the busiest section of the downtown area, so that trucks carrying the mails to and from the airports or railroad terminals must waste hours of precious time battling the modern monster of metropolitan life—downtown traffic.

On top of all this, these gloomy and inadequate civic temples are ridiculously expensive to operate.

I should like to cite some pertinent figures.

During the past few years, I have had the privilege of visiting many of the post offices. In view of the lighting facilities available in many of them, I am unable to understand how many of the employees can even handle the mail. Certainly modernization throughout the entire Department is greatly needed. If the Congress votes for the proposed 1-cent increase in the rate for 3 years, and if that increase is enacted into law, the Post Office Department estimates that the 12,000 new postal facilities which will be built by private capital under this program, will cost about one-third less than the cost if they were built under public works.

I do not believe that any Member of the Senate believes the Congress will vote the funds required for the building of 12,000 new post office facilities. In 1938, I was a Member of the House of Representatives. At that time the last postal construction funds were voted by the Congress. Not a new building for the Post Office Department has been constructed since then. As a matter of fact, as a matter of a minor political patronage, one new post office building used to be allowed each year in each Congressional District. But Congress stopped that in 1938, and it has not been done since then.

The annual costs on typical leased postal buildings are 80 cents a square foot, as compared with $1.30 a square foot a year on Government-owned buildings.

In addition, new, modern leased buildings, since they are designed specifically to handle the mail, and not as civic memorials, provide far more space per square foot of construction. Eighty to eighty-five percent of all space in the new leased buildings is usable, whereas only 55 to 60 percent of the space in the old Government-owned buildings is usable.

All this adds up to the fact that this program will enable the Post Office to give more service for less money, and it will give the Post Office more space for less money.

The Post Office Department under the administration of Postmaster General Summerfield has done remarkably well, with the limited means at its disposal to modernize facilities. But the means at the disposal of the Department have been so pitifully small that the administration has been limited to making improvements only where conditions were so bad that adequate service was impossible, where even reasonably modern working conditions were unobtainable, and where public opinion was becoming clamorous and indignant.

Here is the box score on the administration's postal building program to date:

Since January 1953, 2,000 new buildings, built to Department specifications by private capital and valued at $100 million have been leased.

But, Mr. President, this program, admirable as it is, is merely the equivalent of stamping out grass fires while an entire forest is being consumed by a raging holocaust. Furthermore, it is useless to have new buildings if new and modern automatic or electronic equipment is not installed in them.

The immediate need, as estimated by the Post Office Department, and which can be handled by the 3-year program through the postal modernization fund provided for in this bill, is for the rehabilitation, enlargement, and replacement of 2,500 Government-owned post office buildings and the replacement or remodeling of 12,000 leased buildings, and, of course, the installation of the all-important modern mail-handling equipment which is absolutely essential if the Post Office Department is to approach the attainment of its objective.

This can be done through the use of $175 million a year for the next 3 years, which equals the additional revenues provided by the extra penny to be charged on out-of-town letters, plus the expenditure of approximately $2 billion of private capital for the construction of new, adequate, modern facilities according to post office specifications.

Remember, Mr. President, this program will involve the expenditure of $4 of private capital for every $1 of Federal funds.

It is a program which—if we approve it—can be thrown into high gear within 60 days.

Mr. President, I have heard Senators say that they wish some public works could be inaugurated immediately in certain areas of the Nation. Here we have an opportunity to get public works under way in every State of the Union within 60 days, and the work will be done with private capital.

This program will result in greatly improved mail service.

It will provide permanent, productive income for each community involved.

It will provide modern, comfortable working conditions for thousands upon thousands of our loyal postal employees.

It will, in many cases, contribute to the welfare of our communities, since privately owned facilities will produce local taxes, whereas Government-owned facilities do not.

It will lower mail-handling costs and, eventually, will effect enormous post-office economies.

Mr. President, some will argue that this entire program should be paid for out of direct Congressional appropriations, thus adding to the already staggering national debt.

In answer to that, I should like to ask: If this were the case, where would the money be coming from, and who would provide such funds?

In the face of the unsettled international situation and the need for the strongest conceivable national defense, does anyone really believe that we can afford to add to the grotesque and rapidly growing postal deficit of today the $525 million of direct appropriations which this program would require?

Does anyone really believe that we, as a nation, should tolerate a postal deficit which would add almost $1 billion each year to the national debt—almost as much as the President is asking for his entire missile program for next year?

If the money were made available by direct appropriations, who would bear the brunt of the added imposition? We know who: the taxpayer. The little, individual, hard-working, sorely pressed taxpayer would bear the brunt, whether he used the mail constantly, occasionally, or not at all.

It is easy, but fallacious, to confuse the taxpayers with the actual users of

the mails. Mr. President, it is true that they are often the same individuals, since almost everyone pays Federal income taxes, and almost everyone uses the mail service at some time or other. But there is a very great difference in the amount of use of the mails by individuals. I stated earlier, and I repeat, that the average American family will pay only 20 cents a month in additional postage if the bill as recommended by the committee is enacted into law.

Mr. NEUBERGER. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am glad to yield.

Mr. NEUBERGER. I should like to compliment the Senator from Kansas on the speech he is making. It is a great pleasure to serve on the committee with the able Senator from Kansas, who has had such long experience with Post Office Department matters.

Inasmuch as the Senator from Kansas has said that the taxpayers of the country will be called upon to make up any Post Office deficit, be it large or be it small, I should like to ask him several questions.

I wonder whether he had an opportunity to notice the chart received from the Treasury Department, which I had included in the CONGRESSIONAL RECORD of yesterday, February 25. That chart shows that about 70 percent of the income taxes of the Nation are collected from taxpayers in the two lowest income-tax brackets, that is, those who make about $4,000 a year.

Is that not a demonstration that a very substantial segment of any postal deficit will be paid for by the working people and the small farmers of America, who largely comprise the lower-income-tax brackets?

Mr. CARLSON. That is a correct statement. I stated a short time ago that 91 percent of all the personal income taxes are paid by individuals who have annual incomes of less than $8,000. It is estimated that if the bill as reported by the committee should be enacted, it would result in direct mail cost to the average American family of only $2.50, but if we pay the losses out of the Treasury and do not pay off the deficit, it will cost each family $7.20.

Mr. NEUBERGER. The $7.20 will in no way be related to how greatly the family draws on the mail service, but will merely be collected from them, willy-nilly, without any relationship to what they receive in return. Is that correct?

Mr. CARLSON. That is correct.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from California.

Mr. KNOWLAND. I am sure the distinguished Senator from Kansas is familiar with the figures, I have before me, and I should like to have his permission to put into the RECORD a list of 34 countries which have postal rates for first class mail greater than five cents. Included in the list are both large and small countries. Austria has a rate of 5.8 cents. Canada has a rate of 5 cents. France has a rate of 5.7 cents. Greece has a rate of 6.5 cents. Israel has a rate of 5.6 cents. Sweden has a rate of 5.8 cents.

The rates are converted into cents from the foreign currency equivalents. The foreign money has been converted at the exchange rates shown in the table of equivalents published by the International Bureau of the Universal Postal Union. I think it might help if this list could go into the RECORD at this point.

Mr. CARLSON. I appreciate very much the observation of the Senator from California, and I trust the Senate will grant permission to have the list included in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Thirty-four countries having a domestic nonlocal letter rate of 5 cents or more for the 1st unit of weight

Country:	Rate (cents)
1. Albania	5.0
2. Austria	5.8
3. Belgium Congo	6.0
4. Belgium	5.0
5. Canada	5.0
6. Czechoslovakia	6.3
7. Dominican Republic	7.0
8. Ecuador	5.3
9. Eritrea	10.0
10. Ethiopia	6.0
11. Finland	10.9
12. France	5.7
13. French Cameroons	8.5
14. French Equatorial Africa	5.7
15. French Guiana	5.7
16. French Somaliland	7.0
17. French Togoland	8.5
18. French West Africa	8.6
19. Germany (East)	10.8
20. Greece	6.5
21. Guadeloupe	5.7
22. Iceland	10.7
23. Israel	5.6
24. Laos	5.7
25. Lebanon	5.7
26. Madagascar	6.8
27. Martinique	5.7
28. Morocco	5.8
29. Netherlands New Guinea	6.6
30. Reunion	5.7
31. Sweden	5.8
32. Tunis	5.8
33. Turkey	7.1
34. Uruguay	5.3

Foreign money converted at the exchange rates shown in the table of equivalents published by the International Bureau of the Universal Postal Union.

Mr. CARLSON. I think that is an important statement.

Mr. KNOWLAND. I thank the Senator.

Mr. CARLSON. I stated earlier there were 34 countries in which the rates were higher than our own. We have a very low rate.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from North Dakota.

Mr. LANGER. Is it not true that if the postal rate is increased, a utility corporation, for example, will simply pass the increased postal cost on to the consumer, and the people will have to pay the increased costs, anyway?

Mr. CARLSON. I have observed that when I get my bills from the utility companies they usually send them out on postal cards. They are very good businessmen. The cost of postage is a tax-deductible item.

Mr. LANGER. In other words, if merchants who handle goods are going to pay additional postage costs, they will add that additional cost to the cost of goods, will they not?

Mr. CARLSON. It is a deductible item in a utility company's cost of doing business, and that applies to any other corporation.

Mr. LANGER. And the additional cost of the postage wil be paid by the people.

Mr. CARLSON. But I do not think the cost will be distributed quite the same as it would be if the deficit were paid for by income taxes. I think the record definitely shows that it would cost the average citizen more if he paid for the deficit through income taxes than through postage.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. Is not the answer to the very valid point made by the Senator from North Dakota esentially this: One has some choice as to whether he wants to buy the goods and services of a corporation which is paying a higher postal rate. If one buys the goods or services he may then share in the increased postal rate which the company passes on; but, by contrast, if the United States Government merely continues to build up a huge post office deficit each year, one has to contribute to that deficit through his personal income tax and other Federal taxes, whether he wishes to do so or not. That cost is arbitrarily exacted from a citizen when he pays his taxes, and he has no discretion or choice in the matter. Is that correct?

Mr. CARLSON. I think the Senator is correct. One has a choice when he pays additional postal rates, whereas he has no choice if he pays through income taxes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from North Dakota.

Mr. LANGER. Using again the term used by the Senator from Oregon, if a farmer needs a pair of overalls or shoes, willy-nilly he has to have them, whatever the charge may be.

Mr. CARLSON. I will say overalls are a very important charge to the operations of a farm. I have used a good many of them myself.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Along the line of the colloquy engaged in by the Senator from North Dakota and the Senator from Kansas, I think the Senator from North Dakota has made a good point, and I should like to nail it down. The point is that when we add to the cost of postage the people have to pay the additional cost. We read in the newspapers that the cost of living has had its greatest increase in the past 18 months. The Senator from North Dakota has made

a good point. Of course, this cost will not be charged directly to postage users, but it will be charged to the people indirectly. The businesses will increase their charges. They will have to do it in order to stay in business.

Mr. CARLSON. I have never said the cost of postage is not a deductible item. It is a business expense, and will be charged to items of production. If we follow the argument the Senator has just made, we would reduce postal rates today.

Mr. PROXMIRE. I simply conclude by saying I support the statement made by the Senator from North Dakota, that we will not give the people a choice, that business will reflect the increased cost of postage in the prices of its goods which American citizens have to buy, such as clothing, food, and other essential items.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I do not desire to interrupt the Senator's statement further, but I should like to ask one additional question.

The point has been made on this side of the aisle that increasing postal rates is unwise at this time, because it will merely add to the cost of doing business, and that the added cost will be passed on to the consumer. Is it not true that Senators on this side of the aisle supported very substantial rate increases in the postal costs of second-class users and third-class users of the mail when that issue was before the committee a few days ago?

Mr. CARLSON. The Senator from Oregon is absolutely correct; not only that, but increases were proposed in second-, third-, and fourth-class rates.

Mr. NEUBERGER. Is it not true that the second-class, third-class, and fourth-class rate increases will likewise be passed on to the consumers, and therefore will contribute, as has been claimed on this side of the aisle, to increasing the cost of living? So if the point made on this side of the aisle is to be sustained, then my very able colleagues, to be consistent, should oppose increases for second-, third-, and fourth-class users of the mail, because otherwise they would be subjected to the same criticism that has been made as to first-class rates.

Mr. CARLSON. Mr. President, the fair, the equitable, the honest way to finance this desperately needed postal modernization program is by charging in strict proportion those who actually use the mails.

There is yet another advantage to the proposal to establish a postal modernization fund, as recommended by the committee. During the past several years, appropriations for the Post Office Department have included substantial sums for research and capital modernization.

For example, this year an amount of $74 million is included in the Department's budget. When we approve this modernization provision, such an appropriation will not be necessary for the next several years. That will amount to a savings in Federal expenditure of about $225 million during the next 3 years.

The sum appropriated for such purpose in 1957 was $43 million. In 1956 it was $23 million; in 1955 it was $28 million; in 1954, $22 million; in 1953, $16 million; in 1952, $24 million; in 1951, $21 million; in 1950, $14 million; and in 1949, $13 million.

The total amounts to $204 million over a period of 10 years.

I should like to add just one more point to my presentation of this argument, Mr. President. It is perhaps more general than some of the points I have made, but I feel it is nonetheless equally valid.

We have seen how our postal service today groans under a deficit unique in the free world—a $700 million deficit—simply because we are continuing to charge 1932 prices, while economic conditions compel the Department to pay 1958 costs.

We have seen how lack of funds has imposed on postal facilities a condition of dynamic obsolescence, a condition which could become chaotic unless drastic steps are taken today.

We have seen how this postal-rate bill, as amended and approved by the committee, will not only reduce that deficit and improve immeasurably the facilities in which our postal employees must work and move the mails, but will perform this important dual function through funds provided, not by the overburdened taxpayer, but by the persons who actually use the mails and make their livelihood through the mails, and that the funds will be provided by them in direct proportion to their use of the mail.

So, well and good, but there is one additional point, Mr. President, which I should like to have considered.

At this moment in our history the free half of the world looks to us with confidence as the strongest bulwark of liberty exemplifying the greatest spiritual and material progress on earth.

The other half of the world, the half which resides in those bleak compounds of slavery behind the Iron Curtain, is constantly attempting to tear that concept to shreds.

Our postal system, the greatest system of intimate communication ever devised by the mind of man, is one of the few truly significant symbols and manifestations of our kind of liberty, our kind of progress.

We have allowed this system of communications, which should be an inspiration to free men everywhere, to become somewhat more than shopworn. We have allowed it to drift aimlessly in the direction of a complete breakdown.

Today we have the golden opportunity to reverse this trend.

Today, if we approve this postal-rate bill as amended and reported out of committee, we can, together, make the greatest forward step of the century in postal progress.

By approving the 4-cent local and 5-cent out-of-town rate, with the provision that the 5-cent rate remain in effect for 3 years only, and that the revenues derived therefrom be placed in the postal modernization fund, we can make certain that the people of this country will have a postal service second to none in the world, one that is the envy of free men everywhere and the despair of totalitarian governments.

We can take the step today that will make permanent, constructive, postal history.

Mr. President, I hope with all my heart, that we have the courage and the vision to take that step.

Mr. President, earlier in the discussion this afternoon several Senators entered into a colloquy with the distinguished Senator from Rhode Island [Mr. PASTORE] with regard to what had been testified before our committee by the postmasters. I was present when the postmasters testified. They were very outstanding postmasters. Four were present. I believe their total combined years of service was 100, if I remember correctly, and they included such a distinguished postmaster as Roy North, of Washington, District of Columbia, though I do not presently remember the names of the others.

I have in my hand a telegram which I desire to read:

> In order to clarify the position of the National Association of Postmasters of the United States, representing over 91 percent of all postmasters in the Nation, please be advised that at the time our representatives testified before the Senate Post Office and Civil Service Committee on postal rates early this month, we had not been apprised of the new definition of "local letters" advanced by the Postmaster General.
>
> The new definition which would apply the local letter rate to urbanized areas in our opinion is practicable and workable. It represents a tremendous advance over the definition of "local matters" which existed from 1932 to 1944.
>
> The average citizen under the new definition in our opinion would have no difficulty whatever in determining what is and what is not local mail. Therefore the postmasters strongly endorse the proposed letter rate increase in H. R. 5836 which is 4 cents for local letters and 5 cents for nonlocal.
>
> CHARLES E. PUSKAR,
> *Executive Secretary-Treasurer, National Association of Postmasters of the United States.*

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. JOHNSTON of South Carolina. The Senator from Kansas will remember that the postmasters testified before the committee prior to the time their commander in chief, the Postmaster General, expressed himself in respect to the 5-cent rate. Is that a correct statement?

Mr. CARLSON. They testified before the Postmaster General testified.

Mr. JOHNSTON of South Carolina. The Senator will recall that the matter of the split rate came up, and each one of the postmasters who was asked about the question said the split rate would be very hard to handle.

Mr. CARLSON. The Senator is correct. I am one of the Senators who interrogated the postmasters on that very point, as can be found from an examination of the hearings of the committee.

Again I say, as I stated earlier, that under the new proposal in the bill, with administrative authority given to the Postmaster General, there should be no difficulty as to this problem.

Mr. President, I yield the floor.

Mr. CHURCH. Mr. President, I think I should speak briefly this afternoon in support of the amendment which the Senator from Oklahoma [Mr. MONRONEY] has offered, which I am privileged to cosponsor with him, to strike from the pending bill the provision for a nickel stamp.

I shall not speak from a prepared text, and I shall not speak at length, because I think the matter has been well debated thus far in the Chamber and because I have already expressed myself, perhaps too vehemently, late yesterday afternoon, in a discussion of this question, and my views were set forth at considerable length at that time.

I wish to say, Mr. President, that I think all of us recognize we must increase postage rates. The pending bill, entirely apart from the nickel stamp provision, will increase postal rates by a very large amount of money. We recognize we must increase postage rates, because if we are to be responsible we must reduce the huge Post Office Department deficit. We must make some accommodation for the pay raises which we are about to vote, in all probability, in this Chamber. Finally, I think all of us recognize the need for a modernization program in the Post Office Department.

The question, then, Mr. President, is not whether we shall increase postage rates. The question rather is how we can increase the rates in a way which will be most fair.

The PRESIDING OFFICER. There is an undercurrent of conversation in the Chamber. The Members of the Senate will cease conversing, or retire to the cloakrooms.

The Senator from Idaho may proceed.

Mr. CHURCH. It was with an obvious intent to face up to that question and find an answer to it that the Post Office and Civil Service Committee has for several years endeavored to formulate a postal policy.

I do not come to the Chamber this afternoon to question the postal policy which is contained in the bill. That represents the culmination of serious and studied effort of the Post Office and Civil Service Committee over a span of years. The purpose of that postal policy, simply stated, is to establish a yardstick by which we can determine how to ascertain what is the fair postage rate for each class of mail.

Mr. President, I know of no one who has spoken thus far—I know of no member of the committee—who has questioned the fact that the Post Office Department renders many services which are strictly public welfare services, quite unconnected with the interests of those who use the post office service. I know of no one who has disputed the contention that with respect to these public welfare services it is proper to look to the taxpayers at large rather than to those who buy the postage stamps.

If we can establish what is a fair measure of the public welfare service rendered each year by the Post Office Department, then we can make up the balance of the cost of operating the Post Office Department with postage rates, and then we can address ourselves to the question of how the postage rates should be allocated as among the various classes of mail.

Mr. President, I respectfully invite the attention of Senators to the fact that the bill contains such a postal policy. On page 31 of the committee print the statement is made by the committee, at line 13, as follows:

> There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount, which shall be deemed to be attributable to the public services enumerated under subsection (a) of this section, equal to 15 percent of the total estimated expenditures of the Post Office Department for such year.

In sum, Mr. President, the Committee on Post Office and Civil Service has determined that the public welfare services account for 15 percent of the total operating cost of the Post Office Department each year, and that with respect to these services it is equitable and fair the costs should be borne not by those who buy postage stamps but by the taxpayers at large.

Oddly enough, Mr. President, the bill we are considering today, which contains for the first time this very postal policy, also contains a schedule of postage rates which contradicts the policy.

It seems to me ironical, indeed, that after these several years of serious study the committee should formulate a postal policy and include it in this bill, and the Senate should solemnly endorse and approve it, and at the same time, adopt, within the framework of the same bill, a schedule of rates which is in clear conflict with the very policy which the Senate approves.

Let us examine the schedule of rates contained in the pending bill, in order that I may substantiate this point. If we consider all the rates in the bill, including the nickel stamp, we find that the bill would produce additional revenues which would result in a net surplus to the Post Office Department, over total adjusted costs for 1956, of approximately $150 million. In other words, if we subtract the total in column 6 in the committee report from column 5, the increased rates provided in the bill would produce a net operating surplus of approximately $150 million over the adjusted cost of handling this very mail, based upon the 1956 figures of the Department.

It is true that those figures do not reflect the increased pay which this body may very likely approve, so it would be unfair to examine these figures without taking into consideration such additional increase. But even if we include the committee's pay bill, we find that the rates contained in this schedule, and presently a part of the bill, would still come within $170 million of paying the entire cost of carrying the mails, after we had taken into consideration the increased pay.

I make this point because I wish to emphasize, so that all may understand, that we can strike the nickel stamp, and we can establish a 4-cent rate uniformly for first-class mail, and we can adopt the other substantial increases contained in this rate schedule, and we shall still raise enough additional money to bring the total revenues within the postal policy, as declared in the bill itself.

Indeed, we would bring those revenues up so much as to come well within the 15 percent which the committee has allocated to the taxpayers at large to account for the general public welfare services rendered by the Post Office Department. So the nickel stamp is not needed to implement the postal policy contained in the bill. As I say, that policy was reached only after long, reflective, and concentrated study over a period of several years by the Committee on Post Office and Civil Service.

With this in mind, it seems to me that what the Senate must do this afternoon is to ascertain what kind of rates would be fair for each class of mail. That is a difficult question, over which I must say the committee has struggled most conscientiously. When the Postmaster General first came before us he was using a bookkeeping system which had long been used by the Post Office Department and had long been the basis of analysis and appraisal by the Committee on Post Office and Civil Service. That was the system of allocated costs. Using that system, the Postmaster General testified that last year first-class mail, at current rates, paid for 97 percent of its way; that airmail, based upon current rates, paid 100 percent of its way; that second-class mail paid 21 percent of its way; and that third-class mail paid 54 percent of its way. Those were the figures we were first given when these proposals were made to us and the committee first undertook to study the House bill.

Frankly, those percentages did not make out a very convincing case for the nickel stamp. So very recently the Post Office Department has come forward with an entirely new set of figures, based upon an entirely new method of bookkeeping, a method which has sprung full blown, so to speak, from the brow of Zeus. Within a very few days we are asked to accept this new bookkeeping system and to base all our calculations and appraisals upon it.

I think it is well known to the Members of this body that we legislate under great difficulties. I think it is undisputed that we necessarily depend to a great degree upon information furnished us by the departments of Government downtown. I know that I cannot cope with the serious and intricate questions which arise when we try to find our way through the jungle of bookkeeping which necessarily exists in the Post Office Department. I must take what the Post Office Department tells me largely on faith. My staff is inadequate to cope with that kind of problem, and is largely concerned—and necessarily so—with the routine problems with which I must deal in serving my constituents.

So we legislate at a great disadvantage, particularly since the Federal Government has become so large, and the problems upon which we must pass have become so complex. We have an excellent example of this very thing in the

pending bill. An entirely new bookkeeping system is presented to us by the Post Office Department, and we must accept it largely on faith. We find, when we accept this new bookkeeping system, turning to page 4 of the committee report, that suddenly the Post Office Department is no longer operating second-class mail at a loss of $269 million a year, but rather, according to the new system, it is operating second-class mail at a loss of $102 million a year.

With respect to third-class mail, we find that the deficit has suddenly dropped from $234 million to $109 million. Most astonishing of all, we find that first-class mail, which, 2 or 3 weeks ago, we were told was being carried at a deficit of approximately $29 million, is now being carried at a deficit of more than 10 times that amount.

In that way the new figures, based upon the new bookkeeping system, conveniently justify the proposal being made by the Postmaster General.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. LONG. I regret that I have not had an opportunity to follow the subject as closely as I would like to follow it. At one time I served on the Committee on Post Office and Civil Service. At that time I believe the system used was the first system referred to by the Senator from Idaho. Am I to understand that the Postmaster General has now brought in a new measure or a new method of appraising costs, and that whereas his previous estimate, based upon the system which was used when I was a member of the committee, showed a loss of $29 million for first-class mail, he now says that he has started calculating the losses under a new system and that under that new system the loss is 10 times as great?

Mr. CHURCH. The Senator from Louisiana is correct.

Mr. LONG. Can the Senator tell me briefly by what standard the Postmaster General estimates the loss to be 10 times what he previously estimated it to be?

Mr. CHURCH. I can only say to the Senator from Louisiana that the purpose of the new bookkeeping system is to reflect the factors which relate to the preferential treatment that is given to first-class mail, with the objective of adding an additional increment of cost to first-class mail, and with the additional objective of deducting, owing to the deferred treatment given second- and third-class mail, an amount which is supposed to resemble a fair proportion that should be deducted from each of those classes.

That is the objective. Let me make it clear to my good and amiable friend from Louisiana that I do not object to the objective of the new bookkeeping system. I will agree that it might very well be an improvement over the old bookkeeping system. All I am saying is that we must take the figures on faith, and that the new figures are suddenly furnished to us right on the threshold of passing upon the pending legislation.

I make the point only because I believe it indicates the extent to which we must depend upon the executive branch of the Government in dealing with intricate schedules of figures. I believe that our only alternative and our only answer is to let the judgment of the heart and good common sense prevail wherever we can, and not read too much meaning into the figures which are supplied to us to justify a case the administration wants to make.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. CHURCH. I yield.

Mr. LONG. Then would it be fair to conclude from the Senator's argument that the figures could be juggled in a way to make the first-class loss even greater than the Postmaster General has estimated it, or, on the other hand, much less?

Mr. CHURCH. I may say to my friend from Louisiana that of course that could be done. I would prefer to believe, however, that the Postmaster General has acted in complete good faith and that he has made an honest effort to ascertain accurately the amount of money which ought to be added to first-class mail for the preferential treatment that is accorded it, and the amount which should be deducted from second- and third-class mail to account for the deferred treatment given those classes of mail.

The objection I have is that we ought not to put too much faith in these figures until we have had a fair opportunity to understand the new system and the ingredients contained in it. I believe it is inopportune to rely too heavily upon a new system of figures suddenly given to us, just at the time when we are asked to pass upon this important rate bill.

Mr. LONG. Mr. President, will the Senator yield for one further question?

Mr. CHURCH. I yield.

Mr. LONG. At the time the Postmaster General first testified before the committee, did he testify that the loss on first-class mail would be $29 million or $200 million?

Mr. CHURCH. At the time the Postmaster General first testified, he was using the bookkeeping system which is commonly referred to as the system of allocated costs. Based on that system, he testified that the first-class mail was paying 97 percent of its way and that airmail was paying 100 percent of its way.

Mr. LONG. How much did he say first-class mail was losing at that point?

Mr. CHURCH. Approximately $29 million, as I recall.

Mr. LONG. How much does he say first-class mail is losing now?

Mr. CHURCH. He stated, if I understand the Senator's question correctly, that last year, on the basis of allocated costs, first-class mail was losing approximately $29 million, and that it was paying approximately 97 percent of its way with a 3-cent stamp.

Mr. LONG. How much does he estimate the loss to be now?

Mr. CHURCH. On the basis of the new system of allocating costs, he says that the deficit for first-class mail is not $29 million but $329 million.

Mr. LONG. Can the Senator tell me what will be the difference in revenue between a 5-cent stamp and a 4-cent stamp?

Mr. CHURCH. The difference in revenue between a 5-cent stamp and a uniform 4-cent rate, according to the best figures that I can obtain, will be about $170 million.

Mr. LONG. How much would the 4-cent rate bring in additional revenue?

Mr. CHURCH. The 4-cent rate, if established uniformly, would bring in enough additional revenue to make up the entire amount the Postmaster General says first-class mail is losing, based on his new system of bookkeeping, and, in addition, turn in a net surplus of over $25 million.

Mr. LONG. How much money would that be?

Mr. CHURCH. That would be approximately $350 million. I should like to check that figure to be sure.

Mr. LONG. If I understand the Senator correctly, the Postmaster General first said that first-class mail was losing $29 million, and the committee then agreed to give him on first-class mail an extra $350 million; that then he returned to the committee with new figures, showing that the loss on the first-class mail is over $200 million no matter which figure is used; and that the committee is now proposing to give him a great deal more money than is necessary for first-class mail to pay its own way. Is that correct?

Mr. CHURCH. The Senator has stated it very clearly. We can take the new system and close our eyes to the fact that it was introduced only within the past few days, and measure the bill on the basis of the new system, and we still do not have placed before us a good case for the nickel stamp. I say that because even if we accept the Postmaster General's figures and even if we base those figures on his new method of apportioning costs, the 4-cent stamp is still sufficient to pay the entire cost of the first-class mail, giving it all the preferential treatment that it requires, and at the same time return a net surplus to the Post Office Department in excess of $25 million.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MORSE in the chair). Does the Senator from Idaho yield to the Senator from South Carolina?

Mr. CHURCH. I yield.

Mr. JOHNSTON of South Carolina. I hold in my hand table 100, entitled "Summary of Allocations of Revenues and Costs to Classes of Mail and Services, Fiscal Year 1956." The revenue figures are shown for 1956. They will be slightly higher this year and we hope they will certainly be higher next year and in the years to come. The 3-cent first-class postage rate brought in $1,013,678,916 in 1956. That is for first-class mail. In 1957 that figure will be larger, of course, and it will be still larger in 1958, I hope.

I believe it would be well if the entire table were placed in the RECORD. It shows the amount of money which has been collected for first-, second-, third-,

and fourth-class mail. I wonder whether the Senator from Idaho would care to put the table in the RECORD.

Mr. CHURCH. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 100.—*Summary of allocations of revenues and costs to classes of mail and services, with computations necessary to reflect factors not carried in Post Office Department accounts, fiscal year 1956*

Class of mail or service	Total revenues	Allocated budgetary expenditures	Nonbudgetary cost or revenue additions			Year-end excess (+) or deficiency (−) (cols. 1-2-3+4-5)	Estimated reallocation of costs for intangible factors [4]	Adjusted costs for revenue requirements	Deficiency in revenues [5]
			Costs paid by other Government agencies [1]	Public service revenue or cost factors (credit) [2]	Increased costs not wholly reflected [3]				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1st-class mail [6]	$1,013,678,916	$978,013,941	$55,797,003	----------	$9,732,696	−$29,864,726	+$316,305,667	$1,359,849,309	$346,170,393
Domestic airmail [7]	150,938,105	127,513,988	4,809,027	----------	799,183	+17,815,907	+32,392,951	165,515,149	14,577,044
2d-class mail [8]	65,890,784	318,412,212	17,051,219	$3,102,000	2,739,431	−269,210,078	−167,550,431	167,550,431	101,659,647
Controlled circulation publications	5,713,253	7,708,000	413,808	----------	67,794	−2,476,349	−2,047,401	6,142,201	428,948
3d-class mail	266,019,592	471,914,026	28,863,243	5,989,829	4,744,124	−233,511,972	−124,882,891	374,648,673	108,629,081
4th-class mail [9]	592,814,842	607,911,107	29,634,251	14,977,707	3,695,297	−33,448,106	----------	626,262,948	33,448,106
Total prepaid domestic mail	2,095,055,492	2,511,473,274	136,568,551	24,069,536	21,778,527	−550,695,324	+54,217,895	2,699,968,711	604,913,219
Government mail:									
Penalty mail, other departments	32,426,000	32,494,378	1,741,918	1,013,000	307,544	−1,104,840	----------	33,530,840	1,104,840
Registry service (free), other departments	----------	1,588,629	96,658	1,685,287	----------	----------	----------	----------	----------
Franked mail:									
Members of Congress	2,076,000	1,853,165	96,129	----------	17,900	+108,806	----------	1,967,194	(108,806)
Others	----------	91,482	4,748	96,230	----------	----------	----------	----------	----------
Total Government mail	34,502,000	36,027,654	1,939,453	2,794,517	325,444	−996,034	----------	35,498,034	996,034
Free for blind	----------	911,692	53,532	965,224	----------	----------	----------	----------	----------
Total domestic mail	2,129,557,492	2,548,412,620	138,561,536	27,829,277	22,103,971	−551,691,358	+54,217,895	2,735,466,745	605,909,253
International mail	85,494,375	80,999,427	2,611,485	1,143,000	422,208	+2,604,255	----------	82,890,120	(2,604,255)
Total all mails	2,215,051,867	2,629,412,047	141,173,021	28,972,277	22,526,179	−549,087,103	+54,217,895	2,818,356,865	603,304,998
Special services [9]	224,893,389	264,752,202	15,137,065	----------	2,915,965	−57,911,843	−57,911,843	224,893,389	----------
Unassignable revenues and costs	7,419,824	2,578,147	8,252	----------	3,591	+4,829,834	+4,829,834	7,419,824	----------
Total mails and special services	2,447,365,080	2,896,742,396	156,318,338	28,972,277	25,445,735	−602,169,112	+1,135,886	3,050,670,078	603,304,998
Nonpostal services [9]	1,623,010	16,197,152	841,964	14,294,817	14,597	−1,135,886	−1,135,886	1,623,010	----------
Grand total, all operations	2,448,988,090	2,912,939,548	157,160,302	43,267,094	25,460,332	−603,304,998	----------	3,052,293,088	603,304,998
Deductions:									
Indemnity claims	4,831,608	4,831,608	----------	----------	----------	----------	----------	----------	----------
Embossed envelopes purchased	8,519,953	8,519,953	----------	----------	----------	----------	----------	----------	----------
Losses and chargeoffs	61,427	61,427	----------	----------	----------	----------	----------	----------	----------
Reimbursements:									
Airmail transportation	13,709,940	13,709,940	----------	----------	----------	----------	----------	----------	----------
Nonpostal	2,181,833	2,181,833	----------	----------	----------	----------	----------	----------	----------
Money order items	329,665	329,665	----------	----------	----------	----------	----------	----------	----------
Net postal operations	2,419,353,664	2,883,305,122	----------	----------	----------	----------	----------	----------	----------

[1] Includes civil-service retirement costs for Post Office Department employees amounting to $125,260,302, computed at 6½ percent of applicable salaries. Effective July 13, 1957, the Department is required to reimburse the civil-service retirement fund for such costs. For details see table 90.

[2] Computed amounts of identified subsidies to specified classes of mail users and expenditures made for public service purposes, not reimbursed. For details see table 98.

[3] To place cost increases during fiscal year 1956, resulting from legislation and only partially reflected in the year, on a full annual basis. Adjustment does not include amounts that would be applicable to public-service items in col. 4. For details see table 90.

[4] Estimated reallocations of costs for intangible ratemaking factors are based on recovery currently of 50 percent of allocated and indirect costs assigned to 2d-class mail, and 75 percent of such costs for controlled circulation publications and 3d class. Reallocations for special services, unassignable items, and that portion of civil-service costs related to civil-service functions for the Post Office Department, are based on the assumption that all allocated and other Government-agency costs not recovered on these services as a whole will be borne by the mail services in applying this formula. Costs are discounted by public service revenue or cost credit amounts where applicable before application of this formula. The amount for reallocation to 1st-class and domestic airmail is assigned to those classes on the basis of all costs developed for 1st-class letters and cards and airmail letters and cards.

[5] This column shows the Department's computation of current revenue needs on the basis of the figures shown and conditions existing June 30, 1956. It does not include any amounts for (1) the Department's planned capital program for modernization of buildings and equipment, for (2) railroad rate increases, pending subsequent to July 3, 1957, for carrying the mails, or for (3) depreciation, currently estimated at $40,000,000 per year, on public buildings used in the postal service.

[6] Amounts shown include revenue from weight in excess of the 1st ounce on each piece, amounting to $141,449,444 on 1st-class letters. For detailed segregation of revenue and expenditures see table 99.

[7] Includes paid airmail to and from the Armed Forces overseas, and outlying possessions of the United States. Revenue from weight in excess of the 1st ounce on each piece on domestic airmail letters amounts to $16,191,545.

[8] For detailed segregation of revenues and expenditures see table 100-A.

[9] For detailed segregation of revenue and expenditures see table 100-B.

Mr. JOHNSTON of South Carolina. That is all I wanted to put in the RECORD at this time. The table speaks for itself with respect to the cost ascertainment feature.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MORTON. I am certain the Senator from Idaho does not wish to leave a misapprehension in the minds of Members of the Senate. There has been no change in the accounting or bookkeeping system at the Post Office Department. The cost ascertainment system is still in use, and it is the one that has been in use for many years. It is a highly controversial system.

Yesterday the Postmaster General, in a release at the Post Office Department, referred to the first-class mail losses as $29 million. He continues to use that cost ascertainment system. It remains in use.

Last August, before our committee, a presentation was made in which the Deputy Postmaster General pointed out the cost ascertainment system had been under attack by various users of the mail for many years; that it had withstood attack for ages; and had been supported by accountants. He pointed out:

> The important thing about cost ascertainment is that it does not, in itself, provide an automatic formula for fixing postal rates.

Then he added, for the information of the committee and Congress, the distribution of the costs. We keep many of our post offices open at night. We pay a 10-percent differential, and rightly so, to those who work at night. We do that because of the importance of the first-class mail. But it is agreed that under cost ascertainment second and third class also pay their share. That does not enter into the picture from a ratemaking standpoint.

I think we do not want to leave the impression that the Postmaster General has dug up some new system to justify the 5-cent first-class rate.

I do not wish to get into an argument with the Senator from Idaho about the 5-cent rate. He has his views; I have mine. But the cost ascertainment system, which has been in effect for years, is a guide. It is just the same as it has been. It has stood the test of time. It has been approved by accountants. I do not think the Postmaster General has tried to scrap it. His release of

yesterday shows that he is still using it in estimating the cost of first-class mail.

The figures which Mr. Stans gave at the request of the committee merely showed that cost ascertainment cannot be followed strictly in the fixing of rates.

Let us take a homely illustration. I do not know whether the costs of deriving skim milk and cream from the original sources of milk can be separated. It costs something to milk the cow; we know that. It costs the dairyman something to get the milk to market. Sooner or later the product is sold as butter, dried milk, skim milk, or cream. The price of each is not exactly the same per pound.

That is the problem which is confronted in the making of postal rates. What is called a new accounting system is not a new accounting system. It is the best interpretation which the career postal officers can give as to how to take into account the various services in arriving at the respective costs.

Mr. CHURCH. I thank the Senator from Kentucky. If the Postmaster General were asked to return to testify today on the basis of allocated costs or the cost ascertainment system, which was the basis for his first testimony, I have no doubt in the world that he would say, as the Senator from Kentucky has indicated, that on that basis the first-class mail last year paid 97 percent of its way; airmail paid 100 percent of its way; second class paid 21 percent of its way; and third class paid 54 percent of its way.

I am glad the Senator from Kentucky has pointed up this matter, because it is not my purpose to indicate in any way that the Postmaster General has been devious. My purpose simply is to show that rather than using the cost ascertainment system in the table which is contained in the report of the committee, we are using, in column 6, figures which are listed under the caption "Total Adjusted Cost, 1956," which departs from the cost ascertainment system, and which attempts to allocate to first-class mail the preferential treatment it receives and to charge it to first-class mail; and to attempt to allocate to second- and third-class mail the deferred treatment it receives, and to deduct an amount to account for that.

I am merely making the point that it is very difficult for us to deal with these figures when even the experts in the Post Office Department are not in entire agreement as to how the apportionments should be made. What I propose to do, if the Senator from Kentucky will allow me to do so, is to analyze the bill, not on the basis of the old cost ascertainment system, but on the basis of the adjusted cost figures, which I believe represent the fairest appraisal the Post Office Department can make of the present situation. That is my proposal this afternoon. I am certain the Senator from Kentucky will take no exception to it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MORTON. I certainly do not take exception to it. I am glad the Senator from Idaho has pointed out that column 6 is in the committe report. It means that the committee and its able staff have the means of best getting this complicated picture across. That certainly is evidenced by the public release yesterday, in which the Postmaster General pointed to the $29 million, not to some other figure.

It certainly is not the desire of the Postmaster General or the Post Office Department to be devious about this matter. I was simply afraid that from the colloquy between the Senator from Idaho and the Senator from Louisiana the impression might be left that this system was being used to cover up the situation. If there is any question about it, the duty rests with the committee to present the information.

Mr. CHURCH. I appreciate the comment made by the Senator from Kentucky. When I refer to the total adjusted costs, on pages 6 and 7 of the report, it may be a misnomer to refer to the system as a bookkeeping system, but my purpose is to appraise the bill in terms of the total adjusted cost as it appears in column 6, because I do not think a nickel stamp is justified, even when it is measured against the figures most comparable with the cost.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. YARBOROUGH. Bearing in mind that a 4-cent rate would produce more than $550 million of revenue, I desire to ask the Senator from Idaho, who has contributed so much to our information and enlightenment concerning all these postal matters, whether the 4-cent rate would not yield enough money to compensate for the pay increases proposed for the postal employees, to permit the Postmaster General to build the new post offices he plans to construct, and to provide the equipment for the mechanization of the postal system.

I ask the Senator from Idaho to bear in mind that the Postmaster General does not propose to buy any more post offices. He says that the present post offices are obsolescent or obsolete. He plans to turn them over to the General Services Administration for disposition, and he has maintained that it would be cheaper to have all the post office buildings privately owned. He would take the Post Office Department out of the post office building business. He plans to lease all new post-office buildings after they are constructed by private owners.

Considering all those factors, could not the Postmaster General achieve his new post office leasing plan, the mechanization of the operations within the Post Office Department, and the pay increases which the Committee on Post Office and Civil Service has proposed, all at the 4-cent rate?

Mr. CHURCH. If we adopt the rate increases contained in the bill for the different classes of mail, it will not be necessary to have the nickel rate to accomplish all three of these objectives. In addition, these objectives can be accomplished within the framework of the postal policy set forth in the bill.

Mr. YARBOROUGH. Under the 5-cent rate as proposed by the Postmaster General, if a person in my hometown of Chandler, on the Neches River, mailed a letter to another town of similar size, 9 miles away, at Brownsville, it would cost 5 cents. But if a person living in New York City mailed a letter 16 miles away within the city of New York, he would pay only 4 cents.

I ask the distinguished Senator whether he thinks the 5-cent rate fair for the small towns, and the 4-cent rate fair for the big cities. That is, in essence, the Postmaster General's proposal.

Mr. CHURCH. I thank my friend from Texas for pointing out this situation. One of the reasons why I oppose the 5-cent rate is that it seems to discriminate between those who live in urban areas and those who live in the countryside. It tends to discriminate against the farmers and those who live in the small communities of the country. They are the people who are hurt the worst today. They are the ones who need helpful attention, not the kind of discriminatory treatment which the 5-cent proposal of the administration will involve.

Mr. President, I shall conclude by saying that the Post Office Committee made a very sincere effort to increase the rates for each class of mail enough so that each class would bear its just burden. The figures which appear in column 6 are meant to reflect what the just burden for each class is.

If Senators will examine the bill, they will find that a 4-cent rate will increase the revenue from the first-class mail enough to pay for the entire cost of handling that mail, when all the factors of preferential treatment are taken into account, and still return to the Post Office Department a net of a little more than $25 million.

The rate on the second-class mail will be increased by the bill by substantially 10 percent for each of 3 years, insofar as editorial content is concerned; and by 20 percent for each of 3 years, insofar as advertising content is concerned. That will bring the revenue from the second-class mail to within $68 million of paying the cost of handling it, as determined under the new, adjusted-cost system.

Mr. CLARK. Mr. President, at this point will the Senator from Idaho yield briefly to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. CHURCH. I yield to my friend, the Senator from Pennsylvania.

Mr. CLARK. Can the Senator from Idaho state the figures for the second-class mail under the original cost-allocation system and also under what the Senator from Kentucky has pointed out is just another way of figuring the same thing, but getting a different result?

Mr. CHURCH. Under the original cost-ascertainment system the additional revenue which would be obtained by means of the bill would increase the burden carried by the users of the second-class mail from 21 percent to approximately 31 percent. Based on the new method of allocating costs, it would bring the second-class mail to within

$68 million of paying its own way. I do not have the percentage figure for that.

Mr. CLARK. Under the revised allocation system, are we doing better in covering the deficit resulting from the handling of second-class mail than we did under the old allocation system?

Mr. CHURCH. Yes; we are doing better.

I believe that the committee would have voted to increase the second-class rates even more, if it had not been for the general belief that they could not be increased 100 percent or 150 percent or 200 percent without causing a dislocation which would have a very adverse effect on business everywhere in the Nation, and perhaps would prove disastrous. But within that limit, the committee voted to increase the rates as much as possible.

Mr. CLARK. As to that, I do not think the Senator from Idaho can state, inasmuch as he was not a member of the House committee, why the Rhodes amendment was deleted from the bill.

Mr. CHURCH. I cannot answer as to that.

Mr. President, with these adjustments, the increased revenue which would be provided by the bill to the Post Office Department would be sufficient to enable the Department to carry the third-class mail at a net surplus of $23,400,000.

So, Mr. President, the proposed 5-cent rate is not related at all to the just burden which each class of mail should carry. In fact, the whole burden of the administration's case is that there should be a 5-cent rate for only one reason; namely, to modernize the Post Office Department. My objection to that is very, very plain: It seems to me to be manifestly unfair that the entire burden of modernizing the entire post-office system, much as it may be needed, should be placed on the shoulders of the letter writers of the country, rather than spread to all the users of the postal service.

So, Mr. President, I must oppose the bill in its present form.

I urge the Senate to adopt the pending amendment. In doing so, I believe that the public interest will best be served without imposing on the letter writers of the country an undue and unfair burden, which would be disproportionate to that borne by the other users of the postal service. The pending amendment, if adopted, will still result in an increase in revenues sufficient to reduce substantially the post-office deficit, to accommodate the higher pay which we believe is necessary, and to bring the total operations of the Post Office Department well within the framework of the very postal policy which is contained in the bill.

Mr. MORSE. Mr. President, will the Senator from Idaho yield to me?

Mr. CHURCH. I yield.

Mr. MORSE. I should like to associate myself with the position the Senator from Idaho has taken on this matter.

I particularly wish to stress the point he has made in regard to who is to pay the cost of modernizing the post office. In effect, the Senator from Idaho has pointed out that the bill calls upon the first-class letter writers to subsidize the rest of the taxpayers in this respect.

Mr. CHURCH. I thank the Senator from Oregon for his contribution, and I thank the Senate for its courteous attention.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I rise in support of the Monroney amendment.

I should like to state very briefly that it has been a great privilege and pleasure to serve on the committee. I have the greatest admiration for its chairman. I think the Republican members were certainly in good temper and performed very well under most difficult circumstances.

Mr. President, this is the hardest kind of bill for a committee to deal with, because it involves the interests of groups that are extremely affected by the bill. The very existence of some of the mail-order houses, for example, depends on the bill. Newspapers and other publications which are enormously influential are very greatly affected by the bill. So there has been a great deal of pressure.

The attitude and the discussion in the committee on the part of the Republican members, as well as on the part of the Democratic members, certainly, in my judgment, have been excellent. I wish to commend the chairman of the committee for the splendid way in which he has handled the bill.

The committee has arrived at a bill with which I happen to disagree as to important parts, but which I believe is responsible and sound in other parts.

In support of the Monroney amendment, let me say that the bill, as has been brought out so well by the distinguished Senator from Idaho [Mr. CHURCH], will load on the backs of those who use the first-class mail 38 percent more than the cost of handling that mail. The arguments in support of that—and I have been listening as patiently as I possibly could to them—are two: First, that that is the historic way, the way it has always been done; second, that that is the way it has been done in other countries.

Mr. President, I submit that those are no arguments at all. If the Congress of the United States were to adopt its postal policy or any other policy simply on the basis of what had been done before, that would be a great mistake, and would be reactionary; and no progress at all would be made, in my opinion.

For almost 2,000 years mankind was strapped by such a notion—in other words, the notion that if Aristotle did not think something a good idea, it could not be very good. It was not until the last several hundred years that civilized man opened his mind to new ideas and agreed to accept them if he found that they were fit and proper.

That is what the bill will do. It contains what I believe to be an excellent statement of policy. It contains provision for a change—I think we should admit that—in our policy toward the first-class mail, a change which will not result in loading onto the shoulders of those who use the first-class mail 38 percent or 48 percent more than the entire cost of transporting that mail.

Mr. President, I believe the Senate should reject the oppressive historical course, namely, to require that those who use the first-class mail shall pay for much more than the cost of carrying that part of the mail.

It has been argued that the proposed rate for first-class mail is justified because the first-class mail receives preferential treatment. Mr. President, it should not be a secret—certainly it is not to any member of the committee—that preferential treatment is also accorded the big users of the second-class mail, inasmuch as their mail receives first-class treatment, in terms of timing. That is true in the case of all the Luce publications, all the newspapers, and every kind of publication which contains anything like "hot" or perishable news. They receive exactly the same treatment first-class mail receives, but they are not charged 38 percent more than the cost of handling them. The distinguished Senator from Idaho has pointed out that, instead, they are charged much less than the cost of handling them.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. CLARK. That is what has been referred to as the "red tag treatment", is it not?

Mr. PROXMIRE. Exactly.

Mr. CLARK. If those in charge of a publication say to the postal authorities, "We want our publication handled like first-class mail, but we want to pay only the second-class mail rate," within reasonable limits that treatment is accorded. We do not know exactly what the standards are; but certainly there has not been any evidence to show that such requests have been rejected, has there?

Mr. PROXMIRE. That is correct, so long as they comply with the standard of so-called "hot news". The testimony was that is true so long as they contain some "hot news." I may point out that the magazine Confidential falls within that category. Confidential is considered to have "hot news", which is perishable. Confidential gets first-class treatment at second-class rates.

It is very interesting to note that when the committee questioned the Postmaster General about the possibility of a charge for such first-class treatment for the big publications, it was suggested that perhaps a 10-percent increase in the second-class cost would be enough. If 10 percent is the allowance that would be applied to first-class mail for preferential treatment, then one could justify not a 4-cent stamp, but something less, something between a 3- and a 4-cent stamp.

The Senator from Idaho has made the real case against the 5-cent stamp. This is a tax bill. Like any tax bill, it should be discussed very fully, on the basis of the facts and figures. That is exactly what the Senator from Idaho has done. He has shown convincingly, on the basis of policy established in this bill, there is no justification for a 5-cent stamp. The bill will raise substantially more

than is needed to carry the mails and provide the public service required at the present time.

On the basis of information I have received from responsible members of the Committee on Post Office and Civil Service and from the Post Office Department, without the bill the deficit will be $956 million. The amount raised by the bill will be $476 million. If the bill is passed, including the pay raise, which I fervently hope will be granted, the deficit will be $210 million.

The bill provides that 15 percent of the cost of the Post Office shall be allocated to public service. I have been informed that item for this year will be $324 million. That means the justifiable deficit for the Post Office Department would be almost $500 million.

If we include the cost of service, in terms of policy as expressed in the bill, there would be a surplus, as a result of using a 5-cent stamp, of about $288 million.

I do not think at this time the Senate, the Congress, or the Government want to load onto the backs of the mail users any greater rate than can be warranted on the basis of the facts. The facts as expressed in the bill are that a 5-cent stamp cannot be justified. We can barely justify an increase over a 3-cent stamp.

Let me mention, as quickly as I can, some of the points which I do not believe have been answered, as I have listened to the debate.

No. 1. The bill is going to hit the small-business man particularly. I have lived and worked and owned a business in a small town. Anyone in such a business knows that necessarily one has to mail very largely outside of town. The market is outside of town. The customers are located outside of town. The suppliers are located outside of town. If one were located in a large city like New York, Chicago, or Milwaukee, that would not be true. However, for small businesses located in small towns, such increases are going to hit the economy of the small towns, and they will be discriminated against as compared with their competitors located in the large cities.

In the second place, as the Senator from Rhode Island [Mr. PASTORE] expressed so colorfully and well, the consumer is going to be hit. He is going to be confused and hit in a discriminatory way. The person in a rural community who has to mail largely out of town is going to be discriminated against as compared with a person who lives in a large city.

In the third place, the bill hits the farmer, because the farmer is located in a rural community. If he communicates, he has to write to persons outside of his small village or area in which he is located.

Mr. President, to sum up, this tax, this rate increase, is regressive. It is regressive because it hits the little fellow, the fellow who is least able to pay.

I should like to point out something which has not been sufficiently called to our attention, and that is that the timing of the increase could not be worse. It is being proposed that the cost of postal service be increased by three-quarters of a billion dollars, at a time when there is a great unemployment, at a time when we have a business recession, and at a time and on the very day when the New York Times and other newspapers have reported that the cost of living last month increased by the greatest amount in the past 18 months and has reached a new high.

To sum up, we cannot justify the 5-cent increase on the basis of cost, which is the only kind of basis on which one can justify a tax bill. It cannot be justified on the basis of what it will do to first-class users of mail, because they already virtually carry their load, and, if they are compelled to use a 4-cent stamp, will carry more than their share of the cost.

Finally, Mr. President, as we vote on the bill I think we should be very mindful that we are imposing this cost on the American taxpayer, the American citizen, at a time when he can least bear it.

I think an increase to a 5-cent rate is a serious error. I think the distinguished Senator from Oklahoma [Mr. MONRONEY] is performing a very fine service by proposing his amendment, and I enthusiastically support it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MORTON. I may say that I shall make a statement on the relative merits of the 4-cent and 5-cent rates. The Senator has made his position clear both in committee and on the floor of the Senate. I should like to point out that the R. F. D. 4-cent rate applies if the R. F. D. in the post office in question involves a route of 30 miles, whether it be 15 miles in one direction and 15 miles on another route. If the service is out of the same post office, the 4-cent rate applies. I am sure the Senator from Wisconsin understands that, but I have pointed it out for the benefit of our colleagues who may be somewhat confused on that point.

Mr. PROXMIRE. I am delighted that the Senator from Kentucky has made that point. Such a rate will be beneficial to farmers who have a rural box around Chicago, New York, Madison, or such areas, but I should like to point out that, of course, the overwhelming majority of Americans do not have that kind of rural box situation. Their rural box is a village or very small town. Such a provision will not in any way help those who live outside the village or small town. They will be at a serious disadvantage as compared with those who do not live on farms, but live in the cities.

Mr. MORSE. Mr. President, before I make a brief speech summarizing my reasons for opposing a 5-cent postage rate, I wish to discuss a couple of extraneous matters for the RECORD.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

PRESIDENTIAL DISABILITY

Mr. MORSE. Mr. President, I hold in my hand a tear sheet from this afternoon's ticker, which reads in part:

President Eisenhower disclosed today that there is a clear understanding between him and his Cabinet and Vice President NIXON as to what should be done in case of the President's disability.

The President said NIXON knows exactly what to do in such a situation. He said the people around him are privy to his understanding with NIXON.

Eisenhower made the disclosure in response to a press conference question about disability legislation.

The ticker says also in part:

The President said that, as far as his administration is concerned, he has reached an understanding with his Cabinet and NIXON on the disability question. In his own case, he said, because there is such a degree of mutual confidence and even liking between himself and NIXON he thinks the Vice President knows exactly what he should do in case of Presidential disability.

I find that very interesting, Mr. President, but likewise disturbing. I suggest that there are some others in the United States who have a vital interest in the "understanding" between the President of the United States and the Vice President. The people of the Nation should be declared "in" on this tight little "understanding."

Congress, which has been asked to legislate on the subject, should also know what arrangements have been made.

The Constitution does not make the Office of the President of the United States the private preserve of the incumbent to dispose of as if it were a quail-hunting lodge. If the President feels he is not up to his job, he should publicly declare that fact and resign.

It is equally important that the people whose representative he is should not be in the dark as to what disposition is to be made of the highest office in the land. This is not a fit subject for any secret understandings. I regret to note that it is but further evidence of the conception of this administration that it is justified in adopting a policy of government by secrecy. I thnk that an end ought to be made, and made very quickly, to this kind of government by secrecy.

Mr. President, I have another matter which I desire to discuss before I refer to the postal rate issue.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

CHINS UP—EYES BACK

Mr. MORSE. Mr. President, while we continue to receive encouragement from the President of the United States on the state of the economy, this simulated enthusiasm—this inclination to smile our way through all problems—is not shared by certain presidents in other segments of our economy.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks a Washington Post item of Thursday, February 20, 1958, containing comments attributed to the President of the American Pulp & Paper Association at a recent luncheon of the Association of Pulp Consumers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAPER INDUSTRY CUTS PLANS FOR EXPANSION

NEW YORK, February 19.—The paper industry has canceled plans to add about 5 million tons of capacity during the past year and some other expansion has been stretched out, President David L. Luke of the American Paper and Pulp Association said today.

Luke declared, "Never before has such intelligent action been taken so promptly. It is real wisdom to anticipate difficulty and to begin corrective action even before the trouble arrives."

The paper and pulpboard manufacturers have an annual capacity of about 35 million tons. They have been running at around 85 percent, considerably below a year ago.

Luke, president of West Virginia Pulp & Paper Co., addressed a luncheon of the Association of Pulp Consumers at the annual APPA convention.

"I don't mean to imply the actions of the past year have put us on Easy Street. We still have a moderate surplus of capacity which will take our normal growth rate several years to soak up," he said.

Mr. MORSE. Mr. President, I might add that the individual quoted—Mr. Luke—is also the president of the West Virginia Pulp & Paper Co.

He is reported to have said that the pulp industry canceled—yes, canceled—plans to add 5 million tons of capacity last year.

Mr. Luke heralded this action by saying, "Never before has such intelligent action been taken so promptly. It is real wisdom to anticipate difficulty and to begin corrective action even before the trouble arrives."

The pulp industry is now running at 85 percent of the rate of 1 year ago. Just what does this mean? It means that big business—and the pulp industry is big business—has figured out this administration. It is coming to realize that the Republican Party does not intend to do anything about economic dislocation, and so the big business will have to do it itself. How does big business do it? It stops the expansion that is required to take care of our growing population. One thing I might be tempted to say for big business is that it anticipated the trouble we are now experiencing. But could it be that big business has brought on this recession by timidity—by a lack of confidence in the growth of America? With both eyes fixed on profits and with no regard for a full employment and growth, big business mirrors this big business administration and this administration mirrors big business.

What are the administration's solutions? Last year, about the time the President vetoed a pay raise for Federal employees, he exorted us to spend less and combat inflation. However, big business, with administered prices, kept pushing them up so as to maintain profits while employment dropped. As the income of wage earners slumped, purchasing power dropped even more. Production cutbacks accentuated unemployment and caused big business to push prices still higher and so a downward spiral was induced. I do not say this was purposefully induced, but it was induced by the antediluvian economic attitudes that so characterize those whose political thinking is typified by the symbol of the elephant.

How long will it take for this administration to realize that a growing population means an automatic increase in consumption? We need not cut back the installation of new production facilities and the production of goods. If we are to be governed by timidity and controlled by a lack of confidence in the growth of this Nation, are we again to go through the suffering that these same policies produced in 1929? When will the elephant learn?

Mr. President, I ask unanimous consent that an editorial from the Washington Post and Times Herald of February 24 be printed in the RECORD at the conclusion of my remarks upon this subject.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, the Washington Post editorial of February 24 shows the basis for my concern. Former President Hoover dealt in the same cruel platitudes this administration voices. He repeated in essence a speech he gave at the depth of the depression. We are told, "Chins up," "All will be well," "Don't worry." If I may borrow from a military phrase, we are told "Eyes front," but I think we should say "Eyes back." There is no room for doubt that we need dynamic leadership, not the thumb-twiddling and pious platitudes we are hearing. I say to my colleagues, to the American people, and to this administration, that we can look to history. We can look back, and we can learn. I do not say that this administration must adopt every program President Roosevelt did to combat the 1929 depression and the recession he fought in 1937. But we cannot solve these problems by just wringing our hands, as this administration is doing. I commend the majority leader [Mr. JOHNSON of Texas] for his program and for his wise judgment in preparing to meet the emergent problems with action. His attitude shows that he, like many other Democrats, has learned something from history.

EXHIBIT 1

THE BACKWARD LOOK

If slogans and good intentions were enough to bring the Nation through a time of trial, the record of Herbert Hoover as President of the United States during the depth of the great depression no doubt would be somewhat different. Mr. Hoover tried an interesting trick on Saturday by delivering at Valley Forge virtually the same speech he had made there 27 years ago. It was a speech replete with exhortations to the individual to be of strong character, to rely on his own initiative, and be suspicious of Government; and it was typical of the passiveness with which Mr. Hoover attempted to meet the problems of the depression.

Today the crisis is peculiarly one of national policy, both in the devising of means to combat the recession and assure expansion of the economy, and in the much broader challenge of competition with the Soviet Union. There are indeed the false panaceas of which Mr. Hoover speaks, but they are the notions that we can somehow get by on the cheap, without enormous national effort. Private initiative is as important as ever, but clearly it is no substitute for governmental decisions and impetus. Particularly in such fields as defense, economic planning, and the improvement of educational opportunities the leadership must come from Washington, despite Mr. Hoover's mistrust. Mr. Hoover has demonstrated the old maxim, in respect of his brand of Republicanism, that an elephant never forgets—but apparently he doesn't learn much either.

FIVE CENT POSTAGE STAMP AN UNCALLED-FOR SUBSIDY TO NEWSPAPERS AND MAGAZINES

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

Mr. MORSE. Mr. President, I turn to a brief summary of my position on the postal pay bill.

In these remarks I wish to summarize my position on the postal rate bill now pending before the Senate. This has become a highly controversial piece of legislation, because it affects every user of the mails, both private and commercial. In addition, the bill has become involved with the pay of postal workers, because many of them have been told by the leaders of their organizations that their pay raise must be tied to a postal rate increase if it is to be adopted at all.

Basic to this legislation is the nature of the postal service itself.

I have obtained from the Library of Congress a report on this very question of the history of the postal service. I asked for a study of the early years of the post office, to find out whether it was conceived as a service institution, like fire and police protection, or as a self-supporting and revenue-producing enterprise.

The Library reported to me that as established by the British king, the postal service was conceived as a revenue raiser.

When I say established by the British king, I am talking about the postal service which the British king established in the Colonies prior to the Revolution. The British king imposed upon the colonists a high-cost, revenue-producing postal system, and, as pointed out by the Library of Congress report on the history of the service, to which I have referred, it was exceedingly inefficient and poor service.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks the document which was prepared for me by the Library of Congress.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, the postal system which the British king imposed upon the colonists prior to the birth of this Nation was poor and the rates were very high.

So when the American Continental Congress established the Post Office Department in 1775, American sentiment rejected any suggestion that it be a

source of revenue to the Government. In the resolution establishing the system, it was stated: "If the necessary expense of this establishment should exceed the produce of it, the deficiency shall be made good by the United Colonies and paid to the Postmaster General by the Continental Congress."

That is not to say that the post office has always lost money, or that the service principle was always observed by Congress in fixing rates. Alexander Hamilton, for one, thought the postal service should be used to raise revenue.

But as time went on, the tendency was to place continually less emphasis upon revenue and more upon service. In 1865, for example, the post office spent $749,000 on mail routes from Kansas to California, which brought in revenue of only $24,000. The first letters sent to Alaska cost $450 apiece to deliver.

I should like also to stress the point that we can take judicial notice of the fact that when the postal service was first established in this country, our Constitutional Fathers had not the slightest conception of any such bulk of second-, third-, and fourth-class mail as now characterizes mail carriage in this country. When the postal service was first established, its predominant characteristic was first-class mail. The great increase in periodical and newspaper literature in commercial advertising, and other types of second-, third-, and fourth-class mail, represents a relatively recent development from the standpoint of the original purpose, intent, and objective of the postal system. I think we must bear that in mind as we come now to weigh the historical importance of the original intention and objectives of the founders of the postal system. When they talked about a postal system then, they were referring primarily to sending letters through the mail. The extent to which they sent printed materials through the mail, in the form of pamphlets, and so forth, was not significant. To be sure, there were pamphleteers in colonial times, and there were newspapers. But when we go to the Library of Congress and take a look at them, we see that many of them were single-sheet newspapers. Many of them consisted of only 2 or 3 very small sheets. They did not compare at all with the modern newspaper.

I ask Senators to bear that situation in mind as I discuss a certain amendment which I shall offer before I close. When we talk about the historical purpose of the post-office system and the intention of its founders, and the final preponderance of opinion in support of the post office as a service agency rather than as a revenue-raising agency, we need to bear in mind that the type of mail carried in the early days was quite different from the type of mail carried today.

Who can say what would have been the position of the Founding Fathers in regard to charges for second-, third-, and fourth-class mail of the type which goes through the post offices today? I do not purport to say. But as we read history, as, through the printed page, we become familiar, as one can through the study of history, with the attitudes and the views of historic leaders of the past, we can give our interpretation of their attitudes and their philosophy. In my judgment, if those who established our postal system had been told that post offices would be handling the type of second- and third-class mail they are now handling, which, as the record of the debate shows, pays, under the old system of allocating costs, about 20 percent of the cost of handling, they would have thrown up their hands in holy horror. There would have been no hesitancy on the part of the Founding Fathers to make second- and third-class mail pay much more toward the cost of their carriage even than has been provided in the committee bill which has been reported to the Senate.

That is my interpretation. Honest men may differ with me, but they should not try to differ with me until they have at least read the history of the postal service. We must bear in mind that the discussions with respect to charges which should be made in the postal service at the time of its foundation, and for a great many decades thereafter, assumed a post-office operation which was predominantly what we now call a first-class-mail operation, whereas today there is a tremendous load of second-, third-, and fourth-class mail.

At the same time that this conception of the post office as a service was growing, it had always been hoped that it could be self-supporting. In 1932, there was even a reversion back to the revenue-raising concept when first-class rates were raised from 2 to 3 cents. The result of raising the first-class rate from 2 to 3 cents was that, for a period of years, first-class mail more than paid its way. For the first few years after the increase from 2 to 3 cents, there was an income from first-class mail in excess of the cost of handling such mail.

I am one who believes that as costs of service rise, postal rates should be expected to rise, too. I shall vote for increases in postal rates on the basis of that principle. But the notion that the Department must be self-sustaining has little foundation in history.

I wish again to refer, for a moment, to the type of postal expenditure which one finds as he reads the accounts of the development of our postal system. Much of the money went for post roads. I point out that a considerable amount of the revenue in the early days of the postal service went to help build better so-called post roads. That function of Government has now been taken over by entirely different branches of the Federal Government—a recognition that the road service is primarily a public service, and should not, of course, be paid for on any such basis as some Senators in this debate would have us pay, for example, for post office buildings.

The report on the pending bill by the majority of the Senate Post Office and Civil Service Committee indicates that a new policy of allocating costs of postal service is established in the bill.

In brief, it finds that certain services and exemptions are desirable as being in the public interest; the costs for them are estimated at about 15 percent of the total expense of the Post Office Department and are to be covered by direct appropriation from the Treasury. Among the services designated as "public services" which shall be chargeable to the Treasury are the mailing privileges of Government agencies and Members of Congress, rural free delivery, reduced rates for nonprofit publications, reading matter for the blind, various losses on insured mail, special delivery, and others.

It is further stated, in effect, in the Senate committee version of this bill, that the mail service as a whole is not to be considered a public service but that first, second, third and fourth class taken together shall be expected to pay its cost.

In addition, it is assumed in this bill that handling first-class mail is the primary function of the postal service and therefore first-class mail should bear the entire basic cost of the Department.

In other words, when we come to figure out the cost of the services of the employees, the cost of the machines, the cost of the physical facilities, the cost of the trucks, the cost of the mailbags, and the cost of all the physical equipment, it should all be paid for, as the basic cost of operating the postal system, by the first-class-mail revenue.

Second and third classes of mail, consisting for the most part of magazines, newspapers, and circulars, would bear only the expense incurred by adding them to existing facilities already paid for by first-class mail under this new postal policy.

I deny that there is anything in the history of the postal service that would justify this theory as a basis for fixing postal rates.

This goes back to the discussion of a moment ago in which I pointed out that when the postal system was first established the Founding Fathers did not have the physical problem which is presented today by second- and third- and fourth-class mail. The amount of mail which can be characterized as second- and third-class mail under present standards would be a relatively small part of the total mail of that day; whereas today its volume is tremendous, as the size and number of the newspapers and magazines and advertising periodicals have increased over the years.

There is even less justification for charging first-class letter writers 5 cents for out-of-town letters when the 5th cent is to be used to modernize the entire postal service. That point was brought out very clearly by the Senator from Idaho [Mr. CHURCH]. At this time Life magazine, for example, is sent through the mail for $9.5 million less than the cost of handling it, each year. The 10 largest magazines, I am informed, are thus subsidized to the tune of $32 million a year.

Mr. President, I am always amused when I read editorials in these great periodicals such as Life, Time, Look, Newsweek, U. S. News and World Report, deploring the subsidy the American farmer receives, and beating the American farmer over the back and across the head because he is supposed to have his nose in the public trough for a subsidy, though he is supplying the

American people with sufficient food so that America can remain a surplus food nation, upon which is dependent in no small measure a continuing rise of our standard of civilization. I may say that no civilization ever rises on a break-even food supply.

Yet these magazines, which have their hand in the pockets of the taxpayers of the country to the tune of $32 million, have a great deal to say about agricultural subsidies. Some people talk about a double standard.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LANGER. I might add, as a member of the committee, that our committee heard testimony showing that the total amount of the subsidies for the magazines—all of them—which have this great privilege, is $68 million.

Mr. MORSE. My colleague from North Dakota tells me that the total figure is $68 million. I took the 10 largest, and the figure for those is $32 million.

Mr. President, it is my contention that the users of the first-class mail should not be called upon to pay a nickel for postage on a letter when these great subsidies are available to publications and to those who advertise in them.

The cost allocation for mail shows that first-class mail now pays about 97 or 98 percent of its cost of handling. There may be some difference in that regard by way of a percentage or two. I am not a member of the committee. I have found it very difficult, indeed, and perplexing to find out what the actual figures are. I do not blame the committee for that, because the fast footwork of the Postmaster General in regard to the various estimates which have come from his Department makes it rather difficult to settle on a definite figure.

I believe I am within the framework of accuracy when I say that the record in this case shows that first-class mail now pays somewhere between 97 percent and 98 percent of its cost of handling. Under the bill it would be paying about 140 percent, so that improvements benefiting all classes can be made, as the Postmaster General stated.

In the course of the debate there has been presented information which would cause me to believe—I may say to the members of the press gallery, who have a copy of my manuscript—that perhaps the figure should be 138 percent, instead of 140 percent, although the members of the committee told me that it would be within the bounds of accuracy to say 140 percent. However, I prefer to understate it; so I will change the figure in my manuscript from 140 percent to 138 percent.

That means that the bill is asking, in effect, the writers of first-class letters to pay 38 percent more for posting their letters than it actually costs to send their letters through the mail. The writers of the first-class letters are asked to pay that for the benefit of the country as a whole. I do not believe that is fair or just, and I can certainly not reconcile it with the historic purposes of the postal system.

Meanwhile, magazines and newspapers instead of paying about 20 percent of the cost of their handling, would be called upon to pay only about 30 percent.

Let us get these vital statistics clear for the record. The writer of a first-class letter would pay about 138 percent of the cost of sending his letter through the mail, whereas, under the rate increases proposed for second- and third-class mail the publishers of Life magazine, Time magazine, Look magazine, U. S. News & World Report, and the other big periodicals would pay 30 percent of the cost of sending their magazines through the mail.

Mr. President, I should like to have a jury of 12 men "good and true" on this issue. If a jury were to pass on the question we would very quickly get a clear understanding of the soundness of the unanimous-verdict principle of justice, because the jury would vote unanimously against it. Then the average citizen would understand that we cannot justify it on the ground of equity or fair play or sound economy.

I have raised my voice in this debate on this question. The opposition has been heard to ask, "Well, what do you propose to do about it?" I will do something about it, Mr. President. I will offer an amendment to eliminate it. First, however, I wish to make my case against it. It is an unsound policy. Many of the slick magazines contain high-priced advertising. What it amounts to, Mr. President, is that the writer of a first-class letter is not only subsidizing the magazines, but he is also subsidizing big business, to the extent that he subsidizes a part of the cost of the advertising, because if the postal rates were raised, the magazine advertisers would have to pay a little more. I believe they should. That is fair if we want to look at it from the standpoint of a tax formula. I will have something to say about it from that standpoint in a little while.

The bill would also raise rates for all classes, but would preserve what amounts to a subsidy paid by first-class mailers for commercial classes. I know the proponents can say, "We did not raise the postal rate only on first-class mail; we raised it on all classes." My question is, How much? How much is it proportionately? What will be its effect on the economy? Against whom does the bill discriminate by raising the rate? I repeat my charge that it discriminates most unfairly against the writers of first-class mail.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. Does the Senator from Oregon know that the State of Oregon pays $590,000 for stamps to send out automobile licenses, tax bills, and one thing or another, and that there will be an increase of 60 percent in this amount?

Mr. MORSE. Yes, I have been so advised by the officials of the State of Oregon.

Mr. JOHNSTON of South Carolina. There will be an increase whether the first-class postage rate becomes 4 cents or 5 cents.

Mr. MORSE. Yes; they are concerned about it, because they feel it is an unfair, undeserved increase in the cost to the State of sending out its first-class mail.

Representative GREEN, Representative PORTER, and I, in the 1956 campaign in Oregon, protested against substantial increases in the cost of first-class mail.

This is not a new position for the senior Senator from Oregon to take. I have opposed such an increase for years. I have opposed it since I first came to the Senate and was a member of the Committee on Post Office and Civil Service, one of my first committee assignments. This is a longtime position of mine. The people of Oregon have heard me discuss it on the stump up and down the State, from crossroads to crossroads.

The 5-cent stamp is in fact a sales tax imposed upon first-class letterwriters. It is a sales tax on those letterwriters imposed to raise revenue. It bears no relation to their ability to pay, as a good tax should, nor does it bear direct relation to the service they would be getting, because the other users of the mails would get the same improvements as a free ride.

Raising the price of first-class postage from 3 to 4 cents is enough, without raising it to 5 cents. Four cents is, I think, the maximum we should adopt. If it is necessary to vote for it in order to prevent a majority from voting for a 5-cent first-class stamp, I shall vote for it. I think it is the best adjustment, under the circumstances apparently prevailing in the Senate, that I can support. But let the record show that even a 4-cent stamp is a price boost of one-third in the cost of mailing a letter. Unless changes are made upward in second- and third-class mail, I do not think an increase even to 4 cents is justified. First-class mail would pay even more than its own way at 4 cents; let us not add insult to injury by requiring letter writers to subsidize magazines and advertisers even more than they do today.

With these principles in mind, I shall support rate increases for second, third, and parcel-post classes which can be shown to be in line with the rising cost of handling them. But I shall vigorously oppose a 5-cent rate, which is nothing but an extra tax on letter writers and is to be used for improvements that would be enjoyed by all users of the mail. I shall oppose the theory that rates must be high enough to cover all costs, because that is not the historic purpose of the postal service.

The second aspect of the issue I wish to discuss is the identification that, unfortunately, has been made of postal salaries and postal rates.

The wages paid to Government employees are determined according to service performed and the general scale of prices. They have nothing whatsoever to do with whether the agency they work for makes a profit. If they did, every man and woman in the Armed Forces could not be paid at all because what they do does not produce income for the Government.

Yet, for some reason, the idea is being promoted that postal salaries cannot and

should not be raised without an accompanying boost in rates.

I say to every postal employee in Oregon and to every wife of a postal employee in my State: You deserve a wage increase of at least 10 percent, retroactive to the President's veto of last fall.

I will let my record speak for itself as to whether over the years I have sought to be fair to the postal workers of the Nation in respect to their wages and salaries. But I call the attention of the leaders of the postal unions to the very elementary principle of wage-fixing laws when it comes either to collective bargaining, to mediation, or to arbitration; that is, that wages, as a matter of right, are not recognized by a mediator, a conciliator, or an arbitrator as being based upon the income of the employer. The principle is clear, as first enunciated in American arbitration law by the great Louis Brandeis, that in determining wages there is applied the criterion of what makes a wage of health and decency for the employees concerned under the economic conditions in which they live, and in relationship to the comparative wages for similar service rendered by others.

I have handed down in my professional work, scores of times, decisions which repudiated the proposition that the wages in a particular case should be based upon the capacity of the employer to pay. I have repudiated that principle, as it has been repudiated so consistently in American wage law, and have applied the principle that the wages of the employee, when it falls within the province of a third party, be it a court, an arbitrator, or, in this instance, Congress, should be determined not on the basis of the revenue received, but on the basis of what is a fair wage of health and decency which the employees should be allowed.

The officials of the postal unions are quite forgetting this great chapter in American labor law. They are going along with a hitching together of postal rates and postal wages. The argument for the postal rates in no small measure is based upon the fact that the Government cannot pay the wages for which the postal employees are asking unless the revenue of the Postal Department is increased. That is the old argument of financial capacity to pay. I am surprised and dumbfounded that the leaders of the postal unions should get caught in that kind of untenable position. They know I disagree with them and that I do not support them. I certainly do not support them.

I am satisfied that as time passes, and the rank-and-file of the postal employees come to understand what is involved in this measure, the union officials will be surprised to learn that, contrary to the nasty telegrams I have received, I have not lost as many votes, if anyone wishes to put it on a political basis, as they would like to imply by their threats.

I have never voted in the Senate on the basis of what the political consequences will be, and I shall not start with the postal workers of America. I shall continue to do everything I can to get a substantial increase in pay for the postal workers, because they are entitled to it. But I shall not agree to a bad public policy as a means of getting a good public policy. That is the worst kind of political, legislative expediency. If used, it would set a precedent of tying salaries to rates for all time, and could deny the postal workers deserved raises in the future.

The leaders of the postal unions say they already have a couple of precedents for their action. I say they had better get away from them. They had better not establish a third one, because if they go ahead and establish a third one as deep as this will be, by tying the two bills together, it will be a long time, in my judgment, before the postal wage increases will be separated from increases in postal rates.

Rates and salaries are separate issues, to be determined by separate standards. The employee representatives who are seeking to tie the pay raise to a 5-cent postage stamp, in the expectation that the President would be more inclined to sign such a bill, are making a grave mistake in judgment. Their pay raise has merit in itself; it stands on its own feet as being desirable. In my opinion, the 5-cent stamp does not.

It is my hope that we can arrive at a sound policy on both issues, considered separately. I believe we can, but only if they are considered separately.

EXHIBIT 1

POSTAL POLICY IN EARLY AMERICA

Whether the Post Office Department should be regarded essentially as a service institution or as a self-supporting enterprise is a question of basic policy that was debated even before the United States Government was created under the Constitution in 1789. Another policy alternative of considerable consequence during the early years of the Republic urged that the postal service be so conducted as to produce a revenue for the public treasury. Indeed, although the service versus self-supporting conceptions were argued, the greater controversy during this formative period seems to have been over whether the Post Office should be a service, preferably self-supporting, or a source of revenue.

Even in 1789 the elements of these questions had long antecedents. Some historical facts and perspective are, therefore, necessary before the issue can be discussed and appraised.

Some form of postal activity in this country dates back more than 300 years, to 1639, when the General Court of Massachusetts designated a tavern as an official repository for mail. The first regularly scheduled movement of mail was inaugurated in 1673, between Boston and New York, but it lasted only a few months.

By 1693 the Colonies had grown to the point where the British king, who, of course, had complete authority, believed that a postal system would be profitable. Such a system was established, and this time it endured. The British maintained their postal monopoly until July of 1775, when the Continental Congress passed a law which, for the first time, established an American postal service. For a few months it operated side by side with its British counterpart, but on Christmas Day, 1775, the English system ceased its operations forever.

The British postal organization in the American Colonies had as its primary purpose the production of revenue for the British crown. The service was poor; the rates were high; and, worst of all, the authorities were empowered to open any letter, thereby violating every concept of the privacy of the mail. All of these factors supplemented the other antagonisms that the colonists felt toward the British, and it is no exaggeration to say that the king's postal policies helped to bring on the Revolutionary War.

The revenue-raising philosophy of the English Government with regard to the mail had another profound and far-reaching effect upon the colonists. It predisposed them to think of their postal system in terms of a service rather than as a source of revenue. One writer on postal policy expressed this attitude as follows: [1]

"The policy is the thing. It is that which determines methods and results. The policy of postal profits for the king led to the downfall of the system and the establishment of an institution with an entirely different policy—that of service of the people. One thing was permanently settled by the record made under the original policy. Since Christmas Day, 1775 [the date the British postal system went out of business], American public sentiment had steadfastly rejected any suggestion that the post office should be a source of revenue to the Government, through profits from its operation."

Although this quotation might need some qualification, it would appear to be basically sound.

One of the first expressions of colonial thinking about postal policy is contained in a resolution passed in the spring of 1775 by the Continental Congress. This resolution to establish the postal system said, in part: [2]

"That the several deputies account quarterly with the general post office, and the Postmaster General annually to the Continental Treasurer, when he shall pay into the receipt of the said Treasurer the profits of the post office; and if the necessary expense of this establishment should exceed the produce of it, the deficiency shall be made good by the United Colonies, and paid to the Postmaster General by the Continental Congress."

The wording of this resolution would indicate that the revenue aspects were clearly subordinate to the service features of the post office.

A slightly different emphasis concerning postal policy is set forth in the Articles of Confederation, the document creating the Government which loosely united the Colonies, or States, between 1761 and 1789. Article IX of this document says, in part:

"The United States in Congress assembled shall * * * have the sole and exclusive right and power * * * of establishing and regulating post offices from one State to another, throughout all the United States, and exacting such postage on papers passing through the same as may be requisite to defray the expenses of the said office."

The idea here would seem to be that the Post Office Department ought to pay its own way.

The Constitution of the United States speaks only briefly of the postal system. In giving the Federal Government control of the mails, section 8 states simply: "The Congress shall have power * * * to establish post offices and post roads."

A proper policy for the new Post Office was considered by the Constitutional Convention in 1787. Two of the delegates, Charles Pinckney of South Carolina and William Paterson of New Jersey, suggested

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[1] Kelly, Clyde, United States Postal Policy, New York, D. Appleton & Co., 1931, p. 19.

[2] Rich, Wesley Everett. The History of the United States Post Office to the Year 1829. Cambridge, Harvard University Press, 1924. p. 48. Quoted.

revenue plans, but they were not accepted. In the words of one writer: [3]

"The Pinckney plan provided that Congress should have power to 'establish post offices and raise a revenue from them.' It received no serious consideration. On June 15, Mr. Patterson [Paterson], of New Jersey, a vigorous advocate of the smaller States, suggested a provision that Congress be empowered to raise 'revenues by a postage on all letters and packages passing through the general post office, to be applied to such Federal purposes as they shall deem proper and expedient.' This suggestion was decisively rejected as was also the theory behind it."

That great American political testament, the Federalist Papers, written to urge adoption of the new Constitution, refers only once to the proposed postal system. The importance of the system to the writer is indicated by the following passage: [4]

"The power of establishing post roads must, in every view, be a harmless power, and may, perhaps, by judicious management, become productive of great public conveniency. Nothing which tends to facilitate the intercourse between the States can be deemed unworthy of the public care."

The post office was originally placed in the Treasury Department, and this fact has been cited as indicating that it was intended to be a revenue-producing agency. It is true that the post office did not become a full-fledged executive department until 1872 but its position in the Treasury Department was regarded as both nominal and somewhat anamolous almost from the beginning of the United States, and the Postmaster General has been a member of the President's Cabinet since 1829.

There is some reason, however, to think that Alexander Hamilton, Washington's Secretary of the Treasury, regarded the post office as a revenue agency, at least to the extent that its excess revenue be used to pay off the domestic debt.[5] It is interesting also to note that Thomas Jefferson may have been for a time uncertain about the basic postal policy in 1792, but the following passage would indicate that his doubts were resolved by the postal act of that year (1 Stat. 232): [6]

"I had hitherto never spoken to him [Washington] on the subject of the post office not knowing whether it was considered as a revenue law, or a law for the general accommodation of the citizens; * * * the law just passed seemed to have removed all doubt by declaring that the whole profits of the office should be applied to extending the posts, and that even the past profits should be refunded by the Treasury for the same purpose."

Other significant postal legislation was enacted at brief and fairly regular intervals for the next few years. Its general tendency seemed to place progressively less emphasis upon revenue, and progressively more emphasis upon service. For example, an act of 1794 (1 Stat. 354) partially tied the movement of the mail to the condition that "the expense thereof shall not exceed the revenue arising." A more liberal policy was set in 1797 (1 Stat. 509) when it was decided to sustain a losing route except one "which shall not, after the second year from its establishment, have produced one-third of the expense of carrying mail on the same."

In 1799 Congress enacted a law (1 Stat. 7733) providing for payment of the expenses of the General Post Office in Washington from the Treasury rather than from postal receipts. Other liberalizing laws, making more and more generous the subsidies to losing mail routes, were passed in 1814 and 1825.

The problem of postal policy during the whole period of the development of the United States has been summarized by Dr. Wesley E. Rich as follows: [7]

"The first years after the adoption of the Constitution were taken up with experiments and with the adjustment of many problems as to the organization and policy of the [post] office. * * * Two policies appeared quite clearly in those early days. On the one hand the fiscal tradition of the post as a source of revenue still prevailed, and on the other the idea of rapid extension of service to the public was also in men's minds. The results of the conflict between these two ideas may be seen in the discussions and laws of the time. * * * As time passed * * * the policy of service came to be dominant over the desire for revenue. It is difficult to say just when the balance shifted, but the change can be traced in a long series of laws. Especially after 1820, its results can be seen in the rapid expansion of post roads, the decline in net revenue, and the changed attitude of the Treasury officials toward postal receipts."

This summary appears to be in accord with the views of President James Monroe, who said in a message to Congress in 1822 that the Constitution gives the Government the authority to make the post office "as useful as possible. Post offices were made for the country and not the country for them. They are the offspring of improvement." [8]

Of the various conflicting conceptions of what postal policy should be in the newly created United States of America, the most persistent and recurring theme seems to be the idea of service. Closely allied to the basic policy of service is the hope, or the desire, or the intention, or perhaps some combination of all three of these factors, that this service be self-supporting. The more extreme positions, that the post office operate as a matter of policy with a deficit to be made up from the Treasury, or that it operate only under a policy that would result in a profit, seem to have received far less extensive discussion or consideration.

In conclusion, a portion of the thoughtful analysis by Dr. Rich might be both appropriate and informative: [9]

"In summing up the development of the post office in the first 40 years after the adoption of the Constitution, it may be said that during this period there grew up a policy which came to be accepted as the traditional American policy for the office. The aim was service rather than revenue, and to this end the receipts were put back into the extension of roads to all parts of the country. For the period when the country was young and rapidly growing, the policy was undoubtedly of immense value to the Nation. Above all, it serves to emphasize the fact, often neglected in discussion concerning the post office, that this important activity of Government is more than a mere fiscal device, or even a vast industrial enterprise. It is a social force of great magnitude."

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks—without taking the time to read it to the Senate—the answer of the Association of First Class Mailers to the press release of yesterday by Mr. Summerfield, in which Mr. Summerfield attempted to reply to the association's advertisement under date of February 25.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FIRST CLASS MAILERS REPLY TO SUMMERFIELD

The Association of First Class Mailers today issued the following statement in reply to Postmaster General Summerfield's attack on the association's advertisement in the February 25 Washington Post headed, "The Wooden Nickel Comes Back":

"Mr. Summerfield's attack is totally unwarranted. Since he chooses to resort to name-calling, it remains for us to keep presenting the facts to the American people. The facts are these:

"The Postmaster General put out an annual cost ascertainment report. The latest available is for fiscal 1956. Chart 7 of this report, headed 'Allocated Postal Revenues and Expenditures, Classes of Mail and Special Services,' page 82, plainly shows that first-class mail revenues were $1,013.7 million and expenditures $978 million. Simple subtraction shows this to represent a $35.7 million excess of revenue over expenditures.

"It is not until 29 pages later (p. 111) that Mr. Summerfield produces certain so-called nonbudgetary cost additions in an attempt to show that first-class mail had a year-end deficiency of $29.8 million. Even under this device his figures show that first-class letter mail, which produces 93 percent of the revenue for the whole class, had an excess of revenue of $2.8 million.

"Further to make his tenuous case, Mr. Summerfield saddles first class with an additional $316 million as estimated reallocation of costs for intangible factors. In all the history of Cost Ascertainment by Postmasters General, no such figure was ever entered into the records by any previous Postmaster General, including Mr. Donaldson, who was a career official and accordingly should have known every valid mathematical fact about the Post Office.

"We are confident the American people consider this intangible factor too thin a pretext for imposing a heavy stamp tax on their letters.

"The Postmaster General makes it plain that 75 percent of first-class mail is used by business. The following facts must be obvious: (1) Business will find ways of decreasing its use of first-class mail. When the 1-cent post card was increased to 2 cents, its use was decreased considerably. (2) Approximately 50 percent of the return from higher rates will come from the Treasury Department because of decreased profits. At a time when tax decreases are being debated it seems highly unsuitable to put a stamp tax on businesses' most important arm of communication."

Mr. MORSE. Mr. President, on behalf of myself, the Senator from Texas [Mr. YARBOROUGH] and the Senator from Wisconsin [Mr. PROXMIRE], I submit an amendment which I ask to be printed and lie on the table, to receive due consideration at the appropriate time from the parliamentary point of view.

The PRESIDING OFFICER (Mr. FREAR in the chair). The amendment will be received and printed, and will lie on the table.

Mr. MORSE. Mr. President, this amendment will enable the servicemen stationed overseas to send and receive letters free of postage. Mail addressed to APO and FPO numbers would go free. Rates for packages would be kept at existing levels, under this amendment.

During periods of war we have authorized the men and women in service to mail letters for nothing. I think it is appropriate to establish that practice

[3] Kelly, p. 35.
[4] Madison, James. The Federalist Papers, No. 42, 1788.
[5] Rich, op. cit., p. 148.
[6] Ibid., p. 113. Quoted.
[7] Ibid., p. 164.
[8] Ibid.
[9] Rich, op. cit., p. 169.

as one of the public services described in the policy declaration of this bill.

This afternoon I have discussed those public services. This is one of the public services which in my judgment is encompassed by the postal service, in view of its purpose and intent.

Under my amendment, the service would be extended to include mail received by servicemen from their friends and relatives. It would also expand the service, so that the rates for sending and receiving packages to and from Army and fleet post offices would not be raised above current rates.

Mr. President, I wish to point out that an overwhelming number of these people are serving overseas, in the uniform of their country, under the Selective Service Act. We have sent them there. So I believe they should at least be able to write letters back home and receive free postal service in that connection, and I believe that their friends and relatives should be able to write to them and not have to pay even the 4-cent rate, to say nothing of the 5-cent rate.

I should also like to point out that my amendment is quite consistent, I believe, with the historic purposes of the postal system.

Mr. President, I ask that the amendment be printed at this point in the RECORD.

There being no objection, the amendment submitted by Mr. MORSE, on behalf of himself, Mr. YARBOROUGH, and Mr. PROXMIRE, was ordered to be printed in the RECORD, as follows:

On page 43, between lines 2 and 3, insert a new section as follows:

"MAIL TO AND FROM ARMY AND FLEET POST OFFICES

"SEC. 206. (a) Any first-class letter-mail matter admissible to the mails as ordinary mail matter which is sent by or to any person having an Army post office or fleet post office address shall be transmitted in the mails free of postage, subject to such regulations as the Postmaster General may prescribe.

"(b) Any airmail and any package subject to third- or fourth-class rates which is sent to or by any person having an Army post office or fleet post office address shall be transmitted in the mails at the rates applicable thereto on the date of enactment of this act, subject to such regulations as the Postmaster General may prescribe."

Mr. MORSE. Mr. President, I now submit, and send to the desk, another amendment, which I ask to have printed and to lie on the table. The amendment is as follows:

On page 35, in the table appearing after line 18, strike out the matter following the words "Advertising portion:" and insert in lieu thereof the following:

"1st and 2d zones	2.7	3.5	4.3
3d zone	3.6	4.7	5.7
4th zone	5.5	7.0	8.6
5th zone	7.3	9.4	11.4
6th zone	9.1	11.7	14.3
7th zone	10.9	14.0	17.2
8th zone	12.7	16.4	20.0"

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MORSE. Mr. President, this amendment would raise rates for advertising matter by 40 percent of current rates the first year, 40 percent the second year, and 40 percent the third year. This would replace the three 20-percent increases provided in the committee bill. By the end of the third year, under my amendment, the rates for advertising matter sent second class would be about 120 percent what they are now. Under the committee bill, they would be only about 60 percent higher at the end of the third year.

My amendment would not change the committee proposal for the rates on nonadvertising matter.

Judging from the chart placed in the RECORD on yesterday, second-class mail pays about 20 percent of the cost allocated to it. Under the committee amendment, it would still pay only about 30 percent, although it is proposed that the first-class mail users pay between 138 and 140 percent of the cost of sending their letters. Even if my amendment is adopted, the second-class mail would still pay less than half the cost allocated to it.

This amendment does not provide for a sliding scale based on the income of the publisher, as in the case of the Clark-Proxmire amendment.

It is simply my feeling that the rates for second-class mail should be doubled, based on their present low rates; and that is exactly what my amendment would do.

Mr. President, in my opinion, this problem becomes one of adopting a rule which will meet generally the very common and commonly accepted criterion of reasonableness. I would have the Senate approach the matter from the standpoint of that criterion. I take the position that sending second-class matter through the mail, but charging only 20 percent or 30 percent of the cost of carrying it, is unreasonable and unfair to the taxpayers of the country, and is wrong and unjust.

Mr. President, what would be fair? Honest and reasonable men may differ as to that, of course. I believe that double the committee proposal would be about right, at least for the time being. That would be fair, reasonable, and equitable, in my judgment. So that is what I propose by means of the amendment—namely, to raise by 120 percent after 3 years the rate now charged by the Post Office Department for carrying the second-class mail. When that is done, as I have just said, those who send such mail will still pay only about one-half of the actual cost of carrying it.

I repeat that I believe the postal service today is a great educational institution. It is one of the great strengths of our democracy, when it comes to the matter of keeping the people enlightened. I want the newspapers, the magazines, and the other sources of information which are carried through the mail to reach the American people at reasonable cost. But I believe it is quite different to let those who send such mail do so—particularly when they make great commercial profits from it—at only 20 or 30 percent of the cost of carrying it.

If we let that mail be carried by the Post Office Department at a cost of approximately one-half of what it costs the taxpayers of the country, I believe we shall be very fair, very reasonable, and very equitable.

In my opinion, we shall then be striking a fairly good balance as between the desirability and the importance of having information circulated to the people who live in a democracy—for which all the taxpayers should pay approximately 50 percent—and the requirement that those who receive the information likewise pay about 50 percent of the cost. That makes a great deal of commonsense. So I offer it in the form of my amendment.

Mr. President, before I yield the floor, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received today from Mr. J. Tracy Barton, of The Dalles, Oreg.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

THE DALLES, OREG.,
February 26, 1958.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Hurray for your stand on the postal bill. You are a Senator who votes in Washington as you talk at home.

J. TRACY BARTON.

Mr. MORSE. Mr. President, I yield the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. The pending amendment is the amendment proposed by the Senator from Idaho [Mr. CHURCH], the Senator from Wisconsin [Mr. PROXMIRE], and myself; and those who desire to vote for a 4-cent rather than a 5-cent postage stamp, will vote "yea." Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCNAMARA (when his name was called). I vote "present."

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. Mr. President, I announce that the Senator from New Mexico [Mr. ANDERSON] is absent from

the Senate today because of illness. The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business. If present and voting, the Senator from New Mexico [Mr. CHAVEZ] would have voted yea.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Nebraska [Mr. CURTIS] are paired. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Nebraska would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Nebraska [Mr. CURTIS] is absent on official business.

The Senator from Nebraska [Mr. CURTIS] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 42, nays 49, as follows:

YEAS—42

Bible	Humphrey	Monroney
Carroll	Jackson	Morse
Church	Johnson, Tex.	Murray
Clark	Johnston, S. C.	Pastore
Douglas	Kefauver	Proxmire
Eastland	Kennedy	Robertson
Ellender	Kerr	Russell
Ervin	Langer	Smathers
Frear	Lausche	Sparkman
Gore	Long	Stennis
Green	Magnuson	Symington
Hennings	Malone	Talmadge
Hill	Mansfield	Thurmond
Holland	McClellan	Yarborough

NAYS—49

Aiken	Dworshak	Neuberger
Allott	Flanders	Payne
Barrett	Fulbright	Potter
Beall	Goldwater	Purtell
Bennett	Hayden	Revercomb
Bricker	Hickenlooper	Saltonstall
Bridges	Hoblitzell	Schoeppel
Bush	Hruska	Scott
Butler	Ives	Smith, Maine
Byrd	Javits	Smith, N. J.
Capehart	Jenner	Thye
Carlson	Knowland	Watkins
Case, N. J.	Kuchel	Wiley
Case, S. Dak.	Martin, Iowa	Williams
Cooper	Martin, Pa.	Young
Cotton	Morton	
Dirksen	Mundt	

ANSWERED "PRESENT"—1

McNamara

NOT VOTING—4

Anderson	Curtis	O'Mahoney
Chavez		

So the amendment offered by Mr. MONRONEY for himself and other Senators was rejected.

Mr. CARLSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Kansas.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Texas obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Massachusetts.

Mr. SALTONSTALL. Is it proper to offer an amendment at this time?

Mr. JOHNSON of Texas. Certainly. I yield so that the Senator may be recognized for that purpose.

Mr. SALTONSTALL. Mr. President, in my name and for Senators BRIDGES, BRICKER, SMATHERS, COOPER, PURTELL, MORTON, JENNER, and MAGNUSON, I offer an amendment to the bill presently under consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts for himself and other Senators will be stated.

The LEGISLATIVE CLERK. On page 42, it is proposed to strike out lines 11 through 23 and insert the following:

(c) (1) The first section of the act entitled "An act to readjust the size and weight limitations on fourth-class (parcel post) mail," approved October 24, 1951 (65 Stat. 610; 39 U. S. C. 240a), is amended by striking out the words "over eight ounces" each place they appear therein and inserting in lieu thereof the words "sixteen ounces or over."

On page 42, line 24, strike out "(3)" and insert "(2)."

On page 47, strike out lines 11 and 12 and insert in lieu thereof the following:

(e) Section 205 (c) of this title shall become effective on July 1, 1958.

Mr. JOHNSTON of South Carolina. Mr. President, as chairman of the committee, I accept that amendment.

Mr. NEUBERGER. Mr. President, may I ask the distinguished chairman of the committee: What does the amendment do?

Mr. JOHNSTON of South Carolina. It does not do a thing but strike out the weights and measures. It is an amendment of Public Law 199. We will have hearings on the weights and measures, so everyone who desires can be heard.

Mr. NEUBERGER. In other words, the changes made in the pending bill regarding weights and measures of parcel-post packages are eliminated?

Mr. JOHNSTON of South Carolina. We will strike that portion out. So far as I am concerned, as chairman of the committee, I wish to have that done.

Mr. MONRONEY. Mr. President, I should like to announce that as the ranking Democrat on the committee I concur with the chairman. I have talked to most of the committee members on our side and they also favor striking that matter from the provisions of the bill.

Mr. NEUBERGER. I concur in the decision of the chairman of the committee, and of the ranking Democratic member of the committee, to eliminate that section of this bill which revises existing provisions dealing with postal weights and measures.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I should like to ask the author of the amendment whether the amendment relates to fourth-class parcel-post mail.

Mr. SALTONSTALL. My answer to that question is "Yes." This amendment would leave the law with relation to the limitations on weight and size of parcel-post packages as it now stands. That would leave the question of such limitations open for determination at a later date, if the question is raised in connection with a bill dealing with that subject. It is not a proper subject for a bill dealing with postal rates.

I am glad the chairman of the committee has accepted the amendment.

I ask unanimous consent to have printed in the RECORD a very brief statement in explanation of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

I wish to submit for myself, Senator BRIDGES, Senator BRICKER, Senator SMATHERS, Senator COOPER, Senator MORTON, Senator JENNER, and Senator MAGNUSON an amendment to H. R. 5836 which was reported yesterday by the Committee on Post Office and Civil Service.

The purpose of my amendment is to avoid making a decision with respect to a change in the present law relating to the size and weight of parcel post inasmuch as witnesses entitled to be heard have not been heard. Without passing on the merits of the proposed change, I do believe that such a proposal warrants thorough consideration before it is brought to the Senate floor.

Under existing law, Public Law 199 of the 82d Congress, which took effect on January 1, 1952, parcel post material mailed at a first-class office is limited in size to 72 inches in girth and length combined, and in weight as follows: not exceeding 40 pounds for delivery in the first and second zones; not exceeding 20 pounds for delivery in the third and eighth zones.

Under provisions of H. R. 5836 as passed by the House, these size and weight limitations on parcel post were not effected.

Under the Senate committee bill these limitations in Public Law 199 are changed by subsection 205 (c) (1) so that packages up to 84 inches in girth and length combined and up to 40 pounds may be mailed by parcel post in first-class post offices to all zones.

My proposed amendment would delete these changes in Public Law 199 which are made by the committee's bill.

In proposing this amendment I do not want to be considered as going on record against so increasing the size of packages which may be mailed by parcel post. I am, however, strongly opposed to these changes being made a part of this postal-rate bill.

I believe it has been the understanding of all the members that H. R. 5836 was a bill dealing with postal rates, certainly this has been my understanding. The matter of the size and weight of packages which may be mailed by parcel post raises a question about the kind of service which the Post Office Department should render rather than the rate the Department should charge for service.

It is my understanding that in all the hearings which have been held on H. R. 5836 it has at no time been the purpose to receive testimony relating to the size and weight limitations on parcel post. I am told that a few witnesses did talk about this subject but at several points in the record of the hearings it was made clear that the committee was not concerned with considering changes in Public Law 199.

Public Law 199 was enacted to reduce the quantity of packages handled by parcel post; to get the Post Office Department out of the freight business; to avoid substantial ex-

penditures for expanded facilities and increased expenses incident to handling large quantities of parcel-post business; and to cut down the operating loss which the Post Office Department was then experiencing on parcel-post service. For many years before Public Law 199 was enacted in 1951 (to take effect on January 1, 1952) the weight and size limitations were 70 pounds and 100 inches (of combined length and girth). Public Law 199 reduced the maximum weight and size limitations as I have already stated.

The increased size and weight limitations on parcel post contained in the committee bill are a matter of serious concern to the Railway Express Agency, which, I am told, would suffer a substantial loss of business to parcel post.

I am told it would lose several million dollars of revenue and would therefore have to furlough many thousands of its employees throughout the country. Of course the increase in parcel post business would subject the Post Office Department to just the sort of increased loads which Public Law 199 was supposed to avoid.

Neither the Post Office Department nor the Railway Express Agency testified at the hearing about changing the size and weight limitations on parcel post. There was no occasion for such testimony since the legislation under consideration related to postal rates and not the nature of postal service.

Those who would like to see the parcel post service enlarged as proposed by the committee bill should understand that the amendment I propose takes nothing away from them. All it does is to keep the law on parcel post as it has been for the past 6 years.

If Congress is to consider a change in size and weight limitations for parcel post it should be done by a separate bill on which hearings could be held to obtain the views of the Post Office Department, the Railway Express Agency and other interested parties. It seems to me that this is the only proper way to consider such changes. They should most certainly not be tacked on to this postal rate bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL] for himself and other Senators.

The amendment was agreed to.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, it is our hope that by convening at 11 o'clock tomorrow we can finish consideration of the bill and also act upon the classified pay bill tomorrow. In the event that we cannot complete action on both bills by a reasonable hour tomorrow evening—I would say 6:30 or 6:45—then we will meet on Friday to conclude consideration of the pay bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1002) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GATHINGS, Mr. HILL, and Mr. HOEVEN were appointed managers on the part of the House at the conference.

USE OF SENATE CAUCUS ROOM BY WALTER REUTHER FOR PRESS CONFERENCE

Mr. KNOWLAND. Mr. President, I wish to make a brief statement. I attempted to get in touch with the custodian of the Senate Office Building to develop the full facts. I understand that permission was given to use the caucus room of the Senate for a press conference by Mr. Walter Reuther.

I have no objection, and I am sure no other Senator has any objection, to any person holding a press conference in his own building or office or at a hotel but I very much question the advisability of turning over the caucus room of the United States Senate to a person not a Member of the Senate, at a time when the committee itself is not meeting. I question the advisability of turning over the caucus room to someone outside for a press conference in order to make a public attack upon a Member of the United States Senate.

I shall try overnight to develop the full facts from the custodian of the building and from others who may have granted permission to use the caucus room, to see what the practices and customs of the Senate are in this connection.

I would stand on the floor and object in the same way if Mr. Walter Kohler had had the caucus room of the Senate turned over to him for the purpose of making an attack on a Senator on the other side of the aisle, or a Senator on this side of the aisle, with whom he did not happen to agree.

I think the practice is a bad one. I hope the Committee on Rules and Administration will go into the situation. There is nothing to prevent any person from holding a press conference at a hotel, at his own office, or anywhere else; but I doubt very much whether the caucus room of the United States Senate should be turned over for that purpose.

Mr. GOLDWATER. Mr. President, inasmuch as I was the recipient today of Mr. Reuther's attack, I had no intention of making any comments about it on the floor. However, inasmuch as my distinguished leader has seen fit to call attention to what I believe to be a rather unusual procedure, I think I would be remiss in my duty to myself if I did not make a statement.

Mr. Reuther accused me today of being a moral coward. In my section of the country when one calls a man a coward he smiles. I could not tell whether Mr. Reuther was smiling or not, because he is such a coward that he locked the door and would not let anyone in except members of the press. I was unable to attend. My assistant was unable to attend. The assistant of the Senator from California was denied access to the room. So I say that this man, before he casts aspersions on others, should look into the mirror and find out who is a coward.

He says that I have "run out on him." Let me tell the Senate about a little experience which I have had with this "moral" individual, who preaches morality at every step, but practices immorality at every other step.

During the campaign of 1956 he asked me to come to Detroit to debate with him. If he is operating a debating society, that is one thing. If he is operating a union, that is another thing. I told him at the time that I could not come to Detroit in the fall, because I was engaged in a political campaign of my own. I did ask him to call me after the first of the year, and I told him that I would be very happy to come to Detroit.

Months went by. Finally I received a letter inviting me to come to Detroit to engage in a debate with Mr. Reuther, giving me the choice of two dates. I selected one which was agreeable to me, and which I was sure was also agreeable to him. I accepted a challenge to appear on a 15-minute radio program. I insisted on paying half the cost, because I insisted that no union should use union dues for such purpose. Mr. Reuther and his friends reluctantly agreed. The charge was to be $75.

Evidently they did not want GOLDWATER in Detroit, and they decided it would be a half-hour show, and that it would cost GOLDWATER $150. I said, "All right; we are in it, and we will go." Reuther was to be my opponent.

Ten days before the event was to occur, I was informed that Mr. Reuther could not make it. In addition, it was decided that the show should be a television show, and that my cost would be $750. They were trying to run me out, but I do not run very easily. This excursion to Detroit cost me $1,000 out of my pocket.

This man, who has the guts to stand up and say that I am a moral coward, ran out on me. I have debated with three different members of unions in the past year and a half. If he wants to debate to cover up his deficiencies and his lies, I am perfectly willing to debate with him anywhere. I do not see where it would get us, because he does not know the truth from his left foot, or his right foot.

Yet this man comes into a building of the United States Senate and makes charges against a United States Senator, when he does not have the guts to let the Senator know what he intends to say. Instead, he has the temerity to lock the door so I cannot come in, and no one else can come in except members of the press.

Mr. Reuther has tried, through the years, to answer the accusations I have made against him by calling me a moral coward and a political hypocrite. Frankly, that last one has me a little stumped. I do not know how to interpret it. Let him stand up against the truth, which will be developed in a

series of hearings. As for myself, I would rather have Jimmy Hoffa stealing my money than Walter Reuther stealing my freedom.

Mr. HUMPHREY. Mr. President, it seems to me that before the discussion goes much further, it would be well to ascertain, first of all, whether or not any responsible member of the Government, any employee of the Senate, or any Member of the Senate, made available to Mr. Walter Reuther the caucus room of the United States Senate.

Mr. HENNINGS. Mr. President, the distinguished minority leader [Mr. KNOWLAND], suggested that the Committee on Rules and Administration inquire into this subject. I wish to make it abundantly clear that, as chairman of that committee, I know absolutely nothing about the case. The subject was never mentioned to me or brought before the committee. For the first time I learn that this press conference was held.

I want the Senate to know that neither the chairman of the Committee on Rules and Administration nor, so far as I know, any employee of the committee, had anything whatever to do with making any room available to any individual not a Member of the United States Senate.

Mr. HUMPHREY. Mr. President, I understood that the request of the minority leader was for the Committee on Rules and Administration to make an inquiry.

Mr. KNOWLAND. That is correct.

Mr. HUMPHREY. The Senator had not said that such an inquiry had been undertaken.

Mr. KNOWLAND. No.

Mr. HENNINGS. I understood that perfectly.

Mr. KNOWLAND. I thank the distinguished chairman of the Committee on Rules and Administration for his very clear statement on the floor. I hope the committee will look into this subject, because if there is not an established procedure relative to the use of the Senate caucus room or other rooms of the Senate for press conferences, it seems to me that we should establish a set of rules to govern the procedures.

As I previously stated, I would oppose just as strongly the use of the caucus room by anyone for the purpose of attacking any Senator on the other side of the aisle or on this side of the aisle. I believe that when we permit the caucus room to be so used we get onto very dangerous ground. These people have full access to the press at their headquarters, at their business establishments, and, in the case of labor leaders, at their union headquarters. They have ample facilities available to them, and I do not believe they should use the facilities of the Senate, such as the caucus room, for that purpose.

Mr. HENNINGS. I should like to say to the distinguished Senator from California that I feel satisfied it is the sense of the Rules Committee—although I cannot speak for all the tailors of Tooley Street, or for the entire committee—that it has always been our policy—and I have been a member of the committee for 8 years—not to allow outsiders to use the facilities of the floor of the Senate. I remember, for instance, that a request was made for the use of the Senate Chamber for the purpose of making a moving picture. That request was refused. I do not recall that we have ever authorized—and I am quite certain that other members of the Committee on Rules and Administration who are in the Chamber will bear me out in this statement—anyone not a Member of the Senate to use the facilities of the Senate for the purposes indicated, whether they be representatives of labor or management or capital, or any other group not connected with the Senate, but that such use was limited to Senators themselves or employees of the Senate.

I shall be very glad, as the minority leader has suggested, to make full inquiry into the matter. Our next meeting will not be held until the 12th of March. We met this morning. The Committee on Rules and Administration will not meet until the 12th of March, but I shall undertake to make inquiry of the staff to find out what the circumstances relating to this matter are.

Mr. HUMPHREY. Mr. President, my only point in rising was not to join any side in this matter, so to speak, but merely to say to the minority leader that I concur with his belief that we ought to have rules of procedure established relating to the use of the facilities of Congress, and certainly the facilities of the Senate, over which, as individual Members, we have something to say.

I only add that, just as the charge has been made on the floor of the Senate against Mr. Reuther's use of the facilities of the Senate to attack a Member of the Senate, so has the Senate of the United States this evening been used to attack a private citizen. Of course, two wrongs do not make a right. However, I do believe that the RECORD should display the situation for all to see.

Furthermore, Mr. Reuther has been the subject of some discussion within the confines of a very important select committee of the Senate. It has been my understanding that he has wanted to state his case before the committee as a responsible private citizen and as the leader of a great trade union. I am not in a position to know whether he should state his case first or last, but he has been of the opinion that he should have the right to state his case, according to what I have read in the press. Apparently, he believes that up to this time he has not been granted that right and has taken advantage of the principle of free speech to express his views in a public building, owned by the people of the United States.

I repeat, however, to the minority leader that I believe that we ought to lay down some firm and fast rules as to the use of these facilities. I add, further, that the facilities of the Senate have been used by private individuals and private groups. The fact that they have not been used with as much newspaper publicity as in the present case, does not obviate or obliterate the fact of their use. Many private groups use those facilities. Meetings and luncheons are held in these facilities many times, often when no Senator is present.

I believe we ought to ascertain whether any Member of the Senate or any member of the staff of any Senator in the name of a Member of the Senate asked for the use of the facilities.

Mr. MORSE. I wish to associate myself with the position taken by the Senator from Minnesota [Mr. HUMPHREY] and the expression of the chairman of the Committee on Rules and Administration [Mr. HENNINGS] with respect to the request of the Senator from California, which is a good one, that an investigation be made of the policy, not only with relation to this instance, but with relation to other instances, so that we may establish rules which are definite and certain.

I do not know what the facts are. I understand, however, that the caucus room was used last night by a private organization. The Senator from Minnesota has pointed out that facilities of the Capitol and of the Senate Office Building have been used by private organizations a number of times.

It is quite common practice to have the District of Columbia committee room used for luncheons. On some such occasions it would be difficult to find out what the public occasion for the luncheon was, because it has been difficult for me to see that the room was being used under the sponsorship of any Senator. I believe it is a good thing that this question has been raised. I believe we ought to press for an investigation, such as the Senator from California has suggested, but the investigation should not be limited to this one instance.

Mr. KNOWLAND. I will say to the Senator that I would recognize a difference between a request of a Senator for the use of a dining room, so that the dining room may be made available, as has often been done with respect to the District of Columbia committee room, for a luncheon or gathering sponsored by a Senator, on the one hand, and the use of the Senate caucus room for a press conference-television type operation by a person not a Member of the Senate, or, for that matter, for an attack upon any other person. I think that is an entirely different type of operation.

Mr. HUMPHREY. I thoroughly agree with that point of the Senator from California.

Mr. KNOWLAND. I have made no attack upon anyone. I merely raise the issue, which is a matter of Senate policy which needs consideration.

On page 265 of the Rules and Manual of the United States Senate there appears the following:

SEC. 174d. The assignment of rooms and other space in the Senate Office Building shall be under the direction and control of the Senate Committee on Rules and Administration and shall not be a part of the duties of the Architect of the Capitol.

Therefore, under our existing rules, the use of rooms in the Senate Office Building should be cleared through the Committee on Rules and Administration. If through lax procedure someone failed to clear the matter with the Committee

on Rules and Administration, or if someone else sought to exercise authority, which properly belongs to the committee, it is time for us to button things up, as a matter of public policy, and not have a situation arise which could very well be detrimental to the Senate.

Mr. HUMPHREY. I merely wish to say that the views of the Senator from California have been very well expressed. I do not wish to engage in an argument between the Senator from Arizona and Mr. Reuther. That will have to be carried on between those two very capable protagonists. However, while Mr. Walter Reuther, at times, may have held a different point of view than I have held, and although he and I may have disagreed at times, I wish the RECORD to be quite clear that Mr. Walter Ruether has been an outstanding labor leader and a vigorous opponent of all forms of totalitarianism. He is a man of courage and integrity, and faithful devotion to his membership. I feel that he has been subjected to a considerable amount of attack, as most people are who amount to anything. I believe he is capable of defending himself, and I feel that if the Senate is to inquire into his activities, both as a citizen and as a union leader, he must, of course, be given every opportunity to defend himself properly, as the rules and procedures of the Senate provide, and as the Constitution of the United States assures.

I feel also that just as it is not proper for the facilities of the Senate to be used without authority or authorization, so it is not proper for an individual citizen to be subjected to an attack without an opportunity for a reply.

I repeat what I said earlier, namely, that two wrongs do not make a right. We have possibly had two wrongs today. I understand the emotions of my distinguished friend from Arizona [Mr. GOLDWATER]. If I had been subjected to the type of attack he says he has experienced, I would want to respond, and I would possibly do so in a less controlled manner than was expressed by the Senator from Arizona.

But I repeat: Mr. Reuther cannot reply from the Senate Chamber. Just as he was criticized for utilizing the facilities of the Senate to attack, so, I may say, in all fairness, we have used the floor of the Senate, which gives us immunity, to level an attack upon the distinguished citizen who has been honored by his Government for service far beyond the call of duty in combating the forces of hoodlumism and communism in his union.

Mr. CARROLL. Mr. President, I should like to address a question to the Senator from Missouri, the chairman of the Committee on Rules and Administration.

Have other groups, commercial or otherwise, used the rooms of the Senate Office Building?

Mr. HENNINGS. To the best of my knowledge, they have not. Of course, the matter of the assignment of rooms is not handled by the committee, sitting in solemn deliberation upon whether a room shall be made available at a specified time for the purpose of a luncheon to be given, let us say, in honor of the Queen of England, or for the purpose of permitting a Senator to give a luncheon, or in connection with some other public event relating to the Senate and its activities.

Mr. CARROLL. Have educational or religious groups been permitted to use these rooms?

Mr. HENNINGS. To the best of my knowledge, the rooms have not been used by others than Members of the Senate, Members of the Senate staff, or persons who have been cleared through the Committee on Rules and Administration for the purpose of conducting some activity related to the Senate and its functions.

In addition, luncheons have been given in honor of foreign ambassadors and dignitaries who have visited the Senate and have been received by Members of the Senate.

I know of no occasion when any commercial group has been given permission to use such facilities. I think the distinguished minority leader has read the rule which applies. To that rule, I believe we should all undertake to adhere. I believe our staffs should do so also.

Mr. CARROLL. I asked my question of the Senator from Missouri because I have conferred in the rooms of the Senate Office Building with groups of people who came from the State of Colorado; for example, representatives of the Farmers Union and other delegations who came to study the activities of Congress. I wondered if that was improper.

Mr. HENNINGS. I do not think that situation is at all applicable to what we are discussing. The Senator is a Member of this body and, as such, he may confer with any group he pleases, and in any room which is available and which is not otherwise being used.

Mr. CARROLL. I think the Senator from Missouri misunderstands me. I did not set up committee meetings. These were meetings arranged to confer with members of groups who came from all sections of the country. I wondered if that was contrary to the rules.

I asked the question because one would not understand or know what comments might be made concerning some Senator, if such persons had access to the rooms of the Senate. Under the policy or rule of the Senate, are the rooms permitted to be used for such purposes?

Mr. HENNINGS. As I understand, the rooms are available to Members of of the Senate for the purpose of interviewing, discussing, or otherwise associating with any groups with whom a Member of the Senate may desire to meet. I know of no inhibition as to that. If there is any, I should like to be enlightened.

Mr. CARROLL. I think the use of the facilities of the Senate by such groups falls within the right of the people to petition Congress. If they are given such a hearing, Senators would not know whether they might speak in derogation of the conduct or activities of some Senator.

Mr. HENNINGS. I would not want to go into that question at all. It seems to me that we have no control over what might be said with respect to any Senator.

I think the principle is well established, and is sound, that the rooms in the Capitol and the Senate Office Building are not available to wayfarers who come here for their own purposes, unless clearance for the use of the rooms has been granted by the staff of the Committee on Rules and Administration. The committee does not sit to consider these matters. It does not meet to decide whether a room shall be made available for this, that, or the other group. Those matters are decided by the staff of the committee.

The Senator from Oregon [Mr. MORSE] referred to a function which occurred here last night. I do not keep track of such matters.

Mr. CARROLL. When groups of American citizens who are not wayfarers, but who have been given consent by the Committee on Rules and Administration, use the facilities of a public building, it would seem to me to be rather difficult to have them sign an oath not to attack a Senator.

Mr. HENNINGS. That would be impossible. They have the right of free speech, assuming the facilities are made available to them through the proper channels.

Mr. CARROLL. I assume the Committee on Rules and Administration would exercise careful discretion to make certain that creditable groups of Americans were permitted to use the facilities for public purposes.

Mr. HENNINGS. The committee itself would not clear the use of a specific room. The staff of the committee would do that. The staff is instructed to advise that legitimate groups, upon the request of Senators, may use the Senate facilities, such as the dining room and committee rooms.

Mr. CARROLL. I am certain the Senator from Missouri is cognizant of the great constitutional liberties which belong to the people, because he himself is a great constitutional lawyer. I always follow what he says in the Committee on the Judiciary.

I make this observation: I know nothing about the facts in this controversy except as I read what is published in the daily press. But if the press reports are correct, there has been some talk to the effect that the distinguished Senator from Arizona [Mr. GOLDWATER] planned to boycott or walk away from a witness who might be called before a Senate committee. It is entirely possible that the witness has been made so irate and has become so concerned that perhaps, to protect some fundamental, basic American rights, he has, from a source not known to me, obtained for himself a room in the Senate Office Building where he spoke freely, but spoke as an American who had a right to speak, under the circumstances. What the rights are will be determined by the special committee which is to hear his side of the case.

Mr. DOUGLAS. Mr. President will the Senator yield?

Mr. CARROLL. I yield.

Mr. DOUGLAS. First, I associate myself with the admirable statement of the Senator from Minnesota [Mr. HUMPHREY].

I also had the privilege of entertaining a group yesterday in this building, a group which was extremely critical of the senior Senator from Illinois, and which spared nothing in their denunciation of him. But I was delighted to afford them the facilities of the Capitol. I think the meeting was, in general, very beneficial for us both. I felt chastened by their blows, but perhaps they improved me.

Mr. CARROLL. I thank the Senator from Illinois for joining in these remarks.

I, too, wish to associate myself with the remarks made by the junior Senator from Minnesota.

I know nothing about the facts of the case regarding the other committee. I know nothing about the controversy, except as it has been discussed here this evening.

But in view of the remarks of the distinguished Senator from Missouri [Mr. HENNINGS], with which I heartily agree, let me say that it seems to me we do not throw open the rooms or the portals of the Senate Office Building or the House Office Building to every group which wishes to make an attack on either the legislative branch or the executive branch of the Government.

However, there are certain times, according to the circumstances, when Americans have the right to submit their petitions; and if certain of them can obtain a room in which they are able to present their petition and state their grievance, and if they wish to state it to the American press, who is harmed?

Mr. MORSE. Mr. President, will the Senator from Colorado yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Colorado yield to the Senator from Oregon?

Mr. CARROLL. I yield.

Mr. MORSE. Let me say that I know nothing about the facts and circumstances of the press conference which was held this afternoon, apparently, by Mr. Reuther. However, I think all of us are aware of the fact that for some time Mr. Reuther has been subjected to trial in the press in regard to allegations which have been made against him by Members of the United States Senate, and for some time he has been seeking to come before a Congressional committee and make his record. We are presented with the problem of an impasse in a committee which is divided four to four, as last I heard, over the question of when, and under what circumstances, Mr. Reuther will be allowed to make his statement.

As the Senate knows, I disapprove of so-called equally divided committees to conduct investigations. I believe, and always have believed and said, that the party which is in control, numerically, of the Senate of the United States should take full responsibility for the committees which conduct investigations. I do not think there should be committees which are divided four to four. Instead, the committees should have a majority of the majority party. At least theoretically in a situation such as this one, there would not then be a stalemate as to whether a certain person would be allowed to make a statement in an attempt on his part to bring to an end a trial by newspaper that had been conducted against him.

I hope that at least one of the results of this affair will be to resolve the stalemate as to how the committee shall proceed in regard to Mr. Reuther.

I take notice of the fact that early in the life of the committee a great effort was made to bring before it certain labor leaders, such as Dave Beck. I completely supported the position the committee took regarding subpenaing him and dragging him in, if necessary, to hear whatever he had to say in regard to the allegations which had been made against him.

I believe it is only fair that if that is done in that case, it be done in the Reuther case. However, of course it will not be necessary to subpena Mr. Reuther for he is requesting an opportunity before the committee to tell the American people his answer to the charges which have been made against him. If it is right and proper to afford such an opportunity in the other case, I believe it is right to do so in this one.

Mr. CARROLL. I thank the Senator from Oregon for his remarks. They are very pertinent.

Mr. LONG. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I shall yield in a moment.

Mr. President, the Senator from Oregon has stated exactly what the situation is. A very important Congressional committee is about to conduct another investigation, and in the committee the vote is divided. Such reports have appeared in the press; there is nothing we need to attempt to hide from the American people. Since the committee is divided equally, the question is, How shall it proceed?

Mr. Walter Reuther evidently believes, as I judge from the debate this evening and from the newspaper articles, that he will not have a full opportunity to present his side of the case.

I do not know how he obtained the use of the room in the Senate Office Building. But that seems to me to be relatively unimportant. For instance, certain moral rearmament committees have obtained the use of rooms in the Senate Office Building. Let us assume that at particular times certain Senators are not paying sufficient attention to a peace program or a disarmament program. Do we mean to say that under those circumstances such groups cannot ask to be heard?

The right of petition should not be circumscribed by the Senate, as regards the use of rooms in the Senate Office Building, if rooms are available.

By the same token, those who use the rooms must not use them for the purpose of attacking Senators individually, because that is not consonant with orderly constitutional government.

Mr. HENNINGS. Mr. President, if the Senator from Colorado will yield to me, let me say the matter is simply one of clearance is it not?

Mr. CARROLL. I agree.

Mr. HENNINGS. I quite agree with the Senator as to the right of people to come here and to say what they have to say. I believe it is a very simple matter, really, when we analyze it; it is merely a matter of obtaining a clearance, either with a Senator or with some member of the committee staff.

Mr. CARROLL. I believe that is correct.

Mr. HENNINGS. And assuming that such persons will use their judgment in regard to these matters.

Mr. CARROLL. Does not the Senator from Missouri agree with me that it is very wise——

Mr. HENNINGS. Let me say that I know nothing about the merits of the matter under discussion at this time.

Mr. CARROLL. Does the Senator from Missouri think that under the circumstances, as we have discussed the matter fully, no great harm to the constitutional process has been done as a result of the discussion had this evening, or as a result of some of the charges which have been made?

Mr. HENNINGS. I know nothing about the circumstances; but I do not see that any great harm has developed.

Mr. CARROLL. I am sure that none has.

At this time I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, if we are to begin to make rules about what persons can say and where they can meet for that purpose, I hope the committee will go into the matter in great detail and will inform us of our powers.

For example, some of us were irritated considerably to see Communist sympathizers hold meetings on the Capitol Grounds. At the same time, some of us have been under the impression that they had the right to meet there, even though we did not agree with what they had to say.

Some of us were very much upset about the picketing which occurred at the White House during the time when the Rosenberg execution was pending. However, although we disliked the picketing, we were under the impression that under the law those persons had the right to do it.

I would be interested to know what are the rights of people in the corridors of the Capitol Building and in the corridors of the Senate Office Building. From time to time certain persons insist upon making themselves heard in the corridors and the Chambers there. When the committee goes into that matter, I hope it will give us some indication of exactly what citizens may say in such places and how far they may go in that respect. In that way, I should like to be guided in my understanding of the rights of citizens under the Constitution of this country.

Mr. CARROLL. I thank the Senator from Louisiana.

Mr. NEUBERGER. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. I yield.

Mr. NEUBERGER. Is not the test in this matter, not the forms or the very superficial manner in which a person

may have obtained the use of a room or a corridor or a hall, but the substance of what he said? Should that not be the basic consideration in connection with the determination as to whether something is right or wrong?

Mr. CARROLL. That is a very fine question. However, I do not know what the person referred to said, so I cannot answer.

Mr. NEUBERGER. If we are to be frank about the matter, let me say that I believe, if I am not mistaken, that some of the rooms here have been used for the promotion of various kinds of food, and so forth—purely commercial enterprises. But I have not heard any protest about that.

Again, I think one who says something in the Senate Office Building should be judged by what he says, not by the method by which he obtained the use of the room.

Mr. YARBOROUGH. Mr. President, will the Senator from Colorado yield to me?

Mr. CARROLL. In a moment.

Mr. President, when we become public officials and Members of a great public body, such as the United States Senate, we assume that certain persons will disagree with us.

I have great respect for the position of the distinguished junior Senator from Arizona—respect because he has a conviction and because he fights for it. I do not agree with him, but I will defend his right to say what he has to say. I might engage in debate with him on some platform; and I would be glad to have an opportunity to do so, if I had the ability.

But when someone raises the hue and cry that a great constitutional privilege has been invaded by having an American citizen come into the Senate Office Building and criticize a Senator, I repeat the words of a very great American, former Senator Harry Truman, "If you can't stand the heat, get the hell out of the kitchen." [Laughter.]

Now I yield to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, a few minutes ago my good friend, the distinguished junior Senator from Colorado, stated that he thought groups, not wayfarers, had the right to use the public buildings.

We have had some great wayfarers—Walt Whitman and others. I should like to know what the distinguished Senator from Colorado has against wayfarers. [Laughter.]

Mr. CARROLL. In answer, let me say that the distinguished Senator from Missouri, not I, raised the question about wayfarers. I did not raise it, because I have not been able to distinguish one from another. I did not raise the question, because I think some of the wayfarers sent me here. [Laughter.]

Mr. HENNINGS. Mr. President, if the Senator from Colorado will yield, let me say that I think Thomas Jefferson referred to his representation of, and his concern for, the wayfaring man.

In connection with this matter, I do not want to split hairs or engage in a discussion of semantics. But what I meant was that any nondescript group which may walk up Capitol Hill should not be allowed to walk into the caucus room and take it over. I think there should be orderly procedure and that people should be allowed to say what they please, within the bounds of decorum and decency.

Mr. CARROLL. I agree completely with the distinguished Senator from Missouri.

Mr. HENNINGS. Beyond that I do not think we should censure or undertake to censure any group which comes by the use of a room legitimately, through orderly process or orderly procedure, and tell it what is can say or cannot say. Of course, I do not believe in any such nonsense.

Mr. CARROLL. I agree with the Senator. That is a common sense viewpoint.

Mr. HENNINGS. It is a simple matter: get clearance, get the room, and go ahead and have the meeting.

Mr. CARROLL. We proceed by the rule of reason. The rule of reason runs this very parliamentary body. When the Vice President presides over this body, we have to proceed under rules. Those rules should be governed by common sense. I believe that if we had used more common sense, we would never have started this discussion in the first place.

Mr. JOHNSON of Texas. Mr. President, I want to make an observation before we conclude our deliberations today. Just as the vote on the amendment was being taken, the distinguished Senator from California called this incident to my attention. He pointed out that he understood Mr. Reuther had held a press conference in the caucus room of the Senate Office Building. I told him I knew nothing about the facts; I did not know under what authority, if any, he had proceeded; and that I would attempt to ascertain the facts. That I have done.

The custodian of the Senate Office Building has just informed me—he had been en route home and I could not reach him until the Senator from California had concluded his statement and other Senators had been recognized—that a request was made of his office today for the use of the caucus room for the purpose of distributing a statement and answering questions by the press. There were so many newspapermen interested that it was felt that was the best procedure to follow.

The custodian's agent informed the inquiring person that the Senate caucus room was under the jurisdiction of the chairman of the select committee, the Senator from Arkansas [Mr. MCCLELLAN]. It was the custodian's information that request was made of some employee of the Senator from Arkansas and permission was obtained to use the room. Although the custodian could not testify to that point, that was his impression.

I have asked him to develop all the facts in the case, and I am sure they will be made available to the appropriate committee, which, as I see it, is the committee of which the distinguished Senator from Missouri [Mr. HENNINGS] is chairman.

A man's judgment on any question is no better than his information on that question. As soon as the matter was brought to my attention, I attempted to secure all the information I could at this late hour.

I hope the distinguished chairman of the Committee on Rules and Administration will pursue the matter with his usual diligence and make such report as the facts may justify.

I wanted the Senate to know that is all the information I have been able to develop thus far, and I am not able to testify as to what took place.

Mr. HENNINGS. If the Senator will yield, I shall be very glad to ascertain, as nearly as can be done, what the facts were, and so advise.

Mr. JOHNSON of Texas. I thank the Senator. It may very well be that this whole situation should be tightened and our rules should be more rigidly observed. I know if that is the case the distinguished Senator from Missouri will so recommend.

Mr. President, I yield the floor.

ADDRESS BY DR. CLOYD H. MARVIN, PRESIDENT OF THE GEORGE WASHINGTON UNIVERSITY, TO THE GRADUATING CLASS

Mrs. SMITH of Maine. Mr. President, this past Saturday it was my pleasure to hear a most profound statement made to the graduating class of the George Washington University. Because of the timeliness of that statement and because of its impressive logic, I ask unanimous consent to have the statement printed in the RECORD. It is the charge of Dr. Cloyd H. Marvin, president of the George Washington University, to the graduating class of that fine institution. I recommend it as excellent reading to all Members of Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE GEORGE WASHINGTON UNIVERSITY,
Washington, D. C.

To the Members of the Graduating Class of 1958:

Tonight my words will refer to certain phases of education and to the use you will make of them. I regret that time limitations do not permit me to develop fully the theme or arguments in this charge. My words, therefore, should be considered as suggestive of an area of thinking which should be a challenge to you.

One of the basic reasons for so much confusion in the world today is that we live in a period when mass culture, made possible through the use of mass mediums for interchange of ideas and operations, has brought us into the gray dawn of a day that we thought might have much of inspiration and creativeness and satisfaction for us. We find, however, that this is not to be, and baffled men everywhere turn too quickly to the soft ways of life, which they name security, in place of accepting the struggle of competitive creation.

The day is far enough advanced that we should recognize we are trying in too many instances to posit responsibility for our lives, our intellectual activities, our moral responsibilities, our economic obligations, our esthetic appreciations, and our religious beliefs, under some type of collective understanding, which we would in many instances turn over to the state for the establishment of standards of accomplishment.

Think of the dangers of giving up your creative freedom to such unfeeling or quixotic domination. Your life under such a plan would be much like a pressed flower without its freshness, its bloom, and its

fragrance, even though all the parts of the structure remain.

I mention to you one phase of this mass culture that is creeping in upon us by making a query in the nature of a challenge. When your fathers and mothers were children, they invented their own games. They played in the out-of-doors, and from the simple games of fox-and-geese and hide-and-go-seek there was training in self-control, and the beginnings of concepts of discipline, and of how to live together. This was the start of training for leadership through a natural selective process. How different it is today, when our children have no opportunity to go abroad in our teeming cities, but sit with their ears to a radio or their eyes on the television. The results of such practices bring little to the children except a false interpretation of things portrayed, even if they are portrayed well. Life for them has become vicarious. As a result, there is about as much strength acquired by them as by the chap who sits in the grandstand and cheers for the team of his choice compared to the development of the player in the game.

Those of us who are older, from the Long Island Sound to the Golden Gate, from the lake headwaters of the Mississippi to its mouth in the gulf, hear every hour on the hour reports of the happenings of the day that are written and edited by a few specialized men. In order to prove this all you have to do is to select any one of the various stations of the radio and the reporters will be utilizing the same verbiage that has been handed to them on a script platter from a centralized authority. We are told that we get the programs we want, and that the people want programs "that are not too difficult to understand."

Our arts and our music controls have not gone quite so far in their contribution to mass culture as have those of the Communist countries.

I have wondered why, as a people, we do not resent the fact that our Communist neighbors, who through the State dominate all social contributions, were the first to excel us in this mass culture attainment, even as we felt cheated because they were the first to send a satellite into space. I think I know the reason. The reason to me is that, as a people of many heritages, at heart we resent mass culture, and when we understand its meaning, we shall be for holding on to the competitive ways of our democratic usages.

Now, I speak of the basic means of attainment, that there may be full promise in the tomorrows—that is, of education.

For several decades misinterpretation, or overemphasis, however you want to name it, of the philosophy of one of our educational leaders has been accepted too widely by certain of our schoolmen. His philosophy, as interpreted, says that there should be no discipline except self-discipline from the cradle upward, otherwise there might be psychological deterrents established which would inhibit life's expression. The position is false.

It is true that our schools, in too many instances, have lost sight of the fundamental concept of the need for the discipline attending upon the transmission of basic social inheritances.

It is true that our schools have tried to substitute methods for substance and permitted waywardness to take the place of orderliness. Insofar as these things have happened, it is a partial recognition of the demands of mass culture.

The mass becomes powerful when the individual is expected to keep up with the Joneses and to conform. Then divergent and specialized minorities which support individualism are destroyed.

How shall education cope with the social situation that is growing in our Nation, fostered by many to strengthen mass culture? We shall have several interpretations for and against the ways of such social control.

It is my firm conviction that if our democratic understanding of the ways of life is to prevail, we must seek out wherever they are to be found the intellectual and spiritual values that go to make up the growing strengths of our people. Prospectors in the hills of the West have a saying that "gold is where you find it."

Let me illustrate types of confusion which will confront you with well-meaning but not too well-grounded criticisms of our education of today.

We have a leader in one of the armed services who is willing to generalize as an expert in our field. He offers a technical education as a panacea for our engineering lag. He says we must go back to teach more mathematics, more physics, and more chemistry, if we are to compete in adolescent mass culture. I ask, to compete against what? I ask, how are these subjects to be taught and against what background? Neither of these questions has been given appropriate consideration. If such disciplines are to be taught as they were in the yesterdays, the techniques and objectives may not fit either the technical or the psychological needs of today. If we are to train technicians of the sort implied by his plan for education, then we shall have created a feedback program for the strengthening of mass culture, and further, caused a depreciation of the individual's contributions. We might get a totally unexpected social reaction which would be of little value.

Next, I refer to a professional criticism which has been abroad in various forms. It was recently summarized and enunciated. If reported correctly, we, to meet our educational lag, would select a given number of the outstanding institutions of higher learning in this Nation of ours. Then we would admit to these institutions a select group of students. Before I go further, I would ask what the criteria for the selection of the institutions might be, and who would make the selection? Again I ask, who is wise enough to say who the best students are? Only the competitive process of democracy can answer either question, for the strengths of institutions vary from time to time with the character, intelligence, and faith of the instructors. They vary with the rapport of faculties and students. Some of the best teaching is done by consecrated professors in our small colleges. Some of the poorest teaching is done in our largest universities where the staff is preoccupied with consulting work and/or research.

I offer you the following advice in reference to education. See to it that our youth have a chance to discipline themselves in an environment, wherever found, which is going to bring out all of their creative strengths. See to it that our education alerts our youth against the lowering standards of mass culture. See to it that our youth have faith in a life under law. See to it that our youth have no inhibitions or interference with their ability to create. Always, see to it that our youth have faith that the morning light of eternal creative power may bless our ways of life, and because they, our youth, have helped bring creativeness to pass, that they shall have the satisfactions attending upon such a part in the fulfillment of the free and exalted ways of our Republic.

CLOYD H. MARVIN.

FEBRUARY 22, 1958.

TENTH ANNIVERSARY OF COMMUNIST COUP IN CZECHOSLOVAKIA

Mr. DOUGLAS. Mr. President, 40 years ago the Republic of Czechoslovakia came into being. It was founded with the help of the Allies, by the blood and sweat of its own sons and daughters, inspired by their 1,000-year-old tradition of love of liberty, independence, and the western orientation of their national culture.

Despite the difficulties of the times, the first 20 years of the Republic were happy years. Under the guidance of the first two presidents, Thomas G. Masaryk and Eduard Benes, political life showed extraordinary stability. The nation adopted and lived up to a modern constitution. Human rights were safeguarded to all citizens. The rights of minorities were conscientiously protected.

With a stable economy and currency, industry and agriculture prospered, and trade flourished. There was a healthy balance between agriculture and industry. The trademark "Made in Czechoslovakia" had an excellent reputation. The living standard of Czechoslovak citizens was good and rose steadily. Czechoslovak schools were progressive. Courts were just. There was great cultural and social progress.

In her foreign policy Czechoslovakia strove for peace and scrupulously upheld all treaties. As one of the most loyal members of the League of Nations, Czechoslovakia defended the principle of collective security until the very day of Munich, which turned this principle into a mockery and led directly to World War II.

From 1938 onward 20 tragic years followed: First, the partition of the Republic; then the Nazi occupation and the massacre of the finest Czechoslovak men and women. Then followed the so-called liberation by the Red army, which gave the Communists such a headstart that the struggle to rebuild by democratic means was lost almost before it could begin.

In his report to the 20th Congress of the CPSU last February 1957, Nikita Khrushchev stated that under present world conditions:

> The working class * * * [is afforded] the possibility of inflicting a defeat on the reactionary antipopular forces and of gaining a firm majority in Parliament, converting it from an organ of bourgeois democracy into an instrument of genuinely popular will.

As an example of this new parliamentary tactic, Anastas Mikoyan on the same occasion pointed to Czechoslovakia as a country where "the Socialist revolution was carried out by peaceful means." Due to the "favorable postwar situation," said Mikoyan, Communists were able to "come to power by alining themselves not only with the parties of the working people which were close to them, but also with the bourgeois parties which supported the common national front." The Czechoslovak experience teaches us, Mikoyan concluded, that in some countries the "people"—by which he really means Communists—can "win in their own way, yet also without civil war."

Any Czechoslovak national who was in Prague in 1945–48 could caution the world that Mikoyan's new story is an old story indeed, a rewriting of history in the Communist pattern. The postwar Czechoslovak Parliament was converted

into an instrument of genuinely popular will only by force of Communist arms and at the expense of all democratic procedures and traditions, all in the name of making it an instrument of genuinely popular will.

It may be well to recall how this was done. In 1945, Czechoslovakia was liberated from the Nazis, and the Czechoslovak Communists, working in the shadow of the occupying Red army, gained overwhelming influence in many of the local committees of national resistance. The combined pressure of the occupation forces and the Communist-dominated local organs forced the National Front Cabinet, with Communists in key posts, and the President, reluctantly, to agree to far-reaching nationalization measures.

On the eve of the Constituent Assembly elections in May 1946, the Red army intended to move sizable numbers of troops from Austria across Czechoslovakia. But despite different maneuvers and threats and despite the growing power of local party activists, the Communist Party polled no more than 38 percent of the vote in the elections.

This was a very poor showing under the circumstances, and thereafter the influence and power of the Communists declined steadily. By the end of 1947, the popular strength of the Czech Communists had deteriorated to such an extent that the non-Communist parties were confident of making considerable gains in the elections scheduled for the early spring of 1948.

The Communists were well aware of the situation, however, and availed themselves of their strength in the Ministries of Interior and National Defense to pack the police and the army with their members. When the protests of the non-Communist majority of the Cabinet were ignored by the Communist Ministers, including the Premier, the 12 non-Communist Ministers resigned. They hoped thereby to topple the Cabinet and force new elections, which would undoubtedly have resulted in a Communist defeat.

At this point the Communists abandoned all pretense of democratic procedure. They decided to use force and violence. The violent coup d'etat of February 1948 was staged by Valerian Zorin—at that time Deputy Minister for Foreign Affairs in Moscow—who had been sent from Moscow to Prague with this specific task. Strong Communist-commanded police forces were concentrated in and around the capital; the Communist-dominated factory militia were armed; mob demonstrations were arranged in the streets of Prague; anti-Communists were thrown in prison, the secretariats of the non-Communist parties and government ministries headed by non-Communists were invaded, and action committees terrorized all existing political, administrative, and economic institutions. Red terror, not peaceful means, was the road to power.

The ailing President, Dr. Eduard Benes, was under severe pressure from the Communists. The National Assembly was prevented from meeting. Finally, on February 25, 1948, Benes accepted the resignation of the 12 ministers, but he was forced to appoint a new Communist cabinet, in which the only non-Communists were avowed fellow travelers. By the time the National Assembly finally met on March 10, 1948—the day of Jan Masaryk's death—many of its members had been arrested or threatened with arrest, and others had fled the country. Between March 11 and May 6, while the Assembly was in session, other deputies were deprived of their parliamentary immunity, arrested, and prosecuted.

The stable parliamentary majority formed in this brutal manner adopted a new election law and approved the new constitution of May 9, 1948, which was specifically modeled on the Soviet constitution. Benes categorically refused to sign the constitution and resigned on June 7, 1948. New National Assembly elections were held on May 30, 1948, after the organization of a regenerated National Front, including the Communists and the pro-Communists. The electorate was presented with a single list of National Front candidates, who naturally won 80 percent of the seats in the new assembly. Such was the transformation of that body into an "instrument of genuinely popular will."

In May 1954, a new election law was passed allowing only candidates of the Communist-dominated National Front to run in local election districts. Furthermore, there was to be only one candidate in each district. When the November 1954 elections were held, the voters were herded into election booths and given open lists of candidates. No envelopes were provided, and the voters were expected to insert their marked lists into the ballot boxes under the watchful eyes of members of the Communist-controlled election commissions. This is the manner in which the "organ of genuine democracy" presently in office in Czechoslovakia was elected.

A detailed study of these developments should be a chastening lesson to any member of parliament in a free country where the Communists are today making overtures to other leftist parties for a common front. As the New York Times editorial on February 23 put it:

> Those who today are tempted to enter coalitions with Communists would do well to remember the lessons of Prague in February 1948, and to remember, too, that Communists now hail the Czechoslovak experience as the model for the "peaceful conquest of power."

Czechoslovak democracy was not defeated because of any real weakening of its people's devotion to freedom. Both times it was conquered by enemies from without: First, by the Nazis following Munich; then by Moscow, following Soviet Russia's occupation. It took the free world almost 6 years to defeat the Nazis in war. As to Moscow, it has swallowed up 600 million people in all since 1939.

It should be remembered that it was Czechoslovakia which, though surrounded by dictatorships long before Munich, nevertheless resisted fascism most strongly. After 1945, she held out against communism at her doomed outpost for three years. Her subjugation was not Czechoslovakia's wish. It was above all the fault of an aggressive Communist tyranny which world politics has not yet discovered a means of curbing.

Munich has taught us that dictatorship cannot be tamed by concessions or appeasement. That policy led in 1939 straight to the attack on Poland and World War II. Appeasement will not help in the present situation either, where Moscow now has the atom bomb from uranium of the Jachymov Mines, of Czechoslovakia, and in Indochina and elsewhere weapons made by Skoda Works of Pilsen are being used against the forces of freedom.

Amid all the Russian talk of summit conferences and peaceful coexistence, the leaders of free nations must not be beguiled into buying an illusory peace for themselves at the cost of consenting to the permanent Communist rule of the Czechs and Slovaks and other captive peoples.

The Communist putsch by force in February 1948 has meant the end to democracy in Czechoslovakia. It has also meant the beginning of a new struggle for the restoration of the values for which the Czechs and Slovaks have been fighting for a thousand years: for freedom and humanitarian ideals.

The Czechs and Slovaks have not given up their struggle against the Russian Communist tyranny. Despite the perils and privations of refugee life in exile, some 60,000 have fled the country in protest and to help from the outside. Despite the dissolution of the Sokols, the persecution of the church, the purging of the army, and the collectivization of farms, the leaders of these groups have heroically carried on their resistance. The revolts of 1953 in Pilsen, Prague, Kosice, and elsewhere showed the deep-seated opposition of workers to the regime.

In this 40th anniversary year of the Czechoslovak Republic, and on the 10th anniversary of its subjugation by the Soviet forces, we in the free world want these captive peoples to know we strongly support their continuing struggle for freedom and self-government and greatly honor their courage and resourcefulness.

Let us make it clear that we shall not forsake them in their rightful claim for liberation, but shall voice our protests against Soviet domination and violations of her treaty obligations, and call for free elections and independence in the General Assembly of the United Nations, in international conferences, and wherever else the appeal for liberty may be heard.

The trials and suffering of slavery under tyranny may be somewhat eased if on this anniversary the friends of the Czechs and Slovaks and other captive peoples rededicate themselves to the cause of freedom and humanity.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an eloquent article by Dr. Petr Zenkl, chairman of the executive committee of the Council of Free Czechoslovakia, entitled "The World Should Learn a Lesson," which

was prepared for the Saturday, February 22, issue of the independent Czechoslovak newspaper Nasa Hlasy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD SHOULD LEARN A LESSON

(By Dr. Petr Zenkl, chairman, executive committee of the Council of Free Czechoslovakia)

We remember the 10th anniversary of the Communist enslavement of Czechoslovakia with sadness. We remember it with full awareness of the tragedies and enormous losses which accompanied it and followed it. We remember it with hope that the free world will rise not only to noble resolutions and moral condemnations of the oppressors, but also to decisive action to preserve freedom everywhere it still exists.

We remember the 10th anniversary of the Communist enslavement of Czechoslovakia in the belief that the free world is not willing to give up its own freedom and that it realizes that its freedom is not secure and certain as long as a hundred million people including the people of Czechoslovakia are held in slavery against their will without the right to decide their own destiny in a free election.

And we remember the 10th anniversary of the Czechoslovak tragedy with determination that each of us, wherever he may be, will do everything in his modest power for the return of freedom to our country, and that we shall do nothing which would suggest that in our nation there is no longer a desire for freedom and the full development of the great principles of T. G. Masaryk.

The Communist coup d'etat in Czechoslovakia is an important lesson to the world. It has shown that not even the greatest determination of a nation to prove its ability to govern itself democratically in the European chaos of which many others have become victims, is enough to secure its freedom and independence. It is not enough to prove that a nation can contribute to the common culture of humanity, instead of only borrowing from it. It is not enough for a nation to prove that it wishes to, and can, honestly fulfill its obligations toward other nations and to live in peace with them. The Communist coup d'etat showed that all that is not enough to save a small nation if a powerful neighbor, possessed by a desire for power and expansion, selects the small nation as victim.

In such circumstances a small nation can be swallowed up, in spite of the greatest bravery, if those who wish to build a world of freedom and justice do not come to its aid. A small nation is not secure though it is a member of international organizations which are supposed to secure peace for all, if some powerful members of such organizations are unwilling to, and cannot be forced to, honor the noble declarations which they have signed.

Small nations cannot be secure where there is a double standard—one for the small and weak, the other for the powerful and strong. They cannot be secure if the words used have one meaning for some people and a different meaning for others; if the word "freedom" means to some nations slavery, the word "democracy" a brutal dictatorship, "peace" oppression, "cooperation" enslavement and mere vegetation of the weak and exploited.

Small nations cannot and will not be secure unless there is one standard for all, unless there is something above all nations, a standard by which their acts are evaluated, a standard which would not permit good to be called evil, and evil good, moral immoral, and immoral moral. Small nations cannot be secure unless certain principles have permanent validity. Small nations cannot be secure as long as anything that serves the self-interests of the strong is called moral. As long as the principle that the end justifies the means is accepted. That is, as long as dialectic materialism rules.

The enslavement of Czechoslovakia showed the world that it is desirable to exchange a narrow nationalism for a higher and broader policy, leading to unification of states, Europe, and the world, and it is right to work for such a goal.

It is, however, a cruel irony of our time, that while the nations which up to now have never enjoyed full independence are achieving it, other nations with a thousand-year-old culture are against their will kept enslaved within the Soviet empire. Supernational units, to be permanent and to be beneficial to all, must be created voluntarily and not by force. As long as freedom is trod on in any corner of the world, freedom everywhere is endangered.

The free world must find ways to free a hundred million people who have been left at the mercy of an ideology which is foreign to them. The free world must find ways and means so that the promises and obligations—for free and unfettered elections—so many times solemnly proclaimed during World War II by all the Allies be finally fulfilled. Those promises and obligations were embodied in the Charter of United Nations, but up to now honored only by the Western members of the World War II alliance.

Whenever the Czechoslovaks are not masters in their own house, things are not well with the world. Czechoslovakia has been a beacon light to freedom and justice showing the way to peace. There cannot be peace unless and until the beacon is lighted again.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. DOUGLAS. Mr. President, under the order previously entered, I move that the Senate now stand adjourned until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 19 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, February 27, 1958, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 26, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 55: 16–17: *As for me, I will call upon God. Evening and morning and at noon, will I pray: and He shall hear my voice.*

Eternal and ever-blessed God, Thou art high and holy but always waiting to welcome all who come unto Thee with a humble spirit and a contrite heart.

Grant that during this day our wills may be brought into complete harmony with Thy divine will for our wills are ours to make them Thine.

May our minds and hearts be kindled with a greater zeal and enthusiasm for those moral and spiritual realities and resources which Thou hast ordained for the building of a nobler civilization.

We pray that we may sense our responsibilities in the realm of universal history and strive to gain for all mankind the blessings which we daily ask and seek for ourselves.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

SECRETARY OF AGRICULTURE BENSON—A MAN OF PRINCIPLE

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, it is often said that all the world loves a lover. If there is one thing more universally loved than a lover, it is the fighter who stands up and fights for his ideas and his principles.

Secretary of Agriculture Ezra Taft Benson is just such a man. I believe he has gained more in stature, in the respect of his fellow citizens, by his courageous defense of the policies he believes best for the Nation.

For once we have a Secretary of Agriculture who views the farm problem as a national problem, not a sectional one. He views his job as an important cog in the national machinery. Not as an instrument for coddling a small bloc of important votes.

Mr. Benson has demonstrated his interest in the farmer. He wants him off the perpetual dole. He, too, must have his self-respect, his American right to earn his living by the sweat of his brow and the fruits of his soil.

The world needs more of the courage of Secretary Benson. Far too many dedicated public officials are too quick to kneel and bow before political onslaught, giving way to their adversaries with nothing more than token resistance.

I believe that farmer, consumer, and taxpayer—in short, the American public, either openly or in the inner recesses of their heart, are proud of the courageous stand of our Secretary of Agriculture.

TREASURY-POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1959

Mr. GARY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Thursday, February 27, to file a report on the Treasury-Post Office appropriation bill for the fiscal year 1959.

Mr. TABER. Reserving the right to object, Mr. Speaker, when will that be coming up on the floor of the House?

Mr. GARY. On Tuesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TABER reserved all points of order on the bill.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1958

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

State of the Union for the further consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 13]

Ashmore	Frazier	Murray
Barden	Gordon	Passman
Blatnik	Grant	Pillion
Blitch	Green, Pa.	Powell
Brown, Mo.	Gwinn	Radwan
Buckley	Hays, Ark.	Rivers
Carrigg	Holifield	Roberts
Celler	Ikard	Shelley
Colmer	Kean	Shuford
Davis, Ga.	Knutson	Sieminski
Dorn, N. Y.	McGregor	Teague, Tex.
Engle	McVey	Vursell
Everett	Macdonald	Williams, N. Y.
Fallon	Machrowicz	Young
Forand	Meader	

The SPEAKER. On this rollcall 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation from committee:

FEBRUARY 26, 1958.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Interior and Insular Affairs.

Sincerely yours,

LEE METCALF,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENTS TO COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a resolution (H. Res. 488) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Interior and Insular Affairs: LEROY H. ANDERSON, Montana.

Committee on Veterans' Affairs: ROBERT A. EVERETT, Tennessee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1958

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 10881, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 9 on page 4 of the bill.

All the time for debate and amendments to the pending paragraph had expired.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 4, line 9, strike out the period and insert: "*Provided*, That no payment under acreage reserve shall be made above $16 per acre out of this appropriation."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman care to be heard on the point of order?

Mr. WHITTEN. Yes, Mr. Chairman. Under the basic act the Secretary has authority to set the rate of payment, and I respectfully submit that were this amendment to change that legislative authority which is vested in the Secretary of Agriculture, that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. TABER. It is a pure limitation on the funds involved in that paragraph.

The CHAIRMAN. The Chair is ready to rule. The Chair feels that the amendment is a limitation.

Mr. WHITTEN. Mr. Chairman, if I may be permitted to proceed, I would like to make a further statement in connection with the point of order. Contracts by the Secretary under the authority granted in the act have already been entered into far beyond the amount in this amendment. I would make the point of order that this amendment which would apply to contracts already in existence with the Government would be out of order.

The CHAIRMAN. If what the gentleman states is true, that this would affect contracts already entered into, then the point of order is well taken. Does the gentleman from New York [Mr. TABER] intend that the amendment apply to existing contracts or contracts that would be entered into in futuro?

Mr. TABER. The hearings before the committee show beyond any question that there is not a valid contract that has been entered into under this section of the law. The hearings themselves disclose that the Department has only tentative contracts for anything. They have no contracts and no authority to contract for anything beyond what has been appropriated for.

The CHAIRMAN. Is it the intention that by this amendment the $500 million already appropriated should be affected?

Mr. TABER. It is not; it could not be, because otherwise it would be changing existing law. It is specifically limited to this particular appropriation.

The CHAIRMAN. However, this amendment provides that no payment under the acreage reserve shall be made above $16. No payment certainly relates to the entire quantum. If this is limited to the amount in the bill then, of course, in the opinion of the Chair the point of order should not be sustained. However, if this does apply to the $500 million then the Chair would be constrained to rule that the point of order should be sustained.

Mr. TABER. I inserted in the amendment the specific words "out of this appropriation," so that it would not apply to the $500 million.

Mr. H. CARL ANDERSEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair is ready to rule.

Mr. H. CARL ANDERSEN. Mr. Chairman, I should like to point out this, however.

The CHAIRMAN. The regular order is, the Chair has ruled and the point of order is not sustained.

Mr. H. CARL ANDERSEN. Mr. Chairman, may I make a further point of order against the amendment?

The CHAIRMAN. The Chair will rule on the point of order that has been made. The point of order is not sustained.

Mr. WHITTEN. Mr. Chairman, I hesitate to interpose at this point, but with reference to the statement of the Chairman may I respectfully submit that this is not an appropriation but is an authorization of a program. The amendment providing for the $175 million is the announcement of a program and funds for that program will be in next year's bill. Therefore, the ruling announced by the Chair, I respectfully submit, while it might apply if this were an appropriation, should not prevail since this is in addition to a program funds for which are not even included in this bill. The rules that apply to limitations on appropriations would not apply in this instance. For that reason I again submit that this amendment is subject to a point of order because it has to do with an appropriation that is not in the bill.

The CHAIRMAN. The Chair regrets to be compelled to disagree with the gentleman. In the opinion of the Chair this is very clearly a limitation on the appropriation contained in the pending bill.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, may I be heard on the amendment?

The CHAIRMAN. The Chair has announced that all debate on this paragraph has been closed.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 26, noes 90.

So the amendment was rejected.

The Clerk read as follows:

OPERATING EXPENSES, TRANSPORTATION AND PUBLIC UTILITIES SERVICE

For an additional amount for "Operating expenses, Transportation and Public Utilities Service," including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $100 per diem for individuals, $75,000; and the limitation under this head in the Independent Offices Appropriation Act, 1958, on the amount available for expenses of travel, is increased from "27,500" to "$39,500."

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 7, line 23, strike out "$100" and insert in lieu thereof "$50."

Mr. THOMAS. Mr. Chairman, the committee will accept the amendment if the gentleman will permit us to take it to conference and give it consideration there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

HOUSING AND HOME FINANCE AGENCY

FEDERAL HOUSING ADMINISTRATION

The limitation under this head in title II of the Independent Offices Appropriation Act, 1958, on certain nonadministrative expenses, is increased from "$36,000,000" to "$38,000,000."

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 8, line 8, strike out the period following "'$38,000,000'" and insert a semicolon and the following: "*Provided*, That no part of the funds herein made available shall be used to process or approve any applications for mortgage insurance unaccompanied by a building permit showing compliance with applicable local building law or regulations."

Mr. YATES. Mr. Chairman, every large community in this Nation is faced with the problem of slum clearance. This amendment is designed to prevent the creation of slums. The title I program of the Federal Government which permits the insurance of loans made for repairs of existing housing is frequently used in communities such as Chicago, Los Angeles, New York, and the other metropolitan communities of the country for the conversion of existing properties into apartments and small cubicles for the housing of many more families than the houses were originally intended for. This results in the creation of a slum property. If permitted on an extensive scale, it results in the creation of a slum area. Last year the commissioner of buildings of the city of Chicago faced with an almost insuperable problem in this respect addressed a letter to the Housing Commissioner, Norman P. Mason, on July 30. This is what he said in part:

We are confronted with a very serious problem in Chicago that has curtailed our program to make Chicago a safer and healthier city in which to live.

We are, it is true, making considerable headway but one factor which interferes with our success is illegal conversions. These are made without obtaining building permits but are aided and abetted with the help of title I FHA improvement loans under the present provisions of your regulations.

A tremendous step forward would be taken in coping with the problem of illegal conversions by appropriate amendments to your present regulations.

The Commissioner of Housing, Mr. Mason, rejected the application of the building commissioner of Chicago.

The purpose of my amendment is to require a compliance with local law where a building permit is required by a municipality for a repair job on a house, for structural changes in a building, for rehabilitation purposes. It would require the lender to make sure that a building permit has been issued before FHA will guarantee his loan. In this way, the people of the local community and the local community itself is protected against the blight caused by creeping slums.

Mr. Chairman, Chicago and other great cities are faced with a very great fire hazard because of slum conditions. There have been several fires of major proportions in blighted areas, which have resulted in the loss of several lives. The attack on the slums and unconscionable slum owners is being pressed, but it cannot be won without the aid of the lending institutions. On January 18 the Chicago Tribune reported that Chicago's Mayor Daley, in furtherance of his campaign to eliminate slums, told the bankers and financial houses that:

Insurance companies should make sure that every building is reasonably suited for human habitation and has not been declared hazardous by the fire and building departments before issuing a fire-protection policy.

Not only should fire-insurance companies be concerned with substandard buildings, but also those concerns writing casualty or public-liability insurance.

Banks and building-and-loan agencies and all other groups which loan money to make building repairs and improvements should make certain that they see a plan and a city-approved permit for any building construction or remodeling before granting a loan.

That is why this amendment is essential—to require FHA cooperation.

It will have a second salutary purpose and effect in protecting the Federal Government. The Federal Government assures payment of the loan by the lending institution. If the properties are used for illegal conversions and result in overcrowding, deterioration, and the creation of a slum property, the security for the protection of the Federal Government is greatly diminished. If it becomes a slum property, it runs the risk of being closed under the police regulations of the local community and, if it is closed, the Federal Government as a secondary guarantor is responsible. For both of these reasons—first, for the health and safety of the local community, and second, for the protection of the Federal Government—I urge the acceptance of my amendment.

Mr. THOMAS. Mr. Chairman, the committee will not contest this amendment at this time provided it is clearly understood by our very able and genial friend that the committee reserves the right to make a final decision on the amendment. We think, perhaps, it might be legislation which deserves the consideration of the legislative committee. Secondly, the matter is under consideration at this time by the administrator of the Federal Housing Administration, and we will seek his advice.

If it develops that the Government is in the position of enforcing the local building code in the great city of Chicago, we will throw it out of the way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $3,500,000, none of which shall be for personal services.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 8, line 12, strike out all of the sentence following "$3,500,000" and insert a period.

Mr. YATES. Mr. Chairman, it is inconceivable that this amendment is required at this time. This is a time for urgency. I could have understood the action of the Appropriations Committee had this reduction taken place before the Russian sputniks were projected into their orbits, but that today we should seek to cut the funds for the National Advisory Committee for Aeronautics by 50 percent is unthinkable.

Would you favor a reduction at this time in the appropriations for the Air Force? Would you favor a reduction at this time in the appropriation for the high-speed bomber program? Would you favor a reduction in the appropriation at this time for the missile program? That is exactly the effect of the reduction in the appropriation for the National Advisory Committee on Aeronautics.

Last year NACA requested $7 million from the Bureau of the Budget in order to meet its obligations and responsibilities under the stepped-up program. The Bureau of the Budget cut the request of NACA by $2 million. It came before our subcommittee. Our subcommittee cut it an additional $1,500,000. So that now, of the $7 million requested, the funds appropriated for NACA are exactly 50 percent of what they requested.

But, to add insult to injury, to confound the evil that was done, there is a limitation on the expenditure of the funds by NACA. The bill grants NACA funds requested for rocket research. It grants funds requested for the purchase of rockets. It grants funds requested for additional power to carry out these experiments. It grants the funds requested for additional supplies and equipment, for materiel. But then it says that none of the funds may be used for hiring additional employees. We gave NACA the additional equipment and the additional tools it needs to meet its obligations under the stepped-up program, and then we say, "We will not permit you to hire the personnel that you need in order to carry out this program." It is like a rocket, without fuel. It cannot get off the ground.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. GROSS. Last year when a reorganization bill, dealing with aeronautics, was passed by the House, was it not understood that certain personnel would be transferred, or am I wrong about that?

Mr. YATES. I am not aware of what the gentleman is referring to. Perhaps someone else on the committee can answer the gentleman's question.

NACA requested 463 additional employees. Not one—not one additional employee, mind you, is authorized in this supplemental appropriation bill. Does this make sense?

Today we should be doing what the Congress did a few months ago when an appropriation for the Department of Defense was rushed through. The bill was in the form of a supplemental bill, but actually the funds were borrowed from the 1959 budget.

At that time we were told that what we were doing was buying time; we were taking part of the appropriations for the fiscal year 1959 for the Department of Defense and applying them in the form of supplemental appropriations. In this way funds needed immediately were made available. It was represented that we were buying time for the Air Force, we were buying time for the other defense agencies. NACA is an integral part of our defense structure. Its funds are needed immediately, too. By refusing to take the same action for the National Advisory Committee for Aeronautics we put a halter upon the other programs which we voted to speed up.

This is a supplemental bill; this is a bill which takes care of the urgent needs of NACA. They say: "We need this money now to cooperate and to carry on our work with the other defense agencies of Government," and yet, in this bill, we refuse to permit them to do so. The regular appropriation bill for NACA will come before this Congress in a few weeks. However, it will not be enacted into law for another 3 to 6 months. Before the House finishes with it, before hearings take place in the committees of the other body, and before the other body passes it, before the President considers it and signs it—another 3 to 6 months. We must not delay. The time for this appropriation is now.

Mr. THOMAS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto and to the paragraph close in 8 minutes, and that I may have 5 minutes.

Mr. FLOOD. Mr. Chairman, I object. Make it 10 minutes.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes, and that I be allowed 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. THOMAS. Mr. Chairman, first, what is the function of this agency? It is not an operating agency in the sense that it is going to build airplanes; it is purely a research agency. It deals with problems that will confront aviation 10 or more years from today. We all realize, of course, that there is considerable duplication between NACA and the Army, the Navy, and the Air Force.

My friend made a very able argument yesterday, but when he offers his amendment today he runs away from his argument; he does not stay with it; he goes in the opposite direction. He quoted a very able man, General Doolittle, who is chairman of the NACA and has been chairman for 1 year.

Do you know what he said? He said that the committee did not give them enough money for power, electric current. We gave them every penny they asked for last year. If they did not ask for enough, was it the committee's fault? Not 1 penny was taken from them. Then they came in and said: "We need a little more money because we want to step up the program for the last 3 months of this year." This bill gives them every penny they asked for.

He said we did not give them enough money for rockets. That is right. Last year we did not give them a penny for rockets because they did not ask for it; they were getting them from the Air Force. But the Air Force said, "We are not going to give you any for the last 3 months of fiscal 1958." The fiscal year ends the 30th of June. So they asked for $1 million, and the $1 million is in this bill.

They asked for 153 man-years of additional employment, for the last quarter of the year. They only have 8,200 now. There is no agency in this Government that has grown in manpower and dollars like they have: 8,200 employees doing nothing but pure research.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. JONAS. Is it not true that only about 3,000 of the 8,200 are engaged in research and that the others are overhead personnel?

Mr. THOMAS. A very nice statement. Mr. Chairman, they are taking out of production eight different items—wind tunnels and some other facilities that employ between 150 and 200 employees. They are taking them out of production. They do not eliminate the 200 employees. They are remodeling different items all the time, research facilities, for instance, and when they are remodeling they are out of production. But the employees are there just the same. As of today they have 200 to 225 unfilled jobs; yet my friend from Illinois thinks they need 153 more employees.

In 30 to 60 days, if the grapevine is right, the NACA will be back to the Congress wanting millions more for space research and missiles, and I believe that this agency ought to have that great responsibility. How many additional thousands of employees will they need? Your guess is just as good as mine. My guess is, they will want another 3,000 or 4,000 people.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to point out to the gentleman that the International Cooperation Administration has grown from 571 employees to 12,500 employees.

Mr. THOMAS. That is pretty good.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Tennessee.

Mr. EVINS. During 1958—the present fiscal year—the NACA has a budget appropriated to it of $106 million. The amount requested in the regular budget for NACA for next year, 1959, is $106,700,000—the committee has already held hearings on NACA's regular budget.

What we are considering here, is a supplemental request in addition to the regular budget. The amount requested in the supplemental is $11,700,000; the amount approved by the committee and carried in this bill is $9,500,000; this amount provides $6 million for three items of construction; namely, a new building costing $2,500,000 to centralize data processing at Langley Field, Va., $2,500,000 for another new ultra-high-temperature testing facility, and $1 million for instrumentation of a research airplane.

The committee has not been penurious in appropriating for NACA. As indicated $9,500,000 is carried in this supplemental bill for this agency at this time. I repeat, there is also pending before the committee a regular appropriation bill for NACA for $106,700,000. The committee will give full and careful consideration to all the needs of this important agency. We should remember that this is merely a supplemental appropriation bill, which is intended to provide some funds needed for work at this time to reduce the time lag in considering the regular budget request. I repeat, any additional funds needed can be considered more carefully in the regular budget. Therefore, I do not share with the gentleman the sense of urgency that he insists upon.

Mr. THOMAS. Mr. Chairman, the pending amendment should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. YATES. I want to clarify one or two points. I did not say that this committee has not given rockets to NACA. I said that the committee did provide them with funds for the rockets, the committee did provide funds for the power, the committee did provide for the supplies. But the committee did not provide for any employees to carry on the work.

These are the actual figures of the NACA at the present time with respect to employees. It now has on the rolls 7,935 employees. It requested an additional number of 463 employees for the last few months of this fiscal year. Why? For the very simple reason it will seek to

employ 9,000 people next year under an expanded program. Why does it want to employ 9,000 next year? Because the President has stepped up this program; because this agency is an integral and important part of the military program. To cut funds from the NACA is like cutting back an appropriation for the Air Force.

Now, let me read to you why the agency wants this money. I asked the question of Dr. Dryden:

Why do you need this appropriation?

This is what Dr. Dryden said. He is the very able administrator of this agency:

The supplemental appropriation will permit us to begin increasing our personnel; it will permit sufficient funds to buy rockets to carry forward the program in this area, which is applicable to ballistic missiles; it will permit the purchase of enough electric power to be able to schedule the tests required in the new chemical bomber program and the new satellite vehicles and the Polaris missile program.

Do you want action now or do you want to return to a state of relaxation? Do you want a buildup or a letdown? Do you want to continue to be accused of complacency? Do you remember your frame of mind when the sputnik was fired? Were you not worried after October 4? Were you not asking yourself whether the President or the Congress was responsible for the inadequate state of the country's defense? If you want action now, permit this agency to take its place with the Air Force, the Navy, and the Army in keeping our Nation strong.

Mr. FLOOD. I feel now that to add anything would be gilding the lily. I, too, love my friend from Texas, with whom I have worked for 12 years. I know he can charm a bird off the limb of a tree.

But let me tell you that this is a return to normalcy. If this was October or November or December, every one of you would vote for this amendment without hesitation.

Oh, no. So you have changed already. Ah, we are back to where we started, are we? Everything is going to be all right, is it? So you are going to quibble now about 100 or 200 or X hundred employees. Believe me, every word my friend from Illinois said is important to the Department of Defense and to the Polaris weapons system. The Department of Defense, through the Secretary of Defense, today made an announcement in the other body that they are going to come back here and ask for 6 more Polaris weapons systems within the next 30 days. And, you are going to pass it, and it will cost you another billion dollars in addition to this budget. Mark my words. This money is to advance by 3 months the testing of the Polaris system which you are going to vote for within the next 3 months, every dime. And mark my word, you will. You will, to the tune of a billion dollars above the budget. You will vote for it and love it, I hope.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. YATES. As though my friend's persuasion was not enough, there was an item that appeared in the Washington Post last Sunday, and I read:

The Soviet Academy of Sciences mapped out yesterday a program to spend 16.2 billion rubles (about $4½ billion) allotted for scientific development in 1958.

And we are arguing here for $1.5 million.

Mr. FLOOD. All this is, as far as I am concerned, is to advance the testing of the Polaris system. I am not going to adopt the statistics or the margin for error on the number of employees, but I submit to you, Mr. Chairman, that if the science establishment tells me that they want to buy 3 months' time to test the Polaris weapons system and you vote against it, then I declare that you are working deliberately to retard the system.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 59, noes 74.

So the amendment was rejected.

The Clerk read as follows:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $8,750,000, to remain available until expended; and the limitation under this head in the Independent Offices Appropriation Act, 1958, on the amount available for expenses of travel, is increased from "$175,000" to "$185,000."

Mr. COFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to make a comment on this item and to ask the chairman of the committee a question. Being unfamiliar with what the committee faced, I was somewhat shocked to read in the report that the item for basic research grants for support of science had been decreased from $7 million to $2.6 million, and on the other hand that the fellowship program had been increased 13 times and the teacher-training institutes almost twice. I read in the hearings the discussion of this item and was most impressed to learn that the requested amount would enable the National Science Foundation to consider favorably and support not 19 percent of research proposals but 27 percent.

I was further impressed to read that Dr. Klopsteg had said that after four screenings of these proposals for research 70 percent of them were appraised as meritorious.

With this in mind, and having in mind what is apparent to all of us as to the need for basic research, which is not just research but is an educational process, in that the directors of research programs in the various schools and universities work with and train highly skilled students—with all these things in mind I wonder if the chairman of the committee could give us his thinking that led to the recommendation that is now before us.

Mr. THOMAS. Mr. Chairman, may I say to our colleague from Maine that there is no disposition on the part of the committee to slow down in any respect the activities of the foundation. To the contrary, we wanted their program to go forward; and to be perfectly frank about it, this is no more an emergency item than the man in the moon. And yet this is a deficiency bill. The foundation has three programs. We took the money they had and divided it equally among the three programs rather than to put all the money into one program, with one thought in mind, that it would be far more palatable to the House that way than the other way.

Remember, we have a regular bill coming up in about 4 to 6 weeks with over $115 million or $120 million or $130 million in it. The program is stepped up 3 or 4 times what it was this year. The House is not unanimous by any means on this educational program. We realize that. We were just trying to make it a little more palatable, and I think this does the job.

We have no fault to find with the research program, none whatsoever. We think it is fine. But it is nothing akin to an emergency, and this is an emergency bill. Certainly we think the schoolteacher program is wonderful and the fellowship program we think is good, too. We took the amount of money that they requested and divided it equally among the three programs thinking the House would like it better that way. That is my judgment now and I think the committee was practically unanimous in that thinking.

Mr. COFFIN. I thank the able chairman of the committee. I knew that one of his strong points, among others, was fellowship; but when he increased fellowship 13 times, I thought he was stretching a point. But I am very pleased to have this explanation and I thank the gentleman.

The Clerk read as follows:

VETERANS' ADMINISTRATION

INPATIENT CARE

For an additional amount for "Inpatient care," $6,000,000; and the limitation under this head in the Independent Offices Appropriation Act, 1958, on the amount available for expenses of travel, is increased from "$366,500" to "$416,500": *Provided*, That, notwithstanding the last proviso under that head, inpatient care and treatment may be furnished to an average of 140,490 beneficiaries during the current fiscal year without any proportionate reduction in expenditures.

Mr. SAYLOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to ask some member of the committee for an explanation of the proviso which appears on page 9 from lines 7 to 11. The reason I do that is that members of the Committee on Veterans' Affairs of the House have heard that the Administrator intends to cut down the number of beds in veterans' hospitals that will be in active use beginning with the first day of April, so that by the beginning of the next fiscal year the number of beds will not be an average of 140,490, but probably will be reduced to 130,000.

I should like some member of the committee to tell me whether or not that is the intention of this proviso.

Mr. THOMAS. May I say to our friend from Pennsylvania that this language was requested by the Veterans' Administration. It gives them more latitude. It means just what it says. The

amount of funds they can spend is tied to the number of beds they operate. They came in and said, "We want to renovate some of our beds, we want to improve some of our buildings." Therefore, the number of beds was reduced but the dollar amount was not reduced.

Mr. SAYLOR. I sincerely hope that the total number of beds in our veterans' hospitals will not be reduced.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Tennessee.

Mr. EVINS. I may say that the gentlemen of the committee supported the Veterans' Administration request rather than the Budget Bureau in this connection.

The Clerk read as follows:

BUREAU OF RECLAMATION

For an additional amount for the "Upper Colorado River Basin Fund" for the Glen Canyon project, not to exceed $10 million; and for the Trinity River division of the Central Valley project, not to exceed $10 million; to be derived by transfer from any definite annual appropriations available to the Department of the Interior for the fiscal year 1958 and from the appropriation "Construction and Rehabilitation": *Provided*, That no part of any funds allocated to these two project activities shall be used for contracts not in effect as of February 20, 1958.

Mr. TABER. Mr. Chairman, I make a point of order against the paragraph beginning on line 20, page 14, and ending on page 15, line 7, on the ground that it changes existing law and is legislation on an appropriation bill.

Mr. CANNON. We concede the point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

Mr. DAWSON of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAWSON of Utah: On page 14, line 20, add the following:

"BUREAU OF RECLAMATION

"For an additional amount for the 'Upper Colorado River Basin Fund' for the Glen Canyon project, not to exceed $10 million; and for the Trinity River division of the Central Valley project not to exceed $10 million: *Provided*, That no part of any funds allocated to these two project activities shall be used for construction contracts not in effect as of February 20, 1958."

Mr. DAWSON of Utah. Mr. Chairman, the point of order which was just sustained throws out the appropriation of $20 million which was made for the Upper Colorado project and the Trinity project in California, on the theory that the additional language on page 15 providing that the funds must be made available from transfers from other agencies within the Interior Department was legislation on an appropriation bill. The effect of the ruling on the point of order is this. You have completely thrown out the appropriation which the committee intended to make for these two projects. In other words, there is no appropriation whatever in this bill for these two great projects. I want to remind the committee that in both of these cases the work is now in progress. At Grand Canyon Dam there are approximately 2,500 men at work; and if this appropriation is not granted, the project is going to be closed up. These men are going to be put out of work. In addition, the interest is accumulating on the project and it is going to throw the whole financial arrangement on the project out of kilter. This is very serious. Here is a project that is going. Here is a great dam under construction. There have already been many millions of dollars spent on it. As a matter of fact, there have been many millions of dollars spent on both projects in California and the Upper Colorado. They are well under way. If we shut them down now, the Government itself is going to suffer as well as the people in the area who are paying this money back with interest. On the Upper Colorado project we are paying not only the principal but also the interest on power features, and we are paying it during the course of construction, which has not been required on other projects. If we are held up and we are not able to go ahead with this project, it simply means the interest is going to pile up and we are going to pay for it in the end.

The quicker this dam can be completed and the power put on the line, the quicker we are going to be able to pay it off. I am sure the committee never intended to shut these two projects down. But, that is exactly what is going to happen unless this amendment is adopted. I am sure the Committee will not stand for it. The President, I think, according to the press this morning, has made the statement that they may even consider some new starts to help us get over this rough period that we are now in. But, here is a project that is already started. Both of these projects have already been started. A good many millions of dollars have already been spent. To shut them down now and lay the people off of work—to lay many, many thousands of people off who are working on these projects—is simply going to aggravate the situation. I cannot understand for the life of me why we would be wanting to shut these projects up. I had some information this morning that we have approximately 20 new starts that are being made across the seas in foreign countries and they are projects that are being financed with American money. They are new starts. Mind you, here we have projects already under way and projects that have been going, and we are talking of shutting them up. It is absolutely ridiculous.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I am happy to yield to the gentleman.

Mr. GROSS. What is the name of the gentleman's project?

Mr. DAWSON of Utah. It is the Glen Canyon project.

Mr. GROSS. Why does not the gentleman give it a foreign name and he will probably get the money he is asking for.

Mr. DAWSON of Utah. Well, that might be an answer to it, but if anyone can give me a logical reason—if anyone on the floor can give me a reason why this project should be closed up and these men laid off from work and the contractor forced to pull out his equipment, I would like to know the answer. I hope that this amendment gets the unanimous support of the Committee.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not like to be obliged to rise against an amendment offered by my friend, the gentleman from Utah, but I am faced with this situation. When the Bureau of Reclamation appeared before the Committee on Appropriations last year on the Flaming Gorge unit, which is a part of this setup, they told us, and this is to be found on page 667 of the hearings, that they would only have 25 employees. In the breakdown which is on page 586 of the present hearings, they have $7,720,000 for housing.

That only means $304,000 a house. Just think of the palaces that they are building instead of building a reclamation project.

On the Glen Canyon proposition on page 587 it appears that for 200 permanent houses they have $20,920,634. That only means $100,000 a house. And they have all sorts of roads and trails, and all that sort of thing around it.

I have a map here. It is a very gorgeous layout; pavements in front of the houses 70 feet wide, and side streets 30 or 40 feet wide, depending on circumstances.

Now are we going to do business that way? Frankly, I have been forced to take the floor and tell the House the kind of business that the reclamation outfit is doing. I had hoped we would be able to control this thing in committee, but it is so bad that I do not see how anybody can stomach it. Of course we do not have any information except what the departmental crowd gives us, and when they give us that picture you have $304,000 average for a house and that is pretty gorgeous.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HOFFMAN. What are you trying to tell us?

Mr. TABER. I am not telling you anything. I am reading what the reclamation setup put into the record.

Mr. HOFFMAN. You mean $304,000 a house for each house?

Mr. TABER. That is what the average would be for this project.

Mr. HOFFMAN. Who is going to live in it?

Mr. TABER. The fellows who work around these dams.

Mr. HOFFMAN. Who is going to heat them?

Mr. TABER. The United States Government.

Mr. HOFFMAN. Either you are crazy or I am.

Mr. TABER. Well, I presume I am.

Mr. HOFFMAN. Well, I am, too.

Mr. TABER. But it is a little more than I can stomach. I do not see how anybody can stomach it.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. DAWSON of Utah. The figures which the gentleman has been giving is the overall figure, and that takes into consideration the layout on the whole

project. You are charging them with factors that are not related to housing alone.

Mr. TABER. Does the gentleman mean that the head of the Reclamation Bureau did not tell us the truth when he told us there would be 25 houses in this setup? I do not know.

Now, that bothers me. Frankly, I do not like to do this, but I have been forced to because I could not look at these figures and see the result.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

(By unanimous consent Mr. TABER was granted 5 additional minutes.)

Mr. TABER. Mr. Chairman, there is the other proposition, the Trinity River proposition. The trouble with that is this: There is $10 million asked for on that. This is the information that was stated in a letter to the committee, that the contractor on the Clear Creek tunnel will complete this feature of the project 1 year in advance of the time, and that it will not serve any useful function if he is provided with the additional $6,500,000 which is included in this $10 million proposed in the amendment.

If they have any case at all it is for $3,500,000.

Mr. Chairman, I am going to offer an amendment to reduce this to $3,500,000, because there is absolutely no justification for anybody going ahead with this crazy housing game at $304,000 a unit. That is a little too much.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EVINS. This one project is the Upper Colorado River project, one in which the President is interested.

Mr. TABER. Oh, yes; but he did not recommend $304,000 a house, and I do not believe he has any knowledge of it. I do not see how anybody can be for the $304,000 proposition.

I have not sufficient facts in regard to the Trinity River project to make me want to throw the whole thing out, but they certainly do not justify more than $3,500,000; and I intend to offer an amendment to reduce the $20 million to $3,500,000.

On the Glen Canyon project I heard Mr. Dexheimer say there would be 200 people working. Divide $20,920,000 by 200 and you get a little over $100,000 a unit. This is entirely too gorgeous for us to undertake anywhere in the world at this time.

I hope that when this thing comes to a head we will be able to put this in shape where it will not be a menace to the country. We cannot afford to do things on any such slipshod basis as this, and I hope my amendment to reduce the amount to $3,500,000 will be adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I offer an amendment as a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER as a substitute for the amendment offered by Mr. DAWSON of Utah: Insert "For an additional amount for the 'upper Colorado River Basin fund' for the Glen Canyon project, and for the Trinity River division of the Central Valley project, $3,500,000."

Mr. TABER. Mr. Chairman, I have offered the amendment. This amount is what the Trinity River people say they might need, $3,500,000, subtracting the $6,500,000 they told us in committee they would not be ready for even if they had it.

In support of what I have said I have here a statement that shows the amount of money that was to be spent on housing units in the Glen Canyon project. This was submitted to the Appropriations Committee after the hearings had been closed and the bill last year had been passed. It shows they intend to use for housing overall $2,050,000.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. As I understand the amendment of the gentleman from New York, the $3.5 million proposed is merely for the Trinity project?

Mr. TABER. That is right.

Mr. RHODES of Arizona. In other words, the gentleman does not propose to put in any money for the Glen Canyon project?

Mr. TABER. That is correct, because of the fact this housing business they have embarked upon runs into the neighborhood of $28.6 million and there is no excuse for any such project. It is too elaborate altogether.

Mr. CANNON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join the gentleman from New York in his opposition to this amendment. Ample funds are already available for the purpose. I trust the gentleman from New York will withdraw his amendment. There is available here $7,442,000, in round figures seven and a half million dollars, at this time by transfer. From that can be transferred $4 million which is more than is necessary for the tunnel, leaving something over $3 million for the dam.

Mr. Chairman, as has been stated, the committee has a letter from the Department, written directly to the committee, on this point, stating that the Clear Creek tunnel will be completed a year before it can be used, a year before it is necessary. I trust that the gentleman from New York will withdraw his amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. I did not understand the things that the gentleman has said; but on the gentleman's statement I would feel obliged to withdraw the amendment.

I want to keep things in order and I know that the gentleman from Missouri does.

Mr. CANNON. Let me say, Mr. Chairman, if we want to provide funds for those things which are needed, for those things which are necessary, we must deny funds for those things which are not needed and those things which are not necessary.

Mr. TABER. Mr. Chairman, I ask unanimous consent to withdraw my substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to inquire of the gentleman from New York: Is it my understanding now that the gentleman has withdrawn the substitute and that we are now back on the original amendment offered by the gentleman from Utah?

Mr. TABER. That is correct.

Mr. SISK. May I say that this to me is a rather unusual procedure. Frankly, it was my understanding that it was the determination of the committee this money was needed for both the Upper Colorado project as well as Trinity and that was the reason for putting in the language for transfer of the funds on the part of the committee.

A further statement I am particularly concerned about is the justification by the gentleman from Missouri that one of the tunnels on Trinity was being completed ahead of time. It is a case of cutting back on Trinity funds. We are desperately in need of the completion of this project in California and certainly to me nothing would appear to be more foolish and a greater waste of money than to be forced now on account of lack of funds to stop construction at the present time and to take men off the job in that area. I might say economic conditions up there will certainly be adversely affected if that occurs, plus what I feel to be an actual loss in the progress of the project if ample funds are not made available to continue the work at its present rate.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Missouri.

Mr. CANNON. The gentleman is not familiar with the fact that $5 million additional is available for this purpose since this report was written. You will find a statement to that effect in yesterday's CONGRESSIONAL RECORD at page 2752. They have ample funds to carry out their operation at this time.

Mr. SISK. The point that was curious to me, I will say to the gentleman, was the reason why the committee apparently felt it necessary to make provision for the transfer of funds, which I understand now has been stricken on a point of order, if there had not been need for funds. I know the information I have from the Bureau of Reclamation and the Department of the Interior is that there is going to be substantial need for additional funds.

Mr. CANNON. But the gentleman fails to take into consideration that since this report was written, and since the need was expressed, $5 million is said to be available for this purpose.

Mr. SISK. Now, where are those $5 million coming from?

Mr. CANNON. If the gentleman is not familiar with it, he will find the state-

ment on page 2752 of yesterday's CONGRESSIONAL RECORD.

Mr. SISK. I am asking where are these $5 million coming from that the gentleman refers to?

Mr. CANNON. In the fund for construction purposes there is $5 million that is not needed, and is now available for this purpose.

Mr. SISK. Mr. Chairman, I only have a very short time now, and I would like to proceed just a little bit further to say also that work is under way on the Glen Canyon Dam on the Upper Colorado which was authorized and which is a part of the policy of the present administration and which was favorably supported by a great many of us, and I, too, feel if that work is to go forward, then of necessity funds must be made available for proceeding with the work at Glen Canyon as well as the other project. Certainly of all times in the world, it seems to me, now is a most inopportune time to start cutting funds from projects that not only are desperately needed to bring water to the areas but are desperately needed to help in our present economic condition. So, I would hope that the amendment offered by the gentleman from Utah [Mr. DAWSON] will be adopted, and I urge my colleagues to support that amendment, because certainly we need to continue these two great projects, and if this amendment is not adopted I fear that it will severely hamstring the progress of the projects.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Upper Colorado River storage project was authorized about 2 years ago and the Trinity River project was authorized at least 3½ years ago. These two projects are reclamation projects. I would like to make one point very clear. I have all the respect in the world for the gentleman from New York, [Mr. TABER], and the gentleman from Missouri [Mr. CANNON], but I respectfully suggest that the figures they have are being misinterpreted somewhat. It is very difficult and very expensive to build a city out in the desert of Arizona from scratch and supply it with utilities, warehouses and public buildings. I do not think you can fairly say that each house is costing $100,000 when much of the money is for streets and municipal facilities. We do have to have a place for those people to live, and there will be more people there than 200.

However, be that as it may, even as the gentlemen have interpreted these figures bear in mind that every reclamation project is repaid to the Government. The Upper Colorado River storage project is the only reclamation project that I know of upon which interest on the power features is charged from the date that construction begins. In other words, if we are spending too much money for the city of Page, Ariz., if we are spending too much money for the city around the Trinity Dam, then the people who should be most zealous to cut it down are those who will be the water users and the power users from that district. As far as the Government is concerned, every cent of this money chargeable to power will be repaid and repaid with interest. I do not want to spend $100,000 for houses when I am going to have to pay it back, any more than would anybody else. And, believe me, there are a few of us here from the Rocky Mountain States who are going to look into these costs and we are going to be very careful that money is not wasted, because our people will pay this money back. Our people will pay this back through their power rates, through their water rates. The Treasury will be made whole with interest.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Is it not a fact that if we were to put a stop to this project, it would be burdened with the costs already incurred, so that the interest would pile up on us? Then the pay-out period would have to be extended and it would represent a great burden not only to the people in the area but also to the Government.

Mr. RHODES of Arizona. That is absolutely true. I have been hearing for 2 days now that there was money available that could be transferred. I have heard several different figures of money that is available for transfer or reallocation. I heard the figure of $15 million at one time, $10 million another time, $5 million today. So far nobody has yet told me where this money will be transferred from. The Department of the Interior says that if they cut money out of Indian Affairs, if they cut money out of National Parks, if they cut money out of Public Lands and pare the whole Department below the bone, they can scrape up $2½ million to transfer to these projects. Mr. Chairman, it is not good business to start a project of this magnitude and then for lack of $10 million from this date until the end of the fiscal year, to stop such a project. The increase in costs resulting from stopping and starting is fantastic. That is not good business and I do not think the committee is going to stand for it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Did the gentleman say that the money under this program will be paid back to the Government of the United States?

Mr. RHODES of Arizona. That is correct.

Mr. HOFFMAN. The gentleman means that this is just a loan?

Mr. RHODES of Arizona. That is right.

Mr. HOFFMAN. I thank the gentleman.

Mr. RHODES of Arizona. I thank the gentleman from Michigan. Mr. Chairman, I hope that the amendment offered by the gentleman from Utah will be agreed to. It would be breaking faith not only with the people of the West but also with the contractor who has people up there, if it is not. I am told there are a thousand people from the State of Missouri working on the Glen Canyon project. Those people would be put out of work, because no contractor I know of is big enough to absorb all costs for this period of time to proceed with the project, when the money to pay for the work is not available. That is just unthinkable.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. DAWSON of Utah. The only objection that has been made so far to the appropriation of these funds is that there is proposed to be some money spent for a housing project which the gentleman from New York thinks is out of line. I call attention of the Members to the hearings at page 561 where they will see that there is not one penny of this supplemental appropriation that is going for housing. The gentleman from New York contends that it is a bad situation because they are spending too much in the beginning, but it is not affected by this appropriation.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. RHODES] has expired.

Mr. ASPINALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the case was made for or against this amendment yesterday when we spoke in general debate on this particular piece of legislation. What is really involved at this time is whether or not we are going to appropriate $10 million each for the Glen Canyon and the Trinity projects to continue with construction of such projects.

We are building the dams and the tunnels, and we are taking care of the construction of those facilities which are necessary to build, as soon as possible, to see to it that the projects are constructed in accordance with the authorization of Congress, and as approved by the President.

I understood from the fact that the $20 million was set forth in this appropriation bill that it was considered that $20 million could be used effectively as of this time. Now that the provision has been stricken out on a point of order, it seems to me that the necessity for the appropriation still remains.

The gentleman from Missouri, the chairman of a great committee [Mr. CANNON], in whom I have a great deal of confidence and for whom I have much admiration, has stated, if I understand him correctly, that there is at this time $5 million available for Trinity. That is not in accordance with the information that was set forth in the material that was placed in the RECORD at the request of the gentleman from Utah [Mr. DAWSON] yesterday, and to which material I make reference. If that money would be made available it would be made available only to the amount of $2,600,000, and you would have to take away from the departmental offices, $23,325; from the Bureau of Indian Affairs, and most certainly we do not desire to curtail their activities, $2,393,000; from the Geological Survey, $430,000; from the Bureau of Mines, $583,000; from the National Park Service, $23,000; from Fish and Wildlife Service, $540,000; and from the Bureau of Reclamation, $1 million. There is the possibility

that we might be able to get an additional sum of two, or three, or four million dollars by not going ahead with the construction of reclamation projects which are already authorized and for which there is a demand in each of the areas concerned to have those projects built.

The money for carrying on needed construction work is not in fact available, and we might just as well admit it. As I said yesterday, I can sympathize with this committee because of the lack of justification that was presented before it by the departmental witnesses, but two wrongs never made a right. If it is necessary to go ahead with these projects, as I most certainly think it is, then we should appropriate the money.

I wish to take exception to the remarks of the gentleman from New York [Mr. TABER], for whom also I have a great deal of admiration and in whom I have a great deal of confidence. There are no buildings to be built down there as homes which will cost $103,000 per home. I endeavored to get to the area where the construction is going on last December, but I was kept from it because of inclement weather and could not fly down. However, I have talked to those who have been there, and the improvements for living conditions will be no better than they have been in the usual reclamation project. They will be comparable to like improvements made at Boulder City, at Coulee Dam, and elsewhere. They will not be any better than the others. In my opinion the statement from the great minority leader misleads us as to what is involved in this important matter.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Tennessee.

Mr. EVINS. I certainly thank the gentleman. I am sure he knows that I support the Upper Colorado River project and I have been favorable to this project as well as the Trinity project. I certainly want to do nothing that would impair the further progress of the projects.

From the debate it is apparent that there is some confusion here about the amount of funds available for these projects. One of the reasons the committee allowed the transfer of funds was that there was a showing of a large carryover. Since that time we have received a letter from the Secretary of the Interior, and I think you could not have any better authority than the Secretary of the Interior, for accuracy of information, who states in the letter that the 1959 budget, which is the one coming up—this is a supplemental.

Mr. ASPINALL. That is right.

Mr. EVINS. The 1959 budget coming up will have a carryover, a surplus, of $2,442,161. This was an earlier calculation. A later calculation shows that some $5 million additional will be carried over. It is estimated there will be an additional $5 million carried over and unexpended, plus the $2,442,161, making a total available for transfer of $7,442,161. I certainly want to vote for all the necessary funds to speedily complete both the Upper Colorado River and the Trinity River projects. I want the project to have all the money possible and to go forward as rapidly as possible. But what we have here is information from the Secretary of the Interior that the 1959 budget will have over $7 million available for further advancement of the projects. So what are we supposed to do on the basis of those figures asserted by the Department of the Interior?

Mr. ASPINALL. May I recommend to my friend from Tennessee that when the request comes up for fiscal 1959—and there is shown to be a carryover as he intimates—for these activities of the Federal Government that he use such funds for inclusion in the amounts appropriated for fiscal 1959 for the Department of Interior.

Mr. BOLAND. Mr. Chairman, I move to strike out the last word.

Mr. CANNON. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. BOLAND. I yield.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that debate on the pending amendment, and all amendments thereto, close in 22 minutes, the last 2 minutes to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLAND. Mr. Chairman, what the gentleman from Tennessee said a moment ago with reference to the unobligated balances is absolutely correct. The unobligated balance is in construction and rehabilitation in the appropriation of the Bureau of Reclamation. This is the appropriation from which the Trinity project funds are derived. It is possible for the Trinity project to go ahead with money from unobligated balances in an amount which will enable the Trinity project to proceed until the end of this fiscal year, June 30, 1958.

With reference to the Glen Canyon project, and as a member of the Subcommittee on Public Works, I was one of those who voted this bill out in favor of both projects. I think it is perfectly clear—at least to me—and some of the members of the committee that the Glen Canyon project cannot go ahead unless we appropriate money. There are now some 2,500 people working on that project and they will be thrown out of work if it does not continue to go ahead. I think the Bureau of Reclamation deserves some criticism for the manner in which it has handled the particular projects. I do not think the Congress wants any Department to run hog wild with reference to contracts entered into by the Bureau of Reclamation or the Corps of Engineers. I think that has been done in this instance. Yet, I think the reason for it is the Bureau of the Budget cut the request of the Bureau of Reclamation by some $8 million.

The Bureau of Reclamation requested $25 million for the Glen Canyon project and there was $17 million ultimately appropriated for it for the fiscal year 1958. It was cut, perhaps, too deep. Under this particular contract, the prime contractor has earned all he possibly can. What happens now is what has been told to the House by Members from Utah and Arizona and those who are interested in that project in that area. The project will stop. I think it is bad business to allow it to stop. I think it is wise, good sense, and fair that the project be continued. I think we ought to make that money available for this particular project.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

(By unanimous consent, at the request of Mr. RHODES of Arizona, the time allotted to him was given to Mr. THOMSON of Wyoming.)

Mr. THOMSON of Wyoming. Mr. Chairman, I think it is very important that we understand here just what the situation is and what we are doing. For the reasons I stated yesterday, in all honesty and sincerity, I think it is a healthy thing that the point of order was raised by the gentleman from New York to the transfer provisions of this section because things would have happened which I do not believe would have been in keeping with the zealous manner in which the Committee on Appropriations has guarded the transfer of funds from other activities of the Department of the Interior and from one division to another. But, that brings us down to the point where we have two projects that according to the hearings, and in the judgment of the committee, it was decided that they should go forward with the work. By the point of order the funds are taken out that are essential to continuing that work. Now we are told about the various possibilities of transfer of funds. It is always unfortunate that when figures are given to us on the floor of the House during general debate we do not have the opportunity to make a deliberate analysis of them. The bad effects of that is shown by the confusion that has developed in interpreting these figures today. I am one of those who requested information which was furnished by the Secretary of the Interior. I think that the case is, and it is shown clearly if you examine it, that there is not $5 million available for transfer from funds other than Reclamation appropriations even if the transfer was authorized, and under the point of order these funds would not be authorized for transfer to these projects. So there is nothing available from sources outside the Reclamation appropriations. As a matter of fact, the money that has been saved is going to come back to the general Treasury in the regular order of business and can be considered in the 1959 budget, as is the regular order of procedure.

As to the figures on page 2748, cited by the distinguished chairman of the committee, there is $2,409,000 which was authorized to be transferred from previous sections of the bill, and $2,623,000 that cannot be transferred to the Bureau of Reclamation projects under existing law, title XXI, United States Code, section 628, after the point of order. So we are bound to the proposition of having whatever may be available in the Bureau of Reclamation to be transferred—be it $2,400,000 or $7½ million.

I would say to you that we should take into consideration in acting on the 1959 fiscal year appropriation as has been and should be the regular order of business. That is the time to do it. But the question is, are we going to let these projects keep going or are we not? The committee decided we should. I am equally critical or more critical than the committee of the Commissioner of the Bureau of Reclamation. I join with the gentleman from New York and the gentleman from Missouri in criticism of letting contracts for much more housing than justified in previous years hearings at an ultimate cost of $20 million instead of $9 million as previously justified. As to shortage of funds to continue work on the prime contract, I think the Commissioner of Reclamation knew of this last year. In fact I am satisfied he did, so that he could have requested these funds last year in the proper manner, but that is water over the dam. The question is, are you going to provide funds to let them go ahead with these projects—reclamation water storage projects? They are the water storage projects and do not put more land into production. They are the backbone of the greater overall projects development which this Congress has deliberately considered and approved by overwhelming vote. The money is all paid back. It is simply a loan. They were singled out to pay interest during construction—the only projects I know of in which that has been done. How would you like it if you got a loan from a bank and started to go ahead with your building and then the bank slowed down the rate of advance to where it made your business construction uneconomical? If we slow down and string out this construction that is what we would be doing to the people of this area. To vote against this amendment would not be a vote for economy. It would be a vote for waste and inefficiency contrary to all good business practices.

Furthermore, at a time when leaders on both sides of the aisle are indicating that we must give thought to expanding reclamation projects and other public works projects, how can you justify a vote to stop construction on good projects already under construction that will put two or three thousand men out of work. It would be most unfortunate if we did. If there turns out to be $2½ million carryover funds or if it turns out that there are $7½ million of carryover funds at the close of fiscal year 1958, this can be taken care of when the regular 1959 budget comes up in the regular manner. We will not lose the funds.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. BOLAND. I think the gentleman makes a good argument. The only point that I disagree with him on is that there is $7,442,000 available for the Trinity River division. There is no doubt about that.

Mr. THOMSON of Wyoming. I agree with the gentleman.

Mr. BOLAND. The gentleman from Utah [Mr. DAWSON] cites the reference that was put in by the Bureau of Reclamation. It now says it can find $5 million more in unobligated balances. That indicates that they must know somewhere along the line where savings can be made. The Bureau of Reclamation has erred many times with reference to unobligated balances. For instance, in 1957 the estimate was $11,500,000. The actual fact was that the unobligated balance was $28,123,000.

Mr. THOMSON of Wyoming. I do not disagree with the gentleman from Massachusetts. My point is simply this: As to Trinity project which is being constructed out of the regular reclamation construction and rehabilitation, there may be some funds available for transfer under the law without hurting a project in someone else's area but the amount available for transfer is purely speculative at this time with still 4 months to go in the fiscal year. If we were to defeat this amendment and the amount is inadequate, then the work is halted. On the other hand if we pass the amendment, we are not losing the funds that come for savings. They will still be there and can be taken into account in making the appropriations for fiscal year 1959 which bill will be coming up shortly and which is the usual and regular procedure.

As to the Glen Canyon item the situation is different and even more serious. This project is constructed from a special account known as the "Upper Colorado Basin account." Under the law funds cannot be transferred from other accounts. No funds are available within the account. If this appropriation is not made the work simply halts until next year's funds are available.

The question you are voting on is simply, Do you want to stop work on good reclamation projects and throw thousands of men out of work? Do you want to vote for a bad business practice to increase the cost of these projects? I am sure you do not and urge you to vote for the amendment.

The CHAIRMAN. The gentleman from California [Mr. HAGEN] is recognized.

Mr. HAGEN. Mr. Chairman, I do not profess to be an expert on construction, but I think any lay person knows that to stop and start construction on projects of this magnitude makes it more expensive. Failure to appropriate this money would be no economy, and it is very conceivable that it will cost the Government money.

With respect to this matter of stealing funds from other projects, the fact that there might be a certain amount of money unobligated today does not mean that within a period of 3 weeks there might not be a call for that money by some other project which this Congress has approved. I have a particular case in mind in my own District. I would hate to see that money diverted either to the Trinity project or the Glen Canyon project. We should take a very close look at the failure of the Appropriations Committee to follow the request of the Bureau of Reclamation for additional supplemental moneys for these two projects.

I would like to reemphasize that if we fail to appropriate this money we are not saving any money; we may be spending more money; and at best, whether transfers are made or not, we are merely shifting the immediate burden of the request and the timing of the request, because eventually this transferred money will have to be replaced, so you will have to pay back the money which is "stolen." Thus you are not effecting any saving.

The CHAIRMAN. The gentleman from Utah [Mr. DIXON] is recognized.

Mr. DIXON. Mr. Chairman, I desire to compliment the committee on objecting procedures they think might be costly through obligating the Government. This alertness increases my regard for the committee. Although to take the risk of stopping this project now is unthinkable. It would be the most uneconomical economy one could think of. This delay would cost the beneficiaries who repay the loan at least one-third of the supplementary appropriation sought, also, it would delay by months the returns from powerplants which could bring us great revenue.

Merritt, Chapman & Scott have the contract. They bid 25 percent, or about $26 million, under the estimated cost. They are 7.4 percent complete with their work but 11.3 percent of their time is gone. They spend $100,000 a week for payroll. They need $3 million for cable. Without cable they cannot complete the tunnels. The tunnels have to be completed by low water this summer, otherwise the water cannot be diverted into those tunnels and the course of the river changed. If the tunnels are not completed by low-water time a whole year is gone. This threatens a whole year's loss of time on this tremendous project and a great loss in money.

Besides that, there are 1,000 employees and more down there, 135 miles from nowhere, who will be thrown out of work.

Again I submit the fact that to take the risk of diverting funds from other purposes is too dangerous and is uneconomical economy at this time.

The CHAIRMAN. The gentleman from California [Mr. SCUDDER] is recognized.

Mr. SCUDDER. Mr. Chairman, it seems to me we should be doing more for the development of the internal condition of our country during these times. There has been a slack in employment which we all recognize.

I believe that the projects now under way and other projects that are in the planning stage should be started in order to improve our economic condition.

There has been a lull in new starts in public works and reclamation projects, during the past 10 to 15 years. I believe that this is one way in which we can bolster the economy of our country and add to the employment rolls.

There would be a big economic loss if these projects were stopped, because the stopping of work on a project such as this would delay construction and ultimately cost the taxpayer more money. I would like to see the amendment offered by the gentleman from Utah [Mr.

DAWSON], adopted, as I feel it would step up some of the program.

Furthermore, as I mentioned yesterday, the Trinity River project which is included in this legislation, there has been offered a partnership program whereby the Pacific Gas & Electric Co. of California will construct the power facilities at a total saving of $60 million to the Federal taxpayers and at the same time become a taxpayer and will pay over that period of time $145 million in Federal, State and local taxes and will pay to the Government for falling water $165 million over the 50-year period.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Utah [Mr. DAWSON]. I feel very strongly that both the Glen Canyon and Trinity projects should be allowed to continue and I hope that these appropriations will be approved. I do not know what money is available for either project, but, in my opinion, that is immaterial. Nothing is going to be wasted and no money will be lost by making these funds available for immediate use. Therefore, I urge the House to pass the amendment offered by the gentleman from Utah [Mr. DAWSON].

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Colorado.

Mr. ASPINALL. As I understand it, no funds are granted to continue the work at Glen Canyon and between 1,500 and 2,000 employees will be out of work between the 1st of March and the 1st of July. Can the gentleman tell me where those employees will go and what will happen to them during the 3- or 4-month interval?

Mr. CHENOWETH. I will say to the gentleman from Colorado that they will probably go on the unemployment rolls. I want to confirm what my colleague said about his concern over the situation at Glen Canyon. In December of last year he planned a visit to Glen Canyon to check on the construction program. He invited me as a member of the committee to accompany him. On three different occasions we were ready to make the trip to Glen Canyon by air, but were prevented from doing so because of unfavorable weather conditions. He was anxious to make this inspection trip to see for himself just what the conditions were.

Mr. ASPINALL. I thank the gentleman and I promise the House I will continue to have that frame of mind and will make annual trips as a representative of the committee to that area.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I am very much concerned about the matter which the two gentlemen from Colorado brought up concerning unemployment. The location of the dam being in my State, naturally, the State of Arizona will be largely responsible for picking up the unemployment tab for anybody who is eligible to apply for unemployment compensation. It will result in a very rough situation.

Mr. CHENOWETH. I appreciate the comments of the gentleman from Arizona. I might state that I am receiving many inquiries from persons who are interested in obtaining employment on the Glen Canyon project. No doubt many have gone to Page, Ariz., in the hope they will find work. It would be a most unfortunate situation if the work on the dam should be suspended at this time. I hope this will not happen. I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, it might be well at this point to review the debate on this amendment. In the beginning the bill provided for a $10 million appropriation for the Glen Canyon Dam and an equal amount for the Trinity Dam. This was thrown out on a point of order because the paragraph also provided that these funds were to be secured by transfer. That indicates an intention on the part of the committee to proceed with these projects; otherwise they would not have appropriated the money in the first place.

The gentleman from New York opposes my amendment for the reason that the housing at Glen Canyon is going to cost too much. He indicated it may cost up to $100,000 a house. The gentleman gets his figures from page 587 of the hearings. I have talked with the gentleman from New York in regard to this. On that page you will find that this cost for housing includes not only the houses but the laying out of the whole city, the building of an airfield, warehouses, tools, light, water, and everything connected with a city. So he divides the total cost of service facilities at Glen Canyon by the number of permanent houses they would have and he comes up with this figure. That is the situation.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from Connecticut.

Mr. MORANO. Can the gentleman tell me whether or not the amount sought to be made available by your amendment is a loan to be repaid to the Government?

Mr. DAWSON of Utah. Every penny of it will be repaid to the Government; not only repaid, but repaid with interest. The thing that disturbs us is that if the project is closed down now we are paying interest on it and the men are going to be laid off of work, the contractor is going to be required to pull out his equipment, and eventually we will have to pay for it. Speaking of the people who are going to be unemployed, actually there are about 2,500 at Glen Canyon alone. I am not familiar with Trinity. But those people will be unemployed; and if they are put on the relief rolls, as they are going to be, we will have to pay for it.

Mr. Chairman, I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I rise in support of the Dawson amendment. I want to point out, first of all, that what you are dealing with here is repayable funds to the Bureau of Reclamation revolving account. A year ago the Bureau of Reclamation requested $37 million to start the project and operate it for 1 year. Now the Bureau of the Budget, not going along with the recommendation of the Bureau of Reclamation, insists that that be cut to $27 million. The appropriation of $27 million was made. The contracts were let, and the men who bid on the contract bid on it on a time basis with the object of a continuous operation so that it would be finished on time.

Now, what has developed? As the chairman of the committee pointed out in response to a question a moment ago, he said that $5 million is available if they want to go ahead and use it. Well, now, if you will turn to page 2384 of the RECORD, let us see where that $5 million he insists could be used comes from. It will come from your National Park Service, it will come out of your Fish and Wildlife program, it will come out of your commercial fisheries management and investigation resources program, and it will come out of other respectable projects that have been authorized. If they should take and transfer these amounts as indicated by the chairman of the committee, then these projects will not be in a position to go ahead and they will be ended. If the information given to us is correct, on the 1st of March of this year the contractor will be out of money and unable to operate.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I just want to correct the gentleman who just spoke. The fact of the matter is that the money would not come from those projects at all listed on page 2752, which gives a list of the Bureau appropriations. The gentleman did mention the National Park Service and the Fish and Wildlife program, but the $5 million does not apply to that at all. There are only $2 million involved there.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. The thing I wanted to call attention to was this, that a vote for this amendment is a vote in favor of these projects that I have referred to.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired. All time has expired.

The question is on the amendment offered by the gentleman from Utah [Mr. DAWSON].

The question was taken; and on a division (demanded by Mr. CANNON) there were—ayes 76, noes 56.

Mr. CANNON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DAWSON of Utah and Mr. ROONEY.

The Committee again divided, and the tellers reported that there were—ayes 72, noes 60.

So the amendment was agreed to.

Mr. DEMPSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: On page 15, preceding line 8, insert the following: "The $1,800,000 previously appropriated for the Navaho unit of the Upper Colorado storage basin is to be used to initiate construction on this unit in the current fiscal year."

Mr. CANNON. Mr. Chairman, after consultation on both sides of the aisle, I am authorized to accept this amendment.

Mr. DEMPSEY. Mr. Chairman, the amendment which I have submitted here is not asking for any additional money for construction of the Navaho unit of the Upper Colorado River development. I am asking only that by adoption of this amendment you express your specific intent that the $1,800,000 which you have so graciously appropriated heretofore for use in this fiscal year be used as you had intended.

This affirmative action, I feel, is necessary because it has been proposed that the money be diverted to other work and that this vitally important reclamation unit be left dormant. This proposal manifestly is in direct opposition to the intent of the Congress. It seems to me to be an attempt to usurp our Congressional prerogatives.

Adoption of this amendment merely means that the serious economic situation which confronts the people of New Mexico, particularly in the northwestern area, shall not be disregarded. It means that positive and immediate action must be taken to remedy at least in part the serious water deficiency which New Mexico faces. My State has been losing and will continue to lose almost 700,000 acre-feet of Colorado River water each year until this project is built. This water belongs to New Mexico under the Colorado River compact but is now flowing on down the river without benefiting the people to whom it belongs.

Our Navaho Indians, as you well know, have been plagued by economic hardship for many years due to a lack of proper development of the natural resources which they can utilize when sufficient water is provided. This Navaho Dam is the only possible source for that water. The most expeditious construction possible of this valuable unit, therefore, is imperative. That will not be attained if the money you have seen fit to appropriate for it can be diverted to other purposes, money which you deemed it proper to specifically earmark for the Navaho unit.

I am certain that all of you will agree with me that this plan to divert the funds is in no sense economical but, on the other hand, will work a definite and further economic handicap on people who look to us for just and equitable treatment. I will appreciate your support of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico.

The amendment was agreed to.

Mr. MONTOYA. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MONTOYA. Mr. Chairman, I fully realize many of the Members of this body are vitally interested in a sound and healthy reclamation program which will help build up the economy throughout our country. With respect to Navaho Dam the Congress spoke in no uncertain terms in providing funds for the initiation of this very worthwhile project. At the present time it is lingering in a state of uncertainty because the will of Congress is about to be thwarted by the arbitrary ax of the Budget Bureau. I am not willing to state that the Bureau of Reclamation is part of this plan because its officials must of necessity keep silent as to their part and I believe that they are wholeheartedly in sympathy with the construction of this project. I am very grateful as I know my constituents are, that the Committee on Appropriations saw fit during the course of the hearings on this bill to elicit the thinking of the Bureau of Reclamation and the Budget Bureau and the committee has, no doubt, impressed upon both of these departments that the Congress will not stand for the Budget Bureau curbing the will of Congress. While it may be legal to do so I feel that the onus is on the Budget Bureau to prove the exercise of prudence and good faith instead of cold-blooded wielding of the ax. I wish to commend the Appropriations Committee for making known in crystal clear language that it intends to fight as an agency of Congress for the preservation of legislative pronouncement on our statute books. Navaho Dam is a very vital project in my State. It is needed to enhance the economy of an almost forgotten people, the Navaho Indians.

I am grateful for the kind reception you have given this project.

The Clerk read as follows:

CHAPTER VIII

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Salaries and expenses

For an additional amount for "Salaries and expenditures," $375,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 15, strike out line 16.

Mr. GROSS. Mr. Chairman, it is my understanding that this $375,000 is wholly unnecessary to carry on the program of admission of immigrants to this country. It is my understanding, after talking to the distinguished chairman of the subcommittee of the House Judiciary Committee, the present Chairman of the Committee of the Whole, that this money is not necessary to carry on the program of admission of foreigners, that the screening has already been done, and that very largely this is a proposition of rubber-stamping the authorizations for entry into this country already made.

Therefore, Mr. Chairman, I do not care to belabor the point, but I can see no reason why $375,000 should be expended to add 53 more Americans and 112 natives of foreign countries to the payroll. I can see absolutely no reason for it in view of the statement of the gentleman from Pennsylvania [Mr. WALTER] that this money is unnecessary to carry on an orderly program.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I am afraid that my distinguished friend, the gentleman from Iowa, has been misinformed with regard to the situation connected with this $375,000 appropriation. At the latter end of the first session of this Congress last summer, the Immigration and Nationality Act was amended to provide for the issuance of 80,000 additional visas over a certain period of time. In this present fiscal year, between now and June 30, it is expected that 29,000 of these visas will be issued and that in the coming year, 1959, some 40,000 visas will be issued. If there is anyone who thinks that this meritorious program does not necessitate additional help for the hard-working consulates, particularly in Italy and Greece, they are not properly informed. Those of us who are familiar with these consular offices know that of all the people in the Foreign Service who do a fine job, and you know this as a result of your mail and the replies you get to your every inquiry, particularly from a country such as Italy where they are utterly swamped with work in Genoa, Naples, and Palermo, as I say, these are the people who need additional help. To interfere with or deny the recommendation of this committee and this amount for the State Department, and I should remind you that these are employees who with the exception of 12 or 13 percent, will be all used overseas at our consulates, is just hamstringing a program designed to bring to the United States many near relatives of American citizens of Italian birth. This action would prevent the admittance to the United States of artisans and skilled specialists from such countries as Greece and many other countries as well. I do not think this House of Representatives will go along on hamstringing an operation of the Government such as that with which we are involved here. I know that in my particular office we have tremendous business with our consulates in Naples, Palermo, and Genoa, and I know that they cannot physically answer my letters and inquiries in full detail because they are swamped with work at the present time. I personally know that that is the true situation and that most of the Members here have had the same experience.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. MORANO. Mr. Chairman, I agree with what the gentleman from New York is saying. I am one of the Members of the Congress who has a great deal of correspondence with the consular officials overseas and I know that some of them are as much as 3 and 4 months behind in their replies to inquiries that I make of them.

Mr. ROONEY. I should point out to the distinguished gentleman from Connecticut and the membership that in the period between September and December, 1957, just passed, there were 4,245 Congressional inquiries directed to three posts alone—Naples, Palermo, and Genoa.

Mr. MORANO. It is simply a matter of an obligation that we have. This Congress passed a law which provided for the uniting of families of American citizens.

Mr. ROONEY. Exactly, and the committee has looked this over very carefully. The committee is in unanimous agreement with regard to this. The amount requested by the Department of State has already been cut some 16 or 17 percent but this $375,000 will get these 29,000 visas issued between now and June 30.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. FEIGHAN. Last fall as a member of the Subcommittee on Immigration and Nationality, I made an inspection of consular offices and their work with reference to the recently passed immigration law in Germany, Italy, and Austria, and particularly in Italy and Germany, I found the staffs are very small compared with the tremendous load that we have put on them as a result of passing this law last fall. I am certain that they are not going to be able to implement this bill unless they get additional funds. For my part, I will leave it to the discretion of the chairman of the subcommittee and the other members of the Subcommittee on Appropriations who have authorized this $375,000.

Mr. ROONEY. The present action of the subcommittee, I should say to the distinguished gentleman from Ohio, would provide the funds necessary for the interviewing of the indeterminable thousands of applicants, many of whom will not be able to qualify on short notice but who, nevertheless, must be given the opportunity to obtain the nonpreference visas so unexpectedly made available to them by section 12 of the act.

(By unanimous consent, at the request of Mr. GROSS, Mr. ROONEY was granted 2 additional minutes.)

Mr. ROONEY. The money included by the committee would also provide for the vast amount of clerical work involved in the revision of the waiting lists. The gentleman is going to say, "Well, some of these cases are already in the pipeline." Yes. About 38,000 of the 80,000 visa cases are in the pipeline, but they have to be checked; and, as I am going to point out, this money is also required for the issuance of notices to registrants, the reception of hundreds of thousands of callers, and at least a 60-percent increase in the volume of visa correspondence, all directly attributable to the new law.

Finally, I submit that under the action recommended by the committee in the pending bill we shall in orderly fashion be able to take care of the issuance of these 29,000 visas. We have not given the State Department and Foreign Service 15 cents too much to do the job.

I now yield to the distinguished gentleman from Iowa.

Mr. GROSS. I have read the hearings on this subject, and you certainly gave this the "once over lightly" treatment. There is practically nothing in the hearings, and I can find no evidence of a letter submitted to you by the distinguished gentleman from Pennsylvania [Mr. WALTER], in the record.

Mr. ROONEY. The letter of the distinguished gentleman from Pennsylvania came too late for printing. May I say to the gentleman I have been reading from a memorandum in re Public Law 85-316 prepared by the State Department.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. MORANO. I want to mention one more point. The immigration law provides for a security check. How are you going to have a good sound security check to prevent any alien who might be subversive from coming into this country, unless you provide them with the money to make the proper investigation and eliminate the possibility of subversives entering this country? The Congress ought to go along with what it did last year when it amended the law, and provide the money to carry out the provisions of the law.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROONEY] has again expired.

(By unanimous consent, Mr. ROONEY was granted 1 additional minute.)

Mr. ROONEY. The largest number of the aliens who would enter the United States under the act are relatives of American residents and skilled specialists who have already applied for entry. But they have descended upon the consulates abroad in such numbers that our consular folks are just bottlenecked, with the result that now they cannot even adequately answer Congressional mail, and they generally do a pretty fair job of giving us a true picture with regard to visa cases.

Mr. GROSS. So we should spend $375,000 to further compound the unemployment situation in this country?

Mr. ROONEY. Oh, I do not think that the few decent alien relatives who would come in would make a bit of difference in that situation.

Mr. COUDERT. Mr. Chairman, I would like to say, as a minority member of the committee, that the action of the committee was unanimous, that this appropriation is definitely necessary to implement the legislation that was passed last September. Either we appropriate the necessary funds or, in effect, simply repeal the act. I think it is important that these funds be appropriated. I think it is important that the classification of persons, and those families for the relief of whom the act was passed last year, should get the benefits intended in the act last year.

I trust the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Contributions to international organizations," $9,690,563.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 15, strike out lines 17 through 20.

The CHAIRMAN. The gentleman from Iowa is recognized on his amendment.

Mr. GROSS. Mr. Chairman, I should like to ask the gentleman from New York, in prefacing my remarks on this amendment which strikes out $9,690,563 for the support of the so-called United Nations Emergency Force, to tell me one thing: What is the difference between a contribution made to the United Nations for this purpose on the basis of an assessment, and a voluntary contribution to the United Nations?

Mr. ROONEY. I should first say to the gentleman that I did not originate the method by which the total money was raised.

Mr. GROSS. I did not say the gentleman did. Just explain, please.

Mr. ROONEY. It was originated by the gentleman's friend, Ambassador Lodge and his staff at the United Nations at New York.

Insofar as this United Nations Emergency Force expense was concerned there were two different methods: One by way of assessment and the other by way of voluntary contribution. As to the first——

Mr. GROSS. Now, just a minute; what is a voluntary contribution?

Mr. ROONEY. Please let me answer the gentleman's question and take it one part at a time. With regard to the voluntary phase of it, the United States contributed $12,920,850 in what the State Department calls special assistance.

Mr. GROSS. Just minute; I cannot yield for a speech on the part of the gentleman.

Mr. ROONEY. I thought the gentleman wanted an answer to his question.

Mr. GROSS. I wanted to know the difference between a contribution on the basis of an assessment, and a voluntary contribution. What does "voluntary" mean? Does that mean that Eric Johnston and Nelson Rockefeller have contributed to the support of the United Nations?

Mr. ROONEY. Not exactly. The $12,920,850 was voluntary but with your and their tax money. I do not want the gentleman to be confused. This is the sum of money that your representatives at the United Nations voluntarily contributed toward a $14,971,012 fund.

Mr. GROSS. I thank the gentleman. I cannot yield further.

Mr. ROONEY. And I am not saying that it was not a good idea insofar as keeping peace is concerned.

The CHAIRMAN. The gentleman declines to yield further.

Mr. GROSS. Of course, it is not a voluntary contribution; it is taken out of the United States Treasury by way of the Appropriations Committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. Yes.

Mr. ROONEY. No; there is not a dollar in this bill for that. Our regular assessment is to the extent of 32.54 percent amounting to $13,023,563. The voluntary amount, the $12,920,850 was volunteered by Ambassador Lodge and your representatives in the United Nations toward the expense of this police force and was paid out of mutual security money. Here is the summary:

UNITED NATIONS EMERGENCY FORCE (UNEF) FINANCING

Of $55 million authorized for UNEF for the period from its inception on November 6, 1956, until further decisions are taken in the fall of 1958.

	Million
73 percent has been assessed against all U. N. members (approximately)	$40
27 percent has been obtained through voluntary offers of special assistance[1] (approximately)	15
Total	55

[1] From United States, United Kingdom, France, Australia, Pakistan, Greece, New Zealand, Dominican Republic, Netherlands, Mexico, Burma, Ceylon, Liberia, Austria. This is in addition to many forms of assistance given by member governments in the formation of UNEF and its operation at no charge to the U. N.

The United States is contributing:

Toward the approximately $40,000,000 in total assessments (or 32.54 percent)	$13,023,563
In special assistance	12,920,850
47.17 percent of the total	25,944,413

Mr. GROSS. Yes; and who put up the money? The United States taxpayers put it up. That is what I am getting at when we speak of voluntary.

Mr. ROONEY. Of course the gentleman did not intend to imply that there was an endeavor to get Eric Johnston and Nelson Rockefeller to contribute it all out of their personal funds.

Mr. GROSS. Of course not. I do not like this voluntary contributions business to the United Nations when it is coming out of the taxpayers' pockets involuntarily.

If you will turn to the hearings you will find that 44 out of 76 nations in the United Nations failed to meet their assessments in 1957, and there is no record that they have paid anything so far in 1958 or have any intention of paying anything in 1958. In other words, we have put up $26 million of the total amount that is budgeted for the United Nations; we are the people who are carrying the load for this thing.

Let us go just one step further, how much have these other nations contributed to clean up the Suez Canal they filled up? As far as I know they have not contributed a penny to clean it and $9,600,000,000 is carried in this bill today to make up the deficits of other members of the United Nations because they have not lived up to their agreements.

And, speaking of voluntary contributions, American taxpayers paid into the United Nations voluntary contributions of $14,971,000 last year.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent (at the request of Mr. MCCORMACK), Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. Mr. Chairman, on the subject of voluntary contributions to the United Nations of $14,974,000—out of that total we contributed $12,920,000, lacking only $2 million of the entire amount. Yet they come in here and want us to "kick in" another $9½ million.

It is about time that we do something about it and we can do it here today by denying this appropriation and saying to those 44 governments throughout the world that belong to the United Nations to carry their share of the load.

Russia has not contributed one dime, nor have any of the satellite countries contributed one dime to this United Nations Emergency Force. They helped vote the assessment upon the people of this country but they are not about to contribute anything to it.

It is about time that we show some degree of sanity by refusing to vote millions of dollars for things of this kind. I hope my amendment is adopted.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Iowa [Mr. GROSS].

Mr. Chairman, I do not believe we need to take up too much time with this amendment. It is apparent that my distinguished friend, the gentleman from Iowa [Mr. GROSS], has, as he usually does, read all the printed hearings of the subcommittee. I think he will agree that the information which he has on this subject was found by him in these printed subcommittee hearings. We followed the course we always follow with Government agencies and put everything on the table for everyone here to see. The committee was not asked to take any action with regard to the voluntary UNEF fund the gentleman from Iowa referred to. The money proposed in the pending bill amounting to $9,690,653, is for our regular assessment and either we pay it or we resign from the club. It is either one or the other. This sum of money is to meet the United States share of funds voted by the 12th session of the United Nations General Assembly as an assessment to maintain the United Nations Emergency Force in the Middle East. This amount is to cover the United States share of both the deficit incurred in calendar year 1957, and the costs of maintaining the force in calendar year 1958, under existing authorizations of the United Nations General Assembly.

You will find at page 386 of the printed hearings a list of the nations that contributed the total of $14,971,012 for the voluntary fund to which the gentleman from Iowa has referred. But the nine million plus carried in the bill which the pending amendment would strike out, is all for the regular United States share of our assessment of 32.54 percent.

As I said yesterday here on the floor, in answer to the distinguished gentleman from Iowa, if we are going to belong to the club, we have to pay the dues. We now have the dues bill and either you pay or you are in arrears. I do not think this House is going to permit the United States to become in arrears. The way that our contributions to international organizations have been increasing for the last 3 or 4 years prompts me to suggest that the gentleman from Iowa take up this matter with our distinguished ambassador at the U. N., the former Senator from Massachusetts, the Honorable Henry Cabot Lodge. Perhaps he can get some reductions.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Iowa.

Mr. GROSS. I probably had as much correspondence with that gentleman as the gentleman from New York [Mr. ROONEY] has had in the last 2 or 3 years trying to get information in reference to the United Nations.

Mr. ROONEY. I have had no trouble in getting information, I may say to the gentleman.

Mr. GROSS. I did not say the gentleman from Iowa had any difficulty. But I would like to renew my question to the gentleman. What is going to happen with respect to the other members of the United Nations who refuse to come through with their contributions? Are they going to be members of the club or not?

Mr. ROONEY. All I can say is that you should kick them out of the club if they can afford to and do not pay their dues. I think that is elementary.

Mr. GROSS. All right. Are they going to be kicked out of the club, or are we going to continue to let them stay in the club?

Mr. ROONEY. There are some members in that club that I would love to see kicked out by unanimous vote.

Mr. GROSS. But the gentleman very well knows as long as we continue to do the sort of thing that you are asking us to do here today, we are going to carry the financial burden.

Mr. ROONEY. The gentleman proposes to make a fast worldwide policy decision on an appropriation bill in an item such as this. The gentleman poses the question: Should we or should we not belong to the United Nations? But this is not the time or place to resolve that. Personally, I believe we must keep our membership in the U. N.

Mr. GROSS. It would not be the first time that an appropriation has been stricken out, would it?

Mr. ROONEY. I do not think there has ever been much success in regard to striking out U. N. appropriations. We are still a member in good standing.

Mr. GROSS. I am afraid what the gentleman says is altogether too true.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my colleague, the gentleman from New York [Mr. COUDERT], the ranking minority member of the subcommittee.

Mr. COUDERT. I join my distinguished chairman in opposing this amendment. As he so well pointed out, this is an obligation of the United States arising out of its membership in the United Nations. It is for the purpose of continuing to make use of the emergency force in the Near East that has unquestionably contributed to maintaining peace in this difficult and very important area. The amendment should certainly be voted down.

Mr. ROONEY. Mr. Chairman, I yield back the remainder of my time and urge the prompt defeat of the pending amendment.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this not to take part in the debate here but rather to get further information about these voluntary contributions. Here is what I want to clear up, and my remarks are addressed to the chairman of the subcommittee. As I understand, the Congress has imposed a limitation on the percentage that the United States pays in its assessment for United Nations costs. Now, the question is this: Is this term "voluntary contribution" a device to get around that limitation, or does it accomplish that result?

Mr. ROONEY. I think that that might better be answered by Ambassador Lodge, our representative up in the United Nations. There is no money in this bill, however, in connection with any voluntary assessment or voluntary contribution.

Mr. CURTIS of Missouri. I appreciate the arguments that have been advanced about this particular issue, and I am in accord with them. I might state that I will vote against this particular amendment, but it does raise this question. It seems to me that the members of the Committee on Appropriations are the people who can find this thing out of whether a device like "voluntary contribution," or whatever is being used in order to get around the imposition of the limitation that this Congress has put upon these things. I think we ought to know it, and the sooner we find that out I think the healthier the situation will be.

Mr. ROONEY. I must point out that there was something highly unusual about the UNEF voluntary fund for the reason that its organization happened overnight at the time of the Suez Canal crisis and at the time Britain, France, and Israel marched on Egypt, and it being a singular event and one that had to be taken care of immediately, I expect it had to be financed the way it was.

Mr. CURTIS of Missouri. Mr. Chairman, may I ask the gentleman if his subcommittee will pursue this a little further. I can see where emergency situations might arise, but even there I think that the authority of our delegate to the United Nations to obligate the United States beyond the quota that has been imposed by the Congress should be spelled out. I think the gentleman's committee could well help us there.

Mr. ROONEY. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. ROONEY. Mr. Chairman, I should like to say something I have said on previous occasions, that this whole matter of extent of expenditures for our international memberships, in this instance in the United Nations Emergency Force, and in the many, many international and United Nations agencies which we carry in the regular State Department appropriations bill, is already settled so far as action with regard to them is concerned before the State Department comes to the Committee on Appropriations. In this instance, we are in effect being handed a check made out in the amount of $9 million plus for us to sign.

Ambassador Lodge and his staff have already made the commitment in behalf of the United States, at the United Nations.

Mr. CURTIS of Missouri. Under what authority has that been done?

Mr. ROONEY. Under the authorizing legislation, the present law. If this House would like to have that changed—and, understand, I am not saying one way or another what my personal opinion is on that at the moment—the forum for that discussion is the House Committee on Foreign Affairs. To put this another way, the Committee on Appropriations is helpless to do anything except one of two things; either reject the $9 million plus or sign the check for it—one or the other.

Mr. CURTIS of Missouri. It seems to me that somehow or other we ought to get the appropriating procedures of the Congress geared to that so that this does not amount to signing a blank check.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, the news tickers are carrying a disturbing report of the President's press conference relative to the tenure in office of Secretary of Agriculture Benson. According to this report the President has expressed complete confidence in Mr. Benson and has gone to some lengths in criticizing the 30 conscientious Congressmen from agricultural districts in the Midwest who met recently and unanimously agreed that we desperately needed a new Secretary of Agriculture. The President is quoted as saying that it is not proper for any Congressman to suggest removal of a Cabinet member.

Mr. Chairman, I was one of those 30 Congressmen to whom the President referred. More than that, I have personally felt and have publicly said that from his first month in office Mr. Benson has demonstrated that he is not the man for his job. Although it has been said that we seek the replacement of Mr. Benson for political reasons, as far as I am personally concerned that is a secondary issue. Whether we get a new Secretary of Agriculture or whether we do not, I am confident that the people of the Seventh Congressional District of Minnesota will judge my service by my own record and not by the failings and misdeeds of this man from Utah. The issue is far bigger than the political fortunes of any individual or any political party for that matter. The issue is whether or not the men and women who till our soil and produce our abundance of food and fiber are to receive their equitable share of our economy and whether the small businesses in rural communities shall survive and prosper as they should. That, Mr. Chairman, is the issue, and it goes far beyond any political, sectional, or personal considerations.

The President's appraisal today of Mr. Benson as a man of courage and dedication is justified. The fault lies in his ideological beliefs and the source of his counsel. This man with a mission from the deserts of Utah is steeped in the tradition that there is something immoral about a man's government helping him do something he cannot do for himself. Just as his own people nobly turned their backs upon WPA in the depression thirties, so does Mr. Benson seek today to turn away from our farm people the helping hand of the United States Department of Agriculture. He has surrounded himself with men who share his beliefs and he seeks the counsel of others of like mind on questions of policy and procedure. I doubt seriously that our entire history as a Nation has ever before reflected so much negative influence on the part of a man appointed to administer programs for the good of any class of citizens.

It has been my intention, Mr. Chairman, to call personally upon the President and suggest to him that he accept the resignation of Mr. Benson. Negotiations had been under way to arrange such an appointment. It now appears, however, that the President has foreclosed any possibility of acquainting him with the facts of economic life in American agriculture and the immediate need for a man of proper stature as Secretary of Agriculture. Such a conference with the President now seems inadvisable and I shall hereafter devote my full effort to the enactment of farm legislation to save our farms and our farmers from the misguided philosophies of Mr. Benson.

The President has sharply drawn the line of divided responsibility between the legislative and executive branches of our Government. It now remains the clear duty of the Congress to accept the challenge of our times and provide by legislative action the answer to the economic problems plaguing our farm economy.

The following are the principal points I had planned to lay before the President had our conference been possible:

First. The first week Mr. Benson was in office I was one of several Congressmen from rural districts who offered him advice and counsel any time he might need our assistance. In more than 4 years, Mr. Benson has not only failed to consult with us on policy or program questions, but he has also rejected virtually every recommendation we from the farm Midwest have made to him.

Second. In his first public speeches at St. Paul and Des Moines as Secretary of Agriculture, Mr. Benson began the repudiation of President Eisenhower's farm pledges at Kasson, Minn., and Brookings, S. Dak. I took issue with Mr. Benson on these speeches at his first appearance before my Subcommittee on Agriculture Appropriations on February 25, 1953.

Third. A few months later, Mr. Benson in a speech at Denver began his campaign to turn one segment of agriculture against another when he told livestock men that feed grain prices were too high. On July 28, 1953, I led a group of Midwest Congressmen in a call on the President to warn him that Benson would destroy our farm economy if permitted to follow the course he had started.

Fourth. Mr. Benson for the next 4 years carried on an intense campaign: First, to destroy our system of price supports and drive down prices on corn and other feed grains; second, to divide agriculture and turn one group of farmers against the other; and, third, to convince the nonfarm, consumer public that farmers were receiving vast and unjustified subsidies and that high farm commodity price supports were responsible for high consumer prices. No other Cabinet officer has, to my knowledge, so thoroughly destroyed public confidence in the group his Department represents.

Fifth. Immediately following the general election in 1956 I gave a statement to the U. S. News & World Report in which I said that Benson's policies had been repudiated by the public and called for his immediate resignation in order that the President might appoint a man in sympathy with our farm programs.

Sixth. Mr. Benson has spent vast sums of public money—more than enough to have stabilized our agricultural economy—but his policies have resulted in nothing but a steady decline in farm income, a decline in our rural small-business economy, and an economic recession in agriculture which reaches today into every segment of our economy. Because of his utter and complete failure to bring about a vigorous and healthy agricultural economy, and in view of his divisionary and disruptive public utterances to the detriment of farm welfare, I am again asking that he resign and that the President appoint a man in sympathy with our farm program and the laws he must administer in the interests of farm people.

The Clerk read as follows:

INTERNATIONAL CONTINGENCIES

For an additional amount for "International contingencies," $250,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before addressing myself to this particular appropriation, I want to say it is perfectly easy to ascertain from reading the hearings what is going on with respect to the United Nations. Our contribution by way of assessment is 32-odd percent, but out of the total budget of the United Nations, out of some $55 million, we are putting up $26 million. It is perfectly obvious that the American people are being made to carry a financial load in a manner that Congress never intended.

May I ask a question or two about this international contingency fund of $250,000? As I understand, it provides in part for a residence in Vienna, Austria, which is to become the headquarters of this International Atomic Agency. Is that correct?

Mr. ROONEY. No. The gentleman is not correct with respect to the money appropriated in lines 22 and 23 on page 15 of the pending bill in the amount of $250,000. That amount would not be sufficient money to include a residence for the American representative to that agency. That is something for which we might have to pick up the tab later on. After all, he's a deserving modern Republican. And they say he needs entertainment money.

Mr. GROSS. Does the gentleman mean that it costs more than $250,000 to build a house in Vienna, Austria?

Mr. ROONEY. There is no housebuilding in this $250,000 item.

Mr. GROSS. It is a headquarters?

Mr. ROONEY. If I remember correctly, that is for about 16 people to staff an office, and for meetings. The original request for this purpose was $300,000, of which $50,000 was for expenses of these meetings. The committee reduced the total to $250,000.

Mr. GROSS. I appreciate the committee's cutting it $50,000, but is there any thought of using counterpart funds, or have the junketeers spent all the Austrian counterpart funds?

Mr. ROONEY. I would not know. I have never spent a counterpart nickel in my life. The committee assumes that whatever counterpart funds are available would be used by the Department of State in connection with this matter. Of course, the gentleman from Iowa well understands that in order to get the counterpart funds out of the United States Treasury we must appropriate American dollars. I am sure the gentleman understands that.

Mr. GROSS. On page 395 of the hearings, the gentleman from New York [Mr. ROONEY] said this:

> Although I do not know that I am going to be as pleased as you that the Agency is now a going concern. It may cost too many American dollars.

I certainly share the concern of the gentleman from New York [Mr. ROONEY] about this particular agency. Let me say this to the Members who are present on the floor of the House this afternoon. In another committee hearing not so long ago we were told that this Government is going to give to foreign countries 50 tons of enriched uranium. I inquired in that committee hearing as to the cost of a ton of enriched uranium and was told that it is worth $16 million per metric ton. So you are just starting to get the bill now for this international agency that you created a year or so ago. I voted against it. You are going to get a bill pretty soon for at least $800 million to give away enriched uranium to foreign countries. I just want to put you on notice.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I yield.

Mr. ROONEY. The gentleman is absolutely accurate when he says that this international agency is going to cost the American taxpayer a considerable sum of money before we are through. There is no question about that. But this House and the other body enacted a law proposed by President Eisenhower authorizing our participation in this international agency.

As far as this present amount of money is concerned, this would provide a representative, a deputy representative, two political and three scientific advisers, an executive officer and administrative assistant, a stenographic and clerical staff of seven, and for meetings. That is about it.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF JUSTICE

Legal activities and general administration

Fees and Expenses of Witnesses

For an additional amount for "Fees and expenses of witnesses," $250,000; and the limitation under this head in the Department of Justice Appropriation Act, 1958, on the amount available for compensation and expenses of witnesses of informants, is increased from "$225,000" to "$250,000."

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to presently point out, with regard to the matters in this bill which will now be read by the Clerk, that there was not much that the committee could do in regard thereto. For instance, the very next item which is under the Department of Justice is $250,000 for fees and expenses of witnesses. Then there is $250,000 for the Federal Prison System for support of United States prisoners. They allege these funds are now required. If the funds carried in this supplemental bill are not used for these purposes and these purposes alone, by June 30, the money will lapse into the Treasury.

With regard to salaries of judges, because of the unusual number of retiring judges, it becomes necessary to allow funds for new judges' salaries to an extent not previously contemplated. There is nothing we can do about it. As to fees of commissioners and jurors, we had to allow an additional $765,000 to cover increased fees recently allowed by law and because of the increased use of juries in the current year. The committee allowed the amount of $59,000 for travel and miscellaneous expenses as described in the report on this bill.

The committee cut a bit on the item "Salaries of referees" but allowed the full amount for expenses of referees because bankruptcy cases are now higher

than they ever have been in the history of the Government of the United States. There was nothing the committee could do but to allow expenditure of the additional funds which are carried in this bill in order to handle the unprecedented number of bankruptcy cases.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

President's special international program

Not to exceed $1 million of the funds previously appropriated under this head for the trade fair exhibit in Gorki Park, Moscow, may be used for the Universal and International Exhibition of Brussels, 1958, and the limitation thereon as contained in the Supplemental Appropriation Act, 1958, is increased from "$7,045,000" to "$8,045,000."

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 17, lines 21 and 22, strike out "$8,045,000" and insert in lieu thereof the following: "$9,045,000, and in addition there is hereby appropriated $1,000,000 to establish and conduct a health exhibit in connection with the Universal and International Exhibition of Brussels."

Mr. ROONEY. Mr. Chairman, I am constrained to make a point of order against this amendment for the reason that the purpose of it is not authorized.

Public Law 860, 84th Congress, chapter 811, 2d session, provides for international cultural exchange and trade-fair participation, and sets up the authority for the so-called Brussels Fair. Section 3 thereof reads as follows:

SEC. 3. The President is authorized to provide for—

(1) tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, representing any field of the arts, sports, or any other form of cultural attainment;

(2) United States representation in artistic, dramatic, musical, sports, and other cultural festivals, competitions, and like exhibitions abroad;

(3) United States participation in international fairs and expositions abroad, including trade and industrial fairs and other public or private demonstrations of United States industrial accomplishments and cultural attainments.

Then, further, section 12:

SEC. 12. The cultural program authorized by this act should include, to the greatest extent possible, presentations and other activities in such major art fields as: Music, drama, poetry, and dance; new writing and literature; architecture, landscape architecture, city and regional planning, civic art and design, historic preservation; housing, interior design and decoration, and urban renewal and redevelopment; painting, sculpture, graphic arts, and hand arts and crafts; motion pictures and photography; and radio and television.

There is no language contained in this law which would authorize such as is proposed by the terms of the pending amendment. There is no mention of health, either public or private, in this act.

The CHAIRMAN. Does the gentleman from Rhode Island care to be heard on the point of order?

Mr. FOGARTY. Yes, Mr. Chairman, I would like to be heard.

I would think from the explanation made by the gentleman from New York [Mr. ROONEY] that this legislation is so broad that it has practically everything else in it, and that certainly when we talk about "health" it crosses all lines. When the gentleman talked about radio and television, one of the things we hoped to accomplish by this amendment would be to show the people of Europe just what we are doing by closed circuit television broadcasts, where some of our outstanding surgeons and doctors in this country are making available their knowledge and their techniques to doctors in every State of the Union through the closed television broadcasting system, where those doctors can, by their own vision, see how some of the best men in the world are working. I think that should be an answer to the gentleman from New York [Mr. ROONEY].

I would like to refer the chairman to United States Code, title 22, chapter 27, International Cultural Exchange and Trade Fair Participation:

The purpose of this chapter is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments, and achievements of the people of the United States, and the contributions being made by the United States economic and social system.

I submit, Mr. Chairman, that the words "social system" should certainly encompass public health, because any social system, whether in this law or any other law, would certainly take in the provisions of public health.

And I go on:

Toward a peaceful and more fruitful life for its own people and other people throughout the world; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world.

Under the heading of "Appropriations" they say that appropriations shall remain available until expended to carry out this chapter. Under the heading of "Expenditures for Acquisition of Exhibits," this statement appears:

The President is authorized to provide for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and materials and equipment therefor, and the actual display thereof.

Under the heading "Performance of Functions Without Regard to Other Laws," it states this:

Whenever the President determines it to be in furtherance of this chapter, the functions authorized in this chapter may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds, as he may specify.

So, Mr. Chairman, I submit that when you talk about the economic and social system of the United States, certainly a part of the social system of this country or any country is helped, and it seems to me this amendment would be germane.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The amendment offered by the gentleman from Rhode Island provides:

To establish and conduct a health exhibit in connection with the Universal and International Exhibition of Brussels.

In the statute authorizing our participation in this exhibition it is provided:

SEC. 2. The President is authorized to provide for United States representation in artistic, dramatic, musical, sports, and other cultural competitions and like exhibitions abroad.

The phrase "like exhibitions abroad" in the opinion of the present occupant of the Chair, is sufficiently broad to include the object of the amendment offered by the gentleman from Rhode Island, particularly in view of the fact that in the stated purpose—and, of course, the purpose is not binding, however, it is provided:

The purpose of this chapter is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments, and achievements of the people of the United States.

It certainly would seem to the present occupant of the Chair that one of the things we could point to with greatest pride would be our accomplishments in the medical field and the contributions being made by the United States economic and social system toward the peaceful and more fruitful life for its own people, and so on.

Reading the broad general purpose, together with the statement in the statute concerning the President's authorization, leads the Chair to conclude that the appropriation is authorized by law.

The point of order is overruled.

Mr. FOGARTY. I thank you, Mr. Chairman.

After that ruling on the point of order I realize that maybe I should sit down, because certainly the chairman has made a good argument for my case. I was hoping that perhaps the chairman of the subcommittee would say "Amen" and accept this amendment of mine, because certainly if there was any intention in the heart of Congress when they enacted this legislation, that we strengthen the ties with friendly nations or unfriendly nations abroad, there is no area through which we can spread more good will than in the field of health.

In recent weeks considerable concern has been expressed over the prospect that the United States exhibit at the Brussels World Fair will present us to the world as a second-rate power, particularly in comparison with the elaborate and expensive showing which will be staged by the Soviet Union. Lack of adequate financial resources is given as the primary problem.

I am particularly concerned because my preliminary inquiries reveal that plans for the United States presentation at Brussels may contain no provision for any exhibit depicting the tremendous contribution made by this country toward advances in the field of medicine and public health. If we are to adhere to the theme established for this great fair, which is: "A World View—a New Humanism," we must not fail to present an effective showing of the great ad-

vances which we have made in improving the health of our people, the dramatic decreases of disabling illness and increases in life span which we have achieved. These are works of humanism of which we can be justly proud and which we can and should share with the world.

For whatever the reason—lack of funds or lack of space—this vital field of our endeavor for a better life for our people has been ignored in the planning for the United States exhibit at Brussels. In contrast, a large part of the Soviet pavilion of some 200,000 square feet will be devoted to the exposition of the Soviet Public Health Service. This exposition is discussed in some detail in an article which appeared in the Soviet publication, Medical Worker, last March. I ask unanimous consent that the translated text of this article be included in my remarks.

SOVIET PUBLIC HEALTH EXPOSITION AT THE BRUSSELS WORLD'S FAIR IN 1958

The World's Fair that is to open in Brussels next year will display the progress attained by the nations of the world in the areas of science, industry, agriculture, and the arts for the last 50 years.

Prof. N. X. Grasholenkov, chairman of the commission on the preparation of the public health section of the pavilion of the U. S. S. R., stated that the pavilion of the Soviet Union will be a large, light-flooded building of glass brick and aluminum totaling an effective exposition area of 22,000 square meters, a considerable part of which will be devoted to the exposition of the Soviet Public Health Service. This public-health section will demonstrate to the public-health experts abroad, as well as to the people at large, the basic attainments in health protection enjoyed by the populace of the U. S. S. R., with specific demographic data on incidence of disease, mortality, birth rates, and population increase.

Visitors will have the opportunity to familiarize themselves with the underlying principles and the organizational system of the medical services, particularly the features of being free and accessible to all, plus the emphasis on preventive medicine and the adequacy of budgetary appropriations for public health in the U. S. S. R.

Numerous exhibits will acquaint the World's Fair visitors with the various types of medical institutions of the U. S. S. R., with their organization, purposes, and functions. A contour map constructed of plastic material and metal will furnish a visual demonstration of how well the population of the Soviet Republics and regional areas (oblasts) is provided with the basic categories of medical aid administered by adequate numbers of medical personnel. A special section will illustrate the training system for physicians and for medium-grade medical personnel, postgraduate studies, and specialization, and so forth.

An important place will be occupied by displays on the protection of motherhood and childhood as provided for by the existing laws and by numerous institutions, with a description of the types of institutions and their functional procedures; also displays of the medical-service network for schoolchildren and teen-agers.

Each section will contain information on the quantitative growth of the public-health network over the years 1913, 1940, 1950, 1955, and 1957, with respective plans for 1960. Particular emphasis will be laid on providing information relating to new institutions recently incorporated into the network, their equipment and rigging with newly developed Soviet apparatus, instruments, and devices, newly introduced therapeutic procedures, such as the application of radioactive isotopes.

Life in the Soviet therapeutic and prophylactic establishments, health resorts, and sanatoriums will be featured with the aid of artistically executed photo exhibits.

Much attention will be given to the display of medical and health services for the benefit of the workers engaged in the industrial enterprises of the country, with emphasis on the improvement in sanitary conditions of labor, industrial sanitation and hygiene, mechanization of labor-consuming processes which have been effected through the period 1951–56. In this area, special displays will depict the self-activities of trade union and public organizations in guarding the health and well-being of the toilers.

Alongside the urban public health displays, there will be displays of medical and health service facilities for the rural areas. Here, particular emphasis will be placed on the public health facilities available to the toilers on the virgin and fallow lands in the outlying areas of the country.

A large color panorama will lead off the part of the Soviet pavilion that will be given over to the display of health resorts and sanatoriums. The visitors will have the opportunity to form an idea of the health resources of the Soviet Union, of the newly developed health resorts in the Republics of Central Asia, Eastern Siberia, the Far East, types of sanatoriums, and effective cure indexes.

Much light will be thrown on the part played by Soviet medical science on the principia and organization of sanitary education.

Diagrams, photos, texts, and original up-to-date models will depict the output of the Chemic-Pharmaceutical and Medical Instrument Industries of the U. S. S. R.

The dimensions and the scope involved in the public health section of the Soviet pavilion may be judged by the magnitude of its display area—a total of 550 square meters to accommodate more than 1,000 displays. The section will be filled with color panels, dioramas, sculptural works, color photo displays, animated diagrams and cartograms, albums, three-dimensional mountings, and the like.

The Central Institute of Sanitary Education is responsible for the work of preparation and design, with the Main Inspection Administrations and the Departments of the Ministry of Health, U. S. S. R., plus a number of scientific and research institutes lending a hand.

This article reveals that the Russians are planning extensive exhibits depicting their facilities for health protection both in the fields of preventive medicine and medical services, their training system for physicians and other technical personnel, displays of medical equipment and instruments, of medical and health services provided in their industrial establishments, and various other aspects of health and medical work in the Soviet Union. In total, the public-health section of the Soviet pavilion will contain more than 1,000 displays.

The Soviets have been quick to seize upon health as a vehicle for promoting their brand of the new humanism. The United States, on the other hand, has made no provision to demonstrate a humanitarian activity of which we are indeed proud and which we should display to the world at every opportunity. The desire for health is universal. It is shared by princes and paupers. It is in this field where the United States has surpassed any other nation in the world. Malaria has not only been conquered in the United States, but has been eradicated. This is a disease that once affected millions of Americans annually and even at one time was a deterrent to the settlement of a State as far north as Illinois. We have eradicated yellow fever, cholera, and plague, each of which at one time ravaged the United States. Other diseases such as poliomyelitis are fast disappearing. We now enjoy the longest and healthiest life span in our history. Our laboratories daily find new drugs which are useful in the prevention and alleviation of human suffering.

Mr. Chairman, I believe it would be a tragic error if the United States failed to show these advances to the world. These advances are of a humanitarian nature and no critic can attribute them to commercialism or imperialism.

Presentation of an adequate public health exhibit at Brussels will be extremely difficult should we begin at this late date. The planning, fabrication, and erection of such exhibits normally takes many weeks. Fortunately, my inquiry has revealed that some preliminary plans for a suitable health exhibit have already been drawn in the hopes that a means could be found to carry them through to completion. As a matter of fact it may be possible to transform our late start from a disadvantage to an advantage.

I understand that there is insufficient space in the United States pavilion now being constructed in Brussels to provide for a health exhibit. Consequently, the preliminary plans to which I have referred contemplate an additional structure of some 14,000 square feet to house a health exhibit. This structure, which would cost approximately $750,000 to erect, equip, and staff, would contain facilities demonstrating the various aspects of rural medicine as practiced in the United States. In it would be a 10-bed hospital nursing unit with ancillary facilities, an operating room with associated facilities, facilities for a rural preventive public-health program including appropriate offices, examination and consultation rooms, an outpatient department, diagnostic and treatment facilities consisting of X-ray, laboratory and physical therapy rooms, a pharmacy, and a 200-seat auditorium.

It is estimated that such a structure as I have described can be placed in operation within approximately 4 months of the time it is decided to go ahead with the project. This period of time would appear to rule out such a project, since obviously it could not be completed in time for the opening of the fair on April 17. Actually, this fact can be turned to our advantage by using the construction period as a part of the United States presentation. Arrangements can be made for sidewalk demonstrations to be carried on while construction is in progress, explaining to visitors and onlookers how an American community mobilizes its resources, plans and arranges and carries through to completion the provision of such a community facility. Here we can present, in contrast to the Soviet display of "despotic benevolence," our own demonstration of citizen participation. We can prepare a health exhibit which will be

in operation by the time most of the heavy summer influx of visitors arrive at the fair and at the same time take advantage of the early months to present to visitors at the fair a demonstration of American community action.

What can be demonstrated in such a building to show our health activities to the best advantage? Some of the factors that contribute to our fine health system are: First, high caliber of medical and research personnel due to the quality of undergraduate teaching and the availability of postgraduate study; second, the availability of research, public health, and medical care facilities; and third, the appreciation of the American public of the role of health personnel and facilities for their welfare. Each of these factors can be dramatically illustrated by displays and demonstrations.

Regarding training, I have been impressed by the closed-circuit color television programs which have been made available to the medical profession. These programs are scheduled on a regular basis; the medium permits demonstrations by the most eminent physicians and surgeons wherever they are located in the United States; they present the most recent advances in medicine and surgery by visual methods. I feel confident that arrangements can be made to present such a demonstration on a health subject that will not only be of great interest to the viewing public but will be illustrative of a method that provides us with highly trained medical talent.

The factor that we have an informed public should be illustrated by programs of health education through popular magazines in addition to the demonstrations of community organization to which I have referred. We are fortunate that the United States has large numbers of scientific and medical writers who publish in lay terms the new advances in medicine. I am convinced that this has made the United States the most informed nation in the world on the subject of health. The United States also leads the nations of the world in the strength of its voluntary health agencies which work in close cooperation with governmental health agencies and the medical profession in the war on disease. These voluntary agencies are supported by the generous donations of moneys and services by the American people dedicated to the common task of raising health standards.

Once the building is in operation, its auditorium and other facilities can accommodate dramatic demonstrations of our progress and accomplishments in medicine and public health. I have suggested that the plans which I have described be expanded to include a series of presentations in specialized fields of health and medicine in which this country has made particularly notable progress. This might be done in a series with a Feature of the Week theme. Suitable subjects for such a series might well include our progress in prevention of dental caries through fluoridation; use of radioactive isotopes in medicine; gains in the battle against cancer, such as the cervical cytology programs going on in many communities; the dramatic strides forward in early diagnosis and treatment of rheumatic fever; programs for the rehabilitation of the handicapped; and the Salk polio vaccine story.

I would hope and expect that world famous leaders in American medicine would participate in arranging appropriate special exhibits and would speak at the fair. I think of such men as Jonas Salk, Paul Dudley White, Alfred Blalock, Charles Mayo, Sydney Farber, Howard Rusk, and the Menninger brothers. Undoubtedly Dr. Salk, for example, could make an impressive presentation of his work which is leading us toward the conquest of poliomyelitis, and Dr. Rusk an inspiring demonstration of the work for which he can be justly proud in the rehabilitation of the handicapped. Perhaps Dr. Rusk's work could be vividly illustrated by the personal appearance of a few of the handicapped persons who have been restored to useful lives through the rehabilitation programs in which he is engaged. I mention these few outstanding men by way of illustration. I am sure that there are others who would be willing to join in this effort and have a part in telling to the world the story of American progress in health and medicine through the medium of such an exhibition at Brussels.

If we are to have any hope of presenting to the world, at Brussels, some indication of our tremendous progress in the health field; if we are to have any chance of avoiding a serious discredit in the eyes of the world in comparison with the Soviet display, then immediate action is necessary. The Congress has received a request for a supplemental appropriation of $2,054,000 to be applied to the cost of United States participation in the Brussels Fair. None of this amount, nor of the original appropriation for this purpose, is to my knowledge to be available for a public-health exhibit.

Therefore, I have introduced this amendment to provide $1 million specifically for a public-health exhibit. I hope that the Members of this Congress will share with me the view that this is an important and urgently needed expenditure. I also stress the extreme urgency of this situation. Time is running out. Prompt action is essential if we are to avoid a serious loss of United States prestige at Brussels in the eyes of the world.

The United States has much to gain or lose in its participation in the Brussels Fair. I believe that one of our most effective progressive and humanitarian ventures is in demonstration of our conquest of disease and the omission of health from our presentation would be a grievous error. To avoid the commission of such an error I strongly urge your support of this amendment to the supplemental appropriation for our participation in the Brussels Fair. I trust that my amendment will enjoy the active support of all Members of the House.

I have in mind that this amount of money will enable the Public Health Service to establish an exhibit which will be about 14,000 square feet. It will have a 10 bed nursing unit and there will be a 200-seat auditorium to go along with it.

We in this country have made the greatest advance in medical history during the past 10 years. It seems to me when the best doctors in the land tell us that we have added 5 years to the life expectancy of every human being in this country in the last 10 years, we ought to spread some of that good cheer around the world. I believe that a demonstration such as this carried on in connection with the Brussels Fair would be the best way to make friends in these areas. To share our know-how and to share the materials that we have been able to develop in the past 10 or 15 years which have lengthened the life span of every living person in this country would promote more good will than anything else we could do.

Mr. Chairman, as I have indicated, I have in mind men like Dr. Salk and his wonderful discovery of the Salk vaccine which could be exhibited over there. I spoke about the closed circuit television broadcast in medicine through which some of our best practitioners are demonstrating their know-how to other doctors throughout the land. That has been a great boon to medicine.

I am thinking about men like Dr. Rusk of New York, who has done more in the field of rehabilitation than anyone else in the world. Certainly, if there is a field in which we are far ahead of Russia, it is in the field of prosthetics and also rehabilitation.

I am thinking of men like Dr. Ravdin who performed the operation on our President so successfully a couple of years ago. Dr. Ravdin was before our committee yesterday and I asked him about this particular program. He thought it was one of the greatest things that could happen to spread good will among other countries and to make friends. I asked the same question of Dr. Sidney Farber of Boston who gave us a similar answer and stated that it would be catastrophic if we did not take advantage of the gains we have made in medicine to make friends all over the world.

This morning we had some technical men before our committee and I asked them the same question. We know that men like Dr. Paul Dudley White would be only too happy to cooperate in such a program. I believe this would help the State Department to strengthen our ties with friendly countries. It does not make any difference from which side of the tracks you come; it makes no difference whether you are a Republican, Democrat or a Communist; it doesn't matter whether you are a prince or a pauper, certainly, everybody is interested in good health. Everyone I have discussed this with, including some of the most prominent men in medicine in this country, have told me that this would be one of the greatest strides our country could make in this so-called cold war.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The most effective way that we can counteract and combat atheistic communism is in the

contact of peoples with peoples. We must recognize the fact that all over the world, like ourselves they are human beings. In all the lands of the world they have their little families like we have in America. They have their husbands and wives, their fathers and mothers and children and when anyone in the family gets sick they are concerned about the condition of their loved ones. I think there is no more effective way that we could affirmatively carry in an understanding way to the peoples of the world than in the program that will be carried on if the amendment offered by the gentleman from Rhode Island is adopted. The far-reaching effects of that in the minds of human beings and on more important questions cannot be estimated in a short period of time.

I hope the subcommittee will accept the amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(By unanimous consent Mr. FOGARTY was allowed to proceed for 2 additional minutes.)

Mr. FOGARTY. Mr. Chairman, I think everyone realizes that we in this country have eradicated diseases like yellow fever, cholera, and various other plagues, and we are now trying to help through the World Health Organization to put on a worldwide fight on malaria and to eradicate it. Certainly if we can eradicate it in this country, we can do the same thing all over the world. Some of these men I referred to a short time ago told me only in the last couple of days that they thought it would be a tragic error if the United States failed to show these advances to the world. They claim that these advances are of a humanitarian nature and that nobody can attribute them to commercialism or imperialism. And those who have had the opportunity to attend international conferences on heart disease, cancer and other health problems tell me that health is one area in which our assistance is really appreciated by the people of the world. So, if we have the tools to further our good will and to strengthen the ties with friendly nations as this legislation was intended to do we should use them. I know of nothing that this Congress could do which would be more beneficial. It would benefit all the world in helping to sustain life and helping to alleviate suffering and to extend the life span of every living human being.

Mr. Chairman, I submit that this is one of the best ways in which we can achieve this result, one of the best ways that we can provide to extend our good will. The impressions it will make are something that will be lasting. This is one area in which we can do a good job, and I hope the amendment will be adopted.

Mr. CANFIELD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I believe that this is one of the most humanitarian and one of the most compelling amendments ever presented on the floor of the House of Representatives. I believe, too, that the distinguished gentleman from New York [Mr. ROONEY] is deeply sympathetic with the purposes of this amendment, and I suspect that he had other reasons for projecting his point of order today.

The NIH—the National Institutes of Health—in nearby Bethesda, Md., are now leading the way in isolating and destroying the worst killer viruses of mankind. They are now on the eve of announcing most dramatic discoveries. These doctors can thrill, they can inspire, and they can give hope to mankind everywhere. Yes, even behind the Iron Curtain. And, what an answer to the Soviets, who picture us as imperialists and not interested in the woes of little people, so many of whom are sick people today.

Mr. Chairman, I would rather vote for this $1 million amendment for this health exhibit in behalf of our United States of America at Brussels, Belgium, than vote $10 million for the construction of a new building. Here is a glorious opportunity for us to do something in this ideologic war to emphasize our dedication to serving people everywhere, and I hope the amendment is approved unanimously.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel that one thing should be made crystal clear in this discussion of United States participation in the Brussels World's Fair.

The Communists surprised and dismayed officialdom in Washington and shocked our citizenry from border to border with the launching of Sputnik I and Sputnik II.

The press, magazines and other mediums have been warning us for many months now about the activity of the Communists in preparing for the Brussels World's Fair. I can recall such headlines as "We'll Go On Trial at the Fair," and "Reds at Brussels Outdo Low-Budget United States Show." Some of my colleagues have expressed skepticism about these reports. Some feel they were deliberately planted to influence Congress to provide more funds for United States participation.

I have in hand an official report prepared by the Office of Research and Intelligence of the USIA. This report, which is unclassified, deals with "Communist Propaganda and the Brussels Fair." I happen to know that it was made available to the House subcommittee which considered this supplemental appropriation for United States participation. I cannot find it in the record of the committee testimony, although there appear to be references to it. It is my understanding that this vital report includes information gathered from such intelligence agencies of the Federal Government as the Central Intelligence Agency, the Federal Bureau of Investigation and so on. We cannot say we have not been warned, and didn't know.

When asked how much the Communists would spend in Brussels, the Red Commissioner General is quoted as saying "What it will cost."

The U. S. S. R. appears to be taking full advantage of the exceptional show window offered by the Brussels Fair to sell the world on the superiority of the Communist social-political-economic system—

The report states in a preface.

Mr. Speaker, I offer this report for the record for the information of my colleagues. I also include an article from the Saturday Evening Post of January 25, 1958, on our participation in the Brussels Fair.

I would like to point out that the listing of countries participating in the Brussels Fair, on page 3 of the report of the USIA's Office of Research and Intelligence, was complete only as of January 1958. I have learned that the following additional countries will participate also: Argentina, Brazil, Chile, France, Israel, Netherlands, Nicaragua, Peru, Thailand, Uruguay, and Venezuela.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I am glad to yield to the gentleman.

Mr. GROSS. What are we presently spending on this Brussels Exhibition?

Mr. THOMPSON of New Jersey. We are presently spending about $13 million.

Mr. GROSS. And this would advance that figure to $14 million or $15 million?

Mr. THOMPSON of New Jersey. This would advance it to about $13,500,000 or $14 million.

Mr. GROSS. How much are the Russians spending?

Mr. THOMPSON of New Jersey. The Soviet Union, according to the reports I have in hand, are spending $11 million on advertising alone, and a total of $60 million.

Mr. GROSS. Of course, if the gentleman has read the hearings he would know——

Mr. THOMPSON of New Jersey. The gentleman has read the hearings.

Mr. GROSS. The gentleman would know that the gentleman who is directing the United States exhibit, the presidentially appointed Pooh-Bah in charge, now says that is not true. That is according to the hearings.

Mr. THOMPSON of New Jersey. I do not know what the gentleman says who is running this show except that I have noted some of his statements and there are some conflicts in them.

Mr. GROSS. He is on the record.

Mr. THOMPSON of New Jersey. I have read the record. But I have here, and shall submit for the gentleman's information the reports of the official intelligence agency on this matter.

Mr. GROSS. Does the gentleman mean the USIA?

Mr. THOMPSON of New Jersey. Gathered for the USIA by Allen Dulles' agency, J. Edgar Hoover's agency, and so forth.

Mr. GROSS. I would have reservations about almost anything the USIA might say.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent (at the request of Mr. FOGARTY) Mr. THOMPSON of New Jersey was given permission to proceed for 2 additional minutes.)

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I am glad to yield to the gentleman.

Mr. FOGARTY. May I say, with respect to the health and medical facilities that Russia is expecting to display, that a translation of the Medical Journal put out by Moscow, which I have included in my remarks indicates that they have allocated a considerable part of their total of 200,000 square feet for a health display, and that there will be over 1,000 different health displays in that part of their pavilion. That is the latest information we have from the Medical Journal which was translated by our Public Health Service here. That is what they are doing in this health field.

Mr. THOMPSON of New Jersey. I thank the gentleman from Rhode Island. I might point out that this report describes the Soviet pavilion, not as marble, as the report on this legislation sets forth, but as one with walls and a roof, which are to be of transparent glass and plastic with an interior gallery, and so forth. So that this is an accurate description of what the Soviet Union intends to do and is not muddled at all.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. THOMPSON of New Jersey. I yield to the gentleman.

Mr. GROSS. But it is completely contradictory to the statement made by the same gentleman before the same subcommittee last year.

Mr. THOMPSON of New Jersey. Not by the same gentleman at all. That statement was made by Mr. Cullman. This is made by the intelligence agencies of the Government for the USIA.

Mr. GROSS. Mr. Cullman, the successor to Grover Whalen of New York, as official greeter, told the committee that the Russian building would be made of marble and would cost $40 million or $45 million.

Mr. THOMPSON of New Jersey. He may have, but I am telling the gentleman that this is the accurate version notwithstanding what that individual said. And this has been made available to the committee and deserves to be made a part of the RECORD. I shall include it in the RECORD.

The matter referred to is as follows:

COMMUNIST PROPAGANDA AND THE BRUSSELS FAIR

I. AN OUTLINE OF COMMUNIST PROPAGANDA OBJECTIVES

The world's fair to be held this year in Brussels [1] will provide the Communist world with an exceptionall important forum for influencing public opinion. Approximately 35 million persons—many of them the leading citizens in free-world communities—are expected to attend the fair during its 6-month lifetime (April 17 to October 19); and more than 40 countries, including the U. S. S. R., Czechoslovakia, and Hungary, have agreed to participate.

Communist participation in international fairs is not new, but, concurrent with the post-Stalin shift in Soviet political and economic policies, it has consistently increased in scope. Judged from the specific preparations for the Brussels Fair, as well as from past performances, the Soviet effort this year will be the largest ever undertaken by a Communist state at a competitive international exposition. The U. S. S. R. will also have an important advantage this year in that its propaganda posture is backed by recent successes and demonstrated strength in scientific-military fields.

The Brussels Fair emphasizes the general fields of scientific, economic and cultural progress. The Soviet exhibits appear designed to convince visitors that the U. S. S. R. is now the fountainhead of human progress in all those fields and, furthermore, that the Soviet contributions are the direct result of its social-political-economic system. Soviet readiness to take over with its own exhibits space from which the United States withdrew, the estimated high total cost of Soviet participation, and the variety and scope of the planned Soviet exhibits (see part II) suggest that the Soviet authorities view the fair as a major propaganda opportunity in 1958.

Visitors to the fair will see what promises to be an impressive array of Soviet scientific exhibits designed to demonstrate that the Soviet Union now is the world leader in science. There will be two models of sputniks, for example. But to answer those who might suspect that Soviet scientific progress has been one sided, the U. S. S. R. has many more exhibits in a variety of scientific fields. These include a demonstration of the peaceful uses of atomic energy, where, in some phases, the U. S. S. R. has pioneered. Some of the Soviet Union's top scientists, including at least one Nobel prize winner, are scheduled to attend or to deliver papers at scientific meetings to be held in conjunction with the fair.

The Soviet industrial exhibits, for maximum propaganda impact, will concentrate on those of the U. S. S. R.'s heavy industrial products which are recognizably high in quality and which are most in demand in the underdeveloped areas of the world (that is, oil-drilling equipment, various machine tools, and an electric powerplant). That the Soviet jet passenger plane to be displayed represents more than a mere showpiece will be underlined by the daily Moscow-Brussels jet airliner flights scheduled for the duration of the fair. All these efforts to demonstrate the achievements of people working under communism may well tend to divert attention from the area of Communist economic weakness—production of consumer goods. Supporting propaganda efforts can be expected to link the exhibits to the well-advertised Soviet posture that the U. S. S. R. can serve as both a model for industrialization of the underdeveloped countries and a source of aid without strings.

The third area of heavy Soviet concentration at the fair is in the field of culture. The exhibits will include well-known paintings shown for the first time in the outside world; performances will include concerts by world-famous musicians such as the violinist David Oistrakh, and ballets from the Bolshoi Theater. The exhibits and performances are probably intended to indicate to visitors that the Communists have drawn extensively from their country's cultural heritage, have perpetuated it, and have enriched it by their own valuable contributions which reflect the strength of their new socialist society.

The Soviet Union can be expected to exploit fully the exceptional opportunity afforded by the context of a world's fair to impress the millions of visitors and to extend that impression to the still larger number of persons in the communities to which the visitors return. Pravda reported that a series of special TV and radio programs is scheduled and that a multilingual newspaper is to be issued at the fair; and a French source reported that, as noted below, the U. S. S. R. plans to spend $1 million in advertising and promotion in connection with the fair.

In summary, the U. S. S. R. appears to be taking full advantage of the exceptional show window offered by the Brussels Fair to sell the world on the superiority of the Communist social-political-economic system. The Soviet Union's exhibits can be expected (1) to imply that the Communist system has led not only to Soviet achievements in outer space, but also to broad cultural and economic advances; (2) to stress that the U. S. S. R. is prepared to make available some of the fruits and lessons of its own progress to non-Communist countries which are willing to accept them; (3) to relate its progress in every way possible to its search for peace; (4) to lend credibility to the line that the U. S. S. R. is eager to compete peacefully with the West and seeks closer contact with it; and finally (5) to advance the Soviet search for international respectability.

II. AN OUTLINE OF SOVIET AND SATELLITE PARTICIPATION

A. The Brussels Universal and International Exhibition: Background

1. General: The Belgian Government adopted, in November 1951, a plan for a major world fair, on the scale of the New York World's Fair of 1939, to be held in Brussels from April 17 to October 19, 1958. The general theme of this effort to create a greater understanding among peoples of the world is "A World View—A New Humanism," thus shifting the emphasis from the commercial aspects of a trade fair to what the Belgians intend should be an exposition of contemporary thought, art, science, economic affairs and technology as related to the individual. Special stress is to be placed on national cultures to demonstrate their diversity as well as their spiritual affinity.

2. International participation; countries and organizations:[2] Andorra, Austria, Cambodia, Canada, Czechoslovakia, Dominican Republic, Egypt, Finland, Great Britain, Greece, Holland, Hungary, Indonesia, Iran, Iraq, Italy, Japan, Jordan, Laos, Lebanon, Liechtenstein, Luxembourg, Mexico, Monaco, Morocco, Norway, Philippines, Portugal, San Marino, Saudi Arabia, Soviet Union, Spain, Sudan, Switzerland, Syria, Tunisia, Turkey, United States, West Germany, Yemen, Yugoslavia, Benelux Customs Union, Council of Customs Cooperation, European Coal and Steel Community, International Red Cross, Organization for European Economic Cooperation, United Nations, The Holy See (Vatican).

3. The fair site: The exhibition will comprise the following 4 major sections occupying 500 acres in Heysel Park, 4 miles from the center of Brussels:

(a) The Belgian section.

(b) The Urundi section (Belgian Congo and Ruanda).

(c) The foreign secton (foreign pavilions).

(d) The international section.

4. Expected attendance: The organizers of the fair are preparing for an average turnout of about 175,000 visitors daily and 700,000 on special holidays. It is estimated that 35 million people will visit the fair before it closes.

B. Communist participation

1. General: As of January 1958, the Soviet Union, Czechoslovakia, and Hungary were firmly committed to participation in the Brussels Fair, East Germany and Communist China were refused permission to exhibit because the Belgian Government does not maintain diplomatic relations with those regimes. Bulgaria and Rumania were among the countries originally listed as planning to participate, but were later dropped. Poland likewise withdrew, for reasons having to do with the present state of its economy. (Dziennik Polski, a Cracow daily, wrote on October 25, 1957: "A country in which an

[1] The official name of the Brussels Fair is "The Brussels Universal and International Exhibition."

[2] As of January 1958.

electric washing machine is the unobtainable dream of many housewives has no right to spend millions on representation which will produce nothing. * * * We should be permitted to take part in a Brussels exhibition only after we prove at Poznan [i. e., at the Poznan fair] that we can participate in the world market and not before.")

2. The Soviet Union: (a) Physical layout:

(1) Description of Soviet pavilion: A single, large rectangular building between 75 and 85 feet high and covering 269,000 square feet, situated facing the United States pavilion. The walls and roof will be transparent, either of glass or plastic, and an interior gallery will include trees and a large statue of Lenin. A large restaurant and a cinema seating 1,500, which may be used also as a concert hall, will be installed on the esplanade. The U. S. S. R. has also reserved in the Atomium (see p. 8).

(2) Construction, materials, and equipment: The Soviet pavilion is being built in the Soviet Union and transported in sections to Brussels, where a task force of 350 Soviet technicians is assembling prefabricated parts. The prefab sections consist of 1,500 tons of steel structure, 200 tons of aluminum and about 19,000 square yards of mirrors. Cinema projectors, sound equipment and a loudspeaker system are to be purchased in England; air-conditioning units will be of American origin, while escalators will be obtained in West Germany. A team of Soviet architects supervises construction work.

(b) Personnel:

(1) Regular staff: In addition to 350 technicians working on the construction site of the Soviet pavilion, the regular Soviet fair staff now includes the following persons:

Ryzhkov, Dmitriy Aleksandrovich, Commissioner General; First Deputy Minister of the U. S. S. R. Ministry of the Machine Tool Building and Implement Industry; arrived in Brussels on July 18, 1957.

Nesterov, M. V., Coordinator; Chairman of the Presidium of the All-Union Chamber of Commerce of the U. S. S. R.

Usenko, Vladimir Leontievich, head engineer; director of construction of the Soviet exhibit.

Vasilyeva, Kseniya, construction engineer.

Dorofeyev, Aleksandr, construction engineer.

Nikiforov, A., director of the Soviet pavilion.

Natradze, A. G., chief of the Soviet medical exhibit.

(It is anticipated that during the fair the Soviet staff will expand to include about 40 people.)

(2) Visiting scientists: Members of various Soviet scientific teams will visit Brussels during the fair and participate in some 165 out of about 300 coordinated scientific events scheduled to take place in conjunction with it (see also p. 8). According to information available as of January 1958, eminent Soviet scientists who will visit Brussels in this connection include the following:

Semenov, Nikolay, Nobel prize winner, member of the Soviet Academy of Science, who will read a paper on nuclear chain reactions.

Nesmeyanov, Aleksandr, president of the Soviet Academy of Science, who will present a paper on elementary organic compounds.

Vinogradov, Aleksandr, member of the Soviet Academy of Science, specialist in the field of geochemistry.

Kurianov, Antirei, member of the Soviet Academy of Science, specialist in the field of geology.

Kholmogorov, A. N., professor at the University of Moscow, tentatively scheduled to appear as a member of a symposium on Statistical Problems in Astronomy and the Earth Science.

(3) Note on anticipated delegation visits: Information now available points to heavy delegation traffic from Moscow to Brussels during the fair. Various Soviet officials have stated that many Soviet organizations plan to send groups; Soviet representatives have made efforts to secure accommodations for large numbers of people, and the Soviet Union has announced that it will inaugurate a special daily passenger service by jet aircraft between Moscow and Brussels for the duration of the fair.

(c) Estimated cost:

(1) General: Estimates of the cost of Soviet participation range as high as $60 million.[3] When he was asked (at a press conference upon his arrival in Brussels) how much the U. S. S. R. would spend to participate in the fair, Soviet Commissioner General Ryzhkov answered, "What it will cost."

(2) Some items and estimates:

(a) Baron Moens de Fernig, Commissioner General of the Fair, estimated that the cost of the structure of the Soviet Pavilion alone—exclusive of the costlier items of decoration—would run to about $5 million.

(b) The U. S. S. R. is the only one of the big countries to rent space in the Atomium, at a cost of $50,000.[4]

(c) Express Wieczorny, a Warsaw daily, wrote on February 28, 1957: "$11 million is the cost of the participation of the United States in the Brussels Exhibition. The U. S. S. R. is supposed to spend for its participation an amount equaling $50 million."

(d) La Presse, a Paris advertising and trade journal, reported on April 15, 1957, that the U. S. S. R. plans to spend more than $11 million in advertising and promoting its Brussels pavilion.

(e) A Tass dispatch of July 12, 1957, stated: "A. Nikiforov, Director of the Soviet Pavilion, commented on reports in some foreign papers, mainly in the United States, disseminating sensational statements on the scope of Soviet contribution to the world exhibition [at Brussels], alleging that the exhibits will have some special propaganda purposes. 'All this is utter nonsense,' said A. Nikiforov. 'No extravagant expenditures have been planned. The figures given in the American press are concocted by their editors. The U. S. S. R. exhibits are strictly in conformity with the program of the exhibition.' "

(d) Propaganda media activities: The Soviet Union has announced in general terms (Pravda, November 18, 1957) that Soviet participation in the fair will be supported extensively by its mass media. A multilingual newspaper—reported elsewhere to be titled "Sputnik"—and a series of special radio and television programs were mentioned specifically by Pravda, but other details of the media program are not yet known. In any case, standard Soviet propaganda practice and budget estimates available suggest that this facet of Soviet activity in connection with the fair will be impressive.

(e) Soviet exhibits: Moscow News, a Soviet-English-language publication, said on October 2, 1957:

"The Brussels Fair's slogan is 'Man and Progress' which is all embracing and enables each country participating to give the fullest illustration of its progress in industry, agriculture, science, the arts, medicine, education, and public health for the good of mankind.

"The Soviet Union will be represented in every one of the four departments of the exhibition in the palace of science: the atom, the molecule, the crystal, the cell.

"Soviet research into crystal synthesis, transistors, the physics of high-energy particles, nuclear electroscopy, cosmic-ray research, and many other problems will be covered in the palace of science by exhibits arranged in 26 sections each on a separate theme."

(1) Scientific exhibits:

(a) Sputnik: The U. S. S. R. will exhibit two models of Soviet earth satellites.

(b) Atomic energy: The U. S. S. R. has contracted to occupy one sphere of the Atomium, where it will demonstrate how atomic energy is used for peaceful purposes in the U. S. S. R.

(c) International scientific exhibits:[5] As indicated above, the U. S. S. R. plans to participate in about 165 of some 300 international scientific exhibits to be held in connection with the fair either directly or to run concurrently outside the fairgrounds. Some of the specific exhibits which the U. S. S. R. has offered in replacement of exhibits withdrawn by the United States are:

(1) The atom: Demonstration of Soviet nuclear radiation detection equipment (using, in part, space that had originally been set aside for United States exhibits on carbon-14 dating, thermonuclear energy, cyclotron, and transuranic elements).

(2) The molecule:

(a) A gas spectrometer exhibit to be substituted for an original United States display that was to have included a continuous gas analyzer.

(b) A radiogeology exhibit to replace, in part, an exhibit on radiochemistry originally planned by the United States.

(c) An exhibit on plastic polymers in solution, using some of the space originally reserved for a United States exhibit on structure and macroscopic properties of plastics.

(3) The crystal:

(a) An "electronograph" (electron diffraction instrument).

(b) An exhibit on synthetic crystals and growing methods, using space originally intended for a United States exhibit on growing quartz and EDT crystals.

(4) The cell: A Soviet exhibit on photosynthesis will be substituted for part of an original United States exhibit on the same subject.

(2) Industrial exhibits: "Visitors (to the Brussels Fair) will see how the Soviet Government has transformed the Soviet Union from a backward agrarian country into a great industrial power with the most advanced science and culture," wrote Pravda on November 18, 1957. In support of this objective, the U. S. S. R. plans to mount in its national pavilion a large variety of industrial displays illustrating Soviet progress in heavy industry, light industry, raw materials, agricultural machinery, machine tools, and consumer goods, among others. These exhibits will include:

(a) A large working model of a coal mine.

(b) A complete operating unit of an oil well.

(c) Several large working models of an oil drilling rig.

(d) Supersonic and electronic impulse machine tools.

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[3] Year of Crisis; Communist Propaganda Activities in 1956 (MacMillan, New York, 1957, edited by Evron M. Kirkpatrick) states that "the Communist countries in 1956 sponsored official exhibitions at 93 international fairs. * * * These exhibitions in 1956 cost the Communist bloc approximately $50 million as compared with $38 million in 1955 and only $10 million in 1954."

[4] The Atomium, a structure which will dominate the fair grounds, is a representation, 350 feet high, of an elemental metal crystal—9 steel spheres each 59 feet in diameter joined by a series of tubular passages containing escalators and elevators. It is being constructed to house exhibits related to atomic energy.

[5] Newsweek, April 1, 1957 (international edition) reported: "One embarrassing moment occurred during a meeting of scientists when nations taking part in the international science exhibit [at the Brussels Fair] were asked to contribute displays in the fields they had pioneered. As each scientific discovery was mentioned, from penicillin to cyclotrons, Soviet delegates staked their claim to Russian 'firsts'."

(e) Machine tools with screen optics.
(f) Computing machines.
(g) Power production plants.
(h) A telemechanical device for the automatic control of a mine.
(i) A complete installation for the working of precious metals for scientific, technological, and industrial uses.
(j) A display of machines invented by Soviet engineers and scientists.
(k) An exhibit including a Soviet jet airliner, illustrating modern communications.

(3) Exhibits by schools, artisans, organizations: In addition to national exhibits, participation by groups within the Soviet Union is planned, of which the following are some examples:

(a) Twenty-one Soviet trade schools are competing for the best exhibits to be displayed in Brussels.
(b) Schoolchildren of the Leningrad Technical Club have designed, for display at Brussels, an electric tractor controlled by light rays.
(c) Students of a trade school in Sverdlovsk, in the Urals, have prepared a model of a giant walking excavator, the largest in the U. S. S. R.
(d) Students of the Moscow Railway School No. 3 have made a working model of the latest Soviet electric locomotive.
(e) Turkmenian carpet makers will send to Brussels a wall carpet with a center design representing a group of people of different nationalities united in their fight for peace.
(f) A large number of souvenirs for the Brussels Fair (samovars, teapots, glassware) are being produced by a Moscow crystal factory.

(f) Participation in conferences and meetings: Present information indicates that the Soviet Union has membership in the following international organizations which are to meet in Brussels concurrently with the Brussels Fair:

(1) International Aeronautical Federation, 51st General Conference,[6] May–June.
(2) International Union Against Venereal Diseases and Treponematoses, International Congress,[7] June 5–8.
(3) International Statistical Institute, special session,[8] September 3–10.
(4) International Association for Prevention of Blindness,[9] September 8–15.

Satellites participating in meetings other than those listed above

Conference	Place	Bloc members	Date
PEN Club, International Congress	Brussels	Bulgaria, Czechoslovakia, Hungary, Poland, East Germany.	May.
International Federation of Associations of Graduates of Higher Commercial Schools, Council Session.	Liege	Romania	June 6-9.
International Association of Judges of Juvenile Courts, 5th Congress.	Brussels	Hungary	July 14-18.
International Folk Music Council, General Assembly and International Conference on Folk Dancing and Music.	Liege	Bulgaria, Czechoslovakia, Hungary, Poland.	July 28-Aug. 2.
International Confederation of Accordionists, Congress and World Championship.	Brussels	Poland	July.
International Committee of Military Medicine and Pharmacy, 21st Session.	do	Hungary, Poland, Romania.	Aug. 4-7.
International Federation for Housing and Town Planning, 24th Congress.	Leige	Bulgaria, Czechoslovakia, Hungary, Poland.	Aug. 31-Sept. 6.
World Federation of U. N. Associations, 13th Assembly.	Brussels	Bulgaria, Czechoslovakia, Hungary, Poland, Romania.	Sept. 1-7.
Society of Industrial Chemistry, 31st Congress	Liege	Czechoslovakia, Poland, Romania.	Sept. 8-14.
International Organization Against Trachoma, General Assembly.	Brussels	Poland	Sept. 8-15.
International Institute of Public Finance, Congress	do	Hungary, Poland, Romania.	Sept. 15-17.
International Association of Art Critics, General Assembly.	do	Czechoslovakia	Undetermined.

(g) The Soviet cultural effort:

(1) Fine arts:

(a) The collection of old masters from the Leningrad Hermitage Museum will leave the U. S. S. R. for the first time in its history to be displayed at Brussels.
(b) The Pushkin Museum and the Tretyakov Gallery will lend their best paintings and sculpture for exhibit at the fair.

(2) Ballet:

(a) The Bolshoi Theater Ballet will perform with a Belgian orchestra for 3 weeks in June at the Theatre de la Monnaie, Brussels.
(b) Members of the Bolshoi Theater Ballet School—younger performers, including children—will appear in Brussels for the last 2 weeks of September.
(c) The Moiseyev Ensemble, accompanied by a Soviet orchestra, will perform at the Palais des Beaux-Arts in Brussels (and will probably also participate in the Festival of Popular Dances in a number of Belgian provincial localities).

(3) Drama: The Stanislavsky Art Theater of Moscow will stage three plays by Chekhov during June and will also participate in the International Festival at Antwerp.

(4) Folk art performances:

(a) Ukrainian song and dance ensembles will perform at the Brussels Palais des Beaux-Arts for the first 2 weeks of August.
(b) The Soviet Republics Ensemble, composed of dancers and singers from 15 Republics of the U. S. S. R., will appear in Brussels for a week in August.

(5) Music:

(a) The Symphony Orchestra of the Soviet Union is scheduled to present several concerts.
(b) Eminent Soviet musicians who will perform at Brussels include: Pianists, Gilels and Askenasi; violinists, Oistrakh, Kogan, and Bezrodny; cellist, Rostropovich; trio composed of Oistrakh, Knudovitsky and Oborin.
(c) The Sveshnikov Choir will sing in Brussels and a number of provincial cities.

(6) Circus: The Moscow Circus, which was a great success in Belgium in 1956, will spend 2 months in Brussels (June to August) and 1 month in Liege and Antwerp (August to September).

(7) Films: No specific data are available concerning Soviet participation in the International Film Festival to be held concurrently with the fair, but it is anticipated that the U. S. S. R. will present a number of feature, documentary, experimental, and educational films.

(8) Soviet national days: There will be a concentration of special Soviet performances, concerts, and displays marking the Soviet national days at the fair, August 11, 12, and 13.

3. Satellite participation:

(a) Czechoslovakia:

(1) General: The Czechoslovak exhibit, which is to occupy an area of 120,000 square feet, will illustrate a typical day in that country's national life. Three buildings connected by glass corridors will present three subthemes: "Work," "Rest," and "Culture."

(2) Specific activities:

(a) "Work": This section will house such industrial exhibits as a giant turbine rotor destined for installation at the hydroelectric powerplant now under construction on the Vltava River, and displays of footwear, glassware, and ceramics.
(b) "Rests": Exhibits designed to depict conditions created by the Communist regime for the best utilization of the workers' free time: summer camps for children, youth and workers' hostels, tourist attractions, and health resorts.

[6] Also Czechoslovakia, Hungary, Poland.
[7] Also Poland, Romania.
[8] Also Hungary, Poland.
[9] Also Czechoslovakia, Hungary, Poland, Romania.

[From the Saturday Evening Post]

WE'LL GO ON TRIAL AT THE FAIR

(By Ernest O. Hauser)

BRUSSELS.—Are world's fairs obsolescent? The universe has shrunk since the first universal exposition, in 1851, drew approximately 6 million spectators to London's glittering Crystal Palace. Men and ideas traveled slowly in those days, and seeing was believing. In our age of cheap and rapid travel, of radio, film, and television, what is the point of mounting yet another global kermess where man can gaze at the accomplishments of man?

The people now preparing the Brussels Universal and International Exposition of 1958 have no illusions on this score. Their fair, they know, may well be the last of its kind. So much more reason, they will tell you, to make it an unparalleled success—a giant firecracker whose brilliant flash won't be forgotten for a long, long time. Thirty-five million visitors, they hope, will take a look at the 50-nation extravaganza, opening on April 17 and closing 6 months later. Belgium, the anxious host, is spending some $300 million on the project, plus some $400 million on sprucing up the Belgian capital for the occasion.

For the United States, now finishing one of the most spectacular pavilions on the exposition grounds, Brussels will mark a precedent. Never before have we participated on a comparable scale in a world's fair—and there are those who say that this historic fact alone will make the Brussels Exposition. Still, even as the star performers of this show, we'll be on our mettle like the rest of them. Our national pavilion, as it happens, is just across the way from the pavilion of the Soviet Union. Already, as he picks his way across the muddy grounds, the visitor is irresistibly attracted by the two looming rival structures which will, undoubtedly, become the fair's prime objects of curiosity.

This is no trade fair, and no hawking is permitted; to have your order books around would be obscene. True expositions, as distinguished from commercial fairs, are ruled by solemn international agreement. A charter signed in 1928 by the governments of 35 nations—including Russia, but not the United States—lays down the ground rules. According to these rules, a universal exposition should be a stocktaking of our civilization. This ever-changing world, arrested in one quivering moment, should hold still for inspection, as it were, before proceeding on its headlong course.

Hence, Belgium's aim to make the Brussels Fair a balance sheet in the creation of a more human world. There is much gossip here of transcendental matters; and nice, round words, like humanism, progress, and the pursuit of happiness, fill the moist Belgian air. Unfortunately, Belgium has picked the atom for a mascot. While man himself serves as a general theme, the atom—symbol of our age—will cast its eerie shadow on the fair. A weird Rube Goldberg fantasy called the "Atomium" will be to Brussels, 1958, what the Eiffel Tower was to the Paris Exposition of 1889, and the Trylon and Perisphere to the New York World's Fair of 1939. Raising itself to a height of 360 feet, this monstrous Christmas tree will represent the structure of a simple metal crystal, with nine enormous spheres acting as atoms. Escalators will move up and down inside the hollow branches, and there will be a restaurant in the top atom.

Brussels seems a good place to stage this kind of competition. It certainly is not for nothing that this is the fifth international exposition to be held here in 7 decades—the last took place in 1935. A crossroads in the flow of goods and people, the Belgian capital sits in the hub of a highly developed, thickly settled region. Within a 200-mile radius lie the coal mines and the cotton mills of northern France, the busy factories of Western Germany, the crowded shores of England. Some 135 million people live and work within this compass. Keen traders, the inviting Belgians have no intention of suppressing their own commercial instincts for the duration of the fair.

As for ourselves, we are going into Brussels, 1958, with the diffidence of a party whose case is not yet proved. Most of the 200,000 visitors expected to throng our building on a busy day are likely to be total strangers whose mental image of America and our way of life, at best, is sketchy. They have known us first as liberators, then as the generous dispensers of dollar aid and finally as wide-eyed tourists. They have also seen our movies, they have read about McCarthy, about Little Rock, they have heard about American materialism, and they are wondering where fancy ends and truth begins.

Here, then, for the first time since World War II, is our chance to put ourselves across—to tear down a whole web of misconceptions and show what we believe to be our real face. This, evidently, is no simple, one-way propaganda job; the opposition plies its trade across the street, and most of our customers will be comparison shoppers.

"We have divorced our thinking from a frontal conflict with the Russians," one of our planners said. "All we want, frankly, is the best pavilion and the most beautifully designed exhibit."

But to begin at the beginning. When our State Department, in the fall of 1954, received the Belgian invitation, it did not look at Brussels—more than 3 years off—as a matter of immediate concern. Handing the project, as a sideline, to one of its officials, it let things ride. It was not until July 31, 1956, that Congress was in a position to vote empowering legislation. And in October of that year Howard S. Cullman was sworn in as our commissioner general.

He seemed the right man for the job. A rich tobacco merchant who, for many years, had headed the efficient and politically clean Port of New York Authority, Cullman was probably best known as a successful Broadway angel. Among the 150 plays and musicals he had sponsored were hits like Life With Father, South Pacific, The King and I, and Teahouse of the August Moon. His flair for showmanship was bound to prove an asset, and his financial independence allowed him to turn down the $25,000-a-year remuneration provided for the job.

But there were only 18 months to go when he stepped in. Most other nations had their feet well on the ground by then, and some, like Germany, had done a year's constructive planning. To make things worse, Congress was in an economy mood. While holding out hope for eventual approval of the $15,000,000, Cullman and his small, hand-picked team considered necessary, the legislators were unwilling to put more than $12,345,000 into the enterprise. That, even now, is all there is, and Cullman's inability to lay his hands on more has caused some painful cuts, particularly in the entertainment program.

Still, what the United States has on the ground by now needs no apologies. Like other major nations, we were assigned a 6½-acre site. It is roughly triangular, rising toward the rear to form a natural amphitheater. Leaving the narrow forward portion of the triangle free—part of it will be taken up by a reflecting pool—we are constructing in the rear a massive, circular pavilion.

Though no less modern than most of the other national pavilions, the structure is far from extreme; its restful and harmonious lines give it an almost classic air. The worst that can be said of it is that, with its flat, overhanging lid, and its Great Seal of the United States over the door, it looks like an American officer's cap. Its architect, Edward D. Stone—identified with such Manhattan landmarks as Radio City Music Hall and the Museum of Modern Art—likes to make people shudder by picturing the kind of thing he could have built if he had wanted to appear audacious. "Terrific, isn't it?" he will exclaim, with fitting modesty, as he clambers all over the enormous steel-and-plastice pile.

No open-span round structure of this size has ever been attempted; the floor, 340 feet across, would hold a couple of football fields. But the pavilion's most conspicuous feature is the bicycle-wheel roof; made of 2,100 translucent plastic panels airlifted in 8 planeloads from New Hampshire, it is suspended from the rim by thin steel cables—a system borrowed from Rome's oval Colosseum, whose canvas top used to be strung in just this manner. An opening in the roof lets in sunshine and rain. And the illusion of the great outdoors is further heightened by a pool in the center of the floor, and 11 fine old willow trees which our builders have been careful to preserve. The outer skin of the pavilion is a transparent mesh; lighted from the inside, the heavy drum will be transformed into an airy apparition.

There is little doubt that the $5 million edifice itself will be our No. 1 exhibit at the fair. Already, it is something of a legend. A British Sunday paper has forewarned its readers that the American pavilion * * * will have the biggest dome in the world, housing a whole forest and a huge floating platform and costing about $42 million.

However, this is but a shell to hold our national presentation, and while admitting that it is stunning, one might well ask, "But is it functional?" As almost all the impedimenta of our civilization are rectangular, a round pavilion may not be ideally suited for the display of this civilization—as anybody who has even tried to fit rectangular furniture into round spaces will appreciate. But then, this is a Government project. Our designing team was hired when it was too late to change the structure; and, being stubborn individualists, they went ahead and squared the circle, constructing a rectangular world within the drum, and leaving foreign visitors with an impressive insight into our wonderfully democratic way of doing things.

The actual producers of the show—Peter G. Harnden Associates, a private firm of designers—were given a good deal to chew on. Cullman's team had solicited opinions on what our exhibit should be like from 30 prominent Americans. A conference held under the auspices of the Massachusetts Institute of Technology had further crystallized the issue. What almost everyone insisted on was modesty. "No bragging," was the keynote. We should present ourselves as a "dynamic," "restless" people, saddled with problems just like everybody else, groping for the right answers and "committed to a constant search for an improved way of life." The theme of our show would be the "continuous American revolution."

To translate this philosophy into 120,000 square feet of three-dimensional exhibits was no small order. The end result, as visitors will see it at the fair, is, in the main, the work of two creative minds—industrial-design consultant James S. Plaut, our deputy commissioner general; and architect Bernard Rudofsky, associated with the Harnden workshop as top designer for the project. While it is impossible to say at this stage whether their presentation will go down as a success or a resounding failure, it is certain to create enough attention to make the exercise worth while.

The general mood of the exhibit will be one of tranquility—a welcome calm designed to give the visitor relief from the aggressiveness of the fair as a whole; to grant him, after loud and garish miles, a respite. There will be a minimum of graphs, statistics, obtrusive photo murals, and heroic slogans. Nor will we show off our wealth—no bronze, chrome, plate glass, or rich marble. If we seduce, we shall seduce by understatement.

"The visitor," the working script predicts, "will recall the United States Pavilion as an experience rather than an exhibition."

Although 100 college students from back home will serve as guides during the fair, there is no prescribed itinerary. You are on your own, and you may start and finish where you like. Here then—with the proviso that some items are still tentative—is your sneak preview of our main exhibits.

Surveying the ground floor, you'll find it a strange wedlock between tradition and avant-garde. Side by side with such down-to-earth displays as twin exhibits on atomic energy and automation—the only hints of our industrial might—you will encounter abstract works of art and some engaging bits of whimsy. A surrealistic spread of objects, displayed under a giant ceiling map of the United States, delineates the "Face of America." Among the wrinkles there will be a bale of tumbleweed from the Southwest, a California gold nugget, "Hollywoodiana," cowboy accouterments, a row of rural mailboxes, American Indian artifacts, the model of a side-wheeler, a copy of the Declaration of Independence, an Idaho potato mounted like a jewel, strange butterflies, and a live rattlesnake. "They'll taste the Continent in a few samples," Rudofsky says. "We will present the unexpected, the things the movies don't show. Some of these objects will be seen for the first time in Europe."

Wherever possible, we shall imply rather than shout our message. A working model of the New York Stock Exchange, complete with ticker tape and a big board, will get across the public ownership of our corporations. An electronic scale model of Philadelphia, with buildings that turn turtle and drop out of sight to be replaced by a new city, will document American urbanism. Voting machines—placed in our pavilion on President Eisenhower's personal request—will illustrate the everyday mechanics of our democracy. And a pictorial show of the opening up of the American West will remind Europeans that we, too, have a past.

But it is on the balcony that the originality of the designers comes into its own. The stylized prototypes of some American houses—a Texas ranch, a southern cabin, a New England cottage—lead up to islands

showing, each in its own way, a facet of our domestic life. None of these units—an American kitchen, a sun deck, a living room, a children's playpen, and so forth—will try to be the real thing, but will attempt to capture the elusive essence of an environment created by and for Americans. Appealing to the viewer's sense of beauty and imagination, these items may be brilliantly successful or fall completely flat. At any rate, no one can say that they are exhibition clichés.

The one display most apt to make Americans feel suddenly at home and give the stranger an authentic feel of our daily life is a characteristic street—a streetscape—complete with signposts, manholes, traffic lines, street lamps, a billboard, show windows and a functioning corner drugstore—where Europeans may have their first soda at the fountain.

So far, so good. The bombshell will be hidden in the leafy grounds where a small building will enshrine bits of unfinished business. Here, in a haunting black and white, we shall present such unsolved problems as slum clearance, the Dust Bowl, civil rights and race relations, along with progress made toward their ultimate solution. This, obviously, is the sector of the show most likely to blow up in our planners' faces, as visiting Americans themselves may not see eye to eye on all the answers. But, the designers ask, is there a better way of making friends than taking all the skeletons out of their closets and airing them for international inspection? And, quite conceivably, they'll win their point.

America will thus sink in. Whatever one may think of individual items, the freshness of the whole approach, the intellectual titillation provided by the show in its entirety, will keep the thing on a remarkably high level. And the sophisticated European audience is likely to appreciate the total absence of the direct sell. What else? Short films, playing on scattered screens, and the first movie-in-the-round shown outside the United States will add a visual touch of American life and scenery. Several teams of pretty girls will model American fashions. A restaurant will try to serve American corned-beef hash and apple pie. And, in a spacious theater, adorned in simple white and gold, a program of American plays, musicals, ballets and concerts—somewhat reduced for lack of funds—will uphold our cultural renown.

Although the total impact of our Brussels effort can't be assessed until the gates are open, the contrast between our formula of calculated modesty and the big Soviet noise across the way is certain to have its effect. There will be nothing very subtle about the Russian pavilion. Ignoring a Belgian request to all foreign exhibitors to use no more than 70 percent of their allotted acreage for construction, the Russians are covering nine-tenths of theirs with a colossal glass-and-steel box—a kind of super-Parthenon designed to awe rather than please. Inside, you'll find, surrounded by the implements of "progress"—industrial, agricultural, and plain cultural—a large statue of Lenin. As Russia's commissioner general for the fair happens to be assistant minister for machine-tooled production, the Russians will be bulging with machine tools where we shall bulge with understatement.

Still, as this phase of the cold war will be fought in plain view of 35 million spectators, there is little point in our discounting the Russians in advance. They are, by all accounts, spending more money on their show than the United States, although the $50 million mentioned in the press is probably exaggerated. And while such "live" exhibits as a coal mine and an oil well hardly sound exciting, the Russians may have some surprises up their sleeves—astral and otherwise. Their restaurant, where national dishes will be served, is likely to prove one of the sensations of the fair. And their essays in culture, which will include a presentation of the Bolshoi ballet, will make our own shortage of funds for the performing arts doubly regrettable.

As Belgium could invite only the nations with which she is on speaking terms, some governments, including those of mainland China and Eastern Germany, have not been asked. Others, though invited, have since bowed out for lack of interest or cash—notably India, Pakistan, South Africa, Australia, Poland, Sweden, Denmark, and Greece. But what remains will be sufficiently universal to justify the label of the fair. The presence of Monaco, Liechtenstein, and San Marino—the last just freed from 12 years of Communist rule—will prove that size is not a requisite of sovereignty. And the pavilions of seven international organizations, from the United Nations to the European Coal and Steel Community, will add their one-world touch.

Still, a brief stroll around the foreign section, reverberating with the din of last-minute construction work, and smelling of enthusiasm and fresh paint, reveals a frightening variety of states of mind. West Germany parades her eight rectangular pavilions in a clear, orderly, headstrong formation. The Netherlands, whose theme is Water—Friend and Enemy, is turning part of her establishment into the sea. Morocco's closed mouth and forbidding fortress makes you think of the wind in the high Atlas. Italy gently draws you into an Italian village, with a fine little piazza and palazzo. The Czechs are sheathing their three windowless pavilions with 7 million diamond-shaped pieces of gilt glass. Great Britain, always a nation of shopkeepers, uses a modest government pavilion as come-on for a huge, hangarlike showcase of British goods, erected here by the Federation of British Industries. The Japanese, torn between old and new, crown their exquisite paper house with a futuristic metal lid. And the Brazilians can be found under a tricky fiber canopy that looks like a tarpaulin.

Our neighbor on the right, the sovereign state of Vatican City, is welcoming all sinners to a gleaming-white City of God from which a startlingly modern church raises a 180-foot belfry. The world Protestant churches have their own pavilion in another sector of the fair grounds. The French, as if they did not have enough problems at home, have had hard luck at Brussels. Having first run into burst sewers underneath their site, which made it difficult to sink foundations, they found that the design their architects came up with was so advanced that the building could not be constructed. Only when the original idea of pivoting the entire roof upon a single strut was compromised by the addition of two new supports would the pavilion stand up—a heavy blow to every Frenchman's love of abstract logic.

All of these handsome structures, the agreement says, must be razed when the fair is over, at the exhibitors' expense. Some European countries, with this sad end in mind, use prefabricated materials for their buildings, and have foreseen their reerection at home—the Soviet pavilion, for example, will serve as an exhibition hall in Moscow. We, living all the way across the water, are less fortunate. Not only will our beautiful pavilion transform itself into a lumbering white elephant the day the show is over, but, having to depend largely on local labor and materials, we have to pay a Belgian tax on some of the transactions involved—an ugly $430,000 surprise to our planners. Although the matter has led to some pointed questions in the United States Senate, where the tax was referred to as a holdup, there is little hope for Belgian leniency.

What everyone would like to know, at this point, is whether Belgium will relax its rule against serving liquor, other than beer, in public places. Without a sampling of French and Italians wines, a dash of vodka, Scotch, or rye, many a visitor, it is feared, may drop dead from exhaustion prematurely.

But what about the Belgians as exhibitors? Reserving for themselves the spacious grounds of the annual Brussels Trade Fair—the foreign zone is, normally, a royal park—they will spread themselves over nearly one-half of the 500-acre exposition grounds. There, at their ease, they will display their own civilization, with emphasis on its material and commercial aspects. However, the world's hosts do not intend to play dog in the manger. In giving their own manufacturers a chance to show their wares, they are willing to grant foreign firms asylum on their sovereign grounds, and half a dozen large American concerns, unable to exhibit in the United States pavilion, will have pavilions of their own across the line. The lofty purpose of the exposition, of course, prevents the sale of goods displayed.

More of a blown-up country fair than a sophisticated exercise in self-portrayal, the Belgian show will have something for everyone. The sector given over to the country's famous diamond industry, for example, is almost certain to rank with the main attractions of the fair. There will be the inevitable midway, to be sure, and a gay and capricious folklore land, taking you back to the year 1900. A surprisingly large portion of the Belgian site is set aside for the displays of Belgium's African domain, especially the Belgian Congo. But it appears there will be no attempt—as in France's Algerian exhibit—to refute charges of colonialism.

By now, this country of 9 million inhabitants is heavily committed to the exposition. Although the transformation of traffic-lock-d and cluttered Brussels into a modern capital had long been on the books, the fair has turned the long-term project into a $400 million crash program. There seems to be no street here, at this writing, that is not being widened or at least torn up. New overpasses, underpasses, throughways are gradually emerging from the chaos. The city's shopkeepers anticipate fat profits, while the more sensitive look forward to the fair as one looks forward to an earthquake, and talk of going on a nice, long trip. The one question to which the Belgians, so far, have given little thought is where to billet the invading army. Hotel space in this city of 1,300,000 is woefully inadequate, and visitors may have to fan out over the surrounding country, bivouac on ships in nearby ports or use the Brussels-Paris helicopter service for commuting.

Will it be worth the trouble? It is one think to talk about a rattlesnake, and quite another thing to hear it rattle. To judge a fair, you want the noise, the smells, the fireworks and, above all, the crowds. This much is sure: the Brussels Exposition, a peaceful contest among 50 nations, will give the jaded traveler a new sense of affinity with a bewildered, striving, basically inoffensive species: man. As such, the first world's fair since World War II will warrant the enormous effort made to give it diversity and punch. And, if it does turn out to be the last, it will at least be worthy of its famous predecessors.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, this is the first opportunity I have had to take advantage of the floor of the House to

explain to the House a number of facts with regard to the Brussels Fair.

For some weeks now I have been strafed and pilloried by editorial writers and newspapers all over the country, on television and radio, as though I were the only Member of the House of Representatives opposed to writing a blank check for the Brussels Fair. The fact of the matter is that there are nine members of the House Committee on Appropriations who sat in on the markup of this portion of the pending bill, who bring this bill to you in its present form today. The full membership of the House Committee on Appropriations is comprised of 50 men, 30 of the majority party and 20 of the minority. That full committee approved the Brussels-Fair item last Thursday.

I do not presume to dominate anyone with regard to my ideas as to what is being done in regard to the Brussels Fair. I am, however, going to give you some facts this afternoon to prove to you that this Brussels-Fair business is the greatest snow job ever perpetrated on the House of Representatives by Madison Avenue and the hucksters who have been misrepresenting this Brussels Fair to the American public.

At the outset, I should point out that I am and always have been all for United States participation in the Brussels Fair. I want the United States participation in the Brussels Fair to be the best. But I do not care to be hoodwinked, hoodwinked as we were, by these people concerned with the running of this fair.

Last year they came to us, and you remember—you were all on the floor of the House at the time we previously considered this appropriation—the request was for a total of $15 million. At that time the Congress appropriated $11.8 million and said in effect, "You go ahead and spend $11,800,000 and do a good job at the Brussels Fair."

They came back here only a few months later and wanted over $2 million more. What happened? The Congress, both Houses, turned down this request but had to allow them $430,000 for tax money to pay the Belgian Government for taxes on labor and materials in putting up our own building in Brussels, which has cost us $5,300,000. They had not told us about these taxes and the genii stated that they had no idea of them at the time they previously appeared before the Appropriations Committees. So they were allowed this $430,000 plus $115,000 for insurance that they had also known nothing about.

Now they are back here on Capitol Hill for the third time, and want $2,054,000 of the taxpayers' money. They think they can wheedle this money out of the taxpayers of the United States by boilerroom tactics, by untruthful, misleading publicity.

The committee had to put up with this kind of nonsense: On March 10 of last year Mr. Cullman came before the Subcommittee on Appropriations, and in order to overwhelm us said at page 619 of the printed hearings:

I am delighted with Mr. Stone's work, and it may interest you to know that the total cost of our buildings, estimated at $4 million or $5 million, approximates the cost of the steel and the concrete work of the Soviet Union, which is next to us.

The Soviet Union has let a contract for $4.8 million, or $5 million for steel and concrete, using 90 percent of a lot of 6½ acres. The building, according to my best information from our Government and from Baron Moens de Fernig, will be 120 feet high, will be marble, and if you take the normal index of steel and concrete versus the finished building without the marble, it will cost between $40 million and $45 million.

Then on the same day further on in the recorded testimony, at page 629, Mr. Cullman testified as follows:

Mr. ROONEY. But see if my memory is not correct, that the highest amount overseas for American participation expended by the American taxpayers was about $1.5 million?

Mr. DAVIES. It is on page 93 of the justifications.

Mr. CULLMAN. I think you have a very good memory, Mr. Chairman. There it is.

Mr. ROONEY. Am I not right?—$1.5 million. That is the highest amount ever expended previously in connection with an overseas world's fair by the Federal Government?

Mr. DAVIES. That is right, Mr. Chairman, but I think it should be pointed out we are approaching this thing not as just a token exhibit in a fair that another country is holding but it is a major effort on the part of the United States to present its cultural, its economic—all of the aspects of our life in such a way that it will stand up before Europe and the rest of the world.

Mr. CULLMAN. We have never had the Soviet Union spending $45 million or $50 million next to us.

Mr. ROONEY. The Soviets are putting up a building over there and I believe you informed us that it was in the neighborhood of $5 million.

Mr. CULLMAN. The steel and cement work was $5 million.

Mr. ROONEY. Where do you get this information on the rest of the Soviet expenditures?

Mr. DAVIES. This was given to us——

Mr. CULLMAN. Let me state it this way: They are using 90 percent of a lot, 6½ acres for their building. That is a lot of territory. They are going up—and that we know—120 feet. We know the exterior will be marble. My engineers at the port authority say that you can usually take the normal index of 8 to 10 times the steel and concrete for the cost of the building. I have taken the low figure to you. Eight times.

I am now interpolating that 8 times 5 is $40 million. And Mr. Cullman continued:

That is from the head of the Belgian exposition and from the best responsible sources I can get, Mr. Congressman.

Mr. Cullman came before the same committee just a few weeks ago when we held hearings with regard to the instant request. It was on the 4th of February, at page 419 of those printed hearings. I said to him:

Tell us something about this Soviet building, Mr. Cullman.

Mr. CULLMAN. Mr. Plaut got in yesterday morning and——

Mr. ROONEY. You described it last year, Mr. Cullman, in this way:

"The building, according to my best information from our Government and from Baron Moens de Fernig, will be 120 feet high, will be marble, and if you take the normal index of steel and concrete versus the finished building without the marble, it will cost between forty and forty-five million dollars."

Mr. CULLMAN. The only thing I would like to correct in that testimony——

Mr. ROONEY. Would you like to see the picture of that forty to forty-five million dollar building?

Mr. CULLMAN. I would like to correct for the record that statement. Mr. Plaut advises me that it is not going to be marble.

You have seen it, Jim. You got in yesterday morning.

Mr. PLAUT. May I ask if it is in the record that the building will cost $40 million?

Mr. ROONEY. Yes. I will again read from the presentation of the case for this highly unusual sum of money for American representation at the Brussels Fair, what Mr. Cullman said.

"The building, according to my best information from our Government and from Baron Moens de Fernig."

And I guess he is the top Belgian, is he?

Mr. CULLMAN. Yes.

Mr. ROONEY. The director general of the fair?

Mr. CULLMAN. Right.

Mr. ROONEY (reading): "will be 120 feet high, will be marble, and if you take the normal index of steel and concrete versus the finished building without marble, it will cost between forty and forty-five million dollars."

Are you telling us at this date or point in the proceedings that this Soviet building costs anything like that?

Mr. PLAUT. No, sir.

Mr. ROONEY. What would you say this building costs?

Mr. PLAUT. It is approximately, I should say, in round figures, that it would approximate the cost of the United States pavilion, although very much larger.

Mr. ROONEY. It does not compare with the United States building?

Mr. PLAUT. It is much bigger.

Mr. ROONEY. It may be bigger, but how would you describe it as compared with the American building?

Mr. PLAUT. I would describe it as a large loft-like structure.

Mr. ROONEY. Loft-type building?

Mr. PLAUT. Yes, sir.

Mr. ROONEY. I was going to us the word "factory." We are in agreement about that?

Mr. PLAUT. That is correct.

Mr. ROONEY. This is the forty- or forty-five-million-dollar building of a year ago?

Mr. PLAUT. Well, sir, a year ago I am sure that you are aware that things have moved very quickly and our information as to the Russian effort at that time was based only on hearsay.

Now I listened carefully to my distinguished friend, the gentleman from New Jersey, as he talked about the Soviet spending $50 million or $60 million in Brussels and as he talked about a USIA research and intelligence report. Of course, the committee has the report, and of course, we carefully read the report. What does that research and intelligence report say? That there is only one basis in the world for any figure of the magnitude of $50 million of Soviet spending? That one day last February in an unreliable newspaper in Warsaw, Poland, an article said the Soviet might spend $50 million?

Well, here is what the very agency that put the report together, the United States Information Agency, has to say about it. This is of the 12th of February 1958. They evidently suspected that Mr. Cullman and the Brussels Fair people were going to use their report as it is being used today, for a

snow job. I am reading from this official memorandum which was in their files:

IRI REPORT, P–6–58, COMMUNIST PROPAGANDA AND THE BRUSSELS FAIR, JANUARY 22, 1958

1. Last December, Mr. Nagorski, chief of the international branch of IRI/P, suggested a report on the Brussels Fair, in view of the growing Communist attention to the event. It was decided that we would produce a fairly extensive treatment since the Brussels Fair would be of interest to many parts of the agency and to a great many field posts.

2. The purpose of the report is to supply to policy, planning and operating elements of the agency available information on the nature, scope and objectives of Communist participation in the fair as a propaganda activity. IRI in the past has routinely reported on Soviet utilization of international trade fairs and exhibitions as a Communist propaganda device. Previous reports include:

P–49–57, United States World Trade Fair, New York.

P–25–57, Communist Bloc Participation in Free World Trade Fairs and Exhibitions.

P–70–55, Participation by Communist Countries in International Trade Fairs and Exhibitions in 1955.

3. Principal sources in the report were Soviet and satellite mediums and information available from other Government sources. Material was checked in draft with other agencies and declassification obtained where necessary. To facilitate use of the material in output and field contacts, the report was kept unclassified.

4. In the process of gathering material, Mr. Nagorski was sent to Mr. Lush, State Department Brussels Fair office.

5. Mr. Lush requested that he receive 100 copies of our projected report. In view of the probability that he intended a heavy Congressional distribution of these copies, Mr. Nadler felt that we ought to check with ICG and IOP before complying. I called Mr. Carter and Mr. Dennis and informed them of Mr. Lush's request prior to printing. Mr. Carter advised, after considering the question, that we send six copies to Mr. Lush. A day or two after, Mr. Dennis' office telephoned and advised us that another 15 copies might go to Mr. Lush. Mr. Lush had meanwhile made clear to us his disappointment in not receiving the 100 copies he had requested and pressed for further copies. His request was referred to Mr. Carter's office. It was pointed out to him that the facts in the report were unclassified and he was free to make use of the factual material. Mr. Lush later telephoned Mr. Nagorski and requested 20 more copies, saying that most of his other copies had been sent to Brussels and that 20 additional were for use in the upcoming hearings. With Mr. Nadler's approval, copies were furnished, thus making a total of 41 copies sent Mr. Lush.

6. I gather that during the Brussels Fair hearings the point was raised that the $50 or $60 million figure cited was not a firm estimate. The report had carefully and deliberately refrained from offering a firm estimate. We had merely pointed out the range of estimates and had provided a Polish daily newspaper figure of $50 million, a Tass denial that extravagant expenditures were planned, and available published estimates on the cost of the pavilion itself, given by the Brussels Commissioner General of the Fair (about $5 million). We also cited the Paris advertising and trade journal report that the U. S. S. R. planned to spend more than $11 million in advertising and promotion.

7. It has been pointed out that the list of countries participating as given in our report does not coincide with lists currently available from other sources. Our list, taken from another Government source, was up to date as of the time it was issued. A number of countries have announced changes of plans.

8. The report was given normal distribution for our reports (USIA/G, all principal posts, etc., 400 copies). The usual additional copies were sent to posts and individuals having a special interest in the subject matter.

Is it possible that the USIA which put out the January 22, 1958 report got a bit scared about it? When it comes to intelligence and knowledge of what is going on overseas, they are quite often at a total loss. Is it strange that the foregoing memorandum was made eight days after the Brussels Fair people appeared before the appropriations committee and relied wholly upon it in their demands for more money?

I repeat from their memorandum:

I gather that during the Brussels Fair hearings the point was raised that the fifty or sixty million dollar figure cited was not a firm estimate. The report had carefully and deliberately refrained from offering a firm estimate. We had merely pointed out the range of estimates and had provided a Polish daily newspaper figure of $50 million, a Tass denial that extravagant expenditures were planned, and available published estimates on the cost of the pavilion itself, given by the Brussels Commissioner General of the Fair (about $5 million).

Now where is the CIA report which was mentioned? We had them bring up all their papers and files. There is not even a telephone number supplied by the CIA of the FBI, or any other agency.

Now to go back to the date March 10, 1957, when Mr. Cullman was trying to do a job on us with the $40 to $45 million Soviet building, I wonder if he then knew that 2 days previous there was a communication sent by our American Ambassador in Brussels, Mr. Alger, to Washington, to the United States Information Agency advising that the Soviet Union had accepted the low bid of $3,600,000 of a Brussels contractor for construction of their pavilion?

Let us see with regard to the Information Agency as to how well you can depend upon them. Incidentally, never at any time has the Committee on Appropriations said to Mr. Cullman or anyone else, "You use doctors; you use swimmers; you use ballet dancers." It might be sensible to put Dr. White in a tank of water with a pregnant whale while he listened to her heartbeat. I have no objection to that at all, if the majority thinks that is the proper thing to do at Brussels. But we do have to watch out for such things as this—here is a paper out of USIA files, with regard to Copenhagen, Denmark. They say—and just listen to this:

The major new propaganda activity of the Soviet Union in Denmark in 1957 was the opening in August of the Danish branch of the Soviet Union's information bureau (SIB) at Adelgade 42, downtown Copenhagen.

The Soviet's great new propaganda activity for 1957. Do you know what that referred to in Copenhagen? A member of another subcommittee of this House and two members of the appropriations staff went to Copenhagen on official business and were told about this great big new activity of the Soviet Union. They inquired about it. They wanted to look it over. Nobody around our Embassy seemed to know where it was. Lo and behold, they got the address and finally found it. Listen to the real description of this great new Soviet propaganda activity in Copenhagen. Mr. Clark of USIA testifies:

Mr. CLARK. I wanted to ask the chairman's permission.

I greatly regret, Mr. Chairman, that there was a misunderstanding at Copenhagen. I happened to be in Copenhagen the next day myself and I realize the unfortunateness of the episode that took place. There is nothing more we want than to have good relationships with this good committee. I am sorry that it happened.

Mr. ROONEY. What took place? I was not there, but I want to find out about this. What happened?

Mr. CLARK. It was my understanding that a representative of this committee in Copenhagen was informed that the Soviet Union had opened in Copenhagen what was represented as a large information center.

I believe it was a representative of this committee and another part of the Appropriations Committee who were directed to this address, which developed into two rooms in an apartment house in a remote section of Copenhagen. The reasons why there was agitation on the part of the Americans and the American Embassy——

Mr. ROONEY. This was an apartment, was it not, where some woman with her hair down came to the door?

Mr. CLARK. I did not visit it myself, but——

Mr. ROONEY. I knew you were not there.

Mr. CLARK. I did not hear about the woman with her hair down.

Mr. ROONEY. It was an apartment? It was not an office building?

Mr. CLARK. It still is an apartment house.

The reason for the concern on the part of the Americans, and I am not talking about USIS, was a big flurry in the Danish press a few weeks prior to that about the Soviets opening an information center. The fact is, sir, that the Soviet information center is precisely as it was seen by the representatives of this committee, a very modest establishment.

Mr. ROONEY. It was a an apartment, part of an apartment, in which people were living?

Mr. CLARK. From which people worked.

Mr. ROONEY. People were working in there, but people lived in this apartment, also?

Mr. CLARK. That happens in many places.

Mr. ROONEY. I am not talking about many places, but that apartment in Copenhagen.

Mr. CLARK. You are correct, sir.

Mr. ROONEY. That was not very much of a location in town, was it?

Mr. CLARK. It was a very poor location.

Mr. ROONEY. It was not very much of an apartment, was it?

Mr. CLARK. No, sir.

I do not think the membership of the House would expect the members of the Appropriations Committee to stand for any of this kind of nonsense—and this is the reason we have taken the position all along with regard to getting the true facts concerning the Brussels Fair upon the table.

Under the rules of the House Appropriations Committee which are the rules of the House I could not answer editorials carried in every newspaper in New York City at the time they were published, because those rules prohibit me from discussing anything that happens in executive session of the committee until such time as the bill is reported out by the full committee; and I, for fourteen years,

have religiously followed the rules in that regard.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. ROONEY was allowed to proceed for 5 additional minutes.)

Mr. ROONEY. I will try not to take the five additional minutes, I will say to the membership, but I do want you to know, Mr. Chairman, that I feel very strongly about this, and I do not like being unfairly attacked by misinformed writers for doing what I think is the job I am supposed to do. I never mind fair, decent criticism.

At the outset I mentioned some of the information that was presented to us last year when they wanted $15 million. They were going to put on Annie Get Your Gun, Guys and Dolls, and Carousel, and you remember my telling you about this at page 656 of the hearings.

Mr. COUDERT. Have you made a selection of the three musicals?

Mr. CULLMAN. Carousel, Rogers and Hammerstein, and Annie Get Your Gun, Irving Berlin, and probably Guys and Dolls.

They wanted $60,000 a week, or $540,000 in connection with these three musical comedies. They wanted $540,000 for putting on legitimate plays in English; and I read you the testimony last year after the $540,000 was already in the budget where Mr. Cullman admitted before the committee that he did not believe in putting on legitimate plays in English in Brussels. At pages 626 and 627:

Mr. ROONEY. What legitimate plays would you send over there at a cost of $45,000 a week for 12 weeks, a total of $540,000.

Mr. CULLMAN. There is an honest difference of opinion between myself and the performing arts division, frankly. I think your Boston pops and your Philharmonics, your American City Ballet, your musicals, and your jazz orchestras have a universal language. I personally am not wholeheartedly in favor—whether it is Uncle Tom's Cabin, Abie's Irish Rose, or Life With Father—with language difficulties, putting on a play in a different language without either music, ballet, or something that the Dutchman and the Greek and the Czech and the others will understand——

Mr. ROONEY. Are you suggesting that we take out this sum of $540,000?

Mr. CULLMAN. I am suggesting that I might substitute other forms of entertainment for that.

Mr. ROONEY. These plans have been in the works for some time, have they not?

Mr. CULLMAN. That is right.

Mr. ROONEY. Mr. Cullman shouldn't know the answer to that, should he?

Mr. CULLMAN. If we don't have the straight plays—personally, I am opposed to it. I think the language barrier will make the straight play difficult. Music is a universal language.

Mr. ROONEY. That was one of the things I wondered about when I went through these justifications on yesterday. When I came to legitimate plays, 12 weeks at $45,000 a week, I just wondered whether or not it was justifiable.

Now, a year later, he comes back and wants to put these legitimate plays on in English.

Mr. Cullman can go to the newspapers and write letters to their editors and so forth, while the committee must keep quiet, being prohibited under committee rules which are the rules of the House from giving the facts before the bill is reported.

I have read in the Hearst papers, and you all got printed copies of an editorial which was mailed to you just a couple of days ago about "The Russians are spending about $60 million." Well, I think we have successfully exploded that nonsense by now. There is no present proof that they are spending anything like this amount; and I am intelligent enough to think that they are not stupid. They have been putting it over on us too often, and we cannot successfully meet them with the kind of nonsense that makes up this mess of Brussels sprouts.

Let me read you what Mr. Cullman, a Government official, wrote to the editor of a newspaper in New York:

Thanks from the bottom of my heart for your most effective editorial.

The full House conference committee—

He means Appropriations Committee—

Meets this Thursday—

That was last Thursday.

I seemingly cannot impress upon them the fact that despite 68 Metropolitan Opera stars having volunteered their services, that that does not solve my problem in connection with performing arts.

He then stated that it would cost about $1,200 each for transportation and then completely ignore production costs, stage hands, orchestra, scenery and costumes.

Well, holy hat. Should he pay $1,000 a performance as shown in these hearings for second-raters when you have Metropolitan Opera stars ready to go for expenses? And under the terms of the bill as reported to you by this committee Mr. Cullman has $13,345,000 in a lump sum, without restriction. Could he not find the expenses in $13 million?

Is that good management? I wonder what P. T. Barnum would think about it if all he had was $81,000 out of $13 million to pay the fares for all these Metropolitan Opera stars. Supposing he sent only a half or a quarter of them? But, no, Mr. Cullman is going to do this in his own way. The answer to proper representation at the Brussels Fair is not more money. It is not more money by any means. The answer to everything that we do overseas for this Government is not money. We should have learned that long before now. All you need to do to check on this is turn to the front page of one of yesterday's Washington newspapers where the Little Vietnamese Girl asked for an answer. She wanted to know: Do American people know that 95 percent of the Vietnamese people don't like them? Was that not a nice thing to read yesterday morning?

In my remarks today I have not meant any reflection on one gentleman, the new head of the United States Information Agency. George Allen was a good man when he was previously the head of it, and he is entitled to a fair chance to get it running again. As far as I am concerned, I am going to see that he has that opportunity.

There has been too much unadulterated nonsense in connection with the Brussels Fair. There are too many incompetents on the payroll. This outfit came to us for $810,000 last year, the primary use of which was to tell the American public about the Brussels Fair. They were going to arrange hotel rooms in Belgium, so that the American public would attend the fair.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent (at the request of Mr. ROONEY), he was allowed to proceed for 1 additional minute.)

Mr. ROONEY. Mr. Chairman, may I conclude by saying with regard to the pending amendment offered by the gentleman from Rhode Island [Mr. FOGARTY] that I would like to see a health exhibit at this fair in Brussels. But I do not know whether we can trust the people running this fair to do it because we asked them about Dr. Salk and Dr. White. Mr. Cullman said, "I do not know what I would do with Dr. Salk or Dr. White." That is what led me to think about that tank and the pregnant whale a while ago. Maybe we can find something for them to do, but I do not know whether this is the way to do it.

With the tremendous amount of money in the budget for the Public Health Service, it may be that this should be over in the Public Health Service appropriations. I am afraid of the management of this Brussels Exhibition, I am afraid that everything is going to get mixed up and we are not going to get what we should.

In conclusion, may I say to the membership that I am grateful for their attention. I have considered this more or less a defense of my activities in connection with the Brussels Fair. I am sorry that I have to make a defense. The unfair and unwarranted criticisms do not bother me too much and I say to my good friend over there, the gentleman from Massachusetts [Mr. MARTIN], I think we can both take it. However, it is unfair when your lips are sealed to have to stand for a deliberately instigated campaign of vilification, instituted by this crowd running the Brussels Fair.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, like my other colleagues, for a number of weeks I have read of the deliberate campaign being waged by certain individuals to put my dear friend, the gentleman from New York [Mr. ROONEY], in a false position in the public's mind. I resented it then and I now resent it very much. So, from that angle nobody resents the unnecessary and vicious campaign more than I do, and I believe I speak the sentiments of the great majority, if not all the Members of the House of Representatives. So far as Cullman is concerned, whom I have no memory of ever having met, and so far as JOHNNY ROONEY is concerned if it were a straight issue, I would be on the side of the gentleman from New York. But, the amendment before us

now does not involve, as I see it, directly the question of our dear colleague from New York [Mr. ROONEY], or Mr. Cullman, or those who are associated with him.

The concluding remarks of my friend from New York clearly indicate that he differentiated between his position with reference to the broad aspects of the Brussels Fair and the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY]. This is something separate and distinct; this is something new; this is something which is of such far-reaching value and effect that I think it would be a serious mistake if we did not adopt his amendment and then see the results, results which would be so beneficial to our country, not only as a Nation but to the interests of our country and the world today.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Is it not true that under the terms of the Fogarty amendment this exposition, as regards the $1 million which the Fogarty amendment calls for, would be entirely under the control and direction of the Public Health Service and not the crowd running the Brussels Fair?

Mr. McCORMACK. I leave it to the gentleman from Rhode Island to answer that.

Mr. FOGARTY. These funds are specifically earmarked to put on a health exhibit, and it will be run and staffed by the Public Health Service.

Mr. McCORMACK. And it is the intention of the gentleman from Rhode Island that the Public Health Service have direction and control of the running and the operation of this health unit if the amendment is adopted?

Mr. FOGARTY. Positively. That would be the intent of Congress, also, if the amendment is adopted.

Mr. McCORMACK. Might I call the attention of my colleagues to the fact—and I know the gentleman from New York never intended inferentially to convey it—that there was not involved in the Fogarty amendment any question of 68 opera stars or anything else.

Mr. TABER. Mr. Chairman, will the gentleman yield on that particular question?

Mr. McCORMACK. I will be very happy to.

Mr. TABER. The Fogarty amendment calls for $1 million out of the Moscow Fair item and in addition $1 million for a health exhibit. I think, in view of what the gentleman has been saying, that perhaps he might want to distinguish between the two.

Mr. FOGARTY. My amendment changes the figure from $8 million something to $9 million, of which $1 million will be available for the establishment and running of a health exhibit for the 6 months of this fair between April and November.

Mr. TABER. No. There is $1 million increase in the money that comes out of the Moscow Fair and there is $1 million besides that for the health exhibit. If the gentleman would read his amendment again, I think that will be clear to him.

Mr. McCORMACK. Certainly I am supporting the extra $1 million for the health exhibit.

Mr. FOGARTY. I still think my amendment is all right, but I would be willing to change it and leave out the words "in addition," but "in addition" was meant specifically to earmark $1 million for this purpose.

Mr. TABER. You could say "which said sum shall be used for the exhibit." That might straighten it out.

Mr. FOGARTY. Well, I will be glad to ask unanimous consent to modify my amendment.

Mr. McCORMACK. In any event, it is the intention of the gentleman's amendment that the amount be increased $1 million and the extra $1 million be used for the health program or project over there; is that correct?

Does the gentleman understand my question?

Mr. FOGARTY. Will the gentleman please repeat it?

Mr. McCORMACK. The gentleman's intention is to increase the amount by $1 million, that extra $1 million to be used for the health program?

Mr. FOGARTY. That is correct.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I think the membership is generally sympathetic to this proposal but I would like to ask, Is this a practical proposal? The fair starts on April 17. The plans are already made. The space has been allocated. Can the Public Health Service physically get an exhibit ready and would there be any place for it if they could get it ready by April 17?

Mr. FOGARTY. May I say that I have made inquiry of the Public Health Service. They have their plans made. The building cannot be erected by the middle of April, but they say that will not hurt the project at all because with our system of building and with sidewalk interviews and consultations with medical men, it could be turned to advantage in this overall project. That is what the Public Health Service tells me.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from New York.

Mrs. KELLY of New York. Mr. Chairman, I should like to attempt to straighten out the confusion over the amendment of the gentleman from Rhode Island. Is it not clear that this appropriation as it stands increases the amount by $1 million, which is to be taken from the Moscow Fair, while the amendment of the gentleman from Rhode Island is to increase that appropriation by $1 million more which would be earmarked for the health program?

Mr. McCORMACK. That is the intention as stated by my friend from Rhode Island, as we all understand it.

Mrs. KELLY of New York. Am I correct then that there is no need for a change in the wording of the Fogarty amendment?

Mr. McCORMACK. I shall not pass on that because the gentleman from Rhode Island is looking into that matter now in order to clarify the situation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from West Virginia.

Mr. BAILEY. If we are to have a display at the Brussels World's Fair, whether that display is to be put on in a marble building at a cost of $40 million, I think we should have a health display, and I propose to vote for the Fogarty amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I wonder if we could not have that amendment read again so that we may know just what it does say.

Mr. McCORMACK. I yield to the gentleman from Rhode Island for that purpose.

Mr. FOGARTY. Mr. Chairman, I have to agree with the gentleman from New York [Mr. TABER]—I made an error—that it does raise the limitation from $8,045,000 to $9,045,000 and in addition the amendment says that there is hereby appropriated an additional $1 million. That was not my intention at all. My intention was to raise the overall amount by $1 million which would be earmarked for the specific purpose of conducting this health exhibit at this fair. I did not intend to propose to raise it $2 million. I wanted to raise it by only $1 million. So I am proposing now to do what I have to do in order to correct the language of this amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. SIKES. Is it not also true that the gentleman does not propose an appropriation of another $1 million, but to transfer $1 million that was made available, already appropriated, for the Moscow Fair? Is that correct or not?

Mr. FOGARTY. No; this is an appropriation of an additional $1 million.

Will the gentleman yield further?

Mr. McCORMACK. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to change the wording of this amendment to have it read as I intended it should read; that is, to appropriate an additional $1 million for the public health exhibit.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. ROONEY. Reserving the right to object, Mr. Chairman, does the distinguished gentleman understand that the bill as now before the House and prior

to the offering of his amendment does not and did not contain a nickel of additional funds in connection with the so-called Brussels Fair insofar as new or fresh taxpayers' money is concerned, but that the language of the pending bill transfers $1 million from a previously appropriated $2,200,000 fund which the committee has been advised by the Department of Commerce will not be needed in the summer of 1958 for a trade fair in Gorki Park in Moscow?

The following letter indicates that the fund will not be needed:

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D. C. February 20, 1958.

Hon. JOHN J. ROONEY,
House of Representatives,
Washington, D. C.

DEAR MR. ROONEY: At the request of the staff director of the Senate Appropriations Committee we recently forwarded a memorandum declaring that, in our opinion, it would be impractical at this time to participate in an exhibit in Gorki Park in Moscow during the year 1958. This latest memorandum is a result of recent negotiations that appeared to hold out the possibilities of Russian agreement to United States Government plans for an exhibit.

Our Office of International Trade Fairs has minutely examined the requirements in time, money, and personnel to complete the steps necessary for an adequate presentation. These steps include completion of building design, prefabrication of the building, shipping building to Moscow, erection, accumulating and displaying all material, training personnel, and other intermediate steps that may be necessary for a successful presentation.

In contemplating the latest possible date at which an adequate program could be developed, we have come to the conclusion that February 10 was that deadline. As a consequence, it is our considered judgment that the Office of International Trade Fairs in the Department of Commerce cannot, therefore, accept the responsibility for producing an exhibit in Gorki Park, Moscow, during 1958.

Since the Congress acted on the request for a supplemental appropriation on August 28, 1957, this Department has conscientiously exhausted every effort to make possible suitable United States representation as requested. It is with deep regret that we must take this irrevocable position of forestalling further consideration of the program.

Sincerely yours,

HENRY KEARNS,
International Affairs.

Mr. FOGARTY. Yes; I did take that into consideration. Even though you are making that transfer from one fund to another you are not saving the taxpayers one dime of the taxpayers' funds, because if that money that was appropriated for the other fair is not expended it is going back into the Federal Treasury.

Mr. GROSS. Mr. Chairman, I object to the request of the gentleman from Rhode Island and move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, first of all I should like to say that I have read every word of the hearings with respect to this subject. I want to compliment the members of the subcommittee, especially the gentleman from New York [Mr. ROONEY] and the gentleman from Ohio [Mr. CLEVENGER], who went so thoroughly into this matter.

The people who are presently heading up this Brussels exhibit are either stupid or they are awfully careless with the truth. In either event, they are not competent to handle more money. They have enough now, too much, in fact, for people who have demonstrated such lack of ability.

If I understand correctly the amendment offered by the gentleman from Rhode Island, he would add $2 million in new money. He would not transfer funds that are presently appropriated to the Gorki Fair in Moscow, but would add another $2 million. I do not know what the gentleman from Rhode Island is going to do by way of offering another amendment, but he should not attempt to obtain a new appropriation.

As I understand it, the United States is going to pay the Belgian Government $430,000 in taxes, yet when this man Cullman came before Mr. ROONEY's subcommittee he could not tell him whether the Soviet Government was going to pay the Belgian Government a dime in order to put their building and exhibits in Brussels. May I ask the gentleman from New York if he got any information as to how much money the Russian Government was going to put up for that purpose?

Mr. ROONEY. I spent, I do not know how much, time trying to find out whether they had enough intelligence to go over to the Belgian tax office and find out how much the Soviet Government had to pay for putting up their building. It should be a matter of record.

Mr. GROSS. We are putting up $430,000 for taxes and, yet, Cullman and his staff, who are handling the transaction in Belgium, did not bother to find out whether the Russian Government is putting up a dime of taxes.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. GARY. May I ask the gentleman if it is not true that the building we are erecting in Brussels is a permanent building, whereas the Russian building is a prefabricated building that can be torn down and removed to some other place after the fair is over?

Mr. GROSS. That is exactly right. Apparently we are going to leave our $5 million building right there in the park where it is being built. In addition to paying the tax of $430,000 to put it up, we are going to leave it there.

The hearings also show that 100 ushers are being taken over to Brussels, and the taxpayers are putting up the money, nearly $180,000, to lease 4 apartment buildings that will house 170 to 200 people. Apparently we are not only going to house the 100 ushers, but the staff members, and probably their wives and children.

The hearings mention a Katherine Howard. Who she is I do not know, but apparently is in charge of the guides, so I suppose we will be taking care of Katherine Howard in one of these apartments even though she is well paid for her job.

We ought not to appropriate another dime for the Brussels Fair.

There ought not to be one more dime handed over to this outfit.

Mr. COUDERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened as always with interest and enlightenment to my able, genial and distinguished chairman. I can well understand that he may have felt strongly about the enormous volume of criticism, newspaper and otherwise, to which he was subjected in connection with this fair appropriation at a time when his lips were sealed by the rules of the House. I should like to take up this particular amendment first and then address myself to some of the chairman's general remarks about the operations and testimony of the Fair Commission. It seems to me fairly obvious that with the fair opening a scant 5 or 6 weeks from now, it is practically an impossibility to set up effectively a million dollar exhibit of the kind proposed. If the chairman could say of the exhibits proposed heretofore and the preparations made heretofore what he did say, heaven knows what he would be able to say about any exhibit set up overnight of this kind without preparation.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. ROONEY. I am sure the gentleman does not agree with this method of writing an appropriation on the floor where the delightful round figure of $1 million is conceived without the slightest breakdown as to amounts and without any idea as to exactly what the money would be used for.

Mr. COUDERT. The gentleman from New York is, of course, quite right, and may I add to what he has just said that this matter has never been presented to the committee. This fair was authorized in 1956. There has been ample time to make the proposal and to suggest it to the committee and to have it properly considered, and if today this House should authorize the additional $1 million exhibit, for all we know it might completely upset the program of exhibits in this fair which begins in April and is only going to last 6 months.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentlewoman.

Mrs. ST. GEORGE. I would also like to point out, although I may be mistaken, that according to this amendment it seems to me that this $1 million will be operated by the same people who have been making these blunders, to put it mildly, that the distinguished chairman of the committee has pointed out to us. I can see nothing in the amendment that leads me to believe that they will not have the final word.

Mr. COUDERT. Obviously, the same people will operate it because it is the World's Fair Commission.

Now, Mr. Chairman, may I address myself briefly to the chairman's general observation about the conduct of the

World's Fair Commission. The Commission is under the director generalship of Mr. Cullman, a distinguished citizen of our city, and I may add, a constituent of mine. Mr. Cullman is a very able citizen with a long record of public service. He has been chairman of the Port Authority of New York, a great, a difficult, and a farflung enterprise. He has been successful in various business activities. He has had experience in and is familiar with the performing arts. For my part, I know that the director general has acted in the utmost good faith in trying to produce an effective American exhibit at this fair. Now it is quite possible that he was misinformed as to some of his answers to questions last year as to facts of Russian activity. After he had ascertained the truth with respect ot the Russian exhibition and the Russian building particularly, he corrected the testimony when he appeared before the committee in support of the present appropriation.

It is not an easy matter to set up an ad hoc organization to prepare for a World's Fair that is going to run for only 6 months. It is hard enough for any agency, any permanent agency such as the State Department or Defense Department and others, to conduct any operation that is not subject to criticism, legitimate or otherwise. This kind of agency, this ad hoc thrown-together agency, is, obviously, more easily subject to criticism, and more likely to make mistakes. For my own part, I think that is the fundamental trouble with the situation today and the reason that this item is in the bill.

(By unanimous consent, Mr. COUDERT was granted 2 additional minutes.)

Mr. ROONEY. Will the gentleman yield?

Mr. COUDERT. I yield.

Mr. ROONEY. The gentleman realizes I did not say that Mr. Cullman was not doing the best he knew how?

Mr. COUDERT. I might say that Mr. Cullman is a gentleman of the highest character and wide experience with a fine record of success in his other activities. He has been operating there under difficulties, and that is what I was coming to. The difficulty that he has been operating under may have been partly of his own making, but that is the reason we are here today and that is the reason this item is here today.

When this authorization was first approved in 1956, it was estimated that $15 million would be necessary for this fair. Based upon the assumption that the Commission would get that amount, the Commission entered into a contract late in 1956 or early in 1957 for a pavilion that cost $5,500,000, which would have been about one-third of the total and which would have left enough money from a total of $15 million to effectively operate the fair pavilion and give proper representation to the United States. The Commission did not get the $15 million originally estimated and is therefore now short of money to fully operate a building which is a beautiful building and a fine example of American architecture. The Commission comes here today asking for additional funds to properly utilize the building and assure proper United States representation at the fair.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I was going to ask recognition for the purpose of asking unanimous consent to modify the amendment, so that the amount would remain the same and there would be no increase in the overall budget.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. GROSS. Reserving the right to object, let me see if I understand the gentleman. You would turn over a million dollars to the Public Health Service?

Mr. FOGARTY. Would the gentleman like me to read the amendment that I intended to propose?

Mr. GROSS. Yes.

Mr. FOGARTY. Page 17, line 22, insert:

Provided, That such increase shall be made available to the United States Public Health Service to place and operate a health exhibit at said fair.

Mr. ROONEY. Mr. Chairman, I am constrained to accept the proposed amendment in its present form, and have no objection to the unanimous-consent request of the gentleman from Rhode Island. I might say that it now has the unanimous approval of the committee on both sides of the aisle with the exception of the distinguished gentleman from New York [Mr. COUDERT].

Mr. GROSS. Well, the question arises whether or not this exhibit could be put together. This fair opens on April 1.

Mr. FOGARTY. I tried to explain that. This request was first made by the Public Health Service to the State Department and they turned it down. They have plans for this building to be put there and put into operation. They do not have time to get this building transported over there and erected before the opening of the fair.

However, they can still carry out their demonstrations between the time the fair opens and the time the building can be completed, using the construction process in their demonstrations.

Mr. GROSS. One other question, although I do not want to belabor this matter; you are taking $1 million from the fund already set aside for the Gorki Fair in Moscow?

Mr. FOGARTY. Yes.

Mr. GROSS. You do not disturb the other $1 million?

Mr. FOGARTY. No.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Page 17, line 22, insert "*Provided*, That said increase shall be made available to the United States Public Health Service to place and operate a health exhibit at said fair."

The CHAIRMAN. The gentleman from California is recognized.

Mr. HOLIFIELD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. ROONEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ROONEY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. TABER. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Utah [Mr. DAWSON].

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 14, line 20, add the following:

"Bureau of Reclamation: For an additional amount for the upper Colorado River Basin fund for the Glen Canyon project, not to exceed $10 million; and for the Trinity River division of the Central Valley project, not to exceed $10 million: *Provided*, That no part of any funds now allocated to these two activities shall be used for construction contracts not in effect as of February 20, 1958."

The SPEAKER. The question is on the amendment.

Mr. TABER. On that I ask for the yeas and nays.

The yeas and nays were refused.

Mr. TABER. Mr. Speaker, I ask for a division.

The House divided and there were ayes 84, noes 72.

Mr. TABER. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and three Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 200, nays 184, not voting 46, as follows:

[Roll No. 14]

YEAS—200

Addonizio	Friedel	Norblad
Albert	Fulton	O'Brien, N. Y.
Allen, Calif.	Gathings	O'Hara, Minn.
Andersen, H. Carl	George	O'Konski
	Glenn	O'Neill
Anderson, Mont.	Granahan	Patman
	Gray	Patterson
Arends	Green, Oreg.	Perkins
Aspinall	Gregory	Pfost
Avery	Griffiths	Philbin
Ayres	Gubser	Pilcher
Bailey	Hagen	Poage
Baker	Harris	Porter
Baldwin	Harrison, Nebr.	Powell
Baring	Harvey	Price
Barrett	Haskell	Rains
Bass, Tenn.	Healey	Reece, Tenn.
Beckworth	Hébert	Reuss
Bennett, Mich.	Hill	Rhodes, Ariz.
Berry	Hillings	Rhodes, Pa.
Blatnik	Hoeven	Robsion, Ky.
Boggs	Holifield	Rodino
Boland	Holland	Rogers, Colo.
Bolling	Holmes	Rogers, Mass.
Boykin	Holtzman	Rogers, Tex.
Breeding	Horan	Roosevelt
Brooks, La.	Jarman	Rutherford
Brooks, Tex.	Jensen	Santangelo
Broomfield	Johnson	St. George
Brown, Ga.	Jones, Ala.	Schwengel
Broyhill	Judd	Scudder
Burdick	Karsten	Seely-Brown
Burleson	Kee	Sikes
Byrd	Kilday	Siler
Byrne, Pa.	Kilgore	Sisk
Celler	King	Smith, Miss.
Chamberlain	Kirwan	Spence
Chelf	Kluczynski	Staggers
Chenoweth	Krueger	Stead
Christopher	Lane	Sullivan
Clark	Lipscomb	Talle
Coad	Long	Teague, Calif.
Coffin	McCarthy	Teague, Tex.
Cunningham, Iowa	McCormack	Teller
	McFall	Thompson, La.
Cunningham, Nebr.	McGovern	Thompson, N.J.
	McIntire	Thompson, Tex.
Curtis, Mass.	McIntosh	Thomson, Wyo.
Dawson, Utah	Machrowicz	Thornberry
Delaney	Mack, Ill.	Tollefson
Dellay	Magnuson	Trimble
Dempsey	Mailliard	Udall
Dent	Marshall	Ullman
Denton	Martin	Walter
Diggs	Matthews	Watts
Dingell	May	Weaver
Dixon	Meader	Westland
Dollinger	Merrow	Widnall
Donohue	Metcalf	Wier
Dooley	Miller, Calif.	Wigglesworth
Dwyer	Miller, Nebr.	Willis
Edmondson	Montoya	Withrow
Elliott	Morano	Wolverton
Farbstein	Morgan	Wright
Fisher	Morris	Young
Flood	Moss	Younger
Ford	Moulder	Zablocki
Frelinghuysen	Multer	Zelenko

NAYS—184

Abbitt	Budge	Eberharter
Abernethy	Bush	Evins
Adair	Byrne, Ill.	Fascell
Alexander	Byrnes, Wis.	Feighan
Alger	Canfield	Fenton
Allen, Ill.	Cannon	Fino
Andrews	Cederberg	Flynt
Ashley	Chiperfield	Fogarty
Auchincloss	Church	Forrester
Barden	Clevenger	Fountain
Bass, N. H.	Collier	Garmatz
Bates	Cooley	Gary
Baumhart	Corbett	Gavin
Beamer	Coudert	Griffin
Becker	Cramer	Gross
Belcher	Cretella	Gwinn
Bennett, Fla.	Curtin	Hale
Bentley	Curtis, Mo.	Haley
Betts	Dague	Harden
Bolton	Dawson, Ill.	Hardy
Bonner	Dennison	Harrison, Va.
Bosch	Derounian	Hays, Ohio
Bow	Devereux	Hemphill
Boyle	Dies	Henderson
Bray	Dorn, N. Y.	Herlong
Brown, Ohio	Dorn, S. C.	Heselton
Brownson	Dowdy	Hess
Hiestand	Mason	Saund
Hoffman	Michel	Saylor
Holt	Miller, N. Y.	Schenck
Hosmer	Mills	Scherer
Huddleston	Minshall	Scott, N. C.
Hull	Mitchell	Scott, Pa.
Hyde	Moore	Scrivner
Jackson	Mumma	Selden
Jenkins	Natcher	Sheehan
Jennings	Neal	Simpson, Ill.
Johansen	Nicholson	Smith, Calif.
Jonas	Nimtz	Smith, Kans.
Jones, Mo.	Norrell	Smith, Va.
Kearney	O'Brien, Ill.	Springer
Kearns	O'Hara, Ill.	Stauffer
Keating	Osmers	Taber
Kelly, N. Y.	Ostertag	Taylor
Keogh	Pelly	Tewes
Kilburn	Pillion	Thomas
Kitchin	Poff	Tuck
Knox	Polk	Utt
Lafore	Preston	Vanik
Laird	Prouty	Van Pelt
Landrum	Rabaut	Van Zandt
Lankford	Ray	Vinson
Latham	Reed	Vorys
LeCompte	Rees, Kans.	Whitener
Lennon	Riehlman	Whitten
Libonati	Riley	Williams, Miss.
Loser	Rivers	Wilson, Calif.
McCulloch	Robeson, Va.	Wilson, Ind.
McDonough	Robison, N. Y.	Winstead
McMillan	Rogers, Fla.	Yates
Madden	Rooney	
Mahon	Sadlak	

NOT VOTING—46

Anfuso	Frazier	Morrison
Ashmore	Gordon	Murray
Blitch	Grant	Passman
Brown, Mo.	Green, Pa.	Radwan
Buckley	Halleck	Roberts
Carnahan	Hays, Ark.	Shelley
Carrigg	Ikard	Sheppard
Colmer	James	Shuford
Davis, Ga.	Kean	Sieminski
Davis, Tenn.	Knutson	Simpson, Pa.
Doyle	Lesinski	Vursell
Durham	McGregor	Wainwright
Engle	McVey	Wharton
Everett	Macdonald	Williams, N. Y.
Fallon	Mack, Wash.	
Forand	Miller, Md.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Engle for, with Mr. Fallon against.

Mr. Hays of Arkansas for, with Mr. McGregor against.

Mr. Green of Pennsylvania for, with Mr. Colmer against.

Mrs. Knutson for, with Mr. James against.

Mr. Morrison for, with Mr. Ashmore against.

Mr. Shelley for, with Mr. Simpson of Pennsylvania against.

Mr. Sheppard for, with Mr. Kean against.

Mr. Sieminski for, with Mr. Carrigg against.

Mr. Lesinski for, with Mr. Radwan against.

Mr. Macdonald for, with Mr. Wainright against.

Mr. Doyle for, with Mr. Grant against.

Until further notice:

Mr. Buckley with Mr. Halleck.

Mr. Anfuso with Mr. Miller of Maryland.

Mr. Carnahan with Mr. McVey.

Mr. Brown of Missouri with Mr. Williams of New York.

Mr. Forand with Mr. Wharton.

Mr. Roberts with Mr. Vursell.

Mr. Gordon with Mr. Mack of Washington.

Mr. REUSS changed his vote from "nay" to "yea."

Mr. SPENCE changed his vote from "nay" to "yea."

Mr. WOLVERTON changed his vote from "nay" to "yea."

Mr. CURTIS of Massachusetts changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded. The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations.

The SPEAKER. The question is on the motion to recommit.

Mr. MASON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken, and the motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks with regard to the bill just passed; and I ask unanimous consent that I may extend the remarks I made in the Committee of the Whole and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BALDWIN. Mr. Speaker, I take this time to ask the majority leader if he will inform us as to the legislative program for the balance of this week.

Mr. McCORMACK. There is no further legislative program for this week. Nothing will be taken up except what can be accomplished by unanimous consent. That means a careful screening by the leadership on both sides.

REREFERENCE OF BILL

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from

further consideration of the resolution H. J. Res. 465, and that the resolution be rereferred to the Committee on House Administration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FINANCIAL ASSISTANCE TO DESERT LAND ENTRYMEN

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1002) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, HILL, and HOEVEN.

POSTAL SUBSIDY LIMITATION

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, the other body is now debating the controversial postal-rate bill.

When the rate bill was passed by the House last August, it contained my amendment to place an annual $100,000 limitation on postal subsidies to any second-class mail user.

We have been hearing a lot lately about the activities of oil, gas, and television lobbyists, but there has been a stony silence about handouts to big publishers. It may be because the magazine publishers' lobby is more clever. This lobby has fought my subsidy-limiting amendment by keeping the public in the dark. The strategy of the publishers has been to ignore the subsidy-limitation provision of the House bill in public statements, while behind the scenes they have distorted its purpose and its scope of application. They know that a public airing of postal subsidies would soon put an end to these unwarranted handouts.

Thus far, they have been successful in blocking this amendment. The Senate version of H. R. 5836, as reported last week, eliminated my amendment and watered down the inadequate second-class rate increases provided in the House bill. I was shocked and surprised that the amendment was not even mentioned in the Senate report.

The attempt to boost first-class letter postage rates to 5 cents is a part of the publishers' strategy to hide and protect their big postal subsidies. If they are successful in this effort, the millions of dollars they get each year in Government subsidies will be made more safe and secure for them for years to come.

Mr. Speaker, in recent years we have heard much about the sinister effects of censorship of legitimate news information imposed by various executive agencies and departments. The Government Operations subcommittee headed by my distinguished friend and colleague from California [Mr. Moss] has performed outstanding public service in correcting many such cases of abuse uncovered by his subcommittee investigations. The publishers and editors of this Nation have always been the first to criticize censorship in government and have given valuable support to the work of the Moss subcommittee.

It is interesting to note how these publishers have imposed an iron curtain of censorship on the matter of second-class postal subsidies in their own publications. If my amendment to limit these subsidies was without merit, why didn't they present their case to the public through editorials or articles?

The fact is that the publishers who reap such financial gain from these postal subsidy handouts do not dare inform the American people on this issue. They do not want the public to be thinking and talking about the millions of dollars in subsidies the big magazines receive each year, especially when they are editorialy attacking other subsidies or Federal aid programs.

Mr. Speaker, the power and influence of the magazine publishing industry reaches into every community. They dominate the avenues of news and information. Unlike the public-relations experts of the gas and television industries, they have a direct contact with the public. They can slant, distort, or suppress news to fit their own objectives and to reflect their own political views. However, despite all this power and influence, the American public is slowly learning the truth.

Congress cannot in good conscience burden the people with a 5-cent or even a 4-cent first-class rate unless some limitation is placed on these gigantic handouts to a few powerful magazine publishers. The public interest requires that the principle of the subsidy-limitation amendment be included in any postal rate bill enacted by Congress.

THEODORE ROOSEVELT ANNIVERSARY

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that on Tuesday, March 4, immediately after the reading of the Journal, 1 hour be reserved for tributes to the memory of the late Theodore Roosevelt, whose 53d inauguration anniversary will be observed on that date.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MR. TRUMAN'S INACCURACIES

Mr. HILLINGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HILLINGS. Mr. Speaker, the Nation's Capital very recently was honored with the presence of the No. 1 Democrat and the former President, Harry S Truman.

No one can question Mr. Truman's Americanism, but there are times—frequently—when his facts can be challenged.

I would be the last one to question Mr. Truman's dedication to his country, but I am probably the second one to question his accuracy on current events.

I am proud to be second behind one of the great Democrats of our times—Senator CARL HAYDEN, of Arizona, who has served in Congress longer than any man in our Nation's history.

Mr. Truman spoke at a dinner here in honor of these great Americans—Thomas Jefferson and Andrew Jackson—before 3,000 loyal Democrats who paid $100 a plate for the privilege of hearing him.

In these perilous times of depression these 3,000 Democrats are talking about, they still had the $100 to pay to hear Mr. Truman. This is very encouraging for our economy and I think it is a distinct tribute to Eisenhower prosperity.

During this fund-raising dinner, which far exceeded anything done in Texas, Mr. Truman served up the main course, suggesting that the American people soon would be stuck with a 5-cent stamp if the administration has its way, attributing many dire connotations to the possible increase in the cost of mailing out-of-town letters.

But Senator HAYDEN, one of the noblest Democrats of them all, has stated as chairman of the Democratic-controlled Senate Appropriations Committee that the recent request for an increase in our national debt limit by $5 billion can be attributed to the fact that the Post Office Department has not been "financed on a break-even basis during the past 12 years."

I agree with Senator HAYDEN 100 percent. And I think every American will agree that the "past 12 years" goes back deep into the heart of the Truman administration.

Senator HAYDEN has supplied figures, according to press dispatches, showing that the Post Office Department has accumulated a deficit of $5.4 billion since 1945, the year that Mr. Truman became President.

Maybe a 5-cent stamp then would have reduced the present-day requirement for raising the national debt ceiling and by placing the Post Office Department on a sound fiscal basis, our postal employees could receive the well-deserved pay increase due them.

I think Senator HAYDEN, Democrat, has given the only answer to Harry S Truman, Democrat, on the 5-cent-stamp question and it is refreshing that no Republican assistance was needed.

DISABILITY INSURANCE UNDER SOCIAL SECURITY ACT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, most people over 50, who apply for disability insurance under the Social Security Act, are in for a rude shock. Even though they are chronically ill, or suffering from disabilities that will prevent them from ever getting any substantial employment, they will not qualify for disability benefits under the overly strict requirements established by the Social Security Administration.

This was not the intent of the Congress when it legislated the disability amendment of the Social Security Act. Congress did not require that a person should be unable to do any kind of work before he could become eligible for disability insurance.

It did state that:

> The term "disability" means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued or indefinite duration.

The will of the Congress, therefore, has been changed by a strict and rigid application on the part of the Social Security Administration. Perhaps the officials were too conscientious, or were determined to hold down costs until they could see just how many people would draw benefits under this program.

But this administrative policy errs on the side of caution and is a baffling disappointment to many disabled people who, although not completely helpless, will never be able to get any kind of employment again.

At the rate they are going, the disability insurance trust fund will become overfinanced, and many qualified applicants for these benefits will be rejected. The humane purpose of the disability amendment is being frozen by bureaucratic timidity.

To overcome this contradiction, I believe that the Congress should spell out its intent in detail and by further amendment of the Social Security Act to define the meaning of disability. Insofar as it is possible, we must provide a clear formula to guide the Bureau of Old Age and Survivors Insurance toward a more liberal policy on disability claims.

An unfortunate psychological reaction has set in among deserving applicants who are discouraged when they hear of the excessively strict standards used to determine eligibility. As a result, many of the people that Congress intended to help feel that it is useless to apply for these benefits.

At the beginning of any new program, these inequitable situations are perhaps unavoidable.

It is our responsibility, as we learn of these difficulties, to correct them. For the sake of insured workers now disabled who look to us for help, I believe that we must make the Social Security Act more responsive to their real and pressing needs.

A prosperous and humane nation can do no less for those of its workers who, by reason of disability, will never be able to engage in any substantial gainful employment for the rest of their lives.

THE ATLANTIC'S FIRST CENTURY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes, to revise and extend my remarks, and to include an article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, we of New England are proud that we have given to America, and to the world, such a library of wit and charm, of ponderous thought and crusading eloquence, of action-packed drama and quiet contemplation, as the 100-year shelf of the Atlantic. From To Have and To Hold to The Egg and I, from The Autocrat of the Breakfast Table to Rogue Male, the Atlantic has offered to its readers, through the past century, a most dazzling and impressive variety of literary entertainment.

It is an apt slogan that this magazine has adopted for its jubilee year, a living tradition. Few magazines in this country, or in all the world, are so old and few so young. Its name, particularly in its old form, the Atlantic Monthly, may bring to mind the white-haired and often white-bearded old gentlemen who used to look down upon us from our schoolroom walls, or up at us from textbooks: Lowell, Emerson, Longfellow, Whittier, Holmes; but they were not old-minded, complacent literary men who gathered around the famous dinner table at the Parker House in May 1857, and fired the shot that has now been circling the globe for a hundred years. They were men in the vigor and prime of life, glowing with the consciousness of achieved literary reputations, but raised to a more notable warmth by their shared feeling of resentment at the continuation of the institution of slavery, and their determination to join hearts and minds in the effort to abolish it.

Through the Civil War, the Atlantic sped with growing power and influence, supporting the cause of the North, and gathering the rewards due to the prophet whose prophecies are fulfilled, and the crusader whose troops ride forth to conquer.

Though in its beginnings the magazine rested almost entirely upon New England contributors, and was intended largely to picture New England life, and to express and help to form New England opinion, it soon outgrew this sectional character. With such contributors as Mark Twain and Bret Harte, it blazed forth spectacularly as an interpreter of the American scene generally, in vivid life and flashing color. Its readership has spread, too, through the years, until recently, we are told by Editor Edward Weeks, the circulation department astounded the editorial department by announcing that California subscribers outnumbered those of any other State, even Massachusetts. The old solemn cover, that so belied and concealed the exciting contents of the magazine, has now been discarded for a series of covers, kaleidoscopic in the variety of their design and color, and truly reflecting the Atlantic's lively nature. In accordance with the old French saying, "the more it changes, the more it is the same thing." The Atlantic has always been a magazine of its time, reflecting the passing scene around it, commenting with concern or anger, with wit or tenderness. It has held the mirror up, not to nature, but to man, and to his civilization in its own time and place.

We owe a debt of gratitude to the series of distinguished editors who have steered the Atlantic on its triumphant course through the century. James Russell Lowell, James T. Fields, William Dean Howells, Thomas Bailey Aldrich, Horace Scudder, Walter Hines Page, Bliss Perry, Ellery Sedgwick, Edward Weeks—each has been a man of individual character and personality, marking his regime as strikingly different from those preceding and following him; and each has, at the same time, been truly representative of the American culture of his time, of its literary tastes and of its variety of political and philosophical opinions. The Atlantic and we are debtors, also, to a host of contributors, major and minor, solemn and flippant, who have added to our learning, contributed to our fund of tears and laughter, or stimulated us to thought and action.

May this great American institution continue its hopeful, forward-looking career for countless of generations to come, doing honor to the New England soil from which it springs, and to the whole of America, from which it now draws both its material and its readership.

On the recent 100th anniversary of this outstanding magazine, I extend to the publisher, his associates, and all employees, my hearty congratulations.

In my remarks, I include a news item appearing in the October 27, 1957, issue of the Boston Herald, of Boston, Mass.:

> BOSTON'S ATLANTIC MONTHLY TO CELEBRATE 100 YEARS AS DURABLE LITERARY INSTITUTION
>
> The Atlantic next Thursday will celebrate 100 years as the Nation's most durable literary monthly with the assurance that the ink is far from hardening in its veins—in fact, farther than ever from a fatal congealing.
>
> A rollcall of The Atlantic authors sounds like a list of the all-time greats in American literature. Which it is. So, quite naturally, the Atlantic will mark its centennial with publication in book form of 18 notable contributions culled from the 100 million words it has printed.
>
> The book—Jubilee, One Hundred Years of the Atlantic—will be issued tomorrow by Little, Brown & Co. as an Atlantic Monthly volume.
>
> GREAT INSTITUTION
>
> But, back to the great and enduring institution that furnished the material which Edward Weeks, editor-in-chief, and Emily Flint, managing editor, have edited into a book which by its very origins should be a literary landmark.
>
> "We had 10 million words which we felt should be published," Weeks said. "But you

can't cram that many between covers. So we decided to retain the brief and lively work that appeals to the modern reader."

Examples of material discarded were Edward Everett Hale's A Man Without a Country; Sarah Orne Jewett's County of the Pointed Firs; Thomas Bailey Aldrich's Marjorie Daw; James Norman Hall's Death on an Atoll; To Have and To Hold, and Goodbye, Mr. Chips.

ENGLISH WORK

"We decided to throw away all English work, which included Galsworthy, Kipling, Hardy and others," Weeks said. "We also ruled out all material that now is famous in other anthologies or currently available in other forms.

"We decided to concentrate upon valuable contributions that would be locked up forever in oblivion unless it appeared in Jubilee.

One of the "heartbreakers" which the editors discarded was Mrs. Anna Leonowen's English Governess at the Siamese Court. This Atlantic serial was the basis for the smash hit Anna and the King of Siam.

In his tradition-steeped office, complete with rug and other accoutrements that would make a perfect movie setting for Boston of the last century, Weeks spoke of editing for "the swift nervous expectancy of today."

"The Atlantic has kept pace with the changing reading habits of Americans," he said. "Today's readers will not tolerate the lengthy articles that appeared in earlier Atlantics. We find them also much more interested in history than they were in the early 1920's.

RECENT STORIES

Among recent stories to stimulate widespread discussion was W. T. Stace's Man Against Darkness, in which he suggested that modern man does not need religion.

"We received more than 600 letters from readers," Weeks said. "It stimulated Claire Booth Luce to write a small book in reply. Dr. David Bradley's No Place to Hide, a treatise on man's fate in the atomic age written while on the Bikini bomb test site, later became a best seller."

SUCCESS SECRET

The success secret of the Atlantic's still going strong while more than 25 competitors folded?

"A man in my position shouldn't say it," Weeks commented, "but it appears to have thrived because the owners always fired the editor the minute the magazine began to sag."

THE NUTRITIVE VALUE OF EGGS IN THE HUMAN DIET

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. SCUDDER] is recognized for 60 minutes.

Mr. SCUDDER. Mr. Speaker, the subject of my discussion today is one which concerns every State in the Union and most certainly is bipartisan in every respect. It is The Nutritive Value of Eggs in the Human Diet. The only controversy that could develop in this discussion is "Which came first, the chicken or the egg?"

Eggs are a source of food and income on two-thirds of the farms in the United States. The poultry industry of the United States is the third most important source of cash income on American farms and is exceeded only by the cattle and dairy industries. Cash receipts to farmers for poultry and eggs exceed that for hogs, wheat, cotton, corn, and tobacco to name only a few of the other most important agricultural industries.

Egg production in 1956 exceeded 5 billion dozen at an average price to producers of 38.6 cents. The total value therefor was approximately $2 billion.

In many States, poultry production is the leading agricultural industry. In Georgia, for example, cotton used to be "king," but returns from poultry production are now almost double the returns from cotton. Even in the great food-grain growing areas in the Midwest, the value of poultry production is almost three-fourths the value of the food grains produced.

The raw material needs of the poultry industry underlies many allied industries such as equipment manufacturers, a hatching industry, and feed manufacturers. The Nation's laying flock, which numbers over 300 million head, consumes about 14 million tons of feed per year, a high proportion of which is grain. This feed has a value of about $1 billion. The hatchery industry, which produces replacement chicks, turned out about one-half billion such chicks last year with a value of well over $100 million.

The eggs and meat the poultry industry produces are among the highest in food value. Eggs are high in vitamins and minerals essential to health and are easily and completely digested. The protein they contain is complete. In fact, egg proteins come so near to perfection that scientists use the egg as a standard to measure the value of proteins in other foods. In all of agriculture one cannot find a more perfect food which is produced so widely and which is so important as a source of income to American farmers.

At this point, I should like to place in the RECORD a chart showing the per capita consumption of poultry and eggs from the year 1948 through 1957:

Per capita consumption of poultry and eggs, 1948–57

Year	Chicken [1]	Turkey [1]	Eggs
	Pounds	*Pounds*	*Number*
1948	18.3	3.1	389
1949	19.6	3.3	383
1950	20.6	4.1	389
1951	21.7	4.4	392
1952	22.1	4.7	390
1953	21.9	4.8	379
1954	22.8	5.3	376
1955	21.4	5.0	371
1956	24.7	5.2	369
1957	25.3	5.5	360

[1] Ready to cook.

I would also like to show the leading poultry and egg producing States during the year 1957 and to point out that the average production of eggs in the United States from 1947 to 1949 was 4,623,000,000 dozen. The 1957 production was 5,061,000,000 dozen.

Eggs

[Production, millions]

Iowa	5,011
California	4,609
Minnesota	4,169
Pennsylvania	3,561
Illinois	3,094
New Jersey	2,586
Wisconsin	2,360
Indiana	2,339
Ohio	2,329
Texas	2,279

Broilers

[Production, thousands]

Georgia	261,000
Arkansas	110,191
North Carolina	104,608
Alabama	101,961
Texas	100,826
Delaware	91,680
Maryland	72,649
Mississippi	65,012
Virginia	61,646
Maine	50,424

Turkeys

[Production, thousands]

California	13,454
Minnesota	8,577
Iowa	5,810
Maryland	2,870
Wisconsin	2,522
Virginia	2,518
Utah	2,496
Ohio	2,403
Arkansas	2,090
Indiana	2,082

You will note that the average per capita consumption of eggs in 1957 was 360 eggs per year, or an average of 1 egg per day for every inhabitant of the United States.

It can be readily understood that many of our agricultural crops are consumed in the development of poultry and egg production. Egg sales amount to 65 percent of the entire income of the poultryman. While grains are supported as an agricultural crop, and are purchased by the poultryman, he in turn must sell on the open market under a free-competitive system. Therefore, he should be encouraged in every manner possible to create a demand for his product.

Monday of this week the National Food Conference convened here in Washington during which the egg producers of the United States played an important part.

This all-American industry has designated the month of March as Egg Month in an all-out campaign to increase egg consumption and through various advertising mediums is calling to the attention of the American consumer the importance of eggs in the human diet, and in this campaign they have coined a new word, "wantedness." Wantedness is the extra quality people see in things they choose to spend their money for—even when substitutes are available at no cost. For example, wantedness is what a pretty girl has that makes it worth a carefree bachelor's while to endow her with his worldly goods in exchange for a lifetime of dinners he could eat for free at his mother's house.

Wantedness is a quality we must endow to eggs if we are going to move ahead in egg consumption.

We must make Mrs. Housewife want more eggs, more often, and in preference to other foods that are readily available to her. We presently recognize egg values, but there is still plenty of room left for improvement.

There is no other single food which contains a greater number of essential nutrients of appreciable amounts than eggs. They are one of the earliest solid foods for babies and an ideal food for children and adults of all ages. From the economy standpoint, the homemaker will find that eggs can provide a greater

amount of nutritionally balanced food for her family at a lower cost per serving than most other main-dish protein foods. This is a quality that the advised homemaker is aware of. Eggs are a convenient item in the food line and will continue to play a major role in the planning of a day's menu. When you are in doubt as to what to serve for a meal, eggs are always a welcome dish. And how many times have you been in a restaurant wondering what to order, not knowing the quality of the food served, and have made the comment, "Well, I can't go wrong with eggs."

Eggs are a convenient food either when used by themselves or combined with other food products.

Compared with chicken eggs, no other single food of animal origin is eaten and relished by so many peoples the world over. No food, animal or vegetable in origin, is served in such a variety of ways. The popularity of the egg is justified not only because it is so easily obtained and has so many uses in cookery, but also because it is almost unsurpassed in nutritive excellence. Most of the minerals required by humans for normal good health are found in the egg. Therefore, eggs are an important item in a well-balanced meal.

In addition to all of these desirable nutrients, the egg is low in calorie count. An egg yields about 80 calories and is, therefore, frequently included in reducing diets.

It has been written that we are what we eat. This is quite evident, when the nutritive value of the egg is checked against the diet fed the hen. In general, the diet of a laying hen contains a good supply of protein, minerals, and vitamins in order to get maximum egg production. Therefore, the egg becomes a storehouse of nutrients in a very desirable form.

The egg industry of today is quite different from the industry of yesterday. Scientific feeding and care of poultry has produced a better product and the egg of today is superior and more palatable because of this scientific feeding and care. This quality should have a tremendous influence on the future consumption of eggs.

Several days ago, I mailed to the Members of the House of Representatives a recipe book put out by the Poultry and Egg Board of Chicago, entitled, "Plain and Fancy Ways With Eggs." This same association has another interesting pamphlet, Nine Easy Ways To Cook Eggs.

Next Monday noon, through the courtesy of the Poultry Producers of Central California, I am treating the Members of the House and the press to a serving of double yolker eggs. I do not want to brag about this exceptional California product, but I know you will enjoy them.

I know of no better way to improve the health of the people of our Nation than in pointing out to them the high quality nutrition as contained in the poultry egg of today.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Speaker, I should like to congratulate the gentleman on the very thorough job he has done on this most important subject. I think it was most timely to bring this to the attention of the Members of the House and the people of this country.

Mr. SCUDDER. I thank the gentleman very much.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

VIOLATION OF THE SANCTITY OF EXECUTIVE SESSIONS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 60 minutes.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have taken this time and have requested all the members of the House Small Business Committee to join me in righting a wrong perpetrated against them and against me.

On February 9, 1958, in his syndicated column, Drew Pearson published a gross libel. He said, and I give it to you in full so he can claim no misquotation:

TWO STRANGE CONGRESSMEN

(By Drew Pearson)

An untold story of how two Congressmen, supposed to protect little business, threw their weight for big business, is revealed in the secret files of the House Small Business Committee.

Strangely enough, the hatchet work was performed by Congressmen from predominantly little-business districts: Republican CRAIG HOSMER, of California, and Democrat ABE MULTER, of New York. These two, aided by Republican WILLIAM MCCULLOCH, of Ohio, used every trick in the book to stymie the committee's questioning of Ralph Ablon, president of Luria Bros., colossus of the scrap-iron industry.

Their efforts were so effective that Chairman WRIGHT PATMAN, of Texas, angrily demanded of HOSMER: "Do you want to hear the testimony or not?"

Though the committee files were loaded with evidence that small competitors were being driven to the wall by Luria's control of scrap steel, HOSMER and MULTER insisted that the committee probe was out of order because the Federal Trade Commission already was investigating Luria on monopoly charges. HOSMER even tried to argue that the Supreme Court was against Congressional investigations, a new wrinkle.

"I think Mr. HOSMER is right," chimed in MULTER. "I am against conducting investigations solely for the purpose of exposure, or solely for the purpose of making a record that will make somebody look good or bad."

EFFECTIVE SNAFU

This left the committee slightly aghast since the main purpose of Congressional investigations is to make exposures. When Democrat JAMES ROOSEVELT, of California, recovered from the shock, he shot back: "We not only have a right, we have an obligation to go into this matter, because it could be years and years before the FTC comes to any conclusion. If we stopped our investigation merely because the FTC also was doing it, this would mean that we would throw small business to the wind for 3 or 4 years."

Finally, after HOSMER and MULTER had snafued the hearing for most of one morning by interrupting testimony, objecting to documents offered by Committee Counsel Everette MacIntyre, and other filibustering on behalf of Luria, Chairman PATMAN exploded:

"Please, please let the counsel ask the questions he is trying to ask. Are we going to take the attitude that because the FTC has these same documents we are not going to permit them to be introduced? Suppose it is necessary for us to bring in such documents? Let's put everything in the confidential record and then determine later on what part will be made public, if any. As it is, we haven't got started at all. We are doing nothing."

Republican WALTER RIEHLMAN, of New York, also was irked by the obstructing tactics of HOSMER and MULTER. He finally threw up his hands and exclaimed: "I don't think we are getting anywhere. So far I haven't gotten a thing. I don't even know where we are."

Undismayed, HOSMER shot back: "If we are going to fight the battle of the FTC and a number of other things, we are going to be here forever. My only point is that if there is no adverse effect on small business, this inquiry is unnecessary."

"How do we know whether there is if we don't have testimony first?" acidly suggested Democrat SIDNEY YATES, of Illinois. "All we have done today is throw roadblocks in the way. Let's listen to the testimony."

Luria's president, Ralph Ablon, who was supposed to be the witness, hardly opened his mouth, so effectively did HOSMER and MULTER yakety-yak the proceedings. After about 2 hours, Chairman PATMAN finally gave up. He told Ablon to return the next day. His testimony will be reported in a subsequent column.

I suppose we could subpena him to appear before the committee and ask him where he got his misinformation. If we did, he would no doubt inveigh against our interfering with freedom of the press. But freedom of the press carries with it an obligation to be honest and fair. He should come forward and volunteer the information. If he does not do so, he will stand condemned by his silence with having fabricated his story.

This matter involves the sanctity of the rules of the Congress, as well as the rules of the committee. If the misinformation was given to him by a member, that member should be censured. If it was fed to him by an employee, that employee should be summarily discharged.

The shame of it all is that this columnist had merely to pick up the phone and ask each member of the committee whether he made the statement attributed to him. If he had done that, he would have had no story. But he would have retained a semblance of decency and fairness. Neither he nor any of his news gatherers made an attempt to discus the matter with me and I am advised that none of them made any attempt to talk about it to any other member whom he has libeled.

Now, what is the basis for this story?

Last May the full House Small Business Committee undertook an investigation of what was charged to be a metal

scrap export monopoly. The principal complainants were themselves big business. That, however, did not deter us, because it was obvious that the real sufferers of such unfair competition, if it existed, were the small scrap dealers of our country.

It very soon became evident that many of the witnesses before our committee were also complaining witnesses in a proceeding pending before the Federal Trade Commission. That proceeding was pending, undetermined, all during the time our committee was conducting its hearings and investigations.

During the FTC proceeding, much evidence had been received in camera, that is, received by the Commission and sealed so that it was available to the Commission but not to competitors or to the general public.

It was essential that such secrecy or confidentiality be preserved. That did not mean that the information should be withheld from our committee. It did mean that our committee should not violate, vitiate or impair the rights of any of the parties before the FTC. All of that was accomplished by the unanimous agreement of our committee to receive the evidence in executive session. The witnesses called in executive session were assured by the committee, again by unanimous action, that no such witnesses' testimony would be made public without the witnesses' consent.

The testimony of those witnesses who consented thereto has since been made public and printed.

At about the same time that our committee started its hearings, the United States Supreme Court handed down its decision questioning the sufficiency of the House rules establishing the House Un-American Activities Committee and questioning the authority of that committee to conduct certain investigations.

That decision required every Congressional committee to review its authority and the rule or resolution creating the committee, to be sure that its work would not prove abortive.

It must be borne in mind that these hearings before the full House Small Business Committee, to inquire into the metal scrap situation, started in May. During the course of the sessions the committee held in May, it soon became apparent that charges were being made in public against Luria Bros. without notice to that company and without an opportunity being afforded to that company to answer the charges.

After most of the witnesses had been heard at the public hearings I made this statement:

> This is most certainly an unusual experience for the House Small Business Committee. From what I have observed in this hearing, we have 3 of the biggest competitors in this field—certainly big business in my mind—coming in and pointing a finger at the fourth in the field, who is maybe a little bigger than those 3, but big business, coming in here and trying to help the little fellow. That is revolutionary.

Thereafter it was suggested that Luria Bros. be advised of the nature of the testimony adduced before the committee and invited to attend and testify and give its version of the controversy.

Because of the very nature of the charges, the committee unanimously agreed that those persons who desired to present their charges against Luria Bros. do so in executive session and Luria Bros. make its answer in executive session.

Now, with that state of facts before us, let us look at the record and see what the members of our committee did as against what Mr. Pearson said they did.

He says that the gentleman from California [Mr. HOSMER] and I did the "hatchet work" and then establishes his case by chopping up the record, combining into single sentences statements that were made not only in different parts of the record but on different days of the hearings, and by putting together phrases to make entirely new thoughts. He distorts statements by taking sentences and phrases out of context, deliberately ignoring parts of the very same sentences and paragraphs which he pretends to quote.

It is indeed strange to read this work of a writer who so frequently has expounded upon protecting the rights of American citizens from unfair innuendo and insinuation and who has continually urged that the tradition of American fair play is applicable to all, without fear or favor. Many times he has commended the House of Representatives for having changed its rules of procedure of committees so as to require that alleged charges first be explored and established by a fair degree of evidence in executive session, and that the persons against whom the charges are leveled be given an opportunity to answer them.

The entire procedure before the committee, from beginning to end, shows that every member of the committee was anxious to develop all of the facts and, at the same time, zealous in their regard for the rights of all concerned.

The record clearly indicates that all of the relevant testimony was developed without invading the rights of anyone, except possibly the alleged, but nonexistent, right of a columnist to pry into the confidential files of a Congressional committee. Despite his statement to the contrary, there is not an iota of evidence to sustain his charge that the distinguished gentleman from California [Mr. HOSMER] argued that the Supreme Court had ruled "against Congressional investigations."

What Mr. HOSMER and I said about the Supreme Court decision is fully set forth in the record, which I will quote at length and verbatim before I conclude. Let me at this point, however, give you this quotation from my statement before the committee:

> I am not at all disturbed by the Supreme Court decision. In fact, I am very much pleased with it.

And this further quote from my statement:

> This committee is a duly constituted committee of the Congress. As long as we do not conduct investigations solely for the purpose of exposure or solely for the purpose of making a record that will make somebody look good or bad, but do exactly as the Congress intended in setting up this select committee, and that is to study and investigate small-business problems and recommend to the Congress changes, if any, that may be needed in the law, we are within the province of our committee.

Not only was the committee not left "slightly aghast" as Pearson says, but the committee unanimously agreed with my suggestion as to the manner in which we should adduce the testimony, and the committee promptly proceeded to do so.

The brevity of that morning's hearings was not caused by the conduct of any members but by the fact that the House went into session at 11 o'clock that morning to consider an important bill, and members other than those attacked by Pearson indicated their desire to be on the floor and asked that the hearing be suspended with the convening of the House.

Pearson's reference to the fact that the distinguished gentleman from New York [Mr. RIEHLMAN] was irked by the tactics of members of the committee is also a misstatement of the fact. Counsel for the committee was bogging the hearings down in a mass of procedural technicalities of what had been done and had not been done by the Federal Trade Commission; this at a point in the hearings when it had been decided that we were not going to concern ourselves with the technical procedures before that Commission but that we would develop the facts pertinent to our inquiry. Mr. RIEHLMAN'S remarks were directed to counsel's improper procedure in violating the directions of the committee, and not to the conduct of any members of the committee.

Pearson's statement that the witness hardly opened his mouth and after 2 hours the committee chairman gave up, is also directly contrary to the facts. The first session with Mr. Ablon opened at 9:45 a. m., and closed at 10:50 a. m. The witness had a prepared statement which he read in full that morning. In view of the mass of testimony that the committee had already heard, it was but natural that much more time was then taken by the members in interrogating the witness than it took him to deliver his prepared statement.

The concluding sentence of Mr. Pearson's column is:

> His [Mr. ABLON'S] testimony will be reported in a subsequent column.

I suggest that the committee immediately invite Mr. Pearson to attend before it. If he does not accept the invitation, then he should be subpenaed and he should be required to state under oath how he has received access to testimony which has been sealed by the committee against examination by anyone except the members of the committee, and that sealing having been done not only in accordance with the rules of the House and the rules of the committee, but also in accordance with a specific agreement with the witness that his testimony would be treated in confidence by the committee and not disclosed without his consent, which consent has been withheld up to the present moment. I suggest that if Mr. Pearson does report that testimony, he will be guilty of a contempt of the Congress.

Let me assure our colleagues that, as of yesterday, every member whose remarks were allegedly quoted in the offensive article referred to, has consented to their complete remarks being released from the confidentiality of our executive sessions, and they are quoted in full, as follows:

IRON AND STEEL SCRAP

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE TO CONDUCT
A STUDY AND INVESTIGATION OF
THE PROBLEMS OF SMALL BUSINESS,
Washington, D. C., June 18, 1957.

The committee met, pursuant to call, at 9:35 a. m., in room 129, Old House Office Building, Hon. WRIGHT PATMAN, chairman, presiding.

Present: PATMAN (chairman), HILL, RIEHLMAN, MULTER, SEELY-BROWN, YATES, MCCULLOCH, ROOSEVELT, BROWN, and HOSMER.

Also present: Everett MacIntyre, general counsel; William Summers Johnson, chief economist for committee; Park Dalmas, adviser to minority members of committee; Frances Topping, economist; Clarence Everett, staff member; Marie M. Stewart, clerk; and Joe Marshall, economist.

The CHAIRMAN. The committee will please come to order.

I furnished each one a copy of the statement and with your permission, gentlemen, I will insert it in the record as a part of the hearing.

This morning we are reopening the hearing of the full committee involving the iron and steel scrap industry. Since you all have a copy of the opening statement, with your permission I will insert it in the record.

Now, Mr. Ablon is appearing under subpena. He should be asked to identify himself, and, of course, that is what you want to do now. You brought certain documents along with you?

Mr. ABLON. Yes.

The CHAIRMAN. Do you have a prepared statement?

Mr. ABLON. I have a statement, Mr. Chairman, that I would like to distribute or to have someone distribute.

The CHAIRMAN. Suppose you identify yourself, Mr. Ablon.

Mr. ABLON. I am Ralph Ablon, president of Luria Bros., Inc.

Mr. MULTER. Mr. Chairman, may I interrupt? Since the opening statement is not being read, may the record show if it is a fact that a copy of the statement has been furnished to the witnesses?

The CHAIRMAN. I assume it has. It has been furnished to each member of the committee. Maybe I had better read it.

Mr. MACINTYRE. It was furnished to all members of the committee, but I don't believe to the witness.

Mr. MULTER. I think in order to comply with the rules it should be read or the reading of it be waived and a copy be given to each witness, so they may be apprised of the purpose of the meeting.

The CHAIRMAN. I think I had better read it in view of that.

This morning we are reopening the hearings of the full House Small Business Committee into problems involving the iron and steel scrap industry.

When the program of the House Small Business Committee for this session of Congress was announced on March 12, 1957, I stated, on behalf of the committee, that the committee was "committed to make two investigations and studies which will require the attention of the full committee from the outset." I further quoted at that time the following:

"One of these [investigations] is an investigation of the iron and steel scrap problems. While particular aspects of some of the conflicts which have arisen over these materials have been explored, and recommendations have been made, the problem now is to determine whether there is reason to expect that these periodic conflicts may continue. If so, we must determine what the various commercial interests are, what policies will best protect the interests of small firms, including both dealers and users. At the same time we must, of course, recommend policies which will serve both our national defense and our strategic commitments abroad."

Because of an order on May 6, 1957, of the Department of Commerce, placing limitations on the export of certain grades of scrap, it was natural for the committee to begin its investigation with an inquiry into the export situation. At the opening of the hearings on May 20 I stated that this vital industry was "made up of several thousand scrap dealers and brokers who are, for the most part, small independent business people. On the other hand, iron and steel scrap are essential raw materials for the iron, the steel, and the malleable foundries. The foundries, too, include several thousand small business firms. Finally, scrap steel is the essential raw material of our semi-integrated steel mills."

At that time I also stated that we hoped to hear from all these industries. During the course of the first week of these hearings we did hear from a number of the larger scrap dealers as well as from representatives of small scrap collectors and dealers. We still have to hear from representatives of Luria Bros., Inc., and for that reason Mr. Ablon, president of Luria Bros., is here this morning. We also have to hear from representatives and dealers of the semi-integrated steel industry.

Now, all of us have known that proceedings were initiated some time ago by the Federal Trade Commission against a number of concerns alleging a monopolization of the scrap business by Luria in violation of the FTC act and of certain provisions of the Clayton Antitrust Act. It is, of course, not the function of this committee to render judicial or semijudicial decisions pursuant to the antitrust laws. Such functions are reserved by statute to the Federal Trade Commission or to the courts. Moreover, we all know that proceedings before the Federal Trade Commission often take many years of time from the time complaints are made until final action is taken by the courts with respect to any possible remedial action.

Naturally the institution of such a proceeding before the Federal Trade Commission does not preclude a committee of the Congress from carrying on its normal functions with respect to studying market and other economic conditions in a particular industry—or from making recommendations with respect to any further remedial legislation which may be required for the proper regulation of interstate and foreign commerce.

We have testimony from and have recorded facts about firms which are parties to the proceeding initiated by the FTC. Indeed, from the first day of this committee's hearings, witnesses have discussed the role of the Luria firm in the iron and steel scrap industry. Some of the members thereafter suggested, and without objection the entire committee agreed, that a representative of Luria Bros. should be subpenaed to appear. It was believed that a representative of Luria Bros. should be given whatever opportunity he wished to comment upon any statements made in the earlier record of this hearing. Additionally it seemed appropriate to request a representative of Luria to produce certain facts and figures which bear directly on the position of that firm in both the domestic and the foreign market, and to produce documents and contracts and other information which will assist the committee in arriving at a true understanding of the market and other economic conditions prevailing in this important industry. This was done by means of the subpena and by a letter given to the president of Luria at the time the subpena was served upon him.

Now, after that statement I think we should hear from Mr. Ablon, and I believe you said you had a prepared statement, Mr. Ablon.

Mr. ABLON. I do.

The CHAIRMAN. Do you have sufficient copies to furnish each member of the committee one?

Mr. ABLON. Yes, sir, I do.

Mr. MULTER. Mr. Chairman, may the record show at the outset who accompanies Mr. Ablon and whether or not he is represented by counsel?

The CHAIRMAN. I think that is a good idea. Suppose you identify the people with you, Mr. Ablon.

Mr. ABLON. I am accompanied by counsel for Luria Bros., Mr. Morris Wolf, of the law firm of Wolf, Block, Scharr, Soles & Cohen, in Philadelphia, and by Mr. Silberstein, who is a member of the same law firm and also assistant to the president of Luria Bros.

The CHAIRMAN. Mr. EVINS can't be here, but Mr. Marshall, from his office and this office, would like to sit in to keep Mr. EVINS informed about what goes on. Is there objection to that?

Mr. RIEHLMAN. If that is going to be a precedent, I think we should understand that in the case of any other member, if I want to send one of my men to any executive session, there is not going to be any question about it.

The CHAIRMAN. I think it would be all right to do that. What do you gentlemen think about that? Let's discuss that briefly.

Mr. RIEHLMAN. I have no objection to any staff members, if the member is ill or away and he needs to be in on a meeting.

The CHAIRMAN. He happens to be a staff member. He works for the committee and on the scrap business, so that part would bring him outside, but I like your idea about a member sending someone else if he is not here.

Mr. RIEHLMAN. I understood this was one of Mr. EVINS' own staff members.

The CHAIRMAN. He happens to be from Mr. EVINS' District.

Mr. RIEHLMAN. If it is going to be a precedent that we are permitted to have either a member of our staff or member from our own office to sit in on executive sessions when a member can't be present, I think we should know it now if that is going to be a precedent.

The CHAIRMAN. Offhand it is my impression it would be all right.

Mr. MULTER. If they were executive sessions to take testimony, I would not raise an objection, but certainly I don't think a member of the staff of an individual member should attend the executive sessions of the committee where we are transacting business other than taking testimony.

Mr. RIEHLMAN. I would agree with you on that.

The CHAIRMAN. I would, too.

Now, on this record, each member will get a copy tomorrow and we will have them here. We might just as well discuss that now. Of course, this is confidential information. We are not to give it out, and I am not going to give it out, and I will guarantee that the staff won't give it out, and each member will just have to look after his own copy to make sure it is not given out.

Mr. MULTER. And the reporter is instructed to deliver no copies except to the chairman of the committee for distribution to the members. Of course, there will be one exception there. Each witness will be entitled to a copy for correction.

The CHAIRMAN. For correction, yes.

Mr. MACINTYRE. That wouldn't include anything but the witness' own testimony. Mr. Chairman, while we are on that subject,

I would like to request that any extra copies that are furnished be furnished only to the chairman and locked in the chairman's files, so that only he and the members and the witness have them, because while the staff will ultimately work on it, until the committee acts to make that a part of the public record, I would rather that the staff not have access to it.

Mr. MULTER. I see no objection to that.

The CHAIRMAN. Is that all right?

Mr. MULTER. I think there is only one other preliminary—possibly two preliminaries, Mr. Chairman, that you may want to cover. I am not clear on this, but I think that there is something in rule 25 requiring that a copy of that rule be furnished to witnesses in advance of hearings of this type. If I am wrong on that, of course, the point is not well taken, but if I am right I think copies of the rules should be furnished to the witnesses.

The CHAIRMAN. All right. We can acquaint them with it as they come in.

Mr. MULTER. Yes.

I think everything thus far, Mr. Chairman, has been taken under oath from witnesses. Have we not been swearing our witnesses?

The CHAIRMAN. Yes.

Will you please rise, Mr. Ablon?

You do solemnly swear that the testimony you are about to give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ABLON. I do.

The CHAIRMAN. All right, Mr. Ablon, you may proceed.

Testimony of Ralph E. Ablon, President, Luria Bros. & Co., Inc., New York, appears at this point in the transcript. It is omitted at this point, both because it is immaterial to the matter now under discussion and because it is confidential by unanimous order of the committee.

The CHAIRMAN. Now, shall we have the members of the committee ask questions first and then counsel? Of course, the counsel has the main points to be brought out, I think, and it is at the pleasure of the committee. I will call on Mr. HILL first. What is your preference, Mr. HILL? Would you like to ask questions first?

Mr. HILL. I think the committee are the ones that are responsible for the hearing, so I would suggest that we are all given an opportunity to ask questions.

The CHAIRMAN. There is no question about the opportunity. It is just a question of who should go first. I think before counsel will be O. K. Mr. HILL.

Mr. HILL. No; I have no questions.

The CHAIRMAN. We will alternate.

Mr. YATES. Mr. Chairman, if I may express my opinion, I would like to know what Mr. MacIntyre has in mind in terms of his examination of Mr. Ablon so I may be in position to ask questions at a later time. I prefer not to ask questions first, and after Mr. MacIntyre asks the questions would seem to be the wiser course, to let Mr. MacIntyre proceed first and then let the Members of Congress follow the development of the testimony later.

Mr. HILL. Of course, I accede to the lawyer's request, so it is perfectly all right with me.

Mr. YATES. You see I am championing the business of the lawyer.

The CHAIRMAN. Mr. MCCULLOCH, what do you think about it?

Mr. MCCULLOCH. I yield to Mr. HOSMER.

Mr. HOSMER. Mr. Chairman, I am a little bit upset with respect to the Supreme Court decision yesterday, in which the Court apparently held that the only lawful scope of a Congressional investigative inquiry was as a foundation for legislation. Now, as to what specific act of legislation they have in mind it is difficult to tell. Previously I think it was even enunciated by President Wilson that in his view the purpose of Congressional investigation was not only as a foundation for legislation but as a check on the administration of government and for a third and more broad purpose, that of informing the public. The Court has apparently limited the lawful functions of these committees to the purpose only as foundation for legislation. I think that before we get too much further into this inquiry or other ones that we certainly should have that decision in mind.

Mr. HILL. Will you yield to me?

Mr. HOSMER. Mr. YATES, I believe——

Mr. YATES. I will be glad to yield to you.

Mr. HILL. Of course, that bothers me, too, in the fact that we are not a legislative committee at all. Where do we get off?

Mr. YATES. As I understand the Supreme Court decision, it says that Congressional investigation purely for exposure purposes are not within the purview of our authority, but it seems to me that the hearings that we have undertaken so far—I am not sure about this case because it hasn't developed fully—have been the basis for recommendations for legislation to other committees. If Mr. HOSMER were strictly correct in interpreting the Court's decision to show that each hearing has to ultimately lead to legislative matter, presumably the Committee on Small Business would have no function at all, because we cannot come out with any bills. We can merely recommend to other committees. I assume that in the course of the hearings that we hold the conclusions we reach will be the basis for legislation by the committees and that the hearings will be held for that purpose.

Mr. HOSMER. Will the gentleman yield?

You perhaps may be very right. I raise the question because it is one that I don't think any of us should at this moment make a considered decision upon, and I think that the legal members of the committee staff should be instructed to get that decision and find out what the committee can do on the basis of it. I shall not raise any points of order in that regard this morning.

Mr. YATES. Insofar as my suggestion about letting Mr. MacIntyre proceed, are you in accord with that?

Mr. HOSMER. Yes; I think we are not in the position to do anything other than either go ahead or stop entirely until they examine the decision, and perhaps the wiser course in this case would be to go ahead subject to any objections that Mr. Ablon might want to make in that regard.

Mr. MULTER. Mr. Chairman.

The CHAIRMAN. Mr. MULTER.

Mr. MULTER. I am not at all disturbed by the Supreme Court decision. In fact, I am very much pleased with it. At the same time I think Mr. HOSMER is correct in his suggestion that it be carefully studied by staff and the committee advised. I am sure that its decision must be read in connection with the facts before the Court.

This committee is a duly constituted committee of the Congress. As long as we do not conduct investigations solely for the purpose of exposure or solely for the purpose of making a record that will make somebody look good or bad, but do exactly as the Congress intended in setting up this select committee, and that is to study and investigate small business problems and recommend to the Congress changes, if any, that may be needed in the law, we are within the province of our committee.

While we should study the decision for further guidance, I think we can safely continue with any investigations we have started or may intend to start as long as we do it for the purpose of making recommendations to the Congress legislatively.

I can even see something there that that Court never considered, and that is the possibility of impeachment of a Government official. Certainly the Supreme Court never intended that the Congress through any committee can't develop the facts which would result in a resolution of impeachment. I don't have in mind we are going to do that, but I am just throwing out one limitation on the apparent effect of the decision that the Court never had before it and never considered.

Now, to the precise question, put, Mr. Chairman, as to who should conduct the examination, I think in the main it might be better that counsel for the committee develop the case, but before he does that I would like to have clarified a few things that are already stated to us by the witness and may be basic to the questions that he will ask.

The CHAIRMAN. Well, I thought when we reached a question that the witness declined to answer or didn't want to answer, we will then pass on that. Of course, the witness opened up quite a bit when he discusses about the scrap situation generally here in America and abroad. That opens up quite a field for questioning.

Mr. HOSMER. Mr. Chairman, in connection with the counsel's questions, I, of course, don't know what they will be, but I think if this committee gets into questions as between small millionaires it is outside of its scope.

The CHAIRMAN. Repeat that, please.

Mr. HOSMER. It is outside of its scope of activity.

Now, I would like to see the counsel, and I shall object unless he does otherwise, confine this to whatever actions of these people are of a direct or indirect effect upon small-business men and not large or small millionaires that happen to be in the same category possibly as the witness may be.

Mr. YATES. On the question of small business, one of our definitions was the relative position of the company in the industry and the company could be a millionaire and still be small in terms of the entire industry; can it not?

Mr. HOSMER. I think we are wasting our time if we are not devoting most of it to the actual small-business men who have neither the facilities physically or financially to take care of themselves, and I will maintain that position.

Mr. MULTER. If the gentleman will yield, Mr. Chairman, one advantage which the chairman may or may not have had in mind in having this investigation by a full committee instead of subcommittees is that we, as the full committee, have jurisdiction over everything that comes within the jurisdiction of each subcommittee. For instance, the investigation of the various agencies and their effect on small business; that would directly fall within the jurisdiction of Subcommittee No. 1. Nevertheless, I think that is one of the points of inquiry that we will have to make here as a part of this very investigation.

Mr. YATES. We have only an hour before the House meets and we have got to go ahead.

Mr. HILL. There will be a rollcall when it meets.

Mr. MULTER. Before Mr. MacIntyre takes the witness, Mr. Ablon has indicated in his main statement that there is a proceeding pending in the Federal Trade Commission against Luria Bros. and others. I think we ought to know on the record who the others are. He then indicated some of the witnesses, who have already testified before this committee, were witnesses before the Federal Trade Commission. I think this record now should show who they are.

He has indicated that most of the documents you have subpenaed have already been produced for the Federal Trade Commission. I think we should have an indication, before any document may be called for, as

to whether or not that document has been received in evidence there or has been excluded from evidence; and whether, if received in evidence, whether or not it is part of the public record. I have in mind that the Federal Trade Commission, at times, calls for and receives dozens of exhibits which, for trade purposes, are never made a part of the public record, yet are exhibits. I think we must know that, too, because we may eventually decide to make public the testimony that is adduced here, and we must protect the witnesses in that respect.

Then the witness on the last page of his statement referred to the fact that his company is a subsidiary of a publicly held corporation. I think we ought to know the name of that corporation, so that we will have some basis for the questions that may come later.

The CHAIRMAN. Well, shall we proceed now with Mr. MacIntyre or shall we go ahead and have Mr. MULTER's questions answered first? It would be all right with me, Mr. MULTER, if you would go ahead and propound those particular questions now.

Mr. MULTER. If it is agreeable with the committee.

The CHAIRMAN. I think they are important.

Mr. MULTER. Mr. Ablon, if you will please, on the second page of your statement you referred to the fact there is a proceeding pending before the Federal Trade Commission against Luria and others. Can you supply for the record the names of the others?

Here again follows testimony of the witness, which is omitted for the same reasons previously stated.

Mr. MULTER. Now, that covers my inquiries at this time, Mr. Chairman, except the reference to documents, and there is no point in asking about those unless they are called for, and then when they are called for, if they are offered for our record, I think the witness or his counsel should advise the committee at that time, about his position relative thereto.

The CHAIRMAN. I think they have already alerted us as to that.

Suppose we have Mr. MacIntyre proceed then and see how far we get.

Here follows further testimony by the witness in answer to questions asked by the chairman and other members, which is again omitted for the reasons already stated.

The CHAIRMAN. Mr. MacIntyre, you may proceed, and I suggest you take up these exhibits that you asked him to bring first, if you will.

Mr. ABLON. I don't have that list because you have taken my subpena and the list is on that.

Mr. MACINTYRE. Mr. Ablon, you were asked to bring a copy of the letter, dated April 22, 1954, item No. 1. Did you bring it?

Mr. ABLON. It is here, sir, and it is one of the exhibits that has been furnished to the Federal Trade Commission.

Mr. Chairman, may I just make a comment, with your permission, sir. I am not a lawyer, and I devote myself entirely to the operation of the scrap business, which you will have known by now from your other witnesses is a pretty complicated and constantly active business. I don't feel that I am in a position to carry the ball on whether or not these exhibits are with the Federal Trade Commission for the public record or in camera or whatever the expression is, and it would suit my purpose better if I could just answer whatever questions you or the rest of the gentlemen here care to ask me and leave the question of the Federal Trade Commission complications to Mr. Silberstein; he knows that far better than I.

The CHAIRMAN. That will be satisfactory if it is with the committee.

Mr. MCCULLOCH. I would like to ask one question about this particular letter that may give us an idea on further requests. How did this committee learn of the existence of this letter?

The CHAIRMAN. Well, I don't know, Judge. Is that really important?

Mr. MCCULLOCH. It could be as far as I am concerned, Mr. Chairman, if, for instance, we are about to plow the same ground that the Federal Trade Commission is plowing, and we are securing information concerning data that has already been requested by them. I just don't think as of this time that that is serving a useful purpose and it is taking the time of Members of Congress which could at least in my instance, I believe, be used to better purposes.

The CHAIRMAN. Of course, if there is any reasonable chance of an early decision by the Federal Trade Commission but judging by the past you know their decisions have been delayed quite a long time, Judge, and I don't see any reason why a Congressional committee shouldn't go into important relative matters even those being considered by the Federal Trade Commission if it is in the interest of expediting legislation to correct abuses. That is just my own thinking in the matter. I am perfectly willing to abide by the decision of the committee, of course.

Mr. HOSMER. Will the gentleman yield?

Mr. MCCULLOCH. Yes.

Mr. HOSMER. That may be true, Mr. Chairman. However, whatever we may be investigating may be taken care of by the Federal Trade Commission this fall. So it is questionable whether these things are very cogent or not.

Here, too, follows testimony, which is similarly omitted.

Mr. MCCULLOCH. Ultimately, I want to get back to the question I asked. I, of course, want to explore all of this with the members of the committee and have any comments that are pertinent by counsel, but ultimately I would like to get back to that question if it is a proper question, and I think it is.

The CHAIRMAN. Any question you ask, Judge, I know will be a proper question. Now, evidently the staff has conferred with the Federal Trade Commission. Have you, Mr. MacIntyre, or not? I mean, the officials of the Federal Trade Commission in connection with any scrap inquiry that has been conducted there in the past. You see it is not only the case pending now, but many cases have been pending in the past where there is evidence.

Mr. MACINTYRE. That is true, but the knowledge about this letter and its existence was gained through public records. Its existence is publicly known from a public statement and public testimony that was given by Mr. Ablon.

Mr. MCCULLOCH. And this committee or counsel of the committee had that information without it being furnished either directly or indirectly by the Federal Trade Commission or anyone over there?

Mr. MACINTYRE. Any man on the street can go into the Federal Trade Commission and call at the docket section and take an examination of the public record. He can get it as we did. That is where it was obtained, from the public record, just as any man on the street may examine it.

Mr. HOSMER. Is this particular letter, however, marked "in camera" and kept from public view at the Federal Trade Commission?

Mr. MACINTYRE. That is what I hoped to develop here. I am not acquainted with all of those facts, but I am acquainted with the fact that——

Mr. HOSMER. It is exhibit No. 381.

Mr. MACINTYRE. Mr. Silberstein can probably inform us about that status.

Mr. HOSMER. Is it marked "in camera," Mr. Silberstein?

Mr. SILBERSTEIN. This letter was Commission Exhibit 381, and the hearing examiner placed it under seal and forwarded to the Commission and placed in camera.

Mr. HOSMER. Is it still under seal and in camera?

Mr. SILBERSTEIN. I am reading from the record of the proceedings before the Federal Trade Commission.

Mr. HOSMER. I will object then, Mr. Chairman.

Mr. MCCULLOCH. I would like to pursue the question one step further. I have no desire to obstruct proper action of this committee. If counsel tells me that he knew of this letter and its contents from sources other than this source here, and it has been available to the public, then if there has been a proper connection with what we are doing this morning, I am not objecting. But if it comes from this source, then I, of course, would take the same position.

Mr. HOSMER. Would the gentleman yield?

Mr. MULTER. Will you yield? There have been two problems involved here. By looking at the public record you will know of the existence of the letter, but the important thing to us now is, are the contents of the letter public? Now, if the contents of the letter are not public and are being kept confidential there and counsel knows about the contents of the letter, then I think he must disclose to us how he got it outside of the confidential record. Now, if he doesn't know the contents of the letter, then I think we may have no right at this time to inquire into the contents of that letter.

Mr. YATES. Why don't we then, Mr. Chairman—this is a Congressional hearing in executive session. None of the material that will appear here this morning will go out to the public. Now, why have we no right to look at that material?

The CHAIRMAN. We could decide later, Mr. MULTER, whether or not we would release it.

Mr. MULTER. I think Mr. YATES is right.

Mr. YATES. This proceeding that we are undertaking this morning can be kept under seal as well as those by the Federal Trade Commission. I don't know why we should object to the type of hearing that is going ahead here. It seems to me we are just hamstringing ourselves. I don't know what is going on, really, because of the fact that there has been so much identification here. I think we ought to listen to what the witness has come for. After that I think that if some of the testimony is not proper it can be stricken from the record. If it is proper and should be kept under seal, it can be kept under seal. If it should be made public, it can be made public. As it is now we are just moving from picayunish item to picayunish item and not developing anything.

Mr. MACINTYRE. Mr. Chairman, I would like to, in further answer of the questions that have been asked, make this statement. I do not know the contents of this letter. I was answering Judge MCCULLOCH's question as to the knowledge of its existence and identification, and that is public information. It does show as to that information its relevancy to some questions that it was believed that this committee would want to look into and maybe once the committee itself looks to the contents it will then be able to decide whether or not it is relevant to the committee's inquiry, and it would want to have, as Mr. YATES aptly said, the letter made part of the record of the proceedings before this committee and made public.

In that connection, Mr. Chairman, I would like to say that if I were permitted to ask the witness a few questions I believe that the very purpose of his coming here would be better known to all of us, as well as taking up any matters which are involved in a Federal Trade Commission proceeding as

of now that also involves his company. I would therefore like to ask him a few questions and determine then whether or not they help inform the committee about those matters.

Mr. MULTER. Mr. Chairman, may we assume the witness has obeyed the subpena and has here whatever documents are called for. We then can take Mr. MacIntyre's suggestion and let him develop the actual factual situation without reference to any document as far as we can go.

The CHAIRMAN. Is that satisfactory to members of the committee?

You may proceed, Mr. MacIntyre.

The testimony of the witness follows at this point and is again omitted for the same reasons.

After a discussion between counsel for the committee and counsel for the witness the following occurred:

Mr. MULTER. May I interrupt and make another suggestion? I think we are getting into an argument of law as to what the effect is of stipulations and so forth. Rather than do that, may I suggest that Mr. MacIntyre make a statement of the procedural record so far as it is open to the public for our guidance, subject to Mr. Silberstein or Mr. Wolf making any corrections to what the procedural matters may be. I think that will expedite it and we can move forward.

The CHAIRMAN. I think that is a good suggestion. Suppose you do that, Mr. MacIntyre, so all of the members of the committee will know what you have in mind.

Mr. MACINTYRE. Well, what was attempted to be done by the questions that I asked is simply this: That in the Federal Trade Commission proceeding evidence has been taken for better than two and a half years when all of a sudden the principal respondent transferred its assets to a newly formed respondent which then became a subsidiary of a nonrespondent, and very peculiar procedure was adopted; that is, an effort was made by the attorneys of the Federal Trade Commission, if you please, to make by stipulation and consent this new Luria Bros. a respondent in that proceeding to which Luria Bros.' counsel readily consented, and also to bring against this new company the record that had been made prior to its existence. But the attorneys for the steel companies all objected to that procedure.

Mr. YATES. Which is their right, isn't it?

Mr. MACINTYRE. Yes; and which, in my opinion, will raise serious questions in the future by them who have raised these objections as to the validity of the procedure even as to Luria Bros. & Co., Inc., and certainly as to themselves, and, consequently, the litigation on such points will require years, with doubtful results, because the evidence which was taken heretofore in that proceeding was taken against other respondents and not against this particular respondent.

Mr. YATES. Will you yield for a moment? Isn't this the right of the respondents before the Federal Trade Commission and their lawyers to defend their cause as well as they can?

Mr. MACINTYRE. I am not raising any question as to those rights. What I am attempting to do is to inform this committee that the matter is in such posture at the present time as will afford counsel for each of the respondents with many opportunities to raise many legal points which will require years to resolve, and I am throwing out one here—we are in executive session—which I haven't expressed outside of this room, but I am certain that I am not expressing anything new to Mr. Wolf or Mr. Silberstein or Mr. Ablon, and that is the thought that in the Federal Trade Commission Act itself the Congress in 1914—and that hasn't been changed in that respect since—specified the only means in which a party can be made a respondent in a Federal Trade Commission proceeding, and that is by the Federal Trade Commission, five Commissioners appointed by the President and confirmed by the Senate, shall issue a complaint if in their opinion the public interest should require it.

Mr. YATES. How does that bear on this hearing?

Mr. MACINTYRE. This particular respondent, Luria Bros. & Co., Inc., a Delaware corporation, is not a respondent in those proceedings there by that procedure, but merely by a stipulation between counsel which was approved by the hearing examiner.

Mr. MULTER. I think, Mr. MacIntyre, so far as Luria Bros., either the old or the new corporation—they are certainly bound by anything that would be done in this proceeding. I think that is regular Federal Trade Commission procedure. I think that is the regular procedure in all of the courts, including the Federal courts, where there has been a change of ownership of the company pending the litigation; if the party whose ownership is changed is acting in good faith he will come before the court with the new company and say, "Here we are, Mr. Court; make us a party," and you have all of the parties, old and new, before you. Luria is in that position. I don't know whether the other respondents can complain to the Federal Trade Commission that its order is ineffective against them. I don't believe that that affects us in any way in our investigation, unless we are directing ourselves now to some wrongdoing of the Federal Trade Commission. If we are directing ourselves against some wrongdoing of the Federal Trade Commission, that is another matter.

Mr. MACINTYRE. I am not raising any question about the propriety of counsel having entered into the stipulation. I am merely collecting whatever I have said for the committee's information as to what the probable effects are going to be in the lengthening of that proceeding down there for a period of several years in order to get the questions resolved.

Mr. MULTER. Am I not right that if at any time the Federal Trade Commission so desires they can amend the complaint and overcome that objection by the other defendants?

Mr. MACINTYRE. It is a matter of then bringing the old record into the new proceeding and all of the counsel that I have ever dealt with object to that.

Mr. MULTER. Is that important to anything this committee wants to do?

Mr. MACINTYRE. The only thing is, are you going to get resolution of the Federal Trade Commission in any appropriate season.

Mr. MULTER. Is that the question, Mr. Chairman?

The CHAIRMAN. I think the question was raised by Mr. HOSMER.

Mr. YATES. I may be under a misapprehension as to what Mr. MacIntyre's intentions are. It seems to me regardless of how long the proceeding takes before the Federal Trade Commission certainly in executive session we are privileged to go into the facts as much as the Federal Trade Commission.

The CHAIRMAN. That is the point here. Right now we might as well decide it.

Mr. YATES. The pertinency of the stipulations which counsel entered into with the Federal Trade Commission and the objection to entering into such stipulation by counsel for the other companies I think has no relevance to our proceeding here. We are meeting here, I think, to try to find out, as I understand the purpose of these proceedings, to find out whether the activities of Luria Bros. affected small business, in what way the activities of Luria Bros. have borne upon the other small business in that field. If we get bogged down in procedural matters that relate to the Federal Trade Commission, I don't think we will ever get into it.

Now I yield.

Mr. ROOSEVELT. I think the point was raised by Mr. HOSMER that we shouldn't go into the point that you just stated should be our problem because of the fact that the Federal Trade Commission was already going into it, and as I understood Mr. MacIntyre's point was that we should go into it because it could be years and years and years before the Federal Trade Commission comes to any conclusion, and if we stopped our investigation, which will be a proper investigation, merely because the Federal Trade Commission was also doing it, that this would mean that we throw small business to the winds for 3 or 4 years.

Mr. YATES. I am sure Mr. HOSMER's objection never intended this committee couldn't go into the hearings in executive session——

Mr. ROOSEVELT. He can speak for himself.

Mr. YATES. And at the same time go into the facts. If he did, I certainly would be prone to argue with him on it, and I think that a committee vote would have to be taken.

The CHAIRMAN. That is what I had in mind.

Mr. HOSMER. Will the gentleman yield?

Since I have been brought into this thing, my feeling is that if Mr. MacIntyre wants to emphasize that perhaps this Federal Trade Commission case will drag out a long time and therefore it is more imperative the committee go into this, then I think he has a right to do so, but I think he should say so in so many words.

Secondly, my other point that was touched upon by Mr. Yates is that whatever we go into here should be what effect does Luria Bros., whether acting legitimately or illegitimately, or just because they are big, does that have either on other small exporters or small-business men in the domestic business. Now, I think that we can proceed very happily and speedily with the inquiry if we are limited to those two issues. If we are going to fight the battle of the Federal Trade Commission and a number of other things, we are going to be here forever.

The CHAIRMAN. But, Mr. HOSMER, suppose in the introduction of that testimony it is necessary to bring in such documents as already suggested here. Will we take the attitude because the Federal Trade Commission has these documents that we are not going to permit them to be introduced?

Mr. HOSMER. I will tell you where it is wrong if you are asking me a question.

The CHAIRMAN. I am asking you the question because I want to know.

Mr. HOSMER. Whether or not Luria is big, let's forget about it. We will assume they are big. Assume they are in complete connivance with some foreign purchaser who by law has a right to purchase from whom he wants to anyway. Let's go into the question of whether this bigness or whether an agreement with a foreign purchaser or freedom on the part of a foreign purchaser to buy from whomever he wants is in fact hampering either small-business men in the export field or who want to get into the export field, or small-business men in the domestic field, whether they be in the retail sale of scrap or in the retail purchase of scrap. Now, I would suggest that the pertinent line of inquiry could be directed to the witness on those two points. Then if we find out that there is under the assumed conditions a difficulty for small-business men, then we could go in and get into Mr. Ablon's activities with the direct purpose of finding out some sort of way to legislate that foreign purchasers maybe have to buy from a lot of people or perhaps the scrap industry in the country can't stand anybody having more than 46 percent of the business domestically or something. Let's find out, establish first whether there is or is not an effect upon small businesses.

The CHAIRMAN. Well, I think we should determine this question now about the Trade Commission. If we are going to be prohibited from considering any testimony that is already before the Federal Trade Commission, I think we are going to be seriously handicapped.

Mr. HOSMER. Let's take it this way, Mr. Chairman, the facts and figures show—I don't think they have been placed on the record yet—that Luria probably does 46 percent of the export business; that Luria probably does 50 percent, maybe a little less, of the domestic business in the particular field in which it operates. If those aren't the facts, we can have them. Then let's find out what effect does that have upon small business.

Mr. YATES. I don't know that that is complete in itself. I would be perfectly willing to let Mr. MacIntyre go ahead and see where we go, but I would agree up to now insofar as the Federal Trade Commission data interrogation and statements that were made insofar as my own personal feelings are concerned, I don't think that is pertinent to our hearing. I think we are here to find out what Luria is doing and what is happening in the steel scrap business.

The CHAIRMAN. That is a premise, as I understand. He is laying a predicate for the asking of other questions. Is that right, Mr. MacIntyre?

Mr. MCINTYRE. Yes, sir.

Mr. HOSMER. I think we are proceeding through the back end instead of the front end, Mr. Chairman.

The CHAIRMAN. Mr. RIEHLMAN.

Mr. RIEHLMAN. I am not a lawyer and certainly I don't want to go through 3 or 4 days of civil-rights procedures such as we have seen in the full House where we have the lawyers discussing legal issues and were not getting to the basic principle of what our committee is set up and established for. I am perfectly willing and I am sitting on the sidelines listening to whether or not the evidence that is being presented here this morning is contrary to the ethics that this committee should follow when a proceeding is now being held before the Federal Trade Commission and so forth, but I have to get down to real honest-to-goodness common sense in dealing with this issue and thinking as to whether or not our committee is going to develop something here that is going to be worthwhile to help these small scrap dealers, and I want to get back to the basic thing without all of this preliminary stuff to me, I am not getting anything out of it. I don't know what we are trying to establish. As the basis to start from, maybe, it is important and I hope it is, but I think that rather than to continue to argue legal aspects—and I suppose that is very important—I would like to see all of this fog cleared away, if we can get down to the basic issue as rapidly as we can and come up with some answers as to whether Luria Bros. or any other large corporation in the field of scrap or whatever it may be is really affecting and hampering the operations of thousands of small businesses in our country.

Mr. YATES. If they are doing that.

Mr. RIEHLMAN. That is the basic thing.

The CHAIRMAN. I suggest to the members of the committee, since this is an executive session, let this go and put it on the confidential record, and then determine what part will be made public, if any. Then we will know what we are doing. As it is, we haven't gotten started at all. We are doing nothing.

Mr. HOSMER. I think we are all busy men and if we don't get down to the guts of this thing and the small-business relationship we are all going to be sitting around scrapping about affidavits and whether or not reports are accurate and a lot of the other things which are not tied in with small-business responsibility.

Mr. RIEHLMAN. Thirty seconds, Mr. Chairman. Let's proceed if we can with Mr. MacIntyre's presentation and see how it develops. If what he is trying to establish is not pertinent to the facts, I think we can decide then what we want to do. I don't think we are getting anywhere. So far I haven't gotten a thing. I don't know even where we are.

The CHAIRMAN. None of us have. At least we haven't gotten to ask any questions, at least Mr. MacIntyre hasn't. Mr. MacIntyre may proceed and later on if we have objections we will take them up.

The interrogation of the witness was again resumed. The testimony is similarly omitted here.

The CHAIRMAN. Now, we can stay here, if it is all right with the committee, until we have the first quorum call or the first notice of a rollcall.

Mr. ROOSEVELT. I can't do that. We are going to the floor immediately, Mr. Chairman.

The CHAIRMAN. Shall we go now or leave at 11 o'clock?

Mr. YATES. I would like to go ahead for another 10 minutes.

Mr. SILBERSTEIN. You understand the figures I am giving you are approximate.

The CHAIRMAN. Can we discuss this just a moment? It is important that we decide on meeting this afternoon. Now, will we be in general debate this afternoon?

Mr. HILL. I have to be on the floor, because there is a part of that I must watch.

The CHAIRMAN. I was hoping that the committee would agree to meet, say, at 2 o'clock, something like that. This is confidential and it is an executive session. A record will be taken and each one will be furnished a copy of it, and then nothing will be made public until we have a meeting of the committee in executive session, and with that understanding——

Mr. YATES. Speaking for myself, I will not be here because I am a member of the Appropriations Committee and the bill on the floor is from my committee.

The CHAIRMAN. I hope you don't object to any of the rest of us meeting at 2 o'clock.

Mr. MCCULLOCH. I can't be here.

Mr. RIEHLMAN. This is important to me personally and I want to be on the floor this afternoon, too. I don't think I have the time or any other member has the time to sit down and read the record after it is made. I think it is more important that we be present and the hours be set for the committee meetings when the members can be here. We are trying to establish a basis to find out what we can do to help the small scrap dealer. I want to be here every minute the hearings are going on.

The CHAIRMAN. You can't be here?

Mr. RIEHLMAN. I cannot this afternoon.

The CHAIRMAN. We had led Mr. Ablon to believe we would be through with him today. In good faith we did that. We didn't anticipate an 11 o'clock meeting of the House.

Mr. HILL. We didn't anticipate what was going to happen in the last 10 days on the floor of the House. You couldn't guess you were going to take all that time.

The CHAIRMAN. Mr. Ablon, if we are compelled to leave here in 5 minutes and we can't get back until tomorrow morning, we will just have to ask you to come back tomorrow morning.

Mr. YATES. Let's find out when it is convenient for him to come back, Mr. Chairman.

The CHAIRMAN. Well, the committee can't meet before tomorrow morning.

Mr. YATES. I know that, but I was wondering if perhaps the day after would be more convenient.

The CHAIRMAN. It would be very inconvenient to the committee to switch witnesses, wouldn't it, Mr. YATES? I think we ought to proceed in an orderly way.

Mr. YATES. I thought this was our last witness.

The CHAIRMAN. No; he is the first witness.

Mr. SEELY-BROWN. We only have two, the Commerce Department and Luria Brothers, as I recall.

The CHAIRMAN. We have some small scrap dealers.

Mr. YATES. I thought we were through with them. I am sorry. I didn't know. It was my impression.

The CHAIRMAN. We can have Mr. Ablon at 9:30 in the morning if it is all right with the committee.

Mr. MULTER. Will any other witnesses be called tomorrow?

The CHAIRMAN. Yes, we have some other witnesses.

Mr. RIEHLMAN. Can you get back tomorrow?

Mr. ABLON. My original hope was to do this last week, but my appearance had been postponed until the next week. I understood that wasn't convenient.

The CHAIRMAN. We couldn't do that very well.

May I have your attention just a moment. We have a lot of out of town witnesses for tomorrow. Suppose about Thursday, could that be more convenient for you?

Mr. ABLON. Tomorrow is better for me than Thursday, Mr. Chairman, because I have a lot of things to do.

The CHAIRMAN. Well, let's just meet here at 9:30 in the morning and finish with Mr. Albon.

Mr. HILL. I wonder how many more questions you have to ask him. That is what worries me seeing the whole volume of cards and not knowing how long you are going to take.

Mr. YATES. Let him ask the questions and we can strike out the stuff that isn't pertinent. What we did today was throw roadblocks in the way. Let's listen to the testimony and after that we can take out what we want.

The CHAIRMAN. We will have time tomorrow.

Mr. RIEHLMAN. If we start at 9:30 we will have 2½ hours in the morning.

The CHAIRMAN. Let's recess now and meet here at 9:30 promptly in the morning and get started so we will get through with Mr. Ablon.

We certainly regret it, Mr. Ablon, but it was something beyond our control.

Without objection, the committee will stand in recess until 9:30 tomorrow morning.

(Whereupon, at 10:50 a. m. the committee recessed to reconvene at 9:30 a. m., Wednesday, June 19, 1957.)

(Wednesday, June 19, 1957)

The committee met, pursuant to recess, at 9:35 a. m., in room 129, Old House Office Building, Hon. WRIGHT PATMAN, chairman, presiding.

Present: Representatives PATMAN (chairman), HILL, RIEHLMAN, SEELY-BROWN, MCCULLOCH, HOSMER, BROWN, ROOSEVELT, YATES, MULTER, and EVINS.

Also present: Everett MacIntyre, general counsel; William Summers Johnson, chief economist for committee; Park Dalmas, advisor to minority members of committee; Marie M. Stewart, clerk.

The CHAIRMAN. The committee will come to order.

We will have Mr. MacIntyre ask questions of Mr. Ablon. Mr. MacIntyre, you may proceed.

The testimony of the witness, which appears at this point of the record, is similarly omitted.

Mr. HOSMER. Mr. Chairman, while the gentleman is looking over the document, I made the point yesterday that I thought irrespective of the mechanics of these sales, and irrespective of whether or not there was a

written contract, the line of inquiry should be as to what effect, if any, the actual condition has upon small business, either small business which is in the export business, or small business in the domestic scrap business. These technical arrangements, I think at this point, are not particularly pertinent to the inquiry and only are time consuming.

The CHAIRMAN. What do you expect to prove by that?

Mr. HOSMER. If we find there actually is an adverse effect on that——

Mr. MULTER. I think, Mr. Chairman, that we must first show what the situation is in the industry before we can show the effect the contract has on any part of it. I think that is basic to the inquiry. If there is any effect on small business, we will try to show what has brought it about.

The CHAIRMAN. What do you think about it?

Mr. MULTER. It may have none, but I think we should show what the situation is in the industry to determine whether or not these contracts have any effect on small business.

The CHAIRMAN. In order to do that, Mr. MULTER, we will have to have these other witnesses first, I imagine. What do you think about arranging with Mr. Ablon to have a subsequent date with him and go ahead and have the other witnesses?

Mr. MULTER. I am suggesting Mr. HOSMER in this instance is wrong. I think we have to take Mr. Ablon's testimony, as we did that of the other big companies, in order to know what the situation is as between them then we can go on and determine does this have an adverse effect on small business. It may have a good effect upon it.

The CHAIRMAN. Mr HOSMER, I wish you would just wait and let Mr. MacIntyre try to make the point that he is trying to make. I believe in the interest of saving time it would be better. If we had to take up each one individually, well we would just never get through. It is an executive session anyway and we are not going to let anything go in the public record that is not all right. We will pass on it later.

Mr. HOSMER. My only point is if there is no adverse effect on small business, the inquiry is unnecessary.

The CHAIRMAN. It will have to be that way.

Mr. HOSMER. I say let's try to find out first if there is an effect.

Mr. YATES. How do we know whether there is if we don't have testimony first?

Mr. HOSMER. We just had statistics given as to what proportion of business is done domestically and exportwise by Luria. We have had it from several other big people in the field.

The CHAIRMAN. Gentlemen, we will have to resolve this question.

Mr. HOSMER. We have the physical facts.

The CHAIRMAN. Do you want to hear this testimony or not?

Mr. EVINS. I was not here yesterday and I got a report on the meeting and I came here today to hear the testimony today. Based on what information I have heard, I would like to hear the rest of the testimony. I hope counsel can proceed, get the facts and then we can determine the result later.

The CHAIRMAN. Will somebody make a motion we let counsel proceed?

Mr. YATES. I don't think we need a motion. I think we should let counsel proceed.

The CHAIRMAN. Mr. HOSMER, will you agree to that or do you want us to make a motion and see how we stand on it?

Mr. HOSMER. I don't care. If the committee wants to go ahead with it, that is perfectly fine. I just wanted my attitude to be of record. That has been placed of record now and it is up to the committee.

The CHAIRMAN. Yes, sir. Suppose we let Mr. MacIntyre proceed and go ahead and make his case. Let him take an hour, if necessary. That will be 10 of 11 and we will give him that time to make his case.

The testimony of the witness is resumed. It is omitted for the reasons previously stated.

Mr. MULTER. May we have it this way: Let us have any agreement that was in effect or was canceled as of December 1, 1955, and let us have any subsequent agreements or rules or regulations under which they were operating as applied to subsequent business and as in effect today, with appropriate communications with reference to what is in effect today, together with any existing contracts with either Japan or OCCP.

Mr. MACINTYRE. The subpena calls for the production of those documents.

Mr. MULTER. There is no indication of refusal to produce them.

Mr. ABLON. No, sir.

Mr. MULTER. There seems to be some reluctance to submit them for our records. From what has been said, I can't see any reason why they shouldn't be made a part of the record, with any additional statements they want to make as to why they should not be made public, if we decide to make the record public.

Mr. MACINTYRE. In that connection, I would like to report to the committee that the document I asked the witness to identify was not received by anyone at this committee from the Federal Trade Commission. We didn't know it was there. This came from a member of the trade, and while I am remarking on that point I would like to say we have a copy on the desk, or what purports to be a copy of the contract between Luria Bros. and the Japanese cartel. Likewise, we did not get that from the Federal Trade Commission, but it was received through the mails without any indication as to who sent it. Maybe the Japanese cartel sent it.

Mr. MULTER. What I have in mind is, if Mr. Ablon and his counsel won't supply this for our record, we can get it. It may take time, but we can get it through the State Department, or from the Japanese Government, or the OCCP. We can get them.

Mr. ABLON. I have no hesitancy whatsoever to furnish this committee with anything that you wish and I hope that I might make that clear. I thought I made it clear yesterday.

I am trying, in a very amateur way, to bring to your attention fully the position of our lawyers in regard to the Federal Trade Commission.

Mr. MULTER. We don't want to publicize to your competitors any trade secrets you have; we want to protect you in the way you should be protected. At the same time we want to develop the facts so we have a complete story on this situation.

Mr. SILBERSTEIN. May I say this: During the Federal Trade Commission hearing, it was recognized that their primary interest was to find out what we are doing, how much we are doing, and who we are doing it with. We asked for a ruling and had this confidential information received in camera.

There was a great deal of discussion on the record between ourselves and the Federal Trade Commission, but the hearing examiner finally determined that was a proper request and on that basis most of the documents that contain the intimate details of Luria were received in confidence.

Now that is why we have the same reluctance in this proceeding, as we exhibited before the Federal Trade Commission, to disclose to anyone how we do business. That is not based on any feeling that any member of this committee is going out and tell the story of how Luria does its business to the competitors, but I have also an additional suggestion that we are involved in what I consider to be a judicial proceeding to determine whether there has been any violation of the antitrust laws by Luria Bros. and these men have spent an interminable time in that proceeding, but it is drawing to a conclusion. We have put in a thousand exhibits, some 40 and 50 pages in length. There has been 10,000 pages of testimony.

Now we have a hearing going on in July that I think will about end the Government's case. Then we will find out whether our client is abiding by the law, and if not, he will have to change his method of dealing. We have laws to decide that, and bodies to determine it. We have to live within the law.

Now we come again before this body. We are told that you are a Small Business Committee. I say that we are involved in competition with big firms and the protest that has been made here has been made by big firms, because this is big business we are dealing with. Nobody can engage in the export business and say you are small business.

Here is a contract for 600,000 tons of scrap. Japan is buying from a great many other companies and is buying large tonnages from those companies.

It is true OCCF buys scrap; Great Britain buys scrap. All countries in Europe buy scrap and to the extent it is permitted by law, this company tries to get business from them.

Now this isn't a question as to whether Luria is in violation of the antitrust laws because that is being judicially determined. We have courts and administrative bodies to determine that and surely I do not want our client's right to have that determined in a judicial proceeding prejudiced by any action that may be taken here.

Mr. BROWN. Mr. Chairman——

The CHAIRMAN. Mr. Brown.

Mr. EVINS. Could I ask a question first?

Mr. BROWN. Surely.

Mr. EVINS. Mr. Ablon stated that there probably are a hundred of these contracts already made available, so if that is the case, I wouldn't see why you would have an objection to putting that in the record.

Mr. MACINTYRE. A competitor of Luria Bros. handed this in to the committee.

Mr. MULTER. You see, that is just it. That sustains his view that it is only his competitors, who are big business, that are complaining.

Let me make this point: This is the impression I have gotten up to this moment of what the situation is: We could very easily say that Luria Bros., as of this time, at least to my mind, can be put in the same position as General Motors. Originally we had hundreds of small companies throughout the country competing in making automobiles. Today we have three companies. General Motors is making parts for automobiles and assembling them all over the country so as to beat the transportation charges.

The picture developed here, whether the complaints come from big business or small business, and they have come from both, is that Luria Bros. is getting into the position of General Motors. It generates scrap in each particular part of the country and ships from that particular part of the country, leaving the little fellow in a position where he can sell only to Luria Bros. or he has to throw his scrap away or go out of business.

Now if that is the position, we are not concerned with whether he is violating the law, the antitrust laws, in doing that; we are concerned with whether or not the law prevents Luria from doing that. If it doesn't, we have to come up with a recommendation to protect the small-business man who may be forced out of business if Luria is going to be the monopoly that General Motors is.

Further evidence adduced at this point is similarly omitted.

Mr. EVINS. This is all very interesting, the whole picture in the industry. It is a little different than what we heard earlier. We got an earlier impression that certainly a large number of scrap dealers hope there are automobiles and dented and wrecked cars, but there are fewer and fewer brokers and it is being more concentrated. Mr. Silberstein has given us the statistics. It is growing and it is larger, which is a different story than what we had.

With repect to the contract, I think we should have that received.

The CHAIRMAN. I thought we had already received it.

Mr. YATES. Yes, we did.

Additional testimony is similarly omitted.

Mr. MULTER. Mr. Chairman, if no one else has any other questions at the moment, I would like to suggest this to counsel: Without intending to infer that anything Mr. Ablon has said is inaccurate or incorrect, may I suggest that Mr. MacIntyre indicate to us whether or not he has any information to contradict anything Mr. Ablon has told us?

The CHAIRMAN. Let Mr. MacIntyre proceed.

Now an hour and 5 minutes ago we gave him an hour, but he has not had but a very few minutes. Let him go ahead for a while.

Go ahead, Mr. MacIntyre.

Testimony adduced at this point is similarly omitted.

Mr. SILBERSTEIN. I want to point out, if I may, this is exactly the area of 10,000 pages of testimony before the Federal Trade Commission.

The only reason I interrupted was not to stop the witness from testifying, but there are pages in the record which explain the history of dealing with Luria Bros. by various dealers in this country.

Mr. MACINTYRE. Mr. Chairman, the members of our committee are wanting to know how it is that their charges made against Luria Bros. about it coming into a monopoly position compared to what it one time had and what the opportunities were for small people at one time as against now.

Mr. HOSMER. I would like to——

Mr. MACINTYRE. The questions I ask now are going to that.

Mr. HOSMER. Why don't we ask the Federal Trade Commission why they brought a monopoly proceeding against them, or whatever proceeding they have?

Mr. MACINTYRE. I don't want to fight the Federal Trade Commission case up here in this committee.

Mr. MULTER May we get this fact on the record: Up to 1951, did Luria Bros. have any exclusive arrangements with any steel mills?

After further testimony, which is similarly omitted, the following occurred:

The CHAIRMAN. Mr. MacIntyre, suppose you check the documents. Do you have all of those documents here, Mr. Ablon?

Mr. SILBERSTEIN. I think there are some mistakes in dates.

The CHAIRMAN. But there is enough to identify the document, I assume. If the dates are wrong, that can be taken into consideration.

What I would personally like for the committee to do is to accept the documents for the record. Of course, it is a confidential record. They will not be made public until the committee meets and passes on each one and then we can let Mr. Ablon go unless you want to ask more questions.

Mr. ROOSEVELT. I have a question I would like to ask.

Mr. MULTER. Before we leave the matter of documents, would it be more convenient if Mr. Silberstein prepared the documents with the list and appended to each document his statement as to why the document should not be made public so we can have it before us when we get ready to decide whether to make the record public?

The CHAIRMAN. That would be all right.

Mr. MACINTYRE. Also, in that respect, because I know Mr. McCulloch raised that question, that there be in that statement that is appended to each of these documents a showing of whether that particular document or a copy of it has been submitted to the Federal Trade Commission and what its status is there, whether it is in camera or what it is.

The CHAIRMAN. Yes; and whether or not he objects to it being made public. If so, the reason for it.

Without objection, we will do that then. Any other questions?

The testimony of the witness, which is similarly omitted, continued until 12:50 p. m., at which time the witness was excused.

All of this discussion between the members of the committee and counsel occupied about 40 pages of a transcript of 245 pages taken in 2 days in June 1957. The printed record of the hearings, exclusive of the parts not released, consists of 427 printed pages.

Mr. Speaker, that is the record. I will stand on it and by it, convinced that it establishes that my colleagues and I did our sworn duty and did it without fear or favor.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. HOSMER. I happen to be the other so-called villain of that piece. At this particular point, I should like to say that as the gentleman pointed out, whatever information or misinformation, he used was purloined from the committee's confidential files. I do not believe the writer paid any money to whoever purloined the material for it, but it does seem to me, and I think it should seem so to any reasonable man, that when somebody steals something and then comes around and offers it to you, you certainly should have a suspicion as to the person's integrity, motives, and attitudes. Therefore, the gentleman's statement that a check should have been made by those persons involved certainly applies in this particular instance, and there was a moral responsibility if not a legal one upon the author of that article.

Mr. MULTER. The unfortunate part about it all is that as it stands now we do not know whether he fabricated the story himself on the basis of some information that was leaked to him or some member of the staff of the committee had attempted to give him quotes, in which event the person giving the quotes is responsible for the misquotes. We do not know that at this moment. Before we get through our committee will have to find out just what did happen, as far as the staff is concerned.

Mr. HOSMER. Mr. Speaker, will the gentleman yield further?

Mr. MULTER. I yield.

Mr. HOSMER. I should like to bring out something further in that regard, because the article itself that the gentleman has placed in the RECORD makes an allegation that the committee files were loaded with evidence that small competitors were being driven to the wall by Luria's control of scrap steel, but HOSMER and MULTER insisted that the probe was out of order.

What might have been in the committee files, of course, we as committee members do not know, except to the extent the case was being presented to us. However, the gentleman and I diligently sat through several days of hearings. I took a look at those hearings. Incidentally, they were published in 1957. They were available to the writer of the article at the time he wrote, as well as to anybody else of the public.

There were several Government witnesses, Mr. Weeks, the Secretary of Commerce, Harold C. McClellan, the Secretary for International Affairs, Wilbur Williams of the Bureau of Foreign Commerce in the Department of Commerce, and Dr. Kenneth Hunter, of the Federal Trade Commission. He is an economist down there. They were all talking about this business of export quotas, and so forth.

Several industry witnesses came up to tell us about anything that was wrong. The first one was a man named Stanley Diefenthal. He is vice president of the Southern Scrap Material Company of New Orleans. He testified that this is a 60-year-old company buying and selling wholesale scrap in that area and doing an export and domestic business—by no manner of means a small business.

The next witness who was telling about these things is Samuel Newirth. He is vice president of the Associated Minerals & Metals Co. At page 68 of the hearings, he stated that in 1957 the business of his company amounted to between $150 million and $200 million. Now, that was definitely not a small-business man.

The third witness we heard was a man named Jacob Feldman, president of Commercial Metals of Dallas, which he said has been 30 years in the business of exporting to Japan, the OCCF countries, Mexico, England, Yugoslavia, and Spain, and at page 128 he said his company was doing $5 million worth of business a year with OCCF alone and was next to Luria in the size of shipments being made.

On page 132 of the hearings he talked about handling 400,000 tons of sales to Japan in 1956, and at page 147 of the public transcript of the record he admitted that his business had done a $100-million job in 1956. Now, he was not a small-business man, either. If you will recall, at page 157 of the record you remarked that here we have been hearing from about everybody who is big business in this field.

Mr. MULTER. Let me direct your attention to my exact statement on the record. It is as follows:

This is certainly an unusual experience for the House Small Business Committee. From what I have observed in this hearing, we have three of the biggest competitors in this field, certainly big business in my mind, coming in and pointing the finger at a fourth

in the field who may be a little bigger than those three, but big business, coming in here trying to help the little fellow. That is revolutionary.

That is my precise quote.

Mr. HOSMER. Yes.

Mr. MULTER. And then if you remember, toward the end of the hearings the distinguished gentleman from Tennessee [Mr. EVINS] remarked that when we started these hearings we expected to find that small business was being throttled and all the evidence shows in this field at least that they are prosperous and getting bigger and more prosperous.

Mr. HOSMER. The very next witness after you made your statement was Morris Schnitzer, president of the Schnitzer Steel Co. in Portland. At page 211 of the hearings, he testified that in 1955 his business was between $4½ million and $5 million. In 1956 it was between $6½ million and $7 million. So he was growing. I think the remarks that you just quoted are pertinent to these big-business men wanting a relief from these export quotas they were complaining in particular, and of Luria in general, as a competitor.

Mr. MULTER. Really, it is a strange thing. This columnist tells about how you and I did the hatchet work to prevent this hearing from going on. We had eight volumes of testimony before we concluded the hearings. There were 426 pages of printed testimony, which excludes that which is still sealed at the request of the witnesses and in accordance with the rules of the House and the rules of the committee and the express promise of the unanimous committee that no witness' testimony would be released without his consent and this particular witness' consent to release his testimony has not been given up to this moment.

Mr. HOSMER. That is correct.

The burden of the article briefly or bluntly is that HOSMER and MULTER, aided by MCCULLOCH, used every trick in the trade and the book to stymie the committee's questioning of Mr. Ablon, president of Luria Bros. This is very interesting since the committee itself was very doubtful about questioning Luria Bros. at all, and it was I that insisted that they be brought down for questioning.

And if I may quote the following from pages 150 and 151 of the printed hearings of Wednesday, May 22, 1957, that was almost a month before the hearings that we have been talking about.

The CHAIRMAN. We asked Mr. Diefenthal to come back today. We should have used him the first thing this morning but we could not conveniently. We asked him to come back at this time, if he will please.

Mr. HOSMER. While he is coming back, Mr. Chairman, may I inquire if the committee has subpenaed Luria Bros.?

The CHAIRMAN. They have not been requested to come.

Mr. MACINTYRE. (That is the committee counsel.) They have been invited but not subpenaed. They declined the invitation to attend.

Mr. HOSMER. I never heard of Luria Bros. until this thing started last Monday. They sound very fascinating. I would request we subpena somebody from Luria.

The CHAIRMAN. Let us have them subpenaed for Friday morning.

Mr. MULTER. Where are they located, Mr. Chairman?

The CHAIRMAN. Philadelphia and New York.

Mr. MULTER. I do not think you ought to issue a subpena to be served on Thursday for a company to come here Friday.

The CHAIRMAN. It is not something they are wholly unaware of, Mr. MULTER. It is something they are acquainted with, I am sure; and it is possible they would be willing to come if they are going to be subpenaed. We will try to communicate with them and see if they will.

Mr. MULTER. Let us make a reasonable request, and they won't have an excuse to turn it down.

The CHAIRMAN. They have already been alerted about it and asked to come, and they did not want to come at that time. It is possible now they will want to come. I assume they will. After this, I imagine they will seek an opportunity.

Mr. HOSMER. These other witnesses are here under subpena, are they not?

The CHAIRMAN. Yes, sir.

Mr. HOSMER. Let us subpena them.

The CHAIRMAN. We will subpena them. Try to get some representative of the company, anyway, for Friday. If you cannot, we will subpena them for some time that will be within the bounds of reason.

Now, from that conversation, apparently, Luria would not agree to come down voluntarily to appear on Friday, and it was not until June 18 that they showed up in the person of Mr. Ablon, and it was in response to the very subpena that I insisted be served.

Mr. MULTER. In that connection the gentleman will recall they started to take his testimony without administering the oath, and it was I who insisted that, like the other witnesses, this witness representing Luria Bros. be sworn and testify under oath.

Mr. HOSMER. That is absolutely correct, and we also insisted that they comply with the other rules of the House of Representatives with regard to hearings.

If the gentleman will yield further, I would like to recount a little more about these witnesses.

After this Mr. Schnitzer's appearance from Portland, we had Morris Rosoff, who is counsel for the National Association of Scrap Dealers, Inc. His testimony appears at page 214. His testimony was directed against curtailment of exports and was not in any way aimed at Luria.

Finally, it was not until page 222 of these extensive hearings that we got to listen to a small-business man in this field. He was Stanley J. Asrael of Arlington, Va. At page 228 is found about the only thing he had to say about Luria Bros., and it was the fact that up until some time ago there were four or five people who were buying scrap, that then it got down to only two; and our colleague the gentleman from Illinois was asking him about those two in the following terms:

Mr. YATES. You must deal exclusively with Luria Bros.?

Mr. ASRAEL. No, sir. There is one additional broker that buys scrap for Bethlehem at Sparrows Point. The name is H. Klaff & Co., Baltimore, Md.

Mr. YATES. They buy for Bethlehem, also?

Mr. ASRAEL. Yes, sir.

Mr. YATES. Have you found any difference in price, as a result of the change in operation?

Mr. ASRAEL. It is a very difficult thing to tie down. I do remember that during certain periods, when we had more brokers vying for scrap, that there would be spirited competition in certain market conditions.

That is the entire amount of testimony in the record of the whole hearings that pertain to Luria Bros. and its effect upon small business, and up until the 18th of June concerning which this writer wrote his column.

Mr. MULTER. The column is full of inaccuracies, misstatements, and misquotations. I have already inserted in the RECORD every statement made on the record during the course of this examination by the members of this committee.

There is no doubt that the record does not sustain the charges made by this columnist.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. HOSMER. I would like to enlarge upon that, if I may, to some extent. This transcript of the hearings for June 18, the session to which the article referred, was syndicated all over the country on February 9, 1958, over seven months after the committee hearings.

At page 16 the following colloquy between the chairman, our colleague from Illinois [Mr. YATES], and myself occurs following Ablon's testimony and prior to the questioning of Ablon by committee counsel:

Mr. HOSMER. In connection with the counsel's questions, I, of course, don't know what they will be, but I think if this committee gets into questions as between small millionaires it is outside of its scope.

The CHAIRMAN. Repeat that, please.

Mr. HOSMER. It is outside the scope of activity. Now, I would like to see counsel, and I shall object unless he does otherwise, confine this to whatever actions of these people are of a direct or indirect effect upon small-business men and not large or small millionaires that happen to be in the same category possibly as the witness may be.

Mr. YATES. On the question of small business, one of our definitions was the relative position of the company in the industry and the company could be a millionaire and still be small in terms of the entire industry, can it not?

Mr. HOSMER. I think we are wasting our time if we are not devoting most of it to the actual small-business men who have neither the facilities physically or financially to take care of themselves, and I will maintain that position.

It is evident from that colloquy, it is evident at many other places in the RECORD, that what the gentleman from New York [Mr. MULTER] and I and the gentleman from Ohio [Mr. MCCULLOCH] were attempting to do was to take the course of this committee out of the mud and the muddle of confusion into which it was placed by the efforts of counsel to pick up a matter that was before the Federal Trade Commission that was between millionaires, large and small, and getting it back on the track of getting information of benefit to the problems of the small-business men of this country. I thoroughly share the gentleman's

indignation that the motives of himself, myself, and the other good members of this committee who were trying as honestly and as sincerely as they knew how to put this committee into the business for which the Congress has been persuaded during the 85th Congress, alone, to appropriate almost a half million dollars. That is, to take care of these little fellows who cannot take care of themselves, not to get in and try to settle fights between millionaires or to make a vendetta against some cases, procedures, or whatever might be going on, down at the Federal Trade Commission.

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include miscellaneous quotations from the record of the hearings.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. May I ask what, if anything, the gentleman might have done with respect to trying to track down who it was that caused this confidence to be violated?

Mr. MULTER. I have discussed the matter with the chairman of the committee, and he delegated the staff director to try to find out what, if anything, the staff knew about this. I have received a letter from the staff director in which he indicated the names of all of the members of the staff who had access to this sealed testimony and the sealed record, and he tells me none of them, apparently, had anything to do with the releasing of this information to this columnist. However, that does not settle the question, because there were other members of the staff who were not charged with the duty of taking care of this sealed record who will have to be interrogated to determine what, if anything, they had to do with the matter.

Mr. HOSMER. May I ask if among those interrogated was a person named Joe Marshall?

Mr. MULTER. I can refer to the letters and give the gentleman the answer.

Mr. HOSMER. I wonder if the gentleman would feel that those letters might be a valuable addition to the record of today's proceeding.

Mr. MULTER. I have no objection to making it a part of the record, if I may have unanimous consent to place the two letters in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. The letters are as follows:

SELECT COMMITTEE ON
SMALL BUSINESS OF THE
HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
85TH CONGRESS,
Washington, D. C., February 14, 1958.

Hon. ABRAHAM J. MULTER,
House of Representatives,
Washington, D. C.

DEAR MR. MULTER: The chairman has directed my attention to the Drew Pearson article which appeared in last Sunday's edition of the Washington Post and with reference thereto, I want you to know that none of the information reported in that article was supplied by any member of the committee's staff.

In accordance with established procedure, transcripts of the proceedings of executive sessions of the committee are made available only to members of the committee. Moreover, the transcripts in question are handled only by those individuals on the committee's staff whose work requires them to be familiar with the testimony.

The transcripts in question have been maintained in our locked files at all times and as indicated above, copies have been released only to members of the committee and to two or three members of the staff whose official duties have required them to know about the nature of the testimony.

I have satisfied myself that access to the transcripts involved herein has been limited to the parties identified above and that none of the information mentioned in the article was obtained from a member of this staff.

Sincerely yours,

BRYAN H. JACQUES,
Staff Director.

SELECT COMMITTEE ON
SMALL BUSINESS OF THE
HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
85TH CONGRESS,
Washington, D. C., February 14, 1958.

Hon. ABRAHAM J. MULTER,
House of Representatives,
Washington, D. C.

DEAR MR. MULTER: As indicated in my previous communication, copies of the transcripts containing confidential testimony pertaining to the scrap industry have been kept in locked files of the committee's office, the keys to which are regularly kept in possession of the clerk and administrative assistant, Mrs. Stewart, and Mrs. Deem, respectively.

For a short time during December 1957, both Mrs. Stewart and Mrs. Deem were absent on leave and during this time, Mrs. Coe had possession of the key to the locked files. Since January 1, 1958, however, she has been employed by Representative ROOSEVELT and works in his office.

During August 1957, I forwarded a copy of Mr. Ablon's testimony (pp. 1–170) to his attorney, Mr. Silberstein, in order to permit corrections to be noted and to obtain his views concerning publication thereof.

Miss Topping, who has been preparing the scrap report, obtained a copy of the confidential testimony in question during about September 1957 and has retained possession of these transcripts since that day. They have been kept in a locked filing cabinet maintained in room 454. There is only one key to this locked filing cabinet and it is kept in the possession of Mr. Fairfax, secretary, who offices in that room.

Miss Blackburn handled the corrections to the testimony in that she transposed those corrections supplied by the members and witnesses to our master copy. While she was performing this task, the confidential transcripts were kept in a locked filing cabinet, the key to which was in her possession. No other member of the staff officing in room B103 or B105 had a key to the filing cabinet in question during the time involved.

I am satisfied that no staff employee, other than those mentioned, made use of or had access to the transcripts in question. All of them will be available in case it is desired that they attend a committee meeting.

Sincerely yours,

BRYAN H. JACQUES.

To answer the precise question, the name of Mr. Marshall is not in the letters.

Mr. HOSMER. The record of the hearing shows that he was present thereat. Marie M. Stewart, is she named?

Mr. MULTER. Mrs. Stewart is mentioned in one letter. I am told that she had nothing to do with the release of this matter.

Mr. HOSMER. Frances K. Topping?

Mr. MULTER. Yes; and I am told that she had nothing to do with this matter.

Mr. HOSMER. Park Dalmas?

Mr. MULTER. No. he is not mentioned.

Mr. HOSMER. William Johnson?

Mr. MULTER. He is not mentioned.

Mr. HOSMER. Everett MacIntire?

Mr. MULTER. He is not mentioned.

Mr. HOSMER. Well, I think certainly those three, MacIntire, Johnson, and Dalmas, whom the record shows were at that meeting, should be included in such inquiry. I am just wondering, and I would like to ask my colleague, considering the fact that the committee's files and records have been violated and that therefore there exists someone connected with the committee who is of a character to violate his or her trust, whether or not this committee can act effectively until and unless such individual is ascertained and the proper steps taken in connection with him.

Mr. MULTER. I think that that properly is a matter for the committee to take up, discuss and decide. I think the committee can properly handle it and should. I do not think we ought to take the time of the House with that problem. I think it is a committee problem and the committee should solve it.

Mr. HOSMER. I do not ask the question so much as a member of the committee, because I resigned from the committee last week to go on the Joint Committe on Atomic Energy, but having a considerable interest in the subject of small business and having, I might say, been inspired through that interest partly by association, and a pleasant one, with the gentleman from New York over these years, I have a natural concern that this committee put itself again in a position to be an effective help to the small-business men of the United States. I think that that committee is not now in that position due, first, to the individual who violated the information, and second, to the writer of the article who compounded the situation by publicizing it. And I think that it is the small-business men of America who can give no thanks to either of those two individuals.

Mr. MULTER. From my discussion with the distinguished gentleman from Texas [Mr. PATMAN], our chairman, I am sure that we will resolve the question within the committee and again do the very effective work that the gentleman has already referred to.

Mr. HOSMER. Mr. Speaker, now the position I took during these hearings may very well have been wrong, or it may very well have been right. But it is apparent from what I said at the time that it was not taken on behalf of so-called big business. Rather, it was taken by me in the sincere belief that the Small Business Committee should spend its time helping those small-business men who cannot

help themselves. That I sincerely believe is what the purpose of the committee is and why in this 85th Congress the Members have been persuaded to appropriate almost half a million dollars to support the committee's activities. I do not think it would vote that kind of money to help settle disputes between millionaires even if they are small millionaires, or to go into technicalities of cases before the FTC. I said as much again at page 44 of the transcript and I believe my position was supported by Mr. RIEHLMAN in his remarks immediately following on page 45.

On page 44:

Mr. HOSMER. I think we are all a bunch of busy men and if we don't get down to the guts of this thing and the small business relationship we are all going to be sitting around scrapping about affidavits and whether or not reports are accurate and a lot of the other things which are not tied in without small business responsibility.

On page 45:

Mr. RIEHLMAN. Thirty seconds, Mr. Chairman. Let's proceed if we can with Mr. MacIntyre's presentation and see how it develops. If what he is trying to establish is not pertinent to the facts, I think we can decide then what we want to do. I don't think we are getting anywhere. So far I haven't gotten a thing. I don't know even where we are.

Getting back to another allegation of the article that cannot be supported, it is that PATMAN angrily demanded of HOSMER:

Do you want to hear the testimony or not?

Carefully reviewing the transcript, I find no such question asked by Mr. PATMAN. The closest thing to it I do find follows a suggestion by Mr. MULTER that other defendants in the Federal Trade Commission proceedings against Luria Bros. be disclosed. To that Mr. PATMAN made the following reply:

The CHAIRMAN. Well, shall we proceed now with Mr. MacIntyre or shall we go ahead and have Mr. MULTER's questions answered first? It would be all right with me, Mr. MULTER, if you would go ahead and propound those particular questions now.

The article in question again slurs Mr. MULTER and myself by saying that even though the record was loaded with evidence that small competitors were being driven to the wall by Luria, HOSMER and MULTER insisted the committee was out of order because the FTC already was investigating the Luria monopoly. In picturesque language the writer of the artice stated that when Mr. ROOSEVELT "recovered from the shock" of such things he said the committee had an obligation to go into the matter because it could be years and years before the FTC comes to any answer. Mr. ROOSEVELT's statement somewhat along these lines was at page 39 of the transcript.

At page 27 of the transcript I had said:

Mr. HOSMER. However, whatever we may be investigating may be taken care of by the FTC this fall. So it is questionable whether these things are very cogent or not.

Eleven pages later in the transcript, after the committee counsel had bogged down in a lot of technicalities of the case before the FTC, including stipulations as to substitution of parties defendant which bore no apparent relationship to the committee's investigations of conditions in the iron and steel scrap industry, he finally explained at page 38 as follows:

Mr. MACINTYRE. The only thing is, are you going to get resolution of the Federal Trade Commission in any appropriate season?

Mr. MULTER. Is that the question, Mr. Chairman?

The CHAIRMAN. I think the question was raised by Mr. HOSMER.

Then, at page 39, Mr. YATES expressed his view that the committee counsel should get down to business as follows:

Mr. YATES. The pertinency of the stipulation which counsel entered into with the Federal Trade Commission and the objection to entering into such stipulation by counsel for the other companies I think has no relevance to our proceeding here. We are meeting here, I think, to try to find out, as I understand the purpose of these proceedings, to find out whether the activities of Luria Bros., in what way the activities of Luria Bros. have borne upon the other small business in that field. If we get bogged down in procedural matters that relate to the Federal Trade Commission, I don't think we will ever get into it.

You will note that Mr. YATES' foregoing remarks at page 39 were substantially the same as those I make at page 45 and quoted earlier. It was following Mr. YATES' remarks that Mr. ROOSEVELT made the observation I referred to a moment ago regarding the possibility of FTC case dragging on for years and years. To Mr. ROOSEVELT's observation, Mr. YATES, at page 40, replied as follows:

Mr. YATES. I am sure Mr. HOSMER's objection never intended this committee couldn't go into the hearings in executive session.

Mr. ROOSEVELT. He can speak for himself.

Mr. YATES. Even at the same time go into the facts. If he did, I certainly would be prone to argue with him on it, and I think that a committee vote would have to be taken.

The CHAIRMAN. That is what I had in mind.

Mr. HOSMER. Will the gentleman yield? Since I have been brought into this thing, my feeling is that if Mr. MacIntyre wants to emphasize that perhaps this Federal Trade Commission case will drag out a long time and therefore it is more imperative the committee go into this, then I think he has a right to do so, but I think he should say so in so many words.

Secondly, my other point that was touched upon by Mr. YATES is that whatever we go into here should be what effect does Luria Bros., whether acting legitimately or illegitimately, or just because they are big, does that have either on other small exporters or small-business men in the domestic business. Now, I think that we can proceed very happily and speedily with the inquiry if we are limited to those two (p. 41) issues. If we are going to fight the battle of the Federal Trade Commission and a number of other things, we are going to be here forever.

This particular colloquy extends further on page 41 of the transcript and is additionally revealing of the strenuous efforts by myself, Mr. MULTER, and Mr. MCCULLOCH to get the hearings out of the mess, mud and muddle of counsel's going into procedural details of the FTC proceeding and back on to the track of investigating for the purpose of helping small-business men who cannot help themselves, which is the concept I have of its duties that I am sure is shared by most of my colleagues. The transcript on page 41 continues as follows:

The CHAIRMAN. But, Mr. HOSMER, suppose in the introduction of that testimony it is necessary to bring in such documents as already suggested here? Will we take the attitude because the Federal Trade Commission has these documents that we are not going to permit them to be introduced?

Mr. HOSMER. I will tell you where it is wrong if you are asking me a question.

The CHAIRMAN. I am asking you the question because I want to know.

Mr. HOSMER. Whether or not Luria is big, let's forget about it. We will assume they are big. Assume they are in complete connivance with some foreign purchaser who by law has a right to purchase from whom he wants to anyway. Let's go into the question of whether this bigness or whether an agreement with a foreign purchaser or freedom on the part of a foreign purchaser to buy from whomever he wants is in fact hampering either small-business men in the export field or who want to get into the export field, or small-business men in the domestic field, whether they be in the retail sale of scrap or in the retail purchase of scrap. Now, I would suggest that the pertinent line of inquiry could be directed to the witness on those points. Then if we find out that there is under the assumed condition a difficulty for small-business men, then we could go in and get into Mr. Ablon's activities with the direct purpose of finding out some sort of way to legislate that foreign purchasers maybe have to buy from a lot of people or perhaps the scrap industry in the country can't stand anybody having more than 45 percent of the business domestically or something. Let's find out, establish first whether there is or is not an effect upon small businesses.

The CHAIRMAN. Well, I think we should determine this question now about the Federal Trade. If we are going to be prohibited from considering any testimony that is already before the Federal Trade Commission, I think we are going to be seriously handicapped.

Mr. HOSMER. Let's take it this way, Mr. Chairman, the facts and figures show—I don't think they have been placed on the record yet—that Luria probably does 46 percent of the export business; that Luria probably does 50 percent, maybe a little less, of the domestic business in the particular field in which it operates. If those aren't the facts, we can have them. Then let's find out what effect does that have upon small business.

Mr. YATES. I don't know that that is complete in itself. I would be perfectly willing to let Mr. MacIntyre go ahead and see where we go, but I would agree up to now, insofar as the Federal Trade Commission data interrogation and statements that were made, insofar as my own personal feelings are concerned, I don't think that is pertinent to our hearing. I think we are here to find out what Luria is doing and what is happening in the steel scrap business.

I would direct your attention to the last sentence of Mr. YATES foregoing statement in which he, too, evidences again, that the course of the hearings as directed by the committee counsel get to the point of what goes on in the steel scrap business, not what technicalities happen to be before the FTC.

Returning again to the inaccuracies of the newspaper column, you will note that it describes Mr. PATMAN as exploding and saying:

Please, please, let the counsel ask the questions he is trying to ask—

And so forth. A careful review of the transcript does not reveal such a statement by Mr. PATMAN.

Now I want to call to your attention particularly the following words in the article:

Republican WALTER RIEHLMAN, of New York, also was irked by the obstructing tactics of HOSMER and MULTER. He finally threw up his hands and exclaimed: "I don't think we are getting anywhere. So far I haven't gotten a thing. I don't even know where we are."

Undismayed, HOSMER shot back: "If we are going to fight the battle of the FTC and a number of other things, we are going to be here forever. My only point is that if there is no adverse effect on small business this inquiry is unnecessary."

The foregoing is a perfect example of just how the article takes what was said not only out of context, but wholly out of order as well, to place a false light on the events of the hearing in question and the motives of those who participated. I previously quoted exactly the full text of what Mr. RIEHLMAN said about not having gotten a thing out of the hearings. It appears at page 45 of the transcript. What I am alleged by the article to have shot back in an undismayed fashion at Mr. RIEHLMAN also has been quoted in full context previously, and it appears at page 41 of the transcript, which is a full 4 pages previous to Mr. RIEHLMAN'S remarks to which the article says it was a reply.

Now, either the article is wrong, or it really is "undismayed shooting back" when something you say at one point in time can be called a reply to what someone else says at some later point in time. I simply add here that it would seem to me to be a basic responsibility of anybody writing such an article as the one in question, particularly when it ascribes questionable motives to the people involved, to exercise responsibility in regard to the ordinary rules of fair play and propriety. It seems to me that over and over again it has been reiterated that freedom of the press involves a correlative responsibility.

There is another point that perhaps should be mentioned for purposes of both clearing the record and indicating the basic unfairness of the article, since its last paragraph indicates that Chairman PATMAN finally gave up after about 2 hours of hearings, "so effectively did HOSMER and MULTER yakety-yak the proceedings."

The truth and fact of the matter is that on the day the House was going into session at 11 a. m. instead of noon. In arriving at a time to bring Ablon back because the committee had to adjourn due to the House going into session early, Chairman PATMAN said this at page 51 of the transcript:

The CHAIRMAN. We had led Mr. Ablon to believe we would be through with him today. In good faith we did that. We didn't anticipate an 11 o'clock meeting.

Now one last point with regard to the article. In trying to paint me as a black, delaying scoundrel, its writer stated that HOSMER even tried to argue that the Supreme Court was against Congressional investigations, "a new wrinkle."

And indeed it was a "new wrinkle." You will note that June 18, 1957, the day of these hearings, was a Tuesday. You also know that Monday is decision day at the Supreme Court. You all remember, too, that it was Monday, June 17, 1957, that the Supreme Court handed down a decision that caused a tremendous amount of discussion among Members of this Chamber because it involved restrictions on the investigatory powers of Congressional committees. It was most certainly a natural topic for discussion at this Small Business Committee meeting the following day, as I presume it was at a number of other committee meetings. None of us had copies of the decision and only newspaper reports regarding it. I would like this record to show that I initiated the discussion that morning and just what I said. At page 13 of the transcript there appears the following:

Mr. HOSMER. Mr. Chairman, I am a little bit upset with respect to the Supreme Court decision yesterday, in which the Court apparently held that the only lawful scope of a Congressional investigative inquiry was as a foundation for legislation. Now, as to what specific act of legislation they have in mind, it is difficult to tell. Previously I think it was even enunciated by President Wilson that in his view the purpose of Congressional investigation was not only as a foundation for legislation but as a check on the administration of government and for a third and more broad purpose, that of informing the public. The Court has apparently limited the lawful functions of these committees to the purpose only as foundation for legislation. I think that before we get too much further into this inquiry or other one that we certainly should have that decision in mind.

After some discussion on the point by the gentleman from Colorado [Mr. HILL] and a statement by the gentleman from Illinois [Mr. YATES] that he did not believe the decision went so far, I asked him to yield and the following appears at page 14 of the transcript:

Mr. HOSMER. Will the gentleman yield? You perhaps may be very right. I raise the question because it is one that I don't think any of us should at this moment make a considered decision upon, and I think that the legal members of the committee staff should be instructed to get that decision and find out what the committee can do on the basis of it. I shall not raise any points of order in that regard this morning.

Mr. YATES. Insofar as my suggestion about letting Mr. MacIntyre proceed, are you in accord with that?

On page 15:

Mr. HOSMER. Yes; I think we are not in the position to do anything other than either go ahead or stop entirely until they examine the decision, and perhaps the wiser course in this case would be to go ahead subject to any objections that Mr. Ablon might want to make in that regard.

There is just one other thing I want to say. That is, that Members of Congress should not be put upon as those of us who participated in this discussion today have been put upon to correct the impressions created by a member of the press who writes a syndicated newspaper column. I hope the gentleman who wrote the column, if he sees this RECORD, will accept this as a fair point of view.

I wish to thank the gentleman for his kindness and generosity.

DISTORTED IMPRESSION OF BROOKLYN

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DORN] is recognized for 15 minutes.

Mr. DORN of New York. Mr. Speaker, a few days ago a statement was made on the floor of the House regarding my native city of Brooklyn, N. Y., in connection with the reporting of segregation, which I fear left a distorted impression of Brooklyn. I dislike to restate what was said but in the orderly form I must refresh your memories, let me quote:

There is a situation today in Brooklyn, N. Y., where daily racial conflicts occur, which are infinitely more serious and a greater threat to the peace of a community than Little Rock experienced. Interracial crimes appear to be the order of the day in strife-torn Brooklyn, but the great northern press and other mediums of public communication have meticulously sought to hide this fact from the public. White teachers and students have been beaten, stabbed, and raped, but these mediums deliberately conceal the fact that the perpetrators of these outrages are Negroes, and that these crimes are interracial. * * * Time and Newsweek carried accounts of the Brooklyn public school reign of terror last week, but neither mentioned that a partially blind child was raped by a Negro hoodlum. They mentioned, to be sure, that rapes, stabbings, beatings, and other forms of violence were widespread, but proceed to conceal from the public the racial identities of the attackers and victims.

This indeed is a distorted view of Brooklyn which I cannot let go unchallenged. I should like to set the record straight. All of the 12th District of New York, Brooklyn, which I represent, is a typical cross section of urban United States of America at its best, and we are proud of it. Inhabited by people of every race, creed and color, it is a center of democracy where every man and woman is a first-class citizen; where the ability of a man rather than the color of his skin measures the height to which he can climb; a city where freedom of speech is the sacred right of all, whether he lives in a tenement or a penthouse; a place where a man can protect himself against infringement upon his constitutional rights by due process of law and get a fair jury trial by his own peers, no matter what the tint of his skin; a metropolis where a man can exercise his right to vote without interference from prejudiced officials who would thwart the will of democratic processes in a republican form of government.

To be sure I cannot deny that we have the problem of juvenile delinquency in our city, but we are studying and fighting the problem of juvenile delinquency as a whole, not on a color basis. But this is a problem that is nationwide, not peculiar to Brooklyn alone, and I can see no reason why Brooklyn should be singled out for chastisement for a situation which exists in many other spots.

An attempt was made to show that the press, radio and TV had deliberately distorted or covered up the so-called racial facts, whereby these mediums had "played up" the racial incidents which have occurred in the South—that they had been biased in their reporting. As

a matter of fact, let's look at what the situation really is.

As you know the subject of civil rights has been much in the forefront of news in the recent past. The record shows that at least one major radio-TV network gave completely overbalanced time to Members of the Senate to present the southern viewpoint on that subject.

What has not been reported, for instance, is that in one section of the South, there is spent each year $98.15 for each white student and only $43.17 for each Negro child. In my fair city of Brooklyn, there is spent each year $361.99 for each pupil. Please note there is no division as to race, color, or creed. In Brooklyn, the average teacher is paid $4,552 per year for teaching children whether that teacher is colored or white, while there is one section of the South where the average white teacher is paid $2,261 a year and the average Negro teacher only $1,302. If the reporting is really biased as was charged, why are these striking facts not made much of? I believe the nationwide press and other news dispensing agencies of this country have done a magnificent job bringing to the attention of all the people many of the inequities which exist between the races in the South in a temperate manner. The partisan southern press, on the other hand, has made repeated pleas to the press agencies in the North to ignore the Constitution and the Supreme Court decisions of May 17, 1954, in an effort to help that section of the country sell segregation to the Nation and keep the Negroes second-class citizens. They attempt to do this by pointing out a number of incidents involving Negroes and whites occurring above the Mason-Dixon line. They would ignore the fact that you do not hold an entire race up to ridicule because of the acts of the few. The Negro race is the only one they want measured by this standard.

It is not mentioned that the highly respected law-abiding Negro citizens have won respected places in their communities and in the Nation. In my own Brooklyn, with its 200,000 Negro population, there are among its citizens many of the most prominent of these. To name a few, and their numbers are legion, there are district judges such as Myles A. Page, of the special sessions court; Clarence Wilson, of the domestic relations court; ministers, including Rev. John M. Coleman, member of the New York Board of Education; Rev. Sandy Ray, whose church has some 10,000 members and is one of the largest in New York; as well as such internationally known figures who started their careers with the Brooklyn Dodgers—Jackie Robinson, Roy Campanella, and Don Newcombe.

There are thousands of other Negroes in all walks of life who have made outstanding contributions to the future of Brooklyn and our country. In States where separate public-school systems have been preserved as in the South, there have been few if no outbreaks of violence and strife between the races because of the forced subjugation of Negroes' constitutional rights through the tremendous economic pressures which have been brought to bear by the White Citizens Councils and Ku Klux Klan types of organization. The economic level of the Negro has been kept so low by the activities of this type of organization that he has to be taken out of school before he can complete what education is given in an inferior school. Many Negroes leave the South and enter northern areas because of economic and other pressures. They migrate to large northern urban centers such as Brooklyn, because they believe there are better opportunities for education and rearing their children.

We in Brooklyn are proud of the accomplishments of our Negro citizens, though in all honesty we forget the color of their skins unless it is forcibly called to our attention, and think of them as we would any other of our neighbors.

QUESTIONS AND ANSWERS ON NEW TREASURY 8½-YEAR, 3-PERCENT BONDS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have been asked several questions about the new Treasury bond issue which was announced this morning. According to the announcement, the Treasury expects to sell $1,250,000,000 or thereabouts of new bonds. They will draw 3 percent interest. They will have a maturity date of 8½ years from the date they are sold. Commercial banks will not be allowed to buy an amount greater than 25 percent of their combined capital, surplus, and undivided profits. Commercial banks buying the bonds can pay for them by crediting the Treasury's tax and loan account.

Question. Why are the commercial banks restricted as to the amount of these bonds they can purchase?

Answer. Because purchases by commercial banks are inflationary. The commercial banks simply create or manufacture the money with which to buy the bonds. The banks create $6 for every $1 of reserves. The banks own about $60 billion in United States securities now that they created the money to buy, based upon reserves of $10 billion with the Federal Reserve bank.

Question. Why was this particular limitation applying to commercial banks decided upon—that is, a maximum amount equal to 25 percent of the bank's invested capital, surplus, and undivided profits?

Answer. This limitation was arbitrarily decided on by the Treasury. In other words, the Treasury arbitrarily decided how much inflation it would allow to come about in connection with the sale of these bonds. If there were no limitation the commercial banks would probably buy the entire issue.

Question. What is the significance of letting the commercial banks buy bonds by crediting the Treasury's tax and loan account?

Answer. This means that the commercial banks can buy the bonds, but, instead of paying the money to the Treasury, they keep the money and invest it or lend it on other things. The commercial banks keep the money until some unnamed date in the future when the Treasury will call on the banks to transfer this money to the Federal Reserve banks where the Treasury can then write checks against it. In other words, these are like other demand deposits, which is what the banks do business on.

Question. Does this mean that the commercial banks will draw interest on the bonds and simultaneously draw interest on the same money invested in other securities?

Answer. Yes. The bank will draw 3 percent interest on the bonds, and at the same time use the Treasury's money to make loans to commercial borrowers, or to invest in other securities. For example, if a bank buys a $100 bond, it will draw interest on that bond at 3 percent from the date the bond is purchased. But on the same day the bank may make a loan of the Treasury's $100 to some commercial firm, say at 4½ percent, or even higher rate, depending upon the type of loan and what the going interest rates are.

Question. Don't the commercial banks have to pay the Treasury interest for use of the Treasury's money?

Answer. No. The bank pays the Treasury no interest.

Question: Does the Treasury not lose by leaving its money on deposit with the commercial banks?

Answer: Yes. By leaving money on deposit with the commercial banks the interest-bearing debt of the Government is higher, by just that amount. And the taxpayers have to pay interest on this debt.

Question: Does the Treasury leave much of its money on deposit with the commercial banks?

Answer. Yes. There is usually between $3 billion and $6 billion on deposit with the private banks at all times. According to the Treasury's testimony given on the debt-increase bill, the Treasury's goal is to have an average of $3 billion on deposit with the private banks throughout the present year. In other words, an average of $3 billion means that the private banks will have the use of this amount of money for an equivalent period of 1 year.

Question: Why does the Treasury leave so much of its money on deposit with the private banks?

Answer: The Treasury depends, or thinks it depends, on the good will of the private banks in lots of ways. This is one way of buying good will. The banks, of course, like to have interest-free deposits, such as demand deposits are, because the more deposits a bank has, the more money it can create to put into loans or investments on which it draws interest. The Federal Government is not in any way dependent upon the private banks to purchase its securities.

Question: Could the Treasury not have gotten along with the $2 billion debt increase instead of a $5 billion debt increase, by eliminating the practice of

leaving an average of $3 billion on deposit with the private banks?

Answer: Yes. However, there is another thing to be considered, from the standpoint of the banks. The main backing for the FDIC insurance is a commitment of $3 billion which the FDIC has on the Treasury. The FDIC is supposed to be able to go to the Treasury and get this $3 billion anytime it is needed to cover the bank's insurance. However, this $3 billion commitment comes within the debt ceiling. So if the FDIC should need this money for the banks at a time when the Treasury is already up against the debt ceiling, then the FDIC could not get the money until such time as Congress acted to raise the debt ceiling further. By keeping $3 billion on deposits with the banks, the Treasury has in effect set aside the $3 billion to cover the insurance.

Question: Is this any more inflationary than if the Federal Reserve banks had created the money to buy the bonds?

Answer: No. The inflationary effects are the same. There is, however, this difference: The Federal Reserve banks are owned by the Government, and 90 percent of their profits are turned back into the Treasury. So generally the interest to the Government would have been 90 percent less had the Federal Reserve banks bought the bonds instead of the private banks, and the Government would own the other 10 percent although it is placed in the surplus funds of the 12 Federal Reserve banks.

Question: Why did the Treasury set an interest rate of 3 percent on the new bonds?

Answer: This is an interest rate which the Treasury decided on as being a rate at which the bonds will readily sell, after consultation with the big banks and the Government securities speculators who will actually buy most of these bonds.

Question: Is 3 percent too high an interest to pay?

Answer: No one can say for sure. The only way the Treasury might have gotten a better rate would have been to put the bonds up for auction. When the Treasury sells Treasury bills, it does put them up for action. Recently, however, the Treasury has engaged in some big giveaways in setting interest rates. For example, its last previous bond issue was a 3½ percent, 32-year issue, on which trading began January 31, 1958. This bond was issued in exchange for securities of an earlier date, and holders of these earlier securities were able to sell their rights even prior to the time that the new bonds were actually issued. In fact these bonds, or these rights to the bonds, were selling at a premium from the very first day of trading, which was 2 weeks before the bonds were actually issued. Yesterday, these bonds were selling at between $102.18 and $102.22.

NATIONAL DEBT INCREASING $5 BILLION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am inserting herewith a copy of my testimony before the Ways and Means Committee of the House of Representatives the 17th day of January 1958 on the question of increasing the national debt $5 billion above the present limit of $275 billion. I desire to invite attention to the following points discussed by me before this committee:

First. If the limit should be raised and a good case is made for the increase, it will not be opposed by me.

Second. Information has not been presented to convince a Member of the House that he should vote for a $5 billion increase.

Third. The testimony is persuasive that a $2 billion increase is needed.

Fourth. In the $5 billion increase, it is proposed that $3½ billion be on deposit in the Federal Reserve banks and the 11,000 commercial banks qualified to receive them. According to established policy, one-half billion dollars of this money will be retained in the Federal Reserve banks and the other $3 billion will be on deposit with the 11,000 commercial banks without interest.

Fifth. It is wrong to keep the $3 billion on deposit with the commercial banks because it is not needed there and it entails considerable additional expense on the Government including bookkeeping, to keep it in these banks, and, besides, the Government receives no interest on these deposits that are costing the people from 3 to 4 percent. The Post Office Department has a different policy for the handling of its money.

Sixth. The Treasury has the power now to borrow $5 billion directly from the Federal Reserve banks; therefore, it is unnecessary to keep the $3 billion in the commercial banks that is not available to be checked upon by the Treasury.

The testimony follows:

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Mr. Chairman, my name is WRIGHT PATMAN, and I represent the First Congressional District of Texas, and I have been serving in Congress since 1928. I am a member of the Joint Economic Committee, the Small Business Committee, and the Banking and Currency Committee.

The CHAIRMAN. You have been the chairman of committees in Congress for quite some time, particularly the Committee on Small Business, and you have done a good job as we all recognize.

We are glad to have you with us today. You are recognized to proceed in your own way.

Mr. PATMAN. I am here to discuss the increase in the debt limit. I am tempted to comment on what Mr. Brundage, the Director of the Budget, has said, but I shall not do so in view of the hour. I feel it would be an imposition on the committee.

I will say only that Mr. Brundage dug up a lot of snakes to kill, and I doubt very much that he will be able to kill those snakes during this session of Congress.

This resolution, H. R. 9955, by Chairman MILLS to raise the debt limit by $5 billion, is the matter I desire to discuss. Naturally, I do not believe any member would oppose an increase in the national debt if it is needed for national defense. If this committee, in its wisdom, sees fit to increase the national debt, I have a condition which I hope that you will place upon the authorization.

Secretary Anderson mentioned that we have a law now which permits the Secretary of the Treasury to sell securities in an amount up to $5 billion, directly to the Federal Reserve banks. If that were done in this case, it would save the Government, it is estimated, about $163 million a year.

The condition that I would like to ask the committee to consider, in the event this raise is granted, is that you make the requirement that this $5 billion be sold directly to the Federal Reserve System.

In other words, this is the language:

"All Federal debt in excess of $275 billion must be in securities held by the Federal Reserve System on direct purchase from the Treasury."

In addition to saving a large amount of money, this will cure situations that have been complained about by the Secretary of the Treasury and many people in business, banking, and finance.

While Secretary Anderson is appearing before this committee in support of the resolution to raise the debt limit by $5 billion, he also has a letter filed with the Banking and Currency Committee asking for continuance of the authority in the Federal Reserve Act whereby the Federal Reserve System can purchase up to $5 billion of securities from the Treasury. This authority has been extended every 2 years, and there has never been any opposition to it.

Up until 1935, there was no limit of $5 billion and the authority was without a time limit. Since 1942 it has been $5 billion, and the time limit has been 2 years, but the authority has always been extended each 2 years.

Now, in the letter that Secretary Anderson wrote to the Banking and Currency Committee asking that this authority be extended, I submit, he gives reasons in support of the argument that I am making now which is that you should attach a condition to this increase of $5 billion to the national debt.

I will quote from a letter signed by Robert Anderson, Secretary of the Treasury, dated January 3, 1958:

"We recommend that the temporary authority be extended an additional 2 years. The direct purchase authority is of important assistance to the Treasury in smoothing out the effect of short-run peaks in Treasury cash receipts and disbursements so that the disturbing effect of their flow through the banking system may be held to a minimum. Also, if the Treasury did not have the authority, it would be necessary to maintain larger cash balances than is now the case. The authority is only used occasionally, primarily immediately preceding periods of heavy taxpayments. However, it is an essential fiscal mechanism in avoiding unnecessary strains on the money market at such times, and in handling the distribution and utilization of Treasury cash balances and holding them to a minimum. Any borrowing under the authority is, of course, subject to the statutory debt limit.

"There is attached a table showing the holdings of the Federal Reserve banks under the direct purchasing authority from 1942 to the present time."

Now, then, in connection with Mr. Anderson's statement to the press when he announced he was going to ask for this increase in the debt limit, he was quoted in last Tuesday's Washington Evening Star as follows:

"As we seek to manage the debt of the great proportions that we have, we ought to have the ability to use the best and most efficient mechanisms that we can, and some consideration has to be given to a sufficient flexibility that will allow us a capacity to

do as good a job as we can in the management of the debt."

I suggest that the purpose for which he is asking for an increase in the debt ceiling is the same purpose that he has given in his letter to the Banking and Currency Committee asking that the Federal Reserve purchase authority be extended another 2 years from June 30, 1958.

Mr. Burgess testified the year before last in support of extending the Federal Reserve purchase authority. Mr. Burgess was, of course, Under Secretary of the Treasury under Mr. Humphrey. I will quote here what he said:

"The primary purpose of this direct borrowing authority has been to help the Treasury and the Federal Reserve System work together in minimizing the disturbing effects on the economy of short-run peaks in Treasury cash receipts and disbursements, particularly around the time of quarterly income-tax payments.

"Short-run movements of funds are large, and precise estimates of their day-to-day pattern are often difficult. This direct borrowing authority is a useful mechanism for the Treasury and the Federal Reserve and its use avoids unnecessary strains on the money market on a number of occasions."

That is the reason for this $5 billion authority.

Mr. EBERHARTER. Was that testimony before our committee?

Mr. PATMAN. It was before the Banking and Currency Committee on February 29, 1956, nearly 2 years ago. That was when the question of renewal of this $5 billion authority was up. Every 2 years it is up, and we always have a short hearing, but no objection to it.

Now, in the same hearing there was the testimony of the Honorable William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, who also endorsed the bill for the continuance of this $5 billion authority. Mr. Martin described the purpose of this authority as follows:

"This is an operating convenience under which the borrowing is always of a strictly temporary nature and occurs primarily in taxpayment periods. The authority has made it possible around such times for the Treasury to bridge temporary gaps between the Treasury's payment needs and its tax receipts, and in this way to smooth out some of the uneven flows of funds through the banking system and the money market that would otherwise result from the Treasury's operations.

"Avoidance through this method of Treasury borrowing of the sharp strains on the banking system that would otherwise arise from the sudden strains on the Treasury accounts with banks is equally as helpful to the Federal Reserve in carrying out its parallel responsibilities in the field of monetary and credit policy as it is to the Treasury in administering its fiscal responsibilities effectively."

So, as to the Federal Reserve purchase authority, we have the endorsement of not only two Secretaries of the Treasury, but we have the endorsement of the Federal Reserve.

Now this point is unmistakably clear: The purpose for which Secretary Anderson has explained he needs the $5 billion increase in the debt ceiling is exactly the same purpose which has been repeatedly given for the Federal Reserve purchase authority. The purpose is to absorb temporary increases in the Federal debt which are needed because of seasonal and other mechanical factors affecting the flow of revenues into the Treasury. And the seasonal factors have been demonstrated.

If you will turn to one of the charts that Secretary Anderson has presented, chart 5, you will find that every year there is a deficit at a certain period of the year and a surplus at another period of the year. So the object of this $5 billion is to smooth that out.

It is for these reasons, then, that I ask the committee to consider attaching to the $5 billion increase in the debt ceiling a requirement that, if and when any part or all of this authority is used, it will be used by selling securities directly to the Federal Reserve System under the authority now provided for this purpose in the Federal Reserve Act. None of this latter authority is in use at the moment, so the full $5 billion is now available. Direct purchase by the Federal Reserve System is best suited for handling the problems which the Secretary has described as making necessary this $5 billion increase in the debt ceiling, and it will save the Government about $163 million a year in interest charges.

That concludes my recommendation for specific action at this time, Mr. Chairman, but, if I may, I would like to offer several general suggestions which I think the committee might consider at some future time.

I personally feel, Mr. Chairman, that this committee should give serious consideration to setting up a policy of debt retirement that is more satisfactory than at present. We should have a scale of set-asides that would apply at different levels of prosperity—say with a minimum of 2½ percent in periods of general prosperity. This debt retirement budget ought then be included as part of the general budget; and Congress should then stay in session each year until we balance the general budget.

We must have debt retirement. There is all kinds of clamor for more and more debt. It is piling on the American people all of the time.

There are no plans for retirement of debts. You very seldom hear anything said about retirement of debts. Debts should be retired.

We ought to pay them off, and, if necessary, go into debt again, but we should have a definite plan for the retirement of our national debt. We should not let it go up this way.

Now, there are 2 or 3 other suggestions, Mr. Chairman, that I would like to add. There are other ways to save. We have a fine Federal Reserve banking system. We have a fine commercial banking system. It is great because it is operating in a capitalistic economy, the kind we all agree that we should have. It is the best in the world.

It is not perfect, but there is nothing wrong with the Federal Reserve that a couple of good amendments would not cure. It is the same way with the commercial banking system. It is as good as any system on earth. We want to encourage it.

Now, the Federal Reserve System has been used in the past, not so much by the Government, but by others. We are fortunate that we have the Federal Reserve banking system. It is subject to the orders of Congress. It is an agency of Congress. It is a servant of Congress.

Of course, all of its assets and all of its powers and privileges are subject to the call and the will of the Congress of the United States. No one questions that. The Federal Reserve System can be used now to a better advantage than it has ever been used in the past.

The Government owns the Federal Reserve System. It owns it entirely—lock, stock, and barrel. I know there is sentiment around over the country saying, "Well, the banks own the Federal Reserve System."

Of course the banks do not own the Federal Reserve System. Over the years I have interrogated Mr. Eccles and Mr. Martin and different people about it, and I think that Mr. Martin has finally come up with an appropriate and correct phrase that explains it. When I ask him now about the ownership of the Federal Reserve System, he always says that the banks have a nonproprietary interest in the Federal Reserve System.

That is correct. It is a nonproprietary interest, and no other. The Government owns it and should use it. Now is the time to use it. So, in the future when these securities come up for issuance, in addition to this $5 billion we have been discussing today, the Treasury should be asked by this committee to consider offering these securities first to the people. Encourage individuals to buy and encourage corporations and partnerships and insurance companies to buy them.

But say, "After you have sold, Mr. Secretary of the Treasury, all of the securities you can to people who have the money to pay for them, then instead of selling them to the commercial banks that create the money to buy them, sell them to the Federal Reserve." When the commercial banks buy Government securities, they create the money for this purpose, on the credit of the Nation, and then collect interest from the Government.

The Treasury could sell them to the Federal Reserve and pay the same rate of interest, but the money will flow back over into the Treasury.

Last year the Federal Reserve had earnings aggregating approximately $600 million. And $542 million of that money flowed over into the Treasury at the end of December 1957.

In that way we would pay the interest, but it would come back to the benefit of the taxpayers.

There are other ways of saving money. I shall briefly discuss one, since Mr. Anderson mentioned it, and it is almost a challenge to me. He said he wants to keep on deposit with the commercial banks and the Federal Reserve banks an average of $3.5 billion a year. Three billion dollars of this will be in deposits with the private commercial banks. This is according to the way the Treasury is now operating.

Now, I like Secretary Anderson, and I think he is a great man. I do not think President Eisenhower could have selected a better man to be Secretary of the Treasury. But I think he is clearly wrong about that. Why should he keep idle an unused $3 billion in the banks of this country? Do we owe them that obligation?

We have been keeping from $3 billion to $6 billion in the banks at all times, and I do not think it is justified, because it has been costing the people from $120 million to $240 million a year. The people pay their money for these bonds, and then the money is put in the banks and kept there idle and unused. Official records disclose, and I have the official records here, that for the last 8 months of last year we averaged $4 billion in the banks at all times.

Now, I do not object to paying the banks for their services. If they do any service, let us pay them for it. But let us not just keep billions of dollars on deposit with the banks, receiving no interest on the money while the people are paying a high interest on it. That would save at least another $150 million a year.

This morning when Secretary Anderson mentioned this matter of deposits, I sent out and got the New York Times. The New York Times and the New York Herald Tribune are two papers, I know—possibly there are others—which every Friday issue a New York Clearing House statement. This shows the amount of Government deposits in the banks in the New York Clearing House Association.

There are certain banks that keep over $100 million, almost invariably, of Government money that the Government receives nothing for, that the people are paying interest on. That just does not seem right to me.

This morning's statement is lower, I will admit. Secretary Anderson said it is lower

than it has been for a long time. It is so low that one New York bank that normally has $150 million had only $72 million last night. Another one has $45 million. Another one has $36 million, and so forth.

All over the country the Treasury normally keeps from $3 billion to $6 billion in the banks.

Now, remember, gentlemen, these deposits in the private banks are not within the reach of the checkbook of the Treasury. The Treasury does not give checks on these banks. The Treasury cannot pay bills by checking on these accounts; the Treasury writes checks only on the Federal Reserve banks. So another operation is necessary before that money can be used by the Government. It has got to be brought into a Federal Reserve bank before it is possible for the Treasury to use it. So why should we keep idle and unused $3 billion in banks away from the reach of the Treasury? It just does not make sense, common, book, or horse.

I am not trying to undermine the banks. I like the banks, and I want them compensated for everything they do. I want a profitable commercial banking system, the kind that makes our country stronger. I am all for that. But things like this just don't make sense.

The banks get pretty good support from the Government in other ways. The banks benefit by over $100 million every year from Government funds for the cost of clearing their checks and things like that. In other words, the Government is paying for their private business.

Now, $100 million a year ought to be enough without giving them the use of $3 billion to $6 billion of Federal funds at all times without interest payments. I hope I am not unreasonable about this, and I hope you gentlemen will consider this along with these questions of the public debt and other monetary and fiscal matters.

I want to thank you very much, Mr. Chairman, and may I be allowed to extend and revise my remarks?

The CHAIRMAN. Without objection, you may extend and revise your remarks. Mr. Patman, we appreciate very much your coming to the committee this morning, and the informaton that you have given to the committee.

Mr. IKARD will inquire.

Mr. IKARD. Mr. Chairman, I have no questions. I want to compliment my distinguished colleague from Texas, who is recognized as one of the authorities on fiscal and monetary affairs, for a very fine and interesting statement which I know the committee found to be very informative.

The CHAIRMAN. Mr. EBERHARTER will inquire.

Mr. EBERHARTER. I echo the sentiments expressed by Mr. IKARD, but I also want to ask you one question. Is it your contention, Mr. PATMAN, that, if the Congress were to adopt your recommendation for amending H. R. 9955, the Treasury would have the authority to borrow $10 billion?

Mr. PATMAN. No; $5 billion. This comes under the National Debt Act, too. To the extent they use this increase, I want it to be used through this authority of $5 billion from the Federal Reserve.

The CHAIRMAN. The point is that the $5 billion referred to in the amendment you suggested to this committee is contained within the overall limit of the debt, whatever that may be.

Mr. PATMAN. Yes, and it is tailor made to fit this case. That is, the $5 billion asked for by the Treasury and $5 billion allowed under this authority, and it would save the Government $163 million.

Mr. KEOGH. May I join in commending our very distinguished and capable colleague for his statement here today?

The CHAIRMAN. Mr. PATMAN, we again thank you, and this brings to a conclusion our public hearing on the bills before up this morning. The committee will adjourn, to reconvene at 2 o'clock in executive session.

(Whereupon, at 1:15 p. m., the committee recessed, to reconvene in executive session at 2 p. m., the same date.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHERER, for February 27, 28, and 29, 1958, on account of hearings of the Committee on Un-American Activities in New York City.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MCGOVERN for 30 minutes on tomorrow.

Mr. MEADER for 30 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HILLINGS and to include extraneous matter.

Mr. ZELENKO (at the request of Mr. ANFUSO).

Mr. BURDICK and to include a letter.

Mr. MAY.

Mr. FOGARTY to revise and extend the remarks he made in the Committee of the Whole and include certain articles.

Mr. THOMPSON of New Jersey to revise and extend the remarks he made in the Committee of the Whole today and to include tables and charts.

Mr. THOMPSON of New Jersey and to include extraneous matter.

Mr. ROGERS of Texas.

Mr. BYRD.

Mr. JUDD and to include a statement made before the Committee on Foreign Affairs today in support of the mutual assistance program by the Secretary of State.

Mr. WOLVERTON and to include extraneous matter.

Mr. TEWES (at the request of Mr. BALDWIN) and to include extraneous matter.

Mr. HOLTZMAN (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mrs. GRANAHAN (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. FLOOD (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mrs. KNUTSON (at the request of Mrs. SULLIVAN) and to include extraneous matter.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 437. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p. m.), the House adjourned until tomorrow, Thursday, February 27, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1645. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report stating that the appropriation for the National Advisory Committee for Aeronautics for "Salaries and expenses," for the fiscal year 1958, had been reapportioned on a basis indicating a need for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1646. A letter from the Secretary of Defense, transmitting 26 reports covering 47 violations of section 3679, Revised Statutes and Department of Defense Directive 7200.1, "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679 (1) (2), Revised Statutes; to the Committee on Appropriations.

1647. A letter from the Director, United States Information Agency, transmitting the Ninth Semiannual Report of the United States Information Agency, pursuant to Public Law 402, 80th Congress; to the Committee on Foreign Affairs.

1648. A letter from the Deputy Administrator for the Mutual Defense Assistance Control Act, transmitting the 10th report entitled "East-West Trade Developments, 1956–57," pursuant to the Mutual Defense Assistance Control Act of 1951; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FARBSTEIN: Committee on Foreign Affairs. Report pursuant to House Resolution 29 pertaining to special study mission to the Mediterranean and Near East (Rept. No. 1407). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H. R. 10994. A bill to extend the time for filing claims with respect to gasoline used on farms, in the case of gasoline used before July 1, 1957; to the Committee on Ways and Means.

By Mr. BAKER:

H. R. 10995. A bill to amend the Internal Revenue Code of 1954 to repeal the taxes imposed on the transportation of property (including the transportation of oil by pipeline); to the Committee on Ways and Means.

By Mr. BURDICK:

H. R. 10996. A bill to prohibit the transportation of any dog or cat by railroad carrier or other means of transportation from one State or Territory or possession of the United States or the District of Columbia for purposes of vivisection or other means of medical or other scientific experimentation; to the Committee on Interstate and Foreign Commerce.

By Mr. CARRIGG:

H. R. 10997. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. CLARK:

H. R. 10998. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. DONOHUE:

H. R. 10999. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes," and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H. R. 11000. A bill to revise the Internal Revenue Code of 1954 with respect to deductions from gross income for percentage depletion in the case of mines, wells, and other natural mineral deposits; to the Committee on Ways and Means.

By Mr. KILDAY:

H. R. 11001. A bill to amend the National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

By Mr. ARENDS:

H. R. 11002. A bill to amend the National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

By Mr. VINSON:

H. R. 11003. A bill to amend the National Security Act of 1947, and for other purposes; to the Committee on Armed Services.

By Mr. O'NEILL:

H. R. 11004. A bill to provide a 5-year program of assistance to enable depressed segments of the fishing industry in the United States to regain a favorable economic status, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H. R. 11005. A bill to amend section 224 of the Social Security Act to provide that there shall be no offset against social-security benefits for disabled persons on account of disability retirement pay for members of the uniformed services; to the Committee on Ways and means.

H. R. 11006. A bill to amend the Railroad Retirement Act of 1937 to provide that benefits payable under such act or the Railroad Retirement Act of 1935 shall not be considered as income in determining eligibility of veterans for non-service-connected disability pensions; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H. R. 11007. A bill to amend chapter 67 of title 10 of the United States Code to provide retired pay under that chapter for certain disabled reservists; to the Committee on Armed Services.

By Mr. WILLIAMS of Mississippi:

H. R. 11008. A bill to authorize the Secretary of the Interior to exchange certain land at Vicksburg National Military Park, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H. R. 11009. A bill to provide for the establishment of Grand Portage National Monument in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COAD:

H. R. 11010. A bill to amend title II of the Social Security Act to provide that the widow and surviving stepchild of an insured individual shall be entitled to benefits thereunder (if otherwise eligible) without regard to the length of time such widow was married to such individual before his death; to the Committee on Ways and Means.

By Mr. FULTON:

H. R. 11011. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer an additional income-tax exemption for a dependent child who is a student above the high-school level; to the Committee on Ways and Means.

By Mr. GRAY:

H. R. 11012. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. GUBSER:

H. R. 11013. A bill to provide for the issuance of an annual Christmas postage stamp; to the Committee on Post Office and Civil Service.

By Mr. HENDERSON:

H. R. 11014. A bill to amend section 335 (f) of the Agricultural Adjustment Act of 1938, as amended, relating to wheat fed or used for seed or food on the farm; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 11015. A bill to amend section 513 of the Servicemen's Readjustment Act of 1944, as amended, in order to provide direct loan funds to meet the emergency in the veterans' housing program; to the Committee on Veterans' Affairs.

By Mr. MOULDER:

H. R. 11016. A bill to check the growth of unemployment by providing for Federal assistance to States and local governments for the construction of needed public works and public improvements; to the Committee on Public Works.

By Mr. NATCHER:

H. R. 11017. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. NIMTZ:

H. R. 11018. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for the expenses of tuition and certain other fees and charges (within specified limits) paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. ROBSION of Kentucky:

H. R. 11019. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. SCUDDER:

H. R. 11020. A bill to amend Public Law 874, 81st Congress, relating to assistance for schools in federally affected areas, to increase the period during which certain housing projects are considered Federal property; to the Committee on Education and Labor.

By Mr. SMITH of Mississippi:

H. R. 11021. A bill to amend title V of the Veterans' Benefits Act of 1957 to provide that each veteran treated in a Veterans' Administration facility shall, upon request, be assigned to a ward in which all patients are of the same race as the veteran making the request; to the Committee on Veterans' Affairs.

By Mr. WOLVERTON:

H. R. 11022. A bill to prohibit the using of improper methods to influence the acts or decisions of certain Federal regulatory agencies engaged in regulating activities or transactions in or related to interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H. J. Res. 550. Joint resolution authorizing the creation of a Federal memorial commission to consider and formulate plans for the construction in the city of Washington, D. C., of an appropriate permanent memorial to the memory of the great Italian navigator and discoverer of America, Christopher Columbus; to the Committee on House Administration.

By Mr. BLATNIK:

H. Con. Res. 279. Concurrent resolution accepting the statue of Maria Sanford, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 280. Concurrent resolution authorizing the holding of ceremonies in the rotunda in connection with the presentation of a statue of the late Maria Sanford; to the Committee on House Administration.

By Mr. FULTON:

H. Con. Res. 281. Concurrent resolution to establish a special Joint Committee on Business-Government Foreign Policy Cooperation; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to place the proposed postal rate increases on the classes of mail presently losing money; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to provide funds sufficient to continue the agricultural conservation program of the United States Department of Agriculture in 1959 on the same basis as it is operating in 1958; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to propose an amendment to the Constitution of the United States to require the attainment of a minimum age, and the qualifications of citizenship and of residence of judges of the Supreme Court and inferior courts of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H. R. 11023. A bill for the relief of Dr. Mehmet Nurettin Ozdaglar; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. R. 11024. A bill for the relief of Henry L. Lahar; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 11025. A bill for the relief of Mateusz Glinski and his wife, Zofia Glinski; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 11026. A bill for the relief of Rosa Angarica; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 11027. A bill for the relief of Eric and Ida Mae Hjerpe; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 11028. A bill for the relief of Liselotte Santorelli; to the Committee on the Judiciary.

H. R. 11029. A bill for the relief of Antonio Garcia; to the Committee on the Judiciary.

By Mr. NIMTZ:

H. R. 11030. A bill for the relief of Miss Yun Yu Lee; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H. R. 11031. A bill for the relief of Janusz Kurylko; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 11032. A bill for the relief of Luis Trillo Carreira; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 551. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 489. Resolution providing for sending the bill H. R. 8728 and accompanying papers to the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

439. By Mr. BUSH: Petition of Renovo, Pa., Aerie No. 516, Fraternal Order of Eagles, urging enactment of legislation to eliminate age discrimination in employment as an unwarranted practice which is depriving many thousands of physically sound, skilled, and experienced workers of the means of a livelihood, and which is resulting in a tragic waste of manpower in the American economy; to the Committee on the Judiciary.

440. Also, petition of Anthony J. Tedesco and other citizens of Columbia County, Pa., urging favorable action on a bill to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

441. By Mr. CRETELLA: Resolution of Torrington Republican Town Committee, of Torrington, Conn., stating opposition to the proposed legislation about to be considered by the Congress pertaining to reciprocal trade agreements; to the Committee on Ways and Means.

442. By Mr. HESS: Petition of Mrs. Dan Shannon and many other citizens of Cincinnati, Ohio, asking for the passage of a change-of-venue law in regard to obscene and pornographic literature; to the Committee on the Judiciary.

443. By Mr. HILLINGS: Petition of Mrs. James W. Redfern, Jr., of Azusa, Calif., and 588 other citizens of the 25th Congressional District of California urging support of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

444. By Mr. KING: Petition of Mrs. Della Painter, Inglewood, Calif., and constituents of the 17th Congressional District of California urging support to remove the advertising of alcoholic beverage from our homes; to the Committee on Interstate and Foreign Commerce.

445. By Mr. NIMTZ: Petition of Mrs. Forrest Marsh and 24 other citizens of South Bend and Mishawaka, Ind., expressing opposition to any system of paid television; to the Committee on Interstate and Foreign Commerce.

446. By the SPEAKER: Petition of the secretary, governors' conference, Chicago, Ill., relative to a resolution adopted at the governors' conference held at Colorado Springs, Colo., on February 24, 1958, requesting necessary action to maintain the strength of the Army National Guard at the 400,000-man level; to the Committee on Armed Services.

EXTENSIONS OF REMARKS

Salute to the Czech People

EXTENSION OF REMARKS

OF

Hon. EVERETT McKINLEY DIRKSEN

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Wednesday, February 26, 1958

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, a statement entitled "Salute to the Czech People."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SALUTE TO THE CZECH PEOPLE

Towering over the Moldava in the once Golden City of Prague in Czechoslovakia stands a concrete statue of Josef Stalin. It is 120 feet high.

It is perhaps the largest monument to human slavery, oppression, and dictatorship ever erected by human hands. It is an impressive and ever present reminder of an arrogant, aggressive tyranny which has liquidated freedom wherever it has spread and which has extinguished the hopes of hundreds of millions of human beings who have become enmeshed in this poisonous web.

Only 10 short years ago, Czechoslovakia became the victim of this conspiratorial tyranny. Through treachery at home and the aid of Red Communist forces, directed from Moscow, the lamp of liberty and independence was snuffed out for a happy, liberty-loving people.

After the forces, which were generated in the crucible of World War I, had tumbled so many monarchial despotisms in Europe, the brave young state of Czechoslovakia which had been established as a democracy, struggled ever so valiantly to preserve its newly won independence and make a truly positive contribution to stability and world peace.

Then came the Nazi wave to strangle that independence and place the iron heel of despotism upon the Czech people. At the end of World War II, the Republic of Czechoslovakia was restored, and a government which was administered by a coalition of independent political parties was established.

But the Communist cancer was at work. Slowly, silently, and relentlessly this destructive force operated through the police force, the Security Corps, and the Ministries of Finance and Agriculture.

In February of 1948—10 years ago this month—the new Republic had been so weakened that the subversive Communist forces within and without compelled the surrender of the democratic elements in the Republic and a new government under Communist domination was established. Every instrument for the safeguarding of individual rights—the press, the schools, the courts, the Parliament—were purged and became organs for totalitarian control. Thus was another bastion of liberty liquidated.

The loss was not quite total. The tragedy of Czechoslovakia awakened a prudent fear in the free world. Three months later, in May of 1948, Britain, France, Italy, Belgium, Holland, and Luxembourg signed a mutual-assistance pact for collective defense against Communist encroachment. Less than a year later, the North Atlantic Treaty Organization came into being, with the United States as a member.

Monstrous as the tragedy of Czechoslovakia was, it generated a vigilance among free nations and a sense of concern in free men that must and will express itself in the form of eternal hostility toward this brutal and degrading concept of communism. And there can be no easy conscience in the citadels of free men until at long last the thralldom of the Czech people has been ended and their right of self-determination and freedom has been restored.

On this the 10th anniversary of the blackout of Czech independence, let us salute the Czech people both here and in their ancestral home for the resolute and sacrificial struggle which they are waging in the noble cause of human freedom.

Oregon Beef Candy

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, February 26, 1958

Mr. NEUBERGER. Mr. President, on February 25 it was my privilege to serve as senatorial sponsor for the distribution of beef candy from Oregon to the tables in the Senate dining room, and to Members of the Senate at their offices. Many compliments have been received from my colleagues regarding this delicacy from the great Pacific Northwest.

Beef candy is the result of a process developed by Mr. and Mrs. Ed Coles, of Prineville, Oreg., on the high grazing plateau of the central portion of our lovely State. Dehydrated beef is the base for a delicious and nutritious sweetmeat.

Actual presentation of the beef candy from Oregon was under the personal auspices of some of my guests from Oregon: Mrs. David Campbell, of Bly; Mrs. Frank Obenchain, of Bly; Mrs. Henry C. Gerber, of Klamath Falls; Mrs. Julian Arrien, of Vale, and Miss Margaret Gerber, of Klamath Falls. They and their families were likewise my guests at luncheon in the Senate dining room.

Because many Senators have asked me about the actual ingredients and preparation of our beef candy, I ask unanimous consent that a statement from my office, dated February 25, 1958, be included in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senators were treated to sweetmeats today when the Oregon Cow-Belles, auxiliary of the Oregon Cattlemen's Association, distributed high-protein beef candy on Capitol Hill.

Senator RICHARD L. NEUBERGER, of Oregon, arranged for the Cow-Belles to distribute the confection in Senate dining rooms as a means of publicizing a new potential market for beef products. The distribution was handled by Mrs. Dave Campbell, Bly, Oreg., president of the Cow-Belle delegation; Mrs. Frank Obenchain; Mrs. Henry C. Gerber, Klamath Falls; Mrs. Julian Arrien, Vale; Margaret Gerber, also of Klamath Falls. The Cow-Belles were accompanied by their husbands.

Mrs. Campbell disclosed that the beef candy was the result of a process developed by Mr. and Mrs. Ed Coles, of Prineville. The process combined dehydrated beef with sweets. Fresh beef contains approximately 17 percent protein and 60 to 65 percent moisture. By removing the moisture from the fresh beef, the resulting dehydrated beef as used in this candy contains approximately 56 percent protein, or about 3 times as much protein as in fresh beef. This candy contains 25 percent dehydrated beef, which makes an ounce of the product the approximate equivalent animal protein of three-fourths of an ounce of fresh beef. The high animal protein content of this candy not only assures quick but also lasting energy.

Before arrival of the Cow-Belles, Senator NEUBERGER had urged the Department of the Army to study inclusion of the high-protein product in military rations. The Army reported that the Quartermaster Corps technologists were familiar with this product and have in fact made some suggestions to the manufacturers on ingredients and formulations for its improvement and have tested some of the sample products.

The Oregon Senator was informed that Army food experts would follow development of the candy so that prompt application can be made if the need should arise.

The American Merchant Marine

EXTENSION OF REMARKS
OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, February 26, 1958

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statment which I have prepared dealing with the American merchant marine.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As my colleagues in the Senate know, I have frequently made known my views on the American merchant marine, with stress on its great economic importance in domestic and world trade and its value as this Nation's fourth arm of defense.

Our continuing role as a maritime leader in the Free World is due in large part to the support our American-flag fleet has received under authority of the Merchant Marine Act of 1936. Our globe-encircling cargo fleet has been able to survive, and continues as one of our strongest links to the free world through support by Government assistance in the form of parity payments to offset low-cost foreign competition.

I bring this to your attention today because of a recent article in Barron's, a national business and financial weekly, which I believe misinterprets the policies and denies the soundness of the 1936 act. The article tends to confuse the reader as to the straight course the act is steering to assure our country economic prosperity and defensive strength through an adequate merchant marine.

The article was entitled "Faulty Compass—The United States Needs a New Shipping Policy." In referring to the National Maritime Union (AFL–CIO), it stated that the NMU long has been riding buoyantly on a sea of Federal subsidy. To keep both captain and crew afloat in recent years has cost the taxpayer heavily. I say this is not so. Statistics compiled for me by the Committee of American Steamship Lines, representing the 14 subsidized lines, show that during the 10-year period from 1946 through 1955, 85 percent of net operating subsidy costs paid out by the Government have been offset by Federal income taxes paid in by the shipping companies and their employees, including the members of the seamen's unions. And this does not take into account the tax returns, and the economic benefits to the many industries, and their thousands of employees, which service the subsidized vessels, keep them in repair, et cetera.

What a small price to pay for a ticket to survival. Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, has summed up that importance very clearly. He has said that in case of a surprise and devastating nuclear attack that might knock out land transportation the merchant marine's availability to ply the great highway of the seas with strategic materials and foodstuffs might well be the one source of free world strength to pluck victory from chaos.

The Barron's article also stated that, and I quote, "The Government, acting through the Maritime Administration, gradually has extended its control over the (shipping) industry." Again, this is not a correct statement. An underlying theme of the 1936 act was that this important industry was to be built on private enterprise—and there has been no change to the contrary. What it adds up to is a unique Government-industry partnership. In essence, the Government is paying for a service. The 14 contract lines, to qualify for subsidy payments, must travel the 34 essential trade routes that are part of the partnership bargain, on regular schedules, thus assuring our country's products, industrial and agricultural, free and regular access to the markets of all the world.

The United States has become an island in a world made painfully small by swishing earth satellites and long-range guided missiles. These 34 trade routes have proven to be the very lifelines in and out of this country when it comes to taking homemade products overseas and returning with vital raw materials and other goods our country lacks. Our regular and dependable liner service on these routes has helped develop trade for major coastal areas. Not only have United States-flag carriers contributed to this but their service has forced competing foreign-flag ships to offer improved services. American-flag service on essential trade routes has had a stabilizing effect on freight rate structures, with enormous savings to importers and exporters, particularly in periods of national emergency. Development of ports on all coasts has benefited farmers, industry and transportation services generally, including domestic and other segments of the oceangoing merchant marine.

The facts throw a more accurate light on the situation than the lines in the Barron's article that say, "The trouble is that Congress has been steering by a faulty compass, the Merchant Marine Act of 1936 as amended;" and later stating: "handouts from Washington have kept the Stars and Stripes waving over certain so-called essential water routes." Such extravagant language adds nothing to honest consideration of maritime policy.

A further statement, or, rather, misstatement, in the article is to the effect that the Maritime Administration is proposing to expand the cost of the subsidy program and that there will be, and I quote, "A great and useless drain on the public purse."

It might be said that this useless drain doesn't add up to a drip when one is truly knowledgeable as to how these subsidies work. Subsidies awarded contract lines simply help make up the difference between high American costs and low-wage foreign competition. The operating and construction differential subsidies requests made by the President in his budget message to Congress are to provide that equalizer. Admittedly, 80 percent of the operating differential goes to equalize the pay of ship crews. All of the construction subsidy payments go to the shipyards. This is a product of our superior living standard. We must have these subsidies or scrap our fleet in favor of having our country's products carried under foreign flag. This would not only knock the props from under the $5.3 billion economic contribution annually made by the merchant marine, but would force us to rely on foreign cargo fleets in time of war, which history has proved to be a reef-strewn course to follow.

Barron's also surprises me with the statement that "shipping subsidies, whether for construction or operation, have not served the national interest." Again a realistic record of the lines operating under operating subsidy agreements will refute this. It is impressive. Here are some of their achievements.

1. They represent a combined net worth of $558.7 million in 1955 compared with less than $79 million in 1937. Thus the 1938 act, and prudent management, have strengthened the industry as was intended.

2. A fleet of 304 highly competitive vessels are engaged today in cargo and passenger services from all major United States ports, providing some 35,000 seafaring jobs, roughly half the total on United States ships.

3. A record of 16,509 voyages sailed in the 10-year period, 1947–56, with combined mileage equal to 8,000 trips around the Equator.

4. Contractual commitments to build about 200 new ships over the next 10 to 12 years.

Subsidy as a fleet preservation measure becomes even more important when one looks toward Russia. The Reds are fast building up their merchant marine and the Soviet economic offensive has moved into high gear. The recent Afro-Asian People's Solidarity Conference in Cairo clearly indicates the direction of future Soviet bloc economic effort.

At the end of 1957, the State Department issued a statement about Russia's economic penetration, which said, in part: "In the last 2½ years the Soviet bloc has made agreements with 10 underdeveloped nations to provide them with $1.5 billion in economic aid. * * * United States economic aid to the 10 countries over the same period is estimated at $900,000. * * *"

Barron's points out that, as time goes on, subsidy costs will mount sharply, adding: "For at the urging—and with the financial support—of the Maritime Administration,

the major United States shipping lines all have embarked on a massive replacement of their fleets. The Government, of course, will foot part of the bill directly." What Barron's did not stress is that the major investment will be by private enterprise.

What the Barron's article also ignored completely was the enormous advantage accruing to our Government in the event of war or sudden emergency, from the fact that these subsidized vessels represent a fleet in being—they will be available to the military at once, in time of urgent need.

In World War II victory was delayed many months, and casualties undoubtedly greatly increased, because we lacked cargo vessels and passenger ships to service our farflung battle stations. Every merchant vessel now in active service—every cargo and passenger vessel constructed under the current vessel-replacement program which the Barron's article disparages, will be so much added insurance that the United States will have available in the future an adequate number of potential military auxiliaries for any need.

And the Government will get these vessels at peacetime cost, depreciated—not at fantastic wartime costs, as was the case in World Wars I and II.

The long-range ship replacement program which all of us—Congress, the administration, and industry—have worked so hard to develop is termed by Barron's as massive replacement. Evidently Barron's is outraged by the size of the program but this is just what we need. The 1936 act states that all ships of the contract lines must be replaced by new vessels at the end of 20 years. Most of the subsidized fleet's ships were built during World War II and are fast approaching the 20-year age. If the lines waited until the closing months of this agreement there would be such a race and scramble to build ships that our yards could not handle the orders and there would result what is commonly known as block obsolescense. Incidentally, it is worthy to note that there were 1,569 freighters under construction last year in foreign nations. Not one was being built in the United States. In contrast, the President's budget only proposes the building of 17 or 18 new ships.

Barron's concluded that, "For what ails American shipping is not too little Government, but too much. For the good of its merchant marine and its own best interests, the United States would do well to change helmsmen and try a different tack." Prior to the 1936 act our maritime policy suffered from too many helmsmen and too frequent changes of course.

Any other tack than the one we are now on might well prove disastrous. Subsidy is a form of insurance. Because of it, America is able to maintain an efficient fleet of dry-cargo freighters and passenger ships to carry out national policies of trade and defense—policies reaffirmed by this administration. Without it our high standard of living and high costs of doing business would literally drive our merchant marine off the high seas.

Mr. David Warren

EXTENSION OF REMARKS
OF
HON. WALTER ROGERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. ROGERS of Texas. Mr. Speaker, I have the sad duty to advise this body of the passing of one of Texas' and the Nation's most illustrious sons. I was deeply moved when I received the sad news that Mr. David Warren had passed on. A fine citizen and an outstanding newspaperman has been removed from our midst and countless friends mourn his passing.

Mr. Warren was born in Missouri, and was a graduate of the University of Missouri School of Journalism. His newspaper career began in Texas in 1918 as a reporter on the staff of the Amarillo Daily News and the Daily Panhandle, later becoming managing editor and serving in that capacity until 1926 when he founded the Borger News-Herald. He was chairman of the Panhandle banks and for many years publisher of the Panhandle Herald and Borger News-Herald which he sold in recent years. He also controlled a string of newspapers in the Panhandle of Texas and eastern New Mexico, but had disposed of these to give more time to his personal affairs.

He had served as president of the Texas Press Association and the Panhandle Press Association, and for many years was on the board of regents of the University of Texas. He was honored many times in Texas and in his native State of Missouri. He received the distinguished service award of the University of Missouri Alumni Association in 1956, and previously, the Missouri honor award for distinguished service in journalism was bestowed upon him. He was president of the Missouri Journalism Association in 1954–55, and his most recent recognition was a plaque naming him honorary member of the Missouri State Historical Society, 1 of only 11 to receive that honor.

Warren was a life member of the Texas State Historical Society and had been president of the Panhandle-Plains Historical Society. The American Association for State and Local History in 1950 presented him with the association's award of merit in ceremonies held at the University of Texas. Gov. Price Daniel appointed him member of the Governor's committee to make plans for the observance of the 75th anniversary of the University of Texas. His life was a full and generous one, marked with success all along the way.

Among the newspaper tributes to his life and memory ran the theme that was his outstanding characteristic—and that was, that he was a Christian gentleman whose life was motivated by the highest principles. Always an idealist, always working for a better America, he never paused to rest on his laurels.

But Dave left his own monument—a dedicated Christian life founded on character, integrity and ability. He never hesitated to stand up for what he thought was right. Personally, I held a deep respect and affection for him and feel I have lost a good friend. I shall miss him very much and will always revere his memory. May I say to Mrs. Warren and the family that although these words of mine cannot ease their grief or be of much comfort, I extend my deepest sympathy in their sorrow and great loss.

California Teamwork

EXTENSION OF REMARKS
OF
HON. PATRICK J. HILLINGS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. HILLINGS. Mr. Speaker, I don't believe the remarkable demonstration of teamwork within the California Congressional delegation over the years should pass unnoticed.

The California Congressional delegation, which is composed of representatives of both political parties, is the only delegation in Congress to meet on a relatively regular basis to handle nonpartisan problems that frequently confront our rapidly growing State and require attention at the Congressional level.

This teamwork has not only produced unity on these matters within the delegation of 30 members and two senators but also has provided a spirit of good fellowship and cooperation.

The end result has been that the delegation, meeting on a bipartisan basis, has tackled and solved nonpartisan problems that could not possibly have been handled if left to individual Representatives and Senators.

I think probably the best and most recent demonstration of this teamwork resulted in the assignment of considerable new ship construction work to private yards at San Pedro, San Diego, and San Francisco.

Working together for the assignment of new ship construction to California yards, practically dormant since World War II, were Republicans and Democrats. I think, if history is traced, the award of contracts to the yards at San Pedro, San Diego and San Francisco culminates almost 10 years of effort by our Representatives and Senators.

After World War II, you will recall, our California shipyards virtually died on the vine for lack of work after meeting a tremendous challenge by turning out hundreds of oceangoing vessels for our wartime commerce, and troop transport.

Credit for persuading the Maritime Administration and the appropriate committees of Congress to revive major ship construction in California yards can appropriately be given to Senators WILLIAM F. KNOWLAND and THOMAS H. KUCHEL, and Representatives JOHN ALLEN, Oakland Republican; GEORGE MILLER, Alameda Democrat; WILLIAM MAILLIARD, San Francisco Republican; JOHN SHELLEY, San Francisco Democrat; BOB WILSON, San Diego Republican; CRAIG HOSMER, Long Beach Republican; CECIL KING, Los Angeles Democrat, to name a few.

I might add there was considerable support lent to this group by inland representatives and there should be special mention given to GORDON MCDONOUGH, Los Angeles Republican, and Representative HARRY SHEPPARD, Yucaipa Democrat.

They are, respectively, chairman and vice chairman of the bipartisan delegation and they probably are the two most

cooperative people in Congress to work with when a specific nonpartisan problem comes up that requires delegation attention and support.

Address Delivered by Hon. Chapman Revercomb, of West Virginia, at Lincoln Memorial Dinner

EXTENSION OF REMARKS
OF
HON. CHAPMAN REVERCOMB
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, February 26, 1958

Mr. REVERCOMB. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the remarks I made at Wheeling, W. Va., on February 8, at the Lincoln memorial dinner held under the auspices of the executive committee and the Republican Women's Committee of Ohio County, W. Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are assembled here to honor the memory of a great American—a statesman whose wise and courageous leadership transcends political party lines.

We are gathered to pay tribute to the memory of Abraham Lincoln, who belongs to the peoples of all lands, wherever the spark of liberty and human freedom burns in the breasts of men.

In the last tragic moment of Lincoln's life it was said: "Now he belongs to the ages." Therefore, it is proper and fitting that we pay homage to a great leader who has been an inspiration not only to Americans but to all people.

I do not come here this evening to tell you that all is well in the world. It is not. We live in an era when international tensions are great. We live in the most rapidly changing age in history. We live in a period that gives rise to new and pressing problems.

However, let me remind you that we live in an age that presents great challenges—an age that offers mankind great hopes—hopes of peace, hopes of freedom from fear and want.

Lincoln met the problems of his time with courage and resoluteness, with calmness and compassion. If Lincoln were alive today, how would he view the perils and problems that confront the America that he loved?

Looking at the troubled Nation more than 100 years ago, Lincoln observed:

"We live in the midst of alarms; anxiety beclouds the future; we expect some new disaster with each newspaper we read."

He spoke those words in 1856—at a tragic time in history. The very survival of the Nation hung in the balance, and with it the world's greatest hope for liberty and equality.

We know from history that Lincoln did not panic. He spoke no words of bitterness or hatred. He was God fearing, but he was not afraid of the world's threats. His words of calm, clear appraisal rose above the babble of discordant, hysterical voices, and the message he uttered then has real meaning for us today. He said:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, act anew."

And so Lincoln rode out the storms of his time. The Nation was given that "new breath of freedom" he prayed for so eloquently at the Gettysburg battlefield. With the flame undimmed, Lincoln passed on the torch of liberty and freedom which still inspires and lights the world.

Today we, too, live in the midst of alarms. Scientific discoveries, undreamed of a few years ago, have transformed our lives.

The Free World is at grips with a slave world, just as freedom saved slavery in Lincoln's time. The fear of enslavement has become so strong that Russia's launching of the first earth satellite only a few months ago sent many of our people into a state of hysteria and confusion. Indeed, the whole world was apprehensive.

Lincoln never acted like this in the Nation's darkest tragedy. Sorely beset though he was on every hand, he remained calm, firm, clearheaded, and unafraid.

In the circumstances that have confronted this Nation in recent months, we can profit a great deal by one of Lincoln's favorite stories about the man who was riding along a backwoods trail and was caught in a storm.

"He kept plodding ahead until his horse gave out, and then it grew dark. He had only the lightning to show him the trail. The thunder was terrifying, and, when one bolt seemed to crash at his feet, he fell on his knees. 'Oh, Lord,' he prayed, 'if it be all the same to You, give us a little more light and a little less noise.' "

New scientific achievements have been much in the news of late. Russia's launching of the first uncontrolled earth satellite gave rise to fears everywhere.

But when we turn a little less noise and a little more light on sputnik we shall see that there are no reasons for fear and alarm. The Soviet satellite gave Russia a propaganda advantage, for the moment, in the cold war, to be sure. It was a blow to our prestige and a shock to our complacency.

But tonight, as our own earth satellite orbits the earth, we know that scientific progress in America has not been at a standstill.

We know—and the world knows—that the sum total of this Nation's technological and productive capacity far exceeds that of Russia, and the launching of satellites has not altered America's defense capabilities.

But there are some valuable lessons to be gained from these achievements.

The Russian satellite, launched last October, filled the world with apprehension. The American satellite, on the other hand, has served as a powerful force to allay those fears.

Our Explorer satellite, in my judgment, can be used to mark the turning point in the cold war. The world knows that America will not attack any other Nation, however secure we insist on being. Our immediate objective, then, must be to capture the hearts and minds of men and utilize nuclear power to improve the lot of mankind.

The No. 1 objective of our Government must be to work for conditions that assure not only security, but also peace for us and the world. Some sound course must be found that will bring an end to the armaments race and usher in an era of international understanding. It has been proved time and again that war cannot do this, for out of each war arises a new division in the world.

Peace, then, is our No. 1 objective. And I say to you that the Eisenhower administration is firmly dedicated to that task. The proof of our success to that end may be stated simply: No American boys have died in battle since President Eisenhower was inaugurated.

If a political party—any political party—is to live it must be guided by high principles. It must meet the challenges of the times. It must prove capable of solving new problems as they arise.

Let us examine, then, the other problems we face, the other challenges we must meet.

Here, as I see it, are the other main objectives the National Government must seek to achieve.

1. A modern defense system that will give this Nation maximum security until effective disarmament agreements can be achieved.

2. A free and expanding economy—an economy capable of supporting our defense needs and at the same time providing for an ever-increasing standard of living for all Americans.

3. Freedom of the individual—freedom for his choice of religion, for his choice of occupation, and in his pursuit of happiness. For I need not remind you that it is this principle of individual freedom that has made this Nation the leader of the Free World.

4. Equality of rights—a principle on which the Republican Party was founded, and which it has pursued throughout the years.

5. Government assistance in those areas where the people cannot help themselves. This applies to the aged, the infirm, the handicapped. We must never forget that the Government has a responsibility to care for those who cannot care for themselves.

Let us examine briefly the record of the Eisenhower administration and see just how these objectives are being met.

On the question of defense, the Nation is militarily strong—and it is growing stronger every day. The Soviet satellite has by no means canceled out our strategic air force, which will remain the greatest deterrent to attack for a long time to come. It has not canceled out our powerful fleet armed with a wide variety of missiles carrying nuclear weapons.

If attacked by any aggressor nation, we are in position to strike back from land, by sea, in the air, from all directions of the compass, and with overwhelming force.

Let me emphasize, however, that our strength is not in armaments alone.

Lincoln wisely knew that there was much more to national defense than military installations. In this regard, he said:

"The bulwark of our liberty and independence is not our frowning battlements, our bristling seacoasts. Our reliance is in the love of liberty which God has planted in us. Our defense is in the spirit which prizes liberty as the heritage of all men, in all lands, everywhere."

And we can all be thankful that President Eisenhower is equally dedicated to this high principle. In his state of the Union message, the President said:

"The world thinks of us as a country which is strong, but which will never start a war. The world also thinks of us as a land which has never enslaved anyone and which is animated by humane ideals. This friendship, based on common ideals, is one of our greatest sources of strength."

Ladies and gentlemen, the Republican Party is dedicated to that objective. We have preserved peace for the last 5 years. And our goal now is and always must be to seek conditions in the world that will free people everywhere of the fears and horrors of living in an armed camp.

As for meeting the new problems unfolding in this great industrial age, a look at the record of the past 5 years reveals many remarkable accomplishments.

It is a record of a prosperous Nation with new high levels of employment, rising income, and increasing purchasing power.

It is a record of more jobs, better incomes, more homes, more leisure, and more recreation.

It is a record of increased productive capacity.

It is a record of renewed confidence by the people that the American way of life will be preserved.

When the Eisenhower administration took office in 1953, there was a proposed budget expenditure of nearly $78 billion for 1954.

There was a deficit of nearly $9½ billion for 1953, and a planned deficit of nearly $10 billion for 1954.

Continuing inflation had reduced the purchasing power of the dollar to 52 cents.

That is what the Eisenhower administration inherited. What did we do?

First we reduced and then entirely eliminated deficit spending. Fiscal year 1955 was the last year of deficits. Since then we have balanced the budget and retired some of the public debt.

At the same time, the American people were given a tax reduction, the largest in history, that has already saved our people nearly $25 billion in taxes.

The record of this administration's domestic policies reveals that more people own their own homes today than ever before. There are now nearly 30 million home-owners in America—an increase of 13 percent in only 4 years.

The largest industrial expansion in history has taken place. Business and industry have spent an all-time high of over $152 billion in new plants and equipment compared to $123 billion in the preceding 4 years.

The gross national product rose to an all-time high of $439 billion in 1957.

Personal income last year jumped to an annual rate of approximately $346 billion—another all-time record.

Last year an average of 65 million of our people were gainfully employed—an increase of 3,700,000 in only 4 years.

Average weekly earnings of factory workers are at a record high, with the average weekly pay now $83.20. In 1952, the average weekly pay was $69.23.

Trade unions have the largest membership in history, 18,477,190. Less time has been lost by strikes than at any period in the last decade.

Ladies and gentlemen, these are facts—and they will not be drowned out by the gloom and doom critics who would have us believe that America is woefully weak militarily and ready to collapse economically.

A business decline set in late last year, it is true—and there is no reason to ignore it. I am convinced, however, that this decline will be short lived. The same thing is happening now that happened in 1948 and again in 1953. We are in a period of readjustment, resulting from the vast expansion of the Nation's productive capacity. Most economists are predicting a business upturn by midyear, followed by a period of long, steady growth of the economy as American industry prepares to meet the needs of a growing Nation, increasing in population at the rate of over 3 million a year.

I say to you that the Republican Party is prepared to meet the challenges of this age. It is prepared to meet the problems of our times.

To do this, however, we must ourselves stand united. We must not allow minor differences of programs or policies to blind us to the great principles on which we are agreed and which are vital to the welfare of our State and Nation.

Not since Lincoln's time has the Republican Party faced a greater challenge, or a greater opportunity. We can meet that challenge if we carry home to the people the principles we espouse, and if we are prepared to make the same fight for those principles that Abraham Lincoln did.

Mileage Allowance for Rural Letter Carriers

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. BURDICK. Mr. Speaker, the present mileage allowance of 9 cents per mile paid to rural letter carriers for use of their privately owned vehicles to deliver the mail was established in 1951. During the 7 years since that 9 cents per mile rate was set, all costs of operation, maintenance, and replacement have risen sharply. These rising costs are well known by all of us who own and drive automobiles. The problem has been more acute to the rural carrier, however, due to the weather and road conditions he endures and the numerous stops to render a full mail service to the American rural public.

Our individual experience with the difference in driving costs between 1951 and 1958 should be all that would be necessary as proof that the increased costs are a real and positive fact. They have not only greatly increased but are progressively moving higher each year.

The rural carriers of this country comprise a devoted group of employees on the public payroll who are rendering a valuable and indispensable service to rural America. In my State of North Dakota, 621 carriers on 6 days of every week make the daily round to deliver the mail including letters, newspapers, and parcel post, and in addition provide every postal service to each and every family right at their mailbox. The more than 30,000 miles of rural delivery routes in the State of North Dakota causes these carriers to travel every day on all kinds of roads and often under weather conditions, particularly in the winter, which requires the use of special equipment. These factors take a toll on wear and tear of equipment, increase gasoline consumption, and cause maintenance costs to soar.

The testimony of Mr. Ray L. Hulick, president of the National Rural Letter Carriers' Association, graphically illustrates the extent to which these costs have risen. Tabulation of cost accounting sheets of rural carriers as submitted to the Internal Revenue Department, as well as the cost accounting appearing in the 1957 report of our Postmaster General, clearly indicate that the present cost of equipment maintenance to these rural carriers is in excess of 11 cents per mile.

Under these conditions, the rural carrier is required to personally absorb a portion of the operating cost of his vehicle while performing a duty to which he is obligated. Such conditions impose a financial loss on a Government employee without just cause. This is certainly not intended and should not be condoned by our legislative body.

Collective Security—Address by Hon. H. Alexander Smith, of New Jersey, Before Woodrow Wilson School of Public and International Affairs, Princeton University

EXTENSION OF REMARKS
OF
HON. CLIFFORD P. CASE
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Wednesday, February 26, 1958

Mr. CASE of New Jersey. Mr. President, my senior colleague from New Jersey [Mr. SMITH], made a significant address before the Woodrow Wilson School of Public and International Affairs, Princeton, N. J., on February 24.

The senior Senator from New Jersey has made a thoughtful presentation of the nature of many world problems and the interreliance and interdependence of the Free World in furthering the cause of freedom in the face of these obstacles. I know that it will be of great interest to my colleagues and to the country at large. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

COLLECTIVE SECURITY

(Address of Senator H. ALEXANDER SMITH, Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, February 24, 1958)

I am highly appreciative of the honor you do me in asking me to address you today. My subject is collective security, and certainly no more appropriate subject, in my judgment, could have been found for an audience in this distinguished school which takes it name after the father of the concept of collective security in American foreign policy.

And I would like to add a very personal note. When I was an undergraduate in Princeton some years ago, Woodrow Wilson was our favorite professor. This was by vote of many successive graduating classes. He was the inspiration to many of us to study law—especially constitutional law, and to feel the urge of public service. I recall well when Wilson made his speech, famous to all Princetonians—Princeton in the Nation's Service. Princeton can well point with pride to our participation in World Wars I and II, and more recently to the post-war period—1945 to today. This record reflects the impact of Woodrow Wilson on the youth of America.

Early steps

The idea of collective security did not, of course, originate with Woodrow Wilson. But it was Wilson who first attempted to make it a cardinal point of American foreign policy. If he had succeeded, we would today live in a far different world.

In his last public words, spoken to a group of people gathered outside his house on Armistice Day 1923, Wilson delivered a reaffirmation of faith, tinged with bitterness. He said:

"I cannot refrain from saying it: I am not one of those who have the least anxiety about the triumph of the principles I have stood for. * * * That we shall prevail is as sure as that God reigns."

It took a Second World War, even ghastlier than the first, plus the evolution of the

threat from Moscow—the seeds of which were laid during Wilson's administration—to convince the American people of the rightness of Wilson's position. Yet even now, I am not entirely sure, and the doubt is a little frightening, that we have fully learned the lessons of the intervening years.

II

The United Nations

A quarter century after the Senate turned down American participation in the League of Nations, it approved, by a vote of 89 to 2, American membership in the United Nations.

I was elected to the Senate in the fall of 1944; 1945 was my first full year. That year saw V–E Day and V–J Day and the setting up of the United Nations. The proudest moment of my early Senate career was my participataion in approval of membership in the U. N.

The U. N. has since surmounted the frustrations of repeated Soviet abuse of the veto power in the Security Council. Despite its handicaps, the U. N. has become an important force for peace and justice. This in itself is significant and is indicative of the tremendous urge throughout the world to make the U. N. work. If this urge had not existed, if the overwhelming preponderance of the world's people had not been determined that the U. N. must work, there is little doubt that it would long since have gone the lamented way of the League of Nations.

Another thrilling and inspiring experience that I personally enjoyed 8 years after my vote for the U. N., was my membership in the United States Delegation to the Assembly in the fall of 1954.

Far from withering away in impotence, the U. N. has done much to implement the principle of collective security. As examples, one need only cite its armed resistance to aggression in Korea and its intervention in Suez. The U. N. emergency force still helps to keep the peace in the Middle East and is the forerunner, I hope, of a permanent international police force.

III

Soviet obstruction

The U. N. can never be fully effective, of course, so long as one of its most powerful members shows such utter disregard and even contempt for its principles. The United States, therefore, has been forced to take additional measures in the interests of its own security. These additional measures, it needs to be emphasized, are supplementary to the U. N. and in no way conflict with the U. N. Charter. In fact, so far as these measures involve regional collective arrangements for defense, they are specifically contemplated by article 51 of the charter.

Now, for our purposes of discussion today, we may say—I hope without too much oversimplification—that our world, like Caesar's Gaul, is divided into three parts:

1. The Soviet bloc.

2. The 42 countries which are allied with the United States in formal collective defense treaties.

3. The remaining countries and territories which are neither dominated by the Soviet Union nor allied with the United States.

IV

Collective security alliances

I want to talk today particularly about these last two categories—our allies and the neutrals—about how they fit into a policy based on the principle of collective security, and about the relationship of our mutual security program to this policy.

First, let us consider the countries which are formally allied with us. In these days when it is popular to reexamine our position in the world, it is well to spend a moment in reexamining these alliances and asking again the old but always pertinent question, Do they serve our national interests?

These alliances are based on the simple, often repeated, and—I hope—well understood premise that we cannot live alone, whether we like it or not. I am sure this audience understands that, and I am not going to bore you with a tedious repetition of all the facts which underlie it. I do, however, want to emphasize just two points which seem to me to be of controlling significance:

First, Western Europe, with which we are allied through NATO, is the biggest repository of industrial capacity and technical and scientific skills outside the United States and the Soviet Union. At the time NATO was organized in 1949, it was argued that if Western Europe fell under Soviet domination, the Soviets would be raised to a par with the United States in the matter of industrial capacity and technical and scientific skills. Such has been the remarkable economic growth in both the Soviet Union and Western Europe in the meantime, that today it can be said that if Western Europe fell under Soviet domination, the Soviets would surpass the United States in these fields. To take a single key statistic, the production of steel in 1957 in the United States was 113,200,000 tons, in the other NATO countries it was 94,600,000 tons, and in the Soviet Union it was 56 million tons. Thus, NATO, including the United States, has a preponderance of 207,800,000 tons to 56 million tons. But if NATO production is subtracted from the United States and added to the Soviet Union, the advantage shifts to the Soviets: 150,600,000 tons to 113,200,000 tons. A policy of collective security as embodied in NATO has, therefore, become of increased importance to the United States. Nor is there any reason to expect this trend to be reversed; on the contrary, there is every reason to expect it to move even faster.

Second, Southeast Asia and Latin America, with which we are allied through SEATO and the Rio Treaty, comprise two of the principal sources of the strategic and critical raw materials without which American industry could not operate a single day. We may be sure that our dependence on foreign sources of raw materials will continue to increase.

On both these counts, then, our alliances become more and more important to us, and it becomes less and less possible to imagine a world in which we stand alone.

Now, if we are to have alliances—and it is clear that there is no practical alternative—then it follows that it is in our interest that those alliances be strong. Therefore, as a part of our mutual security program, we supply military assistance to strengthen the armed forces of our allies, and we supply defense support assistance to strengthen the economic capability of our allies to maintain armed forces.

The preponderance of both military assistance and defense support goes to such countries as Korea, Taiwan, Vietnam, Pakistan, and Turkey. It is obvious that such countries could not begin, with their own resources, to maintain the defense forces which are necessary. We are faced, then, with three possible courses of action:

1. We can abandon our alliances and let our erstwhile allies get along as best they can by themselves. I have already given some reasons, and I am sure you can think of others, why this course would be disastrous.

2. We can undertake to do it all ourselves. This would be incredibly and unbearably expensive, in terms of manpower, money, and natural resources. It costs from 10 to 20 times as much to maintain an American soldier overseas as it costs to maintain a Turk or a Korean. This course likewise has political disadvantages abroad. One of the important political advantages of a policy of collective security is its collectiveness, its mutuality, the sense of working together as equals which it gives Americans, Turks, Koreans, and all the others. That would be lost if we tried to defend other people instead of helping them defend themselves.

3. We can do what we have been doing—that is, supply our allies with the critical margins of military and defense support assistance without which they could not maintain their present levels of military effort. This is the middle course between doing nothing, which would be fatal, and trying to do everything, which would be futile. It makes good sense to me, and I hope it makes good sense to you, too.

V

The neutral or uncommitted countries

Let us look now at the neutral or uncommitted countries. To begin with, let me say that I do not equate neutralism with procommunism, nor do I demand that countries stand up and be counted as for us or against us. I see a vast difference in a world with a neutral India, for example, and a world with a Communist India. Countries such as India and others which follow a policy of neutralism are only doing what their national interest, as they see it, dictates. It is well to recall, in this connection, that we Americans ourselves were neutral for as long as we could get away with it. It is also appropriate to recall the scriptural dictum that "he that is not against us is for us."

The fact that a country such as India chooses not to sign formal alliances does not, in my judgment, diminish the importance of India to the security of the United States. If India is threatened, we are threatened, and that is the essence of the concept of collective security.

In the case of countries in this category, however, a policy based on this concept cannot be implemented through military assistance and alliances. Sometimes, as in the case of the Eisenhower doctrine for the Middle East, it can be implemented—with the consent of the countries concerned—through a unilateral declaration on our part. More frequently, it can be implemented in major part only through assistance to the people of India and similar countries in creating the internal conditions that will enable the people to maintain their freedom, independence, and self-determination. This is the function of that aspect of our mutual-security program which deals with economic development loans and with technical assistance.

I would not for one minute downgrade the importance of our military-oriented programs, the results which they have achieved, or the importance of continuing them at a high level. But I do believe that the purely economic programs are assuming increased importance and that this trend is likely to continue.

In part, the reason for this is precisely that the military programs have been successful. As overt Communist aggression has been blocked in Europe and in the Far East, the expansive forces of international communism have looked for softer spots to probe and have been directed more and more to the uncommitted nations of Asia and Africa. And as the locale has shifted, so have the Communist tactics. A velvet glove has been drawn over the iron fist. The voice which once thundered threats of imminent ruin—and which occasionally still does when it talks to Europe—now addresses Asia and Africa in the dulcet notes of a cooing dove.

As a result of our firm stand through alliances such as NATO and through joint executive-legislative policy statements such as the Eisenhower doctrine, I am reasonably confident that we will not soon again be confronted with overt aggression from the Soviet bloc. But I am even more confident

that the Free World will be confronted for a long time to come with penetration, subversion, and threatened coups d'etat. This threat is more subtle, more complex, and in many ways more difficult to meet than the open military threat.

But it can be met, and our allies can help us meet it. Indeed, they have as big a stake in the matter as we do. The United States is expected to take the lead, and certainly the United States has more resources available to throw into the battle, but it is a great mistake to think of the battle as a peculiarly American one.

It may well be said that our military aid is the negative and defensive side of our mutual-security program, while the economic development loans and technical assistance are the positive and constructive side.

Here is another place where allies and a policy of collective security can pay dividends. The objective is to keep the neutral countries neutral—that is, to keep them out of the Soviet bloc—and the attainment of this objective is as important to our allies in NATO as it is to us. In fact, because of Western Europe's dependence on Middle Eastern oil supplies, it can be said that the security of the Middle East is of even greater immediate importance to Europe than it is to the United States.

VI

Multilateral activities in less developed countries

It strikes me that more could be done through existing international organizations to multilateralize the Free World's approach to the problems of these areas. Much, of course, is being done already. Through the Colombo plan, the more developed countries of the Commonwealth plus Japan and the United States are aiding the less developed countries of south Asia. The United Nations has done much good work through its technical assistance program, and we can expect even more as a result of the action of the General Assembly last fall in making possible a threefold expansion in that program, up to a total of $100 million. The International Bank for Reconstruction and Development has made a substantial contribution, and the International Finance Corporation holds great promise. Some of the European countries are carrying on small programs of their own, as, for example, the Norwegian fisheries project in India.

Several interesting suggestions have recently been made toward broadening the activities of European nations in regard to economic development in Asia and Africa. Most of the plans so far proposed are variants of a suggestion for a NATO technical assistance and economic development program. NATO still has a good many problems of its own in Europe, and I am not sure that NATO, as such, is ready for elaborate economic activities in Asia and Africa. Maybe it would be better to start with a few bilateral programs, coordinated perhaps through the North Atlantic Council or the Organization for European Economic Cooperation. The Germans and Italians are particularly interested in these possibilities and have a particular contribution to make, resulting from their own prosperity (especially in the case of Germany) and from their lack of recent colonial background.

Such programs would not only make a positive contribution to the problems all of us face in Asia and Africa; they would also result in a clearer recognition of the fact of increasing interdependence in the world. So long as any nation is insecure—tiny Jordan or enormous India—no nation is secure.

Programs of the kind I am talking about would also afford another important advantage in the skilled technicians which they would make available. It is significant that in the Soviet economic offensive in underdeveloped areas, various countries of the Soviet bloc participate according to their peculiar talents or resources. Thus Czech technicians might be used in one country, East German equipment in another, and Russians in a third. It seems to me that it would be useful if the West could pool its resources in something of the same manner, so that we might have Americans here, Germans there, French, or Italians, or British somewhere else.

VII

Interdependence and the Free World

Now, although economic assistance, through the mutual-security program, through the U. N., or through other cooperative ventures of our allies, is an indispensable part of our policy of collective security, it is by no means the only thing we can or should do to strengthen the Free World. Our foreign-trade policy has an important bearing on the general economic strength of our allies. Like many slogans, "trade, not aid" is of something less than universal application. It is difficult to envisage a world in which the foreign trade of, say, Korea or Vietnam had grown to the point to make possible the suspension of American aid. But it is, nevertheless, true that to the extent that world trade is expanded and particularly to the extent that other countries can earn more dollars through access to the American market, less outright aid will be required from the United States.

This is one reason why it is so important that Congress act favorably upon President Eisenhower's request for a 5-year extension of the Reciprocal Trade Act. But it is not the only reason. Although greater world trade has the effect of strengthening our allies and this in turn is good for us, greater world trade is also, on balance, of direct benefit to the United States. It not only creates new export markets for our farms and factories, it also provides more goods for our consumers.

Another thing we can do to strengthen our alliances is in the political field of recognizing and promoting the sense of mutuality of purpose as between ourselves and our allies. In all of our alliances, we are looked to for leadership to a degree which is quite striking, and we should meet the responsibility which history has thrust upon us. But we should remember that it is leadership which is expected of us—not dictatorship. We cannot tell other people what to do and expect them to do it; nor can we go off on unilateral adventures of our own and expect them to follow.

The way to avoid these pitfalls is through constant, close consultation with our allies. I think our record on this score is pretty good, especially in the North Atlantic Council of NATO, where there has been more real consultation, not only on our part but also on the part of the other members, in the last 12 months than for a long time previous. The record, as I say, is pretty good, but this is something which needs to be worked at every day. It is all a part of this age of interdependence.

After 40 years, one cannot yet say that we have achieved Wilson's goal of making the world safe for democracy. It may well take another 40 years. However, like Wilson, I have not the least anxiety about the triumph of the principles that he stood for then and that President Eisenhower and Secretary Dulles stand for now.

I think the American people are coming increasingly to understand this, and further to understand what is required of them in the form of short-term sacrifices for the sake of long-term gains.

VIII

Conclusions

This, then, might be described as a program of interdependence for the Free World.

But while we strengthen our alliances, and while we help the uncommitted nations maintain their independence, we must also recognize that, over the long run, we must come to some kind of understanding with the misguided Russian people themselves. We must seek to replace international distrust with international confidence. I do not have time to explore this intricate problem in detail, but I do want to make particular mention of one bit of recent progress which is extremely encouraging and which I think will prove to be of increasing significance. This is the Lacy-Zaroubin agreement for increased cultural exchanges between the United States and the U. S. S. R. This agreement represents a new experimental approach in United States-Soviet relations and is important on two counts. First, it indicates that private conversations on the ambassadorial level can indeed make progress and bear fruit. At this time, these quiet lower level talks offer more promise than would a summit meeting held in the glare of worldwide publicity. Second, I can hardly overemphasize the importance of the exchange program provided for by the agreement. The exchange of persons is the best—maybe it is the only—way in which the American people and the Russian people can get to know and understand each other better. And that kind of knowledge and understanding must underlie any long-term accommodation between our two countries. This sort of accommodation may be far in the future, and in the meantime we must continue our other programs to build Free-World strength.

For myself, I must confess that the more I reexamine these foreign-policy questions in the light of sputnik, which seems to be the cause of most of our soul-searching, the more I am forced to the conclusion that sputnik does not require us to do anything which we ought not to have done anyway. Sputnik does increase the urgency with which we should do it, but that is a matter of degree and not of basic policy. We must continue to steer our course between panic, on the one hand, and complacency on the other.

If we meet the problems head on, we will solve them. And in doing so, we will bring about the kind of world that Wilson dreamed of and that Eisenhower is striving for.

In his state of the Union address, President Eisenhower concluded: "I am fully confident that the response of the Congress and of the American people will make this time of test a time of honor. Mankind then will see more clearly than ever that the future belongs, not to the concept of the regimented atheistic state, but to the people—the God-fearing, peace-loving people of the world."

In these few words, it seems to me, are summed up both the opportunity and the responsibility which we face.

Jewish Memorial Hospital

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mr. ZELENKO. Mr. Speaker, it is a great pleasure to report on a communal achievement in the heart of the Congressional District that I represent, an achievement that deserves to be known by my colleagues in Congress and by humanitarian-minded men and women throughout the country.

Recently the metropolitan newspapers of New York City and the medical publications of the country carried the following news story about a pioneering achievement of Jewish Memorial Hospital, Broadway at 196th Street, New York, of which, incidentally, I am also a trustee:

The dental service of the Jewish Memorial Hospital, under the direction of Dr. Julius M. Goldberg, announces a completely integrated clinical program for the dental treatment of mentally and physically handicapped children now in effect at the hospital located at Broadway and 196th Street. This program, the first of its kind in the Borough of Manhattan, is under the supervision of Dr. Jerry J. Adelson, chief of the pedodontics service of Jewish Memorial Hospital's dental clinic. Dr. Adelson is also the president of the Dental Guidance Council for Cerebral Palsy.

The program provides for the full dental needs of handicapped children under comparative routine procedures as well as a special operating unit for those who must be treated with general anesthesia.

This unit has been functioning for the past year for children of the Handicapped Children's Clinic of Columbia University College of Dental and Oral Surgery, headed by Dr. Solomon H. Rosenstein.

The program includes training courses in dentistry for the handicapped child, given by Dr. Adelson at Jewish Memorial Hospital both for members of the hospital dental staff and for the postgraduate pedodontics students of Columbia University College of Dental and Oral Surgery.

"This service," Dr. Goldberg said, "is intended for handicapped children of the low-income groups with dental requirements that cannot be treated normally without these special clinical provisions.

"Heretofore, such children have suffered an inadequacy of care due to their physical or mental handicap. It is the purpose of this clinic to help these children with the latest in dental skill and equipment."

Jesse H. Barkin, president of the board of trustees of Jewish Memorial Hospital, hailed the new clinic as "another step in the hospital's expanded program as a community institution serving the growing population of Washington Heights, Inwood, Riverdale, and West Bronx."

This account is only another example of the work of a volunteer institution that for over 50 years has been serving the people of its community in their health and medical needs and contributing increasingly new and important values to the well-being of thousands upon thousands.

Nor is this the only development in which Jewish Memorial Hospital has pioneered. Its record is an extraordinary one. For years it has been conducting research in leukemia, work that is still being carried on in the hospital's research laboratory building, largely through the generous aid of still another volunteer organization, the Marcia Slater Society.

Jewish Memorial Hospital has also pioneered in educational programs stressing freedom from fear of hospitals and in a program inviting the youth of the community to the hospital so that they might know firsthand how a hospital works and be inspired to public service.

It was this hospital, too, which developed an arts and crafts program for the children of the mothers who were attending the outpatient department.

And these are only a few aspects of a long and honorable history.

Jewish Memorial Hospital was founded in 1905 by representative New York citizens who felt the urge to do something for the welfare of the community and the well-being of their fellow men. From a small institution, the hospital has developed until it now has over 200 beds and bassinets, with expansion plans approved by the Hospital Council of Greater New York to add 140 more beds based upon the population growth and reasonably estimated needs.

In the course of its history it has secured approval of all of the important hospital and medical associations and has attained a distinctive reputation for its high standards, its unsurpassed administration, its fine medical staff, and its dedicated board of trustees, a group of philanthropically minded citizens.

Research at the hospital has included important work: Work on the Rh blood factor—a dramatic achievement some years ago was a complete blood transfer to save a new-born baby; on leukemia—you may recall the Louis boy story, a Sing-Sing prisoner who offered himself for experimentation to save the life of 6-year-old Marcia Slater and who was later pardoned for this deed.

Research at Jewish Memorial Hospital expanded to such a point in recent years that it was necessary to add a new wing to the present hospital building. When the new research laboratory was dedicated, it provided an occasion for community celebration and for tributes from outstanding Americans.

Directing and carrying on the work of the institution is a medical board of first rank, a director and administration that cannot be surpassed, and a board of trustees of extraordinary men and women constituting one of the finest service groups in the city of New York.

It is gratifying to report on the progress of the hospital on the eve of its 53d annual dinner which will take place at the Waldorf-Astoria Hotel grand ballroom on Saturday evening, March 29.

I wish my colleagues could be with me that evening to see one of the flowers of American freedom and volunteer service in full bloom: an institution sustained by men and women of good will and of compassion for humanity; an institution that is an adornment to the greatest of American cities and to all Americans.

Former President Hoover Turns Clock Back to 1931

EXTENSION OF REMARKS
OF
HON. COYA KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mrs. KNUTSON. Mr. Speaker, under permission heretofore granted, I make the following observations: On Washington's Birthday, 1958, the American people were treated to a bit of magic. The magician was former President Herbert Hoover. The place was Valley Forge, Pa. When Mr. Hoover concluded his speech, he revealed a "surprise." He said:

The address I have just made to you is, with slight elimination of less pertinent paragraphs, the identical address which I delivered on this spot * * * 27 years ago in the depths of that period of anxiety and discouragement. But we rallied to a period of greatness as we will again today.

Mr. Hoover had a purpose in selecting an old speech delivered on May 31, 1931, for delivery on February 22, 1958. From his own words, Mr. Hoover admits that 1931 was a period of depression, "of anxiety and discouragement." He indicates 1958 represents a very similar time of history. He indicates that his words will rally us from our depression to another "period of greatness."

It seems to me that it was not the Republican Party's "words without deeds" that brought us out of the depression Mr. Hoover speaks of a quarter of a century ago. It seems to me that the only prosperity that was "around the corner" back then was the prosperity that Franklin D. Roosevelt and the American people—with the greatest teamwork this country ever saw—constructed with hard work, courage, and imagination.

Mr. Hoover does sense that an economic depression today is a reality not merely the hallucination of prophets of gloom. Let us not be afraid of words. Words cannot hurt us. But inaction can spell disaster.

Mr. Hoover said that the difference between the two speeches was the elimination of "less pertinent paragraphs." I asked the Legislative Reference Service of the Library of Congress to obtain for me a copy of his 1931 address and was immediately struck by one, so-called slight elimination. In 1931, but not in 1958, Mr. Hoover said:

No one who reviews the past and realizes the vast strength of our people can doubt that this, like a score of similar experiences in our history, is a passing trial. From it will come a greater knowledge of the weakness of our system, and from this knowledge must come the courage and wisdom to improve and strengthen us for the future.

In 1958, Mr. Hoover reworded the paragraph to read:

But no one who reviews the past and realizes the vast strength of our people can doubt that this, like a score of similar experiences in our history, is a passing trial. From this knowledge must come the courage and wisdom to improve and strengthen us for the future.

Mr. Hoover's elimination of the phrase "a greater knowledge of the weakness of our system" is a confession of the number one shortcoming of Republican leadership: a failure to learn from the past. The weakness of the GOP system which we discovered after the Hoover depression was the "trickle-down system of big-business favoritism." The Republican Party is a great believer in "rugged individualism." Yet we rarely hear of the GOP calling for rugged individualism from "big business."

I wonder whether it is not "profits that zoom" instead of "prophets of gloom"

which have brought into being this 1958-style Hoover "recession." I wonder whether the American farmers, small-business men, the factory workers, the schoolchildren do not deserve more than words. Mr. Eisenhower said on Monday, "Now is the time for courage and common sense." He should have added: "Now is the time for action."

Statement of the Honorable Lester Holtzman, of New York, Before the House Committee on Post Office and Civil Service

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. HOLTZMAN. Mr. Speaker, I would like to include in the CONGRESSIONAL RECORD the remarks I submitted recently to the House Committee on Post Office and Civil Service, in support of pay raises for our postal employees.

My statement follows:

Mr. Chairman, I would like to take this opportunity to express once again my keen interest in legislation now before your committee, which would provide a much-needed and much-deserved pay raise for our postal employees.

For the past several years the sentiment in Congress has been overwhelmingly in favor of such an increase, and last year the House of Representatives and the Senate saw fit to pass legislation which called for such adjustments. Unfortunately the President vetoed this legislation after the adjournment of Congress, and we did not have an opportunity at that time to reconsider the bill.

This year your committee is considering legislation early in the session, and I am very hopeful that we will be able to have a satisfactory bill enacted in the very near future, giving us ample time to effect repassage of the bill in the event of adverse Presidential action.

During the last few years the committee has listened to a steady stream of verified testimony which has shown the great need for pay raises. The cost of living has continued to spiral upward and our postal employees wage a continuous struggle to provide their families with the bare necessities of life. Many of them have had to seek additional employment to supplement their inadequate earnings from the Post Office Department, and in many households the wife has been forced to obtain work so that the family can maintain a decent standard of living.

Our postal workers are among the most faithful of Federal employees, working long hours at hard work, and many times under adverse conditions, to insure the prompt and uninterrupted flow of the mails. They are loyal and conscientious, but we must face the fact that even career employees are being compelled to leave Government service for more lucrative positions elsewhere.

The last salary increase was approximately 3 years ago, and it did not even come close to offsetting the high cost of living at that time. The upswing of living costs remains with us and the outlook for the future is not promising.

The Post Office itself has felt the results of the inadequate salaries in the high percentage of turnover of personnel. Years ago an individual sought employment with the Department, learned his job and became a valuable cog in the postal machinery, contributing immeasurably over a period of years to a more efficient operation of the postal service. Currently the Department is faced with the heavy cost of continuously training new employees, who in many instances find no incentive to remain in the service. This, of course, has a disastrous effect on the productivity and efficiency of the Department.

We must face the problem realistically, and bring about a fair and equitable adjustment of pay scales for these employees. As Members of Congress, we have a duty and responsibility to the men and women in Government service, and we cannot in conscience fail to provide them with adequate salaries. We must restore their morale and their self-respect, and I respectfully urge the committee to report out a just and satisfactory bill without delay.

Self-Help Is No Magic Wand

EXTENSION OF REMARKS
OF
HON. DONALD E. TEWES
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. TEWES. Mr. Speaker, the Agriculture Committee currently is preparing for hearings on a farm bill known as the self-help dairy proposal. It was developed by the leading farm organizations and authorities of the Nation. I introduced the bill, because I found it a realistic, practical approach to the complex problems with which the dairy industry is beset.

Because it is realistic, and because the problems it attacks are complex, there is no claim made that this legislation will solve overnight the economic tangle that has developed over two generations.

The self-help bill does not pretend to be a magic wand for dairy problems. It is a promising plan which recognizes the hard facts of dairy farming and marketing.

This warning would be superfluous except that in the past, broken faith in supposed panaceas has been an important factor in the failure of farm programs to command continuing support.

Because the self-help proposal holds the long-range solution to present difficulties, I think that now is the time to establish in the minds of the Representatives who may vote on it, and in the minds of the farmers who may be directly affected by it that self-help promises no "pie in the sky."

If this legislation is passed, there will be a period of adjustment. There will still be the risks and economic choices that make dairy farming attractive only to the tough minded and the able. Some dairy farmers are going to succeed under self-help, and some are going to lose ground. That has always been true of farming, and will cease only if farming becomes a public utility.

What self-help will do is to provide dairy farmers with bargaining power at least comparable to those with whom they must bargain in marketing their milk. It will allow a good farmer to make a living and to progress economically. And it will relieve the taxpayer of the cost of protecting the market from surplus.

It may be that farmers would prefer to be told that Congress can, with a roll-call vote, perform economic miracles, but I believe differently. Farmers are more sophisticated than some are willing to admit. They have been over the course of impossible promises and broken faith too many times not to know that their welfare lies with hard-fact planning, not magic wands.

Mutual Security

EXTENSION OF REMARKS
OF
HON. EDWIN H. MAY, JR.
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. MAY. Mr. Speaker, the mutual security debate in Congress is now officially under way. The citizens of the United States will have the opportunity through their elected Representatives to express their opinions in the months ahead.

The very significant conference on Foreign Aspects of United States National Security was a resounding success here in the Nation's Capital. The people will now have more of an opportunity to get the complete facts on the case in question.

As a new Member of Congress who has always been vitally interested in international affairs, and one who has supported our mutual-security program this past year, I find to some extent the forthcoming debate somewhat unfortunate. It is hard to believe that the true facts of the case are not more thoroughly understood by the people. Any Congressmen who decry the mutual-security program, I am sure feel they are representing the people in their respective districts. It is not easy to have people understand a program overseas for waging peace as it is to understand the necessity of a particular public-works project nearby. In my opinion, individual leadership on the part of the Members of Congress should supplement the high quality of bipartisan leadership exhibited by President Eisenhower and other Republican and Democratic leaders.

Significant facts so eloquently and forcefully stressed by the President last night should be reasserted again and again to the people throughout the land. The President's statements pointed out that the aid program is as urgent as the missile program. He further repudiated the fortress America concept, stating:

We might as well try to find peace by building another Chinese wall. * * * Our hope for permanent security and peace today is not in fortifications and walls. * * * It is in the hearts and minds and unity of purpose of the people whose ideals we share throughout the Free World. The program has thwarted the Communist hope of encircling and isolating us by taking over vulnerable

smaller countries, through aggression or subversion * * * the urgency of the times and the opportunity before us calls for greatness of spirit transcending all party considerations.

Many other factors could be mentioned—such as the recovery of Europe and the saving of Greece, Iran and South Vietnam from Communist domination.

As one Member who was honored to be with a Congressional committee investigating phases of the mutual-security program in Europe last fall, I became increasingly impressed with the necessity of extending the mutual security program. We all want the most efficient and economical program in this area of waging peace. There have been mistakes which obviously occur even in our most reliable businesses in America. However, the inescapable conclusion is that the net overall effect of our investment has been good. We all hope the day will sometime arrive where more of these funds can be diverted to domestic use; however, while our eye is for efficiency and economy at all levels of the Federal Government, we must look beyond to the important objectives of long-range security for our children and the future of America. Russia is unrelenting in its aggressive imperialism by military and economic means. Not to recognize this on the part of Congress and the people would be as the President stated so well last night—"pennywise economy and above all, outright refusal to look at the world as it really is."

Salary Increases for Federal Classified and Postal Workers

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 26, 1958

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I made yesterday to the House Committee on Post Office and Civil Service. My statement was in support of salary increases for Federal classified and postal workers. I was pleased to note that, following the submittal of my statement yesterday, the House committee voted to give a pay boost to these deserving public servants.

My statement follows:

A STATEMENT IN SUPPORT OF SALARY INCREASES FOR FEDERAL CLASSIFIED AND POSTAL WORKERS

Mr. Chairman, I am grateful for this opportunity to appear before your distinguished committee to express my support of legislation for proper adjustments in the basic compensation rates of the employees of the Federal Government, before us today. As we refuse Federal employees the right to bargain for their wages and working conditions, they must depend upon the fair play of Congress to maintain their equitable position in the economy.

The challenge of Soviet scientific achievements has reawakened America to the necessity of having the ablest and the best trained personnel in our Federal service, working for our national preservation. In recent years we have witnessed a marked deterioration in the prestige of our civil service. Government personnel directors can testify to the serious difficulties they have faced in recruiting trained personnel for Government jobs. The Federal agencies have been unable to compete with the alluring offers from private industry.

In addition, the civil service has been losing valuable, skilled employees through the enticements of higher paid positions elsewhere. Turnover rates as high as 25 percent among highly trained employees have been cited. In the interests of our national welfare and the retention of a high caliber civil service, we must authorize immediate and substantial pay increases for our Federal classified and postal employees; so that they can regain lost ground in our expanding economy.

The continued and accelerated upward spiral in the cost of living have left Federal employees bearing the brunt of the inflation. The cost of living has far outdistanced the meager increases in the Federal pay rates. We have had more than a 6 percent rise in the cost of living since the last Federal pay raise in 1955. The pressure of the never ending treadmill of trying to purchase the necessary goods and services for their families and themselves with dollars of declining relative value has led many Federal employees to take secondary jobs or to have their wives go back to work.

Recent surveys indicate that for a family of four to maintain a modest, but adequate standard of living, their annual income must be at least between $4,700 and $5,000. Yet, the median wage for Federal classified employees is $4,075 and for postal workers it is $4,410. In other words, more than half of our Federal civil servants are receiving substandard wages. This is a disturbing situation which calls for immediate action.

Over the past decade while workers in private industry, with the assistance of their unions, have considerably improved their conditions, both in wages and in added fringe benefits, Government employees, precluded from the advantages of collective bargaining, have steadily lost ground. Federal workers have been given only 1 general wage increase of 7½ percent for classified employees and 6 percent for postal workers in the last 6 years, while many workers in the business world have been getting annual wage boosts commensurate with their increased productivity and the rise in the cost of living.

In the 3 years since the Federal employees received their last pay raise, wages in manufacturing have gone up 14 percent, in wholesaling 13 percent, and in mining they're up 21 percent. One has only to compare the changes in real income of Government employees with various other occupational groups over a 17-year period from 1939 through 1956 to realize how poorly the civil service has fared in our growing economy. Bituminous coal miners have enjoyed the largest increase in real income of 107 percent. But other groups have also prospered; lumber workers up 73 percent; textile workers up 64 percent; chemical workers up 58 percent, meatpackers up 47 percent; even schoolteachers are up 36 percent and retail clerks up 24 percent, to mention only a few. And where do we find the Federal Government workers?—at the bottom of the list with a modest 14-percent increase in their real income. To raise Government salaries to the pre-World War II status would require a pay raise of at least 25 percent, a much greater figure than anyone is proposing.

The disparity in wage increases and real take-home pay is not confined to a comparison of Federal employees with other occupational groups. Even within the Government service this disparity extends to the relationship of classified employees' salaries and the earnings of nearly 700,000 Federal employees whose rates of compensation are not set by the Congress, but rather are based upon the prevailing wage rates in the communities where they are employed. These Federal wage-board workers have received repeated upward adjustments which have kept their wages in line with the cost of living, but which have also placed them far ahead of their fellow classified employees in terms of increased income. The Department of the Navy reports that its wage-board employees have received pay raises totaling 25.8 percent since 1951, while the postal workers have had to settle for 6 percent and the Federal classified employees 7½ percent. Numerous situations have been created where classified supervisors are paid lower salaries than the wage-board workers they supervise. If this condition is allowed to continue, we will witness a further decline in the morale of our Federal service, which we can't afford in these perilous times.

Today the median salary in the 927,822-man classified service is $4,075 compared with that of the wage-board employees of $4,597. This is quite the reverse of the picture in 1950 when the classified service salary median was $3,225 as against the wage board's $3,099. These figures clearly illustrate the unjustified inequities in our Federal pay system. We in Congress are now faced with the responsibility of removing these detrimental inequities before they endanger the whole quality of our civil service.

In American industry it is a common practice to measure wages on the basis of adequate compensation for work performed. This is the principle behind the whole system of incentive wages. Postmaster General Summerfield has testified that the productivity of postal workers has increased 17 percent over the past 6 years. The administration seems to recognize the fairness of rewarding employees for extra productivity in private industry, but it has wanted to deny any increase to postal workers on the same grounds. By 1959 it is estimated that the average pieces per clerk man-year will have risen 6 percent over the 1955 figure and the cost of living has risen by another 5 percent. Are the postal workers to continue to labor diligently without any incentives or rewards, and see their real wages decreasing? This, it seems to me, would be contrary to the principles of our American economic system.

Of course, most Government activities do not lend themselves to productivity measurements. But it would be absurd to claim that Federal employees are not entitled to productivity increases just because the work they perform cannot be measured in terms of pieces completed per hour or some other exact productivity measurement.

Our economy-minded friends in both Houses argued last year that we could not afford to grant Federal pay increases; because the cost would add to the already huge Federal expenditures and precipitate an increase in the Federal debt limit. I favor Government economy wherever possible, but I say to these colleagues we can't afford not to authorize some upward adjustments in our Federal pay scales. It would be faulty business logic and false economy to allow a slow deterioration of our Government service in the name of economy. The replacement costs of training new, skilled employees would far outweigh the savings gained from not giving a pay raise. The Hoover Commission reports that it costs $3,000 to recruit and train a new Federal employee.

Another argument propounded by opponents to a Federal pay increase was that these raises would start an inflationary chain reaction. This appears to be a case of confusing cause and effect. Actually, the Federal employees have become the special victims of the inflation. Why should this one small segment of our economy be singled out to hold the line in the fight against inflation, by foregoing justified salary increases, in the

face of the complete failure of the administration's efforts to restrain price increases in other segments of the economy?

We are confronted here with the almost unbelievable spectacle of the richest country in the world today keeping a majority of its Federal employees on what is subsistence pay or less. To authorize a pay increase would only be remedying an inequality.

Postal and classified pay legislation must be considered on its own merits and not tied to the endorsement of postal rate increases. It would be unfair to continue to make the postal employees and other Federal employees the whipping boys for the administration's inability to get Congressional approval for its proposed higher postal charges. Loyal civil servants should not be made to absorb the costs of our growing postal deficits.

National self-interest requires us to improve the wages of our postal employees and other Federal employees and to return them to an equitable position in our economy. I know I need not belabor the importance of our civil service to the workings of our whole society. In recent years, the Federal Government has grown to have such a vital role in the economy and in the preservation of our way of life. It is essential that our Government be manned by the most capable and best trained of our citizens. We cannot hope to entice qualified personnel into Government service with our present inadequate pay scales. It would be sheer folly to let this pressing problem go unsolved any longer. I, therefore, Mr. Chairman, hope that your committee will take action immediately to favorably report legislation to the House so as to enable that body to vote for a salary increase which these public servants so richly deserve.

Statement of Vance Packard Was an Uncalled-for Insult to Latin American Music

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mr. WOLVERTON. Mr. Speaker, notwithstanding the effort that has been made through governmental, industrial, commercial, and cultural influences to build up a spirit of friendship between ourselves and our Latin American friends to the south, yet, ever so often, and in my opinion too often, some individual expresses an opinion or speaks disparagingly in some respect of our neighbors that has a tendency to create ill will upon their part toward us as a Nation or people.

In this connection, I call attention to opinions expressed by Vance Packard in testimony recently given before a Senate subcommittee considering the quality of music that reaches the American public over our airways.

I was alarmed and surprised that from accounts that have been published of Mr. Packard's testimony, that he is alleged to have branded Latin American music as "cheap music" and as "bargain-counter music." Not satisfied with this untrue and unwarranted reference to Latin American music, he went on to further say that Latin American music was one of the factors in a "gross degradation of the quality of music supplied to the public over the airways." This music among others, he asserted, is being used in an effort to "drive us all back to the dark ages of music."

These remarks attributed to Vance Packard are an insult to the musical culture of all the Latin American countries to the south of us. For myself I can testify to the great pleasure and joy I felt and the thrill I experienced in hearing such Latin American songs as Besame Mucho, Perfidia, Maria Elena, and others cited by the witness. To me these songs, and the other popular music of Mexico, Cuba, Argentina, Brazil, and other Latin American countries of Central and South America, has been music of high quality, competing successfully with the music of the best of our own popular composers. The serious music of Chavez, Revueltas, Villa-Lobas, Guarnieri, Lara, and other Latin American composers is of a high quality and compares favorably with similar type of music by our own composers.

I deplore the assertions of Mr. Packard and his gratuitous insult to our friends on the American Continent. Certainly, it has been in the past two decades that we in the United States have seen an increasing interest in all types of music, and a wider understanding of ourselves and our neighbors in that process. The ill-advised and untempered aspersions cast by Vance Packard are to be deplored. Let us not destroy the work of understanding that has been an important effort of our Government and of all Americans by such shabby and irresponsible attacks as that of Mr. Packard.

The Government of this country is involved in a tremendous program to establish better understanding of ourselves and our culture throughout the world. Let us not underestimate the impact of our own music in all categories, symphonic, jazz, and popular, in promoting a better understanding of ourselves. Music is an international language of good will. I know personally of the great extent to which American music of all kinds is played and enjoyed throughout Latin America. Would we not feel highly insulted if a national of any Latin American country appearing before a body comparable to the subcommittee of the Senate Communications Committee would brand all of our music as "cheap" or "bargain counter," or "degrading"? Music, like all types of human communication, is a two-way street. All such ill-advised and untempered comments as expressed by Vance Packard are to be deplored.

Statement by Secretary of State Dulles on the Mutual Security Program

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mr. JUDD. Mr. Speaker, Mr. John Foster Dulles has appeared before the Foreign Affairs Committee on many occasions during the last 10 years. It was generally agreed by committee members that his statement before it today was perhaps the most forceful, clear, and convincing of all. Under leave to extend my remarks I include the statement:

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE IN SUPPORT OF THE MUTUAL SECURITY PROGRAM, WEDNESDAY, FEBRUARY 26, 1958

Mr. Chairman and members of the committee, the President has sent to the Congress a forceful message calling for the vigorous continuation of the mutual-security program. In my estimation that course is vital to our country's safety.

I

The era of change

We live today in a historic era of change. It will spell the rise or fall of whole civilizations and of great nations. Some will meet the challenge; others may succumb.

The Congress and the executive branch, in whom our fellow citizens have reposed their trust, bear an enormous responsibility to understand clearly the nature of this challenge and to respond to it. The adequacy of our response will determine, for generations to come, whether our peoples will, in peace, enjoy the blessings of liberty or start upon the downward slope that leads to increasing encirclement and ultimate war or subjugation.

What are the great currents of change? There are two which transcend all others.

Communist imperialism

One is the revolutionary movement of international communism. Within 41 years a small group of violent men, starting in Russia, have seized control of all or major parts of 17 nations, with nearly 1 billion people.

The Communist bloc now boasts of enormous military power—ground forces of 400 divisions, vast air fleets, naval forces, including 500 submarines, and nuclear bombs and outer space missiles. They are developing a large economic potential. All of this is centrally controlled and used primarily to achieve its original goal of world conquest.

The drive for progress

The second great revolutionary element in the world today is the march toward independence of colonial peoples. Since World War II, 20 nations with a population of 700 million people have achieved their independence. And these people, as well as the peoples of other less developed nations, are determined that they must and will have economic progress.

Soviet economic penetration

The Communist imperialists are seeking to amalgamate the current of new nationalism into their own movement. This makes the total challenge more acute. Asia and Africa and other nonindustrialized countries are becoming major battlefields of the cold war.

Until a few years ago Communist imperialism sought to expand by a policy of threats, bluster or armed action. These crude and obvious methods ceased, however, to pay dividends.

Now the Soviet leaders follow a new technique. Where they formerly treated all free nations as enemies, they now profess the greatest friendship toward them—particularly toward those which seek economic development.

Having set out on this new course, they have followed it with energy—and capital and skilled manpower. They have made offers of economic help to nations in all parts of the globe. They and other bloc nations have already entered into agreements with 16 nonbloc nations for lines of credit or

grants totaling nearly $1.6 billion in economic assistance and an additional $400 million for military assistance.

The Soviets are providing not only promises, but performance. They are actually providing capital assistance according to their pledges. They are providing rapidly increasing numbers of technicians. They are engaged in vigorous efforts to increase their trade with nations in all parts of the Free World.

The Communist bloc's economic offensive is, of course, not designed genuinely to help newly developing countries to achieve sound economic growth within a framework of political independence. Just as the people now within the Sino-Soviet bloc are exploited, so the newly independent peoples would be exploited. But that goal is camouflaged behind propaganda which represents that only through association with the Communist bloc can the less developed peoples achieve the progress that they seek.

The present Communist political-economic offensive forms part of the Communist strategy of gradual encirclement and eventual strangulation of the more developed free nations, notably the United States.

This is the process which, if we fail to understand it or, understanding it, fail to respond effectively, will lead to the gradual diminution of the perimeter of freedom until it is pushed back to our own shores and we and perhaps a few remaining allies will be but a beleaguered island in a red sea.

Mr. Khrushchev has recently said:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States of America is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

That is a warning to be heeded.

II

What should our course be?

I emphasize these powerful movements at large in the world because many are inclined to think in terms merely of increasing our own military power.

Such course would be suicidal.

As President Eisenhower said in his message on the mutual-security program, "we must not allow concentrations of our own military might to divert us from other essential objectives of our vital security policy."

The task before us is manifold. We must, of course, deter war—whether general nuclear war or limited war. But also we must prevent Communist absorption or envelopment of free nations by the more subtle means of economic penetration and political subversion.

Deterring war

Let us consider first the problem of deterring war. We have long since decided that we cannot do this alone. To attempt that would lead to intolerable taxes and insupportable increases in the draft of our young men and women. Even then we would be weaker than we now are with collective effort. This collective way is the only sensible way. To that end there exist NATO, SEATO, ANZUS, the Baghdad Pact, and our bilateral arrangements with the Philippines, the Republic of Korea, the Republic of China, and Japan. The Organization of American States also has its common defense aspects.

These arrangements embody promises to come to each other's help. These promises are important. But also there is need of military strength-in-being. Our program of mutual security has that as one of its principal purposes.

In the 8 years of this mutual effort our allies have vastly increased the effectiveness and numbers of their forces. We have contributed weapons and material. Yet our help, though substantial in amount and critical in kind, has been but a fraction of the total effort. In this whole period we have contributed $20 billion in our military assistance program while nations associated with us in the collective defense effort have made defense expenditures totaling $122 billion.

There is another aspect of our mutual defense effort which is of transcendent importance. The most powerful deterrent to aggression is our strategic Air Force and our naval might. This great power is heavily dependent on dispersed bases around the world. These are supplied by many of our allies and friends as part of their contribution to mutual defense.

Local aggression

We cannot be sure that mobile strategic power will, alone, suffice to deter all aggression elsewhere. There is need also for local forces to resist local aggression and give mobile power the opportunity for deployment. As the President said in his message last week: "It is imperative that the Free World maintain strong conventional forces capable of dealing with such aggressions wherever they may occur."

Our associates in mutual security are willing to provide the great bulk of the needed conventional forces if we will provide some of the necessary arms and, in certain countries, some of the economic strength needed to support their military establishments.

In the world as it is today, the peace of our country and the peace of every Free World nation rests in the most liberal sense on the great forces of the United States combined with the great forces of the Free World. Together they create an arch on which rests the safety of our homes and loved ones. The military assistance and defense support aspects of the mutual-security program are the keystones in this arch of our security.

Development program

Let me turn now to our strategy to counter the Communist efforts to manipulate, for their purposes, the great political and economic evolution that is occurring.

I have heard it said that we must not enter into a competition with the Soviet bloc in this field. My reply is that we are not entering into a competition with them. They are entering into competition with us. They are attempting to take over and pervert for their own ends the normal processes whereby, historically, nations that are not yet developed borrow abroad to get their own capital development under way.

In this political-economic warfare, the Soviets are aided by the fact that within the Free World the development of new nations has traditionally rested with private capital. In our own country's early history we borrowed great sums from foreign investors with which we built many of the railroads with which we opened up our country and many of the factories which were part of our industrial development.

Today our Government favors the greatest possible participation by United States private capital in the development of the less developed areas of the world. However, the political risks in many of these countries are greater than private persons will assume. Therefore, unless there is to be a breakdown in what have been the normal and historic means of developing less developed countries—a breakdown which would put great victories within the Communist grasp—governmental funds must play a part. In this connection I would like to quote from the warning joined in by members of your committee serving on our delegation to the United Nations General Assembly 2 years ago:

"We are in a contest in the field of economic development of underdeveloped countries which is bitterly competitive. Defeat in this contest could be as disastrous as defeat in an armaments race."

III

The program for mutual security in fiscal year 1959

If these are the challenges which confront us, what then must we do to surmount them and go forward?

An essential part of the answer is in the President's proposals now before you.

First, to maintain the peace, we must maintain the military strength of the Free World as a deterrent to Communist armed aggression.

The President has asked $1.8 billion for military assistance, that is actual military goods. Of this approximately $510 million will go to our NATO allies, essentially for modernization and missiles. Some nearly $700 million will go to Korea, Pakistan, Taiwan, Iran, Vietnam, and other countries separated from the full power of the Soviet bloc only by a border gate or a narrow strait.

We believe that the ground forces maintained by certain of these countries can be reduced in number as more modern weapons enable firepower to go up. The sums requested include consideration of that factor.

The President also asked for $835 million for defense support. This is to go to countries in which our military assistance is helping to support substantial military forces so that these countries can and will maintain such forces and, in some cases, contribute additionally to the common defense.

Defense support is proposed for 12 nations. As in the past, the great bulk of it, 70 percent is intended for only four of these—Korea, Taiwan, Vietnam, and Turkey.

None of these 12 nations has the economic capacity to support forces of the size we believe important to our common defense without our help. These nations are collectively providing three million armed men in ground, air and naval units located at strategic points around the perimeter of the Communist bloc.

The second great purpose of our mutual-security program is to deal realistically with the second great challenge I have mentioned—the determination of the peoples of the newly developing nations to make economic progress. We have the instruments for this in our well-established technical cooperation program and our newly created development loan fund.

We believe we should make a moderate expansion of technical cooperation this year in a few countries where we now have programs and to undertake new programs in nations which have recently gained independence. The total needed for 1959 is $142 million.

There is one new aspect of our technical cooperation program to which I should like to refer specifically—the extension of the United Nations technical assistance program agreed to at the recent meeting of the General Assembly.

This important and difficult matter was handled by Dr. JUDD, of your committee. I hope that at a later time he will explain the serious problem which the United States faces.

The development loan fund is now the only element of the mutual-security program which can ordinarily be used to promote assistance for development. It was recommended to the Congress last year, upon the basis of numerous studies prepared in the Congress, the executive branch, and the public, that a loan agency be established which would make it possible for the United States to help friendly nations develop their economies on a basis of self-help and mutual cooperation.

The committee of conference on the authorizing bill recommended that the fund now be established as a corporation. This is in accord with the views of the executive

branch and we recommend to the Congress that this be done, in a form that will assure that lending by the fund will be fully coordinated with the foreign policy interest of the Department of State, the mutual security activities of ICA, and the lending of the International Bank and the Export-Import Bank.

Last year the Congress appropriated $300 million for the fund and authorized the appropriation of $625 million for the coming fiscal year. Since the appropriation of the funds for fiscal year 1959 is already authorized, your committee will not be called upon to act on an authorization this year. Nevertheless, I would like to make clear to you my belief that for all the reasons I have discussed earlier, it is immensely important that the full amount of these funds be made available as part of the capital of the development loan fund. They are as important for the future safety of our country as any dollars appropriated for weapons.

There are other needs—some close to our collective security effort—which cannot or should not be met out of military assistance, defense support or other categories. These will require special assistance. There are two main groupings in which these needs fall. The first is to help maintain stability both political and economic in certain nations where we do not support substantial military forces and which are not therefore eligible for assistance under defense support. Such nations include Ethiopia, Morocco and Libya, where we have military installations, and Jordan. Secondly, special assistance is also designed to support such activities as assistance to West Berlin, to continue the worldwide malaria eradication program, and for other important uses.

After the needs which can be programed in advance have been considered, there will still remain a need to be able to meet unforeseen emergencies. The President has asked a $200 million contingency fund for needs of this nature. It would be reckless, in the light of conditions existing in the world today and the virtual certainty of Communist cold-war initiatives that we cannot now forsee, to leave the President without an emergency fund of at least this size.

Other programs, for which the President requests in the aggregate $100.6 million, will be dealt with in detail in the coming days of your hearings.

IV

We can afford the security we need

I know that many Members of the Congress and their constituents are concerned by the cost of our mutual-security program. Some are unable to understand why we should engage in economic assistance abroad when there is plenty to do here at home.

In this connection it should be borne in mind that the great bulk of our foreign-aid funds, over three-fourths, are spent in the United States in the first instance. The mutual security program is estimated to account for the employment of some 600,000 American people. To cut these funds would be to cut employment here at home.

There are, however, even more important considerations. The program is for the mutual security of our own and other free nations.

I know that this program is often called foreign aid and that it is regarded by some as a giveaway.

There is no giveaway in this program, but there would have been and there would be a giveaway if we did not have it. We would have indeed given away a dozen or so nations with their hundreds of millions of people. We would indeed have given away the access which we and other nations have to essential resources. We would indeed have given away essential bases.

Worst of all, we would have given away America's great spiritual heritage.

This Nation was not founded for the purpose of gaining safety or to achieve material prosperity. This Nation was founded to demonstrate ideals which our founders believed would achieve worldwide acceptance. Those ideals were expressed in our Declaration of Independence which, as Lincoln said, meant "hope for the world for all future time."

Today this American idealism, once known the world over as the great American experiment, finds its dynamic expression in this mutual-security program.

I have heard it said that he who pleads for mutual security has no clients, no constituents. Nothing could be further from the truth. His constituents are the entire American people, for it is their interests that are involved and their ideals that are at stake.

The issue is a simple one. Are we so poor that we cannot afford to pay for peace and security and to continue to cultivate in the world those concepts of national independence and human liberty for which our Nation was founded? Everyone knows that, if we were to be attacked by force of arms, we would afford to fight back. Surely we can pay the infinitely lesser cost of waging peace.

Annual Meeting of German Society of Pennsylvania

EXTENSION OF REMARKS

OF

HON. KATHRYN E. GRANAHAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mrs. GRANAHAN. Mr. Speaker, it was my great privilege last fall to be among those Members of the House of Representatives chosen by Speaker RAYBURN to participate in an official Congressional visit to West Germany as guests of the Parliament of the Federal Republic.

Early this year, I was invited to discuss my experiences at the annual dinner of the German Society of Pennsylania, commemorating the 193d anniversary of the founding of this organization in Philadelphia in 1764. The German Society of Pennsylvania, a cultural and charitable organization, is the oldest German Society in the United States.

Of course the members of this organization knew much more about Germany than I do, since I have been there only this one time and then only for 2 weeks, but I found the audience most interested in hearing my reaction as a Member of Congress to the things which I saw and heard in this whirlwind trip.

Other Members of the House may also be interested in the reactions of a first-time visitor to today's Germany, and so I include for printing in the CONGRESSIONAL RECORD my talk of January 19 to the German Society of Pennsylvania, as follows:

REMARKS BY CONGRESSWOMAN KATHRYN E. GRANAHAN AT 193D ANNIVERSARY DINNER, GERMAN SOCIETY OF PENNSYLVANIA, SUNDAY, JANUARY 19, 1958

I have heard lawyers telling each other that the best time to ask for and collect a fee in a law case is when the client's tears are still warm, not when the case is over. Others say the same thing in the phrase "strike while the iron is hot." Your president, Mr. Herman Witte, may or may not have had those admonitions in mind when he decided to invite me to this affair tonight, but I will say that he went about it in just such an irresistible manner.

For I found his letter—and a very gracious one it was—waiting for me as soon as I returned to Philadelphia from my trip to Germany last month. Of course, at that moment, my mind was full of thoughts of that wonderful trip abroad to the extent that I could think of very little else. So when I read Mr. Witte's letter inviting me to come here to talk to you about that trip, naturaly I found the invitation irresistible.

Since then, however, I have had some second-thoughts on the matter, and I am not so sure about the advisability of my acceptance of your kind and flattering invitation. You see, this was my first trip to Germany—my first to Europe. And I was in Germany only 2 weeks altogether. It was something of a whirlwind trip—on the go every moment—on a sort of conducted tour which accounted for every second of every minute of the day—and although I saw a great deal and learned a great deal and found the trip invaluable, I am very conscious of the fact that many of you, if not most of you, know much more about what I saw than I do.

Your society, I note, is approaching its 200th anniversary, and during all of these years generations of members of this society have been learning about Germany and visiting Germany and developing your wonderful and complete library about Germany.

Whereas my experience with Germany consists of a 2 week whirlwind tour. So I am very conscious of my limitations in talking to you. On the other hand, I know you will take all of that into account and not expect me to give you a scholarly and profound lecture on German history or German science or German culture or even a travelogue full of heretofore unknown information.

What I can do is this—and I assume that in inviting me you and your president had just this in mind: I can tell you of the impact of modern-day Germany on a Member of the United States House of Representatives who previously knew little about the country—and nothing from first-hand knowledge—but who must, as part of my official duties, take actions and vote in the Congress on matters affecting that part of the world.

I was part of an official delegation named by the Speaker of the House of Representatives, Speaker RAYBURN, to represent the Congress in acceptance of a gracious invitation from the German parliamentary leaders. That invitation came to us—to the House of Representatives—as a gesture of reciprocity and friendship in return for visits which German leaders had previously made to Washington. They felt they had been treated very courteously and had learned a lot in their tour over here, and they were anxious to repay the favor.

Speaking for myself—but mindful of the feelings and thoughts of the other Members of Congress who were part of the delegation—I can say that the favor was very pleasantly returned and the trip was most enjoyable. As taxpayers, you will be pleased to know that this trip was taken at the expense not of our own taxpayers but of those of the Republic of Germany.

We left New York on November 13, by the German airline, Lufthansa, and flew to Frankfurt. I had never been much for flying before—I rather disliked the idea of a long plane flight—but I found this one most pleasant and enjoyable. On the way, of course, we were briefed on some of the things we would see and we were given a good idea of what to expect.

But of course seeing these things was so much different from being told about them

that when we did arrive and plunged into a round of official sightseeing and receptions, dinners, interviews, and so on, it was a rather overwhelming experience. And one I shall always treasure.

We were only in Frankfurt for a few hours on November 14 and then flew to Munich where we had dinner and then fell into bed rather exhausted from the long journey. But beginning at 10 a. m. the next morning, we were busy every moment, for the next 2 weeks. We toured beautiful Munich, attended a reception by the speaker of the Bavarian Parliament, went to another reception that evening given by the United States Consul General, and then we attended the opera that night.

From Munich we drove to Bonn for several days of official discussions with the various ministers of the Federal Republic, with parliamentary leaders, and others, and we had dinner at the American Ambassador's. Then we drove to Cologne, to Duesseldorf, to Hanover, and to Hamburg. From Hamburg we flew to Berlin and from there back to Frankfurt.

Now I have just condensed into a few short paragraphs an itinerary which you know was worth many thousands of words and many descriptive adjectives to do it justice.

But, as I said at the start, I am not going to give you a travelogue about ground many of you have yourselves covered more leisurely and more thoroughly. But I want to give you some impressions.

There were many high points of the trip—not any single one you could pick out and say that this was the one biggest thing. Probably meeting and talking to Germany's impressive Chancellor, Herr Adenauer, would rank among the biggest of all.

But to me there was a genuine thrill in seeing and sensing the attitude not just of Chancellor Adenauer but of all of the top-ranking officials of today's democratic government in Germany with whom we came in contact—an attitude of determination to make democracy succeed this time in Germany, and to assure the German people and the German nation a place of prestige and respect and admiration and affection among the free peoples and the free nations of the world for their devotion to freedom and to the rights of the individual.

This is what we all hoped for—hoped to see and hoped to find—and it was there. We found it. We saw it. It was, as I said, a genuine thrill, and one which continued for all the time we were there.

The scars of war are still there—they still exist. But it is truly difficult for me even yet to realize the extent of the damage and the destruction and the devastation which marked Western Germany when the shooting stopped nearly 13 years ago. We saw pictures of some areas of the major cities—of whole cities, in fact—which had been reduced to rubble. But standing in those cities today, looking at the modern architecture, the good urban planning, the fine apartments and homes, the spectacular stores, the great public buildings, it is most difficult to imagine how so much could have been achieved in such a short time.

Frankly, in some parts of Western Germany, I felt I was right here in Philadelphia. The spirit was the same—rebuilding a better city than ever before; bringing beauty to areas which had been eyesores or worse; building, building, building, improving, beautifying—this was the spirit I saw and the results were simply breathtaking.

We saw German industry booming and bustling and turning out high-quality goods for world markets. We visited and toured the great Volkswagen plant, and heard how they are running a year and a half behind their orders. How Detroit would love to be able to say the same thing right now. And how all of us who are citizens of the United States and anxious for our own economy in this nervous period of recession would also wish Detroit could be saying something of the same thing.

I am, as most of you know, a liberal in politics—a believer in full employment and prosperity widely shared. I believe we have prosperity in this country as a whole only when our people are fully employed and have good purchasing power.

In view of that, I was most sincerely impressed by the German economy, for there is a soundness to it that is gratifying. People have jobs and they work hard and there is full employment and there is even an ability in that economy to absorb the thousands of refugees who stream across the border from repression and the slavery of communism to freedom and free air and light in the western sector—in Western Germany.

Now in contrast, we very briefly visited the eastern sector of Berlin. Presumably, this should be communism's showplace area, for it is a place where there is sufficient traffic back and forth so that the contrasts, if they existed, could be very striking and very damaging to communism. I am sure the Russian masters of Eastern Germany recognize that.

Even so—even despite the prod and the spur to make the contrast with West Berlin less striking—the contrast is there and it is the most dramatic contrast one could ever expect to see between two ways of life and two economies.

We were permitted in East Berlin only an hour and a half. Had we stayed beyond that, the police of the puppet regime would have been looking for us, probably to arrest us. But there were no incidents. We were driven about by American personnel who knew exactly what would be permitted and took absolutely no risks with us. So there was no dramatic incident—no guns pointed at us menacingly or anything of the sort, although that sort of thing has been known to happen in the past to Members of Congress who took pictures or otherwise violated Communist regulations there. It is unnecessary for me to say that we took no pictures.

But while the Communists could prevent us from capturing the poverty and hopelessness and despair and vacuum of East Berlin on photographic film, they could not prevent us from capturing these undying impressions on the film of our minds. We saw—and we remembered what we saw. We shall never forget what we saw.

This was a part of Berlin damaged no worse than the rest in the war. They have had equal time to rebuild. They have had the resources of Russia to help them rebuild, as part of the cold war.

They have built a front—a false front. It is like the settings of a stage play, or the frontier towns that Hollywood builds out of plywood for movies or television—just a front. The fronts of the buildings adjoining the western sector look new and prosperous, but behind those fronts are ruin or neglect or squalor.

The people we passed in the streets looked at us with a blank, sullen, hopeless look of despair. They looked as if they had nothing to live for—unless it might be to escape. And of course, each month, perhaps 2,000 persons escape from Eastern Germany to the West.

One sight I shall never forget: A young girl, perhaps 15, poorly dressed, obviously not too well fed, standing and looking in surprise—almost as if in wonder—at our cars going by. Now we were riding in just plain black automobiles, not fancy limousines. Yet this 15-year-old acted as if seeing a car was most unusual—the way we might have watched a helicopter a few years ago.

In Western Berlin and in Western Germany, where there is prosperity, and life, and delight in life, and things to see, and things to do, and good clothes to wear, and good food to eat, children went about their own happy pursuits, too busy with too many childish wonders of their own to stand and look blankly and wonderingly at adult activities. They were as bright and smiling and happy as American children on a weekend or at school recess. But not in East Berlin.

I saw one other sight which I will keep with me always—women in the eastern sector of Berlin dragging themselves about in the cold weather dressed in discarded or badly worn army overcoats.

These are impressions which underline and underscore—which emphasize and point up—the comparative well-being of the Federal Republic of Germany and its people. No one can visualize or understand the contrast between freedom and communism without seeing these two economies and societies so close together, and yet worlds apart.

What I am telling you about this is certainly not new or news to you. Let me tell you a bit then, about the political climate:

While we were in Germany, the Bundestag was not in session for the very reason that the Congress right now is not passing much major legislation. They were selecting their committees and this is done in conferences and leadership meetings. Our own Congress is in that process to some extent right now.

But although we did not see the Bundestag in session, we met many of the leaders and ministers and talked about the future of freedom in a world divided. I took away two impressions from these talks:

First, as I said, a sense of the determination of the German leaders to make democracy work. This meant, as they saw it, assuring all of their people a solid foundation of opportunity. In many respects, they are ahead of us in social welfare activities while being behind us in others. Labor and management take active partnership roles in many activities. The individual is considered important.

That was one impression. The second was this: These leaders of Germany are deeply grateful to the United States of America for every bit of help we have given them over the years. This I am sure is genuine and sincere. It is not one of those cases of "What have you done for me lately?" They know we have done much—a tremendous amount for them. And they appreciate it. They showed us plaques erected on various buildings and plants saying they were built under the Marshall plan. They have not forgotten. They have not forgotten CARE. They have not forgotten the kindness of so many Americans of German descent too.

The best spokesman for this point of view was, of course, the great Chancellor Adenauer. The arrangements for us to meet with him had broken down for some reason or other; in any event, it was not to be on our schedule as finally worked out. But at the last moment, when we were about to go to the opera one evening, word came through we could see Mr. Adenauer if we wished, and of course we wished.

It was the day after President Eisenhower's stroke. We knew very little about the situation here at home. We were as shocked as you were and as the whole world was shocked. Chancellor Adenauer was deeply disturbed by the turn of events.

This tall, erect, youthful looking man of 82 spoke kindly of the President, as the symbol of America in the Free World. What, he asked us, would we do if the President's illness was so serious that he could not attend the forthcoming NATO conference. Of course we did not know.

Mr. Adenauer said that if President Eisenhower could not come we should very definitely not send a substitute for Eisenhower is the President and he would be meeting with heads of states. He advised

against sending Mr. NIXON to assume the role. If Mr. Eisenhower could not come, he said, then the conference should be changed from one of heads of states to foreign ministers. He was most emphatic about that.

In any event, after speaking of this one matter which was uppermost in everyone's mind at the time—the illness of our President in the light of the forthcoming NATO meeting—Mr. Adenauer then talked about Germany and America, our relationships and our goals for mutual progress, and about the Free World. He spoke in German, through an interpreter, much to my regret. I understand he understands English but does not speak it. Unfortunately I am not conversant with German.

But despite the language barrier, his thoughts came through. He wanted us to know—and to bring back to America—the deep gratitude of the German people for our leadership in behalf of freedom in the world. He wanted to make clear to us that Germany was committed to freedom, and against communism, and was an ally which we could count on through NATO. He spoke solemnly of the Communist threat—as one who has seen it up close and recognizes its hateful face.

And then he expressed his heartfelt desire for Mr. Eisenhower's full recovery. He indicated that in view of his background and past career, Mr. Eisenhower can play a role right now which no one else in the administration could attempt in the realm of world affairs. It was almost as if this 82-year-old man was saying that the future of world affairs depends upon good health and leadership from the American President during the rest of his term in office. And we ourselves thought how much the future of Germany seems likewise to depend upon this 82-year-old man. Who could take his place if anything were to happen?

Well, we here tonight know, as Americans, that men help to make the times but the times help to make the men, too. If Germany has rebuilt well, if the instinct for democracy has been properly instilled, Germany will go on no matter what. That is the hope, and there is good solid foundation for it. Just as we go on and have gone one here in the United States despite the circumstances of individual lives or leaders.

It is all according to what the people think and want and insist upon.

In that connection, I think Germany today is faced in the right direction, and determined to follow the right path. That was my impression, shared by the others in the delegation. That was our hope, too. For a free Germany, united for freedom and democracy, can be one of the greatest instruments for a peaceful, better world.

Thank you.

MATS Gets Fatter

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks, I insert in the RECORD an excellent article from American Aviation magazine for February 24, 1958, concerning what they call the world's largest free line—meaning the Military Air Transport Service—which is known to a number of us as MATS.

I take this opportunity to remind our colleagues in the Pentagon that the Congress laid down a definite policy in its report on the Department of Defense appropriation for the fiscal year ending June 30, 1958, directing the Department of Defense to make greater use of commercial air carriers before authorizing transportation on Government-owned and Government-operated transportation, such as MATS.

This policy is laid out in detail in Senate Resolution No. 543, of the 85th Congress, 1st session, and was concurred in and emphasized in the report of the managers on the part of the House, including myself, in House Report No. 481 of July 23, 1957, on the defense appropriation for the current year.

I insert both those statements of Congressional policy in the RECORD at this point after the magazine article so that all Members and readers of the RECORD may fully understand the position that the Congress has taken in this regard, and can judge for themselves whether or not the Defense Department has lived up to the Congressional directives.

I think it is not revealing any committee secrets, Mr. Speaker, if I say that, in line particularly with Senate Report No. 543 and House Report No. 841, and the requirements in there for a report, that the officials of the Department of Defense can anticipate a number of searching questions concerning the progress, or lack of same, which has been made by them in implementing the Congressional directives.

The article follows:

MATS GETS FATTER, BUT CONGRESS ONLY FRETS

(By Gerald A. Fitzgerald)

The world's largest free airline—Military Air Transport Service—began this year like any other year, with a Congressional investigation. In all likelihood, there will be more hearings and investigations before 1958 ends, and MATS will continue to grow as it does every year, despite Congressional injunctions to the contrary.

Congress, in this case the House Subcommittee on Military Operations, each year suggests that MATS get out of the airline business, to which the military in effect retorts: "Is that an order?" So far it hasn't been an order, with the result that this United States Government airline grows and grows and grows.

Representative CHET HOLIFIELD's (Democrat, of California) subcommittee, now looking at MATS, seems more deeply interested in the MATS problem than previous Congressional investigators have been. Nevertheless, chances are that even this group will have little effect on a military that is used to having its own way.

In any case, if you want one sure, quick way to raise the blood pressure of any airline management, scheduled or nonscheduled, just mention MATS. To airlines, it means the world's largest airline and their biggest single competitor for traffic.

Defense Department, parent of this Government airline, denies being in competition with anyone and gives the reason for MATS' tremendous capacity for cargo and passengers the effective, but not necessarily valid answer: "Required for wartime emergency."

If there were any assurance that this requirement was one that had a limit on it, the commercial operator might be able to take some consolation, but there is no indication of any such limit in military thinking.

MATS' fleet has been for some time considerably larger than those of all the domestic carriers put together and it continues to increase in size and capacity with each succeeding year. The President, Congress, and numerous Congressional and Government committees have repeatedly told MATS to avoid competing with commercial interests wherever possible.

MATS, however, continues to register substantial traffic increases every year. How much increase occurs each year in so-called opportune airlift or the movement of hitchhikers is unknown, as this is not reported and is unscheduled. The fact that a young California reservist has set up an Air Force flight information service and is making a good living by supplying MATS flight information to eligible hitchhikers suggests that travel this way may be more than just opportune.

Cryptic Department of Defense and Air Force answers to charges of competition, not to speak of the waste of tax money, do not satisfy everyone. Commercial carriers for a certainty are not satisfied with things as they are; nor is a Congressional committee currently taking a look at the Department of Defense and MATS transportation pictures.

For more than a month now, since an industry outcry over the Air Force-proposed bailment plan erupted into a Congressional hearing, Representative HOLIFIELD's Subcommittee on Military Operations had been asking a lot of questions about Department of Defense and MATS transportation policies.

Department of Defense and its extensive panel of witnesses, led by Assistant Air Force Secretary Dudley C. Sharp, repeatedly have emphasized that MATS and other Air Force and military transport operators must maintain a fleet of the size they do, and exercise the fleet regularly in the interests of readiness and the national defense.

With this idea neither the carriers nor the subcommittee wish to quarrel, but what is the actual defense requirement? And, if the CRAF (Civil Reserve Air Fleet) is to be depended upon in time of emergency, as it has been so heavily in the past, should not it also be kept ready and aided as much as possible in its attempts to replace worn and outmoded equipment, and expand its capacity toward the time of an emergency? These, principally, are the issues before the subcommittee.

Carrier representatives made it clear in testimony before the subcommittee that the intention is not to deprive the Nation of any of its wartime emergency capability, but rather to further it. In almost every emergency airlift situation to date, commercial carriers have figured significantly. During the Korean conflict, for example, commercial carriers provided 50 percent of the airlift, and with only 5 percent of the aircraft that were available to MATS.

The contributions of commercial carriers to national emergency needs are a matter of record and neither their willingness nor their ability are questioned. The trouble now is that the carriers have invested tremendous amounts of money in an attempt to modernize and expand their fleets to meet civil and possible military needs. Every bit of traffic is needed to afford the necessary expansion and modernization.

With some of the smaller independents, also members of CRAF, the question is not one of modernization and expansion, but one of survival. Many of the independent or supplemental carriers depend upon Department of Defense traffic for as much as 95 percent of their business. In the face of rising operating costs and a fall-off in their defense business, many may have to close their doors unless relief comes quickly.

That there is much more Department of Defense traffic available and eligible for commercial carriage cannot be denied. The practice of scheduling training flights to coincide with troop movements is well known. MATS

claims to operate no domestic services or rather no scheduled domestic services.

Take note of two recent MATS accidents; one on January 7, when a MATS C-47 crash-landed near Bolling Air Force Base with 21 persons aboard; and another on February 1 near Long Beach, Calif., when a C-118 crashed and killed 35 soldiers. Almost all of the passengers involved in both crashes were traveling on Government business; the very people that Congress intended to be carried by commercial carriers.

Many MATS flights, formerly scheduled domestic flights, were transformed into so-called hospital flights and the remainder are now classified as irregular or training flights. However, there is still much in MATS passenger and cargo operations that is anything but irregular.

Civilian Department of Defense employes have complained about being forced to travel on official business in outmoded and uncomfortable B-25 bombers on training flights. Airlines lose a lot of business each year to MATS and troop-carrier transports when whole planeloads are carried on morale flights. This probably is justified in many isolated areas where the United States has bases.

That's really not the problem, however. Commercial airlines, as has been demonstrated, can carry for almost any purpose at much less cost than any military operator.

The Flying Tiger Line recently concluded a 6-month passenger contract operation for MATS in the Pacific, using the latest type Super Constellation equipment. Its charge to the Government was $184 per passenger delivered from the United States to Japan. MATS cost for the same trip, furnished to the House Appropriations Committee during fiscal year 1958 defense budget hearings, was $212.

Similarly, in the Atlantic, Seaboard and Western Airlines, during a 6-month MATS passenger contract, provided service from the United States to Europe, also aboard Super Constellation equipment, at a cost of $105 per passenger. MATS' cost for the same trip, as furnished to committee, $137.

The differences in these costs, significant in themselves, become enormous when multiplied by the hundreds of thousands of passengers now transported by MATS. Savings that would be made possible through greatly increased use of commercial airlines would be substantial, and more funds would be available for military combat activities.

Some traffic would not be appropriately assigned to the commercial operator for security and similar reasons, but the vast majority of it he is able to carry and anxious to get.

The Hoover Commission went into this issue a few years ago and recommended substantial increases in the use of commercial carriers. To some extent these recommendations have been followed, but not to any really significant degree. Military response to these and other recommendations from Congress that are made annually at appropriation time has been little more than lip service.

The situation admittedly is a complex one and the transport industry has recognized this. It has also demonstrated its willingness to help in whatever way it can toward a solution. But in the end, it is not the transport industry that must propose a solution. These answers must come from Congress.

SENATE REPORT NO. 543, DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1958

GENERAL STATEMENT

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Use of commercial carriers

Last year in the conference committee on the Defense appropriations bill the Senate joined with the House in stating in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security.

The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation, in preference to Government-owned and Government-operated transportation, to the fullest extent possible when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation.

It is the desire of the committee that all commercial carriers be given a fair and equal opportunity to offer their facilities on a bid basis to the Department of Defense, and be provided to the extent practical with equal access to information regarding commercial movements of cargo and personnel. The Department should make every effort to centralize the procurement of such transportation so as to consolidate movements in the interests of economy and to avoid the practice of arbitrarily dividing groups into such small units as to necessitate unwarranted additional expense.

The committee desires that at installations where private carriers are permitted to offer their services for sale to individual personnel, representatives of all commercial carriers should be afforded equal access without discrimination.

The committee notes with approval that the Air Force budget reflects increased use as compared with fiscal year 1957 of civil air carriers to augment the Military Air Transport Service in the movement of military personnel and dependents. This is offset in part, though, by the decreased use of civil air carriers in moving cargo for MATS. In summary we do not feel that sufficient effort has been made by the Department of Defense in the international and overseas field to "adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers."

It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogramed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service.

The committee desires that a report be made by the first of January 1958 which would indicate the progress made by the Department of Defense in implementing this directive.

HOUSE REPORT NO. 841, CONFERENCE REPORT ON DEFENSE APPROPRIATIONS FOR FISCAL 1958, JULY 23, 1957

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Amendment No. 36: Deletes provision of the Senate providing for competitive bidding. This matter also is now under study by the legislative committees. The committee of conference strongly feels that competitive bidding should be required whenever practicable for more effective and economical procurement.

Amendment No. 37: Deletes provision of the Senate pertaining to the procurement of commercial transportation. The committee of conference emphasizes the importance of the Senate committee report on use of commercial carriers and calls on the Department of Defense to carry out the full intent. However, it is realized that the procurement of commercial transportation must be made in accordance with existing law.

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GEORGE MAHON, HARRY R. SHEPPARD, ROBERT L. F. SIKES, W. F. NORRELL, JAMIE L. WHITTEN, GEORGE ANDREWS, JOHN J. RILEY, DANIEL J. FLOOD, CLARENCE CANNON, R. B. WIGGLESWORTH, EVERETT P. SCRIVNER, GERALD R. FORD, JR., EDWARD T. MILLER, HAROLD C. OSTERTAG, JOHN TABER, Managers on the Part of the House.

Needed: A New United States Policy for the Middle East

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 26, 1958

Mr. THOMPSON of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech on the need for a new foreign policy in the Middle East.

This is a speech I gave before the Adath Israel Men's Club of Trenton, N. J., on February 3, 1958:

NEEDED: A NEW UNITED STATES POLICY FOR THE MIDDLE EAST

(Remarks of Representative FRANK THOMPSON, JR., to the Trenton, N. J., Adath Israel Men's Club, February 3, 1958)

My friends, it is obvious the United States is in serious trouble in the Middle East and that we have been for some time now. Our interests there are best served by political stability, economic development and peace. But it takes neither a prophet nor an expert to show us that the policies of the Eisenhower administration seem to be aimed in exactly the opposite direction. We have tried to maintain a false neutrality in the struggle between Israel and her Arab neighbors. This has made Israel less secure and has inflamed the Arab world anew. We have been unwilling to recognize Nasser's drive to dominate the Middle East over Israel's dead body and at the price of every shred of Western influence. For a long time we buried our heads in the sand and refused to look at the red hammer and sickle hanging like a Damocles sword over the Middle East. Our ostrich-like behavior has aided the rapid growth of Soviet power and prestige in the Middle East. The Eisenhower doctrine does not meet this challenge of political and economic penetration. It has served to alienate us further from the Arabs by trying to make them side with the United States. I believe it is "time for a change", to use a phrase popular with Republicans not so long ago. We need a policy that deals with the realities of the situation rather than one which pretends that problems don't exist or refuses to take a position in moments of crisis.

The Arab-Israeli dispute is one of the many sources of tension in the area since Israel was established in 1948. It is a problem mainly because Israel's Moslem neighbors

refuse to accept the fact of her existence. Without exception, they want to install an Arab State in the place of Israel.

In 1954 and 1955 this long-standing dispute took on new importance and became part of the much larger struggle between the Free World and the Soviet-dominated slave world.

The problem became serious when Premier Nasser consolidated his power over Egypt and embarked on a crusade to "wipe Israel from the face of the earth." But this was not his real goal. It was primarily a device, a means by which he could unite the Arab world under his own leadership. Hostility to Israel was the one surefire means of doing it. Apart from this issue the Arab states are anything but united. (Indeed they are usually embroiled in bickering and quarrels among themselves.) Nasser organized the fedayeen guerilla movement that rained officially sponsored terror on the farms and villages just inside Israel. Incidents increased along Israel's border with Syria and the Jordanian border also became the scene of theft and murder. Then, in 1955 Nasser began to move in the direction of opposing all Western influence in the Middle East. Anti-Westernism became the second tune he played to the approving ears of dissatisfied Arab leaders. It was this move that threw Nasser and the whole Arab-Israel dispute into the center of the struggle between Soviet tyranny and Western democracy.

The Soviet bloc promptly came forward with substantial quantities of heavy arms, including big tanks and the latest jet planes. They are largely offensive weapons. These were made available to Nasser in exchange for the cotton that was glutting Egyptian warehouses. From that moment, Nasser became the darling of the Soviet bloc in the Middle East. He was helping rid the area of Western influence. In return, Russia gave her wholehearted support to Nasser's drive to push Israel into the sea. It was a marriage of convenience, to be sure, but a marriage nevertheless. It has given Soviet Russia the foothold in the Middle East the czars had long sought.

By opposing Israel, the Soviets find they are accepted with open arms by the formerly suspicious Arabs of the Middle East. By espousing anti-Westernism more vigorously, the Arab chieftains have been the recipients of Soviet largesse. Soviet political penetration has followed Soviet arms into Egypt, Syria, and Yemen. Witness, if you please, the federation of these countries. Fortunately for us, Iraq and Jordan have federated and thrown their weight jointly against further Soviet penetration.

Soviet offers of easy loans and technical assistance have also been made to most other Middle East states. Russia has played it smart and honored the Arab desires to remain neutral. Thus no visible strings are attached to Soviet offers, and their stock rises higher. Moreover, the Arab world is convinced Soviet Russia is its friend and defender. It is reported that most Arabs believe it was the Soviet threat to shower rockets and missiles on London and Paris that called a halt to the Anglo-French military action at Suez in 1956.

This is the growing crisis we have not been willing to recognize. When we begin to look for a solution we must go to the heart of the matter. We must start with the Arab-Israel dispute. It is the source of continued local tension and is constantly used by Nasser and the Soviets to extend their power in the Middle East.

The United States made a good start in 1950 when we joined with Britain and France in the tripartite declaration. There we stated our "unalterable opposition to the use of force or threat of force between any of the states in the Middle East." We even said we would "immediately take action, both within and outside the United Nations" to prevent a violation of these frontiers and armistice lines. These are noble words, but they have become empty words because they have not been supported with deeds. Egypt interpreted the declaration to mean that the United States would do nothing to stop her invasion of Israel. In this way the policy declaration became in effect an open invitation to aggression.

The United States has tried to have the best of both worlds. In the tripartite declaration we were really promising to guarantee the borders of Israel because the Arab countries threatened to attack her, and not vice versa. By failing to put any teeth in the declaration, we gave a permissive nod to the Arabs. They knew the United States would not interfere with their plans. This is neat footwork, but it invited catastrophe.

In 1956 Israel invaded Egypt's Sinai peninsula because she felt that an Egyptian attack using Soviet tanks and jet planes was imminent. The United States again failed to look at reality. We pointed to Israel's military action and said self-righteously that she was the guilty party. It didn't seem to matter that Israel was actually responding to an endless series of violent Egyptian border violations. We paid no attention to Egypt's declared policy of erasing Israel from the map. More important, we didn't take account of the stark fact that Egypt was quickly moving ahead of Israel in the quality and quantity of her military equipment. Israel had nothing to equal Nasser's new Soviet jet planes. The United States could at least have called on the United Nations to recognize that the problem had two sides and urged measures to restrain the Egyptian raids as well as the Israeli reprisals.

Israel, France, and Britain have withdrawn their forces from Egypt, and a weak United Nations Emergency Force now patrols parts of the armistice line. Egypt has reoccupied Sinai and the Gaza strip. Still, the United States has done little to help prevent a recurrence of fighting or to settle the more basic problems. The Eisenhower administration is merely letting the dust settle and hoping for the best.

I am the last person who would say there is a simple answer to the Arab-Israeli dispute. But the complex answer surely does not lie in the direction of shoving the whole problem under the rug. We should stand for a just and equitable solution and then pay the political, economic, and military price required. A do-nothing policy will almost inevitably invite further disaster.

We must first take the steps that are needed to prevent a recurrence of actual fighting along the borders. This involves a realistic commitment of United States military strength, continued support for the United Nations Emergency Force and, if possible, the end of all arms shipments to the Middle East.

The United States must give effect to the kind of pledge contained in the tripartite declaration, to prevent major border violations. It must be made certain that we have the necessary forces and that we have the determination to use them. It should be United States policy to keep the armed forces of Israel and the Arab countries apart, without becoming the instrument of either one. But right now we don't have enough of the right kinds of armed forces in the area to make the pledge stick. This is a clear case for conventional, or non-nuclear weapons and ground forces that can be quickly put ashore or dropped by air transports. But most of the United States forces in the Mediterranean area today are equipped for atomic and not for conventional warfare. Unless we can increase our non-nuclear strength there, we may face the choice between risking a nuclear holocaust or being unable to act. In a showdown there would be a strong temptation not to act, and for understandable reasons.

But what is the President doing to correct this dangerous situation? The administration has indicated in oblique and indirect ways that we would go to the aid of Israel if she were attacked. But there has been no real pledge to guarantee the Middle Eastern borders. More importantly, the budget which the President has just submitted to Congress is certainly not designed to meet the need for conventional forces in the Middle East. It has the opposite effect. Almost every additional dollar in the defense budget has been designated for the development and production of missiles and rockets. What is more, a sizable chunk of money is going to be taken from our conventional or "old-fashioned" strength to pay for these new weapons. The Republicans want to be able to go to the polls in November with missiles in one hand and a balanced budget in the other hand. Is this responsible policy?

Missiles, however vital, are only part of the military strength the nation needs today. The road to United States military security in the Middle East is not paved with missiles and rockets. The President is thus further compounding our weakness. If this is the kind of Presidential leadership we are going to have, Congress must force the administration to look at the hard facts of our present position in the Middle East.

The second thing we should do is give our full and continued support to maintaining the United Nations Emergency Force at Aqaba and in Gaza. As weak as it is, it has been highly useful in preventing border violations during the past year. I am happy to see that the President shares the desire to keep the U. N. force on the job.

But even these measures will not have full impact if we continue to have a raging arms race in the Middle East. Russia supplies Egypt, Syria, and Yemen. The United States supplies its friends among the Arabs, while Israel knocks vainly at the American door and has to do with bits and pieces from wherever she can get them.

We must make a sincere attempt to negotiate an embargo on all further arms shipments to the area. Only Nasser and the Soviets can profit from an arms race. It doesn't help Israel. It doesn't help the United States. It doesn't help those Arab States that would like to be able to devote more of their resources to economic development and gradually let the hatred for Israel quiet down.

The United States and our NATO allies who also supply arms to various countries in the Middle East should "take the bull by the horns." We should call on the Soviets to carry through on their offer to negotiate an arms embargo. If no agreement is possible, the Soviet proposal will be shown up as pure propaganda and we will know where we stand. If we can negotiate an agreement, it will be self-enforcing and therefore one that either will be kept or decisively broken. The presence or absence of arms shipments is easy to establish. If the Soviets violate the agreement, we will know it. If they keep the agreement, their good faith can lay the groundwork for putting an end to open fighting in the Middle Eastern area.

But I cannot emphasize too strongly that we should enter these negotiations only if we are willing to back up our pledge to guarantee Middle Eastern borders. Unless we negotiate from strength in being, we will fail, psychologically and probably politically. Moreover, we should enter negotiations only if we have the support of our NATO allies who are also involved. Otherwise we may make new cracks in the walls of NATO by an unnecessary policy of going it alone.

If an embargo proves to be out of the question, I think the United States must face the question of supplying arms to selected countries in the area, including Israel. But this would have grave implications for the future. It is a step we should

take only if every realistic and honest attempt to end the arms race proves futile. It is only a last resort.

My friends, these are necessary steps but they will not put an end to the underlying tensions in the Arab-Israel dispute. They will not convince the Arab States to recognize that Israel is here to stay. Nor will they settle the troublesome questions of boundaries, refugees, and poverty. I fear they will be with us for many years to come. But there are at least three things we can do now that will help us move toward a solution.

The refugee problem must be tackled with honesty and determination. We all have a responsibility toward the hundreds of thousands of unfortunate men, women and children who live in the tent cities pressing on Israel's frontiers on a bare subsistence dole from the United Nations. It is the Arab governments, which launched the war against Israel in 1948, that have the chief responsibility for giving the Arabs new homes and citizenship. At least two of these states, Iraq and Syria, stand in need of more manpower. So far, the Arab states have refused to help remove this thorny problem. It is totally unrealistic to expect Israel to accept these people, for Israel now has close to 200,000 Arabs and, in addition, has settled more than 400,000 Jewish refugees who came in from Arab and Moslem countries. Many of the Arab refugees were born in the refugee camps and have never lived in Israel at all. Most are so hostile toward Israel that it would be almost impossible to integrate them into her social structure again. But Israel does have a clear moral responsibility to provide just compensation to the original Palestinian Arabs. She has already provided homes for more than 30,000 of them on the basis of reuniting families. Israel has already made a start in this direction, but the real solution can come only through a comprehensive resettlement program which would give these refugees new hope and opportunity among their own people inside Arab lands.

Those who urge mass repatriation to Israel are raising false hopes and defeating the chances of resettlement and thus do a disservice to the refugees themselves.

The United States should make explicit its implied offer of helping Israel meet the financial burden that compensation would involve.

United States economic assistance to Israel has played an important part in helping her increase agricultural productivity and industrial development. It is common knowledge that United States aid has been used more effectively by Israel than by any other country in the Middle East. Israel is a democratic, educated, and vigorous nation when compared with most of the other states in the area. The United States aid program to Israel must not be cut back in a drive that would sacrifice foreign aid to missiles. Today Israel faces difficult economic problems and will continue to need our assistance. It is therefore important that the American people should continue to support our foreign aid program. Missiles are no substitute for economic development. And we all know that you can't eat democracy.

I believe that the best means of working toward the goal of economic development for the entire Middle East is the establishment of a Middle East development loan fund. It must be a joint effort of the countries of the West and local Middle Eastern government to help alleviate the poverty, disunity, and tension that pervades the area. Only a joint program will effectively mobilize the resources of the area, provide a channel for our foreign aid, and give the lie to Soviet charges of Western imperialism. It must be a permanent fund, with sufficient capital to make long-term, low-interest loans of many millions of dollars each year. Unless we can reduce the terrible disparity between the standard of living in Israel and in the other Middle Eastern states we will all suffer the consequences. Israel's security lies in becoming an integrated and accepted member of the Middle Eastern community. Our security lies in helping to reduce the political tensions and economic disparities in the area. Economic development plays a vital part in this process.

I have tried to point today to the unfortunate consequences of the Eisenhower administration's failure to face the realities of the Middle East. I have tried to suggest some things we could do to halt the onward march to disaster. The United States must make an effective military, political, and economic commitment of its strength to help bring about a solution to the Arab-Israel dispute. This is the root of local tension in the Middle East. It is used by Nasser and the Soviets to gain control by driving out all Western influence in the area. If they succeed the Middle East may be lost. And if the Middle East is dominated by the Soviet Union, NATO itself will be outflanked and the security of the entire Free World will be gravely threatened.

SENATE

THURSDAY, FEBRUARY 27, 1958

Bishop Gerald Kennedy, of the Methodist Church of Los Angeles, Calif., offered the following prayer:

Almighty God, many times in the urgency of our own affairs, we forget Thee. But forget us not, O God. Forgive our pride in our cleverness, and forgive us for our blind neglect of Thy laws, we pray. Remind us continually that without God we cannot live.

Especially we pray for Thy servants, the Members of the United States Senate. They bear heavy burdens, Lord, and they fight hard battles. For every ounce of honor bestowed upon them, they carry a pound of responsibility. Be Thou their refuge and strength.

Bless the President and Vice President of the United States. And, O God, may our country ever be an instrument in Thy hands for the fulfillment of Thy purposes.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 27, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. W. KERR SCOTT, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. SCOTT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HOLLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 26, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 26, 1958, the President had approved and signed the act (S. 652) for the relief of the Thomas Cruse Mining & Development Co.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HOLLAND, and by unanimous consent, the following committees or subcommittees were authorized to meet today, during the session of the Senate:

The Foreign Relations Committee;

The Internal Security Subcommittee of the Committee on the Judiciary;

The Agricultural Production, Marketing, and Stabilization of Prices Subcommittee of the Committee on Agriculture and Forestry; and

The Finance Committee.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HOLLAND. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Health, Education, and Welfare for "Salaries and expenses, Bureau of Old Age and Survivors' Insurance," for the fiscal year 1958, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

INDEMNIFICATION OF CERTAIN CONTRACTS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the Department of Defense to indemnify its contracts against unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes (with accompanying papers); to the Committee on Armed Services.

EXTENSION OF PROVISIONS OF TITLE III, FEDERAL CIVIL DEFENSE ACT OF 1950

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting a draft of proposed legislation to extend the provisions of title III of the Federal Civil Defense Act of 1950, as amended (with an accompanying paper); to the Committee on Armed Services.

REPORT ON EAST-WEST TRADE DEVELOPMENTS

A letter from the deputy administrator for the Mutual Defense Assistance Control Act, Washington, D. C., transmitting, pursuant to law, a report on East-West Trade Developments, 1956–57 (with an accompanying report); to the Committee on Foreign Relations.

REPORT PRIOR TO RESTORATION OF BALANCE OF AN APPROPRIATION, DEPARTMENT OF COMMERCE

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report for partial restoration of the balance withdrawn from the appropriation "Maritime training, maritime activities, 1956" (with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF LABOR

A letter from the Secretary of Labor, transmitting, pursuant to law, a report on tort claims paid by that Department, during the year ending December 31, 1957 (with an accompanying report); to the Committee on the Judiciary.

BUDGET ESTIMATES RELATING TO CERTAIN PROPOSED LEGISLATION

A letter from the Secretary of Labor, transmitting, pursuant to law, budget estimates in connection with Senate bills 2175 and 3097 (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the Western Governors Conference, at Colorado Springs, Colo., favoring the maintenance of the Army National Guard at the 400,000 man level; to the Committee on Armed Services.

A resolution adopted by the board of directors of the Affiliated Chambers of Commerce of the Territory of Hawaii, favoring early completion of the improvements to Kahului Harbor, T. H.; to the Committee on Public Works.

The petition of Edith A. Spare, of Buckingham, Pa., relating to postal rates (with an accompanying paper); ordered to lie on the table.

PAY TELEVISION—RESOLUTION

Mr. PAYNE. Mr. President, I ask unanimous consent that a resolution opposing pay television adopted by the Maine Department of the Veterans of Foreign Wars on February 23, 1958, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE DEPARTMENT OF MAINE, VETERANS OF FOREIGN WARS—PAY TO SEE TELEVISION IN THE HOME

Whereas pay to see television would deprive manufacturing companies the rights and privilege to advertise their products; and

Whereas pay to see television would add a financial burden to the aged and shut-ins and deprive them of hours of entertainment and enjoyment and, in many circumstances, their only contact with the outside world; and

Whereas pay to see television would constitute financial problems to our hospitalized veterans in veterans hospitals; and

Whereas pay to see television is invading the American families home for financial revenue which is a breakdown of the American principles and standards of living: Now, be it.

Resolved, That the Council of Administration of the Department of Maine, Veterans of Foreign Wars of the United States go on record as being opposed to any form of pay to see television in the home.

VETERANS' BENEFITS—RESOLUTION

Mr. PROXMIRE. Mr. President, the Door County Veterans' Council, of Sturgeon Bay, Wis., has adopted a resolution calling on me to use every means at my disposal to prevent any reduction in veterans' benefits.

Mr. President, in order that this resolution may be called to the attention of the Senators, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Door County Veterans' Council held a public meeting in the courthouse, Sturgeon Bay, Wis., on January 29, 1958; and

Whereas the veterans' council consists of 2 elected delegates from each of the 8 veterans' posts representing all geographic sections of Door County; and

Whereas this meeting was held in the Door County court chambers, and this court chamber was filled with persons consisting of veterans, widows, dependents of veterans, and interested businessmen; and

Whereas a detailed discussion of the proposed cut in veterans' benefits were discussed; and

Whereas any reduction in veterans' benefits or change in eligibility requirements would adversely affect not only the financial, but the social standing of our disabled comrades; and

Whereas reduction of benefits would not only affect the economy at county level, but would substantially increase our local taxes through higher welfare costs; and

Whereas a reduction of veterans' compensation and pension will have an adverse effect on the morale of our men who will be called upon in event of a national emergency: Therefore be it

Resolved, That the Door County Veterans' Council petition the Honorable WILLIAM PROXMIRE, United States Senator for Wisconsin, to use every means at his disposal to prevent any reduction in veterans' benefits.

RESOLUTIONS OF KINGS COUNTY (N. Y.) CHAPTER, CATHOLIC WAR VETERANS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, resolutions adopted by the Kings County Chapter, Catholic War Veterans, of New York, with respect to abuses in the American labor movement, and the continued imprisonment by the Communist Chinese of Americans, notwithstanding the visits to those Americans by their parents.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 30

Whereas recent disclosures of the Senate committee investigating the existence of corrupt elements in the labor movement in the United States reveal widespread abuses and the strong influence of gangsters and racketeers in the American labor movement: Now, therefore, be it

Resolved, That the Kings County Chapter, Catholic War Veterans, in convention assembled this 18th day of January 1958, urge that legislation be enacted to help cure abuses in the American labor movement and to wipe out the influence of gangsters and racketeers in labor unions and guarantee to the rank and file thereof more opportunity to control and direct their own organizations.

RESOLUTION 31

Whereas Hugh Redmond, John Downey and Richard Fecteau have been imprisoned by the People's Republic of China after being tried for alleged espionage or crimes against that government; and

Whereas, with full permission of the United States State Department, Mrs. Ruth Redmond, Mrs. Mary V. Downey, and Mrs. Philip G. Fecteau have visited their sons in their prisons in China; and

Whereas the above-mentioned mothers have petitioned Premier Chou En-lai to release their sons: Now, therefore, be it

Resolved, That the Kings County Chapter, Catholic War Veterans, in convention assembled this 18th day of January 1958, do hereby add their voices to the pleas of the mothers of Hugh Redmond, John Downey, and Richard Fecteau to heed the cry of the greatest love in the world, that of mother for child; and be it further

Resolved, That this resolution be telegraphed or cabled to the People's Republic of China at the earliest opportunity.

RESOLUTION OF CHEMUNG COUNTY (N. Y.) BAR ASSOCIATION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Chemung County Bar Association, of Elmira, N. Y., with respect to pay for members of the legal profession serving the Armed Forces.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That the Chemung County Bar Association go on record as favoring the passage of the United States Senate bill 1165, 85th Congress, which provides for additional pay and promotion for members of the legal profession serving with the Armed Forces in a legal capacity and that copies of this resolution be forwarded to the chairman of the Senate Committee on Armed Services and the appropriate Members of Congress from New York State.

RESOLUTIONS OF CENTRAL MINNESOTA CREAMERY OPERATORS AND DAIRYMEN'S ASSOCIATION

Mr. HUMPHREY. Mr. President, I recently received a copy of the resolutions adopted by the Central Minnesota Creamery Operators and Dairymen's Association.

Since many of these resolutions pertain to Federal legislation, I ask unanimous consent that they be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

CENTRAL MINNESOTA CREAMERY OPERATORS AND DAIRYMEN'S ASSOCIATION RESOLUTIONS, 1958

We, the members of the Central Minnesota Dairymen and Creamery Operators' Association, assembled at St. Cloud for our 49th annual convention, February 5 and 6, 1958, desire to express our thanks to the city of St. Cloud, the chamber of commerce, the Hotel St. Cloud, the speakers and entertainers, and all others who contributed to the success of our meeting and to our enjoyment.

We continue to be indebted to our splendid secretary, Mr. J. P. Hortsch, for his leadership, devoted service and foresight. To him and to the board of directors we express our thanks.

We continue to recognize the splendid work being done by the State Department of Agriculture and the staff at the university farm, and express our gratitude to them.

Support prices: The farmer, like every other businessman, would like a higher price for his commodities, and under existing circumstances is entitled to them. Such a situation makes an appeal for higher support levels a very attractive one, but a much more practical approach is to retain what we now have.

In view of the improbability that the Congress will pass a bill calling for an increase in the existing dairy support level, and the almost certainty that the President would veto such a measure in the unlikely case that it did pass, we urge Congressional representatives to work for the passage of bills for the continuance of present support prices for the marketing year April 1, 1958–March 31, 1959, as we feel that chances of securing such legislation are immeasurably better than they are of raising supports. Any move to secure higher floor prices should be deferred until the position of the dairy farmer is safeguarded by maintaining present price levels.

We recommend that this association secretary mail copies of this resolution to all Minnesota Members of Congress and the Secretary of Agriculture; that a condensation of this resolution be telegraphed immediately to the same individuals.

We ask that our members be alert to any individual or organization making fantastic promises to dairy farmers regarding increased price because such promises cannot and will not become a reality. They are to be regarded as pie in the sky.

Butter contests: We urge all members to participate in State, regional and local butter contests. The contests have demonstrated that they are a medium for the betterment of quality, sales, excellent publicity and a competitive spirit among our members. The importance and value of the four statewide contests cannot be overestimated. We urge all creameries and our members to support the State fair, department of agriculture and the Minnesota Creamery Operators and Managers Association in this worthy project.

Convention supporters: We thank the firms and individuals who contributed prizes and bought convention advertising. Especially do we thank the Minnesota dairy boosters for their invaluable contributions to the convention activities.

American Dairy Association program: The American Dairy Association, the money expended by that organization and the individuals implementing its programs are proving to be of increasing value and importance to the dairy industry and all individuals connected therewith. We strongly urge that the increasing needs of the industry make it desirable that all plants and individuals give immediate and unfailing support to the year-round set-aside of one-half cent per pound of butterfat in cream or 2 cents per hundredweight of whole milk. Nineteen hundred and fifty-eight marks the fifth year of the year-round program. The sales results of this program speak for themselves. Therefore, we again recommend all plants participate in the year-round set-aside.

As problems of the dairy industry become more numerous and the seriousness of these becomes greater, the working relationship and cooperation between the Minnesota Creamery Operators and Managers Association and the Minnesota Dairy Industry Committee has become essential to the progress and development of the Minnesota dairy industry, we recommend that this close relationship be intensified and continued.

We are pleased with expanded intrastate program of the Minnesota Dairy Industry Committee, including the pay-back plan to the counties and regions. We believe, for the benefit of all, this activity should be conducted in such a way that it does not jeopardize the existing programs carried on by the Minnesota Dairy Industry Committee.

It is pleasing to note the success of the dairy industry in reaching the goal that long has been sought, a new and adequate dairy science building on the agriculture campus at St. Paul. This success has resulted because of the action and cooperation of this association and allied dairy groups. We must make certain that sufficient funds are available to properly equip and staff this new building.

We urge that our legislature appropriate such funds for this purpose. The completion of this project should encourage the dairy industry to induce prospective students to enroll in dairy-processing courses at the Institute of Agriculture. This will provide trained personnel so badly needed in our industry.

The fourth annual Minnesota Dairy Industry Career Day will be held Saturday, March 29, 1958, on the university farm campus. We urge all members of our association and all industry organizations to promote and support this project.

Our long championship of adult education in the field of dairy-plant operation has been fully justified, as is evidenced by the widespread interest in, and the satisfactory results from, the various types of short courses and itinerant schools being conducted by Dr. J. H. Gholson of the dairy extension department of the University of Minnesota. We express to Dr. Gholson and the director of the extension service our appreciation of this work and our pledge to continue to give it our support.

We commend Minnesota Creamery Operators and Managers Association and its members for the fine area schools completed, those now being conducted, and those projected for the future, and urge that this necessary and valuable work be continued.

Long overdue at the Minnesota State fair is a dairy-industry building worthy of the dairymen of this State, and we call the attention of the Minnesota State Fair Board to the fact that this long-promised development has not yet materialized. In connection with this needed project, we call attention of the fair board to a misconception which has been quite general among board members for many years that a dairy-industry building properly belongs in an area visited largely by farmers when the real value of that building lies in placing it in an area visited largely by urban people, and preferably near the grandstand. It is our contention that interested farmers will visit the building, no matter where it is located, but that the reverse is not true in the case of urban people and, furthermore, emphasis should be placed on the fact that it is the urban population which constitutes the major part of our dairy market.

School-lunch milk program: We express our wholehearted appreciation and support of the special school-lunch milk program.

We commend the Minnesota Sanitarians Association for the educational sectional meetings it has conducted during the past 2 years at various points in Minnesota.

Federal milk-marketing orders: This association is not opposed to the principle of Federal milk-marketing orders. However, in the operation and administration of such marketing orders, certain discriminatory and monopolistic characteristics have been adopted that have resulted in undue hardships on producers of milk for manufacturing purposes and have resulted in the production of heavy surpluses that strangle markets for producers of milk for manufacturing. We repeat our assurance that it is not the desire of this association to inflict any hardships upon the producers of fluid milk, but we cannot condone the continued flaunting of the rights of producers of milk from which manufactured dairy products are made. And we believe that the Agricultural Marketing Act of 1937 should be amended to:

1. Provide that all fluid milk, as priced to producers, shall be based on a formula correlating the price of fluid milk with the price of milk for manufacturing purposes.

2. Require in each Federal order provisions for revising downward producers prices for class I milk when production exceeds 115 percent of the market requirements for class I milk.

3. Require the elimination of all order provisions which are designed to discourage deliberately receipts of all milk and/or cream from outside the territory covered by a specific order.

4. Require the application of a Federal standard, such as the United States Public Health Code, as the criterion for sanitary standards for milk and dairy products in all fluid milk markets.

Milkhouse requirements: Believing that such a step is mandatory if this State is to retain its standing as a producer of high quality dairy products, we recommend that the Minnesota Legislature pass a law requiring the installation of a satisfactory

milkhouse on every dairy farm within a reasonable period of time.

Leadership: Able leadership and skilled workmen are essential to the success of the dairy industry. We urge all operators, managers, industrial leaders to induce their plant helpers and other personnel to affiliate with the Minnesota Creamery Operators and Managers' Association; to assist in this work and to further all such programs having as their objective the improvement and welfare of our dairy industry, including the dairy craftsmen's group insurance and pension programs.

Sympathy: Recognizing the deep loss to the industry occasioned by the death of many of our leaders and friends during the past year, we extend our full and heartfelt sympathy to the bereaved families.

Respectfully submitted.

LEW CONLON, *Chairman.*
B. O. BREDBERG,
Secretary.
FLOYD THOMPSON.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BUSH, from the Committee on Armed Services, without amendment:

H. R. 3604. An act to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control or signal lines, stations, or systems, and for other purposes (Rept. No. 1327); and

H. R. 6710. An act relating to Canal Zone money orders which remain unpaid (Rept. No. 1328).

By Mr. CASE of South Dakota, from the Committee on Armed Services, without amendment:

H. R. 6744. An act to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools (Rept. No. 1329).

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

H. R. 7912. An act to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents (Rept. No. 1330).

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably a total of 2,573 nominations in the Army and Air Force in the grade of colonel and below. All of these names have already appeared in the CONGRESSIONAL RECORD; so, to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

David E. Rathjen, and sundry other officers, for promotion in the Regular Air Force; and

Ruby G. Bradley, and sundry other officers, for promotion in the Regular Army of the United States.

Mr. STENNIS. Mr. President, also, from the Committee on Armed Services, I report favorably the nomination of Capt. Lot Ensey to be Director of Budget and Reports in the Department of the Navy for a term of 3 years with the rank of rear admiral, and the nomination of Rear Adm. Paul D. Stroop to be Chief of the Bureau of Ordnance in the Department of the Navy for a term of 4 years.

I ask that these nominations be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar, as requested by the Senator from Mississippi.

The nominations placed on the Executive Calendar are as follows:

Capt. Lot Ensey, United States Navy, to be Director of Budget and Reports in the Department of the Navy, with the rank of rear admiral; and

Rear Adm. Paul D. Stroop, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 3369. A bill to provide for posting information in post offices with respect to registration and voting, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr CASE of South Dakota:

S. 3370. A bill to amend the act of July 3, 1952, to provide for the construction by the Department of the Interior of two pilot plants for the production, from sea and brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs:

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 3371. A bill to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 years to 30 years; to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 3372. A bill to provide financial assistance through the Small Business Administration for the construction of a pilot plant experimental newsprint-paper mill, to authorize research activities in connection with such plant, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 3373. A bill to stimulate residential construction; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND (by request):

S. 3374. A bill to provide cost-of-living allowances to judicial employees stationed outside the continental United States or in Alaska; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 3375. A bill for the relief of Irene Cambouris; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3376. A bill to amend the Railroad Retirement Act of 1937 to permit women to receive reduced benefits thereunder at age 62; to the Committee on Labor and Public Welfare.

By Mr. REVERCOMB:

S. 3377. A bill to amend title II of the Social Security Act to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to both men and women at age 62; to the Committee on Finance; and

S. 3378. A bill to amend title II of the Social Security Act to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title.

(See the remarks of Mr. REVERCOMB when he introduced the above bills, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 3379. A bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system; to the Committee on Foreign Relations.

By Mr. COOPER (for himself and Mr. MORTON):

S. 3380. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

VOTER'S INFORMATION ACT OF 1958

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference a bill entitled "The Voter's Information Act of 1958." A similar bill is simultaneously being introduced in the other body of Congress by my colleague from New York, Representative DOOLEY.

The bill would cause to be posted in every post office information with respect to the qualifications for registration and voting; places, dates, and times of registration in order to vote at elections in the area served by the post office; also the names and post office addresses of Senators from the States and the Representative in Congress from the Congressional district in which such post office is situated.

The purpose of the bill is to stimulate interest in voting and to furnish fundamental information where it will do much good.

It remains a sociological fact that we in this country still do not have voting the number of citizens in proportion to the population that is enjoyed in other countries, indeed, in many countries where democracy is not so flourishing as it is in this country. The proportion of citizens voting, generally, in major areas of the country, is about 60 percent, as compared with 85 percent and 90 percent in countries in other parts of the world.

So while the great efforts of the American Heritage Foundation and other organizations doing work in that field are to be highly commended, we in Congress ought to make our contribution. Hence the initiative and suggestion described in my bill.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3369) to provide for posting information in post offices with respect to registration and voting, and for other purposes, introduced by Mr. JAVITS,

was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

CONSTRUCTION OF TWO PILOT PLANTS FOR PRODUCTION, FROM SEA OR OTHER SALINE WATERS, OF WATER SUITABLE FOR BENEFICIAL, CONSUMPTIVE USE

Mr. CASE of South Dakota. Mr. President, in all of America there is hardly a city, hamlet, or farm that does not have a water problem. Continued expansion of our industries, our growing population, and expanded agricultural needs have increased tremendously the demand for large quantities of fresh water. In many areas the water-resources situation is critical.

Research into the development and utilization of saline waters, as provided for under the Saline Water Act of July 3, 1952, has produced encouraging results. Probably no program ever entered into by the United States Government holds the promise of so many benefits for so many people at so little investment.

This program offers hope to the rancher living in an area where the only well water he can get is alkaline and brackish, and is poor water for his stock to drink or for his wife to use in her laundry. This program offers advantages for the small towns that have iron, magnesium, or sulfur in their water supplies; it offers a way for them to get good water, so that the use of water softeners will be unnecessary, and so that better living will be possible.

For the small city that wants to develop industrially, but does not have an adequate water supply, this program also gives promise of great potential benefits. Large seacoast cities that are wondering how to supply the water needs of their expanding industrialization would have to look no farther than the sea for their water supplies.

Great areas of parched desert land, not only in this country, but also in the arid nations abroad, could be reclaimed.

Not to be overlooked is the bargaining position in which we would find ourselves should we develop an economical way to convert salt or brackish water into fresh water.

Dry nations of the Middle East, for example, would rush to win the favor of a nation that could solve their water problems.

Another factor of urgency about the saline-water program is the possibility that an atomic attack could contaminate the water supplies of our large cities. These cities should have an alternate supply of water, in order to prevent the frightful consequences of such an attack.

Mr. President, in saline water research we have reached the point where it is time to replace exploratory research in the laboratory with pilot-plant operation and field testing of the more promising processes.

The Secretary of the Interior, Fred Seaton, in his annual report to President Eisenhower on the saline-water conversation program, recently said:

> The most promising of the conversion methods now under development include several distillation and membrane separation processes and one form of salt water separation by freezing. For these, pilot plant work is needed, and in part is already in progress, in order to explore their economic feasibility and potential fields of application.

Mr. President, the cost of conversion must be considerably lowered before converted water can compete with the maximum prices now paid for natural fresh water. To attain this objective—so vital not only to our own Nation, but also to areas over the entire world—we must keep our program of research going forward.

In the hope that this great program can be spurred ahead to the day when man's growing thirst for water will at last be satisfied, I introduce, for appropriate reference, a bill to amend the Saline Water Act of 1952.

This bill provides for the construction by the Department of the Interior of two pilot plants—one, on a seaboard, to process salt water; the other, located on the northern Great Plains, to process brackish water—for the production of fresh water. The Secretary would receive $10 million with which to carry out this program, through the most promising saline water conversion processes currently under study. I ask unanimous consent that the bill be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3370) to amend the act of July 3, 1952, to provide for the construction by the Department of the Interior of two pilot plants for the production, from sea and brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, introduced by Mr. CASE of South Dakota, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act entitled "An act to provide for research into and development of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, and for other purposes," approved July 3, 1952 (42 U. S. C. 1951–1958), is amended by inserting at the end thereof a new section as follows:

"SEC. 9. (a) As part of the program authorized in this act the Secretary of the Interior shall provide for the construction and operation of two pilot plants for the production of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, through the utilization of the most promising saline-water conversion processes currently under study in the Department of the Interior. One such plant shall be located in the proximity of an ocean and shall be designed to treat sea waters and one such plant shall be located in the northern Great Plains and shall be designed to treat brackish inland waters. A decision with respect to the process to be utilized in each plant shall be made by the Secretary as soon as practicable after the effective date of this section, and the construction of such plant shall proceed as rapidly thereafter as is practicable.

"(b) The Secretary of the Interior is authorized to receive for the purposes of this act such donations or contributions of funds, real and personal property as may be tendered by States, foundations, or individuals as in his judgment will be beneficial.

"(c) In addition to the sums authorized in, and without regard to the provisions of, section 8 of this act, there are authorized to be appropriated such sums not in excess of $10 million as may be necessary to carry out the provisions of this section, including necessary administrative expenses."

CONSTRUCTION OF A PILOT PLANT EXPERIMENTAL NEWSPRINT-PAPER MILL IN WISCONSIN

Mr. PROXMIRE. Mr. President, I introduce a bill to provide financial assistance through the Small Business Administration for the construction of a pilot plant experimental newsprint-paper mill, to authorize research activities in connection with such plant, and other purposes.

I ask that the bill be received and appropriately referred.

I have prepared a brief statement explaining the provisions of this bill and the need for such a measure. I ask unanimous consent to have the statement printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3372) to provide financial assistance through the Small Business Administration for the construction of a pilot plant experimental newsprint-paper mill, to authorize research activities in connection with such plant, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. PROXMIRE is as follows:

STATEMENT BY SENATOR PROXMIRE—RESEARCH PILOT PLANT PAPER MILL TO UTILIZE LOW-QUALITY HARDWOODS

There is a billion-dollar natural resource in my State of Wisconsin which is providing very little in the way of jobs and income for the people of the State. Very much the same situation prevails in the neighboring States of Michigan and Minnesota.

Almost one-half of the land area of Wisconsin is covered with forest—16½ million acres of it. Of this acreage, 13½ million acres are in hardwoods, most of which are of low quality and for which there is little or no market at the present time. According to the Timber Resources Review of the United States Forest Service, only one-third of the annual growth of these hardwoods is cut at all.

This tremendous acreage of hardwood forest, covering more land in my State than its total cropland, is yielding very little income to the national economy. It provides few jobs.

But this can be changed completely by scientific discoveries made by the Forest Products Laboratory of the United States Forest Service in Madison, Wis. Research shows that low-grade hardwoods can be used for making newsprint and other types of paper.

If these new papermaking methods could be tested and proved and put into commercial operation, it would create a tremendous economic boon to many areas of the States of the upper Great Lakes region.

I am introducing a bill in the Senate today which would authorize a pilot plant paper mill in northern Wisconsin to manufacture newsprint from low-grade hardwoods. Operation of such a pilot plant paper mill would open the way to a new market for this tremendous resource.

The main problem remaining—beyond the finishing touches on the new methods developed through scientific research—is to give private enterprise a push into active commercial development of this potential new industry.

My bill will authorize Federal loan funds for a commercial pilot plant paper mill to make newsprint out of these low-grade hardwoods. It would be operated by private enterprise, in conjunction with research work carried on by the Forest Products Laboratory.

At present, for example, the State of Wisconsin has about 83 million cords of hardwoods, more than half of which has no value except for pulpwood, and for which there is little or no market. Similar conditions exist in Michigan and in Minnesota.

At current prices of $12 per cord for pulpwood delivered at the mill, this represents a potential billion-dollar resource in Wisconsin that is waiting to be tapped.

Moreover, it is a renewable resource, and one of potentially increasing value. The annual growth of these low-quality hardwoods in Wisconsin alone is worth $60 million per year. If a suitable market for this timber can be provided, much of this forest could be cropped profitably and replaced with even more valuable and more productive species.

Our second-growth hardwoods are one of the Nation's greatest underdeveloped resources. These forest lands could provide many thousands of new jobs, particularly in the North, in both part-time woods work in conjunction with farming, resorts, and recreation, and full-time employment in wood-processing industries.

Developing this new newsprint industry will not compete with Wisconsin's present paper industry. No newsprint is being manufactured in Wisconsin at present.

But it would relieve publishers from recurring newsprint shortages. When supplies of newsprint become short and prices rise, it is the smaller weekly and daily publications that are squeezed hardest. They often operate on extremely narrow margins under the best of circumstances; uncertain supplies and undependable prices for their most essential raw material imposes a dangerous threat to the very survival of this extremely important sector of our free press.

A study prepared by the United States Department of Commerce for the House Committee on Interstate and Foreign Commerce, with the assistance of representatives of the paper, paperboard, and pulp industries, was published June 17, 1957. This study surveys the present capacity and demand for various types of paper and pulp products, and projects these figures to estimate the probable market requirements, domestic production capacity, and imports, for each year up through 1965.

According to this study, Mr. President, the estimated annual consumption of newsprint in the United States will rise from an actual consumption in 1956 of 6,802,000 short tons to 8,250,000 short tons.

Production of newsprint by plants within the United States totaled only 1,615,000 short tons of the 6,802,000 short tons consumed within the United States in 1956. By 1965, domestic production will rise to 2,700,000 short tons. This will leave a balance of 5,700,000 short tons that will need to be imported into the United States in 1965. Total exports of newsprint are estimated at only 150,000 short tons for 1965.

In my judgment, the newsprint supply and demand situation that is anticipated in the years ahead allows considerable room for expansion of our domestic production facilities. We will be providing barely one-third of our requirements for newsprint from domestic paper mills by 1965. A moderate expansion of our domestic newsprint production through commercial development of the process for making newsprint out of low-quality hardwoods, which the pilot plant project authorized by this bill would make possible, should be most beneficial from the standpoint of consumers of newsprint as well as the overall national economy.

In thinking about the tremendous and potentially valuable natural resource which our hardwood forests constitute, we should not overlook other resources which are closely associated with them.

These forests are located in one of the most wonderful vacation areas in the United States. This valuable recreational resource is bound to become more and more important as the years go by—as our population continues to expand, and as our people have more and more leisure time, and as a growing proportion of our workers achieve incomes sufficient to enable them to take vacation trips and to enjoy summer camping, fishing, boating, and other activities.

This underdeveloped forest resource is also closely associated with an important agricultural resource. There are millions of acres of good, fertile cropland and pasture intermixed with the wooded areas.

This region is endowed also with tremendously important social resources—communities for people to live in, which are equipped with schools, churches, housing, roads, utility services, and political institutions and traditions. All too often we overlook the importance of this social equipment, without which it is impossible to provide the civilized and happy living that is the very reason for all of our economic strivings.

Most important of all, this region contains a human resource of the very finest quality. This resource, like many of the others in this region, is tragically underemployed. The people of the forested country in Wisconsin, Minnesota, and Michigan are self-reliant, resourceful, energetic, and imaginative. But too many of them do not have jobs that enable them to perform at their full potential ability. There is no waste that is more tragic and inexcusable than the waste of human talent, skill, and enterprise.

There are other industries in the area, of course, which contribute greatly toward the well-rounded economic and social development which is our goal. There are mines, forest products industries, agriculture, recreation, manufacturing, shipping, and commerce. But the gaps need to be filled out to provide jobs and better opportunities and incomes for all.

The complex of resources in the upper Great Lakes Basin—forests, agriculture, mines, recreation, the social and human resources—need to be considered as a unity, and made to fit together into the best possible relationship with each other.

Utilization of the extensive forest areas which now yield so little of their potential wealth to people of this region can go a long way toward filling out the returns from other resources in the area, to yield a new level of prosperity and productivity for its people. In many ways, this kind of forest industry can be a marvelous supplement to the other industries in the area, providing part-time and seasonal work in the woods to supplement the jobs now available in farming, the vacation and recreation industry, and others. It can create additional income for merchants and service trades already established in the area. It can stimulate new job opportunities for the young people who now must often leave their home communities in search of employment elsewhere. It can expand the tax base to help support local governments, schools, and other public services.

FORESTRY IMPROVEMENT

One extremely important result of the development of a market for these low-quality hardwoods will be a profound improvement of the forestry management and conservation status of the region. J. W. Macon of Rhinelander, Wis., chairman of the Wisconsin-Michigan section of the Society of American Foresters, has written to me about this point. Here is what Mr. Macon, a noted authority in his field, says on this point:

"Practically every forest manager in the region would welcome a steady market for his poorer grades of hardwood. These trees should be removed from the land to give more growing space for the trees of better quality and more valuable species. Over much of northern Wisconsin and Michigan, the only way these poor trees can now be removed from competition with better trees is by expensive stand improvement operations which waste the low-value wood."

PROVISIONS OF BILL

The bill I am introducing today would have the following purposes:

1. To encourage the development of a vigorous domestic newsprint industry to assure more adequate supplies;

2. To encourage research and experimentation so as to perfect the utilization on a commercial scale of low grade surplus northern hardwoods and other tree species for newsprint production;

3. To provide for research and experimentation so as to develop for commercial application economical methods of disposal of paper mill wastes which cause pollution problems;

4. Encourage the development of new markets for pulpwood so as to improve forest conservation through tree farming and to place the operations of independent loggers and tree farmers on a sounder economic basis;

5. To provide an opportunity for decentralized local forest industries to demonstrate that they can assist in solving persistent unemployment and underemployment in the Northern Lake States communities; and

6. To encourage the development of a locally owned, independently controlled newsprint industry within the newsprint industry.

The pilot plant paper mill provided for in this bill would be a joint project of the Small Business Administration and the Forest Products Laboratory in Madison, Wis., which is under the jurisdiction of the Forest Service of the United States Department of Agriculture.

The bill would authorize SBA to lend up to $5 million to a qualified small-business concern, to finance the paper mill. It could finance a completely new mill, if that turns out to be the most desirable course, or it might instead finance the adaptation of present facilities for this purpose.

The site of the paper mill would be in Wisconsin, which is in the center of the three-State region within which this type of forest is concentrated.

The Small Business Administration and the Forest Service experts would be authorized to select the best possible site for the mill, taking into account the supply of hardwoods, water, coal, or hydroelectric power, and willingness of local interests to cooperate in the project.

This project, of course, will benefit many communities other than the one that is selected for location of the pilot plant, because

it will do the pioneering which will enable other businesses to launch similar plants on their own.

A research center would be established in connection with the pilot plant mill, under the jurisdiction and supervision of the Forest Products Laboratory.

Commercial aspects of this project would be completely in the hands of the private business concern, which would cooperate with the research and experimentation work conducted by Forest Products Laboratory scientists. The extra operating costs required to conduct experimental work through the mill would be compensated by a special research appropriation, not to exceed $300,000 per year.

Establishment and operation of a pilot plant paper mill, such as this bill provides for, could quickly provide a practical test for the basic scientific techniques which have been developed by our scientists. Once these techniques have been proven in commercial-scale operation, other enterprises could utilize them in other mills, with no need for special research grants and special financing.

If we wait for nature to take its course, it may require many years before these techniques will be tested and refined in commercial-scale operation, thereby delaying the time when the tremendous potential benefits of our low-grade hardwoods forests can be realized. But with a pilot plant project such as is proposed in this bill to do the pioneering, private enterprise will be furnished with the combination push and pull it takes to get into active commercial development of this potential new industry for the upper Great Lakes forested areas.

STIMULATION OF RESIDENTIAL CONSTRUCTION

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to stimulate residential construction.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3373) to stimulate residential construction, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, in a speech made on January 31, 1958, I referred to the present economic recession, pointing out that it would be serious if it were allowed to continue, and that we would be foolish indeed to assume that it could be cured with small doses of additional defense spending and large doses of psychological treatment.

I said at that time that I believed we could, by prompt action, turn the ill wind of housing shortages into a trade wind of prosperity by acting boldly and utilizing the full potential of our human and material resources. I pointed out that housing was an area of economic activity in which the Nation's needs are very great. We are still far from the goal of providing a "decent home and a suitable living environment for every American family." Having a housing shortage and at the same time substantial numbers of our people living in substandard dwellings means that we have a constructive job to be done which will permit us to utilize the presently unemployed skills of our people and the idle capacities of our industries.

In addition to referring to the present recession, I commented at length upon that section of the President's budget message which dealt with housing and urban renewal. As my colleagues will recall, I was critical of most of the President's recommendations as being too little and too late. Increase in the interest rates and cutbacks in vitally needed programs are not conducive to revitalizing the housing industry or providing employment for those who are now without work.

Following my criticism of the President's recommendations, I made certain counterproposals designed to increase housing production, expedite the urban renewal program, provide more housing for needy families, and at the same time create useful employment.

Today I am introducing a bill which implements some of the recommendations I have made to provide needed housing for many needy families, to stimulate the building industry, and at the same time provide employment.

The provisions of this bill are simple and to the point. Each one of them is designed to encourage housing in the quickest way we know how. And when I say encourage housing, I mean encourage the actual construction of housing which will put people to work and provide living quarters, with a minimum of delay.

The bill does not include several important items such as urban renewal, public housing, the college housing program, and other vital subjects. These matters will be contained in legislation to be proposed subsequently.

It is my hope that with the cooperation of my colleagues we can hold brief hearings on this proposed legislation and can report a bill to the Senate within a matter of a few days.

I take this opportunity to announce that beginning Tuesday, March 4, at 10 a. m., hearings will be held on this bill in room 301 of the Senate Office Building, which is the committee room of the Senate Banking and Currency Committee. The committee is not scheduling general hearings. Testimony will be taken from Government officials, who have been asked to furnish certain essential factual data. The following bills will be considered during this committee meeting: the bills which I am presently introducing, S. 2995, S. 3258, and S. 3336.

The bill I am introducing today may be divided into three parts:

First, the bill would extend the veterans guaranty and direct loan programs for 2 years, and would make available a minimum of $300 million for direct loans. By extending the veterans program for both guaranteed and direct loans, I hope to encourage further activity under programs which are already set up and have proved their worth in the past.

Second, the current FHA schedule of downpayments would be changed so as to permit a downpayment of only 3 percent on homes valued up to $13,500. The present requirement is 3 percent up to $10,000. The reduction of FHA downpayments will permit some of those who do not qualify presently to purchase homes under the regular FHA insurance plan.

Third, the Federal National Mortgage Association would be given additional funds for three categories of mortgages:

(a) The bill would provide $1½ billion for a new category of special assistance mortgages. This new category would authorize FNMA to purchase FHA-insured or VA-guaranteed mortgages of $13,500 or less.

This new category of FNMA special assistance will make it possible to finance FHA and VA mortgages with no discounts.

(b) The bill would provide an additional $1 billion made available to the President for the purchase of "home mortgages generally as a means of retarding or stopping a decline in mortgage lending and homebuilding activities which threatens materially the stability of a high-level national economy."

The matter I just quoted was from the existing statute. It is not a new appropriation which is being proposed.

The last clause is a heretofore unused authority which the President has had for some time, but which he has never used. Section 301 of the National Housing Act authorizes the Federal National Mortgage Association to provide special assistance by purchasing mortgages, when the President determines that it is in the public interest for the financing of: First, selected types of home mortgages; or second, home mortgages generally to promote a high-level economy. The President has used the authority to purchase selected types of mortgages, but he has never purchased home mortgages generally as a means of stimulating economic activity.

This billion dollars would give the President additional funds with which to do this. I hope that with this encouragement from the Congress, he will not hesitate to use this fund to purchase mortgages of any type he may designate in order to encourage homebuilding and promote a high level of economic activity.

The bill would also authorize the FNMA to purchase an additional $100 million of military housing mortgages insured under sections 803 and 809 of the National Housing Act. The additional funds for the military housing program will permit immediate construction on military housing projects which are completely approved and ready to go, as soon as financing is provided.

In short, this program will provide immediate impetus to our economy. This does not mean that there are not other programs which will aid us in our economic recovery, and it does not mean that there are not other desirable programs which we must enact during this legislative year. I am, however, taking this means to provide immediate assistance, because I feel that the Banking and Currency Committee and the Senate can take prompt and decisive action on this bill without undue delay.

In addition to the items I have already mentioned, there are certain other actions which, in my opinion, would spur the lagging housing industry, and numerous collateral industries, and also would provide desperately needed employment.

For example, last summer the FHA instituted a new program known as the certified agency program, which was designed to eliminate present redtape and delay in processing FHA applications originating in small towns and rural areas. At the present time, it is estimated that an FHA application requires a processing time of 4 to 6 weeks. Under this new program, it is possible to process an application in some 4 to 6 days. At the moment this new program is being tested in seven selected areas, and is limited to towns of less than 15,000 population within those areas.

At this point in my remarks I should like to have printed an FHA publication describing the new program and how it works. I ask unanimous consent for that purpose.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C.

HERE'S HOW THE FHA'S CERTIFIED AGENCY PROGRAM WORKS

FHA's certified agency program is a dynamic new approach to the problems of home financing in small towns and rural areas. At the present time this is an experimental program in operation in seven selected areas of the United States chosen for varying geographic and economic conditions. These areas are:

Eastern New York: FHA's Albany insuring office area.

Eastern Pennsylvania: FHA's Philadelphia insuring office area.

North Carolina: FHA's Greensboro insuring office area.

Central and downstate Illinois: FHA's Springfield insuring office area.

Upper Peninsula of Michigan: Grand Rapids insuring office area.

Kansas: FHA's Topeka insuring office area.

Arizona: FHA's Phoenix insuring office area.

Towns of less than 15,000 population (according to the 1950 census) in these areas are eligible to participate in the program if the district director feels they would benefit by it. During a 1-year period while the program is being evaluated it will be restricted to these areas. After that it will probably be expanded.

Under this program, processing functions preparatory to FHA's insurance endorsement, which in the past have been performed in the FHA office, will be carried out by local lending institutions using appraisers and inspectors employed on a fee basis. Qualified lending institutions which are FHA approved mortgagees will be designated as authorized agents of the Federal Housing Commissioner upon application to and approval by the local FHA insuring office. Lenders not presently approved mortgagees may make application to their local FHA office to become one. Fee appraisers and inspectors will need to be certified by the local office.

As an authorized agent the lending institution will be empowered to accept applications for insured mortgagee loans eligible under section 203 of the National Housing Act. The agent will arrange for an appraiser, designated by the FHA, to appraise the property and the agent will perform the credit analysis. It will be part of the appraisers function to see that plans and specifications for proposed construction comply with objectives of the FHA minimum property standards. After the agent reviews the credit of the borrower and the appraisal report, he will issue a commitment for a loan in accordance with limitations imposed by the National Housing Act and the pertinent regulations.

On proposed construction cases, the agent will arrange for periodic inspections to be made during construction. He will use a fee inspector qualified by the FHA for this work.

When construction is completed and the loan closed, the agent will complete the closing functions and forward all documents to the FHA insuring office for insurance endorsement.

From the description, it is seen that the entire transaction has been completed at the home-town level. All personnel involved have been qualified by the FHA and will be acting in line with established FHA standards. On the other hand, they are afforded sufficient flexibility to enable them to use their own judgment in applying the criteria to reflect local conditions. Delays in processing are minimized by this system and maximum value is derived from standards applied in accordance with sound judgment.

The National Housing Act gives the Federal Housing Administration the responsibility of improving American housing standards. Through the certified agency program the FHA will help qualified citizens assist other members of their community obtain the homes of their choice.

Mr. SPARKMAN. Mr. President, the present situation, in my estimation, demands that we take every possible step to halt the decline in our economy. If this new certified agency program of the FHA can get housing into production with a minimum of redtape and can save literally weeks of processing time, I would feel justified in recommending to the FHA Commissioner that he consider the possibility of extending this program to other areas, particularly those areas which have, or may soon have, substantial unemployment. I am aware that the Commissioner has operated this program on a limited basis in order to test and evaluate it. I have no special information on how the program is working or whether there are means of protecting against abuses which might creep in. But on the basis of the experience which the Commissioner now has, and in view of the demands of the times, I would hope that, in the absence of adequate reasons to the contrary, the FHA Commissioner would consider extending and broadening this program. If the other provisions of this bill are permitted to take hold and have their effect upon the economy, as I think they will, any means we can devise to reduce the processing time on FHA applications will work to our advantage.

Recent figures show that there has been an increase in housing starts to a seasonally adjusted annual rate of 1,030,000 for January 1958. The bulk of this increase comes from starts which will be financed either conventionally or through the FHA system. I note that FHA starts for January of 1958 are 13,200, as compared with 7,700 for January of 1957. There is also an increase in FHA applications received—which tends to show future intentions. For January of 1958, applications of builders to the FHA totaled 17,300, as compared with 10,500 for January of 1957.

These encouraging signs are, of course, welcome. But Commissioner Mason has stated that he will need additional funds if he is to employ personnel to process this increasing number of applications. He has requested a supplemental appropriation of $2 million, which request is contained in the second supplemental appropriation bill, which passed the House yesterday, and will be referred to the Senate Appropriations Committee probably today. That request should be treated as an emergency measure; and, in fact, I would suggest that Commissioner Mason be given authority to hire such personnel as may be needed now, in order to prevent delays in the processing of any applications.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a section by section analysis of the bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

FHA DOWNPAYMENT SCHEDULE

Section 1: Decreases minimum downpayment under FHA's section 203 sales housing program, and under FHA's section 220 urban renewal housing program, to 3 percent of the first $13,500 (now 3 percent of first $10,000).

FNMA SPECIAL ASSISTANCE PROGRAMS

Section 2: Increases by $1 billion (the present ceiling is $450 million) the FNMA special assistance fund made available to the President for the purchase, at his discretion, of home mortgages which are not otherwise marketable, or for the purchase of home mortgages generally as a means of aiding and maintaining the stability of a high-level national economy.

Section 3: Increases from $450 million to $550 million the amount of the revolving fund under FNMA's special assistance program available to support FHA section 803 and 809 military housing mortgages.

Section 4: Creates a new FNMA special assistance program with a revolving fund of $1.5 billion, for the purchase of FHA and GI mortgages up to $13,500.

VA HOME LOAN PROGRAMS

Section 5: (a) Amends section 512 of the Servicemen's Readjustment Act of 1944, by revising and extending the entire section in order to—

1. Define direct-loan areas as rural areas and small cities and towns not near large metropolitan areas. (Geographical limitations are now established by regulation.)

2. Make the interest rate on direct loans vary according to any changes in the interest rate on guaranteed loans. (Existing law contains a ceiling of 4½ percent interest rate on direct loans.)

3. Increase the maximum mortgage amount under the direct-loan program from $10,000 to $13,500.

4. Authorize the VA Administrator to reserve direct-loan funds for 3 months under commitments to builders for a 2-percent fee. Private lenders would receive the commitment fee, if such lenders purchase these loans within 60 days following VA disbursement. The VA would make construction advances up to an amount equal to cost of land, plus 80 percent of value of improvements.

5. Extend the direct-loan program by 2 years and 25 days to July 25, 1960.

6. Require VA to begin immediate processing of all direct-loan applications, such processing to run concurrently with a 20-day period allowed for voluntary home mortgage credit program action.

(b) Amends section 513 of the Servicemen's Readjustment Act of 1944 to make available $300 million for the direct-loan program during fiscal year 1959 and 1960.

(c) (technical): Amends sections 500 and 501 of the Servicemen's Readjustment Act of

1944, relating to the date on which the VA guaranty of home loans made by supervised lenders becomes effective.

(d) Amends section 500 and 507 (a) of the Servicemen's Readjustment Act of 1944 to extend the loan guaranty program for World War II veterans until July 25, 1960.

READJUSTMENT OF POSTAL RATES—AMENDMENTS

Mr. COOPER submitted amendments, intended to be proposed by him, to the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, which were ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENT

Mr. SMATHERS (for himself and Mr. KENNEDY) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954, to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CHURCH:

Letter from Jack Backes relating to appeal of American citizenship to foreigners, and reply by him.

NOTICE OF HEARINGS ON NOMINATIONS OF HOMER M. BYINGTON, JR., AND ROBERT G. BARNES

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate has today received the following nominations:

Homer M. Byington, Jr., of Connecticut, Ambassador Extraordinary and Plenipotentiary to the Federation of Malaya, to serve concurrently and without additional compensation as the Representative of the United States of America to the 14th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

Robert G. Barnes, of Pennsylvania, a Foreign Service officer of class 2, to be Special Assistant for Mutual Security Coordination in the Department of State.

Notice is given that the nominations will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARINGS ON NOMINATION OF MALCOLM ANDERSON TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, March 10, 1958, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Malcolm Anderson, of Pennsylvania, to be an Assistant Attorney General, vice Warren Olney III, resigned.

At the indicated time and place, persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from Indiana [Mr. JENNER], and myself, chairman.

NOTICE OF HEARINGS ON FREEDOM OF INFORMATION AND SECRECY IN GOVERNMENT BY CONSTITUTIONAL RIGHTS SUBCOMMITTEE

Mr. HENNINGS. Mr. President, I wish to announce, as chairman of the Senate Judiciary Subcommittee on Constitutional Rights, that public hearings will be conducted by the subcommittee in room 104B, Senate Office Building, Washington, D. C., beginning at 11 a. m. on Thursday, March 6, 1958, on the subject of freedom of information and secrecy in Government. This subject has been studied by our subcommittee for some time, as noted in Senate Report No. 23 last year and Senate Report No. 1203 this year, but it has not been possible to hold hearings until now.

The first witness will be Attorney General William P. Rogers, who has been asked to give his views as the chief legal officer of the Government on S. 921 and S. 2148, two freedom-of-information bills now pending before the subcommittee, and to amplify the views expressed in a 102-page memorandum which he sent to the subcommittee on April 10, 1957, entitled "Is a Congressional Committee Entitled To Demand and Receive Information and Papers From the President and the Heads of Departments Which They Deem Confidential in the Public Interest?" Mr. Rogers agreed, during the course of the Senate Judiciary Committee hearing on his nomination to be Attorney General of the United States, to appear before the subcommittee at some mutually satisfactory time, and the time and date now set for his appearance were arrived at by common agreement as the most convenient for all concerned.

PLAY ABOUT F. D. R.'S CONQUEST OF POLIO SHOULD MAKE AMERICANS PROUD OF THEIR COUNTRY

Mr. NEUBERGER. Mr. President, last week my wife Maurine and I had an experience which made us more proud than ever to be Americans and to be members of the Democratic Party. We saw a new play in New York City entitled "Sunrise at Campobello." The author of this play is the noted motion-picture producer, Dore Schary, and the star is Ralph Bellamy, who plays the role of Franklin Delano Roosevelt.

The play is not about politics; there is very little concerning politics. It is about the triumph of the human spirit. It is about a vigorous, athletic man who is felled near the age of 40 by infantile paralysis.

We see this man trying to crawl across the floor, in order to assure himself that perhaps he can move a few inches on his own should fire sweep the house. We hear him telling his devoted wife that it is good for a person's ego to try to learn to crawl all over again.

We see his moment of despair, when he lies on a stretcher with his little scotty dog on his lap and gives way to despondency. And we see his tenuous triumph, when agonizingly he works his way forward on crutches to nominate his friend, Gov. Alfred E. Smith, for President at the 1924 Democratic convention.

The play covers the 2 years in Mr. Roosevelt's life from 1922 to 1924—his combat with polio, rather than with depression and with the forces of international gangsterism.

There is very little mention during the play of what destiny has in store. Yet in the minds of my wife and me there lurked vivid thoughts—this man, hardly able to rise from his chair or walk across the room, some day will save his vast Nation from panic and despair, and the Free World from the threat of tyranny and enslavement.

Surely the same thought must be foremost with other people seeing Dore Schary's remarkable play. It must stir them as it stirred us. And stirred to what, Mr. President? This dramatic story of the conquest of polio by Franklin D. Roosevelt made us aware, once again, that the human soul and body can be very brave, that beyond each man's physical entity are spiritual reserves which must be tapped, and that America is a marvelous nation when it can summon such a man to leadership. Here was a man who could not get up from his desk without braces or crutches or assistance even when he was President—and yet he rallied men and women everywhere, and a needless depression and reckless dictators were overcome.

Mr. President, I believe Sunrise at Campobello should be shown on the stage of every community in America, from the mouth of the Columbia River to Passamaquoddy in Maine. I suggest that some organization like the Ford Foundation help make this possible in the small communities and villages of the Nation, as well as in the larger metropolitan centers.

Such a project would not be partisan, for the play is about polio and not about politics. But it would make all Americans more proud of their 32d President, and more proud than ever of their country and themselves.

CHEAP OIL IMPORTS CONTRIBUTE TO RECESSION

Mr. YARBOROUGH. Mr. President, upon three previous occasions in this session I have urged the administration to take action to curb excessive foreign oil imports. Only yesterday I introduced a bill which would impose a 2-cent-a-gallon import duty on foreign crude, which would amount to 84 cents a barrel. Even then, foreign crude oil from the

Middle East could be laid down at American seaports for much less than oil can be produced in America.

This tax proposal would not only help domestic crude compete with cheap foreign oil imports, but it would also produce hundreds of millions additional tax revenue for the United States.

Based on the volume of cheap foreign crude oil imports for fiscal 1957, which totaled 359 million barrels, my bill would provide a tax revenue increase for the Federal Government of more than a quarter of a billion dollars a year. It would be a just tax, because even with such a tax collected on imports of foreign crude oil, such imports could still be laid down at a port in the United States at a much lower price than oil could be produced in the United States.

I have commented at length previously on how seriously this flood of foreign oil is hurting the economy of my State and many of the other Southwestern and Midwestern oil-producting States.

I hold in my hand a resolution adopted by the Texas State Convention of the County Judges and Commissioners Association of Texas, petitioning the Congress to enact legislation to control the importation of foreign petroleum products. I consider the resolution very significant, because invariably the governmental officials at the county and precinct level are closest to the people, and see and understand very clearly the needs of the people.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the resolution adopted by the Texas State Convention of the County Judges and Commissioners Association of Texas.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF COUNTY JUDGES AND COMMISSIONERS OF TEXAS

Whereas the economy of the State of Texas is greatly dependent upon the financial stability of the oil and gas industry; and

Whereas the importing of foreign petroleum products has contributed to the recent curtailing of domestic oil and gas production, thereby seriously weakening and threatening the financial security of every county in our great State dependent upon tax revenues from such industry: Now, therefore, be it

Resolved, by the Texas State Convention of the County Judges and Commissioners Association of Texas (in regular assembly at its meeting in Laredo, Tex.). That the Congress of the United States be and is hereby petitioned to pass appropriate legislation, in the nature of an increased tariff or otherwise, to control the importation of foreign petroleum products in order to protect and preserve the oil and gas industry in Texas and throughout the Nation.

Adopted November 6, 1957.

EZELLE FOX,
President.

Mr. YARBOROUGH. In addition, Mr. President, I have recently noted that three of Texas' influential daily newspapers—the Wichita Falls Times, the Abilene Reporter-News, and the San Antonio Express—have published excellent editorials discussing the excessive oil imports problem and how it is contributing very heavily to the current recession. I may say that I am not merely patting friends on the back. None of these newspapers have treated any of my efforts kindly, but I refer to them to point out the universal plight of the people of the Southwest. They have their place in society, too. All the newspapers have a stake in oil production and sales.

Mr. President, I ask unanimous consent to have the following editorials printed at this point in the RECORD:

Everyone Has Stake in Oil Crisis Outcome, from the Monday, February 24, 1958, Wichita Falls (Tex.) Times; Texans Take Note: It Is Your Pocketbook That's Hit, from the Monday, February 24, 1958, edition of the Abilene (Tex.) Reporter-News; Excessive Oil Imports Hurt Economy of Texas, from the Tuesday, February 18, 1958, edition of the San Antonio Express; and Drastic Cut in Texas Oil Reflects Desperate Status, from the Saturday, February 22, 1958, Abilene Reporter-News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wichita Falls (Tex.) Times of February 24, 1958]

EVERYONE HAS STAKE IN OIL CRISIS OUTCOME

As was the case in the early 1930's, the oil industry faces a crisis resulting from an oversupply of crude and refined products. The chief difference today is that foreign oil, not domestic production, is the culprit. Voluntary controls of imported oil seem to have failed. Mandatory controls may be asked of Congress in this session if the situation is not relieved.

The uneasiness of the industry has been exhibited by cuts in the prices paid for domestic oil, sporadic gasoline price wars and refinery cutbacks. Above ground stocks of both crude and refined products continue high, while demand remains inexplicably low. The oversupply of both crude and refined products exists on an international scale.

The supply picture is aggravated by reports that further price cuts, up to 50 cents a barrel, may be imposed. Generally crude prices are still above those in effect before the Suez Canal crisis.

It is apparent even to outsiders that the plight of the domestic producers will be grave if both allowables and prices are reduced. In many cases refinancing of loans will be difficult, if not impossible. Distress selling and all its attendant economic evils would result. Exploratory operations would come to a virtual standstill.

The crisis facing producers and royalty owners is shared, too, by the State of Texas which collects an average of 13.8 cents in taxes on each barrel of oil produced. The State treasury is already in deep difficulties because of declining revenues from a source which in 1957 supplied more than 16 cents of every dollar in taxes collected by the State.

The burden of the approaching shakedown in the oil industry will be borne by independent producers and royalty owners. But every citizen of the State of Texas has a stake in the outcome.

[From the Abilene (Tex.) Reporter-News of February 24, 1958]

TEXANS TAKE NOTE: IT IS YOUR POCKETBOOK THAT'S HIT

Inflation and boom are boisterous twins who sleep in the same bed. A paternalistic Government can't wake one without the other yelling, but that's what Washington is now trying to do.

With a sharp eye out for vote-heavy industrial areas of the North and East, the politicians are dusting off two old tricks, tax-cutting and Government spending. Either means more debt, both are supposed to have voter appeal, a quality much admired any time and particularly so in an election year such as this.

But, neither of these two moves is what Texas, west Texas or the Abilene area need most. The tax cut (as now talked it would mean less than $2 a week per taxpayer if spread evenly) may sound attractive, but it would mean more debt. The $2 billion spending for the postal department (tied close to a hike in postage) may improve service but it sounds strongly like a New Deal pump-priming move, regardless of what the GOP says.

While big government and big labor polish these schemes, they turn their back on the critical problem, the growing tragedy of the domestic oil industry.

Pious statements have come from the White House, Texas Congressmen and Senators have kept plugging away, but still Washington does nothing to save the oilman from drowning in a flood of foreign imports.

Too long, too many Texans have sat back silently, seemingly agreeing with the northern politician that this oil situation is a problem for the millionaire.

True, there are some millionaire Texas oilmen. Abilene has some—and power to them. Lean years, hard work, long gambles, and even poverty went into their struggle for their wealth.

But, along with the handful of millionaires there are in Texas hundreds of thousands of people who depend directly or indirectly on oil for an income. Look at Abilene—at the supply houses up and down Treadaway, the drilling companies and their crews, the offices and their staffs. Look at the bankers and merchants and home builders and landlords who find oil company payrolls so attractive.

The cut in Texas oil allowables to only nine days production in March—lowest in history—will have another direct and dire effect on every Texas taxpayer. The oil industry has carried the burden of State government for years. Because foreign imports are squeezing out domestic producers, because production is being cut, the State's tax income has been slashed. Texans are going to have to dig up some money somewhere to make up the difference. Such unattractive things as sales tax or State income tax are unpleasant possibilities.

Some of the ugly facts of State finance will be aired in Austin Tuesday when the study commission headed by Abilene's French Robertson will hear State officials tell the effects of the slash in oil production.

Already comptroller Calvert has estimated the oil crisis has produced a $12 million deficit for the State. The March slash will cost Texas taxpayers another estimated $2 million.

This oil import problem doesn't belong solely to the oilman. It belongs to every Texan. And it's high time all Texans raise a howl Washington can't ignore.

[From the San Antonio (Tex.) Express of February 18, 1958]

EXCESSIVE OIL IMPORTS HURT ECONOMY OF TEXAS

It is in the interest of neither national security nor national prosperity for the Federal administration and Congress to allow excessive foreign oil imports to depress domestic exploration and production and to impair the governmental finances and regional economies of areas—like Texas—that are heavily dependent on that industry.

Texas' allowable oil production is now down to 11 days a month, an extreme low, and actual production is lower because of "pipeline proration." That is, the market is not absorbing even the restricted flow permitted by State regulation.

That situation adversely affects not only the oil industry but many other directly and indirectly related businesses, depressing per capita income generally throughout the State. And it is contributing to a looming State governmental budget deficit and increasing the amount of State revenue that must be raised from other sources.

The State severance and production taxes, mainly from oil and gas, have increased from 2.9 percent of all State-local governmental revenue in 1932 to 16.2 percent. With our closely calculated pay-as-you-go State fiscal system, a drop in oil production quickly throws the State government into a deficit.

Though other factors are present, the big cause of Texas' oil cutback is the unfair competition of excessive oil imports, largely from the Middle East and Venezuela. The Eisenhower administration has attempted voluntary quota restraints, which have partially worked but now seem to be breaking down under competitive pressures. Mandatory restrictions are now in order. If the President is looking for antirecession tools, as he says, here is one ready-made.

To bolster presentation of Texas' case in this issue, Governor Daniel has appointed an 11-member special commission to study the impact of foreign-oil imports. It looks like a strong commission, and we hope it can raise Texas' voice in national councils.

[From the Abilene (Tex.) Reporter-News of February 22, 1958]

DRASTIC CUT IN TEXAS OIL REFLECTS DESPERATE STATUS

This week's Time magazine's cover story subject is J. Paul Getty, described as the richest man in the world, principally in oil. He has huge holdings in the Middle East, specifically in Kuwait, and he is the only individual operator in that area where the majors hold sway. He has 7 supertankers and is building 16 more in France and Japan, and is developing pipelines to distribute his crude oil and refinery products to oil-thirsty Europe.

But the story also says Mr. Getty, through his American company, is importing double his quota into the United States. Quotas for imports are fixed by Presidential order, but on a voluntary basis with respect to compliance by the importers. The Time story says all the big importers are staying close to their assigned quotas for fear the voluntary plan will be made mandatory—all, that is, except Getty, who flouts it, knowing there is no way the President can impose mandatory quotas without applying them to all companies.

This week the Texas Railroad Commission handed down an order reducing the number of producing days for Texas wells to 9 per month, which figures out as a cut of 500,000 barrels daily.

This was called the most drastic surgery ever ordered in the State's oil regulation history.

The February pattern is 11 days, but March will reach a new low of only 9.

This drastic step could only be taken under desperate circumstances. The independent producers have been protesting for months that heavy imports were continuing in spite of the call for voluntary reduction, and warning that domestic oil faced ruination if the condition continued.

A year ago Texas production was raised to 18 days a month on pressure from this country and Europe, to ease the strain on Europe caused by the Middle East crisis. But today, as James Lauderdale, of Abilene, president of the West Central Texas Oil & Gas Association, commented, "anything above 9 days would be unhealthy."

Another independent producer, Jack Frost, Jr., of Eastland, recommended the cut to 9 days with the remark that "I don't believe the importers will get in gear in time to take up the slack."

Maintaining world trade is, of course, important, but the administration and Congress should resolve one question quickly: Whose welfare comes first, that of Kuwait or Texas and other oil-producing States?

A healthy domestic production situation is a prime necessity to national defense. How much longer can our independents in particular hold out on 9, 11, or 13 days' production a month?

ABANDONMENT OF FAIR TRADE POLICY BY GENERAL ELECTRIC

Mr. PROXMIRE. Mr. President, yesterday I invited the attention of the Senate to the disastrous consequences for small business of the decision by General Electric to abandon its policy of fair trade. This morning's New York Times contains an article reporting how drastic and immediate have been the effects of this decision. The small retail merchant who has been having such an uphill fight to survive has already been forced to cut his prices on General Electric appliances by as much as 40 percent.

Mr. President, unless the Congress acts promptly, the record number of bankruptcies of small business which took place last year will be greatly exceeded in 1958.

I ask unanimous consent that the article in the New York Times entitled "Appliance Price War Breaks Out As Producers Quit Fair Trade," and written by Alfred R. Zipser, be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APPLIANCE PRICE WAR BREAKS OUT AS PRODUCERS QUIT FAIR TRADE

(By Alfred R. Zipser)

A price war in small appliances broke out yesterday, largely without the knowledge of the public. Store executives and their professional shoppers were the principal combatants.

Prices were slashed as much as 40 percent on some home appliances of the General Electric Co. The reductions followed an announcement that the company was no longer fixing minimum store prices on these products.

The Sunbeam Corp., General Electric's principal competitor in the field, notified its 12,000 wholesalers yesterday that it also had abandoned retail price fixing on many products.

Sunbeam, a Chicago manufacturer, makes the Mixmaster food mixer and toasters, irons, and other items that compete with those of GE. Herman T. Van Meil, vice president and general counsel of Sunbeam, said all these had been removed from fair trade. This is the principle that permits manufacturers to fix and enforce minimum store prices on their products in States with fair trade laws.

Mr. Van Meil emphasized that Sunbeam still would enforce minimum retail prices on power tools, mowers, lawn sprinklers and hedge trimmers.

Last night, after closing, officials at Abraham & Straus in Brooklyn crossed off prices on Sunbeam kitchen appliances and wrote in prices as much as 30 percent lower.

A third leading appliance line, Toastmaster, is still officially fair traded. But Max McGraw, president of McGraw-Edison, Inc., which makes the line, said yesterday that he was aware of the abandonment of fair trade by GE and Sunbeam, and added:

"We can't fight it. We can't do otherwise."

Advertising in New York and Long Island newspapers today will alert shoppers to the bargains to be found at Abraham & Straus, Gimbel's, and Masters, Inc. Store spokesmen said this was certain to set off a rush of bargain hunters today.

There was no such rush yesterday. A normal number of customers strolled around stores and a few bought GE products at cut prices.

Professional or comparison shoppers were considerably more active. They scurried in and out of stores to note competitors' price reductions as they were made. Their reports were telephoned in and employers immediately ordered price tags changed to meet competition.

The situation was summed up at 3:45 p. m. by a Macy's salesgirl in the basement appliance department. Nodding at several women with eyes glued to General Electric rotisserie broilers and with pencils poised over notebooks, the salesgirl said to a customer:

"This place has about twice as many comparison shoppers as real ones."

The owner of a small midtown appliance specialty store, who asked not to be identified, said he had cut prices on his stock of GE appliances reluctantly, to meet competition of Masters and other discount houses and department stores.

"This price war may be fine for big stores that carry everything under the sun, but it is murder for me," the store owner said. "The big stores can draw the public in by cutting prices on General Electric appliances. They lose a little money on the GE stuff and make plenty by selling more ladies' dresses and other goods on which they make a good profit. I have nothing to sell besides appliances. I just lose money and so do hundreds of store owners like me."

The competition could not be compared to the all-out price wars that raged in New York and elsewhere in 1951. This struggle is limited to small appliances. In the summer of 1951 prices were slashed on all price-fixed items after a Supreme Court decision had voided fair trade all over the country. Now, makers of drugs, pharmaceuticals, tobacco, jewelry, and many other products still enforce fair-trade minimums in 32 States, including New York.

Some of the price cuts on General Electric products made yesterday follow:

	Former fixed price	Price yesterday
Clock radio	$39.95	$27.95
Mixer	27.95	19.57
Toaster	18.95	13.27
Coffeemaker	14.95	10.47

Cuts were made first by one store and then by another. Prices changed about every hour as shoppers detected new reductions. A. & S. opened with prices of many appliances lower than those previously fixed by General Electric. At the same time, Gimbel's cut prices of G. E. radios.

WAR SPREADS

The appliance war was not confined to this city. Polk Bros., a Chicago discount house, cut prices drastically on GE appliances. Marshall Field immediately met Polk's prices.

Hess Bros., in Allentown, Pa., said it would join the parade after it cleared legal details. The store is under a court injunction barring cutting of fair trade minimums on General Electric goods. The injunction is considered academic now.

Some Albany retailers also offered G. E. appliances at reduced prices during the day.

The American Fair Trade Council, which speaks for 2,000 manufacturers of all kinds of fair traded goods, deplored the General Electric move and pointed out that it, too, had a Federal fair trade bill ready for introduction.

PRESIDENTIAL INTEREST IN INVESTIGATION OF RELATIONSHIPS OF VARIOUS INTERESTS WITH PUBLIC REGULATORY BODIES

Mr. PROXMIRE. Mr. President, I would venture the statement that no single piece of public business has attracted so much attention in the past few weeks as has the investigation into the relationships of various interests with the public bodies that regulate them.

It is hard to see how any interested person could fail to be reasonably well-informed about the investigation and its disclosures, with the complete press coverage it has had.

Nevertheless, Mr. President, the Washington Post and Times Herald this morning contains an editorial calling attention to the astonishing fact that one leading citizen, the President of the United States, has not been following the hearings very closely.

There is an old saying, Mr. President, that "When the cat's away, the mice will play." It may be possible that the mice have discovered that even when the cat is at home he does not pay very close attention to what is going on.

Mr. President, I ask unanimous consent that the editorial, entitled "Insulation," be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INSULATION

President Eisenhower gave a damning indictment of his own unfamiliarity with important national affairs yesterday in his fuzzy comments on the relationship of Sherman Adams to the Civil Aeronautics Board. For days there have been stories about the accusation by Dr. Bernard Schwartz that Mr. Adams in 1953 discussed the status of North American Airlines with the acting chairman of the CAB on behalf of the airline's counsel, Murray Chotiner. Yet Mr. Eisenhower said, almost incredibly, that he had never heard of the matter.

The President went on to say that cases involving foreign air routes are referred to the White House and he assumed that this was of such nature. It was not. North American Airlines never had any foreign routes; it was a nonscheduled airline which the Civil Aeronautics Board finally succeeded in putting out of business last year for repeated violations of regulations, 4 years after proceedings were instituted. Mr. Adams, according to his letters to Mr. Chotiner read before the House Legislative Oversight Subcommittee, talked with the acting chairman of the CAB and the CAB delayed the effective date of the shutdown order.

Obviously the whole story of this incident has not been told, and the subcommittee must find out more about it. Just as obviously, however, if the letters mean what they appear to mean, Mr. Adams perpetrated a gross impropriety by intervening with a quasi-judicial agency in an affair that should not have concerned the White House. The President, if he were doing his job, ought to be aware of this.

Is it that Mr. Eisenhower just isn't interested, or is it that Mr. Adams, who attempts to ease the Chief Executive's burdens, filters what the President reads?

FARM INCOME

Mr. PROXMIRE. Mr. President, the Department of Agriculture recently issued some figures on the farm situation which, to say the least, are extremely contradictory. These figures purport to show that the farm situation has improved. Frankly, I am most skeptical as to the validity of these figures.

The figure which has been seized upon by the press—and here I refer specifically to a report by the United Press on the Department's release—relates to per capita incomes of persons on farms. The Department reports that the average per capita income of persons living on farms was $993, an increase of 10 percent above the year before. But the other facts and figures seem to contradict this optimistic report.

The realized net income of farmers in 1957 was only $11.5 billion, down from 1956 by half a billion dollars, or 4 percent. The decline since 1952, under the administration of Secretary Benson, has totaled nearly $3 billion—a slash of 20 percent.

How does the Department figure that per capita income has gone up when the total realized net income of farmers has declined? The entire foundation for this claim seems to be based on the Department's estimate of farm population, which it claims has dropped by 8 percent since a year ago.

But this estimate of population on farms conflicts with the Department's estimate of the number of farms. In 1956, the number of farms was set at 4,964,000. In 1957, the number of farms was down to 4,857,000. This is a decline of only 2.3 percent.

How in the world can a population decline of 8 percent be reconciled with a decline of only one-third that size in the number of farms?

There are further contradictions. On February 3, 1958, Mr. O. V. Wells, head of the Agricultural Marketing Service, testified before the Subcommittee on Appropriations, which deals with agriculture, of the House Committee on Appropriations, that the realized net income per farm declined in 1957 below 1956. Mr. Wells told the subcommittee that the realized net income per farm in 1957 was down to $2,374, from $2,432 the year before.

Mr. President, what meaning is there in a report that the farmers' situation is getting better when it is based on a per capita income figure that does not square with the reported decline in net income per farm?

There are still further contradictions. Mr. Wells also presented data on the average returns per hour to farmers for their labor and management. He reported again that the farmers' situation grew worse in 1957 than it had been the year before.

In 1956, the average return per hour was 72.8 cents. Last year, it had declined to only 68.9 cents.

How in the world can the Department report that farmers are doing better when they are making less per hour than last year?

As I said before, the entire case for this claimed gain in farm income rests upon the Department's estimate of farm population. There are reported to be fewer people on farms in 1957 than in 1956. But the estimated population decline is three times as great as the estimated decline in the number of farmers.

In every other respect, the figures show a worsening of the farmers' economic situation in 1957 over 1956. Average income per farm is down. The total realized net income of all farmers is down. The average return per hour to farmers for their labor and management is down. Everything is down; yet Mr. Benson is advancing the claim—and unfortunately the press is falling for the bait—that there is evidence that the farmers' economic condition is improving.

Frankly, Mr. President, I have learned to have very little confidence in the optimistic claims that have been advanced by Mr. Benson over the past few years. Time after time he has misrepresented the facts to give a false sense of assurance to the American people.

FEDERAL CONSTRUCTION GRANTS FOR MUNICIPAL SEWAGE DISPOSAL PROJECTS

Mr. BRIDGES. Mr. President, I have received a copy of a letter written by Mr. William A. Healy, technical secretary of the New Hampshire Water Pollution Commission, to Mr. Joseph C. Knox, secretary of the New England Interstate Water Pollution Control Commission, and I ask unanimous consent that its contents be printed in the RECORD at this point.

It sets forth the endorsement of the New Hampshire Commission for continuing the program of Federal construction grants for municipal sewage disposal projects as provided by Public Law 660, 84th Congress.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NEW HAMPSHIRE,
WATER POLLUTION COMMISSION,
February 14, 1958.

Mr. JOSEPH C. KNOX,
Secretary, New England Interstate Water Pollution Control Commission, Boston, Mass.

DEAR MR. KNOX: This is in reference to the subject of continuation of Federal construction grants under the provisions of Public Law 660, as discussed at the commission meeting on December 4, 1957, in Providence, R. I.

There is little need to stress the vital role which the pollution control program plays in the health and economy of this or any other State. This fact has long since been recognized at all levels of government. Clearly, however, with only limited tax sources available, and the cost for normal operations constantly increasing, our municipalities are in serious need of assistance from higher levels of government if this problem is to be faced adequately. Also, appreciating the regional nature of benefits, municipal government appears amply justified in requesting outside financial aid in solving the problem.

For these reasons, the New Hampshire Commission has officially gone on record in favor of the continuation of the grants program. It has been a very significant factor in promoting the pollution control program in New Hampshire over the period during which these funds have been available. Presently the communities of Goffstown, Derry, Dover, and Jaffrey are proceeding because of the program. Likewise, the county institutions for Hillsborough, Rockingham, and Sullivan Counties have taken advantage

of these funds to undertake sewage disposal projects. There are many other municipalities, including some of our major ones such as Concord and Nashua, which are in the process of planning sewage disposal projects. All of these projects are premised upon the continued availability of Federal financial assistance and any interruption of aid at this time would have serious and damaging effects.

Moreover, during the last session of the legislature, a bill was introduced to further aid our communities by providing assistance at the State level similar to that from the Federal Government. Recent hearings by the interim legislative council, which acts in an advisory capacity to the legislature, demonstrate that there is widespread support for State aid and there are strong and positive indications that it will become a reality in the 1959 session.

Further, the commission is aware of current consideration being given to transfer responsibility for aid in the construction of sewage disposal projects to the State level with an accompanying release of certain areas of taxation to the States by the Federal Government. Unless and until the States are empowered to and actually adopt such a program, the commission is opposed to the Federal Government withdrawing from the grant-in-aid program under the provisions of Public Law 660.

Very truly yours,

WILLIAM A. HEALY,
Technical Secretary.

THE COMMUNIST THREAT

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Manchester Union Leader of February 24, 1958, written by William Loeb, the publisher.

The Manchester Union Leader is the largest daily paper in my home State. Mr. Loeb has consistently and courageously fought against various Communist threats, whether of outright aggression or subversion. I think his remarks opposing aid to Communist Poland and Communist Yugoslavia speak most eloquently for themselves.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRIDGES' PROTEST MAKES SOUND SENSE

Senator BRIDGES' weekend statement to the Nation, attacking the outrageous gift by this country of $98 million to the Red killers who make up the Communist government of Poland, certainly deserves the praise of every right-thinking American.

Nothing could be more stupid at a time when United States unemployment is almost at the 5 million mark, than to give away our substance to alien enemies who are the blood brothers of the Russian Government, a government sworn to conquer the world and destroy the United States.

Another thought along that same line—if we had taken the billion and a half dollars which over the years we have sent to the Communist government of Yugoslavia, and the approximately $200 million we have now given the Poles, and if we had used that money to build deep bombproof storehouses for our surplus food and placed those storehouses in every State in the Union, we would be in a much safer position than now in case of an atomic attack.

A sneak attack from our enemies could destroy, temporarily at least, all road and rail communications. We in New Hampshire would face starvation in quick order.

But if the billions, instead of being thrown away on our enemies, had been used to create bombproof food storehouses, we would be able to fight back and survive.

It is not yet too late to commence such a plan.

It is high time to start making plans for the inevitable attack so that when it comes this Nation will survive.

It is now time to discard the leadership of those Republicans and those Democrats who have led this country into the most fantastic program ever embarked on by any nation in the history of the entire world, a program which consists of giving aid and assistance to our enemies and leaving us defenseless at home.

Let's cut off aid to Poland, Yugoslavia, and every other Communist nation tomorrow and start building our bombproof food storehouses. Let's start providing for our own hunger and not for that of our enemies.

WILLIAM LOEB,
Publisher.

READJUSTMENT OF POSTAL RATES

Mr. HOLLAND. Mr. President, if there is no further morning business, I ask unanimous consent that morning business be closed and that the Chair lay before the Senate the unfinished business.

Mr. MORSE. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

Mr. MORSE. I have a parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. Is it in order for me to call up one of my amendments at this time?

The ACTING PRESIDENT pro tempore. First it will be necessary for the Chair to lay before the Senate the unfinished business.

Mr. HOLLAND. Mr. President, I had just requested that if no other Senators desired to transact morning business the Chair declare morning business concluded and lay before the Senate the unfinished business, at which time, of course, the matter mentioned by the distinguished Senator from Oregon would be timely.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

The ACTING PRESIDENT pro tempore. The committee amendment is open to further amendment.

Mr. MORSE. Mr. President, I call up my amendment at the desk marked "2-26-58-E," offered on behalf of myself, the Senator from Texas [Mr. YARBOROUGH] and the Senator from Wisconsin [Mr. PROXMIRE].

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 43, between lines 2 and 3 it is proposed to insert a new section as follows:

MAIL TO AND FROM ARMY AND FLEET POST OFFICES

SEC. 206. (a) Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by or to any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails free of postage, subject to such regulations as the Postmaster General may prescribe.

(b) Any air mail and any package subject to third- or fourth-class rates which is sent to or by any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails at the rates applicable thereto on the date of enactment of this act, subject to such regulations as the Postmaster General may prescribe.

Mr. MORSE. Mr. President, if I may have the attention of the chairman of the committee, my amendment, as he knows, is certainly a simple one so far as its language is concerned, and I think a very fair and just one so far as its purposes and effects are concerned.

The Senator will note that the amendment seeks to revive the so-called free mailing privileges enjoyed by personnel in the armed services overseas during the last war. It also provides free mailing service for those who write to the men and women in our Military Establishment overseas.

The RECORD should show that I have had a brief conversation with the chairman of the committee, who is willing to discuss the matter with me from the standpoint of whether or not the amendment can be taken to conference. If I correctly understand the chairman, he would be more inclined to suggest that it be taken to conference if I would eliminate from the amendment in paragraph (a) the words "or to", and in paragraph (b) the words "to or", so that it would read:

MAIL TO AND FROM ARMY AND FLEET POST OFFICES

SEC. 206. (a) Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails free of postage, subject to such regulations as the Postmaster General may prescribe.

(b) Any air mail and any package subject to third- or fourth-class rates which is sent by any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails at the rates applicable thereto on the date of enactment of this act, subject to such regulations as the Postmaster General may prescribe.

The first suggested change, if I correctly understand the Senator, would be to eliminate the words "or to", in paragraph (a), the effect of which would be that a man or woman actually in the service who uses the mails would have the privilege of free postage, which practice was in effect during the war; but those writing to him or her would have to pay the regular rates.

Of course, I prefer the amendment the way it reads, but I have never been one to insist that reasonable compromises should not be agreed to if progress can be made and I feel that no matter of principle is sacrificed thereby. So I ask the Senator if he would take to conference my amendment if I were to agree to limit the free use of the mails to the service personnel themselves. A similar change would have to be made in paragraph (b) in regard to parcel post. We would accord free use of parcel post only

in case of packages sent by the personnel themselves, and not in the case of packages being sent to the personnel. That might be even more of a concession on my part, because so many of the packages go to the personnel, rather than from the personnel to the folks back home. But if we can make some progress I am willing to make it. I ask the chairman of the committee what, if any, understanding he thinks I can reach with the committee in regard to any part of this amendment going to conference.

Mr. JOHNSTON of South Carolina. In reply to the Senator from Oregon, I think his amendment goes a little further than we went even during wartime. His amendment, as it stands, would allow people free use of the mails when writing to soldiers, or sending packages to them. I think that goes a little too far. Personally, I should be glad to go along with the Senator and take the amendment to conference so far as concerns the free use of the mails by soldiers writing home, but I do not believe that everyone in the United States ought to be allowed to write to the personnel in our Armed Forces and to send packages to them free of charge. That would be another free ride. The trouble with our postal service today is that every time a bill comes up we attach to it a great many free rides, and yet we want the various classes of mail to pay their way. It cannot be done when someone is getting a free ride. Someone must pay for it. The general public ought not to pay for the free ride. That has been my contention all along.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. I wonder if either the distinguished Senator from Oregon or the able chairman of the Post Office and Civil Service Committee can enlighten the Senate as to the estimated cost of the amendment proposed by the Senator from Oregon. It seems to me that the Senate should be acquainted with the estimates of cost, as affecting the postal revenues.

Mr. JOHNSTON of South Carolina. This proposal arose very suddenly. We obtained the best estimates we could in regard to the cost of the amendment as related to first-class mail. The cost is estimated to be somewhere in the neighborhood of $27 million.

Mr. MORSE. Let me say to the Senator from California that I, too, sought to obtain such information. I have not been as successful as was the chairman of the committee in obtaining an estimate, at least up to this hour. I was told that the cost would be substantial. However, let me make myself very clear on that point. Whatever the cost may be, in my judgment it is a fair amount to set aside for this purpose. I think we should consider it as a part of the cost of conducting military operations.

Mr. JOHNSTON of South Carolina. The cutoff which I have suggested would reduce the cost considerably. The Post Office Department estimates that it would reduce the cost to $10 million.

Mr. MORSE. The figure of $27 million would be greatly reduced if I were to accept the proposed modification.

Mr. NEUBERGER. Mr. President——

Mr. MORSE. Before I yield to my colleague, I believe I have the right to modify my amendment.

I modify my amendment as follows:

On page 1, line 4, after the word "by", strike out "or to"; and in line 9, after the word "sent", strike out "to or", so as to make the amendment read:

MAIL TO AND FROM ARMY AND FLEET POST OFFICES

SEC. 206. (a) Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails free of postage, subject to such regulations as the Postmaster General may prescribe.

(b) Any air mail and any package subject to third- or fourth-class rates which is sent by any person having an Army Post Office or Fleet Post Office address shall be transmitted in the mails at the rates applicable thereto on the date of enactment of this act, subject to such regulations as the Postmaster General may prescribe.

Mr. JOHNSTON of South Carolina. Mr. President, I do not have the amendment before me, but we know what we are driving at. We are dealing with mail sent home by our soldiers.

Mr. MORSE. Mr. President, I now yield to my colleague.

Mr. NEUBERGER. Mr. President, as one of the five members of the Postal Rate Subcommittee of the Committee on Post Office and Civil Service, it is my hope that the distinguished chairman of the committee and the ranking Republican member will accept the modified amendment offered by my colleague from Oregon on behalf of himself, the Senator from Texas [Mr. YARBOROUGH], and the Senator from Wisconsin [Mr. PROXMIRE].

It seems to me that there is a highly laudable and commendable purpose in allowing a member of the Armed Forces overseas to write home free of charge to his family, friends, neighbors, and loved ones. When I was in Alaska and the Yukon during World War II, I found that I could send mail home free merely by writing across the envelope the word "free" together with my Army serial number, name, and rank.

I felt that the amendment in its original form was subject to abuse. In its original form it could have been a bonanza for advertisers. Every commercial firm specializing in shaving supplies, athletic equipment, and all kinds of periodicals catering to longely single men could have swamped the mails with free advertising matter directed at tapping the soldier's dollar.

Of course, there would be no way to take care of the situation unless censors were to open the mail, and we do not want soldiers' mail opened and censored and subject to review. Now that the senior Senator from Oregon has amended his proposal so that there is eliminated the mail that would be written to the soldiers, and now that the amendment applies only to mail sent by the soldiers, I urge the distinguished chairman of the committee to accept the amendment in its modified form.

Mr. MORSE. I wish to make one further brief statement, and then I shall be glad to yield to the Senator from Kansas. I appreciate very much the support given my modified amendment by the junior Senator from Oregon, and also the reasons that he has set forth in justification of the modified amendment. I wish to say, too, that I am always much happier when I find myself together on an issue with the junior Senator from Oregon, which is 90 percent of the time, than when we are not together. I am glad to be together with him on the issue, and I thank him very much for the observations he has made in regard to the abuse that would have arisen under my amendment in its original form.

As the junior Senator from Oregon knows, I was advised, before I took the floor this morning, of the main objection to the amendment, and I agreed that it was a sound objection. I drafted the amendment thinking only—and I will be frank about it—about the families of the men in the service. I was thinking of the boxes of cookies, and I was thinking about the Christmas parcels. I was thinking about the parcels which parents send to the boys and girls in the armed services. I was not thinking about the abuse which would develop by the so-called advertisers, as my colleague has pointed out, and how they could flood the mails, and follow up their advertising campaign when the servicemen returned home. I believe the objection to the original amendment is sound, as has been pointed out to me, and I share the Senator's opinion. I thank him very much for his support of the modified amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Kansas.

Mr. CARLSON. I wish to state that I believe the senior Senator from Oregon has shown his usual good judgment. I intend to oppose the amendment on the basis of the objection that had been stated to it. I was afraid that the soldiers' mail could be opened to a subscription list, for example, and I had intended to oppose the amendment. Now that it has been modified, I shall not oppose it. I hope the chairman will accept it, now that it has been limited to soldiers' mail.

Mr. MORSE. Mr. President, I should like to yield the floor, and in doing so submit the amendment to the chairman of the committee. I believe the Senator from Wisconsin [Mr. PROXMIRE] would like to say a word or two. I deeply appreciate the encouragement and help I received from him and from the Senator from Texas [Mr. YARBOROUGH] as we had our conference yesterday afternoon and discussed the amendment. I want the Senators to know that I deeply appreciate their assistance.

Mr. PROXMIRE. I thank the Senator from Oregon. I merely wish to touch on two aspects of the modified amendment. The first is that if a man overseas writes only one letter a day, the amendment will save him, under the new postal rate, $18 a year. If he

writes two letters a day the amendment will save him $36 a year. Of course, if he writes three letters a day the amendment will have him $54 a year. That is a very substantial saving to the average serviceman, and is a saving all of us can agree is wise and just and proper.

The second point is this: The distinguished minority leader [Mr. KNOWLAND] raised a point which I believe can properly be raised. He asked what the cost of it would be.

It was pointed out that the cost would have been $27 million, under the amendment as originally drawn. However, I wish to underline the fact that since the proposal has been amended, the cost will be reduced by much more than half the original estimated cost, in that most of the mail under the original form of the amendment would have gone to the soldier, instead of coming from him, because, of course, a soldier would get many more letters from friends and relatives, and a great many packages also.

I should like to say also that we have been very conscientious about our responsibility in acting to reduce the revenue, and that we should also do something to increase the revenue. Therefore, I point out that I shall offer an amendment to increase the revenue aspects of the bill by some $22 million, through the adoption of the Rhodes amendment, which was in the bill when the House passed it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CARLSON. The Senator from Wisconsin has brought up the question of the cost of the amendment. I have just inquired of the Post Office Department with respect to that point and I have been informed that the amendment as originally submitted would have cost $27 million. I share the view of the Senator from Wisconsin that it will cost much less, now that the amendment has been modified. Personally I do not believe it will cost as much as $10 million.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. NEUBERGER. Is it not true that with the amendment modified so substantially, so that it will not be possible to send material overseas free to soldiers or other members of the armed services overseas, that the $27 million estimate will be very substantially reduced, perhaps by at least half?

Mr. CARLSON. I would say that $10 million would be about the highest.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I yield to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I wish to associate myself with the distinguished senior Senator from Oregon and the distinguished junior Senator from Wisconsin in offering the amendment. It bears out my experience on the staff of an infantry division in World War II. There were a large number of desertions from the Army in Europe during World War I, most of which were caused, in part, at least, by the poor mail service during that war.

When hostilities ended in World War I, a great many warehouses in the ports of France were found to be full of undelivered mail which had been addressed to the soldiers overseas.

As a result of that experience, General Eisenhower, in World War II, appointed a postal officer and told him, "I want the mail to get to the soldiers in the field. There can be no excuse for its not being delivered. No one on the staff or in the field will stand between the soldier and his mail. If you cannot get it through, call me and I will get the trucks for you."

The result was that the mail was delivered to combat soldiers within 4 or 5 days after it had been mailed in the United States.

That was a tremendous morale factor. It helped cut down the number of desertions to the lowest number in the history of the United States Army.

I saw men, after they had been deployed to the Pacific, who had lost all regard for their commanding officers. They were trapped on islands in the Pacific. I even had colonels tell me, "My fruitcake did not arrive here until three months after my wife had mailed it." That was because we did not have a sufficient number of transports in that area. It had a great deal to do with the attitude of the men in the Pacific area toward the suffering they were incurring for their country.

I believe the amendment is of tremendous value to the country, that its value is far greater than the $10 million it may cost, and I am sure it will be a factor in cutting down desertions. It will certainly be a great morale factor to the men who serve in the hot Libyan desert and in the frozen wastes of Greenland and at other far-off posts throughout the world.

Mr. PROXMIRE. I agree wholeheartedly with the Senator from Texas. There can be no question about the tremendous importance of the amendment from the standpoint of morale.

Mr. KUCHEL. Mr. President, has the amendment been acted upon?

The PRESIDING OFFICER. It has not been acted upon.

Mr. JOHNSTON of South Carolina. Mr. President, as chairman of the committee I should like to say, in view of the fact that five Senators have spoken on the amendment and all of them in favor of it, the amendment ought to be adopted.

Mr. KUCHEL. I do not believe I have ever seen the Senate more confused than it has been with respect to the pending measure. Sometimes I suppose the confusion arises from the fact that some of us cannot hear the arguments on an issue; and sometimes when we do hear them, we are still confused. [Laughter.]

I regret that the pending bill was not reported unanimously by the committee.

I am sure all of us realize that we must increase postal rates; yet we are unable to follow the leadership in the case of many of the technical amendments. For example, my friend, the distinguished chairman of the committee, in whom I have a great deal of faith, finds himself on the opposing side of many of the arguments on a proposed technical amendment submitted by my friend the Senator from Kansas. The thought occurs to me that some of the amendments which have been offered on the floor might better have been offered and discussed and disposed of in the committee.

To take this amendment, may I ask my good friend, the Senator from South Carolina, if the amendment was dealt with in the committee at the time the bill was under consideration?

Mr. JOHNSTON of South Carolina. This amendment was not considered by the committee.

Mr. KUCHEL. Do I correctly understand that the distinguished chairman of the committee and the distinguished Senator from Kansas [Mr. CARLSON], the ranking minority member of the committee, both agree that the amendment should be accepted by the Senate?

Mr. JOHNSTON of South Carolina. Yes; as does every member of the committee who is present on the floor.

Mr. KUCHEL. In the past 2 or 3 days I have received letters from some publications which indicate that, in their judgment, they will be gouged by what the Senate is doing this week on postal rate legislation. I do not want to gouge anyone by my vote.

I hope to have, at the very least, some indication of how the members of the committee feel about the amendments which are being submitted, so that others of us, who have not been privy to any of the committee's work, may have additional guidance in deciding how we shall finally act.

If the amendment which has been offered is agreeable to the members of the committee, I, as one of many other Senators in a similar situation, will accept it. But I must say this is not the Senate's finest hour in the consideration of proposed legislation.

The ACTING PRESIDENT pro tempore. Without objection, the amendment of the senior Senator from Oregon [Mr. MORSE], as modified, is agreed to.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Oregon will state it.

Mr. MORSE. I understand my amendment was accepted without objection; but I raise the point, for the consideration of the Parliamentarian, whether, technically, it is necessary to put the amendment to a voice vote.

The ACTING PRESIDENT pro tempore. The Chair stated that, without objection, the amendment was agreed to.

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from Maryland [Mr. BEALL], I submit the amendment which I send to the desk and ask to have stated; and I request the immediate consideration of the amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, in line 20, it is proposed to strike out the word "and".

On page 38, in line 24, after the semicolon, it is proposed to insert the word "and".

On page 38, after line 24, it is proposed to add the following:

(C) by inserting before the colon at the end of such proviso a comma and the following: "and except that any such minimum charge per piece when mailed on or after July 1, 1959, shall be 2 cents if (1) the pieces are sorted, faced, and tied into packages, (2) the pieces for any post office (or station or branch if its name forms part of the address) for which there are ten or more pieces are separately packaged, and (3) the pieces (except those referred to in clause (2)) for any State for which there are ten or more such pieces are separately packaged."

Mr. JAVITS. Mr. President, I shall take only a minute or two to speak on the amendment. I have already discussed it with the chairman of the committee and with its ranking minority member.

The bill provides that the rate on third-class mail shall be 2 cents prior to July 1959, and 2½ cents thereafter. That is a rather sweeping increase. Protests have been received from business persons such as the proprietors of laundries, drugstores, upholsterers, florists, and other retailers and small-business men who take advantage of this type of mail to send out blotters and other types of advertising material.

The staff of the committee has analyzed the situation, and has arrived at an appropriate solution, namely, the forgiveness of the one-half cent increase which the bill calls for, beginning on July 1, 1959, if those affected will take certain steps which will be of assistance in that situation.

Therefore, I have incorporated the staff finding in technical language. The effect of the amendment is that if such an individual, small merchant will do certain work for his post office, he will be able to effect some savings, and thus will be able to get some benefit of a saving, in connection with his use of the third-class mail. That is the purpose of the amendment.

Mr. NEUBERGER. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. NEUBERGER. I should like to ask the Senator from New York several questions:

Is his amendment drafted in such a way that it will apply only to firms which send out a limited number of pieces of third-class mail?

Mr. JAVITS. That is my understanding of the study the staff of the committee made—that it was directed to that kind of mail.

Mr. NEUBERGER. The amendment proposed by the Senator from New York would not be subject to abuse, would it, by very large corporations or firms which engage in circularizing, so as to enable them to flood the mails?

Mr. JAVITS. That is exactly my understanding of the purpose of the staff study—that it would not be subject to abuse. The staff was seeking to help the little fellow who, by doing the detail work, and on a local level, could help himself.

Mr. NEUBERGER. That is the impression I also have received from the staff of the committee.

As one of the members of the Postal Rate Subcommittee, Mr. President, I should like to join the able Senator from New York in urging that the distinguished chairman of the Committee on Post Office and Civil Service accept the amendment proposed by the Senator from New York.

I wish to commend the Senator from New York for bringing forth this proposal, which I believe will be of some substantial assistance to small firms which make use, to only a comparatively limited and small degree, of the third-class mail.

Mr. JAVITS. I thank the Senator from Oregon.

Mr. CARLSON. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. CARLSON. I wish to commend the Senator from New York for offering the amendment. I think it has much merit, and I believe it will be of real value and service to those who use this class of mail.

I hope the distinguished chairman of the committee will accept the amendment and will take it to conference.

Mr. JAVITS. I thank the Senator from Kansas.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. JOHNSTON of South Carolina. I realize that the amendment will require those who use the third-class mail to do a certain part of the work themselves, in order to have the mail ready, so as to be of assistance to the mail carriers when they commence the delivery of such mail to the various boxes. In that case, a great deal of work will be saved the post office. Furthermore, some money will be saved.

Mr. JAVITS. Exactly.

Mr. JOHNSTON of South Carolina. I believe that the total effect of the amendment will be to make some saving.

Mr. JAVITS. I thank the Senator from South Carolina.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and the Senator from Maryland [Mr. BEALL].

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The committee amendment is open to further amendment.

Mr. YARBOROUGH. Mr. President, I call up my amendment to H. R. 5836, and ask that the clerk read the amendment.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 40, line 2, it is proposed to strike out "10 cents" and "5 cents" and insert in lieu thereof "8 cents" and "4 cents," respectively.

Mr. YARBOROUGH. Mr. President, my amendment has the effect of restoring the present rate on books. As reported, the bill would raise the rate on books from 8 cents a pound for the first pound and 4 cents for each pound thereafter, up to the 70-pound limit, to 10 cents and 5 cents, respectively, 10 cents on the first pound and 5 cents on each additional pound, an increase of about 25 percent. My amendment would restore the 8 cents for the first pound and 4 cents for each succeeding pound rate for books.

We are all concerned about doing something to improve education. Approval of my amendment would be a very simple way of doing something tangible for education, though in a very small way.

If the bill as presently written should be enacted, an additional $5 million a year would be charged for the transportation of books through the mails; and about $2 million of that $5 million, I am informed, would fall directly on schools and libraries that purchase books, because when they buy books in quantity, most of the cost of transportation falls on the educational institutions buying them, not on the publishers.

My amendment confers no special privilege on book mailers. As a matter of fact, it goes only a small distance toward correcting a serious inequity in the postal rate structure. I refer to the cost of sending reading material which is bound into books, as compared with reading material contained in magazines and newspapers. If the bill were enacted in its present form, the rate charged per pound for books would be 2½ times the cost per pound of sending reading material in newspapers and magazines, and such books do not carry advertising from which their publishers can derive revenue. In addition to their subscriptions the newspapers and magazines sell advertising also, whereas the income from books is derived only from the selling price of the book itself.

It costs the Post Office Department less per pound to transport books than it does per pound to transport newspapers and magazines, because books are more compact and easier to handle.

Books now pay about 60 percent of the fully allocated cost charged to them, and second class mail pays only about 22 percent of the fully allocated cost.

If the bill were enacted in its present form, books would pay about 75 percent of the fully allocated cost charged against them, whereas newspapers and magazines, after some years, would pay about 33 percent.

In the past 16 years the book rate has risen more than has any other class of postage. Book rates have increased more than 300 percent since 1942. I do not know why the Government seems to have been so determined to triple the rates on books since 1942, and leave the rates on other reading matter much lower. Perhaps it is because some people are afraid of a man who reads a book.

While $2 million of this increase would fall on colleges and libraries, it is not true that the other 60 percent of books mailed would be junk.

I hold a few samples of books printed which are not bought by libraries, principally, but printed by university presses. These would constitute a part of the $3 million additional cost to be borne by books other than those bought by colleges and libraries.

I hold in my hand a book printed by the New York University Press, which is a fine institution, The Lee Chronicle, which traces the development of the great family of Lees in Virginia through the centuries, and the background and faith which resulted in the emergence of that family.

I hold in my hand a paper-back book from the University of Michigan Press, a life of mighty Stonewall Jackson. That is a part of the type of good material included in the 60 percent of books mailed to others than colleges and libraries.

I hold in my hand another book, published by Harcourt, Brace and Company, of New York, The Sandburg Range, including some chapters on the life of that immortal American, Abraham Lincoln.

We have increased the postage rates on such books more than 300 percent since 1942.

I also hold in my hand a book which will come off the press on March 2, the birthday of Sam Houston, and Texas Independence Day. It is entitled "13 Days to Glory," Lon Tinkle's story of the Alamo. It is an account written of the 13-day siege and the 4-hour final assault on the Alamo.

The additional cost of mailing such books will fall on the purchasers; these are good books of high grade material. We should not discourage the reading of books.

I also hold in my hand the magazine Confidential, which gets the red tag treatment. That means that such a magazine is put in the mail carrier's bag within first-class mail and delivered as fast as first-class mail. There is no law containing such a provision, but there is a ruling by the Postmaster General that if literature is such that it should reach the people while it has news value or while the news is "hot," it shall get red tag treatment. It is dropped into the postman's bag and delivered as fast as any letter.

A news magazine such as Newsweek, or Time, or U. S. News & World Report gets red tag treatment from the Post Office Department, and the postman gives it early delivery. It is second-class material being transported as fast as first-class material. Five pounds of Confidential magazine can be carried in that way, but not one pound of the Sandburg Range, including chapters on Abraham Lincoln, can go through the mail in that manner.

I hold in my hand a couple of magazines called Playboy and True Life Stories. Here is what the Postmaster General is doing with such magazines. In order to get second-class treatment, they have to be subscription magazines. The Postmaster General has ruled that if a newsstand orders 500 copies of a magazine, to sell on the newsstand that makes it a 500 subscriber subscription magazine. He lets the publishers send magazines such as Playboy and True Life Stories as second-class matter, as subscription magazines, when they may not be a single subscriber on the list—when a newsstand simply buys 500 copies.

The policies of the Post Office Department encourage the publication of junk such as Playboy and True Life Stories, and make it hard to promote books about the noble Lee family or a story about the immortal Abraham Lincoln.

Mr. President, let me read one of the letters I have received, which is the shortest one I have, out of many. It is from the librarian of the Los Angeles County Medical Association, and reads as follows:

JANUARY 28, 1958.

SIR: During the present session of Congress the Senate of the United States will undoubtedly receive from the House for consideration the postal rate increase bill, H. R. 5836.

Any increase in the book rate would have the effect of curtailing the interchange of technical and educational information. In my judgment a vote "No" on this increase will represent a small contribution to the serious need at this time for encouragement in educational and intellectual pursuits.

JOHN M. CONNOR.

Mr. President, there was testimony before the committee from university presses and librarians and educators. I appeal to the distinguished chairman of the committee, the senior Senator from South Carolina, and the distinguished ranking minority member, the distinguished Senator from Kansas, both of whom have great knowledge of the postal problem and have sacrificed many days in a study of it. No one has attended more meetings or worked harder than have the Senator from South Carolina and the ranking minority member of the committee, the Senator from Kansas. I appeal to them to accept my amendment, because it will have a significant effect on the educational, cultural, scientific, and civic life of this country.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. NEUBERGER. I should like to support the amendment of the able Senator from Texas, because I believe it to be an amendment that has merit. As a member of the Postal Rate Subcommittee, I myself did not offer the amendment because, as the author of six or seven books, I was afraid I might be accused of a conflict of interests and summoned before the committee presently holding hearings on the other side of the Capitol.

I believe that books should certainly not be burdened with the rates which the Senator from Texas has so justifiably criticized.

I also wish to say to the Senator that I hope some day I may achieve sufficient eminence as an author of books so that when the Senator from Texas at some future time discusses this issue in the Senate Chamber he will hold up one of my books in the distinguished group.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Kentucky.

Mr. MORTON. On behalf of myself and the Senator from Kansas [Mr. CARLSON] we gladly accept the Senator's amendment, and think his point is well taken. We merely want to comment that we now have the votes, so let us get through with this bill and not talk it to death.

Mr. YARBOROUGH. I yield the floor, Mr. President.

Mr. JOHNSTON of South Carolina. Mr. President, as chairman of the committee I will accept the amendment and take it to conference.

I want to say that when this amendment is accepted, since the House bill did not contain it, it will go to conference. We may have to word it somewhat differently and add a proviso, so that it will have a proper effect on the schools. We can probably work out the question satisfactorily. I hope so, anyway. I will be glad to take the amendment to conference.

Mr. JOHNSON of Texas. Mr. President, I understood the Senator to say he was agreeable to taking the amendment to conference.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH].

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the amendment I have proposed, designated "2–25–58–E," and ask for its consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 31, line 18, after the words "this section", it is proposed to strike out the remainder of line 18 and all of line 19 and insert "equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the Appropriation Act based upon budget estimates submitted to the Congress."

Mr. HAYDEN. Mr. President, the 15 percent of the total estimated expenditures of the Post Office Department per annum would be a lump sum which the Appropriations Committee would have to break down and fit into the actual expenses which are properly to be considered as incurred for public services rendered by the Post Office Department. It has occurred to me that instead of handling the matter in that way it would be simpler to strike out the words in the bill:

Equal to 15 percent of the total estimated expenditures of the Post Office Department for such year.

And provide:

Equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the Appropriation Act based upon budget estimates submitted to the Congress.

In other words, the Committee on Appropriations would receive a detailed statement from the Bureau of the Budget, just as we do on all other appropriations, in our consideration of the amount which ought to be credited to the Post Office Department for performing public services. I believe that is the proper concept.

The same principle was involved in a bill which was favorably reported to the House. I assume the House conferees will be familiar with that provision. It was provided that certain items, listed as they are in the bill presently under consideration, should be credited to the

Post Office Department, and the Post Office Department should have money appropriated to it for performing those public services.

The Senator from South Carolina [Mr. JOHNSTON] also introduced a bill along the same line. All such data will be available to the conferees.

I thought the best way to get the matter finally settled in conference would be to offer a short amendment of this kind.

Mr. JOHNSTON of South Carolina. Mr. President, I have studied the amendment offered by the Senator from Arizona, and I think the Senator speaks correctly when he says that will be a matter which will have to be taken up by the conference, in that it was not in the House bill. I think we can take it to conference and probably iron it out there.

We shall have to fight the matter out with the House, regardless of whether it is the committee amendment or the amendment offered by the Senator from Arizona or some other amendment.

Mr. HAYDEN. Yes.

Mr. JOHNSTON of South Carolina. I, personally, am willing to accept the amendment and will take it to conference with that understanding.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CARLSON. I think the Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON of South Carolina], and the other members of the committee are trying to accomplish the same result. We are trying to set aside a certain amount of postal expenditures to cover the public services of the Post Office Department. This has been a very difficult problem with which to deal.

We can say the amount should be 15 percent, 10 percent, or 5 percent, and can get an argument on the question at any time. The chairman of the Committee on Appropriations is requesting that this item be based on appropriations. The chairman of the Committee on Post Office and Civil Service and I have been working on this problem for 5 or 6 years. It is, as I have said, a difficult problem.

I want to be certain that we will be able to set aside for public services a certain percentage of the amount appropriated. Once that is done, I think the Senate and the House of Representatives should vote sufficient appropriations to take care of such services. I think the Senator has made a very important point.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with everything the Senator from Kansas has said. We have been working on this matter for 5 years, trying to get something to put forward which would place the Post Office Department in the proper light. This provision will help do so.

Every time a postal bill comes up for consideration there are items specifically mentioned. The amendment relating to books came up for consideration, as Senators just heard. That service will cost a few million dollars. Before considering that amendment we gave consideration to the question of mail to the soldier boys. That service is going to cost money.

The Post Office Department ought not be charged for the entire cost of those items. That is one question we are trying to analyze, to see what is right and just so far as the Post Office Department is concerned. I know that is what the Senator is seeking.

Mr. KUCHEL. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. KUCHEL. Will the Senator state again for the RECORD an example of the type of public service which is covered now, I assume, by the decision on the part of the Post Office Department, but which would be covered by action of Congress, resulting from consideration by the Committee on Appropriations, if I am correct in my understanding, of the amendment offered by the Senator.

Mr. HAYDEN. For example, the Post Office Department now gathers the addresses of aliens all over the United States, in order that there may be an annual report of where such persons are and what they are doing. That is obviously a public service.

The Post Office Department sells documentary stamps for other departments. That is a service rendered which is not a postal service.

The Post Office Department does work for the Census Bureau. There is even a provision of law which requires the rural carriers to count doves when they see them in the early season of the year. That service is for the benefit of the Fish and Wildlife Service.

A great many services of that kind are rendered by the Post Office Department for which legitimately the other departments ought to pay, or which at least ought to be credited to the Post Office Department as public services. From that point on the Post Office Department should collect sufficient revenues to pay its own way.

Mr. KUCHEL. May I ask the Senator: Under the present law, is it the Post Office Department which determines how much money it shall expend for the types of public service to which the Senator has alluded?

Mr. HAYDEN. No. The Post Office Department is simply required by an act of Congress to render such services.

Mr. KUCHEL. I understand. Where does the Post Office Department get the money? Is it provided in the budget estimates?

Mr. HAYDEN. No. There has been nothing budgeted up to this time for the Post Office Department for any public service. The Department simply says it takes so much money to operate the Department per annum, and in operating it they have to perform all normal functions plus these other services.

Mr. KUCHEL. The intent of the amendment which the Senator has offered is to provide that these statutorily required public services shall be recognized by the Appropriations Committee in considering the Post Office Department budget?

Mr. HAYDEN. Yes.

Mr. KUCHEL. I thank the Senator.

The PRESIDING OFFICER (Mr. COTTON in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. CLARK. Mr. President, I call up my amendment, 2–26–58–F, filed at the desk yesterday, on behalf of the junior Senator from Wisconsin [Mr. PROXMIRE] and myself.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 37, following line 4, it is proposed to insert the following:

(e) Section 2 of such act of October 30, 1951, is amended by adding at the end of such section the following new subsection:

"(e) If, at any time during any Post Office Department fiscal year, beginning with the fiscal year ending June 30, 1958, the costs incurred by the Post Office Department (as ascertained under the cost ascertainment system of such Department) in connection with the mailings of any user at rates provided in subsections (a) and (d) of this section exceed by $1 million the revenues received by such Department (as ascertained under such cost ascertainment system) in connection with such mailings of such user, the Postmaster General shall fix and determine, for the remainder of such fiscal year, the rates for such mailings of such user on a basis which will effect, as nearly as may be practicable, the equalization, during the remainder of such year, of the revenues received, and the costs incurred, by the Post Office Department in connection with such mailings of such user. From and after the beginning of the Post Office Department fiscal year immediately following the fiscal year in which rates for such mailings of such user are made effective by action of the Postmaster General under this subsection, the rates of such mailings of such user shall be as provided in subsections (a) and (d) of this section, subject to the application of this subsection. This subsection shall not apply to any organization, association, newspaper, periodical, or publication within the purview of the second or third proviso of subsection (a) of this section and publications mailed by others than publishers or authorized news agents."

Redesignate subsections (e) through (g) as (f) through (h) respectively.

Mr. CLARK. Mr. President, the purpose of this amendment is to restore to the bill what is known as the Rhodes amendment which was in the bill as it passed the House. That amendment was sponsored by my fine Pennsylvania colleague in the House, Representative GEORGE M. RHODES, who served for 8 years on the Post Office and Civil Service Committee in that body.

This proposal was initially considered by the 84th Congress in the House, but it was not adopted at that time. Last year Representative RHODES persuaded his colleagues to insert it in the bill, and it was in the bill when it came before our committee.

The purpose of the amendment is to limit to $1 million the subsidy to any individual magazine which includes advertising, so that the second-class mail revenue may be increased by charging such publications their fair share of the load under the Post Office Department's own cost-ascertainment system, after the

general taxpayer—and, in view of our action yesterday, the first-class mail users—have made up the first $1 million of subsidy.

I point out that it is not unusual for the Congress to limit subsidies. We have done it only recently in connection with soil-bank payments. In that instance, the subsidies were limited, because it was felt that large corporate farmers should not be entitled to get the major part of the soil-bank payments. So when we come to second-class mail, particularly—indeed, only—with reference to those publications which carry large amounts of advertising, and which are sold at a price which brings a substantial profit, it is the thought of those of us who agree with Representative RHODES that the subsidy to those individual publications should be limited to $1 million.

The Rhodes amendment in the House bill limited the subsidy to $100,000, in the interest of avoiding the accusation of bearing down too heavily on some of the smaller publications which, perhaps, are having a harder time. The amendment sponsored by the Senator from Wisconsin [Mr. PROXMIRE] and myself—and I am authorized to state that the distinguished Senator from Ohio [Mr. LAUSCHE] has joined in the sponsorship of the amendment—would increase the subsidy limitation to $1 million.

Let us see what the effect of the amendment would be. In the hearings before the Senate committee, Representative RHODES, who testified very ably before the Post Office and Civil Service Committee while I was still a member of it last year, pointed out that the estimated net loss, on the basis of figures prepared by the Post Office Department itself, on the cost-ascertainment basis, for various well-known national publications which are being published at a large profit, was as follows: Life, $9,310,000; Saturday Evening Post, $6,087,000; Reader's Digest, $4,172,000; Ladies Home Journal, $1,917,000.

I am reading from page 93 of the printed hearings.

Turning to page 94, we find a list of magazines with respect to which the subsidy was substantially in excess of $1 million. This list includes Reader's Digest, Look, McCall's magazine, Better Homes and Gardens, and American Home magazine.

It is our position that this is unfair, both to the general taxpayer and to the first-class mail user, whose rate has just been increased to 5 cents by action of this body. If this amendment were adopted, second-class mail, even at the increased rates proposed by the committee, would still be paying substantially less than 50 percent of its cost to the Post Office Department under any conceivable basis of cost ascertainment, and the Post Office Department would be able to pick up an additional $20 million.

The principal objection which has been urged to this amendment in the committee and elsewhere is that it would be difficult of administration. The Assistant Postmaster General is on record as having stated that, while it would be a little difficult to administer, it certainly would not be impossible; and the Postmaster General himself, on a television program not so long ago, said that it could be appropriately administered. Inasmuch as we have the figures prepared by the Post Office Department itself as to how much the loss is, I do not think we need take very seriously the question of difficulty of administration.

I quote briefly from the testimony given by Representative RHODES before the Senate committee, on page 101 of the hearings:

> I was assured well in advance of my introduction of the proposal in bill form and before offering it as an amendment to H. R. 5836 that it was feasible, workable, and capable of being administered. Otherwise I would not have offered it.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my distinguished colleague from Oregon.

Mr. NEUBERGER. I think there is a very reasonable goal in the amendment which the Senator from Pennsylvania has offered on behalf of himself, the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Ohio [Mr. LAUSCHE]. However, as I understand, he seeks in this amendment to fix a limit of $1 million with respect to the so-called subsidy, or whatever he wishes to call it. Is that correct?

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. He also referred to the Rhodes amendment, which is presently in the House bill, which was sent to the Senate by the other body, and was referred to the Senate committee. Is that correct?

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. Therefore, if the Rhodes amendment and the Clark-Proxmire-Lausche amendment in its present form should go to conference, it would be compromised at approximately half a million dollars, rather than at the main goal which the able Senator from Pennsylvania has set in the amendment.

Mr. CLARK. I would not attempt to prognosticate what my colleagues, either in the House or in the Senate, may do in conference. Sometimes they surprise us. But I appreciate the fact that the Senator from Oregon has good grounds for his suggestion.

Mr. NEUBERGER. When substantive matter is included in a bill passed by either House, the conferees have no choice. They must include it in the bill finally reported to both bodies for final action.

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. I wonder if the able Senator from Pennsylvania, on behalf of himself and his cosponsors, would accept my suggestion that he set the figure in his amendment at approximately $1,850,000, or thereabouts? The reason for my suggestion to the Senator from Pennsylvania is very simple. If this figure is contained in his amendment, a compromise between his amendment and the Rhodes amendment, which was offered by one of his distinguished colleagues in the House from the State of Pennsylvania, would be at the $1 million goal which the Senator from Pennsylvania seeks to have written into the legislation in its final form when it goes to the White House for consideration. Is that correct?

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. Therefore, I offer that as a suggestion, speaking for myself as one of the members of the Committee on Post Office and Civil Service, and one of the members of the Subcommittee on Postal Rates. I suggest that the Senator modify his amendment along the lines I have indicated.

Mr. CLARK. The information which is presently available from the hearings before the committee would indicate that increasing the amount of the exemption, as suggested by the distinguished Senator from Oregon, would not substantially curtail the additional revenue which would be received by the Post Office Department if the amendment should be approved. While I do not like to disagree with my distinguished friend from Oregon as to the amount he suggests, nevertheless, in order to gain an additional vote, and because I am certain there is a good deal of good sense in what he says, I am very glad to accept the amendment, if the junior Senator from Wisconsin is equally agreeable to accepting it.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am very happy to yield.

Mr. PROXMIRE. I shall accede to the suggestion of the Senator from Oregon, although I do so with reluctance. It seems to me that a million dollars, or even $550,000, of subsidies to one publisher is a tremendous amount of money.

Mr. CLARK. Mr. President, will the Senator excuse me for a moment? I shall be happy to yield to him again, but at this point I should like to suggest to the Chair that the amendment we are now discussing should be amended by striking out the figure "$1,000,000" in line 10 of the first page of the amendment, and substituting in lieu thereof the figure "$1,800,000."

The PRESIDING OFFICER (Mr. COTTON in the chair). The Senator has a right to modify his amendment, and the modification will be noted.

Mr. NEUBERGER. Inasmuch as the Senator from Pennsylvania, with the collaboration of his cosponsor, has modified his amendment as I suggested, I wish to assure the Senator from Pennsylvania that I will support it when it is voted upon by the Senate.

Mr. CLARK. I thank the Senator very much. I now yield again to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to point out that the amendment certainly is in keeping with the principles which have been established by Congress in connection with payments to farmers. We are not concerned here with a limitation of $3,000 to a publisher, as Congress saw fit to provide by way of limitation in the case of farmers. It is not a limitation of $1 million either; rather, it is a limitation of $1,850,000 to one publisher.

It seems to me that the amendment should have the support of those who are opposed to Federal-aid programs, for there are many millions of dollars in

Federal aid in the postal rate bill. It should appeal to some of our good friends in the publishing industry, who have worked so hard and who have talked so much and written so much about the evils of subsidies. The fact is that the publishers cannot make a good case against an amendment to limit Federal aid in the form of postal subsidies.

I say that because the big magazines have been the sharpest critics of Federal-aid legislation. For example, I have a copy of a reprint from the Reader's Digest, entitled "The Biggest Con Game in Politics." On page 2 of the pamphlet the story starts by saying that Federal aid to States and communities has become a source of staggering extravagance. Let me say, Mr. President—and I say this to Reader's Digest also—that if aid to the States and to the people for schools, health, conservation, and research is a waste of the people's money, how in the name of common sense can we justify Federal aid to Reader's Digest of approximately $5 million a year, and to other big publishers, some of whom receive even greater subsidies?

Mr. CLARK. Is it not a fact that Confidential magazine is one of the magazines which receives a substantial subsidy, and is a magazine which would also be affected by the amendment?

Mr. PROXMIRE. It is certainly one of the magazines. I do not know whether it would be affected by the amendment in its present form.

Mr. MORTON. Of course it would not be affected by the amendment.

Mr. CLARK. If the Senator from Kentucky will restrain himself, I shall be glad to yield to him a little later. At the moment I have yielded to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, this attack on Federal aid in Reader's Digest said nothing about Federal aid by way of postal subsidies. Few individuals or corporations in this country get Federal-aid benefits which are greater than postal subsidies. Members who come from farm districts should be interested in the amendment, since second-class postal subsidies amount to much more than what has been paid to the Nation's farmers in price-support subsidies.

Mr. President, I should like to conclude by reading into the RECORD some additional figures. These are in addition to the figures which have already been read into the RECORD by my distinguished friend the Senator from Pennsylvania [Mr. CLARK]. Not only does Life magazine receive a subsidy of $9,494,000, but I should like to point out also that Look magazine receives a subsidy of $3,482,000. Based on the testimony which was so well underlined by my distinguished friend from Pennsylvania, McCall's magazine receives a subsidy of $1,507,000; National Geographic, $1,335,000; Good Housekeeping, $1,294,000; Better Homes and Gardens, $1,146,000; American Home magazine, $1,130,000.

Now I should like to come to my principal and final point. This is the hardest kind of amendment to get adopted. I say that for this reason: It is much easier to adopt the kind of amendment offered by the senior Senator from Oregon [Mr. MORSE], reducing postage rates for members of our armed services overseas. That is a responsible amendment, and I was very happy to support it. It is a good amendment. I say, however, it is much more difficult to have an amendment like the pending amendment adopted, because it increases postal rates.

I might say that from the magazines which I have listed and which the Senator from Pennsylvania has also listed, $22 million will be picked up by the Treasury. Some of those magazines now get red tag treatment. That means they get preferential treatment. On the basis of the cost allocation which I had made, it seems to me that the subsidies would be much greater than the $32 million, and the savings to the Federal Government and to the taxpayers generally would be far more than the $22 million I have indicated.

Mr. CLARK. I shall now be glad to yield to the Senator from Kentucky.

Mr. MORTON. I wonder, since the Senator has accepted one amendment to the amendment in order to gain one vote, whether he would be willing to accept one more amendment in order to gain one additional vote.

Mr. CLARK. That is always an interesting suggestion.

Mr. MORTON. Would the Senator accept an amendment to reduce it $10,000? Let us take in Confidential.

Mr. CLARK. The Senator from Kentucky is making use of a very interesting suggestion, which, I am sure, will be followed by the claim on his part that Confidential is not covered in this case. In that connection I should like to point out that at page 97 of the hearings Representative RHODES testified that while specific financial data were not available with respect to Confidential, Inc., it had a monthly circulation of 3,442,536 copies. Not that I would care to make an open wager on the floor of the Senate, but I would suspect that under any kind of cost accounting procedure there would be a very good chance that not only Confidential magazine but the other magazines listed by Mr. RHODES would be included, such as True Confessions, Startling Detective, Daring Romances, Modern Romances and others. We would have to take a look at them, too.

Mr. MORTON. I have the highest respect for Representative RHODES. Was the figure he gave for Confidential 3 million?

Mr. CLARK. It was 3,442,536.

Mr. MORTON. That is for the year in question?

Mr. CLARK. I assume so, although it does not say so.

Mr. MORTON. Three million a year?

Mr. CLARK. Yes.

Mr. MORTON. Second-class matter, I understand, is delivered at a cost of somewhere in the neighborhood of 3 cents or 3.2 cents apiece. It seems to me—and I never got so far as calculus in school—that that amounts to $90,000. That means that in the case of a circulation of 3 million copies, the cost will be 60 cents. That becomes a rather silly business, it seems to me. Let us make it $10,000, and I will go along with the Senator.

Mr. CLARK. Mr. President, I am sure that I unintentionally misled the Senator, because I note, in reading from page 97 of the hearings, Representative RHODES said that Confidential has a monthly circulation of 3,442,536. That might make some change in the Senator's figures.

Mr. MORTON. It certainly does. Does the testimony indicate how much of that circulation was represented by newsstand sales and how much by mail delivery?

Mr. CLARK. No; it does not.

Mr. MORTON. Then we do not know the figures.

Mr. CLARK. I think we are in the dark in that respect.

Mr. MORTON. Being familiar with the cover of the magazine, I assume that many of its sales are newsstand sales, if not most of them. They certainly attract the eye of the passing male walking by the newsstand. I do not believe that it can possibly be said that the cost to the Post Office Department on the distribution of the magazine—and I certainly do not sympathize with it—amounts to $1,800,000.

Mr. CLARK. The Senator from Kentucky may well be correct. All I can say is that neither he nor I have the figures.

Mr. MORTON. Neither he nor I have the figures; therefore, let us be certain about this, and lower the amount to $10,000, or stick with the amendment of the Representative from his State.

Mr. CLARK. I would regretfully have to disagree with the Senator. In the first place, Representative RHODES fixed the amount at $100,000, not at $10,000.

I suppose the Senator from Kentucky, like many other fine Senators, has a great sympathy, ideologically and otherwise, with Life, Time, Fortune, Reader's Digest, and the Saturday Evening Post. Therefore, I am prepared to let them go as far as a million dollars as a subsidy paid by the United States taxpayer, in order to have this principle established. I know perfectly well that if the amount were reduced to $10,000, I might get the vote of the Senator from Kentucky, but that would be the only vote I would get.

Mr. MORTON. I am not prepared to go along with the principle of subsidizing at all. I do not think the magazines are being subsidized to the extent the debate so far has indicated. In my own time, I shall try to talk about the second-class matter. I do not wish to discuss it now. But at least I appeal to the Senator from Pennsylvania to go back to the figures of Representative RHODES. How is the figure $1,850,000 derived?

Mr. CLARK. My friend from Kentucky was a Member of the other body, where he served with great distinction. He is a far more astute politician than I ever hope to be. I am certain he knows perfectly well that the figures are set as they are in the hope of trying to have some amendment adopted, rather than to have it rejected.

Mr. MORTON. The Senator was elected by a vote far greater than mine.

Mr. CLARK. It was pretty close. Mine is a larger State.

Mr. JOHNSTON of South Carolina. Mr. President, we have a cost ascertainment now which is carried into effect in the pending bill. That is the reason why we are proposing at the present time that the rates be raised.

Does the Senator from Pennsylvania know that when we have finished with the bill, all the second-class mail will not be in the red, according to the way the costs are allotted to the different classes?

Mr. CLARK. I am interested in what the chairman of the committee states, because, as I understand, the ranking minority member gave certain figures on the floor day before yesterday which indicated that the extent of second-class mail revenue's coverage of costs was still in the neighborhood of 30, 35, or 40 percent. I do not know how the cost ascertainment figures are being juggled. I must say that I view those figures, if they have come from the Post Office Department only as recently as indicated, with a substantial amount of suspicion.

Mr. JOHNSTON of South Carolina. The cost ascertainment figure was cut exactly in half, percentagewise, in the making of rates. Although some second-class deficit remains, it will be greatly reduced.

Mr. CLARK. I am certain that my friend from South Carolina will appreciate that the particular change in cost ascertainment is a judgment factor and not a straight cost ascertainment factor. Perhaps the judgment was somewhat influenced by the fact that this very debate was about to occur in the Senate.

Mr. JOHNSTON of South Carolina. Another thing was brought out at the hearings. Those who testified, and who really knew the workings of the Post Office, said there was a possibility that no two persons could come anywhere close to what the cost would be for a particular magazine, or whatever kind of publication was to be mailed.

Mr. CLARK. It is with great regret that I must reluctantly differ with the distinguished chairman of the committee, whose experience in this field is so much greater than mine. I think he has made a very able argument for what I am afraid I should have to say is a case which has yet to be proved; namely, that the big magazines are not enjoying a costly free ride at the expense of Uncle Sam's public.

Mr. JOHNSTON of South Carolina. We are, in the bill, imposing on them a pretty large increase.

Mr. CLARK. I understand that the revenues for carrying the mail are being increased to somewhere between 35 and 40 percent of the cost, as I understood my good friend from Kansas to say the other day. I shall have to disagree with the chairman of the committee.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. With the greatest reluctance, on this issue I disagree with the chairman of the committee, who is the outstanding authority in the Senate, together with the ranking minority member. I am certain he understands this subject, backward and forward, better than I do.

In the case of several more of the magazines which are now receiving an enormous subsidy, they are getting preferential treatment. They are treated like first-class mail. Under any cost ascertainment system, it seems to me they should be allocated the extra expense.

To have the figures as accurate as possible, I point out that at present, according to the latest figures from the Postmaster General and the ranking minority member of the committee, second-class mail now pays only, I believe, 31 percent of its cost; so it receives a 69 percent overall subsidy.

The argument against any good proposal, when any other argument cannot be found, is that, administratively, it is unworkable. I have never seen it to fail. That is always the case when there is no real argument. This is the only argument. Senators know that if there is a will, there is a way. This proposal is no more unworkable than the $3,000 limitation on soil-bank payments.

Mr. CLARK. I associate myself with the comments of my associate. I thank him.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. LAUSCHE. Last evening I voted for the 4-cent rate on first-class mail. I did so because the disparity between the rate charged for first-class mail at 5 cents a letter and the charges made against second-class matter, in my judgment, were out of proportion. I concluded that I would vote for lowering the proposed rate on first-class mail from 5 cents to 4 cents, and that if that proposal did not succeed, I would vote for the lifting of the rate on second-class mail, or would subscribe to some proposal which would, in a measure, indirectly achieve the lifting of that rate.

Mr. CLARK. The Senator from Wisconsin [Mr. PROXMIRE] said, before my friend from Ohio came to the Chamber, that the best estimate he could get was that this amendment would mean another $20 million revenue to the Post Office Department.

Mr. LAUSCHE. I wonder if the Senator from Pennsylvania would refer to the statistics which appear on page 94 of the hearings, which show that the gross revenues received from magazines are $18,844,000, and that the cost of serving those magazines is $52,149,000, leaving a deficiency of $32,185,000, which the taxpayers in general have to pay for the carrying of this particular type of mail.

Something has been said to the effect that, based upon new figures, it appears that this huge deficit does not exist.

Mr. JOHNSTON of South Carolina. There is something else I should like to ask. How much will be charged off when it comes to giving the publishers a free ride?

Consider books. We voted about $2 million more for second-class mail. In second-class mail there are numerous exemptions and cut rates. How much is to be charged to the other mailers, and what share of the burden should they bear when it comes to considering the deficit arising from second-class mail?

Mr. CLARK. I would not charge them anything more than the cost of carrying the mail.

Mr. JOHNSTON of South Carolina. In the second place, we charge up all that, and then say the deficit is so much.

Mr. CLARK. I think the Senator from South Carolina would agree that if he and the members of the Committee on Post Office and Civil Service, who prepared the figures, are correct, there is no reason for opposing the amendment, because it will not cost anyone any money anyway.

Mr. JOHNSTON of South Carolina. I agree that some of these magazines should be charged more than others. Based upon what has been brought out in many studies that have been made, probably there should be a fifth class.

Perhaps there should be a fifth class for those who are getting a free ride. Then it would be possible to show what that deficit would be, without having to count it against the others.

Mr. CLARK. I shall be happy to consider such a suggestion when the time comes; but in the meantime an immediate problem is confronting us.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. LAUSCHE. I do not know whether I correctly understand the arguments which have been advanced in favor of giving a so-called free ride to mail of this type. But the debate brings to my mind a situation which might develop when I was about to take an automobile trip to Cleveland. Some man might ask permission to ride with me on the trip. I would say to him, "Very well, but contribute a little bit to the expense." Perhaps he would reply, "Why should I? You are going there anyway, so I should be able to go with you for nothing." Such a suggestion would not impress me.

In order to distribute the cost as equitably as possible, I favor the proposal made by the junior Senator from Wisconsin and the junior Senator from Pennsylvania. We cannot very well charge the ordinary person 5 cents to send a letter, and then ask him to approve a subsidy of $32 million for magazines.

Mr. CLARK. Mr. President, let me point out to my friend, the Senator from Ohio, that the reference made a moment ago was to only a small, selected list of magazines. However, many others are also getting the same free ride. The ones listed here are only samples.

Mr. LAUSCHE. Mr. President, I desire to subscribe to the position taken by the junior Senator from Wisconsin and the junior Senator from Pennsylvania on this amendment.

Mr. CLARK. I thank my friend.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK] for himself and the junior Senator from Wisconsin [Mr. PROXMIRE].

Mr. JOHNSTON of South Carolina. Mr. President, the so-called Rhodes amendment, carried in the postal rate bill, H. R. 5836, as passed by the House

last August, is punitive legislation, and conceivably could force many newspaper and magazine publishers to suspend operations.

The Rhodes amendment provides that no publication shall incur costs in excess of revenues to the Post Office Department of more than certain amounts in any one fiscal year. The pending amendment would specify the amount as being $1,800,000 for each fiscal year. The determination of such costs and revenues would be based upon cost ascertainment records of the Post Office Department.

This amendment most certainly should be stricken from any postal rate increase bill to be passed by the Senate. Among the numerous and imperative reasons for rejecting the amendment are the following:

First. The Rhodes amendment would be confiscatory to publishers and unworkable by the Post Office Department. The Postmaster General has stated publicly that it would raise a myriad of administrative problems and would be unworkable. The Department, although endorsing H. R. 5836, has excluded the Rhodes amendment from any consideration—see Post Office Department Press Release No. 23, for February 5, 1958, page 2.

Second. The Rhodes amendment would strip ratemaking authority from the Congress and would place it in the hands of the Postmaster General.

Third. The Rhodes amendment could permit the Postmaster General to set different rates for competing publications.

Fourth. No publisher could determine his postal rate charges until well after the close of any fiscal year. This would have a disastrous impact upon his tax accounting, as well as upon his profit-and-loss statements.

Fifth. The Rhodes amendment could result in endless litigation in the courts, and could tie up publishers' operating capital for many years, because at the present time it is almost impossible to say exactly what should be charged for the different classes.

Sixth. The Rhodes amendment ties postal charges directly to the cost ascertainment system. Department officials have testified repeatedly before Congressional committees that cost ascertainment alone is not a proper vehicle for determining postal charges to mail users. Deputy Postmaster General Maurice Stans, when appearing before the House Subcommittee on Appropriations, stated that the use of the cost ascertainment system as a ratemaking device is "a fallacy." Mr. Stans said:

> That is the fallacy of cost ascertainment and it is a fallacy we have not only conceded, but called attention to in our rate hearings (p. 99, Treasury-Post Office Departments appropriations hearing for 1958, House of Representatives).

Seventh. In postal rate hearings before the House Post Office Committee, Postmaster General Summerfield stated for the record that the Department is unable to set individual costs of newspapers and magazines under its revised formula. Mr. Summerfield said, in part:

> Each publication has its own unique distribution pattern; the need for standby facilities may vary with volume and weight; and even the value of service may differ from one publication to another. The 50-percent adjustment in total second-class costs was not designed to be applied against the costs of a specific publication. (P. 860, postal rate hearings, House Post Office and Civil Service Committee, 1957.)

Personally, Mr. President, I cannot understand how the amendment could be workable. For that reason, I must oppose it.

Mr. CARLSON. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. The chairman of the committee, the distinguished senior Senator from South Carolina, has just stated what will be the effect of the amendment, if agreed to, on the handling of second-class mail. Personally, I, too, do not understand how successful operations would be possible, under the amendment.

The chairman of the committee has pointed out, in at least 6 or 7 different ways, how the amendment, if put into effect, would cause real problems. In fact, I believe it would be disastrous to have the amendment go into effect. So I sincerely hope the Senate will reject it.

Mr. JOHNSTON of South Carolina. Mr. President, I yield the floor.

Mr. CLARK obtained the floor.

Mr. MORTON. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield to my friend, the Senator from Kentucky.

Mr. MORTON. Mr. President, I regret at this point in the debate I feel it is necessary to take a little time to discuss the entire question of second-class mail.

For some time we have had an interesting and lively debate on the pending measure. Second-class mail involves a very technical problem. I believe a record must be made, so that we shall know exactly what we are discussing.

In this case we are dealing with newspapers, magazines, and publications of various kinds, issued by churches, fraternal organizations, and what not. I believe we shall get considerably off the track if we do not carefully analyze the great segment of the mail which comes in the second class.

On yesterday we became considerably involved in a debate in regard to people. People vote; the owners of magazines and other publications vote, although the publications themselves do not vote.

On yesterday we got very far off the track, in discussing voters. I do not know how far off the track we shall get today, in discussing magazines. As I have said, the persons who receive magazines and those who send out the magazines vote; but the magazines themselves do not go to the polls, do not pull the levers, and do not vote.

Mr. CLARK. Mr. President, if the Senator from Kentucky will permit an interruption——

Mr. MORTON. Certainly.

Mr. CLARK. Let me say it is rather hard to oppose magazines with large circulation and with strong influence on public opinion—as is true of the magazines which will be affected if the amendment is agreed to.

Mr. MORTON. In a moment I shall discuss the effect on magazines if the amendment is agreed to.

On yesterday, all of us were very much impressed, I am sure, by the dramatic argument made by our friend, the junior Senator from Rhode Island [Mr. PASTORE], in regard to what would happen to the housewives in Rhode Island as a result of confusion and uncertainty as to whether to use a 4-cent stamp or a 5-cent stamp.

I should think the Postmaster General would probably make Rhode Island one zone. I do not know what he would do. If a person writes a letter, he is not obliged to put "Conn." or "Mass." or "Ky." on the envelope, but if he wants it to reach its destination, he will put a nickel stamp on it. Anything mailed to "R. I." would probably require only a 4-cent stamp.

My State stands very low from an educational or literacy standpoint. I am afraid if it were not for the great States of Mississippi and Arkansas, Kentucky would stand last in a great many things. From everything I have read, Rhode Island is at the top. Rhode Island pays its teachers more. It has less illiteracy than has any other State in the Union.

I am not too concerned about what would happen because of the decision a housewife would have to make as to whether a letter required a 4- or 5-cent stamp. I am not so concerned about that; what does concern the housewives in Kentucky is finding enough money to buy any stamp, at any price. That is my chief concern.

However, we went through all that yesterday. Now we are considering the second-class mail rate, which is much less personal. Therefore, we tend to approach that question, shall I say, much less objectively.

Let us consider the question of second-class mail. This year 7 billion pieces of second-class mail will be going through the post office. The losses in second-class mail referred to, as obtained from the cost-ascertainment report of the Post Office Department, applied to those 7 billion pieces.

The amendment offered by my good friend, the distinguished Senator from Pennsylvania, deals with magazines, which comprise 1.4 billion pieces of the 7 billion pieces.

As the Senator from Montana [Mr. MANSFIELD] said yesterday, the question is asked, "Is it not true that second-class mail results in a loss of a quarter of a billion dollars, under the cost-ascertainment report?" My reply is that it does, but does that mean that magazines and newspapers should pay the load for the other pieces of mail that go through second class? I do not think so. I do not believe that is our intent.

As a matter of public policy, it has been decided that certain items should go through the mails at very reduced rates. Nobody thinks such items should pay their way. It is a good thing that we have decided that such items should go through the mails in that way, such

as publications of religious organizations, fraternal organizations, and nonprofit organizations. They get lower rates for having their mail handled. No amendment is being offered to kill such arrangements. We do not want to strike down any such policy. Most of such organizations are willing to pay a little more, since costs have increased, and they will have to pay a little more under the bill. However, is it contended that, because the Ladies' Home Journal is second-class mail, therefore it must pay not only its own way, but must pay the way of other publications?

There are approximately 7 billion pieces of second-class mail. There are certain publications known technically in the Post Office Department as exempt from zone rates. Those are nonprofit publications. One billion three hundred and seventy-five million pieces of such publications make up some of the second-class deficit.

Publications with 5 percent or less advertising get special treatment. They are handled today at one-half cent a copy.

Free in-county pieces of mail amount to 387 million.

Newspapers other than dailies are handled at four-tenths of 1 cent a copy today, and there are 675 million pieces of that type of mail carried by the postal service.

Religious, educational, and welfare publications have 68 million pieces of mail handled, at a cost of three-tenths of 1 cent a copy.

The total of the categories I have just given amounts to just under 3 billion of the total 7 billion pieces of mail.

That amounts to roughly 40 percent of the total.

Then we get into another category, exempt classroom publications. They average 8.9 ounces each, and are handled for 1 cent. The total number of pieces of mail in that category is 39 million.

One billion, six hundred and thirty-five million pieces of daily newspapers are carried in the mails, at a cost of nine-tenths of a cent.

Agricultural, business, and professional publications amount to 735 million pieces, with an average weight of 5 ounces, and are carried at nine-tenths of a cent each.

The total of these publications represents nearly 40 percent of the second-class matter.

There are left magazines and periodicals of general interest, amounting to 1,445 million pieces of mail in 1956. That number probably will be 1,600 million this year. Such publications are second-class mail.

They constitute about 20 percent of the second-class mail, an average of 2 cents a copy is paid, and the weight averages 12.4 ounces.

In the delivery of mail, weight is an important factor. We have to pay the same amount to get an item from Washington to Chicago as we do from "Cracklin' Crossin" to "Chitlin' Switch." The same charge is made, but the big cost is in taking the piece of mail to its ultimate destination. Delivering the mail involves the big cost. One does not have to be a cost accountant to understand that, because anyone who sold lemonade when he was a youngster can understand it. The same process is involved.

There is a magazine published, which may not be known to all the Members of the Senate, but I am sure is known to their wives, the Ladies' Home Journal. That magazine is not subject to the criticism which was recently made concerning liquor, tobacco, and beer advertisements. That magazine does not carry any liquor advertising, and never has. So we can talk about it and keep it within the area of postal rates and not get into an emotional discussion.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. CLARK. I hope, before the Senator gets through with his comments, he will make some sort of analysis of the carrying charges for Life magazine and not just confine himself to that pure magazine published by the Curtis Publishing Co. of Philadelphia, the Ladies' Home Journal.

Mr. MORTON. I was sure the Senator was going to offer an amendment. I assure him that I did not pick out that magazine because it is published in his hometown, but I may point out that Louisville, Ky., is a great publishing center, and if the Curtis Publishing Co. wants to move there, we shall be glad to have them.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. MORTON. I yield.

Mr. CLARK. Even though the magazine does not take any liquor advertising?

Mr. MORTON. Even though it does not take any liquor advertising.

Ninety-two of the 120 counties in Kentucky are dry, I will say to the Senator. What can the Senator say about Pennsylvania?

I have in my hand a copy of the Ladies' Home Journal. I have figures for the year 1956, which I think is the last year for which we have figures.

Forty-four and one-half million copies of this magazine were distributed during the 12-month period. The total weight of these magazines was 70 million pounds. The Curtis Publishing Co. paid to the United States Post Office for the distribution of this magazine $1½ million, or 3.4 cents a copy.

I say, weight is a factor. The magazine, over the years, will run about 1¼ pounds a copy. Weight is a factor, yes, but all the figures prove that weight is a very small factor when one comes to the point of estimating cost. There is a problem of getting the magazine into the rural area, to Bethesda, or to wherever the neighborhood may be, to the individual homeowner. That delivery is what costs money.

This magazine, The Ladies' Home Journal, pays 3.4 cents a copy under present law, without any amendment to the law, and without passage of the bill the Senate is now considering. The magazine pays that much.

One can get all kinds of figures. Someone made a comment yesterday as to an interesting simile on figures and liars. Any way one slices it up, 3.4 cents a copy is, I think, pretty good pay for distributing this magazine.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORTON. I am happy to yield.

Mr. LAUSCHE. I say frankly to the Senator that I find difficulty in justifying a charge of 5 cents for a small letter as compared to 3.4 cents, or whatever it is, for that magazine. That is where my difficulty resides on this issue.

Mr. MORTON. I can well understand the position of the Senator from Ohio. I should like to point out, first, that this magazine is handled second, after there is a treatment of the letter which the Senator will send for 5 cents. There is no question about that.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. CLARK. I am sure the Senator is familiar with red-tag treatment.

Mr. MORTON. Absolutely.

Mr. CLARK. Is the Senator completely accurate in his statement?

Mr. MORTON. Yes. This service comes absolutely after first class. Red-tag treatment does not provide any handling for the magazine until the first-class mail has been handled.

For instance, there has been some discussion as to night shifts. We would not have night shifts in the post offices if it were not for the first-class mail. The night shift is a part of the extra cost.

Incidentally, as to those who work at night, I am in favor of giving them 10 percent extra.

A part of that cost comes under the cold-blooded cost ascertainment system against all classes of mail.

Another thing which I might point out to my colleague, the Senator from Ohio, is that there is such a thing—it is a cruel statement, but it is true, and applies to business—as charging all the traffic will bear. I do not buy butter and skim milk for the same price, but they both come from the same cow. I think that has to be taken into consideration in the establishment of rates for the Post Office Department, or in the prices for any business anyone may conduct—I care not what the business may be.

I have in my hand another magazine. This magazine, in the same year to which I referred, was distributed or sent through the mail, to the number of 1,189,000 copies. This is a light magazine. It is very light compared to the Ladies' Home Journal.

The cost of shipping 100 of these magazines, compared to the cost of shipping 100 of the heavier Ladies' Home Journal magazines, between here and Chicago, is very different. I admit that. Shipping costs for this light magazine would be much cheaper. It is a much lighter magazine.

However, the cost of assorting the magazines, of putting the magazines in the car or truck of the employee who delivers them and carrying the magazines onto the rural route out of a third-class post office, is a different thing. When we take into consideration that cost—and it is the major cost—there is not too much difference in the cost of distributing these two publications.

Let us see what this second publication paid. One million one hundred and eighty-nine thousand copies of this publication were sent out, through the Post Office Department. The Department received, for circulating nearly 1.2 million of these copies, from the city of New York all over the country, or wherever it goes, the sum of $2,300.

This magazine was taken all over the country for less than two-tenths of a cent a copy. This magazine will not be affected by the amendment offered by the Senator from Pennsylvania, since it does not have enough circulation. However, for two-tenths of a cent a copy, 1.2 million copies of this magazine were sent all over the country. This magazine happens to be The New Republic.

My point is this, Mr. President: We have an overall cost for delivery of the second-class mail somewhere in the neighborhood of 2.9 cents—from 2 to 3 cents—out-of-pocket cost for each package that is handled. Let us say that we should charge an additional 10 percent for the heavy package as against the light—or 20 percent, 30 percent, or 100 percent. I will take any figure that is within reason. Certainly the big cost in the handling of second-class mail is the assortment, the distribution, and the carrying of it.

If it is necessary to carry one page out to the 10,000 block in Bethesda, Md., that does not cost much less than carrying 50 pages to one address. It is a fact that the call has to be made.

I think we have to consider the second-class mail in that category. We must remember that only 20 percent—less than 20 percent of all the 7 billion pieces of second-class mail are magazines of any sort. All the magazines are included in that group, and they only add up to 20 percent.

We are trying here, it sems to me—not simply by the amendment offered by the Senator from Pennsylvania, but in the entire discussion—to make that twenty-odd percent carry the load for all the second-class mail. There is no more sense in that particular group carrying the load than there is in having parcel post or anything else carry the load.

Mr. CLARK. Mr. President, will the Senator yield briefly?

Mr. MORTON. I yield.

Mr. CLARK. Is the Senator's statement based in part on the fact that the cost ascertainment figures referred to in the debate are inaccurate?

Mr. MORTON. No. The cost ascertainment figures I feel are the best set of figures that can be devised. I think independent accountants have come to that conclusion. They are the best set of figures that can be devised for what they are—cost ascertainment.

As has been pointed out on numerous occasions, the cost ascertainment figures in themselves do not spell out the yardstick or rates. We are talking about two entirely different things.

Mr. CLARK. If the Senator will yield for one moment more, I would be grateful to the Senator indeed—and I suspect Mr. Luce would, also—if the Senator would address himself to the justification for the carrying by the Post Office Department of Life magazine at a loss of $9.2 million last year, according to the cost ascertainment figures which my friend thinks have at least some veracity.

Mr. MORTON. I do not question the veracity of the cost ascertainment figures. They are completely academic. They represent a completely cold set of figures which deal with a problem. Every Postmaster General throughout history has tried to explain to the Congress that those figures are an arbitrary set of figures, the best that judgment can dictate. They certainly have nothing to do with ratemaking, and never have had anything to do with that, except as a guide.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORTON. I should like to answer the question about Mr. Luce, inasmuch as the Senator from Pennsylvania brought him into the discussion.

What is the amount the Senator mentioned; $9 million?

Mr. CLARK. I think if the Senator will refer to the hearings, he will find it stated on page 94 thereof.

Mr. MORTON. Which hearings?

Mr. CLARK. The hearings before the Senate committee. I think a copy of the hearings is on the desk in front of the Senator.

Mr. MORTON. Yes. I have the hearings.

Mr. CLARK. The Senator will observe that the United States Post Office Department estimated annual revenues and costs of selected leading magazines.

The publication of Life magazine brought in a revenue of $7,485,000, at a cost of $16,979,000, making a difference—cost minus revenue—of $9,494,000.

If my friend will bear with me for a moment, the estimate on page 95 is that in 1956 Life magazine had a weekly circulation of 5,714,310 copies. Of this total, about 4,800,000, or 84 percent, were carried through the mails. This amounts to 249,600,000 copies of Life, having a combined weight estimated at more than 280 million pounds, which were distributed by postal carriers during the year. There were no statistics as to the number of flat feet thereby engendered. [Laughter.]

Mr. MORTON. We were discussing Life magazine. The figures which the Senator has read are, I believe, a year later than my figures, but they are authentic. I have a figure of 248.3 million copies. If I am a quarter of 1 percent off, it is because I am using a previous year's figures.

Mr. CLARK. I am happy to accept my friend's figure.

Mr. MORTON. Life magazine paid 3 cents a copy in 1956 for postal service. As I say, the average cost of carrying a piece of mail second class is about 2.9 cents a copy, if we assume that they are all the same weight. Life has more weight than the 1-page or 2-page publications. Therefore, it should pay a greater portion of the cost. There is no question about that. I believe Life magazine is willing to do so. However, on today's rate—and we are about to raise it 60 percent—it pays a little more than the out-of-pocket expenses of the Department for handling it.

This is what would happen if we were to adopt the amendment offered by the Senator from Pennsylvania. Under his amendment, which would change the Rhodes amendment from $100,000 to $1,800,000, the question of whether the rate makes money or loses money for the Post Office Department is to be determined by the Postmaster General. Of course, when it comes to paying the bill, whatever the Postmaster General assesses against anyone, the final adjudication will not be made by the Postmaster General. It will be made by 12 men in a jury box. I do not happen to be a lawyer, but I can hire one; and I would take the case on a contingent basis for either Life magazine or Ladies' Home Journal, on the question of whether or not they are going to pay their way.

As I pointed out, for two-tenths cent a copy we are distributing not only this magazine, but millions of other magazines, all over the country. Because there is no reaction at the polls, it is easy for us to say, "Why should not the big fellows carry all the load?" I maintain that they are carrying almost their full share of the load now. This bill means that they will be carrying more than their share of the load, or at least their equitable share of the load.

If we want to put second-class mail on a break-even basis, let us be honest and do it; but let us remember that 80 percent of the 7 billion pieces of mail carried second class are receiving preferential treatment because of action taken by this body.

The Post Office Department is a unique institution. Here we are, a group of legislators on Capitol Hill. Because we control not only the prices the Department charges for its services, but the wages it pays its employees, we have the responsibility for the management of the Post Office Department. We do not like it. It is much easier, when we are here in this rarefied legislative atmosphere, to forget the responsibilities of actually administering a department of Government or a private business. However, we have that responsibility. We have never seen fit to give the Postmaster General, the Interstate Commerce Commission, or any other agency the authority for setting rates, which are prices. We have never seen fit to give those agencies the authority for setting wages, which, in the case of the Post Office Department, represent about 90 percent of its costs.

Therefore I appeal to my colleagues to face up to our responsibility for the actual operation of the Department. Let us straighten up and fly right, and defeat this amendment, which could not be administered even if it were adopted.

Mr. JAVITS. Mr. President, in connection with the amendment heretofore offered by me on behalf of the Senator from Maryland [Mr. BEALL] and myself, which amendment has been previously agreed to, I ask unanimous consent to offer for consideration at this time a perfecting amendment, to insert, after

the word "mailed" the words "for local delivery," so as to read:

And except that any such minimum charge per piece when mailed for local delivery on or after July 1, 1959, shall be 2 cents—

And so forth.

The PRESIDING OFFICER. Is the Senator from New York asking unanimous consent to present his amendment while the amendment offered by the Senator from Pennsylvania is pending?

Mr. JAVITS. I am.

The PRESIDING OFFICER. And that it be agreed to by unanimous consent?

Mr. JAVITS. I ask such unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. MORTON. Mr. President, reserving the right to object, what is the nature of the amendment?

Mr. JAVITS. It is merely a perfecting amendment to an amendment already adopted.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment at this time? The Chair hears none.

Mr. JAVITS. Mr. President, let me offer a word of explanation. In the colloquy relating to this question it was made very clear that the amendment was premised upon the effort, first, to benefit the small-business man, and second, to represent a commensurate saving to the Post Office Department, as compared with the diminution in revenue. The postal authorities, who have since studied the amendment very carefully, say that the addition of the words which I have offered, confining the operation of the amendment to local delivery, which, on first class, will require a 4-cent stamp, will do exactly what we have in mind. For that reason I desired to put the amendment in exactly the form we have in mind.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to, and the amendment as amended is agreed to.

The question now recurs on agreeing to the modified amendment offered by the Senator from Pennsylvania [Mr. CLARK], for himself, the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Ohio [Mr. LAUSCHE].

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, offered by the Senator from Pennsylvania [Mr. CLARK], on behalf of himself, the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Ohio [Mr. LAUSCHE].

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I reluctantly must oppose the amendment of my dear friend, the distinguished junior Senator from Pennsylvania [Mr. CLARK], for whom I have great respect. I have again studied the amendment. I feel this is bad legislation.

In the first place, the committee amendment, I think, quite properly provides for three annual raises in the rates on the advertising content of all magazines. These three increases are at a rate of 20 percent a year, or a total increase of 60 percent on the advertising content of magazines.

The bill also provides for three annual raises of 10 percent each on the editorial content of magazines. That mean a 30-percent increase in that category.

I think the objective sought to be reached by the Senator from Pennsylvania will be equitably achieved by letting the publication consisting largely of advertising pay the greater proportion of the loss to the post office on second-class mail.

The magazines carrying chiefly editorial comment—such as the Atlantic Monthly, Harper's, and others—would pay a 10-percent increase each year of a 3-year period, or a total increase of 30 percent.

The amendment of the distinguished Senator from Pennsylvania would penalize a magazine because it had a large circulation. No one will dispute the statement that practically every magazine which is sent through the mail is subsidized. It may be subsidized by only 1 cent a copy; or it may be subsidized by 5 cents a copy. But what we should consider is the amount of subsidy on each copy of the magazine.

If a publishing firm is able to build up the circulation of one of its magazines to 3 million or 5 million copies, should we penalize it because the public wants to buy the magazine? This is what builds its circulation. The amendment of the Senator from Pennsylvania would create an inequitable situation by penalizing a publisher because his circulation is large, although the amount of the subsidy per copy may be the same as that of another magazine which is exempt from the extremely high increase in postage rates. We shall be penalizing a publisher having a large circulation because his publication is one which the public chooses to buy in large quantities.

I do not believe Congress should legislate in that way. I do not believe it should legislate with a finger pointed at two, three, or four large magazines. I do not think it is fair to try to collect from a magazine with large circulation three times the amount of postage which would be collected from magazines whose circulation is small.

I hope the Senate will reject the amendment. I think that the provisions in the bill for a 20-percent increase on advertising matter in each of 3 years and a 10-percent increase on news and editorial content in each of 3 years is a very fair and equitable way of requiring magazines to pay a greater proportion of the second-class costs than they are now carrying.

Mr. CLARK. Mr. President, I shall not detain the Senate long, because a few of us had a very happy little debate on this amendment when the Chamber was almost empty earlier today. I am under no illusions as to what will happen to the amendment offered by the junior Senator from Wisconsin [Mr. PROXMIRE] and myself. Therefore, the Senate should vote quickly and get it over with.

The purpose of the amendment is to restore to the Senate committee bill, with one modification, a section which is already in the House bill and is known as the Rhodes amendment, which was offered by my distinguished Pennsylvania colleague, Representative GEORGE M. RHODES, and was adopted by the House.

If the amendment were adopted, it would limit to $1,800,000 the free ride which a substantial number of large magazines—which today are operating at a profit, and carry enormous amounts of advertising—would be able to take at the expense of the Post Office Department.

If my colleagues will examine page 94 of the hearings, they will find a list of some—but not all—of the magazines which presently are obtaining Federal subsidies totaling $32,185,000.

If the amendment is agreed to, it will limit to $1,800,000 the subsidy to be received by any one magazine. Thus, the pending amendment provides for an increase in the figure provided in the Rhodes amendment, inasmuch as the Rhodes amendment called for a $100,000 limit.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am happy to yield to my friend, the Senator from Illinois.

Mr. DOUGLAS. I wish to make sure I understand the issue. Do I correctly understand that an accurate computation would be made of the cost of transporting these magazines through the mails, and from that amount, as determined, there would be subtracted the amount of the revenues from them?

Mr. CLARK. That is correct.

Mr. DOUGLAS. And the difference would be the subsidies; is that correct?

Mr. CLARK. Yes.

Mr. DOUGLAS. Therefore, I understand that the Senator from Pennsylvania and the Senator from Wisconsin are proposing that such a subsidy, in the case of any one magazine, could reach $1.8 million, but could not exceed that amount.

Mr. CLARK. Beyond that amount, the publishers of the magazine would have to pay the cost of delivering it.

Mr. DOUGLAS. However, if each of the publishers was given a subsidy amounting to $1.8 million a year, there

is no likelihood that he would have to begin to beg on the streets, is there?

Mr. CLARK. I think that would be most unlikely.

Mr. DOUGLAS. Whereas, in the case of the farmers, we have limited to $3,000 a year the payments which may be received by each farmer.

Mr. CLARK. That is my understanding.

Mr. DOUGLAS. So I understand that the Senator from Pennsylvania is proposing a very modest amendment, namely, that each of the publishers of such magazines shall be permitted to receive a subsidy 600 times greater than the maximum subsidy allowed to be received by any one farmer.

Mr. CLARK. That is correct.

Some persons may ask why I use the figure $1.8 million. I do so, I say frankly, in order to establish the principle. But if the amendment is accepted and goes to conference, perhaps a more moderate figure may be arrived at. I personally favor $100,000.

Mr. DOUGLAS. I am astonished at the moderation of the Senator from Pennsylvania.

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield to my friend, the Senator from Oklahoma. Let me say that I am greatly chagrined to find that in this instance I disagree with his view. I do not often find myself in disagreement with him.

Mr. MONRONEY. Mr. President, whenever I find myself in disagreement with the distinguished Senator from Pennsylvania, I become quite worried that I may be wrong.

Mr. CLARK. I trust that that is the case in this instance. [Laughter.]

Mr. MONRONEY. Does the Senator from Pennsylvania have available the figure for the amount of subsidy paid last year to Collier's magazine?

Mr. CLARK. No; I do not.

Mr. MONRONEY. It would almost equal the amount of the subsidy paid to the Saturday Evening Post, would it not?

Mr. CLARK. I think that is likely.

Mr. MONRONEY. Does the Senator from Pennsylvania have the latter figure?

Mr. CLARK. Yes. According to the annual estimated revenue figures of the Post Office Department, the Saturday Evening Post was carried through the mails at a loss of $6,069,000.

Mr. MONRONEY. Is it correct that the pending amendment would increase the cost of operation of the Saturday Evening Post by the difference between what it paid and the cost of handling arrived at by the Post Office?

Mr. CLARK. Yes.

Mr. MONRONEY. If the pending amendment had been in effect last year would it not have hastened the death of the great Collier's magazine?

Mr. CLARK. I find myself compelled to disagree with the conclusion reached by my friend, the Senator from Oklahoma, because I have some information about what caused the demise of Collier's magazine. I do not believe it was the second-class mail rate which Collier's either had to pay or did not have to pay.

If I may say so, Mr. President, I believe that if the amendment is put into effect Life magazine, Time magazine, Confidential magazine, and other magazines which are now receiving substantial subsidies will raise, first, their subscription rates, and, second, their advertising rates, thus imposing on the readers more of the cost of carrying those magazines in the mails.

Mr. MONRONEY. But my point is that the proposed increase would not fall only on the very profitable magazines. I fear that, although the rich magazines may be able to pay the increase called for by the amendment, the smaller and the growing magazines would be forced out of business, thus further concentrating control of public information in the hands of the very few. I fear that it is always the rich that survive the penalties that Congress imposes, whereas the poor are liquidated.

Mr. CLARK. Much as I dislike to disagree with the distinguished Senator from Oklahoma, I believe he will find that the poor magazines which support the political point of view which he and I share would not be affected at all by this amendment. [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield to my friend the Senator from Minnesota.

Mr. HUMPHREY. The argument made by the Senator from Oklahoma is interesting and is almost compelling. However, I notice a very serious fallacy in it. The Senator from Oklahoma has stated that he believes the amendment, if enacted, would literally place a burden upon magazines which are less than prosperous and would make it possible for the more prosperous publications which have gigantic subscription lists to do even better. I understand that to be the burden of his argument.

However, is it not true that the amendment provides that any magazine which receives such a subsidy will be able to receive up to, but not in excess of, $1,800,000?

Mr. CLARK. Yes. I think it should be stated frankly that the kind of magazines or newspapers for which I plead, and for which I am willing to fight, in companionship with the Senator from Oklahoma, would not be involved at all by the amendment, because they do not carry sufficient advertising; neither do they weigh enough to give flat feet to so many letter carriers. [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield further to me?

Mr. CLARK. I yield.

Mr. HUMPHREY. I do not like very much many of the magazines listed on page 94 of the hearings, in the Post Office Department exhibit which shows the revenues and the cost of delivery of those publications. As a matter of fact, I do not particularly care for some of the magazines referred to today, which do not carry much advertising. I shall not base by views on the pending amendment on my like or dislike of particular magazines, of course.

Mr. CLARK. The Senator from Minnesota is a man of discriminating taste.

Mr. HUMPHREY. But I wish to say that the magazines which receive the larger subsidies carry a great deal of advertising. They do not make their money from the editorials they publish. Instead, they make their money from the advertising they carry.

Many of these magazines carry advertisements of airplanes, rockets, and missiles—which I doubt that any consumer would buy, to use for a weekend trip. These magazines carry huge, full-page advertisements of B–52's, B–58's, the Thor, the Jupiter, and other rockets and missiles. The cost of all those advertisements is charged to Uncle Sam, as a cost which the United States Government itself pays. There is no market for rockets, missiles, and fighter planes, except the United States Government—I hope. Yet the cost of those advertisements is tax deductible, is carried as a business expense, and is paid by the taxpayers of the United States.

Mr. President, I do not wish to be misunderstood. I enjoy looking at such advertisements; they give me a thrill of patriotic fervor and a realization of the strength of our country. But I see no reason why such magazines should be subsidized to the tune of $5 million, $6 million, or $8 million.

Mr. CLARK. Or $9 million.

Mr. HUMPHREY. I am of the opinion that almost any business in this country would be willing to settle today, if it could, for a guaranteed subsidy of $1,800,000. I can think of many businesses which today are paying their way in the Post Office Department, which would simply love to have the Senate of the United States adopt an amendment providing that all their shipping costs, up to $1,800,000, would be handled on a subsidized basis. They would say to such a proposal, "Jolly good," I believe.

In my opinion the argument boils down to this: The magazines which carry the largest amounts of advertising are the ones which have the largest circulation. The magazines which have the largest circulation are the ones which receive the largest subsidies. So the ones with the largest circulation and which receive the largest subsidies carry the largest amounts of advertising, and make the most money.

Mr. CLARK. That is correct.

Mr. HUMPHREY. Those magazines are also the ones which, because of their circulation, can obtain more advertising, and can thus afford to pay the cost of shipment. If one of those magazines receives a subsidy of $1,800,000—and let me say that the amendment of the Senator from Pennsylvania is generous, as compared to the limitation voted by the House of Representatives, which I believe was $100,000——

Mr. CLARK. That is correct.

Mr. HUMPHREY. In other words, the amendment of the Senator from Pennsylvania is $1,700,000 more generous than the provision voted by the House of Representatives.

Mr. CLARK. Yes. The Senator will recall that he and I have a reputation with some of our colleagues of being unduly generous in such matters.

Mr. HUMPHREY. Mr. President, I do not know how the Senator from Pennsylvania is regarded by others; but by me he is regarded as being a man who is humble, generous, and of brilliant and scintillating intellect. [Laughter.]

Mr. CLARK. I thank the Senator from Minnesota.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. DOUGLAS. Do I correctly understand that the weekly and monthly magazines which are receiving these huge subsidies are also very much opposed, editorially, to the payment of subsidies to others?

Mr. CLARK. It seems to me that on the rare occasions when I have read them that has been their policy.

Mr. DOUGLAS. I read their editorials very carefully, and I find them very much opposed to what they term farm subsidies.

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. Is it not a good moral rule that one should not seek to impose on others what he is not willing to have imposed on himself?

Mr. CLARK. That is what I was taught on my mother's knee.

Mr. DOUGLAS. If one is not willing to have someone else get subsidies, then he should be willing not to accept subsidies for himself; is that correct?

Mr. CLARK. That seems to be a good moral precept.

Mr. DOUGLAS. And one who so believes should not seek subsidies?

Mr. CLARK. That is correct.

Mr. DOUGLAS. Therefore, would we not be helping the big publishers preserve their moral character by insisting that they not receive subsidies?

Mr. CLARK. The Senator from Illinois has made an extremely good case for it.

Mr. DOUGLAS. And should they not be grateful for our helping their moral character in this way?

Mr. CLARK. I fear that will not be their reaction. [Laughter.]

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PASTORE. Yesterday I took occasion to raise a question with reference to differential rates as between local and nonlocal letters. It has come to my attention since then that the distinguished Postmaster General, Mr. Summerfield, spoke on this subject at a hearing before the House Committee on Post Office and Civil Service in 1956, to be exact, on April 25, 1956. On the general subject of a differential as between local and nonlocal letters, the Postmaster General of the United States had this to say:

> Certain Members of the Congress have emphasized to this committee the operating difficulties and inequities in a rate differential between local and nonlocal first-class letter mail.
>
> This is what the Postmaster was saying:
>
> Any rate differential between local and nonlocal first-class letter mail would be discriminatory, costly, and extremely difficult to administer.
>
> The term local mail is difficult to define. In Memphis, Tenn., it means 100 square miles, while in Kingsport, Tenn., it means 5.5 square miles. In Chicago, Ill., it embraces 207.5 square miles; in Aurora, Ill., only 8.1 square miles.
>
> In terms of population, local mail is equally confusing. In Saybrook, Ill., it reaches 485 families; in Los Angeles, over a half million.
>
> The boundaries of local mail seldom coincide with those of the community. In New York only two of the five boroughs can be reached at the local rate, while in Boston, local includes the entire city as well as the nearby cities of Cambridge, Chelsea, Newton, and Medford.
>
> A local rate clearly discriminates in favor of large cities. The smaller the community, the less significant is the local rate. Such a rate would be clearly discriminatory since it provides a wide difference in service to patrons paying the same rate of postage.
>
> The post office in New York City would serve at the local rate more people than could be reached at the nonlocal rate in Nevada, Wyoming, Montana, South Dakota, New Mexico, Idaho, and Utah combined.
>
> This is what the Postmaster said:
>
> Public confusion would be widespread. In Long Island, for example, Kew Gardens and Queens Village are stations of Jamaica, while Elmhurst, Forest Hills, and Jackson Heights are stations of Flushing. These are all large independent communities in close proximity in a very congested part of Long Island. People address mail to the community—not to its parent post office. Few people would know the difference between local and nonlocal mail in this area.
>
> As a result of public confusion, there would be a sharp increase in postage-due mail, which costs the post office an additional 5 cents to deliver and is extremely annoying to the recipient.
>
> In many areas mobile highway units are replacing local post offices. One such highway post office in the South covers 300 miles and numerous communities. What will be the meaning of local mail under such a distribution scheme?

That is the question he is raising. He said further:

> Furthermore, a rate differential is not justified by differences in cost between local and nonlocal letters since transportation charges are an inconsequential share of the cost of delivering a single letter. The main costs in mail distribution are for collecting, sorting, and delivering operations which must be performed regardless of the destination of the letters.

Mr. President, in view of what has been said on the floor of the Senate on the question, and in view particularly of what was said by my distinguished friend the junior Senator from Kentucky [Mr. MORTON] only a short while ago, I wish to point out that no greater argument could be made in opposition to the 5-cent nonlocal rate than that made by the Postmaster General himself when he testified before the House committee less than 2 years ago.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The Senator from Rhode Island knows of the great admiration for him and the esteem in which he is held by his colleagues. I must say when I heard the able and distinguished Senator from Oklahoma [Mr. MONRONEY] and the equally able and distinguished Senator from Rhode Island [Mr. PASTORE] debate the question in an attempt to do away with such a differential, I myself thought the argument was persuasive, eloquent, cogent, logical, and original, and I was deeply moved. Now I learn the Senator from Rhode Island was merely getting his inspiration from the Postmaster General, who in 1956 had the right idea, but who, somehow or another, in 2 years, has wandered astray and has been led into pathways which do not follow the same kind of logic which he presented in 1956—or, if not the Postmaster General, perhaps it is those who are advising him. I wish to commend the Senator from Rhode Island.

Mr. PASTORE. All I wish to say to the Senator from Minnesota is that I properly and promptly decline to occupy the pedestal on which his praise would place me. I think the Postmaster General is deserving of the compliment, because I think he has said it better than anyone else has.

Mr. HUMPHREY. All I want to say is that the Postmaster General's words were solid and sound and constructive, but the Senator from Rhode Island gave them the fire, zeal, and persuasiveness which I thought should have brought about a majority vote in his favor.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CARLSON. I merely point out that the Postmaster General did not this year testify for local and nonlocal mail rates. He did not appear before our committee. I think his position was sound. If it was sound then, it is sound now. The committee took this action.

Mr. CARLSON subsequently said: Mr. President, this afternoon in a colloquy with the Senator from Rhode Island [Mr. PASTORE] and the Senator from South Carolina [Mr. JOHNSTON], the chairman of the Committee on Post Office and Civil Service, I stated that the Postmaster General had not testified in behalf of the 5-cent out-of-town and 4-cent local rate for first-class mail. I find I was in error.

I ask unanimous consent, therefore, that the colloquy of this afternoon be corrected so as to show that the Postmaster General did testify concerning the 5-cent out-of-town and 4-cent local first-class rate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. I merely say, in favor of the argument which was made yesterday against the 5-cent proposal, the same argument was used by the Postmaster General himself less than 2 years ago, when he appeared before the House committee. If it was inequitable and confusing to have local and nonlocal rates for first-class mail in 1956, it is just as inequitable and just as confusing to have them now, on this very fine day in February 1958.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Oregon.

Mr. MORSE. I wish to express my thanks first, to the Senator from Rhode Island for bringing to our attention the clear supporting evidence of the brilliant argument he made yesterday afternoon, the evidence coming today from the Postmaster General; and, second, I desire to thank my good and close friend, the Senator from Kansas [Mr. CARLSON], for pointing out that the Postmaster General did not do this; the committee did it.

Mr. JOHNSTON of South Carolina. Let us keep the record straight, Mr. President.

Mr. MORSE. I suggest to the Senator from Rhode Island that what we must do, it seems to me, is have the statement of the Postmaster General typed out and placed in the hand of every Senate and House conferee who will handle this bill, because I think the only hope of protecting the people from the gross injustice the 5-cent stamp program will inflict upon them is to see to it that the recommendations of the Postmaster General 2 years ago are carried out.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JOHNSTON of South Carolina. Mr. President, let us keep the record straight. The Postmaster General did appear before the committee and testified not for 1 day, but for several days in regard to the 5-cent rate and the $175 million, and what it would be used for and various things. I hold that testimony in my hand.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Pennsylvania [Mr. CLARK], for himself and the Senator from Wisconsin [Mr. PROXMIRE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Nebraska [Mr. CURTIS] is absent on official business, and if present and voting, he would vote "nay."

The result was announced—yeas 33, nays 57, as follows:

YEAS—33

Church	Kefauver	Proxmire
Clark	Kerr	Revercomb
Douglas	Langer	Russell
Dworshak	Lausche	Smathers
Ellender	Long	Sparkman
Ervin	Mansfield	Stennis
Frear	McClellan	Talmadge
Gore	McNamara	Thurmond
Hennings	Morse	Williams
Hill	Murray	Yarborough
Humphrey	Neuberger	Young

NAYS—57

Aiken	Bricker	Carlson
Allott	Bridges	Case, N. J.
Barrett	Bush	Case, S. Dak.
Beall	Butler	Cooper
Bennett	Byrd	Cotton
Bible	Capehart	Dirksen
Eastland	Jenner	Pastore
Flanders	Johnson, Tex.	Payne
Fulbright	Johnston, S. C.	Potter
Goldwater	Kennedy	Purtell
Green	Knowland	Robertson
Hayden	Kuchel	Saltonstall
Hickenlooper	Magnuson	Schoeppel
Hoblitzell	Malone	Scott
Holland	Martin, Iowa	Smith, Maine
Hruska	Martin, Pa.	Smith, N. J.
Ives	Monroney	Thye
Jackson	Morton	Watkins
Javits	Mundt	Wiley

NOT VOTING—6

Anderson	Chavez	O'Mahoney
Carroll	Curtis	Symington

So the amendment, as modified, offered by Mr. CLARK for himself and Mr. PROXMIRE, was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. MONRONEY. Mr. President, I move to recommit the bill to the Committee on Post Office and Civil Service with instructions to report the bill back forthwith, reinstating the 4-cent first-class postage stamp. I do this because of the disclosures made yesterday in the debate by my colleague, the junior Senator from Rhode Island [Mr. PASTORE] in outlining the case of Postmaster General Summerfield versus Postmaster General Summerfield. He has clearly defined how unworkable, impossible, and chaotic the 4- and 5-cent hybrid stamp would be. So I now move that the bill be recommitted to the Committee on Post Office and Civil Service, to be reported back forthwith reinstating the 4-cent first-class postage.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

Mr. JOHNSTON of South Carolina and other Senators demanded the yeas and nays.

The yeas and nays were ordered.

Mr. CARLSON. Mr. President, we went through this issue yesterday. We had a very fair and, I thought, a very generous debate. I thought it was a very good debate. Senators voted, and I do not believe that we need to take any time to discuss the question. We are all familiar with the issue.

I sincerely hope that the motion to recommit will be voted down.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Carlson	Ellender
Allott	Carroll	Ervin
Barrett	Case, N. J.	Flanders
Beall	Case, S. Dak.	Frear
Bennett	Church	Fulbright
Bible	Clark	Goldwater
Bricker	Cooper	Gore
Bridges	Cotton	Green
Bush	Dirksen	Hayden
Butler	Douglas	Hennings
Byrd	Dworshak	Hickenlooper
Capehart	Eastland	Hill
Hoblitzell	Malone	Robertson
Holland	Mansfield	Russell
Hruska	Martin, Iowa	Saltonstall
Humphrey	Martin, Pa.	Schoeppel
Ives	McClellan	Scott
Jackson	McNamara	Smathers
Javits	Monroney	Smith, Maine
Johnson, Tex.	Morse	Smith, N. J.
Johnston, S. C.	Morton	Sparkman
Kefauver	Mundt	Stennis
Kennedy	Murray	Talmadge
Kerr	Neuberger	Thurmond
Knowland	Pastore	Thye
Kuchel	Payne	Watkins
Langer	Potter	Wiley
Lausche	Proxmire	Williams
Long	Purtell	Yarborough
Magnuson	Revercomb	Young

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Nebraska [Mr. CURTIS] is absent on official business.

The Senator from Indiana [Mr. JENNER] is detained on official business.

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. MONRONEY] to recommit the bill to the Committee on Post Office and Civil Service with instructions to report the bill back forthwith reinstating the 4-cent first-class postage rate.

Mr. NEUBERGER. Mr. President, before the Senate votes on the recommittal motion made by my good friend from Oklahoma, I should like to reaffirm very briefly the position I took yesterday.

I believe that I was one of five Members on this side of the aisle who voted yesterday for the proposed 5-cent postage rate on out-of-town first-class mail, and 4 cents on local mail. I believed that position was right yesterday. I believe that position is wise and in order today.

Shortly after we enact a rate bill of one kind or another, we shall be considering Senate bill 27, which has been reported by the chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON of South Carolina] from that committee. I am a sponsor of that bill.

Senate bill 27 would increase the salaries of the underpaid and underprivileged letter carriers, mail clerks, and other postal employees. I doubt if there are many Members of the Senate who are not aware of the urgent need and desperate economic plight of most of the postal employees. After we shall have passed Senate bill 27—and I firmly believe and hope it will be passed—there will be an indicated postal deficit of approximately $320 million, even if we vote the 5-cent postage rate for nonlocal delivery on first-class mail.

I think it is not very fair to the postal employees, on the one hand, to say to them, "We are going to give you the increased salaries which you and your families so urgently require," and, on the other hand, fail to provide any increased rates or funds necessary to meet at least a part of the higher salaries, as well as the further need to modernize and streamline the post-office system and

to bring about the construction of new post-office buildings.

Mr. President, in my opinion we must face a very simple question. Either the cost of operating the Post Office Department will be carried in a substantial measure by the users of the mails or it will be paid by the general income taxpayers of the United States. There is no other place for the money to come from. I pointed out the other day that most of the income tax in the country, or approximately 70 percent, is collected from the people in the two lower salary groups. I do not believe it is fair to shoulder onto them a cost which should be borne by those who use the mails most.

With that very brief statement, I wish to assert again and to explain again to the Senate why I shall vote today as I voted yesterday, namely, for the 5-cent first-class mail rate on out-of-town mail, and the 4-cent rate on local mail.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the motion to recommit of the Senator from Oklahoma [Mr. MONRONEY].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REVERCOMB (when his name was called). On this vote I have a pair with the junior Senator from Nebraska [Mr. CURTIS]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MCNAMARA (when his name was called). I wish to be recorded as present and not voting.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

I further announce that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Nebraska [Mr. CURTIS] is absent on official business, and his pair has been previously announced by the Senator from West Virginia [Mr. REVERCOMB].

The Senator from Indiana [Mr. JENNER] is detained on official business, and, if present and voting, he would vote "nay."

The result was announced—yeas 40, nays 48, as follows:

YEAS—40

Bible	Humphrey	Murray
Carroll	Jackson	Pastore
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Robertson
Douglas	Kefauver	Russell
Eastland	Kennedy	Scott
Ervin	Kerr	Smathers
Frear	Langer	Sparkman
Fulbright	Long	Stennis
Gore	Magnuson	Talmadge
Green	Mansfield	Thurmond
Hennings	McClellan	Yarborough
Hill	Monroney	
Holland	Morse	

NAYS—48

Aiken	Dirksen	Martin, Pa.
Allott	Dworshak	Morton
Barrett	Ellender	Mundt
Beall	Flanders	Neuberger
Bennett	Goldwater	Payne
Bricker	Hayden	Potter
Bridges	Hickenlooper	Purtell
Bush	Hoblitzell	Saltonstall
Butler	Hruska	Schoeppel
Byrd	Ives	Smith, Maine
Capehart	Javits	Smith, N. J.
Carlson	Knowland	Thye
Case, N. J.	Kuchel	Watkins
Case, S. Dak.	Lausche	Wiley
Cooper	Malone	Williams
Cotton	Martin, Iowa	Young

ANSWERED "PRESENT"—1

McNamara

NOT VOTING—7

Anderson	Jenner	Revercomb
Chavez	O'Mahoney	Symington
Curtis		

So Mr. MONRONEY's motion to recommit was rejected.

Mr. CARLSON. Mr. President, I move to reconsider the vote by which the motion to recommit was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Kansas [Mr. CARLSON] to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE. Mr. President, I call up my amendment designated "2-26-58-D" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 35, in the table appearing after line 18, it is proposed to strike out the matter following the words "advertising portion" and insert in lieu thereof the following:

1st and 2d zones	2.7	3.5	4.3
3d zone	3.6	4.7	5.7
4th zone	5.5	7.0	8.6
5th zone	7.3	9.4	11.4
6th zone	9.1	11.7	14.3
7th zone	10.9	14.0	17.2
8th zone	12.7	16.4	20.0

Mr. MORSE. Mr. President, I wish, briefly, to explain my amendment. As I explained it last night when it was offered, I shall review only briefly what it contains and what its effects would be.

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. Let the Senate be in order. Senators who desire to converse or confer will please retire to the cloakroom. The attachés of the Senate will please be seated and refrain from conversation.

Mr. MORSE. I thank the Presiding Officer and the Senator from Illinois for their courtesy.

Mr. President, my amendment raises rates for advertising matter sent second class even more than the increase provided in the committee bill. Under my amendment, rates for this type of mail would be double the rates contained in the committee bill. Under its measure, the rates would be only about 60 percent higher at the end of the third year.

I point out that under the traditional cost-allocation figures used by the Post Office Department, second-class mail pays only about 20 percent of the costs charged to it. Under the committee bill, second class would pay about 30 percent. Under my amendment, it would still pay only 36 or 37 percent of its cost, assuming the same volume of business, because my amendment does not affect all kinds of second-class mail, but only the advertising matter.

Senators know that by rejecting the Monroney amendment last night we have socked letter writers for a boost of two-thirds in the price of mailing a letter. Senators also are familiar with the relative shares that the various classes pay of the costs charged to them. These figures have been repeated over and over again in the course of the debate. I am at a loss to understand how support can be given to an increase of this magnitude in first-class rates when second-class rates would not be increased as much, percentagewise, despite the deficit chargeable to second class. Senators know that great publications like Life magazine cost the taxpayers millions of dollars each year, because of the low rates they are charged. The Senator from North Dakota [Mr. LANGER] mentioned yesterday that the total subsidy for all magazines is $68 million, paid for, in effect, by the general taxpayers of the Nation.

If the committee bill is approved without the higher rates for second-class contained in my amendment, Senators will be approving an increase in the subsidy to newspapers and magazines being paid for by users of first-class mail, and I contend that the subsidy is already unconscionable. That disproportion should be reduced, not raised, and it can be reduced by raising second-class rates by a higher percentage than we raise first-class rates. That is what my amendment would do.

My amendment would give newspapers and magazine 3 years to adjust themselves, because the boosts would be 40 percent of current rates for each of 3 years. We are not giving letterwriters 3 years of grace to accommodate themselves to a 5-cent stamp, so I believe my amendment is more than generous.

According to the estimate furnished me by the Post Office Department, $20.4 million more income would be realized each year under my amendment than under the committee proposal. The total increase over present income from second-class mail would be $45.7 million.

As I said in explaining the amendment last night, I recognize that it involves, somewhat, a rule of thumb approach. It is intended to put into practice what we frequently say among ourselves are the common standards of fairness, equity, and justice, upon which the rule of reasonableness is based.

The questions we must ask ourselves, it seems to me, are: Is it reasonable? Is it fair? Is it just? Is it equitable to increase, for the users of first-class mail, the cost to approximately 138 percent, under the bill, and to provide a much smaller increase for second-class mail?

I am glad there is to be some increase in the rates for second-class mail, but, in

my judgment, it is not a reasonable amount.

It will be noted that my amendment does not apply to the so-called editorial material. My amendment applies to the advertising. I say it is only fair and right that the taxpayers as a whole should be relieved of at least a part of the burden of the tremendous subsidy they are paying to the magazines which contain great quantities of advertising.

On the basis of what I have just said and what I said last night, I think my case is one a jury would approve, on the ground that the proposal is fair, just, and equitable.

I submit my amendment. I have been under the impression, although I do not see a large number of Senators in the Chamber, that I will have cooperation in obtaining a yea-and-nay vote on the amendment. I should like to finish my discussion and then call for a quorum, to bring more Senators to the Chamber, although I am perfectly willing to try now to secure a yea-and-nay vote.

Mr. President, I now ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. CARLSON. Mr. President, I am glad the Senate has ordered a yea-and-nay vote on the amendment of the Senator from Oregon. Although I was not a party to the agreement with him this morning, I assured him that I would try to get a yea-and-nay vote on his amendment, so I am glad we have had the cooperation of the Senate.

The bill before the Senate provides for three 20-percent increases on the advertising contained in second-class mail. The way to measure the impact of these increases is to examine their overall amount. In 1951 the second-class rates were raised 30 percent.

The distinguished Senator from Oregon has just commented about the fact that the first-class rate is now being raised 66⅔ percent. Of course, the bill itself in the case of second-class mail proposes to make 3 increases of 20 percent each, or a total of 60 percent.

I call attention to the fact that the total increase for the second-class mail will be 108 percent. That is a substantial increase. In 1951, there was a 30-percent increase in the rate on the editorial and reading matter. The pending bill calls for a 60-percent increase on the advertising matter, plus an 18-percent increase. So the total increase will amount to 108 percent since 1951.

It is my contention that that is sufficient. In fact, I contend that it is all second class should have to bear at the present time.

I, for one, have not favored increasing the second-class rate in the amount proposed by this measure. I believe a fair increase would have been three increases of 10 percent, across the board. But the committee thought otherwise; and therefore I am following the decision of the committee.

The editorial content is charged 1.95 cents a pound, or a little less than 2 cents a pound, for the Nation as a whole, regardless of the distance involved. The present rate for advertising is 1.95 cents a pound in the first and second zones, increasing to 9.1 cents a pound in the eighth zone. Under these arrangements, the advertising portion of a newspaper mailed from New York City to California would pay more than 9 cents a pound.

The committee received testimony to the effect that the advertising portion of the second-class mail is more than paying its way. If we compare the 108 percent increase on second-class mail with the proposed increase of 66⅔ percent on the first-class mail, I think it is obvious that the increase proposed on second-class mail is quite disproportionate.

So, Mr. President, I sincerely hope that the Senate will reject the amendment of the Senator from Oregon.

Mr. BARRETT. Mr. President, will the Senator from Kansas yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Kansas yield to the Senator from Wyoming?

Mr. CARLSON. I am glad to yield.

Mr. BARRETT. I should like to ask the Senator from Kansas and also the chairman of the committee about the editorial matter to which the Senator from Kansas has referred. As I understand the situation, the increase provided on page 35 of the bill is 30 percent. Is that correct?

Mr. CARLSON. It is 30 percent for editorial and reading matter.

Mr. BARRETT. But not for the advertising portion?

Mr. CARLSON. That is correct.

Mr. BARRETT. Turning to subsection (c), at the bottom of page 36, I call attention to the fact that that part of the bill provides for a 300 percent increase for news letters issued by small, independent concerns. In the main, such newsletters are editorial articles of one kind or another. It seems to me that the committee went a long way when it called for an increase in that rate from one-eighth of a cent to one-half a cent after a period of 3 years.

I wish to ask the distinguished chairman of the committee and its ranking minority member whether they will take up this matter in conference and at least will attempt to return to the provision voted by the House, which I believe imposes a sufficient increase on this particular class of mail.

Mr. CARLSON. All these matters will be in conference if the action taken on them by the Senate is different from the action taken on them by the House of Representatives. I assure the Senator from Wyoming that when the conference is held, I shall certainly keep in mind what he has said.

Mr. JOHNSTON of South Carolina. Mr. President, in the conference we shall certainly keep this matter in mind. It will be in conference because of the difference between the provision voted by the House of Representatives and the provision voted by the Senate.

Mr. BARRETT. I thank the Senator from Kansas and the Senator from South Carolina. I am concerned about the amount of the increase provided in the Senate version of the bill, because it calls for a 300-percent increase in the former rate, and a 100-percent increase in the rate voted by the House of Representatives.

Mr. MONRONEY. Mr. President, I believe what the Senator from Wyoming has said is correct. However, the rate for some publications would be one-eighth of a cent. We know that it is not possible to receive, collect, sort, bundle, transport on the trains, remove from the trains at the place of destination, take to the post office, sort in the post office, and finally deliver to the person addressed, such mail and to pay all those costs by charging a rate of one-eighth of a cent. By means of this bill, the rate will be increased, by 1960, by one-eighth of a cent.

Mr. BARRETT. I believe it will go up to one-half a cent.

Mr. MONRONEY. I thought the Senator from Wyoming was referring to the rate for religious publications.

Mr. BARRETT. I am referring to the rate which will be increased from one-eighth of a cent to one-half a cent over a period of 3 years.

Mr. MONRONEY. That will be true in the case of publications other than religious publications.

I should like to have the RECORD show that on yesterday, in a colloquy with the Senator from Colorado, I relied on the report, which I find to be slightly inaccurate, because if the figures are based on pounds—which is what most of these publications do—we find there is no increase, provided they do not have large amounts of advertising, and if they do not go beyond the first two zones. Actually, under this schedule the rate is lowered a little. So I was correct as to one, but I was incorrect as to the other.

Mr. BARRETT. Mr. President, if I interpret correctly the rate under the language on page 36, in subsection (c), as compared with the 30-percent increase for the nonadvertising portion of the large magazines, it seems to me that this portion of the bill provides for a 300-percent increase, or 10 times as much as the 30-percent increase for the nonadvertising portion of the large magazines. I submit that the 300-percent increase is too much, and should be changed. Certainly the House voted a sufficient increase.

It seems to me that the chairman of the committee and its ranking minority member will be fully justified in taking this matter to conference and there giving consideration to it.

Mr. MONRONEY. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I yield.

Mr. MONRONEY. The rate was established in 1879, and has not been increased since then. I certainly would not want to deliver a publication of the type the Senator from Wyoming has described for one-half a cent—which will be the rate by 1960—and yet charge Mr. and Mrs. John Q. Public 5 cents for delivering their letters. It would be bad enough to charge them 4 cents. If we are to raise the rate charged for first-class mail by 66⅔ percent—as will be true under the 5-cent rate for first-class mail sent out of town—then certainly all the mail in this class can afford to pay a total of one-half a cent, as a result of three increases over a period of 3 years.

Mr. BARRETT. Mr. President, I cannot agree with the distinguished Senator from Oklahoma. We are talking about informative, educational mail; and it is proper for such mail to be transported at a low rate. I do not believe it would be proper to increase by 300 percent, after 3 years, the rate on such mail, whereas there will be only a 30 percent increase in the rate charged for the nonadvertising portion of other magazines.

Mr. MONRONEY. This mail will move either on a per-pound basis or on a per-piece basis. Magazines which weigh less than 1 ounce will be charged at a rate of one-eighth of a cent, to be delivered almost anywhere in the Nation; and that charge will cover the entire service, including all the routing and everything else.

The pending bill provides that the rate shall be increased from one-eighth of a cent to the large total of one-half a cent, for carrying such publications all over the country and finally delivering them. Frankly, inasmuch as the rate on this mail has not been increased since 1879, it is certainly time for the rate to be increased. Since 1879, there has been a tremendous increase in the cost of operation of the post office system. I would hesitate to say just how much the cost has increased.

The Post Office Department will not be able to function properly if we leave large loopholes in the provisions we make for the rates—loopholes which will make it possible for certain groups which all along have been getting a free ride, to continue to enjoy a free ride.

On yesterday, I was informed by the Post Office Department that it would prefer not to charge anything for this service, rather than to collect only one-eighth of a cent for it. The Department said that the cost of making a one-eighth of a cent charge would be greater than the revenue thus collected. Certainly we should not try to operate the Post Office Department as an eleemosynary institution, in the case of certain classes of mail.

Mr. BARRETT. But after a 300 percent increase is made, certainly the Post Office Department will not be an eleemosynary institution.

Mr. MONRONEY. Mr. President, let us consider the actual amounts. The present rate is one-eighth of a cent. It is proposed to increase it to one-half of a cent. If the Senator from Wyoming wishes to say that by increasing the rate from one-eighth of a cent to one-half of a cent, those who publish such magazines will be robbed—even though the one-eighth of a cent rate was established in 1879, and the proposed one-half of a cent rate will be reached only after a period of 3 years—he is at liberty to do so, of course.

Mr. BARRETT. Mr. President, I do not think the Senator from Oklahoma is entitled to put words into my mouth.

Mr. MONRONEY. I am not doing so.

Mr. BARRETT. I have suggested that we should adopt the House provision, which I think is fair and reasonable. The provision was that the rate would go to one-quarter of a cent.

Mr. MONRONEY. Under our bill it would go to one-quarter of a cent in 2 years, but by 1960 it would go up to a half cent on each publication.

Mr. BARRETT. I also desire to interpose an objection to subsection (b), at the top of page 36 of the bill, in which the committee increased the rate for religious publications from one-eighth to one-quarter of a cent.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. BARRETT. I am glad to yield.

Mr. CARROLL. We are now discussing religious, educational, and scientific publications, are we not?

Mr. BARRETT. That is correct.

Mr. CARROLL. I may say to the Senator from Wyoming that yesterday I asked the distinguished Senator from Oklahoma to give me his estimate of the accuracy of the remarks contained on page 5 of the committee report. As the Senator has so accurately described it today, there is some confusion in the report.

Mr. BARRETT. I recognize that.

Mr. CARROLL. The confusion from a reading of the report has misled many nonprofit citizens groups in this country, who have not really understood the provisions of section 203 of this bill until the last 24 hours. If the Senator will permit me to make a statement, I think the Members of this body should be aware of that fact.

I have here a telegram from the American Legion referring to section 203 of the bill. I shall not read the entire telegram, but it states in part that "the provision in this bill will jeopardize the future operations of the American Legion magazine and could well start our publication on the road to liquidation."

That is only one of several communications I have received. What I say is not in criticism of the Senator from Oklahoma. The confusion arises from the committee report, which states in substance that there is no material change in rates for second-class nonprofit publications.

With reference to religious, scientific, and educational publications, the Senator from Wyoming has stated accurately that the House bill left the rate at exactly one-eighth of a cent per addressed copy. The committee bill now before the Senate proposes a 100 percent change in that rate by 1960.

Mr. BARRETT. The Senator is correct.

Mr. CARROLL. Which publications will such a change affect? I come to my principal criticism of the committee bill: There has been no opportunity for persons who would be affected by the provision to be heard. Many of us may not understand the technical implications of the bill, but Senators ought to know that religious, educational, and scientific publications will be affected.

The statement of the distinguished Senator from Oklahoma has some merit. After all, he says, only one-eighth of a cent is involved, which is a reasonable increase. He makes a very cogent argument on that basis. As a matter of fact, however, when a 100-percent increase is proposed for charges to nonprofit organizations which are disseminating religious and scientific publications, it makes a big difference. One concrete example of this came to me yesterday, relating to the publication of the newspaper of the railroad brotherhoods. I stumbled upon this by accident. I am not a member of the committee, and I realize this is a very technical bill——

Mr. BARRETT. I may say to my colleague, I am not a member of the committee, either. The point I have raised was called to my attention.

Mr. CARROLL. I think the questions of the Senator from Wyoming are very penetrating and very pertinent. I am informed that the railroad brotherhood is now paying $893 a week for mailing its publication, but by 1960 the cost will go up to $1,786 under the proposed formula.

The reason why I propounded my question yesterday to the Senator from Oklahoma was that I had received information from a religious group in Colorado. It brought the effect of the new formula to my attention. It stated that the bill would cost it $100,000 annually in increased postal costs. Today, for the first time, the American Legion states it will be affected. The National Education Association did not understand the implications of the bill until 2 days ago. I think the membership of this body ought to know those facts.

I may say to the Senator from Wyoming that I have some amendments prepared which would restore the provision which was adopted by the House covering rates for second-class nonprofit publications.

Mr. BARRETT. I think the provision in subsection (b), which increases the rates for religious publications 100 percent, is certainly bad, but subsection (c) is even worse, because the cost for handling publications of religious and small independent organizations will be increased 300 percent. I had some assurances, I felt, from the chairman of the committee and the ranking committee member from our side of the aisle, that when the bill went to conference serious consideration would be given to adopting the language originally contained in the House bill, which provided for some increases, but certainly not on the sort of basis written in the bill.

Mr. CARROLL. My amendment would cover the very paragraph which the Senator from Wyoming is now discussing. This is a technical bill. I have not sought to undercut it or weaken the structure of a good bill, on which the Senator from Oklahoma and other Senators have worked so hard. I have asked myself what it really means. What we are talking about is probably a $2.8 million loss in additional revenue from religious, educational, charitable, and, I have no doubt, also farm groups. I am trying to make as fair a presentation as I can. I know if the amendment fails, the Senator from Oklahoma will present our views with full force and vigor in conference. Because of the House's position on this question, I hope this body will act constructively. I think Senators ought to know what they are doing.

Mr. BARRETT. I will say to the Senator from Colorado, and also to the Senator from Oklahoma, that after dis-

cussing the matter previously with the chairman of the committee and the ranking minority member of the committee, I was satisfied that when the bill went to conference they would iron out the language and correct the injustices involved. If my distinguished friend from Oklahoma will agree to exercise the same degree of reasonableness in the matter, I shall not press my amendment.

Mr. GORE. Mr. President, will the Senator from Wyoming yield?

Mr. BARRETT. I am happy to yield to the distinguished Senator from Tennessee.

Mr. GORE. I agree with the able Senator from Colorado that no great amounts of revenue are here involved. I desire to relate to the Senator and to the Senate a conversation I had at the luncheon table only an hour age. An official of an organization in Washington, D. C., told me his organization mailed approximately 1,400 bulletins all over Washington for 40 weeks a year, at a cost of approximately $5. If one calculates the individual labor involved in the collection, sorting, and distribution he will see the handling of from fifty to sixty thousand pieces of mail is not inconsequential. If the same amount is handled next year, even if the rates are raised 100 percent, the organization will probably have to pay about $10. I agree with the Senator from Colorado that no great amount of revenue is involved, but a great amount of work for the clerks in the Post Office Department is involved.

Mr. BARRETT. My information is that the increases are going to be far greater than my distinguished colleague is suggesting. It is not going to be a minor increase, by any manner of means.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BARRETT. I am glad to yield.

Mr. MONRONEY. When the bill goes to conference of course the conferees will consider both the House version and the Senate version.

As a matter of fact, if a publication is mailed at the bulk or pound rate there will be a difference under the provisions of the bill. I am advised that most publications will be covered by that rate. Only those which are leaflets, of 1 or 2 pages, go at the minimum rate. However, the bill does increase the minimum rate, and to this extent the statement in the committee report is misleading.

The rate on nonadvertising content today is one and a half cents a pound. Under the bill publishers would pay only 1.05 cents a pound for the first year, 1.15 cents a pound for the second year, and 1.25 cents for the third year.

Sooner or later we must get away from the minimum rate of one-eighth cent. I think the proposed rate of one-half cent on commercial publications and one-quarter cent on others is not too much.

However, I will certainly investigate the publications affected, and if I am fortunate enough to be on the conference committee my mind will be open on this problem. The conferees must of course have a proper respect for the Senate position vis-a-vis the position of the House.

Mr. BARRETT. I think I agree with the distinguished Senator from Oklahoma. I am mainly concerned about the religious publications which contain no advertising; and, secondly, the trade papers which are small leaflets of 2 pages and contain no advertising, but which are entirely in the category of editorial papers.

I think the Senator might well take those items into consideration with respect to the wording.

Mr. MONRONEY. Perhaps when we get into the matter we may be able to draw a narrower definition of who would be entitled to the reduced rate.

As an example, the Rotary Club, in Oklahoma City, of which I am a member, is mostly comprised of Republicans, men of considerable wealth—I happen to be one of the few Democrats who have been smuggled into the club——

Mr. BARRETT. Men of high intelligence.

Mr. MONRONEY. That club is enjoying the reduced rate we have been discussing on its publication although it has plenty of money to pay for their dissemination.

We should try to limit the application of the provisions for reduced rates so that we will not be subsidizing such organizations as Rotary clubs and other groups which mail weekly bulletins.

Mr. BARRETT. I hope the Senator will take small independent publications into consideration, and not simply the religious ones, since their rates have been increased from one-eighth cent to one-half cent.

Mr. MONRONEY. If the Senator will help us, I trust he will supply the conferees with samples of the publications he has in mind. I will invite the attention of the Senator later to the language which provides that if such publications are charged on the basis of a pound rate they will actually be helped instead of hurt by the passage of the bill.

Mr. KUCHEL. Mr. President, if I may have the attention of the Senator from Oregon [Mr. MORSE], there are several questions I should like to ask him for the RECORD.

Will the Senator from Oregon indicate to the Senators present the percentage increase over the present rate which his amendment will call for in each of the 3 years which it covers?

Mr. MORSE. Forty percent a year, and a total of 100 percent in the 3 years.

Mr. KUCHEL. A total of how much?

Mr. MORSE. One hundred percent.

Mr. KUCHEL. It will be 40 percent each year, approximately, in the Senator's opinion, for 3 years. Would that not figure up in excess of 120 percent?

Mr. MORSE. It would be somewhat less than 120 percent at the end of 3 years.

Mr. KUCHEL. I wonder if the Senator could briefly indicate why he states that in his opinion his amendment would provide merely a 100-percent increase in 3 years. It is my understanding that if the Senator's amendment is adopted, and the bill containing it is enacted, the percentage increase in effect the first year will represent a larger total upon which the percentage increase of the second year would operate, and that the same thing will take place in the third year; so that the cumulative effect, it seems to me, would be in excess of three times the percentage figures either in the Senator's amendment or in the bill.

Mr. MORSE. The staff members who prepared the figures for me advise me that exactly the reverse of what the Senator suggests would be the case, and that the total effect of my amendment would be to increase the rate 100 percent within 3 years. I told the staff that what I wanted was a 100-percent increase, but I thought that the magazines ought to have an opportunity to make a gradual adjustment to that increase in rate. The formula the staff has worked out accomplishes that end.

Mr. MORTON. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield to the able Senator from Kentucky, and then later I should like to ask the Senator from Oregon another question.

Mr. MORTON. I think the Senator will find that the bill—not speaking of the amendment of the Senator from Oregon—does not contain a cumulative provision. The adjustments upward are not to be cumulative. It is 10 percent of the existing rate each year—the rate at the time the 20 or 10 percent is applied, as the case may be.

Mr. MORSE. My amendment is based on exactly the same formula that is used in the pending bill, except that I would increase the percentage.

Mr. KUCHEL. Passing that for the moment, Mr. President, I should also like to ask the Senator from Oregon about a figure which I think he used of "138 percent" in describing what, in his opinion, was the increase in the first-class mail rate which the Senate has now approved. Is that the figure the Senator used?

Mr. MORSE. What I meant to make clear was that if we pass this bill with its present rates on first-class mail, first-class mail will be paying 138 percent of the cost of carrying it. In other words, it will be returning 38 percent more than the actual cost of carrying it.

Mr. KUCHEL. Can the Senator indicate what, in his opinion, is the percentage of increase in the present first-class rates which the Senate has now adopted? Is it not in the nature of two-thirds?

Mr. MORSE. Sixty-six and two-thirds percent.

If the Senator from California will permit me. I believe this is a good time to bring out one other fact. I do not observe the Senator from Kansas [Mr. CARLSON] present in the Chamber, but I am sure he will not object to my making a reply at this time.

The Senator from Kansas, in referring to my position on my amendment, pointed out that during the period from 1932 to the present there have been a series of increases in second-class mail rates, and no increases in first-class mail rates. It is always interesting when one makes that type of comparison, but I respectfully say that comparison does not go to the heart of the problem which confronts us, because during the period from 1932 to the present, first-class mail

was paying its own way, or was practically always close to paying its own way. During the same period, the second- and third-class mail was not coming anywhere close to paying own way. Those classes of mail were paying only about 20 percent of the cost entailed in sending the material through the mails. Even during that time, with the increases, those classes of mail did not return in revenue more than the 20 percent of cost figure.

So I want to say to my friend, the Senator from Kansas, that I do not think it is very persuasive to say that during the period 1932 to 1958 there were increases in second- and third-class mail rates and no increases in first-class mail rates, and that therefore my amendment ought to be defeated.

The question is, Have the taxpayers of the country been carrying an undue burden of the cost for second-class mail? My answer is "Yes." As the Senator from North Dakota [Mr. LANGER] pointed out, they have been paying to the tune of $68 million subsidy to the magazines. What I seek to do—and it is fair, I think, to the magazines, and fair to the editorial features of these publications—is to bare the increase on the advertising matter. The increase I propose is measured in terms of advertising. I think that is fair, because I do not think we ought to ask the general taxpayers to subsidize both the magazines and the advertisements therein.

Mr. KUCHEL. I hold no brief for magazines, but I ask my friend from Oregon this question: Does the rate not increase he proposes apply with equal vigor to magazines and newspapers, no matter how great or how small?

Mr. MORSE. If they are profitmaking organizations.

Mr. KUCHEL. That, I think, is where consideration might well have been given in the Senate committee, perhaps, through a differentiation in treatment which would apply on the one hand to newspapers, and on the other to magazines.

I have a sense that some rate adjustments are required; but I also have a sense that even what is provided in the bill, aside from the Senator's amendment, would do injury to the American free press. Both Senators from Oregon, and the Senators from Washington and California were incensed about a year ago by the increase in newsprint costs. I cannot argue as to where the level of rates should be established by the Congress; but if it is true that we in the Senate, at least, have increased the rate on first-class mail to the maximum of 66⅔ percent for nonlocal mail and 25 percent for local first-class mail, then it seems to me, as one who is not a member of the committee, that an increase of 100 percent in this field is wrong. It seems to me that the increases included in the bill—three 10-percent increases across the board for reading matter, and three 20-percent increases across the board for advertising matter—add up, in the last analysis, to about 90 percent.

In that connection I should like to have my friend from Kentucky [Mr. MORTON] indicate, for the benefit of those of us who are chronic doubters, the authority for the contention that this provision would not have a cumulative effect.

It seems to me, from a reading of the bill, that at least it might be contended that the effect would be cumulative. Let me say to the Senator from Oregon that I think the vice in his amendment is that it operates on the American press as well as on the slick magazines.

Mr. MORSE. The Senator is correct insofar as its application is concerned. The statistic which I would have the Senator keep in mind is that if we adopt my amendment we shall be charging the newspapers and magazines only 36 or 37 percent of the carriage cost. I do not think that is exorbitant. I do not think that would jeopardize a free press. I think that is a minimum fair figure which we should require.

Second, let me say to my friend from California that he and I can take judicial notice of the fact that even the adoption of my amendment would still leave the conference committee in a position to determine the final figures. On the basis of what can be worked out with the House, we shall get a composite judgment.

One thing which I think is important is that we should go on record in support of a policy. I think that policy should be that we seek, at least, to narrow to a certain extent the difference between cost of carriage and the revenue derived so that, after the bill is passed, the percentage of its cost which second-class mail pays will be at least higher than 30 percent.

Mr. KUCHEL. Mr. President, in answer to the last comment of the Senator from Oregon, the reason I cannot agree with him with repect to the form in which the bill would go to conference is that I object to what the committee did to it. I believe that the rate which is written into the second-class mail section ought to be lowered.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. AIKEN. I am merely seeking information. I do not care where I get it.

Under the Morse amendment, would a publication charging $20 an inch for advertising pay the same rate as publications charging $200 an inch?

Mr. KUCHEL. I think there can be no question about that.

Mr. MORSE. The rate would be the same.

Mr. AIKEN. And to that extent, the one with the lower advertising rates would be penalized, would it not?

Mr. MORSE. The rate would be the same, but the total income from the advertising would increase the amount collected. Life magazine would pay more than the Pathfinder magazine, for example.

Mr. AIKEN. I realize that my question was applicable to the provisions in the bill as well as to the Morse amendment.

Mr. MORSE. All my amendment would do would be to double the percentages contained in the provisions of the committee bill.

Mr. AIKEN. The magazine which was able to charge a high rate of $200 or $300 an inch for its advertising space would, in effect, be getting a preference. I should like to have that situation explained.

Mr. KUCHEL. I shall be glad to yield to my friend from Kentucky [Mr. MORTON].

Mr. MORSE. My amendment would merely increase the percentages. I would charge the magazines more money for mailing than they are now paying, by a certain percentage.

Mr. MORTON. Mr. President, the only comment I can make is that advertising rates charged by various magazines are in direct proportion to their circulation. All the Senator from Oregon is attempting to do is to go beyond what the committee has done, and further increase the second-class mail rates for advertising matter.

Mr. AIKEN. At the same time, a publication containing advertising which is worth $200 an inch would be distributed, for the same rate as would be charged a publication which received $20 an inch.

Mr. MORTON. The Senator is correct. The only way to adjust that situation is by a graduated second-class mail rate. We already have that to a certain extent. There is a category including publications with a circulation below 5,000. If we wish to apply that principle to the magazine field, and say that for each 100,000 of circulation the postal rates shall go into a higher bracket, we can do so; but I do not think that is what we want to do. We do not want to place a penalty on bigness. We want everyone to have an opportunity to expand his magazine and reach more people, and not say, "I am afraid to get another subscriber, for fear it may put me in a higher bracket."

Mr. AIKEN. We do not want too much of a penalty, but we do not want a premium, either. I can see how difficult it might be to apply a graduated rate.

Mr. MORTON. I went into this subject earlier in the day. It costs about 2.9 cents out of pocket to deliver a piece of second-class mail. Some of the small magazines pay two-tenths of a cent to carry them all over the country. The Ladies' Home Journal pays 3.4 cents, I believe. So a great deal more per copy is paid by the moneymaking magazines.

Mr. KUCHEL. Mr. President, I merely wish to repeat that I hope the amendment of the senior Senator from Oregon will be defeated. I hope some Senator who is better acquainted with the matter than I am will consider demonstrating the unwisdom of what the Senate committee did with that feature of the proposed legislation.

I wish to make it clear that in rising in the Senate today, I am attempting to speak for the newspapers, large and small, in California, which I in part represent. I believe that consideration, at some time, ought to be given to separate treatment of what, in my judgment, constitutes, according to the constitutional phrase, the bulk of the free press from other printed material, however excel-

lent it may be, which is published every week or daily in this land.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MORSE. I think what I am about to read will help the Senator. It certainly has helped me clear up the first question which the Senator raised in regard to whether the amendment has a cumulative effect. This bears upon what the Senator from Kentucky has said. I refer to page 4 of the committee report, at the bottom of the page:

(b) Advertising portion: 3 annual increases of 20 percent of current rates.

Three annual increases of 20 percent of the current rates. That means the rates as of today. I believe that bears out what the Senator from Kentucky said, that it is not cumulative.

Mr. KUCHEL. I am glad to have that pointed out to me. I again ask if it is not true that the three increases which the Senator from Oregon proposes in his amendment, of 40 percent in each of 3 years, must clearly equal 120 percent at the end of the 3-year period.

Mr. MORSE. The RECORD should show that the total amount of the increase will be but 100 percent.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MORTON. On the second question the Senator asked——

Mr. MORSE. The increase each year would be 40, 40, and 40.

Mr. KUCHEL. Is it the effect of the Senator's statement that his amendment provides for 40 percent for each of the first 2 years, and 20 percent for the last year?

Mr. MORSE. No; 40 percent for each year.

Mr. KUCHEL. What is the reasoning behind that?

Mr. MORSE. I have stated earlier that it was a sort of rule-of-thumb approach. It was a selection of what I considered to be a rule of reasonableness. It seemed to me to be equitable and fair and reasonable and just to the American taxpayer. It is unfair, inequitable, and unjust to the American taxpayers to burden them with subsidizing advertising magazines to the amount they are now being subsidized. I believe the figure ought to be double what the bill calls for. Even then they will be paying 30 to 37 percent of their carriage charges. I was quite frank about it. I said yesterday that we would come to the question: "What would a fair figure be in a matter like this?" So I selected these figures. I selected what I thought would be a just and reasonable basis. It is on that basis that I offer my amendment.

Mr. KUCHEL. Does the Senator believe that equity in 1959 and 1960 would be obtained by a 40-percent increase in the third year, instead of a 20-percent increase?

Mr. MORSE. The total over a 3-year period would be 100 percent more than the rates proposed by the committee. I believe my figures are reasonable and fair.

Mr. KUCHEL. Mr. President, I shall not detain the Senate longer. I believe we have had a very clear demonstration of the confusion by which the Senate is considering the proposed legislation. The Senator from Oregon has suggested, in his usual fair and frank fashion, that he has applied a rule of thumb. The Senator from Oregon is an able Member of the Senate. I suppose there are 96 rule-of-thumb potentials in any amendments that could be offered. So far as I am concerned, in this particular instance I trust the rule of thumb of the Senator from Oregon will be found objectionable by a majority of the Members of the Senate. I yield the floor.

Mr. PROXMIRE. Mr. President, the Capital Times, of Madison, Wis., carries an editorial in its February 25 edition which hits directly on the subject that has been discussed in the Senate today.

Mr. President, in this editorial in the Capital Times, the central question in this whole debate is expressed very well, and I quote:

Why shouldn't these private commercial interests be required to pay their own way, before additional postal burdens are imposed on the average citizen to help pay the deficits resulting from mail subsidies?

The 5-cent stamp amounts to a tax increase on one class of our people to pay for a privilege handed to another class. It should be defeated.

Mr. President, I ask unanimous consent that this editorial be printed at this point in the RECORD, following my remarks.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

FIVE-CENT STAMP MEANS LITTLE FELLOW TO PAY POSTAL DEFICIT

Senator KNOWLAND, the GOP leader in the Senate, says that this session of Congress will probably approve the Eisenhower administration's proposal for a 5-cent stamp to replace the present 3-cent stamp used on first-class letters.

The increase is being demanded to help make up the $700 million postal deficit that is anticipated this year. The big load, obviously, is to fall on the little people who use first-class mail for personal reasons.

First class mail pays for itself. Now it will be paying for the subsidized mails—the second- and third-class mails. Third-class mail is composed of advertising circulars and other materials intended to promote private interests. Why the public should have to subsidize these commercial interests is never discussed by those who attack farm subsidies as socialism.

Second-class mail provides a subsidy to the big newspapers and magazines, who mail their publications at the cost of the public.

Here are some of the amounts of the subsidies handed out to some of the wealthiest publications in this country in 1955.

Saturday Evening Post	$6,069,000
Reader's Digest	4,809,000
Life	9,494,000
Look	3,482,000

These are only a few of the publications that get millions in subsidies from the taxpayers and campaign against subsidies for the farmers.

Why shouldn't these private commercial interests be required to pay their own way, before additional postal burdens are imposed on the average citizen to help pay the deficits resulting from mail subsidies?

The 5-cent stamp amounts to a tax increase on one class of our people to pay for a privilege handed to another class. It should be defeated.

Mr. MORTON. Mr. President, I do not wish to be redundant. I have covered much of this subject today. However, let us consider the amendment of the Senator from Oregon, and in that connection let us bear this point in mind. Since World War II—I shall not go back to 1932—the postal service has cost $1.5 billion more than in 1946. That is the outgo, or the expense. Let us look at the income. If we pass the bill as reported by the committee, the postage on letter or first-class mail will have gone up 51 percent. The postage on airmail will have gone up 60 percent. That is since World War II. Second-class mail rates will have gone up 95 percent on editorial matter and 108 percent on advertising matter. The rates on third-class mail will have gone up 103 percent. That gives effect not only to the increases which are in the pending bill, but to actions taken by Congress between World War II and this session of Congress. Therefore let us keep this matter in balance. The rate on first-class mail will be increased 51 percent if the bill is passed; 61 percent for airmail; 95 percent for second-class editorial matter; 108 percent of second-class advertising matter; 103 percent for third class. For those reasons I believe the committee has reported a balanced bill. We have gone through it very carefully. It is an equitable bill. I oppose the amendment of the Senator from Oregon.

Mr. LAUSCHE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I should like the attention of the Senator from California [Mr. KUCHEL] and the Senator from Vermont [Mr. AIKEN] for a moment.

I have just conferred with the staff who prepared the amendment. They carried out my instructions, but the RECORD at this time must be clarified, or corrected.

The committee amendment, as the Senator from Kentucky [Mr. MORTON] pointed out, provides for three 20-percent increases over a 3-year period—20 percent each year for 3 years, or a total increase of 60 percent over current rates. As the Senator from Kentucky pointed out, that increase is not cumulative. It is on the rates shown on page 4 of the committee report, under the heading "Second-Class Mail."

My amendment provides for a 40-percent increase each year for 3 years, or a total increase of 120 percent over current rates in the 3-year period, but a 100-percent increase over what the committee recommends. Whereas the committee recommends a 60-percent increase, my amendment recommends a 120-percent increase above rates now applicable. As the staff has pointed out, if my amendment should be adopted, it would result in the second-class mail,

so far as advertising material is concerned, paying approximately 36 or 37 percent of its carriage charge; whereas, after the three 20-percent increases recommended by the committee have become effective, the result will be about 30 percent of the carriage charge.

I thank the Senator from California for raising this point, because I would have felt badly if this error had remained uncorrected in the RECORD. My amendment would raise rates 100 percent above the committee levels, and almost 120 percent above existing levels.

Mr. KUCHEL. Mr. President, I am glad to have this extremely involved problem made somewhat less confusing. I wish to emphasize that the Senator from Oregon, with his usual and continuing frankness, has indicated that his amendment will double the rates on second-class mail, the rates which newspapers as well as magazines must pay.

To my colleagues who have just entered the Chamber, I may say that I suggested earlier to the Senator from Oregon that it seemed to me the committee might, one of these days, give consideration to the question of differentiating between newspapers, which I believe come within the meaning of the phrase in the Constitution, "freedom of the press," and other types of publications, no matter how excellent, how enjoyable, or how cultural they may be.

I believe the amendment should be rejected; but it seems to me, if I may express my view, that the increase which the committee seeks to make second-class mail users pay is also too much.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MONRONEY. I associate myself with the conclusion just voiced by my distinguished colleague from California as to any further increase. About 3 years ago, three increases of 10 percent across the board were imposed on these same publications. That means a total increase of 30 percent.

The bill provides for three 20-percent increases on advertising matter, adding another 60 percent to the 30-percent increase already in effect. In a space of about 5 years, the cost of distributing advertising has been raised by 90 percent.

I, too, would like to reduce the postal deficit on second-class matter. The proposed three increases of 20 percent each, do not need to be the end. If, after the passage of 3 years, Congress wishes to vote additional increases it can do so.

By proceeding in the way I have indicated, we will keep from bankrupting the farm magazines and the other smaller publications which carry a high volume of advertising at low rates, but which would be injured severely by the formula in the proposed amendment.

The Luce publications are the most profitable in the world, but there are thousands of other publications which are not so affluent. The amendment applies to every little farm magazine and similar publication as well as to the Luce publications.

Consequently, if we are to make an increase in the rate charged for advertising matter, I suggest that we follow the committee proposal of 20 percent for each of 3 years. Certainly the magazines will be able to live under such an increase, by adjusting their subscription and their advertising rates if necessary.

Mr. KUCHEL. Is it not also true that the amendment and the bill will apply to all newspapers, both great and small, if any part of their circulation crosses the line of the States in which they are published?

Mr. MONRONEY. That is correct. This measure also will operate differently in the case of religious, labor, and other publications. As to them the increase will be only 50 percent of the rate increase for the others.

Mr. KUCHEL. I thank the Senator very much.

Mr. NEUBERGER. Mr. President, it is with a great deal of regret that I rise to oppose an amendment offered by my distinguished colleague from Oregon.

I desire to point out that, as a member of the Postal Rate Subcommittee, I sat through many hearings on this issue, and I participated in the very extensive committee deliberations regarding the bill which has been reported.

The pending bill is not perfect; it has many frailties. Undoubtedly it can be improved in many ways. But I wish to emphasize that the rates provided in the bill, in the case of the advertising content of printed matter sent through the mail at the second-class rate, were increased very substantially by the full committee, before the bill ever came to the floor of the Senate.

In the committee, we had before us the House version of the bill. It provided for four increases of 15 percent each, straight across the board. We also had before us a committee staff proposal for three increases of only 10 percent each, straight across the board.

Instead, our committee reported a provision for three annual increases of 20 percent each, in the case of the advertising matter sent through the mail at the second-class rate, and three increases of 10 percent each on the editorial and informational content.

Already, in the comparatively few days since the bill has been on the calendar, I have received from my State protests about the increases proposed in the second-class rate. The owners of these publications—many of them being very small publications, marginal financially—believe we already have brought forward increases which are too heavy for many of them in my State to bear.

It is my opinion that I should vote for the bill as reported by the committee; and I shall do so. But when it is proposed that we increase still further the rates on every publication in the United States which carries any amount whatsoever of advertising material, it seems to me that such a proposal is highly debatable.

A few minutes ago, I supported the modified amendment which had been offered by the distinguished Senator from Pennsylvania [Mr. CLARK], who now is the Presiding Officer. That amendment applied to the large, national, wealthy, slick paper, expensively printed, very lavish magazines.

But this amendment does not apply only to them. Instead, it applies without fear or favor to every small, weekly publication in the country and to every religious, school, and labor publication, although the latter will be charged only one-half of the second-class rate increase voted by the Senate. The amendment will also apply to farm publications.

I know that many weekly publications are extremely marginal in their financial operations.

When I toured in Oregon during the past fall, I met many publishers of weekly newspapers who did not know whether they would be able to amortize the cost of their equipment.

I believe that what the Senator from Oklahoma pointed out a few minutes ago is certainly valid for our consideration. If these increases are not sufficient when they reach their maximum in 3 years' time, we can take another look.

I am informed by some of my associates on the Post Office and Civil Service Committee that the following will be the increases in the mailing rates—the only increases made since the end of World War II—which will prevail if the pending bill becomes law:

For first-class letters, 51 percent.

For airmail, 60 percent.

For second-class mail, 95 percent.

For the advertising portion of second-class mail, 108 percent.

For third-class mail, 103 percent.

I believe that after the bill goes into effect, during the next few years those rates should be tested and tried and experimented with, to see whether they are fair. If then it is found that they are either too high or too low, in the case of certain or all categories, the Congress and the President can take a new look.

In conclusion, Mr. President, I wish to say that I am sorry I must oppose the amendment which has been offered by my colleague. On very few occasions in the Senate have he and I disagreed on matters. But I wish to say that so far as I am concerned—and I am sure it is also true so far as he is concerned—my disagreement is made in the best of spirit, and there is nothing personal in the fact that he and I do not regard this particular amendment from the same point of view.

Mr. YARBOROUGH. Mr. President, I understand that the amendment of the Senator from Oregon will apply to the advertising content only of magazines, a rate of 40, 40, and 40 percent, for each of three years, or a total increase of 120 percent, whereas the rate on the editorial content will remain 10 percent for each of three years.

Will the Senator from Oregon accept a modification of his amendment so that over the present rate on such advertising matter shall be 30 percent for each of three years?

Mr. MORSE. Mr. President, let me reply briefly to my friend, the Senator from Texas, by saying that I believe any

amendment increasing committee figures is better than none. So I am willing to modify my amendment—because I am very anxious to have this proposal go to conference—so that, instead of calling for increases of 40, 40, and 40 percent for each of three years, it will call for increases of 30, 30, and 30 percent for each of three years. As a result of such modification of the amendment—in comparison with the committee's proposal, which is 20, 20, and 20 percent—my amendment, as thus modified, will provide for a rate at least 10 percent higher, for each year, than the rate called for by the committee's proposal.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair is advised that, inasmuch as the yeas and nays have been ordered on the question of agreeing to the amendment of the Senator from Oregon, the amendment can be modified at this time only by unanimous consent.

Does the Senator from Oregon so request?

Mr. MORSE. Yes, Mr. President; I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object—although I shall not object—I desire to point out to my friend, the Senator from Oregon, that in my judgment, unless some little time is taken to revise the schedule which applies to eight zones, we shall have difficulty in knowing what we shall be voting on.

Mr. MORSE. I shall come to that point in a moment.

Of course, it is a simple matter, mathematically, if we know what the end result will be, to have the staff proceed to make the mathematical calculations which will reduce to 30 percent the increase presently provided in this amendment, which, until modified, has called for increases of 40 percent. I think we should be able to agree among ourselves that that is exactly what the modified amendment will accomplish and what the Senate will be voting on.

With that understanding, and with the assurance that that will be done immediately by the professional members of the staff who made the calculations in the first place, I believe the end result will be a 30-percent increase for each of three years over the current rates, instead of a 40-percent increase for each of three years.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon for unanimous consent to modify his amendment at this time?

Mr. KUCHEL. Mr. President, further reserving the right to object, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. I have absolutely no objection to the proposed modification of the pending amendment, but let me inquire how the amendment will read at the moment when the vote will be taken.

Mr. MORSE. Action on the amendment will have to include the understanding that the specific figures will be reduced by an amount that will result in a 30-percent increase.

The PRESIDING OFFICER. The Chair is advised that in order for the Senate to vote on the modification of the Senator from Oregon to his own proposed amendment each of the figures in the three columns following line 3 of the amendment would have to be reduced by 10 percent. There are no such figures presently before the Senate.

Mr. KUCHEL. Is it the opinion of the Chair, and of the Parliamentarian, that, by unanimous agreement, the figures in the amendment before the Senate can nevertheless be deemed to be 10 percent less than the figures utilized in each case in that table D?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that it is possible to vote on the amendment of the Senator from Oregon, as he proposes to modify it, by having each of the figures in the table reduced by 10 percent, even though those figures are not presently in the piece of paper now before the Senate.

Mr. LAUSCHE. Mr. President, may I inquire if the Chair is correct when he states 10 percent? When the figure 40 is reduced to 30, it is reduced by 25 percent.

The PRESIDING OFFICER. The Chair was in error in stating that the reduction would be 10 percent. The Parliamentarian advises the Chair that in each instance the figure would be reduced from a 40-percent increase to a 30-percent increase.

Is there objection?

Mr. MORSE. Mr. President, if the Senator from California will yield to me, because I do not want any misunderstanding to exist, I am perfectly willing to suggest the absence of a quorum. It will take me about 5 minutes to make a 25-percent reduction in each one of the figures, so I can have my amendment before the Senate. I can do it during the quorum call.

Mr. KUCHEL. I have no objection, Mr. President, but I do not think I have ever before had quite the experience as that which I am having at this moment, and I wanted to know whether that could be done. I have no objection at all.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum, in order that the distinguished Senator from Oregon may fulfill his desire to perfect his amendment, so it will be in writing.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I desire to thank the Senator from California for bringing this item to my attention. I have corrected the figures so that the increase on the amendment now will be 30 percent of the current rates each year for 3 years.

I want to say to my colleague [Mr. NEUBERGER] that I appreciate very much the point of view he has expressed. I am interested only in the total amount which the American taxpayers as a whole will be paying for the benefit of the second-class mail users if the committee bill becomes a law. I think that amount is too large.

I think it is important that we express ourselves on policy. I am perfectly aware of the fact that in conference some other figure may be reached. I think that today we ought to point out that we think we have as a matter of policy been subsidizing the second-class mail users too much. That happens to be my viewpoint. I think it is shared by many people in this country.

The most delicate phase of all this, Mr. President, is a certain type of second-class mail which is circulated by very wonderful individual organizations. However, we ought to face up to the fact that a great many people do not share the objectives of those organizations, and they think it is questionable whether all the taxpayers should in effect be taxed so much for material to be sent through the mails carrying a point of view, be it religious or otherwise, which some taxpayers do not share.

That is what raises in my mind the question of what is a rule of reasonableness. What would be fair and just? I think my amendment would come closer to what is reasonable than the committee amendment, and I think it provides for a deserved increase in rate, particularly when we keep in mind the fact that after the Senate completes consideration of the bill, the writers of first-class letters will no doubt be paying about 138 percent of the cost of carrying their letters through the mail; in other words, about 38 percent more than the actual cost. To the contrary, the users of second-class mail, even if my amendment is adopted, will be paying somewhere in the neighborhood of 33 percent of the cost of carrying such mail.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senator from California.

Mr. MORSE. I submit the amendment in its modified form.

Mr. MORSE's amendment, as modified, is as follows:

On page 35, in the table appearing after line 18, strike out the matter following the words "Advertising portion:" and insert in lieu thereof the following:

"1st and 2d zone	2.4	2.8	3.2
3d zone	3.4	4.0	4.3
4th zone	5.0	5.8	6.4
5th zone	6.5	7.4	8.6
6th zone	8.0	9.5	10.7
7th zone	10.0	11.4	12.9
8th zone	11.5	13.5	15.9"

Mr. KUCHEL. The original proposal of the Senator from Oregon amounted to an increase in rates of 120 percent for 3 years, which, when added to the cumulative 30 percent increase for nonadvertising matter in newspapers,

would have required publications utilizing the second-class service to pay a 150-percent increase in 3 years. I objected to that.

The Senator from Texas then suggested that the Senator from Oregon modify his rule of thumb. I have no objection to the modification, although I believe it is exceedingly poor parliamentary practice to work out rates in the Senate Chamber in this manner.

We can presently translate the amendment of the Senator from Oregon, if it is adopted, into a 120 percent rate increase in 3 years to newspapers and other publications. When we add the present amendment to the rates on nonadvertising matter which the committee wrote into the bill, of 10 percent cumulative for 3 years, that is the result.

I object to that; and I also object, Mr. President, to the 90 percent increase which the committee saw fit to write into the bill.

Mr. YARBOROUGH. Mr. President, the distinguished Senator from California has made an interesting statement, but I wish to point out that his mathematics are rather poor, because the increase provided in the committee bill is 10 percent a year for 3 years on the editorial content of a magazine.

If we consider a sample of these magazines which is going through the mails at such a low rate, a sample which receives red tag treatment from the Postmaster General—Confidential magazine, for example—the advertising content would have to pay a 20-percent increase for each of the three years, or a total of 60 percent, while the editorial content would have to pay an increase of 10 percent a year.

Under the amendment which has been offered by the Senator from Oregon [Mr. MORSE], the rate for advertising matter would be raised 30 percent a year for each of the three years. The rates would not be duplicated.

The able Senator from California has duplicated the rates in his figures.

A magazine has part editorial content and part advertising content. If the rate on half the content of the magazine is raised 30 percent and rate on the other half of the content is raised 90 percent, one does not add the two together and get 120 percent as a total, but one must divide it by 2, and the increase is then shown to be 60 percent. That would be a 60-percent increase at the end of 3 years if the advertising and editorial content were equal in all the magazines under the classification. As a matter of fact, the advertising runs about 60 percent of the content, and the editorial content about 40 percent, I am informed, if one considers together all the magazines under that classification. Therefore, the total increase would be slightly over 60 percent at the end of the third year.

The Senate voted yesterday, and again today, to raise the rates on the letters orphan children mail, and the letters widows mail, and letters mailed by those on old-age pensions. The Senate voted to raise that rate 60 percent immediately, but now a cry is made about raising the magazine rate 20-percent a year for 3 years.

Is it the duty of the Government to break all the small-business men and break all the common people, so as to insure and guarantee by these enormous subsidies more profits for the richest among us? The policy established takes from the poor and gives a bounty or subsidy to those who need it the least, those who are making vast profits.

I think that the increase, since it has been reduced to 30 percent a year, will provide a total increase at the end of 3 years just about equal to the rate which the Senate has already voted for everybody who mails a letter from one country town to another other town. A heavy increase has been voted in the rate on first-class letters in the rural areas and in the large cities. We are now considering a measure which will not equalize the rate this year but which at the end of the third year will just about require the wealthiest in the land, who use the mail, to pay as much as the ordinary people pay. I think it is a fair minimum.

Mr. PROXMIRE. Mr. President, I should like to point out that the amendment proposed is not only a fair amendment, but it is a very moderate amendment. The fact is that the recommendation of the administration, as I understood it—I ask the experts on the Committee on Post Office and Civil Service to correct me if I am wrong—was that there should be four 15-percent increases for second-class mail, adding up to a total of 60 percent. I submit that when we have under consideration three 10-percent increases on the editorial content and three 30-percent increases on the advertising content the result comes pretty close to the result the administration recommended.

Furthermore, the House adopted an increase of 60 percent—four 15-percent increases—a moderate increase. What we are proposing to do by the Morse amendment is not radical, drastic, extreme, or punitive. It is a moderate amendment. It is the same provision which has been written into the House bill, which the administration is recommending, and I think we can support it in that spirit, as a moderate, acceptable, reasonable amendment.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. Much has been said about the percentage of increase. However, I believe it is well to keep in mind that the amount of increase is oftentimes different in significance from the percentage of increase. For example, a 100-percent increase in a 1-cent rate is 1 cent. On the other hand, an 80-percent increase on top of a 3-cent rate works out to about a 2-cent increase. The man who is mailing a letter from outside the city limits is the one who is getting the real increase. A 30-percent increase, or even a 100-percent increase, on a class of mail which is paying only a small fraction of its cost, is actually not a great increase.

Mr. PROXMIRE. The Senator from Louisiana makes an excellent point. As anyone who has been in the newspaper or printing business knows, the postal rates for our county weeklies are practically nothing, because they are delivered free-in-county. The rate is founded on an extremely low base. When we talk about an enormous 60 percent increase in such rates, the increase is very modest, and represents only a small part of the total cost.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. YARBOROUGH. Is it not a fact that under the bill first-class mail will be paying 130 percent of its cost of transportation, and second-class mail, if all the increase proposed by the Morse amendment is added, will not be paying more than 35 percent of the cost?

Mr. PROXMIRE. The Senator from Texas is absolutely correct.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the modified amendment offered by the Senator from Oregon [Mr. MORSE]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BYRD (when his name was called). I am a newspaper publisher and have a personal interest in this amendment. I ask unanimous consent to be excused from voting.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT (when his name was called). Like the Senator from Virginia, I have an interest in a newspaper publishing company, and for that reason I ask unanimous consent to be permitted to withhold my vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent from today's session of the Senate because of illness. I further announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] and the Senator from New York [Mr. IVES] are absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from New York [Mr. IVES] would each vote "nay."

The result was announced—yeas 17, nays 71, as follows:

YEAS—17

Clark	Langer	Murray
Douglas	Lausche	Proxmire
Frear	Long	Revercomb
Gore	Mansfield	Williams
Hennings	McClellan	Yarborough
Javits	Morse	

NAYS—71

Aiken	Bridges	Church
Allott	Bush	Cooper
Barrett	Butler	Cotton
Beall	Carlson	Curtis
Bennett	Carroll	Dirksen
Bible	Case, N. J.	Dworshak
Bricker	Case, S. Dak.	Eastland

Ellender	Kennedy	Robertson
Ervin	Kerr	Russell
Flanders	Knowland	Saltonstall
Goldwater	Kuchel	Schoeppel
Green	Magnuson	Scott
Hayden	Malone	Smathers
Hickenlooper	Martin, Iowa	Smith, Maine
Hill	Martin, Pa.	Smith, N. J.
Hoblitzell	McNamara	Sparkman
Holland	Monroney	Stennis
Hruska	Morton	Talmadge
Humphrey	Mundt	Thurmond
Jackson	Neuberger	Thye
Jenner	Pastore	Watkins
Johnson, Tex.	Payne	Wiley
Johnston, S. C.	Potter	Young
Kefauver	Purtell	

NOT VOTING—6

Anderson	Chavez	O'Mahoney
Capehart	Ives	Symington

EXCUSED—2

Byrd	Fulbright

So Mr. MORSE's amendment, as modified, was rejected.

Mr. CARLSON. Mr. President, on behalf of the majority leader, the Senator from Texas [Mr. JOHNSON] and myself, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, beginning after the period in line 19, it is proposed to strike out down through the period in line 20; on page 48, line 5, after the word "available" it is proposed to insert a comma and the following: "subject to appropriations therefor which are hereby authorized."

Mr. CARLSON. Mr. President, I have cleared the amendment with the chairman of the Committee on Post Office and Civil Service. It is offered by the majority leader and myself in order to clarify the bill so as to change the word "appropriation" on line 19 of page 47 to "authorization." If the amendment is adopted the bill will conform with the contention that the House shall originate appropriations. I sincerely hope that the amendment will be agreed to.

Mr. JOHNSON of Texas. Mr. President, I believe the Senator from Kansas has made a very constructive suggestion, and I hope the chairman of the committee will agree to go along with it. It would be the better part of wisdom, it seems to me, if the bill provided for authorizations, rather than appropriations.

Mr. JOHNSTON of South Carolina. I see no reason why I should not accept the change. The amendment will be in conference. That provision was not contained in the bill. I shall be happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON] for himself and the Senator from Texas [Mr. JOHNSON].

The amendment was agreed to.

WALTER REUTHER

Mr. BUTLER. Mr. President, unfortunately I was not on the floor last evening when the distinguished minority leader, the Senator from California [Mr. KNOWLAND], advised the Senate that a certain labor leader had secured a room in the Senate Office Building and had there made very derogatory statements regarding one of the great patriots of our country, a distinguished Member of the Senate.

I think the matter which was discussed last night goes deeper than the securing of a room in the Senate Office Building and there maligning a United States Senator by the person in question. I believe it to be part and parcel of a new and noxious infection which is abroad in the land, and for the lack of a better name I will call it Reutherism.

I could be wrong, but I think the inference can fairly be drawn from the record that one of our Members, I hope unwittingly, has given aid and comfort to Mr. Reuther to accomplish what, in my opinion, is Mr. Reuther's main goal—the destruction of the free and competitive enterprise system in the United States. I will cite the record.

Last fall Walter Reuther, the president of the United Automobile Workers, proposed that the three leading automobile producers reduce the average wholesale prices of their 1958 models by $100 a car. This proposal was in conjunction with a series of earlier steps he initiated to secure participation by the union and the Government in the determination of the industry's wage and pricing policies.

To my surprise, shortly after the announcement by Mr. Reuther of his plan, a subcommittee of the Committee on the Judiciary, of which I am a member, and which is charged, under the Reorganization Act, with perfecting and protecting the antitrust laws, was apparently willing to bring the parties together and to furnish Mr. Reuther a forum to advance his scheme. Why do I say that?

On November 7, 1957, the chairman of the subcommittee, the distinguished Senator from Tennessee [Mr. KEFAUVER], addressed identical letters to the presidents of General Motors, Ford, Chrysler, and also to the United Automobile Workers. That letter contained this amazing statement:

> Members of the subcommittee unanimously decided that although Mr. Reuther's offer to the automobile companies was rather vague and indefinite, the opportunity should not be passed without having Mr. Reuther and the Big Three manufacturers of automobiles brought together, with the hope of arriving at a better understanding of the issues involved in a firm hold-the-line wage-and-price formula.

The letter also had this to say:

> To this same hearing there will be invited simultaneously Mr. Walter Reuther, as well as representatives of the three companies. The first witness to be heard will be Mr. Reuther. It is my hope that at this hearing there can be developed—

I ask the Senate to note this especially—

> a better understanding of the problems involved in a formula for holding the wage and price line in the automobile industry.

That letter also contained a request on the part of the subcommittee, over the signature of its chairman, to the three automobile companies to bring with them all their detailed cost, price, and profit data.

Here was a case, in my opinion—and I say again that I could be in error—where the Senate Committee on the Judiciary, which, as I have said, is charged with protecting and keeping the antitrust laws strong at all times, sent a letter to the three leading automobile manufacturers to appear and bring with them their private and personal books and papers. For what purpose? To sit around a table and formulate prices. To use the subcommittee as an instrument for collective bargaining and as a vehicle for violation of the antitrust laws. There is no other interpretation that can be made of it. We certainly cannot at the same time have in the same room and at the same table representatives of the three great competitors in one of the Nation's greatest industries and also representatives of the labor union which organizes the labor in those three great companies.

I hope the Senator from Tennessee acted unwittingly, but I say he did a disservice to the United States Senate when he did that.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. BUTLER. I will yield in a moment. I have almost completed my statement.

The table of the Committee on the Judiciary should not be used as a bargaining table. Mr. Reuther's plan or his influence, or whatever it is, should not be so deeply imbedded in this great and glorious body, of which I am very proud to be a Member, that that could happen.

This is a new and noxious thing, in my opinion. If we who have the responsibility to protect this great country do not take heed now and nip Reutherism in the bud, we will, in turn, be nipped in the bud, and our security will be very greatly jeopardized.

READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

Mr. MORSE. Mr. President, I offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk read as follows:

> On page 26, it is proposed to strike out lines 15 through 25, inclusive, as follows:
>
> "(2) The collection, transportation, and delivery of first-clas mail is the primary function of the postal establishment. The cost of first-class mail shall be (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title plus (B) an amount determined to be the fair value of all extraordinary and preferential services, specially designed facilities, and other factors relating thereto. The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on in incremental or "out of pocket" cost basis."
>
> And to correct the subsection numbers thereafter.

WALTER REUTHER

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. KEFAUVER. Mr. President, I appreciate the Senator from Oregon

yielding to me. I was unaware that the Senator from Maryland [Mr. BUTLER] intended to make an accusation against me.

Mr. BUTLER. I sent word to the Senator well in advance of my speech. If he did not receive the notice, I am sorry.

Mr. KEFAUVER. I think I should have been entitled to notice.

Mr. BUTLER. I took pains to make certain that the Senator had notice. This subject was discussed in the full committee. At that time I made an objection. As a matter of fact, the original plan was called off. I do not know whether it might have been because of my objection and the discussion which was had in the committee, but the Senator from Tennessee must have known that something would be said about it, and this seemed to be the time to say it.

Mr. KEFAUVER. The plan was not called off, so far as I am concerned, because of the objection of the Senator from Maryland.

Mr. BUTLER. I would be surprised if the Senator from Tennessee admitted that it was.

Mr. KEFAUVER. I left my office a short while ago. If any message had been received that the Senator from Maryland was going to make an attack on me or on the action of the subcommittee, I certainly had no notice of it.

Mr. President, I do not have with me at this time my files or letters to respond in detail to the Senator from Maryland, but I cannot let his remarks go without making some comment.

The accusation that the subcommittee or that I, as its chairman, tried to provide a special forum for Mr. Walter Reuther is false and unfounded. In my opinion, the Senator from Maryland should know that.

The truth is that as early as April of last year, with the consent of the subcommittee, I announced that our subcommittee would hold hearings about so-called administered prices—that is to say, why it is that in some industries the prices are not fixed by the law of supply and demand; why it is that in some industries, one corporation fixes the prices, and all the other corporations follow the same line; why it is that prices remain stable, even though various manufacturers are willing to reduce them.

Mr. BUTLER. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I shall yield later on, Mr. President; I wish to proceed at this time.

So, Mr. President, we felt—certainly I felt—that at this time of rising prices and increased concentration of economic power, when a merger movement is afoot; at this time of unemployment, when many persons in many industries have been laid off work; at a time when the cost of living is at an alltime high, it is very important to see whether our competitive system is working, whether our antitrust laws are sufficient, whether they meet the new kind of system of administered prices which is in effect.

At the time when we announced our series of hearings, announcement was made that we would hold hearings on the steel industry—inasmuch as the steel industry is the bellwether of our economy—and on the automobile industry, and probably on the farm machinery industry, the aluminum industry, and a number of other industries.

Mr. BUTLER. Mr. President, at this point, will the Senator yield?

Mr. KEFAUVER. Mr. President, I decline to yield at this time; I prefer to continue my statement.

That announcement was made long before Mr. Reuther made his proposal. So anything he said was not responsible for our hearings.

It would have been impossible to hold hearings on the automobile industry without calling representatives of the automobile industry, and also calling a representative of labor. One person out of every seven in the United States directly or indirectly owes his livelihood to the automobile industry, and it is of tremendous importance.

A letter was sent out. A portion of it has been read by the Senator from Maryland. But immediately, as chairman of the subcommittee, I stated that we had hoped to have the hearings concluded within one or two days; that it was not my intention to have a Donnybrook Fair, by attempting to take all the testimony in one day, but that we wanted the witnesses to testify separately, although we wanted to conclude the hearings within two days, at the most.

However, when it appeared that more time would be required, we set hearings on separate days for the appearances of the representatives of the four automobile companies and for Mr. Reuther, so as to enable them to present fully their testimony. As a matter of fact, we allowed two days for each of the four automobile companies, I believe, except in the case of the Chrysler Automobile Corp. The representatives of General Motors Corp. took two days. The representatives of the Ford Motor Co. took two days. The representative of the American Motors Corp. took two long days. Mr. Reuther was before our committee on two days. The representatives of the Chrysler Corp. were before our committee for one day, I believe.

In our letter requesting information about the number of employees and how prices were arrived at and what the costs were—which, incidentally, was not in the letter referred to by the Senator from Maryland; he has confused two letters—we requested similiar information that we had requested from the United States Steel Corp. and the other steel companies, in our letters to them.

Our system was as follows: Conferences were held between counsel, to decide upon what the witnesses would present. We have never insisted—if the companies raised any question about it—on the presentation of confidential material which would be of unfair advantage to their competitors; we have always insisted upon treating them fairly.

In this case the companies were fully in agreement; they were perfectly satisfied with the agreements reached between the committee counsel and their counsel as to what information would be furnished.

We held the hearings. Inasmuch as Mr. Reuther had made a vague suggestion about a reduction of automobile prices, it was agreed that he should be called as the first witness. If the Senator from Maryland takes any exception to that, I may say that that suggestion was made by the distinguished Senator from Illinois [Mr. DIRKSEN].

We conducted the hearings as fairly as we could. We tried to avoid matters in regard to the wage dispute. Our hearing was on the questions of administered prices, the concentration of economic power, why the plants were operating at so much less than capacity, and why it was that their profits were what they were, when they were operating at only 55, 60, or 70 percent of capacity.

I believe the hearings were helpful to the general public and to the corporations themselves. We hoped that in the hearings there could be brought about a spirit of reasonableness on the part of both management and labor—on the part of management, in holding down prices, in order to get their plants going, so that more persons could have work; and on the part of labor, we hoped that their requests might reasonable, so that during these difficult times there would not be strikes and unemployment.

Mr. President, the hearings the subcommittee has held have been very valuable. I think the public reaction to them has been good.

I know that from time to time the Senator from Maryland has expressed opposition to the investigation of any concentrations of economic influence. Certainly, it is his prerogative to object. Some persons think monopoly is all right. If he wishes to think it is all right and should not be investigated, it is his right to think so.

Personally, I believe this is a time when we must take steps to make our free enterprise system function properly, when the Congress must look into the increasing concentrations of economic power, when we are presented with an alltime high in the cost of living, with hundreds of thousands of persons in the automobile industry, and a total of 4½ million persons in the entire country unemployed.

Prices are now at an alltime high, as well as the profits of most of the steel companies and the automobile companies.

ORDER FOR ADJOURNMENT UNTIL TOMORROW, AT 10:30 A. M.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. KEFAUVER. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator may yield to me without losing the floor.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senator from Oregon [Mr. MORSE] has the floor.

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that

when the Senate concludes its business today, it stand in adjournment until tomorrow, at 10:30 a. m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that it is not our plan to have any yea-and-nay votes taken after 6:30 p. m. today. I am not sure that any yea-and-nay votes at all will be taken this evening, but I shall try to protect each Member after 6:30.

We hope that on tomorrow the Senate will complete its consideration of the postal pay amendment and all other amendments to the pending bill.

On tomorrow, we plan to have the Senate remain in session during the afternoon or the evening, if that is necessary.

I appeal to all my colleagues to be present tomorrow morning. There will be a morning hour, and then the Senate will proceed immediately to the further consideration of the pending bill.

I thank the Senator from Oregon very much for yielding, and I appreciate the courtesy of the Senator from Tennessee.

WALTER REUTHER

Mr. KEFAUVER. Mr. President, as I was saying, it is my feeling that at the time when the cost of living is the highest it has ever been in the history of our country, or at least in its recent history, and when plant capacity remains idle, and when 4½ million of the American people are unemployed, we should examine the cause and the reasons, and should consider what Congress can do to improve the antitrust laws and what Congress can do to energize new business and new corporations. So the hearing respecting automobile manufacturing has been a very important contribution to that purpose.

I respect Mr. Reuther as a leader of a very large, substantial labor union, composed of good American citizens. I respect the heads of management of automobile companies as good American citizens. In our hearings we conscientiously tried to give each one an opportunity to be heard, and to present his view with reference to problems dealing with concentration of industry and administered prices.

I am surprised that the Senator from Maryland should express opposition to hearings of this kind; that he should express opposition to the work of the committee, which is trying to render a service to the United States Senate and to the people; and that he should say, or insinuate, that the chairman of the subcommittee, referring to myself, improperly used the forum of the subcommittee for some improper purpose.

Mr. BUTLER. Mr. President, will the Senator from Oregon yield, so I may reply to the Senator from Tennessee?

Mr. MORSE. I yield with the understanding that I do not lose my right to the floor.

Mr. BUTLER. My remarks will be very brief. In the first place, I gave word to the minority clerk, some time in advance of the call of the roll, to give notice to the Senator from Tennessee that I would make some remarks on this subject.

Mr. KEFAUVER. I can only say my office was not notified. I had no information about it.

Mr. BUTLER. I am sorry about that. Let me say to the Senator from Tennessee I am not in opposition to the hearing. I voted for the authorization of money to conduct the hearing when the matter was on the floor. I wanted the Senator to follow the same pattern with respect to the automobile companies as he did with respect to the steel companies. He did not ask all the steel companies to have all the men who organized the companies bring simultaneously all their figures and profit data. He did not do that at all. But he did it in the case of the automobile companies.

Mr. LONG. Mr. President, I make the point of order that this debate has been pursued far enough.

Mr. KEFAUVER. The Senator from Maryland is mistaken. We asked——

Mr. LONG. Mr. President, I refer to rule 19, section 2.

Mr. KEFAUVER. We made exactly the same agreements with all the companies as to what information they should show or should not show. As a matter of fact, the automobile companies gave us much less information than the steel companies did.

Mr. BUTLER. That may be true——

Mr. LONG. Mr. President, I must insist that the Senate comply with rule 19, section 2, which states that:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

I believe this form of debate has been going on long enough. I have insisted on this rule from time to time. I feel it should be enforced.

Mr. MALONE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. A point of order has been made with respect to the remarks of the Senator from Maryland. Under the rule, the Senator from Maryland must take his seat. The Chair observes that he has done so.

Mr. KEFAUVER subsequently said:

Mr. President, I ask unanimous consent that brief extracts from the record of the hearings before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, concerning the notices given in connection with the hearing, be printed following the colloquy between the Senator from Maryland [Mr. BUTLER] and myself, together with a letter dated January 14, 1958, to Mr. Reuther concerning the schedule of appearances. If the Senator from Maryland had read the record before making his statement on the floor, I feel certain that he would have understood the matter more thoroughly and would not have made the accusations he made this afternoon.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

ANTITRUST AND MONOPOLY SUBCOMMITTEE,
November 7, 1957.

Mr. WALTER P. REUTHER,
President, International Union, UAW, Detroit, Mich.

DEAR MR. REUTHER: Since July 9, 1957, the Antitrust and Monopoly Subcommittee has been holding hearings on administered prices in an attempt to come to grips with what is probably the Nation's No. 1 domestic problem—the problem of inflation. During the opening phase of the hearings the subcommittee heard from five leading economists who had studied the subject and who gave to the subcommittee the benefit of their experience.

Among other things the five economists testified to was that the present inflationary spiral is due largely to price increases in administered price industries. In order to examine the uniform opinion of these experts, an industry-by-industry approach was adopted, with the steel industry as the first industry. Much testimony was heard as to the reasons for their price increases. The subcommittee heard from the officials of United States Steel Corp., Bethlehem Steel Corp., National Steel Corp., and the United Steelworkers. During the course of the hearings it was established that shortly after July 1 when the United States Steel Corp., announced an increase of $6 a ton in steel prices, all the other steel companies fell into line by also raising their prices in the same amount. This steel price increase will result in a direct increase in costs of approximately $500 million to steel users. According to reports in various trade magazines, by the time these increases reach the consuming public, they will be considerably snowballed. The inflationary effect of such increases is apparent.

Mr. Robert M. Blough, chairman of the board of United States Steel Corp., stated the projected increase in cost of steel for a 4-door sedan, 1957 model, f.o.b. the factory, which sells for $2,630, would only be $1.58. Mr. A. B. Hosmer, president of Bethlehem Steel Corp., stated that the increased cost of an automobile selling for, say, $2,630 would be approximately $10. Mr. George M. Humphrey, chairman of the board of National Steel Corp., stated that the actual increased cost of steel in an automobile would be somewhere in the neighborhood of $8 to $10 an automobile.

The prices thus far announced by the automobile manufacturers for 1958 models which have come to the attention of the subcommittee have been increased considerably in excess of the amounts directly attributable to the increased price of steel.

Because of the inflationary impact that further increases in automobiles prices will have on our economy, I brought to the attention of the members of the Antitrust and Monopoly Subcommittee your published offer, in August of 1957, to the big three automobile companies that if prices on 1958 models were reduced to levels averaging at least $100 below the price for comparable 1957 models, the union would give full consideration to the effect of such reductions on the corporation's financial position in the drafting of 1958 wage demands in coming negotiations. I also called to the attention of the members of the subcommittee that this proposal was rejected publicly by the big three automobile manufacturers.

Members of the subcommittee unanimously decided that although your offer to the automobile companies was rather vague and indefinite, the opportunity should not be passed without having you and the big three

manufacturers of automobiles brought together, with the hope of arriving at a better understanding of the issues involved in a firm hold-the-line wage and price formula.

You are therefore requested to appear before the Antitrust and Monopoly Subcommittee at a hearing scheduled to be held on Monday, November 25, 1957, at 10 a. m., in room 318 of the Senate Office Building. To this same hearing there will be invited simultaneously heads of General Motors Corp., Chrysler Corp., and the Ford Motor Co. You will be the first witness to be heard. It is my hope that at this hearing there can be developed a better understanding of the problems involved in a formula for holding the wage and price line in the automobile industry.

Sincerely,

ESTES KEFAUVER, *Chairman.*

ANTITRUST AND MONOPOLY SUBCOMMITTEE,
November 19, 1957.

Hon. EVERETT M. DIRKSEN,
United States Senate,
Washington, D. C.

DEAR EVERETT: Upon my return from Europe today, your telegram of November 8 was handed to me by Rand Dixon, wherein you objected to the scheduling of automotive hearings by the subcommittee at which labor and management will be heard simultaneously. Senator WILEY, by his letter of November 9, concurs with you in this objection.

In my opinion this objection would be well taken if the request to appear simultaneously had presupposed a round-robin appearance. However, my suggestion that labor and management be invited simultaneously did not envisage simultaneous testimony. As Mr. Reuther had advanced the proposition that management reduce the price of 1958 automobiles, in return for which labor would take this into account in negotiating new contracts of employment, it was my intention that he should be heard first by the subcommittee. This was made clear in the last paragraph of my letters of invitation.

It was, and is still, my belief that Mr. Reuther should be able to finish his presentation during the morning of the first day of the hearing. Thereafter, I think the subcommittee should hear management witnesses in order. For this reason, I can see no objection to asking management witnesses to appear at the same time that Mr. Reuther is expected to testify. If they will do so, not only can the subcommittee immediately begin to hear them in the afternoon, but their presence during the appearance of Mr. Reuther will afford these witnesses the opportunity to answer anything that they care to answer that might have been said by Mr. Reuther. It would be my intention under this procedure to offer Mr. Reuther the right to make any rebuttal that he might care to make after management witnesses have testified.

There is a possibility that all of the witnesses cannot be heard during the first day. In this event, I can see no objection to asking the witnesses to remain over and finish the second day. Of course, it is possible that if Mr. Reuther desires to make a rebuttal statement, this may have to be heard the third day.

I cannot see how such a proceeding could be embarrassing to the subcommittee. On the other hand, I believe that such a proceeding will afford the subcommittee members, as well as both labor and management, an opportunity to explore the most troublesome problem facing America today, that is—how to sensibly work out a hold-the-line wage and price formula.

At the request of George Romney, chairman and president of American Motors Corp., and the specific suggestion of Senator WILEY, I have today invited Mr. Romney to appear at the same hearing at which Mr. Reuther and the heads of the big three automotive companies have been invited.

With kind personal regard,

Sincerely,

ESTES KEFAUVER,
Chairman.

(Copies to Hon. ALEXANDER WILEY and Hon. JOSEPH C. O'MAHONEY.)

JANUARY 14, 1958.

Mr. WALTER P. REUTHER,
President, International Union, UAW,
Detroit, Mich.

DEAR MR. REUTHER: Since receiving your letter of December 19 the subcommittee has been requested to fix a definite time and date for appearance for each of the witnesses which were requested to appear originally on January 28 in connection with the automotive pricing practices. As it is likely that these hearings will extend over a 2-week period, and in response to these requests, appearances of the witnesses have been fixed as follows:

Mr. Walter Reuther, January 28 at 10 a. m.; Mr. Harlow Curtice, January 30 at 10 a. m.; Mr. Henry Ford II, February 4 at 10 a. m.; Mr. L. L. Colbert, February 6 at 10 a. m.; Mr. George Romney, February 7 at 10 a. m.

May I assure you that the presentation of statements and the questioning of witnesses will be in accordance with the procedures followed in other hearings by this subcommittee, as well as other Congressional committees. I have written to each of the presidents of the four automotive companies which have been invited to appear and testify and reiterated to them the desire of the subcommittee that the companies be represented by the president. The fixing of definite dates for appearances was partially in order to accommodate each of the individual presidents and make their appearance easier.

I sincerely hope that the information requested in my letter to you of November 27 can be furnished to the subcommittee by January 17. I will also appreciate it if you will furnish a minimum of 12 copies of your proposed statement at least 24 hours in advance of your appearance.

Sincerely,

ESTES KEFAUVER, *Chairman.*

Mr. MALONE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I understand that the effect of the point of order made by the Senator from Louisiana is that I am not free to yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I ask unanimous permission that the Senator from Oregon may yield to me, without his losing the floor.

The PRESIDING OFFICER. Does the Senator from Oregon yield with that understanding?

Mr. MORSE. I am willing to yield if there is no objection. I have already indicated that I would yield with the understanding that I do not lose the floor. I notice the Senator from Louisiana is conferring, and I should like to call his attention to the fact that I am willing to yield to the Senator from Nevada, provided I do not lose the floor. I thought the Senator from Louisiana should know about the request, so no advantage would be taken of the fact that his attention had been directed elsewhere. I am happy to yield to the Senator from Nevada if there is no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

THE TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, on Tuesday the Capital of the United States was treated to a new spectacle. This is a new method of pressuring the Members of the Senate and of the House into continuing the distribution of American markets and cash to the European and Asian nations of the world.

PLAIN TAXPAYER FORGOTTEN AT WASHINGTON FOREIGN AID CIRCUS

The meeting, conducted by the president of the Motion Picture Association of America, Inc., was best described by the New York Daily News of this morning in its Washington Circus column which said in part:

Everybody important was there, from Harry and Adlai and Dean Acheson to the President himself. No plain taxpayer, though. Practically all hands agreed that $3.9 billion in foreign aid funds would be just right. But the remarks of one speaker, Bishop Fulton J. Sheen, got little, if any, attention. He suggested softly that it might be a good idea to export some spiritual aid along with the dollars.

JOBLESS MINERS, TEXTILE AND MACHINE TOOL WORKERS ABSENT AT BALLYHOO FOR GLOBAL GIVEAWAYS

Mr. President, there were apparently no unemployed miners, machine tool or textile workers, or livestock men there. This was, as pronounced by one legislator, a Hollywood extravaganza, directed by the leader of that great motion-picture industry, an industry which is continually before the Congress asking for reduction of admission taxes to its theaters in order to save that industry.

BIG NAME COALITION PLUGS FOR EXPORTING JOBS AND IMPORTING UNEMPLOYMENT

Mr. President, I am happy that the American people could observe the coalition pushing the world distribution of American jobs and importing unemployment through free trade, or free imports.

Mr. President, Mr. Dean Acheson, Mr. Truman's Secretary of State, who employed Mr. Dulles as his assistant when he was Secretary of State, said that the free-trade 1934 Trade Agreements Act was necessarily a part of a plan, and, too, that the billions of dollars to Europe were necessary in order to get those nations back on their feet.

The former Secretary of State, Dean Acheson, also said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs.

Each complements and supplements the other. They must be combined in a single unified and rounded policy.

OLD DISCREDITED PACKAGE OFFERED UNDER NEW LABEL

The International Trade Organization, which was proposed when Mr. Acheson was Secretary of State, was part of the great plan to transfer distribution of American markets to Geneva. The ITO was rejected when it came before Congress, so the international free traders have brought forward the same scheme in the same package but under a different label.

The Office of Trade Cooperation proposal is still before the Congress. It was rejected last year. It is exactly the same and is the successor of the International Trade Organization.

The principle of Congress, since the first tariff legislation in 1789, has been to adjust duties or tariffs to represent the difference in the effective wages and cost of doing business in this country and in the chief competing country on each product.

PRESIDENT MAY SACRIFICE ANY INDUSTRY, SAYS DULLES

Secretary Dulles, also a member of the great Hollywood extravaganza or the Washington circus to intimidate Congress, testified before the Senate Finance Committee in 1955, under my questioning, that:

"The President may, at his discretion, sacrifice a part or all of any American industry, if he believes that his foreign policy would be furthered thereby."

POWER OF PRESIDENT TO KILL INDUSTRY DERIVED FROM 1934 TRADE ACT

This, Mr. President, is possible under the 1934 Trade Agreements Act as extended to June of this year.

Under the 1934 Trade Agreements Act, as extended, the President may at his discretion refuse to recognize the peril point or the escape clause if in his opinion his foreign policy, including treaties and agreements with foreign nations, will be furthered thereby.

He can then, and does trade a part or a whole of an American industry for such treaties and agreements which all history shows will not be kept when the chips are down.

The General Agreements on Tariffs and Trade, under which 36 foreign competitive nations sitting in Geneva, Switzerland, are dividing the American markets among them through multilateral treaties continually lowering tariffs—is all conducted by authority of the 1934 Trade Agreements Act (so-called reciprocal trade), as extended to June 30, 1959.

THE GREAT DOLLAR SHORTAGE HOAX

Under the provisions of GATT such foreign nations are not themselves required to observe such treaties as long as they have a "dollar shortage"—which of course they can show until the American wealth and markets are equally divided among them.

Such foreign nations then resort to a manipulation of their currency value in terms of the dollar, quotas, import permits, exchange permits and many other subterfuges to prevent imports of any material or product produced commercially by them.

However, America is forced by the same provisions to avoid any such protection of its workingmen and investors under penalties which the organization is empowered to enforce under GATT.

FOREIGN TRADE PRINCIPLE OF FOUNDING FATHERS DISCARDED

It is clear then that the President, working through the State Department—or such competitive foreign nations under GATT in Geneva, is empowered to remake and is remaking the industrial map of America without regard to the long-range principle established by Congress in 1789 of adjusting the duty or tariff on the basis of fair and reasonable competition simply taking the profit out of the sweatshop labor at the water's edge.

Under this principle of Americans competing for the American market the highest living standard in the world was established.

Mr. President, there is now no principle involved in regulating foreign trade, and there has not been since 1934.

Mr. President, an editor of the New York Journal American, E. F. Tompkins, said yesterday in part, discussing the sacrificing of jobs, in an article Free Trade and Diplomacy that—

Now five members of the Commission—

The Tariff Commission—

assert that they would rather not have the responsibility which Congress may entrust to them.

That is the responsibility which was entrusted to the Tariff Commission from its inception, about 1915, until 1934.

FREE TRADE AND DIPLOMACY

Further quoting from the E. F. Tompkins editorial:

The Commissioners base their escapism on the free trade argument that, in escape clause appeals, the Commission restricts itself to the merits of a case, while the executive branch may consider other factors, such as foreign policy.

I have already described that foreign policy factor, Mr. President, and that is that the President himself can sacrifice a part or all of any industry if he thinks it furthers the foreign policy.

Now I am not casting any reflection on the present Chief Executive. He is a man of high principle and I have only the friendliest regards for him personally and as my President. He was not the President under whose administration the Trade Agreements Act was inflicted on the people. He was not the President who by a mere Executive order plunged us into GATT. He inherited them. But the power is there for him or any future President to exercise if he chose to do so. Actually the power is being exercised and has been exercised for the past 23 years, not by the President but by the State Department in the President's name.

Quoting further from Mr. Tompkins:

Actually, the Tariff Commissioners are accepting the theory that American jobs may be sacrificed to assist the State Department's internationalistic and foreign-aid projects.

MR. TRUMAN BRINGS FORTH GATT

Mr. President, in 1947, Mr. Truman, a part of this Washington circus of Tuesday, then President, transferred the constitutional responsibility of Congress to regulate foreign trade through the adjustment of the duties on tariffs to Geneva, Switzerland, under the operation called GATT, the General Agreement on Tariffs and Trade. All of this was done under the 1934 Trade Agreements Act, as extended.

Mr. President, now 36 foreign competitive nations are sitting in Geneva dividing the American markets among themselves through the authority granted by the 1934 Trade Agreements Act as extended to June 1958.

FREE TRADE, FREE DOLLARS FOR FOREIGNERS, BOTH INAUGURATED UNDER MR. TRUMAN

Foreign aid, Mr. President, started under Mr. Harry Truman and Mr. Dean Acheson and now Mr. Dulles testifies before the Senate Committee on Finance that it must be a permanent arrangement.

Mr. President, the principle of protecting American jobs and investments established in 1789 was reversed in 1934 by the Trade Agreements Act, the so-called Reciprocal Trade Agreements Act.

The distribution of American taxpayer's money to the nations of the earth—$70 billion since World War II—started in 1946 under Mr. Harry Truman.

Mr. President, we now witness the spectacle of President Truman, President Eisenhower, Mr. Dean Acheson, and Mr. Dulles, leading the Washington circus to intimidate Congress to continue importing unemployment and exporting on a world-wide basis American taxpayers' cash.

DEATH OF TRADE ACT WILL PRESERVE AMERICAN HOME MARKET FOR AMERICANS

Mr. President, the 1934 Trade Agreements Act expires in June 1958. If Congress does not extend the act, neither the State Department nor the 36 competitive foreign nations sitting in Geneva can further divide the American markets with the nations of the world through their bilateral and multilateral trade agreements.

Mr. President, on 2 to 6 months' notice after the expiration of the act all such agreements already made expire and revert to the Tariff Commission. The flexible duties on tariffs would be continually adjusted to represent the difference between the effective wages and the cost of doing business here and in the chief competing country on each product, and the American workingman and inventors would be back in business competing for the American market.

Mr. President, that will be, under section 36 of the 1930 Tariff Act, the law of the land in that event. The 1934 Trade Agreements Act was substituted for the 1930 act, and upon the expiration of the 1934 Trade Agreements Act there will be a reversion to the 1930 Tariff Act, which will include going back to the tariffs established at that time.

END OF GLOBAL HANDOUTS WOULD STRENGTHEN DEFENSE WHILE BRINGING ABOUT SIZABLE TAX REDUCTIONS

Mr. President, if the Congress does not vote for the $4 billion of American taxpayers' cash to be distributed among the nations of the world then the great international, socialistic scheme inaugurated under Mr. Truman will be at an end.

Mr. President, we should take the $15 billion which is now being expended annually on foreign aid and the surface defense of Europe, and transfer $7½ billion of the amount to the missile and airplane programs and use the remaining $7½ billion to lower taxes and make a payment on the national debt.

RED CHINA-JAPAN SIGN COAL, IRON, AND STEEL PACT

Mr. President, current news reports bring us information every day. I only desire to quote from one report in this morning's paper, which is a Reuters dispatch from Peking of February 26, with a headline Japan Signs Trade Pact With Peiping.

A Japanese steel mission visiting Peiping today signed a contract to supply China this year with steel products worth $28 million in exchange for coal and iron ore.

Prices and quantities covered in the agreement remain to be worked out. The mission's departure was delayed 24 hours and negotiations went on all night in an attempt to reach a settlement.

[Japanese-Chinese trade is based on such nongovernment agreements in the absence of diplomatic relations between the Tokyo and Peiping governments.]

JAPAN'S COMING RECOGNITION OF COMMUNIST CHINA

Mr. President, on September 11, 1951, the Senator from Nevada made a statement in the Senate Chamber, following the signing of the treaty worked out by Mr. Dulles and Mr. Acheson, signed in San Francisco just prior to that date. The Senator from Nevada said in part at that time in his discussion in the Chamber:

Why will Japan recognize Communist China? It will be because the United States of America, through the State Department, has made it impossible for them to recognize any other Chinese government.

I hope Senators will remember that these remarks were made in 1951.

We have been appropriating for Japan about three-quarters of a billion dollars each year since World War II. When we stop appropriating these funds, which, of course, we must do eventually, Japan must make its own living.

FREE TRADE—AND $750,000,000 ANNUALLY TO JAPAN

We now have free trade with Japan. They are sending their sewing machines, Christmas cards, precision instruments, and 101 other things, which under normal conditions would disarrange our American economy through eliminating American workingmen's jobs and wiping out American investments. However, by continued emergencies, bringing in constantly increasing taxes and new money from the sale of bonds to the American people, we are able to keep our economy going. Eventually we must protect our own higher standard of living from that of the 7 to 15 cents per hour Japanese labor.

I continue to quote:

Then when we stop sending three-quarters of a billion dollars to Japan annually, they must trade with China. Japan must buy her raw materials and sell her manufactured articles in China.

The final downfall of Nationalist China was the result of the brutal State Department action in utterly ignoring the almost century-old friendship between China and us and the fact that China is and probably was one of the few nations whose interests are parallel with our own.

ACHESON-DULLES TREATY WITH JAPAN A FAILURE

I mention this Japan-China treaty in passing. This trade has been going on for several years between Japan and China. It is true, it has been camouflaged. The Japanese must buy their raw materials, their iron ore and other materials from China and Manchuria, and must sell their goods there. So the treaty worked out by Acheson and Dulles was a failure on its face, and could result in nothing but failure.

I quote from a dispatch under the title "The Foreign-Aid Conference," by Peter Edson. The dispatch is dated February 26. This is apropos of the Washington circus or Hollywood extravaganza which was held on Tuesday. Mr. Peter Edson says:

Clarence Mitchell of National Association for Advancement of Colored People wanted to know if the United States was going to continue to give foreign countries arms which could be used to kill children, as in the recent French raid on Tunisia?

FOREIGN-AID-LABELED PROGRAM TO PRESERVE COLONIALISM—FRENCH RAID ON TUNISIA

In 1948, when this program started under the Marshall plan, the Senator from Nevada stood on the floor of the Senate and stated that if we started supporting the nations of the world, the program would become permanent. Now Mr. Dulles testifies that it must become permanent.

When the Atlantic Pact was under consideration in the Senate in 1947 or 1948 the Senator from Nevada said, "If we sign this Atlantic Pact we are guaranteeing the integrity of the colonial system throughout the world, and even with all our strength, we could not do that. The material and money we give to foreign nations will be used to hold their colonial system together."

Everyone knows that. It is mentioned at this time only to bring out the point.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. Is it not true that when the late Senator Vandenburg, as chairman of the Foreign Relations Committee, reported to the Senate the proposal to send $2 billion to China he stated that it might be pouring money down a rat hole, but he was for it anyway? He stated that giving a single dollar after 1952 would be unthinkable, and that certainly the entire program should be stopped by 1952.

DRAIN ON TAXPAYERS, ONCE STARTED, NEVER STOPS

Mr. MALONE. Nothing the Government has ever started has been temporary. There are temporary Government buildings downtown that were constructed 38 years ago. In 1934 the Trade Agreements Act was passed, for 3 years. It has been extended each time it has expired. It will expire in June of this year.

The foreign-aid program started in 1946 with a so-called loan to Great Britain of $3¾ billion. It was supposed to be a loan. Of course, it was a gift. That was only the beginning. Nothing ever started by the Congress of the United States that costs the taxpayers money is ever stopped.

Mr. LANGER. Does the Senator believe that the 5-cent stamp will be abandoned at the end of 3 years, in the event that it is enacted into law?

FIVE-CENT POSTAGE STAMP RATE PROMISES FURTHER RAISES

Mr. MALONE. There is not a chance on earth of any such event. The policy is to devote 1 cent of the 5-cent stamp price to the equipment of post offices. From then on the program will always be extended. From now on, every time it is desired to build a post office, we shall have to look into the first-class postage fund to see if there is enough money in it, and if there is not, we must raise the postal rates again.

For 180 years Congress built post offices and equipped them whenever the Postmaster General and the Post Office Committees of both Houses recommended it to the Congress and the Congress enacted the necessary legislation. In those days postal rates were adjusted on an equitable basis, as nearly as possible, with no relationship to construction. There is no debate in 180 years that shows that first-class mail and periodicals should carry their weight absolutely, regardless of what they can carry.

POSTAL SYSTEM SHOULD OPERATE AS SERVICE TO THE PEOPLE, NOT FOR REVENUE

Practically all the debate for 180 years shows that the postal service is a service rendered to the people. There has never been any question, up to this time, of making each class of postal service pay its way, any more than making the State Department pay its way.

DAMS FOR FOREIGNERS BUT DESERTS FOR AMERICANS

Let me make one further reference to Mr. Peter Edson's article entitled "The Foreign Aid Conference." This is under date of February 26, 1958. Mr. Edson says:

For instance, Warren H. Atherton, Stockton, Calif., former American Legion commander, wanted to know how come the United States was financing big dam construction in places like Asia and Africa, when all new starts on American reclamation projects were stopped?

Of course, that is a fair question. Under this program there would be no construction of projects in any way benefiting the American people. It has been the policy of Congress for 75 years under the flood-control program, and for 55 years under the reclamation program, to provide such projects. That program should be continued. That is the only way to help our people to make a living and pay taxes. There should be no transfer of those funds.

THE LATE TEX RICKARD OUTSMARTED

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Never Seed Anything Like It," published in the New York Daily News of February 27, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"NEVER SEED ANYTHING LIKE IT"

The late, immortal Tex Rickard, viewing the suckers battling for the privilege of paying up to $100 for tickets to one of his million-dollar fights, was quoted as remarking in awe, "I never seed anything like it."

Our feeling is that Tex would have loved Tuesday's all-day Washington extravaganza, as staged for 1,000 giveaway fans by that old master publicist, Eric Johnston.

Everybody important was there, from Harry and Adlai and Dean Acheson to the President himself. No plain taxpayers, though. Practically all hands agreed that $3.9 billion in new foreign-aid funds would be right, just right.

THEY MISSED THEIR CUES

It probably was just tough luck that somebody forgot to tip off workers left be-

hind at the State Department and the House Foreign Affairs Committee of the day's sweetness-and-light theme. Over at the House, horrified Representatives were being confronted by evidence of gross waste, mismanagement and thievery in previous handling of $24 billion in foreign aid. And saddened State diplomats were having to admit that our French friends had been so crude on February 8 as to use United States fighter planes to shoot up our other pals, the Tunisians.

The elegant crowd's lofty arguments for more and more overseas charity (with nobody at all mentioning Tito or Red Poland) already have been reported in full. But the remarks of one speaker, Bishop Fulton J. Sheen, got little if any attention. He suggested softly that it might be a good idea for us to export some spiritual aid along with our dollars. This especially to the Moslem world, on the great common ground that they and we of the West both believe in a kind and gentle God, whereas the Russians are militant, intolerant atheists.

Our thanks to Bishop Sheen for as thoughtful and constructive a program as was voiced during that whole weird shebang. And it would cost hardly a dime.

SACRIFICING JOBS

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, an article entitled "Sacrificing Jobs: Free Trade Diplomacy," written by E. F. Tompkins and published in the New York Journal-American of February 25, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SACRIFICING JOBS—FREE TRADE DIPLOMACY

(By E. F. Tompkins)

Freetraders were briefly elated when five members of the Tariff Commission declared they did not want to function as a Tariff Commission.

Under the Trade Agreements Act, Congress in 1934 gave the State Department tariff-making powers which the Constitution gives to Congress.

The State Department has accordingly reduced by 70 percent the statutory tariff rates fixed by Congress in 1929. Consequently, many American industries have been impaired, and much unemployment has been caused, by low-wage foreign competition.

To alleviate this damage, Congress some years ago inserted in the Trade Agreements Act an escape clause by which distressed industries may appeal to the Tariff Commission for relief. The joker was that the Commission could only recommend protective tariff increases, subject to Executive approval. The record shows that the Presidents, advised by State Department freetraders, have rejected most of the Commission's relief decisions.

The administration is demanding currently a 5-year extension of the Trade Agreements Act, with expanded authorization to reduce the remnants of the Congressional tariff schedules. And, in order to assist vulnerable industries, an amendment is proposed in Congress to deprive the executive branch of its powers of revision or rejection of escape-clause findings and to make Tariff Commission rulings final, subject only to Congressional action.

Now five members of the Commission assert that they would rather not have the responsibility which Congress may entrust to them.

MERITS OF CASE

The Commissioners base their own escapism on the free-trade argument that, in escape-clause appeals, the Commission restricts itself to the merits of a case, while the executive branch may consider other factors, such as foreign policy.

Actually, the Tariff Commissioners are accepting the theory that American jobs may be sacrificed to assist the State Department's internationalistic and foreign-aid projects.

This free-trade attitude has already been noticed before the Ways and Means Committee of the House of Representatives in public hearings on the administration's pending Trade Agreements Extension Act of 1958.

A witness on February 17 was Representative ELIZABETH KEE, who reported that low-tariff imports "are threatening to put West Virginia industries out of business" and that "the economic fate of thousands of residents of West Virginia" is at stake.

"Unfortunately," the Congresswoman said, "diplomatic strategy has been substituted for humane reasoning by many of the supporters of more liberal trade laws."

WHERE THE PEOPLE SPEAK

Mr. MALONE. Mr. President, the Hollywood extravaganza perpetrated here the other evening under the guidance of the so-called movie czar, had big name personalities. But it did not represent the plain taxpayer; it did not represent the grassroots, nor the legislature of any of our 48 States.

Out in the State of Nevada the people have spoken through their own chosen representatives, and they have spoken well.

NEVADA STATE LEGISLATURE

Mr. President, the legislature of my State of Nevada has passed strong resolutions against the extension of the 1934 Trade Agreements Act—so-called Reciprocal Trade Act—when it expires in June 1958. I ask unanimous consent to have the senate joint resolution of that body printed in the RECORD at this point as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 14

Joint resolution memorializing the Congress of the United States to resume its responsibility of regulating foreign commerce, and to allow the 1934 Trade Agreements Act to expire in June 1958

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the American workingmen's jobs or American investments; and

Whereas article I, section 6, of the Constitution of the United States, provides that the Congress shall have the power to lay and collect taxes, duties, imposts, and excises, and shall regulate foreign commerce; and

Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act, as extended to June 1958, with authority to transfer such responsibility to Geneva under the General Agreements on Tariffs and Trade: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada (jointly), That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts, and excises, through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act, which transferred such responsibility to the President, to expire in June 1958; and be it further

Resolved, That the secretary of state of the State of Nevada shall transmit copies of this resolution to each member of the Nevada Congressional delegation.

Adopted by the senate, March 11, 1957.

REX BELL,
President of the Senate.
H. E. ROWNTREE,
Secretary of the Senate.

Adopted by the assembly March 15, 1957.

WM. D. SWACKHAMER,
Speaker of the Assembly.
C. O. BASTIAN,
Chief Clerk of the Assembly.
CHARLES H. RUSSELL,
Governor of the State of Nevada.

AMENDMENTS OF SOCIAL SECURITY ACT

Mr. REVERCOMB. Mr. President, out of order, I introduce, for appropriate reference, two bills relating to the Social Security Act. It is my feeling that these amendments are very necessary to make the social-security program more applicable to the needs of the times.

The first bill would reduce to age 62 the minimum retirement age at which both men and women may start receiving full benefits.

The second bill would increase from $1,200 to $1,800 the amount an individual may earn annually without suffering deductions from the insurance benefits payable under the social-security program.

We have today one of the finest social-security systems of any country in the world. Great progress has been made under this program since its adoption in 1935. Numerous changes have been made. Coverage has been extended until today 9 out of every 10 workers and their families are provided with protection.

It is my feeling, however, that the social-security program still falls short of meeting present-day social and economic needs in a realistic fashion.

Reduction in the minimum retirement age, in my judgment, is a crying need, a necessity, if this program is to serve its purpose in this highly industrialized era.

We all know that older workers are finding it more and more difficult to obtain new jobs after they have been laid off or forced out of employment. Many of these unfortunate people, through no fault of their own, are forced to become wards of the State.

Let me emphasize, however, that the purpose of lowering the minimum retirement age to 62 is not to encourage workers to retire at an earlier age. Certainly an overwhelming majority prefer to work beyond the minimum retirement age, and they should be encouraged to do so. The purpose of this bill is to make the social security program more applicable to the needs of today. By lowering the minimum retirement age to 62, we provide a greater measure of security for those who are forced to retire because of loss of employment due to age or other adversity.

It is far better, I contend, to permit these people to receive social security benefits rather than force them onto the relief rolls.

Under the existing law, of course, women may start receiving partial benefits at age 62—but they do not receive

full benefits until they reach the age of 65. I contend, Mr. President, that they should be permited to receive full benefits at age 62, and that the same minimum retirement age should likewise apply to men covered by the social security program.

There is likewise a strong justification for increasing from $1,200 to $1,800 the amount an individual may earn annually without being deprived of full retirement benefits. Many of those living on small retirement pensions are finding it increasingly difficult to provide for their needs. They are still productive, and they are able to supplement retirement benefits by continuing in gainful occupations. In the face of today's cost of living, it is grossly unfair to limit these individuals to $1,200 of additional income on penalty of losing part of their retirement benefits.

Another weakness in our social security system also needs correcting. I refer to the disability provision whereby those between the ages of 50 and 65, who are permanently disabled, may receive disability insurance benefits.

However, it has already been well demonstrated that many totally disabled workers are unable to qualify for such benefits under the stringent interpretation of the law. I do not believe it was the intent of the 84th Congress, which amended the Social Security Act to provide for disability payments, to make it all but impossible for permanently disabled workers to qualify.

Last year I introduced two bills to correct this situation, and it is my hope that these amendments will also be adopted along with the two bills I have introduced today.

I know that most Members of the Senate are well aware of these particular problems, and I invite their support of these amendments, which I feel will bring our social security program up to date and make it more applicable to the needs of the times.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the bills will be received and appropriately referred, and the bills will be printed in the RECORD.

The bills, introduced by Mr. REVERCOMB, were received, read twice by their titles, and referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 3377. A bill to amend title II of the Social Security Act to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to both men and women at age 62.

Be it enacted, etc., That section 216 (a) of the Social Security Act is amended to read as follows:

"RETIREMENT AGE

"(a) The term 'retirement age' means age 62."

SEC. 2. (a) Section 202 (a) (3) of the Social Security Act is amended by striking out "the age of 65" and inserting in lieu thereof "retirement age."

(b) The last sentence of section 202 (a) of such act is amended by striking out "Except as provided in subsection (q), such" and inserting in lieu thereof "Such."

(c) Section 202 (b) (2) of such act is amended by striking out "Except as provided in subsection (q), such" and inserting in lieu thereof "Such."

(d) Section 202 (j) of such act is amended by striking out paragraph (3).

(e) Section 202 (k) (3) of such act is amended by striking out "any reduction under subsection (q) and" and "(after reduction under such subsection (q))."

(f) Section 202 (m) of such act is amended by striking out "and subsection (q)" each place it appears.

(g) Subsections (q), (r), and (s) of section 202 of such act are repealed; and subsections (t) and (u) of such section are redesignated as subsections (q) and (r), respectively.

(h) Section 203 (b) (3) of such act is amended to read as follows:

"(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or".

(i) Section 216 (i) (2) of such act is amended by striking out "the age of 65" each place it appears and inserting in lieu thereof "retirement age".

(j) Section 223 (a) (1) (B) of such act is amended by striking out "the age of 65" and inserting in lieu thereof "retirement age (as defined in section 216 (a))".

(k) Section 223 (a) (1) of such act is amended by striking out "he attains the age of 65" and inserting in lieu thereof "he attains retirement age".

SEC. 3. Section 3121 (a) (9) of the Internal Revenue Code of 1954 is amended to read as follows:

"(9) any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of 62, if he did not work for the employer in the period for which such payment is made; or".

SEC. 4. (a) (1) The amendment made by the first section of this act shall apply only in the case of lump-sum death payments under section 202 (i) of the Social Security Act with respect to deaths occurring after 1958, and in the case of monthly benefits under title II of such act for months after December 1958.

(2) For purposes of section 215 (b) (3) (B) of the Social Security Act (but subject to paragraph (1) of this subsection)—

(A) a man who attains the age of 62 prior to 1959 and who was not eligible for old-age insurance benefits under section 202 of such act (as in effect prior to the enactment of this act) for any month prior to January 1959 shall be deemed to have attained the age of 62 in 1958 or, if earlier, the year in which he died;

(B) a man shall not, by reason of the amendment made by the first section of this act, be deemed to be a fully insured individual before January 1959 or the month in which he died, whichever month is the earlier; and

(C) the amendment made by the first section of this act shall not be applicable in the case of any man who was eligible for old-age insurance benefits under such section 202 for any month prior to January 1959.

A man shall, for purposes of this paragraph, be deemed eligible for old-age insurance benefits under section 202 of the Social Security Act for any month if he was or would have been, upon filing application therefor in such month, entitled to such benefits for such month.

(3) For purposes of section 209 (l) of the Social Security Act, the amendment made by the first section of this act shall apply only with respect to remuneration paid after December 1958.

(b) The amendments made by section 2 of this act shall take effect January 1, 1959, and shall be applicable with respect to monthly benefits under title II of the Social Security Act for months after December 1958.

(c) The amendment made by section 3 of this act shall be effective with respect to remuneration paid after 1958.

S. 3378. A bill to amend title II of the Social Security Act to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title.

Be it enacted, etc., That (a) (1) paragraphs (1) and (2) of subsection (e) of section 203 of the Social Security Act are amended by striking out "$1,200" wherever it appears therein and inserting in lieu thereof "$1,800", and (2) such paragraphs and paragraph (1) of subsection (g) of such section are amended by striking out "$100" wherever it appears therein and inserting in lieu thereof "$150".

(b) The amendments made by subsection (a) shall be effective, in the case of any individual, with respect to taxable years of such individual ending after 1958.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. LANGER. I am delighted with the remarks of the distinguished Senator from West Virginia. Ever since he has been in the Senate he has been a great friend of social security. The very problems he mentions have bothered a great many Senators. The amendments he proposes to the Social Security Act should have been adopted a long time ago. I hope the Senator will push them. I am satisfied he will have the solid backing of those of us in the Senate who are convinced that the interpretation of the law passed by the 84th Congress has been too stringent. I congratulate the Senator. He has rendered a great service.

Mr. REVERCOMB. I appreciate very much the remarks of the Senator from North Dakota. Perhaps he recalls that I took the position some years ago that persons who are permanently and totally disabled should be retired at any age. That proposal came before the Senate in the form of an amendment I offered to a bill which was before the Senate at the time. The amendment did not carry; it was defeated. However, as an aftermath, and some years later, in 1956, the payment of benefits was authorized to totally and permanently disabled persons who were 50 years of age; the age was reduced from 65 to 50. I still believe that persons who are permanently disabled and who are totally disabled should receive benefits when their disability occurs. That is the purpose of one of the bills now pending before the committee. I believe the time will come when that proposal will be adopted. I thank the Senator from North Dakota for his very helpful remarks.

Mr. HILL, Mr. CASE of South Dakota, Mr. KEFAUVER, and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; if so, to whom does he yield?

Mr. MORSE. I yield first to the Senator from Alabama; then I shall yield to the Senator from South Dakota, the Senator from Tennessee, the Senator from Minnesota, and the Senator from Kansas, all with the understanding that I shall not lose my right to the floor.

DEATH OF ED O'NEAL

Mr. HILL. Mr. President, I learned with sorrow of the death last night of Ed O'Neal, a distinguished Alabamian, a leader of American agriculture, and a personal friend.

Ed O'Neal served with distinction as president of the American Farm Bureau Federation for 16 years, from 1931 to 1947, and before that he served as vice president of the American Farm Bureau Federation and as president of the Alabama Farm Bureau Federation.

Many of my colleagues will recall the personal charm and courtly character of Mr. O'Neal. He was a warm personality, a good friend. But at the same time he was a tenacious worker, a vigorous exponent of his beliefs, a man of inexhaustible energy and splendid courage.

Ed O'Neal was first and foremost a farmer and an agricultural leader. He came from a long line of distinguished forebears whose names are a part of the history of Alabama. He was distinctly a product of Alabama and of the South, of its people and culture, its soil and philosophy.

In 1941, on the occasion of the celebration of his 20th anniversary of leadership in American agriculture, it was my pleasure to say of Ed O'Neal:

> He has wrought wonderfully, not only for the farmers but for the whole country. He stands forth today as one of the greatest agricultural statesmen in the history of our country. He is one of the accepted leaders of the entire Nation.

It is always sad to learn of the death of a friend. But it is a consolation to recall that Ed O'Neal enjoyed life to the hilt, that his was a good life and well spent, and that he enjoyed the honor and respect of his fellow Americans.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I wonder whether the Senator from South Dakota would permit me to yield first to the Senator from Iowa. He tells me that what he has to say will take only a minute, and he must leave the Chamber.

READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

Mr. MARTIN of Iowa. Mr. President, the Post Office Department furnishes one of the most vital services offered by any individual or organization in this country. It is difficult to conceive of what American life would be like without our mail services.

The rates charged by the Post Office Department for these postal services, rates set by the Congress, traditionally have been geared to making overall post office operations pay their own way. Today, the basic first-class rate is the same as it was 25 years ago but costs of operation have increased substantially and the volume of mail handled by the Department has bounded upward. The result is that the Department is not now, and has not been for several years, paying its own way.

That leaves us with a simple choice. Will we leave the Post Office Department operating on a deficit basis, with the deficit coming out of the Federal Treasury and therefore out of the taxes which must be paid by all Americans? Or will we raise rates enough to put the Department back on a self-sustaining basis, so that its costs of operations will be borne by those who use the mails—the people who take advantage of the services offered by the Post Office Department?

To me, the choice is clear. I think post office costs should be paid by those who use the services. I am voting for the rate increases proposed in this bill because I believe it is the only way of maintaining our postal services at satisfactory levels but at the same time shifting the burden of their costs away from the body of taxpayers, who long have been suffering such a burdensome load even without having to make up the post office deficit.

The postal deficit, Mr. President, now is running at a rate of nearly $700 million for this year. If we pass a badly needed postal wage increase, as I am sure we will, the deficit rate will jump to more than a billion dollars a year.

Furthermore, the overall postal facilities of the Nation are in an alarming state of inadequacy and obsolescence. This condition will become worse with each passing year, as the population grows and the mail volume grows with it. A major modernization and improvement of the entire post office plant, including installation of modern machinery to speed handling of the mail and cut down on time-consuming manual labor, is essential.

If our mail facilities are inadequate today, as they are, then how can the post office possibly move the mail efficiently by 1970, when it will be handling almost 20 percent more volume for a population of 200 million Americans, unless we provide the funds necessary for improvement and modernization of those facilities now?

There are those who say we are placing, in this bill, too heavy a burden on the individual citizen and too light a burden on the publishers and the commercial users of third-class mail.

This, in my opinion, is simply not true.

About 75 percent of all first-class mail is business mail. The rates in this class of mail have not been changed since 1932. Traditionally, first-class mail, as the preferred and expedited service of the post office, has returned more than 140 percent of its allocated costs.

Today, for the first time in history, first-class mail is losing money. This bill, as it stands, will restore first-class mail to its traditional place in the postage rate structure.

There is no doubt that the rates on second- and third-class mail have been too low for years. But if they are increased more than is proposed in the present bill as reported out of the Post Office and Civil Service Committee, we would be hurting a large segment of our economy, and the damage would be felt most, not by the big fellows of the publishing and third-class mailing industries, but by the little fellows who are struggling to make a living.

Since Congress sets the postage rates, we cannot, in all justice and fairness, completely ignore the responsibility placed upon us by generations of our predecessors in both Houses, who have made low postage rates a way of life for the users of these classes of mail since 1879.

Certainly the rates for second- and third-class mail should be raised; in this bill, as amended and approved by the committee, they are being substantially increased. But it would be impractical and unfair to impose rate increases which would make these classes of mail anywhere near self-sustaining. That would be disastrous to both the publishing and the direct-mail industries of the country.

No, Mr. President; the solution to the post office's twin problems of insolvency and obsolescence is in this bill. It is the only solution that will provide revenues sufficient for the job; it is the only solution that will protect the little fellow and place the financial burden of the badly needed modernization program exactly where it should be, on the people who actually use the mails.

NOMINATION OF AXEL J. BECK TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF SOUTH DAKOTA

Mr. MORSE. I now yield to the Senator from Tennessee [Mr. KEFAUVER].

Mr. CASE of South Dakota. Mr. President——

Mr. MORSE. Mr. President, I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I merely wish to thank the distinguished Senator from Oregon for agreeing to yield to the Senator from Tennessee to make a statement.

Mr. KEFAUVER. Mr. President, on Monday the Committee on the Judiciary reported favorably the nomination of Axel J. Beck, of South Dakota, to be a United States District Judge for the District of South Dakota.

On Tuesday morning, while I was attending a meeting at the Statler Hotel, I read in the newspaper an article to the effect that Mr. Beck's recommendation had been, in effect, turned down by the Standing Committee on the Federal Judiciary of the American Bar Association. Thereupon I requested that action upon his nomination by the Senate be held up until I could inquire of Mr. Bernard G. Segal, the distinguished attorney in Philadelphia, who is chairman of the American Bar Association's Committee on the Federal Judiciary, the reasons why his committee was not in support of Mr. Beck.

At the time I asked that the nomination be held up, I was not aware of the fact that there was on file in the office of the Committee on the Judiciary a letter from Mr. Segal. The letter from him was to the effect that the American Bar Association committee could not indorse Mr. Beck as qualified for the appointment. However, Mr. Segal states, the

committee "has concluded it will neither recommend nor oppose the confirmation."

Finally, this morning I reached Mr. Segal, who with his committee performs a very excellent service for the Committee on the Judiciary, the judiciary, the Senate, and the American people, in looking into the qualifications of nominees for judicial positions.

I feel that whenever an American Bar Association committee takes a position, it should be given great consideration, and that we should go into the reasons for any adverse recommendations made by that committee, as a matter of deference to them.

I reached Mr. Segal on the telephone, and he authorized me to state what he had to say.

Mr. Segal said that the commissioner for the district in which South Dakota is located had made an investigation; that there was a considerable dispute or difference of opinion as to who the best man for the position would be; that there was some opposition to Mr. Beck because of his age, which is 63; and that the general feeling of the committee was that if anyone was over 63 years of age, unless he had exceptional ability or experience, a younger person would be a better selection, because it takes some time for a Federal judge to learn his work. Because the dockets are crowded, it is a very hard job, and a younger man would be more suitable for such a position.

Mr. Segal said that the committee had decided they could not recommend Mr. Beck, but that there was no question about his character, his honesty, or his temperament. Their committee found him to be a man of good reputation and good standing, and there was no question about these matters.

Mr. Segal also said he did not think his committee would wish to stand in the way of the consideration of the nomination by the Senate at this time.

I feel that in these matters the American Bar Association committee's recommendations should be given serious and careful consideration. I do not oppose the confirmation of the nomination of Mr. Beck. I feel that the attitude and the recommendation of the Senators from the State involved, who have personal knowledge of the reputation, standing, and ability of the nominee, should be given the greatest and most serious consideration and weight by our colleagues in the Senate.

The Senators from South Dakota [Mr. MUNDT and Mr. CASE], in whom I have great confidence, have strongly recommended the confirmation of the nomination of Mr. Beck.

Mr. President, I wish to withdraw my request that action on the confirmation of the nomination of Mr. Beck be delayed, because I have received the information that I wanted. Since there is nothing against Mr. Beck's integrity or character, I do not wish the nomination to be delayed any longer.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Senator from Tennessee for the statement he has made.

Mr. CARLSON. Mr. President——

Mr. MORSE. Mr. President, I am happy to yield to the distinguished Senator from Kansas.

FOREIGN OIL IMPORTS

Mr. CARLSON. Mr. President, through the kindness of the Senator from Oregon, I shall make a brief statement concerning the oil situation.

Congress is now facing the problems accompanying the proposal to extend the President's authority to enter into foreign-trade agreements. While I have heretofore supported, and hope to be able to continue to support, this program, I feel strongly that any extension of the President's authority to enter into foreign-trade agreements must contain effective safeguards that will permit essential domestic industries to survive and prosper, particularly those industries, such as the petroleum industry, that are so vital to our national security.

We wrote into the trade laws, back in 1955, the national-security amendment designed to keep those industries strong which are so essential to the security of this Nation. I felt at that time that this provision would be the answer. Events subsequent to this action have showed that the national-security provision has not as yet answered the problem as to oil imports. We had in mind at that time that this provision would effectively hold oil imports at the levels recommended by the President's Advisory Committee on Fuels and Energy Resources, namely, to the "respective proportion that such imported oils bore to domestic production of crude oil in 1954." This relationship has not been accomplished. However, if this ratio is not soon accomplished, I fear that irreparable damage will be done to the domestic industry and to the Nation's security.

It is my feeling that we have come to a final reckoning in this important matter. Domestic oil has given many times its share in our so-called reciprocity program in trade. For example, prior to World War II oil imports amounted to about 5 percent of domestic production, whereas last year this had increased to well above 20 percent. We have reached a point where we are either going to put our defense policy as to foreign oil into effect or invite disaster. We threaten our security and an entire industry by further coddling the handful of American oil importers.

If action is not soon forthcoming to effectively reduce oil imports, at least to the 1954 ratio further—if required to salvage the domestic oil-producing industry, then I am convinced the Congress must write essential safeguards into any extension of the trade-agreements program.

Another Suez crisis, without an industry in this country capable of again coming to the rescue of our allies, could lead to world war III. That would be a tremendous and useless price to pay for failure to recognize the dangers now presented by foreign oil.

When it adopted the defense amendment in the 1955 extension of the Trade Agreements Act, almost 3 years ago, the Congress believed it had provided an adequate answer to the problem of excessive imports of oil and other essential commodities. Today that problem is more critical than ever. It worsens each day, and we have reached a point where foreign oil on which we could not depend in emergency presents a threat to our very existence.

Despite sincere and commendable efforts by the administration to solve the oil-imports problems by voluntary means, the objective of maintaining a sound domestic oil economy has not been reached. The present voluntary program falls far short of the action required. The domestic-oil producing industry will no longer respond to mild sedatives. The industry activities so essential in maintaining a vital oil-producing industry have deteriorated to a point requiring further positive action.

There is no question but what the domestic petroleum industry is being undermined and retarded. Drilling throughout the Nation, and in my own State of Kansas, has declined sharply. Exploration activity continues to drop.

Domestic oil production is at its lowest mark in years. Employment in petroleum production and drilling activities is seriously reduced and continues to fall. Almost 4 million barrels daily, or 40 percent of domestic oil producing capacity, is shut in the ground for lack of markets. The economy of the large block of southwestern oil States is in a nosedive. The serious nature of these reduced activities in one of our primary defense industries can only be described as critical.

Oil imports recently reached an all-time high, despite the fact that domestic production has been reduced again and again. The domestic producer is in the position of doing all of the giving and the importers all the taking.

In addition, a host of so-called new importers are appealing to be admitted under the current voluntary program. They have requested to import 225,000 barrels of crude oil daily. During the week that they were presenting their petitions, the State of Texas found it necessary to reduce oil production for March by more than one-half million barrels daily below February. Other States are also making production cuts. It is, therefore, obvious that imports should be substantially reduced and not increased.

When the Congress adopted section 7—the national security amendment—of the 1955 Trade Agreements Extension Act, it was with the understanding and expectation that this amendment would be so administered as to hold oil imports within this 1954 ratio.

As a member of the Senate Finance Committee concerned with this amendment, I consulted with representatives of the administration concerning the oil import problem. I was assured that this amendment would be used to hold im-

ports to the 1954 ratio which had been recommended by the President's Cabinet Committee on Energy Supplies and Resources Policy. I reported within the Finance Committee, and stated in the floor debate on the amendment, that I had received these assurances.

I know the President and the Cabinet Committee are fully cognizant of the seriousness of the oil import problem. I know that it is receiving careful consideration. I hope that corrective action will be taken at the earliest possible time. If the President's authority under the defense amendment is not adequate to meet this problem, then Congress, in my opinion, must amend the national-security provision of the trade laws so as to assure that oil imports will be held within the 1954 ratio which has been determined to be the maximum safe limit.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated February 24, 1958, addressed to me by the Kansas Independent Oil & Gas Association, and also the text of a resolution adopted February 21, 1958, by the board of directors of that association.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

KANSAS INDEPENDENT
OIL & GAS ASSOCIATION,
Wichita, Kans., February 24, 1958.

Hon. FRANK CARLSON,
The United States Senate,
Washington, D. C.

DEAR SENATOR CARLSON: Enclosed herewith is a copy of a resolution unanimously adopted by the board of directors of this association on February 21, 1958. The independent oil producers in Kansas are deeply concerned over the failure of the President's voluntary oil imports program. The major oil-producing States in the midcontinent area have had to make deep cuts in domestic production of crude oil in order to make way for an ever-increasing flood of foreign imports.

This situation is weakening our capacity to explore, find, and produce new reserves of American petroleum resources. It has created economic hardship by idling over 50 percent of the drilling rigs in Kansas alone. Unemployment in Kansas oilfields is higher today than it has been at any time during the last 15 years.

Oil companies, both large and small, have pulled out of Kansas in recent months, taking with them an estimated annual investment of risk capital amounting to $60 million.

The recession in the Kansas oil industry has been felt in 82 of the State's 105 counties. This condition is almost entirely attributable to excessive foreign oil arriving daily in the United States. It can be corrected only by enforcing some method of control upon those companies that are responsible for ignoring the recommendations of the President's Advisory Committee on Fuels Policy.

Sincerely,

TOM ORR,
Executive Secretary.

Whereas due to decreased domestic consumption and continued excessive and unjustified imports of foreign oil, the supply of domestic oil substantially exceeds domestic demand, which has resulted in pipeline proration and sporadic price cuts, which will spread unless supply and demand are brought into balance; and

Whereas a general cut in the price of crude oil, coming at a time when the industry is weakened by constantly mounting costs which have not been offset by any increase in the price of crude oil would necessarily result in drastic curtailment of exploratory activities, with accompanying widespread unemployment within the industry and damage to the economy of the State as a whole; now, therefore, be it

Resolved, by the Board of Directors of Kansas Independent Oil and Gas Association—

1. That this association recommends to the State corporation commission, conservation division, that the daily allowable production for the month of March 1958 be reduced 10 percent below the daily allowable for the month of February 1958.

2. That this association deplores the continued excessive imports of foreign oil and urges the Federal authorities to take such action forthwith as is necessary to enforce a like reduction in the amount of imports.

3. That a copy of this resolution be sent to each Senator and Representative from Kansas.

DESIGNATION OF AMBASSADOR JAMES J. WADSWORTH TO BE DEPUTY REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS

Mr. HUMPHREY. Mr. President——

Mr. MORSE. Mr. President, I am glad to yield to the distinguished junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I have just received notice that the Department of State has announced the designation of Ambassador James J. Wadsworth to be Deputy Representative of the United States to the United Nations, to represent this country in future negotiations designed to achieve an agreement on disarmament.

The appointment of Ambassador Wadsworth clearly underscores the importance and urgency which the United States attaches to solving this critical problem and in moving toward the kind of a world in which both large and small nations can devote themselves to peaceful pursuits free from the fear of war. The age of nuclear weapons which we are now in, and the space age which we are entering, make still more imperative the achievement of an international agreement which will effectively limit armaments in a manner compatible with our security.

I know of no one better qualified, either by temperament or experience, to represent the United States in future negotiations on this most vexing of problems, than Ambassador Wadsworth. As this country's Deputy Representative to the United Nations, he has had wide experience in dealing with the disarmament problem, both in the Security Council and the General Assembly, as well as in the Disarmament Commission and its subcommittee. As many of my colleagues may be aware, I had the privilege of serving as a member of the United States delegation to the United Nations General Assembly for the Assembly's 11th session. I thus had the opportunity to work closely with Ambassador Wadsworth during the debates on the disarmament issue. I have the highest regard for his abilities.

Ambassador Wadsworth is no stranger to the problems imposed by the nuclear age. In January 1956 he was appointed United States representative for the International Atomic Energy Agency negotiations. In August 1956 the President designated him as the United States representative and chairman of the delegation of the United States to the 87-nation conference which successfully concluded negotiations for the establishment of the International Atomic Energy Agency. Later, Ambassador Wadsworth served as the United States representative on the Preparatory Commission of the International Atomic Energy Agency. This organization, which holds such promise for the future, held its first conference last fall, and is now in operation. The effective negotiations by which the Agency was established were, to a large extent, due to the tireless efforts of Jerry Wadsworth and his ability to deal effectively with the Soviet negotiators.

All of us, I am sure, can be confident that Ambassador Wadsworth will make a substantial contribution in his new endeavors to assist in this Nation's quest for a just and lasting peace.

Mr. President, I wish to add that I am very, very much pleased to see this fine American, who has rendered such faithful service to our country in connection with international councils, receive this very important and yet very difficult assignment.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota has the floor by permission of the Senator from Oregon [Mr. MORSE].

DISARMAMENT

Mr. HUMPHREY. Mr. President, the second of two articles by the President's former Special Assistant on Disarmament Matters, Mr. Harold Stassen, appeared in this morning's New York Times. I ask unanimous consent that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET TALK SOON, ASKED BY STASSEN—HE PROPOSES U. N. AS SITE FOR SUMMIT MEETING—SAYS GENEVA DID YIELD GAINS

(By Harold E. Stassen)

PHILADELPHIA, February 26—An early meeting between President Eisenhower and the group of men ruling the Soviet Union is highly desirable in the interest of peace.

When major powers possess the unprecedented capacity of destruction to mankind that they now do possess, the responsible heads of such governments should talk and talk.

The contacts for any such governments should not be limited to letters, nor to foreign ministers, nor to ambassadors. They should include face-to-face across-the-table sessions of the top men, and the sooner the better.

These would serve the objective of peace and would advance the true interests of the people of both sides and of mankind.

GENEVA TALK ACCLAIMED

I believe that the 1955 summit meeting of Geneva did have constructive results for peace.

It led to the establishment of the atoms-for-peace program, now actively going forward with headquarters in Vienna. It opened up the Iron Curtain for greater flow of people and ideas in both directions. It

led to more thorough negotiations on other subjects. Some of these negotiations increased understanding and some progress has been made.

And the Geneva summit meeting sharpened the full awareness on both sides of what a devastating mutual loss would result from a hydrogen-bomb war.

I believe that the best way to conduct the next summit meeting would be to hold it at the United Nations in New York with President Eisenhower, Secretary of State Dulles, and a leading Democratic and Republican Senator on the United States side of the table. The Secretary General of the United Nations, Dag Hammarskjold, who was unanimously reelected to his post, should serve as the moderator of the conference.

I consider that the atmosphere of the conference would be better, and the prospects for constructive results would be improved, if the Soviet Union did not sit alone on the Communist side of the table. The heads of the Governments of Czechoslovakia and Poland could well be included together with the heads of the Governments of Britain and France and the United States. This would lead to six governments plus Mr. Hammarskjold at the table.

These Governments should consult thoroughly in advance, and during and after the conference, with the many other governments that are concerned in the various world issues that endanger the peace.

I do not share the fears expressed in some quarters of such a summit meeting. I have great confidence that President Eisenhower and Secretary Dulles would never make an agreement that was not sound and sensible for the United States. They would see to it that any agreement made would be an advance in the interest of a durable peace. And the Governments of both the Soviet Union and the United States are aware that it would not be in either's interest to break up the session in an angry exchange of name-calling.

MINIMUM RESULTS CITED

This summit conference at the United Nations might well prepare the way for patient detailed negotiations on the complex, difficult problems during the ensuing months. This is the minimum result that might be achieved by such a conference.

One of the major achievements that might come out of such a summit meeting could very well be the 2-year trial period and first-step disarmament limitation and suspension of nuclear explosions within a rigid system of inspection such as I outlined in the first article.

This summit meeting could well be the forerunner of further meetings of heads of government in future years, while the vigorous competition between the ways of life between the free system and the Communist system continued.

The mutual interest in avoiding the devastation of a hydrogen-bomb war can and should be translated into a stronger United Nations, and into effective methods of organizing the control and reduction of the arms of the world.

PRESIDENT IS CALLED ABLE

President Eisenhower is especially able and effective in direct across-the-table talks with other responsible men. His discussion with other heads of government during the last 5 years, and, in fact, his contacts with other top men during the last 20 years, have invariably led to some progress of a favorable nature.

President Eisenhower has had experience in war and in peace such as very few men in all history have had.

In any talks with him, it is soon apparent that he is straightforward and deeply devoted to the sound objectives of our country in a broad-gaged manner.

He never indulges in the devious double-talk that sometimes is a characteristic of talks between some diplomats. His long talks with Prime Minister Jawaharlal Nehru at his farm in Gettysburg and in Washington made a real contribution to the understanding on both sides. His sessions with such diverse personalities as Sir Winston Churchill and King Saud of Saudi Arabia and Emperor Haile Selassie of Ethiopia, all had good results.

This is why I believe that in the years immediately ahead there should be a minimum imposition upon the President for ceremonies and social occasions and political caucuses and a maximum use of his incomparable talents in plain-speaking sessions with the heads of governments of the Soviet Union and of other countries of the world.

MEETING IN SUMMER URGED

Once this policy and this principle are clearly established, the preparatory work for such conferences can go forward with dispatch and with efficiency. A thoroughly prepared summit conference could readily be held in the latter part of June of this year; or in July or early August at the United Nations headquarters, if the decision is promptly made to hold one.

Thus any specific immediate agreements resulting from such a meeting could be taken up by the United States Senate before it closed its work in this Congressional session

Furthermore, the negotiating and technical groups that should follow through from such a conference could carry out their work and be ready to report to the new Congress when it meets in January 1959.

For those who express disappointment when an international meeting fails to come up with sensational results, let me emphasize that the importance of major international meetings such as a summit conference is that they help maintain direct contacts between leaders of governments and they focus world attention on constructive efforts to resolve problems.

Thus they aid in a more thorough understanding of the positions, interests, and viewpoints on each side. Misunderstanding and miscalculation are two of the principal sources of war in the centuries of recorded history. Plain, direct discussion will contribute to peace.

Mr. HUMPHREY. Mr. President, the Chicago Star-Telegram has recently published a series of articles entitled "Great Decisions of 1958." The first of these was written by Ernie Hill, from London, and was entitled "United States Must Try To Cut Tensions With Talks Soon." As one additional indication of the trend of thought in central Europe, where Mr. Hill has recently been, this article is of special interest.

I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREAT DECISIONS OF 1958—CAN WE DEAL WITH RUSSIA?—UNITED STATES MUST TRY TO CUT TENSIONS WITH TALKS SOON

(By Ernie Hill)

LONDON, February 1.—I have just finished a trip through central Europe up to the lookout posts of the Czech-Hungarian Iron Curtain.

It was one of the most disturbing experiences I can remember.

I found State Department officials and Pentagon attachés badly demoralized.

The men from State complained that there is no room left in the Department for original thinking or new ideas. They felt compelled to echo the clichés of Secretary of State Dulles whether they believed them or not. They have lost initiative and zeal for their work.

And the military attachés said the Pentagon is so fouled up with bureaucratic red-tape that its ability to function appears nil.

Talk of the imminence of war with Russia was shocking.

They were spellbound by the no-negotiations belief of Dulles and the phony aspects of the Paris NATO meetings—new missile bases for countries that don't want them and for missiles we won't have for another 2 years.

There is a general feeling that there are ways of diminishing the prospects of war with the Communist world.

But there is conviction that the United States is moving hellbent in the opposite direction on an avalanche of worn-out Dulles slogans.

What can be done? How can we stop this onrush toward nuclear extinction?

UNITED STATES CAN TAKE STEPS TO LESSEN TENSIONS NOW

Before examining some of their ideas, it might be well to consider a recent statement of George F. Kennan, former United States Ambassador to Russia, made on British television.

Kennan, the architect of the containment policy of President Truman, says there is nothing in the doctrine of Marx and Lenin that suggests that the Soviets try to conquer the world by direct military onslaught. It was their idea that it was to be done by small uprisings against capitalism in each country.

Kennan says he has never believed that Russia had any intention of trying to subdue the West by military conquest.

However, he is beginning to fear that the Soviets might be pushed into such precipitant action by missile base encirclement and constant needling.

This is a generally recognized view of other Soviet students.

But getting back to what can be done now, here are ideas I have heard expounded by American experts in the last few weeks:

1. Inaugurate a series of top-level talks with Russia. President Eisenhower's suggestion for a foreign ministers' conference first to set an agenda makes sense if we can get it. If we can't, agree to an agenda through diplomatic channels. But see that the meeting takes place by summer. If the foreign ministers meet first, keep Dulles from scuttling summit talks. Make sure talks result from preliminary meetings.

2. Let the talks be bilateral between Washington and Moscow if necessary. Don't admit that the Russians are too smart for us. Talks between the two great powers would be better than Russian Premier Bulganin's suggestion of a meeting of 30 to 40 heads of state. The best number would be 4 or 5 at the most. A large majority of the world would rather see two-power talks than none at all.

3. Investigate the possibility of a unified Germany denuclearized along with Poland and Czechoslovakia—the Rapacki plan. There is much to be said against the plan although Kennan, Bertrand Russell and others have favored it. Discussing it might lead to other possibilities.

4. Admit that we consider nuclear weapons the great deterrent that has kept Russia in check. Try to get agreement on reduction of men in uniform, conventional arms and military posted in other countries. We have never been serious about abolishing nuclear arms, and we might as well admit it and try to get agreement on things that could help reduce tension.

5. Negotiate a status quo in the Middle East, admitting that Russia now has a voice in the area. It will rankle, but it will be realistic. And it might save Israel and avert a world war.

6. Admit to ourselves that the Soviet Union and her satellites are here to stay until at some point in history the rot starts from within. Recognize the fact that we

must live in the same world until Russia's inherent weaknesses create a new situation.

7. Inaugurate more cultural and tourist exchanges with Russia, aware that each visitor who gets a look at the other country helps our cause a great deal. (I have seen British Communists of 20 years standing go into Russia Red as a bullfighter's cape and come out as white as a sheet.)

8. Get negotiations started again on arms limitation and nuclear weapon control. This should become a top topic when, and if, there is a summit conference.

YOUNG RUSSIANS IMPATIENT FOR BETTER LIFE

But the U. N. disarmament subcommittee must be put back to work. A breakdown cannot be allowed.

Give these ideas a try. None by itself will solve the larger problem. But the success of a few could change the heavy atmosphere of today.

We have a difficult role to play.

But we cannot play it by burying our heads in the sand and saying we will not negotiate with Russia now, but only after another 4 or 5 years when maybe we can negotiate from strength.

We had a dozen years to negotiate from strength, but we never negotiated anything worth while.

So we can't do any worse now. The Soviets are ahead in intercontinental missiles—as their sputniks proved—but we still have strategic bases, a powerful air force and enough allies.

I personally have a feeling that the white hot zeal for communism is cooling in the Soviet Union and has dropped a number of degrees in the satellites.

A younger generation of Russians wants a better life today. The promises of 40 years are beginning to wear thin.

We must allow this trend to run its normal course.

Nikita Khrushchev claims he wants to defeat us through peaceful economic competition.

We should accept that challenge. Because economic competition is a field in which we have long excelled.

We must help liquidate the cold war, not intensify it.

And the best way to do this is to keep talking with the Soviets. Keep all the avenues for agreement open.

It is impossible to say whether time is on our side or theirs. There are too many variable factors. We have no choice in 1958 but to believe that it is on our side.

It may be true that the Soviets really don't want any agreement now, that we will be wasting our time.

If this is true, we should be fully prepared to unleash a most vigorous propaganda program pointing out to the world the true state of affairs.

We should be in such a position that other countries will never be able to say we didn't try even though we had no faith in Russian appeals for summit negotiations.

We have no choice but to initiate new ideas and keep initiating new ideas. The alternative is too bleak even to contemplate.

GREAT ISSUES

Mr. HUMPHREY. Mr. President, it was my privilege in December 1952 to participate in one of the most impressive, well-organized, and effective student conferences I have ever witnessed—the SCONA III program at the Agricultural and Mechanical College of Texas, the third annual student conference on national affairs.

This student-inspired, student-planned, and student-conducted conference brought together outstanding student leaders from some 62 universities and colleges in the United States, Canada, and Mexico, to explore some of the central issues of the United States foreign policy.

These fine young Texas A. & M. students best described their SCONA III as—

An informal seminar to survey the impact of world problems on the Nation that has emerged the leader of the Free World. It is an attempt to grasp the complexity of these problems, rather than to solve them. It is a long-range effort to promote enlightened, responsible citizenship, through free discussion of the crucial issues of our time.

I can testify that the eager, energetic, enlightened interest of the young participants certainly reflected the success of SCONA in serving those aims.

The conference was founded in the belief that the select group of college seniors and juniors in attendance will be among the future leaders in public affairs who will influence the whole people, who have always been the final authority in directing the course of this Nation.

Educational institutions represented at the conference included:

Abilene Christian College, Alabama Polytechnic Institute, Baylor University, Colorado State University, East Texas State College, Hardin-Simmons University, Howard Payne College, Iowa State Teachers College, Kansas State College, Lamar State College of Technology, McGill University, McMurray College, Mexico City College, Mississippi Southern College, Mississippi State College, Monterrey Institute of Technology, New Mexico College of Agriculture and Mechanic Arts, North Texas State College, Northwestern State College of Louisiana, Oklahoma City University, Oklahoma State University, Sam Houston State Teachers College, Southern Methodist University, Southwest Texas State Teachers College, Southwestern Louisiana Institute, Southwestern University, Southwestern University at Memphis, Stanford University, Stephen F. Austin State College, St. Louis University, St. Mary's University at San Antonio, Texas College of Arts and Industries, Texas A. & M. College, Texas Christian University, Texas Technological College, Texas Wesleyan College, Texas Western College, Texas Woman's University, The Principia College, Rice Institute, Trinity University, Tulane University of Louisiana, United States Air Force Academy, United States Military Academy, United States Naval Academy, University of Alabama, University of Arkansas, University of Colorado, University of Denver, University of Arizona, University of Florida, University of Houston, University of Kansas, University of Mississippi, University of Missouri, University of New Mexico, University of Nuevo Leon, University of Oklahoma, University of Texas, University of Toronto, University of Wichita, Washington University—St. Louis—and West Texas State College.

It was my privilege to address the gathering on United States foreign policy. Other principal speakers included Gen. Carlos P. Romulo, the distinguished Ambassador of the Philippines; and Maj. Gen. John P. Daley, director of special weapons, in the Office of Research and Development of the Department of the Army—the top missile man in the United States.

I wish to commend the SCONA executive committee for effective handling of this conference: Jack E. Nelson, chairman; Charles H. McKinley, Ronald D. Steward, and Jay B. Bisbey, vice chairmen; D. Lamar Smith, secretary; Don D. McGinty, president of MSC council; and Robert H. Kidd, chairman of the great issues committee. Many other Texas A. & M. students took an active role in various committees which arranged and conducted the conference, under the general guidance of Dr. Walter H. Delaplane, dean of the School of Arts and Sciences; Dr. Robert B. Kamm, dean of basic division and student personnel services; and the Honorable OLIN E. TEAGUE, Congressman from the Sixth District of Texas, in which this great educational institution is located. Public-spirited citizens and business firms of Texas and elsewhere, recruited by the student committees, are making these annual conferences possible.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of my address to this outstanding group of young people.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS ON FOREIGN POLICY BY SENATOR HUBERT H. HUMPHREY, OF MINNESOTA, BEFORE THIRD STUDENT CONFERENCE ON INTERNATIONAL AFFAIRS, AGRICULTURAL AND MECHANICAL COLLEGE OF TEXAS, DECEMBER 13, 1957

Ladies and gentlemen, delegates and participants in this third student conference on international affairs, as some of you may know, your program committee asked me to appear here 2 days ago to discuss the topic How Can the Situation in the Middle East Affect the Rest of the World? That is still a good question, and there are many aspects of the Middle Eastern situation which I should like to discuss before I conclude these remarks.

However, between the time my topic was selected and various telephone calls from my office which resulted in rescheduling my visit until today, much has happened to divert attention from the situation in the Middle East to the situation in the United States and how it affects the rest of the world.

Pericles: "I am more worried about our own faults than the plans of our enemies."

Perhaps wisdom, like charity, begins at home. So I should like to begin this afternoon with a brief review of our own strengths and weaknesses and possibly, since this is Friday, the 13th, allude to some of our national superstitions as well.

Such a review is particularly timely right now because the people of the United States during the past few weeks have suddenly become apprehensive, introspective, and soul-searching. A couple of years ago when our Secretary of State first talked about conducting agonizing reappraisals, he had in mind something which we presumably were going to conduct on other governments and other peoples if they did not behave as we desired. At the moment, the United States is going through an agonizing reappraisal all right, but it is a reappraisal of ourselves, our basic concepts, our security, our policies, and our place as a world power.

I suppose that we ourselves have never entertained any real doubt about our basic ideals and objectives. We want to safeguard

and enjoy the blessings of democracy, freedom, progress, and justice here at home. Wherever possible, we want to join with like-minded people around the world in preserving and extending these same objectives elsewhere.

Following our emergence from World War II in our new and unaccustomed role as the world's major power, we sought to implement these ideals and objectives in certain basic institutions and policies:

1. We took the initiative in organizing the United Nations even before the war was over, conscious of the worldwide, centuries-old yearning for practical organizational efforts toward peace.

2. We took the lead in encouraging and financing a whole host of independent or United Nations-connected agencies to promote man's well-being—the ILO, UNRRA, FAO, UNESCO, WHO, the U. N. Children's Fund, and the U. N. Technical-Assistance Program.

3. We took the lead 10 years ago in proposing international controls for atomic energy at a time when we were the sole possessors of nuclear power.

4. We recognized the postwar economic fight of our friends and allies in Europe and devised dramatic and effective programs of economic assistance through interim aid and the Marshall plan.

5. We recognized, too, that the people of Germany and Japan also deserved our help in their return from dictatorship and defeat to freedom and recovery.

6. We had hoped against hope for continued cooperation with the Soviet Union, but when Kremlin intransigence again appeared, we met it forthrightly in Iran, Greece, Turkey, and the Berlin blockade.

7. We showed that, sick and tired as we were of war, we were determined to resist aggression militarily if need be, and to resist it not alone but in concert. We proved this by building NATO in the West and by fighting a bloody and disagreeable war in Korea for 2½ years.

8. We electrified the world with our point 4 proposal in 1949, not because it was one of several points in a Presidential inaugural message, but because in a meaningful way it put us in direct touch with the hopes and strivings of half a world of needy human beings.

Here were the institutions and policies through which we sought to achieve our ideals and objectives. They were not achieved overnight. NATO and the Marshall plan took months to build and consolidate. A tremendous amount of detailed, tedious planning and effort went into them. A multitude of decisions had to be made at many levels. But the point is, we were making decisions. And we were not either a Mr. Big or a Mr. Busybody. We were a partner, willing to consult and cooperate on a day-to-day basis for mutual advantage.

On the surface many of these institutions and policies still remain, but somehow many of them have been drained of the vitality and sense of commitment which they once enjoyed. We have only to look at the world around us to see the extent of the damage.

In the United Nations, fewer countries have been working with us year after year. On colonialism and other issues, United States policy has been increasingly caught in the crossfire between Western European and the Asian-African nations.

In the United Nations agencies and independent international organizations, we have been preoccupied with budgetary matters. Instead of campaigning to expand the services of these agencies, we have been campaigning for a reduction in our own financial contribution.

In planning for the crucial NATO conference about to take place in Paris, we have collectively wrung our hands over our own alleged inability to come up with any new nonmilitary ideas, while systematically rejecting many of the imaginative ideas which have been proposed by our NATO allies—so much so that the London Economist recently described our attitude toward NATO as "hell bent for half measures."

In the field of immigration policy, we have refused to make any basic changes in our discriminatory immigration law. We are the world's richest country; but we have left, to nations far less capable economically, the brunt of the tragic Hungarian emigration. Canada, our good neighbor on the north, has a far better record in this respect than we.

In our role as the world's leading creditor nation, we should surely be applying the lessons we learned from our disastrous trade and tariff policies of the 1920's and early 1930's. Instead, everyone assumes that we shall have another tough fight in Congress on reciprocal trade, and the GATT proposal has only a slight chance of passage.

The administration to whom we look for leadership on both these issues has, instead, just raised the tariff on safety pins and clothes pins—two new recruits to the growing list of "defense industries" for tariff protection purposes.

In the vital field of information, the USIA has been victimized by serious deficiencies of personnel and programing, as well as by the unnecessary political activities of its former director. Tragically enough, this agency has become a political football just at the time when we need it most.

In the equally important fields of cultural exchange, we have been frightened and timid. We have engaged in modest experimental programs, when we should be thinking in bold, even massive, terms.

In competitive exhibits in the field of international trade fairs, the U. S. S. R. is about to triumph over us once more at the Brussels Fair next spring.

These are just some among many basic reasons, selected at random, for the crisis in confidence from which American policy now suffers. Pick up any magazine, any newspaper in the months between Little Rock and the Vanguard fizzle a week ago, and you will find plenty of evidence for this crisis in confidence. The evidence is coming in from all corners of the earth, and rightly or wrongly, has come to rest in Washington, D. C.

In the United States itself, so deep is the general dissatisfaction with our present overall situation that sober, responsible columnists last weekend were flooding the Nation's leading newspapers with outbursts of pessimism and appeals for leadership—directed toward the only place where leadership can come, the White House. Let me give you a few examples. I shall quote columnists, not politicians, because columnists are less suspect and are widely supposed to have fewer axes to grind.

In the New York Herald Tribune, Mr. Walter Lippmann wrote: "Why is there no good prospect that the country will close ranks and rally to the President's standard? The answer, I am afraid, is that the President has raised no standard to which the country can rally."

In the Washington Post, Mr. Chalmers Roberts turned to the lines of I Corinthians XIV, 8: "If the trumpet gives an uncertain sound, who shall prepare himself for battle?"

Mr. Roberts said: "Seldom short of war, has the mood of Washington appeared so gloomy to so many. It must be said in all candor that the trumpet thus far has indeed given forth an uncertain sound. And what is worse, there are no signs that its sound will change."

In the New York Times, Mr. James Reston also turned to the Bible to begin his column: "Where there is no vision, the people perish."

Mr. Reston went on to say, "Washington is in trouble today, not because it has lacked motion, but because it has lacked the vision, imagination, and drive to adjust its policies and institutions to the scientific, political and social revolutions of our time. We are in a race with the pace of history. We are in a time when brain power is more important than fire power. But in the last 5 years, the President has gradually drifted apart from the intellectual opinion of the country and filled up his social hours with bantering locker room cronies."

These are harsh judgments and would be suspect if they came from the President's political opponents. Instead, they now represent a common view. It is also, of course, delicate even to raise questions of presidential responsibility at a time when the President himself has again suffered a physical setback.

Nevertheless, it is customary for our people to look to the presidency for leadership in time of crisis. No one doubts any longer that this is such a time. Sputnik has finally brought home to us certain hard, inescapable facts. Of course, many of these facts have been there for some time. Voices which previously warned about them have been pooh-poohed or ignored—termed prophets of doom and gloom.

Today sputnik symbolizes, as nothing before has done, the total Soviet challenge to our free society in all its aspects: our educational system, our technology, our economy, our political decision-making process, and certainly one of our most fundamental assumptions—that a free people by their free choice can mobilize their wills and their resources to provide a better life than any dictatorship can offer through a police state.

It is as if the beep-beep of a sputnik and the chortles of a Khrushchev have combined to say to the world: "Western democracy has lost its purpose. It is loaded with fat and riches and is incapable of direction or discipline to meet the challenges of the 20th century."

It is a ringing, convincing answer to this accusation that everyone wants and expects from Washington and the United States today. All that has been forthcoming so far is a great deal of talk about military missiles and a good many press releases about the need to train a few more scientists and engineers to catch up with the Soviets. No doubt we shall have to do a great deal of both. Our military shield has been shown to have great gaps which must be repaired and filled with all possible speed. Our deficiencies in technology are important, and training more scientists and engineers will help repair them.

But the final decision between democracy and communism will depend on what we do behind the shield which the military and the scientists provide for us. Weapons cannot bring peace—only the time that is needed to wage peace.

I said I was going to mention superstitions. My dictionary describes a superstition as "an irrational attitude of mind, a belief in magic or chance."

Perhaps the greatest superstition prevailing today is that our military or our scientists can win this great 20th century battle for humanity by sole concentration on missiles and antimissile-missiles and anti-anti-missile-missile-missiles. In reality, my friends, they can only hope to provide us with that advantage which military preparedness has always had—the time to win by other means.

I think we ought to recognize one thing quite clearly. A tacit mutual suicide pact between us and the Soviet Union is no answer at all to the basic problems the world wants solved.

As Gen. Omar Bradley said in a magnificent speech last month: "The central problem of our time is how to employ human intelligence for the salvation of mankind. For 12 years now we have sought to stave off ultimate disaster by devising arms which

would be ultimate and disastrous. * * * When are we going to muster an intelligence equal to that applied against the sputnik and dedicate it to the preservation of this satellite on which we live? If we are going to save ourselves from the instruments of our own intellect, we had better soon get ourselves under control and begin making the world safe for living."

General Bradley has posed in precise terms the overriding question on which our future will hinge. Its answer may well determine not only our ability to lead but even our ability to survive in the decades ahead.

If we are to answer that question helpfully at all, our policymakers must first rid themselves of some other superstitions that have gripped them during the past few years. Many of these superstitions are superstitions which people in Washington have about the people in the rest of the United States. I have three in mind:

1. There is the superstition that the American people are currently so preoccupied with enjoying their material wealth that they cannot be galvanized into action for the long pull ahead. We are said to have become accustomed to soft living. Frankly, I think this is a disgraceful assumption. In the midst of all of our current so-called prosperity—and, by the way, that prosperity is not as widespread as some would have us believe—in the midst of it, we Americans are still among the hardest working, on-the-job people in the world. We are ready to buckle down, once we know the task before us.

2. There is the superstition that the American people want to be fooled, like to be reassured that all is well, wish to be told that minimum effort achieves maximum results. Time and again we have been given empty reassurances like these from the highest possible quarters—listen—

The President at first told us that he was not bothered "one iota" by the military implications of sputnik. The Secretary of State has been telling us off and on for years that the Soviet economy was crumbling, that American prestige was never higher, that we were going to liberate the satellites, that the end of foreign aid was somewhere just around the corner, etc. The Secretary of Defense for the last few years was a man who could say, "Basic research is when you don't know what you are doing," who once scolded at a press conference that the Air Force had no business flying to the moon, and who said when first asked about American research in the satellite field, "I have enough problems on earth."

The Secretary of the Treasury for the last few years was a man who has left a heritage all over the administration of budget cutting, trimming, tailoring, scrimping, protecting the debt ceiling, and whistling bravely in the dark to keep up our courage, while we take the gravest risks with our safety and security.

Now, it seems to me, that these gentlemen have vastly underestimated the American people. They have been superstitious about our ability to absorb the shock of meeting the real challenge facing us. So they hid that challenge from us, and fed us myths and reassurances—or didn't know—which is equally serious.

As far as I am concerned, it has not been soft living but soft thinking which has nearly been our undoing. It has not been the so-called soft living of the American people, but the soft thinking of our leadership.

3. There is another superstition which has seemed to immobilize this administration. That is the superstition that the political risks required by effective leadership are too great.

The assumption is that the opposition to foreign aid is so strong that it is better not to ask for what is really needed, for, say, a sizable loan to India right now. The assumption is that the protariff forces are so strong that we cannot get, and therefore will not go all-out to enlist support for, the long-term trade policies that our leadership role requires. The assumption is that the strength of ultraisolationist groups in this country is still so strong, that nothing bold should be proposed to consolidate NATO politically or culturally or to strengthen the U. N. and expand its role in world affairs. Frankly, I question the validity of these assumptions. I think they are superstitions chiefly useful as excuses for inaction and timidity by our Government.

My friends, we need a leadership that will brush away these superstitions, take the risks that may exist, and lead. It is this precious element of decisiveness which we lack and need.

Now my purpose today is to do more than criticize. It is to discuss with you ways and means to restore the strength and position of the United States as the Free World's leader in the quest for peace and security.

And this is a challenge for each of us. Building better international relations obviously involves more than action by Government alone. Clearly, we must arouse our Government and awaken the administration, but we must also dedicate our own personal energies as citizens to the task of national security and world peace. We must show that the united efforts of free people can be greater than the enforced, monolithic effort of the Communist system. We must tap, all across the board, our great resources—to do as your statement of purposes for this student conference proclaims—to help promote a generation of responsible leaders in international affairs.

There are areas where men and women, including many of you here today, working as individuals and through private organizations, can work constructively and in harmony with our major objective of world peace. The personal dimension remains all important.

There has been a great deal of comment in recent months about the qualifications of some of our ambassadors to hold the positions they have. Of course, it is outrageous to have a man selected as an ambassador merely because he is a heavy political contributor and without regard to his qualifications or experience. But it continues to happen.

Now for the sake of the record, I want to say that I do not necessarily believe that Foreign Service career people always make the best ambassadors. Indeed, many of our best ambassadors have been men and women whose lives have been lived within the boundaries of America, close to the everyday life of America.

It is time our Government recognized that our Ambassadors should be drawn from the ranks of the leaders of our educational institutions, leaders of our farm and labor organizations, the leaders of our minority and nationality groups, from civic-minded people, with a dedication toward international understanding. I think of people like Mrs. Eugenie Anderson, a housewife of Red Wing, Minn., and our former Ambassador to Denmark; and Chester Bowles, a businessman and politician with a heart, who represented us so magnificently in India.

We have talked a great deal in recent years about private investment by American businessmen abroad as a way of strengthening America's foreign policy. I believe in the promotion of that private investment and I want to encourage it. However, there is another kind of investment which can be equally, if not more, advantageous.

I refer to the investment of time and devotion which can come from American citizens traveling and serving abroad. I can think of church leaders and labor union members, engineers, farm and business managers, teachers, nurses, doctors, scientists, students—devoting a year or two of their lives, working in Asia and Africa and South America, in satisfying, worthwhile, constructive endeavor. There can be no greater or more effective way to transmit the real America to the rest of the world and to win its friendship.

A weakness in our foreign policy is that too much attention is paid to the formalities of diplomacy and too little attention to the workers in the factories, to the natives in the villages—to the students and teachers. How paradoxical this is.

Our history, our heritage, our experience in self-government, yes, our own Revolution, are in fact the sources of our strength. Our foreign policy is weakened and limited to the degree that we forget, or fail to apply, the yardstick of our own democratic experience to the complex and intricate problems of the world in which we live. We will not enhance freedom by aping the enemies of freedom. Democracy and free institutions are not made more secure by utilizing totalitarian techniques. To be strong we must be true to ourselves.

It is time, therefore, that we walked confidently with the full stature and strength of our history and our present capacities as a people. In a world that is desperately in need of capital, we have the greatest capital resources of all. In a world where people are anxious for the blessings of science and technology, we are richly endowed with these blessings. In a world where the majority of people are ill-housed, ill-fed, and ill-clad, we are privileged to have an abundance of food and fiber and the knowledge of scientific progress for health and shelter. In a world where tyranny and cynicism are widespread, we have faith and confidence in our democracy.

For too long our foreign policy has been based on fear rather than hope, on reaction rather than action. Let me use colonialism as an illustration. We have been afraid of revolutions in Asia and Africa, when in actual point of fact we should have helped develop and harness those revolutions, and helped the new nations along the road to independent development.

I am fully convinced that the truly good news of the 20th century is that millions of people in Asia and Africa are repeating in their own way the dramatic story of American independence. This is our message to the world—the message of self-determination, liberation, faith in human dignity, and human ability. This message of brotherhood and human equality is our reservoir of good will.

Having said this much, let me become quite specific. How should we relate our policies to this world in revolution? What are the essential elements of a revitalized foreign policy for the United States?

First. Certainly we need breakthroughs in the science of energy and space, if only because without them we will be at the merciless whim of the Kremlin. Yes; we must marshal and expand our resources of science and engineering which we lost by penny-pinching neglect and contempt for basic research.

Second. We must reevaluate our defense budget and be willing to spend what the situation requires. We must also reevaluate some of our basic strategic concepts. A single-minded concept of massive retaliation has had terribly dangerous implications in reducing our flexibility to meet unforeseen, nibbling actions. A determination to make all wars massive, or not to fight them at all, has had the effect of paralyzing our policy, since few, including the Soviets, believe we will take the massive risk. Soviet not blow the world to bits—just pick it up bit by bit—operation Nibble.

Third. We must frankly come to grips with the knotty problem of reassessing our relations with the Communist world. We must

both meet the threat of Communist expansionism, and yet not let it immobilize us. Somehow we must strive to blunt its sharp edge, keep open the bridges of possible agreement on specific issues, and lose no opportunity to demonstrate peaceful intent. We must decide to do a very difficult thing—keep up our guard at the same time as we try to increase contacts. Regardless of the recognition issue, I am convinced that this effort must apply to our relations with Red China as well as with the U. S. S. R.

Fourth. We must adopt the long-range perspectives on the world. We cannot expect changes overnight. Constructive policies in Africa and Asia must be geared to a long-term effort. History is not written in a day. It will be fatal if we insist on quick results. If, instead, we could adopt a long-term perspective, our whole psychological approach to issues like foreign aid would take on a more healthy and realistic aspect.

Fifth. We must deliberately seek to break out from the holding-operation atmosphere of our present policy. We need to seek as many outlets as we can find for constructive international endeavor consistent with our basic democratic principles.

Obviously, therefore, we should join with the spirit of independent nationalism that grips the underdeveloped and underprivileged countries, remind these people that we, too, are the children of self-determination, of revolution, and of a will to freedom and independence. Nearly half the people of the world are in nations which have recently emerged or are yet to emerge. They will be a powerful force in decades to come, and we must help them prepare to use their strength in behalf of freedom.

Sixth. We should respect the neutrality of newborn nations. These neutrals are not pro-Communist; they are pro-themselves. I suggest as long as nations remain free, as long as they work for themselves and build their own economies, they are barriers to Communist penetration, strengthening the forces of freedom in the world.

Seventh. We must make much greater use of our economic strength to help other free nations develop themselves and bring the blessings of freedom to their eager and impatient peoples. This is a weapon of peace and plenty which the Soviet Union could not match provided we utilized our capacity. At the moment, the alarming fact is that the Soviet Union is matching us in economic assistance to underdeveloped countries. In fact, the magnitude of the Soviet foreign-aid program is startling.

In addition to $7 billion of economic credits granted to Eastern Europe and China since 1945, the Soviet Union has pledged credits of more than $1.8 billion to the underdeveloped countries outside the Iron Curtain in the 2 years that its aid program in these areas has been functioning.

In Egypt, Syria, Afghanistan, and India the effects of this Soviet assistance are beginning to be felt. In these countries Soviet economic aid is available on highly favorable terms—long repayment periods and interest rates as low as 2½ percent per year. (Low enough to curl ex-Secretary of the Treasury Humphrey's hair.)

Communist China has also been busy in this field making extensive grants to Cambodia, Ceylon, and Nepal.

Moreover, a striking feature in the foreign-aid picture at the moment is that the Soviet effort is increasing while this country's effort is shrinking. We can still reverse this trend if we have the will to do it. We still have the capacity to outdo anything the Soviet Union can possibly manage in aid to uncommitted nations. But if this country refuses to use its capacity and seeks its security in balanced budgets and budget ceilings, protective tariffs, and a Maginot line of missiles, then Soviet competition in the vast underdeveloped areas can be enough to turn them toward communism.

The outstanding case in point, of course, is India. This great free nation, whatever political differences we may have with it, holds the key to the future of south Asia. If the Indian development plan should fail, it would be an open invitation to the Communists to overrun south Asia as they overran China. And it is in danger of failing, for want of half a billion dollars which we, along with other Western nations can lend. This is only a very small part of the total capital for the Indian development plan; by far the greatest part, the Indians are squeezing from their own hard-pressed economy.

But this capital loan from the outside may be the margin between success and failure, between demonstrating that a free and independent people can develop their country and raise their standard of living, or surrendering to the brutal and ruthless methods of Communist development. We should be grateful we still have the opportunity to help them meet this test. Would we prefer that the U. S. S. R. should do it? What would we not give now, if we could have the opportunity to make such a choice in China? Let us not have to debate a decade from now "Who lost India."

Eighth. We should step up our own point 4 program, at the same time that we continue to work through the U. N. and help expand U. N. technical assistance. No program has been more rewarding or has greater promise for a comparatively small investment.

Here, too, the Communists have actively entered the field. The Soviet-Chinese bloc has at this very moment some 2,000 technicians working in 19 underdeveloped countries of the world. An equal number of technicians from these countries are studying in the Soviet Union. Still others are receiving Soviet-financed training at home.

It will be utterly foolhardy if we allow the Soviet Union to usurp what should be good basic American and Western ground. We are the people hitherto known to the world as technologists, scientists, engineers. One of the most precious products in the world today is a reservoir of trained technical personnel. We have always had such a reservoir and we should contribute from it unstintingly to the areas of the world that need our help.

Indeed, at the NATO conference next week we should be thinking in terms of coordinating technical assistance programs for the underdeveloped areas. This is a concept which could naturally flow from proposals which undoubtedly will be discussed for pooling NATO's training of scientists and engineers.

This also will be an excellent forum for our own State Department to review its cutback of the number of scientific attachés now being stationed in our own embassies abroad. In fact, the presently unused assets of soft currency, now owned by the United States in NATO countries, should be considered as a possible source of loans to the countries desiring and needing to expand their scientific and other educational pursuits.

I do not mean to suggest that pooling scientific and technical resources is something which should be restricted to NATO. Delegates at this very conference come from many parts of the Western Hemisphere. You know as well as I do that there is a vast untapped source of collective strength here in the two American continents. When we talk about pooling scientific endeavor, I think someone should start to pay some attention to another of our failures—the failure to move ahead in a meaningful way to coordinate research activities in the Western Hemisphere. This can be a two-way street. Our Latin American friends not only need and deserve increased capital investment and technical assistance from the United States and Canada, but the talents and energies of our friends south of the border ought to be mobilized and utilized far more effectively in this mutual effort.

Ninth. We should more actively, constructively, and imaginatively use our blessings of food and fiber as a powerful force for freedom. Our abundance is a tremendous asset, not the curse some are inclined to make it appear. In a world where millions lack enough to eat, we should be humbly thankful that we are blessed with abundance—and we should be wise enough to use that abundance for the sake of humanity.

I am proud to have had a part in the formulation of the program under Public Law 480 by which we can not only use our abundant stocks of foods and fibers to relieve acute emergency shortages elsewhere in the world, but also to help economic development programs where they are urgently needed. We in this country do not know what it means to have to choose between a necessary rate of investment and enough to eat; we must do what we can to help ease that choice for others. A breakthrough in the conquest of hunger is more significant than the conquest of outer space. We have hardly scratched the surface of what can be achieved with our abundance under the concept of Public Law 480, and its full potential must be utilized without further delay. Food policy should be a part of foreign policy.

Tenth. While we maintain our armed strength, we must continue to explore all possibilities for agreements to control armaments. And we must manage to convey to the world the sincerity of our passion for peace and for control of arms as a means of diminishing the danger of war. This is a subject on which I, myself, feel very strongly, because as chairman of the Subcommittee on Disarmament of the Senate Foreign Relations Committee, I have followed closely the efforts to reach agreement with the U. S. S. R.

I appreciate the difficulties of trying to negotiate such an agreement with impenetrable and unpredictable Soviet representatives. But I appreciate also the need to have a clear, unified policy of our own (which we have not always had) and to convince not only the Russians but the whole world of the earnestness and sincerity of the American people's determination to lift this dark shadow from themselves and from all mankind.

In this connection, it is time that we spent more on disarmament. The best reliable figures on the cost to the United States of the recent London disarmament conference, including salaries, transportation, and living expenses of the entire American delegation was something like $325,000. To be sure this figure is not to be sneezed at, but we also know something about relative costs. A single submarine now costs $42.5 million. One general who watched a recent test firing of a Jupiter missile commented that firing rockets is comparable to burning $10 bills by the ton.

While we make these massive expenditures, and I do not question the basic necessity to do so, I think that our safety might be increased, and our long-term expenditures might be reduced, if we spend a little more on the active effort toward peace.

Eleventh. We must set a good standard at home, particularly in two areas that so vitally affect our foreign policy—immigration and civil rights. As long as the subject of science and missiles is so uppermost in our national consciousness, we might pursue the matter a little further and ask: How many brilliant scientists have we turned away from the shores of this country because of our restrictive immigration laws? How many promising Negro children during the past generation have been denied an opportunity to develop their skills in this land of the free? Why do we still differentiate among national origins?

These questions go to the heart of American democratic behavior. If over the years our principles themselves have not been strong enough to control our practice, perhaps sputnik will again be a blessing in disguise and force us to face up to issues which we should have faced anyway.

Let me now in conclusion attempt to apply some of these principles specifically to the situation in the Middle East. Here, as the result of the latest Soviet effort to expand, the danger of war has recently seemed most immediate. Here, twice in 12 months, Soviet plotting and mischief-making fanned into flame long smoldering tension and animosities.

This is not what the Middle East needs. The Middle East needs time to calm its passions and develop its resources for the benefit of its people. But the urgent need to preserve the peace, the pressure for change, for social advance, for an end of poverty and ignorance, will not wait for that region to mobilize and exploit its resources on its own. No country in the Middle East—certainly no Arab country—has the experience or skills to push economic development on a scale and at a pace commensurate with the need. The area could be lost to the Communists without a single overt act of aggression, without the Eisenhower doctrine ever being invoked, unless we place at its disposal the wealth of our experience and mobilize the funds required to step up the process of human rehabilitation and social progress.

We should move to strengthen the United Nations Emergency Force in the Middle East to use on the Turko-Syrian border if necessary. We should initiate proposals in the United Nations to place the United Nations police force on a continuing basis for permanent availability for service elsewhere as the United Nations may direct.

We should initiate proposals to end the arms race in the Middle East by an effective embargo against shipments from any outside source other than under United Nations auspices. To this end, we should seek the establishment by the United Nations General Assembly of a Special Commission on Arms Traffic, which Commission would be charged with responsibility for proposing early recommendations on regulating all flow of non-United Nations material into this region.

We should consider proposing a pilot project, open skies aerial, and ground inspection system over the Egyptian-Israeli-Jordanian-Syrian-Saudi Arabian border areas. Since many of these governments supported the 1955 United Nations resolution giving priority to these proposals on a wider scale, the same governments might be asked to assist in the reduction of tensions in their own areas, as well as help promote the usefulness of this concept for disarmament negotiations generally, by agreeing now to such a pilot mutual inspection system to be conducted by themselves or by outside parties as agreed upon.

We should recognize the critical importance of reestablishing the principle of free navigation on international waterways, specifically including free, unfettered access to the use of the Suez Canal and the Gulf of Aqaba for the shipping of all nations. To this end, we should be taking the leadership in the United Nations where already existing resolutions in this matter remain to be implemented and reinforced.

We should propose the establishment of a United Nations Good Offices Commission, whose purpose would be to reduce tensions in the Middle East by promoting direct negotiations between the current antagonists and mediating among them if direct negotiations prove to be impossible. The commission should be specifically charged with unremitting exploration of the possibility of negotiations on the central problems of determination of boundaries, resettlement of Arab refugees from Israel and of Jewish refugees from Egypt and Syria, and the conclusions of treaties of peace.

We should help break the stalemates of inertia and blockade by promoting dynamic projects to help raise living standards, strengthen economies, and encourage orderly social progress in the Middle East. We should reaffirm our interest and support for long-term regional economic development programs sufficiently broad to encompass multi-national river development projects for the Jordan, Nile, and Tigris-Euphrates River Valley systems. Toward this end, we should take the initiative in the United Nations in proposing a Middle East Development Agency, as an administrating agency for the mutual pooling of capital and technical aid in the region, the board of directors of which would contain representatives of all Middle Eastern states as well as of all other states furnishing capital aid technical assistance.

The Italian Government has just proposed a similar project for discussion next week in Paris. Problems and details are assuredly difficult, but I wish our State Department had not rejected the proposal out of hand, as it apparently did.

A Middle East Development Agency could demonstrate to the Arab leaders that they have more to gain by internal and cooperative economic development than from military adventures. Providing constructive channels for Arab energies could eventually lead to institutional and social changes, such as the growth of a middle class with its beneficial and stabilizing influence. It would provide a means of channeling Arab oil revenues into productive uses which would benefit the entire area, thus utilizing part of the presently existing hard-money resources of the Middle East for the financing of regional development.

It would be an international entity with which the states of the area could carry on bilateral negotiations and bilateral economic agreements.

It could work out a solution to the whole Israel-Arab refugee problem. The only long-term solution for the refugees is basic economic development, which will make it possible for the area to support more people at a higher standard of living.

It could give technical assistance and supervised farm credit to farmers settling on new lands coming into production from river valley development.

The creation of a Middle East Development Agency in the terms here suggested would emphasize the fact that it is in the interests of all concerned to move from intraregional feuding to intraregional cooperation for development.

Most important, perhaps, such an agency would encourage a regional approach to the problems of Middle East development. Isolated projects here and there, financed by bilateral aid from the United States, obviously offer no real answer to the needs of the region. Even a cursory look at its resources reveals the absolute economic interdependence of the states of the area and the necessity of intraregional cooperation.

All of the region's major rivers, for example—the Tigris, the Euphrates, the Jordan, and the Nile—flow through more than one state. Their development for irrigation and power depends on agreement between the states concerned. Oil produced in Saudi Arabia and Iraq must be transported to market across the territory or through ports controlled by other states of the region. Industrial development hinges upon the opening of mutual markets, a freer exchange of goods, among the several countries of the region as well as trade with the rest of the world. The essential patterns of regional cooperation and development cannot be produced by a series of bilateral arrangements with the several nations of the area.

I consider these proposals to be sound, practicable, and indicative of the positive approach which the United States must soon adopt. It will take courage and daring to adopt such an approach in the Middle East. Without these qualities, however, we will continue to muddle, moralize, and probably miss the opportunity to be of constructive use in the Middle East. With these qualities, we can at least hope that our courage will be rewarded.

Courage after all is probably the quality we need most today. I have tried to outline what I believe to be the task ahead of us. It is a task challenging the energies and enthusiasms of every American who thinks at all about his country's future. The challenge is an inescapable one for you and me: To go out into this generation to stand for the truths that man's future on earth need not be canceled; that his political ingenuity can still rescue him from ruin; that his moral and ethical standards still are here; that some things, like war and injustice, may seem everlasting, but that these things are everlastingly wrong. Evil triumphs when good men fail to act.

PEACE, OUR MOST URGENT BUSINESS — ADDRESS BY SENATOR HUMPHREY

Mr. HUMPHREY. Mr. President, on October 31, 1957, during the Congressional recess, I addressed the Industrial Union Department, AFL–CIO, on the topic, "Peace—Our Most Urgent Business."

I ask unanimous consent that the text of my address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PEACE, OUR MOST URGENT BUSINESS—ADDRESS ON FOREIGN POLICY BY SENATOR HUMPHREY BEFORE INDUSTRIAL UNION DEPARTMENT, AFL–CIO, OCTOBER 31, 1957

It is a singular privilege and pleasure to address the Industrial Union Department of the AFL–CIO. I feel particularly honored in being presented to the delegates by one of America's outstanding citizens and labor statesmen, Mr. Walter Reuther.

The AFL–CIO, under the courageous and honorable leadership of George Meany and Walter Reuther, continues to strengthen the political and economic fabric of America. Our country is a much better nation because of free American labor. The world is a better place in which to live because of the accomplishments and leadership of the American free trade-union movement. We are indebted to all of you for your constant vigilance in protecting our Nation's political and economic freedom, and at the same time insisting upon a higher standard of living, for not only the people of this great Nation, but of people everywhere.

These have been troublesome days for all of us. The forces of communism, gangsterism, and corruption; both on the international and domestic scene, challenge our courage, our sense of decency and the principles and ideals of democratic institutions. It is the responsibility of all of us to wage a relentless war against these three persistent and evil enemies of freedom and decency.

Let me compliment the AFL–CIO on doing a magnificent job in the field of ethical practices. With great courage—the kind of courage that very few other organizations have demonstrated thus far—the AFL–CIO is rooting out the forces of corruption and evil from its ranks, just as it has rooted out the forces of communism and subversion. This should make every member proud of their federation.

The fearless and principled leadership of men like George Meany and Walter Reuther

merits the wholehearted cooperation and support of every liberty-loving and honorable member of this great federation. The free labor movement was designed to serve the legitimate interests and needs of working people. It must never be the plaything of hoodlums or the sanctuary for gangsters, or a power front for communism and subversion. We can be thankful that loyal, patriotic, and courageous leadership has thwarted each and every attempt of the commies to take over, and that same leadership is now meeting head-on the handful, and yet powerful, elements of corruption that have momentarily besmirched the good name of labor.

The labor movement itself can go much further and be much more effective than legislation in dealing with the problem of corruption within the ranks of labor. But there is room for legislation, and it is necessary for the labor movement to cooperate in the adoption of legislation that will protect the legitimate interests of working people and the rights of labor unions themselves.

For example, there is a definite need for legislation to protect health and welfare funds. I favor a comprehensive health, welfare, and pension fund disclosure statute which would be applicable to all funds whether administered by unions, management, or both. Whenever anyone handles other people's money, there is a need for public regulation and public scrutiny. I encourage the chamber of commerce and the National Association of Manufacturers to follow in the footsteps of the AFL–CIO and support such legislation, legislation like that designed by the Douglas subcommittee of the 84th Congress.

I have been an early supporter of legislation to protect health, welfare, and pension funds, and I shall continue that support until we accomplish that goal.

I would also support legislation requiring disclosure of union finances on the theory of the member's right to know. To be sure, this legislation is necessary for only a small minority of union leaders. But I am afraid this is the only way to reach that small minority. I am against so-called right-to-work legislation. Right-to-work laws are bad, and they have nothing to do with corruption. Those who advocate these laws are doing a disservice, because they make more difficult the problem of cleaning up the movement from within.

We are beginning to appreciate the full meaning of this kind of climate that the Taft-Hartley law has generated in union-management relations through the Shefferman exposures. Shefferman has developed the science of union busting to a high degree. This has been made possible in large part by the climate if not the language of the Taft-Hartley law.

As serious as some of the domestic problems confronting you may be, I want to turn your attention to a subject even more pressing for all Americans.

I want to talk to you today about the most urgent, and at the same time the most difficult, piece of business facing the American people: the business of peace and the security of the United States and the Free World.

In an age when war could mean annihilation, the maintenance of peace is our most urgent business. It is also our most difficult task because in Soviet communism we face an adversary whose aim is domination of the world, if not by war, then by all means short of war. This poses a deadly threat not only to the United States, but to all the Free World—our allies and those friendly nations which, while they are not allied with us, are intent on preserving their freedom and independence. To these we might now add a third category, those unwilling captives of Soviet power who are struggling for independence of Soviet domination.

Except as other free nations are peaceful and secure, we cannot find peace and security for ourselves, even if we were disposed to try. Witness the events in Hungary, and the continuing and terribly explosive crisis in the Middle East.

Faced with the gravest dangers we have ever known, our foreign policy is in a state of confusion and disarray which can only feed and aggravate the dangers. In fact, it would be more accurate to say that we have no coherent foreign policy, but a series of patched-up arrangements and improvised reactions to crisis situations, many of which could have been avoided and all of which could be more effectively contained if we had pursued a foreign policy that was bold without being brash, imaginative without being impulsive, firm and consistent, without being stubborn or rigid. Formosa, Indochina, Egypt, Suez, and now Syria—each one has left our position more precarious and our adversaries stronger.

Add to this that after 4 years and $150 billion, our defense program, dominated by budget ceilings and business mentality, has been seriously weakened relative to our commitments and to the strength of the U. S. S. R. Is it any wonder that there is a rising chorus of apprehension and criticism, both in the United States and among our friends abroad?

There is no group in America with whom I would prefer to discuss our role in world affairs than with my good friends of the Industrial Union Department, AFL–CIO. You and I approach this subject from the same set of values—the desire to achieve world peace with dignity, and the conviction that as a nation we can best contribute to that objective by recognizing that our strength is more than military—it must be the strength that comes from the spirit of human equality, economic progress, political liberty, and social justice.

I intend to talk frankly. Our national survival is at stake and in danger.

We must talk frankly with each other because it is a sad truth that too often the present administration has not been candid with the American people.

Within the past few weeks, American strength and American prestige have received blow after blow. The successful firing of the first Soviet intercontinental ballistic missile was a rude awakening after the administration's bland assurances that we were "far ahead of the Soviets." It is not recorded that we have yet fired an American ICBM. And the United States Navy has disclosed that the Soviet Union has perfected a 1,500-mile missile which jeopardizes every overseas United States base within range.

Then came Little Rock. The efforts of Governor Faubus to nullify and obstruct constitutional law have been exploited by the Soviet propaganda machine in every part of the world. The effects on American prestige in Asia and Africa have been devastating. Little Rock was for us a humiliating defeat; for the U. S. S. R. an earned propaganda victory. It will take a long time and a long record of positive accomplishments in securing civil rights to repair the damage done by the incredible intransigence of the Governor of Arkansas and by the President's indecision and reluctance to act in the face of insurrection.

The launching of the Soviet satellite was another stunning defeat. Not only did it advertise to the world that the United States had lost its scientific leadership, it also advertised the progress of the Soviet Union in the development of rockets and missiles. No amount of effort by the administration to pooh-pooh this great scientific breakthrough—comparable to splitting the atom and harnessing atomic energy—can obscure the Soviet success. They succeeded while we were dissipating our energies in conflict and confusion between the Army, the Navy, and the Air Force, under the direction—or lack of direction—of a Defense Secretary who belittled and derided research and occupied himself with budget cutting, trimming, tailoring, scrimping, and whistling bravely in the dark to keep up our courage. He was not interested, this Secretary, in what makes fried potatoes brown or grass green, so he said. Well, the Soviets knew the value of research; and while Secretary Wilson was limiting defense expenditures in order to prevent a breakthrough in the debt ceiling, the Soviet Union was expanding and accelerating its defense program and breaking through into outer space.

Ex-Secretary Wilson bears a heavy responsibility for this, and so does Ex-Secretary Humphrey (the other Humphrey). But the man who bears the greatest and ultimate responsibility is an ex-general, now President of the United States. Did he know, when the administration was ordering a 25 percent cut in military aircraft and missile production, that United States radar in Turkey had been monitoring test flights of Soviet long-range missiles for more than 2 years? Did he know about Secretary Wilson's secret order of August 17 cutting research and development by $170 million, in the face of reports of Soviet missiles and the Soviet satellite? Did he know about the cutback in the funds appropriated by Congress for development work on nuclear-powered rockets?

It seems to me that President Eisenhower owes the American people an explanation. If he knew the facts, why did he permit these short-sighted cutbacks? In any case, it was his business to know and to act accordingly. I am afraid the recent disclosures fit the all-too-familiar pattern of an administration so preoccupied with reducing the budget and protecting the debt ceiling that it is willing to take the gravest risks with our safety and security.

The crisis in the Middle East is a matter of the gravest urgency, which I shall speak about in a few minutes. But it is well to remember that the Middle East is only the latest episode in the progressive deterioration of our status in the world and the lessening of our leadership and respect in the community of nations. It is, therefore, time for us to look at the facts—unpleasant as they may appear—and to lift our heads out of the sand. The substitution of objectivity for Pollyanna optimism is essential if we are to retrieve our losses and resume our leadership.

What are the facts? Here are some of them:

1. Sputnik has revealed for all to see that the United States is no longer the unchallenged scientific leader of the world.

2. It now appears that the U. S. S. R. will probably be the first nation to possess the ultimate weapon, the intercontinental ballistic missile.

3. The recent coup in Syria has given the Kremlin a military and strategic foothold in the Mediterranean which it has sought for years, which the Truman Doctrine once successfully warded off. The Soviet is now in a favorable position to infiltrate its way into control of the Middle East and control Western Europe's oil supply.

4. Our diplomatic flirtation with Nasser, plus our sudden rebuff of the Aswan Dam project, surely contributed to the Suez crisis, which brought the world to the brink of war and has left the lifeline of the Middle East in lasting jeopardy.

5. We have failed to grasp the significance of the great anticolonial revolutions sweeping over Asia and Africa. We seem hesitant, uncertain, and aloof. The surging forces of nationalism cannot be directed or understood by timid and unimaginative men.

6. We have placed too great faith in frail military alliances, which have often divided rather than united free nations; and we have neglected the opportunities to use our matchless economy for substantial, long-range economic and technical assistance. Too often our economic aid has been grudging and galling to those who needed it, a far cry from the idealistic generosity of the Marshall plan and the original point 4.

7. At the same time, the cutbacks in our defenses have left us overcommitted and overreliant on massive retaliation as our only means of defense.

8. We have turned our backs on the good neighbor policy and dissipated our great fund of good will in Latin America.

9. We have made far too little use of our vast stores of food and fiber as instruments of mercy and economic development.

10. We have joined the arms race in the Middle East while denying arms to our friend, Israel.

11. We have talked irresponsibly of "liberation" of the satellite nations of Eastern Europe, but we have had no policy for encouraging or assisting them in peaceful progress toward independence.

12. We have applied rigid and self-righteous tests of friendship to the neutral nations of Asia and Africa, failing to recognize that their independence and well-being are a powerful deterrent to the spread of communism. A thriving and independent India is more important to us than a paper alliance with a weak India.

13. Slogans and speeches for domestic consumption, inept propaganda abroad, and inadequate diplomatic representatives, have distorted the image of America and the American people and turned a false and unappealing face to the world.

14. Our influence in the United Nations is faltering, as more and more of the smaller nations question our leadership and the wisdom and morality of our judgment.

Yes, much has happened in the space of five short years to damage our Nation and its reputation in the world.

When I think what has happened—that need not have happened—I become angry and indignant. I resent the fact that the Eisenhower administration has allowed this to happen to our country. I resent the fact that a crescendo of public relations slogans has replaced sound and thoughtful public policy. I am shocked that an administration has allowed itself to be victimized—even paralyzed—by its own political slogans—slogans adopted in the first place to please a small, unrepresentative element of right-wing Republicans.

Do you remember the slogan about "unleashing Chiang Kai-shek," removing the U. S. 7th Fleet which had been sent to Formosa in the first place not to "leash" Chiang but to protect Formosa from Communist invasion? And the slogan about "liberation" of the Soviet satellites in Europe, which aroused false hopes in Hungary and other unhappy, enslaved countries?

I grieve that we have a Secretary of Defense who could say "Basic research is when you don't know what you are doing," and who, when asked about American research in the satellite field, would flippantly say, "I have enough problems on earth," and who once scowled at a press conference that the Air Force had no business flying to the moon. This blind, stubborn, lack of imagination has no place in the ranks of our country's leadership; and a President responsible for that selection must answer to the American people.

I am amazed that we have had an administration during the past 5 years which has systematically placed budgetary considerations above national defense needs. Defense policy has been determined by the Director of the Budget and the Secretary of the Treasury, and not by the Joint Chiefs of Staff, and you know it.

But my purpose is to do more than criticize. It is to discuss with you ways and means to restore the strength and position of the United States as the Free World's leader in the quest for peace and security.

And this is a challenge for each of us. Building better international relations obviously involves more than action by Government alone. Clearly we must arouse our Government and awaken the administration, but we must also dedicate our own personal energies as citizens to the task of world peace. We must show that the united efforts of free people can be greater than the enforced, monolithic effort of the Communist system. We must tap, all across the board, our great resources of individual and business initiative, and free trade unionism and our humanitarian concern for fellow human beings.

I know that the organized labor movement of America has been living up to its international responsibilities by exerting its leadership and influence toward supporting the establishment of free labor movements elsewhere. These efforts have been largely successful, and in many parts of the world Communist-dominated labor movements have been stopped in their tracks. I know you have faithfully and effectively supported the ILO—the International Labor Organization of the United Nations. More power to you. Even when our Government has vacillated and obstructed ILO.

But there are other areas where men and women, working as individuals and through private organizations, can work constructively and in harmony with our major objective of world peace.

There has been a great deal of comment in recent weeks about the qualifications of some of our Ambassadors to hold the positions they have. Of course, it is outrageous to have a man selected as an Ambassador merely because he is a heavy political contributor and without regard to his qualifications or experience. But it continues to happen.

Now, for the sake of the record, I want to say that I do not necessarily believe that Foreign Service career people always make the best Ambassadors. Indeed, many of our best Ambassadors have been men and women whose lives have been lived within the boundaries of America, close to the everyday life of America.

It is time our Government recognized that our Ambassadors should be drawn from the ranks of leaders of our farm organizations, leaders of our labor organizations, the leaders of our minority and nationality groups, from civic-minded people, with a dedication toward international understanding. I think of people like Mrs. Eugenie Anderson, a housewife of Red Wing, Minn., and our former Ambassador to Denmark; and Chester Bowles, a businessman and politician with a heart. I think of Walter Reuther, whose mission to India gave such a boost to America's reputation.

I think of people like Emil Rieve, of the Textile Workers Union, whose services ought to be used by our Government. These are the kind of people who represent the best of America.

We have talked a great deal on recent years about private investment by American businessmen abroad as a way of strengthening America's foreign policy. I believe in the promotion of that private investment and I want to encourage it. However, there is another kind of investment which can be equally, if not more, advantageous.

I refer to the investment of time and devotion which can come from American citizens traveling and serving abroad. I can think of church leaders and labor-union members, engineers, teachers, scientists, students—devoting a year or two of their lives, working in Asia and Africa and South America, in satisfying, worthwhile, constructive endeavor. There can be no greater or more effective way to transmit the real America to the rest of the world and to win its friendship.

I think of Dave McDonald, who single-handedly fought for an enlightened international trade policy as a member of the Randall Commission; and of Dave Dubinsky and Jim Carey, who have worked unceasingly for free trade unions the world over.

A weakness in our foreign policy is that too much attention is paid to the formalities of diplomacy and too little attention to the workers in the factories, to the natives in the villages. How paradoxical this is.

Our history, heritage, our experience in self-government, yes, our own Revolution, are in fact the sources of our strength. Our foreign policy is weakened and limited to the degree that we forget, or fail to apply, the yardstick of our own democratic experience to the complex and intricate problems of the world in which we live. We will not enhance freedom by aping the enemies of freedom. Democracy and free institutions are not made more secure by utilizing totalitarian techniques. To be strong we must be true to ourselves.

It is time, therefore, that we walk confidently with the full stature and strength of our history and our present capacities as a people. In a world that is desperately in need of capital, we have the greatest capital resources of all. In a world where people are anxious for the blessings of science and technology, we are richly endowed with their blessings. In a world where the majority of people are ill-housed, ill-fed, and ill-clad, we are privileged to have an abundance of food and fiber and the knowledge of scientific progress for health and shelter. In a world where tyranny and cynicism are widespread, we have faith and confidence in our democracy.

For too long our foreign policy has been based on fear rather than on hope; on reaction rather than on action. Let me use colonialism as an illustration. We have been afraid of revolutions in Asia and Africa, when in actual point of fact we should have helped develop and harness those revolutions, and helped the new nations along the road to independent development.

I am fully convinced that the truly good news of the 20th century is that the millions of people in Asia and Africa are repeating in their own way the dramatic story of American Independence. This is our message to the world—the message of self-determination, liberation, faith in human dignity, and human ability. This message of brotherhood and human equality is our reservoir of good will.

What are the essential elements of an international policy to realize our goals of peace and security? Let me suggest some.

First. We should join with the spirit of independent nationalism that grips the underdeveloped and underprivileged countries, remind these people that we too are the children of self-determination, of revolution, and of a will to freedom and independence. Nearly half the people of the world are in nations which have recently emerged or are yet to emerge. They will be a powerful force in decades to come, and we must help them prepare to use their strength in behalf of freedom.

Second. We should respect the neutrality of new-born nations. These neutrals are not pro-Communist. They are pro-themselves. I suggest as long as nations remain free, as long as they work for themselves and build their own economies, they are barriers to Communist penetration, strengthening the forces of freedom in the world.

Why are we so much more critical of the neutralism of Burma and India than we are

of the neutralism of Switzerland, Finland and Sweden? Surely we realize that our friends of Switzerland, Finland and Sweden are pro-democratic, pro-freedom. We admire their qualities, we admire their democracy, we herald their accomplishments. Let us apply the same standards to the Asian nations.

Third: We must make much greater use of our economic strength to help other free nations develop themselves and bring the blessing of freedom to their eager and impatient peoples. This is a weapon of peace and plenty which the Soviet Union cannot match. The flow of capital must be committed on a continuing long-term basis, from private as well as Government sources, increasingly in the form of long-term loans. We should encourage the use of international machinery for economic development, not only the World Bank but machinery of the United Nations, such as SUNFED, which I know many American labor leaders have advocated.

We must not use our economic development funds to subvert the independence of other free countries by attaching military or political conditions humiliating to them, or by trying to shape them in the image of the United States. We must remember that their independent development, in forms suitable to their people, their circumstances and their resources, is in our interest as well as in theirs.

The outstanding case is India. This great nation, whatever political differences we may have with it, holds the key to the future of South Asia. If the Indian development plan should fail, it would be an open invitation to the Communists to overrun South Asia as they overran China. And it is in danger of failing, for want of half a billion dollars which we, along with other Western nations, can lend. This is only a very small part of the total capital for the Indian development plan; by far the greatest part the Indians are squeezing from their own hard-pressed economy.

But this small part they need from the outside may be the margin between success and failure, between demonstrating that a free and independent people can develop their country and raise their standard of living, or surrendering to the brutal and ruthless methods of Communist development. We should be grateful we still have the opportunity to help them meet this test. Would we prefer that the U. S. S. R. should do it? What would we not give if we could have the opportunity to make such a choice in China. Let us not have to debate a decade from now "Who lost India?" Let's act now to help.

Fourth. We should step up our own point 4 program, at the same time that we continue to work through the UN and help expand UN technical assistance. No program has been more rewarding or has greater promise for a comparatively small investment.

Fifth. We should more actively, constructively and imaginatively use our blessings of food and fiber as a powerful force for freedom. Our abundance is a tremendous asset, not the curse some are inclined to make it appear. In a world where millions lack enough to eat, we should be humbly thankful that we are blessed with abundance—and we should be wise enough to use that abundance for the sake of humanity.

I am proud to have a part in the formulation of the programs under Public Law 480 by which we can not only use our abundant stocks of food and fibers to relieve acute emergency shortages elsewhere in the world, but also to help economic development programs where they are urgently needed. We in this country do not know what it means to have to choose between a necessary rate of investment and enough to eat; we must do what we can to help ease that choice for others. A breakthrough in the conquest of hunger is more significant than the conquest of outer space. We have hardly scratched the surface of what can be achieved with our abundance under the concept of Public Law 480, and its full potential must be utilized without further delay.

Sixth. Even as we go forward with programs of international good will we must remember that we still confront a formidable and implacable adversary in the Soviet Union; and while we work and plan for disarmament, we must keep our defenses strong and commensurate with our farflung commitments. This we are failing to do. Only this week, the military expert of the New York Times reported from Europe that the cuts in our defense forces were cutting not only into the fat but into the bone and muscle of our overseas defenses. No one wants to see budgets and taxes higher than they need be; but if $38 billion cannot be stretched with good management to pay for research and development and missiles and forces to man the positions required by our international commitments, then it is better that the budget be increased than that we should thin our defenses to the danger point or—what is equally dangerous—leave ourselves with no effective force but massive retaliation.

If we had no weapons but the ultimate weapons of total annihilation, for use only under the ultimate provocation, we can be sure our adversaries would construe this as weakness and take advantage of it. Yet this is exactly the direction we have been taking.

Seventh. A strong defense, ironically, is also one of the prerequisites to the negotiation of any disarmament agreement, for the Soviet Union will see little incentive to negotiate an agreement if they believe that time and the budget will reduce our defenses unilaterally without concessions on their part. While we maintain our armed strength, we must continue to explore all possibilities for agreements to control armaments. And we must manage to convey to the world—and we have not up to now—the sincerity of our passion for peace and for control of arms as a means of diminishing the danger of war.

This is a subject on which I, myself, feel very strongly, because as chairman of the Subcommittee on Disarmament of the Senate Foreign Relations Committee, I have followed closely the efforts to reach agreement with the U. S. S. R.

I appreciate the difficulties of trying to negotiate such an agreement with impenetrable and unpredictable Russian representatives; but I appreciate also the need to have a clear, unified policy of our own (which we have not always had) and to convince not only the Russians but the whole world of the earnestness and sincerity of the American people's determination to lift this dark shadow from themselves and from all mankind.

Eighth. We should authorize a dramatic expansion of student exchange, along with the exchange of technicians, professional people, farmers, labor, businessmen, journalists, and others engaged in public communications.

Ninth. Finally we must set a good standard at home—revise our immigration laws, set new standards of morality in government, business, and labor. We must implement our new program of civil rights. And we must keep our economy fully employed and fully productive to support a rising standard of living as well as adequate programs of defense and foreign policy.

Let us now specifically apply these principles to a great crisis which faces us today—the crisis of the Middle East. Here, as the result of the latest Soviet push to expand, the danger of war is most immediate. Here, for the second time in a year, Soviet plotting and mischiefmaking has fanned into flame long-smoldering tension and animosities.

The situation is so acute, the danger so immediate, that a broad program of international action is imperative. In this the United States should take the lead to initiate action through the United Nations.

The Middle East needs time to calm its passions and develop its resources for the benefit of its people. But the urgent need to preserve the peace, the pressure for change, for social advance, for an end to poverty and ignorance will not wait for that region to mobilize and exploit its resources on its own. No country in the Middle East—certainly no Arab country—has the experience or the skills to stave off communism by pushing development on a scale and at a pace commensurate with the need. The area could be lost to the Communists without a single overt act of aggression, without the Eisenhower doctrine ever being invoked, unless we place at its disposal the wealth of our experience and mobilize the funds required to step up the process of human rehabilitation and social progress.

We should move to strengthen the United Nations Emergency Force in the Middle East to use on the Turko-Syrian border if necessary. We should initiate proposals in the United Nations to place the United Nations police force on a continuing basis for permanent availability for service elsewhere as the United Nations may direct.

We should initiate proposals to end the arms race in the Middle East by an effective embargo against shipments from any outside source other than under United Nations auspices. To this end, we should seek the establishment by the United Nations General Assembly of a Special Commission on Arms Traffic, which Commission would be charged with responsibility for proposing early recommendations on regulating all flow of non-United Nations materiel into that region.

We should consider proposing a pilot project, open-skies aerial and ground inspection system over the Egyptian-Israeli-Jordanian-Syrian-Saudi Arabian border areas. Since many of these governments supported the 1955 United Nations resolution giving priority to these proposals on a wider scale, the same governments might be asked to assist in the reduction of tensions in their own areas, as well as help promote the usefulness of this concept for disarmament negotiations generally, by agreeing now to such a pilot mutual inspection system to be conducted by themselves or by outside parties as agreed upon.

We should recognize the critical importance of reestablishing the principle of free navigation on international waterways, specifically including free, unfettered access to the use of the Suez Canal and the Gulf of Aqaba for the shipping of all nations. To this end, we should be taking the leadership in the United Nations where already existing resolutions in this matter remain to be implemented and reinforced.

We should propose the establishment of a United Nations Good Offices Commission, whose purpose would be to reduce tensions in the Middle East by promoting direct negotiations between the current antagonists and mediating among them if direct negotiations prove to be impossible. The Commission should be specifically charged with unremitting exploration of the possibility of negotiations on the central problems of determination of boundaries, resettlement of Arab refugees from Israel and of Jewish refugees from Egypt and Syria, and the conclusions of treaties of peace.

We should help break the stalemates of inertia and blockade by promoting dynamic projects to help raise living standards, strengthen economies, and encourage orderly social progress in the Middle East. We should reaffirm our interest and support for

long-term regional economic development programs sufficiently broad to encompass multi-national river development projects for the Jordan, Nile, and the Tigris-Euphrates river valley systems. Toward this end, we should take the initiative in the United Nations in proposing a Middle Eastern Development Authority, as an administering agency for the mutual pooling of capital and technical aid in the region, the Board of Directors of which would contain representatives of all Middle Eastern States as well as of all other countries furnishing capital aid and technical assistance.

A Middle East Development Agency could demonstrate to the Arab leaders that they have more to gain by internal and cooperative economic development than from military adventures. Providing constructive channels for Arab energies could eventually lead to institutional and social changes, such as the growth of a middle class with its beneficial and stabilizing influence.

It would provide a means of channeling Arab oil revenue into productive uses which would benefit the entire area, thus utilizing part of the presently existing hard-money resources of the Middle East for the financing of regional development.

It would be an international entity with which the states of the area could carry on bilateral negotiations and bilateral economic agreements.

It could work out a solution to the whole Israel-Arab refugee problem. The only long-term solution for the refugees is basic economic development, which will make it possible for the area to support more people at a higher standard of living.

It could encourage international acceptance of the Jordan River plan and similar developments on the Tigris, the Euphrates, and the Nile, involving more than one state.

It could give technical assistance and supervised farm credit to farmers settling on new lands coming into production from river valley development.

The creation of a Middle East Development Agency in the terms here suggested would emphasize the fact that it is in the interests of all concerned to move from intraregional feuding to intraregional cooperation for development.

Most important, perhaps, such an agency would encourage a regional approach to the problems of Middle East development. Isolated projects here and there, financed by bilateral aid from the United States, obviously offer no real answer to the needs of the region. Even a cursory look at its resources reveals the absolute economic interdependence of the states of the area and the necessity of intraregional cooperation.

All of the region's major rivers, for example, the Tigris, the Euphrates, the Jordan, and the Nile—flow through more than one state. Their development for irrigation and power depends on agreement between the states concerned. Oil produced in Saudi Arabia and Iraq must be transported to market across the territory or through ports controlled by other states of the region. Industrial development hinges upon the opening of mutual markets, a freer exchange of goods, among the several countries of the region as well as trade with the rest of the world. The essential patterns of regional cooperation and development cannot be produced by a series of bilateral arrangements with the several nations of the area.

I consider these proposals to be sound, practicable, and indicative of the positive approach which the United States must adopt. It will take courage and daring to adopt such an approach in the Middle East. Without these qualities, however, we will continue to muddle, moralize, and probably miss the opportunity to be of constructive use in the Middle East. With these qualities, we can at least hope that our courage will be rewarded.

Now, one final word. Food is the common denominator of international life. Food and fiber are a great potential force for freedom today. They can be an active instrument of our foreign policy.

I wish every farmer who has been told he must drastically cut down his production could have walked with me through the Palestinian refugee camps in Lebanon, the orphanages in Greece, or among the masses of unemployed huddled in shanty towns in Spain. I wish they could have seen the young hands outstretched for food, and heard the appeals for milk from haggard, worried mothers.

More of our food and fiber can be marketed for foreign currencies if we expand and extend Public Law 480. Here is an area for positive progressive action and one which vitally affects the people of America.

I close these remarks by restating certain convictions which I am confident you share. Ours is a Nation more of compassion than of cruelty. Ours is a people more of generosity than of selfishness. Ours is a tradition more of faith than fear.

If this Nation can show the world a way to eradicate the shame and scandal of poverty, of exploitation, of oppression, of greed, without resort to social revolution and class struggle and dictatorship; if we can place these material values in their proper subordinate place within the context of a mighty spiritual movement which will be revolutionary without being subversive, which will draw its substance from the riches of the Western tradition, then our faith will not have failed us. It will have sustained us through this present period of doubt and drift, and it will have led us on to achievement of our goals of freedom, justice, and peace.

UNITED STATES PARTICIPATION IN THE WORLD'S FAIR AT BRUSSELS

Mr. HUMPHREY. Mr. President, this morning the Senate Appropriations Committee took testimony on, and discussed, the matter of additional appropriations for participation by the United States in the World's Fair to be held at Brussels, Belgium.

As my colleagues know, on yesterday there occurred in the House of Representatives extensive debate on the question of the United States' contribution to that fair. Apparently, once more it will be necessary for the Senate to attempt to provide the leadership in making up the gap in the appropriations which are necessary if we are to have a respectable exhibit at Brussels.

Mr. President, I implore my colleagues to make such an exhibit possible. It is absolutely imperative that our country have at the World's Fair at Brussels an exhibit which will be worthy of the stature, the traditions, and the history of our great Republic. Of course, the United States exhibit there should include items regarding a field to which many have referred, namely, the great medical facilities and other public-health services of the United States. I am hopeful that the Senate Appropriations Committee, which is meeting on this matter today, will take steps to provide this leadership. I am confident that it will.

On Monday, February 10, 1958, the New York Journal American published an article entitled "Pennypinching at the Fair," written by Bob Considine. The article goes directly to the point.

I ask unanimous consent that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of February 10, 1958]

PENNY PINCHING AT THE FAIR

(By Bob Considine)

It's disheartening to see how Congress is downgrading our participation in the Brussels Universal and International Exhibition—hereafter known as the Brussels World's Fair. We blow millions of dollars of the people's money on projects rare and undefined. Suddenly, we nurse pennies in this tremendous showcase.

In a recent letter to Secretary Dulles, Howard S. Culman, a first-class American who took the job of United States Commissioner of the Fair for no financial return, wrote:

"It is going to make our faces red and be most embarrassing and make us look rather silly next to the Soviet exhibition. I never dreamed up the magic number of $15 million (the sum originally suggested to cover United States participation, as opposed to a reported Soviet investment of $70 million). It was given to me by the State Department as my yardstick when I took over the assignment. Subsequently, as you know, about $1 million more was added through inflation and taxes in Belgium.

PART TIME EXHIBIT

"I was definitely advised last August that only $12,345,000 would be available, this after building plans had been awarded based on a $15 million total cost for this exhibition, the deadline date for the completion of these buildings being the end of this past December. No business can be run on such a formula. I still can do it for slightly under $15 million, but I cannot put on the kind of show or exhibition we should put on with what has been earmarked, and I cannot make commitments with funds I have not got."

As things now stand, unless more money is forthcoming from Congress our show at Brussels will be forced to operate part time. We will be blacked out at 6 p. m. while the huge Russian exhibit nearby operates until closing time—10 o'clock.

The Russians have actually bought a Belgian newspaper, lock, stock, and linotype, and will publish a daily paper called "Sputnik," to be distributed to millions of visitors during the fair. We have no reply in kind.

More than $3 million have been slashed from the original sum suggested as our minimum needs there.

"'W realize that the Congressional cut was made in the interest of an all-round and laudable economy," a prominent clergyman wrote in a memo to the House Appropriations Subcommittee, which is headed by Brooklyn Democrat JOHN ROONEY.

IT SEEMS TRAGIC

"Yet, it seems tragic that it should happen to this project when so much in funds is being spent elsewhere—in places where such an unusual opportunity does not exist, to get across our case and to bolster the morale of our colleagues in the Free World, and to convince some of the vaccilating neutralists.

"We feel certain that if the responsible leaders in the House of Representatives would but reconsider the whole project in the light of the importance not merely of exhibiting as at any other fair, but of combating the Communist, the Soviet imperialistic ideology, they would make a most considerable contribution to the American crusade against godless, enslaving tyranny.

"As Americans we have so much to present to the world besides refrigerators, washing machines, and televisions, and other creature comforts. All we need is the chance to do it not half-heartedly or haphazardly, but adequately and effectively. This is a consideration which should transcend partisan or personal lines."

But apparently this consideration is not, and in this age of the sputnik and a quickening of the fight for men's minds we'll be minor leaguers in the big show at Brussels.

EQUIPMENT USED IN THE FRENCH ATTACK ON THE TUNISIAN TOWN OF SAKIET SIDI-YOUSSEF

Mr. HUMPHREY. Mr. President, in order to complete a record which was begun some time ago, when I spoke in the Senate regarding the French attack on the Tunisian village of Sakiet Sidi-Youssef with what I alleged to be American equipment, I wish to state that I have made further inquiry.

There was carried extensively in the press a quotation which indicated that the contrary of what I had said was true, and that all the equipment used in that attack had been purchased outright by France. As a matter of fact, Mr. President, that quotation was circulated widely over the country. I saw it in the press, and heard it on the radio, and on television. That statement was made after I had made my statement. My statement was based on a very careful inquiry of the State Department.

Following additional inquiries which I made at the State Department, and which others made, the French Government was asked to clarify the exact status of the military equipment used. It has now been announced that my original impression was correct, namely, that the French did use equipment which was provided under the military assistance part of the Mutual Security Act, and that in that attack such equipment was used for purposes other than those for which the equipment had been assigned to the French forces.

In order to keep the record on this issue straight, Mr. President, I ask unanimous consent that the text of the news release I issued on February 13 be printed at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

HUMPHREY ASKS UNITED STATES TO RECALL PLANES FRANCE USED IN TUNISIA ATTACK

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today called upon the President to ask France for return of donated military aircraft it used in last Saturday's attack on Tunisia.

Text of Senator HUMPHREY's remarks prepared for delivery in the Senate follows:

Tragedy befell Tunisia and the cause of freedom last Saturday. In a single act of idiocy the Tunisian market town of Sakiet Sidi Youssef was the victim of a premeditated attack by French fliers using American-made planes raining death and destruction on the town hall, the post office, a school, 84 shops, and 2 Red Cross trucks carrying Swiss license plates. A total of 68 persons dead, including women and children, and 100 wounded were left when the B-26's and Corsairs retired across the border into that other scene of terror and death, Algeria.

We have been wringing our hands over French colonial policies for years. We wrung our hands over it during the bloody holocaust of Indochina, and there proved to be no solution for that problem until the French themselves gradually tired of the accumulation of bitterness and bloodshed, tears, and treasure, which that fruitless holding operation cost.

But the lessons of Indochina apparently have not been learned in North Africa. Many of us for months have hoped against hope that a decent basis of close and enduring relations could be forged by the French and her former North Africa possessions. The natural interests of Morocco and Tunisia still lie in a close association with France. The chances of salvaging anything constructive from the Algerian crisis also lie, or lay until last weekend, with enlightened compromise from Paris.

The quagmire of Algeria has seemed unending enough. Against increasing pressure of world opinion, including the liberal opinion in France itself, the French Government has insisted on treating Algeria as a domestic matter. But the desperate and hot-headed action of the French Air Force last Saturday is almost a transparent indication that the French are determined to act against their own best interests.

The Tunisian market day bombing has done more than anything before to internationalize the Algerian problem, precisely the thing Paris has been trying to avoid.

Like a stone dropped into a huge pond, the ever-widening ripples from the Sakiet Sidi Youssef bombing are spreading out to ever greater catastrophe for the entire Western position and to ever greater possibilities for Soviet diplomacy.

The President of Tunisia, Habib Bourguiba, has been desperately trying to maintain his friendship for the West in recent months. A week ago before the bombing he said that he needed something more than "the pretty eyes of Mr. Dulles" to maintain that relationship. Tuesday, Mr. Bourguiba's Destour Party newspaper said:

"Hard reality is teaching us each day that to hang on to the West only produces a harvest of rebuffs and humiliations and between gestures of charity, bombs. For the B-26's and Corsairs which sowed death Saturday morning were American as much as they were French. • • • One thing is clear. To be respected in 1958 means one must no longer be a friend of the West."

We cannot wring our hands on such matters forever, disagreeable as it always is to talk man to man with one of our closest allies about a problem as explosive and sensitive as this one. Nevertheless, it is time for such a man-to-man talk with our French friends. What we must tell them is also, I think, quite clear:

It is always a cruel process to relinquish an empire, but some ways of doing it are better than others. Indochina proved a tragic military holocaust. Algeria has already become another.

France is not the only Western Power which has an interest in the development of stable, peaceful governments in North Africa. The interests of NATO, and more than that, the interests of the Free World demand positive, constructive steps to solve the North African colonial controversy. We in the United States, and the other good friends of France in the West, do not intend to allow themselves to be drawn along with French policy into a descending spiral of hatred and hopelessness in North Africa.

A famous Frenchman, Clemenceau, once said that war was too serious an affair to be entrusted to generals. French generals have just proved this once more.

The strategic, political, and moral position of the West is far too important a thing to be tied to the kite of French military decisions for which even the French Foreign Office disclaims responsibility. We are not prepared to sacrifice the friendship of a Bourguiba at the whim of a handful of French pilots with lethal weapons in their hands.

The world is not interested in explanations from Paris at the moment. It is interested in amends.

The United States in its own best interests and in the interests of the Free World will no longer pull French chestnuts out of the fire at the United Nations on the Algerian question. Just as we are interested in amends for the Tunisian attack, so we are interested in a fair and constructive settlement of the Algerian issue. We should support inclusion of this item on the United Nations agenda and redouble our efforts to conciliate and mediate.

I would go further. Under our NATO arrangements with France, France has no right to use equipment furnished for NATO defense in the manner in which the planes were used last Saturday. I have checked at the State Department only to learn that the B-26's used in the attack were apparently purchased by France without any strings attached. The F4U7 Corsairs, however, were apparently donated to France under our mutual defense assistance program which provides that the equipment shall be used for NATO purposes.

I am one of those who feels we should have raised this question with the French long ago on the use of NATO equipment in Algeria. The French have always claimed that Algeria was within the NATO sphere, however, and for that reason the State Department has never protested. But Tunisia is not in the NATO area, and I think the question should now be raised.

Under section 511 (c) of the Mutual Security Act of 1954, the United States has reserved the right to request the return of NATO equipment donated by us when it is no longer needed for the purpose intended. The use of the Corsairs in the Tunisian attack is prima facie evidence, as far as I am concerned, that this equipment is not considered by the French to be needed for NATO purposes. I respectfully suggest that the President, through the Secretary of State, inform the French Government that the NATO equipment used in last Saturday's attack be returned to the United States for disposition elsewhere in conformance with NATO objectives.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that two articles appearing in yesterday morning's newspapers be printed at this point in my remarks. One is an AP dispatch published in the Washington Post, and the other is a special dispatch to the New York Times.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FRENCH USED UNITED STATES ARMS IN TUNISIA RAID

Deputy Under Secretary of State Douglas Dillon said yesterday the French used some American military aid equipment in their attack February 8 on a Tunisian village. He said there was certainly no excuse for this.

Dillon said, in reply to questions at an administration-sponsored foreign aid rally, that the United States intends to take every precaution to make sure the French do not use military aid for such purposes in the future.

Later in the day, the State Department revealed use of arms aid equipment was under discussion with the French Government, the United Press reported. Foreign aid chief James H. Smith has said that if any United States-donated planes were used in the attack, they should be returned.

State Department Press Officer Lincoln White told newsmen the French Embassy informed United States officials by telephone that some equipment used in the raid on Sakiet-Sidi-Youssef came from the United States military-assistance program.

White said the equipment in question involved Corsair fighter planes. American-built B–26 bombers also were used in the attack but they were purchased outright by France from surplus stocks.

In another development, a secret report on United States arms aid said France diverted substantial quantities of American material to North Africa where the French are trying to subdue rebellious Algerians. Dillon did not refer to this report.

Dillon said France takes the position it has a right to use the equipment since Algeria is regarded as part of the North Atlantic Pact area which France is allowed to defend with American military-aid supplies.

UNITED STATES CONFIRMED AID CHARGE

WASHINGTON, February 25.—The State Department confirmed tonight that some of the planes used by the French to bomb Sakiet Sidi Youssef had been supplied under the United States military-aid program.

Lincoln White, State Department press officer, said the Department was informed of this by the French Embassy in a telephone call last week.

In response to repeated questions on this point since the bombing on February 8, the State Department had said that it was awaiting a report by the French Government.

C. Douglas Dillon, Deputy Under Secretary of State, had said earlier that the French had used some United States military-aid equipment on the raid, that there was certainly no excuse for this, and that the United States intended to take every precaution against such future use.

Mr. HUMPHREY. Mr. President, the burden of these press reports is that Deputy Under Secretary of State Dillon has now confirmed that the French did use United States military-aid equipment in the Tunisian raid.

I hope our Government will follow the suggestion I made—namely, to ask for the prompt return of that equipment as a symbol of our protest against activity of this type by our colleague and friend, the French.

Mr. President——

The PRESIDING OFFICER. As the Chair has stated, the Senator from Minnesota is speaking by permission of the Senator from Oregon.

USE OF SENATE CAUCUS ROOM BY WALTER REUTHER FOR PRESS CONFERENCE

Mr. HUMPHREY. Mr. President, because I know that my colleague, the Senator from Oregon [Mr. MORSE], is keenly interested in that matter, I desire to address myself to the colloquy which took place yesterday afternoon and early yesterday evening in the Senate.

Since then, I have received, in response to my careful inquiry, information about the request to have Mr. Reuther use the Senate caucus room for a press conference.

Of course, it is well known that Mr. Reuther has recently appeared on Capitol Hill, in connection with the hearings of the committee which is making inquiry into labor and management relations, in connection with the so-called Kohler strike.

Mr. Reuther was present in the Capitol. Following the noon recess of the committee meeting, the press stated that if a press conference was to be held, it would be helpful if it could be held at a place and a time which would enable them to cover the conference, inasmuch as many members of the press were closely assigned to the hearings held by the select committee under the chairmanship of the Senator from Arkansas [Mr. MCCLELLAN]. That meant that the press conference should be held somewhere in the Senate Office Building during the noon recess, despite the fact that the representatives of the United Automobile Workers originally had planned to have the press conference held in the AFL–CIO Building. That is the first point which I should like to make.

Mr. MORSE. Mr. President, at this time will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Is it the understanding of the Senator from Minnesota, as it is mine, that in the Senate Office Building there is a pressroom to which Mr. Reuther went for a press conference, because the press wanted to ask him questions; but when he reached the pressroom, the newspapermen pointed out that there were so many of them, that it would be impossible to hold a press conference in that small room?

Mr. HUMPHREY. That is my understanding, and that is the second point I wish to make.

Mr. MORSE. I am sorry; I did not mean to anticipate the statement the Senator from Minnesota would make.

Mr. HUMPHREY. No, Mr. President; I am very grateful to the Senator from Oregon. Earlier today I spoke to him about this matter; and I suggested to him that since both of us had commented, last night, on this matter, it would be well for us to complete our statement sometime today, after careful inquiry.

My second point is that the press then gathered in such numbers in the pressroom in the Senate Office Building that it was clear that they would have to move elsewhere, if a reasonably orderly conference was to be conducted.

In order to accommodate the members of the press and the representatives of other media of communication, a request to use the caucus room was made by Mr. Don Womack, assistant to the Superintendent of the Press Gallery. I understand that that was done in consultation with the Superintendent of the Press Gallery.

Third, Mr. Womack called Mrs. Ruth Young Watt, a staff member of the Senate Select Committee on Improper Activities in the Labor and Management Fields. Mr. Womack also contacted the Custodian of the Senate Office Building.

The use of the Senate caucus room for Mr. Reuther's press conference was cleared by both Mrs. Watt, who in this instance represented the Senate select committee to which I have referred, and the Custodian of the Senate Office Building.

Those are the facts. I checked them just before making this statement. I had my administrative assistant check them again, because I want to be absolutely sure that what I say here can be substantiated.

Mr. President, this entire matter requires the kind of dispassionate, objective consideration which was suggested yesterday by the minority leader and by other Senators.

Therefore I urge that the distinguished and able chairman of the Senate Committee on Rules and Administration inquire as to the validity of the facts I have stated; that he fully confirm the facts stated. I believe those facts can be so confirmed and that the committee can proceed forthwith with a full investigation of any and all uses of the Senate Office Building or Senate wing of the Capitol or any other Senate building facilities by any and all groups who may have used Senate facilities for private purposes.

I respectfully urge and request that the Chairman of the Senate Committee on Rules and Administration report to the Senate when such inquiry has been completed.

So there may be no misunderstanding of my purpose, Mr. President, I want it quite clear I do not believe that the facilities should be used without permission from the proper authorities or without sponsorship of a United States Senator. I am hopeful that the report which will be made will carry with it recommendations which will make it perfectly clear that these public facilities are to be properly managed and properly utilized, under proper official auspices.

It is now clear, however, Mr. President, that the furor of yesterday was not well grounded; that the press conference was held only after official request and official permission by responsible officials selected by and appointed by and hired by the Senate of the United States; and that there was no private activity taking place, under private auspices, for private purposes.

I believe that the RECORD needs to be clarified along the lines I have outlined today.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I, of course, yield to the Senator from Oregon, who has been gracious enough to yield to me.

Mr. MORSE. I should like to comment on two facets of the problem the Senator has raised. The Senator will recall it was alleged that the doors of the caucus room were locked and that persons were denied admission to it for the press conference.

I hope the Senate Rules and Administration Committee will look into that matter. I have looked into it today, and I find the report is that the door was at no time locked; that there was a Capitol policeman at the door as is customary when there are hearings in the caucus room; that it may be he did not admit those whom he thought were in no way

connected with the hearings or with the press conference; but that it certainly was a matter in regard to which Mr. Reuther was no party, and that many persons were admitted to the room during the press conference, so I am advised. People came and went, and certainly there was no attempt on the part of those conducting the press conference to deny anyone admission to the room.

Second, I may say to the Senator from Minnesota that I hope the chairman of the Rules and Administration Committee will proceed, as was suggested yesterday, to give the matter a full investigation, with a subsequent report as to how the facilities should be used.

I have talked to newspapermen today, who expressed complete surprise over a question being raised as to the propriety of a press conference being held by a private citizen inside or outside the Senate Office Building or the Capitol of the United States. They have reported to me that on a goodly number of occasions, following the close of a hearing in the morning and afternoon, there have been press conferences in the old Supreme Court room with a witness or someone participating in the hearing, because it was the most available and convenient place for the press to examine a citizen who was highly involved in a hearing being conducted by the Senate. Therefore, I think we ought to know what the practice is.

I am sure members of the press would not consider that they were violating any confidence, so far as providing information is concerned, if they—or at least the person in charge of the press gallery—advised the chairman what the practice is in regard to holding press conferences in the Senate Office Building or the Capitol.

I think such an investigation will show that what happened yesterday was not extraordinary at all, so far as holding a press conference is concerned. It may have been extraordinary in that, in view of the person involved, it was a much larger press conference than usual; but newspapermen have told me they have sat in press conferences in many rooms in the Senate Office Building and the Capitol after someone had appeared before a committee in a hearing, as Mr. Reuther had yesterday, and the press had proceeded to interview him.

As was pointed out by the Senator from Colorado [Mr. CARROLL] yesterday, I hope we have not reached the point where a free citizen, in his relations with Congress in connection with an investigation, is not going to be able to sit down with a free press and answer questions, as happened yesterday.

There is one other thing I hope the chairman of the Rules and Administration Committee will do, and that is submit a report showing what other uses are made of the Senate Office Building and Capitol rooms. Even though a room may be used under the sponsorship of a Senator, I point out that we do not own these rooms, and that even Senators owe obligations to their colleagues in regard to the exercise of their so-called privileges and prerogatives.

I should like to have the chairman of the Rules and Administration Committee look into the extent to which the caucus room or other rooms of the Senate Office Building and the Capitol are being used for functions which might come under the broad heading, in Washington, D. C., of social functions, but which, in my section of the country, would not be classified as social functions at all.

I understand that there was use made of the caucus room a few days ago by an alumni association of a great educational institution. From the standpoint of the singing and apparently good time that was being had by all, it would be very difficult to classify it as an official function in any way connected with the official operations of the Senate.

Mr. President, I speak somewhat jocularly, but let us face up to it: I happen to be one who, on the floor of the Senate, is always going to object to the use of any of the facilities of the Senate Office Building or of the Capitol for any function at which the source of the entertainment may be liquid refreshments other than water and soft drinks.

To be specific, I shall always be heard to object if the taxpayers' buildings, the Senate Office Building or the Capitol rooms, are ever used for any function at which intoxicating liquors are served. If anybody wants to make an issue of that at any time I am perfectly willing to meet him on the issue, because I consider that to be a misuse of the facilities of the Senate Office Building and of the Capitol.

I think we are entitled to have a report from the chairman of the Committee on Rules and Administration. If such restrictions do not already exist, I want to know it, because I shall propose at least to give Senators an opportunity to stand up and be counted as to whether they desire to authorize the use of any facilities in the Senate Office Building or in the Capitol for any function which can be defined as a cocktail party or a drinking party or any other description one may want to apply to such a function at which intoxicating liquors are served, because I am simply opposed to the use of any facility of the Senate Office Building or the Capitol for any such purpose.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WATKINS. Does the Senator apply that same objection and statement to the Members of the Senate as well?

Mr. MORSE. The Senator knows I am not my brother's keeper in that sense; but I want to say to the Senator that he and I have a common habit in regard to the particular question of abstinence.

Mr. WATKINS. I did not know exactly how wide a territory the Senator was taking in, and I wanted to be sure. I thank the Senator.

Mr. MORSE. I would certainly apply it to any colleague who sought to make use of such a facility under his sponsorship.

Mr. WATKINS. I thank the Senator.

Mr. MORSE. I would be very much surprised if the Senator from Utah did not join me in support of such a rule, if a rule is needed.

Mr. WATKINS. I should be glad to take a look at one.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I should like to add that my comments relating to the assistant superintendent of the press gallery, to the custodian, and to Miss Watt are not to be interpreted as being critical at all of the decision which they made. These people are responsible officials doing a good job. They were following the lines of conduct which have been customary in the Senate.

My only point was that the use of the caucus room for the press conference was not initiated by Mr. Reuther. It was not as if Mr. Reuther went in and took over the facilities. It rather was a use of the caucus room following a request of the appropriate officers of the United States Senate and its committees and agencies.

READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes.

Mr. CARROLL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. Will the Senator yield if he has concluded the discussion? I do not wish to interfere with a continuation of the discussion.

Mr. MORSE. That discussion has been concluded, I believe.

Mr. CARROLL. Mr. President, I send to the desk two amendments and I ask unanimous consent that they be considered en bloc at this time, so that they may come up for consideration tomorrow morning. The amendments are submitted in behalf of the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH], as well as myself.

Mr. President, I ask unanimous consent that the amendments be printed in the body of the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 36, line 25, before the quotation marks insert the following: "and except that the minimum postage on each individually addressed copy of newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be one-eighth of 1 cent."

On page 36, strike out lines 1 through 17, inclusive.

On page 46, line 24, strike out "(c)" and insert "(d)".

On page 47, line 7, strike out "(c)" and insert "(b)".

On page 47, line 8, strike out "(c)" and insert "(b)".

Mr. CARROLL. Mr. President, I invite the attention of my distinguished colleague, the junior Senator from Oklahoma [Mr. MONRONEY], to the amendments, so that he may examine them, because the purpose of these amendments is to strike from the bill provisions increasing rates for nonprofit second-class publications which have replaced the provisions adopted by the House of Representatives. The House bill provided for no change in nonprofit publication rates.

Mr. MONRONEY. Mr. President, will the Senator yield at that point?

Mr. CARROLL. I am happy to yield.

Mr. MONRONEY. The effect of the amendments offered by the distinguished junior Senator from Colorado would be to duplicate the House language in the Senate bill, and it would not then be possible to consider the matter in conference; is that correct?

Mr. CARROLL. I am not quite sure that is correct.

Mr. MONRONEY. As I understand the Senator's amendment, it would put the bill on all fours with the House bill. Consequently, since the same provisions would be contained in the bills as passed by both Houses, there would be nothing for the conferees to discuss.

Therefore, without knowing what publications the distinguished junior Senator from Colorado has in mind, their size or their numbers, we would have to accept on faith at this late hour the decision of the House. We have no assurance that the House was aware of the extent of the problem or the low rate at which Rotary club publications, for example, and publications of other nonprofit organizations such as the chambers of commerce, are being handled.

I presume the United States Chamber of Commerce and the National Association of Manufacturers also enjoy this extremely low rate, which the distinguished junior Senator from Colorado is seeking to perpetuate, perhaps inadvertently, by his amendment. Knowing the Senator as I do, I am sure he is interested in the religious and educational aspects of the problem, but I would hesitate to support such an amendment, because I am afraid it would freeze into the legislation without proper consideration favoritism which is not justified, at least not for such large scale and wealthy organizations as I have enumerated.

Mr. CARROLL. Mr. President, I think I must respond at this time. I appreciate the tender solicitude with which the Senator from Oklahoma regards my amendment, and why he wants to take it to conference.

Mr. MONRONEY. I do not wish to take the amendment of the Senator to conference. I wish to have the Senator offer it and to discuss it tomorrow, and then I hope the Senator will permit the conferees to have an open conference, not bound by a Senate position such as would be the case were the amendment rejected, so that the matter can be adjusted anywhere in between the positions taken by the two Houses.

Mr. CARROLL. Considering the considerable astuteness with which the junior Senator from Oklahoma has attacked the amendment and diverted the real purpose of it, I seriously doubt there will be any consideration in conference. Therefore, I wish to put the membership on notice that this amendment is not aimed at aiding the Rotary club and the National Association of Manufacturers. The junior Senator from Oklahoma well knows that the amendment has nothing to do with those organizations.

The House exempted nonprofit institutions which are religious, which are educational, and which are scientific. It is true that the exemption involves many groups about which this body does not know. Why do the Members not know about it? Because nothing on the subject is contained in the report. Why else do the Members not know about it? Because there has never been a chance to have hearings before the Senate committee. Why else do the Members not know about it? Because even the staff of this very able committee did not fully comprehend the effect of the formula affecting nonprofit groups.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CARROLL. I refuse to yield at this time, until I have had a chance to answer fully.

I never expected this sidewinding attack about the NAM and the Rotary clubs.

Mr. MONRONEY. It was not an attack, I will say to the Senator.

Mr. CARROLL. The distinguished junior Senator from Oklahoma and I have been discussing in a very candid manner in this Chamber the relationship of the nonprofit groups in this bill, and what the effect of passage of the bill would be upon them. I thought we could do this without a "snow" job or a propaganda job about the Rotary Club and the NAM, which has never been in the mind of the junior Senator from Colorado at all with regard to this bill.

Mr. President, I hope the membership will have a chance to read the amendments and the debate. If I am successful tomorrow, we shall have a record vote.

The facts are quite simple. The membership of the other body retained the same postage rate for publications of nonprofit organizations. What are some of the organizations? I have a telegram in my hand, Mr. President, and I ask unanimous consent that it be printed in the RECORD. It was sent by the American Legion and came to me today.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D. C.:

Referring to H. R. 5836 covering increase in postal rates now being debated by Senate we note exemption heretofore granted religious, fraternal, labor, educational, and veteran organizations has been removed in favor of a 50 percent discount applicable to existing rates and proposed increase on July 1. This will jeopardize the future operations of the American Legion magazine and could well start our publication on the road to liquidation. Respectfully request restoration of House-passed language in this bill relating to publications in the nonprofit field such as the American Legion magazine.

JOHN S. GLEASON, JR.,
National Commander, the American Legion.

Mr. CARROLL. As I have explained to my distinguished friend from Oklahoma, a religious group from Colorado first explained to me the effect of the formula. I am not a member of the committee, and this is a very technical bill. When I conveyed the information which was furnished me to the staff and my distinguished friend from Oklahoma, they were uncertain about the effect of the formula.

We have now found out what the truth is. The truth is that on publications of the nonprofit groups a 100-percent increase in postal rates is to be imposed. What I am trying to do is to place some facts into the RECORD. Whether we want to give these interests relief or not is another question.

One of the newspapers affected is called Labor. It is a railway brotherhood newspaper. According to the information which has been given to me they issue a four-page paper. It contains no advertising. They are now paying $900 a week to disseminate information to their membership throughout the Nation. This formula would increase the cost to $1,800, and they say they cannot afford such an increase.

Let me quote a line from the telegram received by me today from the American Legion. It is one of those which I have offered for the RECORD.

This—

The formula—

will jeopardize the future operations of the American Legion magazine and could well start our publication on the road to liquidation.

The bill is very technical. Under the terms of the bill there is a 15-percent freeloading out of revenue. The committee sets up that formula. The first-class mail users will pay the principal part of that burden.

When we look at the report according to the committee's own computation, the cost of keeping the House exemptions of nonprofit publications will approximate $2.8 million. The question for this body to decide is whether or not it is important to the educational groups, the nonprofit groups, the scientific groups, and others that they be afforded relief. I do not refer to the Rotary clubs or to the National Association of Manufacturers. Is it important to some of the church groups to disseminate information? Is it worth while to give them a subsidy of $2.8 million? If it is not, the Senate can very easily vote it down.

I have been very fair to the distinguished junior Senator from Oklahoma in my comments. I may add that he has been fair with me, until I received this sidewinding attack involving the National Association of Manufacturers. Quite frankly, I am surprised.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CARROLL. I am happy to yield.

Mr. MONRONEY. The junior Senator from Oklahoma respects the Sidewinder which the Navy possesses, but has no weapons in his arsenal similar to it, either in accuracy or effectiveness.

I should like to ask the distinguished junior Senator from Colorado a question. I have been told verbally that this proposal would restore the House provisions to the bill. Is that correct?

Mr. CARROLL. The legislative counsel's office prepared these amendments, and we conferred with experts in the Post Office Department, in an effort to restore, as nearly as possible, the proviso of the House bill that there should be no increase with respect to nonprofit organizations.

Mr. MONRONEY. I am certainly not engaging in a sidewinding attack. The United States Chamber of Commerce and the Rotary clubs are all nonprofit associations which enjoy the low rate. If the amendment of the distinguished Senator carries the rate which those organizations are now paying, they will continue to pay it. So, the effect of the amendment of the Senator from Colorado is to do just what the junior Senator from Oklahoma said it would do.

While he may be seeking to protect the labor leaflets and church leaflets, at the same time his amendment has the effect of striking from the bill provisions which would discontinue freeloading by other organizations which are perfectly capable of carrying a slight increase in the cost of distribution of their regular mailings. That is what the junior Senator from Oklahoma meant when he stated that the amendment of the Senator from Colorado would open the door to other nonprofit organizations as well as the religious and educational organizations.

Mr. CARROLL. I was under the impression that there was a limitation in the House bill.

Mr. MONRONEY. I have read and reread it, and the only limitation I can find is the provision that puts the general minimum rate up to one-fourth of a cent. The provision in the Senate version, which the Senator from Colorado would strike, calls for a general minimum rate of one-half cent.

Mr. CARROLL. We have really taken the words from the House bill. This is the exception:

> And except that the minimum postage on each individually addressed copy of newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be one-eighth of 1 cent.

That was the provision in the House bill.

We have discussed this question frequently. This is the first time I have heard reference to the National Association of Manufacturers and the United States Chamber of Commerce. If the Senator from Oklahoma thinks we are seeking to open the door to Rotary or the Lions club, let me say that, perhaps, we should not discriminate, but I have never been led to believe that they repsented an appreciable part of this group. I have been led to believe that the group consisted largely of religious, educational, and scientific organizations.

Mr. MONRONEY. All civic organizations come within the category of nonprofit organizations.

Mr. CARROLL. This is the first time I have ever heard any discussion about the effect of this provision on the National Association of Manufacturers or the United States Chamber of Commerce. That is why I used the expression with respect to a sidewinding attack. To me it completely obscures the basic purpose of the amendment. The real issue is, does this body want to give a subsidy to these philanthropic and eleemosynary groups to the extent of $2,800,000, following historic precedent? That is the basic question.

Mr. MONRONEY. The Senator always is fair. I frankly admit that we propose to increase the minimum rate by 100 percent, but I think the RECORD should show that this increase is from one-eighth of a cent to one-fourth of a cent per piece.

It seems to me that the Post Office Department would still be rendering considerable public service, when it is called upon to receive the mail, cart it to the post office, sort it into the bags which may go to all the 48 States, route it, transport it to its destination, deliver it at the station, pick it up by a truck and carry it across town to the post office, sort it for delivery to the carriers, and finally carry it on foot to the addressee. It seems to me it would not be asking too much to say, "Pay us one-fourth of a cent instead of one-eighth of a cent," for this service even though this is an increase of 100 percent.

I think my labor record is fairly good. Labor insists on fair pay for its efforts. I think we are entitled, as a Federal Government, to receive a fair rate for handling through the mails the publications of labor, educational, and church organizations. I believe that my own church, which I frequently attend, is rather well-fixed financially. It is situated across Lafayette Square from the White House. I do not think it is bankrupt, but I heard from one of the principal church officials today at noon that they mail 1,400 copies of their report, 40 weeks in the year—a total of 56,000 pieces of mail—for $5. They could perhaps afford to spend $10 for the distribution of such mail.

I am not trying to prejudice the position of any religious organization. I believe that my own church organization should pay a part of it, and I believe that other denominations should also pay a part of it. I see no unusual hardship in that suggestion. I also say to my distinguished colleague that if they have a big publication and if they wish to disseminate newspapers or a mass of leaflets, they should remember that we have actually reduced the bulk rate for them. It is the minimum rate for delivering the individual pieces of mail that we are increasing. We are giving them a better break on the one hand. On the other hand we are saying it takes a great deal of money to handle a little individual leaflet which is carried at the minimum rate and that we have a right to expect a Herculean, 100-percent increase, of one-eighth of 1 cent.

I fail to see why the people of this country should become aroused because after some 50 years we have finally decided that we will move the rate up one-eighth of a cent on this type of mail matter.

The Senator from Colorado accuses me of a sidewinding attack, but he is striking out, so far as I can understand, the provision that raises the rate for nonreligious but nonprofit groups by another one-eighth of a cent.

Mr. CARROLL. The Senator is making the kind of logical argument I would expect him to make, because I know he has a conviction on the subject, and there is some logic to his argument. If we can keep away from NMA and Rotary——

Mr. MONRONEY. I merely said they will get a free ride.

Mr. CARROLL. That has not been my——

Mr. MONRONEY. I know that was not the Senator's intention, but I was calling it to his attention.

Mr. CARROLL. The point I wish to make is that I can understand it sounds very simple to say that the bill would merely raise the rate from one-eighth of a cent to one-fourth of a cent. That is not the point. The point is that it bears down heavily upon the nonprofit groups, and they say they will not be able to function under it. The further point is that they never were given an opportunity to be heard. My most important point is that the effect of this provision was not properly reflected in the report of the committee. Even the membership of the committee does not understand what is in the report.

Mr. MONRONEY. I agree with the distinguished Senator——

Mr. CARROLL. I wish to finish my statement. I yielded to the Senator to make his case. It is of vital importance that the Senate not follow what is in the report. The second point is that the people involved were never given an opportunity to be heard. The increase from one-eighth to one-fourth of a cent seems very small, indeed, but when we consider the fact that a 100-percent increase will mean that people who are spending $1,000 for mailing will have to spend $2,000, it makes a considerable difference. We must remember that these are nonprofit organizations, such as the American Legion, which I mentioned, the railway-labor group, and the National Educational Association. It is not a question of one-eighth of a cent. The question is, Where are they going to get the money? That raises the next question: Do we want to give a subsidy? If not, let us wash them out and forget them. However, we ought to discuss the issue. It is that simple.

Mr. MONRONEY. Certainly the distinguished Senator from Colorado would not want to leave the impression that carrying the religious and educational

mail for one-quarter of a cent would be unsubsidized.

Mr. CARROLL. I merely go by the committee's own chart, which shows that if we increase the rate from one-eighth of a cent to one-quarter of a cent, plus new pound rates, we will pick up an additional $2.8 million.

Mr. MONRONEY. I say they are still the most highly subsidized second-class mail publications, in connection with which we have been working all day to provide additional increases.

(At this point, Mr. MORSE yielded to Mr. WATKINS and Mr. COOPER to make insertions in the RECORD, which, by unanimous consent, were ordered to be printed in today's RECORD at the conclusion of the debate on the postal-rate bill.)

Mr. MORSE. Mr. President, I say to my distinguished friend from Kansas [Mr. CARLSON] that I am now ready to submit my amendment and to vote without a debate, on the basis of the membership now present on the floor. I feel almost certain that to avoid a debate the Senator from Kansas would be willing to take my amendment to conference.

Mr. CARLSON. I should very much like to do that, I assure the distinguished Senator from Oregon; but the distinguished majority leader previously made a statement that there would be no votes after 6:30.

Mr. MORSE. Yea-and-nay votes.

Mr. CARLSON. I assumed he meant no votes at all; but perhaps the reference was to yea-and-nay votes.

I urge the distinguished Senator from Oregon to leave his amendment pending, and I assure him that he will have more Senators in attendance tomorrow morning than are here now.

Mr. MORSE. I have had my fun with the Senator from Kansas. I have no intention of putting the amendment to a vote. But I would have him observe that, for once, I have a majority of votes at the present moment.

I now yield to the Senator from Colorado.

Mr. CARROLL. I apologize to the Senator from Oregon. I merely rose to submit amendments and to have them printed. I had no idea of getting into the discussion.

I think the distinguished junior Senator from Oklahoma [Mr. MONRONEY] and I are now on pretty solid ground in reducing this matter to a simple issue and to let the Senate decide whether it is willing to continue the traditional relief to these groups. If it is the decision of the Senate not to do so, I think the Senator from Oklahoma has nevertheless made an excellent argument in the debate. All we seek to do is to offer the amendments tomorrow.

I close by saying that it is very obvious why we cannot let this go to conference, in view of the conflicting opinion in the matter. If the House does not accept the Senate bill as amended, and if my amendment should be rejected, this section will be in conference. On the other hand, if the amendment which has been offered by me, on behalf of myself and other Senators, is accepted, there will be nothing about which to hold a conference regarding that part of the bill. That will reduce the problems of our conferees, when they meet with the conferees on the part of the House.

So I believe it would be a mistake for us not to have an expression made by this body regarding what it wishes to do with the historic treatment of this group.

I shall leave the debate at this point, unless the Senator from Oklahoma wishes to pursue the matter further.

Mr. MONRONEY. First, I wish to thank my colleague for the great compliment he has paid me when he has suggested that, as one member of the conference committee, which perhaps would be composed of 10 members, I would have any persuasive ability in connection with the writing of the conference report. I have not had any great experience in connection with such matters.

On the other hand, of course I come from the great State of Oklahoma, and therefore I appreciate the suggestion that the prowess of Oklahomans on the football field might be carried over into other arenas.

But in all seriousness, I believe it would be desirable to have a further discussion of this matter tomorrow, when perhaps more Members will be on the floor of the Senate.

However, I am happy to have had this debate with the distinguished Senator from Colorado. It has been a most interesting and informative experience to me, in view of his pungent wit, keen intellect, and impressive and informative arguments. I hope that on tomorrow we shall be able to resume the debate at a time when more Senators will be on the floor.

Mr. CARROLL. Mr. President, will the Senator from Oregon yield to me, to permit me to make a further brief observation?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Oregon yield further to the Senator from Colorado?

Mr. MORSE. I yield.

Mr. CARROLL. Let me say to the distinquished Senator from Oklahoma and to his very excellent staff that if there is any further defect in the amendment, then—as we have stated on so many occasions—we wish to have the benefit of his views and those of the staff. We do not wish to have included in the bill a provision which will result in such treatment of groups not entitled to participate. So if some mistake has been made, we wish to know about it. Let us meet the issue head on. That is all we ask.

Mr. MONRONEY. Mr. President, I would be presumptuous to suggest to the distinguished Senator from Colorado and to his able staff, any changes in the amendment. However, I point out that between now and tomorrow noon it would be well for the Senator to check on the amendment, to see whether it goes further than it should, and applies to publications other than those of eleemosynary and similar groups.

Mr. CARROLL. I shall be very glad to check on that point.

Mr. MONRONEY. I think the Senator from Colorado also should check to see whether the amendment would extend to various large newspapers of companies and unions the advantage which he intends this part of the bill to give to the publications of small groups. I believe it will be found that the amendment would do that.

I believe it will be found that, although many publications would be favorably affected by the new bulk rates, only few publications would be helped by the proposal of the Senator from Colorado to strike out the very carefully considered language of the Senate version and to insert the language adopted by the House of Representatives.

Mr. CARROLL. We shall be very happy to check on that point.

Mr. MONRONEY. The Senator from Colorado is correct in suggesting that the statement in the committee report is at least ambiguous. Such publications will be helped, by the new bulk rate. But the mailing costs of some of them will be increased by changing the per piece rate from one-eighth of a cent to one-fourth of a cent.

Mr. CARROLL. I thank the Senator from Oklahoma, and I also thank the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I promised the majority leader that I would make a brief statement on my amendment tonight, so it would be in the RECORD; and then on tomorrow morning, shortly after 10:30, we can proceed to vote the amendment either up or down. In other words, by making this statement this evening, some time will be saved.

My amendment seeks to strike out, on page 26, of the bill, the language beginning in line 15, and extending through line 25.

I shall also have something to say about perfecting amendment, which I may offer tomorrow morning, to the language on page 30, beginning in line 16, and running through line 18. I believe that language needs some clarification, because it bears on the same point.

Mr. President, two things caused me to submit the amendment. One was the colloquy between the Senator from Ohio [Mr. LAUSCHE] and the chairman of the committee, the distinguished Senator from South Carolina [Mr. JOHNSTON]. That colloquy appears in the CONGRESSIONAL RECORD on pages 2858–2859. Tomorrow morning, I shall quote extensively from that colloquy. I believe the Senator from Ohio pointed out very clearly the dangers involved in the policy statement contained in the language which I seek to have stricken out.

The second piece of information which I received, which caused me to submit the amendment, came from certain members of the press gallery who today called my attention to this matter. They convinced me that this language is both undesirable from the standpoint of public policy and harmful to the people of the country. Therefore, I wish to present my views regarding it.

One of the newspapermen said, "Here is the gimmick in the bill—one of the most serious gimmicks in it." He said, "Senator, this language might just as well have been written in the bill by a magazine lobbyist."

As I have studied the language, I have become convinced that that newspaperman is absolutely correct.

But, Mr. President, I wish to say that I am opposed, as a matter of legislative policy, to including in proposed legislation such as this the type of blanket policy which is set forth in that language in an attempt at least persuasively to bind future Congresses, if not to establish a precedent so that in the years to come some Senator will be able to say, "That was covered in the 1958 act; that is what the Senate passed then." I see nothing good to be accomplished by including such policy statements.

Someone said to me this afternoon that we need to recognize that this language has been included in the bill in order to accommodate anyone who might wish to make a stump speech on the subject. Mr. President, I am not interested in having the Senate include in the bills it passes a provision for the making of stump speeches. So I wish to have the Senate take a careful look at the language on page 26, between lines 15 and 25. That paragraph ends with the following words:

> The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out-of-pocket" cost basis.

But then, when we come to the definition, as stated yesterday, for the RECORD, by the distinguished senior Senator from South Carolina [Mr. JOHNSTON], of out-of-pocket cost, we inescapably come to the conclusion that what is proposed as a matter of policy, by means of this language, is to permit the magazines and newspapers to use all the facilities of the post office system to their great benefit, but, in effect, to make no postal-rate contribution to the maintenance and the construction of those facilities.

I think that would be simply inexcusable as a matter of public policy. I am not at all impressed by the argument of the chairman of the committee that we would have to have these first-class facilities anyway. Of course, there are many of them that would not have to be provided, except for the second-class and third-class mail. We certainly should take cognizance of that point. Some persons may argue to the contrary, but I cannot be fooled by such an argument. They cannot persuade me that that is so.

The fact is that these great post office facilities are built really to accommodate, in the last analysis, all classes of mail, and all classes of mail are handled by those facilities. The chairman of the committee says, "Oh, but, on the street corners there are boxes only for first-class mail." That is true, but it does not go to the heart of the matter I am raising.

The fact is that to handle all classes of mail we have to have all the facilities, and they are paid for by the taxpayers, and, for the most part, by the first-class mail users.

I do not propose to vote, as a matter of policy, for a bill that provides:

> The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out-of-pocket" cost basis.

It is only right that we ask the magazines and newspapers to make some contribution to the construction, maintenance, and improvement of all the facilities. That is the question involved. Such a policy statement would state that first-class mail shall pay the whole bill of operating the postal system, charging second- and third-class mail only for the cost of actually delivering that mail, without any relationship whatsoever to the cost of building the facilities which are required for the postal system.

If we establish any such policy, Mr. President, we shall have a very difficult time getting future increases on second- and third-class mail, because this formula will be thrown right back into our faces. Such a provision is not needed in the bill in order to accomplish its purposes. The best that can be said for this language is that it is being sought to influence the rates on second- and third-class mail which will be adopted in the future by future Congresses. I do not think we should do that. That is not our concern.

As the Senator from Ohio [Mr. LAUSCHE] pointed out so very clearly in his colloquy with the Senator from South Carolina [Mr. JOHNSTON], I am against an attempt to make that kind of commitment. It has been said to me, "It is not binding. We cannot bind Congresses in the future. They may ignore it in the future." My reply is, "Why put it in the bill in the first place? Let us keep that language out."

I do not know why the committee wants to leave in the bill language of that type, as a matter of post office policy for the future, when the members of the committee say to a Senator, as he talks to them in conversation, "Well, it is not binding, anyway, and maybe the language is in the bill because it satisfies some member of the committee."

Mr. President, I, as a Senator, have the duty to the people of this country to pass judgment on what is good policy in legislation. I do not think the committee is fair to the Senate when it reports a bill containing language which tries to commit us as to a future policy on rates to be charged on second- and third-class mail.

I think the legislative committee has a legislative problem, as of now, as to what second- and third-class mail shall pay as of now. We have tried to meet the question on that ground. I speak most respectfully to the committee, I have a high regard for the members of the committee, but I think that, as a matter of committee policy, the committee should not bring to the floor of the Senate language which will have effect in futuro in regard to policy, which, of course, cannot in fact be binding, but which, we all know, can be highly persuasive in the future, as a result of the argument of precedent. It could be said that Congress has already gone on record that this shall be the precedential policy.

I say to the committee, respectfully, You ought to take this language out of the bill. It is, in fact, surplusage to legislation that pertains to the present, 1958, problem. The language is surplusage to that problem. Why is it desired to provoke a difference of opinion? There is a marked difference of opinion in the Senate with regard to this matter, as the Senator from Ohio pointed out in his brilliant exchange yesterday with the Senator from South Carolina. Why should we get into a controversy over language which, in fact, is not necessary for inclusion in the bill?

I know what is being said by the gentlemen of the press gallery who have talked to me about it. This is the kind of language the magazine lobby wants. In view of the fact that it is not necessary language to determine what second- and third-class rates shall be, I think the members of the committee, between now and tomorrow morning, ought to get together and agree among themselves that they will delete the language, or at least take the language of my amendment to conference, without getting into a dispute as to what brought about this provision in the first place, where it came from, who proposed it, what testimony was taken on it, or what opportunity opponents had to object to the language of the bill.

Mr. President, that is all I shall say tonight. It at least is enough to point out how some of us feel about the language. I think it will give the committee adequate time, between now and tomorrow morning, to offer to strike the language from the bill.

I sincerely hope the chairman of the committee, the Senator from South Carolina, will himself voluntarily move to delete the language from the bill.

Mr. COOPER. Mr. President, I submit an amendment to H. R. 5836, which I ask to have printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

During the debate on the postal rate bill,

Mr. MORSE. Mr. President, with the understanding that this interruption will follow the colloquy in which the Senator from Oklahoma and the Senator from Colorado are engaged, I am sure that the Senators wish to join me in extending a courtesy to the Senator from Utah [Mr. WATKINS], who has an engagement this evening and must leave the Chamber. He has some insertions to make in the RECORD. I should like to extend to him the privilege of the floor at this time, with the understanding that his insertions will follow the discussion now underway and that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

THE UTAH FHA PROGRAM

Mr. WATKINS. I thank the Senator from Oregon for extending me this courtesy. I have several insertions to make in the RECORD.

Mr. President, the real worth of the Farmers' Home Administration's loan programs is revealed in a letter to me dated February 19, 1957, from Mr. Clarence A. Anderson, Utah FHA director.

Basically, two major impressions are conveyed to any reader of this letter. First, a person who reads this letter cannot help but be impressed by the fact that a public agency can do a great deal to assist owners and operators of small farms, who cannot qualify for credit through private lending agencies. Second, and of vital importance, is the knowledge gained that FHA borrowers are indeed good credit risks. In this connection, I hope that private lending agencies, after reviewing the splendid record made by Utah FHA borrowers, will review their lending eligibility policies and thereafter make a special effort to extend credit to many of these people. Owners and operators of small firms are not necessarily poor credit risks as this so vividly illustrates.

Too often, perhaps, when discussing public agencies and their work, the tone of our remarks are of a critical nature. Seldom do we single out and compliment an agency for doing a good job. Because this letter indicates the great amount of good a public agency can do with limited funds, and because the Utah FHA has done an excellent job, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARMERS' HOME ADMINISTRATION,
Salt Lake City, Utah, February 19, 1958.

Hon. ARTHUR V. WATKINS,
United States Senate.

DEAR SENATOR WATKINS: When I contacted your office in Washington recently Dr. Reed Frischknecht asked me to provide him with a written copy of a report that I discussed briefly with him.

During the period July 1, 1957, to December 31, 1957, this office made 425 loans in Utah and loaned $2,052,300. This corresponds with 365 loans made during the same period in 1956 in the amount of $1,755,975. During the same period, July 1 through December 31, 1957, 132 loans have been paid in full.

We have in our State 1,631 active unduplicated borrowers. Initial loans in 1957 averaged about $5,200, while in 1950 it was about $3,500. Eight-nine percent of our loans have been made to full-time farmers and about 11 percent to part-time farmers.

On December 31, 1957, our operating loan delinquency on number of borrowers shows a 29.8 percent delinquency. This corresponds with a 45-percent delinquency for all the Western States. On the same basis, our soil and water individual loans have a delinquency of 9.5 percent, and the average for the Western States is 17 percent.

Our 51 soil and water association loans show a delinquency of 2 percent, while in the Western States it is 7 percent. On our 399 farm ownership loans we have a delinquency of 9.5 percent, while it is 18 percent for the Western States as a whole. On this type of loan in 1954 the borrower delinquency was 37 percent. We have 276 farm housing loans, with a delinquency of 6.5 percent. The Western States' average is 7 percent.

Our Utah loans, compared with the national picture, look good. Delinquency has consistently been cut in Utah. While we are loaning about three million dollars annually, we are receiving very near this same figure in repayments.

Utah was just recently allotted $200,000 additional money for operating loans. This should enable us to finish out this fiscal year in good shape with regard to operating loans.

It is my opinion that this program in Utah is surely fulfilling a need for the farmers, and at the same time is costing the Government very little for its operation. Our interest rate is 4½ percent on all real-estate loans, and 5 percent on operating loans.

Sincerely yours,

CLARENCE A. ANDERSON,
State Director.

EZRA TAFT BENSON

Mr. WATKINS. Mr. President, the growing stature of Ezra Taft Benson in his services as Secretary of Agriculture is daily becoming more evident. We do not have merely the increasing marks of confidence of the President in his abilities and integrity, but also a growing sentiment throughout the country as expressed in the Nation's press.

Oftentimes I have felt that attacks against a Secretary of Agriculture are more properly attacks that should be made against agricultural legislation. He is but the administrator of a policy that was originally enacted by Congress. In Congress then lies with us the means to correct the legislation—to amend it, add new, as the changing needs of the times would seem to indicate.

If we have good, sound agricultural policy, then we can easily urge or defend it at home.

If we have not, then no Secretary of Agriculture however able can basically provide the cure. That lies with the Congress.

Another thing, let us remember that the policy that Secretary Benson is defending is the policy of the President of the United States. Why then is it that the attackers of Secretary Benson do not attack the President, on his policy? Is it that they lack the moral and political courage to do so? If they are against the policy, why criticize Benson; why not criticize the President?

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks some press comments on this situation.

First I ask unanimous consent to have printed in the RECORD an editorial entitled "Mr. Benson's Courage and Integrity," published in the Salt Lake Tribune of February 23, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. BENSON'S COURAGE AND INTEGRITY

Secretary Benson's meeting with a group of House Republicans reminds us of Rudyard Kipling's lines:

"If you can keep your head when those about you are losing theirs and blaming it on you."

Mr. Benson certainly kept his head. But the same cannot be said of his Republican visitors who blamed many of their party's supposed ills on him.

A political revolt is sweeping the farm States (last week the GOP barely managed to hold on to a House seat in Minnesota which has been in its control since 1893) and frightened politicians are positive that the Benson farm program is responsible. One Congressman said after the meeting with the Secretary that if Mr. Benson remains in the Cabinet it will cost the Republicans 20 to 25 House seats in the Middle West next November.

This puts the "Benson must go" campaign in proper perspective. It is not a matter of right or wrong but of pure political expediency.

Mr. Benson, to his great credit, does not believe in expediency.

He said he is convinced that the American people want programs based on sound principles in agriculture and that he will continue to fight for what he believes is right. Then he added that concern for political fortunes of individuals cannot transcend the very function of government, which is to protect and to help its citizens.

Those are refreshing words, especially in an era when almost anything goes if it will catch a few votes or make a profit. We only wish that more men in public life had Mr. Benson's courage and integrity.

Mr. Benson will not resign and it seems highly unlikely that President Eisenhower will ask him to do so. For the Benson farm program, about which such a fuss is being raised, is in reality the Eisenhower-Benson farm program. Thus, if the President were to throw his Secretary of Agriculture to the wolves, he would, in effect, be repudiating himself.

The Republican Congressmen who called on Mr. Benson didn't ask him to resign. That demand developed later. Moreover, not all of the Congressmen were of the same mind. One of them, Representative JUDD, of Minnesota, said that personally, he believes the Secretary is right. But the Benson program is designed for the long-range benefit of agriculture, and perhaps Mr. JUDD—and others—are more interested in short-term results, namely the coming Congressional election.

There is nothing new about the Benson farm program. It has been in effect for 4 years and it was authorized by Congress.

Nor has there ever been any doubt as to where Secretary Benson stood or what he intended to do.

He has spoken frankly time and again. He spoke frankly and to the point last week.

We recommend that his Congressional critics take a good look at his statement on the political fortunes of individuals versus the function of government.

Mr. Benson doesn't have any patent on integrity—that virtue is open to anyone, in Congress or out.

Mr. WATKINS. Mr. President, I ask unanimous consent, also, to have printed in the RECORD at this point an editorial entitled "Keep Benson," published in the New York Herald Tribune of February 22, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KEEP BENSON

Secretary of Agriculture EZRA BENSON is an honest, outspoken man of firm and sound convictions. What is more, he views the farm problem as national, not sectional. He knows that the country's prosperity cannot be served by a system which places the farmer on a perpetual dole, continually turning out so much more than the global economy can consume that the taxpayer must save him from being swamped by his own glut.

These courageous qualities have aroused resentment, to varying degrees, in the farm States. When a Minnesota Congressional District which the Republicans had carried by nearly 60,000 votes in 1952 gave them a dubious lead of little more than 600 in last Tuesday's special election, the farm State Republicans in Congress hastily caucused. Minnesota's Representatives JUDD and MILLER went to Mr. Benson on behalf of the group, in effect demanding the Secretary's resignation for the good of the party.

This newspaper believes Mr. Benson's resignation would not be in the best interests of the Nation. Surely what is not in the best interest of the Nation cannot be in the best interests of the Republican Party or any other party.

Certainly the Republicans face a fight—a hard fight—in the November elections. But it is not a fight that can be won piecemeal, by sacrificing principle to expediency, or by executing administrators who do not believe in buying votes with handouts.

The American people respect political courage. If Mr. Benson has made enemies in the farm States he has also made friends. Polls increasingly demonstrate that farmers themselves would like to get the Government out of their business before they become entirely its prisoners. There are figures which indicate that in the 1956 elections those Members of Congress who supported Mr. Benson's policies did better than those who opposed them.

Let the good Secretary stay. He serves his country with intelligence and integrity. Such men are rare enough. When we find one let us have the good sense to keep him. What is good for the country will in the long run prove good for the party.

Mr. WATKINS. Mr. President, I also ask unanimous consent to have printed in the RECORD the Roscoe Drummond article entitled "Evidence Indicates Benson Has President's Confidence," published in the New York Herald Tribune of February 22, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVIDENCE INDICATES BENSON HAS PRESIDENT'S CONFIDENCE

WASHINGTON.—It's politics—and some consider it the politics necessary to survive—which is causing a group of midwestern Republican Congressmen to try to force President Eisenhower to fire Secretary of Agriculture Ezra Taft Benson.

Have no doubt about it, Mr. Benson is not going to cave in. He is not going to quit under pressure. In fact, he is not going to quit at all and he is not going to resign unless the President tells him to resign.

Will Mr. Eisenhower yield to the clamor of the politicians who seem intent upon hanging Mr. Benson in the public square and flushing their own party's principles down the sewer?

Every bit of evidence to date is that Mr. Benson has the President's full confidence, that his farm policies are carrying forward exactly what Mr. Eisenhower favors and that the White House believes that to offer up the Secretary of Agriculture as a symbolic sacrifice for the short-term gain of a few votes would damage the Republican Party far more than it would help not only in the fall elections but in others which lie ahead.

My own conviction is that Secretary Benson is a source of strength to the administration and that his political execution would hurt the Republican Party. Not that his efforts in behalf of agriculture have not offended some farmers and some farm politicians. They unquestionably have.

Mr. Benson has prestige and respect and popularity throughout the Nation and with all segments of voters because he is honest and courageous and because he is pursuing a constructive, even if partly unpopular, set of policies. Most of the politicians, both Republican and Democratic, know that high, rigid price supports have aggravated the difficulties of the American farmer and have caused, not solved, the massive surpluses.

But Mr. Benson has had the guts to say so and to act upon his convictions in the interest of dealing with the causes, not just with symptoms, of the farm problem.

The real problem the farmer faces today is not a declining income from what he sells, but the rising prices he has to pay for what he buys. Farmer income is going up but it is not going up as fast as his costs.

From 1939 to 1952 the prices paid by farmers more than doubled. From 1953 to 1958 the farmers' prices rose only 6 percent. The truth is that Mr. Benson has been dealing constructively with the heritage which was left on his doorstep by previous administrations and this heritage included a highly inflated cost structure.

Benson farm policies are helping most farmers and most of the farm economy. They have turned from the palliatives which have made conditions worse in the past and which nearly every Democratic Secretary of Agriculture since Wallace has condemned.

There are numerous favorable factors in the farm situation.

The post-Korean downtrend in prices, which started in 1951, has been stopped. Prices received by farmers in January were 4 percent above a year ago and 10 percent above 2 years ago.

Income per person on farms last year, including income from all sources, was the highest on record.

Farm exports last year were 68 percent higher than in 1953.

The buildup of surpluses has been reversed.

Is the President going to drop Mr. Benson in order to reverse his farm policies or is he likely to be pressured into making a political-blood sacrifice out of Benson and get somebody else to carry out the same policies?

I have been told of occasions when Mr. Eisenhower listened with some responsiveness to criticism of such administration figures as Harold Stassen and Defense Secretary Wilson. But when the criticism got around to Secretary Benson, he froze up in a way which would make an iceberg seem warm and chummy.

Right now Mr. Benson looks exceedingly secure. He has been carrying out the farm policies which Mr. Eisenhower was, in part, elected to carry out. There are not too many public officials of Mr. Benson's transcendent integrity and moral stamina available to any administration, I incline to the view that the President can't afford to lose him.

Mr. WATKINS. I also ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Benson Must Go?—Congress, Too?" published in the New York World-Telegram of February 22, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BENSON MUST GO?—CONGRESS, TOO?

Two Republican Members of Congress, WALTER H. JUDD, of Minneapolis, and A. L. MILLER, of Kimball, Nebr., yesterday had the unhappy—and hypocritical—job of telling Secretary of Agriculture Ezra Taft Benson he ought to resign for the good of their hides.

We don't know about Mr. MILLER, but Mr. JUDD, an estimable legislator, obviously didn't have his heart in this chore. Because later he said: "I myself think he is right in his policy."

Well, he is right. But that's not the point. It isn't Mr. Benson's policies which have the farmers in the soup. It's the policies written into law by Congress, Democrats and Republicans. Mr. Benson wants to change those policies—but Congress stubbornly sticks to the medicine which caused the illness.

Farm-bloc Congressmen (in both parties) are beating the Secretary of Agriculture over the head for their own sins. All Mr. Benson has done—in addition to advocating a constructive change in the laws—is do what the laws passed by Congress compel him to do.

Yet these Congressmen have the gall to go to him and tell him that if he doesn't resign, 10 to 25 Republican Congressmen will get beaten this fall. All we can say is that, for lack of spine, it would be no less than they deserve.

These panicky Republican Congressmen, who instigated the Miller-Judd mission, should be cut selling Mr. Benson's policies. Farmers aren't so stupid—it's only the politicians claim to represent them.

If anybody should be resigning, it would be the farm-bloc Members who cling to the laws which brought on the agricultural fiasco. But who would have the temerity to suggest that?

Mr. WATKINS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Farm Belt Jitters," written by Thomas O'Neill, and published in the Baltimore Sun of February 26, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM BELT JITTERS

WASHINGTON.—At bottom, the proposal of Farm Belt Republicans is that President Eisenhower save them by a hoax. Their proposition is that the administration keep the farm program that Secretary of Agriculture Benson administers but fire Mr. Benson, trusting that this gesture will pacify rebellious voters in the midlands until the ballots are safely counted in November. A number of shortcomings in this brassy scheme are immediately evident, including the expectation that Mr. Eisenhower would heave out of his office any delegation so intrepid as to present it in unvarnished terms. It is the product of desperation at the prospect of political unemployment after the election, a prospect made more real by last week's by-election in Minnesota. The returns there added new volume to the old Farm-Belt chorus, "Ezra go home."

An earnest attempt is made to justify the inconsistent attitude that Mr. Benson is a greater political liability than his program. The contention is that Mr. Benson has become a symbol of hard times on the farm, in the way that Mr. Herbert Hoover is a symbol of economic depression. Any new Secretary of Agriculture pursuing the same policies with the same dedication would, by this reasoning, get a friendlier understanding in the Farm Belt. The voters there have come to believe, say the panicky Congressmen, that Mr. Benson is lacking in sympathy for their problems and are determined to make their resentment known by voting against the most available Republican candidates—in this case, the Congressmen. In the 12 Farm Belt States a total of 83 seats now held by Republicans are to be filled in November, as well as 5 places in the Senate. The most dejected among them have bombarded the White House with wails that Midwest Republicans will be washed out of Congress in November unless Mr. Benson goes.

Since he refuses to resign, they demand that he be fired. Even here Mr. Benson appears to have a number of advantages over his critics.

Nobody gets fired in this administration, chiefly because that would be at odds with

the team conception. Even Mr. Harold Stassen was persuaded to go quietly, and unconvincingly. When the White House has reluctantly found it necessary to bid others to depart (the word is given by Mr. Sherman Adams) the public procedure has always been by resignation. Although the White House has Mr. Benson's resignation (like that of all other Cabinet officers it was offered at the beginning of the second term) and could announce its acceptance at any time, it would deceive no one.

Mr. Benson made sure of this in December when rumors were abundant that Vice President Nixon and the chairman of the Republican National Committee, Mr. Meade Alcorn, had decided that he was too great a political handicap and must be liquidated. In as astute a countermove as any beleaguered public official ever made, the Secretary of Agriculture summoned a press conference and served notice that he intended to stay in office until fired. He made pointed references to a conversation in September with President Eisenhower at which he was asked to stay on. The statement was made without consultation with the White House. Mr. Benson had earlier made plain that he would agree to no subterfuge such as moving him to the Presidential staff as a special consultant.

All of this amounted to insurance against dismissal disguised as resignation even though the White House chief of staff and patronage boss, Mr. Adams, is described as holding Mr. Benson to be expendable. As long as the White House clings to its distaste for firing as untidy and unpleasant, Mr. Benson appears to be safe. Beyond that he has the record of repeated Presidential declarations of confidence and backing, extending from the earliest attacks upon him to the present.

Among the most pointed of these pronouncements was a speech made by Mr. Eisenhower to the Republican National Committee at its meeting last month. Antagonism to Mr. Benson was plain in the committee. Mr. Eisenhower delivered a strong defense of the administration farm policy, which he attributed to Mr. Benson, and described it as an honest, forthright, and sensible attempt to solve the baffling problems of surplus production and depressed farm prices.

Mr. Eisenhower has always appeared in agreement with the Benson philosophy that farmers cannot be legislated into prosperity, that any farm program must be financially practical, and that policy must be geared to farm production for use rather than for storage in Government warehouses. All that interests the politicians, though, is the memory that Mr. Truman won an election in 1948 on the cry that the Republicans had stuck a pitchfork in the farmer's back.

DOMESTIC PROCUREMENT OF COMMODITIES FOR MUTUAL SECURITY PROGRAM

Mr. WATKINS. Mr. President, I today have sent to the President of the United States a letter in which I pointed out some of the problems which might be solved by an implementation or an invocation of section 510 of the Mutual Security Act of 1957, as amended last year.

As I understand, the purchasing of commodities by the International Cooperation Administration is going forward under the Mutual Security Act on a level of almost $100 million a month. However, unless section 510 shall be invoked, only about one-third of this expenditure will be made in the United States. In other words, almost $600 million in new purchasing power can be added to the United States business in the next year by this action, if the ICA procurement remains at the billion dollar level.

It might be well to consider the particular language of section 510 to which I am calling attention. It reads:

> Funds made available under title 2 or chapter 3 of title 1 of this act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the economic advantages to the United States of less costly procurement abroad.

I can give a specific illustration of what might be done, if the President would determine that the procurement should be in the United States because of the surplus of labor in some areas where there is now a recession, a downturn in business, and a falling off in employment.

I call attention to the coal situation, especially in my own State. Utah has many large coal mines which can supply bituminous coal of excellent quality. Also, we have natural gas, oil, and other fuels in that area which are in competition with the coal mines. Those fuels have practically put the coal mines out of business, so far as the domestic market is concerned.

Those mines have been shipping coal to Korea, under the Mutual Security Act, through the International Cooperation Administration. It now appears that some of that business must be given to foreign countries, probably Australia and Japan, and invitations for future bids have been extended to those countries.

If section 510 were invoked, the coal would be bought in the United States, because there is surplus labor in the coal-producing areas. The President, I think, would be justified in invoking section 510 and in seeing to it that that coal was purchased in the United States.

Other commodities also could be brought into the picture under title II of the Mutual Security Act of 1957, as amended, and employment given to additional thousands of American citizens. This action would not need the authorization of Congress. It would not need any appropriations. It would need only the determination by the President of the existence of a situation which called for his action in invoking that part of section 510.

Mr. President, I ask unanimous consent that the text of the letter and the language of section 510 of the Mutual Security Act of 1954, as amended, to which I have referred, be printed at this point in the RECORD.

There being no objection, the letter and the material referred to was ordered to be printed in the RECORD, as follows:

FEBRUARY 27, 1958.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.

DEAR PRESIDENT EISENHOWER: In view of the recognized problem of shoring up domestic employment for a short-term period, I recommend that you invoke section 510 of the Mutual Security Act of 1954, as amended. This action would require domestic procurement of commodities for the mutual security program during the extent of the present recession.

This proposed action appears to be one of the most immediate and economical means available of stimulating increased purchasing of goods within the United States during this period of economic readjustment.

As I understand it, purchasing of commodities by ICA already is going forward under the Mutual Security Act on a level of nearly $100 million a month. However, unless section 510 is invoked, only about one-third of these expenditures will be made in the United States. In other words, nearly $600 million in new purchasing power can be added to United States business in the next year by this action, if ICA procurement remains at the billion-dollar level.

This has been brought home rather vigorously to me in reviewing recent ICA purchasing of coal for Korea. Under recent contract negotiations, 4 out of 8 cargoes of coal were purchased from Australia, while coal producers in many States of the United States are undergoing economic difficulties. And unless section 510 is invoked, another 4 cargoes—50 percent of the remaining purchase needs—will go to Australia or to Japan, thereby adding to complaints from domestic coal producers.

In addition, these foreign coal purchases will be carried in foreign shipping, while American ships are looking for business.

Invocation of this protective section—which I believe has been invoked on one short occasion previously—also will contribute to a better reception in many parts of the country to the Mutual Security Act of 1958. Arguments in behalf of this legislation have stressed the jobs provided here in the United States under this program. Hence, if the immediate domestic advantages of this program can be expanded two-thirds by invoking section 510, more people I think would favor the overall objectives of the foreign assistance program.

It is true that invoking this section would increase the overall costs of this program simply because American products cost more. However, it is my opinion that this increase would be in line with accelerating Federal expenditures in other areas as a means of counteracting the business recession. Furthermore, it would be an expansion of a going program and not a new program that would have to be completely financed.

I hope that you can give serious and expeditious consideration to this suggestion.

With warm personal wishes.

Sincerely yours,

ARTHUR V. WATKINS.

P. S.: An extract copy of the pertinent section 510 language concerned is attached herewith for your convenience.

FROM SECTION 510, MUTUAL SECURITY ACT OF 1954, AS AMENDED

Funds made available under title 2 or chapter 3 of title 1 of this act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the economic advantages to the United States of less costly procurement abroad.

Mr. WATKINS. Mr. President, I thank the Senator from Oregon for yielding to me.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RELATING TO TOBACCO ACREAGE ALLOTMENTS

Mr. MORSE. Mr. President, I yield to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I introduce on behalf of myself and my colleague, the junior Senator from Kentucky [Mr. MORTON], a bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments.

In the House of Representatives today, the Honorable JOHN WATTS, representing the Sixth Congressional District of Kentucky, and other members of the Kentucky delegation, are introducing identical bills.

The purpose of the bill is to prohibit the marketing of a second tobacco crop from the same acreage allotment, whether grown from the same or a new setting of tobacco plants.

The tobacco program has been a successful one, primarily because of the support and cooperation of tobacco growers. With few exceptions, farmers have observed regulations, and particularly have scrupulously adhered to acreage allotments. By this means, production and consumption have been kept in balance.

In the last few years some burley growers have sold under their allotments, a second crop—grown on the same acreage—known as sucker tobacco.

It has been estimated that this second crop has reached 15 to 20 million pounds—3 to 5 percent of the total burley production of approximately 500 million pounds. The 15 to 20 million pounds also approximates the burley tobacco acreage placed in the acreage reserve of the soil bank.

If this practice continues, it could destroy the tobacco program, nullifying the acreage reserve program of the soil bank. If the soil bank acreage reserve is continued, it will place inferior tobacco on the market, especially for the export market. It is obviously unfair to those growers who observe regulations.

The bill which I introduce would stop the practice by providing that if a grower markets a second crop of tobacco from his acreage allotment, his next allotment will be reduced by an amount equivalent to the acreage from which more than one crop was harvested.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3380) to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco-acreage allotments, introduced by Mr. COOPER (for himself and Mr. MORTON), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

WATER: ITS USES, ITS POLLUTION, ITS PROTECTION

Mr. MORSE. Mr. President, I commend to my colleagues an excellent article appearing in the February 1958 issue of the Weyerhaeuser Timber Co.'s house organ Weyerhaeuser magazine. It is entitled "Water: Its Uses, Its Pollution, Its Protection." The growing industrial attention that is being given to water deserves recognition. These changed attitudes are encouraging. We should take judicial notice that the Federal Government must do its part to assist in the gigantic task of pollution control. I commend this article particularly to the Eisenhower administration, which has failed miserably to support a highly desirable antipollution bill—the Blatnik Pollution Act. In the interest of present and future generations, this administration ought to reconsider its position and get behind pollution control.

I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATER: ITS USES, ITS POLLUTION, ITS PROTECTION

A scarcity of big trees and fresh water? The thought never entered the minds of pioneers who settled the Far Northwest.

Early settlers had forests to burn—forests they had to burn in order to make food farming possible. They had too much water, too much rain, too many rivers to cross.

America's population scale tipped westward. People pressed their demands on the land. From the forests they took trees for shelter, hacked space to grow crops, plat towns, build railroads, highways, military reservations, airfields, electrical transmission lines, and parks.

While water was still considered inexhaustible, the limited nature of the forests became a real concern. Thinking people realized they could no longer afford the luxury of single-use forests. By learning to properly manage their lands to serve a number of beneficial uses, they conserved their forests while gaining more values from them.

Demands for water grew, too—demands for domestic and industrial use, agricultural (irrigation) use, stock and wildlife watering, propagation of fish and shellfish, swimming, boating and scenic enjoyment, waterpower and navigation, and proper disposal of sewage and industrial wastes. The relative importance of each of these depended on the economy of the area and the desires of the local people.

In Washington, domestic and industrial requests for water use permits have increased from about 225 a year in the 1930's to more than 1,125 a year. More than 100 water districts divert water, which is returned—used—into some watercourse. In Oregon, a 60 percent population increase has occurred since 1938. More than 175 sewer systems and 150 sewage treatment plants are operating. While Oregonians now annually consume some 66 billion gallons of water for domestic use, estimates show they will use 110 billion in 1975.

In each State, more than 1 million acres are under irrigation.

Large quantities of water are used in many industrial operations. To make one ton of synthetic rubber requires the use of 600,000 gallons of water; to generate a kilowatt-hour of electricity, the use of 6,000 gallons. A ton of aluminum requires the use of 320,000 gallons; a ton of market pulp uses 60,000 gallons.

Water has many interesting characteristics. It cannot pass over the earth or through the air without contracting impurities. It tends to purify itself naturally through dilution, sedimentation, exposure to sunlight, aeration, and chemical precipitation.

Put a substance—any substance—into the waters of a region and you have potential pollution—pollution in the sense that, if sufficiently concentrated, the substance can adversely affect such waters for one or more of its established uses. Yet, any substance, when adequately diluted, can also be rendered harmless to those same uses. A waste discharged, for example, into a tiny stream may result in gross pollution to all established uses for that stream. Identical amounts of that same waste introduced into the Columbia River or Puget Sound may cause no adverse effects at all.

What, then, is pollution?

It depends. It depends on the specific uses to which water is put. An oil film, exhausted from countless outboard motors, might not harm lake waters for boating, but it could render them unattractive for swimming. Waters used to irrigate agricultural lands treated with insecticides might be safe for stock watering, but unpalatable for drinking purposes. Discharge from a sewage treatment plant may be perfectly safe for marine life, but unfit for industrial use.

Before a reasonable standard for determining pollution can be set, the present and potential uses of a given water must be defined.

Washington law declares that the State shall determine what qualities and properties of water shall indicate a polluted condition deleterious to the lawful occupation in which the State's waters may be lawfully used.

Colorado courts have said that pollution means an impairment, with attendant injury, to the use of the water specific users are entitled to make. Unless the introduction of extraneous matter so unfavorably affects such use, the condition created is short of pollution. In reality, the thing forbidden is injury. The quantity (of extraneous matter) is immaterial.

California law declares pollution to mean an impairment of the quality of the water of the State by sewage or industrial waste to a degree which does not create an actual hazard to the public health, but which does adversely and unreasonably affect such waters for domestic, industrial, agricultural, navigational, recreational, or other beneficial use.

Pollution, then, is not determined by what is put into water. It is determined by the actual harm caused to recognized uses of water.

What safeguards must be provided to protect the beneficial uses to which water is put?

Again, these vary with each use and with each body of water.

For drinking purposes, standards include strict bacterial limits; limits on turbidity, color, taste, and odor; limits covering mandatory minimums for critical elements like lead, arsenic, and fluorides; and recommended minimums for less critical substances like magnesium, chloride, and sulfate.

For industrial purposes, standards vary. Food processing and bleached pulp and paper making, for example, require stricter standards than does drinking water. For other uses, standards may be considerably less stringent.

For fish and other aquatic life, specific standards can be set regionally. But it is acknowledged an impossibility to apply realistic rigid standards to a wide area because of varying effects of harmful substances on fish of different species, size, age, and general health. Damaging effects are generally greater in hard water, warmer water, and water with reduced oxygen content.

Thus, planning adequate and lasting protection for any region's multiple water uses requires careful study and deliberate evaluation of many local factors. Thoughtful handling can assure that the Pacific Northwest's

waters—available in unmatched abundance—will be protected for all existing and future beneficial uses.

The next article in this series will show how the company's pulp mills at Longview, Everett, Springfield, and Cosmopolis have been adapted to their local environment—particularly in relation to the local water resource.

BOARD OF VISITORS TO NAVAL ACADEMY

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The Chair has been requested by the Vice President to announce for him the appointment of the following Members on the part of the Senate of the Board of Visitors to the United States Naval Academy; namely, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Maryland [Mr. BEALL].

ADJOURNMENT TO 10:30 A. M. TOMORROW

Mr. MONRONEY. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until 10:30 a. m. tomorrow, Friday.

The motion was agreed to; and (at 7 o'clock and 19 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, February 28, 1958, at 10:30 a. m.

NOMINATIONS

Executive nominations received by the Senate February 27, 1958:

DIPLOMATIC AND FOREIGN SERVICE

Homer M. Byington, Jr., of Connecticut, Ambassador Extraordinary and Plenipotentiary to the Federation of Malaya, to serve concurrently and without additional compensation as the representative of the United States of America to the 14th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

Robert G. Barnes, of Pennsylvania, a Foreign Service officer of class 2, to be Special Assistant for Mutual Security Coordination, in the Department of State.

IN THE NAVY

The following-named officers of the Navy for temporary promotion to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Allison, Mack E., Jr.
Altman, Ivan S.
Azeris, Harijs T.
Banta, James E., Jr.
Barnwell, Frank M.
Bennett, Wayland
Berstine, Richard L.
Britton, Joseph H.
Burkhart, Vernon A.
Clarke, Pauline E.
Cooley, Norman V., Jr.
Esterly, Harold D., Jr.
Frew, Mable A.
Gordon, John J.
Horgan, Joseph T.
Hyams, Vincent J.
Jacoby, William J., Jr.
Jones, Warren R.
Johnson, Thomas S.
Kitrinos, Nicholas P.
Kretzschmar, Hanns O.
Latham, Ernest F.
Lucas, William E.
Lynch, Mary T.
McDonough, Robert C.
Murphy, James J.
Musgrave, Max E.
Myers, Willis S.
O'Connell, Patrick F.
Paslay, Jefferson W.
Pedlow, Harry J., Jr.
Rossi, Joseph G.
Stephens, David L.
Wilson, David Q.
Winter, William R.
Wood, Matthew W.

SUPPLY CORPS

Abrams, Bernard
Ahern, James R.
Allan, Richard T.
Allen, James V.
Allshouse, Thomas J.
Anderson, John J., Jr.
*Anderson, Oscar M., Jr.
Andrus, Harold R., Jr.
Armstrong, William S.
August, Joseph J.
Baker, James J., Jr.
Bandish, Bernard J.
Banghart, Robert J.
Baratta, Alfred A.
Barnett, Edward B.
Barnett, William H., Jr.
Bateman, Roger I., Jr.
Baumgardner, James M.
Beale, John W.
Benson, Bruce A.
Bigham, Robert G., Jr.
Boltwood, Chester M.
Borchers, Alyn L.
Bow, Joseph R.
Brennan, Jack M.
Brown, Lowell E.
Bruening, Paul M.
Buben, George
Burgess, Frederick C.
Bussell, Horace G.
Butler, Arthur G., Jr.
Calhoun, Thomas N.
Carlson, John C.
Case, George O.
Chapman, John A., II
Charette, Author E.
Cheshure, Joseph H.
Child, Arthur L., III
Chupalio, Anthony F.
Cohen, John F.
Condon, Thomas P.
Coon, Leroy E.
Cooper, William M.
Cosby, Francis B.
Coughlin, James E. M.
Crouch, Perry B.
Czarnecki, Chester B.
Daniel, James C.
Daniels, Hoyle H., II
Davis, Albert S.
Day, Robert D.
Dellinger, Charley P.
Depew, Robert W.
DeSanto, James V.
Dietz, Howard M.
Donnelly, Joseph A.
Downey, James G.
Drzewiecki, Casimir A.
Duquette, James R.
Edsall, Arthur R., Jr.
Eliot, Edward C.
Elwood, Joseph L.
Emery, William M.
Erickson, Allwyn B.
Evans, Stuart J.
Fabian, Robert G.
Ferris, Robert H.
Finn, John F.
Fisk, Calvin W.
Fjelsta, John E.
Flaherty, Timothy G.
Flock, Jens B., Jr.
Fowler, George O., Jr.
Fronke, Robert E.
Fry, Roy A., Jr.
Gaetz, Edward F., Jr.
Gallagher, Granville W., Jr.
Galligan, Charles H., Jr.
Gaschen, Fredrick S.
Gentel, Robert A.
Gifford, Robert L.
Goetzmann, John C.
Graves, Norman C.
Graziadei, John D.
Grechanik, Walter
Growden, Ellwood W.
Gunkel, Frederick H.
Hagedorn, Lawrence D.
Haines, Donald R.
Hamill, William T., Jr.
Hanson, Frank L.
Hanten, Kenneth S.
Hardy, John F.
Harris, Melvin W.
Hart, Billy W.
Hatch, Bobby L.
Hatch, James C.
Hatfield, John H.
Hatton, Roy E.
Havener, Millard F.
Heasley, Gail L.
Hein, Joseph J., Jr.
Heindel, Donald D.
Heitmeyer, Richard C.
Hency, Max E.
Hereford, James D., Jr.
Heurich, Robert G.
Hillard, Herbert S., Jr.
Hiza, John
Hobkirk, Carl M.
Holfield, Arthur W., Jr.
Holt, Robert O.
Honsinger, Jack E.
Horngren, Earl W.
Houkom, Leif A.
Hughes, Lowell T.
Huntress, James F.
Hutchison, Marvin S.
Hynes, Edward J.
Johnson, John T.
Johnson, Karl A.
Johnson, Richard D.
Johnson, Warren B.
*Jones, Ivor H., Jr.
Jones, John F.
Jongeward, Keith W.
Kammerer, John H.
Kamps, John H.
Kash, William B.
Keenan, Joseph I.
Keller, Bruce W.
Kellogg, Dean L.
Kennedy, Patrick F.
Keyser, Carroll R.
Kilcourse, William R.
Kirkwood, "J" Scott
Knight, Reed H.
Knipple, John D.
Kolinsky, Jaromir J.
Kramp, Henry F.
Kraus, Walter L.
Kuhlman, Norman H. C.
Lake, Donald H.
Laning, George H.
LaPlante, Robert W.
Ledbetter, Lee R.
Lent, Robert E.
Leslie, Myrton "J"
Lindsey, Bob R.
Link, Robert E.
Longmire, Billy R.
Luck, William E.
Lynch, John E., Jr.
Malone, Francis E.
Manion, Uriel V., Jr.
Marshall, John F.
Martin, Donald V.
Martin, John T.
Marx, James H.
Matthews, Chester S.
Maurstad, Alfred S.
Maxon, Ivan B.
McBroom, William M.
McCabe, John N.
McCrory, Walter J.
McGovern, Austin F.
McKeen, Edward N.
McKenna, James E.
Means, James M.
Mereness, Lyman T.
Minton, Horace L.
Morlan, Robert M.
Mossing, Raymond L.
Maurauskas, William A.
Murray, Paul T.
Musci, Cosimo B.
Nash, William T.
Newton, Ernest C.
Nunn, Enoch W.
Nunally, Roy S.
O'Connor, Thomas J.
O'Lin, William C.
Oliver, James C., Jr.
Oller, William M.
Orr, Raymond J.
Orrill, Donald P.
Ortland, Warren H.
Ouellette, Joseph F.
Owen, Frank T., Jr.
Packard, Harrison G.
Park, Jack M.
Pate, Walter T., Jr.
Pawlowski, Thomas J., Jr.
Penny, LaRue D.
Perschy, John L.
Pflueger, Paul J.
Phelps, Gordon W., Jr.
Pillar, Samuel A.
Pistner, Robert G.
Pluto, Raymond J.
Podrouzek, William J.
Polk, Donald E.
Polk, Robert B.
Polk, William E., Jr.
Poor, John L.
Pope, George S., Jr.
Potts, Stanley W.
Prehn, John L., Jr.
Primm, Jules R.
Purnell, Rodney K.
Radeke, Waldemar H., Jr.
Rainey, Richard L.
Raney, William O.
Rebentisch, Joseph A., Jr.
Reichert, Harold H.
Reynders, William J.
Riegle, Chester F.
Riley, George D., Jr.
Roberts, Maynard R.
Ronayne, William D.
Ross, Joel E.
Rossi, Louis P.
Ryder, John K.
Ryon, George G.
Saksa, Frank A.
Schirmer, August A., Jr.
Schultz, Jackson L.
Sharp, Herbert C.
Shepard, John C.
Slater, Thornton L.
Sloan, Waldo D., Jr.
Smith, Carlton B.
Smith, William C.
Snyder, William J.
Spalding, Joseph E.
Starbody, John L.
Stephens, Samuel S.
Stewart, John K.
Stratton, Ogden K.
Strohm, James R.
Sullivan, John J.
Sundberg, Daniel G.
Sutherland, Lawrence E., Jr.
Sylvester, Nelson J., Jr.
Teichler, Alfred H., Jr.
Thayer, Ernest C.
Thomas, Carl W.
Thomason, Vernon D.
Thompson, Charles E.
Thompson, Edwin H.
Thompson, Robert W.
Thurner, Alfred J.
Tice, "J" Philip
Tippin, Jesse R.
Truax, Ernest L., Jr.
Turnage, Robert E.
Tylman, Frank J.
Urban, John S.
Van Landingham, Max O.
Van Osdol, Robert C.
Van Tol, Peter H., Jr.
Veazey, John W.
Vogel, Robert E.
Vogel, William J.
Von Kennel, Harry P., Jr.
Waldron, William S.
Walker, Hinton C.
Wallace, William E.
Waller, Thomas C., Jr.
Walters, Melville J., Jr.
Ward, John A.
Wasko, Andrew J.
Weihrich, Walter F.
Weiss, Richard A.
Welch, Gordon E.
Westin, Paul V.
Weyrauch, Gerald H.
Whelan, David W.
Wier, Richard A.
Wills, Thomas J., II
Wilsie, Roger M.
Wilson, Robert M.
Xefteris, Zefter C.
Ziegler, Bryan W.

CHAPLAIN CORPS

Agnew, James F.
Anderson, Robert E.
Arnold, Charles L.
Bakker, Peter J.
Below, Ralph W.
Bingaman, George C.
Brown, Jonathan, C., Jr.
Caldwell, Ralph G.
Connolly, Homer T.
Darkowski, Leon S.
Davis, Benjamin J.
Detrick, Wayne N.
Duncan, Henry C.
Dunn, Edward J.
Goodman, Garson
Griffin, Cornelius J.
Hammerl, Paul C.
Hearn, William M.
Hilferty, Joseph C.
Hoar, Martin J.
Hunter, William M.
Jackson, Raymond E.
Kensta, Felix L.
Lineberger, Ernest R.
Long, Bradford W.
McCarthy, Eugene W.
McDonnell, James T.
Paulson, George L.
Powell, Willie D.
Riley, George B.
Robertson, Alla W.
Schnick, Homer L.
Smith, Vincent M.
Sundt, Valery E.
Traeumer, Paul E.
Volz, Anthony C.
Ward, Leo D.
Williams, Bruce H.

(NOTE.—Asterisk (*) indicates ad interim appointment issued.)

CIVIL ENGINEER CORPS

Alberts, Carl D.
Andrews, James D.
Bafus, Raymond A.
Baker, Jeriod I.
Barron, William W.
Bothwell, John R.
Buck, Robertson W.
Burch, Bobby F.
Burfield, James A.
Butler, Charles W.
Butterfield, Ossian R.
Cahill, Harold P.
Carrillo, Carl F.
Cochran, Joseph D.
Cole, Marvin L.
Curione, Charles
Dewey, Elliot A.
Dill, Allen F.
Doerpinghaus, Robert C.
Dunn, Robert H. P.
Dunnells, Robert E.
Ellis, Darl A.
Feinman, David M.
Flippen, Homer W.
Floyd, Archie E.
Gentry, William W.
Goetzke, George A., Jr.
Hardy, Richard T.
Healy, John J.
Heid, Charles C., Jr.
Hoskins, Dalton N.
Hufft, John C.
Jones, Frank W.
Jortberg, Robert F.
Kitterman, Douglas T.
LeDoux, John C.
Lennox, Frederick E.
Locke, Harry A.
Mallory, Charles W.
Marron, James P.
McCoy, Arley E., Jr.
McFarland, Cecil W.
Merrill, Bergen S., Jr.
Miles, Bert H.
Miller, Robert H.
Moffat, Robert E.
Nims, William E.
Nuss, Edward S.
Paletti, Arthur V.
Perkins, Anson G.
Pickett, Eugene L.
Portner, Eugene M.
Puddicombe, Robert W.
Rautenberg, Carl N.
Reed, William F., Jr.
Rice, Francis W.
Richeson, William J.
Rumble, James D.
Russell, William F., Jr.
Sears, Kenneth P.
Semple, William H.
Shockey, Daniel N.
Simonson, Nelson C.
Smith, Donald E.
Stacey, Ernest R.
Stone, Horace "E"
Stroh, Alfred, Jr.
Tarran, David G.
Timberlake, Lewis G.
Trompeter, Richard W.
Wallace, Billy C.
Walls, Worthen A.
Washburn, Jack E.
White, Lawrence M.
Williams, Richard C.
Williams, Thomas C.
Wilson, William D.

DENTAL CORPS

Amman, Fred M.
Austin, Robert E.
Bagby, Robert W.
Bartosh, Andrew J.
Bradley, Kenton T.
Brown, Edward H.
Chaisson, Lloyd B.
Dennis, Harry J., Jr.
Duggan, Norman E.
Elliot, Robert W., Jr.
Enger, Theodore C.
Farrell, Paul E.
Finnegan, Frederick J.
Hembre, Lloyd E.
Hickey, Loren V.
Johnson, "C" Paul, Jr.
Johnson, Walter N.
Knoedler, David J.
Mann, William H.
Penick, Edward C.
Rau, Charles F.
Reitz, Phillip V. D.
Sachs, Samuel J.
Schweitzer, John R.
Scruggs, Charles "S"
Weber, Irving J., Jr.
Wilkens, Carl H., Jr.
Wyda, Andrew, Jr.
Zeigler, Paul E.

MEDICAL SERVICE CORPS

Aquino, Maria E.
Argaud, Samuel E.
Banko, Minnie D.
Bates, Marion D.
Bisenius, Mary E. A.
Boumel, Blanche E.
Bowdle, Frances L.
Bradberry, Julian H.
Brofft, Beltran F.
Brown, Helen J.
Butterfield, Sara B.
Caldbeck, Mary J.
Caldwell, Helen W.
Chapman, Edward D.
Chapulis, Mildred
Combs, Norris K.
Conway, Theodore H., Jr.
Cumming, William G., Jr.
Darling, Mary E.
diGiambattista, Italina
Dumas, Delima M. M.
Eager, Virginia J.
Fabian, Ruth E.
Flaherty, Edward M.
Florie, Walter M.
Grosz, Mary C.
Higginson, Jane
Hook, John M.
Lahey, Florence G.
Maurer, Helen F.
McGrael, Lawrence J., Jr.
McKearly, Georgia M.
Meckes, Maurine M.
Munroe, Barbara
Nelson, William H.
Neuneker, Charles E.
Noble, Howard F., Jr.
O'Brien, Helen T.
O'Malley, Elizabeth
Opkuth, Mary M.
Rafferty, Margaret L.
Rafferty, Raymond B.
Richtmyer, George W.
Robinson, Emma G.
Rosevear, Elaine O.
Simpson, Georgie I.
Stankavitch, Anna
Steele, Alice Q.
Towle, Paula C.
Vick, Ella M.
Ware, Robert M.
Wheeler, Dorthea H.
White, Evelyn D.
White, Muriel M.
Wooldridge, Melvin A.

NURSE CORPS

Aaberg, Evelyn L.
Adams, Sarah E.
Aldrich, Elizabeth E.
Allen, Barbara K.
Alwyn, Florence E.
Anderson, Frances M.
Anderson, Mary R.
Anderson, Antoinette M.
Andrews, Lois A.
Antoine, Eleanor M.
Asher, Mary E.
Auger, Dorothy L.
Bailey, Shirley M.
Baines, Lillian E.
Baldwin, Betty L.
Bareford, Louise
Barnhart, Margaret A.
Barrett, Grace L.
Barrett, Mary F.
Barrington, Elizabeth H.
Barrow, Blannie
Bartlem, June M.
Barton, Verna D.
Beach, Grace E.
Beaverlander, Alma S.
Beck, Frances E.
Beidler, Georgia E.
Bennett, Frances L.
Bernstein, Barbara E.
Beyer, Janet B.
Bierma, Margery G.
Bittle, Miriam E.
Bluhm, Dorothy M.
Boatright, Dorothy R.
Boothe, Mayme R.
Bowie, Elizabeth O.
Bradley Geraldine I.
Brady, Eleanor M.
Brennan, Mary P.
Brooks, Ruby M.
Brown, Florence C.
Bruun, Dorthy L.
Buchanan, Frances V.
Bucher, Mary B.
Budrey, Louise
Budzinski, Veronica T.
Buehler, Clara K.
Bulik, Stephanie
Bunker, Gladys E.
Burch, Mary C.
Burlon, Anna J.
Burris, Sara J.
Butler, Anna T.
Butt, Minerva A.
Caesar, Marion F.
Calder, Ellenora M.
Cameron, Catherine I.
Canary, Catherine C.
Carmack, Velma I.
Carmine, Barbara E.
Carroll, Vera E.
Carter, Margie L.
Carville, Elizabeth C.
Casby, Helen E.
Casey, Edith I.
Cavanaugh, Louise P.
Cavey, Muriel R.
Champion, Ruth A.
Chapman, Ninetta M.
Charow, Ann
Chebator, Isabel A.
Check, Anne
Chelf, Anne J.
Christopher, Floy M.
Churchill, Barbara H.
Clark, Elizabeth E.
Cleeton, Frances V.
Coady, Betty J.
Coffman, Ruth M.
Coker, Lummie G.
Coker, Mary E.
Collins, Christine G.
Conrad, Arline C.
Coody, Mary C.
Cooper, Virginia
Cornelius, Dolores
Costello, Mildred E
Cottrell, Sallie E.
Covington, Margaret L.
Covolo, Velia C.
Crane, Catherine J.
Crawford, Ollie M.
Croskey, Lois
Curran, Catherine E.
Dagostino, Virginia E.
Dalesio, Dorothy A.
Dalton, Marie F.
Davis, Alice L.
Davis, Grace I.
Davis, Margaret J.
Davis Rachel M.
Davis, Virginia A.
Dehler, Erma J.
DeLisa, Mildred A.
DeMariano, Helen J.
Deming, Eva C.
Dewar, Natalie M.
Dilley, Margaret H.
Disante, Desiderata
Dixon, Nora L.
Donnelly, Marjorie J.
Donovan, Ann E.
Donovan, Eleanor A.
Donson, Virginia
Doolan, Inabelle L.
Dorsey, Doris A.
Doyle, Margaret E.
Dreyer, Dorothy R.
Dubik, Anne
Duerk, Alene B.
Duprea, Kathyrn C.
Durnwald, Marguerite L.
Dwenger, Margaret E.
Earl, Louise
Eastin, Virginia A.
Eaton, Dorothy E.
Ebert, Carrie M.
Elias, Mary G.
Ellerbusch, Carrie L.
Ellias, Elizabeth
Elmore, Audrey I.
Emery, Lura J.
English, Sara A.
Erickson, Helen D.
Ericson, Anna L.
Erjavic, Pauline L.
Ettlinger, Ruth I.
Fable, Helen E.
Fagan, Esther M.
Farr, Jane H.
Feagin, Lenore S.
Feeney, Elizabeth
Feldworth, Marjorie E
Felts, Agnes W.
Ferero, Claudia M.
Ferguson, Edith L.
Fetterman, Edna I.
Fidler, Louise M.
Finn, Mary V.
Finney, Lucille F.
Fisher, Emilie L.
Flannery, Cecilia C.
Fleener, Eugenia M.
Foley, Ellen M.
Forbord, Alfield
Ford, Anna M.
Forrant, Gertrude S.
Frank, Miriam L.
Fraser, Mary A.
French, Lois G.
Freseman, Hilda L.
Fritch, Christine A.
Fritz, Bella M.
Frye, Mary C.
Fryer, Helen M.
Galindo, Mary W.
Gallagher, Eleanor M.
Gambill, Winifred T.
Gamble, Emma L.
Gearing, Mary V.
Gee, Dorothea A.
George, Patricia E.
Gerhardt, Christine J.
Gettle, Margaret I.
Gewehr, Winifred T.
Gill, Ann M.
Gillmann, Annabelle B.
Gilmore, Zoe P.
Glembocki, Bessie A.
Glenn, Winifred J.
Gockel, Mildred L.
Good, Dorothy E.
Good, Marguerite
Gorman, Edith F.
Greene, Bethel N.
Grochowski, Betty E.
Gum, Evelyn P.
Guthrie, Margaret I.
Guthrie, Vivian S.
Hafemeister, Olera L.
Hahn, Eleanor M.
Haire, Marion B.
Hall, Lucy E. H.
Hallman, Martha E.
Hamilton, Virginia S.
Hampton, Madge I.
Hansen, Helen M.
Harbold, Cecelia S.
Harkins, Anna M.
Harkins, Catherine N.
Harris, Bertha E.
Harris, Eddy L.
Hayden, Gayle
Hays, Cora E.
Head, Edythe A.
Hebert, Pearl I. M.
Hegarty, Evelyn I.
Henderson, Estella M.
Hendricks, Dorothy M.
Herring, Mildred L.
Hester, Mary A.
Hilliard, Helen T.
Hillis, Mary H.
Hoerr, Florence L.
Holland, Elizabeth P.
Hooker, Mary E.
Hoover, Joyce J.
Houghton, Arlene D.
Hovis, Vila J.
Howren, Alta M.
Humphrey, Ruth M.
Hurst, Evelyn H.
Hurst, Patricia
Hutchens, Juanita F.
Hutchinson, Ruth M.
Ince, Melanie
Jackson, Mary S.
Jacobson, Frances J.
Jamroga, Antonia
Janney, Margaret J.
Janssen, Dorothy M. E.
Javins, Betty J.
Jaworek, Hedwige A.
Job, Florence K.
Johnson, June G.
Jolley, Sara C.
Jones, Georgia A.
Jugan, Marguerite
Jungersen, Helen H.
Kahle, Helen D.
Katool, Isabelle
Kelcec, Caroline A.
Kelly, Leah G.
Kelly, Mary C.
Kenyes, Sofia C.
Killebrew, Gertrude W.
Kissinger, Frances R.
Klein, Clare K.
Klinker, Alice I.
Kloetzli, Margaret A.
Knoeckel, Jewel A.
Kopecky, Cecile E.
Kovacevich, Mary T.
Kubics, Ann R.
Kuchyt, Helen J.
Kuconis, Stephanie
Kudritzen, Diana
Kusenberg, Helen C.
Lamarca, Irene I.
Lane, Ira L.
Larivier, Margaret
Lawlor, Violet H.
Lawson, Dee L.
LeClair, Marie Y.
Leggett, Margaret E.
Lenihan, Aileen E.
Lervik, Agnes L.
Letherman, Alice W.
Lewis, Mabel I.
Liebing, Helene E.
Lightle, Amelia L.
Lohan, Ann M.
Lopartz, Kathryn E.
Loughrey, Florence I.
Loyd, Eunice
Lundquist, Elaine B.
Lux, Virginia C.
Macha, Edith M.
MacNeil, Hester F.
Marsh, Kathleen
Marshall, Zimmer
Martin, Grace M.
Martinsek, Rose M.
Matthews, Ann F.
Mattie, Zena T.
Maxwell, Thelma F.
Maynard, Bernice M.
McAlpin, Harriet P.
McAteer, Kathleen
McCall, Margaret
McCarthy, Margaret M.
McClatchey, Olive G.
McEntee, Regina E.
McHale, Edith B.
McQuerry, Hazel S.
McShea, Dorothy I.
McVay, Mildred L.
Metzger, Wilma M.
Meyers, Martha J.
Migdat, Stella A.
Miller, Clara
Miller, Lucile P.
Miller, Mabel M.
Miller, Shirley A.
Mink, Dorothy T.
Mitchell, Evelyn P.
Moak, Catherine P.
Monaghan, Mary E.
Moniz, Mary A.
Montgomery, Cora C.
Moore, Dorothy E.
Moore, Evelyn
Moore, Katherine S.
Moran, Gertrude A.
Morgan, Marion L.
Morin, Aline E.
Morrison, Nellie E.
Morrison, Mary E.
Murphy, Lucille R.
Murphy, Mary J.
Murphy, Theresa K.
Murray, Elizabeth M.
Myers, Isabel M.
Naegle, Norma F.
Nagel, Marie A.
Nelson, Frances A.
Nieranowski, Frances E.
Nimits, Elizabeth A.
Nishtick, Helen
Noble, Jean L.
Nowak, Louise M.
O'Barto, Waldena
O'Brien, Frances G.
Odgers, Louise
O'Donnell, Catherine
O'Donnell, Eileen M. Z.
O'Hara, Catherine E.
O'Neill, Mary
Ostgard, Mary
Palmer, Mildred F.
Pantalone, Gloria A.
Papp, Gizella
Pardee, Lida G.
Parisi, Gloria C.
Payne, Sunshine M.
Pearson, Gloria V.
Peel, Jeanne F.
Pepin, Gabrielle R.
Perron, Roberta E.
Perry, Bessie M.
Peters, Pauline M.
Peterson, Corinne F.
Philipone, Ann
Picard, Laurette

Pikutis, June
Pinter, Julia R.
Podosek, Sophie A.
Pohlman, Janet I.
Polignone, Josephine M.
Pollard, Grace O.
Powers, Dorothy E.
Powers, Ruth M.
Prescott, Edith R.
Prescott, Mary A.
Prue, Irene V.
Prunskunas, Caroline M.
Pullekinus, Ellen E.
Purtell, Anna K.
Pusel, Margaret C.
Ramer, Eunice G.
Rasmussen, Charlotte S.
Reback, Frances
Redd, Margaret E.
Redding, Marjorie C.
Reed, Mary E.
Reed, Sara T.
Reese, Irvie L.
Reginelli, Rosa M.
Rein, Rita F.
Remas, Josephine J.
Rennock, Eleanora W.
Revis, Marjorie J.
Rhodes, Daisy M.
Richardson, Miriam L.
Richards, Margaret R.
Richman, Anna
Riley, Jeane E.
Riley, Virginia L.
Roberts, Annelle
Robertson, Ruth E.
Robinson, Edith L.
Rolleri, Marion E.
Rollings, Bertha E.
Ross, Alma R.
Roth, Ann
Rothermel, Alice M.
Rowan, Mary A.
Rupert, Betty G.
Ruppert, Margaret R.
Ruskey, Isabelle G.
Rusnak, Elsie M.
Ryan, Margaret A.
Sater, Alice J.
Sawicz, Anna
Schlesinger, Helen
Schmid, Pauline W.
Schmotzer, Mary L.
Sharp, Louise W.
Shaw, Ada E.
Shaw, Elizabeth H.
Shebakis, Alma M.
Shields, Evelyn B.
Shutt, Anastasia B.
Sieland, Rita A.
Sigmund, Berniece C.
Simicich, Virginia
Simon, Lenore
Slowick, Helen
Smith, Berneice W.
Smith, Marcella E.
Smith, Pauline M.
Smith, Stanislaus J.
Spangler, Elizabet L.
Sprecher, Verona B.
Stafford, Wilhelmina H.
Stassi, Marie R.
Stegmaier, Madeline
Stevenson, Martha J.
Stewart, Elsie V.
St. John, Elizabeth
Stock, Sara M.
Sullivan, Frances R.
Super, Mary
Swanson, Ardis C.
Szczypin, Clara T.
Taurish, Barbara L.
Teass, Mildred K.
Temerario, Charlotte B.
Tennyson, Evelyn A.
Thompson, Kathryn L.
Thompson, Norma J.
Tidwell, Dorothy C.
Tracy, Lillian K.
Trantham, Mary M.
Traylor, Sara F.
Troyan, Dorothy M.
Tryon, Audrey J.
Tucker, Lucille
Tull, Miriam L.
Turner, Jessie E.
Twomey, Nora J.
Tyler, Mary R.
Unruh, June E.
Upchurch, Ouida C.
VanGorp, Dymphna P.
Vah Gundy, Alice C.
Venverloh, Dorothy J.
Vickers, Ruth C.
Vickey, Reinelda E.
Vitzkievitch, Helen V.
Voorhorst, Dorothy M.
Voth, Rita B.
Vought, Esther J.
Walenga, Esther V.
Walker, Ella M.
Walker, Catherine S.
Walmsley, Rita H.
Walsh, Claire M.
Wardell, Marion P.
Warkow, Ruth L.
Warner, Elizabeth
Warner, Mary C.
Watson, Ann O.
Weakley, Opal V.
Weber, Helen F.
Weden, Marion E.
Weeter, Bessie R.
Weik, Ethel M.
Werner, Elsie L.
Wieck, Marion
Wilkinson, Martha C.
Williams, Linda C.
Witherow, Martha A.
Wohlforth, Bernice E.
Wood, Addie
Wood, Norma R.
Wujcik, Irene
Yankoski, Adelyn M.
Young, Mary E.

The following-named officers of the Navy for temporary promotion to the grade of lieutenant in the staff corps indicated, subject to qualification therefor as provided by law:

SUPPLY CORPS

Anderson, Richard A.
Anglim, Matthew E., Jr.
Armitage, James H.
Babcock, Barry B.
Badger, George R.
Baglioni, Francis X.
Barczewski, Steven J.
Barr, Robert S.
Bartholomew, Charles W.
Bechtelheimer, Robert R.
Blackshaw, Joseph R.
Bledsoe, William M.
Bodart, Cletus W.
Breit, James A.
Brooks, John E.
Brotherton, Curtis W.
Burr, William E.
Byers, Austin L.
Casselberry, Lynn W., Jr.
Caverly, Michael K.
Chapman, Charles B., III
Chase, Kelsey D., Jr.
Christenson, Richard D.
Clark, Shelby V. T.
Cocking, Rollin J.
Cook, Gerald W.
Cornelius, Jack M.
Cotton, Robert E.
Cronk, Philip W.
Delleney, Jimmie S.
DeRoulet, Philip H.
Derrico, Joseph A.
Dollard, Paul A.
Dusenberry, Frank J.
Ervin, Dean W.
Fachet, Robert F.
Farrell, James G.
Fekula, Theodore V.
Ferraro, Niel P.
Fuka, Otto J., Jr.
Gapp, John J.
Goodwin, Earl E.
Graessle, Philip G.
Gray, Jack E.
Hall, Robert A.
Hanly, Joseph B.
Harkin, James W.
Harvilla, John A.
Hawkins, Charles A.
Hensley, Frank M.
Hochmuth, Alvin E., Jr.
Holl, Robert E.
Hollowell, Samuel T., Jr.
Horrigan, John W., Jr.
Jesser, Arthur D.
Johnson, Millard J.
Kela, Frederick H.
Kemper, Darrell G.
Kidd, Prentis H.
Klaren, John C.
Krukin, Lawrence E.
Lannen, John H., Jr.
Lawrence, Robert W.
LeBlanc, George J., Jr.
LeBlanc, Merrill M.
Lewis, Brian K.
Lovell, W. B.
Lyons, John J.
Mahaffy, Robert H.
Mantio, Glendon R.
McCarthy, Leonard D.
McCrabb, Donald E.
McCurdy, Bruce D.
Michna, Stanley P.
Minuth, Lawrence W.
Moore, Guy T.
Moore, James W.
Nelson, Alfred B.
Nolan, Frank R.
O'Connor, Robert W.
Ostrom, Lester E.
Ott, Matthew J.
Parent, Elias A., Jr.
Peek, Luther W.
Peterson, Kenneth A.
Pottinger, Ian G.
Price, Ralph W.
Ranken, John T., Jr.
Read, Farra L., Jr.
Rice, Harold A.
Richards, Walter T.
Riordan, William H.
Rohman, Paul J., Jr.
Ross, Howard T., Jr.
Sanders, John R.
Scarrah, George B.
Schulden, William H.
Sevier, Moses T.
Shipley, Maynard K.
Smith, Jay R., Jr.
Sterner, Norman G.
Stevenson, Ray H.
Strange, Geoffrey G.
Thompson, Mark W.
Tillery, Preston J.
Topping, James F.
Trimble, Philip
Velotas, Bill M.
Wagner, John E.
Walker, Edward K., Jr.
Walker, Elbridge, III
Warneke, Grover C.
Weiss, Armand B.
White, Jack A.
Williams, Walter L.
Wilson, Kenneth B.
Wohl, Paul
Yeager, William J.
Young Charles W.
Young, Robert H.
Zeberlein, George V., Jr.

CIVIL ENGINEER CORPS

Andersen, Charles P.
Anderson, Warren H.
Berdan, Maurice R.
Block, Norman G.
Bruch, Charles G.
Burger, Henry K.
Burns, William J., Jr.
Callahan, Edward F., Jr.
Crockett, Billy G.
Curran, Robert A.
Daniel, William F., Jr.
D'Emidio, Joseph A.
Edson, Theodore M.
Gans, George M., Jr.
Gaulden, Roy D., Jr.
George, Roscoe D., Jr.
Gibboney, Lloyd H.
Hanlon, Mark Z., Jr.
Hauck, John W.
Haynes, Howard H.
Jones, John P., Jr.
Lake, George
Leavitt, Fred O.
Melcher, Albert G.
Moore, Fred, Jr.
Morton, Donald A.
Nicholls, William H., Jr.
Nystedt, Russell P.
O'Brien, Thomas J.
O'Leary, John F.
Oscarson, Edward R.
Petzrick, Paul A.
Pitman, James B., Jr.
Plante, George E.
Schoenagel, Fred C., Jr.
Socha, Albert R., Jr.
Stewart, Stanley P., Jr.
Sweeney, John C.
Sylva, John P., Jr.
Tombarge, John W.
Uhe, James L.
Verdi, Stanley N.
Williamson, Howard M.
Witkowski, John A., Jr.
Wolf, Robert B.

MEDICAL CORPS

Barrett, Neil K.
Beckwith, Joan M.
Beyer, Charles E.
Brandon, Daniel A.
Brannon, Joe F.
Carpenter, Arden R.
Curto, James C.
Dennis, "J" "M"
Dietch, Michael M.
Dunbar, Edward S.
Gilbert, Richard S.
Goon, Melvin H.
Hartley, Robert L.
Holston, Charles A.
Inman, Elmer E., Jr.
Janson, Harold J.
Johnston, James F.
Keese, Robert C.
Long, William L.
McComb, Gordon S.
Miller, Harry P.
Morris, Carlton R.
Oleson, Russell H.
Oswald, Charles A., III
Reed, John R.
Richardson, James W.
Riser, Ellis W.
Schaffner, Leslie J.
Sloan, Marshall
Smout, Jay C.
Sterne, Judith W.
Talley, Russel L.
Tatum, Raymond B.
Van Buskirk, Floyd W.
Woodham, James T.

MEDICAL CORPS

Sims, Norman L.

CHAPLAIN CORPS

Beck, John T.
Goat, John T.
Linzey, Stanford E., Jr.
Miller, Harry R.
Ruud, Carl E.
Simmons, David E.

DENTAL CORPS

Stout, William A.

NURSE CORPS

Guay, Vivian P.
Rancourt, Beatrice A.
Wolff, Constance J.

The following-named woman officer of the Supply Corps of the Navy for permanent promotion to the grade of lieutenant commander, subject to qualification therefor as provided by law:

Lafferty, Rosemary

The following-named woman officer of the Supply Corps of the Navy for permanent promotion to the grade of lieutenant, subject to qualification therefor as provided by law:

Long, Billie K.

The following-named line officers of the Navy for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law:

Albertson, Norman
Bayer, David A.
Boyer, William E.
Braun, William K. G.
Buckholdt, Robert A.
Buckley, James R.
Bueck, Robert K.
Butler, Harold E.
Cane, John W.
Davis, George K.
DeLand, Robert E.
Dreghorn, Richard T.
Dunlop, Thomas E.
Fiene, Donald F.
Gardner, Ruel E.
Godwin, Jerry D.
Gomer, August W.
Hammond, Russel, J., Jr.
Hart, Robert L.
Holder, Luther C.
Holderness, Robert T., Jr.
Holt, Philip R.
Hughes, Ronald E.
Isaacs, Allen L.
Kane, Lawrence M.
Kish, Steven E.
Kutler, Manford D., Jr.
Landers, Robert J.
Leaman, Richard E.
Markoskie, John V.
Marks, Stanley J.
Marshburn, Wilbur W.
Marshall, Jack L.
Maxwell, John A.
May, Robert E.
Merkel, Merle A.
Miller, Hal Y., Jr.
Moore, Harrison M.
Moore, Johnnie R.
Munson, Roger D.
McWaters, William A., Jr.
Nelson, Charles W., Jr.
Nelson, Lawrence R.
Olson, Gerard R.
Perkins, James E.
Persels, Lyle D.
Pettyjohn, William R.
Pitkin, Ronald E.
Puopolo, Michael J.
Reese, Franklin W., III
Rickly, James M.
Rose, Hardy N.
Sanford, Edward
Sawiak, Conrad B.
Schuster, Gustave P.
Shoemyer, James W.
Skubinna, Myron A.
Smith, "H" "O"
Smith, Ralph W., Jr.
Tappan, Jeremy R.
Terry, Virgil R.
Trebbe, Shannon L.
Wallen, Millard L., Jr.
Will, John M., Jr.
Williams, Louis A.
Wilson, Fred J.
Winans, Gilbert L.
Wise, George M.
Yoder, William A.

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Charles T. Boylan
Richard J. Hiller
Rodney M. Leslie
Robert L. Stahl
James L. Talley
Donald S. Young II

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

Neal E. Abrams
James H. Addison
John C. Addleman
James W. Adolphson
Robert V. Amann
John R. Anderson
Lewis B. Barnum
George W. Baxter
Peter R. W. Bays
Robert J. Bitts
John G. P. Boatwright
Clarence E. Bowen

Andrew L. Bowman
Jerry C. Breast
Paul D. Browne
Robert G. Calton, Jr.
Samuel R. Carter, Jr.
Heath B. Chamberlain
Kim R. Clark
David K. Collett
Robert L. Corbett
Irvin S. Cowie
Frank A. Daspit
William J. Dean
John P. Dennis, Jr.
Chester H. Denny, Jr.
Jasper W. Dunn III
Walter E. Dunn
Michael R. Duvall
Thomas G. Earle
Paul J. Eckenroad III
James S. Ekenrod
Charles T. Eifler
David J. Elliott
David P. Faulkner
Earl A. Ferguson
Robert H. Finley
Jack E. Gamble
Walter H. Gerdes
Charles W. Given
James A. Gordon, Jr.
Robert G. Grosse
Allen C. Haggerty
William G. Hamilton III
Edward W. Hargadon
Olin D. Haynes
David R. Hedrich
Marion F. Hendrix
Francis B. Henry
Elbert F. Hinson
Harry M. Holland, Jr.
Charles G. Horne, Jr.
Everett N. Infinger
Jay R. Joll
Benjamin F. Kerkam
John I. Kineke
Robert P. Kirby
George M. LaChance, Jr.
William B. Lamb
Paul A. Lynch
Frank E. McDonnell
John G. McLain, Jr.
George H. McLaughlin II
Eric A. McVadon, Jr.
Stephan J. Mack
James T. Martin
Frank H. Mason III
Jon J. Masters
Thomas B. Mattox
George T. Maye
Wayne W. Miller
Henry C. Miner III
John W. Moran, Jr.
Brian M. Moriarty
John G. Morton
Peter W. Murphy
Rupert D. O'Brien, Jr.
Thomas E. Oden
Robin T. Ollivier
Norman A. Palermo
Charles R. Pogue
Ralph E. Powell
Patrick E. Preston
Thomas M. Randolph
Robert R. Retzlaff
James W. Schroeder
John B. Schroering
John E. Sloan, Jr.
Frederic N. Smith
Philip B. Smith
Ronald L. Smith
Fred Spires
George W. Thackston, Jr.
Harold L. Theiss
Loyal R. Updegrove
Joseph W. Upton, Jr.
Jerome J. Valberg
Robert J. Vandiver
Bernard D. Wade
Robert M. Wall
Charles E. Walsh
David M. Weiner
William W. Whitehurst, Jr.
Robert L. Whiteman
Robert L. Whitmire
Fred Wigfield III
Loren L. Wilcox
Alan C. Wilkinson
Robert W. Withers IV
Walter F. Wolf, Jr.
McDonald E. Wrenn, Jr.
William H. Young

The following-named (civilian college graduates) to the grades indicated in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

COMMANDER

James E. Hamill

LIEUTENANT

William W. Barnard
Bobby F. King

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

LIEUTENANT COMMANDER

Elgin C. Cowart, Jr.

LIEUTENANT

Letcher B. Barnes
Charles A. Camarata
John P. Cannon
Robert A. Conner
John S. Davis, Jr.
Garrett E. Donnell
Jean-Jacques Gunning
Vincent A. C. Indovina
Charles E. Inman
Edward W. Klein
Clinton H. Lowery
John R. Lukas
Henry G. McRae, Jr.
Walter J. Mack
Spencer F. Maddox, Jr.
Robert S. Mandell
Walter J. Meekings, Jr.
Carl F. Meier
Joseph A. Murgalo
Paul H. Nieberding
Rex Orr
Donald W. Robinson
Jack W. Saglio
Richard H. Svihus
Merle D. Swearingen
Vern N. Walker
Tommie K. Watkins

LIEUTENANT (JUNIOR GRADE)

Harry L. Pine

James E. Turner, Jr., Reserve officer, to be a lieutenant in the Medical Corps of the Navy and to be promoted to the grade of lieutenant commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law:

LIEUTENANT COMMANDER

Robert A. Conner
Walter J. Meekings, Jr.

LIEUTENANT

Harry L. Pine

The following-named Reserve officers to the grades indicated in the Dental Corps of the Navy, subject to qualifications therefor as provided by law:

LIEUTENANT

Gerald L. Barbor
Richard D. Collier
Richard L. Moore
Richard L. Parsons
Alexander D. Sanderson
William J. Scott

LIEUTENANT (JUNIOR GRADE)

William K. Bottomley
Matthew R. Cummings
William A. Grimsley, Jr.
Rudolph Jacobson
William M. Johnson
Thomas F. McCann
William R. Martin
George S. Miles, Jr.
Francis Petruccelli

The following-named Reserve officers to be lieutenants in the Dental Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law:

William K. Bottomley
Matthews R. Cummings
William A. Grimsley, Jr.
Rudolph Jacobson
William M. Johnson
Thomas F. McCann
William R. Martin
George S. Miles, Jr.
Francis Petruccelli

Ralph P. Huestis (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

Robert R. Tefft, Reserve officer, to be an ensign in the Medical Service Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named women officers to the grades indicated in the Medical Service Corps of the Navy, under provision of laws applicable to male officers:

COMMANDER

Margaret S. Lincicome

LIEUTENANT

Patricia DeBerry

William H. Barnes, United States retired officer, to be a lieutenant commander in the line of the Navy, for temporary service, pursuant to title 10, United States Code, section 1211, subject to qualifications therefor as provided by law.

Bernadette E. Golbach, United States Navy retired officer, to be a permanent lieutenant and a temporary lieutenant commander in the Nurse Corps of the Navy, pursuant to title 10, United States Code, section 1211, subject to qualifications therefor as provided by law.

John D. Shields, Reserve officer, to be a lieutenant in the line of the Navy, for temporary service, subject to qualifications therefor as provided by law.

Jordine C. Skoff, woman Reserve officer, to be a lieutenant (junior grade) in the line of the Navy, for temporary service, subject to qualifications therefor as provided by law.

Paul E. Camplin, lieutenant (junior grade), United States Navy, to be a chief warrant officer, W-2, in the United States Navy, subject to qualifications therefor as provided by law.

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Donald E. Andersen
John W. Anderson
William J. Bonthron
Frank H. Butler, Jr.
Lee Callaway III
Arthur L. Clark
Jerry L. Cobb
Charles E. Davis III
John Dickinson
Gerard T. Gelpi
James R. Ginn
John A. Halbleib
William Katzinski
Roger E. Knapper
Philip W. Koetsch
Bobby J. Ligon
Robert S. Luft
Alan W. MacCarthy, Jr.
Kevin A. Maloy
Kenneth E. Mayers
Robert C. McNair
William D. Merriss
Richard B. Quanrud
Gary B. Rhinesmith
Richard C. Scamehorn
George R. Sotsky

The following-named (Army Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

William B. Houseman
Robert J. Maguire

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 27, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 119: 105: *Thy Word is a lamp unto my feet, and a light unto my path.*

O Thou Eternal Spirit of the living God, Thou knowest how anxious and deeply concerned we are about the safety and security of our beloved country in these strange and baffling times.

Humbly we acknowledge that again and again we seem to be wandering in a maze, uncertain of the way and wondering what a new day may bring to us. We are "like an infant in the night, an infant crying for the light, and with no language but a cry."

We penitently confess that we are sometimes greatly bewildered and confused and frightened when we think of the vast and marvelous amount of physical power which now belongs to our modern world.

Grant that the minds and hearts of men may be illumined by Thy Holy Word and endowed with those moral and spiritual controls which will direct and channel this power and energy to safe and beneficent ends and for Thy glory and the blessedness of all mankind.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHICAGO INTERNATIONAL FAIR AND EXPOSITION

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 10242, to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago,

Ill., to be admitted without payment of tariff, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That any article which is imported from a foreign country for the purpose of exhibition at the Chicago International Fair and Exposition (hereinafter in this act referred to as the "exposition") to be held at the Exposition Center, Chicago, Ill., from July 1, 1959, to July 19, 1959, inclusive, by the Chicago Association of Commerce and Industry, or for the use in constructing, installing, or maintaining foreign exhibits at the exposition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 2. It shall be lawful at any time during or within 3 months after the close of the exposition to sell within the area of the exposition any articles provided for in this act, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe. All such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry under this act for consumption or entry under the general tariff law.

SEC. 3. Imported articles provided for in this act shall not be subject to any marking requirements of the general tariff law, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States.

SEC. 4. At any time during or within 3 months after the close of the exposition, any article entered under this act may be abandoned to the United States or destroyed under customs supervision, whereupon any duties on such articles shall be remitted.

SEC. 5. Articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the exposition, under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 6. The Chicago Association of Commerce and Industry shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under this act. The salaries of customs officers engaged in the custody of such merchandise, together with the actual expenses (not including the compensation of customs officers, except as otherwise provided by law) in connection with the entry, examination, appraisement, release, and accounting for, such merchandise, shall be reimbursed by the Chicago Association of Commerce and Industry to the United States, under regulations to be prescribed by the Secretary of the Treasury. Receipts from such reimbursement shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C. 1524).

With the following committee amendments:

Page 1, line 6, strike out "the Exposition Center."

Page 1, beginning in line 8 and ending in line 1 on page 2, strike out "Chicago Association of Commerce and Industry," and insert "Chicagoland Commerce and Industry Exposition, Inc."

Page 3, strike out line 17 and all that follows through line 1 on page 4, and insert:

"SEC. 6. The Chicagoland Commerce and Industry Exposition, Incorporated, shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under this act. The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under this act shall be reimbursed by the Chicagoland Commerce and Industry Exposition, Incorporated, to the United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 10242, as amended by your committee, is to permit the entry, free of duty, of articles imported for exhibition at the Chicago International Fair and Exposition to be held at Chicago, Ill., in July 1959. This bill was introduced by our esteemed colleague, the Honorable THOMAS J. O'BRIEN, of Illinois. The bill provides that the imported articles shall not be subject to marking requirements of the general tariff laws except when such articles are withdrawn for consumption or use in the United States. Articles admitted may be lawfuly sold at any time during or within 3 months after the close of the exposition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe.

This bill follows the pattern of previous legislation enacted by the Congress in connection with various international exhibitions, expositions, and fairs held in the United States.

Your committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation was introduced by my distinguished friend and colleague, the gentleman from Illinois [Mr. O'BRIEN], to provide for the duty-free importation of articles to be exhibited at the Chicago International Fair and Exposition. The legislation is one of the so-called "trade fair" bills that frequently receive the favorable consideration of the Congress, and this legislation contains the customary administrative safeguards to prevent any possible abuse of the free entry privilege. It is appropriate that Congress should undertake to facilitate the success of such an event by authorizing a duty-free status with respect to exhibition articles. It is for that reason that I join in supporting this legislation.

SOCIAL-SECURITY COVERAGE FOR CERTAIN EMPLOYEES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 7570, to amend section 403 of the social security amendments of 1954 to provide social-security coverage for certain employees of tax-exempt organizations which erroneously but in good faith failed to file the required waiver certificate in time to provide such coverage.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 403 (a) (1) of the Social Security Amendments of 1954 is amended—

(1) by striking out "but which has failed to file" and inserting in lieu thereof "but which (A) failed to file"; and

(2) by inserting before the semicolon at the end thereof the following: ", or (B) filed a valid waiver certificate prior to the enactment of the Social Security Amendments of 1956 but after such individual's services for such organization were terminated."

SEC. 2. Section 403 (a) (5) of the Social Security Amendments of 1954 is amended by inserting "that a waiver certificate was not necessary or" after "assumption."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 7570 is to amend section 403 of the Social Security Amendments of 1954 to provide that certain employees of nonprofit organizations may receive social-security credit for earnings in the employ of such an organization even though at the time the earnings were reported the organization had not filed the necessary certificate waiving its exemption from social-security taxes.

Presently, any earnings reported for an employee for the years 1951 through 1956 by a nonprofit organization which failed to file a valid waiver certificate before the enactment of the Social Security Amendments of 1956 may be credited for social-security purposes, provided the

earnings were reported, and the social-security taxes paid, in good faith; but these earnings may be credited only if they were reported, and the taxes paid, by a nonprofit organization in the mistaken belief that it had filed a valid waiver certificate.

H. R. 7570 would provide similar treatment for certain other nonprofit organization employees whose earnings for the years 1951 through 1956 were reported, and the taxes paid, in good faith. In addition, H. R. 7570 would provide retroactive social-security credit for certain employees of a nonprofit organization that filed a valid waiver certificate before the enactment of the Social Security Amendments of 1956 but, for the reasons indicated in the House report on the bill—House Report No. 1376—had previously reported the earnings, and paid the social-security taxes, for these employees.

Your committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation would amend section 403 of the Social Security Amendments of 1954 so as to clarify the status of certain employees of tax-exempt organizations under the old age and survivors insurance program. The amendment that would be made in the law by H. R. 7570 would provide that employees of nonprofit organizations could receive social-security credit for earnings in the employ of such organization even though the organization had not executed the necessary waiver certificate at the time the earnings were reported by the organization. In addition the bill would provide OASI credit for employees of tax-exempt organizations that had filed a valid waiver certificate but had previously reported the earnings and paid the social-security taxes for the employees. The Committee on Ways and Means was unanimous in acting favorably on this legislation.

FREE IMPORTATION OF AUTOMOBILES FOR SHOW PURPOSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 776) to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 308 of the Tariff Act of 1930, as amended (19 U. S. C. 1308), is amended by striking out "and" at the end of subdivision (11), by striking out the period at the end of subdivision (12) and inserting in lieu thereof "; and", and by adding after subdivision (12) the following:

"(13) Automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, section 308 of the Tariff Act of 1930, as amended, presently provides for the importation without payment of duty of 12 categories of articles not intended for sale or for sale on approval, under bond conditioned upon their exportation within 1 year, or within such longer period not to exceed 3 years, as the Secretary of the Treasury, in his discretion, may allow. As originally enacted in 1930, section 308 provided for 8 such categories; it has been amended from time to time so that it now provides for 12 categories.

This bill, H. R. 776, which was introduced by our colleague on the committee, the Honorable THADDEUS MACHROWICZ, would include in section 308 an additional category consisting of automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes. This new category would be subject to the same safeguards contained in section 308 presently applicable to the other categories of articles contained therein.

Your committee was unanimous in urging the enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation that has just received the favorable consideration of the membership of the House will provide for the temporary free importation under bond of certain automotive equipment where such equipment is to be used for show purposes. It would be required under the legislation that the imported articles would have to be exported within 1 year or within such longer period not to exceed 3 years as the Secretary of the Treasury might allow. The Committee on Ways and Means has been informed that the American automobile industry is in accord with the purposes of this legislation.

The Committee on Ways and Means was unanimous in acting favorably on H. R. 776.

IMPORTATION OF CERTAIN ARTICLES FOR RELIGIOUS PURPOSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9509) to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1774 of the Tariff Act of 1930, as amended (19 U. S. C. 1201, par. 1774), be amended to read as follows:

"Altars, pulpits, communion tables, baptismal fonts, shrines, mosaics, or parts, appurtenances, or adjuncts of any of the foregoing, whether to be physically joined thereto or not, and statuary (except casts of plaster of paris, or of compositions of paper or papier mache), imported in good faith for the use of, either by order of, or for presentation (without charge) to, any corporation or association organized and operated for religious purposes, including cemeteries, schools, hospitals, orphanages, and similar nonprofit activities staffed and controlled by such corporation or association."

With the following committee amendments:

Page 1, line 4, strike out "be" and insert "is".

Page 1, line 6, after the quotation marks, insert: "Par. 1774."

Page 1, line 7, after "mosaics," insert "iconostas,".

Page 1, line 10, strike out "papier mache" and insert: "papier-mâché".

Page 2, after line 4, insert:

"SEC. 2. The amendment made by the first section of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the 30th day after the date of the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 9509, as amended by the Committee on Ways and Means, is threefold: First, to add iconostases to the list of articles for which free entry is presently provided in paragraph 1774 of the Tariff Act of 1930, as amended; second, to provide for the free entry of adjuncts and appurtenances of the named articles whether to be physically joined thereto or not; and, third, to extend the application of paragraph 1774 to cemeteries, schools, hospitals, orphanages, and similar nonprofit activities staffed and controlled by corporations or associations organized and operated for religious purposes.

Your committee was advised by the interested departments of the Government that this bill would assist in solving certain difficult interpretative questions which have arisen under present provisions of paragraph 1774 of the Tariff Act of 1930, as amended.

Favorable reports were received on the legislation from the Departments

of State and Labor, and informative reports were received from the Departments of the Treasury and Commerce, and the United States Tariff Commission. This bill was introduced by our colleague on the committee, the Honorable EUGENE J. MCCARTHY.

The Committee on Ways and Means was unanimous in recommending enactment of this bill.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 9509 would place iconostases in the duty-free category that is presently applicable under paragraph 1774 of the Tariff Act of 1930, as amended, to certain other religious articles. The legislation would also clarify the law so as to remedy certain administrative problems that the Treasury Department has encountered in connection with paragraph 1774 of the Tariff Act. The Committee on Ways and Means was unanimous in acting favorably on this legislation.

SUBSTITUTION FOR DRAWBACK PURPOSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 9919, to amend the Tariff Act of 1930 to extend the privilege of substitution for the purpose of obtaining drawback upon reexportation to all classes of merchandise, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 313 (b) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1313 (b)), is further amended to read as follows:

"SEC. 313. (b) Substitution for drawback purposes: If imported duty-paid merchandise and duty-free or domestic merchandise of the same kind and quality are used in the manufacture or production of articles within a period not to exceed 3 years from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the merchandise used therein been imported; but the total amount of drawback allowed upon the exportation of such articles, together with the total amount of drawback allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 percent of the duty paid on such imported merchandise."

SEC. 2. The amendment made by this act shall be effective with respect to merchandise exported on and after July 1, 1957.

With the following committee amendments:

Page 1, strike out line 4, and insert: "(19 U. S. C., sec. 1313 (b)), is".

Page 1, line 6, strike out: "Sec. 313."

Page 2, line 10, strike out "articles" and insert: "articles,".

Page 2, strike out lines 14, 15, and 16, and insert:

"SEC. 2. The amendment made by the first section of this act shall be effective with respect to articles exported on or after the 30th day after the date of the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 9919, which was introduced by our colleague, Hon. THADDEUS MACHROWICZ, is to amend the customs drawback law by making applicable with respect to drawback of duties on all commodities the substitute provision contained in section 313 (b) of the Tariff Act of 1930, as amended, which is now applicable to drawback of duty on sugar, metal, ore containing metal, flaxseed or linseed oil, and printing paper, coated or uncoated.

As pointed out in the report on the bill, at the present time, under section 313 of the Tariff Act of 1930, as amended, drawback of duties paid on imported merchandise used in the United States in the manufacture or production of articles which are exported is allowed in two general situations, first, when the imported merchandise actually appears in the exported article; and, second, when the exported article is made wholly or in part from domestic merchandise of the same kind and quality as the imported duty-paid merchandise which the manufacturer of the exported article has used within a specified period, that is, on a so-called substitution basis. The privilege of substitution is limited under the existing section 313 (b) to sugar, metal, ore containing metal, flaxseed or linseed, flaxseed or linseed oil, and coated or uncoated printing papers. Your committee's bill, H. R. 9919, would amend section 313 (b) of the Tariff Act of 1930 to extend the privilege of substitution to all classes of merchandise used in the manufacture or production of articles for exportation.

The substitution provision, which was first introduced in the Tariff Act of 1930, was designed to relieve processors and fabricators of products made from the materials of the difficulty and expense of specifically identifying the imported materials that had been used in the production of exported products in order to establish eligibility for drawback. It was recognized when the original provision was adopted that experience might dictate extension of the substitution feature. The departments have indicated that experience of a quarter of a century of operations now shows it desirable to extend the substitution feature, which would be done by your committee's bill. The Committee on Ways and Means also had pending before it other bills on this subject, including one by our colleague, the Honorable THOMAS A. JENKINS, of Ohio.

The Committee on Ways and Means was unanimous in recommending enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 9919 would amend the drawback provisions of customs law so that the substitute provision would be available with respect to all commodities and merchandise used in the manufacture or production of articles for exportation. The payment of drawbacks is designed to relieve domestic producers and fabricators of imported dutiable merchandise of the competitive disadvantages our American producers would experience in the export market if they were required to pay duty on the imported raw materials and semifinished goods used in the creation of the article for export. The Committee on Ways and Means is unanimous in urging enactment of this legislation.

IMPORTATION OF CERTAIN SOUND RECORDINGS AND FILM

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 7454, to amend the Tariff Act of 1930 to provide for the free importation by colleges and universities of sound recordings and film to be used by them in certain nonprofit radio and television broadcasts.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1631 of the Tariff Act of 1930 is amended by inserting "(a)" after "Par. 1631.", and by adding at the end thereof the following new subparagraph:

"(b) Any college, academy, school, or seminary of learning in the United States may import free of duty any sound recording or film for presentation in broadcasts over a radio or television station owned or operated by it."

SEC. 2. The amendments made by the first section of this act shall apply only with respect to articles entered for consumption, or withdrawn from warehouse for consumption, on or after the date of the enactment of this act.

With the following committee amendment:

Page 1, strike out lines 6 to 9, inclusive, and insert:

"(b) Any college, academy, school, or seminary of learning, any society or institution established for the encouragement of the arts, science, or education, or any association of such organizations, may import free of duty any sound recordings, exposed or developed picture film, and slides and transparencies for the encouragement of the arts, science, or education through broadcasting on a nonprofit basis over a radio or television station owned or operated by any such organization or association or for transfer between or among such organizations and

associations for such use on a nonprofit basis, under such rules and regulations as the Secretary of the Treasury may prescribe."

Mr. MILLS. Mr. Speaker, may I be recognized briefly to explain this bill?

The SPEAKER. The genleman is recognized.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 7454, as amended by your committee, is to amend the Tariff Act of 1930 to provide for the free importation by any college, academy, school, or seminary of learning, any society or institution established for the encouragement of arts, science, or education, or any association of the enumerated institutions, of sound recordings, films, and slides and transparencies to be used by them in certain nonprofit radio and television broadcasts. This bill was introduced by our esteemed colleague the gentleman from Pennsylvania, HERMAN P. EBERHARTER.

Paragraph 1631 of the Tariff Act of 1930 originally provided for the free entry of books, maps, music, engravings, photographs, etchings, lithographic prints, or charts by any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or by any school or college, for its own use or for the encouragement of the fine arts, and not for sale, under such rules and regulations as the Secretary of the Treasury might prescribe.

This bill is designed to bring this provision of the Tariff Act of 1930 up to date so as to permit the organizations and institutions covered by the bill to import free of duty sound recordings, exposed or developed picture film, and slides and transparencies, on a nonprofit basis for broadcasting for the encouragement of the arts, science, or education over radio or television stations owned or operated by such organizations, or for transfer for such use between such organizations.

Your committee was unanimous in urging enactment of this legislation.

The bill was reported unanimously by the Ways and Means Committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. GROSS. Does the gentleman have any fears that these recordings, and so forth, will be used for propaganda purposes?

Mr. MILLS. No. We were advised that there are already safeguards on this subject which will apply.

Mr. GROSS. What will come in under this provision of movie films, sound recordings, and what have you?

Mr. MILLS. The same safeguards with respect to the items permitted to enter under existing law would be available for sound recordings. We already have existing Treasury regulations on the subject, and these other matters would also be covered.

Mr. GROSS. Will the gentleman briefly state the restrictions now imposed by the Treasury Department?

Mr. MILLS. As I recall—I do not have a copy of the Tariff Act with me—I think it is section 305 of the Tariff Act of 1930, as amended, that sets forth the information and the details of controlling the type of material that comes in under the existing provisions of law. It is also my understanding that certain provisions of the Foreign Agents Registration Act of 1938, as amended, may be pertinent.

All we are proposing to do is to add these sound recordings and so forth to the list of those things that come in within those restrictions at the present time.

Mr. GROSS. Does it apply only within the discretion of the Treasury Department?

Mr. MILLS. No. I misled the gentleman to some extent on that. It is not all based upon Treasury regulations. The Treasury regulations were issued to implement section 305 of the Tariff Act of 1930. The basis of the control is in the law.

Mr. GROSS. I just do not want to subscribe to anything here that will let foreign films, sound recordings, and other things come in to be used to propagandize the American people.

Does Eric Johnston have anything to say about this?

Mr. MILLS. No; we did not think it advisable or necessary to call Mr. Johnston to the committee.

Mr. GROSS. I thought he might have come voluntarily.

Mr. MILLS. We did have before us when we considered the matter spokesmen for the various departments of the Government. They were all in favor of doing this.

The precise point the gentleman was discussing was discussed in executive session of the committee. Twenty-five members of the Ways and Means Committee are thoroughly convinced that there are existing safeguards to protect against the very thing the gentleman is concerned about; and, certainly, the committee itself would not have reported the legislation without being thoroughly convinced that the safeguards are sufficient. I am also advised that the Treasury Department, the State Department, and the Post Office Department work closely together on these matters.

Mr. GROSS. Just one further question. May I have the assurance of the distinguished gentleman from Arkansas, chairman of the Ways and Means Committee, that if it is found that this legislation is being used as a device for the importation of foreign propaganda that his committee will take prompt action to put a stop to it?

Mr. MILLS. If the gentleman from Iowa does not find out about it sooner than I, I would be the first one to take action correcting it.

Mr. HOFFMAN. Mr. Speaker, I move to strike out the last word and ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REUTHER CAN'T TAKE IT

Mr. HOFFMAN. Mr. Speaker, yesterday, in the Senate caucus room, Walter P. Reuther held a press conference during which he characterized Senator BARRY GOLDWATER as a political hypocrite and moral coward.

The charge that GOLDWATER is a political hypocrite is obviously false, as there has never at any time been any doubt as to GOLDWATER'S political views.

A COWARD?—COMPARE THE RECORD

BARRY GOLDWATER'S RECORD

BARRY GOLDWATER was commissioned Reserve second lieutenant in the infantry in 1930.

BARRY GOLDWATER served with the 25th Infantry until August 1941.

BARRY GOLDWATER was assigned to duty with the Air Corps as a first lieutenant in August of 1941, before Pearl Harbor.

BARRY GOLDWATER was a gunnery instructor in Ferry Command, later the Air Transport Command.

BARRY GOLDWATER was chief pilot in the Azores, Casablanca, and Karachi.

BARRY GOLDWATER, the war being over, was separated from the armed services in November of 1945.

BARRY GOLDWATER then organized the Arizona Air National Guard and presently is an active member of the Air Force Reserve—Air Defense Command.

Those who know him best—the people of his State—confident of his ability, his sincerity, his patriotism, and his courage, sent him to Washington, as, presumably they will again in spite of the unsubstantiated charges made by Walter P. Reuther.

Attached and marked "Exhibit A" is a further brief statement of BARRY GOLDWATER'S record.

EXHIBIT A

Senator BARRY GOLDWATER was separated from the service (Air Force) in November of 1945.

Since 1930, Senator GOLDWATER has been an officer in the Infantry Reserve and also a pilot (for the sheer love of flying). So, in 1941, believing that war was coming on, he turned over the management of his business to his younger brother and joined the United States Air Force.

He was given the assignment of gunnery instructor for fighter planes. By the middle of 1942, the transfer of civilian pilots to the rating of pilot in the Air Force became possible, and GOLDWATER received his rating in July of that year (1942). He then flew in a training command as an instructor in gunnery. Next, with a ferry command, all over this country and to England and Scotland.

He was in the first and only flight of the single-engined planes that crossed the Atlantic.

Overseas, he served with the Air Transport Command as chief pilot, in the Azores, then at Casablanca, and finally at Karachi, where he was chief pilot on two ATC runs.

Since the war, he has kept up his active status in both the Reserves and the National Guard in Arizona. He was the first rated pilot in that organization.

Today, he is a full colonel in the United States Air Force Reserve, and he is a command pilot with about 6,000 hours in the air to his credit. His M-day assignment is with operations of the Air Defense Command.

WALTER P. REUTHER'S RECORD

In 1933 and 1934 Walter P. Reuther and his brother, Victor, were making a tour of Europe, visiting England, France, Germany, and Russia. They worked in a factory in Russia, wrote back, in a letter which has been widely circulated, a description of what they found there,

closing the letter with the suggestion, to "comrades" in Detroit, that they "fight for a Soviet America."

Walter P. Reuther, from 1937 on down through and including 1957, was a member, and for the major portion of time an influential officer, of the UAW–CIO.

Walter P. Reuther, in 1937, personally participated in and took a licking in a fight at the overpass at the Ford plant.

Walter P. Reuther's two brothers, Victor and Paul, were active participants in the strike at Flint, Mich., where strikers were advised by the two brothers to beat up the cops.

Walter P. Reuther, in 1941, was a director of the activities of the strike at the Ford plant where 1 of his goons, Jess Ferrazza, with 4 others, by a photograph in my possession, is shown as actively beating a defenseless worker.

Walter P. Reuther used the same goon, Jess Ferrazza, who yesterday a witness before the Senate committee testified stomped her during the Kohler strike.

Walter P. Reuther, called to the armed services in March of 1941, claimed deferment, and, as he was advised by the head of the Selective Service System, on August 8, 1941, was deferred on the ground of dependency, though he had asked for deferment not because of dependency but on an occupational ground.

Mr. Speaker, there you have the record—the record of BARRY GOLDWATER is one of courageous, patriotic service with the armed services during wartime.

Information from the United States Department of Labor, Bureau of Labor Statistics, shows that while we were engaged in preparing our national defense, and even after Pearl Harbor, Walter Reuther was one of those promoting and participating in strikes that interfered with our national economy. The following is a list of strikes carried on by the CIO from May of 1937 to September 1946—note that several of them were during the war and interfered with production of munitions of war:

Case No.	Company and location	Union involved	Approximate date of deaths	Number of deaths
3705096	"Little Steel" companies, interstate	Steel Workers Organizing Committee (CIO)	May, June, and July, 1937	15
3706456	Fein Tin Can Co., Brooklyn, N. Y.	do	June 1937	1
3706586	Maltrup Steel Products Co., Beaver Falls, Pa.	do	July 1937	1
3803002	Northwestern Barbed Wire & Rod Mill Co., Sterling, Ill.	do	March 1938	1
3803138	Lone Star Bag & Bagging Co., Houston, Tex.	Textile Workers Organizing Committee (CIO)	do	1
3809097	Rice Bros. Shrimp Co., Arkansas Pass, Tex.	United Canners, Packers and Agricultural Workers (CIO)	September 1938	1
3904271	Bituminous coal mines, interstate	United Mine Workers (CIO)	May 1939	1
3905282	Coal mines, Harlan County, Ky.	do	July 1939	3
4006542	Century Electric Co., St. Louis, Mo.	Electrical Radio and Machine Workers, Local No. 1108 (CIO).	July 1940	1
4104501	Bituminous coal mines, Kentucky	United Mine Workers (CIO)	April 1941	7
4105759	Wisconsin Steel Mine of International Harvester Co., Benham, Ky.	Progressive Mine Workers (AFL), United Mine Workers (CIO).	August 1941	2
4108010	Wiz Novelty Co., New York, N. Y.	Playthings & Novelty Workers, Local 223 (CIO), Wholesale and Warehouse Workers, Local 65 (CIO).	do	1
4108714	United States Coal & Coke Co., Black Mountain Corp., Kenvir and Lynch, Ky.	United Mine Workers (CIO)	August 1941	2
4112532	Durant Hotel, Flint, Mich.	Construction Workers Organization Committee (CIO)	December 1941	1
4202536	Aluminum Company of America, Detroit, Mich.	Aluminum Workers of America, Local 11 (CIO)	February 1942	1
4512530	Southern Cotton Oil, Little Rock, Ark.	Food, Tobacco, Agricultural and Allied Workers (CIO)	December 1945	1
4601024	Phelps-Dodge Copper Products Co., Elizabeth, N. J.	United Electrical, Radio and Machine Workers of America (CIO).	September 1946	1

Source: U. S. Department of Labor, Bureau of Labor Statistics.

From May of 1937 to December of 1941 the CIO, whose activities were directed in large part by Walter Reuther, participated in 13 strikes, during which 37 individuals were killed.

From December 1941—and war was declared on December 8, 1941—the CIO engaged in 5 strikes, during which 5 individuals were killed.

The record of Walter P. Reuther shows that, from 1937 on, he was actively engaged in a career of violence, defiance of the law, and the brutal beating of defenseless individuals.

If more is wanted about Reuther's record, it can be furnished—either under oath or otherwise.

WALTER P. REUTHER'S RECORD FOR COURAGE

A brief glance at the record of Walter Reuther will show that, while he sanctions and condones lawlessness, violence, the destruction of private property, the denial of the individual's liberty, unlike Hoffa, Reuther does his fighting by proxy.

Reuther's record discloses that, except for a brief period in his younger days, he has not personally participated in many of the cowardly assaults, beatings, and worse carried on by members of the organization of which he was a member and later an officer. He hides behind hired goons.

During strikes, when we were not at war, he let someone else do his fighting—while directing the fighting, organizing the goon squads, standing by as an "innocent citizen."

REUTHER'S WAR RECORD

In March of 1941, Mr. Reuther received two invitations from Uncle Sam. Reuther even then had political influence. A letter from the OPA stated that Reuther had been recommended for an appointment for certain consulting services or other services on his part. The letter added that the job would be one without compensation basis, although expenses would be paid while on Government duty.

Mr. Reuther also received a call from Wayne County Local Board No. 31.

Mr. Reuther did not comment on either invitation. To previous reports that he had been offered a defense post, he had replied that his job was with the union.

In his draft questionnaire, Reuther did not ask for deferment.

He was given a class I–A rating by his local board. Under that rating, he was subject to immediate call; the next induction date was May 21, 1941, when the board's quota to the Army was 42 men.

REUTHER DEFERRED

The original request for Reuther's deferment was made by R. J. Thomas, then international president of the union, and by Phillip Murray, president of the CIO. Mr. Reuther had 5 days in which to appeal. He did not file an appeal, but Mr. Thomas and Mr. Murray filed in his behalf.

On appeal, Mr. Reuther was placed in class III–A. The draft board stated that Reuther's wife was employed as his confidential secretary and had he been drafted she would have been without a job and unable to support herself. Reuther did not ask for deferment on the ground of dependency. His reason for the deferment was occupational.

R. J. Thomas, in a formal statement announced that Reuther's removal as the union's GM director would endanger the stable relations which have prevailed in General Motors since the summer of 1939.

Mr. Murray, writing the draft board, said that Reuther "has direct supervision for the union on labor relations covering 78 plants and 173,000 workers. A great many of these employees are engaged in defense production."

A letter from appeal board No. 3 carried this sentence:

> This case was appealed to this board from your unanimous vote classifying registrant in class I, subdivision A, after examination by the medical advisory board. * * * Inasmuch as registrant has been placed in class III, the grounds for a higher classification need not be passed upon.

A letter from Paul V. Engstrom, of Michigan State headquarters, Selective Service, gives some information:

> The board of appeal upheld the determination of the local board as to occupational deferment, but determined that Mr. Reuther had a dependent wife (not on the basis of a recent marriage). We have no reason to assume that board of appeal No. 3 would not have made a like determination in similar circumstances had a less prominent personage been involved. A protest such as yours, from a patriotic citizen, merits our respectful consideration, and you may be assured it has been so considered. However, for the lack of much more evidence than has yet been brought to light, we in turn are obliged to protest your charge of discrimination.

A letter from Lewis B. Hershey, Deputy Director of the Selective Service System, received on August 8, 1941, summarizes the situation:

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,
Washington, D. C., August 5, 1941.

Hon. CLARE E. HOFFMAN,
House of Representatives.

DEAR MR. HOFFMAN: In accordance with your request we have made a complete investigation of the classification of Walter Philip Reuther, order No. 744, Wayne County local board, No. 31, Lansing, Mich.

It appears that this registrant at no time made a claim for deferment on the grounds of dependency, although his record indicated that dependency was involved. The registrant did claim deferment as a necessary man because of his occupation as a representative of the United Automobile Workers, an affiliate of the Congress of Industrial Organizations.

Upon appeal of the case of this registrant, board of appeal No. 3 at Detroit, Mich., deferred the registrant in class III–A on the grounds of dependency.

While it is not specifically stated in the file, it appears that the registrant does not desire to be deferred on account of dependency but rather desires to be deferred as a necessary man.

When a case is appealed to a board of appeal it is incumbent upon that board of appeal to consider all questions and to place the registrant in the lowest classification justified by the evidence and information contained in his record. Occupational deferments in class II–A or II–B are not as low in classification as the dependency deferment in class III–A. For this reason, the board of appeal acted in direct conformity with the selective-service regulations when it placed this registrant in class III–A, as the lowest deferment status justified by the record.

Accordingly, as the record now indicates, the registrant is deferred and is free to carry on his occupation and maintain those who are dependent upon him. In our view this deferment should be entirely satisfactory to the registrant, and we believe that there is no good reason why he should pursue any further his objection to such a classification. In the event that subsequently his classification may be changed, by reason of a change in circumstances, from class III–A, then full consideration would be given to any other grounds upon which a claimed deferment would be found to exist.

We trust that the information contained in this correspondence is found satisfactory to your inquiry.

Sincerely yours,

LEWIS B. HERSHEY,
Deputy Director.

Since that time, Reuther has been directing the activities of the UAW–CIO. The record will show that without protest from him, but acting under the directions of the union for which he is largely responsible, there have been almost innumerable instances of lawlessness and of violence.

Yesterday, pushed from the center of the stage, which he had anticipated occupying with reporters and TV drinking up his every word and expression, Reuther's ego—like that of many a prima donna—was deeply hurt.

Reuther's present complaint, loud and vociferous, is characteristic. He is a convincing, rabble-rousing demagog. He wants all to listen while he talks, no matter how unsound his views. John L. Lewis gave a true characteristic description when he said:

Mr. Reuther is * * * chronically inebriated, I should think, by the exuberance of his own verbosity.

His economic fallacies have been heard by more than one President.

Feared by a million workers, dependent upon their paychecks for their livelihood and, to a certain extent, Reuther's good will—in absolute control of the Democratic Party in Michigan—with, at his command, millions of dollars accumulated from the dues of the workers—idolized by a large section of the press because he does not drink, smoke, swear, beat his wife or children, Reuther is feared not only by workers but by employers and by political officeholders who bow and smile at his absurdities—gloss over his violence.

Yesterday, he demanded that he be called as the first witness. Unable—because of the courage of the chairman of the Senate committee—to make that demand stick, finding himself temporarily, at least, powerless to control the committee's hearings, Reuther just could not understand the rebuff handed him.

He found himself in the situation of a toy balloon which has been pinpricked, deflated, flat.

His complaint is that he was not permitted to put in his defense before charges were made against him. He wishes through his exceptional ability to mislead, to create a situation favorable to himself, thus put those who know of his lawlessness and are willing to expose it, on the defensive—a procedure he has habitually followed. Ordinarily no one seeks to answer charges which have not yet been made a part of the record. It may be that Reuther has a guilty conscience, or recalls the Scriptures where it is written: "The wicked flee when no man pursueth."

Should the House desire, it is a little more than possible that I can give something for Mr. Reuther to answer, citing time, place, and incident.

Mr. Reuther might well be thinking of his answers to some of the facts. Just one, for example—yesterday a witness testified that Jess Ferrazza, during the Kohler strike, had stomped upon her. This is the same Jess Ferrazza who, during 1941, with four other CIO goons, beat up a paymaster at the Ford plant, who wished to go into the plant to make out checks for CIO strikers.

Ferrazza's activities at that time were a matter not only of newspaper publicity but of court record. Let Mr. Reuther tell the public why it is that Jess Ferrazza has been one of his goons for 16 years, and to date we have never heard of any protest of his brutal beatings of innocent citizens.

Now what do you think of Brother Reuther? Who is the coward and who is the liar? And who is the good law-abiding citizen.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation would provide for the duty-free importation by educational institutions and similar organizations of sound recordings, films, slides, and similar articles to be used in nonprofit radio and television broadcasts. The executive departments interested in this legislation have informed the Ways and Means Committee that this legislation would facilitate the offering of cultural programs by educational institutions and would not have any effect on domestic employment. The Committee on Ways and Means was unanimous in reporting favorably on this legislation.

TARIFF TREATMENT OF CHICORY

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 5005, to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That effective with respect to articles entered, or withdrawn from warehouse, for consumption during the 2-year period beginning the day following the date of enactment of this act, no duty shall be imposed upon crude chicory (except endive).

SEC. 2. That paragraph 776 of title 1 of the Tariff Act of 1930 be amended by substituting "chicory, ground or otherwise prepared, 2 cents per pound; acorns and dandelion roots," for "any of the foregoing."

SEC. 3. The amendment made by section 2 of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption beginning the day following the date of enactment of this act.

With the following committee amendments:

Page 1, strike out line 8 and all that follows through line 4 on page 2, and insert:

"SEC. 2. Paragraph 776 of the Tariff Act of 1930 is amended—

"(1) by inserting 'ground, or otherwise prepared, 4 cents per pound;' before 'chicory, crude'; and

"(2) by striking out 'any of the foregoing, ground, or otherwise prepared, 4 cents per pound;' and inserting in lieu thereof 'ground, or otherwise prepared, 2 cents per pound.'

"SEC. 3. The amendments made by section 2 of this act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 5005, as amended by your committee, is to suspend for a period of 2 years the duty on crude chicory—except endive—and to amend the Tariff Act of 1930 to establish a new basic statutory rate of 2 cents per pound for chicory, ground or otherwise prepared. This bill was introduced by our colleague on the committee, the Honorable HALE BOGGS.

The crude chicory on which the duty would be suspended for 2 years by the first section of this bill, as amended, is the dried root of the chicory plant, which is virtually the only raw material used in the manufacture of ground chicory. Originally dutiable at the rate of 2 cents per pound, the duty was reduced to 1½ cents per pound in 1935, and effective January 1, 1948, it was further reduced to 1 cent per pound, the presently effective rate.

At the present time, chicory is not grown in the United States. United States imports of crude chicory during the postwar years have varied considerably in quantity from year to year. In the 4-year period 1953–56, such imports amounted to 5.4 million pounds annually. Virtually the only sources of United States imports of crude chicory have been Belgium, the Netherlands, Poland, and Yugoslavia, Belgium having been the most consistent supplier.

Section 2 of H. R. 5005 would establish a new basic statutory rate of 2 cents per pound for chicory, ground or otherwise prepared. Ground chicory is used almost entirely as a supplement to, or extender of, coffee.

The original rate of duty for ground or otherwise prepared chicory was 4 cents per pound. The rate has been reduced from time to time, and the presently effective rate is 2½ cents per pound. United States imports of ground chicory were small during most of the 1930's, but since World War II, have increased steadily. The principal source of such imports has been Belgium.

Your committee has received information indicating that enactment of this legislation would benefit both the domestic producers of ground chicory and the American consumers of chicory.

Your committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation would temporarily suspend the duty on crude chicory other than endive for a period of 2 years and in addition would establish a new basic statutory rate of 2 cents per pound for chicory ground or otherwise prepared. In considering this legislation the Committee on Ways and Means was informed that chicory is no longer grown in the United States. For the most part the United States imports chicory from Western European countries. It has been stated that this legislation will be of material assistance to the domestic producers of ground chicory and it is expected that it will also benefit the American consumers of chicory. Mr. Speaker, the Committee on Ways and Means was unanimous in acting favorably on this legislation.

MOTHER'S INSURANCE BENEFITS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5411) to amend title II of the Social Security Act to provide that a widow or former wife divorced who loses mother's insurance benefits by remarriage may again become entitled if her husband dies within 1 year of such remarriage.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 202 (g) of the Social Security Act (relating to mother's insurance benefits) is hereby amended by adding at the end thereof the following new paragraph:

"(3) In the case of any widow or former wife divorced of an individual—

"(A) who marries another individual, and

"(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death but she is not his widow as defined in section 216 (c),

the marriage to the individual referred to in clause (A) shall, for the purpose of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) The month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the 12th month before the month in which such widow or former wife divorced files application for purposes of this paragraph, or (iii) (month following month and year of enactment)."

With the following committee amendment:

Page 2, strike out line 12 and insert:

"(iii) the month following the month in which this paragraph is enacted."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, under the provisions of title II of the Social Security Act a widow's remarriage permanently terminates her rights to mother's benefits based on her former husband's earnings record and she is not able to qualify for monthly survivors' benefits based on her new husband's earnings record unless the marriage has lasted a full year or the couple has a natural or adopted child.

This bill, H. R. 5411, as amended by your committee, would reinstate rights to mother's insurance benefits that were terminated by remarriage in the case of a widow or former wife divorced whose new husband dies before she can qualify as his widow for old-age and survivors' insurance purposes. In such cases the remarriage would be deemed not to have occurred and the widow would regain her rights to mother's benefits based on the earnings record of her former husband.

Your committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this legislation would reinstate entitlement to mother's insurance benefits under the old-age and survivors insurance program where such benefits had been terminated due to the remarriage of the benefit recipient in instances where the new husband dies before the mother can qualify as his widow for old-age and survivors insurance purposes. The Congress has already enacted legislation that provides for the reestablishment of a benefit entitlement in the case of a widow's benefit and this legislation would merely accord similar treatment to recipients of the mother's benefit payable under title II of the Social Security Act.

LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the authors of the foregoing bills may, if they desire to do so, extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader if he will please advise the House as to the program for next week.

Mr. McCORMACK. On Monday there will be the Consent Calendar.

Tuesday, Theodore Roosevelt tributes, the call of the Private Calendar, and the Treasury-Post Office Departments appropriation bill for 1959.

Wednesday, Thursday, and Friday, after the Treasury-Post Office appropriation bill for 1959 is disposed of, H. R. 8002, annual accrued budget estimates; H. R. 376, a bill relating to futures trading in onions; H. R. 4504, a bill relating to

the wholesale terminal market facilities; S. 497, the river and harbor and flood-control projects bill.

Then there is the usual reservation that conference reports may be brought up at any time, and any further program will be announced later.

Mr. ARENDS. I thank the majority leader.

RIVER AND HARBOR AND FLOOD CONTROL PROJECTS BILL

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 490, Rept. No. 1408), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Works now in the bill and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

THE SCHOOL OF AVIATION MEDICINE

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Speaker, last week A1c. Donald Farrell emerged from a space test cell at the School of Aviation Medicine, Randolph Air Force Base, after having spent 1 week in simulated space travel. This is the longest period of time any human being has ever been subjected to an environment identical to that to be encountered in space travel. The faculty at the School of Aviation Medicine has acquired the first information available as to the effect upon the human body of space travel. It is an accomplishment of which the School of Aviation Medicine, the Air Force, and the American people may well be proud.

At the same time this accomplishment points up how shamefully the United States Government, including the Congress, has treated the School of Aviation Medicine. This school has been in existence since 1928. It has maintained for 12 years a Division of Space Travel. During the 82d Congress a proposal was submitted to the Congress to construct adequate new facilities for the School of Aviation Medicine at Brooks Air Force Base, Tex. The new facilities were projected to cost $30 million which would have provided adequate physical property for the school, including its space medical division. Through the activities of budget cutters in the Bureau of the Budget, the program was reduced to a mere $8,000,000. Through the continued efforts of the Bureau of the Budget and the Department of Defense, construction of the new facilities was delayed until May 10, 1957, when ground was broken therefor. During the last session of Congress, an additional $952,000 was authorized and appropriated for an altitude laboratory at the School of Aviation Medicine. There is, therefore, now a total authorization and appropriation for this essential installation in the sum of $8,952,000. To provide the facilities necessary for the School of Aviation Medicine at least $30,000,000 must be expended on this installation.

It must embarrass all of us to know that as early as 1938 the German Luftwaffe had provided for its counterpart of the School of Aviation Medicine at Tempelhof Airdrome, Berlin, physical facilities more advanced than even the $30,000,000 would provide for our Air Force on this very threshold of space travel.

Today I have offered a bill to authorize the $22,000,000 additional necessary to restore the project to its original concept. I hope the Congress will proceed rapidly to enact the same.

TOLLS ON THE BLUE RIDGE PARKWAY

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, at approximately 11 a. m. today a member of the public information staff of the National Park Service notified me that effective June 1, 1958, a policy of charging tolls for vehicles using the Blue Ridge Parkway would be instituted.

This is not a new idea on the part of some of the bureaucrats in the Department of the Interior. As a matter of fact, in May 1955, a similar decision was reached by the National Park Service. A great wave of protest arose, and the Department of the Interior deferred the matter until this sudden announcement which came today.

The Department states that there has already been expended approximately $54½ million in the construction of the Blue Ridge Parkway and that its ultimate cost upon completion will amount to approximately $95 million. This money has come from the pockets of the same taxpayers who would enjoy the great natural scenic beauty along the parkway. Now the National Park Service has apparently determined that those taxpayers who are paying for this service should be further harassed with a toll for the use of the facility. It is a singular thing to me that just yesterday in the House of Representatives the present administration put great emphasis upon the need for the expenditure of vast sums of money in order that this country may have exhibits at the Brussels International Fair. This was not an expenditure for the benefit of the people of the United States but was rather one to give pleasure and enjoyment to those in foreign lands.

It is even more amazing to me that just day before yesterday there was a great outpouring of the high brass of this Nation assembled here in Washington for the purpose of trying to sell to the people of our country the idea that there should be continued extravagant expenditures of billions of dollars in foreign countries throughout the world. At the lead in this program we were told were the President and Vice President of the United States and other high administration officials.

How in the name of commonsense can the same individuals justify giving birth and life to such conflicting concepts of Government activity?

How can the President of the United States, who at his press conference this week admitted that we were in a depression, explain to the people this further attack upon their pocketbooks when they seek to enjoy nature's handiwork along the Blue Ridge Parkway?

The Department of Interior and the officials of the National Park Service are thoroughly familiar with the overwhelming opposition to the idea of charging tolls since the previous toll decision was so vigorously protested by the people and the Members of Congress from the areas immediately affected by their previous decision. It seems to me that the failure of the Park Service and the Department of the Interior to have conducted a hearing with an opportunity for the Members of Congress to be heard on the question is further evidence of the growing callousness of this administration toward the wishes of the people. As far as I have been able to ascertain, this disregard of the public interest in connection with the operation of the Blue Ridge Parkway first commenced during the Eisenhower administration. I predict that it will be another stone in the successful building of a pyramid of universal dissatisfaction of our people with the Eisenhower administration.

I vigorously protest this announced action by the National Park Service and urge that the Congress express its will on the subject.

BLUE RIDGE PARKWAY TOLLS

Mr. WHITENER. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. ALEXANDER]

may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina.?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I was shocked and disappointed this morning to be notified by the Public Relations Officer, Department of the Interior, that the Department intended to release, at 11 o'clock today, an order charging toll for vehicles using the Blue Ridge Parkway, effective June 1, 1958.

Mr. Speaker, this matter was handled in the deepest secrecy and no one on Capitol Hill was given any idea that the Interior Department was even contemplating such a move.

About 2 years ago the Interior Department contemplated charging tolls on the Blue Ridge Parkway and a hearing was given all interested parties. A group of prominent citizens met in the office of Mr. Conrad Wirth, Director, National Park Service, and, in my opinion, sufficient reasons were presented why the National Park Service should not charge tolls or fees for motor vehicles traveling on the Blue Ridge Parkway. This matter was gone into thoroughly and no other action was taken until today.

Mr. Speaker, I am cognizant of the fact that the National Park Service charges certain fees for entrance to many of the National Parks of the United States; however, the Blue Ridge Parkway is in an entirely different category.

The Blue Ridge Parkway is 477 miles of scenic highroad, designed for leisurely ride-awhile-stop-awhile motor travel. Eventually it will connect the Shenandoah National Park in Virginia and the Great Smoky Mountain National Park in North Carolina and Tennessee. Overlooks and parking areas are located at the many points of interest along the parkway where the visitor can enjoy the spectacular views, the wonders of nature, and the wide range of vegetation along the parkway.

This, as you can readily understand, is not the common conception of a national parkway. It merely affords the opportunity to a visitor to see the scenic beauty and natural glory of God from a trail traversing the peaks of our lofty Blue Ridge Mountains.

Some idea of the ever-increasing popularity of the Blue Ridge Parkway is gained from the total visitation of 2,454,924 and 3,374,962 for the 1951 and 1952 travel years, as compared to 5,048,236 for 1957.

As you can see, the Blue Ridge Parkway leads all the areas of the National Park System in total visitation. This only points out that a large segment of the people of our great country are taking advantage of visiting the natural beauty of the Blue Ridge Mountains.

Mr. Speaker, I am strongly opposed to any policy of tolls or fees being charged on the Blue Ridge Parkway. I expect to introduce a bill at the next session of the House of Representatives which would prohibit the charging of fees or toll for travel on this beautiful scenic highway which displays the beauties of nature in all their splendor. I sincerely trust my colleagues in the Congress will support this proposed legislation which would prohibit the charging of tolls or fees for travel on the Blue Ridge Parkway.

BLUE RIDGE PARKWAY

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KITCHIN. Mr. Speaker, I wholeheartedly agree with the comments of the gentlemen from North Carolina on the arbitrary action of the National Park Service. This action in announcing toll charges for use of the Blue Ridge Parkway, a portion of which has been in use for several years, violates every principle of fair play and the very foundations upon which our democratic system has flourished.

This parkway, built with taxpayers' money, for the pleasure and convenience of the traveling public, to make available to our citizens the beauty of the natural resources which they own, is a public project. To make the user pay a toll for the privilege of using this highway and at the same time pouring billions of taxpayers' dollars as free gratuities into many foreign countries to build superhighways and like projects for the toll-free use of their commerce, which is also nurtured and maintained at our expense, is not understandable. I was advised that the total cost of the Blue Ridge Parkway would be approximately $95 million, and the revenues anticipated annually under the announced toll fees would be approximately $500,000. The administration does not hesitate to demand that citizens of the United States repay for 50 years for the use of their own facility while, under the guise of national defense, compels us to give away billions for public projects abroad.

Mr. Speaker, this action is offensive to our people, and I intend to support legislation to rescind this dictatorial decision so unfairly thrust upon our citizenry. I sincerely urge the support of the Congress to circumvent this action.

A GREAT AMERICAN RESOURCE: THE PEOPLE OF HAWAII

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, continually and consistently during the 85th Congress, I have taken advantage of opportunities offered to point out to the Congress that in the people of Hawaii America has a tremendously important resource—largely unused—the means of bridging the gap between the oriental and occidental world. The American citizens of oriental ancestry whose loyalty to this country is unquestioned—being proven by deeds, not words—are a resource on the people-to-people level whose value is unsurpassed.

Sometimes the designs of the Master Architect are apparent in significant ways. The letter of the little Vietnamese girl has been given considerable publicity in the press. It has been a subject of comment on the floor of Congress. I believe that another chain of events occurring at the same time is most important and meaningful.

In connection with the conference on foreign aspects of United States national security, I suggested to the Honorable Eric Johnston that a naturalized American citizen of Hawaii, Mr. Y. Baron Goto, director, agricultural extension service, University of Hawaii, be invited because of his considerable acquaintance with some of the programs of mutual security. Mr. Goto was extended an invitation. Mr. Goto landed in Washington late last Monday night. On arrival with me at my apartment, my wife informed us that Adm. Felix Stump, America's Supreme Military Commander in the Pacific and Far East, had called Mr. Goto. Upon returning the call, Mr. Goto was advised by the admiral that in connection with a planned trip of the admiral's to SEATO nations, the President of Vietnam had asked the admiral to bring Mr. Goto with him. The admiral also wanted Mr. Goto to accompany him to the Philippines and to Taiwan.

Mr. Goto agreed to the request of Admiral Stump and immediately made arrangements to take with him plants and agricultural information which he had learned on previous trips were desired.

The letter of the Vietnamese girl, the request of the President of Vietnam, and the indicated desires of the people of the other two nations, compose a most interesting set of circumstances deserving of extremely careful consideration. The inferences are plain.

Mr. Goto, while outstandingly able and knowledgeable, is not an exception. Hawaii offers thousands of Americans, whose value to the United States in bridging the gap between America and the cultures of the Orient cannot be overestimated. The fullest utilization of this resource will add materially to our prospects for success in our efforts to develop understanding—and peace with a better life for all.

THE LATE EDWARD A. O'NEAL

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, it is with regret that I announce to the House that Edward A. O'Neal, former president of the American Farm Bureau Federation, died last night at his home in Florence, Ala.

Mr. Ed, as he was affectionately known, was agriculture's man of the hour during the dark days of the great depression, and he led our farmers during the years of World War II when the great outpouring of food and fiber contributed so surely to the victory of our cause.

Edward Asbury O'Neal, third of a line to bear that name, was born on an Alabama plantation October 26, 1875. His life interest was agriculture, and at an early age he became dedicated to the improvement of the conditions and fortunes of the millions of farm families throughout the Nation.

Ed O'Neal served with distinction as President of the American Farm Bureau Federation for 16 years, from 1931 to 1947, and before that served as vice president of the American Farm Bureau Federation and as president of the Alabama Farm Bureau Federation.

Many of my colleagues will recall the personal charm and courtly character of Mr. O'Neal. He was a warm personality, a loyal friend. But at the same time he was a tenacious worker, a vigorous exponent of his beliefs, a man of inexhaustible energy and undaunted courage.

Ed O'Neal was first and foremost a farmer and an agricultural leader. He came from a long line of distinguished forebears whose names are a part of the history of Alabama. He was distinctly a product of Alabama and of the South, of its people and culture, its soil and philosophy.

In 1941, on the occasion of the celebration of his 20th anniversary of leadership in American agriculture, Senator LISTER HILL of Alabama had this to say of Ed O'Neal:

> He has wrought wonderfully, not only for the farmers but for the whole country. He stands forth today as one of the greatest agricultural statesmen in the history of our country. He is one of the accepted leaders of the entire Nation.

It is never pleasant to learn of the death of a dear friend. But it is a consolation to recall that Ed O'Neal enjoyed life to the hilt, that his was a good life and well spent, and that he enjoyed the honor and respect of his fellow citizens.

Mr. Speaker, the House Committee on Agriculture, on which I am honored to serve, has expressed the feelings of American agriculture, on the passing of this great American, in a resolution which I am making a part of the record of the House at this point:

COMMITTEE ON AGRICULTURE,
HOUSE OF REPRESENTATIVES, U. S.,
February 27, 1958.

EDWARD A. O'NEAL

Whereas Edward A. O'Neal, as president of the American Farm Bureau Federation, led the farmers of the Nation in their successful struggle out of the great depression; and

Whereas he planted firmly in the Nation's conscience the principle that the people who till the soil are due, and should receive, a parity of income, and should enjoy a standard of living equal to people in other employments of our free enterprise society; and

Whereas farm families of America have had a better life because of his leadership, his strivings and the goals he set; and

Whereas in working with the House Committee on Agriculture he endeared himself to all its Members: Now, therefore, be it

Resolved, That the committee has heard with profound sorrow and a sense of deep loss of the death of Edward A. O'Neal; and be it further

Resolved, That the committee express its very sincere sympathy to the widow and other members of the family; and be it further

Resolved, That the committee clerk communicate this resolution to the family of the deceased.

Attest:

HAROLD D. COOLEY,
Chairman.

FOREIGN AID

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker several days ago I read with interest on the front page of the Washington Post and Times Herald a letter supposedly written by a little Vietnamese girl stating that, among other things, her people dislike Americans.

I read in the same paper today the very interesting letter by the beautiful wife of the Vietnamese Ambassador in which she states at the beginning, and I quote:

> Your "little Vietnamese girl" sounds very much like a very shrewd grownup Communist.

I think this incident should serve as a warning to those Americans who set themselves up as Gallup poll experts and advise us from time to time as to the harmful propaganda effects among the peoples of the world of various occurrences here in the United States. It just may be possible that our advisers are listening to the wrong people, and also it may be good advice to them that at times it is better to shut up than to speak up.

The complete letter by Mme. Tran Van Chuong, wife of the Ambassador of Vietnam to the United States follows:

THE VIETNAM LETTER

Your "little Vietnamese girl" sounds very much like a very shrewd grown-up Communist.

Nevertheless, it is worth while answering some of "her" questions because they are intended to mislead American people into that old isolationist tendency which already cost them the Second World War and the Korean war.

American people sometimes wonder whether their aid is not resented by those who receive it and they do not even suspect that such strange misgivings have been sown into their minds by Communist propaganda. Indeed, I have never heard such questions in Vietnam, not even from children.

In Vietnam, even children cannot ignore that over 800,000 of their own people fled the Communists only three and a half years ago and have been rescued and rehabilitated mostly through American aid. Is such aid selfish or unselfish? Is it being resented in Vietnam?

I am sorry to say bluntly: In Vietnam, such questions do not make sense. They are foolish.

But those who are not refugees may question the sincerity of American aid.

How could they, when there are in Vietnam no American military occupation, not even the least American military base, no American governors to dictate decisions, no American settlers to take the best pieces of land, when no privileges of any kind, have ever been demanded from our Government in exchange for sorely needed aid?

"Do American people know that 95 percent of Vietnamese people don't like them?"

Nonsense. Can a true little girl choose Mr. Friendly for his friendly name to tell him such an untrue and unfriendly statement? Little Vietnamese girls cannot be so rude nor so stupid, and Vietnamese people, like all other human beings cannot dislike the United States just for having helped them to regain their national independence and to remain free.

This leads me to think that this letter to Mr. Friendly was inspired, if not fabricated, by someone interested in making the American people sick of their own program of mutual security, in making them believe just the contrary of what President Eisenhower and President Truman and other most prominent American leaders recalled to them yesterday, that is: Foreign aid is as vital to their own security as nuclear weapons, and so much more effective for preserving peace and strengthening human brotherhood.

NAM TRAN VAN CHUONG.

WASHINGTON.

NATIONAL GUARD

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, all of us, as Members of the House of Representatives, are concerned about the overall military strength of the United States in this period of international tension. I feel it incumbent upon myself, however, to direct the attention of the Members to a recent proposal by the Department of Defense which, if carried out, would, in my estimation, strike a crippling blow to our military preparedness effort.

The President's budget for fiscal year 1959 includes a request for an appropriation to support the National Guard at a level which will endanger the capability of the United States to defend itself. In spite of the fact that the Department of Defense had agreed with the Committee on Armed Services to maintain the strength of the National Guard at the level of 400,000 men, this budget would provide sufficient money only for 360,000 men. When coupled with a reduction of 35,000 from the strength of 435,000 existing in May 1957, this amounts to a 75,000-man, or 17-percent, reduction within less than a year's time.

The seriousness of such a reduction should be fully realized. Although it is necessary to continue our efforts in the fields of nuclear weaponry and ballistic missiles, the day has not come when we can dispense with the citizen-soldier. As the Korean war proved, he continues to be the very basic element in our military system. Indicative of this is the fact that the Russians, who are clearly not foolish in these matters, maintain 175 army divisions, compared to our 15.

While we reduce our active military forces in the interest of efficiency, would it not be realistic and farsighted to strengthen this Reserve force which has been described as having "achieved the highest degree of mobilization readiness in their history"?

The history of the National Guard has been an illustrious one, serving the Nation in peace and in war. Units of the National Guard served in a distinguished manner in all three of the major military efforts of this century. The guard is called into action in times of natural disaster or internal upheaval and is a natural stabilizing force to every community and State in which its units are located. It is also through the National Guard that the community itself is brought into full partnership in the defense of the country. Two of the oldest units of the Guard are located within the First District of Georgia and they have performed magnificently every task placed upon them, including active military combat. These units, and numerous others like them, are put in serious jeopardy by this budgetary move.

It should be noted, moreover, that such a move cannot be supported on the grounds of economy. It is estimated that for every active soldier in the Armed Forces, eight National Guard men can be maintained in a condition of military readiness. The States and communities contribute toward the training and preparation of these men, thus relieving the Federal Government of some of the burden. It would be shameful waste to reduce the components of this force further, putting at naught the past efforts and money of the combined units of Government.

In view of the fact that the Department of Defense agreed last year to maintain the National Guard at the 400,000 level, the action of the administration constitutes, in fact, a breach of faith. I am confident that the House of Representatives will resist this budgetary cut and will provide sufficient funds to maintain this vital unit in our military structure. In fact, I shall offer an amendment on the floor of the House to restore the cut if this is not accomplished by the Appropriations Committee.

SECRETARY OF AGRICULTURE BENSON

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, in December 1952, Ezra Benson, before he ever started warming his chair as Secretary of Agriculture, held a press conference in which he was quoted as saying:

> I suppose we need some form of price supports but at what level I'm not prepared to say.

In my newsletter to constituents on December 31, 1952, I said that it was begging the question to deal in supposition; that in a controlled economy, where prices are fixed, directly or indirectly, for everything the farmer must buy, there must be supports based upon costs of production, and that if Benson at that late date did not understand the economic facts of life with respect to farmers we did not need him as Secretary of Agriculture.

Subsequently, I said that if a Secretary of Labor had operated his office with as little understanding and sympathy as Benson had displayed to farmers, organized labor would have figuratively nailed his hide to the door of the Labor Department before the sun went down.

Ezra Benson has long since outlived any usefulness he may have had as Secretary of Agriculture and President Eisenhower will be well advised to spend some time on his next quail shooting and golfing vacation to acquaint himself with the facts of what is happening to the producers of the Nation's new wealth and the vital relationship of the underpricing of these raw materials to the present depression.

CONSTRUCTION INDUSTRY HIRING HALLS THREATENED

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the General Counsel for the National Labor Relations Board has announced that after June 1 there can be no more hiring halls as presently in use in the construction industry.

I think it is generally conceded that the Taft-Hartley Act was written for industrial or factory-type labor relations, whereas in the building trades and certain other fields both employer and employee have found that the hiring hall is the only feasible method of operation. Contractors have always found it not only convenient but economical and efficient to have access to a supply of trained workmen available at specified wages and working conditions. Likewise a central point of contact for hiring has been of great advantage to the workers. Obtaining employment assignments from one source eliminated the old-fashioned wasteful system of job solicitation and provided a fair and equitable distribution of work in this casual type of employment.

Last June, I introduced H. R. 8422 to exempt the construction and maritime industries from the Taft-Hartley provision against hiring halls. The decision of the NLRB to crack down on the building trades calls for immediate consideration of legislation such as I have proposed.

I urge the Congress, in view of the deadline to which I have referred, to consider the urgency of our acting now in the matter.

SMALL BUSINESS: MORE THAN DOLLARS AND CENTS

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I wish to call to the attention of my colleagues an editorial appearing in the Syracuse, N. Y., Herald-Journal, the issue of February 24, 1958.

The editorial comments on the study which the Federal Reserve System has undertaken to assess the credit and capital needs of small business.

The Syracuse Herald-Journal editorial is an example of the genuine concern which is being shown by the public and press toward the Federal Reserve System's inquiry. This concern is also evident among members of the Select Committee on Small Business, of which I am a member, who await the results of this study with more than considerable interest.

William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, in testifying before the House Small Business Committee in the fall of 1957, emphasized the growing interest of the financial world and the Government in the credit and capital needs of small business. Mr. Martin said, in part:

> The Federal Reserve System, with its interest in a financial organization and climate favorable to orderly economic growth and a stable dollar and with its particular responsibility for bank credit, necessarily has a concern about the availability of financing for business—both small and large business, new as well as established business. This continuing interest in credit availability for business as a whole prompted us to initiate a comprehensive study of financing facilities for, and of the financing problems of, smaller business. It is important to understand the nature of the Federal Reserve System's role and responsibility with respect to credit expansion, interest rates, and inflationary pressures * * *.
>
> The Federal Reserve does have a concern with the financial needs of particular sectors of the economy, including small businesses. However, the System's main concern in this respect relates to the question of whether the institutional arrangements of our credit structure are such as to produce an economic and equitable distribution of the available supply of savings and bank credit.
>
> The Federal Reserve program of inquiry into this subject has been developed after extended discussion within the System and also with interested individuals and organizations in and outside of Government. The program divides into three parts.
>
> In part 1, we are taking stock of existing knowledge and information to see what light all of this material, when brought together systematically, throws on the small business financing problem.
>
> Our probing will deal with such subjects as the characteristics and role of small business in a dynamic economy; trends in the relative importance of such business; typical ways in which small business obtains its financing; risks and returns to lenders in small business financing; and Federal Government and regional programs for aiding such financing * * *.
>
> The second part of the System's inquiry is an inventory of the financing facilities presently available in our economy for meeting small-business credit and capital demands.

Thus it is involving an intensive survey of the financing techniques and credit terms of a variety of providers of funds to small business. These include the commercial banks, finance companies and factors, life-insurance companies, investment bankers, and trade creditors.

Secretary of the Treasury Robert B. Anderson, testifying in the same hearings endorsed the study undertaken by the Federal Reserve Board, stating in part, that:

We have conferred with the Federal Reserve authorities and have been advised that the study which they are undertaking will be extremely thorough and will develop not only facts as to the actual use of credit facilities but also the attitudes and experience of both lending institutions and small-business recipients of or candidates for financial assistance. I think it is highly desirable that such a study be made and I am glad that it is under way, because there is a broad area in which I believe additional facts are needed to arrive at intelligent and constructive conclusions. Until these facts are fully developed, I feel that it would be premature for the Treasury to take a position with respect to the creation of new institutions or the establishment of new programs.

The comprehensive small business study by the Federal Reserve System, I am confident, will receive the close attention of all Members of Congress when it becomes available. Personally, I look forward with some anticipation to recommendations which will undoubtedly be made on the basis of this study.

The editorial follows:

SMALL BUSINESS: MORE THAN DOLLARS AND CENTS

The Federal Reserve Board is preparing a series of documents for the Congress on small business. The studies were prepared by well-known economists of major eastern universities and by staff members of the Board.

The major purpose is to give Congress information on the situation in which small business finds itself, and on ways and means to better the situation, if that is necessary.

As we see it, problems of small business are significant because small business represents an important type of value for our society.

To argue that small business is not so efficient as large business is to argue, in effect, that social values are economic and economic alone. This we deny as any reasonable person must.

We as a people set great store by individualism. The man who tries to be the "captain of his soul" and the "master of his fate" is a good type by our standards. However, rather than relying on such poetic hyperbole, we would say that a good man is one who attempts to exercise his freedom. In an economic sense, such attempts to exercise freedom often spell small business. Furthermore, much of the middle class family continuity and family solidarity is also related to family business.

This is not to argue that everyone should aspire to be a small-business man, or that big business is necessarily bad. It is to argue that diversity in economic life is good, especially when it tends to strengthen values which are closely associated with our traditional orientation.

There is another aspect of small business which should not be neglected by lawmakers and their advisers. Small business is, in many cases, an effective counterweight to big business. We tend to forget that in many consumer fields such as the grocery trade, the beverage industry, meatpacking, food processing and clothing manufacturing, to name only a few, and as well as in producer goods and intermediate goods manufacturing—machine shops, automotive parts, and electrical equipment, again to only name a few industries, small producers are not without importance, and often keep big industry from exercising its full economic power.

Unfortunately, many of us have a mental image of the small-business man as the old-fashioned corner grocery store or the neighborhood shoemaker. Such shops are small business, but the most important small-business enterprises in manufacturing, retailing, wholesaling, and contracting are firms which are small only by comparison with larger units. By themselves these small firms represent employment sometimes as high as 500 people or sales up to $5 million. Smallness is relative.

We sincerely hope that the Federal Reserve Board and its consultants have considered the noneconomic aspect of small business and that the Congress will also hew to this broad view.

SECRETARY BENSON

Mr. BETTS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BETTS. Mr. Speaker, I hope that those who have been active in criticizing Secretary Bension will take time to read the following editorial. It is taken from a newspaper published in my district, which is part of one of the richest and most important agricultural areas in the world:

[From the Marion Star of January 21, 1958]

DON'T FEEL SORRY FOR EZRA BENSON

The now familiar Congressional routine of beating Secretary of Agriculture Ezra Taft Benson over the head with farm politics is in full swing again.

Secretary Benson expects it. He does not want anyone to feel sorry for him. He has shown in everything he has said and done since he accepted the thankless job of Secretary of Agriculture that he knows what he is up against.

Every Secretary of Agriculture since World War I has been up against the same thing. The industrial revolution that released human productivity by giving it power and machinery finally caught up to agriculture.

Farmers can be divided roughly into two classes—those who have adapted themselves to industrialized agriculture and those who have been unable to adapt themselves to it.

In this year's Presidential message on farm policy, it was pointed out that there are more of the latter (about 2,700,000 farms and their occupants) than of the former (about 2,100,000 farms and their occupants).

The latter produce 90 percent of the food and fiber in the United States. They are the commercially feasible farms. The former produce the other 10 percent. They cannot justify their existence on the same basis as the commercial operators. This chronic disability and the chronic dissatisfaction of its victims constitute the political wallop in the farm problem.

Politicians honestly trying to help farmer constituents stranded by the revolution in agriculture naturally have turned to subsidies. But the net effect of nearly everything they have tried to do has been to add more to the income of commercial farmers than to the income of the farmers who cannot compete successfully with the commercial farmers.

No one has come up with a sound solution for underwriting an uneconomic activity with Government funds, in farming, mining, transportation, manufacturing, or retailing. Subsidies can cover up the headache but they cannot get rid of its cause.

Secretary Benson's primary aim in his job is to get rid of the cause of the farm headache, which is overproduction, caused partly by the subsidies themselves. This puts him into a head-on collision with all the people who look upon the subsidies, themselves, as a solution, instead of as part of the problem.

He understands why the problem exists. He understands why he must live with it—why any Secretary of Agriculture must live with it until farming has adjusted itself to the impact of the industrial revolution on agricultural production. It used to take more than 80 percent of the Nation's population to produce barely enough food for themselves and the nonfarm population. About 12 percent of the population now produce a surplus of food.

Ultimately, those who have been displaced by this staggering increase in productivity per person will cease to think of themselves as part of the farm population. In the meantime, there will be a farm problem, and it will be a red-hot political issue.

THE PRESENT RECESSION

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, today the Joint Economic Committee is filing its report on the President's Economic Report. I want to call attention to the supplemental views that I have expressed and I am happy to state that Senator FLANDERS has joined in with those views, which follow:

SUPPEMENTAL VIEWS OF REPRESENTATIVE CURTIS

In light of the extensive public and political discussion of the present economic decline it was especially important that this Committee on Economics attempt to define the present economic downturn in economic terms in this report. I regret that this was not done.

No two periods of economic decline are identical, yet much can be learned by comparison. Certainly the specific factors that go to make up a particular decline should be set forth. I suggest a few that seem to underly the present phenomena: (1) The sudden sharp cutback of inventory in the fourth quarter of 1957, (2) the cutback in certain types of defense expenditure such as was occasioned by the shift of emphasis from airplanes to guided missiles, (3) the decline in expansion and replacement of capital plant expenditures, (4) the continued low level of automobile production, (5) the decline in exports.

And just as important to point up are the features of strength; e. g., (1) the maintenance of the high level of consumer purchasing, (2) the increased expenditures in research and development, (3) the resurgence of defense expenditure, (4) the increase in expenditures for the highway program, (5) the upturn of housing starts, (6) the relative high rate of capital plant replacement in spite of the decline from the

high level of 1957, (7) the easing of tight money.

In view of the use of noneconomic terms and the abuse of economic terms in the public discussions describing the present phenomena, which can be called a recession if the overtone of mildness was understood by the public, it might be well to make a general comparison with the economic phenomena which occurred in 1949 and 1954. Both of these were recessions. Many competent economists agree that the present recession is probably more severe than that of 1954 and less severe than that of 1949. This knowledge should give us a little more perspective and keep us from rushing into programs which will not help us, but indeed can hurt us. Essentially it should make us realize that the economy itself will adjust and that, at most, governmental action should be geared to assisting rather than hampering this adjustment.

In concurring in recommendation No. 1 on monetary policy, I want to refer to the warnings we were given by some of the expert witnesses that inflationary forces are still close to the surface and an injudicious use of monetary action may swing things too far.

I concur in recommendation No. 2 but I am disturbed by the implications which may be drawn from it by a careless reading. The report dated January 22, 1958, of the Subcommittee on Fiscal Policy based upon the hearings on the subject, Federal Expenditures Policies for Economic Growth and Stability, should be read in order to obtain a better understanding of the limitations that public-works programs have in assisting growth and stability and easing a recession. Only public works already in the advanced planning stage can be of immediate assistance in the present recession. Furthermore, as already stated, Federal expenditures according to plan were to accelerate in 1958 and this acceleration is coming about.

The suggestion that the Federal Government should extend the public assistance grants and the unemployment compensation program involves questions of Federal-State relationship, matters of policy, and many technical difficulties which are the proper province of the legislative committees which have jurisdiction over these matters. If a quick cushion against the decline in income is needed, it will hardly be found in this complicated area. On this basis I disagree with the inclusion of this suggestion in the report.

THOMAS B. CURTIS.

OHIO COMMISSION ON EDUCATION REPORTS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include extraneous material.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, all of us will agree that the spiraling needs of education present a very real challenge to our States and Nation alike. In my own State of Ohio, it is estimated that probably more than double the almost 97,000 full-time students now studying in colleges and universities will be demanding admission by 1970.

The problems involved in meeting this increased enrollment are the subject of a study by the Ohio Commission on Education Beyond the High School. Appointed March 11, 1957, by Governor O'Neill, the commission, under the direction of its capable chairman, President John C. Baker, of Ohio University, has released five open letters to the citizens of Ohio which I believe will be useful to all Members. I ask that they be included as an extension of my remarks, as follows:

OPEN LETTER NO. 1 TO THE CITIZENS OF OHIO

On March 11, 1957, Gov. C. William O'Neill appointed the Ohio Commission on Education Beyond the High School. This commission was instructed to study the problems of higher education relating both to the present and the future, and to prepare recommendations which would help meet these problems.

After much preliminary work and numerous suggestions from within and without colleges and universities, commission members unanimously concurred in the following preliminary statements and suggested they be made public in an open letter so that everyone in Ohio could learn directly from commission members the nature and complexity of these problems. The commission hopes to complete its report in April of 1958.

From all over the United States study after study reconfirms the fact that 10 years from now the demand for higher education will be 2 or 3 times as great as it is today. During a 20-year period (1933–53) while births were increasing 88 percent in the Nation, they more than doubled in Ohio. Migration from other States has increased our population 13 percent in the past 6 years. Moreover, the proportion of those choosing to continue their education beyond the high school is growing at the rate of about 1 percent per year. This demand will increase even more rapidly when young people in remote areas of the State find new institutions available within commuting distance.

As we studied the staggering prospective growth in enrollments, the criticisms of higher education and the probable future environment of our graduates, we discovered that, not numbers, but rather the quality—the excellence of our education and how to improve and preserve it was the outstanding issue. A well-known labor leader wrote to us that, in his opinion, within a period of 15 years, high-school graduates should know on graduating as much science as college students do today if they are to be ready for automation and the present-day scientific developments. These rapidly increasing qualitative demands of major dimensions at all levels should be recognized as the most serious future problem in higher education.

International competition is intensifying the forthcoming emphasis on quality. The underdeveloped nations looking for a rapid and effective way to eliminate illiteracy are examining critically what we do educationally and what is done elsewhere in the world, especially by Soviet Russia. As a great power in the Free World we must, therefore, make our education beyond the high school in Ohio and other States of high quality and in dead earnest. We must extend opportunity to all youth who have appropriate abilities and a strong enough desire to work. In the future higher education will probably not be conducted as usual, which to many seems to be a pleasant interlude in growing up. The shadows of possible changes lie about us.

Impending changes offer long-overdue opportunities to reexamine customary patterns of higher education. Americans have too long regarded a standard 4-year course as the all-or-nothing of education beyond the high school for most young people. There will be real advantages in differentiated programs beyond the high school for students with a variety of interests and abilities. Automation and other revolutionary changes are increasing the development of middle level occupations, many of which will require 2 years of general and special education beyond the high school in university branches, community colleges, and technical institutes.

Future planning, in fact, calls for a cooperative review of the entire program of grades 11 through 14. Forty years ago almost all students graduating from high school studied subjects such as the sciences, especially chemistry and physics, foreign languages, English, mathematics and history, but fewer than 10 percent attended college. Today, as a result of much greater diversification, less emphasis is placed in high schools on college preparatory work. But soon 30 to 50 percent will be taking work beyond the high school. Unfortunately, many of these high school graduates are inadequately prepared both for advanced studies and for the demands of business. On the other hand, college freshmen and sophomores are often bored by too much repetition of what they learned in high school. Our study must not ignore these conditions, but should strive to increase friendly and understanding relations and closer ties between public school education and all of those interested in education beyond the high school.

In confronting the choice among a greater variety of post-high-school programs, prospective college students must more and more have the benefit of improved guidance at the high school level and guided admissions at the college level. This should not only enhance the welfare of the individual but should also lead to the improved utilization of our manpower in the best interest of all concerned. Parents and youth should not be disturbed at the probable complication of their admission problems but should welcome a system of higher education which is sensitive to individual differences and at the same time reduces failures.

Members of the governor's commission hope it is clear that there will be a few easy answers to the questions raised by our studies. Questions, often conflicting ones, such as the following, meet us everywhere. Would 2-year programs appeal to many qualified students? How much better does a residential college serve a 4-year student during his freshman and sophomore years than a community college or a university branch? When freshman and sophomore courses become available near enough for students to commute, what percentages of them will choose to live at home the first 2 years, thus saving expense and relieving the pressure on larger institutions? About half of the highest quarter of high-school graduates do not continue their education; how can society avoid this loss? Should scholarship aid be increased and if so, from what sources? Since loan funds are not being used, are students really in need of substantial financial aid or don't they care that much about a college education? To what extent can TV carry education to many at home and thus reduce the need for huge new educational facilities? Are our facilities for educating engineers and other scientific personnel adequate or do we need new colleges or technical institutes, and where should they be located? What will it take to get twice as many good college teachers recruited and prepared within the next 5 or 10 years? These are merely a few examples of the puzzling problems facing members of your commission.

Your commission has been greatly impressed with the cooperation and help of those interested in Ohio education. Members of the Ohio College Association and others have consistently put aside all specialized interests in order to help plan wisely for the years ahead. As one college president said, "What is best for all the people in Ohio and the Nation will, in the long run, be best for us." We will welcome criticism and suggestions on the many phases of this

study; they will help us serve you better than we otherwise could. We must dedicate ourselves to the best possible system of higher education in Ohio for future generations.

OHIO COMMISSION ON EDUCATION BEYOND THE HIGH SCHOOL,
JOHN C. BAKER, *Chairman.*
CLARENCE E. FICKEN,
Executive Secretary.

SEPTEMBER 1957.

OPEN LETTER NO. 2 TO THE CITIZENS OF OHIO

The Ohio Commission on Education Beyond the High School has been studying the State's current and probable needs in higher education since March 1957. At that time the group was appointed by Gov. C. William O'Neill at the request of the Ohio College Association. In September 1957, following a series of commission meetings, the membership released the first open letter to the citizens of Ohio, stating some of the underlying problems with regard to higher education in the State. In this, the second, of the open-letter series, the commission members present the following agreed-upon premises as the foundation on which to build the recommendations scheduled to be made to the Governor next spring:

1. Of all the assets of the State we regard our human resources and future manpower as our supreme value. It follows that our highest responsibility is to provide for the fullest possible development of the talents and potentialities of our young people and of our citizens in general.

2. We agree that the most effective first step in planning for the future is the strengthening of all existing institutions.

3. We are convinced that the constant improvement of the quality of education at all levels is of greater importance than any other consideration which we have under advisement.

4. We believe that the most important factor in the maintenance of educational quality is the recruitment, development, and retention of competent and dedicated teachers with adequate compensation.

5. We accept wholeheartedly the proposition that the opportunities of our young people for educational development should be extended for a period of at least 1 or 2 years beyond the high school in proportion to individual ability and the determination to benefit from the program which a student undertakes.

6. We believe that young persons of college age should be encouraged to achieve maturity as rapidly as possible and that they should therefore be expected to assume their proper responsibility in planning and financing their educational program.

7. We recognize the present inequalities of opportunity for education beyond the high school and undertake to recommend effective measures to minimize those inequalities. This refers primarily to the necessity of a more favorable geographic distribution of facilities and programs, and to appropriate financial assistance to capable young people with inadequate financial resources.

8. We accept the nearly unanimous conclusion of competent observers that enrollments in programs of education beyond the high school will increase substantially in the years ahead and that progressive plans should envisage the opportunities as well as the obligations which such expansion entails.

9. We believe it is self-evident that the increase in numbers of persons seeking higher education results in a correspondingly greater variety of interests and abilities among the students to be served and that future facilities and programs should be diversified accordingly.

10. We recognize that increased diversification of institutions, while serving the needs of students with diversified interests and abilities, calls for improved guidance for the individual both at the high school level and at the admissions level of higher institutions. We believe that specific arrangements should be set up for the intimate cooperation of administrators and counselors at the high school level and at the college admissions level.

11. We assume that privately supported institutions will continue to participate in the service of higher education as fully as their policies and resources will permit.

12. We believe that future plans should be courageously conceived in the best foreseeable short- and long-range terms but that they should be flexible enough to anticipate steps for appropriate retrenchment as well as expansion in the light of experience.

13. We are mindful that the ultimate objectives of general or liberal education should be emphasized in all post-high-school programs. We recognize that our planning for the undergraduate level should not become limited chiefly to vocational and preprofessional preparation but should stress effective living of the individual as a person and as a citizen in a free society.

14. We recognize that comprehensive plans for meeting Ohio's present and future needs in higher education can only be achieved through the provision of vastly increased financial resources but we likewise accept the obligation to think and plan in terms of the highest efficiency of arrangements and of the most rigorous possible economy in cost to the citizens of Ohio.

OHIO COMMISSION ON EDUCATION BEYOND THE HIGH SCHOOL,
JOHN C. BAKER, *Chairman.*
CLARENCE E. FICKEN,
Executive Secretary.

JANUARY 1958.

OPEN LETTER NO. 3—THE NEED FOR EXCELLENCE IN ALL EDUCATION

To Citizens of Ohio:

This third open letter to the people of Ohio will emphasize the present-day need for excellence in all education. The first letter referred to the scope of the commission's program; the second letter stressed the unanimously agreed upon premises on which the Commission's report is to be based. If, however, these three letters had been published in the order of their urgency, this third one on excellence in all education would have been the first to be released.

When members of your commission first met, they assumed that both educators and the public would urge major efforts be devoted to recommendations for taking care of the rapidly increasing numbers of students. They realized that probably more than double the almost 97,000 full-time students now studying in all of our Ohio colleges and universities would be demanding admission by 1970. Emphasis on numbers and expansion alone, however, proved to be very temporary, for many of those who met with us or wrote to us stressed not how many students can we rush through college in the next decade but how well will they be educated.

This question is exceedingly important and attention was focused on it by President Eisenhower when he spoke to the Nation in Oklahoma City on November 13 as follows: "The biggest part of the task is in the hands of you, as citizens, to scrutinize your schools' curriculum and standards to see whether they meet the stern demands of the era we are entering. What will be needed is not just engineers and scientists but a people who will keep their heads, and in every field leaders who can meet intricate human problems with wisdom and courage."

Members of the commission agree that the following reasons may explain at least part of this present concern about the excellence of education.

For some years there has been a growing uneasiness among educational and business leaders and many others that more emphasis should be placed on thoroughness, basic training in fundamentals, higher standards, and recognition of outstanding individual ability. This changing attitude toward all education has been a slowly growing one. However, such recent developments as atomic power, sputnik, and growing international competition in education have greatly accentuated this concern. As one person said: "We have achieved our goal of education for all; now let us achieve the high standards demanded by our times."

We discovered also that few approved of the broad dividing lines between elementary, secondary, and higher education. They believe these areas of education are inextricably interwoven and that artificial dividing lines as well as limited communications between them were harmful both to the individual student and to the welfare of our State and Nation.

Many have suggested changes in laws relating to college-level education, such as more selective admission requirements, more rigorous standards of retention, 2-year terminal programs, and technical institutes. At the high-school level they stress the need for schools sufficiently large to be operated effectively. Provisions should also be made for the early identification and better grouping of college-directed students according to ability and aptitude. Some favor excusing the indifferent with a certificate of attendance rather than expecting all to earn a diploma. Critics urge more challenge and more opportunity for advanced work at all levels. Others are exceedingly critical of excessive emphasis on extracurricular diversions in our schools, colleges, and universities.

Widespread public discussion of all education favors a careful reappraisal of our entire philosophy of education and supports necessary financial aid for better programs. We have encountered no criticism of equal opportunity to all according to their ability and willingness to work; much more vigorous interest, however, has been discovered in those students of real ability whose progress is hampered either because of outmoded school or college organization, financial difficulty, or prejudice of any kind. Many recognize, however, that the upgrading of community traditions and family interests is just as important in establishing any new educational program as are larger appropriations, new schools, new curricula, and higher standards.

Education has been the greatest single force which has made our country what it is today. The need for it is now greater than ever before. It must neither be neglected, approved as is, nor destructively changed. It means more than research and scientific knowledge; it is respect for man, higher standards of living, and freedom. Education must be a brilliant beacon leading to peace in the world, to happiness and well-being for mankind.

Of course, your commission has neither the time nor the competency to make recommendations to solve all of these great issues. We feel, however, after inspiring meetings with Governor O'Neill, with members of the educational committees of the senate and the house, with many professional educators and interested citizens, that we have the grave responsibility of bringing this demand for excellence to the attention of all citizens of Ohio. This is the No. 1 problem for the State, for every community, and for every family in planning education for the future.

OHIO COMMISSION ON EDUCATION BEYOND THE HIGH SCHOOL,
JOHN C. BAKER, *Chairman.*
CLARENCE E. FICKEN,
Executive Secretary.

NOVEMBER 1957.

OPEN LETTER NO. 4—EXPANSION OF FACILITIES

To the Citizens of Ohio:

No question considered by members of your commission received more careful and constant attention than how to encourage wise and economical additions to Ohio's facilities for higher education. How to expand facilities effectively is not a simple question to answer.

After agreeing in open letter No. 2 that the first step in planning for the future is the strengthening and efficient use of existing institutions it then becomes necessary to consider the enrollment figures in these same colleges and universities.

The most accurate statistical data concerning enrollment come from the Association of Ohio College Registrars. Since facilities for full-time students are usually adequate to serve part-time students as well, the following full-time enrollment figures of Ohio's fifty 4-year colleges and universities are especially enlightening.

October 1957 enrollment, full-time campus students

41 privately financed and church related colleges	40,691
6 State universities	43,837
3 municipal universities	11,605
Total of the 50 institutions	96,133

Total enrollment including part-time and evening students in the 50 institutions, 154,618.

These statistics indicate that in 1957 facilities for taking care of 96,000 full-time students made possible the instruction of 60,000 additional part-time students and are probably adequate to enroll well over 100,000 part-time students. We believe, therefore, the number of full-time campus students should be the basic figure in planning for future growth.

Members of the registrars' association who work closely with these statistical data forecast that without allowing for a possible increasing percentage of attendance of the college-age population total full-time enrollments in the 50 institutions and all subsidiary branches will fluctuate according to the following annual totals from October 1958 to October 1970:

1958	99,183
1959	103,468
1960	110,629
1961	118,309
1962	122,220
1963	123,710
1964	129,806
1965	142,026
1966	153,242
1967	165,655
1968	169,557
1969	170,187
1970	174,922

Fortunately, the pattern of these statistics indicates clearly a transition period into the higher enrollments of the future. From 1958 through 1961 there will probably be a period of substantial, but gradually mounting enrollments, followed by relatively smaller increases in 1962 and 1963. Beginning with 1965 very substantial increases are expected. Thereafter, totals will again fluctuate until a new high of almost 175,000 is reached by 1970. These data, admittedly conservative in nature, will allow for a breathing spell, but should not make us complacent. To prepare for even minimum growth we must plan now and observe annual enrollment statistics with care. It will take years to get new facilities fully established with adequate teaching staffs.

The above statistics of full-time enrollments emphasize the need for more branches or community colleges, enlarging present ones, and expanding facilities in existing institutions. Branches by their very nature will permit both quick expansion as well as contraction. We believe further that the growth of existing institutions will assure high quality education in a way more economical than simply a program of new institutions.

Citizens of Ohio should recognize that the cost of any adequate program of expansion will be substantial. All of this emphasizes the need for imagination so that the cost of the new facilities as well as the expenses of students can be kept to a minimum. The pattern of the future will doubtless deviate somewhat from that of the past. More dormitories, of course, will be built, but because of higher living expenses, plus an increased desire by many to attend college while living at home, a larger percentage of students are looking forward to attending what can be considered commuter colleges. Because of this, more attention must be devoted to undergraduate facilities on a local basis for students wishing to live at home.

The capacity of all existing facilities should be increased whenever possible by better scheduling of daily classes and their more effective use. Limiting the use of classrooms to 4½ or 5 days a week or to the morning hours will be indefensible in the years ahead.

It is assumed privately financed institutions will increase enrollments over the next 10-year period, within the limits of their resources and policies. Provisions for student aid should help insure a flow of gifted students to both independent and public institutions.

A formula should also be devised to give municipal universities assistance in facing the rapid and inevitable growth in their enrollments.

State universities should continue to expand and modernize as rapidly as possible for the increasing enrollments. The 103d session of the legislature, therefore, should make the necessary appropriations and arrangements so that the State universities can plan their physical growth over the next decade.

Branches of State universities are being established in a number of areas where higher education facilities do not now exist. At present no State funds are available for the 20 such branches in existence. Certain of these branches may continue to be financed as at present, others, if converted into full daytime units will need State and more local assistance than they now receive. These branches make possible education beyond the high school at a low cost to students in the localities where it was previously unavailable.

Certain branches by permissive legislation may become community colleges. A plan for financing these in other States is one-third community support, one-third student fees, and one-third State support. Buildings and equipment are financed one-half by the community and one-half by the State. Such units for Ohio, we believe, should not be limited by city, town, or county lines; rather they should recognize the wide use of the automobile for commuting.

One proposal to which we have heard no opposition is that several technical institutes and 2-year colleges be established immediately in those areas where they are most needed. The commission may recommend that the legislature appropriate funds to help operate these units.

A summary of the need for expansion of facilities in higher education indicates (a) that full-time enrollments will probably double between 1958 and 1970; (b) that facilities of all kinds must be increased; and (c) that new institutions must be more widely distributed in the State than they are now.

Your commission, of course, is considering facilities for medical, dental, engineering, and other professional education, although this letter has been confined primarily to proposals for expanding facilities which will be needed at the undergraduate level by our rapidly growing population.

OHIO COMMISSION ON EDUCATION BEYOND THE HIGH SCHOOL,
JOHN C. BAKER, *Chairman.*
CLARENCE E. FICKEN,
Executive Secretary.

JANUARY 1958.

OPEN LETTER NO. 5—THE CRITICAL NEED FOR COLLEGE TEACHERS

Early in the study of the Ohio Commission on Education Beyond the High School, members recognized the importance that must be attached to the problem of acquiring and maintaining adequate teaching staffs. To highlight the urgency of the problem the commission formally approved the following statement:

"We believe that the most important factor in the maintenance of educational quality is the recruitment, development and retention of competent and dedicated teachers with adequate compensation."

With the knowledge, however, that mere recognition of a problem does not solve it, the commission has given careful attention to the question of how best to match the increased enrollments in colleges and universities in Ohio in the next decade with a proportionately increased number of well-qualified teachers.

Though the problem existed prior to the recent international developments which have placed so much attention on education in this country, the commission is convinced that in many ways the adequacy of our college teachers, both in numbers and in quality, has become a prerequisite to national survival.

The basic problem, we believe, is to focus attention on the primary economic and political importance of college teaching to all of us. When it is generally agreed that in most instances the success of our college graduates can be traced to the quality of their instruction, then the necessity for superior instruction of our future businessmen, scientists, diplomats and leaders in all other fields becomes increasingly clear. We are dealing with the shortage behind all shortages.

As a means of meeting the problem of providing quality instruction in the years ahead the commission has discussed numerous possible patterns to follow.

One very vital step is simply that each institution insist that expansion plans in the future with respect to enrollment be accompanied by adequate financial resources to maintain a competent faculty. An extremely damaging alternative to this would be to provide increased sitting room for students without taking sufficiently into consideration the vastly increased funds which will be required to double the quantity and improve the quality of instructional service.

Certainly an important item in the attraction of competent persons into the field of college teaching is the matter of salaries. To assure the flow of talented students into teaching, the commission considers it necessary that trustees, the legislature, and all others responsible for academic budgets devote every effort possible to raising salaries of college teachers and administrators to a level competitive with other professions.

We realize that items other than salary will certainly be involved in competing for the services of potential teachers. To tell the story of the many attractive aspects of college teaching careers it will become necessary to call public attention to them through a widespread cooperative program with all mediums of mass communication.

Even more direct than this, however, is personal influence through the intimate working relationships of teachers and administrators with outstanding undergraduates as well as graduate students. Because many able teachers selected their profession

on the basis of influence by professors they admired, the commission will encourage all colleges to initiate programs in which this personal relationship is emphasized. The commission, of course, commends the widespread recruiting efforts already in process in Ohio colleges and universities, particularly the upgrading of the role of graduate and undergraduate assistants.

Besides drawing teachers from graduate schools recruitment officers of the colleges and universities may well explore a greater variety of sources of qualified teachers. Some institutions are enjoying marked success in acquiring teachers and former teachers from such fields as business and industry, government, the Armed Forces, the clergy, homemakers, minority groups, and foreign scholars. Qualitative precautions must of course be taken. For persons coming from a nonacademic background special orientation and in-service guidance is often desirable.

Turning from the question of recruiting teachers to the improved utilization of their services, the Commission believes that in many instances the effectiveness of instructors can be enhanced by the extensive use of audiovisual aids, television, and other modern teaching techniques. It also seems desirable to relieve teachers from duties and chores likely to detract from the concentration of their energies on guiding student learning. By making the teacher more effective such measures may also alleviate the quantitative problem, but they should be regarded in the first instance as measures for qualitative improvement.

Another significant contribution in behalf of teaching would be the increased emphasis on having the student accept more and more responsibility for his own education. This necessarily presupposes in the student a certain minimum level of intelligence, of reading skill, and of willingness to work, so that class instruction can safely begin where assigned reading leaves off. Following the adage that "self-education is the best education," teachers might well encourage students to increase the amount of time spent in independent study. This does not mean a mere relapse into a "take or leave it" aloofness or arrogance on the part of teachers, but rather improved skill in inducing in the student a sense of purpose, of urgency, and of satisfaction in significant hard work well done.

These and other methods of attracting talented persons into the field of college teaching will be included in the final report of your commission during the spring. It is our hope that they will go far in helping solve this important problem facing Ohio's college and university leaders in the years ahead.

OHIO COMMISSION ON EDUCATION BEYOND THE HIGH SCHOOL,
JOHN C. BAKER, *Chairman.*
CLARENCE E. FICKEN,
Executive Secretary.

JANUARY 1958.

CAMPAIGN FUNDS

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, during recent days we have witnessed a terrific presentation of the case for foreign aid, including fund raising for this purpose, all for passage of a specific piece of legislation. At the same time scathing attacks have been made on a Houston, Tex., fund raising dinner for the alleged purpose of raising money to help in passage of another specific piece of legislation, the natural gas bill, to overcome an erroneous Supreme Court decision which incorrectly interpreted the intent of Congress.

Without going into the merits of such typical American fund raising on the merits or demerits of the gas bill which I am prepared to do, let me add several interesting facts, probably unknown to my colleagues.

Only 28 letters, so sharply criticized, were sent out and from these $250 were raised. Further, the money would have gone into a Congressional fund for all Republican Congressmen, regardless of their supporting or not supporting any piece of legislation. Sober thinkers are appalled, I feel sure, by the hasty, bitter, and unfair attacks by these critics.

As I understand our jobs as Congressmen, we are to represent the people of our districts and their interests. In the past Members were respected and known for their stanch support of the industries in their areas. At their best, Members present the facts and while most sympathetic to these district interests, subordinate them when necessary, to the overall national good. Certainly this is my intention.

As I see it the criticism of this fund raising was unfair and may have unduly influenced the public and my colleagues against the great oil and gas industry of Texas.

THE PROBLEMS OF THE YEARS AFTER AGE 45

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, it is a sad reflection upon our initiative and resourcefulness that our Nation, having attained the highest standard of living in the world, and standing proud of its rich resources and tremendous productive capacity, is not always very considerate to its older citizens.

Advanced years bring many frustrations, uncertainties, and hardships into the lives of our people.

It is particularly distressing that the problems which confront our older citizens begin in some instances very early, when some of our people have barely reached their full potential. They affect men who are healthy, dependable, experienced—men and women who have many years of productive effort ahead of them, and who can make an important contribution to the growth and well-being of our Nation.

TWO PROBLEMS

Two problems, it seems to me, stand out most prominently when we consider the well-being of our elder citizens, and require our further attention and solution.

In the first place, there is the serious problem of age discrimination which affects many productive members of our society after they reach age 45.

Secondly, there are the problems of health, housing, and financial costs of maintaining a decent standard of living, which trouble our older people to a far greater extent than is typical of the population as a whole.

AGED POPULATION GROWING

These problems, and their consequences, increase as a growing portion of our population moves into the 45-and-over age group.

During the first half of this century, from 1900 to 1950, the population of our country doubled. But the number of persons 45 years of age and older increased much faster, rising from 13.5 million in 1900 to 49.5 million in 1957. During that same period, the number of persons 65 years of age and over increased from approximately 3 million in 1950 to almost 15 million at the present time, and is expected to reach 21 million by 1975.

These few figures give us some indication of the problem at hand.

In the belief that the situation calls for positive action, I have joined other Members in introducing two legislative proposals which warrant early and thorough Congressional consideration.

END AGE DISCRIMINATION

The first proposal is intended to combat age discrimination and the resulting senseless waste of our manpower. It is embodied in my bill, H. R. 10979, which would forbid any supplier or contractor of our Government from imposing "any requirement or limitation of maximum age with respect to the hiring or employment of persons."

The original suggestion for such legislation was made by the Fraternal Order of Eagles, an organization which has championed this cause for many years. I believe that this is a meritorious proposal, and I shall work for its early consideration by the House.

The need for this legislation is plain. According to reliable estimates, a man's chance of getting a job are only half as good in the years between 46 and 64, as they are before he reaches age 45. Further, once out of work, the older workers usually remain unemployed longer, and often exhaust their unemployment insurance benefits before they can find jobs.

This waste of manpower, which includes many capable, experienced, perfectly healthy men, should not be permitted to continue. It is not doing our Nation any good. It deprives our economy of their services, and it subjects many of our elder workers to agonizing frustration and hardships.

CONSTRUCTIVE EFFORT TO DATE

Very encouraging efforts have been, and continue to be expended by labor organizations, civic and fraternal groups, various individuals and associations, as well as local, State, and Federal governments to combat age discrimination.

The Federal Government, for instance, began emphasizing counseling services for older workers by allocating special grants to the States for this purpose. Some $18 million is being spent on the program in the current fiscal year, with constructive results. The Department of Labor reported recently that nearly 300,000 workers over 45 years of age were

placed during July, August, and September of 1957, partly as a result of the special counseling and placement services extended to elder workers.

These efforts are praiseworthy and should be continued with all possible vigor. I believe that the enactment of legislation along the lines suggested in H. R. 10979 will aid these endeavors and make them more effective.

PROBLEMS AFTER AGE 65

My second legislative proposal deals primarily with the problems faced by our elder citizens who are 65 years of age or over, with the prevention as well as the solution of those problems.

Many persons in this age group, which is constantly increasing, are unable to meet their needs. Many do not have adequate financial resources to maintain a decent standard of living, and find little if any opportunity for improving their lot. Some are unable to attend to their health needs, to live in decent houses, to enjoy the normal social contacts, or to continue to participate in the organized life of the community. Some spend the last years of their lives in what has been called a prolonged period of dying.

I am certain that much can be done to remedy this situation. In the past, I have actively supported efforts to improve our social security system, legislation affecting the well-being of our aged veterans, programs of public assistance, and the like. I shall continue in these efforts. In addition, however, I believe that we need a new reappraisal of the problems which advancing years bring to our citizens, and positive action both to solve those problems and to curtail their recurrence in the future as much as possible.

SERVICES TO OLDER PERSONS ACT

The second bill which I have introduced would, in my opinion, help us achieve these objectives. It contains these major proposals:

In the first place, it calls for a national conference on the problems of the aged, which could be preceded by similar conferences on local and State levels.

Secondly, it would provide Federal encouragement and assistance to States for the development of new programs, and for the improvement of existing programs, which would further the solution of the problems of the aged.

Thirdly, it would provide similar assistance for actual projects in this field.

Fourthly, it would establish a bureau of older persons in the Department of Health, Education, and Welfare.

This proposal also calls for periodic reports to Congress, and contains other suggestions for the consideration of the Congress.

I sincerely hope that this legislation will receive prompt and thorough study.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

CALENDER WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next week be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

INABILITY OF THE PRESIDENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, like countless other Americans, I read with special interest in the newspapers this morning of a press conference held yesterday when the President was asked about inability legislation and disclosed for the first time the fact that he and Vice President NIXON had some kind of an agreement or arrangement or understanding. I quote what the newspaper said the President said:

Both Mr. NIXON and I know exactly what he should do in the event of a Presidential disability of the kind we are talking about.

The President and Vice President NIXON could make an agreement or understanding, in my opinion, as two individuals, but not as President or Vice President of the United States in a matter of that kind, without letting the American public know what it is. It seems to me in view of the fact that the President has stated there has been an understanding or an arrangement or a meeting of the minds, or whatever you want to call it, in the event something should happen, which we all hope will not happen, and I know I pray it will not happen, that the President ought to take the American people into his confidence, particularly the Congress of the United States, before which important legislation is pending.

This is not a matter of some understanding, talk, or agreement between two individuals on the personal level, but a matter between the President of the United States as President and the Vice President of the United States as Vice President. That is a matter of public interest and concern. In view of the information already given by the President of the agreement and the understanding, or the meeting of the minds, whatever you want to call it, he ought to take the American people into his confidence and let them know what the understanding or agreement is.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, I think the statement of the majority leader has some semblance of good suggestion, but at the same time may I say it would appear to me that something should have been done toward cooperating with the President, who time and again has told the American people and indicated to the Congress that there should be some line of succession set up.

I think the President is to be commended for his press statement, knowing that life is uncertain, or a person may become physically disqualified and linger for years. I think he is to be commended for having an understanding with the Vice President of the United States. He ought to be commended, I think, by the majority leader for his foresight, for his patriotism, for his interest in the perpetuity and the proper continuity of the departments of Government and the leadership of this country.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. McCORMACK. I have not criticized the agreement; I simply said he should take the American people into his confidence as to what it is. Can the gentleman argue against that or take a position contrary to what I have said? Have you confidence in the American people?

Mr. VURSELL. I do not know what the gentleman's position exactly is. I would ask him if, when the President came out with the program, he did not oppose it.

Mr. McCORMACK. What program is the gentleman talking about?

Mr. VURSELL. There have been suggestions on the part of the President as to the succession. The gentleman is the majority leader of the House, and it was criticized.

Mr. McCORMACK. Who has criticized?

Mr. VURSELL. It was criticized.

Mr. McCORMACK. Just a minute now; the gentleman has got to be correct in his statements before he makes remarks about the majority leader. He has got to be sure when I am on the floor. He can say it well enough when I am not on the floor, because I do not know what he is talking about then, but if the gentleman wants to quote my mind and quote anything I said while I am on the floor of the House, he must be accurate. I have never criticized the President on this matter.

Does the gentleman take issue with my statement that the President and the Vice President ought to let the American people know what understanding they arrived at?

Mr. VURSELL. I certainly do disagree in this instanee.

Mr. McCORMACK. Then the gentleman does not have confidence in the American people.

BENSON IS RIGHT

The SPEAKER. Under previous order of the House, the gentleman from New Hampshire [Mr. BASS] is recognized for 45 minutes.

Mr. BASS of New Hampshire. Mr. Speaker, I have listened and listened to my colleagues from the Midwest and South as they bitterly attack Secretary of Agriculture Ezra Taft Benson. I have

heard these Halls ring with violent denunciation of the program he has proposed for putting our agricultural industry on a sound economic basis. That these are serious problems we would all agree. The program of high price supports for agricultural products which these colleagues defend so vigorously has been in operation for many years. It is a failure. It has stimulated uneconomic production, and yields are rising at a fantastic rate. Acreage and marketing controls have been inadequate to curb production in the face of rising yields. The soil bank has been a temporary help but only a temporary one. A continuing policy of high price supports will mean ever-soaring production, bigger Government-owned stocks, more costly programs to dispose of surpluses, and, tragically, pricing our product out of the market in many instances. This program has never and will never solve our farm problem. At the same time, it has cost the taxpayers untold billions of dollars.

I represent New England. In our area we have economic problems, too.

The farm price-support program does virtually nothing for us. It is not only a burden to our taxpayers and to our consumers, but it is killing our farming industry.

We have not expected that there would be an individual benefit for us in every Federal program. We have been willing to incur some burden to promote the welfare of others. But as taxpayers who are expected to pay higher taxes, and as consumers who pay higher prices in support of a Federal agricultural program, we want to know whether the benefits of these programs to Midwest and southern farmers is proportionate to the immense burden they impose on the rest of the country.

Most Americans would be astonished and deeply shocked at what it costs them to carry on this farm price-support program.

If they knew what this program cost them as individuals they would become very curious indeed about what benefits, if any, they are getting for this money.

For example, suppose I told a young man with an income of $6,000 a year that it is costing him $11.50 a year for Federal programs to support the price of wheat. He would say, "Well, what do I get for my money?" And I would have to tell him that so far as he personally is concerned the principal effect of this program is that the bread he buys cost him about $20 a year more than it otherwise would.

The young man would say, "Are we crazy? Is Washington operating a program that costs me one-half percent of my annual gross income and gives me no benefit whatever? Is the Federal Government carrying on a program to lower the standard of living of Americans?" It sounds like nonsense, but how else can we answer the young man who is out of pocket $11.50 a year to support the price of wheat?

Or take the wage earner who makes $3,500 a year before taxes. If he asked me the same question, I would have to tell him that this Federal program is costing him $6.49 a year just to support the price of wheat. If we add in corn and cotton and other Federal agricultural programs, the annual tab for this worker is $31.79. Since he does not raise any of these products, the only effect on this man of these programs is to make his bills higher for all the supported agricultural products which he buys.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from California.

Mr. TEAGUE of California. May I suggest that the gentleman include peanuts as one of the supported crops?

Mr. BASS of New Hampshire. I thank the gentleman. I have included peanuts in the figure I quoted of $31.79 which this wage earner who earns $3,500 a year has to pay in Federal taxes.

Take a successful business executive who makes $24,000 a year before taxes. He paid $122.42 last year to support wheat prices, and $600 for all agricultural programs.

These people have a right to be astonished and shocked when they learn what these programs are costing them.

The price-support program is complex and the financing difficult for the layman to figure. To assist the taxpayer, the Department of Agriculture has recently published a study called realized costs of agricultural programs.

This study states the net costs of our Federal programs to support agriculture and shows what each support program costs the individual taxpayer. By "realized" it means that the true actual ultimate net cost to the Federal Government of completed transactions of the program is computed. The realized costs are smaller than the Federal cash outlay for agriculture, because some of this outlay does come back eventually. For example, a loan which will be repaid is not a cost. It becomes a cost only when, at the final reckoning, the Government has sustained a loss.

This method of stating the costs of Federal programs to aid agriculture is more conservative and more in accordance with ordinary bookkeeping principles than the usual Federal method of pricing programs in terms of budgetary outlay. But, even by this conservative method, the cost of Federal programs for agriculture in 1957 were astronomic. They exceeded $4 billion. Of this, the price-support activities accounted for more than $3 billion.

The list of the national bill for these programs is as follows:

[In millions]

Corn	$489.1
Cotton	641.2
Peanuts	18.7
Rice	152.7
Tobacco	12.3
Wheat	827.3
Total basic	2,141.3

Designated nonbasic:

[In millions]

Butter	$62.0
Cheese	111.5
Milk	205.0
Potatoes	4.1
Tung oil	.2
Wool	66.7
Total designated nonbasic	449.5
Total remaining nonbasic	193.0
Total all commodities	2,783.3
Unallocable, net	471.6
Total realized costs (price support)	3,255.4
Total realized costs (all USDA programs)	4,054.6

I am aware that there is a question about the Department of Agriculture computation of the costs of price-support activities. It may be determined that some part of these charges would be more correctly charged to foreign aid. Pending the resolution of this problem, I am using figures of realized costs as they have been published by the Department.

Immense as these costs are, it is probable that they would not mean very much to most taxpayers. They do not tell him how much the program costs him individually.

I think the taxpayer ought to know this. We can determine it for him very easily.

The costs listed above are a little more than 5 percent of the total Federal expenditure. By applying this percentage to the contribution to Federal programs of the taxpayers in each income bracket, we can determine how much the average taxpayer in a given bracket pays toward the costs of any particular program. The answer to this question for the several agricultural programs is summarized in the following table:

Per taxpayer costs in taxes of selected Department of Agriculture activities based on realized costs as reported for fiscal year 1957

Adjusted gross income (in thousands)	Under $2	$2-$5	$5-$8	$8-$15	$15-$50	$50-$200	Over $200
Mean	$1,061	$3,460	$6,159	$10,001	$23,602	$77,387	$417,078
Price support:							
Wheat	$1.67	$3.49	$11.49	$26.48	$122.42	$766.33	$6,313.07
Cotton	1.29	5.03	8.90	20.52	94.88	593.95	4,893.04
Corn	.99	3.84	6.79	15.65	72.37	453.06	3,732.34
6 basics	4.32	16.79	29.73	68.53	316.87	1,983.53	16,340.44
Total	6.57	25.53	45.20	104.19	481.73	3,015.59	24,841.87
Total USDA programs	8.19	31.79	56.30	129.77	599.99	3,755.82	30,940.70
Total contribution to Federal budgetary expense	$145	$563	$997	$2,298	$10,625	$66,510	$547,914

At first glance it may seem that the costs of the above programs are high for the taxpayers with large incomes and low for the others. But further consideration will show that they are high in relation to a man's income for every taxpayer.

The above table tells the story of the cost in taxes of these agricultural programs, but that is only part of the story.

Since these programs have as their object supporting the price of agricultural products and, since they do have that effect, the taxpayer pays for the program in two ways. He pays higher prices for the end product as well as higher taxes for the program.

The portion of the program cost that is paid in higher prices does not progress like the portion that is paid in taxes. There is not very much difference in the amount of wheat a man eats or the amount of cotton clothing he wears. A man with a low income needs as much bread as a man with a high income, and therefore pays a higher percent of his total income for the program.

This places a very heavy burden on the taxpayer in the low-income brackets. The man with an income between $2,000 and $5,000 pays in taxes averaging $6.49 for the program to support the price of wheat, but in addition it may cost him about $20 a year more for the higher price of bread. This is a heavy cost to impose on a man with this income, and especially when he gets no individual benefits from the program at all.

Throughout the United States we pay for this Federal high price-support program and relatively few of us receive any benefit. Even a large share of our farmers are being hurt rather than helped by this program. In my own State of New Hampshire, for instance, our poultry farmers are caught in a squeeze between the high prices for feed grains which are supported, and the low prices for their produce, eggs and poultry, which are not supported. In addition these farmers pay, as do all citizens, the higher taxes and higher prices caused by the program. We are all paying taxes to raise our cost of living, and supporting programs which lower the national standard of living, and as I have indicated, by measurable specific amounts.

We pay our Federal taxes in many ways. We pay the individual income tax. We pay hidden Federal excises and, if we own some stock in a company, we pay corporation income taxes indirectly. But very few people know how much they are paying altogether, nor do they balance the value of what they get against the value of what they pay.

Suppose that, in stead of paying their taxes in this confusing way, each American walked up to a Federal tax collector's window once a year and got his bill for the benefits he had received. How would he feel about paying these big sums out in income tax and in higher prices for nothing? He would say, "No, that's one I don't want to pay."

We who are here in the United States Congress and who have the real power to say "yes" and "no" for the United States taxpayer, ought to look into the poke our customers are carrying away from the Federal tax window and see if there really is a pig in it, or whether that taxpayer has just got what most people get when they buy a pig in a poke—namely, nothing.

There are many Federal programs, including some of the most costly ones, which no thinking citizen would oppose. The cost of the national defense is an example. Most taxpayers would find these expenditures necessary and would support them unhesitatingly.

But I firmly believe that there are many programs the taxpayers would reject if they knew the facts. If the taxpayer knew the cost to him individually of the program on the one hand, and if he could evaluate the effect for him of the program on the other hand, he would often find that the program is not worth to him what it costs him and he would instruct his Congressman to oppose it.

When our taxpayers realize what farm price support programs are costing, and what the costs mean to them individually, when they realize that they are a failure and will not solve the farm problem, then they will be strong for Benson's proposals.

Secretary Benson has courageously proposed a way out of this nightmare of economic nonsense. It is the way of more flexible and lower agricultural price supports. It is the only way that leads toward an ultimate solution.

It is a conservative plan. I myself would go much further in the matter of price supports than Benson. I would do away with them entirely.

I would remind my colleagues from the Midwest and South that it is many years now that the people of my State of New Hampshire, as well as the rest of the country, have been underwriting costly agricultural subsidy programs. What started as emergency aid to farmers has continued to grow into an ever-increasing burden, and, after 25 years, offers no prospect of relief.

To you who so violently advocate higher price supports and higher prices, I ask:

How many more years are you going to demand that we in New England and elsewhere subsidize your agricultural economy?

Do you want us to pay for these subsidies indefinitely and at ever higher and higher costs?

When are you going to offer some solution to your problems that gives us relief?

We have been generously paying your bills for these many years and deserve a frank answers to these questions from you critics of Secretary Benson.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to my distinguished friend and colleague from Texas.

Mr. ALGER. Mr. Speaker, I would like to compliment the able hard working gentleman from New Hampshire not only on the good sense of his statement, but his courage.

It takes real courage these days to oppose any Federal handouts in the farm program.

If I may, I should like to associate myself with the gentleman from New Hampshire in these remarks.

I might observe one or two other things. I myself wonder as a Representative of largely a city area, when I listen to the critics if there is any special program or if there is any man would be so all-knowing as to be a satisfactory Secretary. It strikes me, listening to the gentleman's statement today, that any program that has in it something for doing nothing will never succeed.

It strikes me also that wartime incentives, through the use of which our farmers rose to the emergency and provided the necessary food, have not been removed, and as a result we have in effect still wartime economy measures. Naturally we are producing surpluses.

I go further and say something that is almost unheard of on this floor, to add my small contribution, that because of these incentives there are now too many farmers on the farms.

I simply close by saying then, who now is for the taxpayers? Obviously the gentleman from New Hampshire is, and I commend him and join him in his statement.

Mr. BASS of New Hampshire. I thank the gentleman for his contribution.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I want to join in complimenting the gentleman from New Hampshire on his fine statement, and on taking the floor to make a statement on this very important subject. The remarks he has made are in conformity with the general findings of the Subcommittee on Agricultural Policy of the Joint Economic Committee as published on February 10, 1958. I call the attention of the House at this time, if I may, to this report.

Incidentally, that subcommittee was chairmaned by Senator JOHN SPARKMAN, of Alabama. On that committee were the gentleman from Texas [Mr. PATMAN], the gentleman from Iowa [Mr. TALLE], Senator DOUGLAS, of Illinois, Senator WATKINS, of Utah, and myself.

The manner in which these studies were made I think is particularly important. The committee requested some 60 specialists from universities, Government, national farm organizations, and elsewhere, to prepare papers on various topics of the agricultural problem. Those papers were written and published by our committee and made public a month before we held our hearings on those papers. In other words, the purpose was, after the specialists had spent some 6 months preparing papers, to give anyone in the public, including the panelists themselves, an opportunity to read what had been said so that they would have an opportunity to ask questions at the hearing along with the committee members.

Then we held these panel hearings on this subject with these experts before us who had prepared these papers.

The acclaim that these papers received and the acclaim we have already received on the report throughout this

country from agricultural schools and people who know the agricultural problems convince me this is an extremely valuable study the Joint Economic Committee has conducted.

With that background, I again want to say that the remarks of the gentleman from New Hampshire fit in exactly with the economic conception of this problem.

May I say also that the President's economic message on agricultural policies, which was given to the Congress a few weeks ago, was in conformity with the committee report's appraisal of the economic situation in our agricultural industry. Secretary Benson very obviously understands the economics behind this problem. I will say for Secretary Benson's critics, when it comes to getting into the details of the economics of the problem they seem to be adopting the role of ignoramuses and apparently do not even want to know what the economic factors are.

We have a very serious problem, as I said to the gentleman from North Carolina [Mr. COOLEY] when he criticized the President's message in regard to agricultural policy. He made the statement that Secretary Benson wanted to drive the farmers off the farms.

I said, "No American wants to drive the farmers off the farm. But I will tell you who will drive them off the farm—those who refuse to face up to the economic facts." We have had a technological revolution in farming, and it is necessary under those circumstances to make considerable adjustments. Furthermore, we have shifted from war to peace, and the demand for farm products such as existed in World War II is not the demand for farm products in peacetimes. These critics of Secretary Benson had best answer this question: How do you, indeed, shift from a war economy to a peace economy? Because, certainly, we can solve the farm problem tomorrow by going into a war economy again. But I do not think anyone in this country or abroad wants to solve economic problems or problems of agriculture in that fashion. I want to commend to the House this bipartisan committee report, which was dated February 10, 1958, and particularly the various papers that were prepared by these farm economists, and I say to Secretary Benson's critics this basic thing, maybe Secretary Benson's solutions of the problems may not work, but I will say this—at least he is leading from knowledge and trying to analyze the problem. The critics of Secretary Benson are in control of the Committee on Agriculture of this House, and they seem to be in control of the machinery of the House of Representatives, and have been in control for 4 years.

Now what proposals do they have that are going to correct this situation? The only proposals they seem to have are to go backward, to the operations that did not work and which aggravated the farm problem. I again want to say to the gentleman from New Hampshire that he has done a fine thing in taking the floor to bring out into the open these problems of agricultural policy and to stand behind the Secretary of Agriculture who is trying to deal face-to-face with the economic facts of life and not trying to avoid them for political reasons.

Mr. BASS of New Hampshire. I thank my friend and colleague, the gentleman from Missouri for his contribution, and find myself in agreement with the comments he has just made. I hold in my hand a pamphlet which I commend to the Members. This pamphlet was prepared by the Subcommittee on Agricultural Policy to the Joint Economic Committee. It points the way, in my opinion, to the ultimate solution of this farm problem that faces the country.

I again want to emphasize to you critics of Secretary Benson that if you do not agree with him, it is up to you to come forward with some constructive program, other than higher and higher price supports which have been proved a costly failure.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. TEAGUE of California. I, too, want to commend the gentleman from New Hampshire for a splendid and strong statement. I agree with every single thing the gentleman has said, and I fully agree with all the statements made by the gentleman from Texas [Mr. ALGER] and the gentleman from Missouri [Mr. CURTIS]. I would like to add further support from a different position. I am a member of the Committee on Agriculture. I represent one of the largest agricultural districts in this country. I feel, and I know in my own mind, that Secretary Benson is exactly right in what he is trying to do. He is on a sound economic basis. I admire his policies and I say to him—God bless you and more power to you. I also want to report this to the House, that I conducted a poll in my district. A questionnaire went to every Republican and every Democrat in my district. Almost 80 percent, some 78 percent, reported to me that they were very much opposed to a return to the high rigid-price-support principle. I again commend the gentleman from New Hampshire.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to associate myself with my friend and colleague and say that he has done two things here today. Not only has he stood up—I might say this is in effect a nonpartisan matter—in defense of the Secretary of Agriculture and his policy, which is a courageous thing to do, but he has also spoken for the American consumer. The American consumer, for some reason, despite the fact that he is represented in Congress by 80 percent of the membership, is the true forgotten man. Certain segments of the farm population of America have been receiving the equivalent of a handout for any number of years, and no one has stood up in recent times to criticize this until you have done so today.

I may say, speaking for the largest potato-growing county of New York and one of the largest in the United States, that my farmers are behind the Benson theory of no handouts. They say that at least he is making an attempt to correct the situation. As the gentleman from Missouri [Mr. CURTIS] said, maybe he does not have the correct answer, but at least he is attempting it.

I want to congratulate the gentleman for bringing this to the attention of the House.

Mr. BASS of New Hampshire. I thank the gentleman for his contribution.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Ohio.

Mr. HENDERSON. The gentleman is performing an admirable service in bringing this question to the floor this afternoon. It has been a great indoor sport to rise on this floor and elsewhere to pillory Secretary Benson. I do not stand here today in his defense, because I believe he has demonstrated that he needs no one to come to his defense. He is fully capable of defending himself.

I cannot help but think of the old axiom in the legal profession that "If you do not have a good case, raise Ned with the prosecutor." That seems to be what a great number of Congressmen have done, just that in this case, raise Ned with Secretary Benson, when the law is weak.

We stand here today, each one of us dissatisfied with the condition of American agriculture. If the funds expended for the agricultural program had been performing the function of bringing agriculture out of the doldrums in which it has languished, then possibly we would say "Yes." But the funds have not accomplished that function. It seems that agriculture is sinking deeper and deeper because of some of the programs that have been followed. The fault lies not with Secretary Benson but the fault lies right here on the floor of Congress. We are the ones who have concocted the legislative potpourri in which American agriculture stews today and it behooves us on both sides of the aisle to stop the senseless carping that rises on the political winds. The daily ceremony of burning the Secretary of Agriculture in effigy may have short-term political advantages. But it will certainly not solve the farm problem.

We ourselves are the ones who must come forward with a program which Secretary Benson or any other Secretary can follow in order to solve this problem. Mr. Benson or any other Secretary of Agriculture is obliged to follow the program that is set forth in law by the Congress, and the solution lies here and not elsewhere. Let us not forget that the program Mr. Benson must administer is the elaborately outfitted scarecrow which he inherited from the previous administration whose adherents seem outraged that time has proved their scarecrow cannot plow.

The farmers of America are not the stupid people that some would like us to believe they are. They are men who have tremendous intellectual and physical investments in America. They are

men who love freedom. They are men who are opposed to controls.

I hear daily from farmers of southeastern Ohio of their feeling concerning the farm program. Nearly every letter I get says, "Mr. HENDERSON, when are we going to get rid of the controls? When are we going to get rid of Government in farming?"

In almost every case they ask that controls be done away with, and termination of the farm program in its present form be at an end in the not too distant future. The gentleman from New Hampshire has done an admirable service in pointing out the facts he has pointed out and in giving us an opportunity to speak on behalf of the American farmer who wants no controls, and on behalf of Americans who are regretting the great expense that has performed no good function for America or the American farmers.

Mr. BASS of New Hampshire. I thank the gentleman for his contribution.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Illinois.

Mr. COLLIER. I would like to join my colleagues here in commending the gentleman on a very fine discourse this afternoon. I would like to say for myself that I do not think we have ever had a Secretary of Agriculture in the history of this great Nation who has been more dedicated and more sincere in the approach to the farm problem and farm matters than Secretary Ezra Benson.

I think it is well to remember, too, that there are those who can be critical of anyone, but so frequently they do not have the answer or the solution themselves of the problem at hand on any permanent basis.

Again I say I enjoyed the gentleman's remarks and appreciate the approach he brings to this difficult matter.

Mr. BASS of New Hampshire. I thank the gentleman.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to my distinguished colleague from Minnesota.

Mr. JUDD. The gentleman is most courteous. I am sorry I was not in the Chamber when the gentleman began his speech, but from what I have heard from him and others who have spoken I think I am in complete and wholehearted agreement with him in his estimate of Mr. Benson and his farm policies.

From the beginning I have been one of the most vocal supporters of Mr. Benson and his program all over the Nation. I still am. In fact, I was advocating some of them long before he became Secretary of Agriculture. I was one of only a handful who in 1948 and 1949 voted against extension of the 90 percent fixed parity price supports which have led to so much of our trouble with surpluses. I am the only Congressman from Minnesota of either party that has voted for his programs right down the line. That is the record.

But it is not enough for programs to be right; they must be attainable. If they are rejected, however mistakenly, they cannot cure a problem. I am sure Mr. Hoover was basically right in his economics when he was President, and he was one of the finest and most devoted Christian gentlemen who ever lived. But Mr. Hoover was built up by his opponents into a devil with horns to the point where many people believed it. This caricature made him almost a liability to his own programs, in that it made it harder to get support for them.

In a speech here in Washington just the other day former President Truman still was calling it the Hoover depression, as if Mr. Hoover personally planned it that way. It paid off politically, and all of Mr. Hoover's policies, no matter how right, went out the window when his opponents, by campaigning against him, won the 1932 election.

Now, it was not to try to wreck Mr. Benson's program for agriculture, but to try to save Mr. Benson's program, that I, as you have read in the press, went with one of our colleagues to see Mr. Benson to discuss with him the several different points of view expressed in a meeting of Midwest Republican Congressmen on the problems of agriculture in that part of our country, as they see them. I did not report to the press anything about the conversation we had, and some of the things that were reported in the press as having been said at the conference were wrongly attributed to me, although that was not directly stated in most of the stories I have seen.

Probably one reason I was one of those chosen by the group to go down to see Mr. Benson was because he knows I am a good personal friend and do not hold the view of some that it is necessary to get his scalp. It is a fact that some in the group, perhaps a majority, felt he ought to resign because they sincerely believe his policies are wrong. That was no news to Mr. Benson; they have been publicly calling for his resignation for a long time.

Others in the group thought his policies might be sound, but were not acceptable to the farmer in his present difficulties; therefore they ought to be modified.

Some who agree with his programs felt he could perhaps best help those programs by stepping aside personally in the belief that if he did so, the attention of the farmers would be directed away from a person to their basic problems. They would be forced to wrestle with what to do about low farm prices and big surpluses instead of just concentrating on Mr. Benson as if he were himself the problem. One of this group in the meeting put it that while he could sell Mr. Benson's program, he could not sell Mr. Benson.

Still others said that the right course was for Republicans to try harder to sell his programs rather than to attack him. To which came the reply that they could not sell what they did not believe in.

These are some of the facts that have not been reported in the press. They were all reported to Mr. Benson. He told us he appreciated our telling him frankly and assured us he would give the whole question most careful consideration. I am sure he will.

There was an agreement not to say anything about the discussion, because obviously that would not do any good. But since so much has been written and said on only part of the story, I welcome this opportunity to report on the two, three, or four other sides of the matter that have not been published.

May I add that there was no possible political benefit to me in accepting such a mission. My district is wholly urban and I know a large majority of the Republican voters support Mr. Benson, perhaps in part because I have urged them to.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield.

Mr. CURTIS of Missouri. I simply want to make this comment with regard to former President Hoover. No one can question the sincerity of President Hoover. He was unjustly made the victim of very difficult circumstances.

Mr. JUDD. That is equally true of Mr. Benson. As to the farm situation, I have been overwhelmingly for Mr. Benson's program and have been for a strong farm program long before Mr. Benson became Secretary of Agriculture.

This Congress in 1949 when the price-support program that had been set up during the war to increase production and which worked so admirably during wartime, was about to expire, decided to extend it. That was the 81st Congress. I opposed the extension, not because there was any troublesome surplus on hand at that time, but I could foresee that surpluses would become troublesome.

I recall that only about 26 of us voted against it. That was when agricultural economics came into operation. I take second place to no man in this House in my support of the sound economics of Mr. Benson's program. I still think that was the right thing to do.

When we reported that a number of Congressmen felt he was a liability, he recognized such a thing was possible and he was the first to say that if and when the day came that he felt he was a handicap to the program he would withdraw. He was for sound agriculture and for a sound American economy, and he said he would be the first to step aside in order to do the best that he could for his country. He is a selfless man.

Since this whole thing got out in garbled form, I thought it was only proper to try to get some of it in a correct form.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to ask the gentleman from Minnesota how he can say that he believes wholeheartedly in the programs and that the economic program is fundamentally right? And feeling it is morally right and if it is economically right, how can he say that the Secretary is a liability?

Mr. JUDD. I do not think that is what I said, although I believe the gentleman can think of a good many instances where a fundamentally good proposal is injured by something about its sponsor that irritates or alienates or displeases or what have you. That view was voiced in the meeting of Congressmen. On the other hand, there was recognition that if Benson is to be blamed for low prices

on wheat and dairy products, then he must be given credit for the high prices for hogs and cattle. That too was reported to him.

Some news stories have said that his resignation was demanded during our visit. That is categorically untrue.

I am willing to report here the initial statement I personally made to Secretary Benson. It was substantially this:

I am a physician. I have had cases where I was doing what I was dead sure were all the right things for a patient; all of the textbooks would agree with me. But that patient was still going downhill. For whatever reason—perhaps his relatives and neighbors persuaded him for purposes of their own—he began to lose confidence in my treatment or in me, and refused to accept my measures. At that point I have to sit down and carefully review the whole picture. Maybe I ought to change my treatment radically. Maybe I ought to persevere with the same measures but in smaller doses over a longer period of time. Maybe I should change the flavor of the medicine or the color of the capsules. Maybe I should change my psychological approach. Maybe I should call in competent consultants who I am confident will recommend the same sound measures but who for some reason may be better able than I to make them acceptable to the patient and the relatives.

As far as I was concerned, that is the whole essence of the situation. If a sick patient is not doing well, you have to review, restudy, and perhaps revise what you are doing in order to find the best way to save the patient by getting him to take the remedial measures you feel are best for him.

That was the fundamental consideration I had in mind, and I used that medical analogy with Mr. Benson without suggesting which of the various possible courses he should follow. I told him frankly that I did not know. He, of course, would have to make the decision. But I do think a new approach to the farmers in my area has to be made, otherwise we may lose the gains that have been made and the things that I am in favor of for agriculture—as I know the gentleman is, and as Mr. Benson certainly is, too.

I hoped there might be some good come out of it for the agricultural economy of our country, which means for our whole economy—and I still hope there may be. This discussion today and the fresh attention to the whole problem may help importantly, perhaps marking the beginning of a shift in thinking, approach and attitude.

With the gentleman's permission I should like to insert with these remarks the following portions of a speech I made here on July 1, 1954:

Mr. JUDD. Mr. Chairman, during the last election I campaigned on the basis of what the Republican platform said; and the Republican platform said:

"We favor a farm program aimed at full parity prices for all farm products in the marketplace."

That is why I support today this amendment to establish flexible price supports at 82½ to 90 percent of parity. It is an essential step in carrying out what we promised to the people.

Let me say at once that I do not have a farm in my Congressional District; but the prosperity of the people in my Congressional District depends to a large degree upon the prosperity and the purchasing power of the farmer. Nobody knows that better than I do.

Again, I was born and brought up in a wholly farming community in Nebraska. With my brother and sisters, we still own the family farm, and there is a little income from it each year.

I think I have done as much as anybody in this Congress to move agricultural surpluses abroad, because as a member of the conference committee on the mutual security bill last year I succeeded in getting section 550 adopted, under which almost $250 million of surplus commodities were disposed of in the fiscal year just ended. Furthermore, I introduced last year the forerunner of the Agricultural Trade and Development Assistance Act passed yesterday; and I sponsored the provision in the Mutual Security Act, also passed yesterday, which earmarked $500 million for purchasing farm surpluses to be shipped abroad. I think, on the record, I can claim to be as interested in this whole problem as any Member here today.

I would like to make about three observations. First, the farmer is in trouble; that is clear. Second, it is not his own fault. He was asked to produce these overabundant crops. We must remember that the 90 percent price-support program came into being, not primarily to help the farmer, but to persuade him to plow up land that should never have been anything but grazing land in order to produce more wheat and cotton and corn for ourselves here at home during war and for our boys abroad, and the many countries we were helping. The program was designed to expand production, and it worked magnificently. It caused the farmer to produce more than he would have produced if he had followed his own judgment in the matter.

Then, after the war, he was called upon by his own Government year after year to meet artificially high targets. He alone could not judge the total need, but the Department of Agriculture told him to grow more—and he did it as a patriotic duty. The basic mistake was ours when in 1949—4 years after the war—the Congress voted to continue the 90 percent supports through still another year. I did not vote for it. That was the time to slow down production. So the farmer is in trouble through no fault of his own.

Furthermore, it is not the fault of Mr. Benson or Mr. Eisenhower, or Mr. Truman or Mr. Roosevelt. The farm program, under which the farmers are having so much difficulty, was written by the farm bloc in the Congress. It did not pay any attention to what Mr. Roosevelt recommended, it did not pay any attention to what Mr. Truman or Mr. Brannan recommended. It does not intend to pay attention to what Mr. Eisenhower or what Mr. Benson recommend. It always wrote its own bills and had enough votes to put them through—as it is trying to do today. All Secretary Benson has done thus far is to obey the laws you gentlemen put through. He did not write them.

Why are they not working? Because the 90 percent parity support price was designed to increase production at a time when the problem was inadequate supply. It succeeded.

But the problem now is too great supply. Does it make sense to advocate that we continue as treatment for the trouble, the same formula which caused the trouble?

What we need now is something to reduce the incentive to produce, not something that we know from experience will stimulate it.

I was a doctor for a long time, and I never knew a doctor to recommend to his patients the same course that brought on the malady. That is what you are asking us to do when you want us to continue the fixed 90 percent of parity price support program.

A third observation is that the farmer is not the only person in trouble today. In my district, or at the edge of my district, is a big ammunition plant. Formerly, it operated three shifts, but in the last few months it has cut down to one shift. Four thousand workers are without jobs. Why? Because the war is ended, and we have too much ammunition. I have just as much right to ask you to pay these men to produce ammunition which we do not need, as you have to ask my taxpayers to pay the farmer 90 percent of parity to produce more and more food and fiber which we do not need. And the unemployed workers do not get 82½ percent or even 75 percent of parity. They get about 50 percent as unemployment compensation and for 26 weeks only.

You cannot ask the American people to pay the farmer to produce food we do not need any more than I can ask you to pay our workers to produce ammunition we do not need. And surely we do not want to start a war so that we will need both more food and more ammunition.

There are only two basic ways to remedy this situation: One is to work to expand markets both at home and abroad. The other is to reduce production to meet the demand. We must shift from the program which was designed to get the farmer to produce more, and which worked so well that we now have too much. We must shift gradually and in such a way that the farmer can keep on his feet. The amendment under consideration should help do both.

Mr. Chairman, these two conclusions seem clear. First, we need a sound support-price program, not to buy the farmer's vote but in order to keep our economy in balance; second, a fixed support-price system at 90 percent of parity is not a sound program for other than emergencies like war. It makes steadily worse the very condition that needs to be cured.

* * * * *

Where is "full parity for all farm products" to be found? Where else but in the market place? The Government in special situations can provide full parity temporarily out of tax funds, but the farmer is the first man to know that he cannot look to the long future with confidence on the basis just of getting money from taxpayers. He can be sure of getting a proper return for his crops—full parity—over a long period of years only if there are adequate markets for those crops, at home and abroad.

* * * * *

The way to get it (full parity) is with a total program; soil conservation, research, promotion of sales, set aside of existing surpluses, flexible support prices to prevent future surpluses of such magnitude, a sound and successful foreign policy giving us a Free World with an expanding economy and greater purchasing power for the products of both our farms and our factories.

Mr. BASS of New Hampshire. I thank the gentleman from Minnesota, and also I am particularly pleased and interested to have his clarifying remarks on the part he played in the recent conference.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Florida.

Mr. HALEY. I thank the gentleman. I am happy to have the explanation of the distinguished gentleman from Minnesota [Mr. JUDD]. Actually I find no fault with Mr. Benson or his program; but some of us on this side are a little bit confused about his program and we are looking for some sign of leadership from

that side in this matter. We do not yet know who to go to for leadership, on Mr. Benson's program. We have the distinguished gentleman taking one view, one side of this controversy, and a lot of the other distinguished gentlemen taking another view. I understand that a few days ago 25 or 30 of the gentlemen over there asked Mr. Benson to resign. Just who is wrong or right about it, I would like to know?

Mr. BASS of New Hampshire. May I suggest to the gentleman from Florida that the Members on his side of the aisle are in control of the House. They are in control of the great Committee on Agriculture, but so far we have not had one single constructive program other than advocating higher and higher price-support programs which we know will not solve the farm problem.

So, I would say to my good friend from Florida that perhaps he should consult with the distinguished chairman of the Committee on Agriculture and suggest that he come forward with some program, if he has one, that is better than what Benson has recommended.

Mr. HALEY. Has the Secretary of Agriculture presented any program here that the Congress could act on, or have you on your side presented any program?

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from Utah.

Mr. DIXON. The Secretary has submitted a program which you could act on, and it is a very good program. As a matter of fact, he has submitted several. The first one is utilization research to extend industrial uses of agricultural commodities. That definitely would consume much of our surpluses and reduce our troubles. But, can we get that out? I introduced a bill last year. I cannot get it out. The President's commission recommended it, but evidently it has not enough political sex appeal, even though it would be a basic solution.

The Secretary has started the rural development program for the low-income counties. That is working beautifully. If we give some attention to that, that would be one solution for the small farmer, who receives almost nothing from price-support programs. But, can we get publicity for that? Can we get the people to understand that? Of course we cannot. Those are definitely basic things.

We have a wool program that is declared by the growers, the mill operators, and the merchants of wool, altogether, as one of the finest programs in agriculture. We have not got that out of committee yet. That is the only farm program that I know of where everybody is in complete accord, and whose cost comes entirely from import duty on wool. It is wonderful.

I could go on down the line, and there are many fine things about the Secretary's program which have not been given attention.

Then again take this reduction of costs to the consumer. We should fight this spread between what the farmer gets and what the consumer pays, which is growing at a vicious rate. The farmer used to get 57 percent of what the consumer paid, and now he gets about 39, not quite 40, percent. And, it is decreasing by 2 percent a year. That is the distribution costs. Those are the things we ought to be attacking instead of going on emotional sprees, and winding up clear off the playing field, proposing ideas that will not solve our problem.

I want to say right here that Mr. Benson lived in our family home when he went to school. The Secretary is a graduate of the agricultural college of which I was president. We gave him an honorary degree. We had Benson Day in Logan, where there were 7,000 people present, and we could have another one, and there would be still more present.

If you took a poll of the people in our State, as the gentleman from Utah [Mr. DAWSON] did last year, you would see some surprising results. This is what happened then. Approximately 37 percent wanted to get the Government out of farming; another 35 percent favored a flexible support program, which the Secretary has submitted to our committee.

I am proud of our Utah farmers who, despite the difficulties they have had, still want to solve their own problems to the extent possible, rather than become dependent upon Federal largess. I am sure our Utah farmers are typical of farmers in many other States.

Rome and other civilizations have crumbled when the citizens failed to rely on their own energies, and looked to a paternalistic government for "bread and circuses." It is terribly important that we prevent this from developing in America.

I submitted a bill, as did the gentleman from Colorado [Mr. HILL], with flexible price supports from 60 to 90 percent, which definitely is economically sound, as anyone who considers the problem will know.

You just cannot repeal the law of supply and demand, and no nation is wealthy enough to do it. We have tried this foolish system so long and it is so topheavy that it came down on our heads.

You heard what was said about the soil bank here yesterday. It is a travesty on justice. I would just like to hear the comments from some of the counties where they are making the greatest complaints. I would like to have the newspapers publish what individual farmers received from our Government. They never received so much Federal money in history. It would make quite a different picture if people could see that the farmers who complain the loudest are frequently those who receive the greatest amount of Federal tax money. Furthermore, today's Washington Post reports that 1957 per capita farm income was the highest in history, 10 percent higher than in 1956.

Secretary Benson is a man of principle and honor, and because he is a man of principle and because he does not believe you can repeal the law of supply and demand, he is standing up for what he thinks is right for this great country. You will live to see the day and I will live to see the day that his policies will definitely be vindicated.

Mr. BASS of New Hampshire. I thank the gentleman from Utah for his contribution.

Mr. WAINWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BASS of New Hampshire. I yield to the gentleman from New York.

Mr. WAINWRIGHT. Mr. Speaker, I think the gentleman from Utah [Mr. DIXON] gave a specific answer. I would add that the Secretary of Agriculture does one more thing in the field of leadership. He, almost alone, stands for some form of cutback on what has generally been referred to—to use slang—as a handout. It takes a lot of courage to do that. I think fundamentally the gentleman from Florida would, and should, agree with that.

STATEMENT IN DEFENSE OF SECRETARY EZRA TAFT BENSON

Mr. DAWSON of Utah. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DAWSON of Utah. Mr. Speaker, for 2 days I have sat quietly by and listened to Members from both sides of the aisle attack our Secretary of Agriculture, Ezra Taft Benson. They all seem to agree he is honest. They all admire his sincerity. They all remark on his energy. Most of them commend him for his courage. They are right, and I am happy to join with them in their accurate analysis of the Secretary's character.

Why, then, the cry "Get Benson"? It is simply because our farmers in some areas have not shared in prosperity to the degree that some of us would like.

For that, Ezra Taft Benson has been made the whipping boy. His legacy as Secretary of Agriculture was a mess of agricultural surplus brought on by unsound or unsuccessful farm policies. But "Get Benson" because he has not led the way out. "Get Benson", even though the methods he advocated have been blocked at every turn by many of the very Members of Congress and the highly vocal farm groups which are his severest critics.

Without ever unshackling his program, they denounce it as a failure, and in its place offer only the proven failures of the past.

The Secretary of Agriculture has offered the only realistic program for a lasting solution to the farm problem. It is time to put principles above political expediency, and work for the real benefit of the Nation and the American farmer. "Getting Benson" is not going to solve a thing.

GOVERNMENT AGENCIES DEALING WITH SPACE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 30 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, Monday of this week I introduced H. R. 10912, a bill to create a 16-member bipartisan commission to study the multitude of agencies, both executive and independent, dealing with space, in the atmosphere and beyond.

It follows closely another bill which I introduced in the first session of this Congress, H. R. 1201, which deals with matters of duplication and overlapping responsibilities in the area of atmospheric space only.

Both bills were referred to the House Committee on Government Operations and H. R. 1201 was referred to the Subcommittee on Legal and Monetary Affairs, of which my able colleague, the Honorable JOHN A. BLATNIK, of Minnesota, is chairman, and on which I have the honor to serve as the ranking minority member.

Historically, detailed matters of aviation, airspace and air-traffic control have been left by the Congress to the executive department and independent agencies. Congress in many respects has delegated its policymaking function in the field of aviation to those departments and agencies with the result that, like Topsy, a multitude of boards, commissions, and agencies have grown up whose interests, authority, and operations frequently are in conflict with each other.

H. R. 10912 would create a bipartisan commission of 16 members to study the multiplicity of Federal aviation agencies and agencies dealing with the utilization of space and to recommend suitable reforms to clarify their responsibilities and their relationships to each other. Eight of those members would be appointed by the President, four from within the executive branch of the Government and four from private life. Four are to be appointed from the Senate and four from the House of Representatives.

I include at this point a copy of the bill, H. R. 10912, and urge the Members to study it.

H. R. 10912

A bill to amend section 104 of the Budget and Accounting Procedures Act of 1950

Be it enacted, etc., That section 104 of the Budget and Accounting Procedures Act of 1950 (31 U. S. C. 18a) is amended to read as follows:

"IMPROVED ADMINISTRATION OF EXECUTIVE AGENCIES

"SEC. 104. (a) The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

"(b) (1) In order to provide for a study to be made to determine appropriate methods of eliminating the present multiplicity of departments, administrations, commissions, committees, boards, consultants, and other similar agents and agencies having responsibilities or engaging in activities with respect to aviation, the control and use of space and outer space, and related activities; eliminating the present conflicts, duplications, and overlapping of functions and activities, and lack of coordination, between and among such agencies, as well as between such agencies and State and local governmental bodies and foreign governments and international organizations; and eliminating the present impediments to the prompt, efficient, and effective resolution of aviation, space, and related problems arising from such conflicts which hamper and delay necessary progress in and development of aviation, the effective use of space and outer space, result in waste and inefficiency, and threaten safety, there is hereby created a commission to be known as the Commission on Reorganization of Aviation and Space Agencies (hereafter in this subsection referred to as the 'Commission'), which shall consist of 16 members, 8 appointed by the President (4 from the executive branch and 4 from private life), 4 Members of the Senate appointed by the Vice President (of whom not more than 2 shall be of the same party), and 4 Members of the House of Representatives appointed by the Speaker of the House (of whom not more than 2 shall be of the same political party). Any vacancy on the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

"(2) In order to carry out the purposes for which the Commission is created, the Commission, after a full and complete investigation and study, shall formulate and recommend to the President for transmittal to the Congress, specific programs and policies calculated to eliminate conflicts, duplication, lack of coordination, and overlapping of functions and activities in the field of civilian and military aviation, the use of space and outer space, and related activities, and more effectively to discharge the responsibilities of the United States, in conjunction with State and local governments and foreign governments and international organizations, in the promotion of aviation and the use of space and outer space for the common welfare and national defense.

"(3) The Commission shall elect a Chairman and a Vice Chairman from among its members. Nine members of the Commission shall constitute a quorum. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949.

"(4) Members of the Commission who are Members of Congress shall serve without compensation in addition to that received for their services as Members of Congress; each member of the Commission who is in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate annual salary $12,500; members of the Commission from private life shall receive $50 per diem when engaged in the performance of duties vested in the Commission. Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties as a member of the Commission.

"(5) The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"(6) The Commission may create such committees of its members with such powers and duties as may be delegated thereto. The Commission, or any committee thereof, may, for the purpose of carrying out this subsection, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(7) The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this subsection; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality shall furnish such information, suggestions, estimates, and statistics directly to the Commission or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(8) The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U. S. C. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(9) The Commission established by this subsection shall cease to exist on June 30, 1960."

I call attention to page 180 of the hearings conducted by the Legal and Monetary Affairs Subcommittee of the Committee on Government Operations in June and July of 1956, entitled "Federal Role in Aviation" for a pictorial representation of the multiplicity of boards, commissions, departments, and committees involved solely in aviation research and development.

Mr. Speaker, I hold in my hand this chart of the various agencies in the executive branch of the Government, committees, subcommittees, panels, and departments which have responsibilities with respect to research and development in aviation. There are 56 of them, some having statutory authority, others merely deriving their authority from the President.

The Harding report, included as an exhibit in the hearings to which I have referred, said this, and I quote:

There are now over 75 committees, subcommittees, and special working groups addressing themselves to aviation facilities matters. The existence of so many groups is not in itself an evil, but it is increasingly apparent that the process of coordination is becoming more and more time-consuming and that preoccupation with current issues tends to obscure forward vision.

The report continues:

It seems evident that there is need for forceful high-level direction of the studies

leading to a national aviation program. Inasmuch as the regular departments of the Government are fully occupied with heavy operating responsibilities which are diverse and sometimes conflicting, and as the interdepartmental committees are fully occupied in resolving day-to-day conflicts, it seems logical to conclude, as we have done, that the direction of the study necessary for intelligent future planning should be established elsewhere in the Government.

Both the chart which I described and the findings of the Harding committee concern only the situation in that portion of atmospheric space reaching above our heads to a level of about 50,000 feet. But with the advent of the use of outer space, instead of clearing the jungle, as it were, we are taking steps to plant more trees by adding new agencies, boards, and commissions designed to deal with the stratosphere, space, and outer space.

In an effort to eliminate the confusion and conflict in Federal aviation agencies and to establish clear lines of governmental responsibility, I introduced H. R. 11065 in the 2d session of the 84th Congress, which I discussed on the floor of the House on May 9, 1956. Similar to H. R. 1201 and H. R. 10912, that bill also was referred to the Committee on Government Operations and in turn to the Legal and Monetary Affairs Subcommittee.

The subcommittee, then under the able chairmanship of the Honorable Robert H. Mollohan, of West Virginia, held hearings on the bill to which I have referred. Those hearings comprise 1,418 printed pages. They included a broad committee study of the duplication, overlapping, and conflict of Government functions and responsibilities in aviation, and also gave consideration to H. R. 11065.

Those hearings, in my opinion, resulted in the most comprehensive and penetrating study by any Congressional committee on the general subject of aviation in the history of the Congressional investigating process. I declined to press the subcommittee to report H. R. 11065 to the full committee because a Presidential study under Edward P. Curtis already was under way. It was hoped that study might help solve aviation organizational problems and result in clearer lines of responsibility and authority. In its report, House Report No. 2949 of the 84th Congress, filed with the House on July 27, 1956, entitled "Federal Role in Aviation," our subcommittee offered these conclusions:

First, that the executive agencies in the field of aviation be reorganized.

Second, that the Curtis study be expedited.

Third, that membership on the Air Coordinating Committee of the Civil Aeronautics Board and the Federal Communications Commission, which are independent agencies not within the executive branch of the Government, be terminated.

Fourth, that the role of the Air Coordinating Committee itself in the regulation of aviation be clarified.

Fifth, that the predominance of the military departments on the Air Coordinating Committee and the Air Navigation Development Board be avoided.

Sixth, that the 5-year Federal airway plan be accelerated.

Seventh, that the TACAN–VOR/DME controversy be resolved.

And, last, air traffic control requirements within the Civil Aeronautics Administration be reviewed before airport-aid projects are finally approved.

The results were these:

The Airways Modernization Board was created by statute to take the place of the two-member Defense and Commerce Departments-created Air Navigation Development Board, and a third member was added.

That was the one specific recommendation of the Curtis study reported in May of 1957, and we in the Congress promptly adopted the law which created the Airways Modernization Board.

The Curtis study took much longer than it was planned to take and, in my judgment, accomplished much less than had been hoped. Aside from the bill to which I referred, creating the Airways Modernization Board, the study made some broad general statements on the creation of a permanent Federal aviation agency, but left the writing of the blueprint of that organization to still another study.

Membership of the Federal Communications Commission and the Civil Aeronautics Board on the Air Coordinating Committee has not terminated. However, those agencies and particularly the Civil Aeronautics Board—because of the study of our subcommittee and because of the comments in our committee's report—has adopted a policy of greater care in participating in the deliberations and decisions of the Air Coordinating Committee to avoid being bound by the conclusions of the Air Coordinating Committee in any subsequent proceeding which might come before the Board in its quasi-judicial capacity.

Other executive agencies have shown greater willingness to reassert some functions originally conferred on them by Congress, but heretofore eclipsed by the Air Coordinating Committee.

Now, since some of my colleagues may not be familiar with the Air Coordinating Committee, I would like to develop in greater detail the creation of this committee, its function and the role that it may be expected to play in connection with aviation and the control of space in the future.

The Air Coordinating Committee has no statutory foundation. It was created by Executive order of President Truman shortly after the close of World War II. Its charter is a very brief one. Representation on the Committee is assigned to nine departments and agencies.

The Air Coordinating Committee established what it calls panels. For instance, there is the airport-use panel created by the Air Coordinating Committee and there is an airspace panel.

I first became aware of the existence and authority of this executive Committee, functioning without the sanction of Congress, when a controversy arose over the use of airports in the Detroit metropolitan area. The airport-use panel conducted hearings in the city of Detroit in June 1955. On that panel there was a representative from the Civil Aeronautics Administration, who happened to be chairman of the panel, a representative of the Civil Aeronautics Board, and then one representative each from the Defense Department, the Army, the Navy, and the Air Force. Military representattion on that panel outnumbered civilian representation by 2 to 1.

Now, what is the effect of a decision by the airport-use panel of the Air Coordinating Committee? First, they cannot do anything unless they all agree. You might say that would preclude any intemperate action. Any assumption of that kind is not well founded, however.

Furthermore, I found that the Committee, which must operate by unanimous consent, is at some disadvantage in arriving promptly at a decision. Nevertheless, in the instance affecting my Congressional District they had no difficulty in arriving at a decision which ordered, if you please, that the airport owned by the University of Michigan at Willow Run, Mich., now the terminal for commercial airlines serving Detroit, should be converted to military uses, and that the airlines should conduct their operations at an airport several miles away called the Detroit Wayne-Major Airport.

You might say the panel could be ignored because it had no authority to carry out its decisions. But when it makes a decision that decision is binding on the entire executive branch of the Government. From that time on the powers which we vested in the Secretary of Commerce over the national airport program are to be governed by the decision of the Air Coordinating Committee, on which there is military domination at the ratio of 2 to 1. The Congress never gave the Defense Department any authority to spend money for civil-airport construction. The Secretary of Commerce now is bound by this kangaroo court with no statutory authority.

I would like to refer to another example. I want to refer to the Committee's report and quote a passage regarding airspace utilization. My whole thinking on this subject has come around less to emphasis on aviation and more to a broader concept of the utilization of airspace. That is what concerns me at this time. We are beginning now to go beyond the atmosphere. Three satellites have been launched. The Defense Department has set up an agency called the Advanced Research Projects Agency, and they are in a sense taking control of outer space right now.

If we in Congress leave it up to the executive branch of the Government on a day-to-day basis to establish patterns of organizations and vested interests in the control of space and outer space, and do nothing about it, we will find that those patterns and those interests in space and outer space will have become so fixed, that it will be almost impossible for Congress to change, repeal, or affect whatever structure has been established.

That is why I say it is important that we be alerted to this problem in the beginning so that our policies with respect to the utilization of space and outer space can be made by the policymaking branch of the Government, or that at least the Congress can have a hand in formulating policies. We should not permit all of the planning and policymaking to be done within the closed doors of the executive branch of the Government only to be handed to Congress as a fait accompli.

Here is another example of the importance of control of space and outer space: The Interior Department, as you know, has responsibility with respect to offshore oil. We had a good deal of controversy over the tidelands measure. The States were given a limited amount of the Continental Shelf and a still greater amount was vested in the United States as a national resource to be developed by the Department of the Interior for the benefit of all the people of the United States.

I quote from page 5 of our committee report on aviation the statement:

> It is impossible to estimate the known or predicted oil reserves in that area. However, it is apparent that there are substantial natural resources on the shelf, the development of which conceivably will be impaired. Since adoption of the Outer Continental Shelf Lands Act, vesting in the Department of Interior development of oil reserves, approximately $253,500,000 in bonuses and rentals has been received by the United States Government.

Now, the Defense Department has come along and said, "We want to shoot missiles over the Gulf of Mexico." Thereupon the Department of the Interior was precluded from developing some of these oil resources on the Continental Shelf. Here, then, is a problem of conflicting use of airspace. It was not that the Interior Department wanted to stop the use of airspace for testing purposes, but that such use was inconsistent with its use for oil drilling on the Continental Shelf. It was also inconsistent with the use of sealanes by steamers. It was inconsistent with recreational uses of the surface of the water; it was inconsistent with fishing rights.

When you start using the airspace for a purpose which is inconsistent with another use either of the airspace or of the land or water beneath it, someone ought to be there to say which program has priority. Neither the Department of the Interior, primarily interested in the oil in the Gulf of Mexico, or anybody interested in protecting recreational rights or civilian uses of that area, were members of the Air Coordinating Committee or its airspace panel, yet the decision of the Air Coordinating Committee, if unanimous, binds the entire executive branch of the Government.

These are not easy problems; they are difficult ones, but the considerations involved are tremendously important. If we in Congress just stand still and do nothing, some aggressive agencies will move in, and we will find a situation fastened upon us and it will be too late to do anything about it.

A vast portion of the air space over the continental United States already has been preempted by the military for testing uses or otherwise.

We know that with the expansion in air travel, with the speed of jets that will come into commercial use shortly, it will be difficult to find air routes which do not have to skirt all the warning areas and all other areas that have been preempted by one department or another of the Government, primarily the Department of Defense.

Nowhere in the Government is there a court where fair hearings on space use can be had? The Air Coordinating Committee is the only thing we have today. It is anything but a fair and impartial court, and Congress has done nothing about it.

I wish I knew the answer right now. I wish I could blueprint the proper organizational structure in the Government to assure fair and impartial consideration of all conflicting interests in the use of air space and the use of land or sea underneath the air space, to determine either the priority of use or specify the manner in which the space may be used or the time for which it may be used, so as to minimize the harm to other programs.

The bill I have introduced recently has already been referred to the Committee on Government Operations, and I am hopeful it will be referred to the Subcommittee on Legal and Monetary Affairs, of which my colleague and friend from Minnesota [Mr. BLATNIK] is chairman.

I believe that our committee in studying the progress being made in setting up a permanent aviational organization, and studying steps already taken and those contemplated by executive agencies to stake out claims to outer space, can focus the attention of the Congress on this most important problem.

If our committee can solve the problem, I say go ahead and solve it, but I think it is going to be far too difficult for that. We have had study after study by the executive branch of the Government which have said, in effect: "Our aviation and space organizations are in a mess. We have to do something about it."

For years now we have been waiting for the executive branch to come forward with a solution to this problem. We have waited long enough. It is time for the Congress to step in and express its will.

I do not like to see these decisions on long-range matters that affect the entire future of our country and, indeed, the world, to be decided in some back room in the executive branch of the Government and then handed to Congress to accept without sufficient knowledge even to amend the proposal intelligently. Let the Congress get into this program and this problem from the beginning, and let us assert our policymaking functions in this regard.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I want to most enthusiastically, genuinely, and sincerely commend my colleague and my friend from Michigan for the initiative and leadership he has taken in calling the attention of the Congress to this tremendously complex, involved, and important problem that is becoming increasingly more involved and more complex. Not enough attention is being given to this serious matter by the Congress, and I do hope that the legislation which he introduced will be sent to our subcommittee.

I should like to point out for the RECORD the splendid body of testimony which was compiled under the leadership of the gentleman from Michigan the year before last, when day after day and week after week he was compiling all the facts and testimony on this problem that he could. It is obvious what is happening in the age of this rapid development of transportation, jet propulsion, and missiles. The main stream of progress in that area has just swept by. It is largely through default that the military seems to be on the move with an utter disregard of the wishes of the Congress. Frankly, there is a great deal of lack of interest on our part, too.

I commend the gentleman for calling this to our attention, and I hope we will proceed quickly with a thorough study and extensive hearings in the consideration of this most important problem.

Mr. MEADER. I thank the gentleman from Minnesota for those remarks.

Mr. LIBONATI. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Illinois.

Mr. LIBONATI. I am just wondering if the gentleman would not develop the international situation of comity between countries relative to the control of outer space. Have there been any suggested military groups that have sat on any allied commissions of any kind for that common purpose?

Mr. MEADER. The gentleman has raised a most important point, particularly with respect to outer space. The bill does call for a study to be made of the relationships between our agencies having responsibility in the field of aviation and State and local agencies having some responsibility in the field and also international bodies, and the question of outer space is one that is most acutely in the field of international relations.

I might say that another example which rather intrigued me was the assertion of ownership over a block of the high seas, which I observed when I visited Guantanamo Bay to see some Navy demonstrations of Terrier missiles. There, a block at least 100 miles long and 50 miles wide on the high seas had been marked out as the property of the Navy of the United States. No one could fish in those waters; no one could fly through that area. He might find a Terrier missile headed his way if he did. And, no one could use that area for any other purpose. Ships could not proceed across the Carribean through that area. Now, by what right did the Navy of the United States assert the use of a block of space on the high seas totally inconsistent with any other use of that area during that time? I say in this field, particularly in the field of airspace over the oceans and

outer space, we are in a state of anarchy, and the rule seems to be that whoever seems to get there firstest with the mostest has possession and, for all practical purposes, ownership of the territory. I am just asserting that those decisions should be made by law, by a properly constituted body, which will assure that all interests are considered and then proper priority be given to uses which may be inconsistent with other uses.

Mr. LIBONATI. Have there not been some claims made against the Government for damages suffered by fishing fleets in certain waters where atomic missiles were used, and so forth, and destruction as the result of that?

Mr. MEADER. I believe the gentleman is referring to the Japanese fishermen.

Mr. LIBONATI. That is right.

Mr. MEADER. I believe the gentleman is correct.

Mr. LIBONATI. Is that covered by any enactment that is in the future contemplated in your legislation?

Mr. MEADER. Well, the legislation creates a study commission. I might say the reason I have suggested a study be undertaken by a commission is that it will permit all interests to participate in policy formulation. It will permit private industry, it will permit the executive branch of the Government, it will permit the Congress to participate. If I thought it would be successful, I would recommend that a committee of the Congress make the study, because it is the policymaking body.

But, I have come rather regretfully to conclude that the Congress will not spend sufficient funds on itself to make a penetrating study. We have been very generous in providing substantial sums of money to study commissions, such as the Hoover Commission and the Kestnbaum Commission and so on. I believe that the study required is of such magnitude that it cannot be attacked successfully by any committee of the Congress unless a tradition is departed from, and we can spend adequate amounts on committees of Congress to hire the staff to make the study required. And, the bill contemplates that the commission will consider the underlying international implications of this problem.

PERSONAL EXPLANATION

Mr. DORN of New York. Mr. Speaker, on rollcall No. 13 on yesterday I was unavoidably absent because I was with the Assistant Secretary of the Navy discussing with him the increase in salary for certain men at the New York Naval Shipyard in Brooklyn, working for the people of Brooklyn.

SECRETARY OF AGRICULTURE BENSON'S FARM POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Dakota [Mr. McGOVERN] is recognized for 30 minutes.

Mr. McGOVERN. Mr. Speaker, I had no intention of making a partisan speech this afternoon, but our friends on the other side of the aisle have so vigorously attacked those of us, both Republicans and Democrats alike, who have taken issue with Secretary Benson, that I find myself constrained to say at least a few words in explanation of our position. I had thought earlier this week that Mr. Benson's own political party was about to take his scalp, but apparently the President's press conference of yesterday has signaled a new change in strategy.

Let me say first of all, as a long-time critic of Secretary Benson that I fully recognize the sturdy moral character and the religious fervor of Ezra Taft Benson. Even his name has always sounded a little bit religious to me. But strangely enough it seems that every time any one of us objects to Mr. Benson's farm theories his defenders from the President on down tell us that Mr. Benson is a religious man. I wish that the Secretary's defenders would realize that we are not objecting in any way to Mr. Benson's theology or his religious views, but it is his farm economics that we oppose and with which we take issue.

I think to the farmer who is being put through the wringer and who has had that experience for the last 5 years it does not make much difference to him whether the wringer is being turned by a Christian or by a heathen. In fact it only confuses the victim to know that he is being given the squeeze by a religious man. But rather than probe any further this afternoon into the theological foundations of flexible price supports I think we ought to look at the economic results of Mr. Benson's farm program.

First of all we have been told that the flexible price support theory as advanced by the Secretary would result in a reduction in cost of the farm program to the taxpayers. The gentleman from New Hampshire [Mr. Bass], who was on the floor a few minutes ago, suggested that one of the reasons that he opposed the Democratic price support theory—and I should say a bipartisan theory that has had the support of some of the able Members on both sides of the aisle—is because that program resulted in such excessive cost to the taxpayers. The truth of the matter is that under the administration of Secretary of Agriculture Benson we have tripled the cost of the Government farm program and of the price-support program. As a matter of fact, the record will show that three times as much has been lost under the price-support program during the period that Mr. Benson has been directing that program as was lost during all the previous 20 years.

Furthermore, it has been suggested that the flexible price-support program would reduce food costs. Here again the record indicates the contrary. We have had about a one-fourth drop in farm prices since 1951, but the cost of food has continued to rise.

If we will look at this problem for just a minute we will realize that there has been no benefit to the consumer through falling farm price supports during the period that Secretary Benson has been handling our farm program. So this idea that Mr. Benson has been a boon to the consumers in the cities simply does not stand up in the face of accurate statistics.

Furthermore, we have been told that the Benson program would result in reductions of farm surpluses, but here again as we meet here this afternoon the Government-held surplus is some three times as large as it was the day Mr. Benson set out to reduce the surplus back in 1953.

The final test of a good farm program, what it has done to farm income, will show that on this score the net income of our farm families has dropped by some 23 percent during the period the present Secretary has been handling our farm program.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from California.

Mr. BALDWIN. Is the gentleman referring to the net income per capita?

Mr. McGOVERN. I am referring to the net income of all farm families in the United States in 1957 as compared to 1952.

Mr. BALDWIN. Then the gentleman is referring to the gross, total figure but not the actual income received by the average farm family?

Mr. McGOVERN. It is not the gross figure, it is the net income I am talking about.

Mr. BALDWIN. What I am driving at is, the gentleman is referring to the total net income but not the actual per capita net income per farm family, as I understand.

Mr. McGOVERN. That is correct.

Mr. BALDWIN. Does the gentleman have the figures on the net per capita farm income for that period?

Mr. McGOVERN. Yes, I do. The net per capita income was around $900, as I remember it, for the past year.

Mr. BALDWIN. How does that compare with the other year with which the gentleman was making the comparison?

Mr. McGOVERN. I cannot cite the exact figure on that.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The argument of the gentleman from California [Mr. BALDWIN] does not take into consideration the fact that the number of farm people in the United States has decreased quite a bit the last few years.

Mr. McGOVERN. That is correct.

Mr. H. CARL ANDERSEN. Naturally, if we take the net total income of the farmers of the United States, which has been falling, and relate that to the number of farm families which is also falling, certainly the per capita net income does not show a true picture.

The fact remains, as the gentleman from South Dakota has well stated, that the net farm income of agriculture has dropped—that is simply a matter of statistics—continuously from 1951 to this date. I think it is up to the Congress of the United States to try to do something on it, seeing as how we do not have the sort of Secretary of Agriculture who has the ability or the desire to do so. That is my personal opinion.

I commend the gentleman for trying to bring out here today these facts, and I hope we will have a factual presentation of the case and keep away from partisan politics.

Mr. McGOVERN. May I also commend the gentleman from Minnesota. A few minutes ago the point was made here on the floor of the House that it takes considerable courage to defend the Secretary of Agriculture. I for one admire the courage of the gentleman from Minnesota in speaking out on the House floor yesterday and stating his criticism of the Secretary of Agriculture, in spite of the fact that he had to do that in the face of the President's defense yesterday of Secretary Benson. I think that takes considerable courage and it bespeaks the fact that the gentleman from Minnesota has always been more interested in the family farmer and his well-being than he has been in partisan politics or partisan gain. We have had events of tremendous significance to agriculture take place in the last few days and I am just going to comment on that briefly and then I hope to suggest a farm proposal here today that I believe will be of interest not only to the farm families of the Nation but to those who are looking at agricultural proposals from the standpoint of the consumer and the taxpayer.

A week ago Tuesday an election was held in Minnesota that I think is related to some of the problems that we are dealing with here today. In the First Congressional District in Minnesota which by all odds was regarded as an entirely safe district in ordinary years for the Republican Party, we saw a Democratic candidate for the Congress come within 600 votes of election. Now some of the Members of Congress have assumed that the Minnesota election can be interpreted as a revolt against the Secretary of Agriculture, Mr. Benson, in spite of the fact that both the Republican candidate and the Democratic candidate in that election vigorously condemned the Benson farm program. Nevertheless, believing Mr. Benson was the root of the trouble several distinguished Republican Members of the House called on the Secretary and suggested that he would perform a great service to his party if he resigned. It seems significant to me that the delegation visiting Mr. Benson did not ask him to resign because of what he had done to agriculture but because of what he has done to the political chances of Republicans running in the Farm Belt next fall. One of the most distinguished members of that delegation that called on the Secretary stated that it was not so much a case of the Secretary being wrong, but that he was too rigid. I think that we can comment on that by saying that never before has a man so rigid advocated so much flexibility for so many. In any event while some spokesmen have denied that there is any cause for economic gloom in America, they have indicated very plainly there may be cause for political gloom for those who must carry the burden of Mr. Benson in the agricultural sections of the Nation. I personally sympathize with some of my Republican colleagues and especially our able and distinguished colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] who was kind enough to be here this afternoon, who have watched these bipartisan programs steadily destroyed by the present Secretary of Agriculture. I just want to make the record clear on one thing in view of the discussion which was offered here on the floor of the House this afternoon. In the closing weeks of the Congressional session of 1956, the Congress passed a good farm bill which would have secured farm prices at the 90-percent-of-parity level. That measure was passed with the overwhelming support of about 90 percent of the Democratic Members of the House while almost an equal percentage of the Republican Members of the Congress were voting to kill the proposal. We all know the result—with one stroke of the pen the White House killed this program with a veto, a program that had been in the making several months. Since that day the agricultural problem has steadily worsened. Farm income has continued to drop. Farm costs have continued to rise. Farm surpluses have mounted and the costs of the experiments of the present Secretary of Agriculture have gone beyond anything that could have been imagined by any previous Secretary of Agriculture. I think the time has come regardless of whether we are viewing this problem from the standpoint of the man on the farm or from the standpoint of the consumer in the city for us to recognize that our entire economy is very seriously threatened by this farm depression. I heard one of the gentlemen here on the floor earlier today refer to the fact that the farm program was of no benefit to his district. The truth of the matter is that there is a very definite relationship between the loss of farm purchasing power and the 5 million unemployed men and women about whom we are so much concerned today.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I think the gentleman has made a basic and fundamental statement of fact when he says what he just said, and that is that the welfare of agriculture relates itself directly to the prosperity of the people in the big cities.

That is certainly proven by the fact that today the automobile manufacturers in Detroit are unable to sell their surplus automobiles. Why? Simply because sales throughout the agricultural Midwest have fallen down. Likewise, the sale of farm machinery. But, until the Congress of the United States and the people of the United States realize that the basic economy of the Nation is tied up with agriculture and that everybody down the line will suffer if agriculture does not get a fair shake, I do not think we will really achieve anything in the Congress of the United States.

I want to compliment the gentleman on his statement.

Mr. McGOVERN. I thank the gentleman for his contribution.

On yesterday the House acted to provide some $250 million of additional appropriation for the acreage-reserve features of the soil bank. I want to take this opportunity to warn that this action on the part of the House, as necessary as it was, and it was necessary if we are to keep faith with the farmers who expect to be covered by this program, cannot be regarded as an adequate substitute for a comprehensive farm program.

I have stated publicly, even before being elected to the Congress, that the soil bank is a conservation measure—not a price-protection program for agriculture. The conservation-reserve section of the soil bank has much to commend it, but the acreage reserve has been of little or no benefit to most of the family-sized farmers of the Nation. Farmers have gone into the program primarily because Secretary Benson has depressed farm prices to the point where farmers have found it almost impossible to work their land at a profit. I have gone along with the additional appropriation for acreage reserve simply because it is the existing program that is now on the statute books, and as long as the program is there we have to provide sufficient funds to keep faith with people whom we expect to benefit by that program.

FAMILY FARM INCOME IMPROVEMENT ACT OF 1958

Mr. Speaker, across the Nation's farm belt, much of the fertile land still sleeps under a blanket of snow and ice.

In the Southland, however, the growing season has already begun and in the northern plains, farmers anticipating the arrival of another planting time, are formulating their crop plans for 1958.

Hope springs eternal in the soul of a farmer as winter gives way each year to the warmth of spring. Each planting season is a new start with new plans, new seed, freshly turned soil, and prayerful hopes that providence will supply essential rain and favorable growing conditions.

Deep in the heart of every farmer is the desire to be a good farmer. He wants to produce food abundantly for the tables of America and the world. His strong moral sense is troubled by the specter of human hunger in most parts of the globe.

Always, however, the farmer must be a gambler, pitting his luck and skill against weather conditions, insects, rust, and crop disease.

There is another hazard that plagues the agriculturist—the hazard of low farm prices and uncertain markets.

Even now, as farmers begin another year of operation, the threat of a double-edged price cut is in the offing. Unless this Congress acts to reverse the Secretary of Agriculture's proposed price cuts, wheat prices this year will be reduced 22 cents a bushel and milk will be trimmed back 25 cents a hundredweight on April 1. Both cuts were arbitrarily decreed by the Secretary without warning or justification. That is why I introduced legislation on the opening day of Congress last January to prevent the Secretary from making these cuts.

It is a depressing experience to watch helplessly while a hot, searing wind kills a promising crop of grain, or to walk through a waving field of spring wheat and experience the devastations of rust as one rubs the empty heads through his hands. But it is equally disheartening for a farmer to be confronted with an inadequate return for the commodities he has successfully brought through to harvest.

This point has been painfully dramatized in recent years as farmers have watched their earnings decline with each successive year. While the income of the Nation as a whole has increased since 1951, the income of farm families has dropped 23 percent.

Based on an index of 100 percent in 1951, income from interest has risen to 150 percent, from dividends 137 percent. Corporation profits have climbed to 115 percent, and the average per person disposable income through 1957 rose to 111 percent. In sharp comparison, farm income has skidded to 77 percent of the 1951 level.

Comparing per person income of the farm population with nonfarm elements, those living on farms received an average of $902 in 1956. Nonfarmers received an average of $2,018.

Gross farm income has dropped $4 billion since 1951. Such gross income figures, however, do not tell the whole story of the farmer's plight. They fail to reflect the mounting expenditures farmers must make for equipment and operating costs. In 1957, for instance, gross farm income totaled $34.5 billion. But farmers spent $23 billion of this amount to operate their farms.

Net farm income, which is the true measure, dropped from $16.1 billion in 1951 to $11.6 billion in 1957—a drop of $4.5 billion. This drastic curtailment of farm purchasing power not only affects the people on the land, but all business, industry, service firms, laboring and professional men, who are directly or indirectly dependent upon farmers for their own livelihood. The 5 million unemployed of the Nation today can find a large part of the cause for their unemployment in the lost purchasing power of American agriculture.

Another measure of the mounting crisis on the farms is the parity index of prices and costs. This Department of Agriculture index indicates that farm prices averaged 81 percent of parity in 1957, while costs for gasoline, fertilizer and the like stood at 105 percent.

All of this portrays to some extent the age-old economic dilemma of farmers. When a farmer hauls his commodities to market, he automatically bargains from a position of weakness. He has the choice of taking the price that is offered, or of hauling his produce back to the farm. Because he has pressing obligations to meet and a family to feed, clothe, and house, he sells at the quoted price, which is subject to wide fluctuations, depending upon supply.

On the other hand, when he buys a tractor or a pound of coffee, he pays the amount listed on the price tag, which in most cases is an administered price not always based on factors of supply and demand.

Perhaps in some cases, a good old-fashioned haggling will lop a few dollars off the list price of big items like tractors and combines, but the businessman must make a profit, too. There is a limit below which he dare not go. Actually, many implement dealers and other merchants are being squeezed to the limit as rising factory prices and increased costs of operation cut into their profit margins.

In any event, the farmer pays the production costs of his tractor and other necessities, from the time the raw product is taken from its source until it is delivered as a manufactured retail item. All the transportation, labor, processing, taxes—everything, plus a profit to the raw materials producer, the manufacturer, the distributor, and the retail sales operator, are wrapped up in the price to the farmer.

This is the American system of business enterprise, and the farmer does not quarrel with it. He knows, however, that he must have price protection if he is to compete and survive.

He needs no further proof of this economic fact than the farm-led depressions which have periodically struck this country in the past 100 years. In full realization of his position, the farmer has turned to his Government and his representatives in Congress for assistance to help him do what he cannot do acting alone. Both industry and labor have established historical precedents for the farmers' case. Throughout our history, for example, American industrial prices have been supported by the tariff system. Labor, in recent years, has achieved a national minimum wage.

In seeking Federal farm price protection, agricultural leaders have recognized that such a program places certain responsibilities upon the producer, such as acreage controls. Farmers have repeatedly demonstrated that they are more than willing to accept this restriction in exchange for a fair price. By convincing margins, they have approved crop production controls in every referendum that has been held.

These facts have been completely ignored by those persons who insist that farmers want to return to a free market economy, with its philosophy of the survival of the fittest.

Furthermore, free market advocates have been most inconsistent. While they deplore crop surpluses on one hand, they advocate uncontrolled, all-out crop production on the other.

The farm problem has been the subject of much debate, with many honest and sincere persons taking positions on both sides of the issue.

It is my belief, however, that the time is long overdue for us to compare the various economic theories of the Department of Agriculture with the actual record.

It has been Mr. Benson's theory that a sliding scale or flexible price supports on farm commodities would reduce crop surpluses, cut farm costs and raise farm income.

The evidence of recent years shows conclusively that the so-called sliding scale has been a colossal failure on all three of these fronts. Crop surpluses, as well as farm program costs, have tripled, while farm income has been cut by a fourth.

Farmers have also been sold that they could find their salvation in greater efficiency of operation. Again, the record proves this wrong. The President's Council of Economic Advisors has pointed out that between 1952 and 1956, farmers increased their efficiency 17 percent in per man-hour output. In the same period, nonfarm groups increased their efficiency by only 11 percent.

The fruits of increased efficiency eluded farmers, however. Their reward was a 23 percent drop in income, while nonfarm groups received a 12 percent income increase for their improved efficiency.

We have been told, too, that consumers would benefit in the form of lower food prices under Mr. Benson's sliding scale.

Actually giant processing firms and nationwide food chains have greatly increased their profits since 1952, but the farmer's share of the consumer's food dollar has declined from 47 cents to 39 cents.

Ten years ago, farmers received $3 for their wheat; bread sold for 16 cents a pound loaf. In 1957, wheat sold for only $2 a bushel and the same pound loaf of bread retailed at 22 cents a pound. It should be noted that only 3 cents' worth of wheat goes into a loaf of bread.

Finally, farmers have been urged to work with the factors of supply and demand. Unfortunately, this is advice that is comparatively easy for industry to apply but virtually impossible for farmers to apply, except through an intelligent Government program.

Last year, United States Steel earned more profits running at an average of only 85 percent of capacity than it has ever made before in its history. Why? Simply because, when United States Steel cut its production, it increased prices. This is standard industrial procedure.

In sharp contrast, farmers were not only forced to cut production, but to accept lower prices at the same time.

The need for a broad revision in farm programs was brought forcefully to my attention recently by a private survey made of 615 farms in 6 good farming counties in South Dakota. This survey was of better-than-average farms and covered the operator's statement for 1956.

On an average investment of more than $41,000, the income per farm, before payment of income tax, totaled $1,933. This is less than a 5-percent return on investment.

The hours of work put in by the operator and his family average an estimated 3,400 hours per farm.

These farm families worked for nothing, in other words, while earning less than 5 percent on their investment. How long can we allow this situation to exist?

I believe we must enact into law a long-range program suitable primarily to the

needs of family farmers. Farmers deserve the same opportunities to gain a decent living as their city friends and cousins.

On Tuesday of this week I introduced H. R. 10966, a comprehensive farm program for the consideration of Congress that I firmly believe is in the interest of agriculture and the Nation. My able colleague from California [Mr. ROOSEVELT] has joined with me in sponsoring an identical measure.

I urge your thoughtful consideration and support of this measure. An analysis and explanation of my proposed bill follows.

ANALYSIS OF THE FAMILY FARM INCOME IMPROVEMENT ACT OF 1958

I have entitled my proposal the "Family Farm Income Improvement Act of 1958." Briefly its major provisions are:

First. Benefits are limited to family-farm production, thereby sharply reducing the cost.

Second. Maintains farm income and returns to family farmers at a net effective level of not less than 80 percent of a full parity of income, thus making a first major step in the direction of the goal of full parity farm income provided in existing law, which is to provide the economic opportunity for farmers to earn gross and net farm incomes from their labor, management, investments, and risk taking, equivalent to the returns on such resources in average nonfarm employments. This would enable farm people to attain a standard of living enjoyed by people in other walks of life. The parity-of-income concept provides a better return to the farmer than the older concept of parity prices.

Third. In return for such protection of their income, farmers would be required to exercise the necessary self-discipline under marketing agreements and orders and a comprehensive system of marketing quotas and/or other forms of market-supply adjustment and proration, to prevent the program from costing any expenditures to the Federal Treasury during years of full employment and full prosperity.

Fourth. Provides farmer referendum for program adoption or rejection.

Fifth. Allows market prices of farm commodities to drop when the consumer incomes and purchasing power falls owing to increasing unemployment in an economic recession or depression. The farmer is protected during a period of falling prices by income deficiency payments up to a maximum of $3,500.

Sixth. Assures consumers of a continued balanced supply of farm food and fiber commodities.

Seventh. Makes maintenance of an expanding full prosperity, full production, full employment economy the basis of the program.

The above is a brief summary outline of the major features of the proposed program, and the following paragraphs are a section-by-section analysis of the bill.

Section 1 authorizes and directs the Secretary of Agriculture and the Federal Farm Income Improvement Board to maintain the returns to farmers from sale of all farm commodities at a level of not more than the parity-income equivalent prices of farm commodities and not less than 80 percent thereof, provided:

(a) That producers of the commodity or commodity group have not disapproved marketing quotas or other market adjustment programs; and

(b) That no producer will be eligible for protection on a volume of commodities greater than his actual production or the maximum of a family-size farm, whichever is smaller.

(c) The Secretary and the Board are authorized and directed to use parity income-deficiency payments direct to farmers as a method of farm-income protection under conditions specified in other sections of the act. Such payments are authorized to be used in workable combinations with the price-supporting loans, purchase contracts and purchases authorized and used in the current program under existing law. No farmer shall be eligible to receive more than $3,500 in parity income-deficiency payments in one calendar year.

Section 2 amends the parity definition and formula provisions of the Agricultural Adjustment Act of 1938, as amended, by repealing the various price-ratio calculations and formulas now provided and substitutes in lieu thereof use of the parity-income formula provided in that law as the basis for measuring and guiding the farm-income-improvement programs. This places the calculations on current income considerations in a full employment economy rather than price ratios based upon a 1910–14 base period. This change in existing law has been approved as a legislative goal by National Farmers Union, the National Grange, and the 35 or so individual commodity producer associations that make up the National Conference of Commodity Organizations.

Section 3 provides for a comprehensive system of market supply adjustment and proration devices that will enable farmers to keep the market supplies of farm commodities in balance with full prosperity and full employment levels of consumer demand and exports needs so that in years of full employment the program can provide the income protection level established for farmers and do so without requiring expenditures by the Federal Treasury. These are of two types:

First. The authorization to farmers to organize and establish marketing orders would be extended from the small number of commodities now covered to the producers of all commodities. Thus, any commodity producers who desired to do so and were able to develop the required devices would be authorized to set up a Federal marketing order program under the Agricultural Marketing Agreements Act of 1937.

Second. A comprehensive system of farmwide, all-commodity, commodity-group, and individual commodity marketing quota programs somewhat similar to the successful marketing quota and payments programs now in effect for sugar, wool, and tobacco. Several features of the proposed system of marketing quotas deserve special note:

(a) The system could not be used to reduce the total market supply of all farm commodities, of any group of commodities, or of any individual commodity below the volume of total domestic consumer demand and export needs that would clear the market in a year of full prosperity and full employment.

(b) Operation of marketing quota system would make the farm income protection program per se cost free to the Treasury in years of full employment and full prosperity by requiring farmers to exercise the self-discipline required to keep market supplies in balance.

(c) Larger producers would be required to take greater cuts than smaller producers and each family would have a minimum from which its farmwide all-commodity quota would not be reduced.

(d) The individual farm quota would not be assigned permanently to either the farm or the farmer, but would in effect be annually renewable. Thus it would not be transferable, would not acquire the character of real or personal property, and its discounted future benefits would not become capitalized in land values.

(e) The overquota sales of a producer would be subjected to a penalty of 75 percent of the parity-income equivalent price which should be sufficient to discourage all but a bare minimum of such sales. Within-quota sales certificates would be sold for fees amounting to not more than 2 percent of the parity income equivalent price, thus providing the funds to enable the Secretary and the Board to pay all or nearly all of the necessary costs of payments required to make up for forecasting errors and to aid in keeping the volume of hog and cattle marketings within the marketing quotas established for such commodities.

Section 4 amends the authority in existing law for parity payments to make it adaptable and effective to carry out the purposes of the act and spells out specifically the uses and purposes for which such payments will be made. As amended, parity income deficiency payments would be in the nature of consumer subsidies to enable farmers to continue producing a volume of food and fiber equivalent to what consumer demand would be in a year of full prosperity and full employment even if consumer incomes and purchasing power should drop owing to growing unemployment and reduced incomes in a period of national economic recession or depression. Such payments would be antirecessionary in effect and purpose and thus would contribute to attainment of national general welfare purposes and goals as well as helping to maintain farmer income and purchasing power.

Section 5 would renew and extend for 4 years the provisions of the National Wool Act, which is a combination import control and income deficiency—incentive or production—payment program.

Section 6 is the specific authorization for making of special marketing premium payments for marketing of more desirable weights of hogs and cattle.

Section 7 provides for converting the Commodity Credit Corporation and its Board of the United States Department of Agriculture to a Federal Farm Income Improvement Corporation and Board. The section changes the makeup of the

Board by adding to its membership 5 farmer members, to be elected by elected members of the State farmer committees who in turn would have been elected by the members of the county farmer committees who are elected by farmers in each county.

Section 8 provides that all the provisions of the bill shall expire on December 31, 1962, so that Congress can give the operation and its results a full review after a fair trial.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ROOSEVELT. I want to congratulate my colleague from South Dakota for his very constructive approach and the forward-looking program he has outlined and I offer the hope that all groups may work together to produce effective legislation soon.

I listened a little earlier to the criticism, or the challenge which was presented by those who previously spoke. They repeatedly stated that it was time somebody came forth with a constructive program. If they will be willing to look and listen to the suggestion which comes from the gentleman from South Dakota and which I had the honor and privilege of supporting him in introducing, they will find there are some challenging features to this program. It needs not only to be discussed further, but needs to be fully understood by every Member of the House whether they come from an agricultural district or a city district. It so happens, of course, that I come from a city district.

As the gentleman from Minnesota [Mr. H. CARL ANDERSEN] so well puts it, the farm problem is of vital importance to those who live in the cities and to those who have manufacturing or nonagricultural pursuits. I cannot help but feel that if you will examine these bills, H. R. 10966—and my bill H. R. 10967—you will find they are based upon the sound theory that agricultural prosperity must be tied into full employment. Certainly when agricultural prosperity and full employment go hand in hand, the entire country will have an era of solid prosperity, and we will have gone a long ways toward eliminating the signs of depression we have been seeing.

I think it is of interest also to know that the issue which was raised a few minutes ago by my colleague from California [Mr. BALDWIN], of farm income, based on per capita figures, simply points up the fact that we have a lesser number of farm families and a larger number of corporation farmers. I think that is exactly what has happened during the past few years.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. BALDWIN. The only reason I raised the point at the time was that I felt the facts should be clear as to whether the speaker was referring to a per capita change or a change in gross total. I was not contending that there was not a reduction in the number of farm families; neither was I supporting the fact that there had been a reduction in farm families.

Mr. ROOSEVELT. I am very happy to hear the gentleman say that, and I think perhaps he then will join us in developing a new program, not the same old program which has been going on and on and driving people into a further impossible situation. Here we have a new program, a program which is based upon the small family farm and the prosperity of that farm and its problems. This is an answer to the challenge and gives us something on which we can move forward fighting the recession and regaining national prosperity.

Then, Mr. Speaker, I would like to emphasize—and I am sure I speak also for the gentleman from South Dakota—that we are not pretending that this is the complete answer to the farm program. We do think it offers a new approach, one in which the consumer has just as important an interest as those who live on the farm. As the bill has been put together I think you will agree it will remove one of the paradoxes we are now witnessing, falling employment, yet continued high food prices for the consumer. This is a situation which needs to be looked into.

In this new bill I will later propose a section which will call upon the Department of Justice to initiate an antitrust investigation in order to find out why there is this tremendous spread between the return to the grower and the actual price paid by the consumer. This has been mentioned often here in the Congress, but unfortunately very little has been done about it. I believe a direction to the Department of Justice or perhaps to the Federal Trade Commission that this should be gone into on a thoroughly complete basis would result in our getting some information which would eliminate that tremendous spread which has deprived the grower, the producer on the farm, of his fair share of what the consumer ultimately has to pay.

Together with the provisions of the bill of the gentleman from South Dakota, I am convinced that we would then be on our way to a real solution which at least deserves a try from both Republicans and Democrats alike. I hope that the members of the Committee on Agriculture will take this proposal seriously and give us an opportunity to fully explore it and present to the House for action. I again offer my sincere congratulations to the gentleman from South Dakota.

Mr. McGOVERN. I thank the gentleman from California for his contribution. I think the specific suggestion that the gentleman made to incorporate a provision in the bill calling for an investigation of the price spread between what the farmer receives and the eventual cost of the food on the grocery shelves is a welcome addition. As a matter of fact, my first official act as a Member of Congress was to introduce a resolution calling for just such an investigation. That investigation has been carried out by a subcommittee of the great Committee on Agriculture. But I think the gentleman from California is suggesting that further studies are needed along that line, and I commend him for his suggestion.

Mr. ROOSEVELT. May I add to that. I think perhaps the power now exists in the executive branch and that the machinery is there. Perhaps it would be easier for the executive branch under the direction of the Congress to proceed more rapidly to ascertain the facts, and then suggestions could come to the Congress as to what additional legislation might be necessary to produce the desired result.

Mr. McGOVERN. The gentleman's point is well taken. I know many of us have been disturbed by the efforts of the Secretary to convince consumers in the cities that the farmer is responsible for the rising cost of food. I was somewhat surprised earlier this afternoon to hear one of our colleagues blame the rising cost of bread on the wheat price support program. Of course, the true facts are that 10 years ago when wheat was supported at a price of around $3 a bushel, bread was selling for considerably less per loaf than it is today with wheat at $2 a bushel. You could buy a loaf of bread when wheat was selling for $3 a bushel for 16 cents for a 1-pound loaf. That same 1-pound loaf of bread has gone up to 22 cents at the same time that wheat has dropped from $3 to $2 a bushel.

We need very definitely to carry on the kind of a continuing study that has been suggested by the gentleman from California.

There is one other point I would like to make here today. In the earlier discussions it was suggested by the gentleman from New Hampshire that there were certain public costs that he felt all of us would be willing to pay, such as national defense, which every citizen and every Member of Congress knows we must have.

I would like to state here, as I have in many past instances, that a sound agricultural economy is a very vital part of our total national defense. For many weeks we have been reading about the amazing strides of the Soviet Union in the field of missile and satellite development, in the field of nuclear-powered submarines, even in the field of economic and technical assistance where Russia is beginning to challenge our leadership. The one area where we have completely outdistanced the Soviet Union is in the production of food. The efficiency and the productive power of the American farmers have left the Soviet Union in the dust, figuratively speaking. I submit one of the great advantages we ought to be using in this cold war struggle with the Soviet Union is our food productivity. We ought to be using more imagination and more courage than we have in the past about food. Especially is this true in a world where two out of three of all inhabitants do not have enough to eat.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from California.

Mr. BALDWIN. It is my understanding that there have been recommendations made by a commission or a committee that the possibilities of industrial utilization of food should be given much

more attention. Is the gentleman in favor of that possibility as one medium by which we might make greater use of our farm surpluses?

Mr. McGOVERN. Yes, I think that is a proposal that ought to be given very careful study and investigation by the Congress. I was thinking more specifically about Public Law 480 and our food-use program in connection with our efforts to assist needy people in other parts of the world and our needy citizens here at home.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield further?

Mr. McGOVERN. I yield.

Mr. ROOSEVELT. I have recently had the opportunity of gathering the facts on the Government's program for the disposal of surplus crops, and I intend shortly to try to make them available to my colleagues in the House, because it reveals, I think, the most jumbled administrative setup that I have ever encountered, and the fact that it has worked at all is a miracle under the circumstances. And, it seems to me that as a part of a rounded program, which certainly has not been forthcoming from the Secretary of Agriculture—a rounded-out program of these weapons of food, as the gentleman from South Dakota has well put it, could accomplish the disposal of these surpluses and at the same time help our foreign-policy programs. If we incorporate this into this overall picture which is encompassed in the gentleman's bill, I think we would have not only an immediate solution of our present problem but we would be doing much to defeat communism as we are meeting it in the world.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. McGOVERN] may proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Montana.

Mr. ANDERSON of Montana. First I would like to congratulate the gentleman from South Dakota both on his fine presentation this afternoon and even more for the fact that he has taken a very constructive step in offering the Congress this positive plan for meeting our agricultural problems. With respect to your comments on farm net income the Agriculture Department announced Tuesday "preliminary estimates show farmers realized a net income of $11.5 billion in 1957, a half-billion dollars less than in 1956." I do not want to lead the gentleman from South Dakota too far from his main channel of thought in his discussion this afternoon, but this matter of agricultural surpluses has many interesting facets. Might I ask the gentleman if he does not agree that perhaps these surpluses could very well be important to us from a strategic viewpoint? We have expended a great deal of money in piling up minerals and metals and various other strategic materials for warfare, and it seems to me that perhaps some of our agricultural commodities could be regarded also as a necessary reserve for the national defense. I mention this particularly in view of the calamitous results envisioned in the field of chemical and biological warfare. The potentialities are such the Communists, by delivery of plant diseases or viruses on air currents, might possibly be able to stop entirely the production of an entire crop of wheat or some other commodities; or by propagation of a plague or disease epidemic wipe out our livestock. In such an eventuality, certainly it would appear to our strategic advantage to have a substantial stock of food supplies on hand.

Mr. McGOVERN. I do not think there is any question but what that is true, I might say to the gentleman from Montana. Certainly if war should develop, which we all pray will not be the case, one of the most critical items would be food, as it was in all the previous contests in which we have become involved. We have heard the slogan advanced both in the First World War and in the Second World War that food will win the war, and I think in a very real sense that that was true. And, it can be true in this cold-war contest in which we are engaged. As I said here a moment ago, living as we do in a world where most of the people are hungry and never know what it is to have enough to eat at any time in their lives, we have a tremendous instrument for peace and good will in the form of food abundance. Then, as the gentleman has suggested, in terms of our own national security, we ought to have a food reserve on deposit in this country.

We ought to have food reserves on deposit in the allied countries in the event of international conflict, famine, or pestilence.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. What has been said here this afternoon relative to the benefits which would accrue to the Nation as a whole because of the fact that we have surplus foods has not been called sufficiently to the attention of the American people. I throw out this question to these people who bemoan, as our Secretary of Agriculture has too often bemoaned, the fact that we do have a reasonable surplus of food in the United States of America. Those people forget what might possibly happen if this blessed country of ours ever gets to the point where we do not have enough food for our people. Then you would see this great Nation in great danger of falling right into the Communists' hands because empty stomachs are the easiest prey in the world for Communists. I have had more than enough, Mr. Speaker, of hearing people talk about subsidies to agriculture. Even in the presentation to my Subcommittee on Agriculture of the Committee on Appropriations no credit is given to the farmer because of the fact that he has made available to foreign countries, under Public Law 480 a vast quantity of food. All of that is charged against the Commodity Credit Corporation and in turn comes in here as a so-called subsidy which the Congress must make good in behalf of agriculture. On the other hand, at least half of that amount should be considered as a direct appropriation in behalf of foreign aid. Would the gentleman not agree with me on that?

Mr. McGOVERN. I certainly would.

Mr. H. CARL ANDERSEN. Instead of being charged as a so-called subsidy to agriculture.

Mr. McGOVERN. I would also like to suggest to the gentleman that some of the food reserves that we hold back in this country ought to be chalked up to the national defense budget.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct. Several years ago I suggested that it is high time that we think of creating storage capacity 50 or 60 miles out from large metropolitan centers, to be filled with food, so that in case of a cataclysm in an area such as this, the hundreds of thousands of people leaving this target area would have enough to eat. They would not have enough to eat unless we looked forward and provided such supplies, made them available to feed these people. The same would apply to any of the 68 target areas in America. I believe the gentleman in this section of his speech is touching upon a very vital issue, and I compliment him.

Mr. McGOVERN. I thank the gentleman.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, if I may, I should like to direct the attention of the gentleman from Minnesota again to the bill of the gentleman from South Dakota. I think he will be interested in seeing that the stress is not upon the cutback of acreage. Indeed, it looks to the fullest utilization of our productive capacity which will be geared to the rounded full-employment program of the economy. I think this is most important because I agree with the gentleman that all our statistics show that the time is coming in the not-too-distant future when our problem will be how to raise enough food for our own population. And if we follow the path we have been following, we may have a very difficult time to meet that crisis when it comes upon us all of a sudden some 15 or 20 years from now.

Mr. McGOVERN. Mr. Speaker, I would like to stress, in conclusion, the point that I made earlier, that the program we are considering here today will encourage greater food consumption here in the United States during periods of declining employment or economic recession because it is at that point that farm prices would be permitted to drop under the terms of this program, and the difference between what the farmer receives at this reduced level and what he needs to receive in order to protect his parity income will be paid to him in direct cash benefits.

This saves the consumer from the dilemma of being confronted with high prices at a time of unemployment and economic recession and at the same time being forced to cover the cost of a price-supporting action.

I think that is one feature of the program that our friends from the industrial areas who look at this problem primarily from the standpoint of the consumers ought to welcome. We challenge them at this point to join with us in supporting the kind of farm program which their remarks here during the last few years would lead us to believe is the kind they want. This is a program that ought to appeal to people who are tax conscious, yet it is a program that will fully protect and encourage the full development of our resources on the family-size farms of this Nation. I stress that the protection of this program ceases at that point where any producer's operation goes beyond what can be defined as a family-size operation.

In terms of income-deficiency payments, that means that no one producer will receive at any time more than $3,500 in cash grants in any one given year.

I believe that the proposed farm program offered by Congressman ROOSEVELT and myself merits the closest consideration of farmers, consumers, and taxpayers. I trust that the Members of the House and other interested persons will give me the benefit of their criticisms and suggestions with regard to this family farm income improvement plan.

LACK OF LEADERSHIP

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, "Where there is no vision, the people perish"—recorded in the Book of Proverbs, chapter 29, verse 18, the Holy Bible.

The current administration's lack of vision, with collateral failure in leadership, is responsible for both the international and the economic dilemmas into which this country has drifted. Only positive action can reverse the trend and restore confidence at home and abroad.

America's place under the sun—and under the satellites—is threatened by forces from beyond our borders. The danger is greater than at any other time in our history. When leaders in Washington spoke emphatically and carried a big stick, the world respected America and Americans were welcomed everywhere and peace reigned. In the present climate of hesitancy and indecision, even those nations that have always been closest to us are left in doubt and with suspicion.

Here at home unemployment is nearing the five-million mark. Other millions are working only part-time, and the situation is growing worse. The cost of living has been spiraling from month to month and is now almost beyond the reach of the ordinary family.

Small business failures are at the highest rate since the early 1930's. The small family-sized farm—the foundation upon which America was built—is rapidly disappearing from the national scene. Yet, in the midst of this swelling sea of economic disaster, there is an island of plenty for a select few. It produces lucrative profits for big business, and large commercial firms are thriving. What is the reason for this economic paradox? The administration must be held answerable, for there is no justification in a system which confines prosperity to a small segment of the population while millions are faced with poverty and destitution. In an era when Government expenditures are fantastically high, the highest in all peacetime history, the disparity reflects even more glaringly upon those responsible for it.

In reply to our appeals for a remedy to the inequitable and iniquitous situation, the administration merely asks that we have patience and courage. I contend that we must first have confidence, and there can be no confidence in leadership when there is no leadership. Our people ask only to be shown the way out of the dungeon of unemployment and despair, but the administration is either unable or unwilling to blaze the trail or even point in the proper direction.

As you, my colleagues, know we have provided the administration with money and authority to strengthen and expand our defense, our economy, and the spiritual welfare of all. I am sure you feel as I do that it is now up to the executive branch to improve its leadership and use the tools which have been provided by this Congress to regain for this Nation its natural place under the sun.

In the words of the great American, Abraham Lincoln, ours is a Government of the people, by the people, and for the people—not exclusively for big business and the privileged classes. The American people want to know how long the present situation must be tolerated. Does the administration have a long-range program for its economic and international policies? If and when our people are informed of the plans which will guide our national destiny, they will be willing to make sacrifices and do the job necessary to preserve our country's integrity and security.

There can be no further delay in promulgating a program in which we may have trust and confidence. We cannot remain complacent. We must not approach the future with fear. We must have faith in the righteousness of our way of life—a faith that Almighty God is on our side. We must have courage—the courage which Americans have always exhibited when the necessity has arisen.

When will the administration at least attempt to provide vision, and faith, and courage?

None of us knows what the future holds. We must rest our faith in the Almighty. But is it too much to ask for and receive that which is justly due—a leadership which can be looked to with confidence and with the constant hope that something will be done now to alleviate the problems facing us today and which, under the present administration, promise to become even worse. Action must be taken—now.

"Where there is no vision, the people perish."

HUNGARIAN REFUGEES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 10 minutes.

Mr. FEIGHAN. Mr. Speaker, today I have introduced a bill which would have the effect of setting up a procedure whereby the bona fide refugees of the Hungarian freedom revolution who have been paroled into the United States may acquire lawful permanent residence.

On October 23, 1956, the Hungarian people, led by students and workers, began the day with peaceful demonstrations in Budapest through which they called for a return of their basic human rights which had been taken from them by the Russians and their handful of Hungarian collaborators. It will be recalled that at that time the Russian leaders of the Communist conspiracy were busy blaming Stalin for all the crimes and inhumanities committed by the Communists. Moscow had launched a full-scale propaganda campaign in an effort to cleanse itself of the guilt of their crimes against humanity. In the process, many people were led to believe that the Communist movement was undergoing basic and fundamental changes and likely would give up the terroristic and violent methods of conquest and control of nations which had been its trademark for almost 40 years. It was in these circumstances that the peaceful demonstration began in Budapest as the Hungarian people gave public expression to their yearnings for liberty and freedom.

All the world knows that these peaceful demonstrations were turned into a bloody freedom revolution by the Russian-controlled secret police of Hungary who machinegunned these demonstrators, killing hundreds of people in a matter of minutes. What followed stands as one of the most inspiring chapters in man's eternal struggle to be free and independent. During the next 6 days the Hungarian patriots drove the Russian occupiers from their soil, unaided by any outside assistance and strictly through their heroism and bold determination. Then for 4 historic days the Hungarian nation enjoyed its freedom and national independence as it stood before all the world as victor over the much-heralded might of the Red army.

From October 30 to November 3, 1956, the stunned Kremlin waited to see what the free countries of the world would do to help the newly independent Hungarian nation, which by proclamation had disassociated itself from the Warsaw Pact and any connection with the Russian-Communist empire. When the free nations hesitated to take any action, the Russians invaded Hungary once again in the early hours of November 4. The Hungarian nation had already spent itself winning its freedom and, failing help from the Free World, was soon again under the occupation of the Red Army. In the wake of this great tragedy thousands and thousands of Hungarians fled their homeland in fear of their lives, and knowing that with the return of the Russians their

liberties and freedoms would be denied them.

It was in these circumstances that the United States Government took emergency action to admit some of these refugees into the United States on a parolee status. As the most powerful country of the Free World, in the eyes of most of the people, such humanitarian action was in concert with our stated objectives.

The bill which I have introduced, H. R. 11033, has had the very careful consideration and approval of the distinguished chairman of the Subcommittee on Immigration and Nationality [Mr. WALTER]. The chairman has been very much concerned with the Hungarian refugee problem from its very inception. He has always been anxious to help the bona fide refugees from communism just as he took the lead in bringing about the passage of farsighted legislation to meet and resolve the displaced persons problem following World War II.

Due to his initiative all the members of the subcommittee have approved the bill which I have introduced.

This bill directs that any such refugee paroled into the United States under section 212 (d) (5) of the Immigration and Nationality Act subsequent to October 23, 1956, shall be examined and inspected for admission into the United States in accordance with the provisions of the basic law. This contemplates a primary inspection by an immigration officer, and if necessary, a hearing by a special inquiry officer of the Immigration and Naturalization Service. If, pursuant to such inspection or hearing, the alien is found by the immigration officer or the special inquiry officer to have been and to be presently admissible, as an immigrant, except for the fact that he was not and is not in possession of the necessary passport and visa, the alien shall be regarded as lawfully admitted for permanent residence as of the date of his arrival in the United States.

Obviously, if he is not admissible on those terms, the alien's exclusion and deportation would necessarily follow in accordance with the existing provisions of the Immigration and Nationality Act.

The bill makes it very clear that nothing contained therein affects the duties, powers, and functions of the Attorney General granted by the Immigration and Nationality Act or any other immigration or nationality law.

It is to be observed that except for the matter of causing certain of these parolees to be regarded as lawfully admitted for permanent residence, something new, this bill merely expresses the original Congressional intent with respect to parolees, their status, and the handling of their cases regarding termination of parole. In that respect this bill restates the substance of existing law—that a parolee, when returned to the custody of the Immigration Service and found inadmissible under the existing law, has automatically lost his status as a parolee, and is required to be excluded and deported just as any other excludable alien applying for admission to the United States.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WALTER (at the request of Mr. STAGGERS), for March 3 and 4, 1958, on account of official business.

Mr. VINSON, for 10 days, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STAGGERS, for 5 minutes, today.

Mr. FEIGHAN, for 10 minutes, today.

Mr. POWELL (at the request of Mr. MCCORMACK), for 30 minutes, on Wednesday next.

Mr. BAILEY, for 30 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS on the subject of the book entitled "Masters of Deceit" by J. Edgar Hoover.

Mr. BOGGS and to include extraneous matter.

Mr. VURSELL.

Mr. REED and to include a statement on the Interparliamentary Union's 46th Conference in London in 1957 notwithstanding that the cost is estimated by the Public Printer to be $567.

Mr. MAILLIARD (at the request of Mr. BALDWIN) and to include extraneous matter.

Mr. MULTER (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. MCCORMACK.

Mr. JUDD, his remarks in the House today and to include two speeches made, one in 1949 and one in 1954.

Mr. BYRD (at the request of Mr. FEIGHAN).

Mr. CUNNINGHAM of Nebraska (at the request of Mr. BALDWIN) in two instances and to include extraneous matter.

Mr. ASHLEY (at the request of Mr. LIBONATI) in two instances and to include extraneous matter.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Monday, March 3, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1649. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Health, Education, and Welfare for "Salaries and expenses, Bureau of Old Age and Survivors' Insurance," for the fiscal year 1958 had been apportioned on that date on a basis indicating a need for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

1650. A letter from the Administrator, Federal Civil Defense Administration, transmitting a draft of proposed legislation entitled "A bill to extend the provisions of title III of the Federal Civil Defense Act of 1950, as amended"; to the Committee on Armed Services.

1651. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for the registration and reporting of employee welfare and pension benefit plans, and for other purposes"; to the Committee on Education and Labor.

1652. A letter from the Acting Secretary of Commerce, transmitting a report for partial restoration of the balance withdrawn from the appropriation "Maritime training, maritime activities," 1956 (1361707), pursuant to Public Law 798, 84th Congress; to the Committee on Government Operations.

1653. A letter from the Secretary, Franklin Delano Roosevelt Memorial Commission, transmitting the interim annual report of the Franklin Delano Roosevelt Memorial Commission, pursuant to title 69, Statutes at large, page 694; to the Committee on House Administration.

1654. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of December 31, 1957, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

1655. A letter from the Secretary of Labor, transmitting a report of claims paid by the United States Department of Labor during the year ending December 31, 1957, relating to the administrative adjustment of claims of $1,000 or less, pursuant to title 28, section 2673, United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 490. Resolution for consideration of S. 497, an act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 1408). Referred to the House Calendar.

Mr. PATMAN: Joint Economic Committee. 1958 Joint Economic Report (Rept. No. 1409). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. S. 728. An act to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds; without amendment (Rept. No. 1430). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee on Appropriations. H. R. 11085. A bill making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for

other purposes; without amendment (Rept. No. 1431). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 2498. An act for the relief of Matthew M. Epstein; with amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 5424. A bill for the relief of Thomas Helms and other employees of the Bureau of Public Roads; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 6963. A bill for the relief of Mrs. Elba Haverstick Cash; with amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 7203. A bill for the relief of Dwight J. Brohard; with amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 7267. A bill for the relief of Charles J. Jennings; with amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 7684. A bill to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention; with amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 8015. A bill for the relief of the Harmo Tire & Rubber Corp.; with amendment (Rept. No. 1416). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 8316. A bill for the relief of Warren S. Boggess; with amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8407. A bill for the relief of Mrs. Margaret N. Meister; with amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8444. A bill for the relief of Lloyd Lucero; with amendment (Rept. No. 1419). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8448. A bill for the relief of Willie C. Williams; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9012. A bill for the relief of Alexander Grossman; with amendment (Rept. No. 1421). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9109. A bill for the relief of John A. Tierney; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 9317. A bill for the relief of Oshiro Shoko; without amendment (Rept. No. 1423). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9395. A bill for the relief of Cornelia V. Lane; with amendment (Rept. No. 1424). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9397. A bill for the relief of the William T. Manning Co., Inc., of Fall River, Mass.; with amendment (Rept. No. 1425). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 9514. A bill for the relief of Valleydale Packers, Inc.; without amendment (Rept. No. 1426). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 10094. A bill for the relief of the Western Union Telegraph Co.; without amendment (Rept. No. 1427). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 10260. A bill for the relief of Natale H. Bellocchi and Oscar R. Edmondson; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1331. An act for the relief of John P. Souvaldzis; without amendment (Rept. No. 1429). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FEIGHAN:

H. R. 11033. A bill to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees; to the Committee on the Judiciary.

By Mr. ABERNETHY (by request):

H. R. 11034. A bill to make unlawful the sale of merchandise on Sunday, to regulate the same, and for other purposes; to the Committee on the District of Columbia.

By Mr. ASHLEY:

H. R. 11035. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM of Nebraska:

H. R. 11036. A bill to amend the Internal Revenue Code of 1954 to permit schoolteachers and administrators to deduct from gross income certain expenses for additional education or training; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 11037. A bill to amend the Veterans' Benefits Act of 1957 to provide that gratuitous veterans' benefits shall not be paid or furnished to any Communist; to the Committee on Veterans' Affairs.

H. R. 11038. A bill to provide that the hospital at San Patrico, P. R., presently operated by the Administrator of Veterans' Affairs, shall be transferred to the Administrator of Veterans' Affairs; to the Committee on Armed Services.

By Mr. GARMATZ:

H. R. 11039. A bill to promote the national merchant marine policy by providing for the construction of 30 merchant vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. GRIFFIN:

H. R. 11040. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. GUBSER:

H. R. 11041. A bill to provide that the United States shall furnish the services of a chaplain to conduct certain graveside rites in national cemeteries; to the Committee on Armed Services.

By Mr. HAYS of Ohio:

H. R. 11042. A bill to revise the laws relating to depository libraries; to the Committee on House Administration.

By Mr. JENNINGS:

H. R. 11043. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. JONAS:

H. R. 11044. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. KILDAY:

H. R. 11045. A bill to authorize additional appropriations for the School of Aviation Medicine, Brooks Air Force Base, Tex.; to the Committee on Armed Services.

By Mr. LONG:

H. R. 11046. A bill to provide a residence for pages of the Senate and of the House of Representatives, under the supervision of a Capitol Pages' Residence Board, and for other purposes; to the Committee on House Administration.

By Mr. MATTHEWS:

H. R. 11047. A bill to prohibit the President from calling out the National Guard and from using Federal troops to assist in the enforcement of an order of any Federal court which would either directly or indirectly bring about racial integration in a public school in the United States; to the Committee on Armed Services.

By Mr. MILLER of California:

H. R. 11048. A bill to amend the Federal Trade Commission Act, as amended, so as to equalize rights in the distribution of identified merchandise; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS:

H. R. 11049. A bill to authorize the conveyance of certain real property of the United States to the county of Sacramento, Calif.; to the Committee on Armed Services.

By Mr. MULTER:

H. R. 11050. A bill to amend section 3 of the Securities Act of 1933 so as to remove the exemption of securities offered for sale and sold in only one State; to the Committee on Interstate and Foreign Commerce.

By Mr. NIMTZ:

H. R. 11051. A bill to extend the loan guaranty program for World War II veterans for 2 years, extend the direct loan program for a like period, authorize an interest rate on guaranteed and direct loans commensurate with that applicable to mortgages insured under section 203 of the National Housing Act, to increase the maximum direct loan to $13,500, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PRICE:

H. R. 11052. A bill to amend the Internal Revenue Code of 1954 to provide that interest on obligations of educational institutions shall be exempt from income tax; to the Committee on Ways and Means.

H. R. 11053. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 11054. A bill to amend title VI of the Public Health Service Act, so as to permit transfers of allotments from part C to part G and from part G to part C, and to permit additional transfers of allotments between the several categories of part G; to the Committee on Interstate and Foreign Commerce.

By Mr. SHUFORD:

H. R. 11055. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H. R. 11056. A bill to amend section 8e of the Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to provide for the extension of the restrictions on imported commodities imposed by such section to all imported limes, grapefruit, lemons, mandarins, all types of oranges including temples, tangerines, murcotts, and tangeloes,

dried figs, fig paste, sliced dried figs, shelled walnuts, dates with pits, dates with pits removed, and products made entirely of dates; to the Committee on Agriculture.

By Mr. ZABLOCKI:

H. R. 11057. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons, and for other purposes; to the Committee on Education and Labor.

By Mr. WATTS:

H. R. 11058. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. SILER:

H. R. 11059. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. ROBSION of Kentucky:

H. R. 11060. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. PERKINS:

H. R. 11061. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. SPENCE:

H. R. 11062. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. CHELF:

H. R. 11063. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. NATCHER:

H. R. 11064. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. GREGORY:

H. R. 11065. A bill to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture.

By Mr. ANFUSO:

H. R. 11066. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. CELLER:

H. R. 11067. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. DELANEY:

H. R. 11068. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. DOLLINGER:

H. R. 11069. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. FARBSTEIN:

H. R. 11070. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. HEALEY:

H. R. 11071. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. HOLTZMAN:

H. R. 11072. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mrs. KELLY of New York:

H. R. 11073. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. KEOGH:

H. R. 11074. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. MULTER:

H. R. 11075. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. ROONEY:

H. R. 11076. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. LANE:

H. R. 11077. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. BONNER:

H. R. 11078. A bill to promote boating safety on the navigable waters of the United States, its Territories and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TOLLEFSON:

H. R. 11079. A bill to promote boating safety on the navigable waters of the United States, its Territories and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ALLEN of California:

H. R. 11080. A bill to promote boating safety on the navigable waters of the United States, its Territories and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GARY:

H. R. 11085. A bill making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. HÉBERT:

H. J. Res. 554. Joint resolution to authorize the President to designate the third Sunday in October of each year as Old Folks Day; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 11081. A bill for the relief of Venancio Topinio; to the Committee on the Judiciary.

By Mr. BYRD:

H. R. 11082. A bill for the relief of Mrs. Elsie Ruth Garcelon; to the Committee on the Judiciary.

By Mr. RAINS:

H. R. 11083. A bill for the relief of Edward G. Anderson; to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT (by request):

H. R. 11084. A bill to authorize the revestment of certain interest in land at the United States Naval Ammunition and Net Depot, Seal Beach, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. KEAN:

H. J. Res. 555. Joint resolution to provide for the compensation to United States citizens for certain property vested under the Trading With the Enemy Act; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

447. Mr. NIMTZ presented a petition of Mrs. Lulu L. Saylor and other citizens of New Carlisle, Ind., urging support of the Siler bill, H. R. 4835, the Langer advertising bill, S. 582, and other similar measures; which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Lithuanian Independence

EXTENSION OF REMARKS

OF

HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1958

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, I join many of my colleagues in a salute to the freedom-loving people of Lithuania in their celebration of the 40th anniversary of Lithuanian Independence Day. It is a shameful thing that these people find their homeland once again under the domination of a foreign nation.

Forty years ago this month the people of this Baltic nation threw off the chains of oppression and knew freedom. It was a day to be remembered and celebrated within the nation and by its citizens and former citizens around the world. It culminated a centuries-old struggle for freedom and liberty.

In those dark days of 1939, when so much of the world lost freedom, Russia moved into Lithuania, and independence was gone. Still today the Soviet armed might controls the nation. But the freedom once known by the people of this nation remains as a memory and as a dream for the future. Despite murders, intimidation, deportations, and all manner of pressures by the Red leaders, the people of Lithuania are still

Lithuanians, not Russian puppets or Communists.

The people of this once-independent nation still strain for freedom, and we of the free world can take courage from the valor of the Lithuanian people. The Lithuanians in America are not numerous, but they are known in this country. Their deep religious feeling and their reverence of freedom and independence make them welcome.

I wish to join the rest of the Free World in saluting the oppressed people of Lithuania and in marking the 40th anniversary of Lithuanian Independence Day. May freedom once more be possible for these courageous people.

Legislation To Increase the Annuities of Retired Civil Service Employees

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. ASHLEY. Mr. Speaker, I wish to speak briefly on behalf of a bill which I am introducing for the relief of our retired Federal employees—a bill which I am sure requires little or no justification in the minds of my colleagues. The more than 150 bills that have already been introduced to provide annuity increases for our retired Government workers is ample evidence of the overwhelming support for this legislation.

Back in the fall of 1956, the 84th Congress, quite appropriately and commendably revised upward the schedule of retirement benefits of persons covered under the Civil Service Retirement Act. In so doing Congress acknowledged that the existing annuities were inadequate and unrealistic in terms of the grossly inflated costs of day-to-day living, which had seriously depreciated the purchasing power of fixed retirement income.

For some imponderable reason, however, the Congress failed to make the annuity increases in Public Law 854 applicable to those civil-service employees who had already retired—over 240,000 faithful civil servants whose average age is in excess of 68 years and whose economic burden is increased by the added cost of medical and health care, so necessary with the inevitable infirmities of advancing years.

If by 1956 the already depreciated purchasing power of the dollar dictated an adjustment in annuity income for future retirees, how much more desperate must the plight today of those who had already retired when we stop to consider that the cost of living has risen steadily since the enactment of Public Law 854.

It is a stern but inescapable reality that the cost of food, clothing, rent, and medical care has reached such heights that whatever was envisaged as a reasonable pension income in the past is now altogether inadequate. To fail to provide these people who have given us years of loyal and conscientious service with this necessary economic relief is clearly to default on our moral responsibility.

I urge upon my colleagues prompt and favorable consideration of this long overdue legislation to increase the annuities of our retired civil-service employees.

Appeal of American Citizenship to Foreigners

EXTENSION OF REMARKS
OF
HON. FRANK CHURCH
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Thursday, February 27, 1958

Mr. CHURCH. Mr. President, inscribed on the Statue of Liberty are these words which give voice to the American dream:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me.
I lift my lamp beside the golden door.

The dream still lives, Mr. President. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a letter written to me by one who passed this statue a little more than 5 years ago, with his grandparents and orphaned younger brother, on the way to the lakes and pines of Bonner County, Idaho, and I ask that my reply be printed immediately following the letter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SANDPOINT, IDAHO, *February 18, 1958.*
Hon. FRANK CHURCH,
Senate Office Building,
Washington, D. C.

DEAR MR. SENATOR: Today I have been to Coeur d'Alene where, in the Federal Building, I was fortunate enough to pass the naturalization examinations so that I may be sworn in in April as a citizen of this city, county, and State, and of the United States. Now the way is open for me to explore those benefits of democracy of which I have heard and dreamed for years.

Though I have not yet been sworn in by the Federal judge, I am so pleased at today's success that I want to write to someone about it before I sleep tonight. And I think it fitting that I write and thank you and your Members of Congress who by your laws have made possible this wonderful miracle of saving us former central Europeans from the ghastly living death of the Communist machinery. Your liberal laws dealing with us who were once displaced persons have given us a new lease on life and a determination to be of devoted service to this new land of our adoption.

When I celebrated my 18th birthday last October, like other youth I quickly registered with the draft board. But the 18th birthday also meant that I could make formal application to begin the processes of becoming a naturalized citizen. So in short while my maternal grandparents (who brought me to America) and I had made out our preliminary papers, fingerprints, etc. We had been residents here for 5 years last April; so that requirement was taken care of. My younger brother and I had easily learned English in the schools, but the language and knowledge of civics did not come so easily to my grandparents, both of whom are past 50 years of age. You can imagine how happy I was that they as well as myself were able to pass today's examinations so that we all three can be made citizens together next month.

And now that I am almost a citizen I am wondering whether the privilege of attending the United States service academies is available as readily to naturalized citizens as to native born citizens. I know it may be nearly a year early for me to ask that question, but I must plan ahead. I am very interested in what I have heard and read and studied about the Naval Academy at Annapolis. I have been told that to get information and permission to attend I must address either a Senator or Representative from Idaho to Washington, D. C. As you are the youngest of our Congressional people from Idaho, it occurs to me that you may be interested in the problems of youth and their education and would be willing to inform me as to the channels for getting more information about how to apply for a Naval Academy appointment for entrance in the summer of 1959 class.

I am past 18 years old and am in fine physical health. I am in my junior year at Sandpoint Senior High School and have been on the school honor roll every semester of my junior and senior high school thus far.

I am president of the junior class and am vice president of our Sandpoint Chapter of the Future Teachers of America.

I have been active in all branches of athletics up to this year. This year I have had to work in the bus station and newsstand 4 hours each afternoon and evening and all day on Sundays. That cuts out the athletics but still permits me to get to club and association meetings and our math seminar and such things.

For practice I have taken one administering of the college board exams and hope to take the merit scholarship exam that is to be given later this spring.

That gives an outline of some of the things I have been doing these past 5 years and 10 months since we came past the Statue of Liberty and took the train out here to Bonner County. I shall be glad to furnish any other details that may be of interest to you in case you could and would consider me as a possible candidate for nomination on your quota next year.

After my freshman year of high school, I attended on scholarship the honor students summer camp on the campus of Montana State University at Missoula. That helped me in gaining greater ease with my reading and speaking of English. If I earn enough this year, I hope to spend some time next summer taking some more additional academic work of similar sort.

I think my major interest in college will be electronics and engineering. My school grades have been straight A's for the high-school record up to the past semester when I slipped back to a couple of B's to mar my record. If I can get those grades up and pass the competitive exams with good scores, I shall hope to get scholarship aid for college attendance. If I can present physical and mental qualifications good enough to win appointment to and attendance at one of the service academies, then I can really get a good education and put my accomplishments to real service in the United States to which I already owe a great debt.

I shall be glad for any advice or assistance you may be able to give me in line with the rambling inquiry I have been making.

I shall also be glad to furnish names of any references that you may require before considering my requests further.

Thank you for your kindness.

Sincerely yours,

JACK BACKES,
(Formerly: Jack Zellenkowitsch; now: Jack Backes.)

P. S.—Since being saved from the concentration camp by my maternal grandmother,

I had taken my mother's maiden name; but now as part of naturalization I have had my surname changed to Backes, the last name of our father who died in the Tito concentration camp 11 years ago this month.

FEBRUARY 26, 1958.

Mr. JACK BACKES,
Sandpoint, Idaho.

DEAR JACK BACKES: First, I want to tell you how moved I was to read your letter. Yours has been an experience which leads you to value our democracy and its traditions to a high degree, and you are to be commended on the tremendous progress you have made since you came to the United States.

I am eager to assist you in your desire to attend one of the service academies. Because I feel that any worthy young man in Idaho, who can qualify, should have an opportunity to be considered for appointment to one of the service academies, last year I established this program. I have the Civil Service Commission give competitive examinations at several convenient locations in our State to assist me in making my nominations to the Army, Navy, Air Force, Coast Guard, and Merchant Marine Academies. Another such examination will be given in July of this year. If you will fill out the enclosed personnel form and return it to me, I will see that you are notified well in advance of the time and place where you can take the exam. Also enclosed is a sample questionnaire which will indicate the scope of the exam. Under separate cover I am sending you catalogs from each of the service academies in order that you can study their requirements and programs.

Congratulations, too, to you, your brother, and your grandparents upon becoming citizens. I welcome you and I am certain that our country, our State, and the city of Sandpoint will benefit from having residents who understand from firsthand knowledge the terrors of communism, and who, as a result, place an especially great premium on freedom.

Sincerely,

FRANK CHURCH,
United States Senator.

Poll of the Fourth District of California

EXTENSION OF REMARKS
OF
HON. WILLIAM S. MAILLIARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. MAILLIARD. Mr. Speaker, again the citizens of the Fourth District of California have shown a commendable interest in the affairs of their Government by responding in gratifying numbers to my most recent questionnaire. One out of every sixth registered voter was asked to participate and, as of this date, over 18 percent have replied, many including carefully considered analyses of the more vital issues.

I am greatly encouraged by the substantive thought given to some of the most important current problems. The following tabulation may be of interest to my colleagues:

	Percent—		
	Yes	No	No opinion
1. Do you favor replacing the Joint Chiefs of Staff with a single military chief who would give orders to all the services?	54	41	5
2. Should we finance an all-out crash program, regardless of cost, to attain supremacy in missiles, rockets, and satellites?	45	51	4
3. President Eisenhower's new budget calls for $3.94 billion for the mutual security program to help our allies. Should we spend the money for—			
a. Military assistance to our allies?	45	42	13
b. Help in promoting the economic development and political stability of less advanced nations to counter Russia's economic cold war?	78	16	6
4. Do you favor—			
a. The elimination of all price supports for agriculture (cotton, wheat, corn, rice, peanuts, and tobacco)?	63	30	7
b. Payments to farmers who take land out of production (practicing conservation) for a certain period of years?	32	61	7
5. Do you favor Federal grants, matched by State funds, to improve mathematics and science courses by providing for better equipment and higher pay in some cases?	72	25	3
6. Do you believe that each State, as best it can and will, should solve a classroom shortage without the financial aid of the Federal Government?	56	41	3
7. Do you favor Federal legislation guaranteeing democratic elections in union affairs and also requiring annual reports on the handling of union health, welfare, or pension funds?	93	5	2
8. Do you believe your Representative in Congress should accept postponement of projects in his district, no matter how worth while, in order to reduce the budget or increase funds for defense?	45	48	7

Positive Action Necessary To Limit Excessive Oil Imports

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. VURSELL. Mr. Speaker, Secretary of Commerce Sinclair Weeks, chairman of a special Cabinet Committee To Investigate the Crude Oil Imports, recognized the serious matter of the oil-import problem in a statement released February 8. Secretary Weeks has been in close touch with this problem over long periods of time. His recognition that it has become increasingly serious is encouraging, and his announcement that it will have the immediate attention of the Cabinet Committee should be commended.

Immediate and vigorous action is needed to maintain a strong and dynamic oil-producing industry in this country. This is evident from the unhealthy conditions now permeating the entire domestic petroleum industry.

In the tristate oil producing area, where my own State of Illinois is the largest in production, oil-well drilling declined by 24 percent in 1957. So far in 1958, well completions are 23 percent below a year ago. Rotary rigs active in the tristate declined 31 percent in 1957, and have further declined by 20 percent in the first month of this year. This deterioration is not confined to any one State or area. It is evident throughout the 31 producing States. The results are reflected in serious impacts on our economy, and in drastic reductions in employment. Employment in the oil and gas producing industry, according to the latest figures of the Bureau of Labor Statistics, declined by 17,000 persons between August and November, 1957. Undoubtedly, employment has further declined with the worsening conditions in the industry.

More important than all else, a domestic petroleum industry which the Suez crisis only last year reminded us is our first line of defense for military fuels, is being undermined and is becoming stagnant.

In light of these circumstances, I hope the Cabinet Committee now recommends positive action to effectively deal with the import problem. Unless such action is forthcoming, the Congress will be compelled to provide legislative standards to effectively limit imports.

Masters of Deceit

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. RIVERS. Mr. Speaker, I want to call the attention of my colleagues to a new book which is destined to leave a deep impact on the thinking of the American people. This book is Masters of Deceit by J. Edgar Hoover, Director of the Federal Bureau of Investigation, to be released on March 10, 1958, by Henry Holt & Co., of New York City.

In this book, Mr. Hoover discusses communism, national and international. I know of no man, either in governmental service or in private life, who has a more thorough understanding of communism than Mr. Hoover. For 40 years he has followed, step by step, the rise of this atheistic conspiracy. The FBI has become a vigilant tower of watchfulness, protecting the Nation against these rodents of Marxism-Leninism who would devour our institutions of free government. While many citizens slept, not recognizing the Communist danger, Mr. Hoover and his agency were working day and night to keep abreast of the party's nefarious activities. The Nation owes a great debt of gratitude to the FBI.

For this reason, in my opinion, Masters of Deceit is must reading for every patriotic citizen. All too often I have heard men and women say, "I wish I knew more about communism," or ask, "Where can I find truly authoritative information about communism?" In this book, they now have their answers. Masters of Deceit represents Mr. Hoov-

er's opinions concerning communism, based on a lifetime of study. I know of no book where this information is more understandably and simply set forth.

Masters of Deceit opens with a discussion of the origin of communism, first in its international aspects and then in the United States. We see how the Communist Party, starting as a small, disorganized band in 1919, slowly gained in strength, influence, and power. Then Mr. Hoover goes into two questions which intrigue every person: "Why do people join the Communist Party?" and "Why do people leave the party?" The FBI Director sets forth a number of illustrative case examples which make these two chapters not only highly informative but also interesting.

One of the most valuable sections of the book is the discussion of the internal structure of the Communist Party: how the party is organized; how its leaders and members live; how the party's educational program operates; how Communist man is fashioned through Communist indoctrination, literature, and the party press. The reader can actually see the party in operation. This is one facet of the Communist movement which is little understood—just how the party functions from within.

Unfortunately, day after day we hear Communist propaganda, the fancy-sounding promises of what the party plans to do for the Nation. Many unsuspecting citizens are hoodwinked into believing that the party stands for American ideals. Mr. Hoover's discussion tells just how, within the party apparatus, the recruit is slowly indoctrinated in Marxism-Leninism and his allegiance is transferred to a foreign power.

Masters of Deceit tells also about the party's attack against non-Communist society through mass agitation, infiltration and fronts. Here we clearly see the deceitful tactics employed by the Communists to hoodwink our citizens. Again Mr. Hoover cites case examples to show the techniques which the party day after day employs to advance its evil cause.

The party attacks our society not only through aboveground channels—but also underground. In a most illuminating chapter the FBI Director describes the party's underground structure. In recent years the underground has played an important role in Communist strategy, hiding party fugitives, concealing its leaders and secreting confidential records. The reader can see the life of a member underground and the demands on his day-to-day existence.

Of special interest is the chapter on communism and religion. Here Mr. Hoover explains that communism is atheistic. Karl Marx bitterly denounced religion and all his followers, including Nikita Khrushchev, have continued this assault. The chapter details how the party is attempting to infiltrate churches in the United States and to influence church men and women to support the Communist cause.

Not only is the Communist menace described and analyzed, but Mr. Hoover throughout the book tells what patriotic citizens can do to combat it. He calls for vigilance, a knowledge of the true aims of the party and a willingness of Americans to work together in support of freedom. After reading this book the citizen can say: "Here is a book of merit—a book which has meaning to my everyday life."

Masters of Deceit is recommended reading for the Nation. The author deliberately avoids sensationalism; the book, as Mr. Hoover states in the foreword, "does not pretend to disclose a body of material known exclusively to the FBI." It does attempt to explain the background and menace of communism in simple and understandable language. Seldom does a book come from such a distinguished pen with such a meaningful and timely message. In it we will find answers which will help us in our battle of survival with Soviet Russia.

A Bill To Protect the Small Investor

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. MULTER. Mr. Speaker, I have today introduced a bill designed to bring within the operation of the Securities Act of 1933 the sale of securities offered for sale and sold only in one State. The bill would thus prohibit deceptive practices which are currently victimizing small investors.

Of all the laws passed under the aegis of the New Deal, few if any have been as wholeheartedly accepted as the Securities Act of 1933 and the Securities Exchange Act of 1934, which established the Securities and Exchange Commission and today protect millions of American investors from fraud and deception in the sale of securities. The major stock exchanges themselves now welcome the standards for prospectuses and security offerings which the SEC, under these laws, requires. Confidence in the integrity of the security markets, so badly shaken in the debacle of 1929, and with reason, has been reestablished.

Nonetheless, we must face the fact that there are certain areas in which the small investors face a real peril, areas over which the SEC presently has no jurisdiction. One of the most insidious of these, and the one which my bill is intended to attack, concerns securities which are offered only within a single State, and which are often limited for original sale to the residents of that State. Heretofore these have been exempt from SEC regulation.

It is precisely here, free from the watchful eyes of the SEC, that unscrupulous promoters have victimized unwary small investors. Let me give you but one example of many that have come to my attention. In New York City, within recent months there has appeared a rash of advertisements offering returns of 7 percent, 10 percent, 12 percent, or more on various real-estate securities, with the offerings limited to State residents only. Such advertising, as the Better Business Bureau of New York City has been at pains to point out, is frequently misleading and deceptive. Offering circulars are so artfully contrived as to confuse even a studious and informed person, much less an uninitiated and uninformed real-estate investor.

Unfortunately, under the laws of New York State, such offerings do not need to stand the advance scrutiny of analysts, accountants, engineers, and attorneys of the Securities and Exchange Commission. All that is required is the filing of a simple registration statement with the attorney general of the State of New York; and he has no effective regulatory power over these offerings.

New York State is by no means unique in this situation. In fact, many other States are much more lax in their supervision over the issuance of securities that are advertised and sold only within the State.

The bill which I am introducing seeks to put an end to these unscrupulous promotion schemes. Heretofore, under paragraph 11 of section 3 (a) of the Securities Act of 1933, security issues restricted to residents of one State have been exempt from Federal regulation. By striking out this paragraph, as my bill proposes, this exemption would be terminated. It would thereby be unlawful to use the facilities of interstate commerce unless a registration statement for the security was in effect.

Investors throughout the Nation would be assured that the fact that a security is not offered for sale throughout the country is no barrier to its meeting the requirements of the SEC for disclosure of all relevant information. There would remain, of course, certain kinds of securities, such as Government securities, building and loan securities, and those security issues aggregating $300,000 or less which would continue to be exempt from SEC regulation. Small investors would receive a substantial benefit from this bill. They would be less subject to scheming promoters issuing misleading, confusing, and deceptive prospectuses. This is a protection which our people deserve and need.

Better Educational Opportunities

EXTENSION OF REMARKS
OF
HON. GLENN CUNNINGHAM
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, I am today introducing legislation which will, in my opinion, do more toward assuring American youth constantly better educational opportunities than any program of Federal scholarships, any Federal program of classroom construction or any other Federal program.

My bill allows schoolteachers and school administrators to deduct for income tax purposes professional and extraordinary living expenses incurred

while furthering their educational training. It would allow any teacher or administrator a maximum $600 deduction from gross income prior to determining taxable income.

Teachers and administrators could deduct expenses of tuition, fees, books, and transportation from home of record to the institution, as well as expenses for meals and lodging.

Such legislation would encourage teachers to continue their professional education, and I would suppose it would be an encouragement to young people entering the field, since it is a universal truth that promotion and allied salary increases in the teaching field go most usually to those who are seeking to improve themselves through further professional training.

Through encouraging teachers to improve themselves and through encouraging students to enter the teaching field by making it easier for them to advance their status and salary level, I feel this bill will do much to improve the already high caliber of teaching in our schools.

Through an improved caliber of teaching, our so-called math and science lag will soon dissolve. The shortage of teachers should certainly be attacked by making teaching more attractive financially. And finally, there is no new agency, bureau or even office needed in this legislation. No new employees need to be hired and there is no appropriation needed to carry it out.

Fast Action Needed on Social Security Amendments

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. ASHLEY. Mr. Speaker, every day my mail brings scores of letters from old folks who reside in my District. All of them recount, in pathetic terms their personal struggle to make ends meet on their small social security pensions. Theirs is by no means a new story, but rather a sad and worn tale of trying to stretch a static income to cover the inflated price levels of food, clothing, shelter, and essential medical care.

For more than 2 years now inflation has driven the cost of living steadily upward, whittling away the real income of the American people, wage earners, and businessmen alike. But our retired citizens living on fixed pensions which are uninsulated by either escalator clauses or profit markups, have been the sorriest victims of inflation.

Despite repeated protestations on the floor of both Houses, no effective action has been taken to relieve the mounting pressure on individuals and families caught in the painful squeeze between fixed income and ever-rising prices. And despite the fact that our national economy has been undergoing a general recession in recent months, the cost of living has continued on its upward trend to an all-time high now of 122.3 as reported for January 1958.

Some effective action must be taken and it must be taken soon to provide relief for our social security recipients. My call to action is contained in H. R. 10664 which I introduced recently to increase social security benefits by 10 percent and to provide insurance as well against the cost of hospital, nursing home, and surgical service.

The spectacular rise in life expectancy has vastly increased the number of older and retired persons in our society. At a time when their health needs inevitably increase with the infirmities of advancing years, their income is sharply curtailed while the opportunity of taking out health insurance is either denied or the premium rates are prohibitive. Our social-security laws must be amended to provide better methods of meeting this problem.

I believe the provisions of my bill are as sound and humanitarian as they are necessary. In a country that boasts to the rest of the world of our high standard of living, the long neglected and serious economic plight of our retired citizens cries out for immediate attention.

Since old age is the likely fate of all of us, the welfare of the aged should be the concern of all of us. We can no longer ignore the problems of the aged or postpone action to resolve or alleviate them. I urge the House Ways and Means Committee to undertake immediate consideration of this legislation so that both the House and Senate can complete the necessary action to inscribe it into law during this session of the Congress.

The Importance of Extending the Full Appropriation for the Library Services Act, Public Law 597

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I have submitted to the House Appropriations Committee's subcommittee studying the budget of the Department of Health, Education, and Welfare. My statement is in support of the full appropriation for the Library Services Act, Public Law 597.

The statement follows:

THE IMPORTANCE OF EXTENDING THE FULL APPROPRIATION FOR THE LIBRARY SERVICES ACT, PUBLIC LAW 597

Mr. Chairman and members of the committee, I greatly appreciate this opportunity to speak in behalf of the proposed legislation to extend the full appropriation of Public Law 597, the Library Services Act. Federal aid to the States for public libraries in the rural areas of our Nation has always been of great interest and concern to me. I was happy to have been one of those Members who sponsored this type of legislation in the United States Congress. The passage of the Library Services Act in June 1956 represents somewhat of a triumph in many respects. I would not be human if I were not to admit that the passage of Public Law 597 gave me deep personal satisfaction, for it embodied a great deal of my own proposal for Federal aid to extend library services to rural areas. Other than this, however, and of far greater importance is the fact that the library services bill represents a concern on the part of the Federal Government for those 27 million children and adults in America without library services of any kind, and for the additional 53 million Americans with only inadequate libraries.

However, the passage of Public Law 597 was but the first step in getting a program of Federal aid to libraries under way. The funds authorized by the act are $7.5 million a year for the 5 years, beginning July 1, 1956. For the first fiscal year Congress appropriated $2,050,000. This amount provided for a basic grant of $40,000 to each of the States, Alaska, Hawaii and Puerto Rico, and $10,000 to the Virgin Islands. For the second fiscal year beginning July 1, 1957, Congress appropriated $5 million. The time has now come when we must seek appropriations for the third fiscal year, to carry on the programs that have been established. When we review the tremendous progress that has been made in the first 2 years, the importance of granting the full amount of $7.5 million authorized by the Library Services Act becomes obvious.

According to the Library Services Branch of the Office of Education, participation of the States in the program exceeds all expectations. During the first fiscal year of the program, 36 State plans for the further extension of public library services to rural areas were approved. These 36 States were able to match, and in some cases to overmatch, the Federal funds provided. According to Public Law 597, the Federal grant must be matched according to a formula based on the State's per capita income. Additional funds are allotted based on the rural population of the State as compared to the rural population of the United States. The law also specifies rural areas as being those of less than 10,000 people, but large centers may be included in plans to extend public library services to rural areas.

The whole approach of the legislation of the Library Services Act was to stimulate State and local governments to develop their own library programs. During the first fiscal year the Federal Government paid grants to the States totaling $1,440,000. To match this amount State and local governments together were required to contribute $1,282,861. Actually, the 36 participating States managed to put as much as $4,224,120 into the effort, and so outdistanced requirements by nearly $3 million. We could not ask for more evidence of the willingness of the State and local governments to bring library services to the rural areas of our country. It is also proof of the careful preparation and planning which has been carried out by the State library agencies well in advance of the passage of the Library Services Act.

How was the money spent in the first year of this Federal aid program? If you will bear with me, I would like to give you a breakdown of the total budget of the 36 States' plans. The total budget of the 36 States amounted to $5,664,120. Of this $2,300,475 was spent for personnel, $2,083,622 for books and other library materials, $601,938 for library equipment and $678,085 for operating expenses. Included were approximately 80 new professional positions and 30 new bookmobiles.

Now that the second year of the Library Services Act is under way, the Federal program of aid to the States for rural libraries is being conducted in 45 States and the 4 Territories of Guam, the Virgin Islands, Alas-

ka, and Hawaii. The Office of Education expects to receive plans from Puerto Rico within a few weeks. The 3 States who have not as yet submitted plans are Delaware, Indiana, and Wyoming, and there is a possibility that the State plans for Delaware are to be received before the end of the second fiscal year. Under the appropriation of $5 million granted in the second fiscal year, it has been calculated that the matching funds from State and local sources amounted to $4,569,000. From all accounts, it would seem that the achievements of the second year of the program will be as impressive as the first.

The Library Services Act now approaches the middle year of its 5-year program. I do not wish to burden you with further financial evidence to emphasize the full importance of granting this program the full authorization of $7.5 million to carry on its highly dedicated mission. Rather I would like to emphasize that there is a great deal at stake here, the importance of the public library as a means of educating the American people.

Within recent weeks we have heard and read innumerable laments concerning the deterioration of American education. Figures have been published comparing our graduates in scientific and technical fields with those of other countries, particularly Soviet Russia. We have been reminded of the lack of intellectual pursuits on the part of the American people, and of our poor disregard for the scholar and his work.

I will not deny that all of these weaknesses exist and have existed for some time. The time has come, however, when we can no longer afford to ignore these weaknesses of ours. To do so is to invite disaster for ourselves and our children who are to come after us.

I am convinced that Americans everywhere are willing and ready to go forward to achieve those things that will strengthen America's intellectual forces. The response which they have already made to the Library Services Act is the best evidence of this fact. At a time like this we cannot deprive the American public of one of the greatest means to improve and educate itself. The 27 million Americans without library services of any kind is certainly one of the most compelling reasons to continue the program of the act. And the additional 53 million Americans with only inadequate library resources is another equally compelling reason. I would like to think, however, that the most compelling reason for giving the Library Services Act an opportunity to operate under a budget of $7.5 million dollars is the future of America itself.

Again, I wish to thank the members of the committee for making it possible for me to present my plea for a full appropriation for Federal aid to the rural areas of our great Nation.

Interparliamentary Union Holds Its 46th Conference in London, 1957

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 27, 1958

Mr. REED. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

INTERPARLIAMENTARY UNION HOLDS ITS 46TH CONFERENCE IN LONDON, 1957

The 46th conference of the Interparliamentary Union was held in London September 12–19, 1957. Only 4 years before, the United States Congress had been host to the Union at the Capitol in Washington. Meantime, annual conferences had been held in Vienna in 1954, Helsinki in 1955, and Bangkok in 1956.

Although the union is almost 70 years old, this was only the 46th meeting, since it did not always meet annually and did not meet during the periods of 2 World Wars. Yet the idea of the union, participation of parliaments in the foreign affairs of their countries, the establishment of the principle of arbitration of disputes, and the struggle to bring about peace through mutual understanding had never been abandoned and the verging on London by 49 civilized nations, intent upon peace, was a strong indication of the continued force of a great idea. The United States was a charter member of the union in 1889.

The United States delegation, which had left Washington a few days previous, consisted of Hon. HENRY O. TALLE, of Iowa, chairman, who went to fill the place of Hon. DANIEL A. REED, president of the group; Senator GORDON ALLOTT of Colorado, Senator RALPH E. FLANDERS of Vermont, Senator J. ALLEN FREAR of Delaware, Senator J. WILLIAM FULBRIGHT of Arkansas, Senator THOMAS C. HENNINGS, JR., of Missouri, Senator ESTES KEFAUVER of Tennessee, Senator A. J. MIKE MONRONEY of Oklahoma, Senator STROM THURMOND of South Carolina, and Senator ALEXANDER WILEY of Wisconsin, a vice president of the group. The House delegation consisted of Congressman HALE BOGGS of Louisiana, Congressman HAROLD D. COOLEY of North Carolina, also vice president of the group and member of the council, Congressman CHARLES B. HOEVEN of Iowa, Congressman KENNETH B. KEATING of New York, Congressman JOHN MCMILLAN of South Carolina, Congressman GORDON L. MCDONOUGH of California, Congressman W. ROBERT POAGE of Texas, Congressman JOHN M. ROBSION, JR., of Kentucky, Congressman ANTONI N. SADLAK of Connecticut, and Congresswoman KATHARINE ST. GEORGE of New York. Mr. William T. Reed, assistant secretary for the minority of the Senate acted as secretary of the delegation while Dr. Franklin Dunham accompanied the group as permanent executive secretary and liaison to the Interparliamentary Union and United States Embassy. Mr. Pat Holt of the Senate Foreign Relations Committee and Dr. Charles J. Zinn of the House Judiciary Committee acted as observers during the conference.

At the opening of the conference 49 nations made up the membership of the union. These nations are, Albania, America (United States), Argentina, Australia, Austria, Belgium, Brasil, Bulgaria, Burma, Ceylon, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain, Greece, Haiti, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Laos, Lebanon, Liberia, Luxembourg, Monaco, Netherlands, Norway, Pakistan, Peru, Philippines, Poland, Rumania, Spain, Sudan, Sweden, Switzerland, Thailand, Turkey, U. S. S. R., and Yugoslavia. At the first meeting of the council held early in the week, applications were received from Egypt (to return to the conference), Algeria, South Vietnam, and Ghana. All but Ghana qualified technically and were elected. Absentees were Turkey, Peru, and Haiti, so the nations in actual attendance remained at 49, though there are now 52 members in the union, the largest number of representative parliaments in its history.

Meetings of both the conference's executive committee and the council were held during and, in th case of the executive committee, after the conference, as well. Invitation from Brazil to meet in Rio de Janeiro, the fourth week of July 1958 was formally accepted and the council meeting for 1958 was subsequently set for Geneva, approximately March 1. Since the conference will be so early in the summer, this is of course the first time the conference will have met on the South American continent and a great number of Latin-American nations are to be expected.

Members of the United States delegation were in many advance conferences during the early part of the week serving on committees and attending council meetings until the inaugural of the conference which was held with all the panoply of ritual and color in Westminster Hall, ancient seat of the British Parliament with Queen Elizabeth II, presiding. In a short and beautifully-given speech, the Queen reminded the delegates from all the world that it had been 67 years since the first meeting in London (the second meeting of the union actually to be held) and that those same high hopes for peace through parliamentary action were the potential truth of peace of these meetings. The Prime Minister, Mr. Macmillan, responded to her greetings, as did the Minister for Foreign Affairs, Mr. Selwyn Lloyd and Lord Stansgate, retiring president of the council.

The Queen's speech follows:

"It gives me great pleasure to be able to attend the opening of the 46th conference of the Interparliamentary Union and I extend a warm welcome to the representatives of national parliaments from all over the world.

"This great Hall of Westminster is the birthplace of British parliamentary institutions. The first Parliament was summoned here 700 years ago and many great events in the history of parliament and nation have taken place within these walls. This hall bears witness to the durability of the system and it is therefore a most suitable choice for this meeting of the Interparliamentary Union.

"I am proud to say that political life in all the nations of the Commonwealth, of which I am the head, is based on parliamentary government. We regard it as both the proof and the guardian of our democracy. It may not please all the people all the time, but it is essential if the individual is to remain free and all are to be equal before the law.

"The Parliament at Westminster has seen many changes and survived many crises. It has adapted itself to the conditions of each succeeding age without loss of vitality or strength. This has happened because there have always been men who have realized that it is the principle of parliamentary government that is important and principles are only kept alive by people who believe in them passionately.

"Other nations have developed political assemblies in different ways with a great diversity of form and function, but the fact that so many are represented in this union is a solid expression of faith in Parliament as the first and principal instrument of democracy.

"Sixty-seven years ago, at your first meeting in London, a resolution of the union recorded your belief that closer relations between the members of the various parliaments would make for peace. Subsequent events have not been very encouraging but everyone here today knows the potential truth of these words. The union brings you together, not as representatives of governments but as representatives of parliament. You are all men and women in public life with obligations and duties to those whose interests you represent in the counsels of your own countries. Whatever differences may exist between the nations you, at this meeting, have much in common.

"If this union can help you understand each other's problems and points of view, if it can help you to advance those forms of government and standards of international dealing which we know to be right, then we may yet win that concord among

the nations which has been sought for so long and which we need so urgently today.

"I wish your discussions every success at this 46th conference of the Interparliamentary Union."

The Prime Minister said, in part:

"It falls to me—and this is a very great privilege—to offer to Your Majesty in the name of this distinguished and representative gathering our sincere thanks for so graciously consenting to open our conference. We all realize the heavy burdens which lie upon Your Majesty, and the many claims upon your time and strength. We are therefore doubly grateful for the honor which you have done us.

"Here, as Her Majesty has reminded us, we are assembled in an ancient building hallowed as the very birthplace of our parliamentary institutions. These have been developing with many changes during many centuries of history and the particular form which our parliamentary democracy now takes is the result of a very prolonged development. I think it would be quite wrong to overlook the fact that parliamentary institutions allow of different kinds of relationships between the executive authority, be it crown, or president, or cabinet, and the deliberative and legislative assembly. The precise balance of rights and powers between the two are always changing. In some countries these are governed by written constitutions, in others they respond to different conditions at different times, but there is one essential if parliamentary government is to have a real meaning. Parliamentary representatives must represent their electorate. They must not be the creations of some outside body. They must be individuals and not ciphers. Free men are not nominees. They must have the right of free speech and free criticism. Whatever their powers be at any given time in the development of a country, parliament and executive must be separate and living institutions with their own sense of responsibility and their own rights and duties.

The Secretary of State for Foreign Affairs, said in part:

"There is another way in which we can effectively help to improve the situation. It is on the topic of disarmament that I particularly wish to speak to you today. The Interparliamentary Union devoted an important part of its time at its last session in Bangkok to the study of this problem. There is plenty of controversy about it. But as your guest I do not want to go too far into the controversial aspects with you this afternoon. I want rather to indicate the way to common ground.

"I wish to emphasize three points. First, the need for progress; second, the opportunity which the world has of making progress at this time and, third, the lines upon which progress can be made.

"First, with regard to the need to make progress. A race in armaments is wasteful and dangerous. It is wasteful because it draws off resources in men, in money and materials. It absorbs scientific inventiveness and technical knowledge. All those, if they were devoted to peaceful purposes, could greatly enrich the world and add to the sum of human happiness. A race in armaments is dangerous because it increases tensions and adds to the risk of war. At the present time the hydrogen bomb is the greatest deterrent to war.

"Our security in this country to a large extent is based upon that deterrent. But we should much prefer a comprehensive disarmament agreement, properly controlled, covering all the fields of armaments, of a nature that would make a major war impossible. What we wish to do at the present time is to make a beginning on the way towards that comprehensive agreement.

"Second, the opportunity to make progress. The disarmament subcommittee has been meeting in London for the past 5½ months. It has now adjourned and reported to the disarmament commission of the United Nations. It has not been able to record agreement between its 5 members, although 4 of them have put forward joint proposals. I believe that many people are disappointed that this period of intensive work should end without agreement.

"It has been a great disappointment to the government and people of the United Kingdom. There is a temptation to look at the results of the talks in a mood of cynicism or even despair. The very fact that there was a certain optimism about these disarmament talks 2 or 3 months ago has tempted some to give way to disillusionment or impatience.

"I, however, do not look at the matter in this way at all. There has been a period of useful discussion. Much attention has been given publicly and privately to the problems involved. We face a new session of the United Nations. I believe that psychologically it is the time for us to make progress: the cost of arms, the nature of modern arms, the strains and stresses in the world—all these combine to reinforce the challenge. It is not as though progress in disarmament would simply affect the budgets and economic situations of the countries. It would also of itself contribute to the relaxation of tension necessary to further progress.

"How then could progress be made? I would venture to set out four essential considerations governing our approach.

"First of all, it would be a mistake to wait until there is sufficient agreement to enable a comprehensive disarmament plan covering all stages to be evolved and agreed upon. Such a comprehensive plan is still our objective—one which will include the prohibition and elimination of all nuclear weapons and the reduction of conventional armed forces and armaments under strict control to levels needed for internal security and nothing else.

"But in the world of today it would be foolish to believe that any such plan is practical politics. We will not abandon it as an ideal but it will not happen soon. We should therefore now aim at a partial or first-stage plan, one upon which there is a chance of agreement being reached.

"My second point is that if a start is to be made toward partial disarmament, it is not wise to impose political conditions for the first step. Before the process of disarmaments gets to an advanced stage, I am certain there will have to be political settlements of certain outstanding problems. I think we would be unwise to specify what these problems might be, because that might simply be to erect barriers to further progress. But for a first stage or partial plan I think we should have in mind such measures as are likely to be acceptable without any political preconditions.

"Thirdly, agreement to be sound must involve disarmament both in the nuclear and in the conventional field. Whatever debates there may be, whatever the clever dialectics on either side, you will not get one group to accept a measure of nuclear disarmament unless the other group also accepts conventional disarmament. You will not get one group to accept conventional disarmament unless the other accepts nuclear disarmament. We have to be realistic in these matters. It isn't a question of propaganda positions, who wins the war of words, it is a question of realities and there will not be an agreement unless those two march paripassu. There are two reasons for this. Some countries have a striking superiority in conventional weapons. They are in a geographical position to move conventional armies and armaments without great problems of transportation. For them conventional attacks are much easier to prepare and to launch and, indeed, to maintain. There are other countries with scattered responsibilities, with long lines of communication which have to be over the sea in large measure, countries which are therefore in quite a different position. That is the first reason for conventional and nuclear disarmament proceeding together.

"The second reason for our saying that nuclear and conventional disarmament must go together is that we hate war, by whatever weapons it may be waged. We believe that a world war fought with so-called conventional weapons similar to those of the last war but improved upon, will be just as terrible for the world as a war fought with nuclear weapons. It may take longer for society to destroy itself, but it will happen just the same.

"The fourth point is that if such a partial agreement is to contribute to a sense of greater security in the world and not the opposite, it must consist of measures capable of being controlled and must provide for the degree of control considered necessary. It is no use entering into agreements which are simply declarations of intention. In the realm of disarmament, it is my firm belief that treaties, however solemnly enacted which do not provide for controls, will do nothing to increase international confidence."

The business of the conference actually started at 2:30 p. m. in the afternoon when sessions began in the admirable circular auditorium in Church House, close by St. Margaret's Church and the abbey. After the election of Sir Malcolm Stoddart-Scott, chairman of the British group as president of the conference and the Honorable HENRY O. TALLE as a vice president, a letter of greeting was read from the Honorable DANIEL A. REED, president of the United States group who could not be present with the delegation. Ringing applause greeted the close of the letter and, subsequently, a radiogram of greetings was sent by the entire conference to Mr. REED, beloved member of the union, on the occasion of his 81st birthday?

The general debate opened on the report of the secretary general which had been circulated in advance to all delegates. Speakers for the United States delegation were the Honorable HENRY O. TALLE, of Iowa, chairman of the delegation, and the Honorable J. WILLIAM FULBRIGHT, Senator from Arkansas. The general debate continued until Saturday morning when the three questions on the agenda were brought up for discussion. The first question was the refugee resolution. This question had received long and exhausting debate both in committee and at the council meeting in Nice, 1957. Both Congressman KEATING and Senator HENNINGS spoke on this question. Congressman KEATING had attended the special meeting in Nice, called to discuss this question before the council met and had already inserted in the resolution points consistent with the United States views on this alarming problem—a source of primary concern in the Near East, as well as in many other locations. By amendment, it was possible to submit and pass the resolution with the principle of voluntary action demanded that no refugee should be pressured to return to either his own or any country without his complete consent. This was upheld by Senator HENNINGS, as well, and was so passed.

The question on Monday, September 16, was the influence and control by parliaments over governments. Senator FLANDERS and Mrs. ST. GEORGE spoke to this resolution and supported a Philippine amendment which brought it within the scope and philosophy of both our governments as well as those of the direct parliamentary form. It was so passed.

The third general question was the stabilization of prices of primary products. Congressman TALLE and Senator KEFAUVER spoke to this resolution and both advocated a stricter and more accurate means of information on primary products and fair dealing in adjustments of world commodities as the af-

fected the economic life of all nations, large and small. A resolution embodying these ideas and calling for a world conference on prices was passed.

Letter of President DANIEL A. REED, of the United States group, addressed to the 46th conference of the Interparliamentary Union:

"MY DEAR LORD STANSGATE: I am happy to be able to extend to you and through you, to all the assembled delegates of the respective countries represented in London, my most sincere greetings.

"One of the bitter disappointments of my life is to miss the opportunity of attending the sessions of the 46th interparliamentary conference at London this year. It is wonderful to have the 'mother of parliaments' as our host at this time.

"My admiration for the far-flung Commonwealth and its mother country has grown through all the years from my youth to the fourscore I can count today. Although I am prevented by circumstance and on the advice of my physicians to attend this meeting, I know the London conference will be another historic event in man's constant search for a just and durable peace. To these ends and purposes, I fervently join with you in spirit today.

"Peace is not a passing elusive state of inactivity. It is a dynamic, attainable objective, so well defined by St. Augustine centuries ago in his words: 'It is the tranquillity of order.' Tranquillitas was the Latin word the eminent church doctor used and it means even more than the English word which has grown from it. It is not simply a sense of well-being. It is actually the sense of being—being just to your neighbor.

"In all my visits to London and to your other cities of traditional industry and importance, the lovely lake country, the bonnie hills of Scotland, and your nearby neighbor, the ever-green Emerald Isle, I always have been impressed by the sheer beauty of what might have been, except for the gulf stream, an icy stretch of land in a subarctic sea. Instead, it has been blessed by nature to be the home of a great people, whose energy and integrity has influenced every part of the civilized world.

"It has brought law and order into man's undertakings—it has laid the foundations for democracy and self-government and wholesome respect for authority, without which men cannot peaceably live with one another. It has not always accomplished its eternal aims but it has heroically striven, I believe, to bring them about.

"In the late unpleasantness (which, incidentally, is as late as the 18th century) our own revolution was led by sturdy sons of Britain—Washington, Franklin, Hamilton, Jefferson, and the Adamses, who clung to the principles of law and order, aided and abetted by many English statesmen back home who fought in your very parliament for the cause which their kinsmen in the United States were upholding.

"By language, law, custom, and kinship, we are very close to you. By great waves of immigration from all of Europe, the Scandinavian countries, the Near East, the Middle East, Africa, and the Far East, in fact, from all the world, we are kin to every segment of the human race.

"In the deepest travail of the Second World War (may there never, never be one called the third) your distinguished leader Sir Winston Churchill, one of the most valiant men the world has ever produced could cry out, with Arthur Hugh Clough in his fateful prophecy written in the early part of the 19th century: 'Say not the struggle naught availeth, The labor and the wounds are vain, The enemy faints not, nor faileth and as things have been, they remain.'

"Again:

"'And not by eastern windows only,
When daylight comes, comes in the light,
In front, the sun climbs slow, how slowly,
But Westward, look, the land is bright.'

"Not by eastern windows only, so well represented now in the Interparliamentary Union and in its Bangkok meeting but by westward look to North and South America, the Conference plans to meet in Rio de Janeiro next year, so demonstrating its new universality and its worldwide constructive effort for peace and understanding among all peoples.

"I cannot close without recalling those words of Alice Duer Miller, beloved American poetess whose wonderful poem, The White Cliffs of Dover, written in 1941 just 1 year before her death, ended with these 2 lines:

"'And in a world in which there is no England,
I do not care to live.'

"We thank the Creator of this universe that He chose to make England live, and live on, to be the host as you are, in 1957, to the half-hundred nations now assembled in the very cradle of parliamentary practice and procedure, this glorious monument to self-government, Westminster Hall. There have been 8,000 peace treaties written in the last 3,500 years and each one of them contained a clause that 'the peace shall be permanent.' The average life of each treaty was 2 years. That does not mean anything unless we think that it is quite unimportant in the course of human events. We are working along idealistic lines of bringing about peace, and it means a long, hard battle but it must be won if civilized humanity is to survive.

"This is the idealistic principle in which every mother on earth is interested—it is peace; and if we are to have peace, it is going to be through the parliaments of the free nations of the earth, not through the executives of the nations. It is the men who are close to the heartbeats of the mothers who are sent to the parliamentary bodies of the respective free nations that are eventually going to bring about peace. I believe this may be the very step to the solution of the problem which the world has long awaited.

"I wish I could be with you to take part in the work toward that 'tranquillity of order' St. Augustine so well defined.

"Let us remember peace is not a static condition—it is a dynamic force and the Interparliamentary Union can, I believe, by its exercise of reason, prudence, and justice, help mightly to bring it about.

"Sincerely yours,

"DANIEL A. REED,

"President of the United States Group of the Interparliamentary Union."

Speech of the Honorable HENRY O. TALLE at opening of 46th conference of the Interparliamentary Union:

"Mr. President, fellow delegates, ladies and gentlemen: This morning the Interparliamentary Union witnessed with the profoundest emotions of respect the impact of loyalty and devotion between a people and their Queen when Her Majesty, Queen Elizabeth II, opened the first session of this conference. It was an event we shall never forget, an event which, as a ceremony and a spectacle of graciousness, could not be excelled.

"The Interparliamentary Union convokes its 46th conference in the year 1957 in an atmosphere of tradition and history congenial to our aims, because England has been the workshop of freedom for the western world.

"It is a profound and basic truth that the philosophy of the dignity of the individual has its roots in the Old and the New Testaments and in all the great religions. But it was Anglo-Saxon will-to-freedom which gave it meaning in the everyday life of man, and here in London and in these immediate environs we have the very anvil, so to speak, on which the modern creators of freedom hammered out the faith and the law basic to the freedom we cherish. Here we walk within the very walls within which were evolved what became in its time the greatest of parliaments.

"We are most happy to be convened in the great and beautiful metropolis of the United Kingdom, where every ancient castle, tower, temple, and monument speaks of the rich history and culture of a magnificent nation and of the men and women who made it great, from Chaucer and Shakespeare to Churchill—Blackstone, Milton, Locke, Newton, Pitt, Nelson, Tennyson, Byron, Victoriak Disraeli, and Gladstone—and the many other bright stars in the British galaxy who have for centuries illuminated the long and tortuous road to humanity's fulfillment.

"We are thrilled to meet in this historic hall of the ancient palace of Westminster, which is so rich in historical association, and where the representative English Parliament was born.

"What is it that we ask shall be done at this conference? We ask only that man settle his relations with man on a plane of peace. We ask only that man substitute arbitration for war. We ask only that peace itself be made a philosophy of life and not an instrument of diplomacy to be shuffled like a playing card in a highly dangerous game. We seek, as this agenda so eloquently proves, to direct the attention of nations to the care of those who, even as I speak, are the victims of war and near-war.

"Gathered here are the delegates of 49 nations of this universe. I wonder if you will agree with me that it is doubtful if the representatives of so many people ever before met under a spiritual canopy of amity and mutual goodwill like that which prevails at this conference. None of us seeks as against the other to impose a standard of conduct or a philosophy of government or law that may be either unsuitable or premature or unacceptable.

"What we all seek is to consult together in the manner of parliaments and to put into as concrete form as may be, the world's infinite yearning for peace and mutual happiness. It happens that I, an American delegate, speak from a racially Scandinavian background. It is my pride in the valor of the Norsemen and their lordly individualism and independence that persuades me to say that the very idea inherent in the word, 'parliament' forbids that any one man, or any one nation, shall prevail over or dominate the others.

"The political faith of the American people expresses itself in the fact, as nearly as it can be made operative, that the United States is a nation of 172 million people governed by themselves. The Government, as in this assembly before me, takes the form of decision by representation. In the United States it is representation of the people both by districts—upwards of 400,000 people to a district—and geographically, by States. The individuals and the parties in power, far from remaining static, or themselves determining their successors, are in a constant state of rotation. They change subject to the will of the people in whom rests the power—absolutely—of decision by ballot, free and secret.

"You will forgive me for making these elementary comments about my Government. I shall be intensely interested in hearing you discuss yours. This is one of the facets of our consulting together. For it is this interchange of views that we all hope may bring about the mutual understanding conducive to the peace we are here to help assure to a tension-ridden mankind.

"We in the United States who believe in the philosophy of the West, imbedded as it is in 2,000 years of development, have gone

to extraordinary means since 1945 to help the world toward its appreciation and perhaps its adoption. It has basically influenced our policy, our finances, our budget, our economy. Since we in this assembly are representative of every area of the world, what we aim to do is not to proselytize one another, but rather to accept each other's differences without hostility. But we do this without blurring our vision, much less blinding it, to our central purpose: world peace.

"American freedom has not only its roots but its very soul in British tradition. We are profoundly thankful for the observation of that great English statesman, Mr. Gladstone, and we shall never cease to quote his famous conclusion: 'As the British Constitution is the most subtle organism which has proceeded from the womb and long gestation of progressive history, so the American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.'

"American freedom made itself workable through this constitution.

"Therefore, when I speak of the congenial atmosphere in which we meet, it is this mutual interweaving of history that I have in mind. For let us not suppress the pride we of the West must feel in the spectacularly apparent fact that, as the United States borrowed from England in struggling for America's sublime credo, equal justice under law, so Asia and Africa and the Middle East and the Far East are even in this hour, groping for their freedom inspired by that same philosophy. Just as the United States from the beginning and today is erecting her inherently American edifice of free government from the collected wisdom of the past—Hebrew, Greek, Roman, European—from Christ and Moses, Solon and Aristotle, from Montesquieu and John Locke, so the newly awakened areas of the earth are at this moment responding to this same eternal cry of man for his right to be free.

"All the world, its peace, its stability, its future, is face to face now with man's soaring demand—where liberty is still denied him—for his right to establish in his own way the justice that he cherishes. He is clamoring for his right to insure domestic tranquillity, his right to promote the general welfare, his right to secure the blessings of liberty to himself, and his posterity.

"Those who can read the writing on the wall know how inevitable are the forces of history. Those who can read the writing on the wall know that no instinct in man, once aroused, is more difficult to suppress than the instinct for liberty. We here, if we are to remain true to the founding principles of this institution, the Interparliamentary Union, have it as our bounden duty to satisfy to the fullest this elemental quest of man for the right to be himself.

"Mr. President, I wish at this time to congratulate the secretary general on his proficient work in preparing the preliminary documents, the agenda, the draft resolutions and various reports—all of which will greatly facilitate the proceedings of our conference.

"I look forward to the debates of our meeting on the very important topics listed in the agenda. I trust that our discussions will contribute to enlightening ourselves as well as international public opinion in this increasingly interdependent world. We cannot solve the problems of our times unless we first understand them. And understanding comes most surely through full and free discussion.

"Finally, we all know that the task of building a peaceful world is a slow and painful process at best. We must build stone upon stone. In this atomic age there is no acceptable alternative to constantly striving for our great objective—the creation of a peaceful world with justice and freedom for all mankind."

Speech of the Honorable J. WILLIAM FULBRIGHT at opening of 46th Interparliamentary Union Conference:

"Mr. President, I am honored to be permitted to address this great assemblage of parliamentarians. The secretary general has produced a complete and, on the whole, an objective and dispassionate report which reflects some of the troubles besetting the human race as we move through these middle years of the 20th century.

"Troubles of course are not new to the human race, but we should recognize that these troubles are very largely of our own making.

"We are capable, in the sense that we have the technical and scientific knowledge, of feeding, clothing, and housing the 2½ billion of us. We have the means, in short, to achieve freedom from want. This is one of the four freedoms to which one of the great Presidents of my country referred in one of his finest speeches. I am sure you remember the other freedoms which President Roosevelt listed on that memorable occasion—freedom to worship, freedom of speech, and freedom from fear.

"It is a sad commentary that we have not been able so to organize our affairs as to achieve these freedoms. This is not the forum in which to make propaganda as to who is, or is not, responsible. We here cannot settle any of the great issues which divide the world. We have no authority to do so, if we could. The place in which to resolve these issues is the United Nations, now meeting in New York.

"The United Nations cannot function properly if we have no confidence or trust in each other's word, in each other's intentions.

"Confidence can develop only from a course of conduct over the years. It does not arise from propaganda hocus-pocus.

"What we can do in this gathering is to get to know each other better. We can develop confidence in each other, assuming, of course, that we are not wholly depraved. All of us are human beings before we are Americans, or Britishers, or Russians, or Indians. A biologist would have difficulty in distinguishing one from another.

"If one assumes, as I do assume that human beings are rational creatures, that they do not wish to commit suicide—then how can we go about preventing self-destruction by nuclear weapons?

"To me the first and obvious step is to get to know, to understand each other—not through propaganda which is unreliable, but through personal conversation and observation.

"The differences between men as men are slight. The differences between their institutions and their prejudices are great, but these institutions and these prejudices have been changed in the past and can be changed in the future in response to the needs and desires of men—the desire to live, for example.

"When we meet in London, we are inevitably, I think, given renewed hope. These historic surroundings, which saw the birth of free political institutions, remind us that we do make progress and that such institutions can change, they can adapt, and that they do endure, sometimes in spite of very great difficulties.

"Indeed, the mere fact that we are gathered here is itself a tribute to the strength and vitality of such institutions. We are representatives of legislative bodies that range from the oldest to some of the newest. It is significant that even in countries where parliaments have no real power, the dictators still feel called upon to give lipservice to the forms of democratic self-government. The idea of democratic government is one of the most powerful that has possessed the human mind. I recall a remark of Voltaire, who said, 'There is one thing more powerful than all the armies in the world, and that is an idea whose time has come.'

"If we cannot today say that the time has come all over the world for the idea of democratic government, through freely elected legislative bodies, at least we can say that the idea is making encouraging progress.

"Our primary task in this conference is to get to know each other, and our great task back in our respective countries as members of legislative bodies is to encourage our peoples to get to know each other. This is not something which can be achieved in a day, or a year, or even perhaps in a generation. But over the long term, I believe the best means of reducing world tensions and of achieving world peace is an international program for the exchange of persons among nations.

"I am not afraid to let an opponent expound his views. I have enough faith in the truth and soundness of our own cause to be confident that it will prevail in a fair and free exchange.

"The United States has done considerable in the field of exchange of persons, both from the point of view of enabling citizens of other countries to come to our country and of enabling Americans to go abroad—to live, to study, to understand other cultures, and to take that understanding home with them. I am proud to have played a small part in sponsoring some of these United States programs.

"I think that my own country should do more along this line, and I hope that it will. I hope that each of you will join in urging such programs upon your own governments when you return to your home.

"Exchange-of-persons programs are not expensive, and they seem especially cheap when contrasted with the cost of modern armaments. Yet I think it is only through the kind of understanding which exchange programs bring about that we will ever be able to reduce the cost of armaments.

"I expect the newspapers and the radio in most of your countries have carried reports of debates and differences in the United States over American foreign policy. Those differences exist, of course—not only in the United States but also in other countries where people are free to express differences. Such differences—strongly held and vigorously expressed—are the nourishment, the very essence of parliamentary institutions.

"But let me say this, so far as the United States is concerned: The things that unite us, as Americans, are greater and stronger than the things that divide us. I suspect this is true, also, of the other representatives who are here from democratic countries.

"The justification of a conference such as this one, it seems to me, is that it makes us more keenly aware of this simple fact.

"If we have brains enough to discover the secrets of nature itself, surely we must also have brains enough not to blow each other up. Otherwise, the story of the human race will indeed be a sad and pitiful one; and it will perhaps be a kindness that there will be no one left to write the story, much less to read it."

Speech of the Honorable KENNETH KEATING on the refugee problem, Interparliamentary Union Conference, London.

"It is particularly fitting that we meet today in London to discuss the universal problem of refugees. First, because historic London, steeped in traditions of the common law, of liberty, and of freedom, seems a proper place to turn our thoughts to many who are denied those privileges, or who may be forced to forego them if we stand by passively. Secondly, who can forget that we meet in the same city where momentous disarmament talks have so recently been held—discussions which, by their very awesome nature—tend to overshadow the seemingly less significant problems of exiles and refugees who seek a shelter today?

"But our lofty concern with justice and our natural preoccupation with prospects for world peace must never cause us to overlook the very real human suffering of the thousands of homeless and depressed emigres who today wander aimlessly the map of the world. They are, after all, victims of wars we so desperately seek to prevent in the future.

"Never before in the history of civilized man has the problem of the refugee been more acute than it has been within the last 2 decades. Never before have so many been uprooted from so many lands in so many unhappy ways.

"While it is true that miraculous strides have been taken to find shelters for the homeless and to provide havens for the oppressed in the years since the end of World War II, much still needs to be done. All of us here today, through our legislative bodies, are uniquely fitted to stimulate and participate in this humanitarian crusade.

"Certainly the draft resolution on refugee problems, if judiciously interpreted and put into action by men of good will, could achieve much good. For example, all can agree that much benefit can accrue from honestly promoting the education of young refugees, as well as efforts to aid in the resettlement, housing and employment of emigres. These are all objectives vigorously pursued and carried out by my government.

"My attention is drawn particularly to the admonition in the resolution that refugees should enjoy the same conditions as nationals of the receiving country with regard to their right of association.

"To Americans, this is axiomatic. Ours is, after all, a land of refugees, founded by men and women who had fled from persecution. In the United States the refugee—like the immigrant—has always been accorded equality in all his dealings. He is given every conceivable opportunity to make his own way and has traditionally been accorded the same safeguards and protections afforded every American citizen.

"Today, as throughout our history, many of the leading citizens of the United States are foreign born or the children of foreign born parents.

"For example, the present Congress of the United States contains Members born in England, India, Poland, Italy, Bulgaria, Canada, and Russia, to say nothing of countless others whose parents were born across the seas.

"The rich and varied mixture of backgrounds, bloods, and cultures which goes to make up America today has contributed uniquely to the building of our Nation. We are proud of our tradition of according haven and extending the hand of welcome to the world's homeless and oppressed, just as we are proud of the record these people have achieved in our midst.

"Much as I concur in the general objectives of this resolution, there are several aspects of it which are susceptible of misinterpretation, and are consequently disturbing. I refer particularly to the sections which deal with the vital question of the repatriation of refugees.

"Now, all men of good will most certainly agree that all refugees who so desire should be allowed to return to their native lands. That is but their birthright as human being and free men.

"But, in our zeal to insure that the return of refugees to their lands is not interfered with, we must take care not to lend assistance to or approve of the efforts of those who would force repatriation on unwilling emigres. It is fundamental to any sound and fair refugee policy that repatriation be completely voluntary.

"Certainly, this union should not condone the tactics of any member who resorts to threats, intimidation, and moral blackmail to force repatriation. But we know that some nations have been guilty of these practices, and if we do not amend the resolution before us we may be guilty of giving them a chance to continue such infamous actions with impunity.

"It is a well-known fact that nefarious groups have been working for years to force the return of unwilling Russian nationals all over the world. Their tactics run the gamut from threats to loved ones still living behind the Iron Curtain, to threatened—and perhaps perpetrated—kidnapings.

"A most blatant campaign has been carried on by Hungary's Kadar regime to coerce refugees settled in Austria. There have been cases in my own country, where official representatives of Communist countries have attempted—and sometimes succeeded—in intimidating Russian nationals who were living peacefully. Potential areas, inhabited by Russian nationals, include West Germany, Austria, Argentina, Belgium, Brazil, and Great Britain. Are we to stand by without protest while repatriation teams, under the guise of informational and humanitarian works, employ their tactics of threats, intimidation, and disruption?

"At the same time, it should be noted that certain nations of the Free World, notably Austria and the German Federal Republic, have been the target of repeated charges of obstructing the repatriation of emigres. The facts simply do not bear out these accusations. It is clear that Soviet refugees are entirely free to return if they desire, but these nations have wisely and courageously refused to compel any emigre to return against his will and have attempted to resist the intensive campaign put on by Communist groups.

"The resolution under consideration today offers us an opportunity to strike a ringing blow for the principle of voluntary repatriation. Certainly, we must not here today take any action which could in any way be interpreted as a stamp of approval of the activities of these groups which are exerting undue and unjustified pressure on refugees to return behind the Iron Curtain.

"For that reason, we should amend section 8 to make it unmistakably clear that this great body is opposed to any coercive activities by any nation either to force or to prevent repatriation.

"The wording of section 8, and other sections, of this resolution, as they now stand, invites the continued use of the force and fear which have been practiced all too often in the past. With these thoughts in mind, an amendment to section 8 has been tabled to insert a new subparagraph (d), to read as follows:

" 'Prohibits pressures upon or intimidation of, refugees by the receiving country or by their country of origin with respect to repatriation. No language in any of the preceding subparagraphs of section 8 shall be deemed to express any contrary intent.'

"If we are to work and hope for a world peace based on justice and freedom, we cannot allow the present tactics of these repatriation teams to continue without rebuke. It is unthinkable that this organization could go on record with a resolution which in any way might be construed as approving or condoning these strong-arm tactics.

"I therefore ask wide support for the amendment I have outlined. It has the unanimous support of the American delegation, which is dedicated to the ideal of freedom of movement of peoples everywhere.

"The Declaration of Independence of the United States contains these immortal words:

" 'We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.'

"To an American, these are not merely high-sounding, empty phrases. They are living, breathing principles which the United States practices today in all phases of its activities. I trust their application to the principles here enumerated are both obvious and acceptable to all men of good will assembled here today. If so, we must amend the resolution before us.

"In so doing, we can print in bold, black letters our dedication to the principle of free and unfettered movement without the use of pressure or intimidation to force or prevent such movement. In accepting this amendment we can forge more strongly than ever the bonds of friendship, respect for individual rights, and devotion to justice which hold such hope for the peace of the world."

The speech of the Honorable THOMAS C. HENNINGS, Jr., at the 46th conference, Interparliamentary Union:

"The problems presented today for the world community of nations by the existence of refugees are of such gigantic magnitude that it is occasionally felt that it is impossible to do anything about them. The causes themselves—natural disasters, such as fire, flood, famine, and pestilence; and man's inhumanity to man: war and persecution because of race, religion, or political belief—defy complete analysis and ready solution and consequently demand unceasing direct attention themselves. But as long as such causes exist, we will have refugees.

"We must, therefore, strive to find solutions to the refugee problem just as we direct our energies to raising standards of living, improving health and sanitation, wiping out illiteracy, obtaining fair wages and hours and working conditions, and achieving mutual understanding and respect of all peoples.

"The strong spirit of human solidarity not only makes all men brothers but makes life itself worth living. We national legislators, who enact our countries' laws, have grave and challenging responsibilities. It is appropriate that our international association devote some of its time to discussing these important issues. It is fitting that the League of Nations, the United Nations Organization, and the Interparliamentary Union have expended considerable thought and effort on behalf of refugees in this century. We must continue our efforts but we must remain on guard at all times to avoid simply approving resolutions with pious phrases, merely expressive of good intentions. Superior goals are expressed in article 13 of the Universal Declaration of Human Rights, which says:

" 'I. Everyone has the right to freedom of movement and residence within the borders of each State.

" 'II Everyone has the right to leave any country, including his own, and return to his country.'

"Yet we know that most nations of today are far from actually granting those objectives—to their own people or aliens.

"To take worthwhile steps in the right direction, we parliamentarians should examine the conditions which prevail in our own countries and see what national law changes we can bring about. At the same time, we should not lessen our support for such international activities as those which are conducted by the Intergovernmental Committee for European Migration and the office of the United Nations High Commissioner for Refugees.

"In regard to national programs, I want to call attention to a recent action by the Congress of the United States. The American Congress, in enacting several immigration law amendments in the past month, recognized a national responsibility concerning refugees and provided for the issuance of nearly 19,000 immigrant visas in addition to regular quota allowances. German expellees to the number of 2,500 and 1,600 Dutch ethnics, are the only groups with

earmarked totals; this represents an advance in approach to immigration and a discarding of rigid national origin or regional concepts; this, properly qualified refugees and escapees from tyranny any place in the world become eligible to enter the United States for permanent residence, and eventual United States citizenship if they so desire.

"Admittedly these numbers for refugees are not large, even when combined with the provision, unlimited in number, for the admission of alien orphans in the next 2 years. But it is not in numbers where I find the major significance of America's most recent immigration law. I believe great importance should be attached to the fact that this act represent another step by the United States away from the total exclusion policy which was not altered substantially until World War II. America can no longer be criticized for operating an Oriental exclusion law and the new provisions for refugees, and family reunifications, make it clear that area of origin is no longer the ironbound test for admission to our shores for residence.

"But as interested as I am in this legislation, which I have supported wholeheartedly, I feel somewhat as did the critics in the old Roman Senate, who used to ask:

" 'How long, oh, Cato, must we continue to pass only piecemeal legislation?'

"Therefore, I support the amendment of the United States delegation, which provides protection for individual rights and voluntary repatriation."

Speech of the Honorable KATHARINE ST. GEORGE on control of governments by parliaments, at the 46th conference, Interparliamentary Union:

"First let me add my praises to those that have already been given to the British members for their generous hospitality, their unending kindness, and the superb and competent arrangements they have made for the comfort and pleasure of all the delegates.

"Certainly nothing could be more fitting than that the 46th Interparliamentary Conference should be held here in London, in the shadow of the mother of parliaments. For we must all acknowledge that it is from the genius of the British people that the idea and ideals of parliamentary government sprang, in the first instance and, therefore, inasmuch as all of us here present belong to parliamentary systems of one sort or another, we are all somewhat beholden to England and to her Parliament.

"Our discussion centers today on the influence and control by parliaments. We, of the Interparliamentary Union, do well, at this time in the world's history, to pause and take stock of parliamentary governments of the world and our own in particular. While it may not be a popular premise, I submit to you that the parliamentary system has suffered grievously as a result of two world wars and that it no longer has the vigor, strength, and dignity that it possessed in the second half of the 19th and first quarter of the 20th centuries. There are many parliaments in the present age that are nothing but rubberstamps, representing only one party and, therefore, only the opinion of the government in power. The words of a French lady, going to the guillotine, are quite applicable: 'Ah, liberty, what crimes have been committed in thy name.'

"Why has this situation come about? It seems obvious that wars, on the modern scale, deal deadly wounds to parliamentary governments. If a government is to wage such wars successfully, everyone down to the very schoolchildren must be regimented. Free enterprise ceases to exist, conscription becomes universal, and obviously representative government in parliament and congressional assemblies plays a very secondary if not supplementary part in government.

"Above all, criticism and debate are not tolerated during a state of war and both criticism and debate are the very lifeblood of representative government.

"This Union has always been dedicated to peace, and it does well to pursue that course, because we may well be entering the twilight of parliaments, and unless we have peace we may also see the end of the system altogether.

"As we go back from this conference, let us highly resolve to cultivate peace and understanding among ourselves and all the peoples of the world. Let us also do everything in our power to raise the prestige and power of our elected representatives.

"In my country the Founding Fathers envisaged and planned a government of three coequal branches: legislative, judicial, and executive. This was an ideal arrangement, but only constant vigilance can make it work. In our country, just as in yours, liberty has to be fought for all the time. Liberty and self-government can be killed by indolence and lack of interest on the part of the citizen almost as easily as by war.

"Sir Winston Churchill in his message to us says: 'Parliamentary institutions have confronted, and have triumphantly overcome, the heaviest assault ever made upon them.' I would that I could share this optimism, but I cannot. We may well have survived the assault but we are sorely wounded and it will take our best efforts to bring free representative government back in its full glory.

"About 200 years ago, Edmund Burke stood on the floor of the House of Commons and championed vigorously the cause of the 13 colonies in North America who were in rebellion against England. Can you imagine such a thing happening in the world today? Of course you cannot. We have seen men and women driven from public life for far less. Such conduct today would be regarded as treason and would be dealt with accordingly. Yet history does not record that Burke was made to suffer unduly for his opinions, so clearly expressed. Many doubtless disliked them, most persons probably disapproved of them, but he was permitted to pursue his course in peace.

"Yes, as we stand here and look at the past in parliamentary history, let us try to keep this system strong and undefiled. Let us not be complacent and spend our time in silly congratulations and foolish optimism. Let us not be lulled into the belief that because there are more parliaments there is more freedom, this is not necessarily so.

"Benjamin Franklin is reported to have said to an old lady in Philadelphia who asked him what form of government the new Nation was to have: 'A republic, if you can keep it.'

"We as we go back to our respective homelands can paraphrase these words 'A free parliamentary government if we can keep it.'

"We will only keep it by cultivating peace and understanding among ourselves—by educating ourselves and our peoples in the difficult practice of free government, by remembering the words of Voltaire 'I disapprove of everything you say, but will fight to the death for your right to say it.' Above all, realizing that we personally have been greatly honored to be chosen as representatives of sovereign peoples and that as individuals we must work and strive to represent them always with dignity, integrity and true patriotism, so that these free people under God shall not perish from the earth."

Speech of Honorable RALPH E. FLANDERS at the 46th conference, Interparliamentary Union:

"Mr. President and members of the Interparliamentary Union:

"The subject of this session is the influence of and control by parliament over the government. This subject is particularly appropriate for a meeting in this capital, whose parliament is properly called the 'mother of parliaments.' The primary instrument of government under the British constitution is the parliament itself. That constitution is an organic development, evolved by growth and changes over centuries of history. In the pagentry and setting of our opening session those centuries were displayed before our eyes. Let us hope that the British people will always preserve these values of history, made visible.

"Her royal highness, Queen Elizabeth II, who so graciously opened our sessions, reigns but does not rule. The centuries of evolution have placed upon parliament the sole responsibility of ruling. Yet the reigning of Elizabeth is both a vital and a preserving force in the British commonwealth of nations even though it is not directly concerned with governing. Its scope lies with the intangibles, which must be strong and healthy if the tangibles are to be effective.

"All the governmental power of Great Britain has come to be concentrated in the House of Parliament, in the ministries selected from them and in the administrative and judicial branches which they control. The people control parliament in contested elections. Through their elected servants the people control every element of their government.

"The draft resolution now before us sets forth the British parliamentary practice as the norm to which all governments of all nations should seek to conform. As Members of the House and Senate of the American Congress we would, first, subscribe wholeheartedly to the purpose of bringing governments under the control of peoples; but we must call attention to the fact that the parliamentary system is not the only means by which that can be accomplished. In our country the functions of government are divided between a Chief Executive, a legislative body, and a Supreme Court. The President and the two Houses of Congress are elected by popular vote. The Judges of the Court are appointed by the President with the advice and consent of the Senate as evidenced by a vote of confirmation.

"Here we have three distinct branches of Government—legislative, executive, and judicial. They are distinct but must work together. They do work together under a system of checks and balances as it has come to be called. These checks and balances are always at work as was plainly evident in the recent history of race relations in our country. The Supreme Court, by new interpretation of our Constitution, decreed that further progress must be made toward unsegregated schooling. A governor seems about to challenge that decision, by force if necessary, the President confers with the governor to see whether forward steps may be taken. Without exacerbation of public sentiment.

"Meanwhile, the President's Department of Justice sends to the Congress a law for its consideration which deals with the whole field of race relations. The Congress, after lengthy debate, decides that the measure is too broad and will lead to Federal inquisition and supervision over too great an area of the citizens' activities. The administration bill is therefore drastically amended by the Congress, it is passed as amended and sent to the President. He signs the bill and it becomes law.

"Such is our system of checks and balances, always fluid but continuously effective. This system is defined in our Constitution, drafted by the Founding Fathers in the years following our successful revolution. Sir Henry Maine praised this as the greatest application in history of the elementary principles of government to practical administration. It provides for amendments, which are made from time to time, but its structure sprang in full bloom from the fertile minds and devoted hearts of an assembly of American patriots and statesmen assembled in a constitutional convention. It has taken its place alongside the evolving British Constitution as an example to the

world of political institutions which embody and preserve the will of the people as applied to the policies and acts of government.

"For these reasons, Mr. President, the American delegation cannot be satisfied with the narrow view of parliamentary powers as described in the resolution. It is necessary so to reward it as to compass a wider range of means for attaining the desired ends."

Speech of the Honorable HENRY O. TALLE at the 46th conference, Interparliamentary Union:

"Mr. President, fellow delegates:

"I now have the honor, or perhaps I should say the task, of addressing myself to one of the most important, most persistent, and most difficult of current international subjects: commodity prices and what to do about them.

"Innumerable debates on this question have been held in recent years. It is too much to expect that we in this room will reach unanimous accord on every aspect of the subject. Yet I believe that we can all benefit from the discussion. And I further believe that careful consideration of one another's views may possibly show that there is not so much disagreement as some may have thought.

"For example, I do not think there is any substantial disagreement as to certain basic facts:

"It is a fact that many foodstuffs and industrial raw materials are subject to sharp and sudden fluctuations in price and demand.

"It is a fact that these fluctuations are a matter of concern to all countries, both as exporters and importers.

"It is a fact that such fluctuations bring especially serious problems to a country which is so heavily dependent upon the production and exportation of 1 or 2 primary commodities—such as rubber, sugar, coffee, tea, cocoa, tin, copper, jute, cotton, rice, and coconut products—that such exportation is a mainstay of that country's domestic economic activity, of its tax revenues, and of its foreign exchange earning power.

"I am tremendously impressed with the seriousness of these facts, especially for countries that are less developed industrially and heavily dependent upon a small number of primary products for their livelihood. I think that all of us share this awareness and this concern.

"Thus there is no disagreement over the magnitude or the seriousness of the problem. The point at issue is whether it is desirable for governments to try to limit these fluctuations through agreements regulating trade.

"My own opinion is that, in general, it is not.

"Without in any way minimizing the problems of market instability, I believe that there are few situations in which strict regulation is in the long-run interest of either the exporting countries or the importing countries.

"In the first place, it is my deep conviction that economic progress is best served by allowing maximum freedom to private enterprise, and by a minimum of government interference in world commodity trade.

"In the second place, I believe that many of the proposals that are made for broadly regulating commodity prices are impractical, and could not be made to work for a variety of complicated reasons—technical, economic, and otherwise—having nothing to do with ideology. I certainly do not blame people from casting in all directions for solutions to these very real and grim problems, but I do not think it is feasible to solve them through excessive regulation.

"Third, the problem of instability in a given commodity is not necessarily solved by establishing a commodity agreement. Close examination of a particular commodity situation often proves that a strong and stable market is in prospect without any special action by governments; or that measures other than a commodity agreement will suffice; or that a commodity agreement is not technically feasible; or that it is not negotiable because of an essential conflict of interests between importing and exporting countries; or the examination may show that a commodity agreement would not be in the real interest of the exporting countries.

"Commodity agreements, even though they may be necessary in some cases, have definite limitations. It is a mistake to expect miracles from them. I may point out that the existence of a sugar agreement, in which the United States participates, was no guaranty against a sudden increase in the world price of sugar and an equally sudden drop. The contribution which a commodity agreement can make to stability in prices, tax revenues, and foreign-exchange earnings is often greatly overrated.

"My fourth and final point is that there are certain dangers in commodity agreements which ought not to be overlooked. One danger that I have in mind is that if prices are stabilized at too high a level, this will only encourage shifts to substitutes and synthetics, or to cheaper sources. And the exporting countries may wake up to find that they have achieved their price objective at the cost of declining markets.

"I am giving some of the reasons why I believe that it is not wise for the nations to go all-out for commodity agreements or other machinery for strict regulation of trade. But I do not mean to suggest that our minds should be closed to exceptional measures in exceptional cases.

"In my view, the wisest approach to the problems of instability in world commodity trade is a case-by-case approach. The existing machinery for consultation and action in the commodity field seems entirely adequate. I am in favor of studying each problem on its merits and taking any necessary action, if action is warranted. I am not in favor of deciding in advance that all commodity problems should be attacked in a certain way.

"We all know that in the long view, the problems of instability become less and less serious as nations make progress toward the diversification of their economies. I do not say that this is the only thing that can be done, but I say it is the most effective thing that can be done toward a real solution. We of the United States share with the peoples of the nonindustrial countries a desire that they grow economically and become more diversified in their output. I believe that I can say without giving the appearance of boasting—since it is only a fact known to you all—that never before in history has a nation taken so substantial an interest in the economic progress of other sovereign nations, as has the United States during the last 10 years.

"Let us continue to attack our long-term and short-term problems together in good will and consideration for one another's needs and convictions."

Speech of the Honorable ESTES KEFAUVER at the 46th conference of the Interparliamentary Union:

"Mr. President, I think we are all in accord as to the spirit and objectives of the draft resolution which has been presented in regard to the stabilization of the prices of basic commodities.

"I must say, however, that the problem is a good deal more complicated than the draft resolution implies. The report of the rapporteur recognizes the complexity of the matter. It also recognizes the failure, or at best the only partial success, of previous efforts to stabilize world commodity prices through international agreements. The rationale of the resolution, however, is that the reasons for these failures lie in the fact that the efforts were not sufficiently comprehensive. The resolution therefore suggests that broader efforts be made.

"It seems to me that it could equally well be argued that the reasons for the lack of success of international commodity agreements lie in the method of approach—that is, in the agreements themselves. It would then follow that we would have no more success in the future with broad agreements than we have had in the past with narrow ones.

"Let me make just a few comments about the general problem.

"It is unquestionably true that sharp fluctuations in world prices of basic commodities work a hardship on all concerned, and that this hardship is particularly acute in the case of precipitous declines in the prices of commodities on which underdeveloped countries rely for a substantial proportion of their foreign exchange.

"It is, however, easy to exaggerate the effects of these fluctuations. Despite cyclical variations, there has been a long-term secular trend upward in practically all prices. This is to the benefit of underdeveloped producing countries, and as a representative of an importing country, I am not complaining about it. I am merely pointing it out, because I think it is frequently overlooked.

"Let me cite just one example of a basic commodity which is not the subject of an international price stabilization agreement, yet which has been of enormous benefit to several underdeveloped countries. I refer to oil and to Venezuela and Iraq, both of which have profited greatly from oil and both of which are using their oil income to good advantage. All of us can think of other examples as well.

"However, I do not want to minimize the problem, because it is a very real one. I do venture to suggest that there is no panacea to be found, either in an international agreement on the stabilization of prices or in other means. This does not mean that the problem is hopeless. Rather, it means that we should not concentrate our attack on the problem in a single approach. We must approach it on many fronts.

"One of these is the development of world trade, commerce, and prosperity generally. The more prosperous the world is as a whole, the greater will be the demand for basic commodities and the greater will be their stability based on long-term market growth. This calls, I think, for mutual reductions in barriers of all kinds to world trade. I support such reductions in my Congress, and I hope you will support them in your Parliaments.

"Another avenue of approach to this problem is through the stimulation of private foreign investment. I have not always been uncritical of private business, but I do think that it has learned a good many things in its foreign operations and that, today, it goes into a country, not to exploit, but to develop. I have already cited the examples of Venezuela and Iraq. To those, I could add, so far as American business is concerned, most of South America, Brazil, Peru, Colombia, and Mexico, in particular, have benefited greatly from the investment of private American capital. There is no reason whatever why other countries could not similarly benefit if the local investment climate is made attractive. This involves many things, but two of the most important are political stability and sound economic policies.

"These twin approaches—through the development of world trade and of private investment—seem to me to offer a sounder long-range solution to basic commodity prices than a general international stabilization agreement. If such an agreement puts the price too high, it not only discourages consumption but also encourages the development of synthetic substitutes. This latter process is already well advanced in the case of rubber, for example. On the other hand, if an agreement puts the price too low, it means that the producing countries are not receiving full value and it will

probably also discourage private development of the resources in question.

"I hold with Adam Smith that the best regulator of prices is the mechanism of the free market. This means, of course, that we must all take steps to see that the market is really free and that it is not manipulated by private or public monopolists for their own ends.

"In conclusion I would like to mention one device which I think is deserving of more attention than it has so far received—either in my own country or elsewhere. This is what is popularly known as the world food bank. This is my personal view and not necessarily the view of the United States delegation. It would involve the application, on a worldwide basis, of the ever-normal granary idea. Each country would put certain stocks into the bank in times of surplus, and each country would be entitled to draw certain stocks out in time of shortage. It would, in some respects, be analogous to the International Monetary Fund except that it would use food instead of money as its stock in trade.

"The United States Senate has called for a more detailed study of this problem. If the pending resolution is adopted by this Interparliamentary Conference, and if the international meeting which the resolution calls for comes about, I hope that this aspect of the matter will not be overlooked."

The efficient cooperation of our London Embassy staff in all projects, the regular early morning caucus meetings of the group at the Embassy, the assignment of staff and office space for the United States secretarial staff, the standby cooperation of the United States Navy, who were responsible for physical arrangements and for important briefings both at the opening and during the Conference, were unexcelled. The delegates returned home with the feeling of a job well done, looking forward to Rio de Janeiro July 24-31, 1958.

The resolutions enacted by the 46th conference of the Interparliamentary Union follow:

I. THE REFUGEE PROBLEM

Considering that the resolution adopted by the Istanbul Interparliamentary Conference (August–September 1951) on the Juridical Aspects of the Refugee Problem contains the following statement:

"Recalling that under the Universal Declaration of Human Rights everyone has the right to security of person; to recognition everywhere as a person before the law; to seek and to enjoy in other countries asylum from persecution; to equal protection against any discrimination; no one shall be subjected to arbitrary exile; everyone has the right to return to his country; everyone has the right to a nationality; no one shall be arbitrarily deprived of his nationality; no one shall be arbitrarily deprived of his property; and everyone is entitled to a social and international order in which the rights and freedoms set forth can be fully realized."

Considering that, from the point of view of protection of refugees, the convention of July 28, 1951, relating to the status of refugees, constitutes the most important initiative taken by the United Nations Organization and that, during examination of this convention, the Geneva Conference adopted:

1. The protocol relating to the status of stateless persons.

2. Several recommendations concerning (a) recognition of travel documents necessary to facilitate the movement of refugees and, in particular, their resettlement; (b) maintenance of the unity of the refugee's family and protection of refugees who are minors, in particular unaccompanied children and girls, with special reference to guardianship and adoption; (c) support of properly qualified organizations dealing with refugees;

The 46th Interparliamentary Conference—

I. Considers that the refugee problem should be examined on the basis of the following principles: (1) It is the duty of the States and of their respective peoples to be guided by a strong spirit of human solidarity in order to afford refugees asylum and work; (2) states should grant refugees the same treatment as that accorded to other foreign nationals; (3) refugees should, insofar as possible, be enabled to find an occupation corresponding to their stated experience. Young refugees wishing to specialize should be afforded every opportunity to do so in general schools or technical institutions, after having completed their normal course of primary studies; (4) governments and their respective peoples should facilitate the housing and resettlement of refugees; (5) with regard to the right of association, refugees should enjoy the same conditions as the nationals of a country; (6) regulations in regard to unemployment benefits, insurance, and social security should be applicable to foreigners in general; (7) article 13 of the Universal Declaration of Human Rights is recalled: "i. Everyone has the right to freedom of movement and residence within the borders of each state"; "ii. Everyone has the right to leave any country, including his own, and to return to his country."

II. Asks that in all cases in which refugees are desirous of returning home, no obstacle shall be placed in the way of their repatriation by the receiving country nor by their country of origin and that every facility shall be given them to that effect; and invites the governments of all countries in which there are refugees, as well as all official or private international organizations concerned with the problem of refugees, to acquaint the latter with the laws and regulations applied in the different countries, with a view to facilitating their voluntary repatriation; condemns the use of refugees as an instrument of political struggle;

III. Recommends that the governments of all countries in which there are refugees take immediate steps to insure their speedy employment, while awaiting their voluntary repatriation, as well as all possible measures for the prompt repatriation of children and adolescents separated from their parents;

IV. Prohibits pressures upon, or intimidation of, refugees by the receiving country or by their country of origin with respect to repatriation. No language in any of the preceding paragraphs shall be deemed to express any contrary intent;

V. Recommends that the United Nations give to the Arab refugees the consideration which the justice of their case calls for and find a final solution to their problem by enforcing the resolutions already taken by that organization, and until such a solution is implemented to give adequate financial assistance;

VI. Requests the office of the United Nations High Commissioner for Refugees to continue the study of the following questions: (i) Equivalence of degrees for refugees; (ii) exemption for political refugees, their wives, children and parents from the tax on registration certificates and renewal thereof, and on identity cards; (iii) financial assistance to countries which, as a result of special circumstances, receive a large number of refugees, particularly with a view to facilitating the construction of houses, this being an indispensable factor in the adaptation of refugees to the receiving country, a similar contribution also being made to encourage the acceptance of nonproductive persons whenever agreement has been reached on the immigration of a specific number of workers; (iv) further, to facilitate the voluntary repatriation of refugees by practical means.

VII. The conference invites nonmember states to become parties to the Geneva Convention of July 28, 1951, with the least possible delay, and to grant refugees the facilities laid down in this convention.

II. THE INFLUENCE OF AND CONTROL BY PARLIAMENT OVER THE GOVERNMENT

Considering that one of the fundamental aims of the Interparliamentary Union is the fostering of democratic parliamentary institutions and their development in the light of our experience.

Considering that it is inherent in the democratic system of government that the legislature should constantly and continuously control the conduct of government and that this requires the meeting of parliament at reasonably regular intervals with full facilities for information, particularly through questions, inquiries, interpellations, discussions and the adoption of resolutions.

Considering that, although the financial procedure and the procedure over the discussion of foreign affairs differ in various countries, it is essential for parliament to intervene unreservedly in and express itself vigorously on all domestic and foreign matters.

The 46th Interparliamentary Conference recommends that, within the framework of the different political and constitutional systems that exist, a serious effort should be made to consecrate the supremacy of parliament by making it the real elected instrument of the democratic will of the people.

III. THE STABILIZATION OF PRICES OF PRIMARY PRODUCTS

Considering that excessive fluctuation in the prices of primary products makes it difficult to frame and apply acceptable programs for economic development and leads to situations which are difficult both for producers, who, in view of this uncertainty, are never assured of equitable remuneration for their efforts, and for importers, who need a regular supply of products at reasonable prices.

Considering that these disadvantages are particularly felt in underdeveloped countries, which find the main source of their revenue in the production of raw materials and are more affected by fluctuations in prices than industrialized countries, which are normally better organized for the protection of their economic interests.

Considering that fluctuations in commodity prices in international markets upset the balance of payments position of the underdeveloped countries and therefore their prospects of economic development.

Recognizing that measures taken in the field of price support by nations responsible for the economy of underdeveloped territories have achieved only limited success and need to be supplemented by, and coordinated with, action on the international level to put an end at least to short-term fluctuations of prices arising mainly from temporary causes,

Recognizing the disadvantages of harmful operation by organizations acting under monopoly conditions and constantly paying to producers prices which are unduly at variance with those prevailing in international markets,

Appreciating that it is desirable to strive for terms which, while being fair to consumers, should not be to the detriment of producers, and to that end that organizations of producers, consumers, and traders should be associated in the discussions,

The 46th Interparliamentary Conference recommends:

That the formulation of international commodity agreements between the appropriate producer and consumer countries on the lines of those already in operation should be encouraged;

That the Havana Charter rules which are at present administered by the Interim Coordinating Committee for International Commodity Arrangements should be reviewed and put on a permanent basis;

That an international conference should be convened in order to carry this recommendation into effect.

Statement of the Honorable Sinclair Weeks

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1958

Mr. BOGGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of the Honorable Sinclair Weeks, Secretary of Commerce, before the Committee on Ways and Means, House of Representatives, Monday, February 17, 1958, 10 a. m.:

Mr. Chairman, I am here to urge legislation to make jobs and to protect jobs, the jobs of more than 4½ million American workers whose livelihood is provided by world trade.

I have come before the committee to urge favorable consideration of H. R. 10368, introduced by Chairman MILLS, and its companion measures introduced by Congressmen KEAN, FEELINGHUYSEN, and CHAMBERLAIN, which would amend and extend present trade agreements legislation. The purpose of this bill in general is to extend for a period of 5 years the President's authority to enter into trade agreements with other countries, and to give the President certain additional authority to reduce United States tariff rates in return for reciprocal concessions by foreign countries.

The trade-agreements program, given its close and direct relationship to our economic welfare and national security, by its very nature deserves bipartisan support. The President in his message to Congress on January 30, urged adoption of this legislation and said:

"The enactment of this legislation—unweakened by amendments of a kind that would impair its effectiveness, is essential to our national economic interest, to our security, and to our foreign relations."

I am here to tell you how all of this affects our economy, but I warn you that the Soviet Union's new global economic drive puts to hazard our favorable trade posture, menaces Free World unity and jeopardizes the foundation of peace.

These ominous new factors introduce logical grounds for those with previous doubts about reciprocal trade to reexamine their position. Even more, these developments provide impelling reasons for everyone—in sheer self-interest, in security—to consider extension as a means of strengthening that security.

It's either more trade or more trouble.

If these conclusions are correct and if this legislation is good for the country, it should be adopted by the Congress. Because I thoroughly and completely believe the legislation is not only good for the country but essential in the national interest, I am here to open the discussion and present the evidence.

COMMERCE DEPARTMENT RESPONSIBILITIES IN TRADE

Let me first point out that the responsibilities of the Secretary of Commerce, as set forth in the statute, are to foster, promote, and develop the foreign and domestic commerce of the United States. Obviously in doing this the needs of all segments of American business and industry must be taken into consideration.

All segments include both those who produce for export and those who have little or no interest in foreign markets. It includes those who depend heavily on imported commodities and those whose goods must compete with imports in the United States markets. It includes all who process, transport, and distribute our exports and our imports, as well as those with a vital stake in our overseas investments. I spell it out in this manner to make clear that in formulating the judgments which I am communicating to you, I have, I think, considered the interests of all sectors of American business.

With world trade an ever more important part of our economic life, the Department of Commerce is playing an increasingly significant role in the formulation of our foreign trade policies. Recently the President strengthened Commerce's role in trade agreement matters and in foreign economic questions generally by creating a Cabinet-level Trade Policy Committee, chaired by the Secretary of Commerce.

This committee, already in operation, directly advises the President in the administration of the trade agreements program. The recommendations made to the President by this committee, under commerce leadership, will include action in escape clause cases. It will guide the direction of GATT negotiations and it will be consulted on the proposed composition and membership of the delegation to the GATT. The committee will review and advise the President upon all recommendations of the interdepartmental Trade Agreements Committee, and will be consulted in all other situations that influence this country's posture in world trade. Creation of the Trade Policy Committee reflects the fact that our domestic economic situation is receiving due weight when decisions on international questions are taken.

The very fact that the Secretary of Commerce has been asked by the President to present to the Congress the administration's trade proposals reveals the increasing responsibilities in this field of the department with wide experience and understanding of the problems of private industry.

RECORD HIGH LEVEL OF TRADE

Let me first say a few words about the increasingly high level of our total trade, which reached a record high in 1957, and the relationship of our trade picture to other important segments of our economy.

First. Exports of manufactured products, raw materials, and foodstuffs in 1957 (exclusive of military aid) reached the staggering total of $19½ billion, approximately the highest in our Nation's history.

During the same year, imports in the same categories totaled $13 billion approximately.

A recital of figures of this magnitude must immediately convince anyone of the great importance of this trade to our economy as a whole.

Second. Foreign trade provides the livelihood for at least 4½ million American workers, or about 7 percent of our labor force. This figure includes those engaged directly or indirectly in production or service for export, or in the distribution of imports, or in the first factory processing of imported materials.

Our exports of goods and services currently represent about 6 percent of the Nation's output. The value of United States goods marketed abroad in 1956 exceeded the value of:

All consumer purchases of automobiles, parts, and accessories; or

All residential nonfarm construction; or

All consumer purchases of furniture and household equipment.

Around 9 percent of our entire output of movable goods was exported in 1956. For example, we exported: 11 percent of our machine tools, 19 percent of our production of trucks, 26 percent of our construction and mining equipment.

I am giving you examples from the field of manufactured products in which I have special responsibilities.

My understanding is that later Secretary Benson will give this committee examples of even higher export percentages for agricultural commodities.

RECIPROCAL TRADE AGREEMENTS ROLE IN TRADE

A recital of trade developments leads me to the part which the reciprocal trade agreements program has played, in my estimation, a significant, and constantly increasing role.

In a real sense, however, an examination of developments during the past 5 years or so is the first opportunity we have had to really judge the program and the trend. Before this, World War II, with its aftermath, and the Korean war had so distorted world trade, had so increased the need of many countries for imports, and so reduced their ability to export, that the effects of reciprocal duty reductions were temporarily overshadowed during this period.

By looking at the last 5 years when economic conditions have become more normal in most countries, we can see better what has happened during a period when tariff rates have again become an important factor in trade. In this way we can form some idea of the worth of a program under which we and all our important trading partners have reciprocally lowered many duties.

Let me first present to you a chart in which we have compared, under the heading of "Exports and Imports of Finished Manufactures in Constant 1956 Dollars," the trend of exports and dutiable imports. The export total has been arrived at by subtracting the total value of our foreign-aid grants.

The really significant factor to be noted is the tremendous increase of our exports of finished manufactures in the last 5-year period as contrasted in this particular field with a relatively small increase in dutiable imports of the same category of goods.

TRENDS IN PARTICULAR COMMODITIES

In somewhat more detail let me now refer to several charts depicting trends of the last 5 years in exports and imports of particular types of commodities. For this purpose, I am choosing examples from industries whose products are both exported and imported on a significant scale. I am including several industries whose spokesmen have been known to complain publicly about competitive imports, even though their products are exported in much larger volume than they are imported.

As I look at the figures I wonder if such spokesmen are bearing in mind the stake which their own industries have in the maintenance of export markets, and if they realize how much they themselves might risk should the United States follow short-sighted policies leading to shrinkage of our markets abroad.

Let us look, for example, at our chemical trade. In 1953, we exported about $900 million worth of chemicals and allied products and imported some $450 million worth. Our exports of chemicals have risen steadily, and by 1957 totaled $1½ billion, roughly 70 percent above the 1953 level. Our imports, on

the other hand, have remained at or below the 1953 level throughout this period.

This does not strike me as the record of an industry in dire jeopardy from import competition. Rather, it suggests an industry with a vital stake in keeping as clear as possible its channels to export markets.

One of the most important single classes of United States exports is industrial and business machinery. Such exports have risen from about $1.7 billion in 1953 to more than $2.6 billion in 1957. Imports of industrial machinery, although acquiring some consequence in the past decade, have risen much less since 1953, from $150 million to $280 million a year.

Similarly, while imports of iron and steel-mill products have held steady at roughly $200 million both in 1953 and 1957, over the same span, exports of steel products approximately doubled—moving from about $560 million to more than $1,100 million.

For several decades, the automobile industry has been one of our major exporters. Much attention has recently been attracted, therefore, by the rise of foreign passenger cars in our import trade, from slightly more than $50 million in 1953 to well over $300 million in 1957. What has not been so widely noticed is that United States exports of autos, parts, and accessories have risen over the same period by an even larger amount, from just under $1 billion to nearly $1.3 billion. As in the other cases just cited, this two-way exchange reflects primarily a high degree of industrial specialization from which both we and our trading partners realize substantial gains.

Still another industry in which our exports have grown rapidly is paper manufacturing. Exports of paper and paper products have risen by more than 60 percent since 1953. To be sure, our imports of paper and paper manufactures (exclusive of newsprint, for which we rely chiefly on foreign supplies) have risen by a similar percentage, but they remain less than one-third as large as corresponding exports.

Now let me turn to cotton textiles, where the trade picture does not look as good as some of the others. Imports of cotton manufactures doubled from $75 million in 1953 to $154 million in 1956, and amounted to about $135 million last year. Over the same interval, exports of cotton manufactures have declined somewhat, from $272 million in 1953 to about $250 million in 1957. But we should not lose sight of the overall picture, in which United States cotton textile exports remain nearly twice as large as imports.

Imports represent a quite small proportion of our total consumption of cotton textiles. Figures showing the ratio of imports to domestic production are not available for cotton manufactures as a whole, but there are some data for particular sectors. In the case of cotton broad woven fabrics, an important segment, foreign supplies were probably not over 2 percent of domestic production in 1957. For the textile mill product and apparel industries as a whole, including cotton and other materials, it is estimated that imports amounted to 3 to 3½ percent of our domestic production.

Finally, in this connection, I would remind you of our recent efforts in bringing to the attention of the Japanese the implications of the very rapid rise in United States imports of cotton textiles which was under way a few years ago. The Japanese decided to limit their exports of such products to us, and I believe that this voluntary action on the part of Japan has worked well in the interests of both countries.

In a world as complex as ours, in which a variety of factors affect trade, it is difficult to isolate the effects on trade of any one influence. It is clear that many things in addition to the reciprocal trade agreements program have played a part in these favorable developments which I have described. But while it would be incorrect to attribute these advances solely to the reciprocal trade agreements program, it is downright wrong to condemn a program under which such spectacular strides have been achieved. We may not be able to measure precisely the part played by the program in expanding our exports, but these were the rules under which the game was played while our trade was making such outstanding progress. In the light of the results how can one say the rules are bad?

FREE TRADERS AND PROTECTIONISTS

It seems to me that thoughtful people cannot fail to be impressed by the trading history of recent years. Certainly these developments have influenced my own thinking and taken in conjunction with other cardinal facts in today's world—the Soviet threat, the compelling need for Free World unity in the fact of that threat, and the creation of economic entities such as the European Common Market—they are compelling arguments for continuing the program.

Don't infer from this that I've become a free-trader; I'm no more a free-trader than I am a hardshell protectionist. Basically, I consider myself a moderate, and I feel that the bill under consideration is one a moderate can wholeheartedly support.

Mr. Chairman, I say categorically to the committee what I have said many times before, that there is nothing to be gained in this picture by having free-traders and protectionists screaming imprecations at each other. If either side wins the battle outright, both sides will lose it; and the only possible thing that can be done today in this country is to exhibit a little give and take and approach this trade problem in a moderate manner, to the end that we may build for the future on a solid foundation.

A basic reason we are anxious to export is that by exporting we earn the means to pay for our imports. The same reason is equally applicable to our trading partners. They want and need to obtain from us a wide range of goods, usually because our products are better, or more readily available, or cheaper. In order to buy, however, they must earn the wherewithal to cover their purchases, and that it why they consider it so vital to sell their goods and services to us. If we do not buy from them, they cannot buy from us. If they could not buy from us the goods they need, they would have to find substitute sources, while our own efficient export industries, cut off from their important overseas markets, would experience great difficulties because they had lost their customers.

Our exporting industries are, as I have described, very important; any difficulties they might experience would have noticeable repercussions throughout the entire economy.

We think a great deal in this country about protection. However, as we give a measure of protection against hurtful foreign competition we had better begin to think of affording a measure of protection to our vitally important export trade as well.

There are those who profess to see no connection between our imports and our exports, who say we could continue to sell even though we refuse to buy. I think they are wrong. A private citizen who cannot sell his products soon has to reduce his own purchases. In the same manner, a nation which cannot find export markets for its own products must soon cut down on its purchases even though the products purchased play a vital role in its economic life. Nor can our future trade be limited to what foreigners can earn by selling us wholly noncompetitive products, such as coffee or bananas.

EUROPEAN COMMON MARKET

The objective of this bill is to reduce obstacles to our exports and imports and thereby encourage international trade and heightened economic activity in our industries which depend directly or indirectly on trade. A recent development abroad illustrates very well the importance of our following consistent, forward looking trading policies in our own economic self-interest. I refer to the creation at the beginning of this year of the European Economic Community—the so-called European Common Market. Here six European countries, with a combined population almost equal to ours and a combined national product about one-third of our own, are in process of forming a new economic grouping.

When the common market is ultimately achieved, in 12 to 15 years, all duties on the internal flow of goods within this community will have been eliminated. Beginning in about 4 years the participants will take the first steps to apply a common customs tariff to the outside world, including the United States. If the common market works as planned, the participating countries will ultimately enjoy a higher standard of living than they would otherwise have been able to attain. They will reach these higher living standards only if industry and agriculture in the common market countries become more efficient and more productive—more competitive, if you will.

A Europe where economic activity is heightened, where more goods and services are being produced and consumed, will clearly offer greater trading opportunities to United States business. We need only look at what has happened to our exports to these same six countries during recent years, when European economic recovery made such remarkable strides, to get an idea of the close connection between economic activity abroad and the levels of our trade. During 1953 our exports to these six countries totaled $1.5 billion; in 1957 we exported to them $3.2 billion worth of goods.

The extent to which we can benefit from these enlarged opportunities will depend upon the tariff rates ultimately adopted by the European Economic Community. The Community stands ready to adjust individual rates in return for reciprocal concessions by its trading partners. To my mind, it is extremely desirable for the President to have authority in this field which will enable us to maintain and expand our export markets in this vitally important area of the world. The countries of the European Common Market will be developing their uniform tariff over the next 5 years and will be placing it in effect at the close of that time. A 5-year extension of the Trade Agreements Act, as provided in H. R. 10368, will give the President needed authority and flexibility to negotiate throughout this important period.

In the words of the President, himself, "Such an extension with the tariff reduction authority to be requested is necessary to carry the trade-agreements program through the early formative years of [this] European Economic Community and strengthen our ability to further vital American interests there and elsewhere in the world." It is obvious that the crucial period in determining future trade patterns will occur during the next 5 years. It will be tragic if American industry is penalized by appearance of indecision which most certainly will result from a prospective change in trade policy during the 5-year period.

At the same time, the United Kingdom and most other Western European countries not in the community are considering ways to associate themselves with the common market to form a still wider free-trade area. If this endeavor succeeds, our need for adequate powers in this field will be even more urgent.

SAFEGUARDS TO AMERICAN INDUSTRY

I have been stressing the general desirability of an expanded foreign trade, and our need in this connection for the authority conferred by this legislation. I want to stress equally my belief that when we work for increased trade we have a clear duty to see to it that we do not grant tariff reductions which cause serious injury to individual segments of American business. I believe the safeguards contained in the present legislation, as reinforced by H. R. 10368, fully meet this essential need. It is because I am on the one hand convinced of the desirability of expanded trade, and on the other of the adequacy of the safeguards against serious injury to United States business, that I am prepared to support this legislation so unequivocally.

I would like now to review the actions taken by the President to date in escape-clause cases. Since the provision was written into the law, the President has made escape-clause decisions on 23 commodities. Of the 23 commodities in question, the President invoked the escape clause in the case of 9. He declined to do so in 14 cases. Included in this 14 figure are lead and zinc, on which he arranged an alternate remedy, and velveteen fabrics, where relief for the industry was afforded by the voluntary decision of our foreign suppliers to limit their export to us.

In each case where he decided not to invoke the escape clause, the President documented fully and publicly his reasons. In some cases the President concluded that serious injury as a result of imports had not been demonstrated; in others, that the proposed tariff increase would not remedy the situation in any significant way. While basing his decisions primarily on these considerations, the President—whose responsibility it is to conduct the foreign relations of the United States—obviously, also had to weigh the effects of particular actions on our relations with other nations, on our alliances, and on our military security itself.

As an example, in the case of fish fillets the President concluded that the raising of duties would not really improve the situation of our industry, and, as I interpreted his action, it might well push a friendly country far into a position of economic dependence on the Soviet Union. The country in question, Iceland, plays a vital role in our defense alliances by virtue of its geographic position. Therefore, instead of raising duties, the President decided instead to take a series of other measures which he judged would more effectively assist our domestic interests without prejudicing our relations with an essential ally.

This exemplifies the vital role played by the President's discretionary powers in these matters. I know that some wish to limit the President's discretion in escape clause cases. I submit that this would be little short of disastrous. These matters are never completely black or white, and they do vitally affect not only particular segments of our economy but also our national interest and national security as well. I believe it absolutely crucial that the President continue to retain discretionary powers in this vital area. I know these are strong words; I have purposely made them so.

RECIPROCAL NATURE OF TRADE PROGRAM

It has been charged that the reciprocal trade agreements program has in fact not been reciprocal; that we have reduced our duties without receiving in return equivalent reductions from our trading partners. The facts do not bear out this assertion. We have obtained direct tariff concessions from foreign countries on a wide range of commodities.

By the best estimates we have been able to make, we have obtained concessions from other countries—that is, duty reductions or bindings—on some $7 billion of United States exports, of which at least half would be exports of goods that pay duty in the importing country. For our part, we have granted concessions on about $7 billion also, but about three-fifths of this amount has consisted of binding rates for goods which already entered our market duty free.

Trade figures, of course, do not tell the entire story. Let us look at changes in the tariff levels of some of our principal trading partners during the period covered by the program.

The average ad valorem duty rate on Western Germany's imports, for example, was less than 8 percent in 1956. This contrasts sharply with the level in prewar Germany—28 percent in 1937. Over approximately the same interval, corresponding data for France show a decline from 17 percent to 6 percent, and the average rate on Italian imports fell from 12 percent to 8 percent.

For the United Kingdom, the statistical picture is somewhat obscured by the high British revenue duties on such items as liquor and tobacco. These levies, which are essentially consumption taxes, have been increased since the beginning of World War II. Exclusive of the revenue duties, however, the average British tariff rate has been reduced from 4 percent in fiscal 1938 to 2 percent in fiscal 1956.

Belgium and Sweden already had comparatively low tariffs before the war. Nevertheless, these also have been significantly reduced—from 9 percent in 1937 to 5½ percent in 1956 in the case of Sweden, and from 6 percent to 4 percent for Belgium-Luxembourg.

These examples show that other industrial members of the GATT have kept reasonably well in step with the United States in reducing tariff barriers from their high prewar levels. Generally speaking, tariff schedules of underdeveloped countries have not been characterized by similar reductions. Among such countries who are members of GATT, however, reciprocal concessions have certainly kept duties lower than would otherwise have been the case.

Following the war, many foreign countries imposed quantitative restrictions on dollars goods for balance-of-payments reasons. Such quota restrictions had considerable effect on trade patterns. We agreed that quotas could be used as long as balance-of-payments problems made them necessary. These financial problems deferred some of the benefits we obtain from tariff concessions, but this was inevitable as long as countries could not in any case pay dollars for more imports. There was full agreement by all parties, however, that quota restrictions should be relaxed and removed as rapidly as circumstances permit, and this basic principle is written into the GATT.

There has been very considerable progress in breaking down quotas on imports of our goods in recent years, particularly in Western Europe. Today, for example, Belgium and the Netherlands impose virtually no restrictions on imports of dollar goods. Germany has virtually eliminated its quantitative restrictions. Sweden has freed 70 percent of its private dollar imports from quota restrictions, Italy 72 percent, Denmark 55 percent, Norway 86 percent; in fact, practically all the countries of Western Europe have taken some steps to remove quotas on dollar imports. This development undoubtedly has played a part in the extremely favorable development of our European trade in recent years.

When foreign countries are judging whether their payments position permits the relaxation of their controls on dollar imports, one factor in the calculation is their evaluation of United States commercial policies. If they think we intend to follow a basically cooperative trading policy, they feel they can more safely reduce or eliminate their restrictions. The passage of this bill could only give impetus to the movement toward liberalization of dollar trade.

GATT AND OTC

To digress a moment, you all know that the General Agreement on Tariffs and Trade plays an important role in the trade-agreement picture. It embodies the basic provisions calling for multilateral, nondiscriminatory international trade, and it provides a mechanism through which negotiations looking to reciprocal tariff reductions are carried out.

To enable the GATT to perform its functions more efficiently and more effectively, the creation of an Organization for Trade Cooperation has been proposed. The administration, with my wholehearted support, has recommended to the Congress that the United States concur in this action. The OTC itself would in no way limit our freedom of action, nor would it impose any new obligations on us. Its chief function would be to make GATT operations more efficient. Most of those who oppose OTC are those who have reservations about the reciprocal trade program itself, and who thus oppose GATT and any mechanism designed to make GATT operations more effective. If we agree that the reciprocal trade program itself is essential, as I firmly believe, it follows that OTC is a desirable adjunct.

I have already mentioned the Commerce Department's new responsibilities in reciprocal trade matters. If OTC comes into being, its role in these matters—and that of businessmen generally—will be further enhanced. Under the proposed bill authorizing United States membership in OTC, an advisory committee, chaired by the Secretary of Commerce and consisting of representatives of American industry, labor, agriculture, and the public, would be created to advise and consult with the United States chief representative on matters coming before OTC. And it is the President's intention to appoint as our chief representative someone having wide and practical business experience.

ADMINISTRATION'S PROPOSALS ANALYZED

We come now to the specific proposals contained in H. R. 10368. The committee has received a full analysis of the bill and is already familiar with its provisions, so I will be very brief.

First, the administration proposes that the President's authority to enter into trade agreements be extended for 5 years, from June 30, 1958, through June 30, 1963.

The extension is needed for the following reasons: In negotiating for reduction of impediments to United States exports, a better deal can be made if the negotiating country has confidence that our course will not be changed for at least 5 years. Substantial commercial arrangements in the foreign trade field extend over a long time; and governments, as well as commercial concerns, are reluctant to make long-term commitments unless they have some assurance that other governments will maintain a consistent policy for a reasonable length of time. Experience shows that foreign trade may be adversely affected by uncertainty about the trading policies of important countries, including our own.

As I have already explained, a 5-year renewal of negotiating authority is also necessary to enable us to help American industry and agriculture maintain and further develop their trade relationships with the European Common Market. It is important to American industry and agriculture that the new common market rates be as low as possible. The United States needs to undertake careful and exhaustive preparations and conduct detailed negotiations with the common market; and in order to do so, the President must be provided with sufficient authority.

The administration further proposes that additional authority be provided to reduce duties in carrying out trade agreements entered into between July 1, 1958, and July 1, 1963. This would consist of authority to reduce individual rates of duties to a point not below the lowest rate resulting from applying any one of the three following methods:

1. Reducing the rate to the level which would result from decreasing the July 1, 1958, rate by 5 successive annual reductions each equal to 5 percent of that rate. Under this method, the President would also be authorized to reduce a duty by this same total amount over a shorter period; however, 10 percent of the rate would be the maximum reduction which normally could be put into effect for the first time in any one year.

2. Reducing the July 1, 1958, rate by not more than 3 percentage points ad valorem. Such reductions would also have to take effect by stages, over a period not exceeding 5 years. However, normally, no more than 1 percentage point could be put into effect for the first time in any one year. This alternative authority would be significant in the case of rates of less than 12 percent, where 3 percentage points would be a larger reduction than the maximum reduction under the first method.

3. Reducing, as is presently authorized, an existing rate which is above 50 percent ad valorem down to 50 percent ad valorem. Here, too, reductions would have to be made gradually; not more than one-third of the total reduction could be put into effect for the first time in any one year. This alternative authority would be significant in cases of rates over 66⅔ percent, where it would permit a greater reduction than under the above first alternative method.

The peril-point provisions of the present legislation are reaffirmed.

The administration not only proposes that the peril-point and escape-clause procedures and other safeguards for American industry and labor in the present law be continued, but also that the safeguards be strengthened. Specifically, it is proposed that the President be given greater authority to raise duties. This additional authority will be valuable in escape-clause cases. The President would be authorized to raise duties as much as 50 percent over the rates which existed on July 1, 1934. This represents a significant change from the present law. In escape-clause cases the President now has authority (1) to terminate the trade-agreement concession, with the result that usually the rate established by the Tariff Act of 1930 then applies, or (2) to increase the duty by as much as 50 percent over the rate existing on January 1, 1945. Since on many items the 1934 rates were substantially higher than the 1945 rates, this change would increase the extent to which duties on such items could be raised where necessary to avert serious injury to domestic industries.

The administration also proposes that the law be amended to provide for more prompt and effective consideration of serious-injury cases under these circumstances: The Tariff Commission shall promptly institute an escape-clause investigation, if in the course of a peril-point investigation it finds (with respect to an article on the list upon which a tariff concession has been granted) that an increase in the existing duty or additional import restrictions is required to avoid serious injury.

Under present law, when the Tariff Commission finds that even the existing rate threatens injury, the President is required either (1) to negotiate to increase the rate to the point at which the risk is avoided or (2) to report later to Congress why he failed to do so. Experience has demonstrated that it is usually impracticable to negotiate increases. As a result, there is always a possibility that in such cases it may turn out that an escape-clause action is later instituted in order to give relief to the industry concerned. Meanwhile, several months might have elapsed.

Under this new procedure, no time would be lost in the event the increase were not negotiated. Rather, the procedures of the escape clause would have been started immediately upon the peril-point finding. In many such cases—provided the escape-clause investigations do confirm the threat of serious injury—this automatic procedure would have the effect of saving months in any eventual granting of relief afforded the industry concerned. An industry genuinely deserving relief should receive it without unnecessary delay.

SOVIET ECONOMIC OFFENSIVE

Up to this point I have been describing the bill itself and discussing its economic implications. I would now like to comment briefly on another factor to which I alluded earlier—the relation of this program to our Nation's security in the face of the Soviet threat. Let me quote a statement made by Mr. Krushchev on November 2, 1957:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

Clearly, the Soviet Union is conducting an economic offensive against the Free World. Using combined programs of trade and aid, it is attempting to increase its influence in the Free World and to lessen our own. Such a program, if successful, could seriously endanger our entire way of life.

The Soviet Union is apparently convinced that trade is the most effective way to influence and win over the peoples of the world—more effective than sputniks, more effective than progress in rocketry, missiles, and armaments. The Russians may well be right.

We would be ill advised to underestimate the economic capacity of the Soviet bloc to stage such an offensive, or the appeal which Soviet offers may hold for other countries. The threat posed by the Soviets in the trade field is a real and a serious one. It would be doubly serious if, while the Soviets preach and practice expanded trade, we were to retreat from our program and were to weaken ourselves by self-imposed restrictions on trade. Stop trade, and the nations dependent on international exchanges will surely move away from us and toward the Communist world.

Let me cite examples of Soviet trade moves which trend to increase their influence and prestige.

In its trade drive Russia is pinpointing areas of political ferment and economic distress in the Free World, with particular emphasis on the underdeveloped countries. Within the past few months the Soviet Union has, for example, offered to take wool from Uruguary and coffee from Colombia. It has offered in return both finished manufactures, including machinery, and such interesting items as petroleum. The U. S. S. R. is buying much Egyptian cotton, and in 1957 was Egypt's most important customer. The Soviet pattern of offering to purchase basic commodities that have declined in price on world markets has been repeated in a number of other countries—Burma, for rice, and Ceylon, for rubber, are examples.

Paralleling these trade drives are Soviet programs under which attractive industrial installations are offered to underdeveloped countries at what appear to be bargain terms. To mention only one, the Russians have agreed to provide a steel mill to India. These credits to finance imports from the Soviet Union help the Soviet Union develop economic ties that may become difficult to throw off.

We need not meet the Soviet Union on every economic battlefield by offering to take commodities which are in adequate or surplus supply in the United States and for which our imports markets are limited. But the reciprocal trade-agreement program is one of our strongest weapons with which to counteract their offensive. It does not in itself provide the complete answer to Soviet economic penetration, but it is absolutely indispensable in the sense that, without it, nothing else we do is likely to be very effective. If we do not demonstrate to the world that we support the continuing reduction of obstacles to Free World trade, if our failure to take action weakens our friends to the point where they fall into economic dependence on the Soviet bloc, we will have lost a crucial battle in the epochal struggle of our era.

As I hope I have demonstrated, in this program there is no conflict whatever between our economic well-being and our political necessities. The wisdom of continuing the program therefore seems to me inescapable.

In my studies of these matters, I have looked back to see what eminent men in our public life have said about reciprocal trade treaties. I was particularly impressed by Theodore Roosevelt's statement, made in 1902, which I quote:

"It is greatly to be desired that such treaties may be adopted. They can be used to widen our markets and to give a greater field for the activities of our producers on the one hand, and on the other hand to secure in practical shape the lowering of duties when they are no longer needed for protection among our own people, or when the minimum of damage done may be disregarded for the sake of the maximum of good accomplished."

Gentlemen, everything in life is a matter of degree. I said earlier that in this trade problem the only possible thing that can be done today in this country is to exhibit a little give and take and use a moderate approach. This is not something either black or white, and we shall lose as a Nation if we insist on approaching it in these terms. The bill you are considering embodies the practical and moderate approach I advocate.

* * * * *

In conclusion, may I leave with you the thought which I have emphasized frequently today: Let those who advocate the defeat or weakening of the trade agreements program count all the cost.

Even though some of them may think they are shielding some business from some competition, their action, if successful, would jeopardize the job security of more than 4½ million American workers whose living depends on world trade. Such a threat would be wrong at any time, even more so in a period of business downturn with larger than seasonal unemployment.

The trade program will protect millions of American jobs. More trade will make more jobs.

Because of all the reasons set forth today, I have every confidence that the urgently needed trade legislation will be adopted by the Congress.

SENATE

FRIDAY, FEBRUARY 28, 1958

Rev. Robert W. Olewiler, minister, Grace Reformed Church, Washington, D. C., offered the following prayer:

Almighty God, by whom our country has been established in freedom and preserved in union, we are grateful for our joint inheritance as citizens of this Nation, for the ties which bind us to our fellow men, and for the opportunity of increasing service to the world.

We pray, O God, that Thou wilt enlighten and direct the rulers of all nations that they may act wisely and without pride, seeking to promote peace among the peoples and establish justice in our common life. Give all of us grace to understand how our lives depend upon the courage, industry, honesty, and integrity of our fellow men.

Govern and protect by Thy power and wisdom all those entrusted with authority, and so enrich our United States Senate with all needed good, and so guide its legislative deliberations and counsels, that our people may always prosper in freedom beneath an equal law and our Nation magnify Thy holy name in all the earth, now and forever. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 27, 1958, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 776. An act to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes;

H. R. 5005. An act to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory;

H. R. 5411. An act to amend title II of the Social Security Act to provide that a widow or former wife divorced who loses mother's insurance benefits by remarriage may again become entitled if her husband dies within 1 year of such remarriage;

H. R. 7454. An act to amend the Tariff Act of 1930 to provide for the free importation by colleges and universities of sound recordings and film to be used by them in certain nonprofit radio and television broadcasts;

H. R. 7570. An act to amend section 403 of the Social Security Amendments of 1954 to provide social security coverage for certain employees of tax-exempt organizations which erroneously but in good faith failed to file the required waiver certificate in time to provide such coverage;

H. R. 9509. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H. R. 9919. An act to amend the Tariff Act of 1930 to extend the privilege of substitution for the purpose of obtaining drawback upon reexportation to all classes of merchandise, and for other purposes; and

H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Finance:

H. R. 776. An act to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes;

H. R. 5005. An act to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory;

H. R. 5411. An act to amend title II of the Social Security Act to provide that a widow or former wife divorced who loses mother's insurance benefits by remarriage may again become entitled if her husband dies within 1 year of such remarriage;

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H. R. 10242. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet today during the session of the Senate:

The Finance Committee;

The Constitutional Rights Subcommittee of the Judiciary Committee; and

The Internal Security Subcommittee of the Judiciary Committee.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTES TO SENATOR LYNDON JOHNSON, OF TEXAS

Mr. MANSFIELD. Mr. President, in the latest issue of Harpers magazine there appears an article written by the New York Times senatorial correspondent, Mr. William S. White. The title of the article is "Who Is LYNDON JOHNSON?"

I do not believe any reporter knows LYNDON JOHNSON better than does Mr. White, and I am sure that on the basis of what he has written, the character of the man who leads the majority in the Senate will be better understood.

Let me read a little of what Mr. White has to say relative to our distinguished majority leader, the senior Senator from Texas:

> On certain issues, foreign and military affairs especially, he is almost totally unpartisan and highly responsible—a fact recognized by Senate foe and friend alike. In these matters he has been heavily relied upon by President Eisenhower and other Republicans as well as the Democrats, and in all the present circumstances this reliance will increase rather than diminish. JOHNSON'S view toward the administration in these fields is one of an almost absolute impersonality and detachment. In world affairs he will do, precisely and simply, what he thinks the national interest requires.

One of the reasons why the Democratic Party has assumed such great standing in late years has been the responsible leadership shown by the distinguished senior Senator from Texas.

Mr. PROXMIRE. Mr. President, I have read the very fine article by William S. White. I concur wholeheartedly in the remarks of the Senator from Montana.

I should like to add that this article is particularly important to the Senate, because it sets forth what our distinguished majority leader has done. He has occupied a very difficult role. It is never so heroic, never so flamboyant, never so appealing as that of the arch-crusader. It is a role of moderation, a role of outstanding responsibility. If the American people can have this article called to their attention they will understand that portion of the title which reads, "An Intimate Report on the Second Most Powerful Man in America." They will understand the great opportunity which Congress finds it has in this session to exert a kind of Congressional leadership which the Nation has never seen. That is possible because of the outstanding ability of our distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the article entitled "Who Is LYNDON JOHNSON?" written by William S. White, and published in the latest issue of Harper's magazine, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO IS LYNDON JOHNSON?—AN INTIMATE REPORT ON THE SECOND MOST POWERFUL MAN IN AMERICA—AND ONE OF THE LEAST UNDERSTOOD—BY THE PULITZER PRIZE-WINNING CAPITOL CORRESPONDENT OF THE NEW YORK TIMES

(By William S. White)

Much of the power of practical decision within the Democratic Party—and, indeed, within the United States Government itself—will rest for this year, and for the year beyond and yet the next, in the restless,

brilliant, and volatile mind of one of the country's least understood public men.

LYNDON B. JOHNSON, of Texas, the Democratic leader of the Senate, will also be the leader-in-fact of the Democratic Party until it chooses a new one in both fact and form, at its 1960 convention. His own nomination for the Presidency is highly improbable—and would so remain even if he should reverse his present attitude and court the job. All the same, in the 3 intervening years he will be far more than an elevated party caretaker; his influence over the affairs of this Republic will be little short of that of President Eisenhower himself—and might in some matters and at some times actually be the greater.

Not often, if ever, has a man of Congress—in this case specifically a man of the Senate—created so powerful a position for himself or confronted such favorable circumstances for the exercise of that power. The grip of the administration is inevitably and progressively weakening, the locus of crisis is swinging, even more perceptibly than last year, toward the Capitol; incomparably the most puissant figure in that vaulted and Romanesque place is LYNDON JOHNSON.

But far less often—if, in fact, ever—has such a man in such a context been the subject of such diverse estimates from writers and the public. There is nothing approaching a common view, or even what might be called a consensus view, of Senator JOHNSON. He is, in this sense, a man of mystery—though not really an opaque one. One can go a long way toward solving the enigma by noting the central fact that JOHNSON is an authentic, living example of what it means to be always caught in the middle. He is, to put it another way, the very embodiment of the traditional definition of politics as the art of the possible.

An ineluctable common sense is a profound (not merely a strong) impulse in his public career. He knows perfectly well all the time what is perceptible most of the time to those who are able to view political issues and personalities without violent emotion. This is the fact that almost no acute problem, political or otherwise, is ever settled perfectly and ideally and without a good deal of adjustment on both sides. Moreover, this adjustment nearly always calls for some filing away of the sharpest protruding edges of what each side will identify, fairly or not, with the word "principle"; often it also demands an unashamed brushing under the rug of certain inconvenient and ill-fitting remnants of the accommodation.

As a political commander he is not interested in charges of the light brigade; he welcomes no martyrdom from the massed hosts of the opposition. Like Lord Montgomery in the Second World War, JOHNSON is never happy to involve himself or his troops in gallant operations doomed in advance and useful only to those who love a lost cause.

He does not fight for practice, for the spectators, for history—or even solely to vanquish the enemy—but only for highly measurable and affirmative motives. Again like Montgomery, he willingly commits himself to action only when coolly detached analysis indicates that he has a good to excellent chance to win and—equally important—a better than even chance to hold his own party's casualties within reasonable bounds. This kind of position makes poor stories and poorer legends, because it makes damn few heroes. Its only virtue is that it is usually effective.

WHY LIBERALS DISTRUST HIM

JOHNSON, in a word, is a highly professional legislative leader; and like many great pros, he makes it look easy. He gives off none of that impression, so satisfying to partisan onlookers, of dedicated devotion and desperate effort. He is able, yes; but is he sincere?

To lead in this seemingly casual way—and moreover to lead always from the middle and thus inevitably never to be fully accepted in blood comradeship with either the left or the right of his party—means that he necessarily inflicts recurring wounds upon the amour-propre of each wing, not to mention those articulate observers who are emotionally engaged with the one or the other.

To be moderate anywhere in active (that is, elective) politics is never easy. For a party leader, who by definition is supposed to be a more or less perfect partisan brandishing the sword and never sounding retreat, the rewards of such a posture are somewhat attenuated. And the position is especially difficult to maintain within the Democratic Party. It is very proud of its martial traditions and its rank and file often tend to prefer a dramatically moving to a quietly successful show. Thus, JOHNSON is fully appreciated only by the politically sophisticated. They fall into two groups: (1) those political observers who quite simply like to watch a true virtuoso in action; and (2) those fellow partisans whose objective gratitude for his unarguably high services to his party in general is strong enough to overcome their subjective resentment when (as is bound to happen sooner or later) his centrist position operates to reject their own convictions and current designs.

And JOHNSON's own personality, temperament, and taste do nothing to soothe his critics. He is a pragmatic man and not a theorist; an actionist and not a philosophic thinker. His political experience—and it has been an immensely crowded one considering that he is yet this side of 50—has told him certain things that no amount of theoretical considerations can alter. He knows perfectly well, for example, that not all Democrats are generous and all Republicans mean; that the good guy-bad guy notion of politics is too attractively simple to make much sense; that there is not and cannot be any neat and tidy division of ideology in this country's system; and that one of the surest ways to complete political ineffectuality is to be absolutely awash with principle but barren of the practical means of converting it into legislative reality.

Thus it is not merely expedience that has made him fairly unpartisan underneath and neither liberal nor conservative—as these infinitely involved terms are generally understood. It is also personal preference. And though he is strongly touched with the open vanity that touches nearly all able politicians, neither cant nor hypocrisy nor preciousness is among his shortcomings.

So, though he deeply (and justifiably) resents the view of many critics that he is simply a very clever political operator, he himself is partly to blame for the propagation of this notion. This is so because when he sets out upon some tour de force in the Senate—of a kind in which repeatedly he has accomplished by cajolery and force an incredible degree of party unity—he frequently does not announce that he is operating on the side of the angels. To the contrary, he is quite likely to grin with an impish delight as his maneuvers unfold and so to leave the impression—particularly with either-or people whose sense of evangelism is strong—that his extraordinary achievements must be credited to allies from a quite different spiritual world.

Enchanted with the subtleties of a highly subtle political forum, he is (especially in his private explanations of his strategies) inclined to be one of those who refer to that well-known implement as a ruddy shovel. He displays what appears to be—and sometimes is—a touch of cynicism; he is not a careful man in some ways, and does not always protect his flanks.

Once long ago, for example, I asked Senator JOHNSON why, as the leader of the Democratic Party in the Senate, he did not signal a general assault upon the late Senator Joseph R. McCarthy.

"I am not about to commit my party," he told me, "to a high-school debate on the question 'Resolved that communism is good for the United States of America'—with my party taking the affirmative."

What he meant here was not that he condoned McCarthyism, but that he recognized that it was politically unassailable at the moment by his party, reeling as it was then from charges of communism, corruption, and Korea; that an attack then would only fail and so promote McCarthy; and that he was waiting for the day when he could beat McCarthy down.

This day came—it was in fact LYNDON B. JOHNSON more than any other single person anywhere of any station who broke McCarthy by arranging for the Senate to condemn him. Nevertheless, JOHNSON never got full or even major credit with the public or with most commentators; his bleakly candid shorthand summation of the earlier days stood in the way.

THE UNTYPICAL SOUTHERNER

The temptation to see JOHNSON as a kind of dark genius is promoted, in a trivial sense, by his own somewhat somberly handsome personal appearance (even here he has none of the windblown, terribly earnest, and self-conscious "wholesomeness" of many politicians) and by the small fact that he is a fairly rich man and unapologetically lives accordingly. More importantly, this temptation is heightened by the fact that his personal tradition (though he will be quite astonished to hear this) is of the Southwestern rancher-aristocrat. Roughhewn though that type of colloquial and unconscious aristocracy is, it shares the unwillingness of aristocracy everywhere to explain or debate its own motives or to make any overt appeal to so-called moral considerations, as such, in public life.

And though he is a hard, acute politician, never hesitant about laying his hand to every political advantage that he considers legitimate, his sense of privacy is (even apart from his instinctive distaste for striking moral attitudes) much stronger than average in his profession. The fact that he won the Silver Star for gallantry in the Navy during the Second World War, for instance, does not appear in his official biographies.

The tale is further complicated by the fact that JOHNSON is not only a man of the middle in politics; he is also a bit lonely in a way in his own region. Geographically, he is a Southerner—and it is entirely fair to say that to some of his critics this is his true, his infamous, his inexplicable and unremittable sin. But politically he is in, but not really of, the Senate's southern bloc. He is wholly acceptable there, yes. He knows his way around there, yes. He has a stentorian voice there, yes. But he is not, in a certain deep and intimate way, totally and instinctively at home there. For in the most personal sense, in his blood and his bones and his inherited memories and attitudes, he is hardly a southerner at all in any common meaning of the term.

JOHNSON had family but not wealth in his early years. Born near the little town of Johnson City, Tex. (which his grandfather founded), he was educated in its public schools and got a bachelor of science degree from Southwest Texas State Teachers College in 1930. From college he went to schoolteaching and from there to Washington as secretary to Texas Representative Richard Kleberg in 1932. He attended Georgetown Law School and went back to Texas as director of the National Youth Administration. Elected to Congress in 1937, he continued in the House till he won his Senate seat in 1948. After only 5 years, he was elected Democratic leader.

In politics for nearly all of his adult life, he has enjoyed comparative wealth from his

wife's side of the family. Mrs. Johnson, the former Claudia Taylor, of Karnack, Tex., was called Lady Bird by her childhood nurse and the name has stuck. The Congressional Directory lists her this way and one of the Johnson's two daughters is called Lynda Bird. Poised, basically intellectual, and infinitely more philosophic than her husband, she is his balance wheel. With humor and grace she fights a hopeless battle described as trying to slow LYNDON down a little. But the traditional southern tempo—and southern attitudes—are foreign to him.

In the 25 years that I have known him, I have never heard JOHNSON speak nostalgically of "the Old South." I have never known him—even in the most unguarded of moments, even, let us say, over a glass or two of whisky in a midnight hour of reminiscence and remembrance—to identify himself with emphasis as a southerner or to speak of a way of life now long gone. More specifically, I have never known him to say one word that could by any possible stretch of the imagination be interpreted as even faintly white supremacist in attitude.

The reason for all this is, almost certainly, not a consciously moral or ethical one. The probable explanation lies mainly in the fact that JOHNSON'S part of Texas is romantically attached not to the War Between the States but rather to the war of independence against Mexico.

Old Sam Houston of Texas, who had to carry a pistol in his waistband and his life in his hands in publicly fighting against Texas secession, was a family friend of the early Johnsons. LYNDON'S father was Sam Ealy Johnson, who in his day fought in the Texas Legislature against hysterical mistreatment of German-Americans in south Texas during the First World War. LYNDON JOHNSON all his life has been a friend of the Mexican-Americans in Texas and while it is entirely true that he might never have reached the Senate in the first place without the very active support of some of the powerful south Texas rancher-bosses, it is certainly also true that anything but violence was done to the convictions of the vaqueros when it was, so to speak, suggested to them that they vote for JOHNSON. He is, in the racial, the religious, the ethnic sense, a truly tolerant man, who never speaks of that fact. He is an authentic member—as was his father before him—of an otherwise ill-defined political movement in Texas which has smashed down 20th century Ku Klux Klanism every time its head has been raised. This course, by the way, has not always been quite so easy or safe as it would have been in New York, say, or Michigan or Illinois. JOHNSON is entitled to no medal of honor for what has been simply a position of decency; all the same the implications do go a bit beyond the earning, as it were, of the Spam ribbon in the old European Theater of Operations.

Again, in attempting to measure what he stands for and what is he after politically, it is necessary to dwell for a moment on the obvious, though less than simple, fact that he is after all a Texan. Though this correspondent yields to nobody in his distaste for those parts of the new so-called Texas legend that are phony, the simple fact remains that these chaps, politically at least, are of a breed apart.

Even current semantics are different there. In Texas—where to most people a conservative is somebody like the rightwing former Gov. Allan Shivers—JOHNSON is in the middle to a most painful degree. To a substantial and powerful moneyed group he has often appeared to be pinkish, if not dangerously leftist; one of this number was reluctantly persuaded that JOHNSON was not actually a Communist only upon such eccentric tests as the fact that he did not, after all, wear his hair very long and was never seen in suede shoes. Thus, though he has backed the tidelands and natural-gas bills (and necessarily injured his work as a national party leader on every such occasion), JOHNSON is hardly the darling of the oil people, as easterners often believe. It is a fact that he has some very wealthy supporters but he is far from a consistent collector of fat cats; his fat cats have joined him, rather than the other way round. The common run of these burstingly fiscal felines—and there are so many of them in Texas that such a term as "common run" is accurate enough—don't like him now, never did, and never will.

To a good many other Texans, whose liberalism is perhaps the more vehement for having so long been pressed down into the catacombs, JOHNSON is seen as a powerful and ruthless rightist—though it is difficult to ascertain from them the precise basis for this estimate. Quite possibly it arises as much from JOHNSON'S manner as from his policies; he can be abrupt and highhanded, and few men upon this earth so actively and visibly stir his scorn as those politicians who have only good intentions. If he must deal either with an able s. o. b. or a totally inept and moist doer of good works, he will unquestionably prefer the former, as regrettable as this taste may be.

THE POLITICIAN AS ARTIST

JOHNSON has never failed to support a national Democratic ticket—even the Stevenson ticket during the tidelands hysteria of 1952 in which this act was widely considered un-Texan and as giving aid to the enemies of the Republic of Texas—yet Texas liberals are in varying degrees suspicious of him or hostile. The fact that his defeat probably would produce an alternative Senator who would make JOHNSON look like the chairman of the ADA—not to say the NAACP—is reluctantly conceded by some in this dissident wing. It does not, however, diminish that wing's active dislike of the senior Senator from Texas.

JOHNSON has proceeded in Texas much as he has proceeded in the Senate; he has not permitted the formation, within his party either in Texas or at the Capitol, of any nexus of enduring power from either the right or the left wing of the party. While he does not run his organization affairs in a way that would altogether appeal to collegiate political scientists, he cannot accurately be described as a political boss in either the Texan or the national context.

Though he bestrides the Senate as no party leader—not even Taft of Ohio—has done in memory, he maintains his extraordinary footing there by meeting the most persuasive and objective of all criteria among politicians: the criterion of long demonstrated success. He has made himself very nearly the indispensable man of his party, in the Senate if nowhere else. Almost every angry criticism of him that one hears from other Democrats—usually, but by no means always, from the liberal side of the party—is followed with the hurried qualification to this effect: "Don't get me wrong. LYNDON is still the ablest man we've got for this job."

There has not been a time during his leadership—not even on such occasions as when he brought up the natural-gas bill and for the time being deeply split his party—when any substantial number of Senate Democrats has been prepared even to contemplate his replacement. This is true in spite of the fact that he is very far from being a tactful leader. His boiling point is markedly low at times, this having been especially true since his massive heart attack in July of 1955.

He can be harsh with the rank and file, and he can and does give brusque orders, quite heedless of senatorial dignity, of a kind which even the redoubtable Taft would not have attempted. Last year, he coolly and successfully told more than one proud southerner what and what not to say in the civil-rights debate. He did much the same with some of the advanced liberals. Such interventions are just this side of unheard of in the club that is the Senate.

Senators will take it from LYNDON, where they certainly would not take it from anybody else, for a variety of reasons. One, and probably the most important, is that he is a good deal like a respected, if cantankerous, captain of an infantry company. His followers know that he is immensely skilled in the kind of warfare in which they must be engaged and that he will bring them through an action if anybody could. Again, he is on occasion extraordinarily thoughtful of his colleagues, with the little and publicly unnoticed actions of kindness that all men value. Finally, though he can be tough without trying at all hard, he is free of pettiness and has very little vindictiveness in his nature.

On certain issues, foreign and military affairs especially, he is almost totally unpartisan and highly responsible, a fact recognized by Senate foe and friend alike. In these matters he has been heavily relied upon by President Eisenhower and other Republicans as well as the Democrats, and in all the present circumstances this reliance will increase rather than diminish. JOHNSON'S view toward the administration in these fields is one of an almost absolute impersonality and detachment. In world affairs he will do precisely and simply what he thinks the national interest requires. No one need expect him to forget for a moment any vital Texas interest; nevertheless no Texas interest will ever cause him to do anything that seems to him in any deep way to injure the United States. And all this does not make him unique; all of this could also be said of the Republican Senate leader, WILLIAM F. KNOWLAND, of California.

This man, LYNDON BAINES JOHNSON, of Texas, is perhaps the most complicated man in public life known to this correspondent. He is at once sentimental and distinctly clear-eyed. He is tireless beyond ready belief; nearly all his waking life is spent as a furiously functioning one-man political organism. His understanding of men as individuals and his skill in dealing with them must be seen in action to be credited. Whether he understands people in the mass so well is perhaps open to question.

WHAT DOES HE WANT?

He is highly ambitious—sometimes. At other moments he is hurt, disillusioned, and his attitude says clearly: To hell with it. His drive to power is notable—most of the time. At times his streak of altruism is very strong; I have seen tears of gratification in his eyes when, in the middle of great and urgent events, he learned of a success at the bar for a man he had coached in public speaking many years before in a Texas high school.

He values money but is careless with it and of it. He sometimes storms at and drives his staff people but always he cares paternally for them in every sense, including the financial. He genuinely respects their opinions on every matter, even though he may be glowering at them at the very moment these opinions are uttered.

He is excessively sensitive to criticism—or rather to criticism from certain sources, and especially from those liberal Democrats whose beau ideal is still Franklin D. Roosevelt. Johnson himself reached the House of Representatives on a platform supporting FDR's court-packing plan and was a Roosevelt protégé. He is periodically—or, rather, more or less incessantly—accused by these liberals of having gone back on liberalism. But who has in fact gone back upon whom is very largely a matter of definition. JOHNSON on the record has been of more service to some—though not all—traditionally liberal enterprises (notably public power, public housing,

the defense of the right of inquiry and dissent) than have most of his liberal critics put together. On the other hand, it is unquestionably true that in his years of maturity as a politician he has, on some issues, kept the professional liberals on a pretty thin diet.

They tend to regard this circumstance as a kind of betrayal. His view is that there are few fixed and immutable total truths in politics, and that if he has served the liberals no more than half a loaf they would have had far less bread if he had acted as they would like him to act. If he often is not fully aware of the validity of some of their demands, they on their side almost never have any perceptive awareness of his problems in dealing with certain intractable realities—the powerful southern bloc among them—that will not be blown away simply by proud, hot words and the stand-and-die technique.

At all events, he is the man who now and for some time to come will be the nearest thing to the operating engineer of the Democratic Party. It is all but certain that he will have a considerable voice in the selection of the next Democratic presidential nominee. It is anything but certain that he can, all through the 2d session of the 85th Congress, maintain the desperately delicate North-South balance of some civility that he has thus far maintained against overwhelming odds. It is, however, quite certain that he is infinitely the most formidable guard the Democrats could possibly find to keep harrying watch upon their most brilliant antagonist between now and 1960, Vice President NIXON. NIXON likely could win almost any contest with JOHNSON in the public arena—as of now, at least. But it is 7 to 3, or maybe 8 to 2, that the Vice President will meet his master in almost any power contest with JOHNSON within the arena of Congress itself—except possibly on civil rights, an issue on which JOHNSON's geographical situation ties one arm behind his back.

Given all this about LYNDON JOHNSON, as person and as politician, what does he want and where is he going? Among those who do not know the answers to these questions is JOHNSON himself. Certainly, he wants to go down in history as a great figure of the Senate, and this ambition may be said to have been pretty well reached. Does he want to be President, though he says not? To this I can only offer belief: I believe that sometimes he does, but that most of the time he does not—genuinely and objectively does not. I believe in short that this complex, this driven man (driven not unworthily, but driven just the same) does not, in the final and real and basic sense, know himself quite what he wants beyond the fact that the practice of politics is his life and his great need. Politics to him, more than to any other politician I have ever known, is art for art's sake.

Mr. CARLSON. Mr. President, with regard to the article which has just been inserted in the RECORD, which I have read, and which I think is a very fine article, let me say that the majority leader is fully deserving of all the tributes contained in the article.

It was my privilege to serve in the House of Representatives under three Speakers; namely, Speaker Byrns, Speaker Bankhead, and Speaker Rayburn. I know the value of leadership in a legislative body, even as a member of the minority.

We are very fortunate in the United States Senate to have such able leadership. I know the value and the importance of it, not only in the interest of enacting legislation, but in the interest of enacting good legislation.

I am delighted to have this opportunity to pay my respects to the distinguished majority leader.

Mr. MANSFIELD. Not only has he shown leadership in this body, but he has proved to be a leader on the national level.

Mr. SMITH of New Jersey. Mr. President, because of my deep affection for the majority leader, LYNDON JOHNSON, I am glad to associate myself with the remarks which have been made by my colleagues, calling attention to the great ability of the distinguished majority leader, and the notable service he has rendered in previous sessions of the Congress, and is continuing to render in this session as majority leader of the Senate.

Mr. MANSFIELD. I appreciate the remarks of the Senator from New Jersey.

Mr. NEUBERGER. Mr. President, I have been very much pleased to hear the favorable remarks made on the Senate floor about the majority leader of the Senate. To me one of the principal characteristics of the majority leader is his consideration, patience, and kindness to those who lack experience and knowledge of the routine practices and procedures of the Senate. I personally have always found him to be considerate and very charitable toward those who, like me, lack his experience and knowledge here.

I also wish to say a word on one particular issue, which I believe will be of interest. Occasionally I have heard the majority leader criticized by some of my liberal friends in various places throughout the country. Liberals all over America are interested in the great Hells Canyon high dam. It is my considered opinion, that, had it not been for the patience and leadership shown on the Hells Canyon issue by the Senator from Texas, the Hells Canyon Dam bill, sponsored by the distinguished senior Senator from Oregon and many other Senators, would never have been passed in the Senate last summer.

Mr. MANSFIELD. I thank the Senator from Oregon. I wish to make one final statement, namely, that I think the Senate and the country are indeed fortunate to have this man from the Southwest leading the majority party in the Senate at this time.

Mr. KUCHEL. Mr. President, if I may do so, I should like to add a little nonpartisan flavor to the encomiums. As one of the younger Members of the Senate on the Republican side, I wish to salute the majority leader and to thank him for the many courtesies he has extended to me. I have been delighted to sit in the Senate under the able leadership of a great American, a great member of the Democratic Party, who today is the leader of the Senate of the United States.

Mr. MORSE. Mr. President, I have not read the White article, I may say to the Senator from Montana, but I shall read it. However, I would not need to read it in order to recognize the accuracy of the title that has been announced.

I should like to say something to the majority leader as one who disagrees with him many times on many issues. After all, the real test of whether a Senator is a good majority leader is the manner in which he treats those who frequently disagree with him.

Mr. President, as one who finds himself in disagreement with the majority leader on some issues, I wish to say that no majority leader could possibly be fairer or more impartial or courteous in his treatment of his adversaries than is the present majority leader. As I said on the floor the other day, and as was reiterated by my junior colleague this morning, in my opinion the Senator who was most responsible for the passage of the Hells Canyon Dam bill by the Senate last year was the majority leader. Without his cooperation and leadership it would not have been passed. In saying that I do not take away any credit at all from other Senators who were of such great assistance. I am very happy and proud to pay my very high compliment to the majority leader.

Mr. CASE of South Dakota. Mr. President, as one who has served in Congress since the 75th Congress, which was the Congress in which the distinguished Senator from Texas first served, I have had an opportunity to observe him in both the House and the Senate for the entire period of his Congressional career. I recall that he had served a Representative as an assistant prior to that time. However, it has been my privilege to serve in Congress during the same time that the majority leader has served in Congress. Therefore, what I say is based upon my observation of his entire service in Congress.

I wish to say for the RECORD that because of his personal ability he has proved to be a true leader, and because of his fairness to other Members of the Senate, whether of the majority or the minority, LYNDON JOHNSON has always given us a square deal and will continue to do so.

Mr. JOHNSON of Texas. Mr. President, I am sure I need not say to my colleagues that I am overwhelmed with their generous evaluation. I hasten to add that I appreciate the compliments, coming from this group, more than any person outside this Chamber can really understand. What I most desire to achieve in my work is to be right and to do right, and the second thing I desire is for my colleagues to understand me.

For your helpfulness and your understanding and your patience I am grateful. All of you have been a tower of strength to me when I have been weak, and I shall always treasure your statements this morning.

I share the opinion of my colleagues and their very great admiration for Mr. William S. White. He is always constructive, and he is one of the ablest journalists in the Nation. I have known him a long time. Although sometimes he evidences too generous a spirit toward me, I know there is only one thing that guides him in his endeavors, and that is his search for the truth. He is the type of writer who has given Harper's magazine its justly deserved reputation.

MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is now in order.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of December 31, 1957, which, with the accompanying report, was referred to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Southeastern Massachusetts Economic Conference, at Taunton, Mass., favoring the enactment of legislation to revise the existing pay structure in use in the Armed Forces; to the Committee on Armed Services.

A resolution adopted at the 39th annual convention of the Associated Equipment Distributors at Chicago, Ill., favoring an amendment of the income-tax laws to permit small- and medium-size businesses to retain a greater portion of their earnings, and to amend the estate-tax laws so as to remove the problems of small-business survival caused by the present estate-tax laws; to the Committee on Finance.

A resolution adopted by the Board of Supervisors of the County of Maui, T. H., favoring the enactment of legislation to authorize the Federal Government to subsidize and support the establishment of an interisland roll-on roll-off ferry system in the Hawaiian Islands; to the Committee on Interior and Insular Affairs.

The petition of Sam C. Hanna, of Rochester, N. Y., relating to certain actions of the Governor of Arkansas (with accompanying papers); to the Committee on the Judiciary.

LETTER FROM GREATER MILWAUKEE COUNTRY CLUB ASSOCIATION

Mr. WILEY. Mr. President, I have received this morning from George J. Nauert, president of the Greater Milwaukee Country Club Association, a message representing the views of 14 of the member-owned country clubs that participate in the association, and which serve a little under 6,000 members and families.

This letter urges the enactment of H. R. 7125, which passed the House of Representatives last June and which is now pending before the Senate Finance Committee.

The purpose of the provision in this bill, in which the association is interested, is to provide for exemption from the provision of section 4241 of any assessment paid for the construction, or reconstruction, of any athletic or sporting facilities or for the construction, or reconstruction, of any capital addition to, or capital improvement of any such facilities.

Under date of January 23, 1958, Internal Revenue Commissioner Russell Harrington wrote to me—

There appears to be no relief at the present time which may be extended to members of organizations qualifying as social athletic or sporting clubs * * * with respect to taxability of assessments for capital improvement, itself.

In other words, if there is to be relief from the Congress, it cannot come administratively.

I feel that a strong case can be made, and has been made, for exemption of such assessments for capital improvements.

This country needs new construction. It needs capital improvements which will help to generate new jobs, new income, new economic health.

It is one thing to have an excise tax on amusements. It is another thing to discourage capital improvements.

I hope the Senate Finance Committee will see its way clear toward recommending favorable action on this particular provision to the full Senate.

I present Mr. Nauert's letter, and ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

GREATER MILWAUKEE COUNTRY CLUB ASSOCIATION,
Milwaukee, Wis., February 26, 1958.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: This letter is being written in behalf of 14 of the 18-hole member-owned country clubs that participate in the Greater Milwaukee Country Club Association. These clubs are located in Racine, Kenosha, Ozaukee, Waukesha, and Milwaukee counties. Conservatively, they serve somewhere between 5,500 and 6,000 members plus their families.

It is our understanding that there is a bill (H. R. 7125) before Congress which, if enacted into law, would provide for exemption from the provision of section 4241 of any assessment paid for the construction or reconstruction of any social, athletic, or sport facilities, or for the construction or reconstruction of any capital addition to, or capital improvement of, any such facility.

We solicit your help in passage of this bill for the following reasons, because we believe the current 20 percent excise tax, as it applies to membership purchases and assessments for capital additions to private country clubs, is inequitable and not in the public interest:

1. The basic principle is unfair since it is a tax on capital, and not on amusement as such. The cabaret operator is not required to pay a 20 percent amusement tax on his buildings and fixtures.

2. It discourages the building and improvement of private clubs, thus reducing employment and putting a greater recreational burden on the taxload.

If Congress feels that the pursuit of golf is a pleasure in the same category as nightclubs, impose the tax * * * but only on the dues providing the pleasure. This will require a very simple amendment exempting the tax on membership transfers and annual charges or assessments for construction and replacement of private golf courses and their facilities.

We solicit your help in this matter when the tax on amusements is brought up for extension. May we have an expression from you regarding your thinking in this matter and whether or not you will work vigorously to accomplish the suggested changes? I wish to inform the country clubs participating in the Greater Milwaukee Country Club Association of your position.

Most sincerely yours,
GEORGE J. NAUERT, *President.*

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 65. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Maria Sanford, and to hold ceremonies on such occasion (Rept. No. 1331).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Con. Res. 64. Concurrent resolution accepting the statue of Maria Sanford, presented by the State of Minnesota, to be placed in Statuary Hall (Rept. 1332).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THYE (for himself and Mr. EASTLAND):

S. 3381. A bill to amend section 201 (b) of the Agricultural Act of 1949, as amended, relating to price support on tung nuts and honey; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND (for himself and Mr. THYE):

S. 3382. A bill to amend section 201 (b) of the Agricultural Act of 1949, as amended, relating to price support on tung nuts and honey; to the Committee on Agrioulture and Forestry.

By Mr. ERVIN (for himself and Mr. SCOTT):

S. 3383. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. AIKEN:

S. 3384. A bill to amend title II of the Social Security Act to include Vermont among the States which (1) are permitted to divide their retirment systems into two parts so as to obtain social-security coverage, under State agreement, for only those State and local employees who desire such coverage, and (2) may obtain social-security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system on the same basis as other State and local employees; to the Committee on Finance.

By Mr. HOLLAND (for himself, Mr. RUSSELL, Mr. HILL, Mr. EASTLAND, Mr. TALMADGE, Mr. SPARKMAN, Mr. SCOTT, and Mr. STENNIS):

S. 3385. A bill to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; to the Committee on Agriculture and Forestry.

PRICE SUPPORT ON TUNG NUTS AND HONEY

Mr. THYE. Mr. President, on behalf of myself, and the Senator from Mississippi [Mr. EASTLAND], I introduce, for appropriate reference, a bill to amend section 201 (b) of the Agricultural Act of 1949, as amended, relating to price support on tung nuts and honey.

I ask unanimous consent that the bill, together with a letter I received from Robert Banker, secretary-treasurer of the American Beekeeping Federation, Inc., and resolutions which were adopted by that federation, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and resolutions will be printed in the RECORD.

The bill (S. 3381) to amend section 201 (b) of the Agricultural Act of 1949, as amended, relating to price support on tung nuts and honey, introduced by Mr. THYE (for himself and Mr. EASTLAND), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subsection (b) of section 201 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(b) The price of tung nuts and honey, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor;".

The letter and resolutions presented by Mr. THYE are as follows:

THE AMERICAN BEEKEEPING FEDERATION, INC.,
Cannon Falls, Minn., February 19, 1958.

Senator EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: We are enclosing a copy of the resolutions passed at our recent annual convention in Columbus, Ohio.

We would like to particularly call your attention to Resolutions 6, 7, 8, 9, 10, 11, 14, 16, and 18 which deal with some of our problems at the national level.

The marketing problems of our industry have become more acute during the last year for a number of reasons, one of the main ones being increasing competition from low cost production countries such as Red China and Mexico for our export market.

We feel actions requested in the resolutions are necessary to prevent a collapse of the market and disaster to the industry.

It is not our intention or wish to have the Commodity Stabilization Service take over any honey at any time but we feel we do need some further assistance until our own self-help program can become more effective.

Any assistance which you can give our industry in regard to these resolutions will be most sincerely appreciated.

Yours truly,

ROBERT BANKER,
Secretary-Treasurer.

RESOLUTIONS ADOPTED BY THE AMERICAN BEEKEEPING FEDERATION ASSEMBLED IN CONVENTION AT COLUMBUS, OHIO, ON JANUARY 29, 1958

Be it resolved, That the American Beekeeping Federation here assembled in convention January 29, 1958, express sympathy to the wife and family of Glenn Jones, past secretary of this organization.

Whereas the local committee has so ably assisted in making this convention a success: Be it therefore

Resolved, That the American Beekeeping Federation extend them a vote of thanks; be it

Resolved, That the American Beekeeping Federation extend appreciation to the personnel of the Neil House for assisting in making the convention a success; be it

Resolved, That the American Beekeeping Federation extend to the Chamber of Commerce of Columbus, Ohio, a vote of thanks for their assistance in this convention; be it

Resolved, That the American Beekeeping Federation extend to the Ohio Beekeepers Association, our hosts at this convention, our sincere appreciation for all courtesies, and their great assistance in this convention.

Whereas the cost of producing honey has increased materially, because of increases in cost of labor and supplies, therefore the present support is inadequate: Therefore be it

Resolved, That the parity support on honey be increased to not less than 80 percent.

Whereas there is a present surplus of honey in the beekeepers hands; and

Whereas there is not, at present, a satisfactory export market: Therefore be it

Resolved, That the export subsidy program be reestablished with payment at not less than 2½ cents per pound.

Whereas the consumption and distribution of honey has materially changed due to the shift of population to the West, and the retail prices are substantially the same both in the East and West: Therefore be it

Resolved, That the price differential be eliminated because it is no longer justified or equitable.

Whereas all honey producers and dealers are interested in the promotion and sale of honey: Therefore be it

Resolved, That the checkoff plan be automatically and universally adopted by all packers and dealers. That the resulting funds be transmitted to the national council and used for research and promotion.

Whereas the supplies of honey remaining in the beekeepers hands are excessive; and

Whereas numerous countries to the south are increasing their production which poses a threat to our honey market: Therefore be it

Resolved, That an import quota be established on all honey imported in the United States using the last 10 years as a precedent with importation not to exceed the yearly average of the last 10 years.

Whereas it is probable that there will be a considerable quantity of honey still under loan by the present expiration date of the price-support loan program and if the producers were forced to move the honey by the present expiration date, it would either further depress the market or move into Government channels: Therefore be it

Resolved, That the expiration date of loans under the price-support program be extended 3 months and a resealing provision be included in future programs.

Whereas one of the important functions of the American Beekeeping Federation is to sponsor and popularize research work in agriculture: Be it

Resolved, That the American Beekeeping Federation invite the American committee of the Bee Research Association to cooperate with the American Beekeeping Federation research committee in the presentation of a research program.

(Members of the American committee of the Bee Research Association—United States: Dr. Nevin Weaver, honorary secretary, Department of Entomology, Texas Agricultural Experiment Station, College Station, Tex.; James I. Hambleton, United States Department of Agriculture, Beltsville, Md.; Dr. W. C. Rothenbuhler, Entomology Department, Iowa State College of Agronomy, Ames, Iowa; Canada: Dr. C. A. Jamieson, Bee Division, Central Experimental Farm, Ottawa, Canada; Prof. G. Townsend, Agriculture Department, Ontario Agricultural College, Guelph, Ontario; South America: Dr. P. Noguiera-Neto, C. P. 721, São Paulo, Brazil.)

Whereas there has been considerable spread of the acarine mite in the past 10 years; and

Whereas the Apiary Inspectors of America feel that we should be better informed on distribution, recognition, control, and eradication of this mite: Be it

Resolved, That we request that the presidents of the Apiary Inspectors of America and the American Beekeeping Federation appoint a joint committee of 5 men (3 from the AIA, including 1 from Canada, 2 from the ABF) which will be directed to investigate sources of funds and assist in obtaining funds to support a professional apiculturist to study this problem in affected countries.

The committee and the investigator shall participate in preparing a report and recommendations to be used as a basis for a plan of action for the industry in case of introduction of the mite.

Whereas there exists considerable publicity on the use of royal jelly for human consumption, and since these claims require substantiation; and

Whereas scientific research over and above that now being conducted and sponsored by the beekeeping industry is needed in the entire field of royal jelly to establish its therapeutic values; and

Whereas scientific research is also needed to establish beyond reasonable doubt the cosmetic and food value of royal jelly: Therefore be it

Resolved, That the American Beekeeping Federation go on record as approving research which will establish these true values for the product; be it further

Resolved, That we, the American Bee Breeders Association hereby request the above action to discourage further unsubstantiated publicity on royal jelly.

Whereas State marketing orders have demonstrated their value in publicizing the value of honey to the consumer: Therefore be it

Resolved, That the American Beekeeping Federation encourage the establishment of State marketing orders, and that a copy of this resolution be sent to the California Advisory Board; and

Whereas it is fully recognized that honeybees and certain species of wild bees are essential to the production of many seed and fruit crops; and

Whereas the keeping of honeybees for pollination and for honey production is becoming constantly more hazardous because of the increasing use of highly toxic insecticides and certain other agricultural chemicals; and

Whereas few of the Federal Government's reports and recommendations concerning the use of agricultural chemicals take into consideration the effects of such chemicals on honeybees and other pollinating insets: Therefore be it

Resolved, That the proper officials in the United States Department of Agriculture take full responsibility in the planning and execution of research involving the use of agricultural chemicals, for developing recommendations that will preclude serious damage to honeybees and other pollinating insects and further, whenever bees and other pollinating insects might be involved, that all recommendations, reports, bulletins and press releases should specifically warn against and clearly state the dangers involved in the use of chemicals, formulations, and methods of application that are hazardous to bees: Be it

Resolved, That the California State Beekeepers Association request the research committee of the American Beekeeping Federation to support an effort to have established a United States Department of Agriculture Experiment Laboratory in California, for the study of bee losses due to insecticides and pollination problems.

Whereas out of enlightened self-interest beekeepers are in favor of maintaining the use of agricultural chemicals at minimum levels consistent with the economic production of high quality agricultural crops; and

Whereas it is well known that many of our most serious insect control problems result from the destruction of biological control agents by insecticides; and

Whereas the emphasis of research for many years has been overwhelmingly in the direction of using insecticide applications alone rather than in conjunction with biological control agents: Therefore be it

Resolved, That the proper officials of the United States Department of Agriculture

should take into full account the hazards of many agricultural chemicals to insect parasites and predators and give increased emphasis to their research on the use of biological control agents, either in place of insecticides or, if necessary, in conjunction with them and, furthermore, that the possibilities inherent in the use of insect pathogens should be fully explored.

Whereas the honey packers R. B. Willson, Superior Honey Co., Bradshaw & Sons, and T. W. Burleson & Son have agreed to cooperate wholeheartedly in support of the automatic deduction phase of the checkoff plan,

Whereas this support along with the cooperation already received from the Sioux Honey Association greatly enhances the chances of success and expansion of the checkoff plan: Therefore be it

Resolved, That the membership of the American Beekeeping Federation wishes to express its gratitude and appreciation for the progressive action taken by the above named honey packers and that this membership does hereby pledge its cooperation.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. FLANDERS submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, AND SO FORTH, PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. PROXMIRE:

Statement by him concerning Finnish national epic, Kalewala.

FEDERAL GRANTS FOR SCHOLARSHIPS

Mr. SMITH of New Jersey. Mr. President, I invite the attention of the Senate to a very fine editorial in the Macon (Ga.) Telegraph urging support of the administration education program.

The editorial rightly points out that the administration program is not intended as the final answer to all the pressing problems of education. It is just a beginning, but it is a good one, which would provide immediate action to meet the highest priority needs of national security.

I ask unanimous consent that the editorial, which appeared in the January 1 issue of the Macon Telegraph, be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BILLION-DOLLAR SCHOLARSHIP PLAN IS GOOD FOR STARTER

The billion-dollar program of Federal scholarships and grants to find and develop bright American students is a most worthy, if overdue, undertaking by the Government.

In this day of menacing scientific achievements by Soviet Russia, our country's investment in its scientific potential is as realistic a defense measure as guns and bombs.

When the scholarship program, advanced by former Georgian Marion Folsom, is presented to Congress, differences are bound to develop over the degree and type of aid to be provided. But there should be no doubt about the necessity of the Federal Government underwriting a sizable portion of the education cost for study necessary to national survival.

Congress should act speedily so that, as the Secretary of Health, Education, and Welfare asked, the program may be put into effect by the beginning of next term.

In its haste, however, Congress should not allow other vital educational programs—such as vocational education and assistance to school systems which have heavier enrollment because of Federal activity in the area—to be curtailed. The other programs are still just as much a part of Federal responsibility as they ever were.

Nor should the Federal Government consider that the billion-dollar scholarship program, impressive as it may be at present, is by any means the final answer. It is just a beginner. A thorough analysis and perhaps a complete overhaul of our educational system seem essential.

The proposed program wisely leaves to State and local control the matter of administration.

And Mr. Folsom has fortunately made it a point to see that science and mathematics will not be stressed alone under the program. It would certainly be tragic if the other subjects which give substance and meaning to life were trampled in the very struggle to preserve that life.

The urgency of getting ahead with the scientific development program is underscored by the fact that Russia plans to spend during 1958 a total of $4.5 billion on scientific research. This is an increase of $450 million over 1957.

The sand is running low in the hourglass of our fate.

OPERATION OF MUTUAL SECURITY PROGRAM OVERSEAS

Mr. SMITH of New Jersey. Mr. President, in the face of a clamor for the curtailment of the mutual-security program it is refreshing to receive a little light in the way of actual facts as to the operation of the program overseas. Mr. William L. Ryan, of the Associated Press, whose article on the Middle East I inserted in the RECORD day before yesterday, has written another article on the mutual-security program in Asia.

In this striking description of the needs of that vast continent, Mr. Ryan sets forth on a country-by-country basis the results of and the appeals for more American technical aid. This story of achievement, so worth while that there is a growing demand for its furtherance because it is helping the peoples of these underdeveloped lands to fulfill their aspirations, is a story which I urge all of my colleagues to read.

I ask unanimous consent that the article by Mr. William L. Ryan from the January 13 issue of the Philadelphia Evening Bulletin, entitled "Asia Hangs Out Help Wanted Sign," be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ASIA HANGS OUT HELP WANTED SIGN—ANTI-AMERICANISM FAD IS ONLY ONE SIDE OF PICTURE

WASHINGTON.—A tall, blond man, very drunk, tore a Bangkok nightclub apart one evening. The press in Thailand's capital quickly identified him as a crazy American. He wasn't. He was a Dane.

But Americans get blamed for practically everything in southeast Asia. Anti-Americanism is almost a fad.

However, there's another side to the picture. Take Indonesia, for example. In that Asian nation, threatened ominously by mounting Communist strength, American technicians are often the best ambassadors of the United States.

So says James Baird, Chief of the International Cooperation Administration (ICA) program for Indonesia. He adds that more American technicians are wanted in that sprawling, strategically important island nation.

AUGMENTING STAFF

The ICA in Washington is planning an increase in third country specialists who would be hired by the United States to work with American experts. For example, West German doctors might be assigned to jobs in Iran, their salaries paid out of counterpart funds in local currencies. The ICA also is operating a third country program in Japan, helping Japanese train other nationals in various techniques.

But underdeveloped Asia seems to want mostly good Americans to help build its economies. It does not want nationals of a third country.

Asian leaders say Rumanian Russians and other Iron Curtain experts wait offstage, eager to show their technical assistance wares. They say any reduction in the number of American technicians would likely increase the number of Iron Curtain experts in Asia.

SUMMARY OF RESULTS

How is the United States technical assistance program going in Asia? Here is a look at some of the results:

India: Some time ago Washington ordered a big cut in technical personnel for fiscal 1959. Sharp protests from the United States mission in India changed Washington's mind and the mission was maintained at its present strength of 230, a rise from 64 in 1952.

Indians say they want more Americans in such fields as education, agriculture, engineering, and home economics. Most of it has been in farming, trying to put over modern methods.

"The number of United States technical personnel, as compared with the task facing our country, is infinitesimal," said an Indian spokesman. "Therefore, United States technicians have created no problem. There has been no criticism of the numbers, even in the leftwing press."

Indonesia: ICA Director Baird says the main problem is selection of the right-type Americans, who work for the love of it and do not gripe about hardships. He admits they are a minority. But to his knowledge, he says, Indonesians do not resent the 160 United States technicians stationed among them. Government officials actually urged him to bring in more, to prevent vacancies being filled by Communist bloc personnel.

MORE AID NEEDED

"Indonesia needs more American aid," Baird said, adding that projects now under way are being enthusiastically aided by local officials.

Thailand: Thomas Naughton, ICA program director, says he has the absolute minimum of Americans to do the assigned job, a long-range program. Officials say any personnel

cut would cause irreparable harm. Thailand benefits from an annual $34½ million in United States economic aid.

Some Americans openly, if unconsciously, brandish their high living standards. But they are not representative of the 280 contract technicians helping the Siamese build roads and schools, train doctors, teachers, and agriculturists. Many forsake the easy living of Bangkok to live in wooden village huts under trying conditions. Others work quietly and effectively in universities, hospitals, and Government offices, instilling technical know-how.

Indochina states: United States technical personnel in South Vietnam numbers 150. Program directors would like 50 more to train Vietnamese.

FIVE HUNDRED AND FORTY-EIGHT TRAINING ABROAD

Currently 548 Vietnamese are training abroad at United States expense, but even when this is accomplished, the Government feels American technicians will be indispensable. They don't want nationals of any other country. Officials say Americans have their full sympathy and understanding.

Laos: Government sources say they are pleased with American technicians. A reduction would make it imperative to turn elsewhere. The Government does not want to.

Cambodia: United States aid, totaling more than $104 million since mid-1955, is called indispensable to the nation's financial stability. Half the aid has been military. Americans assigned to technical projects included many who at first seemed indifferent, but today, says Director Alvin Rosenman, all are tackling the job with great enthusiasm.

South Korea: This country has an annual billion dollar United States aid program, of which $215 million goes for economic help. Actually, the program is said to be understaffed.

FACETS OF PROGRAM

In technical assistance, $3.6 million for fiscal 1958 went to a program concentrating on refugees' resettlement, sanitation, health, irrigation, and housing. It employs 36 Americans who, Korean officials say, are vital to effective operation of the program. Public sentiment is a mixture of appreciation and disappointment at the lack of immediate visible results.

Japan: This is not an underdeveloped country. But a United States technical-aid program, budgeted in 1957 at $1,890,000, operates a third country program. A force of 16 Americans helps Japan train other nationals for aid programs. It's a small, efficient, unpublicized project. There are no problems over the presence of American technical personnel.

DEATH OF ED O'NEAL, FORMER PRESIDENT, AMERICAN FARM BUREAU FEDERATION

Mr. CARLSON. Mr. President, it was with deep regret that I learned of the death of Ed O'Neal, of Alabama, former president of the American Farm Bureau Federation.

It was 25 years ago that I first met Ed O'Neal, and not only worked closely with him for many years, but following his retirement had some very close personal associations with him.

He was truly a rugged individualist, and while he was a rugged individualist, he fully realized that the problems of the farmer must be solved cooperatively in an economic era when every other phase of our economy was highly organized. He was indeed the farmer's friend, and never hesitated to speak his views and the views of the American Farm Bureau Federation with great vigor in the formative years of that organization.

My life has been enriched because of my association with Ed O'Neal, and I pay tribute to him for the service he rendered. America has lost a great leader—a great statesman.

DAIRY PRICE SUPPORTS

Mr. PROXMIRE. Mr. President, I have spoken on several occasions about the serious economic consequences which my State will suffer if the cut in dairy price supports ordered by the Secretary of Agriculture is allowed to take effect.

I am continuing to get a large volume of mail from farmers and from small-business men in rural communities protesting this cut in farm incomes.

Mr. President, because this matter is of such urgent importance to my State with the effective date of the cut only 1 month away, I ask unanimous consent that the following statements from farm leaders and businessmen, and resolutions passed by farm organizations of Wisconsin be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION PASSED BY THE WISCONSIN GUERNSEY BREEDERS' ASSOCIATION AT THEIR ANNUAL MEETING, FEBRUARY 12, 1958, IN OSHKOSH, WIS.

Whereas the Congress of the United States has now before it several bills pertaining to farm legislation and in particular pertaining to milk and dairy products; and

Whereas most Members of Congress readily admit that some form of farm legislation must be enacted in 1958, and most of them admit that they are not sure what form that legislation should take; and

Whereas this combination of Congressional attitudes will obviously produce considerable debate and controversy over farm legislation; all of which will cause considerable delay beyond April 1, in the adoption of a program: Be it

Resolved, That the Wisconsin Guernsey Breeders' Association believes that the present prices of manufactured milk should be maintained at not less than 82½ percent of parity until such time as a self-help milk price program is adopted by this session of the 85th Congress.

HAROLD LE JEUNE,
President, Wisconsin Guernsey Breeders' Association.

ELEVA, WIS., *February 24, 1958.*

Hon. WILLIAM PROXMIRE,
Washington, D. C.

DEAR SIR: The Drammen and Brunswick Farmers Union with a membership of 104 voting members are 100 percent in favor of keeping the dairy support at least at its present level.

Sincerely yours,

MRS. ED HARMS,
Secretary and Treasurer.

CHICAGO, ILL., *February 14, 1958.*

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR MR. PROXMIRE: In regard to the decision by Secretary Benson to reduce support prices on manufactured milk on April 1 to 75 percent of parity, we would like to call your attention to our record of prices received in the Chicago fluid market since 1952. These are average yearly prices under Chicago Federal Order 41:

1952	$4.51
1953	3.87
1954	3.47
1955	3.54
1956	3.69
1957	3.56

Class I or fluid milk prices in January 1958 are quoted as follows:

New England	$6.38
Middle Atlantic	6.39
Average United States	5.58
Chicago (Federal Order 41)	3.87

Our estimated class I or fluid milk price under order 41, Chicago, for May and June will be $3.35 if the Secretary's decision is allowed to stand. This decision of the Secretary will not affect the high prices in eastern markets which he has helped to establish.

The Midwest, where the USDA has computed earnings on dairy farms as less than 50 cents an hour for the last 4 years, can look forward to still lower returns and a widened spread between our price and the eastern markets. This is a thoroughly intolerable situation.

The above is sent for your information. My real purpose in writing this letter is to thank you for your recognition of this situation and your sponsorship of S. 2952.

Sincerely yours,

W. E. WINN,
President, Pure Milk Association.

CHAMBER OF COMMERCE,
Mount Horeb, Wis., February 13, 1958.

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

SIR: Regarding the cutback on dairy products:

We feel that the scheduled cutback on dairy products in April, ordered by the Secretary of Agriculture, Ezra Benson, will seriously affect the income of farmers, dairymen, and businessmen of Wisconsin.

There, at the February meeting of the board of directors of the Mount Horeb Chamber of Commerce, it was voted to appeal to you to do all you can to prevent this cutback on dairy products.

Respectfully yours,

MOUNT HOREB CHAMBER OF COMMERCE,
BOARD OF DIRECTORS,
JORGEN M. MOE, *Secretary.*

WATERLOO, WIS., *February 21, 1958.*

Senator WILLIAM PROXMIRE,
Washington, D. C.

DEAR SENATOR PROXMIRE: Inasmuch as we are sure that you are interested in the problems of the people in your district, we are writing you in the matter of the soil bank.

We are not satisfied with the present setup of it in our county, as it is a case of first comes get most of it. The first ones to sign up will get their money, and the rest will not be able to be in on it. We understand that those signing up the first day represented about 3 times as much money as there is money available. So, naturally, only the very first ones to sign up will receive payments. Surely there could be a more equitable manner of doing this.

We hope you have some ideas and will act on them on the solution of this, or that at least you will support Representative REUSS in his stand on a limit of $3,000 for any 1 farmer as opposed to Ezra Benson's interpretation of $3,000 limit to any 1 farm.

Sincerely yours,

PORTLAND FARM BUREAU,
DODGE COUNTY,
MRS. RAYMOND STRAUSS, *Secretary.*

WISCONSIN CHEESE MAKERS' ASSOCIATION,
Plymouth, Wis., February 13, 1958.
Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR PROXMIRE: Knowing of your interest in proposals by Secretary Benson generally affecting the dairy industry of the Nation and particularly Wisconsin, I quote below wire just sent to Secretary Benson:

"Present dairy support prices unfairly discriminate against cheese and favor butter and powder, causing cheese factories to operate under a Government price penalty in competition for milk at the producer level.

"We urge you in adjusting prices effective April 1 to place cheese and butter and powder on an equal competitive price basis at producer level in terms of milk at the farm.

"The cheese industry, no industry, can survive against unfair price competition protected by Government subsidy.

"Wisconsin produces about half of Nation's cheese and one-fourth of world's production; it is an industry in Wisconsin, not a by-product of surplus milk.

"Your interest and favorable action is earnestly solicited."

With current reports indicating mild economic recession this seems to be a poorly selected time to pound down the income of the dairy farmer.

Any support you can give this justified request will be a distinct service to the economy of Wisconsin and the dairy industry of the Nation.

Awaiting your views, I am,
Respectfully,

GEO. L. MOONEY,
Executive Secretary.

EXTENSION OF COVERAGE OF FAIR LABOR STANDARDS ACT

Mr. MURRAY. Mr. President, recently I received a letter which urged the enactment of legislation to extend the coverage of the Fair Labor Standards Act as a means of dealing with the current recession. The letter was written by President Thomas J. Lloyd and Secretary-Treasurer Patrick E. Gorman, of the Amalgamated Meat Cutters and Butcher Workmen, AFL-CIO. Its message made eminent sense to me.

The letter stated in part:

Enactment of this long-needed legislation has become absolutely imperative now. Not only is the great humanitarian need to provide a level of halfway decent existence for the millions now living on substandard wages still very much with us. But during the past half year a tremendous economic need for this legislation by the entire Nation has made itself increasingly felt. The spreading recession with its ever-rising unemployment must be met by increases in consumer purchasing power. What could be more effective to accomplish that goal than raising the buying power of the men and women on the lowest rung of the economic ladder—the people who would use additional money for purchasing food, shelter, clothing, and other necessities of life?

Mr. President, we are currently going deeper and deeper into a dangerous recession.

Unemployment has hit 4.5 million men and women with substantially more than another million only partially employed.

National output for all goods and services fell $6 billion from the third to the fourth quarter of 1957, despite the continuing rise in prices.

Sales of consumer goods in retail stores have fallen 2.4 percent since last August.

Industrial production was down 7.5 percent in 1957.

This is not gloom and doom. This is very serious trouble.

The Federal Government can reverse this trend. A number of measures have already been suggested in this Chamber both to improve economic conditions and to aid those men and women who, through no fault of their own, suffer from the present recession.

I have joined in some of these measures and will, undoubtedly, join in others. Coping with the present recession and stemming the suffering that comes from it is, in my opinion, currently our most pressing domestic problem.

That is why I so strongly agree that legislation to extend the coverage of the Fair Labor Standards Act must have immediate action. To establish the $1 minimum wage and the 40-hour workweek for millions of Americans who now have worse than substandard wages and working conditions will greatly increase consumer purchasing power.

These men and women will not bank the additional income they would receive as a result of coverage under the Fair Labor Standards Act. They cannot possibly.

Instead, they will immediately buy food, clothes, and shelter—necessities of life which they so desperately need. And they will put these billions of dollars into the lifeblood of the economy to create more jobs, more income, more profit, more sales.

Mr. President, this legislation gives us a tremendous opportunity to increase consumer purchasing power by billions of dollars without great Federal expenditures. Here is a means toward meeting the current recession—a means which would cost the Federal Government virtually nothing.

I do not want to put forward the recession as the only great reason for extending the coverage of the Fair Labor Standards Act. Far from it. To me, the fact that millions of men and women labor hard, and yet cannot afford even the most basic necessities of life provides a still more crying need for this legislation.

I had the honor of being a cosponsor of the Fair Labor Standards Act when it was first before the Senate in 1937–38. I believed then that the welfare of our country and the principles of basic justice and humanity are served when basic standards of remuneration are guaranteed to working men and women. I believe then that when men and women are willing to work, and do work, they should not suffer hunger and lack of housing because of pitiful pay for their labor.

I still believe all of this. I find the documented stories of suffering among workers in the retail, seafood, communications, laundry, agricultural processing and many other industries exempted from the Fair Labor Standards Act to be dreadful. Something must be done, and we must do it.

And added to the need to erase this suffering is the need to increase consumer purchasing power. The extension of coverage under the Fair Labor Standards Act, therefore, is doubly vital. It must be acted on immediately.

I, therefore, urge my colleagues on the Senate Labor and Public Welfare Committee to approve quickly the legislation before our committee concerning the Fair Labor Standards Act, S. 1853. I ask my other colleagues in this Chamber then to join with us in quickly passing this much needed legislation.

Considerations of both humanity and economic prosperity demand this action.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MORSE. Mr. President, as a member of the Committee on Labor and Public Welfare, I certainly share the position taken by the Senator from Montana concerning the extension of the coverage of the Fair Labor Standards Act.

But the Senator is aware of what confronts us in the committee. We have been confronted, in meeting after meeting, with a filibuster in this matter. When the hour of 12 o'clock arrives, a point of order is made, and we cannot meet any longer. I think the RECORD ought to show that a group on the committee is seeking to have a bill reported by the committee; but until there is a willingness on the part of the majority of the committee to let the Senate as a whole pass upon the matter, we are confronted with a parliamentary block.

Mr. MURRAY. It is unfortunate that such a situation exists, but I hope we may be able to solve the problem and have the situation remedied.

REGULATION OF FOOD ADDITIVES—LETTER FROM WISCONSIN FEDERATION OF WOMEN'S CLUBS

Mr. WILEY. Mr. President, I was pleased to hear from Mrs. Melvin F. Bonn, president of the Wisconsin Federation of Women's Clubs, with regard to an issue on which I feel this Congress should not recess without taking constructive action. I refer to the matter of appropriate action regarding regulation of food additives.

The American food industry is, naturally, most anxious to render every possible service for the health of our people. Nevertheless, so many new chemicals have been used in so many foods that it is essential that there be adequate testing in order to prevent any injurious effects.

I may say, incidentally, that the papers within the past few days have indicated that the pure food and drug laws may need tightening with respect to certain cosmetics and similar drugstore items. Hundreds of complaints have poured in against one particular company's new type of nail polish which has caused wholesale loss of fingernails. The entire supply is being withdrawn from drugstores.

Fortunately, such instances are relatively rare. But they naturally raise the question: How adequate are our laws

and how adequately are they being enforced?

The Food and Drug Administration performs a valuable service. It has extremely limited numbers of personnel, however, to enforce the many laws and regulations which are already on the statute books. The Congress can hardly be unmindful of this problem, which affects all the people of America.

I send to the desk now the text of Mrs. Bonn's letter and ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WISCONSIN FEDERATION
OF WOMEN'S CLUBS,
Bloomington, Wis., February 26, 1958.

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: The Wisconsin Federation of Women's Clubs is interested in all legislation which has as its purpose the maintaining of existing pure food laws on our statutes, and the fostering of such new laws as are needed to safeguard the health and welfare of our people.

The members of the federation are concerned about the use of chemical and other additives to food products until the same have been thoroughly tested over a period long enough to insure their wholesomeness and freedom from harmful effects.

I understand there is to be a bill introduced in Congress to regulate the use of additives in the same way that the use of drugs is regulated, and to place the burden of proof on the processor of the foods, in which such additives are used. When this bill comes up for consideration, I hope that you will do all in your power to protect the health of our citizens.

Thanking you for your cooperation, and with best wishes to you, I am

Respectfully,

ALICE BONN
Mrs. Melvin F. Bonn,
President, WFWC.

NEED FOR ADEQUATE MEAT INSPECTION SERVICE

Mr. WILEY. Mr. President, I would like to bring to the attention of my colleagues, and especially the members of the Agriculture Appropriations Subcommittee, a very serious situation.

As we know, the United States Department of Agriculture provides a meat inspection service to agriculture and the meat-consuming public. Currently, requests for appropriations for this service are being considered by the Agriculture Appropriations Subcommittee in the House of Representatives. Before long, of course, the requests will come to the Senate and its appropriate committee.

Currently, according to reports, the number of inspectors is not sufficient to meet the demands for their services. This is a serious situation. Reportedly, the lack of inspection service is slowing down production in meat plants. This slowdown is costly; not only to the meatpacking industry, but also it may impede the marketing of livestock, thus affecting the farm income. Too, it may well cause job layoffs.

In addition, we recognize as a matter of great importance, that adequate inspection is necessary to protect the public health

Recently, I have received a statement entitled "An Appeal To Save the Meat Inspection Program." This statement has the signatures of a number of some very prominent and reputable organizations. I shall ask that their names be printed in the RECORD.

I have asked the Secretary of Agriculture to evaluate this statement. When a reply has been forthcoming, I shall, of course, transmit it to the distinguished senior Senator from Georgia [Mr. RUSSELL], chairman of the Agriculture Appropriations Subcommittee.

If these points are valid as they appear to be, then I believe the Congress will need to take appropriate action to protect the public interest through assuring adequate meat inspection to protect the public health.

As we know, the appropriations requested for 1959 are a little more than $17.3 million. This, of course, is somewhat higher than last years' appropriation of about $16.8 million. According to estimates, however, this modest increase would not supply the needed increase in inspecting personnel.

I know, of course, that there is some feeling that the meatpacking industry might share, to a greater degree, in the cost of the inspection service. This is a matter of policy, of course, and should be resolved on its own merits. In any event, it is necessary that appropriate steps be taken to secure an adequate meat-inspection program.

All of us, of course, appreciate the need for keeping expenditures for domestic programs down to essentials. This is especially true in light of the increased money needed for defense. However, even with a real need for economizing—putting priority on defense spending—I do not believe we can be so shortsighted as to jeopardize the public health.

I request unanimous consent to have a copy of the appeal printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AN APPEAL TO SAVE THE MEAT INSPECTION PROGRAM

The meat inspection program is now in the greatest crisis of its half century existence. This Federal service, which has earned the respect of every group in American life for its steadfast and effective protection of the consumer and livestock producers, is already unable to fulfill its job and is in danger of deteriorating further.

In recent years, appropriations have not kept pace with the increase in the Meat Inspection Division's workload, which rose with continuing increases in the number of animals slaughtered and the decentralization of the meat industry. The Division has shifted its employees back and forth; borrowed veterinarians from other sections of the Department of Agriculture and taken other temporary expedients to meet the severe shortage of inspectors.

But now this system of patchwork is reaching the breaking point. Last year, some of our organizations reported to Congress instances of slowdowns in meat production in some meat plants in 18 cities because insufficient inspectors were available. Now, this problem has worsened. The 1957 slowdowns lasting a few hours have now increased 20 and more percent cuts in slaughtering lasting a week at a time in some plants.

The consequences are serious. They are: a definite threat to consumer protection, further cuts in farmers' incomes, more layoffs in packinghouse workers' jobs and further reduction in meat packing firms' profits.

Unfortunately, the President's budget for the fiscal year 1959, promises no improvement. It actually carriers a request for $1,392,000 less than the budget of fiscal year 1958. The $17,326,000 requested in the fiscal year 1959 budget would restrict the Meat Inspection Division to a staff even smaller than it maintained in the current fiscal year. This is blatantly inadequate.

Actually, the Division needs an increase of 412 inspectors. This is apparent from the following: In fiscal year 1957, the Division had 3,023 employees. For fiscal year 1958, it demonstrated the need for 192 more employees, but funds were not made available. In fiscal year 1959, another 3-percent increase in meat plants needing inspection is expected and a 1.5 percent increase in inspectors, or 48 additional inspectors, will be required. Therefore, the Meat Inspection Division, in order to carry out its functions adequately, must have 3,263 inspectors (3,023+192+48). But the Division will have only 2,851 inspectors on July 1, 1958.

The Meat Inspection Division, therefore, needs an appropriation for fiscal year 1959, of $19,202,184, not of $17,326,000, as the budget indicates.

We firmly believe such an appropriation imperative if the meat inspection program is to be saved. Economy in Government is one thing; pennypinching which endangers the health and livelihood of tens of million of Americans, is another. We urge the administration to change its budget estimate. We urge Congress to appropriate the truly needed amount of $19,202,184. The health and economic welfare of consumers, farmers, packinghouse workers and meat-packing industry are at stake.

Thomas J. Lloyd and Patrick E. Gorman, President and Secretary-Treasurer, Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO); Radford Hall, Executive Secretary, American National Cattlemen's Association; Homer R. Davison, President, American Meat Institute; James G. Patton, President, the National Farmers Union; Herschel D. Newsom, Master, the National Grange; John A. Killick, Executive Secretary, National Independent Meat Packers Association; Dr. R. A. Hendershott, Secretary, United States Livestock Sanitary Association; E. F. Forbes, President and General Manager, Western States Meat Packers Association.

IGNORING BY TELEVISION NETWORKS OF FOREIGN POLICY ADDRESS BY PRESIDENT OF UNITED STATES

Mr. NEUBERGER. Mr. President, I have been disturbed and shocked to learn that no television network carried the speech of the President of the United States on February 25, which was the climax of the conference on American foreign policy.

This is a dismaying abandonment by the television networks of their public-service responsibility. Are they so rooted to commercialism that they decline to suspend a sponsored program, so that millions of viewers throughout the Na-

tion may see a major declaration by President Eisenhower on probably the most important issues confronting our country?

What would we think if the newspapers of the land devoted all their opening pages to advertisements and refused to print the President's address?

It is true that the President's address was aired on radio but, today, millions of people turn on their television sets every evening and never go near the radio dial. Is the invaluable commodity of a television channel only for comedy, entertainment, quiz shows, soap operas, and commercials? What of its public-service commitments, or are they no longer significant?

I am afraid, Mr. President, that the fact the television broadcasters did not release President Eisenhower's foreign-policy address February 25 is a further demonstration of the low prestige and influence of the Federal Communications Commission under President Eisenhower's own administration.

If we had a truly independent FCC, with Commissioners who commanded respect, I doubt if the broadcasting chains would have cavalierly disregarded a major speech by the head of our Government. But can a regulated industry maintain high standards of public service if its regulators seem shabby and mediocre? This is a valid question, it seems to me. There is a theory of finance known as Gresham's law, which contends that bad money drives sound money from the marketplace.

Perhaps this has likewise occurred with the FCC and the television chains it is supposed to supervise and police. Something has happened to the watchdog—and to its charges, too.

Some of us in the Senate are trying to defend and support certain policies of the President in the field of foreign affairs which are somewhat unpopular, policies such as foreign aid, mutual security, and reciprocal trade. How can we have public opinion behind us when the great television networks will not release the President's address to the people of this country?

Mr. President, in conclusion, I ask unanimous consent to have printed in the RECORD an effective article entitled "TV: Public Disservice," written by Jack Gould, the radio and television editor of the New York Times, and published in that newspaper on February 27, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TV: PUBLIC DISSERVICE—NETWORKS IGNORE PRESIDENT'S ADDRESS ON AID ALTHOUGH RADIO AIRS TALK

(By Jack Gould)

The television broadcasters, who in the evening hours command the lion's share of the home audience, Tuesday night did not afford live coverage of President Eisenhower's address bringing to a close the Conference on Foreign Aspects of United States National Security. The speech in Washington was carried by the radio networks and many independent stations.

The conference was one of the few contemporary instances in which leaders of both parties joined to emphasize the importance of foreign aid to the country's national interest. But such a matter apparently did not strike the TV broadcasters as holding sufficient urgency to warrant cancellation of Red Skelton, Bob Cummings, or Boris Karloff. Entertainment, it seems, must be preserved.

No doubt the broadcasting industry reasoned that carrying the President on a live basis over radio discharged its obligation to serve the public interest. But one wonders if it does.

When the enormously influential television medium puts show business ahead of security, can the viewing public be expected to appreciate the importance of what the conference stood for and was trying to accomplish?

When it is entertainment as usual on the screen that preempts the Nation's attention and mind night after night, is the instrument of video demonstrating its capacity for leadership? Or is bipartisan support for the cause of a Free World merely worth broadcasting's second best?

Television often has been hailed as an invaluable means of stimulating an awareness of the issues of our time; it often is. But the other side of the coin is disturbing. Is the continuous show on the home screen operating in precisely the opposite way; is it numbing us to our responsibilities by not intruding on our sponsored contentment?

The consequences of putting major public service programs on radio but not on TV are most unattractive. Such a policy can lead only to the frustration of the usefulness of the mass mediums. In the era of television and radio is the President of the United States to have a smaller audience than when there was only the medium of radio? Progress in electronics is not always what it appears to be.

AGE DISCRIMINATION IN EMPLOYMENT

Mr. JAVITS. Mr. President, for a long time, I, together with other Members of this body, have called attention to a great problem of American industry and business; namely, age discrimination in employment.

The problem is receiving new attention all the time, in view of the fact that by 1960, of our total population of roughly 200 million, more than 50 million will be men and women over 45 years of age.

A number of bills on this subject are pending. The matter has not yet received legislative attention, however; but it is hoped that it will.

In any case, in view of the economic downturn we face, it is very likely that the problem will become even more pressing, for two reasons: First, it represents an underutilization of essentials skills; second, under the policy of laying off workers, these are the ones who may be laid off the soonest.

So I wish to have the matter receive legislative attention. I shall address myself to the chairman of the committee. Certainly attention should be given to the problem, for even the Secretary of Labor agrees that public airing has brought some attention and some remedy.

Mr. President, to substantiate my views on this subject, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, four articles which have been published in the Machinist, the publication of the International Association of Machinists, in its issue of December 12, 1957, as follows: One is entitled "Age Discrimination—Blacklisted at 40"; the second is entitled "Exploding the Management Myths"; the third is entitled "What Unions Can Do"; and the fourth is entitled "Age Discrimination—What Government Can Do; What the Individual Can Do."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

AGE DISCRIMINATION—BLACKLISTED AT 40

Vic Bonaventure was laid off last month at Farmingdale, N. Y., by Republic Aviation Corp.

Vic has a lot to recommend him. He is skilled, reliable, and has 30 years of experience in the aircraft industry * * * since 1926.

But the employers he visits ask first about Vic's age. As soon as they find out that Vic is past 45, it's: "Sorry, no openings."

There are hundreds of thousands of Vic Bonaventures all over North America. Many, like Vic, are union members caught in recent layoffs in aircraft, railroad, and other industries. They are healthy, dependable, experienced.

But they are blacklisted by industry because they are over 45, 40, or even 35.

"Why is it," one of them recently wrote the Machinist, "that employers think we are too old to hire but the Government thinks we are too young to retire?"

To help answer this question, the Machinist is publishing this special section on age discrimination. In this section are the answers to management myths about older workers, a review of what unions have been doing to protect older members, a look at legislative proposals, and some suggestions for the individual older worker who is looking for a job.

Here, now, are the facts about age discrimination:

In the years between 46 and 64, a man's chances of getting a job are only half as good as before 45.

Once out of work, the older worker usually stays unemployed longer. Even in good times, most workers over 45 take almost twice as long to find new jobs as younger workers.

Older workers often exhaust their unemployment insurance benefits before they can find jobs. One New York survey showed that those 45 and over made up only one-third of the labor force in the State but two-thirds of those who had exhausted their 26 weeks of jobless benefits.

The problem and the consequences of age discrimination are growing as a larger and larger portion of the working population moves into the 45-and-over age group.

During the first half of this century, from 1900 to 1950, the United States population doubled. But during the same period, the number of persons 45 and over tripled. Some experts now predict that in another 30 years, nearly half of the Nation's adults will be 45 and over.

By 1965 alone, the United States labor force is expected to increase by about 10 million. Less than 1 million of these additional workers will come from the 25–44-age group. But there will be nearly 5 million more in the 45-plus group. In other words, for every increase of 2 workers in the age group considered most eligible for employment, there will be 11 new workers in the 45-plus group.

"We are convinced," said the New York State Joint Legislative Committee on Problems of the Aging recently, "that great strides can be taken if employers will recognize the situation. * * * We doubt that any economy can long survive supporting large numbers of able, still vigorous men and women excluded from production not on the basis of ability but on the basis of age."

EFFECT OF DEPRESSION

The problem of employment for so-called older workers first attracted serious attention in the depression of the thirties. During those years, jobs were scarce and the idea became popular that older people should move along and give younger persons a chance to make a living and support their families.

The idea had great appeal, not only to younger workers, but also to many employers who—in the absence of strong union contracts—used the chance to get rid of high seniority employees and hire younger workers at lower wages. Industry's age barriers have been up ever since.

Latest evidence of such blacklisting is contained in a recent survey conducted by the United States Department of Labor. The survey covered seven major cities—Detroit, Los Angeles, Miami, Minneapolis-St. Paul, Philadelphia, Seattle, and Worcester, Mass. Employers in these cities advertised 21,386 job openings with public employment offices during April 1956. The findings:

In five of the seven cities more than half of the jobs advertised with public employment offices contained age restrictions. In three of the cities three-fourths of the job orders specified age barriers.

The most frequent maximum age was 45. It was set for 41 percent of the job orders in the seven cities; one in five of the requests (20 percent) even included "Don't bother to apply" signs for men and women who had reached their 35th birthday.

The Labor Department research team dug even deeper. After studying the jobs advertised by employers at public employment offices, the team kept records on the actual hiring practices of employers in the seven cities over a full year's period. The pattern was the same.

WASTING HUMAN RESOURCES

During an entire year, so-called older workers made up 40 percent of those actively looking for work. But employers filled only 22 percent of their job openings with men and women 45 and over. To put it another way, there were twice as many 45-plus workers looking for jobs as employers were willing to hire.

A United States trade-union official declared recently:

"In this country we have done a great deal to conserve our natural resources. We have launched programs to safeguard our lands, our forests, and our fisheries. If there is a threat to any of these, we have often acted quickly to protect them with conservation programs and emergency measures.

"Yet," he added, "the human resource, one of our most important natural resources, has to a large extent been ignored and wasted because we have failed to come to grips with the problem of age discrimination."

WHY THEY BLACKLIST OLDER WORKERS—EXPLODING THE MANAGEMENT MYTHS

Just about all of the reasons employers usually give for refusing to hire so-called older workers aren't reasons at all. Upon examination, they turn out to be old wives' tales or prejudices. Here's a rundown on some of the myths and the facts that explode them:

MYTH NO. 1: OLDER WORKERS PRODUCE LESS

This is by far the most popular reason employers use to justify discrimination against workers past 45.

Early in 1950, before coming to Washington to direct the United States defense mobilization program, Charles E. Wilson, then president of the General Electric Co., told a New York legislative committee that "keeping older workers with diminished capacity in the labor force tends to raise costs appreciably and reduce efficiency."

Was Mr. Wilson right? Researchers have been trying to find out ever since. So far, they've come up with no evidence to support him.

The facts, as reported by employers themselves, usually favor the older workers:

A survey by the same committee before which Wilson testified showed that nearly three-fourths of the firms replying indicated that older workers produced as much as younger workers.

The National Association of Manufacturers in 1951 polled 3,000 employers with 2½ million persons on their payrolls. An overwhelming majority (93 percent) of the employers who answered, rated older workers equal to or superior to younger employees in work performance. One-third of these firms even reported that older workers produce more than younger employees and the majority said that the quality of older employees' work is superior.

A University of Illinois opinion survey of supervisors conducted in 1954, produced even more startling results. The study covered 3,077 workers over 60 years old, and employed in a wide variety of occupations.

This is the way the 60-year-olds compared to their young coworkers: 56 percent of the older workers produced roughly the same amount of work as younger employees; 24 percent produced more. Only 20 percent produced less.

As to quality of work, a third of the 60-year-olds were rated superior to their juniors, 59 percent about the same and only 7 percent were considered below standard.

All of these surveys were based on somebody's opinion, the employers' or the supervisors'. Last year, the United States Labor Department tried something more scientific. The Department went into eight clothing and shoe factories and actually measured output per man-hour by comparing average hourly piece-rate earnings of individuals working at the same operation.

The piece-rate stuy showed that the average output per man-hour remained stable right up through age 54, and output in the 55-64 age group was at least 90 percent as large as that in any younger group. Other findings:

Variations in output of persons in the same age group were very large—in fact, they were greater than the difference in average output among the age groups.

Many men and women 55 and older produced more, as individuals, than the average of the best and fastest groups of younger workers.

Many younger workers had output lower than the average of the older workers.

The various studies boil down to this: a worker's performance on the job can't be judged by the number of birthdays he has had. "Even where there is a slight decline in alertness and physical capacity," one expert commented recently, "the older worker holds his own because he works more evenly, has better judgment and makes less waste and spoilage."

Another authority summed it up this way: "Where ability is concerned, generalizations about physical aptitudes (and age) of a group of individuals have little meaning. * * * Individual abilities count most."

MYTH NO. 2: OLDER WORKERS HAVE MORE ACCIDENTS

This old wives' tale has hung on for many years. It is the most ridiculous of all the myths about older workers, because it has been thoroughly disproved again and again.

The facts show that younger workers have more accidents than older employees.

As far back as 1929, the AFL executive council called attention to an official Michigan study which found that workers from 20 to 24 had 59 percent more accidents than those 44 to 65.

A United States Bureau of Labor Statistics study in 1948 again confirmed that workers over 45 have less than the average number of disabling injuries and 25 percent fewer nondisabling injuries. The study also showed that those over 45 make fewer visits to company clinics for personal ailments than younger employees.

The various studies do show that, once injured, older workers tend to be disabled for longer periods. But the Labor Department points out: "While the disabilities suffered by older men and women lasted longer, the reduction in injury frequency more than offset this."

MYTH NO. 3: OLDER WORKERS ARE ABSENT MORE OFTEN

Complaints about too much absenteeism among older workers continue to make the rounds. Usually, the belief is that men and women past 45 are sick more often. Undoubtedly some are.

The facts, however, show that older persons miss less time on the job.

The University of Illinois study of workers past 60 found that only 9 percent were absent more often those under 60, while 66 percent were absent less often.

A Labor Department study of 18,000 employees in 109 manufacturing plants showed older men to have a 20 percent better attendance record than younger ones. On the average, men and women under 20 were absent almost 6 days out of every 100, while workers of 45 were out only a little over 3 days. In every age group over 50 years, workers lost fewer scheduled work days than those in any age group below 50.

The more recent Labor Department study of employees in shoe and clothing plants showed such little difference in attendance among age groups to conclude that there is no appreciable relationship between attendance and age.

MYTH NO. 4: OLDER WORKERS RAISE PENSION, INSURANCE COSTS

Years ago, when employers were still experimenting with pension and insurance plans, there was some truth to this statement. Today, it is becoming as much of a myth as the other reasons employers give for discriminating against older workers.

Yet, as recently as 1953, a Temple University survey found that one in six employers listed pension and insurance costs as major obstacles to hiring older workers. A Mill and Factory magazine survey got similar results in 1955.

Last year's extensive Labor Department survey also showed that firms with pension plans are much less likely to hire workers past 45. The study determined that firms without pension plans tend to hire up to twice as many older workers as do companies with pension plans.

The facts about pension and insurance costs were thoroughly investigated last year by a special 14-member committee of experts appointed by the United States Secretary of Labor. The experts included five top insurance company executives, five representatives of insurance consultant firms, two bankers and two university professors. Their conclusion:

"The cost of private pension and insurance benefits ought not to be considered a real obstacle to the employment of older workers. * * * There is no basis in fact for the misconceptions of prohibitive extra costs of these benefits for older workers during employment."

Here is a rundown of the findings by the committee of experts:

Workmen's compensation: Rates are based not on age but on the frequency and severity of injuries. Since accidents tend to decrease with age, hiring of older workers may actually decrease costs.

Albert J. Abrams, staff director of the New York Joint Legislative Commitee on Problems of the Aging, adds this point: "Adoption of so-called second-injury laws tends to reduce the risk to employers in hiring older persons with disabilities."

Sickness and accident insurance: Rates charged for ordinary health-and-accident insurance are not generally affected by the age of employees as such. Where dependents are covered, rates may actually be lower for older workers who don't have maternity costs.

Group life insurance: Since the probability of death increases with age, the cost of insurance against death must also increase with age. But premiums for group life insurance go up only when the average age of the group increases. Normal turnover tends to produce a fairly stable age. The addition of an individual employee over 45 to an employer's work force will probably be balanced by the retirement of someone else.

Even if it were figured on an individual basis, the difference in cost to an employer of providing a 55-year-old worker with a $3,500 group-life-insurance policy and providing the same policy for a 35-year-old person would be only "1 cent an hour or less."

Pensions: The committee of experts went into much greater detail in examining pension costs.

The group pointed out that some of the early pension plans called for flat payment of, say, $50 a month at age 65. Naturally, it cost the employer a lot more to provide such a pension to a worker hired at age 55 (with only about 10 years of service at retirement) than to another worker hired at age 35 (with about 30 years of service at retirement). For one thing, the employer's regular payments into the pension fund could earn a lot of interest over a 30-year period. Under such conditions, it was perfectly true that pension costs were higher for older workers.

But such conditions seldom exist today. Today's pension plans do not call for fixed payments but rather payments based on (1) length of service and (2) amount of earnings. That makes a lot of difference.

Charles E. Odell, who served as coordinator of the United States Labor Department's older-worker program, recently illustrated the difference by this example:

Assume that Mr. Olderman, age 55, applies for a job paying $300 a month in a company which pays a pension benefit based on 1 percent of monthly earnings ($3 in Oldermans' case) multiplied by his years of service (10 years for Olderman) with the company. Upon retiring at age 65, Mr. Olderman would be entitled to a pension of $30 a month ($3 times 10 years).

In contrast, if the company hires Mr. Youngerman, aged 25, for the job, it is possible that—at the very minimum—he would be eligible at 65 for a pension of $120 a month ($3 times 40 years).

"At the very minimum" means just this: Mr. Olderman's prospects for a significant raise are not very bright. He'll be with the company only 10 years. But Mr. Youngerman, even if he started at less money, has 40 years in which to advance himself. By the time he is 65, the chances are that his earnings will be much higher. Since the amount of his monthly pension will be based on those increased earnings, it's a safe bet that the ultimate cost of Mr. Youngerman's pension will be much greater than Mr. Olderman's.

Odell reports that one member of the committee of pension experts argued that—if it were feasible—an employer who really wants to save money on his pension costs would hire only workers over 60 years of age.

Employers are not likely to follow this advice, mainly because there are not enough 60-year-olds in the labor force. But there is another reason. Employers frequently argue that it would be bad public relations to hire older workers and then retire them on such small pensions as Mr. Olderman's $30 a month.

The committee of pension experts countered this argument with three points: (1) Virtually all workers today are covered by social security and will not be solely dependent on the small industrial pension benefit when they retire. But even small industrial pensions will help them make ends meet; (2) the employers' public relations will be much better served by giving these older persons a chance to work and thus to earn further social-security credits than by keeping them unemployed and—at times—dependent on the community for support; (3) an increasing number of workers are acquiring portable, or vested, rights to pensions in previous jobs. Thus, they can change jobs in later years with some pension benefits already due upon retirement.

Summing up, the experts expressed doubt that pension and insurance costs are really regarded by many employers as important obstacles to the employment of qualified older workers. The experts suggested that employers may be using the pension and insurance argument "as a convenient excuse rather than a valid reason for age discrimination in hiring."

MYTH NO. 5: OLDER WORKERS DON'T HAVE NEEDED SKILLS

This excuse for age discrimination is still heard despite the fact that the older worker is likely to possess more skills, training and job know-how than younger job hunters.

The facts, according to the Labor Department's seven-city survey, show that 40 percent of the 160,000 job hunters studied were 45 or over. This group contained 58 percent of all the skilled persons looking for work.

MYTH NO. 6: OLDER WORKERS WON'T STICK

This myth is based on the belief that, because of their age, older workers won't stay long enough to justify the hiring, orientation, training and administrative expenses involved.

The facts are quite the opposite:

The Labor Department examined the work records of 160,000 job hunters over a 3-year period (1953–1955). The findings: Almost half of those in the 45–64 group had held only one job, while only a third of those under 45 could make that statement.

Another Labor Department study showed that the probability of an employee resigning his job before serving 10 years is roughly 2 to 1 at age 30, 1 to 6 at age 40 and negligible at age 50.

MYTH NO. 7: OLDER WORKERS ARE HARD TO GET ALONG WITH

Some employers try to justify their blacklisting of older workers by claiming that employees past middle age resist new ideas, have fixed notions about how to do things and are generally harder to get along with. There is no evidence that age has anything to do with these faults.

The facts are, says Senator Thomas C. Desmond, chairman of the New York State Joint Legislative Committee on Problems of the Aging, that many of the weaknesses commonly attributed to older workers in a plant are usually due to one or two outstanding cases or to ineffective supervision.

"Youthful sales directors and production bosses," Desmond points out, "sometimes bring with them tremendous emphasis on 'zip, pep, zing,' but they show poor judgment in not taking into account the valued experience (and the other) real assets of older workers."

The only known survey on this subject, showed older workers scoring pretty high on "getting along with others." The University of Illinois study of workers past 60 revealed that in the opinions of their supervisors, 32 percent of the oldsters got along better with fellow employees than did younger workers, another 59 percent got along just as well. Only 9 percent were comparatively less "gemutlich," according to the interviewers.

AGE DISCRIMINATION—WHAT UNIONS CAN DO

Although unions have succeeded in protecting the older worker on the job, they have generally found it much more difficult to help the older worker find a job once he becomes unemployed.

On the job, union contracts require that the worker who has grown old in the service of an employer get first crack at promotions and the more desirable work shifts. Union-negotiated seniority and grievance clauses also make sure that the boss doesn't kick out a worker merely because he is getting on in years and—if layoffs become necessary—that the older worker will be the last to go.

Once the older worker calls it quits and heads for retirement, he can, in many cases, look forward to years of retirement under a union-negotiated pension plan.

Despite the many union-won safeguards, older workers sometimes become unemployed. Companies go out of business or move out of town. Firms cut back production or reorganize their operations. Sometimes too, individual workers develop disabilities or just slow down so that they can no longer handle their former jobs.

Last year, the United States Labor Department made a special study of 1,687 union contracts covering 7,500,000 workers. The Department found that 212 of these agreements contained specific clauses designed to protect those workers who could no longer handle their former jobs. In some cases, such employees could transfer to lighter work without reduction in pay. In others, a pay adjustment was subject to special negotiations.

In order to protect older workers on the job, unions have generally resisted signing agreements that set up a separate (and lower) wage schedule for disabled or slowed down employees, preferring to leave such adjustments to negotiations in individual cases. As one authority has pointed out, such clauses could weaken the general wage structure, enable employers to take advantage of employees, and set up different wage scales for the same position.

UNION MEMBER FARES BETTER

When, despite union contract protections, an older worker does become unemployed, his union can often be helpful in getting him work.

Early this year, Melvin K. Bers, assistant professor of economics at the Carnegie Institute of Technology, completed a detailed study of a dozen major unions (including the IAM) in the San Francisco Bay area. Bers concludes that the older worker who is a union member definitely fares better with respect to employment opportunity than he would if no unions existed. "Unionism," says Bers, "makes a positive contribution to the employment opportunity for the older union member."

Bers points out that the unemployed older worker has by far the best chance of landing a job in industries where unions are strongest, that is, where unions have won hiring hall, closed shop or preferential hiring agreements. In such situations, unions just don't permit employers to discriminate against older job seekers. Available jobs go to the members who have been out of work longest. Age alone does not count.

Since passage of the Taft-Hartley law in 1947, however, most such contracts have become illegal. "Under the closed shop," says Larry Connors, senior business representative for IAM District 9, St. Louis, "employers had to give us a darn good reason when they requested a member and he wasn't put to work. Age was not a good reason. But under Taft-Hartley, an employer doesn't have to give a reason at all. That's why age discrimination has increased."

Since Taft-Hartley, unions have come up with other ways to prevent age discrimination in hiring. One contract clause, pioneered in the west coast aircraft industry

by IAM District 727, says simply: "There shall be no maximum age limit in the hiring of employees."

Other unions have tried other approaches. In the building trades, for instance, the bricklayers have negotiated for some clauses stating: "The employer, when engaging bricklayers for work, shall employ one man of 55 years or over out of every five bricklayers hired."

Last year's Labor Department survey found that so far less than one in 20 union contracts contains specific provisions requiring or encouraging the hiring of older workers. But the Department suggested that there may be many more informal, unwritten union-management arrangements designed to provide employment for older workers.

SENSELESS, FANTASTIC WASTE

It is likely, that, as the problem of age discrimination becomes more serious, unions will place greater emphasis on attacking the age barrier both through written contract clauses and by demanding government action.

Quite recently, the Ohio State Council of Machinists, meeting at Columbus, pointed to age discrimination as "senseless and fantastic waste of skills and manpower" and called such age barriers "particularly appalling in the light of recent events that indicate totalitarian powers are achieving greater scientific and industrial advances than industry in the United States."

The council called on Congress to deny Government contracts to firms practicing age discrimination in hiring employees.

AGE DISCRIMINATION—WHAT GOVERNMENT CAN DO

Several bills presently pending before the United States Congress would make it unlawful for an employer or an employment agency to practice age discrimination. Other proposals, suggested from time to time, would give special tax benefits or deductions to employers who make real efforts to hire older persons.

So far, neither the United States nor the Canadian Federal Governments have given serious consideration to such laws. United States Secretary of Labor Mitchell flatly opposes them "until other methods have been given a fair trial" or "unless it is clear that the national interest demands immediate solution."

Secretary Mitchell's other methods have indeed had some success (see below), but in at least one recent case the national interest demanded and got a solution through legislation.

The case, involving the United States Government itself, was brought to public attention by Nick Milnarich, age 36, a member of IAM Lodge 121, East St. Louis, Ill. Laid off from his regular job in 1955, Milnarich applied for a job as tax collector for Uncle Sam, only to be told by the United States Civil Service Commission that the age limit was 35.

After the Machinist publicized the case, Congress quickly passed a measure sponsored by Representative SIDNEY YATES, of Illinois. The measure not only tore down the age barrier, but also denied pay to any Civil Service officials who attempt to set arbitrary age restrictions.

WHAT STATES HAVE DONE

On the State level, various methods have been tried to fight age discrimination through legislation. Pennsylvania in 1928 and California in 1930 tried to rally public opinion by compiling white lists of firms which gave older workers a chance. In 1937, Massachusetts tried the opposite approach by publishing black lists of employers who practiced age discrimination.

Two other States experimented with age discrimination laws in the thirties. A Colorado act provided fines and up to 9 months in prison for employers discharging employees between 18 and 60 because of age. A Louisiana statute made it punishable to discharge or refuse to hire employees up to age 50.

In recent years, three States have prohibited age barriers along with other forms of discrimination through fair employment practice codes (Massachusetts, 1950; Pennsylvania, 1955; Rhode Island, 1956).

Mildred H. Mahoney, chairman of the commission that administers the Massachusetts law, wrote the Machinist recently: "The commission has been very effective in correcting advertisements appearing in the daily press which specify age, either directly or indirectly. Before the passage of the age amendment, there was a tremendous emphasis in this advertising on the desirability of youth. We saw innumerable ads requesting people between 20 and 35. That has been practically eliminated." Mrs. Mahoney added:

"We now hear employers talking about the desirability of older workers, the mature, experienced, dependable worker. I feel that the age amendment has done a good deal to prove this attitude."

NEW YORK'S APPROACH

Some observers, both in and outside of Massachusetts, view the State's age discrimination law more critically. John A. Ruskowski, associate director of the New York State Joint Legislative Committee on Problems of the Aging, wrote recently that the Massachusetts law "is neither a striking success nor a hopeless failure. Its influence has been moderate, in fact so slight that it cannot be readily detected."

Ruskowski's criticisms include these: Employers find the law easy to evade and the law raises hopes of older workers without actually increasing their employment opportunities. Ruskowski also cites figures showing that New York State, without an age discrimination law, helps find jobs for a much greater proportion of its older workers than does Massachusetts.

New York's approach to the age discrimination problem has been one of providing special counseling services at public employment offices. "We have found," explains Richard C. Brockway, executive director of the New York Labor Department's Division of Employment, "that employers are willing to interview and hire qualified persons who are over the age originally specified, if the person and his qualifications are discussed with the employer by an experienced interviewer or counselor."

The New York counseling program took form in 1955 after the State's Joint Legislative Committee on Problems of the Aging determined through pilot studies that where such special counseling and placement help can be provided, the number of older workers who obtain jobs can be increased by 400 percent.

The committee prevailed on the State Legislature to pass a special law—the first ever adopted by any State legislature—providing job counselors for the 45-plus. The committee estimates that the direct cost of this program is $15 per each older job seeker, but reports that the State and its taxpayers benefit to the tune of an estimated $8 million in salaries and production of these placed workers.

FEDERAL PROGRAMS

This same approach has also been used by other States and by various agencies of the Federal Governments of the United States and Canada.

An experimental counseling service was set up as early as 1947 by Canada's Unemployment Insurance Commission to help job applicants over 45. In its first year of operation, the service interviewed 1,138 persons who had been unemployed for periods ranging from 2 weeks to 2 years. More than half of these persons found jobs after counseling and 565 of those who found jobs were past 45 years of age. Since 1947, the counseling service has been steadily expanded.

The United States Government began emphasizing counseling services for older workers in mid-1956 by allotting $13 million in special grants to the States. According to Secretary of Labor Mitchell, $18 million is being spent on the program during the current fiscal year.

The Federal program calls for training of a special group of counselors to work at State employment offices throughout the country. These counselors have special knowledge of the problems of older workers. Their job is to help older workers overcome the age barriers set by industry.

Arthur Motley, Assistant Director of the Labor Department's Employment Service, told the machinists last month that at least one full-time or part-time older worker specialist is now assigned to all but one of the State employment service offices from coast to coast and that a total of 145 older worker specialists are now on the job at major public employment offices throughout the Nation.

A few weeks ago, the Labor Department was able to report that nearly 300,000 workers over 45 years of age were placed during July, August, and September, partly as a result of the special counseling and placement services.

GETTING FACTS ON THE RECORD

The United States Federal Government's attack on age discrimination is also going ahead on other fronts. The special studies dealing with job performance, pension costs, and the seven cities survey (mentioned earlier in this report) have served to dispell some of the widely believed fictions about older workers. The studies have gotten the facts on the record.

The Labor Department continues to push its educational campaign, aimed both at employers and older workers themselves. A series of pamphlets, to be available soon, will publicize the advantages of older workers and emphasize the waste of skills and manpower that results from age discrimination.

In Canada, the government's educational campaign has been aided by a special film, Date of Birth, dealing with age discrimination, shown so far to nearly 300,000 persons.

AGE DISCRIMINATION—WHAT THE INDIVIDUAL CAN DO

All of the experts who have studied the problem of age barriers facing older workers emphasize one point that is often overlooked: The older job seeker is sometimes his own worst enemy. Here are some of the reasons the experts have listed:

The older worker has forgotten how to look for a job. He doesn't know how to sell himself to a prospective employer. During interviews he is either too timid or too aggressive. He may be so affected by the unemployment shock that he becomes resentful of persons who are trying to help him.

Older workers sometimes react to age barriers by trying to hide their age and cover up such limitations as they may have as individuals. Although Jack Benny has gotten away with calling himself 39 for many years, the older worker will usually find that in the job market, such a white lie backfires. Many resist wearing hearing aids, or glasses even though they may need them.

Some older workers strongly resist change, to their own disadvantage. Instead of looking for jobs outside of their own home towns and even outside of the industries and occupations in which they previously worked, they refuse to budge. In other instances, they resent the suggestion that they should

accept some retraining in related fields of work.

These and other obstacles erected by older workers themselves can be overcome. The special counselors now working at many public employment offices are helping to drive that point home.

With their help and with the help of unions, employers and the older workers themselves, the problem of age discrimination can be licked.

A civilization that cracked the sound barrier must find the way to crack the age barrier too.

HOW TO HUNT A JOB

Here's a list of suggestions for older workers looking for jobs. The list is based on a Memo to Mature Workers, published by the New York State Joint Legislative Committee on Problems of Aging:

Analyze your strong points.

Recognize your limitations.

Decide what you're aiming for.

Enlist the help of your union, your relatives and friends.

Register with the public employment service in your community.

Check newspaper help wanted ads and place a situation wanted ad yourself.

Look at news columns for likely leads.

Contact former employers, employer associations.

Consider off locations and off hours.

Carry on a systematic letter campaign.

Plug experience—don't apologize for your age.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). If there be no reports of committees, the nominations on the calendar will be stated.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Axel J. Beck, of South Dakota, to be United States district judge for the district of South Dakota, which nomination had previously been passed over.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. JOHNSON of Texas. Mr. President, this nomination was passed over at the request of the distinguished senior Senator from Tennessee [Mr. KEFAUVER], a member of the Judiciary Committee.

The senior Senator from South Dakota [Mr. MUNDT] and the junior Senator from South Dakota [Mr. CASE] have talked to me on several occasions about this matter. We had intended to have the Senate take it up on yesterday. The Senator from Tennessee informs me that now that he has studied the matter, he desires to withdraw his objection. He has made such a statement which appears in yesterday's CONGRESSIONAL RECORD, which was delivered to all Senators this morning.

Therefore, Mr. President, I hope the nomination can be acted upon favorably.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the Coast and Geodetic Survey nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Capt. Lot Ensey, United States Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years with the rank of rear admiral.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Rear Adm. Paul D. Stroop, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATIONS IN THE ARMY AND IN THE AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Army and sundry nominations in the Air Force, which nominations had previously been reported favorably and placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ANNOUNCEMENT OF HEARINGS ON THE ARAB REFUGEE PROBLEM

Mr. LANGER. Mr. President, as chairman of the Judiciary Committee's Subcommittee on Refugees, I wish to give notice that on March 7, at 2 p. m., a public hearing will be held by the subcommittee, to deal with the problem of the 800,000 or 900,000 Arab refugees who are in the camps in the Near East.

This matter is of very great importance, for in view of the attitude of Russia toward these refugees and the refusal to contribute to their support, it may well be that if a third world war should commence, this situation might be the focal point of its beginning.

I hope every Senator who is interested in the matter will either attend the hearing personally or will file with the subcommittee a statement, because in one way or another the problem of the 800,000 or 900,000 refugees who are in the Near East must be solved. It has continued for 10 years. Somehow or other we must solve it.

In Germany, the West German Government absorbed 8 million refugees who came there from various of the satellite countries. So it seems to me that after 10 years, it should be possible to arrive at a solution of the Arab refugee problem, in order to take care of those poor, miserable refugees, who are living there under terrible conditions.

This situation, at least in my opinion, does not reflect much credit on the part played by the United States.

I hope all Senators will take notice of the forthcoming hearing; and if they have any solution at all to suggest, I hope they will either file a statement with the subcommittee or will be present at the public hearings.

FOREIGN AID

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD three excellent editorials which appeared recently in newspapers published in Boston entitled "Self-Help Through Foreign Aid," from the Christian Science Monitor of February 20, 1958; "We Can Afford Mutual Security," from the Boston Herald of February 21, 1958; and "Investing in Security," from the Boston Traveler of February 21, 1958.

As their titles suggest, each of these editorials is in support of the President's $3.9 billion mutual-security program. I urge those of my colleagues who have any doubt about the urgent necessity that Congress act favorably on this program to take the time to read these editorials thoughtfully and with open minds.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of February 20, 1958]

SELF-HELP THROUGH FOREIGN AID

Americans have long been fond of Benjamin Franklin's maxim, "God helps them that help themselves." Its sentiment will be in the backgrounds of many minds as citizens read President Eisenhower's message on what is popularly termed foreign aid but which is more accurately described in the official phrase, mutual security.

Mr. Eisenhower challenges thought immediately with an enumeration of the alternatives that exist if Americans choose to reduce or discontinue the program which has effectively balked communism in many countries since World War II. They can accept, for instance, a crumbling of free world power under Soviet bloc pressures, a massive increase in the defense budget, large draft calls

for American youth, and ultimately a beleaguered America.

We believe this choice is far better understood than it was a few years ago. Public-opinion polls have indicated that a sizable majority of Americans are for foreign aid if they are convinced that it is well administered—which it should be after a decade of experience.

If granted reasonable competence on this score, the figures cited in the President's message concerning the military phase of the operation are impressive. Here he points out the effect American encouragement and contribution has had in inducing major self-help by other nations associated with the United States in free world defense. These, he declares, "have spent over five times as much as we have expended on military assistance."

Moreover, their cooperation has supplied forward bases for military purposes and has laid an essential industrial foundation for support of their own military forces. But outside the military area is the field of technical assistance and economic development to help governments meet the legitimate demand of peoples in less developed countries for education and improved material standards of living. In this field, too, a tremendous volume of self-help is induced as local labor and resources are added to a modicum of dollar investment.

But Americans cannot afford to look at the question of self-help entirely from one end of the program. Americans, too, are mightily helping themselves by the contributions they have made and in all likelihood will continue to make to the mutual security program. They are buying defense more economically through pooling of resources than any nation could buy it alone. They are creating markets for their products, opportunities for investment, and sources of raw materials. They are countering the attractions of Communist ideology by helping people to find they can defeat poverty without surrendering freedom.

The more successfully that is done, the less of a threat communism will become, until men can fix their attention not merely on security but on richer goals of human living. That will give a worldwide meaning to self-help.

[From the Boston Herald of February 21, 1958]

WE CAN AFFORD MUTUAL SECURITY

There may be good arguments against the President's mutual-security program. But the one Congress is paying most attention to at the moment makes no sense at all.

That is that foreign aid is too expensive a luxury so long as we face economic problems at home; in short, that we are too poor.

If, as the President says, mutual security is essential both to our military defense and to our success in the cold war, we can't afford not to spend the money.

"No one would seriously argue," he told Congress Wednesday, "that funds for our own military forces should be denied until desirable civilian projects had been provided for. Yet our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, and dollar for dollar buy us more in security."

In fact, we can afford the $3.9 billion the President has asked for and much more if the situation demands it.

The Soviet Union awoke to the importance of foreign aid in the shakeup following Stalin's death. Since mid-1955 Russia and her satellites have spent an estimated $1.9 billion on aid to less developed countries, of which only $400 million was in arms aid. During this same period United States aid to the same group of countries totaled only $1 billion, including $100 million for arms aid.

Is the Soviet bloc so rich it can afford to rush in where we hold back? The figures do not support such a view.

The Soviet bloc has a combined national product of $235 billion, increasing at a rate of 5 percent a year. But the United States alone, not counting its allies, has a national product of the order of $400 billion, increasing at the rate of $12 billion a year (3 percent).

The United States produces 523 million tons of coal a year to the U. S. S. R.'s 509 million. It pumps 2.5 billion barrels of oil to the Soviet's 685 million. Its steel production is 113 million tons to the Reds' 56 million. Its electric power production is 725 billion kilowatt-hours to their 210 billion.

We should not be complacent about our relative wealth, because the Communist countries are catching up fast. But we should be realistic. If the Reds can afford sputniks and missiles, and foreign aid, too, we can afford them. We have the resources to sustain whatever defense and foreign-policy measures our situation demands.

The President's foreign-aid program may be overgenerous (though this paper doesn't think so). The money might be spent more profitably somewhere else—on new roads or new schools or new flood-control projects (though the President's allocation makes sense to us). But the money is available. We can raise it if we want. Let no one say we can't.

[From the Boston Traveler of February 21, 1958]

INVESTING IN SECURITY

There's certain to be a fight in Congress when debate gets going on President Eisenhower's $3.9 billion foreign-aid program.

Fortunately, though, some of the most influential leaders in both parties are behind the President on this one and are ready to battle for its survival.

They see the program for what it is—our most effective way of replying to the Soviet challenge in the overall cold war.

The Soviets would rather win world domination through economic warfare than through military combat. Economic warfare is less costly, less cumbersome, less apt to create international enmities, and less trouble to clean up after victory is won. Knowing this, the Soviets are pouring tremendous amounts of money and effort into a foreign-aid program of their own.

We must meet that challenge or accept the ugly alternatives mentioned by the President. These would include the dislocation of free-world power, the crumbling of our overseas positions, a new and massive boost in our defense budget, a big increase in draft calls, and eventually an island America in a sea of international communism.

It would cost us a lot more than $3.9 billion to keep going under such handicaps. It would cost us also many of our cherished freedoms.

On the other hand, by accepting the fact that foreign aid means mutual security for our own and other free nations we would be placing the problem in its correct perspective.

Foreign aid is not a giveaway carnival. It is a carefully planned cooperative program whereby we work with other nations to strengthen our military and economic defenses.

It has worked successfully for 10 years. It has greatly diminished the Soviet threat. It's the best investment we can make toward free-world security.

NEW ENGLAND IN MAJOR ROLE IN WORLD FAIR AT BRUSSELS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Juan Cameron, entitled "New England in Major Role in World Fair at Brussels," which appeared in the Boston Sunday Herald on February 23, 1958. It makes me very proud to realize that Massachusetts and her sister States in New England will be making a significant contribution to the American exhibits at this important international event.

The only sour note in the article is mention of the fact that the United States exhibits will have to shut down 3 hours earlier each evening than the nearby Russian exposition unless Congress appropriates additional money for our country's fair budget. I hope my colleagues will agree with me that we should all endeavor to see to it that the American exhibit will not suffer in comparison with the Russian exhibit due to the Congress' failure to provide adequate funds.

The fair is to run from April to October, and is expected to attract 35 million visitors from all over the world, many millions of whom it can be expected do not have the opportunity to visit in this country. It would be a clear example of penny-wise pound-foolish economy for the American exhibits to be outdone by the Russian in the eyes of people who attend the fair.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ENGLAND IN MAJOR ROLE IN WORLD FAIR AT BRUSSELS

(By Juan Cameron)

From pavilion site to rooftop, United States exhibits at the Brussels World Fair, opening this spring, will bear a Yankee stamp.

A New Hampshire company, Kalwall Corp., built the plastic roof, 341 feet in diameter, that will crown the $5 million United States pavilion. Built in Manchester, the roof was flown in sections to Belgium.

EXPECT 25 MILLION

The entire theme of the United States exhibit was plotted by a 15-man group drawn mainly from the Massachusetts Institute of Technology.

And United States grand hostess to the 25 million visitors expected to visit this country's exhibit will be Mrs. Charles P. Howard, of Reading. Mrs. Howard, wife of the former Massachusetts bank commissioner, left here recently to take up her duties in Brussels as United States deputy commissioner general to the international exposition.

The Brussels Universal and International Exposition in which more than 50 nations will participate is the first of its kind since the New York World Fair in 1939.

Staged on 500 acres of Heysel Park, near Brussels, the world fair will bring together the best of material and culture that nations from Chile to China have evolved in 2,000 years of civilization.

An estimated 35 million visitors will visit the Brussels fairgrounds between April and October to hear and watch the world's leading orchestras, opera singers, ballet dancers, and dramatic players.

MANY CULTURES

In addition the 50 nations will put on film festivals, folklore processions, plus exhibits of autos, hi-fi's, and clothes designed by the world's leading fashion designers.

Although planned to show the development of American, European, African, and Asiatic cultures, the fair will inevitably be

a propaganda battleground between East and West.

Heightening this battle is the location of the 6½-acre United States exhibit site situated between that of the Soviet Union and the Holy See. This site was chosen by Roy F. Williams, Associated Industries of Massachusetts executive head, while he was head of the United States Department of Commerce's international trade-fair program in 1955.

Propaganda-wise Russians have announced a sputnik model will be operating in their exhibit. And in another move to show their scientific superiority, they will bring in "space dogs" used in rocket experiments.

Americans will base their exhibit, following the MIT plan, or a display showing how this Nation and its people are restless, dynamic, changing, and possessed of a tremendous creative and scientific talent.

At the moment, however, a tightfisted Congress threatens to dilute the effectiveness of the United States Brussels show.

A House Appropriation Subcommittee, under Brooklyn Democrat Representative JOHN J. ROONEY, has refused to appropriate $2 million additional funds to the United States $12.8 million fair budget.

Unless the extra funds are voted, fair officials say, the American pavilion and exhibits will shut down at 7 p. m. each day, while the neighboring Soviet exposition hall will operate until 10 p. m.

The darkened hall beside the Russian brightly lit building each night will put the United States in a tragic spot, publicity conscious officials say.

Congressional parsimony, United States aids say, has been responsible for the prior cuts in the fair budget from a requested $15 million to $12.8 million.

FORTY-TWO NEW ENGLAND COMPANIES

Despite the shortage of funds at present, New Englanders will have a large part in projecting the picture of America.

James S. Plaut, former director of Boston's Institute of Contemporary Art, has charge of all cultural, architectural, and design details for the United States exhibit. Like Mrs. Howard, he is a deputy commissioner general.

The Boston institute, under Plaut's direction, has put together an exhibit of 150 objects, from lawnmowers, plastic boats, and time clocks to land cameras.

Contributing to this exhibit and others in the United States pavilion and hall of international science, are 42 New England companies, including 22 from Massachusetts.

While the Brussels fair is not a trade show, these companies will contribute to industrial design exhibits to illustrate how the Nation lives.

Included among the industrial design exhibitors are Polaroid, Kendall, and Savage Arms from Massachusetts; United States Rubber and American Luggage from Rhode Island; Fuller Brush, Stanley Works, and Superior Electric from Connecticut.

In a crafts exhibit, 12 showings will be by New England artists. Six will come from New Hampshire and five from Connecticut.

Among the craft exhibitors will be James McKinnell, of Deerfield, a worker in stoneware and enamels, and Robert J. King, of Newburyport, a silversmith. From New Hampshire will be Karl Brerut, of Thornton, an enamel worker.

New Englanders in the aggregate also have a role in the film, America—the Land and the People, designed to show fair visitors how this Nation lives, works, and plays.

In a full-color wide-screen production the film will illustrate the region's colonial houses, tall elms, stone walls, old church spires—what the film writers call New England of Robert Frost and Edward MacDowell.

Another continuously running repeater film for European and visitors from the rest of the world will show Vermont farms, New England churchgoers; a Cape Cod saltbox house; Concord street scene in Cambridge and the Slade Spice factory in Boston.

In addition to cultural exhibits, there will be a number of scientific exhibits in which high voltage engineering and Sylvania Electric Products scientists will demonstrate the scientific and engineering prowess of the United States.

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

READJUSTMENT OF POSTAL RATES

Mr. MANSFIELD. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Is there objection? If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates and for other purposes.

Mr. MORSE obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield to me, in order that I may suggest the absence of a quorum?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE] to strike out lines 15 through 25 on page 26 of the bill, and to renumber the following subsections. The clerk will read the language proposed to be stricken out.

The Chief Clerk read as follows:

(2) The collection, transportation, and delivery of first-class mail is the primary function of the postal establishment. The cost of first-class mail shall be (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title plus (B) an amount determined to be the fair value of all extraordinary and preferential services, specially designed facilities, and other factors relating thereto. The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out of pocket" cost basis.

Mr. MORSE. Mr. President, I should like to have the attention particularly of the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], the ranking minority member of the committee, the Senator from Kansas [Mr. CARLSON], my colleague, the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Wisconsin [Mr. PROXMIRE], and also the Senator from Ohio [Mr. LAUSCHE], who really raised this question, I think in an unanswerable form, last Wednesday.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARLSON. If my colleague will recall, last evening I said if he would wait until this morning we would have more Senators present on the floor than we had last night.

Mr. MORSE. I am sure the Senator can count. The Senator may have been right in his estimate, by a count of 1 or 2 Senators.

Mr. President, I am disturbed about the entire section 103. I am not so sure that my amendment should not seek to strike the entire section. If in the course of the discussion today that seems to be deemed proper, I may ask for permission to perfect my amendment to that end.

I wish to speak first to the matter of policy, from a legislative standpoint, of including in legislation of this type a declaration of policy. I consider it surplusage; but, as surplusage so frequently is, it will be a great source of future trouble, I think, in the handling of postal legislation.

I believe that if this language is left in the bill, I have the right to ask the question, What is the purpose of leaving it in? The purpose must necessarily be, it seems to me, an attempt to exercise some influence in the future as to post office policy. There are so many questions raised by this language which will have to be applied to unforeseen conditions of the future that from the standpoint of the art of legislation I believe the language to be undesirable.

A suggestion was called to my attention by members of the press gallery who, I think, presented some unanswerable arguments against including the language which I seek to strike from the bill. They said, "You can be sure the magazine lobby would love to have the language remain in the bill," because it would place the magazine lobby in the position of saying in the future, "Ah, but the 85th Congress committed itself to a policy." We all know the precedential value of such an argument. Yes; it could be pointed out that the Senator from South Carolina said, in his colloquy with the Senator from Ohio, that we cannot bind future Congresses, and that future Congresses always have the right to adopt whatever ratemaking policy they desire. We all know that; but we also know what happens so often in the legislative process when someone can say, "But in 1958 the Congress of the United States said this shall be the Post Office policy, by way of a declaration of policy set forth in section 103 of the act of 1958."

Mr. President, I speak to the general proposition first, namely, that from the standpoint of legislative art, this provision is very inartistic. It is not good legislative form. All of section 103 can be deleted from the bill, and not one iota of it will be changed. If that is not so, then what the Senator from South Carolina said last Wednesday afternoon falls to the ground.

The provision either is going to have some legislative binding effect or it is not. If it does have some legislative binding effect, then the chairman of the committee and those members of the committee supporting the provision had better stand up and tell us what the legislative binding effect is. If the provision does

not have such an effect, then it is surplusage, or, as I said last night in debate, it is a stump speech written into the bill. I am against including in bills what might be considered stump speeches.

Mr. President, I think this provision should be stricken from the bill. As I believe I have demonstrated many times, I am willing to make such progress as I can by way of a reasonable compromise. If we can remove from the bill the particular language on page 26, which starts on line 15 and runs through line 25, I shall be satisfied. I shall accept that, at least, because those lines contain the really dangerous language.

I agree with the Senator from Ohio [Mr. LAUSCHE] that on page 30 of the bill, starting on line 16 and running through line 18, involves a question which ought to call for an independent amendment. I do not think that matter should be handled in connection with the question I raise by presenting my amendment.

The Senator from Ohio brought out very clearly in the colloquy Wednesday the need for some modification of that language. I do not take the position that in the so-called star route system and rural free delivery the Post Office Department should be making deliveries of the second- and third-class material for the benefit of magazines such as Life, News Week and similiar publications, without the publishers making a contribution to the operation of the star routes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Ohio?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. LAUSCHE. It strikes me that if the section is allowed to remain in the bill, it will fix as a policy certain concessions which are now being made, and which even now are doubtful, but which in the future, when the conditions may change, would perhaps be of indefensible validity.

I subscribe to the thoughts expressed by the Senator from Oregon, that it is a dangerous practice for the present Congress to declare a policy which will have to be followed in the future—not mandatorily, of course, but the very fact that we declare a policy will have a strong influence against the making of changes which in the future may be thoroughly justified.

The Senator from Oregon has probably given this matter more study than I, because it was developed a few days ago, and the Senator has since had a chance to consider it.

Referring to subsection (2) on page 26, the one the Senator from Oregon asks be stricken, I find that the Senate version of the bill has added specifically this language in the sentence beginning on line 22:

> The costs of other classes of mail and special services (except the fourth-class mail) shall be computed on an incremental or "out-of-pocket" cost basis.

On the day before yesterday we had difficulty in ascertaining the meaning of that provision.

As I understand, the Senator from Oregon [Mr. MORSE] and the Senator from South Carolina [Mr. JOHNSTON] are familiar with the fact that in the report on House bill 5386, page 4, this language appears in the second full paragraph:

> The committee believes that the subsidiary classes should be priced on an incremental or "out-of-pocket" cost basis. ("Out-of-pocket" costs are those expenses incurred directly in handling a certain class of mail, and which would not be incurred if the additional service were not rendered.)

I think the last clause is loaded with dynamite. In the future the Post Office Department would have to prove, in assessing costs against other classes of mail, that the costs which were sought to be assessed were incurred newly and completely separate from those services which had to be generally rendered.

May I ask the Senator if I am correct in the understanding that the only time the Post Office Department would be able to assess out-of-pocket costs would be when it could prove that added services had to be provided for a specific type of mail?

Mr. MORSE. That is my interpretation. However, let me say to my friend from Ohio that if the committee denies it, that proves our case. That is, if the members of the committee deny such interpretation, then they have to admit that they are including language in the bill which is going to be the source of serious altercation and trouble in the future, because we can be pretty sure that under this language the magazines are going to take exactly the position which the Senator from Ohio is stating. The result will be that they will be entrenched in a right to continue to maintain the kind of subsidy they desire to retain.

Who among us can say what our position should be 1 year, 10 years, or 20 years from now, as to what the rates ought to be in respect to second-class mail?

I do not think the language is fair to the magazine publishers. Let me point out that this language works both ways. I do not think it is fair to the publishers of magazines to use language of policy in a bill which tends to give the publishers the impression they can count on costs based upon a particular interpretation of out-of-pocket costs, and 5, 10, or 15 years later, change the policy. They will say, "Listen, we built up our businesses on the basis that we thought this was the policy. We have made investments on that basis. Now you change the rules of the game on us."

I repeat, provision in the bill is not needed anyway; so why include it?

Mr. LAUSCHE. Let me ask a further question concerning the correctness of my understanding. Again referring to the language in the bill, on page 26, the last sentence of subsection (2) reads:

> The costs of other classes of mail and special services—

Which would mean second- and third-class mail—

> shall be computed on an incremental or out-of-pocket cost basis.

If instead of using the words "shall be computed on an incremental or out-of-pocket cost basis" the definition which the committee gave of the out-of-pocket cost basis were used, the sentence would then read that—

> The costs of other classes of mail and special services shall be borne by first-class mail users except in those instances when services are rendered which would not be incurred if the additional mail were not carried.

A close study of this declaration of policy will indicate that we would forever freeze any privileges granted, and forever freeze any disadvantage which may exist, unless some future Congress should decide to change the policy.

Mr. MORSE. I am glad the Senator from Ohio used the term "freeze." I intended to use it myself in my analysis.

I now wish to emphasize it. If the language has any purpose at all in fixing a policy, it must have the purpose of icing the policy. It must have the purpose of freezing the policy. It must have the purpose of fixing the policy. It must have the purpose of setting the policy. I do not care what word is used to describe it. If this language means anything at all, what the committee is saying to the people of the United States is that "from now on this shall be the policy with regard to the adjustment of costs as between first-class and second-class mail, so far as the Post Office is concerned." I wish to say something about the first sentence to this policy statement in a moment. For the present I shall hear the Senator from Ohio through.

Mr. LAUSCHE. Let us look at page 30, to the paragraph identified by the numeral "(2)." In order to understand that paragraph we must read the first sentence of section 104—

> The following shall be considered to be public services for the purposes of this title.

Then certain losses which are to be ascribed to public services are identified. Paragraph No. 2 on page 30 reads as follows:

> The loss resulting from the operation of such public welfare postal services as the star route system, rural free delivery, third- and fourth-class post offices.

I should like to know whether I am correct in the understanding that the magazines to which reference was made last night are carried under those services.

Mr. MORSE. Yes; they are carried.

Mr. LAUSCHE. That would mean that when such magazines are carried by either the star route system or rural free delivery, or when they are handled in third- or fourth-class post offices, they are to be considered as public services, and the losses sustained will have to be borne by the taxpayers as a whole.

Mr. MORSE. That is my interpretation; and that will be the contention, if we leave this statement of policy in the bill. We can be pretty sure of that. The result will be to increase the subsidies which the taxpayers as a whole are already paying to Life, Look, Time, Newsweek, and the others of them. They ought to pay a larger share of their cost than they would ever pay under this kind of arrangement.

Mr. LAUSCHE. I thank the Senator very much.

Mr. MORSE. Mr. President, I am almost through. I return now to the first sentence of the language which I propose to strike:

The collection, transportation, and delivery of first-class mail is the primary function of the postal establishment.

Why do we say that? We do not need to say that. It is not necessary to say that. Certainly that was almost the only function in the beginning of the history of the postal service. In the early decades there was relatively little second-class mail, and such as there was was not very bulky. But when we come to consider the tons and tons of second- and third-class mail handled each year by the post office, we must take a look at certain other criteria when we deal with the phrase "primary function." Consider the workload. Consider what goes through the post office. Although we might all agree that it is necessary to see to it that first-class mail receives preferential treatment, I am not ready to say that I will accept a policy statement which gives the impression that the primary function of serving the American people, postalwise, is first-class mail, and then move from that interesting premise of the syllogism into the next premise:

The cost of first-class mail shall be (a) the entire amount of the expenses allocated to first-class mail in the manner provided by this title—

And so forth. Therefore anything that is carried over and above that—to come to the conclusion "shall be computed on an incremental or out-of-pocket basis."

I think the danger is in the first premise of the policy statement, in paragraph (2). So I stress the point that we must consider the postal service as a totality. It is a mistake to seek to break it up, as this policy statement seeks to do, so that we can get ourselves into a position to "soak" first-class mail users with the overwhelming part of the cost of serving the postal needs of the people of the United States.

I happen to believe that in due course of time the Senate will adopt an amendment which I offered yesterday, and which was then rejected. I am convinced that in due course of time the American taxpayers will say to Members of Congress, "We are not going to pay such a large subsidy to magazines and newspapers. We are not greatly moved by all the plaintive pleas to the effect that some of them may go out of business if we do not subsidize them."

The American people will eventually say to the Congress of the United States, "In 1958 you did not raise second- and third-class rates high enough." My amendment was rejected, but I shall wait for the reaction of the American people in the years immediately ahead. I am convinced that it will be in support of the principle which I defended on the floor of the Senate yesterday. However, I will not sit here without raising my voice in protest against language which is subject to the interpretation—as the Senator from Ohio has pointed out—that, to all intents and purposes, we are freezing the rates of second- and third-class users so that in the future it will be more difficult for Congress to raise such rates.

I wish to stress the fact that I do not accept a so-called out-of-pocket formula, because if the Post Office did not carry this huge bulk of mail, and if we were to limit mail service to first-class service, Senators can see what would happen. There would be a great shrinkage in the postal facilities themselves.

Let me say to the postal workers of America that they have a tremendous stake in the argument which the senior Senator from Oregon is making on the floor of the Senate today. Let me say to the postal workers, whose legislative representatives are seated in the galleries, and with whom I disagree vehemently with respect to some of the positions they have taken on this bill, that I am raising my voice in protection of the postal employees here today when I protest this language. If we leave this language in the bill, I say to the postal workers that they will find it more difficult in the future to obtain the wage increases which they will need if we allow magazines and newspapers to have their rates frozen, not by way of specific rates, but by way of a legislative policy approach. It will rise to plague the postal workers of the country.

I am moving to strike out this language because I think the postal workers ought to be protected—sometimes against themselves. They have needed such protection in connection with this bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PROXMIRE. The Senator from Oregon says that he is convinced that in due course of time the people of America will rise up and recognize that the subsidy which is being paid to the very prosperous publishers is unfair, improper, un-American, and in contradiction of the principles of our free enterprise system. I agree with him. I have talked with other Senators on both sides of the aisle who also agree with him.

I point out to the Senator from Oregon that in due course of time this will not take place if the statement of policy referred to remains in the bill. As the Senator from Oregon and the Senator from Ohio have pointed out, this language would freeze the policy of applying to second- and third-class mail only incremental costs.

I should like to ask any Member of the Senate who is on the floor this morning, on either side of the question, if he can give me any example of a business which would say to one customer, "we will load all of our overhead, as well as our cost of production, on what we sell to you on the product which we sell to you, but to another customer we will sell on the basis of our out-of-pocket cost." A business that did that would not stay in business very long. I do not believe that any business administration expert in the country would approve of that kind of allocation. That certainly is not a good business practice.

I should also like to say to the senior Senator from Oregon that I could not agree with him more completely with regard to the long term tragedy the adoption of this section of the bill would cause to the postal workers. I say that because it is no secret that there will be an attempt made to tie in with the bill a postal pay increase provision. We heard it on the radio this morning and have read about it in the newspapers for a long time.

Of course I approve of an increase in salary for the postal workers, and we should do everything in our power to give it to them. It is something that they have needed for a long time; they should have received it during the last session of Congress.

If the section of the bill under discussion is left in the bill it will mean that in the future if postal workers want an increase in salary, the request will likely be tied in with a 7-cent stamp or a 10-cent stamp, or something of that kind. That will make it much more difficult for the Congress to enact a pay increase bill.

Two precedents would be established by the proposed language. In the first place, as the Senator from Oregon has pointed out, it would be the third or fourth precedent of a salary increase being tied in with a rate bill.

Furthermore, there is also contained in the bill the statement that in the future only out-of-pocket costs will be related to second- and third-class mail. That leaves only first-class mail to carry the full burden. I should like to underline what the distinguished Senator from Ohio [Mr. LAUSCHE] pointed out so well, that the committee has added to the House bill a sentence which has powerful dynamite in it. It is that "the costs of other classes of mail and special services—except fourth-class mail—shall be computed on an incremental or out-of-pocket cost basis."

That language was not contained in the bill as it passed the House. That is the most dangerous provision of the bill. It contradicts completely good business experience and sound accounting practices.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. I should like to have it pointed out to me if my understanding is correct or incorrect on this point. As I understand, to the second and other class users of mail other than first class, by the proposed policy, the Federal Government in the future would say: "The only charges we will impose against you are those which are inescapable in the handling of your mail. If at the end of 4 hours our employees complete the carrying of first-class mail and have 4 hours of leisure, and during that time carry your mail, we have no new costs. Therefore, it costs you nothing. You will only pay those costs which we add to our general operating expenses in the delivery of first-class mail."

Mr. PROXMIRE. Absolutely. I should like to point out to the Senator from Ohio and to the Senator from Oregon that the costs of the postal service

are tremendous. They include the cost of maintaining the post offices, the cost of constructing post offices, the cost of transportation, the cost of equipment, and the salaries of the employees, who must be in the offices to deliver the first-class mail anyway. All those costs will be chargeable only to first-class mail and not to second- or third-class mail.

To draw an analogy, it would be as if a person were to travel on the railroad—because the Post Office operates virtually as a railroad operates—and the railroad were to say to him, "We will charge you only the out-of-pocket cost." In that case the charge would be practically nothing.

Mr. LAUSCHE. Unless the railroad had to attach a special car to the train.

Mr. PROXMIRE. Yes; and if he took all his friends along.

Mr. LAUSCHE. Then he would have to pay for the special car.

Mr. PROXMIRE. Exactly.

Mr. MORSE. Mr. President, I should like to have the attention of the chairman of the committee and the attention of the ranking minority member of the committee, and the attention of the other members of the committee, including the Senator from Wisconsin and the Senator from Kentucky. I wish to make a plea this morning when, to use a military term, we are trying to reform our lines. There is no doubt that there have been honest and sincere differences among us on the bill. We still have a great objective to accomplish after we pass the rate bill, and that is to do what we can to protect the salary interests of the postal workers. I say very frankly to the chairman of the committee that there are those of us who find ourselves in a very difficult position from the standpoint of legislative policy, because we do not like combining the two things in one bill. At the same time, if we could get a rate bill—and I say this good-naturedly—with respect to which we would have to hold our noses but still could vote for, in the hope that some corrections will be made in conference which we believe ought to be made, then we could go along.

I believe that is what the eventual fate of the bill will be, because I am confident that Senators will go into conference and walk out with all the bacon. I believe there will be a little compromising among the conferees. If we could at least come to some reasonable agreement on some of these items that disturb those of us who heretofore have been in the minority on some of the issues, we might have a more united front on the other problems which confront us in connection with the postal pay matter.

The Senator from South Carolina cannot question the sincerity of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Ohio [Mr. LAUSCHE], or the senior Senator from Oregon in our deep concern about the dangerous potentialities of the language which we seek to strike. So I say, with my arms open, and in a plaintive plea, What is offered me, if anything, by way of conference?

Mr. JOHNSTON of South Carolina. If the Senator from Oregon will modify his amendment, and move to stike out what he has been discussing all along, namely, the last sentence of paragraph (2) on page 26, that would get rid of the out-of-pocket costs.

Out-of-pocket costs, as we understood them when the discussions took place during the hearings, are the costs of some of the functions which are necessary for the handling of first-class mail, but which are not necesary for any other class. For instance, it is necessary for the mail trucks to stop at the boxes placed throughout the city and to pick up the letters deposited there. That is a part of the first-class service.

Second-class mail is not usually deposited in the mailboxes. I say that the out-of-pocket charges should not be assessed against first-class mail. That is our reason for including these provisions in the bill.

But if the Senator from Oregon becomes excited over it, we are willing to try to accommodate him.

Mr. MORSE. I assure the Senator from South Carolina that I am very much excited over it, with my eyes wide open to the future. That is why I am concerned.

The present Presiding Officer of the Senate, the Senator from Georgia [Mr. TALMADGE], and I are enjoying in the cloakrooms a reputation among our colleagues for being David Harums, at times, in fields other than the legislative process.

I thank my colleague from South Carolina. I should be very happy to modify my amendment to conform with the suggestion the Senator from South Carolina has just made, and I now do so.

Mr. President, I modify my amendment by moving to strike out, on page 26, line 22, beginning with the words, "The costs," through line 25, with the understanding that the Senator from South Carolina will take the amendment to conference.

If this opinion is shared by the Senator from Kansas [Mr. CARLSON], the ranking Republican member of the committee, I want him to know that I deeply appreciate his cooperation. This is not the first time he has been willing to cooperate with the senior Senator from Oregon.

Mr. JOHNSTON of South Carolina. I have conferred with all the members of the Committee on Post Office and Civil Service who are on the floor, and they all agree to the proposal.

Mr. CARLSON. Mr. President, I deeply appreciate the action which has just been taken by the senior Senator from Oregon in striking out the last sentence of paragraph (2) on page 26.

I have been listening to the debate. I myself was trying to think of some language which might be inserted in this particular section so as to preserve what the committee wanted to do. We are trying to find some basis for setting aside a certain percentage or a certain dollar sum of money for the public service of the Post Office Department.

I will have to admit—and I say this for the benefit of the chairman and the other members of the committee—that we were forced, so to speak, by pressure from the Senate to report the bill in order that the pay-raise bill might be considered, before we really had a thorough opportunity to study these sections. I say this in fairness to the chairman.

Mr. JOHNSTON of South Carolina. I may say that I had a speaking engagement at home, and I had to have the report read to me over the telephone. I approved it over the telephone. That is how rushed we were in submitting the report.

Mr. CARLSON. I thought the RECORD should be clear on that point. We submitted the report without having made the study which should have been made.

The language of the section contains an important policy statement, as the Senator from Oregon has so well stressed. If the agreement is satisfactory to him, I shall certainly be happy to work on that problem.

Mr. MORSE. It is a satisfactory compromise. As the Senator knows, I preferred to have the whole section stricken; but this is a satisfactory compromise.

Mr. President, I yield the floor by asking that action be taken on my amendment as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE], as modified.

Mr. NEUBERGER. Mr. President, I express my acquiescence in and support of the amendment, as modified, offered by my senior colleague.

If I may have the attention of the ranking minority member of the Committee on Post Office and Civil Service, I may say that I have only commendation for the chairman of the Committee on Post Office and Civil Service and the ranking minority member for their acceptance of the amendment, as modified.

In fairness to the chairman, I think the RECORD should show that not one member of the committee, on either side of the table, to my knowledge, protested the so-called policy statement at the time. If I am not mistaken, every member of the committee, on both sides of the table, acquiesced in the policy statement, at least by silence. This may have been due to the fact that the committee was under heavy pressure, from both sides of the aisle, to report a rate bill, so that it could accompany the postal pay bill, and therefore assure a greater opportunity of acceptance at the White House when the pay bill finally arrives there, as we trust it will do.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. PROXMIRE. I am delighted to acknowledge that I was in error, not having had the opportunity to peruse carefully the 49-page bill. I know I should have done so. I am not a member of the subcommittee which is principally responsible for the bill. However, I recognize my mistake and acknowledge the fact that I did not speak up in committee, because I had not had an opportunity to read the bill in its entirety.

I am extremely grateful to the Senator from Oregon [Mr. NEUBERGER] and the Senator from Ohio [Mr. LAUSCHE] for having called this matter to my attention.

Mr. NEUBERGER. It seems to me to be very helpful that a somewhat confusing and ambiguous policy statement has been eliminated from a substantive rate bill. I think this is helpful. I believe every Senator regards it as such.

However, I desire to emphasize one thing, and in this I particularly wish the attention of the Senator from Ohio, because I know he has been concerned about the so-called policy statement. The basic fact still remains that we must not depart heedlessly or cavalierly from the fundamental, underlying policy which has governed the United States postal system throughout its history. That policy is that first-class mail has paid more than its share of the so-called assigned costs. If that be wrong, then there should be extensive hearings, discussion, debate, and analysis before changing the policy. But it should not be changed in the heat of debate, because it might seem somewhat politically helpful or opportunistic to say to the people who mail first-class letters, that they are being charged more than their assigned share of the cost.

I again wish to state for the RECORD, because I think the facts are irrefutable and pertinent, that during the entire history of the post office system, first-class mail has carried more than its share of the assigned costs. I have made a cursory study of the Senate debates, and I can find no very important evidence, if any, that any distinguished Members of this body have challenged that long, historic precedent.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. JOHNSTON of South Carolina. The Senator now is arguing for out-of-pocket costs. He is arguing that some costs should be assigned to first class which are assigned to second and third class, because more than 100 percent of the cost is being charged to first-class mail.

Mr. NEUBERGER. I am arguing that we should not, in the heat of a Senate debate, completely upset the whole pattern of operation of the post-office system. If we do, we shall be disrupting the mail service and shall be endangering the pay and welfare of the postal employees. We shall be endangering all the communications which pass through the mails.

I call this to the attention of the distinguished Senator from Ohio, who first mentioned to me his very real and justified fear about some of the inclusions in the policy statement.

This morning I received from the Post Office Department a statement which I should like to read. A few days ago I presented to the Senate the figure for the portion of cost assigned to first-class mail from 1926 to the present time. On that particular day the Post Office Department did not have available for me the figures for the periods prior to 1926. I now have a statement on that matter; it was sent to me by the office of the Postmaster General. The statement is very brief, and I shall read it, as follows:

FIRST-CLASS MAIL COSTS PRIOR TO 1926

While no detailed cost figures are available for the Post Office Department prior to 1926 (the date of installation of cost-ascertainment reports) an analysis of the annual reports of the Postmasters General for the years prior to 1926 indicates conclusively that first-class mail consistently paid an average of at least 140 percent of its allocated costs exclusive of the charges for the many costly preferential services given first-class mail.

In addition, I repeat that in 1945, when Franklin D. Roosevelt and Harry Truman, respectively, occupied the White House—because that was the year of the unfortunate and tragic death of President Roosevelt—the share of the costs sustained by first-class mail reached 164.7 percent. I believe that was the high-water mark in our history. There is no evidence that Senators, either in committee or on the floor, challenged that or questioned it.

I shall be willing to have the Senate Committee on Post Office and Civil Service hold extensive hearings to determine whether the historic pattern which has governed the postal system since its establishment should be continued.

I do not believe postal policy which has existed for nearly two centuries should be changed in a few hours on the floor of the Senate.

Furthermore, I wish to call the attention of my colleagues to the situation in residential neighborhoods. Probably most of us live in residential neighborhoods. I do, and I assume that the distinguished Senator from Ohio does. It has been pointed out to me by career appointees and officials of the Post Office Department that the very costly and expensive mail collections in residential neighborhoods are, virtually entirely and exclusively, for first-class mail. Second-class and third-class mail and nearly all the parcel post are delivered to the post offices. The postal trucks which we see moving by day and by night, in good weather and in bad, are often primarily for the purpose of picking up the first-class mail. We do not want to change the cost-ascertainment structures, so that the people will have to deliver their first-class mail to the post offices.

In conclusion, I wish to say that I concur completely in the elimination of this vague, ambiguous, and dangerous portion of the policy statement. I think the senior Senator from Oregon [Mr. MORSE] and the junior Senator from Ohio [Mr. LAUSCHE] have rendered a great service in pointing out to us its potential hazards. I have been pleased to join them in voting today on the floor of the Senate in effort to delete it from the bill.

Mr. LAUSCHE. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. I am happy to yield.

Mr. LAUSCHE. On yesterday, I stated to the Senator from Oregon that I deeply appreciated his sincerity and good purpose in approaching the solution of the problem which now confronts the Senate. At that time I said that in his presentation he emphasized the bad as much as he did the good. No better tribute can I pay to him for his objectivity.

Mr. NEUBERGER. Mr. President, as always, the Senator from Ohio is very kind.

Mr. PROXMIRE. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. I yield.

Mr. PROXMIRE. I desire to say that I agree with the Senator from Ohio that the Senator from Oregon is a great man, a true liberal, a great asset to the United States, and a great credit to his State.

But, Mr. President, I wish to say to him that I could not disagree with him more on the issue he has just discussed.

I believe it would be a very good thing to have the committee reconsider the statement relating to the primary function of the Post Office Department. I shall not repeat the statements which have been made here in the last few days. I believe my position has been made clear.

Mr. President, I believe it is ridiculous for us to continue something simply because it has been in existence in the past and has been supported by great men such as Franklin D. Roosevelt or Bob La Follette.

Nevertheless, I agree that the Senator from Oregon is completely sincere in the statement he has made. This disagreement is one between two Senators who respect each other, I am sure.

Mr. NEUBERGER. Mr. President, I am sure the Senator from Wisconsin would never take the position that those who have been here in the past have been derelict in not changing the system of the allocation of costs in the Post Office Department.

Mr. PROXMIRE. Mr. President, I shall not attack George Washington, Abraham Lincoln, and other prominent men in our history, of course; but I believe it is ridiculous to have a postal system in which more than 100 percent of the cost of carrying letters is imposed on those who write them. That makes no sense whatever. I do not care who favors it; I believe it is wrong.

Mr. MORSE. Mr. President, will my colleague yield to me

Mr. NEUBERGER. I yield.

Mr. MORSE. I desire to thank my colleague for his support of this amendment.

I wish to repeat that whatever may be the differences he and I have regarding other matters in connection with the bill, certainly they are sincere and honest differences, not personal ones.

He has demonstrated again that when we are of one mind on a particular matter, we join forces. I wish him to know that I appreciate very much his support of the amendment.

Mr. NEUBERGER. Mr. President, I thank my colleague for his generous remarks and for his courtesy in connection with this debate.

Mr. President, I have been told by career officials of the Post Office Department that, unless first-class mail is assigned these cost ascertainment amounts, which it has traditionally borne, there simply will not be the type of mail collection, the type of mail delivery, and

the type of postal personnel we have always had in this country. They have told me that this is not only the practice in the United States, but it is also the practice in virtually all civilized countries which have modern postal systems.

I am sure that the Senator from Wisconsin and I agree that before the present system—whatever may be its merits—is drastically changed, there should be extensive and exhaustive hearings by the appropriate committees of the Senate and the House of Representatives. I know he will agree as to that.

Mr. PROXMIRE. Mr. President, I certainly agree wholeheartedly. I agree that we should go into this matter very thoroughly. I do not think any policy should be established on the floor of the Senate, or on the floor of the House of Representatives. That is one reason, among many others, why I supported the position taken by the Senator from Oregon, because he objected to the inclusion in the postal rate bill of a statement of policy.

Mr. NEUBERGER. I thank the Senator from Wisconsin.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, I wish to pay tribute to the Senator from Oregon for bringing up this matter in connection with section 103, and particularly in connection with the subsection on incremental costs.

The phrase "incremental costs" is very mouth filling and very ear filling. I looked up, in Webster's dictionary, the meaning of the word "incremental." I am not sure that even Noah Webster knew just what "incremental" might mean, because in Webster's dictionary we find that word defined, as follows:

> Incremental—Of, pertaining to, or resulting from increments, increase, or growth.

Then we find the following definition of the word "increment":

> Increment—An increasing, growth in bulk, quantity, number, value, etc.; enlargement, increase.

After that part of the definition, we find the following rather interesting and qualifying statement in that huge, 15-pound book, a copy of which I have in my office:

> A slight or imperceptible augmentation.

Mr. President, that is a wonderful definition. If we relate that definition to the language contained in section 103, and particularly to the part of the section relating to first-class mail and the other classes of mail which show out-of-pocket costs "on an incremental basis," we find that that could mean a slight or an imperceptible augmentation in the future. Mr. President, in the days that lie ahead, that language would probably be found to be the greatest plague ever to confront the Post Office Department.

What is "an imperceptible augmentation"? What is "an imperceptible enlargement or an increase"? I do not know.

This whole problem is certainly not new to me. I had my first experience with postal-rate problems in the House of Representatives. I had plenty of it as a member of the Subcommittee on Post Office Appropriations in the House, where I served for a good many years. There came before the committee first one Postmaster General and then another. I remember Jim Farley very well, whom I esteem as a friend. I remember Bob Hannegan, of St. Louis. I remember Jesse Donaldson, of Shelby, Ill., who was in the service 40 years before he became Postmaster General. But always the questions arose whether it was a business enterprise and what the cost ascertainment figures showed.

I care not how many experts one may consult, he will still come to the conclusion that the Post Office operation is a rather indivisible thing. I doubt very much whether we can obtain the most precise figures to allocate costs to one class of mail or another, in an operation which encompasses $3 billion, 500,000 workers, 85,000 vehicles, 33,000 post offices, 8,200 branches, and 32,000 rural free delivery routes. It is an operation that really makes General Motors and General Electric and other large companies pale by comparison, even though employeewise they seem to be pretty large. In the Post Office there is a diversity of operations. I do not know quite how its operations can be divided.

I desire to be pretty careful about any expression of postal policy. In 1951 I served on the Committee on Post Office and Civil Service of the Senate. I believe the distinguished chairman of the committee will agree I had some small part in raising the question concerning the definition of policy by the Congress. Where are we to draw the line? What are we to allocate against the taxpayers—all, or none, or some item in between? If duck stamps are sold by the postoffices, how much does that service cost? Frankly, I do not think it costs nearly so much as some of the "eager beavers," who have been testifying on the bill, have stated. How much does it cost to count deer in the Michigan peninsula? Perhaps twenty or thirty or forty thousand dollars; but it certainly does not run into the figure the Advisory Council embalmed in the very fancy brochure it issued. I read it from start to finish. Then I read the answer by the Post Office Department. Then I read the most recent brochure. Three times I read the article written by the distinguished chairman of the committee, which was published recently. Then I sat down and looked off at the wall. I thought perhaps we had better be a little careful, when we encounter a bit of fancy semanticism like incremental, and we should look out.

My colleagues know that words are amazing things. We know of a book entitled "Words That Won the War," which was written of World War I by George Creel.

There was also one written about words that won the war in World War II. We are constantly operating in the field of etymology, semantics, and words. We are not going to interpret those words. If someone takes exception to their meaning he can go into a court and say to the distinguished gentlemen in black robes, "This is what we think it means." The intent of Congress is one of those fictional things we hear of. I read a decision by one of the circuit courts of appeals not so very long ago, reported in the Harvard Law Review, in which it was stated there is no such thing as intent of Congress. It is a fiction; the words used by Congress mean what they think they mean.

The only reason why I take the floor today, for only a little while, is to make sure that when learned men in the law refer to the CONGRESSIONAL RECORD and say, "This is what we think Congress meant," we may be extremely certain that they know what the junior Senator from Illinois meant when he voted for the amendment offered by the senior Senator from Oregon.

I am delighted that the phrase is to be deleted from the bill. I do not want a judge to say, "Well, this is what I think Congress meant when they talked about incremental costs," because those costs may start from the day the President affixes his signature to the act. They will be only the little things in the whole load, which in the first instance was assessed as a primary responsibility upon first-class mail. When that is done, I think a disservice is perpetrated upon the people of this country.

So the junior Senator from Illinois wants only to be sure that if learned justices probe Congressional intent, there will be no doubt what the junior Senator from Illinois had in mind when he cast his vote of approval for the Morse amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. I thank the Senator from Illinois for the very fine argument he has made in support of my amendment. I appreciate it very much.

Mr. DIRKSEN. I leave it as I started, and return to the text.

When I encounter a word like "incremental"—and, frankly, this is the first time that word has ever given me trouble in 25 years of legislative experience—if I had no other reason to want its deletion from the bill, it would be simply because my feeble capacity does not encompass all of the juridical implications it might have.

I earnestly hope the amendment of the senior Senator from Oregon will be adopted.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The question is on agreeing to the amendment, as modified, of the Senator from Oregon.

The amendment, as modified, was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened to the Senator from Illinois with a great deal of amusement. I have sent to the committee for a copy of the report which the committee, during the 83d Congress, paid almost $100,000 to have prepared, in which the out-of-pocket theory is the major recommendation. I now have the report in my hand, and I shall read from it. Probably the Senator from Illinois forgot about it when he was speaking a few moments ago, but I find contained in the report the following language:

> In order to ascertain a fair cost of secondary products the Nation's top accountants

have devised ways of charging to the primary products all the costs necessary to produce and distribute such primary products. It is therefore considered in many cases that the fairest cost of the secondary products should include only the direct or incremental—

The same words—

(sometimes referred to as out-of-pocket) costs necessary to produce and distribute such products.

In all fairness, I think it should be said that was the recommendation of the committee.

Then for the past 2 years the committee worked on the question.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. That was in the 84th Congress.

Mr. JOHNSTON of South Carolina. That is correct. Reference to the cost will be found in the report. That is where the out-of-pocket cost provision comes from. It was put in the bill by the committee, and the committee passed on it and reported the bill to the Senate. So reference was only to things which were not necessary to be done except for second- and third-class mail matter.

As I mentioned a few moments ago, there are many boxes along the street which the mailman must visit. The Post Office Department sends trucks around at various hours to pick up the first-class mail, in order to attempt to get the mail out on the next train. The Post Office Department does not provide that service for second- and third-class mail. Therefore, the out-of-pocket costs should be charged, in that particular instance, to the first-class mail and not the second- and third-class mail. That duty is performed by trucks, and the costs should be charged against first-class mail.

Those are things the two committees found to be true. There were other instances where it was found that certain service was performed for the first-class mail and the first-class mail only. That being so, first-class mail should be charged for it, when the costs for the various classes of mail are allocated among the first, second, third, and fourth classes.

I desired to have clarified the question how it came to be in the bill, and why the language was used by the committee. This was not something thought up overnight, and we have been thinking about it for many, many years.

Mr. COOPER. Mr. President, I call up an amendment which I have proposed to H. R. 5836.

I should like to have the attention of the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON]. I have discussed this amendment with the distinguished chairman of the Committee on Post Office and Civil Service, and I should like to have it considered.

Mr. JOHNSTON of South Carolina. The Senator may proceed.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 43, between lines 2 and 3, it is proposed to insert the following new section:

BOOKS FOR THE BLIND

SEC. 206. The act entitled "An act to further amend the acts for promoting the circulation of reading matter among the blind," approved October 14, 1941 (55 Stat. 737), is amended by inserting immediately after "for which no subscription fee is charged" a semicolon and the following: "books, or pages thereof, in raised characters, whether prepared by hand or printed, which contain no advertisements, when furnished by any person to a blind person without cost to such blind person."

On page 43, line 4, strike out "206" and insert "207."

On page 43, line 14, strike out "207" and insert "208."

On page 44, line 10, strike out "208" and insert "209."

On page 45, line 4, strike out "209" and insert "210."

On page 45, line 10, strike out "210" and insert "211."

On page 45, line 24, strike out "211" and insert "212."

On page 46, line 24, strike out "212" and insert "213."

On page 47, line 1, strike out "and 209" and insert "208, and 210."

On page 47, line 13, strike out "211" and insert "212."

Mr. COOPER. Mr. President, I should like to give a short explanation of the amendment for the RECORD.

If adopted, the amendment would add a new section, on page 43 of the printed bill, between lines 2 and 3, which would be numbered section 206. The sections now in the bill, which would follow my amendment, would be renumbered accordingly.

The new section 206, established by my amendment, would amend Public Law 270, 77th Congress, approved October 14, 1941, which is an act dealing with postal rates, for promoting the circulation of reading matter among the blind. Public Law 270, among other things, permits books, pamphlets, and other reading matter, or sound reproduction records, published in raised print, by hand or printed—for the use of the blind—when sent to blind readers by public institutions for the blind, or public libraries, when returned by blind readers, to be transmitted by United States mail free of postage.

The amendment also provides that magazines, periodicals, and other regularly issued publications or volumes of the Holy Scriptures in raised print can likewise be transmitted to the blind without cost in the mails.

I emphasize that these are nonprofit transactions, where material is furnished without cost to the blind, and under regulations as to weight and other matters prescribed by the Postmaster General.

It will be noted that these exemptions from postal charge—and they are worthy exemptions—apply to literature regularly published, or the stocks in libraries or public institutions.

It has come to my attention that there is another important source of literature for the blind which does not enjoy the exemption. Many volunteer workers print by hand, by means of special typewriters and other mechanisms, books for the blind. I am informed that in many cases, it is through such books that blind persons are able to secure an education—by means of the books, transcribed laboriously into braille, by volunteer workers who unselfishly devote their abilities and time to helping the blind. But when these volunteer workers have prepared the books and send the books through the mail to the blind, they must pay postage. And the postage can be very heavy.

I have one letter which I should like to place in the RECORD. It is from a volunteer worker in my State engaged in transcribing books for a blind person in South Carolina without cost. But the cost of mailing the heavy books to the blind person would approximate $36. I am sure there are many other illustrations. My amendment would correct this situation, since it provides that "books, or pages thereof, in raised characters, whether prepared by hand or printed, which contains no advertisements, when furnished by any person to a blind person without cost to such blind person," shall be transmitted in the United States mails free of postage.

I know this matter was not considered in the committee. Nevertheless, I hope the amendment will be taken to conference, for I believe it is a comparatively simple matter for the consideration of conferees.

Most important, I feel sure this amendment would stimulate volunteer work for the blind, and its effect would be to bring to the blind additional literature which they want and need for education and for their enjoyment.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PEWEE VALLEY, KY., *October 22, 1957.*

Hon. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR COOPER: As a volunteer braille transcriber, I have found that there seems to be no provisions made for volunteer workers to send loose braille pages to the blind at a reduced postal rate. Blind people and various institutions have franking privileges and can mail appliances, books, magazines, etc., at a rate of 1 cent per pound or for nothing, according to the contents.

I am, at present, transcribing a college literature book of 1,066 pages for a student in South Carolina. This book will consist of more than 40 braille volumes and the estimated postage will be over $36, figured at the regular rate of 16 cents per pound. The braille volume itself weighs approximately 3 pounds and must be carefully packed in a heavy corrugated carton so as to avoid crushing or creasing the manuscript pages and indentations. I have found that these packages run upward from 4 pounds per volume.

I am happy to do this volunteer work, but I am wondering if you are aware of the fact that volunteer workers are penalized and, in many instances, the blind recipient is without the necessary desired transcriptions because the volunteer worker lacks the finances,

after paying for paper and typewriter, to pay the high rate of postage.

Will you kindly let me hear from you.

Sincerely yours,

Mrs. ANN K. BROECKER.

Mr. JOHNSTON of South Carolina. Mr. President, it is true that the committee did not consider the matter covered by the amendment. The committee had no hearings with regard thereto, and did not discuss the matter whatsoever. I can see, however, some justification for some such amendment as the Senator from Kentucky has offered.

I invite the attention of Senators to the fact that such an amendment is an expansion, involving a little more of the "free ride," but I am willing to take the amendment to conference and consider it, to see what should be done in regard to it.

Mr. COOPER. I appreciate the statement of the distinguished Senator very much.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MORTON. Speaking for the Republican side of the committee, Mr. President, we are happy to accept the suggestion of the senior Senator from Kentucky to take this amendment to conference. It so happens that the American Printing House for the Blind is located in our State, in Louisville, Ky. I have had a degree of familiarity with many pieces of legislation which have dealt with that organization over the past years.

I appreciate the objectives which the senior Senator from Kentucky is seeking. So far as I can see, his amendment is practical and feasible and in keeping with our past actions on this matter.

Speaking for the Republican side of the committee again, I am happy to accept the amendment offered by the senior Senator from Kentucky.

Mr. COOPER. I thank my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

Mr. CARROLL. Mr. President, I call up for consideration the two amendments to H. R. 5836 designated "2-27-58-C" and "2-27-58-D," which, by unanimous consent previously granted, are to be considered en bloc.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 36, it is proposed to strike out lines 1 through 17, inclusive.

On page 46, line 24, to strike out "(e)" and insert "(d)."

On page 47, line 7, to strike out "(c)" and insert "(b)."

On page 47, line 8, to strike out "(c)" and insert "(b)."

On page 36, line 25, before the quotation marks insert the following:

And except that the minimum postage on each individually addressed copy of newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be one-eighth of 1 cent.

Mr. CARROLL. Mr. President, I ask unanimous consent that the names of the distinguished senior Senator from New Hampshire [Mr. BRIDGES], the distinguished senior Senator from Tennessee [Mr. KEFAUVER], and the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] be added as additional cosponsors of these amendments, which are to be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. PROXMIRE. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. CARROLL. I yield for that purpose with the understanding that I shall retain my right to the floor.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing en bloc to the amendments offered by the Senator from Colorado [Mr. CARROLL] for himself and other Senators.

Mr. CARROLL. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

(At this point Mr. CARROLL yielded to Mr. GOLDWATER for the insertion of certain matters in the RECORD, which appear under appropriate headings.)

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc, offered by the Senator from Colorado [Mr. CARROLL] on behalf of himself and other Senators.

Mr. CARROLL. Mr. President, I ask for the yeas and nays.

Mr. MONRONEY. Mr. President, I am opposing the amendment, but I also ask for the yeas and nays.

The yeas and nays were ordered.

Mr KUCHEL. Mr. President, the persistence of the Senator from Colorado has paid off handsomely, and we shall be able to register our votes on his amendment.

Mr. CARROLL. I appreciate the remarks of the distinguished Senator from California. We shall see whether persistence pays off.

Mr. President, this amendment has been thoroughly debated on at least two separate occasions, with the distinguished junior Senator from Oklahoma [Mr. MONRONEY], who opposes it.

The purpose of the amendment is very simple. What I seek to do is to restore to the pending bill certain provisions contained in the House bill. The purpose of the amendment is to restore the law and the postal rules and regulations which have been in existence with respect to religious, scientific, educational, philanthropic, farm, labor, and veterans' groups second-class publications, as well as the publications of fraternal associations.

The law and the rate have applied to them since 1925. Now it is sought in the Senate to change the rate. The House bill made no change. No hearing in the Senate committee was accorded to those groups, although it is now sought to increase their rate 100 percent.

The RECORD for the past 2 days reveals the comments of the junior Senator from Colorado on this amendment, and the comments of the distinguished junior Senator from Oklahoma. At this time I digress to commend the junior Senator from Oklahoma for his brilliant presentation and his remarks on the bill. They show the results of a great deal of work.

I think he will agree with me, and I believe other members of the committee will agree with me, that this part of the bill has not been extensively considered. The committee has failed to do its homework on this section of the bill. That is evidenced by the colloquies in the RECORD on this subject. There is no need to labor the point.

The purport of the nonprofit publication provisions of the bill has suddenly become known throughout the country. The groups which I have named have within the past 48 hours learned of the effect on them of the new rates. Now they are descending upon Congress and asking why the rates are being changed without providing them a hearing.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. HUMPHREY. First I want to compliment and commend the Senator from Colorado for his initiative in this connection. I am very much pleased to be included as one of the cosponsors of the amendment.

It seems to me that the situation which pertains to the subject matter under discussion at this moment is similar to that which pertained to the provisions relating to limitations on parcel-post weights and sizes. It will be recalled that the limitations on weights and sizes of parcel-post packages were modified in the bill. There were those who said that inadequate testimony had been taken, and that the subject was a separate item, under a separate public law, namely, Public Law 199.

Mr. CARROLL. That is correct.

Mr. HUMPHREY. And that, therefore, the Senate should consider the subject in connection with the provisions of that public law at a later date.

Therefore, the original limitations on weights and sizes of parcel-post packages, as prescribed in Public Law 199, were left intact. This does not necessarily mean that some changes will not be made later, but it means that in this bill, so far as the Senate is concerned, there will be no change in the law.

I recognize that parcel-post service is a subject which relates primarily to commercial transactions, or to shipments of goods and materials which are rarely

shipped in connection with charitable activites.

In the present instance the situation relates to publications of civic, veterans, religious, and educational organizations.

There are publications which are nonprofit and publications which are disseminated for the betterment of a community, without regard to any mercenary or profit motive. It appears to me that if we are to alter the rate structure and substantially increase it, such publications should be entitled to a hearing. Such an alteration should be made only after the parties concerned and the institutions involved and the publications affected have had an opportunity to be heard. That opportunity has been denied.

I saw the telegrams which came to my office from veterans groups and church groups and many organizations of a civic nature, to the effect that in connection with the bill under consideration they have never had an opportunity to make their case, relating to the rate structure for publications of a non-profit, educational, philanthropic, and charitable nature.

I say to the Senator from Colorado that we would be doing a distinct disservice to the groups and the individuals affected by a change in the rate structure if we did not at least give them an opportunity to be heard. Furthermore, I cannot believe that Congress wants literally to threaten the very existence of some of these publications by an increase in the rate structure without at least giving the right of free speech and the right of petition to the interested parties.

Therefore I join with the Senator from Colorado in offering the amendment. I add, in conclusion, that the postal service is not merely a business of the Government. The postal service is a public service institution. The postal service does not have as one of its standards the making of a profit.

There is an honest difference of opinion in the Senate, now as in years past, as to whether the postal service ought to be put on a pay-as-you-go basis. When we think of the many community services which are performed by the post offices, and the many public services which are performed by the post offices, such as the rural free delivery, and the aid that is given to publications, so that there may be a dissemination of educational and informative material, I believe it is very doubtful that the postal service ought to be put on a pay-as-you-go or balanced-budget type of operation, in which the revenues taken in from the users are equivalent to the expenses for the operation of the Department. Frankly, the users of the postal service should not be required to subsidize particular services of the postal service. It seems to me that the community as a whole—the whole Nation—if there is to be any subsidy, should assume the responsibility of paying such a subsidy or such a service cost.

On the two principles—first, that no hearings were provided to the affected groups and, second, that the Post Office Department has an obligation to utilize its facilities for the welfare of the American people and the American institutions—I support the amendment which the Senator from Colorado advances. I hope that our colleagues will not vote a postal-rate structure upon publications of churches, veterans, unions, civic clubs, and philanthropic and charitable organizations, which will literally threaten the very economic existence of those publications. That is what we are about to do unless we are very careful.

Mr. CARROLL. I thank the distinguished junior Senator from Minnesota for his very clear and concise statement of the issues involved in the amendment. As the distinguished Senator from Minnesota has said, we are dealing with a historic pattern. This rate structure has been in existence since 1925. Scientific, philanthropic, religious, and educational institutions are affected; and the rate increase, I am informed, threatens the existence of those groups. Whether or not that is true, at least one point is clear, they are entitled to a hearing. They have not been given that opportunity.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. CARROLL. I am very happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Is it not correct to say that the amount of money involved is about $2 million?

Mr. CARROLL. About $2 million; yes. That would be the amount of the increase if the provisions I seek to strike remain in the bill.

Mr. HUMPHREY. Yet the increase, if it goes into effect, might very well threaten the existence of certain important scientific, educational, philanthropic, and church publications. We are not dealing with a subsidy of $250 million or $600 million. We are dealing with a small amount of money. Yet we are dealing with the very basic principle of American life, the right to be heard by the Government. Secondly, there is involved the principle of utilization of the services and facilities of the Government to promote the industry and the enlightenment, and the scientific progress and the spiritual improvement of the American people.

Mr. CARROLL. I thank the distinguished junior Senator from Minnesota. With all fairness to the distinguished Senator from Oklahoma [Mr. MONRONEY], I should like to say that the committee itself did not fully comprehend the effect of the formula. I do not believe the committee itself understood what was involved with reference to these particular groups who have not been afforded the opportunity of a hearing.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARROLL. I yield to the distinguished and able junior Senator from Oregon.

Mr. NEUBERGER. I thank the Senator from Colorado. Many issues are before us today, and I shall be very brief. With his characteristic thoroughness, the Senator from Colorado has revealed injustices that would be perpetrated unless the amendments which he has offered for a group of Senators are adopted. As a member of the Committee on Post Office and Civil Service, I trust that my colleagues on the committee will join in accepting the amendments of the Senator from Colorado.

As the Senator from Minnesota has so vividly pointed out, there is only a small sum of money involved. At the same time, the very future of certain religious, educational, labor, church, eleemosynary, and charitable organizations is at stake, particularly with reference to their ability to reach their members and other people upon whom they depend for financial support.

If I am not mistaken, I believe that the proposed increases concerning the publications of these charitable organizations is one reason that Senators such as the Senator from Colorado and myself voted against the amendment yesterday which would have increased the second-class mail rates. If I am not mistaken—and I do not like to speak for him—some of us feared, knowing of the existence of this clause in the bill, that by increasing the second-class rates we would have imposed still further increases on some of the charitable, church, and school organizations that issue publications which contain some advertising, albeit at extremely low rates.

Mr. CARROLL. The Senator's estimate of yesterday's situation is absolutely correct. Yesterday's amendment to raise second-class rates would have increased the rates to nonprofit publications to an even greater extent than they are now increased by the committee's action.

Mr. NEUBERGER. It would have imposed a further injustice on the religious, charitable, and educational organizations the Senator from Colorado seeks to assist and rescue from this further imposition. I wish to assure the Senator from Colorado of my support and of my hope that a majority of the Senate will see fit to support his thoroughly merited amendments.

Mr. CARROLL. I thank the Senator for his helpful explanation. This is a very involved matter. The application of the rates becomes a highly technical matter. The amendments I have presented have been carefully drafted and drawn to do only one thing, and that is to make the Senate bill conform to the provisions as passed by the House. I do not intend to open any new loopholes. I merely wish to have this section of the bill conform with the objectives of the House. It does not mean that the matter will be frozen. It can be changed next year or any time in the future if it is deemed necessary and just. However, the people affected are entitled to a hearing. That is the real issue here. We are legislating without providing the parties concerned a chance to furnish evidence of the effect on them. I thank the junior Senator from Oregon not only for the fine work he has done on the bill, but for his very helpful remarks with reference to my amendments.

Mr. NEUBERGER. The Senator from Colorado is very kind, as usual.

Mr. CARROLL. The distinguished Senator from Oklahoma and I have discussed this subject at length, even as recently as last night. The debate appears in the RECORD. I think our views are sufficiently known. I yield the floor.

Mr. MONRONEY. Mr. President, I must very reluctantly oppose my good friend from our time together as Members of the House, who is now my friend in the Senate, and whose meritorious measures I have so often been happy to support.

I do not ask any other Member of the Senate to join with me in this fight, because I think that if he does he will be a target of most of the groups which have been enjoying preferential treatment in postal rates for about 50 years.

The Post Office has been carrying as second-class matter the publications of various charitable and other nonprofit organizations. These are "periodicals" published by "religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual."

At first blush, one would think that this section covers only some poor little church, a scientific society, or other similar organization.

At this time I wish to correct a statement I made last night. I apologize to my distinguished friend from Colorado for having accused him of also providing the reduced rate to publications of the National Association of Manufacturers, the Rotary Clubs, the United States Chamber of Commerce, and other chambers of commerce. I was not aware that, because of language in a House committee report a few years ago, the low rates are not extended to publications of this type.

But in following up the question, I find that the small organizations, for which my distinguished friend always has very sincere concern, are not the only ones which are included.

The Post Office is carrying such mail for a minimum rate of one-eighth of a cent. The Post Office must pick up such mail, take it to the post offices, and route it to the 48 States of the Union.

It is first handled by clerks, who must put it into the sacks for dispatch. Then it is taken to the railroad station and put on the train. On the train, it is rerouted by the railway mail clerks. It is forwarded to a distant city. It might be sent to Hawaii, Alaska, or California. When it is received at the post office of destination, it is placed on a sorting table. Then it is routed for delivery by either the city carrier or the rural carrier.

Then the heavily burdened postman, whose interests we hope to take care of later in a salary increase, puts it into his sack and carries it up the long walk to Mrs. Jones' house. There he deposits the leaflet.

For all the work which has been done for that organization, the Post Office collects one-eighth of a cent under the minimum rate.

It is true that the bill imposes a 100-percent increase on this mail. A 100-percent increase has been imposed on my church, on the Senator's church, on our charitable organizations, on our educational associations. But the sum total rate after that 100-percent increase comes to one-fourth of a cent. So the Post Office will now deliver these leaflets at the staggering charge of one-fourth of a cent. That is what all the bleeding is about in the Senate today.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CLARK. Would the Senator from Oklahoma wish to comment on the suggestion of our good friend from Colorado that there were no hearings on this proposal, and that, therefore, it is a little unfair to increase this rate?

Mr. MONRONEY. The bill affects every single postage rate, in every category of mail the Post Office handles. The Committee on Post Office and Civil Service, over the years, has heard almost every argument that could be made about every one of these classes. It has continued to review the proposition.

Consequently, as we tried to meet the deadline desired by the leadership of both parties because of the deficit of the Post Office Department, and the urgency of the need for a wage increase for the underpaid postal workers, we did rush a little in reporting the bill.

If we agree to the amendment of the Senator from Colorado, we will continue the present one-eighth rate. It will not go to the one-fourth rate. Those of us who have served on the Committee on Post Office and Civil Service, and have sat through many long days of hearings, maintain that the postal service cannot begin to deliver any piece of mail anywhere in the United States for one-eighth of a cent.

Let us consider the cases cited by my distinguished friend from Colorado. Certainly the increase will hit labor publications. The labor publications will have to pay more for publications mailed at a minimum rate. If a publication were heavy enough to go by the bulk rate, the rate would be reduced, under the bill.

Under the bill there is one second-class rate, which is reduced by a specified percentage for religious and educational publications. It will not be difficult to figure out what the rate is, and we believe that this is a businesslike approach.

For charitable organizations and nonprofit organizations there will be a 50-percent discount from the rate for commercial mail. But the minimum rate will still be raised 100 percent, bringing it up from one-eighth to one-fourth of a cent.

I am sure that some organizations may be hurt, and I know some Senators are concerned about this. The Senator from Oregon, the Senator from Minnesota, and other Senators are sincere in this concern. But let me read the names of a few organizations that are enjoying this free ride. I apologize for having incorrectly included the United States Chamber of Commerce and the National Association of Manufacturers.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARLSON. I appreciate the problem which is confronting the Senate at this time. I was hoping we could take this matter to conference and solve it there. I am not certain we thoroughly understand what we are doing; at least, I have been concerned about it. I realize that there is a 300-percent increase, from one-eighth cent to one-half cent. I think we might be able to work that out in conference. Therefore, I do not say at this time that I will support the amendment of the Senator from Colorado, because I think it freezes the situation. But I want to be in a position, in conference, to do something about the amendment. If the Senator from Oklahoma will permit me to do so, I wish to read a few paragraphs from a letter I received from Mr. Charles E. Sweet, who is the rate expert for Capper Publications, Inc., Topeka, Kans. He has testified before Senate and House committees for many years. In my opinion, he is one of the best rate experts in the United States. Here are some of the things which disturb me, and about which I am really concerned. He says:

> I am writing you in regard to one clause in the postal rate bill which has been reported out by the Senate Post Office and Civil Service Committee.

I should like to have the views of the Senator from Oklahoma on this. I continue:

> I refer to the clause which would raise the minimum price per piece to one-half cent on second-class matter. As you know, the minimum is now one-eighth cent; and in the bill passed by the House last year it was raised to one-quarter cent.
>
> Now I must admit that one-half cent per piece sounds mighty low and reasonable, especially when the main arguments are concerning 3-cent postcards, 5-cent letters, and other increases of 50 percent and 60 percent. But let's examine exactly what it does mean to small-in-size per issue publications.

Then Mr. Sweet mentions Capper publications and other farm newspapers in our section, including those published in Iowa, Nebraska, Missouri, Kansas, Colorado, and Oklahoma. He says:

> This number makes it sound "big and prosperous," but, actually, it is 12 or 16 pages per issue, tabloid newspaper size, and printed on newsprint. But the readers love it.

I am referring to the Capper publications—for instance, to Capper's Farmer. We might just as well have the benefit of their figures.

I read further from the letter:

> For the year of 1957 its second-class postage was 50 percent above the minimum per piece. If this bill is passed with a one-half-cent minimum, the increase will not be approximately 45 percent to 50 percent, as apparently intended by the pound-rate increase, but will be 170 percent, and that immediately the bill goes into effect.

I wonder whether the Senator from Oklahoma will help me on this point.

Mr. MONRONEY. Capper's Weekly is not published by a nonprofit organization, is it? It is a commercial enterprise.

Mr. CARLSON. That is true.

Mr. MONRONEY. So it is not affected by the amendment of the Senator from Colorado [Mr. CARROLL]. That amendment affects only the so-called nonprofit organizations.

There has also been misinformation regarding the application of the commer-

cial rates. A publication of 5, 6, or 8 pages will be charged, on the advertising matter it carries, according to the schedule included in the bill. I do not believe Capper's Weekly would weigh less than 1 ounce; but, if it did, it would be handled as second-class matter at the one-half cent rate. Certainly I do not believe any second-class publication should be delivered for less than one-half a cent. We discussed this point yesterday.

Mr. CARLSON. That is true.

Mr. MONRONEY. The proposal we supported was to raise the rate to one-half a cent on commercial publications and one-half of that for nonprofit publications. The Senate can increase the rate on nonprofit publications from one-eighth cent to one-fourth cent by rejecting the Carroll amendment, which would reestablish the free ride voted by the House of Representatives for the publications of charitable, religious, scientific, agricultural, labor, fraternal, and other organizations not organized for profit. The list includes practically all groups except the Rotary Clubs, the United States Chamber of Commerce, and the National Association of Manufacturers, which have been excluded because they were definitely mentioned in a House report.

But the American Bar Association is still receiving a free ride; and so is the American Medical Association—the association of the poor, poor doctors. We are still forcing on them a one-eighth-cent rate. The teamsters union, which seems to have money enough to do almost everything, would still have the benefit of the one-eighth-cent rate. So would the following:

American Rifle Association.
The Daughters of the American Revolution.
The Alabama Pythian.
The Athenian.
The Masonic Monthly.
The Alabama Farmer.
The Alabama Business Woman.
The Alabama Sheriffs and Police Journal.
The Insurance Council Journal.
The Southern Medical Journal.
The Alabama Club Woman.
Bulletin of the Albertus Magnus Guild.
Alabama Retail Trade.
Alabama Review.
Land of Cotton.
Air Force Historian.
Alabama Brass.
Bama Postmaster.
Keystone Post Office Clerk.
Alabama Social Welfare.
Alabama White Ribbon.
The Contender.
The Herald.
News & Views.
Anniston Star.
Plainsman.
The Builder.
Bulletin.
Huntress.
Newsletter.
Your News Letter.
Alabama Messenger.
The Southern Union News.
Mountain Messenger.
McCoy Weekly Bulletin.
Royal Service.
Sunbeam Activities.
Childhaven News.
Dauphin Way News.
The Gothic Tower.
Abintonian.
The Canary.
Sweet Charity.
The Sanctuary News.

We simply went through most of those listed under the letter "A"; we did not go further. There are 6,000 in the list.

So we are going to bleed and suffer for these publications; and we are going to say that it would be vicious to charge them a 100 percent increase in their rate, by raising it from one-eighth of a cent to one-quarter of a cent!

Mr. President, the Senate has voted to have a 5-cent rate charged for the users of first-class mail. But this amendment would allow any of this very large group of publications and about 5,950 more to mail 40 copies, to be delivered by the same postman, up the same front walk—40 copies of this sort of stuff—for the rate a housewife would be charged to mail one letter to her son.

Mr. President, I do not think further hearings are needed; I believe the Senate has sufficient intelligence to know what to do in this matter.

If I had my way, I would have raised the rate to 1 cent. But if we adopt this amendment we are bound by the old rate; the rate is frozen at one-eighth of a cent for the publications of all these groups.

We believe the rate should be increased to one-quarter of a cent for the publications of all these groups. When the conference is held, the conferees will have to consider the one-eighth cent rate versus the one-fourth cent rate. Perhaps they will arrive at a compromise of three-sixteenths of a cent. Even so, no doubt we would still hear loud cries by the representatives of the same groups.

No wonder the American Bar Association and the American Medical Association seem to doubt the capacity of Congress to conduct the business of the country, when we have been allowing their publications to be mailed at these ridiculous rates.

Mr. YARBOROUGH. Mr. President will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. MONRONEY. I yield.

Mr. YARBOROUGH. Does the Senator from Oklahoma think the resolutions adopted by the American Bar Association are more intelligible and represent a greater degree of intelligence than do the resolutions adopted by the Senate?

Mr. MONRONEY. Unfortunately, I am one of the few Members of the Senate who is not a lawyer. Therefore, I could be considered antilawyer on this particular point.

Mr. President, I have nothing further to say. If the Senate is ready to vote, I suggest the absence of a quorum.

Mr. CARROLL. Mr. President——

Mr. MONRONEY. Mr. President, if the Senator from Colorado wishes me to do so, I shall withdraw my suggestion of the absence of a quorum.

Mr. CARROLL. Mr. President, I shall be very happy to speak to the same audience the distinguished Senator from Oklahoma has had.

Mr. MONRONEY. I thank my distinguished friend and colleague.

Mr. CARROLL. Mr. President, does the Senator from Oklahoma desire to suggest the absence of a quorum at this time, in order to expedite the action of the Senate on the amendment?

Mr. MONRONEY. That was my purpose. But if the Senator from Colorado desires it, I shall be glad to ask for a quorum call at this time, so as to enlarge the audience. I very rarely draw a large audience in the Senate, but I shall be very glad to have a larger audience to hear the distinguished Senator from Colorado.

Mr. CARROLL. I thank my colleague, but that will not be necessary.

Mr. President, I do not think it will take long to respond to the Senator from Oklahoma. Today, he has taken another path. Yesterday, I was charged with being the champion of the National Association of Manufacturers, the United States Chamber of Commerce, and similar groups. However, I have pointed out that they will not be covered by this law.

But today I am charged with being the champion of all the Alabama nonprofit publications; and now the Senator from Oklahoma has even charged me with being the spokesman for the Canary publication. [Laughter.]

Mr. President, speaking seriously, the distinguished Senator from Oklahoma has put his finger on what I conceive to be a very glaring problem. We have not previously discussed it. The distinguished Senator from Oklahoma is correct in this instance.

Mr. President, do you realize what it costs the Government, what it costs the taxpayers, to have the publications of these religious, scientific, philanthropic, and educational groups handled at such low mailing rates? This subsidy costs the taxpayers $55 million.

However, Mr. President, do you know what this very eminent committee has voted to do in the case of these publications? It has voted to increase by $2 million the amount they have been paying. Although it could be argued that they should have been hit with a meat ax, they actually have been hit with a powder puff. [Laughter.]

The bill as it stands actually places an oppressive rate burden on certain small groups of nonprofit publications and might drive them out of existence. The rate increase proposed in the Senate bill would amount in additional revenue to $2 million, and that is the subject of our debate. That $2 million increase, when applied to the religious, labor, fraternal, and farm groups—not necessarily the American Bar Association or the medical or dental associations—might drive the publications of those small groups out of existence.

Mr. MORTON. Mr. President, on that point, will the Senator from Colorado yield?

Mr. CARROLL. I shall yield after I complete this statement.

On Wednesday the position of the distinguished junior Senator from Oklahoma [Mr. MONRONEY] was that, aside from the publications of religious and similar groups, he was opposed to having other publications delivered for one-eighth of a cent. If so, it is proper to infer from his statement that he was in favor of the lower, or present, rate for the publications of the religious, scientific, charitable, and educational groups.

I read now from the statement made by the junior Senator from Oklahoma, as it appears on page 2867 of the CONGRESSIONAL RECORD of February 26:

> I cannot reconcile the continued attempt to shift to the general taxpayer the cost of handling publications, aside from religious, scientific, and educational ones.

The junior Senator from Oklahoma has to be consistent in his concept. It is the religious, scientific, and educational publications that we are talking about. We are not talking about any other groups, but the groups that come in a category which has been recognized, under law and under regulation, since 1925.

I thoroughly agree with the distinguished Senator from Oklahoma when he says there has been a lot of freeloading.

Furthermore, I gather from the remarks of the distinguished Senator from Oklahoma there is nothing static about the proposal under consideration. The Senator from Oklahoma has said in debate, "We will examine this from year to year." All we ask, in this examination, is that some of the persons who are being affected today by the change in second-class nonprofit rates be given an opportunity to be heard. We have no more information than does the Senator from Oklahoma. I may say the committee has insufficient information on the effect of this section of the bill. I think the distinguished Senator from Kansas put his finger on the problem when he stated that the committee is confused. It is confused because its members do not know the true effect of this section of the bill. They do not know because there were no hearings. I am sure the distinguished Senator from Oklahoma will admit the truth of that statement because this question has never been fully and comprehensively considered by the committee itself.

Mr. MONRONEY. Mr. President, if the distinguished Senator from Colorado will yield, I wish to say he has quoted me correctly in what I said in the original debate. I was speaking of the minimum rate per piece. In informal discussions with my friend, I think I have shown him that most of these publications, if they consist of nonadvertising material—which is true of 80 or 90 percent of the magazines—would enjoy rates less than those they are now paying. If the Senator will examine the schedule, he will see that to be so.

As I pointed out yesterday, one of the wealthiest churches in Washington sends out over 60,000 pieces of mail, over a 40-week period a year, and pays only $5 for that service. I am in favor of increased rates for that kind of service.

If we adopt the Senator's proposal, we shall kill the application of the bulk rate provision. The larger publications of churches, labor organizations, agricultural organizations, and educational fields would have their rates raised to a cent and a half a pound, instead of the rate now paid of a cent and a quarter a pound.

The magazine which is sent to the railroad brotherhood members is the only specific example which has been mentioned which would be affected by the increase in the minimum per piece rate.

However, I think we can increase the rate from one-eighth of a cent to one-quarter of a cent, which is an increase of 100 percent, on the basis of the general knowledge we all have that we are now allowing freeloading, even though for charitable purposes when we allow to be delivered 60,000 pieces of mail, in a 40-week period, for $5, when at the same time the Senate has voted to charge 5 cents for a letter a mother may write to her son in college. I do not think we ought to raise the rate on letter mail to 5 cents and then allow an organization to deliver large quantities of mail without an increased charge.

Mr. CARROLL. Not only have I been placed in the lap of the Alabama canary bulletins, but now it is said I am placed in the position of being against a mother's sending a letter to her son, as a result of my amendment. I think the facts are simple, and it seems to me everyone should understand how simple the issue is. Two million dollars is involved.

I appreciate the gentle solicitude which the Senator from Oklahoma has for mothers who wish to send letters to their sons in college, but that is not the issue before the Senate. The issue is this: before we drive out of existence nonprofit publications which disseminate scientific, educational, labor, and veterans' publications, they are entitled to be heard.

Whether the bill goes back to the House with a freezing of the provisions of the bill, I suggest that my amendment is sufficiently flexible to enable the Senate to have an opportunity to negotiate with the other body.

I should like to make one further comment in closing, and then I shall be ready for a vote on the amendment. The bill is very involved. The formula is so complicated that the committee and the staff did not clearly understand its implications. They did not know the bill would impose a severe increase upon certain nonprofit publications, associations to which I have previously referred.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. BARRETT. Does the amendment of the Senator propose to change subsection (b) on page 36 to conform to the House provision?

Mr. CARROLL. That is the sole purpose of the amendment.

Mr. BARRETT. I commend the Senator. I spoke on this matter yesterday. I believe his amendment should be adopted.

I also should like to ask the Senator if his amendment covers subsection (c), near the bottom of page 36 of the bill?

Mr. CARROLL. It is difficult for me to hear what the Senator is saying.

Mr. BARRETT. I was asking the Senator if his amendment also included the provision relating to subsection (c) at the bottom of page 36.

Mr. CARROLL. My two amendments, considered en bloc, do take care of the situation to which the Senator has referred.

Mr. BARRETT. I thank the Senator.

Mr. CARROLL. Mr. President, this has been for me a very enlightening experience. I have had the counsel and guidance of the Senator from Oklahoma, who has done excellent work in the debate and on the bill. I think the RECORD ought to show that if the Senate should adopt the amendment it could be said to be the consensus of the Senate that, rather than resort to the old system, under the old law, the conferees should give consideration to the percentage rate formula as contained in the bill.

Evidently the Post Office Department and the committee itself seek to establish a percentage base for computing the rate. There is no objection to that, if it will provide uniformity, so long as there is an adherence to the basic concept of the law and regulations as now written which give a historic privileged treatment to nonprofit publications.

However, that formula could be substituted in the future, I may say to the committee members and the staff, if we will permit some of these people to have a hearing, so that they will know what to expect and so that they can present their arguments and evidence to the Senate for consideration. We can make a change in 3 months, 6 months, or a year, as the distinguished junior Senator from Oklahoma said in the debate.

What is wrong with a fair hearing? That is due process. We are perhaps driving some nonprofit publications out of existence. We should give them a hearing. That is the answer.

Again I repeat, as a final statement, there is $2 million involved, out of a deficit of $55 million. We are presented with a piecemeal raise, while the impression is given that considerable progress is being made.

Mr. President, if there is no further discussion on this matter, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments, en bloc, to the committee amendment offered by the Senator from Colorado [Mr. CARROLL], on behalf of himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr.

CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. IVES], the Senator from Iowa [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER] is detained on official business.

The Senator from Nebraska [Mr. CURTIS] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New York would vote "yea."

The result was announced—yeas 35, nays 49, as follows:

YEAS—35

Aiken	Humphrey	Mundt
Barrett	Jackson	Murray
Beall	Javits	Neuberger
Bricker	Kefauver	Pastore
Bridges	Kennedy	Potter
Butler	Kuchel	Proxmire
Carroll	Langer	Revercomb
Case, N. J.	Magnuson	Talmadge
Clark	Malone	Thurmond
Cotton	Mansfield	Wiley
Douglas	McNamara	Yarborough
Green	Morse	

NAYS—49

Allott	Gore	Payne
Bennett	Hayden	Purtell
Bible	Hill	Robertson
Bush	Hoblitzell	Russell
Carlson	Holland	Saltonstall
Case, S. Dak.	Hruska	Scott
Church	Jenner	Smathers
Cooper	Johnson, Tex.	Smith, Maine
Dirksen	Johnston, S. C.	Smith, N. J.
Dworshak	Kerr	Sparkman
Eastland	Knowland	Stennis
Ellender	Lausche	Thye
Ervin	Long	Watkins
Flanders	Martin, Pa.	Williams
Frear	McClellan	Young
Fulbright	Monroney	
Goldwater	Morton	

NOT VOTING—12

Anderson	Curtis	Martin, Iowa
Byrd	Hennings	O'Mahoney
Capehart	Hickenlooper	Schoeppel
Chavez	Ives	Symington

So Mr. CARROLL's amendments to the committee amendment were rejected.

Mr. MONRONEY. Mr. President, I move that the Senate reconsider the vote by which the amendments were rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

Mr. NEUBERGER. Yesterday the Senate adopted an amendment offered by the distinguished junior Senator from New York [Mr. JAVITS] which, to describe it briefly, provides a special local mailing rate for third-class mail. At the time the able Senator from New York was sponsoring his amendment I asked him certain questions, because I had some doubt about the amendment. I asked him if it could be subject to doubt and that it could be used by large corporations or firms which engage in circularizing through the mails. With his customary candor, the Senator from New York said he was not fully familiar with all the implications of the amendment, but hoped that it would not be subject to abuse.

I have since taken the matter up with the Post Office Department, and I have learned from the Department that it can be susceptible to very extensive abuse.

This involves a basic question affecting the postal rate bill, and it seems to me that all Senators should have the opportunity to hear what the issues are and what is involved at this time.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MONRONEY. I wish to compliment my distinguished colleague from Oregon for catching the implications which, I am sure, the Senate did not understand at the time it voted to adopt the amendment. It would effectively negate the Senate's action, through its committee, in providing a 2½-cent rate, in two stgaes, on the direct mail advertising, or, as some have unkindly referred to it, junk mail.

The amendment was adopted with the understanding that it would apply only in a limited way. The Senator from Oregon asked these questions when the amendment was under debate:

> Mr. NEUBERGER. Is his amendment drafted in such a way that it will apply only to firms which send out a limited number of pieces of third-class mail?
>
> Mr. JAVITS. That is my understanding of the study the staff of the committee made—that it was directed to that kind of mail.

After we studied it, we found it will be of greatest advantage to mailers who send out huge volumes of mail. They will be the only ones who will package and sort such mail. That is the effect of the amendment. During the discussion of the amendment on the floor, my distinguished colleague from New York apparently was not fully advised of the effect of the amendment, and thought it was limited. However, we find now that it opens wide the doors to such users as Sears Roebuck, Montgomery Ward, and others.

Mr. NEUBERGER. The Senator from Oklahoma is absolutely correct. What I was afraid of at the time I questioned the distinguished Senator from New York yesterday has now developed to be the fact.

Very early this morning I got in touch with the officials of the Post Office Department about this matter, and they have communicated to me a series of five reasons which they have headlined "Arguments Against Local Third-Class Mail." I shall read the statement in a moment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be glad to yield in a moment. The able Senator from New York will agree with me that in courtesy to him, as soon as I studied the matter, I communicated with his office. I believe he will concur in the statement that he has been fully informed in advance of my intention.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that, notwithstanding any request I may make, the Senator from Oregon may not lose his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. I believe it would be unfair to the proposal we have before us, which is a very important one, to debate it under the guise under which it has been presented. I am more than willing to debate it on its merits. The presentation of the facts as I have heard them are not in accord with the facts as I understand them. No Senator in the Chamber will ever say that any colleague has not been fully advised or does not understand entirely a proposal—and that includes me—and I therefore ask unanimous consent that the action taken yesterday in approving my amendment may be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, for myself and on behalf of the Senator from Maryland [Mr. BEALL], I offer a modified amendment. I ask that the amendment be read; then we can have a discussion of it on the merits.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 38, line 20, it is proposed to strike out the word "and".

On page 38, in line 24, after the semicolon, it is proposed to insert the word "and".

On page 38, after line 24, it is proposed to add the following:

> (C) by inserting before the colon at the end of such proviso a comma and the following: "and except that any such minimum charge per piece when mailed at the principal address of the mailer for delivery by the post office at which it is mailed on or after July 1, 1959, shall be 2 cents if the pieces are sorted, faced, and tied into packages labeled to postal delivery zones."

Mr. JAVITS. Mr. President, I ask my colleague from Oregon, in the same spirit in which we have both approached this little problem, if he will now allow me to present the amendment and the arguments for it, so that we may have an orderly presentation, rather than to have the arguments against it, or whatever arguments there may be against it, first.

Mr. NEUBERGER. I yield for that purpose, which is certainly justifiable.

Mr. JAVITS. I thank the Senator.

Bear in mind, in the first place, that in this Chamber we are always working

against deadlines. The bill was to have been finished day before yesterday, then yesterday, and now, I assume, today. I had intended to make four speeches this week. This has been a banner week for me. I have had to cancel all 4, one after an abortive airplane effort to make it. So a Senator always feels, when he arrives in the morning, that unless he does something right away, it will not be done.

Therefore, under some pressure, I undertook to do something which my tremendous constituent mail—and that, I think, of many other Senators—dictated should deserve the attention of the Senate.

What can we do, not for the big mailer; not everybody in the world is a big mailer; not everybody in the world is a Montgomery Ward or a Sears Roebuck. There happen to be 4,300,000 businesses in the United States, of which roughly 4 million are small businesses. What can we do for the grocer, the upholsterer, the laundry man, and all the other merchants in a community, such as mine in New York, who cannot advertise in the New York Times, the Herald Tribune, the Mirror, or the News, without going broke, but who can depend only on direct mail? To some persons, this may be junk mail; however, to those merchants it is their very life blood. They cannot remain in business except by resorting to advertising in that way.

So I asked myself, how can we take care of the situation for those people consistent with the traditions of the Post Office rate-making structure? That brings me to the reason for the specific freeze of the rate for that kind of mail at 2 cents, instead of letting it go up to 2½ cents.

What we are doing in passing upon this bill is to say that the rate on local mail shall be 4 cents and out-of-town mail shall be 5 cents. Heretofore the rate on that mail has been 3 cents.

The third-class rate for the small people whom I am describing, of whom there are millions throughout the Nation, was one-half the first-class rate.

Is it not logical, therefore, to say to these desirable beneficiaries of our equitable interest, "You now have a 4-cent local rate. So we will keep the relationship and make the rate for you 2 cents instead of 2½ cents. That is not out of line."

So I made an effort, so far as one could who is not a member of the committee, who is not aware of all the ins and outs of postal rate making, by consulting with the committee staff. That was apparently inadequate, as seemed to be indicated when the matter was considered here yesterday.

The Senator from Oregon [Mr. NEUBERGER] suggested to me that I ought to talk to the Post Office authorities. I did so. They suggested some additional language—three additional words—which would make it crystal clear that the proposal was intended to apply to local mail.

So by unanimous consent I inserted the provision in the amendment.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. JOHNSTON of South Carolina. When the Senator offered his amendment yesterday, it was accepted, because I talked with the Senator from Kansas [Mr. CARLSON], and he recommended that it be accepted. Something had to be done.

After the mail is brought into the post-offices and sorted, it will be found that its handling has cost a great deal of money, far more than one-half cent. The bill under consideration increases the rate to 1 cent—to a half cent the first year and another half cent the second year.

When the 1-cent rate goes into effect—not the one-half cent rate, but the 1-cent rate—we say to the mailer, "If you will do the work of bundling for the Post Office, you will not be charged the second half cent."

I thought, as did the other Senators with whom I talked, that the Post Office would save a great deal of money by not having to do the additional work.

Mr. JAVITS. I thank the Senator from South Carolina for his contribution to the discussion. What he has said bears out exactly what I have in mind.

This morning, when the question arose again, I went to the experts of the Post Office Department, and I asked, "Can you cut this down to the barest limit in which you possibly can write it in order to make crystal clear what we are trying to do?" Hence this modification.

I told the Senator from Oregon I would never wish any Senator to feel unhappy about an amendment he had consented to, and that I would be glad to have the action on my original amendment reconsidered, so as to have the matter considered de novo.

That brings me to the amendment which is now at the desk and upon which the Senate will be asked to act. As I understand, it now makes the matter crystal clear. It provides that when mail by a mailer is sorted, faced, and tied into packages and is labeled with postal delivery zones, and delivered to a particular post office, if that post office makes the distribution of the mail which is so delivered to it, then the rate shall be frozen at 2 cents instead of 2½ cents.

Let me illustrate that, so that it will be clear. A merchant sorts and faces his mail. That is, it is all faced the same way. Then he ties it into bundles and puts tags on it for such and such a delivery zone for the particular package. He takes it to the post office.

If the same post office distributes the mail, it goes at the 2-cent rate instead of at the 2½-cent rate.

So my proposal endeavors to take care of the small people—and we all have them as constituents, and we have all heard from them.

What is the objection to this? The objection on the part of the Post Office Department is that they want the maximum revenue. The bill provides 2½ cents as the maximum. If the post office can get agreement to a 2½-cent rate in the Senate, this provision will not be in conference; that will be the end of it. The post office will be home free. I do not think we can lose too much sleep over their position. Certainly they want 2½ cents. They want everything they can get to help reduce the deficit. But we are concerned with individual equities.

The second argument against my proposal is that Montgomery Ward, Sears Roebuck, Firestone Tire & Rubber Co.—I do not use these names invidiously—can give a bunch of circulars to a small merchant who can mail them at the 2-cent rate. I should like to know what is wrong with that. How can the small merchants remain in business if they are not given some opportunity to fight the battle competitively for themselves?

Finally, it is said that the big mailer might go to the trouble of trucking mail to a particular post office and letting the post office distribute it. If, economically, it is cheaper for the mailer to do the trucking than to have the Post Office Department do it, what is wrong with that? In short, one cannot guarantee, when he is trying to do something fundamentally equitable, against every contingency in life.

That, as I see it, is what the opposition to the amendment is based on. But, again, I point out that the traditional equity of this position is that the mailer of third-class matter has always paid half the rate of first-class mail. This is what I am trying to do for one small part of the total amount of third-class mail involved.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COTTON. I should like to have one point made plain in my mind. Under the Senator's amendment, does the sender have to have his office in the town or in the post office region from which his mail is sent? In other words, can one bundle his mail and go from town to town or post office to post office to have it sent off?

Mr. JAVITS. The Post Office Department has drawn this amendment exactly to the contrary, for it provides that—

When mailed at the principal address of the mailer for delivery by the post office at which it is mailed.

In short, the answer to the question is "No." It has to be mailed at the principal address of the mailer.

I have pointed out that in the case of individual merchants, such merchants will paste little labels with their addresses on the pieces of mail, and will send them in that way.

I believe the Senate should decide, advisedly, that that is not bad; that, instead, it is good, in terms of changing from mass distribution to small distribution.

Mr. AIKEN. Mr. President——

Mr. JAVITS. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I appreciate the concern of the Senator from New York for the small-business men in the cities. But I should like to point out that many small-business men do not live in the cities where their customers live. I am thinking particularly of many small-business men in small towns in New England, who depend upon customers in New York City for their business. They often sell the same things that both the small-business men and the big-business men in the cities sell.

It seems to me that under this amendment the city brethren would have the advantage in appealing to their customers.

Undoubtedly, the Senator from New York is aware of the innumerable number of small mail-order business which have developed in the rural areas. In the areas where they are located, they do not have enough customers to be able to have their business amount to anything. Those businesses must deal with customers in the large cities—for instance, in New York City.

This amendment would give a businessman who remained in a city—instead of moving to Putney, Vt., to conduct his business—a considerable advantage.

Mr. JAVITS. Of course, in connection with these matters we proceed on the basis of the doctrine of de minimis, as we lawyers say.

Mr. AIKEN. Yes.

Mr. JAVITS. Just as I have pointed out that we cannot base the bill on the mailing of material on which the sender places his imprimatur. Yet, I recognize that these are aspects of a fringe situation which, fundamentally, is a small-business problem.

I am not offering the amendment as being 100 percent perfect. I am offering it as being perhaps only 85 or 90 percent a reasonable answer. That is the best I can say.

Mr. AIKEN. Mr. President, I commend the Senator from New York for looking after his own constituents. However, I should like to have my constituents have an opportunity to do as much business as possible with persons living in New York City and the surrounding suburbs.

Mr. JAVITS. Mr. President, let me point out that I am not attempting to look out for only my own constituents.

Mr. AIKEN. I realize that.

Mr. JAVITS. This measure affects the people living in cities of even moderate size; it is not confined to the problem facing my constituents.

Mr. AIKEN. But if the rate is to be based on the willingness of the sender of the mail to sort it into parcels of 10 or more pieces which are going to a single post office, I believe it should apply to those who live outside the cities, as well as to those who live in the cities.

I have some idea of what I am talking about, because for many, many years I mailed from 20,000 to 30,000 pieces of mail. I always sorted them, because I thought I had to.

Mr. JAVITS. Mr. President, I believe the amendment should be brought to a vote. On the question of agreeing to my amendment, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there a sufficient second?

The yeas and nays were not ordered.

Mr. COOPER. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. First, Mr. President, I withdraw my request for the yeas and nays. I shall renew it after I have yielded to the Senator from Kentucky and after he has finished the question he wishes to ask.

Mr. COOPER. Has the Senator from New York been able to obtain an estimate of the cost of the bill without his amendment and of the cost of the bill with his amendment?

Mr. JAVITS. I am glad the Senator from Kentucky has asked that question.

Mr. President, may there be order in the Senate?

The PRESIDING OFFICER. Let there be order in the Senate.

Mr. NEUBERGER. Mr. President, those of us who sit on this side of the Chamber were unable to hear whether the yeas and nays were ordered, following the request for the yeas and nays. There is so much disorder in the Chamber that I do not think even an explosion of Mount Vesuvius could be heard.

The PRESIDING OFFICER. The Senator from New York withdrew his request for the yeas and nays. Whenever the yeas and nays are requested the Chair will put the question.

Mr. JAVITS. Mr. President, there is now a moment of quiet; so on the question of agreeing to my amendment, I now request the yeas and nays.

The PRESIDING OFFICER. The pending question is on agreeing to the the amendment of the Senator from New York. On this question the yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. CASE of South Dakota. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. I thought the able Senator from New York was asked about the comparative amounts of revenues to be obtained, first, under the bill as it now stands and, second, under the bill with the inclusion of his amendment. I refer to the comparative amounts of revenue coming to the Government.

Mr. JAVITS. As I understand, these increases will aggregate $43 million. The best answer I can get from the representative of the Post Office Department is that this amendment would affect one-fourth of that total.

Mr. CASE of South Dakota. In what way?

Mr. JAVITS. In other words, if the rate is frozen at 2 cents, the maximum diminution in the return would be 25 percent.

Mr. CASE of South Dakota. In other words, the bill proposes a revenue increase in the amount of $43 million, from this source; is that correct?

Mr. JAVITS. Yes.

Mr. CASE of South Dakota. Under the amendment of the Senator from New York, approximately $10 million would be lost; is that correct?

Mr. JAVITS. Yes, $10 million. That is my understanding from the figures the Post Office Department representatives have given me.

Mr. BUSH. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. BUSH. This amendment has to do with the so-called junk mail; does it not?

Mr. JAVITS. Yes; or advertising circulars.

Mr. BUSH. Circulars addressed to boxholders; is that correct?

Mr. JAVITS. Under the amendment, such mail would have to be sorted and directed to particular post-office areas.

Mr. BUSH. But it could be addressed to boxholders, could it?

Mr. JAVITS. Yes.

Mr. BUSH. In my State there are many small weekly newspapers which are dependent upon serving the people of the areas in which they are published. Unless such newspapers can carry some advertising, they cannot exist.

Among the people in my area there has been much objection to the so-called junk mail. If the amendment is agreed to, I understand the bill will be more favorable to junk mail than otherwise. In other words, the bill is designed to increase the rate on junk mail. But is not the amendment of the Senator from New York designed to reduce the rate?

Mr. JAVITS. My amendment is designed to cut the rate back in the case of a particular kind of mailer who needs such help. In other words, the bill would not eliminate what the Senator from Connecticut calls junk mail. The only question is what shall be paid for handling it; and even the maximum proposed will not be so prohibitive, in terms of those who mail very large quantities, that they would cut down materially their volume of mail. I do not think we are dealing with the situation in such a way as to put a stop to such mail.

Mr. NEUBERGER. Mr. President, I understand that I have the floor. I yielded to the Senator from New York, to permit him to make a statement. It is my hope that prompt action will be taken on the postal rate bill, and that then the postal pay bill will be brought before the Senate. If that is to be done, we must terminate this discussion, and must come to a vote.

I should like to have an opportunity to comment on the amendment which has been offered by the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I shall be glad to take my seat until the Senator from Oregon shall have finished, if he prefers that I do so.

Mr. NEUBERGER. Mr. President, I should like to say, briefly, that although the amendment of the Senator from New York may have been drafted by the Post Office Department, I am authorized to inform the Senate—I am authorized by the Postmaster General himself—that he would prefer that this amendment not be included in the bill.

In my opinion the amendment would provide a loophole so big that a 4-unit diesel locomotive could pass through it.

Let us see what the effect of the amendment would be. Is the amendment designed to be of help to a small upholsterer? If such a businessman sends out a thousand pieces of mail, the amendment would reduce his mailing bill by $5. But under the amendment, R. H. Macy & Co. could send out 6 million or 7 million pieces of mail and could also enjoy the reduced rate.

Similarly, if a Buick dealer in Boise, Idaho—let us say the Church Buick Co., although we know that our distinguished colleague, the junior Senator from

Idaho, is not in the automobile business—wished to send out a large amount of mail, General Motors Corp. would be able to ship to that company innumerable circulars; and so long as they were stamped with the name of Church Buick Agency, for instance, they could be mailed at the reduced rate, from Boise, under this amendment.

Mr. President, the Senate has voted that the rate on first-class mail going out of town shall be 5 cents, and that the rate on first-class mail sent locally shall be 4 cents.

It seems to me that the Senate ought not to open up such a vast loophole in the third-class rate. That is why I raised some questions yesterday. That is why in my opinion the amendment of the able Senator from New York should be rejected. In view of the substantial increases voted on first-class mail rates, I doubt if we should open a loophole to weaken the committee position on third-class mail rates.

Mr. LAUSCHE. We have been discussing today an overabundance of junk mail being delivered to homes. Would this type of amendment permit the delivery of junk mail?

Mr. NEUBERGER. This amendment, if adopted, would permit so-called junk mail, if the Senator from Ohio wishes to apply that label to it, to be sent to homes in the United States at the reduced rate of 2 cents.

Mr. President, I ask unanimous consent to have printed in the RECORD the reasons sent to me by the Post Office Department for their opposition to local third-class mail.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ARGUMENTS AGAINST LOCAL THIRD-CLASS MAIL

1. Large mailers would simply haul their circular material to the local post office and pay only the 2-cent rate.

2. Would complicate the third-class rate structure which already has piece rates, pound rates, and special rates for nonprofit organizations.

3. The Javits amendment establishes a local rate only for bulk mailings. If this principle were applied with consistency, it would then be necessary to establish a local rate for piece mailings. This would further reduce the revenues the Department would receive from the third-class rate adjustments at a very time when Congress is attempting to establish more equitable cost relationships in this class of mail.

4. At the present date bulk mailings of certain nonprofit organizations are subject to a 1-cent minimum per piece. Pressures would mount from these organizations, and perhaps rightly so if we are to be consistent in our ratemaking, for the establishment of an even lower local rate for their mailings. This, too, would reduce revenues from the proposals now before us.

5. Third-class mail is already receiving a substantial discount from the first-class mail rates. In the past Congress has never made a rate differential on third-class mail based on local and nonlocal mailings, and for good reason. The uniform rates have always been low enough without giving further concessions to large third-class mail users in the form of a still lower rate for local matter.

THE PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and the Senator from Maryland [Mr. BEALL].

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum——

Mr. JOHNSON of Texas. Mr. President, I hope the Senator will withdraw his request. The Senate will vote on the matter, if Senators will give us a chance to do so.

Mr. WILLIAMS. I withdraw my suggestion of the absence of a quorum, and renew my request for the yeas and nays.

The yeas and nays were not ordered.

Mr. WILLIAMS. Mr. President, I thought there was certainly a showing of a sufficient number of hands.

The PRESIDING OFFICER. The Chair is informed that it takes a showing of 17 hands. Only 16 hands were counted.

Mr. SMATHERS. Here is the 17th.

Mr. BUTLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUTLER. It takes only one-fifth of Senators present to have the yeas and nays ordered, does it not?

The PRESIDING OFFICER. The Chair is informed that it is not in order to keep repeating requests for the yeas and nays without business intervening between the requests.

Mr. JOHNSON of Texas. Mr. President, I dislike to see the Senate functioning in this way. We know there is a substantial number of Senators on the floor. The Senator from New York indicated he was going to speak for a few moments. I urged the Senator from Oregon to let us vote. He has spoken and has provoked the Senator from New York to speak now. When the Senator from New York completes his statement, another Senator will speak. We can have quorum calls, and take a great deal of time this evening, and stay here tonight, and come back tomorrow. I think most Senators know what the sentiment is on the amendment. I think the Senator from Delaware well realizes that, but if the Senator is determined to have a yea-and-nay vote on this amendment, I shall be glad to accede to his request for a call of the roll on this and every other little amendment, but we shall be here until all hours.

I think the result of the vote on the amendment will show, when Senators come to the Chamber from their offices, and when the roll is called, that a yea-and-nay vote was not necessary to get the action the Senator from Delaware desires; but if it will please him to have a rollcall, and if the Senator is going to insist upon having a quorum call, we can have one.

Mr. President, I ask for the yeas and nays. Let us have the yeas and nays ordered, so we can then look at the result.

Mr. WILLIAMS. Mr. President, this is an amendment which would obviously cut back the proposed increase on so-called junk mail; I am very much opposed to this amendment. Having authorized an increase in first-class postage, I think it would be inexcusable to adopt the amendment and thereby reduce the rate on the "junk" mail.

I appreciate the fact that the Senator from New York asked for a reconsideration of the vote by which the amendment was agreed to last night. I think that was very fair of him, but I want to be sure the Senate is on record on the amendment this time. I hope it will be defeated.

Certainly the time is long past due when rates on "junk" mail should be increased.

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I shall ask to have considered later. I want Senators to be thinking about it. I hope we can agree to it.

Mr. HOLLAND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. Were the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays were not ordered on the amendment.

Mr. WILLIAMS. Mr. President, I thought they were.

Mr. JOHNSON of Texas. Mr. President, I renew the request for the yeas and nays.

The PRESIDING OFFICER. I ask Senators to please hold their hands up long enough so they can be accurately counted.

The yeas and nays were ordered.

PROPOSED UNANIMOUS CONSENT REQUEST

The PRESIDING OFFICER. The clerk will read the proposed order which has been sent to the desk.

The legislative clerk read as follows:

Ordered, That debate on the postal pay amendment, and all amendments or motions thereto, to H. R. 5836, an act to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, be limited to 1 hour of debate to be equally divided and controlled by the mover of the amendment and the majority leader: *Provided further*, That no amendment that is not germane to the provisions of the said amendment shall be received.

Mr. JOHNSON of Texas. Mr. President, I should like to say, by way of explanation, that I have discussed this matter with the chairman of the committee and the ranking minority member of the committee. They informed me they do not think any more than 1 hour will be required on the postal pay amendment or any amendment thereto. The order provides for 1 hour on any amendment, or any motion, or amendment thereto. Since we are going to have several rollcalls, since this is Friday, since we would like to avoid a Saturday session if possible, and since we expect this to be the last amendment to the rate part of the bill, if Senators are agreeable, I should like them to consider having this order entered, so all Senators may be on notice we are going to have reasonable debate, but that we also expect to have several rollcalls. I hope we can complete action on the bill, so we will not have to consider having a session on Saturday.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CARLSON. I am willing that there be a limited debate, but I wonder if we should not first have a quorum call, because a Senator may complain later that he was not advised of the limited-debate proposal.

Mr. JOHNSON of Texas. I think that would be appropriate.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Michigan.

Mr. POTTER. Can the Senator inform me how late the Senate is going to stay in session tonight?

Mr. JOHNSON of Texas. I should like to have the Senate conclude as early as possible. How long Senators will take, I have long ago given up trying to guess. I am not going to repeat the mistake I made last night and the night before, by saying we do not expect a rollcall after 6:30, because at about 5:30 Senators inform me they are going to speak and expect a rollcall.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Is the proposed order limited to the proposed postal rate bill, or does it include proposals to increase the pay or salaries of postal workers?

Mr. JOHNSON of Texas. The proposed order pertains to proposed amendments to the rate bill, involving postal pay increases, or any amendments, or any motions.

I will say to the Senator I wanted the Senate to be given a chance to consider the proposed order. Before we have the yeas and nays on the amendment in which the Senator from New York is interested, we shall have a quorum call, and then, either before or after the vote, we can have the clerk read the proposed order and the Senate can then consider it.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. REVERCOMB. Does the Senator mean that if salary increases are proposed in an amendment to the pending bill, debate on that proposal will be limited to 1 hour?

Mr. JOHNSON of Texas. That is correct. Does my friend have any suggestions?

Mr. REVERCOMB. The only suggestion I have is that I shall object to the unanimous-consent agreement.

Mr. JOHNSON of Texas. The Senator from Texas does not propose it at this time, but if the Senator from West Virginia thinks the time is too limited, or has any suggestions that will be helpful, I shall be glad to consider incorporating them in the order.

Mr. REVERCOMB. I think the limit of debate that might arise on the salary increase proposal is too short.

Mr. JOHNSON of Texas. The ranking minority member of the committee and the chairman of the committee thought the time proposed would be ample. Does the Senator think the time ought to be increased by another 30 minutes?

Mr. REVERCOMB. I do not propose any time, sir.

Mr. JOHNSON of Texas. Would it be agreeable to the Senator if the time were increased by 30 minutes?

Mr. REVERCOMB. Not at this time. When the matter comes up I shall exercise my rights.

Mr. JOHNSON of Texas. If the Senator will give thought to it and make suggestions, I shall be glad to work out an agreement with him.

Mr. REVERCOMB. I certainly will give it some thought.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morton
Allott	Hayden	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bennett	Hoblitzell	Pastore
Bible	Holland	Payne
Bricker	Hruska	Potter
Bridges	Humphrey	Proxmire
Bush	Jackson	Purtell
Butler	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Scott
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Dirksen	Langer	Stennis
Douglas	Lausche	Talmadge
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Wiley
Flanders	Martin, Pa.	Williams
Frear	McClellan	Yarborough
Fulbright	McNamara	Young
Goldwater	Monroney	
Gore	Morse	

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. IVES], the Senator from Iowa [Mr. MARTIN] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS].

Mr. JOHNSON of Texas. May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, I shall not detain the Senate long. My only purpose in offering the amendment is to draw attention to a particular situation which has been called to the notice of all of us by the small-business men, who will, if the amendment is defeated, be placed in a position contrary to rather than for their interest with relation to the first-class mail rate.

The first-class mail rate of 5 cents is to be provided for only 3 years, yet the small-business man is being asked to accept a 50 percent proportion of that on a permanent basis and not for only 3 years.

We shall have a 4-cent rate for local mail, but we are not giving the small-business man the same relationship to local mail which he has traditionally had.

Senators may talk about junk mail, but I should like to see them discuss of such mail in terms of "junk" mail with their small business constituents. I do not think their constituents would take very kindly to that description, since many of them are men to whom it represents the staff of life.

I am very proud to be a Member of this body. It is a determined body. It is thorough. I think that is all to the good. I hope in perhaps my own small way I have made my contribution toward making it a thorough body today.

There is only one point of fact which I should like to emphasize in connection with the amendment I have proposed. The amendment does not range all the way, but it applies to the particular post office at which the mailer has his principal address, and to the mail distributed only through that post office. It seems to me that confines the application very closely, even confining it more closely than the 4-cent first-class mail. We shall have a 4-cent first-class mail rate for all 5 boroughs of New York City, but if the amendment I have proposed is adopted there will be a 2-cent rate on the third-class mail in only the Boroughs of Manhattan and the Bronx, which happen to have 1 post office. That rate is confined even beyond the 4-cent first-class rate.

I deeply feel the amendment deserves the support of Senators. The question can then be taken to conference and considered and discussed in connection with what was done by the House of Representatives.

I repeat, unless the Senate adopts the amendment, the rate will be fixed at 2½ cents, because the House bill provides 2½ cents, and without the amendment that would be the end of it. This is the last chance Senators will have to take this matter to conference. That is exactly the reason why the chairman of the committee and the ranking minority member yesterday accepted this proposal. They knew what they were doing. They were not confused. They felt they ought to take the proposal to conference in order to determine what finally ought to be done with respect to the House bill.

If we do not adopt the amendment there will be no latitude whatever, and the bill will be absolutely tied down to 2½ cents. Senators are now called upon to vote "yea" or "nay" on whether the rate shall be fixed at 2½ cents.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD],

the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent because of illness.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. IVES], Senator from Iowa [Mr. MARTIN] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 6, nays 79, as follows:

YEAS—6

Beall	Case, N. J.	Kuchel
Butler	Javits	Morton

NAYS—79

Aiken	Hayden	Murray
Allott	Hickenlooper	Neuberger
Barrett	Hill	Pastore
Bennett	Hoblitzell	Payne
Bible	Holland	Potter
Bricker	Hruska	Proxmire
Bridges	Humphrey	Purtell
Bush	Jackson	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Church	Kefauver	Scott
Clark	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cotton	Knowland	Smith, N. J.
Dirksen	Langer	Sparkman
Douglas	Lausche	Stennis
Dworshak	Long	Talmadge
Eastland	Magnuson	Thurmond
Ellender	Malone	Thye
Ervin	Mansfield	Watkins
Flanders	Martin, Pa.	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Yarborough
Goldwater	Monroney	Young
Gore	Morse	
Green	Mundt	

NOT VOTING—11

Anderson	Curtis	O'Mahoney
Byrd	Hennings	Schoeppel
Capehart	Ives	Symington
Chavez	Martin, Iowa	

So Mr. JAVITS' amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, in order that this question may not be reopened, I move to reconsider the vote by which the Javits amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay the motion on the table.

The motion to reconsider was laid on the table.

Mr. DIRKSEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, line 16, it is proposed to strike out the period, insert a colon, and the following:

Provided, That funds for the purposes of this subsection shall be transferred to the General Services Administration to effectuate such purposes.

Mr. DIRKSEN. Mr. President, I am not disposed to labor the amendment, but I think it is necessary. We created the General Services Administration 9 years ago. It has authority over Federal supply, procurement, real estate, design of buildings, construction, and so forth. This amendment very properly belongs in the bill. The Administrator of the General Services Administration fully concurs in that viewpoint. That is the reason for offering the amendment.

Mr. JOHNSTON of South Carolina. Mr. President, this matter did not come before the committee during our discussion; neither has any committee member talked to me about it. I have no authority whatever to take any action on it. However, I suggest that we could possibly take the amendment to conference and consider it there, and determine what should be done about it. There are a great many ramifications connected with it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. I appreciate the fact that the Senator will take it to conference. I, too, would like to look into it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MONRONEY. I am definitely opposed to taking the amendment to conference. I sincerely question its wisdom. If the distinguished Senator wishes to take it to conference, we should have a full-dress debate on it. I should like to state my reasons for opposing the amendment, and to urge that the provision for the $175 million be stricken from the bill. I am associating myself in that view with the views of many members of the Committee on Public Works. The establishment of the fund is a violation of the jurisdiciton of the Public Works Committee. Therefore, if Senators wish to spend all afternoon in debating the subject, I suggest that the amendment be taken to conference after it has been fully debated.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. In offering to take it to conference, I am not agreeing to the amendment. However, there are a great many things in the bill that I did not agree to. [Laughter.]

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DIRKSEN. I do not intend for one moment to labor the subject. I believe it is the right course to follow. Under the proposal of the first Hoover Commission we consolidated all the procurement of supplies and construction of agencies in the GSA. That agency is carrying on that function today. If it is the desire of the Senate to thwart that activity and nullify it with respect to the $175 million fund, that is perfectly all right with me. I merely do not want the opportunity to escape without raising my voice on the subject, because I shall be the last Member of the Senate to deviate from action the Senate took and which has had the concurrence of Congress and the country for the past 9 years.

If we examine the figures of GSA, it will be found that that agency is charged with procurement and design and acquisition of realty. The office in charge of the construction of public buildings is located there. That agency has supervision. Therefore the amendment should properly be in the bill. I am not asking for a show of hands, and I will not ask for a yea-and-nay vote; I merely wish to make my own position clear. If the House Members in conference should undertake to change it, that would be quite satisfactory to me.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. Although I am willing to take the amendment to conference, I must say that personally I am not in favor of it. There is nothing in the bill relating to it.

Mr. DIRKSEN. Mr. President, I withdraw the amendment.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JOHNSON of Texas. Mr. President, has the amendment been withdrawn?

The PRESIDING OFFICER. The sponsor of the amendment has withdrawn it.

Mr. KERR. What is the purpose——

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. KERR. Mr. President, I believe the Senator from South Carolina has yielded to me for a question.

The PRESIDING OFFICER. The Chair was announcing that the amendment had been withdrawn. The Senator from South Carolina has the floor.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KERR. I refer the Senator to section 303 on page 48 of the bill, which reads:

EXPENDITURE FROM FUND

SEC. 303. Moneys paid into the fund, together with any income thereof under section 304 (b), shall be available until expended for obligation by the Postmaster General for the purpose of—

* * * * *

(2) constructing or otherwise acquiring buildings and other related property which will more efficiently serve the needs of the postal service, and for improving existing facilities.

If that does not do two things, first, collect money and turn it over to the Postmaster General, and, second, make it available until expended for constructing or otherwise acquiring buildings and other related property, then what is the meaning of the language?

Mr. JOHNSTON of South Carolina. All the testimony will bear out my

statement that that was intended for the leasing of buildings and for the remodeling of present post offices in order to install modern equipment. It may be necessary, for example, to remove a partition, or to do something like that.

Mr. KERR. In view of the testimony of the Postmaster General which was read yesterday by the Senator from Rhode Island [Mr. PASTORE], does the Senator from South Carolina take the responsibility for telling us that when the words of an act give one authority and the testimony of the Postmaster General indicated a different purpose, the testimony of the Postmaster General is binding or that the language in the act is binding?

Mr. JOHNSTON of South Carolina. I will take the language in the act as binding.

Mr. KERR. Will the Senator look at the second paragraph in section 303 of the bill and tell the Senate that the bill does not provide for the collecting of the money and putting it into a fund which is made available to the Postmaster General for constructing or otherwise acquiring buildings and other related property which will more efficiently serve the needs of the postal service?

Mr. JOHNSTON of South Carolina. I want the Senator to know that I am not defending the provision.

Mr. KERR. I am asking the Senator what it means.

Mr. JOHNSTON of South Carolina. The only thing I know is what the testimony before the committee brought out.

Mr. KERR. I ask the Senator what the language in the bill means.

Mr. JOHNSTON of South Carolina. I suggest that the Senator ask the Senator from Kansas [Mr. CARLSON]. I did not sponsor that provision at all. That was put in by amendment offered by the Senator from Kansas.

Mr. KERR. Will the Senator tell me what it means?

Mr. JOHNSTON of South Carolina. I was against all of it. I suggest the Senator from Oklahoma ask the Senator from Kansas the question.

Mr. KERR. Mr. President, I ask unanimous consent that I may ask the Senator from Kansas what the language means.

Mr. CARLSON. Mr. President, I ask unanimous consent that paragraph (2) of section 303, shown at lines 13 to 16, on page 48 of the bill, be stricken.

Mr. KERR. Mr. President, I join in the request.

The PRESIDING OFFICER. Does the Senator from Kansas offer such an amendment?

Mr. KERR. The Senator from Kansas asks unanimous consent that the language be stricken.

Mr. CARLSON. I am asking unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I offer an amendment.

The PRESIDING OFFICER. Does the Senator desire to have the amendment read or to have it printed in the RECORD?

Mr. JOHNSTON of South Carolina. I do not believe it is necessary to have it read. It has been on the desks of the Senators for many days. It is a committee amendment.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. JOHNSTON of South Carolina is as follows:

On page 49, after line 9, insert the following:

That the act entitled "Postal Field Service Compensation Act of 1955," approved June 10, 1955 (Public Law 68, 84th Congress), is hereby amended as follows:

(a) In section 301 (a) strike out the Postal Field Service Schedule, and insert the following schedule:

"Postal field service schedule

Level	Per annum rates and steps						
1	$3,095	$3,205	$3,315	$3,425	$3,535	$3,645	$3,755
Temporary rate	3,335	3,445	3,555	3,665	3,775	3,885	3,995
2	3,320	3,435	3,550	3,665	3,780	3,895	4,010
Temporary rate	3,560	3,675	3,790	3,905	4,020	4,135	4,250
3	3,580	3,705	3,830	3,955	4,080	4,205	4,330
Temporary rate	3,820	3,945	4,070	4,195	4,320	4,445	4,570
4	3,935	4,070	4,205	4,340	4,475	4,610	4,745
Temporary rate	4,175	4,310	4,445	4,580	4,715	4,850	4,985
5	4,170	4,305	4,440	4,575	4,710	4,845	4,980
Temporary rate	4,410	4,545	4,680	4,815	4,950	5,085	5,220
6	4,505	4,655	4,805	4,955	5,105	5,255	5,405
Temporary rate	4,665	4,815	4,965	5,115	5,265	5,415	5,565
7	4,870	5,035	5,200	5,365	5,530	5,695	5,860
Temporary rate	4,950	5,115	5,280	5,445	5,610	5,757	5,940
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
11	6,860	7,095	7,330	7,565	7,800	8,035	8,270
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
14	9,140	9,440	9,740	10,040	10,340	10,640	10,940
15	10,050	10,350	10,650	10,950	11,250	11,550	11,850
16	11,075	11,375	11,675	11,975	12,275	12,575	12,875
17	12,255	12,555	12,855	13,155	13,455	13,755	14,055
18	13,760	14,060	14,360	14,660	14,960	15,260	15,560
19	15,000	15,300	15,600	15,900			
20	16,000"						

(b) In section 302 (a) strike out the Rural Carrier Schedule, and insert the following schedule:

"Rural carrier schedule

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$1,841	$1,896	$1,951	$2,006	$2,061	$2,116	$2,171
Temporary rate	2,081	2,136	2,191	2,246	2,301	2,356	2,411
Compensation per mile per annum for each mile up to 30 miles of route	65	67	69	71	73	75	77
For each mile of route over 30 miles	22	22	22	22	22	22	22
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	1,841	------	------	------	------	------	------
Temporary rate	2,081	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	65	------	------	------	------	------	------
For each mile of route over 30 miles	22	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)"

[1] Basic compensation authorized for the regular carrier.

(c) In section 302 (c) strike out "$4,700" and insert "$5,275 during the period referred to in section 304 (c) or $5,035 thereafter."

(d) In section 303 (a) strike out the fourth-class office schedule and insert the following schedule:

"Fourth-class office schedule

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,703	$2,793	$2,883	$2,973	$3,064	$3,154	$3,244
Temporary rate	2,829	2,923	3,017	3,111	3,207	3,301	3,395
$900 to $1,299.99	2,477	2,560	2,642	2,725	2,808	2,891	2,973
Temporary rate	2,592	2,679	2,765	2,852	2,939	3,025	3,111
$600 to $899.99	2,027	2,095	2,163	2,231	2,298	2,366	2,434
Temporary rate	2,121	2,192	2,264	2,335	2,405	2,476	2,547
$350 to $599.99	1,577	1,630	1,682	1,735	1,788	1,840	1,893
Temporary rate	1,650	1,706	1,760	1,816	1,871	1,926	1,981
$250 to $349.99	1,127	1,164	1,202	1,239	1,277	1,315	1,352
Temporary rate	1,179	1,218	1,258	1,297	1,336	1,376	1,414
$200 to $249.99	901	931	961	991	1,021	1,051	1,081
Temporary rate	943	974	1,006	1,037	1,069	1,100	1,131
$100 to $199.99	676	699	721	744	766	789	812
Temporary rate	707	732	755	779	802	826	850
Under $100	450	465	481	496	511	526	541
Temporary rate	471	487	503	519	535	550	566"

(e) In section 304 insert the following new subsection:

"(c) Wherever a temporary per annum rate is provided by a basic salary schedule contained in this title, such temporary rate shall be in effect, in lieu of the regular scheduled rate, for the period beginning on the effective date of this amendment and ending 3 years after such date."

SEC. 2. (a) The annual rate of basic salary of any officer or employee whose basic salary by reason of the provisions of section 504 of the Postal Field Service Compensation Act of 1955 is at a rate between two scheduled rates, or above the highest scheduled rate, in the postal field service schedule, the rural carrier schedule, or the fourth-class office schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this act in the next lower rate in such schedule.

(b) As used in this section, the term "basic salary" has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

SEC. 3. No increase under the provisions of this act shall be construed to be an equivalent increase within the meaning of section 401 (a) of the Postal Field Service Compensation Act.

SEC. 4. The Governor of the Canal Zone is authorized and directed to grant, effective as of October 1, 1957, increases in the compensation of postal employees of the Canal Zone Government comparable to those provided by this act for similar employees.

SEC. 5. This act shall have the same force and effect within Guam as within other possessions of the United States.

SEC. 6. (a) Retroactive compensation or salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid (1) to a postmaster, officer, or employee who retired during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act by a postmaster, officer, or employee who died during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 7. (a) This act shall take effect as of the first day of the first pay period which began on or after October 1, 1957.

(b) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this act shall be held and considered to be effective as of the date of such enactment.

Mr. CARLSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSTON of South Carolina. Mr. President, S. 27, the postal-pay bill, and S. 734, the classified-pay bill, were reported by the Senate Post Office and Civil Service Committee last spring. They have been pending on the Senate Calendar since that time.

Each of these bills has been reconsidered by the committee in the light of current conditions. The committee has adopted a committee amendment which is not offered to H. R. 5836. In neither case does the committee amendment change materially the increases that will be provided by each bill. In due course the changes made by the committee amendment will be fully explained.

Mr. President, I think the Senate and our Federal employees should be aware of what a tremendous job it is to put together pay bills for such a large work force as we have in the Federal service. The subcommittee, under the chairmanship of the Senator from Oregon [Mr. NEUBERGER], held long and exhaustive hearings last spring. They held many meetings and finally reported my bills to the full committee. The full committee spent many sessions going over the bills; and finally they were reported to the Senate. Unfortunately, the legislative situation that existed last year did not permit their being considered on the floor of the Senate.

Immediately upon the convening of Congress this year the subcommittee assembled, and during the course of a series of meetings reconsidered the bills. The current thinking of the subcommittee was then presented to the full committee in the form of suggested committee amendments to the bills. The full committee promptly met and considered each amendment carefully.

Thus, I am in a position to state, without fear of contradiction, that the bills as proposed to be amended reflect the considered judgment of the committee as to what is equitable, what is fair, what is needed, and what is proper, if we are to do justice to our Federal employees.

Mr. President, it is difficult for me to understand how any fairminded person, in possession of all the facts, could possibly justify a position in opposition to the pending bills. I have been closely associated with matters of this kind for a good many years. Never, during that period of time, have I believed a pay increase more justified than at the present moment. As evidenced by the vote on the pay bills last year, the majority of Congress felt that the employees should have been given an increase at that time. An increase is even more justified today.

Both S. 27, the postal pay bill, and S. 734, the classified bill, provide a basic 7½-percent increase. In my opinion, this is completely inadequate. Certainly, the increase in the cost of living, which has occurred during recent years, justifies a greater increase. I personally would not be frightened or intimidated by the threat of another veto. Presidential vetoes have become "old hat" to those of us who have tried to deal fairly with our Federal employees. That being the case, I would be willing to vote for the kind of bill that I think is justified, and if it was vetoed, I would vote to override the veto. That is how I personally feel.

We passed a more liberal bill last year and sent it to the President. So far as I am concerned, I would again vote for the same kind of bill and send it back to him.

However, there are many who think the situation so desperate that it would be best to act on less liberal bills than are justified in order to assure their being approved by the President. That is the situation confronting us today as we are about to take up the pay bill.

The President recommended a 6-percent increase. It has been reported in the press that he will accept a 7½-percent increase, but that he will not accept anything above that figure. The classified bill certainly should be completely acceptable because it comes within that limit. The postal bill, while providing a 7½-percent increase to all employees, gives, in addition thereto, a small pittance to the lower paid employees. It gives $240 a year to employees in the lower 5 levels, $160 a year to employees in level 6, and $80 a year to employees in level 7. These extra amounts were added because the employees in these levels serve in their jobs on a career basis. They enter the service as a clerk or carrier, and they retire 30 years later from the same job.

They do not have opportunity to advance. They are neighbors of yours and neighbors of mine. They are substantial citizens of every community. They have families. Their children go to school with your children and with my children. They are deserving of a decent wage. The salary they are presently receiving is not decent, to my way of thinking. It is not sufficient for them to support their families. The 7½-percent basic increase, plus the small cost-of-living allowance, is all too little. I would like to see it much greater.

I do not understand how anyone can call it unreasonable or can claim that it will distort or throw out of line the pay schedule. Charges of that kind have no basis in fact. They are simple devices used to cloud the issue.

The real objection on the part of those who protest is that it will cost money. Certainly it will cost money. We cannot give $1 to our postal employees without its costing one-half million dollars, because that is the number of employees in the postal service. When $240 a year is added to the pay of 500,000 postal clerks and carriers, the bill cannot help being 240 times 500,000, but I am unwilling to let that sway me in my judgment of the merits of the case.

Mr. President, I think it only simple justice, long past due, that the amendments be adopted without modification.

I understand the junior Senator from Kansas [Mr. CARLSON] will offer an amendment to eliminate the cost-of-living increase in the lower grades.

I appeal to the Senate to adopt the proposed amendment with one change, as follows:

Strike out "October 1, 1957," wherever it appears, and insert in lieu thereof "January 1, 1958."

The amendment to the amendment is offered on behalf of the Senator from Oregon [Mr. NEUBERGER], the Senator

from Oklahoma [Mr. MONRONEY], the Senator from North Carolina [Mr. SCOTT], the Senator from Idaho [Mr. CHURCH], and myself.

The original amendment provides that it shall become effective October 1, 1957. The amendment to the amendment provides that the effective date shall be January 1, 1958.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the amendment of Mr. JOHNSTON of South Carolina it is proposed to strike out "October 1, 1957," wherever it appears, and insert in lieu thereof "January 1, 1958."

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. Do I understand correctly that the Senator from South Carolina has asked unanimous consent that the original amendment be modified by the amendment he has just offered?

Mr. JOHNSTON of South Carolina. I want that understood.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina, for himself and other Senators, to the original amendment proposed by him.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The amendment is open to further amendment.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from Oregon [Mr. NEUBERGER] held all the hearings on the pay bill. He was the chairman of the subcommittee and was present at all the hearings. He will handle the amendment on the floor.

Mr. NEUBERGER. I thank the able chairman of the Committee on Post Office and Civil Service.

Mr. President, I shall be brief, because I believe the amendment is quite well understood by every Senator.

The amendment under consideration has been on the Senate Calendar since early last year. For that reason, and further because it is not particularly complex, I am confident it is rather well understood. On that premise, I shall at this point merely summarize briefly the amendment and then explain in somewhat greater detail the changes that will result by its adoption.

S. 27—the postal pay bill, which is the pending amendment—provides a permanent increase of 7½ percent to all employees in the postal service, except a handful in the top pay level who are now receiving the ceiling salary of $16,000. In addition to the permanent increase of 7½ percent, a temporary cost-of-living adjustment is made in the lower 7 levels. Employees in the bottom 5 levels would be given an additional $240 a year, employees in level 6 would receive an additional $160 a year, and employees in level 7 an additional $80 a year. The bill, as reported, would make the cost-of-living adjustments in the lower 7 levels continue for 2 years after the effective date of the increase. Also, the effective date would be "the first day of the first pay period which begins after the date of enactment."

As chairman of the subcommittee which drafted this bill, I am confident it is merited legislation.

The committee amendment makes but two substantive changes: First, it would continue the cost-of-living adjustments for 3 years instead of 2; second, with the amendment of the Senator from South Carolina [Mr. JOHNSTON] which has just been adopted, it would make the increases effective with the first pay period commencing on or after January 1, instead of after the date of enactment. All other changes made by the amendment are of a technical nature necessary and customary in bills having a past rather than a future effective date.

Mr. President, I desire now to talk to three points. First, Why a pay raise? Second, Why the additional cost-of-living adjustment in the lower seven levels? Third, Why January 1 of this year has been made the effective date.

WHY A PAY RAISE?

During the course of long and searching public hearings held early last spring, an irrefutable case was made for an immediate increase in the pay of postal workers and other Federal employees. It was established clearly and convincingly that the pay of Federal employees has not kept pace with the pay of their counterparts in private industry. Even more shocking was the evidence that the Government is, in many instances, paying its employees well below the minimum necessary to maintain themselves and their families in decency. This has caused many of our best employees to leave the Federal service and a large percentage of those who have stuck it out to obtain second and even third jobs on the outside in order to supplement their family rent and grocery funds. Every Member who sat through those hearings was convinced that such a situation is not fair; that it is a sorry reflection on Uncle Sam as an employer, and that it is not conducive of either efficiency or economy in the conduct of essential public services.

WHY THE ADDITIONAL COST-OF-LIVING ADJUSTMENT IN THE LOWER PAY LEVELS OF THE POSTAL SERVICE?

First, let us get one fact straight. The pay schedule for the postal field service is man-made. The schedule is not exactly what the administration and the Post Office Department first recommended to Congress. It is not precisely the same as approved in the House. Neither does it jibe fully with the schedule approved in the Senate. Certain changes were made here and there in the schedule at each step along the way before its enactment into law several years ago. I doubt that anyone was satisfied at the time of its enactment that it was completely equitable and satisfactory in every detail. I strongly suspect there was complete agreement on two points only. First, that it was a progressive piece of legislation, and, secondly, that from time to time as weaknesses in the schedule became apparent, they would be repaired by appropriate changes.

So let us put to rest the false myth—some opponents of the bill would have us believe—that the existing schedule is something sacred not to be touched or changed by human hands.

Second, let us see what changes in the schedule are proposed and at the same time look at the reasons why they are proposed.

The bill increases every pay rate in the schedule by 7½ percent. That action gives an employee at the bottom of the pay schedule an increase of $215 a year. It gives the employees at the top, that is, level 19, an increase of $1,000 a year. Worded another way, the employee at the entrance rate of level 19 today receives $11,120 more per annum than the employee at the entrance rate of level 1. After an across-the-board increase of 7½ percent, the spread between these two employees would be expanded to $11,905. In other words the difference between the two would be increased by $785.

Besides the 7½ percent across-the-board increase, the amendment would add $240 in the lower 5 pay levels, $160 in level 6, and $80 in level 7. How would that affect the relationship between rates. As indicated earlier, the present difference between the salary of the employe at the entrance rate of level 19 and the employee at the entrance rate of level 1 is $11,120. After the 7½ percent increase across-the-board and the addition of the $240 cost-of-living adjustment, the spread would be $11,665 or $545 greater than it now is. So, let not Senators be deceived by talk that the pay schedule will be distorted or that the action will further compress the schedule or that the adjustment is unfair to employees in the higher pay brackets. Charges of that kind are simply not so.

What is the justification for the cost-of-living adjustment in the lower pay levels and not in the higher levels of the postal schedule? Why was it done only in the postal schedule and not in the general schedule of the Classification Act?

The explanation is very simple. The committee discovered a special situation literally crying for special attention. When the family dentist discovers that a pain in a patient's jaw stems from a cavity in one tooth, he promptly fills it. He does not cap every tooth in his mouth. That is exactly what the committee discovered and exactly what the amendment does. It fills a cavity in our Federal pay structure.

Let me explain briefly the nature and extent of the cavity and how it developed.

The pay of approximately 1 million of our Federal employees is fixed under the Classification Act. The typical employee under that act is described as one who enters the service when he is single, and at a young age, at grade GS–2 or GS–3. By the time he becomes engaged, he has moved up a grade. When he gets married, he has advanced another grade. With the birth of his first child, he has advanced still another grade. When the child is ready for school, he is in yet a higher grade. And so it goes, throughout his full career. He climbs the pay

ladder, step by step, in consonance with increased expenses and family obligations.

A similar situation does not prevail in the postal service. The typical employee who enters the service as a clerk or letter carrier at a young age, retires some 30 or 35 years later still as a clerk or carrier.

I wish to emphasize that point very strongly to the Senate. The postal structure is not susceptible of the same type of analysis as the classified structure generally.

I repeat that the typical employee who enters the postal service as a clerk or letter carrier at a young age, retires some 30 or 35 years later, and very probably still is a letter carrier or a mail clerk when he retires. That is not because he has less ability or less initiative than does the employee who is subject to the Classification Act. No, indeed, it is not. It is because in the postal service the opportunity for advancement does not exist to the same degree as it does elsewhere in the Government.

Again I wish to stress the fact that the postal service has a high type of personnel, composed of dedicated men and women of high ability and faithfulness.

To bring the point home a bit more forcefully, I should like to call attention to the fact that of the 519,000 postal employees, more than 420,000 are paid at level 4 rates or below. The top rate of level 4 is $4,410. In other words, we are operating a $3 billion a year business with employees, 4 out of 5 of whom receive less than $4,500 a year.

Who are these employees? They are the carriers who trudge daily to our doorsteps or places of business. They are the men who work from dark to dawn, sorting our mail, so it will be ready for delivery as each carrier starts his early morning rounds at an hour before most of us are out of bed. They are the rural carriers who help unite and bring closer together the farms of our Nation. They are our neighbors. They are members of our communities. Their children run and play and go to school with our children.

Thus, the committee was confronted with a plain question of human values and a problem that strikes at the very heart of our postal system.

The solution lies in paying these employees—at least during periods of excessive inflation—a family wage, rather than a job wage. To argue otherwise would be to contend that these positions which, traditionally, have been filled by responsible heads of families in every city, town, and hamlet of the Nation, are no longer suitable for that purpose. The effect of following a course that could not but lead to that result would be reflected in the integrity, quality, and eventual cost of our postal service. That, in my opinion, would be much too high a price to pay for false and unwise economy.

The third point to which I wish to speak is: "Why January 1 has been made the effective date?"

The Subcommittee on Federal Employees Compensation, of which I have the honor to be chairman, acted favorably on the pay bill on July 11, 1957. The full committee, under the leadership of the distinguished senior Senator from South Carolina [Mr. JOHNSTON], reported the bills on July 22, 1957. On August 27, 1957, this body, by an overwhelming vote of 69 to 17, approved a House bill in lieu of S. 27, and sent the House bill to the President.

If we were right at that time in believing that a pay increase was then justified, we would be wrong now if we ignored completely the inequity which has been endured by these loyal employees during some of the time that has elapsed.

I wish to stress the point that the cost of living has risen substantially for these people and their families since the President vetoed the bill last summer. All of us know that, and the figures of the Bureau of Labor Statistics bear it out very conclusively.

I should like to make one more point, and then I shall conclude: This year the President has recognized the need for a pay increase. I think in this instance, as in many other instances, he is much behind the times. I think the need for an increase should have been apparent to him last year, as it was to the majority of the Members of both branches of Congress. Be that is it may, the cost of the bill recommended by the administration is estimated at $165 million. The annual cost of the amendment will be $188 million for the permanent increases, and $121 million for the temporary cost-of-living adjustments. Together, these amount to $309 million annually, or $144 million in excess of what the President recommended. The difference amounts to $5 a week per employee. The difference is a small amount indeed—perhaps too small.

Mr. President, I suggest that the adoption of this amendment is long overdue. It is a good amendment. It is fair. It is needed. It will do much to raise the morale of our postal employees. It will not cost money in the long run. It will save money. I am confident that the employees will respond with their usual diligence and devotion to duty to such a degree that their increased productivity and efficiency will go far toward offsetting the immediate increase in payroll figures.

Mr. LANGER. Mr. President, at this point will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. NEUBERGER. I yield for a question to the distinguished Senator from North Dakota.

Mr. LANGER. Was it not developed, in the course of the testimony, that the wives of a great many of the letter carriers have to take jobs, too, in order to make a living for their families?

Mr. NEUBERGER. Not only that, but the men themselves have to engage in so-called "moonlighting," which means that after they end a long, hard day of work at their post-office jobs, a long day of pounding the pavement, while carrying a 35-pound mail sack, they have to drive a taxicab or pump gasoline at night, in order to be able to take care of the financial needs of their families. The Senator from North Dakota is quite correct in his suggestion.

Mr. LANGER. Is it not also true that the cost of living has steadily risen, so that it is most imperative that the retroactive feature be included?

Mr. NEUBERGER. Again the Senator from North Dakota is correct. Our subcommittee received testimony—as I know the able chairman of the full committee will agree—that many of these families are actually in dire financial straits and distress, bordering on poverty. We received testimony that many of them cannot pay even small medical bills of $5, $6, $7, or $8 a month, and are unable to buy proper, nutritious food for their children or to buy the clothing they need. All of us are aware of what has happened.

When we see the mail clerks paid $4,000 or $4,400 a year, and when we realize that virtually all of them are the heads of families, we know that the existing salaries are inadequate.

Mr. LANGER. Mr. President, will the Senator from Oregon yield for a further question?

Mr. NEUBERGER. I am happy to yield.

Mr. LANGER. Is it not true that the testimony showed that sometimes when the heads of such families buy milk, all the milk they can afford to buy has to be consumed by the children; the parents cannot afford to drink any of it?

Mr. NEUBERGER. We received all sorts of testimony bearing out what the Senator from North Dakota has stated.

Mr. LANGER. Did the testimony not also show that a similar situation often existed in the case of meat? I remember that the committee received testimony showing that the situation in the case of milk was similar to that in the case of meat, and that many of the families of the postal workers have been trying to live on hamburger sandwiches.

Mr. NEUBERGER. And some of them cannot even afford to buy hamburger.

Mr. LANGER. Yes. Furthermore, if they are able to buy hamburger, what they buy is not good; it is entirely different from the good meat available in North Dakota. We understand that many of these families are so short of funds that the hamburger they buy, when they can afford to, practically dissolves between their teeth. Such food is far different from the meat available to the people of North Dakota, who, when they wish to make a meat sandwich, are able to obtain good, wholesome meat for that purpose.

Mr. NEUBERGER. Mr. President, the Senator from North Dakota is a member of the committee, and he heard all the testimony in favor of the making of the pay increase here proposed.

Mr. LANGER. Mr. President, does the distinguished Senator from Oregon not believe that the effective date should be the date when the other bill was vetoed by the President?

Mr. NEUBERGER. Perhaps, in equity and fairness, it should be the date when the President vetoed the other bill. However, I am anxious to have the Sen-

ate pass the best possible bill which can be passed for the benefit of the postal employees. Delay will mean further hardship for them. Therefore, it seemed to me best to join the distinguished chairman of the committee in the compromise which was suggested; namely, to have January 1 established as the effective date.

In other words, it seemed to me preferable that we agree on a compromise which would have an opportunity of early enactment. In that connection, I emphasize the word "early."

Mr. LANGER. Does the Senator from Oregon agree with me that the annual cost would be less than the amount of money our country has given to Yugoslavia and other Communist countries?

Mr. NEUBERGER. Mr. President, I do not think there is a direct relationship between this measure and foreign aid. I believe we should live up to both our foreign-aid responsibility and our responsibilities to the postal workers.

Mr. LANGER. That is true. However, is it not a fact that the amount proposed for the benefit of the postal workers would be less than the amount the Congress has voted to have sent by the United States to such foreign countries?

Mr. NEUBERGER. I am not prepared to comment on that point. My concern is to have the fairest possible amount provided for postal employees.

Mr. McNAMARA. Mr. President, will the Senator from Oregon yield to me?

Mr. NEUBERGER. I yield.

Mr. McNAMARA. I desire to congratulate the Senator from Oregon. I realize his keen interest in the postal pay bill.

Does he not reluctantly go along with the idea of tying the postal pay increase to the postal rate bill?

Mr. NEUBERGER. Yes, I have considerable reluctance about that. I have felt in my heart and soul that they were separate issues.

I felt they were separate for one basic reason. I do not want to risk establishing a precedent that we are going to grant a wage increase to all our postal employees only when we increase postal rates. That would be especially perilous because, for example, first-class mail rates have not been increased for 26 years. First-class mail rates comprise the vast bulk of the income of the Post Office Department. During the 26 years that have elapsed, the cost of living has repeatedly soared, and dire personal financial needs have affected all postal employees and their families.

For these reasons, I have some doubt and trepidation in establishing a precedent which might haunt us and the postal employees and all concerned.

Mr. McNAMARA. It is my greatest fear that, from the long-range standpoint, we shall be doing violence to the employees of the Post Office Department by following this procedure. I hope the RECORD will spell out that that is not the intent of the committee, and it is not the recommendation of the committee that any such interpretation should be placed on our action.

Mr. NEUBERGER. Let us be candid about the situation we face. All of us know that the President of the United States, the present occupant of the White House, has certainly been indifferent to a postal pay increase. I think he has vetoed several bills looking toward such a goal in recent years. Many of us who are as fervently interested in the welfare of postal employees, as are the Senator from Michigan and I, have felt that a pay raise would be more acceptable if it were attached to the postal rate bill. Those of us who have taken that position have done so conscientiously and sincerely.

I have felt that if we sent to the White House simultaneously, or almost simultaneously, an adequate rate-increase bill, the President of the United States, even though he was not of our party, would certainly search his own soul and heart very, very painstakingly before he would veto a bill to grant more equitable treatment to the postal employees. That has been my own position.

Mr. McNAMARA. I have noticed from a reading of the newspapers this week that, because of the increase in the cost of living, employees who have a cost-of-living section in negotiated contracts with their employers, have been granted a 3-cent-an-hour increase. My understanding is that is the tenth such allowance received by them in the past 12 months.

Our postal employees are so far behind, in comparison with any other workers, that I do not know how anyone can be worried about a bill being vetoed. At least, anybody who knows what is going on at all would certainly have to go along with much more of an increase than is being proposed at this time.

Mr. NEUBERGER. The Senator from Michigan has certainly brought out a very cogent point. To me this proposal is the absolute minimum which the postal employees should receive. The Senator from Michigan has pointed out to us—and he always makes very valuable suggestions in debate—the substantial increases repeatedly received by the wage-board employee of the Government. One can wonder what inducement there is for an ambitious and intellectual person to go into the postal service when he can be a wage-board employee, working at carpentry or some other trade, and receive proper wage increases, without having to wait out a long, slow, laborious, tedious legislative process.

Mr. McNAMARA. I conclude by saying that I am opposed to tying the two together. I shall vote for the bill reluctantly, because it might set a very bad precedent.

Mr. LANGER, Mr. JOHNSTON of South Carolina, and Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. NEUBERGER. I yield first to the Senator from North Dakota. Then I shall yield to the Senator from South Carolina and to the Senator from Wisconsin, in sequence.

Mr. LANGER. Mr. President, I simply wish to say that I think the increase is deplorably low. I wish to comment on the question of the precedent which might be set. The Monroney-La Follette bill provided that there would never be another special committee created. Yet during all the years since the Monroney-La Follette bill was enacted, the Senate has time and again avoided that precedent and that law and has created special committees, as the Senator from Oregon very well knows. I do not think we shall be establishing any precedent at all today by tying the two bills together. The bill certainly will go a long way toward avoiding a veto, in my opinion.

Mr. NEUBERGER. I now yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I believe the Senator from Oregon will agree with me that no member of the committee said he was in favor of tying the two propositions together because he thought the Federal employees of the Post Office Department should not get an increase if a rate bill was not passed. Is that not also a fact?

Mr. NEUBERGER. That is exactly correct.

Mr. JOHNSTON of South Carolina. We did not want this action to be taken as a precedent that there must be an increase in postal rates before Federal employees in the Post Office Department can get a raise in the future. We want that clearly understood. Is that not true?

Mr. NEUBERGER. It not only is true, but I think it is extremely essential that we build the legislative history here on the floor of the Senate today, so that when the matter comes up in the future, as undoubtedly it will, it will be explicitly understood that the Members of the Senate who took this positon did not regard any coupling together of these bills as a precedent which had to be followed on similar future occasions.

Mr. JOHNSTON of South Carolina. Is it not also true that the matter is being handled in this way in order to expedite action? A bill to increase postal rates has passed the House and is now in process of passing the Senate. Also, last year a bill providing increased pay for postal workers was passed. The appropriate committee of the House had hearings on the bill.

Mr. NEUBERGER. That is correct.

Mr. JOHNSTON of South Carolina. The House bill was sent to the Senate last year. We used the House bill last year. Now we are coupling the two measures in the bill presently before the Senate in order to expedite matters, both respecting postal rates and pay and classified pay.

Mr. NEUBERGER. The Senator is quite correct.

Mr. JOHNSTON of South Carolina. So it cannot be said that hearings have not been held in the House of Representatives, that it has not passed upon the facts, or that a similar bill has not been reported in the House.

Mr. NEUBERGER. The House has had ample hearings and ample debate and full discussion. I thank the chairman of the committee for his helpful comments on this issue.

I now yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as a member of the Compensation Subcommittee, along with the Senator from Oregon——

Mr. NEUBERGER. The Senator from Wisconsin is a very valued member.

Mr. PROXMIRE. I should like to congratulate the Senator from Oregon as a real champion of postal workers. I do not mean a champion only in Oregon, but a champion in Wisconsin, and all over the country. I think he has done an extremely good job under the circumstances.

I should like to emphasize one point. I have found in traveling through the State of Wisconsin, and in the last 5 years I have been in every county at least 12 times, in every village and city throughout the State it is the rule—not the exception, but the rule—for postal workers to have two jobs, or that their wives work, even though they have small children. Such a situation is not exceptional, but is usual among postal employees in the first 4 or 5 classes, the ones most affected by the increase in the cost of living. They are required to have two jobs or have their wives work.

I earnestly hope the $240 proposal of the Senator from Oregon will prevail.

Finally, I should like to say that I, too, greatly deplore the necessity, if it is a necessity, for tying in the postal pay bill, which I enthusiastically support and which is so urgently needed, with the increase in the letter rate to 5 cents rather than an increase to 4 cents.

I know some of my distinguished colleagues may not have that conflict, but I have it, and I hope they will believe me when I state it is going to be an extremely difficult vote for me to cast, because I feel very deep sympathy for the postal employees, but I think it is a great mistake to increase the rate for first-class mail to 5 cents.

Mr. NEUBERGER. I thank the able Senator from Wisconsin, who is one of the most outstanding and helpful members of the Federal Compensation Subcommittee, which reported the pay bill. The conditions the Senator has observed in Wisconsin parallel those I have found to exist in my State of Oregon.

In the testimony which was presented before our committee, it was stated that from 60 to 70 percent of the postal employees in the lower grades have other jobs, and about 40 percent of the families are in such situations that the wives additionally have to work. We sometimes wonder what this condition does to family life and what contribution it makes toward juvenile delinquency and the other conditions which all of us deplore so much.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the able Senator from Colorado.

Mr. CARROLL. Mr. President, I desire to associate myself with the remarks of the distinguished junior Senator from Wisconsin as to the very able presentation made by the junior Senator from Oregon. The conditions which have been explained and outlined by both able Senators are identical with the conditions as they exist in Colorado. I know how difficult it will be for some of us to vote for the bill under the existing circumstances, but I feel we must consider the dire need, the desperate need, of the working people of the Post Office Department. We will have to march, I should say, in the face of our real misgivings about the bill as it will be passed, in my opinion, and the postal rate which will be imposed upon those who really should not pay as much as will be imposed upon them.

I desire to add one further comment. The excellent and superb work done by the distinguished junior Senator from Oregon, not only in this debate, but through the months and through the years, fighting for these people, is appreciated not only in Oregon and in Wisconsin but also in Colorado. I know the postal workers of Colorado join with me in commending the able junior Senator from Oregon for what he has done and will do in their behalf.

Mr. NEUBERGER. I thank the Senator from Colorado for his very great, though slightly exaggerated, kindness to me.

Mr. LAUSCHE and Mr. SPARKMAN addressed the chair.

Mr. NEUBERGER. Mr. President, I yield first to the Senator from Ohio [Mr. LAUSCHE], and then I shall yield to the Senator from Alabama [Mr. SPARKMAN].

Mr. LAUSCHE. I thank the Senator very much.

The PRESIDING OFFICER. The Senate will be in order. It is impossible for the Senator to be heard.

The Senator may proceed.

Mr. LAUSCHE. Can the Senator tell me what the percentage of the pay increase will be in the event the recommended bill is passed? I understand the President recommends a 6 percent pay increase, which would cost $165 million. The measure which has been recommended by the committee with the 7½-percent pay increase would cost $188 million, and an additional $121 million to reflect the cost of living increase, or a total of $309 million. My question is, What will be the percentage of the pay increase if the recommended proposal is adopted?

Mr. NEUBERGER. It is my understanding that it is an average across-the-board increase of approximately 12 percent. The explanation is that most of the postal employees are in the lower five grades.

Mr. LAUSCHE. The President recommended a 6-percent pay increase. Can the Senator tell me what the percentage of increase would be if the provisions of the House bill of last year were to be adopted?

Mr. NEUBERGER. I believe the House bill of last year provided approximately 11 percent, if I am not mistaken. It was an across-the-board increase of something like $545. I am trying to compute that in percentages in my mind, without papers. I think the increase was around 11 percent.

Mr. LAUSCHE. To summarize, then, the President has recommended a 6-percent pay increase, which would cost $165 million; and the committee, in effect, has recommended an approximately 12-percent pay increase.

Mr. NEUBERGER. Approximately 12 percent is provided in the amendment now under consideration.

Mr. LAUSCHE. The 12-percent pay increase would cost $309 million. The bill as passed by the House last year involved an increase per employee of $545?

Mr. NEUBERGER. Five hundred and forty-five dollars across the board.

Mr. LAUSCHE. That provided approximately an 11-percent increase?

Mr. NEUBERGER. About 11 percent. I cannot vouch precisely for that figure, but I believe it was approximately 11 percent.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Alabama.

Mr. SPARKMAN. I desire to ask two brief questions of the Senator.

In conference, so far as the postal employees' salaries are concerned, under the bill as it will be considered, the matter will be in conference from zero up to approximately 12 percent, since there is no House bill?

Mr. NEUBERGER. The Senator is correct. There is no House bill which has been passed as to this particular issue, because the House bill which we accepted last year was subsequently vetoed by the President of the United States.

Mr. SPARKMAN. The same thing will be true with respect to the classified employees, provided such provisions are added to the bill presently under consideration?

Mr. NEUBERGER. If we adopt the classified pay bill, S. 734, I presume the same situation will be true. I cannot say whether the provisions of that bill will be added to the postal rate-pay package or not.

Mr. SPARKMAN. So far as the postal rate bill is concerned, the bill before the Senate is a House bill, so there will be a wide-open conference on all rates between the rates passed by the House and the rates passed by the Senate.

Mr. NEUBERGER. There will be a wide-open conference between the Senate and the House. The Senator from Alabama is correct in that statement. There are considerable differences, as the Senator knows, in the various classifications and rates in the postal rate bill.

Mr. SPARKMAN. Mr. President, I wish to commend the able Senator from Oregon for the tremendous job he has done in managing the bill on the floor and through the committee.

Mr. NEUBERGER. As always, the Senator from Alabama is very kind.

Mr. CARLSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield the floor?

Mr. NEUBERGER. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas [Mr. CARLSON] is recognized.

Mr. CARLSON. Mr. President, I send to the desk an amendment which I offer as a substitute for the pending amendment.

The PRESIDING OFFICER. Does the Senator desire to have the amend-

ment to the amendment read, or does he desire to have it printed in the RECORD.

Mr. CARLSON. Mr. President, I ask unanimous consent that the amendment may be printed in the RECORD. I wish to discuss the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, Mr. CARLSON's amendment to the amendment of Mr. JOHNSTON of South Carolina was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new title:

"TITLE IV. INCREASES IN COMPENSATION OF POSTAL EMPLOYEES

"SEC. 401. The act entitled 'Postal Field Service Compensation Act of 1955,' approved June 10, 1955 (Public Law 68, 84th Cong.), is hereby amended as follows:

"(a) In section 301 (a) strike out the postal field service schedule, and insert the following schedule:

"' *Postal field service schedule*

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,128	$3,236	$3,344	$3,452	$3,560	$3,668	$3,776
2	3,352	3,466	3,580	3,694	3,808	3,922	4,036
3	3,612	3,737	3,862	3,987	4,112	4,237	4,362
4	3,969	4,105	4,241	4,377	4,513	4,649	4,785
5	4,210	4,346	4,482	4,618	4,754	4,890	5,026
6	4,546	4,698	4,850	5,002	5,154	5,306	5,458
7	4,917	5,085	5,253	5,421	5,589	5,757	5,925
8	5,308	5,492	5,676	5,860	6,044	6,228	6,412
9	5,733	5,933	6,133	6,333	6,533	6,733	6,933
10	6,293	6,510	6,727	6,944	7,161	7,378	7,595
11	6,921	7,160	7,399	7,638	7,877	8,116	8,355
12	7,619	7,879	8,139	8,399	8,659	8,919	9,179
13	8,388	8,670	8,952	9,234	9,516	9,798	10,080
14	9,221	9,525	9,829	10,133	10,437	10,741	11,045
15	10,142	10,468	10,794	11,120	11,446	11,772	12,098
16	11,174	11,500	11,826	12,152	12,478	12,804	13,130
17	12,366	12,692	13,018	13,344	13,670	13,996	14,322
18	13,885	14,211	14,537	14,863	15,189	15,515	15,841
19	15,188	15,514	15,840	16,166	16,492	----------	----------
20	17,360'	----------	----------	----------	----------	----------	----------

"(b) In section 302 (a) strike out the rural-carrier schedule, and insert the following schedule:

"' *Rural carrier schedule*

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$1,700.00	$1,749.00	$1,798.00	$1,847.00	$1,896.00	$1,945.00	$1,994.00
Compensation per mile per annum for each mile up to 30 miles of route	70.65	72.80	74.95	77.10	79.25	81.40	83.55
For each mile of route over 30 miles	23.87	23.87	23.87	23.87	23.87	23.87	23.87
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	1,700.00	----------	----------	----------	----------	----------	----------
Compensation per mile per annum for each mile up to 30 miles of route	70.65	----------	----------	----------	----------	----------	----------
For each mile of route over 30 miles	23.87	----------	----------	----------	----------	----------	----------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

"'1 Basic compensation authorized for the regular carrier.'

"(c) In section 302 (c) strike out '$4,700' and insert '$5,100.'

"(d) In section 303 (a) strike out the fourth-class office schedule and insert the following schedule:

"' *Fourth-class office schedule*

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,729	$2,820	$2,911	$3,002	$3,093	$3,184	$3,275
$900 to $1,299.99	2,503	2,586	2,669	2,752	2,835	2,918	3,001
$600 to $899.99	2,048	2,116	2,184	2,252	2,320	2,388	2,456
$350 to $599.99	1,593	1,646	1,699	1,752	1,805	1,858	1,911
$250 to $349.99	1,137	1,175	1,213	1,251	1,289	1,327	1,365
$200 to $249.99	912	942	972	1,002	1,032	1,062	1,092
$100 to $199.99	681	704	727	750	773	796	819
Under $100	456	471	486	501	516	531	546'

"SEC. 402. (a) The annual rate of basic salary of any officer or employee whose basic salary by reason of the provisions of section 504 of the Postal Field Service Compensation Act of 1955 is at a rate between two scheduled rates, or above the highest scheduled rate, in the postal field service schedule, the rural carrier schedule, or the fourth-class office schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this title in the next lower rate in such schedule.

"(b) As used in this section, the term "basic salary" has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

"SEC. 403. No increase under the provisions of this title shall be construed to be an equivalent increase within the meaning of section 401 (a) of the Postal Field Service Compensation Act.

"SEC. 404. The Governor of the Canal Zone is authorized and directed to grant, effective as of October 1, 1957, increases in the compensation of postal employees of the Canal Zone Government comparable to those provided by this title for similar employees.

"SEC. 405. This act shall have the same force and effect within Guam as within other possessions of the United States.

"SEC. 406. (a) This title shall take effect on the first day of the first pay period which begins after the date of enactment of this act."

Mr. KNOWLAND. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. CARLSON. I shall be happy to yield for that purpose, provided I do not lose my right to the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	Pastore
Bricker	Hruska	Payne
Bridges	Humphrey	Potter
Bush	Jackson	Proxmire
Butler	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Scott
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Dirksen	Langer	Stennis
Douglas	Lausche	Thurmond
Dworshak	Long	Thye
Eastland	Magnuson	Watkins
Ellender	Malone	Wiley
Ervin	Mansfield	Williams
Flanders	Martin, Pa.	Yarborough
Frear	McClellan	Young
Goldwater	McNamara	

The PRESIDING OFFICER. A quorum is present.

Mr. CARLSON. Mr. President, I regret that I am unable to support the amendment offered by the distinguished chairman of the Senate Post Office and Civil Service Committee. I regret it first because I am in favor of a pay increase to our deserving and dedicated postal employees.

Second, I regret it because I must disagree with the recommendations of the subcommittee and the full Committee on Post Office and Civil Service of the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for the purpose of making an announcement?

Mr. CARLSON. I yield.

Mr. JOHNSON of Texas. First, Mr. President, I desire to ask for the yeas and nays on the Carlson amendment, so that all Senators may know that we are to have a yea-and-nay vote on the substitute.

Mr. CARLSON. I am very happy to join in that request.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Carlson amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I want all Senators to know that at the conclusion of the address of the Senator from Kansas, or at the conclusion of the addresses of other Senators who may wish to speak on this amendment, there will be a vote on the Carlson amendment. The Senate will remain in session this evening to complete action upon the pending bill and the classified-pay bill. If we are unable to do so, there will be a session tomorrow for that purpose.

Mr. CARLSON. Mr. President, the subcommittee of the Senate Committee on Post Office and Civil Service held extended hearings on various committee proposals, and spent much time and labor in preparing a bill. Members of the committee were sincere. They held deep convictions on the question. When our committee reported the bill, I stated that I would vote to report it, with the understanding that I would offer some amendments when it was considered on the floor of the Senate. Evidently, my views were shared by other Senators, because the bill was reported unanimously.

The pending bill contains some provisions which, I believe, if adopted by the Congress, would prevent it from becoming law.

If that should happen, then our postal employees would not receive pay increases that are fair and justified and needed. President Eisenhower, in his budget message to Congress, recommended pay increases for postal workers, for classified workers, and for military personnel. They total $1,052 million, which is a substantial sum of money. I should like to discuss the amendment I have offered as a substitute for the amendment offered by the Senator from South Carolina.

My substitute amendment would give all postal employees a flat—and I wish to emphasize that—a flat 8½ percent increase in salary, instead of the 7½-percent increase recommended by the committee, and it would eliminate the unfair and unrealistic "temporary cost-of-living" increases of up to $240 in the first 7 pay levels of the postal field schedules and in all pay levels of the rural carrier and fourth-class office schedules. It would also eliminate the retroactive features included in the committee amendment.

There are several obvious advantages to the substitute I am proposing which should recommend themselves immediately to the Members of this body.

In the first place, a flat 8½-percent increase will give postal employees a badly needed raise in their salaries now—and I want to emphasize the word "now"—and not merely dangle a possible increase before their hungry eyes, which may or may not be granted to them at some future date.

Second, Mr. President, if I may express a purely personal opinion, I feel confident that an 8½-percent increase, without the added impediments proposed in the committee amendment, can get approval from the House conferees and from the President.

Time after time the President has demonstrated that he will not sign any bill which would disrupt the principles and the differentials embodied in Public Law 68. The so-called temporary cost-of-living increases not only would destroy the differentials established in Public Law 68, but they would be highly discriminatory against postal supervisors and postmasters in the field.

They would also be unfair to employees who receive them in that they would be summarily withdrawn from them after 3 years—and who of us can say that in 3 years time the cost of living, which these temporary increases are supposed to meet, will not be even higher than it is today?

Mr. President, judging from past experience I am absolutely confident that if those temporary cost-of-living increases are allowed to remain in the bill, they will be the direct cause of a Presidential veto.

I am certain we all share the feeling of urgency to give the postal workers an increase in salary now. It would be, in my opinion, foolish and inhuman if we were to enact legislation which could not get Presidential approval and which would cause an interminable delay in achieving a pay increase for the 500,000 dedicated human beings who make up our postal employee force.

Having had some experience with conferences I wish to mention the fact that if the committee amendment is adopted, and the bill goes to conference—which it will do—we will be very weak on the bill, to say the least, if it contains too many controversial features—and there are enough in the bill already—and that we will be months in reaching agreement on the postal rate-postal pay bill, if it embodies too many such features in it. I am trying to work out a proposal that can be considered in conference, with the assurance that we will get a bill out of conference.

My proposal would cost approximately $221 million a year, as contrasted with the $320 million cost of the committee proposal.

My substitute amendment would give regular postal clerks and letter carriers an immediate average wage increase of 18 cents an hour and would bring their average hourly salary up to $2.29 and the maximum rate, including longevity, up to $2.44 an hour.

But, best of all, Mr. President, my substitute proposal would insure the postal employees of that increase now. The $221 million provided for by my proposal would start pouring into the pockets of our postal employees immediately. There is, in my opinion, no possibility that it would suffer the agonizing delays which would surely be the fate of any postal pay legislation containing objectionable flat cost-of-living increases for some employees, and not for others, or any legislation containing retroactive features which would cost as much as $26 million for every month included.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CARLSON. I should like to finish my statement first. However, I yield to the Senator from Minnesota.

Mr. THYE. What would be the effective date of the amendment offered by the distinguished Senator from Kansas?

Mr. CARLSON. I was about to discuss the retroactive features of the bill. My amendment proposes that the increases shall become effective on the first pay period after its enactment into law. I should like to take a few minutes now to say why the retroactive feature would prove objectionable.

It would impose an intolerable administrative burden on the Post Office Department. I notice that the chairman has amended his proposal which was submitted originally and which carried an October date, and now carries a January 1 date.

Therefore, my figures are not quite accurate on that basis. However, I wish to state some figures and some of the problems which would arise if we enact retroactive legislation. Let us think of all the people on the payroll. Let us think of the people who were on the payroll last October 1 and who were on the payroll on January 1. Let us think of all the people who have retired or died or gone into the military service, or have left for any other reason. Those people would be entitled to retroactive pay. I should like to give some figures as to how many that might be.

The number of employees subject to the provisions of the bill who have died during that period is estimated at 1,900. That is from October 1 to February 1. Furthermore, the States are involved. The total in the categories of retirements in the postal service and deaths is 9,400. I assume that if we are going to do this for the postal service, we will do it also for the classified service. We must give some consideration to that fact.

It is estimated, based upon the same period of time that was used for the postal employees, October 1, 1957, to February 1, 1958, the total number of retirements and deaths in the classified field has been 4,000. Broken down the figure is 3,200 for retirements, and 800 deaths.

I mention that because it is one of the problems which must be considered. I am told that administratively the cost would be a million dollars.

There is no budget provision for the $26 million a month cost of retroactive payments. This would necessitate huge supplemental appropriations.

In the postal establishment there are at least 100,000 employees on irregular tours of duty. The administrative cost in recomputing the pay of every employee would be intolerably complicated by this factor and would come to at least an additional and unnecessary million dollars a year.

Let us bear in mind the fact that if a man was in grade 5 in October and in grade 7 in January, he would be entitled

to retroactive pay. Furthermore, there will be some changes within grades also. That will take a great deal of administrative work. The administrative cost would be complicated by this factor, and would amount at least, as I said earlier, to a million dollars a year, and the problems and complications involved would be tremendous.

Think for a moment of all the thousands of employees who leave the Department, or Government service itself, each month. Think of the thousands upon thousands of employees who transfer to other agencies of Government.

Payment of these employees would be extremely complex. Thousands of claims would have to be adjudicated in the departments and in the General Accounting Office if this bill were to be made retroactive.

And it would all be so unnecessary.

Mr. President, I say we should forget about these complicating factors.

Let us give the postal employees a salary increase now. Let us give it to them in the simplest, fairest, most direct way—in the form of a straight 8½ percent increase for everyone.

I should like to remind my colleagues that the Committee on Post Office and Civil Service for the other body has already approved a straight percentage increase, without retroactive features, for all postal employees. If we approve a straight percentage increase, such as I am proposing, we shall be establishing a basis for negotiation with the conferees and we shall be avoiding unnecessary and time-consuming complications which could only result in postponing even further the badly needed pay increase which every postal employee should get as soon as possible.

Mr. President, in proposing a straight 8½-percent increase for every employee, I am being practical. This is no time for a visionary contemplation of what might be possible at some future date, nor is this the time for partisan political consideration.

The postal employees need the money. They need it now.

If we approve the 8½-percent increase which I propose, I feel certain we can give the postal employees the money they need and should have as quickly as our accelerated parliamentary procedures will allow.

This is the simple way, the practical way, the fair way.

It is the way, Mr. President, which we should take.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I wish to reply, with extreme brevity, to the Senator from Kansas. I know he has submitted this alternative with his usual high purposes and good motives.

To begin with, the administrative difficulties which he has mentioned are valid. Still, only yesterday and the day before he himself took the position that the administrative difficulties involved in separate rates for local mail and out of town mail were not a valid point. I supported him in his position. But certainly the point of administrative difficulties was raised, and the Senator from Kansas took a somewhat different position then.

Mr. CARLSON. I admitted it, however.

Mr. NEUBERGER. There are always administrative difficulties when we are dealing with six, seven, or eight hundred thousand able, faithful Federal employees. The real difficulty in the proposal offered by the Senator from Kansas is that it does not go to the heart of the extraordinary problem involved in the postal service, the problem of the vast bulk of postal employees, virtually every one of them a man with a family. They are rooted during their entire working careers in grades up to the fifth level—in other words, in the lower grades.

Let me show the Senator what the difference between his proposal and the proposal of the Senate committee would mean to a letter carrier getting about $4,000 a year—and there are hundreds of thousands of them. An increase of 8½ percent would mean $340 a year. But the proposal of the committee, 7½ percent plus the $240 cost-of-living bonus would mean $540 a year. That is a difference of $200 a year to a man in the low-income levels in the postal service, who today is having to work part time outside his regular work in order to support his family.

When we add to the $200 difference the retroactivity difference between the proposal of the Senator from Kansas and that in the bill before the committee, the amount becomes quite substantial.

The Senator from Kansas has made an alternative proposal in good faith, but I regret to say that it does not go to the heart of the matter, namely, the problem of the letter carriers and the mail clerks who constitute the bulk of the postal workers, and whose income is in the lower levels.

Mr. CARLSON. The Senator from Oregon conducted the hearings on the proposed legislation which is before the Senate today. He did outstanding work in the holding of the hearings. I read some of the testimony, and I heard some of it myself. As I have said before, he is entitled to much credit for bringing the bill before the Senate.

I stated that I would vote to report it, but that I did not favor some of the items in the bill. I have today kept my word by submitting amendments to the bill which would secure its approval.

I want to get a pay increase for the postal employees. I have been around the Capitol for many years, on one side or the other. The chairman of the Committee on Post Office and Civil Service and I know something about conferences. We shall be going into a conference with a pay bill attached to a rate bill. The chairman may remember that in 1951 we went to the House with a 4-cent postage bill. A postage bill was passed in 1951. We fought for the Senate's position. Had it been approved, the Post Office Department would not be in the position of having a $2-billion deficit which has been growing since 1951.

Now we shall be going into conference with a 5-cent postage bill. I can visualize that some problems will arise. We are going into conference with proposed pay legislation. The bill will be controversial, to say the least. When we consider the action taken by the House Committee on Post Office and Civil Service, it does not seem to me that we shall find an adjustment easy.

I dislike to do so, but I predict that we will be in conference for weeks, possibly months. If it takes months, and the bill comes back to the Senate the last of June or July, I doubt very much that we shall have either rate or pay legislation this year. I am sincere in what I say.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. REVERCOMB. I have listened with much attention to the very clear and earnest presentation made by the Senator from Kansas. I know how sincere he is in his proposal. The Senator well knows, as do my colleagues, that I have strongly favored an increase in pay for the postal workers. I supported the bill when it was before the Senate previously and was passed by Congress. I support it again.

Do I correctly understand that in the proposed amendment of the Senator from Kansas the increase in pay is 8½ percent instead of 7½ percent?

Mr. CARLSON. The Senator is correct.

Mr. REVERCOMB. But also that there will be eliminated, if the amendment shall be adopted, the payment of $240 under the cost-of-living provision. Is that correct?

Mr. CARLSON. That is correct.

Mr. REVERCOMB. Also, do I correctly understand that the raise would go into effect as of the date of the passage of the bill, instead of January 1, 1958, as S. 27, or the amendment of the Senator from South Carolina, now provides?

Mr. CARLSON. That is correct.

Mr. REVERCOMB. I think that clearly presents the situation and sums it up, certainly to my mind.

Has the able Senator given thought to, or would he consider now or at a later time in the course of the discussion, restoring to his own amendment that part of S. 27 which would make the increase of 8½ percent to begin as of January 1, 1958? Therein, it appears to me, is a compromise which may well be considered by the Senate. We might well take, first, the 8½ percent, which is 1 percent more in pay, and then add to it the provision that the bill shall become effective from the 1st day of January 1958.

I do not call upon the Senator to answer that question now; I simply ask and propose that he give consideration to it in offering his amendment.

Mr. CARLSON. I appreciate the suggestion made by the Senator from West Virginia. The January 1, 1958, date has much merit; but again I am afaid the conditions will be such that the bill will not pass for months. I do not want to put so much retroactivity into a bill that we know it cannot be approved.

There are two things which must be kept in mind. First, the President recommended a 6-percent increase. I have never discussed my proposal with the White House or anyone else. The 8½ percent proposal is my own. I doubt very much that the committee will take 8½ percent, but I am willing to start the battle for it.

Second, the President, in his budget message to Congress, asked that the postal pay increase be made effective July 1. If the retroactivity is to be made effective as of January 1, 1958, and the bill is not passed until some time later, I have concern about its being approved.

But I will give consideration to the proposal; and if my amendment is adopted, we will go into that later.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LAUSCHE. The Senator from Kansas made a comment about the pay increase as related to the action of the House. Would he mind repeating that statement?

Mr. CARLSON. I believe the House committee—not the House itself—has already approved an across-the-board increase, with no retroactivity. If the Senate bill with retroactivity is passed, the entire matter will be in conference.

Mr. LAUSCHE. What was the percentage of increase?

Mr. CARLSON. I was in error about the retroactivity. The House bill goes back to August 25, 1957.

Mr. LAUSCHE. What was the percentage of increase?

Mr. CARLSON. Eight percent.

I desire to make a correction, because I want my statement to be right. The House bill provides for from 12 to 15 percent, as I understand.

Mr. LAUSCHE. Will the 12 to 15 percent eventually apply to the 2,500,000 employees in the civil service, or is it likely to apply to them?

Mr. CARLSON. While we are on that point, I may say that we are dealing now only with the postal employees—500,000 of them.

But there are 1,500,000 other Government employees who, so far as I am concerned, will be treated in the same way. I do not like the idea of setting one salary schedule for one class of employees and another schedule for another class of employees. I simply cannot do that.

Mr. MONRONEY. Mr. President, I shall take only 2 minutes.

The argument of my distinguished and beloved friend, the Senator from Kansas [Mr. CARLSON], that the Senate dare not legislate that which today is in its heart and in its mind, leaves me unmoved.

The Senate is supposed to be a legislative body. The threat of a veto by the White House, by way of Postmaster General Summerfield, does not move me; and I do not believe it moves any other Member of the Senate.

Our duty is to do what is necessary—to pass the bill and send it to the White House; and then, if the President cares to veto it, and does veto it, to override the veto by a two-thirds vote.

Senators are not sent to this body to be puppets of the Postmaster General.

Second, with the cost of living at an all-time high, we can do no less than move to make up for a part—it will be only a part—of the increase this administration has created.

Therefore, Mr. President, for the Senate to vote for less than the proposed 7½-percent increase for the 4 lowest grades, with a $240 cost-of-living bonus, would be improper. The proposed increase will be only common justice.

Mr. President, if it is proper for the postal rates charged to the housewives to be increased 66⅔ percent—as the Senate has voted—then the Senate should vote for more than a 7½-percent pay increase for the men whose backs will bear the great volume of mail.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the amendment of the Senator from Kansas [Mr. CARLSON] to the amendment of the Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSON of Texas. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. KNOWLAND. Mr. President, I shall support the substitute offered by the distinguished Senator from Kansas, the ranking minority member of the Committee on Post Office and Civil Service.

No other Member of this body has given more attention than has he, over a long period of years, to the postal service. No Member has been more interested than has he in the efficiency of the Post Office Department and—of even greater importance—the interests of the postal employees.

The distinguished Senator from Kansas has submitted the amendment in complete good faith, not only in the belief that it provides for an equitable wage increase of 8½ percent, but also in the belief that the amendment has a fair chance of ultimately becoming law.

I believe that each Member of the Senate must, of course, in connection with every piece of proposed legislation, act on his own responsibility, as a part of the legislative arm of the Government of the United States. But Senators are not unmindful of the fact that, as Senators of the United States, they also have some responsibilities relative to the fiscal condition of the Government and the Post Office deficit. The Senate has been attempting to end that deficit, not in toto but in part, by means of making adjustments in the postal rates.

There is no question that a case has been made for making an increase in the wages of the postal workers, just as a case will be made for making an increase in the wages of the employees in the classified service and, ultimately, for an increase in the wages of those in the armed services as well. All these are important. However, the pattern we establish here is bound to have its repercussions on the subsequent legislative measures, both in the case of the wage rates which are set and also in the case of the impact on the Federal Treasury.

It seems to me that the proposal of the Senator from Kansas for an 8½-percent straight across-the-board increase in the pay of the postal workers not only will provde them with an equitable increase but also carries with it at least a fair assurance that it will become law.

Therefore, Mr. President, I hope that the substitute amendment of the Senator from Kansas will be agreed to by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. CARLSON] to the amendment of the Senator from South Carolina [Mr. JOHNSTON] as amended.

Mr. REVERCOMB. Mr. President, I submit to the Senator from Kansas the idea of having the bill become effective on January 1, 1958.

Previously I stated I would not insist on such a provision. However, at this time I ask the Senator from Kansas whether he will agree to an amendment to his amendment, so as to have it provide that the bill will become effective on January 1, 1958, instead of on the date of passage. Is the Senator from Kansas willing to amend his amendment in that way?

Mr. CARLSON. Mr. President, I believe such an amendment would be in the third degree.

Mr. REVERCOMB. Will the Senator from Kansas accept such a change at this time?

The PRESIDING OFFICER. The Chair is advised that the Senator from Kansas cannot modify his amendment at this time, except by unanimous consent, in view of the fact that the yeas and nays have already been ordered on the question of agreeing to his amendment.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from West Virginia will state it.

Mr. REVERCOMB. Is it in order for a Member of the Senate other than the Senator from Kansas to offer an amendment to the amendment of the Senator from Kansas?

The PRESIDING OFFICER. The amendment of the Senator from Kansas is in the second degree; therefore, it is not subject to amendment.

Mr. CARLSON. Mr. President, I make the definite statement that if my amendment is approved, I will, after its approval, make the date January 1.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Kansas may modify his amendment in accordance with the suggestion which has been made by the Senator from West Virginia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas for unanimous consent that the Senator from Kansas may modify his amendment in accordance with the request which has been made by the Senator from West Virginia?

The Chair hears none, and it is so ordered.

The question now is on agreeing to the modified amendment of the Senator from Kansas.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Missouri would vote "nay."

The Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Missouri would vote "nay" and the Senator from Nebraska would vote "yea."

The Senator from Wyoming [Mr. O'MAHONEY] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Wyoming would vote "nay" and the Senator from Kansas would vote "yea."

I further announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. IVES], the Senator from Iowa [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New York would vote "nay."

The Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Missouri would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 29, nays 54, as follows:

YEAS—29

Allott	Cooper	Lausche
Barrett	Dirksen	Martin, Pa.
Bennett	Dworshak	Morton
Bricker	Flanders	Mundt
Bridges	Goldwater	Revercomb
Bush	Hickenlooper	Saltonstall
Butler	Hoblitzell	Smith, N. J.
Carlson	Hruska	Watkins
Case, S. Dak.	Jenner	Williams
Clark	Knowland	

NAYS—54

Aiken	Ellender	Javits
Anderson	Ervin	Johnson, Tex.
Beall	Frear	Johnston, S. C.
Bible	Gore	Kefauver
Carroll	Green	Kennedy
Case, N. J.	Hayden	Kerr
Church	Hill	Kuchel
Cotton	Holland	Langer
Douglas	Humphrey	Long
Eastland	Jackson	Magnuson
Malone	Pastore	Smith, Maine
Mansfield	Payne	Sparkman
McClellan	Potter	Stennis
McNamara	Proxmire	Thurmond
Monroney	Purtell	Thye
Morse	Russell	Wiley
Murray	Scott	Yarborough
Neuberger	Smathers	Young

NOT VOTING—13

Byrd	Hennings	Schoeppel
Capehart	Ives	Symington
Chavez	Martin, Iowa	Talmadge
Curtis	O'Mahoney	
Fulbright	Robertson	

So Mr. CARLSON's amendment, as modified, to the amendment of Mr. JOHNSTON of South Carolina, as amended, was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Kansas to my amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from South Carolina to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The amendment is open to further amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. MONRONEY. Mr. President, we did not hear the amendment read.

The PRESIDING OFFICER. The clerk has previously read the amendment. After the amendment was offered, there was an amendment offered to the amendment by the Senator from Kansas [Mr. CARLSON]. The amendment of the Senator from South Carolina [Mr. JOHNSTON], the original amendment, has not been disposed of. The Chair is now asking what disposition the Senate wishes to make of the amendment of the Senator from South Carolina.

Mr. LAUSCHE. Mr. President, what is the amendment?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state his parliamentary inquiry.

Mr. KNOWLAND. The parliamentary situation is that we now revert to consideration of the original amendment, which was offered by the Senator from South Carolina [Mr. JOHNSTON], and which attaches the provisions of the postal pay bill to the postal rate bill. Is that not the question?

The PRESIDING OFFICER. The Senator from California is correct.

Mr. KNOWLAND. As reported from the committee with a modification.

The PRESIDING OFFICER. The Senator is correct in his understanding.

Mr. KNOWLAND. Mr. President, may I make a further parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the vote should be "no" on the amendment there would still be pending before the Senate the postal rate bill as separate from the postal pay amendment to the bill. Is that correct?

The PRESIDING OFFICER. The postal rate bill as distinct from the postal pay amendment; that is correct.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state his parliamentary inquiry.

Mr. YARBOROUGH. I have an amendment to S. 27 printed and lying on the desk. May I ask whether adoption of the postal pay amendment offered by the Senator from South Carolina will cut off further amendment to the provisions of S. 27 which have been offered in the form of an amendment?

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. I yield to the Senator from Texas [Mr. YARBOROUGH].

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair is attempting to straighten out the situation. The original amendment offered by the Senator from South Carolina is the amendment which is now pending before the Senate.

Mr. JOHNSON of Texas. Mr. President, will the clerk state that amendment?

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. JOHNSON of Texas. Will the Chair hand the original amendment to the clerk and have the clerk read it?

The PRESIDING OFFICER. The Chair does not have the original amendment, but the Chair will get it.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from Kansas [Mr. CARLSON] offered an amendment to the pending amendment.

Mr. JOHNSON of Texas. That is correct.

Mr. JOHNSTON of South Carolina. To the amendment which had been offered by the committee. Since that amendment was rejected, the Senate in its consideration will revert now to the committee amendment.

The PRESIDING OFFICER. That is the amendment which the Chair is now asking be stated.

Mr. KNOWLAND. The Chair refers to the postal pay increase amendment, and not the classified pay increase proposal?

Mr. JOHNSTON of South Carolina. The postal pay raise bill.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

The PRESIDING OFFICER. For the information of the Senate, the Chair

will state that the amendment now pending before the Senate is the postal pay amendment, the amendment offered by the Senator from South Carolina. That amendment is now open to further amendment.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. YARBOROUGH. Mr. President——

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state his parliamentary inquiry.

Mr. CASE of South Dakota. Is an amendment which would raise the pay of Federal employees generally germane to an amendment which proposes only an increase in the pay of the field service of the Post Office Department?

The PRESIDING OFFICER. The Chair will seek the advice of the Parliamentarian to give the Senator the correct answer.

Will the Senator from South Dakota state his parliamentary inquiry again, so that we can be clear on the parliamentary situation?

Mr. CASE of South Dakota. Mr. President, my understanding is that the amendment now pending, offered by the Senator from South Carolina [Mr. JOHNSTON], is an amendment to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department only. My question is, Is it germane, under the unanimous-consent agreement, to offer an amendment to increase pay generally?

Mr. JOHNSON of Texas. We have no unanimous-consent agreement.

The PRESIDING OFFICER. The Chair will state that there is no unanimous-consent agreement at the present time.

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield I think I can clarify the situation.

The Senator from South Carolina [Mr. JOHNSTON] proposed an amendment, known as the postal pay amendment. It contained provisions of a bill which had been reported by the Committee on Post Office and Civil Service. To that amendment was offered a substitute by the distinguished Senator from Kansas [Mr. CARLSON]. That substitute having been rejected, the question recurs on the original proposal of the chairman of the Post Office and Civil Service Committee; namely, the postal pay amendment. That is now the question for the Senate to act upon.

The Senator from Texas [Mr. YARBOROUGH] has an amendment, which is in order, and he desires to call up his amendment, so that the Senate can act on that.

The amendment which is before the Senate is the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] on postal pay; and the Senator from Texas [Mr. YARBOROUGH] desires to offer an amendment to that amendment.

Mr. CASE of South Dakota. Yes. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. Will the Senate be in order? We can clarify the parliamentary situation very quickly.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. CASE of South Dakota. Some time ago I heard the distinguished majority leader propose a unanimous-consent agreement which embraced the requirement that amendments be germane. Apparently that agreement was not entered into.

Mr. JOHNSON of Texas. First, the agreement did not require that amendments be germane; second, it was not proposed, it was simply read; and third, it was never called up, because the Senator from Texas was informed it would be objected to if called up.

Mr. CASE of South Dakota. So we are not operating under an agreement?

The PRESIDING OFFICER. The Senate is not operating under a unanimous-consent agreement.

Mr. JOHNSON of Texas. I thank my friend.

The PRESIDING OFFICER. The parliamentary situation is this: There is an amendment pending before the Senate, which has been offered by the Senator from South Carolina, as to the postal pay increase, which is title IV.

The junior Senator from Texas [Mr. YARBOROUGH] is now recognized for the purpose of offering an amendment to that amendment. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. On page 2, in lieu of the schedule appearing between lines 2 and 3 it is proposed to insert the following:

"Postal field service schedule

Level	Per annum rates and steps						
1	3,095	3,205	3,315	3,425	3,535	3,645	3,755
Temporary rate	3,335	3,445	3,555	3,665	3,775	3,885	3,995
2	3,320	3,435	3,550	3,665	3,780	3,895	4,010
Temporary rate	3,560	3,675	3,790	3,905	4,020	4,135	4,250
3	3,580	3,705	3,830	3,955	4,080	4,205	4,330
Temporary rate	3,820	3,945	4,070	4,195	4,320	4,445	4,570
4	3,935	4,070	4,205	4,340	4,475	4,610	4,745
Temporary rate	4,175	4,310	4,445	4,580	4,715	4,850	4,985
5	4,170	4,305	4,440	4,575	4,710	4,845	4,980
Temporary rate	4,410	4,545	4,680	4,815	4,950	5,085	5,220
6	4,505	4,655	4,805	4,955	5,105	5,255	5,405
Temporary rate	4,745	4,895	5,045	5,195	5,345	5,495	5,645
7	4,870	5,035	5,200	5,365	5,530	5,695	5,860
Temporary rate	5,110	5,275	5,440	5,605	5,770	5,935	6,100
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
Temporary rate	5,495	5,680	5,865	6,050	6,235	6,420	6,605
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
Temporary rate	5,915	6,115	6,315	6,515	6,715	6,915	7,115
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
Temporary rate	6,475	6,690	6,905	7,120	7,335	7,550	7,765
11	6,860	7,095	7,330	7,565	7,800	8,035	8,270
Temporary rate	7,100	7,335	7,570	7,805	8,040	8,275	8,510
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
Temporary rate	7,785	8,045	8,305	8,565	8,825	9,085	9,345
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
Temporary rate	8,550	8,830	9,110	9,390	9,670	9,950	10,230
14	9,140	9,440	9,740	10,040	10,340	10,640	10,940
Temporary rate	9,380	9,680	9,980	10,280	10,580	10,880	11,180
15	10,050	10,350	10,650	10,950	11,250	11,550	11,850
Temporary rate	10,290	10,590	10,890	11,190	11,490	11,790	12,090
16	11,075	11,375	11,675	11,975	12,275	12,575	12,875
Temporary rate	11,315	11,615	11,915	12,215	12,515	12,815	13,115
17	12,255	12,555	12,855	13,155	13,455	13,755	14,055
Temporary rate	12,495	12,795	13,095	13,395	13,695	13,995	14,295
18	13,760	14,060	14,360	14,660	14,960	15,260	15,560
19	15,000	15,300	15,600	15,900			
20	16,000"						

Mr. YARBOROUGH. Mr. President, through inadvertence in the printing of the amendment on page 1, line 1, there is a reference to "page 2" of the pending amendment. I believe that reference should be page 4 of the pending amendment. I ask unanimous consent, Mr. President, that that reference be corrected to read "page 4" of the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. Mr. President, the purpose of this amendment is to increase the emergency pay of postal supervisors. They fall in levels 6 through 9, immediately above the postal carriers and clerks.

Roughly, this amendment, if adopted, would cost approximately $7,400,000 a year. There are 326,000 postal employees under the Postal Field Service table. Of that number, more than 300,000 are included in levels 1 through 5. Under the Johnston amendment they would receive an emergency cost of living increase of $240 a year. Under the Johnston amendment, level 6 of supervisors would receive an increase of $160 a year as a cost of living increase. Level 7 would receive $80; and levels 8 and 9, nothing.

It is my understanding that the Chairman will accept the amendment if I delete from it the temporary increase provided for levels 10 through 17. I ask unanimous consent that in the amendment I offered, the temporary rate figures opposite lines 10 through 17 be deleted, so that the temporary cost of living increases which this amendment proposes will be limited to levels 6, 7, 8, and 9 in the amendment as printed.

The PRESIDING OFFICER. The Senator from Texas has the right to modify his amendment to the amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. CLARK. I should like to ask my friend from Texas what his justification is for eliminating the temporary pay increases in the five grades to which he has referred?

Mr. YARBOROUGH. My information is that the chairman of the subcommittee would accept the amendment if those levels were deleted. Inasmuch as they embrace higher pay brackets, the cost of living emergency is not so great as it is in the case of the lower grades.

Will the chairman accept the amendment?

Mr. LONG. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the Senator from Louisiana.

Mr. LONG. About 8 years ago the junior Senator from Louisiana had the opportunity of serving as chairman of the subcommittee dealing with postal pay. The thing that impressed me most was the failure, time and time again, of the Senate committee to provide for the supervisors. There were situations in which supervisors were receiving less pay than those they were supposed to supervise.

Sometimes it seemed to me that it was planned that way. However, it was more because the carriers and the clerks had very able and effective representation, and they had much greater numbers. they had more votes than did the supervisors. It did not make much sense to me to go along year after year raising the salaries of clerks and carriers, but not supervisors. I am for the clerk and carriers, but I am also for other Government employees.

As I understand, the Senator from Texas proposes to modify his amendment so that pay increases for supervisors would cease after the $5,000 a year bracket was reached.

Mr. YARBOROUGH. Mr. President, I withdraw the proposed modification, in the hope that the chairman of the committee will accept the amendment as originally offered.

The PRESIDING OFFICER. The Senator from Texas now remodifies his amendment.

Mr. YARBOROUGH. I withdraw the suggested modification in the hope that the chairman of the committee will accept the amendment as it was originally offered.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MONRONEY. Does the amendment go through level 17?

Mr. YARBOROUGH. Yes.

Mr. MONRONEY. Mr. President, will the Senator yield further?

Mr. YARBOROUGH. I yield.

Mr. MONRONEY. Mr. President, this proposal is contrary to our effort to compensate for the meager pay of letter carriers, who are consigned to be letter carriers all their lives. They remain in the first five grades. There is not one chance in a thousand that they will ever be promoted above the top grade of letter carrier.

We tried to make up for their low pay level and lack of promotional opportunity by giving them a $240 temporary cost-of-living increase, in addition to the 7½ percent. If we are to apply this increase to employees making $10,000 a year, we shall be distorting the pay scale beyond the point of a cost-of-living increase for the lower grades.

Every one of the employees whom the distinguished Senator is now seeking to aid has great opportunities for promotion. That is why we do not have the same program in the classified pay bill. A stenographer may start as a GS–2, and she may become a GS–5 or a GS–7 in a few years. However, these men carry the mail day after day. They start as carriers and they retire as carriers. Their advancement opportunities are one in a thousand. For that reason we tried to combine justice with business and take care of the hardship cases.

If the Senator wishes to advocate better pay for supervisors, I am for that; but I am not for putting such a provision in this bill as a temporary cost-of-living increase. We should handle that subject in another piece of legislation to provide better compensation for other types of work.

Mr. JOHNSTON of South Carolina. Mr. President, in 1955 we increased the salaries of these employees. The Senator's amendment would include all postmasters and supervisors. Some of them would receive increases of as much as 62 percent. There was a graduated scale throughout. The situation in regard to increases in pay was taken care of. When the committee was writing the bill, we tried to take care of various situations, looking back at what we had done in the past.

I believe that the amendment which the Senator from Texas has offered goes a little too far.

Mr. YARBOROUGH. Mr. President, I did not have the privilege of being present and participating in the 1955 experience, as did the distinguished chairman of the committee, who has given so many years of effort and service as chairman of the Senate Committee on Post Office and Civil Service. He has been constantly engaged in an effort to improve the Federal service. I pay tribute to him now.

In the light of the explanation with respect to the 1955 experience, I reoffer the modification first offered, and ask the distinguished chairman of the committee to accept the proposal for temporary increases in levels 6, 7, 8, and 9, which are supervisory grades. Those employees act in a management capacity. They must wear better clothes. They must incur expenses which letter carriers do not have to incur normally. There should be some spread to take care of the supervisory or management employees.

I submit the modified amendment, to increase by $240 a year, or $20 a month, at the emergency level, the salaries of supervisors in grades 6, 7, 8, and 9, only.

The PRESIDING OFFICER. The remodification is becoming more and more complicated.

Mr. JOHNSTON of South Carolina. Mr. President, I have no authority from the committee to accept the amendment. I have not discussed the amendment with members of the committee. I do not see how I could accept it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MONRONEY. Is it not a fact that this is one of the amendments which were voted down overwhelmingly in the committee?

Mr. YARBOROUGH. I am not certain.

Mr. MONRONEY. If the Senator will further yield, this is a good example of how not to handle a bill on the floor. We have been engaged in the consideration of the bill for a week, with amendments coming from everywhere, many of them misunderstood. Others have only very narrow application. We are taking the bill out of the hands of the committee, which worked on it for 6 months.

Let us vote on the pending amendment, and let it stand or fall on its merits, if we can determine how many grades are being affected by the $240 cost-of-living emergency increase.

Mr. NEUBERGER. Mr. President, I wish to support what the Senator from Oklahoma has said. If we are going to take care of the supervisors further, we should do it in a separate bill after orderly hearings have been held on the subject. As chairman of the Subcommittee on Federal Compensation of the Committee on Post Office and Civil Service, I wish to tell the Senator from Texas that I shall be glad to join him in introducing a bill, and that we shall hold hearings on it. I shall be glad to have him as the first witness.

I wish to say to the Senator from Louisiana [Mr. LONG] that the supervisors are ably represented here in Washington by some very outstanding people, who will be welcomed as witnesses. I join fully in what the Senator from Oklahoma [Mr. MONRONEY] has said, that the most discriminated against group of employees in the United States Government are the letter carriers and the mail clerks. That is true so far as pay is concerned and so far as opportunity for advancement is concerned. If we are going to add a cost-of-living bonus to the pay of all kinds of employees in the higher grades, we will merely dilute the bill and, second, imperil it. I wish to say to the distinguished Senator from Texas that I personally will promise him that we will hold separate hearings on the pay, security, tenure, and conditions of welfare of postal supervisors, if he will go along with the distinguished chairman of the committee and withdraw the amendment.

Mr. CLARK. Mr. President, I regret the decision of my distinguished colleague from Texas to modify his amendment. Had it been pressed, I would have supported it. I should like to associate myself with the comments of the distinguished Senator from Louisiana [Mr. LONG]. I believe that the supervisors are just as much entitled to a percentage

raise as anyone else. It was for that reason that I supported the amendment of the Senator from Kansas [Mr. CARLSON].

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. NEUBERGER. I wish to ask the Senator from Pennsylvania a question, because I know he has had wide experience in personnel management. Is it his understanding or his belief that a $240 cost-of-living bonus should be given to everybody in the postal service?

Mr. CLARK. It is my belief that the so-called cost-of-living bonus would destroy a system of differentiation based upon degree of responsibility, longevity, and many other sound reasons in the field of personnel administration. It is not right, and for that reason I supported the amendment of the Senator from Kansas.

Mr. NEUBERGER. I should like to ask the Senator what he would do about hundreds of thousands of employees and their families who get approximately $4,000 a year.

Mr. CLARK. I would give them an adequate pay increase, far more than 8½ pecent. However, two wrongs do not make a right.

SEVERAL SENATORS. Vote! Vote!

Mr. NEUBERGER. In order to give them enough to live on, would the Senator raise the pay of every employee in the postal scale, including those who receive $16,000 or $18,000 a year, so that the employee at the bottom can have enough with which to feed his family?

Mr. CLARK. I believe the $16,000 employee is entitled to an increase in view of the cost of living, and for other reasons.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The Chair will recognize the Senator from Kansas; then the Senator from Ohio; then the Senator from South Carolina. The Chair will recognize each Senator in turn in an orderly fashion.

Mr. CARLSON. I wish to make the observation that some of us on this side of the aisle get a great deal of delight out of this discussion. The Senator from Texas [Mr. YARBOROUGH] is trying to help some of the top-paid employees in the postal service. We have a Republican Postmaster General for the first time in many years, and it is now proposed by the Senator from Texas to give him a raise.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Chair now recognizes the Senator from Ohio.

Mr. LAUSCHE. I should like to ask some questions on the amendment.

Do I correctly understand that if the amendment of the Senator from South Carolina [Mr. JOHNSTON] is adopted, the postal-rate bill will be combined with the postal-pay bill?

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. LAUSCHE. When it is submitted to a final vote, if a Member of the Senate is in favor of one and against the other, he will not be able to choose between the two, but will have to vote for both or for neither?

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. LAUSCHE. Am I to understand further that if the bill goes to the President, if he is in favor of one-half of it and is not in favor of the other half, he will have to accept it all or nothing at all?

Mr. JOHNSTON of South Carolina. That is correct. The Senator from Ohio has been Governor of his State and I have been Governor of my State. Practically every bill that came before me had something in it that I liked and something that I did not like, and I had to make my decision on it.

Mr. LAUSCHE. I always felt deeply aggrieved that the legislature deliberately tied together a bad bill and a good bill and in that way tried to force it down my throat.

Mr. JOHNSTON of South Carolina. I have had that experience.

Mr. LAUSCHE. It is wrong to tie them together, if that is the purpose. I am not saying it is the purpose. Secondly, how much would it cost the taxpayers of the United States if the same treatment were given to all the employees of the United States Government who fall in the categories that are being benefited by the bill? Is the Senator able to tell us? What will be the total cost when we get through?

Mr. JOHNSTON of South Carolina. The total cost, when we get through, will be somewhere around $700 million.

Mr. LAUSCHE. $700 million?

Mr. JOHNSTON of South Carolina. Approximately.

Mr. LAUSCHE. That is only for the postal employees?

Mr. JOHNSTON of South Carolina. Some amendments have been eliminated, and some have been added.

Mr. LAUSCHE. The pending bill will cost about $300 million. Is that correct?

Mr. NEUBERGER. The Senator from Ohio is correct. Increases in the bill will cost $309 million.

Mr. LAUSCHE. It will cost $309 million for 500,000 employees. If there are 2,300,000 employees in all, then it will cost about 4.3 times $309 million? Is that correct? That is a figure I arrived at rather rapidly. I would conclude that cost will be $1,500,000,000

Mr. NEUBERGER. The Senator is taking into consideration the employees who come under the wage board. They have already been taken care of, and the increases to them do not fall into this bill.

Mr. LAUSCHE. It will cost $1,500,000,000. I want to know how the taxpayers will——

Mr. NEUBERGER. In the two bills there are only about a million and a half employees involved.

The PRESIDING OFFICER. The question is on agreeing——

Mr. JOHNSTON of South Carolina. Mr. President, I first wish to ask the Senator from Texas to withdraw his amendment. I assure him we will study the subject in committee.

The PRESIDING OFFICER. Does the Senator from Texas withdraw his amendment?

Mr. YARBOROUGH. While I regard the erroneous arguments of the distinguished junior Senator from Pennsylvania and the wholly erroneous arguments of the distinguished junior Senator from Oregon, my good friends, as totally inadequate reasons for the withdrawal of the amendment, since the postal pay bill will cost $309 million, and a simple act of justice to 44,000 supervisors, under my proposal, would cost only $408,000, in the light of the request of the distinguished chairman of the committee, who is responsible for the bill, I will accede to his request and withdraw the amendment.

The PRESIDING OFFICER. The Senator from Texas requests that his amendment, as modified, be withdrawn. Without objection, it is so ordered.

Mr. YARBOROUGH. I withdraw it at the request of the chairman of the committee.

Mr. MORTON. Mr. President, I merely wish to make it clear that I intended to support the Senator from Texas, and I have told some people that I intended to do so. I wanted that statement recorded in the RECORD. I am sorry to see the amendment withdrawn.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Do I understand that the pending amendment is the amendment offered by the Senator from South Carolina [Mr. JOHNSTON]?

The PRESIDING OFFICER. The Senator from Texas is correct.

Mr. HUMPHREY. Mr. President——

Mr. JOHNSON of Texas. It is our intention to have a vote as early as we can. Several Senators intend to leave town, and if that happens, and if we keep telling the postal workers how much we love them instead of voting, we may wind up by not adopting the amendment.

Mr. HUMPHREY. Mr. President, I appreciate the courteous admonition of the majority leader. I merely wish to say that I had assured many people that I would support a reasonable and justifiable and long overdue adjustment for postal supervisors, and that if I had a chance to do so I would do it.

Mr. LONG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. LONG. Mr. President, I can explain my amendment.

It simply provides that we shall do for the supervisors what is proposed to be done for everyone else in the bill. Anyone who tells me that this is a temporary increase for those in the lower brackets is not correctly informed. I do not think there is a Member of the Senate who actually thinks that the temporary increase will expire, and that we will vote not to continue it. If anyone thinks he will not vote to extend the increase when it expires, I wish he would stand up and let me get a good look at him. This will be a permanent increase.

We say to a man, "You are low paid or underpaid, you cannot get a job somewhere else. You are a veteran. You

were injured, perhaps slightly, during the war. You are a 10-point veteran. You will get the Government job if you make only 60 on the exam in preference to the man who makes a hundred. You will keep your job when others who have been here longer cannot keep theirs, even though they might be better qualified for the job."

If those people are to get a pay raise, then those who have been around for a long time as supervisors, working day in and day out, the people who are staying with the post office as a matter of loyalty, although they could get better jobs elsewhere, but because they have certain seniority rights want to stay with the Government, should also receive a raise. Those latter people are not nearly so numerous in the Post Office.

I am willing to give a pay raise to those who are numerically the strongest. On the other hand, I do not wish to leave out the faithful supervisors who, year in and year out, are confronted with the same cost of living increase. Their cost of living has gone up as much as it has for anyone else.

Mr. President, the bill without this amendment does not make sense to me. I had the honor of advocating top pay for those in the Cabinet. I had the honor of advocating that the top people in the Government receive top pay, because it has been stated time and time again that if efficiency is desired, we must get good supervisors just as we get good day workers. If we can take care of those at the top and those at the bottom, why not those in the middle?

To leave out the supervisors, year in and year out, the way I have seen it done time and again during the past 8 years, does not make sense. For my part, I should like to give them a pay raise, if I am the only Senator who votes for it.

I ask for the yeas and nays.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. LONG. Mr. President, I have explained that this amendment is for the purpose of offering an opportunity for the supervisors to have a pay raise at the same time we undertake to raise the pay of the postal clerks and carriers.

The amendment was originally offered by the junior Senator from Texas [Mr. YARBOROUGH]. It seems fair to me.

I am frank to say that I have seen provision for the supervisors left out time and time again when pay-raise bills were being acted upon.

I have told the clerks and carriers that I will support the bill to increase their pay; and I will. But it seems to me it would not be fair to omit provision for increasing the pay of the supervisors. While we raise the pay of those who are in the lower classes, we should also provide for an increase in the pay of those who are the supervisors.

Therefore, Mr. President, I urge that my amendment to the amendment of the Senator from South Carolina be agreed to.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the Senator from South Carolina. [Putting the question.]

Mr. LONG. Mr. President, I ask for a division.

Mr. CASE of South Dakota. Mr. President, on this question, I request the yeas and nays.

Mr. KNOWLAND. Mr. President, I join in the request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Louisiana [Mr. LONG], for himself and the Senator from Texas [Mr. YARBOROUGH], to the amendment of the Senator from South Carolina [Mr. JOHNSTON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

If present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

I further announce that, if present and voting, the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. IVES], the Senator from Iowa [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is detained on official business.

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

The Senator from New Jersey [Mr. SMITH] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 50, nays 31, as follows:

YEAS—50

Aiken	Hill	Pastore
Allott	Hoblitzell	Potter
Barrett	Hruska	Proxmire
Bennett	Humphrey	Purtell
Bricker	Jackson	Revercomb
Bush	Kefauver	Russell
Carlson	Knowland	Saltonstall
Carroll	Langer	Smith, Maine
Case, S. Dak.	Long	Sparkman
Clark	Magnuson	Stennis
Dirksen	Mansfield	Thurmond
Douglas	McClellan	Thye
Eastland	McNamara	Watkins
Ellender	Morse	Wiley
Flanders	Morton	Yarborough
Frear	Mundt	Young
Hickenlooper	Murray	

NAYS—31

Anderson	Goldwater	Kuchel
Beall	Gore	Lausche
Bible	Green	Malone
Bridges	Hayden	Martin, Pa.
Butler	Holland	Monroney
Case, N. J.	Javits	Neuberger
Church	Jenner	Payne
Cooper	Johnson, Tex.	Scott
Cotton	Johnston, S. C.	Williams
Dworshak	Kennedy	
Ervin	Kerr	

NOT VOTING—15

Byrd	Hennings	Schoeppel
Capehart	Ives	Smathers
Chavez	Martin, Iowa	Smith, N. J.
Curtis	O'Mahoney	Symington
Fulbright	Robertson	Talmadge

So the amendment offered by Mr. LONG, for himself and Mr. YARBOROUGH, to the amendment of the Senator from South Carolina [Mr. JOHNSTON] was agreed to, as follows:

On page 2, in lieu of the schedule appearing between lines 2 and 3 insert the following:

"Postal field service schedule

Level	Per annum rates and steps						
1	$3,096	$3,205	$3,315	$3,425	$3,535	$3,645	$3,755
Temporary rate	3,335	3,445	3,555	3,665	3,775	3,885	3,995
2	3,320	3,435	3,550	3,665	3,780	3,895	4,010
Temporary rate	3,560	3,675	3,790	3,905	4,020	4,135	4,250
3	3,580	3,705	3,830	3,955	4,080	4,205	4,330
Temporary rate	3,820	3,945	4,070	4,195	4,320	4,445	4,570
4	3,935	4,070	4,205	4,340	4,475	4,610	4,745
Temporary rate	4,175	4,310	4,445	4,580	4,715	4,850	4,985
5	4,170	4,305	4,440	4,575	4,710	4,845	4,980
Temporary rate	4,410	4,545	4,680	4,815	4,950	5,085	5,220
6	4,505	4,655	4,805	4,955	5,105	5,255	5,405
Temporary rate	4,745	4,895	5,045	5,195	5,345	5,495	5,645
7	4,870	5,035	5,200	5,365	5,530	5,695	5,860
Temporary rate	5,110	5,275	5,440	5,605	5,770	5,935	6,100
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
Temporary rate	5,495	5,680	5,865	6,050	6,235	6,420	6,605
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
Temporary rate	5,915	6,115	6,315	6,515	6,715	6,915	7,115
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
Temporary rate	6,475	6,690	6,905	7,120	7,335	7,550	7,765
11	6,860	7,095	7,330	7,565	7,800	8,035	8,270
Temporary rate	7,100	7,335	7,570	7,805	8,040	8,275	8,510
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
Temporary rate	7,785	8,045	8,305	8,565	8,825	9,085	9,345
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
Temporary rate	8,550	8,830	9,110	9,390	9,670	9,950	10,230

"Postal field service schedule—Continued

Level	Per annum rates and steps						
14	$9,140	$9,440	$9,740	$10,040	$10,340	$10,640	$10,940
Temporary rate	9,380	9,680	9,980	10,280	10,580	10,880	11,180
15	10,050	10,350	10,650	10,950	11,250	11,550	11,850
Temporary rate	10,290	10,590	10,890	11,190	11,490	11,790	12,090
16	11,075	11,375	11,675	11,975	12,275	12,575	12,875
Temporary rate	11,315	11,615	11,915	12,215	12,515	12,815	13,115
17	12,255	12,555	12,855	13,155	13,455	13,755	14,055
Temporary rate	12,495	12,795	13,095	13,395	13,695	13,995	14,295
18	13,760	14,060	14,360	14,660	14,960	15,260	15,560
19	15,000	15,300	15,600	15,900			
20	16,000"						

The PRESIDING OFFICER. The question is on agreeing to the Johnston amendment, as amended.

Mr. CARLSON. Mr. President, as we are about to reach a final vote on the Johnston amendment, I should like to make a statement to the Senate.

Although I voted for S. 27 in the Senate committee, which is the substance of the pending amendment, I stated at the time I would try to secure a bill which I was confident would be approved and thus provide a much-needed pay increase for postal employees.

I shall support now the Johnston amendment. I shall do everything in my power to secure, in conference, a bill which the President will sign and which the Senate can approve.

I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON], as amended.

The amendment, as amended, was agreed to.

Mr. NEUBERGER subsequently said: Mr. President, I was trying to get the floor after the vote by which the Johnston postal pay amendment was tied to the postal rate bill. I should like to have the RECORD show that I voted against uniting the two bills. Previously, I was in favor of uniting the two bills. However, I believe the Senate, by majority vote, has taken very unwise action, and action which is discriminatory against postal employees in the lower grades.

I desire the RECORD to show that I voted against the motion to tie the two bills together.

Mr. LAUSCHE subsequently said: Mr. President, I was not in the Chamber when the vote was taken on the Johnston amendment. I want the RECORD to show that if I had been present I would have voted against the amendment. I would have voted against it because we are combining two subjects which are not germane to each other. I think it is unfair to the Members of the Senate and to the President of the United States.

The PRESIDING OFFICER. The bill is open to further amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I wish to return to an amendment agreed to by the Senate yesterday, which I offered, and which provided free postage privileges to members of the armed services overseas. The amendment refers to Army and fleet post offices. I want the RECORD to show very clearly that when I used the word "Army" in the amendment, I used it in the generic sense. The term used was intended to cover the Military Establishment; but in order to make legislative history, and so there can be no question as to the meaning of the amendment, the RECORD should show that the Air Force has called the majority leader's office—and I call the attention of the chairman of the committee to this matter—and also has been in touch with the staff of the committee. It wants to have the statement made, which I am now making on the floor of the Senate, that my amendment covers the Army, the Air Force, and the Navy, although we have always referred to the Army post offices as including Air Force post offices. Apparently some so-called Air post offices have been established. The amendment also include the Marine Corps and the Coast Guard. In other words, it includes each and all branches of the military service.

I am advised by counsel that this statement of mine will certainly suffice, at least if this matter goes to conference; but I want it definitely understood that my amendment covers the Army post offices, the Air post offices, and the so-called Fleet and Navy post offices, as well as the Marine Corps and the Coast Guard.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Does the Senator from Oregon include in his amendment mail sent by members of the Coast Guard and Marine Corps, too?

Mr. MORSE. Yes; I have so stated. As I said yesterday, and let this be clearly understood as a matter of definition, my amendment uses the term "Army" in the generic sense. It includes the Marine Corps, the Coast Guard, the so-called foot soldiers, Air Force, and Navy.

If anybody wishes to make any exception to that statement, he ought to make it now.

We can save time, by my not having to resubmit the amendment adding other classifications, if it is understood the term "Army" is used in the generic sense.

Does the chairman of the committee understand the intent?

Mr. JOHNSTON of South Carolina. Yes.

Mr. MORSE. Does the chairman of the committee agree to take the amendment to conference with that understanding?

Mr. JOHNSTON of South Carolina. Yes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. It is proposed to add a new title at the end of the bill, "Title V—Increases in Compensation of Employees Generally," it modifies the Classification Act of 1949.

The PRESIDING OFFICER. Without objection the amendment will be printed in the RECORD without reading.

The amendment proposed by Mr. JOHNSTON of South Carolina is as follows:

At the end of the bill insert the following new title:

"TITLE V—INCREASE IN COMPENSATION OF EMPLOYEES GENERALLY

"SEC. 501. This title may be cited as the 'Federal Employees Pay Act of 1958.'

"SEC. 502. (a) Section 603 (b) of the Classification Act of 1949, as amended (5 U. S. C. 1113 (b)), is amended to read as follows:

"'(b) The compensation schedule for the General Schedule shall be as follows:

Grade	Per annum rates
GS-1	$2,800
GS-2	3,180
GS-3	3,415
GS-4	3,670
GS-5	3,945
GS-6	4,385
GS-7	4,865
GS-8	5,345
GS-9	5,850
GS-10	6,360
GS-11	6,870
GS-12	8,140
GS-13	9,750
GS-14	11,250
GS-15	12,600
GS-16	14,000
GS-17	15,500
GS-18	17,500'

Per annum rates					
$2,980	$3,070	$3,160	$3,250	$3,340	$3,430
3,270	3,360	3,450	3,540	3,630	3,720
3,505	3,595	3,685	3,775	3,865	3,955
3,760	3,850	3,940	4,030	4,120	4,210
4,090	4,235	4,380	4,525	4,670	4,815
4,530	4,675	4,820	4,965	5,110	5,255
5,010	5,155	5,300	5,445	5,590	5,735
5,490	5,635	5,780	5,925	6,070	6,215
5,995	6,140	6,285	6,430	6,575	6,720
6,505	6,650	6,795	6,940	7,085	7,230
7,100	7,330	7,560	7,790	8,020	
8,370	8,600	8,830	9,060	9,290	
10,000	10,250	10,500	10,750	11,000	
11,500	11,750	12,000	12,250	12,500	
12,900	13,200	13,500	13,800		
14,300	14,600	14,900	15,200		
15,800	16,100	16,400	16,700		

"(b) The rates of basic compensation of officers and employees to whom this section applies shall be adjusted as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the general schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade in the general schedule, he shall receive basic compensation at a rate equal to the rate he received immediately prior to such effective date increased by an amount equal to the amount of the increase made by this section in the next lower scheduled rate of his grade.

"(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended.

"(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2 (b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208 (b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208 (b) of the act of September 1, 1954, and (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (C) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208 (b) of such act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

"(5) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, was promoted from one grade under the Classification Act of 1949, as amended, to another such grade at a rate which is above the minimum rate thereof, his rate of basic compensation shall be adjusted retroactively from the effective date of this section to the date on which he was so promoted, on the basis of the rate which he was receiving during the period from such effective date to the date of such promotion and, from the date of such promotion, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this title) at the time of such promotion.

"(6) Except as provided in paragraph (7) of this subsection, if the officer or employee is receiving basic compensation immediately prior to the date of enactment of this act as a result of action taken under section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), he shall receive the higher of either (A) a rate of basic compensation at the scheduled rate in effect on the effective date of this section to which he would have been entitled under the provisions of section 701 of the Classification Act of 1949 (5 U. S. C. 1121) had such action under section 803 not been taken, or (B) a rate of basic compensation at the scheduled rate in effect on such effective date which is equal to his existing rate, or if there is no such scheduled rate equal to his existing rate, then at the next higher scheduled rate: *Provided*, That upon approval by the Civil Service Commission, based upon a determination that such action is equitable, any such employee may be paid at any scheduled rate not in excess of the rate which he was receiving on the date of enactment of this act, adjusted in accordance with paragraph (1), (2), or (3) of this subsection.

"(7) If the officer or employee has had his rate of basic compensation adjusted, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on the effective date of this title and ending on the date of enactment of this act—

"(A) his rate of basic compensation shall be adjusted retroactively in accordance with the initial conversion rules prescribed in paragraphs (1), (2), and (3) of this subsection for the period beginning on the effective date of this section and ending on the effective date of such adjustment under such section 803, on the basis of the rate or rates which he was receiving during such period, and

"(B) on and after the effective date of such adjustment under such section 803, he shall receive a rate of basic compensation adjusted in accordance with paragraph (6) of this subsection.

"(8) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, became subject to the Classification Act of 1949, as amended, at a rate of basic compensation which was fixed on the basis of a higher previously earned rate and which is above the minimum rate of the grade of such officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this title) at the time he became subject to the Classification Act of 1949, as amended.

"(9) Each officer or employee—

"(A) (i) who with his position has been transferred under authority of the Classification Act of 1949, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, from the General Schedule of the Classification Act of 1949 to a prevailing rate schedule, or (ii) who, at any time during such period, transferred from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule,

"(B) who, at all times subsequent to such transfer, was in the service of the United States (including the Armed Forces of the United States) or of the municipal government of the District of Columbia, without break in such service of more than 30 consecutive calendar days and, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, without break in service in excess of the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia,

"(C) who, on such date of enactment, is being compensated under a prevailing rate schedule, and

"(D) whose rate of basic compensation on such date of enactment is less than the rate to which he would have been entitled on such date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault),

shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such date of enactment (including compensation for each within-grade and longevity step-increase which he would have earned) if such transfer had not occurred until the day immediately following such date of enactment, for all time in a pay status on and after the effective date of this section in a position subject to a prevailing rate schedule under the circumstances prescribed in this subsection, until—

"(a) he leaves the position which he holds on such date of enactment, or

"(b) he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with prevailing rate schedules.

"SEC. 503. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U. S. C., sec. 102 (a) (2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604 (a) (5), or sections 672 to 675, inclusive, of title 28 of the United States Code are hereby increased by amounts equal to the increases provided by section 502 of this act in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations of $13,485 and $18,010 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges contained in the paragraph under the heading 'Salaries of Supporting Personnel' in the Judiciary Appropriation Act, 1958, or in any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this title.

"(c) Section 753 (e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striikng out '$6,450' and inserting in lieu thereof '$6,935'.

"SEC. 504. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7.5 percent of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the month following the date of enactment of this act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that (1) the provisions of this subsection shall not apply in the case of any employee if on or before the 15th day following the date of enactment of this act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish this subsection to apply to such employee, and (2) no increase in compensation shall result from such adjustment in basic compensation for any period prior to the date thereof.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate and House of Representatives (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the Legislative Counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Legislative Counsel of the House of Representatives, the Coordinator of Information of the House of Representatives, and the Chief Clerk of the Senate are hereby increased by 7.5 percent.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'Senate' in the Legislative Appropriation Act, 1956, is amended to read as follows:

" 'No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $16,000 per annum, unless expressly authorized by law.'

"(e) The provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated 'Folding documents' under the heading 'Contingent Expenses of the Senate' in the Legislative Appropriation Act, 1958, or in any subsequent appropriation act, but the limitations contained in such paragraph are hereby increased by the amounts necessary to provide increases corresponding to those provided by subsection (a).

"(f) The Official Reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a).

"(g) The additional compensation provided by subsection (a) shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act.

"(h) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, is amended by striking out so much of the second sentence thereof as follows the words 'First Supplemental Appropriation Act, 1947,' and inserting in lieu thereof the following: 'the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and the minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,040 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of $8,880 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,460 per annum.'

"(i) No officer or employee shall be paid increased or additional compensation for any period prior to the first day of the month following the date of enactment of this act at a rate in excess of 7.5 percent of his gross rate of compensation computed without regard to the amendment made by subsection (d).

"(j) The position of Chief Nurse in the Senate Office Building, under the Office of the Architect of the Capitol, shall be established and allocated to grade 9 of the General Schedule of the Classification Act of 1949, as amended, so long as such position is held by the present incumbent.

"SEC. 505. (a) The last sentence of section 1403 (d) of the Veterans' Benefits Act of 1957 (71 Stat. 130; Public Law 85-56), relating to the annual salaries of the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration is amended by striking out '$13,225 minimum to $14,300 maximum' and inserting in lieu thereof '$14,300 minimum to $15,200 maximum.'

"(b) Section 1403 (e) of such act, relating to the annual salaries of the Director of Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

"(1) by striking out '$11,610' and inserting in lieu thereof '$12,600'; and

"(2) by striking out '$10,320' and inserting in lieu thereof '$11,250'.

"(c) Section 1403 (f) of such act, relating to the annual salaries of the chief pharmacist, the chief dietician, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$10,320' and inserting in lieu thereof '$11,250'.

"(d) Section 1407 (a) of such act, relating to maximum and minimum annual rates of salary of certain employees of the medical service, dental service, and nursing service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

" '(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

" 'MEDICAL SERVICE

" 'Chief grade, $12,600 minimum to $13,800 maximum.

" 'Senior grade, $11,250 minimum to $12,500 maximum.

" 'Intermediate grade, $9,750 minimum to $11,000 maximum.

" 'Full grade, $8,140 minimum to $9,290 maximum.

" 'Associate grade, $6,870 minimum to $8,020 maximum.

" 'Junior grade, $6,360 minimum to $7,230 maximum.

" 'DENTAL SERVICE

" 'Chief grade, $12,600 minimum to $13,800 maximum.

" 'Senior grade, $11,250 minimum to $12,500 maximum.

" 'Intermediate grade, $9,750 minimum to $11,000 maximum.

" 'Full grade, $8,140 minimum to $9,290 maximum.

" 'Associate grade, $6,870 minimum to $8,020 maximum.

" 'Junior grade, $6,360 minimum to $7,230 maximum.

" 'NURSING SERVICE

" 'Assistant director, $8,140 minimum to $9,290 maximum.

" 'Senior grade, $6,870 minimum to $8,020 maximum.

" 'Full grade, $5,850 minimum to $6,720 maximum.

" 'Associate grade, $5,085 minimum to $6,010 maximum.

" 'Junior grade, $4,330 minimum to $5,250 maximum.'

"(e) Section 1408 (d) of such act, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$13,760' and inserting in lieu thereof '$15,200'.

"SEC. 506. The Foreign Service Act of 1946, as amended, is amended as follows:

"(a) The schedule contained in section 412 of such act, as amended, is amended to read as follows:

" 'Class 1	$16,060	$16,500	$16,940	$17,380	$17,500			
Class 2	13,860	14,190	14,520	14,850	15,180	$15,510	$15,840	
Class 3	11,550	11,880	12,210	12,540	12,870	13,200	13,530	
Class 4	9,765	10,040	10,315	10,590	10,865	11,140	11,415	
Class 5	7,955	8,225	8,495	8,765	9,035	9,305	9,575	
Class 6	6,560	6,775	6,990	7,205	7,420	7,635	7,850	
Class 7	5,485	5,645	5,805	5,965	6,125	6,285	6,445	
Class 8	4,625	4,785	4,945	5,105	5,265	5,425	5,585	$5,745'

"(b) Section 415 of such act, as amended, is amended to read as follows:

" 'SEC. 415. There shall be 22 classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum rates of salary of staff officers and employees within each class shall be as follows:

" 'Class 1	$11,770	$12,120	$12,470	$12,820	$13,170			
Class 2	10,815	11,115	11,415	11,715	12,015			
Class 3	9,895	10,175	10,455	10,735	11,015			
Class 4	8,890	9,165	9,440	9,715	9,990			
Class 5	8,200	8,435	8,670	8,905	9,140	$9,375		
Class 6	7,515	7,725	7,935	8,145	8,355	8,565		
Class 7	6,830	7,035	7,240	7,445	7,650	7,855		
Class 8	6,145	6,350	6,555	6,760	6,965	7,170		
Class 9	5,455	5,660	5,865	6,070	6,275	6,480		
Class 10	5,000	5,175	5,350	5,525	5,700	5,875	$6,050	
Class 11	4,540	4,680	4,820	4,960	5,100	5,240	5,380	
Class 12	4,085	4,225	4,365	4,505	4,645	4,785	4,925	
Class 13	3,645	3,785	3,925	4,065	4,205	4,345	4,485	
Class 14	3,225	3,365	3,505	3,645	3,785	3,925	4,065	
Class 15	3,020	3,125	3,230	3,335	3,440	3,545	3,650	
Class 16	2,810	2,880	2,950	3,020	3,090	3,160	3,230	
Class 17	2,600	2,670	2,740	2,810	2,880	2,950	3,020	
Class 18	2,395	2,465	2,535	2,605	2,675	2,745	2,815	
Class 19	2,190	2,260	2,330	2,400	2,470	2,540	2,610	
Class 20	1,980	2,050	2,120	2,190	2,260	2,330	2,400	
Class 21	1,770	1,840	1,910	1,980	2,050	2,120	2,190	
Class 22	1,565	1,635	1,705	1,775	1,845	1,915	1,985'	

"SEC. 507. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof a new subsection as follows:

" '(f) The Administrator of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).'

"SEC. 508. Section 505 (b) of the Classification Act of 1949, as amended, is amended by striking out 'twelve hundred and twenty-six' and inserting 'eighteen hundred', by striking out 'three hundred and twenty-nine' and inserting 'four hundred and seventy-five', and by striking out 'one hundred and thirty' and inserting 'one hundred and ninety.'

"SEC. 509. (a) The first section of the act of August 1, 1947 (Public Law 313, 80th Cong.), as amended is amended by striking out 'one hundred and twenty' and 'twenty-five' in subsection (a) and inserting in lieu thereof 'four hundred and fifty' and 'fifty', respectively.

"(b) Such section is further amended by striking out 'thirty' in subsection (b) and inserting in lieu thereof 'one hundred and fifty.'

"(c) Such section is further amended by adding at the end thereof the following new subsections:

"'(d) The Secretary of the Interior is authorized to establish and fix the compensation for not more than 10 scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(e) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(f) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(g) The Secretary of Commerce is authorized to establish and fix the compensation for not more than 50 scientific or professional positions in the Department of Commerce, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.'

"(d) Section 3 of such act is amended by inserting after 'Secretary of Defense' a comma and the following: 'the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare,' and by inserting after 'Military Establishment' a comma and the following: 'the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare,'.

"SEC. 510. The Chief and the Assistant Chief of the Training and Standards Branch of the National Institute of Mental Health shall be paid basic compensation at the rate of $17,500 per annum, except that if the person holding either such office is subject to the provisions of the Career Compensation Act of 1949, as amended, such person shall be paid such compensation as, when added to his pay and allowances under such act, will cause his total compensation to be at the rate of $17,500 per annum.

"SEC. 511. Except as provided in sections 4 (c) and 9, (1) no rate of compensation or salary which is $17,500 or more per annum shall be increased by reason of this act, and (2) no rate of compensation or salary shall be increased by reason of this title to an amount in excess of $17,500 per annum.

"SEC. 512. (a) During the calendar quarter beginning on April 1, 1958, no appointment may be made to any civilian office or position in the executive branch of the Government.

"(b) During any calendar quarter beginning after July 1, 1958, the total number of appointments made to civilian offices and positions in the executive branch of the Government shall not exceed a number equal to one-third of the vacancies which occurred in such offices and positions during the preceding calendar quarter.

"(c) As used in this section, the terms 'office' and 'position' shall not include—

"(1) any office or position required to be filled by the President by and with the advice and consent of the Senate;

"(2) a postmaster of the fourth class;

"(3) any office or position filled from within the department or agency;

"(4) any office or position held by an officer or employee paid wholly from a trust fund, or a fund derived from a trust account;

"(5) any office or position held by an employee employed without compensation;

"(6) any position held by a seasonal or casual worker;

"(7) any office or position the filling of which is determined by the President to be necessary to the effective administration, execution, and operation of the national health, security, welfare, and management functions and activities of the Government;

"(8) any office or position filled by any person in the exercise of reemployment rights under section 9 of the Universal Military Training and Service Act or any other provision of law conferring reemployment rights upon persons who have performed active duty in the Armed Forces, or by any person required to be restored to an office or position pursuant to an order of the Civil Service Commission or of any court; and

"(9) any office or position in the General Accounting Office.

"(d) The provisions of this section shall not apply during any calendar quarter if at the end of the preceding calendar quarter the aggregate number of full-time civilian officers and employees (including the full-time equivaent of part-time employment but excluding employees holding positions referred to in subsection (c) (4), (5), and (6)) does not exceed 2,150,000 or such other figure as may be established from time to time by Executive order of the President.

"(e) The President may authorize the Director of the Bureau of the Budget to promulgate such rules and regulations as may be necessary to carry out the provisions of this section.

"(f) The provisions of subsection (a) of this section shall not be construed to prohibit any appointment which is made pursuant to a commitment made prior to the date of enactment of this act.

"SEC. 513. (a) (1) Clause (2) of that paragraph of section 602 of the Classification Act of 1949, as amended (5 U. S. C. 1112), which defines the level of difficulty and responsibility of work in grade 5 of the General Schedule (GS-5) is amended to read as follows:

"'(2) to perform, under immediate supervision, and with little opportunity for the exercise of independent judgment, simple and elementary work requiring professional, scientific, or technical training; or'.

"(2) Clause (2) of that paragraph of the same section which defines the level of difficulty and responsibility of work in grade 7 of the General Schedule (GS-7) is amended to read as follows:

"'(2) under immediate or general supervision, to perform somewhat difficult work requiring (A) professional, scientific, or technical training, and (B) to a limited extent, the exercise of independent technical judgment; or'.

"(b) The Civil Service Commission shall exercise its authority to issue such standards or regulations as may be necessary for the administration of subsection (a) of this section.

"SEC. 514. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this act are hereby authorized to be increased, effective on or after the first day of the first pay period which began on or after October 1, 1957, by amounts not to exceed the increases provided by this title for corresponding rates of compensation in the appropriate schedule or scale of pay.

"(b) Any appropriation required to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, may be apportioned on a basis indicating the need for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such increases as may be granted officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law, but only to the extent that such increases do not exceed the increases provided by this title for corresponding rates of compensation in the appropriate schedule or scale of pay.

"(c) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

"SEC. 515. (a) Retroactive compensation or salary shall be paid by reason of this title only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid (1) to an officer or employee who retired during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act by an officer or employee who dies during such period.

"(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

"SEC. 516. (a) Except as provided in subsection (b) of this section, this title shall take effect as of the first day of the first pay period which began on or after October 1, 1957.

"(b) This section and sections 501, 504 (b), 504 (e), 504 (h), 504 (j), 510, 514, and 515, shall take effect on the date of enactment of this act.

"(c) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this title shall be held and considered to be effective as of the date of such enactment."

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Would it be in order to make a motion to recommit the bill with instructions to report the bill back forthwith without the recently adopted amendment by the distinguished junior Senator from Louisiana [Mr. LONG]?

My reason for making this inquiry is that if the bill shall be enacted as

amended we shall be setting a pattern for 15 percent pay increases throughout the Federal Government.

We have set a pattern for 7½ percent pay increases in the postal-pay bill, with a $240 cost-of-living increase for the first 4 or 5 grades.

If the first 17 grades are covered, all grades will be covered, except the specialized, high-level civil-service groups, with pay increases which will average perhaps 12 or 15 percent. Thus, if we leave the Long amendment in the bill, a pattern will be set for nearly 2 million additional classified workers; and the pattern has always been that they are entitled roughly to the same pay increases as those accorded the postal workers.

Therefore, we can figure on a 12- or 15-percent pay increase for all of the 2½ million civil-service employees of the Government.

If we vote to recommit the bill, and then pass it without the Long amendment, we can go to a conference and have a wide-open conference. We can take out the $240 cost-of-living increase, modify it downward, or raise the percentage upward, and reach some kind of a sensible agreement. However, if we pass the bill with the Long amendment in it, we not only will involve this country in expending far more money than it is contemplated will be derived from the 5-cent postage stamp and the rates on other services, but we will wind up with a far greater postal deficit than we started with when we took the bill up. We will also set a precedent for industry, which today is plagued with unemployment and with layoffs and part-time work, by saying to all the people who work for industry, "The Federal Government believes in a 15-percent pay increase at a time when the revenue to pay the increase is declining."

Mr. President, I therefore move to recommit the bill to the committee with instructions that it be reported back forthwith after striking the Long amendment, which will leave the bill as it was up to the time the Long amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The Senator from Oklahoma propounded a parliamentary inquiry as to whether a motion to recommit would be in order. If the Senator from Oklahoma is recognized, it will be in order. The Senator from Kansas [Mr. CARLSON] now has the floor.

Mr. MONRONEY. Mr. President, after conferring with the majority leader on the parliamentary situation I will withhold my motion to recommit for the time being so that we can work out some other parliamentary device by which to accomplish the same purpose.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to state to my colleague from Oklahoma that he is becoming concerned about this matter far too late. I tried to stress this point when we started the consideration of the bill.

We have adopted the amendment proposed by the Senator from South Carolina [Mr. JOHNSTON], which provides practically a 12-percent pay increase. I would not become alarmed about $18 million or $20 million. Even if we strike out the Long amendment, we will have a 12-percent pay increase bill.

The Senator is concerned about the increases for the classified civil-service employees, for the military personnel, and for those who work in industry, I will state to the Senator that we have now set the pattern. Why worry about it? We are going to have to work this matter out in conference. I do not think it makes any difference whether a few million dollars are provided for a few employees in the bill. We have nearly 500,000 employees provided for at 12 percent.

Mr. President, I think the worry is coming very late.

Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CARLSON. What is the question pending before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from South Carolina [Mr. JOHNSTON].

Mr. CARLSON. Is that amendment open to amendment?

The PRESIDING OFFICER. Yes, it is.

Mr. CARLSON. Mr. President, I offer an amendment to it.

The PRESIDING OFFICER. If the Senator will send it to the desk, and the clerk will state the amendment to the amendment.

The CHIEF CLERK. On page 18, after line 6, of the additional amendment, it is proposed to insert a new paragraph as subsection (b) of section 8, as follows:

(b) Such section is further amended by striking out "thirty-seven" in subsection (c) and inserting in lieu thereof "seventy-five".

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. CARLSON. Mr. President, I offer this amendment because it affects the top employees in the Federal Bureau of Investigation. The action suggested would permit the Director of the Federal Bureau of Investigation, United States Department of Justice, who is Mr. Hoover, to place a total of 75 positions in the Federal Bureau of Investigation in grades 16, 17, and 18.

Such positions would be in addition to the number of positions which are authorized to be placed in such grades by the Civil Service Commission.

This amendment is requested because of the increased responsibility of the Federal Bureau of Investigation, and it is imperative and necessary to place these Bureau position salaries at levels comparable with those of other agencies, in order to provide a sufficient incentive to employees occupying these positions.

I sincerely hope, Mr. President, that the amendment to the amendment will be accepted by the chairman of the committee, in order that it may be considered in conference.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CARLSON. I yield.

Mr. SALTONSTALL. Do I correctly understand that the amendment presently pending before the Senate is an amendment to tie the classified employees pay bill to the postal rate bill and the postal pay bill?

Mr. CARLSON. I understand from the Presiding Officer, the distinguished Senator from Massachusetts, that such an amendment is the pending question.

Mr. SALTONSTALL. May I ask the Senator to answer this question: Are not the problems of the classified employees pay bill quite different from those of the postal employees pay bill? It has always been my understanding that the problems are quite different and that such matters should be considered in separate bills, and that in order to be fair there should be separate classifications and separate increases, if we determine to give the employees an increase.

Mr. CARLSON. Mr. President, I wish to state to the Senator from Massachusetts that if I had my way I would not tie the classified pay bill to the postal rate bill and the postal pay bill.

It is my desire to give the classified workers a pay increase which is in keeping with what all Government employees should receive. If we tie the pay increase for those employees to the bill under consideration, in my opinion, it is going to make the situation extremely difficult.

We could pass the classified pay increase bill at a comparable figure of 7½ or 8½ percent, and the employees would be able, within a reasonable time, to receive such increase. That bill could pass the Senate. It could go through the Committee on Post Office and Civil Service, and through the House, and could be enacted into law.

My personal opinion is that if we tie this amendment to the bill under consideration, the classified employees will be caught in a bind. I do not want to put them in that position.

While I have the floor, Mr. President, I wish to mention that there is another group to whom we should give consideration, and about whom we have had hearings in our committee. I refer to retired employees. There is some proposed legislation with regard to them on the calendar. Let us not single out certain groups. The retirees, who contributed 100 cents on the dollar, are getting back 50 cents on the dollar. I think they are entitled to consideration.

I am not going to move that the Senate take action on that subject today, but I invite the attention of Senators to that situation.

Mr. SALTONSTALL. Mr. President, will the Senator yield for another question?

Mr. CARLSON. I am glad to yield.

Mr. SALTONSTALL. Would it not be more fair to the classified employees at the present time to vote against tying the classified pay bill to the postal rate bill, so that we can vote on that question separately with the hope that we can provide a fair increase for classified employees?

Mr. CARLSON. My personal opinion is that that is the right thing to do.

That is the way I shall vote. The pending amendment proposes to tie the matters together.

The PRESIDING OFFICER. Do any other Senators seek recognition?

The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON] to the amendment of the Senator from South Carolina [Mr. JOHNSTON].

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. Does the amendment of the Senator from Kansas apply to the classified pay amendment which has been offered by the Senator from South Carolina?

Mr. CARLSON. It is an amendment to the Classified Act, to increase the compensation of certain employees of the FBI.

Mr. KNOWLAND. I merely wish to say that it is entirely possible that Senators may vote for the amendment offered by the Senator from Kansas, to clarify the amendment of the Senator from South Carolina, but I shall not vote to attach the classified pay bill to the pending postal rate bill.

I agree with the Senator that such action would be a mistake. I think it would jeopardize the pay raise for the classified civil service employees, and might tie it up for a prolonged period of time.

As I understand, there is no particular controversy as to the classified pay bill. The classified pay bill as reported from the committee does not diverge very much from the recommendations made by the administration. There is a chance, very soon, of having a classified pay bill passed on its own merits. I hope such a bill will not be attached to the pending postal pay and postal rate bill, which may not become a law.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield, if I have the floor, to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to add a statement to what the Senator from California has said.

The Senate has pending before it a pay bill for the military services. That bill should be considered on its merits, just like the classified pay bill should be considered. If the classified pay bill is tied to the postal pay bill, there is no reason why the military pay bill should not be also tied to it.

We should consider these bills separately, as I see it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to my good friend, the Senator from Florida.

Mr. HOLLAND. Mr. President, I thoroughly approve of the position taken by the Senator from California. There is a justification, in my opinion, for attaching the postal pay bill to the postal rate bill, but I do not think there is any reason whatever for the attaching of the classified pay bill to the postal pay bill.

Mr. KNOWLAND. May we have order, Mr. President, so that the Senator may be heard?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HOLLAND. I thank the Senator from California, and I thank the Presiding Officer.

Whether they realize it or not, Senators are preparing to load up the measure so that nothing helpful can result from it. There is a relationship between a 5-cent rate for first-class letters and an increase in the salaries of postal employees, and the matter of affording an opportunity to improve postal facilities. Those subjects are tied together. But if Senators attach the classified pay increase measure to the postal rate and postal salary increase bill, in my judgment they will have difficulty in passing the bill. Personally I will not vote for it in that event, and I think other Senators will react likewise.

Furthermore, we would make it much more difficult for the Executive to approve it, and, in my judgment, we would make the problem of the conferees very much more difficult. We would invite those who wish to see a pay increase for the employees and personnel of the armed services to tie that bill to the pending measure. In my judgment we would be riding toward disaster, and taking a real chance of defeating the very legitimate effort of our committee to increase the pay of employees of the postal service in the lower brackets somewhat in conformity with the increase in the cost of living.

I hope Senators will not insist upon tying the classified pay increase bill to the pending measure. If they do, I want it to be known, first, that I will not vote for it. Second, that I do not believe it can be approved in that form. Third, that it would defeat the fine work done by the committee in the effort to improve the position of the postal employees.

Mr. KNOWLAND. Mr. President, I thank the distinguished Senator from Florida. I think he has made a very able and cogent argument as to why the classified pay increase bill should not be attached to the pending measure.

Mr. CARLSON. Mr. President, in order to reach a clear-cut issue, inasmuch as I understand that my amendment is interfering with that objective, I am willing to withdraw it in order that we may meet the issue as to whether my amendment should be attached to the postal pay bill or whether it should be considered separately.

If the Senate should vote to adopt the Johnston amendment, the bill would not be open to further amendment. I have some amendments which I should like to offer to the bill. I am willing to withdraw my pending amendment in order that the Senate may meet the issue at once.

Mr. KNOWLAND. I think that would present a clear-cut issue as to whether we are to attach a classified pay bill to the postal rate and postal pay bill.

Mr. CARLSON. I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I stated in the beginning that I was opposed to joining the two bills. However, if Senate bill 734 is offered as an amendment to the pending bill and is agreed to, I have an amendment to offer. My preliminary inquiry is this: Would further amendments to Senate bill 734 be precluded if it should now be adopted as an amendment to the pending bill?

The PRESIDING OFFICER. The Johnston amendment would not be open to amendment if it were agreed to.

Mr. STENNIS. Before there is any disposition of the Johnston amendment, I offer to it an amendment on behalf of the Senator from Kansas [Mr. CARLSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alabama [Mr. HILL], the Senator from Mississippi [Mr. EASTLAND], and myself, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, between lines 2 and 3, it is proposed to insert a new section, as follows:

SEC. 16. It is the sense of the Congress that appropriations for cooperative agricultural extension work and appropriations for payments to State agricultural experiment stations for the fiscal year beginning July 1, 1958, and subsequent fiscal years should include additional amounts sufficient to provide increases in the portion of the compensation of persons employed in such work or by such stations, which is paid from such appropriations, corresponding to the increases provided for employees under this act.

On page 26, line 3, it is proposed to strike out "section 16" and insert "section 17".

Mr. STENNIS. Mr. President, as I say, I am opposed to the joining of the classified workers' pay bill to the pending postal bill; but if this amendment is not offered now, it will be cut off, and cannot be offered later, should the classified workers' pay bill amendment be adopted.

My amendment is very simple, and it is stated very clearly. In the classified workers' pay bill there are increases for all agricultural workers who are paid by the Federal Government. That leaves the extension workers, who work at the county level, and frequently in the same building, without any recognition in the pay bill, even though a part of their salary is paid by the Federal Government.

This amendment merely provides that, as to the Federal appropriation part of their salary, it is the sense of the Congress that the Federal-appropriation portion of their salary should be increased in proportion to the increases granted to other agricultural workers in the bill.

This amendment was prepared in conference with the Senator from Kansas [Mr. CARLSON]. We discussed adding the experiment station workers, who are in the same category except that they do not work at the county level. A part of their salary is paid by the State and a part by the Federal Government.

As I have already stated, this amendment is sponsored also by the Senator from South Carolina [Mr. JOHNSTON], the Senator from Kansas [Mr. CARLSON], the Senator from Alabama [Mr. HILL], and the Senator from Mississippi [Mr. EASTLAND].

Mr. CARLSON. Mr. President, not only am I supporting the amendment, but, if it should develop that the Senate should decide to separate these measures and act upon them separately, I shall support the amendment at the time it is offered to the other bill.

Mr. STENNIS. I appreciate the sentiments of the Senator from Kansas.

Mr. THYE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. THYE. What the distinguished Senator from Mississippi has just stated is a matter of fact. Extension workers have not been considered in connection with salary increases in the past, and it is for that reason that the distinguished Senator is bringing the subject to the attention of this body, in order that it may be justly and properly considered along with provisions relating to pay increases for classified workers.

Mr. STENNIS. The Senator from Minnesota is correct, except to this extent: The Appropriations Committee now has the authority, in acting on appropriation bills, to take into consideration whether or not any of the money shall go for the salaries of extension workers and experiment station workers. This amendment is not mandatory, of course, upon the Appropriations Committee, but is a statement of the sense of the Congress, that in adjusting those appropriations—and they are adjustable—the committee should take into consideration the amount of increase which is granted to the other workers.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BRIDGES. I realize what the distinguished Senator from Mississippi is attempting to do. I am sympathetic toward the objective. I am one of perhaps not more than two Members of this body who were formerly in agricultural extension work.

As I say, I am sympathetic toward what the Senator is attempting to do. I do not know that it makes much difference in connection with the pending bill, because it is certainly a mixed-up mess as it stands today. However, the Senator is on unsound ground and is following an unsound procedure when he attempts to bind future appropriations committees in years to come as to what they should do. While I am entirely sympathetic toward the objective, it would be much sounder if the distinguished Senator, who is a member of the Appropriations Committee, would permit us to deal with that problem when it arises.

Although sympathizing with the objective of the Senator, I believe the approach is absolutely wrong.

Mr. STENNIS. I should like to say to the Senator from New Hampshire that this matter has come up every year in the Committee on Appropriations. There has been, so far, no definite and distinct guide to follow. There are, frequently, differences of opinion within the committee, and also differences between the two Houses. The net result has been that these workers, in my opinion, have been discriminated against. There is an important factor of morale involved in this subject.

If Congress would express itself as being the sense of Congress that in the Appropriations Committees, in passing on these matters, adjustments should be made in proportion to the increases which are given to other agricultural workers, I believe it would be a great help to the Appropriations Committee. It is not mandatory.

These matters vary from State to State. The money which is appropriated does not always have to be used for salaries, and the Appropriations Committee can look into it as to each State. However, unless there is some definite guide established, the net result will be that these workers will be neglected.

I do not see on the floor the Senator from Georgia [Mr. RUSSELL]. I discussed it with him and I have gone over it with him. I wish he were here to say a word. He is not opposing the amendment, but he did reserve the right to work the matter out in the Appropriations Committee, which is very sound and proper.

Mr. BRIDGES. I think it should be worked out in the Committee on Appropriations, not on the floor of the Senate. I sympathize with what the Senator is attempting to do, but this is not the proper place to do it.

I wish to say again that the pending bill is a mixed-up bill; indeed, I have never seen a bill that has been more mixed up than the pending bill.

Mr. STENNIS. If the Senator would let me address a question to him, I should like to do so. He certainly is well prepared to discuss the subject from the standpoint of the merits of the subject of the pay of the extension workers and experiment-station workers, and he is also a former chairman of the Committee on Appropriations and a very active member of it. If it is merely a matter of general principle and policy to which the Senator agrees, and agrees that it is generally sound, could he not join in the adoption of the amendment, with the final disposition of the matter to be worked out in the Committee on Appropriations?

Mr. BRIDGES. I will not fight it. I merely say this is not the proper way in which to proceed. I think the matter should be handled in a different way. We are going far afield by legislating in this way. I know how sincere the Senator is, and I know his objective is proper.

Mr. STENNIS. I thank the Senator.

I should like to make one further point. There is such a variation from State to State as to how these workers are paid that it is frequently very difficult for the Committee on Appropriations to apply an across-the-board rule which would be fair to all of them. In the confusion and discrepancies that exist, frequently the problem is left unsolved. In some States the workers are paid very well indeed—indeed, at levels comparable and favorable to the pay of other agricultural workers. In other States they are not. For years and years there has been an effort to level off. I believe the amendment, with the Appropriations Committee still having full authority to make the final decision, will furnish a guideline which will be helpful and will bring the matter up to a better level, and also enable Congress to deal better with the different States. There is no doubt in my mind that this is an affirmative and constructive measure which will work for the benefit of all such workers. The Appropriations Committee can make certain that no State will reduce its appropriation because of any increase which might come from Congress. Therefore, I think it is sound, and I offer the amendment.

Mr. COOPER. Mr. President, I understand from his remarks that the junior Senator from Oregon, who has taken a leading part in the debate, on the pending bill, joins with the senior Senator from Kansas in opposing the amendment which would attach the classified employees bill to the postal pay raise and pay-rate bill. I am not clear whether the Senator's objections are based upon the premise that it is not germane, or that the classified pay bill has not been sufficiently considered, or whether it would affect adversely the passage of the postal pay rate and pay-raise bill. Would the Senator care to elucidate his reasons for opposing the attachment of the classified pay bill to the postal pay raise-postal pay rate bill?

Mr. NEUBERGER. I wish to say, so far as my remarks in the Senate are concerned, that I have not discussed——

Mr. MORSE. Mr. President, may we have order?

Mr. NEUBERGER. I do not blame the Senator from Kentucky for not being able to hear——

Mr. DIRKSEN. Mr. President, the Senate is not in order. We cannot hear.

The PRESIDING OFFICER. The Senate will be in order. Senators will resume their seats.

Mr. COOPER. I have been much impressed by the Senator's argument of the junior Senator from Oregon during the debate. I have also followed very closely the argument of the senior Senator from Kansas. I wish to hear the reasons of the junior Senator from Oregon for opposing the attachment of the amendment to the bill.

Mr. NEUBERGER. I have not discussed the attaching of the classified pay bill as an amendment to the pending bill. I do not criticize the Senator from Kentucky for not being able to hear me. I have read in books that elephants have the most acute sense of hearing of any animals. However, I do not believe that even the most robust elephant that ever trod the African veldt could hear anything accurately on the floor of the Senate in view of the turmoil and confusion which have prevailed here today.

What I did discuss today was this: I wished to announce for the RECORD that had we had a recorded vote, instead of the voice vote, on adding the postal pay

bill to the postal rate bill, I would not have voted to do that.

After the Senate adopted the Long amendment, which I regard as highly unwise, and as throwing completely out of kilter the whole basic and essential and fundamental purpose of doing justice to postal employees in the lower brackets, I became convinced that the bill is now in an adverse and unwise form. Therefore all that I have commented on so far has been the adding of the postal pay bill to the postal rate bill.

So far as the classified pay bill is concerned, it seems to me that enough damage has already been done on the floor of the Senate tonight, and that if we add the classified pay bill to the rate-pay bill structure, hastly conceived and loosely drawn as the existing bill with the Long amendment is now, it will merely add insult to injury.

The Long amendment, it seems to me, totally throws out of all proportion what we were trying to do in the weeks and weeks of hearings on the postal pay bill. I wish that someone who voted in favor of the Long amendment would move to reconsider the vote, so that we will have an adequate bill. Otherwise we will have the most confused result that anyone can possibly imagine.

Mr. COOPER. Mr. President, I thank the Senator. That is the answer I expected him to make. I am glad he made it. I understood throughout the debate that the bonus proposed for the postal workers in the lower brackets was to bring some balance between the pay of those in the lower classifications and the pay of those in the higher classifications. I was very much surprised when the vote came to find out that our leaders who had argued throughout the debate against the bonus were supporting the Long amendment. Therefore, I hope that some Senator who voted for the amendment will move to reconsider the vote by which it was adopted. I am glad the distinguished junior Senator from Oregon has made clear his opinion on this point.

Mr. MORSE. Mr. President, I think the junior Senator from Oregon has made a very persuasive, clear argument in support of the position he has taken. I think some of us find ourselves in the position of not wanting to discriminate against the supervisory employees of the post office. However, as one who, on the yea-and-nay vote, voted for the Long amendment, I think it should be possible to work out a procedure whereby a commitment could be made on the part of the committee and the leadership to proceed forthwith to hold hearings on the supervisory employee problem, if there is a reconsideration of the vote by which the Long amendment was agreed to, so that proposed legislation on this matter can be acted upon at a very early time.

I am opposed to combining the postal rate bill and the postal pay bill, and I think we may do much worse by combining the postal rate and the postal pay bills with the pay bill for classified Government workers.

So I suggest to the leadership that perhaps we might have a quorum call to enable us to have at least a few minutes for consultation, to the end that we might determine whether a commitment can be obtained which will satisfy the Senator from Louisiana [Mr. LONG] that if the vote by which his amendment was agreed to shall be reconsidered, hearings will be held forthwith upon his proposal. Then perhaps a recommendation concerning supervisory employees can be made ready by the time the classified pay bill is taken up.

My hunch is that that the Senate will never agree to an amendment which will attach the classified pay bill to the postal rate and postal pay bill.

Mr. COOPER. Mr. President, I have followed very closely the arguments which have been made by the distinguished junior Senator from Oregon [Mr. NEUBERGER] and the distinguished senior Senator from Kansas [Mr. CARLSON]. I supported the amendment offered by the Senator from Kansas, which would have given a 8½ percent raise to all postal employees across the board.

The senior Senator from West Virginia [Mr. REVERCOMB] in proposing to the senior Senator from Kansas that the 8½ percent raise be made retroactive, effective January 1, 1958, added much to the equity of the bill.

I wish to repeat that after their arguments against the bonus provision, and statements that the bonus could then be applied logically to the classified pay bill, although the purpose of the bonus in the committee amendment was to bring into balance the lower rate with the higher classification, all of which with other Members I supported. I was much surprised, I must say, when the leadership and those who had charge of the bill, then voted for the amendment offered by the junior Senator from Louisiana [Mr. LONG] and the junior Senator from Texas [Mr. YARBOROUGH] which extended the bonus to all classifications.

Mr. DIRKSEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Kentucky has yielded the floor.

Mr. DIRKSEN. Mr. President, the pending amendment is the Stennis amendment, and I think it should be disposed of in an orderly way.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I have been trying to get recognition for the last 2 or 3 minutes. I think a procedure has been worked out which might be agreeable to most Senators.

Since the Senate agreed to the Long amendment on the theory that it might give more equitable treatment to certain workers, the feeling has grown that the cost of the bill might reach such a point that perhaps many Senators would want to recommit the bill.

I have talked to the distinguished Senator from Florida [Mr. SMATHERS], who was not present at the time the Johnston amendment was agreed to. He has agreed to move to reconsider the vote by which the Johnston amendment was agreed to.

If that motion should prevail, then the distinguished Senator from Oregon [Mr. MORSE], who supported the Long amendment, would be eligible to move to reconsider the vote by which the Long amendment was agreed to.

If that motion should prevail, and the Long amendment should be rejected, then the Senate could pass the rate bill with the Johnston pay amendment included.

Then the classified pay bill could be called up on motion separately, and the additional $240 would not be involved in it, because the classified pay bill would not have been added to the postal bill. So the question of equality would not enter into the picture.

If that procedure appeals to the Senate, I think it would be responsible procedure.

I have an agreement with ranking members of the Committee on Post Office and Civil Service to set a hearing in the early part of next week—Monday, Tuesday, or Wednesday—and to call all witnesses who may desire to testify concerning the proposal offered by the Senator from Louisiana [Mr. LONG] and my colleague, the junior Senator from Texas [Mr. YARBOROUGH]. The committee then could take action on that proposal one way or the other. I think that would be more orderly procedure. If that could be done, the postal rate and pay bill could be passed today.

Then the Senate could proceed to take up the classified pay bill and perhaps pass it without any amendments.

If the Senator from South Carolina would agree to withdraw the pending classified pay bill amendment, which he has offered, he would, in so doing, withdraw the Stennis amendment with it. Then the motion of the Senator from Florida would be in order.

If it were agreed to, the motion of the Senator from Oregon [Mr. MORSE] would be in order. If it were agreed to, the motion to reconsider the Long amendment would be in order. Then the motion to restore the Johnston amendment would be in order, and the bill could be passed.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CARLSON. Mr. President, I think the majority leader has worked out a satisfactory schedule of events which must take place in order to get this program back on schedule. I support it 100 percent, and I sincerely hope the Senate will do so.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. I think the suggestion made by the majority leader will give the Senate an opportunity to act on this question again, without making the classified pay bill a part of the postal rate and pay bill. This will enable the Senate to exercise its will on the matter of reconsideration concerning the Long amendment, and then to discuss the matter on its merits, if it has any. But preferably, to follow the suggestion made by the majority leader, that the matter be

taken up separately before the Committee on Post Office and Civil Service, would enable the Senate to pass the postal rate and pay bill tonight, and then to act separately on the classified pay bill.

Mr. DIRKSEN. Mr. President, I think the Stennis amendment is extremely bad. It asks Congress to memorialize itself. What it proposes is to have the Senate memorialize the Committee on Appropriations to provide more money. If more money is needed, let those who want it appear before the Committee on Appropriations. Anyone can appear.

I understand the amendment will be rejected if the procedure outlined by the majority leader shall be adopted. For that reason, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Carolina for the purpose of withdrawing his amendment, if he desires to do so.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with everything the majority leader has said. It will be remembered that it was several weeks ago when it was agreed to combine the bills.

For the information of the Senate, the House has passed bills on this subject, and they are on the floor at the present time, I understand. If we send this bill to the House, the House can send the Senate bill to conference. We are in a different situation at this time.

Mr. President, I withdraw my amendment, so that the matters can be considered separately.

Mr. LONG. Mr. President, can an amendment which has been agreed to be withdrawn?

The PRESIDING OFFICER. The amendment has not been agreed to.

Mr. SMATHERS. Mr. President, I move that the Senate reconsider the vote by which the Johnston amendment was agreed to.

Mr. LONG. Mr. President, I wish to address myself to that motion for a moment or two. A principle is involved which has always had some meaning to the junior Senator from Louisiana. It is that we ought to try to treat all Federal employees alike. I feel we should treat all of them fairly whether they happen to be high-paid or low-paid employees.

If there is to be a pay increase because of the increase in the cost of living, it seems to me we should take steps to see to it that that increase is made available to those with incomes of $5,000 to $10,000, as well as to those with incomes of only $3,000 or $4,000. If a pay raise is to be made, it seems to me that the employees in the classified service should be considered, as well as the employees who happen to be in the postal service.

Mr. President, in this instance, what are we told? In the first place, we have not heard on the floor of the Senate any argument as to why the Long-Yarborough amendment should be rejected.

I asked that the name of the junior Senator from Texas [Mr. YARBOROUGH] be added as a cosponsor of the amendment, because he originated it.

Here we have the principle that if we undertake to raise the pay of some of the Government employees, we should take steps to see to it that all of the Government employees are treated alike. The Senate agreed to do that; that is what the action taken by the Senate amounted to.

Subsequently, in arguments made from place to place—but certainly not made here on the floor of the Senate—it was said or whispered that a mistake had been made, and that therefore the vote by which the amendment was agreed to should be reconsidered.

I understand that it has been argued that the principle of treating the supervisors in the same way that the employees in the lower brackets are to be treated should not be applied to the employees in the classified service; I understand that it was argued that to apply the same principle to the employees in the classified service would perhaps cost a great deal of money.

Of course, Mr. President, I am one who believes that what is right is right; that if something is right for a postal worker, it is also right for a classified worker.

All of these provisions will be in conference. If Senators do not wish to vote to have the classified workers receive as much of a pay raise as the postal workers are to receive, Senators have a right to vote that way.

On the other hand, if the conferees submit a report which provides that the workers in the postal service shall receive a larger pay increase than that received by the workers in the classified service, I recognize that it is possible that such a report might be agreed to.

But, Mr. President, it seems to me that the principle of treating all alike is a fair one. Certainly it is one for which some of us would like to vote.

Here is the principal difference between the amendment offered by the junior Senator from Texas [Mr. YARBOROUGH] and myself and the Johnston amendment without the addition of our amendment.

The Johnston amendment provides for a 7½-percent pay increase, plus a $240 cost-of-living bonus. The 7½-percent increase would apply to all the workers. The $240 bonus would apply only to those in the lower pay grades. If a $240 bonus were applied straight across the board, naturally those in the lower pay brackets would receive, percentagewise, a much greater increase than would those in the upper brackets. Under those circumstances, a person in the lower pay brackets would be much happier to receive a lump-sum increase than to receive a percentage increase, whereas a person in the upper pay brackets obviously would fare better from a percentage increase than he would from a flat-cash increase.

But inasmuch as the committee has accepted the point of view of those in the lower pay brackets—namely, to include the provision for a straight-across-the-board cost of living bonus of $240—it should also permit those above the $5,000 bracket to receive such a bonus.

It seems to me that if the cash bonus proposal is to be accepted, we should recognize that the cost of living for those in the upper pay brackets has increased just as much as has the cost of living for those who happen to be in the lower pay brackets.

Some Senator pointed out, here on the floor, that approximately 3 years ago the Senate voted a large pay increase for the supervisors. That was done. That increase was, percentagewise, greater than the increase which other employees received—for the simple reason that certain groups of workers had been receiving pay raises year in and year out, while others had not received any raises in pay. So that change was made in order to do away with the many injustices which had been done in the case of those who, year in and year out, had been left out and who had the responsibility of supervising in the Government. That was done on the basis of the principle that lay behind the action we took some years ago, when we voted a pay raise for the members of the President's Cabinet, who had not received a pay raise in approximately 20 years' time.

Unless we should base our action on the principle of treating all alike once again the salary schedules will be out of line, and the workers in the lower-pay brackets will receive pay increases, whereas the workers in the upper Government-pay brackets will not.

It is my estimate that the bill without our amendment will cost $300 million. It is also my estimate that the amendment to take care of the pay raise proposed for the supervisors will cost approximately $9 million. The junior Senator from Texas [Mr. YARBOROUGH] has the cost figures in mind better than I do. Let me ask the Senator from Texas whether that is his understanding.

Mr. YARBOROUGH. That is correct. The estimates vary from $270 million to $309 million; but to take care of the pay increase for the supervisors will cost only approximately $9 million; and that $9 million will include raises for the second-class, and third-class postmasters.

I wish to point out that a general classified employee has many opportunities for promotion to the higher grades, whereas a third-class postmaster does not have such opportunities. Many of the postal employees do not have opportunities for promotion comparable to those enjoyed by the employees in the classified service.

Mr. NEUBERGER. Mr. President, I should like to ask a question: What type of pay advancement does the able junior Senator from Louisiana [Mr. LONG] think is the fairer? An across-the-board, flat increase for all the workers; or a percentage increase?

Mr. LONG. It seems to me that a percentage increase would be more equitable to all concerned. A case can be made for a lump-sum payment. Such a payment tends to favor those in the lower pay brackets.

Mind you, Mr. President, I do not object to a $240 lump-sum payment. But since such a payment would be more favorable to those in the lower pay brackets, I see no reason for objection

to omitting the supervisors entirely from such a provision.

Mr. NEUBERGER. Mr. President, does the Senator from Louisiana not think the situation is unusual, when 420,000 out of a total of 519,000 employees are in level 4, and when the top pay in level 4 is about $4,400? Furthermore, let me point out that practically all the employees in or below level 4 are the heads of families, and have very substantial responsibilities. Under those extraordinary circumstances—because the postal structure is not duplicated elsewhere in the Government, and is not duplicated at all in private industry—does not it seems fair to include a provision for a lump-sum bonus of $240?

Mr. LONG. How many did the Senator from Oregon say were in that group?

Mr. NEUBERGER. Four hundred and twenty thousand out of a total of five hundred and nineteen thousand.

Mr. LONG. Mr. President, let me point out that in this country there happen to be 4 million aged people who are living on public welfare. They are trying to get by on anywhere from $25 to $65 a month. I certainly would like to do something to aid them. I certainly hope the Senator from Oregon will be prepared to help us look after the needy and the aged.

But that is not the principle in this case. The pending measure is not a public-welfare measure. It is a measure to try to reward those who are entitled to receive a pay raise and to try to offset the increase in the cost of living to which they have been subjected. Not just a few of them have been subjected to the cost-of-living increase; all of them have been subjected to it.

I submit that if a pay increase is to be given to those in the lower pay brackets, the same principle should be applied to those who are in the upper pay brackets.

If, on the other hand, we simply increase the pay of those in the lower brackets, those at the bottom of the scale, in time we shall simply find ourselves back in the old, unsatisfactory, bad situation we were in some years ago, when, as a result of increasing the pay of those in the lower brackets, but not providing a similar increase in the pay of the supervisors, we found that the Government was not receiving proper supervisory services, and the Government service was suffering.

Mr. President, I hope very much that the Senate will reject the motion to reconsider the vote by which it adopted the amendment which the junior Senator from Texas [Mr. YARBOROUGH] joined me in submitting. I hope the motion will be rejected, because I am satisfied that the principle of providing for fair treatment for all the employees will be better served by means of our amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida [Mr. SMATHERS] that the Senate reconsider the vote by which it agreed to the amendment submitted by the Senator from South Carolina [Mr. JOHNSTON].

The motion to reconsider was agreed to.

Mr. MORSE. Mr. President, I want the junior Senator from Louisiana to know I think the objective he has in mind is sound. We have to face up to the situation that we are going to have a postal bill get through the Senate. We have a commitment from the majority leader, from the ranking minority member of the committee [Mr. CARLSON], and from the chairman of the committee [Mr. JOHNSTON], that early next week hearings will be held on the very problem the Senator from Louisiana has just raised. In my opinion, procedurally that is the best way to handle the matter. It takes us out of a very difficult parliamentary situation.

Therefore, Mr. President, I move that the Senate reconsider the vote by which the Long amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to reconsider the vote by which the Long amendment to the Johnston amendment was agreed to.

The motion to reconsider was agreed to.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The question recurs on the adoption of the Long amendment, does it not?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the Long amendment to the Johnston amendment.

The amendment to the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, a parliament inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The question now is on agreeing to the Johnston amendment, as amended; is it not?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the Johnston amendment, as amended.

The Johnston amendment, as amended, was agreed to.

Mr. JOHNSON of Texas. Mr. President, I understand the Senator from Kansas has an amendment he would like to submit at this time.

Mr. CARLSON. Mr. President, this afternoon the Senator from Oklahoma and I had a colloquy about striking out lines 13 through 16 on page 48 of the bill. I asked unanimous consent that the language be stricken. When that was done, the preceding paragraph ended with a semicolon.

I move that, in lieu of the semicolon, a period appear on line 12, and that the word "and" be placed between the words "organizations" and "for," on line 9, page 48, in order to make the section read sensibly.

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator will yield, I will say to him that in a moment I shall make a unanimous consent request that will take care of such matters.

Mr. CARLSON. I have been advised by the legislative counsel that it is necessary to take this action.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that in the engrossment of the amendments of the Senate to the bill, H. R. 5836, the Secretary of the Senate be authorized to make all necessary clerical and technical changes, including such changes in section, subsection, and paragraph numbers and references thereto as may be necessary to the proper numbering and lettering of the bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina yield so that I may address an inquiry to him?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DOUGLAS. To how many classes will the $240 cost-of-living bonus be applied? Will it be applied to the first 3 classes or to the first 5 classes?

Mr. JOHNSTON of South Carolina. The first five classes.

Mr. DOUGLAS. I thank the Senator.

Mr. KNOWLAND. Mr. President, before we finally take action on the postal rate and postal pay bill, I should like to state I am informed that, by the action of the Senate on those combined bills up to this time, we have provided for an increase in postal revenues of approximately $700 million annually, based on a 4- and 5-cent combination first-class rate, and the other rates put into the postal rate bill; that, in connection with the postal pay provisions, the cost of the amendments thus far adopted will be approximately $350 million; that the estimated postal deficit, when we consider the coming year and what it has been without any rate or any pay bill, and with the passage of the postal rate bill and assuming that the postal pay provision goes through as is presently in the proposed legislation before us, will remain at approximately $350 million.

I thought that information should be available to the Senate.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CASE of New Jersey. Am I not correct in understanding that the $350 million cost of the bill as it now stands includes several million, perhaps nearly as much as $40 million to $50 million, on account of the retroactive feature, which will not be repeated on an annual basis?

Mr. KNOWLAND. Yes; I believe that statement is correct.

Mr. CASE of New Jersey. So the annual cost will be approximately between $300 million and $310 million?

Mr. KNOWLAND. I think that is generally correct.

Mr. JOHNSON of Texas. Mr. President, I do not care to provoke any arguments about it, because it is very difficult to determine which figures are accurate. I know my distinguished colleague has been using the most recent

figures he has been able to obtain, but I remind him that we were told that it was going to cost $270 million. Then we were told it was going to cost $320 million. We have added nothing and now we are told it is going to cost $350 million. In any event, we are in the process of passing a bill which will supply twice as much revenue as the pay raises will cost. If we do that each year, pretty soon we shall clear up the deficit of the Post Office Department.

Mr. KNOWLAND. I merely desired to point out, however, that the revenues I indicated are based on a 5-cent rate outside local zones, and on a 4-cent rate inside local zones. Should the 5-cent rate provision be eliminated, I understand it would result in reducing the estimated revenue by approximately $200 million.

Mr. JOHNSON of Texas. I have no thought that it will be eliminated in the Senate before we pass this bill. What the House does is a matter for that body to decide. I only hope we can take action on the bill so we can proceed to the consideration of the classified pay bill.

Mr. THYE. Mr. President, I do not care to associate myself with those who think a rate bill should be tied to a wage increase to which workers are justly entitled. The workers are entitled to increases whether we raise postal rates 1 cent or not. They are justly entitled to increases. It was on that basis that I voted. If some revenues are to be gained through passage of the rate bill, that is to the advantage of the Treasury Department.

Mr. JOHNSON of Texas. The Senator from Minnesota will not get me into an argument on that matter.

Mr. JOHNSTON of South Carolina. Mr. President, we all will have to acknowledge that the provisions we have agreed to thus far will result in increases in rates which will amount to about $750 million. Personally, I have never thought that we ought in any way to tie increased postal rates to increased pay for workers, whether they be in the Post Office Department or in any other department. A provision was agreed to that 15 percent ought not to be charged against the Post Office, and that is written in the bill. If that amount is deducted, it will be seen the Post Office Department has balanced its budget, and more.

Mr. MORSE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from Oregon.

Mr. MORSE. As my colleagues sitting around me can testify, I voted against the Johnston amendment, which seeks to bring together the postal-rate bill and the salary or wage bill, for the reasons I set forth in a speech earlier this week, and for the reasons I have stated in answering the many requests from my home State, from postal workers, to do exactly what the Johnston amendment calls for.

I want the RECORD to show that I am against that parliamentary procedure in the handling of rate and wage legislation.

I wish to say, as I have said before, that I am in favor of the postal workers getting the increase which is called for by the postal wage bill.

We are now in an accomplished fact situation, where the bill will go to conference. It will be my position from now on, having done the best I could to oppose the combining of the two bills, to support the best bill that may come out of conference.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New York.

Mr. JAVITS. There are in my State the largest number of postal workers of any State in the United States. I think the end result of legislation is what counts. Those workers are entitled to justice. We have been trying to get it for them. This seems to me to be the constructive and effective way to do it. I am in favor of this proposed legislation, because it is the effective way to obtain for those workers a raise in pay, instead of just talking about it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. COOPER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. COOPER. Mr. President, the reason I asked for the yeas and nays, which have been refused, is, as I mentioned a few moments ago, some of us have been voting "yea" as to some amendments and "nay" as to some amendments. I asked for the yeas and nays so that I could be recorded as in favor of passage of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 5836) was passed.

The PRESIDING OFFICER. Without objection, the title of the bill will be appropriately amended.

The title was amended so as to read: "An act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes."

Mr. CARLSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion of the Senator from Kansas to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Kansas [Mr. CARLSON] to reconsider.

The motion to lay on the table was agreed to.

FEDERAL EMPLOYEES PAY ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 740, S. 734.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to proceed to consider the bill.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with an amendment in the nature of a substitute, and subsequently with an additional amendment, in lieu of the committee substitute for the bill, to insert the following:

That this act may be cited as the "Federal Employees Pay Act of 1958."

SEC. 2. (a) Section 603 (b) of the Classification Act of 1949, as amended (5 U. S. C. 1113 (b)), is amended to read as follows:

"(b) The compensation schedule for the General Schedule shall be as follows:

"Grade	Per annum rates					
GS-1	$2,960	$3,070	$3,160	$3,250	$3,340	$3,430
GS-2	3,270	3,360	3,450	3,540	3,630	3,720
GS-3	3,505	3,595	3,685	3,775	3,865	3,955
GS-4	3,760	3,850	3,940	4,030	4,120	4,210
GS-5	4,090	4,235	4,380	4,525	4,670	4,815
GS-6	4,530	4,675	4,820	4,965	5,110	5,255
GS-7	5,010	5,155	5,300	5,445	5,590	5,735
GS-8	5,490	5,635	5,780	5,925	6,070	6,215
GS-9	5,995	6,140	6,285	6,430	6,575	6,720
GS-10	6,505	6,650	6,795	6,940	7,085	7,230
GS-11	7,100	7,330	7,560	7,790	8,020	
GS-12	8,370	8,600	8,830	9,060	9,290	
GS-13	10,000	10,250	10,500	10,750	11,000	
GS-14	11,500	11,750	12,000	12,250	12,500	
GS-15	12,900	13,200	13,500	13,800		
GS-16	14,300	14,600	14,900	15,200		
GS-17	15,800	16,100	16,400	16,700		
GS-18	17,500"					

(b) The rates of basic compensation of officers and employees to whom this section applies shall be adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the

corresponding scheduled or longevity rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between 2 scheduled or 2 longevity rates, or between a scheduled and a longevity rate, of a grade in the General Schedule, he shall receive basic compensation at a rate equal to the rate he received immediately prior to such effective date increased by an amount equal to the amount of the increase made by this section in the next lower scheduled rate of his grade.

(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended.

(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2 (b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208 (b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208 (b) of the act of September 1, 1954, and (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (C) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208 (b) of such act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

(5) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, was promoted from one grade under the Classification Act of 1949, as amended, to another such grade at a rate which is above the minimum rate thereof, his rate of basic compensation shall be adjusted retroactively from the effective date of this section to the date on which he was so promoted, on the basis of the rate which he was receiving during the period from such effective date to the date of such promotion and, from the date of such promotion, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule for such officer or employee which was in effect (without regard to this act) at the time of such promotion.

(6) Except as provided in paragraph (7) of this subsection, if the officer or employee is receiving basic compensation immediately prior to the date of enactment of this act as a result of action taken under section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), he shall receive the higher of either (A) a rate of basic compensation at the scheduled rate in effect on the effective date of this section to which he would have been entitled under the provisions of section 701 of the Classification Act of 1949 (5 U. S. C. 1121) had such action under section 803 not been taken, or (B) a rate of basic compensation at the scheduled rate in effect on such effective date which is equal to his existing rate, or if there is no such scheduled rate equal to his existing rate, then at the next higher scheduled rate: *Provided*, That upon approval by the Civil Service Commission, based upon a determination that such action is equitable, any such employee may be paid at any scheduled rate not in excess of the rate which he was receiving on the date of enactment of this act, adjusted in accordance with paragraph (1), (2), or (3) of this subsection.

(7) If the officer or employee has had his rate of basic compensation adjusted, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on the effective date of this act and ending on the date of enactment of this act—

(A) his rate of basic compensation shall be adjusted retroactively in accordance with the initial conversion rules prescribed in paragraph (1), (2), and (3) of this subsection for the period beginning on the effective date of this section and ending on the effective date of such adjustment under such section 803, on the basis of the rate or rates which he was receiving during such period; and

(B) on and after the effective date of such adjustment under such section 803, he shall receive a rate of basic compensation adjusted in accordance with paragraph (6) of this subsection.

(8) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, became subject to the Classification Act of 1949, as amended, at a rate of basic compensation which was fixed on the basis of a higher previously earned rate and which is above the minimum rate of the grade of such officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this act) at the time he became subject to the Classification Act of 1949, as amended.

(9) Each officer or employee—

(A) (i) who with his position has been transferred under authority of the Classification Act of 1949, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, from the General Schedule of the Classification Act of 1949 to a prevailing rate schedule, or (ii) who, at any time during such period, transferred from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule,

(B) who, at all times subsequent to such transfer, was in the service of the United States (including the Armed Forces of the United States) or of the municipal government of the District of Columbia, without break in such service of more than 30 consecutive calendar days and, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, without break in service in excess of the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia,

(C) who, on such date of enactment, is being compensated under a prevailing rate schedule, and

(D) whose rate of basic compensation on such date of enactment is less than the rate to which he would have been entitled on such date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault),

shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such date of enactment (including compensation for each within-grade and longevity step-increase which he would have earned) if such transfer had not occurred until the day immediately following such date of enactment, for all time in a pay status on and after the effective date of this section in a position subject to a prevailing rate schedule under the circumstances prescribed in this subsection, until—

(a) he leaves the position which he holds on such date of enactment, or

(b) he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule; but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with prevailing rate schedules.

SEC. 3. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U. S. C., sec. 102 (a) (2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604 (a) (5), or section 672 to 675, inclusive, of title 28 of the United States Code are hereby increased by amounts equal to the increases provided by section 2 of this act in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations of $13,485 and $18,010 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges contained in the paragraph under the heading "Salaries of Supporting Personnel" in the Judiciary Appropriation Act, 1958, or in any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this act.

(c) Section 753 (e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out "$6,450" and inserting in lieu thereof "$6,935".

SEC. 4. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7.5 percent of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the month following the date of enactment of this act, to the lowest multiple of $.40 which will provide a gross rate of compensation not less than the gross rate such employee

was receiving immediately prior thereto, except that (1) the provisions of this subsection shall not apply in the case of any employee if on or before the 15th day following the date of enactment of this act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish this subsection to apply to such employee, and (2) no increase in compensation shall result from such adjustment in basic compensation for any period prior to the date thereof.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate and House of Representatives (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the Legislative Counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Legislative Counsel of the House of Representatives, the Coordinator of Information of the House of Representatives, and the Chief Clerk of the Senate are hereby increased by 7.5 percent.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "Senate" in the Legislative Appropriation Act, 1956, is amended to read as follows:

"No officer of employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation, at a rate in excess of $16,000 per annum, unless expressly authorized by law."

(e) The provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the Senate" in the Legislative Appropriation Act, 1958, or in any subsequent appropriation act, but the limitations contained in such paragraph are hereby increased by the amounts necessary to provide increases corresponding to those provided by subsection (a).

(f) The Official Reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a).

(g) The additional compensation provided by subsection (a) shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act.

(h) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, is amended by striking out so much of the second sentence thereof as follows the words "First Supplemental Appropriation Act, 1947," and inserting in lieu thereof the following: "the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and the minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,040 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of $8,880 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,460 per annum."

(i) No officer or employee shall be paid increased or additional compensation for any period prior to the first day of the month following the date of enactment of this act at a rate in excess of 7.5 percent of his gross rate of compensation computed without regard to the amendment made by subsection (d).

(j) The position of Chief Nurse in the Senate Office Building, under the Office of the Architect of the Capitol, shall be established and allocated to grade 9 of the General Schedule of the Classification Act of 1949, as amended, so long as such position is held by the present incumbent.

SEC. 5. (a) The last sentence of section 1403 (d) of the Veterans' Benefits Act of 1957 (71 Stat. 130; Public Law 85-56), relating to the annual salaries of the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration is amended by striking out "$13,225 minimum to $14,300 maximum" and inserting in lieu thereof "$14,300 minimum to $15,200 maximum."

(b) Section 1403 (e) of such act, relating to the annual salaries of the Director of Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

(1) by striking out "$11,610" and inserting in lieu thereof "$12,600"; and

(2) by striking out "$10,320" and inserting in lieu thereof "$11,250."

(c) Section 1403 (f) of such act, relating to the annual salaries of the chief pharmacist, the chief dietitian, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$10,320" and inserting in lieu thereof "$11,250".

(d) Section 1407 (a) of such act, relating to maximum and minimum annual rates of salary of certain employees of the Medical Service, Dental Service, and Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"Class 1	$16,000	$16,500	$16,940	$17,380	$17,500		
Class 2	13,860	14,190	14,520	14,850	15,180	$15,510	$15,840
Class 3	11,550	11,880	12,210	12,540	12,870	13,200	13,530
Class 4	9,765	10,040	10,315	10,590	10,865	11,140	11,415
Class 5	7,955	8,225	8,495	8,765	9,035	9,305	9,575
Class 6	6,560	6,775	6,990	7,205	7,420	7,635	7,850
Class 7	5,485	5,645	5,805	5,965	6,125	6,285	6,445
Class 8	4,625	4,785	4,945	5,105	5,265	5,425	5,585 $5,745"

(b) Section 415 of such act, as amended, is amended to read as follows:

"SEC. 415. There shall be 22 classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum rates of salary of staff officers and employees within each class shall be as follows:

"Class 1	$11,770	$12,120	$12,470	$12,820	$13,170		
Class 2	10,815	11,115	11,415	11,715	12,015		
Class 3	9,895	10,175	10,455	10,735	11,015		
Class 4	8,890	9,165	9,440	9,715	9,990		
Class 5	8,200	8,435	8,670	8,905	9,140	$9,375	
Class 7	7,515	7,725	7,935	8,145	8,355	8,565	
Class 7	6,830	7,035	7,240	7,445	7,650	7,855	
Class 8	6,145	6,350	6,555	6,760	6,965	7,170	
Class 9	5,455	5,660	5,865	6,070	6,275	6,480	
Class 10	5,000	5,175	5,350	5,525	5,700	5,875	$6,050
Class 11	4,540	4,680	4,820	4,960	5,100	5,240	5,380
Class 12	4,085	4,225	4,365	4,505	4,645	4,785	4,925
Class 13	3,645	3,785	3,925	4,065	4,205	4,345	4,485
Class 14	3,225	3,365	3,505	3,645	3,785	3,925	4,065
Class 15	3,020	3,125	3,230	3,335	3,440	3,545	3,650
Class 16	2,810	2,880	2,950	3,020	3,090	3,160	3,230
Class 17	2,600	2,670	2,740	2,810	2,880	2,950	3,020
Class 18	2,395	2,465	2,535	2,605	2,675	2,745	2,815
Class 19	2,190	2,260	2,330	2,400	2,470	2,540	2,610
Class 20	1,980	2,050	2,120	2,190	2,260	2,330	2,400
Class 21	1,770	1,840	1,910	1,980	2,050	2,120	2,190
Class 22	1,565	1,635	1,705	1,775	1,845	1,915	1,985"

SEC. 7. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof a new subsection as follows:

"(f) The Administrator of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

"(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

"MEDICAL SERVICE

"Chief grade, $12,600 minimum to $13,800 maximum.

"Senior grade, $11,250 minimum to $12,500 maximum.

"Intermediate grade, $9,750 minimum to $11,000 maximum.

"Full grade, $8,140 minimum to $9,290 maximum.

"Associate grade, $6,870 minimum to $8,020 maximum.

"Junior grade, $6,360 minimum to $7,230 maximum.

"DENTAL SERVICE

"Chief grade, $12,600 minimum to $13,800 maximum.

"Senior grade, $11,250 minimum to $12,500 maximum.

"Intermediate grade, $9,750 minimum to $11,000 maximum.

"Full grade, $8,140 minimum to $9,290 maximum.

"Associate grade, $6,870 minimum to $8,020 maximum.

"Junior grade, $6,360 minimum to $7,230 maximum.

"NURSING SERVICE

"Assistant Director, $8,140 minimum to $9,290 maximum.

"Senior grade, $6,870 minimum to $8,020 maximum.

"Full grade, $5,850 minimum to $6,720 maximum.

"Associate grade, $5,085 minimum to $6,010 maximum.

"Junior grade, $4,330 minimum to $5,250 maximum."

(e) Section 1408 (d) of such act, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$13,760" and inserting in lieu thereof "$15,200".

SEC. 6. The Foreign Service Act of 1946, as amended, is amended as follows:

(a) The schedule contained in section 412 of such act, as amended, is amended to read as follows:

SEC. 8. Section 505 (b) of the Classification Act of 1949, as amended, is amended by striking out "twelve hundred and

twenty-six" and inserting "eighteen hundred", by striking out "three hundred and twenty-nine" and inserting "four hundred and seventy-five", and by striking out "one hundred and thirty" and inserting "one hundred and ninety".

SEC. 9. (a) The first section of the act of of August 1, 1947 (Public Law 313, 80th Cong.), as amended is amended by striking out "one hundred and twenty" and "twenty-five" in subsection (a) and inserting in lieu thereof "four hundred and fifty" and "fifty", respectively.

(b) Such section is further amended by striking out "thirty" in subsection (b) and inserting in lieu thereof "one hundred and fifty".

(c) Such section is further amended by adding at the end thereof the following new subsections:

"(d) The Secretary of the Interior is authorized to establish and fix the compensation for not more than 10 scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"(e) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"(f) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"(g) The Secretary of Commerce is authorized to establish and fix the compensation for not more than 50 scientific or professional positions in the Department of Commerce, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel."

(d) Section 3 of such act is amended by inserting after "Secretary of Defense" a comma and the following: "the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare," and by inserting after "Military Establishment" a comma and the following: "the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare,".

SEC. 10. The Chief and the Assistant Chief of the Training and Standards Branch of the National Institute of Mental Health shall be paid basic compensation at the rate of $17,500 per annum, except that if the person holding either such office is subject to the provisions of the Career Compensation Act of 1949, as amended, such person shall be paid such compensation as, when added to his pay and allowances under such act, will cause his total compensation to be at the rate of $17,500 per annum.

SEC. 11. Except as provided in sections 4 (c) and 9, (1) no rate of compensation or salary which is $17,500 or more per annum shall be increased by reason of this act, and (2) no rate of compensation or salary shall be increased by reason of this act to an amount in excess of $17,500 per annum.

SEC. 12. (a) During the calendar quarter beginning on April 1, 1958, no appointment may be made to any civilian office or position in the executive branch of the Government.

(b) During any calendar quarter beginning after July 1, 1958, the total number of appointments made to civilian officers and positions in the executive branch of the Government shall not exceed a number equal to one-third of the vacancies which occurred in such offices and positions during the preceding calendar quarter.

(c) As used in this section, the terms "office" and "position" shall not include—

(1) any office or position required to be filled by the President by and with the advice and consent of the Senate;

(2) a postmaster of the fourth class;

(3) any office or position filled from within the department or agency;

(4) any office or position held by an officer or employee paid wholly from a trust fund, or a fund derived from a trust account;

(5) any office or position held by an employee employed without compensation;

(6) any position held by a seasonal or casual worker;

(7) any office or position the filling of which is determined by the President to be necessary to the effective administration, execution, and operation of the national health, security, welfare, and management functions and activities of the Government;

(8) any office or position filled by any person in the exercise of reemployment rights under section 9 of the Universal Military Training and Service Act or any other provision of law conferring reemployment rights upon persons who have performed active duty in the Armed Forces, or by any person required to be restored to an office or position pursuant to an order of the Civil Service Commission or of any court; and

(9) any office or position in the General Accounting Office.

(d) The provisions of this section shall not apply during any calendar quarter if at the end of the preceding calendar quarter the aggregate number of full-time civilian officers and employees (including the full-time equivalent of part-time employment but excluding employees holding positions referred to in subsection (c) (4), (5), and (6)) does not exceed 2,150,000 or such other figure as may be established from time to time by Executive order of the President.

(e) The President may authorize the Director of the Bureau of the Budget to promulgate such rules and regulations as may be necessary to carry out the provisions of this section.

(f) The provisions of subsection (a) of this section shall not be construed to prohibit any appointment which is made pursuant to a commitment made prior to the date of enactment of this act.

SEC. 13. (a) (1) Clause (2) of that paragraph of section 602 of the Classification Act of 1949, as amended (5 U. S. C. 1112), which defines the level of difficulty and responsibility of work in grade 5 of the General Schedule (GS–5) is amended to read as follows:

"(2) to perform, under immediate supervision, and with little opportunity for the exercise of independent judgment, simple and elementary work requiring professional, scientific, or technical training; or".

(2) Clause (2) of that paragraph of the same section which defines the level of difficulty and responsibility of work in grade 7 of the General Schedule (GS–7) is amended to read as follows:

"(2) under immediate or general supervision, to perform somewhat difficult work requiring (A) professional, scientific, or technical training, and (B) to a limited extent, the exercise of independent technical judgment; or".

(b) The Civil Service Commission shall exercise its authority to issue such standards or regulations as may be necessary for the administration of subsection (a) of this section.

SEC. 14. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this act are hereby authorized to be increased, effective on or after the first day of the first pay period which began on or after October 1, 1957, by amounts not to exceed the increases provided by this act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(b) Any appropriation required to be apportioned pursuant to section 3679 of the Revised Statues, as amended, may be apportioned on a basis indicating the need for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such increases as may be granted officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law, but only to the extent that such increases do not exceed the increases provided by this act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(c) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

SEC. 15. (a) Retroactive compensation or salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid (1) to an officer or employee who retired during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended, for services rendered during the period beginning on the first day of the first pay period which began on or after October 1, 1957, and ending on the date of enactment of this act by an officer or employee who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 16. (a) Except as provided in subsection (b) of this section, this act shall take effect as of the first day of the first pay period which began on or after October 1, 1957.

(b) This section, the first section, and sections 4 (b), 4 (e), 4 (h), 4 (j), 10, 14, and 15 shall take effect on the date of enactment of this act.

(c) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this act shall be held and considered to be effective as of the date of such enactment.

Mr. JOHNSON of Texas. Mr. President, has the motion been acted upon?

The PRESIDING OFFICER. The motion has been agreed to.

Mr. JOHNSON of Texas. Mr. President, will the distinguished Senator from South Carolina [Mr. JOHNSTON] give an explanation of the bill?

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the committee amendment in lieu of the committee substitute for the bill be read.

The PRESIDING OFFICER. The title will be read by the clerk.

The CHIEF CLERK. A bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. JOHNSTON of South Carolina. Is that the star print of this year?

Mr. JOHNSON of Texas. May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the star print of the committee amendment be considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, this is a very simple bill, in that it provides a 7½-percent increase across the board. Since we have passed the other bill, to provide a pay increase for the postal workers, I do not see any reason whatsoever for not passing this bill immediately and sending it to the House. The House has under consideration a similar bill which has been reported.

Mr. JOHNSON of Texas. Mr. President, as I understand, the Senator from South Carolina is going to offer an amendment to the classified-pay bill to change the effective date from October to January. Is that a correct understanding?

Mr. JOHNSTON of South Carolina. That is the only change.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Is it in order that such an amendment be offered?

The PRESIDING OFFICER. Yes; the amendment is in order.

Mr. JOHNSTON of South Carolina. Mr. President, I send the amendment to the desk and ask that it be stated.

Mr. JOHNSON of Texas. Mr. President, will the clerk read the amendment which the Senator has at the desk?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out "October 1, 1957" wherever it appears and insert in lieu thereof "January 1, 1958."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from South Carolina has some perfecting amendments to offer.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk a perfecting amendment to the committee amendment. The amendment corrects a number of typographical or printing errors in the committee amendment. Also, it adjusts the number of additional jobs allocated to the Department of Defense to take into account an authorization in an appropriation bill and makes provision for future adjustments in similar situations.

I ask that these perfecting changes be considered en bloc.

The PRESIDING OFFICER. The clerk will state the amendments.

The CHIEF CLERK. On page 17, line 10, it is proposed to strike out "a new subsection as follows", and insert in lieu thereof "the following new subsections."

On page 17, line 15, strike out the quotation marks.

On page 17, between lines 15 and 16, insert the following:

(g) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades.

On page 18, line 2, strike out "eighteen hundred" and insert "seventeen hundred and ninety".

On page 18, line 4, strike out "four hundred and seventy-five" and insert "four hundred and seventy-two".

On page 18, lines 5 and 6, strike out "one hundred and ninety" and insert "one hundred and eighty-eight".

On page 18, line 11, strike out "four hundred and fifty" and insert "four hundred and thirty-five".

On page 19, line 18, strike out the quotation marks.

On page 19, between lines 18 and 19, insert the following:

(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation act authorizing an agency of the Government referred to in this act to establish and fix the compensation of scientific or professional positions similar to those authorized by this act, the number of such positions authorized by this act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation act.

On page 20, line 23, strike out "July 1" and insert "June 30."

On page 21, between lines 22 and 23, insert a new paragraph as follows:

(8) any office or position in a Department, agency, or other organizational unit if the President determines that the application of this section to such Department, agency, or unit, is not in the public interest;

On page 21, line 23, strike out "(8)" and insert "(9)."

On page 22, line 6, strike out "(9)" and insert "(10)."

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. I understand that the Senator has stated these changes constitute simply perfecting amendments to the bill?

Mr. JOHNSTON of South Carolina. Perfecting amendments, in that we have considered amendments this year to the bill of last year, which we introduced. We had to go through the bill to correct it. The Senator from Kansas [Mr. CARLSON], I am sure, will confirm that statement.

Mr. KNOWLAND. Have these amendments been approved by the committee?

Mr. JOHNSTON of South Carolina. They have been approved by the committee.

Mr. KNOWLAND. They were approved, and the Senator is merely requesting that the bill be perfected?

Mr. JOHNSTON of South Carolina. I refer to the bill which was reported last year. The committee adopted some amendments this year.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina that the amendments be considered en bloc? The Chair hears none, and without objection the amendments will be considered en bloc.

The question is on agreeing to the amendments offered by the Senator from South Carolina [Mr. JOHNSTON] en bloc.

The amendments were agreed to.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 18, after line 6, of the additional amendment to S. 734 it is proposed to insert a new paragraph as subsection (b) of section 8 as follows:

(b) Such section is further amended by striking out "thirty-seven" in subsection (c) and inserting in lieu thereof "seventy-five".

Mr. CARLSON. Mr. President, I discussed this amendment earlier. It will provide an increase in the salaries of a number of top-grade employees in the Federau Bureau of Investigation.

Mr. JOHNSON of Texas. Mr. President, I understand the amendment is acceptable to the chairman of the committee.

Mr. CARLSON. I have discussed the amendment with the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON].

The amendment was agreed to.

Mr. CARLSON. Mr. President——

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Kansas is recognized.

Mr. CARLSON. Mr. President, I move that section 10, beginning with line 15, on page 29 and including all of page 30 down through line 22 on page 31 be stricken from the bill.

The amendment under consideration, offered by the Senator from South Carolina will limit the number of persons

who can be employed by the Federal Government to 2,150,000. I am in favor and I think every other Senator is in favor of reducing the number of personnel, but this provision would make operations difficult. The chairman of the committee has agreed to accept the amendment, and I hope we can take care of the matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. CARLSON].

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, will the Senator repeat his amendment? Did I understand the Senator to begin on page 29 at line 10?

Mr. CARLSON. My amendment is to strike out the entire section 10.

Mr. JOHNSON of Texas. On what page of the bill is that?

Mr. CARLSON. Page 29.

Mr. HOLLAND. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may be excused from further attendance of the Senate today.

Mr. President, I want the RECORD to show that I am in favor of the pending bill, now being debated by the Senator from South Carolina.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? Without objection, leave is granted.

Mr. JOHNSON of Texas. Mr. President, there is some confusion about the proposed amendment.

Mr. JOHNSTON of South Carolina. There are two committee amendments, Mr. President.

Mr. CARLSON. Mr. President, if the majority leader will permit me to make a statement, I had before me the wrong amendment. I had in mind the same section, but in the new amendment it is section 12. I move that section 12 be deleted from the additional amendment.

Mr. JOHNSON of Texas. The Senator moves to eliminate section 12 from the additional amendment, now under consideration. Will the clerk state the amendment?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 20, line 19, it is proposed to strike out section 12, beginning with line 19 on page 20, down to and including line 24 on page 22.

Mr. JOHNSON of Texas. Mr. President, do I understand correctly that the motion of the Senator from Kansas is to strike all of section 12, which begins at line 19 of page 20 and runs through line 24 on page 22?

Mr. CARLSON. Mr. President, I am advised that that is the same language which is carried in the other amendment, and that is the language to which my amendment refers.

Mr. JOHNSON of Texas. I understand that the purpose of the amendment is to remove the limitation on the number of employees the Federal Government may have.

Mr. CARLSON. That is correct.

Mr. JOHNSON of Texas. The present limitation is 2,150,000.

Mr. CARLSON. If we should pass this bill, the limitation would be 2,150,000. At present we have two-million-three-hundred-thousand-odd.

Mr. JOHNSON of Texas. And that would be the ceiling we would have if the Senator's amendment were adopted?

Mr. CARLSON. No. There is no limitation, of course. At present we have some 2,300,000 Federal employees. If we should adopt this provision, not another employee could be hired. We would have to leave vacant every third position. That would work a real hardship.

This provision deals with a subject which should be handled by the Appropriations Committee. It does not belong in the bill, in my opinion.

Mr. JOHNSON of Texas. At present we have no statutory limitation on the number of employees. Is that correct?

Mr. JOHNSTON of South Carolina. That is entirely true.

Mr. JOHNSON of Texas. Under the bill as reported, a statutory limitation of 2,150,000 is set.

Mr. JOHNSTON of South Carolina. That is permissive on the part of the President. It is not mandatory.

Mr. JOHNSON of Texas. The Senator from Kansas proposed to strike the permissive limitation of 2,150,000, and the Senator from South Carolina is agreeable to that procedure.

Mr. JOHNSTON of South Carolina. I do not object to its being stricken.

Mr. JOHNSON of Texas. Then let us act upon the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. SALTONSTALL. The bill which we are about to pass provides for an increase of 7½ percent for the classified employees. Is that correct?

Mr. CARLSON. That is correct.

Mr. SALTONSTALL. Does it apply to all Federal employees, whether in Washington or elsewhere?

Mr. CARLSON. It does.

Mr. SALTONSTALL. That is all the bill does?

Mr. CARLSON. That is all.

Mr. SALTONSTALL. It provides for a 7½-percent increase from January 1, 1958.

Mr. CARLSON. Yes.

Mr. MAGNUSON. Mr. President, I should like to ask a question.

Does the figure of 2,300,000 plus represent more employees than we had 2 years ago, more employees than we had 4 years ago, and more Federal employees than we had 5 years ago?

Mr. CARLSON. I have a speech to make on that subject. However, I am glad to give the Senator the figures.

On January 31, 1952, there were 2,530,495 Federal employees.

On January 31, 1953, there were 2,640,000 Federal employees.

On January 31, 1954, there were 2,425,182 Federal employees.

On January 31, 1955, there were 2,366,536 Federal employees.

On January 31, 1956, there were 2,360,184 Federal employees.

On January 31, 1957, there were 2,401,320 Federal employees.

There has been a substantial reduction in the number of Federal employees in the past 5 years, based upon these figures.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. Let me complete my inquiry.

Mr. CARLSON. I do not wish to make a speech on the subject.

Mr. MAGNUSON. I have just been reading a book called Parkinson's Law. I recommend it to Senators.

I know that the Senator from Kansas will inform the Senate fully on this subject later. However, it seems to me that Federal employment has remained at pretty much the same level, between 2,300,000 and 2,500,000, over the past 5 years, varying back and forth. Is that a fair statement?

Mr. CARLSON. That is a fair statement.

Mr. MAGNUSON. To say that there has been a substantial reduction over a period of years is not quite correct, is it?

Mr. CARLSON. I assume so.

Mr. MAGNUSON. What about temporary employees?

Mr. CARLSON. I cannot give any information with respect to temporary employees. These figures relate to classified employees.

Mr. MAGNUSON. From the figures the Senator read, I suggest that the number has been pretty much the same. I do not intend to go into the merits of the question, but I think the public ought to know the facts. There has been much loose talk—not by the Senator from Kansas, and not so much in the United States Senate, but around the country—about cutting the Federal payrolls. We hear such talk at certain times of the year.

Mr. CARLSON. I think the Senate has a very high regard for the Senator from Virginia [Mr. BYRD]. He is chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. I have before me the last statement released by him, dated February 1, 1958. Let me give the figures for the past 6 months.

Mr. President, I ask that this statement be made a part of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HARRY F. BYRD, DEMOCRAT, OF VIRGINIA, CHAIRMAN OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, IN CONNECTION WITH THE MONTHLY REPORT ON FEDERAL PERSONNEL AND PAY FOR DECEMBER 1957

Executive agencies of the Federal Government reported civilian employment in the month of December totaling 2,324,569. This was a net decrease of 5,538 as compared with employment reported in the preceding month of November.

Civilian employment reported by the executive agencies of the Federal Government,

by months in fiscal year 1958, which began July 1, 1957, follows:

Month	Employment	Increase	Decrease
July	2,407,651	6,337	
August	2,400,082		7,569
September	2,366,398		33,684
October	2,339,994		26,404
November	2,330,107		9,887
December	2,324,569		5,538
Net decrease for 6 months of fiscal year 1958			76,745

Total Federal employment in civilian agencies during the month of December was 1,239,168, an increase of 1,652 as compared with the November total of 1,237,516. Total civilian employment in the military agencies in December was 1,085,401, a decrease of 7,190 as compared with 1,092,591 in November.

Civilian agencies reporting the larger decreases were Interior Department with 601, Veterans' Administration with 387, and Agriculture Department with 385. The largest increase was reported by the Post Office Department with 3,560.

Decreases in civilian employment in the Department of Defense were reported by the Department of the Army with 3,885, the Department of the Navy with 1,827, and the Department of the Air Force with 1,487.

Inside continental United States civilian employment decreased 4,856 and outside continental United States civilian employment decreased 682. Industrial employment by Federal agencies in December totaled 565,753, a decrease of 2,909.

These figures are from reports certified by the agencies, as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,324,569 civilian employees certified to the committee by the Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Goverment activities abroad, but in addition to these there were 232,523 foreign nationals working for the United States military agencies during December who were not counted in the usual personnel report. The number in November was 236,303. The breakdown of this employment for December follows:

Country	Total	Army	Navy	Air Force
Belgium	5			5
Denmark	1			1
England	5,577		36	5,541
France	23,027	16,330		6,697
French Morocco	5,184	87	907	4,190
Germany	87,746	74,040	371	13,335
Japan	105,550	52,563	18,111	34,876
Korea	4,758	4,758		
Malta	93		93	
Netherlands	40			40
Norway	25			25
Trinidad	517		517	
Total	232,523	147,778	20,035	64,710

Mr. CARLSON. Employment last July was 2,407,651. The increase for that month was 6,337.

In August, employment was 2,400,082, a decrease of 7,569.

In September, employment was 2,366,398, a decrease of 33,684.

In October, employment was 2,339,994, a decrease of 26,404.

In November, employment was 2,330,107, a decrease of 9,887.

In December, employment was 2,324,569, a decrease of 5,538.

The net decrease for 6 months of the fiscal year 1958 was 76,745.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MAGNUSON. Apparently some progress has been made during the past 6 months.

Mr. CARLSON. That is correct.

Mr. MAGNUSON. However, I point out that since 1952 the situation has been pretty much the same, the number varying from 2,350,000-plus, to 2,450,000-plus.

Mr. ALLOTT. What were the figures for 1952?

Mr. CARLSON. The figure for 1952 was 2,530,495; and for January 31, 1957, 2,401,322. The Senator is not far from correct.

Mr. DOUGLAS. Was the 1952 figure for December, or for the year as a whole?

Mr. MAGNUSON. I wonder if the committee could furnish the number of temporary employees?

Mr. DOUGLAS. That is what the Senator from Illinois was trying to approach. I was trying to find out to what month the figure of 2,530,495 employees applied.

Mr. CARLSON. On January 31, 1952, there was a total of 2,530,495 Government employees.

Mr. DOUGLAS. Mr. President, will the Senator Yield?

Mr. CARLSON. I yield.

Mr. DOUGLAS. Does this figure include all Government employees, including so-called blue-collar employees, as well as white-collar employees? Is it not true that the decrease is largely in the field of the blue-collar employees, rather than in the field of the white-collar employees? This point is very significant because it deals with the question of Government armories, and contract work. This is a very significant point.

Mr. CARLSON. Let me read from the statement of the Senator from Virginia [Mr. BYRD]. I think it explains fully what he has in mind. He has all the figures, including the figures for foreign personnel, and classified workers.

Mr. DOUGLAS. Does that refer to blue-collar workers, hourly workers, and classified workers?

Mr. CARLSON. I assume that these are the figures the Senator has in mind. Decreases in civilian employees in the Department of Defense were reported as follows. By the Department of the Army, 3,885; Department of the Navy, 1,827; the Department of the Air Force, 1,487. That is what the Senator had in mind, I believe.

Mr. DOUGLAS. That is merely for 1 month. If the Senator from Kansas, with his customary accuracy, goes back over the past 5 years, I believe he will find that such reductions as have been effected have been in the field of hourly employees working in the Department of Defense, in the shipyards, and in the armories. So far as the white-collar employees are concerned—the bureaucracy, that is—I believe he will find that they have multiplied.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MONRONEY. The figures show that there has been a marked decrease in the blue collar defense workers in all three branches. There has been an increase in the white collar workers throughout the entire Government. Whatever reductions have been made have been made in connection with manual workers for defense, primarily work that has been done in Government-maintained plants, air depots, arsenals, and so forth, and is work which was given to General Motors, General Electric, Pratt & Whitney, and other organizations of private enterprise. No saving has been made. More money has been spent in higher wages and invested capital than we have saved by reducing the number of the blue collar workers.

Mr. DOUGLAS. This is extremely important. I hope the Senator from Kansas will give us figures showing the number of classified workers by years from 1952 on.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I believe the figures would be very revealing if we were to take only one department of the Government. I wonder whether the Senator has figures for the Department of Agriculture. I mention that Department because when Mr. Benson became the Secretary of Agriculture, he reminded the country that he was going to cut down on the unnecessary employees, as he put it, in the Department, and reduce personnel. It is my understanding that the number of employees has gone up about 20 percent, the same percent that farmers have come off the farms. Does the Senator have any figures on Mr. Benson's recruitment program for additional employees?

Mr. CARLSON. No. However, I should like to read a statement into the RECORD.

Mr. HUMPHREY. I will supplement the RECORD with those figures on Monday.

Mr. CARLSON. I wish to read these figures.

This morning the Civil Service Commission furnished me with the following figures. It will be noted that they include Federal employment in all areas in all branches of Government, including legislative employees. The Civil Service Commission compiled this statistical table to cover the period from January 31, 1953, up to and including November 30, 1957, which includes the period of time of the present administration.

January 31, 1953, 2,649,441.
January 31, 1954, 2,425,182.
January 31, 1955, 2,366,539.
January 31, 1956, 2,360,184.
January 31, 1957, 2,401,322.

November 30, 1957—these are the last figures that have been compiled—2,344,804. Therefore, there has been a reduction of more than 300,000 since 1953. These are the classified workers, including those in the legislative branch.

SEVERAL SENATORS. Vote! Vote!

Mr. MONRONEY. Mr. President, will the Senator yield for an amplifying question?

Mr. CARLSON. I yield.

Mr. MONRONEY. The pending bill, the Johnston bill, reported by the committee, is retroactive for classified workers, the same as the amendment we adopted for the postal workers, and that retroactive date is January 1 of this year; is that correct?

Mr. CARLSON. That is correct.

Mr. MONRONEY. So that by voting for this bill we will be voting retroactivity for the classified workers, just as we voted it for the postal workers.

Mr. CARLSON. The Senator is correct.

Mr. MONRONEY. I think we should do that.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The question is on the amendment of the Senator from Kansas [Mr. CARLSON] to strike out section 12 of the committee and substitute the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendment to the amendment was agreed to.

Mr. STENNIS. Mr. President, I send my amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 26, between lines 2 and 3, it is proposed to insert a new paragraph, as follows:

SEC. 16. It is the sense of the Congress that appropriations for cooperative agricultural extension work and appropriations for payments to State agricultural experiment stations for the fiscal year beginning July 1, 1958, should include additional amounts sufficient to provide increases in the portion of the compensation of persons employed in such work or by such stations, which is paid from such appropriations, corresponding to the increases provided for employees under this act.

On page 26, line 3, strike out "section 16" and insert "section 17."

The PRESIDING OFFICER. Will the Senator from Mississippi yield briefly to the junior Senator from Oregon, who has been seeking recognition to make a brief statement?

Mr. STENNIS. I shall be glad to yield for that purpose.

Mr. NEUBERGER. Mr. President, as chairman of the subcommittee which reported S. 734, I have prepared a rather extensive statement, analyzing the bill and explaining very fully the reasons for its passage. At this late hour I will merely ask unanimous consent that the statement be printed in the RECORD at this point rather than being read in detail.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

The legislative situation in regard to S. 734 is the same as in the case of S. 27, the bill to increase the pay of postal employees. It has been on the Senate Calendar since last year. Its provisions are well understood. The reasons why it should be enacted are well known.

In these circumstances, I will confine my remarks to an explanation of the substantive changes made by the committee amendment and at the same time show how they dovetail with other features of the bill and the overall Federal pay pattern.

PAY INCREASE

With but minor exceptions, the bill provides an across-the-board increase of 7½ percent to all employees whose pay is fixed under the Classification Act, or is related thereto. Accordingly, the increase will apply to some 975,000 employees directly subject to the Classification Act; some 19,700 employees in the Division of Medicine and Surgery in the Veterans' Administration; approximately 12,500 employees in the Foreign Service and related functions of the Department of State; employees in agencies such as the Atomic Energy Commission and the Tennessee Valley Authority whose rates of pay are fixed by administrative action; employees in the judicial branch; and legislative employees.

The coverage of the bill follows exactly the pattern established in other years.

The exceptions to the fixed percentage across-the-board increase are:

1. Top pay: The reported bill would not increase the existing $16,000, GS–18, salary ceiling. The committee amendment raises the ceiling of grade GS–18 to $17,500. That action made necessary minor adjustments in grade GS–13 and up in order to maintain a proper relationship between the pay rates of the higher grades of the pay schedule.

I anticipate some will wonder why that action was taken. Last year, when the bill was reported, the administration took a flat stand against an increase of any kind. This year, the administration recommended an increase with a further adjustment in the top grades, to provide a range of $18,000 to $19,500 in grade GS–18. The committee amendment recognizes the administration request but does not go the full distance. The $17,500 ceiling was believed to be an adequate and realistic figure at this time. There have been many unofficial expressions of approval from the administration of the committee action. In fact, it has been indicated that the pay pattern in the committee amendment is an improvement over the administration plan.

The adjustment in the upper grades of the Classification Act, amounting to something in excess of 7½ percent, is reflected in comparable pay levels clear across the Federal service except in the case of top legislative employees now receiving comparable rates of pay. In their case, they will not be given the adjusted increase but are limited to the flat 7½-percent increase and left subject to the old $16,000 ceiling. That was done to avoid any possible conflict that might serve to delay the bill. However, it is a matter that should be looked into and adjusted equitably at the earliest possible time. It is my belief, and certainly it was the belief of the majority of the committee that the top employees in the legislative branch are worth every bit as much as their counterparts in the other branches of the Government, and should receive equal treatment. I hope early attention will be given the matter for I do not think it proper that the disparity in salaries be allowed to exist for any considerable period of time.

2. Commission authorized increases: Section 803 of the Classification Act authorizes the Civil Service Commission to recruit and pay employees at any rate of the appropriate grade when a sufficient shortage of qualified personnel for the type of work involved is found to exist. Since the President vetoed the pay bills last year, the Commission has exercised its authority under section 803 with increased frequency in order to attract and retain skilled personnel, particularly in the engineering and scientific fields.

The actions of the Commission, while perfectly proper and certainly justified, have created somewhat of a problem. Let me outline the problem and explain how the committee amendment treats it.

Take, for example, a GS–7 engineer in the Federal service for something over a year. He would be at the second step of the grade, which carries a salary of $4,660. As a result of the Commission action, pursuant to section 803, he and all other engineers in grade 7 are raised to the top step of the grade and, hence, receives a salary of $5,335. Proportionately, his increase is greater than an employee who has been in the service longer and is in step 3. Likewise, the employee in step 3 receives a proportionately greater increase than the employee in step 4 and so on up to the point that the longtime employee at the top of grade received nothing at all.

S. 734 raises the bottom step of grade 7 from $4,600 to $4,865 and the top step from $5,335 to $5,735. Now then, S. 734 provides that such shall receive (1) his old rate as increased, or (2) his present salary, whichever is the greater. In the example cited, the employee would continue to receive his present salary of $5,335 because it is greater than his old rate as increased to $4,865. However, the bill then goes on to provide that such employee may, upon approval by the Commission, be given a salary at a step not in excess of the new salary for the step of the grade he now is in because of the 803 action. Thus, he could be paid at any rate up to $5,735, the salary for the top step of his grade. The sum and substance of the situation is that the committee believed that, as the action was taken by the Commission in the first instance, it should have full authority under the bill to adjust the pay of such employees as might be equitable so long as the employee is assured of a salary not less than he is currently receiving or he would receive after the bill is enacted, had not the 803 action occurred.

The committee amendment accepts fully a further recommendation of the administration. The administration, after long study and in the light of current conditions, recommended that the Classification Act be amended to permit the entry into the Federal service of certain types of highly qualified personnel, such as engineers and scientific personnel at grade 7 instead of grade 5. The committee amendment carries out this recommendation completely.

The administration recommended further that the ceiling be removed on the number of supergrades and the number of scientific positions under Public Law 313 that might be established. The committee amendment does not go that far. It does, however, authorize the full and exact number of such positions the administration said were needed now and in the immediate future. I think there can be no disagreement as to the committee's fairness in this matter.

The committee amendment makes one other substantive change in the reported bill. It makes the increases effective with the first pay period commencing on or after January 1, instead of following the date of enactment. The action in this instance is consistent with the postal pay bill.

Other changes made by the amendment are of a technical nature necessary and customary in a bill having a past rather than a future date.

I think the record should show that the cost of S. 734 exceeds the cost of the administration bill by only $40 million. This is relatively small in terms of the total Federal budget. That difference amounts to less than 75 cents per week per employee. The difference is not enough to be of concern to Wall Street.

Mr. NEUBERGER. I should like to say that I have an amendment to offer on behalf of myself and the Senator from Alabama. It will not be a controversial amendment. I trust it will be accepted. I wonder if the Senator would like to go ahead or permit me to offer my amendment.

Mr. STENNIS. I would not object to it, but I understand that my amendment is not controversial either. Mr. President, I modify my amendment by striking out, after "July 1, 1958," the words "and subsequent fiscal years."

The effect of that modification is to make the amendment apply only to the fiscal year beginning July 1, 1958.

I have conferred with the Senators who are interested in the amendment, and my impression is that the modification meets their objections. The record has already been made on the amendment. An explanation was made a few moments ago. The purpose, as was stated, is not to preclude the Appropriations Committee from doing anything; it is merely an expression of the sense of Congress with reference to these poorly paid extension workers and experiment station workers.

Mr. JOHNSTON of South Carolina. To expedite matters, and in order to get the bill passed, I shall be glad to take the amendment to conference.

Mr. BRIDGES. The Senator from Mississippi by his amendment as modified, corrects the one point to which I objected and to which the Senator from Illinois [Mr. DIRKSEN] objected.

He is not attempting to memorialize or bind or influence other Congresses; all he is attempting to do is to say what the present Congress feels the Appropriations Committee should consider this year.

Mr. STENNIS. The Senator is correct. The amendment will apply only for the fiscal year beginning July 1, 1958, as stated, and it is the hope of the author of the amendment that thereby the question will be brought to a head and will be worked out by the Committee on Appropriations with the extension service in the different States, and thereby progress will be made on this problem.

The PRESIDING OFFICER. Conversation will cease. The Senate will be in order.

Mr. DIRKSEN. Mr. President, earlier I expressed my disapproval of this approach. To me it is the height of fancy for the Senate formally to memorialize one of its committees to make more money available, when every Senator can come before the Appropriations Committee and present his case. However, since the amendment has been modified to apply only to the fiscal year beginning July 1, 1958, I shall not oppose the amendment, although I want the RECORD to show that I still think it is bad practice legislatively.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Mississippi [Mr. STENNIS].

The amendment, as modified, was agreed to.

Mr. NEUBERGER. Mr. President, on behalf of the senior Senator from Alabama [Mr. HILL] and myself, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 20, between lines 3 and 4, insert the following:

(e) Section 208 (g) of the Public Health Service Act, as amended (42 U. S. C. 210 (g)), is amended by striking out "60 positions" and inserting in lieu thereof "85 positions, of which not less than 75 shall be for the National Institutes of Health."

Mr. NEUBERGER. Mr. President, the amendment authorizes additional positions in the supergrades for the Public Health Service, particularly in the National Institutes of Health. This is where the basic research is being done in the fields of heart, cancer, and other diseases which afflict the human race. Difficulty is being encountered in keeping very able doctors on the Institutes' staff at low salaries.

The matter has been discussed with Dr. James A. Shannon, the Director of the National Institutes of Health. Also, I have had correspondence with the Secretary of Health, Education, and Welfare. The matter has been discussed with the chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON] and also with the ranking minority member of the committee, the Senator from Kansas [Mr. CARLSON].

Mr. JOHNSON of Texas. Mr. President, as I understand, the amendment is agreeable to the chairman of the committee and to the ranking minority member.

Mr. JOHNSTON of South Carolina. Mr. President, I think this is a very worthy amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Is the amendment in the third degree or the second degree? I could not tell.

The PRESIDING OFFICER. The amendment is in the first degree, inasmuch, as the committee substitute is considered as original text for the purpose of amendment.

Mr. DIRKSEN. Then, is it subject to amendment?

The PRESIDING OFFICER. It is open to amendment.

Mr. DIRKSEN. I have an amendment. I shall not offer it for the moment, but I shall raise a question. If it is proposed to start raising grades, then I shall propose to raise some grades in the Department of Justice, because in that Department there are supervising attorneys who are in the same grade as attorneys who work in the field. I think this is a matter which ought to have the attention of the Committee on Post Office and Civil Service.

If it is the intention of the Senator from Oregon to insist on his amendment, I shall offer my amendment in addition to it.

If we are going to chop at the bill tonight, I do not know what the ultimate result will be.

Even though the officials of the Public Health Service say the amendment of the Senator from Oregon is necessary, I think such proposals ought to be the subject of a hearing, just as I think the amendment I have ought to be the subject of a hearing. But I shall not press my amendment if the Senator from Oregon will withdraw his amendment.

Mr. NEUBERGER. As the chairman of the subcommittee which held hearings on the bill, I may say that after the bill was reported, I was importuned by the representatives of a number of Government departments. However, when I was told that the doctors who are working in the fields of cancer and heart disease and blindness for $10,000 or $11,000 a year have been offered pay of $50,000 a year in private practice or in consultative work, it seemed to me that the subject of their pay was one of prime and urgent importance.

I rejected, for the present, the requests of other departments, including departments in which I am vitally interested as affecting the region from which I come; but it seemed to me that National Institutes of Health should certainly take first priority if any additions were made to the bill.

Mr. DIRKSEN. That is a part of the general problem. Every agency and department of the Government is faced with the same problem. If we are going into the question of supergrades, the Department of Justice, the Department of Commerce, and other departments also have problems of a similar nature.

I dislike very much to see this matter pressed.

Mr. JOHNSTON of South Carolina. I think the Senator will find that about 400 such cases have already been included in the bill.

Mr. DIRKSEN. Where are the 400?

Mr. JOHNSTON of South Carolina. They are included in the bill. Representatives of those departments came before the committee this year. They include some which were placed in the bill today.

Mr. DIRKSEN. They are asking for some supergrades to iron out inequities.

I have called attention to the matter. I shall not delay the passage of the bill. I think it is poor practice to come forward with amendments at this hour, when the whole matter ought to have been consolidated in a single bill. Still, the Committee on Appropriations will not have to allow the money if it does not want to.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. I dislike to be put in this position. I should like to see every department treated equally and equitably.

Mr. JOHNSTON of South Carolina. That is what the committee is trying to do. The other departments are included in the bill; the National Institutes of Health is not.

Mr. DIRKSEN. The Department of Justice, with respect to the supergrades and advisory positions, is not.

Mr. JOHNSTON of South Carolina. I can tell the Senator that they are included in the bill.

Mr. DIRKSEN. Then why in the world did they call me and ask to be included?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon, for himself and the Senator from Alabama [Mr. HILL], to the committee amendment.

The amendment to the amendment was agreed to.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a statement I have prepared concerning the amendment just agreed to.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

I am particularly happy to be associated with Senator HILL in sponsoring this amendment. The amendment authorizes the establishment of 25 positions for research and scientific purposes in the National Institutes of Health. These positions are necessary if they are to continue the fine work they are now doing. This small number of positions constitutes the bare minimum required now and in the immediate future to carry out plans and programs under way or authorized.

Due to a series of unfortunate circumstances, the need for these positions was not fully developed or realized at the time the bill was under consideration by the Post Office and Civil Service Committee. Had this not been the case, I am confident they would have been provided for in the bill now on the calendar.

Today, when we are spending such vast sums for destruction or protection against destruction of human lives, I think we can well afford the expenditure of such a relatively small amount in the interest of finding ways of ending disease and human suffering. This is an urgent matter.

Mr. CARLSON. Mr. President, I think the Senate is about ready to act on the passage of the classified pay bill. After the bill has passed the Senate, it will go to the House Committee on Post Office and Civil Service, where it will receive careful consideration. Then it will be necessary to have House approval. Possibly a conference will be held on it.

I say to the classified workers, as I said to the postal employees when I expressed my position on the postal pay bill this afternoon, that I hope it will be possible to get a substantial increase for them. Whatever is done for the postal workers, I want to have done for the classified workers.

Mr. MANSFIELD. Mr. President, the junior Senator from Missouri [Mr. SYMINGTON] has made all reasonable efforts to be on the floor for the debate and vote dealing with the proposed pay increase for postal employees. Unfortunately, important commitments in his State have made it impossible for him to be here. He has asked that I have printed in the RECORD the following brief statement of his views on this question:

Pay increases for these essential public servants have been long overdue.

One cannot measure with any degree of precision the substantial worth of the services they perform, but it can be said, without any doubt, that the rising cost of living alone justifies a significant increase in their take-home pay.

If this, the most productive country in history, cannot carry out so clear-cut an obligation to its own employees, there is question as to its sense of responsibility in other obligations.

In the State of Missouri, we are experiencing a farm recession and an industrial recession. Regardless of their primary causes, their effects are interrelated and the people generally suffer.

Today, with the declining value of the dollar, our postal employees are actually receiving less purchasing power than they received last year or the year before.

It is, therefore, my hope that the Congress will act responsibly and that the administration will implement fully Congressional action to increase the salaries of these dedicated people who serve the public so well.

Mr. McNAMARA. Mr. President, I have a very brief statement I should like to make before the vote is taken.

When I addressed the Senate on Wednesday on the postal rate bill, I noted that the form of the amendments or the questions to be voted on might not fairly reflect my real views.

That is what happened, I stated that I was against raising the first-class mail rate from the current 3 cents. Yet the manner in which the issue was presented gave me a choice of voting for a raise to either 4 cents or 5 cents.

Since I had no opportunity to vote to leave the 3-cent level unchanged, I simply voted "present."

Also in my Wednesday remarks I expressed my opposition to linking the postal employees pay bill to the postal rate bill.

Now I have been forced to decide whether to vote against the much-deserved pay increase for our postal employees, or to continue to express my opposition to the postal rate bill.

To be consistent I should have voted against this entire package so as to show my feeling that the American people should not be saddled with the 5-cent stamp for first-class postage.

However, I did not wish to penalize the loyal postal employees for the mistakes I feel have been made on this floor.

Therefore, I voted "yea" on final passage.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 734) was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. LAUSCHE. Is the question on the passage of the combined bills?

The PRESIDING OFFICER. No. The question is on the passage of the classified pay bill.

The bill (S. 734) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KNOWLAND. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSTRUCTION OF U. S. S. "ARIZONA" MEMORIAL AT PEARL HARBOR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1253, H. R. 5809.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5809) to authorize the construction of a U. S. S. *Arizona* memorial at Pearl Harbor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

INVESTIGATION OF FEDERAL COMMUNICATIONS COMMISSION

Mr. MORSE. Mr. President, I hold in my hand the news ticker report of the complete statement made by Chairman HARRIS, of the House Committee on Legislative Oversight, concerning the investigation of the Federal Communications Commission as it affects Commissioner Mack. I ask unanimous consent that the complete statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Following is the text of the statement made to Commissioner Mack by Chairman HARRIS:

"Mr. Mack, your statement and testimony have very frankly admitted the impropriety and trespasses on Federal law which previous testimony has borne out.

"You have admitted receiving money or loans from a trusted friend, a man in whom you admittedly have explicit confidence. You have accepted a number of these so-called loans or payments of money during the time that you have been a member of the Federal Communications Commission.

"At the same time you have admitted that you knew that he was interested in a matter pending before the Commission on which you were to pass. And on which you did pass judgment.

"You have admitted that this trusted friend, Thurman A. Whiteside, gave you a one-sixth interest in an insurance company from which you have admittedly received substantial sums of money.

"You have confirmed that he arranged for you to become the sole owner of another business, namely Andar, Inc., from which you receive income. This arrangement resulted from a transfer of credit supposed to have been due you from your interest in the Stembley-Sheldon Agency.

"You have confirmed the fact that you invested nothing of your own in either of these companies and that they are an outright gift arranged by your trusted friend, Mr. Whiteside, in order that you could receive these substantial sums as has been outlined.

"I repeat that this arrangement was made during the time that this trusted friend had talked to you and manifested an interest in behalf of a certain applicant for license to operate a TV station admitted to be worth millions of dollars.

"Yet you contend that these arrangements were completely proper in consideration of the circumstances.

"You are familiar with the FCC Act providing that Commissioners of the Federal

Communications Commission are prohibited from engaging in certain activities.

"You are familiar with the provisions of the act with reference to representation being made under certain circumstances while matters are being adjudicated.

"You have admitted talking not only to your trusted friend, Mr. Whiteside, but with many others with reference to this matter of adjudication under consideration.

"You knew of all the rumors floating all around of your pledge, whether true or not. You knew that it had gone so far that your trusted friend called you by telephone and told you that if you considered yourself pledged to him that he wanted it withdrawn.

"You sent us a letter that you knew nothing about the insurance agency in which you hold a one-sixth interest carrying insurance on public service TV, a business under the regulation of the Commission, and that as soon as you found out as a result of these hearings, you renounced any and all interest in the firm. Obviously, you are giving away something you say that is yours without any compensation, apparently going out of it in the same manner as you came in. You, of course, know that such relation with the business insuring a business that comes under your jurisdiction is contrary to law. Your trusted friend must have known it too and if it was brought about in this manner without your knowledge, it seems unequivocal to me that it is fraud practiced against the Government.

"The revelation from these hearings has presented one of the most fantastic operations I have ever known of. It is a disgraceful situation that undoubtedly has destroyed the confidence of a lot of people in this great agency. Steps should be taken to correct it.

"I cannot see anything through all of this revelation but a deliberate conspiracy to bring about certain results through the instrument of an important agency of the Federal Government.

"I feel sorry for you. You are to be pitied, in my opinion, because I think you have been used as a tool in this unfortunate mess.

"It seems to me that the best possible service that you could render now as a member of the Federal Communications Commission would be to submit your resignation.

"Furthermore, it seems to me that the President of the United States, who is responsible under the law for your appointment, should unhesitatingly, under the circumstances revealed during these hearings, make a request for your resignation, and thus employ action that would reestablish the confidence so vitally necessary in this great agency of the Government."

Mr. MORSE. Mr. President, I commend Representative HARRIS for that statement. I commend him not only for his forthrightness, but also for his courage. I am satisfied from what I know about the Mack case that the statement is unanswerable. I particularly wish to emphasize the last three paragraphs of the statement, although I desire to associate myself with the complete statement. Representative HARRIS, referring to Commissioner Mack, said:

> I feel sorry for you. You are to be pitied, in my opinion, because I think you have been used as a tool in this unfortunate mess.
>
> It seems to me that the best possible service that you could render now as a member of the Federal Communications Commission would be to submit your resignation.
>
> Furthermore, it seems to me that the President of the United States, who is responsible under the law for your appointment, should unhesitatingly, under the circumstances revealed during these hearings, make a request for your resignation, and thus employ action that would reestablish the confidence so vitally necessary in this great agency of the Government.

I thoroughly approve of those observations. I think the record fully substantiates the fact that Commissioner Mack has so violated the obligations of his position that he is completely unqualified for continuation in that post.

I believe his conduct has been corrupt. If the President of the United States does not call for the resignation of Commissioner Mack, or if Commissioner Mack does not himself resign, then I believe the House of Representatives should proceed forthwith to take all the legal procedures which are available for the removal of a Commissioner who, in my opinion, has conducted himself in a highly corrupt manner.

But, Mr. President, I wish to say this should be recognized as only the beginning. In my judgment, an investigation must be pressed into the conduct of other members of the Federal Communications Commission, because I believe that a thorough investigation of the conduct of the members of the Federal Communications Commission will show that there are other members of that Commission who should resign or be removed by the President or be impeached.

Mr. President, this procedure should not stop with the Federal Communications Commission. We should also look into the Interstate Commerce Commission, the Civil Aeronautics Board, and other regulatory bodies, for I am satisfied that there is in existence prima facie evidence which shows that members of other regulatory bodies should either resign or the President should call for their resignation or the Congress should impeach them. I believe that needs to be done in fairness to the members of the regulatory bodies who are fine public servants and honest men and are seeking to carry out the obligations of their offices.

Mr. President, I repeat that the Senate of the United States, the body which confirms the nominations to membership in these regulatory agencies, should stop passing the buck to the House of Representatives. The Senate is the body which confirms the nominations in the first place.

The other day, at the President's press conference, when Mr. Mollenhoff asked the President about this subject, the President seemed very touchy about it. His blood pressure seemed to rise rather rapidly, and he did not seem to want to discuss the matter further. I understand why he did not—because this administration cannot stand cross-examination on this subject. I think that is why the President did not want any more of it.

But, Mr. President, although I believe the President of the United States is on the spot in regard to this matter, so, too, do I believe that the Senate of the United States is on the spot in regard to it, because the Senate happens to be the one that confirms the nominations in the first place. I have always taken the position that under the advice and consent clause, after the Senate has confirmed the nominations, its responsibilities in the matter do not come to an end.

On the contrary, I believe that when there is evidence of wrongdoing, or when allegations of wrongdoing are made and when there is sufficient evidence to back up the allegations, this body has the clear duty to look into such matters.

Mr. President, this is not the last time I shall make this point, because in my opinion the Senate of the United States is guilty of laches in connection with this matter, and the Senate has the duty to act. Increasing numbers of the people of the United States are asking, "What is the Senate going to do about the confirmations it already has made, when such charges are brought forward?"

So, Mr. President, I repeat that there is pending before the Senate Committee on Interstate and Foreign Commerce my resolution which calls for an investigation of the conduct of the members of the regulatory bodies. I do not believe the resolution should have been referred to that committee in the first place. I believe the resolution—which calls for the appointment of a special committee—should have been referred to the Committee on Rules and Administration; and I believe the committee should have given me a hearing on the resolution.

Mr. President, I have not been notified by anyone in the Senate of even an intention to give me a hearing on the resolution. In my opinion, when any Member of the Senate—I care not who he may be—submits such a resolution, he is entitled to have action taken on it. I believe the committee should either vote the resolution up or vote it down, rather than do what one member of the committee told me it has done thus far, namely, merely lay it aside.

Mr. President, in this case we are dealing with a great responsibility which faces the Senate of the United States, as the body which confirms the nominations. I believe the Senate should make a thorough investigation of the conduct of the members of these regulatory bodies, in fairness to the innocent, and in fulfilling a duty to the American people in respect to those members of the commissions who may be found guilty of a breach of a public trust.

Again I say that I mean no reflection whatsoever on the House of Representatives or on the work being done by Chairman HARRIS and the other members of the House Oversight Committee. I believe the statement made today by Chairman HARRIS is deserving of exceptionally high commendation. That is why I have spoken these words of commendation on the floor of the Senate.

Mr. President, I yield the floor.

ORDER TO PRINT BILLS PASSED TODAY TO SHOW SENATE AMENDMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bills passed today by the Senate be printed, so as to show the amendments agreed to by the Senate.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

THE STRATEGIC AIR COMMAND AND MORALE IN THE ARMED FORCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum from the Chairman of the Joint Chiefs of Staff, containing information in reply to questions addressed to General Twining, Chairman of the Joint Chiefs of Staff, relative to the Strategic Air Command; a summary of American bases in north Africa and Spain, as contained in my report on north Africa and the western Mediterranean, dated January 30, 1958; six newspaper articles appraising the United States military posture in relation to the Soviet Union in the nuclear missile age; they were written by Hanson W. Baldwin, of the New York Times, dated February 2 through February 7, 1958, inclusive; an article entitled "Our Morale Mess," which was published in the February 17, 1958, issue of Newsweek; and also, from the same publication, articles entitled "Draft's Drag" and "The Right Way, the Wrong Way, the Army Way, and the Cordiner Way To Jack Up Morale"; an editorial on the Cordiner report, from the Glasgow (Mont.) Courier of January 30, 1958; a letter from W. S. Johnston, brigadier general, Air Force Reserve, dated February 14, 1958; and excerpts from a letter dated January 27, 1958, as follows:

For some years to come, the B–47's (together with the slowly growing number of B–52's) will constitute our only "striking" or "deterrent" force vis-a-vis Soviet Russia. Without these few thousand men and their relatively small number of airplanes, we would have nothing whatever worth considering to prevent Russia from issuing an ultimatum to which the United States would be obliged absolutely to surrender. Neither the Army nor the Navy possess "hardware" even 1 percent comparable to the planes and missiles Russia now has for delivering their already vast stockpile of A- and H-bombs. It is the consensus of everybody I know that the Strategic Air Command, for many future years, will, alone, stand as the sole deterrent to our doom. We have nothing else.

Twenty percent of the B–47 takeoffs abort—either on the field or immediately after they are airborne—owing to inadequate ground crew servicing. With first-rate servicing, there would be virtually no such aborted flights. But this servicing, by enlisted men, is bad simply because 85 percent of these men leave the Strategic Air Command (it is "hard" duty) or leave the Air Force entirely, after a hitch which includes 3 years of training. That training enables many of them to earn in civilian life—even in TV repair—half dozen times as much as their military pay. This "lost training" has already cost taxpayers $441 million, nearly half a billion.

The B–47's are flown by three officers; the Strategic Air Command turnover of incoming young officers is about 40 percent. Most of the men who now fly this all important and humanly taxing bomber are now in their late thirties and early forties. No one knows the general age limit beyond which men will be inadequate for the job; but it certainly cannot be much beyond 40–45. Hence, the professionals will soon be grounded in numbers. And last, owing to the insufficiency of officers and men, we have something on the order of 200 B–47's in existence that we can neither crew nor service.

The Strategic Air Command, therefore, needs some sort of special status, irrespective of other service branches, whereby the pay of the officers and the men can be raised to a level that is, first, commensurate with the extraordinary difficulty of their job, and, second, that reduces the temptation of countless civilian jobs to the men trained to service SAC planes. The absolute value of this one force to every living American, during the unknowable number of years ahead, in which SAC will, alone, spell the difference between America's freedom and its rule by Reds, means a new wage scale for its personnel is a national necessity.

It is expected, furthermore, that when the long-range missiles are at last in production here, the Strategic Air Command will operate them—for the simple reason that SAC already and exclusively has the appropriate target knowledge and nuclear strike training. This last suggests that their singular importance is not merely vital for the next few years but will permanently be that vital. They hope, I hope, and every American who knows all the facts hopes, that you, as one of the leading citizens of our country, will see to it that the Strategic Air Command gets what it must have if the rest of us are to have anything at all.

There being no objection, the memorandums, articles, editorials, and letter were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D. C.

Memorandum for Chairman, Joint Chiefs of Staff.

Subject: Information for Reply to Senator MANSFIELD, re Strategic Air Command.

1. In reference to your memorandum of February 10, 1958, subject Strategic Air Command, the following information is furnished as a basis for reply to Senator MANSFIELD:

(a) The annual personnel turnover rate in SAC is indicated below in terms of officer and airman losses. The definition of loss as used here is shown separately for officers and airmen:

(1) Officers released from active duty through termination of obligated tour of duty or voluntary termination of career Reserve status. Calendar year 1957, 2,285.

(2) Airmen separated by termination of minimum obligated tour. January 1, 1957, through October 31, 1957, 26,289. A comparable figure for calendar year 1956 is 30,195.

(b) The annual cost of this turnover to the Government is difficult to assess in terms of monetary investment in the number and variety of skills of personnel involved, particularly in view of their partial amortization of the investment. A statement of the cost to replace these personnel as a total sum can be made, but is difficult to interpret as an annual cost or use in terms of possible savings. The magnitude of the dollars involved, however, can be appreciated by an examination of the cost data shown by inclosure 1.

(c) The Air Force periodically surveys 10 percent of the officer and 5 percent of the airmen population in an effort to determine what improvements are needed to substantially enhance an Air Force career. The desirability of increased monetary reward has consistently been cited as being the most needed improvement. It is axiomatic that the lack of adequate pay is a major contributing factor in causing people to leave the service. Attached as enclosure 2 is a more detailed study of this problem.

ROBERT B. LANDRY,
Major General, USAF,
Assistant Deputy Chief of Staff, Personnel.

ENCLOSURE 1

Training costs and Air Force investment costs in selected types of U. S. Air Force personnel

Personnel type	Cost element	Cost
B–47 aircraft commander	Training	$245,770
	Prerequisite flying	407,410
	Total	653,180
B–52 aircraft commander	Training	401,950
	Prerequisite flying	407,410
	Total	809,360
Bomb navigation systems	Basic military training	875
Mechanic (AFSC 32150E)	Total cost of training	4,070
Turret systems mechanic (AFSC 32350G)	Basic military training	875
	Total cost of training	4,740
Aircraft radio maintenance technician (AFSC 30170)	Basic military training	875
	Aircraft radio repairman (NAV)	6,710
	Total technical level	11,325
Aircraft mechanic jet (over 2 engines, AFSC 43151E)	Basic military training	875
	Total cost of training	5,510
Warehousing specialist (AFSC 64150)	Basic military training	875
	Total cost of training	1,725
Personnel specialist (AFSC 73250)	Basic military training	875
	Total cost of training	2,680

ENCLOSURE 2

With reference to the reasons why SAC personnel are leaving the service, the following information is furnished. This information was taken from 1957 USAF periodic sample surveys wherein 10 percent of all officer and 5 percent of all airmen on duty with the Air Force were surveyed. Since there is little reason to believe that command of assignment makes any significant difference in the most needed improvements or the reasons for leaving the service, it is felt that the following information applies in general to SAC as well as the total Air Force.

MOST NEEDED IMPROVEMENTS (OFFICER)

(Survey question: Which benefits or improvements to the Air Force would contribute the most toward increasing the value of an Air Force career to you?)

Major improvements (in order)

1. Increase pay.
2. A better job assignment.
3. Decreased frequency of change in station.
4. Extend base of choice opportunity to officers.
5. Improved allowances and fringe benefits.
6. Improved promotion system.

MOST NEEDED IMPROVEMENTS (AIRMEN)

(Survey question: Which benefits or improvements to the Air Force would contribute the most toward increasing the value of an Air Force career to you?)

Major improvements (in order)

1. Increased pay and allowances.
2. More opportunity to get your choice of base assignment.
3. A changed promotion system.
4. More and better training.
5. A better method of getting a job assignment.
6. Better housing for both single and married personnel.

REASONS FOR OFFICERS STAYING IN OR LEAVING THE AIR FORCE

(Survey question: What are the two strongest reasons which are or have been important in helping make up your mind about planning to stay in or leave the Air Force?)

Major reasons why noncareer officers leave the Air Force (in order)

1. Civilian life offers greater career opportunities.
2. AF hasn't provided me chance to do kind of work I like.
3. Make more money in civilian life.
4. General dissatisfaction with AF life.
5. Family considerations.
6. Plan on going to school or college.

MAJOR REASONS FOR AND AGAINST AIRMEN REENLISTMENT

(Survey question: If you are serving your first Air Force enlistment, what are the two strongest reasons which are or have been important in helping make up your mind about reenlisting?)

Major reasons for not reenlisting (in order)

1. Plan on going to school or college.
2. Civilian life offers greater career or job opportunities.
3. Feel that my personal freedom is limited too much.
4. AF hasn't provided me with the chance to do the kind of work I like.
5. Don't like military life in general.
6. Not enough promotion opportunity.

[From report on north Africa and the western Mediterranean of January 30, 1958]

SUMMARY ON AMERICAN BASES IN NORTH AFRICA AND SPAIN

During the course of this mission I inspected our air and naval facilities in Libya, Morocco, and Spain. A detailed report has already been sent to Senator RICHARD B. RUSSELL, chairman of the Senate Armed Services Committee.

The bases in Spain are not as yet fully operational but are available for emergency use. Bombers can land and take off on the runways. The high-speed refueling system, fed by a pipeline beginning at the United States Navy base at Rota and extending for approximately 500 miles, is in operation.

In the area I visited, the most important Strategic Air Command bases are in Spain and Morocco, with the Moroccan bases at Sidi Slimane and Ben Guerir the most significant for the time being. I was impressed with the actual state of readiness of the Moroccan bases and the potential state of readiness of our bases at Torrejón, Moron, and Rota in Spain. These and similar bases throughout the world are key points of defense in the pattern of our security. I witnessed Operation Reflex Action at Sidi Slimane where 15 B–47's were in the air and on their way to a predetermined destination in 15 minutes from the time the alarm was sounded.

The SAC bases are the strongest weapons in our defense shield and our greatest deterrent to war. For the next several years—until missiles become fully operational—they will be of the greatest importance. They alone may hold the key to our military security and safety. As missiles become operational, they will decline in importance as manned bomber bases, but they will take on, in all probability, a significance as missile-launching sites. This will call for a continued side-by-side development of both bombers and missiles.

The Soviet announcement of August 26, 1957, that Russia had perfected the intercontinental ballistic missile changed the course of our strategic defense pattern. As a result, in the event of any future world struggle, the United States will no longer be a privileged sanctuary as it was in World Wars I and II. The United States, because of the dwarfing of time and space by missile developments, will not in the future have time to mobilize its manpower, its industries, and its resources. Western Europe and the whole world knows this, and to say that the Soviet missile announcement and Sputniks I and II have had a decided effect on worldwide thinking vis-a-vis Soviet and United States superiority and strength is to state the obvious. With Soviet scientific developments and the drastic changes they are evoking, it appears that Western Europe may well become the prize; this country and its bases the targets. As this evolution proceeds, the only defense we have rests in the SAC, its bombers and their base complex. It is, as of now, the principal military deterrent to war.

The Soviet Union has recognized the significance of SAC down through the years, and a chief objective of its policy has been and still is to break up the infrastructure of airfields rimming that country on a worldwide basis. As has become more evident lately, SAC's global reconnaissance and targeting, its global mobility, communications, weather, and logistic systems are factors which together add up to security for the free world.

With this great responsibility, SAC is not up to its full tactical strength and will not be unless and until adequate arrangements are made to keep trained personnel in the service. Even though the reenlistment rate in SAC has increased from 33 percent in 1956 to 44 percent in 1957, too many of the really skilled technical personnel have left for better paying positions on the outside. Too many World War II pilots are aging, and too many of the post-World War II crop are getting out. Between 1953 and 1956, according to the reports, the SAC lost approximately 97,000 technicians, and the cost of replacing them was approximately $1.8 billion.

The answer, at least in part, is better housing, better pay, and better security.

[From the New York Times of February 2, 1958]

MILITARY POWER: AN EDGE FOR UNITED STATES

If the bell rang tomorrow, the United States would "win" (the word is always put in quotes), most of our military leaders believe, although all characterize the kind of "victory" we would achieve as of dubious meaning.

For our military superiority today is based chiefly—though not entirely—upon our superior capability in the delivery of nuclear weapons. Any unlimited nuclear interchange—though it might leave the Soviet prostrate and defeated—would inevitably mean tremendous casualties, loss and damage to the United States and to other nations.

REASON TO RUN SCARED

But we should run scared for three reasons:

1. The rate of Soviet progress since World War II in expansion of its capital goods industries, in expansion of its general technological knowledge and in the strengthening and modernization of her military forces has been faster than our own. There has been a slow change in the world balance of military power ever since the Soviet detonated its first atomic bomb in 1949. In strategic terms, our past nuclear dominance has almost shifted to a balance of terror, an uneasy and uncertain stalemate.

2. Our present superiority is erected primarily upon a narrow base—the piloted plane carrying nuclear weapons. This sword cannot be drawn without causing disaster to us as well as to the Soviet, yet we have no other sword nearly so sharp or so burnished.

3. The power and speed of modern weapons have destroyed forever America's geographic invulnerability.

BASIC STRATEGIC FACT

But proper concern about the future should not be allowed to obscure a basic strategic fact today—the fact of our present military superiority over the Soviet Union.

Gen. Nathan F. Twining emphasized this in recent testimony before the Senate Preparedness Subcommittee headed by Senator LYNDON B. JOHNSON, Democrat of Texas.

General Twining decried "the most dangerous misapprehension" that the Russians "are now—today—ahead of us in military strength-in-being." Such a misapprehension could lead, he pointed out, "to fatal compromises and other retreats, which would eventually destroy our security."

"We must never," General Twining said, "allow ourselves to arrive at what I would describe as a disaster point—a point where the Soviets could devastate our country without risk of effective retaliation. We are not at the disaster point now and by increasing our effort on sound programs, which have been developed over the years, we can protect our future."

If the Soviet should become convinced by our own alarms or our own depreciation of our strength that it is superior to us in military power, we might invite the very thing we were trying to avoid—a nuclear war. It is clear that if a deterrent to war is to work we must not only remain stronger than the Soviet Union but also it must know that we are stronger and that our national determination and willpower match our strength.

As of today the Soviet undoubtedly knows that we have certain clear-cut advantages in military strength; she also knows that she leads in some areas. Here, in summary form, is a comparison of United States and Soviet military strength.

STRATEGY

The United States strategic concept is based fundamentally upon a nuclear deterrent to war—the concept that the United States must retain an absolute power to retaliate effectively and massively with nuclear weapons against the Soviet heartland regardless of what the Soviet does.

This concept is tied primarily to air and nuclear power in the form of planes or missiles launched from land, sea or air platforms. We have been increasing our nuclear capability but weakening our conventional strength.

The Soviet armed forces, capable 10 years ago of fighting only a war with conventional (non-nuclear) arms, have developed a powerful nuclear capability without weakening their conventional capability.

Today the Soviet can fight an unlimited or limited nuclear war or a non-nuclear war. The Soviet strategic concept is based upon interdependence of all forms of military, political, economic and psychological force. The Russians do not believe in an absolute weapon, unless it is man himself.

LOW-RANGE MISSILES

The launching of the Soviet satellites not only marked a Russian first in the conquest of space, but also showed that Moscow was probably ahead of the United States in the development of intermediate range (up to 1,500 miles) and intercontinental (1,500 to 5,500 miles) ballistic missiles or giant rockets.

The first exaggerated estimates that the United States was hopelessly behind have

now been replaced by more sober judgment. The experts vary; some believe the United States is only a few weeks, if at all, behind the Soviet Union in the long-range missile field; others put the Russian lead at 3 years or more.

The median judgment is that the Soviet leads in ICBM development, but not by much; that she is perhaps a year to 18 months ahead of us in the production of rockets capable of carrying nuclear warheads with ranges up to 1,000 miles.

700-MILE MISSILE SHOWN

The Soviet has fired many more long-range ballistic missile than we have, but most of them have been rockets with ranges between 300 and 1,000 miles. In the Red Army Day parade on November 7, a missile with an estimated range of 700 miles, apparently capable of carrying a nuclear warhead, was shown. Official sources believe the Soviet has in production and inventory 700-mile rockets.

There is no evidence that any launching sites for these missiles have been prepared in the eastern European countries or in western Russia, but the rocket shown in Moscow had some mobility, and would not need elaborately prepared firing positions. Like the German V–2, which bombarded London during the war, it could be fired from a road or level field.

As far as is known there is no evidence that the Soviet yet has an especially designed 1,000-mile missile in production. But the range of the 700-mile missile could probably be extended—by fitting it with a smaller and lighter nuclear warhead—to 1,000 miles.

INTERLUDE TO TESTS

In the intercontinental missile category there appears to have been a long interlude in successful Soviet tests since two giant rockets were fired at a range of about 3,500 miles last summer. An attempt to launch a third satellite or a long-range rocket is believed to have failed on December 17, when the rocket blew up soon after launching. There have probably been other failures before and since the satellite launchings; it is certain that the Russians are having the same difficulty we are in their development work.

It is possible that the Russians have conducted other successful tests without our knowledge, but this is unlikely since telltale signs are difficult to conceal when a giant rocket arches hundreds of miles into the sky and flies more than 3,000 miles.

The Soviet advantage in long-range rockets, therefore, is not, and never has been, absolute. The United States will almost certainly have intermediate ballistic missiles of 1,500-mile range at bases overseas by next December—although there will be few of them, and they will not be of well-proven reliability. Both the United States and the Soviet may have in operational readiness a few 5,500-mile ballistic missiles any time between 1959 and 1961. It is possible that Russia may have a few such missiles ready later this year. But the initial models of these long-range rockets will be neither very accurate nor very reliable, and they will not—even when perfected—automatically neutralize all other elements of military strength.

OTHER MISSILES

The United States would appear to be ahead of—or at worst abreast of—the Soviet Union in the development of short-range, surface-to-surface missiles, antiaircraft missiles, air-to-air missiles and air-to-surface missiles. A good, though in part a theoretical, start has been made on developing a warning, tracking, and interception system against long-range ballistic missiles.

There is reason to believe that the United States leads the Soviet in the development of an air-to-air missile with nuclear warhead, important in air defense. The MB–1 Genie airborne missile, now carried by the interceptors of our Air Defense Command, increases greatly the "kill-probability" against raiding enemy bombers. There is no evidence that the Soviet yet has a similar weapon.

PILOTED AIRCRAFT

An important reassessment of Soviet bomber strength indicates that the production of the Russian long-range bombers—Bison and Bear—has been far less than was expected 2 years ago.

There is not much doubt that there are far more United States Boeing B–52 jet bombers in operation than there are Soviet Bisons, and the turboprop Bear seems to have been built only in small quantities. Whether or not production of these two planes has been stopped is not known, but there are certainly very few of them.

There could be three explanations:

1. Technical difficulties with the early models.

2. A shift to missiles from piloted bombers.

3. Development of a smaller supersonic bomber to replace the subsonic Bison and Bear.

NEW SOVIET BOMBER SEEN

A new Soviet bomber, believed to be in about the same gross weight category as our new supersonic Convair B–58 Hustler, has been reported. But about 6 of an initial order of 30 B–58's already have been delivered to the United States Air Force and more funds are provided for increased production in the 1959 budget. Only one Russian plane of this type has been seen.

The Soviet's piloted bombing effort depends today primarily upon her fleet of medium-range jet bombers—the Badger—and, over shorter ranges, upon her light jet bombers. But original exaggerated reports of the performance of the Badger and the Bison have been tempered with time. There is general agreement that the United States holds a qualitative, as well as a quantitative, edge in piloted medium and long-range bombers.

The Air Force's Strategic Air Command, moreover, has a tremendous backlog of training, experience and capability believed to be unmatched by the Soviet long-range air forces.

United States naval airpower, with its capability of penetrating deep into Russia from mobile bases at sea, is also unmatched by Russia, since the Soviet has no aircraft carriers.

ADVANTAGE IN FIGHTERS

In fighters, light bombers, fighter-bombers and surface-support types, the Soviet has a great numerical advantage. These Soviet types appear when judged as planes to be on a par in quality with similar United States types, but they are probably somewhat inferior (as the Mig–15 was inferior to the F–86 in Korea when judged as weapons systems (the plane with radar, radio and other electronics, weapons, armor, equipment and the crew).

In transport aircraft, the Russians have an advantage in numbers of planes—though possibly not, if all available aircraft are considered, in total load-carrying capacity. They have produced commercial jet airliners well ahead of us and have demonstrated a giant helicopter (the gas-turbine MI–6, with a capacity for 60 riflemen) unmatched in this country.

NUCLEAR WEAPONS

The United States undoubtedly has a far larger stockpile—in terms of numbers of weapons and in terms of total explosive force—of nuclear weapons than has the Soviet Union.

The indications are that we have a greater variety of such weapons, scaling in size and power from an 8-inch nuclear shell and a Genie missile warhead to a multimegaton bomb carried by the B–52 bomber.

There is also reason to believe that we are ahead of the Russians in the packaging of great nuclear explosive power into light and small casings.

But all this is scant comfort, for the best intelligence estimates agree that the Soviet has enough nuclear weapons to devastate this country if the weapons can be delivered.

[From the New York Times of February 3, 1958]

WORLD MILITARY DOMINANCE FOUND TO STAY IN UNITED STATES GRIP—COUNTRY REPORTED TO LEAD SOVIET IN NAVY AND TRAIL IN LAND ARMIES—RUSSIANS MAKE RAPID PROGRESS IN WEAPONS

(NOTE.—This is the second of a series of articles appraising the military posture of the United States in relation to the Soviet Union in the nuclear-missile age. It is based on extensive travel and interviews with military leaders both in this country and abroad.)

(By Hanson W. Baldwin)

The United States—despite Soviet missile successes—still holds a dominant military position in the world.

We lead in some areas of military power and trail in others. Our overall power tilts the balance to us today, but the Soviet's rate of progress in recent years has been more rapid than our own.

Here are some areas of comparison:

AIR DEFENSE

The United States air defense against piloted aircraft—particularly high-altitude planes—is being tremendously strengthened this year by new planes and antiaircraft and air-to-air missiles with nuclear warheads.

But we have as yet inadequate defense against nuclear sabotage, ship-based or submarine-launched missiles, and no defense whatsoever against long-range ballistic missiles.

The Soviet Union, like us, has no present defense against ballistic missiles. The Soviet air defense system against piloted planes is good, and becoming stronger. Yet the United States Strategic Air Command is confident that it could devastate Russia today, despite the Soviet defenses. * * * But the days of the present highflying subsonic bomber are numbered. A recent operations analysis report predicted that within the immediately foreseeable future Soviet defenses would become so strong that if United States B–47's and B–52's were to strike at Moscow the first 100 of these planes would be shot down. In other words it might take—within a year or so—more than 100 bombers to insure a nuclear hit against Moscow.

NAVIES

The United States has a tremendous numerical and qualitative naval superiority to the Soviet Union, and far more global naval experience. But Russia has outbuilt the United States in new submarine tonnage by 6 to 1, in destroyer tonnage by 9 to 1, and in cruiser tonnage by 14 to 1 since the end of World War II.

And her estimated submarine construction capability of 100 submarines annually—though never fully utilized—has produced by far the world's largest fleet of submarines.

There have been two recent important changes in the Soviet naval construction program.

About 2 years ago the Soviet cruiser construction program was halted and it has not since been resumed. The assumption is that ships still on the ways—and perhaps those in commission—will be modified to fit them with guided missiles.

The Soviet's 27 cruisers, fitted with antiaircraft missiles to protect them against air attack, and with long-range surface-to-surface missiles with nuclear warheads, could restore the surface raider to a role of importance at sea and could transform these

ships overnight into a strategic threat against the American coasts.

Within the last 8 months the Soviet submarine construction program has been markedly slowed—if not halted. Construction of all large submarines appears to have been stopped. The supposition is that a shift to nuclear-powered and missile-carrying submarines is being made.

Today, the Soviet has about 475 submarines—more than one-third of them long-range types. This huge undersea fleet compares with about 170 to 200 Russian submarines in commission at the beginning of World War II—then as now by far the largest submarine fleet in the world. Yet the Soviet's submarine achievements during the war were almost negligible.

None of the Russian submarines in commission is nuclear-powered, whereas the United States has 3 submarines with nuclear engines in commission and 16 more building or authorized. The great advantage of the nuclear-powered submarine is its capability to cruise submerged indefinitely.

None of the Russian submarines, as far as is known, is equipped with missiles, although nearly all of the long-range type can carry mines as well as torpedoes. Experts believe the Russians can modify some of their existing submarines to carry winged, subsonic, air-breathing missiles, like our Navy's Regulus—but there is no good evidence they had yet done so.

The Soviet's submarine missile threat is more future than present. That the Soviet is thinking of the future is fairly clear. Moscow has been conducting for some time an extensive oceanographic and hydrographic survey of the world's seas. Some 30 Soviet hydrographic ships are charting the ocean's depths and currents and gathering information important to submerged submarine operations. One has even plumbed the Marianas depths. In contrast, the United States has 8 naval oceanographic ships in operation.

The United States Navy has in commission two missile-firing submarines, capable of firing the winged missile Regulus, and more under construction or conversion. Funds for three submarines to fire the Navy's new solid-fuel ballistic missile Polaris are included in a supplemental appropriation bill now before Congress.

The United States still has a large naval advantage, but the Soviet is trying to counter it by developing a threat through submarines and mines—to our vital overseas lines of communications to our allies. Our defense—submarine detection, identification, and destruction and countermining operations—is far stronger than it was, but is weak numerically in relation to the Soviet's large number of submarines.

ARMIES

The Soviet's greatest advantage is in land power; her lead is far greater on land than in the missile race.

The development of the Red army since 1945, when its armed hordes fought into Berlin driving oxcarts and farm wagons, has been amazing. This was dramatized by the Red Army Day parade in Moscow on November 7, an event somewhat overshadowed in public attention, though not in importance, by the Soviet missile achievements.

The parade showed off a tremendous and surprising variety of new equipment, a whole family of missiles (with estimated ranges varying from 20,000 yards to 700 miles), many of them apparently capable of carrying nuclear warheads; a whole new family of field artillery and antiaircraft guns and missiles; trucks of many types, giant mortars, a hydrojet amphibious tank, and many other new items.

For the first time since World War II, United State Army experts believe that across-the-board Soviet Army arms and equipment are now about equal or superior to our own.

Donald A. Quarles, Deputy Secretary of Defense, conceded to a Congressional committee recently the general superiority of the Soviets in their present group force equipment.

Thus one of our greatest advantages vis-a-vis the Soviet Army—superiority in quality—has been lost or is rapidly vanishing. We probably still possess a slight edge in the numbers of tactical nuclear weapons available to our Army and in the variety and means of delivering them, but this, too, is a rapidly wasting asset.

Soviet Army divisions—of three principal types: armored, mechanized and rifle—recently have been reorganized and now number from 13,000 to 16,000 men each—roughly comparable to our new five sided "Pentomic" divisions. The Soviet division has been increased slightly in numbers of men; ours has decreased. At the same time the Soviet deficiency in motor transport and supply has been remedied, and the Red army has developed an extensive tactical and strategic airlift capability.

Thus, the old yardstick—applicable to World War I, World War II and Korea—that one United States (or German) division equaled in combat power from 1.5 to 3 Russian divisions—may now no longer be true.

The Russians still maintain the framework of about 175 divisions in their land army, and they have the capability of mobilizing a total of about 300 divisions in 30 days. By contrast, the United States in the next fiscal year will maintain 14 Army divisions, plus 3 Marine divisions.

Russia has actually increased the numbers of her divisions in the Eastern European satellites since 1955; there are more than 30 Soviet line divisions now—22 in East Germany (compared to our 5 in West Germany) and the rest in Poland, Hungary and Rumania. There are about 75 more Soviet divisions in western Russia within easy reach of Western Europe.

Thus the Soviet has a great preponderance in land strength and our "equalizer"—tactical nuclear weapons—is being neutralized as Russia produces similar battlefield weapons and provides herself with the means of delivering them.

MEN

The numerical strength of the Armed Forces of both the United States and Soviet Russia has been decreasing somewhat in recent years—in part due to economic and political reasons, in part because many military theorists believe the increased power, range, speed and mobility of modern weapons reduces the numbers of men needed in uniform.

This theory is untested. In fact, it is challenged by some military experts who point out, for instance, that more men will probably be required to operate, maintain, and service a squadron of pilotless missiles than are now required to fly, operate, maintain, and service a squadron of piloted bombers.

The Soviet, in any case, has not made any numerical cut in her armed forces comparable to those that brought United States forces to their post-Korea low of 2,658,313 (on November 30, 1957). Moscow has thrice announced cuts in her military strength—a reduction of 640,000 in September 1955; a second cut, of 1,200,000, in May 1956, and a demobilization of 300,000 more men announced in January.

It is possible that some cuts have been made, but best estimates are that the Soviet's total strength in men in uniform is still a minimum of 3,800,000 and may be as high as 4,200,000. There is no proof whatsoever that any such sizable demobilization as her announcement would indicate has, in fact, taken place. There is, on the contrary, good proof that Soviet numerical strength in East Germany and the satellite states has increased in the last 3 years.

Since men, not machines, still make war, the quality—as well as the quantity—of military manpower is important. The tremendous personnel turnover in the United States Armed Forces and the lowered standard of discipline and morale—which in turn have reflected some of the Nation's changed values—have adversely affected the combat effectiveness of our services. But our men are more accustomed to handling machines and undoubtedly still retain an advantage in overall maintenance and technical capability.

The Russians, on the other hand, have two inherent advantages. They can and do retain men—and particularly keymen—in the armed services so long as they like. And their armed services do not have the comparable training duties and other commitments to allies overseas that take so much of the time and energies of our Armed Forces.

SUMMARY

Thus, the answer to the question of where we stand today is a composite of strengths and weaknesses. The Russians are ahead of us in some areas; we are ahead of them in others.

They have an edge—though a slight one—in long-range missile development, but their greatest advantage is in land power. We still have a clear-cut advantage in long-range piloted aircraft and a great lead at sea. This means that for the immediate future, at least, we retain the capability of devastating the Soviet Union and the capability of striking—or landing—nearly anywhere around the vast periphery of the Eurasian land mass.

But Russian progress, particularly in long-range ballistic missiles and in submarines, may overcome or neutralize what is today a United States position of superior military strength—unless we intensify our efforts.

Moreover, some of the elements of our strength are unbalanced. We have a tremendous capability for "massive retaliation," but too little for a swift reaction to small-scale conventional aggression.

The United States will have in the next fiscal year something like 4,000 to 5,000 aircraft (heavy bombers, medium bombers, light bombers, carrier and land-based attack planes and fighter-bombers), each capable of carrying a thermonuclear weapon of megaton range (1 million tons of explosive force in TNT equivalent).

And our atomic armory probably has at least two such weapons for every available plane in addition to thousands of smaller so-called tactical weapons.

This represents collectively a tremendous factor of safety and a gigantic "over-kill" capability. There are less than 200 cities with populations of more than 50,000 in the Soviet Union; of these many are industrially and militarily inconsequential. There actually are no more than about 60 to 100 prime targets in the Soviet Union. A megaton bomb has an area of severe damage of 30 to 60 square miles. The area of Moscow, Russia's biggest city, is about 125 square miles. The total area of all damage may extend over more than 300 square miles—with radioactive fallout possibly dangerous over thousands of square miles.

Thus, the United States has today the theoretical capability of wiping out each prime target in Soviet Russia 40 to 50 times. The Strategic Air Command alone has about 39 bomb wings of up to 45 aircraft each, plus reconnaissance planes—a total of more than 2,000 planes.

Thus, even allowing for misses, aborted missions, and an effective enemy defense, the United States has a factor of safety—as far as piloted aircraft and giant nuclear weapons are concerned—many times larger than many observers believe is either necessary or desirable. Moreover, technological developments are forcing major shifts in delivery techniques and the high-altitude big

bomber will have to share—in the future—its former dominance as a delivery system with many other weapons.

We have, on the other hand, in the opinion of some observers, a marginal capability to meet the threat of small-scale nonatomic aggression, and this capability seems to be diminishing.

PROBLEM OF LIMITED WAR

The United States in the year prior to the Soviet satellite launchings had paid considerably more attention at high levels of Government to the problem of fighting limited wars without invoking unlimited weapons than it had done in the past. Yet the Soviet's advantage in long-range missiles and her spectacular achievement in first moving into space has once again concentrated funds and attention, to an unbalanced degree, upon a one-concept strategy—the strategy of nuclear deterrent and nuclear devastation.

The United States, therefore, faces a problem of balance—as well as a problem of speedup. We are moving into the push-button age of the missile—into the realm of space travel. Judgment, as well as effort, energy, and money is essential if the Nation is not to fulfill the definition of a fanatic and redouble its efforts while forgetting its objectives.

COMPARISON OF STRENGTH

Following is a comparison in tabular form of the military strength of the United States and the Soviet Union:

Military manpower

	United States [1]	Soviet
Air Force	889,800	500,000 to 650,000
Army	935,869	2,500,000
Navy	639,185	600,000 to 850,000
Marine Corps	193,459	[2] 200,000
Total	2,658,313	3,800,000 to 4,200,000

Projected:
July 1, 1958 2,608,000
July 1, 1959 2,525,000

[1] As of Nov. 30, 1957.
[2] MVD (Security Forces).

Active combat ships

	United States	Soviet
Attack carriers	15	None
Small carriers [1]	8	None
Cruisers	20	27
Destroyer types	245	200
Submarines	110	475
Patrol	85	300
Mine warfare	115	500
Auxiliary	240	250
Total	838	1,752

[1] Escort, assault, ASW.
NOTE.—United States figures include ships in commission only. In addition, there are about 1,800 vessels in "mothballs" (reserve fleet) which are becoming obsolescent.

Disposition of United States and Soviet divisions

UNITED STATES

Western Germany	5
Korea	2
Okinawa	[1] 2-3
Hawaii	[2] 1
United States	[3] 7

SOVIET UNION

East Germany	22
Poland	2
Hungary	7
Rumania	3
Western Russia (west of Moscow)	75
Central and southern Russia	15-30
Siberia, Far East, northern Russia	37-52

[1] Marine division.
[2] Plus ¼ Marine division.
[3] Plus 2 Marine divisions.

Military aircraft

UNITED STATES

	Active	In storage or reserve
Air Force	22,057	[1] 5,000 to 6,000?
Navy	[2] 10,654	
Army	4,937	
Total	[3] 37,648	

SOVIET UNION

Air Force	20,000	10,000 to 15,000?

[1] Mostly obsolescent.
[2] Including Marine Corps.
[3] As of July 1, 1958.
NOTE.—This table includes combat and support planes, helicopters, transports, and training aircraft.

Armies

UNITED STATES

	Divisions	Men	Armored vehicles
Infantry	9	13,743	306
Armored	3⅓	14,600	1,006
Airborne	3	11,486	
Total	[1] 15⅓		

SOVIET UNION

Rifle	90	13,000	100
Tank	20	13,670	450
Airborne	10		
Mechanized	55	15,400	500
Total	175		

[1] Being reduced to next year. Plus 3 Marine divisions.

[From the New York Times of February 4, 1958]

DANGER ERA SEEN FOR UNITED STATES, THOUGH NOT GENERAL WAR

(NOTE.—This is the third of a series of articles appraising the United States military posture in relation to the Soviet Union in the nuclear-missile age. It is based on extensive travel and interviews with military men here and abroad.)

(By Hanson W. Baldwin)

Some Americans in positions of great responsibility believe that the United States is facing the most dangerous era in its history. The next 5 years, as Lieut. Gen. James M. Gavin, the Army's retiring Chief of Research and Development, puts it, may be a period of extreme criticality.

During this period, he and others suggest, the United States may be subject to a form of missile blackmail by a Soviet Union determined to push to its maximum political and psychological advantage lead over the United States in long-range ballistic missiles.

Others discount to some extent the Russian satellite launchings and missile achievements as the cause of danger. They point out that as nuclear weapons were acquired in ever-increasing numbers by the two great powers the world was bound to become more and more like two scorpions in a bottle, with each power possessing the sting of death and neither able to defend itself.

And as other powers acquire atomic weapons and these powerful arms are dispersed more and more widely throughout the world the danger obviously increases.

This gloomy picture of the world in the missile-nuclear age undoubtedly has considerable validity; from now on not only the United States and the Soviet Union, but all mankind, walks with danger.

But there are nevertheless some sound technical military and geographic reasons that appear to make general war unlikely.

In the first place, all powers are likely to shrink from the deliberate initiation of an all-out nuclear war with the global devastation and threat to human life this would entail.

Second, the Soviet's temporary advantage in the missile race is not an absolute advantage; it cannot automatically eliminate all other military factors.

And third, the Soviet is unlikely to attempt a nuclear Pearl Harbor (even if there were not major economic, political, and psychological objections to such a strategy) unless she is almost certain that she will not receive unacceptable loss and damage in retaliation for her surprise attack.

SOVIET SUCCESS UNCERTAIN

From a purely military and geographic point of view the Soviet long-range air armies and missile commands cannot insure today—and as far as can be foreseen, they cannot insure tomorrow—any such 100 percent successful assault.

To achieve such a result—to insure at one blow a destruction of American offensive nuclear power so thorough that our retaliation would have negligible effect in damage and casualties—would require, first, a paragon of plans, and, second, split-second precision and well-nigh flawless execution, plus probably greater offensive power than the Russians now possess.

It is true that there have been war games and studies that showed dire results for our Strategic Air Command. A combination of attack, perfectly timed, by nuclear sabotage (bombs in luggage compartments of automobiles parked near the fence of a SAC airbase); by missiles launched from disguised Soviet merchantmen and from submarines, and by Soviet piloted planes and ballistic missiles against our United States and European bases would be almost impossible to stop.

In theory it could achieve 100 percent destruction, or so close to it that our retaliatory efforts would be feeble and the risk to the Soviet Union, therefore, acceptable.

DANGER OF SURPRISE

Dr. Ellis A. Johnson, head of the Johns Hopkins University Operations Analysis Office—which does tactical and strategic studies for the Army—believes that such a crushing attack by the Soviet is possible today.

Some experts in the North American Air Defense Command share this opinion and state flatly that we are vulnerable to surprise attack and are becoming more so as long-range missiles reduce the Strategic Air Command's warning time from hours to the vanishing point.

But in practice—as distinct from theory—any such attack, or any other coordinated attack, against the far-flung bases upon which our offensive nuclear power depends would be extremely difficult to carry out without the fatal flaw in execution that would give vital warning.

Gen. Lauris Norstad, Supreme Allied Commander, Europe, believes that we retain an absolute power to devastate the Soviet Union regardless of what offensive surprise action she takes. She probably cannot, in other words, destroy enough of our retaliatory forces at one blow to prevent crippling and massive retaliation.

THE MILITARY FACTORS

There are important military and geographic facts upon which this opinion is founded.

In the first place, the long-range ballistic missile—even when it is in operation—is not a military cure-all; it is not an absolute weapon. It has limitations. Today, one of these is range.

The Soviet has 700-mile giant rockets "in inventory" that could probably be used now in small numbers from movable launching

sites against Western Europe. Missiles of this range could reach from the satellites, as far as St. Nazaire in France, and would blanket most of England. But they could not reach the proposed intermediate range ballistic missile launching sites in Scotland. A Soviet 1,000 mile missile is probably available—or soon will be; it could reach Madrid, and Scotland.

But some Spanish, and all north African bases and bases in the Marianas in the western Pacific would be beyond its reach. Soviet 5,500 mile intercontinental ballistic may be ready as show pieces soon, but probably not with real operational capability until 1959–61.

Thus, there are still—though only for a brief future—some limitations on range, as far as missiles are concerned.

MISSILES STILL INACCURATE

Second, a long-range missile will be for some time to come an inaccurate and unreliable weapon.

Maj. Gen. Bernard M. Schriever, the head of the Air Force ballistic missile program, said in a recent speech that initially long-range ballistic missiles can be expected to hit the target (area) only about 50 percent of the time.

Third, a wide miss may not be as good as a hit—contrary to the popular impression—as far as a ballistic missile is concerned. The development of thermonuclear weapons and the packaging of thermonuclear warheads in small space with little weight made intercontinental ballistic missiles practical weapons.

The explosive force of thermonuclear weapons is so great that errors could be compensated for, to some extent, by the greater area of damage. Nevertheless ballistic missiles—as yet, and for some time to come—are far behind the plane in the capability of carrying a high-powered nuclear punch.

In the field of miniaturization—compression and lightening of the thermonuclear weapon—we are probably ahead of the Russians. Even so, our IRBM's and ICBM's cannot afford to miss by too much, or the target's destruction cannot be insured. This is particularly true if the target is a "hard" target—protected by concrete, or if its vital elements (such as planes) are widely dispersed.

CAN'T HIT MOVING TARGET

Fourth, a long-range ballistic missile—which is fired against a fixed coordinate on the earth's surface—cannot hit a moving target (except by luck) since its trajectory cannot be altered after the initial phase of flight.

Yet there are always some United States bombers in the air with nuclear weapons aboard, and there are always some United States aircraft carriers, surface ships and submarines with missile capabilities moving out at sea, or anchored in dispersed ports.

A successful Soviet surprise assault against the United States would therefore have to reckon with these factors and would also have to overcome geographic factors that favor the United States.

Our overseas bases virtually surround the Eurasian land mass and they are far closer to vital centers in the Soviet Union than Soviet bases are to the United States.

Normally speaking, the shorter the range of a weapon the greater the accuracy; thus, United States intermediate range ballistic missiles emplaced overseas should have greater accuracy against targets in the Soviet Union than Soviet intercontinental ballistic missiles directed against the United States.

Moreover, the overseas bases give the United States staging points, or stepping stones, from which piloted bombing of the Soviet Union would be far easier than from bases in this country.

And most important, these bases and our floating bases at sea make possible attacks upon the Soviet Union by plane or missile from nearly the entire arc of a circle, thus complicating the problems of the defense.

The United States Strategic Air Command has about 70 bases in this country and overseas, a number that is increasing constantly. There are about 160 NATO airfields and about 250 national airfields in Western Europe. Of the latter, the airfields of Britain, the world's third nuclear power, are the most important in the equation of retaliation.

From these fields light bombers and fighter bombers capable of carrying nuclear bombs of sufficient power to devastate a city can operate.

NAVY CAPABILITIES CITED

There are United States Navy airbases at Port-Lyautey, Morocco; Malta; Cyprus; and Crete from which patrol and attack planes with nuclear weapons can take off. There are 15 United States attack aircraft carriers, each carrying nuclear weapons, and 2 United States guided-missile submarines in commission, each capable of launching missiles with nuclear warheads. Some of our cruisers can launch the Regulus winged missile with nuclear warhead.

There are, in addition, in the Middle East and the Pacific scores of airfields that are being, or can be, used by some of the 4,000 to 5,000 United States planes capable of carrying atomic weapons.

And in West Germany there are a large number of 500-mile Matador winged missiles, Army Corporal (90-mile) ballistic missiles and, soon, the 200-mile Redstone ballistic missile—all with nuclear capabilities.

The Soviet long-range air armies and missile commands would have to plan and carry out almost simultaneous surprise attacks against all of these dispersed bases to reduce our nuclear offensive power so that the losses we could inflict upon Russia in retaliation would be small—acceptable—to Moscow.

This is a large order, indeed. Soviet fighter-bombers, medium bombers, and missiles—varying in speed from 500 to 15,000 miles an hour and in range from 500 to 5,000 miles—would have to be so coordinated that all United States bases from München-Gladbach 250 miles from the Czechoslovak frontier to Carswell Air Force Base, Fort Worth, Tex., 4,000 miles from the nearest Soviet base, were attacked more or less simultaneously.

This would represent a split-second miracle of timing. A bomb dropped too soon, or unidentified formations appearing on the radar screens would trigger our reaction.

The initial phase of that reaction today is almost automatic. A sizable number of SAC's bombers are always on the alert—the goal is one-third of the total—and in 15 minutes scores of B–47's and B–52's can be airborne, fueled, and armed with nuclear weapons—and on their way toward Russia.

Such emergency takeoffs actually have been made when radar screens indicated (falsely) large numbers of unidentified planes approaching our bases.

POSSIBILITY OF A KNOCKOUT

The danger of surprise attack achieving a knockout capability increases, of course, as accurate long-range ballistic missiles are produced and emplaced and as nuclear-powered submarines firing ballistic missiles come into service.

Our reaction time will then be still further reduced and the defense will be confronted with a terrible question. Are those blips on the radar screen moving toward our shores the real thing? Is the enemy attacking, or are the blips, as they have been so often in the past, merely electronic ghosts, mysterious phenomena that clutter up the radar screen with false alarms?

There will be little time to decide, and the consequences of mistake are disaster.

We can launch our piloted aircraft and then recall them at leisure before they reach their targets, but in the age of the missile, recall—once the missile is launched—is impossible. During the first part of its flight it might be destroyed in the air, but even this tenuous control is measured in minutes.

Col. Harvey W. Shelton put this problem in sharp perspective in an article in last summer's issue of the Air University Quarterly Review:

"The old adage that 'haste makes waste' never had more dreadful imports. The defense force designed for near-instantaneous reaction cannot be so designed at the risk of implementing false decisions, particularly if retaliation in kind must be part of the defensive measures. Imagine a two-way intercontinental exchange of ballistic-missile forces that was triggered off by one radar which could not tell the difference between a meteorite and an ICBM."

UNITED STATES RISK INCREASES

Thus, the Soviet's slight advantage in the development of long-range missiles does decrease her risks and increase ours. It is for this reason that the old talk of preventive war—made sweeter by another name, "preventive retaliation"—(to attack the Soviet first) has been heard again, though in muted tones, in Washington, since the launching of the Soviet satellites.

Actually, this strategy of despair is technically unnecessary in the judgment of most of our experts. Today, and in the foreseeable future, it would seem to be beyond Russian or human capabilities to destroy enough of our offensive power to make the risks of such an attack acceptable to Moscow. Actually these risks are almost incalculable in practice, for the human equation with its infinite variety always intervenes in war.

A planned and deliberate major attack by the Soviet Union upon the United States is in the foreseeable future a very unlikely possibility.

And, as the danger of surprise attack increases in the age of the space-devouring missile, there are weapons, methods and programs which will—if we develop them—effectively counter this danger.

There remains, however, the problem of the small-scale aggression, the creeping infiltration of communism the limited war on the unstable flanks of Asia, the Middle East and Africa.

[From the New York Times of February 5, 1958]

MAJOR UNITED STATES EFFORT URGED TO MATCH SOVIET STRENGTH

(NOTE.—This is the fourth of a series of articles appraising the United States military posture in relation to the Soviet Union in the nuclear-missile age. It is based on extensive travel and interviews with military men here and abroad.)

(By Hanson W. Baldwin)

Any program for survival in the nuclear age involves sacrifice, hard work, huge costs, difficult judgments and imaginative research. We are faced, as the launching of the Soviet satellites has made clear, with a tough competitor, whose rate of progress in military development in the past 5 years has outpaced our own.

We still have some enormous strategic and military advantages, but we are behind the Soviet Union in certain fields, and we are unbalanced in some aspects of military strength.

Here are some of the areas of weakness that deserve immediate attention, highest possible priorities and maximum funds.

LONG-RANGE BALLISTIC MISSILES

The Soviet's lead in some phases of the development of long-range giant rockets—though probably slight—is real and only major effort will overcome it. Limitations

have been removed and more funds provided, and there has been a consequent speedup in the Thor and Jupiter intermediate range (1,500 miles) ballistic missile programs and in the Atlas ICBM (5,500 miles) program.

But the more advanced Titan ICBM has not been speeded, and many authorities consider that our sights are still much too low in the long-range missile field. Our objectives contemplate, as of today, very few ICBM missiles in the 1960 fiscal year; more should be ordered now.

POLARIS GETS HIGH PRIORITY

The Navy's ship-based Polaris IRBM under development for submerged submarine launching, has—and should have—very high priorities. This is not only because it is launched from a mobile base difficult to detect and destroy, but also because the Polaris is undoubtedly the prototype of the ballistic missile of the future. It is a solid-propellant rocket, and hence is free from the technical difficulties and the long countdown or checkoff necessary before the firing of a liquid-fueled rocket.

The Army is developing solid-propellent rockets up to 1,000-mile range, and the Air Force is initiating work on a solid-propellant intermediate-range ballistic missile.

SHORT REACTION TIME NEEDED

But in addition to the Atlas and the Titan, which are liquid-fueled rockets, a third intercontinental ballistic missle project should be initiated, with a solid-propellant motor. For a solid-propellant rocket will not only be far more mobile and require less ground support equipment than a liquid-propelled one, but it should materially reduce the time required to react—with offensive measures of our own—to enemy attack or threat of attack.

And the shortest possible reaction time is of tremendous importance in the age of possible surprise attack when the distance between continents has been narrowed to a 30-minute time span.

Development of ICBM and IRBM capability from bases overseas, bases in this country and bases at sea (ships and submarines) will greatly strengthen our nuclear retaliatory power and hence our deterrent power against any massive enemy aggression.

ANTIMISSILE MISSILE SYSTEM

An effective defense to blunt any enemy's attack and to preserve our power to retaliate and our viability as a nation is an essential part of any nuclear deterrent.

The North American Air Defense Command is just commencing to achieve the capability of a good defense—though never a 100 percent one—against piloted aircraft, but the Nation has no defense and no warning system against long-range ballistic missiles.

Missile-warning radar with a range of 3,000 nautical miles has been proved technically feasible. Funds to start the construction of three such warning stations in Greenland, Alaska, and north of Canada have been asked in a supplemental budget. Such a radar might give at most 15 minutes warning of a missile attack, but nine B'52's can take off—when in an alert status—from one airstrip in 15 minutes, and between them they can carry millions of tons of explosive power in the form of thermonuclear weapons.

START OF BUILDING URGENT

It is a matter of urgency that construction of these warning stations be started during this Arctic summer. Tracking radar to supplement them should be built when it has been developed, and an entire antimissile missile system—with its intricate system of search, acquisition, and control radars—should have the highest priority.

At present—even when and if such a system is developed (1962–63 is the earliest target date) an initial 25-percent kill rate against ICBM's is the optimum hoped for. Air defense in general needs more funds and more imagination.

MISSILE-FIRING SUBMARINES

The mobile base capable of launching ballistic missiles with nuclear warheads provides, because of its mobility, the greatest immunity to enemy surprise attack. Thus, a nuclear-powered submarine that is able to stay submerged indefinitely and hence adds invisibility to mobility poses, when equipped with missiles with nuclear warheads, an almost insoluble problem to any aggressor.

No surprise attack can hope to eliminate an entire fleet of missile-firing submarines dispersed at sea. The sea base has another advantage, it would attract the lightning of any enemy's blow away from our shores.

Today the Navy has two conventionally powered submarines of short submerged endurance equipped to fire, when surfaced, the Regalus winged air-breathing missile. Two other diesel-electric submarines to fire the Regalus II winged missile are under construction. A nuclear-powered submarine, to be equipped with the faster and longer-range Regalus II, is being built.

FUNDS FOR SUBMARINES

Funds have been provided in a supplemental appropriation bill approved by Congress Monday for three nuclear-powered submarines equipped to fire the Navy's solid propellant intermediate range ballistic missile—the Polaris. Nine of these submarines can be built at a cost of about $1 billion including missiles.

Two missile-firing submarines in service and six new ones building or authorized is an unimaginative—and far too modest—beginning for what may prove to be a strategic weapon of revolutionary importance. Again, the Nation needs to raise its sights.

ANTISUBMARINE WARFARE

The same threat posed to the Soviet by the Polaris-type submarine can, in time, be deployed against us.

Moreover, the Soviet submarine fleet of 475 vessels is the largest in the world. It could threaten our sea lines of communication with our allies, even though the Soviet has as yet (as far as we know) no nuclear-powered submarines and no operating missile-firing submarines.

The nuclear depth charge and other technological breakthroughs in the complex science of antisubmarine warfare have probably given us a qualitative edge in the antisubmarine-warfare field, compared to present Russian submarines.

But the Soviet may soon have nuclear-powered submarines that will greatly complicate the problem of our defense. In any case the Navy does not have today enough surface escort vessels or antisubmarine planes. A speedup in procurement of equipment for antisubmarine warfare and high priority for research and development in this field is essential.

EQUIPMENT OR LAND WARFARE

The United States Army's 15 divisions are, under present plans, to be reduced to 14 next year. Many of them are committed overseas. These divisions plus the Marines' three divisions are the Nation's emergency force for "brush-fire wars"—peripheral and limited conflicts.

If the Nation retains its present capability of massive nuclear retaliation these small limited conflicts are the kind most likely to occur—in the Middle East, Africa, or Asia. Our capability for fighting these nonnuclear wars has steadily declined, and in the last year, for the first time in history, the Soviet Union has, in general, surpassed the United States in the quality as well as the quantity of its army equipment.

NINE UNITED STATES DIVISIONS ABROAD

Eight United States Army divisions and one Marine division are committed to specific areas overseas. Three divisions are in effect training divisions; only 5 of the 14 divisions will be available quickly for a global emergency.

This is a minimal force; our calculated risk would be considerably less if the Army were increased by one or two divisions, fully equipped, with the most modern arms and highly mobile.

The United States is weak—relative to Russia—in tanks (particularly light tanks), mortars, some field artillery, and some types of tactical missiles. Above all, the strategic—or long-range—mobility of the Army and Marines is still much too limited in both quantity and speed.

The Navy's amphibious vessels and transports are still largely World War II types. The Army, dependent upon the Air Force for airlift, could count in emergency upon only enough planes to transport about half a division simultaneously across the ocean.

NEW LANDING CRAFT REQUIRED

New high speed amphibious vessels and new types of ships—such as a large nuclear-powered submarine transport, as well as new high-speed naval auxiliaries, are needed to increase the Nation's naval and amphibious mobility.

The Army needs more transport aircraft permanently assigned to it; some authorities have suggested that troop carrier aircraft should be transferred from the Air Force to Army control and operation.

Speed and mobility are essential if the Nation is to create a military fire brigade capable of preventing small wars from becoming big ones. Without this strategic mobility the Army and the Marines lose much of their usefulness. A speeded procurement program for ground equipment is also necessary.

PILOTED AIRCRAFT

The United States has today a tremendously powerful fleet of piloted aircraft—4,000 to 5,000 planes each capable of carrying a thermonuclear weapon of megaton (million tons of TNT equivalent) destructive power.

Yet antiaircraft missiles with nuclear warheads and piloted interceptors with air-to-air missiles are sharply reducing the offensive utility of our present high-altitude piloted bombers.

The Strategic Air Command and the Nation have a tremendous investment in the Boeing B–47 medium bomber and the Boeing B–52 heavy bomber, and the Navy has a sizable investment in the Douglas A3D attack plane. All of these aircraft are subsonic high-altitude bombers, whose span of military usefulness in their present form is now limited.

Instead of ordering more of these planes—the Nation already has a tremendous overkill capability with its piloted bombers provided they can get to their targets—our efforts should be to strengthen them with air-to-surface missiles, decoys, electronic protection and other devices that would extend materially their useful military life.

MISSILE-FIRING BOMBERS

A B–52, equipped with a 300-mile to 400-mile supersonic guided missile with a nuclear warhead could stand out of range of enemy antiaircraft missile batteries and yet deliver its weapon to the target.

An air-to-surface missile of this type—the North American GAM–77, already ordered—should have the highest priority, for only by modernization of our bomber fleet will our present lead in piloted aircraft continue to be useful.

At the same time, our modest production program for the Air Force Snark 5,500-mile missile (an air-breathing pilotless aircraft),

and for the Navy's supersonic winged missile, Regulus II, should be expanded.

The bomber-launched air-to-surface missile and the Snark and Regulus, if available in some quantities within the next 18 months, can cushion the Soviet lead in long-range ballistic missiles.

The nuclear-powered plane, because of its great cruising endurance, could be the ultimate version of an aerial missile-launching base. Several of these planes, constantly cruising in the skies above world and equipped with long-range missiles, could present a deterrent to aggression which would be almost impossible to eliminate.

At the same time the Nation should develop rapidly new low-flying attack planes capable of penetrating defenses beneath the beams of radar, and very high altitude light bombers capable of penetration above the range of present antiaircraft missiles.

There is no need in the future to build tremendous heavy bombers when small fighter bombers can carry megaton bombs. The lighter and smaller supersonic bomber—the Convair B–58—is a trend in the right direction; more should be ordered. But the piloted bomber of tomorrow—if it is to continue to be useful in the age of the missile, and present indications are that it will be—must be smaller than the B–58.

Fewer planes but better ones is the need for tomorrow.

SUPPORT PLANES ADVOCATED

But aircraft development must not be keyed solely to the requirements of a nuclear war. The piloted plane for reconnaissance, close-support, pin-point attack and interdiction is still essential for limited war.

The trend in design has been toward higher-flying faster aircraft that have little utility for accurate surface support. More research and development of specialized aircraft for nonnuclear missions is essential.

The vulnerability of our bomber bases to sabotage or surprise attack is in part the product of the tremendous numbers of piloted aircraft the nation possesses. Congestion on our bases has been caused by sheer growth in numbers—in the Strategic Air Command, for instance, from about 850 combat aircraft in 1950 to far more than 2,000 today.

But this vulnerability in the age of the missile must be reduced rapidly by the construction of new subsidiary air strips, by more dispersed parking areas, by the construction of alert facilities to enable quicker takeoffs. Strategic Air Command also requires more Boeing KC–135 jet tankers for air refueling and advance bases for these tankers in northern Canada.

PERSONNEL

Man is still the heart of battle—and despite all the recent accent upon new weapons and new machines man is probably the weakest element in the American formula for security.

Most of the men in our Armed Forces are not capable of utilizing at optimum capability the weapons they have. The turnover is tremendous, reenlistment rates nowhere near high enough, and far too many promising officers are resigning.

The morale of some key units is high but across the board it is indifferent. All of the services are experiencing difficulty in retaining their highly trained technical men. The Stategic Air Command, for instance, keeps only about 17 percent of its jet engine mechanics beyond their first enlistment.

About 1,500 men out of a crew of 2,500 aboard the aircraft carrier Saratoga left the ship in the last 6 months of 1957 and were replaced by new men—most of them green to the Navy. The old professional high-spirited band of brothers of the former services does not exist today except in a few exceptional units.

INCREASED PAY URGED

Implementation of the Cordiner report, which would provide increased pay, based on merit rather than longevity; improved incentives for specialists, better housing and other benefits, would, the services believe, help to create the truly professional forces needed for the nuclear-missile age.

But the Department of Defense and the services themselves should improve and simplify their own personnel policies. The Defense Department—in the name of common personnel policies—has almost eliminated the elite unit concept and has tended to reduce all to the same common denominator.

Career guidance has become a fetish rather than a tool; it too often puts square pegs in round holes. Cost accounting has become more important than combat effectiveness.

Longer enlistments, more stability, the elimination of the short-term officer, the preselection of officers primarily on the basis of motivation and character; selective reduction in numbers but improvement in quality—and above all, a rigorous standard for leadership—are essential if United States soldiers, sailors and airmen are to become tough, disciplined, intelligent, professional forces capable of matching—and overmatching—the armed men of the Soviet Union.

LONG-TERM PROJECTS

There are a number of major long-term projects with no clear or immediate military application that should have high priority. Many of these projects—man's first steps into space—deal with some form of upper atmosphere, or space, research. Some of them could have in the future tremendous political, psychological and scientific significance and might produce important military by-products.

All of them must depend upon the military missile programs for support and hence must be closely associated with the military no matter under what management.

The Pied Piper and other satellite reconnaissance programs, a project investigating the feasibility of weather control, explorations of outer space and manned and unmanned rocket flights to the moon are among the programs that must receive firm support.

A first flight to the moon by a rocket made and launched in the United States would appear to be the only way in which—in the eyes of the world—America's tarnished technological prestige might be restored.

[From the New York Times of February 6, 1958]

MILITARY DEFICIENCIES LAID TO DECISIONS BY CIVILIANS

(NOTE.—This is the fifth of a series of articles appraising the United States military posture in relation to the Soviet Union in the nuclear-missile age. It is based on extensive travel and interviews with military men here and abroad.)

(By Hanson W. Baldwin)

Cape Canaveral, Fla., where America's "birds" are launched on their flight into space, provided a good example last week of the healthy aspects of interservice rivalry. There a hybrid Army missile defeated a Navy-sponsored entry for the honor of launching America's first satellite.

Many generalized lessons, most of them false, will doubtless be drawn from the success of the Jupiter-C. But one major lesson is valid. It was not rivalry or competition between the armed services that delayed our first launching of an earth satellite for at least 6 months to a year. It was mistaken civilian judgment that prevented service competition.

ARMY MADE REQUEST

The Army had, fully a year ago, missile hardware with sufficient thrust to launch a satellite; in fact the Army requested permission to attempt such a launching many times.

But the Vanguard project, which involved the design of a new and marginal launching mechanism had been sold to the administration and to the National Academy of Sciences, and the Office of Naval Research had been assigned to monitor the project. The Army's requests were refused, only to come to belated triumph last week.

It is illogical, as Adm. Arleigh A. Burke, Chief of Naval Operations, has pointed out, to blame service rivalries and especially on the Joint Chiefs of Staff for our second-best effort in the satellite race and all of our deficiencies in military strength.

Service rivalries have caused waste and inefficiency and friction, but service competition has undoubtedly saved the country lives, dollars and probably battles.

The air-cooled aircraft engine, the infrared air-to-air missile Sidewinder, the Polaris solid-fuel missile, the Thor and Jupiter intermediate-range ballistic missiles, the Navy's A3D high-altitude attack bomber (used by the Air Force as the B–66 light bomber), the Air Force's F–86 (used by the Navy as the FJ–1 Fury) and many other weapons would probably never have been produced had it not been for service competition, individual service enterprise and specific service needs.

CIVILIAN PROBLEM

The problem of our security organization is not solely or primarily an interservice problem as much as it is a civilian-military problem.

Most, though not all, of the Nation's military deficiencies today stem directly from civilian decisions. These include the major reductions in the military budgets between World War II and the Korean war, and the dominant balanced-budget philosophy of the Secretary of the Treasury and the Director of the Budget Bureau during President Eisenhower's first term.

For several years after the Joint Chiefs were established, they could get no clear-cut statement of national objectives from the National Security Council upon which to base strategic plans.

Our overconcentration on the nuclear massive retaliation strategy was a product of National Security Council debate, foreign-policy requirements and President Eisenhower's decision; it was not made in the Pentagon.

Last year, and in 1956, the Nation's intelligence agencies repeatedly reported explicit evidence of numerous Soviet ballistic missile launchings, but no action was taken as a result of these reports; in fact, civilian, not military, leaders cut budget requests that would have resulted in speeding our program.

And, as a crowning irony, the much-publicized Gaither report—a report of a private group of citizens to the National Security Council—recommended that the administration spend the same increased budget on defense that the Joint Chiefs of Staff had urged futilely upon their civilian superiors earlier last year.

BLANKET ACCUSATION

The term "service rivalry" has been used as a blanket with which to cover all faults in security organizations and errors in judgment inside and outside the Pentagon. Sharp attacks, some sincere and honest but many of them mistaken, distorted or false, have been made upon the Joint Chiefs of Staff by persons or organizations that ought to know better. The Joint Chiefs have become the focus of attempts to reorganize the Pentagon—though the fundamental problem lies elsewhere.

Statements that "there is no unified planning," there are "no strategic plans," that the Joint Chiefs of Staff "never agree" are

made so often that much of the public seems to believe them. Even the recent report of the Rockefeller Brothers Fund lent substance to these statements by asserting:

"The present organization and responsibilities of the Joint Chiefs of Staff preclude the development of a comprehensive and coherent strategic doctrine for the United States. Our military plans for meeting foreseeable threats tend to be a patchwork of compromise between conflicting strategic concepts or simply the uncoordinated war plans of the several services."

SEPARATE WARS CITED

Recently one widely circulated statement implied that if war broke out tomorrow the separate services would each fight its own war without coordination.

Gen. Nathan F. Twining, Chairman of the Joint Chiefs and former Chief of Staff of the Air Force, thought all these misleading assertions were so serious that he issued a statement declaring specifically:

"There is a family of strategic plans, jointly agreed and approved.

"The United States Armed Forces are ready to fight as a team—today or any day—in accordance with our jointly approved war plans."

There are other clarifying facts, which the public does not know, behind the Twining statement.

The picture of the Joint Chiefs as a group of narrowminded individuals—vain with pomp and jealous of their prestige, bickering about service position with the safety of the country at stake—is unadulterated nonsense.

All of these men who have risen to the tops of their professions share one outstanding attribute: love of country. They are all extremely hard working, have a high sense of individual and collective responsibility, great sincerity, and are intelligent men of good will who share a common task—the security of the Nation.

THRASH OUT DIFFERENCES

They differ emphatically sometimes, as indeed they should; they bicker never. But their final differences after a paper has been thrashed out are few.

From December 15, 1956, to January 22, 1958, under the chairmanship of Adm. Arthur W. Radford and lately under General Twining, the Joint Chiefs of Staff have made 884 reports or recommendations, upon which their superiors, the Secretary of Defense and the President, could base decisions.

All except 3 of these papers represented unanimous views, and these 3 split papers, 1 of them of minor importance, have since been settled.

There is no backlog of unsettled problems today upon which the Joint Chiefs have not acted.

FAMILY OF STRATEGIC PLANS

There is a "family" of agreed strategic plans, many of them detailed and precise, that have the unanimous approval of the Joint Chiefs.

One of them, the joint long-range strategic estimate, covers a 4-year period 8 to 12 years from now, and represents the best crystal gazing the Joint Chiefs can do on the basis of estimated future political developments and anticipated advances in weapon technology.

The second, the joint strategic objectives plan, covers a 3-year period 4 to 7 years from now. This plan usually causes the most discussion because the objectives agreed upon determine the kind and composition of the Armed Forces the Nation is to have.

This year there was a unanimous Joint Chiefs agreement to this program.

The joint strategic capabilities plan, the third of the master papers the military panel revises and prepares each year, is the fighting plan—how to use the forces we have now. There is rarely much difficulty about this plan; no nation ever has enough at the start of a war, and a strategic war plan is really just commonsense with the necessary technical knowledge to apply it.

GET DOWN TO DETAILS

The individual services and the unified, joint and specified commanders who command our forces all over the world work out their shares of the combined plan in accordance with the guidelines set by the Joint Chiefs.

To make sure their individual plans conform to the master plan the services and the commanders send back their segmented implementation of the master plan to the Joint Chiefs who review these individual plans to see that they mesh.

This procedure is so definite that when it is ended nearly every United States pilot of a plane that can carry an atomic weapon knows exactly what target in the Soviet is his objective. He knows all there is to know about that target, the base from which he will take off, where he will land and the route he will fly.

All this adds up to the fact that the Joint Chiefs are functioning and doing their job. In fact, they have been doing it better and better since the so-called Unification Act of 1947 gave them statutory status.

Their organization can, of course, be improved—although two of the most popularly suggested "improvements" are, in the opinions of several of the Joint Chiefs and of others thoroughly familiar with the Pentagon, dangerous improvisations.

CHIEF OF STAFF DISCUSSED

One suggestion—to abolish the Joint Chiefs and create a single chief of staff or principal military adviser to the President with a joint staff drawn from all services—would, in effect, substitute the single judgment of one military leader for the collective judgment of the present five.

The Joint Chiefs deal in strategic questions of great moment; there should be no "party line" about the broad matters they discuss. Differences of viewpoint about such important matters are inevitable and desirable.

The creation of a single chief of staff, without other more sweeping changes, would be futile. The Pentagon would probably function even less effectively than it does now unless all the armed services were merged (with serious effects upon morale) and the individual military departments wiped out. And this would wrench our entire worldwide military organization completely out of shape during an era of crisis.

The second suggestion is that the Joint Chiefs be relegated to administrative, or logistic or operational commanders of their services, and that there be inserted between them and the Secretary of Defense a group of military elder statesmen without any individual service responsibilities.

This likewise has little appeal to most of our senior military commanders. If this were done, the responsibility for planning would be separated from the responsibility for execution. Moreover, the elder statesmen would be bound to have, without responsibility, an ivory tower approach.

The old General Board of the Navy, abolished some years ago precisely because it had fallen into innocuous desuetude, is an example.

CAN BE IMPROVED

The joint chiefs organization can be improved by strengthening the joint staff by requiring the deputies of the joint chiefs to meet in more or less permanent session and by the delegation by the individual chiefs of more of their service responsibilities to their subordinates. It can be improved perhaps by the creation of a director of operations and other administrative changes. And, without a doubt, the Secretary of Defense should meet with the chiefs and join in their discussions far more than he has done.

But one of the main problems in the Pentagon is the tremendous civilian layer of bureaucracy that has been built up at the Department of Defense level and at individual service level.

There are a total of 30 civilian secretaries, assistant secretaries or their equivalent in the Pentagon who can give directives to the military chiefs of the services, even though most of these civilians have no legal responsibility.

The basic law of sound organization—the coupling of authority with responsibility—has been broken in the Pentagon. What makes it worse is that virtually all of the senior civilians are political appointees who know little about the military and who stay at their posts for only a brief time.

MANY POLICYMAKERS

Many of the assistant secretaries, deputy assistant secretaries, and senior civil servants who have entrenched themselves in positions of power in the Department of Defense try to formulate military policy in fields from medicine to personnel to strategy and many of them actually interfere at the lowest levels in the services in administration and operations.

The civilians have taken over many of the functions of command formerly vested in the military officer, and they exercise this authority without any coequal responsibility for the results.

Admiral Burke keeps on a table in his Pentagon office a long line of miniature flags, each the standard of one of the powerful but little-known civilians who stands between him and the President of the United States. There are 11 in the Defense Department and 6 in the Navy.

Gen. Maxwell D. Taylor, Army Chief of Staff, pointed to the same problem in an address last September:

"There are 19 civilian officials between the Army Chief of Staff and the Commander in Chief, who either command, control, or influence his (the Chief of Staff's) conduct of the business of the Army."

DEPUTIES HAVE DEPUTIES

Each of these principal civilians has deputies and numerous assistants, most of whom have the power to negate or delay, few of whom have the power to approve or expedite.

Nearly every proposed defense project impinges upon several, or all, of the special fields of the numerous Assistant Secretaries of Defense, so that all kinds of cross checking and coordination is necessary. The result sometimes, in the words of one authority, is like punching a feather pillow; you can get no solid result.

There have been many instances of delays of many months in action on requests for urgent research projects, some of them involving only small sums.

An official writes about the Navy:

"There are decisions being made as to what missiles will go into certain programed new construction men of war. And who is making the decision? The Chief of the Bureau of Ordnance or the Chief of Naval Operations? Not at all, the Comptroller. Not on the basis of military effectiveness but for budgetary reasons."

DEFENSE BUREAUCRACY

The Department of Defense has grown into a tremendous civilian-dominated bureaucracy. It has gone far, indeed, from the original concept of a small policy-forming group superimposed on the separate services. Its thousands of employees do not now confine themselves to policy; they duplicate and sometimes triplicate the work done by the individual services, and they delve deep into administration, operations, and even command.

A remedy has been suggested, but it is difficult to implement, since it would mean the achievement of what in Washington is almost impossible: tearing down a bureaucracy and the discharge of thousands. It envisages a streamlined Defense Department centered on the Secretary of Defense with two Deputies.

Whether or not it is too Draconian an approach, it is certain that the organizational problem in the Pentagon requires a redefinition of civilian-military relationships.

Careful re-thinking should be given, too, to the proposed creation of an Advanced Research Project Agency at the Department of Defense level. This agency, to deal with space research projects out toward the limits of our technological frontiers, must be responsive to military needs. But the proper place for such an agency may be outside the Pentagon instead of in it.

The National Advisory Committee for Aeronautics or the Atomic Energy Commission, both highly successful advanced research agencies, both quickly responsive to military needs, offer a possible organizational pattern.

CAUTIOUS STUDY URGED

Above all, any study of organizational problems in the Pentagon should be, as Secretary of Defense Neil H. McElroy has emphasized, cautious, careful and thorough.

The Pentagon does not operate in a vacuum. Many of the sins of omission and commission for which it is blamed have been the results of decisions or lack of decisions by higher authority. They were the results of commitments required by our foreign policy, the actions of the White House, the Bureau of the Budget or Congress.

And the problems of defense today are immense, some of them perhaps insoluble.

The administration, for instance, must determine not only how much money should go into defense, but also what kind of defense it should buy. No single mind, no military man or group of men can, or should, make these decisions.

The coming problem of how effectively the Navy's fleet of Polaris-firing nuclear submarines complement, as a sort of seagoing Strategic Air Command, the big bombers of the Air Force is one that must be decided by top-command civilian judgment.

Organizational blueprints are no substitute for men of sound judgment. All that organization can do and should be expected to do is to provide the information, the facts, the arguments and the opinions for making judgments. And in the last analysis the best organization can be effective or ineffective depending upon how it is used.

[From the New York Times of February 7, 1958]

NATION FOUND IN POSITION TO MAINTAIN ARMS LEAD

(NOTE.—This is the last of a series of articles appraising the United States military posture in relation to the Soviet Union in the nuclear-missile age. It is based on extensive travel and interviews with military men here and abroad.)

(By Hanson W. Baldwin)

The problems of defense in the nuclear-missile age transcend the boundaries of the Pentagon, the authority of the Secretary of Defense, and, indeed, the competence of the Government. The launching of the Soviet satellites last fall spurred a critical evaluation of our security organization that is continuing.

The alarm induced by the spectacular evidence of Soviet technological and military progress prompted a popular but exaggerated opinion that the balance of world military power had shifted to the Soviet Union and that the United States, after a brief reign as global top dog, had now become a secondary power.

This mistaken assumption tends to focus America's problem too narrowly. We still are the first military power of the world. If we do certain things we can probably remain so, though we shall never again hold the unmatched power position we enjoyed at the end of World War II.

We are not the best in the world in all things; we never have been. And we shall unquestionably experience more unpleasant Soviet surprises. We cannot expect, and do not need, to overmatch Russia in all fields of military strength, but we must retain qualitative superiority in key fields.

But a deeper examination of the comparative basis of American and Russian power, an examination that some experts have made, reveals certain weaknesses in organization and disquieting trends and grave implications for the future, far more important than our deficiencies in this or that military area.

The military of a country, in fact, reflects a nation; the men in uniform can, possibly, rise above the ruck, but essentially the military's faults and weaknesses are the faults and weaknesses of the government they serve, the legislature that supports them, and of the body politic.

If the armed services are to be strong the whole fabric of which they are only a part must be strong. There are numerous areas of weakness that need remedies. Here are some of them:

THE DEFENSE BUDGET

The defense budget is not, and never can be, the product of the Joint Chiefs of Staff or of men in uniform.

The size of the budget, and ultimately the kind of strategic policies it supports, are and must be, if a basic American principle of civilian control of the military is to prevail, the responsibility of civilians. Their responsibility lies primarily with the President and his Bureau of the Budget, the National Security Council and the Secretary of Defense.

Nearly all of the defense budgets of recent years, particularly those of the last 2 years, represent in final form sharp reductions of the amounts asked by the military. This paring process took place in the Pentagon, at service level and again at Department of Defense level, and in the Bureau of the Budget and in the National Security Council.

BUDGET CUTS DRASTIC

The launching of the Soviet satellites demonstrated that past budget cuts had been too drastic. The defense (Pentagon) budget, which had been reduced and leveled off in the last 2 years at a little more than $36 billion in new obligational authority ($38 billion in expenditures) is scheduled to rise in the 1959 fiscal year budget (starting July 1) to more than $39 billion in new obligational authority and to about $39,800,000,000 in expenditures. A supplemental budget for 1958 has also provided $1,260,000,000 more.

The adequacy of these revised budgets is now under examination by Congress. In some respects, including some of the deficiencies outlined in previous articles, it has already been attacked as insufficient.

Just how much is enough is always the toughest question the administration, the military and Congress are asked to decide. The proposed budget, as all budgets do, takes certain calculated risks.

THE INFLATIONARY FACTOR

If the inflationary factor and the constantly increasing costs of new weapons are taken into account it does not provide much additional money for the procurement of new weapons.

It actually asks less, both in percentage and in money, for the important ICBM (intercontinental ballistic missile) and IRBM (intermediate range ballistic missile) than is provided in the current fiscal year. Moreover, the cuts in military manpower continue.

Above all, the 1959 budget does not appear to be a very imaginative or dramatic answer to the Soviet satellites.

If we are to lead the race into space, wider horizons than this budget reveals are needed. What we do now will determine the state of our power position 3 or 4 years from now, so that we would be well advised to err on the side of safety. A billion dollars more would provide for some of the deficiencies outlined. That we can afford to do what is necessary goes without saying; we cannot afford to do less.

Economically, most authorities believe that spending at the rate of 9 to 12 percent annually of our gross national product for defense does not represent a real economic risk. Thus Pentagon appropriations could be increased materially without grave danger.

THE LARGER PROBLEM

The budget problem, however, is larger than the mere appropriation of funds. It involves the relationship of legislative to executive authority, the constitutional responsibility of Congress to raise and maintain armed forces, the role of the Bureau of the Budget and the Secretary of the Treasury and the apportionment of appropriated funds.

The Secretary of Defense, under the law, has tremendous power within the Pentagon. He has the authority to make decisions, to limit the funds requested by the services from Congress, to approve or reverse recommendations of the Joint Chiefs of Staff. Often in the past the Secretary has failed to use his authority; sometimes he has made wrong decisions. But he does not lack authority to make decisions.

Only in one respect could his power be broadened. Today moneys are appropriated by Congress in major part to the armed services—usually following the general guidelines of the requests of the executive department as approved by the Secretary of Defense. The funds are provided for specific organizations or projects within each of the armed services, and the requests must be justified to Congress in detail by the organizations or projects concerned.

POWER OF DEFENSE SECRETARY

The power of the Secretary of Defense could be increased if Congress would give him, in effect, a blank check; that is, if defense moneys were voted to the Department of Defense to be applied as the Secretary of Defense wished.

But this is a huge grant of power. It would mean that the individual service departments would wither on the vine and eventually have to be eliminated. More important, it would reduce materially Congressional power over the purse strings, a power of which Congress is rightfully jealous.

However, Congress could, as it already has done, provide the Secretary of Defense with specific funds for specific purposes. It could appropriate to him a limited amount of general funds to be applied to whatever area the Secretary judged best, and it could grant him limited authority to transfer funds from one project or one service to another if Congressional defense committees approved.

But such increased grants of budgetary power by Congress would not, alone, provide a solution of the complicated and time-consuming budgetary process.

WINGS HAVE BEEN CLIPPED

For in recent history the wings of the Secretary of Defense have been clipped within the executive department by the growing authority of the National Security Council and the Bureau of the Budget. There is no insurance that funds, once appropriated for specific projects or speedups, will be quickly available, or even available at all.

On several occasions Presidents have withheld moneys appropriated by Congress. And even when money is made available, the long and tortuous apportionment process—the limitation by the executive branch of Government of the rate of obligation of appropriated funds—often causes endless delays and red-tape.

In effect this process is the rejustification by each service, each organization and each project of the moneys already justified to and provided by Congress, with the Bureau of the Budget and the Department of Defense in the role of judge and jury.

This process may control expenditures and may insure more economy, but it certainly has many built-in delays, and it too often substitutes fiscal judgment for technological and professional judgment.

THE PROBLEMS OF DECISION

A satisfactory security organization must insure the dissemination of pertinent facts and expert opinions to the National Security Council, the Cabinet, the President and Congress.

Sometimes these facts are not understood, do not make sufficient impact, or take too long to reach those who make decisions. Certain staff aids—such as the appointment of Dr. James R. Killian, Jr., president of the Massachusetts Institute of Technology, as President Eisenhower's Special Assistant for Science and Technology—can guard against such dangers. But essentially the problem of decision is a problem of men of judgment and balance, rather than organization.

No one can relieve the President, as the Commander in Chief, of the responsibility of decision, yet the personality of a President and his methods of working inevitably will influence and reshape any organization for decision making.

In this administration, the National Security Council has been of key importance in this process. The council has been used by the President as the great anvil upon which most of our basic military policies, and the forces to implement them, have been forged. Despite the elaborate mechanism for consultation all important military and technical points of view have not always been represented in the council; sometimes key developments have been delayed or deemphasized. The Joint Chiefs of Staff should be closer to the President; all of them should, as a routine matter, attend all pertinent meetings of the National Security Council. Dr. Killian or a similar representative of science should also be present as a technical adviser.

MECHANISM FOR FOLLOW-UP

Another loose cog in the tremendous Government now existing in Washington has been the mechanism for executing and following up decisions once made. The Operations Coordinating Board was established primarily to see that NSC decisions were implemented, but often the process of implementation has been long and hard.

To insure swift and realistic impact upon our policies of Soviet technological or military progress, it has been suggested that the Director of the Central Intelligence Agency be included in a policy coordinating group. This has some organizational merit but also political danger, for it is an unwritten law that no head of a secret intelligence agency should ever be put in the position of framing or executing broad national policies.

Streamlining of existing agencies and selecting better executives should expedite implementation of decisions already made.

The advent of the missile age accents the need for quick decision as well as quick execution. The Air Force Quarterly of last summer in an article on The Impact of the Missile on Defense by Col. Harvey W. Shelton, declared:

"We must take steps to reduce national reaction time. There must be fool-proof and delay-free organizational machinery to inform the highest levels of government of an imminent or possible attack and to transmit top-level decisions to the force or forces concerned.

"There may be a requirement in this connection for reviewing the laws, traditions, and policies governing who can act under varying circumstances for and in the absence of the President and other high officials."

New intelligence techniques to trigger the decision-making process are also essential.

GOVERNMENT AND INDUSTRY

The relationship between Government and industry in the development and procurement of modern weapons is a complex of Congressional legislation, executive directives, the growing influence of big government, the policies of the contracting services, and the individual attitudes of some of the eager beavers in the services.

As C. W. LaPierre, vice president of the General Electric Co., has said, "the close cooperation that exists between industry and its civilian customers is largely missing with respect to its military customers."

Instead of utilizing competition and private industrial initiative to the full and rewarding success, the Government's procurement policies have stressed the closest possible sort of direction, supervision, and centralization.

Incentive has been reduced and individual initiative circumscribed. So much red tape and so many controls have been established that our lead time for the production of new weapon systems has sometimes been longer than the Soviet lead time. In the opinion of many of our experts the Government's procurement policies tend to kill the goose that laid the golden eggs.

INDUSTRY VIEW CITED

As Mr. LaPierre puts it:

"In military procurement a cumbersome system of detailed scrutiny and approval requirements is used in an attempt to prevent all mistakes and violations of rules and laws. The direct cost of this machinery shows up in the form of extra Government payroll and expenses, but the indirect cost in lost time and production of industrial work done under the system represents a hidden but huge item in the Federal budget.

"On top of all this, the profit incentives for doing military work are a fraction of what they would normally be for civilian work. Moreover, these incentives are not usually related to quality of performance or the risks involved."

J. Sterling Livingston in the current issue of the Harvard Business Review makes the same point, as so many others have done vainly for the last 3 years.

He shows that one of the major reasons for our lag in weapon development is the Government's procurement policies.

We need, he says, a "procurement system which will fully utilize the creative capacity of the private enterprise system by stimulating competition, providing adequate profit incentives, and giving weapons contractors greater authority to decide how weapons should be designed and built."

ARMS BILL ASSAILED

Yet despite these and many similar warnings, there is today legislation before the House of Representatives to provide for the appropriation of funds on an annual accrued expenditure basis. This, the Aircraft Industries Association believes, would "forge a set of handcuffs for our defense projects at a time when the industry needs freedom to move boldly and resolutely in its efforts to achieve and retain qualitative superiority over the Russians."

Less red tape and more initiative for industry in development and procurement and production contracts is essential.

But at the same time, private industry should halt some of the direct and indirect attacks that have been made periodically against Government (particularly Army and Navy) research laboratories, proving grounds and test stations, such as Redstone Arsenal.

There is more than enough work for both Government and private research and development agencies; the two can, and must, complement each other if the United States is to achieve optimum progress in weapon development.

CIVILIAN DEFENSE

Various agencies and reports have recommended the construction of a nationwide system of shelters to protect people against nuclear attack. The cost estimates range from $15 billion to $40 billion.

There are two key questions to be answered to the satisfaction of the executive department, Congress, and the public before any such program should be started:

1. Will such shelters really be of much effectiveness given the total disruption incident to nuclear war and the contamination of foodstuffs, water supplies, and whole areas that would occur?

2. Will the cost of such a program divert funds from more important projects, or create, politically and psychologically, adverse effects, including a kind of Maginot line mentality?

EDUCATION AND INFORMATION

The weaknesses of our educational system have been examined and stressed repeatedly since last October. But too often the quantitative factor—the need for more scientists—has been stressed rather than the more basic importance of better quality.

There is no good proof that there is now any real shortage of engineers and scientists except in certain highly specialized fields. The problem is the proper use of those we have—and their proper reward. Many graduate engineers do not practice their profession because they find, as teachers do, better rewards in other fields.

We shall certainly need a much larger output of well-trained engineers, scientists, and technicians in the future, if we are to keep pace with the Soviet. But we shall need, too, far more linguists and humanists, and more masters of political science.

But harder study, more discipline, more opportunities for the gifted scholar, more rewards for the teacher, more fundamentals—better quality, in short—rather than more mass education is the need.

PRIORITY FOR SPECIALISTS

There is need for high priority in certain specialized fields. In space research, for instance, Dr. S. Fred Singer, of the University of Maryland, estimates that the United States is now turning out only one graduate student each year, from the specialized courses at the University of Iowa and the University of Maryland.

In 3 to 5 years there will be a great need, he believes, for more of these specialists trained in jet propulsion and astrophysics. About 20 each year should be graduated, half of them in the United States, the rest in Western Europe.

There is also a need for far more technicians trained in specialized fields.

Because of the Soviet satellites some of the stupid secrecy barriers, which prevented the widespread dissemination of scientific information, have now been removed. But a centralized system for translating, summarizing, indexing, and distributing foreign scientific and technological papers and journals should be expedited. This should be done either under an adequate staff at the National Science Foundation or in the Library of Congress.

THE PEOPLE

The last and fundamental line of defense of a country is its people. Dangerous changes in the American character in the last 30 years are indicated by the various frightening studies made of the conduct of our prisoners of war in Korea.

The lack of any real motivation, the absence of self-discipline, the physical and moral softness of many of the men who don the uniform are the basic problems of the Armed Forces today.

The bond of common service of country, the sense of adventure, the desire for opportunity and the quest for danger have been replaced in many of our youth by the urge for security—an urge that, paradoxically, could defeat itself.

Yet men are the soul of battle; even in the age of the missile and the conquest of space man, not the machine, controls the Nation's destiny.

NO COMPLETE SECURITY

It will be, no matter what transpires, a destiny of danger and of risk. We can never expect absolute or complete security; there is no such thing, if the Nation strives for it, psychologically or actually, we doom ourselves.

In a letter to this writer in 1948, James Forrestal, who did so much for our security as the Nation's first Secretary of Defense, said:

"It has long been one of my strongly held beliefs that the word 'security' ought to be stricken from the language and the word 'risk' substituted. The great danger in any country is for people to believe that there is anything absolute about security. Airpower, atomic bombs, wealth—by itself, none of these give any guaranty."

[From Newsweek of February 17, 1958]

OUR MORALE MESS

One-third of the men in the United States Armed Forces quit every year. And, by and large, it's the good men who get out.

Why?

The distressing fact is that while the Nation is pouring fresh billions into new weapons, it has just about forgotten the men who run these weapons.

The result: At a time when the United States desperately needs a stable, well-trained force for instant retaliation in case of war, it actually has a half-trained force, perpetually half ready and largely fed up.

Congress is about to start hearings on a proposed military-pay increase, but money is only one reason why service morale is shockingly and perilously low. Other reasons go to the core of military and civilian thinking and a general failure to perceive how our fighting men—like their equipment—have changed with the times.

In the following special report, an international task force of Newsweek correspondents headed by Peter Wyden tells what is wrong with morale in the Army, Navy, and Air Force and what can be done about it.

This is how they talk:

In the Pentagon, a colonel who works on manpower problems for the Secretary of Defense, said: "Right now the talk is 'Let's get out of this chicken outfit.'"

Aboard the submarine U. S. S. *Cutlass*, Lt. William M. Thompson (Annapolis 1953) complained: "We're not replacing the talent. One day soon the whole bottom is going to drop out."

At the Strategic Air Force's Lincoln, Nebr., base, Mrs. Robert L. Goodrich, the wife of a B–47 pilot, announced: "I'm making my husband get out of the service. I want a homelife like other wives. I want permanent friends."

Aboard the guided-missile cruiser *Canberra*, off the coast of Spain, Lt. (jg) George Carson explained his reasons for wanting out: "I couldn't see any motivating force. I would have been promoted to lieutenant whether I did a good job or not."

At the Corporal Missile Battalion in Ansbach, Germany, Army Sp3c. David A. Treffs said: "At General Electric I had a boss. I respected him because he had superior knowledge. The leaders here inspire nothing but laughter."

At the 81st Fighter-Bomber Wing in Bentwater, England, Lt. John Oty talked about the mechanic who works on his jet: "At $160 a month he isn't going to give it his best. He can kill me."

A career officer in Korea said: "If a guy like Gen. (James M.) Gavin has to quit, there must be something wrong."

Many of the servicemen's complaints these days will sound familiar to veterans of the First and Second World Wars. But today's gripes, which run in surprisingly uniform patterns through all the services, go deeper than the ancient beefs about KP, chow, and the man-eating drill sergeant. New themes have been added—more mature, more deep-seated, and more ominous. Even the jokes have taken on a disturbing edge. West Pointers discussing the Army's career-management program refer to it as "career mangiement." In guided-missile outfits, the Latin legend Nihil Obstat ("nothing stands in the way"), emblazoned in flashy emblems on each man's uniform, is popularly translated as "nearly obsolete."

THE DISENCHANTED

Not everybody's morale, of course, is poor. Plenty of servicemen still speak contentedly of "security," "a look at all this geography for free," and the satisfactions of "belonging to something." Reenlistments are up from the post-Korean depths, but this is less significant. First, they include many a disenchanted World War II oldtimer like Sfc. George S. Gordon in the Signal Corps, who has only 5 years to go to his 20-year retirement. "I've got so much time invested," says Gordon, "I'd be a fool to pull out now." More depressingly, the statistics also include plenty of men like Sgt. Raymond C. Hayes, a 5-year man, who is a chief clerk in the headquarters of the 11th Airborne Division in Augsburg, Germany. He admitted: "The only reason why I'm staying in is because I don't know what I'd do on the outside."

The fact about reenlistments is that more cooks, truckdrivers, and other practitioners of "soft skills" actually "re-up" or "ship over" than the services need. But only 13 percent of the men trained in electronics and other technical fields sign up for a second hitch. In the First Infantry Division some 40 percent of the Regular Army men reenlisted, but in the Strategic Air Force 86 percent of the radar technicians didn't. In 1 year, 4,000 pilots, trained at a cost of $480 million, turned their backs on Uncle Sam.

The impact of this merry-go-round is staggering. Each year the Army loses enough personnel to man 21 combat divisions; the Navy enough to man all Atlantic and Pacific warships; the Air Force enough to staff all of SAC. Replacements keep coming, but, as one fighter-base commander put it, "as soon as they're broken in they're gone." Even more worrisome is the erosion caused by the quality of men who do reenlist. In a survey of Army lieutenants who elected to stay on, 78 percent held below-average efficiency ratings.

While much of the public, Congress, and the upper reaches of the military still think of "soldiering" in terms of James Jones' Pvt. Robert E. Lee Prewitt, whose chief preoccupations were trouble, girls, and bugle-blowing, the 1958-model serviceman is a vastly different specimen.

He is a family man whose wife, children, and living conditions demand attention. Married EM's in the Army were once a rarity; today, 38 percent are married (up from 30 percent 5 years ago); so are 82 percent of the officers.

He is an educated man. Some 56 percent of all officers are college graduates (up from 33 percent in 1950); 55 percent of all enlisted men have finished high school. Such men do not cheerfully perform under the banner "ours not to reason why."

Increasingly, he is a technician or mechanic with skills that command good pay on "the outside." Today, 44 percent of the enlisted forces have such skills. By 1960, 65 percent will have to have them to cope with the instruments of modern warfare.

The more desirable a man may be for retention in the service, the less kindly does he react to irritants which still are mass-produced by the military mentality. Officers of the Sixth Fleet, for example, were not happy recently when their command would accept nothing less than a signed affidavit from each man affirming that he did, in fact, own three sets of tropical white uniforms. At the 81st Fighter-Bomber Wing in England, pilots were growing tired of pointing out that the UHF radios in their sea-survival kits were worthless for rescues by British crews carrying only VHF sets.

"Maybe the people in the higher echelons don't want you to survive anyhow," speculated Lt. Bernard B. Moldonado, a pilot in the 81st.

In the Army's 18th Helicopter Company—and many another unit—bitterness ran high about orders to maintain, for inspections only, a second set of toilet articles, all with identical toothbrushes (blue), razor blades (red), and soap (Palmolive with the black ribbon intact).

THE COVER-UP

Spit-and-polish is not resented as much as the realization by today's keen enlisted minds that it is often employed to cover up serious deficiencies. While the 18th Helicopter Company, for example, was busy with toilet-kit disciplines, one of its mechanics said: "We had two hangars full of helicopters that would not fly." As a young GI in the 18th Field Artillery Group put it: "If a truck is clean, they figure it runs."

Such incidents weigh heavily when piled on top of the really big morale busters. Pay is one of these. There are servicemen, especially the unmarried, who never had it so good and want no better. But they are a minority.

More illustrative is Airman First Class Alan Covert, 20, a radar technician in the Air Defense Command's 52d Fighter Group, at Suffolk County Air Force Base. He is married, his wife is pregnant, and he makes $214 a month. Covert does not dislike the service, but there was only one period when he was able to make ends meet. That was last summer when he drove a bulldozer from 7:30 a. m. to 4 p. m. before going on his 4:30 p. m. to 1 a. m. radar watch. The bulldozing paid $4.85 an hour ("in 3 months I made more than in my 3 years in the service"). Now he is eying an offer of a job with Allegheny Airlines at $475 a month to start.

NIGHT WORKERS

In Washington, there is a lieutenant commander who drives a cab, an Army major who sells suits at night, an Air Force lieutenant colonel who fits shoes. Enlisted men of all services peddle insurance and check out groceries in supermarkets. At Fort Riley, Kans., Col. Howard B. St. Clair, CO of the 28th Infantry, said: "Debt delinquencies are the greatest problem we have." At Lockbourne Air Base, Ohio, M. Sgt. W. R. Shelton exploded:

"How can I keep a kid's morale at top level and feed him that goop about keeping the bombers flying—when he's hustling garbage cans in a lousy restaurant to pay his rent? Fifty percent of my people work at anything they can get."

Still, man after man who was asked by Newsweek correspondents all over the world,

"If you got a fair pay increase, would you stay in?" replied "No!" or "Hell, no!" or merely smiled. In the Pentagon, Maj. Gen. Harold R. Maddux, director of the Defense Secretary's Office of Manpower Requirements, offered the correct explanation:

"Money will not attract American boys into a bad profession."

Housing is one of the problems that makes it bad. Men of rank can usually spend enough to do something about it although senior officers complain that it costs $500 or more above moving allowances to resettle from one house to another. But many enlisted men live in trailers, decaying barracks, or worse. In England, men curse stoves that keep one side of a Quonset hut too hot and the other too cold; rats that infest footlockers and chew on plastic uniform buttons, showers that run out of hot water between 7 p. m. and 3 a. m.

LIFE IN HUTS

Some wives accept conditions that would make any civilian cringe. An example is Mrs. Dorothy Nunn whose husband is a weapons specialist and master sergeant (12 years' service) in the 3910 Consolidated Aircraft Maintenance Squadron, Lakenheath Air Force Base, near Cambridge, England. The Nunns and their two children live in a $96.90-a-month prefab hut with total living space insufficient to add up to one good-size room. Lights are dim because electricity is scarce. There are no closets or kitchen cabinets. Floors are damp and "sometimes it's so cold we have to take the children to bed with us."

Mrs. Nunn's morale is superb. "As long as we're together we can be happy," she said. "We like the security and the adventure and the people next door. They're our kind." More typical was guided-missileman Ray Olson on the cruiser *Canberra* who confessed: "My wife has forbidden me to ship over."

Neither poor pay, nor ramshackle housing, nor even extended absences from home (especially in the Navy) cloud the morale picture as much as conditions on the military job. Again, small irritants are important. Little can be done about morale of some Air Force maintenance men in England until there is heat ("At least enough to keep the frost off the floor") in hangars where they perform work for which coats and gloves cannot be worn. And little can be expected from scientifically skilled men who are placed in jobs where their talents go to waste.

Such cases are not infrequent. In Korea, Lt. Edward G. Cowen, of Cookeville, Tenn., was trading 13 years service for a job with Western Electric because the Army, after sending him to missile schools for 4 years as a student and instructor, insisted on turning him into an infantry officer. In Germany, Specialist Third Class Treffs, who did graduate work at the Massachusetts Institute of Technology under a National Science Foundation scholarship and then worked for General Electric on the Atlas missile, has been turned into a typist. In this country, 1st Lt. R. R. Reese, a SAC pilot and a graduate physicist, is leaving because "the Air Force won't transfer me to missiles."

Lieutenant Reese put his finger on another morale buster. "I resent giving respect to officers whose only qualification is time in rank," he said. "There is no competition and I want competition."

At the bottom of this frustration is an assignments-and-promotions system which prizes seniority and underplays merit of performance. "I may be a good man," said a fighter pilot attached to a NATO striking force, "but another man who's no good is going to get just as far if he doesn't foul up."

So junior officers gripe about oversupervision and no incentive while enlisted men feel sorry for themselves because they may be commanded by noncoms who know little about an outfit's technical assignment. ("That man hasn't got the IQ of a marble.")

Thoughtful men make the point that similar conditions exist in industry but that competition and the profit motive sooner or later catch up with flagrant incompetents. In the military, they insist, nothing happens. An Army sergeant demanded: "Why not put it all on a competitive basis and let everybody progress according to their knowledge?"

Among bright, ambitious men, this deadening of ambition has infected the entire scale of rank. The youngsters, usually draftees or draft-threatened volunteers with no taste for life in uniform in the first place, look up to noncoms who are only putting in time and whose wives must work to pay grocery bills. Noncoms look up to the junior officers and observe that many of the best ones walk off the job as soon as the law allows. The junior officers count up the years they must put in as errand boys to seniors who received rank largely by merely waiting, and they decide that the benefits are not worth waiting for. And the men just below the top of the heap eye the immense responsibilities piled on many generals and admirals and decide that the pay, compared with industry, comes nowhere near measuring up to the load.

"I don't have the incentive to make admiral," said a desk-bound Navy captain in Charleston, S. C.

THE RIFT GROWS

The services have tried to deal with some of the officer deadwood by "riffing" inferior men in recent reductions-in-force manpower cuts, but this is playing havoc with the all-important attraction of security and may be stirring up more problems than it solves. In the enlisted ranks, more ratings are going to specialists, but this is widening a rift growing since World War II—the schism between the line noncoms and the technicians, especially in the Army and Navy. If a proposed proficiency pay system for technicians is adopted, the rift will get worse, leading to even more problems.

"From the day they hinted that technical rates would get extra pay, the other first-class men have made it rough on us," said Joseph E. Stillo, an electronics technician first class on the guided-missile cruiser U. S. S. *Boston*. "Maybe I'm getting in the chow line, and some guy will step aside and say, 'Ah, ah, let the technician go first.' Real sarcastic."

Old Navy men who have tried to get in step with the times by volunteering for retraining to new technical rates are scoffed at by their old buddies as "converties," while their new charges say, "They were first-rate petty officers, but they're not first-rate fire-control officers."

Budget cuts have had their effects. In the Army's once mighty First Division, where 25 percent of all vehicles are mounted on blocks to save gas and maintenance costs, Staff Sgt. Myrl Luna said: "It's a big job just to get a pencil replaced." In Korea, gas use was lately cut 25 percent, further limiting the troops' access to recreation facilities.

In the 1st Marine Division at Camp Pendleton, Calif., S. Sgt. Paul L. Marchand was bitter because his outfit gets only 6,000 rounds of ammunition for 200 men every 3 months, just enough for half a day of firing. "Every time we ask about fieldwork, we hear somebody say 'budget'," complained Lt. Neil Miller. In the 11th Airborne Division's Helicopter Company in Germany, budget cuts were blamed for a hangar door which operates only by hand crank and caused the men to comment: "By the time you get those aircraft out we'll be bombed to hell."

WHO CARES?

The effect of these limitations is to create the impression that the public on the outside doesn't care what happens in the military.

The same idea gains currency in other ways. One is loss of prestige in civilian eyes. "I go home and see my friends and they look at me like I'm some odd breed of animal," said a Navy career officer in Norfolk, Va. "Their attitude is: 'Sure we were in the Navy during the war, but what in the world do you want to stay in for? You crazy or something?' " Another big factor is the Congressional chipping away at the traditional military privileges like low-cost insurance, dental care for dependents, and, particularly, shopping in commissaries and PX's.

Deliberately increased prices in military stores come up in almost every conversation and nothing is more deeply resented. A SAC master sergeant said: "Those lobbies in Washington have got us where our dollar won't buy any more than a civilian dollar. And we don't get equal pay with civilians. Give me back my commissary where I can buy the family's chow at cost. Make me feel like something special because I work for Uncle, because I do one hell of a tough job that civilians don't want to do."

The more skilled the job, the harder a man is likely to have to work because as one mechanic put it: "I'm scarce." A Navy radar specialist, for example, is apt to get less liberty in port than a shipmate who specializes in "holystoning" (scrubbing decks) because the radarman will need working time in port to minister to his temperamental but vital gadgets.

The more intelligent men there are in an outfit, the more frequent are complaints about lack of information on the mission. A guided-missile man on a cruiser off Sardinia said: "They don't explain the situation to you. You're always doing something but you don't know why. I don't know why we're out here now."

This is important because there is a close link between morale and a readily understandable mission. In Korea, spirit runs higher among troops in uncomfortable circumstances near the front than among the somewhat better situated men in the rear. The reason: Up front, the rumble of Communist artillery practicing on the other side of the truce line tells the men why they are there.

THE LONG PULL

One benefit of massive turnover in the services is the surprising infrequency of talk about the dangers of technological unemployment likely to be produced by greater automation in warfare. Most men simply figure they will be in civvies by the time science is ready to replace them with push buttons. However, among the more thoughtful men making long-range career plans this threat is becoming a factor.

Many a pilot fears that the manned plane will be around for perhaps 10 or 15 years longer but may turn into a relic just about the time when he reaches 40, or is too old to learn a new trade. Army men also are beginning to worry a bit. "I think there'll be foot soldiers around 15 or 20 years from now," said Sgt. George Dietrich, a rifle fire-team leader in the 17th (Airborne) Cavalry, which is part of the 11th Airborne Division. "But they'll be few and far between and after 15 years on the inside it'll be pretty tough on the outside." So he is getting out to learn hotel management.

Their superiors in Washington, meanwhile, are concerned about the chain reaction by which service-wide morale leads to enormous turnover and, in turn, to accidents and doubtful combat readiness. The Air Force and Navy, for instance, have calculated that accidents cost them $2 million a day in materiel alone and many of the mishaps are attributable to inexperienced men.

"Only one man out of four has 250 hours' flying time in the Air Defense Command,"

said a manpower expert. "The other three can maybe get the plane up and down without cracking up, but they can't work the fire-control system and couldn't shoot down anything."

Concern about their own readiness is expressed by some of the men themselves. "I'd hate to go into combat today," said a sergeant in the First Marines. "I been settin' around so long, I don't think I could walk 2 miles." An executive officer in the Army's 557th Guided Missile Battalion said: "The way we operate here we could all be dead before we fire one of the damned things." A motor sergeant of another Corporal missile outfit said his trucks were in such poor shape that he couldn't, in case of sudden action, deliver the missiles to their launching pads. And on the flagship of the 6th Fleet, the cruiser *Salem*, where turnover amounted to 200 percent in 18 months, Radarman Second Class Thomas McGonigal said: "If it ever came to a shooting war I'd have to push 15 green men out of the way. Frankly, I'd be scared to death."

Among the senior officers suspicion is gaining ground that the problems near the bottom of the service are traceable to problems at the top—in Washington. One of the unhappier men in Europe lately has been an admiral about to leave for duty which was once prized but is becoming less and less popular.

He was transferred to the Pentagon.

Draft's Drag

Peacetime morale in the services is bound to be a major headache as long as the United States lacks a fully professional force—and there can be no such force as long as the draft law remains on the books.

This is the view of military manpower experts and the facts appear to sustain them. True, only some 300,000 of our 2.6 million servicemen are draftees, but an unknown number more are volunteers who volunteered only because the draft threat hung over their heads.

The spirit in which these young men join the forces is less than enthusiastic.

The resentfuls: Draft calls are so small (1957 average: 11,500 monthly) that many an inductee can serve his 2 years, return to his old neighborhood, and find that, by better luck, many of his buddies never got their draft notices and perhaps never will. Resentment is the inevitable result.

An Atlanta draftee spoke up for many of his contemporaries: "It's not a duty, but an inconvenience."

Once draftees are trained and assigned to an outfit, they are apt to clique together and make each other miserable. Frequently, they also infect the less sophisticated who might otherwise make the service a career.

The Pentagon's experts argue, however, that if the Cordiner Committee's pay proposals and some additional new management practices are adopted, it should be possible to attract enough professionals to let the draft law lapse when it expires next year.

Should They Shake the Security Tree?

"RIF" is the dirtiest word in the Armed Forces today. It also represents perhaps the touchiest—and most fundamental—of all morale problems troubling the services.

When budget cuts forced manpower reductions on the services last year, RIF (reductions in force) caused the involuntary separation of 501 Navy, 2,131 Army, and 2,386 Air Force officers for the fiscal year 1958. Though this was only a fraction of the total officer force, and precautions were taken to insure that only the less proficient and least-needed men would be axed, the effect throughout the forces was most profound. More significantly, it shook the competent men about as hard as the incompetent.

Everywhere the cry went up: "There's no more security in the service."

They Worry

First Lt. R. L. Hilliard, a navigator in the SAC tanker force stationed at Lincoln Air Force Base, Lincoln, Nebr., explained: "That RIF kills you when you think about it, and you think about it all the time. Supposing I spend 10 years of my life here—and I like it—and then the Government dumps me in a RIF. Who'd still have me?"

Security traditionally has been one of the few inviolable rules in the service and probably the greatest attraction to the greatest number of servicemen. A lot of them have been willing to put up with many hardships in the name of security.

Unhappily, the Pentagon's manpower men feel that shaking the security tree is one of the cruel but vital adjuncts of the new manpower-management policy they want to institute. Competition by merit of performance, they feel, is one of the big needs in the service. Elimination of deadwood among officers is another. Obviously, some weeding-out process is the most effective method of accomplishing both purposes.

The ultimate question is one of human nature: Are there enough competent men who are sufficiently venturesome to take their chances on a new service where the security tree is shaken? Service pay and the degree of prosperity on the outside will furnish part of the answer. Only a trial of the new policy would furnish the rest.

The Right Way, the Wrong Way, the Army Way, and the Cordiner Way To Jack Up Morale

The Pentagon is listening to the gripes of servicemen with unprecedented attention and respect. It is fully aware that something must be done—fast. It wants to institute a radically new philosophy for managing manpower. But the new deal for the men who man the new weapons is in danger of being stopped before it gets under way.

This is the story behind the controversy now building up as Congress prepares to launch hearings next week on the cordiner report—the recommendations for a military-pay increase first proposed by a committee appointed by President Eisenhower and headed by Ralph J. Cordiner, president of the General Electric Co.

The committee toured defense installations throughout the world. It talked to servicemen everywhere. It studied why the brightest, best-trained are usually the first to quit.

"Already the skills of the Armed Forces are falling behind the advance in weapons," Cordiner told Congress. "The electronics maintenance men and operators, the fire-control specialists, the radarmen, and the missilemen—these men with key skills are leaving the Armed Forces as fast as they can. * * * It is foolish to obtain highly advanced weapons systems and not have men of sufficient competence to understand, operate, and maintain such equipment. * * * The solution is not to draft more men to stand by and look helplessly at the machinery. The solution is to give the men already in the Armed Forces the incentives required to make them want to stay."

Merit Counts

The Cordiner Committee's solution is a complex scheme for incentive pay. Under it, a proficient technician could get merit increases without an elevation in rank; an enlisted man could get up to double his present pay. In the current Congressional session, the administration has sweetened the plan by adding a 6-percent increase for all service personnel.

Manpower experts believe this $518-million-a-year plan would go a long way toward (1) eliminating excessive turnover and retaining a stable professional force, (2) increasing the forces' state of readiness for a general war which might be too brief to permit mobilization of anyone or anything not available the day "the balloon goes up," (3) saving about $5 billion a year by fiscal 1962, much of it in training costs, (4) making service life more attractive by emphasizing merit and eliminating many absences from home which are now necessary because of the incessant training of green men, (5) eliminating the draft.

In Defense Secretary McElroy's "shop" the Cordiner proposals are fervently supported, but only as a first step Congress and the services should take to deal with the roots of the morale problem.

"We're asking for a new road in manning the Armed Forces," says Maj. Gen. Harold R. Maddux, Director of the Office of Manpower Requirements. "We're asking them to give up the word 'soldiering.' If we keep dental care for dependents, is that going to keep a young pilot from getting out? Hell, no. The big question is: What is the service as a livelihood? Is it a trade or a profession?"

No such upgrading of the military as a livelihood is possible, according to Pentagon experts, without the realization by Congress, by unit commanders in the services, and by the public that the serviceman with technical skills is a completely different man from the soldier of Kipling's day and must be treated differently. This means, for example, that there must be the kind of far-reaching, expensive action on family housing which Congress always has been reluctant to take.

People First

"They pay lipservice to it," says a top manpower official. "You can get runway money, but you can't get money for people."

Within the services—not in the Pentagon's top echelons but among the commanders in the field who actually deal with troops—the human element still is all too frequently neglected. Many key commanders are aware that turnover in their units must be cut down ("we're running a training establishment for industry"). But they remain too steeped in the spit-and-polish tradition, in "chicken," and in the idea that "there's a right way, a wrong way, and the Army way," to consider the man in the ranks in the only role many of them will accept today. Incongruous as it may sound, it is the role of an employee.

A telling indication of the attitude within the services—especially the Army and Navy—is the subordinate role assigned to personnel management. Rarely are officers familiar with manpower problems consulted when military jobs are assigned. As one of them said: "I haven't yet heard of a military decision being vetoed because it would be tough on the people involved."

There is doubt whether this stiff-necked attitude can be tempered as quickly as it should be. There is doubt, too, whether Congress will approve the Cordiner pay plan which deliberately overlooks the lowest-ranking men who are unskilled (but have more votes) while it provides the healthy increases for the men with rank. Above all, there is doubt whether the United States citizenry can be made to understand that in today's world the peacetime military man must be given new status—or he will walk off the job.

[From the Glasgow Courier of January 30, 1958]

Will Serious Problem Be Overlooked

With all the talk about intercontinental missiles, unification, and other defense trouble, are we losing sight of one of the most serious problems related to our national survival? We mean the manpower problem in our military services.

Scheduled to be considered by the Congress this session are the recommendations made in the Cordiner report, which was prepared by a committee headed by the president

of the General Electric Co. Although it has many features, in essence the report urges rewards for skill and merit in the services, taking some of the emphasis away from longevity pay.

We of the civilian population do not encounter this problem. But, if someone told us that our major retaliatory and defensive powers are being hamstrung by lack of manpower, we would indeed be alarmed. And that is exactly the situation, for the Military Establishment is losing by the thousands every year skilled technicians whose knowledge is essential to operate the highly complicated machines and weapons that are a part of modern warfare. The only alternative is to hire these people as civilians, and we would then soon reach a rate of expenditure that would cripple our national budget and skyrocket the national debt.

The Reader's Digest, in urging adoption of the Cordiner report, says: "This is by far the most urgent defense problem before the American people. Nine out of ten newly trained men are already leaving; but within a few years the highly skilled World War II group of master sergeants and petty officers, the backbone of the services, the men who train new men, will have completed 20 years' duty and be eligible to retire on pension. Almost all of them plan to do so, if pay scales are not changed. The trend is the same among officers. The Cordiner report was written by hard-headed men with a strong sense of the value of money. It would give us career professionals competent to handle the weapons on which our survival depends. It would enable us to end the draft. It would also save $5 billion a year, which would more than offset the cost of our big new missile programs."

America may build the ultimate in missiles and ultrasonic craft. But what will it avail us if we don't have the people who can handle them?

CORDINER PLAN

FEBRUARY 14, 1958.

The Army, Navy, and Air Force must be able to retain the skilled personnel they need.

Russia does a much better job than the United States of America in making use of its manpower. If war should come, the outcome would depend primarily on men, not hardware. We must start thinking in terms of men who will do the fighting.

The effectiveness of the Cordiner plan stems from its recognition of one central fact—that the growing complexity of modern weapons has created an increasing need for a new kind of military man, a man whose courage and stamina are matched by highly developed technical knowledge and skill.

Too many of these individuals, however, are deciding against a military career because—

1. They are faced with a system which traditionally must base its monetary compensation primarily upon longevity;

2. Provides only a narrow margin for rewarding outstanding skills and individual accomplishment; and

3. Can place no great premium on training and ability other than pride of accomplishment.

Thus, paradoxically, as the need of skilled manpower increases by leaps and bounds, the available number of the really skilled technicians dwindles daily.

Five years ago I was on 2 weeks active duty at McGuire Air Force Base and was surprised to learn that it costs $14,581 to train an aircraft mechanic during his first enlistment period and only one out of four men reenlisted. As one of the pilots on several flights recently, I discussed making the Air Force a career with several lieutenants. They were sharp. Not one of them intended to remain in military service.

When 4,000 pilots leave the Armed Forces in 1 year, as they did for fiscal year 1955, that represents, at the very least, a training cost of $480 million. And the loss is not simply in pilots, or any particular skill category among officers. During fiscal year 1956, 1,882 regular, formerly career-motivated officers resigned, including a large number of academy graduates. The inability of the services to retain sufficient young officers through the postwar years has put us in a position where only 12 percent of our officers are in the 3- to 12-year bracket. Actually this group should comprise 50 percent of our total officer strength.

Looking now at the dollar implications of airmen losses, the Air Defense Command presents a disturbing picture. In 1956, it cost $6,654,467 to train replacements for 311 skilled and experienced jet-engine mechanics. The training bill for replacement of 917 fire-control-system technicians was $18,200,616. For an overall airman loss in that command of 13,551 we had to pick up a replacement-training tab of $201,571,125.

During 1956, the Strategic Air Command lost more than 30,000 airmen whose replacement training cost nearly a half billion dollars. This condition applies throughout the Armed Forces. In fact, we estimate that our overall manpower problem—excessive retraining and accidents due to inexperience—is costing the taxpayer about $5 billion a year.

Now we come to the question that is much more important than dollar cost. The real issue is whether the United States is going to maintain its ability—in an age of intercontinental missiles, supersonic planes and nuclear weapons—to prevent or survive a surprise attack. Or will our defense be handled by inexperienced people who lack the knowledge and skill to control and operate modern weapons?

W. S. JOHNSTON,
Brigadier General, Air Force Reserve.

THE ARMED SERVICES AND THEIR NEEDS—III

Mr. MANSFIELD. Mr. President, President Eisenhower has sent to Congress a recordbreaking peacetime budget. The largest portion of the administration's program for the fiscal year 1959 is for an expanded and accelerated defense effort. World events have spurred the United States on to new achievements in weapons, missiles, and rocket technology—a prerequisite to the maintenance of our position as a world power.

Vast sums of money have been spent, and much more will be expended in years to come, for an ever-improving arsenal of weapons and equipment for the Armed Forces. As the tools of modern defense become more intricate and complex, the need for more highly skilled technicians and operators becomes more important. Contrary to some beliefs, the human element in defense is now in a position of greater importance than at any other time in our past history.

The emphasis has now shifted from a preoccupation with numbers of men to the quality of our men in uniform.

Greater numbers of men will not meet the challenge. Only marked increases in the level of competence and experience of the men in the Armed Forces can provide for the effective, economical operation required by the changing times and national needs.

Although numerical-strength objectives are being met, the Armed Forces are not able, at the present time and under the present circumstances, to attract and to retain the kinds of people needed, for the period of time necessary for them to make an effective contribution to the operation of the forces. The problem, expressed in the simplest terms is, How do we stop the rapid turnover of military personnel?

Last year, Ralph J. Cordiner, Chairman of the Defense Advisory Committee on Professional and Technical Compensation, submitted to the Secretary of Defense recommendations which would, if put into effect, acquire and retain the competent personnel required by our defense activities. The recommendations of this Committee, more frequently called the Cordiner report, have been put into legislative form in a bill introduced in the Senate by the distinguished junior Senator from Missouri [Mr. SYMINGTON] and the distinguished junior Senator from Arizona [Mr. GOLDWATER].

In presenting their recommendations, the Committee expressed its belief, based on exhaustive studies, that—

> Through modern management of the manpower in the armed services, we can simultaneously reduce the cost and increase the effectiveness of the national defense. The Committee feels that through the adoption of their program in its entirety it will be possible to attract, retain, and motivate the scientific, professional, technical, combat leadership, and management skills required by the Department of Defense today and in the future. It is believed the improvements will be far reaching and long lasting, and will bring in greater savings and gains with each passing year as the new systems are instituted. Such benefits cannot be achieved by half measures which adopt the terminology but kill the substance of the recommendations.

I am in accord with these recommendations; and, in my opinion, we shall be derelict in fulfilling our responsibilities if positive action is not taken during this session of Congress.

In approaching the problem of military personnel, we should consider two things: First, what is the situation today? Second, what can be done about it?

At the present time there are approximately 2.5 million men in the Army, the Navy, the Marine Corps, and the Air Force.

Since 1939 the annual costs of the Armed Forces have increased approximately 3,500 percent.

According to information I have received from the three services, during the fiscal year 1956 there was a turnover of 1,472,512 military personnel. These figures are based upon gross gains—including reenlistments—and losses. During the same year, the estimated additional cost of the turnover of personnel in the Army alone was $1,104,000,000; and it is estimated that it will cost nearly as much in the current fiscal year.

The cost of our defense apparatus is today of such magnitude that it is unfortunate that billions of dollars must be lost each year, due to the turnover of personnel because of resignations, retirements, the reduced rate of reenlistments, and then the induction and training of new officers and enlisted men. Not only is this a needless expense, but it

lowers the proficiency and capabilities of our military people, whereas the contrary is so vital in this age of advanced technology.

One of the most disturbing things about this rapid turnover is that first-term reenlistment rates are highest among personnel for whom the training investment is lowest; conversely, reenlistment rates are lowest where the training investment is highest. This is one of the major findings of the Cordiner report.

Every time the Air Force loses a B–52 aircraft commander, the Federal Government loses $809,360 in prerequisite training and flying costs, and this amount must be invested in a new B–52 commander.

In 1950 the training of a multiengine airplane pilot cost approximately $34,470. With the more advanced equipment, the training of a B–52 aircraft commander costs $401,950. This represents the upgrade training only. In addition, the cost of prerequisite flying costs for each of these officers is approximately $407,410—or a total of $809,360. Similarly, I am informed that in 1950 the training of a single-engine jet pilot cost $38,000. In 1957, the cost of the training of an F–102 pilot had climbed to $233,930.

In 1950 the training of a communications officer cost the Air Force approximately $8,600; but in 1956, to train an officer to be a qualified communications-electronics staff officer, the cost has been established as $27,470. In 1957 the Air Force lost 15,400 officers. This represents a loss to the United States of billions of dollars.

The major contributing factors causing this increase are the vastly increased complexity of the equipment used and the advances in technology. This training and this equipment are so expensive that we cannot afford to waste them.

In the Army, the training of a pilot in 1950 cost $7,000; today, it costs $24,000 to train the pilot of a fixed-wing airplane. In 1950, it cost $3,716 to train a microwave radio repairman; today, the same training costs $5,076.

While it is easy enough to retain the less skilled, in whom the taxpayers have invested little training money, the electronics maintenance men and operators, the radar men and the missile men, the aircraft mechanics, the pilots and navigators—men with the key skills of modern defense—are leaving the Armed Forces as fast as they can.

When they go, they not only take with them thousands of dollars' worth of training acquired at the taxpayer's expense, but they leave the Armed Forces with the frustrating task of starting all over again with raw recruits.

Some turnover is inevitable and desirable. But the turnover rates that exist in the critical skills and among the young officers are dangerously and destructively high.

During his testimony before the Senate Armed Services Committee, Mr. Cordiner stated that during the course of his Committee's study, it was found that 73 percent of the junior officers completing obligatory tours of duty during the fiscal year 1955 promptly returned to civilian life. In the fiscal year 1955, 4,000 pilots left the Armed Forces. This represented a minimum training loss alone of $480 million, and a severe loss to the country's capacity to respond immediately and powerfully to an enemy attack.

An important consideration in connection with this high turnover is that it takes 500,000 trainees just to maintain an effective combat force and support service of 2.3 million. The more of those 2.3 million trained people we can induce to reenlist and develop toward even higher skills and responsibilities, the fewer trainees we shall need in order to maintain an effective force.

The challenge before us is to build up the reenlistment rates in the case of the men who have the skills that are most needed, or in the case of the men who have the aptitude to develop such skills. These people cannot be retained without offering genuine incentives.

How can we best meet the challenge? I am firmly convinced that this can be done by adopting the recommendations of the Cordiner report.

The Cordiner report proposes a modernized compensation plan. Skills, performance, and incentive would be major considerations in adjusting the military pay scale, rather than length of service alone.

The Department of Defense would be given greater flexibility and control over the distribution of skills and experience in the services; and the emphasis would be placed on quality, rather than quantity.

The adoption of the Committee's recommendations would mean a 15 percent improvement in the combat capabilities of the Armed Forces, without a significant change in the budget. After 1962, there would be savings in defense costs of over $5 billion. Training accidents would be sharply reduced. This would allow a reduction in the number of military personnel required for national defense. Above all, the adoption of these recommendations would improve the attraction, retention, and motivation of the officers and airmen in the armed services.

In addition, I feel that there is a great need for additional fringe benefits, such as low-cost insurance, dental care for dependents, commissary and PX privileges, and other inducements which are attractive considerations to our military personnel, particularly to family men.

When we talk about increased pay and increased benefits, we automatically think about increased costs. In the area of defense, one might feel that the costs would be staggering; but, as a matter of fact, the implementation of the Cordiner report would mean savings, after the first several years.

The astounding thing about the proposals made in the Cordiner report is that they would require only about $600 million a year in increased payroll costs, even when the armed services have a top strength of 2.8 million.

The savings from increased retention would very quickly offset these added payroll costs; and the second full year of operation would result in net savings, which would increase year after year. Statistics presented to the Armed Services Committee indicate that the gains would overtake the costs in the fiscal year 1960, and that by 1962 the gains would rise to $367 million.

The Department of Defense has estimated that if the entire program is put into effective operation, $5 billion of savings can be achieved by the fiscal year 1962.

Since the beginning of World War II, we have depended upon the draft as a permanent source of men for the armed services. Much of the military manpower is either drafted or is influenced by the draft. I cannot help but feel that the selective service program is not an entirely satisfactory means of maintaining an adequate force, under present conditions. Conscription should be used only when other means and inducements do not make it possible to meet the quotas.

A man who is inducted into the service by the draft is there, usually, for only as long as he has to be, and he does not reenlist. I do not know that we can blame the draftees, because no one is very efficient and aggressive when he is required to do something he does not like. Many talents are wasted under the present system. What we want and need are career military personnel. The draft will never satisfy this need.

We want to make careers in the Army, the Navy, the Marine Corps, and the Air Force so attractive that most of their members will remain there because they want to. I am convinced that a military career can be made that attractive. The recommendations of the Cordiner report recognize the need, and present a reasonable solution. I firmly believe that the implementation of new incentives and an adjusted compensation schedule will make abolition of the draft desirable.

I also believe that now is the time to raise the I. Q.'s of the enlistees and inductees in the armed services. At the present time, the Army requires a score of 40 for all enlistees, and a score of only 10 for inductees, on the Armed Forces qualification test. The minimum score of 10 is based upon Congressional action. All branches of the armed services base their intelligence ratings on the Armed Forces qualification test. Each service is required to take 12 percent of its enlistees from those who score in category IV—that is, from those who have a test score of less than 30. I understand that a category IV test score is equivalent to a score of approximately 70 on an I. Q. test. The average I. Q. for the entire Nation is 85 to 114.

According to information I have received from the Office of Education, the following table illustrates how the population of the United States stands on an intelligence-quotient basis:

I. Q. of 150 or above: Near genius; 0.1 percent of the population is found in this category.

I. Q. of 130–149: Very superior; 3 percent of population in this category.

I. Q. of 115–129: Superior; 14 percent in this category.

I. Q. of 85–114: Normal; 66 percent in this category.

I. Q. of 70–84: Dull; 14 percent in this category.

I. Q. of 60–69: Borderline; 2 percent in this category.

I. Q. of 59 and below: Moron, imbecile, idiot; 1 percent in this category.

This last category can be broken down still further, as follows:

I. Q. of 40–59: Moron.
I. Q. of 20–39: Imbecile.
I. Q. of 0–19: Idiot.

These criteria are adapted from the Stanford-Binet tests. Although the I. Q. average or median for the entire population varies somewhat, it is approximately 100.

The complexities of our modern weapons and instruments require a much higher quality of personnel than ever before. The simple fact of the matter is that under existing physical and mental standards, the Army has been required to use too many men with low mentalities to perform the highly complex and extremely important assignments that have been imposed on the Army. The other services are not forced to take in inductees, so they have been able to establish somewhat higher standards. I think it is time for the intelligence requirements of the Armed Forces to be raised to a more realistic standard.

In the fiscal year 1957, of 179,000 individuals inducted, approximately 63,300 were in mental group IV, the lowest I. Q. group; 26,700 of these failed to meet current minimum aptitude requirements for training. The nonproductive expenditures occasioned by their discharge will exceed $69 million. These cost figures do not include those for the intolerable waste in training time and material.

Mr. President, in the last session the House passed H. R. 8850, which now is before the Senate Armed Services Committee. That bill would give the President somewhat broader authority, except in time of war or national emergency declared by the Congress, to defer from training and service in the Armed Forces persons whose induction would tend to produce an excess of persons with similar qualifications in certain categories. The President would have the power to modify these standards.

This proposed legislation would improve the present situation. I hope that the Senate Committee on Armed Services will consider this bill at an early date. When we are attempting to improve the caliber of our Armed Forces, we should give them an opportunity to select men on somewhat higher standards than those which now prevail.

Mr. President, national survival is the most vital issue confronting us in the nuclear age. Therefore, we must have a highly skilled and efficient armed force. This is vital to the interests of the taxpayers and the entire Nation.

Mr. President, I wish to restate my belief that these top-quality officers and enlisted personnel cannot be retained without offering genuine incentives, and these are provided for in the Cordiner report.

In conclusion, the following is a summary of the highlights of the three speeches I have made on the Defense Establishment:

First. The power of Congress to prescribe roles and missions for the Armed Forces must remain with the Congress, and must not be transferred to the Executive.

Second. The collective judgment of the Joint Chiefs of Staff is a superior mechanism, as compared to the creation of a single chief of staff or principal military adviser to the President.

Third. The number of assistant secretaries, their assistants, commissions, and committees in the Pentagon should be reduced drastically; and the civilian bureaucracy in the Department of Defense should be overhauled.

Fourth. The Cordiner report, or something approximating it, should be adopted.

Fifth. The minimum I. Q.'s of all enlistees and inductees should be raised to a more realistic standard.

Sixth. If the Cordiner report, or something similar to it, is adopted, the draft should be abolished.

MILITARY ORGANIZATION

Mr. HUMPHREY. Mr. President, as we await the results of the Pentagon study now going on to determine whether or not a reorganization of the top command structure of the armed services shall be recommended to the Congress, I have noted an increasingly lively discussion of perhaps the most critical problem in our national defense—the lack of a firm, strong hand by the Commander in Chief.

Last month, in an editorial dated January 4, 1958, the Minneapolis Star reminded its readers that there is already a single commander over all the Armed Forces. I commented on that editorial with a letter to the editor dated January 11, 1958.

I ask unanimous consent to have printed in the RECORD at this point the Minneapolis Star editorial of January 4, 1958, entitled "No Super Commander," and my letter to the editor of the Star dated January 11, 1958.

There being no objection the editorial and letter were ordered to be printed in the RECORD, as follows:

NO SUPER COMMANDER

Whoa. That should be the word from the public to a number of Senators and Representatives who are now talking about drastically revamping the Defense Department.

Not that the Department doesn't need some revamping. It does. And not that the top echelon command and staff organization should not be changed. It should.

But a single commander over all the Armed Forces is not what is called for. And that is what a bipartisan group of lawmakers is now agitating for.

For that matter, we already have a single commander for all the services. The President is designated as such in the Constitution.

There is no need drastically to revise the command function within the Armed Forces. Given firm policies based on clear-cut decisions at the top, the present chains of command can function efficiently without much alteration.

What is needed is to improve the planning and making of policy at the very top level in the Defense Department. It is at this level that service rivalries have produced stopgap compromises in place of decisions, and this has resulted in confusion, wait-and-see resistance to policy directives, and wasteful duplication at lower levels.

So, basically, it is the staff, not the command function which needs strengthening.

This can be accomplished by the relatively simple method of separating the two; by relieving the Joint Chiefs of Staff of the heavy duties and partisan pressures inherent in their (simultaneous) duties as commanders of the separate services.

Separation of the command and staff (planning) functions can strengthen both without at the same time creating the possibility—viewed as a probability and threat by opponents of the general staff idea—of a military strongman, a single all-services chieftain who would dominate both the Secretary of Defense and the President and subject civilian authority to military domination.

JANUARY 11, 1958.

The EDITOR, MINNEAPOLIS STAR,
Minneapolis, Minn.

DEAR SIR: I have noted with great interest a number of articles recently appearing on the Star editorial page discussing new concepts in military organization. Most recently I have read the January 4 lead editorial entitled "No Super Commander."

The editor hit it squarely on the head when he wrote that we already have a single commander for all the armed services—the President himself being constitutionally the Commander in Chief.

The interposition of a single Chief of Staff between the armed services and the President would sharply limit the amount of information and advice upon which the President has to base the most vital command decisions. Of course, the President should not be asked to make every command decision. That would be an impossible situation. But there are some decisions of broad strategy and long-range planning, and there may well come split-second decisions involving the use of nuclear weapons and long-range striking systems, that cannot be left to any single American except the President of the United States. Your point is well taken that a single all-powerful Chief of Staff could come to dominate any but the most tough-fibered and intelligent of Presidents, so that a man not elected by the American people might hold our fate in his hands.

It is also true that under the present system of Joint Chiefs of Staff, a very high order of leadership is demanded from the President to be able to synthesize and unify in his own mind what may often be conflicting advice and council from the several Chiefs.

There is really no way to dodge the issue of final Presidential decision in national security matters. No amount of additional organization, no new layers of committees, can effectively substitute for determined Presidential leadership in this field.

Competition and a certain amount of difference of opinion among the armed services can and should make a vital contribution to the national security. This is particularly true if the officers and men of the armed services constantly keep in mind that we seek a balanced and coordinated defense establishment rather than the advantage of one service over the other. If, however, we preserve the degree of flexibility that is needed for wholesome competition and constructive dissent and discussion it will be all the more necessary that the President keep a strong hand on the three services. Rivalry can get dangerously out of hand where there is a lack of strong central coordination by executive leadership. Rivalry can create confusion and waste and in fact jeopardize national security.

There is little probability that Congress will change the law to provide an all-powerful single Chief of Staff, but Congress assuredly will give careful study to any proposal which promises to bring more order out of the bitter interservice wrangles which have been permitted in the past several years.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, a recent editorial in Aviation Week, dated February 10, 1958, attacked what it calls the "policy of indecision" which, according to the writer, is holding back our technical drive into space to a standstill. The editorial, of course, is primarily concerned with the problem of getting our outer space effort under way, but perhaps the most interesting point it makes is as follows:

It is indeed a sickening spectacle to see a nation that is teeming with scientific and industrial resources and with no lack of sound military development concepts again being hamstrung in utilizing this full capability by a lack of top-level political leadership and an abysmal absence of the executive ability required to unleash this capacity for maximum results.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial entitled "The Race for Space," from Aviation Week, February 10, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RACE FOR SPACE

(By Robert Hotz)

Success of the Army's Explorer satellite offers further proof, if at this late date any more is needed, of the fundamental fallacies that have artificially retarded the United States effort in the race for space. These are:

Failure to recognize the military implication of space exploration and technology.

Divorcing the satellite program from the existing military missile effort and creating an artificial gulf between science and military efforts to explore the unknown.

Holding back the technical ability and capabilities of United States science and industry by top-level governmental committee indecisions.

The Army's Explorer was successful on its first shot because it utilized well-developed components of the Jupiter–C research missile and was operated by an established technical team well seasoned in the missile business. Great credit is due to the technical team of the Army's Redstone Arsenal, California Institute of Technology's Jet Propulsion Laboratory, and the University of Iowa group headed by Dr. James van Allen, who combined to conceive and operate Explorer successfully. The propulsion did not falter through four stages of operation because it utilized well-proven systems, including the North American Rocketdyne liquid-fueled Redstone rocket and the solid-fuel, scaled-down Thiokol Sergeants built by Jet Propulsion Laboratory. Guidance depended again on well-developed hardware built by the Ford Instrument Co.

POLICY OF INDECISION

However, despite the lessons underlined by the Explorer's success and the continued troubles of the administratively tangled and technically oversophisticated Vanguard program, there is no indication of any fundamental change at the top leadership level of the Government in pressing on to overtake and surpass our Soviet competitors in the race for the useful employment of space. With the exception of the Jupiter–C program, unleashed by Defense Secretary Neil McElroy following sputnik I after it had been administratively squashed for 2 years, there has literally been no genuine or decisive action on the multitude of specific proposals for scientific and militarily useful exploration of space.

Once again, the technical brains of science, the fabricating skills of industry, and the bold, forward-reaching concepts of some military leaders are being suffocated by the multilayered blankets of top-level governmental bureaucracy.

We now face the process of a prolonged Congressional debate over who shall operate the space program, an impending possible battle between Congress and the executive branch of the Government over how the job should be done, and the strong possibility of at least two new agencies being organized to start afresh with the space problem—Advanced Research Projects Agency in the Pentagon and a new National Space Agency. While this political hassling transpires, virtually every technical proposal for accomplishing something now and beginning the step-by-step exploration of outer space is gathering dust in some Government office, most of them in the Pentagon.

NEEDED CHANNELS EXIST

The tragedy of this situation is that channels to get this program moving already exist (Aviation Week, February 3, p. 21) and need only an affirmative decision from the top levels of our Government to start the technical process flowing at a maximum rate.

Many of the practical steps that could be taken with existing missile hardware now are detailed in a report by Aviation Week's military editor Evert Clark on page 26 of this issue. All of these proposals have been in the Pentagon for months. None of them would be implemented until the new space bureaucracy is created and begins operating in the Advanced Research Projects Agency. Not only are none of the new programs proposed being implemented but the existing space research programs, many of which have been making sound and steady progress for as much as 5 years, are being slowed to a walk pending the high-level decisions on who is going to run the program and take the kudos for whatever the working-level scientists, engineers, and military-research people have done in laying a sound foundation for future space exploration.

It is indeed a sickening spectacle to see a nation that is teeming with scientific and industrial resources and with no lack of sound military development concepts again being hamstrung in utilizing this full capability by a lack of top-level political leadership and an abysmal absence of the executive ability required to unleash this capacity for maximum results.

TECHNICAL TIMIDITY

When the history of the international race for space is written we predict that the historians will find that it was not lack of technical brains and industrial ability that got the United States into space behind the Soviet Union and horribly hobbled its effort to overtake and surpass its competition. Rather, the fault will be credited to technically timid leadership, lack of clearcut national goals and priority to achieve them, to a cumbersome bureaucracy that dissolved the decisionmaking process and to a political battle for power.

Despite the fine success of the Army's Explorer, the United States technical drive into space is at a virtual standstill while it awaits the outcome of the great political debate over who will run the space program and how.

Mr. HUMPHREY. Mr. President, General Medaris, of the United States Army missile program, emphasized, on a television interview last weekend, that competition among the services, far from holding back technological and strategic progress, can actually speed it up. What he inferred, but never quite could bring himself to say, however, is that unless the United States has a strong and decisive commander in chief, the bubbling up of ideas from below can never be crystallized into firm, wise policies. Instead, we have the spectacle of a constant public relations free-for-all as each service point of view attempts to win support from the public and Congress.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

ADDRESS BY HON. ORVILLE L. FREEMAN, GOVERNOR OF MINNESOTA

Mr. HUMPHREY. Mr. President, on February 26, 1958, the Fifth National Conference on International Economic and Social Development was held here in Washington, D. C. The conference took on added importance, coinciding, as it did, with the White House Conference on Economic Aid.

The Conference on International Economic and Social Development heard reports by distinguished speakers on the problems and prospects of economic development in crucial areas of the world, including Asia, Africa, and the Middle East. The panel of experts looked ahead to the next 10 years of economic cooperation. Qualified observers reported on the current position of technical and economic aid legislation now before Congress, and the growing role of the United Nations.

The cochairmen of this year's conference, as of last year's, were Gov. Orville Freeman of Minnesota, and Mayor Charles Taft of Cincinnati. Governor Freeman delivered both an opening statement and the final address of the conference. His remarks are of such importance that I believe they deserve widespread circulation.

I ask unanimous consent that the text of the Governor's opening statement and final address be printed at this point in the RECORD.

There being no objection, the statement and address were ordered to be printed in the RECORD, as follows:

ADDRESS BY ORVILLE L. FREEMAN, GOVERNOR OF MINNESOTA, CONFERENCE COCHAIRMAN, AT THE FIFTH NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, STATLER HOTEL, WASHINGTON, D. C., FEBRUARY 26, 1958

(NOTE.—The following opening statement, given by Governor Freeman at the beginning of the conference, is included because it is referred to in the final address.)

OPENING STATEMENT

I am privileged and honored to participate with you in this the Fifth National Conference on International Economics and Social Development.

There are two special reasons for my deep interest in this vitally important program.

First, I believe that international economic and social development represents one of three crucial fronts, no one of which can be slighted, neglected, or postponed, on which we in the United States must put forth an all-out effort if we are to maintain our way

of life. We must keep and extend, on the home front, the values and the strength of our free, democratic way of life. We must maintain and regain our lead in the field of physical strength to deter aggression. And, through assistance and leadership in economic and social development, we must proceed on the third front to win the minds and hearts of men throughout the world.

These fronts are all of utmost importance. To neglect any one of them—even for the purpose of strengthening the others—would be to leave ourselves open to an assault that could set at naught victory on the other two. But the front with which we are concerned today is the one about which the American people know the least and are, therefore, most likely to neglect. For this reason a conference like this, to spread understanding among the American people, to meet confusion and doubt and bigotry and selfishness with facts and programs is of tremendous importance.

My second reason for being especially interested in the success of this conference is that it is made up of voluntary, nongovernmental, citizens' organizations, representing many millions of Americans of all faiths and creeds, of all political affiliations, and of all walks of life. An important part of my own political philosophy, which I consistently put into practice in my administration in Minnesota, is my conviction that voluntary participation in government, by both groups and individuals, is of tremendous importance in making democracy work in the modern world. I believe this is true on local, State, and National levels, and that it is equally important on the international level with which we deal today.

I note that the first item on our program this morning is a discussion of "The Role of Voluntary Organizations." I am happy to see that subject, and can assure you that it will be led by men who have, personally and through the organizations they represent, made of voluntary effort a powerful instrument for good.

I would emphasize one more point as this conference opens, from the point of view of one who serves as an elected official. That is the importance of public opinion, and of your role in influencing the kind of public opinion we must have, if we are to provide the kind of leadership on the economic and social development front that is essential if the world is to be free.

All of us here recognize that the world scene today is dominated by the existence of two great states, each possessing influence and power of such magnitude that its actions and policies can affect decisively every other state on earth. A major decision made either at the Kremlin, or in Washington, could almost literally affect every person living today. It could conceivably mean the destruction of civilization.

A decision made at the Kremlin is in fact made right there, for the people of the Soviet Union have no share in determining policy. But a decision made in Washington and effectively carried out must be in accord with public opinion in the United States. No matter how wise and enlightened our leadership might be, it can go very little beyond public opinion—such is the fact of political life in a democracy. American public opinion, then, will, in the last analysis, determine policies and programs that can affect the future of the human race.

And public opinion is your job, and my job, and everyone's job. The responsibility for that job is particularly great with regard to voluntary organizations to which the average citizen belongs. The millions of people whom you represent can contribute immeasurably toward bringing about the understanding of the problems and the needs of the developing countries of the world that is essential if we are to win the minds and hearts of their peoples. Each one of us here can help to give to the American people the information they need to arrive at that kind of understanding. It is a great and important responsibility. It is the most important reason for this conference.

ADDRESS

This has been a conference that is both sobering and inspiring. We have heard summaries of our Nation's role in world development described both eloquently and convincingly. We are agreed, here, that the United States has a vital responsibility to contribute to economic and social progress in the developing countries of the world. At the same time, we know that there are many obstacles in the way of our directing sufficient effort toward this goal. We are aware of our own responsibilities—as individual citizens, as officials, and as members of scores of voluntary organizations. We are sobered at the thought of difficulties ahead. We are inspired by the possibilities for achievement.

What, then, can anyone say at this point, in summary, or in conclusion? When I opened this conference this morning, I emphasized the all-important role of American public opinion in the solution of the problems we have tried to face today. Perhaps I can best conclude by considering that important role in terms of my own State, Minnesota, and the great midwestern heartland of our Nation, of which it is a part.

I believe that, even though the Midwest has certain special characteristics, as do all other parts of America, the following observations nonetheless have a meaning for the rest of our Nation. For we are not fenced off into north, south, east, and west by positive lines of difference and demarcation—our differences are rather matters of shading and degree. If the Middle West was once regarded as isolationist, there were isolationists in other parts of the country too—only perhaps not so many of them.

I have purposely referred to isolationism in the Middle West in the past tense. For the old kind of isolationism that used to characterize our part of the country is, I am happy to report, rapidly passing from the scene. There are many powerful forces that are helping to speed its departure.

Trade and communication are such forces. Minnesota is no longer a hinterland, shut away from interest and contacts with other parts of the world by distance and by lack of trade. With the development of the St. Lawrence Seaway, we will have an ocean port in our midst—at the crossroads of the continent. Whereas we formerly were primarily producers of raw materials that were for the most part sent to other places for processing, we are now rapidly developing industry at home. Manufactured products from Minnesota are now sold in every part of the world. Our expanding economy, then, is one important force that is effectively opposing what is left of the old isolationism.

Education in its broadest sense, in Minnesota as elsewhere, is helping us to realize that this is one world, if not—as yet—one universe. An enlightened press and other communications media have helped to give our people an understanding of world affairs. Our university and our private colleges have had an immeasurable influence. I am proud to report that Minnesota is a leader among all the States in programs for the exchange of students and visitors. And the growing number of voluntary citizens' organizations, and religious organizations, with a world outlook and worldwide interests, have done an invaluable job.

In the Middle West as elsewhere, the old kind of isolationism is dying because it can no longer survive under the impact of changing conditions in our modern world. Earlier this month citizens of Minnesota stood on their doorsteps before dawn on a cold February morning, and for 3 minutes watched Sputnik II move across the sky. It is pretty hard, under such circumstances, to talk about staying within our own borders and avoiding foreign entanglements.

In recent years, however, we have seen arise the threat of a new kind of isolationism—one that in my opinion threatens all parts of our country just as much as it does the Middle West. This is seen in the deliberate fostering of a new isolationist spirit, that—instead of being based upon the natural factors and very human emotional attachments of the past—is rather the product of propaganda deliberately promulgated to win elections, and sometimes for other ulterior purposes. In the crisis of today, I believe that its use, even to win votes and win elections, is totally irresponsible, morally inexcusable, and a threat to our security and our survival.

I want to be completely nonpartisan as I criticize this kind of demagoguery as severely as I know how. Neither of our great political parties is without sin in this regard. Both will be sorely tempted in the years ahead. The most important test of the reasonability of our future political leadership lies, I believe, in this field.

Let me be specific in a few instances. Candidates of both political parties have been known to make exaggerated protests against foreign aid. "Why spend money on the other side of the world while needs exist here at home?" This is an appeal usually based on selfishness and lack of understanding. Yet, in areas where sentiment or national backgrounds are sensitive, this kind of appeal has been potent at the ballot box.

A kind of appeal used frequently—one that is particularly tempting in periods of recession and in areas of unemployment—is a protest against foreign imports. When we know, for example, that Japan must export manufactured goods in order to live; and when we know that if it can't export to us it must necessarily draw closer to the Communist nations—how can we expect to meet our responsibility to work for a peaceful victory in the cold war if we condone the build-up of economic isolationism as a vote-getting tool? Yet it is this very kind of irresponsibility that is the greatest threat to the long-term extension of the Reciprocal Trade Agreements Act today.

Let us be honest and specific in a few more instances. It is an unwarranted appeal to isolationism, as well as a serious departure from the truth, to call a great political party the war party, or the appeasement party. Yet such charges have been made, and have been politically effective in parts of the Middle West, and, I suspect, elsewhere as well. Less than a week before the day on which I was first elector Governor, there was circulated in Minnesota a document carrying a picture of American soldiers dying on Pacific beaches, captioned "Lest You Forget." This was an insult to every American who fought for freedom, as well as a demagogic appeal to isolationism. As one who fought on some of those beaches, and left some comrades there, this was a political weapon I shall never forget.

I had hoped that the seriousness of our present international situation would prevent the use of this "war party" tool again. But it has been used—once—in Minneapolis this year. In the last analysis, only responsible public opinion can prevent the use of tactics of this kind.

Let me return now, to the theme of this conference, and its specific relationship to the dangers that can arise from the use of isolationism as a political tool. This morning I stated my deep conviction that victory in the conflict between communism and democracy requires that the American people accept total mobilization on three fronts: (1) that of maintaining strength to deter

aggression; (2) that of strengthening the home front in terms of the welfare of our people and the maintenance of our freedoms; and (3) that of economic and technological aid to give help and hope to underdeveloped areas. None of these can be neglected. All will cost money.

Total mobilization of this kind will require real sacrifice—not for the period of a short crash program—but for the foreseeable future. And in the United States, in contrast with the situation that prevails with reference to our Soviet antagonist, such total mobilization can only be carried out with the consent of the people. The programs and policies that demand such sacrifice must be supported solidly by an American public opinion, where, in the last analysis the power rests.

The greatest challenge American democracy has ever faced lies in whether we will support the degree of mobilization required. History has repeatedly shown that freemen will sacrifice their fortunes and their lives to maintain their freedom. From the time of the Revolutionary Army at Valley Forge to the blood, sweat, and tears of World War II, free peoples have fought and sacrificed—during fighting wars. But never before have the people of a democracy been called upon to make substantial sacrifices, year after year, decade after decade, during a period when the enemy was not presenting an immediate, clear, and present danger to their lives and freedom.

The American people can be expected to make the necessary sacrifices only if they understand why it is necessary and what is at stake. Only a thorough understanding in the minds of all of our people will enable them to make the right choice.

Certainly we must accelerate our programs to launch satellites successfully and to develop effective missiles. But we must not do these at the expense of foreign aid. Nor can we do them at the expense of human welfare at home. Rather we must expand our efforts to provide services for our rapidly growing population, and eliminate slums and other substandard conditions at home. We must use all the wisdom, understanding, and imagination at our command to develop better and more effective programs for assistance abroad.

Permit me to present briefly a program which I believe offers great promise in substantially strengthening our assistance program.

I believe we should launch programs to select from among our ablest young people in each State some who would receive scholarships for education and training in the field of providing assistance of various kinds to the developing countries abroad. I would agree that we need scholarships for the study of physical science, but I also know that, in the last analysis, victory for the goals we really seek demands far greater skill and understanding than we now have in the field of the social science. In the long run, superiority in the field of human relations must win out, if the race for superiority in satellites is not to destroy us all.

I believe we should go further than a scholarship program to train those who would work on a really professional level on programs in foreign areas. I think that, with support and leadership from organizations like those represented here, we could develop a kind of internship program on a large scale; a program under which selected and well-qualified young people would agree to spend a year or two giving of the services for which they were trained in foreign areas where such services are needed; giving of their services willingly for little or no monetary reward; and living under conditions roughly comparable to those of the people with whom they work. You may regard this as an idealistic program, but I believe that an opportunity to exercise constructive idealism is one of the most realistic programs we could devise. And I think I know enough about our young people today to know that for many of them one of the greatest needs is an ideal to work for in which they can see some practical good.

Such a program could enlist the participation of almost every group in our society. To most of our churches the program would be nothing new. But what if our principal labor unions would adopt a program of carefully selecting, training, and guiding young people who would go abroad to teach skills—either organizational or technological—in areas where they were needed, with their expenses covered by their union? What if each medical society that is large enough would finance a young doctor? What if business organizations would select young people and train them for a year or two of assistance in office management, or production control, or the use of business machines, to be carried out in those areas abroad where people are struggling toward the kind of standards we have, and they want? What if women's organizations, cooperative organizations, and service clubs would do likewise?

This would be a real people-to-people program, enlisting the support and energy of citizens throughout our Nation. The young men and women who participated in such a program would gain invaluable experience and understanding. The groups who sponsored them would gain in a like manner. I believe that the goodwill and international understanding that could be thus developed would exceed our greatest expectations.

Of course, there would need to be coordination and cooperation with Government, our own and those of other nations. But I believe that a serious consideration of this kind of program could result in practical, workable, and extremely valuable developments, not the least of which would be the impact of such a truly voluntary, unselfish program on public opinion, here in the United States and around the world.

I would conclude by returning again to the importance of enlightened public opinion, and the dangers that emerge from appeals to that new form of demagogic isolationism that threatens us today. An America confused, divided, and antagonized by such appeals may repudiate the sacrifices that are necessary to win the cold war.

It seems clear to me that we can no longer tolerate demagogic appeals for votes that stimulate attitudes that endanger American security. We can no longer tolerate appeals to emotional reactions of nationality groups at the cost of an honest understanding of the problem as a whole. Nor can we tolerate appeals to the very human desire for a sense of security and complacency, which, by avoiding or watering down the truth, prevent the development of an alert readiness to meet the critical dangers that must be faced by the American people. This latter appeal, whether used out of the weakness of wishful thinking or in a cold attempt to get votes, may be the most dangerous one of all. For in the world of today a sense of security and complacency can only be described as a new kind of isolationism. And I am convinced that isolationism must die if our civilization is to live.

Our greatest responsibility, however, is not the negative one of resisting that kind of appeal. Our greatest challenge is the positive program of developing, in the minds of the entire American people, the clear and thorough understanding that will enable them to make the right decisions. It is to this task that we must dedicate the energy, resources and ability we have. It will be hard work. But it can be done.

Let us, then, leave this conference with a new sense of mission, and a new dedication to the task at hand—confident that freedom can and will lead the way to a bright new world—or perhaps universe—of peace and plenty and progress for all.

THE UNITED NATIONS

Mr. HUMPHREY. Mr. President, I had a statement prepared on the report of the President to the Congress relating to the United Nations, which I ask unanimous consent to have printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE UNITED NATIONS—STATEMENT BY SENATOR HUMPHREY

I would like to call the attention of the Senate to the report of the President to the Congress on "United States Participation in the United Nations During 1956." This is an excellent report. It sets an exceptionally high standard which departments of the executive branch might well emulate in their reports to Congress.

It is unfortunate that this report covering the calendar year 1956 should have been delayed in transmission to Congress until January 1958. The 11th General Assembly of the United Nations, which this report covers, adjourned until March 1957 and, for that reason, the report also deals with a portion of the 1957 calendar year so that it is really not as late as its title would indicate. Another reason for the delay, I am informed, is the shortage of staff in the Department of State to prepare reports of this nature. This is something which the Congress should look into. It does little good to require reports from the executive agencies unless we are going to provide the agencies with sufficient staff to produce the reports within a reasonable time.

It is my judgment, however, that this report will become a great historic document because it deals with as momentous a session as the General Assembly of the United Nations has yet held. It was my high privilege to serve as a member of the United States delegation to the General Assembly during this crucial period. On the basis of my own experience, I believe that the President's Report clearly reveals the proven worth of the organization as an instrument for maintaining world peace. Even more important, it contributes significantly to the security and strength of the United States. The United Nations, as I have said time and again, deserves the sustained and vigorous support of both the people and the Congress of the United States.

During 1956, as the report so vividly recalls, world peace hung in the balance—the result of the crises in Egypt and Hungary. These twin crises dominated the 11th General Assembly, and we have not yet heard the last of them.

The contrast between the crises in the Middle East and Hungary is striking. In the Middle East, the United Nations achieved a cessation of hostilities because the parties involved were willing to comply with the recommendations of the United Nations. In Hungary, the United Nations was frustrated because the Soviet Union arrogantly flouted its will.

The Middle East crisis led to one of those momentous steps which may in the future come to be seen as a turning point of history. I refer, of course, to the establishment of the United Nations emergency force which is continuing to do an outstanding job in keeping the peace in that troubled area. It is a tribute to UNEF that we have not for a long time read anything in our newspapers about trouble in the Sharm-el-Sheik or Gaza areas.

I regret, however, that more progress has not been made toward establishing a force of similar character as a permanent arm of the United Nations. It will be recalled that such action was recommendaed in Senate Resolution 15 which was agreed to by the

Senate on August 8 of last year. I was glad to join the distinguished Senator from Alabama [Mr. SPARKMAN] in sponsoring this forward-looking resolution, and I hope that in the coming year concrete steps will be taken to implement it.

Egypt and Hungary, however, are only two examples of the value of the United Nations to the Free World in that trying period of 1956. There are other examples which are less spectacular and also less tragic but which are of vital importance. Progress was made in the field of the peaceful uses of atomic energy. Constructive gains toward self-government and independence in the dependent and trust territories of the world were achieved. The economic and social activities of the United Nations steadily expanded in a sound and worthwhile fashion.

It is worth noting that even more outstanding progress in the economic and social field was made during 1957. Particularly important was the action of the General Assembly last year in voting to expand both the breadth and the scope of the U. N. technical assistance program. Under the latest Assembly action, up to $100 million may be made available for the program, up to $50 million of it from the United States. This threefold expansion of the program will make possible the carrying on of a number of special projects in addition to the technical-assistance program's regular work. These special projects will emphasize training and technical institutes, particularly in such fields as public administration, statistics, and power development. These projects should greatly hasten the time when the underdeveloped countries will have available the pool of skilled and professional personnel which they so badly need. I hope that the Congress will give very sympathetic consideration to meeting the United States responsibilities in this regard.

During 1957, the U. N. also for the first time devoted itself, although briefly, to the problem of outer space. This, surely, Mr. President, is peculiarly a U. N. problem. Certainly no single nation of the earth can claim a particular interest in, or sovereignty over, outer space. This is something in which the whole human race has a stake.

It is significant that in the disarmament resolution of November 14, 1957, the General Assembly called for agreement on an inspection system to insure that the sending of objects through outer space would be exclusively for peaceful and scientific purposes. This resolution was agreed to by a vote of 56 in favor and 9 against (the Soviet bloc), with 15 abstentions. We can only hope that the Soviets will reconsider their negative position in this matter. Certainly they must reconsider it if they expect the world to believe their pious mouthings about how much they want disarmament and about how much they love peace.

Admittedly, the United Nations has its limitations, and we must remain alert to correct them. However, I am convinced that despite its shortcomings, the U. N. provides the best international forum yet devised in which nations in time of crisis can air their grievances and achieve solutions to international disputes through discussion, debate, and compromise.

This is particularly important in view of the fact that we live in a world where man is confronted with a desperate choice between cooperation on behalf of peace or the threat of inevitable destruction. The U. N. has already done much to maintain international peace and security and to improve the economic and social conditions of mankind. It has an even greater role to play in the future.

In conclusion, I wish to pay tribute to the members of the staff of the Department of State and the United States Delegation to the United Nations whose competence and devotion to principles and duty is second to none. The United States is indeed fortunate to have such dedicated professional officers. I found their advice, technical know-how, and general expertise invaluable. They get a major share of the credit for any success the United States has had in the United Nations.

INCREASE IN POSTAL CHARGES

Mr. PURTELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I received from the Connecticut General Life Insurance Co., dated February 24, 1958. I may say that it is a very large insurance company located in Bloomfield, Conn. The letter reads:

DEAR BILL: As a large user of mail, we are unequivocally in favor of an increase in postal charges adequate to pay our way. If this requires 5 cents on out-of-town first-class mail, we hope you will support the higher charge.

Sincerely yours.

FRAZAR B. WILDE,
President.

Mr. President, the letter is an indication of the willingness of leaders in Connecticut to meet their just charges.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

PRELIMINARY REPORT OF THE UNITED STATES LINCOLN SESQUICENTENNIAL COMMISSION

The PRESIDING OFFICER laid before the Senate a letter from the Chairman, Lincoln Sesquicentennial Commission, transmitting, pursuant to law, a preliminary report of that Commission, which, with the accompanying report, was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
February 28, 1958.

The Honorable RICHARD M. NIXON,
President of the Senate.

SIR: I take pleasure in transmitting herewith the preliminary report of the United States Lincoln Sesquicentennial Commission established by House Joint Resolution 351, approved September 2, 1957 (Public Law 85-262, 71 Stat. 587). It is the duty of the Commission to prepare an overall program to include specific plans for commemorating the 150th anniversary of the birth of Abraham Lincoln in 1959.

The report, which is provided for by section 5, paragraph (c) of the above legislation, describes the activities and preliminary plans of the Commission and indicates that funds in the amount of $37,500 are being requested for the work of the Commission for the period ending June 30, 1958. Additional funds will be requested for fiscal year 1959.

Very truly yours,

JOHN SHERMAN COOPER,
Chairman, Lincoln Sesquicentennial Commission.

PRELIMINARY REPORT OF THE UNITED STATES COMMISSION FOR THE CELEBRATION OF THE 150TH ANNIVERSARY OF THE BIRTH OF ABRAHAM LINCOLN, 16TH PRESIDENT OF THE UNITED STATES, TO BE HELD IN 1959

WASHINGTON, D. C., *February 26, 1958.*

To the Senate and the House of Representatives:

House Joint Resolution 351, introduced by Representative F. JAY NIMTZ, of Indiana, to establish a Lincoln Sesquicentennial Commission, passed by the 85th Congress, was approved by the President on September 2, 1957 (Public Law 85-262, 71 Stat. 587).

Additional joint resolutions to establish a Lincoln Sesquicentennial Commission were introduced in the House by Representative PETER M. MACK, JR., and LEO E. ALLEN of Illinois, FRED SCHWENGEL of Iowa, and HUGH SCOTT of Pennsylvania. For the same purpose Senate Joint Resolution 98 was introduced in the United States Senate on June 6, 1957, by Senator JOHN SHERMAN COOPER of Kentucky, joined by Senators THRUSTON B. MORTON of Kentucky, EVERETT M. DIRKSEN and PAUL H. DOUGLAS of Illinois, and HOMER E. CAPEHART and WILLIAM E. JENNER of Indiana.

Ex officio members of the Commission are:
The President of the United States.
The President of the Senate.
The Speaker of the House of Representatives.

Pursuant to the law, the President of the Senate appointed the following Senators to be members of the Commission:
Hon. JOHN SHERMAN COOPER, of Kentucky.
Hon. FRANK CHURCH, of Idaho.
Hon. EVERETT M. DIRKSEN, of Illinois.
Hon. PAUL H. DOUGLAS, of Illinois.
Hon. WILLIAM E. JENNER, of Indiana.
Hon. RALPH YARBOROUGH, of Texas.

The Speaker of the House appointed the following Representatives as members of the Commission:
Hon. LEO E. ALLEN, of Illinois.
Hon. FRANK CHELF, of Kentucky.
Hon. WINFIELD K. DENTON, of Indiana.
Hon. PETER F. MACK, JR., of Illinois.
Hon. F. JAY NIMTZ, of Indiana.
Hon. JOHN M. ROBSION, JR., of Kentucky.

The President of the United States on November 19, 1957, appointed the following persons to be members of the Commission:
Miss Bertha S. Adkins, of Washington, D. C.
Victor M. Birely, of Washington, D. C.
Dr. Ralph J. Bunche, of New York.
Dr. John S. Dickey, of New Hampshire.
John B. Fisher, of Washington, D. C.
Dr. R. Gerald McMurtry, of Indiana.
Dr. L. Quincy Mumford, of Washington, D. C.
Rev. Paul C. Reinert, of Missouri.
Walter N. Rothschild, of New York.
Hon. William G. Stratton, of Illinois.
Jouett Ross Todd, of Kentucky.
William H. Townsend, of Kentucky.

The statutory member, according to the law, is the Director of the National Park Service (Conrad L. Wirth) or his representative.

In accordance with section 1 (b) of Public Law 85-252, 85th Congress, the first meeting of the Commission was held on Wednesday, December 11, 1957, in room 5528, Interior Building, Washington, D. C. The Director of the National Park Service, Mr. Conrad L. Wirth, served as temporary chairman. A nominating committee of five members was appointed to consider names for the offices of chairman, vice chairman, and secretary of the Commisison to be presented at the next meeting. The nature and scope of the functions of the Commission were discussed. A temporary advisory committee was created to outline a program and present it to the Commission on January 10, 1958, the date selected for the next meeting.

The second meeting of the Commission was held in room 5160, Interior Building, on the 10th of January as planned. Senator

John Sherman Cooper of Kentucky was elected Chairman; Representative F. Jay Nimtz was elected Vice Chairman, and Conrad L. Wirth, Secretary.

The Chairman appointed the following to serve on the executive committee:

Miss Bertha Adkins.
Victor M. Birely.
Dr. Ralph J. Bunche.
Dr. L. Quincy Mumford.
Rev. Paul C. Reinert.
Hon F. Jay Nimtz.
Conrad L. Wirth.

The Chairman of the Commission, Senator COOPER, is an ex officio member of the Executive Committee. The Executive Committee in session on February 20 elected Miss Bertha Adkins as chairman, and Mr. Victor M. Birely as vice chairman.

A request for funds in the amount of $37,500 was presented to the Bureau of the Budget for the remainder of the 1958 fiscal year, of which only $31,000 was recommended for submission to the Congress. The lack of funds and the consequent inability to appoint a staff has greatly hampered the work of the Commission.

The purpose and duties of the Commission were clearly stated in Public Law 85-262. As expressed in the act, the Congress established the Commission "to prepare an overall program to include specific plans for commemorating the 150th anniversary of the birth of Abraham Lincoln." In performing this duty the Commission is directed to "give due consideration to any similar and related plans advanced by State, civic, patriotic, hereditary, and historical bodies." The Commission may also "give suitable recognition such as the award of medals and certificates or by other appropriate means to persons and organizations for outstanding accomplishments in preserving the writings and ideals of Abraham Lincoln, or historical locations connected with his life." The legislation authorizes and requests the President "to issue proclamations inviting the people of the United States to participate in and observe the anniversary of the nationally significant historic event. * * *

In its work thus far, the Commission has considered suggestions for suitable commemorative activities and has, in a preliminary way, prepared a program. This program will be changed as necessary and, we feel sure, be amplified and improved as successive meetings of the Commission are held. Its broad outlines at the present time call for achieving the following ends:

1. That the Commission direct its attention to bringing to the American people and the peoples of the world the fullest understanding of the contributions of Abraham Lincoln to democracy, in order that a deeper awareness of his greatness may become possible.

2. That the Commission encourage States, localities, and private organizations to organize for themselves observances of the sesquicentennial of Lincoln's birth, and that it assist in plans for local observances with advice and guidance, where such are requested.

3. That consideration be given to awards of certificates, medals or other recognition for distinguished newspaper articles or books, television, and movies, dealing with Lincoln and his work.

4. That the Commission request the issuance of special stamps and coins to commemorate the Lincoln sesquicentennial.

5. That it encourage the collection and dissemination of basic materials such as manuscripts, newspapers, pictures, and maps, relating to Lincoln, so that such material may be preserved and made more easily available to students.

6. That it encourage and participate in a program of publications relating to Lincoln, including basic sources, guides, bibliographies, indexes, and other aids to research, writing, and understanding of this great American.

7. That it encourage all communication media to participate in the observance of the sesquicentennial of the birth of Abraham Lincoln.

8. That it sponsor a group of speakers to represent it at appropriate observances.

9. That it consider, for possible recommendation to the Congress, the advisability of the Congress holding joint commemorative exercises on February 9, 1959.

10. That it do everything possible, by appropriate means, to develop among the Nation's schools, colleges and universities, museums, libraries, historical societies, and historical offices of the Federal Government, a deeper appreciation and keener interest in the rich heritage of national experience with particular reference to Abraham Lincoln.

11. That it seek the cooperation of Federal agencies in carrying out the purposes of the legislation.

12. That through these programs it seek to emphasize the principles and ideals exemplified by Abraham Lincoln and their application to the present day.

The suggestions here made are not proposed as a rigid and exclusive program into which all observance activities must fit. They are offered as suggestions of the ways by which the Commission may help all the people in their approach to the commemoration of this very important sesquicentennial.

DAIRY PRICE SUPPORTS—RESOLUTIONS

Mr. HUMPHREY. Mr. President, the lowering of dairy price supports will cause great economic hardship on the dairy farmers in my State of Minnesota. The concern of the farmers has again been brought to my attention in a resolution adopted by the Mizpah Farmers' Club, Mizpah, Minn.

I ask unanimous consent that this resolution calling for the maintenance of dairy price supports at 82 percent be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF MIZPAH FARMERS' CLUB
MIZPAH, MINN.

"Whereas the dairy industry is one of the major industries in the Mizpah area and in Minnesota; and

"Whereas the Commissioner of Agriculture advocates the lowering of price supports on dairy products from 82 percent to 75 percent which is the basic minimum; and

"Whereas the family farmers were in drastic need of financial aid prior to the lowering of dairy price supports; Therefore be it

"*Resolved*, That the Mizpah Farmers' Club urge corrective legislation be enacted to at least maintain the 82 percent support for dairy products; be it further

"*Resolved*, That copies of this resolution be sent to United States Senator THYE, United States Senator HUMPHREY and our Representatives in Congress and others interested."

The above resolution was presented by the legislative committee of the Mizpah Farmers' Club and, upon being put to vote, was unanimously carried.

Dated in Mizpah, Minn., February 14, 1958.

JEAN MARTINSON,
Secretary.

Attest: CLENT R. DUHER,
President.

Mr. HUMPHREY. Mr. President, I recently received a copy of a resolution adopted by the members of the Day Cooperative Creamery, Braham, Minn., concerning dairy price supports.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolution passed by members of Day Cooperative Creamery at their annual meeting, February 15, 1958.

History shows us that as the income of the farmer gets too far out of line with the income of the rest of our economy, we have had a depression.

Since the economic prosperity of our Nation is very much dependent upon the farmers' income, we feel every effort would be made to maintain the present level of income instead of permitting further declines.

Inasmuch as the Secretary of Agriculture has ordered the lowering of dairy price supports to 75 percent of parity this coming April 1, the Day Cooperative Creamery, at its annual meeting this 15th day of February 1958, requests that dairy price supports be maintained at present level until some other program is ready to take the place of the Government-supported prices.

We are supporting the dairy price stabilization program of the National Dairymen's Association which will take the place of the present Government support program, and enable the dairy farmer to reflect the cost of producing milk in the price he receives.

We urge the President and the Congress to support this program.

Lowering of milk prices to the dairy farmers at this time would be disastrous to the economy of our Nation.

ORVILLE MYRON,
Chairman, Board of Directors, Day Cooperative Creamery, Brahan, Minn.

DAIRY PRICE SUPPORTS—LETTER

Mr. HUMPHREY. Mr. President, on February 8, 1958, the Braham Cooperative Creamery Association, Braham, Minn., went on record in favor of maintaining dairy price supports at their present level until a workable farm program has been enacted.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

BRAHAM, MINN., *February 24, 1958.*

Senator HUBERT HUMPHREY,
Washington, D. C.:

Inasmuch as the Secretary of Agriculture has ordered the lowering of supports on dairy products to 70 percent of parity this coming April 1 and that he is working to have Congress for authority to lower them to 60 percent of parity, the Braham Cooperative Creamery, at its annual meeting on the 8th day of February 1958 has gone on record to send a plea to the President of the United States to rescind the order and maintain the dairy supports, at least, at its present level until a workable farm program has been enacted.

Lowering of the supports at this time would be disastrous to the economy of the

dairy farms as well as to the economy of the whole Nation.

L. H. HALLETT,
Secretary, Braham Cooperative Creamery Association.

P. S.—Any support you can give this program will be greatly appreciated by all those in the dairy industry.

L. H. H.

TECHNICAL CHANGES IN FEDERAL EXCISE TAX LAWS—AMENDMENTS

Mr. SPARKMAN. Mr. President, I submit amendments, intended to be proposed by me, to House bill 7125, to make technical changes in the Federal exeise-tax laws, and for other purposes, which is pending in the Senate Finance Committee. My amendment would amend that section of the bill which pertains to section 4082 of the Internal Revenue Code.

This section of the code relates to the definition of a producer for the purpose of excise tax on gasoline. When the existing language of the code is translated into actual operation, it means that the refiner or major oil company does not pay the Federal gasoline tax until the time of sale, whether that sale be direct to consumer, to a service station, or to a reseller such as a jobber or wholesale distributor. It also means that the wholesale distributor who pays this tax at the time of purchase must not only encumber a part of his inventory capital, but in addition thereto, he must suffer the losses due to evaporation and unavoidable spillage between the time of purchase and the time of delivery into the tank of the person to whom he sells. Neither of these burdens is imposed on the major oil company with whom this small independent jobber must compete.

It is estimated that the jobber's losses due to evaporation and unavoidable spillage amount to approximately 2 percent of the total volume of gasoline handled. A majority of the States imposing gasoline taxes recognize this inequity and allow the jobber varying percentages to compensate for these losses and some of them allow additional percentages for the handling of this tax burden, collection of the tax, and the maintenance of the necessary records required by the tax collector.

My amendment would give badly needed relief. If it is adopted, the tax on jobbers will be imposed at the time of sale rather than at the time of purchase.

I commend to the Senate and the Senate Finance Committee the careful consideration of this amendment.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

PARTICIPATION IN ACTIVITIES OF INTERNATIONAL CIVIL AVIATION ORGANIZATION—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HUMPHREY. Mr. President, the distinguished junior Senator from Texas [Mr. YARBOROUGH] has asked me to request unanimous consent that his name be added as a cosponsor of the resolution (S. Res. 258) relating to the participation of the United States in the activities of the International Civil Aviation Organization in the field of airport economics, submitted by me, on behalf of myself and other Senators, on February 6, 1958. I ask unanimous consent that in any additional printing of the resolution, the name of the Senator from Texas may be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 14 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, March 3, 1958, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28, 1958:

UNITED STATES DISTRICT JUDGE

Axel J. Beck, of South Dakota, to be United States district judge for the district of South Dakota.

COAST AND GEODETIC SURVEY

The following-named persons for permanent appointment in the Coast and Geodetic Survey to the grades indicated subject to qualifications provided by law:

To be lieutenant

Clifford W. Tupper

To be ensigns

Edward R. Babenco	Harold E. McCall
Anders E. Beyer	Wayne L. Mobley
Glenn DeGroot	Gordon N. Orr
Martin T. Egan	John S. Scarborough
David L. Kelley	Arthur E. Stark, Jr.

DEPARTMENT OF THE NAVY

Capt. Lot Ensey, United States Navy, to be Director of Budget and Reports in the Department of the Navy for a term of 3 years with the rank of rear admiral.

Rear Adm. Paul D. Stroop, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy for a term of 4 years.

IN THE ARMY

The nominations of Ruby G. Bradley and 2,554 other officers for promotion or appointment in the Regular Army, which were confirmed today, were received by the Senate on January 28, 1958, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Ruby G. Bradley, which appears on page 1191, and ending with the name of Elliott C. Cutler, Jr., which is shown on page 1201.

IN THE AIR FORCE

The nominations of the following-named officers for promotion in the Regular Air Force, under the provisions of sections 8298 and 8299, title 10, United States Code, were confirmed today:

FIRST LIEUTENANT TO CAPTAIN

Chaplain

Rathjen, David E., 32432A.
Kiryluk, Nicholas T., 32433A.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Medical Service Corps

Higgins, Donald D., 32497A.
Hankins, John W., 32498A.
Rosenthal, Harry, 32499A.
Siagel, Ronald V., Jr., 32500A.
Aaron, Robert V., 32501A.
Mugford, Frank M., 32502A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

EXTENSIONS OF REMARKS

Finnish People Celebrate Kalewala Day

EXTENSION OF REMARKS
OF
HON. WILLIAM E. PROXMIRE
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, February 28, 1958

Mr. PROXMIRE. Mr. President, today marks the anniversary of an important day for an important segment of the population of my State of Wisconsin. On February 28, 1835, the Finnish national epic, Kalewala, was first published in book form. This anniversary is an appropriate time to recognize the contributions made to the Nation and to my State by the Finnish people, and I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have made in connection with the date.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PROXMIRE

The Finnish national epic, Kalewala, consists of folk verses dealing with the deeds of three semidivine brothers of gigantic stature who lived in Kalewala, a mythical land of happiness and abundance. Its style was followed by Longfellow in his Hiawatha, and the epic and its rich mythology has had a strong influence on all Finnish art. It is a special source of pride to Finnish people everywhere.

Finland today is a strong ally of this Nation in the cold-war fight against international communism, and it is an important western outpost before the U. S. S. R. Finland has a fine record as a friend of democracy and of the United States. Indeed, it is the only country which has paid its World War I debts in full to this country. Today this northern democracy finds itself in need of economic aid, particularly in consumer goods as well as military assistance. In view of its past record of friendship and traditions of democracy, Finland should certainly receive a sympathetic consideration of its needs from this Nation.

Here in this country, Americans of Finnish descent are mostly employed in skilled building trades, as miners, in heavy industry, and as farmers. These are the fields which are hit especially hard by the growing and threatening recession, and the Finnish-Americans, as all of us, are alarmed about rising unemployment in these fields.

Finnish people in Wisconsin have earned their reputation as a hard-working, hardy, self-reliant group. This is notable in their participation and leadership in the cooperative movement. Finnish people were primarily responsible for founding Central Cooperatives, Inc., of Superior, Wis., and many local cooperative groceries, service stations, bulk-oil distributors, creameries, insurance companies, and even burial associations. Sons and daughters of these cooperative pioneers have gone into almost every State in the Union, serving as experts in cooperative enterprises organized by other Americans.

Finnish-Americans are among the most independent, liberty-loving, and stubbornly free of all the people of our great country, yet they know and practice the virtues of mutual aid and cooperation to its finest degree. Their contributions to our Nation have been great, and it is most fitting that the Congress should give recognition to them on this day of cultural importance to them.

SENATE

MONDAY, MARCH 3, 1958

Rev. Richard E. Nowers, assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

O God, we know the task of these Senators at times is almost impossible. The many demands of time, energy, and interests lay claim upon their busy lives. In this moment of prayer, we ask that they, too, may not forget Thy claim upon their lives. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 28, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Oliver S. Picher, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, which was referred to the Committee on Armed Services.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1568. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; and

S. 1714. An act for the relief of Roma H. Sellers.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce that later in the day, after the unfinished business, Calendar No. 1253, House bill 5809, to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor, is disposed of, we expect to have the Senate proceed to the consideration of Calendar No. 1294, Senate bill 3149, to increase the lending authority of the Export-Import Bank.

We expect the Senate to hold a session tomorrow. Perhaps there will be a calendar call later in the week, either on Wednesday or on Thursday.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce was authorized to meet today during the session of the Senate.

TEXAS INDEPENDENCE DAY AND THE SIEGE OF THE ALAMO

Mr. JOHNSON of Texas. Mr. President, yesterday was Texas Independence Day.

On March 2, 1836, delegates of the people of Texas, meeting in general convention at the town of Washington on the Brazos, adopted the Declaration of Independence of the Republic of Texas.

The declaration was in large part a bill of particulars against a tyrannical and oppressive government. It was a firmly stated declaration that the people of Texas "are fully invested with all the rights and attributes which properly belong to independent nations."

Even though Texas long ago joined the Union of States, every Texan is proudly conscious that Texas was once an independent nation. This knowledge is a vital part of our heritage as Texans.

Even as the delegates were meeting at Washington on the Brazos, another small band of brave and determined men was undergoing siege in a battle that was to become a rallying cry of victory in the war for independence. That was the battle of the Alamo.

Mr. President, the story of that battle has been told many times. And now it has been told again, perceptively and suspensefully, in a book called 13 Days to Glory, written by Lon Tinkle, the distinguished book editor of the Dallas Morning News.

In a review published yesterday in the New York Herald Tribune, Dr. Henry Nash Smith, himself a native Texan, explains, at least by implication, why this book needed to be written, even though the story of the Alamo has been told many times.

That story has never been told more effectively or more revealingly than Mr. Tinkle tells it.

I ask unanimous consent that Dr. Smith's review of 13 Days to Glory: The Siege of the Alamo, be printed in the RECORD at the close of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNTIL THE LAST FIGHTER FELL

(Reviewed by Henry Nash Smith)

Because the early history of Texas has been studied with as much intensity as has that of Massachusetts or Virginia, the fall of the Alamo on March 6, 1836, has accumulated an imposing bibliography: Lon Tinkle's list of sources and the notes on his text occupy 14 pages. Yet despite this apparatus, 13 Days to Glory is the work of a novelist rather than of a historian. One does not question the author's assurance that, with one minor exception, "all movement of participants is based on documentary evidence." It is rather that the questions he asks of his materials have to do with the texture of experience—the inner life of individual characters—rather than with the play of political or economic or social forces.

Mr. Tinkle wants to understand why 150 men, most of them recent arrivals from the United States or Europe, remained in a fortress improvised from the ruins of an abandoned mission, allowed themselves to be surrounded by 3,000 troops of an invading army whose commander had proclaimed "No quarter," and as a result were killed to the last man. If the divided councils of commanders and the standard American underestimate of the Mexican enemy provide a partial answer, these factors are of no help in analyzing the motives of 32 volunteers from Gonzales who marched 140 miles and slipped through the Mexican lines in order to join the handful of doomed men inside the Alamo.

The force that made these men choose to die was not patriotism, at least in any usual sense: Travis was flying a flag representing the Mexican constitution of 1824, with the implication that he was engaged in a Mexican civil war against the dictator, Santa Ana. Nor was holding out to the end a military necessity: Travis was only 1 of 3 officers sent on 3 successive occasions with orders to destroy the Alamo and retreat. The stark vividness of the defense of the Alamo lies in the very fact that it was not rational. It was

an acte gratuit. Even the words "courage" and "heroism" do not do justice to the case. The more detailed the narrative becomes, the more it reveals something undefined and perhaps indefinable in Travis and his men.

Mr. Tinkle causes the reader to glimpse a dark, mysterious aspect of American frontier experience, not to be subsumed under the categories of land hunger and expansionist fervor usually invoked to account for the westward movement. He has arrived at an imaginative insight which can be expressed only by indirection. We come away from the book convinced that these men did indeed choose to die in just this fashion, perhaps without themselves knowing why, and that by their choice they realized to the full one potential aspect of man's nature.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON TUNGSTEN ORES AND CONCENTRATES

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, a report on tungsten ores and concentrates, dated February 1958 (with accompanying papers); to the Committee on Finance.

AUDIT REPORT ON FEDERAL HOME LOAN BANKS SUPERVISED BY FEDERAL HOME LOAN BANK BOARD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on Federal Home Loan Banks supervised by the Federal Home Loan Bank Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF PHASEOUT OPERATIONS OF SOUTHERN AIR MATERIEL, EUROPE, AIR MATERIEL FORCE, EUROPEAN AREA

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of Phaseout Operations of the Southern Air Materiel, Europe, Air Materiel Force, European Area, Department of the Air Force, Nouaseur, Morocco, dated February 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF REQUIREMENTS DETERMINATIONS AND RELATED PROCUREMENT FOR CERTAIN JET ENGINES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of requirements determinations and related procurement for J-57 aircraft jet engines in the Department of the Air Force, dated February 1958 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF MERCHANT MARINE ACT, 1936

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 216 of the Merchant Marine Act, 1936 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF CIVIL WAR CENTENNIAL COMMISSION

A letter from the Chairman, Civil War Centennial Commission, Washington, D. C., transmitting pursuant to law, a report of that Commission, dated February 28, 1958 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Francesco Ianni from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1958; to the Committee on the Judiciary.

AMENDMENT OF LAW RELATING TO CERTAIN APPROPRIATIONS TO ATOMIC ENERGY COMMISSION

A letter from the Chairman, United States Atomic Energy Commission, transmitting a draft of proposed legislation to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (with an accompanying paper); to the Joint Committee on Atomic Energy.

PROGRESS REPORT ON HIGHWAY COST ALLOCATION STUDY

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a progress report on the highway cost allocation study dated February 28, 1958 (with an accompanying report); to the Committee on Finance.

RATIFICATION OF WOMEN'S SUFFRAGE AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES BY MARYLAND GENERAL ASSEMBLY

The VICE PRESIDENT laid before the Senate the following letter from the Governor of the State of Maryland, which, with accompanying papers, was referred to the Committee on the Judiciary:

EXECUTIVE DEPARTMENT,
Annapolis, Md., February 28, 1958.

The Honorable RICHARD M. NIXON,
President of the Senate,
Senate Office Building,
Washington, D. C.

DEAR MR. PRESIDENT: The 19th amendment to the United States Constitution, otherwise known as the women's suffrage amendment, was approved by the 1941 session of the General Assembly of Maryland. However, there is no record in the Hall of Records of Maryland or in the Archives of the United States that certified copies of the ratification resolution, as adopted by the general assembly, were forwarded by the State of Maryland to the Secretary of State of the United States, the Presiding Officer of the United States Senate and to the Speaker of the House of Representatives of the United States as directed in section 2 of resolution 12 of the laws of 1941.

I have, therefore, had certified copies made from the original resolution and I take pleasure in notifying you that Maryland has ratified Resolution 12 of the Acts of 1941, and enclose a certified copy as directed by the act.

Respectfully,
THEODORE R. MCKELDIN,
Governor.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Agriculture and Forestry:

"House Concurrent Resolution 112

"Concurrent resolution memorializing Congress to enact legislation to provide that the dairy support price for the marketing year starting April 1, 1958, shall be not less than the current $3.25 per hundredweight for 3.95 percent butterfat milk and that the Secretary of Agriculture shall use a parity equivalent for manufacturing milk based on the 30-month period from July 1946 to December 1948, both inclusive

"Whereas on December 18, 1957, Secretary of Agriculture Benson announced that dairy price support for the marketing year beginning April 1, 1958, will be at 75 percent of parity; and

"Whereas the 75 percent of parity will result in a decrease to approximately $3.02 per hundredweight for 3.95 percent butterfat milk from the current support price of $3.25; and

"Whereas, this decrease will reduce dairy income in the State of Mississippi approximately $2,300,000; and

"Whereas, on January 16, 1958, the President of the United States in his message to the Congress of the United States for a revised farm, food, and fiber program recommended that the dairy price support should be determined administratively between 60 percent and 90 percent of parity; and

"Whereas the recommended minimum of 60 percent of parity will result in a decrease to approximately $2.37 per hundredweight for 3.95 percent butterfat milk from the current support price of $3.25; and

"Whereas this decrease will reduce dairy income in the State of Mississippi approximately $8,800,000: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein)*, That the Legislature of Mississippi does hereby memorialize and petition, and does respectfully urge the Congress of the United States to enact legislation to provide that the dairy support price for the marketing year starting April 1, 1958, shall be not less than the current $3.25 per hundredweight for 3.95 percent butterfat milk and that the Secretary of Agriculture shall use a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive; be it further

"*Resolved*, That a duly authenticated copy of this resolution be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Mississippi delegation in Congress.

"Adopted by house of representatives February 5, 1958.

"WALTER SIEMS,
"*Speaker of the House of Representatives.*

"Adopted by the senate February 19, 1958.

"———— ————,
"*President of the Senate.*"

A concurrent resolution of the Legislature of the State of New Hampshire; to the Committee on the Judiciary:

"Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income by the States

"Whereas citizens of New Hampshire residing within this State but employed in the States of Vermont and Massachusetts are now imposed upon by being forced to pay income taxes to those States; and

"Whereas United States Senators STYLES BRIDGES and NORRIS COTTON, of New Hampshire have joined with United States Senators from other States in proposing an amendment to the Federal Constitution to end the imposition of income taxes by one State upon the residents of other States: Now, therefore, be it

"*Resolved by the Senate of the State of New Hampshire (the House of Representatives concurring)*—

"(1) The Congress of the United States is hereby memorialized to propose an amendment to the Federal Constitution by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

"*Resolved*, That the secretary of state be instructed to forward a copy of this concurrent resolution to the President of the

United States, the Vice President of the United States, the Speaker of the House of Representatives, and to each Member of the United States Senate.

"W. DOUGLAS SCAMMAN,
"*Speaker of the House of Representatives.*
"ERALSEY C. FERGUSON,
"*President of the Senate.*

"Passed February 12, 1958.

"Attest:

"HARRY E. JACKSON,
"*Secretary of State.*"

A declaration adopted at a mass meeting of American citizens of Estonian descent, assembled in New York, N. Y., relating to the liberation of Estonia and other captive countries; to the Committee on Foreign Relations.

A letter in the nature of a petition from the Alaska Lumber & Pulp Co., Inc., of Seattle, Wash., signed by Daniel J. Doswell, manager, endorsing an enclosed resolution favoring the enactment of legislation to extend the Federal-aid airport program (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

The petition of G. C. Weldin, of Rancho Santa Fe, California, relating to an investigation of the Federal Communications Commission regarding the Bell Telephone System; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the City Council of the City of West Covina, Calif., favoring the improvement of the Walnut Creek system of the comprehensive plan for the control and conservation of floodwaters for Los Angeles County; to the Committee on Public Works.

RESOLUTIONS OF KANSAS OIL MEN'S ASSOCIATION

Mr. CARLSON. Mr. President, the Kansas Oil Men's Association at its 43d annual convention in Wichita, Kans., on January 13, 1958, adopted resolutions opposing any increase in State or Federal gasoline taxes, and recommended that the Interstate Highway System be so constructed with access roads that all classes of businessmen, major or independent, large or small shall have an opportunity to compete for such business that is carried on on the highway itself.

I ask unanimous consent that the resolutions may be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

The Kansas Oil Men's Association in convention assembled at the Lassen Hotel, Wichita, Kans., January 13, 1958, for their 43d annual convention, adopted the following resolutions:

"Whereas it has been made apparent that the State highway commission have now and will for the foreseeable future have adequate income from present revenue sources to adequately match all available Federal funds for new highway construction, and to properly maintain the present system, without curtailing projects; and

"Whereas the motoring public are now paying excessive motor fuel taxes and as well extremely high taxes on motor vehicles, tires, repairs, etc.; and

"Whereas the cost of buying and operating motor vehicles is a cost-of-living item to all families: Therefore be it

"*Resolved*, That the Kansas Oil Men's Association at their 43d annual convention in Wichita, Kans., January 13, 1958, hereby go on record as opposing any increase on State or Federal gasoline taxes."

"Whereas the Interstate Highway System is so designed that there will be no direct access to the trafficways; and

"Whereas motorists traveling the Interstate System will be required to purchase gasoline and food on access roads or on roads leading into the interchanges: Therefore be it

"*Resolved*, That the Kansas Oil Men's Association assembled in their 43d annual convention at the Lassen Hotel in Wichita, Kans., January 13, 1958, hereby resolve that the location and design of such access roads, and shopping areas adjacent to interchanges be such that all classes of businessmen, major or independent, large or small, shall have an opportunity to compete for such business."

STATEMENT OF COMMITTEE OF KANSAS FARM ORGANIZATIONS

Mr. CARLSON. Mr. President, the Committee of Kansas Farm Organizations at a meeting in Topeka, Kans., on February 18, 1958, went on record favoring a 5-year extension of the Reciprocal Trade Agreements Act and the reenactment of Public Law 480 as aids in exporting our surplus farm production.

The members of this organization are the Kansas Farm Bureau, Kansas State Grange, Kansas Farmers Union, the Kansas Farmers Service Association, Farmers Union Jobbing Association, Consumers Co-Operative Association, Equity Union Grain Co., Kansas Co-Operative Managers and Directors Association, Farmers Co-Operative Commission Co., Kansas Co-Op Dairy Products Association, Kansas Livestock Association, Kansas Electric Co-Operative, Inc., and the Kansas Association of Wheat Growers.

Last year, under the provisions of the Reciprocal Trade Agreements Act, the mutual-aid program and Public Law 480, our Nation exported crops which were grown on 50 million acres of cropland owned by American farmers.

The production of 1 out of every 2 acres of cotton and 1 out of every 2 acres of wheat grown in this country last year was sold abroad.

During fiscal year 1957—July 1956–June 1957—a record $4.7 billion worth of United States farm commodities moved into export markets. Eighty percent of these sales were made to nations with which the United States has trade agreements.

If United States export markets were lost, it would be necessary to take out of production the 50 million acres of cropland now devoted to the production of commodities for export.

If we are going to continue to export, we are faced with two alternatives:

First. We can continue policies designed to increase trade on a reciprocal basis.

Second. We can continue to resort to high expenditures for foreign aid, and if we do, agriculture will have to continue to rely on interim programs such as sales for local currencies.

As exporters and taxpayers, therefore, farmers have a major stake in the extension of the trade-agreements program, but as American citizens interested in world peace, they also have an even greater stake in its extension.

I ask unanimous consent to have the statement approved by the Committee of Kansas Farm Organizations printed in the RECORD, and referred to the appropriate committee.

There being no objection, the statement was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

STATEMENT ADOPTED BY THE COMMITTEE OF KANSAS FARM ORGANIZATIONS MEETING IN TOPEKA, KANS., FEBRUARY 18, 1958

The high protective tariff law was enacted for the purpose of assisting in the development of "infant industry." As the years have passed these industries have grown up and in many cases assumed giant proportions. They have become a powerful force in the economy of the country, and in too many cases wield a most powerful political influence.

In addition to the benefit they have derived from the tariff they have enjoyed direct and indirect subsidies from the United States Treasury. Subsidies such as direct financial support of transportation companies, buildings for use in manufacturing materials that might be used in case of war, indirect subsidies in the form of semi-free mailing service and others.

These "favors" to certain industries have enabled them, through trusts, combines, and mergers to develop monopoly control of prices of most products that are sold at retail.

Service organizations, telephone companies, professions, labor unions, and many others fix the price of their service without regard to supply and demand.

Agriculture, because of the uncertainty of production and the fact that it is composed of millions of small units, has been, and probably always will be, unable to compete successfully in the mad scramble for power in control of the markets for its products and the power to fix its own prices on the purchase of necessary equipment to operate the farm and support his family on the basis of American standards.

We appeal to Congress and the national administration to give serious consideration to the lowering of the tariff wall, so far as is possible, without bankrupting essential industries and will enable this country to exchange goods and services with our friendly foreign countries to a better advantage.

We urge a 5-year extension of the reciprocal trade agreements and a more aggressive use thereof. The reenactment of Public Law 480 as an aid in exporting our surplus farm production.

We feel the present price-support law should not be eliminated until such time as conditions change or some better method of handling the situation is devised.

Farmers are constantly being called upon to solve their own problems without Government help or interference.

While it seems impossible to do this effectively, yet much is being done and it behooves organized agriculture to exert every effort to affect this purpose.

The Committee of Kansas Farm Organizations representing as it does fully 90 percent of the farmers of Kansas, pledges its united support to the building of stronger and better marketing, purchasing and service cooperative organizations.

We feel justified in expecting encouragement and help from the Congress, and the United States Department of Agriculture. Therefore, the encouragement and development of a stronger system of farmer cooperatives should be the publicly declared policy of our National Government.

RESOLUTIONS OF THE WILLISTON, N. DAK., COOPERATIVE CREDIT UNION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the Williston, N. Dak., Cooperative Credit Union relating to Hells Canyon Dam and Federal regulation of gas companies.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

WILLISTON, N. DAK.,
February 20, 1958.

Senator WILLIAM R. LANGER.
Senator MILTON YOUNG.
Representative USHER L. BURDICK.
Representative OTTO KRUEGER.

GENTLEMEN: Following are two resolutions which were unanimously adopted by the membership present at our annual meeting on January 25, 1958:

RESOLUTION 1

"We, the members of the Williston Cooperative Credit Union, in annual meeting assembled this 25th day of January 1958, go on record favoring Hells Canyon Dam.

"Moved by Jennie Solberg, seconded by Lloyd Esterby, that this resolution be adopted. Carried unanimously."

RESOLUTION 2

"We, the members of the Williston Cooperative Credit Union, in annual meeting assembled this 25th day of January 1958, go on record as being opposed to taking the regulation of gas companies away from the Federal Power Commission.

"Moved by Lloyd Esterby, seconded by Henry Williams, that this resolution be adopted. Carried unanimously."

We are requesting that you give these resolutions your consideration.

Very truly yours,

WILLISTON COOPERATIVE CREDIT UNION,
CARL R. LARSON,
Assistant Secretary-Treasurer.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1875. A bill for the relief of Christos Athanase Bellairs (Rept. No. 1333);

S. 2099. A bill for the relief of Irene B. Moss (Rept. No. 1334);

S. 2499. A bill for the relief of Ilona Agnes Ronay (Rept. No. 1335);

S. 3124. A bill for the relief of Tommy Ilton Chatterton (Tommy Kim) (Rept. No. 1336); and

H. R. 8139. A bill for the relief of Mrs. Catherine Pochon Dike (Rept. No. 1337).

By Mr. MONRONEY, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1380. A bill to authorize the imposition of civil penalties for violation of the security provisions of the Civil Aeronautics Act of 1938, and for other purposes (Rept. No. 1338); and

S. 2919. A bill to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers (Rept. No. 1339).

By Mr. MONRONEY, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 1749. A bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes (Rept. No. 1340).

AMENDMENT OF MERCHANT MARINE ACT, RELATING TO INDEMNITY PROTECTION IN RESPECT OF THE NUCLEAR-POWERED MERCHANT SHIP—REREFERENCE OF BILL (S. REPT. NO. 1341)

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, without amendment, the bill (S. 3106) to amend section 716 of the Merchant Marine Act, 1936, as amended (Public Law 848, 84th Cong.), to provide indemnity protection in respect of the nuclear-powered merchant ship, with the recommendation that the bill be referred to the Joint Committee on Atomic Energy.

The VICE PRESIDENT. The report will be received; and, without objection, the bill will be referred to the Joint Committee on Atomic Energy.

The bill (S. 3106) to amend section 716 of the Merchant Marine Act, 1936, as amended (Public Law 848, 84th Cong.), to provide indemnity protection in respect of the nuclear-powered merchant ship, was referred to the Joint Committee on Atomic Energy.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the report of the Committee on Interstate and Foreign Commerce, a letter from the Secretary of Commerce, a letter from the Comptroller General, and other information pertaining thereto, be printed at this point in the RECORD.

There being no objection, the report and correspondence were ordered to be printed in the RECORD, as follows:

AUTHORIZING INDEMNITY PROTECTION IN RESPECT OF THE NUCLEAR-POWERED MERCHANT VESSEL

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, submitted the following report:

The Committee on Interstate and Foreign Commerce to whom was referred the bill (S. 3106) to amend section 716 of the Merchant Marine Act, 1936, as amended (Public Law 848, 84th Cong.), to provide indemnity protection in respect of the nuclear-powered merchant ship, having considered the same, report favorably thereon without amendment and recommend that the bill be referred to the Joint Committee on Atomic Energy for its consideration.

PURPOSE OF THE BILL

S. 3106 would amend section 716 of the Merchant Marine Act, 1936, as amended, which authorizes the construction of a nuclear-powered merchant ship for operation in the foreign commerce of the United States, by providing that the United States indemnify any contractors or agents of the United States against liability on account of claims by third persons, employees or others, for death, bodily injury, sickness or disease, or loss of or damage to property, arising as a result of nuclear incidents in connection with the construction or operation of the vessel.

BACKGROUND DISCUSSION

Under Public Law 848, 84th Congress, there was authorized to be appropriated to the Department of Commerce, Maritime Administration, and the Atomic Energy Commission, funds for the construction, outfitting, and preparation for operation of a nuclear-powered merchant ship capable of providing shipping services on routes essential for maintaining the flow of the foreign commerce of the United States. The Maritime Administration was empowered to take all necessary steps, with the approval, where appropriate, of the Atomic Energy Commission, looking toward the construction of this prototype vessel, to train qualified personnel for its operation, and to arrange for its operation.

Because of the possibilities of widespread damage and destruction that might result from possible nuclear incidents, contractors and agents otherwise interested in construction or operation of the vessel were reluctant to enter into contracts without assurance that they would be indemnified by the Government against claims arising from any such incidents to the extent that commercial insurance was not available at reasonable prices. Also, such indemnifying authority was necessary in negotiations with foreign governments whose ports would be visited by the nuclear-propelled vessel.

At the open hearing conducted by your committee representatives of the Department of Commerce, Maritime Administration, and Atomic Energy Commission were in agreement that the indemnifying authority sought in the bill would be required to assure prompt construction of the vessel in accordance with the planned time schedule.

It was brought out too, that the Atomic Energy Commission presently has authority, under Public Law 256, 85th Congress, to indemnify contractors against claims arising in connection with incidents involving reactors in power installations within the United States. Suggestions were advanced that amendment of the atomic-energy statute, rather than of the Merchant Marine Act, 1936, would be preferable, and make possible more prompt provision of the vessel indemnity authority.

Recommendation from a shipping industry group that S. 3106 be amended to cover any future nuclear-powered ships was not approved, the committee taking the view that interim legislation would be desirable until enough experience had been afforded in the field to justify legislating on a permanent basis.

In summation, your committee is convinced that, despite the remarkable advances that have been made in atomic research and technology, and with due appreciation of the excellent safety record achieved to date in the operation of land-based nuclear reactors in the public-utilities field, the indemnity authority sought with respect to the nuclear-prototype vessel must be provided, as promptly as possible.

How this can best be done, whether by separate legislation as proposed in S. 3106, or by extending the indemnifying authority now vested in the Atomic Energy Commission by virtue of Public Law 256, 85th Congress, involves some new insurance problems and procedures to which the Joint Committee on Atomic Energy has devoted much time and attention over the past two sessions of Congress. For this reason, the committee recommends that the bill, S. 3106, be referred to the Joint Committee on Atomic Energy.

The statement submitted by the Secretary of Commerce in requesting introduction of the bill is printed herewith, together with a letter, dated February 14, 1958, giving the Department's answer to questions raised by the commitee concerning the bill. Also appended is the report from the Comptroller General of the United States, which makes no recommendation.

The Congress has enacted authority to build an atomic-powered merchant ship (Public Law 848, 84th Cong.; 70 Stat. 731). The law, by an amendment to the Merchant Marine Act, 1936, provides for the construction, outfitting, and preparation for operation (including training of personnel) of a nuclear-powered merchant ship capable of providing shipping services on routes essential for maintaining the flow of the foreign

commerce of the United States. The Maritime Administration, Department of Commerce, may employ persons, firms, and corporations, on a contract or fee basis, for the performance of special services deemed necessary in carrying on activities and functions under the law.

The Secretary of Commerce has specific authority under Public Law 701, 84th Congress (70 Stat. 531), for the purpose of developing, trial, and testing, to operate vessels owned by the United States which have been constructed for experimental or testing purposes.

In making preliminary studies of the problems in connection with the building, testing, and operation of the first nuclear-powered ship, which will be a merchant-type oceangoing vessel, the Department has met with problems in the important and critical matter of third-party liability of designers, builders, and operators of the new vessel. Being a facility which will be used in worldwide oceangoing commerce, the matter of third-party liability takes on a special significance in a field of liability which apparently must remain indeterminate until experience and judicial determinations can provide guides for private insurance and indemnity organizations in this field.

The Department is concerned with prompt progress in the construction of the new nuclear-powered merchant ship. The Department has encountered difficulty in securing contracts in respect of the proposed vessel. These difficulties rise out of the practically immeasurable monetary liability in a particular case of possible nuclear disaster in connection with the ship, even though the possibility of such an occurrence with consequent legal liability may be only remote. It appears to be the generally accepted legal viewpoint that only experience and judicial determinations will fix the extent of the legal liability of designers, builders, owners, and operators of an atomic-powered vessel. The fact that the vessel will operate in oceangoing commerce and will necessarily operate in proximity to shoreside establishments and properties, both domestic and foreign, expands the geographical field of risk very broadly. Insurance and indemnity protection from private organizations may be available but only in limited amounts, deemed insufficient by prospective designers, contractors, and operators.

The Department in the legislative proposals recommends meeting these problems by authorizing the Secretary of Commerce, in connection with the design, construction, maintenance, repair, use, and operation of the ship, to provide that the United States will indemnify any contractors or agents of the United States against liability on account of claims (including reasonable expenses of litigation or settlement of such claims) by third persons (including employees of the contractor) for death, bodily injury, sickness, or disease, or loss of or damage to property, arising as a result of such activities in connection with the ship. The indemnification would be effective to the extent that the liability arises out of the contract or agency and to the extent not compensated by insurance or otherwise. The bill would authorize the Secretary to require indemnified contractors or agents to procure private insurance against the covered hazards to the extent available at reasonable terms.

Payment under the liability provision would be made only with the approval of the Secretary, or his designee for that purpose, and would be made out of funds obligated for performance of the contract or agency agreement or out of any funds appropriated by Congress for making such payments.

Early and favorable consideration of this proposal is recommended in order that there may be no delay in the construction of this nuclear-powered merchant vessel.

The Director, Bureau of the Budget, has advised that there would be no objection to the submission of the proposed measure to the Congress.

THE SECRETARY OF COMMERCE,
Washington, February 14, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your letter of February 6, 1958, asking that the Department of Commerce advise you on several points with respect to S. 3106, introduced at our request to provide indemnity protection in respect of the nuclear-powered merchant ship nuclearship *Savannah*.

Upon the first point, the indemnifying authority introduced in the bill could possibly be satisfactorily achieved by an amendment to Public Law 85-256, known generally as the Price-Anderson law. However, the latter is legislation developed to assist the Atomic Energy Commission in promoting the industrial use of atomic energy and is primarily for land-based nuclear-powered stations. In application of Public Law 85-256, the Atomic Energy Commission has developed their administrative procedures in consideration of the public utilities praticipating in the atomic energy demonstration programs. Thus, we believe that the Atomic Energy Commission would be in far better position to indicate the problems that agency would have if the question of indemnification protection were under their administration.

As you know, Public Law 85-256 limits indemnification by the Atomic Energy Commission to nuclear incidents occurring within the United States, and consequently it would require modification to provide indemnification for incidents on the high seas or abroad. This may be a long-range necessity, but the time involved in the preliminary studies of how it can best be done appears to be in favor of S. 3106 which meets our most immediate needs of planning for the operation of the nuclearship *Savannah*.

In reply to your second point, it was not contemplated that the contractor or agent would be charged a fee for the indemnification. Our rationale in favor of free indemnification is that the contractors or agents would be Government contractors or subcontractors and to charge a fee would result in the cost being passed back to the Government as a charge against the project.

Regarding the third point, the source of funds to settle claims, the proposed S. 3106 provides that the Secretary of Commerce pay claims found just and reasonable out of funds provided for the design, construction, maintenance, or operation of the ship, or out of other funds appropriated by Congress for the making of such payments. In regard to the appropriation of funds for payment of claims, the proposed S. 3106 amounts to a moral obligation that Congress would appropriate sufficient funds to indemnify third parties for injury occasioned by design, construction, maintenance, or operation of the nuclear ship. With respect to the authorization of funds for indemnification in S. 3106, it is my understanding that Public Law 85-256 did not appropriate funds specifically for indemnification but did set a maximum of $500 million per nuclear incident which would be requested of Congress in the event such indemnification became necessary.

We trust that this brief reply will answer the questions you have asked.

Sincerely yours,

L. S. ROTHSCHILD,
Acting Secretary of Commerce.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, February 11, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate.

DEAR MR. CHAIRMAN: Further reference is made to your letter of January 24, 1958, acknowledged on January 27, requesting the comments of the General Accounting Office concerning S. 3106, 85th Congress, 2d session, entitled "A bill to amend section 716 of the Merchant Marine Act, 1936, as amended (Public Law 848, 84th Cong.), to provide indemnity protection in respect to the nuclear-powered merchant ship."

We have no special information or knowledge as to the need for or desirability of the proposed legislation and, therefore, we make no recommendation with respect to its enactment.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing laws made by the bill are shown as follows (new matter is printed in italic; existing law in which no change is proposed is shown in roman):

"MERCHANT MARINE ACT, 1936, AS AMENDED

* * * * *

"SEC. 716 (a) * * *

(b) Subject to the provisions of this subsection, but without regard to any other provisions of law relating to the making, performance, amendment, or modification of contracts, the Secretary of Commerce may, under such terms and conditions as he deems necessary or appropriate, in or in conjunction with any contract with the United States for the design, construction, maintenance, repair, use, or operation of the nuclear-powered ship authorized by subsection (a) to be constructed, provide that the United States will indemnify and hold harmless the contractor or agent and any subcontractor thereof, to the extent arising out of the performance of such contract, agency or subcontract and not compensated by insurance or otherwise, against liability on account of claims (including reasonable expenses of litigation or settlement of such claim) by third persons, including employees of the contractor, for death, bodily injury, sickness or disease, or loss of or damage to property, arising out of or resulting from radioactive, toxic, explosive, or other hazardous properties of source, special nuclear, or byproduct material, as defined in the Atomic Energy Act of 1954, as amended. In such provisions for indemnification, the Secretary of Commerce may require the contractor, agent, or subcontractor thereof, to provide and maintain insurance for liability arising from performance of the contract, agency, or subcontract to the extent such insurance is available from the private insurance market at reasonable terms and rates. Provisions for such indemnification under this section shall also contain such provisions as the Secretary deems appropriate, for notice to the United States of suits or actions filed or claims made against the contractor or agent with respect to any alleged liability for such death, bodily injury, sickness or disease, or loss or damage to third persons, and for control of or assistance in the defense of any such suit, action, or claims by the United States at the election of the United States. No payment shall be made on behalf of the United States under authority of this subsection unless the amount thereof shall first have been certified to be just and reasonable by the Secretary or by an official of the Department designated

for such purpose by the Secretary. Any such payment may be made with the approval of the Secretary (or his designee for that purpose) out of any funds obligated for the performance of such contract or out of funds available for the design, construction, maintenance, repair, use, or operation of the ship and not otherwise obligated, or out of any funds appropriated by the Congress for the making of such payments. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection."

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Claude F. Clayton, of Mississippi, to be United States district judge for the northern district of Mississippi, vice Allen Cox, retired;

John S. Battle, of Virginia, to be a member of the Commission on Civil Rights;

Doyle Elam Carlton, of Florida, to be a member of the Commission on Civil Rights;

Robert G. Storey, of Texas, to be a member of the Commission on Civil Rights;

Paul Johnson, of Oklahoma, to be United States marshal for the eastern district of Oklahoma; and

Harold Sexton, of Oregon, to be United States marshal for the district of Oregon.

By Mr. HENNINGS, from the Committee on the Judiciary:

Marion C. Matthes, of Missouri, to be United States circuit judge for the eighth circuit, vice Charles E. Whittaker; and

John A. Hannah, of Michigan, to be a member of the Commission on Civil Rights.

By Mr. JENNER, from the Committee on the Judiciary:

The Reverend Theodore M. Hesburgh, of Indiana, to be a member of the Commission on Civil Rights;

Don A. Tabbert, of Indiana, to be United States attorney for the southern district of Indiana, vice Jack Chapler Brown, resigned; and

Roy McKinney Amos, of Indiana, to be United States marshal for the northern district of Indiana.

By Mr. DIRKSEN, from the Committee on the Judiciary:

J. Ernest Wilkins, of Illinois, to be a member of the Commission on Civil Rights.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3386. A bill to limit the jurisdiction of the Federal courts in certain cases involving the right of persons to practice law before State courts; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 3387. A bill to authorize construction of a highway from Tuba City, Ariz., to the Four Corners area; to the Committee on Public Works.

By Mr. MUNDT (for himself and Mr. CASE of South Dakota):

S. 3388. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN:

S. 3389. A bill for the relief of Jesus A. Villamor; to the Committee on the Judiciary.

By Mr. FREAR:

S. 3390. A bill to provide for the appointment of an additional judge for the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DIRKSEN:

S. 3391. A bill to amend section 212 of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

AMENDMENT OF ANTITRUST LAWS, RELATING TO PREVENTION OF MONOPOLISTIC ACTS OR PRACTICES—AMENDMENTS

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which were ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO CORRECTION OF UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. IVES submitted amendments, intended to be proposed by him to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF CODE, RELATING TO PROHIBITION OF CERTAIN INTERFERENCE WITH FEDERAL CONSTRUCTION PROJECTS—ADDITIONAL COSPONSOR OF BILL

Mr. CURTIS. Mr. President, on February 6, 1958, I introduced the bill (S. 3253) to amend title 18 of the United States Code so as to prohibit certain interference with Federal construction projects, which was referred to the Committee on the Judiciary. I ask unanimous consent that the name of the able distinguished Senator from New York [Mr. IVES] may be included among the cosponsors of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

SCHOOL ASSISTANCE ACT OF 1958—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 19, 1958,

The names of Senators NEUBERGER, MAGNUSON, HENNINGS, CLARK, HUMPHREY, PROXMIRE, and JACKSON were added as additional cosponsors of the bill (S. 3311) to authorize assistance to States and local communities in remedying the inadequacies in the number of their teachers and teachers' salaries and the shortage in classrooms, introduced by Mr. MURRAY (for himself and other Senators), on February 19, 1958.

ACQUISITION OF CERTAIN LANDS—REHABILITATION OF INDIANS OF STANDING ROCK SIOUX RESERVATION

Mr. MUNDT. Mr. President, on behalf of myself, and my colleague, the junior Senator from South Dakota [Mr. CASE], I introduce, for appropriate reference, a bill providing for the acquisition of lands by the United States required for the reservoir created by the construction of the Oahe Dam on the Missouri River and for the rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes. These Indians are being dispossessed by the gigantic reservoir being created at Oahe, and it is only right that we take the necessary steps for giving them prompt and honest compensation.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3388) to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes, introduced by Mr. MUNDT (for himself and Mr. CASE of South Dakota), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. EASTLAND:

Address delivered by Senator MCCLELLAN at the annual dinner of the Traffic Club of New York City on February 20, 1958.

By Mr. SMITH of New Jersey:

Address delivered by Senator CASE of New Jersey at luncheon session of Fifth National Conference on International Economic and Social Development, Washington, D. C., February 26, 1958.

By Mr. NEUBERGER:

Address delivered by Senator GORE at Jefferson-Jackson Day Dinner, St. Louis, Mo., March 1, 1958.

By Mr. CHURCH:

Article entitled "Oregon Lays Groundwork for Its Cetnennial," written by Senator NEUBERGER, and published in the New York Times of March 2, 1958.

NOTICE OF PUBLIC HEARING ON BILL TO EXTEND THE AUTHORITY TO REGULATE EXPORTS FOR 2 YEARS

Mr. FULBRIGHT. Mr. President, on behalf of the Subcommittee on International Finance of the Committee on

Banking and Currency, I desire to give notice that a public hearing will be held on March 13, 1958, at 10 a. m., in room 301, Senate Office Building, on S. 3093, a bill to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

All persons who desire to appear and testify at the hearings are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone Capitol 4-3121, extension 3921, as soon as possible.

MISSOULA AND MONTANA

Mr. MANSFIELD. Mr. President, the March issue of Harper's magazine contains an article glorifying and describing Missoula, Mont., and the State of Montana as places of near perfection in which to live. That is a position with which I heartily agree.

I was especially pleased that the author, Herbert Howarth, was so impressed during his stay in Missoula. It is an exceedingly wonderful community, located in the valley in the heart of the mountains of western Montana. Undoubtedly I am prejudiced, because I went to the university in Missoula, and for a time was a member of the faculty at Montana State University.

Herbert Howarth is an Englishman who recently completed a year as a visiting lecturer at the University of Montana. While most of Mr. Howarth's article, entitled "Montana: The Frontier Went Thataway," is largely concerned with Missoula, I feel that what is "good, relaxed, unconsciously kindly" in Missoula can also be found in the entire State of Montana.

Mr. Howarth had an opportunity to become acquainted with one of Montana's greatest assets, its young people. He concurs in the excellence of Montana's State University system and its topnotch faculty, but he also points out that many of the Treasure State's talented young people and its brightest minds go to other parts of the Nation. Montana cannot afford to lose them.

This Harper's magazine article is very readable, and gives a tremendous insight into Montana. I urge all my colleagues in the Senate to read it. I know that each and every one would arrive at the same conclusion that Mr. Howarth does, if given an opportunity to live in Missoula, Mont.

So, Mr. President, I ask unanimous consent that the article entitled "Montana: The Frontier Went Thataway," and editorials published in the Lewistown Daily News and the Ekalaka (Mont.) Eagle be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

MONTANA: THE FRONTIER WENT THATAWAY

(By Herbert Howarth)

We stopped one evening to buy cream at a farm where Missoula edges the mountains, beyond which Montana becomes Idaho. It was a small farm, started a generation and a half ago by homesteaders from middle Europe. The strong-featured grandmother who poured cream for us in the kitchen still talked with a Hungarian chime in her voice. The family was just sitting down to supper—to cottage cheese and chives, a bowl of steaming buttered corn, another of giant potatoes, a baked meat loaf in 2 inches of tomato sauce, coffee. The cutlery was sterling, heavy, and good. Revere saucepans shone on the range. A small farm, but its prosperity made us, with European scenes still fairly fresh in our memory, reflect, "Who in Europe today has a farm like this?"

We were, as that comparative way of putting it shows, still fairly recent arrivals. My wife was born in Switzerland, I in Britain, and we were in Montana for the academic year—I was lecturing at Montana State University's Missoula campus. This was not our first sight of the United States; we had enjoyed previous stays at other American universities; but it was our first spell in the Rocky Mountains.

As we came out I looked across the plantation of raspberry canes. The hills were pleasant in the sunset. A vacant lot beyond the farm was marked "Five acres for sale."

"Why are we just visitors?" I asked my wife. At that moment it seemed near perfection to have the genial productive life of Missoula, to settle into the rhythm of its hard, clean winters and fruitful summers.

If we could have acted on that thought, would we really have liked it? Arrivals stream steadily into Missoula, but it doesn't keep a hold on all of them. It is growing, but it has a quick turnover of transients. Newcomers separate into two distinct groups—those who find the promise of a satisfying life in it, and will stay; those who come hopefully, but now are restless and will move on.

For Missoula confronts you with this test: Can you be content with what is good, relaxed, unconsciously kindly, but short of the stimuli of larger cities? Or must you have, to buoy you, that typical modern urban life where a complex, saturated law and culture flow above a lower level of complex, saturated antilaw and vice? There are no double levels in Missoula. A minimum of urbanity, maybe, but with it a minimum of trouble. Missoula, like all Montana, has its contradictions, some of which I will try to pin down, but they are innocent, transparent.

MONEY AND PASSION

The first thing about Missoula is its affluence. It insists on the newest in living styles. It puts more up-to-date cars on the street, per capita, than I have seen in a prosperous Michigan town of the same size near the automobile plants. It is building impressive and expensive houses up all the creeks and canyons and equipping them lavishly. Even in the older houses the interiors have comfort and charm.

Beyond the perimeter and into the hills obvious up-to-dateness diminishes, but spending power is abundant. The day before Christmas Missoula filled with families from outlying ranches. Leathery men, girls in rough cowbody trousers with yellow hair trailing to the base of their spines, piled out of cars and practically stripped the stores. The packed toy basement of Montgomery Ward had, at dusk on Christmas Eve, been emptied of all but 3 or 4 bicycles.

What is extraordinary is that collecting this spending power does not produce tensions or pressure. No one in Montana is in a hurry. If there were barometers of public anxiety, installed like the temperature clocks over the city banks, they would register low all the way from Glacier Park to Glendive. Men take their jobs, including the heavy and dangerous jobs in forest or mine, at a leisurely pace. The natural resources teeming on the flanks of the Divide seem to turn to money easily enough to obviate competition. Where there's enough for everybody, there's no need for acrimonious rivalries. In fact, the norm of Montana is mutual helpfulness. This sense of security in abundance actually seems to make for more efficiency rather than less, and it has one definite result: a margin of free time for everybody.

The usual problem of leisure is what to do with it. The old puritans hated leisure because their experience was that very few people knew how to use it except badly. Missoula and its neighbors have, I think, only a modicum of the depleting kind of leisure routines. There is a modicum of drinking: cases of bourbon are wheeled in high pyramids out of the State liquor store into waiting cars. There is a modicum of gambling. But these international phenomena never go far in Missoula, never culminate in violence or public unpleasantness. The reason is that male energy is happily mated to a pleasure always available a mile or two from the dooryard. Western Montana is the country of sport: of the primitive, basic sports, hunting and fishing, and, after that, mountain climbing and skiing.

Missoula men invest their passions in these sports. A young student wrote to me: "In the month of September I feel the urge to go hunting. I just can't wait to get sighted in on a deer. I am hunting continually in my subconscious mind." On Sunday evenings in the fall the cars roll back townward with an elk or moose, clotted with blood, over roof or bonnet, and turn it in at their freezer locker. Occasionally a hunter doesn't come home, for they're a trigger-happy and not too prudent crowd, and have been known to pick each other off, or drill a station wagon, by mistake for a deer. In the skiing weeks—a lovely subzero season, when the morning sun comes up orange on the snow—there are new casualties daily swinging on crutches into office or classroom. But in nonchalant Montana nobody minds.

In fact, this sport on the hills and in the rivers is probably the source of the easy tempo and mental cleanness of Missoula. The folk who close their offices or clinics as early as they can on Friday afternoon disappear up the creeks, and come back brown and smiling to the job on Monday, renew their energy while they use it. They remake themselves with age-old sports that play mind and muscle at the pace of nature.

HUGGING TOGETHER

The women, though they do ski and shoot (and once or twice a year fell the bear that intrudes in the backyard), are not focused on sport to the same extent. To handle their leisure—and no European woman would credit how much leisure they have—they follow the regular American trend and invent a round of group activities. They have created enough clubs in Missoula to program the week 2 or 3 times over: religious, charitable, astrotheosophical, literary, factfinding, fact-dispensing clubs; Friday clubs that meet on Wednesday, As You Like It clubs.

Every male is tempted to caricature club work, in Missoula or anywhere else. But it has a value. It involves at least a minimal sense of social responsibility, produces heightened social consciousness; and some of the clubs require a program of reading, especially the network of book clubs that members of the university have set up (giving their own time) through the country districts over a hundred miles' radius. It is obvious that in isolated areas the book clubs may be the only—and certainly can be a significant—point of exchange of ideas. Still, within the area of Missoula itself there are too many clubs. What people are likely nowadays to need more in a town of 22,000 is a pause in the gregarious life. One or 2 nights a week might, as an experiment, be

publicly declared private nights. Instead, the ladies contrive pretexts to get together 3 times every 24 hours.

This hugging together in the mountain communities is surely a folkway formed in pioneer days and out of pioneer conditions, where neighborliness was a necessity against loneliness, accident, and illness. The frontier customs are still alive in Missoula. New arrivals are hailed with a party and presents, and local businesses send round their version of the Welcome Wagon with vouchers and invitations. When there is sickness, every neighbor comes with help and food from her kitchen. When you are in difficulties on the road, every passer-by stops and helps.

Is it also a pioneer tradition that makes Rocky Mountain men prefer plain wives? I noticed that of 20 girls in a group I met, 2 had engagement rings—they were the pleasantly plain girls of the group. Most wives in the city look similar. Sometimes, thinking over this sociological phenomenon, I imagined that it conformed with the male experience in frontier conditions: the old experience that beauty causes trouble and that a fellow can be almost damned in a fair wife. Montana has left many of its pretty girls single, although there is reportedly a girl shortage in the State. The desirable girl is the straightforward girl, who will be master of the house, hold the bankbook, drive firmly to the chairmanship of a telephone committee (and so bolster her husband's standing), produce a litter of young, and insist annually on throwing out the old appliances and buying new models.

Incidentally, although they have the latest appliances and superb kitchens, and demonstrate recipes to each other in their clubs, only a few wives can cook (and even these seldom do). Rich Montana—which spends generously on appliances, fishing tackle, and guns—is frugal on food. The monthly food budget is modest and is the first to be cut in any domestic economizing, and there is a tendency to save by taking margarine instead of butter or extending fresh milk with powdered milk. To a Britisher this is an unexpected feature; my wife contrasted the way in which food is the first priority on a British family budget while the economies are on appliances and equipment. This is partly because Britain undervalues a wife's time and labor, my wife commented; but she also asked whether the steady eating that goes on in otherwise austere Britain is, by a paradox, actually a symptom of the austerity and the paucity of goods. The fact that a place of abundance like Montana rates eating low on the list of activities suggests that eating, in any quantities beyond a very low minimum, is only a psychological necessity, and that the people who are prosperous, both actually and psychologically, can grow and thrive without much eating. Certainly Montanans grow and thrive.

IS IT PROPER OR LEGAL?

It seems curious that Missoula has not attracted more women doctors. As far as I could check in conversation and from the telephone book, no woman physician was practicing there last year. A woman gynecologist could make a fortune, for the town is observant of the proprieties, reticent in personal relations.

Propriety, too, may be a carryover from frontier traditions, when anyone with sense would avoid provocativeness. I should say, however, that to a transatlantic visitor America as a whole seems formal, ceremonious, discreet, attentive to the proprieties. Lurid stories are sometimes told us regarding the big cities of the East or the Pacific, but in brief passage through these it has not been my luck to confirm them. J. D. Salinger's Catcher saw marvels through uncurtained hotel windows in New York, but I did not.

But while Missoula completely respects an unwritten code of behavior between persons, it is superbly nonchalant in its relations with the officially written and impersonal law. The town treats its police with an indifference so unconscious and genuine that there isn't even humor in it. Half the drivers have no licenses. No one thinks of going in to pay a parking fine, or of answering a summons to court. Cars are to be registered by January 31, but no one hastens, and the law acquiesces by gently moving its deadline onward month by month.

This is a typical Main Street incident: A rancher is sitting at the wheel of his car, double-parked, staring at a store. A highway patrolman passes in the opposite direction, stops level with him, hoots to call his notice. He stares at the store, doesn't move his head. Another hoot. When I next look round, the patrolman has moved on and the rancher is still double-parked.

The attitude runs all through Montana and is significant—but not alarmingly significant. It means a simple dislike of regimentation. It is possible just because there is little lawlessness of the criminal degree: it is securely anchored in every man's certainty that he can rely on himself and his neighbors for sound behavior and honesty. A newcomer from the East will characterize Missoula as an extraordinarily honest town, and the absolute honesty and reliability contribute to the overall absence of tension. You can feel confident in every transaction.

Little crime in Montana, and little vice. A girl whose father owns a nightclub in another Montana city has assured me that the nocturnal offerings of the State are clean. She never saw vice in any tangled sense of the word till she saw California. I don't know whether she is right about California, but I find it easy to think her report on Montana is accurate.

Her remark about California arises, I fancy, from a widely prevalent Montanan conception of that State, which is just near enough to be the natural objective for the ambitious, just far enough to be the screen for strange and colorful projections. California is the Montanan's heaven and hell. It is a heaven in its opportunities: once there, they tell each other, you never leave. It is hell in its supported complications: you must keep an impassive face as you walk those west coast streets, or your glance will be taken as an invitation. Having met in Oakland and Los Angeles the same quiet corrections as elsewhere, I suppose that my friends who say this are only doing what is currently popular: localizing the mythical perversions of our time elsewhere.

A LEAP IN THE DARK

Quite independently of these fantasies, Montana feels a strong pull from the coast. Those transients who do not think they can adapt to Missoula's life will move on into Washington State, then perhaps work southward. For transients, that is all very well. It is not so obviously well if young men and women growing up in Montana homes come under the same magnetism, or, for that matter, if the somewhat fainter pull of the East draws them. There may be—and I believe that there already is—an outflow of the brightest minds, which the State cannot afford to lose.

The excellence of Montana's State University system actually sharpens this problem, though it also promises the best hope of a solution. The university has units in a number of centers. I saw only the Missoula unit, but if the others are as good, they are very good. A tiptop faculty teaches there. Many of the men have come from other States, deliberately choosing the mountains because, they say, the students bring unspoiled minds to their work, free from the sophisticated resistances that are sometimes a product of urban growing up.

It is remarkable to watch the interaction of faculty and students. When they arrive as freshmen, the boys and girls sometimes bring barely the first rudiments of academic habits of mind. They may have come from small, lonely, rural schools. Or, if they have had the fortune to grow up in a town (say, in Missoula itself with its splendid new million-dollar county school), they may have, offsetting their better academic preparation, a fear of privacy like their elders'—in the dorms they shy away from the few single rooms and choose shared rooms, where they prevent each other from studying.

On the other hand, almost all young Montanans have an important asset: they have a knowledge of life that comes from spending vacations in responsible and tricky jobs: logging, trucking, tractor-handling. Unlike the young in other places, where maturing still has to follow learning, they have begun to mature before they have begun to learn in the academic sense. They are all the readier to take in that kind of learning. They are gawky in their freshman year, but in the next two the interaction with the faculty begins to show, and in the fourth year they talk and write as men and women of high caliber.

Then comes the dilemma. The good student, in proportion to the extent he has been stimulated, wants urban pleasures that he has encountered in print in the process of learning. His town cannot supply enough of them, and his appetite is urgent. The pull from out of State becomes irresistible.

It is true that this exodus may be good for the rest of the Nation. But Montana needs its best products. Startling technical developments are imminent. New resources are being tapped, new industries settled. Over the next 10 years the face of the towns, even the skyline itself, may be transformed. These coming changes are necessary, and it would be as mad to resist them as it has always been mad and impossible to halt technical progress; and no one wants to. Almost no one is even thinking about the manner. Only a few thoughtful men are pointing out that the changes should be regulated, so that they shall not extinguish the graces and inner strength of present Montana: the ease, the sense of ample time and space, and the concomitant friendly honesty.

Montana is going to make its leap forward in any case, but at this moment it is shaping for a leap in the dark.

Just because Missoulans think individually, not in civic terms, they cannot easily plan for a problem like this. They feel that Missoula grew naturally across the lane that led from the mountains through the canyons to the eastern plains, the lane the Indians always used and the railway surveyors inevitably adopted, and that this process could not be bettered. Ever since the 1880's Missoula has been an active subcenter of the regional railway network; it has absorbed flour-milling and sugar-refining plants. So today when it is being offered its share in the new industries springing up all over the State, it is tempting for Missoulans to say: "Let them come. We have space for them all." But if they look about them, they may see even now, as a byproduct of the last 10 years' growth, warning signs that expansion can throw a spray of physical ugliness, like the straggling tin-can jungle along the main approaches.

As I said earlier, new arrivals face the problem of whether to stay in Missoula or push on to the coast. At present both alternatives are pleasant. The man lucky enough to have an equable Horatian temperament stays in Montana and enjoys his Sabine life at its kindest; the other man pushes to the Pacific and has his motley and culture. But in 10 years Missoula itself may be a motley, a scar on the hills.

What insurance can be taken up against this prospect? That depends on the extension and intensification of the university's

work. Its teachers can communicate to students and parents their sense of the urgency of local needs. They can also work out and communicate a philosophy of public planning which will not damage the easy spirit that is part of the character of present Montana. What is needed among the students is a seeping awareness that, though it is good to go out of State for a taste of the world, it is even better to come back and play an influential role at home. The university already contains some striking instances of this process in action; its president, Carl McFarland, a brilliant man, formerly active in national affairs, came home to give his energies and considerable vision to strengthening the university that produced him; the faculty includes talented local men who went to Yale or Berkeley and came back to live and to help.

POSTSCRIPT

I add a line to these notes on the way east from Montana. The more miles fall behind, the more I realize the beauty of Missoula. To the newcomer the beauty is not promptly evident: the mountains may seem less erect and impressive, the life a fraction less robust, than he had supposed. But it will steal into him imperceptibly every day, lent by the changing lights on the hills, the resinous air, the pulsing rivers.

Anyone in his senses would rather live there than anywhere else in the world. Anyone who has been there would want to keep the beauty in Montana. It seems to me, at this moment of writing, that there is a broad national reason why America has a stake in keeping that beauty alive. As the westerns on TV make clear, America loves her frontier tradition. The frontier has become an image of purity—of a moment when the mind was adventurous, courage high, and when the continent opened up at the thrust of these virtues. There is sentiment around the image, but it has a real center. Clear of sentiment, true and natural, a nuclear something of the frontier spirit is retained in Montana.

[From the Lewistown (Mont.) Daily News of February 25, 1958]

A BRITISH VISITOR TELLS WORLD ABOUT MONTANA

A British scholar, one Herbert Howarth, writing in the March issue of Harper's magazine, has high praise for Montana in general and for Missoula (where he visited) in particular.

"Anyone in his senses would rather live there than anywhere else in the world," he says.

In his article entitled "Montana: The Frontier Went Thataway," Mr. Howarth pays lavish tribute to our State's higher than national prosperity; our spectacular natural setting with all of its sports possibilities and most of all to our friendly people.

Examples:

"This hugging together in the mountain communities is surely a folkway formed in pioneer days and out of pioneer conditions, where neighborliness was a necessity against loneliness, accident, and illness. The frontier customs are still alive in Missoula. * * * When there is sickness, every neighbor comes with help and food from her kitchen. When you are in difficulties on the road, every passer-by stops and helps.

"But while Missoula completely respects an unwritten code of behavior between persons, it is superbly nonchalant in its relations with the officially written and impersonal law. The town treats its police with an indifference so unconscious and genuine that there isn't even humor in it. No one thinks of going in to pay a parking fine * * *. Cars are to be registered by January 31, but no one hastens and the law acquiesces by gently moving its deadline onward month by month.

"(There is) little crime in Montana and little vice."

And our intuitive British visitor looks into the future:

"Startling technical developments are imminent. New resources are being tapped, new industries settled. Over the next 10 years the face of the towns, even the skyline itself, may be transformed.

"Montana is going to make its leap forward * * * but at this moment it is shaping for a leap in the dark. * * * Only a few thoughtful men are pointing out that the changes should be regulated so that they shall not extinguish the graces and inner strength of present Montana."

Mr. Howarth concludes:

"Clear of sentiment, true and natural, a nuclear something of the frontier spirit is retained in Montana."

Here, it seems to us, is something which all Montanans, as rugged and individualistic as we all are, can agree on.

[From the Ekalaka (Mont.) Eagle of February 28, 1958]

ANYONE IN HIS SENSES WOULD RATHER LIVE THERE

That is what Herbert Howarth, a Briton, who spent a year as a visiting lecturer at the University of Montana at Missoula, had to say about living in Missoula. Howarth hadn't gotten to some of the better parts of Montana, but then Missoula is a fair sample and some of the things he had to say about life in Montana are pertinent right here.

Howarth discussed his impressions yesterday in an article in Harper's magazine entitled: "Montana: The Frontier Went Thataway" and illustrated by Willard Goodman.

Howarth obviously, like so many "furriners," enjoyed his stay in Montana, but seems to have been more gifted than some in his facility for expression. However, while his remarks pertained to Missoula, we know of a dozen Montana communities whose names could be substituted and the sense remain practically identical. Not too farfetched is the assumption that the remarks are universally applicable to the Treasure State.

"Missoula and the State of Montana are near perfection because of their honest people, natural beauty, pioneer tradition, and abundance. It presents the resident with what is good, relaxed, unconsciously kindly in contrast to life in large cities where a complex saturated law and culture flow above a lower level of complex, saturated antilaw and vice."

Howarth remarks on the Montanan's preoccupation with outdoor sports, hunting, shooting, skiing, but try on this observation for size right here:

"The women, though they do ski and shoot (and once or twice a year fell bear that intrudes in the backyard), are not focused on sport to the same extent. To handle their leisure—and no European woman would credit how much leisure they have—they follow the regular American trend and invent a round of group activities. They have created enough clubs in Missoula to program the week 2 or 3 times over: religious, charitable, astrotheosophical, literary fact-finding, fact-dispensing clubs; Friday clubs that meet on Wednesday. As You Like It clubs. What people are likely nowadays to need more in town * * * is a pause in the gregarious life. One or two nights a week might, as an experiment be publicly declared, Private Nights. Instead, the ladies contrive pretexts to get together 3 times every 24 hours.

"Incidentally, although they have the latest appliances and superb kitchens, and demonstrate recipes to each other in their clubs, only a few wives can cook (and even these seldom do). Rich Montana—which spends generously on appliances, fishing tackle, and guns—is frugal on food. The fact that a place of abundance like Montana rates eating low suggests that eating in any quantities beyond a very low minimum is only a psychological necessity, and that where the people are prospering * * * can grow and thrive without much eating. Certainly, Montanans grow and thrive."

MARINE CORPS DRILL INSTRUCTORS

Mr. MANSFIELD. Mr. President, there appeared in the March 1958 issue of the Leatherneck an article entitled "I'm a DI." A DI is a drill instructor in the Marine Corps. The article tells of the experience of one DI in training approximately 75 civilians; he was told to give back to the Marine Corps, within a certain period of time, 75 marines. I believe the article is an outstanding one. It indicates the fine points of the DI system.

Mr. President, as one who had, not the pleasure, but the privilege, of serving under a DI in getting my boot training on the west coast, I ask unanimous consent to have the article printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I'M A DI

(By S. Sgt. Arthur J. McGowan)

I had been handed 75 civilians and told "give me back 75 marines." Just like that, with 12 weeks in which to make the transformation.

Ninety days, not 1 minute more, for me to change the whole character of 75 human beings. And I love my job, I'm a drill instructor—a DI.

To assist me I have three junior drill instructors. We are the 4 cooks who will take 75 ingredients and produce 1 perfect stew. The Marine Corps is not interested in half-baked or overdone products. Only the finest is acceptable.

The "cooking oven" is located at the Marine Corps Recruit Depot, Parris Island, S. C.—in the tidal swamps about 70 miles south of Charleston, S. C., and some 30 miles north of Savannah, Ga.

Offering further assistance are some of the greatest officers and noncommissioned officers that the corps has. Only the very finest are ever considered for drill instructor's school. And if any of us thought we were sharp or on the ball, all such ideas vanished after just 1 week at drill instructor's school. Talk about sharp. Why, those instructors must have changed uniforms after every time they sat down.

I don't know every drill instructor at Parris Island, but I know enough of them from each of the different recruit battalions to know that our commanding general's goal—to make sure that only the very capable are given the task of changing civilians into marines—has not been set in vain.

One of the first things I remember about drill instructor's school was waiting outside the psychiatrist's office (we call them head shrinkers) to find out if I was mentally and emotionally stable enough to be a drill instructor. I found out much later how all important this interview was.

Do you know what pressure is? Mental pressure, I mean. The kind that makes you want to give up a career of 13 years, when you realize that leadership under pressure is the most important part of being a drill instructor. Leadership, plus commonsense, will give me the answers to more than 75 daily little problems, human problems, for the next 3 months. That's the kind of pressure all drill instructors are under. Yes, I

said all. Every man working on the drill field is under the same pressure every day he is working with recruits. Sometimes the pressure gets too great, and something gives.

It is nothing premeditated, but just like the lid blowing off the teapot. You get the same feeling you had when your son broke one of the good dishes. Your first impulse might be to grab the young one, and even a slight paddling might be in order, but that won't put the pieces back together.

No matter what your recruits do or what they have broken, you cannot lay a hand on them. We know it and so do the recruits. The men I feel honored to work with know in their hearts that they are capable of answering any problem connected with recruits, without using a form of maltreatment, any form.

After convincing the head shrinker that I had the minimum required amount and type of gray matter, I was allowed to start my 5 weeks at drill instructor's school, the "chit pit," where you get a demerit, or "chit" for major crimes like having a piece of thread hanging from inside your collar, or a discoloration under one fingernail, or getting caught reaching in your pocket. Nothing is carried in pockets anymore, that's what the tops of our socks are for.

The instructors who preside over the students demand perfection—absolute perfection. Until the day I picked up my first platoon I could never understand this incessant demand.

I remember the day my platoon had its 15th-training-day rifle and personnel inspection. This inspection is to allow our company commander to review the instruction that has been given and to find out how well the new boots are progressing in their training. You see, nothing is taken for granted. Even though a drill instructor is known as an outstanding professor of basic military subjects, he and his platoon will be examined periodically to make sure everything is up to the Corps' standards. No matter how hard you try, you never pass one of these inspections without a mistake.

That day it was request mast. Each recruit at Parris Island has the privilege of requesting to see the "skipper" (company commander or the "Old Man"—the battalion commander) whenever he feels he has a problem that warrants that much attention. The procedure is called requesting mast. This is to make sure that anytime a recruit feels he is mistreated, he can go over the drill instructor's head, right to the top—the commanding general if need be.

The rights of request mast are explained to each new recruit within 72 hours after he joins his platoon. But in the schedule that runs from 5 a. m. until 9:30 p. m. the request mast lecture was overlooked. No excuse, just overlooked.

Well, I've said previously that these battalion officers were sharp; it took the captain just 4 minutes to find out the platoon hadn't been told their rights of request mast. I received a phone call the next morning inviting me to drop in and see our battalion S–3 (training) officer. And I would rather lose my wallet than have to stand in front of our S–3 for another one of his lectures.

Needless to say each man was fully indoctrinated with request mast procedures before the inspection party had left the drill field. Thank God I've got a tough hide.

My schedule for the first 8 days began at 5 a. m. and ended anywhere from 9 to 11 p. m. that same night. Physicals, clothing issue, dental appointments, issuing rifles, how to make a military bunk and endless hours of drill are crowded into the first 8 days, or forming stage as it is called. You get so tired you don't dare sit down.

I do not smile during the daylight hours for the whole 3 months, for to smile would show sentiment or kindliness, and while working with a platoon you must appear to be devoid of all such feelings. Maybe this incident will show you why.

The first night with the platoon I ordered all the troops to write post cards home to their mothers, fathers, wives, girl friends, guardians or anyone they thought should know their address.

I received a card from every man except one private. He jumped to his feet as I yelled his name. "How about it, boy. Where's the card I said I wanted from everyone?"

"I'm sorry sir, I have no one to write to."

"What do you mean you have no one, how about your mother or father?"

"Both dead, sir."

"And I suppose you don't have a sister or brother, an aunt, uncle, grandparent, or even a girl friend who might like to know how you are making out?"

"No, sir; I have no relatives and I don't know any girls, sir."

"Where did you come from before you joined the Marine Corps then, wise guy?"

"I spent my whole life in an orphanage, sir."

For just a second, I could not find words. Here was a kid with as much guts as I'd ever want to see.

Yea, I would have liked to pat him on the back and tell him he had 74 friends or buddies now. But one pat on the back or a kind word can be taken a lot of different ways by 75 different men. It would have made my treatment of him a little bit different from the others, and that's wrong. Each man has to get the same impartial objective treatment.

At the moment, I personally hoped this kid would make it, and he'd get no special treatment—he'd have to make it on his own.

There are many times when you have to order your best buddy or even your own brother to do some pretty messy jobs. You don't like them, but they have to be done. And unless I treat everyone exactly the same I don't think I'm doing the Marine Corps or myself justice. And maybe the other men wouldn't think they were getting justice either.

I have no Negroes, no Wops, no Jews, no Micks nor individuals in my platoon. Just 75 recruits practicing to be a team. And I want to be sure that if this team ever gets into the "big game" they have all the equipment, especially the mental stuff, they need to keep us undefeated. This next one may be our last game, and the enemy isn't interested in what we accomplished in the past, only what we can do now and in the future.

I want to be certain that O'Reilly isn't worried about Ginsburg on his left or DeAngelo on his right or Robinson behind him. To him they are Marines, so he hasn't got a worry in the world.

I am convinced that if they face that supreme moment of "kill or be killed" my recruits will have the will to win, the courage to fight on, even with only rocks, and the humility to remember that God is the maker and taker of all things.

All this in 90 days. And that's more time for "boot training" than Medal of Honor winners S. Sgt. John Basilone (6 weeks) or John Daly (1 month), Lou Diamond, or Major Kukela were given.

Have you ever seen a 17-year-old Yankee from New York trying to sell the merits of pizza pie to an 18-year-old Rebel from Atlanta, Ga., who in turn was trying to sell the dish of cornpone, ham hocks, and a little blackeyes in return? It is a wonderful country that breeds such young men. Our land will always be safe as long as such men continue to believe that life, liberty, and the pursuit of happiness are more important than self-gratification.

There is in all men I believe, a spark, that if cultivated, produces a flame of the spirit recognized the world over.

Pride. That is one of the important qualities we hope to find in our recruits. Honest, heartfelt pride in his hometown, his high school; yes, even the way they make pizza pie in his particular city; this pride that can be used to make the sharpest uniform, cleanest rifle, and the best damn platoon on Parris Island. It's no cinch, but the challenge is exhilirating. Most of the time we make it. Sometimes it takes a couple of months in the Fleet Marine Force to bring it out; but we never stop trying to find the spark which ignites that burning desire to be a man.

Why do we demand so much from people who just yesterday were young average citizens of Uncle Sugar Able? Well, the veterans of Guadalcanal, Tarawa, and Iwo were mostly the same average, normal 18-year-olds of the early 1940's. They got their advanced training the hard way. Or is there any easy way? At Parris Island we are not trying to duplicate the wartime conditions of a steaming jungle or a frozen ravine, but if somewhere in the Valhalla of great heroes, past or future, a voice cries out "If only I had been better trained," I'll know in my heart it is not the voice of one of my boys.

Today I reprimanded a recruit for a full minute. The cause? He brushed a fly from his chin. That doesn't sound like a crime, but to a Marine, the position of attention does not allow for the slightest movement. When the command "Attention" is given I demand a platoon of statues. Drill instructors will settle for nothing else. We believe this to be a very small example of discipline.

My company commander and I just finished a little talk; I did the listening. It seems that three recruits in the platoon were not up to par in the care of their weapons. My junior drill instructors and I thought we were really "squared away" on our M–1's. But the captain has inspected more rifles than there are sand fleas, and little areas that we had completely overlooked were caught by the skipper's critical eye. The drill instructors are very lucky to have such a company commander. Unless each man in the platoon is completely up to standard, in all phases of training, we will surely be given the word. And because there are so many people who are sincerely interested in helping a drill instructor to do a good job, the job is becoming easier and easier. I know my weapons will never again be below par.

Every single day of "boot camp" has been carefully planned, right to the minute. Every move have been tested again and again to rule out the chance for error. We make mistakes—we're human beings—but seldom, if ever, is the same mistake duplicated.

The pay we get as drill instructors is the same we got as mechanics, office personnel, armorers, or just plain old foot soldiers. Our conduct and proficiency markings and our fitness reports, upon which promotions are decided, do not get any better simply because we are drill instructors; as a matter of fact, my last fitness report was a little below my average markings. So you might wonder why we volunteer for this duty. Personally, I think I know the kind of man the Marine Corps needs when it gets a Marine from recruit training at Parris Island. And that is why I volunteered. They do not expect us to send forth someone who is so inspired but untrained that he would want to fight the enemy single-handed, for then we would have failed to prove to him the value of living to fight again, or the superiority of team fighting over every man for himself.

Nor do we train men to fight only when every one else around them is participating, for then we would be discouraging individual initiative. Instead, our goal is to send forth Marines who believe in their hearts that they have been completely trained to handle any situation, in peacetime or in war.

We have just finished practicing for our platoon graduation. I stand back and wonder as each recruit marches past: Have I given him everything he needs? Are they

the finest product the Marine Corps can produce? Is there any part of their training, however small, that is not outstanding? Seventy-five times a day, from now until I put them on the bus, I will ask myself these questions. Yes, I believe I've done my job thoroughly. There are no professional drill instructors in the Marine Corps. If another war or "police action" breaks out I will stake my reputation and my own life on the combat performance of these same Marines I am turning out now.

And this is why I love my job. To see 75 long-haired, slouch-shouldered civilians step down from a train, and 12 weeks later have a platoon of spit-shined, hard-muscled young Marines leave the Island for active duty, will always keep me working at this job.

And one day I hope, my own boy will be in an honor platoon.

HOW TO GET OUT OF THE RECESSION

Mr. MARTIN of Pennsylvania. Mr. President, there is now a great deal of discussion as to how we may get out of the present recession. We talk of tax cuts and increased expenditures for public works as steps in the direction of economic recovery.

In reality, in order to get out of the recession we should put more reliance in ourselves and less in government. This subject is so well discussed in an editorial in U. S. News & World Report for February 28 by its editor, David Lawrence, that I ask unanimous consent that it be printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW TO GET OUT OF THE RECESSION

(By David Lawrence)

The main reasons why there is an economic recession in America today are clear enough, but we are reluctant to take the steps to cure what's wrong.

We place reliance, unfortunately, on the erroneous concept that, if the economic situation gets very bad, the Government somehow, by one magic device or another, can prime the pump or by reducing taxes, can create purchasing power, and then supposedly recovery will promptly ensue.

The people themselves, however, must bear much of the blame for the present recession. For it is largely the indifference of the electorate to the growth of group power, group monopoly, and organized greed which is responsible for our present plight.

Self-restraint is the most difficult form of discipline to administer in a free economy. But the need for it was never greater than it is today.

Thus we now are faced with the effects of an inflation spree. Labor unions have utilized their stranglehold on business in recent years to extort higher and higher wages under penalty of strikes that would be so costly as to make it impractical for employers to resist the unions' demands. The only alternative for the companies was to raise prices.

Gradually the purchasing power of the dollar has been depreciated. The laborer gets higher wages numerically, but his dollar buys half of what it did before. As for the vast number of persons with fixed incomes—those living on pensions or retirement pay—they are suffering hardships. They have been cheated. They worked many years to save money to care for themselves and their families in later life, only to find now that someone has robbed them of their earnings.

Time was when labor unions recognized that every dollar given in wages must represent a given schedule of work performed. This has been called the productivity of labor. Hours may be shortened and wages may be increased but sound economics requires that there be a corresponding increase in the productivity of labor. This can come from the use of improved machinery or from more efficient methods. Technological progress is essential if wages are to be raised. More pay for less work spells bankruptcy.

But today the theory is advanced that union labor has a right to a share in the profits of industry even before adequate sums are set aside to modernize plant and equipment or to accumulate the surpluses needed to finance deficits when depression comes.

Naturally the volume of business grows as the Nation expands, and profits are larger numerically. But the rate of return on the investment has not grown perceptibly in many industries. Due to the monopoly exercised by national unions, the bigger businesses, with their large surpluses available to buy better machinery, can produce at a lower cost and can actually afford to pay the higher wages which many of their competitors cannot pay. Labor-union strategy nevertheless forces the marginal competitors to pay the same high wage scale or go out of business altogether. This kind of squeeze is largely responsible for the recent wave of mergers. It's the principal reason why big business gets bigger and small business suffers.

Prices as well as wages must be stabilized if we are to get out of the recession. They cannot be stabilized unless labor unions are willing to sign 2- or 3-year contracts without wage increases so that their workers may be given a chance to increase productivity.

Government cannot help us out of the recession by artificial measures, such as the reduction of taxes in the low-income groups. Two or three more dollars a week in the pay envelope for everyone does not create the general prosperity that makes possible purchases of more automobiles. Nor can this bring the resumption of employment in the hard-hit industries which manufacture durable goods.

Government does have a very important part to play. It can fearlessly reveal the truth about our economy—the factors that have brought on the recession. The people must not be frightened by the political claptrap of those who want to exploit adversity. The people must let all organized groups, such as business and labor, know that this is a time for partnership and for intelligent cooperation. It is not a time for strikes or threats of strikes. It is not a time for raising prices. It is not a time for huge deficits in the Treasury.

The way out of the current recession is to persuade the organized groups in our economic system to give us an assurance of stability in wages and prices. Only an enlightened public opinion can achieve that result.

We can come out of the recession before another year has passed, but we cannot do so if everybody demands all he can get. We must proclaim again and again the maxim of that eminent exponent of Christian philosophy, the Reverend Samuel M. Shoemaker: "There is enough in the world for everybody's need, but not enough for everybody's greed."

THE SECONDARY ROAD SYSTEM—ADDRESS BY SENATOR CASE OF SOUTH DAKOTA

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, the remarks of the Senator from South Dakota [Mr. CASE] before the National Crushed Limestone Institute, Inc., on January 24, 1958.

Senator CASE discussed the secondary road system, and his statement is a most lucid explanation. I commend it to the attention of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SECONDARY ROADS

(Address by Senator FRANCIS CASE of South Dakota)

Thank you, Mr. Seitz. The chairman has indicated that I was to speak on the secondary system. In talking with Bob Koch here, I've gotten the impression that possibly in the minds of the average person, the secondary system is commencing to mean the roads other than the so-called interstate system.

The first road work I ever did was on a secondary road—a very secondary road. It was when we were living on a homestead out in western South Dakota. We used to have a poll tax and you could work out your poll tax by working on the roads, and I remember that the township supervisor talked with dad about it and they decided that we could work out the poll tax for the family for a couple of years if we would take a team and a scraper, go down to Spring Creek, and fill in the holes by the bridge and put the new planks in the bridge where they'd worn out.

A, B, C ROADS

Now that kind of a road, the road that we worked on, wouldn't even rate recognition in a so-called secondary system today. But, in order that what I say about the secondary system may be clear, I'm going to explain that we do have the so-called A, B, C roads and they are only called A, B, C roads because there are three paragraphs which relate to them, and those in paragraph A relate to what is called the primary system roads; those in B, the secondary system or farm-to-market roads; those in C, the urban roads. For a great many years we had only those systems for Federal aid for matching by States or local communities.

We did have in addition to that, the roads built on Indian reservations, the roads built in the national parks and in forests, and to a certain extent, they might be called a part of your secondary systems. That is, the roads in the national park or in the national forest, or on or approaching an Indian reservation, contribute to the secondary system, so-called. But the primary system was the principal system. That is the one which received the most money. Forty-five percent of the amount of money that the Federal Government has been appropriating historically for Federal aid to highways went to the so-called primary system; 30 percent historically has gone to the so-called secondary system, the farm-to-market road; and then 25 percent went for a cooperative aid program on the so-called urban system which was concerned with the city.

THE INTERSTATE SYSTEM

In 1944 Congress authorized a new system called the Interstate System, now it is called the Interstate Defense System. That was quite dormant for a while. In 1947 designations were made and in 1956 the Interstate System spurted so much so that in most talks about the highway program today, people are talking about the interstate system.

The primary system of highways in the country today is approximately 225 to 230 thousand miles of road. The cream of that so-called primary system is the Interstate System. I say, "cream," just to mean that it's part of what was originally designated by the States as a part of their primary system but picked up and put into the Interstate System category. It's the superhigh-

way, the turnpike type of highway which will connect the principal cities in the country, the State capitals, centers of industry, and serve defense needs.

The secondary system of roads, meaning the roads which are in the secondary systems of the States, amounts to something over 500,000 miles of roads. You could say roughly half a million miles of roads. The primary and secondary systems together count for over 700,000 miles of road and I think that for the popular term of secondary system as opposed to the primary system you can think in terms of a little over 700,000 miles of road.

Now, historically, the Federal Government has said to the States that they should spend on their highway systems as much money as they collect in taxes from the highway users; and if they didn't do that, they would be penalized in their apportionment or allocation of Federal funds. The Federal Government itself, however, not until 1954, or the 1954 act, not until then has it pretended to make available for highway purposes as much money as it was collecting from the gasoline tax and the tax on motor oils.

In 1954 we said that the time had come for Uncle Sam to apply the same principle to himself, and that was to provide for Federal aid as much money as he was collecting taxes from highway users directly through the gasoline tax or the tax on motor oils.

INCREASED ROAD AID

We have been running at a level of from $450 million to $500 million worth of Federal aid for highways prior to 1954. In the 1954 act we increased from that $500-million level to $700 million. In the Senate we had made it somewhat more than that, but in the conference with the House we settled on the figure of $700 million, and that was divided in its apportionment—45 percent to the primary system, 30 percent to the secondary, and 25 percent to the urban. We had been authorizing about $25 million for the Interstate System. That stepped up in 1954 with a great deal of interest being taken on the Interstate System—that stepped up to $175 million.

After the President signed the 1954 act, he said, "That gets us started," and followed with his recommendation to the Conference of Governors that we launch a program to build the Interstate System in a period of 10 years, possibly. In the 1954 act we had carried a section known as section 13, which called upon the Bureau of Public Roads, in cooperation with the States, to make a study and determine how much money it would take to get our highways and roads up to date.

The former Commissioner of Public Roads, Mr. MacDonald, told us that we weren't even making as much progress as we thought we were, because the dollar wouldn't buy as much in construction as it had before World War II. I think in 1952 that the Commissioner told us we were dealing with about a 53-cent dollar in terms of 1939 construction. I see "Red" over here nodding. That was about it, was it? In terms of 1939 values, our dollar in 1952 for road construction was worth about 53 cents that year. I believe it went down eventually to about 47 cents; so that even if we were appropriating the same amount of dollars, we couldn't get as much road built, despite the increased efficiency of dirt-moving machines and things that go along with it.

So we directed in this section 13 that the Bureau come up with a report on what it would take to put our highways in first-class shape to meet the traffic needs. If we took the figures that were submitted by the Clay Committee (the Clay Committee was appointed by the President, with General Clay as Chairman), it was estimated that with $27 billion we could bring the Interstate Highway System up to a standard required for the traffic 30 years from that time (required for 20 years, but good for 30 years) and build it in 10 years.

ACCELERATING SECONDARY

The same figures and the same report, as I recall them, would have required 25 years to get the secondary systems up to the same standard, if we appropriated for them at the rate that we appropriated in the 1956 act. Now, it may be that the public doesn't quite expect the secondary system to be finished as quickly as the Interstate System, but those of us who are concerned with secondary roads felt that 25 years was a pretty long time to get our roads up to date—to catch up.

I see that there are several ladies in the audience here today which reminds me that after all I think that one of the most important roadbuilder assets we have in the United States are the ladies.

One of the sharpest lessons I ever got about roadbuilding was when I was traveling out in western South Dakota one time, and I was a little bit off the road I think, or off the most direct route I might have taken, and I wanted to inquire about the road ahead. It wasn't too good a road, it was pretty rough. It was in spring and there were a few boggy places, so I stopped with the introduction that I needed a drink of water. I didn't say to the lady of the house that I thought the roads were bad because I thought she might say, "Why don't you do something about them?" She did, however, without any prompting from me.

I asked for a drink of water and asked her simply the way to Bonita Springs, and she told me to take this turn and that turn, but then she said, "Why don't you folks do something about the roads? You talk about the roads, and we have the same road out here in front we had 25 years ago."

Now she lived on what was called a county road. It was part of the authorized secondary system in my State. So I say that the ladies are important in roadbuilding because they help to build the demand or start the fires under legislators and Congressmen who are responsible for the legislation which authorizes road programs.

With the emphasis that we put upon doing something on the secondary system and the primary system in the 1954 act, we went even further in the 1956 act. We went back and authorized an additional $125 million for fiscal year 1957 which was the second year which was taken care of by the 1954 act, or normally would have been taken care of. And then we indicated a rate of addition of $25 million a year additional for the fiscal years 1958 and 1959. We are now in fiscal year 1958. The Government's money year ends June 30, 1958, so that this year for the A, B, C roads (the primary, secondary, urban roads) there are authorizations of $850 million approximately. I think there is a little variation of that, perhaps, because of some tag ends, but approximately $850 million, and for fiscal 1959 it will be $875 million.

CURRENT ROAD REVIEW

We are presently engaged in the Congress in reviewing the status of the highway program preparatory to enacting the Highway Act of 1958.

Congress passes the Highway Act every 2 years as a means of defining the amount of Federal aid that will be available for apportionment to the States, recognizing that most States elect their legislatures in even-numbered years, and then those legislatures meet in the succeeding winter and spring, and need to know how much money will be available from the Federal Government for matching purposes. They, in turn, can make their planning and adopt whatever revenue measures they need to match the Federal aid that will be available in the subsequent biennial. So, we are presently engaged in reviewing the status of the highway program.

Now there has been some suggestion in the press that there has been a great lag in the highway program.

Actually, on the combination of all the highway funds available, the interstate, the primary, the secondary, and the urban systems we're talking about—the Bureau of Public Roads says it is about 3 percent ahead of schedule in the commitment of money for roadbuilding. In actual road construction I think probably there would be some lag because such a large portion of the money goes into the Interstate System. Initially in launching a great expansion in the Interstate System, some of the money had to be used for buying rights-of-way, setting up engineering staffs, and things of that sort which are necessary before road commitments can be translated into road contracts and jobs. You have to know where you are going to run the roads; you have to get some rights-of-way; you have to get some plans, of course, before you can build.

I asked the Bureau this morning about the status of the primary and secondary moneys, that is the money for the primary systems and the secondary systems. They said to me that on the total of the primary system they are somewhat ahead of schedule in commitments and a little behind on the secondary, but on the whole, pretty well up to schedule if you add the primary and secondary systems together (that is leaving out the Interstate System).

FARM TO MARKET ROADS

Now I am going to talk for a few minutes about the secondary system as such, the technical secondary system which is the farm-to-market type of road which the State highway commission builds in some instances, or which it turns over to the counties to build. In addition to stepping up the funds for the secondary system, Congress in the last two Highway Acts of 1954 and 1956 has taken specific steps intended to expedite work on the secondary system.

The first step in 1954 was to authorize a 10 percent transfer and, in the 1956 act, to increase that to 20 percent so that there might be a transfer between the primary and the secondary system within a State on the request, of its highway authority. Thus, the State itself might tailor its funds somewhat according to the demands within the State for improvement on roads, whether on the State's primary system or the State's secondary system.

The next step was to place a provision in the law to give the State highway commissions greater authority and responsibility in checking the progress on the secondary system.

That, as amended and rephrased in the 1956 act, follows:

"Provided, That in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon the request of any State, discharge his responsibility, relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects, by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him."

What that says in effect is that whereas before the Bureau of Public Roads had to have an engineering staff adequate to examine in some detail and check on the progress of the construction of a secondary road, that after certain standards have been established, the Bureau of Public Roads can say to the State's highway department, "We'll accept your certification that these standards have been met."

That grew out of the fact that we were getting reports from too many county commissioners and too many people who were interested primarily in the secondary system, that it just took too long, or that there was too much redtape in having a Federal engineer on top of the State engineer inspect the county secondary system or the roads they were building in the name of the secondary system by the State.

An additional proviso guarantees quality. It says,

"*Provided further*, That such approval shall not be given unless such standards and procedures are in accordance with the objectives set forth in section 1–B of the Federal Aid Highway Act of 1950, and provided further that nothing contained in the foregoing provisos shall be construed to relieve any State of its obligations now provided by law relative to maintenance nor to relieve the Secretary of Commerce of his obligations with respect to the selection of a secondary system or the location of projects thereon and to make a final inspection after construction of each project and to require an adequate showing of the estimated and actual costs of construction of each project."

That is, we put on those provisos to be sure that we weren't just throwing the money away or saying to the States, "You just take this money and spend it any way you see fit." There had to be standards but we would accept the certification by the States that these standards were being met. That is, the Bureau of Public Roads could accept it. Now that was to eliminate some need for personnel and to eliminate the time and the redtape involved.

SECONDARY STANDARDS

In addition to that, a fourth step has been made which the Bureau of Public Roads is now putting into effect, and that is to create a group of counselors or assistants, a board of engineers—a board of county engineers you might say—in which each region will have a representative on a council to work on secondary standards and also help the State highway commissions and the local highway authorities in getting qualified engineers to do their road work.

I don't know how far that has progressed in the Bureau but I did understand that the different regions had named their representatives or most of them had named their representatives (I see some people here who are conversant with the details on it nodding their heads), so that they will soon be starting to function.

The purpose of that again is to expedite the construction of the secondary systems. Thus, there are 4 things which have been done in 3 legislative years—1954, 1955, and 1956—to improve the position of the secondary roads:

First, the increase of the dollars; second, the institution of the transfer clauses; third, the giving to the States the authority to approve the secondary contracts by certifying that they are meeting the required standards; and, fourth, the creation of this board of county engineers which is to assist in counseling.

So I do think we are going to make more progress on the secondary system than we have in the past.

PROPOSED REMODELING OF THE EAST FRONT OF THE CAPITOL BUILDING

Mr. ROBERTSON. Mr. President, because of reports of deterioration of the sandstone wall of the east front of the Capitol building, which will require major repairs, I had been inclined to go along with plans to reconstruct that front of more permanent material, and at the same time to move it out to the position said to have been intended by the original architects, which would place the dome over the center, instead of nearer one side. The fact that the change would provide some additional space inside the building was more or less incidental, from my point of view.

After looking at pictures of the proposed reconstruction, however, I have become concerned about the change which apparently would be made in the character of the east front of the building and the historic plaza where so many Presidents have taken the oath of office. It now seems to me that we should at least make a more thorough investigation of the feasibility of repairing the present front, before tearing it down and rebuilding it.

I shall, therefore, support any effort to halt the work which has been authorized, until such a study has been made and until we have had more opportunity to confer with the distinguished architects and others who have expressed opposition to the remodeling plan.

Mr. SMITH of New Jersey. Mr. President, before making several statements, I wish to commend the Senator from Virginia on his remarks. I share with him the thought that the matter of the extension of the east front of the Capitol should be more fully studied before contracts are let.

Mr. ROBERTSON. I thank my colleague.

Mr. SMITH of New Jersey subsequently said: Mr. President, I should like to call the attention of the Senate to the substantial and continuing public interest in the preservation of the historic east facade of the Capitol, the matter to which the distinguished Senator from Virginia has just referred. In a front-page article in today's Washington Post, Elsie Carper has compiled an impressive list of editorial comment from newspapers throughout the country in opposition to the present plans for altering the east front. In addition, this article, the first of a series, provides a succinct statement of the controversy which should be of great value in keeping my colleagues informed on the background and status of this problem.

An editorial entitled "Behind the Facade," appeared in the Washington Post yesterday, March 2, 1958, and should be of interest to all who are anxiously awaiting the action of the Senate Subcommittee on Public Buildings.

I ask unanimous consent that the editorial and the article from today's Washington Post be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 2, 1958]

BEHIND THE FACADE

Why the rush? Why the indecent haste to let out bids and begin ripping out the east front of the Capitol at the very moment when doubts are greatest about the wisdom of the change? Only 4 days after hearings were held on a bill to rescind previous Congressional authorization, a special Congressional commission in a secret meeting voted to ram through plans for a 32-foot extension of the Capitol's east front at a cost of $10.1 million. The secrecy was typical, as was the high-handed manner of the Commission for the Extension of the Capitol. Speaker SAM RAYBURN, who dominates the Commission, is a deservedly beloved figure, but Mr. RAYBURN seems to forget the Capitol belongs to all the people. Senator DENNIS CHAVEZ, whose committee is considering the voiding legislation, said he felt the Commission "should have delayed its action until our committee reported out the legislation." That seems minimal.

Distinguished architects have expressed grave doubts about the change, as have many private citizens who cherish their Capitol. It may be that the relation of the dome to the present facade is imperfect; doubtless the leaning tower of Pisa could also be improved by straightening. If the facade is in disrepair, surely there are simpler solutions than gouging out the venerable east front. Is the only answer to rip apart a landmark which has been the setting for every inaugural since 1825?

[From the Washington Post and Times Herald of March 3, 1958]

CHANGING THE CAPITOL: PUBLIC PROTEST SAVED EAST FRONT THREE TIMES

(By Elsie Carper)

Three times in its 165-year history the east front of the Capitol has faced destruction. Each time it was saved by public clamor. Once again the wrecking bars are poised to tear down the center facade of the building.

Plans advanced by a Joint Congressional Commission will obliterate the work of three of the Nation's earliest and most gifted architects—Dr. William Thornton, Benjamin H. Latrobe, and Charles Bulfinch.

Behind a new and shiny marble front will vanish that section of the building for which in 1793 Washington laid the cornerstone. Down will come the portico where every President since John Quincy Adams has taken the oath of office.

WALLS TO DISAPPEAR

The walls that the British were unable to destroy when they fired the Capitol in 1814 will disappear.

All of this is being done at a cost in excess of $10 million to provide additional office and restaurant space in the Capitol.

The plans, prepared without public hearings, are going ahead despite the fact that within a few months great sections of the Capitol Building will be left vacant when the new Senate Office Building is occupied. An even larger office building is under construction for the House of Representatives, and a new cafeteria is being built in one of the present House Office Buildings.

Capitol Architect J. George Stewart is ready to let contracts at any moment to begin rebuilding the Capitol. He will construct a marble replica of the east front 32½ feet from the present walls. The courtyard before the central portico, considered by architects one of the most satisfying aspects of the building, will be flattened out.

But, as in the previous three attempts to rebuild the Capitol, voices are being raised that the historically significant and mellowed east front be preserved.

PROTESTS CHANNELED

Protests are being channeled to a Senate Public Works Subcommittee headed by Senator PAT MCNAMARA (Democrat, Michigan). The subcommittee will meet Wednesday to consider bipartisan legislation that will revoke the Congressional Commission's authorization to proceed with the east front extension.

The American Institute of Architects, the National Trust for Historic Preservation and the Society of Architectural Historians have banded together with a new organization,

the Committee to Preserve the National Capitol, to save the building.

Supporting the groups are State and local historical societies, the Daughters of the American Revolution and the editorial opinion of dozens of newspapers.

At recent hearings before McNamara's Subcommittee only two witnesses appeared who favored rebuilding the east front. They were Stewart and John F. Harbeson, a fellow of the American Institute of Architects and one of Stewart's consulting architects in planning the alterations.

EARLIER WORK

Harbeson has worked for Congress before. He planned the remodeling in 1950 of the Senate and House Chambers.

The man behind the east front extension is Speaker of the House SAM RAYBURN (Democrat, Texas), chairman of the Congressional Commission. He is pushing doggedly ahead and wants the project completed by the 1961 presidential inauguration.

Endorsing RAYBURN's view are Vice President RICHARD M. NIXON and Senate Minority Leader WILLIAM F. KNOWLAND (Republican, California). House Minority Leader JOSEPH W. MARTIN, JR. (Republican, Massachusetts) opposes the project. The four men with Stewart make up the Commission.

Spearheading the drive in the Senate to save the east front are Senators H. ALEXANDER SMITH (Republican, New Jersey) JOSEPH S. CLARK (Democrat, Pennsylvania), HUBERT HUMPHREY (Democrat, Minnesota) and CLIFFORD P. CASE (Republican, New Jersey).

In a joint statement presented at the hearing they declared "It is shocking to realize the present plans to provide * * * facilities and conveniences would result in the drastic alteration of historic east facade."

ON HOUSE SIDE

On the House side, Representative HENRY S. REUSS (Democrat, Wisconsin) has described the east front extension as an attempt by Congress to feed itself "by the somewhat excessive process of tearing down its historic house."

Printed below are excerpts from editorials printed in recent weeks:

Eleanor Roosevelt in her syndicated column: "A major catastrophe. * * * I hope many people will write in protest of this proposed desecration of the National Capitol."

The New York Times: "Every age and every country has its architectural vandals, but the present period in the United States seems to have brought forward more than its share. The city of Washington is a natural magnet for them, itching as they always do to put the impress of their incompetence on the design of great historic monuments and national shrines. * * *

"It is planned to put a new facade on the central section (of the Capitol), thus pushing forward and hopelessly altering the one part of the historic building whose simple beauty has served as backdrop for the Presidential inaugurations for more than a century and a quarter."

Raleigh, N. C., News and Observer: "It would be a * * * barbarism to destroy the long-fixed image of our Naitonal Capitol. * * * The protests of Americans should put a stop to this plan right now—and forever after."

Boston Herald: "For some additional restaurant and office space it is apparently a matter of no importance that the remaining traces of the Capitol's original grace be obliterated. * * * To alter the facade is an act comparable to drawing a mustache on a public poster."

St. Louis Post-Dispatch: "Countless citizens will be looking in to see what takes place (at the McNamara subcommittee meeting. * * * If they could vote * * * it would be: 'Find the extra space some other way. Do not damage the Capitol'."

San Francisco News: "Prominent Republicans must bear their majority share of the blame for this barbarous mutilation." The paper suggested that the names of members of the Commission be added to a building plaque: "Founded, 1791; burned by a British Army, 1814; restored by Congress, 1817; vandalized by Congress, 1958."

Philadelphia News: "There are lots cheaper ways to get more space. And if repairs are needed they can be made without mutilating one of our most treasured national shrines."

Baltimore News-Post: "We're for progress and we're for recognition of the automotive age. But there's a limit. And the limit is messing up the Nation's superb and unique Capitol."

Baltimore Sun: "Congress has appropriated money toward the huge cost of the rebuilding job, but has never discussed the wisdom of the entire plan. * * * A debate should be held to air the whole business before large sums are spent on this dubious bit of restoration."

Cleveland Press: "Both vandalism and extravagance are involved in plans to hack up and deface the historic United States Capitol."

Houston (Tex.) Post: "If the present plans * * * go forward, the millions of pictures of the building in millions of school textbooks will be wrong."

St. Petersburg Times: "Proposing to change the facade of the United States Capitol is a little like sitting down while the band plays The Star-Spangled Banner."

Richmond Times-Dispatch: "The plan is basically bad. It would mean virtual elimination of the Capitol Plaza."

Milwaukee Journal: "Let's keep the beautiful, distinguished and historic east front of the National Capitol the way it is."

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks at this time, a press release issued by the Architect of the Capitol on February 21, 1958, relative to the extension of the east front of the Capitol.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

PRESS RELEASE ISSUED BY THE ARCHITECT OF THE CAPITOL, FRIDAY, FEBRUARY 21, 1958

The Commission for Extension of the United States Capitol, composed of the Honorable Sam Rayburn, Speaker of the House of Representatives, Chairman; Hon. Richard M. Nixon, President of the Senate; Hon. William F. Knowland, minority leader of the Senate; Hon. Joseph W. Martin, minority leader of the House of Representatives, and Hon. J. George Stewart, Architect of the Capitol, at a meeting, today, February 21, 1958, acting under authority of Public Law 242, 84th Congress, as amended by Public Law 406, 84th Congress, directed the Architect of the Capitol to proceed with the extension of the east central front of the United States Capitol, including the letting of contracts and all other necessary items, in accordance with the provisions of those acts and in accordance with preliminary plans prepared by the Architect of the Capitol, his associates and consultants, for such purpose. The estimated cost of the construction work approved today is $10,100,000. The front line of the central steps, as extended, will be 40 feet behind the front line of the steps of the House and Senate wings.

ADDRESS BY FORMER PRESIDENT HOOVER ON ECONOMIC RECESSION

Mr. SMITH of New Jersey. Mr. President, we repeatedly have cause to be grateful for the magnificent service which our 31st President, Mr. Herbert Hoover, continues to render his country as a private citizen. His wise and constructive contributions to national understanding are typified by the speech he made to the New York City Chamber of Commerce last Thursday, February 27, in which he analyzed the current economic situation.

In his text Mr. Hoover made clear that the economic forces at work today are entirely different from those which arose from the aftermaths of World War I to produce the depression in 1929. He expressed his conviction that America has the means at hand to deal promptly and effectively with this recession and come out of it bigger and stronger than before, and he outlined a positive program to help speed the general recovery.

He advocated some housework in the industrial world to halt wage and price rises. He also called on Congress to eliminate waste and reduce nonessential spending, balance the budget, and reduce taxes. This, he said, requires a demonstration of great economic statesmanship in these Halls, but it can be achieved by applying the recommendations of the Hoover Commission, many of which still await our action.

Mr. Hoover's message was seconded at the dinner by another distinguished American, former Postmaster General James A. Farley, who served with him on the Commission. Mr. Farley emphasized that some of the Commission's most fundamental findings are still untouched, and he joined in urging Congress to adopt them.

Because of the helpful light which Mr. Hoover sheds on the economic situation, and because of the need for action to carry out the rest of the Hoover Commission recommendations, I ask unanimous consent to have the complete text of his address, entitled "Some Observations on Business Slumps and Recessions," printed in the body of the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF HOOVER'S ADDRESS ON THE ECONOMIC RECESSION

Aside from Communists, defense, sputniks, Explorers, and missiles, the major conversation in the country is on this minor slump in business and employment. The debate is largely on where, when, and how we will get out of this hole or whether our activities will dig it deeper. In joining this discussion I shall be hopeful and friendly and throw no dead cats.

Our country has invented a special nomenclature to describe the stages of this sort of misfortune. We use the terms "business dip," "slump," "readjustment," "recession," and "depression." If we use the terms "dip," "slump," readjustment," or "recession," it makes the business world and the unemployed feel better. The term "depression" carries reminiscent terror.

Just for your comfort I may mention that even as a partly free economic system proceeds down the highway of progress it occasionally bursts into a joyride of excessive speed. Then a tire leaks and we have a bump. The spectators engage in extreme pessimism. In terms of time the bumps come about every 7 or 10 years. Seldom in our history have the bumps developed into a depression.

RECALLS WORLD DEPRESSION

And on the subject of depressions I may mention that once upon a time my political opponents honored me as possessing the fabulous intellectual and economic power by which I created a worldwide depression all by myself. At least I might claim from these tributes that I must know something about depressions.

In that great depression we were on our way out of a normal dip, slump, readjustment, or recession, whichever term you prefer. But in the midst of our recovery we were struck by a cyclone from Europe. That was the result of the aftermaths of World War I, the Treaty of Versailles, and subsequent follies in armaments, unbalanced budgets, inflation, and other governmental foolishness.

They gave birth to a panic in most of Europe. In that panic practically every bank in Europe, including the Bank of England, ceased international payments. And those countries suspended buying our commodities.

With my acknowledged expert qualifications I have looked over the world, and I may say that there are no such economic cyclones being ha'-hed today—provided of course we keep our great enemy intimidated from making a war.

There are some lessons that can be had from our own and the world's experiences and vicissitudes with booms and slumps.

The first lesson is that a people by their own actions can get themselves into considerable trouble. That can be done by the route of inflation.

We, by devaluation and the expenses of the Second World War, had reduced the purchasing power of the dollar by about 50 percent. Then inflation was stopped for a while. But it has struck again. That is the result of pressure groups creating excessive expenditures and irresponsible action in the operations of our productive facilities.

In the last 21 months inflation has cut the purchasing value of the dollar about $70 from every income and pension of $1,000. If we want to stop it and at the same time stop this recession in its tracks, we need some homework in the industrial world.

First, we must have no wave of wage and fringe rises. This is not a new idea. I might remind you that labor and employers made and loyally carried out such an agreement for 3 years beginning in 1929. It was a great contribution to the recovery we had started before the cyclone.

Second, there should be no lifting of prices by industry.

There are some old and proved wonder drugs useful both to prevent inflation and to speed recovery from recessions. The most useful of these economic wonder drugs is the elimination of waste and the reduction of nonessential Federal spending until we have a balanced budget.

President Eisenhower prescribed this remedy in his address in Oklahoma last November when he declared that the increased expenditures for defense would have to come out of nondefense programs, saying:

"Savings of the kind we need can come about only through cutting out or deferring entire categories of activities. This will be one of the hardest and most distasteful tasks that the coming session of Congress must face, and pressure groups will wail in anguish."

The President added to this prescription a further proposal in his state of the Union message where he included also:

"Reducing expenditures on less essential military programs and installations."

AUSTERITY IS EMPHASIZED

But let me stress at once that there is no expenditure, no tax burdens, no austerity that we cannot endure in order to protect the United States from the greatest enemy of mankind in all human history.

I can expand the President's point as to anguish. These pressure groups include every segment of the Government bureaucracy. Their very nature is to avoid anguish. And they are supported by more than 1,200 citizens' pressure groups quartered in Washington wishing to safeguard the Senators and Congressmen from anguish.

But to speed up recovery, we need go much further than this, and that is the job of the Congress where great economic statesmanship will be needed.

We should cut Government expenditures not only to provide for additional weapons and balance the budget, but also to the point where we can have a tax reduction. This would be the greatest possible stimulant to recovery.

However, there is an opiate drug being proposed that should be resisted with horror. That is to reduce taxes without corresponding reduction of Government expenditures or a balanced budget. That opiate will poison you with more inflation. No doubt the voices of the pressure groups will rise in even greater anguish over any such cut in Government expenditures.

And may I add that when we have the joyride of a boom, we must just stand up and work out our readjustments. In the meantime we must see that no one in the country goes hungry or cold. Readjustment from economic sins is a tough operation.

ANSWERS NOW AVAILABLE

Those who do not know how these cuts in expenditures can be done without injury to any essential service, can find the answer in plain language in the Reports of the Commission on Organization of the Government.

These reports can be had from the Public Printer for a few cents each. Most of you in this audience do not need to be bored by quotations by me from them. You helped to make them. And they still stand. And many of them with great savings await action by the Congress.

Tonight you have heard from two of our great national leaders, Senator JOHN L. MCCLELLAN and former Postmaster General James Farley, who were members of the Commission. There are here other members of the Commission and the leaders and members of the task forces whose experience and devotion made those reports possible.

You have in the last few days received a great compliment from Mr. Meyer Kestnbaum, President Eisenhower's able assistant, whose purpose is to secure the adoption of the administrative part of these recommendations. He says:

"The benefits which will flow from the work of the Commission cannot be measured adequately in terms of dollar savings * * * important recommendations are addressed * * * to more effective performances of the process of government. This is an area where the Commission has made an enduring contribution."

In addition to our economic problems, the Nation is faced with another and parallel crisis. Man's curiosity to explore the unknown and his impulses under freedom to do it, have led him further and further into the discovery of the fundamental laws of nature.

Today, the scientists, with the aid of the engineers have introduced new and gigantic forces into our civilization. But as yet the ethical standards of mankind and its governmental methods have been unable to control these forces.

And in closing may I say that the American people have often in the past dealt with many recessions and with great crises from development of scientific discoveries and their new inventions. We have come out bigger and stronger than ever before. And we will again.

MUTUAL-SECURITY PROGRAM

Mr. SMITH of New Jersey. Mr. President, in its February 26 issue the Washington Post published a thoughtful editorial on the bipartisan conference for the mutual-security program which was held at the Statler Hotel on the previous day. It alluded to the fact that there are many different reasons, all of them compelling, to sustain this vital program.

It enumerates some of these reasons which stretch across the spectrum of American ideals and needs from brotherhood to security, reasons set forth by some of America's leading citizens. The mutual-security program, concerned with bread and freedom, is the greatest weapon in freedom's arsenal and deservedly merits this broad range of support.

Mr. President, I ask unanimous consent that the editorial entitled "The Search for a Reason" be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SEARCH FOR A REASON

If there is a single conclusion to be drawn from yesterday's impressive outpouring of bipartisan enthusiasm for the mutual-security program, it is, we think, simply this: There are very many different reasons, but all compelling, to sustain, enlarge, and improve this program; there is no good reason to end or to diminish it. The idea of applying some of America's great plenty to the stupendous tasks of defending the Free World and of making it a better one is a concept around which men of every disposition may rally in good conscience.

For many the clarion call will be the moving words of Bishop Sheen, who, speaking of the underdeveloped nations, reminds us that "theirs is the burden of being underprivileged; ours is the burden of being overprivileged. It is their stomachs that are empty; it could be our hearts that are empty." Recipients of this country's aid might somehow do without it, as he says, "but we cannot continue to be without justice and mercy."

Others, not uncharitable, may yet find their motivation to support mutual-security spending in former President Truman's "brass tacks" reasoning: "The only thing we can do with armaments is to buy time." But time for what? "Foreign economic assistance is the cutting edge on the tool that gives some meaning and purpose to all our efforts for defense," the former President observes. For Adlai Stevenson, as for Secretary Dulles, foreign aid is "an essential weapon in the armory of American diplomacy." Allen Dulles, pointing to the Soviet Union's recent but imaginative and broadgage programs in the foreign-economic-assistance field, sees this as the new and perhaps decisive battlefield of the cold war. President Eisenhower, in one of the strongest statements he has made on the subject, calls foreign economic and military assistance, together with the reciprocal-trade-agreements program, the "iron imperative of security and the building of true peace."

This newspaper long has contended that a mutual-security program cast mainly in a military, materialistic, anti-Communist mold is a far less useful program than one more broadly motivated and conceived. But it is better than no program at all. And, like Mr. Truman, we would not advocate scuttling the ship to stop the leaks, for all the admitted failures and extravagances of some foreign-aid efforts. Mankind is in quest of freedom and dignity and material advance, and the search for one opens roads to the

others. Mutual security, concerned with bread and freedom, raises a standard to which men of vision large and vision small may all repair.

EXTENSION OF RECIPROCAL TRADE ACT

Mr. SMITH of New Jersey. Mr. President, the growing debate on the extension of the Reciprocal Trade Act will soon be shifted to the Chambers of the House and the Senate. Points of view about the act are, of course, numerous and diverse. One significant body of opinion will be that from our great coastal cities and ports through which flows the huge bulk of foreign trade.

The Honorable Donald V. Lowe, chairman of the New York Port Authority, a resident of New Jersey, has written an eloquent and persuasive letter to Representative WILBUR D. MILLS, chairman of the Committee on Ways and Means, urging the extension of the act. He describes the amount and flow of trade, the employment which it supports, and the investments by the authority for the better promotion and service of this trade. I believe that this excellent letter should be brought to the attention of the Members of the Senate.

I ask unanimous consent that a copy of a letter dated February 25, 1958, from the Honorable Donald V. Lowe, chairman of the New York Port Authority, to the Honorable WILBUR D. MILLS, chairman of the Ways and Means Committee, and an enclosing letter addressed to me dated February 26, in regard to the extension of the Reciprocal Trade Act, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE PORT OF NEW YORK AUTHORITY,
New York, N. Y., February 26, 1958.

Hon. H. ALEXANDER SMITH,
Senate Office Building,
Washington, D. C.

DEAR ALEX: I am enclosing for your information a copy of my letter of February 25 to Congressman WILBUR D. MILLS, chairman of the Committee on Ways and Means of the House of Representatives, presenting the port authority's strong conviction that the fundamental interests of the Metropolitan District of Northern New Jersey and New York require a foreign-trade policy which encourages the freer movement of goods to and from the United States. The commissioners of the port authority respectfully urge the extension of the Reciprocal Trade Agreements Act. We hope that such legislation will have your support.

Sincerely,

DONALD V. LOWE,
Chairman.

THE PORT OF NEW YORK AUTHORITY,
New York, N. Y., February 25, 1958.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House Office Building, Washington, D. C.

DEAR MR. CHAIRMAN: The Board of Commissioners of the Port of New York Authority endorses and respectfully urges that Congress renew the Reciprocal Trade Agreements Act. On behalf of my fellow commissioners, I therefore would like to present the port authority's position respecting foreign-trade legislation now before the Congress. May I ask that this letter be made a part of the records of the hearings and deliberations of your committee.

Since 1934, the reciprocal trade agreements program has served as a cornerstone for the foreign economic policy of the United States. This program, by means of the reduction of tariffs and trade barriers on a mutually advantageous basis, has resulted in expanded international trade. This ever-increasing volume of trade, travel, and investment flow has unquestionably strengthened the economy of the United States and the rest of the Free World.

The expansion of trade and the strengthening of the economy have of course benefited the States of New York and New Jersey and their bistate harbor, the port of New York. Eight billion dollars' worth of export-import cargo arrived and departed from this port by ship or airplane in 1957, and these benefits ultimately accrue to the entire national economy.

The importance of export-import trade to the New York-New Jersey metropolitan area is emphasized by the fact that port jobs provide a livelihood for at least 430,000 people in this great bistate region. These 430,000 jobs, in turn, furnish the economic basis of existence for one out of every four persons who live in the port district. Moreover, the port's handling of many millions of tons of waterborne commerce a year produces more than one-fourth of the total wages earned in the port district.

The port of New York has therefore a vital interest in the continuance and expansion of the flow of international trade and commerce. This concern and interest was demonstrated by the States of New York and New Jersey in their port compact of 1921 which created the Port of New York Authority as their bistate public agency. One of the basic responsibilities of the port authority is the development and promotion of commerce and trade through the port of New York.

The conviction of the commissioners of the port authority that international trade is vital to the port's welfare and their faith in the future of this trade is proved by their continued approval of new and expanded programs and activities designed to promote the welfare of the port district and its 13 million residents.

Thus, during the past 15 years, the port authority has invested $90 million in 5 great marine terminals in New York and New Jersey and has authorized the expenditure of an additional $60 million during the next 5 years in further improvement of its waterfront terminals. These new and modernized piers, cargo terminal buildings, ship berths, channels, and supporting facilities accommodate a substantial portion of the 12,000 ships which enter New York Harbor every year.

In its investment and authorized additional expenditures of $370 million in four great metropolitan airports, a large part of which has been spent for facilities to handle overseas air passengers and cargo, the port authority has also demonstrated its confidence that the welfare of the port, the two States, and the United States as a whole is founded on an ever-increasing interchange of people and goods between the nations of the world.

So too is that confidence expressed in our trade development and port promotion program, on which the port authority spends $1 million a year. This activity includes a number of publications and other mediums designed to inform and assist overseas and domestic shippers in their handling of export-import trade to and from the United States. Similarly, the port authority's three overseas trade development offices in London, Zurich, and Rio de Janeiro as well as its four domestic offices in Washington, D. C., Chicago, Cleveland, and in downtown Manhattan have, as their basic function and purpose, assistance and service to the shippers in the respective areas of Europe, Latin America, and this country for which they are responsible.

It is the firm belief of the commissioners of the port authority that the objective of American tariff policy should be an orderly and progressive increase of international trade. Such a tariff benefits each of the participating countries by providing the stimulus for the international exchange of goods. Equally vital is the increase of commerce among nations as a positive step toward world peace.

Foreign trade is important to a much greater area of our national economy than just the export-import business directly concerned. It is important to everyone in the country who has labor, products, or services for sale. This truism has been amply demonstrated. The original purpose of the Reciprocal Trade Agreements Act—the increase of foreign trade through bilateral tariff reduction agreements between the United States and individual countries—has succeeded beyond expectation. Exports have increased from about $2 billion in 1934 to more than $20 billion in 1957, while imports have increased from about $1½ billion in 1934 to almost $13 billion in 1957.

For these reasons, the Port of New York Authority endorses a foreign trade policy which encourages the freer movement of goods to and from the United States as best serving the economic welfare and security of the Nation. We respectfully urge the extension of the Reciprocal Trade Agreements Act.

Sincerely,

DONALD V. LOWE,
Chairman.

COLLECTIVE SECURITY

Mr. SMITH of New Jersey. Mr. President, on Monday, the 24th of February, I had the honor and privilege of addressing the Woodrow Wilson School of Public and International Affairs at Princeton University. Through the courtesy of my distinguished colleague from New Jersey [Mr. CASE], my address was published in the CONGRESSIONAL RECORD of February 26, and which appears on page 2569.

On February 25 the Trenton Times, of Trenton, N. J., carried an editorial on the subject of collective security, referring to my address and contributing further in an effective way to the current discussions of our so-called mutual-security program. Because this important subject will soon be before this body for debate, I ask unanimous consent to have published in the body of the RECORD, in connection with my remarks, the editorial from the Trenton Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COLLECTIVE SECURITY

As the world's capacity for material destruction and human annihilation has been increased through scientific achievements, an awareness of the folly of nuclear war has become more pronounced.

It is hardly conceivable that the masters of the Kremlin are keen for a competition involving the certainty of mutual destruction. Neither is it likely that they have abandoned their designs for the extension of their power and dominance throughout the world. Their tactics, it is apparent, are in process of change.

Soviet Russia is now cultivating the role of the benefactor and friend of the underprivileged peoples. In view of its record of slaughter and enslavement, notably in Hungary, a more brazenly hypocritical role is hardly conceivable. Nevertheless, it may

prove to be an effective means to Soviet ends.

It poses a challenge to the western allies, a challenge which, as Senator H. ALEXANDER SMITH insisted in his address last night to graduate students in the Woodrow Wilson School of Public and International Affairs at Princeton University, must be met effectively.

The underdeveloped areas of the world, particularly in Asia and Africa, present fertile fields for Communist subversion—fields in which, unless strong forces intervene, resistance may be feeble. This intervention, as Senator SMITH logically declares, can come only from the United States and this country's allies.

It is not, however, an exclusively American responsibility. Our allies, as Senator SMITH insists, "have as big a stake in the matter as we do." While the United States, by reason of its superior resources, may be expected to assume the leadership, "it is a great mistake to think of the battle as a peculiarly American one."

Senator SMITH has given a timely and an urgent emphasis to an obligation which cannot be ignored. Subtle Soviet intrusion into vulnerable territory holds peril for the Free World. Aid from the Free World accordingly presents "the middle course between doing nothing, which would be fatal, and trying to do everything, which would be futile."

POSTAL RATES—EDITORIAL COMMENDATION OF SENATOR NEUBERGER

Mr. CARLSON. Mr. President, all of us have respected the personal courage and political independence of the junior Senator from Oregon [Mr. NEUBERGER] in his recent advocacy of increased postage rates to cut down the alarming deficit of the Post Office Department.

This stand has been all the more to the credit of the junior Senator from Oregon because he was sufficiently openminded to change his original position as he studied the evidence and facts brought before his subcommittee by the Postmaster General.

A most heartening editorial, commending the Senator's independence and openmindedness, was published in the Portland (Oreg.) Journal of February 25, 1958, entitled "On Not Closing One's Mind." Because of the forthright position taken by the junior Senator from Oregon during the recent postal debate, I believe many of us would like to see the editorial printed in the body of the RECORD, and I ask unanimous consent for that privilege.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON NOT CLOSING ONE'S MIND

Some time back, Senator NEUBERGER told the Journal of his conviction that neither Oregon nor the country can afford to have issues decided on the basis of closed minds. He said that the problems which face us both statewide and nationally require some budging from positions traditionally held by both Democrats and Republicans.

The Senator has shown some signs lately that he is willing to retreat from prejudice when he is convinced such change is justified.

In a discussion of Oregon's economic problems recently, he conceded that the State must look to a broadening of its tax base if it is to compete with other Sttaes for its share of industry. At least until recently, such a stand, for a Democrat, would have approached heresy, and by taking it NEUBERGER risked losing some political mileage.

He has risked it again now by endorsing the administration's proposal for a 5-cent postal rate on out-of-town letters, along with other related rate increases, which has now passed the Senate Post Office Committee. His endorsement is for him a complete reversal, for his first reaction to the proposal was to blast it.

However, his change of mind, he says, is partly the result of detailed testimony by Postmaster General Summerfield before the Postal Rate Subcommittee, of which he is a member. He has become convinced that the added revenue is urgently needed to build new post offices and raise the salaries of underpaid postal workers.

The Senator recognizes that he is among the foremost of those urging Federal expenditures in which Oregon has shared generously. He defends this position, but he concedes now that "we cannot always advocate only the spending of public funds. * * * We cannot always evade the responsibility of facing up to the need to collect revenue."

The Journal does not always agree with Senator NEUBERGER and has from time to time been critical of statements he has made and positions he has taken. But it must agree with his view on the need for openmindedness, and it finds admirable his willingness to change from a position which he believes is no longer tenable.

FAMOUS JUDGE REBUKES SUPREME COURT

Mr. TALMADGE. Mr. President, when the voice of one of the Nation's most eminent and erudite jurists is raised in protest against the calculated efforts of the Justices of the Supreme Court of the United States to set themselves up as a superlegislature, its significance cannot be ignored even by those who, for political considerations, choose to wink at the Court's flagrant usurpations.

Such a voice is that of the Honorable Learned Hand, for many years presiding judge of the Second Circuit Court of Appeals in New York, whose opinions over the years have come to be regarded as being among the most scholarly and persuasive expositions ever written on constitutional fundamentals.

Judge Hand raised his voice in a series of three lectures delivered recently at Harvard Law School—lectures which have just been published by Harvard University Press.

A reading of these lectures reveals them to constitute one of the most stern and devastating rebukes of the Supreme Court and its arrogant arrogation of legislative power yet delivered.

David Lawrence, the able and distinguished editor of U. S. News & World Report, deals with Judge Hand's charges and conclusions in a forceful editorial entitled, "Famous Judge Rebukes Supreme Court," which appears in the current March 7, 1958, issue of that worthy publication.

I ask unanimous consent, Mr. President, that Mr. Lawrence's editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FAMOUS JUDGE REBUKES SUPREME COURT

(By David Lawrence)

Judge Learned Hand, now retired, is one of the most eminent men ever to sit on the Federal bench. For many years he presided over the Second Circuit Court of Appeals in New York, and his opinions were usually accepted by the Supreme Court of the United States. Indeed his opinions came to be regarded by the legal profession as among the most persuasive expositions of the law of the land.

Recently Judge Hand delivered a series of three lectures before the students at Harvard Law School. He dealt with the widely debated concept that the Supreme Court may "legislate" at will.

These lectures have just been published by the Harvard University Press. While they are written in dispassionate and restrained phrases, the lesson contained therein is unmistakable. It is one of sharp rebuke of the Supreme Court for a tendency to set itself up as a "third legislative chamber."

Judge Hand issues a warning as to what the American citizen faces whenever the Supreme Court not only restricts the right of legislative bodies to legislate but itself assumes a legislative function.

Judge Hand does not confine his criticism merely to the present-day Supreme Court. He points out that an 1894 opinion of the Court foreshadowed current trends. He quotes the Court's declaration at that time that a State legislature's "determination as to what is a proper exercise of its police powers is not final or conclusive, but is subject to the supervision of the courts."

Judge Hand observes that such a definition leaves no alternative to regarding the court as a third legislative chamber. He then notes the subsequent disavowals of such a doctrine by this Supreme Court and cites a 1952 opinion which says:

"Our recent decisions make plain that we do not sit as a superlegislature to weigh the wisdom of legislation, nor to decide whether the policy which it expresses offends the public welfare."

Judge Hand remarks: "One would suppose that these decisions and the opinions that accompanied them would have put an end—at least when economic interests only were at stake—to any judicial review of a statute because the choice made [by Congress or the State legislatures] between the values and sacrifices in conflict did not commend itself to the Court's notions of justice."

Judge Hand finds, however, that the Supreme Court recently has not only proceeded to impose its own view of what is wise or unwise legislation, irrespective of constitutional powers, but seems to have applied hostile rules where property was involved and softer rules where liberty was at issue. He says:

"I cannot help thinking that it would have seemed a strange anomaly to those who penned the words in the fifth [amendment] to learn that they constituted severer restrictions as to liberty than property, especially now that liberty not only includes freedom from personal restraint, but enough economic security to allow its possessor the enjoyment of a satisfactory life.

"I can see no more persuasive reason for supposing that a legislature is a priori less qualified to choose between 'personal' than between economic values; and there have been strong protests, to me unanswerable, that there is no constitutional basis for asserting a larger measure of judicial supervision over the first than over the second."

Judge Hand puts his finger on the cases that today transcend all others as examples of usurpation of power by the Supreme Court. He says:

"The question arose in acute form in the Segregation cases. In these decisions did the Court mean to 'overrule' the 'legislative judgment' of States by its own reappraisal of the relative values at stake? Or did it hold that it was alone enough to invalidate

the stautes that they had denied racial equality because of [14th] amendment inexorably exempts that interest from legislative appraisal?

"It seems to me that we must assume that it did mean to reverse the legislative judgment by its own appraisal. It acknowledged that there was no reliable inference to be drawn from the Congressional debates in 1868 and it put its decision upon the feeling of inferiority that segregation was likely to instill in the minds of those who were educated as a group separated by their race alone.

"There is indeed nothing in the discussion [by the Supreme Court] that positively forbids the conclusion that the Court meant that racial equality was a value that must prevail against any conflicting interest, but it was not necessary to go to such an extreme. *Plessy* v. *Ferguson* [the 1896 case approving separate but equal facilities] was not overruled in form anyway; it was distinguished [differentiated] because of the increased importance of education in the 56 years that had elapsed since it was decided.

"I do not see how this distinction can be reconciled with the notion that racial equality is a paramount value that State legislatures are not to appraise and whose invasion is fatal to the validity of any statute.

"Whether the result would have been the same if the interests involved had been economic, of course, I cannot say, but there can be no doubt that at least as to personal rights the old doctrine seems to have been reasserted.

"It is curious that no mention was made of section 3 [of the 14th amendment], which offered an escape from intervening, for it empowers Congress to enforce all the preceding sections by appropriate legislation.

"The Court must have regarded this as only a cumulative corrective, not being disposed to divest itself of that power of review that it has so often exercised and as often disclaimed.

"I must therefore conclude this part of what I have to say by acknowledging that I do not know what the doctrine is as to the scope of these clauses; I cannot frame any definition that will explain when the Court will assume the role of a third legislative chamber and when it will limit its authority to keeping Congress and the States within their accredited authority."

Judge Hand says he "has never been able to understand" on what basis other than as a coup de main the Supreme Court adopted the view that it may actually legislate. By coup de main, he means, of course, arbitrary usurpation of power.

Should we establish a "third legislative chamber"? This is the penetrating question asked by Judge Hand, but he adds quickly: "If we do need a third chamber it should appear for what it is, and not as the interpreter of inscrutable principles."

But Judge Hand doubts the wisdom of letting a judge serve as a communal mentor and deems inexpedient any such wider form of review based on the moral radiation of court decisions. He gives these reasons for his view:

"In the first place it is apparent, I submit, that insofar as it is made part of the duties of judges to take sides in political controversies, their known or expected convictions or predilections will, and indeed should, be at least one determinant in their appointment and an important one.

"There has been plenty of past experience that confirms this; indeed, we have become so used to it that we accept it as a matter of course.

"No doubt it is inevitable, however circumscribed his duty may be, that the personal proclivities of an interpreter will to some extent interject themselves into the meaning he imputes to a text but in very much the greater part of a judge's duties he is charged with freeing himself as far as he can from all personal preferences, and that becomes difficult in proportion as these are strong.

"The degree to which he will secure compliance with his commands depends in large measure upon how far the community believes him to be the mouthpiece of a public will, conceived as a resultant of many conflicting strains that have come, at least provisionally, to a consensus.

"This sanction disappears insofar as it is supposed permissible for him covertly to smuggle into his decisions his personal notions of what is desirable, however disinterested personally those may be.

"Compliance will then much more depend upon a resort to force, not a desirable expedient when it can be avoided."

Those last words could apply to the use of troops at Little Rock, which certainly was not a desirable expedient and could have been avoided.

There seems no doubt that Judge Hand would like to see the Supreme Court adhere to its basic function of interpreting legislation without adding laws not written by the people's legislatures. He evidently deplores the tendency to vest political power in the Supreme Court of the United States whose Justices are appointed for life. He concludes:

"For myself it would be most irksome to be ruled by a bevy of platonic guardians, even if I knew how to choose them, while I assuredly do not. If they were in charge, I should miss the stimulus of living in a society where I have, at least theoretically, some part in the direction of public affairs.

"Of course, I know how illusory would be the belief that my vote determined anything; but nevertheless when I go to the polls I have a satisfaction in the sense that we are all engaged in a common venture."

Judge Hand has rendered a great service to contemporary understanding of the true limits of the Supreme Court's powers. For there are limits, and the Congress, acting for the people, can and should impose such limits lest we fall victim to absolutism in our own institutions.

ALASKAN AND HAWAIIAN STATEHOOD

Mr. CHURCH. Mr. President, Dr. George Gallup, director of the American Institute of Public Opinion, says that the public willingness to accept Alaska and Hawaii into the Union, and the present impasse on the question in Congress, point up a classic example of a lag between public opinion and legislative action.

Institute surveys since World War II have consistently recorded overwhelming sentiment for admitting both Territories to the Union. In the latest survey, the vote is 12 to 1 in favor of admitting Alaska and more than 5 to 1 in favor of granting statehood to Hawaii.

"Political observers claim," says Dr. Gallup, "that the recent administration decision on calling up Alaska for action only if Hawaii is also considered has, in effect, killed the chances once more of either being granted statehood for the time being."

Mr. President, I suggest to the leaders of both parties that it is dangerous to continue to manipulate this issue. There comes a time when the Congress must act without intrigue and equivocation if it is to retain the respect and confidence of the people. The statehood bills are on the Senate calendar. The statehood issue faces us. We cannot ignore it further without repudiating a clear mandate from the American people.

I ask that the report of the Institute's surveys, and Dr. Gallup's comments, as they appeared in yesterday's Washington Post, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUBLIC STRONG FOR ALASKA, HAWAII

(By George Gallup)

PRINCETON, N. J.—The public willingness to accept Alaska and Hawaii in the Union and the present impasse on the question in Congress point up what is a classic example of a lag between public opinion and legislative action.

The introduction of statehood bills for Alaska and Hawaii has become a standard feature of each session of Congress for many years. Just as standard has been the shelving of the bill at some point during each session.

Yet institute surveys since the end of World War II have consistently recorded overwhelming sentiment for admitting both Territories to the Union.

In the latest survey, the vote is 12 to 1 in favor of admitting Alaska, and more than 5 to 1 in favor of granting statehood to Hawaii.

Many voters, perhaps aware of the Congressional inaction on the question, added the comment:

"And it should have happened a long time ago."

Since 1946, the institute has regularly asked these questions:

"Would you favor or oppose having Alaska admitted as a State in the Union?"

Here are the highlights of the trend in sentiment since World War II:

[Percent]

	Favor	Oppose	No opinion
1946	64	12	24
1950	81	8	11
1953	78	10	12
1955	82	9	9
1956	74	10	16
1957	71	8	21
Today	73	6	21

"Would you favor or oppose having Hawaii admitted as a State in the Union?"

[Percent]

	Favor	Oppose	No opinion
1946	60	19	21
1950	76	10	14
1953	72	14	14
1955	78	12	10
1956	71	11	18
1957	64	14	22
Today	65	12	23

Political observers claim that the recent administration decision on calling up Alaska for action only if Hawaii is also considered has, in effect, killed the chances once more of either being granted statehood for the time being.

In the past, the statehood issue has foundered on the delicate question of a political balance in the Senate. Hawaii, traditionally Republican, has been blocked by Democrats. Alaska, normally Democratic, has been kept out by GOP efforts.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from California.

Mr. KNOWLAND. I am not so sure that I heard the complete remarks of the Senator from Idaho, but, of course, neither the administration nor the minority determines the calling up of proposed legislation in this Chamber. I inform the Senator from Idaho that, as the minority leader of the Senate, I have made clear my position and it is the position which I have taken for the 13 years I have served in the Senate of the United States. It is one which was developed in a colloquy several weeks ago with the distinguished Senator from Montana [Mr. MURRAY].

I am in favor of statehood for the Territory of Alaska. I am in favor of statehood for the Territory of Hawaii. I hope that both Territories will be admitted into the Union as States. I think they both deserve it.

So far as I am concerned, I would not like to see the two items tied together. The only request I have made, which I think is a fair one, is that once the bill for statehood for the Territory of Alaska is called up for consideration, when the Senate will have a chance to vote on the merits of the bill—and I hope pass it, I might say, speaking personally—then there will be immediately called up for consideration the next bill on the calendar, which is the bill to provide statehood for the Territory of Hawaii. I hope the Senate will be allowed to debate and act upon that bill on its merits. It seems to me the Senate then at least would have discharged its obligation in the matter. We would have had a chance to vote independently on both bills, and Senators would have had a right to vote on the merits.

Speaking personally again, I express the hope that both bills to provide statehood will pass.

That is the procedure which I favored following when I was majority leader. Personally, I think it is a mistake to tie the two bills together. I think we will have a better opportunity of not having an effort made to tie the two bills together if assurance can be given that once the bill to provide statehood for Alaska has been acted upon the bill to provide statehood for Hawaii will be called up for the consideration of the Senate, when Senators will have a chance to act upon that bill.

In view of the Senator's statement, I felt that the record should be made clear.

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. CHURCH. Mr. President, I ask unanimous consent that I may be permitted to speak an additional 3 minutes, to reply to the distinguished minority leader.

The VICE PRESIDENT. Is there objection to the request of the Senator from Idaho? The Chair hears none, and it is so ordered.

Mr. CHURCH. I may say to the distinguished minority leader that I appreciate his participation in this colloquy. I, too, am very much concerned about the delay which has occurred these many years in acting upon statehood for both the Territory of Alaska and the Territory of Hawaii.

I think it is significant, however, that at the recent Democratic National Committee meeting held in Washington it was the national committeeman from Hawaii who submitted a resolution calling upon Congress to act upon statehood for Alaska.

I am sure the people of Hawaii understand full well that if we can at last get action on statehood for Alaska and make that Territory the 49th State, then in the very nature of things statehood will come to Hawaii as inevitably as that the day follows the night.

For that reason, Mr. President, I feel that any effort which has heretofore been made to combine the two statehood bills, under any understanding or arrangement, whether that effort involves a simultaneous linking of the bills or a successive consideration of the bills, is an effort which is directed toward combining the opponents of both bills in opposition to each, and thus is not an effort which is in reality designed to serve the interests or the cause of statehood for either Territory.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER (Mr. MORTON in the chair). The Senator from Montana.

Mr. MURRAY. Mr. President, I desire to express myself as being in full accord with the remarks made by the distinguished Senator from Idaho [Mr. CHURCH].

Mr. President, S. 49, a bill to enable the strategic and richly endowed Territory of Alaska, which has been American for some 91 years, to become a State is pending on the Senate Calendar. It is Calendar No. 1197. This measure was reported, after complete hearings and thorough executive consideration, by the Committee on Interior and Insular Affairs in the first session of this Congress with only one dissenting vote.

Also pending is another bill, S. 50, which would enable the prosperous and progressive American Territory of Hawaii to become a State.

Mr. President, S. 49 and S. 50 are separate and distinct measures, just as Alaska and Hawaii are separate and distinct geographic and economic entities. Separate hearings were held on these two different measures by the Interior Committee; they were considered separately in executive session; they were reported separately; they are on the Senate Calendar separately.

I emphasize their separateness because there seems to be a feeling on the part of some Members of the Senate that the two are in some way linked or tied together, so that consideration of Alaska would necessarily involve us in consideration of Hawaii. This is not the case either in fact or in theory.

Nor does it exist even in the minds of the people of Hawii. I have here a letter from the very able and very public-spirited Delegate from Hawaii, the Honorable JACK BURNS, stating that fact unequivocally. Delegate BURNS is the holder of the highest and, in fact, the only territorywide elective office in Hawaii. If anyone can speak for the more than one-half million American citizens of that American Territory it is he.

Mr. President, because of its great pertinency to the pending issue of statehood, I ask that Delegate BURNS' letter be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 18, 1958.

The Honorable JAMES E. MURRAY,
Senator from Montana,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MURRAY: Your statement in the Senate on February 10, 1958, merits the careful consideration of every American. The importance of statehood for Alaska and Hawaii should not be minimized. No issue before the Congress transcends statehood in its effect upon the present and the future of the United States. Just as integrity of character in an individual is more important than health and wealth, so, too, must be our integrity as a Nation.

Your statement reveals your wisdom and understanding, as well as prescience, qualities which have earned for you the highest respect. In this issue, as in others that you have faced in your distinguished career, your forthrightness has removed the clouds of confusion. The appreciation of the people of Hawaii is heartfelt. All Americans should join them.

As the only one with the authority to speak for the people of Hawaii, I support your stand that all friends of statehood should unite in permitting Alaska to go forward alone. On October 15, 1957, I was quoted in a Honolulu newspaper as saying: "I will work hard for Alaskan statehood. If it becomes necessary to drop Hawaii statehood in order to get Alaska through, I will do just that."

My statement has been supported by the people of Hawaii. Other than a few partisan efforts to make political capital of the statement, no objections, public or private, have been voiced.

I now repeat that statement as the Representative duly elected to speak for the people of Hawaii—the only one. Alaska and Hawaii should be considered separately. Since, as you point out, Alaska is presently before both the House and Senate with favorable reports from the respective committees of each body, Alaska is ready for consideration.

Enlightened self-interest demands application of the Golden Rule in this instance to our just claim. Hawaii does not want to be a means of killing statehood for both. She would rather withdraw to "clear the track." The sincerity of her desire for statehood would be suspect if she followed any other course.

In a matter so vital to our national best interest, Hawaii will not be found wanting. She has never been found wanting in her response to the needs of the great Nation of which she is an integral part. Hawaii always will respond willingly and wholeheartedly.

Your great confidence and your support are deeply appreciated with heartfelt thanks.

Warmest personal regards. May the Almighty be with you and yours always and in all ways.

Sincerely,

JOHN A. BURNS.

Mr. MURRAY. Also, Mr. President, I have received a splendid statement on statehood from the very young but very able Senator from Idaho [Mr. CHURCH]. Senator CHURCH took an active part in the hearings and consideration in committee of statehood, and his eloquent

statement is based on knowledge and fact.

I ask that Senator CHURCH's letter to me in the subject of statehood be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
January 28, 1958.

Hon. JAMES E. MURRAY,
United States Senate,
Washington, D. C.

DEAR SENATOR MURRAY: This session of Congress has a rare opportunity to demonstrate to the world that the right of self-government is still espoused by the United States. That opportunity comes at a time when free government contests mightily with communism for the allegiance of uncommitted people, in areas where colonialism still persists, or lingers as a bad memory from the recent past.

I recall the magnitude of the impact upon the people of the Far East, when the United States granted independence to the Philippine Islands. The enthusiasm engendered toward America was spontaneous, genuine, and widespread. Nothing we have done since the war contributed so much to American stature in the Orient.

In recent months, the dramatic Russian successes in making the first plunge into outer space, have doubtlessly enhanced the appeal of communism to the newly emancipated people who live around the rim of Asia and in restless Africa. Russian prestige, sullied by her brutal bludgeoning of Hungary, is suddenly rising again. We cannot erase it with tardy satellites of our own, nor are we likely to win new adherents to our cause by building missiles.

But this Congress, by granting statehood to Alaska and Hawaii, could strike a telling blow for freedom. Statehood would end that subordinate relationship to the United States which causes world opinion to regard both Territories as akin to colonies. Statehood would strengthen confidence everywhere that our country remains true to its anticolonial heritage. Its significance would reach through to millions around the world who have but recently struggled, or who still aspire, to be free. It would strengthen our cause, and win us new friends at a critical time.

Accordingly, I earnestly recommend to you, as a member of the Democratic steering committee, that highest priority be given to the pending statehood bills. Both measures have long been called for in our party platform; both have been reported favorably by the Senate Interior Committee, on which I serve.

I realize that the steering committee will assess the factors most likely to effect successful floor management of these bills. With due regard to the policy determinations that are the province of the committee, I urge my strong conviction that the best interests of our country will be served, and great credit reflected upon Democratic leadership, by prompt and favorable action on the statehood measures.

Sincerely,

FRANK CHURCH.

AMBASSADOR LODGE'S VISIT TO INDIA

Mr. SALTONSTALL. Mr. President, we all know the fine job which our former colleague and my good friend and former fellow Senator from Massachusetts, Henry Cabot Lodge has been doing as America's Chief Delegate to the United Nations. Ambassador Lodge has recently made a visit to India which has had a beneficial effect on Indian-American relations. I ask unanimous consent to have printed in the body of the RECORD following my remarks an article published in the Christian Science Monitor on February 26, 1958, telling something of Ambassador Lodge's visit to India.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LODGE SINCERITY STIRS INDIANS

(By Sharokh Sabavala)

BOMBAY.—A distinguished son of Massachusetts, who lives only a short distance from Walden Pond—best-known stretch of American water to Indians—has come 10,000 miles from home to tell people here that in the United Nations, the United States and India have been on the same side on 45 major roll-call votes.

This is not the only fact which has caused astonishment, here and in New Delhi, about the visit of Mr. and Mrs. Henry Cabot Lodge. Preceded by a legend of seeming antagonism to India and heralded by that well-worn doggerel about the Lowells and the Cabots, the Lodges were suspect in the eyes of many Indians before they ever arrived. And equally in question was the tact of the Indian Cabinet, which deputed Defense Minister V. K. Krishna Menon to play host to Mr. Lodge. (Messrs. Lodge and Krishna Menon are both their countries' chief delegates to the United Nations.)

As often happens, however, yesterday's fears only provoke laughter today. Far from being the haughty Bostonian he was supposed to be, Mr. Lodge showed himself as a friendly, charming, sophisticated American, who has been to Bombay once before in the guise of a newspaperman, who during World War II lived side by side with Indian troops in Italy and who appeared in private and on public platforms on the friendliest terms with Mr. Krishna Menon—"my friend, philosopher, and guide in India."

RESTRAINT SHADES FLATTERY

Distinguished visitors to India, whose unending stream now flows throughout the year, sometimes stoop to conquer and they are noticed so doing. Others lay on flattery with a trowel because they are told Indians like being praised. There are those from the Communist world who go on repeating a catalog of this country's stupendous and colossal achievements. A small minority, however, uses restraint. It does not go out of its way to demonstrate wide-eyed wonder, which makes Indians feel they are on the wrong side of the bars at a zoo. It does not strive too hard for friendship and ends up by receiving it in abundant measure.

IMPRESSIVE VISITOR

Indian public opinion has put Mr. Lodge in this category. As a member of the Cabinet and as the President's personal Ambassador, he would have been received in any case with the respect and courtesy due his rank. But Mr. Lodge easily has dislodged the formidable barriers of protocol and in a few days dispelled many of the stories which, in Indian eyes, made him a hostile figure on the world stage. Above all, he appears to have made it possible for Indians to reach out for a more sympathetic understanding of his fabulous and much-misunderstood country.

Here in India, newspaper readers have been led to believe that with Mr. Lodge and Mr. Krishna Menon constantly engaged in verbal duels, the United States and India are near enemies, at least in the U. N. Yet in New Delhi and Bombay, both these men have shown a striking identity of opinion and action on a wide variety of international problems and disputes. For this reason, if for no other, the Lodge visit is one of those quiet successes, which only seize the imagination after it is all over.

DEATH OF FREDERICK M. DEARBORN

Mr. SALTONSTALL. Mr. President, all of us who knew him were stunned by the tragic death last week of Frederick M. Dearborn, Jr., of Wenham, Mass. The high regard in which he was held by his friends and associates was exemplified by the President's action in directing that all flags on Federal buildings in Washington and Massachusetts be flown at half mast in tribute to him the day following his death. I ask unanimous consent to insert in the body of the RECORD following my remarks Mr. Dearborn's obituary published in the Boston Herald on February 27, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Herald of February 27, 1958]

FREDERICK DEARBORN, JR., DIES—WENHAM MAN AID TO IKE—FORMER COUNSEL TO GOVERNOR HERTER

The death yesterday of Attorney Frederick M. Dearborn, Jr., 46, of Wenham, special assistant to President Eisenhower and former special counsel to Governor Herter, came as a stunning shock to his many friends in the State and Government service, the legal profession, and in Harvard alumni ranks.

Mr. Dearborn was found dead yesterday morning in his Washington home. The coroner's report said death resulted from acute pancreatitis and that he apparently had died in his sleep sometime between 10 p. m. and midnight Tuesday. His friends had known him as a person of fine health.

IMPORTANT IKE AIDE

He had been an important figure in the Eisenhower administration since last May when he took over as vice chairman of the Operations Coordination Board. He was Eisenhower's representative on the Board, whose function is to assure proper execution of National Security Council decisions affecting various Government agencies.

President Eisenhower learned of Dearborn's death after his news conference yesterday. White House Press Secretary James C. Hagerty said the President was deeply shocked.

The President ordered flags flown at half-staff on all Federal buildings in Washington and Massachusetts in tribute to Dearborn.

Under Secretary of State Christian A. Herter, who as Chairman of the Operations Coordination Board was Dearborn's immediate superior, said he and Mrs. Herter planned to attend the funeral services in Hamilton at 10 a. m. Saturday.

A close personal friend of Herter, Dearborn was treasurer of Herter's campaign leading to his election as Governor in 1952. From 1955 to January 1957, he was legal counsel to Herter at the State house.

Friends said Dearborn's desire to continue practice as a lawyer in the field of public service led him to reject offers to be a judge in the superior and supreme courts of Massachusetts.

HARVARD GRADUATE

A graduate of Harvard and Harvard Law School, he joined the Boston firm of Bingham, Dana and Gould in 1936.

During World War II, he served in Europe with the 18th Field Artillery Battalion, rising from second lieutenant to lieutenant colonel. After the war he returned to his Boston law

firm and in December 1946, was made a partner.

As executive secretary of the committee of civilian components of the Armed Forces in 1947 and 1948, he was praised by the then Defense Secretary James Forrestal.

He later served as town moderator in Wenham and president of the Shore Country Day School. He was a trustee of Boston Lying-in Hospital and a member of the American Law Institute and the Harvard Law School Alumni Association.

He leaves his wife, Pauline (Moore); three sons, David, 20, a student at Harvard; and Henry, 18, and Philip, 15, both students at Brooks School, North Andover; his father, Dr. Frederick M. Dearborn, of New York, and a brother, William, of Nashville, Tenn.

PRAISED BY HERTER

"Frederick Dearborn was one of the most devoted public servants in Massachusetts and in the country," former Governor Herter declared last night. "His passing is a tremendous loss both to his many friends, among whom I was proud to count myself, and to the Nation as a whole."

Dearborn's unexpected passing plunged his Harvard College classmates into deep personal mourning. He had always taken an active part in the affairs of the class of 1933 and had been looking forward to a gay 25th reunion with his college classmates at Cambridge in June.

Dr. Irad B. Hardy of Waltham, chief marshall of the class and chairman of the 1933 class committee, said the news of Dearborn's "sudden and untimely death will be sorrowfully received by all Harvard men."

"A highly-regarded and successful lawyer, he worked hard for Harvard, Massachusetts, and more recently in Washington," Hardy said. "The class of 1933 will remember him with pride."

SHOCKED BY NEWS

Donald M. Sullivan, of Wellesley, secretary of the class, was shocked at the news.

"If ever a man died for his country, which he had served so well in war and peace, it was Fred Dearborn," said Sullivan.

"For his classmates about to celebrate their 25th anniversary at Harvard in June it was a blow," Sullivan said. "He had been selected as 25th reunion chairman and resigned to answer the call of duty in Washington. He was to have been chief usher at memorial services for our deceased classmates. The whole of Harvard's alumni has honored him by election to the Harvard Fund Council.

"He was so busy in Washington," Sullivan related, "that his wife wrote for him the biography for the 25th anniversary report, which had in it these prophetic words from President Eisenhower when he administered the oath of office to Fred Dearborn—'You will never work harder in your life.'

"The Nation, Harvard, and his classmates are poorer, indeed, through the loss of this good and youthful man, devoted to his friends and to the high calling of his conscience," Sullivan said.

THOUGHTFUL MAN

Lawrence Dana, of Hingham, a law associate of Dearborn's in the firm of Bingham, Dana, and Gould, described him as "the kindest, most thoughtful man I've ever known, as well as a man of tremendous capability for public service since 1939."

Executive Councilor Christian A. Herter, Jr., a close friend, said that "the sudden and tragic death of Fred Dearborn was a blow not only to his friends but also to the people of Massachusetts and the entire United States.

"A person of extraordinary ability, humility, and understanding, he had, in his very quiet way, made an unforgettable contribution to the furtherance of the ideals in which he believed so strongly," Herter said. "I can think of no one that was a better friend or fought so hard to do things for people who were in trouble."

ECONOMIC CONDITIONS IN ARIZONA

Mr. GOLDWATER. Mr. President, particularly in the East, we hear a great deal of talk about recession, but we do not hear such talk in Arizona. In the East we hear a great deal of talk about lack of faith in the future of the United States. However, that is not the situation in my State of Arizona. One of our leading editors in Arizona is Mr. Hanson Ray Sisk. He is not a very young man. However, the wonderful Arizona air and the youthfulness and spirit of our State evidently keep a man's thoughts buoyant; and so he has written an interesting editorial entitled "Glowing Future for Arizona," which I ask unanimous consent to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GLOWING FUTURE FOR ARIZONA

(By Hanson Ray Sisk)

Arizona is the youngest State in the Union and it has a young population. It has a higher percentage of its population under 18 and a smaller percentage over 65 than has the Nation as a whole.

Back in 1910 the State had about 250,000 inhabitants. Today it has more than a million and the second million is on the way. From 1940 to 1950 the population increased 50 percent, and during the present decade 40 percent more. Census authorities estimate the population by 1970 will be 1,800,000, an increase of 140 percent over the 1950 population of 750,000. By 1975 the population will be more than 2 million, and this is less than 20 years from now.

Vast numbers of people from other States are moving into Arizona. Industry wants a place in the sun and vast sums are being expended for development. Valleys, once remote, are now thriving areas.

A few years ago some of us, who are now showing the "frost" in our hair, rode by land which could be bought for $5 an acre. Today some of that same land is selling for $5,000 an acre. The same opportunity exists today in other areas of the State which are marked for development.

Big business in the Nation is planning for the future and Arizona is on their expansion maps. In Arizona everything is booming. Bank deposits, business, population, development—and taxes. It is a boom State and the chances are it will continue to boom for years to come. This is because Arizona has thousands of acres of available land for development and it is a land of sunshine and warmth.

Demands for educational facilities are concurrent with population growth. By 1970 school attendance will be double the present enrollment.

The labor force of Arizona is growing daily. The industrial scene is changing rapidly because money follows money and capital is coming to Arizona.

Agriculture is expanding rapidly. The Valley of the Sun and other valleys are blossoming. Now the great Willcox area is being developed.

Thousands upon thousands of our present citizens will be here 20 years from now. During this period they will see a marvelous change, far greater than was visualized by their elders.

Arizona's future is dynamic.

RESOLUTION BY ARIZONA NEWSPAPERS ASSOCIATION REGARDING PICTORIAL REPORTAGE OF COURTROOM PROCEEDINGS

Mr. GOLDWATER. Mr. President, recently the Arizona Newspapers Association held its convention in Phoenix, Ariz., and adopted a number of resolutions. One of these resolutions affects canon 35 of the American Bar Association Canons of Judicial Ethics. It is the one in which the American Bar Association supports the idea that photographs should not be taken in courtrooms.

The Arizona Newspapers Association—rightfully, I believe—is against that stand. I ask unanimous consent that the resolution to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTIONS PASSED BY ARIZONA NEWSPAPERS ASSOCIATION AT PHOENIX, SATURDAY, JANUARY 25, 1958

RESOLUTION 1

Whereas a special committee of the American Bar Foundation has recommended a restatement in which there would be no change in the prohibition against photography, broadcasting, and televising of court trials as now contained in canon 35 of the American Bar Association Canons of Judicial Ethics; and

Whereas the aforementioned canon 35, restricting, as it does, the people's full freedom of information as it concerns their courts, stands as a lamentable parallel to the State-controlled legal process of those totalitarian nations we all abhor; and

Whereas the international political importance of news photography has never been better described than when President Dwight D. Eisenhower, greeting a national photo conference, said, "Pictorial reportage is the most universal of all languages. It is an indispensable tool of freedom in these days when so many people are oppressed and personal freedom is restricted in many parts of the world": Now, therefore, be it

Resolved, That we, the members of the Arizona Newspapers Association, in convention here assembled, do unanimously condemn the principles of prohibition contained in canon 35 of the Canons of Judicial Ethics; and be it further

Resolved, That the members of the Arizona Newspapers Association urge the Arizona delegates to the American Bar Association meeting at Atlanta February 23–25 to oppose the recommended restatement of canon 35 and support either the elimination of the canon or its modification to make it consistent with the tenets of freedom upon which the laws of this Republic are based; and be it further

Resolved, That copies of this resolution be forwarded to the Arizona Supreme Court and the Arizona Bar Association.

RESOLUTION 2

Whereas it has been our observation that a proportion of college graduates in journalism are not proficient in the fundamentals of the writing profession: Now, therefore, be it

Resolved, That the Arizona Newspapers Association recommend to schools of journalism that degrees in journalism be issued only to candidates who have passed proficiency examinations in such fundamentals as spelling, punctuation, vocabulary, sentence structure, and grammar—in the same sense that engineering graduates be proficient in such fundamentals as mathematics

and that medical graduates must be proficient in such fundamentals as chemistry and biology; and be it further

Resolved, That copies of this resolution be sent to all other State newspaper organizations, to the National Editorial Association, and to all schools of journalism.

RESOLUTION 3

Whereas there are now on the statute books of the State of Arizona laws pertaining to libel which do not give adequate protection to the public; and

Whereas the newspapers, radio, and television are most important mediums through which the public may be protected against the results of honest mistakes in connection with published materials which may be alleged to be libelous; and

Whereas these mediums, individually and collectively, have traditionally held the viewpoint that the best interests of all concerned would best be served if they were permitted to atone for mistakes by means of adequate retraction of stories and statements published in good faith and later found to be erroneous: Now, therefore, be it

Resolved, That the Arizona Newspapers Association support legislation before the 23d Arizona State Legislature providing that news-distributing mediums may not be accused of compounding libel, by publishing retractions in as prominent a position and with the same or greater prominence as the originally published material.

RESOLUTION 4

Whereas there continues to be an ever-mounting number of instances in government where officials restrict freedom of information; and

Whereas some public agencies continue to hold secret or closed meetings from which the public and the press are excluded: Now, therefore, be it

Resolved, That the Arizona Newspapers Association go on record opposing limitations placed by public governmental agencies on freedom of information; and be it further

Resolved, That the Arizona Newspapers Association go on record supporting legislation now before the 23d Arizona Legislature which would prohibit the holding of secret meetings by public agencies.

RESOLUTION 5

Whereas the success of the 18th annual convention of the Arizona Newspapers Association has been largely dependent on the cooperation and work of many individuals, groups, business firms, and organizations; and

Whereas it is the intent as well as the custom of this association to express appreciation to those who contribute to the success of our annual meeting: Now, therefore, be it

Resolved, That the Arizona Newspapers Association express its thanks and appreciation to the following for their contributions to the enjoyment, smooth operation, and success of the 18th annual convention of the association:

Federated Metals division, American Smelting & Refining Co.; First National Bank of Arizona; A. E. Heinsohn Printing Machinery & Supplies; Jones Graphic Products; Arizona Public Service; Intertype Corp.; Valley National Bank; Blake, Moffitt & Towne; Butler Paper Co.; Mountain States Telephone & Telegraph; PBSW Supply & Equipment; Zellerbach Paper Co.; California Ink Co.; Graham Paper Co.; Mergenthaler Linotype; Standard Oil Company of California; Phoenix Gazette; Arizona Republic; California Newspaper Publishers Association, Inc.; Western Society of Business Publications; Los Angeles Club of Printing House Craftsmen; Santa Fe; Powell River Sales Corp.; Arizona Public Service; Westward Ho Hotel; Tempe Daily News; Orpheus Club; guest speakers, Howard N. King, James Russell Wiggins, Governor MacFarland, Senator Goldwater, Lawrence Wallace, Dick O'Malley, Everett M. Remsburg, Elmer Wolfer, Seymour C. Sterling, James Minotto, John Herbert, George Duncan; ANA committees, panel members, and association officers; be it further

Resolved, That the president of the association write a letter of appreciation to each of those named above, and that this resolution be spread on the permanent minutes of the association.

RESOLUTION 6

Whereas the Arizona Newspapers Association has had an interesting and important history of some 18 or more years; and

Whereas there is not now a consecutive or organized record of the operations, achievements, and activities of the association; and

Whereas it would be to the advantage of the association to have an organized history of the association, including the detailed minutes of its activities, both as an organization and through its board of directors: Now, therefore, be it

Resolved, That the Arizona Newspapers Association instruct its board of directors to investigate the possibility of creating the office of historian for the association, and outlining the duties of such office.

RESOLUTION 7

Whereas there is a growing tendency toward organizational and national restrictions and prohibitions on advertising of various kinds; and

Whereas professional associations and Federal agencies are the greatest offenders in this regard; and

Whereas this growing practice threatens the wellbeing of members of this association: Now, therefore, be it

Resolved, That the Arizona Newspapers Association board of directors take appropriate action to inform such associations and agencies, and the general public, that it is opposed to such restrictions and prohibitions on all types of advertising.

RESOLUTION 8

Whereas many communities in Arizona served by weekly and smaller daily newspapers have been built, and do now continue to depend upon tourism for a substantial percentage of their overall economy; and

Whereas the future of this segment of income is seriously threatened and jeopardized in the construction program of the Interstate and Defense Highways System because of certain standards adopted by the United States Bureau of Public Roads of the Department of Commerce, application of which will cause many communities in Arizona to be bypassed by these highways, and numerous roadside business concerns face extinction because of the controlled access provisions of Public Law 627; and

Whereas the financial injury and damage threatened to these communities and roadside businesses pose a threat, not only to the future economic welfare of community newspapers, but to the overall economy of the entire State of Arizona: Now, therefore, be it

Resolved, That the Arizona Newspapers Association in its 18th annual convention assembled in Phoenix, Ariz., call upon Arizona's Senators and Representatives in Congress to exert influence possible to have Public Law 627 amended to permit amendment, modification, or change in the uniform standards of the United States Bureau of Public Roads to accommodate the different conditions throughout Western States that will permit the highest possible economic advantages to continue to accrue to these roadside businesses, communities, and, therefore, the overall economy of the entire State of Arizona as prevails at present, and may be expected to continue in the future.

RESOLUTION 9

Whereas it has come to the attention of the Arizona Newspapers Association that there is now pending in the Committee on Public Works of the United States Senate S. 963;

Whereas S. 963 would ban outdoor advertising from the Interstate Highway System; and

Whereas we feel that this is an undue restriction on advertising and an invasion of States' rights: Now, therefore, be it

Resolved by the Arizona Newspapers Association, That they go on record as opposing the passage of S. 963, or that part of it dealing with advertising and that a copy of this resolution be sent to Senator CARL HAYDEN and Senator BARRY GOLDWATER and that copies also be sent to the members of the Arizona delegation in the House.

VOLUNTARY UNIONISM

Mr. GOLDWATER. Mr. President, on February 4, I introduced S. 3227, a bill to provide for voluntary unionism in the United States. My reason for introducing this measure is that I feel that individual union members are being subjected to economic and political pressure by certain unscrupulous labor leaders. I have often been criticized as a conservative by labor leaders for my stand on voluntary unionism. It is refreshing, therefore, to me to find that my position is receiving support from the so-called liberals in this country.

I ask unanimous consent to have printed in the body of the RECORD at this point a booklet which was recently published by the Fund for the Republic entitled "Unions and Union Leaders of Their Own Choosing." This booklet was written by Dr. Clark Kerr, chancellor of the University of California at Berkeley, Calif.

There being no objection, the booklet was ordered to be printed in the RECORD, as follows:

UNIONS AND UNION LEADERS OF THEIR OWN CHOOSING

(By Clark Kerr)

A quarter of a century ago in the United States the great issue in industrial relations was "unions of their own choosing." The country was in the depths of a profound depression, and a great ferment was in process. A new orientation of the American economy was in the making, an orientation toward full employment, Government-sponsored security for workers and farmers, Government regulation of business practices, and the creation of workers' organizations to balance the power of employers in the industrial labor markets of the Nation. The American economy, previously largely monistic in the management-labor area, in a few short years became pluralistic. Ranged alongside the power of the private employer was now the power of the State and the power of the union.

As it turned out, this new balance of power made less difference than once supposed, for the employers generally adapted quite well to the new situation and found they could prosper within it, but there was a new environment, largely set by Government, and within this new environment the employer faced the union as well as the individual employee. New unions came into being, and old ones found new life. Workers could vote unions and collective bargaining into their plants, and they did do so on a mass basis.

They chose to have unions, and they got them.

A quarter of a century later, today, unions are well established and secure in most major industries of the Nation. Their members number 18 million. They can close down even the giants of American industry—General Motors and United States Steel. They negotiate 100,000 contracts covering the working rules that guide and govern important aspects of the life of industrial men in nearly every trade and every industry and nearly every town. Income, leisure, job security, retirement, pace of work, job opportunities, discipline—all are affected by union participation in the rulemaking process. And union influence extends outside the industrial government of the Nation into its political processes, too. Unions affect the selection and the election of candidates. They are intimately woven into much of our economic and political life.

This quarter century has seen the great change in the power structure of our economy from monism to pluralism. It has seen new wealth, new security, new satisfaction for nearly all the people. It has seen the creation of a modern capitalism which can stand as a vital alternative in the great ideological, economic, scientific, and military contest that enthralls and engulfs the world—an alternative that has amply produced both goods and freedom. These developments in the United States have resulted in an acceptance of the surrounding society by its members which can hardly be matched in our earlier history or elsewhere in the world at any time in history. It is a society with consensus.

This consensus and the great achievements of the recent period should not obscure the fact that our society is still changing. Industrialization is new to the United States and to the world. The final form of the industrial society cannot yet be clearly seen. In particular, the ultimate adjustments between institutional power and individual choice within the State, the private economic organization, and the economic process (such as the labor market), are not yet settled and, of course, may never be in any final way. Many large and open, and even more small and silent, battles will be waged in the process of adjustment. Nor should this consensus and these achievements obscure the fact that all is not for the best even in the "bset of all possible worlds." There are no really dramatic internal crusades today either existing or needed; but there are reforms which are both needed and in the making. This discussion relates to one of them.

American government has been under critical scrutiny almost since the founding of the Nation. American industry was subjected to an intensive national review particularly in the 1930's. It had become big and powerful and sometimes corrupt. The great depression was laid at its doorstep since it was the most prominent doorstep around at the time. American unions are today undergoing similar scrutiny. They, in turn, have become big and powerful and sometimes corrupt.

It is said, by some, that only the unions can scrutinize themselves; that it is not the proper business of anybody else because they are private, voluntary associations. The corporations said this once, too, and they were scrutinized. And the unions will be, too. For, though they are private, their actions are clothed with the public interest; they affect the levels of wages and prices, the access of individuals to jobs, the volume and continuity of production, and many other important aspects of society. Also, they are seldom really voluntary. Even in the absence of the closed or union shop, social pressure often assures membership. Along with this external scrutiny, the unions should scrutinize themselves, and the more effectively they undertake this scrutiny (and they are doing suprisingly well) the less need there is for external examination and external reform. Our pluralistic system has three main organized elements, the State, the corporation, and the union. It is essential that each element function effectively, and consequently that each of them be subject to both internal and external criticism.

THE CENTRAL ISSUE—UNION IMPACT ON WORKER FREEDOM

Of the several issues involving labor today three are inherently simple issues. They are confined to specific segments of the labor movement but at the same time run to American life generally. These three issues are corruption, collusion, and violence.

Corruption exists and it is bad; but right and wrong are evident and hardly open to debate. Few unions are involved and other institutions in society have known and do know it also. Some remedies, including proper accounting procedures, are relatively easy to identify, although not always so easy to apply effectively.

Collusion also exists and it also is bad; but again the nature of virtue is not hard to define, although the line where it ends may be hard to draw in particular cases. (Virtue and the drawing of proper lines have met before on other stages.) Relatively few unions are affected and then nearly always jointly with their employers; and collusion, too, accompanies human nature almost throughout the span of social relationships.

Violence also is to be condemned. It has decreased greatly as a union tactic, however, and is subject to control by the many devices civilized man has created to insure law and order.

These are issues—they probably will be for a long time, and they deserve attention. But they are peripheral to the main controversy today.

The great current issue is the impact of the union on the freedom of the worker. This issue is not simple; it is most complex. It is one that runs through all or nearly all of the union movement and is central to its very existence. While not unknown as an issue in the spheres of government and the corporation, it is less intensely manifested there at the present time. Our Nation has had a long, successful experience in creating a democratic framework for our Government and protecting the liberties of individual citizens. Our corporations are not expected to be run on a democratic basis. They are founded on the model of the individual entrepreneur making his own decisions; and corporations seldom have either a captive labor force or captive consumers (when they do have captive consumers they are usually subject to State control).

The unions are different. They have not had, like our Government, a long and successful experience in developing a system of checks and balances, in limiting their sphere of endeavor, in defining and protecting the internal rights of their members. Unlike the corporation, they are founded on the assumption of internal democracy. They are associations of individuals, not collections of capital funds. Moreover, increasingly they have a captive membership. It is usually not possible for a union member just to withdraw in protest, without penalty, if he does not like the organization, its leaders, or its policy. We have here, most frequently, a more or less compulsory organization with substantial impact on the lives of its members.

American unions do make a major overall contribution to a democratic industrial society—this is the first and most important observation to be made about their impact on worker freedom. They usually create a two-party legislative system, governing the life of the workplace. In their absence, the rules would be set exclusively by the employer. Through the unions, the workers can have a direct influence on the nature of the rules under which they work. (Without a union they can also have an impact, by their choice of employers, but this is much less direct.) Also, unions usually insist on a grievance mechanism and this brings a judicial process into industrial life which is more impartial than when the employer sits as both prosecutor and judge. Beyond that, unions create a new power center which can, if it wishes, stand against the power centers of the State and the corporation, and these latter power centers have gained greatly in recent years in their absolute strength. A rough balance among private and public power centers is the essence of a pluralistic society, and a pluralistic society is the only firm foundation for democracy in an economy based on industrial production.

Thus the unions have generally brought a better legislative and judicial process into industrial life and a better balance among the power groups of society. They have done this without the consequences that were so feared in times just past. It was believed that industrial conflict would tear society apart; the fact is that industrial peace is now the commonplace, and, except for the few unions still under Communist domination, American unions most certainly contribute to the social stability and security of our whole system. It was feared that unions would hamper productive efficiency and stifle progress; undoubtedly many union rules do retard production but there is no evidence that the overall effect has been anything but relatively minor, and some new methods have been better received because of union consultation than they otherwise would have been in the light of the inherent conservatism of the workplace. It was feared that unions might distort interindustry wage structures and that their actions would assure wild inflation; in fact, it is one of the wonders of the economic world that unions have had so little effect on wage structures; and their impact on price levels, while open to dispute, has certainly been no more than moderate. The fears of costly social conflict, of strangled production, of rampant inflation because of unions have proved largely without substance.

But a fear does remain that unions may take too much freedom from the worker, and this fear may not prove so groundless. If they do, they will not be the only institutions in our mass society which have conduced toward conformity. Big unions, big corporations, big government, and small individuals seem to be the order of the day.

If freedom is defined as the absence of external restraint, then unions reduce freedom, for they restrain the worker in many ways. They help to establish formal wage structures, seniority rosters, work schedules, pace of output, and the pattern of occupational opportunities, all of which limit his freedom of choice. They decide when he shall strike and not strike. They are—and this is one of the essentials to an understanding of unionism—disciplinary agents within society. They add to the total network of discipline already surrounding the workers through the practices and rules of the employer. They, too, insist upon order and obedience. It is inherent in their very existence. Two bosses now grow where only one grew before.[1]

Some loss of freedom, however, is inevitable in an effective industrial system. It

[1] This is not to suggest that it is not often and perhaps almost always better to have two bosses rather than one, for the union boss may help liberate the worker from the unilateral rule of the employer boss; but the worker is still subject to a web of rules and this web tends to be more thickly woven as a result of the presence of the union.

will occur, more or less, whether the system is run by the employers alone, by the State alone, or even by the unions alone. Industrial society requires many rules and reasonable conformity to these rules. There must be a wage structure, a work schedule, and so forth, no matter who operates the system. This loss of freedom is one of the prices paid by man for the many benefits in income and leisure that can flow from industrial society. The challenge is that this price not be any higher than necessary. The issue lies in the "more or less." The loss of freedom of the industrial worker will be substantial, as compared with the self-employed farmer or craftsman, but it may be less rather than more; and unions can make it either less or more.

UNION DEMOCRACY—DIFFICULTIES, DETRIMENTS, VIRTUES

Before we can determine how the reduction of freedom may be less rather than more, three introductory observations should be made:

1. Democracy in unions is inherently difficult to achieve. A union is variously expected to be at one and the same time—as Muste[2] pointed out long ago—an army, a business, and a town meeting. Unions have usually ended up by being a business, serving the members but sometimes with those members having little more influence over the conduct of the business than stockholders have over a corporation. Unions have sometimes ended up as an army and have justified it, as Lloyd Fisher once remarked, in the terms the Communists have used to justify their "people's democracy," by reference to "capitalist encirclement." Unions have almost never ended up as a town meeting.

2. A good deal more democracy exists in unions than these comments and most outside observation would indicate. The national unions are the most visible entities and they are usually the least subject to democratic pressures. But at the local level, in many unions, there are contested elections, substantial turnover of officers, and face-to-face relations between members and leaders—here is the least entrenched bureaucracy. Particularly at the shop level, the relationship between shop stewards and workers is a responsive one. This local level is usually the most important to the workers. This is where he lives and where his grievances are handled.

3. It is sometimes argued that unions need not or even should not be democratic. Different reasons are given for this conclusion. One line of argument is that unions have become largely functionless organizations and nobody really cares whether they are democratic or not. The State guarantees full employment and social security, and the employer has been seduced by human relations. Consequently, the worker has a job—often paid above the contract rate—a pension, and a friend, perhaps even a psychiatrist; and there is nothing for the union to do.

Or, it is sometimes said, unions have become quasi-governmental bureaus. They help set minimum wages and schedules of hours, and they process grievances, as government bureaus sometimes do both here and abroad. Their work is largely routine and best handled in bureaucratic fashion; and so, again why worry about democracy? Occasionally it is also said, unions function best if they are removed from the pressures, of democratic life. They must respond to many pressures, not those of the membership alone but also the needs of the industry, the welfare of society, the concerns of other unions. They should take a longer view of events than the current membership is likely to take, for they are organizations with a continuing life. They will be more widely responsible to society and more businesslike in their operations if they are not subject to the demands and uncertainties of active democratic participation. The conclusion to this argument is that democracy causes internal and external strife and irresponsibility.

Each of these reasons has some point to it. Unions perform less of a function than they did 2 decades ago; their work has become more routine as pattern-following and grievance precedents have become established; and internal democracy can cause external trouble, particularly for employers.

But the case for democracy can still be persuasive. If democracy is a superior form of government, as most of us would insist, it should be preferred in practice wherever it is possible.

Second, the workers can have a more effective voice in industry if they have an effective voice in their unions; and they are more likely to be satisfied with society if they have a sense of participation.

Third, if the unions lose their responsiveness to the interest of the workers, an opportunity is created for other organized elements, more politically motivated, to move in to represent these interests, as has happened in certain European countries.

ONE-PARTY GOVERNMENT—THE UNION CASE

The overwhelming majority of all the organizations of man throughout history have been ruled by one-party governments. Most of the time in most parts of the world all organizations have been under one-party rule. In certain parts of the world at certain times in history there have been a few two-party (or multiparty) organizations; but one-party rule is the standard and well-nigh universal case. The trade union is no exception. The International Typographical Union is the single deviant specimen on a national level in the United States.

Even in the democratic United States, the corporation, the political party, the fraternal order, the religious denomination, the farm organization, the welfare group, the student government, are all one-party organizations. Only in the public area, where it is by all odds the most essential, do we have two-party government.

The neglect of the one-party model of government, in view of its significance, is astounding. The rare instances of two-party and multiparty government have attracted most of the study. Certainly two-party government, as Lipset[3] has persuasively argued, has much to recommend it. It provides criticism of the existing government, it makes ready an alternative government if the members want it, it reduces apathy, and does much else of value. But most men all of the time, and all men some of the time, function in one-party social organizations; and so do union members.

Why are unions one-party governments? There are several reasons. Partly, it is the requirement of unity in the face of external conflict. Partly, it is the control exercised by the leaders over the mechanism of the organization. But the answer lies much deeper than the fear of the enemy and the desires of the leaders. It is that there are no continuing conflicts except over ideology, and ideological conflicts tend to split unions rather than to create two-party systems within them. Witness the separate unions in several European countries and the split-off of Communist unions in the United States. Issues over wage increases, the handling of grievances, and so forth may lead to factions and leadership rivalry but not to two-party systems on a continuing basis.

Does one-party government mean that unions are inevitably undemocratic? If only two-party systems are really democratic, then the answer is obviously in the affirmative. But if organizations where the supreme power is retained by the members and which are reasonably responsive[4] to membership desires may be called democratic, even in the absence of a two-party system, then unions may be and many are democratic.

There are dangers in any one-party government[5] but the system may serve its members well. It is most likely to do so, however, in the long run, if it is under the proper pressures. Traditionally, this pressure on trade-union government in the United States has come from four sources, all of them, unfortunately, now largely of historical importance only. In the passing of these four sources of pressure lies much of our current problem.

1. When union membership was more voluntary, leaders had to be responsive to the workers to get and retain members and this was an effective check on authority. As noted earlier, union membership is now, one way or another, often compulsory, the law notwithstanding; and it is likely to become more so. Union security, with all its other advantages, and leadership responsiveness tend to move in somewhat opposite directions; the voluntary sale and the forced sale lead to different behavior in any walk of life. This is not to support voluntary membership through the compulsion of the State for it seems neither possible in many situations nor, on balance, wise.

2. When dual unionism, now largely a relic, was an active force, it had somewhat the same impact as voluntary membership. Not individuals but groups could and did shift allegiance, and this acted as a check and balance. The idea of one union in one jurisdiction, however, is so firmly embedded

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[2] A. J. Muste, "Factional Fights in Trade Unions," in American Labor Dynamics, Harcourt, Brace, New York, 1928.

[3] S. M. Lipset, M. Trow, and J. Coleman, Union Democracy, Free Press, Glencoe, Ill., 1956.

[4] There are those, of course, who would argue that the proper test of an organization is not the degree of responsiveness to the needs of those involved, but rather the degree to which the persons involved actually and directly participate in the decision-making process. For them, only town-meeting democracy is fully satisfactory; and, given the nature of industrial society, their test can be met by very few consequential organizations. It should be noted that "responsiveness" is not only a different test from "participation" but is also different from the test of "performance." "Performance," in the sense of "bringing home the bacon," may be quite exceptional without, at the same time, having much connection with "responsiveness." "Performance" refers to results; "responsiveness," to the processes which connect leadership behavior with membership desires. Performance, however, may usually be expected to be superior in the long run where responsiveness exists; and this is one of the basic tenets of democratic thought. Perhaps it should also be noted that active participation, where it is possible, is often an effective means of assuring responsiveness but by no means guarantees such responsiveness; in fact, it can serve as a technique of control. The view taken here is that performance alone is not enough and that participation, as through a two-party system, is more than can be expected under the circumstances, and, consequently, that the appropriate test is responsiveness. Responsiveness rests on a minimum degree of participation and will yield, usually, a reasonable measure of performance.

[5] Particularly if there is no judicial protection against the use of arbitrary power, as is often the case. Due process can be as important as democratic assent to the leadership.

in American union philosophy that dual unionism can exist only sporadically and temporarily.

3. The more or less permanent faction, stopping short of a second party but hovering in the wings ready to rush out on any inappropriate occasion, was a check on the leadership in many unions. The old-line Socialists served this function for many years, but the New Deal and time brought their demise. The Catholic faction continues in a few unions, but usually only in those under leftwing control; otherwise there is little basis for a Catholic faction. There are few permanent factions today and fewer still in prospect.

4. The employer, particularly the recalcitrant employer, has historically been a check and balance on the union leadership. If the two organizations—the company and the union—appealing to the same constituency are in conflict, each will criticize the other and may even stand ready to try to destroy the other. But the day of fighting the unions is largely past, at least under conditions of full employment. The separation of interests between the leaders of the two organizations is decaying because industrial peace pays. Consequently, company pressure on most unions has been greatly reduced and in some instances has entirely disappeared.

UNION DEMOCRACY—THE POSSIBILITIES

With union membership increasingly compulsory, dual unionism declining, the permanent faction disappearing, and company opposition more rare, is there any hope for "democracy" or leadership responsiveness to membership interests in trade unions? There still is, for there are substitutes for these historical pressures. Six such possibilities will be suggested, with particular emphasis on the sixth.

1. Membership interest: Union memberships are traditionally apathetic except in some crisis, and very little can be done about it. Compulsory strike votes proved a farce in World War II and most bargaining issues cannot properly be put to membership vote. But some experiments might be undertaken with the polling of membership opinion, with advisory referendums, and even with the use of television as a way for leaders to reach members, who will seldom come to meetings.

2. Professional leaders: Much is written about management as a profession. Perhaps union leaders might also become professional in the sense that they might be specifically trained for their jobs and might develop an ethic to guide their conduct—an ethic which sets boundaries to their behavior. They might, like city managers, be specifically trained for their jobs and responsible to an elected governing board.

3. A new faith for the union movement: Certain leaders today, in unions where the last vestiges of active democracy disappeared long ago, still serve their members well because of their adherence to the old faith of the union movement. But the old faith attracts few new followers. It was a fighting faith that grew out of evil conditions for the workers and union-busting by the employers. The conditions which gave rise to it no longer exist in the United States, although they continue to a degree in England and Germany, there the old faith still sets standards for union leaders. The social reformer holds himself—and is held by his environment—to a higher code of conduct than the business leader of the business union who quickly takes on the coloration of the industry with which he deals. If its ethics are high, his will be also; if they are low, so are his. The business union is a segment of the business.

What might this new faith be? It cannot be either "more, more, more and now." It cannot be a vision of class conflict. It might lie, as suggested later, in the development of unions as a liberating force in industrial society; and this might carry the union leader more into the intellectual and less into the business community.

4. Local autonomy: Local unions, by their inherent nature, clearly can provide more opportunities for democratic participation by the members than can national unions. Consequently, the more autonomy there is at the local level, the greater the democratic life of the union movement is likely to be. The big drop in democratic participation comes in the move from the one-plant to the multiplant local or the district union. In the one-plant local, rival leaders can get known and be effective, issues can be discussed on a face-to-face basis, and democracy can be effective. In several European countries, for example, it is the local works council, with substantial powers, which arouses worker interest and participation. The multiplant unit serves the interests of the entrenched leadership in a most emphatic way. The one-plant local with real authority is the most democratic entity in the trade-union movement. Considerable constitutional reform in most unions would be prerequisite to effective single-plant locals. Among other things, the institution of the receivership by regional and national officials would need to be curtailed.

5. Union decertification: It is certainly desirable to continue some mechanism through which members can exercise an option in favor of another union, or of no union at all. Such an option will rarely be employed but it should be available. If it is available and is used occasionally, it can act as a minor check and balance on union leadership.

6. Discharge through rebellion: The two-party system within unions, as we have seen, is an historical oddity. The regularly contested election is a rarity. Yet union officials do get changed other than as a result of death or retirement. Union officials are, in effect, hired by the membership for the duration of their good behavior, as tested imprecisely by the membership. The trouble comes when they need to be fired. The mechanism then is a contested election in which the old leader is voted out of office. For such a contested election to take place two prerequisites are necessary: (1) It must be possible for a faction to form and for its members to be reasonably free from retaliation through the operation of an impartial judicial process; and (2) there must be secret elections at appropriate intervals. Other actors must be allowed to stand in the wings and be permitted to move on stage when the audience calls them. The dissatisfied individual and the antagonistic faction must be given an opportunity.

The term "competitive discharge" might be used in the sense that the leader is subject to constant evaluation by the members and is also subject to discharge through the process of electing a competitor who is free to appear when the conditions warrant.[6] In the two-party system the question is as to the better person; in the competitive discharge case, it is whether the incumbent should be fired or not.[7] Deposed union leaders usually feel—and they are right—that they have been fired, not that they have been defeated. Among other things, they almost never seek election again once they have been discharged. They are like the old bull in the buffalo herd brought to his knees by the young challenger.

If trade-union democracy is defined as a system of government where the supreme power is largely retained by the members and can be exercised by them in an emergency at any and all levels, then the effective right of competitive discharge, by itself, is a sufficient basis for trade-union democracy. The essential feature of a trade-union constitution is whether it guarantees this right of competitive discharge. This is the most we can reasonably expect, and it is also probably enough.

THE NEW INDUSTRIAL FREEDOM?

The central issue presented earlier was the impact of unionism on worker freedom. This issue goes beyond the internal relationship of leader to member, which we have just been discussing, to the rules the union makes or helps to make affecting the life of the worker as worker and to the span of activity of the union.

Industrial society, as we have noted, requires a great web of rules to bind people together and to secure their cooperative performance within an extraordinarily complex and interrelated productive mechanism. And the burden of these rules on the individual can vary quite substantially. It can be comparatively heavy or comparatively light.

If it is to be comparatively light, two principles are basic. First, the rules should provide the maximum power of individual choice consistent with efficient production, the greatest possible provision to move freely within limits set by the imperatives of industrial society itself. Second, each institution should be narrowly oriented toward its primary function, whether that function is production of goods, or representation of economic interest, or the salvation of souls. The individual will have greater freedom if the span of control of each institution with which he is associated is relatively narrow. The institution which encompasses the totality of the life of the individual can subject him to its power and control in a way no limited-function institution can.

The power to do as one pleases, which is the essence of freedom, rests on rules with broad limits and institutions with narrow limits. One of the great and continuing, and even eternal, challenges of industrial society is to construct the society in such a way as to increase to the highest possible degree not only the wealth of the world but also the freedom of man.

These general principles also apply to unions. The rules unions make or join in making can influence a large part of the occupational life of an individual. To begin with, all unions should be open unions, open to everyone without discrimination except on

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[6] In one major Icelandic union, for example, this principle is explicitly recognized, rather than camouflaged. The incumbent officers are automatically reelected at each contract reopening period (if the stated election time may be so designated), unless a certain number of members petition for the placing of an opposition slate on the ballot, in which event a contested election is conducted. More common practice in the United States is to go through the formality of an election each time, but an opposition candidate will appear and the election will be contested usually only if the incumbent is in an unfavorable position.

[7] Such a question is most likely to be raised in an urgent fashion at the time of a crisis (a strike, an attack by a rival union, an unsuccessful wage negotiation, the disclosure of misuse of funds, etc.). Such crises hold within themselves the possibilities of constructive democratic action, if a minimum of democratic machinery is available; otherwise an open revolt, usually taking the form of the organization of a rival union, is the only alternative, and a very difficult one. Unfortunately, under the competitive discharge system an ineffective leader can retain his position much longer (i. e., until a crisis creates the condition for his downfall) than he could under the competitive election system. The machinery which is used to handle the competitive discharge can, of course, also be employed to handle the problem of replacement after the death of a leader.

the grounds of ability to perform the work. Additionally, the rules governing a man's working life should give him the greatest freedom of choice inside the union. Illustrations from three important areas will indicate the possibilities:

1. Seniority rights are important in almost all areas of human relationships. They are the basis for settling many problems; but they can be a prison too. Some unions allow the transfer of seniority rights from one place of employment to another, or permit some percentage of positions (in one case every fourth position) to be filled outside of local seniority lists. Such arrangements increase a man's opportunity to move around.

2. Private pension plans often have no vesting provisions and this tends to tie the worker for life to a single place of employment. His status becomes not unlike that of the serf on the manor tied to his lord, who in the modern case may be plural—the company and the union. Reasonable vesting rights aid the mobility and thus the freedom of workers.

3. Hours of work must be scheduled, but these schedules can provide for local option by individual groups of workers instead of a uniform national schedule. (A local group may prefer one holiday to another, or longer vacations and as a consequence longer hours per week.) Schedules can provide some part-time jobs for the aged or for women, or for men who want a second job. Developing an appropriate balance between time spent on earning income and time spent on leisure is an important aspect of welfare in any society, and it can best be done on an individual basis. The opportunities for experiment in this area are great.

Unions, like many other institutions, often seek to extend their sphere of activity until it covers more and more of the life of their members, not only as workers but also as consumers and citizens. If the limited-function corporation and the limited-function state and the limited-function church are desirable, so also is the limited-function union. Union paternalism (housing projects, vacation resorts, recreation facilities) has little more to recommend it than employer paternalism. Union political activity, while inevitable and often desirable, should not infringe on the rights of the member as citizen.[9] He should not be required to support, financially or otherwise, a political party or candidate not of his own choice. The union should find its primary function in relating to the worker as worker, not also as consumer and as citizen.

Trade unions have historically been fighting organizations. They have emphasized unity within their own circles and the standard rate in the labor market. But now they are established, secure, and accepted. Full employment in the economy and grievance machinery in the plant give the individual worker a status largely unknown 25 years ago. The union attitude of limited class warfare directed at the surrounding society and of discipline directed at the individual member is no longer required by the new situation.

Might the unions turn their attention from the old slogans and the old dogmas, and undertake a new orientation toward their role in industrial society? This new role might well be that of a liberating force in industrial society, of a force helping to build a type of industrialization which would meet the desires of the single individual as well as of the organized group. This would be a mission the employers might well join, for they too have pressed for conformity and against individuality among the workers.

THE WORKER, THE UNION, THE STATE

The title of this paper suggests that national policy might move from the "unions of their own choosing" of the 1930's to "union leaders of their own choosing" and even, to a degree, to "union rules of their own choosing." But how is this to be accomplished? Action by the unions themselves would be most desirable and there has been a surprising amount of it during the past year. Experience here and abroad, however, suggests it will not be sufficient, that behind the good intentions of most union leaders will need to stand the power of the law, as in the case of corporations in the past.

This is a troublesome issue. The pluralist will defend the private association from the control of the State. The individual, however, also needs defense against being controlled by the private government of the trade union, and ultimately this defense can be guaranteed only by the State. If the State is to interfere in the internal life of trade unions—as it does significantly already[9]—then it is important that this interference be wisely conceived, for the power to control is the power to destroy. Unions should in no way be destroyed as independent power centers. Clyde Summers has recently suggested[10] four guidelines for such interference and each one seems worthy of consideration: (1) it should be minimal, (2) it should be segregated from laws on other matters, (3) it should encourage responsible self-regulation by the unions, and (4) it should be enforcible.

In this discussion of the impact of unions on the freedom of the workers, six aspects of the problem were particularly emphasized; local union autonomy, a new faith for the union movement, secret elections of officers, independent judicial processes, permissive rules on entry to the union and on movement within industry, and narrow limits to union functions. Four of these areas may lend themselves properly to legislation:

1. In Australia,[11] union members can, under certain circumstances, ask the State for the conduct of secret elections of officers.

2. Again in Australia and to an increasing extent in the United States, union members can appeal to the courts for protection against retaliation for internal political dissent. In this connection the private external review boards of the Upholsterer's Union and the United Automobile Workers are a most interesting device, paralleling private arbitration of grievances against companies.[12]

3. Protection from discrimination in getting into a union, as well as in getting a job, is already provided in some States. Such provisions call for the open union instead of the open shop.

4. Prohibition of compulsory political contributions is now provided in both the United States and Great Britain.

Adequate legislation in these four areas would assure a reasonable degree of democracy and of individual freedom. Beyond what the law might require, many unions have provided and may provide considerably more democratic life and individual liberty. The ethical practices committee of the AFL–CIO has made a substantial contribution in these directions.

The trade unions are going through a period of crisis. This crisis originates as much from self-examination by labor leaders as from the more obvious external criticisms. Out of this crisis may well come more representative government within unions and more rights for the individual worker. Since unions are an important element in our pluralistic society, their effective functioning is a contribution to the national welfare. As an element of a democratic society, they should be responsive to their members. As an element of a society founded on the significance of the individual, they should contribute to his freedom. "More, more, more, and now" is no longer enough.

Mr. GOLDWATER. I also ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial from the Arizona Republic of Tuesday, January 21, 1958, entitled "On the Right Track." I further ask unanimous consent to have printed in the RECORD at this point in my remarks an article by Mr. Victor Riesel dated February 10, 1958, which refers to the booklet written by Dr. Kerr.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Arizona Republic of January 21, 1958]

ON THE RIGHT TRACK

The Fund for the Republic, operating under a grant from the Ford Foundation, has been studying "the basic issues underlying a free society." Since Robert M. Hutchins is president of the fund and such liberals as Herbert Lehman and Paul Hoffman are on the board of directors, the organization can hardly be accused of being a tool of the reactionaries.

One of the fund's latest studies is entitled "Unions and Union Leaders of Their Own Choosing." It was written by Clark Kerr, president-elect of the University of California and an expert in the labor-management field.

Mr. Kerr has reached some conclusions that union leaders won't like. He says unions are ruled by one-party governments, that they increasingly have captive memberships, and that they are, most frequently, compulsory organizations. All of which adds up to a loss of freedom for the union member. How to minimize this loss of freedom is the problem tackled by Mr. Kerr.

Since it is almost impossible to stir up voting interest in any one-party system, Mr. Kerr holds out little hope of the union ballot box as a means of democratizing the unions. However, he does suggest that union members must be "reasonably free from retaliation through an impartial judicial system" and "there must be secret elections at appropriate intervals." This allows the members to exercise a "competitive discharge" of a leader they no longer want, even though it is unlikely that two continuing factions will seek to run the union.

One way to give workers more freedom, it seems to us, is to put an end to compulsory unionism. If a worker is free to join or not to join a union, as provided in Arizona's right-to-work law, he obviously is freer than if he has to join the union and pay dues in order to get a job.

Although Mr. Kerr is opposed to right-to-work legislation, he says: "It is certainly

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[9] The traditional union political activities in the United States—lobbying in regard to legislation affecting unions and workers as workers, and distribution of informational data on the record of candidates in the same areas—do not interfere with the rights of the union member as citizen. Compulsory political levies and political strikes do interfere with these rights, and also with the proper functioning of a democratic society.

[9] For a recent review of current American practice see J. T. Dunlop, "The Statutory Regulation of Internal Union Government," 1957.

[10] "Legislating Union Democracy," paper presented to annual meeting of the Industrial Relations Research Association, September 1957. See also comments by Dunlop, op. cit., and in "The Public Interest in Internal Affairs of Unions," 1957.

[11] See L. S. Merrifield, "Regulation of Union Elections in Australia," Industrial and Labor Relations Review, January 1957.

[12] The encouragement of the establishment of such private judicial processes better fits a pluralistic society with its independent power centers than the institution of a public labor court approach, as in Germany.

desirable to continue some mechanism through which members can exercise an option in favor of another union, or of no union at all." He also says: "Union political activity * * * should not infringe on the rights of the member as a citizen. He should not be required to support, financially or otherwise, a political party or candidate not of his own choice."

We think Mr. Kerr is on the right track. We have never questioned the fact that unions are here to stay, nor have we doubted their ability to contribute to the progress of the Nation. But compulsory unionism is not in accord with basic American beliefs. It is refreshing to find Mr. Kerr and the Fund for the Republic coming out squarely for democratization of the unions.

The Kerr report should have considerable impact on Congress, which will consider labor-management legislation at this session. The report cannot be considered unfriendly, but it does insist that "behind the good intentions of most union leaders will need to stand the power of the law." Congress will be making an important contribution to the welfare of the Nation's working men and women if it moves ahead in the directions suggested by Mr. Kerr.

INSIDE LABOR

(By Victor Riesel)

First prize for identifying the following quote will be an exact replica of the bent wire in the first stage of the last Vanguard rocket. If you identify the writer do not rush to New York for the stack of giveaways; stay where you are. You are sufficiently well informed to make a fortune in the labor relations business. Says the quote:

"American unions are today undergoing * * * scrutiny. They * * * have become big and powerful and sometimes corrupt.

"It is said, by some, that only the unions can scrutinse themselves; that it is not the proper business of anybody else because they are private, voluntary associations. The corporations said this once too, and they were scrutinized. And the unions will be too.

"For, though they are private, their actions are clothed with the public interest; they affect the levels of wages and prices, the access of individuals to jobs, the volume and continuity of production, and many other aspects of society.

"Also, they are seldom really voluntary."

Since it originally stumped this expert, I rush to report that it comes from a booklet which has been causing much disturbance in labor's inner sanctums. The booklet is entitled "Unions and Union Leaders of Their Own Choosing." Its conclusions would have been enough to provoke some curbstone cussing. But this was compounded by the fact that it was published and widely distributed in intellectual circles by the Fund for the Republic headed by Dr. Robert M. Hutchins. The fund can hardly be mistaken for a brother organization to the National Association of Manufacturers.

Furthermore, this sharp outcry for union democracy—written in the fullest sense of old-fashioned crusading pamphleteering—is the work of Clark Kerr, chancellor of the University of California. If Dr. Kerr needs any other imprimatur as a friend and sympathizer of labor, it need only be reported that he was one of the first chosen by Walter Reuther to serve on the United Automobile Workers' public review board.

This is a seven-man committee of nationally prominent citizens to which any auto worker can turn for help if he feels he has been denied his rights inside the giant auto union.

Dr. Kerr, therefore, is certainly grinding no one's philosophical ax when he says:

"The unions are different [from corporations—V. R.]. They have not had, like our Government, a long and successful experience in developing a system of checks and balances in limiting their sphere of endeavor, in defining and protecting the internal rights of their members. Unlike the corporation, they are founded on the assumption of internal democracy.

"They are associations of individuals, not collections of capital funds. Moreover, increasingly they have a captive membership. It is usually not possible for a union member just to withdraw in protest, without penalty, if he does not like the organization, its leaders or its policy.

"We have here most frequently, a more or less compulsory organization with substantial impact on the lives of its members."

It is precisely the friendship of this author which makes AFL–CIO chiefs so sensitive to his recommendations and has begun to awaken in them—as it did this past week in their executive council session in Miami Beach—a feeling that the all-out-for-labor intellectual has finally revolted. Dr. Kerr's proposals not only startled the national labor leaders but have also had their impact on pro-labor Congressmen.

Dr. Kerr, for example, believes that unions should adopt a sort of city manager plan. The elected union chief can be the equivalent of a mayor, but there should be an independent professional director or administrator to run the union's affairs.

Furthermore, the fund's report calls for a system in which the membership should have the right to vote itself out of an old union into a new one—or out of organized labor entirely. Dr. Kerr insists that it should be realized that, theoretically, union officials are hired by their membership—and the rank and file should absolutely have the right, without restraint, to fire such officials by voting them out of office.

As the McClellan committee turns to new exposures of Midwest gangsterism, labor's responsible leaders realize that they must move, too, to retain old friends.

Mr. GOLDWATER. Apropos of my statement that individual union members are often not well represented by their leadership, I ask unanimous consent to have printed in the RECORD at this point an article from the Washington Daily News of Tuesday, November 20, 1956, entitled "The Unions Take a Look at Themselves." I particularly call attention to this article because it is a survey that was made by the unions themselves, and some of the answers to questions which were asked these union members are particularly significant at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNIONS TAKE A LOOK AT THEMSELVES

(By John Herling)

A study of the attitudes of thousands of union members indicates why many of their national leaders may start reexamining their relations with the rank and file.

Every leader—from President Eisenhower down—is confronted with the problem of finding out what people think, and conversely, how to get them to understand what he thinks. Business leaders and union leaders are no exception. The growth and size of their organizations have created unprecedented problems of internal organization.

That's why the University of Minnesota set a team of experts to work in the field of labor relations to find out what union members and union officials think about their organizations.

This depth study affecting the "communication" lines inside the union was conducted by Walter H. Uphoff and associates among local unions, with total memberships of 14,000, in the Middle West and on the west coast.

THE LIST

Local officers and the membership of the following unions were studied: the auto workers, the gas, coke, and chemical workers, grain millers, lithographers, machinists, meatcutters, office workers, retail clerks, sheet-metal workers, tool and die workers, and woodworkers. About 1,250 answers were analyzed.

Here are some of the key statements presented to the workers in the study and the experts' comments on their reaction:

"If it were not for unions, we'd have little protection against favoritism on the job."

The great majority felt a union tends to provide protection against favoritism on the job. When taking the entire group (local officers and rank and file) and examining it on the basis of years of union membership, the data showed 74 percent of those who had been a member for 1 year or less giving favorable responses. But this percentage increased to 90 percent for persons with 10 to 14 years' membership and dropped slightly to 88 percent for those with over 15 years' membership in their union.

"I think the best man should be kept on the job regardless of seniority."

On this item 59 percent of the officers and 44 percent of the rank and file disagreed with the statement; they favored seniority. When the entire group was examined on the basis of years of union membership, only 33 percent of the workers with a year or less of membership and correspondingly low seniority rights disagreed. Apparently many who have not been on the job long enough to acquire much seniority are in favor of keeping the best man on the job. But as seniority rights increase, so does the percentage of responses favorable to the union.

"Employees of a firm have better wages and working conditions when all of them belong to a union."

On this item almost all who responded (94 percent of officers and 88 percent of rank and file) agreed that a union shop makes for better wages and working conditions. Even 85 percent of those with less than 1 year of membership agreed.

"We need more laws to limit the power of labor unions."

A total of 82 percent of the officers and 58 percent of the rank and file disagreed with this statement, while 21 percent of the rank and file agreed and 21 percent were undecided.

"Workers should have to join a union in order to hold a job."

Although the union members included many who were members by virtue of the fact they worked at a plant covered by a union shop clause, 77 percent of the officers and only 51 percent of the rank and file agreed with the above sentiment. In this case 38 percent of the rank and file disagreed and 12 percent were undecided. Again a higher proportion of those with more years of union membership were favorable than those who have joined more recently.

"In case of a strike I'm sure we'd stick together."

Although over two-thirds of both officers and rank-and-file members agreed with this item, the proportion of undecided was 16 percent and 23 percent, respectively.

"It is practically impossible to elect different officers in our national union."

This is another item where the percentage of undecided is very high (28 percent for the officers and 48 percent for the rank and file). How easy or difficult it is to change officers of national unions varies from union to union. On this item a larger proportion, 21 percent of the officers, who are generally better informed, agreed as compared to 16 percent of the rank and file.

"I regard my union dues as a good investment."

Ninety-five percent of officers and 82 percent of the rank-and-file members agree—

a high percentage favorable response when considering the fact that the random samples on which these results are based included many inactive union members.

"My union spends too much time and money on political action."

The question of how much time and money should be spent on political action is of interest to many people, both in and outside the labor movement. Sixty-five percent of the officers and 45 percent of the rank and file did not believe too much time and money was spent on political action. In fact, these favored such expenditures. But 55 percent of the rank and file opposed such expenditures—or were not sure about the time and money paid out for such activities. The younger members think too much time and money is spent on such activities. The older and more experienced members do not.

SOUTH DAKOTA IS BRIGHT SPOT ECONOMICALLY

Mr. MUNDT. Mr. President, I am happy to have my colleague from Arizona point out that in Arizona there is a good economic situation and that there is much confidence in the capacity of that State to move ahead. I invite the attention of Senators to the fact that Arizona is not the only State in the West which has confidence in the present and faith in the future.

I hold in my hand a survey which has just been completed by the director of the bureau of business research of the University of South Dakota. Director V. E. Montgomery points out that 8 out of 10 business indicators, carefully weighed and analyzed, were higher by an average of 4 percent in South Dakota in 1957 than they were in 1956.

I sympathize with those of my colleagues who have had to rise and say that their States are in the doldrums, that they appear to have run their course, and that they are moving backward instead of forward. In Memphis, Tenn., the streets are full of people in the breadlines, according to the reports which I read in the RECORD, but certainly that is not a universal situation, and my sympathies flow out to Memphis and to Tennessee.

I invite the attention, however, of those who are looking for places to establish new industries to the fact that South Dakota is in a strong economic position. South Dakota, according to the indicators used by those who analyze business trends, is an inviting area into which to move. It is indeed the opportunity State.

I call attention, for example, to the fact that the last issue of the U. S. News & World Report lists unemployment statistics by States in the United States. These statistics can be read both numerically and percentagewise. I am happy to point out that there is less unemployment in South Dakota, both percentagewise and numerically, than in any other State in the Union, according to this report in U. S. News & World Report.

I think it is good to know that there are areas in the country today into which investment capital can move with confidence. There are areas in the country where there is opportunity for those who wish to establish branch plants, to locate in bustling cities, towns, and communities in South Dakota where they will be welcomed and which are facing the future with confidence. There is no pessimism about the future in South Dakota.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Reports Show South Dakota Is Bright Spot," published in the Aberdeen (S. Dak.) American-News of February 26, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORTS SHOW SOUTH DAKOTA IS BRIGHT SPOT

Well-documented reports indicate that South Dakota is one of the economic bright spots in a Nation beset by "recession" jitters.

Reliable indexes from the business research bureau at the University of South Dakota, figures from the State-Federal Crop and Livestock Reporting Service and personal interviews and correspondence with farmers, businessmen, laborers, and government officials point to a quite substantial upswing in economic conditions in 1957 when compared with 1956.

"Nor can any valid foundation be laid for a pessimistic outlook in South Dakota this year," according to F. K. (Fritz) Olsen, Belle Fourche, who has made a 2-month study of the State's economy in the preparation of a March 11 24-page supplement to be distributed by the American-News and 12 other State newspapers.

Eight of 10 business indicators, carefully weighed by Director V. E. Montgomery, of the Business Research Bureau, were higher by an average of 4 percent in 1957 than in 1956.

Reversing the national trend, total income from the State's 62,500 farms also was greater than a year earlier. Grain stocks on farms generally are higher than the 1947–56 average with corn and hay supplies at record levels. Livestock is in an unusually strong position, both as to condition and the market price.

"If there are any soft spots in the State's overall economy they are in department store sales and construction, now in the off season. Even in these two fields, there is cause for optimism, based on individual wholesaler and retailer reports and the anticipated sharp expansion of highway construction when weather permits," Olsen said.

Bank debits of 17 reporting banks, life insurance sales, deposits in 138 State banks, and electric power consumption hit record high levels in South Dakota in 1957 while new car and truck sales, the 12-month department store sales, telephones in service and gross postal receipts were ahead of 1956.

Visiting each of the 13 cities from which the supplement will be issued, Olsen found convincing evidence that the accelerated industrial development program is making progress toward the goal of balancing South Dakota's predominately agricultural economy and providing more and more employment for farmers who are abandoning uneconomical units, and farm laborers who have been displaced by mechanization.

"City-by-city reports in the Associated Press survey of general economic conditions certainly substantiate the optimistic summary that will be presented in the Progress Supplement on March 11," Olsen said. "A few well-placed tranquilizers until the normal spring upswing in agricultural and construction employment seem more in order than any of the proposed Federal pump-priming at high cost to the taxpayers."

The supplement will be distributed to regular subscribers and with newsstand sales at the Aberdeen American-News, Sioux Falls Argus-Leader, Rapid City Daily Journal, Mitchell Daily Republic, Huron Daily Plainsman, Watertown Public Opinion, Yankton Press and Dakotan, Pierre Capital Journal, Madison Daily Leader, Deadwood Pioneer Times, Lead Daily Call, Belle Fourche Daily Post and Brookings Register.

Mr. MUNDT. I also ask unanimous consent to have printed in the RECORD the analysis made by U. S. News & World Report.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Pay for the unemployed: How much, for how long

In—	Number drawing unemployment pay [1]	Average weekly unemployment pay [2]	Maximum duration in weeks of unemployment pay for a worker
Alabama	44,021	$22.84	20
Arizona	11,464	27.03	26
Arkansas	27,356	19.80	18
California	277,959	32.13	26
Colorado	14,542	31.95	26
Connecticut	58,949	33.59	26
Delaware	6,139	30.04	26
Florida	25,494	23.87	16
Georgia	43,770	23.47	22
Idaho	11,907	34.21	26
Illinois	152,693	30.76	26
Indiana	85,007	29.24	20
Iowa	20,615	26.47	24
Kansas	19,042	28.34	20
Kentucky	51,356	25.19	26
Louisiana	25,744	23.09	20
Maine	21,918	21.98	26
Maryland	44,322	31.22	26
Massachusetts	109,155	31.33	26
Michigan	189,850	35.29	26
Minnesota	53,370	28.16	26
Mississippi	23,717	21.18	20
Missouri	57,281	25.39	26
Montana	16,525	28.12	22
Nebraska	11,819	27.21	20
Nevada	7,117	38.71	26
New Hampshire	10,040	23.03	26
New Jersey	141,698	32.41	26
New Mexico	6,649	25.90	24
New York	343,397	31.22	26
North Carolina	62,049	19.70	26
North Dakota	7,264	27.56	20
Ohio	181,705	32.70	26
Oklahoma	22,666	25.14	26
Oregon	46,138	34.46	26
Pennsylvania	299,832	29.67	30
Rhode Island	27,633	28.05	26
South Carolina	22,930	21.85	22
South Dakota	4,120	24.81	20
Tennessee	66,880	23.46	22
Texas	60,813	24.13	24
Utah	11,803	31.23	26
Vermont	6,613	24.60	26
Virginia	31,358	23.49	18
Washington	71,386	30.02	26
West Virginia	39,707	24.26	24
Wisconsin	49,840	31.99	26½
Wyoming	4,306	32.46	26
District of Columbia	9,449	26.63	26
Alaska [3]	5,821	36.78	26
Hawaii [3]	3,582	27.30	20

[1] Week ended Feb. 1, 1958.
[2] For those totally unemployed.
[3] December average.

Source: U. S. Department of Labor.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. GOLDWATER. I should like to ask the distinguished Senator from South Dakota if it is not true that there is a right-to-work law in his State?

Mr. MUNDT. There is a right-to-work law in South Dakota. The right-to-work provisions of the law, as a matter of fact, were established in the constitution of South Dakota by a statewide referendum. South Dakota, under Gov. Joe Foss, also enjoys sound State government; it has no State debt; it has no State income tax and its climate is

as inviting as its tax structure and its financial condition. We invite all those who enjoy the company of forward looking progressive people to invest with us in go-ahead, get-things-done South Dakota.

Mr. GOLDWATER. I should like to comment that the State of Arizona also has a right-to-work law as a part of its constitution. Arizona is the second fastest growing industrial State in the Nation, and the second fastest growing State populationwise. I should also like to call to the attention of the distinguished Senator from South Dakota the fact that his State is well up in the economic indexes of the country, which further refutes the claims of persons who would trample on the freedom of the people, and who claim that right-to-work laws are injurious.

Mr. MUNDT. I am sure that the people of Arizona, like the people of South Dakota, realize that the way to progress in any State is to get one's face away from the wailing wall and his foot on the highway of progress.

Mr. GOLDWATER. And his fingers in his bootstraps, pulling.

Mr. MUNDT. That is correct.

THE FEDERAL COMMUNICATIONS COMMISSION

Mr. PROXMIRE. Mr. President, Reporter Anthony Lewis, of the New York Times, has written an article which appeared in the March 2 issue of the Times, which strikes at the very heart of the real problem involving regulatory agencies. The Lewis article is based on a survey of lawyers who have appeared before the Federal Communications Commission. Mr. President, this article is the most damning indictment of governmental incompetence and irresponsibility that I have read in a long time. Mr. Lewis does not indulge in personalities. He does not charge dishonesty and corruption. He makes a far more important case against the Federal Communications Commission. His article shows that the Commission has even lost the respect, indeed has even earned the contempt, of the lawyers who practice before it, including, Mr. President, the notable winners of important television cases.

This article points out that exhaustive hearings are held before professional, nonpolitical Federal Communications Commission examiners, who generally do a good job. But after the examiner makes his decision, the Commission has little or no respect for the examiner's findings; but, Mr. President, the Commissioners almost never look at the record. To make the situation even worse, the Commissioners avoid the wise requirement in law that a judge justify his decision in an opinion signed by himself, as an essential protection against arbitrariness. Mr. Lewis points out that the Commissioners simply vote for one applicant or another. A staff of opinion writers then think up the reasons.

Mr. President, I ask unanimous consent that this article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 1, 1958]

LAWYERS DEPLORE FCC PROCEDURE IN DECIDING CASES

(By Anthony Lewis)

WASHINGTON, March 1.—The uproar over influence peddling at the Federal Communications Commission has obscured so far the broader question that set off a Congressional investigation: How well are the regulatory agencies doing their job?

No one is in a better position to answer the question than the lawyers who regularly handle cases before the agencies. Their answer, sounded out in an informal survey, is a unanimous thumbs down on the FCC and strong criticism of other agencies.

The lawyers seem less disturbed about the specific problem of influence at the FCC than about the whole process of decision—the series of steps that ends, for example, with someone getting a television channel.

"It's a fraud on the public," one distinguished lawyer says.

He is one of several lawyers who have been discouraging clients from getting into the race for television channels.

"The heartache and the headache and the time are just not worth it," one man explains. Another says that the process at the FCC is so irrational that, in self-respect, he can no longer pretend to advise clients on how to win a case.

The lawyers' criticism is the more telling because it comes from notable winners of important television cases as well as from losers. Even some lawyers, regarded by their colleagues as having political pull at the FCC, have little good to say of the Commission.

The criticism does not necessarily go to personalities. Some lawyers do think some Commissioners have not been up to their jobs in recent years. But others believe the Commissioners are simply the victims of an evil system that they inherited.

One way to explain the general disrespect for the way things work at the FCC is to measure that process against an ideal.

A decision by a judge or quasi-judge, lawyers have said, should ideally be prompt, impartial, based on the record in the case, reasonably predictable (that is, related to precedent), and persuasively reasoned by the judge in an opinion. The critics find fault with the FCC on each of these characteristics.

No one would claim promptness as a Commission virtue. Contested television cases take up to 5 years for decision. A Pittsburgh channel authorized in 1952, for example, just recently went on the air.

In the well-known case of Miami's channel 10, 18 months passed from the oral argument before the Commission until its decision. There had been 2 years of proceedings earlier. And, of course, the case is still in the courts.

Money is involved as well as time. A losing applicant in a 4-way fight for a St. Louis channel says it cost him $141,000 before he went to court. Others put the total cost for all applicants in some big cases from $500,000 to $1 million.

Following is an account of what sometimes results because of the high cost and delay. This comes when a strong local company is the only applicant for a channel as the deadline nears.

At the last minute a hastily organized company puts in a bid. If it passes minimal qualifications, it is entitled to a comparative hearing, which may take years. It then offers to pull out—for, say, $50,000 and 30 percent of the original applicant's stock. In view of the cost and delay that a fight for the channel probably will involve, this price may be worth paying.

HEARINGS ARE EXHAUSTIVE

The hearings are held before FCC examiners, a largely professional, nonpolitical group of men and women. The hearings are exhaustive, reaching such fine points in a Tampa, Fla., case as the comparative convenience of toilet facilities in proposed studios.

Many lawyers feel that the examiners do a conscientious job. But after the examiner decides, the Commission decides all over again. And the lawyers are persuaded of these two things:

1. The Commission has little or no respect for the examiner's views.

2. The Commissioners almost never look at the record. Statistically they couldn't; there just isn't time. They read, if anything, staff summaries.

The result is to make lawyers consider the hearings almost irrelevant. It is as if one judge sat through a trial and then another came along to decide the case.

"You work on a case 5 years and build up a record this high," one lawyer says, "and then you know the decision has nothing to do with the record. You lose all respect for the agency and for yourself."

OTHERS WRITE THE OPINION

Equally bitter criticism is directed at the fact that the Commissioners do not write their own opinions. They simply vote for one applicant or another. A staff of opinion-writers—professional rationalizers, one lawyer angrily calls them—then thinks up the reasons.

The requirement that a judge justify his decision in an opinion signed by himself has always been regarded by lawyers as an essential protection against arbitrariness. Twenty years ago a defender of the administrative process, James M. Landis, spoke of the danger of letting agency heads delegate any opinion-writing. Mr. Landis, a former dean of Harvard Law School, once was a member of the Civil Aeronautics Board, Federal Trade Commission, and the Securities and Exchange Commission.

Because FCC members take no responsibility either to know the record in a case or to justify their decision in an opinion, lawyers feel that there is no check on arbitrary decisions. The Commissioners are reduced, one man says, to nodding their heads.

It is this separation of the judges from the trial that critics think opens the way for influence peddling. The feeling is that after the record is completed—and while the matter is pending before the Commissioners—the parties and their friends at the Capitol make their private pitches to the judges.

"You get a fair trial before the hearing examiner," one lawyer says. "But you never know what happens after that, and you suspect the worst."

The Commission does have criteria to determine who is the best television applicant. How useful these criteria are, and how consistently they are applied, are matters of some dispute.

However well the criteria work in a competitive case, the process may ultimately turn out to be futile. This is so because the winning applicant may sell out to someone else without giving the competitors he has just beaten after years of hearings a chance to bid.

A company that buys an existing station must meet only minimum legal and technical qualifications. In fact, Congress in 1952 prohibited the FCC when passing on a purchase, from considering whether someone else could serve the public interest better than the purchaser.

Paradoxical results may follow, as in a well-known Denver case. After years of hearings the FCC gave a Denver channel to

applicant A largely because of its alleged superiority over B in the criterion of local ownership. The opinion dwelt on the number of local stockowners and directors.

Local ownership, the opinion said, gives "assurance of a more complete and effective response to the needs and desires of such community than would be expected of a nonresident applicant. Clearly, it [the winning applicant] is more firmly rooted in the community and is more representative thereof."

Four months after this winning company went on the air, it sold out to Time, Inc., at a profit of 2,400 percent.

Time, Inc., is a New York publishing corporation with no special ties to Denver. But when a complaint came in from applicant B, who had just lost out because of the inadequate "local ownership," the FCC dismissed it.

Mr. PROXMIRE. Mr. President, Mr. Anthony Lewis, of the New York Times, wrote a second article on the Federal Communications Commission, which appeared in today's newspaper. This article cites a number of instances of absolute contradiction and unpredictability. On the basis of this competent and responsible article by Mr. Lewis, it appears no standard of justice, or equity, or responsibility is applied by the Federal Communications Commission in determining the allocation of the extremely valuable public domain known as radio and television frequencies. Mr. President, I ask unanimous consent that this article by Mr. Lewis be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONFLICTS CITED IN FCC AWARDS—LAWYERS SAY STANDARDS FOR GRANTING VIDEO CHANNELS LACK RATIONAL BASIS

(By Anthony Lewis)

WASHINGTON, March 2.—Lawyers concerned with the Federal Communications Commission hope that Congressional attention will shift soon from corruption to what they regard as a graver problem—the standards used to award television channels.

A channel in a large city may be worth $10 million or more. Inevitably, therefore, competition for the strategic locations has been fierce. The lawyers' charge is that the FCC has often chosen between competing applicants on no discernibly rational basis.

The only guide Congress has provided for the distribution of this king's largesse, as one lawyer calls it, is that the award shall serve the public convenience, interest, or necessity. On this general foundation the FCC has built elaborate criteria to choose between competitors for the same channel.

For example, the FCC prefers that owners of a station be local residents. It weighs such factors as the integration of ownership with management and the proposed program plans.

CONTRADICTION SEEN

What concerns lawyers about the way the FCC uses these criteria can be illustrated by some events of August 4, 1954.

On that day the FCC announced its award of a television channel in Beaumont, Tex. Its opinion noted some question about the winning applicant's program plans but then dismissed the objection in these words:

"No applicant in a proceeding such as this can give anything but a hopeful estimate of what it thinks it will be able to present its viewers.

"The particular programs to be presented by the successful applicant will be determined, to a substantial degree, by a combination of forces beyond the present knowledge or control of the parties or of ourselves. And these forces, we believe, will operate regardless of which of the instant applicants is successful."

INDUSTRY APPROVES

These observations about the meaninglessness of program plans struck the industry as sensible, especially because the Commission makes no real effort to have winning applicants stick to their program proposals.

But on the same day, the FCC awarded a Florida channel to the St. Petersburg Tribune primarily on the ground that it proposed about 10 percent more local live programs than other applicants.

"The evaluation of program proposals is an important factor in determining which applicant will best serve the public interest," the opinion in the St. Petersburg case said.

"We deem that Tribune's proposal in this crucial area of comparison transcends that of [another applicant] and find this marked superiority to be decisive."

How could the same men, on the same day, call program proposals in one case nothing but a "hopeful estimate," of no significance, but regard them in another case as "an important factor," "crucial" and "decisive"?

OPINIONS STAFF WRITTEN

The answer is that the Commissioners did not write either of the opinions and probably did not read them. They simply chose the winner in each case, then assigned staff men to think up reasons for the decisions. Unhappily, the staff men apparently did not compare notes.

But that answer obviously raises a more disturbing question: What kind of game is it when the rules are changed to fit the desired results?

Among lawyers who practice before the Commission there are two views on the problem of criteria for deciding contested television cases.

One group thinks the rules of the game were sound but have been "manipulated" in the last 5 years by incompetent Commissioners—or worse.

The other group thinks that the recent and present Commissioners have done their best with a hopeless set of rules.

PROFESSOR QUOTED

The feeling of the first school was expressed in an article recently by one of the country's eminent teachers of administrative law, Prof. Louis L. Jaffe of the Harvard Law School. He wrote:

"Standards are announced only to be ignored, ingeniously explained away, or so occasionally applied that their very application seems a mockery of justice."

An example of what Professor Jaffe criticized was an Indianapolis case decided a year ago. The Commission, by a vote of 4 to 3, awarded a channel in that city to the Crosley Broadcasting Co.

The overwhelming guess in the trade had been that Crosley, a chain with numerous outlets in the Middle West, could never overcome local Indianapolis applicants because of its failure to meet the criterion of local ownership. But the FCC explained that problem away in these words:

"Despite the inability of Crosley to develop a record in this proceeding favorable to it in the matters of local residence and civic participation, its past record and experience provide us with strong assurance that its proposed Indianapolis operation will rapidly become an integral part of the community."

If the Commission is ready to forecast an outsider's rapidly becoming an integral part of the community, what is left of the criterion of local residence and participation, the critics ask.

The critics see a tendency of the Commission, illustrated in the Indianapolis case, to subordinate everything else to the criterion of experience. If true this would give a large headstart in any competitive case to the applicant who has other radio or television stations.

The Commission also has a policy of diversification, intended to discourage granting of additional channels to applicants who already control radio or television facilities or other mediums of communication, such as newspapers. But the critics feel that the emphasis on experience has submerged the diversification policy.

A notable example—one that may be before the House Subcommittee on Legislative Oversight headed by Representative OREN HARRIS, Democrat of Arkansas, before long—is the case of Boston's channel 5.

Leading applicants for the channel were two independent local groups and the Boston Herald-Traveler, publisher of a morning newspaper and owner of AM and FM radio stations in Boston.

A witness for the newspaper testified that it would adapt to the programing of the TV station the best possible promotion of the Herald-Traveler where it is feasible to do so. There was testimony that the radio stations had been used to promote the paper.

Late in the case a competitor, the Boston Globe, charged that the owners of the Herald, in an effort to force a merger, had threatened to put the Globe out of business with the television station. The Globe asked for a hearing so that it could question witnesses as to the charge, but the FCC turned it down.

The Commission found that the independent applicants were as good as the Herald-Traveler, or better, in the local criteria, much preferable as to diversification, but weaker on past broadcast record and broadcast experience. It gave the channel to the Herald-Traveler.

STANDARDS CALLED CONFLICTING

The Yale Law Journal, in a study published last year, observed that experience can be gained with time but diversification cannot. In any case, emphasis on experience lessens the importance of local residence, diversification and other factors.

The lawyers who think the rules, not the men, are to blame, point to the criteria of experience and diversification as an example of the problem. The two are just contradictory, they say, and no one can reconcile them.

The heart of the difficulty, in the view of these lawyers, is that in many cases there are 2 or 3 or 4 applicants who are clearly qualified for the channel, with the differences between them minor and wholly subjective.

PROPOSE DIFFERENT SYSTEM

As long as anyone has to decide between essentially equal applicants, these lawyers feel, political decisions will be inevitable. One puts as follows what he believes goes through some Commissioners' minds:

"What difference does it make whether one applicant gets it or another? They'll all do about the same thing. So why not give it to our friends?"

These critics would solve the problem of television channel hearings by eliminating them. They would make any applicant meet high minimum qualifications. Then they would choose among those qualified by a deliberately arbitrary system.

For example, one lawyer with great experience in the field would award a contested channel to the man whose application was made earliest. Another suggests drawing lots among the qualified applicants. Others would have the applicants bid against each other, so that at least the Government would be paid for its grants.

But others consider these proposals the counsel of despair. They think that better men can make the criteria work.

"When you're dealing with a Government license," one says, "you have to try something

better than chance. You cannot eliminate the judgment factor. I think all you can do is to try to raise the level of ability and responsibility of the men who make the decisions."

WILL AMERICAN FARMERS BECOME PIECEWORK LABORERS FOR BIG BUSINESS?

Mr. PROXMIRE. Mr. President, the long-range future of America's farming system is very understandingly discussed in an article in yesterday's New York Times by William M. Blair, one of the Nation's foremost farm writers.

In my opinion, Bill Blair raises the crucial question which confronts us in farm policy today; namely, will our family farmers retain their independence, or will our farming system be transformed into a form of contract labor or home industry paid on a piecework basis, similar to the pattern that developed in manufacturing at the beginning of the industrial revolution?

Vertical integration—the establishment of centralized direction in the farming, food processing, and food marketing businesses—threatens to eliminate our free, independent, family sized farm enterprises, if it is permitted to be imposed by big business from the top.

Undoubtedly there are many advantages to be gained from integration. But the destruction of economic independence is not an advantage, nor a development which we can afford if we are to retain the essential quality of widely distributed ownership, control, and enterprise in our American society. If there must be integration, I believe it should come under the control of the farmers themselves, through farmer-owned, farmer-controlled, farmer-directed business enterprises. It should be the object of the Government to encourage and enable our farmers to establish such enterprises.

I have introduced a bill which would provide for an REA-type of lending program to finance farmer-owned processing and marketing enterprises, so that the process of integration may be carried out under the control of the farmers themselves, rather than being imposed on them from the top by big business. I hope the Congress will give this problem its careful consideration.

Mr. President, I ask unanimous consent to have the article by Mr. Blair printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOG RAISERS EYE A CONTRACT PLAN—FARMERS IN MIDWEST STUDY MOVE TO STABILIZE INCOME

(By William M. Blair)

DES MOINES, IOWA, February 25.—Farmers in the Midwest Corn-Hog Belt are considering a scheme some think may be the means of gaining the collective-bargaining power and stable incomes they have sought so long. The idea is to produce hogs for meatpackers under contract, rather than offer the hogs on the open market.

This is called vertical integration. It means putting under single control all the steps from growing the food to getting it into the consumer's market basket.

So much controversy surrounds the idea that a meeting here this week to discuss it attracted 600 farmers and livestock producers from all over the State.

The plan could provide more stable incomes, a Tama County producer acknowledged. But he asked, "Will we become just hired hands, turning out pigs to specifications?"

His question posed the central issue of the controversy.

Pioneer farmers who put the plow to the prairies were integrators. They produced, processed, and ate their own food.

The application of the old idea in modern agriculture goes far beyond the pioneers' use, and has far-reaching implications for American farming.

Vertical integration, or contract farming, has been around for years but its application was limited until the last two decades.

Contracting has been common in the production of eggs for hatcheries, vegetables and fruits for canning and freezing, sugar beets, and a number of other specialty crops. It is carried on by agreements between farmers and business concerns including chain stores, or between farmers and their cooperatives.

The most startling application of integration has been in the broiler industry. It took the production of chickens away from the farmer's wife and put the job on an assembly line.

BROILERS TO ORDER

The Department of Agriculture estimates that about 90 percent of all broilers now are produced under contract farming agreements of assorted types. All some farmers do is provide housing and feed the chickens to specifications. The integrator controls the operation through to the marketing of the product.

Fired by the phenomenal growth of the broiler industry in the East and the South, the Midwest is rising to the prospects of hog contracting.

Three midwestern packing companies have started making contracts with hog producers to get a uniform product of high quality and an assured supply. Two of the major Chicago packers are feeling their way, one in Georgia and one in Tennessee. These actions are having an impact on big corn-hog States such as Iowa, Illinois, Indiana, and Ohio.

Some enthusiasts believe it may go a long way toward solving the farm problem of chronic ups and downs in prices and income. They think it may enable farmers to produce more efficiently, cut costs, improve products and in the end lower costs to consumers. But many farmers still are wary.

PACKER AGREES TO BUY

The hog contracts operate much the same as in the broiler industry and other segments of agriculture. The contracts call for the producer to deliver so many hogs at a specified time to the contracting packer. The packer agrees to buy all the producers' hogs of the highest grade at the delivery day's average market price plus a premium. this can be as much as 50 cents a hundred pounds of live hog.

The packer can afford the premium because the producer must follow expert advice on breeding and feeding to get hogs with leaner pork. Hogs of this quality bring better prices and compete better with beef and poultry.

The farmers' marketing risks are eliminated. They raise more hogs, delivering 500 or more 6 times a year instead of current 2-a-year deliveries.

Auction markets could disappear. No longer would the farmer have to truck or ship his livestock to market and pray prices held up.

HAM FAT'S IN THE FIRE

Right now there are more arguments over the idea of hog farming under contract than over price supports and Ezra Taft Benson.

Producers at the Des Moines meeting peppered agricultural management specialists and Iowa farm bureau officials, who sponsored the gathering, with all kinds of questions.

"Will we be able to control our own farming?" queried a Jessup farmer.

"How will it affect farm population?" asked another farmer.

"How much money will it cost for us to set up a packing plant of our own so that we can keep control?" asked another.

Earl F. Crouse, vice president of the Doane Agriculture Service, a St. Louis farm management concern, told them southern farmers were moving heavily into hog production.

"If you don't want them to take over your traditional product, don't spare the horses," he urged.

The middle westerners were well aware that production of corn and other feed grains was shifting to the South, and threatening to upset their farming operations.

CONTRACTS WITH DEALERS

Mr. Crouse said southern farmers were turning out pork under contracts with feed dealers. The feed dealers own the pigs in some contracts; in others the feed dealer supplies the feed and credit to the hog producers. It has proved a boon, he said, to smaller farmers who were without adequate credit and facilities.

The old auction market is on the way out, he said, and specialty buying, with the customer setting the standards, is gaining.

Joseph Kramer, a young farmer from Black Hawk County, was skeptical. "It's all right for the small fellow who barely makes out but the efficient producer has lots to lose and not much to gain."

Neal Johns of Tama County remarked: "It still is a long way off."

BUT THEY STAYED ALL DAY

But they and their fellow farmers stayed all day, listened and asked questions. They and others questioned whether they would lose their individuality and become mere employees. But they perked up their ears at talk that the farm bureau might set up a cooperative to build a plant to handle hogs in an integration deal of their own.

The farmers know also that the West is challenging the Corn Belt in the feeding of beef cattle. Part of this growth in Western States is due to contracts by which ranchers, packers, and even speculators turn over steers to giant feedlots to be finished for market.

In the last 25 years, the eastern section of the Corn Belt has doubled its volume of cattle feeding. The western end of the Corn Belt has added three-fourths to its volume.

But the West has increased the number of cattle on feed by three times. This has cut the Corn Belt's share from 80 percent to 70 percent.

MECHANIZED FEEDING

These large feedlots are mechanized operations, dealing in scientific feeding to speed gains on cattle while controlling quality. Some lots handle 25,000 head a year.

In Kansas City, the Staley Milling Co. has laid out a foolproof system of bigtime hog production for farmers who make contracts with the three Midwestern packinghouses, Maurer-Neuer Co. of Kansas City, Hunter Packing Co. of East St. Louis, Ill., and Cudahy Packing Co. in Omaha.

Similar plans are being drawn by other farm interests, including cooperative ven-

tures of private business, farmers, and State colleges.

The Staley plan and others spell out almost every detail of hog raising, including breeding pens, farrowing huts, finishing pens and feed formulas for getting meat-type hogs.

These piggeries use buildings instead of pastures. The day of the hog wallowing in the mud would disappear in the new-style housing. Some plans provide for a small dirt exercise yard for sows but otherwise the pigs will be born and finished for market on concrete.

PLANNED PIG PARENTHOOD

These systems stipulate when sows are to be bred, when they should be placed in a farrowing hut equipped with heat for winter and ventilation and spray nozzles for hot weather, when weaning should take place, and when the sows should be moved to a colony pen and the babies to a nursery area.

They also set down when the piglets should be out into finishing pens and details on selection of unbred female hogs for a new cycle. Boars would be chosen by the producer in cooperation with the packer from top-quality stock.

This is the type of contract operation that has reduced the life cycle in the broiler industry from 15 weeks to 9, and cut the amount of feed needed to raise a 3-pounder from 12 pounds to 8 pounds. It has raised production more than 300 percent in 10 years and increased consumption of chickens from about 18 pounds in 1947 to more than 25 pounds last year.

Is contracting coming to all farmers as a part of the technological revolution now enabling farmers to turn out record products on shrinking acres?

Orlin J. Scoville, of the Department of Agriculture's Farm Economic Research Division, said that "contract farming can contribute to more efficient use of agricultural resources." But, he added, "its ultimate effects on farm incomes and the welfare of farm people remain to be seen."

Up to now, he went on, contract farming has not altered the traditional dependence of American farms on family labor. But the production contracts may have a profound effect on the role of the family farmworker.

In some instances, he said, the contracting farmer may become "essentially a piece wage worker." Such a development, he added, "probably would be accompanied by increased efforts of contract farmers to organize themselves into bargaining associations."

That is exactly what many farm leaders are urging farmers to do. If farmers are to continue to control their own businesses, they contend, they must be the integrators from the field to the retailer. Otherwise, they say, the day will come when farmers will be hired hands working for wages.

To get their own integration, these farm specialists are urging farmers to set up integrated cooperatives, bargaining associations, or commodity groups to become quality farmers who set their price.

Howard Hill, a corn-hog farmer and president of the Iowa Farm Bureau, is noncommittal on integration. But he asserted:

"We can't look to Washington forever for answers to our problems. We must explore everything."

EZRA TAFT BENSON

Mr. PROXMIRE. Mr. President, in this morning's newspapers, Mr. Drew Pearson cites chapter and verse to prove how enormously Secretary of Agriculture Benson has increased the cost of the farm program. Mr. Pearson points out that between the time when Benson took over the Department, and today, 20,000 extra bureaucrats have been added, and there has also been added $1 billion of expenses. This billion dollars does not include the cost of crop supports or the soil bank. It covers only the operations of the Agriculture Department itself.

Mr. President, the Pearson article very ably compares the administration of the Department of Agriculture of Secretary Benson and its administration under his immediate predecessor, Charles Brannan. It establishes a strong case that Mr. Benson's program has not only seriously damaged the American farmer, as contrasted with the program of Mr. Brannan, the champion of the farmer, but the article goes even further, to show that Ezra Benson has been enormously more costly to the American taxpayer than Charles Brannan ever was.

In only 4 weeks the order of Secretary Benson torpedoing the American dairy farmer by cutting price supports on dairy products will be put into effect unless the Congress acts to stop it. Mr. Pearson's article suggests how the Secretary of Agriculture can reduce costs without destroying farmers.

Mr. President, I ask unanimous consent that the Pearson article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENSON, BRANNAN COST COMPARED

(By Drew Pearson)

President Eisenhower's stanch defense of Ezra Taft Benson results first from the fact that Benson is a sincere gentleman with whom nobody can differ personally; second, from the fact that Ike's brother, Milton, is Benson's strong champion. Ike always relies on Milt, who served under Secretary of Agriculture Henry Wallace, for his farm advice.

However, in the latest report of the House Appropriations Committee on agriculture are some interesting figures which neither Ike, nor Milton, nor most farmers of the Nation know much about. They tell a significant story of what's wrong with Ezra Taft Benson's administration of American agriculture.

The figures are official and come from the Agriculture Department itself. They show that between the time Benson took over the Department and today he has added almost 20,000 extra bureaucrats and $1 billion of expenses. This billion does not include the cost of crop supports or the soil bank. It only covers the actual bare-bones operation of the Agriculture Department.

Here is a breakdown of the figures:

In 1952, the Agriculture Department budget under outgoing Secretary Charley Brannan was $706 million. Under Benson, the 1958 budget for operating the Department is $1,728,000,000.

The overall agricultural budget as Brannan went out of office, including the cost of storing surpluses, crop-price supports, and everything else was $1,045,000,000.

The overall budget under Benson today is $7 billion. This is an increase of about 700 percent.

SEVEN BILLION DOLLARS MORE

The big question is, How did the overall budget jump from less than 1 billion to more than 7 billion in 5 short years, when Benson simultaneously reduced price supports from 90 percent of parity down to below 75 percent of parity?

He was reducing price supports in order to get rid of surpluses, yet his costs and his surpluses increased. What is the reason?

Though it cannot be spelled out in a few words, here is part of the answer:

1. Bureaucrats versus volunteers—Benson immediately fired the farmers' committees which were enforcing the farm-acreage program and substituted paid bureaucrats. The volunteer farm committeemen had been paid $57 a year, chiefly for travel to attend meetings. The bureaucrats are each paid around $5,000 a year.

This not only increased Benson's budget, but it tended to put policemen in charge of farm acreage restrictions. Volunteer farm committees did an excellent job of restricting acreage. They knew exactly what each neighbor was doing and let no one get away with anything.

But when paid bureaucrats took over, the psychology of the program shifted. It was like the Russian peasant who is always out to beat the Soviet inspector on the collective farms. So there was less compliance with crop reduction, less cooperation with the Agriculture Department.

2. Middleman's profit—Benson has operated the Agriculture Department with an eye to helping the middleman, not the farmer.

To illustrate:

In 1956–57 when Benson moved into the hog market to support the price of pork, he omitted from his hog-purchasing contract a clause which requires packers to buy hogs at parity prices. He signed contracts with the meat packers to buy up pork, with a guaranty to take it off their hands. But he did not require them to pay the farmer a guaranteed price.

Thus they could step into the hog market and buy below parity, and sell to Benson at a guaranteed price, which was exactly what they did. Result was that the price of hogs went below parity, the farmers didn't benefit, the packers did benefit, and the taxpayers paid out $98,600,000 supposedly to support the price of pork, while the price of pork simultaneously was going down and down.

In contrast, Charley Brannan stepped into the market to support hogs in 1949, but put a clause in his contract by which the packers had to buy hogs from farmers at parity prices. As a result, the price of hogs did not drop below parity except on 1 day. Brannan then gave his surplus hams immediately to the school-lunch program, thus saving the cost of storage. The total cost to the taxpayer was $18 million.

The farmers and school children, not the meat packers, profited.

And if you want to see who is making the big money today, take a look at the stock-market quotations during last fall's Wall Street slump and see what happened to the big packers and middlemen's stocks. They went up while the stock market went down.

More on Mr. Benson's snafus in an early column.

AMENDMENT OF UNEMPLOYMENT COMPENSATION ACT

Mr. PROXMIRE. Mr. President, on Sunday, March 2, the New York Times carried an editorial strongly supporting the Kennedy-McCarthy unemployment compensation improvement bill, and calling for its prompt enactment.

In view of the responsibility, carefulness and economic conservatism of the New York Times, its support of a bill that would greatly benefit the unemployed of America is extremely significant.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOBLESS PAY: THE CHALLENGE

More people covered by unemployment insurance are now out of work than at any time since the Federal-State system went into effect in 1938—3.1 million, representing 7.5 percent of the 42 million insured.

The national figures, released last week as of February 15 by the Department of Labor, are deeply disquieting—even though claims fell off somewhat between January 11 and February 7 and haven't varied much, up or down, since then. But only those workers are included who are covered by unemployment insurance. The total number of people out of work now is estimated at about 5 million—more than in any year since 1941.

These figures should be of grim concern to the Government in its efforts to turn back the tide of the present recession. So should they be also to both employers and organized labor, in whose hands are the decisions, as to plant and prices and as to wage increases, which so largely determine the ups and downs of the health index of the economy.

But most directly challenged is the adequacy of the existing unemployment-insurance system. The present situation calls for its thorough reappraisal and for bold efforts to bring it more in line with its objectives—both to aid the unemployed and to keep up purchasing power when the economy needs it the most. It isn't only the individual worker who needs help in times like these. It is also his butcher, his grocer and his landlord.

The unemployment-insurance system is administered at Federal expense by the several States, which set their own terms as to benefits paid. The Federal Government levies a tax on employers everywhere, against which offsets are allowed proportionate to taxes they pay to each State. Five years ago President Eisenhower urged the States to enact minimum adequate standards as "a valuable first-line defense against economic recession." But Senator KENNEDY has said in a recent speech in Congress, that "not one State has met the standards the President requested."

In the meantime increases in wages and in the cost of living have largely outdated the benefit scales, which were originally intended to provide at least half of the workers' regular earnings. Senator KENNEDY estimates that actual benefits today average only one-third of lost wages. Part of the difficulty has been the failure to lift the ceilings on benefits as wages and living costs have gone up. Then, too, there are other serious inadequacies and divergencies—in coverage, eligibility and the duration of benefits.

The time has come—is indeed long past—to meet this nationwide problem with nationwide and adequate minimum standards set up and enforced by the Federal Government. A group of Senators, led by Senator KENNEDY, and another group in the House, have introduced a bill to do it. The Kennedy-McCarthy measure, now before both Houses, deserves wide attention. Its details may be open to question, but its objectives are sound—and especially timely at this particular moment.

FARMERS' INCOME TAX RETURNS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter of great importance which I have received from Mr. Bruce M. VanSickle, a member of the Legislature of North Dakota, and one of the outstanding accountants of my State. I might add that I have received a great number of complaints from my constituents in North Dakota about the complex income tax forms. The letter goes into great detail, and suggests changes which I hope may be brought to the attention of the appropriate committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 18, 1958.

DIRECTOR OF INTERNAL REVENUE,
Washington, D. C.

GENTLEMEN: This writer has had his attention called to a letter from the District Director of Fargo, N. Dak., addressed to a small, one-secretary business office which attempts to prepare farmers' tax returns for them. The letter advised the tax form preparer that he must use the official tax forms. It based its directive on Revenue ruling C. B. 54–64 C. B. 1954–1, 82, and the letter included the following language:

"In the event that schedule returns are submitted without respect to the requirements stated (the requirement that all returns must be made on a facsimile of the official Internal Revenue form) it may be necessary to return the unaccepted schedules to the taxpayer, instructing him to prepare it once again using official Government forms or reasonable facsimiles of such forms."

In the instant case, as in many other cases throughout the country, the tax preparer has evolved a system of a single sheet on which he places: Income minus expense equals adjusted gross income.

Then the tax preparer clips that simple accounting sheet, done in typewriter and clearly legible, to the official form 1040.

It should be remembered practically all States and many cities have now imposed income taxes.

If the United States Treasury Department attempts to require that only the United States Treasury version of the present schedule F (Statement of Farm Income and Expense) is permissible, then it must follow that the taxpayer in the rural areas and any taxpayer who must use the schedule system or the return, as distinguished from an employee who has his returns prepared for him, must necessarily pay for two complete preparations of returns, because the State governments have no obligation to accept the Federal return forms and the Federal Government has signified no willingness to prepare its forms so that they can be filled for the purpose of determining State tax burdens.

Where a simple income and expense statement can be used to present the statement of adjusted gross income for both the Federal and State governments, a considerable saving can result to the taxpayer.

We have discussed this problem with the Federal tax men before. Their arguments are:

(A) It makes the tax man work.

Answer:

(1) The report is clear and concise, easily interpreted; and

(2) Work is what the tax man is paid by the taxpayer to do.

(B) The Federal tax official has no duty to consider the problem of the State income taxpayer.

Answer: The raison d'etre of the State or Federal tax man is to serve the citizen and in this case the citizen is the same person.

Since the income-expense sheet is basic to a computation of income; is clearly intelligible; and furnishes the information to both the governments; it seems to us to be a presumptuous exercise of administrative authority for the Federal or State governments to insist that only their form is acceptable.

We enclose for your examination:

(1) Copy of Federal schedule F.

(2) Copy of the State tax return showing on page 3 the State income and expenses.

(3) A copy of the common income-expense sheet which the Federal tax officials say is not acceptable.

Please notice:

(A) It is manifestly impractical to fill the Federal form with a typewriter.

(B) It is impractical to fill the State form with a typewriter.

(C) Both forms demand practically the same information.

(D) A simple income-expense sheet furnishes the information.

To resolve this problem, we would suggest that:

(A) Revenue ruling C. B. 54–64 C. B. 1954–1, 82, be revised so that a simple statement of income and expense may be prepared and used wherever income tax returns must be filed; or that

(B) Every taxpayer who is required to prepare a schedule F or the facsimile or original United States Treasury Department form, receive a credit expense against his taxes of $50, to compensate him for the additional cost and burdensome inconvenience of preparing 2 returns on 2 separate forms where 1 clear, accurate, easily readable statement would suffice.

Yours truly,

McGEE & VAN SICKLE,
BRUCE M. VAN SICKLE.

INCOME

Grain sold (Berthold Farmers Elevator)	$8,432.00
Grain sold (Commodity Credit Corporation)	3,968.43
Dividends (patronage refund, Berthold Elevator)	251.75
Grain reseal payment (Commodity Credit Corporation)	300.88
Agricultural conservation program refund	121.02
Sale of building	870.00
Oil lease	240.00
Total income	13,384.08

EXPENSES

Labor (men hired)	521.95
Board (men hired)	152.34
Repairs and maintenance machinery	1,116.51
Tools and supplies, farm	545.97
Oil and gas trucks (3)	368.91
Truck upkeep (3)	456.57
Blacksmith	149.28
Drainage and hauling farmland	379.75
Crop spraying, aerial	804.77
Fuel and lubricants, farm	630.60
Farm building repairs	57.57
Seed purchased	230.00
Fertilizer purchased	232.00
State hail insurance premium	253.08
Taxes, real and personal property	608.64
Safety deposit box rent	6.60
Attorneys fees	20.00
State tax commissioner	42.75
Truck insurance (3)	96.42
Truck license (2)	50.50
Farm building insurance premium	11.70
Farm agricultural periodicals	31.50
Interest paid (farm notes)	624.69
State sales tax	105.49
Depreciation	3,960.67
Total expenses	11,468.26
Adjusted gross income	1,915.82

Depreciation

Item	Bought	Cost	Estimated life	Depreciation
Truck, 1½-ton	52	$3,300.00	15	$220.00
Truck, ¾-ton	51	2,335.00	10	223.00
Truck, ½-ton	57	450.00	4	112.50
Tractor, Minneapolis-Moline U	56	1,565.00	5	313.00
Tractor, Minneapolis-Moline GB	57	4,361.29	10	436.13
Tractor, Minneapolis-Moline GB	57	4,361.29	10	436.13
Tractor, John Deere G	52	3,400.00	12	226.66
Plow, John Deere	57	780.56	10	78.06
Plow, John Deere	57	780.56	10	78.06
Plow, John Deere	57	780.56	10	78.06
Packer	57	120.00	5	24.00
Packer	57	120.00	5	24.00
Packer	57	120.00	5	24.00
Press drill and fertilizer attachment, John Deere	57	823.65	8	102.96
Press drill and fertilizer attachment, John Deere	57	823.65	8	102.96
Press drill and fertilizer attachment, John Deere	57	429.00	8	53.62
Disc, John Deere	56	500.00	5	100.00
Swather, self-propelled (⅓ interest)	56	1,400.00	6	233.33
Combine, John Deere self-propelled	55	5,800.00	8	725.00
Combine, John Deere self-propelled (⅓ interest)	54	2,742.50	8	342.80
Boss harrow	57	132.00	5	26.40
Total depreciation				3,960.67

PROTECTION OF MIGRATORY SALMON FISHERIES IN COLUMBIA RIVER BASIN

Mr. NEUBERGER. Mr. President, ways to keep alive the migratory fish runs of the Columbia River Basin while proceeding with a vast program of multiple-purpose dam construction is one of the most perplexing problems facing the people of the Pacific Northwest. Policy questions in the controversy between fish and dams came to a head recently when the Federal Power Commission issued a decision supporting the construction of a 700-foot dam at the Nez Perce site which would cut off a major spawning ground of Columbia River Chinook salmon and steelhead in Idaho's Salmon River.

As a result of the commission's opinion, I introduced a bill (S. 3185) to give the Secretary of the Interior and the Fish and Wildlife Service collateral jurisdiction with the Secretary of the Army and Corps of Engineers in the issuance of FPC power project licenses. The senior Senator from Washington [Mr. MAGNUSON], the able chairman of the Senate Interstate and Foreign Commerce Committee, has scheduled hearings on S. 3185 for March 6 and 7. I am grateful for the decision of the distinguished committee chairman to hold prompt hearings on this proposal. I am hopeful that testimony developed at the hearings will lead to fuller understanding of fishery problems involved in future Columbia River power development, and to consideration of possible additional governmental action in providing fish facilities and hatcheries so the beneficial fish runs may be perpetuated.

Mr. President, I ask unanimous consent to have printed in the RECORD with my remarks an editorial from the Evening Astorian-Budget for Tuesday, February 4, 1958, describing the need for control over FPC license authority so that more adequate consideration is given to fish and game resources. This newspaper has a long record of thoughtful concern for the Columbia River fishery, and I wish to commend its opinions for consideration by my colleagues.

The commission decision favoring Nez Perce dam has been interpreted throughout the State of Oregon as a recommendation detrimental to survival of Columbia River fishery resources. There has been considerable speculation about the pressures which motivated the commission in this action. Some background on these aspects of the decision is given in an editorial in the Oregonian of February 3, 1958, and in an article written by Washington correspondent A. Robert Smith, which was published in the East Oregonian of January 28, 1958, under the title "Was FPC Attempting to Reestablish Integrity?" I ask unanimous consent that this editorial and article also be printed in the RECORD.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Astorian-Budget, Astoria, Oreg., of February 4, 1958]

LEGISLATION TO SAVE THE SNAKE

Senator RICHARD NEUBERGER has forwarded a copy of his remarks on the United States Senate floor when he introduced a bill to give the United States Fish and Wildlife Service the same collateral jurisdiction over Federal Power Commission licenses affecting rivers with migratory fish runs that the Corps of Engineers now has on navigable rivers.

This is an extremely important bill which certainly deserves Congressional approval. In fact, some such legislation ought to have been enacted several years ago before the FPC, with contemptuous disregard of fishery rights and State laws, permitted power dams to be built on Cowlitz and Deschutes Rivers, blocking them to fish passage.

NEUBERGER's bill is, of course, inspired by the FPC's same contemptuous disregard of fishery rights as exemplified in its recent denial of permits for Mountain Sheep and Pleasant Valley Dams on the Snake, in favor of a proposed dam at Nez Perce, 700 feet high, which would block fish runs going up the Snake above the Nez Perce site.

Here is NEUBERGER's explanation of the nature and purpose of his bill:

"Mr. President, I am introducing today, for appropriate reference, a bill to give the United States Fish and Wildlife Service collateral jurisdiction in FPC decisions where rivers are involved with important fisheries resources.

"Today, and for many years past, the FPC has had to consult the Corps of Army Engineers whenever the FPC licensed projects on rivers with navigable reaches. Surely, parallel participation in FPC verdicts ought to be required by the Fish and Wildlife Service where the streams at stake are the habitat of fish pilgrimages worth many millions of dollars, both from the standpoint of commercial and sports fisheries.

"As I have said, Mr. President, the Federal Water Power Act now restricts the Commission's licensing authority by providing that no license affecting the navigable capacity of any navigable waters of the United States shall be issued until the plans of the dam or other structures affecting navigation have been approved by the Chief of Engineers and the Secretary of the Army.' In the management of our Nation's water resources for their full multiple-purpose benefits, the continuance of major fisheries certainly deserve protection equal to that afforded the requirements of navigation. The bill which I am introducing merely extends the law so that no license shall be issued until the Secretary of the Interior, after consulting with the Fish and Wildlife Service, has determined that the dam and project works are not detrimental to migratory fish and to game and wildlife."

It is certainly time that a halt was called to the high-handed procedure of the FPC.

Certainly no Federal agency should have such dictatorial power over use of the waters of the Columbia Basin as now exercised by the FPC.

NEUBERGER's legislation seems a good way to limit this dictatorial power.

The Oregon Senator called attention to another aspect of the ghastly FPC ruling regarding the Snake River dams—the FPC's blithe and casual comment that the problem of getting fish past high dams is well on the way to being solved.

This remark was snatched up immediately by Canada's Gen. A. G. L. MacNaughton, one of the principal advocates of a project to divert Columbia River waters into the Fraser River for power development.

This project has been blocked in Canada, up to now, by the interests protecting the valuable Fraser River sockeye salmon runs. High power dams, they pointed out, would destroy these runs. But now MacNaughton can seize the FPC arguments and use them in favor of diverting the Columbia into the Snake.

The FPC opinion that fish will soon be able to pass high dams is not based on fact—actually, biologists are still dubious about getting this done. But when a supposedly responsible agency of the Federal Government makes such a baseless statement, no wonder advocates of stream damming at any cost snatch it and use it.

[From the Oregonian, Portland, Oreg., of February 3, 1958]

FISHERY CURB ON FPC

The flagrant and persistent policy of the Federal Power Commission in disregarding the effects of high dams on migratory fish (as in the Cowlitz, Deschutes and Middle Snake rulings) is well established. Comprehensive development, as required by law, means power development to the FPC. In making such decisions the FPC has ridden roughshod over State laws in Oregon and Washington.

An effort to persuade the Power Commission to consider the fishery resource now is being made by Senator RICHARD L. NEUBERGER, Oregon Democrat. He was given the unanimous support of leaders of national conservation organizations meeting with him Friday for his S. 3185. This bill, newly introduced, would require FPC to give the Department of the Interior the same consultative and collateral voice in consideration of licenses that the United States Army Corps

of Engineers now is accorded on flood control and navigation problems.

Specifically, S. 3185 amends the Federal Power Act by adding this provision: "That no license shall be issued until the plans for the project have been approved by the Secretary of the Interior, after consultation with the Fish and Wildlife Service of the Department of the Interior, as not being detrimental to the conservation of migratory fish and game."

This amendment would give the Secretary of the Interior approximately the same veto power over FPC that the Oregon Fish Commission once had over the State Hydroelectric Commission. One foresees a rocky road in Congress. But, certainly, FPC should be required to take the fishery into consideration. And it would be the Interior Secretary, not the Fish and Wildlife Service, who would be responsible.

The Neuberger bill was the direct result of the FPC decision rejecting licenses to Northwest Power Co. for dams at the Mountain Sheep and Pleasant Valley sites. In this ruling, FPC held that a high dam at the Nez Perce site, which would totally block migrations of fish into and out of the Salmon and Imnaha Rivers, is the dam to build in that section of the Snake. Obviously, FPC would look with favor on a private utility application to build Nez Perce.

Discussions are now being held in Washington looking toward a workable bill to declare a moratorium on dam building which would affect fish migrations in the Salmon and Imnaha Rivers, while research in high dam passage continues. This also was recommended by the Oregon Water Resources Board. Another proposal is for Congress to declare the Salmon, Imnaha, and Grand Ronde Rivers a fish sanctuary by barring dams over a maximum height, or all dams. But no one yet has figured out how Nez Perce in the Snake could be blocked by that means—and if Nez Perce were built, the Salmon and Imnaha sanctuaries would soon be fishless.

[From the East Oregonian, Pendleton, Oreg., of January 28, 1958]

WAS FPC ATTEMPTING TO REESTABLISH INTEGRITY?

(By Robert Smith)

WASHINGTON.—The Federal Power Commission's rejection of Pacific Northwest Power Co.'s application for Mountain Sheep and Pleasant Valley Dams was a bold political decision reached as a consequence of the terrible beating the FPC has taken from Congress the past 2 years over the Hells Canyon case.

This was the explanation of a veteran FPC official who was involved in the running Snake River development controversy.

The FPC was anxious to remove the stigma of being regarded as pro-utility for having granted Idaho Power Co. a license for several smaller dams in that stretch of the river where an FPC examiner found that high Hells Canyon dam would have been superior.

SORE AT COMPANIES

Other pieces fit into this Snake River puzzle. The administration has been sore at the member companies of Pacific Northwest Power Co. for having sent representatives to testify before Congress last spring in favor of Federal funds to start John Day Dam as a Government project when the administration was clinging to its partnership idea for private utility construction. Congress soon thereafter added $1 million to start John Day, and now the administration is stuck with having to go through with this project at a cost of $310 million.

Somehow the administration refused to accept the political realities which the utilities had faced after the 1956 election, sponsors of partnership power bills—Sam Coon, Harris Ellsworth, and Douglas McKay—were all defeated by Oregon Democrats who favor Federal construction.

THEY SHARE RELUCTANCE

While the FPC and the administration protest any hint of collusion in these power cases, it is a fact that all five Commissioners now sitting at the FPC were appointed by the administration and share its reluctance to support Federal dam building.

When Secretary of the Interior Fred A. Seaton a year ago came out for a higher dam at Pleasant Valley, he was quickly boxed in by the opposition of FPC Chairman Jerome Kuykendall and the White House.

Since then, however, Kuykendall—and the reputation of the FPC as an impartial regulatory agency—suffered the humiliation on Capitol Hill of having the Chairman's reappointment for a new term delayed for 2 months while critics of the FPC whaled away. With support from Democrats from gas-producing States, Kuykendall was confirmed, but the reputation of the FPC was none the better for the experience.

IKE VETOED THE BILL

The FPC had also been pictured as friendly to the powerful gas lobby because it favored a bill to exempt producers from Federal regulation of rates—a bill which Eisenhower found it necessary to veto because of public indignation against the $2,500 gift which a gas lobbyist was disclosed to have given one Senator.

From outward appearances, the five-man commission did not take this Snake River case under advisement until the oral argument late last November. In that 1-day hearing, the argument for Nez Perce was made by an FPC staff attorney, Joseph Hobbs, whose presentation in the view of many who heard it was flimsy and virtually incoherent. The Commissioners were smiling tolerantly before he was through.

The weak argument in behalf of Nez Perce mattered not at all, according to this informed FPC official, for the decision to back that project had been made by the Commission in consultation with the staff several months before.

IT'S YET TO BE VOICED

Likewise to no avail, then, was the contention of the power companies that Nez Perce could not feasibly be built in the foreseeable future because it would kill off all the migratory salmon which now depend on getting up the Salmon River to spawn.

Still smarting from bad reaction to its Hells Canyon decision, suffering the indignities of being portrayed as too favorable to the gas and electric utilities it is supposed to regulate, the FPC grasped the high Nez Perce Dam as a means of trying to reestablish its basic integrity.

If there is a more persuasive explanation for the Commission's support of a dam which no one wants to build, it has yet to be voiced.

IMPORTS OF JEWELED AND PIN-LEVER WATCHES

Mr. BEALL. Mr. President, it is with great pleasure that I call the attention of my colleagues to the excellent report issued on February 28 by Gordon Gray, Director of the Office of Defense Mobilization. I have reference to his announcement, and the publication of supporting findings by ODM, that imports of jeweled and pin-lever watches and clocks are not threatening to impair the national security.

This conclusion was based on Mr. Gray's evaluation of the facts developed during an exhaustive investigation of the relationship of the domestic horological industry to military and essential civilian requirements in a future emergency. Mr. Gray pointed out that in the years intervening since 1954, when this subject was last officially reported on by the Office of Defense Mobilization, not only has a marked reduction in mobilization requirements taken place, but a substantial expansion of precision skills and plant capabilities has become incorporated in our industrial economy.

The far-reaching aspects of the earlier decision manifested themselves in my own State of Maryland because of the support it lent to other actions taken by the Government since 1954 which tended to curtail our trade with Switzerland. The reduction of watch imports has had a grave impact on the sale of Maryland tobacco to that democratic nation, which has never to my knowledge requested or received any aid from the United States.

During the past few years, I have on more than one occasion called for improved trade relations with Switzerland. Therefore, it is most heartening to note the forward-looking action taken by Defense Mobilizer Gray which will doubtless make a significant contribution to this objective.

In his six-point summary, Mr. Gray refers to the views of other agencies which he considered in arriving at his conclusion. The Department of Defense, the Department of Commerce and the inter-agency Advisory Committee on the Watch Industry are among those cited whose findings lent support to the conviction expressed by Mr. Gray that, on the basis of evidence developed, there is no reason to believe that the level of imports of horological products threatens to impair the national security.

In a larger sense, it is noteworthy that this decision comes at a time when the question of extending our reciprocal trade program is before the Congress. It would be unwise not to recognize the support which this action gives to that cause.

Because Mr. Gray's presentation of the factors considered and the facts arrived at in rejecting the pleas for further protection of the domestic industry represents such a logical and thorough handling of this difficult subject, I request permission to have printed in the body of the RECORD a copy of the letter which the Defense Mobilizer sent to each of the three petitioners:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., February 28, 1958.

On December 26, 1955, the American Watch Manufacturers Association, Inc., and the Bulova Watch Co. jointly requested the Office of Defense Mobilization to initiate immediate action under section 7 of the Trade Agreements Extension Act of 1955 (Public Law 86, 84th Cong.) to remove a continuing impairment to the national security. On April 18, 1956, the Clock and Watch Manufacturers Association of America, Inc., filed a similar petition. Inasmuch as both jeweled and pin-lever segments of the horological industry have produced a variety of essential timing and other devices used by the military and the civilian economy, it was decided to consider and answer these petitions for the

horological industry as a whole. Accordingly, this letter replies to the two section 7 petitions.

It should be borne in mind that, in conformity with the responsibilities of the Director of the Office of Defense Mobilization fixed by law, this study has been directed solely to the national security aspects of this problem.

The Office of Defense Mobilization responded to the above-mentioned filings by causing an exhaustive investigation to be undertaken which included:

1. A review by the Department of Defense of all contracts it awarded to horological firms for the years 1951 through June 1957.

2. Estimates of mobilization requirements in the horological field made by the Department of Defense and the Department of Commerce.

3. The appointment of a consultant to undertake and coordinate an examination of the jeweled-watch segment of the horological industry. A consulting engineer was appointed to assist with engineering advice.

4. The holding of public hearings.

5. Surveys, visits and discussions by Department of Defense teams with manufacturers of 26 missiles; 37 nonhorological firms with capacity for producing safety and arming devices; domestic jeweled watch plants; clock and pin-lever watch plants; key manufacturers of missile guidance systems; technical laboratories of the Defense Department; and an installation of the Atomic Energy Commission.

6. Studies of pertinent skills by the Department of Labor in several domestic jeweled-watch plants; one imported jeweled-watch assembly plant; several clock and pin-lever watch plants; and a number of precision manufacturing plants outside of the horological industry.

7. A review by the interagency Advisory Committee on the Watch Industry of the data developed.

An account follows of the principal actions taken and facts and data developed.

ORDER BOARD REVIEW

The Defense Department reviewed the order boards of all domestic horological firms, covering prime contracts, subcontracts, research and development and parts supply from 1951 through June of 1957. This review was necessary in order to measure the volume of horological products produced for military needs as well as to identify the items for which an alternate source of supply would be needed if they were not produced by the horological industry. The review also developed data useful in the preparation of requirements estimates. These data were made available to the Department of Commerce, the Department of Labor and to this Office.

REQUIREMENTS

Studies by the Department of Defense indicate that new weapons and changed concepts have greatly reduced current military mobilization requirements for jeweled timepieces and timing devices. As an indication of the reduction which has taken place, military requirements reported as of December 1956 for jeweled watches and chronometers were drastically reduced from World War II requirements; and were down to about one-half of 1954 estimated requirements.

The most recent Department of Defense estimate, based on the latest strategic concepts, indicates a further reduction in volume in military requirements since December 1956 of as much as 75 percent in those timing devices which have been major items of military production by the horological industry. Mobilization requirements for watches and clocks have also declined since the December 1956 estimates.

A Department of Commerce estimate of essential civilian requirements for jeweled watches as of December 1956 was based largely on World War II experience here and abroad, on specialized civilian and industrial needs and on annual market sales volume. A more recent review indicates a reduction in specialized needs.

Civilian and industrial requirements for watches exceed the military requirements but there are tens of millions of watches and clocks in use by individuals in the United States and several millions more in trade channel inventories that could be available for essential needs in an emergency.

PUBLIC HEARINGS

At hearings held on January 7, 8, and 9, 1957, 28 witnesses were heard. The hearings were conducted in an informal manner. Every aspect of the question of the essentiality or nonessentiality of the horological industry to the national security that parties at interest, outside of the Government, wished to present was included in the record.

CAPACITY AVAILABLE IN MOBILIZATION

The Department of Defense has programed and assigned to individual firms certain military production which is to be undertaken should an emergency arise. The production of a portion of safety and arming and other timing devices has been assigned to horological firms. A study was made to determine (a) the items together with the volume planned for production in an emergency by the horological industry, (b) the scope of planning with plants outside of the horological industry which had the capability to make the items referred to above, and (c) the capacity of nonhorological firms to produce safety and arming devices. Surveys of 37 selected nonhorological firms revealed both the capability and capacity to design and manufacture far in excess of the volume of orders assigned to horological firms without disturbing the production of other military items already planned for the particular firms.

RELATIONSHIP TO THE MISSILE PROGRAM

In the surveys of missile plants by the Department of Defense teams, particular attention was directed toward the kind of precision operations being conducted, as well as to parts or components procured by the missile manufacturers from horological firms. Specific inquiry was made of both the technical and executive level and especially of the procurement, production, and design engineers to determine if there were items or components used in missiles upon which it was felt reliance must be placed on the horological industry to produce. The purpose of the survey was first explained to the executive management, after which the engineering staff was interviewed. A second meeting with the executive group was then held in order to obtain confirmation of the engineers' report as to the experience of the firm in the use of horological industry firms and other sources of manufacture.

The Department of Defense reported that many of the officials and engineers interviewed had been with missile projects during the period of research and development and many of the missiles studied were in various stages of development. No missile manufacturer questioned indicated a dependence upon the horological industry either for production or research.

The Director of Guided Missiles stated that "Viewed solely from the standpoint of the potential contribution to the guided-missile programs, it is evident that the horological industry cannot be considered to be essential to these programs. To the extent the facilities of the horological industry are available to us, we shall continue to utilize them in competition with other qualified producers in nonhorological industries."

SURVEYS BY DEPARTMENT OF DEFENSE TEAMS OF TECHNICAL LABORATORIES

Safety and arming devices represent the largest volume in terms of either dollars or units which horological firms produce for use in missiles. The service laboratories having technical responsibility for safety and arming devices reported that many firms outside the horological industry have the capability and capacity to design and manufacture these complex items and are presently doing so.

SURVEYS BY DEPARTMENT OF DEFENSE TEAMS OF HOROLOGICAL FIRMS

These inspections were made in order to observe the manufacturing processes in the various plants, with special emphasis on an examination of the firms' research and development capabilities. While operations in this field reflecting real credit on the industry were noted, there did not appear to be an unusual research or development capability that could not be found elsewhere. This view was shared by the Assistant Secretary of Defense for Research and Engineering.

STUDIES BY LABOR DEPARTMENT TEAMS

In the studies conducted in various plants by the teams of the Department of Labor, an examination was made of nine skills agreed upon by the jeweled-lever industry as being representative of key skills in the industry to determine the characteristics and employment of such skills and to obtain information as to the training period required to reach proficiency. Examination was also made of the skills in a number of pin-lever and nonhorological precision plants in order to determine if similar skills were to be found in such plants, and the length of time required to reach proficiency upon transfer from one group to the other. The wartime requirements for jeweled-lever industry skills were estimated on the basis of the production programs provided by the Department of Defense.

The Department of Labor investigation showed that in most of the skills examined, with a brief training period, there was relative ease of interchangeability between the jeweled and pin-lever segments of the horological industry, and with training periods of varying lengths, there could be some interchangeability of key skills between precision manufacturers outside the horological industry and those within the horological industry.

CONSULTANT'S REPORTS

The consultant referred to above read and considered all evidence presented up to September 25, 1957, the date of his report. In the process of his investigation he visited the plants of the domestic jeweled watch manufacturers, observed the operations of a number of importers, and also spent several days visiting jeweled watch plants in Switzerland. While he did not have the benefit of data developed by investigations made in recent months by the Department of Defense, his conclusion read as follows:

"It is desirable to have a jeweled watch industry in being in this country for the contribution it can make, along with other precision manufacturers, for production of the timing devices and other items needed by civilian and military users both in peacetime and in emergencies. However, due to significant reductions in recent years in the mobilization requirements for jeweled movements, the tremendous advances in the diffusion of precision production techniques and the availability of necessary skills and production capacity, there does not appear to be a threat to the national security because of imports of jeweled watch movements."

The engineering consultant, after visits to horological plants, to precision manufacturers outside the horological industry, and to a number of missile plants, reported in June 1957 that he had identified four items for military use which he believed only the jeweled watch industry could produce. Based on this belief and his study of the subject

from an engineering and organization standpoint, he concluded that the jeweled watch industry was essential to national defense.

Investigation later made by the Department of Defense established that three of these items were then being produced outside of the horological industry and the fourth had been found unsuitable for use in the missile complex in which it had been expected it could be beneficially incorporated.

CHANGES IN TECHNOLOGY

In the years intervening since 1954 when this subject was last officially reported on by this agency, a substantial expansion of precision skills and plant capabilities has become incorporated in our industrial economy. This trend was developing rapidly by 1954 but had not reached its present degree of maturity and application. These skills and capabilities may now be found in many industries with a consequent enlargement of the base in precision production.

SUMMARY

1. On the basis of the studies it has conducted, the Department of Defense has concluded that the horological industry is not essential in the supply of items critically needed by the military in times of national emergency.

2. It is the opinion of the Department of Commerce, after giving consideration to all factors, that essential civilian requirements for high precision jeweled timepieces during a national emergency could be met from domestic production that would be available, from inventories of such movements that are constantly widespread throughout distributive channels, and such imports as may be possible from foreign sources.

3. The mobilization requirements for watches and clocks have markedly decreased.

4. New weapons and new strategic concepts have drastically reduced the requirements for the types of military items in the production of which the horological industry has participated.

5. The base for precision production and skills in our industrial economy has expanded substantially.

6. The interagency advisory committee on the watch industry is of the opinion that the level of imports of horological products does not threaten to impair the national security.

CONCLUSION

I have examined the report of the Department of Defense on this subject transmitted to me by the Deputy Secretary of Defense, the report made by the Department of Labor, the report of the consultant appointed to undertake and coordinate an examination of the jeweled watch segment of the horological industry and the report of the engineering consultant. I have also considered the requirements data submitted by the Department of Defense and the Department of Commerce, the evidence presented at public hearings and the briefs and statements subsequently filed. In addition I have had the benefit of opinions of a number of individuals knowledgeable in this field and have considered the advice of the interagency Advisory Committee on the Watch Industry.

On the basis of the evidence developed by the study, I am unable to find there is reason to believe that the level of imports of horological products threatens to impair the national security.

Sincerely yours,

GORDON GRAY,
Director.

COLUMBIA BROADCASTING SYSTEM PROGRAM FEATURING STATEHOOD FOR ALASKA AND HAWAII

Mr. NEUBERGER. Mr. President, as a supporter and cosponsor of bills providing for statehood for Alaska and Hawaii, I commend the Columbia Broadcasting System and Mr. Edward R. Murrow for the "See It Now" television program of March 2, which featured the statehood aspirations of these two great Territorial possessions of the United States.

I felt this was a public-service program of the highest order. It was factual, complete, unbiased, and thorough. I have never visited Hawaii, but I have been to Alaska on many occasions, and served there in our Army during World War II. From my personal knowledge of Alaska, I can truthfully say that the portion of Mr. Murrow's program devoted to Alaska was accurate and authentic.

While I undoubtedly am prejudiced myself, I doubt if any neutral citizen of our country, seeing the broadcast in its entirety, could fail to believe that the case for statehood for Alaska and Hawaii was far stronger than the adverse case in each instance. I was particularly impressed by the direct and effective manner in which brave combat veterans of our Armed Forces challenged the canard that any substantial number of Hawaii's residents are subversive or unpatriotic.

I congratulate Edward R. Murrow and CBS for this excellent presentation, and I look forward to more programs of an equal caliber.

Mr. President, I desire now to refer to another subject.

The PRESIDING OFFICER. The junior Senator from Oregon has the floor.

CANCELLATION OR SUSPENSION OF AWARD OF TELEVISION CHANNEL NO. 10, MIAMI, FLA., TO NATIONAL AIRLINES

Mr. NEUBERGER. Mr. President, I wish to read a letter I have written to the Attorney General of the United States:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
March 3, 1958.

The Honorable WILLIAM P. ROGERS,
Attorney General of the United States,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: I should like to inquire what steps, if any, are being taken by the Department of Justice toward canceling or suspending the award of television channel No. 10 in Miami, Fla., to National Airlines.

It would seem to me most distressing if Commissioner Richard Mack should resign under fire in this chaotic situation, while the beneficiaries of his dubious activities were allowed to benefit permanently by retaining a television channel valued in the neighborhood of some $1 million.

It is my hope that the Department of Justice will study the possibility of bringing a suit in court, which seeks to vacate the licensing of channel No. 10, in Miami, and to require a totally new series of hearings and proceedings by the Federal Communications Commission with respect to the granting of this channel.

As a Member of the Senate, I urge such a course of action upon your department.

With good wishes, I am,

Respectfully,

RICHARD L. NEUBERGER,
United States Senator.

AUTHORIZED PUBLIC-WORKS PROJECTS IN ARKANSAS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there may be printed in the RECORD a statement I have prepared regarding public-works projects in Arkansas, together with a table listing the projects and their cost.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

Economic indicators are pointing downward. An exception is the cost-of-living index, which in January rose to a record high. It is paradoxical that the cost-of-living index continues to rise as unemployment goes up. There has been much discussion in the Congress recently on ways to improve the current economic situation. Every section of the country has felt the effects of the economic slump, and the outlook for rapid recovery is not as rosy as some would lead us to believe. Even at the risk of being labeled a pessimist for admitting that we are in the midst of a recession, I cannot avoid facing the facts, and I think that many will agree that the time has come for the Federal Government to take action to bring about an upturn in the economy.

The President has recommended on several occasions recently that as an antirecession device, public-works expenditures should be increased. However, the budget which he submitted to Congress this year does not reflect this thinking. If the administration intends to accelerate construction of public-works projects, or initiate new programs, evidence of this intention has not yet come to my attention. The administration has not requested supplemental funds for existing projects, nor has it requested that new projects be authorized; and while we can talk indefinitely about the plight of the unemployed, merely talking about it does not supply them with jobs or provide food for their families.

I want to mention briefly the situation in Arkansas, where the picture is not very bright. Cotton is the main cash crop in my State, and we suffered a disastrous cotton-crop failure last year. Some of us in the Congress have been trying for months to get Mr. Benson and the Department of Agriculture to recognize the seriousness of the disaster. Because of abnormal weather conditions—prolonged and torrential rainfall—our cotton production last year was only 69 percent that of 1956. This is reflected by the fact that there was a 22-percent decrease in farm income in Arkansas in 1957, and this decrease has had severe effects throughout the entire State and in every economic activity; for in Arkansas, as in any agricultural State, when the farmer suffers, everyone suffers. At mid-January unemployment in Arkansas was over 60,000—a 20-percent increase over this same period last year—and I understand that the situation in Arkansas is typical of all the States in the Mississippi delta region.

We need help, and the most effective way to assist us is through a speedup of public-works projects—the quickest and surest way to increase jobs and circulation of money. Hundreds of projects throughout the country—some of them in my State—have already been authorized, the planning has been completed, and the projects are under construction. Many more have been authorized, the planning has been completed, but there have been no funds appropriated for construction.

These projects have been approved by the Congress and the executive branch, and they are ready to go. They are not merely make-work projects; they are sound, economically feasible projects which have been stalled by lack of support from the administration.

I have asked the Corps of Engineers of the Army to prepare for me a tabulation of the amount of funds which could effectively be used on all authorized public-works projects in Arkansas during the next fiscal year. This list is quite revealing when compared to the amounts included in the budget for fiscal year 1959 and gives an indication of the administration's attitude toward acceleration of the public-works program. I ask unanimous consent that the tabulation to which I have referred, prepared at my request by the Corps of Engineers, be inserted in the RECORD at the conclusion of my remarks. I also ask unanimous consent that a resolution of the Mississippi Valley Association urging increased appropriations for public-works projects in the Arkansas River Basin be inserted in the RECORD.

The Arkansas River Basin program is one of the most encouraging developments in our area. Increased appropriations for these projects will provide jobs for the rapidly growing list of unemployed persons in my State and should act as a catalyst on the entire economy of the region. For the public-works projects authorized in Arkansas, the Corps of Engineers indicates 22,199,000 more dollars can be effectively used in fiscal year 1959 than has been included in the budget.

I hope that when the public-works appropriation bills come before the Congress in the near future the projects can be accelerated.

Authorized projects in Arkansas

Project	Estimate fiscal year 1958 obligations	Amount included in budget for fiscal year 1959	Amount that could be effectively used in fiscal year 1959	Remarks
(1)	(2)	(3)	(4)	(5)
Navigation:				
Arkansas River and tributaries, Ark.-Okla.:				
General studies	$520,000	$900,000	$900,000	
Emergency bank stabilization	1,616,800	541,000	541,000	
Bank stabilization (exclusive of emergency)	80,000	0	5,900,000	
Ouachita River and tributaries, Ark.-La	56,800	0	204,000	
Flood control:				
Bayou Bartholomew, Ark.-La	0	0	40,000	
Calion, Ark	318,600	0	0	Complete with fiscal year 1958 funds.
Conway County Drainage and Levee District No. 1, Arkansas.	250,000	0	0	Do.
Maniece Bayou, Ark	146,000	0	0	Do.
McKinney Bayou and Barkman Creek, Ark.-Tex.	6,300	0	300,000	
Walnut Bayou, Ark	69,400	575,000	575,000	Complete with fiscal year 1959 funds.
Multiple-purpose projects:				
Beaver Reservoir, Ark	319,000	250,000	850,000	
Blakely Mountain Reservoir	0	0	85,000	
Bull Shoals Reservoir, Ark.-Mo. (additional units 5 and 6)	25,000	500,000	500,000	
Dardanelle lock and dam	911,000	1,500,000	2,500,000	
Greers Ferry Reservoir	948,100	2,000,000	5,500,000	
Table Rock Reservoir, Ark.-Mo	16,046,900	12,400,000	12,500,000	
Narrows Reservoir	0	0	117,000	
Bull Shoals Reservoir, initial project, Arkansas and Missouri	57,100	0	0	
Norfork Reservoir, Ark	30,200	0	0	
Flood control, Mississippi River and tributaries:				
Mississippi River levees, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	2,200,000	1,800,000	2,747,000	
Channel improvement, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	17,868,000	18,000,000	26,100,000	
St. Francis Basin, Ark.-Mo	4,525,600	2,600,000	3,080,000	
Lower Arkansas River, Ark	354,800	300,000	453,000	
Tensas Basin, Ark.-La	1,147,800	800,000	1,123,000	
Deferred projects:				
Clarksville, Ark	2,400	0	0	
DeGray Reservoir, Ark	50,000	0	350,000	
Murfreesboro Reservoir, Ark	12,800	0	0	

ARKANSAS RIVER BASIN COMPREHENSIVE PROGRAM ADOPTED AT MEETING OF MISSISSIPPI VALLEY ASSOCIATION, HELD IN ST. LOUIS, MO., FEBRUARY 9–12, 1958

We commend the 85th Congress, 1st session, for appropriating funds to continue construction of this important comprehensive project.

We urge Congress to make further appropriations sufficient to expedite the authorized program in the Arkansas River Basin for flood control, bank stabilization, navigation, water supply, and incidental hydroelectric power. We request that increased appropriations be made as rapidly as the Corps of Engineers can handle such funds in order to bring about the completion of this program in the next 11 years.

We call to the attention of Congress the importance of Keystone, Eufaula, and Oologah Dams in Oklahoma, emphasizing the need for early completion of these projects so that Dardanelle (now under construction) and Ozark Dams in Arkansas may be constructed on schedule. We urge consideration of increasing the budget recommendations on the following projects: Dardanelle Dam in Arkansas, Keystone and Eufaula Dams in Oklahoma, by an amount which will insure completion of the entire program in a period of 11 years.

We urge that the ban on new starts be lifted in the case of Strawn Dam (Burlington site) on the Neosho River in Kansas and that sufficient construction funds be appropriated to get this project underway. Floods in 1957 clearly demonstrated the serious deficiency of flood-control storage on this stream.

We also request that construction funds for bank stabilization be appropriated so that work can be initiated on the reach of the Arkansas River between Wilson's Rock and the Short Mountain Dam site. During the 1957 floods, a natural cutoff approximately on the line of the planned project occurred in this area. If the bank-stabilization program here can be initiated promptly, it will be possible to take advantage of this situation and to make a substantial saving in this portion of the work.

We urge that work on the bank-stabilization and navigational features from Fort Smith, Ark., downstream, beginning at the mouth of the Arkansas River, be progressed simultaneously with work on the upper reaches as rapidly as feasibly possible, with the view of securing as early return of benefits as can be had.

We urge that Congress provide adequate funds to continue planning of badly needed authorized projects on the Verdigris and Neosho Rivers and their tributaries in Kansas and Oklahoma, so that the benefits may be made available at the earliest possible time. We conclude this request by emphasizing that the Arkansas River is the only major undeveloped river in the Nation.

	Carryover money, fiscal year 1958	Funds requested for fiscal year 1959	Bureau of Budget recommendations
Keystone	$1,197,911	$28,300,000	$4,000,000
Oologah	2,661,160	13,700,000	10,000,000
Eufaula	1,791,275	21,200,000	4,500,000
Short Mountain		100,000	
Dardanelle	225,346	5,000,000	1,500,000
Navigation locks, dams and channel improvement		870,000	
Bank stabilization	45,351	7,350,000	541,000
Total		76,520,000	20,541,000

AMERICANS WITHOUT WORK—OIL IMPORTS CAUSE MORE UNEMPLOYMENT

Mr. YARBOROUGH. Mr. President, the latest official report by the Texas Employment Commission lists unemployment in Texas in nonagricultural jobs at 181,200, which means that a known 30,000 additional Texans could not find jobs last month.

In my opinion, the figure of 181,200 as the number of persons unemployed is ultraconservative. Yet these figures are serving notice that the bread and bacon picture of Texas today is not good. These figures show that 24,000 men and women in the Houston area alone can no longer find jobs to earn their living; and 29,600 workers in the Dallas-Fort Worth area are without jobs. Among the smaller cities, in Texarkana, 12 percent of the labor force is now unemployed; at San Angelo, more than 8 percent of the people are hunting jobs; and in Amarillo, 7.5 percent of the working force can find no work.

This picture of mounting unemployment becomes even more serious when one considers that Texas is now on a 9-day oil production allowable, the lowest days per month production schedule in history. This 9-day crude-oil production schedule, forced on Texas by a continuing flood of cheap foreign oil imports, can only mean more jobless men and more people without wages for groceries.

This administration knows of this situation, and it has the authority to stop this flood of foreign oil. Yet the administration continues to listen to the wants of the giant oil cartel, instead of to the needs of the people. If this trouble were confined to Texas, it would be bad enough. But that is not the case. Our neighbors in Oklahoma, Louisiana, and all other Southwestern and Midwestern oil-producing States are also feeling the effect of this weak administration.

Mr. President, two-pronged action is needed: First, a tax on the imports of oil; second, a mandatory 20-percent reduction in the oil imports.

Mr. President, for the enlightenment of this administration, in order that it may recognize how it is jeopardizing national security by its policy of greater cartel profits and faulty foreign policy, I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD, the following information on this subject:

First. A resolution by the Abilene Christian College board of trustees concerning the gravity of the situation.

Second. From the February 23, 1958, Kilgore (Tex.) News Herald, an article entitled "The Publisher's Scratch Pad."

Third. From the February 20 publication of the Baytown Employees Federation official magazine, the BEF News & Views, an exceptionally fine article by R. R. Dawson, federation president, on the subject "Foreign Oil—Our Number One Problem."

Mr. President, at Baytown there is a very large refinery which is owned by the Humble Oil Co., a subsidiary of the Standard Oil Company of New Jersey. The article states what is happening to the employees there as a result of the imports of foreign oil.

There being no objection, the resolution and articles were ordered to be printed in the RECORD, as follows:

OIL IMPORT RESOLUTION, ABILENE CHRISTIAN COLLEGE BOARD OF TRUSTEES, ABILENE, TEX.

Whereas the oil allowable for the State of Texas has been forced to the lowest amount in the history of the oil industry, thereby critically reducing the invested endowment income of Abilene Christian College, affecting the revenues of our public and private schools, increasing unemployment and jeopardizing the investments of thousands of individuals: Now, therefore, be it

Resolved, That we, the board of trustees of Abilene Christian College, respectfully petition that the Congress of the United States take speedy action to remedy this critical situation.

[From the BEF News & Views for February 20, 1958]

FOREIGN OIL: OUR NO. 1 PROBLEM

(By R. R. Dawson, BEF president)

An 11-day producing schedule for Texas oil wells coupled with such headlines as "Crude Imports Jump 15 Percent" almost tells the story of our sick Texas oil industry without elaboration. I don't remember when our production was ever at an 11-day level before. Some companies appearing before the Railroad Commission asked for even less producing days, and in view of our rising gasoline stocks, 11 days' production is having a hard time finding customers. Yet most any paper you pick up carries news of increased imports of both crude and finished petroleum products. The domestic market is down from last year and our foreign market is, for all practical purposes, nonexistent due to the large number of refineries built in foreign countries in recent years. At the present time the United States has fallen below 50 percent of the world's refining capacity for the first time in history. All this has tremendous impact on us both as oil workers and as citizens of Texas and the United States. As oil workers we see more and more attempts on the part of management to squeeze the workers in order to reduce costs so that we can compete with refined products produced in foreign countries with cheap foreign labor. We see refinery runs cut as domestic production falls. And as we all know cuts in refinery runs increase the costs per barrel of refining crude. And the crowning blow to top all crowning blows we find our Federal Government buying foreign jet fuel and other refined products for the Armed Forces.

As citizens of Texas we see our economy in general suffering. Many of our Texas industries are based on the drilling, exploring for, and refining of oil. As production is cut lower and lower these activities slow down with resulting adverse effects on our income and employment. We find our State tax income being cut sharply as severance taxes become smaller and smaller. Glaring headlines declare that our State government must find millions of dollars in new revenue and if past practice is continued, these taxes will come out of the pockets of the working people in increased sales taxes.

As citizens of the United States we find ourselves faced with a deficit in our national budget as those major importers get double depletion allowances on their profits from imports. If we should be forced to defend ourselves we would find that our petroleum reserves have been neglected due to the cuts in production. Wildcatting isn't a very profitable business when you will be restricted to a very low production and that on an 11-day schedule.

What has been done? What can be done? What are we going to do? The first is easy to answer. Commissions and committees have been appointed to study the situation. That has been a favorite pastime in Washington. Appoint a committee to study the import situation and report to the administration. Finally after several such reports, a vountary import curtailment program was started. This voluntary plan was based on imports of several years ago and favored the major importers who were virtually the only importers at that time. Independent refiners now are trying to get quotas amounting to 200,000 additional barrels daily. Some of these independents are not complying with the voluntary control program. It was hoped to hold imports to 12 percent of the domestic production, but this figure has not been met, and domestic demand has dropped about 9 percent below last year. Governor Daniel has appointed a committee to study the effects of imports on the Texas economy. This almost comes in the category of locking the barn door after the horse has been stolen. Texas has been suffering from the effects of imports for several years, and the Governor finally appoints a committee to study the situation.

Senator YARBOROUGH has called for a Senate investigation of purchases of foreign oil and products by the Defense Department. These purchases amounted to $334 million in the fiscal year of 1957. I quote Senator YARBOROUGH as he asked for the investigation, "Remember these are American tax dollars that are being spent outside this Nation, that every $1 million spent is money that can never find its way into the pockets of the oil workers, the royalty owner, the refinery workers, and the American company employee."

As we see, very little of real importance has been done to curb imports. A lot has been said, but little has come of it. The President of the United States has the power in the palm of his hand to remedy the situation overnight. He has the full authority to set an import quota. To those of you who might deplore Government interference, let me remind you that the Texas Railroad Commission controls the Texas oil production right down to the last barrel. With our Texas regulatory agency cutting production every month (the Bureau of Mines predicts a lower demand in March than for February) it certainly behooves the Federal Government to step in and control imports to protect our domestic industry. We realize that there is nothing to be done about our foreign markets that have been lost due to increased refining facilities abroad, but there is no reason for our people to suffer so that these importers can get fatter and fatter on their very profitable imports. Of course, I realize that since the administration has shown its lack of consideration for the people of Texas by suing for recovery of the tidelands, that we can expect very little consideration from that source. I am afraid that it will be up to the Congress to do something. Several alternatives are open to them: A tariff on foreign crude and refined products, cancellation of the depletion allowance on crude produced outside the United States, a bill setting up rigid import quotas. I think all these possibilities should be considered. Certainly we should discontinue subsidies in the form of depletion allowances to American companies engaged in the production and importation of foreign crude.

What are we going to do? We are going to contact all our representatives in Congress, and bring to their attention the urgency of the situation. We are going to do what we can at the State level to give the railroad commission more power to meet the situation head on. At present their hands are tied by law. As demand (measured by nominations of purchasers) falls, they are obligated by law to cut our Texas production. They should be given more leeway in setting their quotas, and any resulting oversupply would be the responsibility of the Federal administration. The Federal Government should control imports to protect our Nation and its citizens.

We have just begun to fight. After we have contacted our Senators and Congressman, we will let you know their answers.

[From the Kilgore (Tex.) News Herald of February 23, 1958]

THE PUBLISHER'S SCRATCH PAD

(By C. K. D.)

In the wake of the cutback in Texas oil production for the month of March to only 9 days, there is evidence that the gravity of the situation is becoming apparent in other States. At last, Texas will get help from States which have not cooperated in the past.

Louisiana announced Saturday it will reduce production 48,140 barrels per day in March.

Oklahoma's Governor Gary said his State will act Tuesday, being expected to make a reduction of 50,000 barrels daily. Gary said: "We're helpless. There's nothing the States can do. We hope this will force Washington to reappraise its policy with the view of making a drastic reduction in imports."

Meanwhile, Gov. Price Daniel continues his fight against excessive imports. He will be the first witness at the initial hearing Tuesday of his special oil imports study commission.

Total petroleum imports into the United States hit a new record high during the week ended February 14, averaging 1,897,500 barrels a day, of which 1,217,300 were crude. This is a big jump from the week-before average of 1,238,500 for all imports and tops the previous record high average of 1,795,200 set last September.

The News Herald's recent open letter to President Eisenhower and Texas Members of Congress has been the basis of several editorials in other newspapers and has brought the following comment from officials:

Olin Culberson, Railroad Commission Chairman: "Congratulations on that editorial of February 3. It was a bull's eye."

Ernest Thompson, member, Texas Railroad Commission: "Your open letter on imports is excellent. The President has full authority under section 7 (b) of the Trades Act to do

all things necessary to control imports whenever they threaten to imperil the national security. * * *. I notice that more companies are applying to import oil. The new requests total some 200,000 barrels daily. We have too much oil now."

United States Senator RALPH YARBOROUGH: "I am enclosing a copy of the CONGRESSIONAL RECORD for February 13. On pages A1259 and A1260 I inserted in the RECORD the complete text of the open letter which appeared on the front page of your issue of February 3. Your open letter presented a very graphic picture of the grave situation created by the ever-continuing flood of foreign oil imports. In my opinion your presentation of these conditions will be of no small importance in influencing the opinions of those who are unaware of the gravity of the problem. Please know that I am doing everything that I possibly can to call the attention of Government officials to the oil import crisis and its effects on the economy of Texas. If at any time I can be of service to you in helping on this, or any other matter, please call on me."

Congressman LINDLEY BECKWORTH: "I assure you I will continue to try to help our east Texas oilfield people, producers, and all." Mr. BECKWORTH attached the following letter, dated February 11, written him by Capt. M. V. Carson, Jr., Administrator, Voluntary Oil Import Program, United States Department of the Interior:

"Your courtesy in sending me the copy of the Kilgore News Herald for February 3 is very much appreciated. I read with real interest the 'open letter' presented therein concerning imports of oil.

"Information which I have sent to you previously has shown that the imports of crude oil into districts I–IV during October, November, and December 1957, were below the Government-recommended level contained in the report which was approved by the President on July 29, 1957. Preliminary estimates indicate that crude-oil imports for January 1958 also were below the Government-recommended levels.

"The current petroleum situation, understandingly, is a matter of real concern to the people of Kilgore, Tex., as well as other communities in the oilfields. For this reason, I am glad to be able to report that the voluntary oil program has been operating with a considerable degree of success. Actual imports during the past 4 months in the district east of the Rocky Mountains have been below the total of the allocations to the importing companies. The Independent Petroleum Association of America, in its magazine for January, commented on the program and said:

"'* * * to date, the Government's import program has accomplished definite and substantial reductions in crude-oil imports. This provides a basis for encouragement that imports will continue to be restricted in the interest of maintaining a healthy domestic industry for national security."

The above letter from Captain Carson, who is a native of Hearne, Tex., is appreciated. His work is being widely praised. But the mass of industry opinion appears to be that the voluntary program does not go far enough. Some producers are thumbing their noses at Uncle Sam. Many are pressuring for new import quotas. And our Government continues to buy oil products from other nations. As a result of the overall situation, and despite sharp cutbacks in production, threats of a severe price break which could prove disastrous continue, and signs of gasoline wars are appearing.

Among the many recommendations for action are those made Saturday by the Texas Independent Producers and Royalty Owners Association, calling for Congress to place on imports (1) an equalization tariff, (2) quotas or quota-tariff combination, or (3) source-country quotas under which importers would bid competitively for import privileges.

Details of TIPRO's plan appear on page 5, this section. On the same page is a story telling the arguments made to Captain Carson by some of the companies who want to get into the importing business. Usually the basic plea is, "foreign oil is cheaper."

Commenting on the News Herald's open letter, the Marshall News Messenger said: "It may make sense to curb the economy of this country so as to save our resources, but it makes just about as much sense as saving food by skipping meals. Oil imports are hurting Texas, the economy suffering more and more as cumulative effects are felt." And the Panola Watchman at Carthage observed: "The Kilgore newspaper points out quite correctly that imports are hurting Texas * * * We are all appreciative of the fact that a certain amount of restrictions must be observed to save our resources, but if the restrictions push our independent oil operators to the wall, while giving special favor to foreign imports, it just doesn't make sense."

"Regardless of which remedy is applied," the Tyler Telegraph said in an editorial, "the fact persists that mandatory controls loom larger each month as the only way open for the rescue of the domestic oil industry in which east Texas has such heavy stakes. The continuing necessity for the month-by-month allowable cuts is enough to convince one that the President's plan for voluntary imports reduction is not giving the desired results."

The Dallas News commented Saturday that "imports should not exceed 10 percent of the market demand * * * There is no oil bank to duplicate the soil bank, no largess for oil operators who do not produce except insofar as they can make their money in the market * * * Stifled operations cost heavily oil workers as well as oil operators * * * One aim of conservation, assured supply in the event of war, is adversely affected if domestic production is so limited that the technically skilled manpower for production is made unavailable because it must seek other jobs * * * The key to the situation remains import oil."

This corner would like to ask Washington one question: What would happen if imports of cars and steel should cause Detroit and Pittsburgh plants to shut down and produce only 9 days in the month of March?

UNWISDOM OF PROPOSED REDUCTION IN STRENGTH OF THE NATIONAL GUARD

Mr. YARBOROUGH. Mr. President, at this time I wish to go on record as being opposed to the administration's proposal to cut the National Guard strength by 10 percent, from 400,000 to 360,000 officers and men. In my judgment, any cutback in the National Guard in light of Soviet Russia's standing fighting force of 175 divisions would be foolhardy to say the least.

My State of Texas, which has its own 36th National Guard Division—a fighting unit which has written a brave and glorious record through two world wars. Texas also has a number of other very fine National Guard units. All the people of Texas are very much concerned about the proposed cutback. I have received many, many letters and other messages opposing this cutback.

In order that this administration and the Senate may have the benefit of some of these communications, I wish to have the following excerpts from letters printed in the CONGRESSIONAL RECORD.

Mayor E. K. O'Shea, of the city of Mercedes, Tex., wrote:

We are 100 percent for reduction of expenditures wherever it can be done; but, with existing conditions and problems in the security of our Nation, and knowing the worth of the National Guard system during peace and war, our city and our chamber of commerce are very much opposed to drastic reduction in the National Guard.

Mr. V. A. Mohr, president of the Texas district, American Lutheran Church, and a leading churchman in our State, wrote:

I have been reading and hearing with increasing alarm of the reduction in strength in National Guard personnel. If and when another world war occurs, our National Guard will be doubly necessary for home protection. With the present personnel at a mere 400,000 for the Nation, it is certainly inconsistent with common sense to cut in this area of our defense spending. By reducing the Army National Guard to 360,000 men, whole divisions as well as highly trained nondivisional units, will have to be completely wiped out. Hundreds of millions of dollars expended by Federal and State Governments for facilities, equipment, and administration will be completely lost. When war comes, this loss will have to be respent, since we will necessarily have to have such men available as the Army National Guard trains.

We must support the Army National Guard at the minimum of 400,000 men, which in itself is really too small a force.

May I urge you to take the necessary action to prevent the reduction in strength of National Guard personnel? Wherever my work takes me throughout the State of Texas in my visits to more than 80,000 of my church members, I ask opinions of various individuals. Their reaction is the same.

Mr. A. J. Carnesi, vice president of the First National Bank at Brownsville, Tex., wrote:

Brownsville and this area have some peculiarities with which I am sure you are familiar, that is, we are almost 300 miles away from San Antonio and approximately 175 miles from Corpus Christi. In addition, of course, we are on the border of Mexico. Keeping these things in mind we would depend heavily on our National Guard unit in the event of any civil disturbances or disasters.

We would appreciate your reviewing this situation and request your support in keeping our National Guard at its present strength.

Mayor Joseph Faust, of the city of New Braunfels, Tex., wrote:

New Braunfels is very proud of its guard units and of their splendid record and accomplishments both in war and in time of local emergency. From its inception in 1937, the National Guard has been considered an integral part of the community and we are justly proud of the men who have served their country and community so well.

Seven thousand one hundred dollars was expended by the city of New Braunfels to provide a site for the construction of an armory to house the local units because of the responsibility felt toward the National Guard for their many contributions to the community.

It is my opinion the National Guard is vital to our security. The 185 enlisted men and 17 officers of our local unit, as well as those in units throughout our great land, are a Ready Reserve, well trained and economically maintained, should be preserved to keep the United States militarily and economically strong.

Mr. President, these excerpts from letters from mayors of cities, businessmen, and churchmen, are merely a sampling of the protests that I have received from Texas at this mentioned reduction of National Guard strength. In event of a general war, every city would become a battlefield. In event of a hot so-called brush war all of our few 15 active divisions might be called overseas, and our National Guard would then be called into active service. In these days of uncertainty, it seems to me to be very unwise to impair the efficiency of the National Guard at this time.

JEFFERSON-JACKSON DAY DINNER ADDRESS BY SENATOR TALMADGE, OF GEORGIA

Mr. BYRD. Mr. President, the distinguished Senator from Georgia [Mr. TALMADGE] delivered an address in Richmond, Va., on February 28 on the occasion of the Jefferson-Jackson Day dinner.

His speech was received with much acclaim by the democracy of Virginia.

I ask unanimous consent to have this address printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF UNITED STATES SENATOR HERMAN E. TALMADGE, OF GEORGIA, AT THE JEFFERSON-JACKSON DAY DINNER HELD AT THE JOHN MARSHALL HOTEL IN RICHMOND, VA.

Governor Almond, Senator Byrd, Senator Robertson, Governor Stanley, Governor Battle, Governor Tuck, members of the Virginia Congressional delegation, Delegate Thomson, Mrs. Glass, Mrs. Williams, distinguished officials, honored guests, ladies and gentlemen of the Democratic Party of the Commonwealth of Virginia, my first words must be to congratulate your able and courageous Governor and the Democrats of the Old Dominion for your magnificent and sweeping victory at the polls last November.

The overwhelming majority of the people of the State of Georgia join me in saluting you for your doctrine of massive resistance.

We are proud to be in the fight at Virginia's side.

We honor the electorate of Virginia for sending word north across the Potomac that this Commonwealth and all the States of this Nation still are sovereign and—by the grace of God and the red blood which flows in the veins of the American people—ever will remain so.

Your invitation for me speak to you on this occasion is one which I always shall cherish for, with the exception of recognition accorded by one's own people, I can think of no greater distinction than to be afforded the opportunity to address Virginia democracy.

While it would be presumptuous indeed for me to attempt to convey the significance of representative government to the descendants of Washington, Jefferson, Madison, Mason, Marshall, Monroe, Wilson and the other immortal patriots which this Commonwealth has produced, I am happy to meet with present-day leaders in the seedbed, so to speak, of constitutional government, economic responsibility and public morality.

My association with your leaders during the past years in the governors' conferences, in the Democratic conventions, in the Congress and in other forums, demonstrates to me that the people of Virginia have kept faith with her illustrious past and that this Dominion is democratic in the fullest sense of that cherished word.

You have selected your leaders over the years in a manner which reflects great credit upon the good name of Virginia. You have held high the sacred ideals of those early Virginians—the ancestors of many Americans who endured grave hardships and made many sacrifices during our Nation's formative years.

I have found your officials deeply conscious of their responsibilities. Some of the fondest memories I cherish are of my association with them in the fight to uphold the rights of the people which some would destroy.

I speak of Bill Tuck and his wise and sagacious leadership, his eloquence in defense of constitutional government and his devotion to duty.

I speak of John Battle and all of the qualities of statesmanship he demonstrated at the National Democratic Party Convention in 1952 and on many other occasions.

I speak of Thomas Stanley and his ability and courage in leading this Commonwealth through a most trying period.

I speak of Lindsay Almond who, having stepped into the breach, has earned the plaudits of all thinking Americans for delineating the issue precisely and for steadfastly refusing to yield at any point along the line.

I speak of your two United States Senators—your distinguished senior Senator, HARRY FLOOD BYRD, and your able and respected junior Senator, A. WILLIS ROBERTSON.

They are unsurpassed as statesmen and none commands more respect in the world's greatest deliberative body than they.

Having completed my first year as a freshman Senator, I want to thank the Senators from Virginia for the kindness, help, and patience they have shown me during this period.

HARRY BYRD has spoken in Georgia on a number of occasions and he is greatly admired by the people of my State. I, personally, have been an admirer for many years of his outstanding record as a farmer, a publisher, an administrator, a sound, honest, and courageous public official and a statesman of renown.

I share the joy of Virginians and the millions of Americans who admire and trust Senator BYRD in his decision to accede to the wishes of his friends and seek reelection to the Senate.

In this time when the ranks of true Americans, true patriots, and true statesmen in positions of responsibility in our country are growing thin, it is a source of great comfort to all who are concerned about the future course of this Nation that we are not to be deprived of the wise and dependable leadership of HARRY BYRD when we need it most.

Americans are not unmindful of the great personal sacrifice which this decision entails for Senator BYRD and they love him all the more for it. Such devotion to public service and such response to the call of duty is in keeping with the highest traditions of those great Virginia statesmen of the past whose words and deeds are forever enshrined in the hearts of their countrymen.

Senator BYRD, you, too, have earned that recognition which comes only with sacrifice and history will record in glowing terms the selflessness and dedication with which you are serving your State and Nation.

I join with your friends here tonight in saluting you and in expressing the hope that the Nation will have the good fortune of having the benefit of your boundless experience, your valued counsel, your matchless wisdom, and your confident leadership for many years to come.

It is on this occasion that Democrats of every State and region honor Thomas Jefferson, the Virginian and father of the Democratic Party, and Andrew Jackson, the Tennessean who came to the Presidency as the standard bearer of a revival of democracy and a fuller realization of Jeffersonian principles.

To both men we owe much.

While there was great difference between the two—Jefferson being the more intellectual and precise and Jackson being the more rugged and persistent—they both possessed qualities of leadership which are sorely needed in this critical hour of our Nation's existence.

At a time when Virginia stands as the No. 1 target of those who would destroy home rule, self-determination, and local self-government in this Nation, we can take comfort, you and I, in the words Jefferson penned as follows when he assumed the Presidency:

"I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

Virginians and Georgians who share a common heritage still subscribe proudly to that oath today.

In all history of mankind no mortal possessed greater vision than Jefferson. He foresaw the very abuses of power which make us a country divided today.

In 1820 he warned of judicial usurpation in constitutional matters in these words:

"The judiciary of the United States is the subtle corps of sappers and miners constantly working under ground to undermine the foundations of our confederated Republic. They are construing our Constitution from a coordination of a general and special government to a general and supreme one alone. This will lay all things at their feet. * * * They skulk from responsibility to public opinion. * * * An opinion is huddled up in conclave, perhaps by a majority of one, delivered as if unanimous, and with the silent acquiescence of lazy or timid associates, by a crafty chief judge who sophisticates the law to his mind, by the turn of his own reasoning."

The far-seeing patriarch of Monticello warned further that the germ of dissolution of our Federal system lies in the Federal judiciary with the Supreme Court "working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief, over the field of jurisdiction, until all shall be usurped from the States, and the government of all be consolidated into one."

To this terrible prospect Jefferson was dauntlessly opposed, and for good reason because, as he said:

"When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government or another, and will become as venal and oppressive as the government from which we separated.

"If ever this vast country is brought under a single government, it will be one of the most extensive corruption, indifferent, and incapable of wholesome care over so wide a spread of surface."

That is a part of the prophecy left us by the hand of the man who penned the Declaration of Independence and who insisted that a Bill of Rights be included in the Federal Constitution.

No American who values his freedom can afford to look with apathy on his words.

Nor can we overlook the courage and rugged integrity which that other great Democrat—"Old Hickory"—Andrew Jackson brought to the White House.

Georgians remember Jackson best perhaps for the occasion when he refused to send troops into our State to enforce a Supreme Court decision by military force. He said then that he would submit his decision to the people in the presidential election which was at hand and the voters could say whether

they approved or disapproved of his decision not to invade a sovereign State.

That was the philosophy of Jackson—a man of the people.

He expressed it on one occasion thusly:

"Distinctions in society will aways exist under every just government. Equality of talents, of education, or of wealth, cannot be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law. * * * There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does its rains, shower its favors alike on the high and low, the rich and the poor, it would be an unqualified blessing.

"Nor is our Government to be maintained, or our Union preserved, by invasion of the rights and powers of the several States. In thus attempting to make our general Government strong, we make it weak. Its true strength consists in leaving individuals and States, as much as possible, to themselves; in making itself felt, not in its power, but in its beneficence; not in its control, but in its protection; not in binding the States more closely to the center, but leaving each to move unobstructed in its proper orbit."

Jackson believed with Jefferson that the true protectors of liberty in this country are the State governments.

Jackson believed with Jefferson that the States should be watchful to note each and every material usurpation of their rights; to denounce them in the most preemptory terms as they occur; to protest against them as wrongs; and to stand immutable for their correction.

For, as Jefferson wrote:

"* * * It is certain that though written constitutions may be violated in moments of passion or delusion, yet, they furnish a text to which those who are watchful may again rally and recall the people; they fix, too, for the people the principles of their political creed."

It is on this day, this February 28, 1958, that we rededicate ourselves to the principles of Jefferson and Jackson.

We call on the National Democratic Party and Democrats everywhere to join us in this solemn consecration to these imperishable principles.

We pledge ourselves to these precepts which have stood the test of time, have been tried in the crucible of hard experience, and have never been found wanting insofar as the best interests of the people are concerned.

We send word, here and now, to our brothers in National Democratic Party councils that we believe the American people are tired of mediocrity.

They want something better.

The American people are tired of the same old warmed-over policies and half-baked ideas.

They want—and are entitled to—leaders and leadership.

While we would be loath to be driven from the house of our fathers, we must admit that neither of the two major political parties has shown the capacity for offering that brand of two-fisted, hard-hitting, honest leadership we must have to save this country.

The administration now in Washington has failed the American people again, again, and over again.

This administration has delivered the worst blow to constitutional government in the entire 182-year history of our Republic.

This administration has failed to maintain our national defense posture.

This administration has failed us on the economic front.

This administration not only has failed the farmers of the Nation but also has been blithely indifferent of their plight.

This administration has been one of waste, extravagance, special privilege, high interest rates, high taxes, runaway inflation, tight money, and mounting debt.

What we are getting today is a far cry from the brave promises which were solemnly made to us in the so-called crusade of 1952.

The Supreme Court in its May 17, 1954, decision in the school segregation cases has torn the Nation asunder at a time when world conditions dictate it should be united as never before.

This decision handed down in arbitrary fashion is the most irresponsible act ever taken by a supposedly responsible arm of an established government.

Although directed solely at the Southern States, no section of our Nation is being spared its evil effects. You have read the ominous headlines from New York City, Brooklyn, Detroit, Chicago, Washington, and other communities outside the South about the violence in their schools.

All men and women of conscience are shocked when the public schools—which bear the responsibility of training our youth for good citizenship—are thwarted in the discharge of that responsibility by strife, friction, and violence arising from no other cause save that tragic decision of the Supreme Court.

The people of Georgia, as well as the people of Virginia, I am sure do not for a moment entertain any thought of turning their children over to the Supreme Court for psychological experimentation.

Georgians and Virginians alike are determined to prevent the occurrence in their schools of such outbreaks of lawlessness as have taken place in Brooklyn and other cities. And left alone to manage their own school affairs, I am confident that Georgians and Virginians will see that there will be no rapes, riots, assaults or suicides to mar the good name and tranquillity which our schools now enjoy.

I am further confident that, left alone to solve their difficulties in accordance with the customs and wishes of the people concerned and free from the distracting influence of pusillanimous politicians, the people of Brooklyn, Detroit, Chicago, Washington and other strife-torn cities will be able to restore order to their schools and public places and make sure there is no repetition of their present difficulties.

I assure you, my friends, that Georgia stands with you in the fight to preserve Virginia schools for Virginians and Georgia schools for Georgians.

I commend your Governor and the members of the General Assembly of Virginia for enacting important legislation at this session to protect your schools. This act, I am told, says in no uncertain terms that Virginia school boards and Virginia school trustees will continue to direct the affairs of the schools of Virginia. It makes it abundantly clear that Virginia schools are not the province of Federal marshals or Federal troops and, if they should seek to interfere with them, that the doors of your free public schools in any locality affected would be closed until such time as the unwarranted invasion of the inherent rights of this Commonwealth shall cease.

We deplore the fact that a good part of our national strength in the last few years has been dissipated on internal dissension.

It is a great tragedy that much of last year's Congressional session was wasted by those who insisted on enactment of the so-called civil rights bill. Time spent on more constructive legislation would have added far more to our national defense and well-being.

Since World War II we have seen Russia, a second-rate power a quarter century ago, outdistance us in both the fields of world politics and in marshaling our available resources for defense. We have seen her pull ahead of us in several critical areas of missile development.

During recent weeks we have seen military man after military man and scientist after scientist testify before the Senate Preparedness Subcommittee that our political leadership in Washington has been asleep and insensible to the peril to our existence as a nation.

How much better, my friends, it would have been if we had laid aside civil rights and similar petty questions and centered our best efforts in devising ways and means to defend the people of this country.

We have seen our military men punished, and one even banished to Central America, because they dared to tell the American people the truth about the sad state of our defenses.

American prestige has suffered and dropped as never before all over the world.

We learned from General LeMay's testimony the awful truth that for several weeks in mid-1957 the mighty bombers of our Strategic Air Command lay prostrate as sitting ducks. This was because the penny-wise-and-pound-foolish Budget Bureau in Washington failed to furnish sufficient funds for fuel.

I ask you, in the name of reason and common sense, what kind of a leadership do we have which squanders millions on an arrogant, illegal and unconstitutional invasion of the sovereign State of Arkansas, yet, does not have 1 red cent for fuel to power our bombers to be used in retaliation should a surprise hydrogen-bomb attack be launched against us?

We cannot have a streamlined and coordinated defense program until the bickering, lost motion, appalling waste and needless duplication of effort is eliminated from our Defense Establishment.

We must face the stark economic fact that if we succumb to current pressures for further deficit spending, the savings, the bonds, the insurance policies, the bank accounts, the retirement benefits of all Americans—which already have been reduced over 50 percent since 1939—are going to be further endangered and threatened with complete liquidation.

The policy of the present national administration of tight money for the people and easy money for the bureaucrats simply does not make good sense to me.

The economy will never make a complete recovery or achieve its full potential until we get an administration in Washington which recognizes the dire condition of the Nation's farmers. And until we get an administration which moves with boldness and vigor to assure the farm family its fair share of the national income.

Secretary Benson's policies have driven many farmers off the land and have kept those who have remained under constant threat of bankruptcy.

We have had enough.

The farmers of this Nation must look to an overwhelmingly Democratic Congress and a new Democratic administration in Washington dedicated to old-fashioned Jeffersonian-Jacksonian democracy to right these wrongs, to resolve this unfairness and to do something meaningful for the American people.

The President proposes almost four billions more for foreign aid giveaways in the new budget.

Every day foreign potentates or their representatives are in Washington making unprecedented demands on our country.

And Foster Dulles and DICK NIXON are there ready to give them the keys to the Treasury.

The overall budget proposed by the President seeks to make cuts where reductions are undesirable.

It seeks to make increases in nondefense spending where increases are undesirable.

The administration would weaken our most reliable first line of defense by cutting the National Guard by 44,000 men at a time when our military superiority hangs in the balance.

Yet, it asks billions in new aid so that it may continue to shower our economic substance on a Communist satellite like Poland, which has received nearly $200 million in American credits and other assistance within less than a year's time.

The administration says that we must further cripple the farmers of this Nation.

Yet, it asks billions in new aid to stimulate foreign crop production.

The administration says that we must double interest rates on REA loans.

Yet, it asks billions in new aid to subsidize tax cuts and debt reduction in foreign lands.

The administration would leave our farmers to shift for themselves in case of drought, flood, or other disaster.

Yet, it asks billions in new aid so that vast hydroelectric dams and irrigation and river development projects can be carried on all over the rest of the world.

The administration would reduce assistance for our old people, our dependent children, our needy blind, and our totally disabled.

Yet, it asks billions in new aid to do such things as to set up a pension program for over-age Chinese Nationalist soldiers.

The administration would terminate grants to local governments for operation of schools in federally impacted areas.

Yet, it asks billions in new aid so that it can continue to send abroad hundreds of millions of American tax dollars annually to Middle Eastern potentates, one of whom, King Ibn Saud, of Arabia, maintains a personal establishment of 10,000 wives, concubines, slaves, royal retainers and bodyguards, a fleet of 250 air-conditioned Cadillacs, a wing of private airliners, and 24 luxurious palaces.

The administration would shift to States and localities the responsibility for public housing.

Yet, it asks billions in new aid to add to the $62 billion post-war-aid program under which American taxpayers have built railroads, steel mills, factories, generating plants, schools, hospitals, office buildings, communication systems, and a host of other magnificent projects in some sixty-odd foreign countries.

The administration would curtail hospital construction to meet only urgent needs.

Yet, it asks billions in new aid so that it can continue such projects as building public restrooms in the Philippines and bathing facilities for Egyptian camel drivers and providing collapsible toothpaste tubes for Cambodia, dress suits for Grecian undertakers, and iceboxes for Eskimos.

Suggestions have been made by administration-appointed committees that veterans' compensation and pensions should be drastically reduced and many veterans' benefits curtailed.

Yet, the administration asks billions in new aid for such boondoggling projects as sending hot-lip musicians on foreign tours at higher salaries than the President, and opera singers to Italy, for giving Arabs free trips to Mecca, and for building grain elevators in Pakistan.

What kind of a policy is this, my fellow Democrats, which has billions for foreign giveaways, but seeks to deny our own people?

Is it any wonder, then, that this is a time of frustration, anger, and concern?

Our people cannot understand, and rightly so, why our Government is so free and easy with our tax money in foreign giveaways, yet, when homefolks simply ask respectfully for their rights they are subjected to redtape, humiliation, embarrassment, and denial.

I believe that the people all over this Nation realize that the time has come for a genuine housecleaning in Washington.

As your own Thomas Jefferson said:

"The people may be misled or deceived for a time, but where the avenues of truth are open there men will learn to reject what is false and harmful. Where the people are well informed, they can be trusted with their own government; whenever things get so far wrong as to attract their notice, they may be relied upon to set them to rights."

Like Jefferson, I put my faith in the American people.

I am confident that this Nation will survive in spite of all the mistakes our governmental leaders may make.

You ask, How can we insure America's future strength and safety?

The answer to that question is clear.

Now is the time for a return to fundamentals.

We must go forth among the people of this Nation, no matter in what section they may live and urge renewed respect for the true meaning of our written Constitution.

We must send officials to Washington who will insist upon the establishment of sound business principles into the operations of this Government.

There must be a sincere determination on the part of all public servants everywhere to keep faith with the people.

Americans must be freed of the tryanny of big government so they may once again be masters of their own destiny.

And above all else, there must be a full rededication to the time-proven teachings of the Holy Writ.

Now is the time for leaders and leadership to guide the American people back along the pathway of lasting values.

As we prepare ourselves to meet our secred obligations as citizens of this great Republic, we do so humbly and with prayer to Almighty God for His benevolence and guidance.

We do so with solemn resolution on our part to do the work that needs to be done and to make the sacrifices that need to be made.

Doing that, we and our posterity can look to the horizons of tomorrow with the assurance that peace and security under God will continue to be our heritage.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

CONSTRUCTION OF U. S. S. "ARIZONA" MEMORIAL AT PEARL HAREOR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of House bill 5809, the unfinished business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H. R. 5809) to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor.

Mr. JOHNSON of Texas. Mr. President, I understand that the distinguished Senator from Massachusetts [Mr. SALTONSTALL] is prepared to explain the bill.

I yield the floor.

Mr. SALTONSTALL. Mr. President, the bill has a very simple purpose. The battleship *Arizona*, as all of us sadly know, is lying upside down in Pearl Harbor. One thousand one hundred United States citizens are entombed in that ship. For some time there have been complaints and criticisms that no suitable memorial has been erected to the men who lost their lives in that battleship.

The pending bill will permit the Pacific War Memorial Commission to raise funds publicly, by subscription, for the erection of a proper memorial in connection with the battleship *Arizona*. When sufficient funds are raised to pay for a design by the Navy of a memorial to be constructed by the Navy, the bill will authorize that the funds be turned over to the Navy. In that way the memorial will be designed and constructed.

None of the construction costs will be borne by the Government. When the memorial is constructed, the United States Government, through the Navy, will maintain it in the years to come.

The Navy estimates that the cost of maintaining such a memorial will be no more than the cost it now incurs in maintaining the battleship *Arizona* in its present condition.

That is the purpose of the bill.

The Armed Services Committee has unanimously reported the bill, and I hope the Senate will pass it.

Mr. CARLSON. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. CARLSON. I wish to state that last November it was my privilege to visit the battleship *Arizona* as it lay sunken in Pearl Harbor. I had an opportunity to observe the condition of the battleship. I believe it is very important that the Congress pass a bill authorizing the construction of such a memorial.

While I was there, on the battleship itself as it lies in the waters of Pearl Harbor, I was greatly impressed to observe visiting there a father and mother whose son lost his life in that catastrophe. Ever since the battle of Pearl Harbor, they had been saving their money, so as to be able to visit Pearl Harbor and place a wreath on the remains of the battleship, in tribute to their son. I happened to be there on that occasion.

It will be a truly great memorial, and Congress should assist in every way it can to make it a permanent one.

Mr. HAYDEN. Mr. President, we cannot overemphasize the propriety of our action when the Senate passes the pending measure to provide for a U. S. S. *Arizona* memorial at Pearl Harbor. History is replete with examples of the tragedies resulting from the failure of nations—among them our own—to give adequate consideration to their preparedness and military strength in main-

taining their own security within the framework of international society. Fortunately, we had sufficient time to recover from the devastating blow that came out of the skies over Hawaii that Sunday morning. But, Mr. President, should a similar attack come, we may not be given that second chance.

Today when free men everywhere are faced with the horrors of nuclear incineration, it is imperative that we be prepared at all times either to win a war against Godless communism or to prevent such a war by being so strong that the dictators in Moscow will be afraid to drop the first bomb.

It is, therefore, appropriate that, through this memorial, we focus our attention on our most striking example of unpreparedness, so that we may be perpetually reminded of the security that is found in strength.

In closing I request permission to have printed in the RECORD, following my statement, the names of the young men from Arizona who are forever entombed in the remains of the battleship *Arizona*.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Murphy, James Joseph, seaman first class, Bisbee, Ariz.; Skeen, Harvey Leroy, seaman, second class, Miami, Ariz.; Horrocks, James William, chief gunner's mate, Nogales, Ariz.; Bertie, George Allan, Jr., seaman, second class, Phoenix, Ariz.; Hollowell, George Sanford, coxswain, Phoenix, Ariz.; Van Horn, James Randolf, able seaman, Tucson, Ariz.; Cremeens, Louis Edward, seaman, first class, Yuma, Ariz.

Mr. POTTER. Mr. President, I rise to speak, not on my own behalf, but as a member of the American Battle Monuments Commission. I wish to clarify the purpose of the pending measure.

For the information of the Senate, let me say that the American Battle Monuments Commission is composed of some very distinguished citizens, not including the present speaker. The Chairman of the Commission is General of the Army George C. Marshall. The Vice Chairman is Adm. Thomas C. Kinkaid. The other members are the Honorable Leslie L. Biffle; Gen. Alexander A. Vandegrift; the Honorable John Phillips, of California; Mrs. Theodore Roosevelt, Jr.; Mrs. Wendell L. Wilkie; Gen. Carl Spaatz; Brig. Gen. Benjamin O. Davis; the Honorable Forest A. Harness and myself. I am pleased to have the honor to serve on the Commission.

One of the problems confronting the Commission has developed as a result of the fact that over the years several groups representing various branches of the armed services, and even units of particular branches of one or another of the services, have erected monuments and memorials in practically the four corners of the earth. That has been done because of a spirit of patriotism and a strong feeling of honor and pride in the services represented. But we found that after a period of time, the interest subsides; and today many of these wonderful memorials have been left to disintegrate, rather than to serve as memorials to the units concerned and to the men in them, who served with such distinction.

The disintegration of such a memorial is, of course, a disgrace to the unit memorialized; certainly is not a tribute to the men who served in it.

It is because of this situation that the American Battle Monuments Commission has considered this problem. Let me state that the Commission has worked under the direction of the President of the United States. When I was first appointed to the Commission, President Eisenhower said to me that one of the things the Commission would have to be extremely careful about would be to avoid having all branches of the service or units of the various branches build memorials throughout the world, but without any general plan as to how the memorials would be maintained.

I believe the Battle Monuments Commission has done an outstanding job in connection with the erection of memorials for the men who served in World War I. I think practically all the memorials for World War II have been completed.

So far as the U. S. S. *Arizona* memorial is concerned, the Battle Monuments Commission already has plans underway for the construction of a memorial for all persons who served in the Army, Navy, Air Force, and Marine Corps in the Pacific area, located at the site commonly referred to as the Punch Bowl. A memorial is to be erected in that area in memory of all those who gave their lives for their country.

I should like to invite attention to the following points: The Congress established the American Battle Monuments Commission to plan and erect memorials to commemorate the services of the American Armed Forces inside and outside the United States, as the Commission should determine. The Commission has produced a program of memorials which gives proportionate and complete memorialization to all the services and all campaigns and battles. It has often received from various sources requests for the erection of memorials reflecting their particular interest, but which, if consummated, would lay undue stress upon, or lend undue prominence to, the events concerned, and, incidentally, set the precedent for a flood of analogous requests.

There is a precedent for the memorial in Hawaii, namely, the memorial in the Philippines. If the trend continues, the Army will make a request for a memorial at Okinawa; the Marines will make a request for a memorial at Iwo Jima; the Air Force will make a request for a memorial at another place. The whole concept and purpose of establishing the Battle Monuments Commission, including provision for and the maintenance of memorials, would be completely subverted by requests from the various services, and even by units of a service, which would raise funds to erect memorials throughout the world.

The Battle Monuments Commission has been faced with that problem. For example, a monument was erected by friends of the 28th Division in Europe, which was made up of the Pennsylvania National Guard. Of course, there is a great deal of State pride, as there should be, in that outstanding division. Funds were raised and a memorial was erected in France to commemorate the memory of that great division. Today that memorial is a disgrace. It has been allowed to disintegrate, and has not been properly maintained.

It certainly is not an agreeable reflection upon the wonderful services the 28th Division rendered during World War I.

All of us have a deep feeling of gratitude for the wonderful service the Navy performed, and particularly for the victims of the attack at Pearl Harbor. However, rather than rendering a service, rather than really paying a tribute to them, we may find ourselves in the position of doing them a great disservice by adopting the pending proposal.

It is true that funds for the memorial will be raised by public subscription, and that the Navy will be authorized to maintain the memorial; but I can assure Senators that once the memorial is established, bills for other memorials, will be introduced by the score, with each branch of the service trying to raise funds to erect memorials for particular battles. If that should happen, we might as well abolish the American Battle Monuments Commission. I think most of those who have visited the Battle Monuments Commission memorials recognize that they constitute a real tribute to the Armed Forces.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. FLANDERS. I am one of the many Members of Congress who have visited Hawaii and seen the hulk of the *Arizona*. I should like to ask the Senator from Michigan whether he does not see in the attack at Pearl Harbor, and in the fantastic, incredible effect on the battleship *Arizona*, something that far transcends any special memorial to any special service or any special location. That morning or afternoon was "it." It was morning there and afternoon here. It was the stroke of fate. Not to recognize that event in some way seems incredible to me.

Mr. POTTER. I may say to my distinguished friend that the event is being recognized. The memorial at the Punch Bowl, which overlooks Pearl Harbor, is a memorial to those who lost their lives at Pearl Harbor. I might say further to my distinguished friend that while I fully realize that December 7 was a great and tragic day in the life of America, I am sure if this bill should be enacted there will be request upon request for memorials to so-called special days or tragic days, whichever they may have been, when the members of one branch of the service, or another, make the supreme sacrifice. If that should prove to be the case, then I say we might as well abolish the Battle Monuments Commission.

Mr. GOLDWATER. Will the Senator from Michigan yield to me? Has the Senator from Vermont completed his inquiry? I did not want to interrupt the colloquy. I thought he had completed his question.

Mr. FLANDERS. I am through for the present, until further light shines upon the subject.

Mr. POTTER. I yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator from Michigan has alluded to the fact that if the bill were enacted the Congress would be flooded with similar requests. The distinguished Senator from Michigan was a Member of the 83d Congress, and I believe he will recall that during that Congress a measure was passed which created the Corregidor Bataan Commission. I forget what the exact title is. Although I am actually a member of the Commission, I have forgotten what the exact title is.

Mr. POTTER. I recall it.

Mr. GOLDWATER. I should like to ask the Senator if there has been a flood of bills on the subject since that bill was passed by Congress.

Mr. POTTER. I may point out that the bill presently before the Senate is an example. The establishment of the Philippines Commission, or the Corregidor Commission—whatever the exact name of it is—was used as the precedent for the pending bill.

Mr. GOLDWATER. Would the Senator call one bill in 5 years a flood of bills?

Mr. POTTER. No; but as we keep chipping away at the authority and responsibility of the Commission, there may be a flood. If we should enter into a program for erecting monuments for each branch of the service, for each specific battle in which it engaged, then we might as well abolish the Commission, and allow each branch of the service to act as its own lobby for that particular service.

Mr. GOLDWATER. Mr. President, this proposed legislation attempts to create something a little different from a battle monument, to my mind. This ship actually is a tomb. There are 1,102 Americans who died on Pearl Harbor Day who are still within the hulk of the U. S. S. *Arizona*.

I do not understand why the Senator from Michigan keeps referring to the proposed memorial as a battle monument. To me, this ship has a more sacred place in the hearts of Americans as a tomb for these 1,100 men. We are never going to get them out. I can think of no more fitting branch of the service to take care of this memorial than the Navy.

With all due respects for the argument of the Senator from Michigan, to my mind this ship's hulk is not a battle monument, it is a tomb. It is a tomb in which are the bodies of more than 1,100 Americans. If it is a monument to anything, it is a monument to the stupidity of the United States. I do not like to see monuments erected to our shortcomings. I should like to think of this as a tomb upon which Americans can always look reverently because of the men who gave their lives for their country.

I am sincerely hopeful that the Senator from Michigan, who is a close friend of mine, will not insist on any changes in the suggested legislation, so that we can go ahead with the job that confronts us and perpetuate the memory of the men who are entombed in this hulk.

Mr. POTTER. Mr. President, I hope the Senator realizes that I am not insensitive to the tragic hour when the men of the Navy lost their lives on the U. S. S. *Arizona* and other ships at Pearl Harbor. I, like every other American citizen, join in the desire to pay all the tribute a thankful country can render to those men and their memories.

The point which I raise is urged, not only on behalf of myself, but on behalf of a very distinguished Commission. I feel that, if the requested procedure is to be followed at the present time, it will have an effect upon the American Battle Monuments Commission. An amendment has been prepared with respect to the bill, which would allow the American Battle Monuments Commission to carry out the plans for the erection of the memorial, and to provide for its maintenance. I realize that procedure is a little unusual, because the funds for the memorial are to come from private sources rather than Government sources.

I know the distinguished Senator from Arizona has traveled throughout Europe. The Senator has seen, as I have, the memorials there. They were erected, I am sure, with the same patriotic intent the Senator from Arizona expresses today. Some of those memorials, however, were left untended. Rather than constituting a source of pride for Americans, some of the memorials are more a sickening and disheartening sight, and certainly not a tribute to the men they were intended to honor.

I know it is the intention of the American Battle Monuments Commission that those who lost their lives at Pearl Harbor should receive the same high type of memorial program we have provided by other memorials erected throughout the world. I do not know—and the Senator from Arizona does not know—the type of memorial the Navy will erect. It might be a memorial which would be extremely offensive. I do not think that would be the case, but it could be. We would have no supervision over that matter.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. POTTER. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. I should like to invite the Senator's attention to Public Law 792, which was passed in the second session of the 84th Congress. The bill, which became a law, was S. 3498 at that time. The public law specifically deletes control by the American Battle Monuments Commission over memorials on the property controlled by the United States Government.

I invite the Senator's attention to the last paragraph of section 3 of the act, which provides:

> The Commission shall control as to design, and provide regulations for, the erection of all memorial monuments and buildings commemorating the services of the American Armed Forces erected in any foreign country or political division thereof, which may authorize the Commission to perform such functions.

That language was adopted, really, at the request of the American Battle Monuments Commission itself.

Mr. Thomas North, brigadier general, United States Army, Secretary of the American Battle Monuments Commission, wrote the Honorable JAMES E. MURRAY, chairman of the Committee on Interior and Insular Affairs, a letter dated April 11, 1955. I will not read all the letter, but I wish to read the comment on the third paragraph of the section. Mr. North states:

> The third paragraph of this section is amended by deleting the Commission's present control over the erection of memorials upon federally owned or controlled property in the United States or in its Territories and possessions. The exercise of such control by the Commission has been found to be impractical.

That was the letter of the Secretary of the Commission, written to the Senator from Montana.

The Senate report on the bill stated in part:

> • • • this section is amended by deleting the Commission's present control over the erection of memorials upon federally owned or controlled property in the United States or in its Territories and possessions. The exercise of such control by the Commission has been found to be impractical.

This memorial is to be built by the Navy. It will be designed by the Navy, and will be built by use of funds contributed by the public. When it is completed, the memorial will be maintained by the Navy. The proposal relates to what is essentially a Navy ship. We are considering what really is a one-service affair.

As I understand, the Battle Monuments Commission objects to making provision where there is involved a one-service affair, since they would rather remain out of such a situation. They desire to participate when there is under consideration a memorial for all the services, such as the so-called "Punch Bowl" which is on the island.

I hope that the Senator will not offer any amendment, and will permit the bill to be passed as is.

Mr. POTTER. Mr. President, I wish to comment on the remarks of the distinguished Senator from Massachusetts.

It is true that the American Battle Monuments Commission asked for and obtained an amendment to the basic law, which gave them authority to erect memorials on American soil.

I also wish to assure the Senator that no individual branch of the service is normally so honored. Memorials in honor of those who may have served in a given area are the ones generally considered.

I hope that my remarks are perfectly clear. I am acting as a spokesman. While my service happened to be in the Army, I have no antipathy toward the Navy; as a matter of fact, quite the opposite is true.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. POTTER. By the same token, I feel that the American Battle Monu-

ments Commission has done an outstanding job. Unless it is made clear in the debate that this matter has been considered, I feel we perhaps would be making a mistake. I think we are all voting for something blind, because the Senator from Massachusetts and I do not have any idea of the type of memorial which may be erected. Perhaps it will be something very offensive to some of the constituents of the Senator from Massachusetts or of the Senator from Michigan, though I doubt that that would be the case.

However, by following the suggested process we will lose the experience and knowledge of the American Battle Monuments Commission, which has the reputation and has the personnel to do an outstanding job in this field. That Commission will be left out of the picture, and the work will be turned over to an agency of Government which does not have that function as a prime responsibility.

I think the Senator well remembers that when the cemetery at Punch Bowl was under the jurisdiction of the Army, since the Army has constantly been undermanned, the Punch Bowl in many cases has been not necessarily a disgrace, but has not been maintained as it should have been maintained. That was under the jurisdiction of the Army. I should hope that if this bill were enacted and the Navy were put in charge of maintenance, it would not have the same experience which the Army had with the Punch Bowl.

I do not wish to labor the point. I know the sentiment of Members of the Senate today. I shall not offer my amendment. However, I believe that before another bill of this kind comes before the committee the situation should be carefully studied. There is a tendency among all of us automatically to say, "Yes" to this type of legislation without considering it very carefully. I hope the members of the Battle Monuments Commission will be called in, and that we will sit down with them and determine whether we are completely to subvert the Battle Monuments Commission. If so, we should abolish it and turn over all the memorials to the various branches of the service.

Mr. SALTONSTALL. Mr. President, I know of no one who could more properly debate this subject than our distinguished friend from Michigan, who is now discussing it. In this instance he is debating it as a member of the Battle Monuments Commission. He is very properly a representative of that Commission.

I hope, from a practical standpoint and also from a sentimental standpoint, from the Navy point of view, he will permit the bill to be passed in its present form. I believe that what he has said has stimulated our thought, so that in another case of this kind, if one should arise, involving federally owned territory, we should consider the subject very carefully before recommending any bill.

I invite the attention of the Senator to the fact that the committee was unanimous in its action on the bill. It gave the bill very careful consideration.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. SMITH of New Jersey. Having been at Pearl Harbor a number of times, and having seen the area we are discussing, I am very happy to identify myself with the Senator from Massachusetts in recommending passage of the pending measure.

Mr. SALTONSTALL. I thank the Senator.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AVOIDANCE OF SPECIAL ELECTIONS TO FILL CONGRESSIONAL VACANCIES

Mr. FULBRIGHT. Mr. President, I rise to invite attention to an amazing article in the New York Times. I thought the Senator from Massachusetts [Mr. SALTONSTALL], with his background, might be interested in it.

I invite the attention of Senators to an article entitled "GOP Is Shunning Special Elections," written by Richard Amper and published in the New York Times of this morning.

I could not understand what the significance of it was until I read further along in the article:

> Top officials in the Eisenhower administration have adopted a rule against risky special Congressional elections.

The article seemed to leave the impression that because an election might be risky, the Republicans wished to avoid special Congressional elections. I was very much surprised. I thought perhaps the minority leader or the Senator from Massachusetts might clarify the situation, and either tell us that the article is incorrect or confirm it.

Reading further from the article:

> Fearful that the political tide is running Democratic this year, they have made it a policy to avoid Federal appointments from Congressional ranks that would open the way for a special election.

I think that is highly discriminatory against Members of Congress. They ought to have equal rights with everyone else in seeking appointments.

Reading further:

> A high Republican here said Attorney General William P. Rogers had established a "rule" against appointing a Congressman to the Federal bench at present.

I wondered whether or not the Senator from Massachusetts could confirm that rule. I wonder if he can tell us whether or not a rule has been established that from now on no Member of Congress may be appointed to the bench.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. I hasten to answer the question so far as I am concerned. I know of no such rule or regulation. I do not know that the majority leader would necessarily be informed.

Mr. FULBRIGHT. I was speaking of the minority leader. I thought he should be informed. The majority leader misunderstood. I did not expect the Senator from Texas to know the answer. I thought perhaps the minority leader might know.

Reading further:

> This policy presumably accounts for the Republican refusal to call a special election in Wisconsin to fill a vacancy caused by the death last January of Representative Lawrence H. Smith. Republican Gov. Vernon Thompson said he would leave the seat vacant until the general election in November.

It is my impression that that situation would be most unusual in nearly every State. If an appointment cannot be made to fill a vacany, nearly always there is an election at an early date. I think the rule usually followed is to hold an election within not less 30 days nor more than 60 days.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I am surprised by what the Senator has said. Does the article mean that the particular seat in the House from Wisconsin will not be filled between now and January?

Mr. FULBRIGHT. That is exactly what the article says. The article states that the Governor has said that he would leave the seat vacant until the general election in November.

Mr. MANSFIELD. I understand that there is a move on foot on the part of Representative JOHN E. MOSS, of California, to make inquiries of the executive branch concerning what its definition of secrecy is. I understand from what the distinguished Senator has said that in the executive branch it has been decided that there will be no appointments of Members of the House of Representatives to vacant judgeships because of the fear of possible reprisals at the polls; in other words, Republican defeats. I have heard rumors to the effect that there is some sort of agreement between the President and the Vice President as to what would happen under certain circumstances in the line of succession. How does the Senator explain this air of mystery and the maneuvering which seems to be going on within the executive branch at this time?

Mr. FULBRIGHT. I do not explain it. I am shocked and amazed at the story that the Republicans are unwilling to trust the people to fill vacancies. I do not understand.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished minority leader.

Mr. KNOWLAND. I am rather surprised that my good friend from the State of Arkansas, whom I have always considered to be a great believer in our constitutional form of government and the rights of the States, should fall into the error involved in the argument he is making. My reading of the Constitution tells me that when a vacancy occurs in the House of Representatives, whether by death, resignation, or any other cause, the vacancy is filled by the

governor of the State issuing a writ of election. Some States follow one policy and others follow another.

I was wondering whether the Senator from Arkansas was advocating that the power to make the determination be taken away from the governors of the respective States. The determination is not made by the executive branch of the Government in Washington.

I do not know whom the distinguished Senator is quoting in the article he is reading.

We who live in the Nation's Capital know that a great many speculative stories are put out from time to time. I am sure the Senator has been familiar with the speculations which have occurred relative to both Democrats and Republicans. However, unless he is quoting some responsible spokesman of the administration, I do not think he would wish, merely on the basis of a newspaper story, to make the charge that a certain policy has been laid down. I will say to the Senator that, as minority leader in the Senate, I know of no such policy.

Mr. FULBRIGHT. I am reassured by the Senator's statement. I am glad that he has sought to clarify the situation.

To be more specific, the article to which I have referred is entitled "GOP Is Shunning Special Elections." It is written by Richard Amper and published in the New York Times of March 3, 1958.

The word "rule" is in quotation marks. The writer undertakes to convey the idea that this is a quotation from the Attorney General.

I may say to the Senator from California that I believe he is right when he says that the governor has the power; however, usually it is exercised in such a way that the people can fill a vacancy at the earliest possible opportunity. I may go further and say—and I am sure the Senator will agree with me—that it is very likely that conditions will be much worse in November than now, and that the Senator's party would have a much better chance of winning now than next fall. Therefore I think it would be bad political judgment to delay further.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I wish to say to the Senator from Arkansas that I, too, read the article to which he is referring. I regret that I was not in the Chamber when the Senator from Arkansas first discussed it. However, what struck me about it was with relation to the facts prevalent in the Midwest. The Senator may recall that there is a vacancy in one of the House seats because of the death of a Representative from the State of Wisconsin. The Governor of that State is a very fine gentleman, whom I respect. He is a Republican. The Senator is also aware that we had some elections in the Midwest which can hardly give the Republican Party any reason for jubilation or ecstasy. For example, there was the election in which the distinguished Senator from Wisconsin [Mr. PROXMIRE] won a smashing victory by more than 100,000 votes. Then there was the Congressional election in the First Congressional District of Minnesota. Senators will recall that the press from my section of the country had reported that the Governor of Wisconsin would not call a special election in Wisconsin until he saw how the election resulted in the First Congressional District of Minnesota. I am happy to note that the Governor of my State, a Democrat, called an election to fill the vacancy in the First Minnesota Congressional District, and that he called it very quickly. That election did take place. So far as the unofficial tabulations are concerned, the Republican nominee seems to have won, if his winning can be called a victory.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. In the space of 100 years in that District, only one Democrat had ever been elected; that was in 1893. Since 1893, no Republican candidate in that district ever received less than 61 percent of the vote. That was until February 1958. In the special election held last month, the Republican candidate received 50.3 percent of the votes, as compared with 49.7 percent of the votes received by the Democratic candidate.

I can understand why the Republican Governor of Wisconsin might have some reluctance in calling an election in his State. After all, it is fair to say that the First Minnesota Congressional District was more Republican than McKinley, and perhaps even more steadfastly Republican than Coolidge. Even that fact was not enough, apparently, to stave off the storm of protest which came from the various precincts. Many of the voters in the rural areas were unable to participate in the election because of the snowstorm. However, in the areas which had been predominantly Republican, the vote was 2-to-1 and even 3-to-1 Democratic. Had the farmers been able to get through the snowbanks and had they been able to reach the polls and register their protest, I am convinced that the results would have been even more devastating for the Republican Party.

I wish to join the Senator from Arkansas in saying that if the Republicans cannot win now, I hesitate to say what will happen in November, because it is my prediction that what is going to happen to the Republican Party in November should not happen to any fellow American. I believe some words of comfort and solace should be said for what is about to transpire.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. Is the Senator from Minnesota saying that a certain Midwest governor is not going to allow an election to be held until the snow comes again, so that the farmers will not be able to go to the polls?

Mr. HUMPHREY. The Republicans would not mind having things frozen for a while; that is true. I might say that I have been trying to get Mr. Benson to freeze some price supports. I am only trying to help my Republican friends. I have been trying to get them to help the farmers and to stabilize the business economy. However, there are always some persons whom one cannot help, and who insist on driving themselves to ruin and despair.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have the entire article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOP IS SHUNNING SPECIAL ELECTIONS—RISK OF DEFEATS BRINGS BAN ON FEDERAL APPOINTMENTS FROM CONGRESS RANKS

(By Richard Amper)

Top officials in the Eisenhower administration have adopted a rule against risky special Congressional elections.

Fearful that the political tide is running Democratic this year, they have made it a policy to avoid Federal appointments from Congressional ranks that would open the way for a special election.

A high Republican here said Attorney General William P. Rogers had established a rule against appointing a Congressman to the Federal bench at present.

This policy presumably accounts for the Republican refusal to call a special election in Wisconsin to fill a vacancy caused by the death last January of Representative LAWRENCE H. SMITH. Republican Gov. Vernon Thomson said he would leave the seat vacant until the general election in November.

Wisconsin Republicans were jolted last year by the victory of Senator WILLIAM PROXMIRE, Democrat.

The party was made even more election shy by the results of a special vote 2 weeks ago in Minnesota's First Congressional District, traditionally regarded as Republican. The Democrats came within 668 votes of scoring an upset.

The aversion to risking a defeat stemmed not only from an unwillingness to lose a Republican seat in Congress, but also from the awareness of the adverse psychological effect on the party in this year's regular Congressional elections.

This fear of Democratic strength contrasted with the recent optimism voiced by Vice President Richard M. Nixon, Meade Alcorn, party national chairman, and Leonard W. Hall, former chairman, in exhortations ostensibly designed to stiffen the party's campaigning spine.

A key Republican leader here said the new rule had stymied efforts to win Federal judgeships for Representatives FREDERIC R. COUDERT, JR., of Manhattan, and HENRY J. LATHAM, of Queens.

"But it's a two-edged sword," he said of the policy. "If you wait too long, the Democrats [in the Senate] won't confirm any judges for you."

The situation also has hampered a move by some Republican leaders to replace Mr. COUDERT as a candidate for reelection this year in the 17th or "Silk Stocking" District.

Mr. FULBRIGHT. Mr. President, I should like to read two short paragraphs which seem to sum up the situation:

The aversion to risking a defeat stemmed not only from an unwillingness to lose a Republican seat in Congress, but also from the awareness of the adverse psychological effect on the party in this year's regular Congressional elections.

This fear of Democratic strength contrasted with the recent optimism voiced by Vice President Richard M. Nixon, Meade Alcorn, party national chairman, and Leonard W. Hall, former chairman, in exhortations ostensibly designed to stiffen the party's campaigning spine.

I believe it is most unusual for a governor to use his constitutional power to prevent the people from expressing themselves at elections at the earliest opportunity. It is certainly a very great departure from practice.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. I have not had the advantage of reading the article to which the Senator is referring. Do I correctly understand that the writer of the article asserts that what he says is the actual situation; that he states categorically that that is the case, that the elections are being postponed by governors; or is it merely his interpretation of what a governor may have said?

Mr. FULBRIGHT. The Senator is familiar with the New York Times, I am sure. I have referred to a special article printed on the first page of that newspaper of this morning. The first paragraph of the article reads:

> Top officials in the Eisenhower administration have adopted a rule against risky special Congressional elections.

That is a direct assertion that he knows.

The New York Times, having supported the Eisenhower administration very vigorously and devotedly, certainly has access to the top officials in the Eisenhower administration, and therefore I believe it is worthy of credence.

Mr. BUSH. My interest stems from the very bad record the New York Times has in forecasting election results. I was thinking that possibly Mr. Amper was again falling victim to the bad errors which the Times has made in the past in forecasting election results. I have in mind the election results of 1956. Previous to that election, the New York Times sent observers to all parts of the country to find out at the grassroots level, as it said, how the election would turn out. The record of its forecast was 50 percent—so bad that some of those who participated in making the survey decided that it was a futile endeavor and hoped that it would never be tried again.

I have the greatest respect for the New York Times, as the Senator must know. However, whenever it undertakes to forecast election results, as far away as next November, I do not give the Times any competence in that field.

Mr. FULBRIGHT. Whatever competence the New York Times may have in forecasting results, its judgment of the quality of a candidate, especially for the Presidency, is even worse. It is very poor, indeed, I would agree with the Senator.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. Is it not a fact that, so far as filling the vacancy in the Wisconsin Congressional District is concerned, the vacancy will exist for almost a year, and that certainly has no relation to prognostication on the part of the New York Times.

Mr. FULBRIGHT. I was going to add that the Senator from Connecticut did not hear the first part of the article I read. It is a direct statement that the Republican Governor of Wisconsin is not going to call a special election to fill the vacancy caused by the death of Representative Smith.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. Did he say why?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. It says they are afraid of the results.

Mr. BUSH. That is Mr. Amper's conclusion, is it not? I ask the Senator whether the Governor said that that was the reason he would not call an election, or whether that is merely Mr. Amper's conclusion.

Mr. FULBRIGHT. I read:

> This policy presumably accounts for the Republican refusal to call a special election.

Mr. BUSH. "Presumably."

Mr. FULBRIGHT. That is correct.

Mr. BUSH. That is presumed by Mr. Amper.

Mr. FULBRIGHT. There is no affidavit submitted by the Governor that he refuses to do it for fear of losing the election.

Mr. BUSH. There is not even any statement by the Governor.

Mr. FULBRIGHT. But that is the clear implication.

Mr. JOHNSON of Texas. The Senator is aware, is he not, that the vacancy occurred in January?

Mr. FULBRIGHT. Yes.

Mr. JOHNSON of Texas. The Governor did not call for an election in January. February has gone, and he did not call for it in February. We are now in March, and he has not called for it in March.

Mr. FULBRIGHT. The Senator is correct. The presumption is quite clear.

Mr. MANSFIELD. Is it not also true that this District has been almost as Republican as the one about which the Senator from Minnesota was speaking?

Mr. FULBRIGHT. Wisconsin is traditionally a Republican State.

Mr. CAPEHART. I think I could give the able Senator an answer. In the winter time, in Wisconsin, there is much snow and ice, and the people simply cannot get to the polls. The Governor wants to wait until May or June, when there will be no ice or snow, so that everybody will be able to go to the polls and vote. That is the real reason why he has not called the election.

Mr. FULBRIGHT. The Senator from Indiana has put his finger on the real point. The great mistake which will be made by the Governor, as the Senator from Minnesota has pointed out, is that if he waits until later, when there will be no ice and snow, and the farmers can get to the polls, the Republicans will not win the election.

Mr. CAPEHART. The Governor wants to wait until the sun is shining bright.

Mr. FULBRIGHT. We want to help the farmers get to the polls.

Mr. BUSH. I have great respect for the judgment of my very good friend, the Senator from Arkansas, but I do not like to see him fall into the same trap into which the correspondents of the New York Times fell in making a long-range forecast. The Senator's reputation for accuracy is very good, as a rule. But long-range forecasts about political elections often have very sad results for the prophets.

Mr. FULBRIGHT. I did not rise to make any forecasts; I really rose to comment upon the practice or the rule which the Governor of Wisconsin apparently is developing, or at least the course he is now about to follow, of denying the people of Wisconsin the opportunity to elect a Representative and to have him in Congress to look after their business. I think it is a serious breach of our democratic system to deny the people of that district a Representative. A Representative can do much good for the State of Wisconsin. I think the matter is quite serious.

I hope this will not establish a precedent which will be followed in the case of every vacancy, because many vacancies occur in Congress every year, especially in the House of Representatives.

In the Senate, the situation is different. Appointments may be made by the Governor, who can appoint whomever he wishes to appoint. So apparently there would be no difficulty in that case. But Attorney General Rogers, apparently, has established a rule that Representatives cannot be appointed, and to follow the procedure which is being followed by the Governor of Wisconsin is a very serious breach of the established practice, which is to have full representation at all times and elections as soon as possible in the House.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield the floor.

Mr. HUMPHREY. Before the Senator yields the floor, perhaps I might be helpful to him. Several Midwestern newspapers, including the Milwaukee and Minneapolis newspapers, pointed out, prior to the election in the First Minnesota District, that the Governor of Wisconsin was waiting to see how things turned out. I guess he wanted to see if special elections could be held in Minnesota in the middle of winter. He saw, and he got chills; there can be no doubt about that. But the voters were warm, and they went to the ballot boxes and cast a vote which was startling in terms of the political history of the Midwest.

Furthermore, I must say, in defense of the Governor of Wisconsin—and I want to defend him here, because he is a very fine man—that, after all, he had a special election in the Seventh District, when LESTER JOHNSON was elected in a traditionally Republican District. The Governor did have a special election for a Member of the Senate, and it was, of course, conceded, by all the prognosticators, I gather, even including the New York Times, that there would be a victory for Mr. Kohler.

A Mr. Kohler—it is a different Mr. Kohler—is now testifying before Congress about a labor matter, but it is not related to the business of the United States Senate. The present junior Sen-

ator from Wisconsin [Mr. PROXMIRE] won a tremendous victory.

So I say to the Governor of Wisconsin, "After you have been to bat two times and have fanned both times, or after the voters have been to bat two times and the Democrats have got two home runs, I do not believe you can be blamed."

I can say, further, that there will be memorial services when the dairy-support prices drop down to 75 percent of parity. I do not think the Governor will find any Republicans in Wisconsin after that happens.

Mr. BUTLER. Mr. President, is the Senator from Minnesota trying to tell us that his own Governor was unable to read the signs of the times?

Mr. HUMPHREY. Our Governor is a man of courage, integrity, and wisdom. He called the election. He had faith in the public. He had faith in the processes of democracy. Not only did he have faith, but his faith was almost overpowering, because the Democratic candidate came within 600 votes of victory.

Mr. BUTLER. He probably also had faith that he did not have the votes, and it was well founded.

Mr. HUMPHREY. I believe every State is entitled to have elections. I join with the Senator from Arkansas in the belief in constitutional government and the responsibility of the people. I do not really believe the Governor will be better off in the late fall of 1958. It seems to me that it would be better if he called the election now, before the full impact of hard money, tight credit, high interest rates, and lower price supports go into effect—at least, in Wisconsin.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 916. An act to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes; and

S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

INCREASE IN EMPLOYEES IN DEPARTMENT OF AGRICULTURE

Mr. CARLSON. Mr. President, last Friday evening, while the Senate was debating the classified pay bill, a discussion took place concerning the increase in the number of employees in several agencies of the Government. In a colloquy, the junior Senator from Minnesota [Mr. HUMPHREY] asked me if I had the figures for the Department of Agriculture I regretted that I did not have them then, but since that time I have secured them.

The Senator from Minnesota stated that there had been a great increase in the number of employees. I now have the figures submitted to me by the Bureau of the Budget.

For the fiscal year 1954, there were 63,690 employees in the Department of Agriculture. For the fiscal year 1959, it is estimated that there will be 80,722.

I ask unanimous consent that this table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States Department of Agriculture—Analysis of average annual positions budget for 1959 compared with fiscal year 1954

Fiscal year 1959 (estimated)	80,722
Fiscal year 1954	63,690
Increase	17,032
Increases resulting from legislation for new programs	
Public Law 566, Small Watershed Protection Act	1,079
Soil-bank programs	1,179
Great Plains conservation program	260
Mandatory poultry inspection	770
Public Law 480	698
Agricultural attachés'	229
Acreage allotments for corn and rice and marketing quotas on rice	309
National Wool Act	106
Total new programs	4,630
Increases for strengthening and expanding existing programs	
Brucellosis eradication program	1,275
Research on crops, livestock, forestry, soils and water, utilization and marketing commodities	3,423
Forest land management and roads and trails	1,908
Increased volume of price-support activities	701
Increases for strengthening and expanding existing programs—Continued	
Brush disposal and other improvements on national forest (primarily from fees and deposits)	1,289
SCS technical assistance to farmers, districts and services to ACP	1,151
Disease eradication and pest control (including fire ant and screwworm)	991
Inspection and grading of farm products other than poultry (financed from fees)	618
Removal of surplus agricultural commodities under section 32	311
All other (net)	735
Total increases to existing programs	12,402
Total increases	17,032

Mr. CARLSON. Mr. President, I call the attention of the Senator from Minnesota to the fact that since 1953 several new agencies have been added to the Department of Agriculture. They are as follows:

Public Law 566, the Small Watershed Protection Act, accounts for 1,079 new employees.

The soil-bank programs account for 1,179 new employees.

The Great Plains conservation program, 260.

The mandatory poultry inspection, 770.

Public Law 480, 698.

The agricultural attachés, 229.

Acreage allotments for corn and rice and marketing quotas on rice, 309.

The National Wool Act, 106.

The total number of employees required by the new programs is 4,630.

I call attention to this information because these are new agencies which have been created in the past 3 or 4 years, and they account for a large number of additional employees.

The total increase in the number of employees in the Department of Agriculture from 1954 to 1959 is 17,032.

Mr. President, I have also a table showing the average annual positions, permanent and otherwise, from 1950 to 1955, for the Department of Agriculture. I ask unanimous consent that that table also may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

United States Department of Agriculture—Average annual positions, permanent [1] and other (man-years) 1950–59

(Based on 1959 budget estimates and adjusted for comparability with the 1959 appropriation structure. This table reflects the average annual positions under the appropriation and funds indicated, including those applicable to transfers, allocations, or allotments to organizations other than the agency receiving the appropriation.)

	1950	1951	1952	1953	1954	1955	1956	1957	1958 estimated	1959 estimated
Agricultural Research Service:										
Permanent	14,253	13,350	12,311	11,685	11,767	12,157	12,877	13,661	14,633	15,432
All other	1,402	1,195	999	820	806	1,887	2,278	2,382	2,364	1,550
Total	15,655	14,545	13,310	12,505	12,573	14,044	15,155	16,043	16,997	17,002
Extension Service:										
Permanent	232	237	226	227	202	221	243	251	258	243
All other	1	3	1	2	2	3	2	3	3	1
Total	233	240	227	229	204	224	245	254	261	244
Farmer Cooperative Service:										
Permanent	108	109	90	90	82	96	102	106	117	116
All other										
Total	108	109	90	90	82	96	102	106	117	116

[1] Full-time positions, regardless of status of employees (permanent, temporary, etc.) who occupy same.

United States Department of Agriculture—Average annual positions, permanent and other (man-years) 1950–59—Continued

(Based on 1959 budget estimates and adjusted for comparability with the 1959 appropriation structure. This table reflects the average annual positions under the appropriations and funds indicated, including those applicable to transfers, allocations, or allotments to organizations other than the agency receiving the appropriation.)

	1950	1951	1952	1953	1954	1955	1956	1957	1958 estimated	1959 estimated
Soil Conservation Service (excluding flood prevention):										
Permanent	10,663	10,657	10,703	10,883	11,013	11,180	11,604	12,482	13,245	13,267
All other	1,045	870	736	1,112	1,269	1,259	1,274	1,237	1,352	1,331
Total	11,708	11,527	11,439	11,995	12,282	12,439	12,968	13,719	14,597	14,598
Flood prevention:										
Permanent	971	1,024	813	609	696	704	672	698	799	790
All other	308	262	170	169	251	268	321	348	409	322
Total	1,279	1,286	983	778	947	972	993	1,046	1,208	1,112
Great Plains conservation program:										
Permanent	----------	----------	----------	----------	----------	----------	----------	----------	217	216
Other	----------	----------	----------	----------	----------	----------	----------	----------	45	44
Total	----------	----------	----------	----------	----------	----------	----------	----------	262	260
Agricultural Conservation Program Service:										
Permanent	992	953	911	934	818	771	765	689	770	779
All other	34	26	28	39	34	44	26	26	24	24
Total	1,026	979	939	973	852	815	791	715	803	803
Agricultural Marketing Service:										
Marketing research and service:										
Permanent	3,728	3,599	3,559	3,513	3,170	3,092	3,274	3,484	4,012	4,864
All other	142	86	67	58	193	233	286	343	387	362
Total	3,870	3,685	3,626	3,571	3,363	3,325	3,560	3,827	4,399	5,226
School lunch program:										
Permanent	278	237	220	176	167	164	154	158	184	184
All other	1	1	1	1	----------	1	1	----------	1	1
Total	279	238	221	177	167	165	155	158	185	185
Removal of surplus agricultural commodities:										
Permanent	634	565	479	510	536	555	643	738	837	840
All other	3	3	2	1	3	3	7	8	10	10
Total	637	568	481	511	539	558	650	746	847	850
All other, Agricultural Marketing Service:										
Permanent	1,379	1,435	1,877	1,953	2,126	2,283	2,449	2,840	2,933	2,475
All other	51	52	41	39	49	80	96	123	190	184
Total	1,430	1,487	1,918	1,992	2,175	2,363	2,545	2,963	3,123	2,659
Foreign Agricultural Service: [2]										
Permanent	257	319	424	538	698	291	403	486	509	440
All other	9	4	2	20	5	10	10	12	10	7
Total	266	323	426	558	703	301	413	498	519	447
Commodity Exchange Authority:										
Permanent	100	110	117	125	119	117	125	126	128	128
All other	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Total	100	110	117	125	119	117	125	126	128	128
Soil-bank programs:										
Conservation reserve program:										
Permanent	----------	----------	----------	----------	----------	----------	5	355	531	536
Other	----------	----------	----------	----------	----------	----------	----------	20	30	30
Total	----------	----------	----------	----------	----------	----------	5	375	561	566
Acreage reserve program:										
Permanent	----------	----------	----------	----------	----------	----------	40	346	552	556
Other	----------	----------	----------	----------	----------	----------	6	26	57	57
Total	----------	----------	----------	----------	----------	----------	46	372	609	613
Commodity Stabilization Service:										
Acreage allotments and marketing quotas:										
Permanent	864	794	517	474	740	810	868	786	875	875
All other	36	22	12	11	27	52	48	57	39	39
Total	900	816	529	485	767	862	916	843	914	914
Sugar Act program:										
Permanent	203	198	170	189	157	172	161	160	180	180
All other	5	4	3	----------	4	3	3	4	3	3
Total	208	202	173	189	161	175	164	164	183	183
Administrative expenses, Commodity Credit Corporation:										
Permanent	4,499	4,419	3,008	2,982	3,763	4,310	4,818	4,935	5,374	5,101
All other	39	32	11	21	35	46	18	16	18	18
Total	4,538	4,451	3,019	3,003	3,798	4,356	4,836	4,951	5,392	5,119
All other, Commodity Stabilization Service:										
Permanent	308	288	342	203	199	361	348	313	367	353
All other	9	8	8	9	5	13	8	7	3	4
Total	317	296	350	302	204	374	356	320	370	357
Federal Crop Insurance Corporation:										
Permanent	500	551	593	594	490	474	498	497	552	554
All other	210	253	232	243	231	254	318	366	417	426
Total	710	804	825	837	721	728	816	863	969	980

[2] Figures for fiscal years 1950 through 1953 do not include positions for agricultural attachés, since data are not available to segregate such man-years from other personnel paid from the same State Department funds.

United States Department of Agriculture—Average annual positions, permanent and other (man-years) 1950–59—Continued

(Based on 1959 budget estimates and adjusted for comparability with the 1960 appropriation structure. This table reflects the average annual positions under the appropriations and funds indicated, including those applicable to transfers, allocations, or allotments to organizations other than the agency receiving the appropriation.)

	1950	1951	1952	1953	1954	1955	1956	1957	1958 estimated	1959 estimated
Rural Electrification Administration:										
Permanent	1,190	1,318	1,177	1,125	1,017	983	1,010	1,027	1,027	1,021
All other	2	3	5	6	3	5	4	3	4	4
Total	1,201	1,321	1,182	1,131	1,020	988	1,014	1,030	1,031	1,025
Farmers' Home Administration:										
Permanent	5,971	6,250	6,184	6,187	5,480	4,791	5,056	5,318	5,353	5,321
All other	397	493	448	433	399	700	726	894	721	686
Total	6,368	6,743	6,632	6,620	5,879	5,491	5,782	6,212	6,074	6,007
Office of the General Counsel:										
Permanent	488	491	428	420	392	365	382	385	406	417
All other	1	1	1	1	1	1	1	3	2	2
Total	489	492	429	421	393	366	383	388	408	419
Office of the Secretary:										
Permanent	609	564	541	592	568	596	596	585	607	607
All other	2	6	1	1	2	1	1	1	1	1
Total	611	570	542	593	570	597	597	586	608	608
Office of Information:										
Permanent	192	193	209	127	122	116	119	122	120	120
All other	2	2	2	1	1	1	1	1	1	1
Total	194	195	211	128	123	117	120	123	121	121
Library:										
Permanent	188	174	170	171	153	145	149	151	139	129
All other	2	1	1	1	1	1	1	1	1	1
Total	190	175	171	172	154	146	150	152	140	130
Forest Service (excluding forest roads and trails):										
Permanent	7,225	7,248	7,185	7,300	7,404	7,295	7,749	8,371	9,787	9,782
All other	5,556	4,918	4,712	4,809	5,591	4,865	6,197	6,350	6,870	6,909
Total	12,781	12,166	11,897	12,109	12,995	12,160	13,946	14,721	16,657	16,691
Forest roads and trails:										
Permanent	1,129	1,111	1,366	1,367	1,469	1,440	1,529	1,657	1,735	1,736
All other	1,312	1,239	1,169	1,332	1,430	1,275	1,345	1,505	1,670	1,623
Total	2,441	2,350	2,535	2,699	2,899	2,715	2,874	3,162	3,405	3,359
Defense production activities, salaries and expenses:										
Permanent	----------	449	535	280	----------	----------	----------	----------	----------	----------
All other	----------	10	5	6	----------	----------	----------	----------	----------	----------
Total	----------	459	540	286	----------	----------	----------	----------	----------	----------
Miscellaneous appropriations for prior year programs:										
Permanent	7	----------	----------	----------	----------	----------	----------	----------	----------	----------
All other	1	----------	----------	----------	----------	----------	----------	----------	----------	----------
Total	8	----------	----------	----------	----------	----------	----------	----------	----------	----------
Recapitulation:										
Permanent	56,977	56,643	54,155	53,344	53,348	53,489	56,729	60,727	66,256	67,082
All other	10,570	9,494	8,657	9,135	10,342	11,005	12,978	13,736	14,632	13,640
Grand total	67,547	66,137	62,812	62,479	63,690	64,494	69,707	74,463	80,888	80,722

Prepared by Office of Budget and Finance, Division of Budgetary and Financial Reporting, Jan. 24, 1958.

Mr. HUMPHREY. Mr. President, I thank the distinguished Senator from Kansas for the very factual report which he has given to the Senate. My inquiry has been fully answered.

My inquiry of, I believe, Friday last was for the purpose of seeking information concerning the number of employees in the Department of Agriculture, as one example of the increase in employment in a permanent department. I said then that I believed the employment had increased by about 20,000. I was in error; it is only 17,032. The 17,032 additional employees for the fiscal year 1959 are giving subsidy service or alleged service to fewer farmers by approximately 500,000 farm families as compared with 1954. In other words, as the Department of Agriculture grows in size, in terms of the number of its employees, the number of farmers being served by the farm programs, decreases. As the agricultural population decreases, the population of the Department of Agriculture increases.

If I were sure that the same persons who are being driven off the land are being employed by the Department of Agriculture, I suppose my complaint would be less vigorous. However, I am afraid there is no relationship whatsoever between those who are being driven off the land and those who are being employed in the Department of Agriculture Building, on the banks of the Potomac River.

Furthermore, although the number of persons involved is important—and it was to that subject that the Senator from Kansas appropriately directed his remarks—what is most important is the reduced results which are being obtained from the Department of Agriculture. In fact, Mr. President, I believe that a new law has developed—Benson's law. It is predicated on the proposition that the greater the number of employees of the Department of Agriculture and the greater the amount of its appropriations the fewer the results and the lower the prices of agricultural commodities. That is one of the products of this administration.

Now all can see that as the number of employees in the Department of Agriculture increases, the number of farmers decreases; and as the appropriations of the Department of Agriculture increase, the income from agricultural commodities decreases.

I know that many of my colleagues like to quote Drew Pearson. I wish to call attention to an article entitled "Benson, Brannan Costs Compared," written by Mr. Pearson, and published today in the Washington Post and Times Herald.

I must say that Mr. Brannan indeed was a tightwad. He operated the Department of Agriculture with a limited number of employees, and apparently with no regard for the desire of people to have jobs. And he operated that Department with a limited budget.

Mr. President, all during my formative years I was led to believe that New Dealers and Fair Dealers were extravagant and were spendthrifts, and had no regard for the value of the dollar. I was also led to believe that a man of great convictions and of good solid character, a Republican would watch over the value of the dollar and see to it that the appropriations of the Government were reduced again and again. As I recall vividly, in two presidential campaigns the Republican Party proclaimed—most specifically, in 1951—that it would reduce the bureaucracy; and Mr. Benson himself stated that if he became the Secretary of Agriculture, he would take steps to remove from employment those in the Department of Agriculture who were not doing good jobs, and in that way he would reduce the number of employees of the Department of Agriculture.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. The Senator from Minnesota serves with me on the Committee on Agriculture and Forestry, and I believe he will agree that the number of employees in the top brackets of the Department of Agriculture has been rapidly increasing.

Mr. HUMPHREY. There can be no doubt about that. In fact, that has occurred, not only in the Department of Agriculture, but also in all the other branches of the Government.

Mr. JOHNSTON of South Carolina. That is true.

Mr. HUMPHREY. There have been substantial increases in the number of what are called managerial personnel.

Mr. JOHNSTON of South Carolina. I believe the Senator from Minnesota also will agree with me that more and more propaganda is being issued and more and more speeches are being made by persons in the Department of Agriculture who are trying to "sell" their program to the farmers; and I believe the Senator from Minnesota will likewise agree that such activities are constantly increasing.

Mr. HUMPHREY. Mr. President, it would take many more persons than those now engaged in that activity to "sell" their program, because even a good salesman must have some commodity or some product if he is to make a sale.

Mr. President, I do not wish to say the figures stated in this article are accurate to the penny or to the dollar, but I submit that they are substantially accurate; and I shall be more than happy to have them carefully scrutinized by both friend and foe, alike.

In the article to which I have referred, Mr. Pearson presents a breakdown of the figures pertaining to the Department of Agriculture, as follows:

In 1952, the Agriculture Department budget under outgoing Secretary Charley Brannan was $706 million. Under Benson, the 1958 budget for operating the Department is $1,728,000,000.

The overall agricultural budget as Brannan went out of office, including the cost of storing surpluses, crop price supports, and everything else was $1,045,000,000.

That is an accurate figure.

I read further:

The overall budget under Benson today is $7 billion. This is an increase of about 700 percent.

Mr. President, I would say the increase is a little closer to being somewhat more than 600 percent.

However, I would not be commenting on this matter if the program were producing good results. However, the fact is that even in this quarter of 1958, agricultural net income, according to the analysis which was revealed as of yesterday, is dropping another $500 million, at an annual rate, as compared to the figure for the last quarter of 1957. In 1957, net agricultural income was lower than it was in 1956. It has dropped from approximately $15,200,000,000 in 1953 to $11,600,000,000 in 1957. Those figures show the situation which has developed. Agricultural commodity prices have dropped more than 20 percent. Farm operating costs have risen substantially. The interest rates have risen. Agricultural surpluses have risen. The cost of operating the Department of Agriculture has risen. The number of farmers has decreased. Agricultural commodity prices have decreased. Farm income has decreased. Farm mortgage indebtedness has increased.

Mr. President, I conclude by noting that some of our friends in Congress have been saying to the Secretary of Agriculture and to the President of the United States that Mr. Benson should resign. They have been asking for his resignation. I notice that some of them have asked Mr. Benson himself to resign, even though they have voted for his program. Mr. President, I do not think that is proper. I believe that Members of the Congress, of either party, have a right to request that Mr. Benson resign if they have opposed his program. However, I notice that some of those who have asked that Mr. Benson resign base their request, not on a belief that his program is wrong, but on a belief that he is a political liability.

This situation is similar to the one to which the Senator from Arkansas [Mr. FULBRIGHT] alluded a moment ago.

Mr. President, I am sure the Secretary of Agriculture holds his convictions sincerely. However, the fact is that a number of Republican Members of Congress have been saying to him, "Mr. Secretary, we voted for your program and for the man who appointed you to be Secretary of Agriculture; and we have advocated the adoption of your program and we have defended you—until last Monday. But even though you have a program that we like"—say those Republican Members of Congress—"and even though we urged the election of the one who nominated you, and even though you were appointed by the man for whose election we worked, and whom we continue to support, we think you should retire."

Why do they want him to retire? They want him to retire, Mr. President, because, as they say, "We think you are a political liability."

Mr. President, the President of the United States took care of that situation courageously and honorably. At his press conference last week the President said, "Mr. Benson is staying." The reason why Mr. Benson is staying is that Mr. Benson's program is the Eisenhower program and the Republican program. So I say it is good to have this clarification.

Mr. President, I am convinced that Mr. Benson will stay. Furthermore, I believe that even if he resigned, whoever succeeded him would have to carry out the same program, and I believe that the results would be the same. I take that position because we have observed that the President of the United States has manfully said to the reporters and to the critics that he could not understand what the complaints were about, and that he would not permit a man to leave while he was under fire; and then the President said pointedly that he had faith in Mr. Benson, that Mr. Benson was carrying out his program, and was his appointee, and that he could not understand why Members of Congress would request Mr. Bensons scalp, so to speak, when they, themselves, had supported Mr. Benson.

Mr. President, I believe that sooner or later the country should know that it will take an election to change things in the Department of Agriculture. Things in the Department of Agriculture will not be changed by the simple adjustment of personnel, by means of appointment. The change which needs to take place in the Department of Agriculture is similar to the change which needs to take place in the elections of 1958, which will bring into the Congress those who are friendly and sympathetic to the legitimate needs of farm families and the family-type farm; and it is the kind of change which will take place in 1960, when again the White House will be occupied by a member of the Democratic Party—by a man who will appoint a new Secretary of Agriculture, to be sure; but, more than that, by a man who will have a new policy. In this situation, Mr. President, what are really involved are, not personalities, but principles of agricultural economics and the agricultural policy.

Mr. President, I had intended to ask unanimous consent to have printed at this point in the RECORD the article entitled, "Benson, Brannan Cost Compared," written by Drew Pearson, which contains information I am sure at a later date others will wish to supplement by

giving a more detailed analysis of these costs. I understand, however, that earlier today the junior Senator from Wisconsin [Mr. PROXMIRE] had the Pearson article printed in the RECORD. So I shall not ask that it be duplicated in the RECORD.

Mr. HUMPHREY subsequently said: Mr. President, earlier this afternoon I addressed myself to the subject matter of the presidential press conference wherein President Eisenhower continued to extend his unqualified support to Secretary of Agriculture Benson.

I hold in my hand an article from the New York Times of February 27, entitled "Eisenhower Lauds Benson, Bars Party Bid To Oust Him."

That was the story to which I referred. Rather than have any misquotations or any paraphrasing which might in any way be misleading, I ask unanimous consent that at that point in my comments, where I was discussing the presidential press conference relating to the Secretary of Agriculture, this detailed news report, under the byline of Felix Belair, Jr., be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of February 27, 1958]

EISENHOWER LAUDS BENSON, BARS PARTY BID TO OUST HIM

(By Felix Belair, Jr.)

WASHINGTON, February 26.—President Eisenhower turned a deaf ear today to Congressional farm bloc demands that Benson must go. In one of the strongest endorsements ever given a member of his Cabinet, the President described the Secretary of Agriculture, Ezra Taft Benson, as a man of the highest personal and intellectual honesty and courage whose services the Nation could not now afford to lose.

At the same time General Eisenhower went beyond the scope of the immediate clamor against Mr. Benson to remind the critics both in Congress and the Republican National Committee that the selection and tenure of Cabinet members was the responsibility of the President alone.

Once the constitutional mandate to obtain the advice and consent of the Senate to such appointments has been observed, Congress has nothing more to do with the matter, the President said.

CHALLENGES CRITICS

He added that "for any group of Congressmen, either informally or formally, to raise a question concerning my appointments to the Cabinet would not seem to be in order."

What had been a persistent but cautious clamor for Mr. Benson's retirement broke into the open in the House of Representatives last week.

The immediate reason was the near-defeat of a Republican candidate in Minnesota's special election to fill the House seat of the late August H. Andresen.

The First Congressional District, where the election was held, had not gone Democratic since 1890 and Republican majorities of 2 to 1 were considered normal, even through the New Deal era, when many Farm Belt districts returned Democratic candidates in one election after another.

When the Republican candidate, Albert Quie, squeaked by with a majority of 655 votes—a margin of less than 1 percent—over his Democratic opponent, Eugene P. Foley, many farm State Republicans thought they saw the political handwriting on the wall.

GOP GROUP FORMED

Mr. Benson had been the central issue in the election and some House members talked of the possible loss of 25 Republican seats in November, if the Secretary were retained.

Representative A. I. MILLER, Republican of Nebraska, organized a group of farm State Republicans in a direct appeal to the President to drop Mr. Benson for what they said was the good of the party's chances in November.

With Representative WALTER H. JUDD, Republican of Minnesota, the Nebraskan visited Mr. Benson to express what was termed a Republican consensus that the Secretary should resign for the good of the party.

The same day Mr. MILLER called Mr. Benson "the symbol of lower farm prices as Herbert Hoover was of the depression."

Although individual Senators have spoken out against Mr. Benson's continued tenure, it was presumably to the organized effort of the House group that the President directed his remarks today.

Indirectly at least, the President's news conference endorsement of the Agriculture Secretary included Mr. Benson's own reply to the farm bloc demand.

BENSON BARRED POLITICS

He told Mr. MILLER and Mr. JUDD last week that "concern for political fortunes of individuals cannot transcend the very function of government, which is to protect and help its citizens."

Having expressed himself on Mr. Benson's personal and intellectual honesty and integrity and his sense of dedication to the problems of farmers, General Eisenhower turned to what he called the substantive part of this matter.

The purpose of all farm programs from the beginning has been to bring about a parity of costs the farmer has to pay with the prices he receives for his products, the President asserted. Although many different ways of achieving this goal have been tried, none has been entirely successful, he said.

It is a proper function of government, the President added, to insure farmers against disasters beyond their control. But it will remain an objective of his administration, he said, to free farmers as much as possible from Federal regulation and to make farming subject to the same economic influences that apply to other segments of the economy.

General Eisenhower went to say that he personally was firmly convinced of the wisdom of what Mr. Benson was trying to do.

The President arranged today to confer with Representative MILLER tomorrow afternoon. Mr. MILLER said he would not ask the President to drop Mr. Benson but indicated he would leave a strong hint that Republican prospects in November would be brighter without the Agriculture Secretary.

INCREASE IN LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. FULBRIGHT. Mr. President, I move that the Senate proceed to the consideration of S. 3149, a bill to increase by $2 billion the lending authority of the Export-Import Bank of Washington.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3149) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Arkansas that the Senate proceed to the consideration of the Senate bill 3149.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. FULBRIGHT. Mr. President, the bill before the Senate enlarges the lending authority of the Export-Import Bank by $2 billion. It raises the lending authority from $5 billion to $7 billion.

The bill was reported unanimously by the Committee on Banking and Currency. There was no opposition to it that I know of.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Indiana.

Mr. CAPEHART. I wish to say that, so far as I know, there is no opposition to the bill. It was reported unanimously by the Banking and Currency Committee. I strongly urge passage of the bill. I know the administration desires the passage of the bill. In fact, everybody is for it; I do not think anyone is against it.

Mr. FULBRIGHT. The Senator is correct. It is a bill which the administration favors.

Mr. President, I ask unanimous consent that a statement explaining the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF S. 3149, A BILL TO INCREASE BY $2 BILLION THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

S. 3149 would increase the lending authority of the Export-Import Bank of Washington from the present $5 billion up to $7 billion. It would make a corresponding increase in the bank's authority to borrow from the United States Treasury.

The increase in authority proposed by S. 3149 was recommended by the President in his budget message and his economic report; the Export-Import Bank requested the enactment of the bill; and the Departments of State, Treasury, and Commerce have recommended its enactment. In addition, the committee received letters in favor of the bill from the National Foreign Trade Council and the United States Chamber of Commerce. Hearings were held on the bill before the committee on Monday, February 3, and a favorable report was made on February 4, Senate Report 1270.

The Export-Import Bank was originally incorporated in 1934 and it has been ex-

tended from time to time since then. The most recent extension was enacted last year, changing the expiration date from June 30, 1958, to June 30, 1963. The bank has continued under substantially its present authority since the enactment of the Export-Import Bank Act of 1945.

The bank has broad general powers to engage in banking in order to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States and foreign countries.

The Export-Import Bank is the principal instrument of the Federal Government which assists foreign trade on a business basis. Under Congressional mandate, the bank supplements and encourages private capital and does not compete with it; the bank's loans must offer reasonable assurance of repayment; and the bank makes no grants. The bank cooperates with private capital, sometimes through joint lending to individual ventures, sometimes through guaranties of part or all of private loans, sometimes through sales of loans from its portfolio.

The bank's activities take a number of forms. It makes development loans to private companies in foreign countries, including both American and foreign firms. It makes development loans to other governments or to official institutions, sometimes for the purpose of building needed basic public facilities, such as highways or port improvements, sometimes for the purpose of relending to private enterprise. These development loans have recently been approved at the rate of about $500 million a year. The bank also makes exporter credits to United States equipment manufacturers to assist in financing their exports. These exporter credits amounted to about $55 million in fiscal year 1957, and are expected to be about $130 million in fiscal year 1958. Another substantial line of credit handled by the bank is the financing of foreign sales of United States commodities, such as cotton, wheat, barley, soybeans, and tobacco. This medium term financing was about $70 million in fiscal year 1957, and is expected to be $194 million in fiscal year 1958. The bank also makes loans to foreign governments to meet emergency financing needs. The British credit of $500 million, granted in 1956 after the Suez crisis, of which $250 million has been drawn down, is an illustration of this kind of credit.

Virtually all of the bank's loans are spent for United States equipment, commodities, or technical services. And an Export-Import Bank loan may be only the beginning of a large volume of business with the United States. For instance, between 1947 and 1956 the bank lent $61.5 million to a Chilean steel company to buy United States equipment. The steel company has informed the bank that, over the same 10-year period, the steel company spent $64.9 million in the United States for equipment, $46.6 million in the United States for operating supplies, and $12.7 million to United States companies or individuals for technical services. In other words, for every dollar the bank had lent to the steel company, the steel company had spent $2 dollars in the United States. And the concern's purchases of operating supplies will probably continue indefinitely.

The Export-Import Bank has contributed to the strength and stability of the Free World. The major highway, port, irrigation, and power projects which it has helped to carry out, and the individual industrial plants which have been built or equipped through its aid, have helped to raise the standards of living in the countries involved, and have made it possible for those countries to proceed further with their own commercial and industrial development.

During the 24 years the bank has been in business, it has authorized loans totaling about $9 billion; and it has disbursed about $6 billion, about one-half of which has been repaid. During these 24 years the bank has had a gross income of $867 million. From this, administrative expenses of about $15 million have been paid; and the Treasury has received $202 million in interest on borrowings and $173 million in dividends on the capital stock. On December 31, 1957, the bank had reserves of $442.9 million, in addition to $32.6 million of undivided profits.

Last June when the life of the bank was extended for 5 years, no request was made for an increase in lending authority. However, the rate of loan authorizations over the past year and a half has been high—$1,067 million in fiscal year 1957 and $468 million during the last 6 months of 1957. This has reduced the uncommitted lending authority of the bank to $533.7 million on December 31, 1957. Other substantial loans are being considered, such as the proposed $150 million loan to India, which would further reduce these available funds.

The bank is not limited to lending its presently uncommitted funds. Each year it receives large installment repayments, and interest over and above the amounts it pays the Treasury and spends for expenses. However, funds becoming available from these sources are not expected to be more than $400 million to $500 million in fiscal year 1959, a sharp drop from the present rate of credit authorization, of $1 billion a year.

If the bank is to continue activity at or about its present scale and if the bank is to retain any sizable balance on hand for emergency loans, its lending authority and available funds must be increased. The administration has requested and the committee recommends an increase in the amount of $2 billion.

The previous experience of the bank indicates that this $2 billion increase will not involve an equal increase in the borrowings from the bank.

When the bank commits its lending authority in support of a substantial development project, a considerable period of time normally elapses before the bank is called upon to pay for specific equipment shipped from the United States to the project. There are also cancellations or sales of participations to private capital in all or part of a project. Over the past 4 years, only about 30 to 40 percent of the borrowing authority has been used, although the use of the lending authority has ranged from about 70 to 90 percent. For example, on December 31, 1957, the total of outstanding commitments was $4.4 billion. But the unrepaid disbursements at that date came to $2.9 billion, and the borrowings from the Treasury amounted to only $1 billion. Assuming this experience holds true for the future, it can be anticipated that the $2 billion increase in lending authority would not result in more than an additional $600 million to $800 million of actual borrowings, and even this total af actual borrowings would probably not be reached for several years. In the 1959 budget, the only estimated demand on this increased capital for fiscal 1959 is $200 million for emergency loans.

The committee was convinced that it was essential to continue this program in the interest of the United States producers and exporters involved, and in the interest of our national security and foreign policy. The committee, therefore, recommended that the Senate pass S. 3149. I urge its prompt approval.

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed in the RECORD some letters from the president of Mack Trucks, Inc., which are quite interesting as showing the beneficial effect of the proposed legislation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MACK TRUCKS, INC.,
Plainfield, N. J., February 12, 1958.

Hon. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: We are very much interested in the proposed legislation to increase the lending limits of the Export-Import Bank of Washington by $2 million.

Through this institution, our company has been able to obtain some portion of the export business, and without its aid it would have been impossible to do so.

We thought you would be interested in two letters I have sent to the Honorable Samuel C. Waugh, President of the Export-Import Bank, one dated October 26, 1955, and the other, February 3, 1958, copies of which are attached.

We feel your aid and support of this legislation would be beneficial to the extension of the trade-agreements legislation on which we understand President Eisenhower is asking for a 5-year renewal.

Sincerely yours,

P. O. PETERSON, *President.*

MACK TRUCKS, INC.,
Plainfield, N. J., October 26, 1955.

The Honorable SAMUEL C. WAUGH,
President, Export-Import Bank of Washington, Washington, D. C.

DEAR MR. WAUGH: It gives me great pleasure to advise you that the Export-Import Bank has been of invaluable assistance to the Mack Co. in its sale of 100 Mack motorbusses to Iran.

The advance commitment for credit financing authorized by your bank on August 3 enabled Mack to obtain the Iranian order in the face of heavy competition from foreign manufacturers. After your commitment assured the sale, our distributor in Iran subsequently found it possible to complete the transaction on a cash basis. We, therefore, wish to advise you that we no longer require this financing.

However, without the willingness of the Export-Import Bank to assist in this sale, we would have been unable to obtain this order. Consequently, Mack, and more broadly, America, would have lost a $1 million sale to a market that has substantial requirements for additional busses and trucks.

Our experience thus far with the Export-Import Bank has been most gratifying. We feel it has been performing a vital service to American business and industry in the sale of American products abroad. If America is to continue to grow and prosper, industrial concerns such as Mack must find outlets abroad for their increasing production. The Export-Import Bank is playing an essential role in enabling America to obtain its fair share of foreign markets.

May I take this opportunity to congratulate you upon your appointment as president of this fine agency.

With deepest appreciation and best wishes, I remain,

Sincerely yours,

P. O. PETERSON, *President.*

MACK TRUCKS, INC.,
Plainfield, N. J., February 3, 1958.

Hon. SAMUEL C. WAUGH,
President, Export-Import Bank of Washington, Washington, D. C.

DEAR MR. WAUGH: It is noted that President Eisenhower has recently recommended

to the Congress that the lending limits of the Export-Import Bank be increased by $2 billion.

For many reasons, we favor this proposal by the President. From a general point of view, we know your bank has, over the years, returned substantial profits to the Treasury Department. We know your relatively small number of employees are paid from earnings, as against appropriated funds. We, likewise, are fully aware of the fact that an exporter credit is not only for the benefit and assistance of the foreign purchaser. It has a decided favorable impact within the continental United States.

For example, we have plants in New Jersey, Pennsylvania, New York, and Ohio, employing approximately 8,000 people. In addition, we have 57 Mack branches throughout the United States with more than 2,600 employees. All of these employees stand to benefit from orders made possible by Export-Import Bank financing. There are local taxes and substantial local purchases. Also, Mack has a wide range of suppliers—from various parts of the United States—for steel, other metals and materials, and the few components we do not manufacture. Likewise, each of our plants is continuing to procure equipment and tools from various parts of the country. Thus, the domestic dollar impact of an exporter credit is both far reaching and substantial.

From a Mack point of view, the exporter credits you have granted us over the past several years have permitted the consummation of substantial orders—running in the millions—that we could not have otherwise accepted. Your participation in such credits permits us to meet, on relatively equal terms, the continuing credit competition we face from foreign manufacturers of trucks and buses. Your participation in these exporter credits permits us to retain a reasonable share of these overseas markets where we have spent so much time and money in developing.

In appreciation of the consideration and constructive assistance provided by your bank, and with the hope that your lending limits may be increased and your facilities expanded, I am,

Sincerely yours,

P. O. PETERSON, *President.*

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 3149) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended, is amended—

(1) by striking out "$4,000,000,000." from section 6 and inserting in lieu thereof "$6,000,000,000.";

(2) by striking out "$5,000,000,000." from section 7 and inserting in lieu thereof "$7,000,000,000.".

Mr. JENNER subsequently said: Mr. President, I move that the Senate reconsider the vote by which it passed Calendar No. 1294, Senate bill 3149, to increase the lending authority of the Export-Import Bank of Washington, and for other purposes, inasmuch as no notice was given that action would be taken today on that bill.

I had an appointment downtown. When I returned, I found that, without a complete quorum call or any notice regarding the taking of action, the Senate took action on the bill, which involves liability amounting to approximately $2 billion to this country. I think that is no way to do business, and I believe the bill was too important to have been passed in that fashion.

Therefore, I submit the motion to reconsider.

The PRESIDING OFFICER. The motion will be entered.

Mr. MAGNUSON. Mr. President, of course we have no objection to the motion of the Senator from Indiana that the vote on the bill be reconsidered. But in order that the record may be clear, let me state that announcement was made in the Senate, at noon, that the Senate would consider the bill. Several Senators were present at that time, and the bill was brought up at approximately 2 p. m.

ORDER OF BUSINESS

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California [Mr. KNOWLAND] is recognized.

Mr. KNOWLAND. Mr. President, I was going to suggest the absence of a quorum, since there is no business pending before the Senate.

Mr. FREAR. Mr. President, I ask the distinguished minority leader if he will not withhold his suggestion. I have a few remarks to make, and I do not believe a call for a quorum is necessary at this time.

Mr. KNOWLAND. Mr. President, I withhold my request at the present time.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

JUVENILE COURT OPERATIONS IN THE DISTRICT OF COLUMBIA

Mr. FREAR. Mr. President, on May 1 of last year the Senate was called upon to advise and consent to the nomination of Mr. Orman W. Ketcham to serve as judge of the juvenile court of the District of Columbia.

Prior to the Senate vote on that appointment, I spoke in opposition, not because of any personal feeling against Mr. Ketcham, but because I sincerely believed he did not possess the requisite judicial temperament or the personal attributes necessary to properly administer justice in the marital and social problems prevalant in the District of Columbia.

However, Judge Ketcham was confirmed, and has now served as judge of the juvenile court of the District of Columbia since May 1, 1957. But whether because of his inexperience or other reasons, we hear much criticism concerning his methods of operation, as well as the amount of time he gives to the court, the result of which is a failure to keep current the court calendar of pending cases.

Mr. President, although I am not willing to admit to possessing the power of clairvoyance, I deeply regret that my predictions seem to have been so clearly affirmed.

Obviously, unless the judges of our juvenile court are well grounded in experience and temperament and equipped with a practical working knowledge of psychiatry—mental disorders, psychology—actions of the mind, and other social sciences, they cannot cope with the volume and the complexity of cases involving these situations.

I do not wish to labor Senators with the submission of evidence in this regard, inasmuch as it is readily available to those who care to acquaint themselves with the manner of the court's operation. However, I have no doubt, many Senators can recall, as I do, when a few years back the juvenile court of the District of Columbia was far behind in its work, and did not have either community or public support.

In the past few years, in fact, up to May 1 of 1957, we have seen this court progress and become well-organized and function efficiently and administratively.

I believe the record will substantiate that as of May 1, 1957, the day Judge Ketcham was confirmed by the Senate, the court calendar was completely current; and, with a few exceptions, full social studies and final dispositions in connection with all cases were made within 30 days of the filing of complaints. Today, in spite of additional personnel being employed, a substantial backlog of cases awaiting court action exists. Many cases are being calendared for hearing 3 months hence, while others are being summarily disposed of at so-called detention hearings without the benefit of complete social studies as required by the Juvenile Court Act.

I am also informed that no one is now required to appear in court for setting aside commitments or dismissals from probation.

This elimination of an appearance before the juvenile judge in probation dismissals, in my opinion, while having its effect in lessening the workload of the court, at the same time denies a pat on the back through a word of encouragement to a boy or girl who has tried to become a better citizen.

Mr. President, being turned loose without receiving some encouragement from the one who placed them on probation would, it seems to me, appear to be a very cold approach to solving a juvenile problem.

Further rearranging his court schedule, Judge Ketcham is presently having juvenile cases set for hearing after April 15. Adult cases are being set for May 1 and later. This proposed schedule and its relation to the existing backlog of cases can be better understood when we also take into consideration the fact that Judge Ketcham has requested that no more than four new nonsupport cases and no more than 11 old nonsupport cases be scheduled for 1 day.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of Judge Ketcham's court schedule.

There being no objection, the schedule was ordered to be printed in the RECORD,

Monday	Tuesday—J and A	Wednesday—J	Thursday—A	Friday—J
9:30: Summons. 10: Court opens. Trials by jury (scheduled by courtroom clerk): 4 cases scheduled. Assistant corporation counsel present.	9:30: Summons. 10: Court opens. Juvenile trials by court (scheduled by courtroom clerk): 2 cases scheduled. Probation officer on call. Assistant corporation counsel present. and Juvenile detention hearings: 10 hearings scheduled. Probation officer and assistant corporation counsel present.	10: Court opens. Dependency cases (scheduled by Department of Public Welfare with summons, etc., handled by clerk's office): 15 minutes per case. 10 cases scheduled. Assistant corporation counsel and DPW caseworker present.	9:30: Summons. 10: Court opens. CBOW or nonsupport trials (scheduled by courtroom clerk): 2 cases scheduled. Assistant corporation counsel present. Probation officer on call. 11: Summons. 11:30: Nonsupport arraignments (scheduled by clerk's office): 15 minutes per case. 4 cases scheduled. Assistant corporation counsel and probation officer present.	9:30: Summons. 10: Court opens. Juvenile trials by court (scheduled by courtroom clerk): 2 cases scheduled. Assistant corporation counsel present. Probation officer on call. Juvenile detention hearings: 10 hearings scheduled. Assistant corporation counsel and probation officer present.
12:30: Court recesses. 2: Court reconvenes. Third Monday of each month, traffic cases: 5 cases per hour commencing at 10 a. m. Summons for 9:30 a. m., 10:30 a. m., 11:30 a. m., 1:30 p. m., and 2:30 p. m. 25 cases scheduled.	12:30: Court recesses. 1:30: Summons. 2: Court reconvenes. CBOW arraignments (scheduled by clerk's office): 5 cases per hour. 10 cases scheduled. Assistant corporation counsel and probation officer present. 4: Bench warrants: Attachments, and other special matters.	12:30: Court recesses. 1:30: Summons. 2: Court reconvenes. New juvenile cases (scheduled by clerk's office): 4 cases per hour. 10 cases scheduled. Probation officer present. Assistant corporation counsel on call.	12:30: Court recesses. 1:30: Summons. 2: Court reconvenes. Entry of support orders and hearings on arrears (scheduled by clerk's office): 5 cases per hour. 10 cases scheduled. Probation officer present. 4: Bench warrants: Attachments, and other special matters.	12:30: Court recesses. 1:30: Summons. 2: Court reconvenes. New juvenile cases (scheduled by clerk's office): 4 cases per hour. 10 cases scheduled. Probation officer present. Assistant corporation counsel on call.
4:30: Court recesses.	4:30: Court recesses.	4:30: Court recesses.	4:30 Court recesses.	4:30: Court recesses.

Mr. FREAR. I may add, Mr. President, that, previous to Mr. Ketcham's appointment, the average number of new cases calendared and heard per day was 35; the number of old cases about 70 per day.

Though the number of cases for one court day has been limited, it frequently occurs that some are not heard and the persons involved are told to return at a later date. Most of these people are workers and can ill afford to lose time from work. I understand this happens almost every week.

Nonsupport cases are being dismissed with the direction that the man pay the support money directly to his wife. This directive is not an enforceable order and, if the man fails to pay, the woman must again return to the court, refile, and await another hearing.

I understand plans are under way to stop support payments made through the police precincts, as now provided by statute. This means that men under court orders to pay support to their wives and families must take time off from work to bring the payments to the court or send money orders or checks. Most of them do not have checking accounts and, in any case, checks have to be cleared before the money is available to be disbursed to the family.

Mr. President, to substantiate my observation in this respect, I ask unanimous consent to have printed in the RECORD at this point an editorial which appeared in the Washington Daily News of February 14, 1958, entitled, "Efficient, but for Whom?" This editorial asks a question concerning the collection of support moneys under the newly proposed system.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EFFICIENT, BUT FOR WHOM?

District Juvenile Court Judge Orman W. Ketcham is talking about a new way of collecting money from fathers who have to be forced to help support their children.

At present they pay through police precinct stations, which are scattered over the city and open night and day 7 days a week. This makes it possible for defaulting fathers to pay up close to home and without losing time from their jobs.

Judge Ketcham, on advice from a District government efficiency expert and after visiting juvenile courts in half a dozen other cities, is talking about reducing the number of operations required to handle these payments by having the men pay direct to juvenile court with certified check or money order through the mails, or cash in person.

The new plan would cut down filing, form writing, and so forth, from 22 operations to 8.

Juvenile court's collections office would be open possibly until 9 at night with staggered shifts for workers, so payments could be made after work.

But according to Mrs. Francine Temko, legal assistant to Judge Ketcham, there is no thought at this time of keeping the collections office open weekends, when most defaulters pay at precinct stations.

During the fiscal year which ended last July 1, $945,000 was collected through the court for support of children. Under Judge Ketcham no continuous monthly figures have been available on collection totals, but Mrs. Temko has said the amount paid in during December was $54,000.

We're no efficiency expert, but it seems to us that collections should be made in whatever way is most likely to bring in the most money, so children won't go hungry or be added to public assistance rolls.

Is that what the new plan will do, or will it merely make it easier for the bookkeepers, with maybe less money for the needy kids?

Judge Ketcham has authority under the District juvenile court law to require payments through precinct stations or otherwise.

No doubt he believes the new plan has merit.

But he should take into account the type father involved in most support cases. Judging by those we have seen in juvenile court, we believe the vast majority would have no bank connection, know little about certified checks, and would be more likely to hand out cash at a nearby precinct station than buy a money order and send it through the mail.

Mr. FREAR. Mr. President, I also ask unanimous consent to have printed in the RECORD an article which appeared in the Washington Daily News of February 28, 1958, entitled "Juvenile Court's Philosophy Has Changed."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PRIVATE SHIRKER AND A PUBLIC BURDEN—JUVENILE COURT'S PHILOSOPHY HAS CHANGED

(By Martha Strayer)

Three more children—2, 3, and 4 years old—will soon be on public assistance here, adding to District taxpayers' burden. Their father has deserted them.

Theirs is typical of hundreds of nonsupport families whose cases come before District juvenile court.

A CHANGE

It also illustrates a changed philosophy and procedure in handling nonsupport cases since Judge Orman W. Ketcham succeeded former Judge Edith H. Cockrill in juvenile court last May 1.

Judge Cockrill brought fathers who would not support their children into court fast, and sent persistent defaulters to jail.

When a father failed to show up for a nonsupport hearing, she issued a warrant for his arrest. United States deputy marshals searched for him and in many cases found him.

DIFFERENT VIEW

Judge Ketcham has told the News he does not believe in jailing fathers.

"I have studied some of these cases," he said. "The pattern is this: A father gets behind in his payments. If he's sentenced to jail and borrows money to bail himself out, that sinks him deeper in the hole. He gets further and further behind."

No warrant was issued for the father of the three children after he failed to show up in juvenile court for a nonsupport hearing.

RELATIVE HELPS

The parents separated last August, and the wife and children moved in with a relative, who has been supporting them ever since. Public Welfare induced the man to sign a voluntary agreement to pay his family $20 a week. He didnt live up to it.

On November 18 his wife filed a nonsupport complaint in juvenile court. It took nearly 2 months to get the case before Judge Ketcham, and by that time the father had vanished.

His wife appealed to the News. "I can't see my relative burdened any longer with my troubles," she said.

GROWING BURDEN

The News took her appeal to Public Welfare Director Gerard Shea, who said she's

eligible for public assistance. "It will cost the taxpayers $142 a month," he said. "The burden of these nonsupport families is getting greater and greater."

Public Assistance Director Donald Gray added: "Unless you get after these defaulting fathers fast, you don't get them."

Mr. FREAR. Mr. President, collections under support orders are decreasing sharply. During the month of August 1957, some $17,000 less was collected than during the month of August 1956. This reflects itself in an added burden on the Welfare Department of the District of Columbia and ultimately on the taxpayer.

Furthermore, Judge Ketcham has expressed a dislike for the adult jurisdiction of the court and feels that it has no place in the operation of the juvenile court. Although he must have been aware of his responsibility under the Juvenile Court Act when he was nominated, his general apathy toward enforcement is quite costly to the District.

Mr. President, if the total needs of the District are to be accurately presented to the Congress, a comparison of the manner in which other District agencies are meeting their responsibilities should likewise be presented. For a number of years—four, at least—collections far exceeded, in fact, almost doubled, the amount of the court's budget.

I understand that dissatisfaction on the part of the bar and others having business with the court is rather widespread. It is said that Judge Ketcham's seeming lack of knowledge of law and procedure of the court, and some of his remarks from the bench, have been the subject of laughter and ridicule outside the courtroom.

Mr. President, the position of juvenile judge is one of the most important in any community, and certainly here in the District of Columbia the selection of a person for this post was worthy of our most serious consideration.

Here, as in any other juvenile court district, each case presents peculiar problems, and the handling of them on a day-to-day basis requires a broad knowledge and understanding of the social factors involved and a sound application of appropriate corrective measures. Each problem must of necessity be evaluated in terms of individual and community needs, as well as of available resources.

Mr. President, we are being asked to consider and enact into law H. R. 7785, presently pending on the Senate calendar, which would amend the present District Code to provide for the appointment of an additional judge for the juvenile court of the District of Columbia.

The enactment of such legislation would again place us in a position of giving advice and consent to the additional judge subsequently to be selected.

Mr. President, it is my deep conviction that we would not require an additional judge of this juvenile court had we not on May 1, 1957 considered and given advice and consent to a nomination in the sense of a political rather than a judicial appointment.

We should have put aside political partisanship where the lives and welfare of little children were involved, and taken into account the background, training, temperament, and experience of a candidate when we were called upon to advise and consent to his nomination.

Mr. President, the present incumbent judge was no doubt inexperienced, and in all probability, under existing provisions of H. R. 7785, if enacted, the new appointee will also be inexperienced.

Not only do I earnestly urge my colleagues of the Senate to give careful consideration to the present conditions confronting this juvenile court, but also the manner in which certain provisions of H. R. 7785 would further curtail rather than expedite the operation of the court, insofar as they relate to the experience and qualifications of the additional judge therein provided, as well as affecting other court personnel.

The situation would be further intensified should the two experienced civil-service employees be removed and their places filled by new persons selected by the judges and to serve at their pleasure.

Section 4 of the bill proposes to amend section 21 to remove from the present qualification requirements of section 11–922 and from civil-service protection the positions of clerk having over 20 years' experience and deputy clerk having 4 years' service.

Section 42 of the 1938 act, which established the present court, recognized this requisite, and provided that the experienced judges and other officers be retained in the new court.

Mr. President, section 4 should be omitted entirely from the bill. At the time H. R. 7785 was reported to the Senate, it was my understanding that two Members of the Senate Committee on the District of Columbia, were sympathetic with this suggestion, and proposed to offer an amendment in this session of the Congress to correct the situation had the bill been enacted.

During the last session, great stress was placed upon the urgency of enacting this legislation, pointing with much alarm to the increased workload and the backlog of cases presently pending upon the court's calendar. There appears to be a variance between the actual records of the court's activity and the evidence presented in support of this legislation.

Witnesses appearing before the Senate and House District Committees in behalf of this bill, I understand, very often referred to the spiraling caseloads which make the appointment of an additional judge necessary.

To substantiate my view in this respect, Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article written by Paul Sampson, which appeared in the Washington Post, issue of July 1, 1957, entitled "Juvenile Crime Here Dips for the Third Year."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUVENILE CRIME HERE DIPS FOR THIRD YEAR

(By Paul Sampson)

Juvenile crime in Washington declined for the third straight year during the fiscal year just ended, Inspector John E. Winters, in charge of the Metropolitan Youth Aid Division, said yesterday.

Winters said preliminary figures showed an 18 percent reduction in the number of cases sent to juvenile court.

The number of boys sent to court was reduced by 9 percent during the year. Figures for girls are incomplete, but Winters said there also was a substantial reduction in the number of girls referred.

The Washington reduction in juvenile delinquency comes at a time when other cities report an increase in juvenile crime.

Winters, who was interviewed on the WTOP–TV program, City Side, attributed the decrease in delinquency to cooperative action by public and private agencies.

Winters said the recent Supreme Court decision in the Mallory case will in no way affect the handling of juveniles in juvenile court. The Supreme Court ruled last week that a confession made by Andrew Roosevelt Mallory, after he had been held several hours by police without arraignment, could not be used against him.

Winters pointed out that a specific act of Congress covers handling of juveniles in the District, and that juvenile court is not a criminal court.

The question of juveniles who are waived into district court because of the serious nature of their crimes is more complicated.

The law requires the juvenile court judge to make a prior investigation before waiving the juvenile into the adult court. The juvenile may be held in the detention home for several weeks but he can't be arraigned until juvenile court waives him to the adult court.

Mr. FREAR. This article reports an interview statement of Inspector John E. Winters, Metropolitan Police youth aid division, over Washington TV Station WTOP. Mr. Winters is reported as saying that juvenile crime in the District of Columbia declined for the third straight year during the fiscal year just ended. Mr. Winters said preliminary figures show an 18 percent reduction in the number of cases sent to the juvenile court.

Also, Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article appearing in the Washington Daily News, issue of Thursday, January 16, 1958, which reports the juvenile court backlog, yet at the same time asks a perplexing question concerning a reported 30 percent drop of juvenile commitments during Judge Ketcham's term in office.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUVENILE COURT HAS BACKLOG—FEWER DELINQUENTS SENT TO CENTER

(By Martha Strayer)

A perplexing 30 percent drop in commitments of juvenile delinquents to the Children's Center at Laurel during Judge Orman W. Ketcham's first 6 months in District juvenile court was reported today by the Public Welfare Department.

The Children's Center, operated by Welfare, is a corrective institution for admitted or committed delinquents.

Assistant Welfare Director Donald Brewer reported that from July 1 to December 31, 1957, 115 juveniles were committed to the Center. In the same 1956 period under Judge Edith H. Cockrill, the number was 167.

BACKLOG

Mr. Brewer said a number of factors might be involved. He said he understands juvenile court has a heavy backlog of unheard cases.

Mrs. Francine Temko, Judge Ketcham's legal assistant, admitted a backlog—she said

February 19 now is the first open date for juvenile hearings.

Mrs. Hilda Reagle, court clerk, said there has been no substantial decline in youngsters against whom complaints have been filed with the court.

LESS CRIME

Capt. John Ryan of the Police Juvenile Bureau said "There has been a gradual decrease in delinquencies over the past 3 years, but it hasn't been anything like 30 percent."

Judge Ketcham has reorganized court procedures.

In order to move juveniles quickly out of the District Receiving Home, he conducts detention hearings within 5 days after their arrest.

He has told the News that about 50 percent of the cases are disposed of at the detention hearings, thereby greatly reducing the number of children at the home. Court social workers make brief investigations before the hearings.

COURT HEARINGS

Youngsters who deny charges are given court hearings. Apparently this is where the backlog exists.

The court's operation also has been complicated by a recent court of appeals ruling that juveniles must be told in open court of their right to have a lawyer. Hearings with defense attorneys usually take more time.

Mr. FREAR. Mr. President, it was further pointed out during the hearings that in 1938, the first year of the court's existence, the number of cases heard by this court was 2,500. In 1948, 10 years later, this number had increased to 3,000; an increase of only 500.

Senate Report No. 1074, printed to accompany H. R. 7785, in the last paragraph on page 2, states that in 1953, 15 years later, the number had increased to approximately 10,000 cases, an apparent increase of 7,000 cases. Should this figure be correct, Mr. President, I would also urge the immediate appointment of another judge.

However, the court record, I am advised, actually shows only 5,351 cases in 1953 and not the 10,000 cited; that figure actually representing hearings and not cases.

In fact, the peak caseload in the juvenile court occurred in 1954, when 5,514 juvenile cases were heard.

However, in 1956, only 4,551 cases were heard, a decrease of approximately 900 cases.

While this caseload, as reported, is decreasing, I must be fair and say that the number of cases or complaints mentioned does not accurately reflect the volume of judicial work, since a number of complaints may be filed against one child, or several children may be involved in a single complaint.

Neither can the number of hearings be compared to the number of cases heard in the court.

These numbers actually represent docket or calendar entries, and very often there are five or more entries involved in one single court hearing.

Also included in these figures are orders for bench warrants, attachments, setting aside commitments, and dismissals from probation.

Mr. President, not only should we be definitely concerned with the statutory requirement relating to the experience and qualifications of the nominee to be named under the provisions of the bill, but a continuation of the present statutory requirement of qualification for all positions, presently in effect, as well as those planned should this bill be enacted.

I understand there was requested to be included in the new budget, recently presented to Congress, 10 new positions, and it is said in the event an additional judge be approved, many additional positions may be required. To this I may ask: Are we establishing a juvenile court, or a political agency?

Mr. President, I ask this question in all sincerity, because recently the administrative officer of this court, Mrs. Alice Freer—who, I hasten to add, is no relation to me, and who spells her name F-r-e-e-r—was granted an outstanding-performance rating by the District of Columbia Awards Committee. I understand that Judge Ketcham did not feel morally obligated to approve an action initiated by his predecessor, even though recommended by a special committee, and withheld from Mrs. Freer the monetary award which normally accompanies such recognition. Refusal to approve the cash award for Mrs. Freer automatically denied it to Mr. Larkin, director of social work and employee of the court for many years, who also had been cited for outstanding performance.

Yet, in October 1957, the position of administrative officer was abolished by Judge Ketcham, thereby removing an experienced civil-service employee with career status and an outstanding performance rating. On November 7, 1957, a new job with no real difference in qualification or job requirements, was created and filled by a new and inexperienced person. The new job was made a schedule C appointment, to be held at the pleasure of the appointing officer, rather than a civil-service classified position.

At this point in my statement I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Star, issue of February 11, 1958, entitled "Mrs. Friedman Gets Court Post," which shows Judge Ketcham having to employ at least two persons to perform the duties of Mrs. Freer.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MRS. FRIEDMAN GETS COURT POST

Juvenile Court Judge Orman W. Ketcham today appointed Mrs. Leah L. Friedman, wife of a Justice Department attorney, to a newly created post of management assistant at the court.

Mrs. Friedman, who will begin her new duties Monday, has been associated since 1950 with the Public Housing Administration, where she is a management analyst.

Judge Ketcham said she would take over some of the duties of Mrs. Alice B. Freer, former administrative assistant at the court, whose job was abolished by Judge Ketcham last October. She will serve as chief assistant to the judge.

Most of her duties, however, will be to continue a review and reorganization of court operations, it was said. She also will direct the putting into effect of administrative improvement programs as approved by the judge, it was added.

The new post is a civil service job classified as GS-12, which carries a starting pay of $7,570. Addition of this post and another of legal assistant was announced last October by Judge Ketcham. Mrs. Francine Temko was appointed to the legal post in November.

Mrs. Friedman, the wife of Daniel M. Friedman, lives at 1611 45th Street NW. She attended Randolph-Macon Woman's College at Lynchburg, Va., and received a bachelor of arts degree at Fairmont College, Fairmont, W. Va., in 1935. She is a native of Fairmont.

Mr. FREAR. Mr. President, as previously mentioned, there has been a widespread expression of concern regarding the operation of this court under the incumbent judge.

Not only have I received numerous letters, telegrams, and telephone calls regarding this matter, but I also understand that a management expert from the District of Columbia personnel office has been studying the court's operation since May 1, 1957, spending his entire time there. Also, I am told, the Civil Service is presently inspecting the court's personnel files, apparently not at the request of Judge Ketcham.

The reason for manifestation of interest in the operations of the court, I have not as yet attempted to ascertain.

Mr. President, to correct some of the inequities I believed to exist in the bill on the calendar, I did, perhaps a little late, present to the Senate District Committee several amendments.

Some of these inequities I desire to point out at this time. For instance, on page 1, line 11, H. R. 7785, we find a provision which seems to direct service when it should only prescribe the length of the term. A change in this provision could also spell out any existing confusion over the status of the 1951 Juvenile Court Act as to whether Judge Ketcham succeeded under provisions of that act to a position which had only 4 years left of a 6-year term, or to an entirely new position under the 1938 act.

Also, in general practice, the chief judge of the municipal court actually designates the municipal judge who is temporarily assigned to sit for an absent juvenile court judge. But the act further provides that his selection shall be confirmed by the chief judge of another court entirely; namely, the district court. A change in this provision would save the time of all three courts in the matter of such designations.

Another matter of equal importance is that the juvenile court should be required to make reports showing its business and operations. The previous judge made an annual report despite the lack of any legislative directive. The municipal court is required to make reports, and the juvenile court should be required to follow the same pattern, especially when it may become more than a one-judge court.

Mr. President, there are many other matters pertaining to this court about which I am concerned. However, my principal interest is the present requirement of law governing qualifications of persons nominated for juvenile court judgeships.

In this respect, I feel strongly that a majority of the members of the Senate District Committee feel as I do concerning the qualifications necessary to be possessed by one expected to conduct properly a court of this nature. This concern is so stated in Senate Report No.

1074 which accompanies H. R. 7785, page 3, where we find these words:

The committee in favorably reporting this bill feels very strongly that the appointing authority, in selecting a juvenile court judge, should be governed by a strict interpretation of the qualification standards set forth in the bill, to the end that the nominee shall fully meet all of the requirements.

The committee makes this statement because of its deep concern for the welfare of the children coming within the jurisdiction of this court, and feels that comprehensive knowledge of the social problems of the area, as well as a thorough understanding of child and adolescent psychology are most important attributes in this position.

Mr. President, in view of the present situation confronting the juvenile court of the District of Columbia, I trust we will recognize the concern of the community and not again make the mistake of enacting legislation merely to provide this court with another judge. This, in my humble opinion, would only be adding insult to injury to a community already suffering from the ineptitude of one presently serving in that capacity.

Mr. President, confronted as we are with an acute situation, which from day to day is rapidly becoming worse, no doubt the best solution would be to have the Joint Committee on Washington Metropolitan Problems investigate the juvenile court and its operation, with the view of recommending proper legislation necessary to provide an efficient juvenile court in the District of Columbia, even recognizing the need for an additional judge.

In order to take a step in that direction, Mr. President, I ask unanimous consent to submit three amendments to H. R. 7785, presently pending on the Senate Calendar, and further ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. FREAR. Mr. President, in order that the Members of the Senate may be informed, I further ask unanimous consent to have printed in the RECORD at this point a comparative analysis of my proposed amendments.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN HOUSE BILL 7785 AND SENATOR FREAR'S BILL RELATING TO THE APPOINTMENT OF AN ADDITIONAL JUDGE FOR THE DISTRICT OF COLUMBIA

There are three basic differences between Senator FREAR'S bill and House bill 7785.

The first basic difference relates to the qualifications which a person must have to be eligible for appointment as judge of the juvenile court. Under the terms of House bill 7785 a person has to have been a resident of the District of Columbia or of the metropolitan area of the District for a period of at least 5 years immediately preceding his appointment. To be eligible for such appointment under Senator FREAR'S bill a person must have been a resident of the District of Columbia for a period of at least 5 years immediately preceding his appointment, and must have had actual experience in working with local social problems and youth problems of the District of Columbia. Senator FREAR'S bill adds the additional requirement that any such person to be eligible for appointment as a judge of the juvenile court must have had 5 years of trial experience before the courts immediately preceding his appointment, or have had previous judicial experience.

The second basic difference between the two bills is the addition by Senator FREAR'S bill of a new section to the Juvenile Court Act of the District of Columbia. Such section would require the chief judge or the acting chief judge of the juvenile court to submit to the Attorney General of the United States and to the Chairman of the Board of Commissioners of the District of Columbia a detailed quarterly report of the work of the court within 30 days of the end of the quarter. Such report would include the number of juvenile and adult cases heard, the number of juvenile and adult cases calendared, the number of juvenile and adult complaints filed, the number of juvenile cases closed without court hearing, moneys collected for fines and support of legitimate and illegitimate family members, and such other information as may reflect the court's operation and volume of work. A copy of such report would be kept in the office of the clerk of the court and would be open to public inspection during the regular hours that the court is open for business.

A third difference between the two bills is that House bill 7785 provides that the court shall have the power to appoint a clerk and a deputy clerk to hold office at the pleasure of the court. Senator FREAR'S bill which makes no reference to such positions would in effect leave such positions under civil service as they are under existing law.

In addition to the aforementioned differences between Senator FREAR'S bill and House bill 7785, there are several other minor differences not of a substantive nature.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. BIBLE. Mr. President, I should like to assure the Senator from Delaware that the matter to which he has addressed himself will receive the very early and careful consideration of the chairman of the Committee on the District of Columbia, and I am sure I can also speak for the Senator from Pennsylvania [Mr. CLARK], the chairman of the Subcommittee on the Judiciary.

I am well aware of the Senator's keen interest in this question. I am sure that it will be proceeded with without delay. I did not have the opportunity of hearing all the Senator's well-prepared address, but I wish to assure him that we will study the matter very carefully, with the thought in mind that we will consider the proposed legislation without undue delay.

Mr. FREAR. I have always been conscious of the fact that the chairman of the Committee on the District of Columbia has been very sympathetic toward the problems of the metropolitan area, and I know that he and the other members of the committee will give due consideration to the proposals offered by one of the junior members of the committee. I thank the chairman very much for his remarks.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1301, S. 1538.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment, to strike out all after the enacting clause and insert:

That (a) with respect to federally owned or operated land areas in the several States, the Congress finds that the retention by, or relinquishment to, the States of legislative jurisdiction of the kind involved in article I, section 8, clause 17 of the Constitution of the United States, (1) enables States and local communities to obtain tax revenues from persons, private property, and business transactions within such areas, if not otherwise exempt, (2) relieves the Federal Government in many respects from the performance of functions normally exercised by the States and local communities, and (3) provides a basis for assuring to the residents of such areas many rights, privileges, and services which they would normally enjoy when the Federal Government does not have exclusive jurisdiction over such areas.

(b) It is hereby declared to be the policy of the Congress that—

(1) the Federal Government shall receive or retain only such measure of legislative jurisdiction over federally owned or operated land areas within the States as may in particular cases be necessary for the proper performance of such of its functions as are performed upon such areas; and

(2) to the extent consistent with the purposes for which the land is held by the United States the Federal Government shall avoid receiving or retaining concurrent legislative jurisdiction or any measure of exclusive legislative jurisdiction.

SEC. 2. Notwithstanding any other provision of law, the obtaining or retaining of exclusive jurisdiction or any other measure of legislative jurisdiction by the United States over lands or interests therein which have been or shall hereafter be acquired by it shall not be required. The head or other authorized officer of any department or independent establishment or agency of the Government may, consistent with the policy set forth in this act, acquire from, or relinquish to, the State in which any lands or interests therein under his immediate jurisdiction, custody, or control are situated, such measure of legislative jurisdiction over any such lands or interests as he may deem desirable. Such acquisition or relinquishment of jurisdiction on the part of the United States shall be indicated by filing a notice thereof in such manner as may be prescribed for this purpose by the laws of the State where such lands are situated, and unless and until a notice is filed in accordance with such State laws, or with the Governor, if the laws of such State do not prescribe another manner, it shall be conclusively presumed that no transfer of jurisdiction pursuant to this act has taken place, nor shall any transfer of legislative jurisdiction pursuant to this act take place unless and until the State in which the land is located has accepted or relinquished jurisdiction in such manner as its laws may provide. Upon a relinquishment by the United States of all of its legislative jurisdiction over an area to the State in which such area is situated, the State thereafter shall, with respect to

such area, exercise the same jurisdiction which it would have had if legislative jurisdiction over such area had never been in the United States. Like jurisdiction may be exercised by a State over any area over which the United States receives or retains only concurrent legislative jurisdiction, without prejudice, however, to the right of the United States to assert and exercise the legislative jurisdiction had by it over such area.

SEC. 3. (a) The first section of the act of June 1, 1948 (62 Stat. 281), as amended, is hereby further amended by striking all the language appearing therein after the words "unlawful assemblies," and substituting therefor the following language: "and to enforce any rules and regulations made and promulgated pursuant to this act."

(b) Section 2 of such act is amended to read as follows:

"SEC. 2. The head of any department or agency of the United States or such other officers duly authorized by him are authorized to issue all needful rules and regulations for the Government of the public buildings and other areas under their charge and control, and to annex to such rules and regulations such reasonable penalties, within the limits prescribed in section 4 of this act, as will insure their enforcement: *Provided*, That such rules and regulations shall be posted and kept posted in a conspicuous place on such public buildings and other areas. This authority shall not impair or affect any other authority existing in the head of any department or agency. The term 'public buildings and other areas' as used in this act includes property leased to the United States."

(c) Section 3 of such act is amended to read as follows:

"SEC. 3. (a) The head of any department or agency of the United States and such officers duly authorized by him, whenever it is deemed economical and in the public interest, are authorized to utilize the facilities and services of existing Federal law-enforcement agencies, and, with the consent of any State or local agency, the facilities and services of such State or local law-enforcement agencies, to enforce any regulations promulgated under the authority of section 2 of this act.

"(b) Upon the application of the head of any department or agency of the United States the Administrator of General Services and officials of the General Services Administration duly authorized by him are authorized to detail such special policemen as are necessary for the protection of the Federal property under the charge or control of such department or agency."

(d) Section 4 of such act is amended by the insertion of the word "than" between "more" and "$50."

SEC. 4. Subsection (a) of section 3401 of title 18, United States Code, is hereby amended to read as follows:

"(a) Any United States commissioner specially designated for that purpose by the court by which he was appointed has jurisdiction to try and sentence persons committing petty offenses in any place over which the Congress has exclusive power to legislate or over which the United States has concurrent or partial jurisdiction, or which is under the charge and control of the United States, and within the judicial district for which such commissioner was appointed."

SEC. 5. The following provisions of law are hereby repealed:

(a) Section 103 of title 4, United States Code.

(b) Sections 4661 and 4662 of the Revised Statutes of the United States.

(c) The final paragraph of section 355 of the Revised Statutes of the United States, as amended.

SEC. 6. Any civil or criminal process, lawfully issued by competent authority of any State or political subdivision thereof, may be served and executed within any area under the exclusive, partial, or concurrent jurisdiction of the United States to the same extent and with the same effect as though such area were not subject to the legislative jurisdiction of the United States: *Provided*, That this section shall not be construed to affect the rights of authorized officers of the Federal Government or of any department, independent establishment, or agency thereof, to issue rules and regulations at any time for the purpose of preventing interference with the carrying out of Federal functions.

SEC. 7. Nothing in this act shall be construed to conflict with or detract from any statute consenting to or permitting State or local taxation.

FARMERS HAVE BEEN MISLED BY SECRETARY BENSON'S ASSURANCES OF BETTER PRICES

Mr. PROXMIRE. Mr. Secretary, the Secretary of Agriculture has given his assurances to the committees of Congress, to the farmers, and to the public, that the severe cut in prices of dairy commodities that is scheduled to go into effect on April 1 will be "good for farmers."

The record shows, Mr. President, that Mr. Benson's assurances simply cannot be depended on. I do not say that Mr. Benson has deliberately misled and deceived the farmers of this country. I am willing to give Mr. Benson the benefit of every doubt, and to conclude that he has been sincerely mistaken. But regardless of what Mr. Benson's motivations have been, the result has certainly been to mislead and to deceive anyone who has placed confidence in his assurances that the farm situation is improving.

Mr. President, farm prices averaged 100 percent of parity in the year before Mr. Benson became Secretary of Agriculture.

On November 18, 1953, after farm prices had slumped to 92 percent of parity, Mr. Benson gave this assurance to the National Grange meeting in Burlington, Vt.:

> The retreat of farm prices and incomes * * * seems to have been stopped a few short months after we took office.

A month later, he renewed this optimistic assurance before the National Farm Bureau convention on December 16, 1953, stating:

> Let me assure you * * * considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction.

One year later, when farm prices had dropped lower than ever, Mr. Benson went before the Farm Bureau convention again, and proclaimed optimistically that: "We are headed in the right direction at last." Farm prices then averaged 89 percent of parity.

As farm income continued to slide, on February 4, 1955, Mr. Benson went before the National Editorial Association and testified solemnly as follows:

> Farm income has been stabilized for some months * * * of one thing you can be certain. The better farmers will make money * * * because there is real opportunity in agriculture today.

Mr. Benson, of course, was wrong. All evidence made it clear that he was wrong. But he continued nevertheless to make misleading claims for the results of his policies. On January 16, 1956, he told the National Council of Farm Cooperatives the following:

> A new buoyancy in the market place—a new hope—a new vigor and zest—can be anticipated * * * surely it should be reflected promptly in prices and incomes.

Mr. President, by this time anyone who had followed the facts was perfectly aware that Mr. Benson's remedies were not delivering the cure which he promised for them. But Mr. Benson continued to advertise his wares to the unsuspecting public. As farm prices and incomes continued to slump and slide, Mr. Benson continued to tell the American people what was not true—that the farmers' situation was improving. On September 11, 1956, he said to the National Feed and Grain Dealers:

> We are on the right track. The downward slide in prices * * * has been checked. Yes, we are on the right track, and we are going to stay on it.

Again, the results proved that the Secretary of Agriculture had been mistaken. Again, anyone who had placed confidence in what the Secretary of Agriculture had said, was betrayed by the actual events, for farm prices and farmers' incomes did not improve. Farmers' purchasing power continued to bump along at levels close to 20 percent below those of 1952.

Last fall, Mr. Benson again told American farmers that their problems had reached the low point at last, and that his policies were proving successful. Speaking at the National Mechanical Corn Picking Contest in Sioux Falls, S. Dak., on October 10, 1957, Mr. Benson said:

> Here is evidence of improvement in which both you as farmers and we who are working in your interest can take some measure of encouragement: First, net farm income will be higher this year than last.

Mr. President, unhappily Mr. Benson was not predicting accurately. Again, anyone who had placed confidence in his assurances would be misled. For just a few weeks ago, when the final figures came out, the Department of Agriculture reported that net farm income was not up—as Mr. Benson had promised it would be. No; it was down—down by a shocking, crushing $500 million, down from $12 billion to only $11½ billion.

This record of consistent errors in estimating the consequences of his actions, Mr. President, should serve as a warning to all who have a responsibility for farm policy: The assurances of Ezra Taft Benson that what he proposes will be "good for farmers" simply cannot be depended on.

Mr. President, I wish now to refer to another subject.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

HUNGRY CHILDREN IN A COUNTRY OF SURPLUSES

Mr. PROXMIRE. Mr. President, an article was published in the Milwaukee

Journal a few days ago which was positively shocking to me, and I am sure it was to the hundreds of thousands of people who read it.

This article tells of a reporter's visit to a flat in Milwaukee occupied by a family recently migrated from Puerto Rico. The father of this family has been unable to find a job because of the deepening recession and rising unemployment in the industrial areas of Wisconsin. This places him in the same dire straits as several thousand other people of my State.

That is the shocking revelation of this article, Mr. President, is the effect of his situation on his 2-month-old baby daughter. I quote from the article:

> All this week the baby has had nothing to eat but sugar and water. That is all they have. There is no milk * * *
>
> Thursday morning Mrs. Torres was asked if the baby was well again.
>
> "Si," she said.
>
> "How much does she weigh?"
>
> "Six pounds nine ounces when she came home from the hospital. Now I do not know."
>
> "And what of Nilda's future? Will she be hungry again, in a State where the cows produce 8½ billion quarts of milk a year?"

Mr. President, the article ends with this very cogent question. American agriculture—the most efficient and most productive the world has ever seen—is producing record surpluses despite deliberate efforts of the Federal Government to curb this abundance. In my own State of Wisconsin, our fine dairy farms are producing their share of the farm surplus.

Certainly every one of the distinguished Members of this body will agree that a 2-month-old baby should not have to live on sugar and water in the midst of this abundance. Certainly, every one will agree that our National, State and local governments should give real aid to any baby born into such unfortunate conditions as Nilda Torres.

Mr. President, I have proposed to the Senate a plan which would be helping Nilda Torres and her family if it were now law. In a comprehensive full-parity farm income and protection program which I have introduced—S. 2952—I have included a food-stamp plan by which families with low incomes could get enough food for a healthful nutritious diet for as little as one-fourth of the retail cost.

According to a Department of Agriculture report 2 years ago, 1 out of 10 families in the United States does not receive adequate nutrition to maintain good health. At present, with 5 million breadwinners out of work, the number of families who do not get enough to eat is undoubtedly much larger.

The food stamp plans which other Senators and I are proposing would allow qualified families to buy food coupons for one-fourth of the retail purchasing power of the coupons, or for 40 percent of their family income, whichever is greater. They would redeem these coupons for food in free-enterprise grocery stores. This plan thereby assures healthful, nutritious diets to families in unfortunate economic straits, it broadens the farmer's market for his great production, and it keeps the food business in the retail grocery stores, giving a boost to private business which would be especially important in this time of business recession.

Mr. President, I believe this case in Milwaukee illustrates graphically the urgent need for Congress to consider and provide effective ways of helping such people as the Torres family. I would urge that my food-stamp plan and other ideas with like objectives which are now pending before this Senate be given the quickest possible consideration.

But, Mr. President, there is still another aspect of this case which I believe also demands urgent consideration by this Congress. Most of us are surprised to hear of cases like the Torres family of Milwaukee because we believe our relief laws will take care of them. But there is a law—I believe a legally unsound one as well as a morally unjust law—which prevents them from receiving any public relief help. This is a new Wisconsin law, similar to ones in most other States, which requires a 1-year residency in the State as a condition for several forms of public-assistance aid. Since the Torres family has been in Milwaukee for less than a year, they cannot receive any public assistance to buy milk for their baby.

This residency requirement was a very substantial factor in the pneumonia death of a 1-year-old baby girl in Milwaukee early this winter.

Mr. President, I have introduced in this Senate a bill to abolish residency requirements as a condition of extending federally supported public assistance to persons who have newly taken up residence in any State. I believe the case of the Torres family in Milwaukee—and there are many parallel ones throughout the country—clearly illustrates the need for this type of legislation. I believe that it should receive the earliest possible consideration.

Mr. President, because this article in the Milwaukee Journal so well illustrates the urgency and necessity for legislation in these two fields, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of February 27, 1958]

(By Robert W. Wells)

Nilda Torres is 2 months old. Wednesday evening she had her first milk since Sunday. On Monday and Tuesday she drank sugar and water instead. It was all that her parents, Mr. and Mrs. Carmelo Torres, 1136 North Jackson Street, had to give her.

You reach Nilda's second-floor, 2-room apartment—an apartment she may soon have to leave—by climbing dark stairs through a fetid hallway. There is the smell of cooking oil and of people packed too closely together. There are Spanish words scrawled on the walls.

The Torres are among the 4,000 or so Puerto Ricans who have migrated to Milwaukee in the last 7 years. The Torres family is worse off than most of this group. But nearly all the migrant families have been hard hit by the suddenly desperate competition for jobs—a competition that finds them handicapped by a lack of seniority, of training and of English.

A BARE BULB FOR LIGHT

When you open the door that leads to the Torres apartment you walk first through a windowless bathroom. There are clothes soaking in the tub. Open a second door, and you are in the combined bedroom and living room.

There is a bare bulb for light. The linoleum on the floor is worn brown from scrubbing. There are two cribs. There is a double bed on which there is an old mattress and blanket, but not sheets.

Behind the living room is a kitchen. Often, in recent weeks, it has been a kitchen where the larder was bare. This week, there was only the sugar and water mixture to feed the baby, instead of milk. And, because the rent is long overdue, the family faces eviction.

RELIGIOUS PICTURES ON WALL

On the wall of the front room are religious pictures. Beside them a gay poster proclaims the merits of Coca-Cola. It has been tacked up to fight back the drabness.

The reporter visited the Torreses with Mrs. Judith Clack, a caseworker for the International Institute of Milwaukee County. When it came time for Nilda to go home from the county general hospital, where she was born prematurely, alarm was felt over the child's welfare. The parents had no job, no money, sometimes no food. Mrs. Clack, who speaks Spanish, was called on for help.

The institute is not equipped to give direct relief. But in talking with Torres she found one small ray of hope. He had come back to Milwaukee—he had lived here before—about 7 months ago after being laid off from his job in Chicago as a trucker's helper. He might be entitled to unemployment compensation from Illinois.

SUCH THINGS TAKE TIME

Torres had not realized this until Mrs. Clack told him. Then he applied, but so far nothing has happened. Such things take time, it seems, and meanwhile there is no money for rent, little for food. He is now 5 weeks behind on his $12 a week rent for the 2 rooms. The landlord—of his 12 tenants, he told Mrs. Clack, 6 are not paying—cannot carry him forever. Torres has been told he must leave.

Torres speaks some English and understands it fairly well. But he feels more at home in Spanish. He had thought things would be better in Milwaukee, he said. But they were not.

"I've been looking for a job ever since I got here," he said. "I've been looking for any kind of a job—at the hotels, anywhere. There is nothing."

When he applied for county aid, he was told he was not qualified because of the nonresidence law passed by the legislature last year. Go back to Illinois, he was told.

THE MOTHER IS 22

"But there is nothing for me there," Torres said.

What about Puerto Rico, the island he left in 1955?

"In Puerto Rico," Torres said, "I worked in the sugar cane fields. There was 4 months work a year at $3 a day." He made a gesture with his hand across his throat. "That's all. How can we stay? We can't live. If we had opportunities there, we wouldn't have come."

Mrs. Torres, a tiny woman wearing tennis shoes, looking almost like a child although she is 22, stood by quietly, listening. In a Puerto Rican family, in contrast with most other American groups, it is the man who talks.

"Everywhere they tell me, no job," Torres said. "Everywhere it's layoff, layoff. In Chicago, I never missed a day's work. I want to work. But there is no work."

A brother in Chicago has taken in the Torres' oldest child, Carmelo, 5. The other son, Idraid, 2, and the baby share their parents' apartment here.

"We don't want to live like this," Torre said. "But what can we do?"

St. Vincent de Paul society has helped with food. Last week, it gave Torres $5 to buy milk for the baby. It was all the money the family had. Idraid was hungry, too. By Monday, the money was gone. A neighbor gave Torres some corn meal and vegetables. But Nilda could not eat this.

THERE IS NO MILK

The reporter's first visit was last week. Wednesday he called Mrs. Clack to inquire about Torres. By coincidence, the Puerto Rican was in her office when the call came.

"He is desperate," she said. "He doesn't know what to do. He is to be evicted because he can't pay his rent. All this week, the baby has had nothing to eat but sugar and water. That is all they have. There is no milk."

A little later, Mrs. Clack called St. Vincent de Paul. Wednesday evening a representative of the society gave Torres another $5 for milk for Nilda. If the society had known of the emergency sooner, Mrs. Clack was told, it would have seen to it the baby did not go hungry. But there are many Puerto Ricans and others who need help.

For those who do not qualify for relief under the new law, the society is almost the only resort. There is a limit to what it can do.

Thursday morning Mrs. Torres was asked if the baby was well again.

"SI" IS HER ANSWER

"Si," she said.

"How much does she weigh?"

"Six pounds nine ounces when she came home from the hospital. Now, I do not know."

And what of Nilda's future? Will she be hungry again, in a State where the cows produce 8½ billion quarts of milk a year, enough to give every man, woman and child six quarts a day?

Walking back down the dark stairs in the fetid hallway, it was hard to think of an optimistic answer.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND

The Senate resumed the consideration of the bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes.

Mr. HUMPHREY. Mr. President, the bill under consideration, Calendar No. 1301, S. 1538, is to provide for the adjustment of legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes. The Senator from Wyoming [Mr. BARRETT] and other Senators were interested in some of the implications of the bill, particularly, I believe, as it affects water rights. Am I correct?

Mr. BARRETT. The Senator from Minnesota is correct. I shall make a short observation, and then, if it is agreeable, ask a question or two.

The Supreme Court of the United States rendered a decision in the so-called Pelton Dam case a couple of years ago. The case arose in Oregon and concerned a Federal power license on the Deschutes River, in Oregon. At the dam site, where the powerplant was to be constructed, water withdrawal intake was located on one side of the river, and an Indian reservation on the other side of the river. The Supreme Court decided that the laws which had been in force for 90 years in the Western States, giving those States the control over the waters within their confines, so far as the public lands were concerned, did not apply in that case because they were reserve lands of the United States.

Is there anything in the proposed legislation, I ask the Senator from Minnesota, which will give the Federal Power Commission or any other agency of the Government any authority over the public lands of the West, so far as the control, disposition, and appropriation of water in those States is concerned?

Mr. HUMPHREY. The bill does not in any way change any existing Federal law relating to water rights or land rights which are presently operative. The proposed legislation is permissive. It permits the States to undertake certain responsibilities if they so desire, but it does not affect the rights which exist at present.

Mr. BARRETT. I thank the Senator from Minnesota. I have examined the bill and the report of the committee. I am satisfied that that was the intention of the committee in reporting the bill to the Senate.

Mr. HUMPHREY. The bill authorizes the Federal Government to restore to the States jurisdiction over particular areas, if the States request it.

Mr. BARRETT. For purely legislative purposes.

Mr. HUMPHREY. The Senator is correct.

Mr. President, since the bill is of vital concern and has been studied so carefully, I ask unanimous consent that pages 1 through 5 and through the first paragraph on page 6 of the report be printed in the RECORD as a part of the legislative record, simply because that part of the report gives the background and the development of the bill.

The bill received considerable study by the committee appointed by the Council of State Governments, by the Department of the Interior, and by the staff of the Committee on Government Operations.

Mr. President, I also ask unanimous consent to have printed in the RECORD the portion of the report beginning on page 9 and extending to the middle of page 12. The bill was reported under the chairmanship of the Senator from Arkansas [Mr. MCCLELLAN].

There being no objection, the excerpts from the report were ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill, as amended, is to permit Federal agencies to restore to the States certain jurisdictional authority now vested in the United States, which may better be administered by State authorities, and to acquire only such jurisdiction as may be necessary in connection with future land procurement. Once legislative jurisdiction has been vested in the United States, it cannot be revested in the States other than by operation of a limitation imposed by the State at the time the State ceded jurisdiction, or by an act of Congress.

The bill specifically declares it to be the policy of the Congress that (1) the Federal Government shall receive or retain only such measure of legislative jurisdiction over federally owned or operated land areas within the States as may be necessary for the proper performance of Federal functions; and (2) to the extent consistent with the purposes for which the land is held by the United States, the Federal Government shall avoid receiving or retaining concurrent jurisdiction or any measure of exclusive legislative jurisdiction. An overall objective of the bill is to provide that, in any case, the Federal Government should not receive or retain any of the States' legislative jurisdiction with respect to qualifications for voting, education, public health and safety, taxation, marriage, divorce, descent and distribution of property, and a variety of other matters, which are ordinarily the subject of State control.

S. 1538, as proposed to be amended, would authorize the head or other authorized officer of any department or independent establishment or agency of the Federal Government to relinquish to the State in which any Federal lands or interests therein under his custody or control are situated, such measure of legislative jurisdiction over such lands or interests therein as he may deem desirable. The bill provides that with respect to future acquisitions of property, no more jurisdiction than is necessary for the proper performance of the functions of the acquiring agency should be obtained. Any relinquishment of jurisdiction by the Federal Government would be subject to acceptance by the State in such manner as the law of such State might provide.

Other provisions of the bill would authorize Federal department and agency heads to issue necessary rules and regulations for the governing of public buildings and other areas under their charge and control, and to provide such reasonable penalties, within prescribed limits, as will insure their enforcement; permit such heads to utilize the facilities of existing law-enforcement agencies for the enforcement of any such regulations; authorize the General Services Administration to detail special policemen for the protection of Federal property under the charge of other departments and agencies; extend the authority of United States commissioners to try and sentence persons committing petty offenses in any place under the charge and control of the United States; extend the right of States and their political subdivisions to serve and execute process in areas under the legislative jurisdiction of the United States, while making it clear that such process may not be served contrary to rules and regulations issued by authorized Federal personnel for the purpose of preventing interference in carrying out Federal functions; and amend or repeal obsolete or inconsistent Federal statutes.

COMMITTEE ACTION

S. 1538 was originally drafted by the staff of the Committee with the cooperation of the Department of Justice, in order to implement recommendations contained in a report by the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, a Committee appointed by the President for the purpose of finding means of solving the problems arising out of the uncertain jurisdictional status of Federal lands situated within the several States. The Committee was composed of representatives of eight executive departments and agencies of the Federal Government, including the Bureau of the Budget, which had a principal interest in the problems involved. Twenty-five other agencies of the Federal Government furnished information concerning their properties and problems relating to legislative jurisdiction to the Committee. In addition, the Interdepartmental Committee had the assistance and cooperation of the National Association of Attorneys General in its conduct of the study.

Following the introduction of the bill in its original form in the 84th Congress (S. 4196),

the chairman of the Committee on Government Operations forwarded copies to the governors and attorneys general of the several States and to all interested Federal agencies for comments and recommendations. Reports were received from 36 States—31 State governors and 29 State attorneys general—all of whom endorsed the objectives of the bill and recommended favorable committee consideration. Certain of the governors and attorneys general of the States requested that the committee withhold action on S. 4196, however, until a study of its provisions could be completed by the State Committee on Legislative Jurisdiction of the Council of State Governments. That committee was appointed by the president of the council pursuant to a resolution adopted by the States for the purpose of considering this legislation proposed by S. 4196. The committee appointed for this purpose was directed to give consideration to certain suggested amendments to the original bill, and to determine whether or not it would be feasible to extend its provisions beyond its original intent by incorporating certain suggestions made by various State officials.

Upon completion of the study made by the Committee on Legislative Jurisdiction, the staff of the Committee on Government Operations arranged conferences between the representatives of the Council of State Governments and of the Department of Justice for the purpose of perfecting the bill by incorporating appropriate amendments. Following a number of such conferences, during which consideration was given to the various recommendations of the governors, attorneys general, and the Council of State Governments, an amendment in the nature of a substitute was drafted, with the unanimous approval of representatives of the States and the executive branch of the Federal Government. Consideration was given to all recommendations submitted to the committee by the governors of the States, and by the National Association of Attorneys General, the National Association of Tax Administrators, and Federal agencies interested in the bill, which were consistent with the objectives of the proposed legislation.

Some of the suggestions submitted to the Committee on Government Operations by certain of the State officials and by the National Association of Tax Administrators, dealt with tax matters which were considered to be outside of the scope of the recommendations of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States. Such suggestions were largely concerned with tax problems, such as payments by the Federal Government in lieu of taxes, etc., which the committee felt should be considered in separate legislation dealing exclusively with those problems. Specific proposals pertaining to those problems are presently pending in the Congress.

S. 1538 is not concerned with tax matters, except to the extent that a transfer of legislative jurisdiction may involve transfer of a power to tax (other than the Government or its property), and also to the extent that there are preserved certain Federal consents to State and local taxation, as embodied in such statutes as the Buck Act and the Lea Act.

BACKGROUND

Article I, section 8, clause 17, of the Constitution of the United States, provides that the Federal Government shall have exclusive legislative jurisdiction over such area not exceeding 10 miles square as may become the seat of government of the United States, and like authority over places acquired by the Government, with the consent of the State involved, for various public purposes. Under the first portion of such clause the United States acquired legislative jurisdiction over the District of Columbia, and exercises in the District all authority, whether executive, judicial, or legislative, of the type usually exercised by States. Under the second portion of the clause the United States has similarly acquired, but has exercised only to a minor extent, like jurisdiction over several thousand areas acquired for various Federal purposes within the 48 States. However, the amount of authority vested in the Federal Government over individual areas has varied, leading to uncertainty and confusion. While the Federal Government has provided laws for the District of Columbia, and governmental machinery to administer such laws, it has legislated very little with respect to these other areas. Such areas in many respects are Federal islands, or enclaves, surrounded by State territory. State authority does not extend to these enclaves, or to persons or transactions within them, except in several minor respects. Except as to sales taxes, use taxes and income taxes, which the Federal Government has given the States permission to apply, the States are deprived, by Federal possession of legislative jurisdiction, of tax revenues which they would normally receive from private sources within Federal areas. For many purposes the residents of such enclaves, who aggregate many thousands, are not considered residents of the State or local community in which the enclave is situated, so that frequently they may not vote, have their wills probated, adopt children, or avail themselves of the facilities and services which are dependent upon residence in the State. Many of these services and facilities are not furnished by the Federal Government. On the other hand, the Federal Government must furnish to many such areas services and facilities which could be furnished by the States and local communities with much greater ease.

On December 15, 1954, pursuant to recommendation of the Attorney General approved by the President and the Cabinet, there was formed the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, for the purpose of finding means for solving the problems arising out of the jurisdictional status of Federal lands. That Committee, of which Mr. Perry W. Morton, Assistant Attorney General of the United States, was Chairman, had representation, through their chief law officers, from the Department of Defense, the Bureau of the Budget, the General Services Administration, the Department of the Interior, the Department of Agriculture, the Department of Health, Education, and Welfare, and the Veterans' Administration.

The Morton Committee, with the benefit of information and recommendations furnished by State attorneys general, representatives from all Federal agencies interested in problems arising out of the legislative jurisdictional status of Federal lands (33 agencies), and numerous other sources, State and Federal, pursued its study for some 2½ years, submitting a report in 2 parts. Part I, which was issued in April 1956 (Government Printing Office), is entitled "The Facts and Committee Recommendations." Part II, which is dated June 1957 (Government Printing Office), is entitled "A Text of the Law of Legislative Jurisdiction."

The reports growing out of the Morton Committee study, and the further study of this subject made by the Committee on Government Operations, indicate that, while Federal exercise of legislative jurisdiction over Federal areas within the several States is authorized by the Constitution, and while it has been extended by Federal-State arrangements, neither at the time of the formulation and ratification of the Constitution, nor at any subsequent time, until the present studies, has any serious or extended consideration been given to the question of legislative jurisdiction over such areas.

Currently completed research has involved a general survey of the jurisdictional status of all federally owned or leased real property in the 48 States, but such survey did not cover United States Territories or possessions, the District of Columbia, or Indian lands, to which different facts and law may appertain. A detailed survey was also made of the status of such properties in the States of Virginia, Kansas, and California, these States having been selected for the purpose as representative. Information has been procured concerning the practices and problems related to legislative jurisdiction of all the Federal agencies controlling real property, and of the advantages and disadvantages of the several legislative jurisdictional statuses for the various purposes for which real property is used by the Federal Government. Information also has been procured concerning the policies, practices, and problems of the 48 States relative to legislative jurisdiction. All this information, which includes Federal and State constitutional provisions, statutes, and judicial and administrative decisions relating to the subject of legislative jurisdiction, has been coordinated and analyzed.

POLICIES DETERMINED

On the basis of this research the Morton Committee concluded, and the Senate Committee on Government Operations concurs, that in general the Federal Government should not receive or retain any legislative jurisdiction within federally owned or operated areas which might be exercised by the States; that in some special cases where general law enforcement by Federal authorities is indicated the Federal Government should receive or retain legislative jurisdiction only concurrently with the States; and that, in any case, the Federal Government should not receive or retain any legislative jurisdiction with respect to qualifications for voting, education, public health and safety, taxation, marriage, divorce, annulment, adoption, commitment of the mentally incompetent, and descent and distribution of property, normally exercised by the States.

In certain instances, however, which are not entirely foreseeable, it may be necessary or highly desirable for the Federal Government to have some greater measure of legislative jurisdiction over individual properties, and discretion in this matter should be lodged, as it has long been, in the heads of Federal agencies. It is also the view of the committee that in every case States should have authority to enter any Federal area for the purpose of serving process, provided that service is accomplished at a time and in a manner which will not interfere with the carrying out of Federal functions, and that residents of Federal areas should not be deprived, solely by reason of such residence, of civil or political rights to which other citizens of the respective States in which such Federal areas are located are entitled.

EXECUTION OF POLICIES

The committee is advised that, to the extent possible the foregoing policies are currently being carried out by the executive branch of the Federal Government. By way of example, legislative jurisdiction has not been assumed by the Federal Government over the site of the Air Force Academy at Colorado Springs, Colo. However, these policies cannot fully be put into effect without new legislation, Federal and State. The bill S. 1538, as amended, would furnish the necessary Federal legislation.

STATEMENT OF COUNCIL OF STATE GOVERNMENTS' COMMITTEE ON JURISDICTION OVER FEDERAL LANDS WITHIN THE STATES WITH RESPECT TO S. 1538 (JULY 25, 1957)

The Council of State Governments' committee supports the committee amendment in the nature of a substitute for S. 1538. We do so, not because the bill is anything like a complete solution to the problem of legislative jurisdiction over Federal lands

within the States, but rather because it is a reasonable first step toward such a solution and because it seems to be the best that is attainable at the present time.

It is probably fruitless to speculate concerning what Federal-State relationships with respect to Federal-land areas would now be if the United States Government had pursued different policies in the past. However, it is a fact that between 1840 and 1941 the Federal statute required the cession of State legislative jurisdiction over Federal lands as a prerequisite to the development of those lands. Consequently, the States customarily ceded such jurisdiction. An objective analysis of the resulting situations may lead to the conclusion that the Federal requirement was not wise. It deprived the States of many types of control in these areas which they should have continued to exercise in the interest of fair and orderly governmental administration. It also deprived the States of tax revenues from private persons and property for which such persons and property should have continued to be liable. On the other hand it placed an obligation to render many services and to undertake many control measures on these areas which the Federal Government is ill equipped to perform and which, in many instances, the Federal Government has not performed.

Despite these highly unfortunate features of the situation which now so largely prevail, there is one type of equity which must be preserved in any improvement of the general situation which may now be attempted. If the exercise of legislative jurisdiction by the Federal Government has deprived the States of the power and the wherewithal to service these lands and the people resident upon them, it has also relieved the States of the responsibility for such control and service. To the extent that States and localities have nevertheless provided services to the Federal areas—and they have done so quite extensively—such action has been voluntary. The States and their subdivisions are perfectly willing to assume responsibility as a matter of law, but they can fairly be asked to do so only if the legal status and practical administration of the Federal areas is such as to give to the States and their subdivisions a degree of control over and revenue potential from these areas commensurate with the responsibility. This means that the Federal areas and the people on them must be placed, as nearly as may be, in the same position as any other areas and persons within the State.

The solution of the jurisdictional aspects of the Federal area problem has two vital aspects: (1) The ascertainment of the jurisdictional status of many Federal areas for which the status is now unknown or uncertain and (2) provision of a uniform, equitable, and orderly procedure for the transfer of jurisdiction from a State to the Federal Government, or vice versa, to whatever extent may best accord with the needs of particular cases.

We in the States had hoped that the present legislation might contain a full solution for both of these problems. However, the Federal agencies feel that they cannot go this far at the present time. Consequently, we support the present bill as a desirable first step and as a reasonable compromise.

The bill does nothing to precipitate the definitive ascertainment of jurisdictional status for those areas whose status is now unknown or uncertain. We have received some assurances from the Department of Justice and the Federal Interdepartmental Committee of their willingness to work out a system whereby the results of the present inventories of Federal lands may be made available in such form as will clarify the matter. Whether the States will eventually find it necessary to ask Congress for additional legislation in aid of such clarification depends on what can be worked out administratively.

Provision of a uniform and equitable procedure for transfers of jurisdiction is made possible but not insured by the bill. With its passage, Federal administrative authorities would have the power to obtain from and relinquish to the State legislative jurisdiction according to a relatively simple and orderly pattern. This is all to the good and is one of the principal reasons why we support the legislation. However, it should be pointed out that unless individual Federal administrators can be induced to pursue consistent and equitable jurisdictional policies the benefits of the bill could be largely illusory. We would have preferred a more definitive approach but are satisfied that section 2 of the present bill is all that is likely to be achieved at the present time.

Before concluding this statement, we would also like to comment on the importance of sections 1, 6, and 7 of the bill.

As already noted, it is essential that responsibility of States and their subdivisions for Federal areas must be accompanied by the availability to them of taxable wealth on as nearly the same basis as may be in other areas of the State. An extremely important part of this problem is bound up with the question of payments in lieu of taxes. We understand that this problem is receiving consideration elsewhere and that the present bill is not a proper vehicle for determining the appropriate Federal contribution on behalf of properties which it owns and uses directly for the conduct of its Federal functions. However, the clear statement in section 1 of the bill with respect to the connection between legislative jurisdiction and taxation of private persons and property is quite necessary and appropriate in the present legislation. Similarly, section 7 provides valuable clarification of the Congressional intent to leave other tax arrangements already contained in Federal law, or which may be enacted in the future, undisturbed.

The provision for the service of criminal and civil process contained in section 6 is essential to the administration of State and local justice. However, if this section is to work properly, the proviso contained in its concluding words must be narrowly construed so as to limit such service only in such manner as is absolutely essential to permit reasonably efficient performance of the Federal functions.

We wish to thank the committee for this opportunity to make our views known. The status of Federal lands within the States is of great and obvious importance to the States and a proper solution of problems connected with such areas can be found only if the Federal Government and the States work very closely together from the very inception of any projects in this field and cooperate, not only in the assembly of information but also in the evolution of the law and policy.

THE COUNCIL OF STATE GOVERNMENTS,
Chicago, Ill., January 31, 1958.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Committee on Government Operations, Senate Office Building, Washington, D. C.

MY DEAR SENATOR: The committee on legislative jurisdiction over Federal lands within the States of the Council of State Governments and the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States have completed a series of conferences held for the purpose of proposing appropriate amendments to S. 1538, relating to the adjustment of the legislative jurisdiction exercised by the United States over land in the several States and for Federal purposes.

There is before your committee now the tangible result of that series of meetings, an amendment in the nature of a substitute which meets with the unanimous concurrence of all participants in the meetings. The substitute proposal, if enacted, will not solve all jurisdictional problems but it will provide an orderly means whereby Federal jurisdiction may be relinquished, in whole or in part, thereby decreasing the number of areas in which jurisdictional conflicts may occur. It is our earnest hope that the committee will be able to consider the substitute bill at an early date. We are expressing a similar view to Senator MUNDT.

On behalf of our committee we wish to thank you for your courtesy, patience, and understanding in a matter of great interest to each of the States. We remain ready to continue to cooperate in any way you desire.

With kindest personal regards, I am

Very sincerely,

FRANK BANE,
Executive Director.

STATEMENT OF ASSISTANT ATTORNEY GENERAL PERRY W. MORTON, CHAIRMAN, INTERDEPARTMENTAL COMMITTEE FOR THE STUDY OF JURISDICTION OVER FEDERAL AREAS WITHIN THE STATES, WITH RESPECT TO S. 1538 (JULY 8, 1957)

I am pleased to report that the meetings between State and Federal representatives sponsored by the Senate Committee on Government Operations have resulted in the development of a bill, identified as the committee amendment in the nature of a substitute to S. 1538, which is in accord with all the recommendations for basic Federal legislation made by the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, and which meets with the unanimous concurrence of all participants in the meetings.

The committee amendment may be said to result from compromise. The compromise, however, is based on Federal and State recognition of the existence of various immutable facts, and on mutual confidence. There has been no requirement for compromise of principle on the part of either State of Federal representatives.

The Bureau of the Budget has advised us that it believes enactment of legislation of this nature would contribute greatly to the improvement of management of Federal operations in the various States as well as to the improvement of Federal-State relations.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill (S. 1538) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes."

PROPOSED SURPLUS PROPERTY DISPOSALS

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1300, Senate bill 2752.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2752) to amend section 207 of the Federal Property and Administrative Services Act of 1949 so as to modify and improve the procedure for submission to

the Attorney General of certain proposed surplus property disposals for his advice as to whether such disposals would be inconsistent with the antitrust laws.

Mr. HUMPHREY. Mr. President, I should like to make a brief statement regarding the bill: It is designed to clarify, modify, and improve certain phases of existing law and procedures relative to the disposal of surplus property by executive agencies. It seeks to accomplish this by modifying the requirement in section 207 of the Federal Property and Administrative Services Act of 1949 that executive agencies, at the beginning of negotiations, seek the advice of the Attorney General as to whether a proposed surplus property disposal would tend to create and maintain a situation inconsistent with the antitrust laws. It would require, instead, that such notification to the Attorney General be made whenever such disposal is contemplated by any executive agency, thus leaving it to the agency to determine the appropriate time for submission.

The bill would also require that when such notice is transmitted to the Attorney General by any executive agency other than the General Services Administration, a copy of the notification must be transmitted simultaneously to the Administrator of General Services. In addition, S. 2752 would exempt from the requirements of section 207 proposed disposals of scrap and salvage, and any property (other than a patent, process, technique, or invention) if the aggregate amount of the original acquisition cost to the Government, and all capital expenditures made by the Government with respect thereto, is less than $3 million, instead of $1 million as now provided.

S. 2752 is based upon a draft bill submitted by the Administrator of General Services, and redrafted by the committee, prior to introduction, in order to clarify its provisions. In its present form, it has the approval of the Director of the Bureau of the Budget, the Administrator of General Services, and the Attorney General.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2752) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 207 of the Federal Property and Administrative Services Act of 1949 is amended to read as follows:

"APPLICABILITY OF ANTITRUST LAWS

"SEC. 207. (a) Except as provided by subsection (c), no executive agency shall dispose of any plant, plants, or other property to any private interest until such agency has received the advice of the Attorney General on the question whether such disposal would tend to create or maintain a situation inconsistent with the antitrust laws. Whenever any such disposal is contemplated by any executive agency, such agency shall transmit promptly to the Attorney General notice of such proposed disposal and the probable terms or conditions thereof. If such notice is given by any executive agency other than the General Services Administration, a copy of such notice shall be transmitted simultaneously to the Administrator. Within a reasonable time, in no event to exceed 60 days, after receipt of such notification, the Attorney General shall advise the Administrator and any other interested executive agency whether, so far as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws.

"(b) Upon request made by the Attorney General, the Administrator or any other executive agency shall furnish or cause to be furnished to the Attorney General such information as the Administrator or such other executive agency may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice required by this section, or to determine whether any other disposition or proposed disposition of surplus property violates or would violate any of the antitrust laws.

"(c) This section shall not apply to the disposal of—

"(1) any property (other than a patent, process, technique, or invention) if the aggregate amount of the original acquisition cost of such property to the Government and all capital expenditures made by the Government with respect thereto is less than $3 million; or

"(2) any personal property, without regard to cost, which is determined by the executive agency concerned to have value only as scrap or salvage.

"(d) Nothing contained in this act shall impair, amend, or modify any of the antitrust laws or limit or prevent the application of any such law to any person who acquires in any manner any property under the provisions of this act.

"(e) As used in this section—

"(1) the term 'antitrust laws' includes the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the act of August 27, 1894 (28 Stat. 570), as amended;

"(2) the term 'scrap' means any material that has no value except for its basic material content; and

"(3) the term 'salvage' means any personal property that has some value in excess of its basic material content, but which is in such condition that there is no reasonable prospect of its use by the Government for any purpose as a unit and its repair or rehabilitation for use by the Government as a unit is clearly impracticable."

OPERATION OF THE FRANKLIN D. ROOSEVELT LIBRARY

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1304, House bill 8795.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8795) to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

Mr. HUMPHREY. Mr. President, this bill would permit the Administrator of General Services to maintain and operate the Franklin D. Roosevelt Library under the terms of the General Presidential Libraries Act—44 United States Code 397. It would also enable the Administrator to accomplish the following:

First. Abolish the Board of Trustees of the Franklin D. Roosevelt Library.

Second. Establish the Franklin D. Roosevelt Library fund as a separate account within the National Archives trust fund.

Third. Eliminate the present limitations on the purposes for which the Franklin D. Roosevelt trust funds may be used.

Fourth. Eliminate the 25-cent ceiling on admission fees.

Fifth. Give statutory recognition to the validity of restrictions placed by donors on the use of papers accepted for deposit.

The committee is informed that all members of the Board of Trustees of the Franklin D. Roosevelt Library have advised the Administrator of General Services that they are in accord with the objectives of this legislation, and recommend its enactment.

I thought the Senate would like to know the proposal has had the approval of the trustees and also the careful scrutiny of the committee.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

DISPOSAL OF SURPLUS PROPERTY

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1306, S. 2224.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2224) to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposal of surplus property.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment on page 5, after line 2, to strike out:

"(6) An explanatory statement of the circumstances shall be preserved in the file of each case where disposal occurs under paragraphs (3), (4), or (5) of this subsection.

And insert:

"(6) Except as otherwise provided by this paragraph, an explanatory statement of the circumstances of each disposal by negotiation of any real or personal property having a fair market value in excess of $1,000 shall be prepared. Each such statement shall be transmitted to the appropriate committees of the Congress at least 30 days (or such shorter period as may be concurred in by such committees in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal. No such statement need be transmitted to any such committee with respect to any disposal—

"(A) of any perishable food or other property which may become useless by deterioration within 30 days;

"(B) required to be made immediately for the preservation of human life or the alleviation of human suffering;

"(C) required in the public interest to be made within 30 days during a period of national emergency declared by the President or the Congress;

"(D) of real property made through a contract realty broker pursuant to paragraph (4);

"(E) of personal property made under paragraph (5) at a fixed price; or

"(F) authorized by section 3709 of the Revised Statutes or any other provision of law to be made without advertising."

So as to make the bill read:

Be it enacted etc., That section 203 (e) of the Federal Property and Administrative Services Act of 1949, as amended, is hereby further amended to read as follows:

"(e) (1) All disposals or contracts for disposal of surplus property (other than by abandonment, destruction, donation, or through contract brokers) made or authorized by the Administrator shall be made after publicly advertising for bids, under regulations prescribed by the Administrator, except as provided in paragraphs (3) and (5) of this subsection.

"(2) Whenever public advertising for bids is required under paragraph (1) of this subsection—

"(A) the advertisement for bids shall be made at such time previous to the disposal or contract, through such methods, and on such terms and conditions as shall permit that full and free competition which is consistent with the value and nature of the property involved;

"(B) all bids shall be publicly disclosed at the time and place stated in the advertisement;

"(C) award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when it is in the public interest to do so.

"(3) Disposals and contracts for disposal may be negotiated, under regulations prescribed by the Administrator, without regard to paragraphs (1) and (2) of this subsection but subject to obtaining such competition as is feasible under the circumstances, if—

"(A) necessary in the public interest during the period of a national emergency declared by the President or the Congress, with respect to a particular lot or lots of property or, for a period not exceeding 3 months, with respect to a specifically described category or categories of property as determined by the Administrator;

"(B) the public health, safety, or national security will thereby be promoted;

"(C) public exigency will not admit of the delay incident to advertising;

"(D) the property involved is of a nature and quantity which, if disposed of under paragraphs (1) and (2) of this subsection, would cause such an impact on an industry or industries as adversely to affect the national economy, and the estimated fair-market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

"(E) the estimated fair-market value of the property involved does not exceed $1,000;

"(F) bid prices after advertising therefor are not reasonable (either as to all or some part of the property) or have not been independently arrived at in open competition;

"(G) with respect to real property only, the character or condition of the property or unusual circumstances make it impractical to advertise publicly for competitive bids and the fair-market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

"(H) the disposal will be to States, Territories, possessions, political subdivisions thereof, or tax-supported agencies therein, and the estimated fair-market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

"(I) otherwise authorized by this Act or other law.

"(4) Disposals and contracts for disposal of surplus real and related personal property through contract realty brokers employed by the Administrator shall be made in the manner followed in similar commercial transactions under such regulations as may be prescribed by the Administrator: *Provided*, That such regulations shall require that wide public notice of availability of the property for disposal be given by the brokers.

"(5) Negotiated sales of personal property at fixed prices may be made by the Administrator either directly or through the use of disposal contractors without regard to the limitations set forth in paragraphs (1) and (2) of this subsection: *Provided*, That such sales shall be publicized to the extent consistent with the value and nature of the property involved, that the prices established shall reflect the estimated fair-market value thereof, and that such sales shall be limited to those categories of personal property as to which the Administrator determines that such method of disposal will best serve the interests of the Government.

"(6) Except as otherwise provided by this paragraph, an explanatory statement of the circumstances of each disposal by negotiation of any real or personal property having a fair-market value in excess of $1,000 shall be prepared. Each such statement shall be transmitted to the appropriate committees of the Congress at least 30 days (or such shorter period as may be concurred in by such committees in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal. No such statement need be transmitted to any such committee with respect to any disposal—

"(A) of any perishable food or other property which may become useless by deterioration within 30 days;

"(B) required to be made immediately for the preservation of human life or the alleviation of human suffering;

"(C) required in the public interest to be made within 30 days during a period of national emergency declared by the President or the Congress;

"(D) of real property made through a contract realty broker pursuant to paragraph (4);

"(E) of personal property made under paragraph (5) at a fixed price; or

"(F) authorized by section 3709 of the Revised Statutes or any other provision of law to be made without advertising."

"(7) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), shall not apply to disposals or contracts for disposal made under this subsection."

Mr. HUMPHREY. Mr. President, the bill is designed to prescribe the situations in which the disposal of surplus Federal property, real and personal, must be accomplished by public advertising, and those in which disposals of such property may be accomplished by negotiation. The bill prescribes also the advertising procedure to be observed, including such matters as the period of advertisement, opening of bids, and making the award. It would provide a charter in the field of surplus property disposal comparable to the one contained in title III of the Federal Property and Administrative Services Act of 1949 applicable to the procurement of property and services. The intent of S. 2224 is to require that the sale of surplus property shall be by advertising for competitive bids, with negotiated disposals limited to certain defined situations where sales by negotiation are necessary in the public interest.

The amendment, adopted by the committee on recommendation of the Subcommittee on Reorganization which held hearings on this bill, is designed to continue on a permanent basis the policy approved by the Senate in previous temporary extensions of the negotiating authority, requiring that, with exceptions specifically provided therein, the disposal agency shall submit written explanatory statements to the appropriate committees of the Congress at least 30 days prior to consummation of the proposed disposal.

Mr. President, the report on the bill is elaborate in terms of the details and the exemptions to which I have referred. I assume the report will be made a part of the record, by reference if not by printing.

I ask that the bill be given favorable consideration.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1307, S. 2283.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2283) to further amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, this is another one of the bills which would amend the Federal Property and Administrative Services Act of 1949. It would add a new section 110, which would authorize the establishment of an administrative operations fund on a permanent basis.

This bill would amend title I of the Federal Property and Administrative Services Act of 1949, as amended, by adding a new section 110 which would authorize the establishment of an administrative operations fund on a permanent basis.

The bill would permit the Administrator to transfer up to 5 percent of the amount included in each annual appropriation, but not more than the amount included in the respective program appropriations, to an administrative operations fund, from which the cost of legal, financial, administrative, compliance, information, and business services would be charged. This procedure for funding the cost of services rendered by certain administrative officials against the benefiting programs will make possible some savings to the Government and will simplify the General Services Administration's internal budget and accounting systems.

The bill further provides that the accounting for obligations and expenditures chargeable to the fund shall be maintained and accounted for in accordance with the system of accounting approved by the General Accounting Office.

The passage of the bill has been recommended by the appropriate agencies, including the Bureau of the Budget and the General Services Administration.

I also note for the RECORD that the distinguished senior Senator from Arizona [Mr. HAYDEN], chairman of the Committee on Appropriations, wrote to the distinguished Senator from Arkansas, the chairman of the Committee on Government Operations [Mr. MCCLELLAN], relating to this bill and advocating its passage. The Senator from Arizona pointed out, in his letter of June 24, 1957, that:

The committee is informed that the advantages of allocating such costs according to the work performed, particularly as to personnel, have been well proved and will result in some savings in administration.

Mr. President, I ask unanimous consent that the letter of the Senator from Arizona, as well as the letter of the Comptroller General of the United States containing recommendations, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 24, 1957.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Government Operations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Your letter of June 17 requests my views on the proposal in S. 2283 to add a new section to title I of the Federal Property and Administrative Services Act of 1949, which would establish an administrative operations fund on a permanent basis, as requested by the Administrator of General Services.

This fund was created on a temporary basis in the Independent Offices Appropriation Act for 1957, and amounts for administrative operations as included in each program appropriation for General Services Administration were deposited into the fund, from which all legal, financial, administrative, compliance, information and business service center services are financed. The fund has been extended in a similar manner for fiscal year 1958 in H. R. 6070.

The committee is informed that the advantages of allocating such costs according to the work performed, particularly as to personnel, have been well proven and will result in some savings in administration.

The proposal to continue the administrative operations fund on a permanent basis is therefore approved.

Yours very sincerely,

CARL HAYDEN,
Chairman.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D. C., July 5, 1957.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Government Operations, United States Senate.

DEAR MR. CHAIRMAN: Your letter of June 17, 1957, acknowledged June 18, requests our views on S. 2283.

S. 2283 would amend the Federal Property and Administrative Services Act of 1949 to provide basic legislation for the administrative operations fund of the General Services Administration. This fund was established for the fiscal year 1957 in the Independent Offices Appropriation Act, 1957, Public Law 623, approved June 27, 1956 (70 Stat. 345), to permit all sums available to the General Services Administration for administrative operations to be expended and accounted for through a single fund. It also is included in the Independent Offices Appropriation Act, 1958 (H. R. 6070), as passed by both Houses of the Congress.

The existing law as well as S. 2283 provides that the costs and obligations financed under the fund shall be accounted for in accordance with systems approved by the General Accounting Office. On September 17, 1956, we approved the accounting system prescribed by the General Services Administration for the administrative operations fund established by the Independent Offices Appropriation Act, 1957.

The primary difference in the provisions of law establishing the 1957 fund and of S. 2283 relates to the amount which may be paid into the fund from the program appropriations. In the 1957 and 1958 appropriation acts, the amounts deposited into the fund for administrative operations for each program cannot exceed the amounts included in the respective program appropriations for such purposes. S. 2283 provides:

"The amount paid into said fund from any appropriation made to General Services Administration in each annual appropriation act shall not exceed by more than 5 percent the amount included therein for administrative operations, nor shall the total payments from the respective program appropriations exceed the sum of the amounts included for the purpose in all such appropriations. * * *"

The above provision would authorize the General Services Administration to increase the deposits to the fund from individual program appropriations by an amount not to exceed 5 percent of the amount appropriated therein for administrative operations but the total of such deposits to the fund shall not exceed the total of the amounts included for administrative operations in all such program appropriations. We feel that this provision gives the General Services Administration a reasonable degree of flexibility necessary to correct any substantial variances between the amounts deposited by the individual program appropriations and the actual costs developed at a later date.

Since the administrative operation funds for the fiscal year 1957 and as proposed for the fiscal year 1958 were established in annual appropriation acts, they clearly were annual accounts. The enactment of S. 2283, however, would establish in basic law a permanent fund, but we understand that the General Services Administration does not intend to extend the period of availability of any funds transferred to the fund. We do not construe the provisions of S. 2283 as extending the period of availability of any funds made available for administrative expenses for any fiscal year.

We believe that the purposes of the fund are good and favor the enactment of S. 2283.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Federal Property and Administrative Services Act of 1949, as amended, is hereby further amended by inserting, immediately after section 109 thereof, the following new section:

"ADMINISTRATIVE OPERATIONS FUND

"SEC. 110. Funds available to General Services Administration for administrative operations, in support of program activities, shall be expended and accounted for, as a whole, through a single fund, which is hereby authorized. The amount paid into said fund from any appropriation made to General Services Administration in each annual appropriation act shall not exceed by more than 5 percent the amount included therein for administrative operations, nor shall the total payments from the respective program appropriations exceed the sum of the amounts included for the purpose in all such appropriations. The costs and obligations financed under the fund shall be accounted for in accordance with systems approved by the General Accounting Office."

AMENDMENT OF SECTION 203 (C) OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT PERMITTING EXERCISE OF CERTAIN OPTIONS

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1308, S. 2231.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2231) to amend section 203 (c) of the Federal Property and Administrative Services Act of 1949 to permit the exercise of options contained in certain leases of Government property.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment in line 5, after the numerals "484", to strike out "(b)" and insert "(c)", so as to make the bill read:

Be it enacted, etc., That section 203 (c) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 385, 40 U. S. C. 484 (c) is hereby amended by inserting after the word "lease" the parenthetical clause "(which may include one or more options to purchase or to renew or extend the lease)."

Mr. HUMPHREY. Mr. President, this is another one of the bills relating to the Federal Property and Administrative Services Act of 1949, over which the Committee on Government Operations exercises legislative jurisdiction.

The bill provides for amending section 203 (c) of the Federal Property and Administrative Services Act of 1949 by inserting a parenthetical clause after the word "lease" which will authorize the inclusion of one or more options to purchase or to renew or extend a lease executed by the Administrator of General Services, or by the head of any Federal agency authorized to dispose of surplus property.

The statute presently permits the Administrator or duly authorized departmental head to dispose of surplus property by sale, exchange, lease, permit or transfer for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and to execute such documents for transfer of title or other interest in property and

take such other action as is deemed necessary or proper to dispose of surplus property.

When this language was drafted it was the legislative intent that the Administrator should be authorized to sell, lease, or exchange property in the same manner as property is disposed of by private concerns and pursuant to the practice commonly followed by private business. The precise terms as to how property should be disposed of, or under what conditions such authority should be exercised, were not set forth in the act, the Administrator being given authority to prescribe such terms and conditions as he deemed proper. As a result, some leases of surplus property included options permitting the lessees to renew or extend the leases, or to purchase the leased property after a period of years, according to the terms of the contract, without any question as to the authority for the inclusion thereof. The Attorney General of the United States, however, expressed doubt as to whether the authority granted by the act to dispose of surplus property by sale, exchange, lease, permit, or transfer confers authority for use of options to purchase in leases executed thereunder.

This bill would clarify the statute and remove any doubt as to the inclusion therein of authority for the use of options to purchase, renew, or extend leases.

Mr. President, I note for the RECORD that the bill has been approved by the General Services Administration. The bill was also recommended by the Comptroller General of the United States and by the then Deputy Attorney General, the present Attorney General, William P. Rogers.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2231) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISASTROUS EFFECTS OF ADMINISTRATION PRACTICES AND PROPOSALS IN THE RURAL ELECTRIFICATION FIELD

Mr. HUMPHREY. Mr. President, Mr. Clyde T. Ellis, general manager of the National Rural Electric Association, recently reported to the 16th annual meeting the members in Dallas, Tex. In a speech entitled "Stand Your Ground," delivered on February 3, 1958, Mr. Ellis analyzed the disastrous effects of administration practices and proposals in the rural electrification field. In clear, forthright language, Mr. Ellis challenges the President to reverse his position on many matters of vital interest. A good many in Congress, Mr. President, join in that appeal.

I ask unanimous consent that the text of Mr. Ellis' report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STAND YOUR GROUND

(By Clyde T. Ellis, NRECA general manager)

Better borrow all this Texas oil money you can while you are here. It might be easier than getting Wall Street loans.

As you know, the theme selected for this meeting by your program committee, "Stand Your Ground" was taken from Capt. John Parker's famous command to the minutemen volunteers assembled at Lexington, April 19, 1775. That full command was: "Stand your ground. Don't fire unless fired upon; but if they mean to have a war, let it begin here."

The President of the United States has within the last weeks asked Congress to enact legislation at this session which would in effect destroy REA as we have known it and which, in my opinion, would destroy the rural electrification program as well.

Nothing I say at this meeting will be remembered, but what you do here will not be forgotten. For you are here, among other things, to take a stand in the greatest crisis by far that has ever faced the rural electrification program.

YOU, THE ELECTED STATESMEN

I am only a small voice crying in the wilderness. But you are the elected statesmen of the program—over 5,000 of you from 43 States and Alaska. Nearly 1,000 voting delegates among you have been charged with, and have accepted, a responsibility to do, within the limits of the charter and bylaws, of course, what you believe should be done for the program at this meeting. You are the national association. You could save or lose the rural electrification program of the United States by the decisions you make—or fail to make—right here in Dallas during the next 4 days. That is my opinion.

I call you statesmen because I truly believe you are. It is said that one difference between a statesman and a politician is that a statesman dares to place himself in jeopardy, if necessary, for the good of everybody; whereas the politician dares to sacrifice anybody, if necessary, for his own good. I don't believe it necessary for anyone to place himself in jeopardy here. But I do think we must now face up to what is by far the gravest peril ever to confront the rural electrification program. To solve this problem is going to take the kind of courage that I know you have.

OUR RESPONSIBILITY FOR OUR PERIL

I know that, as my employer, you expect me to give you here the salient facts about the peril we face and my opinions and conclusions based upon them.

In view of the fact that apparently all segments of the administration touching the rural electrification program—except REA itself—have now joined the profit power companies in total war against the program, I am going to come right to the point. In doing so, I shall violate the rules of good speech and give you my conclusions first. Then I shall try to justify them.

Here are my conclusions:

First, the rural electrification program is in real trouble. As I have already indicated, I am convinced this is the program's most critical hour. I shall state the details of this conclusion in a few moments.

Second, the rural electrification systems themselves, and their organizations, are in part to blame for the serious jeopardy we now face. I have reached this conclusion because I believe that up to now the program as a whole has offered too little resistance to attacks and proposals designed to destroy us. For one thing, we have refused to believe all the signs.

WHAT CAN WE DO ABOUT OUR PREDICAMENT?

Third, I am convinced we can yet do something about our predicament. To use a famous Lincoln quote, "We—even we here—hold the power and bear the responsibility."[1]

Fourth—and please keep an open mind on this until you have heard the full story—it is my earnest conviction that you can well afford to double your dues to your national association, or treble them if necessary, in order to achieve maximum efficiency in those of your national services which are dues supported—principally legislative, public relations, organization activities and consumer-member information, including power use. This conclusion is based upon the certainty that if you don't take this action, or some other action equally effective, the alternative will cost you far more.

Fifth, it is my conviction that you can well afford to vastly increase your statewide services and activities, lest the alternative of not doing so cost you much more.

Finally, it is my conviction that most of your systems can well afford to step up your local member and public relations activities because the alternative of not doing so will cost you much more.

These are my general conclusions and now I would like to discuss with you:

The facts of the situation, and

What we can do about them.

At the start let's take a look at what Captain Parker really meant by "Stand your ground." He meant, among other things, that the hard-pressed colonists, whose markets had been gobbled up by the King's favorite monopolists, could retreat no further without losing every freedom and the dearest possessions for which they had worked so hard. He meant they must resolve to fight, if necessary, in order to be able to preserve any degree of freedom, independence and equality.

We are the spiritual great-great-grandsons of those minutemen. We too are pioneers—pioneers who, like the colonists, have come a long way, doing what couldn't be done. Let us likewise survey the situation and determine whether or not we want to stand our ground—truly the same ground on which they stood.

THE DOUBLE-CROSS ON REA—STAND AGAINST THE ADMINISTRATION'S ANTI-REA BILL—THE INSURED LOANS AMENDMENT

I am going to document for you what I choose to call the REA double-cross.

In 1949 the first Hoover Commission called for a sweeping reorganization of the Department of Agriculture. The name of REA would be changed to Rural Electrification Service. The Truman administration asked Congress for authority to put the reorganization into effect. Congress declined.

In 1953 the Eisenhower administration asked Congress to pass an even more sweeping Department of Agriculture reorganization bill. Congress did, but only after Secretary Benson had solemnly promised Congress he would not reorganize REA in any way without first consulting Congress.

In 1955 the second Hoover Commission recommended to Congress that REA be abolished, and that a Rural Electrification Corporation be established instead; that Congress provide no more loan or administrative funds for either the rural electrification or the telephone program; that the Rural Electrification Corporation raise its funds

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[1] Abraham Lincoln, second annual message to Congress.

in the private money markets and pay whatever rates of interest were necessary to get the funds, plus enough to pay all administrative costs of the new corporation.

It is significant also to remember that the Hoover Commission recommendation to Congress was much milder than what the Hoover Commission's power company-stacked Task Force on Lending Agencies had recommended to the Commission. The task force had recommended, among other things, that REA be placed under the supervision of the Farm Credit Administration; that the co-ops be authorized and encouraged to pool their borrowing and obtain their funds from the money market without Government guaranty, that is, without insured loans.

Remember that the second Hoover Commission recommended that we be required to obtain our loans without Government guaranty.

That was only the beginning.

SOFTENING US UP, AND BREAKING PROMISES

From 1955 to date our program—including our interest rates, our handling of reserves, and our power supply—has been subjected to a constant organized propaganda barrage through advertisements; through many front organizations such as the National Tax Equality Association, the Citizens Committee for the Hoover Report, and the United States Chamber of Commerce; through the public press, radio and television, and through spokesmen in public office.

This has been a continuous softening-up process.

On or about June 1, 1957, the Secretary of Agriculture, Mr. Benson, without consulting Congress and in violation of his solemn promise to Congress, reorganized REA by placing into effect a major recommendation of the second Hoover Commission. He placed REA under the Director of Agricultural Credit Services. While technically he didn't place REA and the other lending agencies all under a Farm Credit agency, as the Commission had recommended, he went still further and placed REA and Farm Credit under his own office; that is, under the Director of Agricultural Credit Services.

On the same date, and also in violation of his promise, Secretary Benson further reorganized REA by removing from the REA Administrator and transferring to the Director of Agricultural Credit Services the final authority to approve all loans in excess of $500,000 and the final authority to approve all loans to new borrowers, both electric and telephone.

In early 1957, the President's Bureau of the Budget sent to committees of the Congress a proposed REA reorganization bill generally in line with the Hoover Commission recommendations. It would fix the interest on REA loans at the current market yield on equally long-term Government securities plus the total cost of REA administration, plus an amount sufficient to cover any probable losses. This bill was immediately introduced by Senator CAPEHART in the Senate and by Congressman HIESTAND in the House. Senate hearings were scheduled last summer to begin this month. In retrospect, this bill, too, appears to have been a part of the softening-up process.

THE AX FALLS—ON OUR NECK

On January 13, 1958, President Eisenhower said to Congress in his annual budget message (p. 47):

"Expenditures for agriculture and agricultural resources have amounted to over 30 percent of the Federal expenditures for civil benefits in the fiscal years 1956 and 1957 and are estimated to take almost as large a proportion in 1958. This compares with a little over 20 percent in 1953 and 1954. In this budget, I am recommending important revisions in our price support, conservation, and rural credit programs to place them on a sounder long-term basis with less reliance on the Federal Treasury. These revisions will result in only moderate reductions in budget expenditures in the fiscal year 1959, but should result in more significant reductions in 1960 and later years."

The President also submitted to Congress a table (p. 351 of the budget) listing the loan funds to be available to the rural electrification program in fiscal 1959. I quote from that part of the table applicable to the rural electrification program: "New loan authorizations * * * $150 million.

Two things are awfully wrong with these statements of the President. In the first place it is awfully wrong and unfair, I think, to say that loans for rural electrification and rural telephones are expenditures, as he called them. He doesn't even deduct the amounts we repaid on principal in 1957 and that we will repay in 1958 and 1959. No loans should be listed as expenditures. Does a bank list its loans as expenditures?

In the second place, the President requests only $150 million for new electric REA loans for the next fiscal year. This request is far short of what will be actually needed, and this fact is well known to the Administration.

The official REA annual construction loan survey conservatively estimates that new electric loan needs will amount to $210 million for fiscal 1959. This figure is too low for two reasons: (1) It is based on a survey more than a half year old and therefore out of date, since the subsequent NRECA survey shows greater need, and (2) it assumes there will be no requests from new power-type borrowers.

NRECA's own annual survey is not complete yet, but we already know from your own system-by-system statements of your needs that they will be substantially greater than the Administration's estimates. NRECA's estimates of the need, compiled from data submitted by you a half year later than the REA survey, have nearly always exceeded the budget estimates. Yet ours have always been proved to be conservative, without exception.

In any case, the President's request for inadequate electric loan funds—we think now, only about half enough to meet our needs through next fiscal year—is designed, it seems, to do two things:

(1) provide us just enough loan funds to run us past the November election; and

(2) put pressure on us to accept the President's proposals—including a new proposal which I shall mention shortly.

The President is honorbound to administer the existing law, the REA Act—and to support it as long as it is the law—as he took the oath to do. It is awfully wrong for him, the Secretary of Agriculture, or any other official to sabotage the law, as I believe is being done here. I would be just as quick to commend the President or the Secretary or any other official, for aggressively supporting the law, as indeed I did commend the President and Secretary Benson and Administrator Hamil about a year ago now for initiating a $200 million supplemental REA loan request to the Congress—in line with your earlier statement of the need.

Now let me quote you further from the President's budget message to Congress last month (p. 50):

"Approximately one-half of REA electric power now goes to rural industrial and nonfarm residential consumers, and in the future these nonfarm users will account for a larger share of the increasing demands. This situation, together with the present state of development of rural electric cooperatives, clearly indicates that it would be in the public interest to broaden the sources of capital from which the REA system may obtain the financing necessary for continued growth and adequate service to consumers. Therefore, legislation will be proposed (1) to assist both electric and telephone borrowers to obtain financing from private sources where the security is adequate and the loans can be repaid within a reasonable time, and (2) as previously mentioned in this message, to adjust interest rates on future loans for all loan programs to meet the Government's costs."

Notice how the power-company-inspired Hoover Commission flower gradually unfolds and the pattern develops. Now the President, like the second Hoover Commission, would send us out in search of private sources of capital.

I can quite see how that cutting us off from Government loans and throwing us to the same money barons who control and manipulate the Power Trust would broaden our sources of capital.

RETURN TO DARKNESS

Let me say that if rural America is cut off from REA loans, then the farmers and other rural Americans will be right back where they were before REA—with sources of capital so broad they will again be more than a little difficult to find.

Let me say a word, too, about the President's reference to the fact that approximately one-half of REA electric power now goes to rural industrial and nonfarm residential consumers and that in the future these nonfarm users will account for a larger share of the increasing demands. On this the President is correct. He could have said, too, that our consumer members' demands for power are doubling about every 5 years.

But he could also have said that REA was launched as a social and economic project, to replace darkness and despair with light and hope for all unserved rural Americans, be they farm or village, or county store or potato drier, alfalfa mill or cotton gin, or filling station or shoe factory. The record is clear on that. Area coverage was demanded of us by REA—something the power companies have never accepted in the rural areas they serve. We accepted it in good faith and consider it as sacred a covenant with our Government as we consider our Government's promises sacred to us.

Therefore, our people in the more feasible areas, the better-off areas, extended their lines on out to serve their brethren in the less feasible areas, too, as a matter of principle, as a practice of the Golden Rule. We have reached 4 million homes and rural establishments, but over a million rural Americans have not been reached yet. They wait and pray and hope—and read about Ike and Ezra and Wall Street trying to abolish REA loans. We still serve only three to the mile, average. Yet area coverage—blessing to millions—the Golden Rule concept—is to be destroyed, they say. They would even force the co-ops to cut off and stop serving those already served who are not self-supporting. The next step would be that whole co-ops, no longer self-supporting, would have to be sold to the profit companies which would then follow their ancient practice of serving only those who would return the kind of profits they require. Rural America would be headed into darkness again, just as rural America, once more than half served by rural telephones, started downhill in phone service after the early twenties—and for the same principal reasons: lack of financing and monopoly practices. God forbid.

THE PRESIDENT'S INSURED LOANS AMENDMENT

We have had the greatest difficulty finding out what the President's newest proposals really mean. We have been denied the right to know anything about them prior to their announcement. We have known that top-level and top-secret conferences were going on in Washington about them. We know these conferences have been apparently as hush-hush as Kremlin planning sessions. When we have tried to get information about them, we have been told that people attending the conferences had been placed under the strictest of secrecy orders.

Strangely enough, our best information has come from Wall Street money market experts who have been consulted by the administration.

The President's Director of the Budget wrote the Senate Banking and Currency Committee a few weeks ago that he would shortly send to Congress new proposed amendments to the Rural Electrification Act. And the President revealed to Congress in his recent budget message that, in line with the stacked Hoover Commission committee recommendation, he is ready to go one significant step further than the administration's Capehart-Hiestand bills of last year would go: he would now eliminate all future REA loans after about December 31 and turn us away from REA and into the open money market.

We know that the administration has made two decisions, designed, I believe, to hoodwink us temporarily. It has decided not to abolish REA outright—just amend the law, add a new title III and abolish the REA principle. REA would have no more funds to lend. Then the administration, with tongue in cheek, could deny that it had abolished REA.

Secondly, the Secretary of Agriculture—not the REA Administrator—would be authorized to help you broaden your loans market by approving, if and when he should see fit, insurance endorsements on notes you might make for funds you might find in the open market. But there would be a limit of $150 million on the insurance endorsements the Secretary could approve on money market loans through next fiscal year.

In other words, your loans for the first half of next fiscal year would come from REA as usual. For the last half you would have to go find them yourselves in the open market—if you could. Thereafter, all your loans would come from the open market. There would be no more REA loans. There would be no REA Administrator for lending purposes. The word "REA" Administrator is not mentioned in Ike's insured loans amendment—only the Secretary of Agriculture. The REA Administrator in effect would be abolished, and the Secretary substituted—but the Secretary would not do anything except stamp the insurance endorsements on your notes to private lenders if he should see fit. It would be the end of Hamil and the beginning of Benson.

Is this what you want?

And what is the Secretary directed to do under the insured loans amendment? Nothing. The answer is that he is only authorized, he is not directed to insure a single loan. And, if he does insure a loan which you obtain in the open market, he is required to add to your open market interest rates an additional 1 percent to pay such insurance charges as the Secretary deems proper, taking into account administrative expenses and other costs and a reserve for probable losses; provided that the amount, until such time as the Secretary determines that the fund is adequate, etc., shall be an annual charge at a rate equal to at least 1 percent of the outstanding principal obligation of the loan.

Now the Secretary also would be authorized (a) to subordinate the prior liens of the United States under loans made pursuant to this act, upon his determination that (1) additional financing may be obtained from credit sources other than the Federal Government at reasonable rates and terms, (2) the security for such loans and additional financing will be reasonably adequate, and (3) the loans will be repaid within a reasonable time. This amendment would become effective July 1, 1958.

It reminds me of the typical adult western in which the local baron cuts off the water supply for the homesteaders and tells them that he has broadened their water supply, that they can now find it elsewhere, wherever they can, and that if they do find any, he will guarantee that it will be good.

Is it necessary that we consider what would happen when Government loans would be thus closed to you and your loans market would be thus broadened?

SHORTCOMINGS OF THE INSURANCE GUARANTY

The insurance guaranty does not guarantee that we can find the money.

Experience in the housing field has shown many homeowners what the insurance guaranty amounts to. They still have to find the money and their interest rates are high. (Bear in mind, too, that the larger amounts of money which the rural electrics will need cannot be found locally.)

Millions of veterans can tell you what this insurance guaranty method has cost them in money and anguish even where the amounts are small enough for local sources to handle. Veterans have seen the United States Treasury manipulate interest rates so that the "Government guaranty" has often become but a snare and a delusion.

Federal Housing Insurance-guaranteed loans are now running 5½ percent plus discount charges.

This so-called insurance endorsement that the Secretary could attach to your open market mortgages if he should elect to do so is an old trick designed to give us a false sense of security.

Experience in the Farmers Home Administration also proves that the insurance guaranty does not insure nor guarantee that borrowers can find private capital for the Government to insure or guarantee. While Farmers Home has some money to lend, it encourages borrowers to use the open market instead. The would-be borrowers are encouraged to go out and find prospective lenders. If they cannot, then Farmers Home Administration may help them find lenders. Would-be Farmers Home borrowers have had great difficulty finding lenders. Often they have failed.

The Farmers Home interest rate is fixed at 4½ percent, including 1 percent for handling, plus discounts. This handling charge includes the insured loans endorsement. The procedure is that the lender holds the note with the "insured loans" endorsement stamp on it. When the private loan is made, the lender pays the money direct to the borrower but the lender then looks to Farmers Home for his payments. Notes are negotiable after 5 years.

COLD FACTS ABOUT PRIVATE FINANCING

How much would our rural electrification loans cost us under these "broadened" anti-REA proposals? No one knows, but we of your staff have been studying them since they were first announced by the Hoover Commission several years ago. And we have talked with every known type of authority, including bankers, brokers, commission houses, Government specialists—even Wall Street sources, including known financiers of the power companies.

These sources tell us that without the Government insurance we can't get the money at all in the open market. To start with, we are "co-ops"—a bad name among monopolists.

Next, we are regarded in the money market as enemies of its principal pet, the cost-plus Power Trust.

Next, we require a disproportionately large amount of capital investment.

Next, we require 100 percent construction loans; i. e., we are 100 percent debt-financed.

Next, we operate in marginal territory.

Next, our territory being in jeopardy by the power company piracy and sellout campaigns, our distribution co-ops have no assured market.

Next, our distribution co-ops have no assured source of supply.

Next, our generation and transmission co-ops have no assured market.

Next, most of our distribution co-op mortgage notes would be too small for favorable market acceptance. Top brokers tell us they lose money on issues of less than $2 million.

Next, the Government never set us up to be able to walk alone at this stage. It required us to pay off our capital loans, something the power companies never do.

And finally, 66 percent of the rural electric systems have less than 20-percent equity, and 91 percent have less than 40-percent equity. Over the Nation as a whole, the average equity per system runs only about 13.5 percent. By comparison, power companies on the average have an equity of several times that amount, plus a public-service monopoly status.

If you will forgive the language, one of the experts we consulted told us, "We think that without the kind of REA loans you are getting now, you would be in a hell of a fix."

I think so, too.

In their more polite words, they don't regard us as good risks; this they say despite our fine repayment record maintained under a thus-far-friendly REA.

And the experts tell us, too, that so-called Government insurance is usually limited or conditional, or otherwise less than ironclad. Suppose the loans should go bad and Congress should not fully back them up with appropriations? Many things could happen, they point out. If you had money to lend, at what rate of interest would you be willing to tie it up in a rural electric co-op for 35 years?

In view of all this, I would say that I believe any unbiased person who studies the matter thoroughly will agree that we probably could not get loan funds under the administration's new proposals at less than 5 percent plus the 1-percent service charge, in the long run, under present conditions.

Let us assume the new rate to be 6 percent—i. e., 5 percent plus at least 1 percent for Mr. Benson for insurance and servicing. What would this mean to you? It would mean that your new loans would cost you $40,000 a year more per $1 million of loan than at the present rate. It would mean that your present requirements of about $300 million of new loans per year—and your needs are increasing—would cost you $12 million more per year in interest on each new year of loans—and these yearly increases would be cumulative. It would mean that, countrywide, the 1956 net margins of all the rural electric systems in the aggregate would have been reduced, assuming 1956 levels of operating revenue and expenses, from $69 million to $18 million less than zero. In other words, the rural electric systems of the United States in the aggregate would have operated $18 million in the red in 1956 under the Eisenhower-Benson anti-REA loans bill. These figures are based on several assumptions of course. They are not meant to be exact, but are used only to indicate the approximate magnitude of the administration's proposed new catastrophe.

THE BROADER ECONOMIC ASPECTS

I think the administration ought to give a little thought to what the rural electrification program would cost the Government if it forces us to default on our loans. And what would it cost the billion-dollar appliance and equipment market we have created? How much income tax and other taxes would be lost from them? What would it cost the American worker who produces all this? How much more income tax and other taxes would be lost from these laborers?

And why is it clearly in the public interest to thus further impoverish the farmers and slow down the development of rural America? And how much more taxes and other taxes would be lost from these farmers and other rural people? And who would

make up these taxes and the extra taxes required for more unemployment and more old-age pensions?

There are many reasons to question the sincerity of the arguments being used against us. They say our interest rates are subsidized.

Rural electrification, like many other American enterprises, was launched as a program in the public interest. Industry generally, for instance, was given tariff subsidies—and still has them. Railroads were given land and capital. Banks have their free Federal deposits. The profit power companies have received their $5 billion in interest-free loan benefits under the accelerated depreciation program since the beginning of the Korean war—and it will get many more billions yet. Current Federal grants to municipalities to improve their sewer facilities is another example. Almost no segment of the economy is without subsidy today.

And then there are the 2-percent loans to foreign governments, such as the recently renegotiated $3.8 billion 50-year loan to Great Britain and the gifts to foreign governments for rural development and even for rural electrification, at no interest and at no principal return.

Remember that old gift to Egypt—a 1953 gift released to Mr. Nasser a few weeks ago? Well, I just happened to get hold of this little green pamphlet put out by Mr. Nasser, and I want to read you one paragraph from it—what he said in 1955 they would use this United States money for:

"The importance of electricity in raising the standard of living in rural communities has not been overlooked. Village streets and public buildings will be lighted with electricity. Such service can be extended to the settlers' homes if they wish it, and they may use the cooperative societies to help them obtain it."[2]

That is fine. It is good that we can thus help the rural people of Egypt to get electricity, even at no return of principal or interest to the United States of America. But it makes us wonder what is wrong with continuing the REA program for our own farm people, thousands of whom are going broke every month now, losing their homes, often losing all they have. Has our Government come to the point of helping to unelectrify rural America while helping to electrify rural Egypt and the rural areas of other countries? Will we now have Government support of rural electrification for export only?

And then what about that $48 million surplus which the Government has accrued on its loans to us as reported to Congress last month by REA Administrator Hamil? As you know, the interest rate charged us for many years was more than the cost of money to the Government.

Furthermore, are we to assume that those responsible for trying to push the high interest rates upon us believe that the present jacked-up high-interest-rate tight-money market is going to continue at the present level? I don't believe it will, and I don't believe they believe it will. The Government has recently taken three major steps to loosen it up—and it is loosening some.

And let us not forget that the Hoover Commission recommended that the loan funds we might get from the money market not be guaranteed or insured. When we are further softened by the current blow, the next step would be to withdraw the insurance guaranty.

The average cost of money to the Government could conceivably return to 2 percent or below. It is now under 3 percent. If it does return to 2 percent or below, it might pull our money-market interest costs under the administration proposal down from around 6 percent to around 5 percent.

An interesting development in connection with the administration's last proposal is a move to create another commission to study the REA program. Bills to provide for it have been introduced within the last few days. The creation of such a commission might or might not delay the administration's open-market drive while the pot boils.

CAMPAIGN PROMISES VERSUS PERFORMANCE

Where is the Dwight D. Eisenhower who during the campaigns of 1952, 1954, and 1956 so vigorously assured the American people of his full support of the existing rural electrification program? We need him very badly right now.

Here are typical examples of what Ike promised us as a candidate:

On October 4, 1952, Candidate Eisenhower told the voters at Brookings, S. Dak., "I have made clear the Republican support of the rural electrification programs * * *" and on the 28th of that same month he told the voters of the whole country over radio and television networks, "We will support * * * REA programs, and all that sort of thing."

During the Congressional campaigns of 1954, on September 28, President Eisenhower released to the press a letter which he had written REA Administrator Ancher Nelsen in which he said:

"I understand that some people are busily circulating statements to the effect that this administration is opposed to rural electrification programs and that these programs are to be drastically curtailed in the coming fiscal year. I am sure you recognize as I do that this is part of a general fear psychology now being adroitly generated in many fields by people who evidently have ends to serve that they consider more important than the truth. I am convinced that our rural population will not be misled by such reckless and irresponsible statements * * *.

"It is our determination that these programs shall fully accomplish their purposes. We shall continue to give them our wholehearted support."

But the "fear psychology" persisted, particularly with reference to the Hoover Commission recommendations. REA made an exhaustive study of their effect if adopted and on May 20, 1955, REA Administrator Nelsen wrote a letter to a Congressman which was given nationwide publicity in which he said:

"We believe that if the Hoover Commission's recommendations were to be adopted REA would be unable to accomplish the objectives in rural electrification and rural telephony which have been established by the Congress. The Commission's recommendations would result in termination of the rural telephone loans program, with less than half of the Nation's farms having telephones and slight prospect for alleviating the situation. Further progress in rural electrification through REA loans—connection of unserved farms and system improvements to serve expanding loads—would be drastically curtailed under the Commission's recommendations. Borrowers in both programs would be unable to meet the loan requirements. Details of our analysis of the Commission's recommendations and statements of our viewpoint on each of them are enclosed in this letter."[3]

The REA Administrator also announced that he had cleared his statement at the White House and that it represented the administration's policy as against that of the Hoover Commission.

In the presidential campaign of 1956, Candidate Eisenhower again accepted and ran on his party's platform. I quote from that platform:

"The Republican Party is pledged * * * to expand rural electrification through REA loans for generation and transmission, and to expand rural communication facilities."

And, in the 1956 campaign he said in a speech at Peoria, Ill. (September 25): "We will continue to strengthen such long-established indispensable programs as rural electrification and rural telephone service."

Notice, too, that he always talked about the "programs." If he was pledging himself to support the "programs," he was pledging himself to support them substantially as they were then and as they are still.

And then as late as our national meeting in Chicago last March 4–7, President Eisenhower sent us this fine message by telegram:

"With the support of dedicated men and women, your cooperatives have grown into dynamic institutions for the advancement of the social and economic life of our rural communities. In order to maintain progress, I now urge you to hold fast to the principles of local ownership, local membership control, and independent thinking. In this way, I am confident your program will continue as an excellent example of people and government working together for the common good.

"This administration gives wholehearted support to the rural electric and telephone programs. They are essential to the Nation's well-being and to our expanding economy. Best wishes to you all. Dwight D. Eisenhower."

Note that again the President talked of our rural electrification and telephone programs as they were then and are now. It just seems inconceivable, unbelievable, that this same Mr. Eisenhower, twice elected on promises to support the rural electrification and telephone programs, and committed again as late as a year ago in his telegram to us, could now be asking Congress to stop all REA loans. It is a mystery beyond my comprehension. I don't mean to be personal, for I respect the office of President, but facts are facts and I submit that on the record they constitute a clear double-cross of the American farmers and of rural America.

What can be so suddenly wrong with REA? What is wrong with this noble REA principle—the principle of democratic government helping people to help themselves? Has it worked too well? The President doesn't even tell us what the defendant, so good a year ago, is charged with—only that the REA loans must now stop.

I hope no one thinks I am being unfair to the President in these statements. Short of giving you the whole truth I cannot do my duty as I see it, and this a vital part of the truth.

The program committee invited President Eisenhower to come and speak to you here. The committee thought it might help a lot if he would come here and see you and get a better idea of what you are doing, and see the exhibits and get a better idea of what the program means to the whole economy.

I wrote every Republican Member of both Houses of the Congress and asked them to urge him to come. Many of them have told me they did. Others have said they hesitated to on account of his health. Anyway, he declined. But I see in the papers that he flew to Chicago week before last, attended a political rally, and made a fund-raising speech to help his party get votes. The program committee and I were simply trying to help persuade him to do something that might cause him to do something else that might have meant a lot more votes than that.

Which reminds me that several members of his party in the Congress have told me privately and several have stated publicly that they are not going along with the President on his move against REA.

[2] Land Reclamation and Resettlement—the Egyptian-American Rural Improvement Service, March 1955.

[3] Ancher Nelsen, REA Administrator, in a letter of May 20, 1955, to Hon. CARROLL D. KEARNS, Member of Congress.

CONSEQUENCES OF ADMINISTRATION PROPOSALS

Passage of the administration's anti-REA loans bill would be an open invitation to Wall Street to turn loose their cost-plus power monopolies against us—to accelerate their pirating campaigns and to openly invade us as they did Stevens County and Shoshone and Tombigbee rural electrics in the last few years. It would be more of an invitation, I'm afraid, for Wall Street to start raiding than to start lending us. Indeed, over 100 of the power companies based their unsuccessful court attack on our "Willie Wiredhand" symbol in part upon the fact that they regard our territory as open range.[4]

Money-market experts are telling us that if we are forced into the market our financing will be much less difficult as public power districts rather than as co-ops. Then, they point out, we would be units of Government; we would have better protection from invasion; we would have the right of eminent domain, the right of condemnation even over power company properties; we could pledge not only revenues but taxes as well, if necessary, as security. Furthermore, the investors' income from our bonds would then be tax exempt.

Generally, we want the co-ops to remain as they are, I believe, but there has been some trend toward public power districts already—notably in Nebraska and the Northwest. Power district bills have been introduced in the legislatures of other States. Some of our members are public power and public utility districts.

Interest on the latest public power district open market financing is running around 5 percent—even without a 1 percent charge by the Secretary of Agriculture. Usually the power districts borrow from REA—for rural electrification—but Public Utility District No. 1 of Chelan County, Wash., was borrowing $250 million to build a giant dam on the Columbia River. It sold its bonds at 5 percent.

I would say that if the Wall Street monopolists and the administration really want public power in America they seem to be on the right track with this Hoover Commission proposal to kill REA loans and throw us to the mercy of the same money market barons who control the profit power companies.

The American people have never liked total monopoly, Congress and the State legislatures have oft declared it un-American, and we never will tolerate it as long as we are a free people, for it is inimical to democracy. There will always be a way around it. We know.

THE TIME IS AT HAND—STAND FOR ADEQUATE LOAN FUNDS UNDER THE EXISTING ACT

The administration's request to Congress for only the first half of our next fiscal year's requirements to come from REA loans under the existing law and for all our loans thereafter to come from Wall Street, must be answered by you at this meeting in the strongest possible language, in my opinion, or the REA Act in effect will be dead. It is no secret that some of our best friends in the Congress are saying that if Ike's bill ever gets to the floors of the two Houses, with all the power of the financial world, and of all the monopolies it controls behind it, the bill will pass.

The best answer would be your decision here not only to fight for the full amount you will need through next fiscal year, based on the need your own survey shows, but also to stand your ground and fight for it all as loans under the present REA Act, as you have done so successfully in the past.

We compiled statistics (table I, below) from official records showing that since 1949, in every year but one, Congress has authorized more loan funds than the administration requested, and that in that year it authorized the same amount.

Note that Congress usually authorized more nearly what NRECA requested than what the administration requested.

TABLE I.—*Comparison of requests for rural electric loan funds by NRECA and the administration's, and amounts authorized by Congress, fiscal 1949 to 1959*

[Millions of dollars]

Fiscal year	NRECA request	Administration budget request	Total authorized by Congress
1949	430.0	300.0	400
1950	450.0	350.0	500
1951	400.0	400.0	[1] 500
1952	220.0	100.0	175
1953	100.0	100.0	100
1954	294.0	155.0	180
1955	211.0	90.0	170
1956	[2] 169.5	195.0	260
1957	214.0	170.3	414
1958	[3] 179.0	179.0	179
1959	(?)	[4] 150.0	(?)

[1] Does not reflect sec. 1214 reduction of $85.5 million.
[2] NRECA requested $169.5 million plus $250 million to $300 million contingency if the State allocation formula in the REA Act were not repealed. It was.
[3] NRECA requested $179 million provided Congress authorized an additional $200 million for current fiscal 1957. This supplemental was granted.
[4] Does not include insurance endorsements on money market loans.

Source: Compiled from official Congressional hearings and public laws.

This shows the fine attitude of Congress toward the REA loans program, whether Republican controlled or Democratic controlled.

Congressional committee members have often complimented your NRECA's officers, legislative committee and staff for their honest, able, and conservative presentations before them. I am sure they will hear us with the same confidence again and again, as long as the REA Act remains as it is.

Incidentally, if the committees of Congress think well enough of your national association to hear us out on matters affecting the program, would you not think the administration too would hear us—would want our counsel and advice—before proposing anything so drastic against us? But it has not done so. It refused to even tell us what it was about to do to us.

The administration placed Mr. Adolph Wenzell, of the First Boston Corp., right in the Bureau of the Budget to help put over the Dixon-Yates deal on TVA—the famous conflict of interest case—for his company was to help finance the deal. But the administration tries the rural electrification program in secret, convicts it in absentia, and then ambushes it.

Standing our ground on this issue calls for action—and better preparedness for action than we have yet mustered.

TRUTH WILL—MUST—TRIUMPH—STAND AGAINST THE BIG LIE PROPAGANDA CAMPAIGN

Let me turn now to a more encouraging development. A recent Federal court judgment has held that certain railroads and an advertising firm had conspired to use what the court specifically called the "technique of the big lie" designed to destroy the good will of the trucking industry, force truck transportation costs up to the public and thus destroy the long-haul trucking business.[5]

The facts in the Truckers case and those of the power company campaigns against us closely parallel each other. NRECA has been requested to consider joining with the American Public Power Association in a damage suit against the profit power companies, charging them with conspiracy under the Sherman and Clayton antitrust laws—conspiracy to use the "technique of the big lie" to destroy the good will of, so as to kill off, the consumer-owned electric cooperatives, power districts and municipal electric systems.

The National Milk Producers Federation (an association of the farmers' milk co-ops), prompted by the Truckers case decision, has already filed a similar action against the National Tax Equality Association.[6]

And, since the profit power companies have been among the largest contributors to NTEA, the milk producers have asked NRECA to join them in that suit.

It is my opinion that we cannot continue to stand our ground in a worsening climate of opinion, bought and paid for with millions of dollars extracted by the cost-plus power companies from the ratepayers—including us—unless sooner or later we take some sort of bold action designed to end the vicious propaganda attacks upon us.

However, it is doubtful whether or not—on top of all else we must do—we could join in such a suit at this time to protect our rights. It does seem a shame that we evidently don't have the resources to protect ourselves under the law.

In some other areas of government, too, I am happy to note that, as a result of your efforts, both directly and through NRECA, some public officials are taking a little note of how these propaganda campaigns are being financed. Even the propower company Federal Power Commission, under prodding from a Congressional committee, and the Internal Revenue Service, and some State commissions, have been obliged to register some objection to the power company methods of handling their expenditures for the slick magazine propaganda ads and their political activities.

The Federal Power Commission has directed that two political-propaganda type publications put out by two power companies not be charged as expense to the ratepayers. The Internal Revenue Service has prohibited a power company from deducting a number of ads from its income as a legitimate public service company business expense. The Wisconsin State Commission held flatly a few weeks ago that power company expenditures for these purposes cannot be charged to the ratepayers.

Bills were introduced in the Congress last month designed to force the Federal Power Commission and the Internal Revenue Service to do their duty and enforce already existing laws prohibiting all such practices at the ratepayers' expense.

The Congressmen are correct. Token objection to such practices is not enough. Either there must be stronger laws and better enforcement of them or the electric energy monopoly—the privately owned cost-plus Power Trust—will soon control the Government itself—more than it does already.

STAND FOR THE FEDERAL WHOLESALE POWER PROJECTS

Over 400 of our approximately 900 operating rural electric systems depend on the Federal multipurpose river projects for all or part of their wholesale power supply. But many of them are having to purchase an increasingly high percentage of their

[4] *Reddy Kilowatt, Inc.* v. *National Rural Electric Cooperative Assn., et al;* District Court 142, Federal Supplement, 851–June 15, 1956; Court of Appeals, 4th Circuit, 240, Federal Supplement, 282–January 7, 1957.

[5] Opinion, *Noer Motor Freight, Inc. et al.,* v. *Eastern Railroad Presidents Conference, et al.,* U. S. District Court for the Eastern District of Pennsylvania.

[6] *National Milk Producers Federation, et al.* v. *National Tax Equality Association, et al.,* U. S. District Court for the District of Columbia.

supply from other sources. This is due to the simple fact that construction of Federal wholesale power projects has been practically stopped except for completion of those begun in prior years.

We have prepared figures (table II) showing that annual investments in these Federal projects have fallen from about $681 million in fiscal 1952 to about $341 million in fiscal 1958.

TABLE II.—*Federal investment for power and related development,[1] fiscal 1952–59*

[In millions]

Type	1952	1953	1954	1955	1956	1957	1958 estimate	1959 estimate
Multipurpose dams and reservoirs with hydroelectric power facilities:								
TVA	$32.2	$22.8	$8.1	$6.0	$2.0			
Bureau of Reclamation	75.4	70.5	54.1	33.1	24.5	$36.8	$59.8	$84.8
Corps of Engineers	287.0	332.9	271.1	241.1	177.1	170.0	133.5	145.8
International Boundary and Water Commission	8.0	13.8	5.9	1.4	.8	.1	1.3	
Total, multipurpose facilities	402.6	440.0	339.2	281.6	204.4	206.9	194.6	230.6
Steam-electric powerplants, TVA	147.7	152.2	238.4	181.6	44.3	49.2	90.3	115.8
Power transmission facilities:								
TVA	42.1	33.5	47.5	27.9	14.5	24.8	24.0	32.8
Bureau of Reclamation	34.4	28.0	25.0	16.1	14.7	6.9	7.8	10.3
Bonneville Power Administration	50.8	53.4	41.7	33.3	27.7	27.2	24.3	22.0
Southeastern Power Administration	.1	.4	[2]		[2]			
Southwestern Power Administration	3.2	2.9	2.8	.6	.2	.4	.9	.6
Total, power-transmission facilities	130.6	118.2	117.0	77.9	57.1	59.3	57.0	65.7
Total	680.9	710.4	694.6	541.1	305.8	315.4	341.9	412.1

[1] Nonconstruction costs excluded.
[2] Less than $50,000.

Source: The Budget of the U. S. Government for Fiscal Years 1954–59.

We have also prepared a chart showing the extent of this stoppage (chart I, not printed). It shows that the amount being invested annually in these programs is now down to about 50 percent of what it was in 1953.

Now the President asks for total stoppage of new projects—no new projects in 1959, he says in his budget message. It's the old story: Monopoly, operating through Government, uses every emergency—even this sputnik emergency—to kill off or slow down whatever it doesn't like.

There is a completely new campaign on now to convince the people that there is no relation whatever between the Federal wholesale power projects and rural electrification. This campaign is being pushed even in the very States where many of the co-ops and power districts have no other source of supply, as in South Dakota, Nebraska, Wyoming, Colorado, and Arizona. How stupid do they think the people are anyway?

CURIOUS CONTRASTS

Yes, the administration proposes that the rural electric co-ops do their own financing, but in the same breath they oppose workable legislation to enable TVA to do its own financing. We have taken an opposite view on both issues. The differences are that the administration knows TVA could do its own financing, and we cannot.

The administration is now in the process of changing the cost allocations in the dams and charging the bulk of the cost to power in order to raise the wholesale rates to us, while at the same time opposing legislation to establish an equitable formula and including a charge for recreation benefits.

The administration tells the rural electrics to go out and get our own financing, including that needed to generate our own power where necessary, and in the same breath it raises its Southwestern Power Administration wholesale rates to us 27 percent—and doesn't raise them any to an aluminum company and to the power companies of the SPA area.

(You know, I sometimes wish we had the money and could make campaign contributions, ourselves.)

And the administration tells us to go to Wall Street money market for help, while it gives away to the Wall Street controlled Power Trust the best remaining sources of low-cost power in America—including Hells Canyon.

The President vetoes the omnibus flood-control bill containing many self-supporting, wealth-creating multipurpose projects, which our people worked for very hard, while at the same time he encourages FPC to give the best remaining low-cost hydroelectric sites to our enemies.

Our country's conservation program through Federal multipurpose development is on the way out—unless it just happens that those responsible for stopping it are on the way out.

The administration also brings White House pressure to keep Congress from passing a decent atomic energy development bill, while it helps turn the atomic program over to giant power company combines and while it delays years on end letting our three co-ops in Alaska, Michigan, and Minnesota get started with their atomic reactors. The administration stagnates the program generally while the Russians and the British and probably others surge ahead of the United States in this area, we believe.

ACTIVE DUTY FOR MINUTEMEN

Up to this point, I have talked mainly of our problems in terms of the drive being put on by our enemies to crush us in a pincer's movement between lack of finances and lack of power supply. But the issue is far broader, involving a pincer's movement against the entire American people—a pincer's movement designed to catch their vital power supply in a vice of a gigantic private-power monopoly.

As that great humanitarian, conservationist, and friend of the people, Gov. Gifford Pinchot, prophetically pointed out in 1925:

"It is almost impossible to imagine the force and intimacy with which such a monopoly (the private-power monopoly) will touch and affect for good or evil, the life of every citizen * * *. Nothing like this gigantic monopoly has ever appeared in the history of the world. Nothing has ever been imagined before that even remotely approaches it in the thoroughgoing intimate, unceasing control it may exercise over the daily life of every human being within the web of its wires. It is immeasurably the greatest industrial fact of our times. If not controlled, it will be a plague without previous example. If effectively controlled in the public interest it can be made incomparably the greatest material blessing in human history."[1]

You, the regular militia of our program, and the Rural Electric Minutemen of America, have a duty to perform—a duty which naturally includes but also transcends the preservation of your own rural electric cooperatives and power districts as we know them. For it is you—and you alone—who stand in the front ranks of the battle—and it is you alone who will determine whether or not the electric power industry can be effectively controlled in the public interest and made to provide for us the greatest material blessing in human history.

TELL YOU WHAT I THINK

Well now, I'm going to tell you what I think can yet be done—this year. I think the American people are beginning to wake up—a little—particularly in the areas most affected by these retrogressions. I think that if we will double our own efforts—and I think we must in order to hold our own—then, this year—

1. Congress will authorize adequate loan funds for us under the present REA Act;

2. Congress will keep REA as is and will not force us into the money market for funds we can't get or at rates we can't afford to pay—not this year;

3. Congress will begin consideration of legislation designed to end the big-lie technique conspiracies of public-service-for-profit monopolies.

4. Congress will pass a workable TVA financing bill;

5. Congress will pass an equitable cost-allocation bill for the multiple-purpose projects;

6. Congress will pass the Federal Hells Canyon bill—if we double our efforts, I say;

7. Congress will pass the omnibus multipurpose projects bill; and

8. Congress might even decide it's about time to force through a real atomic energy program. It might even prevail upon AEC to let our three co-ops go ahead with their long-planned reactors—that is, if AEC Chairman Strauss can be persuaded that Congress is about as big as he is.

THE FIGHT IS ON

Whether we like it or not—and we don't—the fight is on. The battlelines are drawn. The first shot has been fired. Pearl Harbor, yea, even our mainland has been attacked. What are we going to do about it?

The enemy has legions of forces; they have reams and reams of propaganda rolling off the presses in the slick magazines. They have an army of lobbyists calling on your Congressmen right now. They have their war chests filled to overflowing. They can call on the power monopolists for new recruits to fill the battle ranks and any amount of money to supply them with rockets and missiles to back up their attack upon us. How can we meet such an attack? All of us agree, I am sure, that the way to meet an attack is with an attack of our own.

Some may say the odds are too great, that our chances are hopeless against these rich and greedy cost-plus octopuses aided and abetted by the administration in Washington. But what chances did the minutemen, the embattled farmers of yesteryear, have? How could our pioneer forefathers, without unified leadership, without arms, without supplies, hope to be victorious against a mother country known for her military prowess?

[1] Report of the Giant Power Survey Board to the General Assembly of the Commonwealth of Pennsylvania, p. xi.

Yes, their prospect of victory was only a hope. But their cause was just—they had determination, and they had God and right on their side—and this proved to be an unbeatable combination.

You stand, today, embattled farmers like our forefathers. Again our cause is right. God is on our side—the people's side. What, then, must we do to win? The answer is, Do what our forefathers did—throw ourselves and our resources into this fight. Nothing short of this will win.

The national, the regional, the State associations, the minutemen, the individual cooperatives, and their consumer members will have to mobilize immediately for all-out war. This will take personal sacrifices and a lot of time and money.

By your policies you have directed us in your national office to assume leadership in this fight, but to do it effectively we must have your full support. Not only will we need you to come to Washington to join ranks with us in our battle on Capitol Hill, but we will need more funds to wage this all-out battle. Our enemies are doubling their efforts—we must more than double ours. You can afford to do this because you can't afford not to do it.

To accomplish what we must, I believe you will agree, your dues to the national must be increased. In terms of what your dues will buy, you have barely increased your dues support in recent years. There was some increase when the dues formula was adjusted at Atlantic City. There was some loss when it was adjusted at St. Louis. Old Man Inflation has just about eaten up the small net increase from these dues adjustments, so we are back where we were several years ago. We can't go forward and wage the fight you demand of us without more help from you.

Many times you have heard me say we run a good shop in your national office. We do—considering the nature and amount of work we do and the funds we have to do it with—but 1957 was not our best year. There is a point below which any service will begin to break down if inadequately financed. We operated below that point throughout 1957.

By the skin of our teeth we operated within our very tight and inadequate budget during calendar 1957. Still we operated in the red—for the first time in our history—for the 1957 budget included $34,000 of surplus from 1956. We operated at about $10,000 under the budget ceiling, but we had an operating deficit—i. e., income less expenditures—of about $24,000. Meanwhile, the pressures mount every month.

And right here, I want to pay the highest tribute of which my vocabulary is capable to the NRECA board of directors, its executive committee, its regular and special office study committees, its other board committees, and its officers for their able, conscientious and devoted service in your behalf. I believe they truly represent you—that they are statesmen second to none in our great country. I only wish you could know, as I know, how much time, effort and concern they have devoted to trying to solve your budget problems. They have been a great help to us of the staff on this and all other problems we face. They have demanded, and I believe they have obtained, many dollars worth of services for every dollar of cost. But even they cannot perform miracles.

Your national's services are in great need of some of the best talent that you can develop—and some of that talent would like to come into your Washington office right now—but we can't get them at the salaries NRECA can pay out of its present income. Several of your top people to whom we have offered jobs have turned us down. I do not mean to imply that we do not have able and dedicated people on the staff. We do, but we need more if we are to help you succeed in standing the redcoats off.

NRECA HAS ONLY SECONDARY INCOME

NRECA, for general purposes, has no primary income. It has only secondary income—dues income.

The exception to this is the services which are wholly or partially self-supporting. Much of our income is from charges for such services. But this income cannot help the general situation because any surplus they have left must go into a reserve for the specific service or be returned to the systems. For instance, we returned over $57,000 in safety funds to the statewide associations last year, based on their participation in the Employers Mutuals insurance programs. But our retirement and insurance services, our management institutes, and the other self-supporting services cannot be required to help our woefully restricted legislative and public relations services.

Nearly half of your association's income now is from self-supporting services. About one-third of the employees are supported by payments for specific services. The board and staff have done the best we could to put just as much as possible of our services on a fee basis. But, although our legislative work may be many times self-supporting—I think it is—still there is no way to measure it or to charge for it. The same is true of our public relations, of meetings and of other services.

WE STRETCH YOUR DUES DIMES

Let me summarize some of the lengths we go to in your national office to stretch your dues dimes just as far as possible.

We pay smaller salaries than we should to attract and hold the talent we need.

We do without equipment we need.

We do without personnel we need—administrative personnel, public relations personnel, legislative personnel, research personnel, clerical and other.

Some of us work constantly under pressure and far longer hours than can be good for the program, or for us personally.

We constantly decline invitations to speak before your State and local meetings—and before other organizations where we could tell the rural electrification story.

We have to refrain from complying with requests for other national services which we know would help you and maybe save you money—just because we know we don't have the time or budget to help you with them.

Members of Congress and Congressional committees constantly call on us for services we cannot render.

We have been able to spend very little time telling our story to other groups and to the general public.

All of this is not good.

Let me ask you something as man to man. Do you think the program in the aggregate could afford to invest as much dues annually in its national's services as it does to send its delegates to this national meeting? You figure it up. There are more than 5,000 of you here.

I am just not as good a salesman as the boy in the grocery store. His dad said to him one Saturday, "Son, I'm afraid I have bought too many dressed chickens. (This was before the day of the store freezers.) If you will sell every chicken in that barrel by closing time I'll give you a nice bonus." The boy really dug in and long before closing time he had sold all but one—a little undersized one. No one wanted it. Finally it occurred to the boy he could cut the price, make up the difference himself and still be ahead. Just before closing time a little old lady came in and asked for a chicken. He proudly held it up. She asked, "How much?"

"Only 50 cents," he replied.

"No," she said, "It's too small."

But the boy was not about to lose that bonus. He quickly put the chicken back in the barrel, stirred it around a few times and came up with it again. "How about this one?" he asked.

"How much is it?"

"Ninety cents."

"O. K.," she said, "I'll take 'em both."

When Emerson wrote that, "Here once the embattled farmers stood and fired the shot heard round the world," he wasn't writing just of them. He was writing of all those other pioneers who dared to fight and stick it out; of Travis and his men at the Alamo; of the widowed mother on the western plains before statehood; of the little old man—I can see him yet—I mentioned him at Miami—he's gone now—carrying the petition afoot, down the muddy road getting signers for electric lights; of you who will do your duty here as you see it, as you have done it a hundred times before and will do it again; of our new Minutemen, who, under your leadership, will help recapture some of the spirit of Lexington—for they, too, and you and I will do what we must to stand our ground. Of that I am confident, for we have been fired upon.

OBSERVANCE OF FINNISH KALEWALA DAY

Mr. HUMPHREY. Mr. President, it is a pleasure for me to mark today an anniversary dear to the people of Finland. We in America like to think the Finns who left their home country to come to the United States found here their Kalewala, a land of happiness and abundance.

In observing Kalewala day, we can reflect with pride on the contributions our great Nation has received from the sturdy, independent people of Finland. I am pleased that so many Finns were attracted to the State of Minnesota. We must encourage more to come to the United States by enlarging the immigration quota for Finland. The quota is now much too small.

All over the world there was mourning last year at the death of the great Finnish composer, Jan Sibelius. His music speaks an international language.

I think all Americans, no matter what their background, can join with us today in celebrating this traditional holiday of the people of Finland.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

PREPARATIONS FOR SUMMIT CONFERENCE ON DISARMAMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's New York Times, commenting on the significance of the latest Soviet note on preparations for a summit conference. This note indicates that the Soviet Union has at least partially reversed its previous rigid position. The new Soviet attitude goes far toward fulfilling a prediction I made here in the Senate just a month ago. At that time I said:

Make no mistake about it, Mr. President, the Soviet Union will come back to the conference table for disarmament discussions.

I also added that—

We must be prepared for that day and that hour.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONCESSION FROM MOSCOW

As Moscow undoubtedly expected and hoped, the latest Soviet note with regard to preparations for a possible summit conference has been well received in much of the Western World. Though this note has not yet been made public, what is known of its contents appears to suggest that it departs somewhat from the rather rigid attitude shown in Premier Bulganin's last letter to President Eisenhower and in Mr. Khrushchev's Minsk pronouncement on foreign policy. In particular, Moscow seems partially to have reversed itself and agreed to a meeting of foreign ministers. This meeting would be limited, however, to procedural problems, such as the questions of the attendance and agenda at a summit meeting.

First reactions from Washington, Paris, and London suggested that many officials in the Western World believe the new Soviet attitude with regard to the foreign ministers' conference is a step forward toward a summit meeting. It is one of the advantages of normal Soviet rigidity that any move which seems to represent a Moscow concession tends to be given a value greater than it properly deserves, especially by officials who have wearied themselves previously by pitting their efforts against an unyielding Soviet line. This is not to say that the Soviet move now is not to be welcomed, at least cautiously, but rather that the degree of welcome given it should be judged on the basis of the real rather than apparent importance of the Soviet concession. The United States, it may be recalled, had earlier sought to meet Soviet wishes by dropping its insistence upon a foriegn ministers' meeting as a prerequisite for a summit conference.

With this in mind, it must be noted that the Soviet agreement to a foreign minister's meeting, so far as is now known, goes only a small part of the way toward meeting the basic United States conception of the preparatory work required before a summit meeting. Our conception has been that a summit meeting is justified only if there is good reason to suppose beforehand that it is likely to result in agreements which will reduce world tension. Such expectation of summit agreements, we have believed, can come only from preliminary diplomatic negotiation on substantive questions, negotiations which could be carried out through normal ambassadorial channels or at a foreign ministers' meeting. It is this agreement for discussion on substantive, rather than procedural, issues at a foreign ministers' meeting that is missing in what is known so far about the extent of Moscow's latest concession.

In the present situation it may be useful to note why the United States insists upon preliminary negotiations which can reveal whether there is hope for agreement at a summit conference. A determining reason is that at a summit conference the Western negotiators suffer from somewhat the same disadvantage vis-a-vis the Soviet representatives as would poker players who have to place their cards face up while their opponents kept their cards hidden. Western negotiators at a summit meeting would have to operate under the pressure of informed public opinion, much of which—particularly in Western Europe—would regard the very fact of such a meeting as virtually assuring progress toward peace and would be greatly disappointed if no agreements were reached. Soviet negotiators, on the other hand, control their public opinion through the Communist Party's monopoly over all that is printed or broadcast in their country.

The Soviet rulers realize the West's disadvantage in this respect. That realization is why they have been trying to get the West's leaders to sit down with them, without any preliminary commitments on substantive issues. But that same realization is what makes us, or should make us, so cautious about knowing beforehand what attitudes we are likely to encounter if President Eisenhower sits down with Mr. Khrushchev.

That we are interested in holding a summit meeting that will produce important agreements aiding the cause of world peace has always been clear and should even be clearer now. But we are not interested in summit meetings that would merely be forums for Communist propaganda. The experience of Geneva in 1955 taught us much about the disappointments that can come from unduly high hopes and inadequate preparation before a summit meeting. The Soviet Union, if it really wishes to contribute to world peace, should make plain more clearly than it has yet done that it is willing to reach substantive agreements on the key issues of our time. For this more than a procedural conference of the foreign ministers is required.

Mr. HUMPHREY. Mr. President, it is my feeling that the Soviet is taking well-measured, carefully predetermined steps, with a sensitivity as to the propaganda value of those steps, to return to the conference table on the subject of disarmament negotiations. I am only hopeful that our country will realize that these developments have worldwide repercussions. The world is watching to see how we react. I am hopeful that today, as the President of the United States receives the Soviet Ambassador, the President will make it unequivocally clear that the United States of America has always been an advocate of a just and enduring peace; and that the United States of America has always sought the opportunity to negotiate the many difficult political and military problems between the East and the West.

I hope the President of the United States will remind the Soviet Ambassador of the many political problems which still remain unsettled as a result of commitments made by the Soviet Union in the period during World War II and the period immediately thereafter.

Furthermore, I hope the President and his Secretary of State will make it quite clear that we are prepared to discuss disarmament matters piece by piece, item by item, and that what we seek is not some form of universal acceptance of a grandiose, comprehensive package, knowing full well that that may well nigh be impossible.

But what we really seek are beginnings—the beginnings of an effective international inspection system that will make sure that both the United States of America and the Soviet Union can proceed in disarmament negotiations, with the full assurance that whatever is agreed upon can be inspected, as to the fulfillment of the arrangements which may be finally decided upon as being the controlling mechanism in a disarmament proposal.

The most important thing that can be settled on the part of leaders of nations in the field of disarmament is a determination to make a start on some substantial proposal which leads toward inspection under the auspices, direction, and supervision of the United Nations.

The world looks to a resumption of negotiations between the western nations and the Soviet Union because it feels so acutely the necessity of making some opening breach in the problem of disarmament. This is indeed urgent. The problem of disarmament must be approached, however, within the framework of other grave political questions that trouble relations between the Communist bloc and the Free World. In any meeting with the Soviet Union serious consideration should be given to include on the agenda not only disarmament, but also the two central problems disturbing European peace today, namely, the reunification of Germany and the future of the East European captive countries, as well as the question of restoring amicable relations in the Middle East.

Political problems are always a part of any type of international conference. Although the conference will undoubtedly concentrate its attention primarily on disarmament, it must at all times take into consideration the fact that the underlying problem in the world is a political one, of which the armaments race is but symbolic.

In addition, it is necessary to clear away the cloud of misunderstanding between Moscow and the West and to create conditions of trust and mutual confidence as a basis for sound relations in the future.

I suggest that one of the reasons for much of the trouble and much of the apprehension today is the continuous use of invective and language which is belligerent in tone and aggressive in implication. If the language between the nations and between the spokesmen of the nations could but be made more reasonable, it seems to me that even that could have some bearings upon building an environment which would be more conducive to fruitful negotiations and eventual understanding.

I also believe that negotiations with the Kremlin should include the question of widening the exchange of personnel, between the United States and the Soviet Union, which have already been formally agreed upon. I think that in order to obtain maximum results these exchanges should range high up the ladder of political and other leaders in both countries.

Finally, I hope that in the discussions which take place between ourselves and our allies, and between the United States and the Soviet Union itself, we in America will always exude a spirit of confidence, without arrogance; that we will always exude a spirit of faith, without pride.

We have great strength. We have a good and substantial case before the world of public opinion. There is no reason why the United States should be fearful of negotiations, particularly if we know what we seek, and if we send to those negotiations the finest talent our society is capable of producing.

I, for one, am unwilling to accept the proposition that in all the conferences,

whether they be at the intermediate level or at the summit level, the United States and our allies must come out second best. If we do, it is our own fault. We need not. We have the strongest case. We are the most powerful Nation on the face of the earth. We have the strongest allies. I remind the Senate that the Soviet Union has no allies; it has satellites, and most of those satellites are living for the day when they can strike a blow for their freedom and literally stick a dagger into the political back of the Soviet Union.

We have allies—allies who on occasion disagree with us, but allies who at all times are willing to work with us in building strength for freedom and in negotiating for peace.

We have a decided advantage. What we need to do is to coordinate the policies of the United States and its allies; we need to coordinate our activities and our statements, and, finally, arrive at a set of objectives which we will pursue in negotiations. We must be wary lest the Soviet Union talk to one country at a time separately from the group of nations, or separately from the NATO alliance.

Of all things that are needed today, the first is that the NATO alliance have political solidarity, and leadership from the United States. I believe that leadership can be assured if we will but take the lead. It will not come about if we permit the Soviet Union to fire one literary missile after another at us. We need to move with a sense of direction and a sense of purpose, and we must recognize that in this great contest called the cold war there are those intangible assets of world public opinion and world understanding and world good will which may well be the deciding factors in the ultimate outcome of the struggle.

Mr. President, I suggest the absence of a quorum.

Mr. COOPER. Mr. President, will the Senator withhold his suggestion for the moment, and yield to me?

Mr. HUMPHREY. I withhold it. Of course, I yield to the Senator from Kentucky.

Mr. COOPER. I am aware of the consistent interest of the Senator from Minnesota in the question of disarmament, and also of his hopes of fruitful negotiation with the Soviet Union.

I am sure the Senator does not intend to leave any impression that the President and the Secretary of State have not sought earnestly for a settlement of the questions which divide the Soviet Union and this country and its allies. The Soviet Union has made it manifestly clear, again only recently, that it intends to maintain the status quo of such issues, as Germany; that it does not intend to change its position upon the questions which we tried to negotiate at the last summit conference.

I am sure the Senator did not mean to leave the impression that there has been some fault on the part of the United States because it has not been able to reach a solution of any of those questions.

So far as disarmament is concerned, all of us recall that the Soviet Union walked out of the last disarmament negotiations; that they never offered anything more than an agreement between this country and the Soviet Union on the cessation of atomic tests, without inspection; and the negotiation of a so-called treaty of friendship. So far, there has not been any change in their position; while we have from time to time advanced new proposals.

I remember that a short time ago the distinguished Senator from Minnesota, with good spirit and hopefulness, said he believed the Soviet Union would come back with a new proposal. I call attention to the fact that the Soviet Union has returned halfway toward the proposal Mr. Dulles and the President had made that the foreign ministers and Mr. Dulles should meet and discuss and reach some agreement, that would give promise of negotiation, rather than entering a propaganda meeting. I know that all of us are anxious that progress be made toward actual disarmament and just settlement of political issues, but I believe it is harmful to give the impression that we have not continuously taken steps and made efforts toward negotiation.

Mr. HUMPHREY. I thank the Senator from Kentucky. I should like to clarify my statement to the effect that if there is any doubt——

Mr. COOPER. I know the Senator's position.

Mr. HUMPHREY. I wish to clarify and make manifestly clear one point at least. I said yesterday on a television-radio show that the foreign ministers conference was our idea, not that of the Soviet Union. What I want our Government to do is to say so, and let the world know that we have always been ready to meet and negotiate, and that it was we who suggested an orderly procedure. I thoroughly favor an orderly procedure, and I believe an agenda should be prepared containing certain items, as has been suggested by the President and the Secretary of State.

My other point was simply this: As I said at the beginning of my remarks, we are a nation that seeks peace. We have always sought peace. We want the world to know that we want peace—not a peace of appeasement, but a just peace. All I am saying is that the United States should make its case manifestly clear, so that the world will know what our position is. We know the difficulty of dealing with the Soviet Union. It is hardly necessary for me to reiterate it at this time. We know its record of intransigence, its record of opposition, its record of duplicity. Nevertheless we must seek to find reasonable alternatives and reasonable suggestions which we can offer without in any way jeopardizing our security.

One of them, I thought, as has been indicated here, might be the banning of tests, with inspection. But I repeat my emphasis upon the inspection item, because I think, as the Senator from Kentucky [Mr. COOPER] has expressed himself so ably and conscientiously on other occasions, inspection is the heart and core of any valid and effective disarmament proposal. Even then, we know it involves some risk.

I thank the Senator from Kentucky, whom I consider to be a very able and devoted servant to the cause of international relations which are constructive and dedicated to peace and to the welfare of mankind.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. KUCHEL. I appreciate the comments which the Senator from Minnesota has made. Two or three weeks ago I had occasion to speak at a meeting in which I tried to discuss, as I had read them, some of the comments of American scientists concerning the difficulties involved in fashioning a sound inspection plan.

One of the great American physicists today is Dr. Edward Teller. In Foreign Affairs Quarterly for January, he said that, in his judgment, it was almost impossible to have a foolproof inspection system under the original open-skies proposal which had been submitted.

It seems to me as a layman, and as a member of the legislative branch of the Government, that the problem of fashioning a foolproof inspection system must encompass extremely difficult considerations, which is all the more reason why time to prepare such a system must be an essential.

Mr. HUMPHREY. I thoroughly agree with the Senator that the problem of an effective inspection system is always a very serious one and that it must be carefully considered. In fact, when we have had our hearings on the whole subject matter of disarmament, this question has been emphasized. I do not suppose that there is any such thing as a foolproof system. I believe there are always some risks entailed. I have tried to minimize the risks.

Mr. KUCHEL. That is what I intended.

Mr. HUMPHREY. I am certain the Senator intended that. I wanted to clarify the issue.

The testimony we have had from Admiral Strauss, the testimony of Jules Moch, the great French weapons expert, and the recent testimony of the former adviser on disarmament, Mr. Harold Stassen, who has had much experience in this field, indicates that we are now at the point where, at least so far as the banning of nuclear tests is concerned, a test inspection system could be perfected which would afford us sufficient security to justify whatever risk was involved. I am certain that in all the proposals some risk is involved. I am positively certain of it. But I think the risk is less than the political liability in doing nothing, with, consequently, the allout risk of an arms race which seems to have no letup and no place to go except oblivion.

I thank the Senator from California [Mr. KUCHEL], who has again and again demonstrated his keen and constructive interest in problems relating to the national security, foreign policy, and, in particular, disarmament. It is no secret that he has spoken to me many times, has studied the committee reports, and has been a constructive observer and

participant in these discussions. I thank him.

Mr. KUCHEL. I thank my able friend from Minnesota.

CONFIRMATION OF NOMINATION OF JULIUS H. MINER TO BE UNITED STATES DISTRICT JUDGE

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Chicago Daily News of February 26, 1958, concerning the confirmation of the nomination of the Honorable Julius H. Miner to be a judge of the United States district court.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW UNITED STATES JUDGE

The Senate yesterday confirmed the appointment of Julius H. Miner as a judge of the United States district court.

Judge Miner is an able and experienced trial judge, with long service on the Circuit Court of Cook County. We predict for him a distinguished career on the Federal bench.

Judge Miner's popularity among lawyers was demonstrated when he ran unsuccessfully against Walter Schaefer for a place on the Illinois Supreme Court. A majority in a bar poll preferred Miner.

A scholar in the law, Judge Miner has worked with indefatigable energy and great resourcefulness for a variety of reforms in judicial procedure. His most notable success in this field came when he persuaded the legislature to provide a cooling-off period in divorce actions before final filing, except in cases where the court finds an emergency.

Judge Miner's elevation to the Federal bench may endanger the future of this reform. A good many of his colleagues on the bench are disposed to find an emergency in almost every case. With the law's original sponsor removed from the jurisdiction, this statute may fall further into disuse.

Senator DIRKSEN'S nomination of Judge Miner is testimony that wise politicians do not cherish grudges forever. When DIRKSEN first ran for the Senate in 1950, Judge Miner tried unsuccessfully to persuade Franklin Bliss Snyder to be a candidate for the express purpose of blocking DIRKSEN'S ambition.

If he ever felt any resentment over this, Senator DIRKSEN forgot it by 1957.

Judge Miner's service on the bench has won him much praise and has incurred little criticism. Off the bench, he has sometimes been more active in political management than is strictly desirable in a judge. This kind of activity would be even less seemly on the part of a Federal judge than in a circuit judge of Cook County, and we hope that Judge Miner will now forego it entirely.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it stand in adjournment until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR TUESDAY

Mr. JOHNSON of Texas. Mr. President, I announce that tomorrow is the anniversary of the inauguration as President of Theodore Roosevelt and Franklin D. Roosevelt. I have notified interested Senators; and I expect that on tomorrow there will be a series of addresses regarding the outstanding public service of those two great men. I should like to have the RECORD show that we anticipate that a portion of the time during the session tomorrow will be used in that way.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor.

AMENDMENT OF THE AGRICULTURAL TRADE AND ASSISTANCE ACT OF 1954, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I should like to inquire of my friend, the distinguished chairman of the Committee on Agriculture and Forestry, whether he is prepared to have the Senate proceed today to the consideration of Calendar No. 1343, Senate bill 3039, amending the Agricultural Trade and Assistance Act of 1954, as amended.

Mr. ELLENDER. Mr. President, when the bill was reported, there was an agreement that it would not be taken up by the Senate until the committee had a chance to study further the amendments submitted by the Senator from Minnesota [Mr. HUMPHREY].

The committee will meet on Wednesday, at which time it may or may not make recommendations regarding the amendments of the Senator from Minnesota. Thereafter, the committee will be ready to have the Senate consider the bill.

Mr. JOHNSON of Texas. I thank the Senator from Louisiana.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

EXTENSION OF ARMED FORCES DAIRY PRODUCTS PROGRAM

Mr. JOHNSON of Texas. Mr. President, I understand that the chairman of the Committee on Agriculture and Forestry, the distinguished senior Senator from Louisiana [Mr. ELLENDER], is very much interested in Calendar No. 1338 and Calendar No. 1339, being, respectively, Senate bill 3341, to extend the Armed Forces dairy products program for 3 years; and Senate bill 3342, to continue the special milk program for children.

Let me ask whether he is prepared to have the Senate proceed at this time to the consideration of those bills.

Mr. ELLENDER. Yes; I am.

Mr. PROXMIRE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1338, Senate bill 3341.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3341) to extend the Armed Forces dairy products program for 3 years.

Mr. PROXMIRE. Mr. President, if the distinguished chairman of the Committee on Agriculture and Forestry will state the purpose of the bill, thereafter I should like to comment on it.

Mr. ELLENDER. Mr. President, the bill was reported unanimously by the Committee on Agriculture and Forestry.

The bill simply extends the present law; it will make dairy products available for the Armed Forces for a period of 3 years, that is to say, until December 31, 1961. Also, it will extend the benefits of the program to the Coast Guard and to the Merchant Marine Academy in the manner provided by Senate bill 1696, which passed the Senate on August 5, 1957, and is now before the House of Representatives.

The Senate may recall that when the law was originally prepared and passed, its provisions did not apply to the Coast Guard or to the Merchant Marine Academy. Some time ago the Senate passed a bill to include those two services, but that bill is still before the House of Representatives.

Therefore, the committee voted to include in the extension bill, which is now before the Senate, provision for the Merchant Marine Academy and the Coast Guard.

The authority for the program is contained in section 202 of the Agricultural Act of 1949, which requires the Commodity Credit Corporation to make dairy products acquired through price-support operations available to, first, the Administrator of Veterans' Affairs to supplement the ration in VA hospitals; and, second, the Secretary of the Army to supplement the ration of the Army, Navy, and Air Force and the ration of Defense Department hospitals. As it would be amended by the bill, it would similarly provide for supplementing the ration of the Coast Guard and the Merchant Marine Academy. Section 202 expires December 31, 1958. The bill would extend it to December 31, 1961.

I may point out, Mr. President, that although the program started only a few years ago it is making it possible for us to dispose of much of our surplus milk. When the program reaches its maximum operating level, say next year, it is expected that the amount of payments made under it for supplemental fluid milk will be running about $25 million a year. I wish to emphasize the program is designed only to supplement the rations now received by the armed services and the Coast Guard.

Mr. President, I ask unanimous consent to have printed in the RECORD letters from the Department of Agriculture and from the Treasury Department dated July 2, 1957. Both Departments have recommended extending the benefits of the program to additional services. The Secretary of Agriculture recommended extension of the program for an additional 2 years on January 17 of this year.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 2, 1957.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This replies to your request of March 26 for a report on S. 1696, a bill to amend the Agricultural Act of 1949 to provide for furnishing the Coast Guard Academy and the United States Merchant Marine Academy with surplus dairy products. The bill would amend section 202 of the Agricultural Act of 1949, as amended, to make cadets and midshipmen at, and other personnel assigned to, the Coast Guard Academy and the United States Merchant Marine Academy eligible to receive dairy products that are made available by Commodity Credit Corporation to the Secretary of the Army for increased use by the military agencies.

The Department recommends enactment of the bill.

The quantities of dairy products acquired by CCC under the dairy support program have exceeded the quantities that could be sold by CCC in available market outlets. It has been possible to reduce the CCC inventory only by donating substantial quantities for increased use by military personnel and veterans hospital patients and for domestic and foreign school lunch and welfare uses.

By increasing the number of persons eligible to receive and to increase their consumption of milk and its products pursuant to section 202 of the Agricultural Act of 1949, as amended, the proposed bill will aid in increasing total consumption and in keeping down CCC's inventory of dairy products acquired under the milk and butterfat price support program.

Your attention is invited to a technical inaccuracy in the bill. The "and (3) * * *" phrase should be inserted before the period at the end of the first sentence of subsection (b) rather than at the end of the subsection. This may be accomplished by inserting in line 7 after the word "end" the phrase "of the first sentence."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE.

TREASURY DEPARTMENT,
Washington, D. C., July 2, 1957.

Hon. ALLEN J ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to S. 1696, to amend the Agricultural Act of 1949 to provide for furnishing the Coast Guard Academy and the United States Merchant Marine Academy with surplus dairy products, which has been referred to your committee.

The purpose of the bill is to amend section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a), so as to authorize cadets and midshipmen at, and other personnel assigned to the Coast Guard Academy and United States Merchant Marine Academy to receive additional dairy products as a part of their ration. This program is now in effect with respect to military members of the Army, Navy, and Air Force, and to hospitals under the Veterans' Administration.

The interest of the Treasury Department in the bill is limited to the effect of its enactment on the Coast Guard.

Since all military members of the other Armed Forces are included in section 202, it is recommended that the bill be amended so as to extend the benefits of the section to all military members of the Coast Guard.

The Treasury Department would have no objection to the enactment of S. 1696 with the recommended amendment.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

DAVID W. KENDALL,
Acting Secretary of the Treasury.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Louisiana recalls, does he not, that previous to 1954 Senators received hundreds of complaints from boys in the service that they could not get milk with their meals? They could use milk on their cereals and go without milk to drink, or they could drink the milk and have their cereals dry.

We tried for some time to get the armed services interested in giving boys in the services more milk. We did not get too far with that effort until we finally reached a decision whereby the Commodity Credit Corporation would stand for half the cost of the extra amount of milk for boys in the services to use. That half amounted to about $16 million last year. Actually, that cost should be charged to the armed services, because the milk was primarily furnished to the armed services so they could supplement Army meals with milk rations. Many, many young men in the armed services were so desirous of getting milk with their meals that they constantly wrote Members of Congress requesting that some action be taken. I think the solution reached was a good one. I do not like the idea of charging $16 million to farm-price supports, but I would rather have it charged to that than not have the armed services obtain the milk. For many years it has been popular to charge certain costs to the farm program, because it seemed the easiest way to do it.

I think we acted wisely in this case, but certainly the program should be continued for the next 3 years. So far as I know, there is no opposition on the part of anyone.

Mr. ELLENDER. Mr. President, I may point out that, in addition to the large amount of fluid milk which was consumed by the Armed Forces, 23 million pounds of butter and 2 million pounds of cheese were disposed of in calendar year 1957.

Mr. AIKEN. I think those items could more properly be charged to the farm-support program. However, the cost of the fluid milk should not be; but it is, and it looks like it is going to be so charged for a while.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. THYE. Referring to the bill now before the Senate, I may point out that I was one of the Members of this body who introduced similar bills in past years, for reasons stated by my colleague, the Senator from Vermont [Mr. AIKEN], and also my colleague, the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER].

Coming from a large dairy State such as Minnesota, it did not seem proper that men in the service should find it necessary to complain that they did not have all the dairy products they desired. During the years which have been mentioned, much of my mail consisted of messages from men in the armed services in Korea, Japan, the Aleutian Islands, Greenland, and Iceland, which stated that they were hungry for dairy products. As has been stated by the distinguished Senator from Vermont, if they used milk for their cereals, they had no milk to drink.

It was on that basis that I urged enactment of such legislation. I introduced a bill in this session, which has been embodied in the committee bill which has been reported and is now on the calendar. I believe that a man in the service should not be denied a glass of milk when we are blessed, as we are in this country, with an abundance of fluid milk. While a small percentage will be going into surplus, we should make every effort to see that a man in the service gets all the milk he wants, within reason, so that he may drink fluid milk or be able to use milk on his cereal or have the advantage of milk in food products prepared for him.

I am happy to see the bill being favorably considered.

Mr. ELLENDER. Enactment of the bill is bound to result in a splendid outlet for raw milk. The record shows that in fiscal 1957 a little more than $16 million was expended for milk, resulting in an increase of about 400 million pounds in the consumption of milk by military personnel. In addition, 20.7 million pounds of butter, 1.7 million pounds of cheese, and 72,000 pounds of nonfat dry milk were disposed of. That amount may not sound very large to dairy producers from States like Wisconsin and Minnesota. Yet it is a fair outlet. With an extension of the act to the Coast Guard and Merchant Marine Academy, along with the continued growth of the program, it is felt the payments for supplemental milk will probably level off at about $25 million, and the value of the manufactured products transferred will level off at about $13 million, which is quite a bit more than we provided last year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to commend the Committee on Agriculture and Forestry for providing in the bill for the inclusion of the Coast Guard and the Merchant Marine Academy. I concur wholeheartedly in the remarks made by my distinguished colleagues from Vermont and Minnesota, particularly as one who was in the Armed Forces for five years during the Second World War. I recall how often many of us wanted milk when we could not get it, and wanted butter when we could not get it. It certainly is to the great interest of the country and of the men in our Armed Forces that they have dairy food, which is the best available food.

I conclude by saying I deeply resent that the cost has been charged as a loss against the dairy farmers, when obviously, if it should be charged as a loss at all, it should be charged as a cost to the armed services and the national defense effort, in which we all also firmly and deeply believe.

I am delighted to have had the opportunity to call up the bill, and I am also proud to have had a chance to concur with my distinguished colleagues from Vermont and Minnesota in honoring the chairman of the Committee on Agriculture and Forestry for having reported the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 202 of the Agricultural Act of 1949, as amended, is amended by striking out "December 31, 1958," wherever it appears and substituting therefor "December 31, 1961."

SEC. 2. Section 202 (b) of such act is further amended by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)" and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy."

CONTINUATION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. PROXMIRE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1339, S. 3342.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3342) to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, this bill simply provides for the extension of the special school milk program to June 30, 1961. There are no other changes proposed in the program under the bill.

The present authority for the special school milk program which is contained in section 201 (c) of the Agricultural Act of 1949, will expire June 30, 1958. In order to recognize the primary purpose of the program, which is to improve the nutrition for school children, the bill provides for the extension of the program by separate legislation, not amendatory of the Agricultural Act of 1949, and specifies that amounts expended under either the original or the extended program shall not be considered as amounts expended for price support purposes. That is one of the new provisions of the bill.

I wish to point out, Mr. President, that this program has also been of great help in disposing of fluid milk. During 1957, participating children consumed 1.8 billion half-pints of milk, a 29 percent increase over 1956. Expenditures in that regard totaled $61 million. An additional 1.8 billion half pints of milk were consumed under the national school lunch program. So as a result of the two programs, children consumed 3.6 billion half pints of milk last year. It is anticipated that the annual cost of the program will approximate $75 million.

Mr. President, we are now considering a fine outlet for the use of fluid milk. I wish to say that the committee was unanimous in its approval of the extension of this program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from the testimony of the Secretary of Agriculture, recommending extension of the program, and a statement submitted by the Department of Agriculture with respect to the program.

There being no objection, the excerpt and statement were ordered to be printed in the RECORD, as follows:

We are recommending a 2-year extension in the special milk program to increase fluid milk consumption by children in schools, summer camps, and child-care institutions. This will extend the present annual authorization of $75 million through June 30, 1960. This program is making an outstanding contribution to the expansion of markets for fluid milk. Equally important, it is providing more children with more milk—a very real improvement as far as their dietary needs are concerned.

During 1957, participating children consumed 1.8 billion half pints of milk, a 29-percent increase over 1956, and expenditures totaled $61 million. An additional 1.8 billion half pints of milk were consumed under the national school-lunch program. So, as a result of the two programs, children consumed 3.6 billion half pints of milk last year.

DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING SERVICE, WASHINGTON, D. C.—SPECIAL MILK PROGRAM

The special milk program was initially authorized under the Agricultural Act of 1954 and provided for the use of $50 million of CCC funds for a milk program in schools for each of the fiscal years 1955 and 1956. In April 1956, legislation was enacted to extend the program through 1958 and to increase the authorization to $60 million for 1956 and $75 million for 1957 and 1958. The program was also extended to include all nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of underprivileged children. Subsequent legislation, in July 1956, removed the reference to underprivileged children. The primary objective of the program is to increase the consumption of fluid milk by children of school age and, thereby, help to reduce the movement of manufactured dairy products into CCC inventories.

Assistance is provided to eligible schools and child-care institutions in the form of reimbursement payments, for milk consumed by the children. Methods of encouraging increased milk consumption are determined by those who know most about the opportunities—the local school official, or the director of the child-care institution. These local people decide when and how the milk is to be offered to children, and—if the milk is sold as a separate item—what price is to be charged the children. Then, the school or child-care institution applies for participation in the program.

The Department of Agriculture has established the maximum amounts that may be paid to any participating school or institution. Schools serving type A or B meals under the national school-lunch program may receive up to 4 cents reimbursement for each half pint served in excess of the first half pint in a type A or B lunch. All other schools and all child-care institutions may receive up to 3 cents reimbursement for each half pint of milk served to children.

If the school or child-care institution offers milk to children as a separately priced item, maximum use of the reimbursement payments must be made to reduce the price of milk to children. Within the maximum rates established by the Department of Agriculture, the amount of reimbursement provided will depend upon the cost of milk to the school or child-care institution, the proposed selling price to children, and the cost of handling milk within the school or institution. In general, it is expected that such handling cost will not exceed 1 cent per half pint.

Boarding or institutional schools, summer camps, and many child-care institutions usually do not offer milk as a separately priced item to children. When such schools and institutions apply for participation, they outline the planned methods and practices by which they intend to increase milk consumption by children. The schools and institutions are then reimbursed for the cost of the additional milk served to children.

During the first year of operation a total of approximately 450 million half pints of milk were consumed by children in 41,000 schools at a Federal expenditure of $17.1 million. The second year of operation there were 62,266 schools participating in which $45.8 million of Federal funds were expended reimbursing the consumption of 1.4 billion half pints of milk. This past year (fiscal year 1957) children in 71,239 schools and child-care institutions consumed about 1.75 billion half pints at a Federal expenditure of $60.5 million.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ELLENDER. I am glad to yield.

Mr. PROXMIRE. I should like to ask the distinguished Senator from Louisiana if he does not feel that it would be in the national interest to extend this program even longer than is provided in the pending bill, in view of the fact that a substantial majority of children, as I understand, do not have an opportunity to participate in the school-milk program?

Mr. ELLENDER. It might be well to do that, but as I recall the Department recommended a 2-year extension. Our committee provided a 3-year extension, which I believe is sufficient for the time being. I would prefer to have the program on such a basis.

I do not know what is going to happen to the present milk program. As the Senator knows, we are trying to expand markets so that the program will not be costly to the Government. That is one of the things which prompted us to provide for a program extending not more than 3 years, rather than making it permanent.

Mr. PROXMIRE. Mr. President, I feel very strongly, as I am sure nu-

tritionists all over America must feel, that this program is greatly in the national interest. Schoolchildren are at a habit-formation age. In very many homes, unfortunately, the children do not get milk or do not get enough milk. Under the school milk program the children do get this nutritious food. The children then develop a habit of eating properly in childhood, and it affects their health throughout lifetime with tremendously beneficial results.

I think the program is of great interest to this country, and it should be carried forward. I feel that the program should be expanded in the future. As many of our children as possible should be included in the program. I think it is a tragedy that unfortunately the majority of our children do not have a chance to participate in this program.

I commend the chairman of the Committee on Agriculture and Forestry for reporting to the Senate the bill presently under consideration, which calls for a substantial improvement in the special milk program for children.

Mr. ELLENDER. The committee was unanimous in its recommendation. This represents not only the recommendation of the chairman, but also of the other committee members, such as my good friend, the senior Senator from Minnesota [Mr. THYE], who was very active in the consideration of the bill, the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from Vermont [Mr. AIKEN], and all the other committee members. We were all interested in finding some good outlet and use for the tremendous volume of milk which is being produced.

Mr. AIKEN. Mr. President, will the Senator yield so that I may point out an important feature of the bill?

Mr. ELLENDER. I yield.

Mr. AIKEN. The first school-milk program bill was passed as an amendment to the price support act. Consequently, the costs of the program up to this time have been charged to the price-support operations.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. It now appears that the school-milk program has become so popular that it is likely to be continued for some time, depending upon the milk supply. It is also believed that a sufficient number of schools will qualify this year to use the entire amount provided, which is $75 million. Last year I believe the program involved only $56 million or $57 million.

Mr. ELLENDER. Sixty-one million dollars.

Mr. AIKEN. Sixty-one million dollars. I will take the chairman's word for that, since he undoubtedly knows.

The principal feature of the bill under consideration, to which there is no objection at all, so far as I know, is that from now on the program cost will not be charged to price-support operations.

While I agree with the Senator from Wisconsin [Mr. PROXMIRE] that the program may well become permanent, depending upon the supply of milk, I am not quite so sure as some others seem to be that we are going to be deluged with milk in the future. I believe that after a period of 3 years we will have had sufficient experience with the program so that we can then determine whether it is advisable perhaps to incorporate this plan into the school-lunch program. I am not sure as to how the details should be worked out.

Mr. ELLENDER. As the Senator knows, what we might do in the future, if the supply of milk lessens, is to continue the program by increasing the appropriations for the school-lunch program, permitting more of the money for that program to be used to buy milk.

Mr. AIKEN. The Senator is correct in his statement.

Mr. ELLENDER. That is one reason why we did not extend the program indefinitely, as some have proposed.

Mr. AIKEN. I am not so sanguine as some persons that we will always have such a large supply of milk as we now have. We are extremely fortunate to have as much milk as we have at the present time, but the consumption of milk is catching up rapidly. The consumption in this country is increasing about twice as fast as is the production of milk. That is true today, was true last year, and I believe was true the year before that.

I would prefer to give the program another 3-year trial, with the hope that at the end of that time it might become a part of the school-lunch program.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, the Senator from Wisconsin [Mr. WILEY] and I first introduced the bill to provide for the increased use of milk in the schools. I felt strongly, Mr. President, that our schoolchildren should have an adequate supply of milk in their diets. So long as we were blessed with a surplus in this land, I felt we should make the funds available to increase the amount of milk going into the school-milk program.

On January 27 of this calendar year I introduced a bill which proposed the extension now embodied in the bill which the full Committee on Agriculture and Forestry reported. That bill is on the calendar, and we are considering it today.

Mr. ELLENDER. I think there were other bills on the subject.

Mr. THYE. There were other bills, but mine was the first bill introduced in the calendar year 1958.

Mr. President, coming from a dairy State such as Minnesota, and knowing of the nutritive value to children of dairy products, especially milk, I have always advocated that children should have milk available for their school lunches. Only $61 million worth of milk went into the school-milk program during the past year. However, I believe that more and more of the school authorities are becoming acquainted with the program, and that the school boards, as well as the legislatures within the respective States, have been able to adjust themselves to an increase in the program in the respective school districts.

While the dairy-cow population has decreased in the past 2 years, we have proved our ability to increase the per cow production annually, and I am confident that if there is a known need, the producers will provide all the milk that will be necessary for our school-milk program.

Therefore it is with great appreciation this afternoon that I note that this bill is now being considered. All school districts will be advised that we are to continue the present school-milk program at its high level, so that all children may have the benefit of this very nutritious food.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ELLENDER. Mr. President, the distinguished senior Senator from Minnesota [Mr. THYE] and his colleague [Mr. HUMPHREY] both worked on this program very effectively. The senior Senator from Louisiana and the senior Senator from Georgia [Mr. RUSSELL] are the authors of the original school lunch bill.

Mr. THYE. That was in 1948.

Mr. ELLENDER. Yes.

Mr. THYE. I was referring to the $75 million school milk program.

Mr. ELLENDER. I thought that while bouquets were being tossed about, I would put in that reminder.

Mr. THYE. I did not want to lose the identity of this particular legislative program. The $75 million for the school milk program, I respectfully state, came about because of the introduction of proposed legislation in the Senate by the Senator from Wisconsin [Mr. WILEY] and myself in June of 1957, and in the House by the late Representative Andresen.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3342) was ordered to be engrossed for a third reading, read a third time, and passed, as follows:

Be it enacted, etc., That for each of the 3 fiscal years in the period beginning July 1, 1958, and ending June 30, 1961, not to exceed $75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Amounts expended hereunder and under the authority contained in the last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.

EXTENSION OF BRUCELLOSIS CONTROL PROGRAM

Mr. PROXMIRE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1340, Senate bill 3343.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3343) to extend the accelerated brucellosis control program under section 204

(e) of the Agricultural Act of 1954 for 2 additional years.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, this bill received the unanimous approval of the Committee on Agriculture and Forestry. As the title indicates, it simply extends the accelerated brucellosis eradication program for 2 years, until June 30, 1960. This program is provided for by section 204 (e) of the Agricultural Act of 1954, which authorizes the transfer of $20 million of Commodity Credit Corporation funds annually to the appropriation available for brucellosis eradication, the purpose being to accelerate the program through first, increasing indemnities—to not to exceed $50 per head—second, increasing the number of indemnities; and third, defraying additional administrative expenses. Section 204 (e) expires with the fiscal year ending June 30, 1958.

The Department of Agriculture objected to the bill because of the manner in which the operation is being financed. It will be recalled that 4 years ago it was provided that the $20 million to operate this program was to be transferred from the Commodity Credit Corporation fund. The program has been operating in that manner for 4 years. The Department of Agriculture took the position that it had sufficient authority to continue the program, and that the money should be obtained through the regular appropriation.

The committee as a whole thought otherwise. We felt that it was just as well to continue the program as it is now being pursued, that is, to have the funds transferred from the Commodity Credit Corporation to the Department. The program has worked very well under that method, and it is our belief that if the program is continued at its present rate, within from 2 to 4 years we ought to be able to eradicate brucellosis entirely.

Mr. PROXMIRE. Mr. President, this is an extremely important bill. Not only is it important to farmers who have cows, but it is a very important public-health measure. The result of the contagion which is spread by brucellosis is undulant fever in human beings, an illness which is very debilitating, and often results in death.

I feel very strongly that the funds for this bill could very well be charged against the public-health program, rather than against the farmer. On the other hand, I think it is extremely important to advance as rapidly as possible the effort to eradicate this disease, because it is something that can be eliminated.

Wisconsin is one of nine States in which brucellosis has been eliminated. As everyone knows, or should know, Wisconsin is the largest dairy State in the Union, and has a tremendous herd of dairy cattle. I think it is most important that the Senate proceed to the enactment of the bill as rapidly as possible, and continue, as the distinguished chairman of the Committee on Agriculture and Forestry has recommended, the program to eliminate this disease, which causes debilitation and death.

Mr. AIKEN. Mr. President, Vermont is one of the nine States in which brucellosis has been virtually eradicated. As everyone knows, or should know, Vermont, while not the largest dairy State in the Union, is the most intensive dairy State in the Union.

What the Senator from Wisconsin says about the eradication of undulant fever is very important, indeed.

I was aware of the fact that the Department of Agriculture preferred to have the money to continue this program come from direct appropriations. So far as that goes, I would, too, but I do not wish to take any chance of having an interruption in the program. Some State legislatures, including the legislature of the State of the occupant of the chair, the Senator from Kentucky [Mr. MORTON], are now meeting and considering the appropriation of money to carry on their end of the program.

It is important that there be no lapse in the program, so I say, let us pass this bill. Let the Department of Agriculture try to get the $17 million or $20 million through direct appropriations, if it can do so; but in the event it should fail, we may be sure that with this proposed legislation on the books the program will continue uninterrupted.

Mr. THYE. Mr. President, the pending bill would permit continuation of the accelerated program for the eradication of brucellosis. This provision was embodied in a bill which was introduced a year ago, of which I was a cosponsor. I refer to Senate bill 2408. While serving in the State Department of Agriculture as Deputy Commissioner of Agriculture, I had some of the responsibility connected with this program in Minnesota.

The late Dr. Cotton, then Executive Secretary of the State Livestock Sanitary Board, was one of the men who suggested and fought for the program to eradicate brucellosis in dairy cattle, as well as to eradicate tuberculosis. Our State did some very fine work in both fields.

When I was privileged to come to the Senate, I was very well acquainted with the program, because I had served as Deputy Commissioner of Agriculture in the State of Minnesota and later as Governor of the State. Therefore when I came to the Senate it was my desire to sit on the Committee on Agriculture and Forestry, in order that I might continue my work in the field of health measures affecting the livestock industry, and in safeguarding the health of the public by the eradication of diseases which could be transmitted through the consumption of milk.

When the State Livestock Sanitary Board, which has as its responsibility the safeguarding of the livestock industry in the State, informed me of the shortage of funds with which to continue the program of eradication of such diseases, I immediately endeavored, through the Department of Agriculture, to have the program stepped up. It was for that reason that a year ago an increased appropriation was requested. That request was granted by Congress.

When we convened again this year, the RECORD will show, one of the first bills introduced was the bill to continue the accelerated brucellosis control program. I introduced that bill on January 27th, and it became embodied in the bill which is before the Senate. It is a most worthy legislative measure. It will safeguard the health of human beings, and it will greatly increase the productivity of dairy cattle and the profits of those engaged in the dairy industry. I say that because every time a cow is afflicted with brucellosis it is apt to abort and lose its calf, and it may result in the cow losing its productivity for that year.

Therefore the program must continue. I commend the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER] for having given us an opportunity to vote on the subject and that we have the bill on the calendar at this early time for consideration by the Senate.

The veterinarians who administer the program for the Department of Agriculture and those who work in the respective States will have knowledge that the law to continue the program at a high rate has been passed.

Mr. ELLENDER. I should like to point out to the Senator that the testing required under the bill is being done by veterinarians for a very small fee, and that although the indemnity to be paid to cattle owners for cattle is $25 for scrub cattle and $50 for pure-bred cattle, the average has been below that amount. As a matter of fact, as I recall, there were four States in which no indemnity payments were made. The farmers took such great interest in the program of eradicating brucellosis that they did it on their own. Ninety-five percent of the reactors found during fiscal 1957 were destroyed.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. We certainly do not want the program to stop now, because we have made very good progress in eradicating the disease. It would be a loss of all the effort of the years past if we did not continue the program as we have in the past.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator is entirely right. It would be impossible to have an effective program unless it were a program of national scope. It must be nationwide. It would do no good to have a clean county, and next to it an infected county, or a clean herd on one side of the fence and an affected herd on the other side. The disease would be carried back and forth across fence lines or from one truck to another. Therefore a national program is the only effective program to bring about the eradication of the disease.

The work is not yet completed. However, a stepped-up program promises to bring an early accomplishment of the desired result. I might point out that it is not only dairy cows that are affected by the bill, but all cows, whether they be of a beef herd or a dairy herd. The

serious danger is that the disease can be transmitted through fluid milk to the consuming public. The program is part Federal and part State. The farmer must dispose of his animal once it has been found to be infected. In that case it goes off his premises and is immediately branded. If the carcass can be salvaged, it is sold for whatever it will bring, and the difference between that and the appraised value of the animal is made up by the Federal Government and the State government. An item of importance in connection with it is that it is a nationwide program.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter addressed to me, as chairman of the committee, by the Department of Agriculture under date of February 14, in which they do not object to the program—on the contrary, they desire that it be continued—but recommend that the funds be appropriated directly from the Treasury, as in the case of other appropriations, instead of transferring the funds from the Commodity Credit Corporation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 14, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of January 28, 1958, for a report on S. 3148, a bill to extend the accelerated brucellosis-control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years.

The Department recommends against the enactment of S. 3148.

The bill would extend the accelerated-brucellosis-control program 2 years to June 30, 1960. The additional 2 years would be financed through use of Commodity Credit Corporation funds as authorized by section 204 (e) of the Agricultural Act of 1954, as amended by Public Law 465, 84th Congress, approved April 2, 1956. The purpose of the accelerated-brucellosis-control program is to eliminate both the disease and the infected cattle as rapidly as possible.

We are in full accord with the objectives of S. 3148, but have recommended against its enactment, since the use of Commodity Credit Corporation funds for the purpose of accelerating the brucellosis-eradication program was a temporary measure. The Department has other adequate legislative authority to continue a brucellosis-eradication program, and funds for this work should be provided by the regular budgetary process. The 1959 budget estimates propose that the accelerated-brucellosis program be financed by a direct appropriation of $15 million to the Agricultural Research Service.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. The State Legislature of Kentucky has been considering the possibility of extending the program. Naturally, my colleague [Mr. MORTON]—who is the present occupant of the chair—and I are interested in it. I should like to ask the Senator from Louisiana a question.

If the bill is passed, will it mean that the money will be immediately available for the program?

Mr. ELLENDER. Yes. The Commodity Credit Corporation has funds on hand, and the bill, if enacted, will make the funds available for the program without further action, to the extent the Department sees fit to use them. I may say to the Senator, however, that it may depend upon the Budget Bureau. I understand that there are some funds available, left over from the authority now existing, but that the Department has in some way been deprived of utilizing the money by action of the Bureau of the Budget. I have interceded to the extent of my ability, but so far I have not been able to move Mr. Brundage. Quite a bit of money could be spent under existing authority, but somehow it is being held back.

Mr. COOPER. How much would be authorized for fiscal 1958?

Mr. ELLENDER. Twenty million dollars is available for fiscal 1958. The bill would authorize the same amount for each of the next two fiscal years. What has been made available in the past has not all been used.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I merely wish to state my appreciation of the prompt action on the part of the chairman of the Committee on Agriculture and Forestry in getting before the Senate S. 3341, to extend the Armed Services dairy products program; S. 3342, to continue the special milk program for children; and S. 3343, to extend the accelerated brucellosis control program. I wish to thank the chairman for his action. I know of his interest in and concern for the development of those programs.

Of course the special school milk program is in addition to the great school-lunch program which I believe the Senator from Louisiana fathered, if I am not mistaken. I believe our late and beloved colleague from Georgia, Senator George, and the senior Senator from Georgia [Mr. RUSSELL], were also very active in getting the school-lunch program established.

The brucellosis program has been outlined very thoroughly, and I shall not say any more about it, except that a continuation of it for 2 years is very important in terms of a legislative program. As the Senator said, State cooperation is needed.

The special school-milk program goes farther in its application than merely to the schools. It also goes to day camps and community centers caring for underprivileged children. This in itself is a very commendable activity.

Mr. ELLENDER. As I recall, it was the distinguished Senator from Minnesota who put those 3 groups in the bill.

Mr. HUMPHREY. Yes. I offered an amendment 2 years ago which included the additional groups which were mentioned—the day camps, the needy children, and the community health centers.

The committee bills are the result of a pooling of several bills. The Senator from Wisconsin [Mr. PROXMIRE] and other Senators indicated they had bills on these subjects, as did the junior Senator from Minnesota. I am happy we are about to get this action. I only hope that the bills may be expedited through Congress and become public laws.

I thank the Senator from Louisiana and leadership for calling them up.

Mr. ELLENDER. I was very glad to have the bill reported. I considered it to be my duty as the chairman of the committee to do so.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 204 (e) of the Agricultural Act of 1954 is amended by striking out "and 1958" and inserting "through 1960."

AMENDMENT OF ACT TO PROVIDE FOR EXPENSES OF GOVERNMENT OF DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1313, S. 1041.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1041) to amend the act entitled "An act making appropriations to provide for the expenses of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, the purpose of the bill is to amend the act of May 18, 1910, making appropriations to provide for the expenses of the government of the District of Columbia, so as to provide that the separate departments of the District of Columbia government may include illustrations, charts, maps, and graphs in their annual reports, if they are authorized to do so by the Commissioners. There is a specific prohibition against this at the present time. The bill received the unanimous approval of the Committee on the District of Columbia.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second proviso of the first paragraph under the caption "Contingent and Miscellaneous Expenses" of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910 (36 Stat. 381; sec. 1-239, D. C. Code, 1951 ed.), is amended to read as follows: "*Provided*

further, That hereafter no department, board, office, or agency of the government of the District of Columbia shall include any illustration in any annual report prepared by it unless such illustration be authorized by regulations approved by the Commissioners of the District of Columbia."

GRANT OF ADDITIONAL POWERS TO THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1314, S. 1706.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1706) to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia and for other purposes," approved December 20, 1944, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That the first section of the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944 (58 Stat. 819), as amended (sec. 1-244, D. C. Code, 1951), is amended by adding at the end of such section the following subsections:

"(i) (1) To purchase and sell maps, and regulations and parts of regulations issued by any agency of the government of the District of Columbia and amendments thereof, including binders therefor (hereinafter referred to as 'material'), at such prices as the Commissioners or their designated agent may from time to time determine to be necessary to approximate the cost thereof, including the cost of distribution. All receipts from the sale of such material on hand as of the effective date of this amendment, shall be deposited into a fund which is hereby established, to be known as the 'District of Columbia Publications Fund,' which fund shall be available without fiscal year limitation for all necessary costs connected with the procurement, publication, and distribution of such material, including postage. There is hereby authorized to be appropriated from the revenues of the District of Columbia $50,000 to provide working capital, which sum shall be deposited to the credit of the fund established by this section, and receipts from the sale of such material shall likewise be deposited to the credit of such fund: *Provided*, That as soon as practicable after the close of each fiscal year, after provision has been made for payment of all obligations then incurred, the amount in such fund in excess of $50,000 shall be deposited to general revenues of the District of Columbia.

"(2) To issue such material without charge, in the discretion of the Commissioners, to officers and employees of the Governments of the United States and the District of Columbia to States, Territories, and possessions of the United States, local governmental units, and foreign governments; to institutions of research and learning; to applicants for, or holders of, particular licenses issued by the District of Columbia; and to any other person when it is determined by said Commissioners or their designated agent or agents that it is in the best interest of the District of Columbia to furnish such material without charge; and to delegate to the heads of departments and agencies of the government of the District of Columbia the authority likewise to make the distribution authorized by this paragraph of such material as may be purchased by the departments and agencies. Material to be distributed under the authority of this paragraph shall be supplied to the District of Columbia department or agency proposing to make such distribution, only upon payment by the department or agency of the cost thereof.

"(j) To place orders, if they determine it to be in the best interest of the District of Columbia, with any Federal department, establishment, bureau, or office for materials, supplies, equipment, work, or services of any kind that such Federal agency may be in a position to supply or be equipped to render, by contract or otherwise, and shall pay promptly by check to such Federal agency, upon its written request, either in advance or upon furnishing or performance thereof, all or part of the estimated or actual cost thereof as determined by such department, establishment, bureau, or office as may be requisitioned; but proper adjustments on the basis of the actual costs of the materials, supplies or equipment furnished or work or services performed, paid for in advance, shall be made as may be agreed upon by the departments, establishments, bureaus, or offices concerned. Orders placed as provided in this subsection shall be considered as obligations upon appropriations in the same manner as orders or contracts placed with private contractors.

"(k) To authorize any department, office, or agency of the District of Columbia government, when it is determined to be in the best interest of the District of Columbia so to do, to place orders with any other department, office, or agency of the District for materials, supplies, equipment, work, or services of any kind that such requisitioned department, office, or agency may be in a position to supply or equipped to render. The department, office, or agency placing any such orders shall either advance, subject to proper adjustment on the basis of actual cost, or reimburse, such department, office, or agency the actual cost of materials, supplies, or equipment furnished or work or services performed as determined by such department, office, or agency as may be requisitioned. Orders placed as provided in this subsection shall be considered as obligations upon appropriations in the same manner as orders or contracts placed with private contractors."

SEC. 2. The Commissioners are authorized to delegate any of the functions to be performed by them under the authority of this act to any officer or employee of the District of Columbia.

SEC. 3. The second paragraph under the caption "District of Columbia" of the act entitled "An act making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1910, and for other purposes," approved February 25, 1910 (36 Stat. 202, 208), as amended (title 49, sec. 110, D. C. Code, 1951 edition), is hereby repealed.

Mr. BIBLE. Mr. President, the purpose of the bill is to grant additional powers to the Commissioners of the District of Columbia so as to authorize them to perform certain designated functions:

First, to purchase, sell, and to give to certain persons, institutions, and governmental agencies, both municipal and Federal, at the discretion of the Commissioners or their designated agent, copies of various municipal regulations.

Second, to make advance payments to Federal agencies for supplies to be furnished or work to be performed in accordance with agreements between the Commissioners and such agencies.

Third, to empower the Commissioners to authorize the several departments, establishments, bureaus, and offices of the government of the District of Columbia to place orders with other agencies of the District, and to make payment for such orders either in advance or on a reimbursement basis.

The bill was recommended by the Board of Commissioners. It will not involve any cost to the District of Columbia. The bill was reported unanimously by the Committee on the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXEMPTION FROM TAXATION OF CERTAIN PROPERTY OF THE NATIONAL COUNCIL OF NEGRO WOMEN, INC.

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1317, S. 2725.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2725) to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, the purpose of the bill is to exempt from taxation lot No. 55, in square No. 242, situated at 1318 Vermont Avenue NW., in the city of Washington, so long as the lot is owned and occupied by the National Council of Negro Women, Inc., and is not used for commercial purposes. The exemption is made subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia."

The National Council of Negro Women, Inc., was incorporated in the District of Columbia on June 26, 1936. It is a charitable and volunteer organization.

The taxes involved in this particular transaction are $359.90 a year.

The bill was unanimously reported by the Committee on the District of Columbia.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for the third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the real estate described as lot No. 55, in square No. 242, situated in the city of Washington, D. C., owned by the National Council of Negro Women, Inc., is hereby exempt from all taxation so long as the same is owned and occupied by the National Council of Negro Women, Inc., and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1089).

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS SALARY ACT OF 1955

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1318, S. 3057.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3057) to amend the District of Columbia Teachers Salary Act of 1955.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, the purpose of the bill is to increase the salary of the Superintendent of Schools of the District of Columbia to $22,000 a year. A study of the salaries paid the superintendents of schools in 18 cities of the United States having a population of more than 500,000 currently places Washington, D. C., in 18th place in terms of the salary paid to its Superintendent of Schools.

If the bill shall become law, the District of Columbia will be in a median line with other cities of comparable size. I think it will be in 10th or 11th place, rather than in 18th place, the position it now occupies.

The bill received the unanimous approval of the Board of Commissioners of the District of Columbia, the Board of Education, and interested educational and parent-teachers' associations. It also received the unanimous approval of the Committee on the District of Columbia.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That class 1 of section 1 of the District of Columbia Teachers Salary Act of 1955, approved August 5, 1955 (69 Stat. 521; Sec. 31–659a–1, D. C. Code, 1951 edition, Supp. V), is amended to read as follows:

"Class 1. Superintendent of Schools, $22,000."

SEC. 2. This act shall take effect on the first day of the first pay period following the approval of this act.

DEALERS' AIRCRAFT REGISTRATION CERTIFICATES

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1309, S. 3016.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3016) to provide for the issuance of dealers' aircraft registration certificates.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report (No. 1290) was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 3016) to provide for the issuance of dealers' aircraft registration certificates, having considered the same, reports favorably thereon without amendment and recommend that the bill do pass.

I. SUMMARY OF THE BILL

The bill was introduced at the request of the Department of Commerce. It amends title V of the Civil Aeronautics Act of 1938 (49 U. S. C. 521 et seq.) by adding a new section to provide specific statutory authority for the issuance by the Secretary of Commerce of dealers' aircraft registration certificates. Furthermore, it states that aircraft owned by the holders of such certificates shall be "deemed registered under" the act.

II. PURPOSE OF THE BILL

For some time, the Department of Commerce has been issuing dealers' registration certificates (similar to automobile dealers' license plates) to aircraft manufacturers, distributors, and dealers for periods of 1 year. Distributed under the Department's general title V authority, these certificates enable their holders to operate aircraft owned by them without the necessity of registering each craft individually. The question has risen, however, whether aircraft operated under such certificates are legally "registered" under the act and, thus, properly definable as "civil aircraft of the United States" under section 1 (15).

As explained in the letter from the Acting Secretary of Commerce, included at the end of this report, section 503 of the act requires the Department to maintain a record of all documents affecting the title of "civil aircraft of the United States." Unless the aircraft in question are to be considered as embraced within this term, some doubt will exist whether the recording of liens created against them offers the protection to lien holders generally contemplated by this section. Lending institutions are understandably reluctant to accept these planes as security for money advanced if not assured that their liens will be given the full protection of the law.

S. 3016 would remove any doubts as to the full priority and enforcibility of liens against aircraft operated under a dealer's certificate. For this reason, your committee believes it should be enacted.

III. AGENCY COMMENTS

A letter, dated January 10, 1958, from the Acting Secretary of Commerce requesting the introduction of this legislation, and explaining in detail its purpose, is included at the end of this report.

The Comptroller General makes no recommendation regarding the enactment of this measure.

IV. CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (new matter is printed in italic; existing law in which no change is proposed is shown in roman):

"CIVIL AERONAUTICS ACT OF 1938 (52 STAT. 973; 49 U. S. C. 401)

* * * * *

"Title V—Nationality and ownership of aircraft

* * * * *

"SEC. 504. No persons having a security interest in, or security title to, any civil aircraft under a contract of conditional sale, equipment trust, chattel or corporate mortgage, or other instrument of similar nature, and no lessor of any such aircraft under a bona fide lease of 30 days or more, shall be liable by reason of such interest or title, or by reason of his interest as lessor or owner of the aircraft so leased, for any injury to or death of persons, or damage to or loss of property, on the surface of the earth (whether on land or water) caused by such aircraft, or by the ascent, descent, or flight of such aircraft or by the dropping or falling of an object therefrom, unless such aircraft is in the actual possession or control of such person at the time of such injury, death, damage, or loss.

"Dealers' Aircraft Registration Certificates

"Sec. 505. The Secretary of Commerce may, by such reasonable regulations as he may find to be in the public interest, provide for the issuance, and for the suspension or revocation, of dealers' aircraft registration certificates, and for their use in connection with aircraft eligible for registration under this Act by persons engaged in the business of manufacturing, distributing, or selling aircraft. Aircraft owned by holders of dealers' aircraft registration certificates shall be deemed registered under this Act to the extent that the Secretary of Commerce may, by regulation, provide. It shall be unlawful for any person to violate any regulation, or any term, condition, or limitation contained in any certificate, issued under this section."

THE SECRETARY OF COMMERCE,
Washington, D. C., January 10, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: It is requested that the enclosed proposed bill to provide for the issuance of dealers' aircraft registration certificates, be introduced in the Senate.

This proposed legislation is in the nature of a perfecting amendment to title V of the Civil Aeronautics Act of 1938 (49 U. S. C. 521 et seq.), under which this department provides for the registration of civil aircraft owned by United States citizens and the recordation of documents affecting title to such aircraft.

For over 8 years, this department has been issuing special purpose dealers' aircraft registration certificates under general authority contained in title V. These certificates, similar to the more familiar automobile dealers' license plates, are issued to aircraft manufacturers, distributors, and dealers for 1 year. A dealer's certificate may be used by the holder to operate aircraft for production flight tests, in ordinary trade channels, and for demonstration purposes. This makes it unnecessary for the holder to register each aircraft that he owns in the course of his business during the year. It

greatly facilitates the dealers' operations and simplifies the Government's work by eliminating the need for a large number of applications for individual registration of the aircraft held in normal trade channels. The regulations presently governing the issuance and use of dealers' aircraft registration certificates are published as part 502 of title 14 of the Code of Federal Regulations.

A special problem has arisen because of certain language contained in section 503 of the Civil Aeronautics Act of 1938 (49 U. S. C. 523). Under that section, this Department is directed to "establish and maintain a system for the recording of" title documents affecting "civil aircraft of the United States." The term "civil aircraft of the United States" is defined in section 1 (15) of the act to mean "aircraft registered under this act." Our authority to record title documents might thus be considered limited to those affecting registered aircraft.

Where a dealer holds an aircraft under a dealers' aircraft registration certificate, the aircraft itself may not be considered to be registered under the act even though the dealer has been issued a certificate of registration valid for special use of the aircraft under our regulations. Accordingly, although we now place in our records documents received from the public which affect title to aircraft held under dealers' certificates, but not otherwise registered, some doubt exists that the persons who file them are afforded the full benefit of the priority provided in this section for recorded documents. (See footnote 3, 14 C. F. R. 503.3 (a) (4).)

It is important that this priority for recorded liens against aircraft held by manufacturers, distributors, and dealers under dealers' certificates be assured. This industry, like many others involving the sale of relatively high cost articles, requires credit for its operations. Lending institutions are reluctant to advance money against this equipment unless the security of their liens is assured.

The amendment which we propose in the enclosed bill would give specific statutory authority for the issuance of dealers' aircraft registration certificates, and would provide that aircraft held under such certificates would be (to the extent provided in regulations of this department) "deemed registered under" the Civil Aeronautics Act of 1938. This would make it possible to insure the validity of liens recorded against such aircraft.

We believe that this bill is highly desirable to facilitate the financing of the operations of aircraft manufacturers, distributors, and dealers, and we recommend it to the Congress for early enactment.

The Bureau of the Budget has advised us that it has no objection to the submission of this proposed legislation to Congress.

Sincerely yours,

WALTER WILLIAMS,
Acting Secretary of Commerce.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 22, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate.

DEAR MR. CHAIRMAN: Further reference is made to your letter of January 17, 1958, acknowledged on January 20, requesting the comments of the General Accounting Office concerning S. 3016, 85th Congress 2d session, entitled "A bill to provide for the issuance of dealers' aircraft registration certificates."

We have no special information or knowledge as to the need for or desirability of the proposed legislation and, therefore, we make no recommendation with respect to its enactment.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. MAGNUSON. Mr. President, the bill was reported to the Senate after its unanimous approval by the Committee on Interstate and Foreign Commerce. It merely provides for the registration of aircraft, so that lienholders may have their priority. The bill removes all doubt about such questions. It was introduced at the request of the Department of Commerce. No objection whatsoever has been raised to the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Civil Aeronautics Act of 1938 (52 Stat. 973; 49 U. S. C. 401), as amended, is amended by adding, immediately following section 504 thereof (49 U. S. C. 524), a new section 505 to read as follows:

"DEALERS' AIRCRAFT REGISTRATION CERTIFICATES

"SEC. 505. The Secretary of Commerce may, by such reasonable regulations as he may find to be in the public interest, provide for the issuance, and for the suspension or revocation, of dealers' aircraft registration certificates, and for their use in connection with aircraft eligible for registration under this act by persons engaged in the business of manufacturing, distributing, or selling aircraft. Aircraft owned by holders of dealers' aircraft registration certificates shall be deemed registered under this act to the extent that the Secretary of Commerce may, by regulation, provide. It shall be unlawful for any person to violate any regulation, or any term, condition, or limitation contained in any certificate, issued under this section."

AMENDMENT OF ORGANIC ACT OF BUREAU OF STANDARDS

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1311, S. 2114.

The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2114) to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to acquire land for field sites, to undertake construction and improvement of buildings, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interstate and Foreign Commerce with amendments on page 1, line 5, after the word "following", to strike out "section" and insert "sections"; in line 6, after the word "are", to insert "specifically"; on page 2, line 11, after the word "any", to strike out "permanent"; and, on page 3, line 16, after the word "entitled", to strike out "An act making funds appropriated to the National Bureau of Standards available for certain types of expenditures" and insert "An act to provide authority for certain functions and activities in the Department of Commerce and for other purposes"; so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to establish the National Bureau of Standards," approved March 3, 1901, as amended, is amended by adding the following sections:

"SEC. 13. To the extent that funds are specifically appropriated therefor, the Secretary of Commerce is authorized to acquire land for such field sites as are necessary for the proper and efficient conduct of the activities authorized herein.

"SEC. 14. Within the limits of funds which are appropriated for the National Bureau of Standards, the Secretary of Commerce is authorized to undertake such construction of buildings and other facilities and to make such improvements to existing buildings, grounds, and other facilities occupied or used by the National Bureau of Standards as are necessary for the proper and efficient conduct of the activities authorized herein: *Provided*, That no improvement shall be made nor shall any building be constructed under this authority at a cost in excess of $40,000 unless specific provision is made therefor in the appropriation concerned.

"SEC. 15. In the performance of the functions of the National Bureau of Standards the Secretary of Commerce is authorized to undertake the following activities: (a) The purchase, repair, and cleaning of uniforms for guards; (b) the repair and alteration of buildings and other plant facilities; (c) the rental of field sites and laboratory, office, and warehouse space; (d) the purchase of reprints from technical journals or other periodicals and the payment of page charges for the publication of research papers and reports in such journals; (e) the furnishing of food and shelter without repayment therefor to employees of the Government at Arctic and Antarctic stations; (f) for the conduct of observations on radio propagation phenomena in the Arctic or Antarctic regions, the appointment of employees at base rates established by the Secretary of Commerce which shall not exceed such maximum rates as may be specified from time to time in the appropriation concerned, and without regard to the civil service and classification laws and titles II and III of the Federal Employees Pay Act of 1945; and (g) the erection on leased property of specialized facilities and working and living quarters when the Secretary of Commerce determines that this will best serve the interests of the Government."

SEC. 2. Such act is further amended in section 11, paragraph (a), by striking out the word "therein" and substituting therefor the word "herein."

SEC. 3. The act entitled "An act to provide authority for certain functions and activities in the Department of Commerce, and for other purposes," approved July 21, 1950, is hereby repealed in its entirety.

Mr. MAGNUSON. Mr. President, S. 2114 received the unanimous approval of the Committee on Interstate and Foreign Commerce. The purpose of the bill is to amend the Organic Act of the National Bureau of Standards so as to authorize the acquisition of field sites for the Bureau; to incorporate the provisions of Public Law 618, 81st Congress, 2d session, into the Organic Act of the National Bureau of Standards; to clarify the authority of the National Bureau of Standards to undertake improvements or construction projects and raise the limita-

tion on such projects from $25,000 to $40,000; to authorize certain construction on leased property; and to correct a minor error in a recently enacted amendment to the Organic Act of the National Bureau of Standards.

The bill received the unanimous approval of the departments concerned.

The necessity for the early passage of the bill is that the National Bureau of Standards, in playing a great part in the new so-called scientific and technological age as it relates to research in the Government, must have, in many instances, field sites in various parts of the country so as to conduct its operations. The bill simply enables the Bureau to erect quarters on such sites, and also on leased sites, for the purpose of conducting the operations necessary in the research program.

The matter is quite pressing, as it concerns the proposed radio propagation field sites, on which the Bureau is making antenna studies. It is also conducting ionospheric radio astronomy and upper atmosphere physics research, and is conducting many other tests in accordance with the broad program of the Government in the scientific field.

Five sites have been tentatively selected for the proposed radio-propagation work, four in the Colorado area, and one at Havana, Ill.

It will be necessary for the Bureau to come before the Committee on Appropriations, in all cases, to justify any expenditure of a large amount of money. But in some cases smaller buildings—costing $40,000 or less—are erected, for the conduct of these experiments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments which, without objection, will be considered en bloc.

The amendments were agreed to.

The bill (S. 2114) was ordered to be engrossed for a third reading, read the third time, and passed.

REQUIREMENTS FOR INVESTMENT OF RESERVE FUNDS BY SUBSIDIZED VESSEL OPERATORS

Mr. MAGNUSON. Mr. President, I move that the Senate proceed to the consideration of Calendar 1342, Senate bill 2255, amending the Merchant Marine Act of 1936, as amended.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2255) to amend section 607 (d) of the Merchant Marine Act, 1936, as amended, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause and insert:

That section 607 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1177), is amended by inserting at the beginning of the first two paragraphs of subsection (d) thereof the designations "(1)" and "(2)," respectively, and by inserting at the end of such subsection (d) the following new subdivisions:

"(3) (A) Upon application of the contractor, the Secretary of Commerce, in his discretion, may permit the contractor to transfer not exceeding 50 percent of his capital reserve fund and 50 percent of his special reserve fund to a trustee which is incorporated as a bank or trust company under the laws of the United States, or of any State, and which is approved by the Secretary of Commerce, in trust nevertheless for the benefit of the contractor and of the United States as their interests are stated in this section (1) to hold in separate trusts the principal of the capital and special reserve funds so transferred, one trust for the capital reserve fund and one trust for the special reserve fund; (2) to invest and reinvest the principal of such trusts in such common stocks of corporations organized and existing under the laws of the United States or of the District of Columbia or of any State of the United States which are currently fully listed and registered upon an exchange registered with the Securities and Exchange Commission as a national securities exchange, and which would be acquired by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and the preservation of their capital; (3) to accumulate the income from the capital reserve fund trust in such trust, to pay the income from the special reserve fund trust into the capital reserve fund trust, and to invest and reinvest such income in common stocks in which the trustee is authorized to invest principal under this subdivision (3); and (4) to pay to the contractor and the Secretary of Commerce, as trustees of the special reserve fund and the capital reserve fund, after reasonable notice, from the principal and accumulated income of the trusts such amounts, in cash, as the contractor and the Secretary of Commerce direct.

"(B) Consent by the contractor to an investment which is not authorized by this subdivision (3) shall not be a defense to the trustee. Such common stock trusts shall be revocable by the Secretary of Commerce at any time and upon notice of the revocation, the common stock trustee shall reduce the principal and accumulated income of such trusts to cash and shall pay such cash to the contractor and the Secretary of Commerce as trustees of the capital reserve fund and special reserve fund. In the administration of such common stock trusts, capital gains, stock dividends, and rights to purchase stock shall be considered principal; cash dividends, whenever earned, shall be considered income. At the end of the contractor's recapture period, however, after satisfaction of the contractor's recapture obligations, an amount of the special reserve fund trust equal to the value of the capital gains made (whether realized or not), the stock dividends declared, and the rights to purchase stock issued to the special reserve fund trust during such recapture period, to the extent the special reserve fund trust contains this amount, shall be transferred (in cash or in stock) to the capital reserve fund trust. For the purpose of determining the 50 percent of the capital reserve fund and the special reserve fund the transfer of which to a common stock trust the Secretary of Commerce may approve, the market value of each such fund as of the date of such transfer shall be used. The common stock trusts authorized by this subdivision (3) shall at all times remain a part of the capital reserve fund and the special reserve fund.

"(C) If immediately before a deposit is made in a capital or special reserve fund, 50 percent or more of the value of such fund is invested in common stock, the Secretary of Commerce is authorized to approve, upon application of the contractor, the transfer of not exceeding 50 percent of such deposit to the common stock trustee upon the trusts authorized in this subdivision (3). When payments are made, or funds are withdrawn, from a capital reserve fund or a special reserve fund, as authorized in this section, if 50 percent or more of the value of such capital reserve fund or special reserve fund, as of the date of such payment or withdrawal, is invested in common stocks, such payment or withdrawal shall be made from the common stock trust in the proportion that the value of such common stock trust bears to the value of the entire capital reserve fund or special reserve fund. If, however, less than 50 percent of the value of such capital or special reserve fund, as of the date of such payment or withdrawal, is invested in common stocks, the Secretary of Commerce is authorized, upon application by the contractor, to approve the allocation of the payment or withdrawal entirely to the portion of such capital or special reserve fund not invested in common stocks, or to approve the allocation of such payment or withdrawal between the common stock trust and the remainder of such capital or special reserve fund in any proportion, so long as the value of the common stock trust immediately after such withdrawal does not exceed 50 percent of the value of such capital or special reserve fund, and if the contractor makes no such application or if the allocation requested in such application is not approved by the Secretary of Commerce, then such payment or withdrawal shall be allocated in the manner above provided for when the value of the common stock trust is 50 percent or more of the value of the entire capital reserve fund or special reserve fund.

"(D) Trust indentures executed under the authority of this subdivision (3) may contain such other terms and conditions not inconsistent with this subdivision (3), as the Secretary of Commerce determines are desirable to protect the interests of the United States. The authority of the Secretary of Commerce to grant approvals, give directions, make determinations, and make regulations under this subdivision (3), and to act as trustee of the capital reserve fund and special reserve fund under this section may be delegated to the Maritime Administrator."

Mr. MAGNUSON. Mr. President, this bill also received the unanimous approval of the full Committee on Interstate and Foreign Commerce. The bill has been subject to a great deal of discussion, following its introduction.

The bill would amend the second paragraph, of section 607 (d), Merchant Marine Act, 1936, to authorize the Federal Maritime Board/Maritime Administration, upon application of the contractor, to permit, in its discretion, investment by the operator of some or all of the contractor's capital and special reserve funds in approved securities, upon condition that the income from such securities be deposited in the capital reserve fund. This would eliminate the requirement that the funds be invested in interest-bearing securities, and would authorize investment in any approved securities, including common stocks.

The Comptroller General sent to the committee a statement regarding some of the criteria. Those criteria and suggestions as to how the money would be invested were incorporated in the bill.

Of course the real objective is not to let these moneys lie idle during the period when they are in the reserve fund. In the long run, the bill probably will save the Government a great deal of money, because the funds which are for maritime expansion, are now frozen. Many members, and also the Maritime

Board, thought that instead of having the funds lie idle they should be used as suggested, and probably in that way add a little to the fund.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELIMINATION OF CLAIMS OF IMMUNITY FROM STATE AND LOCAL TAXES

Mr. MAGNUSON. Mr. President, I move that the Senate proceed to the consideration of Calendar 1299, Senate bill 6, to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies as instrumentalities.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 6) to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies as instrumentalities, which had been reported from the Committee on Government Operations with an amendment on page 3, line 2, after the word "to", to strike out "tax liabilities accruing" and insert "business activities occurring", so as to make the bill read:

Be it enacted, etc., That (a) chapter 4 of title 4 of the United States Code is amended by adding at the end thereof the following new section:

"SEC. 112. State and local taxation with respect to certain contracts with Federal Government.

"(a) Except as otherwise provided by law, no person shall be relieved from liability for payment of, collection of, or accounting for, any tax imposed by a State, or by any duly constituted taxing authority therein, having jurisdiction to impose such a tax, with respect to any business activity or any person conducting any business activity on the ground that such person is—

"(1) a contractor performing work for the United States or any agency or instrumentality thereof and acting as the agent of the United States or any agency or instrumentality thereof in the procurement of tangible property of any kind for use in the performance of the contract, or

"(2) selling tangible personal property or furnishing services to a person described in paragraph (1).

"(b) For purposes of subsection (a)—

"(1) The term 'State' includes the District of Columbia, Alaska, Hawaii, the Commonwealth of Puerto Rico, and any possession of the United States.

"(2) The term 'business activity' includes the selling, furnishing, fabricating, installing, repairing, leasing, renting, storage, distribution, use, or consumption of tangible personal property of any kind for a consideration."

(b) The analysis of such chapter 4 is amended by adding at the end thereof the following:

"112. State and local taxation with respect to certain contracts with Federal Government."

SEC. 2. The amendments made by the first section of this act shall apply only with respect to business activities occurring after the date of the enactment of this act.

OPPOSITION TO GRANTS TO COMMUNIST POLAND

Mr. JENNER. Mr. President, I strongly support the stand of the Senator from New Hampshire [Mr. BRIDGES], chairman of the Senate Republican Policy Committee, in total opposition to our Government's allotting $98 million to Communist Poland.

The issue is national defense.

The satellite nations are the arsenals which maintain the Soviet war machine. Their unwilling people are enslaved to provide the food, the oil, the uranium, and the armament which the Soviet Union must have if it is to keep its war machine in high gear.

The Soviet economy is inherently wasteful. The cost of Party Commissars, purges, occupation troops, and economic espionage is so high that the Soviet Union must make up for its inefficiency by tribute exacted from its neighbors in a 20th century revival of human slavery.

While so-called experts and columnists grow lyrical with admiration for Soviet economic achievements, Soviet armies stand guard to drain off the past industrial and technological achievements of Polish agriculture and manufacturing, Czechoslovak uranium and arms manufacture, Hungarian coal and steel, and Rumanian oil.

All the vast extensions of Soviet power over free people since 1945 were necessary to fill the production quotas of the Soviet war economy.

Their conquest of Eastern Europe in 1945, their capture of China in the following years, and their planned expansion into the Near East and Indonesia today, are all part of their hunger for raw materials, labor, and minerals to feed the fires of war mongering.

There cannot be two opinions about American policy at this moment.

The greatest contribution we can make to peace is to shut off the war supplies the Soviet war machine obtains from its conquered provinces.

When the Soviet rulers are once again limited to Soviet food production, Soviet oil, and Soviet war materials, manufactured under the eyes of their police-state apparatus, the bold policies of the Soviet leaders will become less bold, their aggressiveness will become less violent, and their power to make the free nations tremble will come to an end.

There can be no excuse for American Government policies which permit the Soviet Union to get its war supplies by enslavement of the satellites.

When the United States was the granary and arsenal of the Allies in 1917 and in 1939, the Germans directed all their energies to cutting off the ships which carried supplies from the United States to the British Isles and the war fronts. We devoted every ounce of energy to keep those lanes open. Why? Because without a constant stream of supplies, no war machine can function.

The same military principle applies today. Without a constant stream of supplies from the satellites, the Soviet war machine could not be maintained, and Khrushchev's roar would become a beep.

The success of American efforts to prevent a Soviet-made war depends on our using every means to interrupt the flow of grain, oil, and arms from the outlying states to the heart of the Soviet empire.

The obvious place to begin cutting down Soviet war supplies is in the satellite nations, whose people were first robbed of their national freedom, before they were reduced to economic slavery.

It is incredible that any American official would seriously recommend strengthening the supply lines of the ruthless Soviet war machine. But the proposal to give Poland the use of $98 million of American wealth, mostly in the form of American farm products, is openly defended on the ground that it will pacify Polish farmers who are angry at the Soviet forcible grain collection. Thus it is proposed that Americans help quiet the patriotic resistance of the Polish farmers to Soviet exploitation.

Every time we keep a bushel of wheat, or barrel of oil, or a carlot of munitions, produced by satellite slave workers, from the Soviet rulers, we help free the people of Indonesia from the threat of Soviet conquest. We help free the people of Korea from a new invasion. We help free the Near East, and Western Europe, and the United States itself from the growing Soviet threat. This is the first step, and the indispensable step, to the goal of peace and freedom for all nations.

I have spoken of the military issue because that issue, for some strange reason, is most neglected. But the moral issue is equally strong.

The satellite countries were freed by our arms. The Soviet Union kept its airmen grounded in Eastern Europe, while our men were dying in the fight to defeat the German Luftwaffe. Stalin gave his solemn word to us that he would free the countries of Eastern Europe and permit them to live their own lives.

President Roosevelt told Stalin that the American people would never compromise on that question, and that friendly relations with the Soviet Union could not be preserved unless the Soviet rulers kept their pledge.

Why should we refuse now to support President Roosevelt's last statement to Stalin? The President, at that moment, was giving voice to moral sentiments which are held firmly by every American.

President Eisenhower restated our determination in his first inaugural address. Americans can never consent to have American arms and American blood used to impose tyranny on any people. The issue will never be settled—until it is settled right.

Our deepest self-interest leads straight to a policy of blocking Soviet exploitation of the satellite nations.

Our highest moral principles lead straight to a policy of blocking Soviet restoration of human slavery with help we gave her only to preserve her own independence.

Our military and our moral interests lead to the single aim—to keep the Soviet Union from maintaining its war supplies by human slavery. Furthermore, by cutting off its tribute from the satellites, we prevent the Soviet war machine

from enslaving the new millions of helpless human beings who wait in fear in the path of its advance.

When self-interest and idealism lead clearly to one policy, what strange forces in our Government are trying to persuade us to do what is directly opposite to our military necessity and our deepest moral instincts? Who in our Government is willing to help the Soviet Union intimidate the rest of the Free World?

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 3, 1958, he presented to the President of the United States the following enrolled bills:

S. 1568. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; and

S. 1714. An act for the relief of Roma H. Sellers.

ADJOURNMENT

Mr. MAGNUSON. Mr. President, under the previous order, I move that the Senate now adjourn until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 14 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, March 4, 1958, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 3, 1958:

IN THE AIR FORCE

Maj. Gen. Oliver S. Picher, 540A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10 of the United States Code.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 3, 1958

The House met at 12 o'clock noon.

Rev. Ralph J. Steinhauer, Holy Trinity Lutheran Church, Maple Shade, N. J., offered the following prayer:

O God, most high, Who created all things, we thank Thee for the blessings of life, for those who watch over us, for our Nation that guards and protects us.

We thank Thee for Thy strengthening hand which comes to us through Thy holy spirit.

In our need, O God, we call and come to Thee. Wilt Thou bring us to a spirit of understanding and brotherhood?

Turn us from all that is unreal. Turn us in our moments of decision from all earthly things, so that our faltering feet may not suffer us to fall.

Give our representatives courage and strength for our times. Suffer not their trust in Thee to fail. Give them a clear understanding of Thy will, a lofty purpose, and unfaltering speech for good.

Bless all who bear the weight of responsibility, that they with us may show forth the power of Thy name.

In the name of Jesus we pray. Amen.

The Journal of the proceedings of Thursday, February 27, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5836. An act to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 734. An act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes.

The message also announced that the Vice President had appointed the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Maryland [Mr. BEALL] members on the part of the Senate of the Board of Visitors to the United States Naval Academy.

THE LATE HONORABLE LAWRENCE COWLE PHIPPS

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado.

There was no objection.

Mr. CHENOWETH. Mr. Speaker, it becomes my sad duty to announce to the House the passing of Lawrence Cowle Phipps, of Denver, who served in the United States Senate for two terms, from 1919 to 1931. Senator Phipps passed away in Los Angeles, Calif., at the age of 95. I was greatly shocked and saddened when I learned of his passing.

Senator Phipps was born and raised in Amwels Township, Washington County, Pa., on August 30, 1862. He was the son of Rev. and Mrs. Henry Phipps. His father was born in England and his mother was born in Scotland. He went to school in Pittsburgh and graduated from Pittsburgh High School in 1879. After leaving school he was employed in one of the iron mills owned by the Carnegie Co. He filled various positions until that company was absorbed by the United States Steel Corp. in 1901, at which time he resigned as vice president and treasurer of the Carnegie Co. and retired from active business. From the time of his retirement he made his home in Denver and took an active part in the industrial, political, social, and religious life of Colorado.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I am happy to yield to my colleague from Colorado.

Mr. ASPINALL. Mr. Speaker, I wish to join my colleague from Colorado in his tribute of respect to the memory of the late United States Senator Lawrence Phipps.

Senator Phipps was truly one of the great men of Colorado. He was an able and a most successful businessman. He was a devoted public servant. His record of achievement shows him to have been a most effective statesman. He served his State and Nation in the United States Senate during a most difficult and trying period. During his service in such capacity he rendered outstanding service to his State and Nation. His was a long life, having attained the age of 95 before his passing. During his later years he made his home in California. However, during all this time he maintained an active interest in the welfare of Colorado in particular and in the Nation in general. It was my privilege to hear from him occasionally on matters of interest to the State of Colorado since beginning my service in the House of Representatives in 1949.

I extend my sympathy to his family and to his countless friends who are grieved by his passing.

Mr. CHENOWETH. I wish to thank my colleague from Colorado.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to my colleague from Colorado.

Mr. HILL. I wish to join with our colleagues from Colorado in expressing our distress at the loss of a great man, a former Senator from Colorado, Lawrence C. Phipps, who served for 12 years in the United States Senate.

He was a friend of all of us; especially did he help the West. He was an example of the typical American boy coming up from the most humble type of work in a steel mill to the very top in industrial leadership.

After reaching this position in industry he retired to Colorado and became active in politics, was elected on the Republican ticket to the United States Senate in 1918 and reelected in 1924. He was not a candidate for reelection in 1930. He was one of our great leaders of Colorado and the West.

I am sorry indeed to learn of his passing. The Colorado delegation, both Democrats and Republicans, extend our deepest sympathy to the family of Senator Phipps.

I include from the Washington Post and Times Herald a short biography of Senator Phipps:

LAWRENCE PHIPPS, 95; SERVED IN UNITED STATES SENATE

LOS ANGELES, March 2.—Lawrence C. Phipps, 95, who helped Andrew Carnegie build his steel company and later served two terms in the United States Senate from Colorado, died last night.

Phipps joined the Carnegie Co. in Pittsburgh as an 18-year-old millhand and was one of its top executives when it was merged into the United States Steel Co. in 1900.

He retired to Denver at the age of 38 as one of the largest individual stockholders in the newly formed giant of the steel industry.

Mr. Phipps was elected to the Senate in 1918 and reelected in 1924. Federal aid for highway construction and the building of

Hoover Dam were two of the programs he was closely identified with during his Senate career.

He retired at the end of his second term in 1931 and since then had devoted himself to his wide-ranging business investments and his large family. He died at his winter home in Los Angeles after a brief illness.

He leaves his wife; 3 sons, Lawrence, Allan, and Gerald Phipps, all of Denver; and 3 daughters, Mrs. William White of Haverford, Pa., and Mrs. Van Holt Garrett, and Mrs. Donald Bromfield of Denver.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to my colleague from Colorado.

Mr. ROGERS of Colorado. Mr. Speaker, I wish to join my colleagues in paying respect to the memory of our departed friend, the late Senator Phipps. He represented Colorado in the United States Senate for 12 years.

Senator Phipps had an outstanding business career and had actually retired from business when he came to the State of Colorado. There he became interested in public affairs, and his contribution to the development of the west since his many years of residence there has been greatly appreciated by the people of my State. Further than that, the people of the State recognize that not only was he an outstanding statesman, but he was also one of their leaders. While it is true that he had been retired from public life for many years at the time of his passing, and had lived to the ripe old age of 95, we in Colorado will miss him.

Mr. CHENOWETH. Senator Phipps was truly a great American. He served with distinction in the United States Senate. For many years he was one of our leading citizens in Colorado. His life is an inspiration and a challenge to the young man of today.

Senator Phipps was called upon frequently to help charitable causes, and contributed liberally to the many groups and organizations who sought financial assistance. He founded and endowed the Agnes Memorial Sanitorium in Denver for the treatment of tuberculosis. He received an honorary degree of master of arts from the University of Denver.

He voluntarily retired from the Senate and did not seek reelection in 1930. I am confident that the voters of Colorado would have given him another term in the Senate, but he preferred to return to Denver and devote his time to his business enterprises.

I was proud and happy to have Senator Phipps as a friend. I shall always be grateful for his many kindnesses to me. I visited with him frequently in Denver and always valued his advice and counsel. Mrs. Chenoweth and I had the pleasure of a visit with him in Santa Monica about 3 years ago, and found him alert and enjoying life.

The passing of Senator Phipps is an irreparable loss, not alone to Colorado, but to the entire Nation. He was a faithful public servant while in the Senate, and an outstanding citizen in private life. It is impossible to place a value on the contribution he made to the growth and development of Colorado.

Senator Phipps is survived by his widow and six children: Lawrence C., Jr., Allan R., and Gerald H., all of Denver; Mrs. William White, of Haverford, Pa.; Mrs. Van Holt N. Garrett, and Mrs. Donald C. Bromfield, both of Denver.

I extend my deep personal sympathy to Mrs. Phipps and each member of his family.

ERIC JOHNSTON

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have requested this time for the purpose of advising my colleagues that I am today offering a resolution declaring it to be the sense of the House of Representatives that Eric Johnston should immediately register and report as a lobbyist.

Mr. Speaker, the resolution is brief and reads as follows:

Whereas Eric Johnston, the president of the Motion Picture Association of America, Inc., has launched a nationwide campaign to solicit funds to secure the passage by Congress of legislation extending the President's power to enter into reciprocal trade agreements; and

Whereas the said Eric Johnston has publicly announced on a television program that he has received contributions for such purpose amounting to over $50,000; and

Whereas the said Eric Johnston has sent numerous letters to persons and firms throughout the United States soliciting funds for such purpose: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that Eric Johnston is required by the terms of the Federal Regulation of Lobbying Act immediately to register and report under such act.

COMMITTEE ON APPROPRIATIONS

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I take this opportunity to express my appreciation for the action taken by my colleague, the Honorable CLARENCE CANNON, the distinguished chairman of the Appropriations Committee, as reported in the press last week, in sending back to the Department of the Army and the Department of the Interior their budget requests for 1959 and calling their attention to the fact that the programs which they have sent up here are completely inadequate, particularly in light of the current economic situation.

Mr. Speaker, I concur in the views so ably expressed, in his letters to the Secretary of the Army and the Secretary of the Interior, and I have today written to the Secretary of the Army giving him my views and explaining why I believe the Bureau of the Budget would be justified in increasing its request, particularly in those areas which have suffered economic disasters, to provide an accelerated program which would not only help relieve the current recession but which would provide needed relief through the construction of projects for which Congress has already given its approval by authorizing appropriations which should be made now.

I think I am expressing the views of many of my colleagues, who like myself, have been sympathetic to a realistic mutual aid program, but who have reached the logical conclusion that the United States cannot continue such a program at the expense of destroying our economy here at home. If we can afford to be generous with our friends and allies in foreign countries, we can certainly afford to follow a more generous policy in the appropriation of funds for the acceleration of the programs which this Congress has approved here at home.

Mr. Speaker, I trust that those departments will take cognizance of the matter and that we can have an increased public-works program to take up some of the slack and to avert any further economic disturbances throughout the country.

It is certainly time for this administration to take stock of what is happening throughout the United States. We must admire the courage of our great chairman of the Appropriations Committee who has issued this challenge to the administration to face up to the issues. If the Bureau of the Budget does not revise its estimate in line with the views of Chairman CANNON, then, of course, that committee will be justified in throwing aside the budget requests, disregarding the recommendations of the administration, and proceeding to do the things that need to be done.

FEDERAL COAL MINE SAFETY ACT

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, today I introduced a bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in all coal mines regardless of the number employed at each operation.

The Federal act now covers only those mining operations that regularly employ 14 or more persons, but over the past 3-year period accidents occurring in what are classified as title I mines—employing less than 14 persons—have been steadily increasing.

During the 1955–57 period, total fatal accidents in title I underground mines have increased from 19.2 percent in 1955 to 25.9 percent during the year of 1957.

In view of these figures it becomes obvious that protection must be given these smaller installations by providing an inspection program designed to safeguard the lives of those employees working in these so-called title I mines. In my judgment, anyone who goes below the surface of the ground to extract either anthracite or bituminous coal is entitled to every and all precautions that the Federal Government can provide.

This is a humanitarian approach to the mine-safety problem and should not be otherwise.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

BENEFITS TO WIDOWS OF EMPLOYEES OF LIGHTHOUSE SERVICE

The Clerk called the bill (S. 235) to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSAL OF CERTAIN UNCOMPLETED NAVAL VESSELS

The Clerk called the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FISH FARMING

The Clerk called the bill (S. 1552) to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to establish an experiment station or stations for the purpose of carrying on a program of research and experimentation—

(1) to determine species of fishes most suitable for culture on a commercial basis in shallow reservoirs and flooded ricelands;

(2) to determine methods for production of fingerling fishes for stocking in commercial reservoirs;

(3) to develop methods for the control of parasites and diseases of brood fishes and of fingerlings prior to stocking;

(4) to develop economical methods for raising the more desirable species of fishes to a marketable size;

(5) to determine the effects of fish-rice rotations, including crops other than rice commonly grown on rice farms, upon both the fish and other crops;

(6) to develop methods for the control of obnoxious weeds developing in the fish-rice rotation; and

(7) to develop suitable methods for harvesting the fish crop and preparing it for marketing, including a study of sport fishing as a means of such harvest.

SEC. 2. For the purpose of carrying out the provisions of this act, the Secretary of the Interior is authorized (1) to acquire by purchase, condemnation, or otherwise such suitable lands, to construct such buildings, to acquire such equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research and experiments conducted pursuant to the first section of this act.

SEC. 3. The Department of Agriculture is authorized to cooperate in carrying out the provisions of this act by furnishing such information and assistance as may be requested by the Secretary of the Interior.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

With the following committee amendments:

On page 2, line 8, between the words "determine" and "the" insert the following: ", in cooperation with the Department of Agriculture".

On page 2, line 10, following the word "crops;", insert the following: "and".

On page 2, delete lines 11 and 12.

On page 2, line 13, delete "(7)", and insert in lieu thereof the following: "(6)".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTORATION OF LANDS ON CERTAIN INDIAN RESERVATIONS

The Clerk called the bill (H. R. 8544) to provide for the restoration of tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all lands now or hereafter classified as vacant and undisposed-of ceded lands (including townsite lots) on the following named Indian reservations are hereby restored to tribal ownership, subject to valid existing rights:

Reservation and State:	*Approximate acreage*
Klamath River, Calif.	159.57
Coeur d'Alene, Idaho	12,877.65
Crow, Mont.	5,480.95
Fort Peck, Mont.	41,450.13
Spokane, Wash.	5,451.00

Provided, That such restoration shall not apply to any lands while they are within reclamation projects heretofore authorized.

SEC. 2. Title to the lands restored to tribal ownership by this act shall be held by the United States in trust for the respective tribe or tribes, and such lands are hereby added to and made a part of the existing reservations for such tribe or tribes.

SEC. 3. The lands restored to tribal ownership by this act may be sold or exchanged by the tribe, with the approval of the Secretary of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO CONVEY CERTAIN INDIAN LAND FOR CHURCH PURPOSES

The Clerk called the bill (H. R. 8958) authorizing the Secretary of the Interior to convey certain Indian land to St. Anthony's Parish.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, in accordance with the wishes of the General Council of the Lac du Flambeau Band of Lake Superior Chippewa Indians, as expressed by referendum vote on May 14, 1957, is hereby authorized to convey to St. Anthony's Parish for church purposes, and to the town of Flambeau, Wis., for cemetery purposes, all right, title, and interest of the United States of America and of the said band in and to the following described tracts of lands:

To St. Anthony's Parish:

Lot 1, block 26, in section 5, township 40 north, range 5 east, fourth principal meridian, Wisconsin, plat of the village of Lac du Flambeau, Wis., and that portion of Church Street lying northwesterly of State Highway No. 47, subject to all existing valid rights-of-way.

To the town of Flambeau:

A parcel of land in the west fractional half of the northeast quarter of section 6, township 40 north, range 5 east, fourth principal meridian, Wisconsin, more particularly described as follows: Commencing at a point 25 feet east of the center of section 6; thence north 33 feet to a point of beginning, said point being on the east right-of-way line of the Pokegama Trail; thence north along said right-of-way line, a distance of 1,485 feet; thence east along the south right-of-way line of said trail, a distance of 396 feet to the drainage canal; thence south 31 degrees east along said drainage canal, a distance of 1,089 feet to swamp; thence southwesterly along edge of said swamp, a distance of 1,221 feet to the point of beginning.

SEC. 2. The conveyance authorized by this act shall be subject to the condition that title to the land shall revert to the United States of America in trust for the Lac du Flambeau Band of the Lake Superior Chippewa Indians, when the land is no longer needed or used for the purpose for which the land is conveyed.

With the following committee amendments:

Page 1, line 7, strike out the words "St. Anthony's Parish" and insert in lieu thereof the words "the diocese of Superior, Superior, Wis."

Page 2, line 1, strike out the words "St. Anthony's Parish" and insert in lieu thereof the words "the diocese of Superior, Superior, Wis."

Page 3, line 1, following the word "Indians", insert the words ", its successors or assigns."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes."

A motion to reconsider was laid on the table.

UNIFORM SERVICE AND CHARGES FOR BUSINESS REPLY MAIL

The Clerk called the bill (H. R. 10320) to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business-reply envelopes, and other matter under

business-reply labels for transmission in the mails without prepayment of postage, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of May 29, 1928 (45 Stat. 940; 39 U. S. C. 303), is amended to read as follows:

"ADDITIONAL CHARGES FOR TRANSMISSION OF CERTAIN MAIL MATTERS WITHOUT PREPAYMENT OF POSTAGE

"SEC. 2. Under such regulations and conditions as the Postmaster General may prescribe, it shall be lawful to accept for transmission in the mails, without prepayment of postage, business reply cards, letters in business reply envelopes, and any other matter under business reply labels. Postage thereon at the regular first-class rate, and additional charges thereon (which shall be prescribed by the Postmaster General) shall be collected on delivery. Such additional charges shall equal, as nearly as is practicable, the approximate administrative and operating costs incurred by the Post Office Department with respect to the collection of postage and other lawful charges thereon, but such additional charges shall not be adjusted more frequently than once every 2 years."

SEC. 2. The amendment made by the first section of this act shall become effective on July 1, 1958.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONTANA POLICE JURISDICTION OVER BLACKFEET HIGHWAY

The Clerk called the bill (S. 1828) to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

There being no objection, the Clerk will read the bill, as follows:

Be it enacted, etc., That there is hereby retroceded to the State of Montana such concurrent police jurisdiction as has been ceded to the United States of America over the rights-of-way of the Blackfeet Highway, including the highway itself, and over the rights-of-way of its connections with the Glacier National Park road system on the Blackfeet Indian Reservation, including the highways themselves, the same being the jurisdiction ceded by the act of the Legislature of Montana, approved February 27, 1929 (laws of Montana, 1929, p. 63), and accepted by act of Congress approved May 2, 1932 (47 Stat. 144).

SEC. 2. Following acceptance by the State of Montana of the retrocession provided herein, the laws and regulations of the United States pertaining to Glacier National Park shall cease to apply to the territory of said rights-of-way and highways.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR ISSUANCE OF CHECKS IN POST OFFICE DEPARTMENT

The Clerk called the bill (S. 916) to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in case of the death, resignation, or separation from office of the disbursing officer for the Post Office Department the accounts of such disbursing officer may be continued and payments made in his name by the assistant disbursing officers designated by the Postmaster General or designated by any official of the Post Office Department authorized by the Postmaster General to make such designation, for a period of time not to extend beyond the last day of the second month following the month in which such death, resignation, or separation shall occur. Such accounts and payments shall be allowed, audited, and settled, and the checks signed in the name of the former disbursing officer for the Post Office Department shall be honored in the same manner as if the former disbursing officer for the Post Office Department had continued in office. The former disbursing officer for the Post Office Department, his estate, or the surety on his official bond, shall not be subject to any legal liability or penalty for the official accounts and defaults of the assistant disbursing officers acting in the name or in the place of the former disbursing officer, but such assistant disbursing officers and their sureties shall be responsible therefor.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSENT OF CONGRESS TO A BEAR RIVER COMPACT

The Clerk called the bill (S. 1086) granting the consent and approval of Congress to a Bear River compact, and for related purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., The consent and approval of Congress is hereby given to the Bear River Compact entered into by the States of Idaho, Utah, and Wyoming. The compact reads as follows:

"BEAR RIVER COMPACT

"The State of Idaho, the State of Utah, and the State of Wyoming, acting through their respective Commissioners after negotiations participated in by a representative of the United States of America appointed by the President, have agreed to a Bear River Compact as follows:

"Article I

"A. The major purpose of this Compact are to remove the causes of present and future controversy over the distribution and use of the waters of the Bear River; to provide for efficient use of water for multiple purposes; to permit additional development of the water resources of Bear River; and to promote interstate comity.

"B. The physical and all other conditions peculiar to the Bear River constitute the basis for this Compact. No general principle or precedent with respect to any other interstate stream is intended to be established.

"Article II

"As used in this Compact the term

"1. 'Bear River' means the Bear River and its tributaries from its source in the Uinta Mountains to its mouth in Great Salt Lake;

"2. 'Bear Lake' means Bear Lake and Mud Lake;

"3. 'Upper Division' means the portion of Bear River from its source in the Uinta Mountains to and including Pixley Dam, a diversion dam in the Southeast Quarter of Section 25, Township 23 North, Range 120 West, Sixth Principal Meridian, Wyoming;

"4. 'Central Division' means the portion of the Bear River from Pixley Dam to and including Stewart Dam, a diversion dam in Section 34, Township 13 South, Range 44 East, Boise Base and Meridian, Idaho;

"5. 'Lower Division' means the portion of the Bear River between Stewart Dam and Great Salt Lake, including Bear Lake and its tributary drainage;

"6. 'Upper Utah Section Diversions' means the sum of all diversions in second-feet from the Bear River and the tributaries of the Bear River joining the Bear River upstream from the point where the Bear River crosses the Utah-Wyoming State line above Evanston, Wyoming; excluding the diversions by the Hilliard East Fork Canal, Lannon Canal, Lone Mountain Ditch, and Hilliard West Side Canal;

"7. 'Upper Wyoming Section Diversions' means the sum of all diversions in second-feet from the Bear River main stem from the point where the Bear River crosses the Utah-Wyoming State line above Evanston, Wyoming, to the point where the Bear River crosses the Wyoming-Utah State line east of Woodruff, Utah, and including the diversions by the Hilliard East Fork Canal, Lannon Canal, Lone Mountain Ditch, and Hilliard West Side Canal;

"8. 'Lower Utah Section Diversions' means the sum of all diversions in second-feet from the Bear River main stem from the point where the Bear River crosses the Wyoming-Utah State line east of Woodruff, Utah, to the point where the Bear River crosses the Utah-Wyoming State line northeast of Randolph, Utah;

"9. 'Lower Wyoming Section Diversions' means the sum of all diversions in second-feet from the Bear River main stem from the point where the Bear River crosses the Utah-Wyoming State line northeast of Randolph to and including the diversion at Pixley Dam;

"10. 'Commission' means the Bear River Commission, organized pursuant to Article III of this Compact;

"11. 'Water user' means a person, corporation, or other entity having a right to divert water from the Bear River for beneficial use;

"12. 'Second-foot' means a flow of one cubic foot of water per second of time passing a given point;

"13. 'Acre-foot' means the quantity of water required to cover one acre to a depth of one foot, equivalent to 43,560 cubic feet;

"14. 'Biennium' means the 2-year period commencing on July 1 of the first odd numbered year after the effective date of this Compact and each 2-year period thereafter;

"15. 'Water year' means the period beginning October 1 and ending September 30 of the following year;

"16. 'Direct flow' means all water flowing in a natural watercourse except water released from storage or imported from a source other than the Bear River watershed;

"17. 'Border Gaging Station' means the stream flow gaging station in Idaho on the Bear River above Thomas Fork near the Wyoming-Idaho boundary line in the Northeast Quarter of the Northeast Quarter of Section 15, Township 14 South, Range 46 East, Boise Base and Meridian, Idaho;

"18. 'Smiths Fork' means a Bear River tributary which rises in Lincoln County, Wyoming and flows in a general southwesterly direction to its confluence with Bear River near Cokeville, Wyoming;

"19. 'Grade Creek' means a Smiths Fork tributary which rises in Lincoln County, Wyoming and flows in a westerly direction and in its natural channel is tributary to Smiths Fork in Section 17, Township 25 North, Range 118 West, Sixth Principal Meridian, Wyoming;

"20. 'Pine Creek' means a Smiths Fork tributary which rises in Lincoln County, Wyoming, emerging from its mountain canyon in Section 34, Township 25 North, Range 118 West, Sixth Principal Meridian, Wyo-

ming, and in its natural channel is tributary to Smiths Fork in Section 36, Township 25 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"21. 'Bruner Creek' and 'Pine Creek Springs' means Smiths Fork tributaries which rise in Lincoln County, Wyoming, in Sections 31 and 32, Township 25 North, Range 118 West, Sixth Principal Meridian, and in their natural channels are tributary to Smiths Fork in Section 36, Township 25 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"22. 'Spring Creek' means a Smiths Fork tributary which rises in Lincoln County, Wyoming, in Sections 1 and 2, Township 24 North, Range 119 West, Sixth Principal Meridian, Wyoming, and flows in a general westerly direction to its confluence with Smiths Fork in Section 4, Township 24 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"23. 'Sublette Creek' means the Bear River tributary which rises in Lincoln County, Wyoming and flows in a general westerly direction to its confluence with Bear River in Section 20, Township 24 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"24. 'Hobble Creek' means the Smiths Fork tributary which rises in Lincoln County, Wyoming, and flows in a general southwesterly direction to its confluence with Smiths Fork in Section 35, Township 28 North, Range 118 West, Sixth Principal Meridian, Wyoming;

"25. 'Hilliard East Fork Canal' means that irrigation canal which diverts water from the right bank of the East Fork of Bear River in Summit County, Utah, at a point West 1,310 feet and North 330 feet from the Southeast corner of Section 16, Township 2 North, Range 10 East, Salt Lake Base and Meridian, Utah, and runs in a northerly direction crossing the Utah-Wyoming State line into the Southwest Quarter of Section 21, Township 12 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"26. 'Lannon Canal' means that irrigation canal which diverts water from the right bank of the Bear River in Summit County, Utah, East 1,480 feet from the West Quarter corner of Section 19, Township 3 North, Range 10 East, Salt Lake Base and Meridian, Utah, and runs in a northerly direction crossing the Utah-Wyoming State line into the South Half of Section 20, Township 12 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"27. 'Lone Mountain Ditch' means that irrigation canal which diverts water from the right bank of the Bear River in Summit County, Utah, North 1,535 feet and East 1,120 feet from the West Quarter corner of Section 19, Township 3 North, Range 10 East, Salt Lake Base and Meridian, Utah, and runs in a northerly direction crossing the Utah-Wyoming State line into the South Half of Section 20, Township 12 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"28. 'Hilliard West Side Canal' means that irrigation canal which diverts water from the right bank of the Bear River in Summit County, Utah, at a point North 2,190 feet and East 1,450 feet from the South Quarter corner of Section 13, Township 3 North, Range 9 East, Salt Lake Base and Meridian, Utah, and runs in a northerly direction crossing the Utah-Wyoming State line into the South Half of Section 20, Township 12 North, Range 119 West, Sixth Principal Meridian, Wyoming;

"29. 'Francis Lee Canal' means that irrigation canal which diverts water from the left bank of the Bear River in Uinta County, Wyoming, in the Northeast Quarter of Section 30, Township 18 North, Range 120 West, Sixth Principal Meridian, Wyoming, and runs in a westerly direction across the Wyoming-Utah State line into Section 16, Township 9 North, Range 8 East, Salt Lake Base and Meridian, Utah;

"30. 'Chapman Canal' means that irrigation canal which diverts water from the left bank of the Bear River in Uinta County, Wyoming, in the Northeast Quarter of Section 36, Township 16 North, Range 121 West, Sixth Principal Meridian, Wyoming, and runs in a northerly direction crossing over the low divide into the Saleratus drainage basin near the Southeast corner of Section 36, Township 17 North, Range 121 West, Sixth Principal Meridian, Wyoming, and then in a general westerly direction crossing the Wyoming-Utah State line;

"31. 'Neponset Reservoir' means that reservoir located principally in Sections 34 and 35, Township 8 North, Range 7 East, Salt Lake Base and Meridian, Utah, having a capacity of 6,900 acre-feet.

"Article III

"A. There is hereby created an interstate administrative agency to be known as the 'Bear River Commission' which is hereby constituted a legal entity and in such name shall exercise the powers hereinafter specified. The Commission shall be composed of nine Commissioners, three Commissioners representing each signatory State, and if appointed by the President, one additional Commissioner representing the United States of America who shall serve as chairman, without vote. Each Commissioner, except the chairman, shall have one vote. The State Commissioners shall be selected in accordance with State law. Six Commissioners who shall include two Commissioners from each State shall constitute a quorum. The vote of at least two-thirds of the Commissioners when a quorum is present shall be necessary for the action of the Commission.

"B. The compensation and expenses of each Commissioner and each adviser shall be paid by the Government which he represents. All expenses incurred by the Commission in the administration of this Compact, except those paid by the United States of America, shall be paid by the signatory States on an equal basis.

"C. The Commission shall have power to:

"1. Adopt by-laws, rules, and regulations not inconsistent with this Compact;

"2. Acquire, hold, convey or otherwise dispose of property;

"3. Employ such persons and contract for such services as may be necessary to carry out its duties under this Compact;

"4. Sue and be sued as a legal entity in any court of record of a signatory State, and in any court of the United States having jurisdiction of such action;

"5. Cooperate with State and Federal agencies in matters relating to water pollution of interstate significance;

"6. Perform all functions required of it by this Compact and do all things necessary, proper or convenient in the performance of its duties hereunder, independently or in cooperation with others, including State and Federal agencies.

"D. The Commission shall:

"1. Enforce this Compact and its orders made hereunder by suit or other appropriate action;

"2. Annually compile a report covering the work of the Commission for the water year ending the previous September 30 and transmit it to the President of the United States and to the Governors of the signatory States on or before April 1 of each year;

"3. Prepare and transmit to the Governors of the signatory States, and to the President of the United States on or before a date to be determined by the Commission, a report of expenditures during the current biennium, and an estimate of requirements for the following biennium.

"Article IV

"Rights to direct flow water shall be administered in each signatory State under State law, with the following limitations:

"A. When there is a water emergency, as hereinafter defined for each division, water shall be distributed therein as provided below.

"1. Upper Division

"a. When the divertible flow as defined below for the Upper Division is less than 1,250 second-feet, a water emergency shall be deemed to exist therein and such divertible flow is allocated for diversion in the river sections of the Division as follows:

"Upper Utah Section Diversions—0.6 percent,

"Upper Wyoming Section Diversions—49.3 percent,

"Lower Utah Section Diversions—40.5 percent,

"Lower Wyoming Section Diversions—9.6 percent.

"Such divertible flow shall be the total of the following five items:

"(1) Upper Utah Section Diversions in second-feet,

"(2) Upper Wyoming Section Diversions in second-feet,

"(3) Lower Utah Section Diversions in second-feet,

"(4) Lower Wyoming Section Diversions in second-feet,

"(5) The flow in second-feet passing Pixley Dam.

"b. The Hilliard East Fork Canal, Lannon Canal, Lone Mountain Ditch, and Hilliard West Side Canal, which divert water in Utah to irrigate lands in Wyoming, shall be supplied from the divertible flow allocated to the Upper Wyoming Sections Diversions.

"c. The Chapman, Bear River, and Francis Lee Canals, which divert water from the main stem of Bear River in Wyoming to irrigate lands in both Wyoming and Utah, shall be supplied from the divertible flow allocated to the Upper Wyoming Section Diversions.

"d. The Beckwith Quinn West Side Canal, which diverts water from the main stem of Bear River in Utah to irrigate lands in both Utah and Wyoming, shall be supplied from the divertible flow allocated to the Lower Utah Section Diversions.

"e. If for any reason the aggregate of all diversions in a river section of the Upper Division does not equal the allocation of water thereto, the unused portion of such allocation shall be available for use in the other river sections in the Upper Division in the following order: (1) In the other river section of the same State in which the unused allocation occurs; and (2) In the river sections of the other State. No permanent right of use shall be established by the distribution of water pursuant to this paragraph e.

"f. Water allocated to the several sections shall be distributed in each section in accordance with State law.

"2. Central Division

"a. When either the divertible flow as hereinafter defined for the Central Division is less than 870 second-feet, or the flow of the Bear River at Border Gaging Station is less than 350 second-feet, whichever shall first occur, a water emergency shall be deemed to exist in the Central Division and the total of all diversions in Wyoming from Grade Creek, Pine Creek, Bruner Creek and Pine Creek Springs, Spring Creek, Sublette Creek, Smiths Fork, and all the tributaries of Smiths Fork above the mouth of Hobble Creek including Hobble Creek, and from the main stem of the Bear River between Pixley Dam and the point where the river crosses the Wyoming-Idaho State line near Border shall be limited for the benefit of the State of Idaho, to not exceeding forty-three (43)

percent of the divertible flow. The remaining fifty-seven (57) percent of the divertible flow shall be available for use in Idaho in the Central Division, but if any portion of such allocation is not used therein it shall be available for use in Idaho in the Lower Division.

"The divertible flow for the Central Division shall be the total of the following three items:

"(1) Diversions in second-feet in Wyoming consisting of the sum of all diversions from Grade Creek, Pine Creek, Bruner Creek and Pine Creek Springs, Spring Creek, Sublette Creek, and Smiths Fork and all the tributaries of Smiths Fork above the mouth of Hobbie Creek including Hobbie Creek, and the main stem of the Bear River between Pixley Dam and the point where the river crosses the Wyoming-Idaho State line near Border, Wyoming.

"(2) Diversions in second-feet in Idaho from the Bear River main stem from the point where the river crosses the Wyoming-Idaho State line near Border to Stewart Dam including West Fork Canal which diverts at Stewart Dam.

"(3) Flow in second-feet of the Rainbow Inlet Canal and of the Bear River passing downstream from Stewart Dam.

"b. The Cook Canal, which diverts water from the main stem of the Bear River in Wyoming to irrigate lands in both Wyoming and Idaho, shall be considered a Wyoming diversion and shall be supplied from the divertible flow allocated to Wyoming.

"c. Water allocated to each State shall be distributed in accordance with State law.

3. Lower Division

"a. When the flow of water across the Idaho-Utah boundary line is insufficient to satisfy water rights in Utah, any water user in Utah may file a petition with the Commission alleging that by reason of diversions in Idaho he is being deprived of water to which he is justly entitled, and that by reason thereof, a water emergency exists, and requesting distribution of water under the direction of the Commission. If the Commission finds a water emergency exists, it shall put into effect water delivery schedules based on priority of rights and prepared by the Commission without regard to the boundary line for all or any part of the Division, and during such emergency, water shall be delivered in accordance with such schedules by the State official charged with the administration of public waters.

"B. The Commission shall have authority upon its own motion (1) to declare a water emergency in any or all river divisions based upon its determination that there are diversions which violate this Compact and which encroach upon water rights in a lower State, (2) to make appropriate orders to prevent such encroachments, and (3) to enforce such orders by action before State administrative officials or by court proceedings.

"C. When the flow of water in an interstate tributary across a State boundary line is insufficient to satisfy water rights on such tributary in a lower State, any water user may file a petition with the Commission alleging that by reason of diversions in an upstream State he is being deprived of water to which he is justly entitled and that by reason thereof a water emergency exists, and requesting distribution of water under the direction of the Commission. If the Commission finds that a water emergency exists and that interstate control of water of such tributary is necessary, it shall put into effect water delivery schedules based on priority of rights and prepared without regard to the State boundary line. The State officials in charge of water distribution on interstate tributaries may appoint and fix the compensation and expenses of a joint water commissioner for each tributary. The proportion of the compensation and expenses to be paid by each State shall be determined by the ratio between the number of acres therein which are irrigated by diversions from such tributary, and the total number of acres irrigated from such tributary.

"D. In preparing interstate water delivery schedules the Commission, upon notice and after public hearings, shall make findings of fact as to the nature, priority and extent of water rights, rates of flow, duty of water, irrigated acreages, types of crops, time of use, and related matters; provided that such schedules shall recognize and incorporate therein priority of water rights as adjudicated in each of the signatory States. Such findings of fact shall, in any court or before any tribunal, constitute prima facie evidence of the facts found.

"E. Water emergencies provided for herein shall terminate on October 15 of each year unless terminated sooner or extended by the Commission.

"Article V

"A. Existing storage rights in reservoirs heretofore constructed above Stewart Dam are as follows:

"Idaho	324 acre-feet
"Utah	11,850 acre-feet
"Wyoming	2,150 acre-feet

Additional rights are hereby granted to store in any water year above Stewart Dam, 35,500 acre-feet of Bear River water and no more for use in Utah and Wyoming; and to store in any water year in Idaho or Wyoming on Thomas Fork 1,000 acre-feet of water for use in Idaho. Such additional storage rights shall be subordinate to, and shall not be exercised when the effect thereof will be to impair or interfere with (1) existing direct flow rights for consumptive use in any river division and (2) existing storage rights above Stewart Dam, but shall not be subordinate to any right to store water in Bear Lake or elsewhere below Stewart Dam. One-half of the 35,500 acre-feet of additional storage right above Stewart Dam so granted to Utah and Wyoming is hereby allocated to Utah, and the remaining one-half thereof is allocated to Wyoming, but in order to attain the most beneficial use of such additional storage consistent with the requirements of future water development projects, the three Commissioners for Utah and the three Commissioners for Wyoming are hereby authorized, subject to ratification by the legislature of Utah and the legislature of Wyoming, to modify by written agreement the allocations of such additional storage.

"B. The waters of Bear Lake below elevation 5,912.91 feet, Utah Power & Light Company Bear Lake datum (the equivalent of elevation 5,915.66 feet based on the sea level datum of 1929 through the Pacific Northwest Supplementary Adjustment of 1947) shall constitute a reserve for irrigation. The water of such reserve shall not be released solely for the generation of power, except in emergency, but after release for irrigation it may be used in generating power if not inconsistent with its use for irrigation. Any water in Bear Lake in excess of that constituting the irrigation reserve may be used solely for the generation of power or for other beneficial uses. As new reservoir capacity above the Stewart Dam is constructed to provide additional storage pursuant to paragraph A of this Article, the Commission shall make a finding in writing as to the quantity of additional storage and shall thereupon make an order increasing the irrigation reserve in accordance with the following table:

Additional storage acre-feet	Lake surface elevation Utah Power & Light Company Bear Lake datum
5,000	5,913.24
10,000	5,913.56
15,000	5,913.87
20,000	5,914.15
25,000	5,914.41
30,000	5,914.61
35,500	5,914.69
36,500	5,914.70

"C. Subject to existing rights, each State shall have the use of water for farm and ranch domestic, and stock watering purposes, and subject to State law shall have the right to impound water for such purposes in reservoirs having storage capacities not in excess, in any case, of 20 acre-feet, without deduction from the allocation made by paragraph A of this Article.

"D. The storage rights in Bear Lake are hereby recognized and confirmed subject only to the restrictions hereinbefore recited.

"Article VI

"It is the policy of the signatory States to encourage additional projects for the development of the water resources of the Bear River to obtain the maximum beneficial use of water with a minimum of waste, and in furtherance of such policy, authority is granted within the limitations provided by this Compact, to investigate, plan, construct, and operate such projects without regard to State boundaries, provided that water rights for each such project shall, except as provided in Article V, paragraph A thereof, be subject to rights theretofore initiated and in good standing.

"Article VII

"A. No State shall deny the right of the United States of America, and subject to the conditions hereinafter contained, no State shall deny the right of another signatory State, any person or entity of another signatory State, to acquire rights to the use of water or to construct or to participate in the construction and use of diversion works and storage reservoirs with appurtenant works, canals, and conduits in one State for use of water in another State, either directly or by exchange. Water rights acquired for out-of-state use shall be appropriated in the State where the point of diversion is located in the manner provided by law for appropriation of water for use within such State.

"B. Any signatory State, any person or any entity of any signatory State, shall have the right to acquire in any other signatory State such property rights as are necessary to the use of water in conformity with this Compact by donation, purchase, or, as hereinafter provided through the exercise of the power of eminent domain in accordance with the law of the State in which such property is located. Any signatory State, upon the written request of the Governor of any other signatory State for the benefit of whose water users property is to be acquired in the State to which such written request is made, shall proceed expeditiously to acquire the desired property either by purchase at a price acceptable to the requesting Governor, or if such purchase cannot be made, then through the exercise of its power of eminent domain and shall convey such property to the requesting State or to the person, or entity designated by its Governor provided, that all costs of acquisition and expenses of every kind and nature whatsoever incurred in obtaining such property shall be paid by the requesting State or the person or entity designated by its Governor.

"C. Should any facility be constructed in a signatory State by and for the benefit of another signatory State or persons or entities therein, as above provided, the construction, repair, replacement, maintenance and operation of such facility shall be subject to the laws of the State in which the facility is located.

"D. In the event lands or other taxable facilities are acquired by a signatory State in another signatory State for the use and benefit of the former, the users of the water made available by such facilities, as a condition precedent to the use thereof, shall pay to the political subdivisions of the State in which such facilities are located, each and every year during which such rights are enjoyed for such purposes a sum of money equivalent to the average of the amount of

taxes annually levied and assessed against the land and improvements therein during the ten years preceding the acquisition of such land. Said payments shall be in full reimbursement for the loss of taxes in such political subdivision of the State.

"E. Rights to the use of water acquired under this Article shall in all respects be subject to this Compact.

"Article VIII

"Stored water, or water from another watershed may be turned into the channel of the Bear River in one State and a like quantity, with allowance for loss by evaporation, transpiration, and seepage, may be taken out of the Bear River in another State either above or below the point where the water is turned into the channel, but in making such exchange the replacement water shall not be inferior in quality for the purpose used or diminished in quantity. Exchanges shall not be permitted if the effect thereof is to impair vested rights or to cause damage for which no compensation is paid.

"Article IX

"A. The following rights to the use of Bear River water carried in interstate canals are recognized and confirmed.

Name of canal	Date of priority	Primary right, second-feet	Lands irrigated	
			Acres	State
Hilliard East Fork.	1914	28.00	2,644	Wyoming
Chapman	8-13-86	16.46	1,155	Do.
	8-13-86	98.46	6,892	Utah
	4-12-12	.57	40	Wyoming
	5- 3-12	4.07	285	Utah
	5-21-12	10.17	712	Do.
	2- 6-13	.79	55	Wyoming
	8-28-05	[1] 134.00		
Francis Lee	1879	2.20	154	Do.
	1879	7.41	519	Utah

[1] Under the right as herein confirmed not to exceed 134 second-feet may be carried across the Wyoming-Utah State lines in the Chapman Canal at any time for filling the Neponset Reservoir, for irrigation of land in Utah and for other purposes. The storage right in Neponset Reservoir is for 6,900 acre-feet which is a component part of the irrigation right listed above for the Utah lands.

"All other rights to the use of water carried in interstate canals and ditches, as adjudicated in the State in which the point of diversion is located, are recognized and confirmed.

"B. All interstate rights shall be administered by the State in which the point of diversion is located and during times of water emergency, such rights shall be filled from the allocations specified in Article IV hereof for the Section in which the point of diversion is located, with the exception that the diversion of water into the Hilliard East Fork Canal, Lannon Canal, Lone Mountain Ditch, and Hilliard West Side Canal shall be under the administration of Wyoming. During times of water emergency these canals and the Lone Mountain Ditch shall be supplied from the allocation specified in Article IV for the Upper Wyoming Section Diversions.

"Article X

"Applications for appropriation, for change of point of diversion, place and nature of use, and for exchange of Bear River water shall be considered and acted upon in accordance with the law of the State in which the point of diversion is located, but no such application shall be approved if the effect thereof will be to deprive any water user in another State of water to which he is entitled. The official of each State in charge of water administration shall, upon the filing of an application affecting Bear River water, transmit a copy thereof to the Commission.

"Article XI

"Nothing in this Compact shall be construed to prevent the United States, a signatory State or political subdivision thereof, person, corporation, or association, from instituting or maintaining any action or proceeding, legal or equitable, for the protection of any right under State or Federal law or under this Compact.

"Article XII

"Nothing contained in this Compact shall be deemed

"1. to affect the obligations of the United States of America to the Indian tribes;

"2. to impair, extend or otherwise affect any right or power of the United States, its agencies or instrumentalities involved herein; nor the capacity of the United States to hold or acquire additional rights to the use of the water of the Bear River;

"3. to subject any property or rights of the United States to the laws of the States which were not subject thereto prior to the date of this Compact;

"4. to subject any property of the United States to taxation by the States or any subdivision thereof, nor to obligate the United States to pay any State or subdivision thereof for loss of taxes.

"Article XIII

"At intervals not exceeding twenty years, the Commission shall review the provisions hereof, and after notice and public hearing, may propose amendments to any such provision, provided, however, that the provisions contained herein shall remain in full force and effect until such proposed amendments have been ratified by the legislatures of the signatory States and consented to by Congress.

"Article XIV

"This Compact may be terminated at any time by the unanimous agreement of the signatory States. In the event of such termination all rights established under it shall continue unimpaired.

"Article XV

"Should a court of competent jurisdiction hold any part of this Compact to be contrary to the constitution of any signatory State or to the Constitution of the United States, all other severable provisions of this Compact shall continue in full force and effect.

"Article XVI

"This Compact shall be in effect when it shall have been ratified by the Legislature of each signatory State and consented to by the Congress of the United States of America. Notice of ratification by the legislatures of the signatory States shall be given by the Governor of each signatory State to the Governor of each of the other signatory States and to the President of the United States of America, and the President is hereby requested to give notice to the Governor of each of the signatory States of approval by the Congress of the United States of America.

"In witness whereof, the commissioners and their advisers have executed this compact in five originals, one of which shall be deposited with the General Services Administration of the United States of America, one of which shall be forwarded to the Governor of each of the signatory States, and one of which shall be made a part of the permanent records of the Bear River Commission.

"Done at Salt Lake City, Utah, this 4th day of February 1955.

"For the State of Idaho:

"FRED M. COOPER.
"MELVIN LAURIDSEN.
"MARK R. KULP.

"For the State of Utah:

"GEORGE D. CLYDE.
"J. LORENZO WEIDMANN.
"A. V. SMOOT.
"LAWRENCE B. JOHNSON.
"ALONZO F. HOPKIN.
"E. M. VAN ORDEN.
"ORSON A. CHRISTENSEN.

"For the State of Wyoming:

"L. C. BISHOP.
"H. T. PERSON.
"HOWARD B. BLACK.
"EMIL C. GRADERT.
"S. REED DAYTON.

"Approved:

"E. O. LARSON,
"Representative of the United States of America.

"Attest:

"E. J. SKEEN,
"Secretary of the Bear River Compact Commission."

SEC. 2. All officers, agencies, departments, and persons of and in the United States Government shall cooperate with the Bear River Commission, established pursuant to the compact consented to hereby, in any manner authorized by law other than this Act, it being the purpose of Congress that the United States Government shall assist in the furtherance of the objectives of a Bear River Compact and in the work of the commission created thereby.

SEC. 3. Any modification of the allocation of storage rights contained in Article V shall become effective only when consented to by the Congress.

SEC. 4. The right to alter, amend, or repeal this Act is expressly reserved.

Amend the title so as to read: "An Act granting the consent of Congress to a Bear River Compact, and for related purposes."

With the following committee amendments:

Page 1, line 3, strike out the words "and approval."

Page 6, line 23, strike out the word "Rrange" and insert "Range."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act granting the consent of Congress to a Bear River Compact, and for related purposes."

A motion to reconsider was laid on the table.

EXTENSION OF LEASES ON CERTAIN LANDS IN HAWAII

The Clerk called the bill (H. R. 8483) to authorize the extension of leases of certain lands in the Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of the Hawaiian Organic Act (31 Stat. 141), or of the laws of the Territory of Hawaii, where a lessee of waterfront lands in the Territory of Hawaii, under lease on November 4, 1952, or March 9, 1957, has spent substantial sums in repairing or replacing improvements on such lands damaged or destroyed by either or both of the tidal waves of such dates, then the Commissioner of Public Lands of the Territory of Hawaii, in his discretion and at the request of the lessee, may extend the term of the lease at the original rental; however, no lease may be extended pursuant to this act beyond November 3, 1973.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROVING JOINT RESOLUTION 28 OF TERRITORY OF HAWAII

The Clerk called the bill (H. R. 9501) to approve Joint Resolution 28 enacted

by the Legislature of the Territory of Hawaii in the regular session of 1957, relating to the conditions and terms of right of purchase leases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Joint Resolution 28, enacted by the Legislature of the Territory of Hawaii in the regular session of 1957 and entitled "Joint resolution relating to the conditions and terms of right of purchase leases, and amending section 99-92 (a) of the Revised Laws of Hawaii 1955, subject to approval of the Congress, and requesting such approval" is hereby approved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALIDATION OF SOIL-BANK CONTRACTS IN COUNTIES BROUGHT INTO COMMERCIAL CORN AREA

The Clerk called the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn-acreage allotments.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, would the author of the bill please give us a little information as to what is contained in this bill?

Mr. McMILLAN. Mr. Speaker, this bill permits the Department of Agriculture to postpone the enforcement of section 114 of the Soil Bank Act 1 year in these counties that were recently placed in the commercial corn area. It seems that the order did not come out until rather late, and has caused undue hardship to the already depressed farmer. The Department officials appeared before my committee and testified that they made every effort possible to prevent these counties from being placed in the commercial corn area, but had no alternative under the law. Therefore, it was necessary to amend the act.

Mr. H. CARL ANDERSEN. I thank the gentleman. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I point out that there are no departmental reports on this bill. My information is that there was a witness from the Department of Agriculture who appeared before the committee and expressed opposition to one part of the bill which, I suppose, could be interpreted as an adverse report, if a report had been furnished. Under those circumstances, Mr. Speaker, I think we ought to let the matter lay over until the next calendar day. Therefore I ask unanimous consent that the bill be passed over without prejudice.

Mr. McMILLAN. Mr. Speaker, would the gentleman withhold that request for 1 minute?

Mr. BYRNES of Wisconsin. Mr. Speaker, I withhold my request and yield to the gentleman.

Mr. McMILLAN. Mr. Speaker, I would like to state that this is really an emergency matter. If this bill does not pass right away, it will not do the farmers any good this season.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. FORD. The gentleman may know that the next bill on the Consent Calendar involves a somewhat similar situation to the one presently before us, a bill which I have sponsored and which has been approved by the Committee on Agriculture. I can assure the gentleman from Wisconsin that in either instance time is of the essence.

I was present before the Committee on Agriculture when the Department of Agriculture people appeared and it seemed to me from their testimony they were not objecting to this type of legislation. What this does is to give them an opportunity to grant administrative relief in hardship cases, cases which developed primarily because of a bad sequence of events from the standpoint of time. Under the existing law, apparently, the Department of Agriculture has no authority to give administrative relief in hardship cases where serious inequities have developed. It seems to me, with time of the essence and the need for this administrative relief, it is important that this legislation be approved today.

Mr. McMILLAN. Mr. Speaker, will the gentleman yield further?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. McMILLAN. I would like to state further that the Department really did not object to this bill. In fact, they favored the legislation but they could not come out and approve it. I suppose that is why we do not have a report from the Department. But they did not seriously object to it.

Mr. BYRNES of Wisconsin. Mr. Speaker, would the gentleman answer a question? His contention is that time is of the essence. What is the time deadline involved here? If it is only a month or so, that would make a difference.

Mr. McMILLAN. The corn is being planted now in Georgia and Florida. This affects counties in Georgia and Florida.

Mr. BYRNES of Wisconsin. Mr. Speaker, on the basis that time is important and the fact that the Department could have sent up an adverse report if they were really opposed to the bill, I withdraw my unanimous-consent request.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 114 of the Soil Bank Act is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this section—(1) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for 1958 by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if the county in which such farm is located is included in the commercial corn producing area for the first time in 1958; (2) no person shall be ineligible to receive payments or compensation under a conservation reserve contract by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if such contract was entered into prior to January 1 of the first year for which the county is included in the commercial corn producing area: *Provided*, That the foregoing provisions of this sentence shall apply only to a farm for which an 'old farm' corn allotment is established for such first year. For purposes of this provision, a contract which has been terminated by the producer under the program regulations by reason of the fact that the county in which the farm is located was included in the commercial corn-producing area for the first time in 1958, and which is reinstated, shall be deemed to have been entered into as of the original date of execution of such contract."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVE OTTAWA COUNTY, MICH., FROM COMMERCIAL CORN AREA FOR 1958

The Clerk called the bill (H. R. 10316) to exclude Ottawa County, Mich., from the commercial corn-producing area during 1958.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to say this: it is my understanding that the bill previous to this does take care of the problems which resulted in the initiation of H. R. 10316. I should like to include in my remarks 3 questions addressed to the representative of the Committee on Agriculture to pin down the fact that the bill, H. R. 10843, takes care of all the problems that resulted in my introduction of the bill H. R. 10316.

Mr. McMILLAN. Although all of these counties were designated commercial corn countries before the completion of the soil-bank signup for any crop except winter wheat, the committee feels that such designation, and the importance of it in connection with the soil-bank program, was not actually made known to farmers in these counties until after they had made their farming plans for 1958, and, in some cases, not until after they had actually signed up wheat, cotton, or other acreage in the soil bank.

This bill does not remove these 38 new counties from the commercial corn area, but simply provides (1) that, with respect to acreage reserve contracts for 1958, such contracts will not be invalidated if the farmer overplants his corn acreage allotment in 1958, and (2) with respect to conservation reserve contracts no such contract will be invalidated by the farmer overplanting his corn acreage allotment, if the conservation reserve contract was entered into prior to January 1 of the calendar year in which the county is brought into the commercial corn area for the first time.

DEPARTMENTAL POSITION

The Department of Agriculture did not submit a formal report on this bill, but its representatives in the hearing held by the Livestock and Feed Grains Subcommittee stated that the Department was not in favor of the exemption granted for 1958 with respect to the acreage reserve

contracts, but does favor the permanent exemption granted with respect to conservation reserve contracts.

To the committee it seems that the principle involved is precisely the same. The Department favors farmers being relieved of the corn compliance requirement in connection with conservation reserve contracts if those contracts were made before the county was designated as a commercial corn county. The principle involved is that farmers have entered into their soil-bank contract without being aware that they would later be called upon to comply with newly established corn allotments. Precisely the same principle applies to the farmers in the counties which were brought into the commercial corn area in 1958 and who may have their acreage reserve contracts invalidated for that reason. They should be exempted from the requirement this year, because they did not have effective notice of the establishment of corn acreage allotments before they made their plans to put their wheat, cotton, or other acreage into the soil bank.

I hope the gentleman from South Carolina or someone from the Committee on Agriculture will answer those questions, which I know they will do.

Mr. McMILLAN. If the gentleman will ask his quesitons, I will try to answer them.

Mr. FORD. May I ask this question: Will H. R. 10843 take care of those farmers who signed up for the wheat acreage reserve in counties like the 38 which became new commercial corn counties in October of 1957?

Mr. McMILLAN. Yes, my bill H. R. 10843 will take care of those counties. I thank the gentleman for introducing his bill and appearing before the Agriculture Committee to explain the situation existing in his State. I certainly would not want my bill to pass if it would not take care of the farmers in the gentleman's district from Michigan, as he introduced the first legislation to give these newly created commercial counties some relief.

Mr. FORD. I thank the gentleman.

There are two other questions: Second, will H. R. 10843, if enacted into law, protect those who have subsequently signed up for the corn acreage reserve in the 38 new commercial corn counties?

Mr. McMILLAN. Our committee counsel advises it will.

Mr. FORD. One final question. Does H. R. 10843 remove any of these 38 new counties from the commercial corn county category?

Mr. McMILLAN. No; it is my understanding it will not.

Mr. FORD. I thank the gentleman from South Carolina and the Committee on Agriculture for acting promptly and I think correctly in trying to remedy the inequity developed when these 38 commercial corn counties were established in October 1957. It seems to me that the Department of Agriculture when H. R. 10843 becomes law will have administrative authority to grant relief in those hardship cases where the facts justify such action.

Mr. McMILLAN. I thank the gentleman from Michigan for his valuable assistance. He appeared before the committee twice and gave us valuable information as to the situation existing in his counties, which have been vitally affected by the Department of Agriculture order placing those counties in the commercial corn area.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection, and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCORPORATION OF CERTAIN BUSINESSES IN ALASKA

The Clerk called the bill (H. R. 4634) to amend the act entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes," with respect to the incorporation of certain businesses.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 9 of the act entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes," approved August 24, 1912, as amended (48 U. S. C. 77), is amended by striking out "conduct of business of" and insert in lieu thereof the following: "conduct of all lawful businesses including but not limited to:".

SEC. 2. This act shall take effect as of August 24, 1912.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF HAWAIIAN HOMES COMMISSION ACT

The Clerk called the bill (H. R. 8476) to amend the Hawaiian Homes Commission Act, 1920, to extend the period of tax exemption of original lessees from 5 to 7 years.

The Clerk read the bill, as follows:

Be it enacted, etc., That subparagraph (7) of section 208 of the Hawaiian Home Commission Act, 1920, as amended (48 U. S. C. 702 (7)) is amended by striking out "5" and inserting in lieu thereof "7."

SEC. 2. The amendment made by this act shall apply only with respect to taxes imposed for periods after the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERRITORY OF HAWAII

The Clerk called the bill (H. R. 9461) to amend the joint resolution of the Legislature of the Territory of Hawaii, as amended by the act of August 23, 1954, to permit the granting of patents in fee simple to certain occupiers of public lands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, as approved by the act of September 1, 1950 (64 Stat. 572) and amended by the act of August 23, 1954 (68 Stat. 764), is amended to read as follows:

"SECTION 1. A fee simple patent shall be issued to every occupier under a certificate of occupation, and to every lessee under a 999-year homestead lease, of public lands, where such lands have been improved under such certificate or lease, or improved under such a certificate and such a lease, and have been used as a place of residence by such occupier or lessee for an aggregate continuous period of not less than 10 years, upon payment to the commissioner of public land of a fair price, disregarding the value of the improvements made by the occupier or lessee, which price shall be determined by three disinterested citizens to be appointed by the Governor."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER

The Clerk called the bill (H. R. 5033) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., authorized to be built by the Arkansas-Mississippi Bridge Commission and its successors and assigns by the act entitled "An act creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said Commission and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., and for other purposes," approved May 17, 1939 (53 Stat. 747), shall be the 4-year period and the 6-year period, respectively, beginning on August 9, 1957.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. GEORGE LOCK AND DAM

The Clerk called the bill (H. R. 9653) to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in honor of the late Senator Walter F. George, the name of the Fort Gaines lock and dam on the Chattahoochee River north of Fort Gaines, Ga., shall hereafter be known and designated as the Walter F. George lock and dam, and shall be dedicated as a monument to his distinguished public service. Any law, regulation, map, document, or record of the United States in which such lock and dam is referred to as the Fort Gaines lock and dam shall be held and considered to refer to such lock and dam by the name of the Walter F. George lock and dam.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF LANDS IN HAWAII

The Clerk called the bill (H. R. 8482) to authorize the commissioner of public lands of the Territory of Hawaii to exchange certain public lands for private lands of equal value required for public highway purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any limitation imposed by section 73 (1) of the Hawaiian Organic Act (48 U. S. C. 673), the Commissioner of Public Lands of the Territory of Hawaii, in his discretion but with the approval of the Governor of the Territory of Hawaii and two-thirds of the members of the board of public lands, is authorized to exchange public lands, consisting of rights-of-way of existing public highways which are to be relocated or realined, for the purpose of acquiring privately owned lands of equal value required for such relocation or realinement of public highways.

SEC. 2. The lands received in the exchanges authorized in the first section of this act shall, except as otherwise provided, have the same status and be subject to the same laws as the lands given in exchange.

With the following committee amendment:

Page 1, line 4, strike out "(48 U. S. C. 673)," and insert "(48 U. S. C. 673), or section 99-48, Revised Laws of Hawaii, 1955."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That concludes the call of the eligible bills on the Consent Calendar.

FINANCIAL INSTITUTIONS ACT, S. 1451 AND H. R. 7026

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Financial Institutions Act, which passed the Senate last year as S. 1451, and its counterpart in the House, H. R. 7026, a bill of some 252 pages, may shortly come before the House for action. It undoubtedly will be presented as a revision or codification of the Federal banking laws.

If that is all the bill were, it would have been referred to the Judiciary Committee which is charged by law with "revision and codification of the statutes of the United States." The fact of the matter is that the Judiciary Committee Subcommittee on Revision of the Laws has for some time been working on such a project. Because the title of the bill includes the word "amend" as well as the word "revise" the bill was referred to the House Banking and Currency Committee.

My purpose at this moment is to alert the membership to the situation presented by the attempt to enact this bill.

Every witness who testified before the House Banking and Currency Committee has referred to and discussed changes in the Federal statutes "of major importance." If the bill is enacted with these changes, most of the safeguards written into our banking laws since the 1920's will be eliminated and destroyed. Bank depositors and stockholders will again be put at the mercy of the moneyed interests and the big bankers of the country. The moneychangers who were driven out of the temple in the 1930's will not only move back into the temple, but they will take it over, lock, stock, and barrel.

BUDGET AND ACCOUNTING ACT—PROPOSED AMENDMENT TO H. R. 8002

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include a copy of a substitute which I propose to offer to H. R. 8002 and an analysis thereof.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, H. R. 8002, the so-called accrued expenditure appropriation bill, is scheduled to be considered by the House this Wednesday, March 5. It is a very bad bill in its present form. The Committee on Appropriations thinks it is a very bad bill in its present form. I therefore propose to offer an amendment which will enact a procedure which will better accomplish the main objective of H. R. 8002 but without its costly and confusing features.

The proposed amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 201 of the Budget and Accounting Act, 1921, as amended, is further amended by adding the following new subsection:

"'(b) Each department and establishment of the Government to which an appropriation is made shall annually submit to the Bureau of the Budget a justification for the continued availability of such funds and the President, in his annual budget message or supplemental messages, shall transmit to Congress his recommendations for action in the event he desires such availability to be continued, and, if so, in what manner and for what purpose.'

"SEC. 2. (a) It shall be in order to include in appropriation bills, or in amendments thereto, provisions pertaining to the availability of funds referred to in section 201 (b) of the Budget and Accounting Act of 1921, as amended.

"(b) The provisions of subsection (a) of this section are enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House."

EXPLANATION OF AMENDMENT TO BE PROPOSED TO H. R. 8002

The proponents of H. R. 8002 have repeatedly asserted that its main purpose—the crux of the bill—is to enact a formal procedure to secure systematic review and reapproval of further use of unexpended carryover balances of prior appropriations.

The standing practice of the Committee on Appropriations has been to do that very thing each year in the hearings in order to be able intelligently to arrive at determination of new appropriations to be added to the carryovers or balances to be transferred or withdrawn. The purpose of H. R. 8002 is to enact this practice into law. The standing Rules of the House, however, do not now contain authority for the Committee on Appropriations to rescind, transfer, or reappropriate such unexpended balances found to be no longer needed for the original purpose.

To achieve the purpose of H. R. 8002 without enacting its bad and costly features, the proposed Taber amendment will be offered. It is a simple, direct, and effective approach without introducing endless confusion and the expensive device of contract authority which was discarded in 1950 after many years' experience.

Mr. Speaker, it also effectively responds to the argument of the proponents of H. R. 8002 that Congress does not, but should, directly control the annual rate of disbursements. Here is how it would do so:

About two-thirds of actual disbursements—about $48 billion of the $72 billion, using the current budget as an example—in any one fiscal year are out of appropriations made for that same year. Cuts made in the appropriations requested for that year therefore automatically cut disbursements represented by the $48 billion disbursements estimate, just by the simple act of cutting the appropriations from which the $48 billion was going to be spent. So, as to two-thirds of the disbursements estimated in the budget, Congress now has all the direct disbursements controls it needs. Therefore, the Taber amendment does not apply to this $48 billion part of the $72 billion disbursements estimate.

The other one-third of actual disbursements is from appropriations of previous years—in other words, from unexpended carryovers. This represents about $24 billion of the $72 billion disbursements figure. This is the part which H. R. 8002 is primarily designed to get at because at present it is disbursed without any formal type procedure being routinely available in the law or the rules by which it can be directly controlled. The Taber amendment prescribes such a formal procedure for this $24 billion portion and, in conjunction with the existing direct control procedure on the $48 billion portion described above, gives Congress a formal type procedure for dealing directly with the entire $72 billion disbursements figure.

THE TRUTH ABOUT COMMUNISM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therewith extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, there appeared yesterday in the magazine section of the Washington Post a very fine article by Commander John S. Gleason of the American Legion entitled "We Must Teach the Truth About Communism."

I hope everybody all over the United States will read it.

The article is as follows:

WE MUST TEACH THE TRUTH ABOUT COMMUNISM

(By John S. Gleason, Jr., national commander, American Legion)

(No organization in the United States is more stanchly anti-Communist than the 3-million-member American Legion. Thus many people were surprised last November when the Legion urged that children in every United States public and private secondary school should be taught about communism, its true history and its vast fallacies. In this exclusive article, John S. Gleason, Jr., national commander of the Legion, explains why he supports that stand.—The Editors.)

Know your enemy. That is perhaps the oldest military maxim in the world, and only a fool would dispute its worth. But it is not enough to know the number of soldiers, sailors, and airmen, the weapons at their disposal, the tactics and strategy that will direct them.

It is vital also to know the mind of the enemy, his history, his fears and ambitions, his form of government, his national character, his strengths and weaknesses—in fact, all things that make him think the way he does.

Today America's threat, and the threat of the whole of the free world, is Soviet Russia. In his state of the Union message, President Eisenhower said bluntly that the Russian leaders were waging "total cold war" against the West, and that the only answer for the West was to wage "total peace."

But peace, by a strange and bitter paradox, is harder to wage than war. For the battle line does not run clear and sharp. It is drawn in the thoughts and hopes of millions of people. In short, the battle for peace is the battle for men's minds.

How well is the average American prepared for this new battlefield? How well does he know his enemy, how well is he protected by firmly based and reasoned convictions against the lures, traps, and pitfalls of the Communists? The answer is: Not nearly well enough. It no longer is sufcient to hold a bland belief that communism is evil. It is necessary to know why it is evil so that its temptations can be refuted and resisted. In the waging of total peace, understanding is the sharpest sword of all.

FAITH IS NOT ENOUGH

Once the American people had great faith that if each new generation was raised in full knowledge of what our democracy is, how it came about and the concepts on which it is based, then we need never fear for the future of these concepts. Education in the American way of life and in its values is doubly important today. But it is equally important to recognize the perils that threaten that way of life.

Beginning in the depression, continuing through World War II and into the postwar years, a mood of cynicism was bred in which every national difficulty was attributed to the failure of democracy. This fad of little faith was quickly seized upon and exploited by the Communists.

Hundreds of men and women, distinguished in their own fields, were sucked in by Communist trickery. They became fellow travelers, lending their names and support to Communist-front organizations. Extremists went even further, becoming a fifth column working actively to destroy America.

The Communists were skillful. They claimed to be "liberals," "progressives," even "reactionaries." They called their satellites, so ruthlessly annexed and bloodily held down, "peoples' democracies." They claimed they were the real fighters for peace, and that all who opposed them were "capitalist warmongers."

Then America began to wake up. Korea, the Rosenbergs, Congressional investigations sounded the alarm and laid bare the threat and the extent to which Americans of all classes had been duped. Succeeding crises, such as Hungary and Soviet expansion into the Middle East, have heightened the apparent danger.

A CHALLENGE WITHOUT END

But, like an iceberg, Soviet policy shows only its tip above the surface. The real peril lurks below.

One fact is clear: No matter what current settlements may be negotiated with Soviet Russia as the "other" world power, our children and grandchildren will have to face the challenge of Communist competition throughout their lives. If we have been deceived and bamboozled in the past, it is because, as a nation, we did not take enough trouble to learn about communism.

When American college students went to Moscow recently, the State Department had cause for real anxiety. Not enough of the students were adequately equipped to argue the cause of free democracy versus communism. They had little training in debate and practically none in Soviet history. It is amazing how little is taught today in our schools, colleges, and universities of even a skeleton history of the Soviet Union and its ruling Communist Party.

To those who know Soviet history, the door is open to the interpretation of Russia's day-to-day moves and the prediction of future moves. If it does nothing else, such knowledge slams the door on wild hopes and wishful thinking.

How many Americans know the details of the Russian constitutional convention of 1918; why the Kerensky regime failed; the history of the revolt of the Kronstadt sailors; the blood bath that brought Lenin to power; the liquidation of the kulaks, or landowning peasants; the "rights" of Soviet citizens; the life stories of Lenin, Trotsky, and Stalin; the real story of the 1937 Moscow "traitor" trials; the birth and death of the Comintern; the creation of the Cominform; the background to the nonaggression pact with Hitler and the partition of Poland; the history of the Communist Parties in America, France, Italy, and Germany?

There is no $64,000 prize for learning about Soviet Russia and the worldwide Communist plot. The reward is too great to be measured in money.

If I were an educator, I could not sleep nights if I were not doing everything in my power to see that our children—the citizens and leaders of tomorrow—know all that they can know about communism. They must escape its entrapments and learn how to deal with it realistically.

That is why the American Legion says, "Young America must learn to know the enemy."

THE AGRICULTURAL SITUATION

Mr. BEAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Speaker, my remarks are directed toward both sides of the House. This is my first political speech on the floor of the House in 8 years.

Some people, even including members of my own party, have been pointing a finger at Secretary of Agriculture Benson. I would want to remind these good friends, whether they be Republicans or Democrats, that they must remember always that when they point a finger at anyone, they always have three fingers pointing back accusingly at them.

To carry this illustration a bit further, may I suggest that one of the these fingers would point back accusingly at Henry Wallace, a former Democrat Secretary of Agriculture, who killed little pigs, plowed down every fourth row, and painted potatoes purple. A second finger would point back accusingly at another Democrat Secretary of Agriculture, Claude Wickard, who was a dismal failure as a Secretary of Agriculture. Back in Indiana, we know him as a man who acquired a farm by inheritance and who reportedly used this farm as a means of evading service in World War I. We also know him as the Administrator of REA who would have tried to overburden this worthwhile project with debts in order that the Federal Government could take over the REMC's that rightfully belong to the farmers.

A third accusing finger would point to Charles Brannan, another Democrat Secretary of Agriculture, whose chief interest was and apparently continues to be, the socialization of the agriculture of this country.

So I say to my friends on the Democrat side of the aisle that they should remember the sins of their own former Secretaries of Agriculture before pointing out any of the shortcomings of Mr. Benson. I would also say to my friends on the Republican side that they would render a greater service to the party and to the country at large by pointing out the difficult task that confronts a Secretary of Agriculture and then by contrast show how much better job Mr. Benson has been doing than any of these three previous men in his position.

I do not approve of all of Mr. Benson's policies but perhaps it would be better for all of us if we would put our shoulders to the wheel and help to get agriculture out of a rut, if it is in one—and I do not think it is in one—instead of criticizing individuals who are trying to do a good job and who are trying to help the farmers. Perhaps my own Republican friends who presently are criticizing Mr. Benson are thinking about their own political skins more than they are thinking of the welfare of the farmer and their colleagues in other areas. Agriculture is too important to be used as a political football.

SCIENCE TALENT SEARCH

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in the weeks that we have been gathered in this Chamber in the 2d session of the 85th Congress, indeed not since the Soviet piercing into outer space awakened America to her scientific lag, have I been more heartened, more assured of the future, than on Friday evening when I met with the 40 high-school students who were selected in the science-talent search as the most talented and promising in scientific scholarship. The competition included all public, private, and parochial high schools in the United States and the winners—8 young women and 32 young men—were designated the cream of the crop after a series of rigid tests and examinations. The tests were conducted by the science clubs of America for the Westinghouse science scholarships.

I was privileged to be present at the dinner on Friday evening in their honor. Our beloved former Speaker, Mr. MARTIN, was there. Three of my distinguished colleagues from Illinois, Mrs. CHURCH, Mr. PRICE, and Mr. MCVEY, were there. But it was because of nothing that any of us had done. The only way a Congressman could qualify for that dinner was to represent the district of one of these 40 cream-of-the-crop young scientists.

To Miss Bernadette Genevieve Londak, brilliant and charming daughter of Mr. and Mrs. S. Kent Londak, 7749 South Langley Avenue, Chicago, I am deeply indebted for the privilege of being a participant in this thrilling event. Miss Londak, a senior at Mercy High School in the District I have the honor to represent, was selected as one of the 40 winners out of the 25,000 original candidates. Some idea of the tremendous proportions of this distinction can be gained from the fact that she was the only winner from the entire city of Chicago, the second city in population in the United States.

Miss Londak, an amateur astronomer with plans for a career in the teaching of physics and mathematics, is a member of an official moonwatch team tracking artificial earth satellites launched during the International Geophysical Year. She has had an outstanding high-school career, and I am certain that she, along with thousands of unheralded American youths, will safeguard our scientific future. Her selection as a finalist is a tribute to her ability, to the inspiration and guidance of her family, to Mercy High School and its scientific program, to Sister Mary Mark, the dedicated principal of Mercy High School, and to the entire Second Congressional District of Illinois.

The entire Illinois delegation may take pride, moreover, in the fact that only one State in the Union placed more finalists in this science-talent search than the great State of Illinois. Our State, with four finalists, has once again exhibited to the Nation the results of a belief in sound education and in scientific stimulation of its youth.

Mr. Speaker, I join with my colleagues in congratulating the science service and its dynamic director, Watson Davis, and the Westinghouse Educational Foundation on the great success of the 17th annual science-talent search. I know of no work in the field of scientific education that is more timely and constructive, more fired with vision, in the encouragement of our youth to carry these United States of ours again to world supremacy in science as in all things. In the awarding of scientific scholarships to these young people, to the value of $34,250, the Westinghouse Educational Foundation merits the applause of the Nation.

ANTI-TRAITOR VENUE BILL

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, today I am introducing a bill to strengthen enforcement of laws against traitors and other persons who commit serious crimes against this country. The bill is designed also to clarify the jurisdiction of Federal courts to try offenders for crimes committed outside the United States or its possessions.

Enactment of this measure would give the Federal Government powerful weapons in its never-ending battle against traitors to our country.

The law today provides that anyone who has committed a crime against the United States outside the jurisdiction of our courts must be tried in the district in which he is found or into which he is first brought. This means that when two or more offenders act jointly abroad, but are found in different United States districts, they must be indicted and tried in different jurisdictions rather than together. The expense of separate trials is often prohibitive. This bill would permit the trial of two or more joint offenders in the district in which any one of them is first taken into custody or is first brought. This would bring traitors to justice speedily and with a saving of thousands of dollars to the American taxpayer.

Another difficulty in combating traitors under present law is that it is doubtful whether one who commits a crime outside the jurisdiction of United States courts can be indicted anywhere until he returns to the jurisdiction of our courts. There is, of course, little incentive for such a person to return. If he can remain outside the country for the period of the statute of limitations, which is 3 years in all but capital cases, he may avoid prosecution altogether. This is a loophole in the law through which traitors and other criminals have been escaping prosecution for too long a time. This bill would provide that in such situations an indictment or information could be filed in the district of the last known residence of the accused in order to prevent running of the statute of limitations.

This bill also removes any doubt as to the district in which these offenders should be tried. In a much-publicized case not long ago, a Sergeant Provoo was convicted of treason, but escaped punishment because the Government failed to try him in the proper district. He was tried and convicted in the southern district of New York, where he had been arrested, but on appeal from his conviction, the court of appeals determined that he had not actually been found in New York, within the limitation of the statute. The case was remanded and he was then indicted in Maryland, where he had first been taken into custody. But the district court of Maryland dismissed the indictment on the ground that the Government had taken so long to prosecute the defendant that he had been denied his right to a speedy trial.

Under this bill offenders such as these would be tried in the district in which they were first taken into custody. This provision would remove any uncertainty on the part of arresting officers and courts as to the forum in which traitors to this country may be brought to justice.

The bill follows:

A bill to amend section 3238 of United States Code, title 18

Be it enacted, etc., That section 3238 of title 18, United States Code, is amended to read as follows:

"§ 3238. Offenses not committed in any district.

"The trial of all offenses begun or committed upon the high seas, or elsewhere out of the jurisdiction of any particular State or district, shall be in the district in which the offender, or any one of two or more joint offenders, is first taken into custody or continued in custody for any such offense, or into which he is first brought; but if such offender or offenders are not so taken into custody or brought into any district, an indictment or information may be filed in the district of the last known residence of the offender, or any one of two or more joint offenders, or in the District of Columbia."

EXTENSION OF THE TRADE AGREEMENTS ACT

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a letter from Gastonia, N. C., Chamber of Commerce and the United States Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, my good friend, B. T. Dickson, executive vice president of the Gastonia, N. C., Chamber of Commerce, wrote a letter to Mr. Philip M. Talbott, president, Chamber of Commerce of the United States, on February 19, 1958, in which he set forth his views with reference to extension of the Trade Agreements Act.

It occurred to me that this letter, which follows, would be of interest to my colleagues in the House:

CHAMBER OF COMMERCE,
Gastonia, N. C., February 19, 1958.

Mr. PHILIP M. TALBOTT,
President, Chamber of Commerce of the United States, Washington, D. C.

DEAR MR. TALBOTT: Since talking with several people who were at your AIRCADE

meeting in Charlotte, we have concluded that the one-sided vote favoring extension of the Trade Agreements Act did not represent audience sentiment on that controversial question. Of course, we realize that the vote did not determine any policy of the national chamber, but we don't want you to get the erroneous impression that it represented the deliberate view of the business people down here in this textile manufacturing section of the country.

On the face of it, this trade agreement policy seems to be a very fair, fine rule of international commerce. Up to the present time it apparently has been a boon to most industries in this country, and probably will be for a time in the future. Following World War II all the free nations of the world have looked to the United States largely for raw materials and for finished goods. Under these circumstances the hungry demand for United States goods has boosted our exports to unprecedented heights; and, pending the rehabilitation of industry in most foreign nations, imports to this country have been absorbed in most cases without serious injury to our economy. Textile products, plywood, bicycles, certain chemicals, and probably a few other products seem to be the notable exceptions.

From your experience at Woodward and Lothrop you must be familiar with the sad plight of the American cotton-textile industry. On my desk here are two sport shirts—one made in Japan of Japanese gingham, the other made in America of American gingham. The Japanese shirt retailed in McCrory's store for $1, the American counterpart in the same store for $1.98, and the sad part of the story is that 60 percent of the people to whom I show these shirts (labels have been removed) guess that the Japanese shirt is American-made since it is of comparable quality material and of superior workmanship. You realize, of course, that this is possible because Japanese textile mills can buy cotton grown here in the South at 7½ cents per pound cheaper than our mills in Gastonia can buy the same grade of cotton, and that our workers—as low as their wage is—get 10 times the pay as their Japanese competitors.

One does not have to be an economist to reach a conclusion in this situation. The committee for economic development stated it very succinctly in their pamphlet dealing with tariffs and foreign trade when they said that where labor constitutes any appreciable percent of the cost of an article our American manufacturers cannot compete with cheap foreign labor without the benefit of a protective tariff or an import quota.

The textile industry can bear sad testimony to the truthfulness of that theorem. In 1947 the United States exported cotton textiles to the extent of $748.8 million and imported from other countries $24 million, but in 1955 our exports had declined to $242 million and imports had climbed to $123.3 million. The past 2 years show the same trend continued. For some years now the net profits of the textile industry have run just about one-half of the net of all of the Nation's industries, percentagewise. Value added by manufacturing is also a good criterion of an industry's condition—the textile industry is the only major one in the United States that showed a decline in that respect from 1947 to 1954. We are not averse to building up Japan's economy as a bulwark against communism, but we don't think the textile industry should, nor is able, to bear the full weight of that rehabilitation. There are 2 million people employed in the textile and garment-making industries—a large number to sacrifice—and besides, the industry is necessary to our national defense.

But, you say, the escape clause takes care of any undue hardship cases such as the textile industry has undergone. Such has not been true in practice, and right there is my whole story. The textile industry complained time and time again to the Tariff Commission, to Mr. Weeks, to Mr. Dulles, and to the President, only to be completely ignored in effect. Finally, when the President took note of the situation it was only to accent a voluntary quota from Japan which can be rescinded by Japan at any time. Goods are now, as you know, pouring in from Hong Kong with a strong suspicion that they are being reshipped from Japan. All the time these pleadings were going on with the executive branch of the Government prices were demoralized, mills were going broke, and employees were being thrown out of work. Textiles, as you must know, is still a very sick industry.

The Founding Fathers wrote into that Constitution of ours that the Congress should have the power to regulate tariff and govern foreign trade. If my memory is correct, the American Bar Association has gone a step further and said that the Congress has no power under the Constitution to delegate that power to anyone or any other department of Government. They had a carefully studied reason for about everything they wrote into that Constitution and apparently the Founding Fathers wanted to keep this vital function close to the wishes of the people.

This is where we disagree with the policy of the national chamber and we believe you will agree that if you had been in the "boots" of the textile industry for the last 4 or 5 years, you too would want this foreign trade matter to be in sympathetic hands.

Don't you think this tariff and foreign trade question is much bigger than just the textile industry? Seems to me that the textile industry is the first one to get it in the neck but that others will inevitably follow so long as there is such a big differential in wage rates throughout the world. If I read the facts correctly, the textile industry was about the first industry to be rehabilitated in France, in Germany, and certainly in Japan. What is going to happen when other nations get into chemicals, electrical goods, automobiles, etc., to the degree that they are in textile production? We had a small machinery manufacturer here in Gastonia who made a certain part for a textile machine at a cost of $5.35. He woke up some months ago to find that a similar part of good quality was being shipped in to the nearest port of entry from both France and England for $2.85. Today this machinery manufacturer is as dead as a dodo. This is a small potato but it illustrates a trend. The Brazil Bulletin of February 1 says: "By the beginning of the year (1958) the Brazilian Government had authorized 19 foreign companies, including General Motors, Ford, Chrysler, Willys, and Studebaker to establish or enlarge plants in São Paulo, which eventually will make Brazil self-sufficient in passenger cars, trucks, and other vehicles * * * with a capital investment of $600 million." In 1956 American-made cars accounted for 57½ percent of the autos sold in Brazil. We may not be giving Brazil the $2 billion we gave Japan but automobiles are following the pattern of textiles.

How far can Mr. Dulles go with his tariff free trade?

Is the policy of the United States chamber in this matter based on a settled course which it will choose to follow regardless of the leanings of the Chief Executive and his advisers? Or is it just a present expedient?

We just wanted to let you know how this textile manufacturing section feels about the trade agreement extension, since you may have gotten the wrong impression from the quicky straw vote at Charlotte on the 10th.

Sincerely yours,

B. T. DICKSON,
Executive Vice President.

RECIPROCAL TRADE LOBBYING ACTIVITIES

The SPEAKER pro tempore (Mr. THORNBERRY). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, it is time that the membership of the House be alerted to the fact that the greatest lobby in the history of Congress has been set up in the National Capital for the express purpose of securing an arbitrary and unfair extension of the Reciprocal Trade Agreements Act.

Leading the vanguard of this drive is Eric Johnston, best remembered as a former president of the United States Chamber of Commerce and as czar of the moving-picture industry in Hollywood, Calif. He has been invited by the President to front for the long-haired internationalists who would trade the jobs of American workmen for friendship abroad that we failed to buy with American dollars.

Mr. Johnston, who was being interviewed on television only yesterday, boasted that contributions to the drive to put across the trade-agreements program were already in excess of $50,000 and many more were expected.

Mr. Johnston, it would appear, has completely overlooked the fact that we have anti-lobby legislation. Inquiry at the records office of the Clerk of the House discloses that he has not as yet made application for registry as a lobbyist. If funds, that may well run into hundreds of thousands of dollars, are being collected to high-pressure the Congress on any kind of legislation, it is time that the Congress, for its own protection, insists on knowing all the details of the group who would try to influence them.

If there is any doubt in the minds of my colleagues that Mr. Johnston is not "putting the bite" on industry and other big business interests, their doubts can be allayed by actual proof that he is soliciting contributions.

At this time, Mr. Speaker, I desire to recognize the Honorable JOHN E. HENDERSON, Member of Congress from the 15th Ohio District.

Mr. HENDERSON. Mr. Speaker, there have been bitter denunciations of both the continuation of foreign aid, which had its inception under a previous administration, and reduction of tariffs, which only in recent years has obtained substantial Republican support. Now these two policies seem to have been incorporated as an unfortunate part of the program of both parties. We have only to witness the meeting of last week, held in Washington, wherein dignitaries of both parties, of both the previous and present administrations, shared the platform on behalf of continued foreign aid, to see that it is a bipartisan program. It must be opposed in the same fashion, by bipartisan action.

I do not know how the Mutual Security Budget Committee is obtaining its funds, but apparently it is asking for contributions from various industries. Mr. H. D. McClelland, who is the chairman of the board of Universal Potteries, Inc., of Cambridge, Ohio, which company is

a manufacturer of pottery, and has suffered grave and serious threats from unlimited and unrestrained imports, has forwarded to me a copy of a telegram under date of February 26, 1958, to Eric Johnston, Chairman of the Mutual Security Budget Committee, Washington, D. C. In the telegram, Mr. McClelland points to the trade policy and foreign-aid programs as being the exclusive property of the present administration. With that premise I cannot agree, but the thoughts included in his telegram are a critical indictment of both the free trade and unrestrained aid concepts with which the Congress must deal this year. The telegram is as follows:

FEBRUARY 26, 1958.

ERIC JOHNSTON,
Chairman, Mutual Security Budget Committee, Washington, D. C.

Retel: Your request of our company for contribution to the Mutual Security Budget Committee is a little bit asinine in that it is the Eisenhower tariff program that is bankrupting our industry. We, as many other industries, are starving to death due to high taxes and foreign competition caused by the present administration's lack of foresight. Only big tax reduction immediately to business and middle-bracket employers and all employees alike will save this country from one worlders like yourself and others. Can you tell me, and if so please do, how American business can survive if our own Government expects and demands of us to maintain high standard of living against cheap foreign 40-cent-per-day labor? Your Reciprocal Trade Treaty Act is a one-way street. Have you ever taken the time to investigate the tariff walls of other countries in relation to ours? If you have you will find our products almost 100-percent prohibited entering these countries. We are sinking fast in this country due to the present administration's policy. We need help at home first. If you were to send all the money in this country to foreign lands you would not stop communism. You cannot buy friendship.

H. D. MCCLELLAND,
Chairman of the Board, Universal Potteries, Inc.

I would like also to read from a letter which I received only this morning from an oil producer in Perry County. You see, Mr. Speaker, there are many industries that are being adversely affected by import practices. Oil producers, and not necessarily Texas oil producers, are feeling the sting. Here is the complaint of an Ohio oil producer:

CLYDE M. FORAKER & SONS,
New Lexington, Ohio, February 28, 1958.

HON. JOHN E. HENDERSON,
Member of Congress, House Office Building, Washington, D. C.

DEAR MR. HENDERSON: Since 1954, when imports of crude oil and petroleum products averaged 656,000 barrels per day, the administration has been promising relief to the domestic oil producer through the reduction of imports.

Last year imports had climbed to an average of over 1,500,000 barrels per day and according to IPAA reports, the 4-week period ending February 14, averaged 1,626,000 barrels per day with the week of February 14 reaching an average of 1,897,500 barrels per day.

Two of the three grades of crude in this district have been cut in value since the first of the year and it appears to be only a matter of time until the third grade is also cut. Domestic producers must have relief, especially the little fellow, the independent.

On March 4, Mr. J. W. Straker, president, and Mr. Ira M. Korst, excutive secretary of the Ohio Oil & Gas Association, will be in Washington to appear before the House Committee on Ways and Means. They will no doubt be in touch with you prior to that time and will appreciate any assistance you can afford them.

Sincerely yours,

CLYDE M. FORAKER, JR.

Turning to yet another industry, we find that our tariff policy is harmful to the stainless steel industry. Recently, I have had letters and petitions from employees of the Ekco Co., of Byesville, Ohio, producers of stainless steel kitchenware, which is facing serious threats from Japanese importations. This morning, I had a letter from a salesman selling American stainless and silver plate, who is seeing increased competition in this field from Japanese imports. That letter is as follows:

NEWARK, OHIO, *February 28, 1958.*

The Honorable JOHN E. HENDERSON,
House Office Building, Washington, D. C.

DEAR SIR: I am writing you regarding tariff on Japanese stainless.

I know at the present time there is a tariff commission studying this problem.

As a salesman selling American stainless and silver plate, I run into Japanese stainless every day. Naturally it is priced much lower than what I am selling because of the tremendous difference in the wage scale in Japan and the United States.

It is of great importance to me, my company, and any other American company that manufactures stainless, that we have high protective tariffs on all Japanese stainless. If we only have increased tariffs on low-priced stainless, the Japanese will only produce a higher priced stainless. This of course will not help relieve the situation at all.

I am therefore writing to ask you to do whatever you can to relieve the situation as it now exists. Anything that you can do will be greatly appreciated.

Cordially yours,

LESTER CHAPIN.

Mr. BAILEY. Mr. Speaker, not all of the propaganda being used to urge participation on the part of America in our present trade policies is coming from the one-worlders and long-haired internationalists residing in America. I desire to call your attention to the propaganda from abroad from the groups who are reaping a harvest through our present trade policies.

Some days ago, a full-page ad appeared in the Washington Post and Times Herald under the caption, "On Foreign Trade and Aid Let's Talk Sense." This ad was paid for by a Spanish importing firm and urges that America go all out on a free-trade policy by removing all of our tariff barriers and other restrictions on foreign imports.

I desire at this time to insert excerpts from this editorial:

The American contribution to world economic development can only be in terms of the institutions Americans know best; i. e., the free-enterprise system. We suggest that this system, which some regard as a golden goose in the American barnyard, is instead a first-class political weapon of intercontinental range.

We propose that this weapon be employed in the following drastic manner: That the United States declare its traditional protectionism at an end, open its shores to the free enterprisers of all nations and embark on a new policy of free trade. The purpose of this dramatic move would be to strengthen alliances and set new standards of world prosperity to which communism can never aspire.

Fortunately the Free World has been enjoying a long boom, sparked largely by free enterprise. But this boom threatens to dwindle before it has begun to satisfy the world's unfilled need for trade and investment. Nor has the United States, the supposed headquarters of free enterprise, done nearly what it should to stimulate this boom toward its incredibly greater potential.

A defensive United States trade policy represents a failure of leadership. The challenge to the United States now is to take a giant step and put its trade policy on the offensive. For that, the time is riper than ever.

This step is to adopt the policy of complete free trade. The United States should declare it toward all countries willing to accept certain minimum standards under which free enterprise can work. The gains to America from such a deal would be immense, the costs small.

Defense? Let the Armed Forces name the items they cannot trust to free trade and subsaidize their domestic production openly instead of by tariff. Readjustment? Not more than 100,000 United States jobholders are vitally dependent on tariff protection; they could easily be assisted in their transition to new ones.

Mr. Speaker, I know of no time better than the present when Americans must be on guard to protect their own economy. In view of the mounting unemployment, this is no time to trade American jobs and American payrolls in an effort to buy friendship abroad which we have failed to buy by direct appropriations of American taxpayers' dollars from the United States Treasury.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters and other pertinent matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

FLORIDA ORANGE MARKETERS

The SPEAKER pro tempore. Under previous order of the House the gentleman from Florida [Mr. HERLONG] is recognized for 10 minutes.

Mr. HERLONG. Mr. Speaker, the current position of world leadership enjoyed by this Nation is due to a great extent to the aggressiveness and adaptability of its citizens—to their unique ability to meet and cope with our changing civilization.

We see this dramatic spirit of cooperation in action every day in the manufacturing plants and business offices of industrial America. Our comfortable standard of living is a reflection, too, upon the never-ending pursuit of new and improved agricultural and marketing methods.

Today, this American heritage is effectively being carried forward in a forceful and encouraging manner within the flourishing citrus industry of the dynamic State of Florida.

The growth, the development, and expansion of Florida's citrus industry over the past decade is highly indicative indeed of the ever-increasing role which citrus is destined to play in the overall economy of our changing southland.

For example, conservative Sunshine State bankers have estimated that production and sale of last year's citrus crop—more than 138 million boxes of oranges, grapefruit, lemons, tangerines, and other citrus varieties—has resulted in the addition of more than $2 billion to Florida's economic activities.

Before the recent freezes in Florida, the USDA 1957–58 crop estimate of 144 million boxes seemed to promise prosperity to even the most pessimistic citrus grower. Experts who have surveyed Florida's freeze damage now feel it advisable to reduce those estimates by some 30 to 40 percent.

The law of supply and demand now is being felt in Florida. Growers able to salvage the major portion of their citrus for delivery to processors still look forward to a profitable year.

Florida's citrus picture for the next few years is still hazy and cannot be brought into focus until the March budding season, when it can be determined just how many of the growers' young trees have sustained severe damage or fallen prey to the killing cold this winter.

Of Florida's 43½ million citrus trees, nearly one of every four is not yet at the productive stage. These 10¼ million young trees would have reached maturity during the next 5 years to boost the State's citrus output by almost 25 percent in 1962. Freezes have radically altered this optimistic outlook.

Yet, the Florida citrus grower—like all persons involved in agricultural activities in our rapidly urbanizing Nation—has always faced many serious and perplexing problems.

He is ever subject to the whim and caprice of Mother Nature, although she is usually quite benevolent to our fair State. A look at the record, however, shows the effects of her cold disposition in the early forties when ruinous freezes destroyed the greater portion of our most profitable crop—the delicious Florida orange.

More recently, in 1956, the dread Mediterranean fruitfly swept across the State. Thousands of acres of highly productive grove were infested, resulting in a citrus embargo which might have cost the grower many millions of dollars had it not been for the prompt and effective action of the State and Federal Departments of Agriculture.

The grower also faces the increasing costs of grove maintenance, fertilization and skyrocketing land prices which discourage acquisition of new acreage.

And, until recent years, the Florida grower has been forced to play the role of speculator—selling his fruit when he thought the market was right, only to see citrus prices spiral higher and higher.

Of course, the grower can do little about the weather. He can only light his smudge pots and offer up a prayer that the freeze will be less severe than the last one. And, if he is financially able, he can strive to improve the hardiness of his stock through citrus research and soil improvements.

With the aid of Federal and State agencies, great strides are being taken in methods to detect and destroy citrus pests before they are able to constitute a threat to the multi-million-dollar crop.

With respect to harvesting and maintenance costs, many growers have found it more advantageous to lease their groves to large processors who are able to reduce costs per acre through mass production methods.

The last of the problems I have mentioned—price fluctuation—is now being overcome through the formation of various grower organizations.

The instability of citrus prices, the growers discovered, was due largely to a broadening gap between the grower and the ultimate consumer—the housewife. Until emergence of the citrus processing industry in the late 1940's, most citrus was being shipped throughout the Nation as fresh fruit. Profits from sale of the citrus were divided only between the grower, the shipper and the retail merchant.

Today, however, almost 75 percent of the Florida orange crop is marketed in cans—either as whole juice or as juice concentrate—with 65 percent of the buying power in the hands of the large chain groceries. Since the basic policy of these supermarkets is to sell at the lowest possible price, the grocers in turn are in a position to offer lower prices to the grower for his fruit.

Obviously, the citrus grower must make a decision. He can attempt to reduce his production expense to the lowest possible level, curtailing his efforts at expansion and improvement of quality. Or he can become a participant in the overall operation of the industry, a partner in the actual processing, merchandising, and selling of the citrus he has grown.

The scope and principles of modern American merchandising, however, make it physically impossible for any individual grower to personally market the products of his acreage. So, many of them have banded together to finance their own processing equipment, sales teams, and advertising programs.

They formed a number of organizations, called cooperatives, which are very similar in principle to the supplier co-ops found in many other phases of agriculture throughout the Nation. Co-op members generally earmark a portion of their crop earnings for capital outlay—money paid into the cooperative to finance the huge plants and extensive equipment necessary to manufacture the citrus concentrate.

Another portion of the cooperative grower's assessment is used to market the finished product—the cans of frozen concentrate.

And in today's highly competitive and complex citrus market, much money also must be spent in development of a brand name under which the co-op's citrus products will appear on grocers' shelves all over the country.

The various co-op plans in existence in Florida have contributed greatly to the stabilization and improvement of the citrus industry. But there are still a large group of growers who feel that investment in such fixed assets as processing plants is unnecessary.

These independent growers have, of course, been in complete agreement with the long-range price stabilization objectives of the cooperatives. They felt it wiser, however, to examine the existing facilities within the citrus industry before embarking upon a program of duplication of effort and expense.

Led by Mr. J. Dan Wright, Jr., a veteran Sanford, Fla., citrus grower and an executive of the Patrick Fruit Co., the group approached one of the world's largest citrus processors, the Minute Maid Corp. This company, which actually pioneered in the business of producing and marketing frozen citrus concentrate, expressed immediate interest.

They saw that this group of growers could provide the company with an adequate supply of high-quality fruit, which long has been a major problem for the large processor.

Further conferences developed the details of an equitable plan and resulted in the formation of a grower-controlled organization to supply Minute Maid with the citrus it requires in great quantity. The organization was named Florida Orange Marketers.

In the Florida Orange Marketers, the grower at last has found a profitable and highly effective agent for bringing his product to the housewives of America. The Minute Maid Corp., through its wide distribution and recognition as a leader in the industry, offers the growers the opportunity of having their fruit marketed under an established brand name. More than $17 million has been invested in advertising the Minute Maid brands. And these brands have an annual sales volume of over $60 million in citrus products alone.

Facilities for processing, shipping, and marketing the growers' oranges already were in existence. This means that the individual grower does not have to supply the capital for construction and maintenance of plants and equipment. The grower is assured of a steady outlet for his fruit; the processor receives the advantage of an adequate citrus supply, which leads to operating economies and the opportunity to plan sales and merchandising campaigns on a sound, continuing basis.

One of the most unique features of the Florida Orange Marketers is that the processor also is a member of the association. The Minute Maid Corp. itself is one of the world's largest citrus growers. The company maintains nearly 20,000 acres of groves in Florida, and produces some 5 million boxes of oranges and grapefruit each year. This provides the greatest incentive for Minute Maid to strive for maximum economies and returns.

But, regardless of Minute Maid's size and productive capacity as a grower, the association bylaws of the Florida Orange Marketers provide that each member is entitled to only one vote. Therefore, the smallest grower-member of Florida Orange Marketers has just as much voice as any other member, and he receives the same percentage of profit. There is no opportunity for the processor to dominate the operation or policies of the association.

Minute Maid, as the processing factor in Florida Orange Marketers, has guaranteed every other FOM member that

the returns he receives this year will be equal to or more than that the grower would get from any of the other grower organizations.

The grower's marketing risk, therefore, is practically eliminated. He no longer must speculate in order to sell his fruit at a good price. And, what is more, each individual grower has the opportunity to share in the premium prices his citrus will bring when marketed under the nationally advertised Minute Maid labels.

Each member of the association is under contract individually with Florida Orange Marketers, which contracts in turn with the citrus processor—Minute Maid. Contracts are of 10 years duration, although each member has the option of withdrawal at the end of each season if he feels it advisable.

Formation of the Florida Orange Marketers has given the individual Florida grower the actual contact with the ultimate consumer which plays so dominant a role in stabilization of the entire citrus industry. Membership in Florida Orange Marketers provides a valuable incentive for the grower to utilize the full potential of his productive capacity.

The grower realizes, too, that as a member of Florida Orange Marketers the citrus concentrate made from his oranges will be produced in modern, up-to-date plants, with constant vigilance exercised by Minute Maid to assure a concentrate of the highest possible quality. He benefits, further, from the research being conducted by the processor to develop advanced and improved citrus products.

The FOM member now may be comfortable in the assurance that he also shares in the advantage of the economic, streamlined marketing policies of Minute Maid's national sales and merchandising staff.

This unique and exemplary organization, the Florida Orange Marketers, is an outstanding example of our American system of free enterprise. The citizens of Florida, and all other Americans, may well be proud of the ingenuity displayed by the founders of Florida Orange Marketers in helping to bring increased stability and much-needed security to the citrus industry.

4–H CLUBS ARE CHARTING THE ROAD TO A NEW AND BETTER AMERICA

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, National 4–H Club Week is observed in March of each year by millions of 4–H Club members who unite head, heart, hands, and health in improving family and community living.

It is quite fitting that public attention should be focused on the values of 4–H Club training. I am aware of no group of young men and women who contribute more to the highest ideals embodied in our American way of life. As a practical youth program, 4–H Club work has succeeded because it is firmly grounded on worthy principles. The improvement of family and community living is the theme of this organization; and certainly in all the counties comprising the Second Congressional District of Kentucky, which I have the honor to represent, this theme has been developed until its impact is felt, and will continue to be felt, in each respective community.

The 4–H Club program is part of the national educational system of cooperative extension work in which the United States Department of Agriculture, the State land-grant colleges, and the counties share. The Federal Extension Service gives national leadership and the State extension services give State leadership to the program. The assistance given the boys and girls of the 4–H Clubs by their county agents, their home demonstration agents, as well as their vocational agricultural teachers, has been invaluable. These young people have profited through the counsel and knowledge thus imparted to them.

Farming has always been one of man's fundamental pursuits. It is the natural and good life. Almost from the time the United States declared its independence our forefathers started studying the problems besetting those who gained their livelihood from the soil. It was then that research, as we know it today, was put into effect. Benjamin Franklin began the practice of sending home seeds and improved breeds of domestic animals from abroad. John Quincy Adams recognized the feasibility in such action by instructing all United States consuls to forward rare plants and seeds to Washington. During the Adams administration a botanical garden was set up and a Committee on Agriculture was established in the Senate. Today, fortunately, our young people can profit through research as explained by their county agents, home-demonstration agents, and agricultural teachers.

In my Congressional District the boys and girls have demonstrated their ability, energy, and ambition by winning many of the 4–H Clubs' highest awards. And theirs is a well-rounded life with character development and good citizenship being their most significant goals. They have already felt a challenge in life and promise of future accomplishments. These young people have vision sustained by resolution and supported by unceasing effort. It was out of such vision that our Founding Fathers forged our priceless heritage. No land has been so blessed as ours; and, though the age in which we now live is a turbulent one, I am supremely confident that our young people of today, who shall be the leaders of tomorrow, will chart the road to a new and better America. They will look forward to the opportunity of tomorrow rather than back to the achievement of the past. The courage of youth counts, in spite of everything, on an unlimited future.

In saluting the 4–H Club members I also commend them for their courage, initiative, and unselfish devotion to the lofty aims of their organization.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DIES (at the request of Mr. DOWDY) on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SHEEHAN, for 30 minutes on Wednesday, March 5.

Mr. MASON on Monday next, March 10, for 40 minutes, on the subject Federal Aid No Panacea for Our Educational Shortcomings.

Mr. O'HARA of Illinois, for 30 minutes tomorrow.

Mr. HERLONG, for 10 minutes today.

Mr GRAY, for 20 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE and to include a news item.

Mr. BOYLE and to include extraneous matter.

Mr. MCGREGOR and include the results of a recent poll.

Mrs. BOLTON and to include related matter.

Mr. O'BRIEN of Illinois and to include an address by the Honorable JOHN MCCORMACK.

Mr. BROOKS of Louisiana and to include extraneous matter.

Mr. HOLTZMAN (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. RAY.

Mr. ALGER.

Mr. LIBONATI (at the request of Mr. ALBERT) and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 734. An act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1568. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; and

S. 1714. An act for the relief of Roma H. Sellers.

ADJOURNMENT

Mr. HARDY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p. m.), the House adjourned until tomorrow, Tuesday, March 4, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1656. A letter from the comptroller of General of the United States, transmitting a report on the audit of the Federal home-loan banks for the fiscal year ended June 30, 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) and section 11 (j) of the Federal Home Loan Bank Act, as amended (12 U. S. C. 1431 (j)) (H. Doc. No. 341); to the Committee on Government Operations and ordered to be printed.

1657. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 11, 1957, submitting a report, together with accompanying papers and illustrations, on cooperative beach erosion control study of Palm Beach County from Lake Worth Inlet to South Lake Worth Inlet, Fla., prepared under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, as amended and supplemented (H. Doc. No. 342); to the Committee on Public Works and ordered to be printed with illustrations.

1658. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 14, 1957, submitting an interim report, together with accompanying papers and an illustration, on Sun River at Great Falls, Mont., submitted in response to a resolution of the Committee on Public Works, House of Representatives, adopted July 15, 1947, requesting a review of reports on the Missouri River with a view to determining the feasibility of providing flood protection along Sun River, Mont., and its tributaries (H. Doc. No. 343); to the Committee on Public Works and ordered to be printed with one illustration.

1659. A letter from the Acting Secretary of Commerce, transmitting a progress report, prepared by the Federal Highway Administrator, on the highway cost allocation study, pursuant to section 210 of the Highway Revenue Act of 1956, approved June 29, 1956 (H. Doc. No. 344); to the Committee on Ways and Means and ordered to be printed.

1660. A letter from the Acting Secretary of the Treasury, transmitting a report on the financial condition and fiscal operations of the highway trust fund for the fiscal year 1957, pursuant to section 209 (e) (1) of the Highway Revenue Act of 1956 (H. Doc. No. 345); to the Committee on Ways and Means and ordered to be printed.

1661. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the Department of Defense to indemnify its contractors against unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes"; to the Committee on Armed Services.

1662. A letter from the executive officer, National Monument Commission, Department of the Interior, transmitting plans for a useful monument to the Nation symbolizing to the United States and the world, the ideals of a democracy as embodied in the freedoms, pursuant to section 2 (68 Stat. 1029); to the Committee on Interior and Insular Affairs.

1663. A letter from the Chairman, Atomic Energy Commission, transmitting a draft of proposed legislation, entitled, "A bill to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes"; to the Joint Committee on Atomic Energy.

1664. A letter from the Chairman, Lincoln Sesquicentennial Commission, transmitting the preliminary report of the United States Lincoln Sesquicentennial Commission, pursuant to Public Law 262, 85th Congress; to the Committee on the Judiciary.

1665. A letter from the Chairman, Civil War Centennial Commission, transmitting the First Annual Report of the Civil War Centennial Commission, pursuant to section 6 (c) of the act of September 7, 1957 (71 Stat. 626); to the Committee on the Judiciary.

1666. A letter from the national director, Boys' Clubs of America, transmitting the annual report of the Boys' Clubs of America for 1957, pursuant to Public Law 988, 84th Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. S. 2042. An act to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50083, and for other purposes; without amendment (Rept. No. 1441). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 7149. A bill to provide for the periodic transfer to the Hawaiian home-development fund of certain excess funds in the Hawaiian home administration account; without amendment (Rept. No. 1442). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 7226. A bill to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes; without amendment (Rept. No. 1443). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9410. A bill to authorize and direct the transfer and conveyance of certain property in the Virgin Islands to the government of the Virgin Islands; without amendment (Rept. No. 1444). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 10679. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; without amendment (Rept. No. 1445). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries: H. R. 10803. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; without amendment (Rept. No. 1446). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. House Resolution 451. Resolution requesting the Secretary of the Interior and all departments of Government to protect Alaska-spawned salmon; with amendment (Rept. No. 1447). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POFF: Committee on the Judiciary. H. R. 2093. A bill for the relief of Alfonso Giangrande; without amendment (Rept. No. 1432). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4445. A bill for the relief of the estate of Mr. Shirley B. Stebbins; with amendment (Rept. No. 1433). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 5976. A bill for the relief of Chester Tomasi; with amendment (Rept. No. 1434). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7941. A bill for the relief of Mrs. Harry B. Kesler; with amendment (Rept. No. 1435). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8147. A bill for the relief of Kenneth W. Lenghart; with amendment (Rept. No. 1436). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 9490. A bill for the relief of Sidney A. Coven; with amendment (Rept. No. 1437). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 285. An act for the relief of Paul Gustin; without amendment (Rept. No. 1438). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 879. An act for the relief of Anna Adora Jensen; without amendment (Rept. No. 1439). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1600. An act for the relief of the C-L Electric Co.; without amendment (Rept. No. 1440). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 11086. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; to the Committee on Agriculture.

By Mr. ALEXANDER:

H. R. 11087. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H. R. 11088. A bill to provide for the conveyance of certain property of the United States to the city of Clarksburg, W. Va.; to the Committee on Government Operations.

By Mr. BREEDING:

H. R. 11089. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; to the Committee on Agriculture.

By Mr. BYRNES of Wisconsin:

H. R. 11090. A bill to amend section 445 of the Veterans' Benefits Act of 1957 to provide an exclusion from income for veterans' survivors eligible for pensions, for amounts paid by them for debts of the veteran and expenses of his last illness and burial; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 11091. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLE:

H. R. 11092. A bill to exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota

provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. FLOOD:

H. R. 11093. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. HIESTAND:

H. R. 11094. A bill to restrict military aircraft maintenance, overhaul, and modification functions in Government-operated facilities to performance of strictly military requirements that cannot be procured from private enterprise; to the Committee on Armed Services.

By Mr. HOLTZMAN:

H. R. 11095. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and to women at age 55; and to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 11096. A bill to amend section 3238, United States Code, title 18; to the Committee on the Judiciary.

By Mr. KITCHIN:

H. R. 11097. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. MATTHEWS:

H. R. 11098. A bill to amend the Agricultural Adjustment Act of 1938 with respect to acreage allotments for cotton and peanuts; to the Committee on Agriculture.

By Mrs. ST. GEORGE:

H. R. 11099. A bill to amend the Trade Agreements Extension Act of 1951, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHWENGEL:

H. R. 11100. A bill to modify the project for the Coralville Reservoir on Iowa River in Iowa in order to provide for a highway bridge across Coralville Reservoir; to the Committee on Public Works.

H. R. 11101. A bill to provide an exemption from participation in the Federal old-age and survivors insurance program for individuals who are opposed to participation in such program on grounds of conscience or religious belief; to the Committee on Ways and Means.

By Mr. TUCK:

H. R. 11102. A bill amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. TUCK:

H. J. Res. 557. Joint resolution to amend the act of September 7, 1957 (71 Stat. 626), providing for the establishment of a Civil War Centennial Commission; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to enact legislation to provide that the dairy support price for the marketing year starting April 1, 1958, shall be not less than the current $3.25 per hundredweight for 3.95 percent butterfat milk and that the Secretary of Agriculture shall use a parity equivalent for manufacturing milk based on the 30-month period from July 1946 to December 1948, both inclusive; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H. R. 11103. A bill for the relief of Chester A. Spindler; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 11104. A bill for the relief of Kazuko Mizuide; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 11105. A bill for the relief of Margarete Strohner; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 11106. A bill for the relief of Hironobu Kacho; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 11107. A bill for the relief of Nicholas Batides; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 11108. A bill for the relief of Mrs. Christina Tules; to the Committee on the Judiciary.

By Mr. BAILEY:

H. Res. 491. Resolution declaring it to be the sense of the House that Eric Johnston should immediately register and report as a lobbyist; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

448. By Mr. BUSH: Petition of Claude Longenberger and other citizens of Columbia County, Pa., urging favorable action on a bill to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

449. Also, petition of William E. Roach, and other citizens of Bloomsburg, Columbia County, Pa., urging the Congress to act favorably on legislation granting pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

450. Also, petition of Harold L. Ledyard, and other citizens of Bloomsburg, Columbia County, Pa., urging the Congress to act favorably on legislation granting pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

451. Also, petition of Paul Jones and other citizens of Danville and Montour County, Pa., urging the Congress to act favorably on a bill to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

452. By Mr. CANFIELD: Resolution by the Department of Public Utilities of the State of New Jersey that the present excise tax on transportation service performed by common carrier by motor vehicle and rail and contract carrier by motor vehicle is inimical to the use and maintenance of such service, injurious, not only to the carriers, but also to the people of the Nation and the Nation itself and should be forthwith repealed; to the Committee on Ways and Means.

453. By Mr. LeCOMPTE: Petition of sundry citizens of Mahaska County, Iowa, urging support of bills to prevent the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

454. By the SPEAKER: Petition of the county clerk, Wailuku, Maui, T. H., requesting enactment of appropriate legislation authorizing the Federal Government to subsidize and support the establishment of an interisland roll-on, roll-off ferry system; to the Committee on Interior and Insular Affairs.

455. Also, petition of the president, Affiliated Chambers of Commerce of Hawaii, Honolulu, T. H., requesting that the planning, authorization, and financing of improvements to Kahului Harbor be expedited, bringing about early completion; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Neighborhood House Month

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mrs. BOLTON. Mr. Speaker, I am today introducing a concurrent resolution requesting the President to designate the month of March in each year as Neighborhood House Month.

Established in 1886 to improve living conditions on the lower East Side of New York City, the settlement and neighborhood house movement has grown throughout the United States so that there are now more than 700 such establishments. They are located in almost every community of over 100,000 population. In my home city, Cleveland, Ohio, there are 12 settlements.

These settlements and neighborhood houses are helping to stimulate the interest of people in cities throughout our country in the conservation of their neighborhoods and the redevelopment and renewal of their cities. It is befitting that the public be made aware of the vital contribution of these centers to the sound well-being and cultural development of the cities of America. Therefore, I am introducing this resolution to designate the month of March of each year as Neighborhood House Month. It is my hope that the Committee on the Judiciary and the Congress will take favorable action on it during this session.

Under leave to extend my remarks, I include the resolution herewith:

Concurrent resolution requesting the President to designate the month of March in each year as Neighborhood House Month

Whereas the settlement movement in the United States was established in 1886 to improve living conditions on the lower East Side of New York City; and

Whereas the settlement house movement has grown throughout the United States so that there are now more than 700 such establishments in almost every community over 100,000 population in this country; and

Whereas settlements and neighborhood houses have enriched the lives of their neighbors of all ages, races, and creeds through skilled services and social reforms; and

Whereas the National Federation of Settlements and Neighborhood Centers, a federating body of many settlements and neighborhood houses, has for 47 years contributed much to the civic progress of our cities; and

Whereas settlements and neighborhood houses are helping stimulate the interest of people in cities throughout the United States in the conservation of their neighborhoods and the redevelopment and renewal of their cities; and

Whereas the settlements and neighborhood centers represent the voluntary efforts of citizens to improve their own environment and that of their fellow citizens; and

Whereas it is befitting that the public be aware of the vital contribution of settlements and neighborhood centers to the social well-being and cultural development of the cities of America: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue each year, beginning with the year 1959, a proclamation designating the month of March of such year as Neighborhood House Month and calling upon the people of the United States to observe such month with appropriate ceremonies.

Samuel Cardinal Stritch

EXTENSION OF REMARKS
OF
HON. CHARLES A. BOYLE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mr. BOYLE. Mr. Speaker, at the suggestion of the dean of the Illinois delegation, Hon. THOMAS J. O'BRIEN, and on behalf of all of the Members of Illinois I take the floor to pay tribute to the most recent honor accorded His Eminence, Samuel Cardinal Stritch, outstanding religious prelate of Chicago. Our fair city is the seat of the largest Roman Catholic diocese in the United States. We congratulate him on his advance and wish him all success in his new role as the first American-born cardinal to be elevated to the Roman Curia, the central government of the Roman Catholic Church. Cardinal Stritch was named pro-prefect of the Roman Catholic faith. This agency supervises the spread of the faith to the missionary areas of the world. That such a singular honor should be bestowed upon his eminence is no mere coincidence. In our city of Chicago he has been called the cardinal of charity, stemming from his welfare efforts in orphanages and in hospitals of his archdiocese which treats upward of 200,000 patients annually. His energies and his efforts have added luster and stature as well as growth to the Stritch Medical School of Loyola University. His great devotion to the principles of education and higher learning have resulted in a woman's college and a Chicago high school named in his honor.

This man of unusual intelligence was ordained a priest at 22, and began a phenomenal rise, almost unheard of in ecclesiastical history. In 1917, he was made chancellor of the Nashville diocese; when 34 years of age, in 1921, he was appointed bishop of Toledo, Ohio, the youngest member of the church hierarchy in our country. In 1940, he was named archbishop of Chicago and raised to the rank of cardinal on December 23, 1945. Now, at the age of 70, his eminence assumes jurisdiction of 25,000 missionary priests, 10,000 missionary lay brothers, and 60,000 missionary nuns on 5 continents, as well as 30 million Roman Catholics in Africa and Asia.

Cardinal Stritch, with his demonstrated record of protector of the weak, guardian of the needy, and defender of the oppressed and their welfare, will bring much intensity of purpose and love of hard work into an area which represents one of the most critical locations in the tournament for the battle of men's minds.

Pope Pius XII, the spiritual ruler of nearly half a billion Roman Catholics, has done an honor to Chicago, to Illinois, and to the United States in singling out His Eminence Samuel Cardinal Stritch, a true prince of the church, for such an honor.

An Adequate National Guard and an Adequate Reserve

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mr. BROOKS of Louisiana. Mr. Speaker, Subcommittee No. 1 of the House Armed Services Committee, which normally handles Reserve legislation, has been meeting over a period of weeks, holding hearings on the National Guard and Reserve program. These hearings were closed today and at the time of the closing of the hearings two important resolutions were unanimously adopted by the subcommittee. The first resolution concerns the National Guard and urges and gives full support from the subcommittee to a National Guard of not less than 400,000 strength, rather than a guard reduced to 360,000 as proposed.

The second resolution relates to the Reserve program. The subcommittee was unanimous in feeling that the Army Reserve should consist of 300,000 troops and the subcommittee urged that full efforts be made to prevent a reduction in the minimum Army Reserve strength of 300,000.

In other words, this subcommittee approved an Army consisting of National Guard and Federal Reserves of not less than 700,000 persons. The resolutions passed are herein set forth:

RESOLUTIONS OF SUBCOMMITTEE NO. 1, HOUSE ARMED SERVICES COMMITTEE

Whereas Subcommittee No. 1, House Armed Services Committee, has held extensive hearings on the proposal to reduce the size of the Army National Guard in fiscal 1959 from current strength of 400,000 to 360,000; and

Whereas the subcommittee has taken under consideration the proposal of the Army to develop a revised Reserve forces troop basis; and

Whereas the subcommittee has had the benefit of testimony from representatives of the Department of the Army, the National Guard Association, the Adjutant General Association, Members of Congress, the American Legion, governors, the governors' conference, and others: Now, therefore, be it

Resolved, That, a quorum being present, the subcommittee, by unanimous vote, recommends the following to the full committee, that:

(1) The strength of the Army National Guard for fiscal year 1959 be maintained at 400,000, exclusive of persons engaged in 6 months' active duty for training; and

(2) Adequate spaces in the 6 months' training program be provided in fiscal year 1959 for the Army National Guard, and these be not less than a total of 48,000; and

(3) Recommendations be made to the Appropriations Committee to insure that language concerning Army National Guard and Army Reserve strength be made uniform with respect to the inclusion or exclusion of 6-month trainees; and

(4) The Army be directed to proceed with the development of plans for a revised National Guard troop basis, coordinating same with the States, through the National Guard Bureau, and that prior to its approval and implementation it be submitted to the Armed Services Committees of Congress; and

(5) Sufficient appropriations be provided to maintain the strength of the Army National Guard as set forth above and that these appropriations be in addition to funds now included in the budget and not less than the following:

National Guard	$38,000,000
Active Army (appropriations: Operations and maintenance in order to support the increased strength of Army National Guard)	13,800,000
Total	51,800,000

(6) The chairman, Subcommittee No. 1, be authorized to appear before the Appropriations Committee representing the Armed Services Committee in support of the foregoing recommendations.

Whereas Subcommittee No. 1, House Armed Services Committee, has held extensive hearings on the proposal to reduce the size of the Army Reserve in fiscal 1959 from current authorized strength of 300,000 to 270,000; and

Whereas the subcommittee has taken under consideration the proposal of the Army to develop a revised Reserve forces troop basis; and

Whereas the subcommittee has had the benefit of testimony from representatives of the Department of the Army, Reserve Officers Association, Members of Congress, and others: Now, therefore, be it

Resolved, That, a quorum being present, the subcommittee, by unanimous vote, recommends the following to the full committee, that:

(1) The strength of the Army Reserve for fiscal year 1959 be maintained at 300,000, exclusive of persons engaged in 6 months' active duty for training; and

(2) Adequate spaces in the 6 months' training program be provided in fiscal year 1959 for the Army Reserve and these be not less than a total of 34,000; and

(3) Recommendations be made to the Appropriations Committee to insure that language concerning Army National Guard and Army Reserve strength be made uniform with respect to the inclusion or exclusion of 6-month trainees; and

(4) The Army be directed to proceed with the development of plans for a revised Reserve forces troop basis coordinating same with Reserve Forces Policy Board, and that prior to its approval and implementation it be submitted to the Armed Services Committees of Congress; and

(5) Sufficient appropriations be provided to maintain the strength of the Army Reserve as set forth above and that these appropriations be in addition to funds now included in the budget and not less than the following:

Army Reserve	$28,000,000
Active Army (appropriations: Operations and maintenance in order to support the increased strength of Army Reserves)	7,600,000
Total	35,600,000

(6) The chairman, Subcommittee No. 1, be authorized to appear before the Appropriations Committee representing the Armed Services Committee in support of the foregoing recommendations.

Results of McGregor 1958 Poll on National Issues

EXTENSION OF REMARKS
OF

HON. J. HARRY McGREGOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks, I would like to place in the RECORD the results of the questionnaire which I annually send to the people of the 17th Ohio District, the district which it is my proud honor to represent in the Congress of the United States.

It has always been my belief that it is the duty and responsibility of every elected representative to do everything possible to obtain the views of those he represents on the vital national and international problems which confront us all. For this reason, I instituted the annual courthouse meetings, and for this reason I also circulate this questionnaire among the people of the district.

In connection with the distribution of the questionnaire, I want to mention particularly that the newspapers of my district have again provided wonderful cooperation. This year every daily paper in the district, and most of the weekly papers, published the questionnaire in a prominent place in their papers, so that a great many people who could not be reached by direct mail were given an opportunity to express themselves on these important matters. I am deeply grateful to these public-spirited editors and publishers for their assistance.

I am, of course, sorry that I could not reach every one of my constituents with this questionnaire, but it is my conviction that the replies received, coming as they do from representatives of almost every walk of life, provide me with a very helpful indication of the trend of thinking among a good cross-section of my people. As a part of the questionnaire, I ask them to mention their occupation or profession, and this gives me an opportunity to tabulate the results not only by overall percentages but also by somewhat more stratified separate groupings. I feel that this procedure gives me a more accurate and complete analysis of their opinions.

The population of my district is about half rural and half urban, and nearly all of the labor and farm organizations are represented, as well as both large and small business. In addition, there are two universities and two colleges. I am happy to report that answers were received from representatives of every one of these groups, and especially gratifying to me were the large number of completed forms which contained additional comments on the various questions. It is reassuring to me to know that so many constituents in my district are interested in the important issues now before this legislative body and are eager to express their views on them.

The questionnaire and the results are as follows:

A QUESTIONNAIRE

In an endeavor to learn the views of the folks back home relative to several subjects of national importance that will be before the Congress, may we have your considered opinion?

NATIONAL DEFENSE

After 18 months of continuous study, the nongovernmental Rockefeller studies group last week reported to the Nation that the United States must boost defense spending by about $3 billion each year for the next several years if it wants to halt a rapidly deteriorating position in the military race with Russia.

(NOTE.—The 21-man panel which made the Rockefeller study was a nonpartisan, nongovernmental group headed by Nelson Rockefeller. It consisted of a cross section of American life—scientists, representatives of labor, industrialists, former defense officials and military officers, atomic experts, educators, and publishers. Among the panel members was Gen. Lucius Clay, well known in our district.)

	Percent	
	Yes	No
Do you favor a larger Congressional appropriation for defense purposes?	76	24

TAXES

Before the successful launching of the Russian earth satellites, there was hope for the possibility of a tax cut this year. Now it appears that a choice must be made between stronger defense and lower taxes.

	Percent	
	Yes	No
Are you willing to postpone a tax cut in order that the necessary funds are available for defense needs?	81	19

EDUCATION

The Russians have apparently made tremendous strides in scientific education. Various proposals will be forthcoming concerning ways in which the Federal Government might assist in improving the level of education in this country.

	Percent	
	Yes	No
(a) Do you favor a system of Government-sponsored scholarships for the training of students showing exceptional aptitude in the sciences?	68	32
(b) Do you favor the appropriation of funds by Congress for construction of schools?	41	59

THE FARM PROGRAM

Do you believe that the soil bank program should be continued?	27	73
Do you believe that all Federal controls on farm products should be removed?	64	36

PERCENTAGE DISTRIBUTION OF REPLIES TO QUESTIONNAIRE BY OCCUPATION OR PROFESSION

	Yes	No
Do you favor a larger Congressional appropriation for defense purposes?		
Total results, all occupations	76	24
Labor	71	29
Ministers	80	20
Newspaper and radio	75	25
Public officeholders and Federal employees	75	25
Professional men, doctors, dentists, engineers, etc	77	23
Teachers	82	18
Attorneys	73	27
Businessmen, industry, and salesmen	77	23
Farmers	48	52
Housewives	76	24
Students	95	5
Retired	70	30
Occupation not given	55	45
Are you willing to postpone a tax cut in order that the necessary funds are available for defense needs?		
Total results, all occupations	81	19
Labor	76	24
Ministers	100	0
Newspaper and radio	75	25
Public officeholders and Federal employees	75	25
Professional men, doctors, dentists, engineers, etc	80	20
Teachers	88	12
Attorneys	87	13
Businessmen, industry and salesmen	78	22
Farmers	62	38
Housewives	83	17
Students	93	7
Retired	78	22
Occupation not given	58	42
Do you favor a system of Government-sponsored scholarships for the training of students showing exceptional aptitude in the sciences?		
Total results, all occupations	68	32
Labor	68	32
Ministers	83	17
Newspaper and radio	50	50
Public officeholders and Federal employees	64	36
Professional men, doctors, dentists, engineers	55	45
Teachers	73	27
Attorneys	71	29
Businessman, industry and salesmen	68	32
Farmers	46	54
Housewives	72	28
Students	91	9
Retired	67	33
Occupation not given	44	56
Do you favor the appropriation of funds by Congress for construction of schools?		
Total results, all occupations	41	59
Labor	48	52
Ministers	66	34
Newspaper and radio	43	57
Public officeholders and Federal employees	44	56
Professional men, doctors, dentists, engineers	32	68
Teachers	66	34
Attorneys	13	87
Businessmen, industry, and salesmen	38	62
Farmers	29	71
Housewives	49	51
Students	62	38
Retired	23	77
Occupation not given	31	69

PERCENTAGE DISTRIBUTION OF REPLIES TO QUESTIONNAIRE BY OCCUPATION OR PROFESSION—continued

	Yes	No
Do you believe that the soil-bank program should be continued?		
Total results, all occupations	27	73
Labor	18	82
Ministers	17	83
Newspaper and radio	38	62
Public officeholders and Federal employees	17	83
Professional men, doctors, dentists, engineers	19	81
Teachers	29	71
Attorneys	14	86
Businessmen, industry and salesmen	16	84
Farmers	21	79
Housewives	35	65
Students	59	41
Retired	11	89
Occupation not given	14	86
Do you believe that all Federal controls on farm products should be removed?		
Total results, all occupations	64	36
Labor	73	27
Ministers	83	17
Newspaper and radio	57	43
Public officeholders and Federal employees	78	22
Professional men, doctors, dentists, engineers	74	26
Teachers	41	59
Attorneys	74	26
Businessmen, industry, and salesmen	84	16
Farmers	74	26
Housewives	66	34
Students	21	79
Retired	86	14
Occupation not given	72	28

Washington Report by Hon. Bruce Alger, of Texas

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my newsletter for week of March 1, 1958:

WASHINGTON REPORT

(By Hon. BRUCE ALGER, Fifth District, Texas)

MARCH 1, 1958.—A supplemental appropriations bill of $2.837 billion to get us through June produced some spirited debate. Another $175 million for the soil bank, beyond the $750 million already spent, was either "throwing good money after bad" or "being consistent, by extending aid to additional farmers," depending on your viewpoint. I opposed the increase. Additional funds ($10 million to each of 2 projects) for the upper Colorado River, the expense of 2 new "Federal cities": at Glen Canyon $12 million for housing 200 families; at Flaming Gorge $3½ million for housing 25 families. Also both have 7-lane roads planned, which in the smaller community would total 2 miles. All this is only a small part of this gigantic public reclamation and power project. This one passed also. My opposition was in the nature of protest over their spending so much more than their earlier estimate. This, of course, is all too customary in Federal planning. It's the foot in the door. Almost all power and reclamation projects greatly exceed original estimates (Uncle Sugar?). Lively debate accompanied other provisions: expanding immigration personnel ($375,000), additional U. N. contributions ($9.6 million), and more for the United States exhibit at the Brussels Fair. Causes for concern in the latter include: (1) Russia's $40–$45 million exhibit, the United States competitive stimulus, as earlier proclaimed, was revealed to be a $3½ million demountable building, whereas our beautiful exhibit building is permanent, (2) our expenditures were upped several times ($11.8 million—$2.2 million—now $9 million more) based on incorrect information, inept handling and general bungling.

Mutual security (foreign aid) was the subject of an amazing bipartisan array of public figures assembled to plead to a huge nationwide citizens group, for continued huge expenditures. Secretary Dulles said "600,000 Americans are employed as a result—the money is spent in the United States." (Is foreign aid intended as a subsidy to our industries?) Adlai Stevenson: "We must stop Russian expansion by creating strong nations and better customers. We must, in a global enterprise, push nations through stages of capital expansion so their savings expand, ending in solid economic apparatus of a modern state." (United States development took hundreds of years—also, is this the role of our Federal Government?) Rev. Dahlberg, Protestant; Rabbi Adams, Jew; and Bishop Sheen, Catholic, then gave the program the moral and spiritual backing of the church. These religious leaders, in fact, all the conference speakers, intentionally or not, revealed the anachronisms of our past Federal handouts, with strings attached, whether it be the economic, military, or political advantage we seek. One church leader claimed we have only one dimension to exemplify—the great religious and moral idea of our belief in God, individual dignity, and that government exists to serve man, not the reverse. Finally, his thought was to give the Federal money through existing religious missionary groups overseas in a true Christian spirit. Here then we'd join the church and state.

As I listened I marveled how we could all start, as Eric Johnston said, with just one purpose and reason as American citizens with love of country and come to such different conclusions. I felt the reasoning to be terribly wrong. Idealism had blinded many to the stark facts and lessons learned from giving $70 billion since World War II. Hardly mentioned was the heavily burdened taxpayer—or our present debt, or the failure of the program in so many ways. Could it be that trying to justify unconstitutional governmental activities only highlights the ideological self-contradictions? More of this later.

Former President Truman's criticisms caused many members to proclaim the total absence of facts in his statement. For example, Mr. Truman vigorously—almost gleefully—condemned unemployment, blaming the administration; yet, in 1950 when unemployment was even greater, he himself, said "a certain amount of unemployment, say from 3 to 5 million is supportable. It is a good thing that job seeking should go on at all times—this is healthy for the economic body." Well, as I see it, Mr. Truman's planned economy is not the American way. Secretary of Commerce Weeks countered by saying "the Democratic gloom and doom brigade's whole program boils down to three words: 'Sell America short'." My concern—do people see through the political charges and countercharges?

Briefs: Reuther calling Senator GOLDWATER a moral coward provoked Republican HOFFMAN, of Michigan, to compare the war record of the two—GOLDWATER, a pilot in service; Reuther (classified 3–A—Reason? married) at home leading strikes which killed 41 people (1937–46). Hoover Commission summary shows 77 percent of recommendations accepted, but Congress hasn't acted on 50 recommendations. The farm program—a $3,500 wage earner, for example, pays (in taxes) $31.79 for just wheat, corn, and cotton supports, plus higher prices in the stores on these commodities. Secretary Benson, in trying to return the farmer to a free market, now takes the beating for us all who are tired of double taxation.

Manpower for the Armed Forces

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mrs. KEE. Mr. Speaker, under unanimous consent to extend my remarks in the CONGRESSIONAL RECORD, I include a copy of my newsletter Keenotes which was released today:

KEENOTES

(By Representative ELIZABETH KEE)

What to do about manpower for the armed services is a problem which Congress and the country must face up to soon. Everyone agrees that the United States must maintain armed forces adequate to meet any emergency so long as the present stalemate between this country and the Russians continues. At the core of the manpower problem is the question of how the men are to be obtained for the armed services and how they are to be paid.

At the present time, we depend upon the draft and voluntary enlistments to fill the needs of the services. Turnover of personnel is high. The loss of trained personnel each year is not only a serious drag on the efficiency of the services but it is also extremely expensive.

It costs about $25,000 to recruit and train a man for duty with one of the services. If he serves only his draft period, or his short enlistment, this tremendous investment will be largely wasted.

The draft is a highly costly operation. Congress appropriates about $24 million each year to support the Selective Service System. The draft calls run about 10,000 men a month. Some experts contend the draft is a highly inefficient way of recruiting manpower in times of peace. It interrupts the lives of young men and, in many instances, delays if not prevents their college education.

An imposing array of experts in the field of defense manpower, both civilian and military, contend the problem can best be met by a more realistic method of paying men in the services. The pay scale should be based upon skill and ability and not upon length of service, these experts believe.

They offer convincing evidence to support their views. For instance, if highly skilled technicians, who are increasingly important to a defense system that relies more and more on missile and other intricate electronic devices, can be induced to choose one of the services as a career, the need for replacements will be greatly reduced.

The Cordiner report, named after the General Electric president who headed a Presidential commission, recommended pay scales for these experts based upon ability. The report recommends making the services attractive enough to keep the men from taking their skills, acquired at Government expense, to private industry at the end of enlistments.

Some men believe a revision of the pay scale, in line with the Cordiner report, would save $5 billion a year in the costs of recruitment and training. Perhaps this is high. But many experts agree that this proposed system would produce better qualified men and do away with the need for expensive and inefficient recruitment and drafting.

At the present time a House Armed Services subcommittee is engaged in a study of

defense manpower. This highly important hearing is not attracting the headlines of the investigation into FCC or studies of missiles and other outer-space developments.

But the result of this hearing could, in the long run, be of utmost importance to the future security of the country. Out of the hearings may possibly come a manpower system that will not only produce the necessary trained technicians but can do so at substantially less cost to the taxpayer.

This manpower problem is one that deserves the close attention and careful study not only of Congress but of all our people.

Investigation of Conditions in Labor-Management Relations

EXTENSION OF REMARKS

OF

HON. JAMES O. EASTLAND

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, March 3, 1958

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the senior Senator from Arkansas [Mr. MCCLELLAN] at the annual dinner of the Traffic Club of New York City on February 20, 1958.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JOHN MCCLELLAN AT THE ANNUAL DINNER OF THE TRAFFIC CLUB OF NEW YORK, NEW YORK CITY, N. Y., FEBRUARY 20, 1958

Mr. Chairman, it is a very great honor to be your guest this evening. It is a high privilege indeed to have this opportunity to address such a magnificent audience. I have looked forward to this delightful occasion with keen pleasure and anticipation.

I have long heard that your annual dinners are distinguished by the fact that they attract large numbers of outstanding leaders who are truly representative of the transportation industry and the traffic systems of our great country, and this one is no exception.

Before this informed group it would be fruitless for me to talk about the vital importance of transportation as it is related to the growth, economic power, and security of our Nation. You who are directly associated with, and who are so thoroughly acquainted with, the history and outstanding achievements of our transportation industry could hardly be impressed by any statistics that I might quote, nor could you be entertained by, or benefit from, any glittering generalities in which I might indulge.

Although I am in a general way familiar with pressing problems now confronting some segments of transportation, it would be most presumptous of me, with my limited knowledge, to undertake at this time any informative discussion of them, or to offer any suggestion of a legislative program for their solution.

Some of your difficulties I know need legislative attention. The Congress is aware of that, and I am persuaded that it will give early consideration to bills that are designed to remove discrimination and to eliminate inequities wherever they may now exist. To that end, I shall gladly cooperate with my colleagues who serve on the respective committees having jurisdiction over those measures and who have the initial responsibility for processing and recommending appropriate corrective legislation.

But tonight my remarks shall be addressed, not to matters of peculiar interest to the transportation industry alone, but rather to subjects of grave concern to all of our citizens everywhere.

I do not believe it is an overstatement of reality to say that we stand today at a crucial turning point in world history. International tensions, it seems to me, mount rather than diminish. Our security continues to be threatened; our safety endangered; our freedom and our very survival challenged.

No Congress within my service or memory has been confronted with graver or more urgent problems demanding attention and action. These problems involve intricate, complex, and highly controversial issues that must be resolved. Their proper solution will require wisdom, courage, and statesmanship of the highest order.

During the past dozen years in the cold-war struggle with atheistic communism, we have spent (under the stress of compelling necessity) more than $300 billion for an arsenal to keep ourselves and our allies prepared for any eventuality. The Defense Establishment we have built has been, up to now, sufficient to deter Communist aggression.

Our aim has been to maintain such control of the land, of the sea, and of the air as would provide us protection and security. But a fundamental revolution has recently taken place. Science and technology have been advanced to such unprecedented dimensions that dominance of the land, of the sea, and of the air is no longer militarily sufficient to insure our safety.

The new frontiers projected on the horizon of this satellite age are fraught with hazards and dangers that force us into a contest with Russia for the mastery of outer space and for supremacy in ballistic missiles. Our survival may well depend upon—and I believe it does—our ingenuity and capacity to not only keep pace with, but ahead of, the totalitarian world in those areas of science and technology. Should the Communist powers prevail in this contest, they will dominate this planet on which we live and have all humanity at their mercy.

Such a potentiality is horrible to contemplate, but such a possibility must be kept uppermost in our minds during the months and years ahead. In this cosmic duel we must be the victors, else we may well become the vanquished.

Let us not be deceived. The struggle on which we have embarked has no end in sight. It is a desperate, unrelating conflict of indeterminable duration. In the days gone by we have not been indifferent, but neither have we been sufficiently alert.

Made complacent by the knowledge of our incontestable superiority in the past, and by our overoptimism for the future, we have taken too much for granted. We relaxed our guard and miscalculated and underestimated what Russia was doing. Thus we have failed to assess properly the overall effort and progress she was making. We have simply been too slow to grasp and acknowledge the full import and significance of the Communist tyranny and its international conspiracy.

Recent Soviet successes present harsh and irrefutable proof that in some vital areas of science and technology Russia has gained, at least, a temporary lead and advantage. To me, this cold fact has somber implications of military peril which we cannot ignore except at the risk of our own destruction. We must recapture as quickly as possible that which we have lost. It is imperative that we do so. We cannot permit any considerations to interfere; we cannot brook any delay in our efforts to speed progress in that direction.

Our highest hopes and aspirations, our ultimate goals, are, and have always been, to preserve freedom, to promote tranquillity among all nations, and to establish an honorable and lasting peace. These ends cannot be achieved by our reverting to a posture of military weakness, or by our lagging second best to the totalitarian powers in our scientific and technological achievements. Such a decline in our international stature, if permitted to occur, would promptly expose and subject the whole Free World to ruthless aggression and conquest.

The attainment of our objectives poses problems and necessitates projects that transcend in magnitude and importance all other tasks and issues awaiting resolvement. They must remain the top priorities of our labors and ingenuity.

To meet the exacting demands they have, and will, thrust upon us, we shall need to develop, conserve, and prudently use our economic strength and resources. Sound fiscal policies are vital if we are to keep our economy strong. The economic power that we shall surely need in the long and titanic struggle ahead is not reposed, nor can it be found, in an insolvent government and a bankrupt national treasury.

Nor can we tolerate, in this era of challenge and crisis, anything in our domestic affairs which has an adverse impact and a weakening influence upon the vigor and strength of our national economy. In my opinion, any improper practices, criminal activities, or oppressive conditions that prevail in labor-management relations definitely fall within that category.

When I first became chairman of the Senate select committee charged with the duty of investigating improper practices in management-labor relations, I had only a limited concept of the scope and the importance of the assignment that the committee was undertaking. Little did I realize then the full nature of the intimidation, coercion, force, violence, dictatorship, and corruption which were to be revealed, and the extent to which they had pervaded labor-management relations. The grim truth and ugly facts of the unwholesome conditions that prevail are now being brought to light before the bar of public opinion.

As you may know, the committee is now preparing, and will soon submit to the Senate, an interim report covering its work during the first year of its labors. When this report becomes available to the public, I strongly commend it to each of you as must reading. Although the press has given the committee's revelations fine coverage, it has been impossible for it to present the full story in all of its sordid details. I believe that when you read the report you will agree with me that the combined talents of our best fiction writers could not have created or contrived a more fantastic story.

The crime, corruption, and improper activities we have uncovered, as shown in the report, are so recurrent, shameful, and shocking as to constitute a national disgrace. It is almost incredible, almost unthinkable that such exploitation of the laboring man, of management, and of the general public as the committee has unearthed could happen in America, and, worse still, that it has occured, and still exists, with impunity.

I do not believe there can be found in the annals of Congress a record of any committee that ever labored more faithfully than this select committee, or that developed more factual and valuable information for legislative purposes.

Last year we held 104 days of public hearings in which we heard 486 witnesses whose recorded testimony covered 17,489 pages of transcript. In addition, the committee held many executive sessions and conferences. For each witness who appeared before the committee, the staff interviewed another 20 or 25 people; and the staff also examined, checked, and screened literally thousands of letters, records, documents, and accounts. Nearly 100,000 letters were received. Seventy-five percent or more of these were from

union members or their families. Thousands of complaints have been filed with us. Many of them have real merit and warrant committee action. It will never be possible, however, for this committee to process all of them.

From these facts alone, you can judge that the committee's task is stupendous. To describe it as colossal would be no exaggeration. It is certainly most arduous, difficult, and often unpleasant.

Necessarily, we have had to deal in many instances with people of low character, or of no character at all: manipulators and conspirators (both in labor and management), crooks, hoodlums, thieves, thugs, extortionists, and murderers. From such witnesses we try to get evidence—facts within their knowledge that would reveal what the public and the Congress have the right to know. Many of them resort to willful perjury; others invoke, capriciously use, and flagrantly abuse, the privilege of the fifth amendment; some sink into a coma of forgetfulness, and their memory faculties completely collapse when they are interrogated. Some of these witnesses who have appeared before us are among the Goliaths of the underworld and organized crime.

Professional criminals, racketeers, gangsters, and other assorted disreputable types have infiltrated the union movement—in some unions and some areas—to an extent that is alarming and dangerous. They have seized key positions from which they have been able to exploit labor-management relations for their own personal greed, gain, and profit.

Such infiltration has by no means been accidental. It has been the result of a deliberate and calculated effort by hoodlum and criminal elements to entrench themselves in the labor movement as a means of grabbing money and power. This infiltration constitutes one of the most critical problems which confront honest unionism. It poses one of the greatest threats to law and order, to our free economy, and to the civil and human rights to all of our citizens.

These elements not only flout the laws of common decency, equity, and justice—they have defied the AFL–CIO's enforcement of its ethical codes and standards and they will finally, if not stopped, challenge the very supremacy of our Government. These ruthless, evil men would, and will, unless prevented, create and perpetuate a gangster economy in this country.

Just take a look at the teamsters, the largest and most strategic labor union in the country, the one with which you in the transportation industry are directly concerned, and which wields tremendous power over the transportation services and facilities of our entire economy.

Notwithstanding the exposure of the corrupt and criminal activities of a number of its leaders, who befouled this great union with a racket-ridden, hoodlum-infested, scandal-packed administration, the Hoffa and O'Rourke elements still reign supreme, although the Teamsters International Union has been expelled from the parent federation, the AFL–CIO.

To illustrate the vicious and contemptible attitude of the rulers of the union, and their depravity of intellect and character, we need only quote from the remarks of Mr. Hoffa in an interview given to Mr. Clark Mollenhoff, and published in the January 12 issue of the Des Moines Register and Tribune and the Nashville Tennessean. In this interview Hoffa baldly declared that Glenn W. Smith, the teamster chief of Chattanooga, who served 2 penitentiary terms for robbery and burglary, and whom the committee exposed as 1 of the 3 men largely responsible for the violence and depredations committed in the Tennessee area, is the "kind of a guy needed to kick those hillbillies around" (referring to teamster union members in Tennessee and the South). Hoffa also is quoted as referring to truckers in the South as "them lice," and saying that the unprincipled employers with whom the union deals in Tennessee, and the "hillbillies" who are union members, make it necessary to keep men like Glenn Smith, "Hard of Hearing" Smith, and Don Vestal in official positions in the union.

Hoffa then, in effect, brazenly announced his purpose and intention to keep unreformed exconvicts, thieves, extortionists, hoodlums, racketeers, gangsters, and musclemen at the head of important local unions, and to rule and dominate by force and violence.

Another union comparable to the teamsters in the low stature of its leadership and administration is the International Union of Operating Engineers. There are a number of other unions—some of which the committee has already probed, such as the Bakery and Confectionery Workers International Union, and the United Textile Workers of America—which have a most unsavory record of dictatorial and corrupt operations. Preliminary investigations are underway by the committee preparatory to public hearings on still other unions which I am convinced will suffer in public esteem and confidence when their practices and conduct are bared to the spotlight of public inquiry.

The labor movement in this country has grown up. It is no longer a struggling infant. It is now big business. Labor organizations control billions of dollars of our national wealth. Their annual income from initiation fees, dues, and assessments exceeds $600 million. Their welfare and pension funds contain some $25 billion to $30 billion, with an inflow in excess of $5 billion annually.

This colossal and growing economic power must never fall under the management and control of this gangster element, which would make it a dynamic force for evil with a devastating effect on the economic, social, and political health of this Nation.

The rights of working people, the due-paying members of unions, and the public interest must be protected from the character of inflictions and exploitations to which I have referred.

The AFL–CIO can expel from its organization unions under corrupt leadership. It can condemn improper practices and place a stigma of disrepute on unions and leaderships that defy the laws of decency and integrity as prescribed by the AFL–CIO ethical practices code. But that is about the limit of what it can do. Notwithstanding the excellent and courageous efforts of Mr. George Meany and by his colleagues of the ethical practices committee, and the AFL–CIO executive board to drive these elements out of the parent federation of labor, strong remedial legislation is needed. It is imperative.

However commendable the action of the AFL–CIO with regard to such unions, mere expulsion lacks adequate corrective force.

The teamsters, for example, still operate as before their expulsion, with the same power, the same authority, the same arrogance. The union continues under the same corrupt leadership, with the announced purpose of continuing the shameful practices and criminal activities that brought dishonor to it. It can still impose dictatorial rule over its rank and file, denying them their proper rights under recognized democratic processes. It can continue to exploit management and the public. It is not out of business. It has not reformed, and no reformation is in sight.

Can Hoffa get away with this? Can others of his ilk get away with similar acts of defiance of the public welfare?

They can, unless the rank-and-file members show the courage to rebel against dictatorship, gangsterism, collusion, and thievery in their unions.

They can, unless the Congress of the United States enacts laws to liberate hundreds of thousands, if not millions, of American workers from the oppression and bondage to which they are now subjected by such malevolent, amoral men. Only the instrumentality of corrective legislation is left as a defense and protection against those segments of organized labor and their leaders who persist in their efforts to gangsterize the economy of this country.

The emphasis of responsibility in the legislative field is now shifting from the select committee to the Congress. During the committee's first year in existence, while it was in the initial process of factfinding, such Congressional action was not feasible. Now, however, enough evidence has been amassed by the committee so that the Congress can, and should, legislate in those areas where the facts have been developed and evils have been brought to light. Otherwise, the intensive labors of the committee will not have reaped their rightful harvest.

I believe the Congress will take action; encouraging signs point in that direction. The President has submitted the legislative recommendations of his administration. They are reasonably good as far as they go. I support in the main their general objectives, but they are inadequate in scope and strength to meet the full legislative responsibility.

Some 14 separate bills proposing legislation in this field have been introduced in the Senate since Congress convened. Other bills, I am confident, will be presented during this session. Before, or simultaneously with, the filing of the committee's interim report I shall, myself, introduce a measure covering some of the areas in which the committee has already made startling disclosures.

In general, we must enact laws that will, among other things, clearly define and prescribe basic standards and requirements for the administration of union affairs. Such standards and requirements must include the establishing of firm democratic processes that will restore to the rank-and-file members the right to choose their officials by secret ballot in elections at stated intervals, and also to determine and resolve major-policy issues by like method and procedure.

A complete and accurate accounting for, and a full report of, all union, welfare, and pension funds must be required; the investment of such funds regulated and the willful destruction of the financial and other pertinent records of unions prohibited, with criminal penalties invoked for any willful violation of such requirements.

Unreformed exconvicts, gangsters, and racketeers must be declared ineligible to hold any official or representative positions in any labor organization. The expenditure of union, welfare, and pension funds for nonunion purposes; organizational picketing of certain types; the use of force and violence; the arbitrary imposition of trusteeships on locals for an indefinite period; and collusion in management-labor relations must be prohibited; and the laws with respect to extortion and bribery must be strengthened.

Some sources are charging that it is the committee's purpose to induce Congress to enact restrictive, oppressive, and punitive legislation. That is not true. I shall never knowingly vote for a law designed simply to suppress or to oppress decent, honest unionism; but I am prepared to support legislation that is necessary to restrict, prohibit, and prevent the improper practices to which I have referred, and every law that I have suggested here tonight is definitely for the protection and in the interest of the rank-and-file members of organized labor and their families.

The arrogant, dishonest, crooked, and dictatorial leaders and the disreputable elements that have infiltrated some unions, and who are now engaged in the iniquitous exploitation of working people, of management,

and of the public at large should not only be restricted, oppressed, and punished, but with the help of decent unionism and its leadership, we need to drive those characters out of the labor movement and keep them out.

With the cooperation, support, and good will of all honest and respectable elements of American citizenry, within labor and management, and without, the committee will continue its searching effort to bring to the Congress all of the information it needs upon which to predicate remedial legislation; and I have faith that the Congress will enact laws which will bring about badly needed reforms in labor-management relations, and thus render a lasting and constructive service to our country.

Analysis of H. R. 8002

EXTENSION OF REMARKS
OF
HON. JOHN H. RAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 3, 1958

Mr. RAY. Mr. Speaker, in accordance with leave heretofore granted, I wish to include in the CONGRESSIONAL RECORD the following memorandum I have prepared with respect to H. R. 8002 which is scheduled to come to the floor on Wednesday, March 5. I hope the analysis and comments will prove helpful.

H. R. 8002 would amend section 201 of the Budget and Accounting Act of 1921—now section 11 of title 31 of the United States Code—that being the section which defines the President's function and obligation with respect to preparing and submitting his annual budget.

That bill presents two problems: First, Is the end result at which the bill is aimed a good one? and, second, Does the bill in its plan and phraseology provide a sound and practical procedure for attaining that end? The announced purpose of the bill is good—it is like saying one is against sin to say that one would like to strengthen the control which can be exercised by Congress over departmental expenditures and especially the unobligated funds carried over from previous years. Neither among proponents nor among opponents of the bill have I found any criticism of or opposition to that broad objective.

I have found, however, that many colleagues have not considered the second question. Since that is the field of controversy, a short analysis of the bill may be helpful.

The bill declares that it is "the policy of the Congress that estimates for proposed appropriations will be determined on an annual accrued expenditure basis"; that the amount of proposed appropriations shall, "to the maximum extent deemed desirable and practicable by the President, be determined on an annual accrued expenditure basis"; that the conversion to the use of the annual accrued expenditure methods "shall be accomplished in such manner and at such time as may be determined by the President"; and finally that the bill shall cease to be in effect July 1, 1961.

Under the circumstances which exist, it seems to me that this is a queer and illogical plan for the changes proposed.

For one thing, would it not be ridiculous for Congress, after considering seriously and approving a change in policy such as that proposed in the bill, to wind up by saying that the change should cease to be effective after 2 years? Surely a bill of this kind should not be proposed as a 2-year experiment. If the scheme of the bill is sound and advantageous, it should be proposed on a long-term basis. If it is not demonstrably sound the bill should not be enacted.

Even more important, the 84th Congress, by Public Law 863, gave the President authority to require the several departments to adopt accrual accounting procedures. H. R. 8002 would be effective only with respect to departments which have so changed their accounting system. To date the President has been able to direct that change in only a few of the smaller departments. It is not expected that the Department of Defense, for example, can make such a change for another 3 or 4 years. Therefore, it would seem that if H. R. 8002 were to be enacted, there would not now be any substantial area of Government operations in which the bill could apply.

H. R. 8002 contains three sections. Section 1 would add four new subsections to section 201 of the Budget and Accounting Act. These four subsections are the provisions for the so-called annual accrued expenditure basis for appropriations. Section 2 is in effect a limitation of the scope of section 1. It provides some leeway for making contracts outside the limits set forth in section 1, and it states the rulemaking character of the bill. Section 3 contains the provision already referred to that the bill shall cease to be effective July 1, 1961.

Now for the details of the proposed basis for appropriations and some comments thereon:

The first subparagraph of section 1 attempts to define the reasons for the bill. It declares that revisions in the presentation of budget estimates and estimates for deficiency and supplemental appropriations are essential in order "to provide a more informative basis for the enactment of appropriations by Congress," but the bill does not provide for any information which the executive and legislative branches of Congress cannot get under present laws; "to reduce or eliminate the large carryover balances of appropriations from one fiscal year to another," but again these results are already within the existing power of Congress and the executive, and depend upon action by those branches of Government; "to bring about economy in Government expenditures," but the bill adds nothing to present law on the subject. The result described would come only by actions of the Congress outside of this bill.

The bill declares that, for the foregoing reasons, it is the policy of the Congress that estimates for proposed appropriations will be determined on an annual accrued expenditure basis. Since the three reasons quoted above are contrary to fact, the bill cannot be regarded as good legislation.

Section 2 of the bill attempts to define certain situations in which contracts may be made in addition to the amount of an appropriation authorized on the annual accrued expenditure basis. This is new law and provides authority for making contracts beyond the year covered by the annual accrued expenditure estimate. The section relates to technical matters which I am not qualified to discuss, but I am informed by those familiar with the technical side of appropriations and contracting that there is serious controversy on whether or not such contract authority should be granted.

The bill has been widely publicized as a measure which would enable the Government to make savings which it cannot make under the present law. I find no basis for that assertion. In fact an Assistant Director of the Bureau of the Budget and one of the directors of the Citizens Committee for the Hoover Report have stated to me that the enactment of H. R. 8002 will not enable the Government to make any savings which could not be made under present law if the House committees and the Director of the Budget utilized their existing powers. The executive officers and the House committee have all the authority they need under the laws now in force. I have asked the Citizens Committee many times to give me a single case to which the foregoing statement would not apply, but on analysis none of the cases submitted sustains the assertion of those who support the bill.

I submit, Mr. Speaker, that H. R. 8002 should not be enacted.

Cardinal Samuel Stritch, of Chicago, Named Pro-Prefect of the Congregation for the Propagation of the Faith

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 3, 1958

Mr. LIBONATI. Mr. Speaker, I wish to commend to the attention of my colleagues the naming by Pope Pius of Cardinal Samuel Stritch, archbishop of Chicago, as pro-prefect of the Congregation for the Propagation of the Faith. He becomes a member of the curia of the church in Rome, the first American ever to be so named.

The congregation is the seventh, in order, of the 12 congregations which govern the affairs of the Roman Catholic Church. The Pope is prefect of the first three, the congregations for the holy office, the consistory, and the oriental church.

The Congregation for the Propagation of the Faith originated in a commission of cardinals set up by Pope Gregory XIII to seek a reconciliation of the divergent eastern branches of the church.

SPREADS THE FAITH

The commission was expanded in its functions by Pope Clement VIII, and was created as a permanent consistory by Pope Gregory XV in 1622.

It was charged with the task of spreading the Roman Catholic faith throughout the world, and its jurisdiction today is one of the broadest in the church.

It has wide authority in the field of the church's missionary work, and in mission territories exercises the functions of other congregations of the church, as well.

The appointment brings the number of cardinals in the curia to 15. Previously these have always been Italian, French, British, Spanish, or Dutch. Only other non-Italian member at present is Cardinal Eugene Tisserant of France.

When the cardinals eventually are called on to pick a successor to Pope Pius, who celebrates his 82d birthday tomorrow, the cardinals are unlikely to choose anyone who has not had experience in the central government of the Catholic Church. Today's appointment will give Cardinal Stritch that experience.

CONGRATULATED BY CHICAGOANS OF ALL CREEDS

Chicagoans of all faiths reacted with expressions of pleasure and pride to the announcement yesterday that Cardinal Stritch, Roman Catholic archbishop of Chicago, has been made pro-prefect of the Catholic Church's Sacred Congregation of the Propagation of the Faith.

Cardinal Stritch said he received the news with surprise. Noting that never before has an American prelate held such an important office, the cardinal declared modestly, "It is clear that Pope Pius XII in honoring me principally had in mind honoring the church in the United States.

DALEY GIVES CONGRATULATIONS

Mayor Daley, joining other Chicagoans in saying he was delighted to see Cardinal Stritch honored, said, "I shall be sorry to see him go. The cardinal has enjoyed the respect and admiration of everyone, and we are losing one of the Nation's great churchmen.

In Springfield, Governor Stratton said:

This is indeed a most fitting honor and distinction bestowed on Cardinal Stritch. The United States in general and the State of Illinois in particular is highly honored.

Among the thousands who sent their congratulations to Cardinal Stritch were the Reverend Dr. Paul M. Robinson, president of the Church Federation of Greater Chicago, and Rabbi Richard G. Hirsch, congregational director of the Union of American Hebrew Congregations.

PERSONAL LOSS TO FRIENDS

A leading layman in the Chicago archdiocese, Charles C. Kerwin, of Lake Forest, former president of Catholic Charities of Chicago and vice president and treasurer of the Catholic Church Extension Society, said the departure of Cardinal Stritch will mean a great personal loss to everyone who has known him.

At the same time, he said, he was overjoyed that Cardinal Stritch has received the great honor. Kerwin is a knight commander of the Order of Pius IX, one of the highest orders in the church.

Cardinal Francis Spellman, of New York City, sent this telegram to Cardinal Stritch:

My heartfelt congratulations go to your eminence on the great distinction of being the first American cardinal in history to be designated a cardinal in the Roman Curia.

[From the Chicago Tribune of March 2, 1958]

TEXT OF STATEMENT

Cardinal Stritch issued the following statement after the announcement he had been elevated to the office of Roman Curia:

"When this news came to me, I was surprised and amazed. It never entered my mind that the holy father would think of me for such an important office in the Roman Curia, which assists his holiness in the government of the universal church.

"It is clear that his holiness in honoring me, principally had in mind honoring the church in the United States. Never before in history has an American prelate been called to such an important office. The Sacred Congregation of the Propagation of the Faith, under the immediate authority of the holy father, is entrusted with the care of the foreign missions of the church.

CITES GROWING INTEREST

"The Catholics of the United States have shown a growing interest in these missions. Quite evidently, the holy father, in calling me to this office, wished to give another expression of his fatherly appreciation for this interest.

"At the call of his holiness I shall go to Rome and with God's help try to prove myself worthy of his confidence and of the great Catholic body of whom I shall be a symbol.

"To my clergy and people on this occasion I express my deep affection. They have been my support and edification through these 18 years. I know that I shall have their prayers in the discharge of the heavy responsibilities of the office to which I am called.

AWAITS OFFICIAL NOTICE

"I may say to them that I have not received the official document calling me to this important office. When I receive it I shall inform them in detail of what is involved in this call of the holy father.

"For the present, all that I know is that the holy father has called me to be the pro-prefect of the Sacred Congregation of the Propagation of the Faith.

"The prefect is the esteemed Cardinal Fumasoni-Biondi, whom we remember as being apostolic delegate in the United States. It will be a great comfort for me to have at my side this great cardinal, who, with the exception of his years as apostolic delegate in the United States, has been an outstanding official from minor to prefect of the Sacred Congregation of the Propagation of Faith.

TELLS LOVE FOR CITY

"His knowledge of the foreign missions, his great abilities and his understanding promises me some usefulness in helping the holy father in his great apostolate for the missions of holy church in these difficult times.

"May I add that after 18 years here in Chicago, despite my being from other parts, I am a Chicagoan and I love Chicago, its people and its warmth. It is my prayer that through the years which God will give me I shall be able to contribute my little part to making Chicago the world's greatest city, in which spiritual values will take precedence over material and humanistic considerations."

We, all the Members of Congress from the State of Illinois, honor this gentle, quiet, firm, religious man of God; his interest in the aged and the poor by fostering, stimulating and providing arranged financing for the building of homes for their betterment as one of his outstanding accomplishments.

He venerated and served the so-called older parishes of the disappearing home neighborhoods, near the heart of the downtown commercial areas of cities. He helped modernize their structures and developed programs for the return of parishioners. His attainments have benefited God and country in every emergency, either in times of war or peace. He was always an American and a patriot. We ask God's blessing and bid him Godspeed in his new work to care for the needy, the sick, and the forgotton humans, in the missions of the world, that a new peace may enter their lives.

A Bill To Amend the Social Security Act

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 3, 1958

Mr. HOLTZMAN. Mr. Speaker, I am today introducing in the House of Representatives a bill which will amend the Social Security Act, and provide a more liberal application of the law.

In the first instance my bill would remove the present limitation of $1,200 per annum on outside income that can be earned by those who are recipients of social-security benefits. In this day and age when the cost of living continues to spiral upward, and savings have been evaporated, it is most difficult for many of our elder citizens to make ends meet, and to provide themselves with even the bare necessities of life. The removal of the income limitation will enable them to live more comfortably and securely in their old age, without the fear of dependency on other members of the family, or on society itself.

The second provision of the bill would make full social-security benefits payable to men at the age of 60, and to women at the age of 55. The current requirements are 65 years of age for men, and 62 years of age for women. The reduction in this age limit would permit many of our working force to retire earlier than anticipated from the labor market, and thus make room for the thousands of younger men and women who must be absorbed into this labor market each year. Today many firms in private industry have a fixed policy against hiring new workers who are over 40, and yet have a firm policy of retiring workers who have reached the age of 65. Labor and management have been giving much thought and consideration to the problem of the older worker and his retirement, but there is need for further research which must be undertaken by industry, labor, and the employees themselves. By 1975 it is estimated that there will be more than 20 million Americans 65 years of age and over. The number

of elder citizens in this country is growing larger each year, and it is the responsibility of the Federal Government to reevaluate and revise, if necessary, our programs for the welfare of these senior citizens.

The third section of this package bill provides for the elimination of the requirement that an individual must have attained the age of 50 before he is eligible to receive disability-insurance benefits. Under the present law many people who are disabled through no fault of their own must wait years before they reach the age of 50 and can apply for benefits. In the meantime they are forced to rely on relatives, friends or welfare agencies for their very existence. Removing the age limitation would permit a worker to file immeditaely for benefits after he has become disabled, and would in some small measure contribute to his support and that of his dependents.

The welfare of all our citizens, young or old, able or disabled, should be of primary concern to us, and I believe that this legislation, which brings into 1 package 3 major changes in the Social Security Act, would help us keep pace with the changing scene, and would certainly be a humanitarian act benefiting so many more of our people.

Address by Hon. Clifford P. Case, of New Jersey, at Fifth National Conference on International Economic and Social Development

EXTENSION OF REMARKS
OF
HON. H. ALEXANDER SMITH
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES

Monday, March 3, 1958

Mr. SMITH of New Jersey. Mr. President, on Wednesday, February 26, my distinguished colleague from New Jersey [Mr. CASE] made an important address before the Fifth National Conference on International Economic and Social Development at the Statler Hotel here in Washington.

This address made a valuable contribution to our thinking on the subject of the importance of our mutual aid program. Because of the timeliness of the subject and the contribution which it makes to the mutual security legislation which we will presently be considering in this body, I ask unanimous consent that the address be published in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR CLIFFORD P. CASE, REPUBLICAN, OF NEW JERSEY, AT LUNCHEON SESSION OF THE FIFTH NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, AT THE STATLER HOTEL, WASHINGTON, D. C., WEDNESDAY, FEBRUARY 26, 1958

For some years now the United States has provided various types of assistance to other nations, both on a bilateral and a multilateral basis. These programs, under a variety of names—Marshall plan, point 4, mutual aid, mutual security, not to mention the various international or institutionalized programs—have generally enjoyed wide support. Of course, each year the request for appropriations has set off a debate. But overall, both parties have given their support and much of the argument has been over matters of detail rather than basic substance. Nevertheless, it is not news to suggest that this year the going for those who believe in the worth of the assistance programs is going to be much harder. This is particularly true of the economic and technical assistance programs.

Yet I think there is little doubt there will continue to be an assistance program in these areas. The reason is simple. There has to be. Basically we really have no choice as to that, though the form and the types and the amounts of assistance are another, and vitally important, matter.

It is not just the menace of communism that impels us. Certainly, that is important. Few will quarrel with the purely military assistance program. And most will recognize, too, that the military effort that our allies can put forth, especially those like Turkey, for example, in an exposed position, is directly affected by their economic situation. Hence the name of "defense support" for what is in effect economic aid to those countries with whom we are linked in defense pacts. The mutuality of interest in such activities is clear.

Neither is the threat of Communist economic penetration in the so-called uncommitted or neutral nations the whole justification for a program of economic assistance. Though the fact that the Communist bloc is now launched on an ambitious program of economic aid—and gives every indication of carrying it through—does indeed lend special urgency to our own efforts in this field.

In my own deep belief, were communism to disappear entirely from the world, we would still find ourselves impelled to help other nations in their efforts toward economic advance. For no nation, no less than no man, is an island entirely to itself, in Donne's famous phrase.

To turn an indifferent back to the struggles of other nations to realize their economic potentialities, and thereby to improve the well-being of their citizens, would be to go directly against all that is deepest and best in our tradition, to reject a basic precept of the heritage on which our society is built. It would also, of course, be to go against our own long-range material interests. But I stress the inherent rightness of our course because to debate the question solely on the basis of what's-in-it-for-us does injustice to our people, I believe. And it ill serves us in the eyes of others who are likely, not unnaturally, to take us at our own valuation.

As I see it, therefore, the real question we face is not whether we shall have an economic and technical assistance program, but how much and what kind of a program.

Most of the argument over economic assistance in the past has centered about the how much. No one who pays taxes can fail to have an interest in it. Last week the President submitted to Congress a program calling for $3.9 billion in mutual security funds for the next year. Of this, $1.8 billion is for direct military assistance and another billion for defense support and special assistance to allies, $788.5 million would be allocated to economic and technical assistance to other nations. (This excludes both the contingency fund and contributions to certain relief and other international programs.)

These are large sums. Yet the need to which they are directed is far greater. Indeed it is estimated by reputable economists that 1 to 3 billion a year from all capital sources is needed to accelerate the economic growth of the underdeveloped nations. Obviously, the United States cannot finance all the capital needs of the underdeveloped nations. But the disparity in the figures suggests that at least part of our concern should be, not how we can cut the program further, but, considering the stakes involved, is it enough?

Nonetheless, money is by no means the only or the chief of our problems.

It comes as something of a shock to most Americans to realize that in many parts of the world his country and its intentions are regarded with skepticism and often outright mistrust. Sons of revolutionaries ourselves, we find it strange indeed to be looked at as the inheritors or protectors of an outmoded colonialism. The extent to which the stereotype of the capitalist exploiter has taken hold confuses and angers us. Striving in our own country to achieve equal dignity and equal opportunity for all men, regardless of their race, we are shocked by the depth of bitterness against the white man—any white man—among many people of another color.

The injustice of such attitudes may rankle but the fact is they exist. And we have to reckon with them if we hope to influence the new nations toward the ways of peace and freedom.

Throughout Asia, in Africa, and in the Middle East, the old societies are breaking up. Everywhere there is change and, above all, a new and driving determination to achieve a better life, one way or another. We cannot stop the drive—even if we wanted to—but we can hope to help it go forward in ways that will at least be not unfriendly.

In concrete terms, that seems to me to require first of all a clear showing of our genuine interest and desire to help these nations in their efforts to advance economically. It must be a sustained interest for the element of continuity is vital to successful development. Nothing could be more calculated to breed resentment and bitterness than to raise hopes, only to disappoint them later. Unless we, the public and the Congress, are prepared to carry through, whatever the scale of the program we adopt, we would be better off, in my judgment, not to start it in the first place.

Let us acknowledge frankly that economic development is a long-term undertaking and that if we really want to do an effective job we cannot confine our commitments entirely to the fiscal year. A multipurpose dam, for example, designed to provide irrigation, power and flood control cannot be accomplished overnight. Many months of planning and engineering are required. The construction itself may take years. If several countries are involved, lengthy negotiations may be necessary before even the first stage is reached. Without assurance that financing will be available, few countries can afford the effort and expense involved merely in preparing a well-planned proposal.

At the last session the Congress, somewhat reluctantly, did approve the establishment of a development loan fund and authorized appropriations for 2 years as contrasted with the administration's request for a 3-year authorization. But even this modest step was marred by actual appropriation of only $300 million as against $500 million requested for the first year and authorization of $625 million for the second year. The President had asked for $750 million for the second and third years. Already the fund has received applications totaling well over $1 billion, which is some indication of the hopes placed in it.

There are, of course, important, but surely not insuperable, questions of constitutional and legislative prerogative involved in any departure from the annual appropriations basis. The significant thing to me is the fact that much of the objection to a longer period of appropriation is based less on the

constitutional grounds than on opposition to the longer term commitment itself. This view of economic assistance as a kind of emergency or temporary program to be determined almost anew each year seems to me, as I indicated earlier, a self-defeating approach.

There are other ways, too, in which the sincerity of our concern can be demonstrated. But none is likely to be more important or more far reaching than the influence and potential contribution of our businessmen.

Whether he chooses or not, the American businessman has a large role, for good or for ill, in the economic-assistance program.

I am thinking not only or even primarily in terms of capital. Capital contributed by private investment is important and it is encouraging to note that it has been flowing in increased amounts in some sectors. But the old pattern of private investment is no longer possible in many areas. Most of the new countries are determined to keep control of the development of their resources firmly in their own hands.

This is a basic premise which wise and prudent investment will accept or it will venture at its peril, as well as at the risk of discrediting further the free economic policies which in too many places invoke bitter images, however exaggerated, of colonial lords and hated foreign exploiters.

Far more than capital, however, the crying need of many of the underdeveloped nations is for know-how—technical, managerial, and administrative. Report after report on particular countries have pointed to the lack of trained and qualified personnel as the single most limiting factor on development efforts. It is noteworthy, for example, among the Arab States, Lebanon has probably the highest standard of living. Lebanon does not have the rich oil deposits of the other Arab States, indeed her natural resources are meager. But her people are relatively advanced and have the ability to organize themselves and make good use of such resources as are available.

Here is an area in which American enterprise is, I think, indisputably supreme. The American genius for effective organization is a hallmark of our country. We pride ourselves on our practicality, our pleasure in trying new approaches, our zest to get things done. What field offers a greater challenge in these respects than that of economic development? Provided, of course, they are accompanied by a willingness to adapt to the very different conditions that prevail among the underdeveloped nations and to take a long rather than a short view of their opportunities.

Such a positive constructive approach on our part can help immeasurably. Only such an approach can make clear that totalitarian methods are not required to achieve economic advance; rather, there is a real choice of roads to follow. Further, it can provide encouragement to choose the road compatible with the ways of democracy and the preservation of human values.

The task confronting the newly developing nations is enormous. Small wonder that so many of their leaders seem often to waver and shrink from the hard and often unpopular decisions that sound progress may require. We cannot and should not attempt to do the job for them. But we can help to strengthen their willingness to tackle the job and to enhance the chances of its successful accomplishment. The fate of millions turns on the choices that will be made over the next few years. Indeed, the existence of the Free World itself—our own ultimate security—may be at stake.

One Hundredth Anniversary of Oregon Statehood

EXTENSION OF REMARKS
OF
HON. FRANK CHURCH
OF IDAHO
IN THE SENATE OF THE UNITED STATES

Monday, March 3, 1958

Mr. CHURCH. Mr. President, the State of Oregon soon will celebrate its 100th anniversary, and the President of the United States has signed an official proclamation heralding that event.

The junior Senator from Oregon [Mr. NEUBERGER], who was the author of Senate Joint Resolution 131, authorizing this Presidential proclamation, has written a most vivid and illuminating article for the New York Times of Sunday, March 2, 1958, entitled "Oregon Lays Groundwork for Its Centennial."

We of Idaho feel a particular affinity with Oregon because both our States were explored by the great frontiersmen, Meriwether Lewis and William Clark, and both were once part of what was known as the Oregon country. We of Idaho share with Oregon the great mile-deep Snake River Canyon, bordered by the Seven Devils Range of Idaho on the east and the Wallowa Mountains of Oregon on the west.

I believe the fine article written by the junior Senator from Oregon about his State, which includes descriptions of the scenic realm which Oregon shares with Idaho, should appear in the CONGRESSIONAL RECORD and I ask unanimous consent that it be so printed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OREGON LAYS GROUNDWORK FOR ITS CENTENNIAL

(By RICHARD L. NEUBERGER, United States Senator from Oregon)

Valentine's Day, 1959, is a long way off but the State of Oregon is already busy planning a celebration that will start next February 14 to commemorate the 100th anniversary of Oregon's admission to statehood. Appropriately on the Valentine's Day just past President Eisenhower signed the official proclamation "calling upon the people of the United States to commemorate with appropriate ceremonies the 100th anniversary of the admission of Oregon into the Union."

Oregon became a State on February 14, 1859. James Buchanan was the President who signed that act. Thus the year 1959 will bring Oregon's centennial, but President Eisenhower was empowered to herald the occasion 12 months in advance because many events associated with the historic anniversary will occur this year. Most of these occasions are certain to be of prime significance to tourists and wayfarers, if only because few States contain the variety of scenery and recreational pleasures which long has characterized Oregon.

This pioneer State of the rugged Northwest stretches from a picturesque and wooded seacoast to alpine ridges cloaked with eternal snowbanks. It includes peaks more than 2 miles high and chasms a full mile in depth. It can offer ski tournaments in summer and golf tournaments in winter. It has wildlife refuges measured by horizons rather than acres, and it has national forests the size of New England States. Roses bloom in Portland most of the year, although Mount Hood's frosty glaciers are never out of sight from Portland on a clear day.

ROSES AND CONIFERS

Trees of fir and pine are more intimately identified with Oregon in the popular mind than is a delicate flower like the rose, for it is true that Oregon produces far greater quantities of lumber than any other State. Oregon is host to long, cool spring seasons and to summers without searing heat. This climate offers ideal hospitality to the rose, and so it is that Portland this June will mark the 50th anniversary of its famous Rose Festival. The occurrence will serve to inaugurate the precentennial events of 1958.

Portland's floral parade, principal feature of the Rose Festival, is rivaled only by that of Pasadena. Yet one great difference separates the two spectacles—the prize-winning roses of Portland are grown some 1,200 miles closer to the North Pole. To emphasize the contrasting diversions available in Oregon, a Golden Rose ski tournament is always held in connection with the Rose Festival. This take place at Timberline Lodge, in the solitudes of the Mount Hood National Forest, approximately 50 miles east of the city on a good State highway. In June of 1958, because the Rose Festival will be at half-century, a more elaborate occasion is planned.

INCREASING TOURISM

Anthony Brandenthaler, a lumberman from the upland community of Baker, is chairman of the Oregon Centennial Commission. He has predicted a substantial increase in the State's tourist trade this year, as a prelude to the 8 million visitors anticipated for the centennial year of 1959.

The dominant event of the centennial will be an exposition and international trade fair, to be held on the shores of the Columbia River, near Portland. It will continue from June 10 through September 20, 1959. Sponsors of the exposition hope to dramatize Oregon's strategic location on the Pacific frontier, with its deep harbors and sheltered bays. In addition to being a tourist attraction, it is designed to expand trade in Oregon fruits, lumber, fish, and grain with the countries of Asia.

Oregon's vivid past will play a strategic role in many of the plans for the centennial, and the active State Historical Society has had a major role in preparations. One such event is expected to take place this year. In 1956 Congress passed legislation authorizing the National Park Service to study the possibility of establishing a memorial park under Federal custodianship at Fort Clatsop, near Astoria, where the intrepid Lewis and Clark expedition spent the bleak winter of 1805–6. This report has been favorable, and the Interior Department has followed with a recommendation of a $280,000 governmental expenditure to launch the undertaking. If Congress approves these plans, the first national memorial park on the long 4,000-mile Lewis and Clark train could be dedicated this year.

Practically all such occasions in Oregon will involve, collaterally, innumerable sightseeing opportunities. Astoria, for example, is at the mouth of the Columbia River, mightiest of all the West's waterways. Some concept of the impressive proportions of the Columbia may be gained from the fact that it carries to tidewater nearly 10 times the flow of the Colorado River, author of the unsurpassed Grand Canyon. In fact, even the Snake River, chief tributary of the Columbia, contains more than twice the volume of the Colorado, and the Snake itself has trenched a 6,000-foot abyss along Oregon's eastern boundary known as Hells Canyon.

CONTRASTS

These two realms, some 400 miles apart, symbolize the wide range of contrasts which Oregon, near its first century as a State, offers to the traveler.

Some of the world's finest salmon fishing exists in the broad mouth of the Columbia, off the piers of Astoria. Boats owned by expert commercial fishermen are available for hire. The lordly Chinooks, weighing up to 70 or 80 pounds, cross the bar in thrashing schools as they return from salt water to fresh, on their mysterious migration to spawning grounds in the distant mountains.

The long Clatsop beaches, cloaked with glistening white sand, stretch southward from Astoria. Such resorts as Seaside and Gearhart are amply stocked with hotels, motels and good restaurants. U. S. 101 hugs the gnarled coastline like a lariat, extending to such other oceanshore resorts as Tillamook, Cannon Beach, Ocean Lake, Taft, Newport and many more. Golf courses are available at most such places, in addition to invigorating surf bathing in the chilly North Pacific for those who are young in heart and robust in health. The Centennial Commission has been encouraging the development of extra facilities for eating and lodging wherever feasible.

WILDERNESS

The Hells Canyon area of Oregon, by comparison, caters to the nomad who is willing to leave pavement behind and who does not object to terrain which has virtually been stood on end. This is a last great wilderness. In the Wallowa Mountains, which form the Oregon wall of the prodigious chasm, my wife and I have camped with the family of a cougar hunter, who made his living by delivering the pelts of the great cats at the county seat for $50 bounty apiece. This family never saw civilization through the long alpine winters. The mother educated their 8-year-old son with correspondence courses bought from a school on the faroff Atlantic coast. In these solitudes of Oregon there still is hunting for mule deer, stately elk and even cougar, if you can corner one on the dizzy rimrock. Out-of-State hunting licenses are somewhat more expensive than those for local residents.

The State has the most valuable national forests in the Nation. Ponderosa pine are as lofty as 20-floor office buildings, and a good deal more majestic. Creeks trill lightingly off rock ledges on their course to the Columbia. Trillium, Indian paintbrush, and the white puffs of bear grass turn meadows into a carpet of vivid colors. I doubt if any boy brought up in America has really savored what life can be in the spacious outdoors, until he has tented in the mountains of the Northwest.

Under the new $40 billion interstate highway program recently sanctioned by Congress, Oregon has two major roads which will qualify for such aid. One is U. S. 99, which bisects the State from Portland to Ashland in a north-and-south direction. The second is the principal artery of highway travel crossing Oregon from west to east—U. S. 30. This road is known all over the world as the Columbia River Highway, where it threads along the gorge which the great river has sliced through the Cascade Mountains and past such snowcapped sentinels as Mount Hood and Mount Adams. Sections of both U. S. 99 and U. S. 30 already have been built to 4-lane specifications. The entire routes are scheduled for such construction before the interstate program is completed.

CRATER LAKE

U. S. 99 goes through Medford, one of two main portals to Oregon's only unit of the national park system, the other entrance being the pine-lumber town of Klamath Falls. The park is Crater Lake, one of the extraordinary spectacles of nature's marvelous realm. Many epochs ago, an active volcano of the Cascade Range, Mount Mazama, blew off its summit in a mighty eruption. Crater Lake occupies the vast bowl thus created. Two-thousand-foot cliffs help to fashion a tureenlike effect, with Wizard Island a floating crouton in this massive receptacle. Crater Lake in color is an incredible blue—even bluer than the Mediterranean, claim experienced pilgrims.

Should your journey to Oregon include Crater Lake, be sure to vary this glimpse of a wonder of the outdoors by taking in a sample of mankind's talent, at the nearby community of Ashland. In August of each year, Ashland stages a Shakespearean festival which draws devotees of the theater in general and the Bard in particular from all 48 States.

NEW GLOBE THEATER

Southern Oregon College, which is in Ashland, actively sponsors this project. Thousands of visitors sit in their shirtsleeves and bare-armed dresses at a replica of the Globe Theater of Shakespeare's time. The balmy climate of southern Oregon makes this the natural thing to do.

Oregon, on the eve of its first 100 years as a State of the Union, contains nearly all of civilization's blessings, and yet is close to the frontier, too. While Oregon was a State, the last bitter war was fought with the encircled Nez Perce under the martyred chieftain, Joseph. Lieutenant Teller and H Company were wiped out to the last man, when a State government actually sat at Salem and passed laws.

Jefferson-Jackson Day Dinner, St. Louis

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 3, 1958

Mr. NEUBERGER. Mr. President, a most eloquent and informative speech was delivered to the St. Louis County Jefferson-Jackson Day Dinner in St. Louis on March 1, 1958, by the distinguished junior Senator from Tennessee [Mr. GORE].

In his able address, our colleague from Tennessee has emphasized the distinct responsibility which historically falls upon the legislative branch of Government when there is abandonment from the Executive in the White House. I believe that Senator GORE's address should be printed in the CONGRESSIONAL RECORD, and I ask unanimous consent for that purpose.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR GORE

The pleasure and joviality evidenced here tonight is characteristic of a Democratic rally. A Democratic get-together is synonymous with a good time. Even so, we have enough of the rebel and stubborn elements among us to make our party affairs not only interesting but uncertain.

There is no uncertainty about my pleasure and pride in being with you tonight. It would be an honor and a pleasure to speak to such a significant and loyal gathering as this under ordinary circumstances, but my pleasure in coming to Missouri is doubled by the fact that it has been my pleasure and profit to serve on committees and work in the closest harmony and friendship with your Senators. The privilege of their association in the Senate, the leadership which each has provided for our party and for our country prompts me to say that I am grateful to Missouri for Senators TOM HENNINGS and STUART SYMINGTON.

Senator HENNINGS, one of the outstanding constitutional authorities, not only in the Senate but in the entire country, has become a recognized champion of the rights of individual citizenship and has given the kind of leadership for election-law revision and reform in corrupt practices that makes us all proud to be Americans.

The one clear clarion voice for justice and fairness to beleaguered farmers, for adequate national defense, for educational and technological progress, and for permanent public improvements to strengthen our country's economy and productive capacity has come from Missouri's junior Senator STUART SYMINGTON.

The United States Senate is now performing a unique and unusual role in American history. It is a role of leadership with which the Congress can successfully cope only with the greatest difficulty, if at all.

By reason of constitutional limitations, the legislative branch of our Government cannot perform executive functions. By its very nature, its very division and diversity, it is hard for a legislative body to speak with that clear and certain voice which is the characteristic and function of executive leadership.

Yet the worldwide challenge to the greatness of our country and to the survival of our system and ideals, when we are plagued with weak executive leadership, constantly prods the United States Congress and, more particularly, the Senate into action, into qualified leadership of our country, and of the cause of freedom.

Once before, in the period immediately following the War Between the States, the legislative branch of the Government, especially the United States House of Representatives, provided leadership for the country. This was an attempt to usurp powers properly exercised by the President. The record of that performance is revolting to all decent sensibilities, the results tragic. The notorious Thaddeus Stevens led the Government and the country into shameful acts of prejudice, vengeance, and hatred. The deep scars from the Civil War were not allowed to heal, as they would have healed with time and the noble impulses of our people, but instead were kept open as a taunt and a prod to bigotry and demagogery of reprisal. These scars can still be seen today.

I hope and believe that the present ascendancy of the legislative branch of our Government will bring better results. At all events, we may be sure that the intent is not malevolent. The motivation springs from neither prejudice nor desire to usurp. Instead, the Senate is undertaking to encourage and spur the use of Presidential powers by the President himself, on the one hand, and to fill the vacuum of ideas and action through legislation, committee studies and reports, and varied articulation, on the other.

To put it bluntly, we are trying to persuade and to help the President do a job that he ought to be doing himself.

The motivations that unify and propel the Senate, let me emphasize, are essentially good and, in important respects, nonpartisan. They arise from patriotic concern for our country and a compassion for the well-being of its people, from a deep faith in the Nation's greatness and out of a dedication to its future glory.

Even so, the kind of leadership which the needs of the country require and deserve, both at home and in affairs abroad, can come only from one who is clothed with the power, prestige, the honor and glory of the Presidency of the United States. The Constitution provides for it, our country expects it,

conditions at home and in the world demand it.

Yet we do not have adequate executive leadership. I do not say this in a partisan sense, nor with pleasure. It is with sadness and concern that I say it. Nevertheless, I have never been one to believe that we will find the solution for any national problem by refusing to recognize and acknowledge it, thus hoping that it will go away if we just deny its existence.

Please forgive me if I refrain from undertaking to evaluate the reasons for the inadequacy of President Eisenhower's leadership. This is not essential to my thought tonight. It is the fact of its inadequacy rather than the reasons for it that impels the Congress into its present role of leadership.

Under the circumstances, the legislative branch has no choice but to do the very best it can, inadequately constituted and equipped as it is for the task.

Both the facts of today and foreseeable events are grim.

The grand alliance of free nations is threatened with gradual disintegration. The confidence of even our closest friends is shaken. Both friendly and uncommitted nations are tempted to follow a course of neutrality or outright hostility toward us.

Current Soviet superiority in ballistic missiles, rocket propulsion, satellites, large-scale atomic powerplants, number of submarines, and conventional military forces in being deeply disturbs the confidence of our friends and threatens the security of not only the United States, but the entire Free World.

At home, partly for want of sound programs and partly because of rampant influences of selfish interests, an estimated 5 million Americans, with many dependents, are totally unemployed. Uncounted additional millions are working only a few hours per week. Farmers suffer depressed conditions. Bankruptcies are at the highest rate in our history, business failures at a rate equal to the early 1930's. Steel production is at only fifty-some-odd percent of capacity.

Meanwhile, the cost of living reaches an alltime high.

It is because of these circumstances that Senators and Congressmen with vision and concern, despite constitutional and organizational limitations and handicaps, are resolutely undertaking to fill the vacuum in national leadership.

It has been from the floor of the United States Senate, for instance, that the country has been alerted to the dangers from Russian military supremacy; from the floor of the United States Senate that the voice of the people has cried out against the social injustice and economic needlessness of widespread unemployment and suffering, the inequity of tax favoritism, tight money, high interest rates.

It is in the United States Senate that bold programs for conquering space are being molded; in which adequate programs to maintain American leadership in the fields of technology, nuclear power, and missile research have been presented.

But there are things that Congress can do and things that Congress cannot do. Congress can appropriate money for national defense but it cannot spend it. Congress can pass bills authorizing contracts for valuable public improvements but Congress cannot sign the contracts. Congress can provide the necessary laws for public welfare but Congress cannot administer the laws.

These are executive functions which only the executive branch of the Government can perform.

Congress has acted—acted in many fields. But Congressional enactment of legislation, or passage of appropriations, as I have said, is not enough. Unless there is genuine acceptance of programs enacted by the Congress, and unless there is will to sincerely put them into effect, then Congressional labors are largely frustrated.

President Eisenhower and other administration leaders are now talking about a public-works program—if things get bad enough. Well, things are already bad enough. How much worse must they become to justify a public-works program to stimulate our economy, to provide employment by building needed public improvements. The administration still waits. Well, Congress is not only ready to act now, but has already acted. With foresight and concern, the Congress passed an omnibus rivers and harbors bill in 1956 which authorized a public-works program that would have brought, and would now bring, not only employment opportunities, but vast economic benefits to all segments of our country. The President vetoed this bill.

In 1956, Congress enacted a far-reaching highway construction program, the largest highway program in the history of the world. It was designed to interconnect all of our principal cities within 13 years, with magnificent multilane interstate and defense highways adequate to the traffic needs of 1975. Only 2 years later it stands in grave danger of being slowed down and stretched out from the planned 13 years to 24 years. Instead of proposing an acceleration of this vital program of highway improvement which could now be used to stimulate our sagging economy, the administration proposes to slow it down even further by diverting $68 million per year from the highway trust fund to other purposes.

President Eisenhower's atoms for peace speech, which was delivered to the United Nations in 1953, is, I believe, generally considered to be his greatest. I surely so regard it. Congress has sought to translate this commendable program into action by maintaining our leadership in the peaceful uses of atomic energy. The Eisenhower administration has fought these proposals consistently and, unfortunately, thus far it has fought them successfully. The result is that the United States which led in harnessing the strength of the atom is now losing its leadership to other nations in the vital field of large-scale nuclear power production.

The Joint Committee on Atomic Energy has been urging for several years projects to develop nuclear-powered rockets. Our pleas have fallen on deaf ears and the lack of effort has been shrouded in a cloak of secrecy ostensibly for security considerations. The money Congress appropriated for this project has not been spent. Is it any wonder we are behind?

The same fate has befallen our efforts to bring about an atomic airplane. Funds have been cut back, programs have been rolled back and stretched out.

Rollback. Cutback. Stretchout. Just wait until November and the American people will add another word to administration jargon—strikeout.

During the summer of 1957, the all-powerful Bureau of the Budget dispatched a letter to each Department of the Government which stated in part as follows:

"The President has requested that all agencies in the executive branch keep the rates of commitments, obligations and expenditures for fiscal 1958 at or below the level for the fiscal year 1957."

This meant that there was an arbitrary dollar ceiling imposed on defense expenditures no matter what action the Congress might have taken.

More recently a subcommmittee of the Senate, after full hearings, outlined 17 areas in which decisive action is needed if we are to hope to regain lost time in the field of missiles and rockets. But we have not had the decisive action we need. The Congress can recommend missile production but it lacks the power to make a contract to implement the recommendation.

In this distraught world, free nations look to the United States of America for leadership and inspiration, for initiative and imagination, for boldness and action. Instead they find vaccilation, timidity, indecision.

Through all of this the most eloquent voices, the most penetrating vision, the most logical analyses, the newness, the imagination, the boldness and the hope have principally come from the Senate of the United States. I would have to name but a few of many examples to illustrate my point.

Even so, ours is a forbidding outlook. But what would it be without the Congress to stir the country and the Government away from complacency toward concern, from fiction to reality, from nothing to something?

Our efforts have not been without fruit. The American people have now been awakened to their danger, and the voice of the people from North to South, East to West, demands action. Action. Action. This they will have, if not immediately, ultimately.

After the election next November there will not be, in my opinion, enough seats on the Democratic side to accommodate the new Democratic Congressmen.

And I think it overwhelmingly likely that the Democratic Party will be called back to power and responsibility in 1960. For this we must prepare. And to prepare for so great a privilege is to act responsibly today, tomorrow, and always—opposing on principle and supporting on principle, standing firm and alert, ready to oppose that which is wrong, willing to support that which is right.

Address of the Majority Leader, Hon. John W. McCormack, to the Fourth Degree Knights of Columbus

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EXTENSION OF REMARKS

OF

HON. THOMAS J. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 3, 1958

Mr. O'BRIEN of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include with pleasure the ringing American address made by our distinguished colleague and majority leader, Hon. JOHN W. MCCORMACK, at the banquet of the Fourth Degree Knights of Columbus, held at the Conrad Hilton Hotel, Chicago, Ill., on the evening of February 23, 1958.

Worthy Master McGillen; his excellency, Most Rev. Raymond P. Millinger, auxiliary bishop of the archdiocese of Chicago; right reverend and very reverend monsignori; reverend fathers; and one whom I deeply admire and the knowledge of whose honorable and trustworthy service is not confined to the limits of Chicago, but have spread throughout the United States, and I refer to Mayor Daley of Chicago; national commander of the American Legion, John S. Gleason; distinguished guests, and officers and members of the Marquette Province of the Fourth Degree of the Knights of Columbus:

If I read the mind of Bishop Hillinger correctly I know that he will always treasure the fact that this class of 800 new members inducted this afternoon was named in his honor, and that this splendid banquet is a special tribute to him.

I am so happy to be with you this evening. I appreciate very much the invitation extended to me by Worthy Master McGillen, through my dear and valued friend and colleague, Congressman THOMAS J. O'BRIEN, who is held in high esteem by all of his colleagues.

Like yourself, I listened to the excellent address of Americanism delivered by our brother knight, National Commander Gleason. I thoroughly agree with him when he said that, "It is too bad, without regard to religion, that every American could not witness the exemplification of the fourth degree of the Knights of Columbus with its ringing ritual and message of patriotism and Americanism."

Mr. Toastmaster, as I walk through the Halls of the Capitol, or along the streets of a city, and see young men and young ladies, or parents walking with their children, I often ask myself the question, "What kind of a world will they live in? Will it be a world of peace? Will they enjoy the form of government we have? Just what kind of world faces them?"

And the answer immediately comes to me that the world they will live in will depend on what we do today; the manner in which those in the position of leadership perform their trust and their duty to the American people. For a sound leadership is necessary—a leadership of vision and courage.

As public opinion in a democracy is a powerful factor in forming governmental policy and action, it is imperative that our people be informed as fully as our national interest will permit.

If public opinion is formed as a result of emotional reactions, it could contribute to harmful results. If the people are informed and public opinion is sound, it will contribute constructively to the best interest of our country.

In the world today there are a number of basic considerations that confront us, and which we must face with courage. Some of them appear to me to be (1) the world is undergoing one of the most, if not the most, trying and challenging periods in the history of man; (2) there is no such thing now, or in the future, as military isolation; (3) that vicious and inhuman forces are determined upon world revolution and conquest; (4) that their ultimate goal is the United States of America; (5) that, from a military angle, the only thing the Communist leaders in the Kremlin respect is what they fear, and that is military power and strength greater than they themselves possess; (6) in this period of emergency, when neither war nor peace exists, it is vitally important that our leadership do those things that we can do and should do in the national interest of our country; (7) that while it is vitally necessary that we be strong from a military angle, it is also imperative that we be strong from a spiritual angle; (8) that if we are to err in our judgment, it is better that we err on the side of strength than on the side of weakness; (9) that we must recognize that military strength is relative in nature, and that the military strength and power of our country must be considered in relation to the military strength and power of the Soviet Union, that the Soviet Union is the present source of our danger.

For today, confronting us, are the forces of dictatorship in most vicious form, dedicated to world conquest, determined to dominate not only the body but the will and the spirit of man, by force and through fear to compel that spirit to forget its belief and faith in God and His law, or to be remodeled in the likeness of atheistic communism.

To some this is a period of frustration, of confusion, of fear, and of defeat. To others it is a period of faith and confidence in ultimate victory.

It is to millions of persons through the world, possessing deep and active faith, actuated by God's word, willing to make all necessary sacrifices, who will give the necessary strength and leadership that will bring about ultimate victory. The conflict in the world today might well be termed the war of love versus hate.

But, no matter how dark the situation might become, deep faith by individuals and nations may well be the sustaining influence between victory and defeat.

There is no place where what I have just said could be more effectively expressed than to the members of the fourth degree of the Knights of Columbus, the patriotic chapter of our great order.

For faith is affirmative, not negative. Possessing faith we fight for the spiritual truths and ideals we believe in, and in the world of today when we do that, we are most effectively combating atheistic communism. When we fight affirmatively, with God and His law as the origin of our thoughts and actions, dangerously sinister as it is, communism becomes "the lesser involved in the greater."

We are more effectively combating communism when we fight to put into active operation the spiritual truths and ideals in which we believe. For when we confine ourselves to fighting against something, we are on the defensive, and no war has ever been won strictly through defensive thinking or tactics. It, therefore, follows that, while it is necessary and imperative that our country be militarily strong, it is also necessary and imperative that our people be spiritually strong.

We hear and live again the clarion call of men and women who want freedom, "where law ceases, tyranny starts" or, as Patrick Henry said, "give me liberty or give me death." We are living again the days of the martyrs. We need again the spirit of the crusaders. For there are many martyrs in the world of today, and there are many Patrick Henrys as well. What has happened in Hungary, a little over a year ago, is powerful evidence of this fact.

The desire for liberty is not manmade, but comes to mankind from God himself through his natural law.

The spirit of those who fought and died for liberty in Hungary is not dead today. Who knows when in Poland, East Germany or elsewhere, in the future, there will be others who will be martyrs on the altars of religion and liberty.

The history of man shows that dictators come across the horizon of time, and suppress temporarily the God-given desire for liberty, but history also shows that they can never destroy that desire, and in the world of today that is and will be a powerful factor in our favor.

When the Hungary uprising took place, we had no policy to capitalize it. From our angle it is important in the event of an uprising in Poland, East Germany, or elsewhere that, unlike Hungry, we have a policy of an affirmative nature in their hopes and efforts for independence and freedom.

In viewing the world situation as it now exists, we must assess our weaknesses as well as our strengths. We must also assess the strength as well as the weaknesses of the Soviet Union. To do otherwise would mean that we are living in a dream world. It is quite clear through our Strategic Air Command and, if necessary, its ability to reach its targets with its weapons of destruction, that we are offensively powerful from a military angle, and that such offensive power might also act as a deterrent to attack, surprise or otherwise, as long as our intercontinental bombers can reach their targets in the Soviet Union.

While we have other powerful weapons and means of attack and defense, it is our Strategic Air Command that is our primary power.

On January 21, 1958, the Committee on Appropriations (in a report to the Congress) in discussing the overall superiority we still have said, "This superiority is explained largely by our great power in the Strategic Air Command. Our chief difficulty arises out of the fact that in the citical areas of space satellites and ballistic missiles, we are generally behind the U. S. S. R."

In the field of ballistic missiles it is the overwhelming opinion of competent officials and military men that we are behind the Soviet Union and, in this connection, I again quote from the same committee report: "We live in an age of ever-increasing danger. In military strength the Soviet Union has been progressing more rapidly than the United States, which immediately after World War II was vastly superior, militarily, to the Soviet Union."

At the present time, the Soviet Union has perfected, with accuracy, and production, the intermediary ballistic missile, with a range of from 700 to 1,000 miles. We have not, as yet, perfected this missile, though we are on the road to doing so, but it will still take some time. In this field, we are behind the Soviet Union.

But, the real danger is in the field of intercontinental ballistic missiles, and while the Soviets have not as yet perfected this terrible means of destruction so that they can hit targets with sufficient accuracy, they are far ahead of us.

In addition, it is known, like ourselves, that they are exploring means of intercepting intercontinental bombers, so that if perfected on their part, very few, if any, of our bombers could reach targets in the Soviet Union.

There are many other important activities that I could discuss—very important—such as biological, chemical and psychological warfare—the strength and power of our Army and Navy compared with the strength of the Soviets, but at this particular time and on this occasion, I confine my remarks to what appears to me to be the immediate danger that confronts us, effective ballistic missiles, capable of being fired from one continent to another—coupled with the Soviet defense against our intercontinental bombers.

In our case, due to the fact that the President has, and I consider it unfortunately so, on several occasions, notified the world, which includes the Kremlin, that we would not be the aggressor, which means that we would not engage in a surprise attack, that we must be prepared on all aspects of modern warfare. Personally, I feel it was unwise to let the world, particularly the potential enemy, know of our full thoughts and intentions. Let them do some guessing! The time could arrive when, for our own safety, we might have to move quickly and unexpectedly.

The main point I want to convey to you is that if the Soviet Union perfects the intercontinental ballistic missile before we do, and perfects a defense against our bombers—for a period of time, unless we at least catch up quickly—they will have a decided advantage over us.

In other words, unless we move quickly, there is likely to develop in the reasonably near future, a situation where the Soviets could hit American targets, and very few, if any, of our powerful bombers could get through to targets in the Soviet Union.

If that time should arrive, and many competent persons and military men I have talked with feel it can, then the question is "Will the Soviet leaders permit us to catch up with them?" As far as I am concerned, I do not believe that they will.

It is vitally important that we always be in position where we can reach targets in the Soviet Union—that is as long as the Kremlin adheres to dictator communism, carrying with it the avowed determination to dominate the world.

The question naturally addresses itself to you as well as to me, "Why are we behind the Soviets in these fields of science and technology?" There are a number of factors. In 1954, a subcommittee with which I served investigated the whole field of mili-

tary research and development. If our recommendations had been followed, we would not be in the position we are today.

It is pretty clear that the main reason for our present predicament is due to management, which means leadership, on the governmental level. In support of this statement I quote from a letter, now public, written by Dr. Frederick L. Hobde, chairman of the Army scientific advisory panel, and president of Purdue University, to the Honorable Wilber M. Brucker, Secretary of the Army, dated October 30, 1957, a unanimous report of the panel, consisting of over 50 outstanding Americans, in which they said, in part: "The problem before the Nation is not simply one of money, or even men—these we have in substantial amounts and that which we do not have can be provided. Whatever failures there may be, they are primarily those of management—in which we have a share—which resulted in delays in decision making and confusion in the direction of our technological forces. Despite rapidly developing pressures for immediate reorganization, a thorough diagnosis of our management ills must be made before remedies are prescribed."

In further support of what I have said, I again quote from the Appropriations Committee report of a few weeks ago: "One of the most heard of complaints is the frustration of scientists and research people, generally arising from inability to get decisions on work to be done. Almost endless layers of review are encountered."

In the same report the committee said: "We live in the days of ever-increasing danger. In military strength the Soviet Union has been progressing more rapidly than the United States, which immediately after World War II was vastly superior, militarily, to the Soviet Union." And the committee further pointedly said: "We should press forward toward an operational capability in these fields, and in any other fields in which we are behind."

The further question addresses itself to you and to me and to other Americans is what should and what can be done. It seems clear to me that:

1. Our Government should determine the nature of the danger from the Soviet Union.

2. With that knowledge, what we must do to meet that danger.

3. Then for those in leadership in our Government, both executive and legislative, to organize our powers to meet the same.

As Dr. Hobde well said in his letter to Secretary Brucker, "We have the brains—we have the facilities," and as I say, the American people will make all necessary sacrifices.

It is a question of leadership on the top level in our Government, with the appointment of the best qualified men to key positions of decision making, and authority to carry out of these decisions, in coordinating brains and facilities and, in particular, the giving of direct leadership, if necessary, and strong action by the President himself. One thing is certain, we cannot afford any further delays in decision making, and in seeing that those decisions are carried out.

We cannot afford to live in a dream world, in the world of today with atheistic communism bent on world domination, with slavery, persecution, imprisonment, death, and even martyrdom resulting therefrom. We cannot afford to let the cooing of the Soviet leaders deceive us.

Based upon my own knowledge, the next 1½ to 2 years will be important years, of a far-reaching nature in the history of our country and of the future world. What we do within that period might well be the turning point in our favor. What we fail to do in that period might well be the turning point in favor of communism.

Coming back to what I said at the outset of my remarks, What kind of a world do you think the young American of today faces? What we do in the next 1½ or 2 years may well determine how your children's children are going to live.

Under no conditions can we afford to have the Soviet Union have a distinct and decided advantage over us in any field of modern warfare where they can attack us without fear of retaliation, even for a brief period of time. There is no need for this situation to exist if strong leadership exists and coordinates the brains and facilities of our country. We have great men and women in the field of science and technology and in other important fields, who, if put to work as a team, with decisions made on the high level and carried out effectively, can meet the situation. However, we cannot afford to delay because delay plays into the hands of the enemy. There already has been too much delay.

If these things take place, and with American public opinion aroused and insisting upon deeds and not mere words, I have every confidence of success, not only for ourselves, but particularly for our children and our children's children.

SENATE

TUESDAY, MARCH 4, 1958

Rev. Theodore Henry Palmquist, D. D., minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Eternal Spirit, our help in ages past, our hope for years to come: Become very real to us today in this important place. Thanks be to Thee for our goodly heritage, rich in memories of great character, sacrificial devotion, and large achievement. For the homes through which this heritage became our own, for our public schools, our churches; for great books, great music, and great art, we thank Thee. Keep alive in us, then, the excellent, the kindly, the wise; and where there are undedicated strengths, abilities going to waste, intelligence unattached to worthy aims, challenge those unused powers and capture them for the best—Thy best.

Upon our Nation let Thy grace rest. Trusted with great power, may we not misuse it. Living in a day of measureless opportunity, may we not fail our own best consciences, the men and nations that trust us, or Thee, our God. From the cause that shrinks from new truths, from the laziness that is content with half-truths, from the arrogance that thinks it knows all the truth, O God of truth deliver us. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 3, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 4, 1958, the President had approved and signed the following acts:

S. 969. An act to prescribe the weight to be given to evidence of tests of alcohol in the blood, urine, or breath of persons tried in the District of Columbia for certain offenses committed while operating vehicles; and

S. 1805. An act for the relief of Acme Bag & Burlap Co. and others.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1086. An act granting the consent and approval of Congress to a Bear River compact, and for related purposes; and

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4634. An act to amend the act entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes" with respect to the incorporation of certain businesses;

H. R. 5033. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.;

H. R. 8476. An act to amend the Hawaiian Homes Commission Act, 1920, to extend the period of tax exemption of original lessees from 5 to 7 years;

H. R. 8482. An act to authorize the Commissioner of Public Lands of the Territory of Hawaii to exchange certain public lands for private lands of equal value required for public highway purposes;

H. R. 8483. An act to authorize the extension of leases of certain lands in the Territory of Hawaii;

H. R. 8544. An act to provide for the restoration to tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 9461. An act to amend the joint resolution of the Legislature of the Territory of Hawaii, as amended by the act of August 23, 1954, to permit the granting of patents in fee simple to certain occupiers of public lands;

H. R. 9501. An act to approve joint resolution 28 enacted by the Legislature of the Territory of Hawaii in the regular session of 1957, relating to the conditions and terms of right of purchase leases;

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam;

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission

in the mails without prepayment of postage, and for other purposes; and

H. R. 10843. An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 5809. An act to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor; and

H. R. 8795. An act to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 4634. An act to amend the Act entitled "An Act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes" with respect to the incorporation of certain businesses;

H. R. 8476. An act to amend the Hawaiian Homes Commission Act, 1920, to extend the period of tax exemption of original lessees from 5 to 7 years;

H. R. 8482. An act to authorize the Commissioner of Public Lands of the Territory of Hawaii to exchange certain public lands for private lands of equal value required for public highway purposes;

H. R. 8483. An act to authorize the extension of leases of certain lands in the Territory of Hawaii;

H. R. 8544. An act to provide for the restoration of tribal ownership of all vacant and undisposed-of ceded lands on certain Indian reservations, and for other purposes;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 9461. An act to amend the joint resolution of the Legislature of the Territory of Hawaii, as amended by the act of August 23, 1954, to permit the granting of patents in fee simple to certain occupiers of public lands; and

H. R. 9501. An act to approve joint resolution 28 enacted by the Legislature of the Territory of Hawaii in the regular session of 1957, relating to the conditions and terms of right of purchase leases; to the Committee on Interior and Insular Affairs.

H. R. 5033. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.; and

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam; to the Committee on Public Works.

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 10843. An act to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; to the Committee on Agriculture and Forestry.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Juvenile Delinquency Subcommittee of the Committee on the Judiciary was authorized to meet today, during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Housing Subcommittee of the Committee on Banking and Currency was authorized to meet today, during the session of the Senate.

CONSTITUTIONAL AMENDMENT ON PRESIDENTIAL DISABILITY—PERSONAL STATEMENT

Mr. DIRKSEN. Mr. President, I may be detained this afternoon in the Appropriations Committee, in connection with the marking up of appropriations bills. I desire to make a statement in regard to the Presidential disability constitutional amendment which doubtless the Senator from Tennessee [Mr. KEFAUVER] will submit this afternoon. In case I am detained in the Appropriations Committee in connection with the marking up of appropriation bills, I ask unanimous consent that my statement may be printed in the body of the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DIRKSEN. Later in the day, I hope to discuss the matter further.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Homer M. Byington, Jr., of Connecticut, Ambassador Extraordinary and Plenipotentiary to the Federation of Malaya, to serve concurrently and without additional compensation as Representative to the 14th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations;

Raymond A. Hare, of West Virginia, a Foreign Service Officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the United Arab Republic;

Anna L. Rose Hawkes, of Vermont, to be a member of the United States Advisory Commission on Educational Exchange; and

Arthur Hollis Edens, of North Carolina, to be a member of the United States Advisory Commission on Education Exchange.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED STATES CIRCUIT JUDGE

The Chief Clerk read the nomination of Marion C. Matthes, of Missouri, to be United States circuit judge for the eighth circuit.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Claude F. Clayton, of Mississippi, to be United States district judge for the northern district of Mississippi.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Don A. Tabbert, of Indiana, to be United States attorney for the southern district of Indiana for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk read the nomination of Roy McKinney Amos, of Indiana, to be United States Marshal for the northern district of Indiana for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Paul Johnson, of Oklahoma, to be United States Marshal for the eastern district of Oklahoma for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harold Sexton, of Oregon, to be United States Marshal for the district of Oregon for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COMMISSION ON CIVIL RIGHTS

The Chief Clerk read the nomination of John A. Hannah, of Michigan, to be a member of the Commission on Civil Rights.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John S. Battle, of Virginia, to be a member of the Commission on Civil Rights.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Doyle Elam Carlton, of Florida, to be a member of the Commission on Civil Rights.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of the Reverend Theodore M. Hesburgh,

of Indiana, to be a member of the Commission on Civil Rights.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert G. Storey, of Texas, to be a member of the Commission on Civil Rights.

Mr. JOHNSON of Texas. Mr. President, for the benefit of the Senate, I should like to observe that Mr. Storey is the dean of the Law School of Southern Methodist University, and is a former president of the American Bar Association. He is one of the most outstanding Americans, and he is a Texan in whom all of us take great pride.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

The Chief Clerk read the nomination of J. Ernest Wilkins, of Illinois, to be a member of the Commission on Civil Rights.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all these confirmations of nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

Mr. TALMADGE. Mr. President, the Senate has by voice vote confirmed the President's nominations to the Commission on Civil Rights.

Two of the nominees I know personally and hold in high esteem. The other nominees I do not know.

Regardless of that, however, I am opposed to the confirmation of the nominees of the President to this Commission because I consider the creation of such a body to be unwise and unnecessary, a useless expenditure of the taxpayers' money and a futile political gesture which will be unproductive of any tangible benefit to the Nation.

I am further opposed to the confirmation of these nominees, Mr. President, because I am convinced that the activities of such a Commission will divide people of this Nation at a time when it needs unity more than ever before and that nothing it can do can settle any of the problems which by their very nature direct themselves to solution at the local level.

Mr. President, had a vote been taken on the motion to confirm the President's nominees to the Commission on Civil Rights, I would have voted against confirmation and I wish the RECORD to so show.

Mr. THURMOND subsequently said:

Mr. President, the civil-rights bill which was passed in 1957 contained a provision for the establishment of a Civil Rights Commission. The President has now appointed the members of the Commission.

In my opinion, the civil-rights bill which was passed in 1957 was unnecessary, unwise, and unconstitutional, as I stated before the Senate last year.

I do not know all the members who have been appointed to the Commission; but I know some of them, and they are able and distinguished Americans.

However, the Commission is unnecessary and unwise. I believe that it cannot accomplish any good, and that it may result in great harm.

Therefore, Mr. President, I wish to be on record as opposing the confirmation of the nominations of the members of the Commission.

PROCLAMATION DESIGNATING JULY 4, 1958, AS A DAY OF REDEDICATION TO THE RESPONSIBILITIES OF FREE CITIZENSHIP

Mr. JOHNSON of Texas. Mr. President, I have a joint resolution that has been sent to me by the Senator from Wyoming [Mr. O'MAHONEY], which I should like to have read at this time. It will take but a moment.

On behalf of the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from South Dakota [Mr. MUNDT], I introduce a joint resolution, and ask that it be read for the information of the Senate.

The VICE PRESIDENT. The joint resolution will be stated.

The legislative clerk read as follows:

Whereas, in the international crisis confronting the nation, it is important that the American people, in a spirit of gratitude and rededication, review the foundations of human freedom, renew their faith in freedom and respond to the challenge of freedom: Therefore, be it

Resolved, etc., That the President of the United States be and hereby is authorized and requested to issue a proclamation, calling upon the people of the United States to make the observance of Independence Day, July 4, 1958, a day of rededication to the responsibilities of free citizenship, with appropriate nationwide ceremonies.

Mr. JOHNSON of Texas. Mr. President, the junior Senator from Wyoming [Mr. O'MAHONEY] and the senior Senator from South Dakota [Mr. MUNDT] are introducing the joint resolution in accordance with the stated purposes of the Theodore Roosevelt Centennial Commission, of which they are members. The Commission plans a nonpartisan ceremony on July 4th as a day of national rededication to the obligations of citizenship. This joint resolution would carry out that purpose. The Senator from Wyoming cannot be present today, and in his behalf I have sent the joint resolution to the desk. I ask that it stay there until further notice.

The VICE PRESIDENT. The joint resolution will be received and will lie on the table.

The joint resolution (S. J. Res. 159) to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship, introduced by Mr. JOHNSON of Texas (for Mr. O'MAHONEY and Mr. MUNDT), was read twice by its title, and ordered to lie on the table.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I shall ask permission that in that connection, statements be limited to five minutes, in view of the fact that many Members desire to pay tributes to the two Presidents Roosevelt—Theodore Roosevelt and Franklin D. Roosevelt. Therefore, I ask unanimous consent that the limitation on statements be 5 minutes, instead of the usual 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

TRIBUTES TO PRESIDENT THEODORE ROOSEVELT AND PRESIDENT FRANKLIN DELANO ROOSEVELT

Mr. JOHNSON of Texas. Mr. President, we are meeting today on an anniversary that could take place nowhere except in America.

This is the commemoration of the inaugurals of two men who were similar in name, but were dissimilar in their politics.

It is the 25th anniversary of the inauguration of President Franklin Delano Roosevelt. It is the 53d anniversary of the inauguration of President Theodore Roosevelt.

It would be difficult to find two men more wedded to their political beliefs. Franklin Delano Roosevelt was a Democrat—proudly, and without apology. Theodore Roosevelt was a Republican—proudly, and without apology.

But both were men of strength—and both were men with an unbounded confidence in the future of America.

This is a nation of strong convictions. We produce political leaders who state their principles with force and with effectiveness.

Sometimes we are misunderstood in other parts of the world where political differences become so strong that they transcend the national interest. The impression arises—on occasion—that we are too divided for our full impact to be felt.

Sometimes others do not realize that we Americans have inherited all the traditions of our country—and they are traditions of strength.

Theodore Roosevelt—like Franklin Roosevelt—believed in the conservation and wise use of our natural resources. This was reflected in the Presidential terms of both.

Theodore Roosevelt—like Franklin Roosevelt—believed in free enterprise, against the encroachment of monopoly. They both acted according to their convictions.

Theodore Roosevelt—like Franklin Roosevelt—believed that this Nation should be able to defend itself against aggression. The result was a strong Military Establishment which could back the policies of America.

But, Mr. President, the basic tie that brought them together in terms of history was their conviction that this Nation should speak always with the voice

of strength. And it had no other voice while the two Roosevelts were in charge.

As a Democrat, I take a great deal of pride in paying tribute to Theodore Roosevelt on this anniversary. He is a part of the heritage of America.

Our Nation has always been capable of finding unity in dissent. It has managed to sustain differences between our own people without permitting those differences to sap our strength and our will to prosper and survive.

Perhaps that quality is best symbolized by the fact that today we can commemorate two leaders, of two different parties, who faced tremendous problems clear-eyed and unafraid.

I do not believe any of us will ever forget the day 25 years ago when our Nation was beset by problems. On the steps of this Capitol, a bold, courageous man took the oath of office.

Then he turned to a Nation battered by depression, weakened by unemployment, sapped of confidence; and in a clear and clarion voice which many of us heard, he said:

> We have nothing to fear but fear, itself.

The Nation arose to the challenge. It adopted courses that were strong, but prudent; courses that ultimately got the job done.

Today, we again face problems. They need not send us into any panic or hysteria. But they should impel us to adopt a course of action that is prudent and that will get the job done.

We need not be prophets of gloom and doom, in order to act. We need merely have faith in our country—as did both the Roosevelts—and accept the task that is before us in very much the same spirit of confidence in which these two great men accepted the tasks that confronted them.

Mr. KNOWLAND. Mr. President, today marks the 53d anniversary of Theodore Roosevelt's inauguration as the 26th President of the United States. Next October 27, Americans will observe the 100th anniversary of the birth of this remarkable man.

As one reviews the life of Teddy Roosevelt—as he was affectionately known to all—one is deeply impressed, not only by the enormous contribution which he made to his country, but also by an element of timelessness in certain of his words. They serve as a source of inspiration to every American.

> We know there are dangers ahead—

Theodore Roosevelt said:

> as we know there are evils to fight and overcome, but, stout of heart, we see, across the dangers, the great future that lies beyond, and we rejoice as a giant refreshed, as a strong man, girt for the race. * * * The greatest victories are yet to be won, the greatest deeds yet to be done. * * * There are in store for our people, and for the causes we uphold, grander triumphs than have ever yet been scored.

Thus Theodore Roosevelt speaks to us all.

His accomplishments as political leader, statesman, and Chief Executive were epoch making. The personality which charmed his contemporaries with its gaiety, warmth, and vigor—and dazzled them by the diversity of his interests and his instinct for action—was the very stuff of which legends are made.

But I think richer in meaning to us—and to all men struggling to achieve or to maintain free institutions—is the man who demonstrated in his own life this basic truth of free government: That surpassing public service requires only ordinary abilities raised to extraordinary power by those personal qualities that constitute character, and by the fire in the heart to give and to serve.

For us in the United States, the challenge of the present is to live America's answer to the question dividing the world: Whether man has the capacity, under God, to govern himself, and to use the liberty that is his to build a civilization that shall endure. As Theodore Roosevelt himself said:

> The fate of the 20th century will in no small degree depend upon the type of citizenship developed on this continent.

"Great" is an adjective we sometimes use too loosely. But as we pay tribute on this day to Teddy Roosevelt as citizen, patriot, and President, we find it is indeed the only word that can fittingly describe the man and his achievements.

The hard core of his character was manifested at an early age. In his childhood, the future President was weakly and asthmatic, incapable of much exertion either in study or in play. Consequently, his international eminence, at the age of 50, in athletics, politics, economics, ranching, soldiering, literature, and public administration is fully as marvelous as the rise of Lincoln from the brambles of obscurity.

From early boyhood, Teddy Roosevelt was fired with ambition to be a mighty hunter. But, lacking the essential vigor and endurance, he set himself to acquiring them. He rode, swam, hiked, boxed, and practiced calisthenics until he had conquered his asthma and transformed himself into a model of youthful strength and energy.

In 1876 he entered Harvard, where he soon distinguished himself as an athlete and as a student. Soon after his graduation from college, he joined the New York Republican Association in 1881, and was subsequently elected to the lower house of the State legislature, where he served for 3 years. In 1884 his wife died in childbirth, and it was then that Theodore Roosevelt turned to the solace of the western ranges.

On the banks of the Little Missouri in the Badlands of North Dakota, he built a log house and applied himself to ranching, writing, and hunting the grizzly bear and buffalo. He remained in the West for 2 years.

Refreshed, he returned East. He ran as a reform candidate for mayor of New York and was defeated. He remarried and settled down in Washington as Civil Service Commissioner under Presidents Benjamin Harrison and Grover Cleveland. He then returned to New York as president of the police board. In April of 1897, Theodore Roosevelt was appointed Assistant Secretary of the Navy by President William McKinley.

Roosevelt played a significant part in the turbulent history of those days, as war with Spain became imminent. Soon after the battleship *Maine* blew up at Havana, he resigned his office to get into the fight himself. He organized and trained the famed Rough Riders, a wonderful assortment of ranch hands, college boys, Indians, preachers, and former bad men. As their lieutenant colonel, Teddy Roosevelt led them in the charge against the Spanish defenses outside Santiago, and further distinguished himself at Las Guasimas. His men loved him, for he shared their hardships and was ever the true chieftain.

When the war ended victoriously, Roosevelt returned home. and was subsequently elected Governor of New York, and served in this high office with characteristic vigor and determination. In the summer of 1900, he became the Republican candidate for Vice President. On September 6, 1901, President McKinley was shot by an assassin in Buffalo, N. Y., and died 8 days later. Thus did Theodore Roosevelt, at the age of 42, become President of the United States.

The youngest President in American history lost little time in asserting himself as the Nation's leader.

In his first message to Congress, he recommended registration to prevent immigration of anarchists; outlined his views on the necessity of controlling great corporations; recommended the creation of a department of commerce and industries; and urged the establishment of Government reclamation and irrigation works.

But certainly the most historic event during his first term was the definite decision to construct an Isthmian canal at Panama, the removal of the obstacles in the way of building the canal, and the actual beginning of the giant undertaking, which involved an expenditure of $300 million.

He also resolutely fought for peace. Adhering to his motto of carrying a big stick, he warned the Germans away from Venezuela. He also sent United States forces to Santo Domingo to cut off European attempts to collect debts.

In March of 1905, Theodore Roosevelt was inaugurated for his second term as President. By appealing directly to the Emperors of Japan and Russia, he brought together representatives of the warring nations and the Portsmouth Treaty resulted. For this and other acts in the cause of peace, Theodore Roosevelt was awarded the Nobel Peace Prize in 1906. In an effort to head off history's First World War, he sent the Great White Fleet—16 gleaming battleships—around the world as an unmistakable sign that the United States was a world power capable of protecting its interests anywhere.

Teddy Roosevelt left the White House at the age of 50, with his beloved America firmly on course in the 20th century as the world's greatest Free Republic and a source of inspiration to free people everywhere.

His achievements are his monuments. Today, as we honor him, it is appropriate that we recall his words:

> Americanism means the virtues of courage, honor, justice, truth, sincerity and hardihood—the virtues that made America. The things that will destroy America are prosperity at any price, peace at any price,

safety first instead of duty first, the love of soft living and the get-rich-quick theory of life.

Mr. GREEN. Mr. President, today is the 53d anniversary of Theodore Roosevelt's inauguration as President of the United States, and on next October 27 we will celebrate the centennial of the birth of that truly great American. Though the latter date will be the occasion of a widespread celebration, it seems appropriate for us in the Senate Chamber to recall this anniversary also.

This applies to all of us in our respect for, and in some instances our friendship with, this great American. I personally feel the loss deeply and am grateful for the happy memories of our close friendship. I was always a welcome guest both at his home, Sagamore Hill, when he was there, and at the White House when he was there. In fact, I was told at the former that there was always a bedroom ready for me whenever I could come, and I took advantage of this hospitality from time to time, so that we might talk intimately on private and public matters.

To give an illustration, when Theodore Roosevelt was considering running for President on the so-called Bull Moose ticket he consulted me about it, and he later asked me to be his campaign manager in New England. I had to reply that I had just pledged my support to Woodrow Wilson. During the succeeding campaign, though I supported Wilson, I never told of this incident.

As a child Theodore Roosevelt was far from physically robust. But, with the determination which was to characterize him all his later life, he set about building a strong body. So, when in 1876 he entered Harvard College, he participated in athletics, particularly boxing. He applied himself also to the intellectual side of the college to the extent that he made Phi Beta Kappa. While at Harvard he began to write his first book The Naval War of 1812, which he finished soon after graduation, and which is still a classic in naval history.

After leaving college he entered politics and was elected to the New York Assembly. There he exhibited courage in fighting corruption and gave the promise of a bright political career. In February 1884, personal tragedy struck when both his mother and his wife died within a few hours of each other. The next 2 years he spent living the vigorous life of a ranchman in the Dakota countryside.

After an unsuccessful campaign as candidate for mayor of New York City in 1886, he was appointed in 1889 by President Harrison as a member of the United States Civil Service Commission, in which position he vigorously promoted the merit system. In 1895 he took over the presidency of the Board of Police Commissioners of New York City. In this office, although he was not able to accomplish as much as he had hoped, his ability to turn his daily routine into news brought public attention to a focus on the then existing graft and corruption.

Back in Washington in 1896 he served as Assistant Secretary of the Navy, but after serving only for a few months he resigned to take up active service in the field. With Leonard Wood he organized the so-called Rough Riders, a volunteer cavalry regiment, wherein he served first as lieutenant colonel and later as colonel.

After returning from Cuba in the fall of 1898, and with this dramatic record behind him, Roosevelt was elected Governor of New York, in which post he served with honesty and courage. Having been "kicked upstairs" to the Vice Presidency by the party bosses in 1900, and as a result of the assassination of President McKinley, on September 14, 1901, he became the youngest President in American history.

As President he is probably best remembered for the building of the Panama Canal, the strengthening of the Navy, the regulation of big business, the Peace of Portsmouth, the settlement of the coal strike, and the initiation of forestry and conservation policies.

Only 50 years old when he left the White House in 1909, his love of activity and adventure found an outlet in a hunting trip in east Africa followed by a tour of Europe. Back in the United States he devoted himself for 2 years to writing and speaking.

In 1912 he reentered the political arena, and when he failed to secure the Republican nomination for President, he became the candidate of the Progressive Party, but was defeated in the three-way contest that followed.

In October 1913, he set forth on his last major expedition, to explore the interior of Brazil. There he contracted a fever from which he never fully recovered. On January 6, 1919, he died peacefully in his sleep.

Probably the greatest disappointment of his life, aside from the loss of loved members of his family, was his inability to lead a military force in France. He consulted me about this when I was staying at Sagamore Hill and asked me if I would take it up with President Wilson. I did so in a talk at the White House, but the President was responsive only to the extent that he promised to take the matter up with his generals. So, I felt obliged to report to my friend that I had little hope of a favorable decision.

Theodore Roosevelt's life was characterized by boundless energy and desire for activity; by his versatility as statesman, author, soldier, hunter, historian, and naturalist; by loyalty and courage of a high order; by the warmth of his family relationships; and by an almost fierce patriotism.

We do well to keep his memory green by memorial exercises such as these here today.

Mr. McNAMARA. Mr. President, I feel greatly honored that I am able to stand in the United States Senate today and say a few words of tribute to the memory of a great American, Franklin D. Roosevelt.

I think, however, that Franklin Roosevelt always will be something more than a memory to Americans. He and his New Deal are a part of America—a proud and vital part.

All I can say is this: I wish we had him back.

Mr. IVES. Mr. President, many tributes are being paid today to the memory of Theodore Roosevelt. On this 53d anniversary of his inauguration, I should like to join in these tributes.

New York State is proud, indeed, to have given such a man as Teddy Roosevelt to the Nation's service. Here was a fabulous personality. Here was a man who provided the Nation with vigorous, courageous leadership when it sorely needed such leadership. "I preach the gospel of hope," Theodore Roosevelt cried—and the Nation responded.

Theodore Roosevelt was only 42 years of age when he became President of the United States after William McKinley was assassinated. He was 46 when he was elected President in his own right. He was out of office at 50. In this span of time, he set the whole tone of the dynamic and progressive America, the world-leading America this Nation has become in the 20th century.

He was a strong executive, and a controversial one. His accomplishments were enormous. At the same time, I hail his indomitable spirit, his eye to the future, his unshakable faith in American destiny. Let us, each one of us, seek to face the problems of today in the spirit of Theodore Roosevelt. For only thus can we be worthy of his great heritage.

Mr. MANSFIELD. Mr. President, I should like to join the distinguished majority leader in participating in this memorial to Franklin Delano Roosevelt.

On this 25th anniversary of his inauguration the situation is in some respects somewhat similar to that which existed on March 3, 1933. Then a depression afflicted the Nation. Now there is a recession in being. Then there were 100 days during which action was taken. I hope that in this era, likewise, action will be taken when necessary.

As the majority leader stated, probably the one statement which characterized F. D. R. more than any other was his statement in his inaugural address to the effect that the only thing we had to fear was fear itself.

I wish also to express my admiration for the lady who was at his side, who furnished such good advice, and who is continuing to uphold the great principles for which he stood—Mrs. Eleanor Roosevelt.

I join also with my friends on the minority side, and with the distinguished Senator from Rhode Island [Mr. GREEN] in paying tribute to Theodore Roosevelt. As I listened to the senior Senator from Rhode Island, I felt that I was listening to history in the making, because I am sure that some of the things he said about Theodore Roosevelt in this Chamber this afternoon had not been made public before.

We in the West have a great admiration, liking, and respect for Theodore Roosevelt, because for a while he was one of us, living in the Dakota Territory, close to the Montana line. In the State of Montana we know that he was responsible for the creation of the Moiese Bison range, which is still in existence,

and which still keeps alive a herd in excess of 300 bison.

We know also that in the Southwest he was responsible for the creation of the Roosevelt Dam, the first large reclamation project in the history of the United States.

In the field of conservation development, and in the field of forest research, President Theodore Roosevelt was a notable contributor to the welfare and the benefit of his country. It was during his tenure of office that the United States Forest Service, one of the great civil agencies of the Federal Government was established.

He was the President who put into effect in the United States the first pure food law.

He was the President who put into effect the first law bringing about Federal inspection of slaughterhouses.

There are many similarities between Franklin D. Roosevelt and Theodore Roosevelt. Both had physical disabilities which they overcame through sheer courage and determination. They were both from New York. They both served as Governor of that State. Both served as Assistant Secretary of the Navy. Both served as President of the United States. There were differences, it is true, but despite the fact that one was a Republican and the other was a Democrat, we can say that, first and last, they were both Americans.

Mr. SMITH of New Jersey. Mr. President, I am very happy to join my colleagues on the other side of the aisle in paying tribute in these memorial exercises to President Franklin D. Roosevelt, but in my remarks I shall refer especially to the late great President, Theodore Roosevelt.

Mr. President, today we memorialize the 53d anniversary of Theodore Roosevelt's only inauguration as President of the United States.

This was on March 4, 1905. I can recall that in the fall following my graduation from Princeton University in 1901, we heard the tragic news of the assassination of President McKinley in Buffalo. Theodore Roosevelt, who was then the Vice President, was immediately sworn in as President. He served 3 years filling the remainder of President McKinley's term. He was President, therefore, for these 3 years and 4 years more—making 7 years in all. He was succeeded, as we all know, by William Howard Taft in 1908—the father of our late beloved Bob Taft.

In 1912 I was living in Colorado. I supported Teddy Roosevelt in the Republican Convention at Denver in that year. Taft won the nomination and Teddy started the Bull Moose Party. In the three-party contest that year Woodrow Wilson, after winning the Democratic nomination at the Baltimore convention, was elected President. World War I followed and Teddy with his four sons immediately volunteered.

Many years later in 1938, Teddy's son, Theodore, Jr., and I were members of the Glen Frank Republican Program Committee, appointed by the Republican National Committee. Our own BILL KNOWLAND was a member of that committee with us. Teddy, Jr., and I represented the Atlantic seaboard, and BILL KNOWLAND, of course, was from the Pacific. Since being in Washington my wife and I have come to know intimately the indomitable Alice Longworth, known to us as Lady Alice, the oldest child of Teddy, Sr. So the Teddy Roosevelt family have been very near and dear to us through many thrilling years.

The achievements for which Theodore Roosevelt is ranged among the greatest of our Presidents are based upon his prophetic vision of America's destiny. It was under his leadership that this Nation began to assume a greater role in world affairs. A major theme of his inaugural address of March 4, 1905, was that "much has been given to us and much will rightfully be expected of us. Power means responsibility and danger. We have become a great Nation, forced by the fact of its greatness into relations with other nations of the earth." It was at this time he made his immortal statement, "Tread softly but carry a big stick."

Mr. President, it is this same sense of international responsibility which now weighs heavily upon us. In order to maintain freedom against tyranny, we are called upon to support a broad and costly military and economic aid program throughout the Free World.

I believe that this program is true to Theodore Roosevelt's vision of United States leadership. Certainly he, who always advocated a strong defense organization, would have endorsed the necessity for military assistance. I am equally sure that, were he alive today, he would be one of the strongest supporters of economic aid and technical assistance. In fact, the whole mutual security program is a logical outgrowth of the philosophy expressed in his inaugural address of 53 years ago:

> Toward all other nations, large and small, our attitude must be one of cordial and sincere friendship. We must show not only in our words but in our deeds that we are earnestly desirous of securing their good will by acting toward them in a spirit of just and generous recognition of their rights. But justice and generosity in a nation, as in an individual, count most when shown not by the weak but by the strong.

Mr. President, in more recent years my love and enthusiasm for Theodore Roosevelt have been enlarged and uplifted by a warm personal friend, the great biographer of Theodore Roosevelt, Herman Hagedorn. Herman Hagedorn has devoted a large part of his life to the perpetuation of the memory of Theodore Roosevelt and the carrying out of his highest ideals. I am, indeed, happy to pay him this tribute.

Mr. President, I am deeply grateful that during my life I have had the high privilege of knowing five such great American Presidents as Theodore Roosevelt, Woodrow Wilson, Herbert Hoover, Franklin Delano Roosevelt, and now Dwight D. Eisenhower.

Mr. MURRAY. Mr. President, just a quarter of a century ago, March 4, 1933, Franklin Delano Roosevelt was inaugurated as President of the United States. In the campaign for his election, I took an active part in Montana. We sent a solid delegation to the national convention to work for his nomination. In the campaign which followed, the Democrats of Montana were unanimous in working for his election. Today we are proud to have an opportunity to pay a much-deserved tribute to his memory as a friend of the common man—one of the greatest political leaders this country has ever had.

In the course of my remarks, I also want to pay tribute to another Roosevelt, Theodore Roosevelt, who, a generation before, had battled Wall Street monopolists in an effort to give the American people honest Government.

Franklin D. Roosevelt took office on March 4, 1933, at a moment when our country was tottering on the brink of economic ruin. Our economy was prostrate. Fifteen millions of American were unemployed. Their families, and millions more, were in distress. Great industrial plants across the country were closed or their production schedules severely curtailed. The great copper mines of my State were closed. Urgent and angry demands were being made for relief and for economic action. Banks were closing by the thousands in all parts of the Nation. Farmers sometimes could not sell their produce for enough to pay the freight to market. All agriculture was bankrupt. Small-business men were going into bankruptcy by thousands. The whole country was in a state of panic.

Our economic system had broken down. Great wrongs and evils had developed under which large groups of our population were being exploited. Monopolistic practices permitted the few to enrich themselves at the expense of the many.

It was through vigorous, farsighted, and constructive action that Franklin Delano Roosevelt was able to lead America out of the depths of the great depression.

Franklin D. Roosevelt repeatedly pointed out that big business in the United States had completely ignored its social responsibilities. It had ignored its obligation to build a workable economic system in its greedy quest for higher and higher profits, and greater and greater economic power.

Every reform that Franklin Roosevelt proposed and carried through was met by bitter protests from those who had been beneficiaries of unchallenged monopolistic practices. They fought every law which would restrict their exploitation of the mass of citizens. They cared not if the people of the Nation were impoverished and millions bankrupted. They were out to establish themselves as the economic royalty of America. Both Franklin D. and Theodore Roosevelt called them the malefactors of great wealth.

Despite all opposition, under the courageous leadership of Franklin D. Roosevelt, this Nation pulled out of its worst depression and started to move ahead. Under his leadership, Congress enacted a whole series of laws which went a long way toward redesigning our economic system and providing safeguards for the common man. We provided a program for the stabilization of agriculture and restoration of the purchasing power of

the farmers. We enacted laws using the full power of Government to protect small-business men, investors, and consumer from fraud and exploitation, such as the Securities and Exchange Commission Act. The banking laws were overhauled and a system of deposit insurance provided. We put the unemployed to work through the WPA and PWA.

At Franklin D. Roosevelt's insistence, we gave Federal recognition to labor's right to bargain collectively. We enacted his unemployment compensation program and provided a vast social-security program so our elder citizens might retire in dignity, with money to buy the necessities of life.

Under Franklin Roosevelt, we started developing the natural resources of this Nation for the benefit of all the people. The Tennessee Valley Authority was established. The South was emancipated to develop economically. The great Bonneville Power Administration was started and it provided low cost power for a light metals industry in the Northwest, creating thousands of jobs.

Many other western resources were developed through reclamation and other economic programs of this great President—unquestionably one of our very greatest Presidents. The South and the West were freed from the control of eastern capitalists and allowed to grow and develop economic muscles of their own.

As one commentator has said: "Franklin D. Roosevelt moved the real Capital of the United States from Wall Street to Washington."

Mr. President, before I knew this day was to be devoted to addresses commemorating the administrations of Franklin Roosevelt and Theodore Roosevelt, I requested that some research be done for me on the parallels in the policies of these two great men.

Theodore Roosevelt, although nominally a Republican, was alarmed by the shortsightedness of growing monopolies in his era. He was alarmed by the exploitation of natural resources for selfish gain. He fought the power trust when it attempted to capture the water resources of the Nation. He fathered the Reclamation Act. He was first to advocate the policy, developed by Gifford Pinchot and Frederick Newell, that our great rivers should be developed from headwaters to mouth on a unified plan by a single agency—an arm of government.

Mr. President, 2 years ago, and again last year, I sponsored a joint resolution, Senate Joint Resolution 35, to provide for a fitting commemoration of the founding of the national conservation movement. The event would have commemorated the 50th anniversary of the National Conference of State Governors on Conservation Problems, which was called in 1908 by President Theodore Roosevelt. Although he was nominally called a Republican, I have always regarded "T. R." as a Democrat in his basic policies.

It was my great honor to be joined by 65 other Members of the United States Senate in the proposal which I offered to provide for a conservation 50th anniversary year in 1958. This joint resolution passed this body without a dissenting vote.

In the House of Representatives the resolution to commemorate this great conservation movement started by Theodore Roosevelt was repeatedly delayed. Finally, the opposition to it came out in the open. Selfish interests, led by the private electric power industry, wanted no anniversary events which might direct national attention to Theodore Roosevelt's policies of resource development for the public good. Fearful of the consequences of killing the resolution outright, the opposition delayed and then amended Senate Joint Resolution 35 a half-dozen times to make it ineffective. They cut funds for the year-long conservation effort to a paltry $20,000. The power companies exposed their part in the emasculation of the resolution by getting into the House report language forbidding the Anniversary Commission to have any part in a public versus private power debate.

Mr. President, I ask unanimous consent to insert at the end of my remarks the draft of a statement I have prepared in the form of an analysis of Theodore Roosevelt's policies in regard to three subjects. The three are recreation, conservation of resources generally, and conservation and development of water resources, including electric power, for the people's benefit. I wish there were time to read the statement, but I do not desire to deny the floor to other Senators who would honor either Theodore Roosevelt or Franklin D. Roosevelt here today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MURRAY. Mr. President, one cannot study the policies of Theodore Roosevelt in the recreation, conservation, and water resource fields without being struck with the fact that Franklin D. Roosevelt, 25 years later, gave effect and substance to the very policies which Teddy Roosevelt vigorously advocated.

For example, Teddy Roosevelt knew the real source of agitation for States rights over water resources development in the public domain. In 1910, he called it fairly comic for eastern capitalists to be howling about States rights. He pointed out that what the people behind the States rights furor really wanted was the right to exploit the waterpower resources of Western States and drain the profits off to their New York banks.

If he thought their pleas were fairly comic 50 years ago, T. R. would probably regard today's power trust propaganda as an absolute farce.

That is what it is—pure farce. The Hells Canyon Dam stretch of the Snake River is not being developed in partnership. It has been given away by the present administration to a Maine corporation, to underdevelop and exploit for private profit.

Mr. President, the emasculation of Senate Joint Resolution 35 in the House to prevent discussion of Theodore Roosevelt's policies was significant of our times.

In the twenties, the Nation forgot the policies and the warnings of Theodore Roosevelt against greedy, profit- and power-seeking private interests. Responsibilities to the common man were forgotten. Responsibility for a sound economic system was forgotten in the race to get rich quick.

The great depression resulted.

In the 5 years just past, we have forgotten the teachings of both Theodore Roosevelt and Franklin Roosevelt. We apparently forgot what tight money, a Cabinet composed of corporation executives, a prostrate agriculture, and excessive profit taking could do to the economy. We started giving away natural resources. We have all but stopped western resources development with slowdowns and a "no new starts" policy. We stopped expansion of the Tennessee Valley Authority in compliance with a scheme blueprinted by Adolph Wenzell of the First Boston Corp. It was a scheme for private power interests eventually to take over this self-liquidating public agency.

We have yielded to the guidance of the same type of big-business thinking, big-business Cabinet, and big-business domination of Government that has brought tragedy on the Nation before.

It is well for the Senate, and for the whole Nation, to take this day to meditate about the policies of the two Roosevelts.

Theodore Roosevelt foresaw what the stifling hand of profit-greedy monopolists would do to our country.

Franklin D. Roosevelt rescued the Nation from the awful consequences of a decade of control by irresponsible monopolists, and saved our democracy for the common man.

Both were great Presidents in the Democratic tradition. If my Republican friends disagree with that—I use a capital "D"—I remind them that history records few things more clearly than that Teddy Roosevelt was nominated Vice President because Boss Platt and Mark Hannah did not want him to be Governor of New York for another term. Their party was trying to shelve this Democratic-acting party member when they accidentally started him on his way to the White House.

This Nation needs another man today, poured in the Roosevelt mold, who can bring administrative decision-making back from New York to Washington, and administer the Government for the common man.

EXHIBIT 1

To my very great disappointment, the House of Representatives has delayed and amended Senate Joint Resolution 35 which was intended to stimulate a yearlong anniversary of policies established by Theodore Roosevelt, so that it is no longer useful to take the resolution to conference and endeavor to enact it.

The resolution set aside 1958 for an anniversary of the founding of the national conservation movement, dating it from the 1908 Conference of Governors on Conservation called by President Theodore Roosevelt.

The House of Representatives limited the proposed anniversary Commission's funds to $20,000—wholly inadequate for the purpose and unworthy of the event it was to commemorate. Six other amendments emasculated the resolution further. The report on the resolution provided that the Commission

could not in any event participate in discussion of public development of hydroelectric resources as against private development.

The latter admonition was, of course, a complete giveaway of the forces that emasculated the joint resolution.

Selfish private interests want no events that will review and remind the public of Theodore Roosevelt's battles against the power trust and other monopolists.

For the benefit of those Americans who want an unexpurgated review of Theodore Roosevelt's policies in the resources field, I requested my assistants to gather representative quotations from his papers on three subjects: Conservation of resources for recreation, conservation generally, and conservation of water and power resources.

The quotations are a complete explanation why no conservation anniversary year, reaching back into the Teddy Roosevelt era, was desired by those who helped emasculate Senate Joint Resolution 35.

T. R. ON RECREATION RESOURCES

Two statements by Theodore Roosevelt on the subject of recreation resources as an aspect of conservation tell the story of his views.

The first is an excerpt from his autobiography describing a visit to Yosemite with the great woodsman and naturalist, John Muir, which has poetry of description hard to surpass. It reads:

"When first I visited California, it was my good fortune to see the 'big trees,' the Sequoias, and then to travel down into the Yosemite, with John Muir. Of course, of all people in the world he was the one with whom it was best worthwhile thus to see the Yosemite. * * * John Muir met me with a couple of packers and two mules to carry our tent, bedding, and food for a 3 days' trip. The first night was clear, and we lay down in the darkening aisles of the great Sequoia grove. The majestic trunks, beautiful in color and in symmetry, rose around us like the pillars of a mightier cathedral than ever was conceived even by the fervor of the Middle Ages. * * * The second night we camped in a snowstorm, on the edge of a grove of mighty silver fir; and the next day we went down into the wonderland of the valley itself. I shall always be glad that I was in the Yosemite with John Muir and in the Yellowstone with John Burroughs." (Theodore Roosevelt, Autobiography, pp. 311–312.)

Other concepts of the Rough Rider's thinking grew while he was President, but long before he came to the White House Roosevelt had learned in the woods of Maine and on the plains of North Dakota the value of the mighty cathedrals of nature in the recreation of the human spirit. The idea of the importance of outdoor recreation for physical, spiritual, and mental health was as much a part of him when he became President as were his ideas of integrity and public service. Thus we see him including in his first annual message to the Congress a description of the need to "set apart forever for the use and benefit of our people as a whole" the forest reserves and some of "the flower-clad meadows of our mountains."

"In cases where natural conditions have been restored for a few years, vegetation has again carpeted the ground, birds and deer are coming back, and hundreds of persons, especially from the immediate neighborhood, come each summer to enjoy the privilege of camping. Some at least of the forest reserves should afford perpetual protection to the native fauna and flora, safe havens of refuge to our rapidly diminishing wild animals of the larger kinds, and free camping grounds for the ever-increasing numbers of the men and women who have learned to find rest, health, and recreation in the splendid forests and flower-clad meadows of our mountains. The forest reserves should be set apart forever for the use and benefit of our people as a whole and not sacrificed to the short-sighted greed of a few." (First annual message to Congress, December 3, 1901.)

T. R. AS A CONSERVATIONIST

Roosevelt describes the beginning of his work in the field of conservation in his autobiography while discussing his service as Governor of New York. He says:

"In addition to labor legislation, I was able to do a good deal for forest preservation and the protection of our wildlife. All that later I strove for in the Nation in connection with conservation was foreshadowed by what I strove to obtain for New York when I was governor; and I was already working in connection with Gifford Pinchot and Newell. I secured better administration, and some improvement in the laws themselves. The improvement in administration, and in the character of the game and forest wardens, was secured partly as the result of a conference in the executive chamber which I held wih 40 of the best guides and woodsmen of the Adirondacks." (Theodore Roosevelt, Autobiography, p. 284.)

This was the beginning of his active work for conservation, and it is interesting to note that already the names of Gifford Pinchot and Frederick Newell are mentioned, the two men closest to him for years in the conservation field.

Frederick Haynes Newell was hydrographer for the United States Geological Survey between 1890 and 1902, and its chief engineer from 1902 to 1907, following which he served as its director for 7 years until 1914. Roosevelt describes him as a model public servant, and credits him with the inception of the plan for the Reclamation Service, which became the Bureau of Reclamation.

"Every item of the whole great plan of reclamation now in effect was undertaken between 1902 and 1906. By the spring of 1909 the work was an assured success, and the Government had become fully committed to its continuance. The work of reclamation was at first under the United States Geological Survey, of which Charles D. Walcott was at that time director. In the spring of 1908 the United States Reclamation Service was established to carry it on, under the direction of Frederick Haynes Newell, to whom the inception of the plan was due. Newell's single-minded devotion to this great task, the constructive imagination which enabled him to conceive it, and the executive power and high character through which he and his assistant, Arthur P. Davis, built up a model service—all these have made him a model servant. The final proof of his merit is supplied by the character and records of the men who later assailed him." (Theodore Roosevelt, Autobiography, p. 388.)

Roosevelt started his term as President, probably thanks primarily to his work with Pinchot and Newell, with a complete realization of the basic element of resource conservation, the importance of forests to land and water conservation, and stated it briefly for all the Nation to see in his first annual message to Congress.

"The forests are natural reservoirs. By restraining the streams in flood and replenishing them in drought they make possible the use of waters otherwise wasted. They prevent the soil from washing, and so protect the storage reservoirs from filling up with silt. Forest conservation is, therefore, an essential condition of water conservation." (First annual message to Congress, December 3, 1901.)

Starting with this basic awareness Roosevelt devoted a great share of his tremendous energies to putting through the changes which he saw were necessary to effectuate even the most fundamental resource conservation policies; thus the Reclamation Service began its work with enactment of the act of 1902, and for the first time the Government foresters and the national forests were placed under the jurisdiction of the same department of Government when the Forest Service was set up as an agency of the Department of Agriculture. Soil conservation received national attention for the first time, and the importance of our great river resources became widely recognized under the President's leadership. And as his own grasp of the subject broadened and deepened with experience he stated and restated the issue for the Nation and its leaders, like the great educator he was. Thus we see the superb summary of the problem in his seventh annual message to Congress. Speaking of conservation as the fundamental problem he describes the reward of foresight for the Nation and warns, "But there must be the look ahead; there must be a realization of the fact that to waste, to destroy our natural resources, to skin and exhaust the land" can only result in bringing disaster on our children.

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. We must maintain for our civilization the adequate material basis without which that civilization cannot exist. We must show foresight; we must look ahead. As a Nation we not only enjoy a wonderful measure of present prosperity but if this prosperity is used aright it is an earnest of future success such as no other nation will have. The reward of foresight for this Nation is great and easily foretold. But there must be the look ahead; there must be a realization of the fact that to waste, to destroy our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed. For the last few years, through several agencies, the Government has been endeavoring to get our people to look ahead and to substitute a planned and orderly development of our resources in place of a haphazard striving for immediate profit." (Seventh annual message to Congress, December 3, 1907.)

The achievements of T. R. in the field of conservation were not accomplished without opposition. He himself describes this opposition in his seventh annual message to Congress and says of it, "This opposition is, I think, dying away."

Speaking of the work of the Reclamation Service:

"There has been, of course, opposition to this work; opposition from some interested men who desire to exhaust the land for their own immediate profit without regard to the welfare of the next generation, and opposition from honest and well-meaning men who did not fully understand the subject or who did not look far enough ahead. This opposition is, I think, dying away, and our people are understanding that it would be utterly wrong to allow a few individuals to exhaust for their own temporary personal profit the resources which ought to be developed through use so as to be conserved for the permanent common advantage of the people as a whole." (Seventh annual message to Congress, December 3, 1907.)

It is difficult to believe that T. R. actually believed that opposition would ever completely die, for surely no one knew better than he that there will always be selfish, greedy, and shortsighted men and corporations who would trade the long-run national interest for their own temporary personal profit. As long as there are great resources like Hells Canyon still unexploited there will be self-serving interests like the Idaho Power Co., a Maine corporation, anxious to seize them for inadequate development, which is the worst kind of waste. As long as there are trees standing in the national forests

and parks we shall have to be on our guard lest they be plundered, as the notorious Al Serena mining claim is now being stripped—not of minerals—but of timber. This is merely part of the perpetual struggle of democratic government, and each generation must win it anew, for once one of these battles is irrevocably lost, the damage may not be reparable for centuries.

T. R. gave special consideration to this type of resource in his last annual message, describing them as the resources which can be improved in the process of wise use. Those who think that the inadequate development of Hells Canyon can be excused on the basis of economy or immediacy should reconsider their judgment in the light of these statements from the lips of the greatest Republican President of the past 97 years.

"If there is any one duty which more than another we owe it to our children and our children's children to perform at once, it is to save the forests of this country, for they constitute the first and most important element in the conservation of the natural resources of the country. There are of course two kinds of natural resources. One is the kind which can only be used as part of a process of exhaustion; this is true of mines, natural oil and gas wells, and the like. The other, and of course ultimately by far the most important, includes the resources which can be improved in the process of wise use; the soil, the rivers, and the forests come under this head. Any really civilized nation will so use all of these three great national assets that the nation will have their benefit in the future. Just as a farmer, after all his life making his living from his farm, will, if he is an expert farmer, leave it as an asset of increased value to his son, so we should leave our national domain to our children, increased in value and not worn out." (Eighth annual message to Congress, December 8, 1908.)

With barely a year to serve in his second term, Theodore Roosevelt had become so convinced of the historic importance of the new conservation movement that he determined to call a conference of the State governors to dramatize the subject. For a description of this conference, its purpose, and its achievements, I want to include here a brief excerpt from the writings of Roosevelt's chief forester, Gifford Pinchot.

"The Governor's Conference on Conservation was the first of its kind—the first not only in America, but in the world. It may well be regarded by future historians as a turning point in human history. Because it introduced to mankind the newly formulated policy of the conservation of natural resources, it exerted and continues to exert a vital influence on the United States. * * * It spread far and wide the new proposition that the purpose of conservation is the greatest good of the greatest number for the longest time." (Gifford Pinchot, Breaking New Ground.)

After 50 years it is easy to evaluate Roosevelt's inauguration of the conservation movement as his greatest work, but in closing my remarks on T. R.'s conservation policies today, I want to refer to an analysis made in The Progressive, by Robert La Follette, in March 1909. This is a truly remarkable analysis, for it is no cool, considered estimate made in the clear light of history's perspective. This is the snap judgment of one of the combatants in the fray while the battle was in a temporary lull, but no historian has stated it better or analyzed it more clearly, and no one is likely to.

SENATOR ROBERT LA FOLLETTE, IN THE PROGRESSIVE, MARCH 1909 (IMMEDIATELY AFTER T. R. STEPPED DOWN FROM OFFICE)

"Roosevelt steps from the stage gracefully. He has ruled his party to a large extent against its will. He has played a large part in the world's work, for the past 7 years. The activities of his remarkably forceful personality have been so manifold that it will be long before his true rating will be fixed in the opinion of the race. He is said to think that the three great things done by him are the undertaking of the construction of the Panama Canal and its rapid and successful carrying forward, the making of peace between Russia and Japan, and the sending around the world of the fleet.

"These are important things, but many will be slow to think them his greatest services.

"And, then, there is the great and statesmanlike movement for the conservation of our national resources, into which Roosevelt so energetically threw himself at a time when the Nation as a whole knew not that we are ruining and bankrupting ourselves as fast as we can. This is probably the greatest thing that Roosevelt did, undoubtedly. This globe is the capital stock of the race.

"It is just so much coal and oil and gas. This may be economized or wasted. The same thing is true of phosphates and other mineral resources. Our water resources are immense and we are only just beginning to use them. Our forests have been destroyed; they must be restored. Our soils are being depleted; they must be built up and conserved.

"These questions are not of this day only or this generation. They belong all to the future. Their consideration requires that high moral tone which regards the earth as the home of prosperity to whom we owe a sacred duty.

"This immense idea Roosevelt, with high statesmanship, dinned into the ears of the Nation until the Nation heeded. He held it so high that it attracted the attention of the neighboring nations of the continent, and will so spread and intensify that we will soon see the world's conferences devoted to it.

"Nothing can be greater or finer than this. It is so great and so fine that when the historian of the future shall speak of Theodore Roosevelt he is likely to say that he did many notable things, among them that of inaugurating the movement which finally resulted in the square deal, but that his greatest work was inspiring and actually beginning a world movement for staying terrestrial waste and saving for the human race the things upon which, and upon which, alone, a great and peaceful and progressive and happy race life can be founded.

"What statesman in all history has done anything calling for so wide a view and for a purpose more lofty?"

Last week population experts predicted that in the year 2050 the world population will be 7 billion people. I wondered where the resources were coming from to support them and their economy. Surely if they are able to survive at all, it will be only because of an intensification of the conservation movement started by Theodore Roosevelt, and how true the words of Robert LaFollette will ring then.

T. R. ON THE CONSERVATION OF WATER AND POWER

In discussing Theodore Roosevelt's views toward the conservation of our water and power resources it must be noted first that he was not dogmatic in any sense, nor was he swayed by the shibboleths which the propagandists of today toss so freely upon the winds. Perhaps it was because his mind was uncluttered by emotional phrases and phoney slogans that he was so able to think clearly and incisively in solving the problems with which he dealt. In any event, that he brought to his work a free and open mind he demonstrated in his second annual message as governor to the Legislature of the State of New York on January 3, 1900.

THE STATE AND PUBLIC UTILITIES

"It has become more and more evident of late years that the State will have to act in its collective capacity as regards certain subjects which we have been accustomed to treat as matters affecting the private citizen only, and that furthermore, it must exercise an increasing and more rigorous control over other matters which it is not desirable that it should directly manage. It is neither possible nor desirable to lay down a general hard-and-fast rule as to what this control should be in all cases. There is no possible reason in pure logic why a city, for instance, should supply its inhabitants with water, and allow private companies to supply them with gas, any more than there is why the General Government should take charge of the delivery of letters but not of telegrams. On the other hand, pure logic has a very restricted application to actual social and civic life, and there is no possible reason for changing from one system to the other simply because the change would make our political system in theory more symmetrical." (Second annual message as Governor to the Legislature of the State of New York, January 3, 1900.)

Certainly those are not the words of a man who would be confused today by the cries of socialism and free enterprise which so often make the rafters of this Chamber ring. And because he could approach these problems with logic rather than emotion he could see that the Federal Government had a vital task to perform in the development of our rivers; this he spelled out in his first message to the Congress in December 1901, just after he became President.

"The forests alone cannot, however, fully regulate and conserve the waters of the arid region. Great storage works are necessary to equalize the flow of streams and to save the flood waters. Their construction has been conclusively shown to be an undertaking too vast for private effort. Nor can it be best accomplished by the individual States acting alone. Far-reaching interstate problems are involved; and the resources of single States would often be inadequate. It is properly a national function, at least in some of its features. It is as right for the National Government to make the streams and rivers of the arid region useful by engineering works for water storage as to make useful the rivers and harbors of the humid region by engineering works of another kind. The storing of the floods in reservoirs at the headwaters of our rivers is but an enlargement of our present policy of river control, under which levees are built on the lower reaches of the same stream.

"The Government should construct and maintain these reservoirs as it does other public works. Where their purpose is to regulate the flow of streams, the water should be turned freely into the channels in the dry season to take the same course under the same laws as the natural flow." (First annual message to Congress, December 3, 1901.)

Having decided that the Government should construct and maintain these reservoirs as it does other public works, Roosevelt was, of course, faced immediately with the problem of who should profit from the water power which these developments could make available. A half century ago he faced up to this issue with the same forthrightness that he demonstrated at every time of decision throughout his career. At this time the electric industry was still in its early infancy; power companies were thought of as merchants of illumination; yet even then Roosevelt, with Pinchot and some of his colleagues, was beginning to see the future significance of the electric industry on our civilization.

So when the Congress passed a bill to allow a private dam to be constructed at Muscle Shoals by N. F. Thompson and Associates, Theodore Roosevelt sent it back to the Hill with a very clear veto message dedicated to the rather simple proposition that if the Government is called upon to improve a stream for navigation it should sell the power developed to help pay the cost.

MUSCLE SHOALS VETO MESSAGE—EXCERPT

"The recent development of the application of waterpower to the production of electricity available for use at considerable distances has revealed an element of substantial value in streams which the Government is or is liable to be called upon to improve for purposes of navigation, and this value, in my judgment, should be properly utilized to defray the cost of the improvement. Wherever the Government constructs a dam and lock for the purpose of navigation there is a waterfall of great value. It does not seem right or just that this element of local value should be given away to private individuals of the vicinage, and at the same time the people of the whole country should be taxed for the local improvement.

"It seems clear that justice to the taxpayers of the country demands that when the Government is or may be called upon to improve a stream the improvement should be made to pay for itself, so far as practicable. * * * I think it is desirable * * * that a general policy appropriate to the new conditions caused by the advance in electrical science should be adopted under which these valuable rights will not be practically given away, but will be disposed of after full competition in such a way as shall best conserve the public interest." (CONGRESSIONAL RECORD, vol. 36, p. 3071 (Mar. 4, 1903).)

Several comments are in order at this point. In the first place, President Roosevelt's veto of this bill preserved the Muscle Shoals resource so that 30 years later it could become the primary resource around which the TVA battle raged; it is exceedingly appropriate that Theodore Roosevelt, the man who breathed life into the principles of conservation, should have been so instrumental in making possible, long after his death, the development which showed the whole world the way to best apply those same principles in a river basin.

Secondly, if it was the first Roosevelt who saved the resource for the future, it was the second Roosevelt who signed the bill putting it to work for all the people of the Nation, some 30 years later. The Democratic Roosevelt and the Republican Roosevelt, leading our Nation a quarter of a century apart, could hardly have been closer together than they were on the issue of conservation and resource development.

Thirdly, I pause long enough to ask what has happened to the ideas of Theodore Roosevelt in his own party? Was it the party of the great conservationist President which proposed the principle of so-called partnership as the proper way to develop our river resources? Was it Theodore Roosevelt's party which proposed the John Day Dam partnership scheme for the great Lower Columbia River project, asking that the power companies be allowed to install the generators in the Government's dam—and on the excuse that this would save the taxpayers money? If anyone has any question as to where Theodore Roosevelt would have stood on partnership, let him reread the Muscle Shoals veto message, because T. R. couldn't have stated it any clearer if he had been discussing John Day Dam itself.

In his autobiography, Theodore Roosevelt tells of his decision that the public should retain title to the waterpower sites of the Nation not already lost to private ownership.

"The work of the Bureau of Corporations as to waterpower was equally striking. In addition to bringing the concentration of waterpower control first prominently to public attention, through material furnished for my message in my veto of the James River Dam bill, the work of the Bureau showed that 10 great interests and their allies held nearly 60 percent of the developed waterpower of the United States. Says Commissioner Smith: 'Perhaps the most important thing in the whole work was its clear demonstration of the fact that the only effective place to control waterpower in the public interest is at the power sites; that as to powers now owned by the public it is absolutely essential that the public shall retain title.'" (Autobiography, p. 410.)

Similarly he tells of the fight of the waterpower interests against his administration's position that the developer of any site should pay the Government an annual rental for the use of the public resource and the administration maintenance of the position requiring payment.

"Up to the time the national forests were put under the charge of the Forest Service, the Interior Department had made no effort to establish public regulation and control of waterpower. Upon the transfer, the Service immediately began its fight to handle the power resources of the national forests so as to prevent speculation and monopoly and to yield a fair return to the Government. On May 1, 1906, an act was passed granting the use of certain power sites in southern California to the Edison Electric Power Co., which act, at the suggestion of the Service, limited the period of the permit to 40 years, and required the payment of an annual rental by the company, the same conditions which were thereafter adopted by the Service as the basis for all permits for power development. Then began a vigorous fight against the position of the Service by the water-power interests. The right to charge for waterpower development was, however, sustained by the Attorney General" (Autobiography, p. 394).

Thus did Roosevelt's thinking develop and with it the principles which have become our laws. Roosevelt describes this development and struggle himself in a statement which also spells out the principle of stewardship by the executive departments of our resources. I want to direct the attention of my good friend, the senior Senator from Oregon, to this statement, because it is only a short step from the principle of stewardship by the Executive of the public welfare to the principle of stewardship by this generation of our natural resources for future generations. No one has been as consistent in spelling out this principle as the Senator from Oregon. He should enjoy reading Theodore Roosevelt's statement of the stewardship principle.

"The idea that the Executive is the steward of the public welfare was first formulated and given practical effect in the Forest Service by its law officer, George Woodruff. * * *

"This theory of stewardship in the interest of the public was well illustrated by the establishment of a waterpower policy. Until the Forest Service changed the plan, waterpowers on the navigable streams, on the public domain, and in the national forests were given away for nothing, and substantially without question, to whoever asked for them. At last, under the principle that public property should be paid for and should not be permanently granted away when such permanent grant is avoidable, the Forest Service established the policy of regulating the use of power in the national forests in the public interest and making a charge for value received. This was the beginning of the water policy now substantially accepted by the public, and doubtless soon to be enacted into law. But there was at the outset violent opposition to it on the part of the waterpower companies, and such representatives of their views in Congress as Messrs. Tawney and Bede.

"Many bills were introduced in Congress aimed, in one way or another, at relieving the power companies of control and payment. When these bills reached me I refused to sign them; and the injury to the public interest which would follow their passage was brought sharply to public attention in my message of February 26, 1908. The bills made no further progress." (Autobiography, p. 397.)

As his experience in these fields grew, Teddy Roosevelt came more and more to realize the great value of the resources involved in the development of our rivers, and he became increasingly more protective of them. At the same time he came to understand the need for comprehensive development plans for these resources if they were not to be wasted. Both these ideas, the great value of the waterpower resources and the need for comprehensive development were mentioned in Roosevelt's seventh annual message to Congress.

"Moreover, the development of our waterways involves many other important water problems, all of which should be considered as part of the same general scheme. The Government dams should be used to produce hundreds of thousands of horsepower as an incident to improving navigation; for the annual value of the unused waterpower of the United States perhaps exceeds the annual value of the products of all our mines.

"I have appointed an inland waterways commission to study and outline a comprehensive scheme of development along all the lines indicated. Later I shall lay its report before the Congress." (Seventh annual message to Congress, December 3, 1907.)

It was the Inland Waterways Commission which brought Roosevelt's thinking on river development to full flower, with his message transmitting its report to the Congress. In one brief paragraph, Theodore Roosevelt spelled out the basic principle that each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such. For 50 years this has stood as the ultimate statement on comprehensive, integrated water resource development, and no one is likely to improve upon it in the future.

"Every stream should be used to its utmost. No stream can be so used unless such use is planned in advance. When such plans are made, we shall find that, instead of interfering, one use can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such." (S. Doc. No. 325, 60th Cong., 1st sess.) (Message transmitting to Congress the preliminary report of the Inland Waterways Commission, Feb. 26, 1908.)

But is the Eisenhower administration treating the Columbia River Basin as a single unit? Hardly so. It would be more accurate to say that it considers the basin not as a single river system but as a package of grab-bag presents, to be handed out indiscriminately to anyone who chooses to take a chance. Again, what has happened to the Republicanism of Teddy Roosevelt? Or what of the principles of even President Taft? It was Taft who took Roosevelt's principle of a basin being a single unit and carried it to its logical conclusion—that it would only introduce chaos into the picture to have multiple ownership of the projects in a single river basin.

"The lower river is being improved by a series of dams belonging to the Federal Government. This dam, situated in the upper reaches of the river, is, according to the report of the engineers, capable of becoming part of this general Federal improvement of navigation. To introduce a diversity of title into a series of dams which may become eventually a part of a single improvement directed at the same end would, in my opinion, be highly objectionable." (White River veto message by President Taft, August 6, 1912.)

Apparently the present administration cannot even agree with its more conservative forebears; for if there was ever a case which the White River veto described, it is Hells Canyon, where the dam in the upper reaches of the river is clearly capable of

becoming a part of the general Federal improvement, where the lower river is being improved by a series of dams belonging to the Federal Government—Bonneville, The Dalles, John Day, McNary, and Ice Harbor. Why, the Eisenhower administration has not only turned its back on Theodore Roosevelt; it has apparently rejected William Howard Taft as too far to the left.

Roosevelt himself spelled out a few of the facts of life with regard to this river development in a Denver speech after his return from Africa a year after he left the White House. I would suggest that my colleagues read this excerpt from that speech carefully and consider how compatible Teddy Roosevelt's position is with the Hells Canyon giveaway.

"We should make it our duty to see that hereafter power sites are kept under control of the general government for the use of the people as a whole in a way which shall encourage development of the water power, but which shall not create a monopoly or permit the development to be antisocial; to be in any respect hostile to the public good.

"The Nation alone has the power to do this effectively, and it is for this reason that you will find those corporations which wish to gain improper advantage and to be freed from official control on the part of the public, doing all that they can to secure the substitution of State for National action.

"There is something fairly comic about the appeal made by many of these men in favor of State control, when you consider that the great corporations seeking these waterpower privileges in any given State are at least as apt to be owned outside the State as within.

"In this country nowadays, capital has a national and not a State use. The great corporations which are managed and largely owned in the older States are those which are most in evidence in developing and using the mines and waterpowers and forests of the new Territories and States from Alaska to Arizona.

"I have been genuinely amused during the past 2 months at having arguments presented to me on behalf of certain rich men in New York and Ohio, for instance, as to why Colorado and other Western States should manage their own waterpower sites.

"Now these men may be good citizens according to their own lights, but actually their special interests obscure their sense of public need; and as their object is to escape an efficient control exercised in the interest of all the people, they clamor to be put under the State, instead of under the Nation.

"If we are foolish enough to grant their requests, we shall have ourselves to blame when we wake up and find that we have permitted another privilege to entrench itself and another portion of what should be kept for the public good to be turned over to individuals for purposes of private enrichment." (Theodore Roosevelt, Denver speech, 1910.)

I think we should notice especially how Roosevelt disposed of the States rights arguments of his day; he knew well that selfish economic interests really lay behind the noble appeals for State control, and he considered them fairly comic in 1910. If they were fairly comic to T. R. in 1910, he would find some of the similar appeals of the past 20 years completely farcical. His speech delivered in 1910 exactly describes the Hells Canyon situation, where we have the Idaho Power Co., owned largely in the East, incorporated in Maine, exploiting through underdevelopment the resources of the West. It goes further than that, for Teddy Roosevelt described the product of that exploitation, electric power, will be sold to the people of the West and the profits will then be shipped back East to the big stockholders. I think that is what the economists mean when they say we in the West have an extractive economy—our economic resources are extracted from us by eastern interests and shipped right out of the area.

In the Rainy River Dam veto message of 1908 we see how T. R.'s understanding of the electric industry's place in our society was growing. "Already," he says, "the evils of monopoly are becoming manifest."

RAINY RIVER DAM VETO

"We are now at the beginning of great development in waterpower. Its use through electrical transmission is entering more and more largely into every element of the daily life of the people. Already the evils of monopoly are becoming manifest; already the experience of the past shows the necessity of caution in making unrestricted grants of this great power.

"The present policy pursued in making these grants is unwise in giving away the property of the people in the flowing waters to individuals or organizations practically unknown, and granting in perpetuity these valuable privileges in advance of the formulation of definite plans as to their use. In some cases the grantees apparently have little or no financial or other ability to utilize the gift, and have sought it merely because it could be had for the asking.

"In place of the present haphazard policy of permanently alienating valuable public property we should substitute a definite policy along the following lines:

"First. There should be a limited or carefully guarded grant in the nature of an option or opportunity afforded within reasonable time for development of plans and for execution of the project.

"Second. Such a grant of concession should be accompanied in the act making the grant by a provision expressly making it the duty of the designated official to annul the grant if the work is not begun or plans are not carried out in accordance with the authority granted.

"Third. It should also be the duty of some designated official to see to it that in approving the plans the maximum development of the navigation and power is assured, or at least that in making the plans these may not be so developed as ultimately to interfere with the better utilization of the water or complete development of the power.

"Fourth. There should be a license fee or charge which, though small or nominal at the outset, can in the future be adjusted so as to secure a control in the interest of the public.

"Fifth. Provision should be made for the termination of the grant or privilege at a definite time, leaving to future generations the power or authority to renew or extend the concession in accordance with the conditions which may prevail at that time." (42d CONGRESSIONAL RECORD pt. 5, 4698, April 13, 1908.)

It is also worthy of note that here, in 1908, T. R. laid out clearly and concisely the basic principles of the Federal Water Power Act of 1920. That act and the Federal Power Act which followed it provided all the necessary means for carrying out Theodore Roosevelt's policies completely in the public interest. Only the men who administer the act could destroy its effectiveness to the extent we see in the FPC license for the underdevelopment of Hells Canyon.

Again we see in the James River veto message of the following year the growing awareness of the dangers inherent in the electric power monopoly problem, as he says, "The people of the country are threatened by a monopoly far more powerful, because in far closer touch with their domestic and industrial life, than anything known to our experience."

JAMES RIVER VETO

(T. R. message returning without approval bill to authorize private construction of a dam and water-power development in James River, Mo., due to insufficient protection of the public interest. He quotes from his letter of March 18, 1908, to the Senate Committee on Commerce concerning bills granting water rights which said that he would "sign no bills hereafter which do not provide specifically for the right to fix and make a charge and for a definite limitation in time of the rights conferred." He argues that the National Government has power to impose conditions since it has power to deny use of navigable streams, and continues:)

"Believing that the National Government has this power, I am convinced that its power ought to be exercised. The people of the country are threatened by a monopoly far more powerful, because in far closer touch with their domestic and industrial life, than anything known to our experience. A single generation will see the exhaustion of our natural resources of oil and gas and such a rise in the price of coal as will make the price of electrically transmitted waterpower a controlling factor in transportation, in manufacturing, and in household lighting and heating. Our waterpower alone, if fully developed and wisely used, is probably sufficient for our present transportation, industrial, municipal, and domestic needs. Most of it is undeveloped and is still in National or State control.

"'To give away, without conditions, this, one of the greatest of our resources, would be an act of folly. If we are guilty of it, our children will be forced to pay an annual return upon a capitalization based upon the highest prices which 'the traffic will bear.' They will find themselves face to face with powerful interests intrenched behind the doctrine of 'vested rights' and strengthened by every defense which money can buy and the ingenuity of able corporation lawyers can devise. Long before that time they may and very probably will have become a consolidated interest, controlled from the great financial centers, dictating the terms upon which the citizen can conduct his business or earn his livelihood, and not amenable to the wholesome check of local opinion.

"'The great corporations are acting with foresight, singleness of purpose, and vigor to control the waterpowers of the country. They pay no attention to State boundaries and are not interested in the constitutional law affecting navigable streams except as it affords what has been aptly called a 'twilight zone,' where they may find a convenient refuge from any regulation whatever by the public, whether through the National or State Government." (43d CONGRESSIONAL RECORD, pt. 1, 978, January 15, 1909.)

(He concludes with repetition of policy statement in Rainy River veto message.)

And how clearly Roosevelt saw the electric industry development of the future, the increasing consolidation of the industry and its control from the great financial centers. Roosevelt and Pinchot saw this development in its blossom time; today, 50 years later, we have only to look and we shall see the fruit hanging heavy on the bough.

To speak of the work of Theodore Roosevelt in the field of conservation is to speak of his alter ego, Gifford Pinchot, who justly shares with him the pinnacle position in the history of the conservation movement. I have called Roosevelt the Godfather of Conservation, because although he did not sire it he raised it, gave it status, and endowed it with spiritual fervor. Gifford Pinchot was the father of the movement, and no one was quicker to acknowledge it than Theodore Roosevelt. "Gifford Pinchot," he wrote, "is the man to whom the Nation owes most for what has been accomplished as regards the preservation of the natural resources of our country."

"Gifford Pinchot is the man to whom the Nation owes most for what has been accomplished as regards the preservation of the natural resources of our country. He led, and indeed during its most vital period embodied, the fight for the preservation

through use of our forests. He played one of the leading parts in the effort to make the National Government the chief of instrument in developing the irrigation of the arid West. He was the foremost leader in the great struggle to coordinate all our social and governmental forces in the effort to secure the adoption of a rational and far-seeing policy for securing the conservation of all our national resources. He was already in the Government service as head of the Forestry Bureau when I became President; he continued throughout my term, not only as head of the forest service, but as the moving and directing spirit in most of the conservation work, and as counsellor and assistant on most of the other work connected with the internal affairs of the country. Taking into account the varied nature off the work he did, its vital importance to the Nation and the fact that as regards much of it he was practically breaking new ground, and taking into account also his tireless energy and activity, his fearlessness, his complete disinterestedness, his single-minded devotion to the interests of the plain people, and his extraordinary efficiency, I believe it is but just to say that among the many, many public officials who under my administration rendered literally invaluable service to the people of the United States, he, on the whole, stood first. A few months after I left the presidency he was removed from office by President Taft." (Theodore Roosevelt, Autobiography, p. 385.)

It is interesting to imagine that Gifford Pinchot himself probably cherished this statement of Roosevelt's autobiography as the highest praise he ever received. At least we know that when he came to write his own autobiography and history of the conservation movement he chose for its title a brief excerpt from this statement of Roosevelt's, Breaking New Ground.

Because of the identity of thought between these two men on all aspects of the field of conservation and power development, I believe it is perfectly proper to close this discussion of the development of Theodore Roosevelt's thinking with respect to power development with an excerpt from Pinchot's writing after T. R.'s death. We have no statement of the thinking on the problem during his last 6 years after the completion of his autobiography, but we can be certain that had he survived to be elected President in 1920 we should have had many words on the subject from him, and that they would have been close in thought to those of his great friend and advisor Gifford Pinchot when, as Governor of Pennsylvania in 1925, he transmitted to the general assembly the report of the giant power survey board. By this time Pinchot was, as Roosevelt would have been, fully aware of the impact of electricity on our economy and our society. I commend this statement to the careful reading of any thoughtful person who would consider in these trying times where our society is going and where we would have it go, for much of Pinchot's description of the situation he saw developing is truer today by far than it was when he wrote it.

"THE ELECTRIC MONOPOLY

"(Governor Pinchot's message of transmittal of the report of the giant power survey board to the General Assembly of Pennsylvania (February, 1925))

"It is almost impossible to imagine the force and intimacy with which such a monopoly will touch and affect, for good or evil, the life of every citizen. The time is fully in sight when every household operation from heating and cooking to sweeping and sewing will be performed by the aid of electrical power; when every article on the average man's breakfast table—every item of his clothing—every piece of his furniture—every tool of his trade—that he himself did not produce, will have been manufactured or transported by electric power; when the home, the farm, and the factory will be electrically lighted, heated, and operated; when from morning to night, from the cradle to the grave, electric service will enter at every moment and from every direction into the daily life of every man, woman, and child in America.

"We complain, and with justice, that the cost of food doubles between the farmer who grows it, and the housewife who buys it. But if the cost of electric current only doubled between the generating station and the householder's meter the present rates would be cut into small pieces. Producers of electric current commonly sell it to large consumers for a fifth of a tenth of the price they charge to the head of a family, and for much less than the small industrial consumer pays. It is the small user, the average consumer, to whom the companies charge their highest rates.

"Nothing like this gigantic monopoly has ever appeared in the history of the world. Nothing has ever been imagined before that even remotely approaches it in the thoroughgoing, intimate, unceasing control it may exercise over the daily life of every human being within the web of its wires. It is immeasurably the greatest industrial fact of our time. If uncontrolled, it will be a plague without previous example. If effectively controlled in the public interest it can be made incomparably the greatest material blessing in human history.

"In the near future electric energy and its products will be as essential, as ever present, and as pervasive as the air we breathe. The unregulated domination of such a necessity of life would give to the holders of it a degree of personal, economic, and political power over the average citizen which no free peope could suffer and survive.

"The very existence, for example, of industries upon which the prosperity of Pennsylvania is based might be endangered by discrimination in favor of other States. This is no fanciful illustration, for the industries of Switzerland are suffering now from just such discrimination by Swiss power companies in favor of German, French, and Italian manufacturers.

"The situation is almost magical in its boundless possibilities for good or evil. On the good side, it is as though a beneficent power were about to shower upon us gifts of unimaginable beauty and worth. On the bad side, it is as though an enchanted evil spider were hastening to spread his web over the whole of the United States and to control and live upon the life of our people.

"No such profound change in economic life is possible without profound changes in law and government. It is the part of statesmanship by foresight to make these changes easy, and to take such account of the mistakes of the past that we shall neither pervert the possibilities nor disappoint the legitimate hopes with which we enter the new era of electricity.

"The greatest economic question

"What the new civilization to which giant power is leading will actually become no man can yet foretell. Steam brought about the centralization of industry, a decline in country life, the decay of many small communities, and the weakening of family ties. Giant power may bring about the decentralization of industry, the restoration of country life, and the upbuilding of the small communities and of the family. In this hope of the future lies the possibility of new freedom and great spiritual enrichment of individual life.

"Men can use steam power only where it is generated. That is why steam has concentrated vast numbers of people in industrial cities. In a steam-driven civilization the worker must go to the power, but in an electrically driven civilization the power will be delivered to the worker. Steam makes slums. Electricity can replace them with garden cities.

"Next to a supply of natural resources sufficient to feed, clothe, and shelter our people, this is the greatest of the economic questions which face the human race. I do not raise it. It has raised itself. But having forced itself upon us, there is but one course we can properly pursue: That is to look it squarely in the face, estimate its possibilities for good or evil, and address ourselves like men to the vast problem of adjusting the growing power of electricity to the growing needs of humanity, remembering that in any solution fit to last and capable of lasting the public good must always come first. Giant power is the best answer to this gigantic problem that has yet been proposed.

"This much is certain—that if we control it instead of permitting it to control us, the coming electrical development will form the basis for a civilization safer, happier, freer, and fuller of opportunity than any the world has ever known.

"No subject has come before you at this session, nor will any come, that holds within it so vital and far-reaching an influence as this over the daily life of the present and future men, women, and children of Pennsylvania and of the whole United States. For good or evil, for economic freedom or industrial bondage, this change is upon us. What it shall bring depends upon ourselves. Of a truth we are in the valley of decision.

"As Pennsylvania and the Nation deal with electric power so shall we and our descendants be free men, masters of our own destinies and our own souls, or we shall be the helpless servants of the most widespread, far-reaching, and penetrating monopoly ever known. Either we must control electric power, or its masters and owners will control us."

Today control of the electric industry is increasingly concentrated by the great financial houses of New York, by mushrooming interconnections between systems and by joint construction of mammoth generating facilities. The industry's political activity is concentrated, at least in Washington through the National Association of Electric Co's. and its propaganda activities involving millions of dollars of the rate-payers' money each year are directed through the centralized channels of the Electric Companies' Advertising Program (ECAP) and the Public Information Program (PIP), while in a thousand places across the Nation the political and economic pressure of the individual companies is applied to create conformity with their ideas.

I want to close by reading two brief excerpts from this Pinchot statement; he said:

"Nothing like this gigantic monopoly has ever appeared in the history of the world. Nothing has ever been imagined before than even remotely approaches it in the thoroughgoing, intimate, unceasing control it may exercise over the daily life of every human being within the web of its wires. It is immeasurably the greatest industrial fact of our time. If uncontrolled, it will be a plague without previous example. If effectively controlled in the public interest it can be made incomparably the greatest material blessing in human history.

"As Pennsylvania and the Nation deal with electric power so shall we and our descendants be free men, masters of our own destinies and our own souls, or we shall be the helpless servants of the most widespread, far-reaching, and penetrating monopoly ever known. Either we must control electric power, or its masters and owners will control us."

Mr. SALTONSTALL. Mr. President, this year especially we pay tribute to Theodore Roosevelt. I have always admired him as a man, and respected him for his courage as a soldier, and as a public official, who had the energy, the ability, and the imagination to antici-

pate the problems of the future, and to act with intelligence and in a forceful manner to solve those problems for the benefit of the citizens of our great country in a way that benefited them. He looked wisely far ahead. With characteristic candor he offered his answers to important questions before they really became problems, and thus made it possible for those of us who came after him to benefit from his public-spirited foresight.

Others have spoken of his life. I first met him when my father took me to the White House to meet him. He shook my hand with his well known vigor, made me feel at home in his presence, and gave me a stimulus toward public life that I have never forgotten; nor did I forget it in my later meetings with him.

His autobiography and other books written about him have added to my admiration for him. I have known his sons as college mates, and one of his daughters as a friend. We have much to benefit from his life. When we bear in mind the things he stood for we will ourselves act more wisely, more courageously, and more in the best interests of all our citizens.

I am glad to join briefly in this tribute to him in the year which marks the hundredth anniversary of his birth.

THE TWO ROOSEVELTS

Mr. JACKSON. Mr. President, today we honor the inauguration of two great American Presidents who bore the same name Roosevelt. One was a great Republican, Theodore Roosevelt; the other a great Democrat, Franklin Delano Roosevelt.

It is the 53d anniversary of Teddy Roosevelt's inauguration, the 25th anniversary of Franklin Roosevelt's inauguration.

In a sense, despite their different party affiliations, it is proper and fitting that they be honored simultaneously—for many of the same reasons. Temperamentally and ideologically, they were alike.

Both looked forward—not backward.

Both had the capacity to arouse their Nation to its best efforts.

Both were capable of leading their people in days of crisis.

Both were true conservatives in the sense of preserving the Constitutional cornerstones that keep us free, the natural resources that keep us strong, and the economic institutions that keep us prosperous.

Both were true liberals and nontraditionalists—unafraid of the future, unafraid of new ideas and unafraid of criticism.

Both men understood the meaning of the 20th century.

And both were men who knew how to keep their country strong at home and abroad.

In domestic policies, Teddy Roosevelt was the great champion of conservation of our natural resources. It was he who inaugurated our forest-conservation program, our reclamation program, and related public development of water for irrigation. It was he who championed the principle of comprehensive river development. It was he who set aside for future Federal multipurpose development such sites as Hells Canyon.

Franklin Roosevelt carried on where this first great Roosevelt left off. Under F. D. R., the great truths enunciated by Teddy Roosevelt were written into the Federal Power Act. F. D. R.'s dedication to these great truths built Grand Coulee and Bonneville in the West, and TVA in the South. Dedication to these truths reclaimed vast areas of arid land, and saved millions of acres from flooding. The application by F. D. R. of these great truths provided low-cost power which has stimulated the creation of new industry, new jobs and new wealth by private enterprise.

In economic matters, Teddy Roosevelt was a great progressive who believed that both organized labor and business had great contributions to make to our society. He fought trusts and monopoly and greed. He declared that big business must be made more an agent for social good. Some of the economic programs he supported called for prohibition of child labor, minimum wage standards, the 8-hour day, and social insurance. In many ways, he was ahead of his times.

F. D. R. shared Teddy Roosevelt's belief in the dignity of man and the people's ability to lift themselves by their own efforts. He provided the leadership that enabled them to recover from a great depression without impairing their individual liberties or economic freedoms. History will record him as the modern savior of capitalism. Many of his programs today are permanent institutions utilized and praised by those who once were their greatest critics.

In foreign policy, Teddy Roosevelt discerned some permanently useful principles.

Speak softly—

He said—

but carry a big stick.

Franklin Roosevelt lived by this philosophy as he led his Nation through treacherous times.

Teddy Roosevelt followed scientific thought with eager understanding. At Harvard, he won honorable mention in natural sciences. Before the age of science was fully upon us, he demonstrated capacity to understand it.

A generation later, Franklin Roosevelt demonstrated remarkable foresight in the field of science. When the atomic bomb proposal was laid before him, he conceived its implications and met the challenge. Not that he was unmindful of the gamble. For when he agreed to support the top-secret program to the extent of some $2 billion, he is reported to have said: "Either this will be the greatest thing that happened to mankind, or else we will have the darndest Congressional investigation in history if it fails."

Neither Roosevelt was a man of faint heart. Teddy Roosevelt rallied his people in 1902 with these words:

This country has never yet been called upon to meet a crisis in war or a crisis in peace to which it did not eventually prove equal. I believe in the future—not in a spirit which will sit down and look for the future to work itself out, but with a determination to do its part in making the future what it can and shall be made.

Franklin Delano Roosevelt said it in a simpler way in his first inauguration speech:

We have nothing to fear but fear itself.

Again, F. D. R. warned us:

The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

Today, as we honor these two great Americans, let the result be renewed faith in our future, renewed determination to surmount mighty obstacles, and renewed courage to face the unknown.

THEODORE ROOSEVELT, THE BUILDER

Mr. YOUNG. Mr. President, 53 years ago, on March 4, 1905, Theodore Roosevelt, known affectionately as "Teddy," was inaugurated President of the United States in his own right. He had first become President, the youngest man ever to assume that high office, when he was not yet 43 years of age, upon the death of President McKinley.

Theodore Roosevelt was a builder. He built up his own weak physique until he became known as one of the most physically strenuous of all our Presidents. We of North Dakota like to think that his robust health was a result of the years he spent as a cattle rancher in the Dakota badlands. In fact, he once said:

I never would have been President if it had not been for my experience in North Dakota.

In recent years, his ranch house has been moved from Elkhorn Ranch to the Capitol grounds in Bismarck, N. Dak.

He was a builder in his philosophy of government. He himself as an individualist with great willpower and determination. He inspired the American people with the same zeal for individual aspirations and for the expansion of the Nation, always with the rights of the individual paramount.

He is symbolized in the minds of all Americans as "Teddy, the trust buster," and by his motto in foreign affairs, "Speak softly and carry a big stick."

President Theodore Roosevelt started his public career in the New York State Assembly. His next bid for public office was when he was a candidate for election to be mayor of New York City. In this he failed. Later he was a member of the United States Civil Service Commission. That tour of duty alerted him to the problems of Federal employees, and the experience proved valuable when he became President.

When he returned to New York City as president of the New York Police Board, one of his first acts was to give wholehearted support to the merit system. In that he was activated, no doubt, by his experience as a member of the Civil Service Commission.

Theodore Roosevelt's next public service came when he was appointed Assistant Secretary of the Navy, under President McKinley. Here, again, he demonstrated his capacity for building. It was during that time that he instituted

Naval target practice, and gave to Commodore George Dewey his famous instruction to capture Manila in the event of war with Spain.

His most famous activity during the Spanish-American War was the organization of the United States Volunteer Cavalry, familiarly known as the Rough Riders. A great many of the volunteers in the Rough Riders were cowboys from the Dakotas and other Western States. He, himself, led the famous charge up Kettle Hill, at San Juan; and for his valor he achieved the rank of colonel.

Back in New York State, Theodore Roosevelt was elected Governor of New York. At once he showed himself to be a reformer and one who believed in self-reliant individualism. As Governor, he fought the spoils system, and achieved taxation of corporation franchises—a prelude to his trustbusting activities on the national scene.

In his first message to Congress, when he became President, Theodore Roosevelt urged control of huge concentrations of capital, but in such a way as not to interfere with the unbounded prosperity of of the Nation. At his insistence, court proceedings were brought under the Sherman Antitrust Act, and many holding corporations were dissolved.

It was largely due to the farsighted efforts of Theodore Roosevelt that construction of the Panama Canal was begun. He fostered the building up of the merchant marine. His Square Deal and political acumen improved the position of the United States, both domestically and in foreign relations.

Measures for the welfare and improvement of the American people which were enacted under the Theodore Roosevelt administration include such important ones as the Pure Food and Drug Act of 1906, and the Meat Inspection Act of 1907, both important to the health of our citizens.

Also enacted under President Theodore Roosevelt were several laws improving the conditions of labor, such as the first limitation-of-hours legislation for rail carriers—1907—a Railroad Employee Compensation Act—1908—and a Compensation Act for Government employees.

Mr. President, Theodore Roosevelt was the first, the foremost, and, by far, the most powerful advocator of Federal programs dealing with soil and water conservation. Undoubtedly, his years of outdoor life gave him a keener insight into this great need than that of any other President of the United States. Largely because of his long years of tireless work and great enthusiasm for these programs, Congress, while he was President, passed the first basic Reclamation Act in 1902. This law to this day is the basis of all our reclamation laws.

In foreign affairs, he followed his policy of speaking softly, but carrying the big stick of adequate defense. He discouraged the aggressive German attitude toward Venezuela, and made an impressive display of American strength by sending the fleet around the world. He successfully intervened to bring about a settlement of the Russo-Japanese war. World War I found him ready again to go into battle for what he deemed a worthy cause. In fact, he tried to organize a division, but met with the disapproval of President Wilson.

Always the builder and the explorer, Theodore Roosevelt opened new worlds to many people. These roads led to freedom from exploitation of the weak by the powerful. To new vistas of our West and the reclamation of lands for the people's use, and to the protection of the workingman. These roads led, too, to the exploration of the River of Doubt, in Brazil—a river now known as Rio Roosevelt. His exploration there resulted in opening up new territories.

On this 53d anniversary date of his inauguration, it is fitting for the American people to pay tribute to President Theodore Roosevelt, the man, the leader, the builder, the true American, whose thoughts and deeds were always of the individual and the people of this great Nation. North Dakota is particularly proud to join in this tribute.

Mr. PROXMIRE. Mr. President, I, too, rise today to pay tribute to two great Americans who bore the name of Roosevelt.

It was 53 years ago today that Theodore Roosevelt was inaugurated for his first full term as President; and it was just a quarter of a century ago that, for the first time, Franklin Delano Roosevelt took the oath of office as President.

These two Presidents had much more in common than the magic name they shared.

Both knew physical handicaps heavy enough to stop most men, and both fought through to a triumph of spirit over flesh.

Both loved life, with a buoyant vitality that communicated itself to lesser men, making their lives, too, more exciting and their dreams more audacious.

Both came to the Nation's highest office in an hour of national peril—not the peril of the foreign foe, against whom patriots unite without hesitation, relieved that the die is cast; but the peril within, of failure and self-doubt, that paralyze the will.

When Theodore Roosevelt came to the White House, public confidence in the Government was low. A half century of exploitation of the resources of the country by men who did not hesitate to corrupt the Government to gain their own ends had made men doubt that the great Government of the United States really belonged to the people. The workers, the farmers, and the small-business men believed, with good reason, that they had been barred from opportunity to share equally in the bountiful life they had made on the new continent.

Theodore Roosevelt changed all that. He purified and revivified the Government, and restored men's confidence that the Government could be a powerful tool for the people's ends. He began the slow, but vital, process of conserving and replenishing the Nation's great store of natural resources. As much as any man, he understood that the Presidency is a place of moral leadership—as he put it, a bully pulpit. Thus he set the tone of public and private life.

When Franklin Delano Roosevelt came to the White House, many men doubted that the American experiment in free government and free enterprise could survive. Sixteen million men stalked the drab streets of a country brought to its knees by depression. With productive capacity beyond that achieved by any other people in history, the American people could not feed, clothe, or house one-third of their number beyond the bare level of subsistence.

The clear, confident voice of Franklin Roosevelt rang through the land that blustery March day. What man who heard them will ever forget the words: "The only thing we have to fear is fear itself"? From that moment, confidence began to flow through the Nation, like the blood of life. Franklin Roosevelt preserved the free-enterprise system, and once more put government to work for all the people.

Today, we commemorate the two great men who bore the name of Roosevelt, and in so doing we pay tribute to the best that is in us all.

THEODORE ROOSEVELT POINTED THE WAY

Mr. KUCHEL. Mr. President, as a Senator from a State which has benefited immeasurably from the farsighted policies advocated and put into operation by Theodore Roosevelt, it is appropriate for me to join in the observance of the 53d anniversary of his inauguration as President of the United States. I wish to point how continuing are the progressive programs which he instituted while he was Chief Executive of our Nation.

There is an extraordinary relationship between Theodore Roosevelt and California. Even today, the population of our State includes a number of enthusiastic Bull-Moosers whom I respect deeply, some of whom I am fortunate to call my friends. A substantial number of my colleagues with much longer service in this body than mine, recall fondly, I am sure, one of the illustrious predecessors of the present Senators from California who in 1912 was a founder of the Progressive Party of Theodore Roosevelt, and who was the great Teddy's running-mate as candidate for the Vice Presidency in that year—the late, great Hiram W. Johnson, who for many of the last years of his life sat in the front row in this Chamber.

In 1912, Theodore Roosevelt and Hiram W. Johnson led a nationwide political crusade. In the Republican National Convention that year, charges of fraud underscored the fermenting cleavages among leaders and the rank and file of my party. Accusations that they were bought and paid for were hurled against some convention delegates. Bitter fights took place between rival delegations from several States. Thus was born the Progressive Party. "We stand at Armageddon and we battle for the Lord," said T. R. And across the country, men of stature and of prominence rallied to the Bull Moose banner which, years later, Hiram Johnson referred to as "the most glorious political experiment" of our country. That year, the normal Republican strength in America divided between the Republican ticket and the Progressive ticket; and the Democratic Party prevailed. With the passing of time, most of the Progressives came back into the Republican fold.

Teddy Roosevelt preached and practiced an unerring conviction that a political party must ever be responsive to the needs of the people and that only when it discharges honorably its obligation to serve the people will it merit, and receive, the people's faith. The same basic philosophy must continue to be our Republican creed.

Perhaps the westward course of our population, the urge for new frontiers, and the demand for living space, would have brought California ultimately and inevitably to the outstanding position it now occupies. But I am certain that our growth would have been slower and our present bounty probably not so great had not this man of vision and action served our Nation and had the opportunity to institute various reforms and initiate forward-looking measures which have played a great part in our development.

Others will recall Teddy Roosevelt's service to the Nation in a variety of roles. I need not remark at length on the way he fought corruption in politics, fostered the merit system in civil service, sponsored food and drug regulation, attacked monopolies and arrogant aggregations of wealth which were undermining the public welfare, and won the Nobel peace prize.

As a native Californian, as a descendant of pioneers who joined the westward migration over a century ago, I am thankful that Theodore Roosevelt laid the foundation for our system of reclamation and irrigation and power, that he brought into being the national forests and national monuments which are a priceless resource, and that he turned back land thieves and plunderers of our natural resources.

California is an imposing example of what the preservation and carefully planned utilization of natural resources can mean to subsequent generations. The thriving and diversified agriculture of our State never would have reached its present vigor without water from irrigation and reclamation projects constructed under the formula established by the law Theodore Roosevelt fathered. Our State today has more than one-tenth of the Federally-owned real estate in the United States which is devoted to forests and wildlife. In California, 19,142,000 acres are held for recreational uses, watershed protection, bird and game refuges, and as a foundation for our significant lumbering and mining industries.

Theodore Roosevelt thoroughly appreciated the worth and importance of California's rugged and unique terrain and tremendous natural resources.

Reclamation projects benefiting California were among the earliest set in motion under Theodore Roosevelt's sponsorship. The first of these were interstate developments, thus showing how orderly regional planning can advance the welfare of America. The Klamath project, serving homesteaders and settlers in both California and Oregon, was a direct result of his Reclamation Act, authorized as it was by Roosevelt's Secretary of the Interior in 1905. It was followed by the Orland project, authorized 2 years later. Another bi-State undertaking, the Yuma project, opening the door for development of the lower Colorado in both Arizona and California, was found feasible during the Roosevelt Administration, and the first money toward its construction was allocated in 1904.

These works were forerunners of such vast and vital engineering feats as Hoover Dam, the All-American Canal, and the Central Valley project, along with many others less spectacular but equally beneficial, constructed under the Roosevelt-sponsored Reclamation Act. We in California today are carrying on the precedents and practices which he established for the Nation through such development as the Trinity Division of the Central Valley project, currently under construction in accordance with the law which Congress passed 3 years ago.

Theodore Roosevelt, who inspired explosive growth in forestry affairs, moulded policies which benefited California through protection of our timber and watersheds. Following his reorganization of Federal agencies into the Forest Service in 1905, a speedy presidential proclamation created Plumas National Forest in California, to be followed by many more stretching the length of our State.

California also attracted his attention when our Government undertook to preserve for subsequent generations areas of purely scenic beauty and unusual geographical and geophysical attributes. Passage of the National Monuments Act in 1908 set aside Muir Woods and Pinnacles National Monuments in California.

In many ways, California's very prosperity and economic health are founded on national policies all identified with Theodore Roosevelt, the father of reclamation, the ardent advocate of conservation. By these ceremonies today, we demonstrate anew that along with all America, California believes in and adheres to his philosophy. We will continue his battle to achieve his goals of meeting and serving the needs of all the people.

Mr. PAYNE. Mr. President, I ask unanimous consent that a statement I have prepared in connection with the 100th anniversary of the birth of Theodore Roosevelt may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE ON THE 53D ANNIVERSARY OF THE INAUGURATION OF THEODORE ROOSEVELT AS PRESIDENT OF THE UNITED STATES

This year the entire Nation will observe the 100th anniversary of the birth of Theodore Roosevelt. Today, however, we commemorate in conjunction with this centennial observance the 53d anniversary of his inauguration as President of the United States.

Since few men have served the high office of the Presidency with more energy, decision, foresight, devotion, and honesty than Theodore Roosevelt, it is fitting that we pause on this day to pay our respect to this outstanding American.

Some have said that Theodore Roosevelt represented an era. Mr. President, I believe that this is gross understatement. He did much more than represent an era, he created one. Few men in the history of our great Nation had more vision, imagination, and insight than Theodore Roosevelt. At a moment when the entire world and even many Americans underestimated the potential role which the United States was to play in the affairs of the world, Theodore Roosevelt peered into the future, recognized the many great challenges which would confront this Nation in a shrinking world and one increasingly enmeshed in the web of power politics, and set into motion the pattern of domestic and international policy which was to prepare America for the great role it was to play. As he himself said: "Our Nation is that one among all the nations of the earth which holds in its hands the fate of the coming years. We enjoy exceptional advantages, and are menaced by exceptional dangers; and all signs indicate that we shall either fail greatly or succeed greatly. * * * Here is the task, and I have got to do it."

History bears witness to the fact that Theodore Roosevelt did indeed accomplish the task.

At home and abroad he labored to achieve a necessary goal: to establish the power and responsibility of the United States Government for the preservation of democracy. On the domestic front he brought the full weight of the Government to bear upon both the robber barons and the extreme labor agitators both of whose activities were akin to anarchy. In both cases the United States Government became the supreme protector of the just rights of all. Although Theodore Roosevelt was the first American President to undertake successfully an antitrust suit, and although he was the first President to mediate between management and labor, he nonetheless insisted that extreme positions by either management or labor could not be tolerated. As he once said: "I wish the labor people absolutely to understand that I set my face like flint against violence and lawlessness of any kind on their part, just as much as against arrogant greed by the rich." With this philosophy, Theodore Roosevelt undertook to preserve the democratic rights of all Americans and made the United States Government an effective instrument of this policy.

On the international scene Theodore Roosevelt set out to promote United States self-interest in world peace and world order, and as his term of office ended, America had emerged to a position of world leadership, had concretely demonstrated its intent to protect its interests against all predatory powers, and had embarked upon a role which it has played ever since in the realm of international relations: the preservation of liberty by peaceful means if possible, by force if necessary.

Through his efforts the Monroe Doctrine, cornerstone of American foreign policy, was implemented, and European powers were deterred from encroaching in Latin and South America and the Caribbean. As a result of his action the way was cleared for the construction of an American canal to connect two of the world's great oceans and to make possible the adequate protection of both our seacoasts by the power of an improved United States Navy. As a result of his intervention a war between Russia and Japan was concluded, and America directly shook off its mantle of strict neutrality and entered the international scene with prestige as its position demanded. And, of course, little need be said of the Great White Fleet which officially inaugurated the United States as a significant member of the community of nations and which gained for America the respect and recognition it highly deserved.

Yes, Theodore Roosevelt did not represent an era, he created one. He contributed enlightened and decisive leadership at a time when America most needed it, at a moment when our Nation was on the threshold of change from adolescence to maturity. His

leadership set the pattern which America was to follow and which was to prepare her for the greatest of all challenges: leadership of the entire Free World. We may well constantly remind ourselves of his qualities as a leader in these days of tension. We may well learn from his example as we attempt to meet the complex challenges of our times. His courage, his vision, his honesty, his resoluteness and self-command, and his fearless and energetic devotion to duty make up a most invaluable legacy left to us by Theodore Roosevelt. This great American, 53 years after he took office, remains in our day as he was in his own day, a great inspiration to all freedom-loving people.

Mr. NEUBERGER. Mr. President, I think it is a singularly welcome coincidence that the Senate today commemorates milestones in the lives of two great American Presidents. These are the 26th President of the United States, Theodore Roosevelt, and the 32d President of the United States, Franklin Delano Roosevelt.

There is not time now to eulogize these men in detailed connection with their many achievements. However, I believe there is a very striking and fortunate parallel between their careers, particularly in the realm of conservation of our natural resources.

Theodore Roosevelt was the first great conservationist to lead the Government of the United States. I believe that long after every single person presently a Member of the Senate is gone, Americans will revere Teddy Roosevelt because he set aside the great wildernesses and upland reserves which we know as national forests.

I feel particularly conscious of this achievement because my own State of Oregon contains national forests of greatest value anywhere in the Nation. Neighboring States, such as Idaho, Montana, and Washington, also contain great national forests, from which our people get lumber, where farmers have grazing meadows, where there is mining activity and watershed protection, and where much wildlife, birds, and fisheries in the Western United States have protection.

Several years ago I wrote a brochure for the Public Affairs Committee entitled "Our Natural Resources—and Their Conservation." I ask unanimous consent to have printed in the RECORD at this point that brief portion of the pamphlet which refers to the heroic effort of Theodore Roosevelt and his great forester, Gifford Pinchot, to set aside upland reserves, which today all Americans know as national forests, and which 40 million or 50 million Americans visit each year in order to have recreation and get inspiration in the great American outdoors.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE CONSERVATION MOVEMENT BEGINS

The destruction of these two living things—one a frail bird, the other a 1,000-pound beast—dramatized to Americans the wasting of their resources far more vividly than could be the despoiling of such inanimate objects as trees and sod.

In this atmosphere, the conservation movement was born. The American Bison Society had been formed to save and rebuild the scattered remnants of that species. The first great national park (Yellowstone) was set aside as early as 1872, although the National Park Service itself was not created until 1916. The power of the President of the United States to set aside public domains as forest reserves dates back to 1891.

Many elements united to make conservation a reality in the United States. The gifted naturalist, John Muir, had been trying to educate people to the protection of the Grand Canyon of the Colorado and of the Yosemite's plumed waterfalls before it was too late. E. H. Harriman, the railroad magnate, had given financial backing to some of Muir's ideas. Gifford Pinchot, a graduate of Yale, had become America's first professional forester. He was arguing that forestry could not be separated from soil erosion and flood control, because a permanent cover of trees was the most effective way to retard waters coursing off the mountains. This thesis seems commonplace today, but, at the start of Pinchot's career, it was highly controversial.

Such men as Pinchot found their leader in Theodore Roosevelt, 26th President of the United States. The President was fascinated by the outdoors. He had hunted and tramped through the States of the West, and for a time he had been a cattle rancher. He listened carefully when Pinchot told him that the continued survival of America's wildlife, forests, and rivers involved one central problem—conservation. Otherwise, Pinchot warned, the United States might find itself short of raw materials and supplies at an earlier stage in its history than any other great nation.

SETTING ASIDE OUR VAST NATIONAL FOREST RESERVES

President Roosevelt sponsored the White House conference of 1907, which resulted in the establishment of departments of conservation within many State administrations. More important, the President put his prestige and popularity behind Pinchot's recommendation that most of the remaining forested uplands belonging to the United States Government be reserved for all time. Under Federal supervision, they then might be developed for what Pinchot called multiple use. He emphasized such uses as grazing of domestic cattle and sheep, selective lumbering, watershed control, preservation of wildlife, and wilderness recreation like fishing, camping, and hiking. If the forests were managed properly, they might provide all these benefits and still endure permanently. Logging operations, for example, would be patrolled by forest rangers. "Only mature trees could be cut, and the total volume of lumber felled would have to be kept approximately in balance with the new growth.

Today, we know these vast reserves as national forests. They cover a total of 161 million acres in continental United States. This is larger than all of France and nearly equal in size to the State of Texas. When we consider that only 1 acre is about the extent of a standard football field, we get some idea of the dimensions of the national forests. There are 150 separate national forests. Although 84 percent of the country's national-forest acreage lies within the States of the Far West, these reserves dot the Nation from coast to coast. Some are in the beautiful White Mountains of New Hampshire, some in the southern Appalachians, while others guard the distant shorelines of California and Oregon with great timbered capes and headlands.

Because of the fame of Old Faithful Geyser, of Mount Rainier, more Americans probably are aware of national parks than of national forests. National parks, moreover, are exclusively dedicated to recreation and travel, whereas the forests also can be devoted to reservoirs, mines, logging camps, and even sawmills—so long as these functions do not impair what Pinchot described as the greatest good for the greatest number in the long run. But because they blanket at least a dozen times as much land as the national parks, the forests undoubtedly are more significant to conservation generally. People in such busy western cities as Denver, Portland, and Seattle, for example, depend upon national forest watersheds for a pure and ample drinking supply. In addition, the establishment of the national forests provoked one of the bitterest controversies of American political history. Many timber operators regarded these public reserves as a peril to employment and free enterprise. They wanted the western solitudes left wide open to ax and saw. Western politicians were induced to denounce Theodore Roosevelt and Pinchot as reckless theorists, who were catering to bird watchers and dreamers and poets.

WHEN THE COLORFUL RANGER GOT HIS START

Of equal importance with the creation of the national forests was the fact that the United States Forest Service was established in the Department of Agriculture to administer the reserves. Thus came into existence the organization which undoubtedly has occupied a larger role than any other Government agency in the conservation and prudent use of the resources of the United States. For almost half a century the United States forest ranger in his green shirt and broad-brimmed hat has been a symbol of stamping out fires, of patrolling grassy uplands against erosion, and of reseeding groves which have been clear cut.

The original instructions sent by President Roosevelt's Secretary of Agriculture, James Wilson, to the first Chief of the Forest Service, Gifford Pinchot, set the tone for the organization's future responsibilities:

"In the administration of the forest reserves it must be clearly borne in mind that all the land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies. All the resources of the forest reserves are for use, and this use must be brought about in a thoroughly prompt and businesslike manner, under such restrictions only as will insure the permanence of these resources. * * * The continued prosperity of the agricultural, lumbering, mining, and livestock interests is directly dependent upon a permanent and accessible supply of water, wood, and forage."

Out of this beginning have come not only Government efforts in the realm of conservation but also many of the national citizens' organizations concerned with the problem. The Izaak Walton League, the National Wildlife Federation, the Wilderness Society, the Sierra Club, the Wildlife Management Institute, the Audubon Societies, the Roadside Councils—these are a few of the groups which try to mobilize Americans to prevent raids on the resources still remaining in public custody.

Practically everybody has followed some of the controversies in this field. Conservationists protested the plan of commercial lumber operators to open up 225,000 acres of the famous rain forest in the Olympic National Park to logging. They fought off the proposal that a reservoir flood out some of the most picturesque gorges of the Dinosaur National Monument. They demanded that the Three Sisters wilderness area be kept to its present boundaries—and not reduced for tree-cutting purposes. They tried hard, but in vain, to prevent the Defense Department from taking over part of the Wichita National Wildlife Refuge for an artillery range. They opposed suggestions that hunting rules be relaxed to permit longer hours of shooting at dusk, when wildfowl are settling on their ponds and marshes. They have criticized plans to blockade with dams some of the waters of our loveliest national parks.

A number of these controversies have reached the floor of Congress and made spectacular headlines. In 1954, a bill was introduced to allow large lumber companies to

exchange some of their own land, under certain conditions, for choice acreage inside the national forests. Virtually all conservation organizations were against the bill, which was defeated in the House of Representatives after a tense debate by a vote of 226 to 161. That same year a bill to grant increased national-forest grazing privileges to private stockmen was tabled in the House after adoption by the Senate. In this instance, too, emphatic opposition by conservation groups was undoubtedly the decisive factor. They insisted that 18,000 ranchers did not deserve rights superior to those of millions of recreationists.

SOME OF OUR ORIGINAL PUBLIC DOMAIN SURVIVES

The original domain which belonged to our Government as a result of exploration and conquest and treaties, is now only a fraction of what it once was. Yet, it still comprises an impressive and far-reaching realm. This is how it is divided:

	Acres
National parks and monuments	14,000,000
National forests	161,000,000
Public-domain grazing districts	[1] 160,000,000
Indian reservations	56,000,000
National defense areas	14,000,000
Wildlife refuges	10,000,000
Total	415,000,000

[1] Includes Federal timberlands which have reverted to the Government through violation of railroad land-grant terms.

As our demands become greater and more complex, debate continually centers upon the future of these lands and the resources which they harbor. Such pressures are intense in a nation that is producing more goods, for defense as well as for normal peacetime uses, than any other country in the world. President Franklin D. Roosevelt called America the arsenal of democracy, and his description still holds true.

I recall camping in a mountain meadow in the rugged Wallowa Range of Oregon with a lean forest ranger named Grady Miller. Lodge-pole pines dotted the thick grass. Granite peaks loomed like fangs overhead. We washed our tin plates and cups at a creek where migratory salmon once had spawned—from the distant mouth of the Columbia River, 750 miles away. The fish runs long since were gone, blocked off by pollution and unscreened irrigation ditches in the valleys far below. With pensive eyes, the ranger looked down the foaming staircase of the creek toward salt water.

"Civilization and fish don't mix," said he.

Mr. NEUBERGER. Theodore Roosevelt also said; in a message to Congress on February 26, 1908, and these words should be important to every American who cherishes our water resources:

Every stream should be used to its utmost. No stream can be so used unless such use is planned in advance. When such plans are made, we shall find that, instead of interfering, one use can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such.

That doctrine which Theodore Roosevelt set out was carried to fruition by Franklin Delano Roosevelt, when he became President of the United States, in such great projects as Grand Coulee, the Tennessee Valley, Bonneville, and many other huge undertakings on the mighty rivers of this country. Those rivers were put to work for all the people. All the resources of each of the rivers were considered as a unit. Thus waterpower, reclamation, flood control, fisheries propagation, and all other use possibilities of those surging waterways were utilized for all the people.

As I have emphasized, while it is significant that Theodore Roosevelt set aside the national forests, when Franklin Delano Roosevelt became President he created the Civilian Conservation Corps, which took young men who were in despair because of unemployment off the streets of great cities and put them to work in the forest areas, building footpaths, campgrounds, lean-to's, and other facilities. Thus, while Theodore Roosevelt set aside and saved the national forests, it was during the administration of Franklin Delano Roosevelt that those forests were made to serve the fullest utilization by all the people.

There is one other characteristic or trait of these two great leaders which they had in common. Both had reserves of strength of character to overcome grave physical handicaps. As the minority leader emphasized earlier, Theodore Roosevelt was a sickly young man, but he went into the Dakotas and elsewhere in the magnificent American outdoors and regained his health, to rise to political leadership in this country.

Franklin Delano Roosevelt, in 1922, when then nearing 40 years old, was overcome by polio. He could not walk. He could not rise from his chair. He could not move across the room. Mrs. Neuberger and I recently saw the moving play Sunrise at Campobello, which emphasizes those 2 years in his career, when he conquered the effects of polio and returned to prominence again, to some extent in 1924, in the Nation.

I wonder how many Americans, during the time when Franklin Delano Roosevelt was leading us against the great depression and later against the forces of international gangsterism, thought of the fact that this great leader, the only one to have been elected President of the United States four times, was not able to rise from his White House desk without crutches, braces, or being assisted by his family or staff?

It seems to me that commemoration is not only a monument to Franklin D. Roosevelt, but it is a monument to the character and depth of understanding of the Nation which elevated him to leadership.

Mr. President, in conclusion I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article from American Forests magazine of February 1958, which highlights some of the further achievements of President Theodore Roosevelt in the field of conservation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTY YEARS OF CONSERVATION

Historians who attempt to downgrade former President Theodore Roosevelt to the ranks of the near-great got short shift from Ernest S. Griffith, Director, Legislative Reference Service, the Library of Congress, in the first of a series of six lectures sponsored by Resources for the Future on Natural Resources Conservation in the United States—History and Prospects. Topic of the first in the series at Washington's Cosmos Club last month was "Fifty Years of Conservation Thought and Action" and Mr. Griffith was the principal speaker.

"The age found the man," Dr. Griffith said in speaking of the first Roosevelt era. "It is currently fashionable in academic circles to belittle the achievements of Theodore Roosevelt. Most historians would now downgrade him to the ranks of the mere near-great. No longer does the monument of Mount Rushmore with its Washington, Jefferson, Lincoln, and Roosevelt represent even the popular verdict, not to mention the considered judgment of our scholarly elite. The glamor of the other, later, Roosevelt, with his hospitality to ideas and eggheads, the world stage on which he played his part; the scholarly leadership of Woodrow Wilson; the political drama of Andrew Jackson, even the achievements of a Polk are preferred. Yet, there are values and a type of greatness which a scholarly icicle can never know; there is a type of leadership which a detached positivist can altogether miss. The greatness of Theodore Roosevelt lay, not in a list of specific administrative acts, or a catalog of laws enacted under his sponsorship, substantial though both of these were. His greatness was a kind of sursum corda (lift up your hearts), the activizing of a nation's conscience, the dramatizing of a nation's unfinished business, the energizing of much of the moral public leadership of his day—and of the next 50 years—by the impact of his personality. Harold Ickes, Henry Stimson, Charles Evans Hughes, yes, even Franklin Roosevelt, have given generous credit to this dynamic of their formative years. In no field was this more true than of conservation."

An approving Cosmos Club audience that included many of the leading conservationists in America heard Dr. Griffith develop his thesis that the energizing force of T. R. aided by the necessary expertise of Gifford Pinchot, impressed on the public conscience once and for all the values in land, water, forest "never again to be lost." Thus conservation, that was given another tremendous booster shot years later by a second Roosevelt, has flowered and matured despite a persistent pluralism—geographic and economic—that has blocked many efforts at a more national and integrated approach to the subject. At the same time, it is this geographic pluralism that "has been the lifeblood of multiple-purpose river basin development—though often tying such development into knots of internal contradiction. Both types of pluralism have found "expression in institutional counterparts, in Federal bureaus with special interest clienteles, in regional authorities and administrations in Congressional committees.

"Most of the abortive moves to transfer certain resource functions to the States have been largely inspired by local economic interests," Dr. Griffith said, "though usually defended on constitutional grounds. Localism for many years blurred the effectiveness of national administration, as the populace and their representatives in Congress rallied to the support of those whose habitual way of making a living regardless was threatened by administered conservatism. National planning has made headway, but at least in part as it has forced divergent local interests to face their problems together. Finally there has been the dilemma of the spiritual versus the material, perhaps never more plainly articulated than by Theodore Roosevelt, but expressing itself more intensely today as the shortcomings of urbanism become increasingly apparent."

While there are many interwoven strands in the conservation pattern, Dr. Griffith believes that the national movement has gradually flowered and today finds us "a more mature people" with our "hierarchy of values rearranged somewhat, and for the better." To unite science and conscience would seem

to present the chief challenge to the movement in the years ahead, he concluded.

Did other participants on the program agree that 1958 finds conservation matured as compared to 1908 (the governors' conference)? Two of three other speakers agreed in general that this is true. Dr. Samuel T. Dana, dean emeritus, School of Natural Resources, University of Michigan, agreed that today "planning" is no longer a dirty word. However, one aspect of conservation which deserves more emphasis than it commonly receives is "thrift in consumption," Dean Dana said. We are still an exceedingly wasteful nation, he said, citing that "the greatest drain on natural resources comes not so much from the increase in population as from the constantly rising standard of living. During the last 50 years, our consumption of nearly every product of the land has been greater than during all the previous years in our history. No one regrets that what was a luxury for the father has become a necessity for the son; but does that necessity require a prodigality in use that leads to unnecessary waste? Could we not live comfortably without consigning so much material to the trash burner and the dump heap? Growing 2 trees where 1 grew before is no more effective in meeting our needs than is making 1 tree do the work of 2. Science is helping greatly in this direction by developing new uses, new materials, and new processes which permit the more economical use of natural resources, but personal restraint in limiting our consumption to our real needs would constitute an important contribution to the same end, perhaps with desirable moral as well as physical results."

While "planning" may no longer be a dirty word, on the other hand, an appraisal of relative values and the allocation of uses to specific pieces of land is becoming more difficult, Dean Dana said. We are still a conspicuously wasteful people, he again stressed, although today "our prodigality is more evident in the consumption of finished products than in the harvesting of raw materials. The apparently never-ending increase in population and in standards of living raises new problems and intensifies old ones. These can be solved only by research on an ever-widening scale and by prompt and widespread application of the results. Whether progress in the next 50 years will be more substantial than in the last 50 depends on our ability, in Dr. Griffith's happy phrase, to unite 'science and conscience.'"

A third speaker, Henry C. Hart, assistant professor of political science, University of Wisconsin, said as the world and America have filled up with people, resources have tended to lose their fixed limits both as to place and subject but the need to consider their interrelationship has increased. TVA is no lonely experiment as some would choose to regard it, Professor Hart reminded his audience. India has copied it directly and the same is true elsewhere—an indication that there was more to the American conservation tradition than husbanding the resources of our homeland.

Professor Hart indicated that he for one was not too greatly concerned over the fact that conservation has enjoyed comparatively little direct Presidential leadership. The reason for this is the fact that conservation no longer expresses a self-justifying purpose because resources have become means to ends as diverse as growing proteins. Theodore Roosevelt's conservation crusade stood concerted and largely independent; Franklin Roosevelt's conservation programs were means to recovery and victory as well as to restoring a natural harmony, he pointed out.

"It is not necessarily a backward step that the Council of Economic Advisers and the National Security Resources Board replaced the National Resources Planning Board," Professor Hart said. "More and more we have been conserving for something that seems more nearly ultimate."

Conservationists of today, Professor Hart stressed, should regard themselves not so much as crusaders as researchers and teachers in dozens of new and exacting sciences which present entirely too broad a panorama for any one man to completely comprehend. Twenty years ago there was a proposal for a Department of Conservation. Now we aim at staffing the President and the Congress better to see the connections among the necessarily separate programs. There is no Armageddon, but a lot of brush fires on pollution, power, flood control, wilderness areas, military versus economic uses of the atomic nucleus.

A fourth speaker, Prof. Samuel P. Hays, assistant professor of history, University of Iowa, had reservations as to whether conservation has matured—at least along the lines laid down by such leaders as Roosevelt, W. J. McGee, and others. These men were "intensely optimistic * * * in their abundant faith in technology as the key to human progress." he stressed, and while it persisted in the 1930's under the leadership of such men as Morris L. Cooke and David E. Lilienthal, it has now been supplanted by the Malthusian pessimism of Vogt's Road to Survival and Osborn's Our Plundered Planet. These later day prophets stress the enormous problem of population growth and the world's limited food supply. Technology is not enough; the pressure of population itself must be reduced, they contend.

"The conservation movement, then has not progressed in one direction from beginnings to maturity," Professor Hays said. "Instead, it has radically altered its course. It has shifted from an open, optimistic hopeful movement to a more rigid, pessimistic one, deeply affected by a fear for human survival."

Whether this is indeed maturation is open to debate, he believes. Professor Hays also challenged what he called the "mythology of conservation" which he claims has often clothed conservation in spurious garb that has thoroughly garbled needed programs of planned development and exploitation, in which Teddy Roosevelt believed, and presented them as greedy grabs for land. As a result, an observer can choose between the values in many such cases only with the greatest of difficulty, Mr. Hays said, and to "simplify the choice by invoking the mythology of the moral battle between public and private interest is to distort the issue.

"No such juggling of symbols can obliterate the fundamental conflict between preservation and development as perennial and competing public values," he said in pointing to one prominent irrigation leader who complained during the fight over the dam in Dinosaur Monument that "we are conservationists too."

Mr. MUNDT. Mr. President, 1 year ago today the Senate, as well as the House of Representatives, devoted an hour or so of their proceedings to the occasion of the 168th anniversary of the meeting of the First Congress. At that time there were delivered lauditory speeches about Alexander Hamilton, since such commemorative addresses were a part of the program of the Alexander Hamilton Bicentennial Commission.

I think it is very fitting today, on the 169th anniversary of the first meeting of the Congress of the United States, and the 53d anniversary of the Presidential inauguration of Theodore Roosevelt, that we are having a series of speeches reflecting upon his life and his achievements.

Mr. President, as one of the two members of the Theodore Roosevelt Centennial Commission representing the United States Senate, I should like to take this opportunity to address a few comments with regard to, and in support of, the joint resolution which was introduced earlier today by the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], on behalf of himself, my worthy colleague on the Commission, the junior Senator from Wyoming [Mr. O'MAHONEY], and myself.

It is, indeed, fitting and proper that this joint resolution, calling for a rededication of the American people to the responsibilities of free citizenship, should be introduced on this, the 53d anniversary of Theodore Roosevelt's Presidential inauguration and the 169th anniversary of the first meeting of the United States Congress. For it is in no way a rhetorical extravagance to state that there have been few men, if any, in our great American history who were more resolutely dedicated to the responsibilities of free citizenship than was Theodore Roosevelt. T. R.'s determined belief in free citizenship and its attendant responsibilities was vividly displayed by his courageous action with the immortal Rough Riders in Cuba. T. R. left the comfort and prestige of his position as an Assistant Secretary of the Navy to assume the deputy command of the hardy Rough Riders, who so gallantly aided the Cuban patriots in overthrowing the oppressing and autocratic rule of the Spanish Empire.

The Cuban episode is only one of many exploits which clearly exhibited Roosevelt's unshakable belief in the essential superiority of free government. He was acutely conscious of the toil, hardship, and struggle which had preceded the institution of our American democracy, and he further recognized the continuing efforts and sacrifices which are necessary to insure its preservation.

Fifty-three years have now elapsed since Theodore Roosevelt's Presidential inauguration, and in this half-century period the United States has made outstanding gains as a nation. Our progress in the areas of science, technology, and industrial productivity have provided us with the highest standard of living in the history of the world. The United States has, in the past 50 years, emerged as the recognized leader of the free world nations. Unfortunately, our spiritual and social advancement has not kept pace with our material achievements. We have, on occasion, been blinded by the brilliance of our own technological accomplishments, thereby losing sight of the essential greatness of this Nation. This country's true greatness lies in the fact that it is a Nation governed by laws and not by men; and the laws by which we are governed are the product of the free and thoughtful expressions of the free men whom they govern.

With the formation of the United States from the Original Thirteen Colonies, the world witnessed the beginning of the greatest social experiment ever known to man—a Nation firmly dedicated to the proposition that men could

live together and prosper together as a nation under God, free from the oppressive dictates and uncontrolled authority of an autocrat. There can be little doubt that at this stage the experiment has been a magnificent success. This success has been no mere happenstance, or occurrence of good fortune. Our achievements to date have resulted from the dogged determination and untiring efforts of men like Theodore Roosevelt who are resolutely dedicated to the rightness of free citizenship.

Our belief in the capacity of man under God to govern himself is being seriously challenged by an alien philosophy that would have all men become subservient to the wishes and desires of a selfish few. We are truly in a struggle for survival. The fate of this Nation, indeed, the fate of the entire free world, rests with us. It is almost totally dependent upon the stature of free citizenship in the United States. Theodore Roosevelt, while President of the United States, prophetically announced, "The fate of the 20th century will in no small degree depend upon the type of citizenship developed on this continent."

American patriotism has, in some quarters, been looked upon as passé. It has, I feel, too often been confused with chauvinism. To me, American patriotism includes a firm belief in the dignity of the individual, an unfaltering confidence in the capacity of free men to govern themselves, combined with a resolute faith in the future of our great Nation. If this type of thought and sentiment is to be looked upon as passé, I fear, then, that it is inevitable that our very way of life will soon become passé. So great is the challenge to our way of life that if freedom and liberty are to be preserved, it is not enough that we have a handful of dedicated men, we must have an entire Nation of dedicated men.

This, Mr. President, is the purpose of the Presidential message proclaiming July 4, 1958, as a day of rededication to the responsibilities of free citizenship. It will set the stage for a nationwide festival of freedom—a day when each of us may engage in a serious self-appraisal to determine if we are shouldering our fair share of the burdens and obligations attendant upon free citizenship. I urge, therefore, that the 85th Congress give early and favorable consideration to the joint resolution which has been introduced by the majority leader, the Senator from Texas [Mr. JOHNSON], for himself, the Senator from Wyoming [Mr. O'MAHONEY], and me.

The Theodore Roosevelt Centennial Committee in my own State of South Dakota under the able leadership of Kenneth Kellar of Lead, S. Dak., is already making elaborate plans for a great patriotic observance to be held at the Shrine of Democracy, Mount Rushmore, on the Fourth of July this year. With the carved heads of Washington, Jefferson, Lincoln, and Theodore Roosevelt serving as a remindful backdrop, I feel certain that this will be a most moving and inspirational assemblage.

The cooperation of the centennial committees in both North and South Dakota has been magnificient. It is no surprise that they have joined so readily and enthusiastically in the Theodore Roosevelt centennial observance, for T. R. was a man greatly revered by the people of Dakota. In 1884, following the death of his beloved wife, Alice, T. R. came West to seek solace in the rugged vastness of the North Dakota Territory. His individualistic spirit soon won for him the respect and admiration of the pioneer stock who had settled the Dakota Territory. He was our friend, a kindred spirit, and his memory will long serve as an inspiration to the people of Dakota. He has been correctly called by many biographers the most typically western of any of our great American Presidents.

Mr. President, I can think of no finer tribute to the memory of the great Theodore Roosevelt, whom we are memorializing here today, than for the entire citizenry of the Nation, which he loved so deeply, to rededicate themselves to the responsibilities of free citizenship, for which he was such a stentorian advocate.

In conclusion, I should like to thank all my colleagues who are participating in this memorialization. Your cooperation and efforts are most deeply appreciated by the Theodore Roosevelt Centennial Commission.

Mr. BIBLE. Mr. President, as a western Senator, I am happy to add my tribute today to that great American, Theodore Rooesvelt, whose centenary is being observed this year. Theodore Roosevelt was the first President to recognize fully the great potential of the Western United States.

His belief in the West had its origin in the Badlands of North Dakota where he spent part of his boyhood; and it was strengthened by the knowledge that America's frontier was limitless and its resources boundless—needing only encouragement from the Federal Government. It was during his administration that legislation for the first reclamation project was introduced by Representative Francis G. Newlands, a Nevada Democrat, transforming arid wastes into rich agricultural lands.

His love of nature and the outdoors was manifested by his insistence that our vast forests and mineral wealth be protected from the depredation of greedy men. In fact, Theodore Roosevelt's driving force had as its motivation an unshakable belief in the greatest good for the greatest number.

During his administration, Theodore Roosevelt was roundly criticized as a visionary, as a progressive bent solely on overturning the status quo.

With this background in mind, it seems all the more appropriate that the 100th anniversary of the birth of this courageous President should be observed on the 25th anniversary of the inauguration of Franklin Delano Roosevelt. Beyond the fact of their name, there are many striking similarities between Theodore and Franklin Roosevelt.

Theodore Roosevelt instituted what was termed "the Square Deal," and he was subjected to the same hues and cries that dogged Franklin D. Roosevelt and his New Deal a quarter of a century later.

Actually, Franklin Roosevelt breathed new life into national policies that had lain dormant during 12 years of Republican rule before him. Franklin Roosevelt rejuvenated many of Theodore Roosevelt's ideas, particularly in the areas involving the public interest as opposed to the entrenched interest of a few.

All of us here today can remember the depression of the early 1930's and how Franklin Delano Roosevelt met the challenge head on. Few of us here today can remember the depression of 1907, but history tells us that Theodore Roosevelt employed the same boldness and the same leadership in guiding our country out of the economic mire into which it had fallen.

So I say, in conclusion, that today is a signal occasion to commemorate the deeds of two outstanding Americans, one a Republican, the other a Democrat. At the risk of seeming partisan, I should like to point out that Theodore Roosevelt, in terms of today's evaluations, was in reality a Democrat.

Party labels aside, however, both Roosevelts left their indelible stamp on the character of America, and in honoring them today we are honoring the country they so faithfully served.

Mr. PASTORE. Mr. President, the magic of March 4 has long since passed from our active history. One may say that it does not belong to our present—nor to our future. No longer does the date mark the peaceful succession of the most popular leader of the most powerful nation on the face of the earth as the vote of the majority expresses the consent of the governed.

March 4, 1958—this day—is the silver anniversary of the last Inaugural Day that graced the month of March. It passed with the coming of Franklin Delano Roosevelt. But it is a day and a date that America should never, must never forget, and will never forget.

We say this with no sense of partisanship, but a high sense of Americanism. For we gladly recall another March 4, and another Roosevelt—Theodore—who left his mark, too, on his country, his times, and our world.

To each Roosevelt was granted only one March 4 inaugural. But between them, they left on the first half of this 20th century an impress which will mark all the centuries that may be given to mankind to reside upon this earth.

Only once did a Roosevelt surrender the reins of the Presidency when he well might have held them. He turned them over in the very Halls of this Senate on a day made too stormy by the snow and winds of that March 4, 1909. Theodore Roosevelt turned the office to the man of his choice, William Howard Taft.

Just as certainly he determined the President who took office on March 4, 1913—Woodrow Wilson. So Theodore Roosevelt's influence may be well said to have covered the 8 tremendous years of the Wilson era.

Ever and anon the spirit of Theodore Roosevelt strides these aisles when voices are raised for the conservation of our natural resources.

The great La Follette, of Wisconsin, said of him:

When the historian of the future shall speak of Theodore Roosevelt, he is likely to say that he did many notable things but that his greatest work was inspiring and actually beginning a world movement to stay territorial waste and saving for the human race the things on which alone a peaceful, progressive, and happy life can be founded.

If the first Roosevelt safeguarded the material possessions of our land, the last Roosevelt fortified the spiritual powers of America.

We do not distrust the future of essential democracy—

Declared Franklin Delano Roosevelt at high noon of March 4, 1933—

We face the arduous days that lie before us in the warm courage of national unity.

Roosevelt aimed at the assurance of a rounded and permanent national life. He called for faith and courage in the people, and said the only thing we had to fear was fear itself.

Beyond all carping partisanship we realize today that the dreams and determination of Franklin Delano Roosevelt gave to our economy such strength and bulwarks as to provide insurance that the despairs of 1932 need never be repeated.

But it is not enough that we possess the laws that Franklin Delano Roosevelt made a part of our protection. There is something more than laws that we need. It is a leadership of vision and vitality, close enough to the bread and butter problems of the average home to understand the dangers and to undertake the solutions which are the responsibility of leadership.

This March 4 finds the reins and responsibilities not in the hands of either Roosevelt. The obligation of this day and the opportunity of this hour is in our keeping. The blame or the fame will be of our making.

Responsibility implies accountability. It is the ability to respond, to measure up to the obligations we have dared to assume. If we—anywhere—lose that sense of responsibility, we shall merely be going through the forms of democratic government. We shall have lost its force. We shall have lost its fire. We shall have lost the inspiration of the ideals of America, and we shall have no ideals with which, in our turn, to inspire. Indeed we shall have no ideals with which to preserve the present, let alone prosper the future.

The present era which is in our keeping we like to describe as the atomic age. Its achievements dwarf all the discoveries of all the centuries. It is well to recall that it was Franklin Delano Roosevelt, more than any other single man, who led us practically by his own hand into our pioneer days of atomic leadership. He alone made the decision to spend $2 billion to acquire atomic knowledge ahead of our enemies.

Historians will have many chapters to write of the accomplishments of Franklin Delano Roosevelt. I shall dwell only on this chapter and only for a moment.

For his encouragement to the scientists, for his courage in attacking the unpredictable, for his character that did not retreat from the unknown, for his conviction and consistency that would brook no denial and no delay, this is a glorious chapter.

As the historian puts it, practically before anybody could blink, a vast organization had been created, and the best military, engineering, and scientific brains in the country applied themselves to a problem without parallel in magnitude and complexity. The whole world of technology was turned upside down, yet in the utmost secrecy, the miracle of the atom was solved and its power beyond all reckoning was harnessed to the commands of man.

This is the atomic age that is in our keeping. The challenge is great. Yet the formula is simple. It is the formula of Franklin Delano Roosevelt. It was his philosophy—"to make life better for the average man, woman, and child."

If we carry that philosophy to the world stage where the spell of Franklin Delano Roosevelt still casts its shine rather than its shadow, the atomic age can realize the blessings of prosperity and peace that constitute its truest promise to men, women, and children everywhere beneath God's heaven.

Mr. MARTIN of Pennsylvania. Mr. President, I am happy to join with my colleagues in commemorating the 53d anniversary of Theodore Roosevelt's inauguration as President of the United States.

When Theodore Roosevelt took the oath of office on March 4, 1905, for the term to which he had been elected, he was at the height of his physical and intellectual strength and vigor. In word and deed he placed before the American people an example of patriotism which did not hesitate to glorify our national ideals and to proclaim love of our country and our flag.

More than any other American of our history, Theodore Roosevelt exemplified the qualities of heart and mind which built the greatness of our Republic. He stands out as an exponent of self-reliance, energy, courage and faith. His life of adventure and achievement should be studied by the youth of our land because it gives a better understanding of what it means to be an American.

His oft-repeated advice to young Americans should be remembered and appreciated. It was this:

Do the best you can, where you are, with what you have.

The duties and responsibilities of citizenship were real to him, and he sought to impress upon all Americans the importance of taking part in government and in politics.

He warned against the dangers that could destroy America in terms that apply with equal force today. He said:

The things that will destroy America are: prosperity at any price; peace at any price; safety first instead of duty first; the love of soft living and the get-rich-quick theory of life.

Theodore Roosevelt brought to the public service the highest standards of honor, integrity, and decency. As a fighter for the principles in which he believed, he found his greatest joy when the going was tough, when the odds were heavily weighted against him.

He battled for a strong nation, fully aware of its responsibilities in world affairs, prepared, confident, and unafraid.

In his inaugural address he stated the position of the United States in its relations with other nations of the earth. He declared:

We wish peace, but we wish the peace of justice, the peace of righteousness. We wish it because we think it is right and not because we are afraid.

No weak nation that acts manfully and justly should ever have cause to fear us, and no strong power should ever be able to single us out as a subject of insolent aggression.

In this centennial year of the birth of Theodore Roosevelt we can best serve our country and our flag by rededication to the ideals to which this great American gave a lifetime of loyal, courageous, and patriotic support.

Mr. CHURCH. Mr. President, today we mark two anniversaries that have particular significance to those of us from the West. On this day 53 years ago, Theodore Roosevelt was inaugurated as President of the United States. On this day a quarter of a century ago, Franklin Delano Roosevelt was sworn in as President of the United States. Between these two events, America came of age. Modern American liberalism was born in the administration of one Roosevelt, and came to maturity in the administration of another.

When Theodore Roosevelt took office, our Nation was sunk in the moral abyss which had followed the winning of the Civil War. That tragic conflict had erased from the Nation the moral obloquy of slavery, but the high promise of that victory had not been realized. The Reconstruction Era and the years following it had seen the mores of jungle law economics given the acceptance of Holy Writ. That period had seen the utter disappearance of any concept of the public interest as a goal to be pursued by government or by private individuals. The resources of the Nation, both natural and human, were put at the disposal of the barons of industry to seize and to exploit. The idea of regulation, or public protection for the natural wealth of the Nation was anathema.

Then Theodore Roosevelt came upon the scene. Roosevelt had been Governor of New York. He had been police commissioner of New York City. But Theodore Roosevelt's frame of reference extended far beyond the sidewalks of New York. He was spirtually a westerner. He knew the vast spaces of the arid West. He knew the cattleman, the sheepherder, the prospector, the sunburned man of the plains and the mountains. He knew the incalculable riches which the West held in store for a people with the imagination and vigor to unlock nature's storehouse. When he came to office, he labored to make that promise a reality.

Theodore Roosevelt knew that our great West was potentially so rich as to make mild indeed the dreams of the Conquistadors who had sought the

Golden Cities of Cibola. He knew that the key to this wealth was the water of the West, the forests of the mountain States, the dry but fertile soil of the Plains States. Under Theodore Roosevelt, the reclamation of these areas, the wise, comprehensive use of these resources, not to enrich single individuals or giant trusts, but to enrich the life of a whole nation became, for the first time, the declared public policy of the United States. In Theodore Roosevelt's administration, the great system of national forests took shape, the gospel of sustained yield began to replace the idea of plundering the forests for today's profit and letting tomorrow take care of itself.

It was Theodore Roosevelt who first gave voice to what we today accept as a truism; the idea that a great river basin must be developed as a unit, that the headwaters of our rivers and the tidewaters of their estuaries are to be used together. It was Theodore Roosevelt who taught us again the lesson of untold ages, that the heedless waste of natural resources was a certain form of national suicide.

A quarter of a century after Theodore Roosevelt left the White House, another Roosevelt became President. Franklin Delano Roosevelt, like Theodore Roosevelt, was a son of the East. A Governor of New York, Franklin Delano Roosevelt, too, knew the West and saw its potential wealth. His vision saw even beyond the use of water for irrigation and envisaged the construction of great hydroelectric dams to use the same water to create, not only food, but also energy. It was through F. D. R.'s vision that Grand Coulee Dam, and Bonneville Dam were built, that the Tennessee Valley Authority was created, that America turned again to the task of developing its potential, industrial as well as agricultural, in the underdeveloped areas of our country.

Franklin Roosevelt, standing in front of this building 25 years ago, began a period of imaginative and vigorous experimentation, within which an extension and broadening of Theodore Roosevelt's policies of reclamation and comprehensive development were an important factor. The idea of full utilization of our rivers, to which Theodore Roosevelt had given birth, came of age under Franklin Delano Roosevelt. The yardstick of the public interest, laid away in a dusty closet for the 12 years preceding 1933, was brought out again, and once more applied to the acts of Government. Franklin Delano Roosevelt, like Theodore Roosevelt, transcended party, State, and economic background to wield the tools of popular government for the sake of all the people.

At the close of Theodore Roosevelt's administration, his ideas were laid away and he, himself, was driven out of the party he had led so well. Now we find he has been reclaimed by that party, and hailed again as one of its great leaders, as he truly is. This speaks well for the Republican Party. A party which comes to see true greatness in the rebels of a former day is learning from the past. Therefore, I look hopefully toward the day when Theodore Roosevelt's policies will be adopted as wholeheartedly as his name has been, by the party which he led to the White House a half a century ago.

ELIMINATION OF CLAIMS OF IMMUNITY FROM STATE AND LOCAL TAXES

The PRESIDING OFFICER (Mr. BIBLE in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 6) to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies as instrumentalities.

TRIBUTES TO PRESIDENT THEODORE ROOSEVELT AND PRESIDENT FRANKLIN DELANO ROOSEVELT

Mr. TALMADGE. Mr. President, retrospective assessment of the myriad contributions of Theodore Roosevelt to the development and progress of the United States affords no conclusion other than that he was a man 50 years ahead of his time.

The sum total of all his virtues and abilities is that he was possessed of the vision to see the role of greatness which the future held for this Nation, and of the capacity to translate that vision into reality.

In no area was this more apparent than in his vigorous crusade for the conservation of natural resources. Wisely recognizing that continued exploitation and dissipation of the Nation's mineral, water, and timber resources would forever foreclose the attainment of its appointed destiny, he became the father of the great programs of conservation which now are an accepted and cherished part of the fabric of the American way of life.

The spark which he struck in 1905, in sponsoring and signing into law the act creating the United States Forest Service, is now burning brightly throughout the land.

I am happy to represent a State which, with its more than 23 million acres of privately owned timberlands under organized forest-fire protection, leads the Nation in such endeavors.

I am proud that Georgia has developed to the fullest extent the Roosevelt concept of conservation. In that light, I salute his memory on this significant anniversary occasion.

Mr. REVERCOMB. Mr. President, I am indeed glad to join in this memorial tribute commemorating the 100th anniversary of the birth of Theodore Roosevelt. It is highly fitting that we honor the memory of this great man, whose devotion to duty and love of country have been an inspiration to every generation since his time.

Theodore Roosevelt possessed qualities of character which endeared him to the people of his own day. Nor has the strength of his personality diminished with the passing years. He was a man of remarkable courage. He possessed a deep sense of honor, loyalty, and patriotism—virtues which have characterized great men from the beginning of history.

Our country is indebted to Theodore Roosevelt for many things. His achievements were many and varied, and I shall not try to enumerate them here.

However, we love him today for the man that he was. We honor him for the statesmanship he displayed as the Nation's Chief Executive. We honor him for his courageous leadership in dealing both with international issue and domestic problems here at home.

We remember his vigorous enforcement of the Monroe Doctrine. We recall his forceful leadership that saw the building of the Panama Canal. We can thank him for the great foresight he showed in conserving the Nation's natural resources.

Theodore Roosevelt's great personality made an indelible impression on the country at the time that he lived. His accomplishments made America a stronger Nation. And the good that he achieved reaches down to the present time. Truly, he was a great American.

Mr. GORE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a statement prepared by the junior Senator from Oklahoma [Mr. MONRONEY] regarding the anniversary of the inaugurations of Theodore Roosevelt and Franklin D. Roosevelt as Presidents of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MONRONEY

Today is a great day of celebration. It is the anniversary of the inaugurations of two great Roosevelts as President—the 53d year since the swearing in of Theodore Roosevelt as President in his own right, and the 25th anniversary of the first inauguration of Franklin D. Roosevelt.

Both Roosevelts were builders. Both had deep concern for the proper utilization of the Nation's natural resources. Both had trouble with those who did not dream great dreams as they did.

The conservation of our natural resources caught the imagination of both Roosevelt I and Roosevelt II. Teddy Roosevelt's campaign as a trust buster served as a bare later for many New Deal reforms of Franklin Roosevelt.

Each of these Roosevelts came to office after periods in which reactionaries had fought against extending vital services to the people. Like the flame of Mount Olympus, the light started by Theodore Roosevelt was rekindled by F. D. R. into a bright torch of freedom reaching out—not to a few, but to all the American people.

Mr. SCHOEPPEL. Mr. President, in keeping with the spirit of the occasion and the remarks which have been made in connection with it, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared relating to Theodore Roosevelt.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCHOEPPEL

It will be 100 years on October 27, 1958, since our beloved former President, Theodore

(Teddy) Roosevelt, was born. Yet, as remote as his birth date may seem, he in particular had knowledge of the importance that our military strength should play in preserving our national security.

We are all familiar with the courage, the boundless energy, the willpower, and perseverance, which characterized him, his brilliant mind, but most of all we should remember him for the ideals which he personified. As a member of the Civil Service Commission, for example, his vigorous promotion of the merit system won him praise, which was to be followed later by greater acclaim during his remarkable command of the Rough Riders in the Spanish-American War.

Teddy Roosevelt was only 42 years old when he became President of the United States following the assassination of President McKinley in 1901, and it is to Teddy Roosevelt's credit that his youth was no obstacle when he was elected by a large majority in 1904.

The words I now am quoting were said by Teddy Roosevelt more than 50 years ago when he referred to the Hague Conference in his message to the Congress in 1907. He said:

"No plan was even proposed which would have the assent of more than one first-class power outside of the United States. It is evident, therefore, that it is folly for this Nation to base any hope of securing peace on an international agreement as to the limitation of armaments."

Let us all remember Teddy Roosevelt as a great statesman, a soldier, a patriot, a symbol of clean politics and, above all, a man who crowded into the comparatively short span of 60 years an unbelievable number of thrills attached to the great adventure of just being a good American.

Mr. JAVITS. Mr. President, 53 years ago, on March 4, 1905, Theodore Roosevelt was inaugurated President of the United States; and October 27 next will be the 100th anniversary of the birth of one of our great American Presidents.

In these times when our Nation faces grave emergencies from the challenge of the Soviet Union we have great reason to pay tribute to one of the first Americans to fully understand the new demands the 20th century would make upon the American people. Theodore Roosevelt helped take us off the road of isolationism in developing a then new concept that the security and enlightened self-interest of the United States was irrevocably bound with that of other free people throughout the world.

In his inaugural address in 1905, Theodore Roosevelt stated basic principles so true and so applicable to the welfare of the American people that they could serve as major points in debate before this body in 1958. He said:

Much has been given to us and much will rightfully be expected of us. Power means responsibility and danger. We have become a great Nation, forced by the fact of its greatness into relations with other nations of the earth.

No one point of our policy, foreign or domestic, is more important than this (adequate defense) to the honor and material welfare, and, above all, to the peace of our Nation in the future. Whether we desire it or not, we must henceforth recognize that we have international duties no less than international rights.

Mr. President, the Theodore Roosevelt Centennial Commission in New York City is doing an exceptional job in the national observance of this anniversary. As a Senator from the State of New York, and a Republican, I am honored to speak in praise of my fellow New Yorker, and fellow Republican, who made such a mark in the history of our country.

Mr. HENNINGS. Mr. President, 25 years ago today Franklin D. Roosevelt took his oath of office as President of the United States of America. The Nation, helpless to the point of despair, awaited that day with mounting anxiety and concern. Clouds of gloom hung low over the land. Financial paralysis gripped the country. Except for local attempts to create an economy of barter, economic ruin and misery was visible on every side. More than 13 million persons or 1 out of 4 able bodied workers, were out of work. The past administration remained frozen against direct Federal relief for the unemployed, and insisted on pushing the depression deeper into an economic morass by cutting Government expenditures in a fruitless effort to balance the budget. Factories stood ghostly silent, families lived in tarpaper shacks and hunted in the city dumps for food like dogs. Thousands of footloose children roamed up and down the land. Hunger marchers, bitter and ugly in their desperation, were parading the streets of the larger cities. Farmers formed milk strikes and mobbed judges and other law enforcement officers.

The leaders of finance, under patient and relentless questioning by Ferdinand Pecora, confessed to a Senate committee to flagrant and shameless breaches of everyday ethics. Each day brought new idols of finance and business tumbling down. During the last two weeks of February leaders of business when provided a forum before the Senate Finance Committee to offer their economic and political wisdom to the Nation abjectly admitted to a total bankruptcy of ideas. John W. Davis had nothing to offer "either of fact or theory." General Atterbury, with the Pennsylvania Railroad, saw nothing ahead except the bottom, and no way to avoid it. The elder statesman Bernard Baruch called for balancing the budget and cutting governmental expenditures to the bone. By the week prior to the inauguration, more than 20 States had suspended banking operations. The picture was very black, but the people hoped and trusted that it was the darkness that comes before a new dawn.

As the Nation waited, Franklin D. Roosevelt began his inspired and healing inaugural speech in these words:

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper.

Then came those immortal words:

So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. Our difficulties concern only material things. Yet our distress comes from no failure of substance. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply * * *. Primarily this is because rulers of the exchange of mankind's goods had failed through their own stubbornness and their own incompetence, have admitted their failure and have abdicated. The money-changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more nobler than mere monetary profit * * *. Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort * * *. Our greatest primary task is to put people to work * * *. We do not distrust the future of essential democracy. The people of the United States have not failed in their need. They have registered a mandate that they want to direct vigorous action. They have asked for discipline and direction under leadership.

Then came swift and decisive action. On March 5, President Roosevelt summoned the 73d Congress in special session to begin March 9. The same day he issued a proclamation effective March 6 declaring a national banking holiday and suspending all transactions in the financial world. On the first day of the special session Congress gave him emergency powers, in the Emergency Banking Relief Act. Thus began the first 100 days of the New Deal. On March 12 he made his first fireside chat to the Nation. On March 31 the Congress passed the act establishing the Civilian Conservation Corps, authorizing healthful and educational construction work for 250,000 jobless youths. By 1941 more than 2 million American boys had been graduated from the CCC. Then in May came the Federal Emergency Relief Act, which stopped the hunger marches, and put men to work; the Agriculture Adjustment Act, the first step to rejuvenate the farmer; the Tennessee Valley Authority Act, and finally the Federal Securities Act.

In June came the creation of the United States Employment Service and the Home Owners Loan Corporation. On the final day of the special session the Congress passed the Federal Bank Deposit Insurance Act, Farm Credit Act, the Emergency Railroad Transportation Act, and a National Industrial Recovery Act, the law creating the NRA and the PWA. Many of these acts were highly controversial, some of them were later struck down by the Supreme Court, but all of them were courageous attempts to deal affirmatively with the great depression. Later came other great landmarks of the New Deal. The Soil Conservation Act, the Rural Resettlement Act, the Rural Electrification Act, the act creating the National Youth Administration, the National Labor Relations Act, and the Social Security Act and many other legislative and administrative steps along the way to a more abundant and sound economy.

The Nation should make March 4, 1933, a day of national consecration. That day marked the end of the national despair and the beginning of a new way of life for all the people of America. It was a time of crisis, it was a time for

great ideas and great acts. Franklin D. Roosevelt met the challenge with a full measure of greatness.

Mr. President, I ask unanimous consent to have printed at the end of my remarks a copy of Franklin D. Roosevelt's inaugural address on March 4, 1933.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS, MARCH 4, 1933

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on yours we face our common difficulties. They concern, thank God, only material things. Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure, and have abdicated. Practices of the unscrupulous moneychangers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

The moneychangers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits. These dark days will be worth all they cost us if they teach us that our true destiny is not to be ministered unto but to minister to ourselves and to our fellow men.

Recognition of the falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance; without them it cannot live.

Restoration calls, however, not for changes in ethics alone. This Nation asks for action, and action now.

Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.

Hand in hand with this we must frankly recognize the overbalance of population in our industrial centers and, by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land. The task can be helped by definite efforts to raise the values of agricultural products and with this the power to purchase the output of our cities. It can be helped by preventing realistically the tragedy of the growing loss through foreclosure of our small homes and our farms. It can be helped by insistence that the Federal, State, and local governments act forthwith on the demand that their cost be drastically reduced. It can be helped by the unifying of relief activities which today are often scattered, uneconomical, and unequal. It can be helped by national planning for and supervision of all forms of transportation and of communications and other utilities which have a definitely public character. There are many ways in which it can be helped, but it can never be helped merely by talking about it. We must act and act quickly.

Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order: there must be a strict supervision of all banking and credits and investments, so that there will be an end to speculation with other people's money; and there must be provision for an adequate but sound currency.

These are the lines of attack. I shall presently urge upon a new Congress, in special session, detailed measures for their fulfillment, and I shall seek the immediate assistance of the several States.

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo. Our international trade relations, though vastly important, are in point of time and necessity secondary to the establishment of a sound national economy. I favor as a practical policy the putting of first things first. I shall spare no effort to restore world trade by international economic readjustment, but the emergency at home cannot wait on that accomplishment.

The basic thought that guides these specific means of national recovery is not narrowly nationalistic. It is the insistence, as a first consideration, upon the interdependence of the various elements in and parts of the United States—a recognition of the old and permanently important manifestation of the American spirit of the pioneer. It is the way to recovery. It is the immediate way. It is the strongest assurance that the recovery will endure.

In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.

If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we cannot merely take but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline, because it makes possible a leadership which aims at a larger good. This I propose to offer, pledging that the larger purposes will bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in time of armed strife.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems.

Action in this image and to this end is feasible under the form of government which we have inherited from our ancestors. Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations.

It is to be hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task before us. But it may be that an unprecedented demand and need for undelayed action may call for temporary departure from that normal balance of public procedure.

I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

For the trust reposed in me I will return the courage and the devotion that befit the time. I can do no less.

We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life.

We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct,

vigorous action. They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.

In this dedication of a Nation we humbly ask the blessing of God. May He protect each and every one of us. May He guide me in the days to come.

Mr. BARRETT. Mr. President, it is indeed fitting that we should pause today to pay tribute to one of America's outstanding Presidents, Theodore Roosevelt. As a Senator from the great State of Wyoming, I hail him as an adopted son of the West where he spent several fruitful years of young manhood and honored the people of the western empire with his well-known work, The Winning of the West.

I should like to dwell briefly on a facet of his versatile career that some historians have acclaimed the wellspring for the most enduring achievement of his presidency. My reference is to the creation of our national forest reserves, which was always dear to the heart of Teddy Roosevelt.

With characteristic vigor and courage, he enthusiastically launched a program that withdrew from settlement and preserved for conservation purposes several million acres of forest lands. Under his aggressive leadership, the Reclamation Act of 1902 and the Act for the Preservation of American Antiquities of 1906 were enacted. It is with pardonable pride that I mention the singular honor Theodore Roosevelt bestowed on my State when he established, on September 24, 1906, our first national monument, Devils Tower National Monument.

As steward of our abounding natural resources, Theodore Roosevelt, more than anyone else, has pointed the way to preserve our God-given riches for succeeding generations and thereby has won the lasting gratitude of the American people.

Mr. HUMPHREY. Mr. President, I wish to address myself to the memorable occasion of today wherein we celebrate the great presidential records of two Roosevelts.

It was 53 years ago that Theodore Roosevelt, affectionately known as "Teddy" Roosevelt, became the 26th President of the United States. His record is an illustrious one, one which arouses a feeling of gratitude, appreciation, and patriotic fervor. He typified the vigorous, youthful, dynamic spirit of the young American Republic in each and every one of his actions, as well as in his private and public life.

I suppose we shall remember Theodore Roosevelt's administration for at least three great contributions to America's record in the world, America's public-service record, and the record here at home.

First, it was Theodore Roosevelt who established American prestige in the international councils by his great service in bringing to an end the war between the Japanese and the Russians, in the Portsmouth Conference of 1905.

It was the same Theodore Roosevelt who, as President of the United States, dispatched the American Fleet around the world in a cruise of good will and neighborliness, but at the same time establishing once and for all that America was a great world power, and particularly a sea power.

It was Teddy Roosevelt who earned for himself and his administration the record of being trust busters, champions of competitive enterprise, and arch enemies of the great combinations, trust, and monopolies.

He stood then, as he stands now, as a champion of the people. It was Theodore Roosevelt, supported by the great Governor of Pennsylvania, Gifford Pinchot, who carved out for himself in the pages of American history a reputation—and a deserved one—for being the exponent of sound conservation and protection of our natural resources.

It was Teddy Roosevelt who led the fight for an effective program of reforestation.

It was Theodore Roosevelt who called upon the people of America to protect their God-given natural resources from exploitation, and it was Theodore Roosevelt who pioneered in the field of reclamation, irrigation, and power development.

We remember these things because it was in this period of American history that there was a reawakening of the spirit of American democracy, a reawakening that was championed by a rugged, intelligent, courageous American, the 26th President of the United States, Theodore Roosevelt.

Later there was another Roosevelt—Franklin D. Roosevelt. Franklin Roosevelt, in addressing a Jackson Day dinner in 1938, said:

> My father and grandfather were Democrats and I was born and brought up as a Democrat, but in 1904, when I cast my first vote for a President, I voted for the Republican candidate, Theodore Roosevelt, because I thought he was a better Democrat than the Democratic candidate.

It seems to me that that statement of the late and beloved President of the United States, Franklin Delano Roosevelt, indicates the great community of interest and the many areas of similarity of policy and philosophy which existed, and continue to exist, between the progressive philosophy of a Theodore Roosevelt and the progressive liberalism of a Franklin D. Roosevelt.

It is 25 years to this day—almost to this hour—since Franklin Delano Roosevelt took the oath of office as the 32d President of the United States. I ask Senators to cast their recollections back to that dark day 25 years ago, when our world seemed to be crashing about us, and when we looked with anxious hope to the new President. There are some in this Chamber who were even then Members of the Congress; there are some here who were then not yet grown. But all of us alike were caught in the paralyzing turmoil and the terror; and all of us shared the hope that this might be the dawn of a new day. Whether one was a businessman, a lawyer, a farmer, a worker, or a schoolboy, he could not escape the common disaster and the common fear. Who knew, or dared to think, what the next months or years would bring?

I remember the day—I can never forget it. I was at school in Denver, studying pharmacy to carry on with my father in our drug store in South Dakota. The depression had dealt harshly with us, as it did with the farmers of South Dakota and with all who lived among them and depended on their business. Long years of falling prices, of drought and dust, of debt and foreclosure had left us impoverished and bitter. Those who spent those awful years in industrial cities have their own memories of breadlines and soup-kitchens and apple-sellers on the streets. In the farm country we remember the crops rotting in the fields because it did not pay to send them to market; the farm strikes against low prices and bankruptcy; the farms abandoned to dust and debt; the sullen crowds that defied the law and stopped the foreclosure sales of farms and homes. Those of us who lived through that revolt in the farm country have no doubt that Franklin Roosevelt saved American capitalism and the American constitutional system, when they were very near to breaking down.

I cast my first vote for Franklin Roosevelt, and I worked very hard to help elect him. My father was an active Democrat before me, and we believed then—as I still do—that only the Democratic Party, with its roots in the working and farming people, can look after the interests of the people as they should be looked after. We had many converts that year, and we have had many more since. I am proud that 25 years later one of the finest and most promising of our young Democratic Representatives in Congress now represents my old home district in South Dakota. I refer to Representative GEORGE MCGOVERN, a courageous, brilliant, and liberal Democrat.

Throughout the country in those days of early March the banks were closing, one by one and then State by State, from Louisiana to Michigan, locking in what remained of our drawn-down savings. Hours before the inauguration, the new Governor of New York, our great friend and former colleague, Herbert Lehman, by proclamation suspended the banks in the financial heart of the Nation, to preserve what assets remained. It is recorded that the outgoing President, in the ultimate gesture of impotence and despair, confessed: "We are at the end of our string. There is nothing more we can do."

Surely no President since Lincoln took office, faced so dark and desperate a prospect as faced Franklin Roosevelt. But he was not one to despair.

I remember his voice as it rang out under the gray sky that inauguration day in 1933—the voice that we were to know so well for so long—carried by radio to waiting, hoping ears in every corner of the United States.

For him it was, as he said, "a day of national consecration." He took note of the dark realities of the moment—the idle factories, the masses of unemployed, the improverished farmers, the bankrupt businesses. Then came those words that brought the first glimmer of awaited hope: "the only thing we have to fear is fear itself—nameless, unrea-

soning, unjustified terror that paralyzes."

"The people of the United States have not failed," he told us. "They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. This Nation asks for action, and action now."

Who can ever forget those words, and what they meant to us. As that great historian, my good friend, Arthur M. Schlesinger, Jr., records: "Across the land the fog began to lift."

I remember that my father telephoned me from South Dakota that evening and rejoiced with me in the heartening words. It took a great event to justify a phone call from South Dakota to Colorado in those days, but we had much to celebrate, and to anticipate.

Yet I remember, too, that for some there were lingering doubts. Those were brave words, but for 3 long years we had heard many words, many promises. Could this be, perhaps, just another politician, another false prophet of better times that would never come?

II

The doubts did not survive the next day. Sunday evening the new President convened the people of the country before their radios in the first fireside chat. He told us of his decision to declare a bank holiday, promising strict supervision of all banking and credits and investment and an end to speculation with other people's money. He told us of the special session of Congress to enact measures to start the country back on the road to recovery. He told us things were going to be done.

The effect was miraculous. The country realized that at last its affairs were in the hands of a man who knew what to do—and would do it. The banks were no sounder on Monday than they had been on Saturday—but the Nation was. We did not understand banking; we did not realize the significance of an embargo, under penalty of fine or imprisonment, on the withdrawal of gold or silver. We did not even know when the banks would reopen, or what we would do in the meantime. We knew only that at last leadership had been restored to the Presidency. As that veteran, far-seeing reporter, Ernest Lindley, recalled, "It was action, like a streak of lightning out of a black sky."

Remember, too, that in those critical days, Republicans as well as Democrats joined in the superhuman efforts to put the country back on its feet. In those incredible 12 days when the banking system was shaken down and sorted out, Republican officials like Secretary Ogden Mills and Under Secretary Arthur Ballantine, of the Treasury, and the distinguished Governor of the Federal Reserve Board, Eugene Meyer, worked side by side with the new administration. And the Banking Act of 1933, impossible as it may seem to us, was passed by both Houses of Congress and signed into law less than 6 hours after the President's message was received.

It is to be remembered also that this new Administration was a Government of many talents—a "multi-interest" Government, as Arthur Schlesinger called it—reflecting the varied interests of our pluralistic society. The Cabinet that took office that Saturday evening contained two Senators (originally there were three, but the great Thomas J. Walsh died before he could take office); two Republicans; a businessman; two veteran Wilsonian public servants; a conservationist; a social worker; a farm editor; and a former Governor. They were not all great, and some of them were later replaced. But they were men (and one woman) trained to the public service, who approached their formidable tasks from the point of view of the public interest. To them government was never the extension of private or parochial interests and attitudes into the positions of power and responsibility. No one ever raised about them questions of conflict of interest or of changing the cloak of private interests before assuming public responsibility. Their only business was the business of government.

III

The Congress that was convened in special session on March 9, 1933, was the "Congress of the 100 days." Reopening the banking system was its first concern, because the banks held the lifeblood of the economy. But there followed in quick succession a series of recovery and reform measures the like of which the country has never seen in a time so short. Legislation for the relief of farmers and for raising farm prices. Legislation for unemployment relief and public works. The Civilian Conservation Corps. The TVA. The HOLC, which saved homeowners from losing their homes. Deposit insurance, the SEC. The reform of banking. The National Recovery Act, including the right of employees to organize and bargain collectively through their chosen representatives. An Economy Act of unprecedented proportions, now long forgotten. And many others.

In recalling the achievements of this extraordinary 73d Congress, I do not suggest that all these measures proved wise or successful. There were many far-seeing warnings spoken in and out of Congress, some heeded, some not. Some of the acts did not survive scrutiny of the courts; some failed of their purpose; some were rewritten by the tests of time; some survive to this day. We need not again debate their merits. Where so much was attempted so quickly, it is no wonder that there were mistakes and failures. But even these cannot dim the grandeur of the design; to face the depression boldly in all its aspects and beat it back; to enlist the strength of the country and the resourcefulness of its people in a great, many-sided effort to revive, reorganize and reform the economy. The challenge was, as Franklin Roosevelt said, "to wage a war against the emergency as if we were in fact invaded by a foreign foe." They knew their business and knew how to take care of it. This surely proves that democracy can meet crises.

I say for the record that the Commander in Chief in the fight against the foreign foes of depression and recession waged the conflict successfully and carried us to great victory.

"We must," he said, "move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective."

But the depression was a stubborn foe, and the reformation and reconstruction of the American economy proceeded slowly. When the Germans marched against Poland in 1939, employment had risen some 7 million above the low in 1933, but there were still 8 million seeking work. Had the war not interrupted, it might have taken half a decade more to complete the recovery. But in laying the foundation for defense against future depression, the country under Roosevelt took giant strides to make up for the time lost in the fat and foolish twenties. Social security; the rights of free labor unions to organize and bargain; minimum wages; the right of farmers to economic parity; the right of security for depositors, investors and homeowners; TVA and the great conservation and power programs—the great reforms and stabilizers built into the economy before the war are our legacy from Roosevelt. This legacy lies very near the heart of our economic strength, our best instrument in maintaining economic growth. It is still, and at this very moment, our best defense in preventing the spread of recession into depression. If he had not been remembered for anything else, Franklin Roosevelt's greatness could have rested on this.

IV

But when we think of Roosevelt today, it is perhaps most of all as the author and champion of the four freedoms, the architect of the United Nations, the President who succeeded in leading the United States out of its tradition of aloof isolation to world responsibility and leadership. He came to office 5 weeks after Adolph Hitler became Chancellor of the Third Reich; he died 3 weeks before Hitler committed suicide in total defeat. In himself, Franklin Roosevelt symbolized the triumph of vital democracy over a corrupt and evil despotism.

He was among the first to recognize that fascism in Europe and Asia would sooner or later threaten the peace and security of the United States. He saw that self-interest required the United States to give what support it could to the beleaguered British after the fall of France, and he sought to rouse his countrymen from their wishful dream that "it could not happen here."

In this respect his third inaugural was even more remarkable than his first. Nearly a year before the tragic and awful awakening at Pearl Harbor, he said to us:

> The life of a nation is the fullness of the measure of its will to live. There are men who doubt this. There are men who believe that democracy, as a form of government and a frame of life, is limited or measured by a kind of mystical fate—that for some unexplained reason, tyranny and slavery have become the surging wave of the future—and that freedom is an ebbing tide. But we Americans know that this is not

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true. * * * That faith speaks to us in our daily lives. * * * It speaks to us in our counties, in our cities, in our towns, and in our villages. It speaks to us from other nations, from those across the seas—the enslaved, as well as the free. Sometimes we fail to hear or heed these voices of freedom because to us the privilege of our freedom is such an old, old story.

Within a year came the attack on Pearl Harbor, and the United States was embroiled in the greatest of wars to defend the privilege of our freedom. Roosevelt dedicated himself to winning the war and securing a just peace with an unsparing devotion that finally cost his life. In the cause of freedom, to him nothing seemed impossible—100,000 airplanes, the reconquest of the Pacific after shattering defeat, the invasion of Europe, the taming of atomic energy, the comity of the United Nations. Those of us who were privileged to serve under him on any of these great undertakings, in any capacity however modest, could not but feel the driving purpose that emanated from his leadership. Like Lincoln, he strove and suffered in the service of a great dream of humanity; and like Lincoln, he died in sight of his goal, never to know how far his dream was from fulfillment.

V

More than anything else in his vivid and colorful career, the courage of Franklin Roosevelt has meaning today for his countrymen. Our world demands courage. Lacking it, no matter what other virtues we possess, we are likely to go to pieces under today's pressure. Even those who did not agree with Franklin Roosevelt's policies admired his courage, and freedom-loving men around the world today need the kind of courage which was his.

There are many kinds of courage. Let us consider three: First, the courage of devotion to duty; second, the courage of beginning again after defeat; and third, the courage of the genuine humanitarian.

Those of us who had the great honor and privilege of working with Franklin Roosevelt in the years after 1940 knew at first hand of his devotion to duty. He came to the end of his second term with an unprecedented record of achievement. He knew that if he ran again he faced possible defeat. He knew that if he were elected again, he faced national problems and personal trials even more searching than those he had already known. He knew that whatever he did, he could add but little to his personal reputation. He was sure of his place in history as the spokesman for freedom and security in a perilous time. He knew that future generations would acclaim him as one of the greatest of social statesmen. He knew, in fact, that he was already an American immortal; he could not hope to add to that. There was no further prize for him to win save that of his own inner consciousness that he had not turned away from his duty; and so out of his courage and devotion to duty, Roosevelt carried on. There is a lesson in that steadfastness for all of us today.

There is a lesson, too, in the second kind of courage I mentioned—Franklin Roosevelt's courage in beginning again after defeat. Promising and active, with an exceptional record of achievement for a man only 40, an acknowledged leader of his party, candidate for the Vice Presidency in 1920, and with every anticipation of a brilliant future, he was stricken with a disease that seemed inevitably destined to prevent his further active participation in public affairs.

The courage that keeps a man steady when he faces an assassin's pistol may be instinctive, but not so the courage that steadies him as he faces threats to the ruin of his plans, the blasting of his hopes, and the frustration of everything he has worked for. That sort of courage is acquired, and it is not often acquired by happy experiences and easy triumphs. Roosevelt did not learn that courage at Groton or Harvard; men do not learn it by winning law cases, nor by being elected to office. Perhaps it was the shattering of his pride in his own strength that developed the resilience and daring which allowed Franklin Roosevelt to conceal behind his famous smile the traces of effort and pain which he frequently suffered. Time and again he was put on the spot, and time and again his buoyant humor and tremendous sense of popular feeling rescued him from lasting defeat. Through the courage of beginning again after defeat, Roosevelt could electrify the Nation in his first inaugural with words that symbolized his own life's philosophy: Today, more than ever, we need Roosevelt's courage of beginning again after defeat.

The third kind of courage for which I remember Franklin Roosevelt is the courage of a genuine humanitarian. One of the most indelible impressions that his personality has left upon us, was his concern for people. More than any other public official since Lincoln, Roosevelt really loved the American people. He deliberately stood for the human side of our economic and social problems. One of the "haves," he always sided with the "have-nots," and the fact that his college and business associates damned him as a traitor to his class, simply reinforced the moral strength of his position as a man who was willing to sacrifice his own privileges for the general good.

I think it is true to say that Roosevelt was a great human being. There are many who disagree fiercely with some of the things he did. Some doubtless are convinced that the whole direction of his policies was wrong. But there are few who, in fairness, will not admit that as a man he was prominent. Whatever his faults, he was bold, resolute, and unswerving of purpose. He was wholly identified with ideals, which he fought for unremittingly, and he became so identified with them that he had the courage to take risks politically and physically that few Presidents have been willing to take. The record of American achievement from 1933–1945 was a Roosevelt record no matter what else, because the President had the courage that he had. Because of his inherent faith in the dignity of human personality he gave the people hope, action, and self-respect.

Toward the end of this century, whether in the coal-mining districts of Pennsylvania or in the irrigated regions of New Mexico, a grandfather will tell his grandson how, when he was a boy, there was a President in Washington: he was born to luxury, and forsook leisure to wage a battle on behalf of the forgotten man; he was paralyzed, but was the most energetic fighter of the times; he came out of banking circles, and was the first to break the autocracy of the captains of finance, for, like Lincoln, he was a genuine friend of the common man. It took the courage of the humanitarian for Franklin Roosevelt to transfer his allegiance from privilege to people.

He wrote his own epitaph in his last words:

The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

VI

Fifty years ago, Woodrow Wilson wrote as a political scientist:

The President is at liberty, both in law and in conscience, to be as big a man as he can. His capacity will set the limit. The Constitution bids him speak, and times of stress and change must more and more thrust upon him the attitude of originator of policies.

Twenty-five years ago, Franklin Roosevelt said:

In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory.

The 28th and the 32d Presidents, in their greatness, fulfilled their conception of the Presidency. So did the 33d, Harry S Truman.

Yet where today is the leadership of frankness and vigor? It is perhaps our greatest weakness that, in a time of unprecedented peril, it is lacking.

Where under Roosevelt the country grew stronger and more united in national purpose, today it has been weakened and confused. After 5 years of the present administration, our defenses are weaker, our alliances are faltering, our prestige in the world is lower. Our economy is stumbling, our educational system is more inadequate, our liberties are less secure.

In national defense, of which General Eisenhower was supposed to be the master, in spite of expenditures of nearly $200 billion, we have lost to the Soviet Union that margin of technological superiority which was the margin of our security. There is no assurance that even extraordinary efforts can regain it—or even assurance that the extraordinary effort will be made.

President Eisenhower himself has told us that "there is no alternative to peace"; but in the all-important search for at least the beginnings of disarmament for peace, he has allowed United States policy to be ambiguous and futile. He has left the conduct of foreign affairs to a Secretary of State whose rigid postures and self-righteous moralisms have complicated relationships with our friends and complicated negotiations with our adversaries. He is pursuing a

foreign policy that follows a twisted course.

The President has misread the lessons of the Marshall plan and point 4 and has consistently subordinated economic and technical development to military aid. He underrates the strength and capacity of the United States economy. We are failing by default to meet the Soviet challenge in economic competition, an area in which we would surely have the advantage. The Indian five-year plan, on which the most important free nation in Asia depends, hangs in the balance for want of American dollars.

At the same time, and for the same reason, the administration neglects the needs of our own people for schools, housing, hospitals, and welfare services—yes, and for the development of our own resources.

The Department of Agriculture is in the hands of a man who stubbornly and dogmatically refuses to recognize the needs of American farmers.

In the face of economic recession, the President is waiting, Hoover-like, in vague confidence that it will get better after it gets worse.

As his leadership has been lacking in vigor, so has it been lacking in that frankness which is the prerequisite for popular understanding and support. The country has been denied both the facts and the gravity of our condition. These have had to be wrung by Congress from the President's own subordinates—and still the country does not know them all. Neither has the President acknowledged the trails of wrongdoing that have led deep into his administration.

The Constitution places on the President the responsibility and authority which are his alone. They cannot be alienated or delegated, by design or default. Congress cannot assume them, even if it wished, and I, for one, have no wish that it should. The Constitution, as Wilson said, summons the President to greatness. For myself, as a Senator, and for all Americans, I beg of the President to heed the summons. In these times of stress and change the people of the Nation will respond, to the utmost limits of their capacity, to the call of leadership. The danger is clear and present. The occasion is piled high with difficulties. I beg the President to respond—clearly, boldly, magnanimously. If he can summon the strength to lead, he will find an eager and dedicated following, as Franklin Roosevelt himself did 25 years ago.

Mr. SCOTT. Mr. President, today, the 25th anniversary of the inauguration of President Franklin D. Roosevelt, it is fitting for the United States to take stock of itself and the times.

A great deal has happened in the past 25 years. Many changes have been made, wars have been fought, and new challenges have risen, both on earth and in the heavens, that are putting mankind to its greatest test.

When Franklin Roosevelt took the office of President, the United States was at one of the low points in its history. The policies of the New Deal unlocked the death grip of economic depression and restored the confidence of free men all over the world. In just a few years, under the leadership of President Roosevelt, democracy came from the depths of a depression to a place of respect and admiration throughout the world.

In many ways the problems of today are the same as 25 years ago.

There were breadlines and people were looking for a day's work for a day's ration on March 4, 1933.

There are breadlines and people are looking for a day's work for a day's ration today.

Heartless, power-mad dictators were pointing their fingers at the United States as a failure in democracy 25 years ago today.

Heartless, power-mad dictators are today pointing their fingers and shouting the same song.

On March 4, 1933, this Nation was in dire need of somebody showing the way to the potentials that awaited it. We needed leadership.

Today, this Nation is in dire need of somebody to show the way to the potentials that await it. We need leadership.

With the blessing of the Almighty, it is not too late for us to find the leadership we need so badly now.

If destiny will provide us with a leader who is bold, who is decisive, and who has imagination, then the problems of the space age will be greatly simplified.

It is that sort of leadership we must search for at a time when we have an apparent bankruptcy of courage and determination at the places it counts most.

The wheel has come a full turn.

Somehow, somewhere, we must find another Roosevelt.

Mr. JOHNSTON of South Carolina. Mr. President, 25 years ago one of the most farsighted Presidents in the history of our Nation assumed office. When Franklin D. Roosevelt was first inaugurated President, the United States was in one of the darkest hours of its peacetime history. Banks were going bankrupt, millions were unemployed, the stock market had crashed, and the spirit of the people was broken.

Out of the darkness, President Roosevelt declared, "The only thing we have to fear is fear itself." Then the new President launched into programs to recover the Nation and put it back on the road to prosperity and productivity. President Roosevelt, like millions of other Americans, had listened to the promises of "prosperity just around the corner" which had emanated from the White House for 4 years during Republican policies. But around the corner were found only more promises. So then the American people elected Franklin D. Roosevelt to be President.

Today, as we celebrate the 25th anniversary of the first inauguration of Franklin D. Roosevelt as President, it is difficult to realize that the Republican chant of "Prosperity is just around the corner" is again with us. It is like a ghost that is returning from the beyond to haunt us.

But once again the words and deeds of Franklin D. Roosevelt are with us, to keep our Nation out of the depths of despair, abandonment, and deep depression. Again, today the only thing we have to fear is fear itself, for, again, today we have with us the programs that Roosevelt conceived and put into effect.

Were it not for the unemployment compensation program, the social security program, the Federal deposit insurance program, and the other programs inaugurated by Franklin D. Roosevelt, this country would today be in a tailspin no different than the one it was in 25 years ago, when Franklin D. Roosevelt first became President.

Today more than 5 million of our people are unemployed. Today 9 million of our people are drawing social security payments. It can readily be seen that if it were not for Franklin D. Roosevelt's social security program 14 million of our people would today be pounding the streets—without jobs and without incomes; the unemployed would now be in bread and soup lines; the aged would be starving, in cold and want; the unemployed youths would be gangsters; and the banks would be dry of deposits and savings.

Today we can thank God that Roosevelt lived and had the foresight to inaugurate the humanitarian and practical programs he did while he was President.

Today the Republican administration, under the first Republican President since President Hoover, is telling us, once again, that "prosperity is just around the corner" and that the upswing will come in March or in April or in May. This administration is forever saying, "Just wait a little longer." But, Mr. President, although March is now with us, the picture looks no brighter. But I can assure you, Mr. President, that if the upswing does come, it will be a result of the programs founded during the administrations of Franklin D. Roosevelt, and not the result of anything the present administration may do, for this is an administration of "stick your head in the sand" and do nothing.

With proper action associated with the great stabilizing programs created by Franklin D. Roosevelt's leadership, even the present Republican administration can return the Nation to full employment and full prosperity and full production. But even the best laid plans can be destroyed by consistent neglect and arrogance.

As we mark the 25th anniversary of the first inauguration of Franklin D. Roosevelt as President of the United States, every American should remember the spirit of the man who, despite his major physical handicap, led our Nation out of economic hell and laid the groundwork to keep us out of such despair forever.

We should remember, too, that Franklin D. Roosevelt used every power at his command to begin an all-out, national onslaught against one of the most dreaded diseases of our times. As a result of his initial efforts, today, at long last, we have a means for the prevention of infantile paralysis, which had stricken him and millions of others in this land.

For 25 years since he first became President, in this land there have been

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those who have cursed him and everything he ever did, and who, in turn, now curse those who honor the name of Franklin D. Roosevelt.

Personally, Mr. President, I shall forever be proud that I knew and served with Franklin D. Roosevelt. I am confident that one day the critics will have vanished, for every day, as history is being made, their criticisms are being vanquished by the acts and deeds of that man we honor today.

Mr. MORTON. Mr. President, I am very proud to join with my colleagues in memoralizing the life and accomplishments of a great American, Theodore Roosevelt, on occasion of the 53d anniversary of his inauguration as President of the United States in his own right.

The life of Teddy Roosevelt is virtually a legend in American history. I doubt very seriously if any fiction writer could pattern a novel about his life without running the risk of having it called unbelievable. But, he was, indeed, a very real man with a vigor and exuberance of personality and action Americans loved and will never forget.

The contagion of his personality, his character and his boundless energy infected the entire American public. While the successes of his long career of public service were many and momentous, Theodore Roosevelt was revered as much for the ideals he personified as for his vast accomplishments. A devout sense of honor and integrity, a righteous spirit of loyalty and patriotism shaped the policies which guided our Nation's destiny under his direction.

America's heritage from this great man is rich indeed. The record of his illustrious career is a brilliant one which reflects unswerving obedience to his ideals and unbending devotion to his America.

I might say that I am privileged to know his grandson and namesake, Theodore Roosevelt III. He was stationed with the Army near my home city of Louisville, Ky., some years ago and married a Louisville girl. We were hopeful that this tie would bind him to living in Louisville. It was the community's great loss when he chose to move to the east, but we have not abandoned hope that some day he will return to our midst.

In closing, I should like to commend the Theodore Roosevelt Centennial Commission for its excellent programing of activities to refresh the Nation's mind on Theodore Roosevelt's memorable contributions to our American way of life.

Mr. YARBOROUGH. Mr. President, on this 25th anniversary of the elevation of Franklin D. Roosevelt to the Presidency, and the 53d anniversary of Theodore Roosevelt's being sworn into that office, the people of my State pause with those in the rest of the Nation to pay tribute to the two Roosevelts.

Theodore Roosevelt was the first President after the War Between the States to really stir the imagination of the people of Texas and really cause them to rally behind his leadership. A young New Yorker converted into a Montana rancher, he came to San Antonio to organize the Rough Riders, and Texans joined up by legions and followed him up San Juan Hill.

Theodore Roosevelt's conservation policies benefited all the West, but it took the imagination of Franklin D. Roosevelt to create national forests where there was no public land. His administration bought worn-out, infertile, barren hillsides in east Texas, and named them Sam Houston National Forest, Davy Crockett National Forest, and other names dear to Texan hearts. The people in that area loved the names, but smiled at what they thought was F. D. R.'s folly. Today these east Texas national forests are beautiful pine forests, benefiting the people, the lumber mills, and also the counties and school districts which receive a share of the profits of the lumber cut, in lieu of taxes. Acre for acre, the lands in these forests are the most valuable lands in east Texas.

Mr. President, that farsighted act by the greatest humanitarian yet to occupy the White House in the 20th century was only a symbol of his whole 12-year policy of leadership for the people.

I hold in my hand a column written by Drew Pearson on the 10th anniversary of the death of Franklin D. Roosevelt, published in 1955. I ask unanimous consent to have the entire article printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. YARBOROUGH. Mr. President, the article is entitled "World Has Changed Since F. D. R. Died." I shall read at this time the last paragraph of that fine article written about Franklin D. Roosevelt:

> When he was President, he ran the show. He made decisions. He did not pass the buck. He looked far ahead, saw events before they happened. * * * He knew war was inevitable, and began preparing for it. * * * When people were hungry he tried to feed them. When people were jobless, he found them work. He set up machinery for protecting the public which has not been and will not be changed today. * * * Sometimes he made mistakes. The NRA he recognized as one of his mistakes. * * * Sometimes he did things that were illegal. When Hitler threatened England in 1940, after France fell, and the British lost most of their arms at Dunkirk, F. D. R. emptied our arsenals. In one bold stroke he sent all our arms to England. He knew what the political consequences would be if his gesture failed. For he acted without O. K. from Congress. But he also knew the consequences to the Free World if England fell. * * * He acted illegally. But he acted. And England was saved. * * * I remember in 1933 how poverty-stricken veterans came straggling into Washington, a few at a time. Herbert Hoover let them pile up—until an army of 20,000 was driven out of Washington by tanks and cavalry. * * * F. D. R. collected them as they came to Washington, a dozen at a time, took them to Fort Hunt, fed them, sent them back home to WPA officials to get jobs. * * * Veterans continued to straggle in during the early days of his administration, but he never let a bonus army pile up in the Nation's Capital. * * * That was one great difference between F. D. R. and some other Presidents who occupy or who have occupied the White House.

That was written 2 years ago.

When that dynamic voice called out, "The only thing we have to fear is fear itself," the American people recognized a leader. They thrilled to the challenge, "This generation has a rendezvous with destiny."

Mr. President, that leader has gone, but this generation has not gone, it remembers his words and deeds, and our rendezvous with destiny envelops every minute of our lives.

America needs leadership now to visualize for the people the perils and duties of this hour, and to call America again to greatness. America longs for leadership.

Franklin D. Roosevelt's greatest legacy to America is his example of bold, untimid leadership in the face of every danger. By what he did he has shown us what we can do.

Mr. President, despite the apparent vacuum, leadership will be found. The Franklin D. Roosevelt tradition will not die out in this land.

EXHIBIT 1

WORLD HAS CHANGED SINCE F. D. R. DIED

(By Drew Pearson)

WASHINGTON.—A lot of things have happened since that day 10 years ago when F. D. R. passed away. It was an April day, full of hope and sunshine. A great war was about to be won. Everyone could feel it. Peace was just around the corner. The big things he had fought for were almost within reach. * * * And then his body came home—came back on a flag-draped caisson from Georgia, came slowly down Pennsylvania Avenue up which he had driven four times to take the oath as President. * * * The town seemed empty after that. And a little numb. Actually, F. D. R. hadn't been around much that winter. He was in Warm Springs after his election, in Hyde Park for Christmas, then to Yalta, then back to Hyde Park, then to Warm Springs again—then back to Washington to lie in the East Room of the White House—silent and alone * * *. But even though he had been away, people always felt that he was here, that he had his hands on things, and so the town was empty. Even the guards around the public buildings, the folks who sit on park benches, the elevator operators, the taxi drivers, seemed a little lost. For Roosevelt was their President. They felt he was working for them. And they knew they had lost a friend.

The little man who took his place, a humble man, was in SAM RAYBURN'S office late in the afternoon when he got a phone call to come to the White House immediately. White-faced and grim, he left. He knew what the call meant. * * * At the White House later Harry Truman took the oath of office as President of the United States. The Cabinet stood by shocked and shaken. Miss Perkins, who had known F. D. R. since their early reform days in Albany, broke down and wept. Henry L. Stimson, a Republican who had served in three Cabinets and who once had battled against young F. D. R. in New York State, also wept—unabashed. * * * He had opposed Roosevelt on domestic issues, served in his Cabinet on national issues. * * * Henry Morgenthau looked 10 years older. * * * The new President, shaken, nervous, finally went home to his apartment, suddenly discovered he was hungry. * * * The icebox was empty, so a neighbor brought in roast beef and ice cream. Thus, after 12 years under one President, a new administration began to function.

TIME CHANGES

The funeral train that carried F. D. R. to Hyde Park was crowded with Cabinet members and old friends. They stayed awake most of the night. Outside as the train

passed were bonfires, people standing, waiting to pay homage to the last visible remains of their dead leader. All night through Philadelphia, Trenton, Newark, New York, people stood along the tracks. * * * At Hyde Park the Cabinet and the Supreme Court stood on one side of the rose garden, opposite the grave. The new President stood on the other side. With him were Mike Riley of the Secret Service, Mrs. Truman—and Jimmie Byrnes. Jimmie, who had left Washington, supposedly for good, just 2 weeks before, had hastily flown back to board the funeral train. * * * Taps were blown. A West Point cadet handed Mrs. Roosevelt the flag which had been draped over her husband's bier. She bore up well. * * * The dead President was lowered into his grave.

That night as the special train rolled back to Washington, Harry Truman spent most of his time with three men—Jimmie Byrnes, Ed Pauley, George Allen. Of these, only Pauley, the California oilman, continues close to him. Byrnes, whom Truman appointed to the highest Cabinet post, has fought him bitterly, tried to carry South Carolina for Eisenhower. * * * George Allen, who was given high honor by Truman and a lush job in the RFC, is now Eisenhower's partner in the farm at Gettysburg and in a Howard Johnson restaurant.

CHURCHILL ERRED AT YALTA

So times have changed. The man who succeeded Roosevelt is now out of office, the man whom Roosevelt made commanding general in Europe is in office; and when the Yalta records were released, few people whom he had befriended, few he promoted to high office, rose to defend his good name. * * * In contrast, Winston Churchill, who was equally, perhaps more to blame for the mistakes at Yalta, retired last week in a blaze of glory. He lived to defend himself * * *. Some years ago, before he came back as Prime Minister, Churchill confided to a friend that he wished he had passed on as Roosevelt did at the height of victory, at the glorious climax of the war. * * * However, he lived to enjoy other glories, lived to defend himself, and I for one am glad he did. * * * No one attacked Churchill for the mistakes he made at Yalta. They attacked the dead man who could not defend himself.

F. D. R. did not promote me to high office, did me no favors. He fired my father, a Republican appointed governor of the Virgin Islands by Hoover, and once in the heat of battle he called me a liar. * * * However, I rise to defend some of his great qualities * * * when he was President, he ran the show. He made decisions. He did not pass the buck. He looked far ahead, saw events before they happened. * * * He knew war was inevitable and began preparing for it. * * * When people were hungry he tried to feed them. When people were jobless, he found them work. He set up machinery for protecting the public which has not been and will not be changed today. * * * Sometimes he made mistakes. The NRA he recognized as one of his mistakes. * * * Sometimes he did things that were illegal. When Hitler threatened England in 1940 after France fell, and the British lost most of their arms at Dunkirk, F. D. R. emptied our arsenals. In one bold stroke he sent all our arms to England. He knew what the political consequences would be if his gesture failed. For he acted without O. K. from Congress. But he also knew the consequences to the Free World if England fell. * * * He acted illegally. But he acted. England was saved. * * * I remember in 1932 how poverty-stricken veterans came straggling into Washington, a few at a time. Herbert Hoover let them pile up—until an army of 20,000 was driven out of Washington by tanks and cavalry. * * * F. D. R. collected them as they came to Washington, a dozen at a time, took them to Fort Hunt, fed them, sent them back home to WPA officials to get jobs. * * * Veterans continued to straggle in during the early days of his administration but he never let a bonus army pile up in the Nation's capital. * * * That was one great difference between F. D. R. and some other Presidents who occupy or have occupied the White House.

THE TWO ROOSEVELTS—A DOUBLE ANNIVERSARY

Mr. MORSE. Mr. President, today, March 4, 1958, marks a double anniversary for the United States. As part of the observation of the centenary of Theodore Roosevelt's birth, it is fitting that his inauguration as President should be celebrated.

Equally, the 25th anniversary of the inauguration of Franklin D. Roosevelt is a signal occasion for our Nation.

They were related by blood. Perhaps even more, they were related in spirit and philosophy.

Both Roosevelts were hearty optimists and intrepid battlers for the causes in which they believed and in their devotion to the interests of the people of the country, especially when selfish or short-sighted groups were opposed to those interests.

As the Nation celebrates the 100th anniversary of T. R.'s birth, I think it worth noting that we seem to be getting an expurgated version of Theodore Roosevelt. For example, the Director of the Theodore Roosevelt Centennial Commission presented in the New York Times of October 17, 1957, a collection of excerpts from Roosevelt's writings supposedly designed to indicate his significance for the troubled mid-20th century. The quotations were pretty thin stuff for Theodore Roosevelt. Amazingly enough there was not a quotation or mention relating to Theodore Roosevelt's major themes, namely, conservation and anti-monopoly programs.

Theodore Roosevelt and Franklin D. Roosevelt were men of action with controversial philosophies. Both began their political careers in the New York State Legislature, not as party regulars, but as mavericks.

THE CONSERVATIONISTS

Both men were vigorous leaders and pointed the way to the future, building on the past, but never imprisoned by it.

Today many speeches are being made about both Roosevelts. I would comment on just three major characteristics and ideals these great Americans had in common.

Theodore Roosevelt, along with the great Gifford Pinchot, fathered the conservation movement in this country—and, indeed, gave it worldwide impetus. Irresponsible exploitation of forests, agricultural land, ranges, and streams was rampant at the close of the 19th century. Roosevelt and Pinchot blocked that kind of unthinking, unwise exploitation with an idea—and the energy and programs to put the idea into action.

For example, a major portion of T. R.'s eighth annual message to Congress dwelled upon the evil of deforestation and erosion in China, as an example of what could befall our rich land.

It will be recalled that in many speeches in the Senate in recent years I have talked about China—once a surplus-food China, once a China with heavy forests, once a China with deep topsoil. In each of those speeches I have warned that if we follow the Eisenhower course of action in the field of natural resources, we shall create a second China, on too many hundreds of thousands of acres of land in the United States, because the man now occupying the White House apparently has never caught even a glimpse of inspiration from a Teddy Roosevelt, a Pinchot, or a Franklin Roosevelt, in regard to the importance of any President of any party sitting in the White House at any time protecting the heritage of generations of Americans yet to come in their own natural resources.

Much that I have had to say about China as a sad precedent, comes directly from Teddy Roosevelt. In his eighth annual message to the Congress when he was President he had this to say:

> What has thus happened in northern China, what has happened in central Asia, in Palestine, in North Africa, in parts of the Mediterranean countries of Europe, will surely happen in our country if we do not exercise that wise forethought which should be one of the chief marks of any people calling itself civilized.

The entire passage is of such great interest I ask to have it inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the excerpt may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. MORSE. Mr. President, I think this discussion by Teddy Roosevelt in his eighth annual message is one of the best writings on the whole problem of conservation of our natural resources. It is a very sad thing, that following Franklin Roosevelt and a Truman, who but sought to implement and effectuate the sound conservation programs of Teddy Roosevelt, we should have now a Republican President who shows—to be most kind—such gross ignorance of the entire problem of conserving natural resources.

The kindest thing we can say about Dwight D. Eisenhower in this field is that he is simply ignorant about it. There is much circumstantial evidence that would justify one in saying that it cannot all be explained on the ground of ignorance.

However, I think the avarice, the dollar-grasping, the motivation of exploiting the heritage of the American people in God's gift to them of their natural resources, cannot be ascribed to the President himself, but to men—for whom he is completely responsible—namely, his underlings in the palace guard and the departments which are under the handmaidens or the tools of the great monopoly interests of the country, which are attempting to ravage the natural resources for a quick dollar under the Eisenhower administration.

Would that I could get President Eisenhower to read something besides western stories. Would that I could get the President to read a little of Teddy Roosevelt. It would dispel some of his ignorance. I can think of nothing for Dwight

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D. Eisenhower to read better than Teddy Roosevelt's eighth annual message to the Congress of the United States on the subject of natural resources. It would be much better, I should think, for his own peace of mind, and certainly for the American people, if he would do something about it after reading it, by way of following the great conservationist philosophy of a truly great Republican President, Theodore Roosevelt. Reading the great discussions by Teddy Roosevelt on the conservation of our natural resources would do much good.

Both Teddy Roosevelt and Franklin Roosevelt believed what was new for the time, although it is accepted today—that all aspects of conservation are interrelated. They dramatized the need for forest preservation and reforestation for soil conservation, flood control and recreation. They demonstrated that these purposes and power production—which aided the others—must be undertaken on a basinwide scale.

Theodore Roosevelt insisted that it was the responsibility of the Federal Government to devise, undertake and supervise basin development for maximum multipurpose benefits to the public.

We talk about full river basin development. We talk about multipurpose development. We talk about maximum development of the electric power potentials of the streams of America. That is not talk of recent years only. It is not talk confined to even such a recent past as George Norris, Bob La Follette, Hiram Johnson, William Borah, and other great liberals who have walked the carpet on the floor of the United States Senate. This is the inspiration and the idealism of a Teddy Roosevelt and a Gifford Pinchot about which I am speaking this afternoon.

I have underlined in my speech Teddy Roosevelt's principle and I wish to read it again for emphasis.

Theodore Roosevelt insisted that it was the responsibility of the Federal Government to devise, undertake, and supervise basin development for maximum multipurpose benefits to the public.

Franklin D. Roosevelt was the greatest exponent of Theodore Roosevelt's conservation philosophy and program.

Indeed, he revived it after years of disregard under Republican administrations, particularly of a Harding, a Coolidge, and a Hoover, because during that period of time we saw the beginnings of the shocking giveaway program of the Eisenhower administration. I am always a little amused when President Eisenhower indicates, at a press conference or elsewhere, a little petulance because there are those who dare tell the American people that he is the greatest giveaway President in our history in the matter of natural resources.

When F. D. R. became President, as with Theodore Roosevelt, Gifford Pinchot came on the scene. The Civilian Conservation Corps, which was one of Franklin D. Roosevelt's first steps, came to him right after his election in 1932 from Gifford Pinchot. Here again was Pinchot sensing that there was again real leadership in the White House ready to use conservation to bring us up by our bootstraps in the battle against depression. Franklin Delano Roosevelt, himself a forest-land owner, knew the merit of the Pinchot idea and with his characteristic vigor breathed life into it.

One has only to study Franklin D. Roosevelt's record as a State senator and Governor of New York to know that conservation was a field where he had vast experience. In his term as governor he had initiated programs which enabled New York to add rundown lands to its State forest system. Today New York is dotted with these well-managed State forests—an everlasting tribute to his wisdom.

The Civilian Conservation Corps program performed much the same thing on the national level. In 10 years as many as 500,000 young men who could not obtain work were given useful work. Two million acres of land were planted to trees, 4 million more were improved, 100,000 miles of service roads were built in our national forests; 56,000 miles of firebreaks were built, forest insects, disease, and fire were battled. The accomplishments of these men were great as they advanced to the vision of Teddy Roosevelt, Franklin D. Roosevelt, and Gifford Pinchot. But the real wonder of the plan was what it did for our people. In Oregon, boys from Alabama and New York met in CCC camps. They learned trades, they learned about conservation, they learned about our great country. I say that the real accomplishment of the CCC was the conservation and development of the young people of our Nation.

Franklin D. Roosevelt helped the lumber industry to get started in conservation with his NRA. It had a clause which committed the industry to use sound cutting practices. Despite the short life of the NRA the idea planted by that code has developed until today a still small but growing segment of this industry is converting to sustained yield-cutting practices. It was because we had a man of vision in the White House that progress in forestry got its big boost.

Under Franklin D. Roosevelt substantial acreages were added to the national forests and these lands were restored to forest. Fire prevention and tree planting, which started under the Clark-McNary Act, were expanded. The O. and C. lands in Oregon, which had been revested from the railroads in 1916, were put under sustained yield forestry in a plan worked out by the late great Senator from Oregon, Charles McNary, and Franklin D. Roosevelt—a great Republican Senator and a great Democratic President—working together, as we ought to work together, in complete cooperation on a matter so greatly concerned with the interests of the public. The Taylor Grazing Act which provided the first real legislation for managing the public-domain lands under the Interior Department was enacted in 1934 under Franklin Roosevelt.

Turn to the farm for a moment and think of the Rural Electrification Administration. In 1931, while Governor of New York, Franklin Roosevelt worked with Morris Cooke and Gifford Pinchot to develop a study on how to distribute low-cost electricity to farms in the State. In 1934, Cooke took his idea to Roosevelt and by Executive order on May 11, 1935, the REA was born. Later Congress authorized it. In 1933, only 10 farms in 100 had electricity. By 1956, 94 out of every 100 farms had the benefits of electricity. REA is a story in itself. The power companies did not realize that the farmer was a good market for electricity. Today they call REA socialism and want to take it over. How times have changed. If it were not for the insight of Franklin D. Roosevelt, the farmer today might still be in the age of the lantern.

The Soil Conservation Service was started as an embryo in 1903 by Teddy Roosevelt with Hugh Bennett in charge. When finally life was breathed into this agency, it was delivered by "Dr." Franklin Delano Roosevelt. I could speak all afternoon on the work this fine agency has done. I think a few brief highlights tell the story: Soil conservation districts adopt conservation standards by democratic referendum. The farmers participate. This tells the story in a sentence.

Closely associated with the Soil Conservation Service, although the Forest Service did much of the work, was the shelter belts of the Midwest. This again was a Roosevelt idea—his own—and he was ridiculed by many at the time.

Franklin D. Roosevelt came out in support of a program of planting, across the Great Plains areas of the United States, at relatively short intervals, great strips of trees extending hundreds and hundreds of miles. As I have been heard to point out before, there were reactionary Republican editors across the Western States who thought that at last they had some proof that Franklin Roosevelt was not mentally sound, and they wrote editorials to that effect. Today, of course, it is generally recognized how sound he was and how regrettable it is that his full program was not inaugurated. Franklin Roosevelt in those days was warning about a dust bowl. Franklin Roosevelt was warning in those days of the dangers of putting the point of a plow blade into tens of thousands of acres of prairie land that never should have had a furrow turned in it, if we are to avoid erosions like the Dust Bowl. Furthermore I would have the American people keep in mind that one of the things that conservationists recognize is that great historic teaching that we cannot erode our natural resources without eroding our civilization; that we cannot erode our land on a national scale without eroding the standards of our people. It has terrific effect upon human life as well as upon soil and forests and streams.

In paying tribute to these two great conservationists, Teddy Roosevelt and Franklin Roosevelt, I could not possibly do better, particularly in view of my own personal convictions in regard to this great issue, than to stress the contributions these two statesmen have made in the whole problem of conservation, and, in contrast, to point out how completely lacking in understanding is the present occupant of the White House in regard to this problem.

Under the Midwest tree belt program, in 7 years, some 200 millions of trees were planted on some 30,000 farms. Eighteen thousand miles of trees were planted. Ninety-five percent of them are still in existence, and most of them are flourishing. Mr. President, ask any farmer in the Midwest, and you will know that the shelter belt was a success.

It was F. D. R. who took the programs of Norris, La Follette, Borah, Dill, Bone, and McNary and gave them life and form in TVA, at Bonneville Dam, and at Grand Coulee.

They did more than to advocate and obtain the construction of great dam systems.

THE ANTIMONOPOLISTS

Both Roosevelts also insured that these magnificent and fruitful public developments would redound to the maximum benefit of the greatest number—not to be monopolized by a few.

So the Reclamation Act of 1902 contained two historic antimonopoly provisions: the limitation of irrigation benefits to family sized farms; and the electric-power preference clause for nonprofit public agencies.

F. D. R. made sure that these antimonopoly features were ingrained in TVA and the Bonneville and Columbia Basin—Grand Coulee—acts.

They were an integral part of their common philosophy that the free enterprise system functions best when competition flourishes and monopoly is prevented. They believed with the early English court which stated the principle: "Competition is an ease to the people."

PRINCIPLE FIRST—PARTY SECOND

Both Roosevelts, great and dynamic party leaders though they were, placed political purposes and ideals above partisanship.

In 1912, Theodore Roosevelt bolted his party when it renominated President Taft, whom he believed to be too conservative for the times. So was launched the Bull Moose movement. It was not a success, at least at the polls in 1912. But it was a great example of political independence not lost upon the great progressives who soon followed.

In my judgment, the great movement of the mavericks in American politics has accomplished much by way of setting the pace for the leaders of the parties who are not so anxious, usually, as they should be, to translate into legislation the principles of the general welfare clause of the Constitution.

Although the Bull Moose movement was defeated in 1912, it should not be regarded, and it is not being regarded, in history as a lost cause. To the contrary, many of the proposals of the Bull Moose movement, many of the liberal progressive principles of the Bull Moose movement, now happen to be the law of the land. That is why I am so prone to ask some of my colleagues from time to time in the Senate, what is wrong with being defeated on some issue at the present moment? True, the liberals are perfectly willing to take their defeat today and to wait for the dawn of a better day, knowing that if, on the evidence and the principles involved in their case, they are right from the standpoint of the general welfare of the people of the Nation, sooner or later their point of view will prevail.

That has been the record of the great liberal, maverick movements, such as the Teddy Roosevelt movement in 1912 and the great progressive movement of 1924, the latter under two liberals, one a Republican, the other a Democrat—the Republican being the senior La Follette, and the Democrat, Burton K. Wheeler.

Well I remember that election because, as a young man, I campaigned in the Midwest for the Progressive ticket in 1924. It is interesting now, in retrospect, to take the platform of La Follette and Wheeler and to see how they predated the great liberal movement of the New Deal under Franklin Roosevelt and the Fair Deal under Harry Truman.

I frequently have said to my Democratic colleagues in the Senate: "You had better recognize that the predated New Dealers were those who in 1924 fought for the cause of the Progressive Party, which was defeated."

I stress the great characteristic of Teddy Roosevelt of being willing to put what he considered matters of principle above partisanship.

In that connection, Franklin D. Roosevelt, it will be remembered, made a speech for George Norris in 1936 when Norris was running as an independent against both a Republican and a Democrat. In 1938, he said in his Jefferson-Jackson Day speech:

> My father and grandfather were Democrats and I was born and brought up as a Democrat, but in 1904, when I cast my first vote for a President, I voted for the Republican candidate, Theodore Roosevelt, because I thought he was a better Democrat than the Democratic candidate.

That is principle above politics. I should like to put that statement on the desk of every Democratic Senator. They ought to look at it, because there was one of the greatest of the great Democrats who made it perfectly clear that he would not hesitate to put what he considered to be the welfare of the country above a partisan stand of his party at any time. I recommend that principle to Democrats. I used to recommend it to the Republicans, when my seat was on the other side of the aisle, but to no avail. At least, I have a few partners on this side of the aisle who share this principle of political philosophy—a common principle of both a Teddy Roosevelt and a Franklin Roosevelt.

It may be recalled that in 1904, the year when Franklin Roosevelt said he cast his first vote, the Democratic candidate was Alton Parker, of Roosevelt's own State of New York.

Neither of the Roosevelts was a narrow partisan either in political philosophy or on a geographical basis. They were constitutional liberals.

LIP SERVICE OR PUBLIC SERVICE?

Much has been said and will be said this year on both Roosevelts. These eulogies are deserved. They can recall us to our duty as a nation and as politicians.

Both Roosevelts were among the most beloved—and hated—men of their times. They were great builders and leaders.

They were great liberals.

I ask: Will the Republican Party of today follow Theodore Roosevelt or does his sanctity as a Republican symbol increase only the farther he recedes in time?

And I ask my Democratic brethren: Will we follow the liberalism of F. D. R. or treat him as a kitchen god to be honored in name but not in deed?

In a world beset with peril, in a domestic economic situation beset with danger, do we pause to do lip service only? Or shall we take the ideals and deeds of both Roosevelts as sound guides for expanding the strength and opportunities of this democratic republic?

I commend to my colleagues in the Senate, both Republicans and Democrats, the constitutional liberalism of a Teddy Roosevelt and a Franklin Roosevelt. I say it is past the time to proceed to put into legislative practice the great constitutional liberalism of those two great statesmen.

I yield the floor.

EXHIBIT 1

EXCERPT FROM PRESIDENT THEODORE ROOSEVELT'S EIGHTH ANNUAL MESSAGE TO CONGRESS, DECEMBER 8, 1908

[From State Paper, vol. 15, pp. 518–523]

All serious students of the question are aware of the great damage that has been done in the Mediterranean countries of Europe, Asia, and Africa by deforestation. The similar damage that has been done in eastern Asia is less well known. A recent investigation into conditions in north China by Mr. Frank N. Meyer, of the Bureau of Plant Industry of the United States Department of Agriculture, has incidentally furnished in very striking fashion proof of the ruin that comes from reckless deforestation of mountains, and of the further fact that the damage once done may prove practically irreparable. So important are these investigations that I herewith attach as an appendix to my message certain photographs showing present conditions in China. They show in vivid fashion the appalling desolation, taking the shape of barren mountains and gravel and sand-covered plains, which immediately follows and depends upon the deforestation of the mountains. Not many centuries ago the country of northern China was one of the most fertile and beautiful spots in the entire world, and was heavily forested. We know this not only from the old Chinese records, but from the accounts given by the traveler Marco Polo. He, for instance, mentions that in visiting the Provinces of Shansi and Shensi he observed many plantations of mulberry trees. Now there is hardly a single mulberry tree in either of these Provinces, and the culture of the silkworm has moved farther south, to regions of atmospheric moisture. As an illustration of the complete change in the rivers, we may take Polo's statement that a certain river, the Hun Ho, was so large and deep that merchants ascended it from the sea with heavily laden boats; today this river is simply a broad sandy bed, with shallow, rapid currents wandering hither and thither across it, absolutely unnavigable. But we do not have to depend upon written records. The dry wells, and the wells with water far below the former watermark, bear testimony to the good days of the past and the evil days of the present. Wherever the native vegetation has been allowed to remain, as, for instance, here and there around a sacred temple or imperial burying ground, there are still huge trees and tangled jungle, fragments of the glorious ancient forests.

The thick, matted forest growth formerly covered the mountains to their summits. All

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natural factors favored this dense forest growth, and as long as it was permitted to exist the plains at the foot of the mountains were among the most fertile on the globe, and the whole country was a garden. Not the slightest effort was made, however, to prevent the unchecked cutting of the trees, or to secure reforestation. Doubtless, for many centuries the tree cutting by the inhabitants of the mountains worked but slowly in bringing about the changes that have now come to pass; doubtless, for generations the inroads were scarcely noticeable. But there came a time when the forest had shrunk sufficiently to make each year's cutting a serious matter, and from that time on the destruction proceeded with appalling rapidity; for, of course, each year of destruction rendered the forest less able to recuperate, less able to resist next year's inroad. Mr. Meyer describes the ceaseless progress of the destruction even now, when there is so little left to destroy. Every morning, men and boys go out armed with mattox or ax, scale the steepest mountainsides, and cut down and grub out, root and branch, the small trees and shrubs still to be found. The big trees disappeared centuries ago, so that now one of these is never seen save in the neighborhood of temples, where they are artificially protected; and even here it takes all the watch and care of the tree-loving priests to prevent their destructions. Each family, each community, where there is no common care exercised in the interest of all of them to prevent deforestation, finds its profit in the immediate use of the fuel which would otherwise be used by some other family or some other community. In the total absence of regulation of the matter in the interest of the whole people, each small group is inevitably pushed into a policy of destruction which cannot afford to take thought for the morrow. This is just one of those matters which it is fatal to leave to unsupervised individual control. The forest can only be protected by the State, by the Nation; and the liberty of action of individuals must be conditioned upon what the State or Nation determines to be necessary for the common safety.

The lesson of deforestation in China is a lesson which mankind should have learned many times already from what has occurred in other places. Denudation leaves naked soil; then gullying cuts down to the bare rock; and meanwhile the rock waste buries the bottom lands. When the soil is gone, men must go; and the process does not take long.

This ruthless destruction of the forests in northern China has brought about, or has aided in bringing about, desolation, just as the destruction of the forests in central Asia aided in bringing ruin to the once rich central Asian cities; just as the destruction of the forests in northern Africa helped toward the ruin of a region that was a fertile granary in Roman days. Shortsighted man, whether barbaric, semicivilized, or what he mistakenly regards as fully civilized, when he has destroyed the forests, has rendered certain the ultimate destruction of the land itself. In northern China the mountains are now such as are shown by the accompanying photographs, absolutely barren peaks. Not only have the forests been destroyed, but because of their destruction the soil has been washed off the naked rock. The terrible consequence is that it is impossible now to undo the damage that has been done. Many centuries would have to pass before soil would again collect, or could be made to collect, in sufficient quantity once more to support the old-time forest growth. In consequence the Mongol Desert is practically extending eastward over northern China. The climate has changed and is still changing. It has changed even within the last half century, as the work of tree destruction has been consummated. The great masses of arboreal vegetation on the mountains formerly absorbed the heat of the sun and sent up currents of cool air which brought the moisture-laden clouds lower and forced them to precipitate in rain a part of their burden of water. Now that there is no vegetation, the barren mountains, scorched by the sun, send up currents of heated air which drive away instead of attracting the rain clouds, and cause their moisture to be disseminated. In consequence, instead of the regular and plentiful rains which existed in these regions of China when the forests were still in evidence, the unfortunate inhabitants of the deforested lands now see their crops refuse longer to grow at all. That everything dries out faster than formerly is shown by the fact that the level of the wells all over the land has sunk perceptibly, many of them having become totally dry. In addition to the resulting agricultural distress, the watercourses have changed. Formerly they were narrow and deep, with an abundance of clear water the year around; for the roots and humus of the forests caught the rainwater and let it escape by slow, regular seepage. They have now become broad, shallow stream beds, in which muddy water trickles in slender currents during the dry seasons, while when it rains there are freshets, and roaring muddy torrents come tearing down, bringing disaster and destruction everywhere. Moreover, these floods and freshets, which diversify the general dryness, wash away from the mountainsides, and either wash away or cover in the valleys, the rich fertile soil which it took tens of thousands of years for nature to form; and it is lost forever, and until the forests grow again it cannot be replaced. The sand and stones from the mountainsides are washed loose and come rolling down to cover the arable lands, and in consequence, throughout this part of China, many formerly rich districts are now sandy wastes, useless for human cultivation and even for pasture. The cities have been of course seriously affected, for the streams have gradually ceased to be navigable. There is testimony that even within the memory of men now living there has been a serious diminution of the rainfall of northeastern China. The level of the Sungari River in northern Manchuria has been sensibly lowered during the last 50 years, at least partly as the result of the indiscriminate cutting of the forests forming its watershed. Almost all the rivers of northern China have become uncontrollable, and very dangerous to the dwellers along their banks, as a direct result of the destruction of the forests. The journey from Peking to Jehol shows in melancholy fashion how the soil has been washed away from whole valleys so that they have been converted into deserts.

In northern China this disastrous process has gone on so long and has proceeded so far that no complete remedy could be applied. There are certain mountains in China from which the soil is gone so utterly that only the slow action of the ages could again restore it; although, of course, much could be done to prevent the still further eastward extension of the Mongolian Desert if the Chinese Government would act at once. The accompanying cuts from photographs show the inconceivable desolation of the barren mountains in which certain of these rivers rise—mountains, be it remembered, which formerly supported dense forests of larches and firs, now unable to produce any wood, and because of their condition a source of danger to the whole country. The photographs also show the same rivers after they have passed through the mountains, the beds having become broad and sandy because of the deforestation of the mountains. One of the photographs shows a caravan passing through a valley. Formerly, when the mountains were forested, it was thickly peopled by prosperous peasants. Now the floods have carried destruction all over the land and the valley is a stony desert. Another photograph shows a mountain road covered with the stones and rocks that are brought down in the rainy season from the mountains which have already been deforested by human hands. Another shows a pebbly river bed in southern Manchuria where what was once a great stream has dried up owing to the deforestation in the mountains. Only some scrub wood is left, which will disappear within a half century. Yet another shows the effect of one of the washouts, destroying an arable mountainside, these washouts being due to the removal of all vegetation; yet in this photograph the foreground shows that reforestation is still a possibility in places.

What has thus happened in northern China, what has happened in central Asia, in Palestine, in North Africa, in parts of the Mediterranean countries of Europe will surely happen in our country if we do not exercise that wise forethought which should be one of the chief marks of any people calling itself civilized. Nothing should be permitted to stand in the way of the preservation of the forests, and it is criminal to permit individuals to purchase a little gain for themselves through the destruction of forests when this destruction is fatal to the well-being of the whole country in the future.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION FOR PAYMENT OF CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS RENDERED AGAINST THE UNITED STATES (S. Doc. No. 80)

A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $1,423,236, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED HOUSING ACT OF 1958

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON THE STATE OF THE FINANCES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, his report on the state of the finances, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Finance.

REPORT ON REVIEW OF CERTAIN POWER BILLINGS AND RELATED ACTIVITIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of power billings and related activities under Atomic Energy Commission contracts for electric power with Ohio Valley Electric Corp., Electric Energy, Inc., and Tennessee Valley Authority, for the 18-month period ended December 31, 1956

(with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIM PAID BY BUREAU OF THE BUDGET

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, on a tort claim paid by that Bureau, during the calendar year 1957; to the Committee on the Judiciary.

AMENDMENT OF FOREIGN AGENTS REGISTRATION ACT OF 1938

A letter from the Attorney General, transmitting a draft of proposed legislation to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies or orders granting the applications of certain aliens found admissible into the United States (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Northern Division, California Federation of Republican Women, at Santa Rosa, Calif., favoring the adoption of the Hoover Commission recommendations on Government economy; to the Committee on Government Operations.

A resolution adopted by the Northern Division, California Federation of Republican Women, at Santa Rosa, Calif., relating to education; to the Committee on Labor and Public Welfare.

RESOLUTION OF ST. PAUL AREA PUBLIC HEALTH COUNCIL, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, at their January 30, 1958, meeting, the St. Paul Area Public Health Council, St. Paul, Minn., adopted a resolution urging the continued present Federal subsidy arrangements for school lunch and milk.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Resolved, Whereas there is a need to continue the school lunch and milk program in the interests of child growth and development,

Whereas there is a need for program subsidy and for surplus foods to hold the pupil lunch costs to a level where schoolchildren of modest means can purchase a school lunch; be it

Resolved, That the Congress of the United States be urged to continue the present Federal subsidy arrangements for school lunch and milk, and to make available an adequate supply of surplus foods for these purposes until a workable plan can be established whereby the various States can provide the full subsidy and obtain the necessary surplus foods.

FARM PRICE SUPPORTS AT FULL PARITY LEVEL—RESOLUTION

Mr. HUMPHREY. Mr. President, the Cloverleaf Local of the National Farmers Union went on record on March 1, 1958, at Crookston, Minn., supporting farm prices at full parity level, and opposing any recommendation to lower farm price support levels.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs, and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That, we, the Cloverleaf Local of Farmers Union, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

PENSIONS FOR WIDOWS AND CHILDREN OF WORLD WAR II VETERANS—RESOLUTION

Mr. HUMPHREY. Mr. President, on February 6, 1958, the American Legion Post 617 at Eagle Lake, Minn., adopted a resolution urging the passage of S. 2966, providing for pensions to widows and children of World War II and Korean conflict veterans on the same basis as widows and children of veterans of World War I.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: On February 6, 1958, Post 617 of the American Legion at Eagle Lake, Minn., passed the following resolution:

"*Be it resolved*, That Eagle Lake Post 617, American Legion, Eagle Lake, Minn., is in favor of the passage of Senate bill 2966 now before Congress."

The officers and members of Post 617 respectfully urge your support for the bill, which would provide for the payment of a pension to widows and children of World War II and the Korean conflict veterans on the same basis as widows and children of veterans of World War I.

Very truly yours,
NICK HASSELFELDT, *Commander.*
O. A. ANDERSON, *Vice Commander.*
WAYNE R. WILL, *Adjutant.*

CURTAILMENT OF VETERANS' BENEFITS—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, the Wm. Laidlaw Post 208, of the American Legion, at Minneapolis, Minn., adopted a resolution on February 21, 1958, opposing any curtailment of veterans' benefits.

I ask unanimous consent that the letter signed by Commander Glenn Dornfield and the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

WILLIAM LAIDLAW POST NO. 208,
AMERICAN LEGION,
Minneapolis, Minn.,
February 27, 1958.

SENATOR HUMPHREY: I am forwarding to you the resolution, that was discussed and drawn up at our regular meeting January 17, 1958. This resolution was then voted upon at our regular meeting February 21, 1958. The resolution passed unopposed.

Our membership is 500. We truly feel you should oppose any action against veterans' benefits.

I wish to thank you for answering my previous communication on this subject of veterans' benefits.

Yours truly,
GLENN DORNFIELD, *Commander.*

Whereas in the present Congress there are many legislative bills and proposals to reduce veterans' pensions, to make small lump-sum

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payments against all future claims to veterans with war disabilities and to merge the programs administered by the Veterans' Administration with Federal social-security programs and to freeze the number of beds available in veterans' hospitals; and

Whereas it is the policy of the American Legion to oppose any such legislative or administrative attempts to merge the Veterans' Administration programs with the social-security programs; and

Whereas it is the policy of the American Legion to oppose any cutbacks on present veterans' pensions or hospital beds available: Therefore be it

Resolved by Wm. Laidlaw Post, No. 208, department of Minnesota, the American Legion, in regular meeting duly assembled on the 17th day of January 1958, That it does hereby go on record as being opposed to any lowering of income limitations, to any such reduction in veterans' pensions and against making any lump-sum payments against future veterans' claims and against freezing the number of beds now available in veterans' hospitals and against the merging of the Veterans' Administration program with social security; and be it further

Resolved, That each member should write their Senators and Congressmen in Washington, D. C., and that a copy of this resolution be sent by the adjutant of this post to the fifth district.

RESOLUTION OF BOARD OF COUNTY COMMISSIONERS OF MOWER COUNTY, MINN.

Mr. THYE. Mr. President, I present a resolution adopted by the Board of County Commissioners of Mower County, Minn., relating to the improvement of Route 391, as a part of the Federal system of highways. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD as follows:

Be it resolved, That the Department of Highways of the State of Minnesota in the planning and construction of Federal Interstate Route 391 through Mower County, Minn., do the following, in addition to the proposed plans:

1. Put a bridge across said Route 391 for county State aid Highway No. 19 and an extension thereof to the north, for the reason that the Rose Creek School District includes land north of said Route 391, and without this bridge there will be no access to this school area; for the further reason that the Rose Creek fire department and milk route and farm business area lies, in part, north of said Route 391, and without this bridge this area will be cut off and there will be no access to it.

2. Put a service road on the south side of said Route 391 across sections 1, 2, and 3 in Windom Township and section 6 in Marshall Township and section 5 in Marshall Township, connecting with the present trunk Highway No. 16, for the reason that, in view of the location and position of the township roads in this area, the school, bus, milk, and mail routes and farm travel will have to retrace and backtrack on their routes without the service drive above mentioned.

3. Put a bridge across said Route 391 for a county State aid Highway No. 1, in addition to the bridge across said Route 391, for county State aid Highway No. 15, for the reason that the said Route 391 divides the Grand Meadow School District and divides the Stewartville School District and divides the Grand Meadow fire protection district, milk and mail routes, and telephone lines and farm business area, and without both of these bridges these areas will have no access to each other.

The failure to bridge 1 of these 2 county State aid highways at Route 391 will result in substantial interference with the maintenance of the unbridged highway.

That, in general, the cost of all of the above additions to the present proposed plans will be considerably less than the added damages to the individual farmers involved if these additions are not made.

That, in general, the said Route 391 will constitute a barrier and separate school and fire districts, business trade areas, and milk and mail routes, and the purpose of the foregoing additions is to alleviate this as much as possible; be it further

Resolved, That the Department of Highways of the State of Minnesota, in the planning and construction of Federal Interstate Route 391, take whatever other steps are necessary to provide access through and along and eliminate insofar as possible the barrier of said Route 391 separating these said districts, areas, and routes; be it further

Resolved, That a copy of this resolution be sent to the following: Department of Highways of the State of Minnesota, State Senator P. J. Holand, State Representative Jacob Herzog, United States Senator Edward H. Thye, United States Senator Hubert H. Humphrey and the successor of Congressman August H. Andresen.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services, with amendments:

S. 3262. A bill to authorize certain activities by the Armed Forces in support of the VIII Olympic winter games, and for other purposes (Rept. No. 1342).

By Mr. GREEN, from the Committee on Foreign Relations, with an amendment:

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958 (Rept. No. 1343).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 10881. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 1344).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 3392. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

By Mr. CARLSON:

S. 3393. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 3394. A bill to amend the Internal Revenue Code of 1954 so as to allow a tax credit for certain investments in small-business enterprises made during the period beginning March 1, 1958, and ending February 28, 1959; to the Committee on Finance.

By Mr. LANGER:

S. 3395. A bill to provide for the payment of an old-age pension to persons who have attained 65 years of age, if male, and 60 years of age if female; and

S. 3396. A bill directing the Administrator of Veterans' Affairs to continue to apply as schedules of ratings and reductions in earning capacity from certain injuries the Veterans' Administration Schedule for Rating Disabilities, 1925 and 1945 editions; to the Committee on Finance.

S. 3397. A bill to amend section 703 of the Classification Act of 1949, as amended, relating to longevity step increases; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. LANGER when he introduced the second above-mentioned bill, which appear under a separate heading.)

By Mr. CAPEHART (by request):

S. 3398. A bill to amend the Federal National Mortgage Association Charter Act; and

S. 3399. A bill to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. CAPEHART when he introduced the above bills, which appear under separate headings.)

By Mr. LONG (for himself, Mr. YARBOROUGH, Mr. CLARK, and Mr. PROXMIRE):

S. 3400. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas (for Mr. O'MAHONEY and Mr. MUNDT):

S. J. Res. 159. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; ordered to lie on the table.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. ALLOTT, Mr. IVES, and Mr. MAGNUSON):

S. J. Res. 160. Joint resolution to request the President to proclaim March as "Neighborhood House Month"; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. KEFAUVER (for himself, Mr. DIRKSEN, Mr. HRUSKA, Mr. HENNINGS, Mr. JOHNSTON of South Carolina, Mr. LANGER, Mr. JENNER, Mr. WATKINS, and Mr. BUTLER):

S. J. Res. 161. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

Mr. MALONE submitted the following resolution (S. Res. 270) declaring it to be the sense of the Senate that Eric Johnston should immediately register and report as a lobbyist; referred to the Committee on the Judiciary.

(See the above resolution printed in full when submitted by Mr. MALONE, which appears under a separate heading.)

ACTION BY FEDERAL COMMUNICATIONS COMMISSION PERMITTING CHANGES IN CERTAIN CODES

Mr. MANSFIELD submitted the following resolution (S. Res. 271), which was referred to the Committee on Interstate and Foreign Commerce:

Resolved, That it is the sense of the Senate that the Federal Communications Commission should not, without specific authorization by law, authorize or permit any television broadcasting station to impose a toll, fee, subscription, or other charge, directly or indirectly, on the general public for the privilege of viewing television programs received over television sets located in the home.

INCREASED MILEAGE OF NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

Mr. CARLSON. Mr. President, there are 26 States in the Union which, in earlier years, constructed toll roads, and since the enactment of the Federal Aid Highway Act of 1956—establishing the Interstate Highway System—these roads, in portion or as a whole, have been designated as a part of the Interstate System.

The total mileage of toll facilities which has been approved by the Secretary of Commerce as a part of the Interstate System, under section 113 (a) of the Federal Highway Act of 1956, is 2,254.8 miles, of which Kansas has 186.6 miles.

Of the 26 States, Kansas has the third largest mileage on the Interstate Highway System.

Unless some provision can be made to compensate States which had the vision and foresight to construct these roads to assist in handling ever-increasing traffic, they will not receive their fair share of the funds voted by Congress for the completion of the Interstate System, as approved by Congress in the Federal Highway Act of 1956.

Let us look, for instance, at Kansas and what happens to that State. In the first place, the nearly 190 miles of the Interstate System which have been designated as a part of the Interstate System will require that tolls be paid by those who travel this part of the Interstate System in Kansas. It means, of course, that the motorist will be riding free on a system in adjoining States connecting with our Kansas system, and will be required to pay toll as they enter my State.

It will mean, also, that our own citizens riding on the Interstate System and paying toll will not only be paying for traveling on the highway within their own State, but will be taxed to build free roads in other States.

Secondly, unless some provision is made to make adjustment for the mileage of roads which have previously been constructed on a toll-road basis, Kansas will not receive its proportionate share of the taxes collected for the construction of the Interstate System.

In the Federal Aid Highway Act of 1956, the Congress indicated its intent to determine whether or not reimbursement should be made to the States for State-financed highways completed or put under construction on the Interstate System between August 2, 1947, and June 30, 1957. This study has been completed and is available as House Document 301, 85th Congress. It will be recalled that the Clay Committee also recommended that States which took the initiative and, on the most congested routes, built toll roads to meet the intent of Congress spelled out in section 7 of the Federal Aid Highway Act of 1944, should be reimbursed or otherwise compensated.

I have discussed this matter with officials of the Bureau of Public Roads and members of the Senate Public Works Committee, and all agree that some provision should be made to take care of this inequity.

I am today introducing a bill which would provide that in the case of any State having a toll road, bridge, or tunnel which is approved by the Secretary as a part of the Interstate System under section 113 (a) of this act before June 30, 1958, the Secretary shall, upon application by the State, designate as a part of the Interstate System other routes within such State which are equal in mileage to the length of all such toll roads, bridges, and tunnels within such State.

A similar bill has already been introduced in the House of Representatives by the chairman of the Committee on Public Works.

I ask unanimous consent that the bill be printed in the RECORD, and referred to the Committee on Public Works.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3393) to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes, introduced by Mr. CARLSON, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Federal-Aid Highway Act of 1956 is amended by adding immediately following section 113 the following new section:

"SEC. 113A. Increased mileage for Interstate System.

"In the case of any State having a toll road, bridge, or tunnel which is approved by the Secretary as a part of the Interstate System under section 113 (a) of this act before June 30, 1958, the Secretary shall, upon application by the State, designate as part of the Interstate System other routes within such State which are equal in mileage to the length of all such toll roads, bridges, and tunnels within such State."

SEC. 2. Section 108 (1) of the Federal-Aid Highway Act of 1956 is amended to read as follows:

"(1) INCREASE IN MILEAGE: Section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), relating to the Interstate System, is hereby amended by striking out '41,000 miles' and inserting in lieu thereof 'forty-one thousand plus the total of all amounts designated as part of the Interstate System under section 113A of the Federal-Aid Highway Act of 1956': *Provided*, That the cost of completing any mileage authorized by this subsection in excess of 40,000 miles shall be included in making the estimates of cost for completing the Interstate System as provided in subsection (d) of this section."

CONTINUATION OF SCHEDULES OF RATINGS AND REDUCTIONS IN EARNING CAPACITY FROM CERTAIN INJURIES

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill directing the Administrator of Veterans' Affairs to continue to apply as schedules of ratings and reductions in earning capacity from certain injuries the Veterans' Administration Schedule for Rating Disabilities, 1925 and 1945 editions. I ask unanimous consent that a statement, prepared by me, explaining the purposes of the bill, may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3396) directing the Administrator of Veterans' Affairs to continue to apply as schedules of ratings and reductions in earning capacity from certain injuries the Veterans' Administration Schedule for Rating Disabilities, 1925 and 1945 editions, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. LANGER is as follows:

STATEMENT BY SENATOR LANGER

The purpose of the bill I am introducing today is to freeze the 1925 and 1945 rating schedules of the Veterans' Administration as of January 1, 1957. It is necessary to freeze both these rating schedules, because the 1925 rating schedule applies to veterans of World War I and the 1945 schedule to veterans whose service came after World War I.

My reason for introducing this bill, is that for almost a year now I have watched this situation in the Veterans' Administration and I am thoroughly convinced that unless some action is taken immediately to stop the Veterans' Administration from continuing what they call a "review" and what I call a "purge" of already adjudicated claims, we may as well close up the Veterans' Administration—soon there will not be enough veterans left on the rolls to justify keeping this agency open.

At this point it might well be asked, "How and why did the Veterans' Administration embark on this program of wholesale elimination and reduction of service-connected veterans' compensation?" Well, I have the answer to that.

The Bradley Commission report was made public in April of 1956, and this report contains 70 recommendations. Now some of these recommendations, when you read them over, seem harmless. These recommendations are far from harmless. Each and every one is deadly insofar as veterans' benefits are concerned.

In taking off the compensation rolls entirely or drastically reducing approximately 50,000 war veterans, with service-connected disabilities, the Veterans' Administration is following recommendation No. 69 of the Bradley Commission report.

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Recommendation No. 69 reads as follows:

"There should be no change in the finality of decisions by the Administrator of Veterans' Affairs, but he should make provision for the central administrative review (or its equivalent on a semidecentralized basis) of all decisions by field boards. After such review, claimants should have the same rights, as at present, to be heard by the Board of Veterans' Appeals."

Now, when this Bradley Commission report, with its 70 deadly recommendations, came out in April of 1956, the Administrator of the Veterans' Administration took a look at the report and he liked what he saw—he praised the members of the Bradley Commission in the most extravagant terms. Then he went to work. He called in his hatchetmen, and the hatchetmen went to work.

According to the figures in the press release put out by the Veterans' Administration, dated February 21, 1958, it is shown that as of that date 29,146 veterans have been taken off the rolls entirely and 22,586 other veterans have had their compensation reduced. This is only the beginning, so we are told.

So, the Veterans' Administration is doing a good job or it is doing a mean, despicable job, depending upon how you look at it. At any rate, nobody will deny it is doing a thorough job. The veterans' service organizations have been fighting and condemning this review since it first started.

The Disabled American Veterans, Department of Ohio, unanimously adopted a resolution condemning this wholesale assault on veterans' benefits at their convention on July 26, 1957, which I inserted in the CONGRESSIONAL RECORD of August 15, 1957. Since that time, I have written officials in the Veterans' Administration here in an effort to straighten this matter out, but have had no success whatsoever.

In an average day, I receive from 1 to 5 letters from veterans in my State, telling me that they have either been taken off the rolls entirely, or, else had their compensation cut as much as 50 percent.

As an example, I have here a letter from a veteran in Sentinel Butte, N. Dak.—his compensation has been cut from 50 percent to 10 percent. Another from a veteran in Dickinson, N. Dak.—his compensation has been cut from 10 percent to 0 percent, another from Fredonia, N. Dak.—his compensation is cut from 60 percent to 30 percent. Where is all this leading? Well, in my opinion, it can only end with the complete wreck and ruin of all the benefits the veterans have fought for.

I must tell you of the case of the veterans who, when he wrote me was living in Topeka, Kans., although he had been a resident of North Dakota. This veteran was rated, by the Veterans' Administration, 40-percent disabled due to loss of hearing which disability was service connected. So he drew his compensation for 3 years. Then, one day, the Veterans' Administration calls him in and gives him a hearing aid. Several months pass, then the Veterans' Administration calls him in again. This time they examine him. The examiners reach the brilliant conclusion that now, because he has a hearing aid, he is only 20-percent disabled, so they cut his compensation from 40 to 20 percent. I wrote to the Veterans' Administration and verified all the facts the veteran told me.

I submit, does any Member of this body think that a piece of cord hanging down his neck and a mechanical device inserted in his ear could possibly compensate for the hearing God gave him?

I have no doubt that other Members of the Senate have been receiving letters from veterans in their States, who have been adversely affected, just as I have from those veterans in my State. It seems to me that the only way we can check this review is by means of legislation.

AMENDMENT OF FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

Mr. CAPEHART. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Federal National Mortgage Association Charter Act. I ask unanimous consent that an analysis of the bill may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the analysis will be printed in the RECORD.

The bill (S. 3398) to amend the Federal National Mortgage Association Charter Act, introduced by Mr. CAPEHART, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The analysis presented by Mr. CAPEHART is as follows:

ANALYSIS OF BILL TO AMEND THE FEDERAL NATIONAL MORTAGE ASSOCIATION CHARTER ACT

This proposed amendment of the Federal National Mortgage Association Charter Act would change the formula by which FNMA computes its Federal income tax equivalent payments that are applicable to the income from its secondary market operations. It would allow FNMA, in computing such payments, to treat dividends paid on its Treasury-held preferred stock as an operating expense. For the benefit of any who may not be fully familiar with FNMA's operations, the following three paragraphs constitute a brief background statement. They are followed by an analysis of the proposed amendment.

FNMA was organized in 1938 with the initial objective of helping to popularize FHA-insured mortgages by assisting in the establishment of a general secondary market for those mortgages. FNMA gave assistance by purchasing FHA-insured mortgages from local lenders and reselling them to permanent investors after the mortgages were seasoned and at times when market conditions were favorable. In 1948 FNMA's activities were expanded to include VA-guaranteed loans.

FNMA was rechartered in 1954 with the enactment of the present FNMA Charter Act. The rechartered FNMA, which commenced operations November 1, 1954, conducts three separate activities: (1) The management and liquidating functions under which mortgages acquired under contracts entered into prior to November 1, 1954 are managed and liquidated, (2) the special assistance functions, which provide special assistance in financing special housing programs, and (3) the secondary market operations which furnish supplementary assistance to the general secondary market for home mortgages by providing a degree of liquidity for home mortgage investments. Each of these three activities is separate and distinct from the others. Each has its own assets and liabilities and its own borrowing authority. The FNMA Charter Act imposes separate accountability with respect to each. The capitalization of FNMA—which includes the Treasury-held preferred stock and the common stock held by the public—pertains exclusively to the secondary market operations, in that the other two functions have no recourse to it.

FNMA conducts its management and liquidating functions and its special assistance functions solely for the account of the Government. The secondary market operations, however, are conducted for the account of the Government (the Secretary of the Treasury owns all of the preferred stock) and the FNMA common-stock holders. Private mortgage sellers who use the facilities of the secondary market operations subscribe for FNMA's common stock in an amount equal at the present time to 2 percent of the principal amount of the mortgages involved in sales to FNMA. Such subscriptions now amount to more than $30 million. The secondary market operations are designed to become, when all of the preferred stock is retired, entirely privately owned and financed.

The proposed amendment is substantially the same as that included in H. R. 6659, 85th Congress which was favorably reported by the Committee on Banking and Currency of the House of Representatives. It appeared as section 204 of H. R. 6659 as passed by the House of Representatives on May 9, 1957. In the present session, it has been introduced as a separate measure because the Committee on Banking and Currency of the Senate held the view in 1957 that the subject matter should properly be considered by the Finance Committee of the Senate instead of the Committee on Banking and Currency.

In its report on H. R. 6659 (H. Rept. No. 313, dated April 8, 1957) the Committee on Banking and Currency of the House of Representatives made the following explanatory statement concerning this legislation (pp. 12–13):

"FNMA PAYMENTS IN LIEU OF TAXES

"Section 204 would change the formula for computing the amount which FNMA pays to the Secretary of the Treasury, as the equivalent of Federal income taxes, with respect to its secondary market operations. FNMA is required to make such payments in 'an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes.' It is also required to reimburse the Treasury periodically, in the form of interest on its obligations and dividends on its preferred stock at rates determined by the Treasury, for the cost of the public funds invested by the Government in such securities of FNMA.

"FNMA has demonstrated that the mandatory dividends that it is obliged to pay to the Treasury on its preferred stock cannot be fully earned on the proceeds of the stock under prevailing rates of interest when such dividends are regarded as a distribution of earnings after taxes. To resolve the nature of the dividends for tax purposes, your committee has provided that FNMA may deduct, in computing its Federal corporate income-tax equivalent, any amounts paid to the Secretary of the Treasury as a return on the Government's investment in FNMA securities.

"The preferred dividends paid by FNMA to the Treasury are, in effect, reimbursement of costs to the Government, and they are computed in the same manner and serve the same purpose as interest. Interest is an operating expense. The Congress has in other like instances permitted payments to the Government in reimbursement of Government costs on amounts advanced for stock subscriptions to be treated as operating expenses. Section 583 of the Internal Revenue Code of 1954 is in point. It especially provides that dividends paid on the Government-held preferred stock of national banks, State banks, and insurance companies, shall be allowed as deductions in the computation of the Federal corporate income tax."

Section 583 of the Internal Revenue Code of 1954 was originally written into the law as section 121 of the Revenue Act of 1934 when Public Law No. 374, 74th Congress, was approved August 27, 1935 (49 Stat. 908). This code provision was explained by the Committee on Ways and Means in its report

that accompanied the legislation (H. Rept. No. 1759, 74th Cong., dated Aug. 12, 1935), from which the following is quoted:

"Section 3 of the bill [H. R. 7998] permits a deduction for income-tax purposes of dividends paid for any taxable year beginning after December 31, 1934, by banking associations and insurance companies on preferred stock owned by the United States or any instrumentality thereof. The purpose of this section of the bill is to place National banks and State banks on an equal basis. In case State banks issue capital notes or debentures to the Reconstruction Finance Corporation or the public, the interest paid on such notes or debentures is allowed as a deduction from gross income in computing net income. However, in cases where the Reconstruction Finance Corporation or any other governmental instrumentality, instead of holding capital notes or debentures of the banks, holds preferred stock in such banks, the banks are not permitted to deduct the dividends paid to the governmental instrumentalities on such preferred stock. Section 3 of the bill corrects this situation by permitting a deduction for dividends on the preferred stock owned by the Reconstruction Finance Corporation or other governmental instrumentalities."

Section 121 of the Internal Revenue Code of 1934 (which became sec. 583 of the 1954 code) allowed the several thousand banks and trust companies in which the Reconstruction Finance Corporation purchased more than three quarters of a billion dollars of preferred stock the same treatment, with respect to dividends paid on their RFC-held stock, that the legislation under consideration would allow FNMA with respect to dividends paid on its preferred stock that is held by the Secretary of the Treasury. Thus, there is no new precedent involved in this proposal.

That the preferred stock dividends FNMA is required to pay to the Treasury are analogous to interest is evidenced by their cumulative nature and the fact that their measure is the interest rate on outstanding obligations of the United States as determined by the Secretary of the Treasury. FNMA has no control over the rate or the amount of these dividends.

This legislation is made particularly important and desirable by the fact that the income from the invested proceeds of the Treasuryheld preferred stock is not sufficient to cover the dividends FNMA is required to pay to the Treasury when these dividends are treated as a distribution after taxes. FNMA's income before taxes on the invested proceeds of the preferred stock is approximately 4.2 percent. The Federal income tax equivalent draws off more than half of this income leaving only 2 percent with which to make payment of the preferred stock dividends at the present Treasury prescribed rate of 2.75 percent.

The legislative proposal would allow FNMA more effectively to provide the supplementary assistance to the secondary mortgage market that was intended by the FNMA Charter Act, as it has been necessary for FNMA in determining the amounts to be paid for mortgages to take into account its increased operating costs under existing legislation. To the extent the amendment reults in the association's facilities being more fully used, the transition to full private financing and ownership called for in the Charter Act will be hastened, and the Government will sooner be relieved of a large financial burden in the housing field.

And tax advantage under this proposal will automatically terminate when the Secretary of the Treasury no longer holds any of FNMA's preferred stock.

PROVISION AND IMPROVEMENT OF HOUSING

Mr. CAPEHART. Mr. President, by request, I introduce, for appropriate reference, a bill to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes. I ask unanimous consent that a section-by-section analysis of the bill may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the section-by-section analysis will be printed in the RECORD.

The bill (S. 3399) to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes, introduced by Mr. CAPEHART, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The section-by-section analysis presented by Mr. CAPEHART is as follows:

SECTION-BY-SECTION ANALYSIS OF HOUSING BILL OF 1958

SEC. 1. Short title.

TITLE I—FHA MORTGAGE INSURANCE

SEC. 101. Maximum mortgage amounts for 1-, 2-, and 3-family dwellings: This section would increase to $30,000 the maximum mortgage amount for a 1-, 2-, or 3-family dwelling financed under the basic section 203 of the National Housing Act. Under present law, the maximum mortgage amount for a 1- or 2-family dwelling is $20,000 and for a 3-family dwelling it is $27,500. The present limitation of $35,000 for a 4-family dwelling would remain unchanged. The amendment would also have the effect of permitting the new $30,000 limitation to be applied (under sec. 213 (c) of the National Housing Act) to dwellings built by cooperatives for conveyance to their own members and (under sec. 809 of that act) to dwellings purchased by essential civilian employees at military research or development installations. (Another section of this bill would similarly amend provisions in sec. 220 of the National Housing Act governing sales housing in urban renewal areas.)

The bill would not change the maximum loan-to-value ratios established by the Housing Act of 1957. Under these ratios, the present $20,000 maximum mortgage amount permits, at maximum loan-value ratios, an 85.5 percent mortgage on a home valued at $23,400. The proposed increase to a $30,000 maximum mortgage amount would provide a 79.6 percent mortgage, at maximum loan-value ratios, on a $37,700 home. This is virtually the same as the 80 percent loan-value ratio which was permitted by the original National Housing Act in 1934 for maximum loans of $16,000.

The $16,000 loan maximum was ample in 1934 for almost all 1-family home mortgages. Amendments in 1950 increased the maximum for 3- and 4-family structures to $20,500 and $25,000, respectively. However, despite the fact that construction costs had more than doubled in the 20 intervening years, no change in the maximum insurable mortgage for 1- and 2-family homes was made until 1954 when the original $16,000 limitation was increased to $20,000. (At the same time, the limitations for 3- and 4-family structures were raised to $27,500 and $35,000, respectively.)

Bureau of Labor statistics estimates indicate average costs for new homes built in the Nation rising more than 100 percent from 1946 to 1956, including an increase of 40 percent from the 1950 average. The Boeckh construction cost index for residences rose nearly a third from the 1947–49 average to June 1957, with an increase of 10 percent in the last 3 years alone.

The increases in costs of new homes built in the past 2 years have resulted in about one-fifth of the new homes in metropolitan areas now being in price ranges too high to be financed with maximum ratio FHA-insured mortgages. While the bulk of FHA operations will continue to be in the field of low and medium priced homes, it is nonetheless desirable that the program be available to the normal range of American homes requiring mortgage financing. This normal range includes homes in higher cost areas, homes which are suitable for large families, and those which contain the additional space and equipment frequently demanded on today's market.

Bureau of Labor Statistics sample surveys of new homes built in metropolitan areas show a doubling between the first quarters of 1954 and 1956, from 10.2 percent to 21 percent, of the proportion of new homes priced above $20,000. Although comparable figures will not be compiled for 1957, a 5-percent increase in average cost for 1-family homes built in the United States between the first quarters of 1956 and 1957 suggests that as much as a fifth of the new homes in metropolitan areas may at this time be above the $23,400 valuation which is necessary for a $20,000 insured mortgage under section 203.

SEC. 102. Change in maximum permissible mortgage to nonowner occupant: This section would permit a nonoccupant owner of a home financed under section 203 of the National Housing Act to receive the same maximum mortgage amount as an owner-occupant if the nonoccupant owner puts into escrow 15 percent of the original principal mortgage amount until such time as he sells the property to an owner-occupant. At the end of 18 months, if the property has not been sold to an owner-occupant, the funds held in escrow would be applied to a reduction in the mortgage amount.

In the residential housing market today, a great majority of new-home purchasers already own a home and wish to acquire larger or improved accommodations. Most of them need to use the equity in their existing home as part of the downpayment on a new home. Thus, builders and real-estate dealers are increasingly finding it necessary to accept trade-in houses on new-house sales. The proposed amendment will help existing homeowners in trading their old homes for new ones. It will enable the seller of the new house to place a mortgage on the old house equal to that which can now be obtained when a purchaser for the old house is found. It provides the builder or real-estate dealer up to 18 months to resell the trade-in house and transfer the mortgage debt to the purchaser. This procedure eliminates much of one set of closing costs. In the case of lower price properties, this savings can equal the FHA required downpayment. As soon as the builder or dealer resells the trade-in house to an owner-occupant, the 15 percent of the mortgage proceeds which are held in escrow would be released to him. He thus has an added incentive to look for a purchaser as quickly as possible.

This section can also be of benefit to the development or tract builder producing housing in substantial quantities for the market since he will be able to close the mortgages on the properties as completed in the amounts which an owner-occupant-purchaser would be able to get and yet have an additional 18 months in which to market the properties. Here, too, the advantage consists of eliminating much of one set of closing costs.

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SEC. 103. Rental housing for elderly: This section of the bill would place the provisions governing rental housing for elderly persons in a separate section (sec. 229) of the National Housing Act, rather than leaving them in section 207 which authorized FHA's regular rental housing program. The provisions would also be changed in several respects. They would permit, but not require, the FHA to establish rental ceilings. These ceilings have served no practical purpose in this program because all the projects are owned and operated by nonprofit organizations. The new section would also omit the requirement that the project be economically sound. This requirement is not well adapted to projects of special design having a specialized purpose. Instead, the Commissioner would, in administering the program, approve mortgage-insurance applications on the basis of acceptable risk after taking into consideration the need for providing adequate housing for elderly persons.

The term "family unit" which now occurs in section 207 of the National Housing Act continues to create some misunderstanding with respect to housing accommodations for the elderly which do not contain individual cooking facilities or bath. Section 110 of the Housing Act of 1957 removed basic difficulties relating to this matter but, although it referred to occupancy by single persons, it did not eliminate the misleading reference to "family unit." The new section refers to a "living unit," rather than to a "family unit," thereby clarifying the law.

In some areas of the country, construction costs are too high to permit rental-housing projects for the elderly to be provided under the present mortgage ceilings of $8,100 per unit and $8,400 for elevator structures. Accordingly, the new section would apply to rental housing for the elderly the same high-cost area provisions, as are now applicable to FHA's regular rental-housing program. That is, in high-cost areas, the $8,100 and $8,400 per unit ceilings could be increased by not to exceed $1,000 for each room.

Because the non-profit organizations which participate in the program may be the recipients of labor and services, as well as materials, at reduced rates or prices, the prevailing wage requirements contained in section 212 of the National Housing Act would not be made applicable to the new section 229.

Finally, the maximum interest rate proposed for the elderly person rental-housing program is 5½ percent, the same rate which another section of this bill would apply to regular FHA-aided rental housing and to management-type cooperative projects.

SEC. 104. Maximum interest rates for rental housing and cooperative housing mortgages: This section would increase the maximum permissible interest rate on rental-housing mortgages insured under section 207 of the National Housing Act and on management-type cooperative housing mortgages insured under section 213 of that act from 4½ percent per annum on outstanding balances to 5½ percent. In the case of homes built by cooperatives for conveyance to their own members, the maximum interest rate under section 213 would be increased from 5 percent per annum to such percent, not in excess of 6 percent, as the Federal Housing Commissioner finds necessary to meet the mortgage market.

The FHA has found it necessary to supplement the maximum-interest rate on rental-project mortgages with discounts up to five points, approximately equal to one-half point of interest earnings in yield computations. The treatment of discounts in replacement cost and valuation procedures raises technical problems which tend to discourage the development of rental projects during periods of tight money. Also, the discount controls for section 213 home mortgages are more unworkable than the discount controls with respect to other FHA home-mortgage programs.

The adoption of section 104 would permit the Federal Housing Commissioner to establish maximum interest rates (at or lower than the statutory maximum rates) with the effectiveness of the market process in mind in order to encourage the development of additional rental and cooperative projects. In this connection, it should be noted that the sponsors of both rental projects and cooperative projects may be expected to have a good understanding of the costs involved in borrowing mortgage funds so that these funds will be bargained for carefully.

SEC. 105. FHA mortgage amount ceilings for Alaska, Guam and Hawaii: Section 214 of the National Housing Act authorizes FHA to make the various mortgage ceilings of the act up to 50 percent higher for Alaska, Guam and Hawaii. A question has been raised as to whether the statutory-dollar ceilings for high-cost areas can be so raised for these Territories. This section would make clear that this can be done. Thus, the $10,000 mortgage limit for high-cost areas in section 221 (housing for displaced families) could be increased up to $15,000 in these Territories (or $18,000 if sec. 109 of this bill is enacted).

SEC. 106. General mortgage insurance authorization: This section would provide an adjustment, at the beginning of each of the next 5 fiscal years, of the general mortgage insurance authorization under section 217 of the National Housing Act, which covers all FHA loan insurance programs except the property improvement program under title I of that act and the armed services rental housing program under title VIII of that act. Under this section of the bill, authorization sufficient for $3 billion of new insurance would be made available for use during each of the next 5 fiscal years, in addition to the amounts by which outstanding insurance and commitments to insure are reduced during each such year through amortization or prepayment of mortgages or through expiration of commitments. Any unused amount of old authorization would lapse at the end of each fiscal year except fiscal 1963, at which time further legislation would very probably be needed.

This section would have the effect of increasing the total insurance authorization, as of July 1, 1958, from approximately $25.8 billion (covering outstanding insured mortgages and outstanding commitments, as well as available unused authorization) to about $28 billion.

Insurance authorization need in recent years has ranged upward to a maximum of $2.6 billion per year. Conservative recent estimates similarly indicate a prospective net use of $2.6 billion in authorization under section 217 during the 12 months beginning July 1, 1958. Accordingly, the $3 billion requested for section 217 is sufficient to cover this estimated need with a working margin of $400 million. The working margin would provide for a modest measure of underestimating and would also discourage excessive filing of applications by builders and mortgagees who are fearful of exhaustion of the authorization.

Provision of insurance authorization covering a 5-year period is designed to allow both FHA and the home-building industry to operate during that period without needless interruption or uncertainty concerning the availability of authorization. Congress would be relieved of the necessity to review and act on authorization requirements virtually every year. However, nothing would preclude the Congress from revising the authorization prior to the end of the 5-year period, in order to meet changing conditions.

SEC. 107. Repeal of obsolete provision: This section would repeal section 218 of the National Housing Act. Section 218 permitted fees for applications filed prior to March 1, 1950, with respect to the expired veterans' rental housing program under section 608 of that act to be transferred, in the case of unexpired section 608 commitments, to applications under FHA's regular rental housing program. There are no section 608 commitments outstanding so that section 218 is now completely without effect.

SEC. 108. Housing in urban renewal areas: This section would amend section 220 of the National Housing Act which authorizes special mortgage insurance assistance for both sales and rental housing in urban renewal areas. In the case of sales housing, the maximum mortgage amount for a 1-, 2-, or 3-family residence would be increased to $30,000. This change would merely keep the section 220 program, so far as 1- to 4-family dwellings are concerned, consistent with FHA's regular sales housing program as it would be changed by section 101 of this bill. In the case of section 220 dwellings designed for more than 4 families (but not included in large rental projects), the law now allows $7,000 of additional mortgage amount for each family unit in excess of 4. This section of the bill would instead permit an allowance of $8,100 per unit.

In the case of the rental housing program for urban renewal areas, FHA's experience since 1954 indicates the desirability of certain modifications in order to facilitate processing and encourage greater participation by investors. Under the present law, the sponsor redeveloper who is also the builder is able to obtain section 220 insured mortgages which may approximate total project cost, exclusive of overhead and profit to the redeveloper. On the other hand, if a sponsor redeveloper does not also act as a builder and has to contract with a general contractor for the construction work, the present law is so devised that the available mortgage amount may be 4 to 5 percent less. This type of redeveloper should be encouraged to undertake urban renewal projects because he is usually a long-range investor and tends to maintain the projects better and manage them more soundly. Thus, the present law discriminates against the very type of redeveloper whom it is advantageous to encourage at least to the same extent as builder sponsors.

The particular feature of the law which gives rise to this discrimination is the flat allowance of 10 percent for builder's profit which (as the legislative history makes clear) must be given on a uniform basis where the redeveloper is also the builder. Investors, who hire a general contractor to construct the building, certify that their actual costs in connection with the construction is the amount which they pay to the general contractor under the building contract. In the case of large projects, this amount generally includes a factor for the contractor's profit of only about 4 percent or 5 percent, rather than 10 percent. As a result, under the cost certification procedure prescribed in section 227 of the National Housing Act, the insured mortgage amount is disproportionately smaller and the cash investment is disproportionately larger than would be the case if the redeveloper had acted as his own builder.

Another form of discrimination which results from the statutory 10-percent builder's profit allowance for section 220 projects militates against rehabilitation projects. Where an old apartment house is purchased and rehabilitated, the major portion of the investment may well relate to the purchase of the existing property, rather than to the reconstruction work. A reasonable allowance for builder's profit in connection with such reconstruction work would frequently be above 10 percent. A higher profit allowance for this type of work as compared with new construction would merely recognize that the percentage allowance is being applied to a smaller total construction-work

cost and that it involves a greater degree of risk because of unknown conditions which may be found when the walls of the old building are opened up. Thus, as applied to some rehabilitation projects, the present provisions applicable to the section 220 program, which in effect limit the builder's profit and risk allowance to 10 percent, are less liberal than they should be.

Finally, it should be noted that the present provisions of sections 220 and 227 of the National Housing Act which govern the builder's profit and risk allowance, both with respect to estimated replacement cost and with respect to certified actual cost, are very complicated and difficult to understand. Some distinctions must necessarily be made for new projects and rehabilitation projects and for builder-redevelopers and investor-redevelopers. The various distinctions applicable to the section 220 program which are found both in section 220 and section 227 frequently discourage interest by prospective redevelopers who do not understand them, thereby unduly limiting participation in the program. This is especially true because the entire system of profit and overhead allowances is related, in a complex formula, to a maximum permissible mortgage amount, whereas builders and investors customarily think in terms of necessary cash investment. Accordingly, it is important to simplify these provisions where feasible.

Section 108 of the bill would amend sections 220 and 227 of the National Housing Act (1) to eliminate the discrimination against investor-redevelopers sponsoring new section 220 rental housing projects; (2) to eliminate the discrimination against rehabilitation projects; and (3) to simplify the requirements in order that they may be better understood by prospective redevelopers and lenders.

In the case of new projects, the limitation of the mortgage to 90 percent of estimated replacement cost and 90 percent of actual certified cost would be replaced with a limitation that the mortgage shall not exceed the estimated replacement cost of the actual certified cost (whichever is lower), excluding, however, any allowance for builder's general overhead and profit. This exclusion would very well counterbalance the elimination of the 90 percent limitation, so that with respect to new construction by a builder-redeveloper the insured mortgage amount would be almost the same as under present law. However, a higher mortgage amount than under present law would result for an investor-redeveloper, thereby treating the two types of redevelopers more nearly alike. Thus, the change is not intended either to liberalize or restrict mortgage amounts, but only to simplify the requirements applicable to new construction under section 220 and to eliminate a discrimination against investor-redevelopers.

In the case of rehabilitation projects, the maximum mortgage amount would, as under present law, be limited to 90 percent of estimated value and 90 percent of actual cost, whichever is lower. However, the builder's profit allowance for cost certification purposes would no longer be limited to 10 percent of the reconstruction work, thereby permitting a more liberal allowance to be made in appropriate cases. This change would also simplify the law significantly since rehabilitation projects under section 220 would hereafter be governed by the same cost certification procedures as are applicable to FHA's regular rental housing program under section 207. Under these procedures, the builder's profit allowance would be applied to the cost of the reconstruction work, as is done in normal trade practice. It would not be applied to such miscellaneous items as architect's fees which are now specially included only in the section 220 rental housing program. This change, standing alone, tends to reduce the dollar amount of the builder's profit allowance in the case of section 220 rehabilitation projects, but the fact that profit allowances would no longer be limited to 10 percent would permit use of higher allowances more appropriate to rehabilitation work. As a result, the general effect of the entire amendment would be to include more realistic and higher dollar amounts for overhead and profit under the program.

Finally, it should be noted that the FHA now requires the builder-redeveloper to have a 3 percent cash investment in any project for the first 3 years of operation. Usually a portion of this is represented by cash over and above mortgage proceeds necessary to complete construction, and the balance is a deposit to a special fund. The FHA would, of course, continue this type of administrative requirement in the event section 108 of the bill is enacted. In the case of the investor-redeveloper who is not also the builder, the required cash investment would be covered by the amount established for the general contractor's profit. This would eliminate the requirement for the special fund in such case.

SEC. 109. Urban renewal relocation housing: The FHA section 221 program for housing for displaced families would be amended by this section in order to make it more workable and thus accomplish more readily its purpose of providing housing for families displaced by urban renewal activities or other governmental activities such as highway construction or code enforcement.

The first numbered amendment in section 109 of the bill would remove the requirement that the locality or community in which the housing is to be located must request that the section 221 program be made available in order to assist in providing housing for displaced families. No other FHA program has a similar requirement. Communities which need and are eligible for this type of assistance will generally request it as a matter of routine, so that the procedural requirement in those cases serves no substantial purpose. In some cases it proves to be troublesome, as when displacement occurs in 1 or 2 jurisdictions but there are 6 or 7 jurisdictions within the same metropolitan area. There may be no way of knowing in advance in which of these jurisdictions builders and lenders will choose sites for section 221 housing. Communities then tend to delay making official requests before builder interest is shown and the builders tend to delay seeking sites before the official requests are made. Of course, removal of the requirement would in no way affect the usual controls of any community over the type of housing built within its boundaries.

Under the second numbered amendment, the dollar limit on the amounts of mortgages financing the construction or rehabilitation of section 221 housing in high-cost areas would be increased from $10,000 to $12,000 per family unit. The present $9,000 limit in normal-cost areas would not be changed by this amendment. This increase in cost ceilings would make the section 221 program more workable in high-cost areas, particularly in some large cities. Without this amendment, the program in some localities would be virtually limited to existing houses. The amendment would make the relation of the ceiling for high-cost areas and the ceiling for other areas more nearly correspond to the differences in construction costs (and family incomes) in such areas.

Rental relocation housing for profit (see third numbered amendment in section 109): This amendment would broaden the FHA section 221 housing program for families displaced by urban renewal and other governmental actions, so that rental housing could be produced by builders for profit. Now, section 221 is limited to sales housing, except that nonprofit corporations can build rental housing.

The limits on the amounts of mortgages which can be insured under these new provisions would be the same as those for section 221 housing built by nonprofit organizations except that the mortgage ceiling ratio would be 95 percent of the value of the property instead of the 100 percent presently permitted for nonprofit organizations. Under these proposed provisions, the amount of a mortgage given by a profitmaking corporation or organization could not exceed $12.5 million, or $9,000 per family unit ($12,000 in high-cost areas), or 95 percent of the value of the property or project when constructed or repaired and rehabilitated. The $12,000 per unit limit in high-cost areas would correspond to that limit on mortgages of nonprofit corporations as it would be increased by the second numbered amendment of section 109.

Under the new provisions, displaced families would, of course, receive priority in rental of the dwelling units. Also, builders would be required to give cost certifications with respect to the housing, and be regulated as to rents or sales charges, capital structure, and rate of return, as are builders of other FHA-aided rental housing.

In many cases, this proposal would greatly assist in relocating displaced families. Relocation is one of the most difficult and urgent problems in the whole urban renewal program. The Government has a responsibility to these families forced from their homes. It is estimated that in 3 years 83,000 families will be displaced from urban renewal areas, and 247,000 families will be displaced as a result of all Government programs, including the urban renewal and highway programs. On the basis of urban renewal experience, 77 percent of displaced families, because of family income or other factors, will want to rent private units, rather than buy homes. Only 49 percent of all displaced families are eligible for public housing. See table A below.

Present FHA insurance programs are inadequate to provide the needed rental housing which could be built under the proposal. Only a few projects by nonprofit corporations have reached the FHA commitment stage, and it was never anticipated that nonprofit corporations would produce more than a limited amount of rental housing. Other FHA rental housing programs were not designed for displaced families, and do not have the programing and occupancy priority provisions for these families which are contained in section 221. Section 220 urban renewal housing is not geared specifically to meet their needs, and must be built in urban renewal areas where the land costs are often very high, particularly in central city locations. Section 221 housing is not limited to urban renewal areas, so that builders could acquire land in other areas more appropriate for rental housing to be occupied by families of low or moderate income.

The liberal mortgage insurance terms of the proposal, with the aid of FNMA special assistance, should give adequate incentive for the production of the rental housing to be programed under section 221. The housing would be programed only where it is determined that prospective rentals would be within the range of the incomes of the displaced families to be served. A large portion of the displaced families wishing private rental accommodations would still have to move into existing private structures. However, the proposed rental program could meet a critical segment of the relocation need not met by public housing. In this connection, it may be noted that the proposal would apply to rehabilitation as well as new construction. Rehabilitation would produce lower rentals and thus reach a broader segment of displaced families.

The proposal is essentially a change in the existing FHA insurance program for displaced families to permit a substantial amount of rental housing to be assisted, in

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addition to the assistance now being furnished sales housing. This simply conforms to the needs of these families, and helps solve the relocation problem of cities undertaking urban renewal.

TABLE A.—*3-year (fiscal 1958, 1959, and 1960) estimate of families to be displaced by governmental action*

Type of displacement	Number of families [1]	Eligible for public housing	
		Percent	Number
Urban renewal (title I)	83,000	57	47,300
Highway programs	[2] 75,000	46	34,500
Other governmental activity [3]	89,000	46	40,900
Total	247,000	49	122,700

[1] Includes estimated number of single-person households of elderly individuals (65 years of age and over).
[2] Estimate of 70,000 furnished by the Bureau of Public Roads and adjusted to include elderly single-person households.
[3] Such as public construction, code enforcement, eviction of over-income tenants in public housing, demolition of temporary housing, etc.

SEC. 110. Cost certification—technical amendments: This section would add to section 227 of the National Housing Act, which contains the cost certification requirements for FHA-aided rental housing programs, two technical references made necessary by other provisions of this bill. One is a reference to the new section 229 of the National Housing Act (relating to housing for the elderly) which would be added by section 103 of this bill. The other is a reference to the new paragraph (d) (4) of section 221 of the National Housing Act (relating to rental housing for displaced families) which would be added by section 109 of this bill. Section 110 of the bill would also delete from section 227 of the act a reference to sections 903 and 908 of the act (relating to defense housing during the Korean war emergency). The deleted reference is no longer needed because sections 903 and 908 expired several years ago and there are no longer any outstanding commitments to enter into mortgage insurance contracts under those sections.

SEC. 111. Technical provisions relating to payment of insurance by FHA: Section 204 of the National Housing Act contains a number of provisions which govern the obligations of the FHA to the mortgagee where there has been a default under a mortgage on sales housing financed under section 203 of the act, the section authorizing FHA's basic program of assistance for 1- to 4-family homes. Similar provisions governing the FHA's insurance obligations are necessary in connection with each of the following special sales housing programs: (1) section 8, which at one time governed the program (now governed by section 203 (i)) for low-cost, single family homes in outlying areas; (2) section 213 which includes assistance for homes constructed by cooperatives for their own members; (3) section 220 which includes assistance for sales housing in urban renewal areas; (4) section 221 which includes a sales housing program for persons displaced from urban renewal areas or by governmental action; (5) section 222 which provides special benefits in financing homes for servicemen; and (6) section 809 which assists sales housing for essential civilian employees at military research or development installations. The provisions governing the payment of insurance are incorporated in each of the six listed sections by cross references to provisions in section 204.

As the six listed sections were added or amended from time to time and as section 204 was amended from time to time, oversights in drafting resulted in the failure to make all the appropriate cross references to all the appropriate provisions in section 204. Section 112 of this bill would correct these drafting oversights which have resulted in inconsistencies in FHA's dealings with mortgagees and in troublesome problems both in administration and in managing foreclosed properties.

Subsection (a) would add to section 8 of the National Housing Act a cross reference to sections (j) and (k) of section 204 of that act. Subsection 204 (j) permits termination of the mortgagee's liability for payment of mortgage insurance premiums in those cases where the mortgagee forecloses on the mortgaged property but informs the Commissioner that it does not intend to convey the property to FHA in exchange for debentures. Upon such notification (which terminates FHA's insurance liability), the FHA terminates the mortgagee's obligation to pay subsequent mortgage insurance premiums. Similar termination of the mortgagee's obligation results under section 204 (j) when FHA's insurance liability terminates because the mortgage has been prepaid in full.

Subsection 204 (k) permits the Federal Housing Commissioner to authorize mortgagees to make reimbursable expenditures for protection of properties during the period commencing with the institution of foreclosure and continuing until the Commissioner takes title to the property. Subsection (k) also permits terminating the mortgagee's obligation to pay mortgage insurance premiums when an application for debentures has been filed under the insurance contract. This makes it unnecessary for the mortgagee to pay insurance premiums up to the date of acceptance of title by the FHA and then have the amount of these premium payments included in the debentures which the FHA issues to the mortgagee. The provision thus eliminates unnecessary procedures and payments of interest by FHA, there being no point in having the FHA collect sums of money from the mortgagee which would only have to be repaid with interest.

Subsection (b) of section 112 of the bill would similarly add the cross-reference to section 204 (k) of the National Housing Act to sections 213, 220, 221, 222, and 809 of that act. Thus, this entire section is merely a technical amendment.

SEC. 112. Armed services (Capehart) housing: Section 803 of the National Housing Act, which authorizes the program of mortgage insurance for rental housing at military installations, would be amended to provide for a 1-year extension of the program (from June 30, 1959, to June 30, 1960), and to increase the maximum permitted interest rate from 4 percent to 5 percent. Because of the special financing provisions of title VIII of the act, the increased maximum rate would be ½ percent lower than is proposed by other provisions of this bill for rental housing projects insured under section 207 of the National Housing Act and management-type cooperative housing projects insured under section 213 of that act. The amendment would also increase the maximum maturity of section 803 mortgages from 25 years to 30 years to reduce amortization payments. There is no statutory ceiling on maturities under the regular rental housing program of FHA.

SEC. 113. Repeal of FHA and VA statutory discount controls: Section 605 of the Housing Act of 1957 provided for discount controls in connection with Government-insured or guaranteed home mortgages. This section of the bill would repeal section 605. The controls have created confusion and reluctance on the part of lenders toward using FHA-insured financing. This is working a hardship against prospective home buyers, particularly in the lower priced housing market where higher loan-value ratio mortgages are most needed. Also, the controls tend to increase costs for mortgage money because the permitted maximum discount becomes the standard charge for the best transactions. Experience to date indicates that the competitive market mechanism is replaced by price fixing even for those transactions which would otherwise obtain more advantageous terms. Discount controls actually have the effect of excluding from FHA programs those categories of borrowers who are most in need and whom the controls are intended to aid—low income families, minority group families, and residents of small towns. These borrowers have little capacity to compete for limited funds with other classes of borrowers.

TITLE II—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 201. Increased dollar limit for mortgages purchased under secondary market operations: This section would increase the limit on the amount of a mortgage which can be purchased by FNMA under its secondary market operations from $15,000 for each family residence or dwelling unit covered by the mortgage to $20,000. The $15,000 limit would remain applicable to mortgages purchased under the special assistance functions. As under present law, no dollar limit would apply to military housing mortgages insured under section 803 of the National Housing Act or to mortgages covering property located in Alaska, Guam, or Hawaii.

The section would make possible assistance through the secondary market operations to housing serving additional families of moderate income, particularly larger families. The change would recognize the progressive increases in housing costs which have taken place in recent years. These increases are reflected in the yearly median sales price of homes, which, as reported by the Bureau of Labor Statistics, has risen from $12,300 in 1954 to $13,700 in 1955 to $14,500 in 1956. For 1957, the estimated median sales price was over $15,100. In the case of larger families purchasing houses suitable for their needs, cost levels would of course be considerably higher.

In addition, this section would help to meet the special problems faced by higher cost areas. The staff report on income and housing of January 24, 1957, prepared for the Subcommittee on Housing of the Senate Committee on Banking and Currency, included a tabulation of the average sales prices of new houses for 126 cities. Average prices ranging from $15,000 to $17,500 were reported by 24 cities, and 16 cities reported prices averaging $17,500 or more. Eight of these cities reported average prices of $20,000 or more. Thus, while the bulk of purchases by FNMA under its secondary market operations have been, and will continue to be, of mortgages on lower priced homes (the average mortgage now being purchased is about $12,000), the $15,000 limitation has forestalled mortgage sellers from obtaining the intended services with respect to median priced housing, particularly housing which serves larger families or is located in high cost areas.

The increase in the dollar limit is particularly appropriate under the secondary market operations, which constitute a business type activity of mixed Government and private ownership. Also, in any mortgage portfolio the inclusion of mortgages having outstanding balances that remain appreciable even after the mortgage has been well seasoned makes for a better balanced and more salable portfolio. This is particularly important when FNMA undertakes to sell blocks of mortgages to local lending institutions or to institutional mortgage investors.

SEC. 202. Purchase prices, fees and charges under special assistance functions: This section would give the FNMA discretion to determine special assistance purchase prices and fees and charges, as was originally provided in the 1954 FNMA Charter Act. The present statutory provisions (1) require FNMA to purchase mortgages under its special assistance functions at a price not less than par, (2) limit FNMA's charges or fees for its special assistance services to a maxi-

mum of 1½ percent, and (3) specify that not more than one-half of such fees or charges imposed with respect to any mortgage may be collected at the times of commitment and purchase, respectively.

While FNMA's special assistance functions are financed only with Treasury-supplied money, the FNMA Charter Act states that the charges or fees of the Association shall be imposed with the objective that the functions be fully self-supporting. Also, FNMA is expected to resell a large number of the mortgages it buys, so that the use of Government funds will be held to a minimum. The objectives of continuing operations on a self-supporting basis and reselling mortgages in appreciable quantities seem unlikely of attainment if FNMA is required by law to pay par for mortgages which the market values at less than par, and if, in addition, FNMA continues to be subject to the present statutory controls relating to fees and charges.

The special assistance functions were designed to supplement and encourage private investment in special categories of home mortgages and not to supplant such investment. The continuation of the par-purchase requirement and the statutory controls on fees and charges make it almost impossible for private investors to compete in the purchase of even the more desirable of the mortgages eligible for FNMA special assistance. In the long run, more funds will be available for the special categories of housing designated for assistance in financing if private capital is actively encouraged to invest in, and become familiar with, these types of mortgages.

SEC. 203. Increase in special assistance authorization: This section would increase by $90 million the FNMA special assistance authorization which is available at the discretion of the President. This authorization is used to assist in financing housing for segments of the population that are unable to obtain adequate housing under established home financing programs. Housing in urban renewal areas, urban renewal relocation housing, housing for the elderly, Wherry Act military housing, disaster housing, and housing in Guam and Alaska have been made eligible for aid under this program. The additional authorization is needed primarily to assist in the financing of mortgages on urban renewal housing and secondarily of mortgages on housing for the elderly.

The following table indicates estimated mortgage purchase commitments for fiscal years 1958 and 1959 under this authorization. Estimates are based on expectations of urban renewal activities and FHA activities and on the assumption that 30 percent of the section 220 mortgages and 5 percent of the section 221 mortgages will find private financing.

[In millions]

	Fiscal year 1958 estimate	Fiscal year 1959 estimate
Mortgage purchase commitments:		
Sec. 220	$112.1	$184.2
Sec. 221	67.9	65.3
Housing for the elderly	20.0	40.0
Other (Alaska, Guam, disaster)	12.5	11.0
Total authorization required	212.5	300.5
Authorization available:		
Authorization carried over from previous year	236.9	202.3
Authorization recaptured from cancellations and repayments	25.9	9.8
Recent authorization enacted	150.0	----------
Total authorization available	414.8	212.1
Unused authorization, end of year	202.3	----------
New authorization recommended	----------	90.0

TITLE III—URBAN RENEWAL

SEC. 301. Planning grants: This section of the bill would remove from title I of the Housing Act of 1949 the authority for the Housing Administrator to make advances of funds to local public agencies for planning work in connection with urban-renewal projects, and would substitute for such provisions an authorization for the Administrator to make Federal grants for a share of urban-renewal planning costs, as explained below.

Under existing law, the Housing Administrator may make advances of funds to local public agencies for (i) surveys and plans for specific urban-renewal projects, (ii) general neighborhood-renewal planning, and (iii) studies to determine the feasibility of proposed urban-renewal projects. These advances cover the entire cost of the planning work and are repayable solely from moneys becoming available to the local public agency for the actual undertaking of the project involved. Thus, such advances are repaid only if and when the urban-renewal project which has been planned is actually undertaken. Furthermore, most projects which are undertaken are carried out with further Federal assistance in the form of loans and grants, with the result that the Federal Government ultimately bears two-thirds of the cost of planning, while the locality bears the remaining third through cash or noncash contributions to the project. Under this system the community makes no contribution to the cost of planning a project until and unless the project is actually undertaken. Consequently, neither the community nor the local public agency suffers any financial loss if the planning work is not completed or if the planned project is never undertaken. In all cases the loss of all planning costs is borne by the Federal Government.

(a) Substitution of grants for advances: This section would change the above provisions so that, on future applications for planning assistance, Federal planning grants would be substituted for advances of funds now made by the Administrator. These grants could cover up to two-thirds of the cost of the planning work for which they would be made under planning-grant contracts executed before July 1, 1959. On that date the Federal share of planning costs would drop to 60 percent; on July 1, 1960, to 55 percent; and on July 1, 1961, to 50 percent. This gradual reduction of the Federal share would parallel the reduction proposed elsewhere in the bill for project-capital grants and would allow time for localities and States to prepare to meet the correspondingly larger share of planning costs. Such a requirement for a direct local contribution to planning costs would give communities a greater responsibility and stake in the planning of projects. This can be expected to result in fewer projects being started and then discontinued after planning expenditures, and greater economies in operations which should lessen the need for Federal administrative reviews and controls.

(b) Planning to be assisted with grants: Under this section planning grants could be made for two purposes, in lieu of the three purposes (enumerated above) for which advances are now made:

(i) The Housing Administrator would be authorized to make planning grants for surveys and plans for specific urban-renewal projects. Contracts for such grants would be made only where the governing body of the locality approves, by resolution or ordinance, the undertaking of the surveys and plans and the submission of an application for such grant assistance. These planning grants could be expended for the same type of planning work in preparation of urban-renewal projects as is now financed by advances of funds for such planning.

(ii) The Housing Administrator would also be authorized to make planning grants for the preparation or completion of community renewal programs. Such programs would identify and measure slums and blighted areas in the community, would evaluate the financial and other resources needed and available to improve such areas, and would schedule urban renewal projects and activities to be undertaken in the community. As with the planning grants for project planning, approval of the local governing body would be a prerequisite to any contract for this type of planning grant. Completion of community renewal programs with this grant assistance should benefit both the local communities and the Federal Government by establishing the framework for sound selection of urban renewal projects in the light of available resources. Community renewal programs would also provide a framework for public improvements and facilities designed to serve urban renewal areas. Therefore, it would be provided that such improvements and facilities that are otherwise eligible and commenced after completion of a community renewal program could be credited as grants-in-aid to urban renewal projects in conformity with such program, so long as their commencement does not precede the loan and grant contract for the project by more than 5 years.

Although the section would terminate the Administrator's authority to make advances of funds for planning, a savings clause would permit the execution or amendment of contracts for advances in cases where the original application for the advance was received by the Administrator prior to the effective date of the Housing Act of 1958.

SEC. 302. Capital grant authorization, and change in Federal share: This section would increase the amounts of obligational authority available to the Housing Administrator for capital grants for urban renewal projects, providing for increments of such additional authority to become available over a 6-year period. It would also during such period gradually reduce the percentage of net project costs which such capital grants may cover from two-thirds under the existing law to 50 percent on and after July 1, 1961.

The existing statute now authorizes $1,250 million of capital grant authority (exclusive of the $100 million of authorization within the discretion of the President). This amount would be increased by the section in increments of $200 million on July 1, 1958; $250 million on July 1 in each of the years 1959 and 1960; and $200 million on July 1 in each of the years 1961, 1962, and 1963. Since approximately $50 million of presently authorized funds would be carried over at the end of this fiscal year, the new authorization in effect permits $250 million of Federal grant funds for each of the next 3 years and $200 million of such funds for each of the 3 years thereafter.

The existing statute limits the aggregate capital grants paid with respect to the projects of a local public agency to two-thirds of the aggregate net costs of such projects. The remaining one-third of net project costs must be borne by the locality in the form of cash or noncash local grants-in-aid, the latter consisting of such things as land donations and the provision of necessary public improvements and facilities. Under this section of the bill, the Federal Government's two-thirds share would be reduced to 60 percent on July 1, 1959, 55 percent on July 1, 1960, and 50 percent on July 1, 1961, with resulting increases in the local share of project costs bringing such share up to a matching 50 percent. The gradual reduction of Federal contributions would give localities and States time to gear themselves to the provision of a larger share of project costs.

Projects could continue to be approved on a three-fourths Federal share basis where authorized under existing law, except

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that the Housing Administrator could reduce such maximum Federal share to conform to the percentage of net project cost applicable at the time to other projects, as described above.

The percentage applicable to the capital grants for a particular project would be the percentage in effect at the time that the project is initiated (normally, the commencement of planning). The statute would still permit the pooling between projects of local contributions in the form of cash and noncash local grants-in-aid. Thus it would still be possible for local contributions in excess of the required local share of net cost of a project to be counted toward the local share of a succeeding project.

Although there would be a reduction (during the 6-year period covered by this section) of the amount of funds available annually for Federal grants from $250 million to $200 million, the accompanying decrease in the percentage of project costs which these grants may be used to meet would permit the lower grant level of $200 million to be applied to more projects and to a total program slightly larger than that covered by $250 million on a two-thirds Federal grant basis. The enactment of the proposed 6-year program authorization, sufficient to maintain a consistent level of program activity, would provide localities with an assurance of continued Federal support of the urban-renewal program, and would permit them to plan their local programs in the light of a clear statutory statement of Federal participation.

Repayment of uncollectible advances (see clause (d) (2) of sec. 302 of bill): To obtain funds for advances (under the Housing Act of 1949) for urban-renewal planning, the Housing Administrator issues notes to the Secretary of the Treasury. The advances to a local public agency are repayable from moneys becoming available to it for the undertaking of urban-renewal projects. However, in some cases the planning work is not completed or projects are not undertaken, or for some other reason such advances become uncollectible. In such cases, this section of the bill would authorize the use of appropriated capital-grant funds for repaying the Secretary of the Treasury an amount equal to such advances, plus interest attributable to such advances paid or accrued to the Secretary. Without such a provision the Administrator would continue to have the obligation to pay the principal and interest on his notes to the Secretary of the Treasury which were issued to obtain the funds to make these advances, and the Administrator would also lose such interest already paid. As the advances would be uncollectible, there is no reason for the related obligations of the Administrator to the Treasury to be carried on the books and accumulate interest which the Administrator would have to pay indefinitely. The amounts of repayments by the Administrator to the Secretary of the Treasury would be a charge against the capital grant contract authorization.

This section would not affect the obligations of the local public agency to the Federal Government. If funds should become available at some time in connection with one of the projects involved, the local agency would remain obligated to pay the Federal Government the amount of the advances in connection with that project. Under another section of this bill planning advances would be discontinued on future projects, and project planning would be assisted on a Federal and local grant basis.

In the past, planning advances have been rendered uncollectible because the projects for which they were made did not enter the execution stage for one of three reasons: (1) it was found that the execution of the project would be ineligible for urban-renewal assistance under State or local law, or (2) the local public agency decided, on the basis of detailed surveys and planning work, that the project should be abandoned, or (3) the Urban Renewal Administration has found that the local public agency had not observed the conditions of the advance contract requiring that the planning work be carried out in an expeditious manner.

This section is in accord with a General Accounting Office recommendation for legislation to accomplish this purpose.

SEC. 303. Technical.

SEC. 304. Simplification of urban renewal plan to expedite projects: Before an urban renewal project can enter the execution stage and the acquisition of land can begin, the urban renewal plan must be approved by the local public agency and reviewed by the Housing Agency. Under existing law, it is mandatory that every urban renewal plan shall (in addition to other requirements) indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, and building requirements. This section of the bill would change the law (section 110 (b) of the Housing Act of 1949) so that these elements of the urban renewal plan would be required only to the extent required by the Housing Administrator for the making of loans and grants for project execution. This change would provide flexibility which would greatly assist in expediting the execution of urban renewal projects.

Experience has shown that often it is not reasonable to require an urban renewal plan to include every one of the elements now set forth in the law. At times, the placement of improvements such as minor streets and utilities will depend on the type of construction, or the nature of the enterprise, that will occupy the land after redevelopment. In some instances, this is not known until a redeveloper has been selected by the local public agency, and his plan for development of the cleared land has been approved. In other cases, the precise location of land uses (and therefore zoning) may depend on the redeveloper's final plan, or on the arrangements that he makes to finance the project. (The exact location of neighborhood shopping facilities in a residential project is an example of this.) It is unrealistic in such cases to require a complete plan, as now described in the law, which holds up the commencement of acquisition of land in the project area.

This section of the bill would enable the Housing Administrator to expedite land acquisition in many urban renewal projects by omitting or simplifying requirements for one or more of the elements of the urban renewal plan where they are unrealistic and cause unnecessary delay.

This proposed change in the law would benefit localities engaged in urban renewal, because it would permit a simplification of project procedures and documentations that add to their burden of paperwork. The change should have no effect on the number of projects initiated, nor on the ultimate cost of projects to the Federal Government.

SEC. 305. Loans (without grants) for nonresidential areas: Under existing law, urban renewal projects assisted by the Federal Government must be predominantly residential, either as to the original site or the redeveloped area. An exception from this requirement, up to 10 percent of the capital grant authorization, is allowed under present law for nonresidential projects where the site includes a substantial number of slum or blighted dwellings.

This section of the bill would authorize the Housing Administrator to extend financial assistance, other than capital grants, for urban renewal projects which do not meet the predominantly residential requirement. This financial assistance would be similar to that now authorized for other types of urban renewal projects. The section would also authorize the making of refunding loans to refund temporary loans when the project assisted under this section is completed. The refunding loans could be made for a period up to 10 years and in an amount not exceeding the net project cost of the project involved.

A temporary loan made under this authorization would make available to the local public agency the working capital needed to finance the carrying out of urban renewal project activities in the area. The proceeds which it receives from disposition of land in the project area would go to repay a portion of the temporary loan. The remaining portion of the loan could be refunded by the locality with a refunding loan authorized by this section.

The aggregate amount of refunding loans made by the Housing Administrator which could be outstanding at any one time would be limited to $150 million. Local public agencies would be authorized to borrow funds from private sources by pledging certain of their rights under their loan contracts with the Government, thus avoiding the necessity for actual disbursement of loan funds by the Government. In effect this amounts to a Federal guaranty of private loans, and makes it unnecessary in most instances for local public agencies to actually borrow Federal funds. The Administrator would be directed to require local public agencies to obtain loan funds from sources other than the Federal Government under this procedure unless he determines in the particular case that it is not feasible.

Many of the projects which cities are most interested in undertaking do not meet the predominantly residential requirement because the areas are not best suited for residential development and the existing sites are not predominantly residential. Undoubtedly, the redevelopment of these areas for commercial or industrial uses is often essential to the surrounding residential areas and to the financial soundness of the municipalities as a whole. The weakening of the tax bases of cities caused by the declining character of central areas of cities has led to a rapid increase in pressure for assistance to these commercial or industrial areas. The preservation of values in downtown commercial and shopping areas would often go a long way toward strengthening the city's tax base.

Specific proposals are frequently made which would increase or liberalize the 10-percent exception from the predominantly residential requirement, or would otherwise liberalize or repeal that requirement. It is desirable that the 10-percent exception be retained without change. This exception is needed in order to cover those essential projects which are predominantly nonresidential (but which include a substantial number of substandard dwellings) and which must have Federal capital grants because of large write-downs involved in the clearance of structures and the sale of the land in the project for typical commercial or industrial uses. However, it is clear that many of the commercial projects which communities wish to undertake, particularly on the fringe of central business districts would result in very little, if any, net project cost because of the high market value which the property would have for the construction of downtown office buildings or other nonresidential structures of high value. Accordingly, these projects could be undertaken if the Federal Government furnished loans without capital grants. The increased tax base which would result

from the redevelopment of areas for commercial or industrial purposes should serve as an incentive for the assumption of such local expenditures as would be required.

It is very important that these projects be undertaken without capital grants wherever possible, so that the capital-grant authorization can be maintained for projects which are predominantly residential, either as to original use or the new use, in accordance with the basic purposes of title I of the Housing Act of 1949. Therefore, the 10-percent exception should not be increased, but loans for nonresidential projects should be authorized as provided in this section of the bill. Such loans should reduce pressure for the use of capital grants for many of these projects at the expense of projects which are predominantly residential.

SEC. 306. Uniform date for determining application of going Federal rate to urban renewal contracts: The definition of going Federal rate in the Housing Act of 1949 is used as a basis for determining the interest rate on loans and advances for urban renewal projects. The existing law inconsistently determines the applicable rate at different times for different types of contracts. One date (date contract is approved by Housing Administrator) is provided for contracts executed after the enactment of the Housing Act of 1954, another date (date contract is made) applies to contracts executed prior thereto, and still a third date (date contract is revised or superseded) is used for amendatory contracts. This section would provide a single uniform date for the determination of the applicable going Federal interest rate. It would fix the date for determining the applicable rate for all contracts as the date the contract, or amendatory contract, is authorized by the Administrator. Such authorization is evidenced by an internal allocation order, which allocates capital grant funds for the particular project. This allocation order would serve as a uniform and convenient date for determining the applicable interest rate. This change is merely technical and would not tend to either increase or decrease aggregate interest payments by localities.

TITLE IV—LOW-RENT HOUSING

SEC. 401. Exemptions for determining eligibility and rent: The Housing Act of 1957 provided a number of additional exemptions in calculating income for purposes of determining whether a family is of low income and eligible for occupancy in a low-rent housing project and also for rent-fixing purposes. These additional exemptions included $600 of the income of each member of the tenant family other than the principal wage earner and also $100 for each adult dependent member of the family having no income, including the spouse of the head of each family. The general objectives of these exemptions was to eliminate from consideration in determining eligibility and rent sporadic and other earnings of members of low-income families which normally are not available for the support of the family and to make an adjustment in favor of larger families by extending to adult dependents the $100 per capita exemption previously authorized only for minors. The Housing Agency endorses these general objectives.

However, the cumulative character of the $600 exemption for secondary wage earners (when considered with all other exemptions authorized by law) would permit the occupancy of low-rent projects by families whose incomes are far above the level which may reasonably be classified as low-income. Also the $100 exemption, if applied to the spouse of the head of the tenant family, would effect a substantial unwarranted loss in project rentals with a corresponding increase in Federal subsidies. This exemption alone, as applied to the spouse, would occasion a reduction in annual rental of $20 for a substantial majority of the tenant families in a program of between 400,000 and 500,000 dwellings.

This section would correct these two defects in the 1957 law by limiting the exemptions for secondary incomes to a total of $600 and by eliminating the $100 exemption for spouses. However, the section would (1) continue the exemption granted in the 1957 act of $100 for adult members of the low-income family (except the head of the family and his spouse); (2) now extend this exemption to such a member even if he has income and even if the $600 exemption out of such income has come into play; (3) continue all the exemptions now applicable to minors; and (4) continue, and incorporate in the basic housing law, the provisions now in section 502 (b) of the Housing Act of 1948 which relate to exemption of amounts paid by the United States Government for death or disability occurring in connection with military service. Thus, the underlying purposes of the earlier legislation would continue to be served.

In addition, this section would clarify the language of the present law by substituting the term "principal income recipient" for "principal wage earner." We believe that Congress intended to cover those situations where the principal source of family income comprises not only wages but also pensions, welfare payments, etc., and have so interpreted the existing law. Finally, it should be noted that the repeal of some provisions of section 502 (b) of the Housing Act of 1948 is a purely technical amendment because the only repealed provisions which would not be incorporated in the basic housing law are some references to Federal rent controls which are no longer in effect.

SEC. 402. Extension of authorization: This section would extend the time limit on the present authority to enter into new contracts for loans and annual contributions to low-rent public housing. Under section 10 (1) of the United States Housing Act of 1937, the authority which became available on July 31, 1956, to enter into such contracts for 35,000 additional units will terminate July 31, 1958, and the authority which became available on July 1, 1957, for another 35,000 units will terminate July 1, 1959. This section of the bill would postpone each termination date by 1 year, to July 31, 1959, and July 1, 1960, respectively.

This proposed extension of time for entering into contracts for additional public housing will assure adequate time for proper planning of the projects prior to the execution of the contracts. It may well be that all of the presently authorized low-rent units will be placed under contract by the present deadline dates. However, the increasing scarcity of available sites, recent increases in costs, and other such difficulties may delay applications by communities. In such cases, the proposed extension would avoid the alternative of executing contracts for projects which are not soundly planned or permitting the projects to become ineligible after considerable expenditure of local effort.

SEC. 403. Disposal of federally owned projects: This section would permit disposal of the few PWA low-rent housing projects still remaining in Federal ownership to other than a local public agency. The existing law directs the PHA to sell its Federal projects to divest itself of their management through leases as soon as practicable, but only to a public housing agency. Forty-three PWA projects have been sold. Of the seven remaining projects, four are leased to local housing authorities and negotiations are well along the way for their sale. However, no sale or lease to a local public agency is possible now in the case of the two projects located in Enid and Oklahoma City, Okla., because there is no enabling State legislation, and none seems to be in the offing. Neither has the PHA been able to negotiate a sale or lease with a local public agency in Indianapolis, Ind., and, because of local opposition, it seems unlikely that this can be done in the near future.

This section is necessary in order to enable the PHA to sell the three projects on the private market if the three localities still do not wish to take steps to obtain State legislation or municipal approvals which would make local public ownership possible. The project at Enid (Okla. 1–1) is an 80-unit project which was completed in October 1937. The 80 units are located in 8 buildings, 1 or 2 stories high, on 4.8 acres of land. The project at Oklahoma City (Okla. 2–1) is a 354-unit project which was completed in August 1937. The units are located in 85 buildings, 1 or 2 stories high, on 36.8 acres of land. The Indianapolis project (Ind. 17–6) contains 748 units which were completed in October 1938. They are located in 23 buildings, 2, 3 or 4 stories high, on 22.1 acres of land.

TITLE V—COLLEGE HOUSING

SEC. 501. Availability of private financing: This section would amend the present law with reference to the availability of private financing so that the Housing Administrator would not be required to make a direct loan to an educational institution unless he determines that private financing is not available to it on terms and conditions which he considers reasonable and consistent with the purposes of the college housing law. The present law provides that no loan may be made unless the educational institution is unable to secure the necessary funds from other sources on terms and conditions equally as favorable as the terms and conditions available under the direct loan program. The terms of some loans may not be equally as favorable as a direct Federal loan in all respects, but still may be reasonable and consistent with the college housing law.

Of course, it has always been the policy that private rather than public funds be used for the provision of college housing wherever feasible. A direct loan should not be made if it is available on reasonable terms and would not defeat the purposes of the college housing law. This proposed change in the law should be considered in conjunction with sections 505–509 (establishing a college loan guaranty program) which would provide one means of obtaining private funds for those institutions which could qualify.

SEC. 502. Interest rate on college housing loans: This section would require the Housing Administrator, in making college housing loans, to charge an interest rate equal to that payable by him to the Treasury plus one-fourth of 1 percent. The present law provides for a similar spread, except that if the resulting rate is less than 2¾ percent, the higher rate must be charged. However, because of the different base to which the one-fourth percent differential would be applied under the provisions of section 504 (which changes the formula fixing the interest rate paid by the Administrator on funds borrowed from the Treasury for college housing loans) as compared with the present law, college housing loan interest rates would be increased from 3 percent to a more realistic figure, under current market conditions.

SEC. 503. Increase in college housing loan authorization: This section would increase the college housing loan authorization by $200 million (from $925 million to $1,125 million). It is estimated that the uncommitted balance of the present authorization will be, as of June 30, 1958, around $27 million. The increased authorization provided

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by this section, along with the estimated balance would therefore permit new net commitments during fiscal year 1959, of approximately $225 million. Coupled with the new guaranty program explained below, this increase will permit continuation of Federal financial assistance to colleges and universities at least at the level of the past several years.

The need for college housing is largely a reflection of college enrollments. From 1950 to 1957 fall college enrollments increased from 2,297,000 to 3,068,000, a rise of 34 percent. During the next 10 to 15 years, enrollments are expected to double, exceeding over 6 million students in 1970, as the war baby age groups reach college age. Both the college age group and the percentage of that group enrolling in colleges is expected to rise annually throughout this period.

No increase is proposed in the current limitation of $100 million for student unions, student centers, and related facilities. As noted in the President's budget message, to meet the increased needs for college housing arising from soaring enrollments, Federal loans to colleges should be entirely for essential dormitories and faculty housing, and should no longer be made for student unions and other less essential facilities. However, Federal aid for the latter classes would be available under the proposed guaranty program.

Similarly, no increase is proposed in the current limitation of $25 million for the housing of student nurses and interns, but Federal assistance would be available under the guaranty program.

Sec. 504. Interest rate on borrowings from the Treasury for college housing loans: This section would provide that college housing funds borrowed by the Administrator from the Secretary of the Treasury shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States of maturities comparable to those on college housing loans, adjusted to the nearest one-eighth percent. This formula would be in place of the formula now in the law which bases the interest rate on the average rate borne by all interest-bearing obligations of the United States, irrespective of maturity, as computed at the end of the preceding fiscal year, or 2½ percent, whichever is higher. Assuming that the Secretary of the Treasury fixes the rate payable by the Administrator on the basis of the estimated market yield on 15 year or 20 year United States marketable obligations, the formula proposed would currently result in the Administrator paying 3⅛ percent on funds borrowed from the Treasury. Under the present law, the rate for fiscal year 1958 is 2¾ percent.

The enactment of the interest rate formula proposed which would raise the interest rate on college housing loans, on the basis of February market conditions, from 3 percent to 3⅛ percent would eliminate the subsidy inherent in the existing interest rate formula by requiring the Administrator to borrow college housing loans funds from the Secretary of the Treasury at a rate of interest reflecting what the Treasury itself would have to pay if it went into the market to borrow the funds for a comparable length of time, and to charge a rate reflecting this cost.

Sections 505 through 509: New program of guaranties of taxable bonds of educational institutions to aid in financing housing and other educational facilities: These sections would amend the college housing law (title IV of the Housing Act of 1950) to establish a new program providing for Federal guaranties of bonds of educational institutions, the income of which is subject to Federal taxation, to assist these institutions in financing housing and other educational facilities, as defined in the act. This program would be in addition to the present program of direct loans to such institutions for the same purposes. Educational institutions which issue taxable bonds would have the option of borrowing either directly from the Federal Government under the existing loan program if funds are not available from other sources on terms and conditions which the Administrator considers reasonable and consistent with the purposes of the college housing program, or borrowing from private sources with the bonds being guaranteed by the Federal Government. It is expected that private educational institutions would be the primary beneficiaries of this new program, as the income from bonds of public institutions is generally exempt from Federal taxation.

Under the proposed legislation the housing obligations issued by eligible educational institutions would be backed by the credit of the United States through the medium of debt service guaranty contracts pursuant to which the United States would guarantee the debt service on such obligations as long as they remained outstanding. By assuring private lenders that the debt service payments would be met as scheduled, the proposed legislation, if enacted, is expected to be helpful in assisting educational institutions, which can issue taxable bonds, to obtain funds in the private market on favorable terms which will allow their dormitory construction programs to proceed.

Section 505 amends the existing law to authorize appropriations for the new program so that appropriations could be made for debt service payments.

Section 506 is a technical amendment.

Section 507 would make applicable to the Administrator's activities under title IV of the Housing Act of 1950, as amended (both with respect to direct and guaranteed loans), the provisions of section 309 of the Independent Offices Appropriation Act, 1950. The cited section authorizes agencies subject to the Government Corporation Control Act to merge funds in the Treasury from whatever source derived into one or more checking accounts for expenditure. Section 309 further provides that such funds may be expended only for the purposes authorized in their respective governing statutes.

The purpose of this section is to permit the Administrator to establish and maintain the College Housing Loan Guaranty Fund (provided for in sec. 509) on the books of the agency—thus assuring full separate operations of and accountability for this fund—while still maintaining, for efficiency and economy of operations, a single cash account with the Treasury for receipts and expenditures of both the direct loan and loan guaranty programs.

Section 508 adds a definition of "bonds" to the existing law.

Section 509 adds a new section to the existing law establishing the new guaranty program as follows:

Paragraph (a) would authorize the Housing Administrator to enter into contracts pursuant to which the Government would undertake to guarantee the payments of bonds, the income of which is subject to Federal taxation, sold by colleges and universities to private investors to finance the construction of housing and other educational facilities. The guarantee would cover the debt service on such bonds, to the extent that the pledged revenues prove inadequate. The aggregate amount of such guaranteed bonds outstanding at any one time would be limited to $100 million.

Paragraph (b) would establish a revolving guaranty fund which would be used by the Administrator to finance the costs, including administrative expenses, involved in carrying out the bond guarantee program. All receipts of the Administrator in carrying out his functions under this new program would be deposited in this fund and all expenses of the program would be paid from the fund. Moneys in the fund not immediately needed in the operation of the program could be invested in obligations of the United States or guaranteed by the United States or which are eligible for investment of public funds.

Paragraph (c) would authorize the Administrator to charge and collect a guaranty fee, to cover all expenses and to establish a reserve for possible losses. Such fee may be included in the amount of the bonds guaranteed.

Paragraph (d) would authorize the Administrator to borrow from the Secretary of the Treasury such sums as may be necessary which, when added to the moneys available in the fund, would be sufficient to pay the principal of and interest on all guaranteed bonds pursuant to the provisions of the debt service guaranty contract. The interest rate on Treasury borrowings would be determined in the same manner as for similar borrowings for direct college housing loans as provided in section 504 of this bill.

Paragraph (e) is a technical amendment.

TITLE VI—MISCELLANEOUS

Sec. 601. Surveys of public works planning: The Housing Administrator is now carrying out a program of advances for the planning of public works pursuant to section 702 of the Housing Act of 1954, which established a revolving fund for the program. This section of the bill would authorize the use during any fiscal year of $50,000 of the moneys in that revolving fund for the systematic and continuing collection of information on the current status of State and local public works planning and requirements for such public works. A survey of the status and volume of advance public works planning was undertaken pursuant to authority granted in the Housing Act of 1954, but that survey is now obsolete and no authority exists for additional ones to be made.

Under this section of the bill, it is contemplated that the information authorized to be collected would be compiled through representative sampling surveys of the more than 100,000 State and local governments. This would determine the current status and volume of plans for public works and the estimated long-range requirements for public works. This data, not now available, would provide the means for measuring the volume, type, and location of State and local public works plans and the extent to which such governments are meeting or planning to meet the steadily expanding requirements for public facilities. This would be of assistance in the program of advances for public works planning, aiding in evaluating applications received from the many local governments for planning advances. This would also provide continuing data for relating Federal public works programs to State and local programs so as to obtain the maximum economic benefits from minimum expenditures.

INCREASED COMPENSATION OF EMPLOYEES IN POSTAL FIELD SERVICE

Mr. LONG. Mr. President, on behalf of myself, the Senator from Texas [Mr. YARBOROUGH], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Wisconsin [Mr. PROXMIRE], I introduce, for appropriate reference, a bill to increase the rates of basic compen-

sation of officers and employees in the field service of the Post Office Department. I ask unanimous consent that an explanatory statement of the bill, prepared by me, may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3400) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, introduced by Mr. LONG (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. LONG is as follows:

STATEMENT BY SENATOR LONG

S. 27 as passed by the Senate on February 28, 1958, was a good labor bill. It provided generous pay increases for post-office employees ranging from 17 percent at the lowest level to 7½ percent in the higher levels.

The bill had serious shortcomings as a management bill. It failed to maintain the differentials between clerks and carriers as compared to supervisors and postmasters. It failed to recognize fully the importance of good management and good supervision. It did not provide fully the desirable incentive to encourage clerks and carriers to seek to improve their skills and to advance in the service. In some respects it could be regarded as demoralizing to most of those who have advanced beyond level 5, inasmuch as most of those persons would not receive pay raises as much as those received by employees in grade 5 and below.

It will be noted that the enormous majority of employees beyond level 5 are concentrated in levels 6, 7, and 8. These employees presently receive salaries less than $500 per month. They are affected by the problems occasioned by the increase in the cost of living in much the same fashion as those in levels 4 and 5. The small amount of monetary savings occasioned by neglecting those in levels 13 and above would save the Government less than $250,000 annually. This minor savings does not justify a decision to withhold pay increases from this group. The savings does not offset the morale effect upon those who have heavy responsibilities and managerial duties in the administration of the postal service.

The present bill is to eliminate the inequities of S. 27 as applied to postmasters, postal supervisors, and other persons in grades above level 5 in the postal service.

S. 27 provides for a 7½-percent increase for post-office workers. In grades 1 through 5 it provides for an additional increase of $240. Grade 6 was provided an additional increase of $160 and grade 7 an additional increase of $80. In the absence of the amendments such as those proposed by Senators YARBOROUGH and LONG, S. 27 would fail to preserve the differentials between the various levels of postal employees. These differentials exist in order to maintain the ranking of positions in the postal field service on the principle of equal pay for substantially equal work. The pay increases proposed in the Long bill would correct this shortcoming. It would give proper recognition to the substantial differences in duties and responsibilities and in the difficulty of work to be performed. This bill would recognize the scope and variety of the tasks involved and in the conditions of performance.

Exhibit A sets forth the difference between the salaries proposed in S. 27 and the salaries proposed in the Long bill.

EXHIBIT A

The following chart shows how the schedule proposed in S. 27 would affect the salary schedule established by Public Law 68 unless the proposed changes are approved

Level (1)	Present salary (2)	Proposed salary S. 27 (3)	Proposed salary attached (4)	Proposed S. 27 (5)	Increase Long bill (6)	Difference between cols. 6 and 7
1	$3,480	$3,995	$3,995	$515	$515	----------
2	3,720	4,250	4,250	530	530	----------
3	4,020	4,570	4,570	550	550	----------
4	4,410	4,985	4,985	575	575	----------
5	4,630	5,220	5,220	590	590	----------
6	5,030	5,565	5,645	535	615	$80
7	5,460	5,940	6,100	480	640	160
8	5,910	6,365	6,605	455	695	240
9	6,390	6,875	7,115	485	725	240
10	7,000	7,525	7,765	525	765	240
11	7,700	8,270	8,510	570	810	240
12	8,460	9,105	9,305	640	840	200
13	9,290	9,990	10,150	700	860	160
14	10,180	10,940	11,060	760	880	120
15	11,150	11,850	12,050	700	900	200
16	12,100	12,875	13,075	775	975	200
17	13,200	14,055	14,255	855	1,055	200
18	14,600	15,560	15,680	960	1,080	120
19	15,200	15,900	16,330	700	1,130	430
20	16,000	16,000	17,000	0	1,000	1,000

Exhibit B sets forth the number of employees in each level, together with the amount of increase which the Long bill would provide over and above S. 27, as follows:

EXHIBIT B

Schedule indicating number of employees by levels benefiting by the proposed amendment to S. 27. The dollar increase per employee and the total cost, including fringe benefits

Level	Number of employees	Increase	Cost by levels
6	10,244	$80	$819,520
7	17,521	160	2,803,360
8	10,029	240	2,406,960
9	5,969	240	1,432,560
10	3,346	240	803,040
11	1,709	240	410,160
12	1,086	200	217,200
13	877	160	140,320
14	592	120	71,040
15	280	80	22,400
16	112	80	8,960
17	39	80	3,120
18	11	----------	----------
19	3	50	150
20	13	(1)	13,000
Gross costs	51,831	----------	10,066,365

[1] Ceiling raised to permit 6.2 percent increase.

NOTE.—The total estimated cost of $10,066,365 includes 10 percent which is the estimated costs of various fringe benefits as retirement, group life insurance, and payments under 204 (b) of Public Law 68 for those serving in higher level positions.

Exhibit C indicates the amount of increase that could be expected, as well as the percentage of increase comparing S. 27 to the Long bill:

EXHIBIT C

Level	Present step 7	Temporary rate	Amount of increase	Percentage increase proposed by Long bill	Percentage as passed by Senate Feb. 28, 1958
4	$4,410	$4,985	$575	13.0	13.0
5	4,630	5,220	590	12.7	12.7
6	5,030	5,645	615	12.2	10.6
7	5,460	6,100	640	11.7	8.8
8	5,910	6,605	695	11.7	7.7
9	6,390	7,115	725	11.3	7.5
10	7,000	7,765	765	10.9	7.5
11	7,700	8,510	810	10.5	7.4
12	8,460	9,305	840	9.9	7.5
13	9,290	10,150	860	9.2	7.5
14	10,180	11,060	880	8.6	7.5
15	11,150	12,050	900	8.0	6.3
16	12,100	13,075	975	8.0	6.4
17	13,200	14,255	1,055	7.9	6.5
18	14,600	15,680	1,080	7.4	6.6
19	15,200	16,330	1,130	7.1	4.6
20	16,000	17,000	1,000	6.2	----------

Exhibit "D" sets forth the number of employees who will benefit from the proposed changes:

EXHIBIT D

The number of employees who will benefit from the proposed changes in S. 27 total approximately 51,831, broken down as follows:

Regional	6,679
Inspection Service	1,365
Postmasters	[1]13,729
Post Office Supervisors	21,755
Postal Transportation Service Supervisors	[1]6,903
Custodial Supervisors	[1]800
Motor Vehicle Service Supervisors	[1]600

[1] These totals are estimates.

Approximately 49,000 of the supervisory employees listed above are in levels 6 through 11. It should be pointed out that the maximum salaries of supervisors in levels 6 through 11 range from $5,030 in level 6 to $7,700 in level 11. This clearly indicates that the great mass of supervisors and officials in the postal field service schedule are in the lower levels.

DESIGNATION OF MONTH OF MARCH AS NEIGHBORHOOD HOUSE MONTH

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Colorado [Mr. ALLOTT], the Senator from New York [Mr. IVES], and the Senator from Washington [Mr. MAGNUSON], I introduce, for appropriate reference, a joint resolution authorizing and requesting the President to proclaim the month of March as Neighborhood House Month, beginning in 1959, and for each following year.

Since the establishment of the first settlement house in New York City's lower east side in 1886, these institutions have played a vital role in providing essential services to the people of their communities. They function as centers of community activities, culture, fellowship, education in health and ethics, and athletics. As a beneficiary in my youth of settlement-house training, I know the value of the work done by these organizations among people who need assistance and guidance. The twin objectives of neighborhood houses to

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strengthen family life and develop better neighborhoods have paid off tremendously in terms of individual development and civic progress.

Since its beginning in New York in 1886, the settlement-house movement has grown throughout the United States, so that there are now more than 700 such establishments in almost every city of over 100,000 population in the country.

Through the National Federation of Settlements and Neighborhood Houses, the coordinating agency, these centers carry forward a basic American principle of helping people to help themselves. It is most fitting that the public be made aware, through an annual month set aside for that purpose, of the contributions of the organizations to our society.

I believe the people of the country will be much interested.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 160) to request the President to proclaim March as Neighborhood House Month, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, the following amendment; namely, on page 4, line 9, after the amount insert the following: ": *Provided further*, That notwithstanding any other provision of law—

"(1) Within 60 days after the effective date of this act, any 1958 cotton acreage-reserve agreement shall be canceled without penalty, at the request of the farmer;

"(2) For any farm which does not participate in the 1958 cotton acreage-reserve program, the cotton-acreage allotment shall be increased by 30 percent: *Provided*, That the cotton produced from such increased acreage shall not be eligible for price support and the production from such increase shall not be taken into account in determining the level of price support for the 1958 crop; and

"(3) The additional acreage planted on the basis of such increased allotments shall not be taken into account in establishing future State, county and farm-acreage allotments and such acreage shall be in addition to the county, State and national-acreage allotments. The production from such acreage shall be in addition to the national marketing quota.

Mr. HAYDEN also submitted an amendment, intended to be proposed by him, to House bill 10881, making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Iowa:

Address entitled "Underwriting the Future Strength of American Science and Technology," delivered by Dr. James Killian, Jr., president of Massachusetts Institute of Technology, on March 2, 1958, at the Regional Conference of Massachusetts Institute of Technology on "The Outlook for Science in America."

By Mr. GREEN:

Editorial entitled "Our Restive Neighbors," published in the Washington Post and Times Herald of March 3, 1958.

By Mr. COTTON:

Editorial entitled "Man of Courage," published in the Washington Star of March 2, 1958.

By Mr. WILLIAMS:

Editorial entitled "Immovable Mr. Benson," published in the Wall Street Journal of March 3, 1958.

Editorial entitled "Fake Tax Cut," published in the Washington Daily News of February 8, 1958.

By Mr. LONG:

Editorial entitled "Let the Public Decide," published in the Washington Evening Star of March 3, 1958.

By Mr. MORTON:

Editorial entitled "Compromise or Else," published in the Washington Evening Star of March 3, 1958.

By Mr. JOHNSTON of South Carolina:

Editorial entitled "Our Restive Neighbors," published in the Washington Post and Times Herald of March 3, 1958; which will appear hereafter in the RECORD.

By Mr. THURMOND:

Article entitled "Federal Taxes Cut State, Local Revenue," written by George E. Sokolsky, and published in the Greenwood (S. C.) Index-Journal of February 24, 1958.

Article entitled "President's Civil Rights Allies Wavering," written by Holmes Alexander and published in the Charleston (S. C.) News and Courier of February 28, 1958.

By Mr. DIRKSEN:

Article entitled "White Slaves Plant the Red Moon," published in Germany in the magazine World on the Weekend.

By Mr. MANSFIELD:

Article entitled "Loans for Development of Asia and Africa—Plan by Senator MONRONEY," published in the St. Louis Post-Dispatch, of March 2, 1958.

By Mr. ALLOTT:

Article entitled "The Harried 'Boss,'" published in the Denver (Colo.) Post of January 9, 1958.

By Mr. HUMPHREY:

Article entitled "A Chemical Engineer Visits the U. S. S. R.," written by Edgar L. Piret and published in Chemical Engineering Progress of December 1957.

PROGRAM FOR DEVELOPMENT OF FISH IN CERTAIN AREAS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1552) to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with ricefield crops, and for other purposes, which were, on page 2, line 8, after "determine" insert ", in cooperation with the Department of Agriculture,"; on page 2, line 10, after "crops;" insert "and"; on page 2, strike out lines 11 and 12, and on page 2, line 13, strike out "(7)" and insert "(6)."

Mr. MAGNUSON. Mr. President, on page 2 of the bill, the House added a very minor amendment, relating to cooperation with the Department of Agriculture.

I move that the Senate concur in the House amendment.

The motion was agreed to.

ORDER FOR CALL OF THE CALENDAR ON THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Thursday, immediately following conclusion of morning business, there be a call of the calendar of bills and other measures to which there is no objection, beginning with Calendar No. 1298, Senate bill 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Thursday, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski;

S. 674. An act for the relief of Cale P. Haun and Julia Fay Haun; and

S. 888. An act for the relief of Alex P. Collins.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1692. An act for the relief of Mrs. Margot M. Draughon;

H. R. 2901. An act for the relief of Ralph H. Weeks;

H. R. 4541. An act for the relief of Leslie A. Batdorf; and

H. R. 5163. An act for the relief of Forest H. Byroade.

PRESIDENTIAL SUCCESSION

Mr. SALTONSTALL. Mr. President, the front pages of today's newspapers report the arrangement which has been made by President Eisenhower with Vice President NIXON to assure that the powers and duties of the Presidency will continue to be carried out in an orderly fashion in the event of Presidential disability. The first report of the existence of this arrangement was made by the President at his press conference last

Wednesday, February 26, in his answers to questions put to him by two reporters. I request that the text of these questions and answers be printed in the RECORD at this point in my remarks.

There being no objection, the text of the questions and answers was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TRANSCRIPT OF PRESIDENT EISENHOWER'S NEWS CONFERENCE HELD ON WEDNESDAY, FEBRUARY 26, 1958, AS PUBLISHED IN THE NEW YORK TIMES, FEBRUARY 27, 1958

Felix Belair, of the New York Times: "Mr. President, you have asked Congress repeatedly, I think, sir, to deal with the question of Presidential disability, and on constitutional ambiguity on that point, but nothing has been done up on the Hill about it as yet. Now, it is reported that you have reached an understanding with the Cabinet and Vice President NIXON on the question, as far as your own administration is concerned. I wonder if you could tell us anything on that?"

Answer. "Well, I brought out long ago, I think after my first illness, or certainly quite a while back, that I think this is something that Congress should take action on, and I personally think it probably requires a constitutional amendment, if it is going to be clearly corrected.

"Now, in my own case, because I think in between Mr. NIXON and myself there is a rather unique state of mutual confidence and even liking and respect, that there, I think there is no problem, because I think Mr. NIXON knows exactly what he should do in the event of a Presidential disability of the kind that we are talking about. And so, I have got my own conscience clear at the moment, but I still think it should be handled as something for all future cases."

Robert J. Donovan of the New York Herald Tribune: "Sir, in answering Felix Belair and talking about your relations with Vice President NIXON, may I ask: Have you put in writing any specific expression of your will for Mr. NIXON or for the Cabinet in case of emergencies?"

Answer. "I don't think that is really quite the answer that—an answer that I should give, for this particular reason: If I have, then probably you would want the letter, then you would want to see whether my grammar is correct, and all the rest of it [laughter], and I say this: There is such a clear understanding between Mr. NIXON and myself, an understanding to which others around me are completely privy, that it is inconceivable, that is, between him and me, that any misunderstanding could occur."

Mr. SALTONSTALL. Mr. President, it was only natural, following this report, that there should be interest expressed in knowing the precise terms of the arrangements referred to by the President.

It might have been expected that the President would disclose to the country the terms of the arrangement as he did yesterday. I ask unanimous consent that the text of the President's agreement with the Vice President on the transfer of power in the event of the President's disability be printed at this point in the RECORD.

There being no objection the agreement was ordered to be printed in the RECORD, as follows:

THE INABILITY PACT

(NOTE.—The text of the President's agreement with Vice President RICHARD M. NIXON on transfer of power in the event of disability.)

The President and the Vice President have agreed that the following procedures are in accord with the purposes and provisions of article 2, section 1, of the Constitution, dealing with Presidential disability. They believe that these procedures, which are intended to apply to themselves only, are in no sense outside or contrary to the Constitution but are consistent with its present provisions and implement its clear intent.

1. In the event of inability the President would—if possible—so inform the Vice President, and the Vice President would serve as Acting President, exercising the powers and duties of the office until the inability had ended.

2. In the event of an inability which would prevent the President from so communicating with the Vice President, the Vice President, after such consultation as seems to him appropriate under the circumstances, would decide upon the devolution of the powers and duties of the office and would serve as Acting President until the inability had ended.

3. The President, in either event, would determine when the inability had ended and at that time would resume the full exercise of the powers and duties of the office.

Mr. SALTONSTALL. Mr. President, I believe that the country is very fortunate in having a Chief Executive who has handled with such candor this important and troublesome question of what shall happen in the event of his disability. He has at no time sought to mislead the public either as to the condition of his health or as to how the conduct of the office of the Presidency would be continued in the event of his disability.

I believe that yesterday's White House announcement on Presidential disability will come to have great historical significance. For this reason I ask unanimous consent that the text of the front-page story published in this morning's New York Times, reporting the announcement, together with the lead editorial in this morning's Washington Post and Times Herald, be printed at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times]

EISENHOWER DISABILITY PACT CALLS FOR ACTING PRESIDENT—TERMS OF THE AGREEMENT MADE PUBLIC—NIXON WOULD TAKE OVER DUTIES UNTIL EISENHOWER RECOVERED

(By Edwin L. Dale)

WASHINGTON, March 3.—The White House announced today details of an agreement between President Eisenhower and Vice President RICHARD M. NIXON on what is to be done if the President becomes disabled.

The plan calls for the Vice President to become Acting President and to assume "the powers and duties of the office until the inability had ended."

The determination of inability would be made, "if possible," by the President, who would "so inform the Vice President."

In case of an inability "which would prevent the President from so communicating with the Vice President," the Vice President would make the determination "after such consultation as seems to him appropriate under the circumstances."

In any event, the President himself "would determine when the inability had ended and at that time would resume the full exercise of the powers and duties of the office."

The announcement said the two had agreed that the procedures were "in accord with the purposes and provisions of article 2, section 1, of the Constitution, dealing with Presidential inability."

The announcement also said that the procedures "are intended to apply to themselves only."

James C. Hagerty, the White House press secretary, said today's statement had been drawn up this morning in the President's office by the two men and the Attorney General, William P. Rogers.

He said Rogers had fully concurred in the constitutional aspects of the statement.

Mr. Hagerty said that the plan did not imply any abandonment of the administration's request to Congress for a constitutional amendment dealing with the problem.

The press secretary would not say whether any written agreement on procedures for Presidential disability had existed before today's statement.

The question of whom the Vice President would consult in case of a disability so severe that the President could not make the finding himself would depend upon the circumstances, Mr. Hagerty said.

Asked whether the Cabinet, or the Chief Justice, or medical authorities would be consulted, Mr. Hagerty refused to elaborate.

CITES ILEITIS SURGERY

He suggested, however, that the President might have invoked such a plan before his operation for ileitis in June 1956.

At that time the President was under anesthesia for about 6 hours. Mr. Hagerty indicated that invocation would have been more likely then than at the time of the President's heart attack in 1955.

Republican Congressional leaders were informed of today's announcement before it was made public.

Public concern with the disability question took a sudden spurt last week when the President disclosed at his news conference that he and the Vice President had a complete understanding on the matter. The President hinted at the existence of a written agreement.

Mr. Hagerty said today's statement was issued to avoid "any air of mystery" about the matter. If questions are raised about the legality of the plan, he said, it will be up to the Attorney General to answer them.

Asked whether the Vice President would take an oath upon assuming the powers and duties of the Presidential office, Mr. Hagerty said he was not certain but that he thought not.

The administration's request for a constitutional amendment on the disability question has been bogged down in Congress. Among others, House Speaker SAM RAYBURN, Democrat, Texas, has opposed the plan in favor of a simple act of Congress.

Under the administration proposal, the procedure would be much the same as in today's announcement, except that the Vice President, if he were required to make the determination of disability, would have to get the written approval of a majority of the Cabinet.

The original constitutional provision on disability is vague, and is generally agreed to have been left vague purposely by the Founding Fathers.

The pertinent section reads in part:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President."

Mr. Hagerty said today the President and Vice President had discussed the disability problem from time to time since the President's 1955 heart attack. However, the plan was only "crystallized" in the last month, he said.

[From the Washington Post and Times Herald of March 4, 1958]

SENSE ON SUCCESSION

President Eisenhower's understanding with Vice President NIXON ought to go a very long

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way toward satisfying the public concern over what to do in the event of Presidential disability. Among the virtues of the simple arrangement announced yesterday by the White House are that it involves no erosion of Presidential powers and requires no constitutional amendment or legisaltion inviting political jockeying—and it is wholly within the purview of what the Constitution intended. Why there should have been any doubt about the wisdom of making the arrangement public is a mystery; in any event, Mr. Eisenhower is to be congratulated for completing this step.

In accordance with the understanding, the President could ask the Vice President to serve as Acting President until his disability had ended. If the President were so disabled as to be prevented from making such a request, the Vice President—after appropriate consultation, presumably with the Cabinet—could assume the powers and duties of the office as Acting President until the disability had ended. In either event the President himself would determine when his disability had ended and when he should regain his office.

Although this arrangement applies only to Messrs. Eisenhower and NIXON, it is a highly sensible procedure which could well become a precedent for future understandings by other Presidents and Vice Presidents. Some question may remain about what would happen in the remote event that a mentally disabled President sought to regain his office. Such a situation of course could be handled by the process of impeachment; and Congress could provide a means whereby its leaders could summon it back into session if it were not meeting when this sort of contingency arose.

The Eisenhower-Nixon arrangement makes clear that the accession of the Vice President in the case of Presidential disability would be as Acting President. There are, to be sure, some disagreements over what the Constitution actually contemplated in this connection, though the debates indicate pretty conclusively that the Founding Fathers envisaged a temporary role for the Acting President. The assumption of Presidential duties and powers in the event of disability would in any case be different from the accession of the Vice President in the event of the death of the President—a situation in which tradition and precedent have made the Vice President's accession permanent.

If Members of Congress are worried about any possible ambiguity in the present management, they could well confirm by simple joint resolution their understanding of and concurrence with the President's plan. Indeed, similar action might well become a first order of business for new Presidents and Congresses upon taking office.

Mr. SALTONSTALL. Mr. President, it is clear to all of us that the uncertainty attending the exercise of the powers and duties of the Presidency in case of Presidential disability results from the imprecision of language in article II, section 1, clause 6, of our Constitution. It is also clear that the uncertainty has persisted because of the failure of Congress for 169 years to act so as to remedy this vagueness. President Eisenhower has done all that he can do to eliminate the uncertainty so far as his term in office is concerned. There can be no doubt that the responsibility for eliminating the uncertainty as to the future lies with Congress.

In the discussions of this subject there has been much sincere and well-reasoned disagreement as to how best to clarify the question. I know that the Senate Judiciary Committee has given long and thoughtful consideration to the subject. I hope that when its recommendations are made to the Senate, we may vote on a constitutional amendment at this session.

George Washington once wrote:

Government is not mere advice; it is authority, with power to enforce its laws.

The time has come for Congress to exercise its authority, and to provide a law by means of which the country will have a permanent, clear understanding as to how the powers and duties of the Presidency shall be exercised if ever the President becomes disabled.

In closing my remarks I ask that the text of three excellent articles on this subject, written by Arthur Krock, and published in the New York Times of February 27 and 28 and March 2, 1958, respectively, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of February 27, 1958]

A CLEAR UNDERSTANDING WITH THE VICE PRESIDENT

(By Arthur Krock)

WASHINGTON, February 26.—The "conviction" expressed here under date of February 19 that the President had taken steps to assure that the Vice President would take over his powers and duties if or when the President lay in a state of physical and/or mental disability to exercise them was confirmed by the President at his news conference today. The existence of the arrangement seemed conclusively indicated on February 18 when the Attorney General, unyielding in his stand for constitutional amendment as a permanent solution, showed no concern that any such emergency would arise in this administration.

The simple, though temporary, solution has always been available to any President. The important difference is that President Eisenhower recognized this and put the fact to practical use.

POWERS AND DUTIES ASSUMED

His clear understanding with the Vice President, doubtless in a legal form approved by the Attorney General, disposes, so far as this administration is concerned, of the grave problem that has existed since the Constitution was ratified. If President Eisenhower should become disabled to a point where he could not himself certify it, the Vice President would assume the entire Presidential function with the advance approval of the stricken Chief Executive. The office, as distinct from the powers and duties, would (unless he resigned meanwhile) remain in the President's possession during the inability period to the end of his elected term, should the period last that long.

Since President Eisenhower has been practical and sensible enough to make this simple arrangement, it is reasonable to assume that it also provides a formula for the resumption of his powers and duties by the President—thus filling another gap in the Constitution, under the authority of this language: "Such officer (the Vice President) shall act until the disability be removed or another President shall be elected." The gap is the failure of the Constitution to prescribe how and by whom it shall be determined that the disability has been removed.

PERMANENT MEANS STILL NEEDED

What is known of the understanding between this President and this Vice President strongly suggests that it provides also against a situation—most improbable in the case of Eisenhower—where a still-disabled President would notify a Vice President he was resuming the exercise of his powers and duties. But this situation could arise in a subsequent administration. Also, a future President would not be bound to effect the same kind of understanding with the Vice President that Eisenhower and NIXON have reached and of which essential members of the Cabinet have been apprised. That is why a permanent means to assure continuous, orderly, and competent Executive government can be furnished only by act of Congress.

The constitutional amendment proposed to Congress by the Attorney General, and an implementing statute, would create machinery to take care of all contingencies. It would even make specific provision for the exceedingly perilous possibility that a President, still incompetent to function, would use his undoubted right to resume the exercise of his powers and duties. By this section of the proposed administration amendment, if the Vice President and a Cabinet majority should assert to Congress in writing that the President was still incompetent, Congress would invoke the impeachment process. If the House approved the assertion and two-thirds of the Senators present and voting agreed, the President's function would remain in the hands of the Acting President until the end of the current term, or until majorities of both branches of Congress voted that the competence of the President had been restored.

BINDING STATUTE EXCLUDED

The Attorney General has announced that he will counsel the President to veto any statute by which Congress undertook to create machinery to determine disability and its termination that was binding on the Executive. There is little doubt such a veto would stand because the repassage of the measure would be a firm invitation to legal challenge of every Executive action it authorized. Apparently a purely advisory or permissive statute would not be vetoed. But it would be merely an ineffective gesture and thus no solution at all.

The President's explanation today why none of the conceivable emergencies can occur before the end of his term, January 20, 1961, shatters the principal argument against the amending process. For there is no reasonable ground to believe that an amendment, submitted at this session by Congress to the States, cannot be added to the Constitution by that time.

Twice after the President's heart attack in 1955, and his subsequent candid discussions of the problems of disability determinations that the Constitution leaves open, the obvious and simple arrangement he said today he had made was reported here as his probable solution for the duration of his term.

[From the New York Times of February 28, 1958]

CRITICS WHO ARE UNITED ONLY IN CRITICISM

(By Arthur Krock)

WASHINGTON, February 27.—Instead of praising President Eisenhower for taking the first constructive step in American history to provide for continuous, legal and orderly executive government in event of the physical and/or mental disability of a President who cannot or will not announce this, Democrats in Congress today were concentrating on criticism. Yet it is the failure of Congress for 169 years to help fill in this loophole in the Constitution that obliged the President to supply the best possible temporary substitute.

This is his clear understanding with Vice President NIXON, and Cabinet members essential to its execution, whereby such an interregnum can be averted. Until the details can be known of this arrangement, presumably written in a form approved by

the Attorney General, the main question of its scope that Democrats raised today cannot be evaluated. This question is whether, if the Vice President in the administration should take over the President's powers and duties for a period of disability that the President afterward declared terminated, the office would revert to its elected incumbent.

Speaker RAYBURN's comment today on the President's announcement of the understanding yesterday was that he does not see how, in view of the oath required of the President by the Constitution, the Presidency—the office itself—could revert, once the oath was taken by an Acting President. This oath, as prescribed by section 1 (7), article II, is: "I do somenly swear (or affirm) that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States."

AN ANSWER TO RAYBURN

In the Speaker's view no understanding or inter-Executive arrangement, however documented, can put any time limit on the tenure of whoever takes this oath except the end of the term for which the President was elected. This is a point. But it is not conceivable that the Attorney General failed to take it into account in the Eisenhower-Nixon understanding. And, in the opinion of constitutional lawyers of high repute to whom this correspondent referred the issue, RAYBURN's argument is nullified by its premise, which is that an Acting President must take the oath above.

According to these authorities, the Vice President, for example, can temporarily exercise the duly delegated duties and powers of the Presidency under his own oath, and under that part of section 1 (5), article II, which specifies that the Presidential powers and duties shall "devolve on (any legal successor)* * * until the disability (of the President) be removed or a President shall (again) be elected."

AN INCONSISTENCY

Moreover, the citation by the Speaker of the Constitution to support his point is wholly inconsistent with his decision that all the uncertainties over Presidential disability can be disposed of by a statute that would be binding on the Executive. After long opposing any action at all, RAYBURN has become the leader of the Congressional group which not only takes this position but rejects the administration's conclusion that solely by constitutional amendment can Congress be authorized to supply permanent machinery by which the Executive will be bound.

If the Constitution bars an inter-Executive understanding by which Presidential duties and powers can temporarily be delegated to the Vice President, then by the same reasoning the same document supplies the barrier against a statutory solution of the remaining aspects of the problem. Thus by his citation the Speaker has implicitly conceded the legal validity of the administration's position that an amendment is necessary, and that a binding statute, being invalid, must be vetoed.

THE INACTION OF CONGRESS

Other Democratic critics of the President's historic stopgap arrangement for the period of his incumbency, an arrangement made necessary by the continued inaction of the Congress of which they are Members, had other complaints. These did not, like the Speaker, offer exceptions based on legal arguments. Some reasonably demanded that all details be made known. But Senator MORSE, of Oregon, accused General Eisenhower of viewing the Presidency as "a tight little preserve like a quail-hunting lodge." He denigrated the provision against a paralyzing interregnum during this administration as a "secret understanding," and added the slur that "if the President is not up to his job he ought to declare the fact and resign."

In none of this was there commendation for statesmanship which greatly merits it. And in none was there admission that its necessity arose from the abiding negligence of Congress to do its part. This negligence has been even less excusable for the last 3 years because, ever since his heart attack, the President has been citing his own medical experience as a conclusive reason why Congress should act.

[From the New York Times of March 2, 1958]

PRESIDENT PRESCRIBES DISABILITY SOLUTION—HE HAS MOVED TO AUTHORIZE NIXON TO TAKE OVER EXECUTIVE DUTIES IN SPECIFIED CIRCUMSTANCES—STILL SEEKS AN AMENDMENT

(By Arthur Krock)

WASHINGTON, March 1.—President Eisenhower has cut the Gordian knot at which Congress has been plucking listlessly for 169 years. His clear understanding with Vice President NIXON, whereby the latter temporarily will exercise the powers and duties of the Presidency if or when the President becomes incompetent to function, provides for such an emergency in this administration.

The understanding, evidently in written form approved by Attorney General Rogers, apparently provides also for the contingency that the President's disability might be such he could not assert it (the Constitution requires this before his function can be delegated). The President has discussed this possibility publicly as a danger that should be obviated.

Apparently, also, the President, the Vice President, and the Attorney General are confident their formula disposes of an old bugaboo. This is the argument of a minority of constitutional lawyers that, once an Acting President has taken over the Chief Executive's powers and duties, the Presidency itself goes with the assumption and cannot revert to the incumbent if and when he declares that his disability has terminated.

Among those who have been troubled by this interpretation is Speaker RAYBURN, because his premise is that an Acting President must take the Presidential oath. Administration lawyers, however, reject this premise, holding that the oath taken by all officials, beginning with the Vice President, who are in the line of Presidential succession, is legally sufficient to the purpose, in combination with this language of section 1 (6), article II:

"The same [which they construe to refer only to duties and powers] shall devolve on the Vice President; and Congress [in the event there is no Vice President] may * * * declare what officer shall then act as President.

BASIS FOR CONCLUSION

This is the basis of the administration's legal conclusion that no such officer is required to take the Presidential oath.

But the Attorney General, while satisfied that the "clear understanding" fully protects the Nation from a paralyzing interregnum in the life of this administration (it ends January 20, 1961), has urged Congress to make the protection permanent by submitting to the States at this session a constitutional amendment, substituting organic law for his intrepretations by providing that—

1. During a period of Presidential disability when an Acting President is exercising the powers and duties of the Chief Executive, the Presidency itself shall remain with the incumbent until the end of his elected term, should his disability last that long and he fail to resign.

2. There shall be no automatic reassumption of his powers and duties by a still-disabled President; in that event the Vice President and a majority of the heads of the executive departments may carry the issue to Congress. If the House concludes by a majority that the President is still disabled, and the Senate, by a vote of two-thirds of those present and voting, accepts this conclusion, the Acting Presidency will continue until, by majorities in both branches, Congress reverses its finding.

EXECUTIVE DECISION

3. The initiation of both processes, however—the Acting Presidency and its termination—shall rest exclusively with the executive department instead of being shared with Members of Congress, as other amendment texts and proposed statutes now prescribe.

If Congress should submit any amendment to the States that does not include this third point, or if Congress should legislate a Presidential disability formula binding on the Executive, the Attorney General has announced he would recommend a veto. Since there is no doubt the President would follow this recommendation, and little chance that Congress could produce the two-thirds required to override such a veto, the prospect is that Congress will accept the Attorney General's plan, if it legislates at all.

UNDERSTANDING DISCLOSED

The fact of the "clear understanding" was disclosed by the President Wednesday at a news conference, and only then in response to a reporter's question. He declined to give details, including whether the arrangement is documentary. This was understandable in the most informal circumstances of the historic revelation. But, though not disputing this, both Republicans and Democrats in Congress insisted the President must give these details to the Legislature and to the American people. It was pointed out that Congress is entitled to the information, and not only for the reason that the President has asked it to legislate on disability. And it was also pointed out that the people are entitled to know because of the vital national and international consequences that are potential in the understanding. The prevailing impression here is that the President will accede to this demand.

The President's provision against the kind of interregnum during his tenure that paralyzed Executive government for periods of the Garfield and Wilson administrations was made in the framework of continued Congressional inaction on this problem. Several times before, discussing (with a candor no previous Chief Executive has displayed) the possibility implicit in his three illnesses that he could become incompetent and unable to announce it as the Constitution requires before there can be an Acting President, General Eisenhower appealed to Congress to amend the Constitution to forestall such a disaster.

RENEWED EFFORT

Until he announced he had made a covering arrangement so far as his tenure is concerned, Congress had produced no cohesion on any proposed solution. After his disclosures, a bipartisan effort took form for an amendment in the pattern defined by the Attorney General—the work of Senator KEFAUVER, of Tennessee, and Senator DIRKSEN, of Illinois. Other Members are still pressing for a binding statute, despite its foreshadowed death by veto. Still others favor an amendment authorizing Congress to devise any mandatory machinery it chooses.

But the President's disclosure shattered the principal argument against an amendment—that ratification would take too long in view of his medical history. And his announcement foreshadowed also that the end Congressional product will be the Kefauver-Dirksen proposal, which accepts the administration's view.

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ALTERATION OF THE EAST FRONT OF THE CAPITOL

Mr. SMITH of New Jersey. Mr. President, it was very gratifying to learn yesterday that the distinguished junior Senator from Virginia [Mr. ROBERTSON] is now supporting the efforts of those who seek to prevent the alteration of the east front of the Capitol. Today I have learned with great pleasure that the distinguished senior Senator from Rhode Island [Mr. GREEN] has declared his opposition to changing the Capitol's east front.

It would seem that as more of my colleagues become aware of the nature of the project, the more support they give to the position of those of us who have been attempting to find other solutions to Capitol problems of safety and space.

Those of my colleagues who are still unaware of the present controversy would be well advised to read the excellent articles of Elsie Carper, the second of which appeared in today's Washington Post. I inserted the first article in the RECORD yesterday. I ask unanimous consent that the second article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHANGING THE CAPITOL: EAST FRONT PLAN PARALLELS PROPOSAL OF TRUMAN TO REVAMP WHITE HOUSE

(By Elsie Carper)

Men in public office have in the past been made aware in no uncertain terms that the buildings in which they work don't belong to them but to the people.

This was the case when President Truman tried to revamp the executive offices at the White House in 1946. Public demand stopped the White House addition.

There are many parallels in the White House project and the proposal now being pushed by a Congressional commission to re-do the east front of the Capitol.

Both plans were conceived and put into motion without public hearings. No authorizing legislation went through Congress. Funds for the projects were tacked on at the last minute to appropriations bills.

President Truman wanted additional office space, a cafeteria and a 2-story auditorium added to the White House west wing.

The Commission for the Extension of the Capitol, headed by Speaker of the House SAM RAYBURN, Democrat, of Texas, wants to rebuild the historic east front, the scene of Presidential inaugurals to provide for more offices, restaurants and a private corridor.

Historical and architectural organizations led a last ditch fight against the White House changes. When the project was halted by Congress, a section of fence had been torn down and wreckers were at work in the basement.

Later when the main section of the White House was found to be in need of repair, the interior was rebuilt from cellar to roof without damage to the exterior walls. A proposal to raze the mansion and rebuild it in marble was turned down because of the historic significance of the building.

Walls as historic as those in the White House would disappear if the east front is reconstructed. The plan is to put up a marble replica 32½ feet east of the present portico at a cost of $10.1 million.

The center section of the Capitol is built from the same Virginia sandstone as the White House. Washington supervised the planning of both buildings. The walls of both were burned by the British in the War of 1812.

The American Institute of Architects and historical groups across the country are leading the fight to stop the Capitol project.

They are endorsing a bill now before a Senate Public Works Subcommittee, headed by Senator PAT MCNAMARA (Democrat, Michigan), that would halt the east front extension and turn architects loose to find other and less expensive means of adding office and eating space.

Consulting architects, hired by the Commission to plan the east front alteration, last summer came up with sweeping plans that would extend the building to the east and west and also provide underground garages. RAYBURN quashed all of the proposals except the one for the east front.

The Commission never publicly released the architects' proposals. They fell into public hands when Senator WILLIAM F. KNOWLAND (Republican, California), a member of the Commission, put them into the CONGRESSIONAL RECORD during the hectic closing day of the last Congress.

Since then the American Institute of Architects has vainly sought to see the detailed plans and sketches locked in the office of Capitol Architect J. George Stewart.

Not until hearings were held before MCNAMARA'S subcommittee did the AIA learn why its request to see the plans were turned down and why its offer to give free advice on other ways of providing space was rejected.

Plans "do not belong to the public," Stewart testified.

Since then Stewart has released bare outlines of floor plans for the east front, showing the extended walls, the pattern of rooms and new corridors. The plans were released only after the Commission had authorized him to go ahead and let contracts.

Stung by the AIA's criticism that the east front alteration was sneaked through Congress without hearings, Stewart traced legislative history for the proposal back to 1903 and pointed out that hearings were held in 1935 and 1937.

"The validity of those arguments (relating to the extension) * * * does not change with the years," Stewart said.

What Stewart didn't say was that the lack of hearings kept Congress from airing the proposal. When the hearings were held, the east-front plan was defeated.

THE ACHIEVEMENTS OF THE MUTUAL SECURITY PROGRAM

Mr. SMITH of New Jersey. Mr. President, the continuous stream of information coming to us about achievements of the mutual security program belies increasingly the slogan "give away," used by the opposition to the program.

In an article in the January 16 issue of the Philadelphia Evening Bulletin, Mr. William L. Ryan, of the Associated Press, writing about the technical assistance program in the Middle East, states:

On the whole, Arabs agree most of the projects have been worth while.

One Arab leader is quoted as saying, "Point 4 has given employment to thousands in the Middle East who otherwise would not have jobs."

The extent of the activities of the technical assistance program is impressive. Mr. Ryan points out that—

The Middle East has many examples of so-called trivial jobs which paid off. There are dozens of big projects too, like the Litani River program in Lebanon which proved an irrigation-hydroelectric project feasible and induced the World Bank to lend $26 million for it.

This, says Mr. Ryan, is the free world's answer to the Communist declaration of economic war. We are helping these nations to achieve economic progress through the methods of free men. Success depends upon our will to continue this aid until the momentum of growth can be sustained by these nations alone, and their societies become strong enough to resist Communist subversion.

I ask unanimous consent that the article by Mr. Ryan, dated January 16 and entitled "America's Unsung Ambassadors: 862 United States Technicians in Mid-East," be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA'S UNSUNG AMBASSADORS: 862 UNITED STATES TECHNICIANS IN MID-EAST—THEY ARE SEEKING TO STEM RUSSIA'S ECONOMIC GAINS THERE

(By William L. Ryan)

WASHINGTON.—The Russians served clear notice of their intentions.

"The capitalist countries no longer have a monopoly on supplying machinery and equipment, granting credits and imparting know-how," Soviet Delegate A. A. Arzumanyan told the Afro-Asian Conference in Cairo last month.

The Russians thus repeated their war declaration in the political-economic field in underdeveloped countries. And, despite sputniks and missiles, the political-economic arena is the place where the decisive battles of the cold war are likely to be fought.

An important, and often unnoticed, part in this battle is played by America's small army of technical experts under the International Cooperation Administration (ICA) program to help other nations help themselves.

SUMMARY OF RESULTS

How are the Americans doing? Are there too many of them in the Middle East and North Africa?

Compared with the rest of the world, the Middle East, probably the most sensitive cold war front, received a relatively small share of the United States technical aid program, which Arabs still call point 4.

Once, under President Truman's point 4 program, Americans were welcomed in Egypt. Their work inspired some of the ambitious projects of the Egyptian revolution. But American-Egyptian relations soured. Today, the program in Egypt is insignificant.

Altogether there are 862 Americans working on technical aid programs in Middle East countries, distributed as follows: Iran, 315; Iraq, 101; Jordan, 81; Lebanon, 63; Libya, 134; Ethiopia, 157, and Egypt, only 1.

Syria was offered point 4 and rejected it on political grounds. Saudi Arabia first accepted, then rejected such help. There is no program in the Sudan.

Before the Suez Canal nationalization in 1956, Egypt had 75 American technicians. The ICA program has been temporarily suspended since that crisis.

TUNISIA AND MOROCCO

In North Africa, Tunisia has only eight American technicians. United States prestige is high there. Tunisia wants more Americans.

Morocco has a staff of 21 Americans. There is no significant anti-American feeling, but since there is a military installation of 15,000 Americans, it is one of the countries which might complain of too many Americans.

In the Arab east, the once common complaint of too many Americans seems to be lessening. Perhaps this is because Soviet offers of technicians made Arabs suspicious. They do not know Russians. They know

Americans and generally like them—although the United States Government has been losing friends swiftly through the area.

Arabs have complained that too many aid dollars went into fat American salaries. The facts seem to dispute this. In any event, ICA officials contend there are just not enough Arab technicians qualified to do the work. This is the basic reason for the ICA program.

PROJECTS AND WORK

On the whole, Arabs agree most of the projects have been worthwhile. Said one Arab official:

"Point 4 has given employment to thousands in the Middle East who otherwise would not have jobs. Even Americans are spending their money here, which means employment for still more."

In Lebanon, American technicians' work produced a new breed of chicken which thrives in the climate and produces eggs greatly superior to the local type. Lebanese call them point 4 eggs.

The Lebanese Government had been spending $16,000 a year trying to keep coastal highways clear of drifting sand. It was a losing fight. But "in 3 days a point 4 technician did the job for all time," a Lebanese official said. He found a wild grass which would thrive in the sand, and had the Army plant shoots along the highways.

The Middle East has many examples of so-called "trivial" jobs which paid off. There are dozens of big projects, too, like the Litani River program in Lebanon which proved an irrigation-hydroelectric project feasible and induced the World Bank to lend $26 million for it.

In Iraq, ICA technicians cooperated with the Iraq Development Board on a huge economic program paid for by the nation's oil revenues. Similar work goes on in Jordan, Libya and other Arab areas.

VIEWS OF ADMIRAL STRAUSS

In Tunis, Adm. Elliott B. Strauss, director of the special United States Economic Mission, says his staff of 8 American technicians is clearly insufficient. Current aid to Tunisia runs to $15 million yearly to raise living standards. It has sent Tunisian students to the United States and Europe for training. It has supplied wheat to meet local shortages. But, said a Tunisian official, it is just an encouraging beginning.

"If we cannot obtain sufficient American and French aid," said Ahmed Kenani, Tunisia's planning undersecretary, "unemployment will rise and will quickly threaten the foundations of the current regime. Without an increase of resources and economic-technical aid from France and the United States, Tunisian independence will no longer have any meaning."

In Rabat, Cedric H. Seager, chief of the Morocco ICA Mission, concedes there may be too many Americans around, what with the military personnel. He says it might be advisable to keep the American aid staff in Morocco to a minimum and find substitutes, possibly among the French and Spanish. The consensus among Moroccans seems to be that they don't want American technicians so much as United States cash to finance projects which they think they can handle themselves.

PUBLIC DEBATE WITH THE SECRETARY OF AGRICULTURE

Mr. PROXMIRE. Mr. President, in today's issue of the New York Times there is published an editorial which makes the following statement with regard to the Secretary of Agriculture, Ezra Taft Benson:

It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much, at least—that though they may not know much about agricultural economics, they at least have a highly developed instinct for survival.

Mr. President, I have written to the New York Times the following letter:

EDITOR, THE NEW YORK TIMES,
New York, N. Y.

DEAR SIR: In your editorial entitled "The Benson Issue" appearing in the March 4 issue you say, "It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival."

May I say as a Senator who has been persistently critical of Secretary Benson and who therefore may qualify, I will be happy to meet Mr. Benson in public debate any time, any place, under any kind of arrangements, before any audience he may choose.

Because of this suggestion in the New York Times I am writing Secretary Benson today, calling his attention to your editorial and informing him that all he has to do is say the word and he will have this Senator as his opponent in public debate. He can choose any and all of the circumstances of the debate.

I will only suggest that since the verdict must be with the voters that he set the date some time before next November's elections. I will be a candidate for the United States Senate in these elections. Mr. Benson's policies will be an important issue, not only with the 20 percent of our Wisconsin people who live on farms but with the 80 percent who do not.

Let us have this debate wherever and whenever he wishes and then let the people decide.

Sincerely yours,

WILLIAM PROXMIRE,
United States Senator.

Mr. President, I ask unanimous consent that the editorial published in the New York Times be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 4, 1958]

THE BENSON ISSUE

The average reader following the news stories dealing with the attitude of Congress toward the retainment of Ezra Taft Benson as Secretary of Agriculture might be forgiven if he concluded that the only Republican standing behind this dedicated and courageous friend of the farmer was the man who appointed him, President Eisenhower.

This would not be the fault of the newspapers; it would be because the outcry raised by Mr. Benson's critics is noisy and persistent, out of all proportion to its importance, and is prompted predominantly by a desire to make the headlines. It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival.

Unfortunately for the reputation and the future of the Republican Party, a sizable proportion of this noisy minority pitches its opposition to Mr. Benson at an even lower level than those who profess objections to the Secretary's policies. These are the boys who have been frightened into opposing him not because his policies are not right but because, while he is probably right he may have antagonized agriculture's vested interests. Primarily these would be the big farmers, who learned to become accustomed to living off Government subsidies under temporary legislation enacted in wartime and whose Representatives in Congress have steadfastly refused to return, as they were directed by that legislation, to a farm program designed to meet the requirements of peacetime.

Confidence in the basic policies of Mr. Benson, a successful farmer and graduate student of agriculture, is not confined to the White House. That confidence is shared by such farm organizations as the American Farm Bureau Federation, by an overwhelming majority of farm economists and by the studies of groups, objectively minded, such as the American Assembly, which have no ax to grind and which are representative of every important segment of the economy.

ORDER REDUCING PRICE SUPPORTS ON DAIRY COMMODITIES ON APRIL 1

Mr. PROXMIRE. Mr. President, at the end of this month, a terrible blow is to fall upon the dairy farmers of this country.

The Secretary of Agriculture has ordered price supports for dairy commodities to be reduced on April 1 to only 75 percent of parity. This means a loss of about 25 cents per hundred pounds in the price farmers will get for milk which is used in manufacturing dairy products.

This action by the Secretary will slash dairy producers' gross incomes by 8 percent. It will bring a much greater proportional cut to their net incomes—for no reduction in costs will accompany the cut in the prices they receive. For many producers, it will wipe out the last, thin margin of net return on the farmers' labor and investment. It will simply destroy the economic foundations of those farm families.

Mr. President, this cut in dairy farmers' incomes is unwise, unfair, and dangerous. I have received from a dairy farmer who lives in my State a letter which describes with unusual clarity and accuracy the errors of this proposed cut in dairy farm income. He speaks from experience. In view of the urgent importance of this matter to the Nation's leading agricultural industry—dairying—I ask unanimous consent to have a portion of this most informative and convincing letter from a real farmer printed in the RECORD.

There being no objection, the portion of the letter referred to was ordered to be printed in the RECORD, as follows:

TURTLE LAKE, WIS., *February 24, 1958.*
Hon. WILLIAM PROXMIRE,
Washington, D. C.

DEAR SENATOR PROXMIRE: I wish to express my views on the farm problem, and how it may be solved.

Secretary Benson proved that low farm income is not the answer to the farm surpluses problem so far as the dairy farm is concerned. In my own case when we had the rigid 90 percent of parity, I had 15 cows and got along nicely with my income. When flexible parity prices were imposed it cut my income approximately $100 per month. So I had to buy more cows, now I have 22 and still can't make ends meet. And more cows

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increases our surpluses still more. If this condition exists for me it must exist for the other farmers also.

During the war the price of milk in this area was about $6 per hundredweight. And the cost of living was about one-half of what it is now. Now the price of milk per hundredweight is $3.10 and the cost of living is more than double. I realize that we can't have wartime prices for our milk all the time, but this situation seems way out of proportion.

I attribute the large scale layoffs in the auto and farm implement industry to the low purchasing power of the farmer. In my own case I have a 1946 auto and a 1938 model tractor, and a number of other pieces of wornout machinery which would be potential business for large industry if I had enough income to replace them.

Now I think big business or the middleman is responsible for our inflationary spiral especially in the food line. For example, the price of bacon in a Red & White store was 79 cents per pound. Red Own store sold it for 79 cents. National Tea sold it for 85 cents per pound. The largest of three stores got the highest price.

The farmer gets about 6 cents per quart for milk and he has to pay for getting it hauled to the creamery. The creamery pasteurizes it and puts it in bottles and sells it for 20 cents per quart. The middleman gets the large cut. Almost every large food market is giving 10-cent or 15-cent coupons to apply on your next purchase, to stimulate business. If instead they would actually lower prices it would be a big step toward curbing inflation.

Speaking of surpluses maybe we should not be too hasty in trying to get rid of them for a number of reasons.

First, a surplus economy is a sound economy.

Second, a surplus of food is the greatest weapon of war we have.

Third, our surface waters have become contaminated with radioactive fallout. So maybe our soil also, so in a short time we may not be able to raise as much food and feed as we now do.

Fourth, in a few short years our fast-growing population will catch up with our surpluses and perhaps even create shortages in the dairy industry.

Even though we lost the lead in the missiles and space race to Russia, we should not take a chance and lose the economic race also.

If the cost of living and price of dairy products to the farmer stays at this low level I most likely will lose my farm within the next year.

I am writing this letter in hopes it will help in getting something done to help the farmers in this session of Congress.

Yours truly,

EDWIN R. KROKICH.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT—HUNGARIAN REFUGEES

Mr. DIRKSEN. Mr. President, I have read with interest the recent and final report by Gen. J. M. Swing, Commissioner of Immigration and Naturalization, to the Attorney General, on the special Hungarian refugee program. In my view, the Immigration and Naturalization Service is worthy of the highest praise for the competency and efficiency with which it performed its significant duties in furthering the migration of the Hungarian refugees to the United States without any sacrifice of our national safety or security.

I am much impressed with the comments of the Attorney General, in his letter of transmittal, respecting the status of those Hungarian refugees who have been paroled into the United States and are now living here.

The President's program relative to immigration, as represented by S. 1006, has my full support. Nevertheless, I believe it imperative that the Congress should take action without further delay in regard to certain portions of that program.

On yesterday, I introduced a bill to establish a statutory procedure whereby the immigration status of the recently arrived Hungarian parolees may be adjusted—as originally proposed by the President and contained in S. 1006.

While I urge prompt action upon my bill, I wish it to be perfectly clear that there is nothing in my proposal which, if adopted, would make the adjustment of the immigration status of these people a hasty process for the sake of mere expediency. My bill would require physical presence in the United States for at least 2 years before the paroled alien could apply to the Attorney General to have his status changed to that of a permanent resident. Thereafter, the Attorney General would make the necessary investigations and, if he approved the application in a worthy case, would be required to submit his determination for consideration by the Congress. Only after Congressional review, will the status of the alien be finally changed to that of a permanent resident. No one can doubt, I am certain, that this procedure, with its safeguards, is in the best interests of the United States. I hope that my bill will be promptly acted upon.

I ask unanimous consent that the bill, introduced by me on yesterday, Senate bill 3391, together with copies of press releases issued by the Attorney General on February 16 and 17, 1958, may be printed in the RECORD.

There being no objection, the bill and press releases were ordered to be printed in the RECORD, as follows:

S. 3391

Be it enacted, etc., That subsection (d) of section 212 of the Immigration and Nationality Act (66 Stat. 188; 8 U. S. C. 1182 (d)) is hereby amended by adding a new additional paragraph (9) reading as follows:

"(9) (A) Notwithstanding any other provisions of this act or any other law, any alien who is or has been paroled into the United States by the Attorney General under the authority of paragraph (5) of this subsection and has not otherwise acquired permanent residence status in the United States may apply to the Attorney General for adjustment of his status to that of an alien lawfully admitted for permanent residence.

"(B) If it shall appear to the satisfaction of the Attorney General that the alien has remained in the United States for at least 2 years, is a person of good moral character, and that such action would not be contrary to the national welfare, safety, or security, the Attorney General, in his discretion, may record the alien's lawful admission for permanent residence as of the date of the alien's last arrival in the United States. A complete and detailed statement of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such adjustment of status. Such reports shall be submitted on the 1st and 15th days of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or prior to the close of the session of Congress next following the session at which a case is reported, either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the adjustment of status of such alien, the Attorney General shall thereupon require the departure of such alien in the manner provided by law. If neither the Senate nor the House of Representatives passes such a resolution within the time above specified, the alien shall be regarded as lawfully admitted to the United States for permanent residence as of the date of the alien's last arrival in the United States."

SEC. 2. Subsection (d) of section 212 of the Immigration and Nationality Act (66 Stat. 188; 8 U. S. C. 1182 (d)) is hereby amended by adding a new additional paragraph (10) reading as follows:

"(10) The number of aliens who may be granted the status of aliens lawfully admitted for permanent residence pursuant to paragraph (9) of this subsection, shall not, unless otherwise specified by a joint resolution of the Congress, exceed in any fiscal year the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year between June 25, 1948, and July 1, 1957, by any special public acts of Congress enacted during that period."

DEPARTMENT OF JUSTICE,
February 16, 1958.

Commissioner Joseph M. Swing made his final report to Attorney General William P. Rogers yesterday on Immigration and Naturalization Service operations in the Hungarian escapee program of the United States which terminated on December 31, 1957. In the mass exodus from revolt-torn Hungary 31,738 parolees entered this country.

"The processing of this mass migration, probably without comparison in our history," Commissioner Swing said, "was effected with dispatch and yet without sacrifice of our national standards. * * * As a final demonstration of our national good faith, and to complete the special Hungarian program, there remains only the enactment of legislation to provide a method of authorizing permanent resident status for those Hungarians who have entered as parolees."

The text of Commissioner Swing's report follows:

"MY DEAR MR. ATTORNEY GENERAL: There is submitted herewith the final report of Immigration and Naturalization Service operations in the Hungarian escapee program of the United States which terminated on December 31, 1957.

"The story of the aborted revolt of the Hungarian peoples against their own and foreign oppressors and the accounts of the flight of these patriots to Austria and Yugoslavia have been well and fully reported elsewhere.

"On November 8, 1956, the President of the United States announced that 5,000 escapees would be accepted into the United States as our contribution to the cooperative efforts of the governments of the Western World both to aid the freedom fighters and to ease the burden on Austria, whose resources were inadequate to house, clothe, and feed the refugees.

"Officers of this Service stationed at the consulate in Germany, Italy, and the Netherlands were detailed immediately to Austria to assist in the programs to carry out the President's purpose. The balance of special nonquota immigration visas under section 4 (a) (2) of the Refugee Relief Act were allocated by the Department of State to the

Hungarian escapees in Austria. The first visa was issued on November 19, 1956, and the first planeload of visaed immigrants left Austria on November 20, arriving at McGuire Air Force Base in New Jersey on the following day. By December 1 the last of the 6,130 available numbers had been assigned. On that date there remained in Austria, despite the removal of 38,000 of the first arrivals to other countries, approximately 75,000 fugitives. Their number was being increased by an average of 2,000 daily crossings of the Hungarian-Austrian border.

"On the instructions of your predecessor I had arrived in Vienna on November 19, 1956, in the company of the chairman of the Immigration Subcommittee of the House Committee on the Judiciary, Mr. FRANCIS WALTER, of Pennsylvania. My observations on the general conditions in Austria, following surveys at the border and in the refugee camps of that country, and the operations of the international organizations, and the public and private agencies of the United States were orally reported to Mr. Brownell on my return, with my recommendation for an expanded program.

"Pursuant to the directive of the Attorney General, implementing the President's announcement that an additional 15,000 Hungarian escapees would be offered asylum in this country, I invoked the authority delegated to me under section 212 (d) (5) of the Immigration and Nationality Act and authorized the entry of that number to the United States as parolees. The responsibility of examination and selection of applicants for admission to the United States thereafter was the exclusive responsibility of this Service.

"The immigration officer force in Vienna and Salzburg was augmented by additional officers detailed from the United States, 2 of whom were Hungarian-speaking officers, 1 born in Budapest, the other of Hungarian extraction. Their first task was to investigate the competence and reliability of interpreters and other locally employed clerical assistants. Because of chaotic conditions of transport and communications, the absence of a central registry of refugees, and the size of our force (at no time did the number of immigration officers exceed 17), representatives of the private United States voluntary agencies were authorized to distribute and assist in the preparation of specially designed application forms and to present for examination daily an assigned quota of applicants.

"The broad eligibility requirements were flight from Hungary after October 23, 1956, and admissibility to the United States under the provisions of the general immigration laws. A single exception was made in behalf of 300 accompanying members of otherwise admissible family units who were afflicted with tuberculosis. This was the first time in the post World War II refugee programs of the United States that such afflicted persons were authorized to enter the United States and further established our intention to welcome a representative cross section of the escapees in Austria. In passing it should be noted that the first session of this Congress incorporated this policy in the basic immigration law of the United States.

"During January 1957, through the cooperation of the Austrian authorities, application forms were made available throughout that country to every Hungarian national who desired to be considered for migration to the United States. The applications were cataloged by date of entry in Austria and relationship, if any, to persons in the United States. From this central registry, maintained in our Vienna office, applicants were thereafter selected by the Service and given appointments for interview. No attempt was made to substitute the opinion of any stateside official of this Service for the judgment of the officer in charge at Vienna in weighing the numerous intangibles which governed the selection of candidates for interview. The United States voluntary agencies agreed to continue their assistance in locating employment and housing in the United States for the vast majority who did not have individual sponsors. They also assumed major responsibility for locating and transporting to the examination centers in Vienna and Salzburg those escapees selected for interview.

"In May 1957 parole examination was extended to other Western European countries for the purpose of reuniting in the United States members of the immediate families of Hungarian escapees who had become separated in the flight to Austria or during the early removals from that country. A total of 517 such persons were selected in 15 countries of second asylum.

"In July 1957, following a survey in Yugoslavia and consultations with officials of that country, parole operations were extended to cover Hungarian escapees who had fled directly into Yugoslavia and who were being cared for in refugee camps operated by that Government. Of 3,451 applicants who were interviewed, 2,416 were passed for parole.

"Examination of all parole applicants consisted of the identical medical examination, including X-rays by physicians of the United States Public Health Service as is accorded normal immigration visa applicants, and interrogation and fingerprinting of each principal applicant and accompanying member of his family over the age of 14 by United States immigration officers. The records of the established security and intelligence agencies of this Government were examined. Lookout lists of the Budapest and Vienna consulates were checked and maximum use was made of informants among the refugees whose general desire to purge their own ranks of undesirables can well be appreciated.

"With the close of the program it is now appropriate to reveal that the Service is in possession of a thoroughly authenticated copy of an official listing of principal functionaries of the Hungarian Communist Party at all levels, against which all applicants for parole were also checked.

"The within-Europe transportation of parolees was arranged by the Intergovernmental Committee for European Migration and the transatlantic transportation was handled under the auspices of that organization but for the most part on planes and vessels of the Military Air Transport and Military Sea Transport Services.

"The general operation of the Army-reactivated reception center at Camp Kilmer, N. J., has been described in the report of Mr. Tracy Vorhees, Chairman of the President's Committee on Hungarian Refugees. A brief description of Service operations there suffices for this report.

"All normal Public Health, Customs, and Immigration inspection usually performed at the time and place of actual United States entry was deferred to Camp Kilmer. Each refugee was photographed and, following the authorization of parole, each was issued a laminated parole identification card. No refugee was released from the camp until the officer in charge of the Service was satisfied that the subject and the members of his family had confirmed housing and employment or assurances of support.

"On May 1, 1957, after 31,869 refugees had arrived at Kilmer, the need for such a large installation having ceased, future reception operations were transferred to Service-operated quarters in the St. George Hotel, Brooklyn, N. Y., for the remainder of the program.

"The investigation of the parolees did not cease with their entry into the United States. All allegations of a derogatory nature received from any source are thoroughly investigated. Over 3,000 such investigations have been completed, resulting in a total parole revocation and return to Austria of 74 principal parolees and 43 accompanying members of their families.

"In accordance with assurances given Hungarian refugees that this Government would assist those who, after arrival in the United States, desired to return to Hungary, a total of 290 voluntary repatriates have been returned to Austria for transit to Hungary, after it has been determined that each individual has made his decision freely and without fear or threat. No refugee has been returned to Hungary against his will.

"The attached statistical tables reflect the total movements of Hungarians from Austria by all cooperating governments (and the total of emigrants from each such country to the United States under normal immigration), the age, sex, and major occupational groupings of the 31,738 parolees who had entered the United States by the close of business on December 31, 1957, and an analysis of rejected cases in all areas.

"The processing of this mass migration, probably without comparison in our history, was effected with dispatch and yet without sacrifice of our national standards. The attached factual tables establish beyond a doubt the potential value to the United States of the Hungarians who came to this country since the October 1956 revolt. As a final demonstration of our national good faith, and to complete the special Hungarian program, there remains only the enactment of legislation to provide a method for authorizing permanent resident status for those Hungarians who have entered as parolees.

"Sincerely,

"JOSEPH M. SWING,
"Commissioner of Immigration and Naturalization"

Intergovernmental Committee for European Migration, Hungarian Refugee Situation, Austria, Dec. 31, 1957, 14:00 hours

1. Breakdown of departures by country of destination:	
(a) Overseas:	
Argentina	906
Australia	9,423
Brazil	977
Canada	24,525
Chile	258
Colombia	215
Costa Rica	15
Cuba	5
Dominican Republic	581
Ecuador	1
Rhodesia	40
Israel	1,893
New Zealand	960
Nicaragua	4
Paraguay	7
Turkey	505
Union South Africa	1,309
Uruguay	35
Venezuela	549
United States of America	35,026
(b) Within Europe:	
Belgium	3,416
Cyprus	2
Denmark	1,173
France	10,232
Germany	14,270
Iceland	52
Ireland	541
Italy	3,849
Luxembourg	227
Netherlands	3,556
Norway	1,159
Portugal	4
Spain	19
Sweden	5,453
Switzerland	11,962
United Kingdom	20,590
2. Residing in Austria	18,993
Total	172,732

Hungarian refugees to countries other than United States through Dec. 31, 1957, and immigrants admitted from those countries to the United States, November 1956 through June 1957

Country of destination or birth	Hungarians departed from Austria November 1956 to Dec. 31, 1957 (14 months)	Immigrants admitted in United States November 1956 to June 1957 (8 months)
Final departures from Austria (specified countries)	118,713	123,461
Overseas destinations	77,234	37,276
Argentina	906	1,391
Australia	9,423	367
Brazil	977	857
Canada	22,565	20,976
Canada, via Netherlands	1,960	
Chile	258	479
Colombia	215	1,286
Costa Rica	15	386
Cuba	5	7,496
Dominican Republic	581	637
Ecuador	1	656
Federation of Rhodesia and Nyasaland	40	5
Israel	1,803	892
New Zealand	960	164
Nicaragua	4	755
Paraguay	7	60
Turkey	505	422
Union of South Africa	1,309	161
Uruguay	35	61
Venezuela	549	235
Within Europe	76,505	86,185
Belgium	3,416	925
Cyprus	2	92
Denmark	1,173	954
France	10,232	2,714
Germany	14,270	30,113
Iceland	52	116
Ireland	541	6,676
Italy	3,849	8,840
Luxembourg	227	63
Netherlands	3,532	9,674
Netherlands (for processing Canada)	24	
Norway	1,159	1,748
Portugal	4	1,070
Spain	19	673
Sweden	5,453	1,513
Switzerland	11,962	1,178
United Kingdom	20,590	19,850

Hungarians paroled into the United States by major occupation, age, and sex (Dec. 31, 1957)

	Male	Female	Both
Occupation:			
Professional, technical, and kindred workers			3,513
Farmers and farm managers			609
Managers, officials, and proprietors			585
Clerical			2,189
Sales			379
Craftsmen, foremen			5,904
Operatives			4,746
Private household workers			197
Service workers			762
Farm laborers			246
Other laborers			1,460
No occupation			11,148
Housewives			2,725
Retired			9
Students			2,876
Children under 14			5,374
Unlisted			164
Age:			
Under 5	1,053	1,002	2,055
5 to 9 years	1,127	1,030	2,157
10 to 14 years	1,028	833	1,861
15 to 19 years	2,994	1,386	4,380
20 to 29 years	6,888	3,417	10,305
30 to 39 years	3,381	2,622	6,003
40 to 49 years	2,032	1,406	3,438
50 to 59 years	669	521	1,190
Over 59 years	132	217	349
Total	19,304	12,434	31,738
Marital status:			
Single	16,355		
Married	13,706		
Widowed	680		
Divorced	981		
Unknown	16		

Cases rejected for parole to the United States in Austria and other European countries, except Yugoslavia

			Total
On security grounds	538	(568)	1,106
As split families	293	(93)	386
As "ineligible" [1]	323	(210)	533
On criminal grounds	20	(11)	31
For misrepresentation	22	(17)	39
As illiterates	11	(5)	16
As LPC's	16	(9)	25
As mental cases	18	(22)	40
For medical reasons, including tuberculosis	246	(275)	521
Total	1,487	([2] 1,210)	2,697

IN YUGOSLAVIA

			Total
On security grounds	84	(111)	195
As split families	126	(71)	197
As "ineligible" [1]	255	(232)	487
On criminal grounds	2	(6)	8
As illiterates	5	(7)	12
On medical grounds, including tuberculosis	58	(78)	136
Total	530	([2] 505)	1,035
Grand total			3,732

[1] Rejections as "ineligible" include following classes: (1) Not bona fide refugees; (2) departures from Hungary prior to Oct. 23, 1956 or those who returned temporarily to Hungary after that date; (3) those who departed Hungary with passports or under normal emigration processes; (4) temporarily deferred applicants who abandoned their application.

[2] Figures in parentheses denote accompanying dependents of rejected principal.

DEPARTMENT OF JUSTICE,
February 17, 1958.

Attorney General William P. Rogers asked Congressional leaders today to expedite passage of legislation to authorize permanent resident status for deserving Hungarians admitted to the United States as parolees under the Hungarian escapee program.

In sending to the leaders the final report of Commissioner Joseph M. Swing, of the Immigration and Naturalization Service on the operation of the program, the Attorney General pointed out that our responsibilities to the parolees and to the Free World required that these Hungarians be permitted to look forward to the day when they can seek to become citizens.

Substantially identical letters were sent to Senators LYNDON B. JOHNSON and WILLIAM F. KNOWLAND, the majority and minority leaders of the Senate, Speaker SAM RAYBURN and Representative JOSEPH W. MARTIN, the minority leader of the House, and to Senator JAMES O. EASTLAND and Representative EMANUEL CELLER, the chairmen, respectively, of the Senate and House Judiciary Committees.

Pending measures intended to accomplish the objective are S. 1006 in the Senate and H. R. 4202 and H. R. 4205 in the House.

The text of the letter to Senator JOHNSON follows:

"Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

"DEAR SENATOR: I am transmitting for your information the final report of the Immigration and Naturalization Service, with the accompanying letter of Commissioner Joseph M. Swing, on the operation of the Hungarian escapee program of the United States which terminated on December 31, 1957.

"The report shows the Immigration and Naturalization Service has carried out this massive and unprecedented operation on behalf of the Department of Justice efficiently, expeditiously, and with compassion for the individual and concern for our Nation's welfare and security. I believe all Americans can be very proud of the enormous contribution thus made to the advancement of their country and the rest of the Free World in the continuing struggle against Communist tyranny.

"The one remaining step to bring the escapee program to a successful conclusion now falls to the Congress—the enactment of legislation to authorize permanent resident status for deserving Hungarians who were admitted to the United States under the program by parole. These Hungarians, unlike those fortunate few granted asylum under the provisions of the expiring Refugee Relief Act, have neither the privileges nor the security of permanent residents. Unless they can adjust their status to become permanent residents, they can never seek to become citizens. Certainly our responsibilities to them and to the Free World require that they should be permitted to look forward to the day when, after they have lived uprightly in the United States for a definite period, the temporary asylum they have sought so fearfully will become their home.

"This objective would be accomplished by enacting the President's recommendation contained in section 5 of S. 1006 now pending with the Senate Judiciary Committee. I earnestly hope that the enclosed report will serve to stimulate renewed interest in the pending legislation and that Congress will take favorable action without delay to discharge our immediate responsibilities for these worthy Hungarian people.

"I am also transmitting a copy of the enclosed report and letter to the Chairman of the Committee on the Judiciary.

"Sincerely yours,

"_____ _____,
"Attorney General."

LOAN TO INDIA

Mr. COOPER. Mr. President, I ask that there be printed in the body of the RECORD a statement relating to the action of the Department of State today in announcing a loan to India, as a result of discussions between the two governments.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

The Department of State announced today that the United States has agreed to loan to the Republic of India $225 million. One hundred and fifty million dollars is to be loaned by the Export-Import Bank and $75 million will be provided from the Development Loan Fund established by the Congress last year.

The $225 million which will be provided will be of great aid to India in meeting its current needs. And if the suggestion I have made several times is followed, that payment of the balance of the wheat loan due the United States approximating $170 million, be changed into repayment in local currency, to conform with our policy of agricultural surplus sales, India would be enabled to extend its credit at the World Bank by $100 million to $125 million. Such an extension of credit, coupled with the $225 million loan announced today would meet India's needs for 1959.

The gap in foreign exchange under the life of its 5-year plan, which is to end in 1961, will amount to $1.4 billion. The chief sources for the capital goods it will need are Europe, Russia and the United States, and it is possible that the bulk of aid must come either from Soviet Russia or the United States.

It is my understanding that if a total of $700 million is made available by the United States in loans during the duration of the 5-year plan, India would be enabled to meet substantially the objectives of its program. The $225 million is a part of this total figure. I was glad to note in the press release of the

Department of State that this problem of continuing need has evidently been discussed by the representatives of the two countries. I call attention to the following language which seems to me to recognize that the loan announced today, important as it is, does not foreclose our future assistance.

I quote from the statement of the Secretary of State, Mr. Dulles:

"We recognize that the Indian problem of maintaining economic growth is one of great magnitude. It is the expectation of both parties that the funds from these $225 million of loans will be expended for requirements of the next 12 to 18 months. We recognize that the Free World has a tremendous interest in the outcome of India's efforts to improve its economic well-being in the framework of its democratic political institutions. As I indicated some weeks ago, we hope that we, together with other Free-World countries and the World Bank, can give the foreign-exchange requirements of the Indian program enough support, in the form of loans, so that it will be possible for that program to continue in an adequate form."

In 1956, testifying before the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and the Senate and House Appropriations Committees, I gave reasons why I believed the United States should assist India in its two 5-year plans. Twice this year, on the floor of the Senate, I have developed those arguments.

There are other countries in Asia, friendly countries, which are striving to make democratic political and economic institutions succeed for their people. We wish them success and we give them our assistance. But, in my view, India, by reason of its size, population, resources, and great influence, is the key country in the development of democratic strength in Asia. I know from my own experience of the continued interest and support of the President of the United States and the Secretary of State for India's efforts to improve its economic well-being. That broad interest which is the interest of our country was shown in concrete terms today.

TRADE, FOREIGN AID, AND LOBBYING

ERIC JOHNSTON, MOTION-PICTURE CZAR, AND THE WASHINGTON CIRCUS

Mr. MALONE. Mr. President, we are witnessing the greatest lobbying trust ever launched in Washington—to extend the 1934 Trade Agreements Act, free imports—and billions to Europe and Asia. The leader is Mr. Eric Johnston, of motion-picture fame.

The names of the estimated 1,000 persons joining this grandiose lobbying activity in the Nation's Capital, together with the list of contributors, would be very interesting reading to the American jobless workingmen and the American investors whose jobs and investments are being transferred to foreign soil, through free imports from low-wage nations—and further billions to foreign countries to build production plants.

On February 27 I addressed the Senate on this unusual spectacle in the Nation's Capital.

RESOLUTION TO REGISTER LOBBYIST JOHNSTON

I submit a resolution and ask that it be referred to the appropriate committee. The resolution reads as follows:

Whereas Eric Johnston, the president of the Motion Picture Association of America, Inc., has launched a nationwide campaign to solicit funds to secure the passage by Congress of legislation extending the President's power to enter into reciprocal trade agreements; and

Whereas the said Eric Johnston has publicly announced on a television program that he has received contributions for such purpose amounting to over $50,000; and

Whereas the said Eric Johnston has sent numerous letters to persons and firms throughout the United States soliciting funds for such purpose: Now, therefore, be it

Resolved, That it is the sense of the Senate that Eric Johnston is required by the terms of the Federal Regulation of Lobbying Act immediately to register and report under such act.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 270), submitted by Mr. MALONE, was received and referred to the Committee on the Judiciary.

Mr. MALONE. Mr. President, reports are prevalent to the effect that certain public moneys have been utilized in the lobbying work to which I am referring. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the text of an act passed by the Congress on June 25, 1948.

It is chapter 645, Sixty-second United States Statutes at Large, page 792, prohibiting such use of funds. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

§ 1913. Lobbying with appropriated moneys

No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than 1 year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment. (June 25, 1948, c. 645, 62 Stat. 792.)

MR. DULLES AND MR. ACHESON

Mr. MALONE. On February 24, 1958, Mr. Dulles was questioned by Representative NOAH MASON, of Illinois, in the House Ways and Means Committee.

Mr. MASON asked him if Mr. Johnston's activities did not embody the extension of the 1934 Trade Agreements Act and the expenditure of millions of dollars of the money of American taxpayers among European and Asiatic nations. Mr. Dulles replied:

Yes. I mentioned both of them in my statement because I think that they are twin measures that are equally indispensable to maintain the peace and security of the United States.

In my speech on the floor of the Senate on the 27th of February I quoted the former Secretary of State, Dean Acheson who said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single unified and rounded policy.

Mr. Thorp, his assistant, testified about that time before a Senate committee and stated that the billions to Europe represented temporary relief to foreign nations, and that the Reciprocal Trade Agreements Act—1934 Trade Agreements Act—was a part of the whole plan, and further said that the International Trade Organization—ITO—put before Congress by the State Department was a one-package deal. That the three all went together, and each part was dependent on the other. I refer to this statement to show that the two aims, one by Acheson and the Dulles plan, are absolutely the same, and have been so from the beginning.

Congress denied the ITO, which is now before Congress as the OTC—Office of Trade Cooperation.

Mr. Johnston is lobbying for the extension of the Trade Agreements Act, with his 1,000 potential assistants and the $50,000 he has already collected, according to his radio announcement, as well as the hundreds of thousands he hopes to collect will, presumably, be utilized in publicity propaganda to intimidate Members of Congress.

THE PRESIDENT MAY SACRIFICE ANY INDUSTRY

Mr. Dulles testified before the Committee on Finance in 1955, when the 1934 Trade Agreements Act—so-called reciprocal trade—was extended for 3 years, that under the 1934 Trade Agreements Act, the President may at his discretion, refuse to recognize the peril point, the escape clause, or any recommendation by the Tariff Commission to preserve an industry.

He may refuse such recognition if in his opinion his foreign policy, including treaties and agreements with such countries will be furthered thereby.

Mr. President, he, the President, can and does trade a part or the whole of any American industry to further his foreign policy.

History shows that such treaties agreements will not be kept when the chips are down.

The General Agreement on Tariffs and Trade is the hidden implement in the President's hands that was never before advanced until the 1934 Trade Agreements Act as made effective.

From 1789, the date of the first tariff act, until 1934 the duty or tariff was utilized to equalize the costs of production here and abroad.

Mr. LONG. Mr. President, will the Senator yield?

UNIVERSITY OF MICHIGAN LIBRARIES

REMAKING THE INDUSTRIAL MAP OF AMERICA

Mr. MALONE. I am happy to yield to the Senator from Louisiana.

Mr. LONG. I believe the Senator will find, if he reads Mr. Dulles' testimony very closely, that Mr. Dulles, in effect, said that the President could, in pursuing our foreign policy—and Mr. Dulles thought he should if it advanced the interests of this Nation—reach any sort of understanding with foreign countries even though such an understanding might do considerable harm to American industry.

Mr. MALONE. That is what he said in 1955 under my questioning. It is a most dangerous thing and can be the most dangerous move to the American workingmen and investors in the history of the regulation of foreign trade and American markets since 1789. The policy is remaking the industrial map of America. The President, through the State Department, is remaking the industrial map of this Nation—it has been proceeding since 1934, but two wars and preparation for war has deferred the effects.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. MALONE. I yield further.

Mr. LONG. One almost gathered the impression from the Secretary's testimony that he felt if it were possible thereby to gain one or two votes in the United Nations, we should make trade agreements that could bring irreparable harm to our own industry.

Mr. MALONE. That is correct. The Free Imports Act—the 1934 Trade Agreements Act—is only one of the pincers movement to destroy the American working men and investors—with world government at the end of the rainbow.

There are other pincers—billions to Europe and Asia—inflation—the GATT organization in Geneva with 36 foreign competitive nations dividing out markets among them.

I know the distinguished Senator from Louisiana would be interested in this plan.

The authority given the President is one that Congress has never before given to anyone in the history of this country—as Mr. Dulles testified, by which under the 1934 Trade Agreements Act, as extended, he could do exactly what the Senator has said, destroy any industry and was and is doing it.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. MALONE. I yield further.

Mr. LONG. While I do not completely agree with the Senator's argument, I must say that I have been very much concerned ever since Secretary Dulles testified that in pursuance of our foreign policy he felt, if it was desirable from our foreign policy point of view, the President should make any agreement he thought desirable, no matter what injury might result to American industry.

Mr. MALONE. That is correct. Not only can the President through the State Department sacrifice any part or all of any industry on the altar of foreign treaties and agreements—but the 36 foreign competitive nations working under GATT in Geneva can continue to divide our markets among them, since they do not need to keep their end of the bargain as long as they are short of dollar balance which will prevail until all of our markets and wealth are equally divided among them.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

(At this point Mr. MALONE yielded to Mr. PASTORE to make a statement on Theodore Roosevelt and Franklin D. Roosevelt.)

PRESIDENT HAS FULL POWER TO SACRIFICE ANY INDUSTRY

Mr. MALONE. Mr. President, in further answer to the Senator from Louisiana [Mr. LONG], the 1934 Trade Agreements Act—so-called reciprocal trade—changed the course of history on building and maintaining our high standard of living.

Mr. Dulles testified before the Senate Finance Committee in 1955 and, as you have so ably pointed out, he has reiterated before the House Ways and Means Committee, the President has full authority, under the 1934 Trade Agreements Act, as extended to June of this year, to sacrifice any part or all of any industry to foreign nations if he considers it would further his foreign policy of securing treaties and agreements with foreign nations.

AMERICAN JOBS AND INVESTMENTS PROTECTED FROM 1879 TO 1934

Since 1789, when the first tariff act was enacted, until the 1934 Trade Agreements Act, the policy of Congress was to adjust the duty or tariff to represent roughly the difference between the effective wages and the cost of doing business in this country and the chief competing nation on each product.

Sometimes awkwardly done, sometimes too high, sometimes too low.

THE TARIFF COMMISSION AN AGENT OF CONGRESS

But Congress had continually improved the machinery for making such adjustments, and in 1930 it placed in the hands of the Tariff Commission the power to fix all duties or tariffs on the basis of fair and reasonable competition.

In section 336 of that act, Congress provided that the Tariff Commission was to determine the cost of producing an article in this country and that article or a like article in the chief competing foreign country and recommend the difference as to duty or tariffs. The American workingmen and investors had equal access to their own American markets.

That policy was completely changed in 1934, and power was placed in the hands of the President to sacrifice a part or all of any industry or industries on the basis of foreign policy. He was given full authority to remake the economic map of this Nation, which the administrations have proceeded to do.

In 1947, under the 1934 Trade Agreements Act—Mr. Dulles testified that authority was there—the President of the United States did transfer the constitutional responsibility to regulate foreign trade and domestic economy, which duty Congress was charged with in Article I, section 8, of the Constitution, to Geneva, Switzerland, under the General Agreement on Tariffs and Trade—GATT.

COMPETITIVE NATIONS DIVIDE OUR MARKETS

Under multilateral trade agreements, the competitive foreign countries proceeded to lower American tariffs and divide the American markets between them, then operating GATT under the 1934 Trade Agreements Act. But the General Agreement on Tariffs and Trade regulations provide that as long as such foreign countries are short of dollar balances, they need not live up to the agreement.

They, of course, will always be short of dollar balances until the wealth and the markets of this country are divided equally so that the people of all nations will be living alike.

On March 3, in the House of Representatives, Mr. BAILEY, of West Virginia, said:

> Mr. Speaker, it is time that the membership of the House be alerted to the fact that the greatest lobby in the history of Congress has been set up in the National Capitol for the express purpose of securing an arbitrary and unfair extension of the Reciprocal Trade Agreements Act.
>
> Leading the vanguard of this drive is Eric Johnston, best remembered as a former president of the United States Chamber of Commerce and as czar of the moving-picture industry in Hollywood, Calif. He has been invited by the President to front for the long-haired internationalists who would trade the jobs of American workmen for friendship abroad that we failed to buy with American dollars.

Further quoting Representative BAILEY:

> Mr. Johnston, who was being interviewed on television only yesterday—

This was on Monday, so it would have been on Sunday that Mr. Johnston was interviewed—

> boasted that contributions to the drive to put across the trade-agreements program were already in excess of $50,000 and many more were expected.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter I received from the Torrington Company, of Torrington, Conn., signed by Harry B. Purcell, director of industrial relations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE TORRINGTON CO.,
Torrington, Conn., February 11, 1958.

The Honorable GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: I deeply appreciated receiving from your office, the copy of the extension of your remarks on "For America—Views on World Government and Our Survival." And may I say that I am in complete agreement with the sentiments expressed in Mr. Dresser's letter, and with those contained in the excerpts from the address delivered by General Fellers on January 12th, which sentiments are in accord with those you have so ably presented from time to time on the Senate floor.

Coincidentally enough, your reprint of the CONGRESSIONAL RECORD arrived just as I was preparing to write my compliments to you on your outstanding performance in the Senate on January 31 regarding tariff and trade and "The Late Senator John P. Jones, of Nevada."

I receive the RECORD each day but it isn't often that I read every word of nearly 14 pages of that fine print. But that is precisely what I did with your treatment of the frightening tariff issue. It was a masterful piece of work, and as one who has had an opportunity to personally and intimately witness the alarming effects of our country's tariff and trade policies, I want to extend to you my sincere thanks.

I beg of you not to lose heart in this grave struggle. The extension of the Reciprocal Trade Agreements Act as proposed by the White House could, in my opinion, be ruinous beyond recovery for American industry, which is to say, of course, for America.

For America's sake then, please persevere.

Sincerely,

HARRY B. PURCELL,
Director of Industrial Relations.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter to the members of the Senate Finance Committee and House Ways and Means Committee written by J. M. Fisher, the director of engineering of the Pittsburgh Plate Glass Co.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PITTSBURGH PLATE GLASS CO.,
Pittsburgh, Pa., February 26, 1958.

To Members of the Senate Finance Committee and House Ways and Means Committee.

(Attention: Hon. GEORGE W. MALONE.)

GENTLEMEN: Now that there is another bill being considered by Congress authorizing the President to further cut tariff rates another 25 percent, I am wondering if there is going to be an end to this trend before we have eliminated tariffs entirely.

When authority for this action was up for consideration the last time, I appealed to you on behalf of our employees not to authorize such action. I now again appeal to you to defeat H. R. bill 10368, which is being considered by the House Ways and Means Committee.

I get more concerned daily by the general philosophy and actions of our governmental bodies whereby they seem to assume responsibility for the welfare of other nations and in the process, to me it seems like, they are weakening our own Nation. If this trend is not stopped, our fate will eventually be in as precarious a situation as we seem to imagine so many other countries are in today. We do not have the moral courage to recognize the limits of our ability to control the welfare of the other nations. This to me is evidenced by our mortgaging our future further and further every few years by raising our national debt limit in order to carry on such giveaway programs.

I am a great admirer of Senator BYRD's philosophy regarding economic matters and I am pleased that he is going to make himself available for continued service in the Senate and wish that we had a majority of such sound economic thinkers in both our House and Senate.

Please add the weight of my thoughts regarding this matter in favor of defeating H. R. bill 10368 at the earliest possible stage of its progress.

Yours truly,

J. M. FISHER,
Director of Engineering.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from W. N. McClelland, dated February 28, 1958, and addressed to me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 28, 1958.

The Honorable GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR SIR: Tariff rates on flat glass, the industry in which I am engaged, were reduced by the maximum 15 percent allowed after the 1955 extension of the Trade Agreements Act. Imports have gone up, and foreign glass has made substantial inroads in our sales of plate and window glass in the United States market and to a very serious extent here on the eastern seaboard. The volume of glass imports in 1956 were 3 times as high as in 1954.

Flat glass tariffs have been cut more than two-thirds since 1930. Further cuts of 25 percent could be expected if the extension to the act now requested is passed. It would follow naturally and mean even more of an advantage to foreign manufacturers, with wage rates only one-fourth to one-fifth of those paid in this country.

It has been well established that the escape clause is not the answer and has not served to safeguard domestic producers seriously injured by increased imports. Many of us also feel that the reciprocal trade agreements program has failed to achieve reciprocity, and that some industries, flat glass included, have been loaded with an abnormally heavy part of the cost of furthering foreign policy objectives.

The above is intended to indicate my concern over the administration's proposals for extending the Reciprocal Trade Agreements Act. I urge you to oppose H. R. 10368, the Mills bill.

Yours very truly,

W. N. MCCLELLAND.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Joseph T. Owens, of Pittsburgh, Pa., dated February 28, 1958, and addressed to me.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PITTSBURGH, PA., *February 28, 1958.*

Hon. GEORGE W. MALONE,
United States Senate,
Washington, D. C.

DEAR SENATOR MALONE: I am writing to express my opposition to H. R. 10368 which would extend the Trade Agreements Act for 5 more years and authorize the President to cut tariff rates by another 25 percent.

As I see it, the President, the Secretary of State, and other persons in the administration are advocating the extension of the Trade Agreements Act because they think it will achieve certain foreign-policy objectives. Even if they should be wholly or partially correct in this view, it is my belief that these foreign-policy objectives should not be obtained at the expense of those American businesses and industries which are vulnerable to imports, but should be financed by taxation upon all elements of the economy.

I cannot escape the conclusion that the so-called reciprocal trade agreements program is not administered on the basis of an actual reciprocal exchange of tariff reductions. On the other hand, it appears that the program is administered in the spirit of additional aid to foreign countries at the expense of American business and industry. Although the United States makes substantial tariff reductions, most of the nations who receive the benefit of these reductions continue to exclude American products to a large extent through embargoes, import quotas, currency licensing, and other similar barriers.

As an employee of an American flat-glass manufacturer, I am definitely opposed to further tariff reductions which will have the effect of closing American glass plants and turning the American market over to European glass manufacturers. The technology of European glass manufacturers is equal to our own, but the wages paid by European glass manufacturers are from one-fourth to one-fifth of the wages paid by United States glass manufacturers. Flat-glass tariffs have been cut more than two-thirds since 1930 and as a result the mounting volume of European glass imports is now bringing hardship to the industry. Additional tariff reductions will be ruinous.

The company for which I work has recently furloughed 1,300 employees at one plant and is faced with the necessity for making additional layoffs at other plants. Under these circumstances, I cannot stress too strongly the importance of avoiding additional tariff reductions and additional loss of business to foreign producers.

I have not been opposed to the mutual aid program of the United States, but it must be obvious to anyone that we cannot continue to spend billions of dollars of tax funds for aid programs if we destroy the source of these tax revenues by turning our markets over to foreign competitors under a program which is not actually reciprocal.

In view of the above, I respectfully urge that you vote against H. R. 10368.

Very truly yours,

JOSEPH T. OWENS.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the New York Daily News of January 29, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HIKE THE DEBT LIMIT?

The Senate Finance Committee yesterday took up the Eisenhower administration's plea for a temporary national debt limit boost from the present $275 billion to $280 billion. The House already has voted for the hike.

We think Senator HARRY F. BYRD, Democrat of Virginia, has the right idea, in urging that the increase be only $3 billion.

Raise the ceiling high enough to save Treasury officials from feeling cramped under it, and their zeal to keep the debt under control seems bound to slack off.

But perhaps BYRD is fighting a hopeless battle. Senator GEORGE W. (MOLLY) MALONE, Republican of Nevada, remarked yesterday: "As long as the Members of Congress haven't got the gumption to cut down on foreign aid, and as long as they let imports come in duty-free and knock our boys out of jobs, what can we do [to keep the national debt from soaring]?"

We hate to say it, but maybe that's the perilous long and short of it.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Reno Evening Gazette of Friday, February 7, 1958, entitled "Administration's Free Trade Policy Under Fire."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ADMINISTRATION'S FREE TRADE POLICY UNDER FIRE

Administration request to give the Reciprocal Trade Agreements Act a new lease on life brings the whole question of American policy up for review. Whether the United States shall continue and intensify the free trade policy it inherited from the New Deal and the one-world crowd or whether it shall

return to the protectionist policy of a generation ago, is what has to be decided before the existing legislation expires next June.

The trade agreements act has been on the statute books for nearly 24 years. The original grant of authority to the President to enter into agreements with foreign countries for mutual exchange of tariff concessions was made for a 3-year period in 1934. Since then, the act has been extended 10 times, sometimes for 3 years, other times for only a single year. The present request is unusual in proposing extension for 5 years. The administration also asks for power to cut duties by as much as 25 percent over the next 5 years.

Using or abusing the tariff-cutting authority over the years has reduced most American duties to a fraction of the high levels attained under the Hawley-Smoot Act of 1930—last tariff framed directly by Congress itself. The process of reciprocal tariff reduction, begun by negotiations of agreements with individual foreign countries, was speeded up after World War II by a shift to multilateral negotiations. The General Agreement on Tariffs and Trade (GATT), negotiated at Geneva in 1947 and extended in several subsequent tariff-bargaining conferences, now covers the foreign trade of 36 countries in addition to the United States—and puts American trade more or less under the control of other countries.

Renewal of the Trade Agreements Act faces a stiffer fight this year than ever before. The South, long the home of free trade, and which used to sell a large share of its cotton crop abroad and wanted to keep tariffs down to facilitate that trade, has been turning into an industrial region. Arrival of textile plants from the North and growth of other manufacturing enterprises have stimulated southern protectionist sentiment. Imports of other foreign products—Swiss watches, for example, have raised protests elsewhere in the country.

The mining industry of the entire Nation has been hard hit by the competition of cheaply mined and refined metals. The last 2 years have seen the shutdown of some of the biggest producers of lead and zinc, of mercury and tungsten, and other critical materials, while imports of these metals has been increasing. The copper industry—one of the West's largest—has been slowed to a crawl.

Senators and Representatives who formerly accepted the administration's free-trade policy are taking a second sharp and critical look at this form of foreign aid and global giveaway, as they see the ruinous effects on mines and refineries and factories in their home States, and as they hear the angry protests from their constituents.

Supporters of the trade agreements admit that tariff concessions are damaging some manufacturers or whole industries, but the remedy they proposed is not higher tariffs, but temporary Government assistance to help injured industries, workers, and communities readjust to other pursuits. Not only the directly injured parties, but the taxpayers of the Nation who have to dig up these subsidies through ever-increasing taxes, are supposed to make this sacrifice in the name of world trade and waging total peace.

All that this accomplishes is to punish American industry and American workers and investors and compel them to subsidize competition from abroad.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial column from the Las Vegas Review-Journal of February 2, 1958, entitled "It Seems to Us."

There being no objection, the column was ordered to be printed in the RECORD, as follows:

IT SEEMS TO US—MAY PAY OFF

About a decade ago a freshman Senator from the State of Nevada dared raise his lone voice against the then Democratic administration's Reciprocal Trade Act and promptly got his ears pinned back by his colleagues. The Senator was GEORGE W. MALONE, Republican, and immediately he was labeled as a maverick of the first water.

Despite the fact that he was soundly thrashed in his battle, MALONE refused to give up. He kept harping on the Reciprocal Trade Act until it became almost monotonous, but he was so sincere in his efforts that he began to gain the ears of some of the leaders of the upper house.

The Nevada Senator claimed that the act was suppressing American industry and that, sooner or later, the economy of most of the United States would be undermined. There were only a few who would listen to him and the others brushed him off like a piece of lint on a blue-serge suit. But that did not deter MALONE. He kept right on fighting, gaining a supporter here and one there and the few grew into the many.

Came the recession of a couple of years ago and a lot of the boys began looking at their hole cards. When they did, there was MALONE'S face staring them right in the eyes. He had proven himself right while the majority was wrong.

Comes now the showdown. President Eisenhower has asked the Congress to extend the Trade Act and Congressional leaders are threatening all over the place to scuttle it.

Even the stanchest supporters of the Eisenhower proposal predict difficulty in getting it through Congress. If it is beaten, then the President no longer will have the power to lower barriers to trade with other countries.

Key Republicans are leading the opposition to the Reciprocal Trade Act and Democrats, who have traditionally formed the bulwark of the support were extremely pessimistic about passage.

Already two GOP House leaders have come out strongly against the President's program and there is a growing bloc of Republicans in the Senate who are opposing the extension. Eisenhower must have almost unanimous GOP support for the program and if he doesn't get it chances are slim for passage.

Representative RICHARD M. SIMPSON, Republican of Pennsylvania, who is a member of the House Ways and Means Committee and also heads the GOP Campaign Committee, called the Trade Act "the giveaway of our American markets to foreign enterprise." He said that it would place American industry, agriculture and labor "on the sacrificial altar of diplomatic expediency."

Those words have a familiar ring, because anyone who has talked to Senator MALONE for any length of time over the past decade, will recall that he has made the same point only in much stronger terms.

Leaders of both parties in the House, Speaker SAM RAYBURN, of Texas, and Representative JOSEPH W. MARTIN, of Massachusetts, agree that extension of the Trade Act is the most controversial piece of legislation facing Congress this year. The 22-year-old law expires June 30.

MALONE has stood alone for these many years and has been castigated by his own colleagues as well as the press. The time is coming, and it may not be many weeks off, when his lone fight will pay off and the American markets will return to the hands of the American people.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a resolution passed by the Republican State Central Committee of Nevada on December 15, 1956.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.

We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.

We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imports, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.

We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern.

Mr. MALONE. Mr. President, on May 4, 1957, the President's Republican Regional Conference, of 10 Western States, was held at Salt Lake City, Utah, after having been called by the President of the United States, to determine the sentiment of the various areas, being one of several such regional meetings.

Mr. President, I ask unanimous consent that the resolution passed by the Salt Lake City conference, which appears on page 3 of a reprint of my debate on May 15, 1957, be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FOREIGN TRADE AND THE NATIONAL ECONOMY

Whereas 34 foreign, competitive nations are sitting in Geneva, Switzerland, regulating our foreign trade through multilateral trade agreements under the auspices of the General Agreements on Tariffs and Trade; and

Whereas this distribution of our foreign trade between such foreign competitive nations is being carried on under the 1934 Trade Agreements Act, as extended (so-called reciprocal trade); and

Whereas under this act more than $30 billion of American capital has been invested in such foreign low-wage standard of living nations to compete in American markets with American labor and investors in the textile, livestock, mining, crockery, glass, precision instrument machine tool, chemical and electro-chemical, and several hundred other fields: Therefore, be it

Resolved, That the 10 State Republican regional conference, including the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming urge the Congress to resume its constitutional responsibility of regulating foreign trade and the national economy through the adjustment of the duties, imposts and excises (art. I, sec. 8) through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act to expire in June 1958.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in

the RECORD at this point an editorial entitled "Politics Tied to Defense" from the Austin Reveille of February 1, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POLITICS TIED TO DEFENSE

(By Jock Taylor)

Right at this time the ordinary citizens—a classification that includes virtually all of us—can easily be pardoned if they are as bewildered as a male shopper in a lingerie department.

Leaders of both parties solemnly, urgently and continuously preach to us that politics must play no part in national defense and security—and in the next breath those same leaders are one and all hammering each other over the heads with accusations and charges that this or that party is wholly responsible for the sorry predicament in which we find ourselves. To many of us—just the common run of citizens who pay the taxes and carry the load, and not the masterminds who continuously muddle things up for us—who got us into the predicament seems a lot less important now than who is going to get us out of it.

To many of us it seems that politics—and usually mistaken politics—is at the root of all the evils besetting us, and that only a better brand of politics can cure those ills. In short, we don't believe that national defense—nor anything else pertaining to government—can be entirely divorced from politics, as our leaders tell us must be done.

Let's go back to the beginning of all this, when in 1934 we took the first steps toward becoming a welfare state, with an allpowerful centralized Government in Washington assuming the obligation of directing the course of all our lives from the time we crawled out of the cradle until we were tucked into the coffin. Along then was when we went off the gold standard, adopted the Trade Agreements Act, and inaugurated a lot of other measures that have since killed most of our individual freedom and all of our national independence.

We have had changes in political parties since that time, but there has been little—if any—change in our politics. We still are off the gold standard, still have the Trade Agreements Act and, in addition, have developed our policies of those earlier welfare days to where they now embrace the entire world through foreign aid. The politics of 1934 is the politics of today—merely grown more oppressive and burdensome.

It is impossible to divorce national defense from politics. The same politics that created the present urgent need for national defense measures is now being adapted to the very measures of national defense we are desperately trying to put into effect.

First we have the Trade Agreements Act—offspring of politics, nurtured by administrations of both parties and grown to maturity as the pet of the United Nations. Under the provisions of that act we have enriched—and are still enriching—the moneyed classes of nearly two score foreign nations, who still pay their workers sweatshop wages, while our own workers and our own industries find prosperity—and even good living conditions—slipping away from them farther and farther every day.

Added to the Trade Agreements Act is foreign aid, under which we have squandered more than $60 billion creating abroad the very industries and conditions that are now destroying our own industries and our own prosperity. Both those things are the offspring of politics—political measures adopted by former administrations and still fetishes of the present one.

What brand of philosophy makes it possible for us to be told that we must continue to cling to those two outright political policies for the sake of national defense, and at the same time be told politics must play no part in national defense?

What we really are being told is not that we must keep politics out of national defense, but that we must not permit considerations of national defense to make any change in the politics by which our destiny has been directed for more than a quarter of a century.

Those giving us that advice and information are politicians—and the main concern of politicians is politics. Politics is as much a part of our national defense as are intercontinental missiles, and the question boils down to whether we shall continue to cling to the politics under which our independence and freedom have been virtually destroyed, and our national existence now threatened. Or shall we shift to a different form of politics—one more in line with the constitutional form of government our present brand of politics has virtually abandoned?

We must continue the Trade Agreements Act—and particularly foreign aid—we are told because by so doing we assure ourselves of the support, should war come, of all those nations that are, and long have been, receiving our largesse at the expense of our taxpayers.

Is that true? Have the vast sums of money we have spent for the benefit of those foreign nations actually bound them to us by either gratitude or mutual interest so we can rely on their coming to our aid in an emergency?

A while back a poll was taken among 10 of the nations of Europe who have been recipients of our generosity. Or, if you prefer it in more factual terms, whose friendship we have been trying to buy.

The question asked was whether, in case of war between the United States and Russia, "your country should do everything possible to stay out of it" or should it help the United States. The answers are enlightening.

The percentage by which the people of eight of the countries voted they should stay out of such a war and let the United States go it alone is as follows: Sweden, 94; Austria, 89; Norway, 74; Belgium, 74; Italy, 72; France, 66; Germany, 63; Britain, 54. Only Australia and Netherlands voted to come to the aid of the United States should such a war occur.

Italy, over which we have expressed such almost sentimental concern in recent years, isn't even slightly interested in helping us should we need help; France isn't much more interested, and even Britain made it clear it will turn us down if it is possible.

Thus, under the form of politics which has sought to create for us a national defense based on buying friends, we have spent billions upon billions of dollars for the benefit of foreign countries that now make it clear they will get out from under immediately if we ever really need their help.

Despite all urgings and declarations to the contrary, our national defense is based on politics—and at present it is based on the wrong conception of politics.

Our need is not to keep politics out of all considerations of national defense, but to inject into such consideration a changed and improved form of politics.

Politics we always have had, and always will have, with us in every national program and emergency.

Our immediate problem is to base our preparations for national defense on a form of politics that gives primary and major consideration to our national welfare instead of the welfare of a world that is willing and eager to take all from us and give nothing in return.

THE RESPONSIBILITY REVERTS TO THE TARIFF COMMISSION—AN AGENT OF CONGRESS UNDER THE 1930 TARIFF ACT

Mr. MALONE. Mr. President, I have received a letter from the United States Tariff Commission, dated January 29, 1958, in which there is described exactly how the bilaterial and multilateral trade agreements would be canceled and the duties or tariffs adjusted—how the constitutional responsibility of Congress would revert, in the event the 1934 Trade Agreements Act, the so-called Reciprocal Trade Agreements Act, is not extended beyond June 30, 1958, when that act expires.

The letter explains that after June 30, 1958, if the act is not extended, then no more trade agreements can be made either by the State Department or at Geneva, Switzerland, under GATT, where such authority was transferred by the President in 1947 by virtue of the 1934 Trade Agreements Act.

Then upon the expiration of 6 months following notice by either the United States, or the respective foreign country with which the bilateral trade agreement is made by our President, then the agreement expires.

As to the multilateral-trade agreements made in Geneva, under GATT, 60 days notice is required of such withdrawal, and 60 days after notice of such withdrawal is received by the Secretary General of the United Nations then that multilateral trade agreement would expire.

Mr. President, when those agreements do expire, the entire authority of the 1934 Trade Agreements Act, which was taken away from Congress and put in the hands of the President, subsequently transferred to Geneva, Switzerland, under GATT, would revert to the Tariff Commission, an agent of Congress and the statutory rates prevailing before the agreement was made would prevail.

Mr. President, then the Tariff Commission has the statutory authority in section 336 of the 1930 Tariff Act to proceed to adjust such duties or tariffs on the basis of fair and reasonable competition.

Section 336 relates to equalization of costs of production and reads in part as follows:

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article.

Then, Mr. President, further in the paragraph it is stated:

If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences.

They recommend that to be the duty or tariff, and that would be the tariff always and continually adjusted by the

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Commission on the basis of fair and reasonable competition.

Mr. President, that can be done by the Tariff Commission every day, every 6 months, or every 2 years, or whenever the chief competing nation should raise or lower its standard of living. Then the duty or tariff could be adjusted by the Tariff Commission, an agent of Congress, to equalize that difference.

Then the American people, the American workingmen, and the American investors would again have equal access to their own markets, just as prevailed from 1789 to 1934.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter that I received from the United States Tariff Commission dated January 29, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
January 29, 1958.

The Honorable GEORGE W. MALONE,
United States Senate.

DEAR SENATOR MALONE: Reference is made to your telephone request to Mr. McCauley of our legal staff, on January 28, 1958, for a statement of the provisions of the several trade agreements to which the United States is a contracting party governing termination of such agreements. You are particularly interested in the procedures available for terminating our outstanding trade agreement concessions on petroleum and petroleum products so as to accomplish the reinstatement of the statutory rates of duty on such articles.

Subsection (b) of section 2 of the Trade Agreement Act of 1934, as amended, provides:

"Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice."

All existing bilateral trade agreements to which the United States is a contracting party are now subject, in accordance with the terms thereof, to termination upon the expiration of 6 months after either the United States or the respective foreign country gives notice to the other party of its intention to terminate the agreement.

Any contracting party to the General Agreement on Tariffs and Trade (GATT) (including the United States), in accordance with the terms of the Protocol of Provisional Application of the General Agreement on Tariffs and Trade, is free to withdraw from the agreement upon the expiration of 60 days after notice of such withdrawal is received by the Secretary-General of the United Nations.

The United States could, under the abovementioned procedures, eliminate all trade agreement obligations. In these circumstances, the statutory rates of duty (or in certain instances, the rates established pursuant to section 336 of the Tariff Act of 1930) for the articles currently covered by trade agreement concessions would become effective. With respect to those articles covered in the GATT and not previously or presently covered in a bilateral agreement, the reinstatement of the effectiveness of the statutory rates of duty thereon could be accomplished solely by withdrawal from the GATT. With respect to those articles covered in the GATT, which are also covered in a bilateral agreement between the United States and a foreign country that is now a contracting party to the GATT, and the bilateral agreement has not been terminated, termination of the bilateral agreement in question, in addition to withdrawal from GATT, would be necessary to bring about the effectiveness of the statutory rates. Finally, with respect to those articles covered only in a currently effective bilateral agreement, termination of the said agreement would be necessary for the reinstatement of the statutory rates of duty.

Petroleum, crude, fuel or refined, and all distillates obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil, not specially provided for, are free of duty under paragraph 1733 of the Tariff Act of 1930. However, under the Internal Revenue Code of 1932, as amended, the following import taxes (duties) were provided for: Crude petroleum one-half cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline and other motor fuel, one-half cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. These taxes were continued in the Internal Revenue Code of 1939.

In 1939, pursuant to concessions granted by the United States in the bilateral trade agreement with Venezuela, the rate of tax on crude petroleum and fuel oil derived from petroleum was reduced to one-fourth cent per gallon, applicable to imports of such products which were not in excess of 5 percent of the total quantity of crude petroleum processed in continental United States refineries during the preceding calendar year. All imports in excess of this amount remained subject to the one-half-cent-a-gallon tax.

In 1943 a bilateral trade agreement with Mexico, the 5-percent-tariff-rate quota was superseded by a concession tax rate of one-fourth cent per gallon on an unlimited quantity of imports of such articles. In addition, the tax on kerosene and liquid petroleum asphaltum, including cutbacks, and road oil was reduced to one-fourth cent per gallon pursuant to the Mexican agreement.

In the GATT (Geneva 1947), a concession was made as follows:

"Topped crude petroleum, fuel oil derived from petroleum including fuel oil known as gas oil, and all-liquid derivatives of crude petroleum (except lubricating oil and such derivatives specified hereinafter in any item 3422 [of the Internal Revenue Code]), one-fourth cent per gallon.

This GATT concession contains a proviso to the effect that in no event shall the import tax applicable to topped crude petroleum be less than the rate of tax applicable to crude petroleum.

The following rates of duty are also provided for in GATT: Mineral oil of medicinal grade, derived from petroleum, one-half cent per gallon; gasoline and other motor fuel, 1¼ cents per gallon; lubricating oil, 2 cents per gallon; paraffin and other petroleum wax products, one-half cent per pound.

Effective January 1, 1951, the bilateral trade agreement with Mexico was terminated. This resulted in (a) the reinstatement of the concessions granted in the bilateral trade agreement with Venezuela, with particular emphasis on the reestablishment of the 5-percent-of-domestic-refinery-output tariff-rate quota, supra, and (b) the tariff-rate quota becoming applicable to topped crude petroleum, in accordance with the proviso to the GATT concession, supra. This joint Venezuela-GATT arrangement remained in effect until late 1952.

In 1952, the President entered into a trade agreement supplementary to the 1939 agreement with Venezuela. Pursuant to this agreement (effective October 1952) the tariff-rate quota on crude petroleum, fuel oil, gas oil, and topped crude petroleum was removed. In addition, the tax on these products testing under 25 degrees (American Petroleum Institute) was further reduced to one-eighth cent per gallon. Also, the following GATT-rates were granted to Venezuela: Gasoline or other motor fuel, 1¼ cents per gallon; lubricating oil, 2 cents per gallon; and paraffin and other petroleum wax products, one-half cent per pound.

The Internal Revenue Code of 1954 reenacted the taxes originally established by the 1932 code, as amended, and continued in the 1939 code, but such reenactment specifically preserved existing trade agreement rates.

In order to accomplish the reinstatement of the statutory rates of duty on these petroleum products by the termination process (as distinguished from elimination of the particular concession by such negotiating procedures as may be available), it would be necessary for the United States to withdraw from the GATT and to terminate the bilateral agreement with Venezuela. It should be noted that the termination of trade agreements would not, in all instances, result in higher duties. The higher-than-statutory rates of duty which have been established pursuant to the trade agreements legislation (including those established under the escape-clause procedure), would be superseded by the lower statutory rates.

Sincerely yours,

EDGAR B. BROSSARD, *Chairman.*

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from section 336 of the Tariff Act of 1930, Public Law 361, entitled "Equalization of Costs of Production."

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE TARIFF ACT OF 1930—PUBLIC LAW 361

EXCERPTS FROM SECTION 336

SEC. 336. Equalization of costs of production:

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equal-

ized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in section 402 (g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute, and no such rate shall be increased.

(c) Proclamation by the President: The President shall by proclamation approve the rates of duty and changes in classification and in basis of the value specified in any report of the Commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production.

(d) Effective date of rates and changes: Commencing 30 days after the date of any Presidential proclamation of approval the increased or decreased rates of duty and changes in classification or in basis of value specified in the report of the Commission shall take effect.

(e) Ascertainment of differences in costs of production: In ascertaining under this section the differences in costs of production, the Commission shall take into consideration, insofar as it finds it practicable:

(1) In the case of a domestic article: (A) The cost of production as hereinafter in this section defined; (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; and (C) other relevant factors that constitute an advantage or disadvantage in competition.

(2) In the case of a foreign article: (A) The cost of production as hereinafter in this section defined, or, if the Commission finds that such cost is not readily ascertainable, the Commission may accept as evidence thereof, or as supplemental thereto, the weighted average of the invoice prices or values for a representative period and/or the average wholesale selling price for a representative period (which price shall be that at which the article is freely offered for sale to all purchasers in the principal market or markets of the principal competing country or countries in the ordinary course of trade and in the usual wholesale quantities in such market or markets); (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; (C) other relevant factors that constitute an advantage or disadvantage in competition, including advantages granted to the foreign producers by a government, person, partnership, corporation, or association in a foreign country.

Mr. MALONE. Mr. President, in closing I wish to say that all Congress has to do at this session is to sit still and pass no legislation on foreign trade and constitutional responsibility of the Congress to regulate such foreign trade and the national economy reverts to the Tariff Commission, an agent of Congress, to adjust such flexible duty or tariff on the basis of fair and reasonable competition. The 1930 Tariff Act is still the law, although superseded by the 1934 Trade Agreements Act, which has been extended and which will now expire on June 30, 1958.

Mr. President, the authority transferred to Geneva, under GATT, where 37 nations—of which we are one—each with one vote, are busily engaged in dividing the remaining American markets among themselves, reverts to the Tariff Commission, an agent of Congress—and the American workingmen and investors are back in business.

The 1934 Trade Agreements Act—which took away from the Congress its constitutional responsibility to regulate foreign trade and the national economy—is the act which Mr. Eric Johnston is so anxious to have extended along with billions of taxpayers' money to send to foreign competitive nations to build production plants to compete with our own workingmen and investors.

Let us just return to the Constitution of the United States.

NOTIFICATION TO SENATORS REGARDING BILLS ON THE CALENDAR AND READY FOR ACTION

After Mr. MALONE had obtained the floor,

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nevada yield to me, with the understanding that in yielding, he will not lose the floor, and that my remarks will be printed in the RECORD following his remarks?

Mr. MALONE. I yield.

Mr. JOHNSON of Texas. I so request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I announce, for the information of all Senators, that the Senate has a printed calendar of business. Some of the measures on the calendar have been on it longer than others. When a measure is reported and placed on the calendar, that is notice to each Senator of the possibility that it will be acted upon.

The minority leader, through facilities he has established to service the minority, reviews the calendar each day, and marks on it the position he takes regarding each of the measures. For instance, he may mark, beside the listing of a particular measure, "O. K., notify Senator PAYNE"; or "O. K., notify Senator KUCHEL"; or "O. K., notify Senator MALONE"; or "Hold" until some Senator returns.

I attempt to comply with the request of the minority leader in each and every instance, because in a Senate which is so equally divided, that is good policy, and it is conducive to the economical and efficient transaction of public business. But I wish all Senators to know that any measure on the calendar may be brought up by motion.

On yesterday, a bill in which the administration is very much interested was brought up by motion. The chairman of the committee concerned was present; so was the ranking minority members of the committee. Both of them spoke in behalf of the bill.

The bill had been unanimously reported by the committee. The leadership had not polled each Member but was not aware of any objection on either side. The minority leader suggested the absence of a quorum, so each Senator could be notified.

In similar fashion, several other bills were passed.

To have acted otherwise would have meant that the Senate would have had to adjourn at 2 or 3 o'clock in the afternoon, and would not have been able to keep abreast of its work.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor.

LEGISLATIVE PROGRAM—PROPOSED EASTER RECESS

Mr. JOHNSON of Texas. Mr. President, we are trying to have a housing bill placed on the calendar during the next few days. We hope to have a road bill in a short time. The Finance Committee has scheduled hearings on various measures which are rather important. The chairman of the committee tells me that he expects action to be taken.

The chairman of the Armed Services Committee has the Cordiner report, and proposed legislation on pay is being considered.

We have a retirement bill. I believe the Senator from Delaware is interested in it. It has already been reported.

In the first 60 or 90 days of a session, the committees must organize; and it is a little difficult to have them organize and hold hearings and receive testimony and have the hearings printed and take action on the bills, all in a short period of time, although the Senate already has acted on the postal rate bill, the postal pay bill, the debt ceiling measure, and many other measures.

Beginning this month, I believe the committees will act on substantial amounts of substantive legislation.

It is planned to have the Senate take an Easter recess, beginning with the Thursday before Good Friday. I do not have a calendar before me, but that date comes early in April.

Mr. AIKEN. I believe it is the 3d of April.

Mr. JOHNSON of Texas. I am informed by my good friend, the Senator from Vermont [Mr. AIKEN], that it is the 3d of April.

We expect to have votes taken through that Thursday evening. None may be taken, but every Senator should be prepared.

It is expected that then the House of Representatives and the Senate will pass a joint resolution to the effect that following that Thursday evening, there will not be a session until the following Monday a week. That is in accordance with the usual procedure of Congress at Eastertime. Senators have duties aside from their duties in committee or on the floor. In that respect, their situation is somewhat like that of an airline pilot who has to fly for a certain number of hours each month, if he is to continue to be a good pilot. Senators have to spend a certain number of hours every few months with their constituents, in order to be good Senators.

So this is a period that we shall set aside, and we are giving Senators ample notice in advance.

I have talked about this matter to the distinguished minority leader. He is agreeable to this program. I have talked to the leadership at the other end of the Capitol—to the distinguished

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Speaker of the House of Representatives—and I believe he has reached an agreement with Mr. MARTIN.

So the appropriate joint resolution will be before the Senate, for its consideration, at the proper time.

Mr. President, I apologize for taking so much time. My friend, the distinguished Senator from Nevada [Mr. MALONE], is always generous with me. So when I take advantage of his friendship and courtesy, in order to perform my duties, I know that he does not mind.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Delaware.

Mr. WILLIAMS. The Senator from Texas mentioned the retirement bill. I may say I have no objection to having that bill taken up today.

Mr. JOHNSON of Texas. I understand that, but the Senator wants to be notified.

Mr. WILLIAMS. Yes. I want to be on the floor.

Mr. JOHNSON of Texas. I used that bill as an example. The Senator always cooperates. I commend the Senator for his cooperation with the leadership on both sides. He does not always agree with the leadership, but he treats the leadership fairly.

ELIMINATION OF CLAIMS OF IMMUNITY FROM STATE AND LOCAL TAXES

The Senate resumed the consideration of the bill (S. 6) to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies as instrumentalities.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The question is on agreeing to the committee amendment.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. What is the pending business?

The PRESIDING OFFICER. The unfinished business is Senate bill 6. The pending question is on agreeing to the committee amendment.

Mr. REVERCOMB. Mr. President, may the committee amendment be stated?

The PRESIDING OFFICER. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 2, after the words "with respect to" it is proposed to strike out "tax liabilities accruing" and insert "business activities occurring."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. REVERCOMB. Mr. President, I feel that this bill is of such importance that free discussion of it should be had at this time. I had supposed that the able Senator from South Carolina [Mr. THURMOND], who introduced the bill, would discuss it.

The bill involves the age-old and well-intentioned principle of law which existed up until about 1940, that a State had no right to tax the Federal Government or an instrumentality of the Federal Government, or to lay a tax upon the Union of States.

Senators will recall that this great principle had its inception in the case of McCulloch against Maryland, the opinion in which was written by the then Chief Justice, John Marshall, laying down emphatically the doctrine that individual States could not lay a burden or a tax upon the National Government. It was a principle out of which grew a well-known adage of government, that the power to tax is the power to destroy.

That was the well-established law in this country until about 1940, when the Supreme Court of the United States, in a 5-to-4 decision, upset that principle, in effect. I recall the language in the dissenting opinion, written by Mr. Justice Roberts, in which he said that the Court's decision, arrived at by the majority, upset a precedent of more than 100 years.

Since that time there has been the right of a State, under the case of *James* v. *Dravo Contracting Company* (302 U. S., 134), the case to which I last referred, to tax contractors who are employed by the Federal Government, to levy a State tax upon them and their work.

In the case of James against Dravo Contracting Co., the United States Government, in the construction of a great lock and dam in the Kanawha River in West Virginia, proceeded with the work, and the State of West Virginia attempted to exact a privilege tax upon the gross income or the contract price which the Dravo Contracting Co. was to receive. That case went to a three-judge court, and from there directly to the Supreme Court of the United States, with the result which I have just mentioned.

Since that decision a case arose in Arkansas, the case of *Kern-Limerick, Inc.*, v. *Scurlock* (347 U. S. 110). In that case there was a provision in the contract between the Government and the contractor that the contractor was to be the agent of the Government and was to purchase two machines in the name of the Government, title to the machines to be vested in the Government.

The Federal court held in that case that there was an express agency created, that there was an express instrumentality arising, and that the purchase of the two machines was free from a State tax.

As I understand the purpose of the bill, it is to wipe out the effect of the decision in *Kern-Limerick, Incorporated* v. *Scurlock* (347 U. S., 110). In other words, the pending bill provides that a State may tax the property or the right of purchase of property or a transaction in which title passes to the United States of America. It is one more step away from the great principle that a State cannot, by the power of taxation, lay a burden upon the Federal Government. That subject was discussed at length in the committee. The Senator from South Carolina presented his case very ably, and the bill was reported by vote of a majority of the committee.

I should like to invite the attention of the Senate to what is contained in the bill, and what the whole purport of it may be. I say we are more and more getting away from the distinction between the State governments and the Federal Government; that more and more we are giving to States the power to tax the Federal Government and, to invoke the old adage, the power of destruction through taxation.

I must confess it is not a far-reaching bill in this instance, in that it draws a distinction between a written provision in the contract that the contractor is expressly the instrument or the agent of the Government and the privilege of performing work for the Government. Nevertheless, the fact is that regardless of the decisions—and the decisions are binding on us—as stated by the great Justice who wrote the dissenting opinion, whether we express it or not, when we undertake on behalf of the Federal Government to create a Federal structure, the person who is the agent of the Government and performs the work for the Government, is an instrument of the Government, and therefore not taxable.

The pending bill simply goes one step further and says that even though the Government expressly states that the contractor is its agent and its instrument, the State may nonetheless tax.

I felt that the Senate should know fully what is in the bill and the purport of it. As I say, it does not go much farther in effect, but it does go so far as to bring the express creation of the agency within the rule, whereas heretofore the employment of a contractor to build a structure for the Government did not create an instrument, unless, as was held in the recent case, it is expressly stated that the contractor is an instrument, and the property shall belong to the Government.

With that explanation, I close my remarks.

Mr. KUCHEL. Mr. President, the simple question involved in the pending bill is whether a State or local government can validly apply its taxing power over one of its citizens who happens to be doing business with the Government of the United States. That is the problem before us, and it ought to be easy to answer.

My good friend the Senator from West Virginia has suggested that to his way of thinking that constitutes taxation by a State or local government of the Federal Government. I deny that.

A number of years ago, before I came to the Senate, I was in the State Government in California. The Atomic Energy

Commission was engaged at that time, as it is now, in prodigious undertakings, and it entered into many contracts with private firms. Those firms were located in California. In order to discharge their contractual responsibilities with the Atomic Energy Commission—quite obviously a Federal instrumentality—those firms made purchases of personal property in California. Ordinarily they would have been subject to the State's sales tax. Why not? Why should they not be? They were the recipients of every other service of the State government which all the other citizens and businesses were receiving from the State government in my State. Why should they be treated differently?

Nevertheless, the matter was litigated, and the United States Supreme Court held that those private businesses doing business with the Atomic Energy Commission were immune from State or local taxation, to the extent of such business dealings.

In 1953, when I came to the Senate, I introduced a bill, cosponsored by my distinguished colleague from California [Mr. KNOWLAND] to eliminate that unfortunate exemption, and Congress enacted that legislation. The President signed it. Today private businesses in the State of California, as elsewhere, doing business with the Atomic Energy Commission, are subject to precisely the same tax laws that the Senator would be were he doing business in a completely private capacity alongside the private businesses working under contract for the Government.

I congratulate the Senator from South Carolina [Mr. THURMOND]. In my opinion he has performed a service which I believe was recognized by the United States Supreme Court in a decision which it handed down today.

Ours is a unique Federal Government. We are participating with respect to Federal problems, but each State has its responsibilities, too. A State cannot tax the Federal Government. That is a good principle. The Federal Government cannot tax the States. That is a good principle. However, when someone works for or does business with the government of a State, the Federal Government has a right to tax that individual, as it should. What the Senator from South Carolina attempts to do is to have that principle work both ways.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. REVERCOMB. The Senator has made an observation as to the right of the Federal Government to tax someone who performs a service for the State. I do not know of any privilege tax or tax on the privilege to do work. There is a great distinction between the taxes the Federal Government exacts, such as an income tax, and a tax laid by a State for the privilege of performing work, which is, in effect, the privilege of performing work for the Federal Government. If we lay a tax for the privilege of doing work for the Federal Government, the question that immediately arises is: Are we not, in effect, taxing the Federal Government?

I make the further observation, with the indulgence of the able Senator from California, that in the final analysis it all gets down to the fact that these taxes will be paid by the people of the country, because the contractor is going to put into his bid the amount of the taxes he will have to pay, whether it is to the Federal Government or to the State government.

However, getting back to the right of the Federal Government to tax, the Federal Government, so far as I know, levies no privilege taxes for the right to perform work. Performing work for whom? For the Federal Government. I fail to observe the distinction which the Senator seeks to draw.

Mr. KUCHEL. Do I correctly understand that the Senator would not object to the levy by a State of a State sales tax on personal property which a contractor bought from a private firm in a given State?

Mr. REVERCOMB. I would think that the levying of a sales tax, where the property was the property of the Federal Government, would be, under the old established rule, a wrongful levying of a tax. Let us suppose that the Department of the Interior goes into a State and buys certain property. Would the Senator levy a State tax upon the Department of the Interior for that purchase?

Mr. KUCHEL. As a matter of law, I could not.

Mr. REVERCOMB. That is correct.

Mr. KUCHEL. But this is an entirely different situation, if the Senator from West Virginia will permit me to differ with him. In this instance, we are dealing with contracts the Pentagon makes with private firms to manufacture certain material and to sell it to the Pentagon. Is that not correct?

Mr. REVERCOMB. Yes. We are dealing with the contractor. The whole question comes down to this: Whether it be an individual or a corporation, on the one side, or an employee of the Government on the other, the distinction is made that if he be an employee of the Government, he is acting for the Government, is a part and parcel of a department of the Government, and no tax is laid, but if he be an individual who makes a contract with the Government, and the Government, in the contract, says, "I authorize and direct you, as my agent, to buy machines or to do work for me, and the machines and the work will become mine," the Supreme Court has held that a tax cannot be imposed. It is to get around that position that it is sought today to enact the bill into a statute. I think there is a distinction.

Mr. KUCHEL. In my judgment, when the Pentagon, whether it be the Navy Department or any other department in the Pentagon, seeks to make large firms the agents of the Federal Government merely to permit such large firms to bypass and avoid their responsibility to share in the cost of State and local government, the Pentagon is wrong and I want the opportunity to cast my vote against that kind of policy.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. KUCHEL. Not just now. That, in my judgment, is the opportunity which Senate bill 6 gives to me. I want to object to the misapplication of the law of agency which allows the Federal Government to make of a private individual or a firm, no matter how large it may be, a so-called agent of the Government of the United States. I do not believe it is fair, and I do not believe it is sound public policy. Congress applied exactly the same rule 5 years ago, when it eliminated the opportunity of local tax avoidance under the Atomic Energy Commission statute. In the bill now before the Senate, I hope Congress will adopt exactly the same reasoning, and will pass the bill of the Senator from South Carolina.

I now yield to my friend from West Virginia.

Mr. REVERCOMB. If Congress adopted the reasoning of the court, the bill would not be passed.

But, as a practical matter, who finally pays the tax, whether the work be done directly by the Government or by someone employed by the Government? The Government pays the tax, because the amount of the tax is placed in the bid. It is a very practical consideration. Then, what good will come from the passage of the bill if, as a practical matter, the Government will have to pay the tax? Will the only benefit be the one which will accrue to the State from the Treasury of the Federal Government? Is that not in effect what we shall be doing if the bill is passed?

Mr. KUCHEL. I shall try to answer the Senator's question; then I shall be finished.

I think when the Government of the United States desires to make a purchase from a private individual or firm, it ought not to be able to clothe that individual or that business with immunity from his payment of State or local taxes. I do not believe that a person who does business with the Federal Government should be placed in a preferred situation, so far as State and local tax laws are concerned. Thus, I look forward to voting in favor of the passage of the bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. THURMOND. Mr. President, it is the purpose of the bill (S. 6) to make certain that private contractors doing business with the United States Government shall not be immune from State or local taxation on their business activities solely on the ground that a provision in the contract with the Government names such private contractors agents of the United States in the procurement of tangible property of any kind for use in the performance of the contract.

Under a long established doctrine of constitutional law, the Federal Government enjoys sovereign immunity from State and local taxation, and no State or local taxing authority may levy a tax on the Federal Government, its agencies or instrumentalities without the express consent of the Congress. As a result of a very broad application of this doctrine, State and local taxing authorities were, for many years, unable to levy any taxes

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upon purchases made by private contractors in the course of their performance of Government contracts and were thus deprived of much needed revenue.

In 1937 the Supreme Court of the United States reviewed this doctrine and its history and upheld a State gross receipts tax on a Federal contractor's earnings, holding that the tax was not laid upon the Federal Government, its property, officers or any of its instrumentalities; nor was it laid upon any contract of the Federal Government. (*James* v. *Dravo Contracting Co.* (302 U. S. 134).) The Court held further that the fact that the State tax might increase the costs of the Federal Government did not render it constitutionally objectionable.

In 1941, the Supreme Court further narrowed the broad doctrine of immunity in upholding the constitutional validity of a State sales tax levied upon a private contractor performing work for the Government on the ground that the contractor and not the Federal Government was the actual purchaser of the property sought to be taxed by the State. Once again, the Court pointed out that Federal sovereignty does not spell immunity from paying added costs attributable to the taxation of those who furnish supplies to the Government and who have been granted no tax immunity. (*Alabama* v. *King & Boozer.* (314 U. S. 1).)

Summarizing the situation following these decisions, we find, Mr. President, that immunity of the United States Government from State and local taxation was interpreted, in the constitutional sense, to refer only to immunity from the direct application of State and local tax laws; that it did not mean that the United States was constitutionally immune from increases in costs which are occasioned by the fact that those with whom it does business are required to pay State and local taxes; and that private, independent contractors doing work for the United States are not, by virtue of that status alone, immune from generally applicable State and local taxes. Thus, the Supreme Court has upheld the validity of both State sales taxes and State gross receipts taxes upon Federal contractors on the ground that such taxes did not interfere in any substantial way with the performance of Federal functions, and that the taxes in question were not laid on any property of the United States, its agencies or instrumentalities.

It was against this background, Mr. President, that in 1954, the Supreme Court held that an Arkansas gross receipts tax law, which levies on sellers a 2-percent excise tax on the gross receipts from all sales in the State, was unconstitutional as applied to the transactions there involved, in which private contractors procured in Arkansas two tractors for use in constructing a naval ammunition depot for the United States under a contract with the Navy Department which provided that in procuring articles for the accomplishment of the work the contractors shall act as purchasing agent for the United States, title to the articles purchased shall pass directly from the seller to the United States, and the United States shall be directly liable to the seller for the purchase price. (*Kern-Limerick, Inc.* v. *Scurlock* (347 U. S. 110).) The Court held first, that the Armed Services Procurement Act of 1947 authorized the use by the Navy Department of purchasing agents and the delegation to them of authority to act on behalf of the United States; and, second, that since the contract with the Navy Department specifically provided that the contractor was to act as the purchasing agent for the United States, which was the real purchaser, the State was actually levying a tax on an instrumentality of the Federal Government which it could not do constitutionally, in the absence of express consent by the Congress.

Mr. President, the basic objective of this bill is to prevent the immunity of the Federal Government from attaching to what is essentially a tax levied on the private contractor or his supplier through the use of the purchasing agency provision. It would in no way invalidate such contracts; nor would it in any way prevent agencies and departments of the United States Government from entering into such contracts. Furthermore, nothing contained in this bill would encroach on long-existing, well established Federal immunities from local taxation.

S. 6 simply provides that if an agency or department of the Federal Government does enter into one of these so-called purchasing agency contracts, the business activity of the private contractor will be subject to the same State and local government taxation as are all other similar business activities which are carried on between private business organizations. In other words, all this bill would do is to restore the taxability by the States of private contractors engaged in performing Federal contracts to the status it enjoyed prior to the decision of the Supreme Court in the Kern-Limerick case.

Now at this point, I desire to make it perfectly clear that this bill does not constitute an attack on the Supreme Court of the United States or on the Court's decision in the Kern-Limerick case. Certainly, I would not want to say that the Court might properly have held differently than it did in the face of the facts before it. As a matter of fact, the Court, in a decision handed down Monday, March 3, said:

> In such circumstances the Congress is the proper agency * * * to make the difficult policy decisions necessarily involved in determining whether and to what extent private parties who do business with the Government should be given immunity from State taxes.

This statement was made in the case of City of Detroit, et al., against the Murray Corporation, et al., in which the Court refused to a Government contractor immunity from an ad valorem tax based on possession of property, the title to which was vested in the United States.

What this bill would do is strike down a vicious practice engaged in by certain Federal agencies and departments for one purpose and one purpose alone—the use of the purchasing-agency contract to avoid payment of State and local taxes.

Mr. President, I believe that every Member whose privilege it is to serve in this great body is well aware of the dual nature of his responsibilities. As Members of the United States Senate, we owe a duty to the people of this great Nation to safeguard the Federal Treasury. At the same time, we owe an equally important duty to the people and governments of the States which we represent. Many of us in this body have been privileged to serve as State or local officials. During that service, we have become acutely and painfully aware of the serious fiscal problems which confront State and local governments. Their sources of revenue are limited, but the demand for services goes on.

Where do the State and local governments obtain the funds necessary to enable them to operate and to perform essential services for their citizens? Largely from the taxpayers, of course. The latest available statistics reveal that in 1956, our States derived approximately 75 percent of their revenue from taxes; and that sales and gross receipts taxes, now in use by 33 States, supplied some 23 percent of total State tax yields.

Whereas State governments look to sales, gross receipts, and income taxes for their primary sources of revenue, local taxing authorities rely, to a very considerable extent, on the property tax. We are all aware of the fact that the Federal Government's real property holdings have been increasing at a very rapid rate, and every time that the Federal Government acquires an additional parcel of real property, be it land, improvements, or both, the revenue sources of local taxing authorities are, to that extent, diminished. Recent studies reveal that the Federal Government owns more than 409 million acres of land, or 21.5 percent of the total land area of the United States. These studies also reveal that the real property owned by the United States within the continental limits of the United States, consists of 12,689 installations, containing 336,545 buildings, covering a total of some 2.16 billion square feet. The total cost of the land is $2.5 billion and the total cost of buildings, structures, and facilities amounts to $33.7 billion, or a total of $36.2 billion, the great bulk of which is not subject to taxation.

In order to meet the ever-increasing demands of their taxpayers in the face of continuing Federal acquisition of real property with its consequent denial to local taxing authorities of vital revenues, local taxing authorities have been forced to turn to the States for help. In 1950, the States paid their local governmental units $4,217,000,000; in 1954, the amount was $5,679,000,000; in 1955, it was $5,986,000,000; and in 1956, the total amount paid was $6,538,000,000.

I cite these figures to demonstrate what is, in fact, well known—that the needs of State and local government are growing constantly, and that the Federal Government is continuing to cut down the source of actual and potential revenue available to these taxing authorities. They are doing this first by acquiring property which is then taken

off the tax rolls; and second, by using a type of contract which enables private contractors to assert the immunity of the Federal Government, with respect to activities which would otherwise be taxable.

Mr. President, full hearings were held on the pending bill. Appearing in support of the measure were representatives of various State tax commissions and State tax departments, State and local assessors, and the National Association of Tax Administrators. These are the men who are faced with the problems of operating and financing State and local governments each day. These are the men who are in possession of the facts. During the course of these hearings, the committee received testimony from official sources, that in five States alone—Tennessee, Washington, New Mexico, California, and Indiana—$5,506,000 worth of sales and gross receipts taxes are in dispute, and the accrual rate of additional disputed taxes in these five States is estimated at more than $5 million annually; and these figures involve the activities of only one Federal agency, the Atomic Energy Commission in just five States. Where do these figures come from? They may be found in a memorandum submitted by the Atomic Energy Commission to the Solicitor General of the United States in connection with the litigation pending in the United States Supreme Court. They are reprinted on page 19 of the hearings on State taxation of atomic-energy contractors held by the Joint Committee on Atomic Energy in the 82d Congress, 2d session.

In the State of Washington, it is estimated that if all Federal construction, building and manufacturing contracts were to carry purchasing agency clauses, the loss would amount to at least $2.5 million annually. In New Mexico, the loss is estimated at $500,000 annually and in North Dakota, it is estimated at $200,000 annually.

Mr. President, these are small amounts of money to the Federal Government. But to the States, they represent very substantial sums of money which are urgently needed by the States in the conduct of State business and in furnishing assistance to local governmental subdivisions.

At these same hearings, the only argument made by representatives of the Bureau of the Budget, the Atomic Energy Commission and the Department of Defense, in opposition to the pending bill, was that it would result in additional costs to the Federal Government. Some estimates of probable cost were submitted, but they were admittedly nebulous and based only upon projections and possibilities. In connection with the cost estimates, two points must be considered: First, the Supreme Court of the United States has held that the immunity of the United States from State and local taxation does not mean immunity from increased cost resulting from taxes imposed on those with whom the United States does business; and second, as a matter of sound fiscal policy, it makes no sense for the Federal Government to take the position that it will keep its costs down by depriving State taxing authorities of that which is rightfully theirs and which private contractors would be required to pay if they were doing business with private persons. It would make as much sense if we enacted a law requiring all private businessmen doing business with the Federal Government to forego their profits in order to keep the cost to the Federal Government down. Such a law would probably be unconstitutional, in any event.

I believe we must bear in mind the fact that when a State or local taxing authority is permitted to tax private contractors doing business with the Federal Government, we are not taking money out of the Federal Treasury; what we are, in fact, doing, is putting into the State treasuries money which is rightfully theirs, in accordance with the provisions of State law, and in the manner in which it was done prior to the decision of the United States Supreme Court in the Kern-Limerick case.

In conclusion, Mr. President, I desire to emphasize once more that the basic issue which is raised by this bill is whether a private contractor doing business with the Federal Government should be immune from State and local taxation on his business activity in connection with that transaction solely on the ground that a provision in the contract with the Government names such private contractor an agent of the United States for the purpose of procuring tangible property for use in the performance of the contract.

After reviewing the testimony presented at the hearings and evaluating the arguments both in support of and in opposition to the enactment of S. 6, the committee concluded that opponents of the bill failed to present any compelling reason for exempting from State and local taxation private contractors doing business with the Government whose business activity would otherwise be subject to such taxes, solely because the private contractor has been named an agent of the United States in the procurement of property required for use in the performance of that contract.

Finally, Mr. President, I desire to reemphasize the following important facts:

First. The pending measure is not intended to, nor will it, in any way encroach on long-existing, well-established Federal immunities from State and local taxation. Its sole purpose and its sole effect is to eliminate the rule established by the Kern-Limerick case, and to restore the rule which existed prior to that decision.

Second. A distinction must be made between taxes imposed directly on the Federal Government and the indirect effect of taxes imposed on private persons which result in increased costs to the Federal Government. As previously noted, the Supreme Court of the United States has held consistently that the fact that the economic burden of a tax imposed on private contractors doing business with the Government is passed on to the United States does not make it a tax on the United States. I repeat the words of the Supreme Court in a leading case on the subject:

> Federal sovereignty does not spell immunity from paying the added costs, attributable to the taxation of those who furnish supplies to the Government and who have been granted no tax immunity.

Third. Aside from the legal and constitutional questions, as a matter of sound policy and economics, a relatively small increase in the costs to the Federal Government resulting from the imposition of State taxes on private contractors can offer no possible justification for depriving a State and local governments of needed revenues which would be forthcoming and payable if the contractor were doing business with a private business organization, rather than with the United States.

Fourth. S. 6 does not involve any payments in lieu of taxes by the Federal Government to State and local governments, nor is it in any way connected with various pending proposals on the subject.

Fifth. S. 6 refers only to situations in which a contract between the United States and a private contractor specifically names the private contractor as the agent of the United States for the purpose of making purchases required in the performance of the contract. It does not invalidate such contracts, nor does it in any way prevent agencies and departments of the United States Government from entering into such contracts. Nor will it affect in any way or subject to taxation the activities of any purchasing agent who is, in fact, an officer or employee of the United States. It affects only private contractors who, by the terms of their contract with the Federal Government, are named as agents thereof for the purpose of making purchases required in the performance of the contract.

Mr. President, this is a simple bill. Its enactment is clearly in the public interest which requires that our State and local governments remain solvent and in a healthy financial condition. If State and local governments are continually deprived of needed revenues, resulting from the encroachment of the Federal Government in the face of ever-increasing demands by their citizens for essential services, our Federal system is in danger of breaking down.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (S. 6) was passed.

REPLY TO ATTACK ON SENATOR NEUBERGER BY THIRD-CLASS MAIL USERS

Mr. NEUBERGER. Mr. President, a bitter attack upon me has been issued by the 3d-class mail users, under date of February 21, 1958. The attack criticizes me for my support of a 5-cent rate for first-class mail, and particularly because of an increase in the 3d-class rate from 1½ cents per piece to 2½ cents. This is the so-called junk mail category.

The attack accuses me of bowing to the Postmaster General when I changed my mind on the issue of mail rates. It

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also refers to me as the greatest of all culprits regarding the increase in the third-class mailing rate. I am attacked for having abandoned my earlier position of opposition to postage-rate increases for reasons still unknown.

Mr. President, I did not think there were any reasons still unknown after my extensive speech of February 25 on this whole issue, but I shall explain the reasons again today.

I sat through lengthy and thorough hearings on the postage rate question. I entered the hearings very definitely inclined against substantial rate increases.

But in those hearings, the Postmaster General and his staff made an effective, factual and forceful case. The mail-user groups, including the third-class users made a case which seemed to me weak, ineffective and occasionally even deceptive. As a result, I changed my mind and came out in favor of sizable increases in all classifications of postage rates.

I believe that a Senator is of scant value to his country if he has a closed mind on fundamental issues. Would the third-class-mail users, as citizens, expect a Senator to champion their cause if he were persuaded their cause was wrong? What respect would they, or anybody, have for such a Senator?

Mr. President, it is true that the administration has long applied heavy pressure to persuade us to favor a substantial increase in postal rates. The pressure has come from the White House and from the Postmaster General. To my knowledge, there was nothing improper or immoral about the pressure.

The Postmaster General called personally at my office on several occasions, and each time he tried to convince me on the basis of the facts. He made no threats, advanced no pledges, voiced no offers. He brought to my attention the Post Office deficit of $700 million, and he emphasized my own sponsorship of a postal pay-increase bill costing some $270 million, which, I believe, is merited and much needed by our postal workers.

In addition, the able chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], stressed to me personally the fact that his committee would have to appropriate nearly $1 billion annually to cover the postal deficit. The Senator from Arizona emphasized that this was $1 billion less for such other governmental projects as I am interested in, as, for instance, the John Day Dam on the Columbia River, Federal aid to schools, the National Cancer Institute, and similar undertakings.

Mr. President, I was moved by these logical appeals from the Postmaster General and from the distinguished and beloved President pro tempore of the Senate. They convinced me that I should change my mind on the question of postage rates. Accordingly, I did so. I have no apologies to make. I feel I would be less than faithful as a Senator if I shut my mind to logic and to facts. As the votes in committee and in the Senate showed, reasonable men could and did differ on almost every aspect of what postal-rate structure should be adopted. They can differ in reasonable terms. The third-class-mail users have the right to express the disappointment they feel about their own special interests in the bill we passed last week. But before they gave vent to their disappointment in circulars referring to the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], as having "lost control of Democrats NEUBERGER and SCOTT," and to the junior Senator from Oregon as having "sold out to the Postmaster General," I think they might have counted to 10.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon has the floor.

TWO-YEAR EXTENSION OF BRUCELLOSIS PROGRAM

Mr. NEUBERGER. Mr. President, I feel certain that farmers in States like my own State of Oregon were heartened by the Senate action taken yesterday in approving a 2-year extension of the brucellosis program.

The fight to eradicate brucellosis in Oregon has been waged relentlessly and with encouraging success in recent years. If this fight is carried on without any relaxation of present efforts, Oregon should be virtually a brucellosis-free area in the not too distant future. However, we have been seriously concerned lest any suspension or diminution of the program that this time could mean the loss of all that has been gained through the joint expenditure of State and Federal funds.

As has been stated frequently, if the eradication campaign can be maintained at the level of recent years, it in the long run will cost less in achieving the final objective of a brucellosis-free country than a program of inadequate financing. Certainly, once eradicated, the cost of maintaining that position will be a considerably smaller figure in the regular budget.

My reason for mentioning budgets, Mr. President, is that this year's program was seriously threatened by a reduction of Federal funds in the last quarter that has already forced drastic curtailment of Oregon's program, and if carried further could imperil its future.

The Oregon Department of Agriculture has been forced to substitute technicians for veterinarians in carrying on the brucellosis eradication campaign. This is not the direction a program should take, if a goal of complete eradication is to be achieved.

Mr. President, illustrative of what is happening is a news release which appeared in the Wallowa County Chieftain, of Enterprise, Oreg., on February 27, 1958.

Mr. President, I ask unanimous consent to have this news story printed in the RECORD. I also have a statement from Mr. Lawrence Geraghty, president of the Oregon Dairymen's Association, which was directed to members of the Oregon State Legislature on the subject of brucellosis eradication. I ask unanimous consent that it, too, appear at this point in the CONGRESSIONAL RECORD.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

CHANGES DRAFTED IN BANGS CONTROL

Drastic changes in procedures and payments under the cooperative brucellosis testing program in Oregon will become effective March 1, this year, the State department of agriculture announced on February 20.

The changes are the result of a heavy cut in the Federal share of the cooperative funds anticipated to carry the State through to the certification goal set for June 30, 1959.

The adjusted program calls for a reduction in Federal indemnities for reactors to match the State payment of $8 for grade cattle and $12 for purebreds. This will also be effective March 1. Some counties have a voluntary indemnity program in amounts similar to or under the State level.

This revised program will not affect the free vaccination and testing on farms and ranches until each county is certified to be free from brucellosis.

One phase of the revised program requires livestock auction markets in eastern Oregon to make available approved, separate clean pens on and after March 1, for purposes shown below.

All counties except Hood River east of the Cascade Mountains, and also Jackson County, are designated as range counties. Hood River and all other counties are classed as dairy counties.

In no event will testing be required or paid for by cooperative funds if cattle are going to slaughter or to an approved quarantine feed lot. Neither will free vaccinations be administered for female calves in auction yards if the calves go directly to slaughter, or to an approved quarantined feed lot.

Otherwise, these differences will prevail between range counties and dairy counties for eligible cattle going through livestock auction markets:

In range counties, brucellosis tests will be free on cattle originating from noncertified counties and going through Federal or Federal-State approved saleyards. Testing of cattle originating from negative herds located in certified counties will not be required or paid for at these yards. But the Federal and Federal-State yards must keep animals from certified counties in separate clean pens to prevent mixing with other animals. If segregation pens are not provided, cattle must be tested at the yard and the cost borne by the auction market or owner or purchaser.

In dairy counties the brucellosis cooperative funds will pay for the testing of eligible cattle going through Federal and Federal-State approved saleyards if the animals are going directly back to a farm or ranch.

In all saleyards not Federal or Federal-State approved, wherever located, testing is now paid directly or indirectly by the yard. This practice will continue at these yards.

In another change, blood testing of animals not under the milk ring test will be required only once each 3 years, with the exception that dairy cattle owned by raw milk producers or distributors must still be blood tested at least once each 6 months.

A final provision of the new regulations say that in range counties coming up for recertification before June 30, 1959, the certification may be renewed by retesting at least 20 percent of the eligible cattle in at least 20 percent of the herds in the county once every 3 years. (An original certification holds for a 3-year period).

OREGON DAIRYMEN'S ASSOCIATION, INC.,
Corvallis, Oreg., December 20, 1957.

To Members of the Oregon State Legislature:

Subject: Brucellosis eradication.

Because of a change in the Federal and State cooperative brucellosis eradication program, it became desirable to change the

Oregon law to make the cooperative program more workable. This was done by the last legislature. To date over 75 percent of the cattle and herds in the State have been tested and we should, within the next year, have completed testing to the extent that the State can be accredited as modified, certified brucellosis and tuberculosis free. However, there is some indication that Federal funds for this program may be reduced before the job is completed. The following resolution by the Oregon Dairymen's Association is called to your attention:

"5. Whereas there is danger that because of military preparedness hysteria, Federal appropriations for brucellosis control may be drastically reduced, and since the present level of Federal funds for this program are necessary for its survival in Oregon: Be it

"*Resolved*, That the Oregon Dairymen's Association urge our Congressional delegation to see that Federal funds are sustained so that the excellent progress made in the elimination of this disease is not lost and our whole livestock industry put in jeopardy; and further be it

"*Resolved*, That copies of this resolution be sent to our Congressional delegates, all State legislators, the Governor and State newspapers."

LAWRENCE GERAGHTY, *President*.

PROTECTION OF RED SALMON FISHERIES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 1310, Senate Resolution 263, favoring negotiations with the Government of Japan for the protection of the red-salmon fisheries. My purpose is to have the resolution made the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 263) favoring negotiations with the Government of Japan for the protection of the red-salmon fisheries.

STATEMENT BY SENATOR THURMOND ON THE ANTI-DEFAMATION LEAGUE DINNER FOR MEMBERS OF CONGRESS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have issued with reference to the Anti-Defamation League's dinner for Members of Congress on March 3.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND ON THE ANTIDEFAMATION LEAGUE DINNER

I have no intention of being present at the Antidefamation League's dinner for Members of Congress on March 3. The plan to recognize the 85th Congress "for distinguished contributions to the enrichment of our heritage of freedom" because of the enactment of the so-called civil-rights law is an insult to those Members of Congress who stood firm against this nefarious legislation.

It is inconceivable to me that a law that abridges the fundamental right to trial by jury can be regarded as enriching our heritage of freedom. Just the opposite is true.

I shall not attend a dinner to celebrate the prostitution of the Constitution.

PROPOSAL TO CURB THE SUPREME COURT

Mr. THURMOND. Mr. President, in the March 1, 1958, issue of the National Review there appears an excellent article entitled "A Bill To Curb the Supreme Court," written by Mr. L. Brent Bozell. Mr. Bozell has admirably summed up some of the reasons for supporting Senate bill 2646, which was introduced by the distinguished Senator from Indiana [Mr. JENNER]. The purpose of the bill is to limit the appellate jurisdiction of the Supreme Court in several fields having to do with internal security.

Because of the great importance of this measure, and in view of the admirable manner in which Mr. Bozell has presented his case, I ask unanimous consent that the article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Review of March 1, 1958]

A BILL TO CURB THE COURT

(By L. Brent Bozell)

This surely qualifies as one of the major surprises of our yet young year: The 85th Congress is giving serious consideration to Senator JENNER's bill to limit the appellate jurisdiction of the Supreme Court. When JENNER introduced the bill last summer, its chances of getting Congressional support looked like Stassen's of becoming President. Congress had its back up over recent Court decisions, true; but in this age of moderation a proposal to strip the Court of all of its power in certain areas was hardly comme il faut. And though the bill was approved by the Subcommittee on Internal Security[1] in August, the outlook remained unpromising: Capital observers (including this correspondent) felt sure the full Committee on the Judiciary would give it a cold shoulder when Congress reconvened.

We were wrong. The Judiciary Committee is currently split in two over JENNER's measure. It has decided to return the bill to the subcommittee for further hearings and has agreed to take a final vote on it no later than March 10. Starting this week (February 18) the subcommittee will devote full time to testimony on the bill. There are signs of genuine concern in liberal quarters: Senator HENNINGS is said to be urging a number of legal experts to testify; the ADA, which doesn't need mobilizing, will be on hand; the Washington Post has already opened up its editorial guns.

This is not a measure, however, that cleanly divides liberals from conservatives. That it took more than conservative votes to tie up the Judiciary Committee is one indication. But here is the disconcerting note: There are two views about JENNER's bill, even within the conservative community.

1. The objection to the bill most commonly heard in lay circles is that it smacks of the liberals' method of dealing with institutions that do not do their bidding. Is the Jenner bill very different, the argument runs, from Roosevelt's Court-packing plan? In the thirties, we conservatives vigorously opposed attempts by the political branches of the Government to punish the judiciary for making unpopular decisions. How justify a volte-face by conservatives in the fifties? While this argument represents a commendable concern for consistency—a consideration one seldom finds liberals worrying about—there is, it seems to me, an obvious and decisive difference between the two situations. The Supreme Court, before Roosevelt tried to pack it, was insisting upon strict adherence to the Constitution. Conservatives opposed efforts to force the Court to deviate from the Constitution. Today the Supreme Court is violating the Constitution in case after case. Senator JENNER's bill seeks to enforce judicial observance of the Constitution. The common denominator in the two situations is allegiance to the Constitution.

2. Even so (the argument continues), the Jenner bill seems to strike at the foundations of our prized separation of powers doctrine; granted that the Warren Court has decided many important cases erroneously, is this sufficient warrant for Congressional intrusion into the judicial sphere? But the point, surely, is that the Supreme Court has already crossed the boundaries that are supposed to separate the branches.

JENNER's bill is defensive; it seeks to push the judiciary back into its own territory, thus restoring the constitutional plan. The Constitution provides that all political powers belong to the legislative and executive branches (Federal and State). The Supreme Court, however, has taken to making political decisions; it has done so in every one of the cases to which the Jenner bill is addressed. While it may be wise for the executive branch to confine its security program to sensitive employees; for the States to leave subversion to Federal authorities; for schools to hire teachers and bar associations to admit lawyers, who refuse to answer questions about Communist activities; these are questions for the political branches to decide. And it is the duty of the political branches to recover their power to decide them. It is their duty to us as citizens. For we have a constitutional right to popular control over our political affairs.

3. But this answer frequently invites a further objection. The Jenner bill, it is said, is not the broad, lofty assertion of the political branches' prerogatives, vis-a-vis the judiciary, that we are told is desirable. The bill deals with a highly arbitrary group of cases, Communist cases, which were selected, no doubt, because of their notoriety; this proposal, on the face of it, is punitive legislation designed to discredit and humiliate the Court.

FOR INTERNAL SECURITY

The second objective of the Jenner bill, of course, is to protect the country against the internal conspiracy. The Warren Court has brought down, or rendered ineffective, nearly all the anti-Communist bulwarks that public authorities have so laboriously erected over the past 20 years. The result is a national crisis. It would call for drastic remedies, quite aside from the need to discipline the Court. (As a matter of fact, the one valid criticism of JENNER's bill is that it does not deal comprehensively with the internal security problem. Cases involving Federal prosecution of subversives are unaffected.)

Several other aspects of JENNER's selective approach should be noted. It does not, for one thing, put the Supreme Court out of business: the Court's power is unaffected in the vast majority of cases that ordinarily come its way. For another, it does not place the Communist cases beyond judicial review. The highest courts of the States would have final say in subversive cases arising under their laws. The circuit courts of

[1] The Jenner bill would deny jurisdiction to the Supreme Court in all cases involving State antisubversion measures (an answer to the Court's decisions in the *Nelson* and *Sweezy* cases), the Federal security program (the *Cole* case), prosecutions for contempt of Congress (the *Watkins* case), measures directed against subversion in the school (the *Slochower* case) and State bar admissions (the *Konigsberg* case). Cf. column August 24, 1957.

appeal would have the last word in the Federal cases with which the Jenner bill deals. And finally, as to the Communist cases, the bill simply puts the Supreme Court on probation: should the Court show signs of having learned its lesson, Congress could, and probably would, restore the power the Jenner bill takes away.

4. But these considerations, in turn, raise yet another objection. Is not the Jenner bill a mandate for judicial anarchy in the field of subversion? How is uniformity in law interpretation and law enforcement to be achieved without a central authority to bring the various courts into line? The objection sounds good, but fails, I think, on a moment's analysis. Three types of cases affected by JENNER's proposals require construction and evaluation of State laws. Centrally imposed uniformity in this area is not only unnecessary; it may be quite undesirable. To be sure, such cases may involve an interpretation of the Federal Constitution. But State supreme courts, presumptively, are as capable as a Federal court of reading and construing the document. And if the Minnesota Supreme Court happens to read the document differently than the Michigan court, where is the national loss? And where is the loss to the individual citizen of either State who would, after all, be put on notice by the Jenner bill that the final adjudication of his rights will come henceforth from St. Paul or East Lansing, rather than from Washington?

The other cases affected by JENNER's bill—security program cases and Congressional contempt citations—are bound to originate, for reasons of venue and jurisdiction, in the United States District Court in Washington. The final court of appeal, therefore, would always be the Circuit Court for the District of Columbia, and uniformity would follow as a matter of course.

5. One hears the argument, finally, that there are (or, more often, "there must be"), other, less drastic ways of bringing the Court into line. Well, what ways? The suggestion most frequently advanced is that Congress enact corrective legislation in each of the areas where the Court has transgressed. But in many cases—three of the types to which the Jenner bill is addressed—Congress simply has no power to reverse the Court. The Watkins, Slochower and Konigsberg cases all turned on the Court's highly imaginative definition of "due process of law." Congress has no authority to interpret the due process clauses of the Constitution; more exactly, the Court has no obligation to pay any attention to Congress' interpretation.

Let us make no mistake about what the Jenner bill tries to do. One of its objectives is, indeed, disciplinary. The idea is to chasten the Court, to make it behave. In recent years, demonstrably, the Supreme Court has been a law unto itself: it has usurped the lawful powers of other bodies; it has disregarded constitutions and statutes; it has run roughshod over judicial precedents—the precedents it has not chosen to ignore, it has distorted and misrepresented. The Court, in a word, needs to be disciplined. For these purposes, an object lesson might do the trick. Which lesson? It so happens that many of the Court's most flagrant transgressions have occurred in the internal-security field—Senator JENNER cannot be blamed for that. What could be more reasonable, then, than that this field should be the one singled out for the object lesson?

Note, moreover, how the language of the Constitution lends itself to such selectivity—indeed almost invites Congress, when it deems such action to be in the national interest, to carve out limited areas from the Court's normal jurisdiction. After vesting the whole judicial power of the United States in one Supreme Court (and in whatever lower courts Congress might establish), article III turns around and qualifies the grant: "the Supreme Court," clause 2 of section 2 provides, "shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make." The provision is a classic instance of the Constitution's built-in checks and balances. It was the framers' way, invoked today by Senator JENNER, of giving the peoples' representatives in Congress permanent power to keep the Supreme Court in bounds.

ATTEMPT TO CLARIFY

The Nelson and Cole decisions would seem to hold more promising opportunities for reversal since they were based on an alleged intent of Congress. Why can't Congress simply clarify its intent? Well, consider: In title 18 of the United States Code, the title that contains the Smith Act, Congress provided: "Nothing in this title shall be held to take away or impair the jurisdiction of the several States under the laws thereof." In the Nelson case, however, the Court held that Congress intended the Smith Act to deprive the States of jurisdiction to enforce their sedition laws. Similarly with Cole: I remember sitting down with one Senator a couple of days after that case was decided, trying to think up language for new legislation that would clarify Congress' intent to permit the President to extend his security program to nonsensitive agencies. The Court you see, had said that the language already on the books—i. e., that the security program might be extended "to all other departments and agencies of the Government as the President may, from time to time, deem necessary"—meant that the President could not extend the program to these other departments.

The point is not so much that more explicit words are not to be found. But rather that Congress, with this experience of judicial perversity in cases where the Court is determined to reach a preconceived conclusion, cannot afford to rely on mere professions of intent; after the new permissible legislation has been implemented, and processed through the courts, the Supreme Court will undoubtedly have thought up a new device for frustrating the Congressional will.

PRESIDENTIAL SUCCESSION

Mr. KEFAUVER. Mr. President, the Subcommittee on Constitutional Amendments, of the Committee on the Judiciary, has just completed its hearings on the bills and resolutions on the subject of Presidential inability, which have been submitted to the committee. As chairman of the subcommittee, it has been my pleasure, as well as my duty, to preside over each of the hearings. I have been impressed by the consideration which has been given to this subject matter by the witnesses who appeared before us. I have likewise been impressed with the sincere conviction of each of them.

I did not expect that at the outset there would be unanimity of opinion with respect to the problem of whether to proceed by statutory means or by means of a constitutional amendment. I was not surprised, therefore, when some of the witnesses advocated the submission of a constitutional amendment, while others urged that a statute would be sufficient. Those who believe that a statute would be sufficient have based their contention upon the language contained in article I, section 8, clause 18, of the Constitution, which gives Congress the power—

to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

The supporters of the statutory approach say that this authority fills in the gaps in the language of the Constitution which provides for succession at times of Presidential inability. The provision relating to Presidential inability is set forth in article II, section 1, clause 6, as follows:

In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

One of the gaps in the provisions of clause 6 of section 1, article II, of the Constitution, is in the case of a determination of whether the words "the same" have reference to the word "office" or to the words "powers and duties of the office." If, under this language, the Vice President succeeds to the Office of President, it is indeed problematical whether he may thereafter be removed from that Office by a recovered President. If, on the other hand, the words "the same" be construed to refer to the "powers and duties" of the Presidency, then it would be possible for the President, upon his recovery, to reassume the powers and duties of the Office. The determination of this construction is made more difficult by the precedent set by Vice President Tyler in 1840, when, upon the death of President Harrison, he assumed the Office of the Presidency, and became President in fact, rather than acting President. While this action involved the assumption of the Office based upon death, and not upon inability, it is thought by many to be controlling, since the clause under discussion refers to four separate contingencies, including death and inability, in the same context. Thus, it is said that whatever devolves upon the Vice President by reason of death, likewise devolves upon him by reason of inability, resignation, or removal.

The precedent set by Vice President Tyler has since been followed by six other Vice Presidents in the history of this country. Thus, regardless of whether the action of Vice President Tyler might originally have been contested on the basis of the language of the Constitution, the precedent is so firmly established as to cause considerable difficulty for those who contest otherwise.

The first gap in article II, section 1, clause 6, therefore, is in connection with the determination of what devolves upon the Vice President during periods when the President is incapacitated. From this logically evolves the second gap, namely, as to whether the President may reassume the powers and duties of his office, after his recovery. The third gap involves a determination of the individual or group upon whom lies the responsibility for making a determination of

inability, or at a later time, the determination of recovery of the President.

I refer to these as gaps because in the Constitution there is no express language which provides a concrete answer to those who seek to follow its provisions. These gaps present difficult questions—questions not easily soluble, but questions which must be answered in order to avoid paralysis, or perhaps even chaos, at a time when such provisions must be utilized by reason of necessity.

Laying aside for the moment a statute which might outline a permissive approach, to assume that a statutory approach is permissible, is to say that the Congress may determine: First, what will devolve upon the Vice President; second, who will determine that the President is disabled; third, who will determine when the President is recovered; and fourth, whether, and upon what conditions, the President may resume the duties of his Office. Any mandatory approach cast in the form of a statute must assume that the necessary and proper clause of the Constitution, which I have previously quoted, supplies the Congress with authority to transfer the determination of the issues of inability and recovery from one of the coordinate branches of Government to the other, or to an independent commission composed of members of one or the other of the coordinate branches of the Federal Government, or to individuals not otherwise connected with the Federal Government.

As I have earlier suggested, from article II, section 1, clause 6, it is not precisely clear who, or what body, has the authority to determine the existence of Presidential inability, let alone to determine the issue of the recovery of the President. Some persons think that, under the present provisions of the Constitution, it is incumbent upon the Vice President to determine when the President is disabled. Others, including some who testified before the subcommittee, feel that the Constitution is ambiguous on this point and does not give a clear and distinct answer. From my own examination, it appears to me that when the Constitution says "the same shall devolve on the Vice President"—it means that whenever a situation involving the President's health—mental or physical—becomes apparent, it is incumbent upon the Vice President to determine whether the President is unable to exercise the powers and duties of his office, if the President himself has not theretofore so declared. If the President does not so declare and if it is, as I believe, incumbent upon the Vice President to make that determination when circumstances suggesting it arise, then any statutory determination would be limited, either to a declaration of the existence of such a power in the Vice President, or to suggestion of a permissive procedure which the Vice President might adopt in order to support his ultimate decision.

When the discussion before the subcommittee was in terms of a mandatory approach which might have transferred the power to determine inability from the Vice President to some other individual or group, almost all of the witnesses suggested that the safest procedure was to adopt a constitutional amendment. The Attorney General, in his appearance, made it quite clear that he thought that the power to determine Presidential inability lay with the Vice President at any time the President had not made a declaration of his own inability. He further made it clear that, in his judgment, the necessary and proper clause did not confer upon the Congress the authority to transfer that determination from the Vice President to any other individual or group, either within the executive branch or outside of it. The present president of the American Bar Association, Mr. Charles S. Rhyne, who spoke not for the bar but for himself, also made it clear that any contemplated transfer of the authority to determine inability from the Vice President could be made with safety only by means of a constitutional amendment. Similar expressions were given by other witnesses of considerable legal standing. In the face of these expressions of doubt concerning the ability of the Congress to provide by statute for the solution of this problem, it would appear unwise to propose any solution to this problem through a statutory approach.

But, there are, in addition, two other considerations that need to be examined. One is that the sufficiency of Congressional power in this area, of necessity, could not be determined until a situation had actually arisen in which the President was disabled. The uncertainty involved would undoubtedly create difficult moments for this country, for the Presidency is an office of vast powers and tremendous influence not only at home but throughout the world. The wrangling, the pulling and hauling, that would result at such a time are not difficult to imagine. This certainly is one of the substantial defects in any statutory plan for the solution of this problem. But there is a second consideration, as I have suggested. The people of the United States, after all, have probably the greatest stake in any determination which may be made toward the orderly succession and operation of the Presidency. The method, therefore, which provides the greatest opportunity for expression by the people is, it seems to me, the method most to be desired. The statutory approach, while an expression of the Federal officers elected by the people, does not give as great an opportunity for self-expression by the people as does the submission of a constitutional amendment, which requires participation not only by the elected Federal officials, but also by elected State officials. Lacking any provision in the Constitution for referendum, this is as close to an expression of the people of the United States as it is possible for us to get under our constitutional system. In so basic a decision, involving so important an office, the procedure which would result in the most thorough review, and I think, therefore, the widest acceptance by the people, is the procedure which should most recommend itself to the Congress.

And so, Mr. President, after hearing the considerable testimony which has been presented to the committee and after examination of the views which have been submitted, I have come to the conclusion that the proper and desirable method of proceeding to a solution of this problem is by constitutional amendment.

Having resolved in my own mind this immediate issue of procedure, however, it still becomes necessary to determine the substance which any such amendment should contain. The question of what officer or group should make the determination of inability thrusts itself immediately into consideration. The Constitution, I believe, now places in one man, the Vice President, the power to determine when a President is disabled, if the President himself does not so determine. This, however, is a tremendous responsibility. In the two previous instances in which a President of the United States has been disabled, our Vice Presidents, far from being usurpers, have failed to exert the power which the Constitution had conferred upon them and have refrained from exercising the prerogatives of the Presidency. This reluctance to act may be traced to doubt on their part of the public acceptance of such an act, especially when it was not manifestly clear that the President, upon recovery, could resume the functions of the Presidency. Undoubtedly, public acceptance is a prime necessity, as far as the Vice President is concerned, before he undertakes any assumption of the prerogatives of the Presidency. So long as the Vice President retains the sole decision as to the disability of the President, he suffers a distinct possibility that any action by him may fail to gain public acceptance. It is my thought, therefore, that a group now in existence should be available to consult with the Vice President and to indicate assent to his assumption of the Presidential prerogatives. Such wider participation in this critical decision should serve to reassure a Vice President otherwise hesitant to act.

While I thought originally that this group might utilize the services of some leaders of the Congress, I am now convinced that the acceptable method and the best that we could get passed is to provide assistance of the heads of the Departments to the Vice President, with Congress acting in case of disagreement. These officers are most constantly in touch with the President and, therefore, have more intimate knowledge of his abilities to carry out the functions of that high Office. They are likewise, in most instances, of the same political persuasion as the President, and so there is less likelihood of political bias entering into their advice. They are, in almost every instance, responsible officials who have been subjected to the scrutiny of the Senate of the United States before assuming their office. They are in daily association with business, with agriculture, and with labor. They are in constant touch with our foreign and domestic problems. In brief, they represent as fair a cross section of knowledge of the economic groups which comprise this Nation as it is possible to secure in a small body. The heads of the executive departments, being 10 in number, are a small enough group to act with dispatch, and a large enough group that

it is not likely they will act with undue haste.

And so, Mr. President, I have come to the conclusion that if a President fails to declare his inability, the Vice President, with the written advice and consent of a majority of the heads of the executive departments, should be permitted to declare his inability. The Vice President should thereupon be permitted to assume the powers and duties of the Office of the Presidency as Acting President, and he should be permitted to serve until the President has recovered.

When the President is recovered, because he is the officer elected by the people for that Office, I believe he should be permitted to resume the exercise of the powers and duties of his Office, provided, however, that he should give notice to the people of the United States of his intention to do so in sufficient time to enable the public to determine for itself that he has recovered. The minimum period for this purpose would seem to me 1 week, and if, during that time, it was clear to the Vice President and a majority of the Cabinet that the President was not really able to resume the exercise of the powers and duties of his Office, I believe those individuals should possess the power to so declare. Upon their declaration, the matter should be submitted to the Congress for its determination.

If the Congress is not in session, I believe it should be incumbent upon the Vice President to call it into session, and if the inability of the President is still pronounced, I would expect that partisan considerations would be laid aside and the Vice President, the Cabinet, and the Congress could act with dispatch to prevent a disabled President from resuming his Office. The Congress, by its inaction, however, should not be permitted to delay the resumption of the powers and duties of the Office of the Presidency by the President.

The considerations which I have tried to outline here, which have resulted from my further examination of this question after the extended hearings, brought me closer to the suggested proposal of the Attorney General than I had heretofore been, and so, in cooperation with one of the members of our subcommittee, the Senator from Illinois [Mr. DIRKSEN], I attempted to find language on which we could agree, which would follow substantially the outline of the proposal submitted by the Attorney General. I am now prepared to introduce a joint resolution which proposes an amendment to the Constitution to carry out the suggestions which I have just disclosed.

Before I do, I think I should make this additional expression. On the two previous occasions, in which the Congress has found this problem of some imminence, the advocates of action have failed to provide any solution because they could not agree upon a single proposal. This lesson suggests that if there is to be any solution at this time, there must, of necessity, be an agreement amongst those who propose a change, on the provisions of that change.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. DIRKSEN. First of all, I wish to compliment the Senator from Tennessee for consummating this proposal for a constitutional amendment. It is the distillation of many proposals which have been pending before the subcommittee of the Committee on the Judiciary. I think we have contrived a rather happy solution which is at once agreeable to the administration and I believe ought to prove agreeable to the Congress as well. It is very simple in its approach. If an additional statute is necessary, that could be accomplished sometime; but to make a refinement of the organic law it is my considered judgment, and that of others, that it must be done by constitutional amendment.

I think this proposal comes very close to the specifications prescribed in the last testimony from the president of the American Bar Association.

I would like to remain and hear the rest of my friend's statement, but we have a somewhat running controversy in the Appropriations Committee just now, and I shall probably have to absent myself from the floor; but I ask unanimous permission to have printed in the RECORD, following the statement of the distinguished Senator from Tennessee, my own statement on the proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. DIRKSEN's statement appears in the RECORD following the conclusion of Mr. KEFAUVER's remarks.)

Mr. KEFAUVER. I thank the Senator from Illinois very heartily. Before he returns to the Appropriations Committee, I wish to say that this matter has been worked on and considered on a nonpartisan basis, by the Subcommittee on Constitutional Amendments, of which the distinguished Senator from Illinois is a member. It has been considered very thoroughly. The knowledge and diligence of the Senator from Illinois at the hearings, and in further consideration of the various amendments, have contributed much to what I agree with him is the best solution we can get. I know the committee, the Congress, and the public are all very grateful to the Senator from Illinois for his very substantial contribution to the joint resolution which will be introduced shortly.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield further.

Mr. DIRKSEN. I think the testimony adduced before the committee was well rounded. We had testimony either in person or in the form of memorandums from former President Hoover, former President Truman, some very distinguished lawyers, including the president of the American Bar Association, and a good many political scholars, who have given a great deal of attention to the matter. From all the material we have winnowed this kind of device, which we think will best meet all the problems that may arise in this field.

I am delighted indeed that the President of the United States has been so uninhibited about the matter. When the first illness beset him, he gave the country a blow-by-blow account. He has had no inhibitions about it whatsoever. He is anxious indeed that this course be pursued in order that we may clarify the provision in the Constitution. I think the country is fortunate, and the Congress is fortunate, that the President, with the utmost of good will, has followed this matter in the hope that some remedy like this can be contrived.

Mr. KEFAUVER. Mr. President, I thank the Senator from Illinois for his remarks and I agree with him fully.

Mr. President, I do not harbor any idea that the proposal which I intend to introduce in co-sponsorship with the Senator from Illinois [Mr. DIRKSEN] and Senators HRUSKA, HENNINGS, JOHNSTON of South Carolina, LANGER, JENNER, WATKINS, and BUTLER, will solve all the problems inherent in a disability of the President, nor do I expect that it will be immune from criticism. I do not believe that it is possible, in any constitutional amendment certainly, and perhaps not even in a statute, to dissipate all doubts concerning contingencies which may arise at a time when the President is disabled. I can only suggest that I believe that this proposal is the most satisfactory which can be fashioned which has a reasonable opportunity for adoption as a part of the Constitution of the United States. I recommend it to the attention of the Members of the Senate and to the public as well. I hope that it may serve as an instrument to lift this question from its present impasse and propel it toward an early resolution.

As Senators will recognize, my discussion is pertinent throughout to the agreement that has just been announced and which has been entered into between the President and the Vice President.

As I have just stated, I am doubtful that portions of the problem, and in particular that portion dealing with how the President reassumes office at the conclusion of his disability, can be resolved by a statutory approach.

An agreement is subject to all the limitations of a statute, and, in addition, the Chief Executive does not possess anything akin to the powers conferred upon Congress by the necessary and proper clause of the Constitution. Therefore, it goes without saying that I am doubtful that this problem can be solved by an agreement on the executive level. It is my belief that a constitutional amendment is required.

The Executive is to be complimented for doing the best he can short of such an amendment. The very fact that he and his colleagues in the executive department have felt it necessary to enter into such an agreement emphasizes the necessity for going ahead and handling the problem in a fundamental way—in a constitutional way.

Any agreement is subject to the language of the Constitution itself and I think it much better to write that language into the Constitution. The only test of the agreement that could ever arise would be in a period of emergency, and that is what we are trying to avoid.

For this reason, I think we should launch the constitutional amendment this year, which will solve this problem in a fundamental way by spelling out

within the Constitution itself the method of determining this problem.

The statement by Senator DIRKSEN previously ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR DIRKSEN

I am happy to be a cosponsor with the distinguished Senator from Tennessee [Mr. KEFAUVER] of a proposed amendment which so closely parallels the approach suggested by the distinguished Attorney General. I am also glad to rise at this time and speak on behalf of that proposal.

For some time now the matter of a course of action to be taken at the time when a President is disabled has been under discussion for the reason that a President of the United States has had the forthrightness and the candor to submit to a public discussion of his health, and the matter of the operation of his office if his health should be so impaired that he could not continue temporarily to exercise his responsibilities. While we as a Nation have known days of greater anxiety so far as a President's health is concerned, and likewise so far as the operation of the Office of the Presidency is concerned, we have never before had a condition in which the President himself has urged not only full discussion of the problem, but action as well. If in this atmosphere we, the elected representatives of the people, cannot agree upon a solution to meet the contingencies which arise when a President is disabled, I doubt if we will ever be able to do so.

It is fortunate for our Nation that we have had, not only the benefit of the good will of the President in seeking a solution to this problem, but also his active advice as transmitted to the Congress through the office of the Attorney General of the United States.

The distinguished Senator from Tennessee [Mr. KEFAUVER], who just spoke, has set forth a host of substantial reasons why the constitutional amendment approach suggested by the administration is to be preferred over a statutory approach. I would not at this time seek to dwell at length upon those arguments except to indicate that I agree with the chairman of the subcommittee that the proper method of procedure is by means of constitutional amendment. By doing so, I am confident that we will obviate substantial difficulties which might arise if a statutory approach were adopted.

Even after agreement is reached upon the proper mechanism for accomplishing the desired end, however, it is necessary to agree upon some formula by which the President may surrender the functions of his office temporarily, or by which he may be compelled to surrender the functions of his office, should he fail, or be unable, to take the initiative. I am not overly troubled, nor do I think other Members of Congress will be, over permitting a President to temporarily relinquish the duties of his office upon his own determination so long as the President is free to resume the powers and duties of his office upon his recovery. If this were our only problem, its resolution would not likely be difficult.

Where difficulty arises, however, is in arriving at a selection of the individual, or the group on who should be placed the responsibility for determining the incapacity of the President, if the President fails to, or is unable to, make such a determination. In the considerable discussion of this problem which has been had throughout the United States, it has become commonplace for individuals studying the problem to suggest a solution involving 1 of the 3 coordinate branches of Government, or a Commission to be composed of representatives of 1 or more of them. Each of these proposals has something to recommend it. Each of them, likewise, presents some difficulty. I think it highly unlikely that we could present any proposed solution here which would satisfy everyone, or meet all of the contingencies which conceivably might arise in a situation where a President is disabled. So, our search as individuals must be, as it has been in the subcommittee, to reach a solution which would meet the most serious of the contingencies, and yet present the greatest opportunity for adoption. I think we have come up with such a proposal.

Before I discuss the details of it, I want to discuss the alternative suggestions which have been made and suggest the reasons why I prefer the solution which was ultimately reached.

It has been suggested that whenever a President is disabled and fails to announce his disability that the Congress of the United States be called upon to determine whether the President is unable to perform the powers and duties of his office. The Congress has been suggested because it is the only body in existence which is composed of officials elected by the people, the thought being that since the Presidency is likewise an elective office, an elective body should determine when and in what circumstances a President should be succeeded, even temporarily, by the Vice President.

However, Mr. President, we are all aware that when a situation arises in which a President is unable to announce his own disability, the need to act with dispatch may be imperative. Since the Congress—large body that it is—may not be in session, the assembling of its Members may take days, days during which crucial decisions must be held in abeyance.

In addition, it must be remembered that the Congress is not at all times of the same political persuasion as the President of the United States. Whenever the Congress is not of the same political affiliation as the President, any action on the part of Congress removing the President from office, even temporarily for disability, may occasion suspicion that the action was motivated by partisanship. I want to make it clear that I am not one of those who feels that the Congress would fail to act in the utmost of good faith, but we must constantly keep in mind that whatever solution is adopted, it must be one calculated to gain the acceptance of the American people.

The Congress, therefore, while representatives of the people, is not well adapted to make the determination required because, first, it is not always in session; second, its size prohibits immediate action; and third, its actions may be suspect as politically motivated. There may be additional reasons, Mr. President, but these have been sufficiently persuasive in my own mind to suggest that the Congress should not make the determination—at least it should not make the initial determination of inability on the part of the President.

Others have suggested that the Supreme Court should be the proper tribunal to determine inability of the President. The Supreme Court has the advantage, being sufficiently small, that it could act with dispatch. It is not always in session, but by reason of the compactness may be summoned without too much delay. It membership being appointed for life, its decisions on presidential inability would hardly be suspected as being politically motivated. Furthermore, our courts are many times called upon to determine the capacity of a given individual and, while the instant decision may involve the capacity of a high-ranking officer of government, to wit, the President, it is essentially no different from the determination that the courts may be called upon to make in the proving of any will, or any contractual instrument.

While these considerations might recommend the Supreme Court, there are other considerations which mitigate against the use of that body to determine Presidential inability. First of all, the Supreme Court, not ordinarily being in close contact with the President would not possess intimate knowledge of the manner in which the President has, to that date, been fulfilling the responsibilities of his Office. Secondly, the members of the court may be of different political philosophies from the President of the United States and this factor may cause some loss of confidence in its judgment of this matter. Thirdly, the initial determination of inability is largely a political question and the court has for years refrained from acting as an arbiter on political questions.

There has been some support in and out of Congress for creating a special disability commission, to be composed of members of one or more of the coordinate branches of the Federal Government. One of the chief difficulties with this type of a proposal is the one pointed out by the Attorney General. The mere existence of the commission and its attempted operation could serve as a harassment to a President of the United States who did not consider himself disabled to the extent that he could not discharge the functions of his Office.

Of the existing branches of government the executive branch would seem best qualified to make a determination of the inability of the President when the President himself did not, or could not, do so. At the present time the Constitution places the determination of inability in an officer of the executive branch, the Vice President of the United States, but experience has demonstrated that a Vice President, out of an excess of caution, will fail to act when action is required in order to avoid a charge of usurpation of the presidential powers. The Founding Fathers, at the time they chose the Vice President to make this decision, did not know that an official family within the executive branch would ultimately be created, composed of the heads of the executive departments of government, commonly referred to as the Cabinet. In short, the institution of the Cabinet was unknown. However, any proposal giving voice to the Cabinet in the determination of this issue would have the benefit of leaving the determination within the branch of government where the Founding Fathers placed it. It would effect, therefore, the least radical change. In addition, it would utilize a small compact body, well acquainted with the day-to-day operation of Government and the ability of the President to discharge the powers and duties of his Office. They would be persons who ordinarily would be of his own political persuasion, so that the question of political bias would not be apt to enter into the determination.

While it is true that the members of the Cabinet are not elected and, therefore, not responsible to the people, they are individuals who have been subjected to the examination and scrutiny of the Senate before confirmation and they could be counted upon to agree to the temporary removal of the President for disability, only in the event that they were convinced beyond all doubt that the President was in fact disabled. While some may suggest that the members of the Cabinet might be hesitant to replace the President, even temporarily, since they owe their initial appointment to the President, I think we should accord to the Cabinet the same respect that we would to ourselves if a decision of this magnitude and impact were placed upon our shoulders.

After examination of all these considerations, I find myself in agreement with the basic provisions of the administration's proposed amendment to the Constitution which provides that the President may announce his own incapacity, and when he does so, the Vice President becomes Acting President during the period of his disability. It also provides that if the President does not declare his inability and the Vice President and the

Cabinet, by majority vote, determine that he is unable to exercise the powers and duties of the office of the Presidency, the Vice President may become Acting President during the period of the President's disability.

The administration proposal originally provided that when the President had recovered sufficiently he could resume the Office of President upon his own declaration. This has been somewhat modified by the proposal submitted to the Congress recently. Under the modified proposal the President might resume the duties of his Office when he declared himself to be well, but if the Vice President and the Cabinet disagreed and stated in writing that he was unable to discharge the powers and duties of his Office, the Congress would then be called upon to determine the question of inability. This, I think, is an appropriate function for the Congress. Participation by the Congress would only occur in the event there was disagreement among the members of the executive branch of the Government as to the ability of the President to perform the powers and duties of the Presidency.

Likewise, I think it is appropriate that at such times the President should be permitted to recover his Office pending the determination of the issue by the Congress, for we all know that if it were otherwise, and the debate on the issues were prolonged, the President might be out of Office for a considerable period of time. Yet his is the Office and it was he who was elected by the people of the United States.

However, I think that the amendment here proposed adds one new desirable suggestion not previously embodied in the administration proposal. The new suggestion is that the President not resume the powers and duties of his Office until such time as 7 days have elapsed from his announcement of his recovery. This, Mr. President, would permit an orderly transition of the reins of government from the Vice President to the President. It would permit the people of the United States to adjust themselves to this change. It would, likewise, serve as a protective interim during which time, by combination of executive and legislative action, a mentally incapacitated President might be persuaded from returning to Office, although he had theretofore announced his own determination in writing that he was able to resume the powers and duties of his Office. In the extreme case, perhaps the Vice President, the Cabinet, and the Congress could act to prevent the resumption of the powers and duties of the Office of Presidency in the unlikely contingency that a mentally incompetent President would persist in attempting to regain the powers and duties to his Office.

This is an issue which transcends political consideration in the less attractive sense of that term. It affects the highest elective office of our land. It deals with the orderly transition of the executive power of the United States, an authority well-nigh incalculable in modern days. We can fail to act, of course. Then, in some future crisis, this Nation might somehow muddle through. But being apprised of the risk of such a procedure, and having been presented with a rare opportunity to act, it would be unthinkable to subject the Nation to the risk involved in muddling through.

We could likewise adopt a statute on this subject, but having done so, we could not rest assured that we had accomplished anything. For until a crisis occurred, the validity of the statute could not be tested.

It would seem to me that when the Attorney General and others of substantial legal authority have advised us that a statute would, or may be, unconstitutional, that this fact alone should suggest the inappropriateness of proceeding by statute. When legal opinion is divided concerning the sufficiency of a statute, and the legal test of that statute could only come in a period of great turbulence, we would be well advised to shun the statutory approach.

Furthermore, I believe in being practical and I believe that when the Attorney General has suggested that he would propose that the President veto a bill as unconstitutional, we should react to reality and propose that the matter is solved by constitutional amendment.

The proposal which the distinguished Senator from Tennessee has offered, in cosponsorship with other Senators, including myself, results from careful and prolonged consideration.

It takes cognizance of the many thoughtful statements that were presented to the subcommittee. It represents a position which can be supported by members of the administration, for it is consistent with the basic ideas which have been presented to the Congress by administration spokesmen. It is a recommendation which, if adopted, can serve to allay major uncertainties which now confront us whenever a President becomes disabled. It is functional; it is feasible; and it should, in my judgment, be adopted to remove from the Constitution an ambiguity which has heretofore caused us concern, but which may hereafter cause us injury.

I want to stress my gratitude to the chairman of the subcommittee for the nonpartisan way in which he has approached this problem. I am confident that if all of the Congress will maintain this nonpartisan approach that we can, in the favorable atmosphere created by the candor of the President of the United States, withdraw this issue from the realm of our concern.

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference a joint resolution, on behalf of myself and the other Senators who have been mentioned as cosponsors.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 161) proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his Office, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

ADDRESS BY HON. HERBERT H. LEHMAN, OF NEW YORK, AT HOWARD UNIVERSITY

Mr. HUMPHREY. Mr. President, the distinguished former Member of this body, the Honorable Herbert H. Lehman, was honored by the awarding of the honorary degree of doctor of laws at Howard University here in Washington yesterday, March 3, 1958. I am sure that the host of friends and admirers of former Senator Lehman join in their congratulations to him on this occasion. No one in public life deserves this honor more than he, and no one in public life better represents the ideas and concepts for which Howard University stands.

The address which our former colleague delivered at Howard University yesterday is one of the greatest addresses on the subject of civil rights which I have ever read. In spirit, tone and conviction, it represents the very best of Senator Lehman's good life and his long championship of decency and equality of opportunity for all of our citizens. His talk deserves the study and approbation of each of his public-spirited fellow citizens.

I ask unanimous consent that the text of former Senator Lehman's address, which is in fact literally an encyclopedia of information on this very vital issue, be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY FORMER SENATOR HERBERT H. LEHMAN ON RECEIVING THE HONORARY DEGREE OF DOCTOR OF LAWS AT HOWARD UNIVERSITY DURING EXERCISES OBSERVING THE 91ST ANNIVERSARY OF THE FOUNDING OF THE UNIVERSITY, MONDAY, MARCH 3, 1958

I am very grateful for the dignity you have conferred upon me. I thank the trustees, the officers and the faculty. There are few honors I have received in my lifetime which I value more than this one.

I am proud to be here on what you call Charter Day, the anniversary of the grant by Congress of a charter to this great institution. I consider this a significant occasion, and feel highly privileged to participate in it in any way.

This university represents principles and purposes which rank high among those I have always cherished and by which I have always tried to live. It has always represented to me one of the beacons of hope for progress in the most essential direction I know—justice and equality for all our citizens. There is no more critical goal for America.

This university is much more than just an educational institution—although it would, of course, wholly justify its existence if it were only that. Its increasing excellence in teaching and training its students in the professions and the arts is a source of pride to all its friends.

I need scarcely tell you how important it is for us to have more lawyers, more doctors, more engineers, more scientists, more scholars, and above all—more teachers. The fate of freedom in the world may depend in part on our ability to turn out an adequate number of trained people in these and other fields.

But Howard University also functions in other vital ways. It serves as a center of research and scholarship, adding greatly to the sum of the most precious resource we have—knowledge. It serves as a great social laboratory for the analysis and development of fact and theory, and as a spawning ground for ideas.

These are services to the Nation whose value is beyond price.

Much as the Nation needs more doctors, scientists, scholars, and teachers, today, there is one still even greater need, although a related one. That need is for leaders.

Where there is no vision—and no leadership—the people perish, to paraphrase a famous verse in the Bible. Today, the survival of civilization and of mankind hang on a thread—largely, I believe, because of the lack of truly inspired leadership in our land and elsewhere—not only at the highest level, but at almost every level.

Leaders equipped with ideas are needed today to arouse us to our dangers, to propose the means to overcome those dangers, to mobilize the people for sacrifice and action—and then to act.

We need this kind of leadership not only to meet the problems of war and peace abroad, but the problems of an economic and social nature at home.

Today, I am going to talk about just one of our Nation's problems—one in which I think you at Howard University are particularly interested, but one with which the entire country and the entire world are also deeply concerned. I refer to civil rights. This is a problem with which I have been

concerned ever since I was a youth, and to which I have been privileged to devote a major share of my energies throughout my adult years.

Here let me say that although I am in the twilight of my own life, I shall always continue to be a soldier in the struggle for equal civil rights—which is part of the noblest struggle there is—the eternal struggle for human justice.

The struggle for human justice is ancient as well as eternal. It began long before the dawn of recorded time. It went on in the land of the Bible, in the time of Abraham and Moses, and Herod and Jesus. It raged in Greece around the figures of Socrates and Plato; in Rome, around Cicero and Brutus; in France, around Voltaire; in Switzerland, around William Tell. It has gone on in every period, among almost every people. I believe it will continue as long as men remain on this earth—even until Judgment Day.

The hope of human progress lies in the expectation that this struggle will move steadily forward to higher ground, always centering around new issues and new objectives in the constant effort to eliminate injustice and inequality among men.

What we call the civil-rights struggle today is just the current phase of the eternal quest for social justice.

I know it is completely unneccessary for me to tell you, assembled here today, that the fight for civil rights is not a fight for special privileges for some, but rather a struggle for equality for all.

All of us here know that the civil-rights struggle did not begin with the Supreme Court decision of May 17, 1954, nor even with the issuance of the historic report of the President's Committee on Civil Rights in 1947—President Truman's Committee, that is. This struggle in America began centuries ago, soon after the first slaves were brought to these shores. It has continued in varying forms, in the political arena and on the battlefields of the Civil War, until the present day.

The institution of slavery was the predecessor of the institution of segregation; the two are of the same nature. Segregation is not much more than a substitute for slavery.

Of course segregation is not the only denial of civil rights being practiced in our land. It is, however, one of the most blatant. It is the strong point against which the Supreme Court started to move in 1954.

Since the Supreme Court decision, there has been a quickening of the struggle—even some outbreaks of violence. In some areas, resistance to school desegregation has stiffened. In those areas, there is almost today defiance of the supreme law of the land. It might even be called anarchy—or subversion.

Today, in the light of sputnik and of Soviet advances in the fields of science, there is an aspect to this situation which is almost incredible. We have suddenly realized that our school system is inadequate to the challenge of the cold war. Some of the most vital engagements in this war are being lost in the schoolrooms of America. We know we have a critical shortage of all types of school facilities, and particularly of elementary schoolrooms. Nowhere is this shortage more critical than in the South. Yet some Southern States continue to maintain two separate sets of schools for the purpose of segregation. In some of those States, laws have recently been passed authorising the abolition of the entire public-school system if threatened by desegregation.

In my judgment, to shut down the public schools, on whose optimum functioning our national survival depends, in order to uphold the unconstitutional and immoral practice of segregation, is not only incredible but borders on the treasonable—in a fundamental, if not in a legal, sense.

The spirit which gives rise to such moves is small and narrow.

Yet in this aspect of our national life, there are some northerners, as well as southerners, who continue to cry for gradualism—another word for maintaining the status quo. I say that these regressivists who want to stand still or go backward are puny men trying to halt relentless tides. These tides will not stop for any man.

These so-called gradualists wring their hands and ask you to have patience. But the memory of every Amercan Negro encompasses more than 100 years of slavery before the Declaration of Independence, 77 more years of slavery in this land of liberty after 1776, and 90 years of segregation, after the Emancipation Proclamation.

And now it is almost 4 years since the Supreme Court decision. How much patience must one have?

What does patience mean against this background of 300 years of waiting?

I believe that among the truly heroic folk of America must be numbered those patient men and women of the Negro race who have so long endured the degradation of segregation, and still work with restraint and reason to achieve their goal of simple equality of treatment as American citizens.

What an epic of indomitable courage and patience was written by the humble people of Montgomery, Ala., in the historic bus strike 2 years ago.

But, in my judgment, the greatest heroes of all must be written down as those little schoolchildren, in Little Rock and in many, many other places less renowned, who have walked the gantlet of hate and prejudice to break the trail for the onward march of brotherhood.

What courage they have showed. What faith has moved them—those little boys and girls, as they have walked, in many a town and village, up to those all-white school steps into the eye of the whirlpool? In almost every case I have heard about, these children have acted with grace and dignity, with the simple conduct of people who quietly move mountains. These are true heroes and heroines.

When reference is made to the monumental problems of the South involved in desegregating, I like to think of these young people, and of the millions like them. They are the personification of the right to equality we are fighting to secure. They are the symbols of the struggle for freedom and equality in America today. But they are more than symbols. They are fighters.

They are fighting not only for their own rights, but also for the rights of all other Negro children, for the rights of the children of every minority group, and, finally, for the freedom of each and every one of us.

Those children are front-line fighters. All Americans should pay them homage. They should inspire each one of us and all of us to greater and more vigorous efforts on this crucial front. The example of these young heroes and heroines—and of their patience—should put to shame those timid men who say that we are moving too fast and have too little patience.

The timid souls, including, I regret to say, some in the top leadership of our Government, have a regrettable tendency to identify themselves as a kind of third force in the arena of struggle. They seem to consider themselves as neutralists in the cold war over civil rights.

Speaking surely only for myself, but hopefully also for the majority of the American people, I cannot either be or pretend to be neutral in this struggle.

This is not a battle between two equal and opposite forces in our country. This is a struggle against oppression. It is a struggle to uphold not only the letter of the Constitution, but its spirit, and the spirit of the Declaration of Independence as well. And what is even more, the spirit of America.

How can I be a neutral in this situation?

The NAACP and the Urban League, for instance, have been unfairly branded in some quarters—and I am thinking of responsible quarters which should know better—as the spokesmen of an extremist viewpoint. In my judgment, this is a false indictment and I am glad to call it so. In my judgment, these organizations are the spokesmen for a truly moderate viewpoint. The NAACP and the Urban League are responsible champions of the law, amici curiae, in the truest sense of that classic Latin phrase.

These organizations of citizens do not speak only for Negroes. They speak also for that vast number of white people in our country, both north and south of the so-called Mason and Dixon line, who advocate no more and no less than equal justice under law for all Americans.

It is important to understand that the fight for civil rights is being carried on by white people as well as by Negroes. It is important that the victims of oppression know that they are not isolated and alone. It is important, vitally important, that the struggle for justice be carried on, not only by the victims of injustice, but also on their behalf.

In carrying on this struggle, I believe that we must bear constantly in mind the problems of the oppressors as well as the oppressed.

Many, if not all of them, are, in my judgment, unwilling oppressors. Consciously or unconsciously, most of them will, I believe, rejoice when freed from their end of the chains.

Identifying myself with the victims of segregation does not preclude me, and should not preclude the rest of us, from sympathizing with and trying to understand the problems and point of view of those on the other side of the wall.

They carry a heavy burden, too. They must be helped to free themselves of it, and as Reverend King, that young and inspiring spiritual leader of Montgomery, has so movingly said on so many occasions, they must be loved.

Hate will not accomplish our ends. Love and the spirit of brotherhood—even for the erring brothers—will.

There are many in the South—I do not know how many, but I believe very, very many—who are truly men of good will. They do not know how to extricate themselves from their present dilemma. Let us help show them the way.

There is much to be done at all levels. But we are assembled today in Washington, the seat of the Federal Government. Therefore I suggest a program of Federal action as follows:

1. Congress must proceed promptly to enact legislation in affirmative support of the Supreme Court's finding that school segregation is unconstitutional. School districts, which are willing to desegregate, must be encouraged and assisted to do so. The courts must be given further statutory tools to help attack the problem of those States which are totally recalcitrant. The Attorney General's office must be equipped with the authority to seek injunctions in such cases.

2. Congress must protect all basic rights. It must pass legislation insuring all citizens against discrimination in education, travel, employment, and use of public and publicly-supported facilities.

3. Congress must act to protect such organizations as the NAACP and the Urban League from harassment and persecution by State governments.

4. The Senate must amend its rules to outlaw the filibuster.

5. The President must broaden his actions. He brought physical force to bear on

the Little Rock situation. He is long overdue in applying moral force. The President must act now to exercise moral leadership and rally all men of good will in the North and South for the great tasks ahead. In Little Rock, the situation is deteriorating. It is deteriorating elsewhere, too.

There is a crying need for positive leadership—for firm, strong voices from among our elected officials to speak and act with zeal, not out of political necessity but out of deep conviction. We need leaders who are deeply moved by compassion for the suffering of those who have been segregated as well as by consideration for those white citizens who are disturbed and distressed by the abolition of segregation.

Such national leaders will be heard and followed. Such leadership will be successful in meeting the problems I have described.

The word I hear from Capitol Hill is that the Congressional leadership of both parties feel that enough was done in passing the Civil Rights Act of 1957. No further consideration is to be given to civil rights legislation at the present session. To be sure, last year's act was indeed a step forward—although only a short step. It was the first Civil Rights Act passed by Congress since 1875. But the present session of Congress must be importuned to move further and faster. A public demand that will be heard in the halls of Congress must be made. That is the only way. That is a job for all citizens, not just for organizations with lobbyists in Washington.

In fact, the entire civil rights struggle, in all its phases, is everybody's job.

All citizens must accept it as a part of their duty to their country to help meet this challenge. Every citizen cannot only demand Federal and State action, but can also, himself, help ease the tension between the races, and can help quiet fears and eradicate prejudices among whites and Negroes alike. Both Negroes and whites share this vital obligation.

We in the North have our special responsibilities—to rid our own house of unofficial but effective segregation and discrimination.

All segregation and discrimination—official and unofficial—must go. Liberty and equality for all our citizens must prevail.

In the world community today, there are great differences in race, color and creed. To advance or even tolerate the fiction of the superiority of one race over another can lead only to international discrimination, reprisal, repression and conflict.

I wonder how many of you read the letter from the little Vietnamese girl to the editor of the Washington Post, printed on the front page of the Post last week?

Do you remember question No. 8? It read:

"Why are there still a lot of white Americans do not get along with black Americans? Do they still have the impression that black Americans are their slaves? I think America is a democratic and free country, so such a colored separation must be ended. The trouble at Little Rock. Do you think that was a big shame hung over America?"

This was one of the questions asked by this teenage girl from Vietnam in her letter to Mr. Al Friendly, the managing editor of the Washington Post. The language of her question was not good English as we know it, but it was truly eloquent.

Similar questions, in different languages, have been and are being asked of Americans and America in many quarters of the globe.

We Americans must answer these questions. I hope that the day will come soon when we will be able to say to this girl and others that the evil conditions referred to no longer exist.

I hope that this day will be very soon. We can make it come sooner if we dedicate to it all our efforts and energies, and if all men of good will, under inspired leadership, will lend themselves to this great task.

It is unnecessary to magnify the problem, nor is it wise or possible to minimize it.

We move in what we hope and believe to be God's way to solve one of the fundamental problems of human existence—the problem of achieving brotherhood in the midst of conflict.

Abroad the forces of totalitarianism press with increased vigor their challenge to the Free World. To meet this challenge, freedom, justice, equality and brotherhood are the brightest banners we have. Let us raise them, for the whole world to see. Let us march forward under them, with unflinching hearts, to attack the forces of darkness, hate, prejudice, and fears, wherever they may be—at home and abroad.

AWARD OF AMERICA'S DEMOCRATIC LEGACY SILVER MEDALLION TO 85TH CONGRESS

Mr. HUMPHREY. Mr. President, last night it was my great privilege to attend the annual award dinner sponsored by the Anti-Defamation League of B'nai B'rith at the Mayflower Hotel in Washington. The occasion was the Award of the America's Democratic Legacy Silver Medallion to the 85th Congress for its distinguished contribution to the enrichment of our heritage of freedom in passing the Civil Rights Act of 1957.

Mr. President, this medal has been awarded annually since 1948 to an American citizen or institution for the practical advancement of American ideals. Previous recipients of the award have included many of our Nation's most distinguished personalities and foundations. The list is an impressive one.

Mr. President, I ask unanimous consent that the list be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Nineteen forty-eight: Mrs. Eleanor Roosevelt, Darryl Zanuck, Dore Schary, Barney Balaban, Charles E. Wilson.

Nineteen forty-nine: Harry S. Truman.

Nineteen fifty: J. Howard McGrath.

Nineteen fifty-one: Henry Ford II.

Nineteen fifty-two: Herbert H. Lehman.

Nineteen fifty-three: Dwight D. Eisenhower

Nineteen fifty-four and nineteen fifty-five: Carnegie Corp., Ford Foundation, Rockefeller Foundation.

Nineteen fifty-six: Herbert H. Lehman, James P. Mitchell, Charles P. Taft.

Mr. HUMPHREY. This year, Mr. President, the award was accepted on behalf of the 85th Congress by the distinguished minority leader of the Senate [Mr. KNOWLAND], and myself, on behalf of our colleagues in the Senate, and Representatives EMANUEL CELLER and KENNETH KEATING for their colleagues in the House.

An impressive group of Senators and Representatives was present to witness the presentation.

Mr. President, I want to pay special tribute to the officers of the Anti-Defamation League of B'nai B'rith for their hard and consecrated work, not only in connection with this annual award, but for the day-in-and-day-out constructive activities of B'nai B'rith. The Anti-Defamation League is and has been the guardian of civil liberties and civil rights. It continue to be a powerful force for freedom, equality, and justice. I mention particularly the chairman, the Honorable Henry E. Schultz; the national director, Benjamin R. Epstein; the president of the national commission, Philip M. Klutznick; the executive vice president of B'nai B'rith, Maurice Bisgyer; and the Washington representative, Herman Edelsberg.

Mr. President, I ask unanimous consent that the list of the officers of the League of B'nai B'rith be printed at this point in the RECORD, and that the names of the sponsors of the award dinner also be printed at this point.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

OFFICERS OF THE ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH

Hon. Henry Edward Schultz, chairman.

Joseph Cohen, Jefferson E. Peyser, Max J. Schneider, vice chairmen.

Herbert Levy, secretary.

Benjamin Greenberg, treasurer.

Benjamin R. Epstein, national director.

Bernard Nath, chairman, executive committee.

Paul H. Sampliner, vice chairman, executive committee.

Hon. Meier Steinbrink, honorary chairman.

Barney Balaban, A. G. Ballenger, Hon. Herbert H. Lehman, Leon Lowenstein, William Sachs, Benjamin Samuels, Melvin H. Schlesinger, Jesse Steinhart, honorary vice chairmen.

THE NATIONAL COMMISSION

Philip M. Klutznick, president, B'nai B'rith.

Maurice Bisgyer, executive vice president, B'nai B'rith.

Hon. Robert L. Aronson, Melvin A. Block, William P. Bloom, Hon. David Coleman, Maurice N. Dannenbaum, Samuel Daroff, Hon. Henry Epstein, Samuel L. Fendel, Herman Fineberg, Joseph M. Finkle, Jerome J. Friedman, Edward Goldberger, Frank Goldman, Abe Goldstein, Lester Gutterman, Samuel J. Halpren, John Horwitz, Hon. Irving R. Kaufman, Mrs. Hy Kornbleet, Harold Lachman, Mrs. Arthur G. Laufman, Richard Lederer, Jr., David H. Litter, Louis Matusoff, Edward Miller, Philip Mitchel, Alan R. Morse, Hon. Stanley Mosk, Norman Newhouse, Hon. David A. Rose, Edward Rosenbium, Mrs. Arthur G. Rosenbluth, Nelson Stamler, Morris L. Strauch, Mrs. Harry Strauss, Hon. Sidney Sugarman, George J. Talianoff, Samuel Tarshis, Allan Tarshish, Hon. Lenore D. Underwood, Mrs. Hyman C. Weisman, Mrs. Albert Woldman, Harry Yudkoff, Louis Zara.

STAFF DIRECTORS

Nathan C. Belth, press relations.

Oscar Cohen, program.

Arnold Forster, civil rights.

Alexander F. Miller, community service.

J. Harold Saks, administration.

Lester J. Waldman, executive assistant.

Herman Edelsberg, Washington representative.

SPONSORS

Richard Abel, Columbus, Ohio.

A. David Abrams, Beckley, W. Va.

Sol Bernstein, Waterbury, Conn.

Melvin A. Block, New York City.

Paul Broida, Parkersburg, W. Va.

Morris Cafritz, Washington, D. C.

N. M. Cohen, Washington, D. C.

Samuel Daroff, Philadelphia, Pa.

Bernard Ehrenreich, New York City.

Lee Filer, New York City.

Herman Fineberg, Pittsburgh, Pa.
Henry J. Fox, Chevy Chase, Md.
Leopold Freudberg, Washington, D. C.
Morel J. Fuchs, New Rochelle, N. Y.
Edward Goldberger, New York City.
Aaron Goldman, Washington, D. C.
John Goldwater, New York City.
Benjamin Greenberg, New York City.
Harry Jacobs, Wilmington, Del.
Sam Jonas, Washington, D. C.
Joseph Kaplan, Boston, Mass.
Garfield I. Kass, Washington, D. C.
Joel S. Kaufman, Washington, D. C.
A. S. Kay, Silver Spring, Md.
Milton W. King, Washington, D. C.
Samuel Kramer, New York City.
Milton Kronheim, Sr., Washington, D. C.
Harold Lachman, Chicago, Ill.
Richard Lederer, Jr., New York City.
Herbert Lee, Boston, Mass.
Phillip Leff, New York City.
Carl Levin, Washington, D. C.
Bernhart Levy, Washington, D. C.
Herbert Levy, Chicago, Ill.
Sidney Lipkins, New York City.
Samuel Lopinsky, Charleston, W. Va.
Irving Louis, New York City.
Alfred May, Detroit, Mich.
Lawrence Nathan, Chevy Chase, Md.
Joseph Ottenstein, Washington, D. C.
Benjamin Reeves, New York City.
Victor Riesel, New York City.
Maurice A. Rosenthal, Chicago, Ill.
Max Roth, Charleston, W. Va.
Harold Rubinstein, New York City.
William Sachs, New York City.
Melvin H. Schlesinger, Denver, Colo.
Armund Schoen, Chicago, Ill.
Henry E. Schultz, New York City.
David Schwartz, New York City.
Hershel Seder, Chicago, Ill.
Frederick W. Straus, Chicago, Ill.
Ben Strouse, Baltimore, Md.
Louis Taxin, New York City.
A. Raymond Tye, West Newton, Mass.
Morton H. Wilner, Washington, D. C.

Mr. HUMPHREY. Excellent addresses were delivered, Mr. President, by the president of B'nai B'rith, Mr. Philip M. Klutznick—who, by the way, has a record of great service to his country, most recently as a delegate to the 12th General Assembly of the United Nations—and by the Honorable Henry E. Schultz, chairman of the Anti-Defamation League. A poem by Reginald Rose entitled "An Act of Congress," was recited by the noted stage and screen actor Franchot Tone. Brief acceptance speeches were made by the four Representatives of the 85th Congress to whom I have already referred.

I ask unanimous consent, Mr. President, that excerpts from my own remarks in accepting this award be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

CIVIL-RIGHTS AWARD

(Excerpts from remarks by Hon. HUBERT H. HUMPHREY, of Minnesota, in accepting the 1957 America's democratic legacy award, March 3, 1958)

On behalf of the Senate of the 85th Congress, I am happy to join Senator KNOWLAND in accepting the 1957 America's democratic legacy award sponsored by the Anti-Defamation League of the B'nai B'rith. Certainly the 85th Congress distinguished itself by enacting the first civil-rights legislation in 82 years. I believe that it justly deserves this medal which has been awarded annually since 1948 to an American citizen or institution for the practical advancement of our American ideals.

As you know, I have been a staunch supporter of civil-rights legislation for many years. As an American, as well as a Senator, I feel encouraged by the action of the Congress last year in this critical testing area for democracy. When I say that I am encouraged by this action, of course, I am not saying that I am satisfied. The 1957 Civil Rights Act was a step in the right direction.

But it is not the end of the fight for improved civil rights—it is the beginning.

By civil rights we mean the personal, political, and economic rights and privileges guaranteed under the Constitution and the law, and implicit in our democratic way of life—rights and privileges which are morally the heritage of every human being, regardless of his membership in any ethnic group. To be specific, I believe these rights include the right to education; the right to housing; the right to the use of public accommodations, of health and welfare services and facilities; and the right to live in peace and dignity without discrimination, segregation, or distinction based on race, religion, color ancestry, national origin, or place of birth. These are the rights and privileges without which no individual can participate freely or completely in our democratic society. These are the rights which the Government has the duty to defend and expand.

This great issue of human rights goes far beyond partisanship, touching as it does, the very life of our democracy in the North, the South, the East, or the West. I know full well that civil rights is a charged issue, infused with emotionalism. We know that some people would prefer not to face these problems. But the fact of the matter is that the problems are facing us.

Human rights is not basically a social issue, an economic issue, a political issue, or even a legislative issue. It is primarily a moral issue. It is for that reason that I feel as I do about it. I know, of course, that it is an issue, and a very real one, in all of these other contexts. Most particularly, in the past few years it has become an issue which has begun to affect with a sudden and dramatic impact the conduct of our foreign policy. Just as Lincoln decided upon the emancipation of the slaves, not only as an act of justice but also as a military necessity, so the achievement in America of racial equality is now urgently needed on these grounds. Bigotry, discrimination, and intolerance are subversive today in a literal way. They are un-American. They lend themselves to political, social, and moral weakness. Brotherhood and equality of opportunity must now become central aspects of the image that we cast abroad.

Nevertheless, world reaction is an insufficient motivation to impel us to take the great strides which are required of us. We shall not convince others if our motivations are essentially tactical or political in nature. Our proper response, both to the Kremlin, which is waiting for us to falter, and to the millions of people in Asia, and Africa, who want to believe in us, but are undecided, is to do what we should have done anyway to make this Nation, in Lincoln's words, the "last best hope of earth."

It is undeniable, of course, that we have made great progress during the past 100 years—from the Dred Scott decision, which totally denied the Negro the protection of our laws, to the 1954 decision of the Supreme Court in the school segregation case, to the 1957 civil rights bill, which affirmed the right of the Negro to full protection of the law. It has been a long fight, in which the power of American principles has slowly overcome the imperfections of American practice. It has been a long process of remolding old attitudes and reestablishing old truths. And it is not yet finished.

Primarily, the 1957 Civil Rights Act was designed to protect the right to vote. However, the act also established a bipartisan Commission on Civil Rights in the executive branch of the Government and provided for a new Assistant Attorney General to head the Civil Rights Division in the Department of Justice. I mention these other aspects because I regret the excessive delays which have occurred during the past months in selecting and nominating appointees to fill these posts. Precious time has been lost. Now that nominations have been sent to the Senate for confirmation, however, I hope that the Senate will not add to the delays but will proceed speedily to complete the confirmation process.

In this connection I also wish to call attention to the bills which are still pending in the Senate committees. These bills include many which I have introduced in various sessions of the Congress for the last 10 years—bills covering such subjects as anti-lynching, anti-poll-tax, FEPC, and prevention of discrimination in interstate transportation. There is also the admirable new bill introduced by Senator DOUGLAS and several other Senators of whom I am one. This new bill would give effect to the constitutional guarantees under the 14th amendment, of equal protection of the laws. It would do so by cushioning the effect of law with extensive provisions for persuasion, inducement, and community compliance. I would like to believe that the second as well as the first session of the 85th Congress will make history by passing this improved civil rights legislation.

The challenge of civil rights has never been stated more eloquently than in the complaint of a Negro student a generation ago: "If you discriminate against me because I am uncouth, I can become mannerly. If you ostracize me because I am unclean, I can cleanse myself. If you segregate me because I am ignorant, I can become educated. But if you discriminate against me because of my color, I can do nothing. God gave me my color. I have no possible protection against race prejudice but to take refuge in cynicism, bitterness, hatred, and despair. I am a Negro-American. All my life I have wanted to be an American."

This is why prejudice and discrimination cost too much for democracy to afford. This is also why history was successful in making a claim on the first session of the 85th Congress, and why it will continue to exert its claim on future Congresses.

Certainly it is as true today as it was in 1948 at the Democratic National Convention when I said: "Let us forget the evil passions, the blindness of the past. In these times of world economic, political, and spiritual—above all,, spiritual crisis, we cannot—we must not, turn from the path so plainly before us. * * * Let us walk out of the shadow of States rights into the bright sunshine of human rights."

UNIVERSITY OF MISSOURI SCHOOL OF JOURNALISM ANNOUNCES WORLD PRESS CONGRESS

Mr. SYMINGTON. Mr. President, exchange of knowledge is basic to the development of mutual understanding, and the latter is essential to world peace.

To further such objectives, the University of Missouri has announced plans for a press congress of the world to be held next January on the campus at Columbia, Mo.

The timing of this 3-day convention coincides with the 50th anniversary of the world's first and finest school of journalism—that of the University of Missouri.

However, this event is more than the celebration of an anniversary. As Dr. Elmer Ellis, president of the university,

stated in announcing this significant event:

A press congress of the world, bringing together the editors and publishers of newspapers from all the free nations of the world, great and small, can go a long way toward solving some of the misunderstandings which hold world peace in the balance today.

I ask unanimous consent that the University of Missouri press release announcing the congress be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

COLUMBIA, MO., February 14.—President Eisenhower's plan for a worldwide cultural conference to seek new and better ways for human beings to exist peaceably together fits perfectly with a plan of the University of Missouri to sponsor a press congress of the world on the campus here early next year. University President Elmer Ellis said today.

"We feel that it is only fitting and proper that those engaged in the field of mass communications should be the first to implement President Eisenhower's suggestion with action," President Ellis said.

President Ellis pointed out that the university recently announced a proposed world press congress for January 12, 13, and 14, 1959, as a part of a year-long program celebrating the golden anniversary of journalism education here on the campus where the world's first school of journalism was established in 1908.

"Only last week," Doctor Ellis said, "James Wright Brown, of New York, the noted American journalist and chairman of the board of the national publication, Editor and Publisher, accepted the post of honorary chairman of the forthcoming press congress. Active chairman is Charles Nutter, managing director of International House in New Orleans, and Dr. Frank L. Mott, dean emeritus of the School of Journalism is cochairman.

"We believe," said President Ellis, "that a press congress of the world, bringing together the editors and publishers of newspapers from all the free nations of the world, great and small, can go a long way toward solving some of the misunderstandings which hold world peace in the balance today.

"Certainly these journalists, who help mold the opinions of their peoples and who have the responsibility of interpreting the rights and privileges of free peoples everywhere, can save the lives of millions if they can sit down together and talk over our mutual problems," Dr. Ellis said.

President Eisenhower's plan for a worldwide cultural conference to which Dr. Ellis referred was voiced publicly by his administrative assistant, Sherman Adams, in a speech at a Dartmouth College national alumni dinner in New York City on February 5. Adams said the President was considering some such conference, and that he had "asked some able people to consider how such a project might be initiated."

"Who is there," Adams asked his audience, "who can say that a convocation in this country of scholars, historians, artisans, theologians, educators, sociologists, philosophers, artists and musicians—representatives of the cultural pursuits of all the human race—meeting each other in their respective groups could not suggest new and better ways for human beings to exist peaceably together and to reap the greatest rewards from man's scientific discoveries?"

Commenting on the significance of a Press Congress of the World over long distance telephone today, Morris E. Jacobs of Omaha, Nebr., general chairman of the 50th anniversary celebration, said "It is a wonderful coincidence that we have planned a revival of the Press Congress of the World just at this time when the President of the United States calls for a worldwide conference of cultural leaders."

Jacobs pointed out that the first world press meeting was conceived and implemented by the late Walter Williams, the man who also conceived and established the world's first school of journalism at the University of Missouri, and who was its dean until he was elected president of the university in 1931.

This first world press parliament was held in connection with the Louisiana Purchase Exposition (the World's Fair) which was held in St. Louis in 1904. A St. Louis newspaper of May 19, 1904, carried a story of the press parliament in which it said, "Walter Williams of Columbia, country editor, is responsible for bringing together the greatest convention of newspapermen the world has ever known, and will ever know unless the press parliament is made permanent." More than 5,000 newspaper editors from all over the world, including 33 foreign nations, came to the meeting in St. Louis.

Walter Williams had been appointed press commissioner of the World's Fair by ex-Gov. David R. Francis, who was president of the World Fair Commission. He traveled around the world interesting leaders of various countries, the rulers as well as newspaper publishers, in the convocation of press men of the world.

Although the press parliament at St. Louis was, as intended, only a one-time affair, it served as a pattern for the first press congress of the world as an organization meeting at the Pan-Pacific International Exposition in San Francisco in 1915. Walter Williams was elected president of this congress.

The second session of the organization was held in Honolulu, October 11 to 20, 1921, with Mr. Williams presiding. United States President Warren G. Harding served as honorary president of this congress. Mr. Williams was reelected president, and presided over a third meeting of the congress in Geneva and Lausanne, Switzerland, in 1926.

Because of the international political situation and a growing isolationist trend, a fourth meeting, scheduled for Melbourne, Australia, in 1931, was canceled.

MEN IN THE AIR AND MISSILES

Mr. SYMINGTON. Mr. President, last week there was published an article entitled "Men in the Air and Missiles." The article was written by a man who generally is considered to be the wisest and most experienced of all living airmen, Gen. Carl Spaatz.

Since the launching of the first sputnik, public interest has been generated in unmanned, guided, and ballistic missiles, to the point where some, including Mr. Khrushchev, predict that even now the manned air vehicle is, or soon will be, obsolete.

No doubt the wily rulers of the Soviet Union, because of their lead in missiles, would hope that we agree. But nothing could be further from the truth; and the Spaatz article presents conclusively the reasons why that is so.

Anyone interested in having this country adopt the proper policies and programs for national security should read this article with care.

Mr. President, I ask unanimous consent that General Spaatz' article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEN IN THE AIR AND MISSILES

(NOTE.—Against the background of today's preoccupation with earth satellites and guided missiles, Gen. Carl Spaatz, USAF, retired, has taken a hard and long overdue look at the role of the airplane in the age of the missile. A contributing editor of Newsweek, General Spaatz was Air Force Chief of Staff when he retired in 1948, and since then has served on top-level defense committees. In the following commentary, he evaluates the continuing importance of the airplane and the reasons for it.)

A manned airplane already has been flown 1,900 miles an hour and climbed to an altitude of more than 100,000 feet (the Bell X-2). And the scientists whose genius produced these results feel that they are merely on the threshold of their eventual achievement.

They foresee the time—and not very far distant—when a manned plane, operating in the twilight zone between the earth's atmosphere and outer space, will be capable of making 6 trips around the world in less than 24 hours.

Further experiments in speed and altitude flight are being conducted, as the earlier ones have been, by the Air Force in cooperation with the National Advisory Committee for Aeronautics (NACA), a highly effective agency whose members are appointed by the President and whose work is financed by the Government.

Details of the characteristics and performance of the latest planes of the X series, which hold the present records and will soon break them, are military secrets. But enough information has been released to suggest that the manned plane of the future will be an important weapon—perhaps the most important in our arsenal.

MAN HAS THE EDGE

Recently, public and official preoccupation with earth satellites, missiles, and the rockets that propel them has fostered the presumption that any total war of the future will be exclusively a duel between rocketeers firing missiles across oceans and continents at centers of power in the contending nations. The fact is that victory, insofar as there can be such a thing as victory in such a war, won't necessarily be won by the side with the biggest and best intercontinental ballistic missile.

When finally perfected, the ICBM will be an indispensable weapon, but not, as it has been called, the ultimate weapon. Because of its speed, development of an effective defense against it will not be easy. But I have no doubt that eventually it will be done. If the history of warfare proves anything, it proves that sooner or later defense always catches up with offense.

THE ICBM'S PROBLEMS

However, this generally is overlooked: The ICBM still is an experimental weapon. It will not be operational for several years. And even when it does become operational, it will be a highly imperfect weapon. Until a multitude of scientific problems are solved, it will not be nearly as accurate as the bomber is now. As the test firings at Cape Canaveral have demonstrated, it doesn't always perform the way it is supposed to. And, as the test firings have also demonstrated, unlike the bomber, it is not capable of instant, massive retaliation. It takes an inordinately long time to fire a missile.

Quite aside from this, the ICBM, for a long time, will be a highly vulnerable weapon. It must operate from fixed bases which can be zeroed in by the enemy. The Strategic Air Command, in contrast, now keeps one-third of its force in the air at all times; any sudden attack would not touch

them; and they would be able to retaliate at a moment's notice.

For the predictable future, the manned aircraft must still be our first line of defense. It will always have the advantage of unpredictability. It will be guided from within by human intelligence and human hand. It can change its course in flight, approaching its target from any direction and at any level (at the moment low-level approach is harder to defend against than high level). It can be called back before its bomb load is released in case of a false alarm.

THE FUTURE AIR FORCE

To understand the potentialities of tomorrow's high-speed, high-altitude aircraft—almost a space ship—one must think of the atmosphere as an inverted ocean. As submarines, traveling far beneath the surface of the seas, will be the mainstay of the future navy, so the new airspace vehicle will become the backbone of the future air force.

The plane now envisioned will be capable of flying to its target, releasing its bomb load, photographing the results of the raid, and returning to its home base in a matter of hours. Its height and speed will make it a difficult target for antiaircraft rockets. Some will be knocked down but tactics of employment will insure that necessary numbers penetrate to their targets.

Because the Soviet Union will be equipped in the immediate future both with manned bombers and missiles, we not only must have both in our arsenal for retaliation but we also must be prepared to defend our territory against both.

AIR TRANSPORT'S ROLE

Even today's airplane, repeated statements to the contrary notwithstanding, is far from obsolete either as a weapon or as a transport auxiliary. For the time being, our Strategic Air Command is the guarantor of our security because it is still capable of retaliating with almost total destructive force if we or our allies are attacked. Its usefulness will continue even after antiaircraft missiles are much more highly developed than they are now. For example, it wouldn't be necessary to penetrate Moscow's defenses to attack Moscow successfully since missiles can be launched from manned airplanes at points far distant from their target.

As for transport, the airplane's future is not only assured, it is the future. More and more, the airspace around the earth will become an ocean over which passengers and freight can be carried quickly and efficiently. There will be no barriers of land or sea. Military personnel and equipment will all be airborne in time.

ADDRESS BY SENATOR GORE AT THE ST. LOUIS COUNTY JEFFERSON-JACKSON DAY DINNER

Mr. SYMINGTON. Mr. President, because of his devotion to duty, the Senator from Tennessee, the Honorable ALBERT GORE, has earned in this body and throughout the Nation a reputation as a Senator who speaks with knowledge and conviction on matters of great interest to the prosperity and future development of our country.

For this reason, Mr. President, on last Saturday night, March 1, it was a great pleasure and opportunity for 1,500 Missourians to hear him speak at the St. Louis County Jefferson-Jackson Day dinner. This was the greatest rally ever held by St. Louis County Democrats, and all of us who attended were richly repaid by the thought-provoking address it was our privilege to hear.

In his remarks, Senator GORE pointed up the role of leadership now being exercised by the Congress, and particularly by the United States Senate.

Never have I seen a more attentive or a more appreciative audience. Never have I heard a more timely address given at a political meeting.

Therefore, Mr. President, believing that the members of the Senate and the rest of the American people would like to have an opportunity to read the speech, which on that occasion was delivered by Senator GORE, I refer to page 3296 in the RECORD of yesterday, March 3, on which page that great address has been inserted at the request of the Senator from Oregon [Mr. NEUBERGER].

CRISIS IN AMERICAN EDUCATION

Mr. PROXMIRE. Mr. President, one of the most crucial problems facing the American people today is the crisis in our educational program. It presents a challenge which we must face squarely and meet without delay.

A whole generation is growing up in schools with overcrowded classrooms, staffed by underpaid teachers, and lacking the most elementary equipment for science training. The most promising talent among our youth often is lost because no one seeks it out or because a bright youngster lacks the money for higher education.

The educational crisis calls for an all-out attack on two fronts. First, we must strengthen and revitalize our elementary and secondary schools. It is here that youthful imagination must be stirred and a solid foundation built. Secondly, we must see to it, through adequate scholarship assistance, that the most capable high-school graduates go to college, adding to our precious reservoir of human skill and knowledge.

SCHOOL CONSTRUCTION AND TEACHERS' SALARIES

I am proud to join with the distinguished senior Senator from Montana [Mr. MURRAY] and other Senators in the sponsorship of S. 3311, the School Assistance Act of 1957. It provides for grants to States to be used by them for school construction or teachers' salaries, in whatever proportions they choose, with no strings attached. This is Federal aid without Federal control, a principle I strongly support.

The bill proposes to authorize appropriations in the amount of $25 per school-age child for the fiscal year beginning July 1, 1958. The amounts will increase $25 per school-age child each year until a total of $100 per school-age child is reached.

I am glad also to be a cosponsor of the bill introduced by the senior Senator from Oregon [Mr. MORSE], an alternative to the Murray bill, designed to achieve the same purpose, which authorizes a billion dollars a year to the States to enable them to raise the level of educational standards nationwide and to equalize in part the educational opportunities among the States.

The specific arrangements, it seems to me, are not so important as getting sufficient help to the States, and getting it to them now.

SCHOLARSHIPS FOR COLLEGE STUDENTS

The second attack on our educational shortcomings must be made at the level of higher education.

I was privilcged to join with the senior Senator from Alabama [Mr. HILL] and other Senators in sponsoring S. 3187, the National Defense Education Act of 1958, which would award 40,000 new scholarships in each of 6 years. The emphasis in the bill is placed on science, where the Nation's needs are most urgent. This is about four times the scholarship aid provided by the administration's woefully inadequate proposal.

Again, this bill involves no Federal control. The States will be given the scholarships on the basis of school-age population and will establish their own standards for awarding them. In addition to scholarships, the bill provides funds for teacher-training institutes in the summer, and matching funds for guidance and counseling as well as construction of science facilities.

THE STATES NEED HELP

The combination of these two attacks on our backlog of educational needs promises to bring some much-talked-about, but long-postponed, results. I am well aware, however, that this is only a beginning.

Something should be done to help the teachers themselves. I have supported enthusiastically the proposal to permit a teacher to deduct from gross income up to $600 for any single year's expenses incurred in furtherance of his education.

But one fact stands out above all others: The States need help. Their sources of income are relatively inflexible. Property taxes in many States are as high as they can go. Sales taxes raise money, but they take most from the people least able to pay. The Government of the United States, with its great income-raising resources, must lend a hand.

I have always believed, Mr. President, that education is primarily a responsibility of the States. I am sure that education ought to be controlled at home, not in Washington. But the crisis we face in the cold war of the classrooms is not a crisis of the States. It is a crisis of the Nation, and to fail to meet it would be a national catastrophe.

Mr. MORSE. Mr. President, when a junior Member enters the Senate I am always interested in the political philosophy that he will demonstrate in the course of his service in the Senate.

I have listened this afternoon to 3 junior Members of the United States Senate in terms of seniority, 2 Democrats and 1 Republican, and I wish to say that I am proud to be associated with them.

I desire particularly to comment on the remarks of the junior Senator from Wisconsin [Mr. PROXMIRE], because since he has been in the Senate he has stamped himself as a constitutional liberal. He has demonstrated by proposed legislation which he has either introduced or cosponsored that he shares the basic tenet of the political philosophy of constitutional liberals that one who serves a free people in the Senate has the duty to see to it that every effort is made to translate

into legislation the needs of the people in keeping with the general welfare clause of the United States Constitution.

Let me say to the teachers of Wisconsin, let me say to the parents of Wisconsin, yes, let me say to the schoolchildren of Wisconsin this afternoon, that the junior Senator from Wisconsin has already made a singular contribution to proposed educational legislation in the Senate, and those of us who have been seeking for many years to enact legislation which would cause the Federal Government to assume its responsibilities, in cooperation with the States, in connection with education, have found in the junior Senator from Wisconsin a very valuable ally.

The brief speech the Senator made this afternoon on education, as he announced his cosponsorship of the bill introduced by the Senator from Montana [Mr. MURRAY], is but further evidence of his determination to do what is possible to see to it that Russia does not get ahead of the United States in trained brainpower.

I not only wish to congratulate the junior Senator from Wisconsin, but I wish to commend him to the voters of Wisconsin, which happens to be the State of my birth and my youth.

I will say it is my impression that the junior Senator from Wisconsin has already indicated that he will carry on in the tradition of a noted progressive Republican from Wisconsin, the senior Bob La Follette, who, also, on great issue after issue affecting the interest of the people followed the high road of constitutional liberalism. I am satisfied that if the voters of Wisconsin will keep in mind always that it is what men vote for in the Senate that counts, and it is what they sponsor and urge by way of legislative adoption in the Senate that determines the kind of Senators they are, there is no question that the junior Senator from Wisconsin will be in this body, as I hope and pray he will be, for many and many a year to come.

When I stress the matter of a voting record, I wish to invite attention to the fact that when I was a boy in high school I used to listen to the famous speeches and to note the votes of the then senior La Follette. He impressed upon me in those days, as I have been heard to say so many times in the Senate Chamber, that it is not what a politician says but how he votes that determines his caliber as a Senator, because unless what he says can be squared with his voting record, then I would say, as the senior Bob La Follette used to say to the voters of Wisconsin, "Don't swallow what he says unless what he says corresponds to his voting record."

The junior Senator from Wisconsin has already demonstrated by his voting record in the Senate that he can be counted upon to square his votes with his speeches, and vice versa. I want to congratulate the present Presiding Officer of the Senate, the junior Senator from Wisconsin, for the additional contribution he has made in the Senate this afternoon to the great cause of needed educational legislation.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 916. An act to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes; and

S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

FEDERAL EXPENDITURES FOR RIVERS, HARBORS, AND FLOOD CONTROL

Mr. ELLENDER. Mr. President, I have been urged by quite a number of my colleagues to set the record straight in regard to an article which was published in the January 11, 1958, issue of the Saturday Evening Post. The article was entitled "It All Comes Out of Your Pocket," and was written by Leslie A. Miller. Among the Members of the Senate who have requested that I set forth the facts are our distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON]; the Senator from Arkansas [Mr. MCCLELLAN]; the Senator from Alabama [Mr. HILL]; the Senator from Florida [Mr. HOLLAND]; and the Senator from Washington [Mr. MAGNUSON].

The article entitled "It All Comes Out of Your Pocket" attacks the Congress of the United States and the Army Corps of Engineers in connection with Federal expenditures for rivers and harbors and flood control.

The article is full of innuendoes, half-truths, and inaccuracies. Many of the Members of the Senate have already read this article, and a number of them have suggested, as I have just stated, that I answer the article, in order that the American people may have a better understanding of the need for resource development in this country.

On February 12, 1958, I wrote to the editor of the Saturday Evening Post, referred to the article, and stated that it was so misleading and inaccurate, as it relates to the civil works of the Corps of Engineers, that in my opinion it required an answer. I requested equal space in the Post to make an appropriate reply. Under date of February 18, 1958, I received from Mr. Merrill Pollack, associate editor, a letter stating that they did not feel they could afford to allow me equal space in which to reply to the article, but that I could reply in the "Letters to the Editor" department; and they requested that my comments be kept to a minimum, preferably 200 to 300 words.

On February 25, I wrote to the editor of the Post a letter for the "Letters to the Editor" department. In the letter I acknowledged his right as an editor of a free press to print or withhold from the public such information as he deemed desirable, but that in this case I felt his judgment was not well founded. I then commented on 1 or 2 items in the article written by ex-Governor Miller, and pointed out the tremendous increase which can be expected in our water consumption in the next 17 years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the correspondence I have had with the editor of the Saturday Evening Post.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

FEBRUARY 12, 1958.

Mr. BEN HIBBS,
Editor, The Saturday Evening Post,
Philadelphia, Pa.

DEAR MR. HIBBS: The article by Leslie A. Miller, as told to Sidney Shalett, entitled "It All Comes Out of Your Pocket" appearing in the January 11, 1958, issue of the Saturday Evening Post, has been called to my attention.

This article is so misleading and inaccurate as it relates to the civil works of the Corps of Engineers, that in my opinion, it requires an answer. The article does a grave injustice to the corps, whose uniformed and civilian employees are a dedicated body of public servants.

Frequently, similar articles published in popular magazines have been answered in technical publications such as the Engineering News Record and Civil Engineering. Unfortunately, such rebuttals fail to reach the majority of the people that read the original articles, and to all intents and purposes the original statements go unrefuted.

In order that this subject may be placed in its proper perspective in the minds of your readers, I desire equal space in your magazine to reply to this article.

Sincerely yours,

ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works.

THE SATURLAY EVENING POST,
THE CURTIS PUBLISHING CO.,
Philadelphia, Pa., February 18, 1958.

Hon. ALLEN J. ELLENDER,
Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: I'm sorry to say that we do not feel we can offer you equal space in the Saturday Evening Post to reply to the article by Leslie Miller. It has been our experience that a rebuttal article, appearing weeks or months after an original work, usually does not attract much public attention.

On the other hand, our readers do look for such material in our Letters to the Editors department, and that is where we customarily publish any criticism of the material we print. If you would like to reply to Mr. Miller's article, we would be happy to promise you some space in the letters department. However, we are seriously limited for space there and we would have to ask you to hold your comments to a minimum—preferably 200 to 300 words.

The letters department, incidentally, is one of the best-read features in the Post.

Yours truly,

MERRILL POLLACK,
Associate Editor.

UNITED STATES SENATE,
COMMITTEE ON
AGRICULTURE AND FORESTRY,
February 25, 1958.

Mr. BEN HIBBS,
Editor, Saturday Evening Post,
Philadelphia, Pa.

DEAR MR. HIBBS: I wrote you on February 12, 1958, concerning the article of Mr. Leslie

A. Miller appearing in the January 11 issue of the Saturday Evening Post. I stated that this article is so misleading and inaccurate as it relates to the civil works of the Corps of Engineers that, in my opinion, it requires an answer, and I requested equal space in your magazine to reply to this article.

Under date of February 18, 1958, I received a reply from Mr. Merrill Pollack, associate editor, stating that you do not feel that you can offer equal space in the Saturday Evening Post to reply to the article by Mr. Leslie Miller, but promised some space in the letters department and requested that my comments be held to a minimum, preferably two to three hundred words.

I certainly uphold your right as an editor of a free press to print for the information of the public, or withhold from the public, such information as you deem desirable. In this particular case, I am in total disagreement with the conclusion you reached, and regret that you do not consider the water problems of this country of sufficient importance to be brought to the attention of the American people. Under the circumstances, I have no alternative but to accept such space as you have allowed me for a partial rebuttal of the article of Mr. Miller, and will rely upon such other means as there may be at my disposal to answer the article in more detail.

I will endeavor to hold my comments to a minimum, and request that you print my letter in its entirety.

Mr. Miller states that "Federal expenditures on river and harbor developments began in 1824. Actual disbursements and authorizations from that year to the present already stand at some $35 billion and future projects have been proposed that would bring the Nation's waterways bill to a staggering total of $70 billion." The author's statement would indicate that he is talking about navigation improvements on rivers and harbors. However, the figures quoted apply to the water resource development activities, including power generating and transmission facilities of all Federal agencies which includes: the Corps of Engineers river and harbor, flood control, and multipurpose propjects; Bureau of Reclamation irrigation, water supply and power projects; Bonneville Power Administration; Bureau of Indian Affairs development of irrigation on Indian lands; the Southwestern Power Administration; the Tennessee Valley Authority; the International Boundary and Water Commission, Department of State, in its international obligations; and the flood prevention and pilot watershed projects of the Department of Agriculture.

I believe it is impossible to overemphasize the importance of water and water resource development in its relationship to our future economic growth. The Report of the Presidential Advisory Committee on Water Resource Policy, dated December 23, 1955, pointed out that the estimated use of water in this country in 1950 was 185 billion gallons per day, and that based on a population estimate of 200 million by 1975, the estimated requirements would be 350 billion gallons per day. If you consider the revised estimated population of this country in 1975, the estimated water requirement would be between 400 and 450 billion gallons per day, considerably more than double the 1950 requirement, and this is just 17 years away.

It will soon be too late to provide the needed facilities on other than a crash program unless the public is aware of the critical water problem which faces us in the next decade.

I believe you will now understand why I was disappointed when you felt that a reply to Mr. Miller's article would not attract much public attention.

Sincerely yours,

ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works.

Mr. ELLENDER. Mr. President, while the Saturday Evening Post is so interested in publishing an attack on waterway improvements which are an investment in America's future, and in playing up those improvements as something coming out of the taxpayer's pocket, it might be well to point out that last year there appeared in the CONGRESSIONAL RECORD, volume 103, part 12, page 15861, exhibit 2, prepared by the United States Post Office Department, which estimated the annual revenues and costs in connection with mailing of selected leading magazines. The tables show that for the Saturday Evening Post the estimated postal revenue is $3,488,000 annually. The estimated postal cost is $9,557,000. The difference is a loss to the Post Office Department of $6,069,000, which is really, actually, and truly money which comes out of the pockets of the taxpayers. That is an unadulterated subsidy. Yet, Mr. President, the Saturday Evening Post had the temerity to incorporate in the article a reference to a little project costing approximately $33,000. I shall discuss it later.

Mr. President, the estimate of $6,069,000 as the loss to the Post Office Department as a result of carrying the Saturday Evening Post in the mails may be too conservative. I note from page 2505 of the CONGRESSIONAL RECORD for February 20, 1958, in connection with the remarks of Representative GEORGE M. RHODES, the following paragraph:

> Mr. Speaker, last week Mr. Robert MacNeal, president of the Curtis Publishing Co., testified before the Senate committee that my amendment to the postal rate bill would cost his company $22 million a year more postage to mail the 320 million copies of their two major publications, the Saturday Evening Post and Ladies' Home Journal.

That amendment would have limited the annual second-class postal subsidies to $100,000 per individual publisher.

I had prepared a reply to the article in the Post. It was written, Mr. President, in an informal style, for publication. Since I have been denied an opportunity to use the facilities of the magazine to inform the American people on this important aspect of Federal expenditures, I wish to take this opportunity to make my reply, for the information of the Senate and the rest of the American people.

My reply is as follows:

AND WHAT DID YOU BUY?

I was somewhat disturbed over the article by Leslie A. Miller, as told by Sidney Shalett, entitled "It All Comes Out of Your Pocket," which appeared in the January 11, 1958, issue of the Saturday Evening Post. I say "somewhat disturbed" because the vast majority of the people in the United States live reasonably close to creeks, rivers, lakes, oceans, and other bodies of water. A moment of reflection on their part as to the benefits derived from Federal investment in water resource development in their area would of necessity invoke an air of skepticism in their reading of the remainder of the article. My concern, therefore, is directed primarily to the individuals who are not fortunate enough to live close to the water.

In the first place, the article is misleading and calculated to discredit the Congress and the Corps of Engineers. It appears that little or no attempt was made to verify figures, and give a true picture of the subject discussed.

A typical example of an attempt to lead the reader astray can be found by comparing the first caption for the article with the first paragraph. For instance, the lead caption is, "A Former Governor Sounds Off Against an Abused Congressional Pastime: Spending Huge Sums for Improving Navigation on Minuscule Waterways."

Mr. President, the phrase "minuscule waterways" means "petty waterways". I had to look up in the dictionary the meaning of the word "minuscule," in order to be certain just what it did mean.

I continue my reply:

That caption in the article immediately leads the reader to believe the article is an attack on navigation. However, in the first paragraph the author states, "Federal expenditures on river and harbor developments began in 1824. Actual disbursements and authorizations, from that year to the present, already stand at some $35 billion and future projects have been proposed that would bring the Nation's waterways bill to a staggering total of $70 billion." Let us examine these figures in a little more detail. Actual appropriations for navigation projects since 1824 have totaled $5.8 billion. The balance of authorization for navigation projects amounts to $3.1 billion. It is obvious therefore that that is not what the Governor is talking about. In an earlier sentence he referred to pork-barrel legislation concerning rivers and harbors and flood control. Perhaps he has included flood control in his figures. To date, the Congress has appropriated $5.4 billion for flood-control purposes, and the balance of authorization is $1.5 billion. Let's total the appropriations and the authorizations for both river and harbor and flood control and see what we get—some $15.8 billion. The figures for appropriations to date include the cost of maintenance from 1824 through 1958, as well as surveys and all other costs chargeable to this type of work. If you consider construction only, including the cost of approved projects for which only partial monetary authorization has been approved by Congress, $11.6 billion has not been appropriated, which, with the $11.2 billion appropriated, makes a total of $22.8 billion including all maintenance.

Let us speculate a little further. Oh, yes; the Governor was a member of the Hoover Commission task force. Perhaps that gives us a clue. The report of the task force, which included appropriations for construction through fiscal year 1954, discussed a $30 billion program of water resource development by all Federal agencies. On that basis, perhaps a $35 billion figure would be reasonable as the total cost of the authorized water resource programs of all Federal agencies, when allowance is made for subsequent authorizations since 1954, and for price escalation.

The route which must be followed to conjure up the $70 billion figure is, frankly, too tortuous for me to follow at

this time. However, when Senators consider the future requirements for the expanding population of this country, it may not eventually be an unreasonable figure, and I suppose if we set a date far enough in advance and include all types of water resource development, including those that are wholly reimbursable to the Federal Government, some day we shall reach the Governor's figure. But the important thing is that neither the $35 billion nor the $70 billion figures have any relationship whatsoever to improving navigation on minuscule waterways, to quote the article.

COMPOSITION OF THE WATER RESOURCES PROGRAM

The Hoover Commission task force, at page 6, included in the Federal water resource development program the activities of the following agencies:

Agency:
Department of the Army, Corps of Engineers:

Estimated total cost of construction program (in millions)

Flood control	$11,221.2
Rivers and harbors	8,110.3
Department of the Interior:	
Bureau of Reclamation	6,761.2
Bonneville Power Administration	581.8
Southwestern Power Administration	27.1
Southeastern Power Administration	3.1
Bureau of Indian Affairs	98.5
Tennessee Valley Authority	3,011.1
Department of State: International Boundary and Water Commission	69.7
Department of Agriculture: Flood control and flood prevention	180.2
Total	30,064.2

EVALUATION OF OUR ASSETS

Let us now examine what we have purchased under the Corps of Engineers navigation program, and that is an important thing, Mr. President. May I say there was not one word about it. The article was silent on the benefits derived from the various projects Congress authorized, which were built by the Corps of Engineers and also by the Interior Department.

The physical facilities include: 266 excellent harbors with depths of from 30 to 45 feet, whose total commerce reached a record high of 495.6 million tons in 1956, an increase of 14 percent since 1955.

Great Lakes system, including 100 lake harbors that provide general depths of 21 feet. These harbors include 4 (Duluth-Superior, Chicago, Toledo, and Detroit) of the 10 leading ports of the United States. As a result, this great system provides a navigable waterway about 1,500 miles in length, which carried bulk commodities of the industrial Midwest to the tune of 110 billion ton-miles of freight in 1956.

Inland and intercoastal waterways, which include the improvement, in varying degrees, of some 22,500 miles of waterways, provide the most extensive inland navigation system in the world. Traffic on this waterway system had reached a total of 109 billion ton-miles in 1956, which represented an increase of 32 percent since 1954. Along the Ohio River the investments in new industrial development since World War II are approaching the $15 billion mark. The resultant increase in Ohio River traffic since the end of the war has been outstanding. The record 76.4 million tons handled in 1956 is about double the 1946 figure, and about 30 percent more than the traffic handled in 1954.

Under flood control, the project for the protection of the alluvial valley of the Mississippi River has been under construction since 1928, with an expenditure of $1 billion. On general flood control the corps has completed or has under construction 543 projects. These projects prevent average annual flood damages of $426 million. The estimated cumulative damages prevented by these projects to June 30, 1957, total $8.66 billion.

Nothing is said about that in the article. Nothing is said about hydroelectric power. Yet that is included in the $70 billion figure referred to. Let me give the Senate and the American people the facts on that point. That is what I ask be done by the great publication known as the Saturday Evening Post.

Hydroelectric power: 22.6 billion kilowatt-hours of electricity were generated at Corps of Engineers projects in fiscal year 1957, and there was deposited in the Treasury, as miscellaneous receipts, $63 million in fiscal year 1957, with a total to date of $300 million.

Since most of these projects are rather new, may it be well to consider one of the earlier projects that have a longer history. The first power was placed on the line at Bonneville Dam in June of 1938, and the last of 10 units in December of 1943. The total cost of this project, including maintenance, was $100.8 million, of which $71.7 million was chargeable to power.

To date—listen to this, Senators—$58.6 million has been deposited in the Treasury of the United States as miscellaneous receipts during an average period of 18 years. In other words, that project has almost been paid for to date.

Water supply and streamflow regulation: The Corps of Engineers is providing about 2.7 million acre-feet of water in 16 reservoirs, in the interest of domestic and industrial water supply which serves over 38 towns and cities in fiscal year 1957. The deposit in the Treasury for this storage facility amounted to $516,000 in 1957, and $9 million cumulative.

Irrigation storage: A total of 2.6 million acre-feet of water for irrigation purposes was provided in fiscal year 1957. The deposits in the Treasury from this source amount to $1,182,000 during fiscal year 1957 and a cumulative figure of $2,623,000.

Public recreation use of project areas: Total attendance for the calendar year 1956 exceeded 71 million visitor days, in contrast with 54 million in 1954.

Returns from leases and concessions amounted to $1.6 million in fiscal year 1957, and have totaled $11.8 million. While these sums are deposited in the Treasury, by law 75 percent of such sums are paid to the States in which the land is located.

BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

The irrigable area encompassed by Federal reclamation projects was 7,658,801 acres as of January 1, 1957. The installed generating capacity at Bureau of Reclamation projects totals 5,031,550 kilowatts. To date—that is, since 1903 through fiscal year 1958—the total cost of this program has been $3.7 billion, and the balance to complete projects now under construction is $1.5 billion. Actual repayments to June 30, 1957, have been $8 billion.

All of the reimbursable portions of the Federal investment in these projects, as so designated by the Congress, will be repaid by the water users and project beneficiaries. In addition, these projects have created permanent new farms and communities founded on irrigation of arid and semiarid lands from which, since 1940, the Federal Treasury has received some $3.2 billion in additional income and excise taxes.

Irrigation projects constructed or rehabilitated by the Bureau of Reclamation have produced $12.3 billion worth of farm crops since the first reclamation harvest in 1906. The value of crops grown on reclamation projects in 1956 was $951.6 million. More than 150 different crops are grown on these irrigated farms, including many scarce and valuable commodities not produced in commercial quantities elsewhere in the United States. Only under irrigation in the sun-bathed Southwest can we get dates, avocados, and olives in ample supply.

I believe that the only way to evaluate the reclamation program is to take a project that has been in operation over a period of years and see what it means to the area and the Nation.

SALT RIVER PROJECT

The Salt River project at Phoenix, Ariz., now in its 50th year of operation, has produced $1.5 billion of food and fiber for the Nation. Out of the trackless desert, irrigation built a community that supports half a million people. The value of crop production has been multiplied twentyfold since 1910, property values have risen 1,900 percent, and population multiplied by 33 times. This project, lying within the Nation's limited area of subtropical climate, has provided fresh winter vegetables and citrus fruits, dates, nuts, olives, and melons which have revolutionized the American diet.

The original investment of the United States has been completely repaid by the water users. In addition, some $250 million of Federal income and excise tax revenue has been taken out of the project vicinity since 1940—25 times the value of the original loan for project construction. Senators do not see that fact mentioned in the Saturday Evening Post article. It is left out.

The Salt River project construction repayment contracts total $24 million—$14 million of this obligation has already been repaid to the United States Treasury and repayments are current.

THE BONNEVILLE POWER ADMINISTRATION

The total capital investment of the Government in the Bonneville Power Administration transmission system is $457 million, and the estimated cost to complete the facilities now under construction will require an additional $19 million for a total investment of $476 million. Accumulated cash receipts from power operations returned to the Treasury amount to $226.8 million, of which $112.1 million is credited to repayment of the transmission system. The balance is credited to Corps of Engineers or Reclamation projects and is included in the figures reported for those agencies. In addition, the Bonneville Power Administration has deposited in the Treasury $131.4 million for the cost of operation and maintenance, $81.2 million and interest expense on the Federal investment of $50.2 million. In other words, total deposits in the Treasury to June 30, 1957, amount to $358.2 million.

The significant point in this program, where all of the public and private power is pooled and distributed through a common grid system, is an effective net gain in capacity to meet peak loads of 600,000 kilowatts.

SOUTHWESTERN POWER ADMINISTRATION

The total Federal investment in the transmission facilities to December 30, 1957, is $24.5 million, and an additional $1.9 million will be required to complete facilities under construction, for a total cost of $26.4 million.

SOUTHEASTERN POWER ADMINISTRATION

Only one transmission line was constructed by the Southeastern Power Administration, and it was later sold at a price which fully reimbursed the Federal Government for its investment in the facility.

BUREAU OF INDIAN AFFAIRS

The total estimated cost of irrigation facilities on Indian lands to June 30, 1957, was $88.2 million and the estimated cost of completing such facilities on Indian lands is $78.9 million. As of June 30, 1957, there were 870,000 acres under irrigation. The value of crops raised on these lands in calendar year 1956 was $55.2 million. The cumulative value of crops raised on irrigated Indian lands from 1944 through 1956—13 years—was $563.3 million.

TENNESSEE VALLEY AUTHORITY

The total installed capacity of the integrated power system of TVA consists of 3,602,235 kilowatts of hydro and 6,287,250 kilowatts of steam for a total of 9,889,485 kilowatts. For the third consecutive year more than half of the power sold by TVA went into AEC and other defense agencies.

About 2 billion ton-miles of traffic moved on the improved Tennessee waterway in calendar year 1956.

The flood-control storage in the system of reservoirs operating in the January 1957 flood reduced the crest at Chattanooga from 54 feet to 22½ feet and prevented damages estimated at $66 million at Chattanooga. With the damages averted in Chattanooga reached a cumulative total of $120 million. The total for the basin reached $132 million, which is 70 percent of the investment of $184 million in the flood-control features of the TVA multiple-purpose system.

Let me summarize the investments.

The investment of June 30, 1957, for the power program was $1,436,265,433. In this regard, the investment of Treasury funds as of June 30, 1954, was only $164,415,676.

The repayment of June 30, 1957, for the power program was $240,131,519. The repayment figure includes $65,072,500 applied to the liquidation of the funded debt and $175,059,019 paid into the general fund of the Treasury.

The investment to June 30, 1957, for the nonpower program was $600,497,197.

The repayment to June 30, 1957, for the nonpower program was $37,776,996.

The total investment to June 30, 1957, was $2,036,762,630, and the total repayment to that date was $277,908,515.

THE INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

The Federal expenditure for construction by the Commission totaled $7,828,000—1955–58. Since 1953, when the Falcon Dam was placed in operation, the flood damages prevented in the Rio Grande Valley in the United States are estimated at $55 million. This exceeds the United States share of the cost of the dam. In addition, it has provided water for domestic use for an area in this country that has a population of nearly 400,000 people, irrigation water for 700,000 acres, and the revenue from the United States share of the power amounted to $683,172 through December, 1957. Other projects accomplished with the funds provided include items required to fulfill treaty obligations and for the protection of land on the United States side of the border, correction of health hazards as well as the establishment of gaging stations to provide a basis for determining the national ownership of the boundary waters available to each country under the 1944 water treaty.

SOIL CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

Included in the water bill Mr. Miller discusses is the Federal cost of some 983 floodwater-retarding structures installed or contracted for; 7,507 sediment-control structures installed or contracted for; stabilization of 207,500 acres in critical areas; contour farming on 1,900,000 acres of land; stripcropping on 63,000 acres; terracing 67,000 miles; 5,000 erosion control structures, and the planting of 44,000 acres of trees.

A recent example of the value of this type of work can be found in the Upper Trinity Watershed in Texas. Land conservation measures had been applied over a wide area, and 138 upstream dams built, when unprecedented storms struck the area in April and May 1957. It is estimated that these upstream measures prevented damages of $1 million to crops, pastures, livestock, homes, buildings, roads, bridges, and utilities in valley bottoms in tributary watersheds. In addition to run-off held back by conservation practices on farm and ranch lands, the dams temporarily held enough water to have covered 122,000 acres to a depth of one foot, and they trapped enough sediment to have covered 3,000 acres to a depth of one foot.

These locally sponsored programs supplement downstream dams and other developments on major rivers by Federal construction agencies. These programs are coordinated with other Federal programs through field consultation and exchange of mutually useful technical data.

It is readily apparent that we have a large investment, and I use that word advisedly, in physical facilities that are producing great benefits to the American people and will continue to do so for many years in the future.

BACKLOG OF AUTHORIZED PROJECTS

Such references as: "Already there is admission that even the insatiable Corps of Army Engineers, which the late Secretary of the Interior Harold L. Ickes once described as the most powerful and most persuasive lobby in Washington, has been fed more than it can digest, and the corps has on its books approximately 3,200 active projects with a total estimated cost of $16,715 million and 626 deferred and inactive projects involving another $2.5 billion," are misleading. I suppose these figures are about right. However, it is implied that it is undesirable to have this large backlog of authorized projects on the books. I am sure the Governor recalls the leaf-raking and make-work projects of former Secretary Ickes' WPA and PWA days during the depression of the 1930's. I believe, and I think it is generally accepted, that there should be a large backlog of planned and worthwhile public works which can be prosecuted as permitted or required by the national economy to meet the expanding needs of the Nation or as a measure to combat unemployment. The program is, and should be, a dynamic one which is reviewed and supplemented in keeping with the needs of our times.

With reference to the portion of his comments dealing with the inactive projects, the corps has weeded out of its inactive program those projects which are of questionable justification or need and carries them as deferred or inactive. The Governor sees no harm in this procedure, but suggests that Congress take action to deauthorize such projects. At this point I find myself in partial agreement with him, at least to the extent that there is no harm in identifying these inactive or deferred projects. A clear understanding of why these projects are carried as inactive would not lead one to the inevitable conclusion that Congress should take action to deauthorize the projects. Many of these projects have been deferred because of changed local conditions between the time of authorization and the present time. The very factors which now indicate the desirability of deferring these projects could, in the not-too-distant future, with further changes in the economy of the area, indicate the desirability of their early construction. If such were the case, many years and taxpayers' dollars would be

lost in the resurvey and reauthorization of these projects.

SURVEY REPORTS

I was intrigued with the author's apparent effort to be objective with respect to review of survey reports, wherein he states that spokesmen for the corps say that approximately 50 percent of projects reviewed—in number, not dollar volume—are turned down. So I asked the corps about these figures because there is a decided implication that this percentage figure would not be true if it were based on dollar volume of proposals submitted. I find that such an implication is completely without basis. The Corps of Engineers informs me that during fiscal years 1956 and 1957 the dollar volume of unfavorable reports would have exceeded 50 percent of the total estimated costs of the projects contemplated.

JOSIAS RIVER, MAINE

The author then critically discussed several projects. While I have no desire to refute or attempt to justify each and every project, a few of these picked at random for further examination produced some rather interesting results. The author states that—

One of Senator DOUGLAS' most devastating attacks on waterway pork occurred some years ago, when Senator HAYDEN challenged him to point out just one piece of fat. Senator DOUGLAS solemnly advanced on Senator HAYDEN, bearing an atlas and a large magnifying glass. Pointing out that the bill contained a $33,000 item for improving the Josias River in Maine, where Senator DOUGLAS had grown up, he declared, "I have never known of the Josias River, though my family has been a seafaring family along the coast of Maine for some 300 years."

I suppose it is both unfortunate and typical of the author that he did not bother to investigate the facts. The Chief of Engineers recommended improvement of the channel of the Josias River at Ogunquit, Maine, to provide a depth of 5 feet at mean low water and a width of 40 feet, at an estimated first cost of $64,000, subject to the condition that local interests, among other things, contribute one-half of the initial cost, but not to exceed $32,000. The district engineer reported that Ogunquit is nationally advertised as one of the 22 world-famous sport fishing centers, and that local interests stated that this advertising was unsolicited. Apparently, someone is doing an excellent business in selling magnifying glasses, since the Maine Tuna Club located here numbers among its membership many nationally known personages.

Obviously, for an expenditure of $63,000 no extensive navigation facility could be provided. A review of the project document shows that the project was justified on the basis of providing protection for sport and commercial fishing activities at this community. Recreation is a major industry in New England and with such an abundance of game fish off its coast, game fishing has been stressed to attract sport fishermen to its waters.

I have an abiding faith in the business ability of New Englanders. I felt, therefore, that if they were willing to contribute one-half of the cost of this project it must be a pretty sound investment. My curiosity got the best of me, so I asked the charming and gracious senior Senator from Maine for factual information on any benefits that might have accrued to the community as a result of this improvement. I found that Senator SMITH had already called the article by Governor Miller to the attention of Mr. Littlefield who formerly was chairman of the Perkins Cove Improvement Committee of the Village of Ogunquit and had received a reply from him.

In order to be conservative, Mr. Littlefield considered only the lobster catch. Before the improvement this activity was not carried on during the winter months. Now they can work all year, and the lobster catch during the winter months alone is well in excess of $28,000. He reports that it is safe to say that the increase in the value of the lobster catch alone in 1 year would be as great as the cost of the Federal improvement.

Aside from that, Mr. President, since I have been chairman of the Subcommittee on Public Works of the Committee on Appropriations, I believe that any community, such as this community in Maine, where people go to the expense of building fishing boats and renting them to visitors, can claim that such activity constitutes a business which is good for the community, and that it is important to provide facilities so that the business can be carried on. For that reason, and for other reasons as well, this project was provided.

Mr. Littlefield further stated that, although he was unable to obtain a satisfactory estimate of the herring catch, it would be substantial, and excluding sport fishing, in a good year the tuna catch is worth at least $5,000.

In my opinion modest expenditures of this type at fishing villages are of tremendous importance to the local economy of the village and surrounding area.

Governor Miller goes on to state that the Senator from Illinois [Mr. DOUGLAS] reiterated his suspicion that the Josias River folks were angling for a freshwater anchorage for the motorboats and sailboats of summer residents. Yes; that was a part of the justification for the project as set forth in the report of the district engineer. It is strictly in accord with the Fletcher Act, approved February 10, 1932, where such traffic is defined as commerce. In such cases local interests are required to contribute 50 percent of the cost of construction. Is this a far-fetched interpretation? I do not believe so, when we consider that the major portion of the income of the residents of Ogunquit is derived from recreational activities. Yes; recreation is a business enterprise and with the continual shortening of the average work week, this business becomes larger and more important to the well-being of the American people.

No one seems to criticize the expenditure of Federal funds for recreational purposes in national parks and national forests, but when modest sums are expended for such purposes in connection with waterway improvements, there are those who look askance at the expenditure. In this connection, I suppose few people realize that there are more visitor days enjoyed at Lake Texoma on the Red River in Texas and Oklahoma than in any of the national parks, or that the visitor days at all the corps reservoirs exceed the visitation at all the national parks.

We have considered a small project. Now let us take a big one and look at the facts. The author refers to the "hydra-headed proposal to develop the Arkansas River Basin for navigation, hydro-electricity, flood control, and numerous other purposes, including recreation, municipal and industrial water supply, draining, soil conservation—in short, the works. Congress already has authorized $1,200,000,000 and this is just a starter. There are related proposals for developing the entire Arkansas-White-Red River basins extending into seven States. An interagency committee estimated the total cost of all Arkansas-White-Red River proposals advanced to date at more than $5 billion and the scope is constantly growing."

That is what appears in the article. Now let us consider the facts.

ARKANSAS RIVER BASIN

The present estimated cost for the comprehensive plan of improvement for the Arkansas River Basin is $1,103,800,000 for which only partial monetary authorization has been provided. The plan will provide more than 8 million acre feet of storage, of which 3,857,000 acre feet are for flood control and 98,700 acre feet for municipal and industrial water supply. The plan includes the installation of 320,000 kilowatt of hydro capacity, together with 512 miles of navigable channel. The Arkansas River is the last major stream in the United States which has not been developed for navigation.

The entire development of our country has been centered around its navigable waterways. More than half the people of the United States reside in metropolitan areas of 150,000 population or over. More than 80 percent of the persons living in these areas in 1950 resided in cities located on navigable water. This situation is not unique or peculiar to our country, as it is evident that the economy of a country is directly proportional to the use and development of its water resources. This fact has been brought home to me time and time again as I have traveled through various countries of the world. Sceptics and those deliberately biased will say that navigation on the Arkansas River is a dream which will never come to pass. Such people no doubt are ignorant of both the history and potential of this great river valley. Perhaps few of them realize that a century ago, waterborne cargo valued at $5 million annually were discharged at one point alone on the Arkansas River in Oklahoma. Nor do they realize that there are deposits of from 35 to 55 billion tons, depending on the criteria used, of bituminous coal in the Arkansas River Basin in close proximity to the Arkansas River, which can and will move by barge and thereby stimulate the economy of this great region. Incidentally, a great portion of this coal is actually owned by the Federal Government. This region

has all the requisite elements for industrial growth save one: river transportation.

Will this part of the country respond to Federal development of water resources? Let us see what has been accomplished in this area, principally on tributary streams.

The Federal Government has constructed or participated in the construction of 14 flood control and multiple purpose reservoirs in the State of Oklahoma during the past 20 years. The total cost of this group of projects through June 1957 amounts to $191,500,000. The estimate of benefits in fiscal year 1957 include: Flood damages prevented, $14.1 million; power generation, $700,000; water supply, $200,000; returns from leases and concessions, $300,000. Flood damages prevented represent an indirect return to the Federal Government, since losses from flood damages are deductible on income tax returns. The National Park Service has estimated that the value of park facilities is worth $1.26 per visitor per day. To be conservative, if we assume a value of $1 per visitation, the benefits from these reservoirs amount to about $16 million a year. Think of it. Oklahoma, with a population of 2.2 million in 1950, records over 16 million visitations a year at these reservoirs. Obviously, many of these visitors traveled great distances to enjoy the recreational facilities afforded by these beautiful bodies of water, which would indicate that $1 per visitation is a conservative evaluation of their worth to these visitors. The total benefits from these reservoirs in fiscal year 1957 are estimated at $31.3 million. On this basis it is evident that the American people are getting a benefit of $31.3 million a year on an investment of $191.5 million. I do not believe they did too badly.

PORK, RUSSIAN STYLE

Another typical example that the author is completely oblivious to what is going on around him can be found in the following paragraph:

> This year, of course, the Russians having soared into scientific ascendancy over the United States with their prior conquest of space, the need for diverting pork barrel millions into research and national defense channels is even more urgent. It seems an act of sabotage to waste one unnecessary dollar that could be used to help us catch up in the race for scientific supremacy.

The consultant to the Committee on Interior and Insular Affairs recently prepared a report on Relationships of River and Related Resource Development Programs of the United States, Soviet Russia, and Red China. That study points up the tremendous importance which the Soviet Union has placed on water-resource development. It cannot fail to demonstrate the fact that the Soviet officials have recognized the major role which water plays in the economic strength of a nation, nor do I presume for a moment that its leaders have completely overlooked the military significance of the development of its vast river valleys. I have visited Russia during each of the past 3 years. Last year I traveled extensively within the Soviet Union for 33 days. I visited cities never before seen by an American Government official and talked with and came in contact with literally thousands of Russian people. During this period I had the opportunity of inspecting hydroelectric projects in Siberia. On the Angara River alone Russia is building one hydroproject which is over 50 percent larger than the biggest installation in this country. The largest one they are building is on the Yeniesi River, into which the Angara River flows. The Russians are now in the process of building another project which will be double the capacity of the largest hydroelectric installation in the United States.

An interesting article was published in the New York Herald Tribune on Sunday, September 22, 1957, written by the military and aviation editor, Mr. Ansel E. Talbert. He stated:

> The increasing rate of Soviet construction of new channels and waterways, particularly in the Asiatic portion of its territory, is acting to ease the enormous strain on the overworked and militarily vulnerable trans-Siberian railroad.
>
> Within the next few years, inland "arterial waterways" are likely to connect up all the major industrial and administrative centers of the Soviet Union. As envisioned by Soviet strategists, they eventually will enable submarines and all but the largest ships of the Red Navy to pass from any sea or ocean at the borders of the U. S. S. R. to another along safe inland waterways protected by defensive jet fighters and missiles.

I am becoming a little sick of having the tag "pork barrel" placed on water-resource development projects in this country. No one would accuse the Russian leaders of squandering money on such projects if they were not convinced that the development of these resources is essential to the well-being of their country. The American taxpayer is asked annually to pick up the check for river and harbor, flood control, irrigation, power, and other resource-development projects in foreign countries under the Mutual Security Act on the basis that such projects are essential to the economic development of those countries. Yet the same individuals who cry "We cannot afford this pork barrel," when Congress appropriates money for the development of America, urge even larger appropriations for foreign aid.

ADVANCES VERSUS CONTRIBUTIONS

Did the author check the facts, or did he grasp at a straw when he cited this horrible example:

> The United States Comptroller General recently cited to Congress a curious example of seeming indifference to the taxpayers' welfare wherein the Corps of Engineers actually refused a contribution proffered to the Government by a benefiting private company. At Oswego, N. Y., one company alone stood to save $435,000 annually through harbor improvements. "The company offered," the Comptroller General related, "* * * to advance $100,000 to the Federal Government to commence work on the project. Despite its willingness * * * cash contributions toward the construction cost were not recommended by the Chief of Engineers because the benefits to the company were considered to be savings in transportation costs that would be passed on to the ultimate consumer.

I suppose the author should know the difference between a contribution and an advance. Both the author and the General Accounting Office seem to use these terms interchangeably, which has the desired effect of misrepresentation. The Comptroller General's report considered the offer of the St. Regis Paper Co. in July 1948 to advance $100,000 for the Government to start construction on the work authorized by the 1948 act, as a local contribution toward that work; whereas it was merely an offer to advance funds for planning the Federal project. The advances are repayable in all cases. There have been many projects in which advances were made in the manner I am now describing.

Although the Chief of Engineers has authority to accept advance of funds, the Appropriations Committees of the House and Senate have admonished the Chief of Engineers not to accept such funds since the acceptance would in effect start a project which had not been examined and approved by the Congress for initiation at this time. If the Chief of Engineers were to initiate projects with advances made by local interests, it would place those communities that are financially able to raise money in a preferential status for the initiation of Federal-resource projects.

A moment ago, when I mentioned advances, I meant advances which had been made, to my knowledge, for projects which were authorized. I remember that the Congress provided funds to repay those advances.

OBSTACLE COURSE OF A PUBLIC WORKS PROJECT

The author has continually referred to authorizations and appropriations as pork-barrel legislation. I think it might be well at this time to consider briefly the procedures a project must go through before the first shovelfull of dirt is turned. To begin with, a survey must be authorized, either by an act of Congress or, if a previous report is made, by a resolution of the Committee on Public Works of either the House or Senate. This constitutes an authority to make a study, but no funds are available. The engineers must seek an appropriation from Congress to make the investigation. Once funds are provided, a public hearing is held to determine the desires of local interests. The technical personnel of the district office of the Corps of Engineers then makes a detailed survey of the physical and economic factors involved and determines the estimated cost. It then determines the annual carrying charges, which include interest charges, amortization of the investment as well as the cost of maintenance and operation, for comparison with the annual economic benefits expected to accrue from the construction over the economic life of the project or 50 years, whichever is the lesser.

In this connection, it should be noted that their economic ratios are conservative since most of the projects will not have approached their economic life by the end of 50 years. The report of the district engineers is reviewed by the division engineer and a public notice is issued to all interested parties advising them of the findings of the district and

division engineers. They are informed as to where they may have access to the report and are invited to submit any comments they may have to the board of Engineers for Rivers and Harbors in Washington. At this time, if a public hearing is desired, arrangements for such can be made with the Board of Engineers. These reports are reviewed critically by the Board's technical staff and considered at formal Board meetings. After the Board of Engineers for Rivers and Harbors has completed its review, a report is then submitted to the Chief of Engineers where the report is again reviewed. The proposed report of the Chief of Engineers is then furnished the Governors of the affected States, the Department of the Interior—if the project involves the use of waters west of the 98th meridian—and all other interested Federal agencies. They have 90 days in which to submit their comments to the Chief of Engineers. After considering these comments, which become a part of the report, the Chief of Engineers completes his report and submits it to the Bureau of the Budget for information as to the relationship of the report to the program of the President. After review by the Bureau of the Budget, the report, with all accompanying papers, including the views of the Bureau of the Budget, are submitted to the Congress, and the report is printed as a public document.

Prior to authorization of a project the Public Works Committees of the House and Senate hold extensive public hearings at which all interested people, both proponents and opponents, of recommended projects are given an opportunity to be heard. After a bill has been enacted by the House and Senate and agreement reached in conference, the bill is transmitted to the President for his approval. After approval of the bill by the President the project becomes authorized and is a part of the backlog of authorized projects. At this point, it may be well to state that the preparation of these reports is in strict compliance with detailed instructions and criteria prepared by the Agency based on the uniform criteria issued by the Bureau of the Budget in circular letter A–47.

Starting with an authorized project, the first step is to secure an appropriation for advanced planning. Such detailed planning may cover a period of anywhere from 1 to 4 years, depending on the scope of the project involved. As the plans progress and more information becomes available as to foundation conditions and other physical factors, the estimated cost and the ratio of cost to benefits are periodically brought up to date in the annual presentation of the budget request to the Committees on Appropriations. When all the detailed planning has been completed, appropriations may be requested for the initiation of construction. Each year the Appropriations Committees of the House and Senate give careful and individual examination of each project, its cost, its benefits, its physical features, and the amounts requested.

Mr. President, I can certify to that. Last year I spent more than 2½ months holding hearings, and heard 889 witnesses on these various projects. I know what the work amounts to. We examine the projects; and we minutely scrutinize every one, to find out what "bugs," if any, exist in connection with it.

Undoubtedly there is more time, careful planning and coordination with local, State and Federal agencies devoted to the development of projects in the water resources program than practically any other field of Federal expenditures. Appropriations for water resources development should properly be looked upon as investments rather than expenditures.

THE ART OF FORECASTING

I have attempted to show that the water resources program of the United States is a well-planned and well-conceived program and an activity which provides an impressive return on the investment. I do not want to leave the impression, however, that every project recommended by the Corps of Engineers produced the benefits or stimulated the economic development contemplated in the original report. That would ascribe superhuman ability to predict the future which no one can expect the corps or any other Federal agency to possess. Adequate planning for public works improvements requires a prediction of economic growth and development at least 50 years into the future. Obviously, some few projects did not develop as anticipated. It doesn't mean that the funds were wasted. Some good resulted from the construction of those projects. These are the exceptions. Others have developed beyond expectation, with the result that those projects proved to be inadequate for the job they were called upon to do. In these cases, the net result is that far greater benefits were obtained in a shorter period of time than was originally anticipated. For example, the navigation dams on the Ohio River previously mentioned, designed to accommodate traffic of 13 million tons, are now handling 76.4 million tons. While they are not only inadequate for the job they are required to perform, they are actually holding back the natural development of commerce on the Ohio River. On some of these locks and dams reconstruction to meet current needs is now underway.

Mr. President, I am proud of the part I played in providing funds for at least 4 of these projects in the past 4 years.

By and large, the corps has an excellent record of anticipating future requirements in project areas.

IMPORTANCE OF WATER RESOURCE DEVELOPMENT

I believe it is impossible to overemphasize the importance of water and water resource development in its relationship to our future economic growth. Going back to the Hoover Commission task force, of which the author was a member, this very startling statement appeared in the report dated June 1955, which, I believe, places water in its proper perspective:

> The United States uses more water than it does all other materials combined, averaging some 1,200 gallons for each person each day. In 1950 this amounted to about 1,600 tons of water for each person as compared to the 18 tons used of all other materials, including food.

In a report by the Presidential Advisory Committee on Water Resources Policy, dated December 22, 1955, there is a very comprehensive outline of the problem relating to water resource development. Included in that report is an estimate of the use of water in 1950 of 185 billion gallons a day. Based on a population of 200 million by 1975, the estimated requirements would be 350 billion gallons a day. That was probably a pretty good estimate in 1955; but this is 1958 and the statisticians are now predicting that the population of this country will be 230 million by 1975. On this basis, using the same per capita consumption, the requirement would be 400 billion gallons a day, which is more than double the 1950 requirement. We are now considering appropriation requests for 1959. In other words, we have 17 years to survey, plan, and construct facilities to meet this requirement. Mind you, Mr. President, water utilization is only one phase of the problem. With the increased growth, additional navigation facilities, power facilities, and flood control works will be required to meet the expanding needs of our growing population. It will soon be too late to increase the tempo of this program to meet the anticipated requirements for 1975. We have a responsibility to conserve and develop our water resources for our children. Yes, some day we may reach that staggering figure of $70 billion for water resource development of all kinds, not only for improving navigation on minuscule waterways.

The PRESIDING OFFICER (Mr. MORSE in the chair). Although the Chair may be violating the custom of the Senate that the Presiding Officer is not supposed to make a comment following the delivery of a speech by a Senator, the present occupant of the chair wishes to thank the Senator from Louisiana for the information he has made available to the Chair this afternoon, and to compliment the Senator from Louisiana for his devastating and unanswerable rebuttal of the reactionary propaganda published by the Saturday Evening Post. The Chair hopes that all those interested in preserving the natural resources of the United States and in having them developed for the benefit of all the people, so that our country will not fall behind Russia, will read the speech of the Senator from Louisiana. If they do, they will find it to their profit.

Mr. ELLENDER. Mr. President, I thank the Chair.

PROBLEMS OF FINANCING THE CONSTRUCTION OF MERCHANT VESSELS

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that I may read some opening remarks, and then may offer, for the RECORD, a statement by the distinguished Senator from Maryland [Mr. BUTLER] with reference to the problems of financing the construction of merchant vessels.

The opening statement by the Senator from Maryland is as follows:

STATEMENT BY SENATOR BUTLER

It is necessary that I return to a hearing being conducted by the Internal Security

Subcommittee, and thus I am unable to deliver a speech I have prepared relating to the problems of financing the construction of merchant vessels. These remarks are timely, since the Senate will soon consider H. R. 10881, the second supplemental appropriation bill, 1958, which contains a provision relevant to this problem.

I therefore wish to have my statement printed in the body of the RECORD. I take this occasion to express the hope that my colleagues will give this analysis their earnest consideration.

Mr. President, as I have already indicated, I now ask unanimous consent to have printed at this point in the RECORD the statement by the Senator from Maryland [Mr. BUTLER].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

PRIVATE FINANCING OF MERCHANT VESSEL CONSTRUCTION

The privately owned merchant marine of the United States is facing tremendous financing problems in connection with the imminent replacement of a major portion of its presently operating merchant fleet. The large majority of the vessels now engaged in both our coastwise and foreign trades are of World War II vintage, built mainly during the 1943–46 period, and are now well on their way to economic obsolescence.

In terms of their generally accepted normal useful lives, these war-built vessels will have reached the end of the line within the next 5 to 8 years. Agreements now in effect with 15 companies which operate, under operating-subsidy contracts, on some 31 essential trade routes throughout the world, require that approximately 300 vessels will be replaced within the next 7- to 8-year period. Present estimates place this replacement cost at approximately $3 billion.

In addition to the above replacements so vital to the foreign trade of our Nation, a similar necessity faces the operators in the coastwise and offshore trades, as well as those in the neglected but highly important tramp trades. These last-named are the bulk carriers, which carry the Nation's coal and surplus agricultural commodities to all the world. They face cutthroat competition from the low-wage foreign bottoms, and have been able to continue in operation, the relatively few that have continued, almost entirely because of the percentage of Government-financed cargoes reserved to them under the provisions of the Cargo Preference Act, passed during the 83d Congress.

Under provisions of the Merchant Marine Act, 1936, as amended, the Federal Government is authorized to finance new-vessel construction for citizens, less a downpayment of 12½ or 25 percent by the owners, at an interest rate of 3½ percent over a 20-year period. Incidentally, such vessel financing as has been done has been quite lucrative for the Government, netting about 1 percent per annum over the average cost of Government borrowing.

Recently, however, the policy has been to require private financing of commercial vessels. To meet this requirement the Congress enacted, in 1954, Public Law 781, which I helped to develop and sponsored in the Senate, in order to encourage and facilitate private financing of new-vessel construction. This Private Ship Financing Act, as it has come to be known, authorized the Secretary of Commerce to insure 90 percent of the cost of construction, and so on, less the owner's downpayment of 25 percent (or, in certain cases, 12½ percent). As to special-purpose vessels certified by the Secretary of Defense to be essential to national defense, the Secretary of Commerce was authorized to insure 100 percent of the principal (75 percent or 87½ percent, as the case might be, of the total cost of the vessel) and interest.

Some of us were apprehensive that the 90 percent guaranty would not achieve its intended goal of attracting investment funds for ship construction purposes. However, the Bureau of the Budget was adamant on this point, so the sponsors agreed to give the measure an opportunity to gain some experience. Events proved that a 90 percent guaranty was not sufficiently attractive, in view of the admitted uncertainties of vessel operations, to bring forth investment funds in any quantity. Therefore the law was amended in the 84th Congress, to provide the 100 percent guaranty demanded by the interested financial establishments.

As so amended, title XI of the 1936 act is doing the job—or, at least, has brought forth the funds needed to commence the vessel replacement program. As of February 5, 1958, vessel mortgages covering 26 vessels have been issued by the Maritime Administration, for a total of $181,605,000. Insurance premiums received here totaled $828,000 as of January 31, 1958.

But—and this is the point to which I wish to address myself particularly—there has been one default under the program, and some concern and uneasiness have been generated because the Maritime Administration did not have in hand, available for immediate payment, the funds required to redeem the defaulted loan, which amounted to $3,947,986. Insurance premiums in hand, as I stated, approximated only $828,000. Of this amount the lender, the Prudential Insurance Co., was paid $604,913, leaving an unpaid balance which, with interest, will amount to $3,472,751 as of the end of February.

It is regrettable—and yet, on the other hand, possibly fortunate—that this default, one of the very, very few of its kind in the extensive experience of the Federal Government in the field of maritime insurance, should come at an early stage of this new program before time had been allowed to accumulate a sizable reserve.

Still, there is not the slightest reason for uneasiness or concern because the defaulted loan could not be redeemed immediately. Standing behind the mortgages and loans covered by the provisions of the statute is the good faith of the United States, as expressly stated in section 1103 (d) of the Merchant Marine Act, 1936, as amended; to wit, and I quote: "The faith of the United States is solemnly pledged to the payment of interest on and the unpaid balance of the principal amount of each mortgage and loan insured under this title."

As instance of this good faith, the House Appropriations Committee has included in the second supplemental appropriation bill, 1958 (H. R. 10881), now before the Senate, authorization for the Maritime Administration to transfer funds from its vessel operations revolving funds into the Federal ship-mortgage fund in order to redeem defaulted mortgages, with the provision that such transfers be repaid from the ship-mortgage fund as soon as practicable consistent with the status of this account.

On this same point of good faith in the matter of redemption of any defaulted loans or mortgages, the House report on the 1958 second supplemental appropriations bill notes that while this bill confines to the current fiscal year, the Maritime Administration's authority for transferring funds to the ship-mortgage insurance fund, it is made clear that need for such authority subsequent to June 30, 1958, will be considered during hearings on the Maritime's regular 1959 budget.

Assurance to prospective investors in new vessel construction covered by title XI loans and/or mortgages is afforded also in section 1109 of the 1936 act, which authorizes to be appropriated, for the purpose of the Private Ship Financing Act "the sum of $1 million and such further sums as may be necessary to carry out the provisions of this title."

No appropriation was asked, or authorized at the time Public Law 781 was enacted because, frankly, there didn't seem to be any real need for it. The Federal Government's experience in the field of maritime insurance had been almost completely free of defaults. I might say here also, that it had been a most profitable experience as well—which may surprise some Members of the Congress and the general public as well, who mistakenly believe that Government is always giving to the United States maritime industry and getting little or nothing in return.

Take the matter of Government war-risk insurance, which was found necessary to initiate in both world wars when commercial vessel insurance was unavailable because of the extraordinary hazards. The War Risk Insurance Bureau, a World War I agency, showed an operating profit in excess of $17,500,000 as reported by the 1923 annual report of the Maritime Commission.

During World War II the premiums paid on war-risk vessel insurance exceeded the amount paid to claimants by more that $130 million, according to figures furnished me by the Legislative Reference Service of the Library of Congress. After the War Damage Corporation (originally the War Insurance Corporation) ceased operation in January 1947, all matters pertaining to the agency were transferred to the Treasury Department, Defense Lending Division and when that corporation was discontinued, I am informed, there was approximately $225 million on hand, representing the profit after settlement of all claims.

I cite these records of past performance in the field of Government maritime insurance simply to dispel any misconceptions that may be in the minds of anyone concerning Government's part in this program of vessel loan and mortgage insurance. It is not in any sense a giveaway program. It is not something being handed to the ship operators on a silver platter.

This insurance of vessel loans and mortgages is absolutely essential to the vessel replacement program which Government requires of the subsidiary operator for two reasons.

First, the Federal Government refuses to finance the construction, despite the authority set forth in the Merchant Marine Act, 1936, as amended; and

Second, private investment firms will not supply the huge amonts of capital required without the type of guaranties provided by Public Law 781, 83d Congress.

Furthermore, the cost to vessel owners for replacing their vessels to meet Government requirement is considerably more under a program of private financing. Instead of the 3½ percent interest rate authorized by the 1936 Act, owners must pay the going commercial rates, presently about 5 percent. In addition, they must pay to the Maritime Administration certain fees, maybe 1 percent, more or less, on the average principal amount covered by the Government insurance, and another one-half percent of the original principal amount as an investigation fee.

Another point to be borne in mind by any who may be fearful that Government may be "rooked" under this program, is that risk of loss to the Government in case of a default is at a minimum. To undertake construction, and to secure a construction loan or vessel mortgage, the ship operator must make a down payment of one or several million dollars. Each year of the vessel's operation he must reduce the amount covered by insurance by 5 percent. All of these payments are in excess of any balance due in case of default. Government normally could expect to sell any defaulted vessel for at least an amount necessary to cover redemption cost.

Right now, I'll admit, the world market for vessels is at a record low, and the defaulted S. S. *Carib Queen*, if put on the market, might not attract a bid sufficient to cover the Government's interest. However, to conserve the Government's investment, the Maritime Administrator has stated that he will offer the vessel for charter until the market improves, thereby reimbursing the Government partially while awaiting a more propitious time to dispose of the vessel.

I have thought it desirable to speak on this matter today, to help allay any fears that may exist among representatives of banking or investment firms which are the potential sources of the additonal millions of dollars that will be needed over the next 5 or 6 years to finance new vessel construction. To them I can say, with all sincerity, and with fullest confidence that the program of construction loans and vessel mortgages initiated under Public Law 178, 83d Congress is as sound as the Government of the United States, whose faith is solemnly pledged to the payment of each mortgage and loan insured.

Could anyone ask for a better guaranty?

ALLEGATION REGARDING CERTAIN SENATORS IN ARTICLE ON TELEVISION STATION MATTER INVOLVING NATIONAL AIRLINES AND OTHERS

Mr. SCHOEPPEL. Mr. President, at this time I desire to say a few words about a press report which appeared in the Washington Evening Star of yesterday. It was reporting on a Florida television station matter which purportedly involved the National Airlines and others.

In an article, a Mr. Baker, president of the National Airlines, was reported as stating that the senior Senator from Kansas and other named Senators had contacted the Federal Communications Commission in regard to this matter.

Mr. President, I do not know the basis for including in any such statement the name of the senior Senator from Kansas. In fact, no basis whatsoever exists for any such statement.

The senior Senator from Kansas did not join other members of the Aviation Subcommittee in any communication to the Federal Communications Commission, and he had never contacted with reference thereto any member of the Federal Communications Commission or any of the staff thereof.

Mr. President, I will say that I have seen a copy of the letter of January 22, 1957, signed by certain members of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce, requesting the Federal Communications Commission's views concerning certain policy matters relating to the granting of TV licenses. I saw nothing censurable or improper about it, and I feel that the subcommittee was entitled to such information. The letter I had in mind was a letter dated January 22, 1957, and was signed by Senator MONRONEY, of Oklahoma, Senator FREDERICK PAYNE, of Maine, and Senator ALAN BIBLE, of Nevada.

The PRESIDING OFFICER. Does the Senator wish to introduce the letter into the RECORD?

Mr. SCHOEPPEL. I shall not introduce the letter into the RECORD at this time. I will say to the distinguished Presiding Officer, as I understand, that letter has been offered for the RECORD on the House side, and probably will be offered, at a later time, into the record of this body.

The only possible basis for Mr. Baker or anyone else to indicate that the senior Senator from Kansas had any connection with any phase of this matter was that the then Chairman of the Federal Communications Commission, George C. McConnaughy, sent to all members of the Aviation Subcommittee a carbon copy of his reply to the Senator from Oklahoma [Mr. MONRONEY], the chairman of the Aviation Subcommittee.

Mr. President, the senior Senator from Kansas has always refrained from indulging in any activity in any way affecting a matter in the bosom of quasi-judicial committees. There is no basis for the statement made by Mr. Baker before the Interstate and Foreign Commerce Committee of the House of Representatives.

I wanted to set the RECORD straight with respect to that matter.

I yield the floor.

ADJOURNMENT TO THURSDAY

The PRESIDING OFFICER. In accordance with the order previously entered, the Senate will now stand in adjournment until Thursday next at 12 o'clock noon.

Thereupon (at 6 o'clock and 12 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until Thursday, March 6, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 4, 1958:

DEPARTMENT OF LABOR

Clarence T. Lundquist, of Illinois, to be Administrator of the Wage and Hour Division, Department of Labor.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. James Francis Collins, O16819, United States Army, in the rank of lieutenant general.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

James G. Stone, Ashland, Ala., in place of K. J. White, transferred.

Grant C. Barham, Bridgeport, Ala., in place of V. P. Mickam, retired.

Robert L. Cockrell, Double Springs, Ala., in place of B. L. Butler, retired.

Alice H. Hyatt, Grady, Ala., in place of S. C. Athey, retired.

Luther W. Bowen, Horton, Ala., in place of J. L. Stephens, resigned.

Harry Y. Dempsey, Jr., Jacksonville, Ala., in place of J. T. Martin, retired.

Carolyn S. Brown, Northport, Ala., in place of W. T. Collins, retired.

Eugene Williamson, Orrville, Ala., in place of H. E. Marshall, retired.

Roy J. Banks, Pell City, Ala., in place of N. R. Shockley, resigned.

Lena Gertrude McConnell, Saint Elmo, Ala., in place of J. H. Henley, removed.

Roy Wesley Rhodes, Tuscaloosa, Ala., in place of H. M. McLeod, removed.

William J. Dobson, Tuscumbia, Ala., in place of H. G. Sockwell, removed.

ALASKA

Victor R. Milligan, Ketchikan, Alaska, in place of P. N. Ripley, retired.

John G. Williams, Sr., Yakutat, Alaska. Office made presidential July 1, 1947.

ARKANSAS

Ferrell S. Tucker, Caraway, Ark., in place of Lea Ren, deceased.

CALIFORNIA

Glenn L. Thomas, Baker, Calif., in place of W. M. Anderson, resigned.

Agnes C. Richmond, Beverly Hills, Calif., in place of M. J. O'Rourke, retired.

Jesse Ralph Layton, Fullerton, Calif., in place of F. D. Lowrey, removed.

John P. Anderson, Lakewood, Calif. Office established December 31, 1956.

Everett T. Carpenter, North Hollywood, Calif., in place of B. W. Harris, removed.

COLORADO

Hazel L. Weston, Bristol, Colo., in place of B. E. Osborn, resigned.

Robert W. Martin, Fort Morgan, Colo., in place of W. E. Bales, removed.

Lloyd W. Anderson, Otis, Colo., in place of J. M. Rush, deceased.

FLORIDA

Stewart H. Hawkins, Anna Maria, Fla., in place of F. I. Warttig, retired.

Charles H. Watson, Homosassa Springs, Fla., in place of M. V. Lindsey, deceased.

Huber C. Hurst, Jacksonville, Fla., in place of G. C. Blume, deceased.

Walker A. Stanley, Ponce De Leon, Fla., in place of E. D. Padgett, transferred.

HAWAII

Irene R. Afferback, Spreckelsville, Hawaii, in place of E. J. Freitas, retired.

IDAHO

Taft P. Budge, Paris, Idaho, in place of L. J. Passey, removed.

ILLINOIS

Arlynn M. Price, Abingdon, Ill., in place of J. W. Lucas, resigned.

William T. Keenan, Alexander, Ill., in place of F. W. Neal, deceased.

William S. Totten, Alexis, Ill., in place of G. A. Porter, removed.

Gordon L. Smedley, Ashland, Ill., in place of Pearl Caswell, removed.

Carl M. Crowder, Bethany, Ill., in place of W. A. Goetz, resigned.

William K. Stevenson, Biggsville, Ill., in place of L. E. Dixon, deceased.

John F. Wooldridge, Broughton, Ill., in place of Winifred Hughes, removed.

Perry C. Harris, Browning, Ill., in place of M. E. Bader, resigned.

Robert V. Loft, Capron, Ill., in place of M. M. Boyd, removed.

Walter B. Tregoning, Carterville, Ill., in place of F. J. Rudloff, removed.

Edward J. Kleen, Elmwood, Ill., in place of C. R. Bowers, retired.

Homer T. Smith, Erie, Ill., in place of R. M. Cocking, retired.

Ernie R. Rightmyer, Fairfield, Ill., in place of J. C. Stanley, removed.

Theron C. Tavenner, Freeport, Ill., in place of J. C. McKinstra, deceased.

Wayne W. Bird, Galatia, Ill., in place of L. L. Riegel, retired.

Ernest Evar Swanson, Galesburg, Ill., in place of D. C. Beatty, retired.

Kenneth L. Pflaum, Genoa, Ill., in place of J. R. Sester, removed.

William C. Newton, Golconda, Ill., in place of M. W. Volle, resigned.

Viola Kinman, Hamburg, Ill., in place of E. F. Day, retired.
Floyd T. Huddleston, Hurst, Ill., in place of I. M. Pratt, transferred.
Bayard M. Wright, Lacon, Ill., in place of M. W. Dunn, removed.
Kenneth C. Hall, Lombard, Ill., in place of G. W. Collins, retired.
Roy E. Thomas, Marengo, Ill., in place of C. T. Carney, removed.
Stewart V. Edlund, Mazon, Ill., in place of W. S. Shipley, removed.
Justus A. Gibson, Mount Carmel, Ill., in place of Fay Moyer, removed.
Anthony J. Zucco, Mount Zion, Ill., in place of A. M. Tate, retired.
Alfred E. Leininger, Nauvoo, Ill., in place of P. H. Schenk, removed.
Earl J. Thompson, O'Fallon, Ill., in place of J. L. Anheuser, resigned.
Francis E. Overstreet, Raritan, Ill., in place of E. A. Houtchens, resigned.
Frank G. Brown, Salem, Ill., in place of C. H. Roberts, transferred.
Clarence E. Harden, Tolono, Ill., in place of C. E. Harden, transferred.
Charles L. Baird, Van Orin, Ill., in place of D. D. Clarke, resigned.
Dwight S. Leverton, Winslow, Ill., in place of B. E. Reck, retired.
Raymond J. M. Howard, Yale, Ill., in place of H. W. Hamilton, retired.

INDIANA

Wilfred M. Bedel, Batesville, Ind., in place of C. H. Andres, deceased.
Maurice F. Keilman, Dyer, Ind., in place of L. E. Hoffman, deceased.
James L. Conwell, Greensburg, Ind., in place of C. D. Samuels, resigned.
Paul Burns, Oakland City, Ind., in place of T. J. Lemasters, retired.
Ray E. Melick, Oaktown, Ind., in place of E. P. Donnar, retired.
Charles W. Hudson, Solsberry, Ind., in place of E. J. Myers, retired.

IOWA

Adolph L. Opsal, Armstrong, Iowa, in place of M. E. Daries, removed.
Thomas J. Hamilton, Epworth, Iowa, in place of S. J. Callahan, retired.
Joseph E. Link, Farley, Iowa, in place of E. P. Kelly, removed.
Jerry J. Snoble, Hazleton, Iowa, in place of G. E. Sherrer, retired.
Kenneth B. Fairall, Muscatine, Iowa, in place of A. S. Barry, retired.
Charles E. Boyles, Woodward, Iowa, in place of H. C. Calonkey, retired.

KANSAS

Jacob C. Gaeddert, Inman, Kans., in place of J. F. Lambert, transferred.
Lloyd William Barker, Valley Falls, Kans., in place of Clayton Wyatt, retired.

KENTUCKY

Shirley H. Ashby, Auburn, Ky., in place of J. R. Wilson, resigned.
Frank M. Powell, Danville, Ky., in place of R. D. Stigall, transferred.
Carl B. Marshall, Lewisburg, Ky., in place of E. L. Day, retired.
James E. Morris, Neon, Ky., in place of J. M. Caudill, resigned.
Walton W. Buckman, Simpsonville, Ky., in place of R. A. McDowell, retired.
Arnold D. Sprague, Jr., Sturgis, Ky., in place of L. D. Rose, retired.

LOUISIANA

Dosia M. Hood, Elton, La., in place of R. W. Monroe, retired.
Robert J. Rossi, Gonzales, La., in place of L. S. Gonzales, resigned.
James E. Fogleman, Morrow, La., in place of J. E. Hicks, resigned.
James H. Smith, Newllano, La., in place of E. O. Joynes, removed.
Myra H. Doughty, Tioga, La., in place of M. M. Clark, retired.
Eck H. Bozeman, Winnfield, La., in place of S. E. Jenkins, retired.
Robert P. Kennedy, Zachary, La., in place of M. A. McHugh, resigned.

MARYLAND

Franklin B. Spriggs, Arnold, Md., in place of E. B. Gardner, retired.

MASSACHUSETTS

Thomas J. Mason, Clinton, Mass., in place of W. F. McNamara, removed.
Charles M. Thrasher, Natick, Mass., in place of P. V. Casavant, removed.
Cecil H. Evans, West Hanover, Mass., in place of P. J. Hanberry, deceased.

MICHIGAN

Lyle G. Kaechele, Caledonia, Mich., in place of S. G. Beckman, resigned.
Otis E. Howe, Decatur, Mich., in place of H. H. Creagan, removed.
Duaine E. Murphy, Eagle, Mich., in place of R. E. Van Driesen, removed.
William A. Burgess, East Lansing, Mich. Reestablished February 1, 1955.
Charles H. Pratt, Flint, Mich., in place of W. O. Kelly, resigned.
Ivan M. Vernon, Flushing, Mich., in place of Agnes McKerring, retired.
Dorathea S. Parmenter, Holton, Mich., in place of M. H. Nash, retired.
Bob Lee Baker, Mendon, Mich., in place of M. C. Travis, removed.
Benjamin E. Voorhees, Jr., Midland, Mich., in place of B. F. Bailey, resigned.
Leon B. Crofoot, Mikado, Mich., in place of Mamie Deford, resigned.
Roy J. Murray, Port Huron, Mich., in place of R. J. McIntosh, resigned.
Nellie J. Morrison, Rapid City, Mich., in place of C. K. Guy, removed.
Merle Jean Fester, Riverside, Mich., in place of Lester Kittell, retired.
Eugenie A. Westhauser, Sawyer, Mich., in place of E. O. Samuelson, retired.
Harold J. Hawkins, Wayland, Mich., in place of M. R. Ehle, removed.

MINNESOTA

Ralph Dean Fischer, Brook Park, Minn., in place of S. M. Rasmussen, resigned.
Charles H. Bordwell, Keewatin, Minn., in place of O. A. Olson, retired.
Leo W. McDonough, Kellogg, Minn., in place of C. G. T. Lydon, retired.

MISSISSIPPI

Edgar I. Adcock, Ridgeland, Miss., in place of B. D. Battley, resigned.
Rufus A. Ware, Stringer, Miss., in place of J. G. Ishee, retired.

MISSOURI

Gordon A. Rollins, Carthage, Mo., in place of C. O. Smith, removed.
David C. Baumann, Huntsville, Mo., in place of C. E. Burkhart, transferred.
Lawrence L. Poleski, Saint Ann, Mo. Office established June 1, 1954.

NEBRASKA

John H. Dueker, Bayard, Nebr., in place of J. E. Hunt, removed.

NEVADA

Florence J. Holman, East Ely, Nev., in place of E. I. Hermansen, retired.

NEW HAMPSHIRE

Jessie G. Thompson, Moultonboro, N. H., in place of R. E. Goodwin, retired.
Herbert N. Smith, Mount Sunapee, N. H., in place of M. B. Perkins, retired.
Winburn T. Dudley, Union, N. H., in place of J. A. Reed, retired.

NEW JERSEY

Michael Yurcisin, Roebling, N. J., in place of George Majoros, Jr., removed.
Marjorie E. Houghtaling, Vernon, N. J., in place of A. E. Baldsin, deceased.

NEW MEXICO

Benjamin H. Roberts, Corona, N. Mex., in place of B. E. Jones, resigned.
Ethel B. Solomon, Mosquero, N. Mex., in place of E. L. Wallace, removed.
William D. Reams, Silver City, N. Mex., in place of J. L. Turner, resigned.
Julius E. Fitzner, Tucumcari, N. Mex., in place of T. N. Lawson, retired.

NEW YORK

Ishmael B. Burns, Alexandria Bay, N. Y., in place of F. F. Cornwall, retired.
Doris J. Hammond, Millport, N. Y., in place of H. C. Fiala, resigned.
Mary Eva Loomis, Smithville Flats, N. Y., in place of L. L. Fish, retired.
Royden W. McCullough, Wyoming, N. Y., in place of G. F. Powers, Jr., transferred.

NORTH CAROLINA

Wren Hunter Freeman, Alexander, N. C., in place of F. E. Sluder, removed.
Edward Leroy Hobby, Apex, N. C., in place of T. B. Miller, retired.
Guy E. Snyder, Bakersville, N. C., in place of J. F. Greene, resigned.
Raymond L. Long, Biscoe, N. C., in place of A. W. Burt, retired.
Lyle B. Cook, Boone, N. C., in place of J. E. Brown, Jr., removed.
Vernon P. Fullbright, Brevard, N. C., in place of T. C. Galloway, retired.
Clarence W. Burrell, Canton, N. C., in place of W. C. Hill, retired.
Earl W. Miller, Jr., Council, N. C., in place of E. E. Meshaw, retired.
Jay T. Baker, Dallas, N. C., in place of G. L. Friday, resigned.
George O. Petree, Danbury, N. C., in place of M. J. Pepper, retired.
Clifford O. Scott, Dobson, N. C., in place of R. L. Folger, removed.
Thaddeus H. Pope, Dunn, N. C., in place of Ralph Wade, retired.
Charles A. Brown, Efland, N. C., in place of M. E. Harris, retired.
Lala C. Shell, Elk Park, N. C., in place of B. H. Winters, retired.
Burl L. Orr, Fontana Dam, N. C., in place of B. Q. Cable, transferred.
Wallace K. Crawford, Hayesville, N. C., in place of F. R. Jones, retired.
John Perry, Jr., Hendersonville, N. C., in place of Columbus Few, retired.
John P. Mewborne, Kinston, N. C., in place of E. R. Wooten, resigned.
William Oliver Keller, Lake Lure, N. C., in place of E. S. Holliman, resigned.
Dennis G. Clifton, Lumber Bridge, N. C., in place of W. E. McGoogan, retired.
Benjamin Franklin Shannon, Manteo, N. C., in place of C. R. Evans, retired.
Wilton McRae, Maxton, N. C., in place of C. B. Williams, retired.
Harveleigh M. White, Method, N. C., in place of A. T. White, deceased.
Worth T. Hendricks, Mocksville, N. C., in place of Daisy Holthouser, transferred.
Ada S. Solomon, Montreat, N. C., in place of J. C. Rice, retired.
Charles Clifton Mock, Pfafftown, N. C., in place of Mamie Pfaff, retired.
Marion H. Boyles, Pinnacle, N. C., in place of W. B. Lane, resigned.
LeRoy A. Self, Pittsboro, N. C., in place of W. L. Farrell, removed.
Coy S. Lewis, Jr., Robbins, N. C., in place of G. E. Walker, deceased.
Carroll Owen Jenkins, Robbinsville, N. C., in place of W. G. Carver, removed.
Martin T. Southard, Stokesdale, N. C., in place of H. G. Cook, retired.
John H. Norton, Stony Point, N. C., in place of D. F. Cockrell, removed.
Nancy C. Harris, Wake Forest, N. C., in place of J. R. Wiggins, retired.
Enos R. Boyd, Waynesville, N. C., in place of J. H. Howell, retired.
Howell W. Ratcliff, Weaverville, N. C., in place of Kate Reagan, retired.

Josiah A. Maultsby, Jr., Whiteville, N. C., in place of A. E. Powell, retired.
Julius C. Vogt, Wilson, N. C., in place of G. T. Fulghum, retired.
Harry R. Sams, Woodland, N. C., in place of M. G. Blanchard, retired.

NORTH DAKOTA

Raymond F. Pfeifer, Buffalo, N. Dak., in place of J. U. Pavlik, deceased.
Anna E. Schlabach, Driscoll, N. Dak., in place of A. M. Bruschwein, retired.
Isaac J. Iverson, Fairdale, N. Dak., in place of Edward Lian, retired.
Dora H. Loeppke, Heaton, N. Dak., in place of J. C. Stuart, resigned.
Mildred L. Knudsen, Marion, N. Dak., in place of Cleo Flugga, transferred.
Brownell H. Cole, Valley City, N. Dak., in place of C. K. Otto, retired.

OHIO

Smith B. Applegarth, Barton, Ohio, in place of M. I. Timko, resigned.
Gay W. Smyth, Bergholz, Ohio, in place of M. M. Morrow, retired.
Clarence J. Loch, Salineville, Ohio, in place of M. F. Mulheran, retired.

OKLAHOMA

Charles B. Smith, Barnsdall, Okla., in place of O. E. Cox, deceased.
Marguerite L. McDonald, Bokoshe, Okla., in place of O. C. Broking, retired.
Mabel C. Heidenreich, Duke, Okla., in place of H. M. Foreman, removed.
Julius R. Griffith, Kinta, Okla., in place of R. L. Cummings, resigned.
Jack H. Justice, Maysville, Okla., in place of B. C. Sparks, transferred.
Guy W. Willibey, Sapulpa, Okla., in place of G. B. Grigsby, resigned.
John W. Henderson, Tulsa, Okla., in place of G. L. Watkins, retired.
George L. Wood, Union, Okla., in place of M. K. Richardson, deceased.
Isaac L. Thomson, Valliant, Okla., in place of A. M. Mills, resigned.

PENNSYLVANIA

Louis C. Schultz, Blossburg, Pa., in place of J. R. Stratton, removed.
Fay M. Lash, Bobtown, Pa., in place of F. J. Bierer, retired.
Doris G. Evans, Brave, Pa., in place of Gail Wood, retired.
Walter F. Rhine, Canonsburg, Pa., in place of S. J. Bondi, removed.
John Blackwood, Jr., Center Valley, Pa., in place of O. W. Gehris, retired.
Harry O. Campsey, Jr., Claysville, Pa., in place of M. D. Blayney, retired.
Clare F. Connell, Coraopolis, Pa., in place of J. A. O'Donovan, deceased.
Claude R. Coons, Covington, Pa., in place of F. W. Haverley, retired.
Bernard N. Murphy, Dushore, Pa., in place of B. B. Deegan, retired.
Lyle T. Streeter, Easton, Pa., in place of H. C. Schultz, retired.
Helen Z. Swanson, Irvine, Pa., in place of C. J. Zuerl, Jr., resigned.
Robert F. Acker, Lake City, Pa., in place of L. A. Gossman, resigned.
Paul E. Kuhlman, Lebanon, Pa., in place of D. E. Walter, removed.
George E. Palko, Loyalhanna, Pa., in place of T. S. Walter, resigned.
Harry S. Kolva, Lykens, Pa., in place of C. M. Golden, resigned.
Steve Olen, Lyndora, Pa., in place of M. S. Karlitsky, removed.
Claude B. Faust, Macungie, Pa., in place of F. E. Neumeyer, removed.
Henry L. Haines, Maytown, Pa., in place of M. E. Culp, retired.
Bruce B. DeLong, Mertztown, Pa., in place of E. F. Fox, retired.
Alexander F. Schafhirt, Mechanicsburg, Pa., in place of G. C. Dietz, transferred.
Robert B. Woodring, Milesburg, Pa., in place of M. C. Adams, retired.
Kenneth R. Myers, Millerstown, Pa., in place of R. E. Wagner, deceased.
Mary A. Boyd, Mount Braddock, Pa., in place of N. Y. Phelan, deceased.
Robert W. Stahl, Mount Pleasant, Pa., in place of Clark Queer, resigned.
Frank W. Hill, New Castle, Pa., in place of W. R. Hanna, deceased.
Edward J. Miller, Newry, Pa., in place of Adam Hoover, retired.
Leo J. English, Oil City, Pa., in place of G. W. McElhatten, removed.
John H. Taylor, Port Royal, Pa., in place of F. E. Bashore, retired.
Mary D. Bacha, Rixford, Pa., in place of W. F. Shuman, retired.
Lester I. Heist, Robesonia, Pa., in place of B. M. Kintzer, retired.
Claude B. Arnold, Rome, Pa., in place of R. K. Valentine, retired.
John Kenneth Long, Shippensburg, Pa., in place of C. F. Hockersmith, retired.
Lawrence A. Floro, Smithton, Pa., in place of H. C. Johnston, removed.
Rudolph Simitz, Spinnerstown, Pa., in place of Laura Lancaster, resigned.
John S. Carrier, Summerville, Pa., in place of H. F. Eshelman, deceased.
Robert E. Doebler, Sunbury, Pa., in place of Charles Kline, retired.
Kenneth C. Beener, Valley Forge, Pa., in place of Roy Wilkinson, deceased.
Charles Blaine Strickler, Washington Boro, Pa., in place of B. F. Sherick, deceased.
Howard J. Short, Willow Grove, Pa., in place of H. T. McEvoy, removed.

PUERTO RICO

Efrain Poupart, Las Piedras, P. R., in place of Angeline Frias, retired.
Manuel F. Varela, San Juan, P. R., in place of G. P. DePass, deceased.

RHODE ISLAND

Raymond C. Holland, Tiverton, R. I., in place of C. S. Holding, removed.
Richard M. Stanton, Wood River Junction, R. I., in place of E. A. Hill, removed.

SOUTH CAROLINA

Marvin F. Carpenter, Graniteville, S. C., in place of F. L. Zimmerman, retired.
Arace M. Crouch, Wallace, S. C. Office established September 1, 1950.

SOUTH DAKOTA

Wayne A. Nelsen, Lake Andes, S. Dak., in place of Ruth I. Kern, resigned.
Helen Olvia Putnam, Quinn, S. Dak., in place of Knute Tennyson, removed.

TENNESSEE

Lee N. Ruch, Belvidere, Tenn., in place of Clyde Zimmerman, transferred.
Billie J. Ross, McEwen, Tenn., in lace of Fred Gentry, transferred.
William Onnie Cox, Mosheim, Tenn., in place of L. F. Robinette, resigned.
Paul R. Ledbetter, Obion, Tenn., in pl ce of H. B. Fox, deceased.

TEXAS

Walter K. Wood, Albany, Tex., in place of B. W. Bray, transferred.
George D. FitzSimmons, Jr., Alice, Tex., in place of M. A. Mullen, removed.
Dudley B. Lawson, Alto, Tex., in place of J. B. Thorn, Jr., transferred.
Albert A. Hubbard, Alvarado, Tex., in place of E. P. Robinson, retired.
Ernest H. Butts, Annona, Tex., in place of M. E. Russell, resigned.
George L. Hanke, Aspermont, Tex., in place of W. M. Robbins, declined.
Marion Lee Neal, Baytown, Tex., in place of N. B. Ballard, transferred.
James Q. Pennington, Bluegrove, Tex in place of R. O. Childs, removed.
Noah L. Pruitt, Jr., Bronte, Tex., in place of C. G. Williams, retired.
Joseph P. Hutton, Canadian, Tex., in place of P. V. Bryant, retired.
William Marion Higdon, Canyon, Tex., in place of G. J. Harp, retired.
Benjamin W. Pearce, Center, Tex., in place of S. E. Burns, deceased.
Homer B. Adams, College Station, Tex., in place of T. O. Walton, retired.
Marion B. Bone, Colleyville, Tex., in place of T. Y. Stephens, resigned.
Lonnie E. Nordt, Damon, Tex., in place of L. C. Nordt, deceased.
Glenn R. Prater, Dayton, Tex., in place of E. F. Gaston, retired.
John Sleeper, Sr., Elm Mott, Tex., in place of T. F. Gassaway, retired.
William M. Petmecky, Fredericksburg, Tex., in place of R. W. Klingelhoefer, retired.
Billy G. Williams, Freer, Tex., in place of E. C. Kelly, removed.
Jane R. Davis, Fritch, Tex., in place of W. C. Lee, deceased.
Howard W. Curtis, Galena Park, Tex., in place of E. P. Minnock, removed.
Holman R. Lee, Graham, Tex., in place of W. E. Simpson, removed.
Lamon Burnett, Hillsboro, Tex., in place of B. C. Jackson, removed.
John Printous Smith II, Humble, Tex., in place of I. M. Horton, declined.
Hugh S. Davenport, Hutto, Tex., in place of Oscar Humphrey, transferred.
Vernon J. Burns, Ingram, Tex., in place of J. A. Leinweber, retired.
C. G. Twilley, Irving, Tex., in place of C. E. Range, transferred.
John C. Sumner, Itasca, Tex., in place of J. C. Martin, retired.
Ronald A. Helfenstine, Kennedale, Tex., in place of Sallie Helm, resigned.
Verner O. Salmon, La Pryor, Tex., in place of H. T. Peace, retired.
Samuel J. Morse, Jr., Linden, Tex., in place of N. L. Stanley, transferred.
Edward H. Leache, McGregor, Tex., in place of J. F. Bennett, Jr., transferred.
Janet P. Young, Mabank, Tex., in place of W. M. Covey, retired.
William M. Turnbough, Meadow, Tex., in place of H. M. Welch, resigned.
Lloyd A. Adams, Mount Pleasant, Tex., in place of A. B. Gilpin, deceased.
Coleete O. Brown, Notrees, Tex., in place of C. J. Brown, resigned.
Vernon L. Naul, Overton, Tex., in place of W. A. Gillespie, retired.
Arthur R. Main, Petersburg, Tex., in place of L. M. Brashear, resigned.
Robert C. Watson, Plains, Tex., in place of Cora Read, retired.
Kyle C. Elam, Port Arthur, Tex., in place of F. C. Toups, deceased.
Neda C. Holt, Pyote, Tex., in place of A. J. Sitton, Jr., resigned.
Ocie K. Milner, Jr., Quitman, Tex., in place of J. T. Morse, transferred.
Olen C. Thomas, Ralls, Tex., in place of M. G. Prewitt, retired.
George W. Kemp, Richardson, Tex., in place of W. C. Wallis, transferred.
Jimmy Reid Simmons, Rockport, Tex., in place of M. L. McElveen, removed.
Joy S. Morris, Rosenberg, Tex., in place of L. O. Senkel, transferred.
Dollie O. Ryon, Seadrift, Tex., in place of L. R. Ryon, retired.
Alda R. McDougal, Smyer, Tex., in place of S. W. Arnett, deceased.
Herman S. Gray, Somerset, Tex., in place of Walter Kurz, retired.
Lenard R. Miller, Talco, Tex., in place of G. L. Barber, retired.
Herman W. Hawker, Teague, Tex., in place of W. J. Stringer, retired.
Frederick H. Pearce, Sr., Thorndale, Tex., in place of V. F. Norris, resigned.
Thomas N. Fair, Walnut Springs, Tex., in place of W. F. Sellers, deceased.
R. T. Savage, Wellington, Tex., in place of R. F. Curry, retired.
Raymond J. Hruska, West, Tex., in place of J. D. Wilkinson, removed.
John W. Word, Whiteface, Tex., in place of D. K. Bowden, removed.

UTAH

Howard D. Knight, Parowan, Utah, in place of Ivan Decker, removed.

VIRGINIA

George Paschal Grindstaff, Damascus, Va., in place of W. C. Mock, deceased.

Inez P. Richardson, Fentress, Va., in place of A. L. Humphries, resigned.

Harry G. Penley, Gate City, Va., in place of H. B. Quillen, Jr., resigned.

Virginia G. Kiser, Grundy, Va., in place of P. V. Dennis, Jr., resigned.

Joseph F. Downing, Jr., Keller, Va., in place of C. W. Bradford, deceased.

Thelma E. Addington, Nickelsville, Va., in place of R. L. McConnell, retired.

Tecumseh S. Dalton, Pulaski, Va., in place of E. P. Whitman, retired.

Joseph E. Bell, Smithfield, Va., in place of V. W. Joyner, deceased.

VIRGIN ISLANDS

Charles E. Clarke, Frederiksted, V. I., in place of Adele Berg, resigned.

WASHINGTON

George E. Anderson, Kirkland, Wash., in place of Harvey Lewis, retired.

Walter E. Soehl, La Center, Wash., in place of Edna Smith, retired.

Marguerite H. Riggs, Marblemount, Wash., in place of Mabel Pressentin, retired.

Grace G. Kallenberger, Marlin, Wash., in place of Hans Christoffersen, deceased.

James W. Markel, Omak, Wash., in place of R. H. Mitchell, retired.

Lawrence G. Luzader, Pe Ell, Wash., in place of H. M. Walker, deceased.

Robert E. Olney, Redmond, Wash., in place of L. B. Reed, deceased.

James T. Likes, Rosalia, Wash., in place of H. C. Roberts, retired.

Josiah F. Lester, Wenatchee, Wash., in place of R. H. Maus, resigned.

WEST VIRGINIA

Anna Jean Duncan, Cannelton, W. Va., in place of Roy Palmer, resigned.

Emil E. Frye, Chapmanville, W. Va., in place of D. R. Toney, removed.

Fred E. Wiseman, Charleston, W. Va., in place of J. W. Singleton, removed.

Charles Manning Smith, Charles Town, W. Va., in place of T. T. Perry, Jr., retired.

Alva O. Bailes, Clay, W. Va., in place of Marion Reed, removed.

Fred L. Byrnside, Danville, W. Va., in place of M. C. Ballard, retired.

Jesse J. Martin, Ethel, W. Va., in place of C. T. Lee, removed.

Gordon W. Spessard, Glen Jean, W. Va., in place of C. B. Smith, removed.

Loren A. Hoffman, Grafton, W. Va., in place of H. F. Courtney, deceased.

Mary Virginia Earman, Harpers Ferry, W. Va., in place of M. E. Marquette, retired.

Leon D. Rishel, Spencer, W. Va., in place of W. H. Miller, transferred.

Dillard R. Walker, Stanaford, W. Va., in place of W. L. Warden, resigned.

Frederick F. Murphy, War, W. Va., in place of R. T. Hauck, resigned.

Elner F. Stutler, West Union, W. Va., in place of Oma Corder, removed.

John J. Miller, Winona, W. Va., in place of R. L. Pugh, retired.

WISCONSIN

Inez Myrtle Rautio, Amberg, Wis., in place of A. S. Port, retired.

Robert J. Besse, Butternut, Wis., in place of George Heiderer, removed.

Lars J. Peterson, Durand, Wis., in place of N. W. Helgoe, removed.

Alice R. Pietrykowski, Eden, Wis., in place of N. A. Braun, retired.

Roy L. Pergot, Edgar, Wis., in place of F. J. Shortner, retired.

Matilda J. Loden, Granville, Wis., in place of H. M. Pfeil, resigned.

Harry E. Koch, Kewaskum, Wis., in place of Frank Heppe, retired.

Stanley I. Andersen, Loretta, Wis., in place of Jennie Ruid, retired.

John C. Pribnow, Loyal, Wis., in place of L. M. Meyer, deceased.

WYOMING

George W. Nichols, Big Piney, Wyo., in place of G. L. Barp, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1958:

UNITED STATES CIRCUIT JUDGE

Marion C. Matthes, of Missouri, to be United States circuit judge for the eighth circuit.

UNITED STATES DISTRICT JUDGE

Claude F. Clayton, of Mississippi, to be United States district judge for the northern district of Mississippi.

UNITED STATES ATTORNEY

Don A. Tabbert, of Indiana, to be United States attorney for the southern district of Indiana for the term of 4 years.

UNITED STATES MARSHALS

Roy McKinney Amos, of Indiana, to be United States marshal for the northern district of Indiana for a term of 4 years.

Paul Johnson, of Oklahoma, to be United States marshal for the eastern district of Oklahoma for a term of 4 years.

Harold Sexton, of Oregon, to be United States marshal for the district of Oregon for a term of 4 years.

COMMISSION ON CIVIL RIGHTS

To be members of the Commission on Civil Rights

John A. Hannah, of Michigan.
John S. Battle, of Virginia.
Doyle Elam Carlton, of Florida.
The Reverend Theodore M. Hesburgh, of Indiana.
Robert G. Storey, of Texas.
J. Ernest Wilkins, of Illinois.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 4, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Micah 6: 8: *"He hath showed thee, O man, what is good; and what doth the Lord require of thee, but to do justly and to love mercy, and to walk humbly with thy God."*

Almighty God, our gracious benefactor, Thou hast created and endowed us with a capacity to achieve and accomplish that which is good for ourselves and all mankind.

Grant that in their high office and vocation to minister to the welfare of humanity, our President, our Speaker, and the Congress may merit Thy divine favor and be held in honor by their fellow citizens.

We beseech Thee to bless them with the wisdom and the guidance of Thy spirit as they seek to lift and lessen the burdens which weigh so heavily upon many members of the human family.

Where there is darkness and gloom may they be the messengers of light; where there are fears and frustrations, may they be the ambassadors of courage; where there is cynicism and despair may they be heralds proclaiming a better and brighter day.

In Christ's name we bring our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5809. An act to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor; and

H. R. 8795. An act to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1041. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910;

S. 1538. An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes;

S. 1706. An act to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, as amended;

S. 2114. An act to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to acquire land for field sites, to undertake construction and improvement of buildings, and for other activities;

S. 2224. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property;

S. 2231. An act to amend section 208 (c) of the Federal Property and Administrative Services Act of 1949 to permit the exercise of options contained in certain leases of Government property;

S. 2255. An act to amend section 607 (d) of the Merchant Marine Act, 1936, as amended;

S. 2283. An act to further amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes;

S. 2725. An act to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia;

S. 2752. An act to amend section 207 of the Federal Property and Administrative Services Act of 1949 so as to modify and improve the procedure for submission to the Attorney General of certain proposed surplus property disposals for his advice as to whether such disposals would be inconsistent with the antitrust laws;

S. 3016. An act to provide for the issuance of dealers' aircraft registration certificates;

S. 3057. An act to amend the District of Columbia Teachers' Salary Act of 1955;

S. 3341. An act to extend the Armed Forces dairy products program for 3 years;

S. 3342. An act to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools; and

S. 3343. An act to extend the accelerated brucellosis control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with ricefield crops, and for other purposes.

FIFTY-THIRD ANNIVERSARY OF THE INAUGURATION OF THEODORE ROOSEVELT AS PRESIDENT OF THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. O'BRIEN] is recognized for 60 minutes.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to revise and extend their remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, as we are all aware, this is March 4, a date on which we honor the memories of many former Presidents of the United States who were inaugurated on that particular day. The specific purpose of this brief period this morning is to pay honor to one of those former Presidents.

This is the 53d anniversary of the inauguration of Theodore Roosevelt as an elected President of the United States. All over the country today, by proclamations of governors and mayors of cities, this particular date is being observed; it is being observed as part of a yearlong centennial celebration marking the 100th anniversary of the birth of Theodore Roosevelt.

I think that in a very great sense we are not in this centennial celebration honoring so much a legend, an historical figure from the past, but a fullblooded man, a man who was prominent in our time. Some of us when we were young, some of us when we had reached maturity, many in this House, knew him personally, or were of an age to observe the great things he did for his country.

I believe there is particular significance in honoring such a man whom we can remember, because he was not cast in a plaster mold. We are aware of his strength and of his human weaknesses as well. I think all men appreciate an occasional weakness, if you will, in other men, because it makes us all kin.

A number of Members of this House desire to pay tribute to Theodore Roosevelt today, so I shall not take too much time. It would be difficult to cover the many facets of his great career. We could spend hours on his contributions to conservation, what he accomplished for our armed services in casting the mold, if you will, of the 20th century concept of those forces. We could speak of Roosevelt the soldier, the rancher, the friend of civil service, but I believe above all we think of Theodore Roosevelt as an American.

I might say in passing that today resolutions are being introduced in this House and in the Senate to authorize and request the President to proclaim July 4th of this year a day of rededication to the responsibilities of free citizenship. That request could stand by itself, but we are asking it this year as a special part of the tribute to Theodore Roosevelt who was so well aware of and who accepted in his life the responsibilities of free citizenship.

Mr. Speaker, I yield such time as he may desire to the distinguished gentleman from New York [Mr. DEROUNIAN], who is a member of the Theodore Roosevelt Centennial Commission.

Mr. DEROUNIAN. Mr. Speaker, as a neighbor of our former President, and representing the district from which he came, I am happy to join today in celebrating the 53d anniversary as President of the United States of this American. He certainly was a great American, and his way of life has become to us the symbol of patriotism, of courage, integrity, and tenacity of purpose.

We have set aside this year, the 100th anniversary of his birth, to revitalize his inspired leadership, his teachings as a citizen and public servant, and his devotion to country.

Because the Fourth of July commemorates the achievement of our freedom as a Nation, it would seem most fitting that on this day as we give joyful thanks for all our blessings, we remember Theodore Roosevelt, the greatest teacher of the essentials of popular self-government the world has ever known.

It is with these thoughts that I join with my colleagues on both sides of the House to propose a joint resolution authorizing and requesting the President of the United States to issue a proclamation calling upon the people of the United States to make July 4, 1958, a day of rededication to the responsibilities of free citizenship.

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I regard it as a rare privilege to be able to say a few words in tribute to our great President, Theodore Roosevelt. It is a fine thing that the House today has set aside this period to honor a man whose mark on history has been so indelibly made and whose many and varied contributions to our Nation have been felt throughout the years.

Theodore Roosevelt lived recently enough to be contemporary. To many this figure is legendary. And he is remembered for one or many of his qualities, be it of leadership, the strenuous life, exemplifying the joy of life, fighting for a cause, or waging war against injustice.

But to me, as a youngster, growing up in New York, I lived a neighbor's distance from this man who inspired in my mind a sort of hero worship. I admired his courage in the hard, uphill fight from frail health in childhood to a rugged man.

And we all recall his ever-timely admonition, "Speak softly and carry a big stick." The words are prophetic and meaningful, even today.

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. BURDICK] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURDICK. Mr. Speaker, on the occasion of this Theodore Roosevelt centennial observance I would like to point out that the picturesque Badlands of my State are the site of the Theodore Roosevelt National Memorial Park. This park, established by act of Congress in 1947, contains approximately 71,250 acres of the North Dakota land familiar to Teddy while he lived out there as a young man. One of the real oldtime cowmen of that area, the late John Goodall, remembered Teddy as of slender build, at the time weighing perhaps 145 pounds; very active and demonstrative. Outside of his keen knowledge of parliamentary law and the exactness of his speech, Roosevelt did not appear to be much different from the ordinary cowboys in those days. In later years, Roosevelt returned to the Badlands and spoke to the cowboys he had known. My friend Goodall remembered this statement by T. R.:

No free government can be secure when the officers elected to run that government are either incompetent or dishonest. The Government exists for all the people and not for a special few. No one should ask for a special privilege, but all should be granted an equal opportunity before the law.

Theodore Roosevelt was guided in his life by the very doctrines that he announced there in the Badlands, at Dickinson, N. Dak., in 1884.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, it is a pleasure to join with my colleagues in sponsoring legislation authorizing and requesting President Eisenhower to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship. .

It is, indeed, fitting on this 53d anniversary of the inauguration of Theodore Roosevelt as President of the United States, to call upon Americans everywhere to renew their faith in freedom and to accept the responsibilities of free citizens in order that we may maintain our position of leadership in the world.

Mr. McINTOSH. Mr. Speaker, 53 years ago today Teddy Roosevelt was inaugurated President of the United States in his own right. This year marks the 100th anniversary of the birth of Theodore Roosevelt.

Theodore Roosevelt was one of the best loved of all the American Presidents.

He was loved because he personified the same bursting energy that was transforming the United States into a great world power. His enormous energies are suggested by the wide range of his activities. He was a voluminous author, a New York City politician, a rancher in the Dakota Badlands, a reform police chief, a cavalry colonel, governor, President, naturalist, explorer, big-game hunter, and first American winner of the Nobel Peace Prize.

He was probably the most athletic President in our history. He led breathless newspapermen on exhaustive hikes over rocks and streams while lecturing them on the benefits of physical exercise. He took jujitsu lessons in the White House. He had boxing matches with his aides. The quiet dignity of the White House was frequently shattered by romps and pillow fights with his sons. "No President," Roosevelt said, "ever enjoyed himself as much as I have." He was probably right. And the American people loved him for it.

Roosevelt's enormous vitality and joy of life was aptly characterized by a visitor from Great Britain, John Morley, when he said, "Do you know the two most wonderful things I have seen in your country? Niagara Falls and the President of the United States; both of them wonders of nature."

Roosevelt was loved because his great achievements were the result of hard work. He was not born into genius; rather he personifies the adage that "geniuses are made, not born." He was fond of quoting Thomas Edison's "Genius is 1 percent inspiration and 99 percent perspiration."

Though his manhood was marked by robust physical stamina, as a boy he was a weak asthmatic. The first time this fearless straightshooter of the Rough Riders went hunting, he got "buck fever." His achievements were not gifts but were fashioned by overcoming his weaknesses through self-discipline and hard work.

Roosevelt was loved for his external boyishness. His last personal exploit—tracing the 1,000-mile course of Brazil's River of Doubt at the age of 55—was undertaken "because it was my last chance to be a boy."

But it was not his boyishness but his manliness that made him one of the first to see the lesson that we so slowly learned in the succeeding years. "To be prepared for war," Roosevelt used to quote George Washington as saying, "is the best way to promote peace." Roosevelt learned this lesson as a very young boy. When he was 13, two boys teased him unmercifully. Finally, he decided to fight but he found that one of the boys could easily hold him at arm's length. He immediately began taking boxing lessons and he became a good fighter. This was Roosevelt's first lesson in preparedness—a lesson he never forgot. He was one of the first to call for today's peace through strength program.

Preparedness—

He said—

deters the foe, and maintains right by the show of ready might without the use of violence. Peace, like freedom, is not a gift that tarries long in the hands of cowards, or of those too feeble or shortsighted to deserve it; and we ask to be given the means to insure that honorable peace which alone is worth having.

Roosevelt was loved because he was one of the first Americans to see the challenges and opportunities that lay ahead of this country in the 20th century. When inaugurated 53 years ago today, he said:

Much has been given to us and much will be rightfully expected of us. * * * Power means responsibility and danger. * * * We have become a great Nation, forced by the fact of greatness into relations with other nations of the earth.

He imaginatively and perceptively foresaw the tremendous explosion of American power that lay ahead and he called on his countrymen to rise to the challenges.

The true conservative—

Said Roosevelt

is the man who resolutely sets his face toward the future.

And Teddy Roosevelt's face was set toward the future.

If he could speak to us today even as he spoke on March 4, 53 years ago, he would see the next stage as confidently as he saw it then. He would say: "Oh, my fellow citizens, each one of you carries on your shoulders, not only the burden of doing well for the sake of your own country, but the burden of doing well and see that this Nation does well for the sake of mankind. Our success means not only our own triumph, but the triumph of the cause of the rights of the people throughout the world."

THEODORE ROOSEVELT CENTENNIAL

Mr. CHENOWETH. Mr. Speaker, I wish to join my colleagues in the House in paying tribute to the memory of Theodore Roosevelt. I consider him one of the greatest of our Presidents. I am indeed happy to join in the celebration of the 100th anniversary of his birth. I want to congratulate the Theodore Roosevelt Centennial Commission for arranging this memorial service today.

Theodore Roosevelt was the first President I can remember. I recall the day in September 1901, when my father came home very excited and told my mother that President McKinley had been shot. My father was very depressed over the assassination of the President. That incident made a deep and lasting impression upon me, and I heard of Theodore Roosevelt for the first time.

I recall seeing President Roosevelt on two occasions in my hometown of Trinidad, Colo. The first occasion was about 1905 when my mother took me to the railroad depot where the President's special train made a short stop. School was dismissed that day and all of the students went to see the President, who was making a trip through the Southwest. It was a day never to be forgotten.

The second time was in 1912 when Mr. Roosevelt was a candidate for President on the Bull Moose ticket. His special train made a brief stop in Trinidad and he delivered a short talk from the rear platform of the train. His appearance made a lasting impression upon me. I recall his famous smile, and how he enjoyed shaking hands with the people. He had the happy faculty of knowing how to make friends.

I have always been an admirer of Theodore Roosevelt. His name implies honesty and integrity. I liked his forthright character and his fearless attitude in handling important national issues. He was known as a fighter, and never quit fighting for the best interests of our country, which contributed greatly to his popularity.

We in the West have a special reason for liking Theodore Roosevelt. The first reclamation law was passed in 1902 under his administration. He believed in developing our natural resources and was an ardent conservationist. He spent much time in the West and was personally familiar with the problem of the Western States.

Mr. Roosevelt was bitterly disappointed when he failed to obtain permission to organize a division in World War I. He was not content to have four sons in the service, but was anxious to participate in the conflict. It is said that some 300,000 men responded to his call for help, and were ready to serve with him. He suffered a severe shock when his son, Quentin, was killed in action and his grief no doubt contributed to his early death.

He was a man of great physical courage. He liked sports and hunting and was an expert boxer. He overcame some early physical handicaps and was able to lead a most active and vigorous life.

He was also a man of great moral courage. He never hesitated when important decisions were to be made. The people had confidence in his judgment and were happy to follow his inspiring leadership.

The stature of Theodore Roosevelt will continue to grow over the years. His influence will always be felt in the political life of our Nation. History has recorded him as one of our greatest Americans.

Mr. COLLIER. Mr. Speaker, it is a distinct privilege to add my voice to others commemorating the memory of one of our greatest Presidents, Theodore Roosevelt. There have been in the history of this Nation a few Presidents who have been truly outstanding. But their true greatness has frequently been held back, not from their own desires but because the events of history have not been such that their full strength of mind and character was needed.

But history set the stage for the advent of Theodore Roosevelt as a principal player. America at the close of the 19th century was emerging from the quiet pastoral existence of a small Nation into the full, rowdy, robust strength of a great power with muscles forged of industrial sinews. America, too, had emerged suddenly on the world scene as a power to be reckoned with. The great new strength of the young and vigorous

Nation had destroyed the vaunted pride of the old, decaying power that was Spain—and, in a sense, all Europe.

From a nation considered by many to be a roistering brat we had emerged a full-fledged world power.

It was at this auspicious moment in history—as the 20th century with its marvels of transportation and industrialization opened—that Theodore Roosevelt stepped forth to take the helm of statesmanship. He could have been a mediocre man and gotten by with it. But the future greatness of the Nation would never have developed. He could, had he desired, slavishly imitated and copied the fads and fashions—in dress and politics—of the older European nations. He could have betrayed this country into an immediate jousting for a position of power among those who lived by the balance of power theory.

He avoided these pitfalls. With clarity of vision and determination of purpose he led this country on a straight and true course to greatness. He devoted his time and boundless energy to the development of a powerful armed force to protect the new country as it emerged onto the world stage. And while protecting our interests abroad, he did his utmost to insure a healthy and vigorous economy at home to back the military with the materials they needed.

America was fortunate that he appeared on the scene as he did. America was fortunate, too, that in his own person Theodore Roosevelt reflected the unchained strength of character and body that was typical of the Nation he led.

We were fortunate, also, that Theodore Roosevelt believed wholeheartedly and with single mindedness in a code of simple Americanism. He expressed this in a letter once opposing a multiplicity of languages in this country. He advocated strongly the use only of English because, he said, "we intend to see that the crucible turns our people out as Americans and not as dwellers in a polyglot boardinghouse."

Mr. CELLER. Mr. Speaker, Theodore Roosevelt was a typical American and a typical New Yorker. The Nation during his lifetime had a personal affection for him because he made history. He was a man of action—dashing action. Although he was a man that emphasized deeds and not words, he was nonetheless a scholar with a wide knowledge in many fields. He was never classified as a scholar because he made his scholarship a constant instrument in his practical activities. He was a great thinker and used his scholarship and learning to regulate that thinking. He believed in results. He also believed in the strenuous life. He was a statesman of the highest caliber, subordinating all his tastes, all his abilities and all his knowledge to achieve success in the path he hewed out for himself, namely, political and social progress.

He was not a lawyer, yet strangely enough, was wise enough in the law to be admitted to the bar. He firmly believed in law and order but unfortunately, he was intolerant of the law's delays. He was impatient with judicial judgments, particularly when he considered them wrong. He never worried about precedents. A man of his dynamic impulses and will to achieve and ebullient personality could not be possibly held down. He readily climbed the ladder of political fame. He became a member of the Assembly of the State of New York soon after his graduation from college in 1881. He was reelected and was the youngest man in the legislature. He was the nominee of his party to the speakership. He was defeated for that office but became floor leader. He was then only 23 and 26 years of age. He became police commissioner of New York.

He was a strong advocate of civil-service reform as well as a strong opponent of corruption in politics.

He went West to the Elkhorn Ranch in 1883, to the then Territory of Dakota, and learned the ways of western life which he loved. No one could ride a bucking broncho better than he. His ranch life brought him into intimate contact with the West.

He became a Commissioner of the United States Civil Service under President Harrison and threw himself with great ardor into the work of civil service. He then became famous in his fights and feuds with politicians who wanted to use jobs as steppingstones to their selfish interests. He did his utmost to keep politics out of the civil service and developed many reforms in furtherance of the merit system. As police commissioner, he fought the gangs and labor racketeers. He descended upon the crooks and thieves like a bolt of lightning. He set the pace for future commissioners.

He then became Assistant Secretary of the Navy in 1897. The Navy was always his first love and he did all and sundry to strengthen it. With the outbreak of the war with Spain, he significantly stated:

I leave for the front tomorrow. Everybody in Washington whose opinion I respect, the President, the Secretary, and even Mrs. Roosevelt, think I can be of more service by remaining at my post in the Navy Department, but I have always said if my country ever engaged in war, I should take part, so I am going off tomorrow.

He believed it was the duty of the United States to intervene in Cuba and to drive the Spaniards from the Western World. He wished to play his part not in Washington, but in the theater of combat operations. He became the colonel of the Rough Riders and served with great distinction. After the war, he became the center of political interest and was elected Governor of the State of New York. He was one of New York's best Governors. He then became running mate as Vice President under McKinley and was elected. He did not wish that nomination since he was anxious to be reelected Governor of the State of New York. The then Senator Platt was anxious to get rid of Roosevelt—he wanted him out of New York and to bury him in the Vice Presidency but Roosevelt would not stay buried. Roosevelt was not the one to be submerged. With the death of McKinley, he became President of the United States.

The White House had seen many Presidents and their families, but no man at all like Roosevelt had ever been there before. He had an energy that was contagious. Rudyard Kipling once said that while in Washington he was listening to Roosevelt at the famous Cosmos Club. Roosevelt would "come and pour out projects, discussions of men and politics, criticism of books, in a swift and full-volumed stream, tremendously emphatic and enlivened by bursts of humor."

I curled up on the seat opposite—

Said Kipling—

and listened and wondered, until the universe seemed to be spinning around and Theodore was the spinner.

As a President, he gave us the Square Deal; he was the happy warrior, the man who never forgot the "forgotten man." His handling of the business at the White House was a model of efficiency. His administration was crowded with achievements of national and international significance. We owe to him the Panama Canal. In a sense, after 100 years of conversation, he built the canal. In a speech at the University of California on March 23, 1911, he said:

I am interested in the Panama Canal because I started it. If I had followed traditional, conservative methods, I should have submitted a dignified state paper of probably 200 pages to the Congress, and the debate would have been going on yet. But I took the Canal Zone, and let Congress debate, and while the debate goes on the canal does also.

Roosevelt was always careful in his appointments and gave them full opportunity to do their work. When that work clashed with private interests, he stood firmly behind his appointees against political and financial pressures of every kind. He never asked his men to do anything that he was not ready to do himself. He was his own severest taskmaster. He was accused of usurping Executive power; but frankly I believe that he, like the Roosevelt who followed him, sincerely and necessarily broadened the use of Executive power.

When he knew he was right and others sought to worst him, he burst the chains of political allegiance. Witness his formation of the Bull Moose Party with the slogan of the right of the people to rule, sometimes also called the Progressive Movement. He used the Presidency as a pulpit from which to preach on many and different subjects which were not within the Federal jurisdiction. One just could not keep down his effervescence. If he had something to say, he would say it.

He was a great friend of labor and believed in the organization and recognition of labor unions. He was a statesman who followed public opinion just as a coachman follows his horses—having a firm hold of the reins and guiding them. He believed in the immigrant and sought to better their conditions. To him "immigration was the sincerest form of flattery." No man that ever lived had a greater courage, whether fighting vested interests and big business or holding up his musket at a charging tiger in the bowels of Africa.

We love him for the enemies he made.

Mr. BERRY. Mr. Speaker, Congress today observes the anniversary of taking the oath of office of one of America's great Presidents, Theodore Roosevelt.

As a young man this great leader sought the prairies of the Dakotas to regain his health. Not only did he leave his mark on North Dakota, but likewise upon South Dakota, and particularly in my Congressional District.

It was Theodore Roosevelt who sponsored the Orman Dam and reclamation project near Belle Fourche, the first Federal reclamation project in the United States. Not only did he leave his mark in conservation, in the preservation of wildlife, and so forth, but also did he leave his mark in government. He said:

Americanism means the virtues of courage, honor, justice, truth, sincerity, and hardihood—the virtues that made America. The things that will destroy America are prosperity-at-any-price, peace-at-any-price, safety-first instead of duty-first, the love of soft living, and the get-rich-quick theory of life.

Americans can well afford to study and reflect on the rugged, individual life of Theodore Roosevelt today, the kind of a life that has made America great.

Mr. BRAY. Mr. Speaker, if we attempt to find one word that most clearly characterizes Theodore Roosevelt, perhaps that word would be "vigorous." We know he had much physical and moral courage; we know he had steadfast integrity and devotion to public office; there are a long list of attributes which he possessed but there was a dashing action about him that makes him stand out among our leaders of the past as a vigorous, forceful man.

Oddly enough, he was frail as a child, and knew much illness before finally, as an adult, developing a more robust health. He loved nature and the outdoors, and as a youth had a desire to be a naturalist. He knew personal tragedy, but perhaps that was an element in forming the resolute character which marks him so clearly in our history.

He put his stamp on the period of our history in which he lived, and in many cases his remarks clearly state American ideals. He said:

I want Uncle Sam to be peaceful; I want Uncle Sam to show scrupulous regard for the rights of others; but I want to see Uncle Sam owe his safety to two facts; in the first place, that he will do nothing but good to men, and, in the second place, that he will submit to wrong from no man.

As one who had proven his personal courage in the charge of San Juan Hill and elsewhere, his comments on defense policy are worth noting.

The only permanently efficient type of defensive—

He said—

is the offensive.

It would be interesting to have his reaction to the situation we have found ourselves in during the cold war, and with the advent of missiles and atomic weapons. Undoubtedly our retaliatory power has done much to deter the Communists from recklessness; but we are faced now with trying to decide how much of our defense spending should go for missiles for offensive strength, and how much for antimissile missiles for defense.

The restless vigor which drove him in each undertaking was expressed in these remarks:

I wish to preach not the doctrine of ignoble ease, but the doctrine of the strenuous life, the life of toil and effort, of labor and strife; to preach that highest form of success which comes not to the man who desires mere easy peace, but to the man who does not shrink from danger, from hardship, or from bitter toil, and who out of these wins the splendid ultimate triumph.

There is expressed the call of the wilderness to the first settlers, and of the farmlands and plains to the pioneers. He noted that no nation can be truly great unless the average man is a pretty good person, and that it could not reach its greatest achievement unless the average woman is a pretty good person, too.

Perhaps Teddy Roosevelt could be termed an impatient man, but it was the same type of impatience which made Americans insist that obstacles be overcome. We insisted that nature be tamed and its productivity turned to man's uses; that disease and deprivation be relentlessly attacked; that injustices be corrected and that men be given the fullest opportunities in a life of freedom.

His devotion to public life is summed up thus:

The test of a man's worth to the community is the service he renders to it, and we cannot afford to make this test by material considerations alone.

He added that "character, in the long run, is the decisive factor in the life of an individual and of nations alike." We have been extremely fortunate in the United States to have had so many men of the stature of Theodore Roosevelt to shape and form our national character.

Mrs. BOLTON. Mr. Speaker, 53 years ago today Theodore Roosevelt was inaugurated President of the United States in his own right. Facing a vast throng assembled before the east front of this building, he declared:

My fellow citizens, no people on earth have more cause to be thankful than ours, and this is said reverently, in no spirit of boastfulness in our own strength, but with gratitude to the Giver of Good who has blessed us with the conditions which have enabled us to achieve so large a measure of well-being and of happiness. To us as a people it has been granted to lay the foundations of our national life in a new continent. We are the heirs of the ages, and yet we have had to pay few of the penalties which in old countries are exacted by the dead hand of a bygone civilization. * * * Much has been given us, and much will rightfully be expected from us. * * * We know that self-government is difficult. We know that no people needs such high traits of character as that people which seeks to govern its affairs aright through the freely expressed will of the free men who compose it. But we have faith that we shall not prove false to the memories of the mighty men of the past.

In these notable words Roosevelt at once proclaimed his enduring faith in the great heritage which has come down to us from the past, and his awareness of the responsibility we owe to ourselves and our posterity.

In the more than half century which has elapsed since Theodore Roosevelt became the 26th President of the United States, we have had reason to recall the truth of the words I have just quoted. Twice, in two mighty world wars—Roosevelt barely lived to see the victorious conclusion of the first—we as a people have been called on to defend our heritage; we have passed through the fiery ordeal, and if our national existence has not been immediately threatened, we have had it brought home to us with terrifying emphasis that in the perils and complexities of this world today we cannot live to ourselves alone.

This year we celebrate the 100th anniversary of Theodore Roosevelt's birth. It seems strange—especially to those who knew and loved him—to think that Roosevelt could have been born so long ago, but that is only another way of saying that his greatest qualities are, and will remain, timeless.

Let us, therefore, reverently and with abiding gratitude, turn our thoughts backward today toward a gigantic figure who, once upon a time, dwelt and labored among us, who preached—

Not the doctrine of ignoble case, but the doctrine of the strenuous life, the life of toil and effort, of labor and strife; that highest form of success which comes, not to the man who desires mere easy peace, but to the man who does not shrink from danger, from hardship, or from bitter toil, and who out of these wins the splendid ultimate triumph.

That is the legacy Theodore Roosevelt bequeathed to us.

Mr. FULTON. Mr. Speaker, as a member of the National Committee of Sponsors of the Theodore Roosevelt Centennial Observance this year, it is a pleasure to pay tribute to this great American on the occasion of the 53d anniversary of his inauguration as President of the United States. We will celebrate the centennial of Theodore Roosevelt's birth later this year, but we pause today to give due recognition to the anniversary of his inauguration.

Particularly as a member of the Foreign Affairs Committee of the House of Representatives it seems fitting to honor the memory of this great President, who, in his day when confronted with a new situation in world affairs, was foresighted enough to realize the profound international changes that were occurring. No longer was our country able to remain aloof and take international stability for granted. One of Theodore Roosevelt's greatest contributions was his recognition and insistence that the United States must play a new role on the international scene in his day. We have lived to appreciate the value and wisdom of Theodore Roosevelt's belief.

We, therefore, honor Theodore Roosevelt not only as a great statesman and a great President, but also for his many concrete contributions to the public welfare and our country as a whole. We honor him for his patriotism, his leadership, and his courage.

Mr. NEAL. Mr. Speaker, history is replete with personalities demonstrating qualities of leadership in adapting the resources and human potential to needs of the times.

The beginning of the present century produced a public leader possessed with the spirit of progress and endowed with the personality, energy, and drive needed to enlist his people in a forward America movement.

Theodore Roosevelt was a man of vision, energy, and persuasion. His contribution to the economic expansion of the Republic was outstanding.

It is altogether fitting that loyal Americans pause to pay him tribute on this, the centennial of his birth.

Mr. BOSCH. Mr. Speaker, I am honored to join with my colleagues in paying tribute to Theodore Roosevelt who was inauguarted President of the United States 53 years ago today. We are all proud of Teddy Roosevelt's record which stands as a monument to leadership. I wish to include a recent column by George E. Sokolsky entitled "Theodore Roosevelt Centennial."

The article follows:

THEODORE ROOSEVELT CENTENNIAL

(By George E. Sokolsky)

Not enough is being made of the fact that next October the 100th anniversary of the birth of Theodore Roosevelt will be celebrated. The particular era in which we live historically starts with Theodore Roosevelt, and while a younger generation may feel closer to another Roosevelt, it was Teddy who stirred the Nation with his overpowering personality, his physical dynamism, his intellectual forensics, and his intense nationalism.

Theodore Roosevelt was a nationalist, one who believed in America first and practiced it all the time. He was President when this country was still in its upbuilding stage and he was unapologetic in his assertions of its strength. He talked like a warrior but kept the peace. He moved through his Presidency with pride, dignity, and courage, and accepted no second place for his country.

Like all Roosevelts, both the Oyster Bay and the Hudson River varieties, Theodore came of a middle class, old Dutch family, of not too great means but enormous respectability. His father had been a bond broker and collector of the port of New York; his mother was the daughter of Maj. James S. Bullock, a Confederate officer in the Civil War. Teddy went to Harvard, from which he was graduated and immediately entered Republican politics on the grassroots level. He was elected to the assembly but his health was poor and he went west to the little Missouri to be a cowboy on a ranch, thus establishing his love for the great outdoors.

His major interest, however, continued to be politics. He ran for mayor of New York City but was defeated (1886). He was appointed to the Civil Service Commission where he served 6 years, thus getting a valuable experience which served him later when he became President.

What brought him into direct line for high office was his very dramatic career as president of the New York City Police Board.

The top Republican politicians in New York wanted to get Roosevelt out of their hair. They had the President appoint him Assistant Secretary of the Navy. He directed naval operations during the Spanish-American War for a while but finally organized the Rough Riders, and served as its lieutenant colonel.

At any rate, it was the colorful Roosevelt of the Rough Riders who was elected Governor of New York to the chagrin of the boss, Tom Platt. Platt immediately set about getting rid of him by having him nominated to the Vice Presidency in 1900. Mark Hanna did not want Roosevelt but Teddy had by now become the most popular figure in the Republican Party. The politicians thought they were rid of him forever, as Vice Presidents do not usually have much of a role in American life.

However, President William McKinley was assassinated and Theodore Roosevelt became President on September 14, 1901. His administration was a lively, exciting one. Roosevelt read everything, knew everything, knew everybody. He made the White House a center of American culture. He freed the Republican Party from the bossism which held it tightly in the control of monopolistic businesses. He stimulated a public interest in government. He sent his son, Quentin, to public school in Washington and shocked the fancy people of Washington. He entertained Booker T. Washington, a Negro educator, in the White House. He is the author of the Panama Canal.

Teddy Roosevelt—nobody called him Theodore—was President until 1909 when his friend, William Howard Taft, succeeded him. Roosevelt went hunting in Africa, returned to edit The Outlook and, quarreling with Taft over basic principles, he organized the Progressive Party, better known as the Bull Moose, and ran against Taft in 1912, thus paving the way for Woodrow Wilson to be elected President of the United States.

His career was so full of action, of effervescent living that it is not always remembered that Theodore Roosevelt was one of the most constructive Presidents in American history.

ELECTION OF MEMBER TO COMMITTEE ON THE JUDICIARY

Mr. MARTIN. Mr. Speaker, I submit a resolution (H. Res. 492) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That ALBERT W. CRETELLA, of Connecticut, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on the Judiciary.

The resolution was agreed to, and a motion to reconsider was laid on the table.

WILLIAM T. ROY

Mr. PRESTON assumed the chair.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, last Friday marked the end of the service of one of the most capable and faithful employees the House of Representatives ever had. I refer to my good friend William T. Roy who retired on that day.

Bill Roy was born in the District of Columbia in 1901. He served in various capacities and then during the Speakership of Mr. Longworth he was made assistant to our great Parliamentarian of the House, Mr. Deschler. In that capacity he served for approximately 27 years.

Bill Roy, in my opinion, was one of the most capable men that it has ever been my privilege to have around. Many times I would say to him: "Congress passed a law 10 or 15 years ago" about a certain thing. "I do not know that you can remember the number of the bill or anything like it." But in 10 minutes Bill Roy would have the statutes on my desk and open to the place where the law appeared.

Bill Roy was faithful, he was kind, intelligent, energetic. I shall never cease to regret, as closely as I have worked with him, that he will not be in the House and serving the House as long as I am here.

To him in his retreat in Florida I trust that he will be restored to complete health, that he may be happy and contented for the remaining years of his life. I wish him a happy birthday on this the 4th of March 1958.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, I join with our beloved Speaker in expressing my deep regret at the resignation of Colonel Roy, and at the same time I would wish him a very happy birthday, this being the anniversary of his birth. I agree with the Speaker that no man served with greater fidelity or greater ability than did Mr. Roy. He was dedicated to his work and for many years rendered conspicuous service. During my two terms as Speaker, he was of powerful assistance.

The House has lost a very able employee. It has lost the services of Mr. Roy only because of ill health; no other reason, I am sure, would tempt him away from the House he loved. We all regret his going and we all hope for him many years of happiness in the new home in Florida he is to establish. He has well earned a period of rest and we hope he will regain his old rugged health.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, Bill Roy was a dedicated man in his service to this body and through his service to this body to the people of the United States. The fact that the Speaker of the House has taken the floor to express himself in relation to the retirement of Bill Roy is the best evidence of the value that we placed upon Bill Roy's services and the affection and esteem we had for him personally as assistant to our great Parliamentarian Lew Deschler, the greatest parliamentarian in the world.

Bill Roy rendered invaluable services. He had the confidence not only of Mr. Deschler but the confidence of the leadership of both parties in the House of Representative throughout the 27 years, approximately, that he served in the responsible position of Assistant Parliamentarian to the House. To Bill Roy in his retirement and to his loved ones I extend my best wishes for many years of happiness and success, and particularly that God will look down upon him and improve his health very rapidly.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I desire to join our illustrious Speaker, who has just finished his 45th year in this body, in paying tribute to one of the finest, ablest and most courteous officials of this House, Bill Roy. Never in all my life have I

known a person more accommodating, more appreciative of the other fellow's problems, than Colonel Roy.

One of the great parliamentarians of the country, he has served as the strong right hand of our distinguished Parliamentarian, Lew Deschler, for many years.

From the time I was a new Member in this body I have always been able to go to Mr. Roy with my parliamentary and legislative problems and I have always received from him not only sympathetic and genuine interest, but able and reliable counsel. I shall miss him when he leaves. As he departs, I extend to him my very best wishes for many happy and useful years in whatever endeavors he may undertake in the future.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I would like to join with the distinguished Speaker and the other gentlemen who have paid this fine tribute to Bill Roy, as we commonly called him. I understand he has been on the Hill for 35 years, 27 years of which he has served as an extremely able assistant to our Parliamentarian, Lew Deschler. His service has been outstanding not only by virtue of his ability but also his loyalty to the position which he occupied. He has had at all times an intense interest in the many Members of the House who have served here over the years. He loved the Congress and served well the different Members, regardless of their political affiliations. At all times he was willing to be of help to all of us. I think of Bill Roy not only as an Assistant Parliamentarian, but I also think of him as a personal friend. I am pleased to have had the opportunity to become acquainted with him both officially and unofficially. Now, after retiring from labor so diligently performed, I trust that the good Lord will bring to this splendid man peace and contentment in the years ahead.

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, I have just learned with the deepest regret of the retirement of Colonel Roy from the service of the House.

I think that no one since Asher Crosby Hinds, with the possible exception of Mr. Deschler himself, has understood so fully the theory of parliamentary procedure or been able to express so accurately with his facile pen the fundamental principles of parliamentary law.

I am myself under deepest personal obligation to him. Frequently in the preparation of parliamentary work he has been of invaluable assistance. And he worked indefatigably on any parliamentary problem presented to him by any Member of the House.

Through the years he has taken from the shoulders of Mr. Deschler much of the work not directly connected with the offices of the Parliamentarian and the Speaker, but which must necessarily be handled by the Parliamentarian of the House.

I do not know of any member of the staff of either House of Congress who will be so greatly missed and whose retirement will carry with it deeper regret on the part of the membership of the Congress than that of Colonel Roy.

I join with the Members of the House in expressing regret at his leaving; in the expression of appreciation of his long friendship, in the wish that he will soon be restored to health and in the hope that the best of life still lies ahead of him.

Mr. MILLS. Mr. Speaker, I join with you and with our colleagues in the House of Representatives in commendation of the outstanding work of William T. Roy, and in extending my very best wishes to him upon his retirement from the position of Assistant Parliamentarian of the House of Representatives. Colonel Roy, as he is affectionately known, has every reason to be proud of the record he has established in one of the most difficult positions in the legislative branch of the Government. I have no hesitancy in saying that the service which he has rendered has made significant contributions to the public interest. There are few people, except close students of Government and those of us here who can appreciate the high importance of the positions of Parliamentarian and Assistant Parliamentarian of the House of Representatives, and the crucial nature of the decisions which they are required to make in rendering advice to the leadership and the Members.

Our legislative system has been the subject of commendation and admiration of students of Government not only in this country but from abroad, and the positions of Parliamentarian and Assistant Parliamentarian of the House of Representatives are truly key staff positions.

Colonel Roy has brought to bear on his duties a professional competency, high intellect and dedication to the public interest which we all admire and of which he can always be proud. Colonel Roy was working for the House of Representatives when I first came to Congress. On many occasions he has rendered assistance and advice to me in innumerable ways. I have always found his advice and counsel to be sound and dependable.

I regard him as a great friend and a valued public servant. He has labored long in the vineyard and deserves a period of well-deserved rest and an opportunity to devote time to personal pursuits, and to his family.

I extend to him my sincerest best wishes upon his retirement. I join with all my colleagues in commending him for his many years of faithful, efficient and diligent work in the public interest.

Mr. REED. Mr. Speaker, one of the privileges of serving as an elected Representative of the people in the Congress of the United States is that we are accorded the experience of meeting staff assistants who are outstanding in ability and dedicated in patriotism. One of these outstanding staff assistants is a man to whom the House is paying deserved tribute today. I refer to that great American, Col. William T. Roy, who has served with distinction in various offices in the Congress but who has particularly distinguished himself as an Assistant Parliamentarian in the United States House of Representatives.

Colonel Roy has lent increased meaning to the term "public servant" by his outstanding ability and the conscientious manner in which he employed that ability to further the best interests of his fellow countrymen. As an officer in the United States Army and as an official the United States House of Representatives, Colonel Roy has comported himself in the finest tradition of public service in behalf of his Nation in times of war and in times of peace. That Colonel Roy now finds it necessary to retire is a cause of regret to us all, but it is a retirement that is well earned. We express the hope that Colonel Roy will find opportunity to come back to visit us often.

I would take this occasion to express to Colonel Roy my heartfelt appreciation for the great services that he has consistently rendered to me. I, as one Member of the House of Representatives, will miss his wise guidance and counsel. I know that I speak for the entire membership of this distinguished body when I wish him well in the years to come.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. PRESTON). Without objection, it is so ordered.

There was no objection.

Mr. PRESTON. Mr. Speaker, I somehow find myself totally unprepared to accept the announcement of the retirement of our distinguished Assistant Parliamentarian, Col. William T. Roy. He has been such a pleasant fixture in the daily life of the House of Representatives that we will find it most difficult to become reconciled to his absence.

One of the things that endeared Bill Roy to the membership of this body was the fact that he had a genuine love for the House of Representatives. He was extremely jealous of its prerogatives and its traditions. He lent himself freely to the proposition that the House should at all times fulfill its mission in high dignity and full responsibility. He was quick to remind Members, in a respectful way, of what proper procedure was. He gave counsel and guidance to us on so many, many occasions to assure that the procedure was not only in keeping with the rules, but in accordance with custom and propriety.

Truly our friend has made a great contribution to the legislative branch of our Government and to the Nation he loves so well. When illness demanded the absence of our Parliamentarian, Colonel Roy filled this position like the veteran that he was. The House has indeed been blessed with having two remarkably capable Parliamentarians in the persons of Mr. Lewis Deschler and Colonel Roy.

The people of the Nation do not understand, generally speaking, the important role of the Parliamentarian in the House. He must be an individual fully capable of being completely impartial. Many people would find this

trait difficult to develop. He must be a man with a brilliant intellect. He must, by his conduct, demand the respect of every Member and officer of the House of Representatives. Colonel Roy possesses all of these attributes.

The retirement Colonel Roy seeks is well deserved. In the peaceful inactivity he expects to enjoy he can be happy in the thought that the good wishes, love, and admiration of the entire House of Representatives and its officers are with him constantly.

Mr. TRIMBLE. Mr. Speaker, the retirement of Bill Roy grieves me much. He is one of the finest, cleanest, men that I have ever known. He was and is a constant inspiration to me by his cheerfulness and the life that he lived. Time after time he made the cares of my job lighter by good cheer and good-natured kidding. He was a tower of strength to all of us.

I wish for him and his loved ones in retirement, the best that life affords—good health and happiness. I hope our paths cross again.

Mr. KEARNS. Mr. Speaker, I certainly was sorry to learn this morning that my dear friend, Bill Roy, has decided to retire as Assistant Parliamentarian of the House.

We all knew, of course, that he had not been feeling well of late, and we had missed him working with Lew Deschler and the presiding officer of the House.

Over the years he has been a fixture in the House of Representatives and has contributed in great measure to the parliamentary success of much important legislation.

Bill is one of the most affable men I have ever met, and certainly I am just one of countless Members of Congress whom he has been considerate of and has helped and assisted.

In 1952 I had the pleasure of making a trip to the Far East with him, and we became very close companions on that trip.

I sincerely hope that the days ahead will afford Bill the much-needed rest and relaxation he so deserves; but I am sure his deep affection, happy memories, and sincere interest will always lie with the House of Representatives of the United States that he served so well.

Mr. CELLER. Mr. Speaker, I regret to learn that William T. Roy, Assistant Parliamentarian, is leaving us. I am sure the reason must be an overriding one like illness. He seemed quite happy in his assignment with us. I take it that his physical condition requires this change. His work seemed congenial to him. He always seemed happy and contented. A happy man does his best work. Bill always rendered exemplary service. No task was too burdensome, no chore too heavy. He was ever responsive to the needs of the Members.

I frequently consulted him. He always with tact and wisdom unraveled knotty parliamentary problems.

He served in this House for many years, 27 of them as assistant to Lew Deschler. He was Lew's right arm.

Bill will be sorely missed.

Wherever fate will take him we wish him and his dear wife happiness and good health.

Mr. ANDREWS. Mr. Speaker, one of the first men I met when I came to Congress in 1944 was Bill Roy. Since that time it has been my pleasure to enjoy his friendship. I have never known a finer man, he was honest, able, and courageous at all times while serving as an officer of the House. Many, many times in his courteous way he was most helpful to me. I shall certainly miss him after his retirement and I join his many other friends in wishing him a well deserved rest, happiness and good health for many years to come.

Mr. McGREGOR. Mr. Speaker, I would like to take this opportunity to express my deep regret concerning the retirement last week of my good friend William Roy, who served this body so long and so well as Assistant Parliamentarian.

Colonel Bill will be fondly remembered by every one of us who has been privileged to work with him, Republicans and Democrats alike, as a man who was unceasingly devoted to his job and who took great pride in his work.

In his 35 years on the Hill, his ready smile and his friendly way have earned him countless friends, and his integrity, his sound judgment and his valuable advice have won him the lasting admiration of us all.

As Colonel Bill leaves us now for sunny Florida and a much-deserved rest, I know he carries with him the warm best wishes of us all, and the gratifying inner-knowledge of a job well-done.

Mr. JONES of Missouri. Mr. Speaker, I want to join with those who are sorry to learn that Col. Bill Roy has elected to resign his position as Assistant Parliamentarian. While we have missed Bill being around here, it was my understanding that he was recovering from his recent illness and I was looking forward to seeing him back at his familiar place in this Chamber within a short time. Like so many other Members I became acquainted with Colonel Roy shortly after I came to Congress and from that time on relied on him for advice on parliamentary procedure. Never have I found a friend who had more patience or understanding, or who seemed more anxious to answer my questions or help me with my problems. I will miss Bill Roy's presence and it is my sincere hope that he will shortly be restored to his usual good health. Bill does deserve a rest, and I want him to enjoy his retirement to the fullest extent. I hope that with the relief of responsibility he will cease to worry, and will soon be back here to visit with us, without having to be bothered with our problems.

Mr. BOYKIN. Mr. Speaker, in the more than 22 years I have had the honor and privilege of representing the First Congressional District of Alabama in the Congress of the United States, I have never met a more helpful and cooperative officer of this House than my good friend, Bill Roy. Bill has visited me down in Mobile and on the beautiful and historic Fort Morgan peninsula, and we enjoyed having him and his lovely lady with us.

We will sorely miss Bill in this House, but we are all happy for him that he has retired to that land of eternal vacation and enjoyment, Florida.

We salute you, Bill Roy, on the occasion of your 57th birthday. May you enjoy many, many more years of happiness and may your health continue to improve. God bless you, Bill.

Mrs. KEE. Mr. Speaker, it is with genuine regret that I learned today of the retirement of my good friend, Col. William T. Roy, Assistant Parliamentarian of the House. Colonel Roy is one of the finest persons I have ever known. He was always courteous, friendly, and helpful. He will be greatly missed by his many friends, and all of us wish for him the best of health and happiness during the years to come.

Mr. HOLIFIELD. Mr. Speaker, I was surprised at the announcement of the retirement of Col. William T. Roy, and I take this occasion to make a few remarks. Colonel Roy, in his capacity of Assistant Parliamentarian, has endeared himself to every Member of the House because of his ability and his friendly attitude to each of us.

During the 16 years that I have served as a Member of the House, I have had many occasions in which it was necessary to consult with Colonel Roy regarding questions of parliamentary procedure. Upon all of these occasions his advice has been wise and helpful. All of us will miss Colonel Roy, and I wish to express my personal appreciation for his fine and loyal service to me during my time of service.

I extend to Colonel Roy my best wishes for his good health and happiness during the years of his retirement. He has earned from a grateful membership our best wishes and our continuing appreciation for the 35 years of able service to the House of Representatives.

Mr. THOMPSON of Texas. Mr. Speaker, I am very sorry indeed to learn that my old friend, Col. Bill Roy, has retired. His devotion to duty and his long years of painstaking effort as Assistant House Parliamentarian have not only deprived him of much relaxatien but they have also taken their toll of his health.

Much as I hate to see him leave, I would as his friend of many years urge him to do exactly what he has done, namely, to take it easy and get himself to feeling entirely well again.

As we bid him goodby from the Halls of Congress, where he has worked for so long, a great many of us recall the years when he has been ready and willing to advise us in the complicated parliamentary procedures. I, for one, recall his unfailing good nature when younger Members of Congress have come to him seeking advice which he might have said was out of his line of endeavor.

I shall miss him, and I shall console myself in the loss only with the thought of how richly he deserves his rest and what a lot of fun he should have for the balance of his life to compensate for the things he has done for his country.

Mr. TEAGUE of Texas. Mr. Speaker, I want to take this opportunity to join with other Members of this body in wishing the best of everything to Bill Roy whose retirement has just been announced.

As an Assistant Parliamentarian for 27 years out of his 35 years' service here on the Hill, Bill has rendered a great service to all of us and has guided many of us through the intricacies of parliamentary procedures.

I have enjoyed my associations with Bill Roy, both in business and pleasure, and always found him ready to lend a helping hand. I know we will all miss his presence and assistance and without doubt the House of Representatives will suffer a great loss in his retirement.

Mr. THORNBERRY. Mr. Speaker, I want to join in these wonderful tributes which have been paid here on the floor today to our wonderful friend, Col. William T. Roy, whom we all know as Bill Roy.

All of us who had an opportunity to be associated with him regard him as a friend, anxious to be helpful, willing to go out of his way to encourage young Members, and always faithful to the traditions of the House of Representatives.

While we regret to see him retire, he has our best wishes for a happy life in the days to come.

Mr. JONES of Alabama. Mr. Speaker, the influence for good exerted by Col. William T. Roy, as Assistant Parliamentarian of the House of Representatives for the past 27 years, simply cannot be calculated. It was a type of service that came through admirable patience, great wisdom, and supreme tact. His talents were many and appreciated, but in one sense they were hidden from the general public and the great mass of the American citizenry, although his skills and knowledge benefited all Americans eventually.

His profound knowledge of orderly procedure in Government came from exhaustive study and research and his position as one of the leading parliamentarians of the world was recognized amply by other governments than our own. His help to a multitude in the Congress since 1931 was not only expert, but generous. One of the aspects of his personality which endeared him to so many was that he imparted from his great store of knowledge with kindly cooperation, when it could have been given with the air of a harassed teacher, which he often was. The work of Col. William T. Roy is embedded firmly in the majority of the laws which have benefited the American people, through their elected Representatives.

Colonel Roy's talents aided many new, modern governments, for he was consulted in establishment of parliamentary procedures by Western Germany, Vietnam, Japan, Korea, and other new republics. To these he gave solid counsel and in doing so shared American ideals of popular government and governmental obligation to the people of these countries. He was a most astute ambassador of Americanism in many places.

As a parliamentarian he brought peace and order in many a Congressional dispute and debate. If in his retirement, he achieves only a fraction of the peace, content, and good will he spread around the House of Representatives for 27 years, we who appreciate his efforts and cherish his friendship, shall be content.

Mr. RABAUT. Mr. Speaker, we learn from our distinguished Speaker that the Members of the House of Representatives will no longer have the benefit of the services of one of its most conscientious and able workers. Col. William T. Roy, the First Assistant Parliamentarian of the House, has decided to retire from a most active life. This news comes as a great shock to me and I know it is a great loss to the House of Representatives.

Bill Roy was a real help to all Members of the House. He was also a particularly great and devoted friend of mine. I shall never forget his splendid cooperation when we had the Flag Day services for the first time in the House of Representatives. He arranged with the various services in the Department of Defense for the personnel to appear on the House floor. Neither shall I forget the pride on his countenance when the flag entered the Chamber for the first time on Flag Day, June 14, 1955, when we heard the announcement of the Doorkeeper of the House, "Mr. Speaker, the flag of the United States."

Bill Roy is a gentleman in the true sense of the word. He is a most considerate, kind, and genial man. During his long years of service with us he cheerfully met every challenge in or beyond the call of duty, always showing a deep understanding of our wants and was gifted with an extraordinary ability to serve them well. He possesses the coveted trait of fostering warm, deep, and lasting friendships.

Bill has been sick for some time and has endured a great deal of pain and suffering. But this in no way diminished his many faithful services to us here in the Chamber.

He has chosen our Florida climate for recuperation and rest and it is my prayer he will receive both of them to their fullness. No one could be more deserving.

Although I am happy that Colonel Roy's working days are complete and he can now relax and enjoy a much-needed and richly deserving rest in the Florida sunshine, I shall miss the sunshine of his smile, the warmth of his friendship, and his ever-pleasant personality.

Mr. KEOGH. Mr. Speaker, I should like to join in the tribute being paid today to Col. William T. Roy, the Assistant Parliamentarian, who is retiring after 27 years of faithful service. It was my good fortune to meet Bill Roy shortly after I began my service in the House, and he was always most helpful and willing to be of assistance whenever I had occasion to call upon him. He has been a conscientious loyal employee whose background and vast knowledge of his complex duties will be hard to replace. Colonel Roy will be greatly missed by the entire membership of this House whom he has served so well. As he leaves us today, we extend to him our heartfelt appreciation for his many years of devotion to duty, and express the hope that he and Mrs. Roy will enjoy the years of retirement ahead in good health, and that they will be rich with contentment and happiness.

Mr. CANFIELD. Mr. Speaker, when I came to work on Capitol Hill in January 1924, as a Congressional secretary, I met William T. Roy, then a senatorial aide. I liked the cut of his jib, as the sailors say, and we soon became close friends.

No one was more pleased than I when 27 years ago Bill was named assistant to Lewis Deschler, distinguished Parliamentarian of the House, and every Member of our body will say "amen" to the tributes that have been accorded Bill by Speaker RAYBURN and former Speaker MARTIN and so many others as he and his beloved wife Donna leave for what all of us want to be many happy years in retirement in the Southland.

Washington newspapers today describe Bill as the Parliamentarian with the photographic memory. He has just that and he knows every Member of both House and Senate, his background, and his record. When the Speaker or a Chairman of the Committee of the Whole House on the State of the Union, wanted to refer to a precedent or a bill or an enactment of yesteryear it took Bill only minutes to pinpoint the subject matter. It is understandable why the distinguished chairman of the House Appropriations Committee and the author of Cannon's Precedents, Mr. CANNON, of Missouri, who once was House Parliamentarian, now rates Bill alongside of Asher C. Hinds and Lewis Deschler, as among the most famous of all House Parliamentarians.

Men and women, serving in the parliaments of the NATO nations, Germany, Japan, Korea, and Vietnam have called on Bill Roy in recent years for assistance in working out practical parliamentary procedures and Bill has many dear personal friends among them.

Bill has an outstanding war record, his service in the military beginning back in 1919, when he was a buck private in the army of occupation in Germany. When he returned home he became intensely interested in helping to build up a strong National Guard organization in the District of Columbia. He rose in the ranks to a lieutenant colonelcy and the 29th Division, which he commanded, will never forget him.

What is the secret of Colonel Bill's success? A very simple one. He loves people. The Congress was his second home and how he exalted our National Legislature, its history, traditions, and prerogatives. He will long be remembered for his courtesies, his patience, his understanding, his thoroughness. He stands very high in my book of unforgettable characters.

Mr. KING. Mr. Speaker, I rise to extend my sincerest best wishes and commendation to a valued public servant upon his retirement from an important office in the legislative branch of the Government. William T. Roy, the Assistant Parliamentarian of the House of Representatives is retiring from many years of highly efficient, able, and dedicated service to the legislative branch of the Government and to the people of the United States. Colonel Roy is one of those rare individuals who we encounter as we go through life. He has applied

all of his energy to his work, and Members of this House will attest to the dedicated nature of his service and the professional skill and competence which he has brought to bear on the important problems which have fallen within his sphere of responsibility. I have valued him over a period of many years as a close and trusted friend. He has always been ready to assist Members of this House and others with a multitude of problems arising out of the intricacies of legislative procedure. The positions of Parliamentarian and Assistant Parliamentarian are among the most important positions on Capitol Hill. Decisions made by persons in these positions in rendering advice to the elected representatives of the people have an important and far-reaching impact upon the lives of all Americans.

I join with my colleagues in commending Colonel Roy for his dedicated public service and extending to him my very best wishes for a period of well deserved rest and relaxation.

Mr. ROGERS of Florida. Mr. Speaker, shortly after I was elected to the House of Representatives, I had the pleasure of meeting William T. Roy, Assistant Parliamentarian of the House, and after that time, had the opportunity to see and talk with him on many occasions and to benefit from his many years of parliamentary experience. It is with great regret that I learned of his retirement for he will be truly missed in the House of Representatives. However, my District is fortunate in that Bill has bought a home in Delray Beach, Fla., and plans to make it his permanent home, so while we have lost a very able parliamentarian in the House, Florida has gained a fine citizen. As Congressman from the Sixth District, I would like to take this opportunity of publicly expressing my great satisfaction in knowing that Bill Roy will reside in Delray Beach, and of welcoming him and his family to our district.

Mr. GAVIN. Mr. Speaker, my sincere congratulations on his birthday anniversary to my good and able friend, the distinguished Assistant Parliamentarian, Col. William T. Roy, who has so faithfully served us for the past 27 years in the House of Representatives.

Also, it is with deep regret that I note his retirement after his many years of public service in this body.

Bill has been a hard-working, conscientious public servant during his service here in the House—always ready with his great gift of understanding, experience and ability to be helpful in any way he could. His work has been outstanding, and he has earned and deserves the hearty commendations of the Members of the House for the excellence of his performance. He has turned in a magnificent record of which he can well be proud.

Bill has been my very good friend since my coming to Congress. We certainly will miss the fine companionship which we have enjoyed with him over the years. No matter what request was made of Bill, he was always greatly pleased when any little act or deed of his added to the happiness of any of us.

It is my sincere hope that Bill's health will greatly improve and that in his retirement he will find great happiness. My wish for him is that he will enjoy all the good things in life over the years ahead.

Mr. HALLECK. Mr. Speaker, I do not know whether you can correctly call a man an institution or not, but if you can, then, as far as I am concerned we have lost a gracious institution on Capitol Hill with the retirement of Bill Roy as Assistant Parliamentarian.

Colonel Roy was always a distinct credit to the office in which he served so ably through the years. There was never a hint of partisanship in his make-up, and I can say in all truthfulness that, although I have availed myself of his services time and again during my years in the Congress, it never occurred to me to ask Bill Roy his politics. I still do not know what they might be, and it does not make any difference to any of us, I am certain.

That is the way it should be among those whose responsibility it is to do the best possible job for all of us on both sides of the aisle and that is the way it has always been.

It was because of Bill Roy's strict objectivity that we could all rely with complete confidence on his word.

I will remember Bill as a fellow who was always not only willing, but eager, to go out of his way to be helpful, even when the assignment we might put to him was out of his immediate bailiwick, so to speak.

He was an agreeable, friendly, accommodating employee of the House who would figuratively tear his shirt to get any job done we might ask him to do.

I will always remember Bill, too, as a fellow with a vast store of personal knowledge and anecdotes about folks who have been among us here. They were kindly, affectionate stories, reflecting Colonel Roy's own devotion to his fellow men and to his career in the office of the Parliamentarian.

All of us will miss him, and I join with my colleagues on this occasion in wishing Bill Roy an abundance of the good things of life for many years to come.

Mr. LECOMPTE. Mr. Speaker, the retirement of Col. William T. Roy, as Assistant Parliamentarian, removes a faithful and loyal employee of the House and one upon whom many of us depended. Colonel Roy served all Members of the House and he did it well. I became especially well acquainted with him during the sessions of the 80th Congress when the impact of the new Congressional Reorganization Act coincided with the transfer of control from Democratic to Republican Party, and it was a very difficult time for a good many Members of the House who had never felt the responsibility that comes to a majority party. Frankly, I have no idea what Colonel Roy's politics is, but I do know that he served chairmen of committees, the leadership, and anyone else who was at a loss for information in a very fine unselfish, bipartisan manner. Like the Parliamentarian, Mr. Lewis Deschler, he was dedicated and unselfish in his service.

I earnestly hope that in the balmy atmosphere of Florida his health will be improved and that he will enjoy the relaxation from arduous duty that he so richly reserves. I shall always, myself, be deeply indebted to him.

Mr. GROSS. Mr. Speaker, I regret that I was ill with an influenza virus and unable to be present on the floor when many Members joined in felicitating Bill Roy on the occasion of his birthday and expressed their sincere regrets that he was retiring as Assistant Parliamentarian of the House of Representatives.

It was my good fortune to meet this fine gentleman when I came to Washington a few days after my first election. No one was more helpful to me at that time, and through the years that have followed he was never too busy to give me of his time and wealth of knowledge of the rules and procedures of the House. It was therefore a shock to me to learn earlier this year that he contemplated retirement.

Bill Roy is not only a parliamentarian of unquestioned knowledge and repute; he is an oustanding American citizen. A zealous defender of the prerogatives of the House of Representatives, he also knew full well the meaning of the Constitution in its relation to orderly government and the preservation of this Republic.

This public servant has made a valuable contribution to his country and I wish both he and his wife all the good things of life in their retirement.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF THEODORE ROOSEVELT

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, it is an honor and privilege for me to join with the other Members of this body today in honoring the memory of one of our greatest American Presidents, Theodore Roosevelt, on the occasion of the 53d anniversary of his inauguration.

At a time when our country is seeking leadership we are more cognizant than ever of the great debt we owe Theodore Roosevelt, a man of enormous courage, forthrightness and practical idealism.

So many of the problems which beset America today are the same problems which Theodore Roosevelt and his generation faced, but the following words which he uttered over 50 years ago might well have been said this very day:

> The history of America is now the central feature of the history of the world; for the world has set its face hopefully toward our democracy; and, O my fellow citizens, each one of you carries on your shoulders not only the burden of doing well for the sake of your own country, but the burden of doing well and seeing that this Nation does well for the sake of mankind. * * *

Nowhere else in all the world is there such a chance for the triumph on a gigantic scale of the great cause of democratic and popular government. If we fail, the failure will be lamentable * * * for not only shall we fail ourselves, but our failure will wreck the fond desires of all throughout the world who look toward us with the hope that here in tihs great Republic it shall be proved from ocean to ocean that the people can rule themselves, and thus ruling can gain liberty for and do justice both to themselves and to others.

I am indebted to Charles L. Dufour, a widely read columnist of the New Orleans States, for reminding us in New Orleans of the special debt we owe to Theodore Roosevelt.

The year 1905 was not only the date of Roosevelt's reelection, but also the date of New Orleans last yellow fever epidemic. The city was immediately put under quarantine and business between New Orleans and other parts of the Nation came to a complete standstill. President Roosevelt took a particular interest in the progress of the fight against the disease and put every possible Federal facility at the hands of the local government.

So appreciative was the city of New Orleans that on September 16, when the epidemic had subsided Mayor Martin Behrman wired the President expressing New Orleans heartfelt thanks and inviting him to make a trip to New Orleans so that her citizens might show their gratitude. The President accepted, and in doing so not only received one of the greatest receptions ever bestowed by a city famed for its hospitality and parades, but by his very act of coming, broke the quarantine against the city and opened up normal travel and commercial relationships again between New Orleans and the Nation.

In 1924, when the old Grunewald Hotel changed owners, the new owners of the hotel received permission from the Roosevelt family to name the hotel after the man who almost 20 years before by his grand gesture had helped to get New Orleans back on her feet. The Roosevelt Hotel stands today as a memorial to a great friend of New Orleans, of America, and of freedom loving people everywhere.

MRS. MARGOT M. DRAUGHON

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H. R. 1692, for the relief of Mrs. Margot M. Draughon, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 3, after "Draughton" insert "of Denver, Colo."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, there are a number of these small bills the gentleman from Massachusetts is going to bring up, and I suggest that he explain what they are in one statement.

Mr. LANE. The first bill I am calling to the attention of the House merely inserts in line 3, after the name of the complainant, Mrs. Margot M. Draughon, the words "of Denver, Colo." The other three bills I wish to take up following the passage of H. R. 1692 merely strike out the regular attorney's fee provisions that have been inserted in the bills by the House.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RALPH H. WEEKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H. R. 2901, for the relief of Ralph H. Weeks, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LESLIE A. BATDORF

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H. R. 4541, for the relief of Leslie A. Batdorf, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, lines 10 and 11, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FOREST H. BYROADE

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H. R. 5163, for the relief of Forest H. Byroade, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 5, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CASIMIR PULASKI

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. PRESTON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PRESTON. Mr. Speaker, in a world divided between the forces of freedom and those of tyranny, it is fitting at this time that we should recall the life of a great man who made the supreme sacrifice for the cause of human liberty. That man was Casimir Pulaski, the 211th anniversary of whose birth is marked this day.

His heroism and valiant efforts in the cause of freedom are noteworthy and memorable because he was a fighter for freedom wherever he saw injustice and tyranny. He fought courageously against overwhelming odds in striving to obtain freedom for his native land, Poland. When this goal was denied him, he threw himself unstintingly into the cause of American freedom, a cause made successful through his efforts and those of others like him. He ultimately gave his life in the American Revolution, dying on the field of battle at the siege of Savannah on October 11, 1779.

The struggle to maintain the ramparts of liberty, as General Pulaski clearly understood, is a never-ending one. Democratic institutions have ever faced a hostile world, more often than not controlled by those who have no respect for the dignity of the individual. By following his example, we have been able to defend ourselves against the despotisms which continue to plague our world today. But the battle is not won, however many victories we can point to in the past. The maintenance of our cherished way of life will require the energy and devotion of all of us who have long revered the name of General Pulaski.

Casimir Pulaski may be considered a symbol of what we understand to be the responsibility of the citizen in these difficult times. Courageous in the face of brutal and unrelenting despotic power, eager to transmit the blessings of liberty to others, and undying in the love of free institutions, he advanced immeasurably the cause of human freedom. It is our responsibility to take up his mantle and pursue the cause of liberty with the same devotion, integrity, and honor.

MILITARY DISCHARGES

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the 8 to 1 decision of the Supreme Court yesterday in two military discharge cases is another milestone in the field of individual rights. The majority opinion that the Army must be bound to base discharges exclusively on the military service of a soldier is an eloquent statement of a position which I have long believed to be a foundation of the protection of the rights of servicemen. The guarantee that inductees now have that their discharge will accurately reflect the character of the service which they have rendered as soldiers returns the nature of military discharge to its former place; that is, a certificate of service rather than an affidavit that a veteran was or was not an undesireable civilian before his military service began.

Unfortunately, the policies of the Department of Defense which are affected by the decision have taken a toll among hundreds of exservicemen that can perhaps never be fully compensated. Jobs have already been denied them, as have many legal rights. Their position in their community has in many cases been undermined.

Let us now hope that the process open to these men for correction of their discharge will be speedy and effective. Having born the brunt of what has effectively been illegal action on the part of the Department of Defense, they deserve no less than the quickest practicable relief.

REVIEW OF REGULATORY COMMISSIONS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, although the hearings on the Federal Communications Commission have pointed out the weak political morality of Federal Communications Commissioner Mack and the unprofessional approach of Attorney Whiteside, these disclosures of corruption have apparently served the designs of those who seek to obscure the vast areas of corruption far more costly to the public.

If Commissioner Mack was bought off by fixer-lawyer Whiteside, does this leave National Airlines free from criticism? Can it be assumed that National Airlines was innocent of the method or methods employed by its agent Whiteside in bringing home the bacon—the Miami television channel? Is not National Airlines responsible for the acts of its agent?

Mr. Mack and Mr. Whiteside are symbolic tools of corporate avarice. But why shouldn't the corporation that employed them be punished and made to show cause why it should not be cited for public contempt—and suffer a review of its capacity to operate a publicly licensed TV station or a publicly licensed airline. The Mack incident invites attention to the corruption of corporations as it does to the corruption of men.

Obscured by the Mack incident is the crying need for review of all of the regulatory commissions. The failure of the CAB to establish basic principles in rate-fare schedules is pathetically contrary to the public interest. The failure of the FCC to establish consistent guideposts in determining qualifications for broadcasting rights is equally so. The utter failure of the FPC to establish firm standards in gas-rate fixing is a most glaring disregard of the public interest.

The fact of the matter is that these commissions are merely trade organizations for the industries they are suppose to regulate. The failure to adopt fair and equitable bases for rate fixing is a deliberate industry dictated plan.

The airlines, radio, TV companies and the federally regulated utilities enjoy a bonanza of benefit by the development of weak ineffectual regulatory commissions. It is this organized ineffectuality which should be investigated because the resulting damage to the public interest transcends Commissioner Mack, Attorney Whiteside and their kind.

THEODORE ROOSEVELT

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Speaker, I would like to add my voice to the many with whom I have joined in introducing a joint resolution urging the President to issue a proclamation calling upon the people of the United States to make the observance of Independence Day, July 4, 1958, a day of rededication to the responsibilities of free citizenship.

In so doing, I would like to repeat the words of our great President, Theodore Roosevelt, words which President Roosevelt spoke in Newcastle, Wyo., on May 3, 1903. President Roosevelt stated that:

> In this community and in Wyoming I recognized an abundance of that spirit on which we have to rely to make our country great—the spirit of hard work, of self-reliant capacity, each to shift for himself and to unite for the common benefit.

President Roosevelt further stated:

> In order to attain to the highest degree of national success, there must be work by the Nation, there must be wise legislation, upright and honest as well as fearless and intelligent administration and legislation. But no making of laws, no administration of law, can take the place of the individual man's individual effort.

Theodore Roosevelt recognized that the West had been settled and built up primarily by the individual work of the pioneer and the successor to the pioneer. He recognized that all must steadfastly endeavor to shift and develop the laws to the new needs that from time to time arise. He was a firm believer that all of this was fundamentally grounded on the courage, the commonsense and the capacity for hard work of the average man. Theodore Roosevelt of course recognized that there were other countries with institutions like those of our great Republic, which countries nevertheless have failed to come up to the standard we have attained because they do not have the men in back of the law. As he said, "Just as in battle, it is the man behind the gun who counts the most, so in civil life it is the average man in back of the law who counts the most."

We of the West and the great State of Wyoming adhere to the principles set forth by Theodore Roosevelt and call upon the people of the United States to rededicate themselves to these principles in his memory on July 4, 1958.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the Private Calendar.

HENRYK BIGAJER AND MARIA BIGAJER

The Clerk called the bill (H. R. 7057) for the relief of Henryk Bigajer and Maria Bigajer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Henryk Bigajer and Maria Bigajer, of 321 Division Avenue, Brooklyn, N. Y., in full settlement of all claims against the United States. Such sum represents the amount of departure bonds posted by Henryk Bigajer and Maria Bigajer and breached on October 27, 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 11 and page 2, line 1, strike the words "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE OF REFERENCE AND COUNSEL OF FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA

The Clerk called the bill (H. R. 2261) for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Committee of Reference and Counsel of the Foreign Missions Conference of North America, the pur-

chaser of certain surplus property from the United States under contract No. W-ANL (PA-1)-3614, dated May 31, 1946, and supplement numbered 1 thereto, dated June 12, 1946, between such Committee of Reference and the Central Field Commissioner for the Pacific and China, Office of the Foreign Liquidation Commissioner, is hereby relieved of all liability to pay to the United States for such surplus property any amount over and above the sum of $1 million already paid to the United States therefor by such Committee of Reference.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEAVY AND GENERAL LABORERS' LOCAL UNIONS 472 AND 172 OF NEW JERSEY PENSION FUND

The Clerk called the bill (H. R. 5219) to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Heavy and General Laborers' Local Unions 472 and 172 of the New Jersey pension fund, created July 1, 1953, as a result of an agreement between the International Hod Carriers' Building and Common Laborers' Union of America, Locals 472 and 172, of the State of New Jersey and the Associated General Contractors of New Jersey, which fund has never been operated in a manner which would jeopardize the interests of its beneficiaries, shall be deemed to have met the requirements of section 401 (a) of the Internal Revenue Code of 1954 and shall be deemed to be exempt from tax under section 501 (a) of the Internal Revenue Code of 1954 and section 165 (a) of the Internal Revenue Code of 1939 for the period beginning July 1, 1953, and ending November 8, 1956.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISAAC LIDJI, HENRY ISAAC LIDJI, AND SYLVIO ISAAC GATTEGNO

The Clerk called the bill (S. 1519) for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

With the following committee amendment:

Page 1, line 11, after the word "deduct" strike out the balance of the line, lines 1 and 2 on page 2, down to and including the word "available" and insert "three numbers from the number of immigrant visas authorized to be issued to refugee-escapees pursuant to section 15 of the act of September 11, 1957 (71 Stat. 643-644)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA DITTENBERGER

The Clerk called the bill (H. R. 8239) for the relief of Maria Dittenberger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Maria Dittenberger, the fiance of Ralph Johnson Kiefer, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Maria Dittenberger is coming to the United States with a bona fide intention of being married to the said Ralph Johnson Kiefer and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Maria Dittenberger, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Maria Dittenberger, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Maria Dittenberger as of the date of the payment by her of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 527) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, the minor child, Chan Yak Shing, shall be held and considered to be the natural-born alien child of Peter Chin, also known as Chan Jung Dot, a lawfully resident alien of the United States.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Anka Scirkovich, shall be held and considered to be the natural-born alien child of Mrs. Mary Yojkovich, a citizen of the United States.

SEC. 3. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Kata Genero, shall be held and considered to be the natural-born child of Mrs. Katherine Genero, a citizen of the United States.

SEC. 4. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Kazuko Inoue and Takako Inoue, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Julian P. Weir, citizens of the United States.

SEC. 5. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Miho Sinko, shall be held and considered to be the natural-born alien child of Hamilton Fish, a citizen of the United States.

SEC. 6. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Kim-shun Fong shall be held and considered to be the natural-born alien minor child of Thomas L. Fong, a citizen of the United States.

SEC. 7. The natural parents of the beneficiaries of this joint resolution shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 2, line 1, strike out the name "Yojkovich" and substitute in lieu thereof the name "Vojkovich."

On page 2, line 15, strike out the name "Miho Sinko" and substitute in lieu thereof the following "Michael Hamilton Fish (formerly Miho Sinko)."

The committee amendments were agreed to.

Mr. HEMPHILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 2, line 6, after the word "natural-born" insert the word "alien."

The amendment was agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAIVING CERTAIN PROVISIONS OF IMMIGRATION AND NATIONALITY ACT IN BEHALF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 528) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, notwithstanding the provisions of section 212 (a) (1) and (4) of the Immigration and Nationality Act, Virgilio Fiordaliso may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Parania Mykycej and Edgars Pedraudze may be issued visas and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act, upon compliance with such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiaries are entitled to care under the Dependents' Medical Care Act, suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of that act.

SEC. 3. Notwithstanding the provisions of section 212 (a) (31) of the Immigration and Nationality Act, Jose Trinidad Maldonado Ortiz may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

SEC. 4. The exemptions provided for in this act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES T. CROWDER

The Clerk called the bill (H. R. 1283) for the relief of Charles T. Crowder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles T. Crowder of Suffolk, Va., the sum of $5,948.69. The payment of such sum shall be in full settlement of all claims of Charles T. Crowder against the United States arising out of losses incurred by him as a result of his failure to include in his bids for Post Office Department Star Route contracts an amount equal to the Commonwealth of Virginia's gross receipts road tax on operations covered by such contracts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 529) for the relief of certain aliens.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

MICHAEL ROMANOFF

The Clerk called the bill (H. R. 8348) for the relief of Michael Romanoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That under the immigration and nationality laws of the United States Michael Romanoff shall be deemed to have been born in New York, N. Y., in 1893.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That, for the purposes of the Immigration and Nationality Act, Michael Romanoff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 22, 1932, upon payment of the required visa fee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MASSMAN-PATTI-TANNER AND MITCHELL

The Clerk called the bill (H. R. 1329) for the relief of Massman-Patti-Tanner and Mitchell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $17,037.98 to Massman-Patti-Tanner and Mitchell, of Kansas City, Mo., in full settlement of all claims against the United States. Such sum represents reimbursement of premium wages paid to employees, and State taxes thereon, for services performed in connection with the rehabilitation of the Sunflower Ordnance Works near Lawrence, Kans., under cost-plus-a-fixed-fee contract numbered DA-23-028-ENG-440, dated January 2, 1951: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, after "1951" insert, "*Provided*, That prior to the payment of the sum provided for in this act, Massman-Patti-Tanner and Mitchell of Kansas City, Mo., shall be required to present evidence establishing that its subcontractors have been fully reimbursed for premium wages paid by those subcontractors for work under said contract."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY SLATKIN

The Clerk called the bill (H. R. 6731) for the relief of Harry Slatkin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry Slatkin, 46 East Main Street, Paterson, N. J., the sum of $500. The payment of such sum shall be in full settlement of all claims of said Harry Slatkin against the United States, in connection with the $500 departure bond posted by the said Harry Slatkin, on behalf of Erno Kraus on January 3, 1949: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPERA CONSTRUCTION CO.

The Clerk called the bill (H. R. 7944) for the relief of the Spera Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Spera Construction Co., of Harrisburg, Pa., the sum of $5,142.50. The payment of such sum shall be in full settlement of all claims of such company against the United States for reimbursement of increased costs incurred by it in order to expedite, at the request of the contracting officer for the United States, the time of performance of a contract to construct a fuel accessories test facility at Olmsted Air Force Base, Middletown, Pa. (contract No. AFC 36 (600)-1857, dated September 17, 1954): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. LAURENCE D. TALBOT, RETIRED

The Clerk called the bill (H. R. 8433) for the relief of Capt. Laurence D. Talbot (retired).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Capt. Laurence D. Talbot (retired), of Alamo, Tex., be, and he is hereby, relieved of all liability to refund to the United States the sum of $1,072.50. Such sum represents overpayment of disability retirement for the period July 1, 1952, through December 31, 1955, received from the Retired Pay Division, Finance Center, United States Army, and the Veterans' Administration.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Capt. Laurence D. Talbot (retired), a sum equal to the aggregate of all amounts which have been withheld by the United States from amounts otherwise due him from the United States, by reason of the liability of which he is relieved by the first section of this act: *Provided*, That no part of the amount appropriated in this section shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. RAYMOND A. VONDERLEHR

The Clerk called the bill (H. R. 9990) for the relief of Dr. Raymond A. Vonderlehr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That effective as of November 1, 1955, the retired pay of Dr. Raymond A. Vonderlehr under the Public Health Service Act (42 U. S. C., ch. 6A) shall be computed as though he had continued in the grade of Assistant Surgeon General of the Public Health Service until the close of December 31, 1943.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FELIX GARCIA

The Clerk called the bill (H. R. 9991) for the relief of Felix Garcia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury shall pay, out of money in the Treasury not otherwise appropriated, to Felix Garcia, of Barrio Naranjito, Hatillo, Puerto Rico, the sum of $204.65, in settlement of all claims arising out of a vehicular collision in Puerto Rico, on April 21, 1941, involving a United States Army vehicle and a truck owned by Mr. Garcia.

SEC. 2. Notwithstanding any contract, no part of the amounts appropriated in this act shall be paid, or delivered to, or received by any agent or attorney on account of services rendered in connection with such claim. Any person who violates any provision of this section is guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES R. MARTIN AND OTHERS

The Clerk called the bill (H. R. 9992) for the relief of James R. Martin and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following disbursing officers and former disbursing officers of the United States Navy the amounts listed opposite their names. The amounts listed represent moneys paid from their personal funds to liquidate deficiencies incurred in their accounts, which deficiencies were not as a result of bad faith or lack of due care on their part:

Lieutenant (junior grade) James R. Martin, Supply Corps, United States Navy, $30.93; Lieutenant Carl C. Mueller, Supply Corps, United States Navy, $37.65; Lieutenant Jackson Leroy Schultz, Supply Corps, United States Navy, $45.30; Lieutenant Leroy Spratling, Supply Corps, United States Navy, $17.50; Lieutenant Commander Kern A. Ulrich, Supply Corps, United States Navy, $150; Lieutenant (junior grade) William D. Warne, Supply Corps, United States Navy, $25.

SEC. 2. The relief herein authorized shall not bar recovery from the payees or beneficiaries of the amounts improperly received by them.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. NASH

The Clerk call the bill (H. R. 10220) for the relief of William E. Nash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William E. Nash, Bryan, Tex., a sum consisting of $9,945.18, representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 93, 84th Congress (Congressional No. 13–55, decided January 15, 1958), to be the amount of losses of said William E. Nash suffered while furnishing architectural services (including the furnishing of certain reimbursable items) performed by him in connection with housing project TEX20–2 undertaken under the United States Housing Act of 1937, as amended: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WALTER E. VON KALINOWSKI

The Clerk called the bill (S. 573) conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the United States Court of Claims to hear, determine, and render judgment on claims against the United States, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Mrs. Walter E. von Kalinowski. Suit upon such claim may be instituted by Mrs. Walter E. von Kalinowski at any time within 3 years after the date of enactment of this act.

SEC. 2. The provisions of sections 1492 and 2509 of title 28, United States Code, shall be applicable to this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALE P. HAUN AND JULIA FAY HAUN

The Clerk called the bill (S. 674) for the relief of Cale P. Haun and Julia Fay Haun.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of determining the individual liability for income taxes for the taxable year 1953 of Cale P. Haun and Julia Fay Haun, the elections of said Cale P. Haun and Julia Fay Haun, sole stockholders of River Grange Co., Inc., which was liquidated pursuant to a plan of complete liquidation adopted on December 24, 1953, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the mailing of such election was delayed, without negligence or fault on the part of such stockholders, beyond the 30th day following the adoption of such plan.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LOSER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LOSER. Mr. Speaker, the purpose of this legislation is to provide that in the determination of the 1953 individual income tax liability of Mr. and Mrs. Haun, the sole stockholders of the River Grange Co., Inc., which was liquidated pursuant to a plan of complete liquidation, they should have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code.

Under the provisions of the applicable subsections of section 112 of the Revenue Code, taxpayers who seek the benefits of section 112 (b) (7) (A) must make an election as to recognition of gain in certain corporate liquidations, and notify the District Director of the Internal Revenue Service within 30 days after the adoption of the plan of liquidation.

Generally, section 112 provides that in the case of property distributed in complete liquidation of a domestic corporation it shall be taxed in a certain way, according to the disposition of the proceeds of the liquidation.

The Hauns, on December 24, 1953, adopted a plan of liquidation of the corporation, and elected to avail themselves of the applicable provisions of section 112 of the Internal Revenue Code. However, due to a disabling cerebral hemorrhage of their attorney, Mr. Lawrence B. Howard, in July 1953, which disability has continued down through the subsequent years, the required notice of election within 30 days after the adoption of the plan of liquidation was not given. Upon the discovery of the failure to give the notice, such notice was immediately given.

It therefore appears, Mr. Speaker, that this private bill confers no special benefits on the taxpayers. The Hauns will not gain a special tax advantage by the passage of this private law. They will

gain only the benefits of the applicable statute to which they were already entitled by law. The bill grants relief as to the time of compliance with section 112 (b) (7) (A) of the Internal Revenue Code.

Taxpayers were blameless in their present plight. They advised lawyers and accountants to do everything necessary to carry through with the complete liquidation of the corporation they—Mr. and Mrs. Haun—owned, including notices of election to receive benefits of the tax laws in such a situation. And I speak with personal knowledge when I say that the 30-day notice of election required by law would have been given by the Honorable Lawrence B. Howard had he not suffered a terrible disabling cerebral hemorrhage after he advised the Hauns as their attorney the course of action to be pursued in the proposed liquidation. Mr. Howard has only partially recovered at the present time. He remains incapacitated and in enforced retirement. Taxpayers, when they learned that the notice of election had not been given in the time required by law, immediately notified the Internal Revenue Service of their election.

The Congress is empowered to grant this relief and this private law sets no precedent. The 82d Congress passed such a private law—Private Law 363, 82d Congress, chapter 576, 1st session, H. R. 1596; also S. 636, 82d Congress, 1st session.

The test is whether the taxpayer himself was negligent or at fault personally, or the error or omission occurred through no fault or negligence of the distressed taxpayer.

This is a meritorious bill, and I am hopeful that it will be passed by the House. It has already received the approval of the other body.

To penalize a taxpayer, though blameless, when others are not, is contrary to our concepts of equal justice under the law in America.

Since the Congress has granted relief to other taxpayers in similar distress, it should now give relief to Mr. and Mrs. Haun.

The effect of the bill's passage is to defer the payment of the tax upon unrealized appreciation in value of the property distributed in liquidation. The bulk of the assets of the corporation was unimproved real estate and has not been sold. When sold by the Hauns, the tax to be paid will be the same. The only difference is when the tax will be paid.

ALEX P. COLLINS

The Clerk called the bill (S. 888) for the relief of Alex P. Collins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alex P. Collins, the sum of $2,000 in full satisfaction of his claim against the United States for refund of the amount of the bonds posted with the Immigration and Naturalization Service of the Department of Justice in the case of his niece, Maria Karvelis, and her three minor children, Boeleta Karvelis, Martha Karvelis, and Euterpi Karvelis, and declared breached by such Service when the said Maria Karvelis, Boeleta Karvelis, Martha Karvelis, and Euterpi Karvelis failed to depart in accordance with the terms of such bonds although they were subsequently granted permanent residence in the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the further call of the calendar be dispensed with, due to the fact that the committee has not had reports in sufficient time to be informed about the bills.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1959

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11085) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half of the time to be controlled by the gentleman from New Jersey [Mr. CANFIELD] and one-half of the time by the gentleman from Virginia [Mr. GARY].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 11085, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANFIELD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-four Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 15]

Barden	Fulton	Rains
Barrett	Gordon	Reece, Tenn.
Blitch	Granahan	Saund
Bonner	Green, Pa.	Shelley
Bow	Gross	Sheppard
Boykin	Halleck	Shuford
Bray	Herlong	Sieminski
Buckley	Hess	Staggers
Burdick	Jenkins	Teague, Tex.
Clark	Jonas	Tollefson
Cooley	Knutson	Vinson
Davis, Tenn.	LeCompte	Vursell
Delay	Montoya	Walter
Dempsey	Moulder	Williams, N. Y.
Dies	Murray	Willis
Engle	Passman	Wilson, Calif.
Forand	Poage	Wilson, Ind.
Frelinghuysen	Powell	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11085) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 365 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] is recognized.

Mr. GARY. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, may I call attention to the fact that we are now considering the second largest appropriation bill that will be before this House this year. Of course the largest bill is for the Department of Defense.

This bill carries a total of $23,600,000,000. Let me point out, however, that of that amount $8½ billion is for permanent indefinite appropriations, over which our committee has no control whatever. The largest item among the permanent indefinite appropriations is the item of interest on the public debt, which is estimated at $7,800,000,000 for this fiscal year, and at identically the same amount $7,800,000,000 for the fiscal year, 1959.

In addition, this bill carries trust funds, and there, again, our committee has absolutely no control over those funds. Payments are made out of those funds as provided by law, but they do have to be appropriated. It is estimated that payments out of the trust funds for 1959 will amount to approximately $11 billion, the largest items of which are that of $8 billion for old-age and survivors trust payments, and $2 billion for payments to the unemployed.

When you deduct the permanent appropriations and the trust fund appropriations from the total bill, that leaves approximately $4 billion over which the committee does have control, and upon which our committee has been holding hearings for the last month.

I would like to pay my respects to the members of my subcommittee who have

labored so diligently over this bill. There are several members of the committee who have served on it for a long time. We were distressed at the beginning of this year to learn that one of our most valuable Members, the gentleman from Louisiana [Mr. PASSMAN], had suffered an illness and could not be with us; but the chairman of the full committee immediately appointed the gentleman from North Carolina [Mr. ALEXANDER] to serve during the absence of the gentleman from Louisiana, and he sat on the committee throughout the hearings. Also on the committee in the gentleman from New Jersey [Mr. SIEMINSKI] and the gentleman from Oklahoma [Mr. STEED] on the Democratic side. On the Republican side is my good friend, the gentleman from New Jersey [Mr. CANFIELD]. The gentleman from New Jersey and I have alternated the chairmanship of this committee for a number of years, and I can say very frankly that I have never seen the judgment of the committee influenced by political motives. We have tried to keep politics out of our deliberations, because the Treasury and the Post Office are two service Departments of the Government. They have definite and important duties to perform; and, certainly, there should be no politics in connection with the appropriations for those two Departments. In addition, we have the gentleman from Indiana [Mr. WILSON] and the gentleman from Pennsylvania [Mr. JAMES]. I think you will agree that we have a very able subcommittee, and I can assure you that we have an exceptionally able staff assistant in Mr. Robert L. Michaels.

We have been over this bill very carefully, and frankly, I feel like making some apologies. I believe we are recommending the smallest cut this committee has ever made.

As I stated, the combined appropriations for the Treasury and Post Office Departments and the United States Tax Court, over which we have control, for 1958, were $4,026,027,000. The estimates for 1959 are $4,121,969,000. We recommend in the bill for 1959 $4,100,608,000, which means that we are recommending $74,581,000 more than was appropriated for 1958, but $21,361,000 less than was requested in the President's budget.

First let us consider the appropriations for the Treasury Department, and here I would like to pay my respects to that Department. I have said time and again that in my judgment it is the most economically operated Department in the entire Government of the United States. I want to reiterate that at the present time. This is one of the very few times I can remember that any department has come in and asked for less than it had the previous year. We appropriated last year $699,567,000 for the Treasury Department. They came in this year with estimates of $699,367,000, which is $200,000 less than last year's appropriation. I will admit that is not much of a reduction, but usually, every department asks for more money as our expenditures continue to climb from year to year. Our committee recommends $697,127,000, which is $2,440,000 less than the 1958 appropriation and $2,240,000 less than the estimates.

May I say here that by the introduction of modern methods and electronic equipment in the various bureaus of the Treasury they have succeeded in reducing the personnel in that Department by 10,000 people within the last 5 years. You will find an interesting table showing personnel changes for each of the bureaus on page 476 of the hearings.

I think I can speak for the entire committee when I say that we were very much impressed with the new Secretary of the Treasury. He appears to be imbued with the idea of economy, as had his recent predecessors, and I think we are fortunate in having at the head of our Treasury Department men who are imbued with the idea of saving money. In the previous administration, Mr. Snyder, who was then Secretary of the Treasury, set up a committee, within the Department, on management and reorganization. That committee exists to this date. It is working constantly trying to put in improvements which will add not only to the efficiency of the Department but will save money. It is producing excellent results.

As we look at the item appropriations for the Treasury Department, we find, first, the Office of the Secretary. We have given the Office of the Secretary the exact amount requested, $3,068,000, which is a reduction of $20,000 in the appropriation for 1958. I think it is fair to say for the Secretary's Office that the estimate this year includes the full-year cost of a Government actuary transferred from the Bureau of Accounts and also the salary of an Assistant Secretary heretofore financed by the Reconstruction Finance Corporation. Therefore, they are going to absorb this additional expense and still spend $20,000 less in 1959 than was appropriated for the current fiscal year.

For the Bureau of Accounts we recommend the appropriation of the amount requested, $3,110,000, which is $15,000 less than they had the year previously. The Government actuary has been transferred from this bureau to the Office of the Secretary, which accounts for that reduction.

In the Division of Disbursements we appropriated $17 million last year. They estimate $17,340,000 for 1959. We recommend in the bill $17,300,000, which is $300,000 more than was appropriated for 1958 and $40,000 less than was requested for 1959.

The reason for the increase over the present fiscal year in the Division of Disbursements is the ever-increasing number of Government checks that they have to disburse. The number of checks for various reasons is increasing every year.

For the Bureau of the Public Debt we appropriated $45,900,000 for 1958. The estimate for 1959 is $44,600,000. We reduced that to $44,500,000, which is $1,400,000 less than the amount appropriated for 1958 and $100,000 less than the request. The reason for that reduction is that the Bureau of the Public Debt, as some of you probably know, during this last year switched from paper savings bonds to a cardboard bond with perforated marks that can be handled in electronic machines. The issuance of those cardboard bonds, similar to the checks issued by the Government, is saving a tremendous amount, because they can do away with a lot of the labor in handling the bonds by handling them through electronic machines. That is a striking evidence of the modern methods, being installed by the Treasury Department, which are reducing the expense and adding to the efficiency of the Department.

For the Office of the Treasurer we appropriated $17,950,000 for 1958. They estimated the same amount for 1959, and we recommend the full amount of the request without any change.

In the Bureau of Customs the same is true. We appropriated $48 million for 1958. They requested $48 million for 1959. We recommend $48 million.

I might add here that during the year the Treasury Department felt that they could make some savings by combining 11 of the customs collection districts with adjacent districts. It was estimated that by so doing they would save $175,000 per annum. They announced these consolidations, and as soon as they did, a great protest came to the Treasury Department. Of course, every time you reduce expenditures there is a protest. But here the representatives of the various ports came in and objected to the change on the ground that private individuals and the local governments were contributing to the development of these ports and they were afraid that if the consolidations were made these local contributors would lose interest. For example, at Charleston, S. C., they had a bond issue in prospect to improve the port facilities and they were afraid that it would have some effect on the bond issue. Therefore, the Treasury Department rescinded its order of consolidation. Frankly, from the standpoint of the Treasury Department itself and the efficiency of the customs service, they can be consolidated. We recommend in our report that consideration be given to the question of charging the localities or the local interests the additional cost of operation if the localities are interested in maintaining the present setup. But it is merely a suggestion. There is nothing in the report to require it.

Internal Revenue Service: The Internal Revenue Service asked for $325.5 million, which was the amount that was appropriated for 1958. We did not cut them at all. We did deduct from that amount $3.5 million and we recommend that the highway trust fund reimburse the Internal Revenue Service $3.5 million for the collection of the highway funds. Now, frankly, I do not think that this situation is similar to the one that we had with the Labor Department at all. That involved the administration of an act.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman is, of course, familiar with the specific legislation creating the highway trust fund

wherein it is spelled out that the only funds which may be used from the highway trust fund are administrative funds for the Bureau of Public Roads; is that correct?

Mr. GARY. I do not agree with the gentleman on that interpretation of the act.

Mr. BOGGS. Mr. Chairman, if the gentleman will yield further, for the benefit of the gentleman I will insert the provisions at the proper time in the RECORD. The gentleman is aware of the fact that many of the highway-user funds do not go into the trust fund; is that correct?

Mr. GARY. Some of them do not, as such.

Mr. BOGGS. Well, what does the gentleman mean?

Mr. GARY. Well, I mean in addition to the highway fund we also make appropriations for the highway department and have been for years.

Mr. BOGGS. I beg to correct the gentleman. All of the funds for the construction of roads by the Federal Government now come out of the highway trust fund.

Mr. GARY. Yes; that is true.

Mr. BOGGS. Then what is the gentleman referring to?

Mr. GARY. I am referring to the fact that, in addition to that, the Government makes other appropriations.

Mr. BOGGS. But not for highways.

Mr. GARY. For highways.

Mr. BOGGS. Oh, no. What other appropriations?

Mr. GARY. The Government has always made highway appropriations.

Mr. BOGGS. What other appropriations?

Mr. GARY. For building highways.

Mr. BOGGS. I would beg to disagree with the gentleman. All of the highway program is now financed through the highway trust fund. This includes the interstate program as well as the 50–50 matching program and the other programs. There are not any other appropriations.

Mr. GARY. And the money goes out of the Treasury into the highway funds. It is collected by the Internal Revenue Service and turned over to the highway funds.

Mr. BOGGS. I do not think the gentleman quite understands my point. There is a whole group of highway users' taxes; taxes on gasoline, taxes on tires, taxes on accessories; excise taxes on the sale of buses, automobiles, and trucks; taxes on lubricating oil and others. Some of those taxes go into the highway trust fund; some of them do not. For instance, not 1 penny of the lubricating oil tax goes into the highway trust fund although there is no reason why it should not. That is where it ought to go. Now with reference to this $3 million that the gentleman has in his bill——

Mr. GARY. Three million five hundred thousand dollars.

Mr. BOGGS. Three million five hundred thousand dollars to which at the proper time I intend to make a point of order. Will the gentleman explain to me if he makes a distinction between the gasoline tax and the lubricating oil tax?

Mr. GARY. I will say to the gentleman that our committee has recommended the amount which the Treasury Department and the Internal Revenue Service has advised the committee that it costs to collect the highway funds. If there is any mistake in the amounts, then I refer the gentleman to the Treasury Department. We are reporting to the House the amount which the Internal Revenue says it costs to collect these funds.

Mr. BOGGS. As the gentleman knows, I have a very profound respect both for the gentleman and his subcommittee as well as the full committee. I might say, however, that this is the first time the Treasury Department has ever made such a distinction. We have heard them before the Committee on Ways and Means many times, and several of us have bills which have been pending before that committee, some of which ask for just the kind of breakdown the gentleman now has incorporated into this appropriation bill. The Treasury Department invariably has said that it has no means of making this kind of distinction. How the Treasury Department can come up with a cost estimate which makes a distinction between those taxes which are not dedicated to the trust fund and those which are, is beyond me.

Mr. GARY. As I stated to the gentleman, we are using the estimates that have been given to us by the Treasury Department and I, for one, see no reason why those costs should not be paid out of the fund.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, I simply want to join my colleague from Louisiana [Mr. BOGGS] in expressing concern over the manner in which this trust fund is being—I do not know the exact words——

Mr. GARY. It would be hard to find the exact words for this because this is a proper transfer of funds; this does nothing more than compel the fund to pay certain costs of collection. I see no reason why they should not be paid.

Mr. CURTIS of Missouri. All I wanted to say is that I want to join my colleague on the other side of the aisle to demonstrate that this is of interest to both groups in the Committee on Ways and Means. When we get into the merits of it we can discuss that, too.

Mr. GARY. I agree with the gentleman. I would prefer not to yield any further, because I want to finish the rest of the bill.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. REED. I feel a very vital interest in this trust fund. I think I was largely responsible for its being created and I think it ought to be kept inviolate. There is a tendency when we create a trust fund to begin to nibble into it. We eat it up and destroy it. I think this whole highway program is so important to the country at large and there is such vital interest in it that if we begin dipping into this fund and breaking it up we are going to pay a big price for it.

The other day I put a little statement in the RECORD in regard to the situation with regard to social security. We are going to face a situation there that is rather serious. Already the benefits are larger than the income there. Sooner or later we will have a tax there of a billion or so. The people can stand just about so much.

Now they have this program laid out here in an orderly sort of way. I just want to join the gentleman from Louisiana [Mr. BOGGS] and some others here in seeing that this fund is absolutely protected.

Mr. GARY. We will have ample opportunity to discuss this matter when it comes up on the floor. I would rather not yield further now.

Mr. BOGGS. I want to thank the gentleman for yielding very generously. I might say to him that the statement that he just made means that this will really be the first time we have had an opportunity to discuss this when we could vote on it.

Mr. GARY. There will be no disposition on my part to shut off debate in any way. I want to give everybody an opportunity to discuss the matter.

Mr. BOGGS. The gentleman is eminently fair.

Mr. REED. May I thank the gentleman for allowing me to speak my piece.

Mr. GARY. I was delighted to do so.

That was the only change that was made in connection with the Internal Revenue Service.

For the Bureau of Narcotics, we recommend the same amount we appropriated for this year, and the amount they requested for 1959, which is $3,780,000.

Here I will pay a compliment to my friend from Louisiana [Mr. BOGGS]. The Bureau of Narcotics has done a magnificent job. I think Dr. Anslinger, the director of that Bureau, has the proper idea of the functions of that Bureau. He believes that the Bureau should operate on the international level and on the national level, and assist local officials in local enforcement. That is the only manner in which it can operate efficiently. If we ever get to the point that we try to set up in the Bureau of Narcotics an enforcement personnel to take over the entire enforcement of the narcotic laws it will cost us millions of dollars and the results will be far less effective than they are now, with the Bureau cooperating with the local authorities.

There has been a great improvement in the narcotics situation because of the recent laws that have been enacted, one by the Congress, which was sponsored by my friend from Louisiana [Mr. BOGGS], increasing the penalty for violations. The Federal Government and many of the States have increased the penalties for violation of the narcotics laws to the point that we are scaring these traffickers out of business, which is a great thing. There are 1 or 2 States which are still somewhat behind in this respect, but for the most part we are get-

ting excellent results throughout the United States.

Mr. BOGGS. May I commend the gentleman and also his colleague from New Jersey [Mr. CANFIELD] on the very splendid cooperation they have given Commissioner Anslinger over the years. Because of the fact that the Committee on Ways and Means has the responsibility for the enabling legislation for this Bureau, I have followed this matter very carefully. I think that we for the first time are making really tremendous progress in wiping out this menace. The gentleman has helped it tremendously.

Mr. GARY. The gentleman is certainly correct about the progress we are making. I thank the gentleman for his comments. It is a most important subject because nothing is more important than stopping this traffic which is destroying a great many people in our Nation.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am delighted to yield to the gentleman.

Mr. CANFIELD. Is it not true that our subcommittee would like very much to see more realistic sentences imposed by the judiciary throughout the Nation against these narcotics offenders as well as more interest and greater concern evidenced by local communities in their cooperation with these Federal agencies? It is a fearful thing, Mr. Chairman, that in the city of New York—yes, in the area in which I live, we find that 43 percent of all drug addiction in the United States is focused in that one city. That is an awful and staggering challenge to the local authorities in New York City.

Mr. GARY. I thank the gentleman for his comments. I will say our committee has been cooperating with Dr. Anslinger for years on this program. I believe we are now beginning to achieve real results.

The next item is the Bureau of the Mint and there the appropriation is the same as last year, and the same as the amount requested, which is $4,300,000.

Now, we come to the United States Coast Guard. Let me say that the United States Coast Guard is an arm of the defense of this Nation. Notwithstanding that fact, it is certainly the most economically operated of all of the defense organizations, in my judgment. For operating expenses, they requested $171,700,000 which is an increase of $2,700,000 over the amount that they have available this year. We recommend the amount requested. But, I want to warn the House that the physical plant and equipment of the Coast Guard is deteriorating more rapidly than it should, and sooner or later we are going to have to spend a considerable sum of money on this item.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman.

Mr. SEELY-BROWN. In connection with the statement the gentleman just made, turning to page 416 of the hearings, I would like to ask the gentleman if he could advise us as to the reaction of the committee or the action of the committee, if any, regarding the advisability of replacing the wooden dormitories of the Coast Guard Academy with buildings of a more permanent nature.

Mr. GARY. I will say to the gentleman there is a very vital need for that replacement. It has been my privilege and pleasure to serve as a member of the Board of Visitors of the Coast Guard Academy, from the House of Representatives, for the last 3 or 4 years. Every single year we have recommended that this temporary dormitory be replaced, but we are faced with the question of replacement of that dormitory just as we are faced with every other problem. We have these tremendous expenditures to make on missiles and submarines and various other defense items. Therefore, the Treasury Department and the Coast Guard did not think that this was a proper time to present that request. Since they did not request it—although we discussed it in our committee and we told them we thought they ought to have a new building—no money was appropriated for the building. We hope that an appropriation can be made for that purpose next year. The estimated cost, by the way, is $2 million.

Mr. SEELY-BROWN. In other words, what the gentleman is saying is that the reason the subcommittee did not take action on that particular item is the fact that the Coast Guard itself did not give it a sufficiently high priority on the Coast Guard program—in other words, they did not ask for it?

Mr. GARY. It was not in the budget requests. The Coast Guard may have asked for it and the Budget Bureau may have cut it out. But, in any event, it was not in the budget requests which were presented to us. Whether the Coast Guard cut it out or the Treasury Department or the Bureau of the Budget, I do not know.

Mr. SEELY-BROWN. Would I gather from that that the gentleman might be friendly to the suggestion of an amendment to put in sufficient funds for the building of these dormitories and that such an amendment might be acceptable to the gentleman?

Mr. GARY. I would say it would not be this year, because I do not believe we ought to go beyond the budget request. We have done that in one instance, to which I will call attention in a few minutes, but I do hope that it can be done next year.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CHAMBERLAIN. I would like to point out, as a member of the Board of Visitors visiting the Coast Guard, that we toured these wooden barracks and observed the condition that existed. I would like to point out that I was shocked to find that insofar as fire protection was concerned they had a rope dangling from each window in the upper stories so that in case of fire the cadets housed in the building could get out by this rope.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield.

Mr. SEELY-BROWN. I do not mean to belabor the point with the gentleman, because I know he is one of the most friendly Members of the House with regard to the needs of the Coast Guard, but is it not a fact that in the creation of the new Air Force Academy no expense is being spared to provide quarters and safety for the boys trained at the Academy, and it is regrettable that we do not exercise the same vigilance in taking care of the boys trained at the Coast Guard Academy?

Mr. GARY. I agree with the gentleman. I hope that by next year we can get this matter straightened out.

The next item, United States Coast Guard acquisition, construction and improvements, the request was for $16 million. We recommended $16 million. Let me say that under this item we have an item of the Coast Guard that has given our committee considerable concern for a long time. That is the condition of the Coast Guard aircraft. We have felt for a long time that there has not been sufficient effort to keep the airfleet modern and safe. Therefore, we requested a modernization and replacement program over 5 years ago. Such a program was worked out by the previous administration. Then, when the present administration came in, they said they would like to study the program, which we thought was entirely proper. Since that time we have been trying for 5 years to get a proper program worked out.

Finally, a report was submitted to our committee last year after we had made our appropriation. That report recommended the expenditure of $12 million during the present year, $12 million for 1959, and $18½ million for each of the next 4 succeeding years. This year that report was modified. We appropriated $12 million for 1958. This year they are asking for only $9 million for 1959, which will mean we will have to increase the appropriation for each of the 4 succeeding years to $21,600,000. The reason for the change in the report is that a number of piston planes have been declared surplus by the Air Force. The Air Force needs jets, the Coast Guard does not. The Coast Guard officials think they can utilize those surplus planes. Consequently, we are to some extent marking time on this program to see what use can be made of those airplanes. In view of that fact our committee acquiesced in the modification of the report.

Coast Guard retired pay. That is a matter which is fixed by law. The estimated payments for retirement are $27,800,000, which is an increase of $1,400,000 over the 1958 appropriation.

Now we come to the Coast Guard Reserve training program. I daresay that the Members of the House have received telegrams on this item; I personally have had several telegrams on the program from various Reserve units.

We appropriated $15 million for the Coast Guard Reserve training program last year. We cut other items in the Treasury Department and we were informed that there was a plan to ask the Senate to give the Department the privilege of transferring funds so that they could transfer funds out of the Coast

Guard Reserve training program for these other items.

We opposed it very vigorously with the result that it was specifically provided that no transfers should be made from Coast Guard funds.

Instead of transferring the funds they froze $3,500,000 appropriated for the Reserve training program. They set that amount aside as a reserve. This year they requested only $11,500,000 for 1959. Our committee feels that if the Coast Guard is going to serve the Nation properly in a time of emergency that we should have an adequate Coast Guard Reserve; as a matter of fact, we would like to give the entire amount of $15 million. You have heard statements about the restoration to $15 million, but this committee was only requested to appropriate $11,500,000 for 1959.

What we did was this: We directed the Treasury Department to restore $1 million of the $3,500,000 they have in reserve immediately for this year; then we have added to their request for next year $1,500,000, making the item $13 million rather than the $11,500,000 requested.

In this manner we will make available to the Coast Guard $1 million more this year and $1,500,000 more next year than has been requested by the Department.

We have an item here, liquidation of the Reconstruction Finance Corporation. That is decreasing very rapidly. Eight hundred thousand dollars was requested for this year; only $160,000 is requested for next year because they are liquidating those funds and not as much work remains to be done.

We now come to the Post Office Department. We have increased the Post Office Department appropriations $77 million for 1959. They had $3,325,000,000 in 1958. The estimates for this year were $3,421,121,000, an increase of $96,121,000. We recommend in the bill $3,402,000,000, which is an increase of $77 million over 1958 appropriations, but a cut of $19,121,000 in the estimate. This increase is due largely to the estimated increase on the volume of mail and to an increase in railroad rates for transporting the mail.

We have cut requests for administration approximately $3 million. After the controversy that took place last year with reference to the Post Office Department appropriations the committee sent its staff over to investigate. The staff submitted a voluminous report, the major portions of which are incorporated in the hearings of our committee beginning at page 200, along with the answers of the Department to the various recommendations. It is gratifying to the committee to know that the comments of the investigating staff are met with either specific or tacit agreements in the answers of the Department.

They are now engaging in some reorganization in the Department. For example, the District operational offices and the District transportation offices are being eliminated as such. District officers and their principal aids are now designated field or mobile service officers. It may be that ultimately some 460 positions will be eliminated or vacated. That was the testimony offered before our committee. There were no deductions for estimated savings from this reorganization, and we, therefore, cut the appropriation $3 million to take advantage of estimated savings.

For operations, the appropriation for 1958 was $2,380,000,000. They asked for $2,703,468,000. We recommended $2,690,000,000, which is an increase of $71,056,000 over the 1958 appropriation and a decrease of $13,468,000 in the request for 1959. The increase is due to the increase in the estimated mail volume. We felt that the increase would not be as high as estimated for two reasons. The increase this year was estimated at 4 percent. It has only worked out to 3.4 percent. They are now estimating a 3.4 percent increase for next year. We think that with the recession, which is now recognized, and also due to the fact we are about to increase the mail rates that there will be some falling off in the volume of mail next year. We have made a cut to take care of estimated savings in that respect.

For transportation, the Department asked for $476,200,000. We recommend $475,000,000, which is an increase of $5,019,000 over the comparative appropriation for 1958 and a decrease of $1,200,000 in the request for 1959. Let me say we will probably have an increase in railroad rates. The railroads now have pending before the Interstate Commerce Commission a request for an increase in those rates and if an increase is granted the Department will have to come back and ask for a supplemental appropriation.

For facilities they asked for $237 million.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Florida.

Mr. MATTHEWS. I want to thank the distinguished gentleman from Virginia for giving us such a complete explanation of this bill. I do not know whether he can give me any information at this particular point or not, but some days ago when the President announced a building problem, so many people in my district seemed to think that they were going to get new post offices. A lot of them seem to think I am the reason they are not getting those new post office buildings. Can the gentleman tell me whether his committee, in the nature of the work they deal with, had occasion to talk about a post office building program and if the gentleman can give me some information?

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. GARY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, we talked a great deal about that matter, I may say to the gentleman from Florida, but the facts are that program was advanced on the theory it would be handled under the lease-purchase program. That program, as the gentleman knows, was authorized by a law which has expired, so that it will have to be reenacted before any post offices not already approved under that program can be built. Before there can be any appropriations for a post-office-building program it will first have to be authorized by legislation, because there is no authorization now for expenditures for new post offices. Our committee cannot make any appropriations until we are authorized to do so. But in the facilities, as I stated, they asked for $176,503,000. We allowed $175 million, which is a reduction of $1,503,000.

The Tax Court of the United States is also in this bill. They had appropriated for their use this year, 1958, $1,460,000. They asked for $1,481,000 for 1959. We recommend the full amount. There is a difference of only $21,000 for the estimated additional cost of office personnel during the next year.

We feel that we have presented to the committee a reasonable bill. There are some items I would like to see increased. Very frankly, I would like to see the Coast Guard item increased, but I do not believe that at this session of the Congress we can begin to appropriate more money than has been asked for. There are other items that I would like to see cut to some extent. But this has been worked by a unanimous vote of our committee, and I submit it to you as such with the hope that it will be approved by this body.

Mr. CANFIELD. Mr. Chairman, I yield myself 30 minutes. Mr. Chairman, I have a brotherly affection for the chairman of our subcommittee and for all other members serving on our subcommittee, including our very able clerk.

The chairman of our subcommittee has just indicated that our deliberations in the markup of this bill and our presentations to the full committee were unanimous, and I am sure that he will permit me to make one correction. I dissented and dissented most vigorously on the Coast Guard Reserve item, and I am prepared today to support most vigorously the so-called Kilday amendment which will restore that Coast Guard Reserve item to the 1958 basis, the appropriation that we allowed last year.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Virginia.

Mr. GARY. I will say to the gentleman that he is absolutely correct, and I was in error. There was certainly no attempt on my part to misrepresent the gentleman's position.

Mr. CANFIELD. I thank the gentleman. I knew he would make that statement.

Mr. Chairman, during the years subsequent to World War II, no agency of our Federal Government has ever had to fight more for modern tools to meet rising costs than the Post Office Department of the United States. From 1900 to 1941 the yearly postal deficit has averaged about $33 million. During the current fiscal year the deficit will approximate $700 million. From 1946 up to and including the 1958 fiscal year the total deficit will amount to $6.1 billion. Just think what we could do today with those funds. Modernize our post-office capital plant, yes. Spend some additional billions on national defense, and, yes, to pay a few more billions on our national

debt. Are you aware that Americans are sending and receiving more mail than all the rest of the world combined? Well over 60 percent of the total world-mail volume. The increase alone of United States mail in fiscal 1957 over fiscal 1956 was 2.6 billion pieces; 2.6 billion pieces increase in that year alone. This roughly is equivalent to the entire mail volume of Holland, one-third that of France.

In his annual report for the fiscal year 1958 the Postmaster General broke down the dollar income of mail as follows. This is the dollar intake. Metered postage, 34.8 cents. Postage stamps and paper, 33.5 cents. Funds to finance the deficit, 17.2 cents. Other postage, 10.6 cents. Money orders and box rent, 3.9 cents.

Now, Mr. Chairman, please listen to the outgo of the dollar income. Personnel 77.9 cents; transportation 16.5 cents; rent, supplies, et cetera, 4.2 cents; capital and research expenditures 1.4 cents.

It is important to emphasize that in the outgo column approximately 78 cents of every dollar goes for personnel.

How our United States of America is growing. It is estimated that the Post Office Department will in its new fiscal year be required to serve 5 million more persons than in 1958. Our people are moving out into suburbia and it must be pointed out that this factor alone will add an extra cost because there will be a net decrease in population served by the city carriers. Service is rendered in these outlying areas on the basis of about 2,200 people per square mile as compared to 2,955 people per square mile in all city delivery areas. A total of 4,500 new carrier routes mostly outside the concentrated city areas is projected for fiscal year 1959. Approximately 5,000 are being put into effect during the current fiscal year 1958.

The Post Office Department is required to face numerous difficulties in projecting its estimates of mail volume and postal revenue for future years. Take, for instance, the fiscal year 1958; that is this year, 1958. It may be difficult for you to believe that in this fiscal year which ends on June 30, 1958, next, the Department had to make its first estimate 22 months ago or, to be specific, in August of 1956. How could the Department foresee the extent of the recent snowstorm of almost countrywide proportions, the worst we have known in decades; one which caused our executive establishment literally to be at a standstill; one which literally knocked out the Pentagon. It is currently estimated that this storm may result in a $10 million cost to our postal service.

Do you recall the awful floods of yesteryear and their effects on our mail?

An example of the kind of variance in mail volume that can occur as a result of this situation is this. The Department based its 1959 budget upon a mail volume estimated at 4 percent in 1958 above 1957, and 3.4 percent in 1959 over 1958. Recent information reveals that these percentages will probably be reversed; that is, mail volume for 1958 will be 3.4 percent above 1957 and that for 1959 will be 4 percent over 1958. This change does not affect the anticipated volume for 1959.

The overall increase in man-years that the 1959 budget will now provide is 1.89 percent over 1958. This takes into account the reduction of 3,366 man-hours because of the House cut in this very bill now before us. This leaves a total of 558,665 man-hours that the 1959 budget will provide as compared with 548,278 in the present 1958 budget, an increase of 1.89 percent.

In making up their apportionments in the beginning of a fiscal year, Mr. Chairman, a gun is pointed at the Post Office Department and its name is the Antideficiency Act approved in August 1957. The effect of this statute is to prohibit the Department from requesting an apportionment of appropriated funds from the Bureau of the Budget that would indicate the need for a supplemental appropriation. In other words, it means that if the funds appropriated are not sufficient to handle the volume of mail that actually develops, an immediate curtailment of service to the extent necessary to stay within available funds is mandatory.

In other words, if they do not project those funds properly at the beginning of a fiscal year for all four quarters and something extraordinary arises, then they have to cut the mail service.

One item in the Treasury appropriation, Mr. Chairman, is very controversial. There have been recent developments, may I say, that have been very contradictory, almost inexplicable, and very distasteful to me and other friends of national defense in this body as a result of operations on the Coast Guard and Coast Guard Reserve items.

Let me read you a bit of testimony. In addressing the vice admiral, the Commandant of the United States Coast Guard, Alfred C. Richmond, before our subcommittee, just a few weeks ago, I said this:

I measure my words, now, when I say this: Somebody has done a job on the United States Coast Guard Reserve in this appropriation request. I want to repeat a statement I made when the Secretary was here. That is this:

"Mr. Secretary, I cannot help but feel that if the decision had rested alone with you, you would not have imposed this cut of $3½ million on Reserve funds for the new year."

Admiral Richmond, having in mind the presentations you have laid before us in behalf of the Coast Guard Reserve down through the years, I make the same statement insofar as you are concerned. I believe with the utmost sincerity that had you alone been able to make the decision respecting this cut, you would not have made it.

Now, a little history about the situation. Last year, when we acted on the 1958 requests in the House, it became evident to many of us that the Treasury was not very happy about the cuts imposed. They were not severe, but cuts were imposed on the Treasury.

It was shortly after action by the House that the Senate subcommittee headed by the distinguished Senator from Virginia, Senator ROBERTSON, held hearings on the subject of Coast Guard Reserve funds. Those hearings were held on February 28 last. They contained the following:

"Senator ROBERTSON. You probably know that Representative CANFIELD is very much interested in the Coast Guard Reserve.

"Secretary HUMPHREY. I understand so.

"Senator ROBERTSON. He protested very bitterly when the House cut that $16 million to $15 million. He will not look kindly upon any further cut. Can you tell us anything about what the prospects are as to whether the Coast Guard will get another 5 percent if we put in language in the bill?"

He was making reference to a request by the Secretary that the following language be inserted:

"Not to exceed 5 percent of the appropriations in this title for legal activities and general administration shall be available interchangeably with the approval of the Bureau of the Budget but no appropriation shall thereby be increased by more than 5 percent."

Secretary Humphrey went on to say:

"I will be very frank with you. The Coast Guard Reserve is one of the items we are looking at with the greatest care. I am not prepared to state today. It is under study, under direct study. It is one of the items that we are studying to see if a further readjustment in it or further reduction in it can be made. I do not know whether it can or not, or whether we can propose it, but we are looking at it hard to see if that is not a place where a cut can be taken."

Now quoting myself again, I said:

Shortly thereafter—very soon thereafter—I ran into some Treasury people downtown and these people brought up a discussion about the cuts imposed by the House. They went on to say that Treasury was not very happy about them. And it had been practically agreed in Treasury that there would be substantial cuts imposed on the United States Coast Guard Reserve.

No cuts were imposed on the United States Coast Guard Reserve because, after Secretary Humphrey's appearance and his presentation, the Senate committee reported out this provision:

"SEC. 2. Not to exceed 5 percent of any appropriation herein made to the Treasury Department for the current fiscal year, except for the appropriations made to the United States Coast Guard, may be transferred with the approval of the Bureau of the Budget to any other appropriations of the Treasury Department, but no appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Committees on Appropriations of the Senate and the House of Representatives."

Now, Mr. Chairman, do you comprehend why I am saying that a job was done in recent months on the United States Coast Guard Reserve?

Continuing further, I said:

When the conference report was before the House for final action, the distinguished chairman of this committee, Mr. Gary, said this. The date was May 16, 1957:

"I might say that our subcommittee heard that the Treasury Department had asked for this transfer of funds. We were fearful that they might interfere with the Coast Guard appropriations in which there is an item for the Coast Guard Reserve. We did not want those funds molested; and we, therefore, let it be known that we would vigorously oppose any invasion of the Coast Guard funds."

You heard the very forthright statement of the gentleman from Virginia [Mr. GARY] on the floor of the House.

Then the record continues and I am still quoting myself:

So the Congress excepted the Coast Guard, including the Reserve, in the amendment. The bill was passed and became the law of the land.

The Treasury was served notice exactly how the Congress of the United States felt

respecting these appropriations for fiscal 1958 for the United States Coast Guard and the United States Coast Guard Reserve.

Now it is my understanding that that mandate—

And, Mr. Chairman, there may be some difference of opinion as to whether it was a mandate or a directive or a very definite request.

But, as I said:

Now it is my understanding that that mandate has not been carried out by the Treasury Department and some of those Coast Guard Reserve funds have been impounded.

Is that so?

Admiral RICHMOND. That is correct sir.

Mr. CANFIELD. To what amount, Admiral?

Admiral RICHMOND. $3,500,000, sir.

Mr. CANFIELD. Admiral, last year, in response to my inquiry concerning the importance of the Reserve program, you made the following statement:

"Admiral RICHMOND. Well, sir, I think I could summarize it this way. As you know, the Coast Guard automatically goes into the Navy in the event of war or in a national emergency. The Navy obviously has war plans and our war plans are geared to Navy's. The Navy has assigned us certain duties. From those duties flow our mobilization requirements. Without mentioning those mobilization requirements there is no way that the Coast Guard can be in a position to meet those requirements without the Reserve. All of the indications from Selective Service are that it will be at least 2 or 3 months after an emergency is created before the Coast Guard can start drawing under wartime or emergency conditions from Selective Service."

Now, then, if you accept that figure and consider that a minimum of 2 or 3 months is required to train a man so that he is of any value to you, it appears that 5 to 6 months would be the earliest that we could augment our forces in the event of an all-out emergency, unless we have a trained Reserve. Therefore, we have set our requirement at that figure, which by war plans is our mobilization requirement of M-day plus 6 months.

I think in the position of the Coast Guard there is another factor that definitely ought to be considered, particularly because of port security. The Coast Guard will have to get people aboard almost within 24 hours or 48 hours if we are going to discharge that function. In other words, it will do no good to guard the ports 6 months after M-day if in the meantime they have been opened to subversion.

We have almost an immediate need that requires a very strong posture on the part of the Coast Guard in building up its Reserve so that we are ready to throw people in to guard the port areas.

Last year you said, in response to a question by Mr. Gary in support of your request for $16 million, Admiral:

"That makes a sizable increase in the amount requested for the Reserve in 1958 over what we got in 1957, and in carrying forward this program there will be further increases next year for the extra 1,000 men involved, not proportionately as it was this year because the capital investment is large in this program this year."

That was Admiral Richmond still speaking.

The $16 million request of last year was cut to $15 million in the 1958 bill. Now Treasury after its impounding now indicates it seeks $11.5 million.

Then I said:

I am sure you recall that testimony, Admiral. I frankly think that you, as head of the Coast Guard, are forced in an unfortunate spot in the desire of the Treasury Department to contribute some moneys in savings to national defense—how? By subtracting moneys from a military component now under the Treasury Department, the United States Coast Guard Reserve.

Do you have any statement you wish to make at this time? I want to say further, Admiral, that I have yet to meet a man on the floor of the House or elsewhere that felt that this cut was for the best interests of our national security. I regret the situation.

Admiral RICHMOND. I have no statement, sir. The testimony that you read from last year, I would say, insofar as the need, the statement is as valid today as it was when it was made and if I had to restate it, I could think of no better way of stating it, sir.

I, of course, do not know of any conversations or any ideas that might have been in the Treasury Department last year during the period when the amendment or the restriction was put on the transfer of funds for two reasons: First, if I did it would not be appropriate for me to testify to it. That would be a matter for the Treasury Department. Actually, I was not present during any of the consultations on that matter anyway. I simply do not know.

Think of it, $3½ million impounded in the Coast Guard Reserve item only a few months ago, and the admiral, the head of the United States Coast Guard, was not called into consultation, not even asked for any recommendation. To what point have we come in our system of national defense?

I said:

Mr. CANFIELD. You will state, you have been given a job, Admiral. That job is a part of the plans of the Joint Chiefs of Staff, which staff has reviewed very carefully M-day requirements. Is that not true?

Admiral RICHMOND. I would hope so, sir, I really do not know. I am not again a part of those decisions over there. I do not know to what extent—I do not know to what extent they have reviewed these plans. To put it another way, our jobs are primarily set by the Navy, because we become a part of the Navy. Automatically in the event of war we become part of the Navy and they have assigned us certain missions, and those missions once assigned, we must prepare ourselves when we go into the Navy to be able to discharge those missions.

Here is some other testimony bearing on the Reserve item, Mr. Chairman. Admiral Richmond, in discussing what has been done as a result of this impounding last year, said this:

There was one other facility in a part of the training program that was also cut back. As you know, as a part of this Reserve training we are operating a cutter on the east coast for the trainees. They spend 3 to 4 weeks of their training period on that cutter. Because we have some reservists at Alameda, we had planned to operate a similar vessel on the west coast, the cutter *Dexter*, which we had all ready to go, but we had to put it in mothballs.

Mr. CANFIELD. In other words, the *Dexter* is not available for training purposes now?

Admiral RICHMOND. No, sir.

Mr. CANFIELD. And how much was spent on the *Dexter* to make it suitable for training purposes?

Mr. Chairman, listen to this. This is Admiral Richmond commenting:

Admiral RICHMOND. I am sorry to say about $900,000 before the decision was made not to use it. I might say that it is not a complete loss from the standpoint of the Coast Guard, because the biggest item of cost was to reengine it. The vessel has now been reengined and to that extent the United States Government has a vessel in reserve ready to go which it did not have before.

Mr. CANFIELD. Then approximately $1 million was taken from the Reserve or Regular program?

Admiral RICHMOND. From the Reserve program.

Mr. CANFIELD. That is terrific. That is another blow to the Reserve program that I was not fully aware of.

Mr. Chairman, I was an American delegate to the NATO Parliamentary Conference in Paris last November. Other Members of the House and the Senate were delegates to that very important conference. One of the highlights of that NATO conference attended by parliamentarians from 15 NATO countries was an address by Adm. Gerald Wright, top NATO Navy commander from the United States. And what was the main point that he made in that address? It was this:

I am concerned about the ever-increasing number of submarines being constructed by the Soviet Union and the threat they pose to our ports and harbors in the United States.

It was only a few days ago, Mr. Chairman, that the distinguished chairman of the House Committee on Appropriations, Mr. CANNON, of Missouri, was standing before this very microphone saying in effect what? Saying this:

I am concerned about the possibility of foreign ships bringing into our ports and harbors unorthodox, or nuclear, weapons which so quickly could destroy our most important cities and areas.

As the gentleman from Missouri spoke, and even as Admiral Wright spoke before the NATO conference, the words "United States Coast Guard" and "United States Coast Guard Reserve" literally rang in my ears.

I cannot believe that in this session of the 85th Congress we are going to permit somebody to do the job they have done on our subcommittee and on the Congress of the United States and on the Coast Guard and the Coast Guard Reserve item. In the name of national defense, I believe, yes, I believe, that this House will stand by the distinguished gentleman from Texas [Mr. KILDAY], when he proposes his amendment for the restoration of $2 million in this item.

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from North Carolina.

Mr. LENNON. I want to associate myself with the remarks of the gentleman from New Jersey with regard to our Coast Guard Reserve program; and I want to say to him, also, and I believe this statement will be agreed to by most everybody in this Congress, that there is no Agency or Department or Bureau in our Government that has a budget that is held down like that of the Coast Guard. It is not prepared by the Coast Guard; it is prepared by the Treasury Department, and it is under the thumb of the Secretary of the Treasury. That is the reason it is pared down as it is. I want to ask the gentleman this question: What does he intend to do about the proposal he has just mentioned with respect to the

Coast Guard Reserve? Does he intend to offer an amendment?

Mr. CANFIELD. May I say to the gentleman that our distinguished colleague and my distinguished friend from Texas [Mr. KILDAY] is going to propose that amendment and like the gentleman he will know whereof he speaks. I shall support that amendment most vigorously.

Mr. LENNON. I hope we will have the unanimous support of all our colleagues on it.

Mr. CANFIELD. I hope so, too. Before I close, may I emphasize this point. The distinguished chairman of our subcommittee, the gentleman from Virginia [Mr. GARY], stated in his presentation, and it is the truth, that we have already raised the item $1,500,000, but I contend and hold that that is insufficient. We are not even back on the 1958 base. The gentleman and I are not going to permit an operation of that kind. It was an unfortunate operation downtown and we must make correction now.

Mr. LENNON. I would like to make this observation: In the future in the consideration of the Coast Guard bill, this subcommittee on appropriations that has charge of that particular feature must go above and beyond that recommended by the Bureau of the Budget, and particularly the Treasury Department.

Mr. CANFIELD. In the name of national defense, I agree with the gentleman.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman, our able subcommittee chairman [Mr. GRAY] and our ranking minority member [Mr. CANFIELD] have ably described the bill before us today. It is not my purpose to burden the Committee further with details. However, I want to take this brief time to pay my respects and to commend Secretary of the Treasury Anderson and Postmaster General Summerfield and their staffs for what I think is one of the finest jobs of preparing and presenting a budget that has come to my attention in the years I have been a Member. The budgets you have before you today are remarkable in several respects. Many of them provide for no increase in next year's funds over the present year, yet in almost every case the agencies involved are going to have to carry heavier and increased workloads. It is to the credit of those in charge of these departments that they are finding ways to absorb this extra work without asking the Congress at a time like we are in this year to increase the funds that they need to do the job. When we see a situation of that sort, it is only right and proper that we commend those in Government who can carry out so fine a thing as they have presented here.

I enjoyed sitting through the hearings on this bill and I want to congratulate the leadership of this subcommittee for the fine and able job it has done. While there may be a point or two in the bill that some of us would like to see changed a little bit, in the main it is a good bill and I believe that there will be few budgets that any committee will bring to the House this year in which Members can with better conscience support the committee than in this bill. I hope the House will give the committee the support it needs to pass this bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CANFIELD. Mr. Chairman, I have no further requests for time.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I should like to join to a great extent in the comments made by the gentleman from New Jersey [Mr. CANFIELD] in regard to the handling of the Coast Guard Reserve money which was appropriated by this Congress last year. At the same time that I join the gentleman and pay tribute to him for his diligence in watching over the Coast Guard affairs over the years, I certainly do not want to in any way leave any implication that I slight or have any underestimation for the fine work done by the gentleman from Virginia [Mr. GARY], chairman of the subcommittee, who has just as vigilant an interest in the affairs of the Coast Guard. But, I think a great many Members of the House as well as a great many of the American public do not understand the functions and the duties of the United States Coast Guard. Several years ago the United States Navy said that when it came to port security that was a feature for the Coast Guard to handle. However, the Coast Guard has been held down because it has not been generally included as a defense arm of the Government, and the Army, the Navy, the Air Force, and the Marines have gotten the great bulk of defense money. But, just as integrally a part of the defense of this country as any one of those four services I mentioned is the United States Coast Guard. When M-day comes, the Coast Guard is immediately responsible to do that which they will not be equipped to do, and that is to protect all the ports of the United States. In fact, they are so responsible today and have neither the material or trained men. Today they are trying to carry out that duty with a few men, less than about 8 percent of the men in the United States Navy, in the total complement of the Coast Guard. Now, the only way you can build up to meet this situation is by training your Reserves. For the past year or two we have recognized the situation and we have appropriated money for a reserve development and training program. I think the criticism lies with the Treasury of the United States and the Bureau of the Budget who arbitrarily, coldbloodedly, in spite of what the Congress of the United States did last year, put out an order that all departments should reduce their expenditures by 25 percent so that they could make a phony bookkeeping record upon which they thought they could go to the public this year for votes. I think the Congress should act this year in conformity with the committee recommendation by voting back $1 million of the money Treasury and Budget held back, which is less than one-third of what was held back, and give Coast Guard the additional money for the Reserve training program of the United States Coast Guard. I think we ought to put the finger right on the parties responsible and we ought to, as Members of the Congress elected to take care of these things, see that it does not happen again.

Mr. GARY. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I take the time of the Committee to make some inquiries regarding the appropriation for the Internal Revenue Service. I would like to call the attention of the distinguished chairman of the subcommittee to the language on page 6 of the report, down near the bottom of the page, where we find this language:

> The current estimate, in providing no more than appropriated in 1958, is in reality a program for a decrease in average employment, being 306 below the present estimate for 1958, and 917 below the actual average attained in fiscal year 1957.

Now, this is the particular language I am interested in.

> The committee can only agree with the Commissioner: "At the present time we just feel we are willing to go along with this budget and see how it works out in 1959."

My reason for asking for some comment on this is because of a number of conversations I have had with accountants, tax accountants, with people in the Internal Revenue Department, with reference to the fact that it is penny wise and pound foolish to reduce expenditures for the salaries for the collectors, for the field men, investigators, and so forth, in the actual collection department. And, I am most concerned with what would seem to me to be a reduction even over what we have at the present time, where many of the people in the Department say "We do not have enough people at the present time to do a job of decent collection of our taxes."

Would the gentleman comment on that?

Mr. GARY. We are allowing the Internal Revenue Department the exact amount that they had last year, except for the $3.5 million. But, very frankly, if the transfer of the $3.5 million from the highway fund is stricken out by a point of order, then unquestionably the $3.5 million should be added to the Internal Revenue appropriation, because it is not our purpose to cut the service at all.

What we have reference to in the language quoted by the gentleman from California is that there are certain within-grade promotions in the Department that cost the Department more money each year. The Service is absorbing those within-grade promotions and other costs to the extent pointed out.

Mr. SISK. Therefore, they are absorbing that by reducing the total number of their personnel.

Mr. GARY. Yes.

Mr. SISK. Let me ask the gentleman if the testimony of the Internal Revenue Service people before his committee indicated that they can afford a reduction

in total number of employees, particularly of these enforcement officers, collectors and accountants who go out into the field, because the information which I have from accountants in my State and from employees within the Department in my State is that today in California, from a group of our larger taxpayers, the Government is probably getting not more than 60 to 75 percent of the amount of money they should be getting from those taxpayers. I am curious to know what their testimony was with reference to that.

Mr. GARY. The Commissioner said—and I read from the hearings at page 444:

We are making further progress toward our goal of paying our people for the work they do. They are being promoted to the grades for which they are eligible and qualified as rapidly as funds permit. The practical worth of these promotions is amply demonstrated by the fact that the same number of people, or less in some areas, are turning out more and better work. The higher production is due largely to our promotion program. The 1959 estimate before you provides some funds for the continuance of this program, even though this will mean a few less people. As I said before, the increased incentive and improved morale resulting from the promotions, the fair recognition of the value of the job done, stimulate greater effort. The cost of these promotions is the best investment we can make.

Insofar as the number of personnel is concerned in the Internal Revenue Service, the claim has been made for years that for each dollar we spend for an additional agent he would bring in $5, $10, $15, or $20 in increased revenue.

Mr. SISK. That is the point in which I am interested.

Mr. GARY. But somewhere along the line you reach the point of diminishing returns. Just where that point is nobody knows. It is a guess. But since the Service itself has recommended this figure, which has been approved by the Treasury and by the Bureau of the Budget, we did not feel we were justified in adding to it at this particular time.

Mr. SISK. Mr. Chairman, I appreciate the statement of the distinguished gentleman from Virginia. I want to commend the committee for doing an outstanding job. I have been concerned because of many statements that I have heard from tax accounting firms as well as people in the Department about the failure of the Government actually to collect the amounts of money due the Government. That is why I was particularly concerned about this.

Mr. GARY. Mr. Chairman, I will say to the gentleman very frankly that we have been increasing this force very materially in recent years. There was a sharp reduction in the force some years ago, but since that time we have been gradually restoring the number of personnel until we have now about reached the point where we think it should be. They may be able to use a few more men, they may be able to get along with a few less, but we feel we have about reached the point where we will get the best results.

Mr. SISK. It is my understanding that if the $3½ million which the gentleman proposes to transfer is stricken out, then the gentleman would favor an additional appropriation in that amount?

Mr. GARY. Unquestionably; the Bureau should have that money, whether it comes out of the trust fund or out of the Treasury. I think it should come out of the trust fund because it is an expense of collecting the money for the fund. But if you are not going to take it out of the trust fund, then we should take it out of the Treasury, because they have still got to collect the money.

Mr. SISK. Mr. Chairman, I appreciate the statement of the gentleman. I would like to make it completely clear that I vigorously oppose the transfer of any amount whatsoever from the highway trust fund for administrative expense of the Bureau of Internal Revenue, and I also believe we should seriously consider increasing appropriations for the field service of the Bureau. I cannot subscribe to the idea that funds provided by taxes on highway users and held in trust for direct use in providing highways should be made available to other agencies with resulting decrease in actual highway construction. I understand either a point of order or an amendment will be made to cut out this proposal and I would like to say that I propose to vote against this proposed transfer.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

INTERNAL REVENUE SERVICE

Salaries and expenses

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles; and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; $322 million, together with $3,500,000 to be derived from the fund established pursuant to section 209 of the Highway Revenue Act of 1956: *Provided*, That not to exceed $200,000 of the amount appropriated herein shall be available for expenses of instruction and facilities for the training of employees by contract, subject to such regulations as may be prescribed by the Secretary of the Treasury.

Mr. BOGGS. Mr. Chairman, I make the point of order against the language appearing on page 3, in lines 19 and 20, and the portion of line 21 preceding the proviso, that the language proposes to change existing law and is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. GARY. Mr. Chairman, we feel that the language of the act referred to authorizes this transfer of funds. We think that the language of the act provides for the payment of the expenses incident to the collection of the funds out of the fund itself. The gentleman from New York [Mr. TABER] has made a study of this question and I yield to him to discuss it.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. TABER. Mr. Chairman, the language involved is as follows, and I am reading from Public Law 627, 84th Congress, page 26, at the bottom of the page:

(f) Expenditures from trust fund.

(1) Federal-aid highway program: Amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations).

There is nothing in there that confines the appropriations that are to be made to that particular thing.

The matter has been passed upon in days gone by. In a moment, I am going to ask to be permitted to read from Cannon's Precedents, volume VII, page 290, section 1232, which is clearly and unmistakably in point and covers just this kind of situation. Those words are not inclusive and they do not pretend to be, and there is nothing that says the funds cannot be appropriated for any other purpose necessary in connection with the administration of the Highway Act, and the Highway Act includes the collection of funds under the Bureau of Internal Revenue involving the tax upon gasoline and other articles named there. This is one of those functions in the Government which comes about as the result of the fact that we have that Highway Act. We would not have the tax——

The CHAIRMAN. Would the gentlemen enlighten the Chair as to the citation?

Mr. TABER. Yes, the page number is page 290 in volume VII. The part to which I referred starts at section 1232. The meat of the question is discussed on page 290 and is on all fours with this very situation.

Mr. Chairman, there is another item which I think I will call your attention to before I take up that particular proposition. I am reading from Cannon's Rules of Procedure in the House of Representatives at page 25, at about the middle of the page:

Expenditures necessarily incident to legitimate functions of governmental facilities do not require specific authority of law. (April 19, 1938.)

There is a long dissertation on the question involving an agricultural appropriation which is quite similar to the principle involved here. That appears in the RECORD of April 19, 1938, at page 5542.

Referring to Cannon's Precedents, it appears that there was a naval appropriation under consideration in the Committee of the Whole House on the State of the Union.

Mr. BOGGS. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. TABER. I yield.

Mr. BOGGS. Would the gentleman be kind enough to again give the citation from which the gentleman is reading?

Mr. TABER. It is Cannon's Precedents, volume VII, pages 289 and 290:

"Naval Station, Pearl Harbor, Hawaii: Drydock (limit of cost is hereby increased to $3,350,000), to complete, $1,050,000; waterfront development, $100,000; street paving, $25,000; water system, $17,000; power distribution, mains and conduits, $75,000; metal and lumber storehouse, $25,000; paint and rigging loft, $25,000; pattern shop, $60,000; storehouses, $100,000; latrines, $10,000; railroad equipment, $45,000; floating crane, to complete, $210,000; in all, $1,742,000."

Mr. Samuel J. Tribble, of Georgia, made the point of order that the items for street paving and metal and lumber warehouses were not authorized by law.

Mr. Lemuel P. Padgett, of Tennessee, submitted:

"Mr. CHAIRMAN, I do not think the point of order is well taken. The act establishing the naval station at Pearl Harbor provided:

" 'The Secretary of the Navy is hereby authorized and directed to establish a naval station at Pearl Harbor, Hawaii, on the site heretofore purchased for that purpose, and to erect thereat all the necessary machine shops, storehouses, coal sheds, and other necessary buildings.'

"So that Congress does not fix any limit, does not define the scope of such buildings as may be necessary. It is in the discretion of the Congress and, of course, is in order on an appropriation bill. Pearl Harbor is a new place out on an island, but there is nothing there in the way of highways. This paving of streets is simply the making of roads, so that the heavy machinery and heavy guns can be hauled over the roads."

The Chairman, after debate, overruled the point of order.

Now, Mr. Chairman, that is just square-toed with this case, because there are many things in there that were not specifically authorized that go with the job. This is in just the same shape.

I would like to have you note in the language of the statute particularly the words at the top of page 27, "which are attributable to Federal highways."

There is no question but what the collection of the money to pay the bills is attributable to the Federal aid highway proposition, and it therefore is clearly in order that we should expect the Treasury to be reimbursed or to be provided with all of the money that it is necessary to collect these items.

Perhaps I have not cited everything that was available, but I think I have covered the meat of that question, and it seems to be absolutely clear that there is no question but what we have a right in an appropriation bill to provide an appropriation of $3,500,000 to the Treasury to cover this item.

The CHAIRMAN. The Chair thanks the gentleman from New York.

Does the gentleman from Louisiana care to be heard?

Mr. BOGGS. Yes, I do, Mr. Chairman.

The language is clearly subject to a point of order under the well-established rule prohibiting legislating on an appropriation bill.

First, disposing of the precedent cited by the distinguished gentleman from New York, I submit, Mr. Chairman, that the precedent is clearly distinguishable from this case now before the Committee. The precedent cited by the gentleman from New York had to do with building a naval base in Hawaii, and the Chair very properly ruled that the construction of a highway and other incidentals thereto was a necessary adjunct to the building of a naval station.

In addition thereto, Mr. Chairman, and of even greater importance in distinguishing the cases, in the case cited by the distinguished gentleman from New York, I point out that no trust fund was involved.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. No; I am sorry, I cannot yield.

The present case involves a trust fund created by the Congress for certain specific purposes.

Mr. Chairman, I might mention in passing that I, as chairman of the subcommittee which drafted the Highway Revenue Act of 1956 have some knowledge of what the intent of Congress was when we drafted it, but aside from that, to me it is obvious, and the language is most specific. In addition to the specific language of the statute I refer the distinguished chairman to the committee report of the Committee on Ways and Means and the Senate Finance Committee. Both reports contain the following language in subsection (f):

Subsection (f) relates to expenditures which may be made from the trust fund. Paragraph (1) provides that amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures during the period July 1, 1956, to June 30, 1972, inclusive, to meet these obligations of the United States incurred, either before or after the effective date of the bill, under the Federal-Aid Road Act which are attributable to Federal aid highways.

By way of interpolation, the interpretation put on that language by the gentleman from New York, that the collection of taxes is incident to the construction of the highways is, of course, to stretch the language; because, by the same token, you could legislate on any area of Federal activity where the collection of taxes was involved.

And, finally, to spell it out, Mr. Chairman, the committee reports went on to say "The expenditures referred to are those which normally have been paid out of the appropriation entitled 'Federal-aid highways, Bureau of Public Roads, Department of Commerce.'" In other words, what we did was to say to the American motoring public that all of the money going into the highway trust fund would be used for buying rights-of-way, for building roads, for engineering service, and for one administrative purpose only, namely the Bureau of Public Roads which was authorized to administer the program.

In the matter of precedents, I cite for the benefit of the Chair—and I am sure the Chair is aware of the precedent already—section 1407, volume 7 of Cannon's Precedents, 1936, page 417, dealing with the very point in question.

In this case cited, unlike the case cited by the distinguished gentleman from New York, a trust fund was specifically involved. It involved a trust created for Indian tribes in Oklahoma. An effort was made, as is being made here today, by way of an appropriation bill, to make certain appropriations for the Indians themselves. The Chair ruled as follows:

The citation by the gentleman from Oklahoma of the statute which he says authorizes this action by the committee seems to the Chair to provide that the fund of these Indians derived from the sale of lands shall be placed in the National Treasury to their credit and draw a specified interest. But—

Says the Chair—

it occurs to the Chair that after these funds are placed there by statutory enactment—

That is this case, Mr. Chairman, statutory enactment—

it would certainly require legislation—

I repeat—

It would certainly require legislation of some sort to take these funds out and disperse them, and therefore, require new legislation.

I submit, Mr. Chairman, that the case under consideration is identical, that this is legislation on an appropriation bill and I therefore trust that the point of order will be sustained.

The CHAIRMAN. The Chair thanks the gentleman from Louisiana and will now hear the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, since the gentleman would not yield to ask a question may I say that I gave him the courtesy and yielded to him very extensively in my remarks. I am sorry he did not see fit to yield to me.

The CHAIRMAN. Does the gentleman from New York desire to be heard further?

Mr. TABER. I would like to say one word.

The CHAIRMAN. The Chair will be happy to hear the gentleman.

Mr. TABER. Mr. Chairman, this is not legislation because it is specifically authorized by the provisions that I read out of the law:

The amount in the trust fund shall be available as provided by appropriation acts for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred.

The collection of the money for the trust fund is unquestionably incident to that and is attributable to it:

To meet those obligations of the United States heretofore or hereafter incurred under the Federal Aid Road Act.

In addition to that, the item that I refer to is clearly in order. The section of Cannon's Precedents I referred to clearly provides for this kind of a situation because there they provide for all sorts of things where certain items were specifically provided that could be done, but there were all sorts of other things provided for and the case hinged on that. In this provision on page 418 there was no provision at all anywhere

for the appropriation of funds for handling things incident to that Indian operation. Therefore, that has no application whatever to this situation.

It seems to me it is perfectly clear that this is an order and it is amply provided for by the basic statute.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. As I understood the argument of the gentleman from Louisiana, he was contending that the precedent which the gentleman from New York referred to was distinguishable because in that case a highway was incidental to the use of the base. Could you have a highway trust fund if you did not have a collection of those funds? Is the collection not only incidental but necessary for the establishment of the fund?

Mr. TABER. You cannot have a fund without having a tax bill to collect it.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard further?

Mr. BOGGS of Louisiana. Briefly, Mr. Chairman. First I would like to say I apologize to my very dear friend from Virginia for not yielding to him. I did not do so because I was attempting to follow out my thought. I will be happy to yield to the gentleman now.

Mr. GARY. I thank the gentleman. I have just made the point I wanted to ask the gentleman about. I desired to ask him if that was his position. I understood it to be but I did not want to misquote him. It seems to me that the collection of these funds is not only incidental but essential to the establishment of the fund itself and to the maintenance of the fund.

Mr. BOGGS. Mr. Chairman, I have no further argument at this time.

The CHAIRMAN (Mr. HAYS of Arkansas). The Chair thanks the gentlemen for their able presentation and is prepared to rule.

This matter does present some difficulty, of course, and requires an interpretation of section 209 of the Federal-Aid Highway Act of 1956. Reference to the legislative history would indicate that it was the intention of the Congress to preserve inviolate trust funds for highway purposes, with such indirect use as appeared clearly from the act itself. And, when we take that into account and the precedents with reference to the disposition of trust funds, I think it appears that the language is not sufficiently broad to cover the proposed appropriation in this case, and in the absence of an authorization otherwise, the point of order should be sustained.

Now, the Chair has examined the language of paragraph (f) of section 209, and it is the opinion of the Chair that the appropriation in question is not covered. The language reads:

> Obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, which are attributable to Federal-aid highways.

Now, it might be argued that this would come within the purview of that broad language, but when you read the language within the parentheses, you will find that it is limited. The portion of that section in parentheses reads:

> (Including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations.)

It is the opinion of the Chair that this comes under the old axiom that where a certain purpose is stated other purposes are excluded, and if it had been the intention of the Congress to cover such indirect appropriations as this, it would have been clearly stated in the same place in which it covers administrative expenses of the Bureau of Public Roads.

The Chair would point out, too, that the citations offered by the distinguished gentleman from New York [Mr. TABER] did not cover trust funds, and because of the rectitude with which Congress views trust funds and the necessity for narrow construction of the language included, the Chair sustains the point of order.

Mr. BOGGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BOGGS: On page 3, line 18, strike out "$322,000,000" and insert in lieu thereof "$325,500,000".

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Chairman, first I want to say that I regretfully made this point of order a minute ago, and had I not felt so strongly about the sanctity of the highway trust fund, I would not have made the point of order.

The language now pending, which I have just offered, will simply restore the $3.5 million to the Bureau of Internal Revenue, which would have come out of the trust fund and which was stricken by my point of order, but out of the general fund of the Treasury. If this amendment is adopted and if the funds are required, as the committee says they are, then the $3.5 million previously taken from the trust fund will be restored to the appropriation for the Bureau from the general fund.

Now, Mr. Chairman, I want to take this time to acquaint the Members of this body with what we tried to do when we set up this highway trust fund.

Mr. Chairman, as a member of the Committee on Ways and Means, delegated as chairman of the subcommittee of the Ways and Means Committee which had the responsibility for formulating and presenting the revenue provisions of the Federal-Aid Highway Act of 1956, I would have been neglecting my duty to the Members of this great body if I did not rise to challenge the provision of the pending bill, stricken down by my point of order, which would have provided $3,500,000 to be derived from the highway trust fund to provide funds for the Treasury Department to defray the expenses of collecting and administering certain of the Federal excise taxes being covered into the trust fund. Specifically, I refer to page 3 of the pending bill, H. R. 11085, line 18, and all that follows thereafter through "1956" in line 21.

The highway trust fund created by section 209 of the Highway Revenue Act of 1956 was established to provide funds for the construction of roads, the acquisition of rights-of-way, and to provide for direct administrative expenses of the Bureau of Public Roads pertaining to these purposes. Accordingly, every dollar of the fund devoted to other purposes will necessarily reduce the roads contemplated under the Federal highway program. That the provisions of section 209 of the Highway Revenue Act were designed to protect the sanctity of the trust fund is revealed by its legislative history in the committee reports of the Committee on Ways and Means and the Senate Finance Committee and the floor debates pertaining thereto, as I have said.

In order that the Members of this great body may have all of the facts before them, I think it necessary to review the history leading up to the provision of the pending bill to which I have successfully objected. Shortly after the Highway Revenue Act and the Federal-Aid Highway Act became law in 1956, the Department of Labor transmitted a request to the Bureau of the Budget for $1 million, to be appropriated out of the highway trust fund to cover that Department's administrative expenses under section 115 of the Federal-Aid Highway Act of 1956. This request was cut to $500,000 and approved by the Senate in a supplemental appropriations bill, and was in turn reduced to $300,000 in conference. The appropriation was never before the House except as it appeared in the conference report of the supplemental appropriation. Again last year, in the bill H. R. 6287, making appropriations for the Department of Labor and the Department of Health, Education, and Welfare, and related agencies, an appropriation was provided in the amount of $365,000 for the Office of the Solicitor of the Department of Labor, to be derived from the highway trust fund for the same purposes as the supplemental appropriation provided in 1956. As Members of the House will recall, I was unsuccessful in my attempt to secure unanimous consent to strike the provision from the bill. However, upon carrying my fight to the other body, the entire appropriation was stricken from the bill. In conference, $200,000 was restored. Had the item been brought to my attention in time to raise the proper objections under the rules of the House, I do not believe that the Members of this great body would have approved it.

Evidently based upon these precedents, the President of the United States has made recommendations in his budget message of January 20, 1958, for the fiscal year 1959, which would make it impossible for the Congress of the United States to maintain faith with the American motorist and preserve the sanctity of the highway trust fund. In brief, the President has recommended that revenues presently dedicated to the

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trust fund for the construction of roads be withdrawn and devoted to other purposes. Specifically he has recommended that the 2-cents-per-gallon tax imposed upon aviation gasoline and that all of the 7-cents-per-pound tax on aviation tires be withdrawn from the trust fund and, in addition, that the Department of Labor and the Treasury Department, the recommendations in question today, be allowed to defray from funds derived from the trust fund, the administrative expenses incurred by these Departments in collecting the taxes which are covered into the trust fund, and the expenses of administering the Davis-Bacon Act in relation to the Federal-aid highway program. He also recommends that the trust fund be charged with the expenses of financing forest highways and public land highways. I submit that these recommendations directly violate both the spirit and terms of the agreement entered into between the Congress and the American motoring public when the highway trust fund was established, and that, if adopted, will result in a loss to the highway trust fund totaling approximately $782 million for the period ending July 1, 1972. The provisions of the pending bill to which I have objected, represent the first opportunity that this body has had to pass upon the underlying policy implicit in the President's recommendations. For that reason, I believe it is most important that we act, as we have acted, to prevent raids upon the highway trust fund which, if sanctioned, could extend to the other Federal trust funds, the sanctity of which we are charged with maintaining.

Section 209 of the Highway Revenue Act of 1956 established and provides for the highway trust fund. Section 209 (f) provides for the expenditures which can be made from the trust fund in the following language here pertinent which I again repeat:

(f) Expenditures from trust fund.

(1) Federal-aid highway program: Amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended, and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations).

Both the report of the Committee on Ways and Means and the Senate Finance Committee contain the following language under subsection (f):

Subsection (f): Subsection (f) relates to expenditures which may be made from the trust fund. Paragraph (1) provides that amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures during the period July 1, 1956, to June 30, 1972, inclusive, to meet those obligations of the United States incurred, either before or after the effective date of the bill, under the Federal-Aid Road Act which are attributable to Federal-aid highways. The expenditures referred to are those which normally have been paid out of the appropriation entitled "Federal-aid highways, Bureau of Public Roads, Department of Commerce."

All of the Members of this body are aware of the fact that the costs of the Federal highway program are running much higher than they were originally estimated to be in 1956, and I am sure that each of us here realize that a loss of $758 million would seriously damage the integrity of the highway trust fund. To completely dispel any thought that the President's proposal, as represented by the provisions of this bill, has merit, let me point out that the American motorist pays billions of dollars of highway user Federal excise taxes which are not covered into the highway trust fund and from which they receive no direct benefits in the form of improved and new roads. In the Highway Revenue Act of 1956, we imposed approximately $15 billion of new and additional highway user taxes upon the American motorist. In consideration for the imposition of these taxes, we established a trust fund to assure the American motorist that every cent of these additional taxes, and that part of the existing user taxes covered into the fund, would be used for the construction of roads and for no other purpose. We left 50 percent of the tax on trucks and buses, 100 percent of the tax on automobiles, 100 percent of the tax on automobile parts and accessories, and 100 percent of the lubricating-oil tax, to be covered into the general fund of the Treasury. Highway users get no direct benefits from these taxes. It is estimated that for the period of the trust fund's existence these taxes will produce $20,703,000,000, if existing rates are permitted to expire, and $28,334,000,000, if we continue to extend the emergency rates now in effect, as recommended by the President for this year. Let me reiterate. All of this sum will be covered into the general fund of the Treasury, not into the highway trust fund. If these funds were covered into the trust fund, as they should be, the revenues thus provided would be sufficient to meet the increased costs of the Federal highway program. I cite this fact to prove that the American motorist is contributing more than his fair share to the general fund of the Treasury, and to support my belief that the integrity of the highway trust fund must be maintained. I know that the Members of this great body will agree with me when I state that the Treasury Department is more than adequately compensated by the American motorists' contributions to the general fund for any expenses incurred by the Treasury Department in collecting and administering those taxes which are covered into the trust fund.

Additionally, let me point out that amounts expended from the highway trust fund do not appear in the Federal budget. Thus the administration has a large incentive to get what it can from the trust fund, since budgetary requests need not show the amounts received from the trust fund.

The administrative expenses authorized from time to time from the Federal old-age and survivors' insurance trust fund to the Treasury Department and to the Department of Health, Education, and Welfare, do not offer a precedent for appropriating funds out of the highway trust fund to the Treasury Department, the Department of Labor, or any other Federal agency or instrumentality, except the Bureau of Public Roads. In the case of the Federal old-age and survivors' insurance fund and of the new disability insurance trust fund, section 201 (g) of Public Law 880, 84th Congress, specifically provides that the expenses incurred by the Treasury Department and the Department of Health, Education, and Welfare in the administration of titles 2 and 8 of the Social Security Amendments Act of 1956 and chapter 9 of the Internal Revenue Code of 1939 and chapters 2 and 21 of the Internal Revenue Code of 1954 are to be provided out of the trust fund. Similarly, in the case of the unemployment trust fund, the administrative expenses which may be paid therefrom are specifically spelled out and a defined term "unemployment security administrative expenditures" is utilized in section 201 (a) (1) of the Social Security Act, as amended, to specifically spell out the administrative expenditures which can be covered out of the fund. Thus, references to the Federal old-age and survivors' insurance trust fund, the unemployment trust fund, and the Federal disability insurance trust fund, by proponents of the President's proposals, are inapposite and provide no authority to sustain their case.

Additionally, let me point out that all of FICA taxes and FUTA taxes are covered into these trust funds. This fact alone distinguishes the case from the proposals respecting the highway trust fund into which only a part of Federal highway-user taxes are covered.

Let me tell you how enticing it is to participate in this fund. If you adopt this amendment, Mr. Chairman, this $3½ million amendment which is now pending before this Committee, this will be part of the budget. When the totals are made up come July, this $3,500,000 will be a part of the budget. But if you, Mr. Chairman, had not sustained the point of order a minute ago the $3,500,000 as provided in the bill would not have been a part of the budget.

You know, it is so nice to have a nice big fund sitting over here where you can say, "Now, if I can just get a little bit of it I will not have very much trouble accounting for it." That is why every time, Mr. Chairman, I shall bring up this matter. I am serving notice that when the Labor Department comes in I intend to fight it again.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Virginia.

Mr. GARY. Was not the real reason for establishing the fund in the first place to take the highway funds out of the budget?

Mr. BOGGS. No; it was not.

Mr. GARY. That is the effect of it.

Mr. BOGGS. I beg to disagree with the gentleman. I am glad the gentleman asked that question because one of the real difficulties with the trust fund is that so many of the user taxes do not go into the fund as I have said. The American motorist has a very legitimate

complaint about it. For instance, when you buy an automobile you pay a 10 percent excise tax. Not one nickel of that goes into the trust fund. When you buy a quart of lubricating oil at the same time that you buy a gallon of gasoline, the money from the gallon of gasoline goes into the trust fund but not 1 penny from the quart of lubricating oil goes into the trust fund. When you buy an automobile accessory, not 1 nickel of that goes into the trust fund.

It has been estimated that if all of the highway user taxes went into the trust fund, where they ought to go, we would not have all the problems that we now have confronting us about financing the interstate and the matching fund road program. Rather than take things out of the trust fund, as is now being recommended, we ought to be putting these other items in the fund.

Mr. GARY. But the amount that does go into the trust fund is not a part of the budget; is not that correct? It is not under the budget.

Mr. BOGGS. It is not under the budget in the same sense that the social security trust fund is not in the budget, but the funds must be appropriated, as the gentleman knows, by the Committee on Appropriations.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I wonder if my friend is making an argument to segregate all tax revenues and set up trust funds, and then perhaps Congress would never have to come back here and go into session to determine how these tax funds would be spent.

Mr. BOGGS. The gentleman is a very able and distinguished Member of this body. I detected, or so I think, just a note of facetiousness in his question, but I shall answer it sincerely.

Certain of our Federal excise taxes, that is those imposed upon gasoline, automobile tires, automobile parts and accessories, lubricating oil, and so forth, have been long denominated, and were so denominated before the highway trust fund came into existence, as highway-user taxes, that is, they have always been known as benefit taxes. The thing that is fair about the dedication of taxes for highway purposes is that if you do not own an automobile, or if you do not use the highways, when you dedicate these sums you do not pay those taxes; but if you do get some benefit from roads as a driver or trucker, then you do pay the taxes. I think that is a fair and equitable proposition. This is a very well established and an old principle in the administration of tax laws.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Maryland.

Mr. FALLON. Does the gentleman know that there was an attempt just last week to divert $60 million out of the trust fund that has always been appropriated under general appropriations, and it was defeated by the House Committee on Public Works?

Mr. BOGGS. Yes, so I have been informed; but I appreciate the gentleman's calling my attention to it because, as I said a moment ago, this is only the beginning. The gentleman mentions $60 million. I can calculate now on the basis of the present budget message for this year something just a little less than a billion dollars, over the 16-year period, that could be lost.

Mr. FALLON. I remember the gentleman's argument on the floor last year when he attempted to take out the money that was taken from the trust fund for the Labor Department, at which time he pointed out that this was a very attractive and easy way to get money and that it would be followed by other attempts. So that we have had two attempts in this present year. May I say I want to congratulate the gentleman for his work in this regard.

Mr. BOGGS. I thank the gentleman. Since the gentleman brought it up, I suspected that is the way the Bureau of Internal Revenue got the idea. Otherwise, it would not have crossed their minds.

Mr. Chairman, I hope the House will adopt my amendment. I yield back the balance of my time.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time today in support of this amendment to bring to the attention of the committee the situation that exists with reference to the progress of the Interstate Highway program. You will recall in 1956 when no bill ever received a more deliberate and careful attention than was given to the Highway Act of 1956. You recall the motion to recommit to send the bill back to the committee and have the Committee on Ways and Means consider the tax assessment and the creation of a trust fund to establish amounts necessary for the construction of some 37,000 miles of interstate highways. Under the trust fund, which was established, the total amount covered in the trust fund was for 38,548 miles. The Interstate Road System is now in excess of 40,000 miles. That leaves approximately 2,452 miles not financed at the present time.

The original estimates presented by the Secretary of Commerce at the time of the authorization estimated the cost of the program to be approximately $27.6 billion. Now the estimate has risen to over $37.6 billion. It was also originally estimated that the period of construction of the Interstate Highway System would take approximately 13 years. Now that estimate has gone up. At the rate of revenues being turned over to the trust fund, it would take approximately 19 to 22 years to construct the 37,000 miles of interstate highways. Just recently the Under Secretary of Commerce, Mr. Rothschild, in testimony before the House Committee on Public Works, advocated the transfer of $32 million more annually to the trust fund. If we make a raid upon the trust fund which was carefully created to carry out this tremendous work program, we will bring about further impairment to the progress of this program. To give you some idea of the size of the program, I would like to call your attention to the fact that this program is something of the size of the Panama Canal, the Grand Coulee Dam, and the St. Lawrence Seaway projects all put into one package and then multiplied 30 times. It is the largest single program of work ever authorized in the history of the world. It seems to me, Mr. Chairman, that we should be most careful to protect the progress and the growth and the construction of the Interstate Road System which has received such careful attention by the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BOGGS].

The amendment was agreed to.

The Clerk read as follows:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); $16 million, to remain available until expended.

Mr. SEELY-BROWN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SEELY-BROWN: On page 6, line 16, strike out "$16,000,000" and insert in lieu thereof "$18,000,000, including $2,000,000 for new dormitory facilities at the Coast Guard Academy."

Mr. SEELY-BROWN. Mr. Chairman, first I want to thank the chairman of the subcommittee [Mr. GARY] for his graciousness in yielding to me during the general debate so that I might question him on this item. I thank him very much, not only for yielding to me but for the courtesy of his replies.

I think too many times, unfortunately, some look upon the Coast Guard as an unwanted stepchild of the service academies until we run into an emergency. As soon as we run into an emergency then the Coast Guard comes very much to the forefront because of the splendid training of its personnel.

I also think that unfortunately, too many times we overlook the Coast Guard when it comes to appropriating moneys necessary for the maintenance of the physical plant of the Coast Guard. Certainly the committee itself has recognized this fact, as is evidenced by the committee report, and also as evidenced by the questions of the members of the subcommittee as printed in the hearings.

Also, may I remind this body that last year we appropriated $3 million for the Air Force Academy to build a chapel. The argument was not over the $3 million. The argument was over the design of the chapel.

I can recall, when first I came to this Congress, the difficulty in getting a bill passed authorizing the Coast Guard to build, with private funds which the Coast Guard itself raised, a chapel which is presently constructed at the Coast Guard Academy.

Certainly I think there is very real need for this amendment. This amendment would make possible the construction of permanent barracks to replace

the termporary wooden barracks which were built at the Coast Guard Academy in New London during World War II. This replacement has been recommended by every recent Board of Visitors to the Coast Guard Academy, and was given No. 1 priority by the most recent Board of Visitors last year. I am sure many of you would agree with me that the Coast Guard Cadets are entitled to exactly the same housing facilities which the taxpayers of this country provide for the cadets in the other service academies. With the emphasis which we have on public works as a possible antidote to present economic ills, I think that by appropriating money for the construction of permanent barracks we have a chance to do something which is needed, which is useful, and which in my opinion is helpful.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. SEELY-BROWN. I yield.

Mr. SADLAK. I would like to compliment and congratulate my Congressman on the amendment which he has presented, and I wish to associate myself with him. Certainly, if we want to have encouragement for these young men to go to the Coast Guard Academy, we ought to give them housing which will give them incentive to put forth their best efforts in their schooling and training, and be those who will be ever ready when the time comes, whether in peacetime or in wartime. Likewise, when their parents or their brothers come to visit them, they can point with pride to the facilities wherein they are situated, to become officers who will be a protective arm of our Government, in war and in peace.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. SEELY-BROWN. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I would like to point out to the membership of the House the recommendation of the Board of Visitors last year with respect to the Coast Guard Academy. It said:

> 2. That an order of priority be established for the projects listed by the Superintendent, Academy, as vital needs. The Board and the Superintendent are in agreement that the primary emphasis should be given to elimination of fire hazards with the excessive cost of repair for outmoded structures a secondary consideration. The Board submits the following priorities:
>
> (a) Replacement of wooden barracks for both the cadet corps and officer indoctrination schools.
>
> (b) Replacement of wooden buildings for classrooms and administration of officer indoctrination schools.

I agree with the gentleman from Connecticut wholeheartedly and hope the House supports his amendment.

Mr. SEELY-BROWN. I thank the gentleman.

I believe the gentleman from Michigan probably knows as much about those wooden barracks as anybody in this body because, if my memory is correct, he lived in those wooden barracks during his training period with the Coast Guard.

Mr. CHAMBERLAIN. The gentleman is correct; I lived in those barracks.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. SEELY-BROWN. I yield to the gentleman from Connecticut.

Mr. CRETELLA. I want to urge my colleagues to support the amendment which has been offered.

I was one of the visitors to the Coast Guard Academy 4 years ago. We reported that the facilities there as to the barracks were unsatisfactory; and they had been long before that.

I hope the amendment passes.

Mr. GARY. Mr. Chairman, I stated in my opening remarks that this building is very greatly needed. There is no question in the world about it. But we in the Congress have got to weigh the various demands for expenditures and we have got to establish certain priorities between the various requests. We cannot appropriate all the money that is requested or that really is needed. To do so would plunge us again into deficit spending. We already have a public debt of $275 billion. If we begin now to add to that public debt no one knows what will happen to the economy or to the solvency of the United States.

As I stated before, no request was made for money for this building. If you will look at page 415 of the hearings you will find this colloquy between Admiral Richmond and myself:

> Mr. GARY. While you are on the question of the Academy, when are we going to get that new dormitory?
>
> Admiral RICHMOND. I could have gotten it this year if I had taken $7 million for airplanes instead of $9 million. It is a matter of operational priorities.

The airplanes are in a deplorable condition, and we have worried about that situation, because if we send our boys up in airplanes that are not safe then we are criminally liable here in the Congress.

I said:

> Mr. GARY. I have had several complaints about the fact it was not included in the budget, and that has been my answer, which I took to be the correct answer, that you could not do everything and you had to set up priorities, and the Coast Guard felt some of the other things were more demanding than the new building.
>
> Admiral RICHMOND. I think that is the only answer you can make sir.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. SEELY-BROWN. Would not the gentleman say we would be just as criminally liable should a boy burn to death in those wooden barracks?

Mr. GARY. Yes; if the barracks are not safe they ought to be made safe. But we have been assured by the Coast Guard that they would not operate unsafe planes. We have also been assured that the building is safe, although a new building is highly desirable and greatly needed.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. And is it not the fact that it is needed? Which would the gentleman say was more needed, a $3 million chapel at the Air Force Adacemy or to spend $2 million for adequate housing at the Coast Guard Academy?

Mr. GARY. We had quite a fight over the chapel last year. I think the Coast Guard is a defense arm of the United States and that they should receive exactly the same treatment as the other arms. It is a very important arm of our defense becaue it is the Coast Guard which will be charged mainly with the protection of our coast in case of an emergency. We all know that one of the great dangers we would face if we have a war is an attack on our coastal areas from the sea.

Mr. CHAMBERLAIN. I would like to point out that insofar as the chapel at the Coast Guard Academy is concerned, it was built voluntarily with contributions from individuals. I myself contributed to it.

Mr. GARY. It was built with contributions from the cadets, the alumni, and the public. It was a very gracious gesture. They have a beautiful chapel there and I glory in the fact it was built through voluntary contributions of the American people.

Mr. CHAMBERLAIN. I would like to say I find it wholly inconsistent with what we have done for the Air Force.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have gone far afield in talking about the chapel at the Coast Guard Academy and the chapel at the Air Force Academy; they are not pertinent to the issue before us. I happen to have been a member of the Board of Visitors that inspected the Coast Guard Academy last year. The barracks referred to are in a deplorable condition. Many of them are not worthy of occupancy. Some of them have had to be closed up. We are reaching the point of diminishing returns where it is costing more money to keep them up than it would to build new ones.

I am very glad to hear the gentleman from Virginia say that the Coast Guard is an arm of our national defense. That has long been its history. When we have needed it and we have called on it we have never found it wanting. It always comes through in war or in time of disaster. But, unfortunately, this agency which is so important to our national defense finds itself sunk in the Treasury Department that knows little about or that has apparently very little sympathy for national defense or anything else—but saving money. I am certain that if Admiral Richmond could have been frank with you he would have told you that unrealistic budgetary limits are put on him, that he is told he can have so much money to operate the Coast Guard and no more, and he has to cut the cloth to fit the pattern. Every Board of Visitors for many years has recommended replacement of these rotting, wooden barracks—temporary buildings of World War II. Each year the visitors have recommended doing certain important maintenance work at the Coast Guard Academy but each year is like its predecessor. Nothing is done. Unfortunately, there is no one to fight for the Coast

Guard. There is no great body to fight for them like there is for the Army, the Navy, or the Air Force. The voices of most people interested in the Coast Guard Academy are stilled before they reach here.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. MAILLIARD. The distinguished gentleman from California now addressing the Committee did not tell the Committee that he was Chairman of our Board of Visitors this last year. We were all in agreement with the recommendation year after year of different members of the Board of Visitors. We are put in the position, according to the chairman of the subcommittee, where for the Coast Guard Academy or for the Coast Guard we have to choose between airplanes and barracks. I do not think we should be confronted with a situation where we have to choose between airplanes and barracks. I strongly urge that the Committee accept the amendment proposed by the gentleman from Connecticut.

Mr. MILLER of California. I think the gentleman is absolutely right. Very seldom is an agency put in the position of having to make the choice that Admiral Richmond has to make. I congratulate him on selecting planes before barracks for they are the tools with which he works and he is a good officer, but that is no reason why this Congress should not take cognizance of the necessity for new buildings to help him out of his present dilemma.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. They have the same curriculum at New London as they have at Annapolis and West Point; do they not?

Mr. MILLER of California. Yes.

Mr. NICHOLSON. With the same appointment after graduation.

Mr. MILLER of California. Not exactly the same but one leads to the other, and these people are qualified naval officers when they come out.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this point to mention a matter which is coming up before this Committee in short order. My good friend and able colleague, the gentleman from Texas [Mr. KILDAY], is going to present on the next page, page 7, an amendment which I am told will increase the amount of money available for Reserve training. I am disturbed a great deal, Mr. Chairman and members of the Committee, by the apparently concerted effort to reduce the amount of money available for the Reserve program. It runs throughout the entire theme of the national-defense recommendations.

Our Subcommittee on Reserves met this morning and we adopted two resolutions. By the way, both resolutions were adopted unanimously. One resolution provides that the Defense Department be called upon to support a National Guard of 400,000 persons rather than reducing it to 360,000. The other resolution, likewise adopted unanimously, would call upon the Defense Department to retain a Reserve of 300,000 persons rather than reducing it by 30,000 down to 270,000. The Coast Guard finds itself in a similar situation.

Here on page 7 is an effort to reduce the amount of money needed by the Coast Guard from $15 million to $13 million for training purposes. It is not exactly akin to the amendment presently under consideration, but it is vital for the future of the Coast Guard. Some have said there were no strong voices raised in Congress in behalf of the Coast Guard. Whether I have a strong voice or a weak voice, I want to raise my voice today in protest against the continued cutting down of the Coast Guard Reserve training program. I hope when this amendment comes up the Members of this Committee will give it most careful consideration and will give the Coast Guard Reserve the funds that they vitally need to carry on an active Reserve program, for in time of peace as well as in time of war, we depend upon our Coast Guard for aid in disaster. Whether it be in the lower Mississippi Valley from which I come or whether it be on the east or the west coast, we rely upon the Coast Guard. We must maintain reasonable Reserve training for those men in the Coast Guard, and I think we should return to the bill the sums of money that we have deleted, that is, the $2 million, to give the Coast Guard a strong, active, virulent Reserve program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Virginia.

Mr. GARY. The gentleman speaks of a deletion of $2 million from the bill. As a matter of fact, the committee is recommending $1.5 million more than the Department requested.

Mr. BROOKS of Louisiana. Yes. I can read it to you on page 9 of your report if you wish. But, you will find there recommended in the bill $13 million and the appropriation for 1958 was $15 million, which is a reduction of $2 million. You may answer that by saying there is a carry-over there, but that is not the answer. The Coast Guard needs that $2 million. The Coast Guard should have that money for its reserve training.

Mr. GARY. I object to the gentleman talking about a deletion in the bill. There is no deletion in the bill. We, as a matter of fact, have added to the amount that the Department requested.

Mr. BROOKS of Louisiana. As a matter of fact, the gentleman knows that the funds are reduced, are they not?

Mr. GARY. No.

Mr. BROOKS of Louisiana. By $2 million.

Mr. GARY. No. No, nothing is reduced.

Mr. BROOKS of Louisiana. You will find that on page 7.

Mr. GARY. The appropriation is $2 million less than we appropriated last year, but they did not spend the money that was appropriated last year.

Mr. BROOKS of Louisiana. Because they were held back, and you know how these funds are held back.

Mr. GARY. And if we appropriate $5 million more here, they can still hold it back. There is no way we can make the Department spend money that they do not want to spend. We appropriated $15 million for them last year, and they reserved $3.5 million.

Mr. BROOKS of Louisiana. Let me answer the distinguished gentleman from Virginia in this respect, that we have an obligation to provide the funds, whether Departments will hold them back or not, and that is what we are fighting for now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. SEELY-BROWN].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 60, noes 18.

So the amendment was agreed to.

The Clerk read as follows:

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751–762; 37 U. S. C. 231–319), including direct expenses and repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or reserve personnel while on active duty, engaged primarily in administration and operation of the reserve program; purchase of not to exceed 6 passenger motor vehicles, of which 4 shall be for replacement only; and the maintenance, operation, and repair of aircraft; $13 million: *Provided*, That amounts equal to the obligated balances against the appropriation for "Reserve training," for the 2 preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as 1 fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation.

Mr. KILDAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 7, line 8, strike out "$13,000,000" and insert "$15,000,000."

Mr. KILDAY. Mr. Chairman, the purpose of this amendment is to increase the amount made available for the Reserve of the Coast Guard by $2 million. At the outset I want to state that the gentleman from Virginia, the chairman of the subcommittee handling the bill, stated the situation accurately at the time the gentleman from Louisiana [Mr. BROOKS] yielded to him. The committee has increased the appropriation $1,500,000 over that requested in the budget.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman.

Mr. GARY. And also directed that they release $1 million of the $3,500,000 that they are holding over for this year, the current year, which would give them $2,500,000 more than the request.

Mr. KILDAY. I suppose the gentleman refers to the proviso which reads that amounts equal to the obligated balances against the appropriation——

Mr. GARY. No; I refer to the report. We cannot make them spend the money.

but we do make a recommendation in the report.

Mr. KILDAY. I grant you that you cannot, but you attempt by the report to direct them to spend it. I do not see how the gentleman could contend that that would be more effective than it was last year when you appropriated $15 million, the amount that I am now seeking to place in the bill, and the Treasury Department froze $3,500,000 of it. That was an absolute appropriation and they did not spend it. So the expression of a pious hope, in the report, that an additional $1 million will be spent, will certainly be no more effective nor as effective as the positive appropriation made last year.

I grant you, if this item is increased to $15 million, we cannot force the Treasury Department to permit the Coast Guard to expend it any more than we can anywhere else. But we must discharge our responsibility here and let those who have other responsibilities in this area assume those responsibilities.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman, briefly.

Mr. CANFIELD. The first request of the Coast Guard leadership was for $21,500,000. They pared that down to $16,500,000. Finally they were forced to take $11,500,000.

Mr. KILDAY. I understand that to be correct.

I believe today we have had more discussion of the Coast Guard than we have had during all the rest of my service here combined. This is a development that is very agreeable to me. I know of no service in our uniformed services which can excel the Coast Guard in their efficiency and in their spirit and their attitude toward the discharge of their duties. When we have this much discussion here I think you can be sure that things have reached the point where it is essential that something be done for the Coast Guard.

The Coast Guard occupies a dual status. During peacetime, of course, they have the status of peace officers in the enforcement of the customs laws. Automatically on the declaration of war they become an integral part of the Navy. Therefore their pay and other matters affecting them are handled by the Committee on Armed Services. They are compensated under the same pay bill as all other members of the uniformed services. It is in that connection that I have become acquainted with them. I admire them tremendously.

It has been mentioned here and proper reply made that the Commandant said he could have $2 million for barracks if he would have accepted $7 million instead of $9 million for airplanes. When did it become essential to cut out airplanes in order to secure necessary barracks? We certainly do not do that for other uniformed services. At this session we appropriated an additional $1 million for the Air Force, including installations. I presume there is going to be no other limit put on the amount they could have for airplanes, missiles, and so forth.

I know of no money that you can spend on Reserves where you can have a reasonable expectation of getting results more than you can in the case of the Coast Guard. One of the main assignments of the Coast Guard is port security. If the ports are to remain secure, the Coast Guard must do it. In case of emergency, where can you depend on any Ready Reserves so fully and completely as you can on the Coast Guard, made up of persons living in that very port area, who over night can be alerted and take over the job of port security?

I sincerely trust that this $2 million will be restored to the funds made available for the Coast Guard Reserve. It will only make it what was appropriated last year. The Coast Guard is a military organization, participating in the Reserve training program, the 6 months of active-duty training and then into the Ready Reserve. This additional $2 million will provide the minimum required for the Reserve, and by reducing the very minimum that is regarded as necessary for the Reserve program you are definitely handicapping the participation of the Coast Guard in the Reserve program of 6 months' training and the obligated tour thereafter in the Reserve.

I trust my amendment will be agreed to.

Mr. GARY. Mr. Chairman, I yield to no one in this House in my high regard and respect for the Coast Guard of the United States. I have stated time and again I think it is one of the most efficient organizations in the United States Government.

The situation we have before us here today is this: Last year we appropriated $15 million for the Coast Guard Reserve program; that is, for this current fiscal year which ends on June 30. The Treasury Department set aside as a reserve $3,500,000, leaving only $11,500,000 for expenditure this year. Instead of asking for $15 million for next year they requested only $11,500,000 for the next year. Our committee heard testimony with reference to the Reserve program. We felt that it should at least be kept at its present level. We felt that under the recommendations made by the Treasury the program would lose ground this year and next. While it may not be advisable at the present time in view of all the other demands upon the Treasury to increase the program, we thought at least it should be held where it is. We estimated that if $1 million of the $3,500,000 were restored immediately for this year and that $1,500,000 is added for 1959, we could keep the Reserve program at its present level through the next fiscal year. That is the recommendation to the House. If the House should see fit to appropriate $15 million this year, there is no more reason to think the Treasury will spend it unless they want to than they did last year.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am glad to yield to the gentleman.

Mr. MASON. The gentleman says they spent $11,500,000 this year and that they have asked for the same amount for next year?

Mr. GARY. That is exactly correct.

Mr. MASON. And they held back $3,500,000?

Mr. GARY. That is correct.

Mr. MASON. What became of the $3,500,000?

Mr. GARY. That has not been spent. It is being held in reserve. We are recommending that $1 million of that $3.5 million be released for this year.

Mr. MASON. And it is available then for them to spend?

Mr. GARY. It is available for them to spend.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. BROOKS of Louisiana. I did not in any way intend to reflect upon the work of the distinguished gentleman from Virginia who has done a great job on the Committee on Appropriations, but I will tell you this. That after weeks of hearings before the Reserve Subcommittee of the Committee on Armed Services of the House, I find across the board there is a definite effort to cut down the reserve program in all the branches of the service. The Coast Guard is not a large branch of the service. It has had a hard fight building itself up as a Coast Guard Reserve. I can remember when we had to get on the floor of the House and fight for $1 million to start the Coast Guard Reserve program. Now, they are simply asking to continue an Active Reserve program of the type that they need in the Academy, and that is what the $2 million will do. I hope the House sustains that. I want to commend the gentleman from Texas for his fine remarks in reference to this part of the program.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. GARY. I am glad to yield to the gentleman.

Mr. TABER. How many are there at the present time in the Coast Guard Reserve?

Mr. GARY. At the present time there is a grand total of 8,933 in the Coast Guard Reserve program.

Mr. TABER. How many would be provided for by the amount that the committee brought in?

Mr. GARY. Approximately the same amount—8,933.

Mr. TABER. There would not be any cut?

Mr. GARY. There would not be any cut.

Mr. TABER. The increase beyond the $13 million would have to be then for the purpose of increasing the program?

Mr. GARY. For increasing the program and expanding the program over and above what it is at the present time. It was the intent of the committee to hold the program at its level both with respect to deployment and with respect to other items of the program.

Mr. CANFIELD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, how can you sustain this program on the present level with $3,500,000 impounded in the 1958 program and only $11,500,000 being asked

for in the 1959 program? That just does not add up.

I am going to repeat a statement that the distinguished chairman of our subcommittee made on the floor of the House May 16, 1957, when this bill was debated. This is what the gentleman from Virginia [Mr. GARY] said:

> I might say that our subcommittee heard that the Treasury Department had asked for this transfer of funds. We were fearful that they might interfere with the Coast Guard appropriation in which there is an item for the Coast Guard Reserve. We did not want those funds molested, and we therefore let it be known that we would vigorously oppose any invasion of the Coast Guard funds.

Now, those funds were molested. They were not transferred to any other item in the Treasury, but they were placed in what the Department called a sequestered or savings fund; not to be used.

May I say to the gentleman from Louisiana [Mr. BROOKS], who has been fighting for the Reserves, that the now Assistant Secretary of the Treasury, Mr. Flues, succeeding Mr. Kendall, who resigned a few months ago, wrote a letter to Senator COOPER, of Kentucky, in which the gentleman's name and my name were used. He told Senator COOPER in that letter that Mr. Kendall, his predecessor, had been down to Capitol Hill and had seen certain gentlemen, including the gentleman from Louisiana [Mr. BROOKS] and the gentleman from New Jersey [Mr. CANFIELD], and while they were not sold on the program, they were not wholly in disagreement. Then he went on to say he did not believe there would be any serious repercussions. That letter did not state the facts, and I am sorry that Mr. Flues ever wrote a statement of that kind on Treasury Department stationery, because when Mr. Kendall came to me and tried to sell me the program, I told him, "You can go back to the Treasury and tell them I am wholly in disagreement, and I will fight any program like that most vigorously." And I am sure my colleague was not properly represented in that letter, either.

Now, what is the prime duty of the Coast Guard of the United States? To protect our ports and our harbors. Admiral Richmond told us a few days ago that he was not even consulted on this question of impounded Coast Guard Reserve funds for national defense. I wonder if he was consulted at all by the Treasury high echelons when the *Dexter* was reconditioned at a cost of $966,000, later to be put in mothballs to help the savings fund.

Do you know what Admiral Richmond told me months back? He said that if the chips were down, if we were really in trouble, he could only get an inadequate complement of men to protect the metropolitan area of New York. I did not like that. May I say to my friend the gentleman from California [Mr. SHELLEY] I was in Hamilton, Bermuda, 3 years ago on Armistice Day. Thye call it Armistice Day there, as they call it in London and Paris. We call it Veterans Day. What happened? Our top naval admiral came up to me and said, "Congressman CANFIELD, when, oh, when are you going to do something about these faulty Coast Guard planes? They are dangerous. We, of the Navy, have good safe planes but you in the Coast Guard do not have them here." I came back home and reported the facts, and within days use of these faulty planes was canceled. I do not want mothball treatment for the Coast Guard. This is an important segment of our national defense, and in the name of national defense here on the floor today let us vote right on this restoration, and put the program back at least on the 1958 basis. We have already lost ground because of the impounding, and it is most unfortunate.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of the amendment. First let me say that I take this time to ask the chairman of the committee a couple of questions. I would like to ask the gentleman from Virginia this question with respect to this $1 million that his committee has directed the Treasury Department to make available to the Coast Guard, as mentioned in the report of the committee, I believe on page 3 and also on page 9. Can the gentleman tell me what will happen if the Treasury Department refuses to heed his direction?

Mr. GARY. Exactly the same thing that would happen if we appropriated $15 million and they spent only $11,500,000.

Mr. CHAMBERLAIN. In other words, this direction does not give the Coast Guard the funds the gentleman is trying to give them, does it?

Mr. GARY. It does not; and neither would an appropriation.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I yield.

Mr. CANFIELD. I will answer that question. I have great faith in the new Secretary of the Treasury who became Secretary of the Treasury after these operations had begun. He is very characterful, he is forthright. I believe he is going to be more Coast Guard minded than some of his predecessors, and I believe that as a result of this directive he will immediately restore those funds.

Mr. GARY. May I ask the gentleman, if he has so much faith in the new Secretary of the Treasury, why he is not willing to follow his request to the Budget? That is what I am trying to do.

Mr. CANFIELD. I talked to the Secretary of the Treasury.

Mr. GARY. He talked to the committee, and he upheld this request before the committee.

Mr. CANFIELD. To me he indicated that this matter was under discussion for some time before he became Secretary of the Treasury, and he told us he was pained about the whole situation.

Mr. GARY. So am I pained about it.

Mr. CANFIELD. The gentleman was pained last year.

Mr. GARY. I was. I wish we could give everybody all the money needed, but we do not have it.

Mr. CANFIELD. All I want to say to my distinguished chairman is to repeat what he stated on the floor just last year about the molestation of those funds.

Mr. GARY. I repeat those words, and I maintain that in the sense I used the word "molestation" they were not molested. I meant that if they could not spend it I did not want to see them transfer them to replace cuts that were made in other items.

Mr. CANFIELD. Then the gentleman from New Jersey does not know what the word "molest" means.

Mr. CHAMBERLAIN. Mr. Chairman, I took this time, as I stated at the outset, to ask the chairman a couple of questions. I have a second question I would like to propound: Assuming that the Treasury Department had directed the Coast Guard to spend $3,500,000 less this past year, is it the gentleman's contention that the Coast Guard Reserve could not adequately have spent those funds in furthering the Reserve program?

Mr. GARY. No. They were appropriated for that purpose and they have been spent as the Treasury Department directed them to spend them.

Mr. CHAMBERLAIN. Could they have spent them usefully?

Mr. GARY. They would have spent them for the Reserve. I think the Reserve program is necessary. The question is how this affects the program. They contemplated building up to a maximum strength. A cutback of budget funds would not cut back the program; it would delay to a certain extent, a year, or some other period, the time at which we would reach the maximum strength. That postpones the reaching of the maximum strength of the Coast Guard; it does not change the program except by delaying the time.

Mr. CHAMBERLAIN. Is it not true that the time has been determined to be a certain date in the future, that we must work toward that date if we are to have an adequate defense?

Mr. GARY. It was determined as to time several years ago when it was indicated or determined that a certain date would be desirable, but that was not set out as a necessary time.

Mr. CANFIELD. To carry out the program the Coast Guard asked this year for $21,500,000. They were requested to scale it down to $16,500,000, but finally they were forced to take $11,500,000, which was $3,500,000 under what our committee of Congress allowed for fiscal 1958.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I yield.

Mr. BROOKS of Louisiana. I may say that all we as Members of Congress can do is to do our duty as we see the duty before us. For instance, yesterday we had 43 governors before our subcommittee, either personally or by representative documents filed, supporting a $400,000 program. Some of them were very critical of the fact that we had not provided money for the construction of an adequate number of armories. Today we find that millions of dollars have been held back in reserve, not allowed to be spent, after this Congress had appropriated the money for those armories. All we can do is to provide the money that we have heretofore provided for the Coast Guard program.

Mr. CHAMBERLAIN. Mr. Chairman, as an active member of the Coast Guard Reserve, I have a strong personal affection for the service and the men in it. As some of my colleagues may know, I served in the Coast Guard during World War II and take pride in having been associated with an organization which has a distinguished record both in war and peace.

Let me direct the Members' attention to the report of the committee on the Treasury and Post Office appropriations bill for 1959. You will see on page 3 the following statement:

> This amount will permit the utilization of the training ship *Dexter* (on which nearly $1 million was spent before the Reserve program was curtailed) and will allow adequate progress toward M-day goals although not sufficient to guarantee meeting the M-day goal for the Coast Guard Reserve.

Again, on page 9:

> The committee is directing the Department to restore at once $1 million of the funds appropriated for, but withheld from, the Reserve program in the fiscal year 1958. Such action, coupled with the increase of $1,500,000 provided in the accompanying bill, should provide for an adequate Coast Guard Reserve program albeit not sufficient to fully meet the strength proposed for mobilization requirements by 1960.

Mr. Chairman, what this report clearly indicates is that the contemplated appropriation of $13 million is not enough. To have an effective Reserve organization, we must determine what its mission is to be and then appropriate enough money to carry it out.

Now, we may ask, "What is the capacity of the Coast Guard to carry out its mission?"

Admiral Richmond, in his very fine testimony before the subcomimttee, made it clear in response to the questions of the distinguished gentleman from New Jersey [Mr. CANFIELD], that the Coast Guard is in no position to meet its present requirements without the Reserve.

To perform its task of port security, the Coast Guard is going to have to mobilize almost within 24 or 48 hours. As the gentleman from New Jersey further pointed out:

> It will do no good to guard the ports 6 months after M-day if in the meantime they have been opened to subversion.

In connection with the traditional missions of the services in time of war, it is often pointed out that the present emphasis on missiles may change the roles of the services. However, as Admiral Richmond points out:

> If you can guarantee to me that the next war is going to be over in 24 hours, I would tell you that we do not need a Reserve—not a single man for Reserve.

However, he also told the subcommittee that the job assigned to the Coast Guard has not changed, and that until there is a reevaluation of its role, it must be prepared to carry out that role.

I do not feel that we can do away with the Ready Reserve. No Member of this body can state with certainty what kind of war the next one would be. With the ever-increasing fleet of hundreds of Soviet submarines, and the dangers posed to our shores by that fleet, I do not think we can afford to hamstring the branch of our Armed Forces that has the primary job of coastal and harbor protection.

In urging that this amendment be adopted, I am fully aware of the fact that no amount of appropriations will do any good if the executive agency does not put the money to its intended use. I have made my position known to Secretary Anderson, and I will do whatever I can to see that the wishes of Congress are not flouted.

However, I think this discussion will have its desired effect—that of bringing about a proper awareness of the Coast Guard's role and needs.

For these reasons, I would like to urge acceptance of this amendment. Money alone cannot guarantee an effective Reserve program, but the full appropriation will enable the Coast Guard Reserve to go a long way toward maintenance of the high state of readiness and training that is called for.

I wish to commend the members of the subcommittee for their expressions of interest in the welfare of the Coast Guard and its Reserve component. I am also grateful to my colleagues who have spoken in favor of this amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. YOUNGER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask a question of the distinguished gentleman from Virginia [Mr. GARY]. He says the Treasury refuses to spend the money or, rather, sets it aside in the reserve?

Mr. GARY. Yes.

Mr. YOUNGER. How much?

Mr. GARY. $3,500,000 for the current fiscal year ending June 30.

Mr. YOUNGER. What becomes of that $3,500,000 on June 30 of this year?

Mr. GARY. It reverts to the Treasury.

Mr. YOUNGER. It reverts to the Treasury?

Mr. GARY. It is that much saved. Let me say, this program relates not only to the Coast Guard but to the entire Government. As a matter of fact, you will recall that last year after the budget there was so much talk about the budget the President stated he was going to call on all department heads to hold expenditures as nearly as possible to the previous year. In response to that general order or directive from the President of the United States, the Treasury Department set up reserve funds in various bureaus of the Treasury Department. That related not only to the Coast Guard but went all the way down the line. In the Reserve program of the Coast Guard they set aside $3,500,000. It was an effort to save money and to live within the budget after the Congress had called upon the President very definitely to do so.

Mr. YOUNGER. How much was set aside in the other agencies of the Treasury Department?

Mr. GARY. There were varying amounts set aside in the different agencies. I have that information here.

Mr. YOUNGER. I asked the question because I am wondering whether they picked on the Coast Guard to make a saving rather than in other departments?

Mr. GARY. Here is the reserve established by the Department: Office of the Secretary $5,000, Bureau of Accounts $8,000, salaries and expenses, Division of Disbursements, $50,000, Bureau of Public Debt $93,000, Bureau of Customs $100,000, Internal Revenue Service $1,253,241, Bureau of Narcotics $20,000, United States Secret Service $4,000 for one item and $1,000 for another item and $6,500 for another. Coast Guard, in operating expenses $758,576, acquisition, construction and improvements $13,492, retired pay $43,438, Reserve training program $3,500,000. The Coast Guard is the largest part or a very substantial part of the Treasury appropriation.

Mr. YOUNGER. Out of the Coast Guard you had $3,500,000, plus $700,000, or $4,200,000 total out of the Coast Guard?

Mr. GARY. Probably around $5 million.

Mr. YOUNGER. Yes. It would look as though they picked on the Coast Guard.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LONG. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I cannot help notice a few things in this debate about the instructions to cut down, and impounding money at a time when war could come at any moment.

We have been close to war for several years but still we are cutting a very important part of our defense, the Coast Guard. The Coast Guard is small, of course, but we are doing the same thing with our Army. Unless money is restored, the Army will be cut to 870,000 troops by July of 1959, next year, a figure which our Army men say is below the danger point. Just how foolish can we get?

We see here, from the speeches made on the floor today that the administration has ordered money impounded, or not spent, in such vital places as the Coast Guard. Every day it comes to our notice that money has been withheld in vital places. While we are withholding money to prevent the building of quarters for our Coast Guard, we are sending money by the billions to foreign countries to bolster their economy, and as we cut the spending of the Federal Government in places where it is needed, we see the line of unemployed increase. People are walking the highways and byways begging for a job to earn bread for their starving families.

To my mind this is one of the reasons for the depression we find ourselves in at this time.

We need the Coast Guard. We need the Army at full strength to defend our great country but, again, we need to spend the money here at home to give jobs to our 5 million people who are now out of work.

This is no time to cut our national defense in any amount.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. KILDAY].

The amendment was agreed to.

The Clerk read as follows:

SEC. 204. Not exceeding $22 million of appropriations in this title shall be available for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, of which not to exceed $20 million shall be available for improving lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes.

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Page 14, after line 6, add:

"SEC. 205. There is appropriated the sum of $8,209,000 for the construction of a terminal annex at Denver, Colo."

Mr. GARY. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Colorado desire to be heard on the point of order?

Mr. ROGERS of Colorado. Yes. I contend that the amendment is in order as provided by Public Law 519 dated July 22, 1954, which is commonly referred to as the lease-purchase law. Now, I want to read that part of title II, section 202, which in effect says that—

Whenever the Postmaster General determines that (1) there is a substantial need for space for postal purposes in any particular area which cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, (2) the receipts of the post office serving such area exceed $10,000 per year, and (3) the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for postal purposes in suitable structures of permanent type construction in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), by negotiating and entering into lease-purchase agreements.

Now, there is authorization to do it under lease-purchase.

However, it is my contention that under the same provision, under section G of Public Law 519 there is this proviso:

No proposed lease-purchase agreement shall be executed under this section unless such agreement has been approved by the Director of the Bureau of the Budget as evidenced by a written statement of such officer to the effect that the execution of such agreement is necessary and in conformity with the policy of the President.

I want to point out that the Committees on Public Works of the House and of the Senate upon application by the Postmaster General did on July 19, 1956, approve the proposal for the construction of a terminal annex at Denver, Colo. Now here is the authorization as I construe it for an appropriation. I call attention to this sentence:

No appropriation shall be made for lease-purchase projects which have not been approved by resolution adopted by the Committees on Public Works of the Senate and the House of Representatives respectively within 3 years after the enactment of this act.

When this law was enacted it contemplated appropriations for the purpose of carrying out lease-purchase agreements that had been approved by the Public Works Committees of the House and Senate and submitted by the Postmaster General. If that is not true, then why do we have the words:

No appropriation shall be made for lease-purchase projects which have not been approved.

As I understand it, there is an appropriation authorized where there has been a resolution approved by the Public Works Committees of the House and Senate upon submission by the Postmaster General to them for approval. That being true and, as I have pointed out, on July 19, 1956, the Postmaster General's proposal for a terminal annex at Denver, Colo., was submitted and approved, if it was not contemplated that an appropriation should be made, then why do we have this language:

No appropriation shall be made for lease-purchase projects.

This is a lease-purchase project that has been submitted and been approved. The limitation that no appropriation shall be allowed until the project has been approved by resolution of the Committees on Public Works of the Senate and the House of Representatives means this. My contention is when they say "no appropriation" they in turn authorize an appropriation when the project has been approved by the Public Works Committees as this one has been approved.

The CHAIRMAN. Does the gentleman from Virginia [Mr. GARY] desire to be heard on his point of order?

Mr. GARY. Mr. Chairman, in the first place, the law cited by the gentleman from Colorado expired on June 30 last year. That is the lease-purchase law. In the second place, the lease-purchase law did not authorize any appropriations whatever. It merely authorized the construction of projects under a lease-purchase contract. In the third place, even if there were an authorization of construction, that comes under General Services Administration and the General Services Administration appropriation is not before this committee. We are considering the appropriation for the Post Office Department. There is absolutely no authorization whatever for the project in question.

The CHAIRMAN. The Chair will hear the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Chairman, I disagree with the gentleman's statement that this is all under the General Services Administration, because, if the Chair will read title II of Public Law 519, it specifically designates the Postmaster General. That is No. 1.

No. 2, he says that the law itself has expired. The law provides that these projects must be approved within 3 years. I offer proof here that this project was approved by the committee on July 19, 1956, within less than two years. And as to the requirement under "(g)" where it says, "No appropriation," if you do not contemplate some appropriation, why would you put it in that language? I contend that once it has been approved, as it has been approved in this instance, we are free to appropriate under this law.

The CHAIRMAN. Does the gentleman have proof that the project in question received the approval of the committee?

Mr. ROGERS of Colorado. Yes, Mr. Chairman. I have before me the lease-purchase project that was approved on the 19th day of July, 1956, by the Public Works Committee, and I also have the prospectus filed by the Postmaster General as to the terminal annex at Denver, Colo. It was from this that I arrived at the figure of $8,209,000.

The CHAIRMAN. Does the gentleman have at hand a resolution of the committee approving this particular project?

Mr. ROGERS of Colorado. I called the committee and asked them for the resolution, and they said, "Here it is," and sent it over to me about 30 minutes ago. Here is the list. No. 24 on the list is "Denver, Colo., post office, $8,209,000." That is why this motion is limited to that sum.

The CHAIRMAN. Does the gentleman from Virginia care to be heard further on the point of order?

Mr. GARY. Yes, Mr. Chairman. That was approved for a lease-purchase contract, not for an appropriation. The Congress cannot now make an appropriation under an act that has expired. The act itself is no longer in existence.

Mr. ROGERS of Colorado. May I reply to that this does say that no appropriation shall be made for lease-purchase projects until approved by the committee. That is the wording of the act itself. As far as the act's expiring is concerned, it provides that it shall be approved within 3 years of the enactment of this act. This act was approved July 24, 1954. The committee approved it on July 19 of 1956, which is within the 3 years.

The CHAIRMAN [Mr. HAYS of Arkansas]. The Chair is ready to rule.

The Chair is grateful to both the gentleman from Colorado and the gentleman from Virginia for their presentation. The Chair thinks reference to the legislation referred to by the gentleman from Colorado would develop the fact that the lease-purchase procedure is a distinctive type of construction procedure that does not yield to ordinary appropriation treatment. Consequently, the argument advanced by the gentleman from Virginia [Mr. GARY] appeals to the Chair. For the reason that no prior legislation authorizing this appropriation has been enacted by the Congress, the Chair sustains the point of order.

The Clerk concluded the reading of the bill.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11085) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes, had directed him to report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AUTHORIZED PAYMENT TO THE GOVERNMENT OF DENMARK

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 493, Rept. No. 1454) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2448) to authorize a payment to the Government of Denmark. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISION

Mr. BOLLING (on behalf of Mr. THORNBERRY), by direction of the Committee on Rules, reported the following privileged resolution (H. Res. 494, Rept. No. 1455) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5309) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INTER-AMERICAN HIGHWAY

Mr. BOLLING (on behalf of Mr. DELANEY), by direction of the Committee on Rules, reported the following privileged resolution (H. Res. 495, Rept. No. 1456) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7870) to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENTS TO H. R. 8002

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments which I expect to offer to H. R. 8002:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 201 of the Budget and Accounting Act, 1921, as amended, is further amended by adding the following new subsections:

"'(b) Whenever the President determines there has been established a satisfactory system of accrual accounting for an appropriation or fund account, each proposed appropriation thereafter transmitted to the Congress for such account pursuant to the provisions of this act shall be accompanied by a proposed limitation on annual accrued expenditures.

"'(c) Whenever an appropriation is subject to a limitation on annual accrued expenditures, there shall be charged against the limitation the cost of goods and services and other assets received, advance payments made and progress payments becoming due, and the amount of any other liabilities becoming payable, during the fiscal year concerned.

"'(d) At the end of the fiscal year concerned, any unused balance of the limitation on annual accrued expenditures shall lapse.

"'(e) Any liabilities becoming payable during the fiscal year concerned but for which payment is not made during that year may be paid, if not otherwise contrary to law, in a subsequent fiscal year or years to the extent they are within the limitation on annual accrued expenditures for the fiscal year concerned.

"'(f) Any obligations incurred during the fiscal year concerned or in prior fiscal years which do not result in liabilities becoming payable during the fiscal year concerned shall be charged against the limitation on annual accrued expenditures for any succeeding fiscal year in which such obligations may result in liabilities becoming payable.

"'(g) Nothing in subsections (b) through (f) of this section shall be construed to change existing law with respect to the method or manner of making appropriations or the incurring of obligations under appropriations.'

"SEC. 2. (a) It shall be in order to provide in any bill or joint resolution making appropriations, or in any amendment thereto, limitations on annual accrued expenditures covering amounts becoming payable as a result of obligations incurred both in the fiscal year concerned and in prior fiscal years, and provisions pertaining to the availability of funds appropriated in prior fiscal years.

"(b) The provisions of subsection (a) of this section are enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"SEC. 3. This act, and the amendments made thereby shall cease to be in effect April 1, 1962."

EXTENSION OF CAPITOL

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, after much thought, I am today introducing a bill to amend the Legislative Appropriation Act of 1956 by eliminating the requirement that the extension reconstruction and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905. This is essentially the same bill as was introduced in the last session by the gentleman from Wisconsin [Mr. REUSS].

Similar bills have been introduced in the House by the gentleman from California [Mr. HIESTAND], the gentleman from Iowa [Mr. SCHWENGEL], and the gentleman from New Jersey [Mr. WIDNALL]. This bill is essentially the same as the bill now being considered in the other body which was coauthored by Senator SMITH and Senator CASE of New Jersey; Senator CLARK, of Pennsylvania; and Senator HUMPHREY, of Minnesota.

It is a privilege to join with these far-sighted legislators in a last-ditch effort to preserve the classic architecture of the east front of the Capitol from hasty and ill-considered change. I notice by today's press that Senator A. WILLIS ROBERTSON, of Virginia, also has joined his colleagues in calling for a delay on the proposed extension until there is a more thorough investigation of the feasibility of repairing the present front.

This controversial appropriation received remarkably little Congressional attention. No hearings were held in the House or in the other body at the time this controversial provision was originally tacked on an appropriation bill. Together with the proposed House Office Building and changes and modifications in the two existing House Office Buildings it represented over $94,500,000.

The great Committee on Public Works with its standing Subcommittee on Public Buildings was completely bypassed. In spite of the fact that the Capitol is a workshop for the Congress as well as a historical shrine, no broad segment of either the House or the other body was permitted to examine, testify, recommend, or to hear expert testimony from architects, historians and office management consultants as to the results of this drastic change. The latest hearings on this scheme B were held in 1935 and 1937. Only 43 Members of the present House date back that far in service.

Why are these extensive changes being made? Is change so much a fetish with us it is considered synonymous with progress? Cannot anything remain unchanging in an era of confusion to remind us that the fundamental principles of our Government and our Constitution do not change?

Millions who love the appearance of the Capitol and who remember and revere the forecourt, traditional setting of the inauguration of each President since Andrew Jackson, would probably agree with Robert Browning when he said, "I detest all change, and most a change in aught I loved long since."

Is this the only place to provide a restaurant? What about the construction now under way at the cost of $1 million or so in the courtyard of the New House Office Building? Is this the only place for additional committee rooms? What about the New Senate Office Building and the New House Office Building, now under construction?

Architectural Forum, an outstanding building industry magazine, has hinted that far more usable space could be obtained elsewhere than will be gained by moving the east front 40 feet forward, and at a cost considerably less than $17 million, too.

Architects throughout the Nation, speaking individually and through the American Institute of Architects, have condemned this program. One of Indiana's outstanding architects, known throughout the Nation for the distinguished character of his professional works, has joined in the cause. Mr. Edward D. James, of Indianapolis, who has for several years been serving as preservation officer for the committee on preservation of historic buildings of the American Institute of Architects, wrote me on February 5 of this year. Let me read two short paragraphs from his letter:

> In the years that I have been in the practice of architecture, I have been vitally interested in the restoration, and in the preservation of existing architecture which has significance in our American way of life. Most of my activity has been centered around Indiana and I have left the rest of the country up to other people. However, I have found that the east facade of the United States Capitol is about to be destroyed and the fine architecture of Dr. William Thornton, which was approved by George Washington, will disappear with that destruction.
>
> I feel the urgency to advise you that the architects of America, and I am sure, many hundreds of thousands of other people, are interested in blocking this expansion program and in solving the necessity for the expansion in a different manner. I understand the plans have been completed and contracts are about to be awarded. I hope you believe as much in the preservation of this Capitol Building as I do and I hope you will join the fight for a different solution for this necessary construction.

Many Americans make a pilgrimage to Washington and their Capitol but once in a lifetime. For many of them that happy visit of inspiration comes while they are in high school. If this plan is carried out they will be denied the historic view of their Capitol for 3½ years while construction is under way. They will never again see this work of three of the Nation's early and most gifted architects, Dr. William Thornton, Benjamin Latrobe and Charles Bulfinch.

Public protest has saved the historic east front of the Capitol three times in its 165-year history. This is a continuing struggle. Scheme B for the moving of the east front has been lying around for 53 years to a day, since March 3, 1905. It is a product of the same enlightened era of architecture which produced the Library of Congress and the old Department of State Building.

It is apparent that all three Washington newspapers oppose this destruction of historic walls of that section of the Capitol for which George Washington laid the cornerstone in 1793. One paper has compared the destruction of these walls the British could not level when they burned the Capitol in 1814 to President Truman's attempts to change the exterior architecture of the White House by adding a cafeteria and auditorium in 1946. Where does it make sense to expend vast sums to repair the White House by rebuilding the interior from ceiling to roof without disturbing the exterior walls, then to sacrifice the original walls of the Capitol itself built from the same Virginia sandstone?

I have great respect for the Architect of the Capitol, Mr. J. George Stewart. He is affable, personable, technically qualified, and sincere in his position on this matter. I cannot, however, agree with him when the historic judgment of the press from coast to coast and of the American Institute of Architects, the National Trust for Historic Preservation and the Society of Architectural Historians pleads so eloquently for the preservation of this national shrine which is only in the temporary custody of any one Congress. The arguments of those who propose this change are neither overwhelming nor do they stand the test of careful analysis.

At a time when there is concern about money for defense and money for sparking a lagging economy, is not $17 million a pretty high price to pay for a noontime restaurant, a few more committee rooms, and a private passageway to keep the legislators secure from their constituents? And will the final figure really be $17 million or will it be more like $25 million or perhaps $30 million?

The taxpayers provided their Congressmen with expensive new legislative chambers in 1951. They provided an expensive new Senate Office Building this year and an expensive new New House Office Building to be ready in a few years. Perhaps, instead of providing a new east front to the Capitol, the taxpayers may decide to provide the historic Capitol with a new group of less expensive Congressmen if this spending spree on the Hill does not terminate short of wanton destruction of this very building, itself.

GI HOME LOANS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, on February 17, 1958, I introduced in the House H. R. 10764. I view this as a much needed emergency measure designed to breathe life into a very fine program that will soon become inactive unless prompt action is taken. I have reference to the GI home loan program. It is not only curtailment of the benefit for the veteran which concerns me, although this aspect, of course, is a predominant factor. The side effects resulting from the inability of veterans to obtain home loans are being reflected in the number of residential units being constructed, and in the related fields which are hit by a decline in home construction activity.

As has so often been true under this administration, it is the small-business man who suffers most. It is the builder of a few houses each year whose source of funds is cut off. It is the local suppliers of building materials who are hit the hardest by the small builder leaving the scene, since the large operators generally order direct from the factory or mill. But let me say that the problem

is by no means confined to the small builder. Every manufacturer and dealer in appliances and furnishings is hit. It is being felt throughout our economy and is rapidly becoming more acute.

As we all know, the cost of living is rising. The average price of a new house rose from $9,475 in 1952 to $12,375 a year ago. Construction costs have risen more than 13 percent in recent years.

What does this mean to the individual who hopes to house his family in a home of his own? The answer is obvious. All of these forces combine to increase substantially the cost to him or drive him from the home-buying market completely.

The unfortunate fact is that these conditions are not likely to improve. On the contrary, the immediate likelihood is for further worsening. The GI loan program is at a standstill. The economy continues its downward slide.

How can we meet this problem which not only creates hardship for the veteran but also has widespread economic effects? There seems to me to be one reasonable solution which will have an immediate effect. That is why I have introduced a bill to authorize $2 billion in direct loans by the Veterans' Administration. Under my measure, the VA will be authorized to make loans throughout the country if a veteran is unable to obtain a guaranteed loan for which he qualifies. The maximum direct loan is increased from $10,000 to $20,000. The interest rate charged to the veteran would be less than 4½ percent. Savings banks and savings and loan associations whose acocunts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation would be authorized by the Administrator of the Veterans' Administration to act as his agent in placing and servicing these loans. A fee would be paid to these institutions out of the income derived from the loans.

Where will we get the money for these loans? Actually the money is available but is simply lying idle. The United States Government holds more than $7 billion as trust funds of the national service life-insurance fund and the United States Government life-insurance fund. My bill would use $2 billion of that $7 billion, about 29 percent, and lend it directly on VA mortgages at the same rate as Government bonds are paying, plus the additional sum necessary to cover the cost of processing, servicing, and guaranteeing. Thus, the interest charge will be less than 4½ percent to the veteran.

One might ask if it would be prudent to so invest these funds. The answer is that this is a common practice of life-insurance companies. Most life-insurance companies have invested at least 35 percent of their funds in long-term home mortgages.

Furthermore, savings and loan associations put practically all of their funds in home mortgages. Savings banks and most of the pension funds put from 30 to 80 percent in mortgages. If this is a prudent practice for these institutions, why shouldn't we do the same with the veterans' life-insurance funds.

Through this program, the lending institutions will be free to use all their available funds for conventional mortgages and FHA insured mortgages. As soon as the market changes and additional funds are again available for both FHA and VA mortgages we can then suspend the direct-loan program.

Mr. Speaker, this is not special interest legislation. It will not only help the veteran trying to buy a home for his family. As I have pointed out, increased activity throughout the economy would result from this program. No additional budgetary expenditure would result. This is truly legislation in the public interest. I urge the Congress to take favorable action promptly.

UNDERGROUND GASIFICATION OF COAL—A RESEARCH NEED

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, in recent years there has been considerable interest in the underground gasification of coal. This involves the burning of coal in situ, either in its original seam or after being broken up, in order to produce usable gases. It is possible to vary the nature and the quality—heat units—of these gases by substituting steam or oxygen in the combustion zone for air. The gases can be used for burning in boilers to generate power, to produce synthesized gasoline, oil for pipeline distribution and many organic chemical compounds.

The advantages of converting bulk coal into valuable gases at the mines are obvious. Not only does this process bypass the costly mining operation but it also eliminates the expensive task of delivering mined coal to the user. In addition to these economy factors, underground gasification provides a means whereby coal reserves can be utilized to replace the Free World's dwindling oil and gas supply. The United States and the Western European countries have much greater supplies of coal than of oil and scientists believe, furthermore, that most of the oil yet undiscovered is in other sections of the world. Also, it should be emphasized that the recovery of energy by means of underground gasification will make available to mankind the heat units in coal beds either too thin or with too great a quantity of extraneous matter to be economically produced by mining. Here there exists a possible means of converting something which is useless into something useful.

Despite these incentives, neither the United States nor the Western World is leading the way in this type of coal research. I regret to report, Mr. Speaker, that it appears that the Soviet Union has made considerable scientific progress in this field and is now on the verge of a major breakthrough in successfully gasifying coal underground. At this time, the Russians have as many as 500 engineers and technicians at work on the problems of underground gasification, and in addition many research and educational institutions, while the United States has probably less than 20 persons engaged in this vital project.

Although pioneer underground gasification efforts were made in Russia more than 25 years ago, the first known experiment in the Western Hemisphere took place at Gorgas, Ala., in 1947. The experiment was a cooperative venture of the Alabama Power Co., which owned the coal in the ground in which the gasification was attempted, and the United States Bureau of Mines. Under the expert guidance of Mr. Milton H. Fies, vice president in charge of Alabama Power's coal operations, the Gorgas experiments have continued now for more than 10 years, yielding valuable research data. The technology of coal exploitation is still in its infancy in this country and much additional work is necessary, in Mr. Fies' opinion, to achieve any comparable degree of success.

Extensive gasification experiments have also been carried on in Italy, Belgium, France, Germany, and the United Kingdom. In Great Britain, the Ministry of Fuel and Power is tackling gasification problems in great earnestness. The British Government has retained a firm of prominent engineers, Humphreys & Glasgow, Ltd., of London, to push the gasification work. The Government already is constructing a 5,000 kilowatt generating station at the gasification site. Undoubtedly, the English have several score of technicians at work on gasification now—many times more than the United States and far less than the Soviet Union.

A group of British engineers who recently visited Russia to inspect the work being done by the Russians has reported that the Soviet Union is on the verge of significant expansion in the underground gasification of coal. The Russians, it was learned, plan to use the gas produced to generate electricity. In fact, the British party discovered the Soviet's plan to build a 100-megawatt power station, which would, of course, have 20 times the capacity of the English station. In all, some 400 to 500 engineers were busy on the Russian gasification project when the British party was on hand. The British engineers reported—according to an English publication, that the Russians have perfected a drill which bores vertically from the surface to a coal seam and when the drill penetrates the coal bed, it can be so manipulated or adjusted so as to be able to drill horizontally into the seam. This, it is claimed and there is justification for the claim, will be of great advantage in gasifying coal seams in place.

The experimental efforts of the Alabama Power Co. and Bureau of Mines engineers, during the past several years, have been directed toward gasifying coal in place without the use of underground labor, whereas the British and Russian technicians have employed

labor underground in the preparation of coal bed for gasification. The vertical-horizontal drill, referred to previously as having been perfected by the Russians, may enable them to produce gas from underground coal without mine labor.

If the Russians succeed in gasifying coal successfully underground before any of the nations of the Free World, this will obviously be another hard blow to our work prestige, especially since so many other countries are interested in this work. If the Russians find a way to use underground gas as a source of energy, their scientists will not only have placed another feather in their cap but will also have added materially to Russia's industrial potential. Unfortunately, there does not appear to be any great degree of interest in underground gasification in this country.

Even though the actual need for synthesis gas is not an urgent one, there is no denying that America's supply of natural gas and oil is fairly limited. It seems to be to be extremely poor policy, Mr. Speaker, to wait until the actual need is pressing before determining what we may substitute for natural gas and petroleum products. The principal objective of underground gasification in this country is to produce a synthetic gas from which chemicals and gasoline can be made at the mine mouth, and to be enriched and used, someday, as a substitute for natural gas. Down through the years, the industrial and economic growth of nations has closely paralleled the energy productivity of those nations. It is most desirable, therefore, that the United States work to perfect a method to obtain a gas for energy purposes and a synthetic gas from the underground gasification of coal at relatively low cost.

The experiments at Gorgas Mines in Alabama have produced excellent synthesis gas at intervals and the researchers need find only the method of producing this gas over a long period. Mr. Fies, who has been in charge of the Gorgas project, believes that the Bureau of Mines gasification program should be enlarged to include several coal fields. He would like to see experiments in pitching beds in the Far West, abandoned mines in Pennsylvania or West Virginia as well as thin and dirty beds in Missouri or Kansas. Underground gasification will first be utilized, he believes, in those sections of the United States in which the average energy cost of fuel is highest. There is a great variance in fuel costs in this country because of the great distances over which the fuel must be transported. It is, of course, far cheaper to pump gas through a pipeline than it is to haul mined coal equal distances.

Mr. Fies feels, as I do, that the results of the Gorgas experiments in underground gasification have been most encouraging. Despite limited personnel and funds, this project has moved forward at a steady pace under Mr. Fies' skillful direction. To limit this important research to only one location in this country, however, appears to be a serious mistake. We may well be subjected to another sputnik experience by the concerted Russian efforts in the underground gasification field. Personally, I do not welcome the possibility that the Soviet Union may be the first to announce a feasible method of recovering a gas from coal which may be used as a source of fuel in industry and in the generation of power. A Russian scientific victory in this field would certainly not reflect creditably on our own researchers or those of any of the other free nations. Most certainly there will be keen disappointment on this side of the Iron Curtain.

To my way of thinking, an expansion in our work on underground gasification is fully justified by recent Soviet advances and also by the future need for synthesis gases. The world now stands on the verge of a revolution in fuels, one which may well affect the future of our civilization. In alerting the American people as to the progress being made in Russia and in Great Britain in establishing commercial installations using gas produced by burning coal in place as a source of energy, I hope that some of the present apathy may be dispelled and an expanded research program in this country will result. Mr. Speaker, this important scientific project deserves immediate attention.

NATIONAL SECURITY NOT IMPAIRED BY IMPORTS OF SWISS WATCHES AND CLOCKS

Mr. MACHROWICZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MACHROWICZ. Mr. Speaker, I should like to call the attention of my colleagues in the House to a highly significant decision which was rendered on February 28th by the Director of the Office of Defense Mobilization, Mr. Gordon Gray. The decision, which in my opinion was one of the most encouraging actions taken by the present Administration in the field of foreign trade, flatly rejected petitions by the domestic manufacturers of watches and clocks for greater protection from import competition on grounds of their alleged essentiality to the national security.

Mr. Speaker, for years we have been bombarded with propaganda by the domestic watch industry which loudly proclaimed its unique contribution to the production of precision military items. This refrain has been repeated so often by the watch and clock firms that many people, including the present administration, had assumed it to be the truth. But now it can be told: the Office of Defense Mobilization has just completed a most comprehensive, two-year study of the defense capabilities of the horological industry and has found that these firms can produce nothing for the armed services that cannot be readily obtained from many other industries.

Of course, Mr. Gray's decision is directly contrary to an earlier ruling made by his agency in 1954. He explains this reversal by stating that in the past three years there has been a marked reduction in mobilization requirements from the horological industry, as well as a substantial expansion of precision skills and plant capabilities in other industries.

All of this may be true, but it is significant that the Defense Department hasn't changed its position. Its 1954 report to ODM concluded that the domestic watch and clock manufacturers were not essential and its recent report reiterated this conclusion. Regardless of past history and past positions, however, it is clear that everyone is in agreement now that the national security is in no way dependent upon the domestic watch and clock manufacturers.

As evidence of the validity of this conclusion, here are some of the highlights of the recent ODM study:

1. The military requirements for watches, clocks, and timing devices in event of war have been greatly curtailed.

As an indication of the reduction which has taken place, military requirements reported as of December 1956 for jeweled watches and chronometers were drastically reduced from World War II requirements; and were down to about one-half of 1954 estimated requirements. The most recent Department of Defense estimate, based on the latest strategic concepts, indicates a further reduction in volume in military requirements since December 1956 of as much as 75 percent in those timing devices which have been major items of military production by the horological industry.

2. Nonwatch firms can produce the same military timing devices procured from the horological industry.

Surveys of 37 selected nonhorological firms revealed both the capability and capacity to design and manufacture far in excess of the volume of orders assigned to horological firms (in event of mobilization) without disturbing the production of other military items already planned for the particular firms.

3. The horological industry is not essential to the missile program.

The service laboratories having technical responsibility for safety and arming devices (the principal item produced by watch and clock companies for the missile program) reported that many firms outside the horological industry have the capability and capacity to design and manufacture these complex items and are presently doing so.

No missile manufacturer questioned (18 firms building 26 missiles) indicated a dependence upon the horological industry either for production or research. The Director of Guided Missiles stated that "Viewed solely from the standpoint of the potential contribution to the guided-missile programs, it is evident that the horological industry cannot be considered to be essential to these programs."

4. All interested Departments concur that the domestic horological industry is not essential to national defense.

On the basis of the studies it has conducted, the Department of Defense has concluded that the horological industry is not essential in the supply of items critically needed by the military in times of national emergency.

It is the opinion of the Department of Commerce, after giving consideration to all factors, that essential civilian requirements for high-precision jeweled timepieces during a national emergency could be met from domestic production that would be available, from inventories of such movements that are constantly widespread throughout distributive channels, and such imports as may be possible from foreign sources.

The Interagency Advisory Committee on the Watch Industry (composed of officials from Defense, Labor, Commerce, State, Treas-

ury, and ODM) is of the opinion that the level of imports of horological products does not threaten to impair the national security.

Now, Mr. Speaker, I think all of us know that the administration has taken many drastic actions during the past few years to curtail jeweled watch imports on the fallacious assumption that the domestic manufacturers were essential to the national security. I believe it is fair to suggest that these actions should now be reconsidered and reversed in light of the current findings of the Director of Defense Mobilization.

Surely, I hope we shall hear no more about new punitive moves by the administration against watch importers. It is high time for the domestic watch and clock manufacturers, and for the Government, to cease these continual efforts to curtail foreign competition. Let us hope that the new ODM report will signify a resumption of the traditional American free enterprise system in the watch and clock industry, with the consumer able to exercise his choice of domestic and imported products without the Government intervening to narrow the choice or to raise the price through needless trade barriers.

Mr. Gray is entitled to commendation for the forthright and fair manner in which he has handled the difficult problem which faced him, particularly in view of the terrific pressures which have been leveled in this field.

In its editorial of March 3, which I submit herewith, the Washington Post and Times Herald has very accurately and correctly analyzed the significance of this action:

TIMELY REVERSAL

The Office of Defense Mobilization has acted wisely in reversing its 1954 ruling that the domestic watch and clock manufacturing business is essential to national security. The ruling was sought by the industry to obtain tariff protection against Swiss imports. The argument was that the skills of American watchmakers would be needed for a defense emergency but that these skills would be lost if the country depended mainly upon imported timepieces.

Whether the contention ever had any validity is doubtful. But the Defense Department now has clearly ruled that whatever defense need once existed for precision jeweled watches and clocks has now greatly diminished. At the same time, however, similar precision skills have been developed and greatly expanded in other fields. All of this does not mean, of course, that the watch industry is to be thrown to the wolves. It does mean that it must meet import competition without the help of the defense essentiality shield—a device that could seriously undercut freer trade policy if used without real justification.

CONSENT DECREE IN THE CASE OF UNITED STATES AGAINST UNITED FRUIT CO.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, during the preceding session of the Congress, a subcommittee of the House Select Committee on Small Business, of which I have the honor of being chairman, conducted a hearing on March 28, 1956, in which it inquired into proposals for a consent decree in the case of United States of America against United Fruit Co., which was then pending in the United States District Court for the Eastern District of Louisiana. On February 4, 1958, I learned with considerable interest that this important case has been settled by means of a consent decree.

Under the terms of the final judgment, a competing corporation will be created out of United Fruit assets to take over a large part of the banana importing business.

Numerous restrictions of a technical nature on the operations of United Fruit are prescribed in this consent decree, but the heart of the matter is the provision that a new corporation be set up to handle 35 percent of United's imports in 1957, a share estimated at nine million stems. Not since the American Tobacco Co. was divided into competing corporations many years ago, has any antitrust action had such impact upon a truly giant monopoly as in this case.

In addition, the decree requires that not later than June 30, 1966, United shall divest itself of all of the capital stock or other interest it owns in the International Railways of Central America. Of more particular interest to the jobbers and dealers in the United States is the provision in the decree which bars United Fruit "from engaging anywhere in the United States, directly or indirectly, in the business of ripening, processing, and selling bananas," and also obliges United Fruit to liquidate one of its subsidiaries, the "Banana Selling Corp., within 9 months from the effective date of this final judgment."

The testimony heard by the subcommittee showed that sales abuses and practices contrary to the interests of jobbers, distributors, and the consuming public had been practiced for many years by this large monopoly. United Fruit had acquired the power to fix prices at which bananas were sold in the United States and also, it was charged by some of the witnesses heard, had the ability to impose severe restrictions on competition. The banana jobbers in this country were caught in a price squeeze by United Fruit, which they claimed sold directly to retailers at prices the jobbers could not compete with on the basis of what United Fruit charged.

Perhaps the subcommittee's hearings on this matter were a factor in expediting the ultimate conclusion of this case. However, in any event, the hearings did arouse considerable public interest and helped to focus attention to the activities of this huge monopoly.

The benefits of this consent decree in the form of competition will, obviously, not begin to accrue on any large scale until the competing corporation is set up. How extensive these benefits will eventually become, only time will tell. The important thing is to insure that the competition will be genuine. It is a fundamental belief of our country that a dynamic and free democracy rests secure only on the foundation of a free economy. In the meantime the jobbers and dealers should benefit from the decree as quoted above if the decree is fully and quickly implemented. It is these small-business men I hope our committee has been instrumental in helping.

A SHELL GAME WITH CIVIL RIGHTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, in the last few days I have devoted considerable time and effort to a careful examination of the immediate future of the Civil Rights Commission. The future looks black indeed at this time.

Recent debate in the House brought out the confusion and total inaction consequent to that confusion for which Americans now being deprived of their civil rights are being penalized. I am speaking of the appropriation for the Civil Rights Commission. During the debate the only thing that appeared perfectly clear was that the fate of the appropriation is at best undecided.

On one aspect of this muddy and disgraceful question there is, however, agreement. That is, that the executive department, as represented by the Civil Rights Commission itself, was duty bound to make a justification and explanation of the plans of the Commission to the committee. It did not do so.

The House by its previous action has in effect called upon the Commission to now submit its budget and justification to the Appropriations Committee, and has indicated that the committee, after consideration, resubmit the appropriation bill previously deferred including in it an appropriation for the Civil Rights Commission.

After much telephoning to the staff of the Appropriations Committee and the staff of the Civil Rights Commission, it became clear to me that no action was forthcoming in spite of the appointment of Mr. Gordon Tiffany as Staff Director. Pending action upon his confirmation by the other body, he has been given an appointment as a temporary consultant to the commission. Therefore, I sent the following telegram to the chairman of the commission, Dr. John Hannah, and to Mr. Gordon Tiffany, Staff Director designate:

Since it has been 18 days since debate on the floor of the House brought to light the fact that no justification for the Civil Rights Commission appropriation has been made, and the intent of Congress clearly demonstrated that such justification must be given highest priority; and since 8 days have passed since your nomination as staff director and some days have passed since you were put on the payroll as staff consultant, I respectfully submit that justification for the appropriation be given immediate action and that a request be immediately forwarded to the House Appropriations Committee for a hearing to present it at the earliest possible moment. Please inform me of your plans in this respect.

I received the following telegram in response from Mr. Tiffany:

Appreciate your views expressed in your telegram. The budget has been studied with care. Be assured every step will be taken to expedite a carefully supported presentation before the Appropriations Committee at its earliest convenience.

I then ascertained by telephone to Mr. Tiffany's office on Monday, March 3—Mr. Tiffany was in New Hampshire and would not be returning until Wednesday—that the Civil Rights Commission had made no request to appear before the Appropriations Committee. I thereupon sent Mr. Tiffany the following wire:

I wish to point out that it is the responsibility of the Commission to ask the Appropriations Committee to set a date for presentation of the budget justification. The Appropriations Committee properly should not be expected to act until such request is received from the Commission. Please advise me when such request is made.

I, of course, eagerly await action by the Commission and an answer to my wire. This is not a personal matter. The American people are entitled to action under the terms of the law passed by the Congress of the United States in 1957. Pious pronouncements are not sufficient. It is my intention to keep after the matter until action is achieved or the blame for inaction is clearly placed. Time is running out. The life of the Commission will expire on September 9, 1959. One quarter of its active life has already passed. It is the duty of the members of the Commission and of the President who appointed them to save every single day that can be rescued for the important work that the law has given the Civil Rights Commission to perform.

POSTAL EMPLOYEES PAY INCREASE

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Congress is working on a pay-increase bill for postal employees that should have been passed last summer. Unfortunate delays prevented final and successful action before Congress adjourned.

In fact, there is no question as to whether or not the Congress should pass a pay-raise bill. The only points at issue are: Should it be a flat, across-the-board raise or by different percentages according to different levels and steps; and to what date should it be retroactive?

In working out an agreement regarding increased compensation for postal workers, we bear in mind our obligation to provide similar raises for all other classified Federal employees.

To refresh our memories on this subject, I want to emphasize that classified and postal employees have received only one increase of 8 percent since 1951, while the wages paid by private industry have more than doubled in that same period.

The cost of living has continued to climb since the long and protracted hearings on this subject began a year ago. Which means that the postal workers have actually lost ground in the past year, and any bill we pass now will only make up in part for the income deficit they have experienced since 1951.

In the report of the House Committee on Post Office and Civil Service, dated July 8, 1957, there is this language:

Witnesses * * * stated that it was necessary for thousands of postal employees to seek additional employment or to have their wives or children work in order to meet the costs of raising their families. The majority of the committee believes that the present take-home pay of most of the postal employees is completely inadequate to support an average family in most metropolitan areas where the largest number of postal employees are working. The majority of the committee believes that the pay of postal employees should be measured in terms of adequate compensation for the work performed. Postmaster General Arthur Summerfield stated that the productivity of postal workers had increased 17 percent over the past 6 years. This is a compelling reason why the salaries of postal employees should be readjusted. Loyal, faithful, and highly productive service should be recognized not merely by commendation but in the take-home pay of postal employees.

Those words must be kept in the forefront so that the legitimate salary increase claims of postal workers will not be jeopardized by those who would have it both ways by their insistence that the post office is a public service, yet would deny postal workers a substantial pay raise by arguing that they should be tied to rates which they are reluctant to increase. These are the same people who privately agree that the postal workers are deserving of a raise, but will not publicly support it.

The failure to put through a pay raise last year has had a damaging effect on employee morale. We have lost a number of our best employees to private industry and will lose more until we deal forthrightly with this issue and proceed to prompt and constructive action.

After all the smokescreen of political skirmishing has lifted, it is clear that the Congress is responsible for the wages of Federal employees, and these employees know it.

If we ignore their needs, we can expect a further deterioration in morale and in the quality of Federal personnel for which we will only have ourselves to blame. To rectify this damage will require time and much more money than is asked for under the pay-increase bill.

The Government, in order to carry out the vital services entrusted to it, must recruit and hold better-than-average employees.

It can only do so by providing a higher level of wage incentives, beginning with its postal workers.

SPANISH-AMERICAN WAR

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 30 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, on numerous occasions since I have been a member of this great body I have addressed myself to the war of 60 years ago that started our country on the road to her destiny as the leader of the free nations charged with tremendous world responsibility.

Today I have requested time that I may read to my colleagues and to leave in the permanent RECORD of the 85th Congress, where it forever will be available to future researchers, the almost forgotten address of Maj. Gen. William R. Shafter before the Los Angeles Chamber of Commerce.

General Shafter was the commander in chief of the first American expeditionary force in our history. His story of the campaign in Cuba, resulting in the investment and surrender of the city of Santiago in a siege of 24 days, is of thrilling and illuminating interest. The address before the Los Angeles Chamber of Commerce was made shortly after the termination of hostilities. It deserves to be preserved as part of the glorious history of our Republic, and I hope that my rereading today of this address of almost six decades ago will make some contribution to that end. Unfortunately, because of the rapid sweep of great events following the Spanish-American War, this address by the commander-in-chief of our first American expeditionary force is today almost forgotten.

Mr. Speaker, a word or two of explanation I think advisable in order that General Shafter's reference to the danger of summer campaigning in the tropics better may be understood by the present generation. At the close of the 19th century malaria, which even at the present time exacts an annual toll of 2 million lives, was a ravishing ailment without any known remedial tratment and to which all who came from northern climes were quick prey. As to yellow fever the situation was so hopeless that the plan for the construction of an interoceanic canal in Panama was abandoned because of the impossibility of even hardened men digging in a land where yellow fever was rampant. Among the great benefits coming to mankind from the war with Spain of 60 years ago was the conquering of the dread yellow fever plague.

Mr. Speaker, I shall now commence the reading of Major General Shafter's forgotten address before the Chamber of Commerce of Los Angeles:

GENERAL SHAFTER'S ADDRESS

Gentlemen of the Los Angeles Chamber of Commerce, no man with a particle of sensibility can fail to be profoundly moved by such acclaim as you have given me tonight upon the mention of my name. There is nothing so dear to a public servant as to feel and to know that his countrymen, the people who employ him, approve his course. I take your enthusiastic welcome as evidence that you do approve the campaign which I recently commanded. (Applause.)

In time of peace the Army of the United States occupies perhaps a not very enviable position. We are tolerated because we may be necessary. But when war comes and we can be made useful to the state and to the great army of militia of the United States, which we always have, and we achieve victory for our country, you then give us praise—all that we deserve, and probably

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more in many instances. [Voices, "No, no, no."]

I cannot feel that I have done anything more than that for which I have been paid for many years; and it has been my fortunate lot that I was selected to command the campaign that, to the astonishment of myself and everyone in this country, resulted in peace between the United States and Spain.

No one dreamed that the little expedition to Cuba would result as it did. But with the destruction of the Spanish fleet, and the capture of 24,000 of the 160,000 troops that were in Cuba, Spain saw that there was but one thing to do; that sooner or later, she had to surrender, and she had the good judgment to accept it at the outset. Although her fleet was destroyed, she still had 145,000 of her best soldiers on the Island of Cuba, but it was impossible to reinforce them by a single man, or carry to them a single pound of provisions or a dollar in money. And without men, money, and provisions, an army cannot long survive.

SPAIN SUES FOR PEACE

It was for that reason, and appreciating our position, that, immediately after the destruction of Admiral Cervera's fleet—the last fleet of any consequence in the Spanish Navy—and the fall of Santiago, she sent the French Minister to our Secretary of State, and asked him upon what terms peace could be had.

In talking with General Toral about his surrender, after the proposition had been made to him that his army should be transported free or at the expense of our Government, he asked me if that would embrace his entire command. Up to that time I knew nothing of his territorial command. And I said to him, "What does your command consist of?" He replied, "The Fourth Army Corps." I said, "Where is it?" He said, "11,500 men are here, 7,000 are at Guantanamo (which was 55 miles from us), 3,500 men at San Luis (which was 25 miles away), and about 1,500 about 25 or 30 miles away." I said, "Certainly, it takes everything."

I do not hesitate to say to you that I was simply thunderstruck that, of their own free will, they should give me 12,000 men that were absolutely beyond my reach. I had no earthly chance of getting them. My men were not strong enough, and we could not have proceded against them at that time of year. A fresh army could not have marched through that country; they would have sickened and died. They might have reached the 3,500 men at San Luis, which was only 25 miles away, but they could not have marched to the others.

At first, I thought General Toral meditated treachery. I had, at first, thought that the whole of that army of 25,000 men, none of whom were more than 55 miles away, and 3,500 of them only 25 miles away, would any day be upon us. Why they did not come, is something no military man can appreciate or understand.

SCENE AT SURRENDER

When a single officer of my command, with a troop of cavalry, went out to receive their surrender 5 days after the fall of Santiago, the Spanish troops proposed to fire on the white flag they carried. But our troops kept marching on, and they did not fire.

When the Spanish officer who accompanied our men informed the general in command that General Toral had surrendered him as part of his command, he refused to believe it, refused to believe that the city of Santiago had fallen.

They did not molest the troops, although they could have wiped my men up in a minute. They would not surrender, however, unless an officer was permitted to go into Santiago to see if the American Army had possession. I was surprised that afternoon to see a detachment ride into town. And when I asked the officer what it meant, he said, "These fellows have come down to see if you have Santiago." They soon made known, through an interpreter, what they had come for, and I said, "Look about." They said they didn't care to look any more. They mounted their horses and rode back, and the next morning the command at San Luis surrendered.

You can hardly appreciate that, in a campaign which actually lasted from the 23d of June until the 16th of July—about 24 days—these Spanish troops should have remained so near and, as they claimed, have been absolutely unaware of the fighting that was going on at Santiago. I do not believe it. But they said that they did not know, and they acted as though they didn't.

HISTORY OF TROPICS CAMPAIGNS

It would take me too long to enter into any detailed account of that campaign, but you know and every student of history knows, that every expedition which has been made to the Caribbean Sea, has either been an absolute disaster or met with very poor success. The single exception, where they were successful, was on account of the death by disease of nearly all the Spanish troops. In 1761, from the 6th day of June until the 12th day of August, the English and the American colonial troops assisting them, did succeed in capturing the few poor, sickly wretches in Habana. Napoleon sent an army of 25,000 men to Santo Domingo in 1801, and it is said in his history that within 3 weeks 20,000 of the 25,000 were dead or dying, including his brother-in-law, the commander of the expedition. And of the 34,000 men he sent there in the course of about 6 months, he managed to get back to France less than 2,000 men.

Considering the history of that expedition, and the history of Walker's Nicaragua expedition, and Admiral Vernon's expedition against Santiago in 1840—in which the men actually quit upon the same ground over which I took ours—our victory was remarkable. At that time, 1840, the men actually quit without armed resistance, because they were unable at that time of the year to march and cut their road through the jungle and live in that climate. They became sick in a couple of weeks, so ill that they were absolutely broken up, and had to take to their ships and go away.

When English troops in the last century, at a period when they were not overly particular about loss of men and suffering, quit under such circumstances, you can imagine it was a pretty hard task that our men had.

BATTLE AGAINST DISEASE

With knowledge of these previous expeditions before me, you can imagine the feelings with which I entered upon that campaign. I have had yellow fever myself, and I knew just as well before I landed as I do now, that within 3 or 4 or perhaps 5 weeks (it came sooner), that army would be prostrated with disease. And I determined I would make it a question of brawn and strength of the American Army against disease and death which lurked in the jungles of that island.

If I could get Santiago before the men gave out, well and good. If not, we were gone. There was nothing else to do. We had declared war against a nation. The President ordered me to Washington and gave me my orders, which were entirely different than to go to Santiago; that was not contemplated at that time. The President said at that time no matter what clamor the newspapers made, he would not order the volunteers who had been called out into Cuba during the sickly season. He would wait until later in the autumn when they could be moved there with greater safety.

When the news came that Cervera's fleet was cooped up in Santiago Harbor, and Admiral Sampson telegraphed that it was impossible to go into the harbor, but that with 10,000 men the harbor could be taken within 48 hours, the President ordered me to proceed without delay.

The orders given me were: "Proceed without delay, land your forces at such places as you see fit, capture the city of Santiago, and assist in driving the Spanish Fleet out of the harbor."

With these orders I started, and I was never interfered with. There has been some talk that I was. It is a mistake. I never was interfered with by anyone. I had lots of advice, but I did not have any orders from anyone who could interfere with me. I might claim that if the campaign had been a failure, no one else would have been responsible but myself. [Applause.]

NO FATAL MISTAKES IN CUBA

I speak more freely than I have at any other time, because I am at home and, I feel, among my friends. And although I dislike to speak of that campaign as I think it ought to be spoken of, for it would seem egotistical on my part to do so, still there are some things that I can tell you about, I can tell you what we had to do with, and what the results were. There has been a lot of criticism about that campaign. There never has been a campaign which was not criticized. You men who are businessmen and take responsibilities every day know that you see things much better after they have happened than you did before. I doubt if there is any businessman of many years experience who has not made mistakes. It is more than likely, some mistakes were made in this campaign. I do not say there were not, but there were no fatal ones. The result speaks for itself.

As I say, we had declared war. And although we might have waited, and made some minor attacks in Cuba which would have kept the troops employed until cold weather came in October, and the great campaign could have been made at Habana where the great body of Spanish troops were—when the Spanish fleet was caught in the harbor at Santiago, it had to be captured or driven out, or we would have been the laughing stock of the world.

For this reason I was sent out and ordered to proceed with my troops as early as possible. I was to take not less than 10,000 men. I had been ready for a week to go. We had been stopped by a scare that some Spanish men-of-war had been seen in the vicinity, and I had been lying in Tampa harbor for a week. The animals had been taken off ships during this delay.

It took a little longer to put the animals on board the transports than it did the men, and by the time the 2,000 horses and mules were on board, I had managed to get 17,000 men on board instead of 10,000. I can tell you that it was almost necessary to use force to keep the men who were to stay back, from coming on board, so anxious were they to go. The ships were packed full, and if we had had storms, there would have been suffering. But we did not have any storms. You may call it luck or anything else, but there was no disaster or suffering.

AMERICAN ARMY OUTNUMBERED

We needed every one of the 17,000 men before we got through, as we had opposed to us when we started, 8,500 men in Santiago and 3,000 reinforcements which came in on the night of the 2d of July. There were within 50 miles of us, 21,000 troops against less than 17,000. This was in addition to the 11,500 Spaniards in Santiago. Including officers and men, we had 16,800 who went aboard the ships. Many who are here, who have been in the military service, know what numbers of soldiers are necessary to do work about camps, and care for the sick.

As a matter of fact, during the engagements of the 1st and 2d of July, I did not

have more than 13,000 men on the firing line at any one time. As I have told you, I determined to rush it, and I did rush it. [Applause.] If we had not started from the morning we landed and kept going—with only 1 or 2 short stops to get a little more ammunition, a few more rations, and a few men—that army would have broken down and would have been a defeated army today, and we would not have taken Santiago.

There is no more use in thinking that men can go into that climate at that season of the year and escape diseases, than there is that you can put your hand in the fire and escape burning it. It is sure to come. That army, I believe, was the best that ever stood up in America. [Applause.] I won't except even the gallant fellows of the northern and southern armies at the close of the Civil War. The armies of the North and South excelled my men in only one thing—they knew what fatigue meant. In every other respect, that army has never been excelled by any army we ever had in this country. They were intelligent and enthusiastic. Every man of them felt that he could whip his weight in Spaniards, if he could only get at them. [Laughter.]

CERTAIN DISASTER PREDICTED

I had with me going to Cuba, a number of foreign attachés. They predicted disaster. They talked to me most consolingly. One, a French major who was very friendly, said that it was certain to be a disaster. We were not prepared for foreign service, and he cited the time it took the French to get ready for Madagascar a few years ago; that they were a year in embarking and disembarking; that they had all sorts of boats to go on shore with, etc. We had only two scows and 2 tugs. One tug ran away, and 1 scow was lost, leaving but 1 scow and 1 tug—a little thing about the length of this room—and one steam lighter. So, we had to depend mainly on the ships' boats and those of the Navy, to get ashore.

Some people do not understand that every man in that command knew enough to get himself into a boat and go ashore alone. [Applause.] People do not appreciate what a thinking American soldier is. [Applause.] That is the secret of the whole business. The men piled into the boats themselves; they did not have to be led in; they rowed themselves ashore. They say the first man who landed inquired the way to Santiago. [Laughter.] [Applause.] I don't know whether he did or not, but the first organized command which reached shore, took the road to Santiago, and didn't stop until they got there. [Applause.]

A Spanish Lieutenant-Colonel who was shot through the body, said—"Oh, if we had only known that you would treat us as you have done, we would have surrendered when the demand was first made, because we knew your command was larger than ours. But we thought we were going to be killed and we would die fighting."

As I told you, I started General Wheeler and General Kent in at 10 o'clock. They were under fire all the morning in the road, and really lost more men there than they did after the charge was made. I knew that no disaster could come to Lawton, although it was taking him longer than he anticipated to get in a position to assist in the main attack. The order to charge San Juan Hill was given and it took 2 or 3 hours to take those heights. They were taken with comparatively little loss. The city is about half or three-quarters of a mile away from these heights, and in plain sight.

Lawton captured El Caney, as I told you, at half past four o'clock, and early the next morning he was in his place on the right and prepared to resist or assist in any attack, if it was necessary.

CAPTURE OF SANTIAGO

The Spanish troops made a weak attack on the morning of July 2, but were soon driven back, and the city of Santiago was captured, practically within 10 days from the time we landed. To be sure, the talk and negotiations went on about 12 days longer, but there was no time in that week that it would not have been possible—with the reinforcements that were coming in every day amounting to about 4,000 (21,000 in all)—to have taken the place by assault. But had we taken it by assault, 2,000 good American soldiers, who are now alive at home, or have gone back to Cuba, would had laid their bones in front of that place; and all we would have had would have been that 11,000 men in front of the city of Santiago. General Toral, as a prisoner, could not have surrendered the rest of his corps, because being a prisoner would have relieved him from any authority, and they would not have respected a surrender made by him. The war would not have come to a close when it did.

During the few days of talk, I had every opportunity to strengthen my lines and I improved it. I convinced the Spaniards of the absolute uselessness of their cause and gave them time to deliberate at home. On July 14 they had received approval from their home government and they surrendered. They feared to accept our terms and go back to Spain without approval of the home government, for fear that they would be torn to pieces by the populace when they got there. And they refused finally to accept the terms that had been agreed upon, until permission was accorded them to surrender. After they had received such permission, they informed me that they were ready to complete their surrender.

I telegraphed the President, notifying him that day of that fact, and said that in my opinion that closed the war with Spain. It was thought that I was over sanguine and that part of my dispatch was not given to the public. But when, 4 days later, the French minister called and asked on what terms they could have peace, it was given out.

As you know, the result of that surrender was 23,446 prisoners who were captured, several million rounds of cartridges, 16,000 good guns and a large number of poor ones, and the destruction of the Spanish power in Cuba. The object for which we had gone to war with Spain was accomplished. [Applause.]

LOTS OF SUFFERING

That there was suffering and lots of suffering, there is no use in denying. Men who go to war, those who are unfortunate, always suffer; and if you are going to get yourself in a position to hurt your enemy, you have got to give him a chance to hurt you. It is not all on one side if you get close to him, and you have got to get close to him if you are to accomplish anything.

But at the same time, the losses were comparatively small. We lost less than 250 men killed in action and 1,400 wounded. Of these 1,400 wounded, but 13 died. You could hardly stand up a lot of men and shoot 1,400 of them and try to wound without killing—and have but 13 of them die. As far as I know, there was but one capital operation—a man had his leg taken off on the troop ship on the way home.

We were ill prepared for war as you all know. We declared war with an Army of but 25,000 men, when the Army opposed to us and in the country in which we were to operate, numbered 165,000 men. Those are pretty big odds, but those are the odds that were against us. But it was over quickly, and it was over so quickly that but few of the volunteers who gallantly turned out, were able to have a hand in it. They did have a little of it in Puerto Rico, but it was simply a walk-over. It was a foregone conclusion that they would not make a stand. They knew it and did not try it.

I want to say a word for the doctors. It has been said that we didn't have medicine enough. We didn't have very much medicine; they did not have as much as they should have had. But at the same time, I don't think that anyone suffered materially from want of it. The medical men tell me they did not. I don't know about it, but I can say that the doctors there worked as the doctors of our Army have always worked. They were magnificent fellows, but they are men, and they became sick as other men did. But that they neglected any man or that any man was neglected unnecessarily or carelessly, is absolutely untrue.

If there are any here who went through the Civil War on either side, you know how many times we went hungry and did not complain of it either. On the 1st of January 1865, within 2 miles of Joe Wheeler's farm in Alabama, in the pursuit of Hood, we had so far outstripped our transportation that my regiment and the whole division was without food. And at the little town of Courtland, ears of corn were issued to us and we were glad to get them, and there wasn't a complaint uttered.

DISEASE HITS THE ARMY

There is all the time that haunting fear which men cannot avoid in a strange country, when they are expecting disease they know nothing of. The health of my command held up remarkably well until the 17th of July. We had five or six hundred cases of yellow fever before that, and a few hundred cases of malarial fever.

But after that they became sick very fast, so that on one occasion about the 3d or 4th of August, there were 842 men placed on sick report in 1 day. That same day, 600 odd men were returned to duty, but they were returned to duty still sick. They were not so sick as those men who came in, but they had to go back to their quarters to make room for others. It was out of the question to hope that men coming from the North would recover in that climate, and it was very fortunate that we were able to get them away as soon as we did.

I have it from the Adjutant General's Office that, including the loss in battle and by death from the 1st of June until the 30th day of September, there were only 500 men who lost their lives—250 men in battle and 250 men by disease. Five hundred men are a great many men to waste on Cuba, but we had to do it; and I am of the opinion that that loss, great as it is, is amply paid for by the magnificent results achieved.

I have recently been through the South and the West with the President, and such enthusiastic loyalty I have never seen anywhere as I have throughout every part of the United States where I have been. [Applause.] It is the first time in the history of this Nation that there has been but one side. In every other war, we have had bitter opponents. In the Civil War we were pretty nearly evenly divided, but in this war we were a unit. [Applause.] I tell you that a knowledge of that fact was a wonderful sustainer of the spirits of our soldiers. We knew that we had the sympathy of every man, woman, and child at home, and we knew that everything that could be done, would be done to help us.

I was going back to speak of that wounded Spanish lieutenant colonel. Doctor Goodfellow, who is present tonight, said that it would be a good thing to send the wounded prisoners into Santiago. I asked General Toral if he would take some dangerously wounded prisoners we had into the town; that I could not give them proper care. He answered promptly that he would like to have them. Doctor Goodfellow went over the next morning and put them in ambulances, 27 of them, and carried them into the town of Santiago with a military escort.

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SPIRIT OF SPANISH SOLDIERS

It was something unheard of, and the men were received with the greatest joy. It was the first time the Spanish Army had had opportunity of finding out what was going on outside, and I was told that the story those men gave of their treatment had a marked effect upon the men inside Santiago. These men were suspicious, they were starving, they had no heart in the business. It was as foreign to them as it is to our men who are in Cuba now. They wanted to go back to their beloved Spain, and they were only too happy to know that they would be accorded the treatment given by civilized armies to prisoners, and I believe this, in a great measure, brought them to the opinion that the best thing they could do was to surrender.

I had given to me by a friend, a copy of a telegram sent by a Spanish general who was severely shot on the first day of the battle, written on the 12th of July, in which he said he had risen from a sick bed to notify the Minister of War in Spain of the condition of affairs at Santiago; that surrender was inevitable; that the enemy had the town invested where he could with impunity and without loss to himself, shell the town; and that it was only a question of time when they must surrender. Furthermore, he stated that the cablegrams he had received, urging him to make an assault, were impossible of execution; that it was useless to think of it; that a third of his men could not march out of the rifle-pits; that another third would be killed in any assault which would attempt to break through our lines; and that the remaining third would soon fall an easy prey to our army.

He was right about it. If he had had three times the number of men he did have, he could not have broken out of those lines. It was absolutely impossible for him to do it with anything like the force he had. He very wisely counseled surrender, and 2 days later he did surrender.

There was one thing that struck me more than anything else, and that was the sentiment that pervaded my own army and the Spanish army, the moment the surrender was made. To us who served throughout the Civil War, it is known that the most bitter feeling had to be brought about before civil war could possibly have started. And although prisoners were always treated humanely and with propriety by both the North and the South, at the same time there wasn't any love lost between them.

FRIENDLY MINGLING

But these men, the moment they were prisoners, mingled with my men upon the friendliest terms. The camp was full of them. My own men mingled with the Spanish soldiers in such numbers that I feared there might be trouble, until I rode my horse in among them and discovered they were simply swapping trinkets, and were as happy as could be, without animosity or hatred, although the day before they had been doing their utmost to kill each other. It was a revelation to me in warfare.

Upon leaving Santiago, I received a letter from a Spanish soldier, written on behalf of 11,000 men, thanking the American Army in the kindliest terms for the treatment which had been accorded them; that they had been given everything that civilized armies accorded. It was a remarkable letter, such as, I think, had never before been received by a commanding general from a defeated army. [Applause.]

There has been, as I said in the beginning, a great deal of criticism, and some of it was very bitter. But I am glad to say that there has never been any by any military man of any prominence or by any person whose judgment was ripe enough to give a sound opinion.

On the contrary, every military writer, both at home and abroad, has spoken of that campaign as one of the most remarkable in modern history. There has never been a campaign finished as quickly as this one was, except perhaps the 6-weeks war between Germany and Austria, where they only had to walk across the road and they were in the enemy's country.

I believe the results of that war will redound immensely to the benefit of this country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GROSS (at the request of Mr. HOEVEN), until further notice, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. SULLIVAN, for 20 minutes, on Thursday, March 6.

Mr. JARMAN, for 1 hour, on Thursday next.

Mr. MACK of Illinois, for 10 minutes, today.

Mr. COLLIER, for 10 minutes, on Thursday, March 6.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CELLER on two different subjects.

Mr. ASHLEY.

Mr. MACK of Illinois.

Mr. MULTER.

Mr. MCGOVERN.

Mr. BYRNE of Illinois in two instances and to include extraneous matter.

Mr. FORD.

Mr. KEAN.

Mr. MILLER of Nebraska on the subject of the birthday of the State of Nebraska.

Mr. ROBERTS in four instances.

Mr. BREEDING (at the request of Mr. LIBONATI).

Mr. DINGELL (at the request of Mr. LIBONATI).

Mr. MCFALL (at the request of Mr. LIBONATI).

Mr. O'KONSKI in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1041. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910; to the Committee on District of Columbia.

S. 1538. An act to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Public Works.

S. 1706. An act to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, as amended; to the Committee on District of Columbia.

S. 2114. An act to amend the Act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to acquire land for field sites, to undertake construction and improvement of buildings, and for other activities; to the Committee on Interstate and Foreign Commerce.

S. 2224. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property; to the Committee on Government Operations.

S. 2231. An act to amend section 203 (c) of the Federal Property and Administrative Services Act of 1949 to permit the exercise of options contained in certain leases of Government property; to the Committee on Government Operations.

S. 2255. An act to amend section 607 (d) of the Merchant Marine Act, 1936, as amended; to the committee on Merchant Marine and Fisheries.

S. 2283. An act to further amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; to the Committee on Government Operations.

S. 2725. An act to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia; to the Committee on the District of Columbia.

S. 2752. An act to amend section 207 of the Federal Property and Administrative Services Act of 1949 so as to modify and improve the procedure for submission to the Attorney General of certain proposed surplus property disposals for his advice as to whether such disposals would be inconsistent with the antitrust laws; to the Committee on Government Operations.

S. 3016. An act to provide for the issuance of dealers' aircraft registration certificates; to the Committee on Interstate and Foreign Commerce.

S. 3057. An act to amend the District of Columbia Teachers' Salary Act of 1955; to the Committee on the District of Columbia.

S. 3341. An act to extend the Armed Forces dairy-products program for 3 years; to the Committee on Agriculture.

S. 3342. An act to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools; to the Committee on Agriculture.

S. 3343. An act to extend the accelerated brucellosis-control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5809. An act to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor; and

H. R. 8795. An act to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 916. An act to provide for the issuance of checks and continuation of accounts when

there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes; and

S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 5, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1667. A letter from the Comptroller General of the United States, transmitting a report on the review of requirements determinations and related procurement for J–57 aircraft jet engines in the Department of the Air Force, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1668. A letter from the Comptroller General of the United States, transmitting a report on the review of phaseout operations of the Southern Air Materiel Area, Europe (SAMAE), Air Materiel Force, European Area, Department of the Air Force, Nouaseur, Morocco, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

1669. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 22, 1958, submitting a report, together with accompanying papers and an illustration on a review of reports on Port Everglades Harbor, Fla., requested by resolutions of the Committee on Public Works, United States Senate and House of Representatives, adopted February 26, 1954, and July 29, 1954, respectively (H. Doc. No. 346); to the Committee on Public Works and ordered to be printed, with one illustration.

1670. A letter from the Secretary of the Treasury, transmitting the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1957 (H. Doc. No. 253); to the Committee on Ways and Means and ordered to be printed with illustrations.

1671. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of proposed legislation entitled "A bill to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes"; to the Committee on Banking and Currency.

1672. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report on the settlement of a certain tort claim by the Bureau of the Budget, during calendar year 1957, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

1673. A letter from the Comptroller General of the United States, transmitting a report on the review of power billings and related activities under Atomic Energy Commission contracts for electric power with Ohio Valley Electric Corp., Electric Energy, Inc., and Tennessee Valley Authority for the 18-month period ended December 31, 1956; to the Joint Committee on Atomic Energy.

1674. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended"; to the Committee on the Judiciary.

1675. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 216 of the Merchant Marine Act, 1936, as amended"; to the Committee on Merchant Marine and Fisheries.

1676. A letter from the Comptroller General of the United States, transmitting a report on the review of the cost ascertainment system of the Post Office Department, 1957; to the Committee on Post Office and Civil Service.

1677. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation of certain persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

1678. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation with a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

1679. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases of certain aliens found admissible into the United States, pursuant to the provisions of section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1680. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Fong Mon, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

1681. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by certain individuals, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1682. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Francesco Ianni, A–5357406, involving suspension of deportation under the provisions of section 244 (a) (5) of the Immigration and Nationality Act of 1952, and requesting the case be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 1448. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H. R. 10792. A bill to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; without amendment (Rept. No. 1449). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 10459. A bill to increase the lending authority of the Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 1450). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRISON: Committee on Post Office and Civil Service. H. R. 9645. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRISON: Committee on Post Office and Civil Service. H. R. 9999. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; with amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 8268. A bill to amend section 512 of the Internal Revenue Code of 1954; with amendment (Rept. No. 1453). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 493. Resolution for consideration of S. 2448, an act to authorize a payment to the Government of Denmark; without amendment (Rept. No. 1454). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 494. Resolution for consideration of H. R. 5309, a bill to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division; without amendment (Rept. No. 1455). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 495. Resolution for consideration of H. R. 7870, a bill to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway; without amendment (Rept. No. 1456). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H. R. 11109. A bill to extend the loan guaranty program for World War II veterans for 2 years, extend the direct loan program for a like period, authorize an interest rate on guaranteed and direct loans commensurate with that applicable to mortgages insured under section 203 of the National Housing Act, to increase the maximum direct loan to $13,500, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BENTLEY:

H. R. 11110. A bill to amend title II of the Social Security Act to provide for the payment of monthly insurance benefits to the wife, dependent husband, or child of an individual entitled to disability insurance benefits; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 11111. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. BRAY:

H. R. 11112. A bill to prohibit discrimination because of age in the hiring and em-

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ployment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. BROWNSON:

H. R. 11113. A bill to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905; to the Committee on Public Works.

By Mr. COLLIER:

H. R. 11114. A bill to prohibit discrimination because of age in hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. DENNISON:

H. R. 11115. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations; to the Committee on Government Operations.

By Mr. EBERHARTER:

H. R. 11116. A bill to provide that the individual income tax on the first $1,000 of taxable income shall be reduced from 20 percent to 10 percent; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H. R. 11117. A bill to change the name of Hulah Dam and Hular Reservoir, located on Caney River, a tributary of Verdigris River, to Lake O' the Osages Dam and Lake O' the Osages, respectively; to the Committee on Public Works.

By Mr. HALE:

H. R. 11118. A bill to provide that a portion of all surplus cotton sold or exchanged for export by the Commodity Credit Corporation pursuant to authority in the Commodity Credit Corporation Charter Act, as amended, or the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be processed cotton; to the Committee on Agriculture.

By Mr. HOEVEN:

H. R. 11119. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. KLUCZYNSKI:

H. R. 11120. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. MACK of Washington:

H. R. 11121. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. MOSS:

H. R. 11122. A bill to provide for the conveyance of certain real property of the United States, comprising a part of Beale Air Force Base, Calif., to the South Sutter Water District, East Nicolaus, Calif.; to the Committee on Armed Services.

By Mr. O'BRIEN of New York (by request):

H. R. 11123. A bill providing for the extension of certain authorized functions of the Secretary of the Interior to areas other than the United States, its Territories and possessions; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 11124. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 11125. A bill to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H.R. 11126. A bill to provide that the Secretary of the Interior shall accept title to Grant's Tomb in New York, N. Y., and maintain it as the General Grant National Memorial; to the Committee on Interior and Insular Affairs.

By Mr. ZELENKO:

H. R. 11127. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. BENNETT of Michigan:

H. R. 11128. A bill to enable the States to provide an additional 26 weeks of unemployment compensation for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

By Mr. BUDGE:

H. R. 11129. A bill to amend the Internal Revenue Code of 1954 to provide that unemployment benefits shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. BYRD:

H. R. 11130. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

H. R. 11131. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. CHENOWETH:

H. R. 11132. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; to the Committee on Agriculture.

By Mr. DAWSON of Illinois (by request):

H. R. 11133. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes; to the Committee on Government Operations.

By Mr. FISHER:

H. R. 11134. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, and for other purposes; to the Committee on Ways and Means.

By Mr. GRAY:

H. R. 11135. A bill to encourage expansion of teaching and research in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies; to the Committee on Education and Labor.

H. R. 11136. A bill to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct-loan program for veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HAYS of Ohio:

H. R. 11137. A bill to amend the Social Security Act to reduce, for purposes of old-age and survivors' insurance benefits, the age requirement from age 65 to 60; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 11138. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; to the Committee on Agriculture.

By Mr. MAGNUSON:

H. R. 11139. A bill to amend section 2 (b) of the Columbia Basin Project Act with respect to delivery of water to State and Federal lands; to the Committee on Interior and Insular Affairs.

By Mr. PHILBIN:

H. R. 11140. A bill to provide immediate annuities to certain widows and widowers otherwise entitled to deferred annuities under the Civil Service Retirement Act of May 29, 1930; to the Committee on Post Office and Civil Service.

By Mr. THOMSON of Wyoming:

H. R. 11141. A bill to amend the act of August 15, 1953, chapter 509, 67 Stat. 592 (Public Law 284, 83d Cong., 1st sess.), to revest title to the minerals in the Indian tribes, to require that oil and gas and other mineral leases of lands in the Riverton reclamation project within the Wind River Indian Reservation shall be issued on the basis of competitive bidding only, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN of New York (by request).

H. R. 11142. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL:

H. J. Res. 558. Joint resolution to adopt a specific version of the Star-Spangled Banner as the national anthem of the United States of America; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. J. Res. 559. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. J. Res. 560. Joint resolution authorizing and requesting the President to issue a proclamation designating the first Sunday in the month of October as National Children's Day; to the Committee on the Judiciary.

By Mr. LAIRD:

H. J. Res. 561. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. J. Res. 562. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mr. SMITH of Virginia (by request):

H. J. Res. 563. Joint resolution authorizing the Commissioners of the District of Columbia to borrow funds for capital-improvement programs and amending provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City; to the Committee on the District of Columbia.

By Mr. THOMSON of Wyoming:

H. J. Res. 564. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mrs. BOLTON:

H. Con. Res. 282. Concurrent resolution requesting the President to designate the month of March in each year as "Neighborhood House Month"; to the Committee on the Judiciary.

By Mr. KEATING:

H. Con. Res. 283. Concurrent resolution to request the President to proclaim March as "Neighborhood House Month"; to the Committee on the Judiciary.

By Mrs. KNUTSON:

H. Con. Res. 284. Concurrent resolution authorizing the Minnesota Statehood Centennial Commission to place a statue of the late Maria Sanford in the rotunda of the Capitol; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Texas:

H. R. 11143. A bill for the relief of Miss Marguerite Ann Nelson; to the Committee on the Judiciary.

By Mr. BROWNSON:

H. R. 11144. A bill for the relief of Chiang Chen Chi; to the Committee on the Judiciary.

By Mr. BROYHILL:

H. R. 11145. A bill for the relief of Mrs. Dorothy (Hyman) Monk; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania (by request):

H. R. 11146. A bill for the relief of the survivors of Frederick J. Boudreau; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H. R. 11147. A bill for the relief of Antoun S. Ghantous; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 11148. A bill for the relief of Mary Therese Chen, also known as Chen Li Chen; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. R. 11149. A bill for the relief of Feng Yeah Chow; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 11150. A bill for the relief of Maria Veneranda Machargo; to the Committee on the Judiciary.

By Mr. GATHINGS:

H. R. 11151. A bill for the relief of James H. Presley; to the Committee on the Judiciary.

By Mr. HEALEY:

H. R. 11152. A bill for the relief of Chava Chaya Yarnicky; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 11153. A bill for the relief of Miss Kang Cha Song; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 11154. A bill for the relief of Charles L. Dunham; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 11155. A bill for the relief of Mrs. Annunziata Julietta Plijnaer; to the Committee on the Judiciary.

By Mr. NIMTZ:

H. R. 11156. A bill for the relief of Duncan Moore and his wife, Marjorie Moore; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 11157. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 11158. A bill for the relief of Charles Blue and Dona Blue; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 11159. A bill for the relief of Kwong Kock Kue; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 11160. A bill for the relief of Jesus Martinez-Silvas; to the Committee on the Judiciary.

By Mr. BAUMHART:

H. R. 11161. A bill for the relief of Robert H. Point; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

456. By Mr. BUSH: Petition of Eckley L. Mills, Bloomsburg, Pa., and other citizens of Columbia County, urging favorable action on a bill to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

457. Also, petition of Robert W. Michael, Bloomsburg, Pa., and other citizens of Columbia County and adjacent area, urging favorable action on a bill to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the first of a series of eight articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY

PART I: INDIANS AND EARLY HISTORY

(By KENNETH A. ROBERTS, Member of Congress)

Indians, first to reap benefits in the Coosa-Alabama River basin, dominated the virgin valley for nearly three centuries.

Their role in the area's history dates back to an ancient tribal town named "Coosa," located on the west bank of the river in what is now Talladega County.

It was at Coosa that Hernando DeSoto, the Spanish explorer, rested his men and horses during his ramblings in the Coosa River Valley. He had entered the valley in 1540 by crossing the river in the present St. Clair County.

Traveling south, DeSoto later fought, near the Alabama River east of Selma, what has been called the bloodiest battle ever waged between whites and Indians on the North American continent. But it was far from the last such fight.

In the 18th century, Bienville, French former governor of Louisiana colony, found his way into the Coosa Valley. In need of a post among the Creek Indians in warring with the French, Bienville in 1714 built Fort Toulouse.

From this fort at the junction of the Coosa and Tallapoosa Rivers, Bienville was to conduct an extensive missionary campaign among the Indians. The effort would foreshadow the first permanent white settlement of a large Alabama area.

More white men were drawn to the Coosa basin. Andrew Jackson's warring with the Creeks during the War of 1812 brought him deep into the valley.

He built Fort Strother on the Coosa in the land which would become St. Clair County; he used the river to move his flatboats southward, ultimately to fight the Battle of Horseshoe Bend.

It was the beginning of the end of the Indians' bountiful life in the woods and valleys of the Coosa Basin. When Jackson vanquished the Creeks, the Coosa River became the line beyond which the Indians could not wander.

In 1818, the last Indian fight west of the river was fought because a handful of Creeks, refusing to obey the treaty, were roaming along the wrong side of the river and were killing the new white settlers.

Shortly thereafter, in 1819, Alabama became a part of the Union. First capital of the new state was Cahaba, near the Alabama River in Dallas County.

From DeSoto's entry into the Coosa Valley to Alabama's admission to the Union had been an eventful 279 years. The mighty Coosa-Alabama waterway and its first inhabitants had been a significant part of it all.

Next: Steamboats and Freight.

Family Life

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I extend my remarks in the RECORD relative to a belief and concern I have for the family in remaining the center of American life.

Often I have read from wise men that if one look at the family life of a nation, you will know many other things about it, its strength and weaknesses.

Lately I have been reading of the serious incidents occurring in our schools in different parts of the United States. My reactions have not been approving. I cannot help but wonder if one had the time to examine the backgrounds of those involved, the evidence disclosed would overwhelmingly point to laxity and callousness about the family unit, and in many instances family living as I know it would be nonexistent in a great number of cases. As a defense counsel for many, many years, I have seen what the lack of respect, absence of authority in the family, does to young boys and girls or young men and women.

Some schools of thought it seems consider acknowledgment of the sanctity of the home as out of step with today. A person who adheres to this belief is thought to be old fashioned. Be that as it may, as the father of eight, I know the need for a close family unit. Many virtues are needed in meeting the challenge today if our future leaders are to have the principles we know to be right. Infinite love, patience, understanding, intelligence, and commonsense and a genuine interest in our children's life are but some of the cardinal ingredients necessary, if these children are to mature into solid citizens, possessed with a steadfast belief and faith in God, Almighty, and a primary desire to serve God, country, and State with honor and devotion.

Parents are confronted with the need to be constantly alert to influences which

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seek to destroy the ideals we endeavor to inject into our family life.

This week's Washington Post and Times Herald reported that information released recently by the Kinsey Institute for Sex states there is an increasing frequency of illegal abortions in the United States. I was heartened however to note that Dr. David Allman of Atlantic City, N. J., who is president of the American Medical Association, does not altogether agree with the statistics released by the Kinsey Institute.

There are other signs to make the picture brighter. I wish to commend and congratulate a family in my constituency, Mr. and Mrs. Walter W. Fulton, of 8035 South Emerald Avenue, Chicago, on the arrival of their ninth child. The Fulton's with their nine are one up on the Byrnes since we are only eight.

The father of this fine family is a Democrat precinct captain and I knew him when I was a Republican precinct captain.

I sincerely hope that Walter Fulton is successful in finding that they are "cheaper by the dozen."

This family is a wonderful example of the kind of family life needed. The Fulton children have the security of a united family. The more examples we have of family life as the Fultons live it, the better it augurs for the future of our country and the moral fiber of our citizenry.

Whether we have one or a dozen children, parents must offset the avenues leading to delinquency with plenty of healthy, wholesome family living.

I commend the Southtown Economist for giving such wholesome news coverage on the first page of its Sunday edition, February 23, 1958. The Fultons indeed can feel gratified.

Two Hundred and Tenth Anniversary of the Birth of Gen. Casimir Pulaski

EXTENSION OF REMARKS
OF
HON. ROBERT W. KEAN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. KEAN. Mr. Speaker, we in New Jersey know well the name of Casimir Pulaski, for we have named a monumental skyway which soars over the meadows between Jersey City and Newark in his memory.

Today, March 4, marks the 210th anniversary of the birth of Pulaski, that great Polish patriot and hero of the American Revolution.

General Pulaski is a fine symbol of the brave people of Poland and the people of Polish ancestry who have contributed so much to the cause of freedom over the centuries. His entire life was spent fighting for the traditions of freedom which we all cherish.

From the days when Pulaski fought so bravely in the American Revolution, we Americans have had a friendly feeling for the Polish people and sympathy with their struggles for liberty.

The Polish people were one of the first in Europe to show a liberal spirit and, in spite of continual attacks by their neighbors, that spirit of liberty has persisted.

Those who live in that land and those here and abroad who take pride in their Polish descent pray for that day when tyranny will be wiped out and the principles of freedom for which General Pulaski fought so valiantly will again be restored.

Will H. R. 8002 Do What It Says?

EXTENSION OF REMARKS
OF
HON. GERALD R. FORD, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. FORD. Mr. Speaker, H. R. 8002, the so-called accrued expenditure appropriations bill, comes up for consideration this Wednesday, March 5. The paramount question is, will it do what it says it is designed to do? It says it will do three things. They are stated in the opening paragraph, as follows:

> It is the sense of the Congress that revisions in presentation of budget estimates and estimates for deficiency and supplemental appropriations are essential in order to provide a more informative basis for the enactment of appropriations by the Congress, to reduce or eliminate the large carryover balances of appropriations from one fiscal year to another, and to bring about economy in Government expenditures. It is therefore the policy of the Congress that estimates for proposed appropriations will be determined on an annual accrued expenditure basis.

It will not do any of these things as now written. I urge all Members to consider the following facts on each of these three things:

WILL H. R. 8002 PROVIDE A MORE INFORMATIVE BASIS FOR THE ENACTMENT OF APPROPRIATIONS?

H. R. 8002 would delude the people for 1 year, and to some extent for 2 years, into thinking that a lot of money was being saved by the reduction of appropriations and the substitution of contract authority. Such a program would look attractive and painless, but the day of rude awakening would of course come in confusion and frustration.

If, for example, we had converted last year's budget to this accrued expenditure basis of making the appropriations, we could have shown a cut of about $24 billion. But it would have been completely phony.

Generally, in appropriation bills we now fully finance long-range programs for aircraft, ships, and other long-lead time items. Congress and the country know in advance just how big and expensive the programs are. Under H. R. 8002 we would follow the confusing process of changing the appropriation bills to provide the following: (a) Funds to liquidate prior contract authority; (b) funds for the regular annual functions of the Government; and (c) additional contract authority for partially completed programs and for the initiation of new programs.

This would make less effective the work of the Appropriations Committee, it would be confusing to members of the committee and to Members of Congress generally, and it would tend to conceal from the people the fiscal actions of Congress because the press would have difficulty in reporting to the people just what was happening to them under this installment-buying dollar-down contract-authority hodge-podge.

WILL H. R. 8002 "REDUCE OR ELIMINATE THE LARGE CARRYOVER BALANCES OF APPROPRIATIONS FROM ONE FISCAL YEAR TO ANOTHER"?

Yes; it will. But therein is the catch. Note the word "appropriations." That is the catch, because it says nothing whatever about what would happen to contract authority carryovers. If you will look at section 2, and the committee report, you will see that contract authority is to be substituted for appropriations for things that run beyond 1 fiscal year. What would happen there?

What would happen if the shift were made to the suggested basis of appropriating, would be the elimination of large unexpended appropriation balances—which, of course, is not cash in the Treasury—and substitution of large unfunded contract authorization balances. Under either system, the grant of authority to obligate the Treasury to future cash expenditure occurs at the outset. A fiscal system cannot change the operating realities of the vast and complex programs of the Government or the point of time at which the necessities of the situation make a claim on the Treasury. Under either system, the large carryovers—and there will be similar large carryovers under both—will consist of (a) outstanding obligations and (b) unobligated amounts. Under either system, the die is cast as to eventual payment when the obligation is created. On this important point of timing of the obligation to future payment, therefore, the proposition is essentially a distinction without a difference. The day of reckoning—the day of payment—is inevitable and, furthermore, the payment will normally occur at the same time under either system. Once the obligation or commitment sets the machinery in motion, the Congress can do little if anything to postpone the day of cash payment.

This is partial funding. And the present Budget Director, who urges H. R. 8002, is against partial funding. Here is what he stated in a letter of May 17, 1957—see CONGRESSIONAL RECORD, volume 103, part 6, page 7497:

> I believe we should continue to follow the sound procedure of fully funding the procurement of all items necessary for the full operation of such major things as airplanes, tanks, and ships when the initial appropriation is made. We would lose budgetary control of these programs if we adopted a policy of partial funding for such items.

This statement from the executive branch—from one who is supporting H. R. 8002—ought to be read and reread by those who advocate H. R. 8002,

because H. R. 8002 would require exactly what the Budget Director says should not be done.

WILL H. R. 8002 "BRING ABOUT ECONOMY IN GOVERNMENT EXPENDITURES"?

Some of the proponents have said it would, but it will not. The people have been told it would. The Hoover Commission never said it would save a specific sum. The task force expressed a belief that about $4 billion annually could reasonably be expected to be saved. Merely a belief. No proof. No evidence. Just picked out of the air.

Now, what do they lay their belief on? The main objective of this bill, so they say, is to compel a systematic review and reauthorization each year of the large unexpended carryover balances. They suggest that, somehow, a formal, prescribed procedure for such review will bring vast savings. But not a shred of evidence to prove savings has ever been offered—because none exists.

The standing practice of the Committee on Appropriations has been to review the balances each year in the hearings in order to be able intelligently to arrive at determination of new appropriations to be added to the carryovers or balances to be transferred or withdrawn. The Budget Bureau does the same thing. Mr. Brundage—and the strange thing is that he supports H. R. 8002—made this statement in a letter of May 17, 1957 to Senator SALTONSTALL. It appears in the CONGRESSIONAL RECORD, volume 103, part 6, page 7497.

In preparing the 1958 budget we gave very careful consideration to the use of balances wherever possible in lieu of requesting new authority for 1958.

But what about the vast savings? Will the bill in its present form save money?

Mr. Brundage, the Budget Director, is for the bill. And he makes up the budget. If it will save vast sums, he surely ought to be the one who could put his finger on any savings and tell us where, how much, and in what manner.

But what is Mr. Brundage's opinion as to the validity of claimed savings? Here is his opinion—and it is devastating. Here are quotes from hearings of the Committee on Appropriations of June 18, 1956:

Mr. CANNON. I would be glad if the Director would tell us how they propose by this change in the budgetary system to make a saving of $4 billion annually.

Mr. BRUNDAGE. The chairman of the task force, Mr. CANNON, said that he had estimated the $4 billion by taking 8½ percent of all the controllable expenditures per year and, quite frankly, I would rather not express an opinion on either the computation or how they got it.

Mr. CANNON. That is what we are anxious to have you do. You know a saving of $4 billion annually is a very impressive objective. * * * I would like to know how you propose to save $4 billion by this change in the system.

Mr. BRUNDAGE. I would not say we would save $4 billion in this way. I think it will save money and give better control, but I have never been willing to estimate what any savings would amount to. It is too intangible.

Mr. CANNON. This idea has been sold to the country. I am getting letters asking "Why do you not adopt this plan and save $4 billion every year?"

Mr. BRUNDAGE. I avoided mentioning any savings in any testimony or correspondence I have on the subject.

Mr. CANNON. I am not differing with you. I am not objecting. I merely want more information on the subject.

Mr. BRUNDAGE. I feel satisfied that we will save several million dollars.

Mr. CANNON. Several million?

Mr. BRUNDAGE. Yes.

Mr. CANNON. There is a great difference between several million and the $4 billion advertised. The fact that you are satisfied does not necessarily satisfy us.

Mr. Speaker, there it is in black and white. Not billions of savings. Not even millions. Just a feeling of satisfaction that it would save several million. And, Mr. Brundage even avoids any mention of that in testimony or correspondence.

Mr. Speaker, hard experience of the Committee on Appropriations over the years shows that this bill, as now written, will cost more money, not save money. It will do so partly because it requires that we return to the use of contract authority as a substitute for appropriations which run beyond 1 year.

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the second of a series of eight articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY

PART II: STEAMBOATS AND FREIGHT

(By KENNETH A. ROBERTS, Member of Congress)

Paddle wheels churned the placid waters of the Coosa-Alabama River in the 19th century as steamboats heralded the arrival of the basin's most colorful era.

The steamboat *Harriett* in the fall of 1821 ushered in the era. Numerous boats followed.

The *Coosa* steamboat ran between Greensport, in Calhoun County, and Rome, Ga. Later, on the Alabama, a 155-foot stern wheel snag boat, the *Wm. J. Twining*, was put into a service by the Government to remove snags and keep the waterway clear.

Economic and social development which had clung to the meanderings of the river and its tributaries at the turn of the century now took on new increase under the influence of the paddle wheelers.

Even before the War Between the States, industrial products were transported. Iron produced in Calhoun County, for instance, was flatboated to market in Wetumpka.

During the war, the riverway helped move the materials of destruction and even the battles themselves ultimately reached the Coosa-Alabama's banks.

An intriguing incident was when Cummins M. Lay (father of the organizer of Alabama Power Co.) steered the steamboat *Laura Moore* from Rome to Mobile to prevent Union forces from taking it. The harrowing trip was the first and only by a steamboat through the rapids of the Coosa.

Later, in the 1870's the Government made improvements on the river.

Saffold Berney, a chronologer of the day, reported this result on the Alabama: "The work done has resulted in clearing the channel of dangerous snags and overhanging timber; in improvement of the worst bars. * * * Boats run by night as well as by day, at all stages of water."

In 1890, an estimated $10 million in freight was carried on the Alabama River. Three large steamboats were making regular weekly round trips between Montgomery and Mobile.

On the Coosa, water travel was less ambitious. From Greensport to Rome, steamboats navigated at all seasons; but south to Wetumpka, the river's 142 miles was a tortuous route, with varying pools, high shoals, and jagged rocks.

If these obstacles could be removed, leaders reasoned, the river could be navigable from Rome to Mobile. Interest in such a plan sparked creation of the Coosa-Alabama Rivers Improvement Association by William Patrick Lay and other valley residents.

The Government in the eighties built a series of low-lift locks and dams on the upper Coosa, but they were determined impractical and were abandoned. Upland silt settled in the stream beds, making them too shallow for large boats, and railroads began assuming most of the responsibility for hauling freight.

A hopeful era was dying and a blossoming dream had received its first disappointment. Next: Strength of a Dream.

Influence Peddling at the FCC

EXTENSION OF REMARKS
OF
HON. PETER F. MACK, JR.
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1958

Mr. MACK of Illinois. Mr. Speaker, Commissioner Mack has finally resigned. Unfortunately, the case against the Federal Communications Commission goes much deeper than the headlines about Commissioner Richard A. Mack. I have been among the strongest proponents of a thorough investigation of the charges which have been made against Commissioner Mack and other members of the FCC. And I was first to expose Mr. Mack's interest in the now famous insurance firm. I want that investigation to continue. But we must go further than personalities and ferret out the reasons that influence peddling on the FCC, and possibly some other regulatory agencies, has been able to flourish.

Millions of dollars worth of valuable television franchises have been parceled out by the Commission within recent years. The most important question for the House Legislative Oversight Subcommittee to decide is whether these franchises were issued, in line with the public interest, to the most meritorious applicants, or whether personal and political favoritism played a major role in the Commission's decisions.

If the channel 10 case in Miami is typical, I am afraid we must conclude that FCC concerns itself very little with the documented evidence so painstakingly—and, I might add, expensively—built up through public hearings before impartial hearing examiners.

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These comparative hearings on rival applications for TV channels frequently last for years and years. The cost to the Government and to the private applicants is colossal. To communities waiting for television service, these proceedings before the FCC seem endless. If a channel fight ends with the Commission's decision, it is almost an exception rather than the rule. They usually land in court. Perhaps the frequency of court appeals is itself the best indication of the inconsistent and arbitrary fashion in which the FCC has decided these contests in recent years.

Theodore Roosevelt

EXTENSION OF REMARKS
OF
HON. EMMET F. BYRNE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. BYRNE of Illinois. Mr. Speaker, I would like consent to pay tribute to a great President of the United States, inaugurated 53 years ago today. His party is my party—the Republican Party, and the man is Theodore Roosevelt. I would like my remarks to appear in the CONGRESSIONAL RECORD.

Few men are without ideals and dreams. Theodore Roosevelt was what so many of us would like to be. He was fearless and had infinite courage; a high sense of honor, and was dedicated to raising the standards of public life by refusing to let personal cost deter him from public service. He was a man of action always. It was not possible for him to wait for things to happen. This characteristic manifested itself early in his life. Whatever the endeavor or task, he gave it his best.

It was Theodore Roosevelt who recognized the fact that America must prepare for the new forces at work in the world. Things were changing in 1900, just as they are now. It was incumbent up n us to begin to enforce the Monroe doctrine. We could no longer confine ourselves to devoting our energies solely to internal affairs and a larger role in international affairs was slowly but certainly being thrust upon us.

April 10, 1899, Theodore Roosevelt addressed the Hamilton Club in Chicago. I find his remarks timely today:

> I wish to preach not the doctrine of ignoble ease but the doctrine of the strenuous life.
>
> Far better it is to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much because they live in the gray twilight that knows not victory nor defeat.
>
> We must remember not to judge any public servant by any one act, and especially should beware of attacking the men who are merely the occasion and not the causes of disaster.

In the capital of Illinois, Springfield, on July 4, 1903, Theodore Roosevelt had this to say:

> A man who is good enough to shed his blood for his country is good enough to be given a square deal afterward. More than that no man is entitled to, and less than that no man shall have.

This great President of our Republic lived as he believed. Life was an adventure for him, a great one and full of fun, too. These things and many more too, are why he is beloved by Americans and spoken of as Teddy Roosevelt by so many of us. I am happy and privileged to serve as a member of the Centennial Commission honoring him.

Kalevala and the Finnish People

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. DINGELL. Mr. Speaker, the brave people of Finland have a great and glorious national tradition going back many centuries, and this tradition is preserved in its natural simplicity in their national epic, the great poem known to the world as Kalevala. This epic poem of almost 25,000 lines—of 50 runes or cantos—was probably composed at various times and put in writing by different hands. As an artistic whole it is in sympathy with the great traditions of the Finnish people. Its blend of symbolism and realism reflects the instincts of this brave people. Thus it is characteristically Finnish, both in form and in content. It is the faithful portrayal in beautiful metric verse of the folklore of the primeval Finnish race in their ancestral homes.

The date of the composition of this classic is, of course, unknown. Until the 19th century, Kalevala lived on the lips of the peasants and the simple folk. Then students and specialists of the subject collected parts of the poem bit by bit, arranged, and published them. The great importance of Kalevala was at once recognized in Europe, and by 1852 it was translated into Swedish, French, and German. Later it was also translated into English. It is almost impossible to overemphasize the importance of Kalevala in the spiritual, religious, and national history of the Finns. What the great classic epic Iliad had been to ancient Greeks, Kalevala continues to be for the Finns, as it has from the very beginning of their national history.

The people of this country have always had great admiration and sympathy for the brave, sturdy, industrious, and patriotic Finns. They have always deserved our aid and assistance. They have not only been appreciative of such aid, but have been most conscientious in repaying it, even under the most adverse circumstances. Since the end of World War II, we have extended, in grants and loans, almost a quarter of a billion dollars to them. They have already repaid a substantial amount of the portion advanced as loan.

There has always been friendly and cordial intercourse between the peoples of the two countries, and since 1950 such intercourse is being broadened to the mutual advantage of all concerned. In matters of immigration the Finns have enjoyed considerable advantage over southern Europeans. The present quota system does not permit as many Finns to enter this country as the Finns wish, but there is the hope that this quota will be liberalized and more Finns will come here. The Finns who have migrated here have become loyal and patriotic citizens of this country.

Social-Security Improvements Would Bolster Our Economy at Once

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. O'KONSKI. Mr. Speaker, much has been said about increasing the purchasing power of the rank and file of the American people to help overcome the present recession. So far it has been all talk and no action. Talk alone won't do the job that needs to be done.

Many fantastic schemes have been proposed but most of them unfortunately would make the rich richer and the poor poorer. Most of these fantastic schemes would also increase the taxes of the rank and file of the people and defeat the very purpose intended—namely, to give the people more purchasing power. Increasing taxes would decrease their purchasing power.

The surest and the most commendable way in which our Government could immediately increase the purchasing power of the rank and file of the people back home without increasing taxes would be to improve the social security program. This would not cost the taxpayers any money because at the present time there is a twenty-six billion dollar surplus in our social security trust.

The changes that should be made in the present social security law are as follows:

First. The minimum payments should be increased to $50 per month and the maximum should be increased to $200 per month and proportionate increases across the board.

Second. All disabled people should be entitled to receive social-security payments regardless of age rather than waiting to age 50 under the present law. The present laws should be liberalized on this point so that one does not have to be half dead to receive social security.

Third. The eligible age for men should be brought down to age 62 and the eligible age for women should be brought down to age 60. This would open up many jobs for younger workers.

Fourth. The limitation that social-security recipients can earn should be raised from the present $1,200 per year to $1,800 per year if single and $2,400 per year if married.

Fifth. Widows receiving social security for minor children should continue to

draw social security even after the minor children reach 18 years of age. In fact the widows need this social security more as they get older than they do when they are younger. Under the present law when the children reach 18 years of age the widow goes off of social security until she reaches age 62. This is unfair and a severe hardship.

Sixth. All old-age pensioners should be included automatically under the social security program and receive monthly benefits rather than the costly supervisory old-age pension system that we have at the present time.

Seventh. Veterans should not be denied social security disability benefits because they are drawing veterans benefits or vice versa. A veteran should be entitled to both social security and veterans benefits.

If these changes are made in the social security law, there will be at least a billion dollars additional annually put into the hands of the rank and file of the people of America. This would increase the purchasing power of more than 5 million of our people who need it most.

If this Congress really wants to do something to help the rank and file of our people who are having a hard time of it at the present time this is the surest and best way to do it and it can be done without increasing the taxes of the American people. If the Congress is sincere and really wants to do something for the people, here is a wonderful chance to do it.

What is more, these benefits can be paid within 30 days of the passage of these improvements and the effect can be immediate to bolster our economy. I know of no better, speedier, effective, or economical way to give an immediate boost to our sagging economy. Why not act today?

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the third of a series of eight articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY
PART III: STRENGTH OF A DREAM
(By KENNETH A. ROBERTS, Member of Congress)

The sanguine dream of a fully developed Coosa-Alabama River has proved its durability.

It has withstood depression, wars, and three-quarters of a century of delays, setbacks, and near failures.

But the dream persists. It is shared by many groups—Alabama Power Co., the United States Government, the Coosa-Alabama Rivers Improvement Association, chambers of commerce, city and county governments—and by many men, from Congressmen to businessmen.

The dream gained sustenance when, in 1870, the United States Army Corps of Engineers began investigating the practicability of improving the Coosa and the Alabama Rivers.

But the first Federal project, authorized in this era of bleakness for the South, fell short of expectations. A series of low-lift navigation locks and dams, built on the upper Coosa, were found to be impractical and were abandoned.

Alabama Power Co. was an early part of the Coosa dream. Organized in 1906 to facilitate development of the river, the company had to overcome Government refusal to make survey material available before it finally obtained the right to build a dam on the Coosa. In 1914, following a long struggle to get money for the project, Lay Dam (named for Alabama Power's organizer, William Patrick Lay) was completed north of Clanton. Plans were already under way to build more dams.

But the plans ran aground in 1912 when President Taft denied Alabama Power's application to erect a plant south of Clanton. Taft said such applications should await creation of a Federal agency to act upon such matters and he contended that enabling legislation should let the Government tax waterpower.

A fight to maintain State rights ensued and it was 1921 before the power company got its second license. The waterpower bill of 1920 had not included the Federal taxation idea and the way was paved for Mitchell Dam.

This dam completed, the company began more constructions. By 1930, it had a third dam on the Coosa (Jordan, above Wetumpka) and three other dams on the Tallapoosa, which merges with the Coosa to form the Alabama River.

Meanwhile, the Corps of Engineers made its surveys. Then, in 1934, it entered a report calling for a system of locks and dams on the Alabama River and on the Coosa above the existing dams; and for locks in the three existing dams.

A 9-foot-deep channel for navigation upstream to Rome, 650 miles above Mobile, and for additional power, was recommended.

The fiber of the dream seemed more stable. But the road to fulfillment lay ahead, rough and shaky, in the indefinite future.

Next: Boost for the Coosa.

Franklin D. Roosevelt

EXTENSION OF REMARKS
OF
HON. THOMAS L. ASHLEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. ASHLEY. Mr. Speaker, as Americans throughout the Nation join in paying tribute today to Franklin D. Roosevelt on this 25th anniversary of his first inauguration, it is well to pause and give thought to an era that made history, following our national economic collapse only 25 years ago.

The following years of prosperity in which all our citizens shared began with the leadership of President Roosevelt—leadership that united the American people in a common bond to support his bold and courageous programs and leadership that pulled this country out of the depths of a national depression and started it up the road of national prosperity.

Franklin D. Roosevelt inherited a depression economy when he took office on that fateful March 4, 1933. Millions of unemployed stood in breadlines, millions of others worked for subsistence wages, factories stood idle, farmers were turned off their land.

"I pledge you," he said, "I pledge myself, to a new deal for the American people." And he made good that pledge. A confident people began to buy goods from a confident business that began to produce it. A new agricultural program that helped to put the farmers back on their feet had its impact in developing purchasing power for that important segment of our economy. Land utilization, conservation, reforestation, were all long-range programs that paid off in increased agricultural production providing a decent living for farmers and protecting the Nation's natural resources.

Federal bank insurance closed the tragic chapter when lifetime savings were wiped out in bank failures.

Unemployment insurance, social security, minimum-wage laws were all measures to prevent a repetition of the extreme suffering and hardships of another economic crisis.

The memorable first 100 days of the New Deal were exciting and vigorous. The legislative proposals were imaginative and were eagerly accepted by the American people.

Now after only 5 years of a Republican administration we find a parallel to that earlier era in the serious economic problems again facing us. We have mounting unemployment, an increasing rate of small-business failures, a deepening depression among American farmers, and a record high cost of living. But these problems are not being met with the vigor and determination that made history just 25 years ago. We see none of the urgency and excitement, the courage and leadership from the highest office in the land which united the American people in their faith and confidence for the present and future. From the President of the United States today, there is only vacillation and indifference to the economic suffering, with soothing assurances that everything is going to be all right. There are calls for confidence and faith—but there is no leadership to rally that confidence and faith.

This attitude is epitomized in the words of former President Herbert Hoover, who chose to repeat the same old Republican chins-up philosophy on February 22, 1958, that he stated on February 22, 1931. It is a philosophy that is as deeply ingrained in the Republican administration of President Eisenhower as it was in that earlier Republican administration of President Hoover.

Today's economic problems call for aggressive leadership from the President of the United States if we as a Nation are to meet and solve them. They call for the same kind of leadership that rallied our citizens in confidence and in faith by the man to whom we pay tribute today—Franklin D. Roosevelt.

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Congress Receives America's Democratic Legacy Award From the Anti-Defamation League of B'nai B'rith

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. CELLER. Mr. Speaker, on behalf of the Democratic Members of the House of Representatives, I accepted America's Democratic Legacy Award given to the Congress by the Anti-Defamation League of B'nai B'rith at a dinner in the Mayflower Hotel, Washington, Monday, March 3, 1958. The text of my remarks follows:

ON BEHALF OF CONGRESS REPRESENTATIVE EMANUEL CELLER RECEIVES AMERICA'S DEMOCRATIC LEGACY AWARD BY THE ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH, MONDAY, MARCH 3, 1958

I believe all of us here tonight recognize how significant, how profoundly moving, this moment is—and without precedent. The Congress of these United States receives the America's Democratic Legacy Award of the Anti-Defamation League of B'nai B'rith for the passage of the first Civil Rights Act in 82 years and for the high level of debate that accompanied the passage of this act.

In recognizing Congress for these achievements, the Anti-Defamation League of B'nai B'rith is paying tribute actually to the Nation, for Congress mirrors the Nation and only those principles can survive to which the Nation is dedicated. Let me add, too, that Congress reflects as well the weaknesses, the fears, the doubts, the prejudices, the strength, the moral fiber, the integrity, inherent in all people everywhere.

Congress is not building chambers, committee rooms, Statuary Hall, and underground passageways. Congress is 531 men and women behind whom press 170 million people who inhabit this country. There is no one more representative group in the world than the Congress of the United States and in this great debate on civil rights the Congress revealed all that is best in America's legacy.

Congress reflected each diversity of opinion and the freedom which is inherently ours to give expression to these opinions, convictions, passions and prejudices. Let it be noted the world over that while the majority conviction rested on our fundamental principle that the United States guarantees to all its citizens, regardless of race, creed, or color, equality of opportunity no one, no one, was denied the right to express his opposition to this conviction.

On the opening day of this great debate, which I profoundly hope shall serve forever as the model for Congressional decisions, I said on the floor of the House, and I believe it bears repeating:

"When there is a denial of constitutional rights to any person or to any segment of our society, it is the duty of Congress, a duty which it has shriked much too long, to provide the remedy.

"What we have before us is not a question of conscience, ethics, morality, or custom. What we have before us is a matter of rights, rights guaranteed by the Constitution, rights that have been withheld, and, as a consequence, we have done a singular dishonor to our Constitution.

"This is not to say that the acceptance of the proposals before us will be a simple matter, that the acceptance will not be painful to many in our country who have absorbed uncritically a regional way of life. The breaking of a pattern is never easy but we, the Congress of these United States, cannot permit any longer constitutional guaranties to be submerged and drowned by a pattern which has been permitted to harden and encrust the basic values of democracy.

"I personally deplore the necessity for engaging in argument which must necessarily bring pain to many Members of the House who represent a southern constituency, but if the espousal of the bill that bears my name touches the raw nerves of those so deeply and emotionally involved, I cannot retreat. It is not that I have any less affection for my colleagues from the South but rather it is I have a compelling adherence to the Constitution and to its guaranty of civil rights to all the people, regardless of race, color, or creed. To have the color of one's skin determine whether the Constitution governs him or not is a thesis for which I can have no stomach.

"I realize the sectional differences obtaining in these fair United States. We have always had dissidence to contend with from our very beginning, when we were a mere confederation of States, but we soon learned that each section cannot have its own measuring rod. That leads along an endless trail of absurdity and confusion, which tends to national ossification. We cannot have the Constitution meaning one thing to one section and another thing to another section. Our Constitution must be one thing to all men—not many things to many men. Otherwise, we belie our history."

I believe that the debates on the floor of the House and the Senate should be required reading for all. When we keep in mind how intense, how passionate, and how deep were the emotions involved in this debate, we as a Nation have reason to be proud of the discipline, the restraint, and the scholarliness which all participants—and I stress all—exercised. I have listened to debates in the Bundestag of the West German Republic, in the House of Commons of Great Britain, in the National Assembly of France, in the Senate at Rome, in the Council of the Workers at Belgrade, in the House of the People in New Delhi, India, in the Knesseth in Israel—but never have I heard a debate in those chambers that was on a higher plane—or as dignified—or as courteous—and parliamentary—as the debate on civil rights in the House. This is a great tribute to our American tradition of fair play and free speech. It is to the everlasting credit of the Anti-Defamation League that it recognized and acknowledged the magnificent quality of this kind of debate which bespeaks to the world the real meaning of the democratic tradition. And after the great debate, sectional as it was, the ranks closed and there was no sediment of bitterness left behind.

However, let us acknowledge that the Civil Rights Act is only one step forward. It leaves many, many troublesome areas untouched. Its enactment symbolized victory in only a skirmish. There is still need to shed light in some dark places. The past history in a number of States has not been a creditable one as far as civil rights were concerned and the past seems to gnaw at the future of those States. They still remain recalcitrant. The remedy applied must be continued. I know it may bring great discomfiture, if not pain, but suffering is the price that must be paid for the prevention and the cure. While we cannot change the past, we can mold the future. This we can no longer do—preserve segregation against the tide of history. We cannot any longer accept the separate but equal doctrine to be applied anywhere in these United States, as against the imperatives of the law, as against the Supreme Court decision. If we are to have liberty, it must, in the ringing voice of Leviticus, be 'liberty throughout the land, to all the inhabitants thereof." Liberty is one thing you can't have—unless you give it to others. It cannot be the privilege of the white man alone—it must be shared with all.

It has been said that justice is the bread of the Nation, because all hunger for it—white and colored.

Indeed, justice is denied if civil rights are trampled.

To those who disparage the Negro and at the same time boast of their nobler blood, I say send your noble blood to market and see what it will buy.

To those who boast of their forebears and their better traits, I say a man can't very well make for himself a place in the sun if he keeps continually taking refuge under the shadow of the family tree.

I am not interested so much in race, color, creed, or national origin, as I am in character. Character is what you are in the dark. Character is what you do when no one is watching. Woodrow Wilson said: "Character is a byproduct; it is produced in the great manufacture of daily duty." Rudyard Kipling said, "It is not good to be a Negro in the land of the free and the home of the brave." We must so conduct ourselves as to make repetition of that thought unthinkable.

There are before the Committee on the Judiciary, of which I am chairman, 18 comprehensive bills which will carry us forward into greater realization of civil rights for all.

Let it not be thought that, having enacted the Civil Rights Act of 1957, we shall remain smugly content. This is a promise. As chairman of the House Judiciary Committee, I shall hold hearings on the bills pending—more particularly on the comprehensive bill I offered. I shall endeavor to have it reported favorably to the House. When that time comes, as it inevitably will, for the further enactment of the necessary laws to curb the still-rampant denial of civil rights in sections of this land, it is my fervent hope—I might even say prayer—in which all of you I know join with me, that once again in this most delicate of areas when we meet on the floor possessed by divergent and conflicting convictions, we will speak, persuade, and vote, in humble acknowledgment of America's democratic legacy of freely expressed opinion—without rancor and without recrimination, in fairness and openness, in the highest of American tradition.

Wisdom is knowing what to do next—skill in knowing how to do it and virtue in doing it. I am sure the Congress possesses that wisdom, that skill, that virtue.

On behalf of the Democratic Members of the House of Representatives, I accept in all humility this tribute to the Congress of the United States.

Port of Stockton

EXTENSION OF REMARKS
OF
HON. JOHN J. McFALL
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. McFALL. Mr. Speaker, today in Stockton, Calif., the United States Army engineers are holding hearings important to the future of the port of Stockton, fastest growing deep-water port in the west.

The engineers are seeking information about the proposed new false river route for the San Joaquin River and they are checking the need of deepening the existing channel to 35 feet.

These studies were ordered last year by the House Public Works Committee. Members of the committee, of which I am a member, were checking the port of Stockton and its channel in person last October.

I am confident the studies will show the need and the justification for these improvements.

The port has a bright future of service to California and the Nation, but today I want to discuss its past.

I would like to pay tribute to the citizens of Stockton who mortgaged their future to develop this great port.

The port celebrated its 25th anniversary last Friday and there were glowing words about its accomplishments.

Today is it easy to agree that the port is necessary and important; the port has proven itself in time of peace and war. Twenty-five years ago, it was a different story. It required vision and courage in those days to support this fledgling venture.

When the *Daisy Gray* pushed her nose through the delta fog in 1933, no one knew for sure that this first cargo carrier to dock at the port would not be the last.

Although the entire community is deserving of credit and praise, the larger measure of tribute must go to the small band of leaders who paved the way.

The commissioners who first directed the port were five—Irving Martin, Sr., Pliney E. Holt, Otto E. Sandman, Samuel Frankenheimer, and N. M. Brisbois.

Today, only Sandman and Brisbois are still living to see even their most optimistic dreams surpassed.

In the interim years, six other men served as past commissioners—Paul E. Weston, E. H. Wolf, Newton Rutherford, Martel Wilson, C. C. DeYoung, and Julius Blum.

And of these, only Weston and DeYoung are still here to see the product of their efforts.

Present commissioners: Col. H. E. Sanderson, W. L. Maxwell, John D. Turner, Sr., R. L. Eberhardt, and Norman E. McGurk.

They are carrying on the proud tradition of continued progress laid down by their predecessors.

First director of day-to-day port activity was B. C. Allin. He was succeeded by the late Henry Ohm.

For the past 10 years, the port director has been Elmo Ferrari, a sprinter in his undergraduate days at USF who has not slowed down since.

Today, ships flying the flags of every free nation realize the trade possibilities of the port of Stockton sending agriculture and maufacturing production of the West to the centers of the world and bringing in return needed cargo to our rapidly expanding western United States.

Central California's agricultural and industrial wealth has been economically served by the modern facilities at the port of Stockton. The five commissioners, serving without remuneration, represent the spirit of cooperation and interest that has built the port to its present eminent position.

We in the Nation's Capitol have seen great strides made in close cooperation between the United States Department of Agriculture, the Commodity Credit Corporation, the United States Corps of Engineers, the House Committee on Rivers and Harbors, and the port of Stockton officials.

We anticipate renewed progress in the handling of surplus goods, storage of grain, and providing increased trade with the free nations of the world.

With this continued cooperation of all concerned, I know that the next 25 years will prove even more rewarding to the port of Stockton and the Nation.

Chemicals in Our Food—The Consumer Is Not Protected

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. MULTER. Mr. Speaker, in 1906 the Food and Drugs Act was passed by the Congress to safeguard the consumer. Despite several amendments to the law since then, overwhelming evidence indicates that full protection still does not exist. With the increase in the use of chemicals in all phases of food production it is entirely possible that the consumer today enjoys less protection than 50 years ago.

I submit that Congress has been remiss in fulfilling its obligations in this area. I am convinced that most consumers eat their food with complete confidence, assuming the Government has provided for the necessary protection. The days are long gone when the individual consumer was qualified or in a position to assess the purity of the food he consumed. With the present complex and farflung system of food production and distribution the Government must assume the responsibility of assuring the safety and purity of the food which goes to the Nation's dinner tables. New laws are required for the Government to discharge this vital task.

Two articles in the January and February issues of Consumer Reports tell the story. The 1938 Federal Food, Drug, and Cosmetics Act did not solve the problem. I am sure that we are all shocked to know that of the 700 or so chemicals now used in our daily food, more than 150 have not been adequately tested for safety. The problem lies in the fact that the law forbids only the addition to food of a chemical known to be poisonous or harmful, but it does nothing to prohibit the addition of chemicals whose safety is unknown. The urgent need is for legislation requiring pretesting of chemicals before they are introduced into the food supply. Cancer experts have repeatedly emphasized that the absence of incriminating evidence is not a guarantee that a suspected chemical is safe. The danger is in the insidious, long-time toxic and cancer-inciting effect of small, daily amounts of food chemicals consumed over years.

I will not here go into this in any greater detail. I assure you that many of the details are quite alarming.

There is a bill before the House Committee on Interstate and Foreign Commerce which will provide the needed protection. I refer to the bill introduced by our good friend and colleague, the Honorable JAMES C. DELANEY, of New York.

Congressman DELANEY has performed an outstanding service in making the public and the Congress aware of this problem. As chairman of the House Select Committee to Investigate the Use of Chemicals in Foods and Cosmetics, 1950–52, Mr. DELANEY became the leading expert in Congress on this subject. He has introduced his bill in every Congress since the 83d. It is a good bill and I urge the committee to give the House an opportunity to vote on the Delaney bill and provide the necessary protection for the consumers of the country.

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the fourth in a series of articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY
PART IV: BOOST FOR THE COOSA
(By KENNETH A. ROBERTS, Member of Congress)

Congressional action of a summer day in 1954 assured activity which can turn the Coosa-Alabama River Basin into a second Ruhr Valley.

The historic event evoked comment from the Secretary of the Interior and from the President. In Alabama, it caused sheer jubilation.

Here is the background for the event:

In 1941, the United States Corps of Engineers, which had been studying the Coosa-Alabama for a number of years, submitted a report calling for comprehensive development of the basin's water resources in accordance with plans of the Chief of Engineers.

Congress approved the program in the River and Harbor Act of 1945, thus authorizing development of the river system for navigation, flood control, power, and other purposes. The work would be done by the Federal Government.

Then, Alabama Power Co.—which had built three dams on the Coosa and had long shown interest in the river's growth—reentered the picture. Now, the company said, it was ready to further develop the power potentialities of the river.

The company proposed to build a series of new dams, if the Federal Government would relinquish its plans to do something similar. Federal officials agreed.

In June of 1954, the 83d Congress cleared the way. It suspended operation of the Rivers and Harbors Act so Alabama Power,

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and not the Federal Government, could build the dams.

Secretary of the Interior Douglas McKay hailed the action as an endorsement of the partnership principle. President Eisenhower, in his 1955 state of the Union speech, called the Coosa River development an example of Federal Government working with private industry to coordinate developments.

Alabama newspapers, Congressmen, and civic leaders were unanimously joyous. Not only would the river system be improved as early as practical, but the work would be done by an Alabama concern.

Alabama Power applied for license to build four new dams—near Centre, in Cherokee County; near Ohatchee, Calhoun County; at Howell Mills Shoals, south of Pell City; and near Wetumpka—and to rebuild and heighten the Lay Dam north of Clanton.

Last fall, Federal Power Commission gave final approval to the multi-million dollar project and Alabama Power said it will begin work shortly on the Weiss Dam near Centre.

Next: Navigation the Goal.

Imports Ruining Industry in Northern Wisconsin

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. O'KONSKI. Mr. Speaker, it is time that the people of northern Wisconsin and other areas of our Nation which have untapped natural resources take a look at the Washington scene to see what is happening. The present trend of encouraging imports is raising havoc and discouraging the development of natural resources in our area and in other areas similar to ours on the national scene.

For the past 20 years, our national leaders have been encouraging and financing with American money, resources in other parts of the world, which are directly competitive to our own natural resources. If this policy continues for the next 10 years, as it has the past 20 years, areas like northern Wisconsin will become ghost areas with their natural resources untapped.

At the present time we have several thousand miners in our area who are out of work. In spite of that fact, imports of iron ore are growing by leaps and bounds. The following table of imports since 1952 will clearly show why iron-ore mining in our area is in a terrible slump:

United States imports of iron ore

Year:	*Long tons*
1952	9,760,325
1953	11,084,185
1954	15,768,771
1955	23,443,220
1956	30,412,018
1957	34,000,000

It is interesting to note that the importation of iron ore into our Nation is duty free in every respect, with no protection to the American industry or the American worker. To give a clearer view of the picture, in 1952 foreign imports amounted to only 10 percent of our iron ore consumption. In 1956 our imports amounted to 21 percent of our national consumption. In 1957 our imports amounted to 24 percent of our national consumption. With this trend, it is estimated that foreign imports of iron ore, by the end of this year, will amount to 33 percent or one-third of our national consumption.

The rapid rise of imports has been mainly at the expense of Lake Superior ores from Wisconsin, Minnesota, and Michigan. This mining region, long the raw material backbone of the steel industry, now supplies about 60 percent of United States needs, compared with 75 percent 5 years ago and about 85 percent 10 years ago.

What is more tragic is the fact that in Venezuela, for instance, iron ore production is financed by American capital and the Federal Government gives tremendous tax advantages to these foreign investments which American producers cannot possibly compete with.

It is high time that the people of our area scrutinized very closely what our international do-gooders are doing to our area. For the past 15 years since I have been in Congress I have been trying to awaken the people of our area to these dangers that lie ahead; but unfortunately, there has been little response.

What has, and is, happening to the iron-ore industry is likewise happening to our wood-products industry in our area.

In April 1957, 30 percent of the working people were laid off in our plywood industries because of the cheap imports of plywood from Japan. At the present time, more than 60 percent of the workers in the plywood industry in America are without jobs because of the cheap importation of plywood from Japan.

When you consider that in such areas as Wisconsin, Michigan, and Minnesota, the plywood and veneer industry is the very lifeblood of their economic existence, this problem of imported hardwood plywood and veneer should give us all, including the Congress and other agencies of Government, cause for concern.

Communities such as Algoma, Antigo, Ashland, Butternut, Birnamwood, Crandon, Gillette, Marshfield, Mattoon, Mellen, New London, Oconto, Oshkosh, Shawano, Sheboygan, Stevens Point, Two Rivers, Rhinelander, Wausau, and so forth, all in Wisconsin, and Newberry, Munising, Marquette, Gladstone, Grayling, just mentioning a few in Michigan and numerous others in Minnesota and other areas of the Nation, all of which depend to a large degree, if not entirely, upon the plywood and veneer industry for their economic life and well being.

Many other related industries such as logging, hardboard, lumber, and so forth, also are affected indirectly by this cheap imported hardwood plywood problem.

When you consider that the American plywood and veneer worker competes each hour with a Japanese worker being paid only 11½ cents per hour, it is reasonable to say that the workers in both countries suffer hardship.

When you consider the American plywood and veneer industry competes with imported plywood from Japan that is sold duty-free for less than the cost of production in the United States, is it any wonder that plant after plant in this area is being shut down with thousands of skilled workers being thrown on the scrap heap, and numerous communities becoming ghost towns.

Examples: Japan's exports to the United States in the January–June, 1957 period totaled a 57-percent increase over the same period in 1956. Imports from Japan of hardwood plywood has increased 4,120 percent since 1951. These imports have eaten up 46.6 percent of the total American market in 1956 alone.

Consumption of hardwood plywood in the United States is up 74 percent since 1951. Low priced imports captured 99.4 percent of this 74 percent increase in consumption.

Japanese plywood industry has increased their production 400 percent since 1951, mostly with the help of American capital—American plywood industry has increased their production in the same period by only six-tenths percent since 1951.

Japanese labor cost per 1,000 square feet of plywood is $4.17 as compared to from $30 to $34 per 1,000 square feet in the United States.

These are but two examples of what is happening to the areas of northern Wisconsin, northern Michigan, and northern Minnesota. For 15 years I have tried vainly to warn the people of our area of these consequences of our foreign policy. Unfortunately, it was not until workers actually got laid off that they are now beginning to stop, look, and listen, and are beginning to pay some attention to the sad results of trying to take care of the rest of the world at the expense of American resources and the American worker.

I have introduced bills to impose a tariff on imports of iron ore and wood products. But with the leaders of both parties plugging for more imports instead of less, such bills receive little consideration. Only the rude awakening of our citizens back home will reverse this trend.

The Regulatory Agencies

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. McGOVERN. Mr. Speaker, the attention of the entire Nation has been focused currently on the important regulatory agencies of the Federal Government. Such attention is in itself valuable insofar as it awakens the American people to the vital role which these agencies play in our governing process. The current investigation and publicity centered on the agencies will be of much greater valued, however, if permanent corrective measures are taken to make the regulatory agencies better able to do their work in the public interest.

Our able colleague from Arizona, Representative STEWART L. UDALL, has stated the basic problem of the agencies so clearly in his newsletter of March 6, that I have asked for permission to include his statement in the RECORD as follows:

REGULATORY AGENCIES: COURTS OR FORUMS OF "INFLUENCE"?

If the current investigation of the important Federal regulatory boards and commissions serves only to attract wide public attention to the vast power held by these agencies a worthwhile purpose will have been served.

And if it results in adoption of new procedures which preclude the use of influence by either high administration figures, Members of Congress, or the industries which are supposed to be regulated we might be well on the way toward correcting a situation in which abuses are practically inevitable.

Millions of dollars hang on many of the decisions of such regulatory bodies as the Federal Communications Commission (which has authority over licensing of television stations), the Civil Aeronautics Board (which decides matters affecting airlines) and the Federal Power Commission which, for example, will decide who—if anyone—will build Bridge Canyon Dam in northern Arizona.

These agencies, which have the power of life and death over the industries they regulate, exercise enormous powers. One historian has suggested that, in terms of decisions which count most in the day-to-day life of Americans, these exert more power than either Congress, the President, or the Supreme Court.

Yet, though they are quasi-judicial bodies, in many ways they are not run like courts. Whoever heard, for example, of the judge in an Arizona Superior Court being loaned money by one of the parties in a major civil suit being tried before him? Or, for that matter, of being wined and dined at the expense of a litigant in an undecided matter?

Pursuing it further, whoever heard of a legislator interceding with a judge on a case involving a vital public policy?

And yet, not only are the Federal agencies operated in such a way as to encourage these questionable activities, but constituents frequently call on Members of Congress to intervene for them simply because that is the way things are done under present laws and practices.

The Service to Phoenix case last year provides a good example. The question before the CAB was which airline or airlines would best provide the service needed by Phoenix—and the rest of the State. In keeping with the practice of the CAB I appeared, along with other members of the Arizona delegation, to urge that the best possible service be granted.

However, 13 Senators and half a dozen Representatives from other States—some from as far away as Minnesota and Nebraska—dropped their work and went before the CAB to plead, not the need for better service to Arizona, but for consideration to airlines predominant in their areas which sought the profitable Arizona business. If Phoenix today still lacks adequate service, this intervention may partly explain that fact.

While rules of the CAB permit such Congressional appearances, as far as I am concerned these cases should be considered solely on the merits, and even Congressmen from the States affected should not participate in the hearings.

The right to an impartial hearing is deeply imbedded in the thinking of our people, and the decisions arrived at by unjudicial methods are suspect even when they are just.

Under our system of justice there are no friends at court, only advocates of law and fact in open court. And understandably those who hold court after hours, or in the market place, should not expect that the decisions they hand down from the bench will stand upright in the public eye.

I believe all of these regulatory agencies have the power to adopt rules and customs which will eliminate the influence factor when decisions are made. I once heard a wise Arizona judge put it this way: "If you want your court to have respect and dignity, you must always maintain a judicial demeanor and conduct your proceedings like a court."

It is my sincere belief that if these agencies adopted rules which completely stopped intervention in matters before them except for requests to expedite action or for status reports, thus creating a true judicial atmosphere, most Members of Congress would applaud to the echo.

Today our citizens have a right to expect that even quasi-judicial public bodies will adhere to the best judicial practices. Nothing less will win and keep public esteem.

Legislation Introduced To Exempt Wheatgrowers from Overseeding Penalty for 1958

EXTENSION OF REMARKS

OF

HON. J. FLOYD BREEDING

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 1958

Mr. BREEDING. Mr. Speaker, under leave to extend my remarks, I desire to call attention to legislation introduced on March 3, 1958, by myself and the distinguished chairman of the House Agriculture Subcommittee on Wheat, Mr. CARL ALBERT, of Oklahoma.

The measure is designed to accomplish one basic purpose; that is, to exempt for 1958 from the base-acreage-loss penalty, enacted last year, the wheat producer who planted in 1957 for harvest in 1958.

The bill, H. R. 11089, represents the technically refined version of H. R. 9814, which I introduced on January 8, 1958, for the same legislative purpose.

Mr. Speaker, it was not until October 3, 1957, that the Kansas State Agricultural Stabilization and Conservation (ASC) Committee, and many other wheat-State committees, received information from the United States Department of Agriculture which spelled out specifically the operation of Public Law 85-203, the so-called feed-wheat law, as it applied to excess-wheat farms, particularly the penalties involved.

I have been a wheat farmer all my life, Mr. Speaker, and for 30 years in the Fifth District of the State of Kansas, the district which I have the privilege of representing. And I know that winter wheat operators in my area begin planting as early as August 15. Under the law governing the production of wheat, as revised in 1957, there simply was not sufficient time for the farmer to be on notice that he could be punished for overseeding through the loss of some of his base acreage.

To correct this retroactive inequity, my bill, H. R. 11089, and Mr. ALBERT'S bill, H. R. 11086, identical measures, would free for 1 year, 1958, from base-acreage-loss penalties the 1957 winter-wheat planter who planted without knowledge of the overseeding penalty. For the year 1959 and all subsequent years, wheatgrowers will be subject to the full slate of penalties for noncompliance with the wheat laws, including the acreage-loss penalty, designed to discourage wheat production in excess of allotment.

The text of the measure follows:

H. R. 11089

A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by adding at the end thereof two new sentences reading as follows: "For the purpose of establishing farm acreage allotments (i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and subsequent years shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted from the production of wheat: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year."; and

(2) by striking out in subsection (h) the language "future State, county, and farm acreage allotments" and inserting in lieu thereof "future State and county acreage allotments."

As evidence of the gross injustice and widespread protest caused by the retroactive application of the base-acreage-loss penalty, Mr. Speaker, I am including in the RECORD, an article entitled "Southwest Kansas Farmers Protest Overseeding Penalty," which appeared in the Hutchinson (Kans.) News on February 13, 1958:

SOUTHWEST KANSAS FARMERS PROTEST OVERSEEDING PENALTY

(By Don Kendall)

On September 26, 1957, most of Southwest Kansas land not laden with ripening milo was the womb for embryo wheat.

The 1958 crop, which at the present time promises to be a big one, was almost completely seeded.

In past years it had been a practice on the part of many farmers, particularly those on the high plains, to overseed their allotments in good years.

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WEATHER FICKLE

The reason was obvious. Weather in fickle Kansas can't be relied upon, so the farmer overproduces in good years and hopes for the best in lean.

Since 1938, when the Agricultural Adjustment Act was revamped, overseeding has tended to increase county and State crop histories.

This, in turn, has resulted in some bigger allotments for farms, counties, and the State.

On September 26 the Department of Agriculture announced by letters to State agricultural stabilization and conservation offices the following:

"The county and State will receive only the allotted acres on excess farms and no credit will be given for acres planted in excess of the farm allotments."

In fact, the letter stated, this policy would tend to reduce farm wheat allotments because of overseeding.

Four years' production are included in computing base acreages for wheat farms. For 1958, for example, years 1953 through 1956 are used.

Beginning with the 1960 crop, as you can see, the 1958 acreage would be included by ASC offices in computing that year's allotments.

If a farm had been overseeded for the 1958 wheat crop, that farm would receive only its allotment as crop history.

The effect would be eventually to reduce base acreages. For example: A farm with a base of 100 acres would have an allotment of about 66 acres of wheat.

If that farmer overseeds his 1958 crop, only 66 acres would be entered for that year's history.

If this is pursued each year by a farmer—overplanting his allotment in 1959, and so on—it would be possible to have a radically reduced allotment by 1963.

ASC offices throughout the State have received form letters from the State to send to wheat producers.

This letter states that producers having overseeded allotments will receive notice to tear up extra acres by a certain date.

The farmer who has stayed within his allotment for 1958 will receive full credit on his farm's crop history.

PROPOSAL MADE

There has been a proposal made in Congress which would suspend this acreage penalty on farmers who overseed.

The proposal was made in bills offered by Representative J. FLOYD BREEDING, Fifth District, and Representatives HILL and CHENOWETH of Colorado.

It has been opposed on several sides by Congressmen who say it might serve to favor a few farmers at the expense of those who complied.

The fallacy in the objections, as far as southwest Kansas is concerned, is that farmers who seeded within their allotments last fall are in the minority in parts of the area.

MOST OVERSEED

Stanton County, for example, had about 145,000 acres seeded in and around its allotment of 128,000 acres.

The policy statement of the Department of Agriculture sifted through channels and landed in the State ASC office about October 1.

Four days later the State office issued the statement to county offices.

Through a maze of interpretations by county office managers, farmers and newspapermen, the policy by which over-seeded wheat would penalize allotments was publicized.

But by that time all wheat for 1958 had been planted.

The Department of Agriculture said, "We have been receiving many reports indicating that the farmer who overplants would lose his allotment in the future and other misstatements of facts.

DISCUSSION LIMITED

"We would prefer that in discussing this matter with producers, you (ASC offices) could confine your discussion to the provisions of the law."

This policy led to the bumbling method in which the new regulation was handed out to the public.

The provisions of the law may have been clear to the lawyers who wrote them in Washington and may have been lucid to State officials.

But in many instances it was not clear on the county level and to the farmers.

The ASC recognized this on January 24 and issued the form letter to be issued by county offices to wheat producers.

Excuses that the policy came after wheat seeding apparently weren't valid.

"Those producers who are protesting," the Department of Agriculture said, "can dispose of their excess acreage by the disposal date, if they desire to be in compliance and receive diversion credit."

Arab Boycott of Americans

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following letter which I addressed to Secretary of State John Foster Dulles, on February 28, 1958, on the subject of the Arab boycott of Americans. The text of the letter follows:

FEBRUARY 28, 1958.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: Again, I convey to you the protests of a great many citizens in this country against the Arab boycott of American citizens and commercial firms who travel in or do business with Israel. This action on the part of the Arab nations is tantamount to international intimidation and blackmail.

I believe it is incumbent upon the United States, in pursuance of an American foreign policy, to oppose as strongly as possible this Arab boycott. It has already earned the disapproval of the United States Senate in a resolution adopted in July 1956. It is asked that the policy of the United States be no different from that of West Germany which refused to yield to Arab threats to cease business with Israel and no different from the policy of France and Switzerland in the sense that both have resisted the boycott by instructing their representative nationals not to respond to questionnaires circulated by the Arab League, inquiring whether certain companies employ or are controlled by Jews.

Thus far our Government has taken no public stand against this Arab bludgeoning. Indeed, it seems that the silence of our Government lends encouragement to this boycott based on bigotry. Under your guidance, an agreement with Saudi Arabia was renewed whereby United States consents to screen American military, diplomatic and civilian personnel so that no Jews are assigned to the United States airfield at Dhahran.

This is tantamount to saying that American Jews are not equally protected in their citizenship. American vessels that stop at Israeli ports are denied the right to make calls at Arab ports. Ships of American registry have been blacklisted by countries of the Arab League because they sail to Israel. American planes that land in Israel cannot fly over Arab countries. American aircraft is denied flight information or any rescue service from Arab States. Beyond that, Arab diplomats accredited to the United States are directing this boycott on our own territory.

This Arab boycott has interfered with the International Wheat Agreement. The Arab League states refuse to ship their American wheat on blacklisted vessels or buy wheat from exporters who are Jews or who have dealings with Israel. You have thus far failed to take the necessary diplomatic action to the end that this discrimination might be discontinued. In a sense then, we as a nation, are forced to submit to the operation of a boycott, the effect of which is to tax Americans for wheat subsidy although a segment of the American public is barred from any participation.

The dignity of our Nation demands that representations be made to the guilty nations that the United States views with grave concern these outrageous acts.

Respectfully yours,

EMANUEL CELLER.

Nebraska's Birthday

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 4, 1958

Mr. MILLER of Nebraska. Mr. Speaker, March is the birthday month of the great State of Nebraska. It was on March 1, 1867, 91 years ago, that the proclamation making the Territory of Nebraska one of the United States of America was signed by President Andrew Johnson. Nebraska thus became the 37th State in the Union.

It has been my practice for the past several years to insert into the CONGRESSIONAL RECORD a statement of facts concerning Nebraska, her past and her future.

In the long span of time the written history of Nebraska goes back for only a comparatively short period. According to the Nebraska Blue Book, the earliest records show that huge fossil beds and glacial deposits give proof that in past geologic ages this region was the bottom of an inland sea which was later elevated above the water.

At one time, a tropical climate prevailed and during a later period glaciers covered the land. Archeological explorations have uncovered considerable evidence indicating the presence of prehistoric man in the State.

It has been estimated about 40,000 Indians lived in Nebraska at the time of the earliest white visitors. Their settlements in the State must have covered a period of several hundred years. It has often been presumed the Spaniards were the first white people to come to Nebraska. That would be about the year 1541. In that far gone day, the Indians dominated the area and bison roamed the prairies by the thousands.

In later years, about 1700, French trappers began to venture up the rivers. By 1739 nearly the entire length of the State had been traveled. In those days Nebraska was an uncharted wilderness. At one time or another the region was claimed by Spain, France, and England. Eventually France established claim to the area and sold it to the United States in 1803. Following the Lewis and Clark expedition in the years 1804–6 came the story of the pioneers who carved a great State out of the prairie wilderness.

The first military post was established at Fort Atkinson on the present site of the village of Fort Calhoun, just a few miles north of Omaha. Then came the first pioneer settlement by the white man in this particular territory. By the year 1832 covered wagons had started to cross the State. The Oregon Trail, which for the next 40 years was the greatest wagon road in the world's history, was established. Other great trails across Nebraska included the Mormon Trail, the Denver Trail and the Nebraska City Cutoff. Thousands of covered wagons carrying pioneers westward traveled over these trails each year until the construction of the Union Pacific Railroad made their operation no longer feasible.

Rugged frontier conditions were evidenced in Nebraska during those years when the pioneers carved their homes out of prairie sod. The pioneers faced the heat of summer and cold of winter, the marauding Indians, the droughts and prairie fires with indomitable will. Their bright vision of a new land they could call home was entirely justified.

TERRITORIAL HISTORY

The history books tell us the Nebraska region was made part of the Territory of Indiana in 1804. The following year it was made a part of the Territory of Louisiana. After 1812 it became part of the Territory of Missouri, and in 1821 it became a part of an unorganized region usually called Indian country.

Nebraska was first organized as a Territory in 1854. It included all the present State plus part of North and South Dakota and most of Montana, Wyoming, and Colorado.

STATEHOOD IN 1867

Nebraska had a long, hard fight in the effort to become a State. There was a sharp division of opinion between residents of free and slave territories and as a result many delays were encountered. In fact, many residents of the Territory were opposed to the idea of statehood. The Congress passed an enabling act April 19, 1864, and an election was held on June 2, 1866, on the statehood issue. The tabulation showed 3,938 Nebraskans in favor of statehood and 3,838 against—a margin of only 100 votes. Statehood came finally March 1, 1867.

The Nebraska picture was rapidly changing. In 1865 the Union Pacific started to build a railroad across the State. This revolutionized transportation in the area.

The passing years found more settlements starting in all parts of the State. New railroads were built. The new homestead law brought in people from many of the States to the east. They came in a wide variety of nationalities but these individuals blended into the communities and Nebraska was on its way.

IRRIGATION

In the western part of the State, men of vision watched much-needed water flow down the rivers to be wasted in the sea. They organized irrigation projects in the North Platte Valley. Crops blossomed as they never had before. Irrigation spread to other parts of the State and it is still spreading.

Right now I am seeking approval of funds for other irrigation projects. Ainsworth and Farwell have been authorized but no funds appropriated to start. Mid-State is in the planning stage. They will pay back their costs to the Government. They are an investment in the future of America. In the years ahead we must conserve every possible drop of water. Additional flood-control projects are also needed.

New industries came into Nebraska. The raising of livestock grew by leaps and bounds and Nebraska ranchers now send thousands of head of cattle, hogs, and sheep to the market. Nebraska boasts of having the finest steaks in the world.

Nebraska still seeks new industries. Towns and cities have committees working throughout the year in an effort to bring in such industries.

The State government has a Division of Nebraska Resources which has done much good work in attracting industry to our State.

With the passing of years we see the need for many changes. This has become the air age and right now Nebraska is seeking to improve its airline facilities to provide new service to many parts of the State.

THE STATE FLAG

The State flag, designated by the legislature, consists of a reproduction of the great seal of the State, charged on the center in gold and silver on a field of national blue.

The design for Nebraska's seal was prescribed by the State's first legislature in 1867. The smith in the foreground typifies the mechanical arts. Agriculture is represented by shocks of grain, the growing corn and the settler's cabin. The steamboat on the Missouri River and the train represent the State's appreciation for transportation which hurried its settlement. The State seal under the signature of the Governor and the secretary of state must be affixed to all official State documents.

The State bird is the western meadowlark.

The State flower is the goldenrod.

The State tree is the American elm.

THE UNICAMERAL SYSTEM

Since 1937, Nebraska has had the only one-house, or unicameral, legislature in the Nation. This system was adopted by constitutional amendment and has proved signally successful. The unicameral is made up of 43 members elected on a nonpartisan ballot for 2-year terms. Regular sessions are held in odd-numbered years. The Lieutenant Governor of the State serves as presiding officer. The speaker is elected from the membership.

NEBRASKA'S CAPITOL

Nebraska, commonly called the Cornhusker State, has had 5 capitols—two Territorial capitols in Omaha and three State capitols in Lincoln. The present State capitol in Lincoln is considered one of the most beautiful government buildings in the world. Built on a pay-as-you-go basis, the capitol cost over $10 million. It was free of debt upon completion in 1932.

The length and breadth of the building, which takes the form of a cross within a square is 437 feet. The 400-foot central tower is crowned by a 32-foot statue of The Sower, symbolic of the State's agriculture.

Each of the building's four corners represents a cornerstone of the law. There are 18 panels in the outer court, depicting the history of the law starting with Moses and the Ten Commandments and ending with the admission of Nebraska to the Union. The series is broken on the south facade by panels representing the Magna Carta, flanked by the signing of the Declaration of Independence and the framing of the Constitution.

Eight great figures, symbolizing the ideals of culture which are protected by the law, make up the lower buttresses of the tower. They are an Egyptian Scribe for History, a Prophet of Israel for Vision, a Greek Philosopher for Reason, an Emperor for Statecraft, an Apostle for Faith, a Saintly King for Chivalry, Sir Isaac Newton for the Science of Nature, and Abraham Lincoln for the Liberties of Peoples.

FACTS ABOUT NEBRASKA

Nebraska has a total area of over 77,000 square miles. The largest county, Cherry, is as large as the States of Connecticut and Rhode Island combined.

Nebraska's population on July 1, 1957, was estimated at 1,426,000.

Nebraska's altitude ranges from 835 feet in the southeast to 5,340 in the northwest.

Nebraska has 22 million acres under cultivation, a larger percentage of land in farms than any other State. We have substantial irrigated acreage and over 21,000 irrigation wells.

Nebraska has approximately 1,400 industrial plants employing about 60,000 people. New plants are being added every year. Omaha, the largest city in the State, is the world's largest livestock market.

Nebraska has 17 four-year colleges and universities and 5 junior colleges.

Nebraska has the highest life expectancy rate of any State in the Union.

We have in Nebraska a people of courage, ambition, and common sense who seek to be good Nebraskans and good Americans. They will help to keep our Nation great.

"Equality before the law," "honesty before men," and "reverence before God," are the precepts upon which Nebraska built and is building. These are the precepts which will keep Nebraska great and enduring through the years to come.

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HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 5, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Revelation 19: 9: *The Lord God omnipotent reigneth.*

Almighty God, Thou art always speaking unto us through Thy holy word. Grant that our minds and hearts may be blessed with the interpreting light of Thy divine spirit. May Thy word be as good seed, sown in good ground and bearing fruit an hundredfold for Thee. To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 19, 1958:

H. R. 1392. An act for the relief of Karl L. Larson;

H. R. 1638. An act for the relief of Lt. Percy Hamilton Hebert;

H. R. 1792. An act for the relief of Dr. Royal W. Williams;

H. R. 2705. An act for the relief of William F. Kempe;

H. R. 5161. An act for the relief of Mrs. Madeleine A. Work;

H. R. 6069. An act for the relief of Col. Jack C. Jeffrey;

H. R. 7200. An act for the relief of the estate of Isa Hajime;

H. R. 7591. An act for the relief of Anton N. Nyerges; and

H. R. 8618. An act for the relief of Henry M. Lednicky.

On February 20, 1958:

H. R. 3210. An act to amend section 510 (a) (1) of the Merchant Marine Act, 1936, as amended, to accelerate the trade-in of old vessels with replacement by modern vessels; and

H. R. 7052. An act to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for appointments of cadets from the District of Columbia, Guam, American Samoa, Virgin Islands, and the Canal Zone.

On February 26, 1958:

H. R. 8038. An act for the relief of Margie C. Stewart; and

H. R. 9955. An act to provide for a temporary increase in the public debt limit.

On February 28, 1958:

H. R. 5538. An act to provide that withdrawals, reservations or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 6. An act to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities.

SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

The SPEAKER. The Chair recognizes the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I offer a resolution and ask unanimous consent for its present consideration.

The Clerk read as follows:

House Resolution 496

Resolved, That there is hereby created a Select Committee on Astronautics and Space Exploration to be composed of 13 Members of the House of Representatives to be appointed by the Speaker, 7 from the majority party and 6 from the minority party, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The select committee is authorized and directed to conduct a thorough and complete study and investigation with respect to all aspects and problems relating to the exploration of outer space and the control, development, and use of astronautical resources, personnel, equipment, and facilities. All bills and resolutions introduced in the House, and all bills and resolutions from the Senate, proposing legislation in the field of astronautics and space exploration shall be referred to the select committee. The select committee is authorized and directed to report to the House by June 1, 1958, or the earliest practical date thereafter, but not later than January 3, 1959, by bill or otherwise, with recommendations upon any matters covered by this resolution.

For the purposes of this resolution the select committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places whether or not the House has recessed or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any properly designated chairman of a subcommittee, or any member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I will not, I understand this provides for the establishment of a committee similar to one already in existence in the Senate.

Mr. McCORMACK. The gentleman is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to and a motion to reconsider was laid on the table.

APPOINTMENT OF MEMBERS OF SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

The SPEAKER. Pursuant to the provisions of House Resolution 496, 85th Congress, the Chair appoints as members of the Select Committee on Astronautics and Space Exploration the following Members of the House:

Mr. MCCORMACK, chairman; Mr. BROOKS of Louisiana, Mr. HAYS of Arkansas, Mr. O'BRIEN of New York, Mr. METCALF, Mr. NATCHER, Mr. SISK, Mr. MARTIN, Mr. ARENDS, Mr. MCDONOUGH, Mr. FULTON, Mr. KEATING, and Mr. FORD.

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, it is extremely important that we consider and pass this resolution at this time. Early in the fall I began to give to the press newspaper releases regarding the importance of establishing some definite basic principles in reference to the orderly handling of our progress into space in the future. On the first day of this current session I introduced a joint resolution which would have created a joint committee of the House and Senate to legislate on space matters. Since then, on February 10, after the Senate acted separately, I introduced House Resolution 474, which would create a space committee to handle space and astronautical matters coming before Congress and to establish rules and lay down patterns for work in this new sphere of activity.

It has been decided best not to take up my resolution but rather to put support behind the present resolution. I am, therefore, supporting the present resolution with all of the enthusiasm which I can command. It is important that we in the House proceed as the Senate has already pointed the way to an especial committee on the handling of space legislation and space matters which may come before us in the future.

Whether we like it or not, the world is now embarking on an entirely new era. In the days of Columbus, broad minds thought of the world as round and thought of the need of exploring and discovering all parts of the globe. Since 1492 tremendous progress has been made but it has largely been limited to matters on land and sea, and now there is no portion of the world that is not subject to being reached and explored and exploited by mankind. This means from the poles to the equator our people are able to move and explore and develop the world and its resources.

We are now set to enter an astronautical age. Our thinking is yet chaotic. We have established no definite patterns and our tools for this activity are indeed meager. With a rare sense of foreboding, the Russians following World War II seized upon the importance of developing space and astronautical activities. They have dumped in huge sums of money and employed their best minds and talents and have given the work highest priority for this development. We have developed the atomic bomb but our people have largely "rested on their oars" since this tremendous achievement of atomic energy.

Now it is with the rude sense of awakening that we realize we have slipped from our position of superiority in astronautical development.

This resolution will create a separate House committee on astronautical and space matters. This committee is intended to function as an interim committee to organize the subject of the future control of space and the handling of astronautical matters, legislatively speaking. The committee will then make recommendations for the future which will be the guide and conduct of this Congress.

For 6 weeks the House Armed Services Committee has been listening to testimony on guided missiles. We have, in my judgment, covered this field as carefully as a committee can within a limited time cover any field of activity which is technical in the extreme and which is entirely new to us. It is obvious, however, to any one listening to this testimony, both in open and closed session, that we realize the nation which properly controls space in the future will largely control the destinies of the world. From high elevated points above this globe instruments, and perhaps later manpower, in weird and new types of airplanes, rockets, and spaceships may have places of vantage unknown in the past, and operating from these remote positions will be able to photograph, investigate, and control the peoples of the nations of the world. We are told that trips to the moon and entering a satellite in the moon orbit is not impossible even within the near future.

I might go further in giving details in reference to this matter. As I stated, however, this is a new stage upon which the world is entering. Our thinking is still uncertain, disorganized and chaotic, but this committee would be in a position to organize our thinking legislatively to assist the executive department in a proper way and, looking ahead, to plan for that time when space travel and space military control will be an actual problem of the present.

Mr. Speaker, on last Friday, February 28, the National Broadcasting Co., Inc., produced a very fine program showing the need of scientific education to support this space program. At that time Vice President Richard Nixon; Senator Lyndon B. Johnson, majority leader of the Senate; H. Rowan Gaither, Jr., chairman of the committee which produced the Gaither report; Dr. James R. Killian, president of MIT; and Dr. William G. Carr, of NEA, appeared on the program and expressed themselves freely regarding the need of backing up such a scientific program with proper educational methods. WRC–TV was the premier in sponsoring and producing this fine program and this station is entitled to commendation for their enterprise and farsightedness in getting together such a splendid program. It takes vision, Mr. Speaker, to work "with your head in the clouds and your feet on the ground" and I know the country appreciated this program.

REPORT OF THE RAILROAD RETIREMENT BOARD — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1958.*

PEACE AND STABILITY IN THE MIDDLE EAST—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 349)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the second report to the Congress covering activities through December 31, 1957, in furtherance of the purposes of the Joint Resolution To Promote Peace and Stability in the Middle East. This report supplements the first one forwarded to the Congress on July 31, 1957, concerning activities through June 30, 1957.

The resolution continues to be an important element in United States foreign policy relating to the Middle East. Communist opposition to it is clearly revealed by the fact that over the past 6 months Communist propaganda and its adherents in the Middle East have intensified their efforts to distort the purposes of the resolution and to depreciate the contribution it has made to the creation of more stable conditions in this important part of the world. I am convinced that we must continue to devote major attention in our Middle East policy to assisting the states of the area, on a cooperative basis, in maintaining their independence and integrity. The resolution forcefully embodies the purpose of promoting these means of achieving international peace and stability in the Middle East.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1958.*

THE SECOND REPORT TO THE CONGRESS COVERING ACTIVITIES THROUGH DECEMBER 31, 1957, IN FURTHERANCE OF THE PURPOSES OF THE JOINT RESOLUTION TO PROMOTE PEACE AND STABILITY IN THE MIDDLE EAST—PROGRESS IN FURTHERANCE OF THE RESOLUTION, JULY 1, 1957–DECEMBER 31, 1957

The policy embodied in Joint Resolution 117 to promote peace and stability in the Middle East, approved by the President on March 9, 1957, continues to be a cornerstone of United States foreign policy in this vital area.

The resolution proclaims the intention of the United States to assist nations in the general area of the Middle East to maintain their independence. Its continuing, central purpose is to leave no possibility of miscalculation in the minds of potential Communist or Communist-controlled aggressors as to the results of aggressive action on their part.

In the 15 countries of the Middle East which Ambassador Richards and his delegation visited in March and April of 1957, and where the Ambassador expounded the principles and motives of the policy and answered many probing questions, a broader understanding of, and a greater confidence in, the aims and purposes of the United States has been achieved. The commitments for assistance made by Ambassador Richards reinforced the internal strength of the nations which welcomed our assistance.

The determination of the United States, explicit in the resolution, that it is prepared to use Armed Forces, if requested, to render assistance in the event of armed Communist aggression in the Middle East, has been particularly heartening to the nations which have joined together in the Baghdad Pact. It has unquestionably contributed to the steadfastness with which they, and other states of the Near East, resisted the campaign of intimidation and disruption conducted by the Soviet Union and its agents.

The full force of the Communist propaganda apparatus has been brought to bear throughout the Middle East in an attempt to portray the resolution as an effort by the United States to extend its domination over the area, to split the Arab world, and to reinstate a form of colonialism. Misunderstandings concerning the specific purposes of the resolution, and of United States policy in general, have been created affecting the attitudes of even non-Communist elements. The recent Afro-Asian Conference in Cairo, where the Communists played such a major role, asserted, in a resolution on imperialism, that "both the Baghdad Pact and the Eisenhower doctrine interfere with the independence of the Arab countries, infringe on their sovereignty, and endanger their security."

This propaganda assault has been coupled with a more tangible campaign on the part of the Soviet Union and its satellites to penetrate and expand their influence in the area through economic and military assistance. By seeking to create the impression, through initially generous offers, that Soviet aid is free from all conditions and political strings, the Soviet bloc has attempted to discredit the constructive efforts of the United States and other free nations and to pose as the disinterested partisan of the legitimate economic and political aspirations of the countries of the Middle East.

The task of those in the Middle East who courageously strive to preserve their freedom, independence, and security in the face of these Soviet activities is not an easy one. The political, social, and economic needs and problems of the area are manifold and complex. The new nations of the Middle East are sensitive to the echoes of past colonial relationships. By the exercise of diplomatic skill, by patient and persistent efforts to reach understanding on the common objective, and by imaginative and vigorous action through our assistance programs, we can hope, with the continuing support of the Congress, to achieve the resolution's goal of promoting peace and stability in the Middle East.

ECONOMIC AND MILITARY ASSISTANCE EXTENDED IN FURTHERANCE OF THE RESOLUTION

The joint resolution authorized the President to cooperate in programs of economic and military assistance with any nation or group of nations in the general area of the

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Middle East desiring such aid to develop the strength necessary to preserve their integrity and national independence. Section 3 of the resolution contained special authorization to utilize not to exceed $200 million from funds previously appropriated to carry out the provisions of the Mutual Security Act of 1954, as amended, in furtherance of the purposes of the resolution.

Section 3 of the resolution was particularly useful to Ambassador Richards in initiating action in behalf of those countries desiring assistance, and enabled effective use to be made of appropriated funds. During the 6 months ending December 31, 1957, the regular authorities of the Mutual Security Act, and funds appropriated pursuant thereto, were used to implement further the general purposes of sections 1 and 2 of the resolution.

1. Economic assistance

A total of $123 million of funds available under the Mutual Security Act for the fiscal year of 1957 was committed for non-military-aid programs in implementation of the joint resolution. Of this amount, $67.9 million was committed by Ambassador Richards, $23.4 being obligated under the special authority of section 3, and $44.5[1] under the regular authority of the Mutual Security Act. In addition, economic assistance in the amount of $55.1 was obligated by ICA for Middle East programs not arranged by Ambassador Richards but which required the authority of section 3. If this special authority had not been available, most of these Middle East programs could not have been initiated. The details of these various commitments have previously been reported to the appropriate committees of the Congress.

During the 6 months ending December 31, 1957, prompt and positive action was taken to carry out all commitments for economic assistance made under the resolution. Materials have already been delivered or are in process of delivery; and new projects have been undertaken or existing ones advanced.

2. Military assistance

Although there was a marked intensification of the Soviet Communist effort, during the second half of 1957, to penetrate and subvert states of the Middle East, it was not necessary to invoke the final provision of section 2 of the resolution. This enables the United States, upon determination by the President of the necessity thereof, to render armed assistance to any nation requesting it in the defense of its independence and integrity against aggression from any country controlled by international communism. The existence of this provision undoubtedly constituted a strong deterrent to overt Communist aggression.

In addition to the broad psychological reassurance imparted by the resolution, the expeditious and tangible fulfillment of the special military assistance commitments totaling $51.1 million made by Ambassador Richards contributed not only to the material ability, but to determination of the nations of the Middle East to resist both internal subversion and external aggression. During the period of July 1, 1957, to December 31, 1957, virtually all of the items of equipment represented by these commitments, with the exception of some long-leadtime items and certain material being provided under offshore procurement, were delivered, and have already been integrated into the armed forces of the recipient countries. The authority of section 2 of the resolution made rapid military aid of this kind feasible, while the underlying sense of purpose and urgency conveyed by the promulgation of the resolution as a whole lent renewed impetus to the current fiscal year 1958 military assistance program. Indeed, in certain urgent cases it resulted in a considerable acceleration of this program.

The decisive role played by the joint resolution in strengthening the nations of the Middle East, through the provision of special and selective military assistance, to resist the insidious and ever-present threat of international communism was of crucial importance during the past year.

ACTION PURSUANT TO SECTION 4 OF THE RESOLUTION

Section 4 of the resolution enjoins the President to continue to furnish facilities and military assistance to the United Nations Emergency Force in the Middle East with a view to maintaining the peace in that region. This assistance has been rendered.

The value of the supplies and equipment made available to the force by the United States on a reimbursable basis through 1957 has totaled approximately $4.5 million. These were financed with funds appropriated to the Department of Defense.

Early in 1957 the United States contributed, as its share of the UNEF assessment of $10 million, some $3.3 million. This was provided out of funds appropriated to the Department of State for contributions to international organizations. The United States has also indicated its willingness to contribute on a matching basis one-half of the $6.5 million of the UNEF's 1957 costs for which the General Assembly had requested contributions, using funds under section 401 (b) of the Mutual Security Act of 1954, as amended. Of this sum, the United States has paid $920,850 to match contributions received from other members of the United Nations. In response to an urgent request from the Secretary General of the United Nations for special assistance to meet the deficit incurred for UNEF's 1957 costs, the United States has made a special contribution of $12 million, using $2.25 million of funds under section 401 (b) of the Mutual Security Act of 1954, as amended, and $9.75 million of funds under section 400 (a) of the same act.

[1] Twenty million dollars of this amount, which could not be obligated prior to the end of fiscal 1957 because of unforeseen legal and technical difficulties, was reappropriated under the fiscal year 1958 mutual-security program and is currently in process of obligation following successful negotiations with the country concerned.

FINANCIAL INSTITUTIONS ACT, S. 1451 AND H. R. 7026

Mr. MULTER. Mr. Speaker, I ask unanimous permission to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, on March 3 I directed the attention of the House to the imminence of action on the Financial Institutions Act, S. 1451 and H. R. 7026—CONGRESSIONAL RECORD, page 3278.

It is my opinion that enactment of that bill will destroy most of the safeguards that have been written into the banking laws of the country since the financial crash of 1929.

In order that our colleagues may better appraise many of the changes sought to be made by this bill, it is well for them to consider its authorship and sponsorship.

The dangerous changes of law encompassed within this 252-page bill were written by and are urged by an Advisory Committee made up of the big bankers of the country, working in cooperation with a committee of the monied interests appointed by the United States Chamber of Commerce. No one representing the public or bank depositors or bank stockholders was on any of those committees, which were controlled, by and large, by bank management and the American Bankers Association. Most of their recommendations have been written into the bill despite the opposition of important Government agencies.

It is indeed a strange piece of legislation which finds most of the 175 amendments suggested by the Government agencies ignored, while at the same time including most of the 200 recommendations urged by and on behalf of the special interests.

ASSISTANT SECRETARY LEFFLER PROPOSES A FINE WILDLIFE REFUGE PROGRAM

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, this Congress has taken a keen interest in accelerating the Federal Government's lagging program of acquiring sufficient wildlife refuges to safeguard the continent's dwindling population of wild ducks and geese.

Without a clear position for the executive branch, progress has been uncertain. Happily, just this week Ross L. Leffler, Assistant Secretary of Interior for Fish and Wildlife, has announced a program of increasing the duck-stamp fee to $3, and earmarking the entire proceeds of the $3 duck stamp—amounting to at least $7½ million a year—for the acquisition of refuges for migratory waterfowl. Such a program is vitally needed, and Mr. Leffler, one of the Government's most dedicated public servants, is to be applauded for it.

I include an account of the Leffler program written by Russell G. Lynch, the widely respected conservation editor of the Milwaukee Journal, from the Milwaukee Journal of Tuesday, March 11, 1958:

DUCK STAMP DIVERSION MAY BE ENDED AT LAST—BUDGET BUREAU BACKS $1 INCREASE AND USE OF ENTIRE PROCEEDS FOR WETLANDS

(By R. G. Lynch)

Hunters' duck stamp payments at long last seem likely to be used to buy wetlands for waterfowl, after more than 20 years of diversion to other uses.

The Federal Budget Bureau, which is the administration's voice in fiscal affairs, agreed Monday to support a $1 increase in the duck stamp fee and to permit all of the proceeds to be used for wetlands.

Ross L. Leffler, Assistant Interior Secretary for Fish and Wildlife, said in a telephone interview that the money, if Congress went along with the plan, would be used to create a wetlands bank. Improvement and development of the duck and goose habitat will wait until the acquisition program is well along.

The new policy is almost exactly what Representative REUSS, Democrat, Wisconsin, proposed in a bill he introduced last year.

It would end a long and bitter controversy involving charges of bad faith on the part of the Federal Government.

INCREASED IN 1949

Sportsmen agreed to a $1 tax on waterfowl hunters in 1934 with the understanding that the money would be used to buy habitat. But the Budget Bureau, year after year, forced the Fish and Wildlife Service to use most of the money to maintain and operate the refuge system. This was done by striking out requests for appropriations for such purposes.

Hunters accepted a $1 increase in the stamp fee in 1949 but the boost in revenue barely kept pace with rising refuge expenses, and the Budget Bureau continued its policy of diverting stamp money.

Representative JOHNSON, Democrat, of Wisconsin, helped bring about a committee inquiry in 1955 and reported to the House that out of $44 million collected from duck hunters only $7,500,000 had been used to acquire wetlands through 1954. He later conducted a poll of Wisconsin hunters and found that a majority were willing to pay $3 for the duck stamp if assured that the money would be used to acquire wetlands.

STILL HAS BILL

REUSS' bill in the 1957 Congress was one of several concerned with increasing and earmarking duck-stamp revenues. The result was recommendation of a new bill by Chairman BOYKIN, Democrat, of Alabama, of the subcommittee that heard the bills. It merely would earmark 65 percent of the present $2 stamp. The House Merchant Marine and Fisheries Committee still has it.

Last week at St. Louis, Mr. Leffler told State game administrators at the North American Wildlife conference that he would propose to the Budget Bureau that all stamp revenues go for acquisition. Earlier, the annual convention of the National Wildlife Federation had gone on record by a large majority in favor of a $3 stamp with 65 percent of the proceeds earmarked for acquisition.

"We had to make some concession," Mr. Leffler told the writer on the telephone. "We agreed not to ask for any appropriations for land purchase and we agreed to put the new wetlands acquired into a bank, leaving the development of them until later. All of the money will be used for acquiring wetlands."

The acquisition program has lagged badly. In the thirties the Fish and Wildlife Service estimated that a minimum of 12,500,000 acres of habitat would have to be acquired to maintain the waterfowl population. The Federal Government was to acquire about 7,500,000 acres, using duck-stamp revenues and the States were to add 5 million acres, aided by allotments from the Patman-Robertson Federal tax on sporting arms and ammunition.

Since then, in 20 years, the Federal Government has purchased less than 300,000 acres and the States less than 500,000. Federal and State refuges combined now total less than 5 million acres.

Meanwhile, drainage has caused enormous shrinkage in available wetlands.

CONSERVATION AND DEVELOPMENT OF URBAN COMMUNITIES

Mr. TALLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Speaker, by request, I today introduced for appropriate reference a bill to extend and amend laws relating to housing and to the conservation and development of urban communities and for other purposes. An identical bill has been introduced in the other body (S. 3399) and in connection therewith a section-by-section analysis of the bill was placed in the RECORD. This explanation can be found in the CONGRESSIONAL RECORD for March 4, 1958, beginning on page 3335.

HIRING HALLS FOR CASUAL LABOR ONLY FEASIBLE EMPLOYMENT METHOD

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the announcement by the general counsel for the National Labor Relations Board that he would crack down on hiring halls in the construction industry after June 1 calls for immediate action. And, in this connection, I am writing Secretary of Labor James Mitchell urging that he support legislation to legalize hiring halls.

As I have stated previously to the House, the Taft-Hartley Act was written for industrial or factory-type labor relations and the only feasible method of operation in the building trade and certain other fields is a central point for hiring workers such as is presently in use. Nothing could be more wasteful and unsatisfactory that the old system of job solicitation and I am hopeful that the urgency and critical nature of the June 1 deadline will cause the administration and our great Secretary of Labor to support a bill such as I have introduced; namely, H. R. 8422, which would exempt the construction and maritime industries from the Taft-Hartley provision against hiring halls.

LEAVE OF ABSENCE

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence, on account of official business, beginning tomorrow, for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

APPLICATIONS FOR WRITS OF HABEAS CORPUS

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 497, Rept. No. 1457), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8361) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

IMPROVED METHODS OF STATING BUDGET ESTIMATES

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations. After general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 16]

Baring	Diggs	Murray
Blatnik	Engle	Powell
Blitch	Forand	Radwan
Bonner	Gordon	Reece, Tenn.
Boykin	Grant	Rivers
Buckley	Green, Pa.	Saund
Burdick	Gross	Scott, Pa.
Celler	Hillings	Shelley
Christopher	Holifield	Shuford
Clark	James	Sieminski
Davis, Tenn.	Jenkins	Vinson
Delay	McCarthy	Walter
Dempsey	Mason	Williams, N. Y.
Dies	Montoya	Willis

The SPEAKER. Three hundred and seventy-nine Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

IMPROVED METHODS OF STATING BUDGET ESTIMATES

Mr. O'NEILL. Mr. Speaker, I offer an amendment.

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The Clerk read as follows:

Amendment offered by Mr. O'NEILL: On page 1, line 8, strike out "2" and insert "3."

Mr. BROWN of Ohio. May I say that this has been agreed to on both sides of the aisle.

The SPEAKER. The question is on the amendment.

The amendment is agreed to.

Mr. O'NEILL. At the conclusion of my half hour I will yield the remainder of the time to the gentleman from Ohio [Mr. BROWN].

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. O'NEILL. Mr. Speaker, House Resolution 322 makes in order the consideration of the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations. The bill is brought to the House under an open rule which provides for 3 hours of general debate.

The bill has become quite controversial, but it is my understanding that the gentleman from Massachusetts [Mr. WIGGLESWORTH] will offer amendments in the nature of corrections that have the overall approval of the majority of the committee.

The purpose of the bill is to provide a more informative basis for the enactment of appropriations by the Congress, to reduce or eliminate the large carryover balances of appropriations from one fiscal year to another, and to bring about economy in Government expenditures.

The bill will improve management; it will result in the production of more facts; it will give a stricter control by Congress and actually bring about more business-like procedures in the running of our Government.

H. R. 8002 amends section 201 of the Budget and Accounting Act of 1921 which sets forth certain requirements and specifications for the President's budget.

At the present time estimates for appropriations are presented and appropriations of funds are made to cover the goods and services to be ordered in the budget year regardless of whether such goods and services are to be received or paid for in the budget year or in subsequent years. This would be changed by the enactment of H. R. 8002.

Estimates of proposed appropriations would be determined on an annual accrued basis. As of the end of each fiscal year the excess of any appropriations over the accrued expenditures would lapse unless otherwise provided by law. Any remaining balances of each such appropriation would be merged with any appropriation for the same general purpose for the ensuing year and constitute a single account.

Contract authority in appropriations bills based on annual accrued expenditures is provided for projects and programs that will extend longer than one year. However, the appropriation for the year, plus the contract authority, plus accrued expenditures under any other appropriation for the same purpose may not exceed any maximum amount that may be continued in the basic legislation that authorized the appropriation to be made. Provision is also made so as to permit the granting of contract authority in an appropriation bill so as to avoid the imposition of a point of order against such contract authority in an appropriation bill. Certain exemptions from this policy are allowed and are listed in the bill.

I believe this bill will provide an annual Congressional review of appropriations granted in prior years and will give the Congress a positive control over the annual expenditures for both current and prior years' appropriations.

I urge the adoption of House Resolution 322 so that the House may proceed with the consideration of the bill, H. R. 8002.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule has been so ably described and as amended makes in order 3 hours of general debate for the consideration of H. R. 8002, to place the budgets of the United States on an accrual expenditure basis. The bill is based upon a recommendation which was originally made by the second Hoover Commission. As you know, that Commission was an arm of Congress established for the purpose of endeavoring to obtain or recommend methods at least by which we might get greater economy and efficiency in the conduct of the public business.

When this matter came before the Hoover Commission, which was a bipartisan Commission, back in 1955, rather strangely only two members of the Commission reserved the right to oppose this particular recommendation for the accrued expenditures budget arrangement and they were myself and the gentleman from California [Mr. HOLIFIELD] who served on that Commisison so ably and so well. We both said we wanted to convince ourselves, we wanted to consult with the various committees of the Congress, as to the effect of such an action before we determined our own position thereon. We did exactly that.

A bill was introduced in the House of Representatives and in the United States Senate to put the Government on an accrual expenditure basis. It was considered by the Committee on Government Operations and reported unanimously. I think I should also say to you that the United States Senate last year passed a bill quite similar to this measure by unanimous vote.

Our committee changed that a bit because of the testimony and brought out a clean bill. This was due to the testimony that had been presented to our committee. The Senate took its action and our House Committee on Government Operations took its action because 2 years ago or about 2 years ago in this last Congress, the Congress passed by an overwhelming majority a bill based on the same recommendations of the Hoover Commission, or virtually the same recommendations, to place the departments and agencies of the Federal Government on an accrued expenditure accounting basis.

So this bill that is before you today, and the one which passed the Senate, would simply take the second step to put the budgets that are brought before the Congress, the Presidential budgets, in line with the accrued expenditures accounting procedures established by the Congress for the departments and the agencies of Government.

May I interpolate just a moment to say that practically every business concern of any size or stature in the United States is on both that type of accrual expenditure accounting basis and the type of accrual expenditure budgeting basis as provided for in this legislation.

Now, after our committee reported the bill as originally drawn, the bill prepared by the gentleman from Florida [Mr. ROGERS], there were some objections made to it by various people. And, by the way, I would like to say that our committee heard members of the Committee on Appropriations and a great many other witnesses in advance of the bill being reported, but there were some criticisms made, some doubt expressed by some of the suppliers of Government goods, by some of the contractors especially in the defense industry, and perhaps I should say especially in the aircraft industry, that this bill as originally reported from our committee would interfere with the obligational authority for long-term contracts. So an attempt was made to work out legislation that would obviate any criticism, and make it such that it could not be criticized, and would meet the objections raised to the measure as we had reported it.

The gentleman from Massachusetts [Mr. WIGGLESWORTH], who is the second ranking Republican on the House Committee on Appropriations, has prepared a compromise amendment or bill to replace, in effect, or rewrite—let us put it that way—the Rogers bill as reported by our Committee on Government Operations. That amendment or rewritten bill by the gentleman from Massachusetts was drawn for the purpose of attempting to satisfy other members of the Committee on Appropriaitons and, perhaps, certainly all of the criticisms that had been heard. It was submitted to the Bureau of the Budget and to the various Government agencies, including the White House, and to the members of the Hoover Commission, which is a bipartisan group and which supports the report, and has finally been approved by all of those particular groups.

Now, in writing these original recommendations to put this into effect, we had the benefit and advice and support of such prominent men in public life as our good friend, Jim Farley; former Ambassador Joe Kennedy; Dr. Storey, head of the law school, Southern Methodist University, at one time president of the American Bar Association; the Attorney General of the United States; former President of the United States, Herbert Hoover, Senator MCCLELLAN, chairman of the Government Operations Committee of the Senate, and others. And, as I said a moment ago, as a result the Senate bill passed that body last year by a unanimous vote; every Member of the House and the Senate approving it. Yet, we feel on our committee that in order that there can be no reasonable criticism or objection of that which we are attempting to do, we should be willing to accept the suggestions in the substitute

or the language that has been prepared by the gentleman from Massachusetts [Mr. WIGGLESWORTH], in conjunction with a great many authorities, which I understand he will offer later in the day.

That amendment, by the way, will include some of the suggestions that were made by the ranking Republican Member of the Committee on Appropriations, the gentleman from New York [Mr. TABER].

Let me add further that, of course, this amendment to be offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH] provides that no accrued expenditures budget can be submitted to Congress until the President finds that the agency covered by such a budget has its accounting under an accrued expenditures accounting arrangement and in a position where he can submit such a budget and where he can logically support such a budget.

This bill also has a limitation in which I am sure some of the Members will be interested. It is not effective on and after April 1, 1962, unless the Congress sees fit to extend it. Why was that limitation placed in this bill and in the amendment? It was placed there in order to give the incoming President, regardless who he may be, the opportunity to acquaint himself with that system. Remember, the incoming President will be seated on January 20 of 1961 which would be after the budget was submitted for the coming fiscal year. So that gives him a year in which to prepare a new budget and to decide for himself what he wants to do about the situation and what Congress wants to do about the situation.

This bill is permissive so that the President is not compelled to do this if he does not want to. So we feel that it is very fair. The majority leader and the minority leader have helped in going over this arrangement and working it out. It is something that we think will be fair.

As I understand it, there will probably be two issues brought before the House. One will be, according to what I see in the CONGRESSIONAL RECORD and have read because it has been published there, an amendment to be offered by the gentleman from New York which would not provide for an accrued expenditures budget, as I read it, but would simply authorize and permit his committee to do that which it is already doing under the present law, with the exception of the right to rescind certain appropriations without the danger of a point of order being made against it. The other amendment is the Wigglesworth amendment which, as I said, is a compromise amendment that has been worked out seemingly to the satisfaction of all groups concerned except some of those who are on the Committee on Appropriations. It includes that provision for rescission that is included in the Taber amendment.

Now, who is for this bill? The Secretary of the Treasury; and I understand the Department of Defense will have a message in here to the effect that they approve it; the Bureau of the Budget, the President, the so-called Hoover Committee group, the American Farm Bureau, and a great many organizations all over the country.

This bill and this amendment have had the wide endorsement of practically every newspaper in the country. In fact, the only newspaper I know of that has come out against this proposal editorially has been the Washington Post. The other newspaper here, the Washington Star, had an editorial in support of it just this past week.

We think it is a very fair, reasonable adjustment. It does not give the Hoover Committee and the other groups everything they wanted or asked for. It does not give the Committee on Appropriations or some of its members everything that they asked for. It does not give the President, perhaps, everything he would like to have, or that the Bureau of the Budget would like to have. But it has been an honest attempt on behalf of the gentleman from Massachusetts [Mr. WIGGLESWORTH] to try to work out some reasonable compromise that would protect these long-range contracts, that would protect the rights of the Committee on Appropriations, and that would give back to the Congress of the United States and through the Congress to the Committee on Appropriations a greater control of the purse strings of this Nation.

As the result of that sort of action, if the Wigglesworth amendment, which our Committee on Government Operations, as I said a moment ago, has unanimously agreed to accept as an amendment, is adopted, then we will be eliminating any reasonable objection to this bill, any danger that we will interfere with any long-range contract with the Federal Government, and we will give actually to the Congress and the Committee on Appropriations greater powers and authorities than they exercise now, when we have some $70 billions, or did have on July 1, of carried-over appropriations which somehow or other we could not control as well as we should like to.

So I am hopeful that this amendment by the gentleman from Massachusetts [Mr. WIGGLESWORTH] will be adopted, so that we may get along with our business and carry out the intent and purpose of the Congress in this field when nearly 2 years ago we placed the departments and agencies of the Government through other legislation which we passed and approved, on an accrual-accounting basis. This is the final logical step that will put us on a better business basis and will give us a better opportunity to control the expenditures of the Government.

Mr. O'NEILL. Mr. Speaker, I have no requests for time on this side.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may use to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, our colleague from Ohio [Mr. BROWN] has presented such a sound argument as to why the bill H. R. 8002 should be enacted that it leaves little for me to say. It seems to me we cannot take his word lightly, coming from one who has served on both Hoover Commissions and is also a member of the Committee on Government Operations and an acknowledged authority on budgets.

Undoubtedly the enactment of this bill will mean new problems will be presented. The question as I see it is whether or not the Congress of the United States is willing to assume these problems and extra responsibilities. I think we should, because I believe the benefits derived as a result of the enactment of this bill will offset any extra work or new problems that we have before us.

In my opinion, the enactment of this bill, recommended by the Hoover Commission, will save the taxpayers many billions of dollars. After all, with the gigantic spending program before us, it is necessary that we use every method we can in order to keep the expenditures as low as possible. I say this with the realization that our good friend from New York [Mr. TABER] has, as we all know, during his many years in Congress, saved the taxpayers billions and billions of dollars. Some of the people who have written me from my district as well as throughout the country in support of this bill have indicated that that is one of the most difficult assignments they have had to perform, because they realize that JOHN TABER is a great American and has saved the taxpayers so many billions of dollars throughout his long service and I deeply regret that we differ on this important issue. I respectfully urge the adoption of this rule and the enactment of H. R. 8002.

Mr. BROWN of Ohio. Mr. Speaker, may I say to the House that in an attempt to be absolutely fair, and in order to give the House an opportunity to hear the arguments on both sides of this particular problem, we agreed to an extension of the time for general debate on the bill from 2 hours to 3 hours. As you know that amendment was adopted here unanimously just a little while ago. In addition, I have agreed to yield time on the rule to the gentleman from New York and I also have agreed along with the gentleman from Michigan [Mr. HOFFMAN] to divide the time on general debate equally between the gentleman from New York [Mr. TABER] for use of those who oppose the amendment to be offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH] and who are in support of the so-called Taber amendment, and those of us who are supporting the Wigglesworth compromise amendment. So, Mr. Speaker, at this time I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, so that we may have in mind the sincerity, and the confidence that the proponents of this legislation have in its effectiveness and in its efficiency, I propose to read from page 4 of the bill, section 3 at the bottom of the page:

> This act, and the amendments made thereby shall cease to be in effect July 1, 1961.

Did you ever hear of such a thing as that? Coming in here with a major piece of legislation and admitting right

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on the face of it that it is no good. Now, I think we ought to have a few things squared away so I am going to read right now what Commissioner James A. Farley said about this proposal:

Theoretically these recommendations may be desirable from an accounting point of view; but I am not certain that put into effect they will produce the desired objectives.

This report has been approached from the viewpoint of a cost accountant operating in a private commercial enterprise, in which goods and services are produced and sold for the avowed purpose of providing a profit to those whose capital is invested. That may be an appropriate concept for certain governmental operations which are similar to private commercial ventures and, in fact, is currently in use by many such governmental organizations as stated in the report; it does not seem to me, however, to be appropriate across the board to all Government activities and operations.

Now, I am going to read to you, because I think I ought to, a quotation from a letter by the Director of the Budget, Mr. Brundage, to Senator SALTONSTALL, which letter appears in the CONGRESSIONAL RECORD, volume 103, part 6, page 7497:

I believe we should continue to follow the sound procedure of fully funding the procurement of all items necessary for the full operation of such major things as airplanes, tanks, and ships when the initial appropriation is made. We would lose budgetary control of these programs if we adopted a policy of partial funding for such items.

I could read you more of these statements, but I am not going to because I do not have the time.

Here is the picture. I am going to give you a picture of how this thing would work. You appropriate a block of money for accrued expenditure during the following fiscal year, from the bill which you are writing. Now suppose you put in an appropriation for a million dollars to build a building in fiscal year 1959. Naturally that program cannot be put together and the whole thing settled and a contract let before the 1st of June 1959, or 30 days before the expiration of the fiscal year. A contract is entered into with the contractor at that time to build a building within the appropriation. Under this bill that fund, although it has been obligated, and the Government was bound to pay the contractor the money, would lapse under this bill and go out of existence, and your contractor would be left high and dry, just like these people who used to go before the Court of Claims for their money, and he would have to wait on the question of whether or not the Congress would give him the money to pay it, and he could not do anything.

That is a sample of the way things would work. How silly can you get?

Here is another thing you ought to be thinking about as you approach this proposition. You appropriate money for all of these things. You just divide it up in such shape that the accounting procedure and the bookkeeping procedure will be more than doubled, and you will not have any successful operation of your Government. In addition to that, where they appropriate money to start a job on the accrued expenditure basis, and divide the part of it that is to be spent in the coming fiscal year separate from what is to be available afterward, you do not have any authority under the statutes, as they exist, to let a contract.

I have in front of me title 41, section 11, of the United States Code:

No contract of purchase, unless authorized or under adequate appropriation—

And these contracts cannot be under adequate appropriation unless they are made right out and out—

No contract of purchase on behalf of the United States shall be made unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, the Navy, and the Air Force for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year.

Note that exception. That exception would not apply to any of the things that these expenditures have to be made for in the days to come.

That is the law. There is no proposal here to amend it. Just so you may have a picture of how things are going and what has been done, the outfit that has been supporting this proposition has been rearing around in great style.

I think I ought to tell you my experience with them. I am just an ordinary fellow, I know, but the ordinary fellow sometimes reacts to this kind of treatment. Three separate appointments were made for me to talk to Mr. Francis, chairman of the committee that was supposed to be operating on this thing, made by the Bureau of the Budget at the request of the Director of the Budget.

Mr. Francis came to town on those occasions, but he ran out on the question of seeing me. I do not know whether it was because he did not have any confidence in his job or not; but that was my experience with him.

Then I got a letter from him when I got home last fall wanting to know if I would interview one of his aids who would come and explain the bill to me. I said that I would. I went over to Ithaca one day and I was interviewed by a gentleman who was the chief engineer of Cornell University. I visited with him for 10 minutes and he became satisfied that this crazy expenditure bill and the whole thing was bad.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Speaker, can the gentleman from Ohio yield me more time?

Mr. BROWN of Ohio. I am sorry, I have no further time.

Mr. TABER. Will the gentleman from Massachusetts yield me a little time?

Mr. O'NEILL. I yield the gentleman from New York 2 minutes.

Mr. TABER. I thank the gentleman.

He asked me if I would go down to New York and meet with these people. I said, "Yes." He made arrangements for me to go down the following Tuesday, but on Monday I got word from him that Mr. Francis had had to go to Washington, so the party could not be held.

These people have broadcast their views on this bill all over the country; I have had it checked, and I find they must have spent thousands and thousands of dollars promoting this racket. I have had it checked.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. After the expenditure of thousands of dollars—and the gentleman is right—to sell this bill to the country they come in here this morning and tell us they are introducing an amendment striking out everything after the enacting clause. In other words they are striking out the bill they sold to the country.

Mr. TABER. And they have not filed any statement with the Clerk of the House of Representatives with respect to their lobbying activities. Well, I suppose that does not mean much.

I hope that when we get into general debate I will be given an opportunity to go into the details of this thing a little more thoroughly so the membership and those who have proposed it will understand it.

Mr. O'NEILL. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, I am wholeheartedly in favor of this measure, which I regard as a step forward in budget and appropriation procedures. It is one of a number of changes needed to make it harder to spend and easier to save public funds. This it would do by strengthening procedures by which Congress makes certain that the purposes for which public funds are spent, and the manner in which they are spent are in accordance with the intent of Congress. The bill provides practical, workable controls over carryover balances by subjecting them to annual reviews and by establishing a legal limit on annual accrued expenditures. I hope the bill passes.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, this bill, in my judgment, is thoroughly bad. The Committee on Appropriations issued a report in opposition to it under date of March 21, 1957, and 40 members of the House Appropriations Committee wrote a letter to the House membership giving the reasons why they were against this bill. H. R. 8002 was held out to the Nation as a proposal which would save $4 billion a year. Naturally, everybody wanted to save $4 billion. It was more or less on that basis that it was sold to a lot of people in this country who did not have the opportunity to adequately study the situation. It was held out as an easy way to save $4 billion and put the fiscal housekeeping of the Federal Government in wonderful shape. But we have sought to make it clear there is no easy way to save money; that the only way to reduce expenditures is to reduce appropriations and reduce authorizations for appropriations.

In listening to the radio and television about 10 days ago, I heard a number of university presidents speak, and

I was struck by these words of the president of Notre Dame, who said:

I think we have a kind of cult of easiness today. There is an easy way to cook a meal; there is an easy way to drive a car; there is an easy way to get a vacation; there is an easy way to pay your bills; there is even an easy way to save your soul.

This was sold to the American people as an easy way to save $4 billion. I cannot recall a greater misrepresentation being perpetrated on the American people. I hasten to say that I am in no way questioning the good faith and sincerity of the advocates of the measure. It seems singular that H. R. 8002 has now been repudiated by those here who have so vigorously supported it. The Wigglesworth substitute would rewrite it from the enacting clause to the end. It no longer proposes the fundamental things which were originally proposed. The efforts of the opponents of the bill have not been in vain. Much good has been accomplished. The Wigglesworth substitute, which is to be before us, does not provide for contract authorizations, as I understand it. The proposal does not require, as I understand it, that there be an accrued expenditure limitation fixed on each appropriation. It merely proposes that the Bureau of the Budget submit to the Congress an accrued expenditure limitation on each appropriation amount for whatever information and use it may be.

It is hard enough to try to accurately determine how much the executive branch of the Government needs for a program. It is doubly hard to try to calculate precisely how much the executive branch will spend in a given year on a program which has been approved and financed by Congress. If we want an additional 100 B–52's, we now provide the funds for that program. We want those B–52's today or tomorrow. We want them as quickly as we can get them and it makes no sense to say that you cannot spend for B–52's in the first year more than a certain portion of the appropriation made for that purpose. We would like for all the B–52's to be procured as quickly as they can be and we do not want to put a lot of additional complications and roadblocks into the defense program.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. The Appropriations Committee makes an appropriation for the Defense Department. The Defense Department puts an item out for bids. The price is low, consequently the appropriation is higher than the price. You then have an unexpended or an unobligated balance. It is my belief, and I think it is the belief of the people who are supporting this legislation, that the effect of this is to prohibit the free use of unobligated balances of prior years' appropriations by the executive; in other words so the unobligated balances cannot be transferred from one purpose to another and to place control back in the Congress. I think that is the argument that was made when this bill passed the Senate unanimously. It passed the Committee on Government Operations unanimously.

Mr. MAHON. We will appropriate this year, let us say, in round figures, for the Air Force, $6 billion for aircraft and missiles, including ballistic missiles, the IRBM, and the ICBM. These funds cannot be transferred from aircraft and missiles to the pay of the Air Force or research and development or other fields. They can only be used for aircraft and missiles.

Mr. O'NEILL. Or any instances where unobligated funds are transferred.

Mr. MAHON. If we need a certain amount of money for aircraft and missiles, if we approve that program, we want the aircraft and the missiles as soon as we possibly can get them, and we do not want to try to legislate an estimate of how quickly we can get them. We want them to get them as quickly as they can. They can only spend the money for the purposes appropriated. If they have been successful in saving some funds—but usually the price trend has been upward, not downward—they can buy, instead of 100 ICBM's, maybe 103 ICBM's with the same money, but they cannot depart from the program. This bill is a step backward. It is a bill which, in effect, would enact into law the delivery schedules on defense contracts. This is a step that would really have embarrassed the Government had it been in operation last year. It is thoroughly unsound. It will not save money. A defense official recently said to me: "I do not know how we will be able to find enough accountants to employ if we are going to be required to put into operation this kind of a procedure."

Now, it seems to me that we ought to think very seriously before we deceive ourselves or the public into believing that this proposal will save money. It will cost money. It will tend to slow down programs. It will require additional personnel. It will impair the objective of the defense program in the space age to move more rapidly. And I, for one, would not dare to have my name placed on the record in favor of a bill that would do that sort of thing.

Now, if the Wigglesworth substitute is really what I believe it to be, a repudiation of H. R. 8002, and if the Wigglesworth substitute does not make it mandatory that we place these so-called accrued expenditure limitations in the appropriation bills, then it is not as bad as the original measure. Those who have fought for H. R. 8002 will only have the name and the number left. That is the situation here. Consequently, it seems to me that the amendment which is to be offered by the gentleman from New York [Mr. TABER] will be far the better amendment.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to my friend, the gentleman from Ohio.

Mr. BROWN of Ohio. On the very point which the gentleman is discussing, the Bureau of the Budget, in referring to the Wigglesworth amendment, said that the draft bill differs from H. R. 8002 chiefly in that it does not involve the use of contract authority, so that it would not involve the problem the gentleman has discussed. That was accepted as a compromise to get away from the very criticism that the gentleman made before our committee.

Mr. MAHON. One of the wost things in H. R. 8002 is the contract authority feature—but it is tied directly to the accrued expenditure idea. As it is now, we generally appropriate the full amount of money for an item at the outset. We will have under H. R. 8002 the same carryovers of balances that we now have, and if as contended, we have lost fiscal control, we will continue to lose fiscal control. Now, contract authority, the most controversial thing, is not in the Wigglesworth substitute. But, in addition to eliminating contract authority, as I understand the Wigglesworth amendment, it does not require that the Congress fix a limitation on each appropriation as to how much of it can be spent in a particular year, and if we give officials of the Department of Defense $2 billion to buy ballistic missiles, they can spend $2 billion within the next 3 weeks if they are able to get the missiles. The purpose of appropriating defense funds is to achieve the objective as soon as we can. Why hobble the defense people to whom we have assigned the job of making these programs work? We do not want to slow down these defense programs. We want to expedite them.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

The SPEAKER. The Chair would like to ask now for his own convenience whether all the time is going to be used on both sides?

Mr. BROWN of Ohio. Mr. Speaker, I have only one further request for time and a request for an extension.

At this time, Mr. Speaker, I yield to the gentlewoman from New Jersey [Mrs. DWYER] such time as she may consume.

Mrs. DWYER. Mr. Speaker, I desire to associate myself with the persuasive arguments being made here this afternoon by the proponents of the pending legislation, H. R. 8002.

Three fundamental and compelling reasons have led me to support this bill:

First, no one—not even the most dedicated opponent of the bill—disagrees with the purposes of the legislation, which as I understand them are to make more understandable the whole budget and appropriation process, to permit greater Congressional and Executive control over expenditures, and to make possible whatever savings and economies might be realized from a reduction in the sizable carryovers of appropriated funds.

Perhaps too much has been claimed for the bill as a means of great savings. But, whether it saves a nickel or a billion dollars, the bill is eminently worthwhile simply because it will make clearer to taxpayers just why their money is needed and how it is being used.

Second, seldom if ever has a legislative proposal received such careful scrutiny, enthusiastic endorsement, and active support from so many Government officials and private citizens of acknowledged authority and experience.

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How thoroughly must a bill be studied? How overwhelming must be its support? The proposal embodied in H. R. 8002 was recommended as a keystone of their comprehensive plan to modernize Government finances by the distinguished members and the expert task forces of the Hoover Commission. It was endorsed after considerable study by the President of the United States, the Secretary of the Treasury, the Director of the Budget, and the Comptroller General. It was approved unanimously, in even stronger form, by the Senate of the United States—a body of citizens not noted for their rashness. And it was recommended, again unanimously and again after much study, here in the House by the Committee on Government Operations. And it has the active support of millions of thoughtful men and women in every Congressional District in the country.

Mr. Speaker, it has never been my practice, and I am not starting now, to take a position by counting noses. But neither have I opposed legislation just because everyone else was for it.

Third, and finally, I support this bill because its opponents have failed to advance a single substantial objection. It has been said of the bill that it is experimental, that it might not be necessary, that some of its purposes can be achieved under present statutes, that the 2-year initial life of the bill is too brief, that not all Government agencies are presently prepared to put into effect an annual accrued expenditures system, and so on.

Opponents would wait, that is, for a sure thing in an ideal world.

Mr. Speaker, it has been said of this bill that to be for it is to be against sin and for motherhood. I agree. But let me add this observation: To be against this bill is not only to be for sin and against motherhood; it is to fly in the face of the accumulated wisdom and experience of more good and knowledgeable men than we can count.

We have reached a point where an "aye" vote on this bill is long overdue.

Mr. BROWN of Ohio. Mr. Speaker, before I yield to the concluding speaker, I should like to point out to the House that it is a rather peculiar situation in that our committee, the Committee on Government Operations, is being attacked for accepting a compromise bill, and is being charged with giving away our original bill, while at the same time the gentleman from New York [Mr. TABER] who says that the bill is no good, is offering an amendment. So we shall have the choice between two amendments each of which one side or the other says is no good. But I think we do have one good amendment to offer.

Mr. Speaker, I yield the balance of the time on this side to the gentlewoman from Illinois [Mrs. CHURCH].

Mr. Speaker, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, there has been inquiry as to where the Wigglesworth amendment or proposal can be found and read in full. It appears at page 3421 of today's CONGRESSIONAL RECORD.

Mrs. CHURCH. Mr. Speaker, at long last, there has been brought to the floor today one of the most significant bills ever introduced in the Congress. H. R. 8002, in its original form, is identical to the bill which I myself introduced for the same purpose, H. R. 3961. This legislation has already passed the Senate on June 5, 1957.

I rise, therefore, to express my full support for the measure and to urge the House to pass it by an overwhelming vote.

Mr. Speaker, the need for this legislation has long been apparent. It is to the Hoover Commission, however, set in being by the Congress, that we must express our gratitude for their investigation of the need and for the magnificent effort that they have unceasingly made to alert the American people to the necessity for taking this essential step for the establishment of efficiency, economy, and, in fact, commonsense in our system of budgeting and appropriating.

The public appreciation for the work of the Commission and the general public respect for its recommendations has been evidenced, day by day, as mail has continued to pour into Congressional offices demanding implementation of all the major commission recommendations and particularly passage of H. R. 8002.

In essence, this legislation recognizes the fact that the Congress has indeed lost control over the annual spending of Government departments and seeks to reestablish in the hands of the Congress the necessary annual review and reappraisal of Government programs and spending.

It is my understanding that an amendment will be offered on the House floor today by the gentleman from Massachusetts [Mr. WIGGLESWORTH], which the Bureau of the Budget thinks will make the measure more operable and which has the support of the Citizens Committee for the Hoover Report. I personally regret that any amendment of H. R. 8002 is deemed necessary. I hold that its provisions set forth the clearest method for obtaining full control of the Federal pursestrings through the system therein provided for, an annual review of Government spending and annual appropriation. It is significant that the other body passed this bill without amendment.

However, I would point out that the Wigglesworth amendment certainly answers and should remove the fears of the gentleman from New York [Mr. TABER].

The main importance, however, is that H. R. 8002, with or without this amendment, pass the House overwhelmingly as indication of the intention of the Congress to reassume its historic role and responsibility as the guardian of the taxpayers' money.

Effective control over Government expenditures, either by the Congress or by the executive branch, has been lost. Although many improvements have been made in budgeting and accounting methods since 1945, there still remain weaknesses and defects which must be eliminated to insure that each of the programs carried on by the Federal Government is so administered as to result in the greatest degree of effectiveness at the lowest possible cost to the taxpayer.

Inasmuch as the Congress has the responsibility for deciding which programs and activities the Federal Government shall undertake and for appropriating moneys therefor, it is imperative that the Congress also have complete information concerning the administration and cost of the programs at each step. Congress must also, each year, reexamine their effectiveness, as a basis for its decisions for their continuation. It is the duty of Congress, based on its responsibility to the electorate, to promote efficiency and economy in Government operations—in fact, to insist upon it.

The problem of achieving such efficiency and economy is indeed a difficult one, but it can be solved. We did succeed in establishing cost-accounting in government through Public Law 863 of the 84th Congress: we need H. R. 8002 to complement this improvement. H. R. 8002 would strengthen the entire budgetary process within the Federal Government and would provide the needed basis for control over actual costs of operations and programs. At present, appropriated but unspent carryover balances are estimated to have reached the staggering figure of $70 billion, almost equal to the present annual budget. H. R. 8002 would prevent such huge carryover of unrecapturable funds which has made Government accounting and appropriating so difficult a task in the past years. It would halt the unnecessary and unwise spending which currently is increasing our national debt.

Today, appropriations which Congress enacts each year are intended to control not annual expenditures but the level of obligations which the agencies may incur, sometimes over several years. Therefore, although Congress and the executive branch may control the total level of payments over a period of years for a certain program, the payments are not effectively controlled annually. Large balances of unexpended appropriations are thus available to the agencies for disbursement purposes without further action of Congress. Such a process involves limitless opportunity for waste and inefficiency through the continuation of programs outmoded, outgrown, or even proven never to have been wise or necessary or well executed.

It is clear that direct and effective control over the expenditures of the Federal Government requires the revision of the present basis of granting and controlling appropriations. The integration between budgeting and accounting information which is utilized by most successful businesses as a basis for management decisions must be made available to Congress.

Under H. R. 8002, the continuation of programs will have to be justified annually before additional funds will be granted. The Nation, and the Congress itself, will know where we are going and what we are spending each year. We will be able to strike a balance sheet of our assets and liabilities and know whether or not we are solvent.

Congressional control of spending under an effective budgetary process, such

as H. R. 8002 seeks to provide, will not only result in making Government activities more effective, but will certainly make a substantial tax reduction a reality. The people of the Nation demand economy and efficiency in Government operations, the elimination of unnecessary programs, and relief from the heavy burden of taxation. It is incumbent upon the Congress to take the necessary steps, through passage of H. R. 8002, to fulfill its responsibility to those who bear the huge and burdensome cost of Government.

Mr. O'NEILL. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I favor the passage of H. R. 8002 to place Federal budgeting and appropriations on an accrued expenditures basis. I introduced a bill, H. R. 4117, which would produce this effect but I support the Rogers bill which represents the composite thinking of the Committee on Government Operations of which I am a member.

The basic principle involved here is finding a way to bring annual expenditures more into line with annual appropriations. There is no more important function that we as Members of Congress perform than enacting the fiscal legislation to keep the wheels of our vast Government moving. We should at all times be perfectly clear in our own minds what the effect of our actions will be. Considering the billions of dollars involved and the complexity of governmental organization, such clarity is not easily obtained. This instrument or method that we have under consideration today will help provide that clarity. It has proved very useful in the business world and should make a contribution to more efficient governmental administration.

I am informed that an amendment is to be offered to meet the objections of some Members to the necessary grant of contract authority. I have studied the amendment by Mr. WIGGLESWORTH and believe it will meet the objections and preserve the basic principle of the bill. The limitation on annual accrued expenditures which the amendment will provide would have substantially the same effect as we sought in H. R. 8002. The Congress would obtain complete information on the amount of funds to be expended in the fiscal year for which the appropriation is made. Any excess over the limitation would lapse and be returned to the Treasury. Each year the total inventory and resources of a department or agency must be considered in making the appropriation and the Congress can review and control the appropriation as it has not been able to do heretofore.

I believe we are taking an important step toward greater efficiency and economy in government and I hope the bill, as amended, will pass.

Mr. O'NEILL. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. DELLAY].

Mr. DELLAY. Mr. Speaker, in this era of heavy Federal spending, with taxes absorbing 30 percent of the Nation's total income, it is more important than ever that we insist on sound, effective management of Government funds.

After all the individual citizen is the Federal Government's primary source of income. When Congress considers a budget of nearly $74 billion, as we are today, this is the people's money. They have a stake in how it is spent, who spends it, and what it is spent for.

Sometimes we lose sight of this fact. Too often we tend to forget the taxpayer once he has paid his tax—the truth is that our responsibility has just begun. This responsibility for seeing that our tax funds are well and wisely spent goes on the whole year through and is especially important in these days of world crisis when our defense capability has been put to a stern challenge by Communist achievements.

Our task is to provide every cent that a stepped-up defense program requires. At the same time we must guard against the dangers of further inflation. To do this, we must guarantee a dollar's worth of results for every dollar spent—in defense and all other Federal programs.

Yet, as I am sure you are aware, there is evidence of waste, duplication, and extravagance in many Federal activities. The bipartisan Hoover Commission, which was created by unanimous action of Congress, produced ample proof of the need for strengthening and streamlining our governmental processes. And the Commission pointed out that Congress lacks the tools it needs to choke off this drain of Federal funds. The Commission said specifically that Federal budgeting procedures are antiquated, cumbersome, and, frankly, leaky.

The economy drive of 1957 is a good example. You remember how we in Congress pared billions from the 1958 fiscal budget. We all thought that these efforts would reduce Federal spending. Now we know that we failed even to slow down the rate of spending. In fact, at last report Government agencies were spending at a rate of nearly $73 billion a year, and that is even more than the administration asked for in the first place.

This incredible situation has opened a lot of eyes in Washington. The explanation is simple: Government agencies were able to continue spending at a high clip because they were holding billions in carryover funds, which is unspent money from previous budgets.

How can that happen? Well, under the present system, when a Government agency presents plans for a long-range project that takes years to complete, we appropriate in advance all the money needed to pay the entire cost. This is called lump-sum appropriation. Once they have the money, the agencies have no further obligation to report back to us on the way in which it is being spent.

Yet in these changing times Federal programs are often modified, or even canceled, leaving the unspent funds at the disposal of the agencies. The Hoover Commission estimated the total of these carryover funds at $70 billion, a sum nearly equal to a full year's Federal budget, and we have no present means of controlling the use of these funds.

There is now before us a bill, based on the Hoover Commission's recommendations, which would place Federal budgeting on a more businesslike basis. It provides for what the Hoover Commission calls annual accrued expenditure budgeting. This bill insures that spending programs would be reviewed once a year and that the Government would pay once a year only for the goods and services actually received in that year. It means that Congress would automatically receive a full progress report on what has been spent, what we have received for our money, and what it will cost to continue the program.

That makes a lot of good sense to me and to many other Members of Congress who also spend hours digging through old records trying to track down information that should be submitted to us at regular yearly intervals.

Every housewife knows that she cannot set up an effective budget if she does not know what the family income is being spent for or how much is tucked away in hiding places around the house. The same thing applies to every office and place of business. If you cannot keep track of your money, your budget is a waste of effort.

That is the predicament of the Federal Government. Our budgeting methods have failed to keep pace with the times. Budgeting was a fairly simple task when the Government was spending $10 billion or $20 billion yearly. It is anything but simple in these days of tremendous expenditures. Moreover, legislative control of the governmental purse strings is one of the fundamental principles of any free, self-governing nation.

This situation can be corrected right now. Legislation embodying the provisions of this bill passed unanimously by the Senate. The bill has been approved by the House Committee on Government Operations and the House Rules Committee. It awaits only a vote of the House itself. Our responsibility to the taxpayers is obvious. We must pass H. R. 8002.

Mr. O'NEILL. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, H. R. 8002 is reported by the Committee on Government Operations as part of its continuing efforts to make the Federal budget process operate more effectively and to assure Congressional control of appropriated funds.

This bill provides for the making of budget estimates and appropriations on an accrued expenditure basis. It carries out one of the principal recommendations of the Hoover Commission on Organization of the Executive Branch of the Government as contained in its report on budget and accounting.

The bill expresses the policy of the Congress that estimates of proposed appropriations be determined on an "annual accrued expenditure" basis, as regards payments authorized by law to be made in a fiscal year. The bill prohibits the total of any appropriation combined with such contract authority and accrued expenditures under any other appropria-

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tion from exceeding the total amount previously authorized for such purpose.

The real purpose of this bill is to provide a more informative basis for the enactment of appropriations by the Congress, to reduce or eliminate the large carry-over balances of appropriations from 1 fiscal year to another, and to bring about economy in Government expenditures. I believe this bill will improve management, will give more facts, and provide more strict control to Congress and actually bring about more businesslike procedures in the running of our Government.

Congressional control of cost and expenditures can only be achieved by the maximum utilization of many tools. The stating of appropriations on an accrued expenditure basis can be made a very important tool for the Congress if effectively installed.

I believe that the flexibility given to the President is desirable. The proposal for an annual accrued expenditure budget would assure annual review of past and proposed performance under long-lead-time contracts. That this is important is indicated by the statement of the Director of the Budget in October 1953 that as of July 1, 1953:

> Eighty-one billion dollars of unfinanced appropriations existed as a claim against current and future income or borrowing. The contracts and commitments made as a result of these appropriations became in effect c. o. d. obligations against the Government.

For all of these reasons I have come to the conclusion that this proposed legislation, if effectively implemented, would provide both the President and the Congress much greater control over Federal expenditures and strongly recommend its favorable consideration and passage by the House.

Mr. O'NEILL. Mr. Speaker, I yield the remainder of the time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, we are presented today with a proposition that is about as complicated as the House has ever been called upon to consider. I know everyone is seeking to do the thing they think will be in the best interests of the country and the best interests of economy in expenditures. I do not know how other Members are, but I do not think I have ever been as much confused about anything presented to this House as I am about this. Unless somebody can give us an explanation of what we are going to consider today, I am certainly not going to be in a position to vote intelligently either way. From the smiles I see on the faces of Members around here, I think I am not alone in that situation. I believe everybody in this House has the greatest respect for the Hoover report and the great amount of work that was done on it. We want to implement the Hoover report wherever it is practical to do it.

We have equal respect for the hard working and very experienced Committee on Appropriations, who, after all, are going to have to deal with the technicalities of this situation when you pass this bill. I think everyone wants to give due consideration to the views of those people. This is a very technical situation dealing with the whole financial situation of this great Government of the United States. I have taken the floor, Mr. Speaker, just because I wanted to have the attention of the gentleman from Ohio. I know we all want the proper solution of this difficult problem. But, here we come with a bill that has been reported from the committee and at the last minute this morning, we are confronted with a complete substitute for that bill. Now that bill was complicated enough after we had read the reports and the bill and tried to understand what it was about. But, I do not know how we are going to be expected to understand a bill that we never heard of until this morning on the same complicated subject. Then, as I understand, we are going to be presented with an amendment by the gentleman from New York [Mr. TABER], which will further modify or change the theory of this whole complicated situation. Now I am just wondering about this situation, and I think we ought to know it now before we spend the day uselessly discussing a proposition so that we are going to wind up with nobody knowing anything—I am wondering if the gentleman from Ohio, who I know has given much time and attention to this subject is able to tell us succinctly and in a few words and in a little time—what is the difference between the three separate and distinct bills that are being presented to us this morning. Although the gentleman from Ohio by reason of lack of time was unable to yield to me to answer this question some time ago, I have taken this time in order that I might propound a question to him and to yield to him in my time, if he can give us the answer to the question: What is the difference between the three bills we are going to be called upon to vote on today?

Mr. BROWN of Ohio. First of all, I will say that in my opinion the Taber amendment would provide two things. First, it would authorize the Committee on Appropriations of the House to do that which it is already authorized to do, with one exception. It would be authorized to bring in rescinding measures, that is, to rescind appropriations previously made, which result in these huge carryovers, without applying for a rule from the Committee on Rules or running into the danger of a point of order being made against such a rescission. The amendment by the gentleman from Massachusetts [Mr. WIGGLESWORTH] would provide as follows.

Mr. SMITH of Virgina. If the gentleman will wait just a moment, let us attend to the amendment to be offered by the gentleman from New York [Mr. TABER] first. Is his amendment to be an amendment to this bill?

Mr. BROWN of Ohio. As I understand it, it is a substitute for the original bill.

Mr. SMITH of Virginia. Is it a complete substitute for the committee bill?

Mr. BROWN of Ohio. It would be an amendment for the original bill—yes—or a substitute.

Mr. SMITH of Virginia. Is the rest of the bill to remain intact?

Mr. BROWN of Ohio. No, no, the amendment would strike out the original bill, H. R. 8002.

Mr. SMITH of Virginia. In other words, it is a substitute.

Mr. BROWN of Ohio. A substitute amendment.

Mr. SMITH of Virginia. It is a substitute bill?

Mr. BROWN of Ohio. Yes, virtually so.

Mr. SMITH of Virginia. It is a complete substitute?

Mr. BROWN of Ohio. It is an amendment striking out all after the enacting clause and inserting the language of the amendment.

Mr. SMITH of Virginia. That is all.

Mr. BROWN of Ohio. With reference to the Wigglesworth amendment, it would strike out all after the enacting clause and include a rewriting of the bill, H. R. 8002, so as to meet some of the criticisms that have been made since the bill was reported, but it would carry out practically all the purposes of the original bill and practically all the features of it.

Now here is an analysis of it. The Wigglesworth bill, or the draft bill, differs from H. R. 8002 chiefly in that it does not involve the use of contract authority. H. R. 8002 did. It accomplishes the main purpose of H. R. 8002 by requiring Congressional control of accrued annual expenditures resulting from obligations incurred in both current and prior years. The establishment of such a limitation by the Congress would automatically entail the annual review of continuing appropriations which the Hoover Commission strongly recommended.

Instead of making appropriations in terms of accrued expenditures, as contemplated by H. R. 8002, the amendment uses the existing method of making appropriations but provides for establishing a legal limit on annual accrued expenditures under such appropriations. Consequently, the amendment would not eliminate carryover balances of appropriations; it would, however, entail an annual review of those balances, and would subject them to continuing Congressional control. Although there would be no carryover balances of appropriations under the original version of H. R. 8002, there would be carryover balances of contract authority. That is an analysis that has been prepared by the Bureau of the Budget itself as to the effect of the bill.

Mr. SMITH of Virginia. Has the Wigglesworth bill ever been considered by your committee?

Mr. BROWN of Ohio. Oh, yes. Our committee unanimously agreed to accept it as a substitute.

Mr. SMITH of Virginia. Since the bill was reported?

Mr. BROWN of Ohio. Oh, yes.

Mr. SMITH of Virginia. When did that happen?

Mr. BROWN of Ohio. Today. This morning. After we had an agreement with everybody concerned, except certain members of the Appropriations Committee, that this would carry out the purpose and intent of H. R. 8002.

Mr. SMITH of Virginia. Do I understand the gentleman to say that his committee met this morning?

Mr. BROWN of Ohio. Oh, it has been under constant discussion for several weeks.

Mr. SMITH of Virginia. I asked the gentleman a question. Do I understand that your committee met this morning and approved the Wigglesworth amendment?

Mr. BROWN of Ohio. Agreed to accept it as a substitute.

Mr. SMITH of Virginia. Agreed to accept it as a substitute. So that we are not considering the original bill?

Mr. BROWN of Ohio. We are considering the original bill until the substitute is accepted.

Mr. SMITH of Virginia. But what your committee is doing is asking us to pass the Wigglesworth bill?

Mr. BROWN of Ohio. Yes. That will be explained by the manager of the bill on the part of the committee.

Mr. SMITH of Virginia. I thank the gentleman.

I yield back the remainder of my time, Mr. Speaker.

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, I have always been a firm supporter and advocate of the recommendations of the Hoover Commission.

I believe the legislation now before us is an integral part of the distinguished Commission's recommendations for effecting economy and efficiency in our Government operations.

Regardless of what criticism may be offered, the bill as amended, will at least offer an opportunity to explore an area where some savings can be made.

Actually, the legislation does not limit the power of Congress in the matter of appropriations. It will give both the Congress and the executive branch improved control by requiring that the budget include a limitation on annual accrued expenditures.

I do not believe that any of us in this Chamber have been spared demands of taxpayers for a more businesslike system of apportioning and spending their tax dollars.

The legislation which is to be considered—with the Wigglesworth amendment—will do much toward providing the taxpayer with the assurance that he is getting an honest dollar's worth for his tax dollar.

I shall support H. R. 8002 as amended in the interest of improved fiscal procedures in Government and in the interest of efficiency and economy.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8002, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 90 minutes, and the gentleman from Michigan [Mr. HOFFMAN] will be recognized for 90 minutes.

The Chair recognizes the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I would like to read an announcement that just came over the ticker from Cape Canaveral, Fla.:

> The Army launched a second Explorer-type satellite with a Jupiter-C rocket today.
>
> The 70-foot launching rockets were identical.
>
> The new satellite vehicle, like the one that preceded it, was a metal tube more than 6 feet long and 6 inches in diameter.
>
> It streaked skyward as a twin to the Explorer "Moon" and as a traveling companion to the Soviet Sputnik II, both now orbiting the earth at about 18,000 miles per hour.
>
> As with the first Explorer, the Army planned to let the world know within 2 hours whether its newest space vehicle had attained the minimum of 200 miles of altitude and the speed it must have to stay aloft for long.

Mr. FASCELL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I assure you that I am not unmindful of the position which I am now taking. I am very happy to have the privilege on behalf of the Committee on Government Operations which has been studying the matter, which will be considered by us, for a number of years. I trust that I shall make the explanation satisfactory to your judgment and that you will support the measure which is before the Committee.

We have before us for consideration the bill H. R. 8002, to improve methods for stating budget estimates and estimates for deficiency and supplemental appropriations.

The bill is brief, but its purposes are very worthwhile in achieving important and vitally necessary reforms in our budgeting procedure.

There are two primary purposes, as I read the bill: One, to submit proposed appropriations and have the budget so reflect on an annual accrued expenditure basis; and, two, make it possible for the Congress to fix the limit of expenditures on an annual accrued expenditure basis.

At the present time estimates for appropriations are presented and appropriations of funds are made to cover the goods and services to be ordered in the budget year regardless of whether such goods and services are to be received or paid for in the budget year or in subsequent years. Congress appropriates the entire sum in 1 year for a program which may require several years to complete. At the time goods or services are ordered an amount is obligated or reserved in the proper appropriation account to pay the vendor when such goods or services are received. In long-lead-time procurement programs several years may elapse between the time of order and the time the goods are delivered.

The bill would change this practice so that estimates for appropriations and appropriations would be set forth in such a way as to segregate:

(a) The appropriation of funds needed in the budget year to cover the goods and services to be received in that year; and

(b) Where needed, the authority to enter into contracts and orders for goods and services to be delivered in future years.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished gentleman from Virginia.

Mr. SMITH of Virginia. I wanted to ask the gentleman if he is addressing his remarks to the bill H. R. 8002 or to the proposed substitute to be offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. FASCELL. I will make that quite clear, sir, as I go along. I am speaking first to the bill H. R. 8002.

Mr. SMITH of Virginia. The gentleman is talking to the bill.

Mr. FASCELL. I am.

Mr. SMITH of Virginia. But I understood you had abandoned the bill.

Mr. FASCELL. I have not abandoned anything, sir. We will discuss that when we get through with the bill.

Mr. SMITH of Virginia. The gentleman from Ohio [Mr. BROWN]——

Mr. FASCELL. Mr. Chairman, I do not yield further.

At the moment I am discussing the bill H. R. 8002. Afterward I will discuss the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Let us set the record straight. The gentleman from Ohio never said that we had abandoned anything. I said that our committee had agreed to accept the Wigglesworth amendment as a substitute. We believe it is, perhaps, a better bill in many ways than the other and meets the objections that some of the people on the other side have made to the bill.

Mr. FASCELL. Mr. Chairman, I shall continue to discuss the bill, in order to point out the differences between all of the proposals which will be before this body. So I continue to confine my remarks to the bill H. R. 8002 as reported out of the committee.

The bill would change the present practice so that estimates for appropriations and appropriations would be set forth in a way so as to segregate the appropriation of funds needed in the budget year to cover the goods and services to be received in that year and, where needed, the authority to enter into con-

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tracts and orders for goods to be delivered in future years. The distinction there is very clear between the present system of lump sum appropriations without regard to the year within which the goods or services are to be received, and, the proposal under H. R. 8002 which would provide the funds necessary for a budget year for goods and services to be received in that year and the authority to enter into contracts for those to be received in future years.

Specifically, the bill would make changes in the Budget and Accounting Act of 1921, which is the legislative act and which appropriately comes before the Government Operations Committee. Budget reforms have been under consideration and review for many years, dating back to the time when we first adopted a budget and I trust will be under consideration and review for many, many more years to come as we progress, and changes make it necessary to consider revisions in the budget and accounting procedures of the United States Government.

So, let us examine the bill then very briefly, but yet specifically with respect to the provisions in the bill.

Mr. Chairman, the Budget and Accounting Act of 1921 would be amended so as to state a declaration of policy on the part of the United States Congress that estimates for proposed appropriations will be determined on an annual accrued expenditure basis. At the present time we operate on a checks issued basis. On the accrued basis we would report for those goods and services on which we are actually obligated within the fiscal year without regard to whether or not a check was issued.

We then legislate affirmatively in the bill that such is to be the case, that is, that to the maximum extent deemed desired and practicable by the President, the appropriations would be determined on an annual accrued expenditure basis.

Then the bill defines annual accrued expenditures to include goods and services received in the fiscal year, and, mind you, because this question has been raised many times, advance payments, progress payments and such other payments as are authorized by law to be made in that fiscal year. The Appropriations Committee is given all kinds of flexibility if it desires to use it.

The bill provides certain exceptions to this theory because these are appropriations which would be fixed by law and would require a change in the substantive act to change it, such as pensions. It also excepts obligations fixed by treaty. Then the bill also provides for discretion in the President to implement this type of budget in such manner and at such time as he would determine. This allows further flexibility because it is understood there would be more difficulty for some departments to go on this basis than others.

So, we leave discretion in the President to do that.

Then the bill provides for the lapsing of excesses that remained at the end of the year, after applying the credits of actual expenditures in that year. It also provides that any balances of the appropriation would merge in the same account for the next year, so that you would not have two accounts. The bill specifically provides that it would be on a single account.

Then the bill, in the second section, provides for contract authority in the appropriation bill for projects and programs. Obviously some programs would go on beyond the budget year. There again I want to point out the principal distinction is that under the present system we appropriate a lump sum for the whole project no matter how long it is going to take. Under the proposal in the bill, we would appropriate the money for the fiscal year; we would authorize the contract authority for the additional years, which would require them, of course, to come back and get appropriations for each ensuing year. This is where the objection comes in by some people, because they do not like that process.

Then the bill goes on and makes it in order for legislation in appropriation bills to provide for contract authority so that it would not be subject to a point of order.

And finally the bill has a limitation date which is set at July 1, 1961, for the very practical reason that it would be limited to this administration. The program was requested by this administration. The limitation runs it over 6 months into the next administration, no matter who it is, and would give that President an opportunity to determine whether or not he wanted to continue on it or whether he wanted to make any further recommendation to the Congress of the United States.

Now, I have heard all kinds of specters drawn across this bill. I do not doubt anybody's sincerity and I do not think in my own mind that anybody doubts my sincerity, so I am willing to put all the facts on the table and let good judgment decide what shall be done. And, I am willing that others do the same and remove any so-called exaggerated claims from the legislation and stick to the basic facts as presented.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Tennessee.

Mr. BAKER. What effect would the legislation have on existing appropriations like projects that extend for another year or two? Would it cut that money off?

Mr. FASCELL. They would be cut off and they would have to be renewed by the Committee on Appropriations, if they do not come within the limitation.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to ask the gentleman, because of the time he has spent on this issue, whether or not in his opinion it is going to in any manner disturb what the Founding Fathers had in mind as to the proper exercise of authority by the House of Representatives—that is, the control of the purse strings—because in your statement you definitely made the assertion that you were giving, as compared to the present situation, exaggerated authority to the President. Is my interpretation of the gentleman's statement a proper one or an improper one?

Mr. FASCELL. It is an improper one, sir, because in my opinion, under the bill, we give to the Congress greater control over the legislative expenditures, and I will go into that if the gentleman will allow me. It does not give exaggerated authority to the executive branch. As a matter of fact, that is the problem we are trying to correct. As it is now, the Bureau of the Budget and the President determine the rate of expenditures without relationship to any budget action by the Congress of the United States. This is one of the main reasons for the legislation.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York.

Mr. ANFUSO. I wish to congratulate the gentleman for making such a fine statement and for the fair attitude which he has assumed. There has been some talk here about saving billions of dollars. Would the gentleman please enlighten me on that?

Mr. FASCELL. Well, I personally have no knowledge of this. I have to rely on the authority of other people with respect to this. Frankly, I am willing to approach it from two standpoints: I believe in the accrual system of accounting primarily, because you have then a cost-performance budget; and, secondly, I believe in the control it will give the Congress of the United States; and, thirdly, I believe it will present a proper picture to the American people who now are misled by the fact that we appropriate X number of dollars for a given year in a budget and it has no relationship whatever to the amount of expenditures by the Federal Government. I think these things will be accomplished. They are worthy unto themselves. However, to answer the gentleman specifically, I would like to quote the testimony of somebody else, and I yield to the gentleman from Florida [Mr. ROGERS] for the purpose of answering the gentleman's question.

Mr. ROGERS of Florida. I thank the gentleman. Actually, the question was, Do you feel that this type of system will save any money?

Rather than give an opinion we felt it would be best to take the word of the Comptroller of the Defense Department, Mr. McNeil. In his testimony before the Government Operations Committee of the House he stated the following at page 284. I was questioning him. I said:

> I thought you had given examples of better management, for instance, in the Army, under this accrual system, where you said you saved about $2.5 billion.

Mr. McNeil answered:

> That is getting back to human nature working for us, because no one can take anything off of the shelf, today, unless it is charged to today's operations and today's budget.

I stated to Mr. McNeil, the Comptroller of the Defense Department—

> which is really your accrual system working in your Department; is it not?

And Mr. McNeil answered:

Yes, sir.

He said that the accrual system is really being worked in the Department of Defense. I stated:

Which brought about better management.

And Mr. McNeil said:

As a matter of fact, it forces the accrual principle into effect.

I stated:

That saved, you estimated, about $2.5 billion in the Army alone?

Mr. McNeil said:

It is up to $3 billion now.

And I stated:

I think that is very encouraging, and I am delighted to hear that.

Mr. FASCELL. I thank the gentleman from Florida [Mr. ROGERS] and I thank the gentleman from New York [Mr. ANFUSO] for raising the question, because that question has been dragged across here a great many times, about exaggerated claims, and I would not want to have any exaggerated claims. But there is the testimony of the Comptroller of the Department of Defense, and what he says the savings are in only one department, the Department of the Army. He says that now, under the accrual system, it is $3 billion. I do not want to argue with the gentleman; I leave that to somebody else. I shall accept it on that basis.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield at that point?

Mr. FASCELL. I yield to the gentleman.

Mr. SCRIVNER. If I understand it correctly, we are talking about two different things. Mr. McNeil was talking about a system of accrual accounting. He was talking about those portions of military operations which have been placed in industrial funding. That has nothing whatsoever to do with the budget as we are now talking about it. It is a system of accounting. We industrialize many of the funds, and we are industrializing more. That is what he was referring to, I am quite sure, when he talked about the savings that he had made in the Department.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield so I may answer the gentleman from Kansas?

Mr. FASCELL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. If the gentleman will check the hearings of the Appropriations Subcommittee on Defense of last year, he will find that the Defense Department submitted a report on what it was doing and said that that system was being used.

Mr. SCRIVNER. They are still funding and putting in capitalized structures.

Mr. ROGERS of Florida. And they stated that it is being done on the accrual system.

Mr. SCRIVNER. They are talking about something entirely different from budget preparation. They are talking accounting analogous to a business operation. They are talking about many things; the repair plants, and so forth, that are purely business operations.

Mr. ROGERS of Florida. And if the gentleman will check the hearings, the report shows that the Army has already moved into the accrual system and has such an accrual system.

Mr. SCRIVNER. I have been working on the Committee on Appropriations for only 12 years, so there are many things I do not know. But I do recall these particular industrial funding operations.

Mr. ROGERS of Florida. Mr. Chairman, I can only quote the language used, that it is an accrual system, where the Comptroller says that they were taking off the shelf exactly what they were using today. That is the accrual system. With reference to the industrialization of operations, that is exactly what we are talking about, the accrual system that we want to put into effect.

Mr. FASCELL. I thank the gentleman for that explanation.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. FORD. Mr. Chairman, I want to reemphasize and reiterate what the gentleman from Kansas [Mr. SCRIVNER] said Mr. McNeil was talking about. Those are operations where we have instituted industrial funding at a base or a powder plant, or some other facility that could be run on an individual basis as a business-type organization. This proposal is aimed at making a complete change as far as the Department of Defense is concerned in a multitude of totally different programs. There is quite a difference.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield for a brief answer to that comment?

Mr. FASCELL. I yield to the gentleman.

Mr. ROGERS of Florida. Mr. Chairman, I would like to say that the Army, in its report to the Committee on Appropriations at page 177 of its hearings last year stated that in the Army the new system provides that accounting records be maintained on an accrual basis reflecting the application of goods and services to operations as consumed and used. The gentleman is exactly right, that they are moving into this process slowly, and the examples he has given are the ones that the Comptroller has used showing that accrual accounting has resulted in savings estimated at $3 billion.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Texas.

Mr. MAHON. It is true that accrued accounting will work and has its place in the operation of the departments, and no one has any objection to their using these procedures. What they are doing on many of the supplies which are put into what is called the stock fund, is this—the services have to buy these items, they have to pay appropriated dollars, and it is a good business operation. The stock fund program has been in operation for a long time and it is doing a good job and saving money. It is the type of thing that can be done in some areas and is being done in the Defense Department. This is not accrued accounting; it is a financing technique. But the proposal before us is an entirely different sort of proposal which would relate to buying ballistic missiles, for example, on a limitation of expenditures basis as though we were not going to need all the missiles tomorrow, or just as soon as we could get them.

Mr. FASCELL. I thank the gentleman for the observation, and a fair observation, that the accrual system works, because I agree with the gentleman. I think it does work. I think we ought to continue to adopt it. I would remind the committee that in the legislation there is a provision that the amount of the proposed appropriation shall to the maximum extent deemed desirable and practical by the President be on an annual accrued-expenditure basis. If that is not a safety valve I never heard of one. He can submit it if he deems it to be desirable and practicable. I do not know how you can better write it to get the kind of safety about which you are talking.

Further I would make this additional point. Talk about buying 102 ballistic missiles in 1 year, if you can do that, go ahead and do it. What you have to do is appropriate the money to buy them and make all of the money available in the fiscal year you want it available.

Mr. MAHON. The point is that there are changes. You may think today that you can get only so many ballistic missiles in the next 12 months, but if certain changes go through and they occur in the current fiscal year, you can expedite your program; but if you have that limitation in the law, then you are stuck with it. It makes no sense.

Mr. FASCELL. I agree with the gentleman on the last part of the statement. I do not agree you would be stuck with it. I agree there is flexibility in this provision if you desire to use it to allow you to take advantage of a breakthrough, because not all programs are going to arrive at the same point at the same time. You can transfer them now.

Mr. MAHON. Is it not true that under the proposed Wigglesworth substitute—and the gentleman from Massachusetts [Mr. WIGGLESWORTH] is one of the very few members of the subcommittee who did not sign the letter in opposition to H. R. 8002—there is no mandatory requirement that would fix any limitations on expenditures, in an appropriation bill?

Mr. FASCELL. There is a requirement that the President submit his budget in such a manner, and an expression of the Congress that funds be so appropriated.

Mr. MAHON. I wish the gentleman would read that explanation and explain why it is not true.

Mr. FASCELL. I would ask the gentleman to read the long explanation to me why it is not, but not at this time. I refuse to yield further on the amendment. I should like to discuss that amendment when we get to it.

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Mr. MAHON. Is it not true the budget would have to be submitted with a recommended limitation, but there is no requirement in the Wigglesworth substitute that the appropriation bill would have to carry a provision fixing a limitation? I believe the gentleman will agree that there is no limitation required in the appropriation bill.

Mr. FASCELL. The amendment expresses as I understand it the intent of Congress regarding the fixing of annual limitations on appropriations.

Mr. MAHON. Does it not require the Executive to recommend a limitation? The Wigglesworth substitute does not, insofar as I can read the language, require Congress to fix a limitation. That would be discretionary with the Congress.

Mr. FASCELL. I would read the amendment that it is the intent of the amendment that the Appropriations Committee and Congress fix an expenditure limitation for each fiscal year.

Mr. MAHON. I think it would be well for that to be well explained because this bill was just written today and we have only seen a printed copy of it.

Mr. FASCELL. It is in the RECORD.

Mr. MAHON. Yes; it is in the RECORD.

Mr. FASCELL. Mr. Chairman, I should like to proceed further with my statement.

Mr. Chairman, not many years ago the National Government was spending at the rate of $3 billion or $4 billion a year. Now our budget is in excess of $70 billion a year. Our rate of expenditure, if we continue to spend in the same proportions, will go even higher. These tremendous increases in our budget and in our national spending have achieved much importance to our way of life, business, and economy. It has become very obvious that Government spending has achieved a very important place in our minds and has made a tremendous impact on the American people. All I need to do is to refer you to last year when the Congress attempted to respond to the desires of the American people for some type of reasonable retrenchment which would give the people some relief. Congress made an attempt to reduce the budget by several billion dollars. Now that sounded good. But, all of us in Congress know it had no effect on the rate of expenditures in that particular year. Yet, the American public thought that that was what Congress was doing. Personally, I think one of the major benefits of an expenditure-based budget is the fact that your expenditures will be your budget and there will be little or no differential between the budget on which we act and the rate of expenditures under which the President controls the purse strings. So I think this is a very important thing to be considered in this legislation. Obviously, also when you budget for 1 year and your rate of expenditures goes beyond what you have in that budget, you are spending unexpended balances. People find it very difficult to understand how you can appropriate $70 billion this year and you have a $70 billion carryover which makes $140 billion available to the Executive, which under the theory could all be expended in 1 year by the Executive, if he so desired. If there is some way to review these balances by Congress on a performance basis, then I think we ought to do it. Certainly, the information is available now to the proper committee. The committee says they review these balances. I understand that. I, for one, would like to see it in the budget, thus available to me as an ordinary Member of the Congress. That is one of the things that this legislation will accomplish, and show a relationship between our cash position and that which we expend.

Let us take a look at these balances. In 1956, it was $72 billion. In 1957, the balance was $69 billion. In 1958, the balance was $70 billion. That in itself is an indication that we have become so big in the matter of appropriations that we need to do something more effective with respect not only to the beginning basis of the appropriation cycle which is approval by the Committee on Appropriations, but I say we ought to have a restudy and reevaluation of the performance by the executive branch on an annual basis. That is one of the major purposes of this bill.

Now let us get to the proposed amendments very quickly. As I understand the difference between the Wigglesworth amendment and the proposed legislation, it does away specifically with contract authority and allows us to go ahead and appropriate for the full obligated amount. That is full funding. But, it could be provided with this full funding, an annual limitation on the expenditures so that it would, while making all of the money available, require the departments to submit a review on the expenditures thereunder for each fiscal year. This simply means that the information which is now being correlated and which many departments are bound by act of Congress, an approved system, will be mandatorily submitted to the Appropriations Committee in their justifications. Certainly they can do it now if the departments want to, but this puts it into the law.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FASCELL] has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I think it is unusual that many of the speeches that some of us had prepared as late as yesterday, whether we were for or against the legislation, must of necessity be changed as of this afternoon, because what we had prepared ourselves to meet and which had been submitted to the committee, to the other body, and to the Rules Committee, is not what we have before us today, except only in part. I personally think we should abandon the contents of the original legislation and discuss the facts as they are before us this afternoon.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. BROWN of Ohio. I think it is only fair to say that both sides find themselves in the same position. The gentleman from New York opposed the bill generally and completely and absolutely—the original H. R. 8002. We find we had to change some of our speeches in order to meet the substitute bill that he had prepared.

Mr. FORD. I would agree that there has been some shifting of position.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. GARY. It is a fact that the Taber amendment was sent to all Members several days ago, so that they did not have to shift within the hour.

Mr. FORD. That is correct.

Now, if I could take a few minutes to discuss the new proposal by my good friend and subcommittee colleague, the gentleman from Massachusetts [Mr. WIGGLESWORTH]. In the first place anything that was originally contained in H. R. 8002 could have been put into effect by the President without any action by the Congress. I believe all or most of what is included in the so-called Wigglesworth amendment could likewise be done by the President, if he felt it was necessary, on his own initiative.

Now let us discuss only the Wigglesworth amendment. As has been indicated, it is set forth on page 3421 of the RECORD of March 4. I have in my hand a copy of a letter from the Deputy Secretary of Defense, Donald A. Quarles, addressed to the gentleman from California [Mr. LIPSCOMB], who, I understand, was one of the authors of the original bill. This is dated March 5, 1958, which is today. Maybe later all of the letter will be read, but in this letter Mr. Quarles is seeking——

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. LIPSCOMB. Would the gentleman mind saying how a copy of this letter, which is addressed to me, came into his possession?

Mr. FORD. Yes. It was given to me by the gentleman from New York [Mr. TABER]. I presume Deputy Secretary of Defense Quarles felt it was wise to provide such a copy to the ranking minority member of the Committee on Appropriations.

Mr. LIPSCOMB. I thank the gentleman.

Mr. FORD. Now, let me read certain paragraphs of this letter. This is a letter justifying the position of the Department of Defense in support of the Wigglesworth amendment. Here is one paragraph:

> The language of section 3 of the proposed amendment which would provide for appropriations to be made and obligations to be incurred in the same manner as at present is of vital importance to the Department of Defense for the proper execution of programs for the procurement and production of all major items of equipment as well as for research and construction.

That is one paragraph. This next paragraph, in my opinion, should be most carefully listened to because it points out something which I understand the proponents of the original bill felt was vital. We have heard for months and months and months, since this issue

came before the Congress that the fundamental problem was that the Congress had lost control of Department of Defense obligations and expenditures. We have heard that morning, noon, and night for the last 6 months or a year. Of course many of us on the subcommittee which worked on this military budget have not believed that; nevertheless it was the argument of the proponents. Now, here is a letter from the Deputy Secretary of Defense endorsing this so-called Wigglesworth amendment. Listen carefully to the reasons why he is endorsing it. I quote:

> However, because of the need for some flexibility to take advantage of scientific and technological progress and to permit adjustments as necessary in various programs funded from different appropriations, authority for transfer of expenditure limitations between appropriations within the Department is necessary for the efficient and economical operation of the overall military program.

In other words, they are endorsing it providing they have more flexibility, not less. I will continue quoting from the letter:

> Therefore it would be hoped that the proposed amendment could be interpreted to permit the inclusion in an appropriation bill of authority to transfer during a given year with the approval of the President the unexpended portion of any expenditure limitation from one appropriation to another within an executive department, provided the total expenditure limitation for all appropriations to the executive department is not exceeded.

In other words, they do not want the executive branch to have less control; they want the executive branch to have more control. That is why they are endorsing this amendment.

Let me continue:

> In our opinion this would be consistent with the request contained in the President's budget message for the Department of Defense with the approval of the President to be granted authority to make transfers of obligational authority between appropriations.

That is what he has asked for, the President has asked for, authority to transfer up to $2 billion in the Department of Defense appropriation bill. Apparently he does not feel the Congress can decide adequately into which appropriation fund within the Department of Defense bill money should go.

So they want more authority, greater flexibility, not less.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the distinguished gentleman from Texas.

Mr. MAHON. In other words, this letter shows two things, does it not? This letter shows that Donald Quarles, one of the ablest men in Government, has said in effect, "I do not believe in H. R. 8002, the original bill, for I believe that appropriations should be made as they always have been made." Then, having repudiated the original H. R. 8002, Mr. Quarles comes into the second phase, as I understand the gentleman's reading of the letter, and he says, "We want more control of defense appropriations in the Pentagon, in the executive branch." This means, if there is more control there, there will be less control in the Congress, less control over the purse in Congress; and they want more or less of a lump-sum appropriation so these funds can be transferred from one appropriation to another, which is not possible under existing legislation.

Mr. FORD. The gentleman is correct. I want to add just one thing. The gentleman from Texas is absolutely right. But, as you may remember from my reading of the letter, they want this matter perfectly clear, and entirely clarified on the floor of the House. They do not want any question about it. As I said, they want it crystal clear. But they are not satisfied with that. In addition this is requested in Mr. Quarles letter:

> While the legislative history, including floor debate, might make this clear, you may find it desirable to add clarifying language on this point.

They do not want the floor debate to handle it. They want the so-called Wigglesworth amendment modified to give them more flexibility—not less.

Mr. MAHON. I think the gentleman is right. The Defense Department would like more authority over funds provided. As a matter of fact, has not the President and the Department made the request to the Appropriations Committee and to the Congress that they have $2 billion in the Defense budget for 1959 to transfer around as they see fit?

Mr. FORD. Yes.

Mr. MAHON. That request has already been made?

Mr. FORD. That is right. Let me say I think it is the unanimous opinion of the Subcommittee on Military Appropriations that that authority will not be given.

Mr. MAHON. I am delighted to agree with the gentleman.

Mr. FORD. That request, in my opinion, and I am sure this is subscribed to by many on our committee, should not have been made by the executive branch of the Government and it will not be approved. But the point is that the people who are endorsing this Wigglesworth amendment in the Department of Defense, and I assume the Quarles letter would have been read by the proponents as a supporting document for the bill, are giving as their reasons a plan that would take from Congress whatever control it has and give greater control to the executive branch over appropriations.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from California.

Mr. LIPSCOMB. As one of the sponsors of H. R. 8002, and one of the sponsors of the Wigglesworth amendment, I sent a wire to the Secretary of Defense asking him for his opinion on the Wigglesworth amendment. Within a matter of a few moments ago, this letter, which Assistant Secretary of Defense, Mr. McNeil, was courteous enough to have delivered, was handed to me. Evidently a copy went to the ranking member of the Committee on Appropriations before it came to me. I would like to make the record clear that as a supporter of the Wigglesworth amendment I have no intention of giving the Department of Defense more authority to transfer; in fact, I do not support any transfer authority that the President has asked for. Therefore, I hope that the record is completely clear. I know of no supporter of the Wigglesworth amendment who is advocating more transfer authority to the Department of Defense. I believe Mr. McNeil misinterpreted the legislation submitted to him and that he could well reevaluate what he has written.

Mr. FORD. Then, in effect, what the gentleman is saying is that he accepts the endorsement from the Department of Defense but is telling them we are not going to go along with the things that prompt you to endorse our handiwork. If that is are attitude of the gentleman from California and those who are supporting the Wigglesworth amendment, then this body should be most careful. We all know very well the problems that this country and ourselves in the Congress might have gotten into last fall if we had had at that time an expenditure limitation on the defense appropriation bill and all of a sudden, for reasons known to all of us, we had wanted to expand our expenditures for the Army, Navy, and Air Force.

I do not think anybody here really wants to hamstring and restrict the Department of Defense in case an emergency would arise, and certainly we had one last fall. I do not believe that anybody wants to restrict the Department of Defense in meeting such an emergency.

Mr. LIPSCOMB. I would like to call your attention to the fact that this letter was not submitted by myself or by any other Member supporting the Wigglesworth amendment in support of our position. Personally, I thought it was a poor letter. Now, if you want to use it to support your position against the Wigglesworth amendment, that is perfectly all right; but I would rather use the support of the Comptroller General, the Bureau of the Budget, and the Secretary of the Treasury, who have the responsibility of putting into effect the accounting program of the United States Government.

Mr. FORD. Let me say this. If the Secretary of the Treasury, if the Comptroller General and if the President wanted to put this accounting system into effect, they could have done it in the budget that was submitted for fiscal 1959. They could have done it for fiscal 1958. Why was it not done if the plan is so meritorious?

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield further?

Mr. FORD. Not at this time. You will have plenty of time on your own.

Mr. LIPSCOMB. The gentleman asked me a question. I would like to return a question: Would the Committee on Appropriations accept such a budget without the Congress acting?

Mr. FORD. I would say this, we would pass judgment on that problem when the budget was submitted, but until we have a budget before us submitted with these bookkeeping changes, we cannot act. At such a point we can go over the

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proposal and see whether that system is better than the other, but to have a change in the bookkeeping and the rules rammed down our throats where it will not save one single solitary penny I think is the wrong procedure.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to ask my colleague from Michigan, whom I enjoy working with so much, because I was not on the floor when perhaps I should have been because of the press of other business, have any of the proponents of the bill referred to the comments of Mr. Brundage when he appeared before the committee headed by the gentleman from Alabama, in which the question of the monetary savings were very definitely investigated, and his response was, "I am in no manner to be held responsible for the amount of money that has been stated would be saved." Nobody has mentioned that factor, although the subject has been under discussion.

Mr. FORD. I put in the RECORD as of yesterday the whole colloquy with reference to the testimony of Mr. Brundage. He would not and could not pinpoint 1 penny of saving by the adoption of H. R. 8002. Now, they started out with $3 billion in savings. Today no one honestly contends it is an economy bill.

I have in my hand here a tabulation showing the amount of transfers and rescissions that have been approved by this committee and by the Congress of unobligated funds in past years from the various unexpended and unobligated balances. It totals over seven billion six hundred million dollars. In other words, we do look at those unobligated and unexpended balances.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman just said that transfers were made. Now, when Congress is not in session, who makes those transfers?

Mr. FORD. The transfers cannot be made under either case.

Mr. HOFFMAN. Not when Congress is not in session?

Mr. FORD. Those transfers cannot be made from one account to another without specific approval and authority of the Congress.

Mr. HOFFMAN. Who, if anyone, gives any authority to spend part of this money?

Mr. FORD. Let me just add this, because I think it is an important question and I think it deserves the best answer I can give.

Mr. HOFFMAN. The chairman and the ranking minority member of the committee?

Mr. FORD. Just a moment. If you will let me answer the question, I will tell you how the procedure works. The executive branch of the Government may not transfer obligation authority from one account to another within an appropriation bill, nor can the executive department transfer obligational authority from one appropriation bill to another without approval of the Congress.

However, there may be transfers without specific legislation within an account, but we in our Subcommittee on Defense Appropriations have a procedure whereby, if they want to transfer funds from one program or project or from one major procurement to another, they must come up, give the committee the request in writing, and we must approve it. I hope that answers the gentleman's question.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. GARY. That is also the procedure of the other subcommittees.

Mr. FASCELL. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. For a short inquiry.

Mr. NICHOLSON. I would like to know whether under H. R. 8002 these appropriations go back to the Treasury on the 1st of July.

Mr. ROGERS of Florida. Under H. R. 8002, as originally drawn, the appropriations would go back. With the Wigglesworth amendment there would be a change.

Mr. Chairman, this is a bill which is causing, as all of us see here, a great deal of controversy. I think it is significant that we enter this debate today with an announcement that we had fired another satellite, because certainly this has become the age of super bombs, super missiles, and the age of super budgets. And it is about time for us to look at what we are doing and see if we can improve somewhat the Congressional control of our budget and expenditure method.

This proposed legislation is not any new procedure. This is not something that has been untried that we are suggesting, those of us who favor this bill or the principles of it. It is not something that was just thought up. This Congress, this very body, created a commission to study the budgeting and expenditure problem, and the Commission did for a number of years. They reported back to this Congress. One of our own standing committees studied this problem for 2 years, held hearings and took testimony. The House Government Operations Committee took testimony from the Appropriations Committee to consider their views and they reported out a bill.

This legislation has been endorsed by the President of the United States, by his chief fiscal officers, the Director of the Budget, the Treasury Department, and Congress' own agent, the Comptroller General. Furthermore, this legislation has been considered by the other body. Like legislation was introduced by 50 Members in that body and it passed without any objections.

Now we are coming before the House realizing that there is some very strong objection, mainly to contract authority, as we understood from the testimony presented before the Government Operations Committee. The gentleman from Massachusetts [Mr. WIGGLESWORTH] is going to present an amendment to remove that objection.

This is the difference that I think all of us can quickly grasp in this legislation, and it is very simple. It is not complicated. Under the present system what do we do when we have long-lead items like airplanes, that may take 3, 4, or 5 years to build? Under the present setup we appropriate all the money it is estimated will be needed to complete the construction program. As that program progresses, the committee can ask questions each year whenever the department concerned comes before them. They can ask questions as to what is happening, what is going on, and how the departments are spending this money. But really the burden to find out what is happening, is where? On the Appropriations Committee and on the Congress to really do the investigating, which they are willing to do, and the committee has done a marvelous job year after year after year, we know. However, why should not this burden be placed upon the departments to give this information to the Congress, where we do not have to keep asking every question about what is happening?

Now, unless something goes wrong with the program or unless the departments ask for more money, it is possible that we may never ask the right question, just as happened with the airplanes. You remember the very celebrated case—the Congressional committees have gone into it, and there are official reports about it—where we let contracts for airplanes to one company to build the bodies of the airplanes and to another company to build the engines. What happened? When they put the engine and the body together it could not get off the ground, because there was not enough thrust in that engine to take it off the ground.

Under the system we want to put in the departments would have to come back to the Congress and give progress reports, give us performance reports, according to the law we passed during the last Congress, Public Law 863, and incorporate it in the budget figures. They will have to help furnish that material, because the responsibility will be upon them, and Congress can decide each year then whether we want to take action to continue such a program after they have had a plane that would not work, or whether we want to be notified at the end of the program, which was what happened, after they had contracted for a number of planes that would not work. At the end of the production time it is too late to do anything but pay the bill. So what we want to do is bring about a little closer check.

Further, this is a logical step to take after we passed Public Law 863 in the last Congress. Do you realize we passed such a law, Public Law 863, without a dissent in the House or the Senate, saying that we want these agencies to go on an accrual system? And there is a copy of the law right there, and the departments are going on that system because it is a businesslike method of doing it.

Even the Defense Department in its testimony, which I can quote, from Mr. McNeil, the Defense Department's own comptroller, said, "Yes, we are putting it into effect as fast as we can." In fact, his testimony was, "We even started it a little before the law was enacted, and we have saved in the Army because we are keeping close tab on what is happening. We have saved $2½ billion, and it is almost $3 billion now." That is some saving. That is some reason not to laugh off a proposal like this, I would say.

I want to point out this, that in this accrual system, which we had not had until we passed the law in the last Congress, in many instances——

Mr. TABER. If the gentleman will yield there, that has been in effect for 15 to 20 years, to my knowledge.

Mr. ROGERS of Florida. And it is being implemented more, and I am glad it will work. That is what we want to propose, simply an extension of that which has been proved sound, as the gentleman from New York [Mr. TABER] says, for 15 years.

Let me point this out, that in the departments when we enacted Public Law 863 there were thousands of items and goods, but we really did not know what we had on hand because there was not a good record of it. You remember the instance when reports were made about all the hamburger that was on hand. Reports were that there was a great deal of hamburger on hand and that there were a lot of anchors for the Navy that would last, they said, until about the year 2006. So this law that we passed in the last Congress—Public Law 863—put our departments on a cost basis compelling them as they move into the system to check—on what? On their inventories and to consider those inventories before they come to the Congress to say, "We want more money to buy more hamburger." We want them to use it up. As a result of that, we are going to get better businesslike methods and practices.

May I say this. Placing the burden on the department will help to give the Congress more control. This legislation is designed for that very purpose. This will increase the power of the Committee on Appropriations by doing this, as is proposed by the Wigglesworth amendment. We will appropriate just as we always have, since the main objective of the Committee on Appropriations was to do away with the contract authority—so the gentleman from Massachusetts [Mr. WIGGLESWORTH] is presenting a proposal which will go ahead and allow us to appropriate the full amount just as we do now. Except that we will put an expenditure limitation—or rather the Committee on Appropriations will do it—they will put an expenditure limitation on so that when the departments come back at the end of the year, the Department of Defense or whatever department it may be tells us what they have done with the money based on the law we passed last year.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. TABER. Does the gentleman realize the Government could not let a contract under that kind of operation under the law as it exists? I read the thing here this morning.

Mr. ROGERS of Florida. Sir, if we have appropriated exactly as we do now, we feel there is no question but what the same procedures would be carried out. And, it has been said that it would work by your fiscal heads of the Government including the Budget, the Treasury and the Comptroller.

Mr. TABER. Does the gentleman realize that the funds must be available when a contract is let? That is the law and you do not change the law in this bill. You would have to change the law in this bill if you are going to have any such scheme as that.

Mr. ROGERS of Florida. This will make the funds available by appropriating them all at the beginning just as we do now and simply putting a limitation on the number of goods and services which they estimate they are going to have to have. It is just simply good business practice. There is nothing startling about it. If you want to try to get some control back into the hands of the Congress, every Member ought to vote for this and ought to vote for the Wigglesworth amendment because we want that control back in the Congress of the United States where it ought to be.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. FASCELL. Would it not be possible to take an entire appropriation as a limitation within a given fiscal year?

Mr. ROGERS of Florida. Why certainly. In other words, this is not an unworkable program. It has great flexibility. Whatever in the opinion of the Committee on Appropriations they decide and recommend to the Congress, it could put the limitation for the full extent. For instance, on research funds. Suppose someone comes in and says: "Now with reference to the Polaris project. We feel we may have a breakthrough. We have asked you for $100 million. Now we may not really spend that much. We do not plan to spend more than $40 million this year. But, in the event we have a breakthrough and it looks like we may, we are asking the committee to go along with us and just put the limitation at $100 million." Which is what the Appropriations Committee would have done under the present system in those sensitive fields where you feel there may be a need for it. So this is a workable program. It is a good plan. It has been well thought out. It has tremendous support all over the country. We believe it will bring about better business procedures in the Government, and it will bring back to the Congress control of the expenditures of funds.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. SCRIVNER. I have been interested in the gentleman's statement. Many of the things which he says this bill will do are now being done by the Appropriations Committee under our practices. The departments do come in and tell us what the state of all their contracts is. The McConnell plan the gentleman is talking about was several years ago and was quite unfortunate. But I have been listening ever since debate opened to find somebody to itemize for me where you are going to make a saving of as many millions, perhaps billions, of dollars as the Nation has been told would be saved by the operation of H. R. 8002, and I have not heard where it would save 1 cent. It would complicate the appropriations process and would call for more man-years or man-hours and would cost more than you are saving.

Mr. ROGERS of Florida. I thank the gentleman. There is no question but what I feel it will bring about better management; first, because it will give us closer control of what the departments do. The gentleman from Michigan [Mr. FORD] said that was what he wanted. That is what we want, too. It will make the departments decide on their expenditures if they have to come back and report to Congress and say, "Well, we were off in our estimates," and then we can see what has happened and we can get better performance because we can set limitations for the next year on the departments by the Appropriations Committee and the Congress. It is good business procedure. In fact, they are doing that in the Defense Department now. If you will read the committee hearing records, the Defense Department right now is carrying on this same method. In fact, they are using the accrual system.

I would urge that everyone who believes in the control of the expenditure budget consider favorably H. R. 8002, as amended by the Wigglesworth amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 15½ minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Does that mean that the gentleman does not have the courage to go on with his statement now?

Mr. BROWN of Ohio. No. The proponents on that side have led off and the opponents on this side have led off. So the gentleman from New York is recognized. We have heard no opponents of the bill taking the floor on that side. So the gentleman has 15½ minutes, if he cares to use it. We are giving the opposition one-half the entire time.

Mr. TABER. But they do not dare go ahead and tell us their story.

Mr. BROWN of Ohio. Oh, we dare——

Mr. TABER. Maybe they do not have any. I am inclined to believe that might be so.

I have here a copy of this amendment.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GARY. Is it not a fact that we are about in the position now where everybody agrees that the original bill is bad and nobody knows what the Wig-

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glesworth amendment is? Is that not about the situation?

Mr. TABER. I am afraid that is so. I am going to try to tell what the Wigglesworth amendment will do in a few words.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. YOUNGER. I wish the gentleman would explain to the Committee how funds that are appropriated revert to the Treasury at this time, and other funds are carried over. Yesterday, when we were considering the appropriation for the Coast Guard, we were told that those funds that were impounded reverted to the Treasury at the end of the fiscal year.

Mr. TABER. All funds revert to the Treasury unless there is a specific provision making the funds available for more than 1 year, more than the fiscal year for which the appropriation is made.

Mr. YOUNGER. Whether they are obligated or not?

Mr. TABER. It does not make any difference whether they are obligated or not. I do not yield further at this time, because I have to tell you a little bit about this bill.

I want to tell you about these two amendments, the Wigglesworth amendment, and the one I intend to offer. The Wigglesworth amendment is very faulty in that it contains provisions which will completely destroy the United States Government's accounting system and will require another set of books and all sorts of different procedures.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. TABER. I will not yield at this point because I want the membership to learn what this is all about.

Mr. Chairman, I decline to yield to anyone.

The first paragraph provides that expenditures shall be charged against the limitation for the cost of goods and services. That is the law now; we do not need any such law.

The second paragraph provides that at the end of the fiscal year considered any unused balance of the limitation of annual accrued expenditures shall lapse. That is the law now as to all expenditures that are not obligated. But there is an enormous number of items that are obligated. This does not make any exception to cover unobligated funds.

The law now requires a lapsing of all funds that have not been used or obligated. If they are obligated they have got to be used later on to pay the contracts that are entered into. This amendment carries no such provision, and it would all be messed up.

If you undertake to operate on the accrued expenditure basis and set a limit on the amount of money that can be expended in any year, or in the first year and then appropriate a great lot of other moneys subject to that limitation your contracting officer has no authority to let the contract, because he must have all of the funds available at the time the contract is entered into. These things are perhaps a little intricate and perhaps we can expect them to be considered, but those are the things that make a mess out of this whole proposed amendment to be offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

I could go a little further with the amendment, but the same thing that I said there applies to the rest of the paragraph. It just will completely mess up the Government's situation. You cannot do anything with it.

The amendment I propose to offer, not because I wanted to have anything particular to do with the job but because I felt it was my duty to try and present something so that the Members could understand it and it would be plain and straightforward—all of you have copies of this—requires every agency of the Government to report to the Bureau of the Budget the operation of appropriations that have been made to it, not only those that are subject to the limitations of an annual appropriation, but those where the funds have been made available until expended, as a great many of the military items are.

Under my amendment the agency would have to report to the Bureau of Budget every year whatever the balance was in their annual appropriations, and they would have to report whatever the balance was in the appropriations that are made available for more than 1 year. Also they would have to be in such shape that they could justify every single item that was presented. In other words, there would have to be a review by the Appropriations Committee every year of what was left in that appropriation that would be available for that fiscal year in which the committee was sitting, and their requirements for future appropriations, and of what the operations had been and what reason there was for continuing the funds that had been made available for more than 1 year and were subject to obligation. But here we have a real method for helping to save some money. These other bills, H. R. 8002 and the Wigglesworth amendment, do not save a dollar; they just mess up the whole governmental situation.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. In the gentleman's opinion, will this not make the entire Government structure a paradise for accountants?

Mr. TABER. Yes; and they would not be able to enter into contracts unless the law was developed a great deal further than it has been by any of these bills that have been presented here.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. LIPSCOMB. Will the gentleman from New York explain the necessity for his amendment? Does not the Appropriations Committee at the present time do these things?

Mr. TABER. They do, but we do not have the requirement that the agency must present these things to the budget with reference to the items for the fiscal year for which the appropriation has been made and are unexpended. Half of them are unexpended at the time the budget is made up, and more.

Mr. LIPSCOMB. Does the gentleman think you in the Appropriations Committee can do a better job if the gentleman's amendment were agreed to?

Mr. TABER. I do.

Mr. LIPSCOMB. Does not the gentleman have this kind of information in the 1311 reports that were set up by the Supplemental Appropriation Act, 1955?

Mr. TABER. No, we do not.

Mr. LIPSCOMB. What do those reports cover?

Mr. TABER. Those reports do not relate to the operations of the current fiscal year for which the budget is made up and they do not show that picture.

As the gentleman from Michigan [Mr. FORD] showed when he was addressing the committee, there were a number of transfers of large amounts of money in the Military Establishment out of funds that would not have expired on an annual basis. Those could be used or they could be recovered into the Treasury. It would help tremendously to have this authority to go ahead and cover these things.

Mr. LIPSCOMB. Would not H. R. 8002, as amended by the Wigglesworth amendment, accomplish that?

Mr. TABER. No, that would not help.

Mr. LIPSCOMB. It would give you a better chance?

Mr. TABER. No; it would not give us a better chance. It would be worse because you have that situation that I have described when I was addressing the committee before. Supposing you have authority in a bill for 1959 to construct a building costing $1 million and that authority cannot be exercised until June 1. That money is subject to your accrual budget of 1 year. Under the provisions of paragraph b, section 2, of the Wigglesworth amendment, at the end of that fiscal year the unused balance of the limitation would expire. It does not say "unobligated," it says "unused." Those are two different words. It would just mess up the situation so nobody would dare bid on a contract. This whole bill is drawn on that kind of a basis. It has not been given thorough and fair consideration as to the language in it.

Mr. LIPSCOMB. Is not the method proposed by the Wigglesworth amendment one of the ways in which you operate in the Appropriations Committee? For instance, is not the Bureau of Reclamation on an accrued expenditure basis?

Mr. TABER. The appropriations are made on that kind of a basis, it is equivalent to a contract authorization, but that is a very great handicap to those who wish to see the Government run in an orderly way. It should be done away with because we get into that picture, and the public works picture all the way through on that basis, and we are in trouble all the time because we get projects started with small amounts when they are going to cost an awful lot of money and the people do not understand what they are voting for.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. LIPSCOMB. Under the Wigglesworth amendment we are doing away with just exactly what the gentleman has complained about, contract authority.

Mr. TABER. No. This language would not change this practice of the reclamation feature and flood control and the other items.

Mr. LIPSCOMB. I did not mean to say we would change the way those funds were appropriated, but throughout the rest of the Government——

Mr. TABER. Well, the rest of the picture is on an accrual basis now.

Mr. LIPSCOMB. Not all of it, sir.

Mr. TABER. Most of it. All except those items where we have more than 1 year in which to get delivery on the goods.

Mr. LIPSCOMB. And you and I are both trying to do the same thing.

Mr. TABER. We are trying to save money, and when I see something put in front of me that will prevent us from saving money and prevent the Government from doing business in an orderly way, I feel it is my duty to come out on the floor and say so. It is not a pleasant thing for me to have to come out and disagree with my friend from California, because I have watched him for a long time and I have a high regard for him. But, the thing is so bad, in my opinion, that, unless my amendment is adopted, I am afraid it is going to do an awful lot of damage to the Government.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. SHEPPARD. I am going to ask a rather personal question, and I hope the gentleman will not take any offense. How long has the gentleman served on the Committee on Appropriations?

Mr. TABER. Oh, I was elected to the Committee on Appropriations in December 1923 and I have been there ever since. Maybe it is too long, but that is the truth.

Mr. SHEPPARD. I would like to ask further, insofar as contractual procedure is concerned, irrespective of who is for or who is against, it is my distinct recollection that we operated under contract authority for some possibly 6 or 7 years, and we found it so unworkable that we had to go to this course of procedure in order that the Committee on Appropriations and the Congress, approving of their action, of course, would have a more firm control of how the dollars were expended. Is that a right or wrong assumption?

Mr. TABER. It is correct, and in addition the Congress would know how much the job that they were appropriating for was going to cost, and we would have it out in front of us, and we would be considering the amount that we had to pay out and appropriate, and we would not be fooling anybody.

Mr. SHEPPARD. Of course, I have only served on the committee 16 years, but I want to pay my friend a compliment. I am so interested in your reactions because of the wide range of experience you have had as compared with some of the proponents of this bill.

Mr. TABER. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I rise in opposition to H. R. 8002.

This is not a partisan issue. Members of our two great parties are lined up on both sides of this question.

Nor is it an issue between more Federal spending or less Federal spending. The supporters believe that this measure will afford tighter Congressional control over Government expenditures; and we who are opposed are equally sincere in arguing that enactment of this measure will defeat the very objective for which it is sought.

Yes, Mr. Chairman, there is agreement between both sides of this issue that we should tighten up Federal spending policies and practices if at all possible.

So the issue here boils down to this: Will H. R. 8002 in fact, as its proponents argue, return the control of the purse strings to Congress, or will it, as we contend, actually weaken Congressional control of the purse strings? Will H. R. 8002 actually save money, or will it cost money? Is it a step forward in our fiscal policies, or is it a step backward?

Mr. Chairman, I am opposed to H. R. 8002 because I do not think it will do the job for which it is designed. Superficially, it looks simple, but close investigation will demonstrate, I feel, that the annual accrued expenditures budget actually will increase the costs of Federal procurement programs, confuse and disrupt our fiscal policies, and actually weaken Congressional control of the purse strings.

I do not have time to discuss all of the phases of this complicated problem, nor do I feel this necessary in view of the instructive contribution which many of the other speakers have made to the discussion. There are, however, two phases on which I should like to comment. The first is to answer one of the principal charges circulated by some of the advocates of the bill which, I feel, has hindered intelligent understanding of the issues. The second is to explain one of the principal reasons why I feel this measure will increase Federal procurement costs.

In a recent release by the Citizens Committee for the Hoover Report, the following statement was made as an example of the kind of a situation H. R. 8002 would prevent. The Citizens Committee for the Hoover Report said:

> For fiscal 1953 Congress appropriated $12.5 billion for guns, tanks, and other military hardware in Korea. The war ended within a month of the new budget year. Years later, in May 1957, the Army was still spending the remainder of the $12.5 billion without any further Congressional review.

This statement was repeated in editorials in newspapers all over the country and particularly by one newspaper chain which has newspapers in many of the leading cities of the country, including one in my home city of Seattle. As you might guess it had a very strong impact upon the reading public.

Now I grant that if this statement of the Citizens Committee for the Hoover Report were true, it would demonstrate a sorry state of affairs proving the need for immediate corrective action. If this picture were accurate, then I would be the first to say that even 8002 would be a marked improvement.

But the plain truth is that this simply is not accurate; it is a highly distorted and misleading description of the budgetary process.

I have commented in some detail on this charge in a statement which I recently sent to every Member of this body, a statement which also appeared in the CONGRESSIONAL RECORD on February 6, pages 1137–1139. Consequently, I do not plan to answer the charge in detail here today. However, I should like to summarize the reasons why this statement is inaccurate and misleading.

First, the statement by the Citizens Committee for the Hoover Report is misleading because the appropriation for military hardware for fiscal year 1953 was $2.7 billion, not the $12.5 billion asserted. It is true that the new appropriation plus the carryover added up to $12.5 billion; but to lump the two together ignores the vital distinction between a new appropriation, which looks several years ahead, and the unspent balance of a prior appropriation.

Second, the statement is misleading because it implies that the $12.5 billion was spent over the next 5 years for military hardware ordered for the Korean war. That sounds like the height of idiocy, does it not?

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from California.

Mr. SHEPPARD. On the point to which the gentleman is presently addressing himself, I am sure the gentleman knows that each one of the subcommittees handling military appropriations definitely inquires into the unexpended balances in all services, and every Member on the floor of this House would be so advised if he would read the hearings.

Mr. MAGNUSON. That is absolutely correct, and I make that plain a little further in my statement. It is categorically false that the military were spending this $12.5 billion for the next 5 years for military hardware for the Korean war which was over, of course. Just as soon as the Korean war ended, the uncommitted money in this military hardware appropriation account was diverted to postwar needs.

For example, the Army used these carryover funds to defend our country from airplane attack, and also to produce the Redstone missile, which formed the basis for the launching of the first American satellite, and also the second one, which I understand, as the gentleman from Pennsylvania [Mr. FLOOD] announced a while ago, was launched earlier today.

Third, the statement is downright false when it asserts that the Army continued to spend the money in the military hard-

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ware account "without any further Congressional review."

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. As a matter of fact, each year thereafter the Army came before the Military Appropriations Committee and the Army panel, particularly, and stated in definite terms a list of things they proposed to buy out of the previously appropriated funds, so that the committee and this Congress could know exactly for what every cent was being spent.

Mr. MAGNUSON. Exactly, and the gentleman is a member of that subcommittee and, of course, is very familiar with what happened.

Each year, as the hearings and reports show, the Appropriations Committees of both bodies reviewed in considerable detail how the Army was spending the money in this account. In the Appropriation Act for fiscal 1955, Congress rescinded $500 million of the previous appropriations for Army military hardware, and for fiscal 1956 Congress transferred some $740 million of these funds to other defense accounts. If this does not constitute Congressional review, then I do not know the meaning of the English language.

In this brief comment on the citizens committee statement, I hope I have demonstrated that our understanding of the technical problem before us will not be advanced by having in mind an inaccurate, misleading, and untrue picture of the budgetary process.

Those of us who are opposed to H. R. 8002 have asserted that in operation it actually will increase costs of Government operations.

I should like to take a moment here to explain at least one reason why I believe this is true, why H. R. 8002 would increase defense procurement costs.

H. R. 8002 is directed principally toward what are called the long-lead-time items of military procurement, such as aircraft, tanks, and missiles. We all know that many years elapse from the time the initial decision is made to buy a certain quantity of military equipment of this kind until the last unit is delivered to the Government. Under our present procedures, Congress usually appropriates the total expected cost of the contract at the outset. Such an appropriation carries authority to enter into the contract, and then also carries the authority to spend the money under the contract as the work is done and the units are delivered. Under this system, the military departments have the primary responsibility for scheduling the expenditure of the appropriated funds from week to week, month to month, and year to year.

Under the annual accrued expenditures budget of H. R. 8002, Congress would be required to estimate the actual amount expected to be spent under a multitude of these contracts within 1 fiscal year, and then appropriate only the amount of money which could be spent during that fiscal year on those contracts.

Now, it is inevitable that the Congressional allocation of expenditures for long-lead-time items within a given fiscal year always will be inaccurate.

I want to stress that point. Under H. R. 8002, the fiscal year appropriations for aircraft, tanks, and missiles are bound to be wrong. They will be either too high, or too low. And therein lies the difficulty.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from New York.

Mr. HOLTZMAN. Would the amendment to be offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH] change this latter statement the gentleman is making?

Mr. MAGNUSON. No. As I understand it, it would not.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. ROGERS of Florida. Is it true that by reviewing that each year we would in effect have greater control?

Mr. MAGNUSON. We already have that.

There are two major reasons for this difficulty. One is the dimension of time. The other is that our crystal balls just are not this good—they simply cannot foresee every production barrier or technological breakthrough.

It usually takes a year and a half to produce an appropriation bill. The Hoover Commission Task Force on Budget and Accounting pointed out, for example, that the fiscal year 1954 appropriation for the Navy Department took 522 days from the time the Chief of Naval Operations first started to work on it until the act was signed by the President. Three hundred and eighteen days were taken up by study within the executive department; for 204 days the appropriation was under consideration by Congress. It is inevitable that during this long period of advance planning, before the fiscal year even starts, there will be developments which will change the expenditure estimates for the given fiscal year.

It is inevitable, then, that the Congressional appropriations for long-lead-time items for a given fiscal year will be either too high or too low.

I contend that in either event, H. R. 8002 would increase procurement costs, as well as impose an almost impossible burden on defense contractors.

Suppose the appropriation is too low. It could be too low for several reasons. It could be too low because the contractor has solved some supply or production problems sooner than expected, and is in a position to speed up delivery and by doing so take advantage of economies of larger production. It could be too low because there has been an unexpected scientific breakthrough permitting a new approach to equipment design or even a new item of military hardware. It could be too low because an emergency develops requiring an accelerated production schedule.

Under any of these circumstances, the military agency could not take advantage of potential economies of the improved methods because it would be operating under the straitjacket of a Congressional ceiling on expenditures. The defense contractor would be faced with the choice of turning down the potential economies of more efficient scheduling or trying to finance his operations himself until the end of the fiscal year.

Even if the appropriation is too high for a given fiscal year, this likely will result in added costs. For one thing, there will be a rush to spend the excess money before it lapses at the end of the fiscal year. Moreover, in the usual case, the appropriation for the following fiscal year will be predicated on the assumption that all of the funds allocated for the previous year have been spent to carry out the estimated production schedule. But if this excess lapses because the contractor has fallen behind his schedule, he will not be able to make up the lost time in the next fiscal year.

It is for these reasons, among others, that the major defense contractors have spoken out against H. R. 8002. Last August 21, I placed in the RECORD a telegram I had received from Mr. William M. Allen, president of the Boeing Airplane Co., spelling out the reasons why he felt 8002 would affect his company's operations adversely and increase defense procurement costs. On February 13, I placed in the RECORD a similar letter I had received from Mr. Donald W. Douglas, Jr., on behalf of the Douglas Aircraft Co., Inc.

H. R. 8002 removes the flexibility necessary to take advantage of unforeseen production and scientific advances. I am afraid that the same adverse effects I have discussed above would be felt on the operations of defense establishments such as the Puget Sound Naval Shipyard, as well as defense contractors.

Mr. Chairman, these are some of the reasons why I oppose H. R. 8002.

I hope that my colleagues in this House will join with me in defeating this unworkable proposal.

Mr. BROWN of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, as we face general debate on the bill, H. R. 8002, today, we in the House are confronted with, indeed, a peculiar set of circumstances. We face not the Rogers bill which people have been writing in about and on which editorials have been written throughout the Nation. We are faced with an entirely new bill which was placed in the CONGRESSIONAL RECORD for the first time this morning, a new substitute, the Wigglesworth bill or substitute.

This Wigglesworth bill has not been seen by a majority of the editorial writers. It has not been seen by the people who have written letters supporting H. R. 8002. But, it seems that the proponents of this legislation are interested in capturing a number and in actually seeing that a piece of legislation passes with the number 8002 on it.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. BROWNSON. Is the gentleman happier with the Rogers bill as H. R.

8002 and would he be prepared to support that legislation rather than the Wigglesworth substitute?

Mr. LAIRD. I believe the answer to your question would be quite obvious when I finish my comments. I hope the gentleman will bear with me. I will try to clear up that question.

Let us first look at the original bill for a few minutes. I think all of us understand that the President right now has all the authority to send an executive budget to this Congress on an accrual basis under the present law.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am happy to yield to my friend, the gentleman from California for whom I have a great deal of respect. I know he is an outstanding accountant and is the original author of this bill. I am very happy to yield to the hardest working Member of Congress, an outstanding member of the Government Operations Committee, and a skilled legislator.

Mr. LIPSCOMB. Would the gentleman tell me whether the Appropriations Committee would accept the President's budget if it were sent today on an accrued expenditure limitation basis?

Mr. LAIRD. Of course, we would accept the President's budget. Whether we would make changes in the budget, I am sure we could not state until hearings had been held.

Mr. LIPSCOMB. But do you not feel this is a rather good debate when the Congress can work its will and express the sense of Congress that we do not wish the Appropriations Committee to operate under an accrued expenditure limitation basis?

Mr. LAIRD. Well, I hope the debate brings out something. I believe there has been a lot of gunshooting on H. R. 8002 for the past year. We find this morning that the original bill is out of the window.

Now, let us look at the report of the Government Operations Committee.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. TABER. Section 3 of the Wigglesworth amendment provides that "nothing in this act shall be construed to change existing law with respect to the method or manner of making appropriations or the incurring of obligations under appropriations." How could we be required to do any accrued expenditure business with that language?

Mr. LAIRD. I agree with the gentleman. It is a much different piece of legislation than the original bill. We have gotten away from the principles of the original bill by the substitute. The new bill or Wigglesworth bill provides for full funding, not funding on an accrual basis.

Mr. ROGERS of Florida. Will the gentleman yield?

Mr. LAIRD. I yield.

Mr. ROGERS of Florida. Actually, I think you will find that the principle in accrual accounting expenditure is definitely in the Wigglesworth amendment, except instead of calling it contract authority, as the gentleman knows, the contract authority is in effect the same thing as obligation authority, except we have appropriated it all rather than just giving the right to enact a contract. So the principle is still carried out, except we put an expenditure limitation for the year.

Mr. LAIRD. I think if the gentleman will let me proceed he will find there is an entirely different emphasis in this substitute than on the original bill.

At the present time the House Appropriations Committee carefully scrutinizes the balances carried over each year. I want to impress upon my colleagues in the House that the most effective control of the Federal purse will not come primarily from the control of expenditure rates. When you get to the expenditure level it is too late. The time to exercise effective control is at the time when the authority to obligate is requested. If the Rogers bill becomes law, the big spenders will be able to sell more easily new projects and programs to this Congress.

Mr. PASCELL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I would like to conclude my statement. I have only 10 minutes. I wonder if the gentleman could give me a little more time.

Mr. PASCELL. The gentleman may go ahead and finish his statement.

Mr. LAIRD. Mr. Chairman, the President has full authority to put the Executive budget on an accrued expenditure basis at any time he so desires. H. R. 8002 as recommended by the Government Operations Committee will not save the taxpayer money. It will not result in the reduction of carryover balances. At present the House Appropriations Committee carefully scrutinizes these carryover balances each year. The most effective control of the purse will not come primarily from the control of expenditure rates. It is too late then. The time and place to control is at the point when authority to obligate is requested.

If this bill becomes law, the big spenders will be able to sell more easily their new projects and programs to the Congress. H. R. 8002 would put Uncle Sam on installment buying, a few dollars down and pay the rest of the contract over the years. It is my considered opinion that such a policy will result in the Congress committing Uncle Sam to vast future expenditures. Experience clearly shows it is very easy to convince Members of the House and Senate to put up $1 million the first year to initiate construction on a 5-year $400 million multipurpose hydroelectric project, but once the downpayment is made Uncle Sam must continue or lose his initial investment. In contrast, if the full $400 million had to be made available the first year, Congress would not be as prone to go ahead. Installment buying is the heart of H. R. 8002, as reported from committee, and if the Government is to save money, it cannot be done by this method.

It is contended that H. R. 8002 as reported from the Government Operations Committee will result in large reductions in unexpended balances in the hands of the departments—especially defense. It will not do this. It would reduce unexpended balances of appropriations but correspondingly increase unexpended balances of contract authority, with no change in total Federal commitments.

We have been told by H. R. 8002 proponents that it provides for an annual review of programs, with the inference that no annual review is given for programs under present procedure and laws. This of course is not in keeping with the facts. As an example of potential savings through the operations of H. R. 8002 as reported from the Government Operations Committee, an unsatisfactory Navy aircraft procurement and research program was cited where $173 million dollars was spent before the program was abandoned.

When Mr. W. J. McNeil, the Assistant Secretary of Defense was asked about it he said, page 284, Government Operations Committee Hearings on Improving Federal Budget and Appropriations, April 10, 1957:

> This bill would not correct it.
>
> This bill—and unfortunately, some of the things we have been trying to work on will not cure that situation, for this reason: We have had a dozen items of that kind in the last 5 years. We are trying to avoid one this year, but sure as can be, we are going to have one. I don't know where it is going to come, but I know an area it may come in.

Mr. McNeil was then asked if a review of the operation would determine whether the contract was being performed properly and the money spent effectively and economically. He replied:

> We know that now and we know it as well as we will under this bill, but that is not the problem, sir; we have it in a missile right today, the same problem we had in that airplane. We have it in 2 components, 2 of the 4 major components of a certain missile. We know what we have spent; we know what the contractor spent. We have had an independent technical evaluation of the project.
>
> Right at the moment the problem is entirely aside from budgeting and accounting. It is a missile we need, if we can make it. They are having trouble with the engine. They are certain they are going to fix the engine and get it working this fall. From a budget standpoint, and trying to watch those things, we are not sure. Some don't think they are going to get the engine in November, but other technicians and scientists—and we have a long list of able people who think this problem is going to be solved.
>
> Now, in the guidance they have a little problem. They are certain that is going to be solved, again by fall.
>
> Now, that program is continuing. We know where it is, how much we have spent, how much we are spending by the month, by the day, and by the week, how much it is going to cost to continue it until November. If these things repeat themselves, it may be that in November the technician will be certain this will be solved in March, and as a result we will continue until March. In March we may find it is a dud, or the people may be right, and it will make a breakthrough. If it breaks through, everybody will say we are smart. Otherwise they will say we shouldn't have done it. However, in the meantime we know exactly what we are spending on it, every item of it.

I think it only fair to say that the Navy contends that the end result of the

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above-mentioned unsatisfactory aircraft procurement program resulted in a later development of an F3H–2 plane, an airplane of advanced design and good performance.

It is evident from Mr. McNeil's testimony that this example of savings that accountant proponents of H. R. 8002 claim will be accomplished is without foundation.

As I recall, proponents of H. R. 8002 have indicated a feeling that presentations to the Appropriations Committee should be on the basis of broad performance-type budgets without going into project details or even without detailed plans of the program being available. On the other hand, they express a feeling that the purported benefits of the proposed changes in budget procedure are to be achieved in large part by more detailed annual attention than is now given by the Appropriations Committee. It is rather difficult to understand the logic behind the use of two conflicting claims to promote the same objective.

The action on the floor of the House on February 26, 1958, when $20 million of supplemental funds was provided for two Bureau of Reclamation projects is illustrative of the fallacy of the claims of H. R. 8002 proponents in regard to better purse-strings control by the Congress through contract authorization and annual accrued expenditure appropriations.

On the Glen Canyon project a contract was let which is almost identical in nature with contracts that would be permitted under the proposed contract authorization provisions of H. R. 8002. The obligational funds provided for fiscal year 1958 for this project constituted in this case an annual accrued expenditure limitation on the amount of work that could be done in fiscal year 1958 on the prime contract and other features of the project. However, neither the Bureau of Reclamation or the prime contractor made any attempt to schedule the work so as to stay within that limitation.

Instead, they went right ahead on a 7-day week, around-the-clock basis. Then when the limitation was reached they came running to Congress for more money, crying that 2,500 men would be thrown out of work. It has been inferred that Congress had an obligation to provide more funds regardless of the fact that Congress had in effect put an annual accrued expenditure limitation on the project.

One wonders what the accountant proponents of H. R. 8002 would recommend in this case or how provisions of H. R. 8002 would prevent it.

Incidentally, the Bureau testified that a $20,920,634 camp facility was contemplated in connection with the Glen Canyon project. For 3 years the House Appropriations Committee has been inquiring in detail into this housing development which is expected to provide for 200 ultimate, permanent employees when the project is completed and in operation. Each year the Bureau has given an entirely different picture and cost estimate. The accountant proponents of H. R. 8002 cannot say there has been no annual review in this case nor can passage of H. R. 8002 correct this sort of failure of the executive departments to keep such phases of projects within reasonable bounds. In fact, the proposal of H. R. 8002 proponents to provide contract authorization on a broad basis before detailed plans are made would encourage this sort of thing.

The Trinity River project action was similar to that on the Glen Canyon. The Bureau of Reclamation contracted for construction of a dam and a tunnel. This corresponds to contract authorization of H. R. 8002. Congress provided so much money in the fiscal year 1958 budget for this project which corresponds in this case to an "annual accrued expenditure" limitation.

The contractor scheduled his work at a rate in excess of that to be provided for under the annual limitation, with no attempt by the Bureau to do anything about it except to come crying to Congress that they had to have more money. This in face of the fact the Bureau has admitted that the tunnel will be completed a year or year and a half ahead of its utilization.

The CHAIRMAN. The Chair would like to announce that the gentleman from Florida [Mr. FASCELL] has 33 minutes left, and the gentleman from Michigan [Mr. HOFFMAN] has 45 minutes left.

Mr. BROWN of Ohio. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I approach this problem in the spirit of compromise. I approach it with the conviction that every one of us here today has a common objective; namely, the best possible control over obligations and the best possible control over expenditures of this Federal Government of ours. I approach it with the conviction that the differences between us today are merely differences as to method.

Personally, Mr. Chairman, it is impossible for me to feel that H. R. 8002 is a satisfactory solution of the problem that confronts us. It would take us back to the method which we employed for many years in this Congress in respect to overall obligations, a method that was discarded because however sound contract authority may be in respect to the business world, and I am sure it is sound there, it did not prove to be satisfactory in controlling the overall obligations of the Federal Government.

On the other hand, Mr. Chairman, I do not feel that the present system under which we have been operating is satisfactory. I have long felt that it was unsatisfactory primarily because it has deprived the Congress, in my opinion, of direct control over Federal expenditures to a very large extent.

In effect, as I see it, we have been making huge deposits in the bank, if you will, to the credit of this agency or that agency and we have been saying to the agency concerned: You can draw down that deposit whenever you see fit and to the extent that you see fit.

As a result, in my opinion the Congress has not had proper control as to whether the budget is to be balanced or not balanced in a given fiscal year.

There is also the further possibility that some of these huge sums will be reprogramed without proper oversight either by the Congress or by the Bureau of the Budget.

This whole question as it presents itself to me comes down to the question of whether the Congress should be in a position to place limitations on our annual expenditures. I believe that it should have the necessary authority and I believe that it should exercise it with reasonable care in the light of the conditions which confront us, just as we used to do until a few years ago when we gave up the practice of contract authority.

Mr. Chairman, in the amendment which I propose to offer, I have simply tried to retain that which has proved helpful in the control of overall obligations and at the same time to strengthen that which to my mind has been weak in the control of overall expenditures.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Washington.

Mr. HORAN. Do I understand the gentleman to say that we do not have any limitations on expenditures now?

Mr. WIGGLESWORTH. Broadly speaking, I think we have no limitations on about $24 billion of expenditures in a fiscal year. About one-third of the expenditures are largely in the hands of the executive rather than in the hands of the Congress.

Mr. HORAN. We certainly have the power to limit expenditures in the subcommittees I sit on.

Mr. WIGGLESWORTH. Two-thirds of our expenditure, roughly, is on an annual basis and is therefore automatically limited through appropriations.

Frankly, Mr. Chairman, I think that the amendment which I expect to propose represents a fair compromise. I think it is the best compromise that can be obtained, and in the absence of some such compromise I find myself in the dilemma of being forced to choose between two alternative systems, both of which have been tried, both of which, in my opinion, have been unsatisfactory.

Briefly, the amendment which I propose to offer is intended to do three things.

First, it eliminates completely the suggested return of contract authority as a means of controlling long-term obligations. This, as you know, has been the chief point of attack by those opposed to H. R. 8002.

Second, it is intended to accept the balance of the proposal presented by the second Hoover Commission and to present the possibility for limitations annually on expenditures on an accrued expenditure basis. It conforms to the system of accounting prescribed by Public Law 863 which, as I understand it, has been put into effect by the executive branch of the Government in respect to about 100 appropriations or, say, 20 percent of the total.

Third, it will include language, and the language will be slightly modified as compared with the text appearing in the CONGRESSIONAL RECORD at page 3421,

which is intended to give to the Congress the powers included in the Taber amendment so that it may be possible to avoid points of order against transfers or rescissions or reappropriations of funds previously made available which are no longer necessary for their original purpose. I am sure that all of us will agree that those additional powers are highly desirable.

Reference has been made to the dangers confronting contractors, and the assertion has been made that the lapsing of unused expenditure limitations at the end of the fiscal year will make it impossible to take care of existing obligations.

Of course, existing obligations are included in the accrued expenditure picture, and there would be no lapse in respect to obligations.

In respect to misgivings by contractors in respect to H. R. 8002, I quote specifically from the Bureau of the Budget, in reference to the amendment which I propose to offer:

> Subsection (e) provides for payment for goods and services received in a particular year but not paid for in that year. If such goods and services were within the limitation on annual accrued expenditure for the fiscal year in which they were received they could be paid for in the next fiscal year without Congressional action, thus insuring that no contractor or supplier would be denied payment for goods and services actually delivered or rendered in accordance with the law and the terms of his contract.

Mr. Chairman, I think it has already been pointed out that the amendment which I plan to offer is endorsed by the Bureau of the Budget; it is endorsed by the Comptroller General; it is endorsed by the Secretary of the Treasury.

It has the support, generally speaking, of the administration and of the Second Hoover Commission who originally recommended this legislation.

It meets the principal objection of those who have been most hostile to H. R. 8002.

I think it is a fair compromise and that it is entitled to a fair trial.

I repeat, Mr. Chairman, that I intend to offer the amendment for the consideration of the House as a proposal which appears to me to be a fair compromise and the best obtainable compromise.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, the fundamental issue before us is the extent to which the people's elected representatives in the Congress can maintain actual control over the Federal purse strings.

There can be no doubt that the Constitution of the United States vested in Congress the clear responsibility to manage and control Federal expenditures. It obviously was believed by the Founding Fathers that administrative Government should be directly responsible in its expenditure of public funds to the Congress, since in this way it would be responsible to the taxpaying public which elects the Congress and responsive to its wishes.

The enormity of Government today raises many complications probably unforeseen by the authors of the Constitution. They could not have been expected to anticipate the need for long-term planning of huge defense programs which extend of necessity over a period of years and in which there must of necessity be a continuity of policy. Yet, inescapably we must acknowledge the profound wisdom of their foresight and the efficacy of their principle that administrative Government is responsible to the people whom it serves only when it is financially responsible to the Congress.

In recent years, the practice of large sums, carried over unspent from previous appropriations, has impaired the ideal of Congressional control of the purse.

In the 1956 budget, for example, out of a total of some $62.4 billion expended in that fiscal year, approximately $24.5 billion arose from prior appropriations carried over into that year as unexpended balances.

Large balances of unexpended appropriations are thus available annually to the agencies without any further action of the Congress. The following tabulation indicates the scope of this practice in recent years:

Unexpended balances of appropriations

[In billions]

Amount brought forward into the year:	
1950	$11.5
1951	14.1
1952	50.3
1953	68.8
1954	78.4
1955	68.0
1956	53.9

For all practical purposes, Congress has lost control of these sizable amounts of money. It is to restore Congressional control that this bill has been introduced.

As one of the original sponsors of this legislation, I should say that since introducing it, I have encountered numerous specific instances in which longtime contracting authority needs to be given to certain agencies in permitting them to deal in an orderly way with our procurement contractors. Whether either of the substitute plans being offered by members of the Appropriations Committee will satisfy all aspects of this problem, I am not at the moment prepared to say, but I do believe that some such program as this needs to be embarked upon.

It may not result in the saving of billions, as some of its most enthusiastic advocates have estimated, but I think the requirement that agencies return to the Congress and prove up the value of programs underway will very definitely result in some saving and in greater efficiency, and any such result that accrues will certainly be to the good.

Under the proposal, an agency engaged in longtime lead programs would submit initially a properly described program showing the total funds required for its completion, projected in terms of years. The Congress, if it approved the program, would enact an annual appropriation in terms of the estimated accrued expenditures required for the year under consideration. In addition, the Congress would give the agencies contracting authority in terms of the dollar amount required for orderly forward contracting beyond the budget year. The executive branch and the Congress would review the program annually from the standpoint of costs and accomplishment, both completed and projected. The Congress, at the same time, would restate the contracting authority annually as necessary.

Appropriations for the remaining Government programs, where lead time is not an important factor, should be placed upon an annual accrued expenditure basis. In these cases contracting authority beyond the budget year will not ordinarily be required. The extension of expenditure budgeting to such areas should be a relatively simple matter. It would place budget appropriations and expenditures on a uniform basis throughout the Government.

The President of the United States has asked for the enactment of such a bill in his state of the Union message this year. The principle has been endowed by the Comptroller General and the Secretary of the Treasury. The Senate passed it unanimously last year. I believe no harm can be done and some good will surely result from the enactment of one of the versions of this pending legislation.

Mr. FASCELL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, it was several years ago when it was represented to the country that if we would adopt H. R. 8002 we would save $4 billion a year. But that claim has been thoroughly explored and even more thoroughly exploded, and there is no one now who is willing, as I understand it, to attach his name to such a preposterous claim; because the most evident thing about this whole business is that you would have to hire so many accountants to try to figure just how much you would spend in a given year on these hundreds of defense contracts that you would certainly have to increase your personnel very decidedly. It has been said in support of H. R. 8002 that it was passed by the other body unanimously.

This House has not been accustomed to following any leadership except the dictates of its own conscience.

I repeat what I have heard said on this floor in years gone by, a quotation from Holy Writ, "Join not the multitude to do evil." I stand shoulder to shoulder with the gentleman from New York [Mr. TABER] in saying that I shall not join the multitude to do evil in approving this thoroughly unsound measure.

If there were some proposal pending that would completely dominate the operations and activities of the Committee on Ways and Means, and if the overwhelming majority of the Committee on Ways and Means should say, "This will cripple us in our work; it will not be to the best interests of the country; it will cause us to take action harmful to the Nation," I would stand with WILBUR MILLS and the Committee on Ways and Means. I would say the same to the Agriculture Committee; and may I say to the gentleman from Texas [Mr. POAGE], if the considered judgment of the commit-

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tee was such that it thought certain actions would cripple the work of the committee.

Is there anyone in this House who doubts that the gentleman from Missouri [Mr. CANNON] and the gentleman from New York [Mr. TABER] know more about this issue of appropriations and limitations on budgets than anyone else? I propose to follow the leadership of the men who know the story and who must operate under the system.

If somebody suggested that we ram down the throats of the Committee on Government Operations a procedure which they thought harmful to the country, I would stand side by side with the members of that committee and say, "You shall not pass. This shall not happen to a committee of the House."

It has almost made me cry to see those who have undertaken to run roughshod over that venerable statesman, the gentleman from New York, JOHN TABER, who has done so much for orderly procedure and so much for a program of acquiring a dollar in value for a dollar expended.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. SIKES. Has anyone given to the House an estimate of the number of Members of the other body who were present when this measure was passed unanimously? There may not have been over 3 or 4 present.

Mr. MAHON. I am not so sure about that; neither has anyone given us the number of accountants who would have to be trained and employed by the Government in order to be sure we did not spend more on ballistic missiles this year than we estimated a year ago we would spend.

Yes, man's inhumanity to man makes countless thousands mourn. I just regret to see one committee of the Congress which does not operate in this area go to another committee of Congress and try to compel the members to do something they think is harmful to the people of this Nation. It is unthinkable, it is indefensible. If the members of the Committee on Appropriations have come out against this proposal, and they have, do you mean to say that the House of Representatives is going to kick them in the teeth and say, "No, you have to follow a procedure which would tend to bring about less fiscal responsibility"? I just do not think you are going to do it, and I will tell you why.

The great bill, H. R. 8002, that was approved unanimously by the other body is no longer in existence in the House. It has been repudiated and a complete substitute has been written. I know some Members are embarrassed because when people urged them 3 or 4 years ago to save billions of dollars and to recapture the purse strings they said, "Sure, I will be for that." So they were more or less placed on the hook. But that bill has been written off and every man is again a free agent in this House. H. R. 8002 is now dead and he has no chance to vote for it. If he has made the mistake of pledging himself for H. R. 8002, he can look up the record and say that the bill H. R. 8002, the bill to which they refer, is no longer in existence except for the magic number. The Members of the House are now free again to vote their convictions based upon a better understanding of the issues than they had when they unwisely, yet in utter good faith, promised to vote for H. R. 8002.

So, my friends, what shall we do? I think I know what you are going to do. This wise House of Representatives which usually works its will and does the right thing, this wise group of men, each elected to represent several hundred thousand people—what are they going to do? They are going to say here is something that vitally affects the taxpayers and the defense program—here is something upon which there have been no hearings—here is a bill that was not even printed until last night in the RECORD—and they are going to say, "We are going to send this bill back to the Committee on Government Operations for further study." Is that not what you think they are going to do? I think they will do it. That would be orderly procedure. Has the Committee on Appropriations and have I, my friends, as chairman of the subcommittee which is most vitally affected by this bill, done anything to warrant a vote of no confidence by the Members of the House of Representatives? Let me warn you of this. Had this limitation on defense spending, as advocated by this bill, been in operation for the current fiscal year, and had we placed this limitation in this bill last year, my friends, when sputnik went up, if you had had these limitations you would be facing a battle at the polls in November that the Committee on Appropriations has spared you from. Let me point out this to my friends in the House. The Bureau of the Budget last May, or along about that time, placed into operation an expenditure limitation in the Defense Department. Sometime thereafter, the Bureau of the Budget said to the officials of the Department of Defense: "You cannot spend more than $38.4 billion in the fiscal year 1958." That is what was said. Sometime ago I put in the RECORD a long list of slow downs and cutbacks, and believe me I am glad they are on somebody else's shoulders than yours. Had they been placed on your shoulders I would have felt partly responsible. Had that limitation been in the law and had it been written in the defense bill, where would you have been last fall? You would have been apologizing to your constituents and imploring the Speaker and praying to the Almighty to let you return to Washington quickly and undo this defense limitation, which was slowing us down at a critical moment. And that would have been at a time when we were being embarrassed before the nations of the world. Let us stand forth like men today and not like weak people who have been placed in a position where we cannot do our will because of the magic number, 8002.

Mr. JOHANSEN. I wonder if the gentleman in the light of his eloquent concern for the prerogatives of the various committees will manifest and express that same concern come the next time the Committee on Appropriations assumes the prerogative of increasing the ceiling on super grades without regard to the Committee on Post Office and Civil Service.

Mr. MAHON. My friend makes a good point but let us be super grade Congressmen today and downgrade this deceptive, inexcusable and indefensible proposal. And, it was this Committee on Appropriations, and with the support of my able friend from Michigan, that last year made some very sharp reductions in defense appropriations—but we gave defense officials sufficient elasticity to operate in the days after the sputnik of the Soviet Union went into orbit in the heavens.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. SCRIVNER. Would the gentleman from Texas, as chairman of the Subcommittee on Military Appropriations, be able to give the Congress and this House of Representatives in particular, any estimate as to the number of hundreds of thousands of contracts that would have to be evaluated in order for us to set a limitation on spending?

Mr. MAHON. I do not know how many tens of thousands of contracts you would have to check on. You would have to check on every little businessman with a subcontract just before the end of the fiscal year. You would have to say to him, "Listen, you cannot deliver this. You had better slow down here. You had better turn off some men there." It would be a most unfortunate type of faulty and wasteful man-hour killing operation. Let us hold our ground and insist upon legislating in the public interest.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FASCELL. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ROGERS of Florida. The gentleman stated that he was very much concerned as were we all by the limitation as put on by the Budget Department and the Defense Department.

Mr. MAHON. For the current fiscal year.

Mr. ROGERS of Florida. Yes. And you drew the analogy that any limitation put on by the Congress would stop the work in the Department of Defense. But, the gentleman failed to reveal to the House that any limitation placed by the Committee on Appropriations on any appropriation, or by the Congress, under the proposed Wigglesworth amendment, would be a limitation that had been justified and not an arbitrary limitation. Then, if they anticipate a breakthrough they could advise the committee and action could be taken, or you could come back as you presently do and as we have done this year, and get a supplemental.

Mr. MAHON. But does not the gentleman want the Defense Department to proceed as rapidly as possible to build ballistic missiles, the Thor and the

Atlas? Does not the gentleman want destroyers for antisubmarine warfare built as quickly as possible? Why place a limitation? Let us rather press for quick action and more efficiency.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. SIKES. I regret to find myself in disagreement with my distinguished colleague from Florida [Mr. ROGERS] and the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. MAHON. But the gentleman has had a great experience in this field.

Mr. SIKES. Is it not true that H. R. 8002 has, apparently, already lost most of the support which it had at the time that it was approved by the Committee on Government Operations and today support for a change is largely divided between the Wigglesworth substitute and the Taber amendment? Actually, the Wigglesworth substitute was not brought to the attention of the Members of the House until this morning. It is a complicated measure. We cannot possibly have time to analyze it and decide how it would apply if it were enacted. On the other hand, the Taber amendment has been available for a week. Copies have been supplied each Member of Congress. It appears that the Taber amendment is definitely an improvement over either of the other proposals and that it would add to the present operating procedures of the Congress. If a change were to be voted, this would be by far the most desirable of the three alternatives which are offered here today. From my standpoint, I must state that I believe the entire matter should be recommitted to the Committee on Government Operations for further study.

Mr. MAHON. The Taber amendment is a good proposal. It will certainly be supported by a majority of the Members who oppose H. R. 8002. We will support the Taber proposal. So I just warn my colleagues that now is the time not to do something that we will later regret. I think I ought to know enough about this, because I have dealt with this through long years before the able gentleman from Florida and one of my best and most esteemed friends was a Member of this distinguished body.

Mr. ROGERS of Florida. I bow to the gentleman's great record, and I commend him. I inherited great respect for the gentleman and every other member of the Appropriations Committee. This is certainly no attempt at any castigation of members of the Appropriations Committee.

Mr. MAHON. Forty members of the 50 members of the Appropriations Committee say it is not the way to achieve efficiency and economy in Government. They happen to be Members of Congress who will be mostly affected by the proposed measure.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. BROWNSON], a member of the much-maligned Committee on Government Operations.

Mr. BROWNSON. Mr. Chairman, we are here today seeking an effective means for Congressional control over the annual rate of Government expenditures.

As a member of the Committee on Government Operations, I voted for H. R. 8002 when it was reported unanimously by the committee over 8 months ago, last June 17, in fact. As a member of that committee, I rise in support of this Hoover Commission legislation today.

I supported the Wigglesworth amendment in our committee this morning as a justifiable compromise necessary to improve H. R. 8002 and increase the chances for its passage. I shall vote for the Wigglesworth amendment tomorrow and vote in favor of the amended bill, which I consider to be one of the most important pieces of legislation to come before the 85th Congress.

One of the primary objectives of the Hoover Commission was the establishing of a procedure which would, first, provide for an annual Congressional review of appropriations granted in prior years; and second, give the Congress a positive control over annual accrued expenditures from both current- and prior-year appropriations. H. R. 8002, as amended by the Wigglesworth amendment, is designed to meet this objective.

In President Eisenhower's budget message to Congress presented on January 14 of this year, he made specific reference to the legislation we are considering today. President Eisenhower said:

> Legislation now pending before the Congress to place Government appropriation requests on an accrued expenditure basis should be enacted, in accordance with the recommendations of the Hoover Commission. This is a businesslike approach, and it is hoped that the opposition that developed in the past will be withdrawn as a result of further study and modifications in the way the procedure is to be applied.

H. R. 8002, as originally introduced, is not a complicated bill. In its printed form it is only 84 lines long. The substitute amendment proposed by the gentleman from Massachusetts [Mr. WIGGLESWORTH] is available in this morning's CONGRESSIONAL RECORD and at the pages' desk in mimeograph form. It is only 32 lines long as reproduced, and is accompanied by a section-by-section analysis. The whole document fills only 2½ pages. I am sure the distinguished gentleman who just spoke with such enthusiasm of the need for haste, speed and urgency in the missile program will be able to digest this 2½-page synopsis in time to vote tomorrow, dedicated as he obviously is to rapidity in all things.

What does H. R. 8002, as amended by the Wigglesworth amendment, actually do?

It will provide for an improvement in the means for Congressional control over the annual rate of Government expenditures.

It will minimize confusion over the size of each year's budget.

It will require an annual review with positive action to be taken each year by the Congress on both existing and proposed programs. Under the present appropriation method, no further positive Congressional action is required on entire programs or portions of programs for which appropriations were granted in prior years but on which work is presently being performed.

It will provide that the annual accrued expenditure basis for stating appropriations be on a trial basis until April 1, 1962. Any problems encountered during this period which cannot be solved through administrative procedures can be considered for legislation when extension of the authority beyond April 1, 1962, is being considered.

It is equally important to realize what H. R. 8002, as amended by the gentleman from Massachusetts, does not do.

It does not change existing law with respect to the method or manner of making appropriations, authorizing or approving programs or projects.

It does not handicap the efforts of the Appropriations Committee to control Government spending. Rather, it helps the committee. The estimated cost of each program will be submitted in the agency budget statements, in total and by years. On the basis of the total estimated costs and the planned program showing the financing required each year, the Appropriations Committee can make its decision as to the scope of work to be performed in any year and accelerate, decelerate, or stop the rate at which the program is being performed. The Appropriations Committee would, as a necessary procedure under the annual accrued expenditure limitation basis, review program accomplishments and total estimated cost each year that the program is being performed.

It does not constitute a mere bookkeeping device. This is a financial tool, a means of providing Congressional control over the annual rate of Government expenditures in relation to the Congress' decision, in the light of conditions each year, regarding the balancing of the budget.

Mr. Chairman, it is difficult to follow in debate an orator of the ability of the gentleman from Texas [Mr. MAHON], the distinguished chairman of the influential Subcommittee on the Department of Defense of the powerful Committee on Appropriations. I cannot help but recall the anecdote told by Lincoln as he discussed the force and vigor of his critics:

> I guess I'm like the chap who was riding along a backwoods trail and was caught in a storm. He kept plodding ahead until his horse gave out and then it grew dark. He had only the lightning to show him the trail. The thunder was terrifying and when one bolt seemed to crash at his very feet, he fell on his knees.
>
> "Oh Lord," he prayed, "if it's all the same to You, give us a little more light and a little less noise."

Much has been made in the debate today of the point that the Wigglesworth amendment represents an abandonment, a clever feint, a deception. It is nothing of the kind, and anyone who takes the trouble to read the analysis available here to all the members can satisfy himself as to its integrity and its evolution. No essential principle of the original Hoover Commission recommendation has been betrayed. You have heard others in this debate quote to you the favorable

reaction of members of the Hoover Commission to the bill, as amended. Those who seek to advise us to ignore the heavy flood of mail favoring H. R. 8002 from civic groups, from interested citizens and from followers of the Citizens Committee for the Hoover Report on the basis of the Wigglesworth amendment must shoulder a tremendous burden of proof.

Under the Legislative Reorganization Act of 1946 a very real relationship was established between the legislative, or authorizing committees of the House, the Committee on Appropriations and the Committee on Government Operations, at that time known as the Committee on Expenditures in the Executive Departments. We of the Government Operations Committee are, today, accused of trafficking with the Committee on Appropriations. This deference to the viewpoint of that great committee is not sinister. It represents, rather, a degree of cooperation which might well set a pattern for future relationships of our two great committees. This cooperative effort was dedicated to the idea of working out a measure which would be a means toward an effective means for Congressional control over the annual rate of Government expenditures. This amendment represents a studied concern on the part of many members of the Government Operations Committee for the problems of the other committees of the House. The responsibilities assigned the Committee on Government Operations by rule XI of the House of Representatives include provisions for dealing with reorganizations and for studying the operation of Government activities at all levels with a view to determining economy and efficiency.

Before I continue, I want to pause briefly to pay my respects to the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations. I wish to recognize also the outstanding work of the chairmen and ranking minority members of the subcommittees and of the members of this committee on both sides of the aisle for their Herculean, I might almost be tempted to say Sisyphean, labors in the interest of economy.

The gentleman from Texas [Mr. MAHON] spoke movingly and at great lengths concerning his fears for the country should H. R. 8002, as amended, be passed. I am sure he is very sincere and that these fears are very real to him. I was moved when he quoted that great passage from the 23d chapter of Exodus, verse 2, "Thou shalt not follow a multitude to do evil." Had my knowledge of Scripture been more sure, had the debate at that point not have been so tense, and had I thought of it in time, I would have liked to have referred him to chapter 23, verse 4, of Exodus which explains the interest of the House Government Operations Committee in this legislation.

The gentleman from Texas [Mr. MAHON] has a long background of experience in the field of appropriations for which I respect him. I find however, I cannot always follow his leadership, for I cannot help remembering when he took the floor last year in opposition to the attempt of the gentleman from New Jersey [Mr. CANFIELD] to restore $313 million to the Defense Department appropriation. The first important action we had to take this session was to appropriate $1.3 billion for the same agency in a supplemental.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BROWNSON. I yield briefly to the distinguished gentleman from Texas.

Mr. MAHON. It was in an effort to control expenditures and keep control of the purse in the Congress that we made these reductions. The $1.3 billion was lifted out of the budget for fiscal 1959. The testimony is unequivocal and plain that not $1 of the $1.3 billion was in restoration of one single dime cut from the appropriations last year. That ought to be perfectly clear.

Mr. BROWNSON. It is possible that I confused the remarks of the gentleman from Texas [Mr. MAHON] with statements from some of the gentleman's colleagues from the Democrat side of the aisle made during the recess which castigated the administration for not spending more on missiles.

Mr. MAHON. I do not believe any member of the Appropriations Committee will bear out the gentleman's statement. I know of no one who says that we restored the cuts made last year.

Mr. BROWNSON. The gentleman does agree, however, that he took a position in opposition to the amendment restoring $313 million to the Department of Defense, last summer.

Mr. MAHON. Yes, and I stand firm on that position today; and I think the gentleman from Kansas will confirm what I say.

Mr. SCRIVNER. If the gentleman from Indiana will yield, the gentleman from Texas is correct. None of the money contained in the $1.3 billion appropriation this year was to restore any of the funds cut from the bill last year; none.

Mr. BROWNSON. I thank the gentleman from Kansas [Mr. SCRIVNER] for his contribution. It is still apparent, however, that it was necessary to rush through a supplemental of $1.3 billion in January in order that the Defense Department might have additional funds.

If the appropriation process is perfect as it operates today, there is no need for H. R. 8002 or the Wigglesworth amendment. If interest in economy is dead in the Congress, as many cynics find it fashionable to say this year, this bill has not a chance of passage.

Last year's budget request for $71.8 billion shocked the voters. They will be even more alarmed when they find out that we will spend vastly more before this fiscal year is over, as a result of authorizations and appropriations passed in previous years.

There has not been as much economy mail this year. Is it because of the sputnik or is it because our taxpayers are frustrated, disillusioned, and cynical as they watched Congress cut almost $5 billion from total appropriations requested for fiscal 1958 to no avail? I voted for many of these cuts in nondefense expenditures. In fact, for some $3 billion more than the House sustained. Yet, we find that more than the budget total of $72 billion will be spent by the executive department this year. If this is Congressional control over Federal spending, if this satisfied you and your constituents, vote against this bill.

This bill that comes before you is the considered judgment and the carefully developed recommendation of a committee of this House—the Committee on Government Operations—which voted unanimously to report it. Hearings have been held. The bill has been deliberated in subcommittee, debated in full committee, and the Wigglesworth amendment was submitted this morning to the whole committee for consideration as a substitute.

Again, I assure you that the Wigglesworth amendment carries out the fundamental principles of H. R. 8002. It has been drawn to overcome the objections of defense contractors and of some of the distinguished gentlemen of the House Committee on Appropriations. It is a carefully written attempt to perfect the legislative principles of H. R. 8002 and to meet objections raised in good faith.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BROWNSON. I am happy to yield briefly to the distinguished gentleman from Wisconsin, a member of the Appropriations Committee.

Mr. LAIRD. Is it not true that the substitute seeks to meet some of the objections to the original bill, but there is a different kind of approach?

Mr. BROWNSON. I agree there have been some compromises, but I do not believe the basic approach has been changed. We had to make some compromises in the substitute to make it agreeable to the gentleman of the Appropriations Committee.

Mr. LAIRD. The gentleman refers to the Appropriations Committee. Was not the only "persons" you went to one of the members?

Mr. BROWNSON. My "gentleman" was singular. I hope that when we vote tomorrow it will be gentlemen.

Mr. BROWN of Ohio. Perhaps the gentleman he refers to discussed the matter with other members of the Appropriations Committee; in fact, I am sure they did.

Mr. BROWNSON. I thank the distinguished Member from Ohio [Mr. BROWN], member of the first and second Hoover Commissions. I also want to thank him for the additional time he has yielded to me over and above my 5 minutes.

Is there a need for this bill? May I quote from the report on this bill which was issued by the Committee on Appropriations in the name of the gentleman from Texas [Mr. MAHON]. He makes a point which I think is one of the most effective arguments you could possibly summon for the passage of this bill. May I quote:

> It is true that large unexpended balances are in the hands of the Department each year and that in the annual appropriation bills the Congress does not now exercise direct annual control over their annual rate of disbursement.

I urge the membership to support this bill tomorrow. I hope this is only the start of Hoover Commission recommendations which will be brought to the floor for passage during this session. A year ago this week I introduced H. R. 5792, to create a Supply and Service Administration in the Department of Defense; H. R. 5808, to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise; and H. R. 8097, for improvement of management and technical personnel in the support activities of the Department of Defense.

If H. R. 8002, as amended, is not a cure-all, it is at least a sound step in the right direction. The tradition of uncontrolled Federal spending which is so revered by some is one tradition to which this House need no longer pay homage.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL], a member of the committee.

Mr. MICHEL. Mr. Chairman, I cannot help but have a feeling of inadequacy as I stand here in the well of the House—a member of the "class of 85"—to take a position so diametrically opposed to that of the distinguished chairman and ranking minority member of the Committee on Appropriations. I must confess that these 2 distinguished gentlemen were taking their first oaths of office as Members of this House when I was but a 3-day-old babe in mother's arms back in Peoria, Ill. It would come with poor grace for me, therefore, as a new Member of this body, to condemn without reserve the appropriating processes developed over the years. I would be foolish indeed to pit my youth and comparative inexperience against the wisdom of time displayed by the gentlemen from Missouri and New York. But, lacking the authority of long personal experience, I have called upon the experience of others, notably the most venerated of our elder statesmen, the former President of the United States, Mr. Herbert Hoover, and a number of other distinguished Americans. Without such backing, I would not risk taking the stand I am taking today.

Notwithstanding the high regard I hold for the Members of the Appropriations Committee and others in this House who have so strongly opposed the bill before us today, the testimony taken by the subcommittee of which I am a member compels me to support the bill. I am reminded of the many, many speeches I have heard in this House in my brief membership, and the almost countless pages of the RECORD devoted to economy in Government. And, I might add, some of the very Members who today oppose this bill have been the most vocal in the past in their demands for an end to waste and a return to Congressional control of the purse strings.

Mr. Chairman, I must confess that shortly after our committee voted out this bill, with my support, I was astonished at the weight of argument mustered against the proposal. For a time, I was disturbed at my own vote, and questioned sincerely whether I had done the right thing. The voice of the opposition was loud, rang out strongly, but was somewhat unclear. The voice of those who supported the bill was equally loud—but the echoes of the opposition rebounded, and confusion resulted.

Then, in the quietness of my own office, I began to reread and to study the generally circulated statements of those who so strongly opposed the bill. This morning we recived statements issued by the gentleman from Washington [Mr. MAGNUSON] which said in part, on page 4:

> Each year, the Appropriations Committees spend many weeks going over in great detail what the Army has done with the money previously given it, as well as over proposed future programs. Congress has considerable power of review, readjustment and rescission over appropriations for long lead-time articles and uses it.

In a statement received from the distinguished gentleman from New York [Mr. TABER] a few days ago, there is the following quote:

> The standing rules of the House, however, do not now contain authority for the Committee on Appropriations to rescind, transfer, or reappropriate such unexpended balances found to be no longer needed for the original purpose.

Now, Mr. Chairman, one of these two statements must be correct, the other a contradiction. And, it is because of this very confusion in the House—confusion reflected in the thinking of the great majority of Americans—that I so strongly reaffirm my support of H. R. 8002 as we hope to have it amended by the Wigglesworth substitute. It is my sincere belief, a belief based on an overwhelming weight of evidence supplied by the outstandings servants of our country, who served on the Hoover Commission, and upon the evidence supplied by the very gentlemen who so strongly oppose the bill, that this measure must be enacted.

It may not be a cure-all for our Nation's ills, but I think it will be a positive step in the right direction by way of restoring to the Congress more strict control of the Federal purse strings.

Mr. FASCELL. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I oppose enactment of H. R. 8002 as presently constituted and support the Taber amendment because it carries out the objectives of H. R. 8002.

The bill before us, H. R. 8002, proposes to try over a brief span of years a change in some labels attached to the appropriation of Federal money. The plan is temporary, for a trial period, and allows the different departments of the Government to conform with its requirements at such times as the President, the department—or the Congress—find convenient.

The trial period might expire before some major departments had been able to come under the terms of the proposed statute. The bill is definite only in one respect: It will change the appropriations process label to some words beloved of accountants for private industry, namely, "accrued expenditures."

The details of the procedure to be followed by the Appropriations Committee and the Executive are left to the future to be worked out by the President in his budget submissions and the Congress in its appropriation acts. The Congressional intent is so lacking in precision that, a senatorial uncertainty about a crucial point was referred to the Hoover task force which recommended the legislation:

> Senator KENNEDY. The unobligated authority would lapse. Isn't that your position?
>
> Mr. BRUNDAGE. As I understand it, that was left open—you might check with Mr. Stewart of the Hoover Commission—for decision by the President. (P. 50, Budgeting and Accounting hearings, Senate Government Operations.)

The bill is proposed as a means to improve Congressional appropriations procedures, without a clear idea of what the new procedure would be. And, without a very clear conception of what procedures the Appropriations Committee now follows. The present procedures are neither illogical nor difficult to discover. A witness for the accrued expenditure proposal, the former Secretary of the Treasury, after 2 years' experience with his own appropriation bill, went so far as to tell the chairman of his appropriations subcommittee, a Congressman with 6 terms of experience on the Appropriations Committee, that the Congressman was wrong in saying that committee already achieves one of the aims of the accrued expenditures bill, in considering the effect of each appropriation act on the Government's deficit or surplus.

The original bill, H. R. 8002, makes a change in name for appropriations procedures, with no assurance that any difference will be made in the actual procedure. But worse than that, to the extent that procedures are changed, they will work against economy in Government, and will prove disturbing to business.

The proposed procedure does nothing whatever about the substantive legislation which is the source of the programs to be financed by the appropriations or other authorization procedure. But the cost of Government depends finally on what programs it undertakes. The most expensive programs would in fact become more expensive, to the extent that the procedures of H. R. 8002 were put into practice.

The reasons are simple enough. A program requiring more than 1 year to complete would not be financed at the beginning of the program but would be financed as the program developed.

The first consequence is that most Congressmen would see a less complete statement of total cost than under the present methods, when beginning a new program. Programs that require a small initial installment of funds are more likely to be undertaken, even though their final cost is large, than if the full final cost is faced at the beginning.

The second consequence follows from the use of contract authorizations which are to be reexamined and possibly may lapse, at the end of each year. The business contractors for these programs—and the most expensive programs are largely purchases from business firms—

would not feel secure about the future of their contracts. They would add a risk premium to their contract price, and increase the cost of Government. The ease with which contracts could lapse would introduce the uncertainties on which are fed hesitation in business investment, unemployment, and depression.

Some of these difficulties might be overcome under the bill by making more advance payments to contractors, and including larger requests for such purposes in appropriations bills. The present bill includes advance payments among "accrued expenditures." But there are no obvious gains to the Government to be derived by putting the money in the hands of contractors in advance of work done, rather than at the disposal of the contracting Government department.

The bill is proposed as a means to reduce the unspent balances of appropriations—a bogey that has been blown to great proportions in the last 5 years as an excuse for failing to deliver on extravagant campaign promises to reduce Federal spending. In place of unspent appropriations, the bill would substitute unused contract authority. The production processes which require that the contracting agencies get obligating and spending authority for periods longer than 1 year, would not be changed by a change in the name applied to appropriations procedure. The principal change would be to introduce the uncertainty of annual lapse of contract authority, with consequent economic turmoil and loss. Obligational authority now can be rescinded, and programs previously financed are taken into account in considering in their entirety the programs for which new money is provided each year. These characteristics of the appropriations process can be ascertained readily by reading Appropriations Committee reports and appropriation bills. The present bill would not add to Congress' powers in this respect, but would add to uncertainty about Congressional action. Uncertainty is assured; the authors of the bill and its Senate companion are themselves uncertain about their intent with respect to the lapse of contract authority. And uncertainty in the early stages of a recession in which there are already 4½ million unemployed, is not something to be added merely in order to use a new name for the appropriations procedure.

On the other hand I support the labor amendment which requires that each department annually submit to Bureau of the Budget a justification for continued availability of unused funds, and that the President in his annual budget message shall recommend, if he desires, such funds to continue its availability, and if so, in what manner or for what purpose he wants such funds to be used.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, we have all listened to this debate with great interest and great enlightenment. I think some very powerful speeches have already been made against the proposition. The statement of the gentleman from Texas [Mr. MAHON], the ranking member of the Committee on Appropriations, was most outstanding; also the statement of the gentleman from New York [Mr. TABER], whom we all respect and admire for his great record for economy in this House. The chairman of the Committee on Appropriations, I understand, is yet to speak on this bill.

As has been earlier indicated, the principal issue is one of method: Are we to resort to a method of purchasing on the installment basis? We all know from our own private personal experience that under the installment basis there is a tendency to overpurchase. Furthermore I do not think this House wants to repudiate the House Committee on Appropriations or to take any action which would amount to repudiation of the Appropriations Committee. The plan advanced in this bill was advanced by the Bureau of the Budget; it is a plan favorable to the Bureau of the Budget. After consideration, as has been pointed out here, the subcommittee went thoroughly into the matter. The plan was rejected as not feasible and not practical. Now, does the Congress want to support the Bureau of the Budget or does the Congress wish to sustain the Committee on Appropriations? It seems to me that that is one of the principal issues here, the retaining of control in the Congress rather than transferring control to the executive department. The subcommittee has concluded that the plan is fraught with many defects and many disadvantages, that would make the plan impractical. The Bureau of the Budget and the other executive departments want more control. I personally want more control in the hands of the Congress, and I think that is what the Congress itself wants: more control in this House, not in the hands of the Director of the Bureau of the Budget.

Mr. Chairman, let me read briefly—and I think it is only too well to repeat—the conclusion of the committee:

> It is the view of the subcommittee that the accrued-expenditure method should not be adopted. It has disadvantages and offers no improvement. This is not to infer that the present methods and processes are perfect or the best. There may be a better way to present and process the Federal budget. The best system that can be devised ought to be employed, but the proposed accrued-expenditure method is not it. The point is, there is no simple shortcut, no magic retrenchment device. No budgetary system has a built-in guaranty of economy or efficiency.

So, Mr. Chairman, I shall support the amendment offered by the gentleman from New York [Mr. TABER], the ranking minority member of the committee. I do so because I believe this amendment will formalize into law an authority which the Congress, and particularly the Appropriations Committee, should exercise. It has been a standing practice of the Committee on Appropriations to inquire into and examine the carryovers of previously appropriated funds annually when the committee considers the budget. Although the committee and the Congress now have authority to rescind, transfer, or reappropriate unexpended balances when they are found to be no longer needed, I think it is well that we reaffirm and make clear this authority so that there can be no possible excuse on the part of those who administer the budget—the Office of the Bureau of the Budget and the executive department—to disregard such an action by the Congress. The amendment of the gentleman from New York [Mr. TABER] would merely reaffirm the constitutional rights of the Congress to determine the expenditures of our Government.

Furthermore, Mr. Chairman, the use of this authority by the committee would achieve the principal purposes desired by the supporters of H. R. 8002—that is, effecting savings and economies; and it would do so without producing the confusion which would result from introducing an entirely new system of accounting and budgeting. It would do so without changing the present methods and procedures of the committee or the Congress, while maintaining the constitutional authority of the Congress in the field of appropriations.

So, Mr. Chairman, I think this House should sustain the Committee on Appropriations. They should not repudiate the actions of this committee but rather should strengthen it. It should not weaken its position in respect to the Bureau of the Budget.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I wish to compliment the gentleman on his statement. I was glad to hear him repeat the statement of the gentleman from Texas [Mr. MAHON] that a vote for this legislation would be in effect a vote of nonconfidence in the great Committee on Appropriations. Forty of our committee are opposed to H. R. 8002 and the Wigglesworth amendment.

Mr. EVINS. Mr. Chairman, I thank the gentleman. I think we all should strengthen the hands of the Congress.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. MCVEY].

Mr. MCVEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MCVEY. Mr. Chairman, we have before us today H. R. 8002. This measure would provide for improved methods of stating budget estimates, and would provide for an annual review by Congress of all unspent funds. The National Citizens Committee for the Hoover Report believes that the enactment of such legislation would be a decided step toward economy in Government. The citizens of our country have been aroused by the many news stories and editorials which have appeared throughout the country and are deluging their Congressmen with mail urging them to support this bill.

There is much to be said—both pro and con—on this highly controversial

legislation. Proponents and opponents are equally vociferous in their approach to this all-important subject. Since there is at present more than $70 billion unspent which has already been authorized by the Congress, proponents of the bill are adamant in their demands that Congress should review these unspent funds annually. One glaring example of the need for such a review is that the Army is still spending part of the $12.5 billions which was authorized for the Korean war, although that was ended 4 years ago.

In the President's budget message to the Congress, he again recommended that Government appropriations' requests on an accrued expenditure basis should be enacted. He stated that it would be a businesslike approach, and that the effort to effect economy would be greatly helped by the passage of this bill. H. R. 8002 has, also, been endorsed by the former Secretary of the Treasury, the Director of the Budget, the Comptroller General of the United States, the American Institute of Certified Public Accountants, and many other experts on accounting and budgeting, both in and out of Government.

One feature of H. R. 8002 would change the present system with regard to an item veto. As it now stands, appropriation bills must be either approved or disapproved in their entirety. Many items are included in each appropriation bill; and whether they have merit or not, individual items cannot be deleted from the whole appropriation.

Since the Departments do not have to return any unspent balance to the Treasury Department at the end of the fiscal year, or ever, it appears to me that Congress will have to do something to keep track of the money that is actually being spent. This measure, H. R. 8002, would enable Congress to check up every year on every department and to provide limitations. Such action would return the control of Government spending to Congress, and this would mean returning it to the taxpayers. If we wish to control the spending of our money, it would seem to be necessary to adopt the suggested budget reforms included in H. R. 8002, one of which would be an annual review of all unspent funds. The Hoover Commission estimates this would reduce the waste of tax money by $1 billion a year.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLLIER. Mr. Chairman, I rise in wholehearted support of H. R. 8002 as one of the most vital measures yet to come before this House and one which if we fail to pass today, we as a Congress will have been remiss in our duty to our fellow citizens. The very importance of this measure leaves me a little overwhelmed at the weight of the arguments from both sides of the aisle and on every possible side of the issue before us today. I have heard statements on the floor today that show a remarkable degree of scholarship and a deep concern over the subject at issue.

What concerns me so deeply is that so many distinguished gentlemen, so obviously and sincerely students of the subject, could be so diametrically opposed to each other and yet so convinced in his own mind that each is right.

This controversy has been going on throughout my brief tenure as a Member of this House. Almost every week for over a year I have been receiving in the mail arguments both for and against adoption of this measure. These mailed arguments rang also with the true tone of sincerity. They, too, showed deep concern and excellent scholarship. But the sum total of those arguments, like the total of the arguments I have heard here today, would tend to leave me in a position of fighting with myself if it were not for one simply and overwhelmingly important fact.

That fact, Mr. Chairman, is this: H. R. 8002 was written to end the confusion which so apparently reigns over how and by whom our money is appropriated and spent. The reason for the apparent soundness of all arguments on all sides of this question stems from the fact that there has been so much confusion in the past over how money is appropriated and whether, once appropriated, the money is properly spent. This bill would restore to the individual Members of Congress—and also the Bureau of the Budget—a tighter control over expenditure of Federal funds.

If it would do nothing else, H. R. 8002 would end the confusion which surrounds this vital subject and would give the Congress time to sit down and work out those points which so obviously are still in dispute. And unless it is adopted, this confusion will continue and will increase beyond the point of endurance.

Until Members of Congress once again reassert control over the national purse we can expect nothing but irresponsibility in the asking and spending of tax money. The responsibility is ours to end this confusion and put the Nation back on the right path. I believe sincerely that this bill will be a major factor in accomplishing that.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER], a member of the committee.

Mr. MEADER. Mr. Chairman, I regret that the confidence of the House in the Appropriations Committee or matters of personality have been injected into the debate on this measure. I think we should have been talking about the language of the measure that is here before us.

I think Members should give careful consideration to the Wigglesworth amendment and the second clause under (c), which starts out with these words:

Whenever an appropriation is subject to a limitation on annual accrued expenditures—

Can you think of any way that a limitation upon an appropriation can be made except by the recommendation of the Appropriations Committee and the action of the Congress itself?

It has been argued that this measure would hamstring and interfere with the work of the Committee on Appropriations. But you cannot get that meaning out of language which is permissive and discretionary, as is the case with the language I have just read.

It may be pointed out that in section B (b) of the Wigglesworth amendment the President in sending up his budget, where he is satisfied that an accrual accounting system is satisfactory, is required to make a proposed limitation on annual accrued expenditures. But that does not become law. It will not become law until the Appropriations Committee itself and the Congress, upon the recommendation of the Appropriations Committee, impose a limitation upon annual accrued expenditures.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I am glad to yield to the gentleman from Texas, because I think he should explain to the House how the language used in the Wigglesworth amendment can be any interference with the proper functioning of the Committee on Appropriations.

Mr. MAHON. Is it the interpretation of the gentleman from Michigan that the Wigglesworth substitute would require the Executive to submit this accrued expenditures budget with the limitation to the Congress?

The bill before us, as I understand the gentleman's interpretation, would not require the Congress to fix any limitation whatever. It would be wholly discretionary with the committee.

Mr. MEADER. Not just the committee but the Congress.

Mr. MAHON. Yes, the Congress. In other words, the Wigglesworth substitute would not make it mandatory that the Congress fix any limitation whatever. Is that the gentleman's interpretation?

Mr. MEADER. I certainly cannot read anything else in the language except exactly that. Can the gentleman see any other meaning to it?

Mr. MAHON. That was my interpretation, but I gathered the impression from some of the others that the Wigglesworth substitute would make it mandatory that the Congress fix an expenditure limitation on the appropriation bills. However, I think that the gentleman feels that there would be no compulsion or no mandatory requirement that the Congress fix any limitation whatsoever on expenditures.

Mr. MEADER. I am doing nothing more than to read the language of the Wigglesworth amendment. It seems to me its meaning is very plain and unambiguous.

As I say, I am sorry that the reputation of the Appropriations Committee or any of its members, whom we respect and admire, has been brought in to this discussion to influence the judgment of the members of the committee on this debate.

Being a member of the Committee on Government Operations, I am somewhat unhappy that it has been suggested

there is an attempt by the Committee on Government Operations to invade the jurisdiction of the Appropriations Committee.

Those who have served on the Committee on Government Operations know that committee has precious little legislative jurisdiction. One of the legislative responsibilities the Committee on Government Operations, however, is the Budget and Accounting Act, which is exactly what is before us. It is the only committee in the Congress which has the authority to report out improvements in the management of unexpended balances of appropriations.

Of course, the Appropriations Committee sometimes writes legislation into its appropriation bills, but it does not have jurisdiction to amend the Budget and Accounting Act. It should not be regarded as an invasion of the jurisdiction of a sister committee that the Committee on Government Operations has reported this reform.

I hope we will get back in this debate to talking about what we are doing and stop attempting to stir up jurisdictional disputes between committees and arguing on a basis of personalities.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, the gentleman from Missouri [Mr. CANNON] has stated on many occasions his objection to this legislation. The gentleman is also well known for his views on the construction of additional large aircraft carriers for the Navy. On February 18, the gentleman assured the Members of this body that our national defenses lead those of the Soviet Union in only three categories, "supercarriers, tomahawks, and scalping knives"—page 2299 of the CONGRESSIONAL RECORD, February 18, 1958.

In view of the relatively short span of time required for the production of tomahawks and scalping knives, I assume that the passage of this legislation would not affect our margin of superiority. In the matter of the large carriers, however, it seems that the gentleman's own experience might be somewhat instructive. Let me preface my remarks by disclaiming any particular expert knowledge in the military field—the comments which follow are simply intended to illustrate a point.

Last year the Members of this body voted an appropriation of some $300 million for the construction of a nuclear-powered 85,000-ton aircraft carrier. This ship would be the largest ever built and was intended by the Navy as a prototype for five others of its class. The gentleman from Missouri was not numbered among the supporters of this project.

On January 21 of this year it was reported by the press wire services that the committee of which the gentleman is chairman had second thoughts in this matter. A motion was introduced in the committee which would have rescinded the unspent appropriations for this ship, and this motion failed to carry on a tie vote of the committee, it was reported. It is interesting to note that between $80 million and $100 million had already been spent. It is all the more interesting to note that the first plate for the keel of that ship was only laid last month. In other words, between one-quarter and one-third of the total appropriation was spent before the first rivet was driven or the first plates welded for this vessel. We may only speculate as to how much of this money was spent in haste precisely to forestall reconsideration of the whole program, so that the gentlemen from the Navy Department might come back before the commmittee of this body and say, "We have already spent a great deal on this project; you will save a relatively small amount through cancellation; therefore let us proceed with the project."

Who among us can say how many billions of dollars of the taxpayers' money may have been disbursed in this casual fashion, simply because we have not been required to make a formal review of the appropriations each year? The amendment proposed by the gentleman from New York would deal with this problem of rescission of funds. Yet is that not the procedure which was attempted in January in the case of the supercarrier, and did not the motion to rescind die in committee?

I have said before that I do not claim to be an expert on military affairs, as are some other Members of this body. However, some of our previous experiences have become a matter of record. For several years, we went on appropriating funds for the Air Force's Navaho intercontinental guided missile; this was not a ballistic missile, but was the type known as a "cruise" missile. After we had spent $800 million, the planners in the Pentagon decided last year that the intercontinental missile was the only type which should be used.

What did the taxpayers of the United States get for their $800 million? Five missiles—five units, not five different types—which were fired at Cape Canaveral merely to obtain data concerning their propulsion systems. The last of these missiles had to be destroyed in flight last week because of a malfunction. None of them ever became operational. Are my colleagues aware that on this basis each missile cost us $160 million? That sum would have paid for 20 B–52 bombers or for 80 Atlas missiles of the ballistic type. It is probable that some, perhaps even the greater portion, of this money would have been spent for research on the Navaho in any case; but surely an annual review, comparing that project with other missile programs, would have saved at least some of this $800 million which is now lost forever, with no weapons to show for it.

There is, perhaps, another explanation for this fiasco. It may be that this program was quite soundly conceived, and that we should, even at this moment, be forging ahead on production of the Navaho at the same time we are building the Atlas and Titan and preparing to build the Minuteman. It may be that the only reason the Navaho is not being added to our national arsenal is the simple fact that—thanks to outmoded budget procedures here in the Congress—last year our total Government spending had reached such staggering proportions that indiscriminate cutbacks had to be made, even in projects important to our national security.

No matter which of these hypotheses may be correct, it is evident that the entire affair would have been better handled under annual accrued expenditure budgeting. With defense programs in the billions continuing indefinitely in the future, we urgently need this system to avoid costly fiascos and insure a dollar of protection for every dollar spent.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. MAY], a member of the Committee on Government Operations.

Mr. MAY. Mr. Chairman, as a member of the Committee on Government Operations, may I in 2 minutes try to bring the debate back into focus.

First of all, I want to review briefly the objectives of our committee. It is our obligation under our jurisdiction to do everything possible to see that the budgeting process operates with maximum efficiency. That, of course, is also the objective of the Hoover Commission report. That Commission has conducted exhaustive studies in this field and appears to have the support of the majority of the public. In fact, the President has implemented their administrative suggestions to the extent of 77 percent. It is incumbent upon the Congress to perform its share of the task.

To recapitulate briefly, the situation is this:

First. The bill, H. R. 8002, before us, will enforce these principles of the Committee and the Hoover Commission.

Second. We conducted exhaustive studies on this last year, and since that time, we find that there is one problem, lead-time contracts that is being corrected by the Wigglesworth amendment. I have taken a great interest in this compromise amendment because I think it affects many of the industries doing business with the Government, and by putting back this obligational authority, we straighten out that situation to a great degree. The bill then should be voted on and voted on very shortly in a favorable fashion. Finally, may I say this, that last year I was not impressed with the eloquence of the gentleman from Texas [Mr. MAHON] on the vital matters of defense that we were discussing. His eloquence resulted in cuts which were unfortunate and harmful to our defense efforts.

I am not impressed today with his arguments on H. R. 8002, although I can find some sympathy with the Committee on Appropriations. But, I say this: We are going to have economy and efficiency in Government from a bill of this nature, as amended, and that authority will be left in the Congress and we will have in that regard the proper functioning of our Government in the most efficient manner that we can possibly obtain.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I suppose that since we are on the issue of

poaching on a preserve where we have no right to be, I have some right to speak. I am talking about the job the Committee on Government Operations is attempting to do. Last year we heard, and I have no doubt this coming year we shall hear, when we bring out the mutual security act quite a bit from Members on the Committee on Government Operations who have made investigations in the foreign-aid program. Now, as a person who is interested in a sound and strong mutual security program, I am sometimes uncomfortable when I hear of their findings. Sometimes I wish they did not exist, but I think the committee performs a very excellent watch-dog function which results in sounder legislation. So here I think the committee, as one of the previous speakers has said, is exercising a job properly given to it, a job which if it does not do under the budget control act, no one else can properly do. So, therefore, I submit, this question of who is going to bell the cat should be decided once and for all, and it should not be made to depend on whose ox is gored, if I can mix the two metaphores.

My attitude on this bill is one of some confusion as I have listened to the debate this afternoon. I feel the Committee on Government Operations has properly devoted itself to its task and has conducted thorough hearings and has made an intensive study. I go into this feeling that the burden of proof is upon one who would say this is not a step forward. I think it might be said that H. R. 8002 may not be a major step forward. Some people talk about this bill as being a guided missile or a ballistic missile that would rise to outer space so far as economy is concerned. Maybe it is not that. Maybe all it is is a small bore weapon. But, it seems to me we should take a chance, whether the savings are a few million dollars or many millions of dollars. In other words, I am left feeling that the burden of proof against the wisdom of making these experiments in the field of Government efficiency, even in our own House has not been sustained. I urge passage of the bill with the Wigglesworth amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield 8 minutes to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, let me say to my good friends who on the floor here this afternoon have expressed some apprehension that they may have been too drastic in their pointed references to the members of the Committee on Appropriations, have no concern. We have been individually and collectively put through the shredding machine on this floor and elsewhere so frequently that we welcome any criticism from any source—parliamentary or unparliamentary.

For many months all of you have been receiving letters urging you to vote for H. R. 8002, and thereby save $4 billion a year. Sometimes it was $7 billion a year but always it was up in the billions.

When I went home this year, about the first man I met on the street said, "CLARENCE, taxes are getting terribly high. If you can save $4 billion a year, why don't you save it?"

I think it is obvious to anyone that there is not a member of the Committee on Appropriations on either side of the table who would not jump at the chance to save $4 billion a year if he could—or $1 billion, or even $1 a year, if there was any way in the world to do it. How absurd to say we would not save $4 billion a year or $7 billion a year, or any other sum if we had the slightest opportunity. On the face of it the whole built-up proposition is obviously a sham and a deception.

Now we find ourselves in a peculiar situation. Thousands of dollars have been spent in this Alice in Wonderland campaign. Offices have been leased, staffs have been maintained, and an organization built up which has for months flooded Washington with letters and in the last 3 days has sent hundreds of telegrams to the Members here on the floor. "Vote for H. R. 8002." I happen to know some of the people who are writing and telegraphing and they would not recognize a budgetary system if they met it in the middle of the public road.

Somebody paid the bill. It would be interesting to know whose money it was and what they are driving at. For here only this morning—at the last minute—they have suddenly abandoned H. R. 8002 for which they have been ballyhooing all these months and offered an amendment striking out everything after the enacting clause and substituting another bill—the Wigglesworth amendment. Nothing is left but the magic and miraculous number 8002. Everything else has been swept away by the unanimous action of the committee this morning before the House met. And the $4 billion a year savings has gone glimmering with the bill.

Members of the House have come in here today and delivered the speech which they wrote long ago for H. R. 8002, without changing a comma, when that bill was officially abandoned by a unanimous vote of the committee hastily called together this morning.

And they are now claiming that the country wants the Wigglesworth bill and claiming that all these letters and telegrams are demanding the Wigglesworth bill. When as a matter of fact absolutely no one throughout the country ever heard of the Wigglesworth bill for the simple reason that the Wigglesworth bill has never been in print until the RECORD came out this morning and no newspaper or press association has carried a single line about it. Nothing could possibly be more absurd.

There has been a surprising reversal of sentiment throughout the country at large. And especially by those in a position to judge the effect.

Here is a letter received last night:

RAYTHEON MANUFACTURING CO.,
Waltham, Mass., March 3, 1958.

MY DEAR REPRESENTATIVE CANNON: It is our information that H. R. 8002, often described as the "accrued expenditures bill," will soon be voted on in the House of Representatives.

It may be of some interest to you to know that this particular bill was given careful consideration by the National Association of Manufacturers, and that two committees voted unanimously to have NAM take a public position in opposition to the bill. I have been advised, however, that the policy-setting committee of NAM, with no floor decision of the matter, voted not to take any public position primarily because of the undesirability of opposing any Hoover Commission proposal.

The bill was considered in detail by NAM's subcommittee on accrued expenditures on December 10, 1957. In addition to the members of the subcommittee who were present (all of whom were officers of business corporations), the subcommittee heard from Messrs. J. Harold Stewart and Perry Shoemaker as representatives of the Hoover Commission. Despite arguments advanced by those gentlemen, the subcommittee in its wisdom voted unanimously that the bill should be opposed.

This action by the subcommittee was then reviewed by NAM's Government Economy Committee on February 6, 1958, and was unanimously approved.

It is my information that the United States Chamber of Commerce had a similar experience in considering this bill. Although it has publicly endorsed Hoover Commission proposals in the past, the Chamber decided to take no position on this bill.

The significance of these moves, of course, is that two large associations of business firms appear to have disagreed privately with the Hoover Commission as to the desirability of H. R. 8002, and have deliberately withheld public support of the measure.

Sincerely yours,

ROBERT G. HENNEMUTH.

The National Association of Manufacturers originally endorsed H. R. 8002 and urged its enactment. When the Committee on Appropriations called attention to their long years of unsuccessful experience with the system, they appointed a committee to make a study of it. That committee reported to the association's committee on Government economy, which also unanimously voted against the bill. Not content with reporting adversely on the bill the two committees declared it should be actively opposed.

The experience of the National Chamber of Commerce was almost identical. Originally they were enthusiastic in favor of H. R. 8002. When the Committee on Appropriations reviewed the actual application of the proposal over a period of years, the chamber appointed a committee which reported back that the proposal was untenable and the National Chamber of Commerce reversed its position and declined to endorse it.

Of the 50 members of the Committee on Appropriations, some of whom have been working on the budgets of the last quarter of a century, 40 oppose H. R. 8002.

They know by unhappy experience it will not work. We gave it a fair trial under chairmen from both sides of the table.

They know that instead of saving billions it will not save a dime. On the contrary, it will pile up added costs.

They know it will not reduce the unexpended carryover by a penny. We carefully check the carryover on every appropriation bill.

They know it will not strengthen Congressional control of the purse strings

because it is too late to stop raids on the Treasury after the obligation has been made.

And control of the purse strings is one of the prime factors in the consideration of the Wigglesworth bill.

Advocates of H. R. 8002 received a letter from Secretary Quarles just this morning, under date of March 5, 1958. It is hot off the griddle. This letter purports to approve the Wigglesworth bill. But it ties a string to the endorsement. It proposes to modify the Wigglesworth bill to grant the President authority to transfer accrued expenditure authority between appropriations. Of course, that is contrary to the whole idea of the proposition. That really would snatch the purse strings out of the hands of the legislative branch and transfer them to the executive branch of the Government.

Here is the letter in full:

DEPARTMENT OF DEFENSE,
March 5, 1958.

Reference is made to your telegraphic inquiry for comments of the Department of Defense with respect to H. R. 8002. It is understood from the Bureau of the Budget that your request refers to a proposed amended version, copy of which is enclosed.

From a reading of the amended version, the language of which we understand has been worked out with the Bureau of the Budget, it is understood (1) that whenever the President determines that a satisfactory system of accrual accounting has been established, each proposed appropriation request thereafter transmitted to the Congress shall be accompanied by a proposed limitation on the annual accrued expenditures; (2) that the appropriations would be made in the same manner as at present and would continue to be available for incurring obligations in the normal manner; (3) that the proposal does not involve the use of unfunded "contract authority" in whole or in part, and (4) that payments, or the liquidation of obligations, would be made in the same manner as at present, subject, however, to a limitation on the annual accrued expenditures for each appropriation when such a limitation is included in the Appropriation Act.

The proposed amendment also contains authority to make provision in appropriation acts for rescissions, transfers, or reappropriations of unexpended balances found to be no longer needed for their original purposes. This provision we understand would formalize a procedure which has been in existence for some time whereby rescissions, transfers, or reappropriations have been effected under new appropriation bills.

The language of section 3 of the proposed amendment which would provide for appropriations to be made, and obligations to be incurred, in the same manner as at present, is of vital importance in the Department of Defense for the proper execution of programs for the procurement and production of all major items of equipment as well as for research and construction.

However, because of the need for some flexibility to take advantage of scientific and technological progress, and to permit adjustments as necessary in various programs funded from different appropriations, authority for transfer of expenditure limitations between appropriations within the department is necessary for the efficient and economical operation of the overall military program. Therefore, it would be hoped that the proposed amendment could be interpreted to permit the inclusion in an appropriation bill of authority to transfer, during a given year, with the approval of the President, an unexpended portion of an expenditure limitation from one appropriation to another within an executive department, provided the total expenditure limitation for all appropriations to that executive department is not amended. In our opinion, this would be consistent with the request contained in the President's budget message for the Department of Defense, with the approval of the President, to be granted authority to make transfers of obligational authority between appropriations. While the legislative history, including floor debate, might make this clear, you may find it desirable to add clarifying language on this point.

In the light of the foregoing understandings with respect to the effect of the proposed amended version, and subject to the comment with respect to transfer authority, the Department of Defense supports the amendment as is in accord with the program of the President.

Sincerely yours,

DONALD A. QUARLES,
Deputy.

Mr. LIPSCOMB. Will the gentleman yield?

Mr. CANNON. That is the very proposition the President urged in his recent budget message. The President has asked for authority to transfer between appropriations, and even between the services in the Defense Department, up to $2 billion in 1959. And that is only the beginning. Listen to what Budget Director Brundage said only last January 13:

I believe Congress ought to make all these appropriations to the Secretary of Defense. I think that would be the ultimate solution to part of this trouble.

You see what they want is for us to give them a blank check for $40 billion. And they will spend it to suit themselves. Talk about control of the purse. Mr. Brundage, and the President, support H. R. 8002 and then turn around and ask for a blank check.

May I say in conclusion——

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California.

Mr. LIPSCOMB. Would the distinguished chairman of the Appropriations Committee mind informing me to whom the letter from which he read was addressed?

Mr. CANNON. I will put the entire letter in the RECORD.

Mr. LIPSCOMB. Would the gentleman mind informing the House to whom the letter was written?

Mr. CANNON.—

"Hon. GLENARD P. LIPSCOMB,
"House of Representatives,
"Dear Mr. LIPSCOMB."

In conclusion, Mr. Chairman, we can not escape the conclusion that the bill H. R. 8002 is the most flagrant deception ever perpetrated on the American public. The fraudulent character of the proposal has been convincingly demonstrated on the floor here this afternoon and is corroborated by the unanimous action of the committee in discarding it just as the House is preparing to take it up for consideration this morning.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. BASS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BASS of New Hampshire. Mr. Chairman, I urge the House of Representatives pass H. R. 8002, to provide for annual accrued expenditure budgeting. H. R. 8002 is identical to H. R. 7427 which I introduced, and carries out one of the major recommendations of the second Hoover Commission.

The House should never turn its back on efforts to increase the public's understanding of the Federal budget and costs of Government. In my judgment this bill will go a very long way toward making sense for millions of people in this country out of the present budgetary hodgepodge. If this bill did nothing else, its passage would be justified.

However, other real advantages exist. We will have better knowledge and control of dollar expenditures in any one year. We will be able to better judge the effects of Government spending on the national economy—a point of vital importance to the country this very day.

The Appropriations Committee and the Congress will retain more practical and effective control over appropriated funds with a year-by-year review of all proposed expenditures. Vast carryover funds will be eliminated or brought under greater control.

The advantages of this bill far outweigh the possible disadvantages, and I urge the House to pass this needed legislation.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BATES. Mr. Chairman, for many years Members of this House have recognized the clearly evident fact that we have relinquished much of our constitutional authority. The march of time bringing with it enlarged and complex problems has necessitated such a development. The minute scrutiny which was once attainable in a small and relatively simple Government can no longer be achieved. It is, therefore, necessary for us to exercise restraints in certain areas providing these restraints do not impinge upon the efficiency and the smooth operation of the departments in the executive branch. That is the purpose of H. R. 8002. It is vital that some constant check be made annually upon those items for which so-called no year money is appropriated.

If the pendulum has swung too far in one direction we must exercise care in plotting its future course. Any abrupt change in uncertain waters could be disastrous, although it is my judgment that a well-managed program under H. R. 8002 would not have such a resultant effect. Nevertheless, with a recognition of the experience and dedication of the Appropriations Committee, I believe it is appropriate that the Wigglesworth amendment be adopted.

Mr. BROWN of Ohio. Mr. Chairman, I yield the balance of my time to the

gentleman from California [Mr. LIPSCOMB].

The CHAIRMAN. The gentleman from California is recognized for 14 minutes.

Mr. LIPSCOMB. Mr. Chairman, I really have little familiarity with the letter from Mr. Quarles, referred to by the previous speaker, and it is strange how it got into the hands of the Appropriations Committee before it got into mine, as the letter was sent to me as a result of my request for the Department of Defense position. I think it is indicative of the strength the Appropriations Committee has.

I would like to say also that I am heartily in support of H. R. 8002 as amended by the Wigglesworth amendment. I am sorry if the Appropriations Committee feels that some of us are trying to take away something from them, for this is not the case.

Many of us in the House are trying the best we can as Members of this great body to see to it that we have the most efficient Government possible. We are trying in our own way to work with the Appropriations Committee. We do not have the opportunity to be on that great committee. So when we recommend or put forth our thoughts, it is in no way a criticism of what they are doing or what they are attempting to do. We are simply exercising our right as individual Members to see that adequate procedures are put into effect so that we can guarantee our people, our individual districts, and the Nation good fiscal Government.

Mr. Chairman, I am in support of the amendment to H. R. 8002 that will be offered which would establish annual controls over accrued expenditures. It would accomplish this purpose by requiring that the budget include an annual limitation on accrued expenditures for each appropriation.

This is an important move since converting to an accrued expenditure limitation basis would be an all-important step in the modernization of our budgeting and accounting procedures. Public Law 863, which was enacted by the 84th Congress in 1956 to provide for cost-based budgets and accrual accounting in Government, established the necessary initial steps in placing Government financing on a modern and efficient basis.

According to the ninth annual report compiled by the Treasury Department, the Bureau of the Budget, and the Comptroller General under the joint program to improve accounting in the Federal Government, and the annual report by the General Accounting Office, encouraging progress is being made in converting agency accounting systems to the accrual basis, as provided for in Public Law 863.

The next step is the measure H. R. 8002—as amended. It is a logical followup to what has been done under Public Law 863. It would provide for an annual limitation on accrued expenditures for each appropriation or fund account for which there has been established a satisfactory system of accrual accounting.

Recommendation No. 7 of the Commission on Reorganization of the Executive Branch of the Government, the Hoover Commission Report on Budgeting and Accounting states:

> That the executive budget and Congressional appropriations be in terms of estimated annual accrued expenditures; namely, charges for the cost of goods and services estimated to be received.

One of the primary objectives of that recommendation of the Hoover Commission was the establishing of a procedure which would, first, provide for an annual Congressional review of appropriations granted in prior years, and, second, to give the Congress a positive control over annual accrued expenditures from both current and prior-year appropriations. The amendment is designed to meet that objective.

HOW THE ANNUAL ACCRUED EXPENDITURE LIMITATION WOULD BE APPLIED

The amendment provides that there would be charged against the limitation on annual accrued expenditures the cost of goods and services and other assets received, advance payments made, and progress payments becoming due, and the amount of any other liabilities becoming payable, during the fiscal year concerned.

It provides that the unused balance of the limitation on annual accrued expenditures shall lapse at the end of the fiscal year concerned. Receipt of goods and services under the same appropriation account in a subsequent year would be subject to a new limitation which Congress would establish after reviewing performance for the prior year. The authority to receive goods and services and incur other liabilities would thus be controlled on an annual basis in a manner which would automatically entail a review by the Congress of balances of prior appropriations.

Under the terms of the amendment, where goods and services are received in a particular year but are not paid for in that year, if such goods and services were within the limitation on annual accrued expenditures for the fiscal year in which they were received, they could be paid for in the next fiscal year without further Congressional action. This would insure that no contractor or supplier would be denied payment for goods and services actually delivered or rendered in accordance with the law and the terms of his contract.

There is also the situation where goods and services are ordered during a particular fiscal year but not received in that year. In such cases, under the terms of the amendment, the value of such goods and services would be charged against the limitation on annual accrued expenditures for the succeeding fiscal year in which such goods and services were to be received. Thus, in establishing a limitation on annual accrued expenditures for each succeeding fiscal year, the Congress would control not only the goods and services received under orders placed in that year but also the receipt of goods and services under orders placed in prior years. The effect of this is to control the use of balances of prior year appropriations by the executive branch and to place the control thereof in Congress.

Under provisions of the amendment, nothing contained in the measure would be construed to change existing law with respect to the making of appropriations or the incurring of obligations. Appropriations could be made on an annual or on a no-year basis in the same manner as they are at present, and they would continue to be available for making contracts and for the payments for obligations incurred thereunder in the same manner as they are now, subject however, to this important change: The value of goods and services received in each fiscal year would be controlled by the annual limitation on accrued expenditures. Regardless of the time of receipt of goods or services, payment would be made from the appropriation under which the obligation was incurred; however, the accrued expenditure would be charged against the limitation applicable to the year in which the goods or services were received.

The rules of each House, in general, prohibit changes in existing law through appropriation acts. Since the limitations on annual accrued expenditures for a particular year would affect not only funds appropriated in that year but the obligated balances of funds appropriated in prior years, the accrued expenditure limitation could be construed as changes in the laws respecting the use of prior appropriations. Similarly, provisions pertaining to the availability of funds appropriated in prior fiscal years, such as recisions or transfers of appropriations previously made, could be construed as changes in existing law. The amendment takes care of that problem by making it clear that the establishing of limitations affecting prior year appropriations, or provisions pertaining to the availability of funds appropriated in prior fiscal years such as recisions or transfers of appropriations previously made, would be in order in appropriation acts.

EFFECT OF THE LEGISLATION

Enactment of this legislation would revise present practices of requesting appropriations from Congress which is based on appropriations stated only in terms of authority to obligate. In addition it would require budgeted work plans for the cost of goods and services estimated to be received by the departments and agencies for a budget year.

Under the system now in use, the President requests and Congress makes available sums of money that may be obligated in a fiscal year or over a period of fiscal years without direct reference to when the accrued expenditures actually occur. The liquidation or payment of such obligation may occur after the period during which funds were obligated.

The effect of requiring that the budget include a limitation on annual accrued expenditures, as proposed by the amendment, would be to give improved control to Congress and the executive branch.

LEGISLATION WIDELY ENDORSED

That legislation of this type is sorely needed, is recognized by a long list of

people both inside and outside of Government.

I would like to call your attention to the fact that President Eisenhower on six separate occasions has recommended legislation to implement the Hoover Commission Recommendation No. 7. His most recent statement in this regard was the budget message presented to Congress January 13, 1958. Legislation to implement the Hoover Commission recommendation is likewise endorsed by the fiscal agencies of the Government.

CONCLUSION

No magic is claimed for the proposed method to provide for an annual limitation on accrued expenditures, and indeed it has none. What is claimed however, is that within a given framework, or type, or scope of governmental activity, the various programs can be carried out under this method with greater Congressional control, and with a greater potential for savings and economy than under the present method of making appropriations.

What it amounts to is a hardheaded and businesslike approach to the spending of taxpayers' money which many both inside and outside of Government believe is best calculated to achieving a dollar's worth for a dollar spent.

If Congress is to exercise its constitutionally delegated power to legislate to an effective degree, it must be in a position to control the expenditure of money by the executive branch. Effective control over the purse is inherent in the power to legislate and is one of the most important devices available to Congress for protecting the American people from uneconomical and inefficient Government. The amendment will strengthen Congressional power of the purse to a considerable extent. I urge all Members of Congress to support H. R. 8002, as amended. By doing so you will be supporting legislation for better and more effective Government fiscal procedure.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from Illinois.

Mr. YATES. Under the Wigglesworth amendment, section (d), it says:

At the end of the fiscal year concerned, any unused balance of the limitation on annual accrued expenditures shall lapse.

It also says in subsection (g):

Nothing in subsections (b) through (f) of this section shall be construed to change existing law with respect to the method or manner of making appropriations or the incurring of obligations under appropriations.

It is current practice in appropriation bills to provide that certain expenditures shall remain available until expended. May that practice still remain under the wording of the Wigglesworth amendment even though you have subsection (d) stating that such annual accrued expenditures shall lapse?

Mr. LIPSCOMB. If the Committee on Appropriations and the Congress, in appropriation legislation, designate that it will be a no-year appropriation, the obligation will not lapse, just as it is at the present time.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from California.

Mr. TEAGUE of California. It is a fact that the gentleman who has the floor now, Mr. LIPSCOMB, is by profession a public accountant. I happen to have personal knowledge that you are not only a public accountant, but an excellent one. It seems to me that your strong support of H. R. 8002, based upon your professional experience and knowledge, should carry great weight with the Members of the House.

Mr. LIPSCOMB. I thank the gentleman from California for his remarks. I know of his conscientious study of this legislation.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Chairman, I am in favor of H. R. 8002 and want to associate myself with the remarks of the able gentleman from California [Mr. LIPSCOMB]. We have discussed this bill in the past and I compliment him for his work on this bill. His long years of accounting experience give weight to his observations on the merits of this bill.

It is always difficult to cut back the size or change the procedures of government. Human beings resist change. I feel that the distinguished senior members of the Appropriation Committee are in favor of the status quo, and their fears may be well founded. It could be they may have the right to say "I told you so" if this bill is passed and in effect. But I do not think so. On the contrary this accrual accounting principle is indeed applicable to government.

A yearly checkup on Government expenditures is a worthy objective and H. R. 8002, will focus attention on these expenditures. Maybe as a result we will cut back some of these expenditures, if we recognize them. Government expenditures are so huge and the bureaucracy so big the Hoover Commission had trouble even finding all the agencies, services, personnel, and expenditures of this huge Federal Government.

Certainly the citizens who are now aroused have a right to request and petition us for this legislation. In fact, it would be a blessing if more citizens put more pressure on Congress to streamline and eliminate the waste, duplication, and mismanagement of our gargantuan Government.

There are other Hoover Commission legislative suggestions that are now before our Congressional committees for attention. In fact, they have been pigeonholed for several years and apparently will stay pigeonholed until the citizens put on the pressure necessary to impress Members of Congress that they want Congress to economize, to cut back, and that they believe in the Hoover Commission bills. At least they should be studied by the respective committees of Congress. H. R. 8002 is a step in that direction.

Mr. LIPSCOMB. I thank the gentleman.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from California.

Mr. DOYLE. May I ask the gentleman if he knows whether or not the Hoover recommendation included an express provision or suggestion that the authority to enter into contracts as set forth in line 24, page 3 of the original bill, H. R. 8002, was included? In other words, is that based on the Hoover Commission recommendation?

Mr. LIPSCOMB. As H. R. 8002 was originally presented to the House, it was inherent in that legislation that contract authority had to be given.

Mr. DOYLE. That is not my question. My question is whether or not the Hoover recommendation expressly set that forth as an inherent part of the legislation.

Mr. LIPSCOMB. It was an inherent part of the recommendation.

Mr. DOYLE. Why, then, was it dropped from the Wigglesworth amendment?

Mr. LIPSCOMB. The Wigglesworth amendment does not include contract authority since appropriations would continue to be made in the same manner as they are at present.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FASCELL. Mr. Chairman, I yield 1 minute to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, may I say that the amendment offered by the distinguished gentleman from New York [Mr. TABER] gives to the committee and to the Congress a long-needed authorization. It is important that the House have this additional authority.

May I also add that if the Taber amendment is adopted, it will in my opinion, be the longest step forward in House and committee procedure since the adoption of the Budget and Accounting Act in 1921.

I sincerely trust the House will agree to the amendment of the gentleman from New York and then agree to the bill as amended.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the measure have the right to revise and extend their remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 201 of the Budget and Accounting Act, 1921, as amended, is further amended by adding the following new subsections:

"(b) It is the sense of the Congress that revisions in presentation of budget estimates and estimates for deficiency and supplemental appropriations are essential in order to provide a more informative basis for the enactment of appropriations by the Congress, to reduce or eliminate the large carryover balances of appropriations from one fiscal year to another, and to bring about economy in Government expenditures. It is therefore the policy of the Congress that estimates for proposed appropriations will be determined on an annual accrued expenditure basis.

"(c) The amount of proposed appropriations referred to in sections 201 (a) and 203 of this act shall, to the maximum extent deemed desirable and practicable by the President, be determined on an annual accrued expenditure basis.

" 'Annual accrued expenditures' shall relate to goods and services to be received in a fiscal year, advance payments, progress payments, and such other payments as are authorized by law to be made in such fiscal year.

"This subsection shall not apply to appropriations for the payment of claims certified by the Comptroller General and of judgments; appropriations for the refund of Federal taxes and of other moneys erroneously received and covered into the Treasury of the United States; appropriations for private relief; appropriations for the payment of interest on trust funds; appropriations to provide or increase revolving funds; appropriations for the payment to former members of the Armed Forces, their dependents and beneficiaries, of any benefits to which they are entitled by reason of military service; appropriations for the payment of pensions and annuities; appropriations for the payment of any obligation of the United States for which liability is fixed by treaty; and other appropriations or funds analogous to the foregoing.

"(d) The conversion to the use of the annual accrued expenditures method for stating proposed appropriations in accordance with section 201 (c) of this act shall be accomplished in such manner and at such times as may be determined by the President.

"(e) As of the end of each fiscal year, the excess of any appropriation or fund made on an annual accrued expenditure basis over the accrued expenditures under such appropriation or fund shall lapse, unless hereafter provided otherwise in an appropriation act or other law. Any remaining balances of each such appropriation or fund shall be merged with any appropriation or fund made for the same general purpose for the ensuing fiscal year and shall constitute a single account."

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, had come to no resolution thereon.

EXTENSION OF RECIPROCAL TRADE PROGRAM

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LANKFORD. Mr. Speaker, once again the problem of extension of the reciprocal trade program confronts the Congress. Early in the 84th Congress I protested with all the vigor at my command the finding by the Office of Defense Mobilization that four jeweled watch companies were essential to national security. As a result of this finding, the President of the United States on July 27, 1954, authorized increases up to 50 percent on certain imported Swiss watch movements. This action was taken in spite of a comprehensive study completed in April 1954 by the Department of Defense which concluded: "The needs of the Department of Defense for industrial capacity clearly demonstrates that no special or preferential treatment for the industry is necessary."

I am gratified that in a report issued on February 28, 1958, by Gordon Gray, Director of the Office of Defense Mobilization, it is now recognized that imports of jeweled and pin-lever watches and clocks are not threatening to impair the national security. The earlier decision by ODM had a most harmful effect on the export of Maryland tobacco to our best customer, Switzerland. It is hoped that this action followed by a sensible reduction in the present high tariff rate will do much to improve our trade relations with the Swiss.

Here then is one example how an enlightened trade program is of inestimable value to an industry which is vitally important to the entire economy of southern Maryland. I would like further to commend to the Congress a memorable address delivered on January 30 by the distinguished gentleman from Louisiana [Mr. BOGGS]. It is messages such as this that do much to dispel the misconceptions that exist whenever foreign trade is brought under discussion. In his forthright and well-reasoned speech, the chairman of the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means urged the formation of a coordinated foreign-economy policy with a single agency to assess the overall national interest in matters of trade policy. His address contained a number of timely observations and I commend it to my colleagues in the Congress.

One portion of the gentleman from Louisiana's speech was of special interest to me. In referring to several industries that do not support our reciprocal trade-agreements program, the gentleman from Louisiana [Mr. BOGGS] cited the case of the American chemical industry and pointed out that despite the fact that in 1957 the exports of the chemical industry were five times as great as imports of chemicals into the United States, spokesmen for the industry have been very outspoken in their opposition to the program. I share the view of my colleague from Louisiana that an industry with such a substantial stake in overseas markets should be expected to vigorously support a program which has brought it so many benefits. Now I have been most interested to discover in a very informative article entitled "For Chemical Process Industry Executives: A Changing Tariff Attitude?" that the bulk of the businessmen in the chemical industry do not feel this way. Who, then do the spokesmen speak for?

The article I refer to appears in the February 1 issue of Chemical Week, a leading journal in the chemical industry, published by McGraw-Hill. It reports on a survey conducted among executives of the chemical industry and points out that 71 percent favor reciprocal trade, with or without restrictions, and only 6 percent are opposed. It is interesting to note that it also reports on the results of surveys conducted among members of the aviation, machinery, and electrical industries and that a heavy preponderance of sentiment among those groups was also found in behalf of reciprocal trade, with less than 5 percent of those responding opposed to reciprocal trade.

As the time approaches for the Congress to consider the extension of the Reciprocal Trade Agreements Act, it is especially important to know how the American people feel about this vital program. We must, as Members of Congress, distinguish between fact and fancy, truth and propaganda. The significant findings contained in the Chemical Week article perform a distinct service in this direction and, quite interestingly, tend to buttress the remarks made recently about the chemical industry by the gentleman from Louisiana [Mr. BOGGS] before the Mississippi Valley World Trade Conference. Moreover, they provide a highly interesting insight into the current sentiments in behalf of reciprocal trade by an important segment of the American people.

FEDERAL RESERVE IS TIGHTENING CREDIT AGAIN—WILL DEEPEN THE RECESSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, of all the times credit should be loosened, this is it.

All of us have had some impression that the Federal Reserve Board has in fact loosened credit. We have been led to think that there was a sensible program ready to ease credit more if what has already been done fails to stimulate business and put the 5 million unemployed back to work.

Actually, the Federal Reserve System is tightening credit again. The New York Times this morning reports that the price of Federal funds went up to 2½ percent yesterday. The interest rate on Federal funds is regarded as the most sensitive and accurate indicator of just how tight or loose bank credit is.

What are Federal funds?

These are the reserves which individual banks have that are in excess of the reserves they are required to keep with the Federal Reserve System. Thus, a bank which has excess reserves may sell some or all of its excess to another bank which is in a tight reserve position. This buying and selling of excess reserves is known as trading in Federal funds.

In recent weeks credit has been easier. Federal funds have gone begging, and have sold as low as one-fourth of 1 percent interest. When conditions are like that the banks are in a generally easy credit position; they then have reserves with which to make loans or investments.

Now the rate is back up to 2¼ percent, which is almost as high as the discount

rate at which the Federal Reserve banks make loans to the member banks.

Tightening credit again, as the Federal Reserve is now doing, will have an adverse effect on business. This will drive the country into a deeper recession rather than helping us out of the recession.

The Federal Reserve System has the machinery for easing credit without a moment's notice. The Open Market Committee can at any minute or hour of the day buy Government securities and increase its holdings of Government securities. This eases credit instantly, and to any precise degree that the Open Market Committee wishes to ease credit. It puts more deposits in the private banks and gives them more free reserves with which to make loans and investments.

The Open Market Committee should ease credit immediately.

Furthermore, the Federal Reserve Board, which is a part of the Open Market Committee, ought to reduce the discount rate immediately. It is my judgment that this rate ought to be reduced to 1 percent so that the private banks will reduce their lending rates and have a real demand for the new credit which the Open Market Committee creates.

These things which I suggest are not novel or unusual. They are everyday operating A. B. C.'s to the people in the Federal Reserve System. These people know precisely what the needs are and why these things ought to be done.

How is it then that the Federal Reserve System can fail to do the things that plainly need to be done. The simple truth is that instead of doing what they know ought to be done, the Federal Reserve people are following a course of action demanded by the private bankers. And the private bankers' demands are completely shortsighted, even from the standpoint of their own self-interest. They want to keep interest rates high. They are behaving exactly like a manufacturer who centers all of his attention on keeping prices high for his manufactured goods, at a time when he has already priced himself substantially out of the market and is operating his plants at half capacity. There are such manufacturers who insist on following such a foolish and shortsighted course; and there are also such bankers. But if the Federal Reserve System continues to do the things these bankers want done, rather than what they know to be in the public interest, they are going to put the country into a depression.

[From the New York Times of March 5, 1958]

BANKS' FUNDS TIGHTEN

Money has tightened after several weeks of easing.

Interest rates rose yesterday on Federal funds—reserves lent by one bank to another. Federal funds traded at 2½ percent for a while yesterday, just one-fourth point below the Federal Reserve lending (discount) rate. They closed the day at 2¼ percent. In recent weeks they have gone begging at as low as one-fourth of 1 percent.

Indications are that New York City banks have increased their loans to dealers for carrying Government securities. Meanwhile, "country" banks are reported to be withholding funds from the market.

Banks in New York and other major cities are required to average their reserve balances each week. In contrast, the "country" banks must tally reserves only twice a month. With only 4 days of the present half month behind them, the "country" banks are reported to be reluctant to lend reserves for fear of drains on their balances over the next week and a half.

Trading in Federal funds has suffered recently because of low yields on 91-day Treasury bills. Faced with the prospect of borrowing from the "Fed" at 2¾ percent or from other banks at rates below this level, a number of banks have preferred to sell bills out of their portfolios, which this week yielded about 1⅜ percent.

February 28, 1958, I issued the following release on this subject:

THE FEDERAL RESERVE BOARD IS OBSTRUCTING ECONOMIC RECOVERY

With 5 million now unemployed, the Federal Reserve Board is obstructing economic recovery.

Although credit has been eased to the point where money market rates have dropped to their lowest levels in 3 years, the FRB is still holding the discount rate up to 2¾ percent. While the discount rate has little direct, mechanical effect on other interest rates, it is an effective signaling device by which the Federal Reserve Board indicates to the commercial banks the level of the rates they should maintain. The Fed's present policy of calling for high commercial bank rates is inexcusable.

On Monday, the rate on 91-day Treasury bills dropped to 1.20 percent, a 3-year low. And twice this week dealers in commercial paper have cut their rates, cutting Wednesday to a rate of 2⅜ percent for prime paper of 4 to 6 months maturity.

Throughout the 1955–57 period when rates in the money market moved upward, the Federal Reserve Board moved with remarkable speed to jump the discount rate, explaining that it was necessary to follow money market rates upward. If it had moved with half the speed and enthusiasm to follow money market rates downward, it would have by now reduced the discount rate to 1 percent. It should reduce the rate to 1 percent immediately.

WRIGHT PATMAN.

TEXAS INDEPENDENCE DAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, Texas Independence Day, March 2, should never be permitted to lose its imperishable glamour not only because it brightens the path of man's march to freedom but because it holds within itself so much meaning for the hour of crisis in which we now live.

The history of Texas stands out like a monument to the sublime achievement of the human race in seeking release from domination and tyranny. That history is now becoming old as a chapter in the chronicles of time, and the intrepidity of Texas heroes is acquiring the dimness of the passing years. It is good, therefore, to observe Texas Independence Day to restore the lustre this year and the next and the next until the end of time. It is good because we stand in great danger of becoming indifferent to the greatest hours of our life as a people. Once we do that, we shall lose hold of the precious liberties that have been won for us and that we have won for ourselves and our posterity.

I hold that the practical considerations of Texas Independence Day and the allied circumstances of Texas history are of monumental importance. It is no small thing that this independence made possible the annexation in 1845 by the United States of the 389,166 square miles that is now the State of Texas. It is added brilliance for the story of America and the story of freedom everywhere that such names now belong to the roster of great Americans as that of Stephen F. Austin and Sam Houston. We, who are close to the Washington scene, know that there are names of Texans now living whose place in history is also assured. But the practical considerations of territory, and wealth, and men of outstanding leadership, both living and dead, cannot of themselves quite match the great flame that they together contribute to human progress and the inspiration of the current generation of man.

Texas Independence Day unites all these glories into a single bond of hope and dedication for the future. It enables us to face what we must face with renewed strength. We know that we shall triumph over the tyrannies of our time as the architects of Texas independence won out against the despotism that afflicted them. In the light of so glorious a past, there is ground for faith in the promise of an equally brilliant future.

The following editorial contains the sentiments of the people of Texas:

[From the Marshall (Tex.) News Messenger of March 2, 1958]

TEXAS INDEPENDENCE DAY

Today is the 122d anniversary of the birth of independence in the Republic of Texas, when the delegates at old Washington-on-the-Brazos declared the Republic of Texas a free and independent nation.

Like the United States Declaration, which preceded it by 60 years, the Texas document itemizes the tyrannies and indignities visited upon the people by the ruling power, including this specification:

"It (the Mexican Government) hath been, during the whole time of our connection with it, the contemptible sport and victim of successive military revolutions, and hath continually exhibited every characteristic of a weak, corrupt, and tyrannical government."

Like those signed at Philadelphia, the names that were affixed at Washington-on-the-Brazos were mostly of Anglo-Saxon, Scotch, or Irish derivation. But it is significant that three of the signers were Francisco Ruiz, Jose Antonio Navarro, and Lorenzo de Zavala, for Mexicans of Spanish descent had suffered under the tyranny of irresponsible government bearing many labels for generations.

The brave, unselfish, and dedicated men who wrought our Declaration of Independence from Mexico and staked their lives on the outcome set an example to which we modern Texans, conscious of the debt of gratitude we owe them, should never forget.

TEXAS PUBLIC SCHOOLS WEEK

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, Texas is reaffirming its historic dedication to the education of American youth, with its eighth annual observance of Texas Public Schools Week, March 3 to 7. Governor Price Daniel has already issued an official memorandum and I should like to see Public Schools Week take on a very special momentum in the year 1958 because of the national crisis in education, of which the country has in recent months become acutely conscious.

It is because of this very crisis that I am especially proud of Texas.

This is because Public Schools Week in Texas was a way Texans had of emphasizing education on the basic and elementary levels years, almost a decade in fact, before sputnik alerted America to its alleged educational shortcomings. What Public Schools Week achieves in Texas is a closer relationship between American elementary education and the parents of American youth who are the beneficiaries of this education. By programs and meetings and conferences and exercises, parents and teachers, students and the community, are drawn together in a kind of informal survey and all-around reevaluation of the work of the public school system of our State.

For me this is a wise and fruitful manifestation of the democratic process at the very core of American life. In endorsing thus wholeheartedly the Texas idea of Public Schools Week, I hope earnestly that other States will take cognizance of what we are doing and apply this manner of project to their own programs for creating better cohesion between parents, teachers, students, and the community. Surely no one doubts but that this is the combat front, and the very front line of American progress, stability and leadership.

Mr. Speaker, in connection with my remarks, I would like to include a very fine editorial carried in the March 2, 1958, issue of the Marshall, Tex., News Messenger, which is published by Mr. Millard Cope, who is also president of the Southern Newspaper Publishers Association, entitled "Public Schools Week." The editorial follows:

PUBLIC SCHOOLS WEEK

The need for the public school never changes, but times and conditions may change or require to be changed methods and practices of public education. This is inherent with anything that grows, for growth is the result of change.

Our Texas public schools were created 104 years ago. In 1854 the first law passed establishing the public school.

It is a healthy thing in the democratic way of life to have intelligent understanding of the important functions of our basic institutions. This is especially true of the schools. The initiative and resourcefulness and the wisdom and leadership that our schools are inculcating in the youth of today are the answer of the problems of citizenship in the years ahead.

We can be assured of this and do our part in understanding and helping the public schools to fulfill their great obligation by being a participant in the annual Public Schools Week, March 3–7. Schools will hold open house; accept their hospitality, and you will enjoy the experience of going back to school—if but for a day.

INCREASE OF FEDERAL INCOME TAX EXEMPTION

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it has been evident, for a number of years, that the standard $600 exemption for the individual taxpayer and for each of his dependents, is completely unrealistic. No American can exist on $600 a year, nor can he support his dependents on the basis of $600 for each. And it is cruel to start taxing them before they can acquire enough to provide themselves with the bare necessities of life.

The present economic recession makes it mandatory, for an additional reason, to raise this exemption from $600 to at least $800. Although it may not seem much to the individual taxpayers, especially those with dependents, it will, in the aggregate, release a formidable amount of purchasing power to stimulate our lagging economy.

I am introducing a bill, therefore, to raise these exemptions from $600 to $800, retroactive to January 1, 1958.

The practicality of this method is the fact that it goes to the heart of the problem by increasing purchasing power almost immediately. Although legislation to speed up post office, highway, school, flood-control, and urban redevelopment programs will help, there is an unavoidable timelag before these remedies begin to take effect.

The singular merit of my proposal is that it will begin to show results within a couple of weeks after its enactment, as reduced withholding taxes result in larger take-home pays and increased purchasing power, especially in the lower income families. I believe that the revival of economic activity that will follow this, plus other measures, will more than compensate for the initial loss of revenue.

We have learned from previous experience, that we cannot afford to let a recession take care of itself. Swift action is needed to head off any possible chain-reaction of layoffs that could plunge us into the stagnation of the 1930's.

I am not predicting that this will happen, but I am urging effective measures to make certain that it will not occur. We must not overlook the psychological factors that compound the problems of a recession. When unemployment is increasing, those workers and enterprises not immediately affected by it, tend to become overcautious and to retrench.

We must act to reverse this tightening-up process. Confident statements would not do the job. It is necessary to take prompt steps to bolster this confidence. Among these, none is more immediate or effective in its application than a reduction in withholding taxes that will provide people with the extra purchasing power to buy the goods and services upon which our whole economy depends.

It is advisable therefore, for long-term as well as emergency reasons, to increase the Federal tax exemption from $600 to $800, just as soon as we can.

AT LAST WE HAVE A COURAGEOUS AND FORTHRIGHT PRESIDENT WHO SQUARELY FACES THE QUESTION OF PRESIDENTIAL DISABILITY

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, as a Member of this House and of the Judiciary Committee of the House I have been alarmed and greatly perturbed by inaction of these bodies on a matter vital to the best interests of all America. I feel that solution of the question of Presidential disability has been delayed and denied by pure hamstringing politics.

President Eisenhower has courageously called for a decision by the people through a constitutional amendment.

The President and the Vice President have acted in the face of the inactivity of this body.

As I stand here today we see a perfect example of how often and how disadvantageously partisan politics creeps into major Congressional decisions—to the detriment of the general public welfare—in the argument that exists over this question of Presidential disability.

Everyone agrees that some clarification of the constitutional provision is needed.

President Eisenhower is the first President in history to ask that this matter be cleared up by Congress—and his request that it be done by constitutional amendment is logical in that it would permit a vote by the people through their State legislatures acting on ratification. It is a candid and honest request that the people protect their own welfare in the event of further disability on his part. The President recalls the standstill in Government that existed in the years Presidents Wilson and Garfield were disabled.

The President—after asking both the 84th and 85th Congresses to act—has realized the reluctance that exists under the present majority leadership and has taken the only other step available. Under article 2, section 1 of the Constitution, which presently vests sole authority in the President and the Vice President to decide the issue of inability, he has entered into a pact with the Vice President to clarify the ambiguity that admittedly exists. This is a second constructive and courageous step—particularly when judged by the action of past Presidents—taken by President Eisenhower, a man who has constantly kept the people of this country advised on his physical ability and has in all earnestness stated his intention to step down from

his role as leader and let Mr. NIXON take over in case of his inability.

Now, one would think that the President's forthright and courageous action and attitude would be lauded across the land; that the Democratic leadership would be equally proud with the Republicans in the fact that at last we have a President who is willing to face up to the issue and protect the public interest. You would think that they would join with him to make sure that we will at all times have the office of the President filled by a man physically and mentally qualified to do the most important job in the world. I regret this is not the case.

Yes, regrettably, we find ourselves immediately tangled in politics of the most high-powered sort. We find former President Truman, who could have easily been faced with the same problem when Vice President under Mr. Roosevelt, and who was certainly aware of this problem, criticizing the pact between President Eisenhower and the Vice President for the most obvious political reasons. We find other Democratic leaders in Congress claiming such a pact is null and void, throwing up another smokescreen by the opponents of any action by constitutional amendment, despite the fact that the present constitutional provision clearly leaves the decision and the manner of making it up to the President and Vice President and wholly consistent with the powers of the President.

This criticism is typical of the unwillingness of the Democratic leadership in the House to meet this challenge headon and to enact a constitutional amendment that the States may then work their will thereon. This unwillingness is mirrored in the present statements of the Democratic leadership contending that the existence of this pact now makes moot the question of a constitutional amendment by Congress. Nothing could be further from the true facts—for the pact highlights the need for clarification even more. It is a groundless position that again reflects the recalcitrance of the majority leadership to do anything at all about this issue. This deplorable attitude exists despite the fact that a great majority of the people across the Nation are demanding action by their Representatives today.

If a constitutional amendment is not enacted by this Congress it may be many decades before a similar favorable Executive climate exists. The exigency of the present situation—which could recur at any time, without notice and without time for Congress to act, will be gone in 1960—or perhaps even before. Now is the time for Congress to act. Now is the time for the Democratic leadership to stop playing politics and to get down to the business of meeting this challenge.

The leadership should commend and applaud the President's forthright attitude in recommending Congressional intervention and action in this field. Past Presidents have jealously guarded against such action claiming this to be solely an Executive matter.

I trust that partisanship can and will be cast aside at this time. I hope for the good of the Nation we can act together and present a constitutional amendment, available for ratification by the people through the legislatures this year—next year may be too late.

A STORY OF RUTHLESS IMPORT PRACTICES, OF GROWING UNEMPLOYMENT IN THE COAL AND RAILROAD INDUSTRY, AND OF HUNGRY AND DEJECTED PEOPLE IN AFFECTED COMMUNITIES

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, hearings on the bill to extend the Reciprocal Trade Agreements Act are now in their third week. Because of the long list of witnesses scheduled to testify before the Ways and Means Committee, I have decided against imposing upon the committee's time. Instead, I am taking my case directly to the floor of the House.

In past years, despite the inclination of so many Members of Congress for more liberal trade policies, the case against excessive imports of residual oil won the sympathy of many representatives of States not affected. Members of Congress from coal-producing States have, except for isolated breaks in the ranks, stood shoulder to shoulder in demanding sensible restrictions on the residual oil which—year after year for the past decade—moved from foreign refineries into the east coast markets that are traditional coal users. Through this alliance, there have been times when legislation to correct the situation came exceedingly close to passage.

I should like to present for publication in the CONGRESSIONAL RECORD what I feel is the evidence that may enable us finally to realize our objectives during the current Congress. This material is a story of ruthless import practices, of growing unemployment in the coal and railroad industries, of hungry and dejected people in communities of Pennsylvania and other coal-producing States.

Mr. Speaker, before filing these tables of comparison, I should like to recall for your information some of the warnings issued at hearings of Congressional committees in 1950 after a deluge of 74,719,000 barrels of residual oil had entered our shores in the preceding year.

I testified on this matter in 1950. Here is one sentence from my statement:

> Without doubt the flooding of the United States with this cheap foreign oil that displaces coal in the industrial power and heating market is rendering a death blow to the coal and railroad industries.

While at the time such allegations may have seemed to be exaggerated, during the interim period, thousands of coal miners and railroad employees have in actuality seen job opportunities killed by import competition. They have not been able to return to their chosen professions because residual oil imports have never let up in all those intervening years.

I invite you to ask some of my colleagues from the anthracite area whether or not residual oil imports have been fatal to many mines in their region. Mr. Frank Earnest, Jr., president of Anthracite Institute, Wilkes-Barre, was a witness in 1950. So were Thomas Kennedy, vice president of the United Mine Workers of America, and Harry See, Brotherhood of Railroad Trainmen. I ask that you compare their testimony that year with current records of foreign residual oil's destructive aspects.

When the Senate Committee on Labor and Public Works issued a report on the hearings held by its subcommittee, this paragraph was included:

> The committee, on the basis of all the evidence before it, is convinced that the importation of foreign oil has had a substantially injurious effect on the coal, oil, and railroad industries of the Nation.

Yes; the domestic oil industry was also being damaged by excessive imports in those days—just as it is suffering today. The president of the Independent Petroleum Association of America testified at the hearings in 1950. The president of the National Stripper Well Association, from my State, testified. So did a host of other independent businessmen in the petroleum industry. From them and other witnesses, the subcommittees learned that, besides bringing unemployment, imports, first, imperil our national security; second, reduce the Nation's buying power; and, third, disrupt our entire fuel economy.

Here is an estimated rundown on residual oil imports into the east coast markets since the 74,719,000 barrels arrived during the year 1949:

[Thousands of barrels]

1950	120,025
1951	118,608
1952	128,070
1953	131,206
1954	128,953
1955	151,938
1956	161,124
1957	171,275

There you have it, Mr. Speaker. What about the death blow to the coal industry that I mentioned 8 years ago? Here is what a coal operator from western Pennsylvania recently told me:

> At the present time I am selling enough coal locally to keep about a dozen of my men employed. When the winter is over I will not be able to continue operations. Until residual oil from Venezuela took my business on the east coast, there was always a hopper car getting loaded under my tipple. About half of the other 30 men who used to work for me are now on relief, and the rest have migrated into other parts of the country looking for work.

Anyone who is old enough to remember conditions along the Atlantic Seaboard in the early part of World War II will recognize the danger of permitting sources of fuel to go by the boards when the world is in the state of turbulence which prevails today. Nazi submarines entered the Gulf of Mexico and sank ships within sight of New Orleans. Residents of Atlantic City and other coastal communities could stand on the beach and see the flames of torpedoed tankers leaping from the horizon into the skies.

If it was so difficult to haul oil from Texas to Florida 15 years ago, how in heaven's name can we place reliance on shipments from South America in an era of snorkel submarines and jet aircraft?

Mr. Speaker, I am talking about a very important security matter. The Presidential Advisory Committee on Energy Supplies and Resources Policy recognized the serious implications of too much foreign oil. It was in the interest of national security that the Committee recommended a specific ratio of imports to domestic production—a recommendation which was included in the national defense amendment to the last extension of the Reciprocal Trade Agreements Act.

During the past week, I have discussed the coal situation with Tom Pickett, executive vice president of the National Coal Association. He reminded me that in 1954 it was agreed that a minimum level of production of 500 million tons in the bituminous-coal industry was essential to assure the capacity required for the acceleration that would be needed in an emergency period. The coal industry was below that level last year, and at the current rate of output will be off by at least 15 percent when 1958 has run its course.

American railroads today are beset with a number of problems. I do not contend that the coal-carrying lines would automatically find themselves back on a vigorous footing if residual-oil imports were reduced. I want to point out, however, that in coal equivalent the residual-oil imports last year amounted to more than 39 million tons. The resulting estimated loss to the railroad industry is $109,235,000. Given their logical share of this service charge, the Pennsylvania, B. & O., and other coal haulers would most certainly be in much better condition than they are at the present time. Here is an appraisal of current conditions on the railroads by James M. Symes, president of the Pennsylvania:

> If my appraisals of rail-transport requirements in the event of another war are approximately correct, and I believe they are, then certainly we are not now prepared to do the kind of job we would be called upon to perform—and we will not be prepared to do so if present policies with respect to transportation are continued. The same line of reasoning that caused me to indicate, 17 years ago, that the railroads could handle the expected load of World War II, causes me to say now that they are not prepared to do what will be expected of them in the event of another war.

Under the circumstances, it would appear that Congress has a very definite obligation to enact legislation restricting the volume of residual oil that may enter the markets of the United States from foreign sources. So long as this alien product is permitted to deprive American workers of their means of livelihood, and so long as the national security is threatened, Congress is remiss in its duty if restrictions of residual oil are not incorporated into the laws of our land.

While I am hopeful that the Ways and Means Committee will insert into the trade-agreements law the provisions essential to reduce the inflow of residual oil, I place the House on notice that the necessary amendment may have to come from the floor. I request that my friends in the House be prepared to assist in accumulating the necessary votes if and when that time comes.

FIRST ANNIVERSARY OF THE INDEPENDENCE OF GHANA

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, March 6, 1958, marks the first anniversary of the independence of Ghana. On this first anniversary of that independence, I salute the people of Ghana, His Excellency Kwame Nkrumah, Prime Minister, and His Excellency Daniel A. Chapman, Ambassador of Ghana.

Born of the many vicissitudes of a long history, Ghana stands forth today after long struggle, awake, vital, free, and independent. It was the first state of Africa south of the Sahara to emerge from a colonial status into sovereign nationhood. Ghana's success is the hope of millions as well as the vindication of our own American philosophy that all men are created equal and are endowed by their Creator with certain inalienable rights. Ghana was founded by the indomitable will of a people determined not to be relegated forever to the unalterable position of a colony.

The world has witnessed the ability of a people born and bred in Africa and native to her ancient soil to govern themselves with efficiency and the dignity of democracy. Ghana has demonstrated that it is possible for Africans to rule themselves, to establish a progressive and independent state and to preserve their national unity. Ghana was the knight who jousted with the dragon of imperialism and won—standing forth today as a symbol and challenge to all Africa.

The forces of nationalism are on the move in Africa and cannot be stopped. The hopes of African nationalism centered upon Ghana's attainment of her independence. Africa's 215 million inhabitants—already in the midst of rapid political and economic development—are thrusting themselves more and more upon the attention of the world. The course of Africa's development, as its people continue to emerge from a colonial status and assume the responsibilities of independence and self-government, could well prove to be the decisive factor in the conflict between the forces of freedom and international communism.

Freedom is not produced by magic and Ghana's freedom has been earned. March 6, 1958, is a day for prayer and contemplation as well as rejoicing. Ghana knows that political freedom is only the beginning of the longer, harder journey. In her single year of nationhood, the government has endeavored to lay the foundations of a stable, prosperous, and progressive democracy. Despite all the good will of the friendly Free World, it is for Ghana to work and sweat and build. Great strides have been made in the sphere of material progress within the country and in enhancing the prestige of the nation abroad. Realizing that freedom brings responsibilities and burdens and that they have to be faced in the spirit of a free and disciplined people, the people of Ghana have shown tremendous enthusiasm in doing their part. Reviewing the past year, one cannot help being immensely impressed by Ghana's fine record of achievement.

Unanimously welcomed into the United Nations shortly after independence.

Ministerial delegations to Tunisia to participate in the official celebrations marking the first anniversary of that country's independence; Egypt and the Sudan; Liberia, dedication of the Parliament House; Malaya, at ceremonies marking attainment of independence; Ceylon, for independence anniversary. Also delegates to Conference of Commonwealth Parliamentary Association in New Delhi.

High commissions established in London and India; embassies in United States, France, and Liberia.

Establishment of high commissions and embassies in Ghana.

Prime Minister attended commonwealth conference in London.

Government taking initiative in calling conference of independent states of African continent to open in Accra on April 15.

Ghanaians appointed regional commissioners with ministerial rank to be government's representatives in the regions.

Members of embassy staff in Washington attended many of the functions arranged in honor of the Queen during Her Majesty's visit to the United States.

New Ministry of Information and Broadcasting created.

NATIONAL ECONOMY

Desire to reinforce political independence by achieving economic independence.

Primary objectives: Attainment of greater agricultural productivity, greater concentration on all forms of tropical research, effective application of successful research.

Volta River project would provide best means of diversifying and strengthening national economy. Middle of 1959 is limit for reaching decision about project.

Despite financial limitations imposed by world price for cocoa they are still spending over $2,800,000 each month on constructive development schemes.

Particular attention paid to projects which could do most to create employment.

Bank of Ghana opened August 1 as the central and national bank of issue. Commercial Bank of Ghana already established for specific task of assisting Ghanaians to play greater part in country's trade and industry.

First modern industrial trading estate being planned at Accra.

Joined International Bank for Reconstruction, the World Bank, and the International Monetary Fund.

Separate agreements entered into with the United States, the United Kingdom, and the United Nations each of which

will provide for various forms of economic and technical assistance being given to country.

Investigations are continuing into possibility of increasing and strengthening all research activities which could be beneficial to economy and public health.

Ghana is member of FAMA—Foundation for Mutual Assistance in Africa south of the Sahara—purpose of which is to assist in provision of technical assistance for region.

Swollen shoot disease virtually brought under control in many parts of Ghana.

Discussions have taken place in Israel for increasing two-way trade between Israel and Ghana.

Trade and goodwill mission has toured India, Pakistan, Ceylon, and Burma. Also ministerial delegation to Israel to discuss preliminary plans for Israeli technical help to Ghana.

West German trade mission has visited country to prepare ground for stronger cooperation between both West Germany and Ghana.

United Nations Technical Assistance Board has established field office in Accra.

A Ghana philatelic agency has been established in New York.

Black Star Line inaugurated and thus nucleus of merchant navy of Ghana started.

The Government is also negotiating with various international airlines to set up a Ghana airline.

Plans for new enterprises announced by the industrial development corporation include distillery, cold stores, starch industry, cement clinking factory, prefabricated cinema houses, and match factory.

SOCIAL PROGRESS

Builders brigade established to offer young men opportunities to assist in development of the country.

There are also plans to initiate system of compulsory national service and establish territorial forces.

Ghana admitted to full membership of the International Missionary Council.

African-American Institute, privately supported nonpartisan organization, has been established in Accra to broaden understanding and strengthen relations between Africa and America, largely by means of education.

Extensive program of work being undertaken under the Government's consolidation development plan. The plan has been drawn up to round off the work undertaken under the first development plan 1951 to 1957—under which it is proposed that a sum of $52,123,402.80 should be spent within a 2-year period on various projects.

Altogether $8,422,400 has been set aside for expenditure on colleges. It is hoped to broaden the scope of the university college to include subjects such as law, medicine, and—in due course—engineering and other technologies.

Approved projects to be carried out at the Kumasi College of Technology; a biology and chemistry block, an agricultural experiment station, college's great hall, and sewerage.

Since 1951, when the Government's accelerated plan for education was introduced, no less than $36,400,000 has been allocated to education services in all fields at primary, secondary, teacher-training, technical, and university levels.

Large program of road improvements in all regions of the country was carried out during the period of the first development plan. The end of this plan—June 30—witnessed the completion of an ambitious program of new bridge constructions, of which the Volta River bridge stands out as most outstanding achievement under the road-development project.

Organization of health campaigns was included in the first development plan with initial expenditure of $15,400 and carried forward to the consolidation plan.

Provision made in the plan also for such subjects as electricity, agriculture, regional organizations, industry, police and prisons, housing, defense, and external affairs.

Provision of pure and adequate water supply in rural areas has been treated with urgency in both the first and the consolidation development plan.

In addition to the consolidation plan, work continues on the new harbor at Tema, a few miles from Accra, and on the new township which is to serve the harbor.

Like the first development plan, the program is being financed entirely from savings that had been set aside when the world price for cocoa was high.

Radio Ghana is now on air 2 hours more per week than was the case previously. Another addition to the programs is that of schools broadcasting. Proposals are being studied for extension of the Ghana broadcasting service so that voice of Ghana can be heard abroad.

The silver jubilee of the Red Cross work in Ghana coincided with the inauguration of an independent self-supporting Ghana Red Cross Society.

Ghana contributed to the International Geophysical Year.

International World University Service Seminar was held in Accra.

Ghana News Agency created at information services department to receive news from outside world and to distribute it to various news organizations in Ghana.

However, much remains to be done. The vast majority of the people of Ghana are farmers who have yet to feel the impact of the development that is taking place in the nation. The United States traditionally stands ready to extend the hand of fellowship and friendship, sympathy, and understanding to those nations emerging from the bonds of colonialism. Apart from our purely humanitarian considerations, we have always deemed it in our national interest to assist these freedom-loving people in maintaining and defending their independence. In keeping with this principle, we would do not less for Ghana. Our presently small technical assistance program in that country should be accelerated to a point where it can make a truly vital and significant contribution to Ghana's economic rehabilitation. If the Western democracies, led by the United States, do not seize their opportunities in Africa, the Communist nations will. It is essential that the West, and particularly the United States, increase and improve its contacts with the populations and cultures of the area. Whether we like it or not, it is our attitude toward the emergent nations of Africa, as typified by Ghana, that our foreign policy will succeed or fail in this immensely important continent of Africa.

The success which the Free World hopes for Ghana, especially during these initial years of independence, is a vital stabilizing factor in the development of self-government throughout Africa. This is the period in the life of Ghana to which Prime Minister Nkrumah referred when he proclaimed that it was "better to have self-government with danger than servitude in tranquility."

I extend my sincerest greetings to Ghana and pray that the coming year may bring her greater happiness, joy, and prosperity. I echo the hope that Ghana's future will continue to be bright; that she will be able to say: "Bliss was in that dawn to be alive, but to be young was very heaven."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. McCORMACK. Mr. Speaker, March 6 marks the first anniversary of the birth of a new nation among the nations—Ghana. Last year at this time many Members of Congress took occasion to welcome this all-African state into the international community.

This past year, like the years preceding its independence, has been a year of change and of conflict in the history of this young state, change and conflict to which independence has given a heightened intensity and importance.

On Ghana, as on other regions of Africa, destiny has forced changes in a single lifetime which in other nations have been brought about through the slow transition of generations. It was only in the past 75 years or so that what comprises the State of Ghana, covering 92,000 square miles and with a population of some four and a half million, became identifiable as a community. It was only 11 years ago that an African majority was for the first time returned to the Legislative Assembly and was given the authority to make laws. It was only in 1951 that the first general election was held. Six short years later the major nations of the world sent representatives to Accra to celebrate Ghana's independence.

Change has affected not only Ghana's political life but its social, economic and spiritual life as well. The tribal and family system, with its roots in the deep, unwritten past of Africa, struggles against social conceptions brought in with western civilization. In the economic field, the people of Ghana find themselves in the midst of efforts to transform a one-crop cocoa system to a system of diversified agriculture and industry. In their spiritual life many young Ghanians find themselves torn between allegiance to the ancient animistic traditions of their fathers and the faiths of other lands. Inherent in these

changes are conflicts, often between the old and the new.

When Ghana became independent it adopted the motto "Freedom and justice." We can hope that this struggling young nation, beset with many problems, may find true freedom and justice for its people in a complex modern world. In this endeavor the Government and the people of Ghana can count upon the interest and support of the United States.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARTIN. Mr. Speaker, on this first anniversary of the Republic of Ghana, I would like to join in saluting this young African nation which just 1 year ago joined the commonwealth of nations as a responsible member dedicated to the premise that the colored man can run his own affairs in a complex world.

As we pause today to look back over this nation's first year of stewardship, we can proudly say that the achievement of Ghana represents the vindication of our own national philosophy that—in Lincoln's words—all men are created equal and are endowed with inalienable rights.

From a Parliament which operates on the same principle as our own Congress, down to the smallest local council, Ghana today stands out as a unique symbol of freedom and independence on a continent where colonialism has been the rule for centuries. Not unlike our own country in its early days, Ghana today is a restless, impatient nation that in the short span of 1 year has accelerated its educational development, stepped up the construction of new secondary industries, built new houses and offices at a record clip, and set up attractions for foreign capital to assist in its expansion as a modern civilized community.

But this is only the beginning. I understand the first ships of this nation now sail the seas; new modern railroads and highways are starting to lace the countryside; soon it will have its own aircraft; a new harbor is nearly completed; and badly needed modern hospitals and clinics are springing up to meet the medical requirements of the people of Ghana.

In spite of this development, the vast majority of the people of this country are farmers who quietly grow cocoa unaware to a great extent of the progress going on around them. The great need of Ghana today, as I understand it, is the diversification of its economy through industrialization. In this respect, American business might well explore the investment possibilities of this fledgling country.

GENERAL LEAVE TO EXTEND

Mr. POWELL. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEMOCRATS RESPONSIBLE FOR DEFENSE LAG—HALF-TRUTH HARRY TRUMAN CONTINUES DEMOCRAT POLICY OF DISTORTION

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. SHEEHAN] is recognized for 30 minutes.

Mr. SHEEHAN. Mr. Speaker, last week I pointed out some of the economic half-truths, distortions, and wild statements contained in ex-President Harry Truman's address to his fellow Democrats.

Mr. Truman, in referring to United States military strength, followed the pattern set down by the Democrat high command in making the public believe the Democrat allegation that the Republicans are responsible for our falling behind Russia as a military power. From all the half-truths and innuendoes many Democrats have resorted to, including Mr. Truman, I firmly believe that this is a deliberately planned policy of distortion of the truth.

Even as reputable a man as Democrat Senator KENNEDY stated that the Russian satellite put our country in a bad light throughout the world, and he blamed this on President Eisenhower.

The Democrats have certainly succeeded in spreading the notion that the Republicans are to blame for our missile and rocket lag. This probably should be rated as the No. 1 irony, because an unbiased view of the facts and the evidence will prove it was Democrat administration policies which have caused whatever problems the Democrats say we have today.

Mr. Truman, in his demagogic speech on January 22, speaking of our defense capabilities, went along with the overall Democrat policy of trying to surreptitiously fix the missile lag blame on Republicans. He charged of our present administration:

> Instead of staying ahead of the Russians as a world power, it followed a strange policy of cutting down our scientific and military strength.

In yet another half-truth and deliberate distortion, Half-Truth Harry also said:

> We have been slashing our conventional Armed Forces year by year. We have failed to bring our weapons up to date, and we have failed to go full-speed ahead in the development of new weapons and missiles. Democrats have been pointing out this dangerous lag ever since 1953, when one of the new administration's first acts was to chop $5 billion off the expansion of the Air Force.

Mr. Truman, in this same now infamous speech, said:

> The people want the truth.

Let all of the segments of the Republican Party give the people the facts so that the truth will be self-evident to all our citizens, and let us not imitate the Democrats by using subterfuge to purposely misguide the thinking of America.

In giving the people the truth, we must give such facts and, more important, use such language that there will be no mistake in meaning or interpretation by the public. I regret that a person such as myself must take the floor here in the House of Representatives to help correct the misapprehensions of the American public caused by the Democrats. This is a job which could and should be done more effectively by President Eisenhower, who is the elected standard bearer and leader of the Republican Party.

Shortly after the launching of the Russian satellite last fall, Senate Democrat Leader LYNDON JOHNSON, in a series of hearings by the Senate Preparedness Subcommittee, gave to the country an accepted false impression that our Republican administration had somehow not done its duty. I realize the final report of this subcommittee did not make such a statement, but certain false impressions had been left with our American public.

President Eisenhower and the top officials in our executive department knew this situation existed, and now the Republican Members of Congress, according to certain opinion polls, are suffering from this executive oversight in not boldly and factually stating that the Democrats are mainly responsible for our lag in the missile program.

President Eisenhower, both in his capacity as President and as the standard bearer of the Republican Party, in his State of the Union message on January 9th, should have plainly and unmistakably stated the facts so that the erroneous ideas left with the public by the Democrats would be put in proper focus. In that message, President Eisenhower said:

> Our country has concentrated on the development of ballistic missiles for only about a third as long as the Soviets.

In my opinion, due to this rather weak and negative approach, the general public missed the full implication of this important statement. Long range and ballistic missile capabilities began to be thought of seriously in 1946, right after both Russia and the United States obtained the services of German scientists who had pioneered in the missile bombing of London.

From 1946 to December 1957, 12 years have elapsed. According to President Eisenhower, we concentrated "for only one-third as long," which, simply stated, means 4 years. The Republicans took over the running of our Government in 1953 and immediately went to work on missile development.

Why did the President not boldly say, in more positive language, that during the Democrat years from 1946 to 1953, there was no concentration on ballistic missiles? He then should have, in later statements, given the public the facts showing this Democrat neglect of our defenses.

President Eisenhower is an admirer of the first Republican standard bearer, Abraham Lincoln, and he should emulate Lincoln. If he reads Lincoln's speeches while a Member of Congress, and if he reviews many of Lincoln's actions and speeches while President, President Eisenhower will find Lincoln was a stanch defender of the Republican Party and most frequently attacked the Democrats when he wanted to show the true facts of Democrat errors.

Positive and factual statements by the President and/or top members of the executive branch, clearly destroying the Democrat-created illusions, about responsibility for our defense position on satellites and ballistic missiles, would be of more benefit to our country, to our public, to our allies, and to the Republican Party than the way the situation has been handled. There should be more speeches by official members of the President's groups, such as Sherman Adams' speech in Minneapolis.

Due to the fact that it is the missile program which is uppermost in the minds of our American citizens, I feel we can put into proper perspective Half-Truth Harry Truman's gross misrepresentation, also echoed by other Democrats, that "we have been slashing our conventional Armed Forces year by year," and so forth, by simply comparing our Defense Establishment today with 1950, when the Democrats were last in control under peacetime conditions:

	In 1950	Today
Air Force	48 wings	137 wings.
Active aircraft	12,500	25,000 plus.
Armed Forces	1,400,000	2,600,000.
Navy	237 warships	409 warships.

From the above, there is no question that our conventional forces are much greater in both numbers and in firepower today than under the Democrats. We have nearly three times as many air wings, twice as many active aircraft, nearly twice as many men, and an increase of 73 percent in our warships.

Why do Truman and his distortionist friends not tell the American people the facts so the people will adequately know the truth?

The forementioned facts also explode Truman's distortion that "we followed a strange policy of cutting down our military strength."

In Half-Truth Harry's last statement above, he also made the same distortion of the facts regarding our scientific strength. Certainly our Republican administration has provided the country with the scientific manpower.

By October 1957 there were 142,000 persons on the Government payroll doing scientific work, of whom 37,000 are scientists and engineers. There are also over 77,000 military personnel engaged in scientific activities, of whom 9,000 are scientists and engineers. Our $5.2 billion is spent annually on research and development.

In spite of this evidence, the Democrat demagogues still distort the truth.

The major confusion which the Democrats have created lies in who is to blame for our lag in the long-range guided missile program, which includes the launching of satellites. Half-Truth Harry said:

> We have failed to bring our weapons up to date, and we have failed to go full speed ahead in the development of new weapons and missiles.

A great many of his fellow Democrats have kept repeating his big lie. As Al Smith said, "Let's take a look at the record."

First in evidence, we have President Eisenhower's statement, quoted previously, that we have been working on these modern missiles for only the last 4 years. Where and when were the Democrats concentrating on missiles?

Well, Dr. Wernher von Braun, the former German rocket expert who is now director of the Development Operations Division of the Army's Redstone Arsenal, was asked in an interview why Russia was able to beat us in launching a satellite. He said:

> The main reason is that the United States had no ballistic missile program worth mentioning between 1945 and 1951.

I note that on February 18, when the Democrat Chairman of the Appropriations Committee alleged to the House how far we had fallen behind Russia in our military setup, he quoted Dr. von Braun as saying, "It will take 5 years to catch the Russians." But he did not bother to tell the House the reason which Dr. von Braun gave as to why it would take this long. Why did he omit this pertinent observation? Because he did not want to show the neglect and dereliction of duty of the Democrats.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from New York.

Mr. BECKER. Is the gentleman aware of the fact that in 1948, on March 24, Gen. L. C. Craig, Director of Air Research and Development, before the House Subcommittee on Military Appriations said this:

> The result of the impounding by President Truman and taking of $75 million of fiscal 1947 research and development funds is reflected in the following tabulation—

The amount of the reductions are set opposite each item. I will not take the gentleman's time to read them all but call attention to just one, guided missiles, where there was a reduction or impounding of $17 million, and the long-range supersonic types were entirely eliminated.

That was the type of help we were getting in those days from the administration.

Mr. SHEEHAN. The gentleman from New York has made a very pertinent remark at this point in the RECORD, because it shows part of the truth of what I am trying to bring out.

Here, then, is the frank opinion of the foremost rocket and missiles man in our country. Between 1945 and 1951, we had no ballistic missile program worth mentioning under Half-Truth Harry Truman, who knows the exact truth and should tell the truth.

To give the American people further positive proof that we had no program worth mentioning until after the Republicans and President Eisenhower took over, let us look at the following figures:

Money spent on intercontinental and intermediate ballistic missiles between 1946 and 1958

[Figures from Department of Defense]

[Millions of dollars]

1946	------
1947	------
1948	------
1949	------
1950	------
1951	------
1952	------
1953	3
1954	14
1955	161
1956	515
1957	1,365
1958	1,400
Total	3,458

For the years 1946 through 1952, the asterisks represent expenditures of less than $1 million per year or, to give a maximum benefit of doubt, we will estimate a maximum total for long-range intercontinental ballistic missiles of $7 million.

For the years 1953 to 1958, during Republican control of the executive department, a total of $3,451,000 was spent. In other words, the Democrats spent only two-tenths of 1 percent on our long-range missile program, while 99.8 percent of total expenditures was spent under the Republican administration.

With this record, how can any Democrat in good conscience accuse the Republicans of not developing long-range missile programs, or of not going "full speed ahead"?

In 1953, Senator HILL, a Democrat, stated that from 1947 to 1949, the Air Force, under Democrat control, sacrificed fully half of its research projects, and said:

> In this period not one new aircraft or guided missile project was initiated by the Air Force.

Senator HILL further disclosed that, in 1950, the Air Force cut the research and development program to zero. Can there be any question in a fair person's mind of the reason we were behind in missile development?

The Republicans have spent and will recommend expenditure of sufficient money to keep this whole program going at full speed, and the only thing we have to watch for are the Democrat "Johnnys-come-lately" who might feel that we should throw money into all sorts of projects without regard for results.

Supplementing the statements of President Eisenhower and Dr. von Braun, let us also, as a final clincher, see what the famous flyer and general, James Doolittle, said in November 1957:

> Russia had started its long-range intercontinental and intermediate range ballistic missiles program * * * in 1946, and we did not start a coordinated effort until 1953, 7 years later.

I could add a great deal of other testimony, all of which would corroborate the fact that the Democrats were asleep at the switch and did not recognize the necessity and importance of missile development while they were in control of the Government.

Many Democrats at the present time, in order to further confuse the issue, are atempting to appropriate large sums of money as a cure-all. Dr. Wernher von Braun, when asked last fall if more

money is needed for the development of missiles and satellites, replied:

I believe that, by and large, our five key ballistic-missile programs could not be speeded up appreciably by an increase in funds. * * * We don't need excessive amounts of extra money—we certainly don't have to double our present missile budget But some additional funds for basic and applied research and developments for future growth potential would help tremendously in the long run.

Another eminent authority on space and space vehicles, Dr. S. Fred Singer, of the University of Maryland, several months ago stated that:

We should give support to those people in our Government who are trying to keep us from going off half-cocked in all directions. * * * They need support against the people who want to throw more money into all sorts of projects which, if carried all the way, would bankrupt us probably.

With the sage advice of both Dr. von Braun and Dr. Singer, the public should discount the electioneering clamor of the Democrats who will want to vote excessive sums for missiles and satellites, hoping to confuse the people into thinking that the Republican administration has not been on the job.

Thomas K. Finletter, a Democrat who later became Truman's Secretary of the Air Force, stated in 1948 while serving as Chairman of Truman's Air Policy Commission:

It would be unwise to assume * * * that other nations will not have * * * missiles capable of delivering a sustained attack on the United States mainland * * * by the end of 1952.

The Finletter report gave the Democrats still greater warnings of the need to improve our country's defenses, stating:

The United States must press most energetically and immediately its basic and applied research and development program * * * with a view toward the development at the earliest possible date of the most effective piloted aircraft and guided missiles and the defense against them.

Reviewing the evidence, it was the Democrats who failed to provide our country with the funds and the program for missile development. It was the Democrats who, failing to heed the warnings of even their own party members and Cabinet officials, permitted our country to fall behind in missile development. Now the Democrat high command and the Democrat spokesmen are following the strategy of trying to lay the blame on others.

In spite of our late start, I personally feel we will be able to overtake and surpass Russia and keep our defenses strong. So far, I have not been made aware of any great known stockpiles of Russian long-range missiles. It appears that Russia is not yet in mass production and, from the success of our many long-range missile firings, it can be safely assumed that we have, or will soon have, stockpiles of these missiles.

Mr. BECKER. I want to compliment the gentleman from Illinois for the very fine statement he has made following our former Democratic President, Mr. Truman, who tries to lay the blame at the door of the present administration for the lack or the so-called lack in missile development. He has pointed out many facts. He has read from the record, not merely statements of opinions of his own.

I would like to add with his permission one or two other facts given in testimony before the Committee on Appropriations considering the armed-services appropriations.

Here is one from Gen. E. W. Rawlings, Deputy Chief of Staff, Comptroller, United States Air Force, in a letter dated April 19, 1950, as follows:

In the case of research and development, the reservation of funds in this appropriation resulted in the slowing down of the rate of development and, in some instances, the elimination of certain projects.

Here is one from Gen. Donald L. Putt, Deputy Chief of Staff for Development, Air Force, before the Senate Armed Services Air Force Subcommittee, describing the construction of 3 ballistic-research test missiles, on May 18, 1950:

Having built the missiles, we probably put enough funds on it to carry out the firing of those missiles, but at that point the effort was again reduced to studies and feasibility work. In fact, for one year, I think it was during 1949, which was fiscal year 1950, the company, Convair, carried on the study with their own funds. We had no funds at all.

There is evidence in the record in testimony from 1946 to 1952 of only approximately $3 million for research and development in the Department of Defense or in any department of our Government, the very reason why Russia went ahead of us. Those were the critical years. Since 1952 no one can criticize the effort of this administration in its development and its spending of billions of dollars to bring forth those missiles which we should have had years ago.

Mr. SHEEHAN. I thank the gentleman for his very fine contribution.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. One of the saddest things I know of is the necessity of dragging into the political arena this issue of national defense by the Democrats. They should be reminded that they are responsible for the lack of a reasonable missile program. I always thought that a former President of the United States should assume the role of an elder statesman, but certainly former President Truman has not assumed the role of elder statesman. We in the past have always thought that we could look to a former President for sound, solid advice and not political mouthing. But that is what we have had from former President Truman. Certainly, in view of his record in the field of guided missiles, he should be the last one to criticize this administration for its activities in that field.

I just want to say this, too, that this political issue of missiles was brought in by the Democrats, not by the Republicans, and certainly it is up to us to point out the record of this administration in comparison to the failings of the previous administration. It was interesting to me to note that when the United States had the misfortune of having the Vanguard misfire, the Democrats, many in responsible leadership, placed the blame, or tried to place the blame by innuendo, upon the Republican administration. But, when the Explorer was put into orbit, the praise for that was given to the United States Army. And, that is wonderful. But the administration was never mentioned. I think today we have sent up another Explorer, which we hope will be successful. And certainly I believe this administration is to be credited for the great work which had been done in the guided-missile field, in view of the fact that we have been in this field for such a short time.

Mr. SHEEHAN. The gentleman has made a very fine contribution to the discussion here.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to join my colleagues in complimenting the gentleman from Illinois for the very fine work that he has done in obviously digging back into this set of facts and bringing it to the public's attention. It is a splendid job, and it is an objective job. I want to also say that I think it is unfortunate that certain Democratic leaders chose to throw this matter into the political arena for discussion; because this problem of military defense involves great judgment, and people can make mistakes, and people do make mistakes. I think it is particularly unfortunate that this was done, because some of the very people who have done this criticizing are, as the gentleman has pointed out by his facts, the ones who were responsible for misjudgment and errors in judgment in prior years; and certainly ex-President Truman must bear the blame for the mistake of judgment that he made in the amounts of money that he allowed to go into these programs. We all remember who was Secretary of Defense in those days. It was Secretary of Defense Louis Johnson. I had a great deal of sympathy for what I thought Secretary of Defense Louis Johnson was trying to do. The man certainly was sincere and a dedicated person; but it is very obvious in the light of present-day events that grave errors were made, great errors of judgment were made; and I certainly think it ill behooves the ex-President of the United States, who was overall responsible for the program, to attack this present administration as if it were the one that had made that error in judgment. I particularly remember who was Secretary of the Air Force at the time these errors were made that the gentleman from Illinois has pointed out. It was Secretary SYMINGTON, our first Secretary of the Air Force. And it seems to me I recall that particular person after the fact criticizing the missile program, criticizing what was not done in this area, when obviously, as the gentleman pointed out, most of the blame for these errors in judgment lay right at the door of Secretary for Air Symington, Secretary of Defense Louis Johnson, and ex-President Truman. I just hope that we can go on in the future in these de-

bates arguing about what is the right thing to do for our national defense, and trying to get away from this area of casting blame. But certainly, inasmuch as the Democrat leaders have chosen to cast this blame improperly, it behooves the Republican Members to point up the facts, and I am very happy the gentleman has taken the time of the House to state these facts; and I think we ought to reiterate them so everyone in America is better aware of them.

Mr. SHEEHAN. I thank the gentleman for his observations. In his usual fashion, the gentleman from Missouri has really hit the nail on the head.

Mr. BECKER. Mr. Speaker, will the gentleman yield further?

Mr. SHEEHAN. I yield.

Mr. BECKER. I think we are entirely in accord with what has been said by the gentleman from Michigan and the gentleman from Missouri. I just want to add this word: In the presentation of the gentleman's facts here, and these quotes I have used from the testimony, there is no question in my mind that it was not the intention to place blame on some one individual, but because of the untruths and the half truths and the distortions that have been used to blame this administration, we are forced to take this position to advise the people that it was the predecessors of this administration that caused this condition of lag in missile production.

I sincerely hope that the day will come when not only Members of the Congress but former political officeholders will take the tack, "Let us get together, let us get on the wagon, let us cure any evils that may have existed in the past, let us do the job and let us go forward."

I think that is what we want to do; does the gentleman agree?

Mr. SHEEHAN. Mr. Speaker, I think the gentleman is 100 percent correct. I would prefer not to have to be on the floor here today. I am most interested in the defense of the country, not in who is to blame for our possibly being behind or who is to blame for someone else being ahead. But, as a Republican, I feel as does the gentleman from New York [Mr. BECKER] that as long as the blame has been thrown on the Republicans, when it should not have been, someone has to put the record straight, and as long we are stating the truth, as long as we are stating facts on the record, the public can decide for themselves who is to blame.

Mr. BECKER. Mr. Speaker, I thank the gentleman and I commend him further.

THE REVISED ADMINISTRATION IMMIGRATION BILL

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEATING] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KEATING. Mr. Speaker, today I have introduced a revised version of the administration's immigration bill. The measure contains the President's immigration recommendations of January 31, 1957, which were introduced that day by me, minus those portions enacted into law during the 1st session of the 85th Congress.

Although there are many good features in the present Immigration Act, there are a number of inequities which cry out for revision and modernization. This bill provides the means for moderate, but substantial, changes which will serve the best interests of the Nation.

Although some desirable revisions were achieved in last year's bill, as the President has pointed out, they fell far short of his recommendations. Important changes, including regularization of the status of the Hungarian freedom fighters, bringing the quota system up to date, and distribution of unused quota numbers, were ignored. They should, without further delay, become the law of the land.

Revision of our immigration laws is, of course, a complicated matter. No single bill is the last word, and extensive hearings are necessary to arrive at the best possible solutions. The chairman of the House Immigration Subcommittee has indicated that hearings would be held early in this session.

It is time to oil the hinges of our legislative machinery in this field. The immigration revisions proposed by the President, and embodied in this bill, will provide the sensible lubrication to do that vital job.

Mr. Speaker, I include the following explanation and analysis of the bill at this point in my remarks:

EXPLANATION AND ANALYSIS OF THE PROVISIONS OF THE BILL TO AMEND TITLES I, II, AND III OF THE IMMIGRATION AND NATIONALITY ACT, AND FOR OTHER PURPOSES

SECTIONS 1, 2, AND 3

These sections of the bill would provide moderate revisions in the quota system. The system would be brought up to date. Equitable distribution of additional quotas would be provided. Four regional quota pools would be established to which unused quota numbers would be assigned. Mortgages on quotas would be eliminated.

Under the existing law the annual quota of 154,657 is computed by taking one-sixth of 1 percent of the white population in 1920, less Western Hemisphere immigrants and their descendants. If the total population in 1920 had been used for this computation, the quota figure would have constituted one-seventh of 1 percent. The bill applies the latter percentage to the 1950 total population of the United States as defined in the act. The result is an annual quota of 219,461, or an increase of 64,804.

Under the bill the existing quota of 154,657 would continue to be allocated as at present, but the present maximum subquota allocation of 100 to each colony would be raised to 200. With respect to the allocation of the quota over and above 154,657 the legislation would provide for an increase in the quota for each minimum quota area. This increase would be from the present 100 to 200. With respect to the allocation of the remainder of the increase in the quota authorization the bill would provide an important new feature designed to recognize actual immigration since the quota act of 1924. This would be accomplished by providing for the distribution of the remainder of the increase in the total quota, to the several quota areas so that there will be assigned to each quota area that proportion which the immigration to the United States since July 1, 1924, and up to July 1, 1955, from that area bears to the total immigration from all quota areas.

Another significant change proposed is to provide for utilization of unused quota numbers. Under existing law failure to use in the year all of the quota allocated to a particular area results in its being wiped out. It is not carried forward into the next year. The bill would establish a separate quota pool for each of four regions, Europe, Asia, Africa, and Oceania, as described in the proposal, to which the unused quota numbers of the respective regions would be assigned for redistribution. Quota numbers thus assigned would be available for use only during the period of 1 year following their assignment. Such quota numbers would be made available only for allocation within the respective regions and only to qualified immigrants eligible for a preference status under paragraphs (1), (2), (3), and (4) of section 203 (a) of the Immigration and Nationality Act.

The bill also would incorporate into the basic statute the provisions of Public Law 85-316 which removed the mortgages imposed on the annual quotas.

SECTIONS 4, 5, AND 6

These provisions of the bill would revise and clarify existing parole authority covering the emergency admissions of aliens into the United States. Also, procedures would be provided under which a designated number of aliens who have been paroled into the United States might adjust their immigration status to that of a lawful permanent resident. Aliens paroled into the United States and who are presently here in an indefinite status include escapees from Hungary, certain Korean orphans, adopted children, split families, and other aliens admitted for emergency reasons or for reasons of public interest.

Section 4 grants the President power to authorize the parole by the Attorney General into the United States of escapees from Communist tyranny, selected by the Secretary of State, who have fled from their homelands and are in other non-Communist countries. The number of escapees who could be so paroled annually may not, under the proposal, exceed the average number of aliens who have been permitted to come to the United States each year since June 25 1948, by special acts of Congress (approximately 68,000). Parole could be granted under such proclamation to escapees from Communist persecution who have fled to any non-Communist area, including Hungarian refugees who have migrated not only to Austria but to some other non-Communist country.

Section 5 sets up a procedure whereby the immigration status of parolees may be adjusted to that of a lawful permanent resident. The Attorney General could grant such adjustment of status in his discretion after the alien has been in the United States for 2 years and if the applicant is of good character and if the adjustment would not be contrary to the national interest. A report of the Attorney General's action if favorable would be submitted to the Congress. Unless the Congress disapproved, the alien's entry would be recorded as of the date of the alien's last arrival in the United States. If the Congress did not approve the administrative action, the Attorney General is to require the departure of the alien from the United States.

Section 6 provides that the number of aliens whose status may be adjusted under section 5 shall not exceed in any fiscal year the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year between June 25, 1948, and July 1, 1957, by any special

public acts of Congress enacted during that period.

SECTIONS 7, 8, 9, AND 10

These sections of the bill would provide the necessary administrative authority to take care of hardship cases. The purpose of these provisions is to reduce the need for private immigration legislation which over the years has grown to staggering proportions. The President and Congress would thus be relieved of unnecessary and intolerable burdens in this field. A more suitable means would be provided for the consideration of applications for relief and a basis would be established for the uniform treatment of all cases.

Section 7 of the bill would vest in the Attorney General discretionary power to admit to the United States aliens with close relatives in this country, regardless of a technical statutory ground of inadmissibility. The same benefits are made available to war veterans and to functionaries of religious organizations. However, the bill provides that no relief shall be accorded aliens whose presence here would be dangerous to the safety and security of the United States. Similarly, section 8 of the bill vests discretionary authority in the Attorney General to withhold institution of deportation proceedings, to cancel such proceedings if instituted, and to adjust the status of deportable aliens to that of permanent residents. This discretionary power to grant relief is likewise limited to aliens who have close relatives in this country, war veterans, and religious functionaries.

It is further provided that there shall be an annual ceiling of 5,000 on all cases in which the Attorney General may exercise the authority provided by sections 7 and 8, and that in each case there shall be an appropriate charge against the quota.

SECTION 11

Existing law requires that certain aliens who have been excluded or deported from the United States may not reapply for admission unless the Attorney General first grants permission to do so. This is an unnecessary and expensive complication in our immigration procedure and should be eliminated, since there are now ample safeguards in the law against the readmission of unqualified aliens. Particularly is this true when consideration is given to the documentary requirements in the statute which contemplate a preliminary screening by a consular officer before the alien receives a travel document. Allied provisions in the statute require prosecution of aliens who have returned to this country without having obtained the necessary permission from the Attorney General. This section of the bill would provide for repeal of these requirements.

SECTION 12

The act contains provisions permitting the Attorney General and the Secretary of State to waive the requirement of travel documents in certain instances on behalf of nonimmigrant aliens. The exercise of this power in individual cases is now limited to those which are "unforeseen." The quoted word is unnecessarily restrictive and should be eliminated. The provisions of this section of the bill would effect this desirable change.

SECTION 13

Aliens coming to the mainland from Alaska and Hawaii are presently required to undergo the same inspection and are subject to the same grounds of exclusion applicable generally to aliens coming from foreign countries. Inasmuch as aliens entering Alaska and Hawaii from foreign countries are subject to all of the provisions of the Immigration and Nationality Act, this requirement is believed to be unnecessary. Moreover, it causes added expense to the Government and occasions delay and inconvenience in travel. The necessary amendment is provided by this section of the bill.

SECTION 14

In prescribing the procedures for the conduct of hearings before special inquiry officers of the Immigration and Naturalization Service, to determine eligibility of persons to enter the United States (so-called exclusion hearings), existing law provides that such hearings shall be conducted by a special inquiry officer. The law does not specifically provide for the assignment of an additional officer to present evidence at such hearings. In regard to deportation proceedings, the existing statute provides for the assignment of an additional officer to present the Government's case. In order to remove any doubt as to the authority of the Attorney General to assign an additional officer to perform the prosecutive functions in exclusion cases, in his discretion, where he deems such procedure to be desirable in particular cases, express statutory authority should be provided. This section of the bill would remove any doubt as to the authority of the Attorney General to make such assignments of examining officers in exclusion cases.

SECTION 15

There has been a tremendous increase in air and surface travel throughout the world and many aliens traveling from one foreign country to another find it necessary to pass through the United States. Under contracts authorized to be entered into between the Attorney General and operators of transportation lines such aliens may be exempted from certain documentary requirements of the Immigration and Nationality Act. However, they must undergo the examination and inspection required of aliens generally, resulting in some instances in their exclusion or deportation. The enforcement of this requirement has resulted in severe hardship as well as loss of good will and unnecessary expense to both the Government and the operators of transportation lines where the aliens would otherwise pass through this country in direct transit. To alleviate this unfortunate situation authority should be vested in the Attorney General to dispense in his discretion with this requirement in individual cases. Section 16 of the bill would accomplish this purpose. The guaranties entered into by the Attorney General with the aliens and the operators of transportation lines, it is believed, would provide ample safeguards.

SECTION 16

This section would provide that deportation proceedings may be instituted otherwise than by a warrant of arrest. Under a practice of long standing, deportation proceedings have been instituted by a physical arrest of the respondent. Such action has been regarded on occasions as being unduly harsh, particularly when the alien is a child of tender years, or is of advanced age, or for some other reason is not likely to abscond. Although section 242 (b) of the present law prescribes the deportation hearing procedure, it does not specify the manner in which such proceedings must be initiated. The Department of Justice has recently adopted the practice of commencing a deportation proceeding with an order to show cause, reserving a physical arrest for those cases in which custody and detention of the alien is regarded as necessary in the public interest or safety. While this procedure is regarded as being entirely within the contemplation of the law, enactment of this section would afford an unmistakable statutory sanction for this less drastic procedure.

SECTION 17

This section would amend section 245 of the act, which authorized administrative adjustment of the status of certain nonimmigrants. Among those who may thus be granted permanent residence under existing law are those aliens who marry United States citizens. The law, however, forbids the granting of permanent residence if the alien has been in the United States less than 1 year before the marriage. This situation has resulted in the disruption of families and adds unnecessary expense to aliens who are forced to go abroad to obtain a nonquota visa, without compensating benefits. This section of the bill would, therefore, eliminate the requirement of 1 year's presence in the United States before marriage.

SECTION 18

This section would liberalize those provisions of existing law granting special naturalization benefits to alien members of the Armed Forces and to certain alien veterans, and would consolidate and codify a number of related statutes. Existing law grants special benefits in this regard to aliens who have completed at least 3 years' peacetime honorable service in the United States Armed Forces. The advantages of the law, however, are available only to those who were lawfully admitted to the United States for permanent residence. These requirements have the effect of denying benefits to many worthy soldiers who, because of oversubscribed quotas, or other reasons, are unable to obtain an immigration visa, and to those who, because of service connected disabilities, have been honorably discharged before completing the required 3 years' service. The proposed amendment would eliminate the requirement of lawful admission for permanent residence and would extend the benefits to those who were prevented from completing the necessary 3 years' service because of disabilities received while serving. In recent years the Congress has enacted a number of statutes providing special naturalization benefits for members of the Armed Forces. Separate statutes were enacted extending these special benefits to persons who served honorably in the Armed Forces during the Spanish-American War, during World War I, during World War II, and during the Korean conflict. This section would consolidate these separately enacted statutes and would make uniform the conditions for naturalization although based upon service during different conflicts in which the United States may have been involved. Proper safeguards are contained in the proposal to limit the advantages of this new legislation to those who served in an active duty status, and were honorably discharged.

SECTION 19

(a) Under section 316 of the Immigration and Nationality Act, certain aliens who are employed by the United States Government or certain American firms or institutions, etc., may go abroad in the course of their employment without losing the residence prerequisites for naturalization. However, no provision is made for their alien spouses or children who wish to go abroad with them, but likewise desire to avoid endangering their eligibility for naturalization because of interruption of their United States residence. This causes unnecessary separation of families. It is believed that if an alien employee of the Government or of an American firm may receive the benefit of retaining his eligibility for naturalization because of the advantage to our national interest derived from his employment abroad, he should be permitted to bring with him his alien wife and children and they should be entitled to the same benefits. A similar provision, in respect to spouses, was contained in a former naturalization law (act of June 29, 1938, 52 Stat. 1247). This proposal would benefit employees of the State Department and other governmental agencies as well as persons stationed abroad while serving in the Armed Forces. With respect to children, it is deemed appropriate that the benefits should

be limited to the period before the child reaches the age of 23 years or it is married. This will result in the receipt of benefits only by those children whose sole purpose in being abroad is to remain in the household of their parent, who leaves the United States because of his employment.

(b) Under existing law a petition for naturalization must be filed in a naturalization court having jurisdiction over the petitioner's residence. This places an undue hardship upon many aliens now being inducted into the Armed Forces for military training. Although they are fully eligible for naturalization, having completed the necessary 5 years' residence in the United States, etc., they find that their military obligations frequently cause them to be stationed in the United States far away from the State where they have their residence. In view of the obligations placed upon them by the Government, it appears equitable that persons actually serving in the Armed Forces of the United States should, while so serving, be exempt from the ordinary requirements as to the place of filing a petition for naturalization. This proposal would accomplish that purpose by exempting persons in the Armed Forces from the requirement contained in section 310 (a) of the Immigration and Nationality Act as to the location of the naturalization court in which a petition for naturalization must be filed.

(c) Under section 316 (a) of the present act a petitioner for naturalization under the general provisions of the law must establish 6 months continuous residence in a particular State immediately preceding the filing of his petition. For the same reasons as are given above in respect to (b), this requirement also places an excessive burden upon aliens now being inducted into the Armed Forces. Their military service makes it impossible for them to remain in any particular State for as long as 6 months in order to meet the general requirements applicable to other petitioners for naturalization, causing delay in their acquiring citizenship. In view of their military obligations, such persons, while actually serving, should be exempted from the ordinary requirement as to the 6 months' residence in a particular State at the time of filing a petition for naturalization. This proposal would accomplish that purpose by exempting them from that requirement contained in section 316 (a) of the Immigration and Nationality Act.

SECTION 20

Section 202 of the act deals with the determination of quotas to which immigrants shall be chargeable. This section would revise section 202 so as to grant an Asian spouse the benefit of the quota of an accompanying spouse, and permit the Asian spouse of a native of a Western Hemisphere country to be classified as a nonquota immigrant if accompanying, or following to join, such spouse.

SECTION 21

Section 203 of the act establishes the bases upon which immigration visas shall be allocated within the quotas. This section of the bill would carry forward the provisions of section 3 of Public Law 85-316 which accorded first preference status to spouses and children following to join as well as accompanying the spouse or parent who received first preference status by virtue of his special skills and abilities under section 203 (a) (1) (A). In addition, the quota allocations would be revised by giving the fourth preference category, that is, brothers, sisters, sons, and daughters of citizens, a fixed 10 percent of the quota, in lieu of the present percentage of an undetermined leftover amount of quota numbers which the present statute permits. This change is regarded as desirable to make this preference a reality. Section 203 (a) (2) of the act provides that parents of an American citizen are entitled to second preference quota status only if the petitioning citizen is at least 21 years of age. Subsection (a) (4), which affords fourth preference status to brothers, sisters, sons, and daughters of citizens, does not limit that preference status to such kin of citizens who are at least 21 years of age. This section would amend section 203 (a) (4) so as to limit its operation to those cases in which the petitioning citizen is likewise at least 21 years of age. It would also amend the section so as to accord the same preference quota status to the spouse and child of such a brother, sister, son, or daughter of a citizen, if such spouse or child is accompanying or following to join the relative.

SECTION 22

The present act permits the Secretary of State to determine the amount of nonimmigrant visa fees on the basis of reciprocity. This section of the bill would vest the Secretary with a desirable discretion to deviate from this rule when politically or otherwise necessary in the national interest. It would also clarify the present statute with respect to the manner of computing the amount of such visa fees.

SECTION 23

Section 212 (a) (9) of the act specifies the classes of aliens who shall be excluded from the United States because of criminal involvement. This section would amend section 212 (a) (9) so as to clarify and incorporate within the basic act the pertinent provisions of section 4 of Public Law 770, 83d Congress, 68 Stat. 1145, which in effect, but not in form, modified section 212 (a) (9) of the Immigration and Nationality Act with respect to aliens who have been convicted of or have admitted the commission of petty offenses.

SECTION 24

Section 221 (f) of the act provides in part that an alien crewman may be admitted to the United States if his name appears on a crew list visaed by a consular officer, "until such time as it becomes practicable to issue individual documents." The quoted requirement for individual documents has proved to be most difficult of achievement and unduly burdensome. This section would delete the quoted matter, thus eliminating the requirement that all alien crewmen eventually must be in possession of individual visas.

SECTION 25

Section 222 of the act prescribes the contents of a visa application. Subsection (a) deals with applications for immigrant visas and subsection (c) deals with nonimmigrant visas. Both require information as to "race and ethnic classification." This section would eliminate this requirement since the terms are not susceptible of definition and have served no useful purpose in the administration of the Immigration and Nationality Act.

SECTIONS 26 AND 27

Section 352 of the act sets forth circumstances under which naturalized citizens shall lose their citizenship by virtue of residence abroad. Sections 353 and 354 enumerate categories of persons to which section 352 shall not apply. Sections 30 and 31, respectively, of the accompanying bill, would extend to veterans of World War I and II, and their spouses, children, and dependent parents, broader foreign residence privileges. The amendments would extend (1) to veterans of World War II, retroactively, the provisions of section 406 (h) of the 1940 act; and (2) restore to veterans of World War I that part of the provisions of section 406 (h) of the 1940 act which permitted World War I veterans to reside in the country of nativity or former nationality. The proviso to the proposed amendment contained in section 30 is designed to make clear what is thought to be the intent of Congress that the spouse, children, and dependent parents of such a veteran shall enjoy the same foreign residence privileges as does the veteran.

SECTION 28

Section 223 of the act relates to reentry permits. Subsection (b) authorizes the Attorney General to issue reentry permits under certain circumstances. However, such permits "shall be valid for not more than 1 year from the date of issuance" and may be extended for periods aggregating not more than 1 year. This has resulted in hardships to certain alien spouses and children of servicemen stationed abroad for extended tours of duty. This section would add a proviso to the subsection to provide that "the Attorney General may in his discretion extend the validity of the permit of a spouse or child of a member of the Armed Forces of the United States stationed abroad pursuant to official orders for such period or periods as the Attorney General shall deem appropriate."

SECTIONS 29 AND 30

Under the several methods of review available to them aliens clearly deportable, including many in the criminal classes, have been able to delay unduly their expulsion from this country. The purpose of these sections of the bill is to prevent the abuse of judicial process through the establishment of review procedures having uniformity, providing orderly venue and permitting the expeditious handling of such matters.

Historically, an order for the deportation of an alien could be challenged in the courts solely by habeas corpus proceedings, which were available to the alien only after he had been taken into custody pursuant to the order of deportation. In recent years, it has become possible, as a result of judicial decision, for aliens to obtain judicial review of an order of deportation upon its issuance. An equally divided supreme court on January 11, 1954, affirmed per curiam a holding that deportation orders issued under the Immigration and Nationality Act of 1952 are reviewable in actions for declaratory judgment as well as by habeas corpus. (*Brownell* v. *Rubinstein* (346 U. S. 929 (1954)).) Also in a recent decision the Supreme Court held that deportation orders entered under the Immigration and Nationality Act of 1952 can be judicially reviewed in actions for declaratory and injunctive relief under section 10 of the Administrative Procedure Act. (*Shaughnessy* v. *Pedreiro* (349 U. S. 48 (1955)).)

These several methods of review lack uniformity and are deficient with respect to such important incidents as the need for expedition, orderly venue and the avoidance of repetitious court proceedings. Legislation is necessary to resolve these problems effectively. It is believed also that such legislation should include a single statutory method of review specifically applicable to aliens subject to orders of deportation but who are not in custody pursuant to such orders.

Section 29 of the proposal would amend the Immigration and Nationality Act of 1952 (66 Stat. 163; 8 U. S. C. 1101), by adding to title II a new section "293." Paragraph (1) of subsection (a) of the new section would permit an alien in custody pursuant to an order of deportation to obtain judicial review of the order solely by means of habeas corpus. With respect to an alien not in custody but who is subject to an order of deportation issued after December 23, 1952, the proposal would provide a special single statutory method of review initiated by the filing of a petition for review in the appropriate United States district court.

Paragraph (1) of subsection (a) would further provide that deportation orders shall not be subject to judicial review except as provided in the bill, "Notwithstanding the provisions of the Administrative

Procedure Act or any other law, including section 405 (a) of this act." The purpose of this language is to insure that the specific provisions of the bill will not be overridden by the general provisions of existing law. It would also provide that a deportation order shall not be reviewed by the courts if the alien has not exhausted the administrative remedies for review available to him.

Paragraph (2) of subsection (a) would provide that "a petition for review may be filed not later than 6 months from the date of the deportation order or from the date of the enactment of this subsection, whichever is the later, except that no such petition or a petition for habeas corpus to review the validity of the order may be filed by an alien during the pendency of a criminal proceeding against such alien for violation of subsections (d) or (e) of section 242 of this act." This time limitation is important. It is proposed for two reasons: By placing pressure upon aliens subject to deportation to obtain judicial review within a reasonable period of time (or undergo the inconvenience of being taken into custody in order to obtain review in habeas corpus proceedings) it is hoped to facilitate the process of removing deportable aliens by reducing the number of last-minute judicial proceedings. A further reason for the proposed change stems from section 242 (e) of the act which imposes criminal liability upon an alien, in the criminal, subversive or immoral classes "who shall willfully fail or refuse to depart from the United States within a period of 6 months from the date of the final order of deportation under administrative process, or, if judicial review is had, then from the date of the final order of the courts, * * * whichever is the later."

Paragraph (2) of subsection (a) also deals with the problem of repetitious review proceedings by providing that "No petition for review or for habeas corpus shall be entertained if the validity of the deportation order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order." This provision is designed to insure that an alien shall have only one judicial review of a deportation order, except in unusual circumstances. Cf. title 28, United States Code, section 2255, and *United States* v. *Hayman* (342 U. S. 205), which would seem to remove all doubt as to the validity of such a provision.

Occasionally, an alien subject to an order of deportation, and for whom the Immigration and Naturalization Service has arranged passage on a ship or a plane, will file a petition for a writ of habeas corpus and, when the ship or plane has departed will withdraw the petition. Paragraph (2) of subsection (a) would prevent such abuse of legal process by providing that no petition for review or for habeas corpus may be withdrawn without the consent of the Government and of the court in which it is filed.

Paragraph (3) of subsection (a) would provide that the Immigration and Naturalization Service shall be the named respondent in a review proceeding under the proposed bill. If the service rather than a named official is designated as respondent, there will be avoided the frustrating issues of abatement and substitution which occur when a named respondent official is replaced by another. It would further provide that a petition for review of a deportation order shall be filed in the judicial district in which the administrative deportation proceeding was conducted. Venue has been defined in these terms rather than in relation to the alien's residence because a recently arrived alien often will not have a residence in the usual sense in any district. Alternatives venue in the District of Columbia has been purposely omitted in order to eliminate the possibility of an undue concentration of cases in that district. Moreover, the present concentration of deportation review proceedings in the District Court for the District of Columbia would be diluted by the provision in paragraph (1) of subsection (a) that cases pending, unheard in any district court on the date of the enactment of the bill, shall be transferred for determination to the District Court having jurisdiction to entertain a petition for review. The further provision of paragraph (1) of subsection (a) that a deportation order shall not be subject to judicial review if the alien has departed from the United States after the issuance of the deportation order, is intended to prevent an alien who has already been deported, perhaps many years ago, from challenging in the court the order for his deportation.

Paragraph (3) of subsection (a) also would provide for the service of a copy of the petition for review upon certain designated officials and would provide that such service would ordinarily stay the deportation of an alien pending determination of the petition, unless the court otherwise directs. Also, in view of the calendar congestion in some district courts, paragraph (3) of subsection (a) would provide for expedition of review proceedings by stating that "the hearing and disposition of a petition for review shall be expedited in the same manner as is required in habeas corpus proceedings." See title 28, United States Code, section 2243. This provision recognizes that while every alien is entitled to his day in court, the national interest requires that such cases should be determined promptly.

Paragraph (3) of subsection (a) also would provide that the administrative findings of fact in deportation cases shall be conclusive if supported by reasonable, substantial, and probative evidence on the record considered as a whole. This is essentially the evidentiary standard contained in section 10 (e) of the National Labor Relations Act, as amended.

Paragraph (4) of subsection (a) would provide that claims of American nationality raised in resisting deportation shall be presented to the courts only in review proceedings under this proposal or in habeas corpus proceedings, and that such claims shall not be determined by the courts in any other way, as in proceedings under section 360 of the Immigration and Nationality Act of 1952. The purpose of this provision is to force into a single judicial proceeding all of the issues raised in a deportation proceeding, rather than to permit a claim of citizenship to be raised separately, perhaps for purposes of delay.

Paragraph (5) of subsection (a) would provide that in criminal prosecutions under subsections (d) or (e) of section 242 of the Immigration and Nationality Act the validity of deportation orders may be challenged only by a motion before trial, such motion to be determined by the court without a jury and upon the administrative record, rather than in a judicial trial de novo. See *Cox* v. *United States* (332 U. S. 442), under the Selective Training and Service Act. This motion remedy would be made exclusive. Thus, the motion having been determined by the judge before jeopardy attached, the Government may properly be given a right to appeal from a determination that the deportation order underlying the criminal proceeding is invalid.

Paragraph (6) of subsection (a) would specifically provide that the mere availability of judicial review as distinguished from the actual commencement of review proceedings will not require the Attorney General to refrain from deporting an alien or release an alien from compliance with the surveillance and departure requirements of subsections (d) and (e) of section 242 of the Immigration and Nationality Act. It would further provide that nothing in the proposed bill shall interfere with the Attorney General's present authority under subsection (c) of section 242 to detain an alien.

Until recently it was thought that an order excluding an alien from admission to the United States could be reviewed in the courts only by habeas corpus. However, the United States Supreme Court held on December 17, 1956, in *Brownell* v. *Tom We Shung*, that such orders may be judicially reviewed in actions for declaratory judgments as well as in habeas corpus. It is believed that since an alien who has been excluded is ordinarily held in custody, habeas corpus provides a wholly adequate remedy for the judicial review of exclusion orders, and accordingly subsection (b) of the proposed section 293 provides that habeas corpus shall be the exclusive method for judicial review of such orders.

SECTION 31

This section repeals those provisions of existing law relating to naturalization of soldiers and veterans, made necessary by the restatement and codification of that naturalization law as contained in this bill.

AIRLIFT DEFICIT

Mr. PORTER. Mr. Speaker, under leave to extend my remarks I should like to insert two telegrams which I recently received: one from Mr. Gus Callas, president of General Airways with headquarters in my State of Oregon, and from Mr. Earl F. Slick announcing the suspension of the common-carrier activities of his nationwide air-freight line.

Mr. Speaker, I have no interest in the profits of General Airways or the Slick company, or of any other company, but I have a very deep concern that failure by the executive branch of the Government to carry out the very clear Congressional policies, namely, that in the movement of Government traffic preference should be given to commercial airlines over Government-owned and Government-operated airlines, will result in a reduction of the number of transport planes available as a reserve for military airlift in the event of war or other emergency.

A possible reduction in the number of transport planes available for military airlift would not be serious except that there is a deficit between the amount of airlift which you would need at the very beginning of a war on the one hand and on the other hand the amount of airlift which the commercial industry and military can provide. So we are faced with a dangerous airlift deficit, and we need to keep every transport plane we have in the civil reserve.

I refer specifically to page 837 of the Study of Air Power made by the Special Subcommittee of the Senate Armed Services Committee under the chairmanship of Senator SYMINGTON where sworn testimony was received from Maj. Gen. Earl G. Wheeler, Director of Plans, Office Deputy Chief of Staff of Military Operations, Department of the Army, as follows:

The services have examined the problem of whether or not the combined capability of the military-transport fleet and the civil reserve air fleet is adequate to meet wartime requirements. These studies were predicated upon the projected airlift capa-

bility in 1957. It was found that the combined capability would not be adequate to meet the requirements of all the services during the first 30 days of general war.

Testimony before the Appropriations Committee indicates that General Airways has three 4-engined transport planes, and 2 twin-engined transports to contribute to military airlift in event of war; and Slick Airways has 10 twin-engined planes, and fourteen 4-engined planes, not counting 5 DC–6A's on order.

Now we have testimony as recently as Monday, February 24, 1958, before the Military Operations Subcommittee of the House Committee on Government Operations, under the chairmanship of the distinguished gentleman from California [Mr. HOLIFIELD], by Mr. D. W. Rentzel, the board chairman and president of Slick Airways, that because of the indifference of the Civil Aeronautics Board and because of the fact that the Military Air Transport Service is continuing to take away business from commercial airlines such as General and Slick, which have received no subsidy from the Government, it is so difficult to compete against the Government that they may have to give up their operations. The really alarming part of Mr. Rentzel's testimony is that now the Slick company is going to sell off 14 of its 4-engined planes, and their testimony is that the best place to sell them is to Europe and South America.

If, as a result of MATS competition, these 14 planes have to be sold to Europe or South America, it is obvious to me that the Civil Reserve Air Fleet—to which all 14 of these planes have been assigned—will be reduced by fourteen 4-engined transport planes.

I do not see how the Pentagon can justify that kind of result.

If in the combined civil and military air fleets, there is not enough peacetime business to keep all of them full at a high utilization, it is obvious that the Government-owned and Government-operated planes can run light and run fewer hours a day and still remain part of the total airlift available in the event of war whereas the commercial lines which have to meet a payroll which is not appropriated for by the Government, as is the case with MATS, cannot.

I think the moral of this story, Mr. Speaker, is that we should build up commercial airlift to meet wartime or emergency needs, and not tear it down.

This is the very clear position of the Congress in Senate Report No. 543 of the 85th Congress, 1st session, and in House Report No. 841, by the managers on the part of the House in connection with the defense appropriation bill for the present fiscal year ending June 30, 1958.

In these reports, the Congress clearly stated its intent that the Department of Defense, in moving military passengers, cargo and mail, should give preference to using the services of commercial carriers before using Government-owned and Government-operated transportation.

So that we may be fully aware of the Congressional policy, I insert the relevant extracts following my remarks.

I think it is up to us in the Congress to see that the policy which we have clearly laid down is actually followed by the Pentagon, and I think it is now becoming clear that if we do not follow up on our own policy, the result will be the loss of a lot of civil-transport planes to the national reserve which will not be prepared to respond when the whistle is blown.

I would like to bring both these telegrams to the attention of members of the Government Operations Committee and particularly to the members of the Defense Appropriations Subcommittee who signed House Report No. 841, my distinguished colleagues in the House, Messrs. MAHON, SHEPPARD, SIKES, NORRELL, WHITTEN, ANDREWS, RILEY, FLOOD, CANNON, WIGGLESWORTH, SCRIVNER, FORD, EDWARD T. MILLER, OSTERTAG, and TABER.

I hope that these Members of Congress in particular will see to it that the Department of Defense actually carries out the excellent policy statement which they wrote and which the Congress adopted to the end that the commercial airlift reserve will be increased instead of decimated by Government competition.

PORTLAND, OREG., *February 4, 1958.*
Representative CHARLES O. PORTER,
United States Congress,
Washington, D. C.:

Due to disastrous inactivity and resultant furlough of large number of employees brought about by MATS competing with civil air carriers, we are unwillingly contributing to the severe employment situation in Oregon. Respectfully request you confer with members of Holifield committee on military operations investigating MATS, for the purpose of supporting the civil air carriers case as presented by Independent Airlines Association. Will appreciate answer result your intervention our behalf. Thank you for your cooperation and courtesy.

GUS CALLAS,
President, General Airways, Inc.

WASHINGTON, D. C., *February 24, 1958.*
Hon. CHARLES O. PORTER,
Washington, D. C.:

Slick Airways, Inc., one of the first and largest airfreight carriers in the world, ceased scheduled operations today. This company has contributed much to the economy and national-defense efforts. Airfreight could have tremendous importance for the future of the United States. What Slick Airways has done has been accomplished with private capital and without subsidy.

The primary causes of the failure of this business are (1) the failure of the Civil Aeronautics Board to promote and encourage the air cargo industry in line with the mandates of Congress and (2) the similar failure of the Defense Department to implement Congressional will (S. Rept. No. 543 and H. Rept. No. 841 of the 85th Cong., directing Government use of commercial airlines in preference to MATS) and aviation policy determinations of successive administrations with respect to development of the air cargo industry.

I suggest you insist that the will of Congress be carried out by the proper agencies, not for Slick Airways but to correct a bad example of misguided Government administration. This country can ill afford more mistakes of this kind.

EARL F. SLICK.

[85th Cong., 1st sess.; S. Rept. No. 543]

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1958

(June 28, 1957, ordered to be printed)

(Report to accompany H. R. 7665, now Public Law 117, 85th Cong., effective August 2, 1957)

GENERAL STATEMENT

Use of commercial carriers

Last year in the conference committee on the Defense appropriations bill the Senate joined with the House in stating in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free-enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security.

The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation, in preference to Government-owned and Government-operated transportation, to the fullest extent possible when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation.

It is the desire of the committee that all commercial carriers be given a fair and equal opportunity to offer their facilities on a bid basis to the Department of Defense, and be provided to the extent practical with equal access to information regarding commercial movements of cargo and personnel. The Department should make every effort to centralize the procurement of such transportation so as to consolidate movements in the interests of economy and to avoid the practice of arbitrarily dividing groups into such small units as to necessitate unwarranted additional expense.

The committee desires that at installations where private carriers are permitted to offer their services for sale to individual personnel, representatives of all commercial carriers should be afforded equal access without discrimination.

The committee notes with approval that the Air Force budget reflects increased use as compared with fiscal year 1957 of civil air carriers to augment the Military Air Transport Service in the movement of military personnel and dependents. This is offset in part, though, by the decreased use of civil air carriers in moving cargo for MATS. In summary we do not feel that sufficient effort has been made by the Department of Defense in the international and overseas field to adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.

It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogramed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service.

The committee desires that a report be made by January 1, 1958, which would indicate the progress made by the Department of Defense in implementing this directive.

EXTRACTS FROM CONFERENCE REPORT ON DEFENSE DEPARTMENT APPROPRIATIONS FOR FISCAL YEAR 1958, JULY 23, 1957, HOUSE REPORT NO. 841

Amendment No. 36: Deletes provision of the Senate providing for competitive bidding. This matter also is now under study by the legislative committees. The committee of conference strongly feels that competitive bidding should be required whenever practicable for more effective and economical procurement.

Amendment No. 37: Deletes provision of the Senate pertaining to the procurement of commercial transportation. The committee of conference emphasizes the importance of the Senate committee report on Use of Commercial Carriers and calls on the Department of Defense to carry out the full intent. However, it is realized that the procurement of commercial transportation must be made in accordance with existing law.

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
W. L. NORRELL,
JAMIE L. WHITTEN,
GEORGE ANDREWS,
JOHN J. RILEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
R. B. WIGGLESWORTH,
ERRETT P. SCRIVNER,
GERALD R. FORD, Jr.,
EDWARD T. MILLER,
HAROLD C. OSTERTAG,
JOHN TABER,

Managers on the Part of the House.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REES of Kansas, on tomorrow, for 10 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HAYS of Ohio and to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. ANFUSO.

Mr. HARVEY and to include a newsletter of the gentlewoman from Indiana [Mrs. HARDEN].

Mr. BENTLEY and to include extraneous matter.

Mrs. CHURCH and to include a speech by the gentlewoman from Ohio [Mrs. BOLTON].

Mr. FINO and to include extraneous matter.

Mr. AUCHINCLOSS and to include extraneous matter.

Mr. CORBETT and to include extraneous matter.

Mr. ROBERTS in four instances.

Mr. EBERHARTER.

Mr. JUDD (at the request of Mr. CURTIS of Missouri) and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 6. An act to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities; to the Committee on Ways and Means.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1692. An act for the relief of Mrs. Margot M. Draughon;

H. R. 2901. An act for the relief of Ralph H. Weeks;

H. R. 4541. An act for the relief of Leslie A. Batdorf; and

H. R. 5163. An act for the relief of Forest H. Byroade.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5809. An act to authorize construction of a U. S. S. *Arizona* memorial at Pearl Harbor; and

H. R. 8795. An act to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.), the House adjourned until tomorrow, Thursday, March 6, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1683. A letter from the Chairman, United States Advisory Commission on Information, transmitting the 13th report of the United States Advisory Commission on Information, dated January 1958, pursuant to Public Law 402, 80th Congress (H. Doc. No. 348); to the Committee on Foreign Affairs and ordered to be printed.

1684. A letter from the Secretary of Commerce, transmitting the quarterly report of the Maritime Administration of the Department of Commerce on the activities and transactions of the Administration under the Merchant Ship Sales Act of 1946, from October 1, 1957, through December 31, 1957, pursuant to the Merchant Ship Sales Act of 1946; to the Committee on Merchant Marine and Fisheries.

1685. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

1686. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated August 26, 1957, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Texas City and vicinity, Texas, for storm protection, authorized by the Flood Control Act approved June 30, 1948 (H. Doc. No. 347); to the Committee on Public Works and ordered to be printed with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 497. Resolution for consideration of H. R. 8361, a bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 1457). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H. R. 7004. A bill to amend the Tariff Act of 1930 with respect to the dutiable status of handles, wholly or in chief value of wood, imported to be used in the manufacture of paint rollers; with amendment (Rept. No. 1458). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 7363. A bill to amend the Tariff Act of 1930 to reduce the import duty on eviscerated pigeons; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 5208. A bill to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos; with amendment (Rept. No. 1460). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 11162. A bill to provide for the distribution of surplus-food commodities by use of a food-stamp plan; to the Committee on Agriculture.

By Mr. BYRD:

H. R. 11163. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. FINO:

H. R. 11164. A bill to amend title II of the Social Security Act to provide that widow's insurance benefits shall become payable thereunder at age 50 in the case of a widow who is under a disability; to the Committee on Ways and Means.

By Mr. FLYNT:

H. R. 11165. A bill to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers who served in the period from October 23, 1943, to March 5,

1946; to the Committee on Post Office and Civil Service.

By Mr. HYDE (by request):

H. R. 11166. A bill to amend the act entitled "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," approved August 11, 1950; to the Committee on the District of Columbia.

By Mr. KEATING:

H. R. 11167. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 11168. A bill to amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. LANKFORD:

H. R. 11169. A bill to grant to certain officers and employees of the Government travel, subsistence, and related expenses incident to their departures from their respective official duty stations upon retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H. R. 11170. A bill to exempt States and political subdivisions thereof from the tax on conveyances, and for other purposes; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 11171. A bill to check the growth of unemployment by providing for Federal assistance to States and local governments for the construction of needed public works and public improvements; to the Committee on Public Works.

By Mr. SCOTT of North Carolina:

H. R. 11172. A bill to provide that the Blue Ridge Parkway shall be toll free; to the Committee on Interior and Insular Affairs.

By Mr. TALLE (by request):

H. R. 11173. A bill to extend and amend laws relating to the provision and improvement of housing and the conservation and development of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. WAINWRIGHT:

H. R. 11174. A bill to provide for the appointment of an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations; to the Committee on Foreign Affairs.

By Mr. YOUNGER:

H. R. 11175. A bill to amend section 406 (b) of the Civil Aeronautics Act of 1938 to provide that if it is determined that a domestic trunkline carrier is not entitled to subsidy for any period such carrier shall thereafter be ineligible for subsidy with respect to its domestic operations; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 11176. A bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to price supports for milk and special dairy programs; to the Committee on Agriculture.

By Mr. JOHNSON:

H. R. 11177. A bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to price supports for milk and special dairy programs; to the Committee on Agriculture.

By Mr. ABERNETHY:

H. R. 11178. A bill to amend the Agricultural Act of 1949 and the Agricultural Act of 1954 with respect to special dairy programs; to the Committee on Agriculture.

H. R. 11179. A bill to provide minimum-price support levels for whole milk and butterfat during the 2-year period beginning April 1, 1958; to the Committee on Agriculture.

By Mr. CHRISTOPHER:

H. R. 11180. A bill to remove the 1-year limitation on payment of accrued benefits; to the Committee on Veterans' Affairs.

H. R. 11181. A bill to provide that veterans suffering from active pulmonary tuberculosis shall be deemed to be permanently and totally disabled for pension purposes while hospitalized; to the Committee on Veterans' Affairs.

H. R. 11182. A bill to amend the Veterans' Benefits Act of 1957 to liberalize the basis for, and increase the monthly rates of, disability pension awards; to the Committee on Veterans' Affairs.

H. R. 11183. A bill to provide pension for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

H. R. 11184. A bill to increase the monthly rates of pension payable to widows and children of World War I, World War II, and Korean conflict veterans; to the Committee on Veterans' Affairs.

By Mr. CRAMER:

H. R. 11185. A bill to amend sections 1461 and 1462 of title 18 of the United States Code to make applicable with respect thereto the venue provisions of section 1327 of such title; to the Committee on the Judiciary.

H. R. 11186. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted from $1,200 to $1,800 yearly without deductions from benefits thereunder; to the Committee on Ways and Means.

H. R. 11187. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H. R. 11188. A bill to amend the act of March 3, 1915, as amended, to increase the scope of the activities of the National Advisory Committee for Aeronautics (renamed in this act the National Advisory Committee for Aeronautics and Astronautics), to establish in the Congress a Joint Committee on Astronautics, and for other purposes; to the Committee on Armed Services.

By Mr. HARRISON of Nebraska:

H. R. 11189. A bill to provide for the transfer to the Department of Agriculture of a certain Government-owned alcohol plant, for the purchase and use of grains in connection with the operation of such plant, and for other purposes; to the Committee on Agriculture.

By Mr. HOLLAND:

H. R. 11190. A bill to amend title 18 of the United States Code to prohibit traffic in obscene articles; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 11191. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

By Mr. LANKFORD:

H. R. 11192. A bill to provide for the conveyance of certain real property of the United States to the State of Maryland; to the Committee on Interior and Insular Affairs.

By Mr. LENNON:

H. R. 11193. A bill to amend title III of the Communications Act of 1934, so as to prohibit broadcasting of television or radio subscription programs; to the Committee on Interstate and Foreign Commerce.

By Mr. RABAUT:

H. R. 11194. A bill to suspend the manufacturers' excise tax on passenger automobiles and trucks; to the Committee on Ways and Means.

By Mr. RABAUT:

H. R. 11195. A bill to increase from $600 to $700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. TEWES:

H. R. 11196. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. WAINWRIGHT:

H. R. 11197. A bill to provide for the appointment of an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations; to the Committee on Foreign Affairs.

By Mrs. GREEN of Oregon:

H. J. Res. 565. Joint resolution to authorize the reimbursement of not more than two employees in the office of each Member of the House of Representatives for travel to the Member's Congressional District; to the Committee on House Administration.

H. J. Res. 566. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for use of Members, officers, and committees of the House of Representatives, to permit the use of that equipment in the office of a Member in his Congressional District; to the Committee on House Administration.

By Mr. BYRNE of Illinois:

H. Res. 498. Resolution amending the Rules of the House of Representatives so as to create a standing committee to be known as the Committee on Independent Unions; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States relative to transmitting a certified copy of the Ratification of Resolution No. 12 of the Acts of 1941 by the General Assembly of Maryland; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 11198. A bill for the relief of Wendy Levine; to the Committee on the Judiciary.

H. R. 11199. A bill for the relief of James Joseph Martin; to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H. R. 11200. A bill for the relief of L. L. McCandless, deceased; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 11201. A bill for the relief of Lin-Lin (Linda) Yeh; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 11202. A bill for the relief of Leonora Bent; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 11203. A bill for the relief of the State House, Inc.; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 11204. A bill for the relief of Lee Ju Ok; to the Committee on the Judiciary.

By Mr. McINTIRE:

H. R. 11205. A bill for the relief of Shouko Kawasaki; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 11206. A bill for the relief of Basile Ignatios Mavridis; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 11207. A bill for the relief of Aqueda Chiciana Tavira Sanchez; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 11208. A bill for the relief of Eugene Paul Cohen; to the Committee on the Judiciary.

H. R. 11209. A bill for the relief of Joseph Stefan Maz; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 11210. A bill for the relief of Giovanni Moschella; to the Committee on the Judiciary.

By Mr. YATES (by request):

H. R. 11211. A bill for the relief of Steve Tomicic; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the fifth in a series of articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY—PART V: NAVIGATION THE GOAL

(By KENNETH A. ROBERTS, Member of Congress)

New dam construction will not appease those who dream of a new Coosa-Alabama River.

The potential of the basin will, in their estimation, remain unfulfilled until the riverway is navigable from the hills of Rome, Ga., to Mobile Harbor.

That is why Congressmen, civic and business leaders are watching closely a Corps of Engineers study of shipping—both available and possible—on the river.

Half of the study is complete. It shows navigation feasible from Montgomery southward.

The remainder of the report, it is expected, will show a similar feasibility for the Coosa River so provisions for locks can be made simultaneously with the building of the Alabama Power Co. dams.

The situation on the Alabama River appears more firm than that of its sister, the Coosa. The Federal Government now is planning for a $110 million project which would provide a navigation channel 9 feet deep from the mouth of the Alabama to Montgomery by means of low-lift lock and dam at Claiborne, two higher dams with locks and power installations at Millers Ferry and Jones Bluff, and supplemental channel work on the river below Claiborne.

But this project, too, has been the victim of the kinds of delays and setbacks which have plagued the upper stretches of the waterway.

General planning only has been done on the individual structures and when Alabama Congressmen joined basin officials in trying to get $150,000 for the Millers Ferry Dam during the past session of Congress, they were unsuccessful. The effort will be renewed during the present session.

What are the chances that the Government will be convinced the river should be navigable from one end to the other? Alabamians think they are good.

In the first part of their survey, Army engineers estimated about 2 million tons of freight a year will pass through the Montgomery to the gulf section, making development worthwhile from an economic standpoint.

Officials estimate that freight tonnage possible from Rome to Montgomery would perhaps double that of the lower waterway. Heavy industry at Rome, Gadsden, Anniston, Talladega, Sylacauga, and Childersburg would account for the heavy tonnage.

If the benefit-cost ratio is favorable, the way would be cleared for the Government to add locks to the power dams. The full potential of the riverway could be nearer utilization. Next: Basis for hopes.

Opinion Poll Results

EXTENSION OF REMARKS
OF
HON. ROBERT J. CORBETT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 1958

Mr. CORBETT. Mr. Speaker, I have just completed another of my regular polls of public opinion in my Congressional District on 10 vital issues. The tabulated percentage results are reported below without editorial comment. I hope my colleagues in the Congress find them interesting and informative.

I began taking these polls when I first came to Congress in 1939. They are in the form of a printed questionnaire, requiring simple yes-and-no answers to questions on vital issues of current interest. They are mailed to registered voters in my district, regardless of political affiliation.

My Congressional District is probably as representative and contains as many varied interest groups as any in the Nation. It has a high concentration of labor, white-collar workers, small business, large industries, and some of the finest farmlands found anywhere. The district includes a thickly populated section of Pittsburgh, extends to the rural areas, and takes in many large and small residential towns in northern Allegheny County.

Total response to this latest questionnaire was particularly large and because of the manner in which it was conducted, the percentage results virtually constitute a referendum of the district.

The poll follows:

1. The President is asking for $1.3 billion at once for the missile program and an increase over last year of $4 billion for defense efforts. Should this amount be appropriated? Yes, 88 percent; no, 12 percent.

2. Do you agree with the President that foreign military aid is essential to our own defense? Yes, 83 percent; no, 17 percent.

3. Do you believe that economic penetration of neutral countries by the Communists must be matched or bettered by ourselves? Yes, 76 percent; no, 24 percent.

4. Would you vote for a Federal expenditure of $1 billion over the next 4 years to improve teaching skills and encourage scientific and technological training? Yes, 78 percent; no, 22 percent.

5. Are you satisfied to forgo a possible tax cut in order to keep the budget balanced? Yes, 87 percent; no, 13 percent.

6. Do you believe that the Federal Government should reduce its efforts in the fields of health, education, and welfare to save money? Yes, 24 percent; no, 76 percent.

7. Do you believe that the farm subsidy program should be sharply cut back? Yes, 80 percent; no, 20 percent.

8. Would you grant the President's request for power to negotiate reciprocal trade agreements over a 5-year period? Yes, 72 percent; no, 28 percent.

9. Do you believe the people of the free world are unduly alarmed by the evidence of Russian progress in the missile field? Yes, 51 percent; no, 49 percent.

10. Are you satisfied that President Eisenhower is doing a good job as our Chief Executive? Yes, 82 percent; no, 18 percent.

Eligibility for Social-Security Benefits

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 1958

Mr. FINO. Mr. Speaker, I am introducing a bill today to allow a widow who is under disability to receive social-security benefits at age 50. The present law requires that, for a widow to be eligible for benefits, she must either be age 62 or the mother of a child who is entitled to benefits under the act. This means that the widow of an insured individual receives payments during the time her children are growing up, which stop when the youngest child reaches age 18, except in the case of a disabled child. She must then wait until she reaches age 62 before being eligible for further benefits.

I think that an excellent argument can be made against this policy, based upon recent studies which have disclosed the many difficulties a person over 40 encounters when he seeks employment. A widow who has spent her youth in raising children, who attempts to enter the

labor market must find added difficulties over and above those encountered by the average worker of middle or advanced age with a record of past employment. For in the great majority of cases, she lacks the experience and background necessary to qualify her for a decent job.

If this is so in the case of a widow in good health, who given the opportunity, is able to support herself, what is the plight of a widow who is physically unable to undertake gainful employment? My bill is limited to the latter class, that is widows who are disabled as that term is defined in the act and administered by the Social Security Administration—which, by the way, is a strict definition, rather stringently applied.

Mr. Speaker, as I see it, one of three fates must befall such a person. First she may be fortunate enough to have an independent source of income, sufficient to supply her needs. If she is not so fortunate, however, as most widows are not, she had the unenviable choice of becoming either a burden upon her children or whatever other family she may have, or she will become a public charge. I see no reason why a widow in such circumstances must be forced to wait until she is 62 years old before she is eligible for social-security benefits. The interim between the time when her mother's benefits close, or if she was not entitled to a mother's benefits the time at which she became a widow, and the time she reaches age 62, has been aptly described as the "valley of despair."

The 1956 amendments to the Social Security Act provided for the granting of benefits to disabled workers at age 50 and for disabled children over age 18. I suggest that it is high time we took similar action in the interest of disabled widows, who find themselves in equally distressing circumstances.

Food Stamp Plan for America's Needy

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. ANFUSO. Mr. Speaker, I am today introducing a bill which provides for the distribution of surplus food commodities through the use of a food stamp plan.

Let me emphasize at the very outset that this program is intended to aid the needy and the undernourished in our country. The purpose of this bill is twofold: to help raise the levels of health and nourishment of needy persons, and the disposal of some of our huge food surpluses in a beneficial manner.

My bill would authorize the Secretary of Agriculture to put into operation by January 1, 1959, a food stamp system for the distribution of food to the needy from the surplus commodities acquired by the United States Government through its price-support or other programs. Such distribution is to take place through the States. For this purpose, food stamps or certificates shall be issued to eligible persons which would be redeemable for certain types and quantities of food as determined by the Secretary of Agriculture.

The total of such surplus food to be distributed under this program shall not exceed more than $1 billion worth of food annually, based on the cost to the Government for purchasing, storing and handling these commodities.

It should also be noted that the food distributed under the food stamp plan shall not supersede any welfare assistance to such needy people, but should be in addition to such aid given them by the respective States.

Enactment of this bill would serve many useful purposes at this time. Aside from the fact that it would be of great help to the needy in our own country, who are having a most difficult time to cope with the present high cost of living, it would be beneficial also in the following ways:

First. It would help cut down our tremendous inventory of surplus food commodities, reported to be valued at approximately $7 billion and costing hundreds of millions of dollars annually for storage, handling, and spoilage.

Second. It would be of immeasurable help to our farmers by disposal of these surpluses and the increased income for their farm products.

Third. Bolstering the farm economy would also be a much-needed shot in the arm for the entire economy of the Nation at a time of recession and growing unemployment.

Fourth. The needy, the elderly persons, the people in charitable institutions and those who are dependent on welfare assistance would be given extra nourishment and the opportunity to improve their level of health.

Fifth. Disposal of large quantities of such surpluses would save the Government and the taxpayers considerable expenditures for the cost of storage.

Mr. Speaker, since this bill will undoubtedly be referred to the Committee on Agriculture and turned over to the Subcommittee on Consumers Study, of which I have the honor to be chairman, I shall arrange for my subcommittee to undertake early hearings on the bill and the proposals contained therein. I am planning to invite the governors of various States or their representatives to testify before our committee and to present their views and a picture of the situation in their State as regards the needy who would benefit under this plan.

It is my opinion that every State will benefit by the launching of a food stamp plan, particularly the economically distressed areas where unemployment has reached alarming proportions in recent months.

Mr. Speaker, in conclusion I wish to take this opportunity of expressing my gratitude to our colleagues, the Honorable MARTHA W. GRIFFITHS, of Michigan, and the Honorable LEONOR K. SULLIVAN, of Missouri, for their contribution in helping to develop this method of food disposal. They, too, will be invited to share their views and opinions regarding the food stamp plan with our committee.

Lastly, I should like to express my gratitude also to the distinguished chairman of the House Agriculture Committee, the Honorable HAROLD D. COOLEY, who has recognized the wisdom of this legislation and has given me the "green light," so to speak, to proceed with it.

Outlook for Recovery

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. BENTLEY. Mr. Speaker, under leave to extend and revise my remarks, I wish to include the text of an exclusive interview with Secretary of the Treasury, Robert B. Anderson, which appeared in the March issue of Nation's Business. I feel sure that all members would be interested to read the remarks of Mr. Anderson and to learn of his estimates for our recovery from our present unsatisfactory economic situation.

The text of the interview follows:

OUTLOOK FOR RECOVERY—AN EXCLUSIVE INTERVIEW WITH THE SECRETARY OF THE TREASURY, ROBERT B. ANDERSON

Question. Mr. Secretary, do you consider it likely that the American economy will begin to bounce back around the middle of this year?

Answer. I have not tried to make any judgment as to a precise timing of the movement of the American economy, but rather have expressed a confidence, which I still maintain, that we are going through a period of readjustment or recession, however you want to describe it, of a character that will not be protracted.

Without attempting to pick a precise time in the year in which the economy may be expected to shift into a resurgent mood and begin a sustainable rate of expansion, I am confident it will occur within a reasonable period.

Question. There has been a great deal of talk about weak spots and danger signals in the economy. Do you see strong points and hopeful signs as well?

Answer. Well, in an economy of the size and magnitude of ours undoubtedly there will always be fluctuations. It seems to me that most importantly we ought to try to analyze our situation on the basis of long-term and short-term factors which weigh importantly on the total economy.

Looking first at the short-term situation, I think you find that readjustments already have been made in a number of areas.

Question. What are some of these areas?

Answer. Inventory reductions have brought about a better balance in some industries. There already has been adjustment in outputs of a substantial number of industries. There has been adjustment in prices, which reflect some of the industry adjustments that have taken place. Personal income has held up very well. Total income and total retail sales in December were about 2 percent over a year ago. There has been a very prompt readjustment in the stock and bond yields and in the interest-rate relationships. The stock market has shown some elements of strength in recent months. There are indications of a revival of residential construction which is turning up.

About $5.5 billion more in defense contracts will be let to private industry for the first 6 months of 1958 than in the last 6

months of 1957. There will be an increase in defense spending as well as increase in defense contracts. There will be speedups in other projects, such as highway construction, which will add significantly to the economy. As there has been some turnover or lessening of demand for credit in the areas of private construction, there has been increasing demand on the part of State and local governments. For example, the 30-day visible supply of municipal bonds in the week ending January 31 was $549 million, compared with $260 million a year before.

The business plans for fixed investment in calendar year 1958 are higher than in any years, except for 1956 and 1957. The most important factor of all is the maintenance of a relatively high level of confidence in the basic strength of the economy of this country.

Question. You feel that this confidence is thoroughly justified?

Answer. Yes, I do. I think that boards of directors who make their decisions on the basis of a belief that the restrictive influences in the country will not be protracted, and we will be able to maintain a sustainable rate of growth, will be on the right side.

Question. What about long-term considerations?

Answer. Our population in this country is growing at the rate of about 3 million a year, and this is the equivalent of adding a State the size of Kentucky to our consumer population every 12 months. We have an increasing demand for new products and new materials. We have a very competent scientific and technological community in the business world, and they are constantly making new products and finding new ways to make things. Both because of the demands of our people and the factors of competition, these new technological advances indicate a growth and a rate of progress. We have a constant desire on the part of all of our people to improve their standard of living and to expand their opportunities. This is one of the intangible but very important forces in an economy such as ours.

We have, from 1946 through 1957, put more than $300 billion into capital investments—a total outlay equal to the United States military expenditures during World War II, between 1941 and 1945.

Question. Some economists suggest we had too rapid a rate of capital expansion and we now need a period for population growth to catch up. Do you feel this is true?

Answer. Without trying to make a judgment as to the rate at which capital investment ought to take place, I do think that the movements of our economy at present reflect in part the natural aftermath of such a large expenditure program.

I think that there will be continued capital expansion, perhaps not on the scale that has characterized the past 2 or 3 years, but rather a more sustainable rate of growth that is again consistent with the demands of both our domestic economy and export demands.

Question. How much Government spending can our economy stand for defense and other purposes?

Answer. This, of course, is one of the really basic problems of our country. We must, and I am sure we can, maintain a relatively high level of defense expenditures so as to insure an adequacy of protection for our country. I am quite certain that everyone would give this a top priority. On the other hand, it seems to me that we must regard our effort not as something which we must do for a year or so, but an effort which we are at least willing and competent to make over a long and unknowable period, if that is necessary.

In the past when we have been engaged in wars we have taken a large proportion of the gross national product, and after the conflicts were over have taken a time within which to recover. We could again take a sizable slice out of our gross national product for national protection, but if you get up into an exaggerated possibility of such great proportions as, say, a half or more, then you get to the point where most of us would work for the Government, where people are told what and how to do things, when price controls and wage controls would come into effect, and there you would have a degree of regimentation that is the very thing we seek to avoid in maintaining the freedom and the liberties which we cherish.

The precise point where you get more regimentation and less liberty can be difficult to judge.

It seems to me we need to determine a rate of expenditures for those things which are most essential, and to postpone, where necessary, things not as essential.

Question. Is that the philosophy behind the new Federal budget?

Answer. Certainly this thinking is always in our mind. We believe the budget is one which the country can maintain without the kind of regimentation which we are seeking to avoid.

Question. Do you feel that in this period of readjustment we will be able to produce the $74.4 billion in revenue estimated in the Federal budget for fiscal 1959?

Answer. We believe that it is a reasonable estimate of receipts during the period. The judgment is one which has to be made months in advance, and, of course, it is difficult to be entirely precise 17 or 18 months in advance.

The calculations which we have made are based upon a level rate of receipts from corporations, with some increase in receipts from individual income tax at current rates, but which takes into consideration not a rate of growth equal to that for the past 2 or 3 years, but something less than half that rate. Even giving weight to the current economic condition we believe that it will not be of a sufficiently protracted period to mitigate against the kind of estimates of revenue which we have made for that fiscal year.

All assumptions of receipts are hazardous. The very process of budget making requires a degree of preciseness which is difficult within itself. It would be much easier if we could make our assumptions on a range of revenue and a range of expenditures, but this would be like writing a budget in which you followed each calculation with the word "maybe." We finally come to the point in the budget process where even with the realization of the difficulties involved we nevertheless have to arrive at a judgment. The most that we can say is that our judgments, we believe, are reasonable.

Question. They are based upon the best evidence that you can get?

Answer. They are based upon the best evidence we can get in the Treasury, the best information which we can get from the staff experts of the Federal Reserve System, the council of economic advisers, and these other sources of information which are available to all business people.

Question. Can you explain just why the administration considered a $5 billion increase in the Federal debt limit of $275 billion necessary rather than some smaller increase?

Answer. The request for a $5 billion increase was based, first, upon the belief that the orderly management of our Government affairs would indicate that we should have balances on hand equivalent to at least 12 working days of normally anticipated expenditures. This requires about $3.5 billion of funds available. Our expenditures for all purposes are currently running at a rate of about $1.5 billion every 5 working days.

We then believe that there should be a margin for contingencies because in a Government the size of ours, with the problems that our Government has, there are certain things which we could not reasonably be expected to anticipate. For example, we might move more rapidly than anticipated in some of the scientific fields—for example, in missile development—and it might become important that the Department of Defense spend money in that area more rapidly than it now judges it will spend it. We believe under those circumstances we in the Treasury should have the ability to meet what acceleration if required. We believe, also, that in view of the fact that we are managing a debt of $275 billion we ought to have some flexibility in handling our debt management problems.

For example, when we go to the market, as we have recently done, with a large offering involving both intermediate and long-term bonds, we believe that there should be a reasonable period during which the market is allowed to absorb and to distribute by secondary operations this kind of a debt offer. If, after making such an offer, we should have a large attrition—that is, people who have held earlier securities, and who for business reasons would want to be paid—then we may find it necessary to go back to the market in a short time to ask for cash. So that in effect we are competing with the offering that we have just put out on a longer term basis.

Therefore, in making our calculations under a tight debt ceiling we have to make an offering that minimizes attrition, or we have to take into consideration the fact that if the market should better itself between the time that we make the offering and the time that the securities are actually marketed so that the attrition is less than we expect, then by accident we may have some of the debt overlapping, and we would be beyond the debt ceiling.

Question. Do you anticipate returning to the present debt limit if a temporary increase is granted?

Answer. We have asked that the $5 billion increase be granted through fiscal 1959. At that time we would have to take a look at our fiscal position and at our debt-management problems. I believe that it is in the best interest of the country for the Congress from time to time to examine the way in which we are handling our operations in the Treasury in the management of the debt. This is the sort of examination that will occur when we review our debt-limit problems.

Question. What are your plans for lengthening the maturity of the debt?

Answer. I would not want to be too detailed with reference to debt-management plans, because during this year we are going to have to refinance about $50 billion of debt. This includes the amount that we recently went to the market for—$16.8 billion. In addition, we will have to refinance about $22 billion in short-term bills and arrange for redemption of about $3 billion in tax-anticipation bills.

I believe, however, that it ought to be, and it is our objective to get the best balance that we can in the debt under conditions as they exist and to minimize the number of times that we have to go into the market either for cash or for refinancing. We realize that when we do go into the market, we may create problems for people who are financing private businesses, either corporate or individual; we may create problems for States, municipalities, and political subdivisions and other institutions that are going to the same market for their financing. So the extent to which we can improve the balance in our debt structure and minimize our trips to the market, I think, will serve the best interest of the public.

Question. Is there any realistic basis at this time for businessmen to anticipate substantial tax cuts soon?

Answer. Fiscal policy, I believe, should always be judged in the context of the impact which it has on the total economy at any

given period. One should not try to make dogmatic judgments on hypothetical situations. It seems to me that in periods of relatively high levels of production we should make every effort possible to pay our current expenditures with current revenues and not to add to an already burdensome debt.

On the other hand, I have expressed to the Congress the feeling that I can conceive of situations where the downward movements in an economy might be sufficiently deep and sufficiently protracted that some tax reduction should be considered in order to revitalize the economy. I do not believe that we are now at that point. I have confidence that the economy will reassert itself without that kind of action.

Question: Are you satisfied with the effect of the actions that have been taken to stimulate the economy?

Answer. If one examines the adjustment that has occurred in interest rates and in the yields between stocks and bonds since November 14, which was the date of the first reduction of the rediscount rate, I think he will find that it has been about as sharp a drop in interest rates as has occurred in recent times. This, I think, is indicative of a very rapid market adjustment to conditions.

There will always be some variation of opinions as to the kinds of things and the timing of things that ought to be done in an economic climate such as ours. There are even differences which exist in various geographical parts of our country, but by and large the most important things, it seems to me, are the basic confidence of our people and the demonstration of a willingness on the part of the agencies of the Government to take whatever actions they in their best judgment believe are needed to help maintain an economy expanding and growing at a sustainable rate.

I am sure that this Government would never sit idly by and watch either inflation or deflation run a ruinous course.

Question. How do you feel about the practice of Government lending money at a lower interest rate than Government must pay to borrow?

Answer. As a general proposition it seems to me that the rate at which the Government lends money ought to be at about what it costs the Government, because Government costs are borne by all of the taxpayers. I think, however, that one has to take into consideration whether there are other values that arise from the money which the Government spends or provides, which outweigh the disadvantage of providing money at lower than the normal cost.

Question. Can you tell us the present status of the activities of the joint Federal-State committee?

Answer. The committee is still functioning. Before any program really becomes final, both the Congress and various State legislatures will have to take action with reference to those functions which will be assumed by the States. This will take some time, because all of the legislatures do not meet each year, and each of the various governors will make his own decision about the program and the manner in which he wishes to present his program to his own legislature.

Question. Is the administration's interest in the objective of that committee still as strong as it was?

Answer. Yes, it continues strong because we believe in a vigorous Federal-State system. We have a high regard for the duality between the States and the Federal Government.

Question. What is the biggest obstacle to the achievement of the objective of the committee?

Answer. Perhaps the most difficult problem grows from the fact that certain of the Federal-State functions have grown up piecemeal over a long time. To take a specific example, the States are exceedingly interested in sharing to a more substantial degree in inheritance taxes. They feel that this is important not only from the standpoint of the revenues involved, but also because of the differences in laws relating to inheritance and property ownership between the various States. Yet the fact that we have had a system of Federal estate taxation for a long period of time makes it exceedingly difficult now so to readjust the Federal system that the combined Federal and State taxes will be fair and not too complicated.

Question. Do you feel there is an overdependence by States and communities upon Federal money?

Answer. It seems to me that in years past there has been a readiness on the part of States to be dependent more and more upon the Federal Government. It seems to me that one of the important functions of the present Federal-State Action Committee is not only to take a look at what has been done, with the idea of restoring some functions to the States where they could be more economically and better administered by local authorities, but also to consider new programs in which there is involved a new Federal-State relationship so as to avoid overdependence or overconcentration in the Federal Government.

Question. Do you feel that the communities and the States could undertake much of the work that has been done by the Federal Government?

Answer. I think that the States and local communities have the capability and the potentiality. It is a question of ability to realine the responsibilities of the Federal and State Governments. There is also the question of the redistribution of sources of revenue so as to enable the States to resume functions heretofore performed by the Federal Government. Most importantly, there must be willingness and a desire on the part of the people of the State and local governments to have the responsibility for these programs under a conviction that they would be better and perhaps more economically administered at local levels, rather than at the levels of the Federal Government.

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the sixth in a series of articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY—PART VI: BASIS FOR HOPES

(By KENNETH A. ROBERTS, Member of Congress)

The assets of the Coosa-Alabama River give credence to the great expectations which have spanned the years with unwavering vigor.

The persistence of predictions involving the river makes the most objective observer believe that there must be some truth in these speculations.

More than 70 years ago, Rev. B. F. Riley voiced one of the prophesies. This historian said the waterway from Rome, Ga., to Mobile will be opened to "spread all around * * * industry, prosperity and wealth."

Last fall, Robert F. Henry, president of Coosa-Alabama River Improvement Association, updated the situation. He said:

"The way is now open for the Federal Government, in partnership with private industry, to finish the job along the Coosa-Alabama system. If the Government will put locks on the power company dams on the Coosa and will build three proposed dams on the Alabama, the entire system will be open for navigation. It will make this valley blossom like a rose."

In the face of this optimism, let us examine the assets of the waterway.

Considered one of the 10 great river systems in the country, the Coosa-Alabama covers an area of 23,000 square miles. It flows from its headwaters—the Etowah and Oostanaula Rivers at Rome, 3,000 feet above sea level—down the Blue Ridge Mountains southwesterly across the Piedmont plateau, picking up the Tallapoosa River to form the Alabama River, then down to the lowlands of the gulf coastal plain to join the Tombigbee River in forming Mobile River just north of Mobile Bay.

The course runs through a basin blessed with mild, equable climate. There is abundant, well-distributed rainfall; large areas of fertile soil; flourishing timberland; rich and varied mineral resources; and a diversity of industry.

Minerals include bauxite, Selma chalk, clays, coal, iron ores, Fuller's earth, gold, graphite, granite, marble, slate, mica, ochre, lime, manganese, gravel, sand, silica, asbestos—the list goes on and on. Some are mined; others lie waiting.

At its Rome origins, the waterway is in a country of textiles, paper and metal products. Passing the Weiss Dam site at Centre, Ala., the Coosa enters Gadsden, home of heavy industry. Among its products are steel, rubber, textiles, pipe and metal goods.

At the tri-county junction of Etowah, Calhoun and St. Clair, the river enters Alabama's Fourth Congressional District. In its course to the gulf, the waterway will touch 7 of the district's 8 counties. Next: Tracing the river.

Twenty-fifth Anniversary of the Inauguration of Franklin Delano Roosevelt

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 5, 1958

Mr. EBERHARTER. Mr. Speaker, today marks the anniversary of the day in 1789 when the first Congress convened under the Constitution. It marked a time of crisis and of challenge—a crisis which was met and a challenge which was surmounted. Today also marks the anniversary of the inauguration in 1861 of Abraham Lincoln, at a time when our Nation also faced one of the gravest crises in its history.

These dates perhaps sound like ancient history. We know of those crises from having read about them. It is hard to reconstruct in our minds the atmosphere of that day in 1789 or of Lincoln's inauguration.

But millions upon millions of Americans remember at first hand another great occasion, another historic occasion, which happened on March 4—the first inauguration of Franklin D. Roosevelt as President of the United States.

We can remember the atmosphere of the day. We can remember the mixture of fear and of hopefulness as Roosevelt took the oath of office. And we can look back over these 25 years, remembering step by step the actions taken by Franklin Roosevelt to rescue America from one of the lowest points in our Nation's history.

The night skies over Pittsburgh had been dark—not for a few days but for months. Hunger stalked all of our cities. Despair was in the eyes of men in every walk of life. Our country, some feared, was a dying society. Would we turn to communism or to fascism?

Of course we did neither. The challenge of the depression was met in such fashion that today our economists tell us we can never again have that kind of depression in the United States.

Today our national administration would do well to join with us in recalling the first inauguration of Franklin D. Roosevelt 25 years ago. We are not in a depression. But we are deeply mired in economic troubles.

In Pittsburgh and in all of our major cities, in the rural areas and everywhere in this country, jobless men walk the streets looking for work. There is no excuse—no legitimate economic excuse—for this distress. True it is not of the magnitude of the great depression. But for every man out of work who has no immediate prospect of returning to work, this recession is, in effect, a personal depression.

Franklin D. Roosevelt led us brilliantly into the paths of economic reform which we are now told makes a future depression unlikely, if not impossible. He did it not by sitting and waiting for next month's economic statistics to be compiled to tell us how serious the situation was. He did it by moving vigorously against those factors which clearly existed leading to unemployment and distress.

The current occupant of the White House, if he were to look out upon the land and if he were to see and to recognize the conditions now existing, would also find in them sufficient reason to move now—promptly, vigorously, effectively—to restore our economy and to end joblessness in this country.

He could learn much from the history of the Roosevelt years. The lessons are there. They involve primarily a willingness to use the machinery of government to serve all the people in a time of crisis and challenge.

Measures Proposed To Meet Present Economic Crisis

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. MULTER. Mr. Speaker, I have today introduced a bill to provide for an emergency public works program. Immediate action is necessary to correct the recessionary condition of our economy which daily grows worse. Signs of serious trouble are present in all sectors of the economy—employment is increasing by leaps and bounds; farm conditions are worsening; credit is restricted and interest rates are high; production in the basic industries has been drastically curtailed; the rate of business failure has soared to unprecedented heights; businessman, worker, and consumer are uneasy about the future. In the light of all this, the administration is dragging its feet and imploring us all to smile, close our eyes and with blind faith wait, wait, wait.

If the Eisenhower administration refuses to accept its responsibilities, I suggest that the legislative branch step in and take immediate corrective action.

Fortunately, our country has the know-how, the resources, and the backlog of needed public works and projects on which only action is needed to prevent a depression.

I recommend the following programs to be carried out at the earliest possible date:

First. The massive Federal highway program should be accelerated. We have had advance planning on this program so could move very quickly.

Second. The tight-money policy must be totally abandoned and action taken to correct its serious consequences which are still very much in evidence.

Third. A liberalization of credit is necessary in order to stimulate the home building industry and to augment consumers purchasing power. My GI home loan bill, H. R. 10764, is designed to accomplish this purpose.

Fourth. Aid to small business is required in order to reverse the trend toward concentration and allow expansion of qualified companies. Accordingly, I have introduced H. R. 9959 to provide necessary tax relief and H. R. 10980, the Small Business Investment Corporation bill which would meet the small-business need for equity capital.

Fifth. The personal exemption for income tax should be increased from $600 to $800. My bill, H. R. 809, would accomplish this.

Sixth. Urban redevelopment can and should be accelerated.

Seventh. Farm conditions must be improved.

Eighth. I am introducing a public works bill to check the growth of unemployment by providing for Federal assistance to States and local governments for the construction of needed public works and improvements. School construction is an important need which could be met by such a program.

It is in the nature of the case that these programs will have no effect for several months. That is why immediate action is required. If we wait too long as we once did, recovery will take years, needless human suffering will occur and American strength will be dissipated.

In these words I am not prophesying gloom or doom. Rather, the opposite is true. I am prophesying continued economic strength if we face our difficulties with courage, vigor, and wise, forward-looking policies.

The Soil-Bank Program

EXTENSION OF REMARKS
OF
HON. RALPH HARVEY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. HARVEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter by the gentlewoman from Indiana [Mrs. HARDEN]:

WASHINGTON, D. C.—Any Indiana farmer who is denied participation in the soil bank this year should place the blame right where it belongs—on the Democrat-controlled Congress, not Mr. Eisenhower or Mr. Benson.

Last year, Secretary of Agriculture Benson asked Congress for $750 million with which to carry out the 1959 soil-bank program. The House Appropriations Committee reduced it to $500 million. The committee is, as are all committees in the Congress, controlled by the Democrat Party. So there is no question as to where the blame lies.

When the bill reached the House floor for action, a Democrat Congressman from the South proposed that the entire appropriation for the soil bank be cut out. By a party-line vote of 192 to 187, this was done. The soil-bank program was killed. Even the insufficient appropriation approved by the Appropriations Committee was wiped out. Needless to say, I opposed this action and voted to keep the soil bank in operation. So did most Republicans.

Fortunately, the Senate restored the $500 million. Remember, though, that this was just two-thirds of what the Secretary of Agriculture had requested in soil-bank funds.

It turned out that Mr. Benson had not exaggerated the need. Indiana farmers, for example, oversubscribed our $15 million soil-bank quota by 197 percent. Nationally, the interest was equally great and by late January the funds were exhausted.

Mr. Benson promptly asked Congress for additional funds. The House Appropriations Committee voted to approve another $175 million and Republican House Members were successful in getting the figure increased on the floor to $250 million in voting last week. It is hoped the Senate will follow suit, and that the funds will be made available.

Congressman CHARLES HALLECK, of Indiana, had this to say during the House debate:

HALLECK told the Democrats that concerning the soil-bank acreage reserve, "the administration asked for $750 million to carry on this program * * * and apparently in great glee, you sabotaged the program, even as you sabotaged the program we wanted for the corn farmers of the Middle West."

He added that "as far as I am concerned, you are not going to get away with it. You cannot blame the administration, you cannot blame Benson, you cannot blame me for the very failings in which you have indulged on your side as you have run the Congress of the United States. * * * You are the people who joined up against most of us on the Republican side to cut out the money, thereby bringing this confusion throughout all of the farm areas today."

HALLECK continued, "I have been trying to find out when you are going to come up with a farm program. You are awfully free and long on criticism, but I have not seen you come up with anything. You will not take what the administration offers. * * * The crop season will soon be here, so apparently after you have had complete control of the Government so far as legislation

is concerned, you yet are unwilling to do anything.

"We can have no farm program except as the Congress votes it and appropriates the money for it * * * so I think the time has come when the shoe ought to be put on the right foot, and that is on the foot of the Democrat Congress that has failed to meet its responsibility."

I subscribe to MR. HALLECK'S statement 100 percent.

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the seventh in a series of articles which I have prepared on the great Coosa-Alabama River system in Alabama:

THE COOSA-ALABAMA RIVER STORY—PART VII: TRACING THE RIVER

(By KENNETH A. ROBERTS, Member of Congress)

In its wandering course to the gulf, the Coosa-Alabama waterway unfolds a representative look at Alabama—particularly the Fourth Congressional District—and hints at the growth navigation would bring to this basin.

Leaving the industrial centers at Rome, Ga., and Gadsden, the river passes along Calhoun County, another site of industrial dominance over agriculture.

Anniston, east of the river by a few miles, is center of the industry—textiles, pipe, metal products, chemicals, and electronic tubes are important—and is the largest city in the Fourth District, but third to Montgomery and Gadsden in size of cities passed by the river. Here are two large military installations, Fort McClellan and Anniston Ordnance Depot.

To the west lies St. Clair County. Less industrialized than her neighbor, St. Clair has textiles, manufacturers of brick, cast iron pipe and cement. This stretch of the Coosa is rich in soils—the red limestone soils are among Alabama's best—and forests abound.

Now forming part of the Talladega-St. Clair Counties boundary, the river goes deeper into timber country, bordering the great Talladega National Forest. Talladega County is one of Alabama's most industrialized. Industry varies from textiles at Talladega, to newsprint at Childersburg, to marble mining at Sylacauga. The large Alabama Ordnance Works powder plant is at Childersburg.

Clay, east of Talladega, is the only Fourth District county not touched by the river, but the waterway could tremendously affect this county. Clay is the "graphite center" of the United States, and there is lumbering and the mining of mica.

The Coosa widens as it enters Coosa County, after passing Wilsonville in Shelby, site of a huge new powerplant. Lay and Mitchell Dams span the river between Coosa and Chilton Counties. Only slightly industrialized, Coosa has an abundance of timber and minerals—including tin—and is ripe for river development.

Entering Elmore County, the river flows into Lake Jordan. Elmore has moderate industry—lumbering and textiles are here—and minerals, including gravel, quartz, and limestone. The river bends westward after passing Wetumpka and combines with the Tallapoosa River to form the Alabama River.

The river dips down to Montgomery, site of greatest industry, before flowing west to form the southern border of Autauga County. Prattville, to the north, claims a majority of the industry—meat processing, textiles, lumbering—in the high-agricultural county.

Dallas is the last of Fourth District counties in the river's course. Tenth largest in the State, Dallas county contains Selma, the District's second biggest city. The land is rich in agricultural products. Lumber and wood products are among the 100 industries in the county. Here too is Craig Air Force Base.

Near Millers Ferry, the river leaves the Fourth District. Ahead lie Wilcox, Monroe, Clark, Baldwin, and Mobile Counties—and Mobile Bay. Next: Time for Culmination.

Address by Hon. Frances P. Bolton Before the "Salute to Women" Luncheon, Chicago, Ill., February 15, 1958

EXTENSION OF REMARKS
OF
HON. MARGUERITE STITT CHURCH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mrs. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting herewith the outstanding and significant address delivered by my colleague, Mrs. FRANCES BOLTON, of Ohio, before the crowded "Salute to Women" luncheon in Chicago, Ill., on February 15, 1958:

Madam Chairman, fellow Americans, to be here with you today at this wonderful luncheon is both a pleasure and a privilege. To be given such an opportunity to speak frankly with so many responsible women is opportunity indeed. Thank you for it.

Especially do I want to thank you, Mrs. Higgins, for your part in bringing me here.

You are indeed fortunate to have such an outstanding Republican woman in your midst. Mame Mason Higgins is known up and down the land not only for her work as dean of women and professor of education at Bethune-Cookwan College and instructor in Cincinnati and St. Louis public schools, but also as a family caseworker in the Chicago Public Welfare Department, as the executive director of the South Parkway Branch of the YWCA and as the director of Negro affairs in the Chicago area under the National Youth Administration. Few women have given more of themselves to worthwhile, far-reaching good works than has Mrs. Higgins.

It is especially delightful to me to have been introduced by my colleague, MARGUERITE STITT CHURCH, who serves with me in the Congress on the Committee on Foreign Affairs. You are fortunate to have such a representative in Washington. We on the Hill are proud of her—we women especially. I do not need to tell you of her dignity when she goes down into the well of the House and addresses the Congress. Nor do I need to mention the fine quality of mind that organizes her thoughts and expresses them in clear, trenchant English. The sincerity of her remarks, whenever she speaks, is one of her strengths, as is her heartfulness.

Yes, this is another election year, friends; don't fail to send back to Washington this fine Member of Congress, one whose womanhood assures you, whether you are in her district or not, that something extra which means much to you and to the Congress itself.

When I sat down in my quiet room to consider the many matters we might discuss today I found myself in a quandary. There was so much that I as a woman wanted to talk over with you who are women. Bit by bit I ran my pencil through one subject after another. What I have left are a few matters that to me are basic—fundamental to our future as a Nation and as free people, important to us as women into whose hands God has given the children, and so the future of mankind.

It used to be that women were not supposed to trouble themselves about matters outside their homes. How long ago that seems. For now we must carry responsibilities that reach out across the world. One of the poignant areas of experience that was mine on my long trek in Africa in 1955 was the immediate bond that seemed to forge itself in country after country as I met the women. They want our women's help. They feel we will understand, as men never can, the special needs of the child, for better education, for health and medical care, and so forth, and so the needs of mothers.

As I relive these experiences I find myself wondering if we over here, we women, realize half clearly enough the responsibilities that are ours across the world. So, as I speak with you today I hope you will recognize the great current that flows under and around and through whatever I may say: that we, as women of responsibility, of opportunity and of understanding, must not only carry our share of the load here at home, but must raise our sights until our horizons encompass all the world. For to us the Infinite has given responsibility for His children, wherever and in whatever circumstances they may be.

As one looks around, isn't it amazing how much women really are doing? Think of the many civic groups which you who are here today represent. Look at the first-hand knowledge of other lands that flows to us all as the international exchange projects bring foreigners to our shores and take our young people out across the seas.

Women are playing an ever greater part in all the international organizations of the U. N. The International Labor Organization—the Inter-American Commission. And our own women's organizations—among them the National Council of Negro Women, the National Council of Women of the United States and the International Council of Women of the World.

I have been greatly tempted to tell you what women are doing all over the world, how they are finding that basically there is a unity of desire and of purpose that will inevitably draw us all together. But I do want to talk with you about our own country's need of us—under God. And I want to emphasize a few matters that are more in your hands than in mine.

This is another election year—one of great portent and of far-reaching significance both here and abroad.

As you well know, I am a Republican—as was my husband before me. Until I was elected to succeed him, I had no need to examine my reasons, nor to define what the GOP stands for. In recent years, however, one has heard on all sides: "There is really no choice between the two parties, they want just about the same things." Then suddenly one fine day I was pulled up short, faced with some rather cold facts that painted a different picture altogether.

World War II necessary and legitimate emergency legislation and the Korean conflict gave Washington unbelievable control of our economy, threatening to change our traditional way of life unless rescinded. Granted the needs for emergency action were unprecedented, they were supposed to be

temporary. However, it was not until President Eisenhower came to the White House in 1953 that wartime controls were relaxed, taxes reduced, and steps taken to eliminate certain governmental functions which could best be handled by private enterprise.

Basically, the Republican philosophy of government was best expressed by our first Republican President, Abraham Lincoln, when he said:

"The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves, the Government ought not to interfere."

So, suddenly, I saw that there was a great difference between the two parties, rather than a similarity which was being so constantly pictured to the people. This difference was magnified a thousandfold when racial problems were brought out into the open.

Then Dwight D. Eisenhower accepted the nomination. Among other fundamental points of his political creed he made it unquestionably clear that he believed in the equal dignity of all our people, whatever their racial origin or background may be; in their equal right to freedom and opportunity and the benefits of our common citizenship.

During his first campaign he acknowledged the fact of discrimination and said: "This crusade is pledged to use every single item of leadership and influence it has to eliminate it. It intends to enforce the full constitution, not part of it."

In his inaugural address on January 20, 1953, he said further, "We reject any insinuation that one race or another, one people or another, is in any sense inferior or expendable."

He assured us all that he would see to it that wherever the Federal Government had jurisdiction, this principle would be activated and segregation would cease.

I need not remind you that it was but a matter of months before these principles were being put into effect.

With other Republicans, I have worked for and secured the passage of various bills which had to do with the rights of minorities; anti-poll-tax legislation, antilynch bills, and an FEPC measure, only to see these bills buried in the Democrat-controlled Senate.

I must say to you with utter frankness that I cannot understand how any American Negro, who knows the history of these bills, or who is informed about the empty words of the Democrats and their determined actions against all civil rights measures, can possibly vote for a Democrat. How can such a vote be justified.

Granted that during the depression years and the New Deal era, F. D. R. used the power of Government to give both food and jobs to the unemployed, yet none of the civil rights measures which President Eisenhower put into effect so promptly, but could have been instituted by the flick of a cigarette holder any time during the 20 years of Democrat rule. Yet Negroes have continued to vote for Democrats. I simply cannot understand it.

Now we Republicans on the Hill and on Pennsylvania Avenue have no wish or intention of taking from others the credit for every civil-rights advance of these last years. Neither Democrats nor Republicans can claim credit for the magnificent work done by Mrs. Mary Church Terrell and Rev. William Jernigan in the Thompson Restaurant case in Washington. Such courage and faith as theirs cannot be praised adequately. Nor can either political party claim credit for the results of the years of arduous work of the NAACP that won the long court fight which resulted in the school decision of May 17, 1954.

But, ladies, we Republicans do want full credit for measures taken to eliminate discrimination in our Capital City: Opening up the theaters, hotels, and other places of amusement, integrating the fire department, desegregation of the public schools.

We do want credit for the elimination of segregation in the Air Force, Army, Marines, and Navy, and in veterans' hospitals. We do want credit for ending segregation in all schools on military installations in the United States. We do want credit for the improved operation of the Committee on Government Employment Policy, resulting in the upgrading of thousands of Federal employees (300 Negroes were early made supervisors in the Post Office alone).

We do want credit for setting up a new Government Contract Committee, resulting in higher type jobs for Negroes in such industries as packinghouses, public utilities, and the chemical industry.

When I first came to Congress, Chicago had a Republican Congressman whose name was Oscar DePriest—a fighter if there ever was one—and the first Negro to be elected to Congress since the days of the Reconstruction. While campaigning for Wendell Willkie he said:

"When a civil-rights bill is passed, a Republican President will do it. It will not be easy. When accomplished it will have to be done over strong opposition of Democrats, North, South, East, and West. They are a smart bunch who know how to make effective deals both above and below the table. I know because I served with them in Congress. You may laugh this off as politics but as long as Democrats control the White House we can forget civil rights. It just won't happen. The second phase of your emancipation, your quest for first-class citizenship, will come with the election of the next Republican President, whether it be Wendell Willkie or some other Republican later."

Mr. Willkie didn't make it, but President Eisenhower did and this is one of the first things he said:

"People are made in the image of God. They are divinely endowed with aspirations and talents. Their destiny reflects their divine origin. Therefore, the Republican Party must be inspired by a concern that comprehends every American; that sets up no walls of birth or creed or party; that ranks all men and women of decency and good will equal in their dignity."

Nineteen hundred and fifty-seven brought the determined all-out effort by President Eisenhower to give Negroes their first-class citizenship. In spite of heavy opposition we passed the civil-rights bill in the House. In the Senate the potent Eisenhower bill was weakened by including the trial-by-jury amendment. In the final test vote in the Senate, only 9 out of 49 Democrats voted against this amendment. How can Negroes everywhere fail to register that this was a 4½-to-1 ratio against Negro civil rights?

The day following this vote President Eisenhower said:

"The result cannot fail to be bitterly disappointing to those many millions of Americans who realized that without the minimum protection that was projected in section 4 of the bill as it passed the House of Representatives, many fellow Americans will continue, in effect, to be disenfranchised."

How can Negroes fail to have registered the battle which our Republican President and Vice President, the minority leaders of Senate and House and the rest of us fought and won?

After the legislation was passed in the Senate, it went to a House-Senate conference where the trial-by-jury amendment was partially eliminated. So today, a Federal judge, without a jury can fine a defendant up to $300 and give a jail sentence of 45 days without interference.

Oscar DePriest's prediction was all too accurate: "When a civil-rights bill is passed a Republican President will do it * * * when accomplished it will have to be done over strong opposition of Democrats, North, South, East, and West."

Praise be that there have been and are some Democrats who fight for universal civil rights; the fact remains, however, that in this last battle in the Senate, Republicans voted 34 to 5 against sending the civil-rights bill to its traditional burying ground in Senator EASTLAND'S judiciary committee. Eleven Democrats also opposed such action while 34 voted to bury it.

If you examine the record you will find that during the years of Roosevelt and Truman there were 33 test votes in the Senate and House on civil rights, antidiscrimination, antipoll tax, and antilynching measures. Eighty-one percent of the Republicans voted for these measures, as compared to only 41 percent of the Democrats.

What can we Republicans—men and women—do about all this? Why has this misunderstanding persisted down the years?

Politically, the trouble is that precinct captains and ward leaders are not reappraising the actual happenings, and getting the facts to the people. Only a few earnest men and women, if certain of their facts, can transform the thinking of whole areas.

Such has been the case in a Negro ward in my own city of Cleveland, where John Kellogg, a young energetic ward leader who is also on the city council, when to work some years ago.

That 18th ward votes Republican with an enthusiasm that is good to see. Oh, yes; it means work and lots of it. But John Kellogg has proved that informed, determined people are not going to vote for any candidate whose party has fought against their right to vote.

It is natural, I suppose, that because I am in active politics, which is the machinery by which we preserve our freedoms, my mind goes first to the responsibility of precinct workers, etc. But because I am a woman, deeply aware of the great responsibilities that are ours as women (and you have given me this opportunity to talk freely with you), I cannot refrain from saying that it isn't just politicians who have responsibility.

Every man and woman in a free land holds his freedom in his own hands. If he fails to do his part in upholding the Constitution and the laws of the land originally created to protect his freedom, he has no cause to complain should they fail him.

So many voters fail to vote in the primaries—the one time when they can select their party's candidates.

So tragically many don't even go to the polls on election day. Failure to vote gives the other side an extra vote. In many communities, your vote, or the lack of it, decides the outcome.

Now I am asking you as voters, as women who should be building for your children the kind of freedom under God that should be theirs, are you willing to accept the record of the 25 years of Democrat rule? Do you want to keep the control of Congress in the hands of the party that is going to use all its strength to refuse full citizenship to any group such as yours?

Or do you see how truly the vote you do have here in the north can build the party that has fought your battles for nearly a hundred years. If so you will take your responsibilities seriously and do everything in your power to see that the facts be known and constructive action be taken.

High on my list of matters I wanted to discuss with you was, of course, our children and our responsibility for them. Every mother knows in her heart that her children learn most from her in those early formative years. Each of us makes mistakes, alas! But when the chips are down we know that home should be a place where love is, where a child is welcomed, and where the first lessons of respect, integrity, honor, and love are part of the very atmosphere of that home. Today I have emphasized other matters.

Yet, I cannot refrain from leaving with you the thought that our responsibility for our homes, our children, and for their education is perhaps our greatest responsibility. They are the future and we know that as the twig is bent so does the tree grow. Because our homes are of paramount importance we must be concerned about the national economy which means the ability of our people to earn a living for themselves and their families.

We must be certain that the administration is facing up to the unpleasant fact that today there is more unemployment than is usual at this time of year. To assure you that the administration is not only deeply concerned about the situation but has a firm policy to foster recovery in a very sound way, the President stated this week that definite steps have been taken to stimulate home building, step up the national highway building program, increase activity under the urban renewal program, and increase the rate at which defense procurement contracts will be placed with private industry. He assured us further that if other measures are needed, they will be proposed—and in time!

Let me again quote from the President:

"I have confidence in the recovery of our economy * * * this year. * * *

"It is my conviction that the underlying forces of growth remain strong and undiminished. * * * The future will belong not to the fainthearted, but to those who believe in it and prepare for it.

"The firm policy of the Government is to foster this recovery in every sound way. I am making sure that we will go forward on every practical avenue of action. * * *

"If other measures are needed, I assure you they will be proposed—and in time. For example * * * expansion and modernization of public works and buildings, all of these useful public projects to be taken off the shelf when they could most appropriately be undertaken.

"In all these matters of Government policy, it is well to remember * * * it is necessary not only to avoid taking the wrong steps, but confidently to take the right ones. This we propose to do."

Again let me thank you for the privilege that has been mine to discuss with you some of these vital matters in which we women have not only a deep concern, but also the numbers and the capacity to make possible an ever-increasing freedom under law which is so necessary to the happiness of all of our people.

Not a woman here but knows that home is the center of constructive community and national living.

In closing I would ask the Infinite Father of all mankind to help us so to live that this great country of ours becomes more and more a land where freedom under God is in every breath we draw, and every thought and every deed. For only then can we hope to build a better world.

I should like to leave with you this quotation by Abraham Lincoln:

"We will speak for freedom and against slavery as long as the Constitution of our country guarantees free speech, until everywhere on this wide land the sun shall shine, the rain shall fall, and the wind shall blow on no man who goes forth to unrequited toil."

Coosa-Alabama River Story

EXTENSION OF REMARKS
OF
HON. KENNETH A. ROBERTS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. ROBERTS. Mr. Speaker, under leave to extend my remarks, I wish to include for the RECORD the final installment in a series of articles which I have prepared on the great Coosa-Alabama River system. As will be obvious from reading this and the other articles, I am very much interested in complete development of this waterway and I believe it behooves the Members of Congress to assay the tremendous potential that could be unleashed to benefit the entire Nation, if this development were brought about.

Following is the last in my series:

THE COOSA-ALABAMA RIVER STORY—PART VIII: TIME FOR CULMINATION

(By KENNETH A. ROBERTS, Member of Congress)

Here, in the Coosa-Alabama Valley, we have everything necessary for the building of a second Ruhr Valley. Now is the time to culminate the dreams we have had for this area.

We have approximately one-third of the people of Alabama in our valley and this includes an adequate labor supply for new industries.

We have more mineral resources than any other section of Alabama, including many vital to the defense of our Nation, and heavy timber forests.

We have power enough for the long range development of the industrial empire in the Coosa Valley. When the Coosa dams are complete, some 360,000 kilowatts will be added and the Wilsonville steam plant will supply another million kilowatts to the capacity of the Alabama and Georgia Power Cos.

In short, we have all that it takes to make our area take on new life, all except the actual doing of it. Though the efforts to secure our dream have bridged a century, these efforts often have been insufficient, even complacent. And, as the Bible states, "hope deferred maketh the heart sick."

Believing that first things come first, we must insist that the other river developments which are of less consequence to the benefit of Alabama and the Nation now take a back seat while full support is thrown behind the Coosa-Alabama.

Consider what full development of the Coosa-Alabama would bring: additional power for industrial development, full employment for the valley's people, freedom from disastrous floods, development of valuable mineral resources, adequate facilities for recreation for the young and the old, and the development of an industrial fairyland which would strengthen our national defense and security.

Industries are leaving the other parts of the country every day and finding new locations in the South. They prefer sites along waterways.

If Alabama is to move with the South, she must utilize her greatest undeveloped asset. The bounty of the Coosa-Alabama River system must be recognized.

We must not rest until our dream—closer to reality now than at any other previous time—is realized.

The Nutritive Value of Eggs in the Human Diet

EXTENSION OF REMARKS
OF
HON. JAMES C. AUCHINCLOSS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. AUCHINCLOSS. Mr. Speaker, on February 26, 1958, the gentleman from California [Mr. SCUDDER], made a most informative speech entitled "The Nutritive Value of Eggs in the Human Diet"—page 2928, CONGRESSIONAL RECORD—in which he submitted some interesting statistics about the human consumption of eggs. He pointed out that the poultry industry in the United States is the third most important source of cash income on our farms, being exceeded only by the cattle and dairy industries. He also stated that poultry production today in a number of States surpasses all other farm commodities, citing as an example cotton in Georgia where at one time cotton was known as the king of the farm commodities. No wonder it is appropriate to designate March as "Egg Month," not only to draw attention to the importance this industry has achieved in our farm life, but also to aid in the promotion of egg consumption.

Although the poultry industry has grown mightily in size, the returns on the investment involved have suffered severely in the past few years and the poultry farmers have been learning the economic facts of life in a hard way. Fortunately, however, things have been better for them lately and they are doing what they can to prevent another depression similar to what they have experienced. I have been close to this picture because in New Jersey poultry farming is the largest industry in the State and a great part of it is located in the Third Congressional District which I have the honor to represent in the Congress.

The depression in poultry farming has resulted mainly from four causes: First, inexperience; second, overproduction; third, rigid crop controls; fourth, inadequate marketing; and I would like to make some observations on these causes and state briefly what is being done by the poultrymen themselves under the guidance of the State of New Jersey to build up and stabilize the industry.

First. Inexperience: Many people in our State went into the poultry industry without adequate knowledge of what it involved. They thought that by buying a few chickens and feeding them, the birds would produce eggs in abundance, since eggs are consumed by individuals of all ages, there would always be a demand for them, and therefore such an investment could not lose. They soon learned the falsity of such a dream. They learned of the problems connected with adequate and appropriate feed, and the ravages of disease; they learned of the difficulties of marketing and the curse of overproduction; they learned of the severity of competition and the

buying selectiveness of the consumer; they learned lots of things they had never dreamed of and were not prepared to meet. They wrung their hands, cried for help of one kind and another from the Government which was not forthcoming, and if it were it would have been temporary and inadequate. They went into debt, were unable to meet the mortgages on their farms, many failed in business and in a few instances I know of, died of broken hearts. It was altogether tragic.

Second, Overproduction: Many poultrymen reasoned that if they were making money with a flock of 2,000 birds, they would make twice as much with a flock of 4,000 birds, but they soon learned the fallacy of this reasoning. They failed to take into account the steady advance of science which increases the egg production of each individual fowl. They failed to recognize that with a greatly enlarged supply of eggs and poultry products, the demand therefor became more than saturated and the market became one in which the buyer controls the price. They failed to recognize the fact that by their own expansion they affected the whole industry and, as a result, everyone suffered.

Third. Rigid crop controls: This was perhaps the greatest underlying cause of the egg depression in the poultry industry. The grains that make up chicken feed are supported under the law by the United States Government at a more or less rigid price and when the overproduction of eggs caused a decrease in the market price, the high cost of egg manufacture—feed—made impossible a profit in the flooded market of the finished product—eggs. Some poultry farmers wanted the Government to place rigid support prices on eggs and poultry products, but the Government wisely refused to adopt such a policy and, more important, the great majority of the poultrymen desired none of it. They wanted no interference in their business by Government and advocated instead that Government leave other phases of the farming industry alone and remove rigid controls from the feed grains. This policy of rigid grain controls caused much distress in the poultry industry and I do not believe proper consideration of this serious effect has been given the attention it deserves. The Government has no business to favor one part of an industry at the expense of another part and the poultrymen should enter their serious protest and demand that such a policy be changed.

Fourth. Inadequate marketing: This is a phase of the poultry business in which there is room for great improvement and I am proud to say that the State of New Jersey, under the leadership of the Honorable Philip Alampi, State secretary of agriculture, is doing something about it. Generally speaking, the poultry farmer has marketed his product in the past few years in a haphazard sort of way. He has sold his eggs direct to his own customers; he has joined up with others in cooperatives; or he has just sent his eggs to market and accepted the current price no matter how it was arrived at. The underlying weakness of these procedures lay in the fact that no real standards of quality were set and maintained for eggs as handled from the hen to the market place. The purchasing public under the marketing system had no assurance as to the quality of the product. Of course a cabal of poultrymen to control and maintain a price would be wrong and contrary to law, but there is no reason why poultrymen should not combine to adopt uniform high standards for their products and insist that the members of the combine live up to such standards. That has been overlooked in the past and I am delighted that the poultrymen of New Jersey are uniting under the leadership of the State government to guarantee a high standard for New Jersey eggs; I feel sure that will set an example for other States to follow. I would like to describe briefly what is being done in New Jersey along these lines.

A poultry products promotion council composed of growers, poultry-feed distributors, representatives of the State department of agriculture and the State college of agriculture has been organized under the authority of the State legislature, and its activities are financed by a State tax on poultry feeds of 1 cent per hundred pounds, paid by all poultrymen and collected by the feed distributors. The aim of this organization is to develop a long-range program for the advertising and merchandising of New Jersey poultry products, and, what is of the greatest importance, the program is coordinated with the quality control and grading activities of the division of markets of the State department of agriculture.

I quote from a letter I received recently from the Honorable Philip Alampi, the secretary of agriculture of the State of New Jersey, and to whom most of the credit of this entire plan is due:

> The program is designed to expand market outlets and to strengthen the economic position of New Jersey's $130 million annual crop of quality poultry products by creating consumer preference through advertising and promotion. Domestically produced eggs and poultry meat will be identified and marketed under the department's official State seal of quality denoting conformity to grade and New Jersey source. The confidence-inspiring symbol will be used only on consumer packages meeting strict quality standards of the department of agriculture.
>
> An egg-quality-improvement plan has been developed. Field representatives are presently working in conjunction with the department's inspection and regulatory personnel and with the State agricultural extension service, cooperative marketing agencies, receivers, and producers. Egg-quality surveys are being made and technical assistance given to improve on-farm marketing functions to produce better quality eggs. Improvement of quality-conservation practices in distribution channels will also be sought in cooperation with the regulatory staff of the department.
>
> Interviews were conducted with 5,500 consumers in the New York City, New Jersey, and Philadelphia market areas to ascertain preferences, buying habits, consumption and use of fresh eggs and poultry meat. The findings will aid in guiding the farmers to produce in accordance with market preferences and will help the council and its advertising agency in designing their programs of advertising and publicity.
>
> Surveys have been completed and summarized, analyzing the various ways in which New Jersey eggs, poultry, and turkeys are marketed. Information relative to distribution points, estimated volume of products to be merchandised under the official seal, and marketing outlets was made available to the council's advertising agency.
>
> Preliminary steps have been taken toward developing a marketing program for the poultry meat growers through the combined efforts of the council and the newly created New Jersey Poultry Meat Growers Association, in cooperation with the Bureau of Poultry Service.
>
> To further the efforts of the poultry council, the department obtained $25,000 from the Agricultural Marketing Service of the United States Department of Agriculture. Under a work agreement with the Federal agency this money is used to employ personnel to work with poultry producers, dealers, and distributors for improvement of quality and uniformity of products. Under Federal regulations, none of this grant may be used for advertising.

This surely is a comprehensive and ambitious program and judging from the enthusiastic reception it has received, its success seems assured. It will be worthless, however, if the poultrymen fail to live up to the standards that have been set, and I predict that if they do not cooperate, New Jersey poultry products will deservedly acquire such an unsavory reputation that their market will go into a slump from which they will take a long time to recover.

Permit me to speak of the preliminary work of this program which is now under way.

Advertising: The advertising campaign for New Jersey State seal of quality grade A fresh eggs was launched in the flush egg-production month of January, using key newspapers in New Jersey and New York City having a total circulation of over 1½ million readers, and, with radio advertising, the message is carried to over 2 million persons each week.

Trade publications for wholesalers and retailers carry advertising to over 18,000 interested egg receivers, distributors, brokers, and grocers.

Each of the advertisements appearing in consumer newspapers carry this exhortation next to a picture of the official seal:

> When you buy eggs, look for this New Jersey State seal of quality on the carton. It means a dozen genuine New Jersey fresh eggs.

Merchandising services: All 19 newspapers which carried the New Jersey egg advertising schedule assisted in merchandising the campaign by contacting over 4,500 retail grocers in the egg-marketing areas of New Jersey and metropolitan New York City and Philadelphia.

Fifteen papers chose to send a letter and reprint of the first advertisement to the retail grocery outlets in their areas. Jumbo cards featuring a blowup of the New Jersey State seal of quality for genuine New Jersey fresh eggs were mailed by the other newspapers. Copy for these trade mailings was furnished by the advertising agency.

Additional merchandising to the grocery trade included personal calls on key

retailers, feature notices in advertising bulletins sent to grocers, tie-in advertising solicitation, window and in-store point of sale displays.

A chain of 285 Associated Food Stores has distributed circulars carrying the first egg advertisement into the homes of 100,000 consumers.

Public relations: Because the poultry industry is the top ranking agricultural interest in New Jersey, news and food editors have given generous publicity to each development of the promotional campaign.

The Lenten season and the fact that March is Egg Month in New Jersey, as well as nationally, stimulate the use of releases on New Jersey eggs.

A continuous campaign of feature and news stories and pictures will be directed to the consumer, trade, and agricultural publications. Radio and TV broadcasters, home economists, and restaurateurs will be kept informed of important developments which they can implement.

Displays will be set up in public places, calling attention to this first for New Jersey egg promotion campaign.

In addition to these activities, the program is thoroughly and constantly promoted by radio broadcasts, describing the State seal of quality which identifies the high nutritive quality found in fresh eggs from the State of New Jersey.

It is indeed a great privilege for me to report on this constructive work being done by my State for its poultry industry. New Jersey poultrymen are helping themselves in the solution of their problems without running to Uncle Sam for assistance. They are acting the way American citizens should in working out their own salvation. I venture to state that others in our great country may well profit by their example and conduct their businesses and professions without the interference of Government in their affairs. Government controls, Government supports, Government dictation have no place in the ordinary business affairs of our people. America never grew great and powerful, the envy of the world, under such a policy. Our American heritage of freedom with justice should be promoted and preserved if we as a nation are to maintain our standards and provide leadership to a bewildered world.

Speech by the Honorable Wayne L. Hays, of Ohio, Before the NATO Parliamentarians' Conference, November 1957

EXTENSION OF REMARKS

OF

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. HAYS of Ohio. Mr. Speaker, I am offering here, under unanimous consent, a speech I made as retiring president of the NATO Parliamentary Association at a meeting of this organization November 1957:

Mr. President and my colleagues, it is with mixed emotions that I address you in the capacity of the retiring president. The past year's work has been most pleasant for me, although I have felt that, for reasons beyond my control, I was not able to devote as much time to this organization as I should have liked. Nor have we accomplished all the things that I hoped we would during my tenure of office. However, I am very happy that Colonel Fens has been selected to head this organization for the coming year; and, knowing from my association with him of his ability and capacity, I am optimistic about the future of the NATO Parliamentarians' Conference. I am most appreciative of the fact that some of the delegations were kind enough to ask me to stand for president again, but I concur with the first president, Senator ROBERTSON, that this office should not be the monopoly of one country and for my own delegation I would like to point out that this is an association of free and sovereign nations and that the United States does not desire to dominate the organization or monopolize the offices. I regret and must apologize to the organization for not having been able to visit all the countries of NATO during my tenure of office, but again situations beyond my control, as well as the duties incumbent on me as a Member of Congress precluded this. It is my fond hope that in the coming year, in an unofficial capacity, I may visit those countries that I missed this year and that I may have some part in encouraging the members of parliaments in those countries to continue to support the NATO concept.

NATO itself was born because of a crisis. Because of the ruthless suppression of freedom in Czechoslovakia, because of the Berlin blockade, a group of free nations of the Atlantic community decided that their mutual defense requirements made mutual cooperation imperative. The task was great and the urgency was imperative. Human nature being what it is, man's memory is inevitably short. As we moved further away from the two events aforementioned, the sense of urgency diminished. Then came Korea, and again the NATO concept and NATO received an impetus. My own country reversed a trend of disarmament and the world again had forcibly impressed upon its consciousness the fact that the cold war could quickly become a hot war and that the ambitions of the men in the Kremlin to enslave the world had not changed one iota. The conflict in Korea ended in an uneasy truce; again the immediate necessity for cooperation and the urgency diminished.

Fortunately for Russia and unfortunately for the Free World, Russia's brutal repression of Hungarian freedom, which again would have called the attention of the Atlantic community to the importance of NATO, was obscured by the disagreements within NATO at the time of the Suez crisis.

We, like any other nation, have internal problems and we would hope we have the ability to solve them fairly. We realize that other nations too have internal problems and although occasionally some American gives our allies advice on how to solve their problems, we would hope that you realize that one individual's position is not necessarily the position of the United States. Frequently these speeches are designed more for consumption within the United States than they are to influence decisions without the United States.

At the time of our conference a year ago, in spite of the optimism voiced by many, I am sure that a great many of the delegates doubted whether there would be a NATO much longer. Surely the recent Russian scientific achievements and the antagonistic saber rattling speeches of Khrushchev taken together should cause us to take stock again of the situation and again to decide that our very existence depends upon capability by the nations of NATO. It seems to me that it should be clear to us all that what lies behind sputnik is of tremendous importance. If the Russians have a rocket capable of launching a 1,000-pound satellite into space, obviously they have the ability to drop an atomic warhead in the United States, providing they have solved the problem of reentry into the atmosphere. This puts the United States as much in the frontline of any third world war, as it does any of our allies. Certainly the incentive to strengthen our mutual defense is now more urgent than ever.

I have done what little I could, as a member of this organization, to help in any endeavor to strengthen our cooperation on the political and cultural side. At the risk of being repetitious, I should like to say again what I said at the very first conference of this organization and that is that the free nations of the world have shown that they can stand together and cooperate in time of military danger, but have not always demonstrated this ability to cooperate in other fields. Certainly the shock that we have received in the last few weeks should point out the desirability of cooperation in the scientific and cultural fields. In this connection I would like to quote a paragraph in a letter I received 3 days ago from the Secretary of State of the United States, and I quote:

"I have noted a specific item on the conference agenda relating to scientific manpower, and I see that Senator JACKSON'S report is to be discussed. This report seems to us to be very imaginative in its scope, and I am sure that the report and the conference debate on this subject will be an important contribution to the emerging body of ideas for improving NATO cooperation and coordination in scientific research and development. I look forward to learning of the conference's deliberations on this subject."

As I pointed out, the urgency of this cooperation is apparent now to everyone. I think we can have a deep sense of pride in the fact that this organization a year ago began work on this very subject.

I have pointed out thus far in my remarks that NATO has been an organization which has seemingly reacted only to hostile moves by the Russians. I think if this conference could do anything to have NATO move forward independently without waiting to be shocked into action by the Russians that this would be an accomplishment which would make our existence worthwhile and useful if we did nothing else.

Some people seem to be fearful that an organization of this kind might serve only to widen areas of disagreement between the nations involved. It is my opinion that exactly the contrary is true. Any organization which operates among sovereign and equal nations is necessarily one which rests upon delicate balance. Only by free and frank discussion of our mutual problems can any sort of solution be found. We of the United States realize this perhaps more acutely than some others because of the vast geographical extent of our country and the divisions which have occurred because of this geography. We face difficult problems in a difficult world. Our potential enemy also faces difficult problems; but, because their decisions can be and are made without consulting their people or without consulting their puppets in ther satellites, their problems of obtaining decisions are not as great as ours. However, therein rests their greatest weakness. Because their decisions are not freely arrived at is why Russia today cannot trust even one division of her satellite armies. As a matter of fact, it becomes apparent that the man who is temporarily in power in Russia at the moment cannot from day to day trust his Defense Minister. And if I were given to prognostications, I would predict that upon this rock of mutual distrust will founder international communism.

Finally, in turning to one other thought, I would like again to counsel that this Parliamentary conference itself make haste

slowly. When we first met here in this building 3 years ago, many of the governments were, to put it mildly, exceedingly cool about the whole idea of a Parliamentary conference and there were those in our group who wished to move immediately into consultative status. I took the position that we should confine our activities in the beginning to discussing our common problems and enlarging our respective spheres of knowledge about NATO and about problems of our allies within NATO and that the future status of this organization be developed as the situation warranted. Today I think all of the governments involved are satisfied that our organization is useful and helpful. I hope that the visit of the 40-odd members from most of the 14 countries to the United States in June furthered their ability to present the NATO picture to their own Parliaments. I trust that other such visits back and forth across the Atlantic can be made in the future. The interchange of members and the progress of the Special Committee on Scientific and Technical Personnel are only two of the accomplishments of this organization in the past 2 years, but they are indications that the organization is useful and has a definite place in the Atlantic community. In addition, it is the only place which the nations of Western Europe and the United States and Canada regularly have members of their legislative bodies meet to discuss their problems. As I have said before, if it did nothing more than this, it would be of value, but it has done more. I predict it will do much, much more in the future.

I mentioned earlier that our respective governments have indicated that they think this conference has a useful place in the scheme of things. In closing my brief remarks, I would like to read the following telegram which was delivered to me on Sunday:

"It gives me great pleasure to extend best wishes to the NATO Parliamentay conference. It appears particularly appropriate that your meeting should come at this time, just before the heads of government of the NATO countries will be meeting in Paris. I am sure that the conclusions of your conference will be of interest and significance to the heads of government, and I, for one, will be looking forward with interest to the results of your deliberations.

"I need hardly reiterate my own deep devotion to the cause of the Atlantic alliance and the particularly close tie I have felt with NATO. Indeed, conditions in the world have combined to make the potential of NATO more essential today than ever before in maintaining world peace and stability.

"In closing, let me reiterate my best wishes for the success of your endeavors which are of interest to all who are concerned with the future and strength of the NATO alliance.

"DWIGHT D. EISENHOWER."

Secretary Benson Presents the Facts on American Agriculture, Past and Present, and His Plans for the Future

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EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 5, 1958

Mr. JUDD. Mr. Speaker, the Secretary of Agriculture, the Honorable Ezra Taft Benson, visited my city 2 days ago to address the 12th annual farm forum sponsored by the Minneapolis Chamber of Commerce.

In his address he restated the essential principles and polices of this administration's farm program, very clearly and forcefully. Recent charges and countercharges on this subject have led to much confusion and misunderstanding in the public mind. The only way to correct confusion is to present the facts; with respect to the past—how our agricultural difficulties developed—the present situation, and his plans for the future.

Under leave to extend my remarks in the RECORD, I am happy to include this important address setting forth convincingly the economic fundamentals on which alone sound agricultural programs can be based:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON AT THE 12TH ANNUAL FARM FORUM, MINNEAPOLIS CHAMBER OF COMMERCE, MINNEAPOLIS, MINN., MARCH 3, 1958

It is both a great pleasure and a signal honor to participate in this 12th annual farm forum.

I congratulate all those who have pioneered in the establishment of this nonpartisan, impartial, and objective forum. For more than a decade this annual meeting has provided the stage for a thorough, objective and open discussion of the broad problems related to agriculture, industry and labor of this area. One of the basic concerns of this meeting today—shared by all of us—farmers, businessmen, housewives, and those of us in the Department of Agriculture—is that farmers are not participating equitably in the national prosperity they have helped to create.

There has been some real hardship among farm families. You know it and I know it, and I would be less than honest with you if I told you that I have a simple cure-all for all farm problems. No one does.

The pains of adjustment to our fast moving economy are sometimes severe, and the responsibility of the Government to help cushion the effects of these changes is fully recognized. These things cannot be accomplished overnight but I am convinced that we are moving in the right direction.

However, it is entirely fitting at such a meeting as this that we should also pay tribute to the tremendous achievements of American farmers. Never in history have so many depended on so few to feed and clothe us so well.

One farm worker on the average produces in 1 hour today what it took 2 hours to produce in 1940 and 3 hours in 1910. He is producing food and fiber for himself and 20 others. With 7,000 additional mouths to feed every day the farmer will shortly feed himself and 25 others.

Farmers can accomplish this remarkable task only by the aggregate effects of education, research, machines, plant food, specialized mixed feeds, better seed and soil added to their own unceasing labors.

Let us pay tribute to the farmers of the United States as the most efficient in the world. How else can we explain the fact that these 20 million people, less than 1 percent of the world's population, are producing between two-fifths and one-half of the world's production of eggs, red meat, and milk. Let us be unstinting in our praise of American farmers for their productive ability. This is the major factor enabling American consumers to have the best diet in the world and to spend a smaller percentage of their income for food than in most countries. This basic fact also undergirds our standard of living—the highest in the world.

Notwithstanding the remarkable production record, our farmers are confronted with problems. You recognize this in the theme of this 12th annual farm forum "Who Will Solve the Farm Dilemma?" And the particular question that has been proposed for today's meeting is "To whom does the farmer look?" He looks to several sources for help, first to himself and his own efforts.

Farms have to be run, and decisions have to be made, and responsibilities have to be borne by the families on the farms. He may join with his neighbors in self-help programs, and certainly he has every right to look to his Government for help. There are many ways in which government can help to promote stability without limiting opportunity.

I am dedicated to a principle which I am sure is equally cherished by most of you. It is that government should not—should never—be your master.

Here in Minnesota it is obvious from an examination of the facts of recent history that the farmers have chosen freedom—freedom to plant, to market, to compete. In 1957 farmers chose not to participate in the corn acreage allotment program. Only 1 acre in 10 was planted within the allotment. Also, for wheat, 1 acre out of 4 was planted in excess of the allotment—36 percent of the wheat farmers. For the allotment crops 5 out of 6 acres were planted in complete disregard of the allotments.

Let me make one point clear. Contrary to myths peddled by some, the level of these allotments are determined by statistical formulas spelled out in the Agricultural Adjustment Act of 1938. I know that these acreage allotments are too low. That is why we are trying to get the law changed. Also, that is why for the first time in history, in 1956 and again in 1957, we made supports available for corn grown outside the allotments.

Let us now look at Minnesota from the standpoint of its sources of agricultural income. The propaganda mills grind out tales about the importance in Minnesota of the basic crops. Actually only 12 percent of the cash receipts of this State comes from the basic crops. In view of the Minnesota farmers' free choice to plant in excess of their allotments, they are, therefore, ineligible for full price support. Thus, it is doubtful that farmers here relied on the allotment program for as much as 2 percent of their income.

Here in Minnesota the basic-crop acreage-allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a buildup in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938 the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes; I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry. That is another reason why we are seeking changes in the program.

The loss of productive wheat acres in the upper Midwest has been a direct result of the provisions of the Agricultural Adjustment Act of 1938. You folks know better than anyone that Minnesota, the Dakotas, and Montana have been a Wheat Belt since the time our pioneer forefathers first turned over

the rich, black soil of these prairies. They worked with courage and determination and out of the sod they carved themselves homes and a vast wheat empire.

This region has appropriately been termed the "breadbasket of the Nation." Traditionally it has produced milling wheat of the highest quality. Tremendous capital has been invested in milling businesses to work and provide a ready market for farmers and utilize to the fullest the God-given resources of this area.

In many years of normal production there was not enough of your high-quality milling wheat to meet the demand. In spite of this, this region has lost wheat acreage allotments under our outmoded farm law that was based in the late thirties. For example, in 1939, North Dakota had a total wheat acreage of 8.3 million acres and by 1958 this had decreased to 7.3 million acres. In contrast, during this same period, other Western and Southern States were receiving considerable expansion of wheat acreage allotments.

Why did this happen? Because we lost large portions of our cotton and tobacco markets through pricing ourselves out of competition. Winston-Salem, N. C., was once the largest tobacco-exporting market in the world but Southern Rhodesia now claims that distinction. At one time we lost 60 percent of our world cotton market by placing cotton in Government warehouses instead of selling it abroad. Those farmers who produced cotton and tobacco had no choice but to divert acres to corn, wheat, and livestock.

But as acreage allotments were cut back on your best crops in the upper Midwest, you did not have the choice of equally good alternatives that was true in other sections of the country. I have yet to see any increase in cotton or tobacco produced in Minnesota.

It doesn't make sense to me that this traditional wheat area should be deprived of production and economic wealth by unsound farm programs that lose markets and depress prices through imbalance of natural production.

That is why the President has recommended changes in the old basic farm law which would restore the rightful agricultural position of the upper Midwest and be fair to farmers in each of the 48 States. Farm programs that cause one region of the Nation to benefit at the expense of another region are unsound, uneconomic, and completely undesirable to the Nation's welfare.

Now what are the sources of cash income here in Minnesota? Two out of every $3 come from livestock, dairy, and poultry. There is an approximately equal division between cattle, hogs, and dairy products. Soybeans provide about four times the income from wheat. Minnesota has now climbed to be the third most important soybean-producing State. These facts show how little the farmers of this great State rely on the production-control apparatus. The overwhelming majority of farmers here are those who foster freedom to plant—to market—to compete.

Those who don't want to compete in price, promotion, and quality must either build warehouses or get the Government to do it for them, or attempt to control production. I deplore the tactics of those who advocate farm programs devised to fill storehouses instead of stomachs. Farmers should not be misled by those who are more interested in keeping the Government paying storage costs on warehouses filled with grain rather than working for farm programs providing profitable markets for farmers.

If we are to develop programs for agriculture to meet the needs of today and tomorrow we must be sure the facts are presented to the American people. It is only from an understanding of the facts that we can move forward to solutions.

Let us first review some of these facts:

Income per person on farms last year—including income from all sources—was the highest income per person on record—up 2 percent over 1951, the previous high year.

The level of living on farms is higher today than ever before.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago, and are at the highest level since May 1954.

The buildup of surpluses has been reversed. Government investment in surplus-farm products owned and under loan has dropped about one-sixth in the past year and a half.

These are some basic facts. I believe that the American people have a right to know them.

However, despite these favorable developments, agriculture is still having some difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

I know that the farm part of our economy is not sharing properly in our national prosperity.

My basic and continual concern as Secretary of Agriculture is that farmers of this Nation must participate fairly in our dynamic and prosperous economy. This, too, is your concern.

Our primary effort—and to this task I am wholeheartedly devoted—must be to further improve farm income soundly—not with short term panaceas which disregard sound economics and basic facts. That being the case, I would like to spend a few minutes with you today discussing the major factors affecting net income—the cost-price squeeze. Here are some facts.

During the period from 1939 to 1952 the index of prices paid by farmers, including interest, taxes, and wage rates, more than doubled. From January 1953, the time this administration took office, to January 1958, this index rose only 6 percent. Make no mistake about it—the heritage left by the previous administration included an inflated cost structure, particularly as far as farmers are concerned.

Farmers who feel daily the impact of the cost-price squeeze, realize the effect of inflated costs on net income. They can understand the effect of these inflated costs when they know that although the 1957 gross farm income is up about $2.3 billion above 1950, farm costs have gone up $3.7 billion.

If farm costs had stabilized at the 1948 level, then the 1957 realized net income would have been higher by about $4 billion, or about $800 per farm. Think of it—$4 billion consumed in higher costs.

Every thoughtful farmer is disturbed by the recent increases in the cost of steel. It is an understatement to say that this creates hardships to farmers. Must the competitive strength of labor and management forces always be resolved in higher prices? I say no. Should higher and higher costs keep the net income of farmers from improving further? Again I say no.

It is not for me to say what labor or industry should do at this juncture. But as a spokesman for agriculture in the Federal Government, I am concerned by any action which adds to the production costs of farmers at this time. This is an area where restraint and statesmanship are needed for mutual advantage.

There are many weapons with which to fight these rising costs: Some of these are the maintenance of a responsible monetary policy, sound farmer cooperatives, and improved efficiency, particularly in marketing and distribution. Recently, in this area the cooperative efforts of farmers, processors and the railroads resulted in a reduction in the freight rates for exporting soybean oil. All those who took part in this should derive great satisfaction from this constructive effort.

However, we will never attain satisfactory prosperity by increasing gross income if rising costs are allowed to siphon off all our gains. All responsible segments of our economy should be aware of these facts and give more than lip service to a solution.

One of the major decisions which we have had to make recently has been with respect to the support level for dairy products. Let me make one point clear. One of the most compelling reasons for this decision is that it was required by law—the Agricultural Act of 1949.

Contrary to the tirades of the smokescreen spreaders the fact is that under this legislation, the Secretary is required—notice I said, required—to establish price supports at such levels between 75 and 90 percent of parity as will assure an adequate supply.

Prior to making this determination we checked with the technicians in the Department of Agriculture for their best estimate of the probable output of dairy products in the 1958–59 marketing year at various levels of support. The technicians advised that there was no question but that support at 75 percent of parity would result in the production of more than an adequate supply of dairy products and that the Commodity Credit Corporation would be required to purchase substantial amounts under the support program. I must carry out my legal responsibilities as specified by Congress.

In addition, we checked with the bipartisan National Agricultural Advisory Commission and the bipartisan Commodity Credit Corporation Advisory Board. In both instances the recommendations to adjust price supports to the 75-percent level was virtually unanimous.

Dairy production has been increasing. The rising production per cow has more than offset the reduction in cow numbers. Production in 1957 was about 12 billion pounds higher than the 1952 level. In view of the record supplies of feed and the high dairy-feed ratio, it is likely that at the announced support level, production will again outstrip requirements.

We will continue to cooperate fully with the industry in promotion and merchandising programs. The Extension Service and other agencies of the Department will join with the dairy industry in stepped-up efforts to acquaint the consuming public with facts about milk as a health food.

We will continue the nationwide brucellosis cleanup, which has made such excellent progress during the past year under the accelerated program.

We will carry out field educational efforts aimed at sound programs to cull low producers from the Nation's dairy herds—as part of generally increased efficiency in dairy farm operations. The fact that beef prices are good now will help in cases where dairymen want to sell their more unprofitable animals.

We have urged the continuation of programs designed to increase the consumption of fluid milk. We have recommended to the Congress that they authorize the continuation of the $75 million special school-milk program designed to increase consumption of milk by children. In addition, we urged continuation of the program under which we are paying about half the cost of milk

purchased by military agencies and veteran hospitals above their normal purchases. My fundamental pledge is that we will do everything feasible that is sound and in the interest of dairy producers. Farmers deserve better than short-term soothing syrup that results in a major, if not fatal, disease a year or two later.

One of my great problems as Secretary of Agriculture has been in being misrepresented. There are some who consciously try to do this. Because of the smokescreen of untruth about agriculture which some demagogs have poured out, it sometimes is difficult for some people to distinguish between fact and fiction.

There are several facts I should like to stress here this afternoon.

Fact No. 1: As Secretary of Agriculture, I want to make myself perfectly clear, we have never proposed—and we do not now propose that we should scrap price supports. There is nothing wrong with the idea of providing more orderly marketing and much-needed stability to agriculture through a sound and realistic storage and loan price-support program.

I should like to quote a very significant paragraph in the President's message: "For commodities like the feed grains, with respect to which the Secretary of Agriculture has had wide discretion in the past, price support has been offered at levels as high as could be justified under the criteria specified by law. This will be the Secretary's practice under the recommended legislation."

The 1958 support prices have followed the policy enunciated above and will continue that way under this administration. Incidentally, in checking back I find that in 1950 and 1951 the price supports for flaxseed, a crop in which the upper Midwest has considerable interest, were established at 60 percent of parity, 5 percentage points lower than our recent announcements.

What is wrong today—and what has been wrong for several years—is the attempt to supply price support and acreage control by rigid formula—to fix prices and acreage allotments by Government mandate. These attempts have failed. Agriculture is a dynamic, changing industry. The farms and ranches of America cannot be run from a desk in Washington, D. C.

Fact No. 2: It was not rigid price supports that forced farm prices up during the forties and early fifties—but it was war, the insatiable demands of war and wartime inflation. Farmers sold all they produced at well above support levels. In fact, their prices would have been higher yet had it not been for Government-imposed price ceilings.

Fact No. 3: It is untrue that high, rigid price supports can hold up farm income even though surpluses accumulate. The fact is there was just 1 year between 1947 and 1955 that farm income did not decline. In all these years until mid-1955, high, rigid price supports on basic commodities were in effect. Our present farm problem developed under such price supports. If high, rigid price supports were the answer, we would have no problem.

Fact No. 4: The old support program does not materially help the small farmer. The fact is that more than half of our farms market only 9 percent of agricultural production. Obviously, most of the Government dollars are routed in the direction of the biggest producers.

Fact No. 5: Most farm products are being sold competitively and on free markets. It is untrue that most farm prices and incomes are Government supported and on an artificial basis. Only 19 crops, plus dairy products, are being supported—out of 250 commodities that farmers produce.

Fact No. 6: Agricultural production cannot be successfully controlled by Government action. The fact is that since 1940, the per acre yield of corn has risen 56 percent—wheat, 40 percent—cotton, 67 percent. Last year's yields of all major crops averaged 27 percent above the 1947–49 level. To control crops effectively so as to maintain price at 90 percent of parity would mean setting allotments impossibly low. Congress would never vote such controls. No Secretary of Agriculture could effectively enforce them. And American farmers just wouldn't stand for such regimentation. Agriculture is undergoing a technological revolution which is irreversible. It cannot and should not be controlled by Government mandate.

Fact No. 7: The family farm has been, is now, and always will be the backbone of American agriculture—operated by the most efficient farmers in all the world.

The charges by our opposition that farm programs of this administration are driving people off the farm are not only false—they are ridiculous. The fact is that more people left the farms during the last 4 years of the previous administration than in any other period before or since.

I have cited some of the gains we have made since 1953—and mentioned some of the problems that still exist. To deal with these problems we need to push forward again—we need to supplement the progress that has been made. This is the goal of the new farm, food, and fiber program presented to the Congress in January by the President of the United States. Farmers can look to this program designed to provide a sound solution.

The adoption of this program will mean progress in three general areas:

First. The program will develop bigger markets. We have asked that the surplus disposal program be extended and expanded and that research into new uses for farm products be increased.

We need to drive hard for further expansion of markets. There are no satisfactory substitutes for markets and a Government warehouse is not a market. Forty percent of our record agricultural exports in fiscal 1957 moved under Government programs. The biggest factor in these programs was the Agricultural Trade Development and Assistance Act, or Public Law 480. As you know, this law provides for movement of surplus farm commodities through sales for foreign currencies, barter, donation, and other means. We must push to the limit sales through commercial markets.

Three-fourths of the surplus farm-product disposals by CCC in the past fiscal year were made through export channels. More than 60 percent of all our grain exports moved under Government programs.

I wish I could help you visualize how our exports are helping the Free World meet the challenge of communism by raising living standards abroad, building good will, laying the groundwork for future markets.

We also need increased agricultural research for market expansion. Only about 7 percent of the products of our total farm acreage now go into industrial outlets. Surely we can do better than this. Research can develop new uses and new markets, and there are few things wrong with commercial agriculture that new and expanded markets won't cure.

Second. The recommended program will allow more freedom for farmers. We are seeking revision of the acreage control and price-support programs to permit farmers more freedom to plant and to widen markets.

The program changes proposed by the President would give farmers more freedom to plant by increasing acreage allotments. Some of these allotments have become so small as to cripple efficiency. Do you know that 7 out of 9 cotton allotments are less than 15 acres, and that the average burley tobacco allotment is 1 acre?

The program we have proposed would make price supports more realistic by widening the range of supports. The present range of 75 to 90 percent of parity on the basic crops and dairy products does not permit sufficient market growth. These commodities are being priced out of potential markets. Increased allotments and a wider range of price support logically go together.

The program would eliminate the so-called escalator clauses.

These are formulas which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged, farm people can expect to be kept continually under the shadow of price and income depressing surpluses.

Third. We must help the forgotten segment of agriculture—those people on small, low-income farms.

The rural-development program as a new and basic approach to the problems of farm families in underdeveloped rural areas has gained wide support. This is truly a national program, going forward in all regions of the country. Objectives of the program have been endorsed by members of both parties, farm organizations, and church groups.

Here in Minnesota farm and nonfarm agencies, working closely together, have initiated a carefully planned rural-development program. Their work will give significant help to farm, business, civic, and other lay leaders in your northern counties as they move forward with a long-range program of balanced farm, industry, and community betterment.

As you know, the Minnesota Rural Development Committee has selected three demonstration counties—Hubbard, Itasca, and Carlton. In each of these counties local citizens and agency workers have joined together to take a fresh look at their resources—and their problems—and to develop a sound, long-range development program which will solve the serious problems of underemployment on farms in the northern area.

Let me congratulate you on the progress of your State in the rural-development program which a widely read midwestern farm magazine has called perhaps the soundest of all our efforts so far to deal with the farm problem.

We must move forward by adopting the President's recommendations, so we can consolidate and add to the progress that has been made these past few years.

Bigger markets—more freedom for farmers—special help for the small low-income farms—these are some of the steps which would be taken under the Farm, Food, and Fiber Act of 1958 to help farmers make the adjustments they must make. We feel certain they are sound, effective, and reasonable, and they will work to provide the freedoms farmers want.

This is not just another nation—it is not just one of the family of nations. This is a nation with a great mission. I believe with all my heart that it was established by the God of Heaven to be a beacon to liberty-loving people everywhere.

Let us pledge ourselves to keep America strong and sound—economically, socially, and, above all, spiritually—so that we may fulfill that mission.

Strength and freedom must go hand in hand. That is why we stress so much the need for freedom in agriculture—that our farm people should be free to produce, free to market, free to compete, free to make their own management decisions.

With God's help, we must—we will—have an agriculture that is prosperous, expanding, and free. Such an agriculture is the basis of a prosperous, expanding, and free America.

SENATE

THURSDAY, MARCH 6, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, Thou only art the light of all our seeing; our helper, Thou, amid the flood of mortal ills prevailing: our puny strength and our fallible judgments are unequal to the tests and tasks of the bewildering times which are upon us. We dare not trust our own devices and counsels. Bowing our heads and our hearts at this altar our fathers reared, hushing earth's shouting and tumult, we would be still and know that Thou art God.

Through the tangled wilderness of human relations, show us the clear path which leads to the summit of Thy will for our troubled day. With eyes cleansed of self, may we see Thee as our Father, our needy fellows everywhere as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of the universal divine fatherhood and of world-wide brotherhood, may we dream our dreams, mold our lives, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, rolls out of the darkness into the light, and it is daybreak everywhere. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 4, 1958, was dispensed with.

SECOND SUPPLEMENTAL APPROPRIATIONS—NOTICE OF MOTION TO SUSPEND THE RULE SUBMITTED DURING ADJOURNMENT—AMENDMENT

Under authority of the order of the Senate of January 16, 1958,

Mr. ROBERTSON submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, the following amendment, namely, page 18, after line 5, insert:

"ARCHITECT OF THE CAPITOL

"Capitol Buildings and Grounds

"Extension of the Capitol: Notwithstanding any other provision of law, no further funds shall be obligated and no further contracts entered into in connection with the proposal for the extension, reconstruction, and replacement of the central portion of the Capitol until the end of the 2d session of the 85th Congress unless prior thereto the Senate shall have acted upon S. 2883."

Mr. ROBERTSON also submitted an amendment, intended to be proposed by him, to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to be printed.

(For text of amendment referred to, see the foregoing notice.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on March 5, 1958, he presented to the President of the United States the following enrolled bills:

S. 916. An act to provide for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department, and for other purposes; and

S. 1828. An act to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (l) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1957.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1958.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Robert Morris Clayton and Joe H. Giltner, Jr., to be postmasters at Laurens and Chester, S. C., respectively, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1519) for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1283. An act for the relief of Charles T. Crowder;

H. R. 1329. An act for the relief of Massman-Patti-Tanner and Mitchell;

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 5219. An act to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto;

H. R. 6731. An act for the relief of Harry Slatkin;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7944. An act for the relief of the Spera Construction Co.;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8433. An act for the relief of Capt. Laurence D. Talbot (retired);

H. R. 9990. An act for the relief of Dr. Raymond A. Vonderlehr;

H. R. 9991. An act for the relief of Felix Garcia;

H. R. 9992. An act for the relief of James R. Martin and others;

H. R. 10220. An act for the relief of William E. Nash;

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski;

S. 674. An act for the relief of Cale P. Haun and Julia Fay Haun;

S. 888. An act for the relief of Alex P. Collins;

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with ricefield crops, and for other purposes;

H. R. 1692. An act for the relief of Mrs. Margot N. Draughon;

H. R. 2901. An act for the relief of Ralph H. Weeks;

H. R. 4541. An act for the relief of Leslie A. Batdorf; and

H. R. 5163. An act for the relief of Forest H. Byroade.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 1283. An act for the relief of Charles T. Crowder;

H. R. 1329. An act for the relief of Massman-Patti-Tanner and Mitchell;

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America;

H. R. 5219. An act to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto;

H. R. 6731. An act for the relief of Harry Slatkin;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 7944. An act for the relief of the Spera Construction Co.;

H. R. 8239. An act for the relief of Maria Dittenberger;

H. R. 8348. An act for the relief of Michael Romanoff;

H. R. 8433. An act for the relief of Capt. Laurence D. Talbot (retired);

H. R. 9990. An act for the relief of Dr. Raymond A. Vonderlehr;

H. R. 9991. An act for the relief of Felix Garcia;

H. R. 9992. An act for the relief of James R. Martin and others;

H. R. 10220. An act for the relief of William E. Nash;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. R. 11085. An act making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETING DURING SESSION OF THE SENATE

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Disarmament Subcommittee of the Committee on Foreign Relations was authorized to meet in executive session during the session of the Senate today.

ANNOUNCEMENT OF CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I should like to announce that at the conclusion of the morning hour, pursuant to the order previously entered, the bills and other measures on the calendar to which there is no objection will be called, beginning with Calendar No. 1298.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ADVANCE PLANNING

Mr. JOHNSON of Texas. Mr. President, although it is far too early to draw general conclusions as to the state of the Nation's economy, I believe it is essential that responsible leaders prepare now to meet any eventuality. I should think that can be done without any foreboding prophecies of gloom or doom or any pollyanna predictions that prosperity is just around some ever-receding corner.

The present facts are clear: Some 5 million persons are out of work. At the present time the unemployment is not nationwide, but is scattered throughout the Nation in such a way that some communities are prosperous, while adjacent communities are depressed. Unemployment has hit some of our most basic industries, such as housing, automobiles, textiles, and railroads, among others. In many communities, workers are rapidly using up their unemployment compensation checks, and either have gone on direct relief or will soon have to apply for it. The problems of these unemployed people cannot, in humanity, be ignored.

It is entirely possible that unemployment will grow no worse, and that the current situation can be handled by releasing defense contracts, stepping up flood-control projects, building armories and post offices, stimulating housing construction, speeding up our highway program, and by having private business take a good look, to see what adventurous steps it might be able to take and what contributions it might make to help solve this problem.

Mr. President, if this should prove to be the case, the Nation would be quite fortunate. But since economics is an inexact science, it is entirely possible that this situation could grow worse. Should that happen, the best form of governmental action would be effective, well-considered, prudent programs of public works, to build throughout the country projects which not only would put people to work, but would add to the Nation's total wealth, in the same way that prudent investments in capital equipment add to the wealth of business firms.

Public works of that nature cannot be pulled out of a hat, on demand. Instead, they must be planned in advance; they must be coordinated; they must be thought through. If they are not planned in advance, about all that can be done is to put people to work raking leaves, counting automobiles at traffic points, or scrubbing buildings already in existence.

Therefore, Mr. President, it seems to me that it would be the course of wisdom to start now to plan a public-works program. Then, if the facts which will emerge later in the spring or early in the summer or next fall indicate a need for a large public-works program, something sensible and effective will be ready. If the facts which emerge later indicate there is no need, nothing will be lost except the money spent in making a relatively small investment, plus a few salaries. That would be a loss only in the same sense that a man loses some money when he buys insurance on his house and the house does not burn down.

Mr. President, late yesterday and this morning I talked with some of the most prominent Members of this body. I shall name a few of them. The able Senator from Tennessee [Mr. GORE] is one. In the Committee on Public Works, he has pending a public-works bill. I believe it is Senate bill 3231. I have not studied his bill; I am not in a position to pass judgment on the amount involved or the specific methods proposed to achieve the desired purpose. Those are questions for the committee to consider. But I am wedded to the concept of creating a public-works agency now, so we can be prepared to act effectively if a large-scale public-works program becomes necessary.

This morning I was assured by the chairman of the Public Works Committee, the distinguished senior Senator from New Mexico [Mr. CHAVEZ] that he will schedule hearings on that bill and on other bills of a similar nature. I hope the hearings can be scheduled for around the 18th or 20th of March.

I have been informed by the chairman of the Housing Subcommittee of the Banking and Currency Committee [Mr. SPARKMAN] that the group hopes to report a housing bill and be ready for its consideration in the Senate next week.

Mr. SPARKMAN. Mr. President, at this point will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield. But first, Mr. President, I should like to request 3 minutes' additional time.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, let me say that the committee has just completed its action on the bill. In a moment I shall have to leave the floor, and I hope the majority leader will request that our committee may have until midnight tonight to file our report on the bill.

AUTHORIZATION FOR BANKING AND CURRENCY COMMITTEE TO HAVE UNTIL MIDNIGHT, MARCH 6, TO FILE REPORT ON HOUSING BILL

Mr. JOHNSON of Texas. Mr. President, I request that the Committee on Banking and Currency have until midnight tonight to file its report on the housing bill.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON PUBLIC WORKS AND COMMITTEE ON AGRICULTURE AND FORESTRY TO FILE REPORTS DURING THE ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Public Works Committee be permitted to file three reports, and the Senate Agriculture and Forestry Committee be permitted to file reports.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I wish to call the attention of the Senate to the program ahead of us:

Today, there will be a call of the calendar.

On Monday, the Senate will consider the second supplemental appropriation bill of 1958.

At the conclusion of the action on that appropriation bill, we plan to have the Senate proceed to the consideration of the housing bill.

I hope the distinguished chairman of the Committee on Public Works, the senior Senator from New Mexico, with the assistance of the chairman of the subcommittee, will be able to have a road bill available for the Senate by March 15.

I hope that following action on the road bill, there will be before the Senate the recommendations of the Public Works Committee in regard to a public-works agency.

I am informed that this morning the Committee on Agriculture and Forestry took action—very constructive and, I believe, very important and necessary action—in connection with price supports on farm commodities.

At this time I shall be glad to yield to the Senator from Minnesota [Mr. HUMPHREY]—who, I understand, is the author of the bill—to have him inform the Senate when he believes that measure will be ready for its consideration.

Mr. HUMPHREY. Mr. President, this morning the Committee on Agriculture and Forestry voted in favor of a resolution which will have the effect of law, when adopted by the Congress. The resolution had been processed by the subcommittee, under the chairmanship of the Senator from South Carolina [Mr. JOHNSTON]. It is a resolution to maintain as a basic floor the price-support levels and the dollar prices on agricultural commodities, as well as the acreage allotments on them, at the 1957 basis, until Congress takes action to the contrary. In other words, it is a stopgap measure to prevent a further decline in prices on commodities such as cotton, wheat, corn, tobacco, and dairy products, or whatever the commodities may be.

It would prevent any further lowering. I think it is a constructive proposal. I am hopeful the Congress, at the appropriate time, will adopt it.

RELIEF FOR PRESENT ECONOMIC CONDITIONS

Mr. JOHNSON of Texas. I should like to observe that I have no lack of confidence in this country. We must not play politics with human misery. That is what people do when they procrastinate or set up smokescreens. I have responsibilities as the majority leader of the Senate of the United States. I recognize that every other Senator has responsibilities, and that we have separate and coordinate branches of government. I do not seek to direct the activities of those branches. But I plan not only to live up to my responsibilities, but to discharge them as effectively as I can. As majority leader of the Senate, I am aided by a cabinet made up of committee chairmen. I have conferred with them. I think they will expedite action, and I believe they will have the cooperation of Senators on both sides of the aisle, in an attempt to prevent the unemployment rolls from growing day by day. I am not seeking to find any scapegoats or place any blame. I am seeking to do something that is constructive.

Mr. CHAVEZ and Mr. GOLDWATER addressed the Chair.

Mr. JOHNSON of Texas. Mr. President, I shall yield first to the Senator from New Mexico, and then to the Senator from Arizona, and then to other Senators who may wish to address themselves to the subject.

Mr. CHAVEZ. I may say that the Subcommittee on Public Roads is concluding hearings on the road bill. It is expected that bill will be reported to the Senate, I would say, between the 15th and the 20th of March. Also, the full committee will hold hearings on a public-works program. I have complete confidence in the personnel of the Public Works Committee, from both sides of the aisle. They are cooperative. It is a constructive committee; it is not a political committee. The committee will report a bill very soon. I hope the leader will use his good offices to get early action on the House side on the bill which passed the Senate some time ago.

Mr. JOHNSON of Texas. The Senator has discussed that matter with me. I have assured him of my cooperation. I understood the Senator to say hearings would be concluded by about the 12th of March, and he hoped that some time about the 15th the bill would be ready.

Mr. CHAVEZ. I was speaking of the road bill.

Mr. JOHNSON of Texas. May I inquire as to the PWA bill? Will the committee start hearings on that bill following the hearings on the other bill?

Mr. CHAVEZ. The hearings will start around the 17th before the full committee, because I know the members of the committee will be nonpartisan and will try to take care of people who need work.

Mr. JOHNSON of Texas. I now yield to the Senator from Arizona.

Mr. GOLDWATER. I merely wish to say to the majority leader I appreciate what he has said about the recognition of his responsibilities, as majority leader of the Senate, to provide assistance to those sections that are suffering setbacks economically. I do not desire to comment on the statement other than to ask the majority leader if he has closed the door to possible tax cuts.

Before he answers the question, let me explain my reason for the question. There is no doubt in my mind that the Government will operate with a deficit this year. Any money expended for expanded public works, roads programs, and so forth, will add to the deficit. It is the opinion of the junior Senator from Arizona that if we are going to yield to the temptation to have additional deficits, we may well consider the advisability of yielding in the direction of an across-the-board tax cut for the American people. I say that because I am convinced, not only as a businessman, but as a Senator, that the greatest stimulant business could receive today would be a tax cut. I can assure the majority leader, and I am sure he agrees with me, that if such a tax cut were forthcoming, business would pick up much more quickly than if we waited for public works.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have 5 additional minutes.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. JOHNSON of Texas. I will say to the Senator from Arizona, first of all, that I feel very strongly about the division of powers in the Government and the checks and balances our forefathers established. Therefore, I am always careful not to trespass on the functions of the Executive. I try also not to "jump the gun" on my colleagues in the House, where I served so pleasantly for six terms.

I have given a great deal of thought to a tax cut mentioned by the Senator from Arizona, and have talked to a great many people about it, including such industrialists as Mr. Henry Ford and others, who somewhat share the opinion expressed by the distinguished Senator from Arizona, who at least was an outstanding businessman before he came to the Senate, and maybe still is——

Mr. GOLDWATER. That is questionable.

Mr. JOHNSON of Texas. They have already reached the decision that a tax cut is desirable. I have not reached a firm conclusion. I have talked to my counterparts in the House of Representatives. I am informed that they have given and are giving consideration presently to that very complex subject. Perhaps they may even have made more formal plans than have been announced. If and when the decision is reached that it is essential and desirable, they of course would initiate it, because of the constitutional provision.

I want to point out, however, and I do so as effectively as I can, Mr. President, that there are at least 5 or 6 million people in this country who have no taxes to cut. They have no jobs to work at. They have no equipment to man. The lights are off in their plants. When we add to that situation the distressing farm situation, the fact that there are many farmers who have no taxes to pay, we are going to have to face up to those problems. I hope the Senate can do it without being dramatic. I hope the Senate can take a factual approach, without a lot of fanfare.

I said to my colleague and friend from an adjoining State this morning, the distinguished chairman of the Reclamation Subcommittee of the Committee on Interior and Insular Affairs, to please look at the distressed areas in the West, see what jobs are available, and see if we cannot add some extra shifts to them.

Only yesterday I had a meeting with the able Senator from Montana [Mr. MANSFIELD], my very able assistant, and presented to him, and to other Senators, the thought that perhaps now would be a good time for the Government to acquire strategic materials for its stockpile, while prices are so low. We are always searching for them when prices are high, but when prices become low we close our pocketbook.

If we do our duty as Senators, I have no doubt the other body will do its duty, and the executive department will do its

duty, and, as a team, we can preserve the Republic, and continue the prosperity and the great productivity and the high standards of living we have enjoyed all these years.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GOLDWATER. Mr. President, I do not wish to prolong the debate, because I realize it is infringing upon the morning hour.

I merely wanted to make sure—and I have been assured—that if the suggestion of a tax cut comes up, it will receive the full cooperation of the majority leader.

I desire to say again to my distinguished friend that I have a full understanding of his sincerity. I realize that he has a deep and heartfelt concern for the condition which exists in some parts of this country. However, when we cut taxes back in 1954 by $7½ billion or thereabouts, within months building activity reached an alltime high and within months unemployment reached an alltime low.

Mr. JOHNSON of Texas. I might point out that we increased Government revenues.

Mr. GOLDWATER. The Senator is correct. There is about $14 billion coming in from those sources today.

The Senator from Arizona is trying to point out that if the Congress—and I will include the administration— wants to do something for business, let us suggest a tax cut and let us pursue it. I can assure my colleagues that if we give the American businessman, the American wage earners, the American corporations, and the American professional men the right to spend their own money, this country can look forward to years and years of prosperity.

I shall close with this one statement: This is not the whole problem. In my State, as is true in the State of the distinguished Senators from Montana, the copper mines are having difficulty partly because of Government action which has not been taken. We have not considered as yet the possibility of providing a protective tariff to protect those engaged in the copper industry.

When we get into the field of doing something for the American economy, I feel that is wrapped up in a tax reduction and in protecting of American industry.

I thank the Senator for yielding to me.

Mr. JOHNSON of Texas. I will say to the Senator that I spent a pleasant evening last week with one of his State's most distinguished citizens. It was from that gentleman I received the suggestion that we should make a study as to acquiring some strategic metals, including copper, with a view to trying to make our economy stronger, and at the same time, over the long pull, saving money for the United States Government.

The American people, in my opinion, want action—not arguments. The American people are more interested in where we are going than where we have been.

I think that if the Senator from Alabama [Mr. HILL] can obtain action so as to expand the benefits of the Hill-Burton Act; if the Senator from New Mexico [Mr. ANDERSON] can secure action on reclamation projects; if the Senator from Texas continues the work he is doing with the Defense Department—and we are going to have about $4 billion more of military expenditures this year than last year—to accelerate military construction; if the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Tennessee [Mr. GORE] can step up highway building; if the Senator from Alabama [Mr. SPARKMAN] can succeed with his housing program; if the Senator from Oklahoma [Mr. KERR] can have a flood-control program adopted; if we can obtain some machinery for public works; if the Senator from Minnesota [Mr. HUMPHREY] and the able chairman of his Committee on Agriculture and Forestry [Mr. ELLENDER] can obtain action on a program which will at least restore some confidence among farmers and assure farmers that their prices are not going to be cut deeper, deeper, and deeper; then, Mr. President, we may have the strong America that we look for.

I have faith in America. I believe in the American people, in the procedures and the enterprise and the machinery of America. I am not going to sit here with my hands in my pockets and recognize as a fact that nothing can be done about 5 million or more people who are out of work. We should not postpone action because twice that many were out of work 20 years ago. I should like to see the day come when every man will have a job, when every man will have a roof over his head, and when every man will work for what he gets and will not get something for nothing.

In my State $310 million of unemployment compensation funds have been built up, but the Aluminum Company of America last week laid off a substantial number of workers, and the following week it laid off another group. The military services have moved some fighter wings and closed some installations. The farmers have been severely hit by low prices and drought.

If we do not do something to face up to this problem, it is going to become worse instead of better. I make the prediction that it is going to get better. The reason it is going to get better is that in partnership the Congress and the Executive can march hand in hand to face up to the problem.

We, along with the giants of our enterprise system, using their imagination and their pioneering spirit—I pray to God they have not lost all of their adventure yet—perhaps can go into new fields which will stimulate employment.

We are getting rid of the very bad policy, I think, of tight credit and high interest rates. We are pulling away from that gradually. I want to commend those who have been responsible for the change. I am glad that credit has eased to some extent and that the Government can now obtain money cheaper.

I think if there could be reported the small business bank bill which I have introduced, which is now under consideration by the Committee on Banking and Currency, to provide aid for each Federal district, that would be a further help. I appeal to the members of the Committee on Banking and Currency for their help. My friend from Wisconsin [Mr. PROXMIRE] is a new member of the committee. I hope he will help me with regard to that bill. I would appreciate his help. I am going to consult other members of the committee in that regard.

I think the net result will be that we will have a happier country and a more prosperous country. We need not take the situation sitting down.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for 3 minutes, so that I may discuss the same matter?

Mr. JOHNSON of Texas. I yield the floor, Mr. President. I want to be as generous with other Senators as they have been to me. I shall be glad to answer any questions any Senator may desire to ask me.

Mr. MANSFIELD. Mr. President, I join in what the majority leader has said about the state of the Union, economically speaking. We are in a very paradoxical condition, with pockets of prosperity and craters of depression and despair.

According to this morning's newspapers, the President has said that the people, not the United States, will end the slump. I should like to call to the attention of the President the fact that there are a great many people in the United States who are not working, who cannot, under their own steam, end the slump, and who, if they are without a job, are in a depression, no matter what we call the present condition.

We know that in the State of Montana we have a depression in our mining and lumbering industries. In order to face up to this situation, it is necessary that the administration take prompt and strong action to alleviate the condition in which the people of Montana find themselves, and it is also up to the Congress to pass the necessary legislation to overcome this situation.

I was encouraged by what the distinguished majority leader said at the beginning of the morning hour relative to what he had in mind as to what Congress should and could do to overcome the present depression.

I most respectfully suggest to the administration that instead of a stretched-out highway program, that that program be speeded up with the coming of warmer weather so that more people can be put to work in a field for which funds have been authorized and in which much needed development is necessary.

I suggest also that the administration lend its strong support to a stepped-up housing program, which is not only necessary but which will be of great assistance in overcoming the slack and depression now being felt in the field of lumbering and woods operation.

I most respectfully suggest also that the administration take action necessary to increase our mineral stockpiles, especially of such things as copper, lead, zinc, manganese, and tungsten, and to do it at this time while the price is low and the need for encouragement of these operations is great. I point out that, un-

like some of our perishable agricultural commodities, a large standby reserve of strategic metals is necessary to our security, our well-being, and the development of our domestic economy.

I most strongly urge the administration to give at least as much consideration to the domestic problems which confront us in this country as it does to such matters as reciprocal trade and foreign aid.

Furthermore, I urge Congress to extend the present Wool Act for at least a 5-year period and at the same time that Agriculture Committees of both Houses report bills which have been introduced by the Senator from Montana [Mr. MURRAY] and me, as well as other Senators from both parties, to stop Secretary of Agriculture Benson from reducing the present $2.00 a bushel price of wheat to $1.78. These two affirmative steps will assist in giving security to our ranchers.

It is my hope also that the administration and the Congress will together iron out the differences which exist between this country and Canada so that the Libby Dam, which has been authorized for 10 years and is ready for construction, can get under way; and that the Congress and the administration will work together to give a fair, reasonable, and equitable payment to the Crow Indian Tribe so that Yellowtail Dam in the southeastern part of Montana can be started. Incidentally, Yellowtail Dam was authorized 14 years ago.

I state most emphatically that the people of Montana are not interested in handouts or charity. They are interested in jobs, and the proposals I have made are ways and means which can be utilized to give my people the breaks they deserve and the right to achieve a decent and reasonable livelihood. Surely this is not asking too much in this, the greatest, the richest, the most powerful Nation on the globe.

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

TRANSFER OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces), transmitting a draft of proposed legislation to authorize the transfer of naval vessels to friendly foreign countries (with an accompanying paper); to the Committee on Armed Services.

REPORT ON ESTIMATED SAVINGS UNDER PROPOSED LEGISLATION

A letter from the Deputy Secretary of Defense, reporting on the estimated costs and savings under legislation previously proposed for members of the uniformed services, for fiscal years 1959 through 1962; to the Committee on Armed Services.

REPORT OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

A letter from the Chairman, United States Advisory Commission on Information, Washington, D. C., transmitting, pursuant to law, a report of that Commission, dated January 1958 (with an accompanying report); to the Committee on Foreign Relations.

AUDIT REPORT ON REVIEW OF COST-ASCERTAINMENT SYSTEM, POST OFFICE DEPARTMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on report on review of the cost-ascertainment system, Post Office Department, 1957 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF SECTION 112, TITLE 1, UNITED STATES CODE

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting a draft of proposed legislation to amend section 112 of title 1, United States Code (with an accompanying paper); to the Committee on Government Operations.

REPORT ON ANTHRACITE MINE-WATER-CONTROL PROGRAM

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, a report on the anthracite mine-water-control program, 1957 (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON ACTIVITIES AND TRANSACTIONS UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, from October 1, 1957, through December 31, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted at a mass meeting of Lithuanian Americans of the city of Portland, Oreg., relating to the commemoration of the 40th anniversary of the Declaration of Independence of Lithuania; to the Committee on Foreign Relations.

The petition of Lorena Phelps Oberly, of Orange, Calif., favoring the enactment of the bill (S. 2646) to limit the appellate jurisdiction of the Supreme Court in certain cases; to the Committee on the Judiciary.

A telegram in the nature of a petition from the National Citizens Civil League, of Cleveland, Ohio, signed by Phillip Harris, president, relating to Presidential disability; to the Committee on the Judiciary.

A resolution adopted by the town council of Jamestown, Tenn., favoring the inclusion of Jamestown in the post office construction program; to the Committee on Public Works.

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. WILLIAMS. Mr. President, I present a petition signed by a large number of citizens of Wilmington, Del., in support of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers, which I ask be printed in the RECORD and referred to the Committee on Intertsate and Foreign Commerce.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, without the signatures attached, as follows:

May we again call your attention to our urgent request for relief from the invasion of our homes by the advertising of the alcoholic beverage industry. This advertising is aimed at our children and our youth. Parents today are helpless against the mass suggestion through newspapers, magazines, and especially TV and radio that to drink is harmless, conducive to health.

We urge your active support of bills now before you to remove this advertising from the channels of interstate commerce and over the air.

(Signed by Mr. and Mrs. J. T. Churn, and sundry other members of the Richardson Park Methodist Church.)

INCREASE IN UNEMPLOYMENT AT FERGUS FALLS, MINN.—LETTER

Mr. HUMPHREY. Mr. President, I have just received a copy of a letter written by the secretary of the Fergus Falls, Minn., Trades and Labor Assembly, addressed to William Schnitzler, AFL–CIO.

This letter describes the serious increase in unemployment in the Fergus Falls AFL–CIO, and it represents a serious situation which is occurring in many other places in the State of Minnesota. The letter concludes with an appeal to the Congress of the United States for constructive work programs to bolster the purchasing power in our sagging economy.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

FERGUS FALLS, MINN., *March 3, 1958.*

WILLIAM SCHNITZLER,
Secretary-treasurer, AFL–CIO Building,
Washington, D. C.

DEAR SECRETARY SCHNITZLER: The notification from your office calling a National AFL–CIO Economic Legislative Conference for March 11, 12, 13, 1958, has been received and presented to our membership. Being located in an agricultural area in Minnesota, we have seen the economic recession that has affected our farmers since 1952 and now working people and small business are feeling the effects of this economic squeeze.

Unemployment is becoming serious even in this area. Small family farmers are being forced to bolster their incomes by seeking employment in the towns and cities, adding more people to the already overloaded labor forces in our communities. Our newly organized central body is not financially able to send delegates to this important legislative conference, but want to go on record supporting a program to put the people of America back to work.

Therefore, the Fergus Falls AFL–CIO Trades and Labor Assembly took this action at their regular meeting held in Fergus Falls, Minn., on February 25, 1958, speaking for organized labor in the Fergus Falls area; do hereby state that this serve as a petition to the Congress of the United States, asking them to take immediate steps with constructive work programs to bolster the purchasing power in our sagging economy.

Respectfully submitted.

HAROLD SCHMIDT,
Secretary.

ASSISTANCE TO RAILWAY INDUSTRY—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a letter from the recording secretary of the Hennepin Lodge, No. 477, International Association of Machinists, Minneapolis, Minn.

The letter asks for assistance to the railway industry in the field of competitive transportation, and encloses a resolution from Lodge 732, International Association of Machinists, San Francisco, Calif.

I ask unanimous consent that the letter and resolution be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Subject: The public and labor press cite, "Big danger confronting our Nation on the abandonment of our railroad passenger trains."

INTERNATIONAL ASSOCIATION OF MACHINISTS,
HENNEPIN LODGE, No. 477,
Minneapolis, Minn., March 3, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senator, State of Minnesota, Senate Office Building, Washington, D. C.

DEAR SENATOR HUMPHREY: At the meeting of Hennepin Lodge No. 477, I. A. of M., held February 20, 1958, our lodge took action that I write you requesting that your office take whatever action is deemed necessary to assist the railroad industry in the field of competitive transportation.

Our lodge also endorsed resolution received from Lodge No. 732, I. A. of M., of San Francisco, Calif., and you will find copy of same attached hereto for your information.

Thanking you for your consideration, I remain,

Very truly yours,
JOHN A. HOLMAN,
Recording Secretary, Hennepin Lodge No. 477, I. A. of M.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
BAYSHORE LODGE, No. 732,
San Francisco, Calif., January 1958.

Subject: The public and labor press cite, "Big danger confronting our Nation on the abandonment of our railroad passenger trains"

DEAR SIRS AND BROTHER MEMBERS: The following is a resolution adopted by local No. 732, I. A. of M. of District No. 89 at our January 23 meeting, and we are submitting it to you for your approval and adoption, and we sincerely hope that you will give it your full support, because we feel that this issue is of vital importance to all railroad employees.

"Whereas the railroads have already reduced 30 percent of their former employees. This displacement of about 700,000 employees is blamed on the conversion from steam to diesel power and automation;

"Whereas a new crisis will arise by abandoning our passenger trains. More layoffs are on the way. Employment pensions, unemployment benefits will all be affected. Our economic power will be destroyed for those who are over 40 years old, no jobs for them. Our Nation's security is in danger.

"Whereas railroad passenger service is an immensely important resource in this country, especially in the event of some new military emergency.

"Whereas the railroads themselves have not done enough to preserve passenger service and make it as profitable as possible. Some railroads have resorted to the practice of deliberately trying to lose business, hoping eventually to drop passenger operation.

"*Resolved*, That there be an active campaign instituted to petition our Representatives in Congress for a Congressional investigation of our railroad affairs, so that the public may know the truth; further

"*Resolved*, That a copy of this resolution be sent to all local lodges of railroad machinists, so that their members petition their Congressmen, our Grand Lodge and Railway Employees Department. All our union representatives to urged to oppose a merger by the railroads. They must find a way to keep the passenger service."

Fraternally yours,
PAUL NAGLE,
President.
ROBERT H. WALLACE,
Recording Secretary.

RESTORATION OF FARM PRICES AT FULL PARITY LEVEL—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Foster Brown Valley Farmers Union, Beardsley, Minn., asking for an immediate restoration of farm prices to a full parity level.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs, and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That we, the action officers of Foster Brown Valley Farmers Union, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price-support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

Dated at Beardsley, Minn., March 3, 1958.

REVISION OF URBAN RENEWAL PROGRAM—RESOLUTION

Mr. KENNEDY. Mr. President, on behalf of myself, and my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], I present for appropriate reference a resolution adopted by the City Council of the City of Boston, Mass., favoring a revision of the urban renewal program. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas it appears that the economy of the United States is in the throes of a recession of unpredictable duration; and

Whereas the Federal Government is planning a program of public works for the purpose of stimulating the economy; and

Whereas the fund allotted by the Congress for the purpose of urban renewal is manifestly inadequate for the purpose: Be it therefore

Resolved, That the Boston City Council memorializes the Congress to immediately overhaul the urban renewal program with a view to expediting those programs now in hand, and secondly, for the purpose of placing additional funds in the urban renewal program.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 602. A bill to provide for the acquisition of additional land to be used in connection with the Cowpens National Battleground site (Rept. No. 1346).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. J. Res. 439. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Seventh International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes (Rept. No. 1348).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

S. 2630. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America, and to permit use of certain lands of the Air Force Academy for use at the Girl Scout Senior Roundup Encampment, and for other purposes (Rept. No. 1350).

By Mr. BUSH, from the Committee on Armed Services, without amendment:

H. R. 7696. An act to authorize certain persons to wear the uniform of a Reserve Officers' Training Corps (Rept. No. 1351).

REPORT ENTITLED "ACTIVITIES OF THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY—1957"—REPORT OF A COMMITTEE (S. REPT. NO. 1345)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 57, as extended, I submit a report entitled "Activities of the Subcommittee on Antitrust and Monopoly—1957," together with the individual views of the Senator from

Wisconsin [Mr. WILEY]. I ask unanimous consent that the report be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Tennessee.

REPORT ENTITLED "TRADING WITH THE ENEMY ACT"—REPORT OF A COMMITTEE (S. REPT NO. 1347)

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on the Judiciary, I submit a report entitled "Trading With the Enemy Act," pursuant to Senate Resolution 50, as extended. I ask unanimous consent that the report be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from South Carolina.

STIMULATION OF RESIDENTIAL CONSTRUCTION

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report an original bill to stimulate residential construction, and I submit a report (No. 1349) thereon. I ask that the report be printed and the bill placed on the calendar.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and the report will be printed, as requested by the Senator from Alabama.

The bill (S. 3418) to stimulate residential construction, reported by Mr. SPARKMAN, from the Committee on Banking and Currency, was read twice by its title, and placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Dr. Paul Darwin Foote, of the District of Columbia, to be an Assistant Secretary of Defense.

Mr. BARRETT. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Lt. Gen. James Maurice Gavin, Army of the United States, to be placed on the retired list in the grade of lieutenant general.

I also report favorably a group of 83 general officers in the grades of brigadier general and major general for temporary and permanent appointment in the Regular Air Force and a group of 15 officers for appointment as Reserve commissioned officers in the Air Force in the grade of major general and brigadier general.

I ask that these nominations be placed on the Executive Calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations placed on the Executive Calendar are as follows:

Lt. Gen. James Maurice Gavin, Army of the United States (major general, United States Army), to be placed on the retired list in the rank of lieutenant general;

Maj. Gen. Archie J. Old, Jr., and sundry other officers for appointment in the Regular Air Force; and

Brig. Gen. Clarence A. Shoop, and sundry other officers for appointment as Reserve commissioned officers in the United States Air Force.

Mr. BARRETT. In addition, I report favorably a total of 1,508 nominations for appointment and promotion in the Navy and Marine Corps in the grade of commander and below. All of these names have already appeared in the CONGRESSIONAL RECORD, so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

Mack E. Allison, Jr., and sundry other officers, for temporary promotion in the staff corps of the Navy.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3401. A bill for the relief of Cho Hack Youn;

S. 3402. A bill for the relief of Maxim Kadoch (Cadoch); and

S. 3403. A bill for the relief of Alan Alfred Coleman; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3404. A bill for the relief of Doulatram Chattulani Chavez; to the Committee on the Judiciary.

By Mr. CHAVEZ (by request):

S. 3405. A bill to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses; to the Committee on Public Works.

By Mr. SCHOEPPEL (for himself, Mr. ALLOTT, Mr. CARLSON, Mr. MORSE, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. CHURCH, Mr. HRUSKA, Mr. CURTIS, and Mr. CARROLL):

S. 3406. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. SCHOEPPEL when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 3407. A bill to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff at the United States Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE (for himself, Mr. RUSSELL, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. SCOTT, and Mr. SYMINGTON):

S. 3408. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. TALMADGE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3409. A bill for the relief of Rapid City Medical Center; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 3410. A bill to provide for the establishment of a special $18,500,000 7-year program of Federal scholarship and fellowship grants to individuals, and a $2,500,000 program of grants to public and nonprofit institutions of higher education, to encourage and expand the training of teachers for the education of exceptional children; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH (for himself, Mr. PROXMIRE, and Mr. MORSE):

S. 3411. A bill to increase from $600 to $800 the amount of each income tax exemption for the taxable year 1958; to the Committee on Finance.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (by request):

S. 3412. A bill providing for the extension of certain authorized functions of the Secretary of the Interior to areas other than the United States, its Territories and possessions; and

S. 3413. A bill to consolidate, revise, and reenact the public land townsite laws; to the Committee on Interior and Insular Affairs.

By Mr. GORE (for himself, Mr. CARROLL, Mr. MORSE, Mr. MANSFIELD, and Mr. YARBOROUGH):

S. 3414. A bill to amend and supplement the Federal Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

By Mr. MALONE:

S. 3415. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Finance.

(See the remarks of Mr. MALONE when he introduced the above bill, which appear under a separate heading.)

By Mr. KNOWLAND:

S. 3416. A bill for the relief of Viola Borwick Warbis; to the Committee on the Judiciary.

By Mr. MANSFIELD (by request):

S. 3417. A bill to amend the Mutual Security Act of 1954, as amended, in order to promote the overseas distribution of American informational mediums; to the Committee on Foreign Relations.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 3418. A bill to stimulate residential construction; placed on the calendar.

(See the remarks of Mr. SPARKMAN when he reported the above bill from the Committee on Banking and Currency, which appears under the heading "Reports of Committees.")

By Mr. THYE:

S. 3419. A bill to amend title II of the Social Security Act to eliminate certain coverage requirements upon which eligibility for disability-insurance benefits or the disability "freeze" thereunder is conditioned; to the Committee on Finance.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTIONS

Mr. JOHNSON of Texas (for himself and other Senators) submitted the following concurrent resolutions, which were referred as indicated:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction

programs for which appropriations have been made; to the Committee on Public Works; and

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made; to the Committee on Armed Services.

(See the above concurrent resolutions printed in full when submitted by Mr. JOHNSON of Texas, which appear under a separate heading.)

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RELATING TO WHEAT ACREAGE HISTORY

Mr. SCHOEPPEL. Mr. President, on behalf of myself, and Senators ALLOTT, CARLSON, MORSE, NEUBERGER, O'MAHONEY, CHURCH, HRUSKA, CURTIS, and CARROLL, I introduce, for appropriate reference, a bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history. I ask unanimous consent that a statement prepared by me in explanation of the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3406) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history, introduced by Mr. SCHOEPPEL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. SCHOEPPEL is as follows:

STATEMENT BY SENATOR SCHOEPPEL

Prior to the enactment of Public Law 85–203 (August 28, 1957), farm, county, and State wheat acreage allotments were determined primarily on the basis of the acreage seeded for the production of wheat during a preceding period of years, plus, the acreage diverted under previous programs for such period of years. Also, there was no limit on the acreage seeded to wheat for history purposes.

Because of the high degree of noncompliance with wheat acreage allotments in certain States and areas, particularly those with a relatively high production of farms with allotments less than 15 acres, there were substantial shifts of allotment acreage from year to year from the old established wheat producing States and areas, where compliance with allotments was relatively high, to States and areas where noncompliance was most prevalent.

Public Law 85–203 was designed to prevent further shifts in allotment acreages away from the old established wheat producing States and areas. Such law provided that any acreage seeded to wheat for harvest as grain for the 1958 and subsequent crops in excess of allotments would not be considered in establishing future State, county, and farm acreage allotments. This in effect would tend to reduce the allotments in subsequent years for farms, counties, and States when producers generally persist in overplanting their allotments, because such producers not only would lose credit for any acreage of wheat in excess of their allotment, but also would not be credited with any diverted acreage as is the case for a complying farm.

Following the enactment of Public Law 85–203, many farmers learned after their 1958 crop of wheat was planted, and despite the fact that the 1958 marketing quota referendum had already been held, that their future allotments would be reduced by reason of the excess acreage unless they adjusted their seedings to their farm allotments.

Thus, many farmers felt that since the rules were changed after the seed was in the ground, some remedial action should be taken to relieve them from the retroactive effect of the law.

This bill which we are introducing has three principal objectives:

(1) It would modify the existing legislation so as not to adversely affect producers who seed an acreage to wheat for harvest as grain for 1958 in excess of their farm allotments in establishing future farm allotments by giving each producer, compliers and noncompliers alike, credit for 1958 wheat acreage equal to their farm base acreage of wheat;

(2) It would retain the effect of Public Law 85–203 with respect to wheat acreage credit for 1958 to be used in the establishment of future State and county acreage allotments, thereby preventing further undesirable shifts in such allotments; and

(3) It would permit Public Law 85–203 to become fully effective with respect to wheat acreage credit for 1959 and subsequent years which will be used in the establishment of future State, county, and farm acreage allotments, except that it would permit any producer who needed wheat for harvest as grain in excess of the farm allotment to receive credit for an acreage equal to his farm base acreage of wheat, provided he avoids or postpones payment of penalty on the marketing excess by storage or delivering same to the Secretary. However, if he later depletes the stored excess, by marketing or otherwise, his wheat acreage credit for the year in which such excess was produced would be reduced to the farm wheat acreage allotment for such year.

This would tend to discourage producers from marketing their excess production until they have underplanted or underproduced in a subsequent year.

The bill which we have just introduced should be noncontroversial. It is but a technical revision of existing law which will eliminate a very real hardship among the wheat producers of these United States.

I hope this bill will be acted upon promptly, and separately, from other wheat legislation, for it is very important that wheat producers may properly plan their future course of action in regard to 1958 overseeding. They must do one of two things, unless this legislation is enacted promptly, (1) suffer the increased penalty imposed by Public Law 85–203 after the seed was in the ground or (2) destroy the overplanted wheat at least 30 days before harvest time—and that date, in some areas, isn't very far away.

AMENDMENT OF MERCHANT MARINE ACT OF 1936, AS AMENDED

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff of the United States Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes. I ask unanimous consent that the letter from the Secretary of Commerce, together with the accompanying detailed explanation of the need for, and the purpose and provisions of, the proposed legislation, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and related matters will be printed in the RECORD.

The bill (S. 3407) to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff at the United States Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

WASHINGTON, D. C., *March 3, 1958.*

THE PRESIDENT OF THE SENATE,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There are submitted herewith four copies of a draft bill to amend section 216 of the Merchant Marine Act, 1936, and an explanatory statement of the purpose and need for legislation to clarify the status of the faculty and administrative staff at the United States Merchant Marine Academy at Kings Point, and to establish suitable personnel policies for such personnel in keeping with the recommendations of the 12th Congressional Board of Visitors to the Academy, and the recommendations of the Advisory Board to the Academy.

The proposed legislation involves primarily conversion of positions of executive, administrative, custodial, and service personnel to positions subject to the civil service laws generally applicable to other civilian employees of the United States, and to establish an appropriate, flexible system of employment and compensation for the faculty at the Academy comparable to that provided for the civilian faculty at the United States Naval Academy.

A detailed explanation of the need for, and the purpose and provisions of, the proposed legislation are set forth in the accompanying statement. The draft legislation was developed by the Department of Commerce and the Civil Service Commission.

The Director, Bureau of the Budget, has advised that there would be no objection to the submission of the legislation to the Congress.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED FOR PROPOSED AMENDMENT TO SECTION 216, MERCHANT MARINE ACT, 1936, AS AMENDED

GENERAL PURPOSE

In the administration of the maritime training program under section 216 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1126) since 1942, it has been the practice of the former Maritime Commission and of the Department of Commerce (to which the Maritime Commission was transferred in 1950) to enroll in the United States Maritime Service not only volunteers for training and reserve purposes, known as trainee enrollees, but also other persons assigned to administrative duties, known as administrative enrollees. The term "administrative enrollees" includes the employees serving as the permanent cadre at the United States Merchant Marine Academy at Kings Point, N. Y., which comprises the executive staff, administrative force, faculty, custodial, and service groups.

These administrative enrollees have been employed (i. e., enrolled) under the authority of the above-mentioned section of the Merchant Marine Act. They have been given ranks and ratings, and have been compensated and granted allowances at rates similar to those provided by law for the Coast Guard under authority of section 216 of the Mer-

chant Marine Act, the annual appropriation acts, and section 509 of the Career Compensation Act of 1949, as amended by the act of May 19, 1952 (66 Stat. 79). The enrollees have been granted leave under a leave system prescribed by regulations pursuant to implied power under the Merchant Marine Act. Insofar as circumstances and applicable laws have permitted, administrative enrollees have been administered on the same basis as members of a military-type organization performing similar duties.

Over the years a number of questions have been considered by the Civil Service Commission, General Accounting Office, and Department of Justice concerning the employment status of these employees. In order to clarify and regularize the employment status of administrative enrollees, it has become apparent that it would be administratively desirable to convert the enrollees, as far as practicable and appropriate, to positions subject to the same civil service, compensation, and leave laws, which are generally applicable to other civilian employees of the United States.

In the interest of simplified and more efficient administration, and of making available and preserving to these employees the same benefits as are granted to other civilian employees of the United States, the Department of Commerce, and the Civil Service Commission have reached agreement (1) that an appropriate, flexible system of employment and compensation should be provided by law for the faculty of the United States Merchant Marine Academy at Kings Point, similar to that now provided for the faculty at the Naval Academy; (2) that future appointments to nonfaculty positions should be made in accordance with the civil service and classification laws (except as otherwise authorized by law, e. g., to wage board positions); and (3) that present administrative enrollees should be converted to positions subject to the civil service, classification, and leave laws under provisions of law which will authorize adjustments to be made that will avoid undue personal hardship or inequity to the employees and avoid any adverse effect upon the efficiency of the Academy.

As a result of careful study for several years of the problems involved in effecting this transition for persons presently serving as administrative enrollees, the Department, the Civil Service Commission, and the General Accounting Office have reached agreement that legislation is necessary to—

1. Provide an appropriate compensation system of the type described above for faculty members at the Merchant Marine Academy;

2. Avoid serious loss of compensation to nonfaculty administrative enrollees upon conversion to positions subject to the Classification Act of 1949, as amended, or to wage-board positions;

3. Avoid serious curtailment of enrollees' existing leave benefits upon conversion to a position under the Annual and Sick Leave Act of 1951, as amended; and

4. Provide for creditability of prior service as administrative enrollees for all purposes.

The proposed legislation would accomplish these purposes and enable the Department to administer these positions on the same basis as other comparable civilian positions in the Government service. Upon enactment of this legislation, it is contemplated that faculty members will be employed under excepted appointments authorized by the Civil Service Commission under schedule A of the civil-service rules, and that they will be compensated under a system of compensation appropriate to the requirements of an accredited educational institution and similar to that now provided for the faculty of the Naval Academy. It is contemplated that nonfaculty administrative enrollees will be employed under the civil-service laws, and that they will be compensated in accordance with the Classification Act of 1949, as amended, or an appropriate prevailing wage schedule, as appropriate. Both groups of employees will receive leave, medical and other benefits under the same laws as apply generally to other civilian employees of the Government.

In view of the fact that the United States Merchant Marine Academy, currently the only federally operated maritime training installation, was made a permanent institution by Public Law 415, 84th Congress, the Department recommends favorable consideration of the attached proposed legislation in order that basic personnel policies and problems in administering the maritime-training program may be considered and acted upon by the Congress. The need for clarifying the status of administrative enrollees of the United States Maritime Service in order that present uncertainties may be eliminated and the Merchant Marine Academy may proceed on a stable basis in personnel matters was recognized in the report of the 12th Congressional Board of Visitors to the Merchant Marine Academy. The report included the following provision:

"The Board urges those charged with carrying on the discussions directed toward establishing the status of the administrative enrollees of the United States Maritime Service to make every effort to bring about an appropriate resolution of this problem, to the end that suitable personnel policies may be established."

Additionally, the report of the Advisory Board to the United States Merchant Marine Academy, made to the Maritime Administrator, United States Department of Commerce, May 2, 1957, stated, among other things, "The Maritime Administrator has issued appropriate orders defining the status of the existing faculty and setting forth probationary periods for those to be appointed to the faculty in the future. This is all that could have been done and it has been well done. But the position of the faculty at the United States Merchant Marine Academy will not be thoroughly satisfactory until appropriate legislation has been enacted."

SECTIONAL ANALYSIS OF THE BILL

Section 216 (a): This section is amended to—

(1) Make clear that henceforth enrollments will be made only for training and reserve purposes in the United States Maritime Service, as distinguished from administrative-duty purposes such as instruction of trainees, clerical work, maintenance work, and the like;

(2) Make clear that the Secretary's authority to fix the rates of pay for trainees also includes authority to fix their allowances;

(3) Provide clear authority for the Secretary to prescribe and regulate the furnishing and wearing of uniforms of persons in the Service;

(4) Transfer to a new subsection (e) the existing provision for employment of instructors; and

(5) Make an appropriate, minor correction in a pronoun in the second sentence to refer to discretion transferred to the Secretary from the former Maritime Commission.

Section 216 (e): This subsection would provide authority for the employment, and compensation without regard to the Classification Act of 1949, as amended, of all levels of civilian professors, lecturers, and instructors as may be necessary to carry out the purposes of section 216 of the Merchant Marine Act, as amended. Such professors, lecturers, and instructors would be considered civilian officers and employees of the United States for purposes of laws of general application to civilian employees of the United States.

Under existing law the Civil Service Commission is empowered to authorize the Department to employ professors, lecturers, and instructors under excepted appointments, on the same basis (schedule A) as is now provided for the faculty at the Naval Academy. This section will also make possible the establishment of an appropriate compensation system for the faculty of the Merchant Marine Academy, similar to that provided for faculty of the Naval Academy.

Section 216 (f): This subsection provides for (1) conversion of existing administrative enrollees, both faculty and nonfaculty, on a date mutually agreed upon by the Secretary of Commerce and the Civil Service Commission, in order to effect an orderly transition; (2) clear-cut legal recognition that after conversion, former administrative enrollees will be subject to laws of general applicability to civilian employees of the United States except as otherwise authorized by law; and (3) certain authority necessary to make possible the conversion of enrollees without undue personal hardship or inequity, and without any adverse effect upon the efficiency of the Merchant Marine Academy, with particular reference to compensation, leave, and creditability of prior service for various purposes.

Section 216 (f) (1): This subsection defines how the basic compensation of administrative enrollees shall be determined upon conversion and provides for salary-saving and related safeguards in order to avoid reducing the compensation of enrollees as a result of conversion. For example, if an administrative enrollee's total basic pay, quarters and subsistence allowances amount to $5,442, and his position is classified at Grade GS–7, he would have his salary set at GS–7, $5,470, which is the next longevity rate over the total amount he is receiving for basic pay, quarters, and subsistence. An enrollee receiving a total of $5,644 for basic pay, subsistence and quarters allowances whose position is classified at GS–6, for which the maximum longevity rate of the grade is $5,295, will have his salary set at $5,740, which is the top longevity step at GS–7, until he leaves such position, or otherwise is entitled to receive a higher rate by reason of operation of the Classification Act of 1949, as amended, or other applicable law, as indicated below.

This subsection applies only to persons serving as administrative enrollees on the date preceding the date of conversion. It does not provide retroactive benefits to any person.

Section 216 (f) (2): This paragraph makes provision to specifically insure what is commonly referred to as "salary saving" by establishing the fact that the basic compensation as set upon conversion, as provided for in section 216 (f) (1), will continue until the employee affected thereby is either separated from his position or receives a higher rate of basic compensation by operation of law or regulation as might occur in the case of promotion, Federal salary adjustments, etc.

Section 216 (f) (3): This paragraph takes cognizance of the fact that administrative enrollees have earned, accumulated and used annual leave on a calendar day basis, and most enrollees have a much greater leave accumulation than the accumulation which would be authorized on conversion of such personnel under provisions of the Annual and Sick Leave Act. This paragraph would provide for the conversion of all unused annual leave without actual loss of leave for purposes of future use to the enrollee on the basis of 5 work days' leave for each 7 calendar days of leave.

Administrative enrollees are authorized to take sick leave, up to 4 months in emergencies, as may be necessary, but do not accumulate sick leave. If they had been permitted to accumulate sick leave, most administrative enrollees by reason of their

length of service would now have a large accumulation of sick leave. To minimize the effect of losing the sick leave benefits to which administrative enrollees have been entitled, it is proposed that they be credited on the date of conversion with 13 days' sick leave. Thereafter, sick leave credits would accrue on the same basis as for other employees subject to the Annual and Sick Leave Act.

Section 216 (f) (4): This paragraph makes specific provision to recognize active service as an administrative enrollee performed prior to the date fixed for conversion as civilian employment creditable for all purposes in the executive branch of the Federal Government, with the exception that in computing length of service as used under the Classification Act for the determination of one periodic step increase or one longevity step increase, all such prior service shall be counted toward the attainment of same which occurred immediately preceding the date fixed for conversion, as provided in subsection (f). Thus, for such basic purposes as retirement, leave accruals, seniority, length-of-service awards, etc., all previous active service as an administrative enrollee would be creditable as civilian employment in the executive branch of the Federal Government for every purpose, except that in computation of length of service for salary step increases or longevity step increases, only such service as was continuous and uninterrupted immediately prior to the date fixed for conversion would be creditable in the determination of said step increases. Under these circumstances, an employee's salary thus established which is less than the maximum scheduled rate of the grade would be immediately considered against the requirements for one periodic step increase; and, as provided in subsection (f) (1), for purposes of determining eligibility for a periodic step increase, the basic compensation as an administrative enrollee would be considered as the total amount or value of basic pay, subsistence and quarters allowances. Such prior service and basic compensation would also be considered in determining eligibility toward the 10-year aggregate period and 3-year waiting periods for one longevity step increase.

Section 216 (f) (5): Administrative enrollees disenrolled from the maritime service are entitled to payment of travel and transportation expenses to their place of enrollment, etc., whether or not such transportation is actually furnished in kind. Administrative enrollees on active duty also receive free medical, dental, surgical and hospital care under the provisions of paragraph (6) of section 322 of the Public Health Service Act of 1944 (58 Stat. 696, 42 U. S. C. 249).

This paragraph is for the purpose of making two practical provisions. First, it provides that administrative enrollees who accept conversion shall forfeit such rights to travel and transportation expenses. Those who elect to resign prior to conversion will be entitled to such benefits in keeping with the terms under which they were enrolled as administrative enrollees. Second, it provides that administrative enrollees after the effective date of conversion as authorized by this legislation shall not continue to receive free medical, dental, surgical and hospital care pursuant to paragraph (6) of section 322 of the Public Health Service Act of 1944.

TRANSFER TO OTHER STATES OF CERTAIN COTTON ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, despite rapid industrialization, the economy of my State of Georgia still is primarily an agricultural one, with cotton as the principal cash crop. Therefore, it goes without saying that whatever hurts cotton, hurts the economy of the entire State.

Georgia cotton farmers presently are in more dire financial straits than at any time since the depression of the thirties. Caught in the squeeze between ever-constricting acreage allotments and ever-increasing costs of production, many are being forced out of business altogether. Most of those who are continuing to grow cotton are doing so at a loss, and a large number are finding it necessary to mortgage their farms in order to maintain their operations.

A major factor in this deterioration of Georgia's cotton economy is the transfer to other States under the Benson farm program of the acreage allotments of those farmers who cease planting. This constitutes a continual drain of Georgia's historically-allotted cotton acreage and, if allowed to continue, will have the eventual result of drying up the rural areas of my State.

Recognizing the peril thus posed for Georgia's economy, the House of Representatives of the General Assembly of Georgia has adopted a resolution petitioning Congress to reverse this disastrous policy of transferring allotted acreage. I ask unanimous consent, Mr. President, that this resolution be printed herewith in the RECORD as a portion of my remarks, and appropriately referred for consideration.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas cotton has played an important and significant part in the development of Georgia, the great empire State of the South; and

Whereas cotton farming continues to make a significant contribution to Georgia's economy; and

Whereas cotton producers, cotton ginners, cotton warehousemen, and industries allied directly with cotton production, and the many thousands of Georgia people who are dependent on cotton production in Georgia, face grave and serious consequences as a result of Ezra Taft Benson's policies on cotton; and

Whereas Mr. Benson's removal of cotton acreage from Georgia will add another blow to the Georgia economy: Now, therefore be it

Resolved, That we condemn the Benson policy of removing cotton acreage from our State and making it available to Western States; and be it further

Resolved, That we respectfully request Senator RUSSELL, Senator TALMADGE, the House of Representatives in the Congress of the United States, and the Georgia delegation, to use their prestige, influence, and general legislative know-how to maintain present and reestablish past losses of cotton acreage in Georgia caused by unwise and uneconomical policies of the United States Department of Agriculture.

Mr. TALMADGE. Mr. President, in response to the request in the resolution, I am today introducing, on behalf of my colleagues, the senior Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Mississippi [Mr. EASTLAND] the Senator from North Carolina [Mr. SCOTT], the Senator from Missouri [Mr. SYMINGTON], and myself, a bill to remedy this situation. In essence, it would do two things: First, provide that cotton acreage allotments cannot be reduced below the level of those in effect for 1956; and, second, prohibit the transfer of relinquished acreage allotments from any county so long as there is any cotton farmer in that county desiring additional acreage.

The enactment of such a measure, Mr. President, would go far toward preventing further economic dislocation in the cotton-growing areas of Georgia and the South, and, equally as important, would serve to right the injustice of depriving the States of the Cotton Belt of the cotton acreage to which they are historically entitled.

I ask, Mr. President, that the bill be received, appropriately referred, and printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3408) to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the 3tates for 1958 and subsequent years shall be no less than 1956, and for other purposes, introduced by Mr. TALMADGE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

TRAINING OF TEACHERS FOR EDUCATION OF EXCEPTIONAL CHILDREN

Mr. NEUBERGER. Mr. President, one of the basic concepts of American education is equality of opportunity. Yet, in spite of the progress of American education, many of our students are never offered this opportunity. Not only has the retarded child often been neglected by our mass education system, but, also, the child of high intellectual capacity. Mrs. Neuberger and I have supported legislation for assistance of mentally retarded children at both the Federal and State level. Mrs. Neuberger led the successful struggle in the Oregon State Legislature to create a pilot program for such children in our State. I worked for increased appropriations in this area in the 84th Congress, and this year I have introduced a bill which would provide for the expansion of teaching and research in the education of mentally retarded children.

The same convictions, Mr. President, which have led me to support programs for the mentally retarded, have also aroused my concern over the rights of the child of high intellectual capacity. He, too, has democratic rights.

One of the most critical questions before our country today is how we can increase the production of scientists, scholars, doctors, and other trained personnel. But in spite of this critical lack of fully developed intellectual capacity, we are asking students of exceptional ability to remain content with schooling which is suited for the average child, but is not adapted for the smaller percentage of children with high ability. The risks of subjecting these students to ordinary educational methods has been pointed out in a major research study by Lewis Terman and his associates at Stanford University. They studied 1,400 superior students in the public schools

of California and followed their later development over a period of 25 years. They found that this group, on the average, made a remarkably good record of later academic and professional accomplishments. But they also found that many of this group failed to live up to their potentialities. One of the reasons for this Terman said was that "a considerable proportion of those in our gifted group languished in idleness throughout the grades and high school and failed to develop the ambition or work habits necessary to make them successful in college." This failure is one which the United States cannot afford.

In my State of Oregon, two communities, Portland and Eugene, have made great strides in preventing this waste of intellectual resources. In Portland, the public school system is nearing the 50th year of a program for gifted students which has been developed in cooperation with Reed College. Under their program, gifted children are grouped together for mathematics, reading, and language, but combine with other children of the same age for physical education, art and music. Thus, the program is in keeping with the democratic traditions of our schools. Eugene is another Oregon community which can be proud of its efforts to explore the means for education for the gifted. Under the direction of Lloyd Gillette, the department of special education of the Eugene Public Schools has been conducting a class for gifted sixth graders which is now in its fourth year.

Yet, Mr. President, if we are to do justice to our able students at a time when their talents are so desperately needed by their country, we cannot rely on a few far-sighted communities to direct a national movement. In the closing days of the last session of Congress, the Honorable LEONOR K. SULLIVAN, Missouri, introduced a bill (H. R. 9591) which sought to have the Federal Government lead the way by providing scholarships to teachers and prospective teachers, to encourage them to go into this field where they are so urgently needed, by providing some assistance to colleges and universities pioneering in this work, and by encouraging States and communities to set up the specialized classes and programs which are necessary. We must have curriculum and instructors capable of inspiring students with unusual minds. Because I feel that Mrs. SULLIVAN's bill (H. R. 9591) would help meet this problem, I consider it a privilege to introduce in the Senate a companion bill to H. R. 9591, so that both Houses of Congress will have the opportunity, at the same time, to consider this proposal.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3410) to provide for the establishment of a special $18,500,000 7-year program of Federal scholarship and fellowship grants to individuals, and a $2,500,000 program of grants to public and nonprofit institutions of higher education, to encourage and expand the training of teachers for the education of exceptional children, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INCREASED INCOME TAX EXEMPTIONS FOR 1958

Mr. YARBOROUGH. Mr. President, our country is now facing the most critical unemployment problem since World War II. Each new report brings more bad news of more Americans out of work. In my State, unemployment exceeds a quarter of a million men and women. More than 100,000 people are receiving relief food supplies. This is a situation that is duplicated in many other States.

Our economists tell us that one of the quickest and most effective moves we could make to end this recession or depression—this era of Americans without food—is to cut income taxes. Cutting taxes would have the immediate result of boosting purchasing power, building consumer demand, and, thereby, putting workers back to work.

Mr. President, I propose that we give all Americans an income-tax reduction by raising the personal income tax exemption from $600 to $800. This would amount to a total estimated tax reduction of $5.2 billion annually. Most of this tax reduction would go to persons earning less than $6,000 a year. For example, nearly $2 billion of this added consumer purchasing power would go to the 57 percent of our taxpayers who have a family earning of less than $100 a week.

This bracket alone includes 62 million people. Another billion dollars of the reduction would mean that much more money in the pockets of the 18 million Americans, families with income between $5,000 and $6,000 per year. Most of these are people who have a real need for this money for day-to-day family expenses.

Mr. President, here is what the reduction in taxes which I propose would mean to a family of 3 with an income of $3,000 a year. Under present law this family pays Federal income taxes of $180 a year.

Under the amendment I propose, that family tax bill would be reduced 66 percent—the family would get a reduction of $120 and would have to pay only $60 a year. This is realistic tax relief, and I believe it is not one iota out of proportion to the demonstrated need for this taxable year of 1958.

This would prime the pump of sales of consumer goods. This bill would make it possible for many families to send a son or daughter to college who are now unable to do so. This bill is an act of delayed justice. The big corporation taxpayers got a tax cut in 1954. It is time for the people to have a tax cut.

Mr. President, on behalf of myself, the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Oregon [Mr. MORSE], I introduce for appropriate reference, a bill to carry out the proposal which I have made.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3411) to increase from $600 to $800 the amount of each income-tax exemption for the taxable year 1958, introduced by Mr. YARBOROUGH (for himself, Mr. PROXMIRE, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Finance.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have the bill, along with two analyses of the tax reductions under its provisions, printed in the RECORD at this point.

There being no objection, the bill and analyses were ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the following provisions of the Internal Revenue Code of 1954 are amended by striking out "$600" wherever appearing therein and inserting in lieu thereof "$800":

(1) Section 151 (relating to allowance of deductions for personal exemptions);

(2) Section 642 (b) (relating to allowance of deductions for estates);

(3) Section 6012 (a) (relating to persons required to make returns of income);

(4) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife); and

(5) Section 6015 (a) (2) (A) (relating to declaration of estimated income tax by individuals).

(b) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "$1,200" wherever appearing therein and inserting in lieu thereof "$1,600":

(1) Section 6012 (a) (1) (relating to persons required to make returns of income); and

(2) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife).

SEC. 2. (a) Section 3 of the Internal Revenue Code of 1954 (relating to optional tax if adjusted gross income is less than $5,000) is amended by striking out "who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of any taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in the following table: ".

(b) Section 4 (a) of the Internal Revenue Code of 1954 (relating to rules for optional tax) is hereby amended by inserting after "the table in section 3" the following: "and the table prescribed under section 3".

SEC. 3. (a) Section 3402 (b) (1) of the Internal Revenue Code of 1954 (relating to percentage method of withholding income tax at source) is amended by striking out "(1) The table referred to in subsection (a) is as follows:" and inserting in lieu thereof the following:

"(1) (A) The table referred to in subsection (a) is, with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Tax Reduction Act of 1958 and before January 1, 1959, as follows:

"Percentage method withholding table

"Payroll period:	*Amount of one withholding exemption*
Weekly	$17.00
Biweekly	35.00
Semimonthly	37.00
Monthly	74.00
Quarterly	225.00
Semiannual	444.00
Annual	889.00
Daily or miscellaneous (per day of such period)	2.40

"(B) The table referred to in subsection (a) is, with respect to wages paid (other than wages paid during the period to which subparagraph (A) applies), as follows."

(b) So much of paragraph (1) of section 3402 (c) of the Internal Revenue Code of 1954 (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Tax Reduction Act of 1958 and before January 1, 1959, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee (other than wages paid during the period to which subparagraph (A) applies) a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a)."

SEC. 4. The amendments made by the first section and section 2 shall apply only to taxable years beginning after December 31, 1957, and before January 1, 1959. The amendments made by section 3 shall apply only to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, and before January 1, 1959.

SEC. 5. This act may be cited as the "Individual Tax Reduction Act of 1958."

NUMBER OF AMERICANS IN EACH INCOME BRACKET WHO WOULD RECEIVE REDUCTIONS

The following table shows the number of taxable returns filed for 1954 (the latest complete data available), arranged by various income groups, and the number of exemptions claimed by taxpayers in these groups:

Income classes	Taxable return in the classes		Exemptions claimed in the classes	
	Number	Percent of total	Number	Percent of total
$600 to $5,000	28,151,269	66.0	62,943,271	55.4
$5,000 to $10,000	12,355,239	29.0	41,397,271	37.1
$10,000 to $20,000	1,583,974	3.7	5,367,920	4.8
Over $20,000	542,578	1.3	1,901,048	1.7
Total	42,633,060	100.0	111,609,510	100.0

ANALYSIS OF TAX REDUCTIONS UNDER THE $800 EXEMPTION PROPOSAL

The distribution of the estimated tax reduction under $800 per capita exemptions is as follows:

Adjusted gross income	Tax reduction	
	Amount (millions)	Percent
Under $5,000	$1,998	38.2
$5,000 to $6,000	909	17.4
$6,000 to $7,000	659	12.6
$7,000 to $8,000	455	8.7
$8,000 to $9,000	297	5.7
$9,000 to $10,000	207	4.0
Over $10,000	701	13.4
Total	5,226	100.0

Federal income tax liability under present law compared with liability under $800 personal exemption proposal, for married couple with 1 dependent, at selected levels of income

Income level	Tax under present law	Tax if exemption is raised to $800	Tax saving under $800 exemption proposal	Percentage tax reduction under $800 exemption proposal
$2,000	0	0	0	[1]0
$3,000	$180	$60	$120	66.7
$4,000	360	240	120	33.3
$5,000	540	420	120	22.2
$10,000	1,504	1,372	132	8.8
$20,000	3,988	3,800	188	4.7
$100,000	45,144	44,724	420	.9

NOTE.—Computations are based on the tax rate schedule; deductions equal to 10 percent of income are assumed.

Mr. YARBOROUGH. Mr. President, I ask that the bill lie on the table until the close of the session of the Senate this coming Monday, to give an opportunity to any other Senators who may wish to do so to join in sponsoring it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

AMENDMENT OF FEDERAL-AID HIGHWAY ACT

Mr. GORE. Mr. President, on behalf of myself and Senators CARROLL, MORSE, MANSFIELD, and YARBOROUGH, I introduce, for appropriate reference, a bill to provide for acceleration of the Federal-aid highway program.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3414) to amend and supplement the Federal Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, introduced by Mr. Gore, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. GORE. Mr. President, I ask unanimous consent that the bill lie on the table until the close of the session of the Senate on tomorrow, to give an opportunity to any other Senators who may wish to do so to join in sponsoring it.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GORE. Mr. President, the Federal Aid Highway Act of 1956 provided for the construction within a 13-year period of a National System of Interstate and Defense Highways connecting the major metropolitan areas of our country. Despite the clear intent expressed in the 1956 act that this system of highways should be completed within a 13-year period, we are now faced with a proposed stretchout of this program under which the 13-year construction period would be increased to 24 or 25 years. We are faced with this stretchout at a time when there is a great need for stimulating our economy and relieving serious unemployment. Instead of cutting back our highway program, Mr. President, we must accelerate it.

Only yesterday, according to the newspapers, President Eisenhower spoke of the availability of programs on which advance planning had already been made which could be accelerated in the public interest. I call attention specifically to the highway program.

The bill I have introduced would increase the authorizations for the Interstate System for the years 1959 through 1969 by an amount sufficient to permit the completion of the entire 41,000 miles within the original 13-year period, taking into account the increased cost estimates recently submitted to the Congress by the Secretary of Commerce. The bill would remove from the Highway Trust Fund the financing of expenditures for the construction of primary, secondary and urban Federal-aid roads. Under my bill, these systems would be financed by appropriations from the general fund, as was the case before passage of the act of 1956.

I know of no good reason why the secondary, primary, and urban highways should be financed by the trust fund so long as only a part of the revenue from highway-user taxes is dedicated to the fund. The estimated receipts of the Highway Trust Fund over the life of the fund will then be sufficient to finance the construction of the Interstate System on the basis of presently estimated costs.

Mr. President, my bill also provides for accelerating the construction of primary, secondary and urban roads. It is recognized that because of reduced engineering and planning requirements, additional projects on these systems may be placed under contract sooner than is the case with respect to interstate projects.

In the interest of providing additional employment opportunities during the calendar year 1958, my bill would authorize a supplemental apportionment for the so-called ABC—primary, secondary, and urban—roads for fiscal 1959 in the amount of $450 million.

Evidence presented to the Subcommittee on Public Roads indicates that the several States could undertake additional projects without delay provided the funds were available. A number of States, however, would have great difficulty in securing during the calendar year 1958 additional State matching funds to permit full utilization at the earliest possible date of the additional sums authorized in the bill I have introduced. For this reason, the bill authorizes an additional $450 million to be apportioned to the several States and made available to them for use as State matching funds for construction on the

primary, secondary, and urban highway systems. The funds thus advanced to the States for this purpose would be repaid to the Federal Government out of regular primary, secondary, and urban apportionments made under authorizations for future years, beginning in fiscal 1964.

Mr. President, I am convinced that if we are to avoid an even more serious economic situation than that in which we now find ourselves, the Government must take appropriate action to stimulate the economy. Among the more effective ways of accomplishing this is the acceleration of sound public works programs. I know of no public works program which provides greater economic benefits than does the construction of highways. I know of no public works program which would provide more employment opportunities per dollar spent than the construction of highways.

Mr. President, I submitted to the Subcommittee on Public Roads this week a study made by the Department of Highways of the State of New Jersey, which was supplied to me by Governor Meyner. The study concluded that of every dollar spent for highway construction, an estimated 90 cents is spent for the employment of people either as direct on-the-job labor or for labor employed in the production of materials and equipment.

Finally, Mr. President, I know of no public works program on which more detailed planning has been accomplished and which could be accelerated with as little delay as is the case with our highway program.

The State highway departments have reported to the Public Roads Subcommittee that if necessary funds are provided, contracts totaling an additional amount in excess of one and one-half billion dollars can be placed within calendar year 1958.

Mr. President, I hope the Public Works Committee and the Senate will act promptly on this matter.

SELF-EMPLOYED VOLUNTARY RETIREMENT PLAN—INDIVIDUAL INITIATIVE SECURITY

Mr. MALONE. Mr. President, I introduce, for appropriate reference, a bill to encourage the establishment of voluntary retirement plans by self-employed individuals.

The bill would allow self-employed persons a deduction for Federal income tax purposes for amounts set aside for their retirement, limited to 10 percent or $5,000 a year, whichever is lesser, of self-employment income. This will also encourage individual initiative in providing for their own retirement. Amounts set aside in excess of these limitations could be carried over and deducted in a later year.

Older age groups would be able to set aside a larger proportion of their earnings before taxes, so that they could build up adequate retirement reserves in a shorter time. Under this bill the tax will be deferred until the payment of the benefits, which will be taxable.

A deduction would be permitted for amounts paid into either a trust or custodian account established under the retirement plan for self-employed individuals, or a restricted retirement policy, which is either a new or existing life insurance or annuity contract.

The planned benefits would be taxed to the individual only when received by him—normally after he retired. A lump-sum distribution of his entire interest would get favored tax treatment if made to him after he reached 65 and after his contributions accumulated in the plan for at least 5 years, or if made after his death.

Mr. President, in view of the difference of treatment under the present retirement laws between self-employed individuals and employees, with regard to retirement and pension plans, and benefits thereunder, there exists today a great inequity to large groups of people.

Self-employed groups whether or not they are included in or excluded from social security should have the opportunity to come under a voluntary retirement plan system and receive the tax benefits which would inure under this bill. It will give 9.7 million people an opportunity to provide for their own retirement.

The difficulty of saving under the present high-income tax rates is apparent—when this is applied to the lower income bracket of self-employed persons, their ability to provide for their later years or that "rainy day" is next to impossible.

It should be recognized that employee pension plans were developed before the adoption of Federal income taxation and that they serve an important purpose quite apart from the tax advantage. This is apropos to the self-employed individual.

The following groups of people would have the opportunity to take advantage of this program: 3.3 million farm operators; three-tenths of a million ministers; one-tenth of a million physicians; 6 million additional persons including small-business men, lawyers, architects, engineers, dentists, and so forth.

I am opposed to socialized medicine and Government interference in the education of engineers and scientists.

As of September 1957 we had 66.5 million persons in paid employment in the United States and the self-employed group represents approximately 10 million persons or about one-sixth of our working population. When you realize that about one out of six working people are not given the opportunity to make adequate provision for their retirement it is apparent that this legislation is needed.

I ask unanimous consent that the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3415) to encourage the establishment of voluntary pension plans by self-employed individuals, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Self-Employed Individuals Retirement Act of 1958."

SEC. 2. Deduction of amounts paid as retirement deposits.

(a) Part I of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to the definition of gross income, adjusted gross income, and taxable income) is hereby amended by adding to section 62 the following new paragraph:

"(7) Deduction of amounts paid as retirement deposits: The deduction allowed by section 217."

(b) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is hereby amended by redesignating section 217 as section 218 and by inserting after section 216 the following new section:

"SEC. 217. Amounts paid as retirement deposits.

"(a) General rule: In the case of a self-employed individual, there shall be allowed as a deduction the amount paid by him within the taxable year as a retirement deposit, but not in excess of the amount computed under the provisions of subsections (b), (c), and (d) of this section. Amounts paid by a self-employed individual as a retirement deposit within 4½ months after the close of a taxable year may, at the election of the taxpayer (made under regulations prescribed by the Secretary or his delegate), be treated as having been paid on the last day of the taxable year.

"(b) Limitations: Except as provided in subsections (c) and (d), the total amount deductible under subsection (a) by any self-employed individual for any taxable year shall not exceed $5,000 or 10 percent of his net earnings from self-employment (as defined in subsection (i)), whichever is the lesser. The aggregate amounts deductible under subsection (a) for all taxable years during a self-employed individual's lifetime shall not exceed an amount equal to 20 times the maximum annual deduction allowable if the foregoing limitation expressed in terms of dollars were the only annual limitation.

"(c) Special rule: In the case of any self-employed individual who reached his 50th birthday before January 1, 1958, the annual limit on the amount deductible by him under subsection (a) shall be increased over that provided in the first sentence of subsection (b) by one-tenth for each full year of his age in excess of 50 and not in excess of 70, determined as of January 1, 1958. The increased deduction under this subsection shall not apply to taxable years of a self-employed individual after the taxable year in which he reaches age 70.

"(d) Unused deduction adjustment—

"(1) Allowance: The limit on the amount annually deductible under subsection (a) as determined under subsection (b) or (c), as the case may be, shall be increased in the case of a self-employed individual having an unused deduction by an amount equal to the excess, if any, of $5,000 over the amount deductible under subsection (a) without reference to this subsection, but not in excess of the taxpayer's unused deduction adjustment.

"(2) Computation: The unused deduction adjustments for any taxable year shall be the aggregate of the unused deduction carryovers.

"(3) Definition of unused deduction: For purposes of this subsection, the term 'unused deduction' means the excess, if any, of (A) the amount which, if paid as a retirement deposit, could be deducted under subsection (a) by a self-employed individual during the taxable year, over (B) the amount so paid or treated as having been paid during such year.

"(4) Amount of carryover: If for any taxable year beginning after December 31, 1957, a self-employed individual has an unused deduction, such unused deduction shall

be an unused deduction carryover for each of the succeeding 5 taxable years. The entire amount of the unused deduction carryover for any taxable year shall be carried to the first succeeding taxable year. There shall be carried to each of the other 4 succeeding taxable years only so much of such unused deduction carryover as was not availed of as a deduction in 1 or more of the prior taxable years to which such unused deduction carryover may be carried.

"(e) Definition of self-employed individual: The term 'self-employed individual' as used in this section and in sections 78, 79, 405, 6047, and 6048 means any individual who is subject to tax for the taxable year under section 1401 (imposing a tax on self-employment income), or who would be subject to such tax for the taxable year but for paragraph (4) (relating to ministers of a church and members of a religious order) or paragraph (5) (relating to physicians, etc.) of section 1402 (c). Notwithstanding the foregoing, such term shall not include an individual otherwise meeting the definition of a self-employed individual who during the taxable year receives a payment under, or in respect of whom during the taxable year a contribution is made or treated as having been made under, or who during the taxable year or any prior taxable year received a distribution of his interest in, (A) a pension, profit sharing or stock bonus plan of an employer qualifying under section 401 (a), or under section 165 (a) of the Internal Revenue Code of 1939, or (B) a pension plan set up by the United States or any agency or Territory thereof, the District of Columbia, any State or political subdivision or instrumentality thereof, or any organization described in subsection (c) (3) of section 501.

"(f) Definition of retirement deposit: As used in this chapter the term 'retirement deposit' means a payment in money to a restricted retirement fund described in section 405 (a), or to a life insurance company (as defined in section 801) as premiums under a restricted retirement policy. In the case of retirement deposits paid as premiums under a restricted retirement policy, if the policy provides for life-insurance protection, that portion of such premiums which (under regulations prescribed by the Secretary or his delegate) is properly allocable to the cost of such life-insurance protection shall not be deductible under this section.

"(g) Definition of restricted retirement fund: For definition of 'restricted retirement fund,' see section 405 (a).

"(h) Definition of restricted retirement policy: For purposes of this chapter, the term 'restricted retirement policy' means an annuity, endowment, or life-insurance contract, or combination thereof, other than a term insurance contract, issued by a life-insurance company on the life of an individual who during the taxable year is a self-employed individual—

"(1) in which such self-employed individual has complete ownership and with respect to which such self-employed individual, in such form and manner as may be prescribed by the Secretary or his delegate, has notified the insurance company of his intention to deduct premiums from gross income pursuant to and subject to the limitations of section 217 and has had an endorsement to that effect entered thereon as provided in section 6047, and

"(2) which provides that it shall be nonassignable except as to the right of the insured (A) to designate one or more beneficiaries to receive the proceeds in the event of his death, or (B) to designate a joint, survivor, or joint and survivor annuitant effective upon his reaching age 65.

"(i) Definition of net earnings from self-employment: For purposes of this section the term 'net earnings from self-employment' means the net earnings from self-employment as defined in section 1402 (a), but determined without regard to paragraphs (4) and (5) of section 1402 (c).

"(j) Cross references: For amounts includible in taxable income with respect to retirement deposits see sections 78 and 79."

(c) The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by striking out "Sec. 217. Cross references," and by inserting in lieu thereof the following:

"Sec. 217. Amounts paid as retirement deposits.

"Sec. 218. Cross references."

Sec. 3. Returns of life insurance companies and banks with respect to restricted retirement policies and funds.

(a) Part III of subchapter A of chapter 61 of subtitle F of the Internal Revenue Code of 1954 (relating to information returns) is hereby amended by adding at the end thereof the following new sections:

"Sec. 6047. Returns of life insurance companies with respect to restricted retirement policies.

"(a) Initial returns: Every life insurance company, upon receiving notification from a self-employed individual of his intention, with respect to any contract issued by said company, to deduct premiums paid as retirement deposits pursuant to section 217, shall within 60 days thereafter endorse on said contract the words 'Restricted Retirement Policy Pursuant to Section 217 of the Internal Revenue Code' and shall make a return in accordance with regulations prescribed by the Secretary or his delegate.

"(b) Further return: Thereafter, in the event that—

"(1) such a contract is surrendered for its cash value or assigned, or

"(2) a nonforfeiture option under such a contract (other than reduced paid-up insurance) becomes operative, or

"(3) any part of the cash value of such a contract is borrowed or advanced (other than borrowing or advance solely to pay a premium thereon, in an amount not in excess of 1 annual premium which is repaid in full within 12 months following the due date of such premium)

such company shall make a return in accordance with regulations prescribed by the Secretary or his delegate.

"(c) Exception: The return provided for under subsection (b) shall not be required in the case of exercise by a self-employed individual of any cash, loan, or nonforfeiture value to the extent it had accrued on such contract prior to the time it became a restricted retirement policy as defined in section 217 (h).

"Sec. 6048. Returns of banks with respect to restricted retirement funds.

"Every bank which becomes a trustee or custodian of a restricted retirement fund created pursuant to section 217 shall file such returns, in such form and at such times, as may be prescribed under regulations promulgated by the Secretary or his delegate."

(b) The table of sections for subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following:

"Sec. 6047. Returns by life insurance companies with respect to restricted retirement policies.

"Sec. 6048. Returns by banks with respect to restricted retirement funds."

Sec. 4. Restricted retirement funds.

(a) Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to pension, profit-sharing, stock bonus plans, etc.) is hereby amended by adding at the end thereof the following new section:

"Sec. 405. Restricted retirement funds.

"(a) For purposes of this chapter, the term 'restricted retirement fund' means a trust or custodian account established under a retirement plan for self-employed individuals. For the purposes of this section, the term 'retirement plan' means either a trust instrument creating a trust or a written agreement creating a custodian account for the exclusive benefit of the participating self-employed individual or individuals who are members of the plan for the purpose of investing and reinvesting, and of distributing to the respective members prior to the date they have reached age 72, or to their beneficiaries (which term, whenever used in this section, includes the estate of the individual), the corpus, profits, and earnings of the trust or the assets of the custodian account, if under the plan—

"(1) The interest of a member is nonassignable, except that he may have the right—

"(A) to designate one or more beneficiaries to succeed to any interest in the trust or custodian account to which he may be entitled at his death;

"(B) in the case of a trust if the plan so provides, to direct the trustees to transfer his interest to a custodian account or to another trust to be designated by him which is established pursuant to a retirement plan for self-employed individuals; and

"(C) in the case of a custodian account if the plan so provides, to direct the custodian to transfer his interest to a trust or to another custodian account to be designated by him which is established pursuant to a retirement plan for self-employed individuals.

"(2) The trustee or custodian is a bank (as defined in section 581).

"(3) In the case of a trust or custodian account—

"(A) the trustee or custodian is authorized and directed under the trust instrument or agreement creating the custodian account to invest and reinvest the assets of the trust or account only in stock or securities listed on a recognized exchange (other than stock or securities in a corporation in which a member of the plan owns (including ownership attributed under section 318 (a) (1)) more than 10 percent of the voting stock), bonds or other evidence of indebtedness issued by the United States, any State, Territory, or the District of Columbia or instrumentalities of any of the foregoing, and stock in a regulated investment company meeting the requirements of section 851;

"(B) is prevented under the trust instrument or agreement creating the custodian account from applying amounts paid into the fund as premiums on a restricted retirement policy containing insurance protection unless the insured pays so much of said premiums as is attributable to such insurance protection; and

"(C) is directed under the trust instrument or agreement creating the custodian account not to exercise any right to extended paid-up term insurance.

"(b) For the purposes of this chapter and of subtitle F (relating to procedures and information) a custodian account meeting the requirements of this section shall be treated as if it were an organization separate and apart from the member or members participating in the retirement plan under which it is established, and the income of the fund held in such custodian account shall be treated in accordance with the provisions of section 501 and shall not be included in the income of such member or members or their beneficiaries except to the extent and in the manner provided in sections 78 and 79.

"(c) The trustee or custodian shall be empowered to return any amount paid to the

fund by a member in excess of the amount deductible under subsections (b), (c), and (d) of section 217 on satisfactory proof that it is in excess of such deductible amount."

(b) Subsection (a) of section 501 of the Internal Revenue Code of 1954 (relating to exemption from tax of certain organizations) is hereby amended to read as follows:

"(a) Exemption from taxation: An organization described in subsection (c) or (d) or in section 401 (a) or section 405 (a), shall be exempt from taxation under this subtitle unless such exemption is denied under section 502 or 503."

(c) The provisions of section 503 shall be applicable to a restricted retirement fund in the same manner that they are applicable in the case of a trust described in section 401 (a).

(d) Subsection (a) (2) of section 511 of the Internal Revenue Code of 1954 (imposing a tax on the unrelated business income of certain organizations) is hereby amended to read as follows:

"(2) Organzations subject to tax—

"(A) Organizations described in section 501 (C) (2), (3), (5), and (6) and sections 401 (A) and 405 (A): The taxes imposed by paragraph (1) shall apply in the case of any organization (other than a church, convention, or association of churches, or a trust described in subsection (b)) which is exempt, except as provided in this part, from taxation under this subtitle by reason of section 401 (a), section 405 (a), or of paragraph (3), (5), or (6) of section 501 (c). Such taxes shall also apply in the case of a corporation described in section 501 (c) (2) if the income is payable to an organization which itself is subject to the taxes imposed by paragraph (1) or to a church or to a convention or association of churches."

(e) The table of sections for part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following:

"SECTION 405. Restricted retirement funds."

SEC. 5 Distribution from restricted retirement funds and under restricted retirement policies.

(a) Part II of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is hereby amended by adding at the end thereof the following two new sections:

"SEC. 78. Distributions from a restricted retirement fund.

"(a) Inclusion in gross income: Amounts of money and the fair market value of property distributed to a self-employed individual or his beneficiary or beneficiaries from a restricted retirement fund (as defined in section 405 (a)) shall be includible in the recipient's gross income for the taxable year in which received. Notwithstanding the provisions of section 63 (relating to the definition of taxable income), the taxable income of the recipient for such year (and for any year included in the computation under subsection (b) of this section) for the purposes of sections 1 and 3 shall be deemed to be not less than (i) the amount so distributed to him plus (ii) any amount includible in his gross income for the taxable year under section 79 (a), minus the amount of any deductions allowed by section 151 (relating to deductions for personal exemptions).

"(b) Minimum and maximum tax on certain distributions: In the case of distributions made to a self-employed individual prior to his reaching age 65, the tax attributable to the amount included in gross income under subsection (a) shall be 110 percent of the aggregate amount of the taxes which would have been payable had such amount been included in such self-employed individual's gross income ratably over the taxable year and the 4 taxable years immediately preceding (or such lesser number of immediately preceding taxable years in which retirement deposits were made or treated as having been made by him under section 217).

"(c) Lump sum distributions, etc.: If within one taxable year the entire interest of a self-employed individual in all restricted retirement funds in which he is a participant—

"(1) is distributed to him after he has reached age 65 and after having been accumulated during at least 5 taxable years (whether or not consecutive), there having been no prior distributions to him, or

"(2) is distributed to his estate or other beneficiary or beneficiaries after his death, the tax attributable thereto in the year of distribution shall not be greater than five times the increase in tax resulting from the inclusion in the gross income of the distributee of 20 percent of such distribution.

"(d) Annuity, endowment, or life insurance contracts: Annuity, endowment or life insurance contracts distributed to a self-employed individual or his beneficiary shall not be taxed under this section but shall be taxed as provided in section 79."

"SEC. 79. Distributions under a restricted retirement policy.

"(a) Taxability of individual or beneficiary: Amounts paid to a self-employed individual or his beneficiary or beneficiaries under a restricted retirement policy (other than on account of the death of the insured) shall be taxable under section 72 (relating to annuities) in the year in which so paid, except that section 72 (e) (3) shall not apply. Notwithstanding the provisions of section 63 (relating to the definition of taxable income), the taxable income of the recipient for such year (and for any year included in the computation under subsection (d) of this section) for the purposes of sections 1 and 3 shall be deemed to be not less than (i) the amount so paid to him plus (ii) any amount includible in his gross income for the taxable year under section 78 (a), minus the amount of any deductions allowed by section 151 (relating to deductions for personal exemptions). In computing, for the purposes of section 72 (c) (1) (A), the aggregate amount of premiums or other consideration paid for the policy, and for the purposes of section 72 (e) (1), the aggregate premiums or other consideration paid, only such amounts as were not deductible under section 217 shall be included.

"(b) Amounts paid by reason of the death of the insured: In the case of amounts paid or made available to a beneficiary (which term as used herein shall include the estate of the insured) under a restricted retirement policy by reason of the death of the insured, such amounts, less that part thereof which, under regulations prescribed by the Secretary or his delegate, is attributable to premiums paid to a life insurance company under the contract which are not deductible under section 217, shall (notwithstanding any other provision of this chapter) be includible in gross income of the beneficiary in the year in which so paid or made available.

"(c) Borrowing, etc.: If in any taxable year any part of the cash value of the restricted retirement policy is borrowed by or advanced to the insured (other than a borrowing or advance solely to pay a premium thereon in an amount not in excess of one annual premium, which borrowing or advance is repaid in full within 12 months following the due date of such premium) the amount so borrowed or advanced shall, for the purpose of this section, be deemed to have been paid to the insured in such year. If in any taxable year a nonforfeiture option (other than to receive reduced paid-up insurance) becomes operative as to any restricted retirement policy an amount equal to the cash surrender value of such policy shall be treated as having been paid to the insured in such year. The provisions of this subsection shall not apply in the case of exercise by the insured of rights with respect to any cash, loan, or nonforfeiture value solely to the extent that it had accrued under any such policy prior to the time it became a restricted retirement policy within the meaning of section 217 (h).

"(d) Minimum and maximum tax on certain distributions: In the case of an amount paid or deemed under subsection (c) to have been paid to a self-employed individual under a restricted retirement policy prior to his reaching age 65, the tax attributable to the amount included in his gross income under this section shall be 110 percent of the aggregate amount of the taxes which would have been payable had the amount so paid or treated as having been paid been included in the insured's gross income ratably over the taxable year and the 4 taxable years immediately preceding (or such lesser number of immediately preceding taxable years in which retirement deposits were made or treated as having been made by him under section 217).

"(e) Lump sum distributions, etc.: If within 1 taxable year the entire interest of the insured under all restricted retirement policies in which he is the insured—

"(1) is paid to him after he has reached age 65 and after such policy has been in force for at least 5 years, there having been no prior distributions to him thereunder, or

"(2) is paid to his estate or other beneficiary or beneficiaries after his death,

the tax attributable thereto in the year so paid shall not be greater than five times the increase in tax resulting from the inclusion in the gross income of the recipient of 20 percent of such payment."

(b) The table of sections for part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following:

"SEC. 78. Distributions from a restricted retirement fund.

"SEC. 79. Distributions under a restricted retirement policy."

SEC. 6. Treatment of amounts received by a surviving spouse or other beneficiary under a restricted retirement fund or restricted retirement policy.

Section 691 of the Internal Revenue Code of 1954 (relating to recipients of income in respect of decedents) is hereby amended by redesignating subsection (e) as subsection (f) and by adding after subsection (d) the following new subsection:

"(e) Distributions to a surviving spouse or other beneficiary of a participant in a restricted retirement fund, etc.: For purposes of this section, distributions to a beneficiary of a member of a restricted retirement fund (as defined in section 405 (a)), or to a surviving annuitant or distributee under a restricted retirement policy (as defined in section 217 (h)), shall be deemed to be an item of gross income in respect of a decedent which is not properly includible in respect of the taxable period in which falls the date of his death or a prior period, within the meaning of this section."

SEC. 7. Taxable years to which applicable.

The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1957.

THE INFORMATIONAL MEDIUMS GUARANTY PROGRAM

Mr. MANSFIELD. Mr. President, on February 19, 1958, the Director of the United States Information Agency addressed to the Vice President a letter

transmitting a draft of proposed legislation relating to the informational media guaranty program.

The proposed legislation would amend section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, to authorize annual appropriations to restore in whole or in part any realized impairment to the capital fund used in carrying on the program of making informational media guaranties in the interest of the United States.

Mr. President, the proposed legislation carries out one of the recommendations made by the Subcommittee on Department of State Organization and Public Affairs of the Committee on Foreign Relations and contained in Senate Report No. 1178, January 16, 1958, entitled "Informational Mediums Guaranty Program."

As chairman of that subcommittee, I introduce, by request, the bill transmitted to the Senate, so it may be appropriately referred. I have changed the form of the executive branch draft only so as to make the proposed change in law by way of an amendment to the Mutual Security Act of 1954, as amended. This legislative vehicle has been used a number of times before for this purpose. The method is appropriate now because the Committee on Foreign Relations has before it the fiscal year 1959 amendments to the Mutual Security Act and will begin hearings during the week of March 17.

I ask unanimous consent that the bill, together with the letter and explanation from the Director of the United States Information Agency to the Vice President, be printed in the RECORD at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 3417) to amend the Mutual Security Act of 1954, as amended, in order to promote the overseas distribution of American informational mediums introduced by Mr. MANSFIELD, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 544 of the Mutual Security Act of 1954, as amended, is amended by inserting at the end thereof the following new subsection:

"(d) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, is further amended by adding the following new subsection at the end thereof:

"'(h) (1) There is authorized to be appropriated annually an amount to restore in whole or in part any realized impairment to the capital used in carrying on the authority to make informational media guaranties, as provided in subsection (c), through the end of the last completed fiscal year.

"'(2) Such impairment shall consist of the amount by which the losses incurred and interest accrued on notes exceed the revenue earned and any previous appropriations made for the restoration of impairment. Losses shall include the dollar losses on foreign currencies sold, and the dollar cost of foreign currencies which (a) the Secretary of the Treasury, after consultation with the Director, has determined to be unavailable for, or in excess of, requirements of the United States, or (b) have been transferred to other accounts without reimbursement to the special account.

"'(3) Dollars appropriated pursuant to this section shall be applied to the payment of interest and in satisfaction of notes issued or assumed hereunder, and to the extent of such application to the principal of the notes, the Director is authorized to issue notes to the Secretary of the Treasury which will bear interest at a rate to be determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the guaranties. The currencies determined to be unavailable for, or in excess of, requirements of the United States as provided above shall be transferred to the Secretary of the Treasury to be held until disposed of, and any dollar proceeds realized from such disposition shall be deposited in miscellaneous receipts.'"

The letter and explanation presented by Mr. MANSFIELD are as follows:

UNITED STATES INFORMATION AGENCY,
OFFICE OF THE DIRECTOR,
February 19, 1958.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: I have the honor to transmit a draft of proposed legislation relating to the informational media guaranty program authorized by section 1011 of the United States Information and Educational Exchange Act of 1948, as amended. The informational media guaranty program promotes the flow of American motion pictures, books, periodicals, and other informational materials, through normal commercial channels to foreign countries having a shortage of dollars, by guaranteeing the conversion into dollars of foreign currencies received by American exporters from the sale of such materials. Since the inception of the program in 1948 to June 30, 1957, contracts of guaranty totaling about $51.6 million were issued, resulting in the sale abroad of more than $30 million in American materials. Within the next fiscal year, however, the Agency will reach the ceiling imposed on the issuance of guaranties under the present legislation and be unable to continue the program.

The proposed legislation amends section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, to provide for annual appropriations to restore any realized impairment to the informational media guaranty fund through the last completed fiscal year.

The proposed legislation will permit the continuation of the program on the basis of annual appropriations, and will, for the first time, assure regular review and direction of the program by the Appropriations Committees and by the Congress.

A detailed explanation of the provisions of the proposed bill is enclosed. The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill to the Congress for its consideration.

Sincerely yours,

GEORGE V. ALLEN,
Director.

EXPLANATION OF PROPOSED LEGISLATION

The proposed legislation amends section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, which is concerned with the informational media guaranty program (IMG). The proposal would add a new subsection (h) to section 1011 of the above act which would authorize annual appropriations to restore realized impairment to the capital of the fund.

The IMG program is presently financed with public debt funds borrowed from the Treasury. Section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, established $200 million in borrowing authority for financing the investment guaranty program (now administered by the International Cooperation Administration of the Department of State) and the IMG program. Section 1011 of the United States Information and Educational Exchange Act, as amended, authorized the Director of the United States Information Agency to assume the obligation of not to exceed $28 million of the notes issued pursuant to section 111 (c) (2).

At the time the $28 million in notes was assumed in 1956, $8,562,389.33 had already been borrowed on the notes to finance the operation of the program from its inception in 1948. There was a remaining balance under the notes of $19,437,610.67, which had not been drawn from the Treasury Department. Section 1011 authorizes the use of this balance to finance future IMG guaranties on a revolving fund basis subject to the limitations of subsection (c) thereof under which the total IMG guaranties outstanding at any one time cannot exceed the sum of the face amount of the notes assumed by the Director and the dollar amount in the special account established by section 1011 (b), less the amounts previously advanced on the notes by the Secretary of the Treasury. At June 30, 1956, when the separation of accounts prescribed by section 1011 (g) was accomplished, the IMG account under this formula was as follows:

Face amount of notes assumed	$28,000,000.00
Less: Previous advances on notes	8,562,389.33
Unadvanced balance on notes	19,437,610.67
Plus cash in the special account	36,664.79
Total guaranty authority	19,474,275.46
Less: Guaranties outstanding	8,623,423.44
Less: Amount owed ICA for industrial guaranty fees	1,611,521.50
Net remaining authority to issue new guaranties	9,239,330.52

As was testified in House and Senate hearings on the Mutual Security Act of 1956 (which included amendments to section 1011 of the United States Information and Educational Exchange Act of 1948), the June 30, 1956, balance of the authority to issue new guaranties was expected to permit operation of the IMG program for 2 or 3 years. Due to the revolving fund feature a program of $10,576,963 was carried out in fiscal year 1957 and a program of $11,472,000 is estimated for fiscal year 1958. On the basis of past experience, the remaining authority at the end of the fiscal year 1958 will not be adequate to finance the program through fiscal year 1959.

The proposed legislation would in effect continue the IMG program on its present revolving fund basis. Appropriations authorized by the proposed legislation would be transferred to the Secretary of the Treasury in payment of interest and principal of notes assumed by the Director which were used to finance prior IMG operations. To the extent of the principal amount repaid, the Director would be authorized to issue new notes to finance IMG guaranties. New notes would be issued and advances requested by USIA from the Secretary of the Treasury only when required to replenish the IMG revolving fund.

In many respects the informational media guaranty program may be compared with

other United States foreign aid programs where, in the national interest, economic, military or other assistance is provided at a dollar cost to the United States Government and an accumulation of foreign currencies results. In testimony before a subcommittee of the Committee on Foreign Relations of the United States Senate on October 7, 1957, and in response to questions raised by the committee seven witnesses representing a wide cross section of the United States mass media industry and the American Library Association stated in general that in their judgment the IMG program ranks, in importance to the United States, equal to or higher than any other foreign aid program and that dollar for dollar the IMG program returns the greatest dividends to the United States. The success of the IMG program is also evidenced by the interest shown by the British Government in establishing a British equivalent of IMG and by the reaction of the Soviets in areas where IMG has driven Communist materials out of the local market.

The purpose of the IMG program is to make it possible for American exporters to sell their books, periodicals, films, and other informational media in countries where the shortage of United States dollar exchange has drastically curtailed, if not entirely eliminated, the import of such commodities.

Essentially the IMG program makes possible commercial sales by private United States exporters to foreign importers directly through private commercial channels here and abroad. United States exporters sell their informational materials at the same prices and discounts applicable to similar sales in countries where no IMG program is operating. They receive foreign currencies in payment for their sales and currencies which they are unable to convert to dollars through normal channels and which exceed their requirements for expenses in the foreign country are turned over to the United States Treasury in exchange for dollar payments from the IMG fund.

Under the revolving fund basis authorized for the IMG program, the foreign currencies so acquired are, for the most part, sold for dollars to United States Government agencies which need foreign currencies to meet their expenses within the IMG countries. The dollars received from such sales are deposited in the IMG fund and are then available to finance additional guaranties.

The economic factors which necessitate initiation of an IMG program in a country (to make possible a continued flow of United States informational materials through commercial channels) are such that some losses on foreign exchange transactions are inevitable. From inception of the program to June 30, 1957, contracts of guaranty totaling about $51.6 million were issued and dollar payments of approximately $30.6 million were made in exchange for foreign currency. The realized impairment to the capital of the IMG program over this period as defined in the proposed legislation is estimated at $12,551,006. It should be noted, however, that this figure includes foreign currency balances costing $9,906,416, which will be turned over to the Treasury on appropriation of dollars under this section. These currencies have a value of $5,552,027.

Loss situations which impair the IMG capital are:

1. More dollars are paid for foreign currencies than are received from United States Government agencies which purchase them from the Treasury. This may happen due to two principal causes:

(a) A change in the official exchange rate between the time foreign currency is received by the Treasury and the time it is sold.

(b) Some of the IMG countries operate on a multiple exchange rate basis. That is, there are different exchange rates for different types of commodity imports. In these countries, losses occur because the dollar cost of foreign currency received under IMG is greater than the dollar amount received from their sale to other Government agencies. In such a circumstance, 100,000 units of a foreign currency bought by IMG from an exporter for $100,000 may be sold by the Treasury to a United States Government agency for $50,000 with a consequent loss to the IMG program of $50,000.

2. Interest on notes for funds borrowed from the Secretary of the Treasury.

3. Foreign currencies acquired which cannot be sold for dollars. This condition may arise because:

(a) United States holdings of the country's currency exceeds the known requirements for the foreseeable future and opportunity for sale of IMG generated currencies is negligible or nonexistent; or

(b) The bilateral IMG agreements with certain countries (at present Israel, Indonesia, Pakistan, and the Philippines) limit, in whole or in part, the use of the IMG generated currencies to scientific, educational, and cultural activities, and, except for the Indonesian agreement, for such other purposes as are mutually agreed to. In recognition of this requirement, the Congress has authorized appropriations for the above purposes so that the IMG currencies blocked by the restrictive provision can be used for purposes in the national interest. However, unless a country agrees to release all or a portion of such currencies for general United States expenditures, or an appropriation is made permitting the use of such currencies for the limited purposes provided in the agreement, the IMG capital is impaired in an amount equal to the dollar cost of the currencies remaining under the restrictive provisions.

4. Congressional authorization for use of IMG foreign currencies for special purposes without reimbursement to the IMG special fund.

Under the proposed legislation, the above interest and losses, to the extent they exceed credits to the fund, would be considered realized impairments to the capital of the IMG program and appropriations would be authorized in the amount of such impairment through the end of the last completed fiscal year.

Credits to the fund consist of amounts resulting from the sale of foreign currencies, in excess of their dollar cost, fees charged for guaranty contracts, dollars derived from interest accrued on foreign currencies converted under the program and deposited in foreign banks, and appropriations heretofore made to the fund. Appropriations to the fund will be in a net amount.

In its Report No. 1178 of January 16, 1958, on the IMG program, the Senate Committee on Foreign Relations urged the continuation of the program as being beneficial far out of proportion to its cost. The report also endorsed the concepts embodied in this proposed legislation.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT

Mr. THYE. Mr. President, I introduce for appropriate reference, a bill to amend title II of the Social Security Act to eliminate certain coverage requirements upon which eligibility for disability insurance benefits or the disability "freeze" thereunder is conditioned.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3419) to amend title II of the Social Security Act to eliminate certain coverage requirements upon which eligibility for disability insurance benefits or the disability "freeze" thereunder is conditioned, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. THYE. Mr. President, the present social security law requires that a person must be fully and currently insured to receive disability benefits. This entails, first, 6 quarters of coverage out of the last 13 quarters, and second, 20 quarters out of the last 40 quarters. My bill, if enacted, would remove the second limitation. Perhaps it is easier to explain the effect through an example.

Originally, the social security program did not provide coverage for the occupations now covered as added through amendments of recent years. Persons who were under the program for a number of years but then entered an occupation not covered lost their disability benefits under the present limitations. Over the years, practically all occupations have been added to the system. Thus, persons who were originally covered, but who entered noncovered positions, have been added to the social security rolls by amendment of the law. Now, persons who can meet the 6 quarters of the last 13 quarters provision are prohibited from disability benefits, even though they were covered when legislation permitted coverage, by the limitation requiring 20 quarters coverage out of the last 40. This is an unjust situation that should be corrected by law. This bill permits persons who are fully and currently insured to receive disability benefits without meeting the additional requirement of 20 quarter coverage out of the last 40.

The Chief Actuary of the Social Security Administration estimates that this bill would increase the level-premium cost of the system, according to the intermediate-cost estimate, by about 0.05 percent of payroll, which expressed in dollar figures would be an average long-range cost of about $125 million a year.

I am very hopeful that this proposal can be passed by the Congress this year.

ALLEVIATION OF UNEMPLOYMENT IN CERTAIN AREAS—AMENDMENT

Mr. LANGER submitted an amendment, intended to be proposed by him, to the bill (S. 964) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, which was referred to the Committee on Banking and Currency, and ordered to be printed.

PROCEDURES IN ELECTIONS OF OFFICERS OF LABOR ORGANIZATIONS—AMENDMENTS

Mr. MUNDT. Mr. President, I submit for appropriate reference a proposed amendment to the bill (S. 3045) to strengthen democratic processes and procedures in elections of officers of labor organizations, and for other purposes.

S. 3045 is one of 5 bills which I introduced a few weeks ago which, together,

I refer to as a new American bill of rights for American union labor. Each of these bills tends to dignify the importance of the average dues-paying member, or rank and file member of a union. Each should protect his political independence, his autonomy, or the money which he in turn turns over to union officials.

This particular amendment, Mr. President, deals with the very difficult and controversial subject of how best to obtain democratic principles and policies in a labor union. We have had some labor union leaders who have stated very honestly, candidly, and I think correctly, that they have difficulty in getting enough members of their union to a meeting, so that even when they try to have a democratic decision it is difficult to make.

As to the important matter of whether to call a strike, it seems to me there are two elements which are highly essential. One is that there should be a secret vote, and the other is that the secret vote should be counted objectively by an independent group.

My amendment provides that any strike ballot shall be conducted by an election committee which shall consist of one member selected by the labor organization, one member selected by the employer, and a third member selected by such members. If the employer should fail to select a member within 5 days after having been requested to do so by the union organization, such member would be selected by the National Labor Relations Board.

If the member selected by the employer or by the Board and the member selected by the labor organization are not able to agree within 5 days upon the selection of a third member, the third member would be selected by the National Labor Relations Board.

Section (b) provides that the election committee shall prepare and distribute ballots by first-class mail to all employees, and that the ballots shall be mailed back in identified envelopes to a selected post office box available only to the neutral counting committee.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in my remarks.

The VICE PRESIDENT. The amendments will be received, appropriately referred, printed, and printed in the RECORD.

The amendments were referred to the Committee on Labor and Public Welfare, as follows:

On page 3, insert the word "and" after the semicolon in line 5, and between lines 5 and 6 insert the following:

"(4) provide that strike ballots shall be taken only under the following conditions and in the following manner:

"(A) No strike ballot shall be taken until there shall have elapsed (i) a period of 20 days during which the labor organization shall have made all reasonable efforts to settle the dispute by means of collective bargaining, and (ii) an additional period of 20 days to enable the parties to the dispute to explain fully their respective positions to the employees involved in the dispute and to the public;

"(B) Any such strike ballot shall be conducted by an election committee consisting of one member selected by the labor organization, one member selected by the employer, and a third member selected by such members. If the employer fails to select a member within 5 days after having been requested by the labor organization in writing to do so, such member shall be selected by the National Labor Relations Board. If the member selected by the employer or the Board and the member selected by the labor organization are unable to agree within 5 days upon the selection of the third member, such third member shall be selected by the National Labor Relations Board;

"(C) The election committee shall promptly prepare and distribute ballots by first-class mail to all employees in the bargaining unit involved in the labor dispute with appropriate instructions and envelopes to enable such employees to execute and return the ballots, addressed to a designated post office box accessible only to the elections committee as a body, in such manner that the signature of the voter will appear on the outer envelope for the purpose of determining his eligibility in case of dispute;

"(D) The election committee shall process and count the ballots in such manner that the identity of the individual casting a particular ballot will be unknown to the committee or to any other person, and after the votes have been tabulated shall certify the results of the election to the parties to the dispute; and

"(E) If a majority of the employees voting in such election vote to authorize a strike, such strike may be ordered or authorized by the labor organization, but only after the expiration of a period of 20 days during which such labor organization shall have again made all reasonable efforts to settle the dispute by collective bargaining."

On page 2, line 23, strike out "and".

On page 3, line 21, strike out "and (3)" and insert "(3), and (4)".

Mr. MUNDT. I point out, Mr. President, that in studying this matter I have received a considerable amount of assistance and guidance from articles I have read which appeared in Partners magazines, and the suggestion which was initiated by Mr. Maurice R. Franks, the editor and publisher of Partners magazine, who has given much thought to labor problems and has worked out some of the suggestions on which I have contrived this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by Mr. Franks entitled "The Franks Plan on Union Strike Votes."

There being no objection, the plan was ordered to be printed in the RECORD, as follows:

THE FRANKS PLAN ON UNION STRIKE VOTES

(By Maurice R. Franks)

Last month in this place I presented what I believed to be a constructive suggestion for guaranteeing a secret ballot in the election of union officers and convention delegates at local level. That proposal, advanced in the interest of bringing a greater measure of democracy to the organization and administration of labor unions, should be a matter for internal union concern and voluntary remedial action, as a wholesome alternative to legislative determination.

This month, in continuing pursuit of truly representative unionism, I offer a further suggestion. In this instance, I approach a situation wherein more than the union and its members are concerned; one in which the employer and his entire enterprise are involved and in which the general public is likewise bound to be affected.

The problem I point to is one of strikes and the manner in which they are called by union leaders—sometimes with, often enough without, an authentic strike vote to support their action.

Here, I submit, it is important for all concerned to be assured: (1) That every intelligent and honorable step has been taken to avoid a work stoppage, and (2) that a strike, when it finally shuts down an enterprise, is a true reflection of the democratic will of its labor force and has been ordered by them only as a last resort.

The entire situation, I suggest, is one wherein the use of a dependable secret ballot is a matter of public interest. Certainly no decision as serious as strike action, considering the extent of its several impacts, can in all fairness be regarded solely as union business or be left solely to the discretion of union leaders, particularly as so many of them make of unionism little more than a private estate. For the protection of all parties concerned, the workers, their employer, and the general public—the firm tenets of our American sense of justice would surely seem to require that all reasonable means should be developed to make sure that strikes are called only as a result of certified democratic action and only after the very people to be directly affected by a work stoppage shall have been accorded every opportunity for calm deliberation.

In this case, then, the precautions taken to assure a reasonable period for study and sober reflection, to provide a dependable secret ballot and in all ways to validate an affirmative strike vote are matters to be prescribed by law—specifically, by amendments to the Taft-Hartley Act and other labor laws of State and Nation.

And here again, purely for the purpose of easy identification, I am labeling my proposal a part of the Franks plan aimed at making our unions the democratic institutions their charters intend them to be.

THE TIMING OF A STRIKE VOTE

First of all, I submit that the Taft-Hartley and other labor laws should be amended so as to specify, not only how and where but particularly when a strike vote shall be lawfully taken.

The present unhealthy practice in all too many cases is for a union to come to the bargaining table armed in advance with a strike vote. Now, whether this strike vote was taken by means of a genuine secret ballot (honestly counted) or not is beside the point. What is wrong with this situation, from the standpoint of true collective bargaining, is that the union's negotiating committee as it sits down with management does so with what it claims to be the final will of the employees, expressed and recorded before anything like final issues can be presented to them for decision. What the union committee, in fact, has in hand—and by no fair standard is entitled to hold—is a cudgel to wave over the heads of the management negotiators. In this instance, the union can sit there with the power to present its full schedule of demands on a take it or leave it basis, without giving management's schedule so much as a decent hearing. If this is collective bargaining, how one-sided can bargaining get?

A better name for the situation here could well be collective bludgeoning—certainly an unfair labor practice committed by organized labor itself. This frequent practice is an out-and-out perversion of the true principle of collective bargaining, for which the American labor movement has spent many years of lofty dedication and hard struggle to gain the legal right to exercise.

As a curb on this coercive technique, I suggest to the American people and their legislators that a law be passed making it illegal, with severe penalties attached, ever to take a strike vote until after the negotiators of labor and management have faithfully bargained for at least 20 days on the

schedules of demands initially exchanged and have reached a deadlock.

NEED FOR EXPLANATORY PERIOD

Should such an impasse arise at the end of 20 days of faithful bargaining, the opposing committees then admittedly being unable to get any further with each other, the law should then require a further 20-day period of mutual explanation. This explanatory period would enable both the union and the employer to communicate their last offers and their reasons for being unwilling to break the deadlock. It would enable each side to explain its position in full and, so to speak, to argue the case in public—by means of direct mail, newspaper advertisements, radio and television announcements, and the like. Both would be enabled, in line with their mutual right, to appeal to the minds of the particular labor force and to influence as they can the forthcoming strike vote.

Such a 20-day explanatory period would enable the employees—and this is of utmost importance—to learn and weigh in their minds the issues that led to a deadlock and to reach a responsible decision as to whether or not a strike would serve their own best long-term interests. Workers would have an opportunity to exchange views among themselves. Even more important, at home—in sober consultation with family members, each one of whom could be adversely affected by a protracted strike—the individual worker would be far better prepared to balance the advantages and disadvantages of strike action when finally called upon to vote for or against a work stoppage by means of a dependable secret ballot.

NEED FOR COOL-OFF PERIOD

The technique of a dependable secret ballot is vital to my entire plan, and this I shall outline in later paragraphs. But, first, I have another important suggestion to make—assuming that the strike vote, after all legal requisites have been met, turns out to be in the affirmative.

In such event, I firmly suggest a further 20-day period—one which would be devoted to resumed negotiations and general cooling off. During this second bargaining session management's negotiators would know for sure that their last offer was rejected by a majority of the labor force and that this time the union faces them with a valid strike vote to which a 20-day deadline is attached. Such knowledge could go far to cause management to relax its position and contribute to a strikeless settlement.

But in no case should a strike be legally allowed to take effect until after the 20-day cool off period has expired. This would be a total of 60 days after the beginning of negotiations—a time lapse comprised of a 20-day period of initial bargaining; a 20-day explanatory period, presuming an impasse; and a 20-day period of resumed bargaining, presuming an affirmative strike vote has been legally registered.

This system, linked by law to a dependable secret ballot, would do much, I am sure, to reduce the number of work stoppages throughout the economy. At least, strikes would be limited to disputes legitimately arising between employees and their employer, for the simple reason that all strike action instituted by a closed corporation of union leaders for the sole purpose of throwing their own weight around and putting on a show would automatically be eliminated. Even more important, production would proceed uninterruptedly and the labor force would continue at work throughout the entire 60-day period. Workers would "hit the bricks" only after every means of reaching a peaceful settlement had been exhausted—and then only as a result of majority choice.

A DEPENDABLE STRIKE VOTE

The need for a dependable secret ballot in the taking of a strike vote should be obvious to all who are familiar with current intra-union techniques of whipping up strike sentiment by means of union-boss propaganda, of conducting the balloting in an atmosphere of ballyhoo and union-hall mob hysteria in advance of negotiations, of leaving the administration and counting of ballots entirely in the hands of the union crowd. Balloting in such a circumstance and under such conditions could well be an out-and-out farce and represent the very opposite of the democratic action the situation rightfully calls for. Indeed, many a strike has been called that has left the very workers involved, in a state of utter bewilderment as to the true issues that brought it about.

To protect the workers, the employer, and the general public, all such shenanigans should be outlawed and a true secret ballot should be guaranteed. This desirable end, I suggest, could be achieved by requiring the following procedure:

1. Only in the event of deadlocked negotiations and only after the full explanatory period of 20 days has run, will the union be at liberty to order a strike vote.

2. In response to such an order, a three-member election committee would then be established—a committee consisting of a duly authorized representative of the union, a duly authorized representative of the employer and a duly authorized representative of the public. (The public member of this legally prescribed election committee could be a representative of the National Labor Relations Board, or perhaps an available citizen acceptable to both the union and management.)

3. It would be the function of this committee to send out blank ballots—by registered United States mail, return receipt requested—to all workers coming under the scope of the union contract.

4. Ballots would be returnable only to a designated post-office box, which would be accessible only to the election committee as a body.

5. Accompanying each blank ballot, as mailed to the homes of eligible voters, would be a simple instruction sheet outlining the mechanics of executing the ballot. Also enclosed would be two envelopes of different size and of different color.

6. The larger envelope—in color, for example, gray—would be addressed to the designated post-office box. On the back of this envelope would be space for the voter's original signature and home address. In case of dispute over the eligibility of any voter, the signature on the gray envelope could be checked by the election committee against the established records of the company, the union, or both.

7. The ballot, after execution as designated by the accompanying instruction sheet, would be enclosed in the smaller of the two envelopes (white, let's say, for the sake of further identification). This smaller, white envelope, providing no means whatever of identifying the voter, would then be sealed and mailed in the larger, gray envelope already addressed to the designated post-office box.

8. The election committee—as a body, and only as a body—would collect the mail from the designated post-office box and together, before opening any mailing envelope, would check the eligibility of each voter to cast a strike ballot. Then, one by one, as eligibility is established, the gray mailing envelopes would be opened and the smaller, white ballot envelopes—seals unbroken—would be removed and deposited in a large receptacle or ballot box. Upon completion of this total operation, the sealed ballot envelopes would be opened by the election committee as a body and the anonymous ballots counted.

9. The election committee, after double checking the tally, would certify the vote for or against a strike.

A DEPENDABLE SECRET BALLOT

This procedure would guarantee a fully secret ballot. It also would assure each worker that there would be no personal reprisal taken against him by either the union or the employer, as there would be no possible means for either one to determine how he voted before sealing his ballot in the plain white envelope.

The time of its casting—no sooner than 20 days after the deadlock in negotiations has been announced and after the full union-management explanatory period has run—would assure a cool-headed, judicious vote, rather than an emotional or propagandized or terrorized decision. It would be based on each worker's full knowledge of the arguments advanced by both the union and the employer and on his complete acquaintanceship with the last offer made by each.

Finally, the setting up of a balanced election committee to supervise the election and count the secret ballots would assure the union, the employer, and the public that an honest strike vote has been honestly taken and responsibly certified.

TOWARD GREATER UNION DEMOCRACY

Each and everyone of these effects supports the principle of true democracy in unions—as contrasted with ruthless manherding by an entrenched hierarchy of union leaders.

Representative unionism, it seems hardly necessary to argue, is a principle of vital importance to the American economy. The need for union reform along these lines is presently recognized by citizens in every walk of life—by the high-minded union leader no less than by the average employer and his average employee, whether organized or not. All of us, in one way or another, are urging and actively seeking a practical solution to the problem of hard-headed, tough-fisted dictatorship in the structure of organized labor—some practical means of giving the unions back to the workers who morally and financially own them—without destroying or in any way weakening the labor movement itself.

Well, the opportunity to do just that—both by internal union reform and by law brought to bear from without—lies within our immediate grasp. Only a workable mechanism is needed, and one such mechanism at least is blueprinted down to its last detail in the suggested Franks plan for a dependable secret ballot.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO IMPORT TAXES ON PETROLEUM AND PETROLEUM PRODUCTS—AMENDMENT

Mr. YARBOROUGH. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (S. 3363) to amend the Internal Revenue Code of 1954 so as to increase the import taxes on petroleum and petroleum products, which was originally introduced by me on February 26, 1958. I ask unanimous consent that the amendment be appropriately referred, and printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, appropriately referred, printed, and printed in the RECORD, as requested by the Senator from Texas.

The amendment was referred to the Committee on Finance, as follows:

At the end of the bill, add the following:

"SEC. 3. The amendments made by this act shall not apply to (1) crude petroleum imported into the United States from any

country having a contiguous land boundary with the United States which is produced from wells located in any country having a contiguous land boundary with the United States, or (2) fuel oil, gas oil, and other liquid derivatives of crude petroleum, gasoline or other motor fuel, or lubricating oil, imported into the United States from any country having a contiguous land boundary with the United States which is derived from crude petroleum produced from wells located in any country having a contiguous land boundary with the United States, and which is refined in any country having a contiguous land boundary with the United States."

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. MARTIN of Pennsylvania submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

SECOND SUPPLEMENTAL APPROPRIATIONS BILL—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. CARROLL) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to lie on the table and to be printed.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958—NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. THYE. Mr. President, today the Senate Committee on Agriculture and Forestry voted to report a joint resolution to hold dairy supports at the present level until April 1 of next year. The vote in the Committee on Agriculture and Forestry to take such action was firm and strong. It bespeaks the attitude of that committee. However, we must act before April 1. The joint resolution must be passed by the Senate. Likewise, it being a joint resolution, it will have to be acted on by the House of Representatives, and then signed by the President. All such action would have to be accomplished before April 1. If such action failed, and later the joint resolution was enacted, there would be nothing but chaos in the dairy industry, due to the fact that there would be a period of time during which there would be reduced supports, and corporations as well as private operators would be affected.

For that reason, and knowing the attitude of the Senate Committee on Agriculture and Forestry, knowing the attitude of dairymen not only in Minnesota, but in the eastern Dakotas, northern Iowa, Wisconsin, and Michigan, I am compelled to make a motion to suspend the rules. I submit the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, the following amendment, namely: On page 5, between lines 13 and 14, insert the following:

"PRICE SUPPORTS FOR DAIRY PRODUCTS

"Notwithstanding the provisions of any other law, the price supports for whole milk, butterfat, and the products of such commodities for the marketing year beginning April 1, 1958, shall be not less than the price support made available for such commodities for the marketing year beginning April 1, 1957."

Mr. THYE also submitted an amendment, intended to be proposed by him to House bill 10881, making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

The VICE PRESIDENT. The notice will be received, printed, and lie on the table.

Mr. SPARKMAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing (for myself and Mr. HILL) an amendment to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, as follows:

At the proper place insert the following: "That section 207 (b) (1) of the Small Business Act of 1953 is amended by inserting "(A)" immediately after "to be necessary or appropriate," and by inserting before the first colon a comma and the following: "and (B) to any small-business concern if the administration determines that the small-business concern has suffered a substantial economic injury as a result of programs administered by the Secretary of Agriculture under the provisions of the Soil Bank Act."

"SEC. 2. Section 204 (b) of the Small Business Act of 1953 is amended—

"(1) By striking out '$455,000,000' wherever it appears and inserting in lieu thereof '$505,000,000'; and

"(2) By striking out '$125,000,000' and inserting in lieu thereof '$175,000,000.'

Mr. SPARKMAN also submitted an amendment, intended to be proposed by him to House bill 10881, making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

THE NATIONAL MILK SANITATION ACT—ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that my name may be listed with that of the junior Senator from Minnesota [Mr. HUMPHREY], as a cosponsor of the bill—S. 2727—to protect the public health and promote the public interest and to establish standards of identity, sanitation standards, and sanitation practices for the production, processing, transportation, sale, and offering for sale of fluid milk and fluid milk products shipped in interstate commerce or which affects interstate commerce for consumption as fluid milk and fluid milk products in any State, county, or municipality of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. This bill is entitled "The National Milk Sanitation Act." S. 2727 is a companion bill to H. R. 7794, introduced in the House by Representative JOHNSON, of the Ninth District of Wisconsin, who shares with the junior Senator from Minnesota the distinction of being in the very forefront of the friends of the dairy farmers.

These bills would establish standards of identity, sanitation, and sanitation practices in the production, processing, transportation, sale, and offering for sale of fluid milk and fluid milk products which affect or move in interstate commerce. They would provide a uniform national milk ordinance and code governing the marketing of fluid milk or its products, thus avoiding the confusion, delay, unnecessary expense to producers, handlers, and consumers, and arbitrary restraints on the orderly marketing and distribution of fluid milk in interstate commerce.

Mr. President, there is no more truly universal food than fluid milk. Practically every person in the United States is a consumer of fluid milk in some degree. Milk is produced in every State in the Union. Certainly, it is none too soon to establish a uniform standard of sanitation and handling practices to protect the public health against the uncertainty arising from multifold rules and regulations. The United States Public Health Service is the logical guardian of the public's interest in administering safe and dependable standards or sanitation for milk. Certainly, any commodity which is so universally consumed by people throughout the Nation should benefit greatly from the application of uniform standards. When we drink milk—whether in Wisconsin, Florida, California, or Colorado—we assume that we are consuming the same commodity. To a considerable extent, we are. Enactment of this proposed legislation will assure the consumers of milk that their presumption is true.

Enactment of this measure will also help to lift the real and the psychological barriers to the free movement of milk from areas of surplus production—such as Wisconsin, Minnesota, and other great dairy-producing areas of the Midwest—to the areas of shortage in the large population centers. It will enable consumers who live far from my State of Wisconsin to be absolutely confident of the quality of the products they purchase from Wisconsin sources; for example, for they will know it must pass the same tests and meet the same requirements as milk produced locally, or from more familiar sources of supply.

This bill will be a tremendous aid in the expansion of markets for dairy com-

modities. It should help materially—by providing the assurance that all milk that is sold in the interstate market is safe, wholesome, and of good quality—to increase absolutely the quantity of milk sold for fluid consumption. By eliminating duplications and confusion in the standards that are required in various markets and various producing areas, it will enable the industry to operate with considerable economy, to the advantage of both consumers and producers.

AMENDMENT OF AGRICULTURAL ACT OF 1949—ADDITIONAL COSPONSOR OF BILL

Mr. MURRAY. Mr. President, I ask unanimous consent that the name of the Senator from Oregon [Mr. NEUBERGER] be added as co-sponsor of the bill (S. 3091) to amend section 101 of the Agricultural Act of 1949, as amended, relating to price support on wheat. This bill was introduced on behalf of myself and other Senators, on January 23, 1958 and the name of Senator NEUBERGER was inadvertently omitted when the bill was introduced.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JOHNSON of Texas:

Letter report from chairman of Committee on Rules and Administration in regard to the use of the Senate caucus room.

By Mr. MARTIN of Pennsylvania:

Address on labor-union legislation, delivered by Senator BUTLER on February 23, 1958.

Address delivered by him at the convention of the National Guard Association of the United States, at Louisville, Ky., on October 8, 1957.

By Mr. HRUSKA:

Address entitled "Nebraska Becomes a State," delivered Hon. R. D. Harrison, before Nebraska State Society, March 1, 1958.

BEAR RIVER COMPACT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1086) granting the consent and approval of Congress to a Bear River compact, and for related purposes, which were, on page 1, line 3, strike out "and approval"; on page 6, line 23, strike out "Rrange" and insert "Range," and to amend the title so as to read: "An act granting the consent of Congress to a Bear River compact, and for related purposes."

Mr. MURRAY. Mr. President, the House of Representatives has passed, with certain perfecting amendments, S. 1086, granting the consent of Congress to a Bear River compact, and for related purposes. These amendments have been discussed with other members of the Committee on Interior and Insular Affairs and with the sponsors of the bill. The States affected are Utah, Wyoming, and Idaho.

The principal amendments eliminate the words "and approval" in the title, and in line 3, on page 1, so as to conform to the constitutional requirement that the "consent" of Congress alone is required, and also so as to conform to the terms of the compact.

Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 1086.

The motion was agreed to.

ANNOUNCEMENT OF HEARING ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I wish to announce that the Senate has today received the following nominations:

James S. Moose, Jr., of Arkansas, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan, vice Lowell C. Pinkerton.

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica, vice Robert F. Woodward.

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay, vice Jefferson Patterson.

Robert Newbegin, of New Hampshire, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras, vice Whiting Willauer.

Notice is given that the nominations will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Donald E. Kelley, of Colorado, to be United States attorney, for the district of Colorado, for the term of 4 years.

Tom Kimball, of Colorado, to be United States marshal for the district of Colorado, for the term of 4 years.

Vernon Woods, of Illinois, to be United States marshal for the eastern district of Illinois, for the term of 4 years.

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire, for the term of 4 years.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, March 13, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

THIRTEENTH REPORT OF UNITED STATES ADVISORY COMMISSION ON INFORMATION

Mr. MUNDT. Mr. President, in the ordinary course of events, I do not take the time of the Senate to invite attention to routine annual reports which are submitted to the Senate by Government agencies. However, today I should like to deviate from that principle in order to bring to the Members of the Senate an awareness of an especially fine job that has been done this year by the United States Advisory Commission on Information as set forth in the special report which has just been laid on the desk of the Vice President.

As Members of the Senate know, this Commission makes studies of the programs of the United States Information Agency, the problems and challenges facing USIA and the Nation, and works out suggestions for changes and improvements.

At this point, I should like to compliment the members of the Advisory Commission, and to point out that three members, Mark A. May, the chairman who is director, Institute of Human Relations at Yale University; Erwin D. Canham, editor of the Christian Science Monitor; and Philip D. Reed, chairman of the board, General Electric Co., have all served for the 10 years that this Commission has been in action.

These Commission members have served faithfully and well. Their ideas and ideals have helped establish guidelines for our overseas information program which have strengthened its effectiveness. These members have served unselfishly and with a dedication to service that has earned the plaudits of the Nation. The same is true of those members who have served for a shorter time.

This year is the 10th anniversary of the Smith-Mundt Act which provided for our overseas information program—what is more commonly known as the Voice of America—and our exchange of persons program. On this 10th birthday I believe the Advisory Commission has submitted the most vigorous, forward looking, progressive report that it has yet issued. Without attempting to include all the splendid material which appears in the report, I should like to mention some portions of the report and to highlight recommendations which I am confident can spell out a more successful information program abroad.

This report correctly appraises the information program challenges which we, as a nation, face. It points out that we have been in this program for 10 years, but that the Soviet Union, our principal competitor in this as well as other international relations fields, has been conducting a full-fledged propaganda program for 40 years. Nevertheless, the Commission is justifiably confident that, with properly conducted, aggressively planned information programs, we can maintain a healthy lead in winning the confidences of people around the world.

The Commission has not avoided pointing out some of the weaknesses of the present setup in USIA. These are weaknesses in selecting, training, assigning, and compensating personnel. It has

pointed out that we do not have adequate evaluation of our information programs.

However, I was very much impressed with the fact that the Commission members not only recognized the need for strengthening our radio facilities, but have also urged the further exploitation of television and the expansion of television in our information work. I have been especially interested in utilizing TV in this connection, and I am encouraged to know that USIA gives full recognition to the value of television in our cultural and informational programs abroad.

The Commission members recognize that there has not been close enough liaison between the Commission and Congress. The report urges fuller reporting to Congress and it urges that the agency become more responsive to Congress in working out new plans for the years ahead.

The positive action outlined in the report consists of five "opportunities that face the United States." I should like to read that portion of the report which outlines these five opportunities:

THE OPPORTUNITIES THAT FACE THE UNITED STATES

In the opinion of the Commission there are five major opportunities which call for positive action. They are:

Opportunity No. 1: The chance to turn sputnik to the Free World's advantage.

The Soviet attack on Korea has been called the greatest psychological blunder of Stalin's career. It served to unite and rearm the Free World. Soviet sputniks and the challenge they represent can have a similar effect.

There is now not only an opportunity but a vital reason to strengthen NATO, and our other alliances in the Free World. This will call for a maximum exchange of information at popular as well as official levels.

The need for unity emphasizes the necessity of presenting and explaining the position of the United States not only behind the Iron Curtain but to our friends of the Free World. And it offers a new change to restate the fact that the United States does more for the lives of people than the Soviet system can possibly achieve.

Such an approach forcefully carried through, could help turn what now appears to be a Soviet propaganda victory into a defeat.

Opportunity No. 2: The response to Khrushchev's challenge of "let us compete."

One of the results of the challenge to compete has been a slight lifting of the Iron Curtain. More visitors are permitted into Russia. More delegations are sent out from Russia. There is some increase of communication between the Soviets and the Free World.

The Commission feels that more people-to-people communication can only result in good. In those areas of communications more directly under USIA responsibility, the Agency should be encouraged to seek every means of increasing exchanges of information and visitation. It should be constantly alert to new opportunities for action within the Communist orbit.

Opportunity No. 3: The increased demand for news from and about the United States.

The Soviet's scientific advances have been news around the world. They have, however, also whetted the appetite of the world for more news about what the United States is doing—and for more information about the United States and its people.

The demand can be met only in part by private news services. Much of it is a demand for exactly the sort of information that USIA produces. It offers opportunity for USIA to help clear up misunderstanding and ignorance of the United States.

Reports from the field indicate an aroused receptivity for books, pamphlets, exhibits, and motion pictures. There is now probably more curiosity and concern about the scientific and economic strength of the United States than in the past.

Opportunity No. 4: The ferment in Iron Curtain countries.

The past year has witnessed some interesting shakeups in Communist policy and practice in certain Communist countries. Restrictions have been relaxed to some extent. Such ideas as the importance of individual initiative, greater freedom of discussion and other western ideas are beginning to appear in the Soviet orbit.

These, and other signs, indicate an increased interest among the East European countries, in western ideas, news, and information of all sorts. It represents another opportunity that should not be ignored.

Opportunity No. 5: The need for United States information activity in Africa.

Much of the continent of Africa remains a wide-open field. There is a real opportunity, especially in the central areas to reach the awakening people with long-range information programs.

Teaching English as an aid to combating illiteracy, for example, should be developed. Other information programs can also be of real help to the people of this continent—and will help to make sure that their progress is along the path of freedom and the Free World.

The challenges and opportunities have been outlined. Next the Commission raises the question of what kind of Information Agency can best meet these challenges and opportunities.

I am sure the Members of the Senate will agree that the opportunities outlined in the report are practical. I was pleased, again, to note the special emphasis which was given to the need for expanding our African programs. Africa is a potential tinderbox in international affairs. It is the last great prize which greedy Soviet eyes are watching. It is a fruitful and flowering country where more primitive peoples can be an easy prey to Communist aggression unless we alert them to the dangers which lie along the primrose path to Moscow.

When we began our efforts to develop the foreign exchange program, some of those who were vigorous in the promotion of the legislation, which later became known as the Smith-Mundt Act, said, "We want to capture the hearts and minds of other peoples of the world." I believe that the report which the Advisory Commission has presented today carries out that theme fully. The Commission urges that we continue to transmit information to those friends of ours abroad who have visited the United States under the exchange-of-persons programs. Once here, they saw our policies more clearly; our aims in better perspective. Once home, they are goodwill ambassadors between our country and theirs. By channeling reports, news, and information to these people, we keep them sympathetic to our international objectives and they continue to understand that, as a nation, we want to maintain the peace. This is highly important.

Let me say that I have greatly enjoyed working toward the accomplishment of the goals which we established by cooperating with our great friend, the Senator from New Jersey [Mr. SMITH]. His inspiration, wisdom, and guidance have served our Nation well, and I am sure that he feels as I do that the overseas information program and the exchange-of-persons program rank especially high in importance in the work which each of us has done in the Congress.

Again, I wish to compliment and congratulate the Advisory Commission and to extend the gratitude of the Congress for work well done.

Mr. HUMPHREY. Mr. President, the 13th Report to Congress of the United States Advisory Commission on Information, which has just been transmitted to the Congress.

This Commission was established by Public Law 402 in 1948. Its present membership consists of Dr. Mark A. May, chairman, who is director of the Institute of Human Relations at Yale; Mr. Erwin D. Canham, editor of the Christian Science Monitor; Mr. Philip D. Reed, chairman of the board, General Electric; Mr. Sigurd S. Larmon, president, Young & Rubicam, Inc., and Mr. Lewis W. Douglas, Sonoita, Ariz.

It is a rather remarkable thing that although 8 directors of the United States foreign information program have come and gone during the past 10 years—3 of the 5 Commissioners—Dr. May, Mr. Canham and Mr. Reed—have served continuously for 10 years. The Commission has thereby provided an element of stability to the foreign information program. I would like to commend not only the 3 who have served so diligently but also the other 2 Commissioners, all of whom are busy men, who take the time in order to contribute their services to the United States in an extremely important area.

Recently, I had the opportunity of meeting with the members of the Commission. I told them at that time that I did not want the United States to continue to be second-runner in the information field. I also pointed out to the Commission that the field of propaganda and foreign information is one in which all of my colleagues in the Senate should take a special interest, because each one is familiar with the role and requirements of the information aspects of political struggle—concerned with it every day—and can make a great contribution.

The present report to Congress, the 13th by this Advisory Commission on Information, examines both the present United States Information Agency and its program. Of the recommendations that the Commission makes with respect to the Agency, the more important ones are those that recommend that it be a nonpartisan agency, and that it remain an independent one.

I am glad to associate myself with these views and with these recommendations. Following them, I think the United States foreign information program will best be able to move ahead to develop the leadership of the United States in this most important competition with international communism for the minds of men throughout the world.

The Commission's report also deals with the agency's program. It points out, on the basis of observing the program in action for 10 years, that it is essential that the United States foreign information program be put on a long-range basis as soon as possible. "This is essential," reports the Commission, "if we are to wrest the initiative from the well-planned, long-range, lavishly financed Communist propaganda effort."

Mr. President, the report points out that the Soviet propaganda challenge which has existed for 40 years, has been intensified in the past 15 years and reached a peak with the launching of sputnik and other Soviet advances. But, the report emphasizes, matching this challenge are some very real opportunities for United States information activity.

It believes that there is a chance to turn sputnik to the Free World's advantage. The Soviet sputniks and the challenge they represent can serve to reunite and rearm the Free World, just as the Soviet attack on Korea helped to this end and provided fulfillment of these objectives.

The report also sees in Khrushchev's challenge of "Let us compete" a slight lifting of the Iron Curtain and a chance for increased communications between the Soviets and the Free World.

Another opportunity is seen in the increased demand for news from and about the United States. The Commission points out in its report that the Soviet's scientific advances have been news around the world and have whetted the appetite of the world for more news about what this country is doing and for more information about the United States and its people. This demand, it believes, can be met only partly by private news services and offers an opportunity for the USIA to help clear up misunderstanding and ignorance of the United States. Reports from the field indicate an aroused receptivity for books, pamphlets, exhibits and motion pictures and has disclosed a greater curiosity about the scientific and economic strength of the United States than in the past.

A further opportunity mentioned in this report is the need for information activity in Africa, much of which it says remains a "wide open field." It believes there is today a real opportunity, especially in the central areas, to reach the people with long-range information programs that will be of real help to the people of that continent.

Cautioning that it would be a costly error to assume that the Communist threat is only a scientific one, the Commission's report states that—

> Science to dominate the world * * * and ideology to win the minds of men are both essential elements in the Soviet plan of conquest * * * both are the products of carefully developed long-range plans. The Soviet activities in both fields have been persistent, continuous, aimed at specific long-range targets.

To successfully meet the Soviet Communist long-range ideological propaganda challenge, the Commission calls upon the United States Government to close further the 30-year competitive gap between the level of Communist propaganda and that of the United States foreign information effort.

Based on the lessons of the past 10 years, the Commission recommends eight principles which the United States information program should adopt. Those recommendations merit the support and attention of the Congress. They are:

First. The foreign information program and organization must be nonpartisan in the hope that this will encourage continuity in leadership and more efficient planning and operations.

Second. Relations with Congress must be closer and continuous, including frequent consultations and discussions.

Third. The international information organization should continue to be an independent agency. After observing the operations of the United States foreign information program both in the Department of State and as an independent agency, the Commission concludes that an information program operates more effectively when it is independent.

Fourth. A permanent career system is urgently needed in order to attract and retain competent personnel.

Fifth. These personnel must be supplied with adequate representation funds which have been denied to them year after year.

Sixth. The program should continually clarify its objectives.

Seventh. It should make available its specialized knowledge at the policy-making levels of government.

Eighth. Finally, the USIA should assist the United States Government in taking the leadership in worldwide information programs.

The Commission's 13th report to Congress also examines the present strengths and weaknesses of USIA and concludes by making specific suggestions for prompt action in order that the agency may be equipped to meet the long-range challenge of Communist propaganda and ideology. These include:

(a) An appraisal of the Agency's major themes and programs. The Commission recommends the vigorous programing of people's capitalism, family of man, free elections, atoms for peace, and a projection of United States cultural attainments. It urges the agency to grant the teaching of English a high priority.

The Commission also calls the Agency's attention to two possible new themes. One would be based on the Free World's use of science to improve health, welfare, and living standards of all people.

The second, the Commission points out, would stem from the fact that "the Soviets have borrowed heavily from the Free World's idea of competition, rewards for excellence and spirit of free inquiry in developing their physical sciences. They could now be challenged publicly as to why they have not carried the same Free World ideas into the social sciences—human relations, economics, government—where they would be of benefit to the Soviet peoples."

(b) Step up personnel improvement by obtaining a career service, giving foreign language training high priority, improve and speed up the reassignment of personnel returning from the field, and give greater weight to the role of the cultural affairs officers in the Agency's total program.

(c) Plan for increased East-West exchanges and cooperate with other government agencies to promote and develop a program of tourism to the United States.

Mr. President, it is only through a long-range program that the present double-barreled challenge of Soviet science and ideology can be combated systematically and imaginatively. I have had the occasion at another meeting to quote the present chairman of th Commission on what he called our missiles misery. What he was trying to point out and caution us about, is that the United States not go overboard on technology and science, while simultaneously disregarding the equally challenging problems that are inherent in the present ideological and propaganda struggle between communism and the democratic free way of life.

I hope that all Members of the Senate will read this report, for it reflects the experience and observation of private citizens who have been watching, studying and counseling the United States foreign information program for many years. I commend them heartily, and with equal enthusiasm, I commend their report. I ask unanimous consent to have printed in the RECORD at this point the full report.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE 13TH REPORT OF THE UNITED STATES ADVISORY COMMISSION ON INFORMATION

To the Congress of the United States:

The United States Advisory Commission on Information was created by the United States Information and Educational Exchange Act (Public Law 402) enacted by the 80th Congress on January 27, 1948.

This 13th report to Congress which covers the Commission's work for the calendar year 1957 marks the 10th year of the Commission's existence. Three of the original members of the Commission, Mark A. May, the present Chairman, Erwin D. Canham, and Philip D. Reed have served continuously during the past decade. Sigurd S. Larmon has served on the Commission since January 1954, and Lewis W. Douglas since January 1956.

In past years, members of the Commission have visited posts in Europe, Latin America, the Near East, and the Far East.

In 1957 Mr. Larmon visited United States Information Service (USIS) posts in London, Frankfurt, Paris, Naples, Rome, and Tegucigalpa. Mr. Reed visited USIS posts in Milan, Paris, Rome, Naples, and Madrid. Mr. Douglas, in a separate trip, visited USIS posts in Madrid, London, and Paris. The Commission's Staff Director attended a joint Department of State-United States Iinformation Agency (USIA) conference in Paris which was called to evaluate the impact of the Voice of America in Iron Curtain countries. In addition he inspected three USIS missions in France at Lille, Lyon, and Marseille.

In the past year the Commission met seven times. Five meetings were held in New York City and two meetings in Washington.

In 1957, too, the Commission for the first time met with top Agency officers to examine the Agency's proposed budget for fiscal year 1959. Recommendations were then made to the new Director concerning a number of

Agency practices and policies which in the Commission's opinion required modification.

Closer liaison was also established between the Commission and the Congress in order to promote a more fruitful exchange of views between the two bodies. This exchange of views has been most beneficial to the Commission, and every effort will be made to continue to hold these occasional meetings between the Congress and the Commission.

During the past year the Commission undertook new functions which enabled it to develop independent sources of information. These new functions have aided the Commission in maintaining and further developing its independent status.

The Commission is pleased with the appointment of former Ambassador George V. Allen as Director of the United States Information Agency. He has taken hold with vigor and is providing the Agency with experienced leadership.

The Agency's two Advisory Committees have continued to contribute their time, energy, and suggestions to the USIA. Composed of men who occupy top positions in the American communications and cultural field, they continue to bring to the Agency an invaluable source of expert counsel.

In 1957 the Broadcast Advisory Committee added to its membership the services of Mr. Sylvester L. Weaver, Jr., broadcasting program and management consultant, New York City. Other members are:

Joseph A. McDonald, acting chairman, assistant general attorney, National Broadcasting Co., New York City; Roger W. Clipp, general manager, WFIL radio station, Philadelphia, Pa.; Robert T. Colwell, vice president, J. Walter Thompson Co., New York City; Donley F. Fedderson, department of radio-TV, Northwestern University, Evanston, Ill.; Raymond F. Guy, manager, radio and allocation engineering, National Broadcasting Co., New York City; Ralph N. Harmon, vice president for engineering, Westinghouse Broadcasting Co., Inc., New York City; Jack W. Harris, vice president and general manager, radio station KPRC, Houston, Tex.; Henry P. Johnston, radio and television consultant, Birmingham, Ala.; Frank L. Marx, vice president, American Broadcasting Co., New York City; Howard Meighan, vice president, CBS Television City, Hollywood, Calif.; J. R. Poppele, consultant television and radio, management and engineering, South Orange, N. J.

This committee met four times during the year.

At the same time, the Advisory Committee on Cultural Information was enlarged by the appointments of: Herbert W. Bayer, specialist in design and arts, chairman, department of design, Container Corporation of America, Aspen, Colo.; Gilbert Chase, musicologist, Institute of Latin American Studies, University of North Carolina, Chapel Hill, N. C.; Lawrence A. Fleischman, art collector, vice president, Arthur Fleischman Carpet Co., Detroit, Mich.; Herold C. Hunt, Eliot, professor, Graduate School of Education, Harvard University, Cambridge, Mass.; Flora B. Ludington, librarian, Mount Holyoke College, South Hadley, Mass.; Albert H. Marckwardt, professor, department of English language and literature, University of Michigan, Ann Arbor, Mich.

Other members are: Mark A. May, chairman; George P. Brett, Jr., president, the Macmillan Co., New York City; Robert L. Crowell, president, Thomas Y. Crowell Co., New York City; Robert B. Downs, director of libraries, University of Illinois, Urbana, Ill.; Charles W. Ferguson, senior editor, Reader's Digest, Pleasantville, N. Y.; Freeman Lewis, executive vice president, Pocket Books, Inc., New York City; Charles E. Odegaard, dean, college of literature, science and the arts, University of Michigan, Ann Arbor, Mich.

This committee met six times in 1957.

PREFACE

The main theme of this, the Commission's 13th Report to Congress, is the urgent need for long-range planning in the international information field. This is essential if we are to wrest the initiative from the well-planned, long-range, lavishly financed Communist propaganda effort.

This report relates the need for such long-range planning to the Soviet propaganda challenge. This challenge has existed for 40 years. It has been intensified in the last 15 years. It has reached a peak with the launching of sputnik and other recent Soviet advances. It is truly a long-range challenge.

Matching the challenge, however, are some very real opportunities for United States information activity. To help take advantage of these opportunities the report considers the requirements of an effective long-range international information agency, and presents the proposition that the USIA should:

1. Continue its present nonpartisan character;
2. Strive to develop closer relations with Congress;
3. Continue its independent status;
4. Recruit and train high-caliber personnel who will have the benefits of a sorely needed career system;
5. Have the help of adequate representation funds;
6. Constantly clarify and review its objectives;
7. Do more than it is now doing in making available its specialized knowledge to the formulation and implementation of foreign policy; and
8. Begin to wrest the initiative from the Communists and to maintain it in the information and propaganda field.

In the light of these long-range requirements, how does the United States Information Agency today measure up? What are its assets and liabilities?

The report covers both, with special attention to areas of weakness that exist in personnel, in training, in overseas operations, and in physical facilities. Particular note is taken of the problem of evaluating the effectiveness of USIA programs.

Having considered strengths and weaknesses, the report concludes with the Commission's recommendations for immediate action. These include:

1. Review and redefinition of objectives;
2. Appraisal of major themes and programs;
3. Steps toward improvement of personnel, including the establishment of a career system;
4. Planning for increased East-West exchanges; and
5. Improving cooperation with private enterprise.

It is the hope of the Commission that this report will prove clear and candid. And that it will be helpful to the Congress in appraising the present and future of the United States Information Agency.

THE 13TH REPORT OF THE UNITED STATES ADVISORY COMMISSION ON INFORMATION

The Members of the Congress are well aware of the fact that the last 15 years have seen a steady increase in Communist propaganda efforts. They also know that the year 1957 saw Soviet communism's boldest, most successful challenge to the United States and the Free World.

The boldness of the current challenge was given direct expression by Khrushchev in his TV interview in May 1957. He said in part:

"We want competition and we want the soundest forces to manifest themselves in this competition. We call our system, the socialist system, the soundest force because it is the most progressive and the youngest system * * *.

"With regard to the ideology of capitalist and socialist countries we have never concealed that there will be a struggle in this field, an ideological struggle * * *. This is a battle of ideas and victory is insured for the idea which will be stronger, more viable, and which will be supported by the people."

This was the bold challenge. It was a successful challenge because the Soviets backed their words with dramatic action. Their success in launching their physical satellites provided a propaganda leverage which has been exploited to the hilt.

Previous Communist challenges often have had negative propaganda value. The Berlin blockade of 1948, the attack on Korea in 1950, and the 1956 brutal intervention in Hungary belied Communist propaganda claims to peace. They cost the Communists friendship and admiration. They were propaganda defeats on which the Free World could and did capitalize.

But the Soviet challenge of 1957 has been a propaganda victory. Sputnik provided a solid base for their propaganda output. They had reached and exceeded the capitalist countries in this field to which they had given priority.

The members of the Commission are impressed with the seriouaness of the challenge to freedom-loving people. It is a double-barreled threat to the Free World. One barrel is the evidence of scientific achievement. The other is the linked claim of ideological superiority.

Science to dominate the world * * * ideology to win the minds of men * * * both are essential elements in the Soviet plan of conquest. And it is important to realize that both are the products of carefully developed long-range plans. The Soviet advances in both fields have been persistent, continuous, aimed at the spacific long-range targets.

Science, ideology. Both are parts of the Soviet challenge. Both are parts of the Soviet armament. Both must be defended against by the United States and the Free World.

This Commission realizes that first things should come first. Immediate needs call for the speeding up of defense, weapons, the mobilization of scientific talents, and the strengthening of NATO. Longer term defenses are of secondary priority. These will include new emphasis on basic research, increases in scientific education, long-range planning in many areas.

The Commission believes that a strong international information program should be high on the United States list of long-range defense activities.

The reasons for this conviction are threefold:

1. Soviet communism considers its ideological information program a vital weapon in what Khrushchev called the battle of ideas. The United States cannot let this battle go by default. And we should not only defend against the Soviet attacks, we should be able to mount an information offensive of our own.

2. The United States may be a year behind the Soviets in missiles. It may be 5 years behind in mass technological education. But it is 30 years behind in the competition with Communist propaganda.

The Communists started in 1918 and have been at it ever since. The United States started in 1948. And the gap has not been closed.

Each year sees the Communists increase their hours of broadcasting, their production and distribution of books, their motion pictures and cultural exchanges, and every other type of propaganda and information activity.

The cost of the Communist propaganda efforts has been estimated at anywhere from $500 million to a billion dollars a year. It is also estimated that they spend eight times as much to "jam" United States broadcasts to Iron Curtain countries as the United States spends to do the broadcasting.

It would seem that we should start planning to close the gap in this field before it widens further.

3. Finally, despite the success of the Soviet challenge, the Commission believes that there exist both immediate and long-range opportunities which should be seized and exploited. It is possible to respond quickly and effectively to the present Soviet challenge.

It is important to take advantage of present world conditions that offer the United States a chance to achieve its own victories in the information area.

THE OPPORTUNITIES THAT FACE THE UNITED STATES

In the opinion of the Commission there are five major opportunities which call for positive action. They are:

Opportunity No. 1.—The chance to turn sputnik to the Free World's advantage: The Soviet attack on Korea has been called the greatest psychological blunder of Stalin's career. It served to unite and re-arm the Free World. Soviet sputniks and the challenge they represent can have a similar effect.

There is now not only an opportunity but a vital reason to strengthen NATO, and our other alliances in the Free World. This will call for a maximum exchange of information at popular as well as official levels.

The need for unity emphasizes the necessity of presenting and explaining the position of the United States not only behind the Iron Curtain but to our friends of the Free World. And it offers a new chance to restate the fact that the United States does more for the lives of people than the Soviet system can possibly achieve.

Such an approach forcefully carried through could help turn what now appears to be a Soviet propaganda victory into a defeat.

Opportunity No. 2.—The response to Khrushchev's challenge of "Let us compete": One of the results of the challenge to compete has been a slight lifting of the Iron Curtain. More visitors are permitted into Russia. More delegations are sent out from Russia. There is some increase of communication between the Soviets and the Free World.

The Commission feels that more people-to-people communication can only result in good. In those areas of communications more directly under USIA responsibility, the Agency should be encouraged to seek every means of increasing exchanges of information and visitation. It should be constantly alert to new opportunities for action within the Communist orbit.

Opportunity No. 3—The increased demand for news from and about the United States: The Soviet's scientific advances have been news around the world. They have, however, also whetted the appetite of the world for more news about what the United States is doing—and for more information about the United States and its people.

The demand can be met only in part by private news services. Much of it is a demand for exactly the sort of information that USIA produces. It offers opportunity for USIA to help clear up misunderstanding and ignorance of the United States.

Reports from the field indicate an aroused receptivity for books, pamphlets, exhibits, and motion pictures. There is now probably more curiosity and concern about the scientific and economic strength of the United States than in the past.

Opportunity No. 4.—The ferment in Iron Curtain countries: The past year has witnessed some interesting shakeups in Communist policy and practice in certain Communist countries. Restrictions have been relaxed to some extent. Such ideas as the importance of individual initiative, greater freedom of discussion and other western ideas are beginning to appear in the Soviet orbit.

These, and other signs, indicate an increased interest among the East European countries, in western ideas, news and information of all sorts. It represents another opportunity that should not be ignored.

Opportunity No. 5.—The need for United States information activity in Africa: Much of the continent of Africa remains a wide-open field. There is a real opportunity, especially in the central areas to reach the awakening people with long-range information programs.

Teaching English as an aid to combating illiteracy, for example, should be developed. Other information programs can also be of real help to the people of this continent—and will help to make sure that their progress is along the path of freedom and the Free World.

The challenges and opportunities have been outlined. Next the Commission raises the question of what kind of information agency can best meet these challenges and opportunities.

WHAT KIND OF INTERNATIONAL INFORMATION AGENCY DOES THE UNITED STATES NEED?

Considering the challenges and opportunities as they have been outlined above, one thing stands out: The long-term nature of the problem.

As has been said, the Communists have been at it since 1918. The United States foreign-information program is 10 years old. And the ideological struggle to which we have been challenged by Mr. Khrushchev will not end tomorrow. The Communist program is clearly based on long-range plans. So should be the United States program.

This means that the United States Information Agency should be measured not only in terms of its abilities to meet short-term needs, but more importantly in terms of its capabilities for a long-range program. The Commission believes this question of long-term capabilities should be considered first for the following reasons:

(a) Once the fundamental principles of an effective long-term organization have been established and agreed to, it will be simpler to appraise accurately the strengths and weaknesses of the present USIA.

(b) Building a sound long-term program is a long job. The Agency already has some of the essentials of such a program. Others need to be developed. The time has come to cease thinking of USIA as a year-to-year operation, and to encourage long-range planning. The first step is to seek agreement on the kind of organization that is needed.

(c) The foreign information program, established by Congress in 1948 starts its second decade under new leadership. Careful consideration of long-term needs can help this new leadership toward sound planning for the future.

The Commission, therefore, has addressed itself to the questions: "What kind of an international information agency can best serve the interests of the United States in the long struggle ahead? What are the fundamental principles for such an effective long-term organization and program?"

Based on the lessons learned in the past 10 years—and on careful appraisal of future needs—the Commission suggests these basic principles.

1. The organization should be nonpartisan: The information arm of the United States Government should be as completely outside partisan politics as the Federal Bureau of Investigation.

Nonpartisan status will encourage continuity of leadership. (USIA has had eight Directors in 10 years.) It will make possible more efficient planning and operation. (Budgets, personnel, and program volume have shown wide variance in past years.)

Positioning of USIA as a nonpartisan agency will enable it to establish the continuity of policy and practice that is vital for a long-term organization.

2. There should be close and continuous relationship with the Congress: Acceptance of the agency as nonpartisan will make possible the same close cooperation with Congress that is enjoyed by other nonpartisan Government organizations such as the Federal Bureau of Investigation. One difference, however, will be the lack of the need for secrecy.

While the Agency, of course, is and must remain an activity of the executive branch of the Government, the Commission believes that relationships with Congress should be close. They should include:

Frequent consultation with Congress: The Members of Congress should be encouraged to contribute suggestions for programs and activities. The experiences of Senators and Congressmen who have traveled abroad should be sought.

Discussions with Congress should be held from time to time to keep the Congress informed of foreign information activities. In addition the agency should discuss with Congress at an early stage any proposed new major information programs.

Deeper accountability of agency to Congress should be maintained. Budget presentations should be as specific as possible, and related to definite programs, objectives, and achievements.

These and similar cooperative relations with Congress are, in the Commission's opinion, essential to establishing a sound long-term information operation.

3. The international information organization should continue to be an independent agency: It appears to the Commission that the first two principles—nonpartisan character, and close relationship with Congress—can better be realized if the United States foreign information program continues to have independent status.

This Commission has been in close contact with the information program for 10 years. For 5½ years it was in the Department of State. For the last 4½ years it has been an independent agency.

The Commission's observations lead to the conclusion that the organization and work of the Agency have been more efficient and more effective during the years of its independent status.

The reasons for these views have been stated in previous reports to Congress. As we said in our 12th report:

"During the past 3½ years USIA has proved groundless the fears that it could not operate well if separated from the Department of State. It has evolved methods of getting foreign policy guidance from the Department of State. And it has demonstrated its ability to function in the field as a helpful and important part of the Ambassador's team."

The Commission has observed that in the field there is practically no conflict. The chief of mission is in control, and the public affairs officer is an integral part of his operation.

Furthermore, as the need for long-range planning becomes increasingly evident, the Commission also believes that such planning can best be carried out by an independent agency.

4. The international information organization should have a career system: One of the most essential requirements of a long-range organization and program is the recruitment and training of personnel who can look forward to a career in information work.

A career system, covering both domestic and foreign service personnel, will offer the stability and security that will attract professionally competent people.

Attracting and keeping such people are essentials of any long-range organization. This is particularly true of an information operation where special skills and knowledge are important for international effectiveness.

It is for these reasons that the Commission urges that a career system be instituted immediately.

5. Key personnel should be supplied with adequate representation funds: Representation funds of a reasonable but not extravagant amount are important working tools to help the United States information program achieve improved effectiveness. They help cement communications contacts abroad. They contribute toward maintenance of the friendly relations so necessary for the acceptance and use of our information materials and programs. And they are important to the morale of United States personnel who at present must dip into their own pockets to make up the lack. Recent Agency studies show that on the average, overseas officials are reimbursed for only 1 dollar out of every 3 dollars which they spend in the performance of their duties.

Both a career system and representation funds will prove to be long-term economies for they will lead to more capable personnel and less personnel turnover.

6. Objectives should be continually reviewed: Broad objectives for the information program have been defined by Congress in Public Law 402, by the President and by this Commission.

Nevertheless, the Commission feels that some confusion still exists as to the actual purposes of an international information program.

Clarifying objectives can help to clear up confusion. This is particularly important for the long-range objectives which should be clearly spelled out and agreed to by Congress and the Agency.

By establishing mutually agreed upon goals, the long-term growth of the Agency can be according to a definite plan rather than by unplanned expediency.

In addition, short-term objectives which may change as world conditions change, can be judged not only in light of immediate needs, but also in terms of their agreement with or departure from the long-term objectives. Adherence to sound long-term plans and policies will help to avoid the ups and downs which have adversely affected USIA operations in past years.

Two possible objectives of a long-range program appear so basic to United States needs that they have been included as the following and final two principles.

7. The information organization should make available its specialized knowledge at policy making levels of Government: Although USIA at all times should be under the policy direction of the Department of State, an effective foreign information agency should have both the opportunity and the ability to offer public relations advice in the area of United States foreign policy. It should be able to counsel as to the probable reactions abroad to United States decisions or announcements. The Agency and its specialized knowledge should be available to help in the wording, the timing, and the presentation of our policies to the world to insure maximum positive results.

8. The organization should help the United States Government take the leadership in worldwide information programs: In addition to presenting United States policies abroad, and to counteracting Communist propaganda efforts, the information organization should provide information initiative for the United States.

With 40 years of experience behind them Communist propagandists have frequently seized the initiative. This forces the United States to react to them, rather than acting positively on its own.

A carefully planned creative United States program could reserve this situation and help to establish United States leadership in this area.

In summary, the basic principles, the essentials of an effective long-term international information program should include:

1. Nonpartisan character.
2. Closer relations with Congress.
3. Independent status.
4. Establishment of a career system.
5. Adequate representation funds.
6. Clarified objectives.
7. Making available specialized knowledge at policymaking levels of the United States Government.
8. Providing information leadership for the United States.

In the opinion of the Commission none of these essentials, except for the Agency's independent status, is sufficiently realized at the present time. Improvement in each category is necessary to the planned development of the kind of information agency that the United States needs. The sooner a start can be made, the more vigorously improvement can be pursued, the sooner will United States information needs—both short-term and long-term—be achieved.

The foregoing is a general appraisal of international information needs and objectives. It is time now to be more specific. What is the Commission's appraisal of how well the present USIA is serving the United States?

WHAT ARE THE ASSETS AND LIABILITIES OF THE UNITED STATES INFORMATION AGENCY?

On January 27, 1948, the 80th Congress passed Public Law 402:

"An act to promote the better understanding of the United States among the peoples of the world and to strengthen cooperative international relations."

Now, a decade later, as the Commission attempts to appraise the strengths and weaknesses of USIA and its ability to carry out the purposes of Public Law 402 there is one fact that emerges above all:

The greatest asset of the United States Information Agency is its 10 years of experience in foreign information activity.

The Commission believes that during those years real progress has been made. Starting 30 years behind the Communists, the United States has built up an organization and facilities that are a sound base for present operations and further growth.

Many mistakes have been made. The United States has had to learn by doing and errors are a natural result of that process. For example, there has often been too much emphasis on United States material achievements and comforts which, in many instances, appeared boastful. But the foreign information program has learned from its mistakes. Many of the early errors are being corrected.

Many successes have been achieved. The 10-year record shows victories as well as defeats. Advances have been made in explaining United States policies and the United States itself to the peoples of the world. For example, the Agency has done well in explaining and in communicating to the world the President's atoms-for-peace program. Acceptance for, use of, and belief in United States information material has grown year by year.

This 10-year experience—whether of success or of failure—is an asset that will help in every phase of future operations. It is a background of inestimable help in developing the long-range plans and programs that are so urgently needed.

Experience, however, is a broad and general asset. What are the more specific strengths and weaknesses of the USIA today? In the opinion of the Commission they may be grouped as follows:

Areas of strength

1. Facilities: Over the past 10 years the Commission has observed the accumulating inventory of materials, equipment and other facilities. Among the more important items of this inventory are the following:

(a) United States information missions in 79 countries and a total of 193 information service posts.

(b) One hundred and fifty-five information centers in 64 countries.

(c) Seventy-seven binational centers in 25 countries.

(d) Radio transmitter at seven locations in the United States and at 10 overseas locations.

(e) Motion pictures. About 1,100 program films in USIS film libraries.

(f) Two million, five hundred and forty-two thousand, two hundred and seventy-five books in USIS libraries, of which 1,764,191 are in English and 778,084 in translations.

(g) Twenty-two bookmobiles.

(h) Sixty-eight magazines or editions of magazines produced abroad—18 in English and 50 in foreign languages. The Agency also produces two English and one foreign language publications in the United States for overseas use.

(i) The Agency has a complete radio teletype facility at 79 posts for receiving the Agency's wireless file.

(j) Two hundred and twenty-five exhibits of a permanent nature.

As the Agency develops long-range programs, many of these facilities will continue to be useful. Some may be curtailed and others expanded.

2. Staff: A small corps of skilled professionals with up to 10 years of experience in foreign information activities provides the nucleus of a strong USIA staff. Around this nucleus is growing a larger group of Americans and foreign nationals, increasingly professional and better able to carry out USIA policies and programs.

3. Audiences reached: Audience surveys are becoming increasingly available. For example, surveys of Hungarian refugees showed a large majority had listened to Voice of America broadcasts before and during the revolution. This, coupled with the Russian efforts to "jam" such broadcasts, are evidence there may be a growing audience behind the Iron Curtain as in the Free World.

There is additional evidence—such as figures for attendance at exhibits and reports from qualified observers that indicate more and more people are aware of USIA efforts.

4. Acceptance of United States material: Media in other countries are showing a growing tendency to accept United States material for their own use. This leads to the publication and broadcasting of United States material to large audiences that otherwise would not see or hear it.

5. Respect for material and staff: Experience and contacts developed over the years are now paying dividends.

There is growing confidence in the accuracy and believability of USIA material. There is also growing respect for the USIS staff among the foreign press and people of other countries. The use of USIS material in the daily press of the world is visible proof.

6. Foreign acceptance of USIS: Information centers, libraries and other facilities have become familiar and important parts of life in many foreign countries. People are coming to accept them as familiar—and friendly—symbols of the United States abroad.

Areas of weakness

The Commission believes that the Agency's weaknesses should have greater attention and concern than its strengths.

Certain weaknesses, especially those relating to the Agency's long-term needs, have

been criticized and discussed earlier in this report. They included the Agency's past relations with Congress, the need for clarification of objectives, the lack of a career system, and other broad areas.

Objective appraisal of the USIA also discloses other more specific areas of weakness, correction of which is important to improvement both short and long term. These include:

1. Weaknesses in personnel: Despite progress referred to in staffing, the Agency should step up its efforts to improve personnel. In some areas the caliber of personnel is not satisfactory. Those whose performance is inadequate should be replaced.

The Commission feels that certain areas are understaffed while others may well be overstaffed. Greater critical attention should be given to the Agency's personnel policies and practices, as well as to the quality and quantity of the personnel itself.

For example, improvement can certainly be made in reassignment policies to avoid wasted time by personnel who have completed a tour of duty and must wait for assignment to their next post.

2. Weakness in training: One of the weakest spots in the Agency's personnel system is its language training. There are simply not enough people in USIS who are adequately equipped to do the job in the field.

The Commission has been informed that the Agency is seriously working on this matter. Nevertheless, it must be reported at present as an admitted important weakness. The Commission strongly restates its belief in the necessity for a long-range training program for Agency personnel.

3. Weaknesses in overseas operations: The Commission is concerned that in too many posts USIS efforts are spread too thin. In addition to the major projects there is a tendency to participate in other activities not directly related to basic programs. Concentration of effort on a smaller number of projects, and elimination of the more marginal, less essential activities, would be more economical and more effective.

In this same area, criticism can also be made of the selection of media used by USIS. The Commission has observed that frequently all media are utilized when concentration on one or two media would be more productive and more economical.

It would be well if each country reviewed its operations to determine if it is really necessary to use all media in every post. For example, in areas where the literacy rate is low, concentrating on motion pictures and lessening of publication efforts could provide both greater impact and greater economy.

4. Weakness in television: Another weakness is the Agency's inability to use effectively a powerful new medium that is gradually spreading around the world, namely, TV.

For the past 3 years the Broadcast Advisory Committee has studied this problem and has come up with recommendations to the Agency. Programs and a plan of action have been recommended by them but the Agency has been unable to develop an imaginative and constructive TV program. This is an area in which long-range planning is essential, in view of the fact that scientists foresee in the not-too-distant future still more far-reaching developments in worldwide TV communications.

5. Weaknesses in facilities: Certain physical facilities, especially radio, need rehabilitation, repair or replacement. A first-rate foreign information program demands first-rate equipment or funds will be wasted through lowered efficiency of operation. The Broadcast Advisory Committee has examined this problem and has recommended a long-range plan of rehabilitation in the light of current problems and possible future emergencies.

In addition there are important parts of the world where United States facilities are just too weak to provide adequate competition to Communist propaganda efforts. The Agency's request for new more powerful transmitters needed to strengthen United States broadcasts to critical areas in the Commission's judgment is justified.

6. Weaknesses in evaluation: Efforts at evaluation of the Agency's work is still deficient. However, the Agency has started a new program on an experimental basis.

Four-man evaluation teams have been sent to two countries. Their job is to find facts through surveys, personal interviews, and such other research techniques as are applicable and available in each country. They will provide an appraisal of United States efforts.

The Commission is withholding judgment on this program until results from the first two teams can be seen and judged.

In the opinion of the Commission, however, evaluation by the Agency of its own efforts will always suffer from the problems inherent in any self-evaluation. Most businesses, when they wish an objective appraisal, seek it from outside independent organizations.

Under Public Law 402, the Commission has the responsibility of providing such objective evaluations where feasible. However, 10 years of experience has proved that the limited time available to the Commissioners (all of whom have important responsibilities in business or the professions) is not adequate for complete appraisal.

Therefore, in addition to personal visits abroad by the Commissioners, more detailed studies by competent evaluators are needed.

If the Commissioners could be put in a position to use independent investigators from time to time who would report to them, they would be willing to inaugurate such a program. In this way the Agency might begin to obtain the independent objective audit of its work that has long been needed.

The present strengths and weaknesses of the Agency have been listed.

Next, the Commission turns to certain specific suggestions for prompt action. These recommendations in the opinion of the Commission can help to achieve the following:

(a) Bring the Agency more in line with today's needs.

(b) Produce a stronger, more efficient organization by helping toward correction of current weaknesses.

(c) Serve as turning points in converting the Agency from a short-term type of operation to an effective long-term foreign information program.

Suggestions for immediate action

1. Review and redefine objectives.

As indicated earlier, the Commission believes the establishment of both long-term and short-term objectives is of primary importance.

Long-term objectives should be reviewed by the Agency with the advice and assistance of Congress and the Department of State.

Short-term objectives necessarily vary in different parts of the world. To be realistic they must be tasks that an information program can be expected to accomplish in each country.

The Department of State, United States Ambassadors, public affairs officers, the Office of Policy and Plans and assistant area directors can contribute importantly to the formulation of short-term objectives.

2. Appraise major themes and programs.

The Agency should review current programs to determine which should be continued, which should be dropped, and where new or expanded programs are needed.

In this area the Commission has three recommendations.

(a) Such current themes as People's Capitalism, The Family of Man, Free Elections, Atoms for Peace, and United States culture have proved effective. They should be continued and extended to areas where they have not as yet achieved full impact.

(b) The program for the teaching of English should be given special attention both as an immediate project and as a part of the long-range activity.

The Commission believes worldwide interest in the English language is one of our greatest assets. Demands for the teaching of "American English" far exceed the supply. The Agency should give this top priority as an independent activity and in cooperation with other countries through binational centers.

In addition to the work of the Department of State which has primary responsibility, the Agency, when feasible, should encourage and support American schools which have been established abroad.

(c) In light of recent events, the Commission recommends to the Agency that special consideration be given to the possibility inherent in two new themes:

First, an increased emphasis on news of science, research, and technical achievement by the United States and the Free World. Particular weight should be given to the way the Free World has used science to improve health, welfare, and living standards of all people.

In addition the Soviets have borrowed heavily from the Free World's ideas of competition, rewards for excellence, and the spirit of free inquiry in developing their physical sciences. They could now be challenged publicly as to why they had not carried the same Free World ideas into the social sciences—human relations, economics, government—where they would be of benefit to the Soviet peoples.

3. Step up personnel improvement: The Agency should start planning now to meet the personnel needs required for a long-range program. This will call for careful selection, planning, and activity in many areas of personnel recruitment and relations. The Commission wishes to call attention to four specific suggestions:

(a) The necessity for a career service in attracting and holding high-caliber people. This has been discussed earlier in this report.

(b) Higher priority of foreign language training. While the Agency has recognized the importance of this, the Commission has observed that other considerations are often given priority over language training.

(c) Improvement and speedup in reassignment of people returning from the field. Currently many personnel returning to the United States are either misassigned or remain unassigned for far too long a time. This can be corrected by better, longer range planning of personnel assignments.

(d) Greater attention to Cultural Affairs Officers (CAO's). The Commission recognizes the importance of the status and duties of the CAO. The Agency's Advisory Committee on Cultural Information, composed of outstanding leaders in American cultural activities, has been most helpful in the cultural programs.

This committee, and the Commission, agree that Cultural Affairs Officers can and should be key men in the long-range program of the Agency. The Agency should pay greater attention to them, their qualifications, and their careers than it has in the past.

4. Plan for increased East-West exchanges: The Agency should make advance preparation to take advantage of any further lifting of the Iron Curtain. It should be ready for new opportunities for East-West contacts and exchanges of information.

In addition, it should be noted that the U. S. S. R. is opening new areas to tourist travel. The United States Congress has relaxed some of the McCarran Act restrictions. In this atmosphere of encouragement to international travel, the Commission recommends that the Agency, together with the

Department of State and other Government agencies and private groups, develop and promote a positive program encouraging tourism to the United States.

5. Improve cooperation with private enterprise: The Commission has observed that the Agency has excellent cooperative relationships with the publishing industry, the movie industry, and the broadcasting industry.

Special tribute should be given to the Broadcast Advisory Committee and the Advisory Committee on Cultural Information. The members, distinguished representatives of American industry, professions, and academic life have given generously of their time and have been most helpful.

Relations with some of the wire services have been less than satisfactory. The Agency should do all it can to improve these relations and to establish the principle of "cooperation—not competition."

In addition, the Agency should continue and expand its efforts to be of service to the people-to-people movement and to other private groups and organizations, both at home and abroad, which are actively seeking to improve our international relations.

Budgetary action

The Commission has neither the responsibility nor the wish to advise on the size of the USIA budget.

The Commission, however, has discussed with top officers of the Agency the budget of fiscal year 1959.

The members agree with the Agency's recommendation for action on the budget to—

1. Provide increases needed to cover higher costs due to inflationary trends abroad.

2. Provide funds to reinstitute some of the programs given up to meet 1958 budget requirements, which a year's experience has shown were important to the overall United States program.

3. Provide increases to cover the cost of new or expanded programs called for by the present world situation.

4. Provide for adequate representation funds.

In addition, the Commission believes that the USIA budget should contain provisions for a contingency fund. Such a fund would be for use by the Director for emergencies and for unexpected events which may occur in the rapidly changing international scene. The fund could not be used for ordinary expenses. It would be left unused if circumstances justifying its use did not occur.

The Commission also suggests that budgetary considerations should be an important facet of the development of its long-term character by USIA.

Such long-term planning will help avoid the budgetary ups and downs that have occurred in the past.

CONCLUSION

In summary, this 13th report to the Congress of the United States expresses the concern of the Commission in three main areas.

1. The challenges and opportunities that face the Free World, and the need for a sound active international information program to meet the challenges—and to take advantage of the opportunities.

2. The need for a long-term information agency—one that is planned, organized, and equipped not only to meet immediate short-term demands, but to develop and carry on a consistent program in the years to come.

There is also the necessity that such an organization and program be nonpartisan, be closely responsive to Congress, be an independent agency of Government, offer a career service, meet other basic principles to be established by the Agency and agreed to by Congress.

3. Appraisal of the USIA shows many valuable areas of strength. The Commission however is more concerned with the still existing areas of weakness. Examination of these leads to the belief that they can be corrected. Every effort should be made to do so as quickly and efficiently as possible.

The Commission has discussed its views on the United States international information program with the new Director of the Agency. The members of the Commission are in accord with his approach to this assignment.

The Commission also believes that under the guidance of the new Director—with the advice and help of Congress—it is possible for the United States to develop the kind of information agency that will in the long run build toward United States leadership in the constantly increasing ideological struggle between communism and the Free World.

Respectfully submitted.

MARK A. MAY,
Chairman.
ERWIN D. CANHAM,
SIGURD S. LARMON.
PHILIP D. REED.

NOTE.—Because of illness at the time of preparation of this report, Mr. Douglas has not been able to review it in full or to make his suggestions to other members of the Commission. For this reason, his signature does not appear above. His disposition, however, is to agree with most of the major points made by the Commission, especially the need for an information agency that will enjoy important status.

Mr. SMITH of New Jersey. Mr. President, today the Senate received an important report—already referred to this morning by the Senator from South Dakota [Mr. MUNDT] and the Senator from Minnesota [Mr. HUMPHREY]—which emphasizes the urgent need for long-range planning in the international information field.

I am speaking of the 13th report of the United States Advisory Commission on Information. This Commission is composed of five distinguished Americans, including Chairman Mark A. May, Erwin D. Canham, Lewis W. Douglas, Sigurd S. Larmon and Philip D. Reed. They have performed a valuable public service in making their study, which concludes that the United States Information Agency should be given a higher priority among our long-range defense activities.

We are literally 30 years behind the competition with Communist propaganda. The USIA was organized in 1948, while Russia has been using propaganda as an instrument of policy since 1918. In the words of the Commission's report, "Soviet communism considers its ideological information program a vital weapon in what Khrushchev called 'the battle of ideas.' The United States cannot let this battle go by default. And we should not only defend against the Soviet attacks, we should be able to mount an information offensive of our own.

To this end, the Advisory Commission has assessed the USIA's present program and recommended ways in which it should be improved. This report should be required reading for everyone who has ever felt cause for concern over the diabolical effectiveness of the Communist propaganda effort.

When the Senator from South Dakota [Mr. MUNDT] and I introduced the Smith-Mundt Act of 1948, which established the USIA as part of a comprehensive information and educational exchange program, it was our conviction that the United States should make a strong and consistent effort to explain its aims and principles to the peoples of the world. In the intervening years the battle of ideas has assumed a steadily increasing importance, and it is now time to undertake a broad expansion of our information program.

PROPOSED CHANGE IN PAROLEE STATUS OF HUNGARIAN REFUGEES

Mr. HUMPHREY. Mr. President, I noted with interest the press dispatch dated February 8, 1958, from Atlantic City, N. J., which reported that the National Lutheran Council had called on Congress to enact legislation changing the parolee status of Hungarian refugees to that of "aliens admitted for permanent residence." I ask unanimous consent that the text of an article which appeared in the Washington Star on February 9 entitled "End Hungarian Parolee Status, Lutherans Ask" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXHIBIT A

END HUNGARIAN PAROLE STATUS, LUTHERANS ASK

ATLANTIC CITY, N. J., February 8.—The National Lutheran Council yesterday called on Congress to enact legislation changing the parole status of Hungarian refugees to that of aliens admitted for permanent residence.

The resolution pointed out that ample time has now elapsed since the Hungarian victims of Communist persecution had been admitted to the United States to permit proper screening.

It then cited the insecurity of those who were admitted as parolees and declared their status imposes an unjustified and undue hardship upon them.

CONCLUDING SESSION

The statement was passed at the concluding session of the council's annual meeting here. The council has eight Lutheran Church bodies representing over 5 million members, as its constituency. They are the United, Evangelical, American, Augustana, Free, United Evangelical, American Evangelical Lutheran Churches, and Suomi Synod. Dr. F. Eppling Reinartz, of New York, is council president.

The delegates also urged President Eisenhower and Congress to intensify and expand programs to aid the economic, social, and cultural development of other lands whose people are striving to help themselves toward improved conditions.

Mr. HUMPHREY. Mr. President, last July I introduced S. 2550, a bill which is pending before the Senate Judiciary Committee. Among other features of this bill was section 6 (b). I ask unanimous consent that the text of this subsection be printed at this point in the RECORD.

There being no objection, the text of subsection 6 (b) was ordered to be printed in the RECORD, as follows:

(b) Subsection (d) of section 212 of such act is amended by adding at the end thereof the following new paragraphs:

"(9) (A) Notwithstanding any other provisions of this act or any other law, any alien who is or has been paroled into the United States by the Attorney General under the

authority of paragraph (5) of this subsection and has not otherwise acquired permanent residence status in the United States may apply to the Attorney General for adjustment of his status to that of an alien lawfully admitted for permanent residence.

"(B) If it shall appear to the satisfaction of the Attorney General that the alien has remained in the United States for at least 2 years, is a person of good moral character, and that such action would not be contrary to the national welfare, safety, or security, the Attorney General, in his discretion, may record the alien's lawful admission for permanent residence as of the date of the alien's last arrival in the United States. A complete and detailed statement of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such adjustment of status. Such reports shall be submitted on the 1st and 15th day of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or prior to the close of the session of Congress next following the session at which a case is reported, either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the adjustment of status of such alien, the Attorney General shall thereupon require the departure of such alien in the manner provided by law. If neither the Senate nor the House of Representatives passes such a resolution within the time above specified, the alien shall be regarded as lawfully admitted to the United States for permanent residence as of the date of the alien's last arrival in the United States.

"(10) The number of aliens who may be granted the status of aliens lawfully admitted for permanent residence pursuant to paragraph (9) of this subsection, shall not unless otherwise specified by a joint resolution of the Congress, exceed in any fiscal year the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year since June 25, 1948, by any special acts of Congress enacted on or after that date plus 15,000."

Mr. HUMPHREY. This subsection of S. 2550, Mr. President, would give the Attorney General of the United States the authority to adjust the status of a parolee to that of an alien lawfully admitted for permanent residence. The tragedy of the Hungarian parolees is that their anomalous status in this country continues to be with us. I have spoken out on this subject a good many times in recent months, the latest occasion being my address to the International Rescue Committee on January 30, 1958, a copy of which I inserted in the CONGRESSIONAL RECORD, pages 1472–1474, on January 31.

Now that the National Lutheran Council and other important religious and public-spirited groups are asking for redress of this discrimination against parolees, I hope, Mr. President, that the Judiciary Committee will find some way to act favorably in the near future on the kind of legislation I have proposed.

Mr. President——

The VICE PRESIDENT. The Senator from Minnesota.

FAIR TRADE IN TROUBLE

Mr. HUMPHREY. Mr. President, last week the Senator from Wisconsin [Mr. PROXMIRE], among others, commented on the fact that the General Electric Co., long recognized as a stanch champion of fair trade competition, announced the withdrawal of its products from the protection of the fair trade laws. This momentous decision, GE officials explained, was based upon its belief that fair trade had become unenforcible. In a letter sent to all dealers and distributors of General Electric housewares and radio receivers, the company pointed out that:

Court after court has expressed its lack of sympathy with fair trade, and its disagreement with the legislative judgment which led to the passage of the fair trade laws. A total of fourteen State supreme courts have also declared their statutes unconstitutional in whole or in part. These decisions, combined with Missouri, Texas, Vermont, and the District of Columbia where fair trade acts were never passed, create a total of eighteen vast and commercially important non-fair-trade areas which adjoin fair trade States and greatly compound the difficulties of equitable enforcement at their borders. Moreover, mail order businesses, operating from the shelter of these non-fair-trade areas, recently have been permitted to riddle the price structure of fair trade States by advertising, offering for sale, and selling products to residents of these States below fair trade prices. Finally, in some fair trade States it has become increasingly difficult to secure adequate penalties to enforce compliance. Not infrequently punishment for violations of an injunction is either refused, or is so mild it does not serve as a deterrent in the future.

All these facts are clearly evident from our study of the recent trend of the over 3,000 fair trade cases instituted by us in the past five years, the thousands upon thousands of investigations undertaken, tabulated and acted upon, and the hundreds of contempt proceedings brought to enforce compliance with court orders. Current experiences show that despite the magnitude of these continuous efforts, we can no longer uniformly establish and effectively protect our fair trade price structure in the manner originally contemplated by the fair trade laws. As a consequence, those who have signed fair trade contracts or voluntarily observed our fair trade prices have been placed in an untenable competitive position when located adjacent to the non-fair-trade areas or in states where violators have freely flaunted court injunctions or to which they have targeted mail order operations.

Following closely upon GE's announcement came word from the Sunbeam Corp., another old and dedicated fair trade ally, that most of its small electrical appliances would no longer be fair traded. And this week, still another vigorous fair trader of the past, the Schick Corp., revealed its plans to abandon fair trade. The defection from fair trade by these large and successful companies, when considered with last year's fair trade abandonment by the Westinghouse Co. and the Schaeffer Pen Co., contains some alarming competitive implications for the small-business community.

Already, unmistakable signs are present that 27 years of progres in developing fair trade competition is to be set aside. According to the trade press, price wars on formerly fair traded products have broken out in New York City and a number of other metropolitan centers. A strong threat also exists that these wars will soon be extended into many other cities and towns throughout the country. One thing, however, is certain. Should these price wars continue unabated and spread to new areas as seems likely, the important work that has been done since 1931 to protect manufacturers, retailers and consumers alike from the evils of cutthroat price competition will have been destroyed.

To small-business men concerned over the steady decline in fair-trade competition, I think it appropriate to repeat the words of encouragement offered by the Senate Small Business Committee in the bleak and price-war-torn days of 1951 which followed the Supreme Court's decision in the celebrated Schwegmann case. At that time as fair-trade competition was struggling under what then appeared to be a fatal injury, the committee exhorted members of the business community to—

recognize their responsibilities in this situation and that they will realize the dangers inherent in loss-leader selling and cutthroat competition, that they will realize that such practices can result only in damaging the whole economy. It is not only the small independent merchant who suffers in a price war. The manufacturer and the consumer also suffer. And the leaders of price-cutting campaigns should realize that injury to other segments of the retail trade cannot benefit them. Gains realized from loss-leader selling are shortlived. The practice is a vicious one and defeats itself. No merchant, no matter how large, can afford to continue loss-leader selling indefinitely. He must engage in other practices in order to recoup his losses. And such other practices of necessity require that he sell other merchandise at high profits. The consumer must sooner or later discover the fallacy of the loss-leader selling technique, and then the retailer loses the good will of his customers and their patronage. The good sense and recognition of their responsibilities should impel the overwhelming mass of the business community to the logic and wisdom of fair trade.

Of course, much more than words of reassurance are needed to repair the damage done fair-trade competition by the withdrawal from the system of some of its strongest supporters. First, it is imperative that the Department of Justice and the Federal Trade Commission enforce the antitrust laws to the utmost in an effort to eliminate predatory pricing practices. Prime weapons in this antitrust offensive should be the Sherman Act and the Robinson-Patman Act, which together constitute a Magna Carta of economic freedom, equality, and justice for small business. Great emphasis must also be placed upon aggressive enforcement of the criminal provisions of section 3 of the Robinson-Patman Act, a measure which has almost become forgotten through disuse. Second, the Congress and, particularly, the Senate Small Business Committee, must measure up to their responsibilities in preserving America's small businesses. A survey should be undertaken immediately to determine the scope and intensity of price cutting throughout the country on formerly fair-traded commodities. Following the completion of the survey, which I shall ask in the Senate Small Business Committee, it is my plan to launch a public inquiry into the need for legislation to protect small businesses

from destructive pricing practices. Perhaps, the answer will lie in the bill advanced by the National Association of Retail Druggists which calls for a federally sanctioned system of resale-price maintenance. Or it could be a measure which effectively prevents loss-leader selling. In any event, the search must begin soon if the small-business community upon which our Nation's economic well-being so vitally depends is to survive.

This plan ties in with the pronouncements made today by the majority leader and his outline of a program, as another part of the overall effort on the part of Congress and the administration to curb and stop the recession.

PROPOSED REMODELING OF THE EAST FRONT OF THE CAPITOL

Mr. SMITH of New Jersey. Mr. President, it is with great pleasure that I call the attention of the Senate to the action of the Committee on Public Works which this morning reported without objection S. 2883. This bill, sponsored by the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. HUMPHREY], my colleague from New Jersey, [Mr. CASE], and myself, is a bipartisan effort to halt the present plans for extension of the east front of the Capitol. The committee's action is further indication of this bipartisan effort.

Because the Architect of the Capitol has announced immediate letting of contracts, time is of crucial importance and I hope that the Senate will take the earliest possible action on S. 2883.

Since my last comments on this subject, further evidence of the growing opposition to the present plans appears in every edition of Washington's newspapers; for instance, a news item, East Front Plan Opposed by BYRD, in the Washington Evening Star, March 4, 1958, announcing that the distinguished senior Senator from Virginia [Mr. BYRD] has joined with his distinguished colleague [Mr. ROBERTSON] in support of those of us who have been striving to preserve the historic east front.

The Washington Post is continuing its excellent series by Elsie Carper informing the public of all details of this controversy. I ask unanimous consent that the Washington Post articles of March 5 and 6, 1958, and the Washington Evening Star news item of March 4, 1958, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Evening Star of March 4, 1958]

EAST FRONT PLAN OPPOSED BY BYRD

A proposal to extend the east front of the Capitol is "both undesirable and nonessential," Senator BYRD, Democrat, of Virginia, said today.

He reiterated his longstanding opposition to the plan on the eve of a possible Senate committee decision tomorrow which could have an important bearing on the project.

A subcommittee on Public Buildings and Grounds of the Senate Public Works Committee is scheduled to hold an executive session at 10 a. m. tomorrow. The subcommittee, headed by Senator MCNAMARA, Democrat, of Michigan, will take up the bill of Senator SMITH, Republican, of New Jersey, to rescind Congressional approval of the east-front extension at a cost of about $10.1 million.

Senator BYRD's letter was addressed to Chairman MCNAMARA, who held public hearings on the Smith bill last week. At that time, J. George Stewart, Architect of the Capitol, and a consulting architect testified that erosion has made the sandstone east front unsafe. Today Senator BYRD wrote:

"The schemes outlined in the report run to estimated costs of $110 million. Changing the appearance of the Capitol would be both undesirable and nonessential."

Yesterday, Virginia's other Senator, A. WILLIS ROBERTSON, Democrat, changed his mind and expressed opposition to the east-front extension.

[From the Washington Post and Times Herald of March 5, 1958]

CHANGING THE CAPITOL—EAST FRONT EXTENSION WOULD PROVIDE MOST EXPENSIVE FLOOR SPACE IN UNITED STATES

(By Elsie Carper)

Additional office and restaurant space to be provided in the proposed extension of the east front of the Capitol will set a new record for the cost of office space, according to critics of the plan.

Edmund R. Purves, executive director of the American Institute of Architects, puts it this way:

If the entire $10.1 million is to be used to move out the east front wall, it will result in the most expensive floor space in the United States since they paved the lobby of the old Teller Hotel in Central City, Colo., in gold.

Henry Clay Hofheimer II, trustee of the National Trust for Historic Preservation, has described it as the most expensive square feet of official building in history.

Here is what Congress would receive for the $10.1 million:

Forty-four thousand nine hundred and thirty square feet of primary and secondary space at a cost of more than $200 a square foot.

Some 62 office rooms.

Two dining rooms, each seating 115 persons.

Nine storage rooms.

Through corridors on each floor of the Capitol.

The square foot cost compares roughly to the $20 to $30 cost per square foot of the United Nations Building in New York, the new State Department Annex here and the New Senate Office Building.

The extension plan now being pushed by a Congressional Commission provides for a copy of the historic sandstone east front to be built in marble 32½ feet forward from its present location. The Commission, headed by Speaker of the House SAM RAYBURN, Democrat, of Texas, has authorized Capitol Architect J. George Stewart to let contracts.

Legislation to halt the project will be taken up by a Public Works subcommittee under the chairmanship of Senator PAT MCNAMARA, Democrat, of Michigan, at 10 a. m. today.

The legislation would free architects to find space elsewhere in the building other than at the expense of the east front.

Julian E. Berla, a fellow of the American Institute of Architects and chairman of the Committee To Preserve the Capitol, suggested in recent testimony before MCNAMARA'S subcommittee that Stewart could find additional space in the Capitol by reorganizing present usage and moving out some offices.

Within a few months, the new $23.4 million Senate Office Building will open. The building includes a restaurant, offices for 40 Senators, a 2-story auditorium, offices for 12 committees, and a school for Capitol pages.

SPACE FOR HOUSE

Under construction is a $64-million House Office Building that will contain a cafeteria, offices for 170 Members of the House and offices for 23 committees or subcommittees.

In his testimony, Berla suggested that Stewart give up his own office in the west section of the Capitol and move elsewhere so that this historic east front would be maintained without any further damage.

Architects testifying before the subcommittee pointed out that if the Capitol must be expanded it should be extended to the west. They pointed to a report submitted by Stewart to the Commission which included, in addition to the east front plan, a proposal to add restaurants and offices to the west.

Douglas Haskell, a member of the AIA and editor of Architectural Forum, described the east front extension as "a boondoggle" because no practical effect is served that could not better be carried out on the western or terrace side of the Capitol and "with no architectural damage."

"The east front extension," he said, "yields only a thin sliver of the costliest possible space whereas five times as much space can be developed, according to the advisory architects, along the terrace side at reasonable figures and in good usable chunks."

RAYBURN, however, has ruled out consideration of the west expansion plan.

[From the Washington Post and Times Herald of March 6, 1958]

DOME IS BIG ISSUE IN EAST FRONT DEBATE

(By Elsie Carper)

The present uninterrupted view of the Capitol dome from the courtyard where Presidents are inaugurated would be destroyed by the plan to rebuild the east front of the Capitol.

The courtyard, flanked by the wings of the Senate and House, and the placement of the dome are considered by many of the Nation's foremost architects as the two major architectural features of the Nation's most famous building.

They are certainly the part of the Capitol most often photographed.

From the courtyard, standing in front of the east portico, it is now possible to look up past the pediment and see every feature of the dome to the Statue of Freedom at its top.

BUILDING UNIQUE

The position of the dome above the portico makes the building unique among domed buildings of the world.

Ralph Walker, past president of the American Institute of Architects and winner of the association's centennial gold medal last year, describes the architectural quality of the east front as superb.

"The proportions are elegant and the relations of detail to the great court are magnificent.

"The dome rises as a symbol of unity straight from the ground to the crowning figure. All architects who have ever designed great domes have aspired to achieve this quality, that is, the dome being related to the ground.

"The best place to see Michelangelo's dome at St. Peter's is not from the front, ruined as it has been by the extra long nave, but from the rear, where just the effect to be seen on the east front is to be found.

OTHER STRUCTURES CITED

"The same is to be observed in the dome at Florence and Les Invalides in Paris. A dome which is placed too far back from the surface of the building appears always to be unrelated to the mass."

Walker said this about the east front extension:

"Were the east front to be moved farther east the podium on which the dome rests would completely disappear from the important near views and the dome would then resemble a wedding cake placed upon an unrelated table."

The location of the dome has been a subject of architectural controversy since it was added to the building during the 1860's. Its construction continued during the Civil War at the insistence of President Lincoln as an evidence of the Nation's faith in its future.

The dome instead of masonry was manufactured from iron. Architect Thomas U. Walter selected the lighter material so that he might place the dome on the masonry walls of the original structure and above the rotunda. The columns were secured on cantilevered iron brackets.

PAINTING IN HARMONY

At the base of the dome he placed an iron skirting for visual effect and then the dome was painted to harmonize with the painted sandstone walls of the historic building beneath it.

The dome sits to the center of the building and the skirting extends a little more than 12 feet over the roof of the portico.

Centering the dome is one of the reasons advanced by Capitol Architect J. George Stewart, whose title is that of architect but whose profession is that of a contractor and engineer, for rebuilding the century-old east front. The plan is to put up a marble replica 32½ feet to the east cutting deep into the courtyard. Added space would be used for offices and restaurants.

In recent hearings before a Senate Public Works subcommittee on legislation that would hold up the east front extension, Stewart said the visual effect "does violence to the one universally accepted tenet of good classic arctitecture—that adequate and proper support for every load should be apparent."

DOME A "REAL DEFECT"

One of the architects employed by Stewart, Roscoe DeWitt, a fellow of the American Institute of Architects, also testified that the placement of the dome is "a very real defect."

Others at the hearing had different views.

Lorimer Rich, a fellow of the AIA and the architect of the Tomb of the Unknown Soldier, described the location of the dome as a "happy accident * * * which gives a flowing cascading feeling."

The "defect" of the skirt he said, "disappears and has disappeared in the minds of the American people."

Others have pointed out that it is the defect of the lean that makes the tower of Pisa so interesting.

Douglas Haskell, a member of the AIA and editor of Architectural Forum, put it this way:

"It is simply not true that the east front could be moved just a few feet and changed in color and the present magnificent effect preserved, any more than Mona Lisa's nose could be moved an inch or two and her eyes repainted still preserving the famous smile."

Across the country protests are continuing to be heard against the plan to redo the front of the Capitol at a cost of $10.1 million. Printed below is editorial opinion from the press:

San Bernardino, Calif., Telegram: "The Capitol is a national shrine * * * it should be preserved as such * * *. Posterity should be availed the opportunity to see the historic buildings as they stood in bygone eras."

Salt Lake City Desert News & Telegram: "Has anyone considered the item of cost?"

Jacksonville, Fla., Times-Union: (headline for editorial) "Alteration of the Capitol is Not Capital Idea."

Pittsburgh Press: "Barbarous mutilation."

New Haven, Conn., Journal-Courier: "We are sure our Congressmen and Senators can find themselves new space for their deliberations without destroying a beauty that belongs not to them alone but to every American."

FIRST ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF GHANA

Mr. SMITH of New Jersey. Mr. President, 1 year ago on March 6, 1957, the Republic of Ghana achieved its independence. The Senate fittingly celebrated the occasion with a resolution of congratulations.

On this, its first anniversary, I wish to take the opportunity to say a few words of commendation to this young member of the Free World.

The first year was not an easy one as independence brought tribulations and the need for the reconciliation of many interests. The rigor of certain police measures adopted rather early by the regime was lessened, however, by the end of the year.

In the economic field gains in production were attained. The per capita gross national product in 1957 was $143 as compared with $2,418 for the United States. However, it was a partner with the United States in a technical assistance program and will continue to be so, and, it is a member of an eight-nation Free World group which is working out a technical assistance program for Africa patterned on the provisions of the Colombo plan.

Ghana is a democratic pace setter in Africa. Its experience and triumphs in meeting the many problems facing it will provide a model for other peoples on that continent who will achieve independence in the coming years. We can help it to fulfill its aspirations by continuing our aid and friendship.

We in America are proud to congratulate this courageous nation on its first anniversary, and we look forward with confidence to its growth and development in the years ahead as a member of the peoples of the Free World.

Mr. MANSFIELD. Mr. President, I join with my colleague, the distinguished senior Senator from New Jersey [Mr. SMITH], in extending to the new Republic of Ghana felicitations and congratulations on its first anniversary. The words which distinguished this new Republic, established just 1 year ago today, are to be found in its motto: "Freedom and Justice." To the Prime Minister and the people of Ghana, Congress sends warm greetings.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. I associate myself with the commendatory statement of the Senator from New Jersey [Mr. SMITH] and the statement which the Senator from Montana is now making concerning the first anniversary of the independence of Ghana. I saw the Ambassador of Ghana on television this morning and enjoyed the program very much.

Mr. MANSFIELD. I thank the distinguished majority leader.

Mr. Kwame Nkrumah, the Prime Minister of this fledgling republic, while he has difficulties on his hands, has proved himself to be most capable in looking after the interests of the people of his nation.

Ghana is, in part, an agricultural country. Despite its newness, it has been unanimously welcomed into the United Nations. It has joined the associated agencies connected with the United Nations. It has placed in operation a ship line of its own. It is conducting negotiations for an airline of its own. It also has at the present time a news agency of its own.

We wish Ghana good luck, and extend to it good wishes, and Godspeed on this, its first anniversary.

PEACE AND STABILITY IN THE MIDDLE EAST

Mr. SMITH of New Jersey. Mr. President, yesterday, the President submitted to the Congress the second report covering Joint Resolution 117, "To promote peace and stability in the Middle East." The report, dealing with the period since the adoption of the resolution through December 31, 1957, supplements the first one concerning activities through June 30, 1957.

Clearly and firmly the report describes the extent of the Communist effort to obtain ascendant influence in the Middle East through propaganda and economic and military assistance campaigns.

It depicts the difficult task confronting the Free World in its attempt to assist the nations of that area in their courageous efforts to preserve their freedom, independence and security in the midst of manifold and complex problems.

The scale of the Free World effort is measured by the intensity of Communist opposition to it and the report points out that the Middle East resolution with its emergency provisions, "has unquestionably contributed to the steadfastness which they, the members of the Baghdad Pact, and other states of the Near East, resisted the campaign of intimidation and disruption conducted by the Soviet Union and its agencies."

Mr. President, I ask unanimous consent that the full text of the report and the accompanying letter of President Eisenhower be printed in the body of the RECORD as a part of my remarks.

There being no objection, the report and letter were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I am transmitting herewith the second report to the Congress covering activities through December 31, 1957, in furtherance of the purposes of the joint resolution to promote peace and stability in the Middle East. This report supplements the first one forwarded to the Congress on July 31, 1957, concerning activities through June 30, 1957.

The resolution continues to be an important element in United States foreign policy relating to the Middle East. Communist opposition to it is clearly revealed by the fact that over the past 6 months Communist propaganda and its adherents in the Middle East have intensified their efforts to distort the purposes of the resolution and to depreciate the contribution it has made to the

creation of more stable conditions in this important part of the world. I am convinced that we must continue to devote major attention in our Middle East policy to assisting the states of the area, on a cooperative basis, in maintaining their independence and integrity. The resolution forcefully embodies the purpose of promoting these means of achieving international peace and stability in the Middle East.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1958.*

THE SECOND REPORT TO THE CONGRESS COVERING ACTIVITIES THROUGH DECEMBER 31, 1957, IN FURTHERANCE OF THE PURPOSES OF THE JOINT RESOLUTION TO PROMOTE PEACE AND STABILITY IN THE MIDDLE EAST—PROGRESS IN FURTHERANCE OF THE RESOLUTION, JULY 1, 1957–DECEMBER 31, 1957

The policy embodied in Joint Resolution 117 to promote peace and stability in the Middle East, approved by the President on March 9, 1957, continues to be a cornerstone of United States foreign policy in this vital area.

The resolution proclaims the intention of the United States to assist nations in the general area of the Middle East to maintain their independence. Its continuing, central purpose is to leave no possibility of miscalculation in the minds of potential Communist or Communist-controlled aggressors as to the results of aggressive action on their part.

In the 15 countries of the Middle East which Ambassador Richards and his delegation visited in March and April of 1957, and where the Ambassador expounded the principles and motives of the policy and answered many probing questions, a broader understanding of, and a greater confidence in, the aims and purposes of the United States has been achieved. The commitments for assistance made by Ambassador Richards reinforced the internal strength of the nations which welcomed our assistance.

The determination of the United States, explicit in the resolution, that it is prepared to use armed forces, if requested, to render assistance in the event of armed Communist aggression in the Middle East, has been particularly heartening to the nations which have joined together in the Baghdad Pact. It has unquestionably contributed to the steadfastness with which they, and other states of the Near East, resisted the campaign of intimidation and disruption conducted by the Soviet Union and its agents.

The full force of the Communist propaganda apparatus has been brought to bear throughout the Middle East in an attempt to portray the resolution as an effort by the United States to extend its domination over the area, to split the Arab world, and to reinstate a form of colonialism. Misunderstandings concerning the specific purposes of the resolution, and of United States policy in general, have been created affecting the attitudes of even non-Communist elements. The recent Afro-Asian Conference in Cairo, where the Communists played such a major role, asserted, in a resolution on "imperialism," that "both the Baghdad Pact and the Eisenhower doctrine interfere with the independence of the Arab countries, infringe on their sovereignty, and endanger their security."

This propaganda assault has been coupled with a more tangible campaign on the part of the Soviet Union and its satellites to penetrate and expand their influence in the area through economic and military assistance. By seeking to create the impression, through initially generous offers, that Soviet aid is free from all conditions and political strings, the Soviet bloc has attempted to discredit the constructive efforts of the United States and other free nations and to pose as the disinterested partisan of the legitimate economic and political aspirations of the countries of the Middle East.

The task of those in the Middle East who courageously strive to preserve their freedom, independence, and security in the face of these Soviet activities is not an easy one. The political, social, and economic needs and problems of the area are manifold and complex. The new nations of the Middle East are sensitive to the echoes of past colonial relationships. By the exercise of diplomatic skill, by patient and persistent efforts to reach understanding on the common objective, and by imaginative and vigorous action through our assistance programs, we can hope, with the continuing support of the Congress, to achieve the resolution's goal of promoting peace and stability in the Middle East.

ECONOMIC AND MILITARY ASSISTANCE EXTENDED IN FURTHERANCE OF THE RESOLUTION

The joint resolution authorized the President to cooperate in programs of economic and military assistance with any nation or group of nations in the general area of the Middle East desiring such aid to develop the strength necessary to preserve their integrity and national independence. Section 3 of the resolution contained special authorization to utilize not to exceed $200 million from funds previously appropriated to carry out the provisions of the Mutual Security Act of 1954, as amended, in furtherance of the purposes of the resolution.

Section 3 of the resolution was particularly useful to Ambassador Richards in initiating action in behalf of those countries desiring assistance, and enabling effective use to be made of appropriated funds. During the 6 months ending December 31, 1957, the regular authorities of the Mutual Security Act, and funds appropriated pursuant thereto, were used to implement further the general purposes of sections 1 and 2 of the resolution.

1. Economic assistance

A total of $123 million of funds available under the Mutual Security Act for the fiscal year of 1957 was committed for nonmilitary aid programs in implementation of the Joint Resolution. Of this amount, $67.9 million was committed by Ambassador Richards, $23.4 being obligated under the special authority of section 3, and $44.5 [1] under the regular authority of the Mutual Security Act. In addition, economic assistance in the amount of $55.1 was obligated by ICA for Middle East programs not arranged by Ambassador Richards but which required the authority of section 3. If this special authority had not been available, most of these Middle East programs could not have been initiated. The details of these various commitments have previously been reported to the appropriate committees of the Congress.

During the 6 months ending December 31, 1957, prompt and positive action was taken to carry out all commitments for economic assistance made under the resolution. Materials have already been delivered or are in process of delivery; and new projects have been undertaken or existing ones advanced.

2. Military assistance

Although there was a marked intensification of the Soviet Communist effort, during the second half of 1957, to penetrate and subvert states of the Middle East, it was not necessary to invoke the final provision of section 2 of the resolution. This enables the United States, upon determination by the President of the necessity thereof, to render armed assistance to any nation requesting it in the defense of its independence and integrity against aggression from any country controlled by international communism. The existence of this provision undoubtedly constituted a strong deterrent to overt Communist aggression.

In addition to the broad psychological reassurance imparted by the resolution, the expeditious and tangible fulfillment of the special military assistance commitments totaling $51.1 million made by Ambassador Richards contributed not only to the material ability, but to the determination of the nations of the Middle East to resist both internal subversion and external aggression. During the period of July 1, 1957, to December 31, 1957, virtually all of the items of equipment represented by these commitments, with the exception of some long lead-time items and certain material being provided under offshore procurement, were delivered, and have already been integrated into the armed forces of the recipient countries. The authority of section 2 of the resolution made rapid military aid of this kind feasible, while the underlying sense of purpose and urgency conveyed by the promulgation of the resolution as a whole lent renewed impetus to the current fiscal year 1958 military assistance program. Indeed, in certain urgent cases it resulted in a considerable acceleration of this program.

The decisive role played by the joint resolution in strengthening the nations of the Middle East, through the provision of special and selective military assistance, to resist the insidious and ever-present threat of international communism was of crucial importance during the past year.

ACTION PURSUANT TO SECTION 4 OF THE RESOLUTION

Section 4 of the resolution enjoins the President to continue to furnish facilities and military assistance to the United Nations Emergency Force in the Middle East with a view to maintaining the peace in that region. This assistance has been rendered.

The value of the supplies and equipment made available to the force by the United States on a reimbursable basis through 1957 has totaled approximately $4.5 million. These were financed funds appropriated to the Department of Defense.

Early in 1957 the United States contributed, as its share of the UNEF assessment of $10 million, some $3.3 million. This was provided out of funds appropriated to the Department of State for contributions to international organizations. The United States has also indicated its willingness to contribute on a matching basis one-half of the $6.5 million of the UNEF's 1957 costs for which the General Assembly had requested contributions, using funds under section 401 (b) of the Mutual Security Act of 1954, as amended. Of this sum, the United States has paid $920,850 to match contributions received from other members of the United Nations. In response to an urgent request from the Secretary General of the United Nations for special assistance to meet the deficit incurred for UNEF's 1957 costs, the United States has made a special contribution of $12 million, using $2.25 million of funds under section 401 (b) of the Mutual Security Act of 1954, as amended, and $9.75 million of funds under section 400 (a) of the same act.

[1] $20 million of this amount, which could not be obligated prior to the end of fiscal 1957 because of unforeseen legal and technical difficulties, was reappropriated under the fiscal year 1958 Mutual Security Program and is currently in process of obligation following successful negotiations with the country concerned.

THE 53D ANNIVERSARY OF THE INAUGURATION OF PRESIDENT THEODORE ROOSEVELT AND THE APPROACHING 100TH ANNIVERSARY OF HIS BIRTH

Mr. WILEY. Mr. President, because of an out-of-town speaking commitment, it was not possible for me, Tues-

day, to be present on the Senate floor at the time tribute was paid to the unforgettable "Rough Rider" President, the 25th President of the United States, the Honorable Theodore Roosevelt.

I was pleased to note in yesterday morning's CONGRESSIONAL RECORD, however, that virtually every aspect of his inspiring career was fittingly covered in the tributes which were paid to him by so many of my colleagues.

The fact that Senators of such diverse views so unanimously saluted his undying memory is tribute, indeed, to his achievements for this Republic.

I should personally like to recall, now, in particular, the vision which he displayed in demonstrating and expanding America's new role on the international scene.

Winner of the Nobel Peace Prize, his actions and words demonstrated that international stability could no longer be taken for granted without the fullest contribution of the Government and the people of the United States. He helped awaken America to the opportunities which faced us throughout the world; and, yes, the challenges, the dangers.

I sent to the desk a brief supplementary statement which I ask to have printed at this point in the body of the RECORD by way of my tribute to this remarkable American.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

In the March 4 CONGRESSIONAL RECORD are described so many accomplishments by this great figure that any single achievement of his would have been almost enough for any one man's lifetime.

I have already mentioned what Teddy did to project America constructively as an instrument for world peace and progress.

CONSERVATIONIST

I should like to stress also, however, the fact that T. R.'s fatherhood of the American conservation movement would, likewise, have been enough to endear him to the hearts of all succeeding generations of Americans.

ANTITRUST FIGHTER

So, too, his combat of predatory, selfish interests which sought to strangle the economic life of this country by monopoly constitutes an unforgettable contribution in the history of this Nation.

His battle to protect the public resources—the forests, the refuges, of this country—was thus matched by his battle to protect the public interest against the handful of men who thought that America was theirs to control, as they felt like it.

PATRIOT

Teddy Roosevelt belonged to all of the American people. It will not be amiss, however, to say that Teddy Roosevelt belonged to the Republican Party, in particular. He represented the very best in our party; forward-thinking, forward-acting leadership.

But either major party, Republican or Democrat, can win for itself lasting honors by the type of ideal which he represented.

Nevertheless, T. R. was infinitely more than a leader of one party. He was a patriot who was respected by all patriots. He loved this country and everything it represented. He loved its flag, its national anthem; every symbol of its existence, and he proved it not simply with words, but with deeds.

REFORMER

And Teddy Roosevelt was clean. He believed in clean politics and in clean government. He believed in personal honesty and in national honesty.

PHYSICAL FITNESS

His personal achievement over physical misfortune would, likewise, have been more than enough to serve as an inspiration for all Americans.

For here was the greatest exponent of physical fitness that has ever occupied the White House. Yet here was a man who, as the March 3 issue of Time magazine points out, had been in his own words, "a sickly, delicate boy." Roosevelt conquered physical weakness by proving the superiority of mind over matter. He helped to conquer national flabbiness in innumerable other fields, as well.

Teddy, the Trust Buster; Teddy, the Rough Rider; Teddy, the Conservationist; Teddy, the Great Adventurer; Teddy, the Bull Moose Reformer—every one of these descriptions brings back a vivid image of this gallant fighter.

He bequeathed to America a personal life, a record of deeds, a family, which fill our hearts with gratitude and appreciation.

NEW UNITED STATES LOAN TO INDIA—OPEN LETTER OF GREETING TO INDIAN PEOPLE

Mr. WILEY. Mr. President, I should like to commend the State Department, and other United States financial experts, on the successful completion of arrangements for the sound granting to India of a quarter of a billion dollars in credits to help finance India's second 5-year economic development plan.

As has previously been expressed on the Senate floor on other occasions, in connection with India, by our able friends, the Senator from Kentucky [Mr. COOPER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], and other Senators, it is extremely important to our own United States that the Indian people succeed in their second 5-year plan.

We believe that, in so doing, India will further demonstrate to all of Asia, indeed to all the underdeveloped world, that a country can indeed rise by its bootstraps rapidly and successfully and in a completely democratic framework.

Thus, with India's additional progress, democracy will become even a stronger beacon in the East than it is today, in competition with the false and antidemocratic leadership which is attempted from dictatorial Peiping and Moscow.

I should like to point out that these credits to India will have exactly that effect. The United States development loan fund loan, the Export-Import Bank loan, will be repaid on a sound interest-and-principal basis.

GRACIOUS WORDS FROM INDIAN FINANCIAL LEADER

In Wednesday morning's Washington Post, there is a fine statement quoted from the Secretary for Economic Affairs in India's Ministry of Affairs, Mr. B. K. Nehru. He states that the people of India are greatly appreciative.

It was Mr. B. K. Nehru who headed the Indian delegation which negotiated the loan with the United States, overcoming many difficult technical hurdles.

Mr. Nehru said that India will repay the credits "not only in cash, for that goes without saying; but in the more abiding currency of human friendship, for we are not likely easily to forget those who helped us in our hour of need."

In the same spirit of friendship, I have prepared a statement in the form of an open letter to the Indian people. My purpose is to help accompany our United States action, if only in a small way, by an expression of views on the spirit in which the action is taken. I ask unanimous consent that the open letter be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

There is a wise spiritual phrase which many Americans often recall at a time when assistance is rendered to a friend or neighbor: "A gift, without the giver, is bare."

So, too, a "loan, without the lender, is bare."

That is, when a loan is extended, it should come from the heart of the lender, as this loan does come. It should come, as this does come, with a spirit of warmth, of genuine good will, of deep interest in the well-being of the recipient. Otherwise the aid might not serve its worthy ends.

In our personal lives, we all no doubt recall some illustrative instances where a gift or a loan was given coldly or with condescension and, thus, did not result in a relationship of abiding good will.

But this credit, like all our previous assistance to India, carries with it the warmest greetings of the American people, greetings which we know are reciprocated by India.

As our friends know, the United States sincerely wishes nothing but the very best in good fortune and in achievement for the government and the people of India.

In its short decade of independence, the Indian Republic had made tremendous progress. It is reflected in her cities and in the half-million villages which are the heart of India.

We know that the test of a nation, like the test of a man, is not what standard of living it is now at, but rather, how far, and how high, it has come within a period of time from very modest beginnings.

India's growth, despite almost incredible obstacles, has been spectacular. The years up ahead should prove still more promising and rewarding. We hope more and more American visitors will see that progress at first hand by visiting the old and new India.

OUR COMMON HERITAGE WITH INDIA

Obviously, although we of America differ very considerably from India, we share many common attributes.

We were a colony, as India was a colony.

We have had the internal problem of harmonizing diverse peoples, as has India. Our problem has been far less complex than has India's, but we have had our share of internal difficulties at times.

The mass of our people have faced nothing like the economic privation which has faced so many of the Indian people; but the wealth of a country, materially, is not nearly as meaningful as it is its wealth of spirit. The Hindu civilization is an ancient one; rich in the intangible values which any nation prizes.

INDIA'S GREATEST SAINT—GANDHI

We have had our share of great figures in our national life. So, too, India's greatest leader, the martyred Mohandas Gandhi, won for himself an unforgettable place not only in the heart of his countrymen, but also a very

warm place in the hearts of the American and other peoples. Gandhi's humility, his compassion, his self-sacrifice, his vision, his spirituality transcended all borders and all time.

We have not forgotten that Gandhi drew from the inspiration of American thinkers, such as Thoreau, just as some of our greatest figures, in turn, have drawn from the spirit of India's thinkers.

We of the United States and of India both have vast countries which enjoy tremendous frontiers of development. A highly industrialized country like the United States may seem the opposite of an underdeveloped nation like India; and, yet, there is in both peoples, a common awareness that they have only begun to tap the riches which lie still before them within their own vast territory. We hope that abundant private investment—domestic and foreign—will help fully to develop India's resources.

The many Indian students studying at the University of Wisconsin, or other American educational institutions across the land, give evidence of something else we share in common; a hunger for knowledge, a desire to dip deeply, not only in man's fast-growing technical heritage, but into the liberal arts and the humanities.

Both peoples dearly want peace. We would wish few objectives more than, in the words of our Holy Scripture, that the swords of India, and Pakistan, for example, or, for that matter, of other countries, one day when the danger of dictators' aggression is passed, be beaten into plowshares.

We know that the people of the vast Indian subcontinent, including Pakistan, want their relatively meager financial resources used to the utmost for new factories, new schools, new roads, new hospitals, new dams, more acreage under better cultivation and irrigation, and the other necessary ingredients for a country's growth.

At times, there has obviously been a considerable difference in the votes recorded by our Indian friends in the United Nations, as compared with our own. But these differences, however much they may have been featured in the headlines, do not begin to compare with the similarities in our common aspirations in international relations.

OUR ESTEEM FOR PRIME MINISTER NEHRU

The Members of the American Congress who had the pleasure and the privilege of hearing India's distinguished Prime Minister, the remarkable Mr. Jawaharlal Nehru, here in the United States, or who have read his words from abroad, know that he is motivated by the same democratic and peaceful ideals that we are.

We know that he is a force for peace and good will in the world; just as he is the No. 1 force for India's own well-being.

And so, in conclusion, the gift without the giver would be bare, our Holy Writ teaches us, just as, no doubt, within the teachings of India's saints there are similar expressions.

But this loan is not bare.

For the lender's spirit goes with it. Our spirit is not directed basically toward thoughts of repayment of the credit, because India has long since demonstrated her financial integrity and the validity of her word.

Rather, our thoughts go to the good will which will be achieved by these credits—good, not simply for India, but for all the rising peoples who look toward a brighter tomorrow for mankind.

PRESIDENTIAL SUCCESSION

Mr. SALTONSTALL. Mr. President, as a part of the remarks I made the day before yesterday, I introduced in the RECORD various materials which were published in the newspapers relating to the subject of Presidential disability. As I said on Tuesday, I believe that President Eisenhower's forthright action in providing a clear, workable, and entirely proper arrangement for continuity in the exercise of Presidential powers and duties in the event of his disability will come to have great historical significance.

The introduction of Senate Joint Resolution 161 by the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Illinois [Mr. DIRKSEN] and a number of our other colleagues on Tuesday proposing an amendment to the Constitution relating to cases where the President is unable to discharge the powers and duties of his office gives us an opportunity to decide how permanently this problem can be resolved. As I said on Tuesday, I look forward to the opportunity of voting on such a constitutional amendment at this session of Congress.

I am glad to note that former President Truman believes in the necessity for action by Congress by way of a long-term provision relating to Presidential disability.

I ask unanimous consent to have printed at this point in the RECORD the editorial entitled "Presidential Disability," published in yesterday's New York Times, the lead editorial entitled "The Inability Agreement," published in this morning's Washington Post, an article entitled "Acting President," by Chalmers M. Roberts, published in yesterday's Washington Post, excerpts from President Eisenhower's news conference held yesterday as published in today's New York Times, and the news report of yesterday's conference published in today's New York Times.

There being no objection, the editorials, article, and excerpts were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 5, 1958]

PRESIDENTIAL DISABILITY

For many months the administration has been urging upon Congress the importance of closing a gap in the Constitution which leaves uncertain the procedure to be followed in case any President of the United States should become unable to perform the duties of his office. Various proposals to provide for this contingency have been discussed in both branches of Congress, but no action has been taken. It is in these circumstances that President Eisenhower, in consultation with Vice President Nixon and Attorney General Rogers, has arrived at an agreement which, unless and until Congress acts, would be operative in the event of his own inability to carry on his work.

The plan has the merit of simplicity and commonsense. In the event of inability the President would, if possible, so inform the Vice President and the Vice President would thereupon serve as Acting President, exercising the powers and duties of the Office until the President's inability had ended. If the nature of the inability were such that the President could not communicate with the Vice President, then the Vice President, "after such consultation as seems to him appropriate under the circumstances," would decide upon the devolution of the powers and the duties of the Office and proceed to function as Acting President. In either event it would be the President himself who would determine when his own inability had ended, at which time he would return to duty.

There is just one respect in which we think this stopgap plan could be improved. This is in respect to the situation which would arise in case the President were unable to communicate with the Vice President. The present plan provides, as noted, for the Vice President, to undertake "such consultation as seems to him appropriate under the circumstances." We think it would be better if the plan specifically provided for consultation with the full Cabinet. This was, in fact, the recommendation embodied in the administration's own plan for a constitutional amendment. When Attorney General Brownell presented this plan to the House Judiciary Committee he said: "The Cabinet is the proper body to participate along with the Vice President in declaring a President's inability. The Cabinet is an executive body, the President's official family. * * * Moreover, the Cabinet is in a position to know at once whether a President is disabled."

We urge, therefore, modification of the present plan in this respect, plus action by Congress to embody the modified plan in a constitutional amendment.

[From the Washington Post and Times Herald of March 6, 1958]

THE INABILITY AGREEMENT

The President himself is partly responsible for the misunderstanding that has grown out of the Eisenhower-Nixon agreement on Presidential disability. The text of the agreement was not immediately made public. Although the arrangement makes eminently good sense, when it was finally disclosed there was not an adequate exposition of the legal and constitutional reasoning behind it. Yesterday, however, the President and Attorney General Rogers in their news conferences went a long way toward overcoming the previous deficiencies.

Most of the complaints that are being made against the agreement seem to us petty and insubstantial. Former President Truman, for example, tried to dismiss the understanding by saying that it is not legal. Of course it is not a law; it is not intended to be. Future Presidents will not be bound by it unless they enter into similar agreements with their Vice Presidents. But the agreement does have the great advantage of allowing Mr. NIXON to discharge the powers and duties of the President, in case Mr. Eisenhower should again be incapacitated, without risk of being regarded as a usurper. And the President will doubtless feel free to call on Mr. NIXON, in case of need, without fear that his right to reclaim the powers of his office would be compromised.

The answer to Mr. Truman is that the agreement does nothing not contemplated by the Founding Fathers themselves. Obviously it does not take care of every possible contingency that may arise. But that is no argument against going as far as possible to utilize the constitutional machinery available in a sensible manner.

Attorney General Rogers has given an effective response to Speaker RAYBURN's complaint that the agreement attempts to create "an office of Acting President." It is the Constitution which creates that office, as a careful reading of it shows. Nor should any confusion arise because it is not contemplated that the Vice President take the Presidential oath before performing duties of the office temporarily. His own oath as Vice President is ample to cover the service assigned to him by the Constitution. Mr. Rogers said yesterday that there is no more reason for the Vice President to take the Presidential oath before acting temporarily as President than there is for him to take a senatorial oath before he breaks a tie in the Senate. Both duties are assigned to him by the Constitution.

If only the duties and powers of the Presidency pass to the Vice President in case of Presidential incapacity, the question of how the President may regain his powers more or less takes care of itself. Under the Eisenhower-Nixon arrangement the President would at no time lose his office. Mr. NIXON would merely act as a substitute for the President at the President's pleasure expressly stated or implied through the agreement. Certainly this is a reasonable arrangement so far as it goes, and its importance is magnified by the continued controversy over proposed legislation and constitutional amendments on the subject.

[From the Washington Post and Times Herald of March 5, 1958]

ACTING PRESIDENT: CRUCIAL 24 HOURS LAST NOVEMBER

(By Chalmers M. Roberts)

Was Vice President NIXON, in all but public knowledge, Acting President for about 24 hours during President Eisenhower's mild stroke last November?

That question is raised by the disclosure on Monday that Mr. Eisenhower and NIXON had discussed the Presidential disability problem from time to time since the Chief Executive's 1955 heart attack, even though the written Eisenhower-Nixon pact did not crystallize until a month ago, according to White House Press Secretary James C. Hagerty.

Further, a check back on the events of last November 25 and 26 show two Presidential-type decisions were made by others with the indication that NIXON was acting in place of the ill President.

The two decisions, made during what, in retrospect, were the most serious and uncertain hours of Mr. Eisenhower's illness, were first, to proceed with production of both the Thor and the Jupiter missiles, and second, to notify the Allies that NIXON would attend the then-pending North Atlantic Treaty Organization meeting in Paris in the President's place.

This is the known or ascertainable record of key events:

On Monday, November 25, on returning from the airport where he had met the visiting King of Morocco, the President informed Mrs. Eisenhower and Maj. Gen. Howard McC. Snyder, the White House physician, that he felt a chill. He went to his office at 2:40 p. m., but he did not feel well and returned to the White House and went to bed.

The President's personal secretary, Mrs. Ann Whitman, noticed his speech difficulty, apparently when he attempted to dictate or in talking to her soon after 2:40 p. m. She reported that to Presidential Assistant Sherman Adams, presumably as soon as Mr. Eisenhower left his office, and Adams at once telephoned the Vice President and advised him of the President's illness.

At about the same time, General Snyder and other doctors he had called in were examining the President. The initial diagnosis, later confirmed, was a cerebral occlusion.

At 6:20 p. m. Mrs. Anne Wheaton, Hagerty's assistant—he was then in Paris preparing for the NATO meeting—announced to newsmen that the President had been ordered to bed with "a chill" and would not attend the state dinner for the Moroccan King.

Adams said later the President was "almost adamant" about attending the dinner. But NIXON escorted Mrs. Eisenhower at the President's order.

Mrs. Eisenhower and NIXON alone of those at the dinner knew the seriousness of the President's illness. The diagnosis was not made public until Tuesday at 2:55 p. m., about 24 hours after Mrs. Whitman had reported to Adams and Adams had phoned NIXON.

The Vice President arrived at the White House Tuesday morning at 9:15 and did not leave until 4:40 p. m. During that period, the two policy decisions were made and the doctors confirmed the initial diagnosis, saying also that the President would require "a period of rest and substantially decreased activity estimated at several weeks."

The most important period appears to have been between NIXON's arrival at the White House office and the 2:55 p. m. medical statement. By the time NIXON left, the President seemed to be recovering remarkably, and White House tensions visibly eased.

But during the key 24 hours, beginning with the first diagnosis Monday afternoon, it must have been far from clear to NIXON or the Cabinet or Adams that the President would be able to act as Chief Executive, both because of the stroke itself and because of the attendant speech impairment.

During Tuesday NIXON, who did not himself see Mr. Eisenhower until the next day, met at the White House with Adams and Attorney General William P. Rogers, Secretary of State John Foster Dulles, Defense Secretary Neil H. McElroy, and a number of others. What did they do?

As McElroy announced later, a decision was made to proceed with both the Jupiter and Thor missile programs, then a pressing matter for decision. NIXON said at the press conference he held in Hagerty's office the next day that "it was the unanimous decision" of the group meeting in Adams' office that McElroy's recommendation for both programs "should be administration policy."

As for the NATO conference problem, Dulles emerged from the White House offices at 4 p. m., Tuesday, to tell newsmen who asked if the President might still go to Paris that "you can draw your own inferences." He said State expected to have something to say in 2 or 3 days. In fact, later the same day, the State Department put out a statement saying it assumed the President would not go to Paris.

What Dulles did on returning to his office was to write out a cable instructing the acting American representative to NATO in Paris, Frederick Nolting, to tell representatives of the 14 other nations that it was assumed the President could not come, that it was up to them to decide if they still wanted to go ahead with the meeting as scheduled for December 16 and—what was not disclosed—that if they did, the Vice President was prepared to come in Mr. Eisenhower's place.

Somebody had to make a decision that NIXON would go in such a case. It appears it was made by NIXON, presumably with the concurrence of Dulles, as to foreign policy, and of Rogers, as to NIXON's right to make such a decision at a moment of Presidential inability.

The proposal sent by Dulles that NIXON go in the President's place leaked out next day at the Paris NATO meeting. That such was in fact the Dulles message also is clear from the NATO reaction, a statement that the NATO Council had learned with satisfaction that NIXON would substitute for the ill Chief Executive.

However, by the time the Paris leak got back to Washington and NIXON held his press conference Wednesday afternoon, Mr. Eisenhower was clearly improving, his speech impairment was less and it was evident that any acting-President role for NIXON by now was over.

Asked about the NATO matter then, NIXON said Nolting's statement at Paris "was not made at any direction from the White House. I would assume that it was made because of the assumption that one in that place would have, that in the event the President does not attend, that ordinarily the Vice President does attend. I can say categorically that no decision has been made as of this time as to who will represent the United States. * * *"

Later NIXON said if he did go in the President's place, that "certainly would indicate that was a new function (for a Vice President) in that sense," that is as a matter of substance, instead of standing in for the President on ceremonial occasions.

To complete the record, NIXON told newsmen on leaving the White House that Tuesday at 4:40 p. m. that the President, if necessary, could make major decisions and there had been no thought of any delegation of Presidential authority because it was assumed he will return to his job.

EXCERPTS FROM TRANSCRIPT OF PRESIDENT EISENHOWER'S NEWS CONFERENCE HELD ON WEDNESDAY, MARCH 5, 1958, AS PUBLISHED IN THE NEW YORK TIMES, MARCH 6, 1958

Dayton Moore of the United Press: "Mr. President, did Vice President NIXON act as President at any time during your three illnesses?"

Answer: "No. I would have thought a question like that could happen—be posed on this basis: If it had been necessary for him to make any decisions, should he? Should he then act as Acting President? I said yes, that is correct; but you see the Constitution says he is to exercise, or to discharge the duties and power.

"But, if there is no occasion for discharging the duties and powers and the matter were something of a matter of a few hours, like when I was on the operating table a year ago or so, well then if anything came up, he would have to do it. That is all there is to it. It doesn't make any difference, as I see it. The time element is the possibility of a crisis."

Robert G. Spivak, of the New York Post: "Mr. President, in connection with this pact between yourself and the Vice President."

Answer: "No; it isn't a pact, it's an agreement."

Question: "Well, agreement or"——

Answer: "We are not trying to rewrite the Constitution. We are trying just to say that we are trying to carry out what normal humans of good faith having some confidence in each other would do in accordance with the language of the Constitution."

Question: "Well, could you tell me whether your legal advisers have discussed this point with you: Suppose there was a long period during which he [Mr. NIXON] had to be Acting President, would any bills that he signed have the effect of law if they were brought to him?"

Answer: "Well, in my—I think—I'll tell you what, I will preface my remarks to this extent: I believe that the Attorney General is going to have a press conference and is going to try to answer all the constitutional questions that might be brought up. But, I believe this: That as long as the Vice President as Acting President, is carrying or discharging the powers and the duties of the Office, he has to do anything that the President would be required to do at that time."

Mrs. May Craig, of the Portland Press-Herald: "May I go back to the Presidential question? Your agreement with the Vice President seems to assume that a disabled President should resume the Presidency when he felt better. Outside of the legal question involved, and it is controversial, as you know, might this not lead to a sort of musical chairs, with the President going in and out, which might be detrimental to the national interest because of difference of policy between the President and Vice President?"

Answer: "Mrs. Craig, the imagination can picture any kind of a situation that could be—where personalities are involved—where the national interest could be badly damaged. What we are assuming here, on the

side, as far as Mr. NIXON and I are concerned, at least, is that we are men of good faith, and we are honest men that are trying to do what is correct for the country.

"Now, as far as the assumption that if I am capable of resuming my duties, the text of the Constitution says when the disability or inability is removed. Now, if those words, English words, don't mean anything to you, I assure you they do to me. I think it means when the inability is removed he resumes his duties, so you will note in the little public statement that I made, I said the Vice President will be the ultimate and exclusive authority for the decision as to taking over this job. It will be mine to decide when I can take it back.

"Now, I admit this: If a man were so deranged that he thought he was able, and the consensus is that he couldn't, there would have to be something else done, no question."

Roscoe Drummond, of the New York Herald Tribune: "One more question on this subject. May I ask whether the constitutional amendment that was introduced in the Senate yesterday by a group of Democrats and Republicans, either essentially or broadly meets your concepts of what would be good?"

Answer: "Yes, yes indeed. Actually, as you study it, I believe—now, going back to Mrs. Craig's question, you can picture situations where it is almost impossible to write a formula that is going to work; but I believe if we are people of good will, if we are people that think of their country a little bit more than we do just of some personal prestige or something else, I believe that the kind of amendment they are now talking about would be completely, a complete answer."

Sarah McClendon, of the El Paso Times: "Mr. President, sir, we know that you and Mr. NIXON are men of good faith, but aren't you setting a dangerous precedent here for someone who might come in the future, who might not be of such good faith?"

Answer: "Miss McClendon"——

Question: "Excuse me, sir."

Answer: "Yes."

Question: "Mr. RAYBURN said yesterday that there is no provision in this country for an Acting President, and, therefore, if this agreement should be legal, then there would be no need for law or constitutional amendment."

Answer: "Well, I am afraid there are lots of people, who are not better lawyers than I, are making a lot of commitments on this thing. [Laughter.] Now, I just want to point this out: I haven't used the words 'Acting President' except as a method of describing what the man would actually be doing. The Constitution says the Vice President will do certain things. It doesn't say he takes a new oath. It says under certain situations the Vice President does certain things, and when that situation is ended he doesn't do them any more; and that is the way I see the Constitution."

Question: "Does he take an oath, sir?"

Answer: "Why should he? He is Vice President. He has taken an oath as Vice President, and it says the Vice President will do these things."

Question: "I see."

Answer: "Again I refer you to the Attorney General, who will probably have a thousand of this type of question"——

Edward P. Morgan, of the American Broadcasting Co.: "Mr. President, I think I am right in my history, sir, that it was just about 2 years and 1 week ago that you let it be known that you would be available for renomination. Recently, amid heavily increasing complications and difficulties for your administration, not excluding some rather sharp criticism of yourself, it has been widely speculated that you wished that you had not let yourself be persuaded to run for a second term.

"Would you care to comment on that; and, as a corollary, could you tell us when you and Mr. NIXON, orally at least, reached a decision on this operating agreement?"

Answer: "Let's take the last part first. We have discussed this thing ever since my first illness, and we first discussed it in an entirely different content, recommending time—urgently as we knew how, for the Congress to act. Then, when it seemed that there was going to be a long time, a long delay, we began to talk about in personal terms what we would do. And finally, we felt it best to give a statement what we felt we would have to do. Now, what was the first part of your question?"

Question: "As to whether in retrospect, sir"——

Answer: "Oh, oh, about this regret. I think I have told you numbers of times that I see no profit of regretting any decision. On the other hand, I would say this: that I thought they were compelling reasons, I thought it made—frankly required a great personal sacrifice of my own convenience and the desires I would like to have as an individual, but these reasons seemed to be sufficiently weighty that I decided to go ahead.

"That decision having been made, and I having been elected, then I am going to do just as well as I know, and I'm not going to ask anyone for sympathy, in spite of all these, you say, criticisms of me. I expect them and I would be amazed if we didn't have them."

[From the New York Times]

EISENHOWER SAYS NIXON COULD RULE—ROGERS INSISTS PRESIDENTIAL POWER CAN SHIFT WITHOUT AN OATH FOR NEW CHIEF

(By Russell Baker)

WASHINGTON, March 5.—The administration insisted today that in case of Presidential disability the Vice President could exercise supreme power without taking the Presidential oath of office.

This controversial view of the Constitution was spelled out this afternoon by Attorney General William P. Rogers. At his news conference earlier, President Eisenhower had discussed the issue with great animation, saying that in this administration, at least, the arrangement was completely practical.

SEES POWER COMPLETE

General Eisenhower, referring to his three illnesses while President, said Vice President RICHARD M. NIXON had not exercised any Presidential powers.

But in any future crisis requiring Presidential action when the President was incapacitated, Mr. NIXON would have legal authority to use all necessary powers, General Eisenhower declared.

This constitutional interpretation was outlined in greater detail by Mr. Rogers. When acting as President, he said, Mr. NIXON would have complete Presidential power, including the authority to sign or veto legislation and, presumably, to reorganize the Cabinet, command the Armed Forces, and make national-security decisions affecting the peace.

To do this, Mr. Rogers asserted, Mr. NIXON would not have to take the Presidential oath. President Eisenhower would regain his powers when his disability ended by a simple declaration to that effect.

Today's exposition of the President's arrangement with Mr. NIXON, revealed by the White House earlier this week, put the administration in fundamental conflict with House Speaker SAM RAYBURN. Mr. RAYBURN contends tht there is no constitutional provision for an Acting President and that a Vice President cannot exercise Presidential powers without taking the Presidential oath.

"We are not trying to rewrite the Constitution," the President told his news conference today. "We are trying just to carry out what normal humans of good faith having some confidence in each other would do in accordance with the language of the Constitution."

The President brushed aside questions about various awkward hypothetical situations that might arise with the observation it was "almost impossible to write a formula that is going to work" in every conceivable situation. Personality conflicts between some Presidents and their Vice Presidents, he conceded, might make an exchange of power harmful to the national interest in some cases.

"As far as Mr. NIXON and I are concerned," he went on, he assumed that "we are men of good faith, and we are honest men that are trying to do what is correct for the country."

In the case of a "deranged" President who insisted on reassuming power when "the consensus is that he couldn't, there would have to be something else done," he said. Mr. Rogers indicated later that this "something else" might be impeachment, as prescribed by the Constitution.

CITES CONVENTION'S LANGUAGE

The debate hinges on the interpretation of article II, section 1 of the Constitution, which reads:

"In case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation, or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly until the Disability be removed, or a President shall be elected."

Mr. Rogers said today that the meaning of this section became clearer when it was compared with the draft of the clause as agreed to by the Constitutional Convention. This reads:

"And in case of his [the President's] removal as aforesaid, death, absence, resignation or inability to discharge the powers and duties of his office, the Vice President shall exercise those powers and duties until another President be chosen, or until the inability of the President be removed."

The version now in the Constitution, he contended, merely was a rephrasing of this draft language by the convention's committee on style which, he declared, had had no authority to alter the substance of the convention's draft.

The language, he said, made it clear that the Vice President had the inherent power to exercise Presidential authority "until the inability of the President be removed." This, he went on was a duty constitutionally assigned to the Vice President as clearly as was his duty to preside over the Senate and to vote to break Senate deadlocks.

Asked whether the Vice President would continue to exercise his senatorial functions while acting as President—thus creating a fusion of legislative and executive power in one man—Mr. Rogers said that he doubted whether this could be done. This, however, was unclear territory, he said.

NOTES 22D AMENDMENT

It was also pointed out that under this reading of the Constitution the Vice President should not assume the office of the Presidency upon the death of a President but should merely act as President until elections were held.

Mr. Rogers argued that historical precedent had legalized the Vice President's accession in such cases. Should Mr. NIXON act as President for more than 2 years while occupying the Vice Presidency, he said, he would be disqualified by the 22d amendment from serving more than one full term afterward in the White House.

By his arrangement with Mr. NIXON, Mr. Rogers said, President Eisenhower had "performed a service that most people in the country will be grateful for in years to come." The arrangement guaranteed that "if we had a crisis in this country we would have continuity of Government," the Attorney General declared.

The administration, he said, still prefers to have a constitutional amendment to clarify this problem.

President Eisenhower endorsed today a proposed amendment now in the Senate under which the Vice President, with the written concurrence of a majority of the Cabinet, would take over as Acting President in disability cases where the President did not declare himself incapacitated.

It provides that the President could reclaim his office upon recovery by a simple pronouncement, except when a Vice President demurred and was sustained by two-thirds of those voting in each House of Congress.

IMPROVEMENT OF UNEMPLOYMENT INSURANCE SYSTEM

Mr. KENNEDY. Mr. President, a month ago I introduced, with many other Senators, a bill, S. 3244, to improve and strengthen our unemployment insurance system. Since that time unemployment has increased and no action has been taken on the bill. I merely wish to call the attention of this body to the fact that we are neglecting to strengthen one of our most important built-in economic stabilizers.

When I introduced the bill at the beginning of February, it was estimated that about 2.9 million insured workers were receiving unemployment compensation benefits. In a few weks this figure has risen to 3.1 million, or almost 7.5 percent of the insured labor force—a higher proportion, incidentally, than at any time since the inauguration of the unemployment insurance system in 1938.

Despite frequent exhortations by the President, the States have not acted to insure minimum standards. I understand that another letter to the governors of the several States similar to one sent each year since 1953 is about to be dispatched by the Secretary of Labor urging adoption of reasonable standards. However, I think it very likely that these letters will be as effective as those which have been dispatched in previous years—that is, totally ineffective. Exhortation of the States as an alternative to Executive action will be particularly ineffective this year since only 15 State legislatures could possibly act, 4 have already adjourned and the sessions of the others are already well advanced.

Mr. President, in my opinion, it is absolutely essential that the Congress act rapidly to strengthen and improve the already badly weakened unemployment insurance system. I ask unanimous consent to have printed in the RECORD at this point an article by Richard Mooney which appeared in the New York Times this week. The editorial which appeared in the same newspaper on Sunday and this news story seems to me to put the issue fairly. I ask also to have printed an editorial on this problem which appeared in the morning Washington Post and Times Herald.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times]

IDLE EXHAUSTING BENEFITS—EXTENSION OF PAY SOUGHT

(By Richard E. Mooney)

WASHINGTON, March 2.—The administration is facing growing pressure from a recession statistic that has received little public notice—the growing number of persons who have exhausted their unemployment benefits.

The amount of the payments and the maximum duration vary according to State law.

Liberalization and standardization of the program are the object of bills introduced in Congress 3 weeks ago by two Democrats, Senator JOHN F. KENNEDY, of Massachusetts, and Representative EUGENE J. MCCARTHY, of Minnesota.

Their plan would provide Federal assistance to States during transition to greater payments.

Administration officials are examining the Democratic proposal, but so far the administration position has not changed from that stated in each of President Eisenhower's five annual economic reports.

LIBERALIZATION URGED

These have suggested that the States liberalize their programs and have suggested a maximum of 26 weeks.

The Kennedy-McCarthy proposal calls for payments of up to $40 a week for a maximum of 39 weeks.

Few States have done anything to carry out the President's suggestion.

About 43 million workers are covered by the insurance plan. This is about four-fifths of the Nation's nonfarm wage and salary workers, and a little more than two-thirds of all workers.

New York State pays up to $36 a week for 26 weeks. Florida pays up to $30 for a maximum of 16 weeks. Louisiana pays up to $25 for a maximum of 20 weeks. Pennsylvania's maximum is the longest, 30 weeks.

Many of the workers now reaching the end of their benefits were laid off last fall, when unemployment started to climb.

In January, 147,000 workers exhausted their benefits, against 111,000 in December and 107,000 in January of last year.

Even after business starts picking up there will be heavy exhaustions, because the man who was laid off first—that is, the longest time ago—is usually the man who is taken back on the job last.

Insured unemployment at mid-February was 3,130,200, and still climbing. This was 7.3 percent of all insured workers, the highest percentage since the system began in 1938.

Unemployment insurance is a Federal-State program financed almost entirely by special Federal and State taxes on employers. Two States, Alabama and New Jersey, also impose a small tax on employees.

Essentially, the State taxes provide the funds that are actually paid out to the unemployed and the smaller Federal tax covers the cost of running the many State programs.

[From the Washington Post and Times Herald of March 6, 1958]

FEDERAL BENEFITS NEEDED

The most direct step the administration and Congress might take to prevent the business slump from spiraling into a first-rate depression would be some kind of emergency holding action to supplement State unemployment benefits. Even though there could be a seasonal upturn in job opportunities this month or next, considerable hardship for as many as 2 million or more workers may well continue for some time pending a real and full recovery.

In the recession of 1949, some 1.9 million workers exhausted their unemployment benefits. In the slump of 1954, 1.8 million workers used up their benefits. Despite the administration's consistent and urgent appeals, few States have brought these benefits up to acceptable standards either in duration or amount of stipend. An examination of the current figures suggests that these assistance programs at the most provide no more than a third of the average worker's normal income—less than enough for subsistence—and that as many as 2 million workers may exhaust their eligibility for the assistance this year before finding work again.

The program ought to remain primarily a State responsibility. But since the States have failed to measure up, the Federal Government might well supplement the allowances, either for a period of transition to improved State benefit levels—as proposed by Senator KENNEDY and Representative MCCARTHY—or as permanent insurance against prolonged recessions. At the same time there ought to be a renewed drive in all the States—Maryland, Virginia, and the District not excepted—to improve unemployment benefits. Fortunately, unemployment in this area is well below the national average. But if the situation should worsen, the benefits available in Washington, Maryland, and Virginia would be far from adequate.

It could be some time before the country returns to a level of full employment, given the apparent overcapacity resulting from the business investment boom of 1956. During this period, many workers will need to be helped into new jobs, and other kinds of readjustments in the economy will be necessary. Whether a tax cut would be the most efficacious medicine in the present circumstances may be questioned. The President remains properly cautious about proposing such relief when there are at least scattered signs, as in the pickup in the machine-tool industry, that recovery forces are at work. A tax cut would be dramatic and promptly felt in the pocketbooks of employed consumers. But if a tax cut also encouraged Federal economizing, as it well might do, the result could be a serious neglect of some urgent defense and domestic spending needs and no net stimulant for the economy as a whole. Still, a temporary reduction should not be ruled out by any means if other measures prove to be inadequate or not promptly effective.

HIGHER DAIRY SUPPORTS PERMITTED BY LAW

Mr. PROXMIRE. Mr. President, only 26 days remain before the order by Secretary of Agriculture Benson to reduce dairy price supports will take effect officially. The Senator from Minnesota [Mr. HUMPHREY] today announced the very good news that the Committee on Agriculture and Forestry will report a bill which if enacted would nullify this order. The distinguished majority leader has established this morning how important this is in stabilizing the economy and putting it on the road to recovery.

I point out that Mr. Benson said:

All indications are that we will surely have the adequate supply Congress has set as a goal in the controlling legislation.

Under the circumstances, there was little choice when it came to price support levels for next year.

Mr. President, the Secretary of Agriculture and many of his supporters, including Governor Vernon Thomson of Wisconsin, have told the dairy farmers that the price support law compels the

Secretary of Agriculture to cut dairy price supports as he has done.

Farmers have been told by Mr. Benson's supporters and advisers that there is nothing else Mr. Benson could do but to cut dairy supports. Just this week, Mr. Bert Tollefson, one of Mr. Benson's personal assistants, told a group of visiting farmers that the Secretary had no legal choice but to cut dairy supports.

Mr. President, it is not true that the price support law compels Mr. Benson to reduce dairy price supports. He knows it is not true. He has the power under the present law, if he wishes, to raise dairy price supports. He can raise dairy price supports all the way to 90 per cent of parity if he wishes.

Mr. Benson knows that the law gives him this power, because he has himself exercised it in the past.

In 1956, Mr. Benson ordered dairy price supports to be reduced to $3.15 per hundred pounds. That was 75 percent of parity at that time, the minimum support then allowed by law.

The same law was in effect in 1956. Mr. Benson made the same assertions about how he was merely following the law. His supporters and assistants, in the same way, told dairy farmers that Mr. Benson's hands were tied, and that he was compelled by the law to take the action he had taken.

But, Mr. President, suddenly Mr. Benson reversed himself. Suddenly he discovered the discretionary loophole which he had pretended did not exist. He raised dairy supports to $3.25 per hundred pounds of milk.

Mr. President, I hope Mr. Benson will again find the loophole which he has mistakenly overlooked. I hope that before April 1 he will think better of the terrible injustice, the dangerous economic blow, which he has ordered to fall upon our dairy farmers on April 1.

Either Mr. Benson or the President of the United States can, under the present law, raise dairy price supports all the way to 90 percent of parity if they choose to do so. I appeal to them to reconsider the cruel, unfair, and damaging sentence they have imposed upon the Nation's dairy farmers, and to take the action that is within their power, to order a stay of execution for hundreds of thousands of independent family sized farms.

Mr. President, I turn to another matter.

The PRESIDING OFFICER. The Senator from Wisconsin.

THE FARM PROBLEM

Mr. PROXMIRE. Mr. President, at a recent press conference, President Eisenhower made this statement:

> I just believe that in a period of rising prices * * * people should attempt to purchase less than when prices are going down. Then you purchase more * * * when (you) can get them cheaper. That is what a competitive enterprise is.

This statement by the President of the United States goes to the heart of the failure of the administration to solve our farm difficulties. This statement reveals why the administration simply does not understand farm economics. The administration is attempting to apply a policy of increasing the demand for farm products by driving down farm prices. It does not work. It has not worked. It will not work. The fact is that if the prices of farm products drop, consumption increases very little, but farm income drops a very great deal.

Mr. President, in a speech on February 14, 1958, before the National Farm Institute, at Des Moines, Iowa, Prof. John Kenneth Galbraith, of Harvard University, set forth with great clarity the economic fallacies behind the administration's farm program, and pointed the way toward the kind of farm program that is needed in mid-20th century America.

Mr. President, I ask unanimous consent that the speech by Professor Galbraith be printed in the RECORD at this point following my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FARM POLICY: THE PROBLEM AND THE CHOICES

(Address by John Kenneth Galbraith, professor of economics, Harvard University, before National Farm Institute, Des Moines, Iowa, February 14, 1958)

I have lost track of the number of visits I have made to the Farm Institute. But I am astonished to reflect that they have extended over a period of nearly 20 years. The Institute is by way of becoming a venerable feature of our agricultural life. That is gratifying, but it is less gratifying to reflect that this is also true of some of its speakers.

Much, no doubt, has changed during the two decades that I have known these meetings. But I am also impressed by how much has remained the same. One observes, for example, that the hospitality here in Des Moines is as warm and friendly as ever. Pretty much the same men are here to welcome a visitor as 20 years ago, and it is good to know that such nice people are so nearly immortal. And just as was the case two decades ago, we still have a farm problem.

I

In the last 20 years we have achieved something. We have come close to agreement on at least two of the underlying causes of the farm problem. We agree, first of all, that a remarkable technological and capital advance has remarkably increased output from given land and labor. A great many changes—improved machinery and tillage, more and better power, hybrids, plant foods, improved nutrition, and disease control—have all contributed to this result.

Secondly, there is agreement that this great increase in the efficiency of farm production and the resulting increase in output has occurred in a country which has a relatively low absorptive capacity. In the economist's language both the price elasticity and the income elasticity of farm products is low. In simple translation, this means that the expanding output of farm products does not move readily and easily into use when there is a modest reduction in prices. For the generality of farm products only a large reduction in price will much expand consumption. Some are unresponsive to almost any likely movement. Needless to say, this makes price cutting a painful way of getting expanded consumption.

Such is the meaning of low price elasticity. Low income elasticity means that as the incomes of people rise—urban incomes in particular—they spend more on clothing, on transportation, on recreation, and on other things but not a great deal more on food. The meaning of this will be evident to everyone. While expanding prosperity and increasing purchasing power would be a cure for overproduction in other industries, they are not similarly the salvation for agriculture.

As I say, on these two points there is general agreement. I doubt that my distinguished colleague and friend, Professor Schultz, who shares the platform with me here this evening, will be in disagreement with this diagnosis so far.

I now come to another and, in some respects, more vital cause of our farm difficulties. This is also one which is much less clearly perceived. And much of what I have to say later on depends on a clear perception of this point.

Unlike most industry and unlike most parts of the labor market, agriculture is peculiarly incapable of dealing with the problems of expanding output and comparatively inelastic demand. This incapability is inherent in the organization of the industry. Agriculture is an industry of many small units. No individual producer can exercise an appreciable influence on price or on the amount that is sold. As a result, it is not within the power of any individual producer—and since there is no effective organization to this end, it is not within the power of the agricultural industry as a whole—to keep expanding farm output from bringing down prices and incomes. And given the inelasticity of these markets, a large increase in supply can obviously be the cause of great hardship and even demoralization.

All this, you will say (or some will say), is inevitable. It is the way things should be. This is the free market. This is competition. Perhaps so. But it is a behavior that is more or less peculiar to agriculture. In the last 30 or 40 years there have been important technological improvements in the manufacture of automobiles, trucks, and tractors. The moving assembly line, special-purpose machine tools of high speed and efficiency, and automation have all worked a revolution in these industries. Did it lead to a glut on the market and a demoralization of prices? Of course it did not. It did not because the individual companies, very fortunately for them and perhaps also for the economy, were able to control their prices and regulate their output. This is a built-in power; it goes automatically with the fact that there are comparatively few firms in these industries. The steel industry is currently running at some sixty percent of capacity because it cannot sell a larger output at a price which it considers satisfactory. This it accomplishes easily without the slightest fuss or feathers. If farmers had the same market power they could, if necessary, cut hog production back by 40 percent in order to defend, say, a $20 price.

The power to protect its market that is enjoyed by the corporation is also enjoyed in considerable measure by the modern union. Early in this century American workers worried, and not without reason, lest the large influx of European migrants would break down their wage scales. They were in somewhat the same position as the farmer watching the effect of a large increase in supply on his prices. But now the unionized worker is reasonably well protected against such competition. Even though the supply of labor may exceed the demand, he doesn't have to worry about his wages being slashed. He, too, has won a considerable measure of security in the market.

Thus it has come about that the farmer belongs to about the only group—certainly his is by far the most important—which is still exposed to the full rigors of the competitive market. Or this would be so in the absence of Government programs. Government price protection, viewed in this light, is, or at least could be, only the equivalent of the price security that the modern corporation and the modern trade union have as

a matter of course. There is this important peculiarity of the farmer's position. Because of the comparatively small scale of his operations, his large numbers, and the fact that agricultural production is by its nature scattered widely over the face of the country, he can achieve a measure of control over supply and price only with the aid of the Government. If one wishes to press the point, the market power of the modern corporation—deriving as it does from the State-issued charter—and the market power of the modern union both owe much to the State. But their debt is rather more subtle and better disguised than that of the farmer to the Agricultural Marketing Service and the CCC. So it is overlooked or perhaps conveniently ignored.

The meaning of this argument is also clear. It means that those who talk about returning the farmer to a free market are prescribing a very different fate for him than when they talk about free enterprise for General Motors or free collective bargaining for labor. In the free market the corporation and the union retain their power over prices and output. The farmer does not. What is sauce for the corporation is sourdough for the farmer. In its recent report, Toward a Realistic Farm Program, the Committee for Economic Development says that farm programs must have the basic objective of bettering the condition of the commercial farmer by means consistent with free markets and the national well-being. This means inevitably the particular kind of free market which farmers have. To prescribe the same kind of market for GM, one would have to recommend splitting the company up into a hundred or a thousand automobile-producing units. None of these would then have more influence than the average corn farm on price; an improvement in technology would mean expanded output and lowered prices, and a glut of autos for all. And this recommendation applied to the labor market would mean the dissolution of unions. The CED is a highly responsible body. It would never think of making such silly recommendations for industry or labor. Yet this is what, in effect, it prescribes for the farmer when it asks that he be enabled to free himself from Government subsidy and control.

The special rigor with which the free market treats the farmer has always seemed to me self-evident. I have been struck by the general unwillingness to acknowledge it. While it is not usually fruitful or even wise to reflect on the reasons for the unwisdom of others, I do think some economists have resisted the idea for reasons essentially of nostalgia. Economic theory anciently assumed a market structure similar to that of agriculture. There were many producers selling in a market which none could influence or control. This was the classical case of free competition. There has been a natural hesitation to accept the conclusion that what was once (supposedly at least) the rule for all is now the rule only or chiefly for the farmer.

Also once we agree that the market operates with particular severity for the farmer we are likely to ask what should be done about it. The door is immediately opened to talk of Government programs. And that talk is not of temporary expedients but of permanent measures. Those who find such ideas abhorrent realize, perhaps instinctively, that to talk of free markets is the best defense.

I should also add that no one ever gets into trouble praising the virtues of the free market.

Finally, in recent times, the beneficence of unregulated markets has acquired some of the overtones of a religious faith. It is hinted, even though it is not quite said, that divinity is on the side of the free market. Support prices, although they may not be precisely the work of the devil, are utterly lacking in heavenly sanction. I must say I regard this whole trend of discussion not only as unfortunate but even as objectionable. I am not an expert in theology, but I doubt that providence is much concerned with the American farm program. Certainly it seems to me a trifle presumptuous for any mortal, however great or pious, to claim or imply that God is on his side. I would suggest that, following an old American tradition, we keep religion out of what had best be purely secular discussion.

II

It will be plain from the foregoing that expanding output, in the presence of inelastic demand, and in the absence of any internal capacity to temper the effect, can bring exceedingly painful and perhaps even disastrous movements in farm prices and incomes. And not only can it do so but on any reading of recent experience is almost certain to do so. And there is the further possibility that these effects may be sharpened by shrinking demand induced by depression. What should we do?

Within recent times, so it seems to me at least, we have come to understand more clearly the choice that confronts us. This choice rests on an increasingly evident fact of our agriculture. It is the very great difference in the ability of different classes of farmers to survive satisfactorily under the market conditions I have desrcibed. As I say, this is something of which we are only gradually becoming aware. Let me explain it in some detail.

For purposes of this explanation we may think of three classes of farmers in the United States. The first group are the subcommercial or subsistence farmers. These are the people who sell very little. Their situation is characteristic in the southern Appalachian's the Piedmont Plateau, northern New England hill towns, the cutover regions of the Lake States, and the Ozarks. Their income is inadequate less because prices are low than because they have so little to bring to market. It is plain that if these families are to have a decent income one of two things must happen. They must be assisted in reorganizing their farm enterprises so that their output is appreciably increased or they must find a better livelihood outside of agriculture. For the family grossing less than $1,000 or $1,500 from agriculture, of which there are still a great many in the United States, one or another of these remedies is inevitable. I doubt the wisdom of those who seek to make political capital out of statements of public officials which recognize this choice.

But it seems clear that we must now recognize two separate groups within the category that we are accustomed to call commercial farmers. We must distinguish the case of the very large commercial farm which, there is increasing evidence to show, has been able to return its operators a satisfactory income in recent years from that of the more conventional family enterprise which is in serious trouble. In the nature of things the dividing line here is not very sharp and it undoubtedly varies from one type of farming to another. But the growing income advantage of the large farm—the very large farm—is strongly indicated. It is shown by the trend toward farm consolidation. It is strongly suggested by farm management budgeting and programing studies. And it is borne out by the statistics. Speaking of commercial farms, Koffsky and Grove, of the United States Department of Agriculture, conclude in their recent testimony on agricultural policy for the Joint Economic Committee that between 1949 and 1954–55, although the evidence is not entirely conclusive, "net income on farms with an annual value of sales of $25,000 or more was fairly well maintained, while incomes of smaller operations, although still in the high-production category, showed substantial declines."[1] That the large farms would even come close to maintaining their income in this period was highly significant.

We can conclude, I believe, that in many areas, at least, modern technology has come to favor the large farm enterprise. Agriculture has become an industry where there are substantial economies of scale. The most successful units may, indeed, be very large by any past standards—in some areas the investment will be from half or three-quarters of a million dollars upward. This is an important point, for there is still more than a slight reluctance to admit of the size of these units and to explore the full extent of the change that is involved. We hear scholars, Professor Schultz among them, speak of the need for a further large-scale withdrawal of the human factor from commercial agriculture. But we hear less of the massive reorganization of the farm units which this withdrawal implies. The huge scale of the resulting units is not recognized—or this part of the conclusion is soft pedaled. Yet, if many fewer people run our farm plant it can only mean that each person is operating a far larger firm.

For let there be no mistake, an agriculture where the average unit has a capitalization of a half million dollars or upward will be very different, both in its social and economic structure, from the agriculture to which we are accustomed. Not many can expect to start with a small or modest stake and control a half million or million dollars of capital during their lifetime. If there are the capital requirements of the successful farm, we shall have to accept as commonplace the separation of management from ownership. Owner-operation will be confined, with rare exceptions, to those who were shrewd enough to select well-to-do parents. We shall develop in our agriculture what amounts to an aristocratic tradition. There will no doubt also be closer integration with industrial operations with capital borrowed from industry and with closer control by industry. Modern broiler feeding is a sign.

Perhaps this development will not be so bad. But we should face up to its full implications. Those who now talk about adjustments and reorganization of commercial agriculture are talking about means without facing up to results. Those who praise the free market and the family farm in one breath are fooling either themselves or their audience. As I have noted, it is the very large farm, not the traditional family enterprise, which from the evidence has much the greater capacity to survive.

We should also recognize that the adjustment to high capitalization agriculture will not be painless. It will continue to be very painful. And we should spare a thought for the trail of uprooted families and spoiled and unhappy lives which such adjustment involves. I would especially warn colleges, now interesting themselves in these problems, against using the word "adjustment" as though it described a neutral and painless process.

III

Suppose we do not wish an agriculture of large, highly capitalized units. What is the alternative? The alternative is to have a farm policy in which the smaller commercial farm—what we have long thought of as the ordinary family enterprise—can survive. Given the technological dynamic of agriculture, the nature of its demand and the nature of the market structure, we cannot expect this from the market. It will come only as the result of Government programs

[1] Nathan M. Koffsky and Ernest W. Grove, the Current Income Position of Commercial Farms; Policy for Commercial Agriculture, Joint Economic Committee, November 22, 1957.

that are designed to enable the family enterprise to survive. It has to be a Government program. Self-organization by farmers, of which some people are now talking, to regulate supply and protect their incomes is a pipedream. Those who advocate it only advertise their innocence of history, economics, and human nature and their refusal to learn from past failure. I also confess my skepticism of individual commodity programs now so much in fashion. I very much fear that they will prove to be only a way of magnifying the tendency of farmers to disagree with each other—a tendency that is exceedingly well-developed—and thus to insure no action of any kind. I also deplore the belief that is currently so popular that if everyone just thinks hard enough someone, someday, will come up with a brilliant new idea for solving the farm problem and insuring everyone an adequate income. That is not going to happen either. Farmers are reputed to be hardheaded people. But a surprising number still have a sneaking faith in magic. The soil bank should stand as a warning. The good ideas have already occurred to people. So, of course, have the bad ones.

Or, to be more precise, the choices in farm policy are not very great. Any policy must provide a floor under prices or under income. As I have said on other occasions, a farm policy that doesn't deal with these matters is like a trade union which doesn't bother about wages. There must be production or marketing controls and these must be strong enough to keep the program from being unreasonably expensive. They will also inevitably interfere somewhat with the freedom of the farmer to do as he pleases. Nothing is controlled if a man can market all that he pleases. But we should also bear in mind that life involves a choice between different kinds of restraints. Inadequate income also imposes some very comprehensive restraints on the farm family.

I have long felt that there is a right way and a wrong way to support farm prices and income and that since World War II we have shown an unerring instinct for the wrong course. Production payments, either generally or specially financed, would be far more satisfactory. And since payments can be denied to overquote production, they fit in far better with a system of production control. But this is another story.

IV

The choice today is not the survival of American agriculture, or even its efficiency. The great and growing productivity show that these are not in jeopardy. What is at stake is the traditional organization of this industry. We are in process of deciding between the traditional family enterprise of modest capitalization and widely dispersed ownership and an agriculture composed of much larger scale, much more impersonal, and much more highly capitalized firms. This is not an absolute choice. We shall have both types of farm enterprises for a long time to come. But a strong farm program will protect the traditional structure. The present trend to the free market will put a substantial premium on the greater survival power of the large enterprise.

My own preference would be to temper efficiency with compassion and to have a farm program that protects the smaller farm. But my purpose tonight is not to persuade you but to suggest the choice.

FARM DEPRESSION AND TAX BURDEN ARE SERIOUS CONCERNS

Mr. PROXMIRE. Mr. President, I am often impressed by the tremendous fund of facts and good ideas that I receive in my mail from constituents in Wisconsin.

In a recent letter, for example, I received some information about the prodigious performance of American farmers which should be brought to the attention of every responsible public official and opinion leader in the Nation.

Although the farmers of the United States comprise less than 1 percent of the world's population, these farmers of ours produce 51 percent of the world's eggs, 41 percent of the red meat, and 46 percent of the fluid milk in the entire world.

Mr. President, this is truly a magnificent achievement. But, unfortunately, the American farmers get little thanks for their outstanding contribution to our high standard of living. Even if we accept the most optimistic claims of the Department of Agriculture as to farm income, the average farmer receives far less than half of the average return per hour on his labor, and far less than half the average return on investment, as that received by manufacturing industries.

I ask unanimous consent, Mr. President, to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BRISTOL, WIS., *February 25, 1958.*

Senator WILLIAM E. PROXMIRE,
The United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR PROXMIRE: You must have had many friends in Wisconsin or you wouldn't have been elected. We are wondering what you are doing about some of the things that are worrying your constituents. Although you are a new Senator, we would like to see some action on your part regarding Benson's farm policy, the local tax situation, and some of the bungling that is going on in Washington.

It is not enough for President Eisenhower to admire Benson because of his spiritual qualities, and to avoid creating an unpleasant situation by not removing him. I couldn't help but be impressed by an article which I recently read in one of the Chicago papers by a well-known commentator:

"OVERSTUFFED

"I don't think many people fully understand agricultural economics or the intricacies of the Government's relation to agriculture, which is one reason it is so badly goofed up.

* * * * *

"Here's a fact about our farming that is easily understood:

"The United States has 7 percent of the world's population. Our farmers represent less than 1 percent of the world's population.

"But our farms are responsible for 51 percent of the world's egg production, 41 percent of the red meat, and 46 percent of the fluid milk in the world.

"STILL OUT IN COLD

"It was just a year ago that an open letter to the President appeared in this column, appealing to him to give 30 minutes of his time to an ordinary man.

"I didn't really think the message would ever get beyond the second assistant press secretary. I was right. I might as well have been writing to Dalai Lama.

* * * * *

"This observation is stimulated by the news from Washington that invitations are on their way to 700 carefully selected leaders to come to Washington next week to hear about our foreign policy.

"There won't be a wage earner in the lot, not a peasant in 700.

"The President is spending this week playing bridge with a couple of the richest men in America.

* * * * *

"It's not that there's anything wrong with rich men. But they have one viewpoint, and the ordinary guy has another.

"Spend 99 percent of your time, 99½ percent, Mr. President, exposed to the views of leaders. But not even one-half percent for the common man? Not even one lousy hand of bridge?"

There is another thing happening in our State of Wisconsin, however, that we cannot blame Benson for, and that is, our increase in the tax rate, which on my farm amounted to 18.7 percent. This, as the local tax assessor explained, was due to the new naval airbase taking part of the land out of the county and township for this base, which, as he further explained, threw a greater load on the remaining farmers who are still struggling to try to make a living as they have to make up the tax difference on the land that the Federal Government has taken over. Certainly, it should be recognized by the Federal Government that this base is not only to protect one county, township, or State—it is something used by the Government on a much bigger scale. The same problem applies to some extent to the toll roads that have taken a lot of good farmland out of production and thrown a tax burden on the remaining landowners. Why wouldn't it be fair for the Federal Government to pay taxes on the land they occupy for the good of the country the same as any other property owner? In this way, the tax burden would be spread equally and not confined to a few in any given local area.

I could go on and on about some of the things that are bothering your friends. However, to be specific, Benson's farm policies, Eisenhower's complacency and lack of knowledge, and the tax burden are what are forcing us out of business and will have a big influence on our political views. Incidentally, because of what has happened to farm income and tax burden, three of my good neighbors are going out of the dairy business, and I already have, and they are selling their farms.

This letter and some of the many other letters and important thoughts will probably be wasted because many of our good lawmakers are too far removed from what is actually going on in the minds of the voters.

Very truly yours,

H. A. STICKLER.

DECLINE IN PRODUCTION MAY CUT UNITED STATES LEAD OVER SOVIET UNION TO LOWEST IN HISTORY

Mr. PROXMIRE. Mr. President, in a recent issue of the New York Times there appeared an article by Harry Schwartz, which indicates that the decline in production in this country may cut the United States lead over the Soviet Union to the lowest in history.

Mr. Schwartz points out an aspect of the present economic slump in this country which has not received adequate attention. This is the fact that while our economy has been virtually standing still in the last several months, the economy of our totalitarian rival has continued to expand at a tremendous rate.

In this struggle between our free world and the slave world of communism, it is tremendously important that we act promptly to get our country back on the road to economic growth and expansion as rapidly as possible. Human freedom is at stake.

Mr. President, I ask unanimous consent that the article by Mr. Schwartz be printed at this point in the RECORD, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DECLINE IN PRODUCTION MAY CUT UNITED STATES LEAD OVER SOVIET UNION TO LOWEST IN HISTORY

(By Harry Schwartz)

The recession is creating mounting uneasiness among United States officials concerned with the economic race between the United States and the Soviet Union.

They suggest that declining production in this country and mounting Soviet output may be reducing the United States lead over the Soviet Union to the lowest in history.

In the first quarter of this year, for example, the estimated Soviet steel production of 14 million tons may amount to 70 or 75 percent of the output here. Last year Soviet steel production was about half that of the United States.

In recent weeks, the United States steel industry has been operating at about half of its capacity.

Similar comparisons can be made in oil and coal production, both of which have been declining.

In the case of coal, continuance of the trend for several more months may put Soviet coal production ahead of that of the United States for the first time in modern history.

The officials expect Soviet propaganda to stress this trend and unemployment in the United States.

Adding to the concern are forecasts that suggest the Soviet Union may match the United States in total production within 20 years, even if the United States continues to increase production capacity at the rate of the last few years.

In 1957 the United States gross national product was somewhat over $400 billion as against about $170 billion for the Soviet Union.

FEDERAL UNEMPLOYMENT BENEFITS NEEDED

Mr. PROXMIRE. Mr. President, this morning the Senator from Massachusetts [Mr. KENNEDY] called our attention to the unemployment compensation bill he has introduced.

This morning the Washington Post and Times Herald published an editorial supporting the Kennedy-McCarthy bill to increase unemployment compensation. I am a cosponsor of the bill.

The editorial points out that the present assistance programs at the most provide no more than a third of the average worker's normal income—less than enough for subsistence—and that as many as 2 million workers may exhaust their eligibility this year before finding work again.

Mr. President, the Kennedy-McCarthy bill would provide a reliable, responsible cushion against the vicious spiraling effect of cumulative unemployment.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FEDERAL BENEFITS NEEDED

The most direct step the administration and Congress might take to prevent the business slump from spiraling into a first-rate depression would be some kind of emergency holding action to supplement State unemployment benefits. Even though there could be a seasonal upturn in job opportunities this month or next, considerable hardship for as many as 2 million or more workers may well continue for some time pending a real and full recovery.

In the recession of 1949, some 1.9 million workers exhausted their unemployment benefits. In the slump of 1954, 1.8 million workers used up their benefits. Despite the administration's consistent and urgent appeals, few States have brought these benefits up to acceptable standards either in duration or amount of stipend. An examination of the current figures suggests that these assistance programs at the most provide no more than a third of the average worker's normal income—less than enough for subsistence—and that as many as 2 million workers may exhaust their eligibility for the assistance this year before finding work again.

The program ought to remain primarily a State responsibility. But since the States have failed to measure up, the Federal Government might well supplement the allowances, either for a period of transition to improved State benefit levels—as proposed by Senator KENNEDY and Representative MCCARTHY—or as permanent insurance against prolonged recessions. At the same time there ought to be a renewed drive in all the States—Maryland, Virginia, and the District not excepted—to improve unemployment benefits. Fortunately, unemployment in this area is well below the national average. But if the situation should worsen, the benefits available in Washington, Maryland, and Virginia would be far from adequate.

It could be some time before the country returns to a level of full employment, given the apparent overcapacity resulting from the business investment boom of 1956. During this period, many workers will need to be helped into new jobs, and other kinds of readjustments in the economy will be necessary. Whether a tax cut would be the most efficacious medicine in the present circumstances may be questioned. The President remains properly cautious about proposing such relief when there are at least scattered signs, as in the pickup in the machine-tool industry, that recovery forces are at work. A tax cut would be dramatic and promptly felt in the pocketbooks of employed consumers. But if a tax cut also encouraged Federal economizing, as it well might do, the result could be a serious neglect of some urgent defense and domestic spending needs and no net stimulant for the economy as a whole. Still, a temporary reduction should not be ruled out by any means if other measures prove to be inadequate or not promptly effective.

FEDERAL EXPENDITURES FOR RIVERS, HARBORS, AND FLOOD CONTROL—REPLY BY SENATOR ELLENDER TO SATURDAY EVENING POST ARTICLE ENTITLED "IT ALL COMES OUT OF YOUR POCKET"

Mr. MURRAY. Mr. President, I have read with great interest and appreciation the address delivered in the Senate on Tuesday, March 4, by the distinguished senior Senator from Louisiana [Mr. ELLENDER], which appears on pages 3376–3382 of the CONGRESSIONAL RECORD of that date. The subject was Federal Expenditures for Rivers, Harbors, and Flood Control, and also deals with reclamation and soil conservation expenditures.

The occasion for this masterful presentation was the Senator's desire to correct erroneous impressions which may have been created by an article in the Saturday Evening Post of January 11, 1958, written by Leslie A. Miller, former Governor of Wyoming. The article was entitled "It All Comes Out of Your Pocket."

The Saturday Evening Post refused the able Senator from Louisiana equal space in which to give the public the correct facts on a subject that means so much to the West and the entire country. The courtesy of space for a full reply was refused. The Senator points out that the taxpayers of this country subsidize the cost of carrying the Saturday Evening Post through the United States mails to the tune of some $6,000,000 a year. Yet the Saturday Evening Post refused a distinguished Member of this body adequate space to set the facts straight, and correct the erroneous impressions the Miller article may have given.

As chairman of the Committee on Interior and Insular Affairs, and as a Senator from Montana, I assure the distinguished Senator from Louisiana that Leslie Miller does not speak for our section of the country. Neither do we like the way the Senator has been treated by the Saturday Evening Post in refusing him the opportunity to make adequate corrections of the erroneous article.

I hope every Member of the Senate will read the Senator's speech. It is most illuminating.

Mr. POTTER. Mr. President, on Tuesday, March 4, the distinguished senior Senator from Louisiana [Mr. ELLENDER] delivered a speech on the floor of the Senate in rebuttal to an article entitled "It All Comes Out of Your Pocket," which appeared recently in the Saturday Evening Post. As the Senator pointed out, the article is critical of the Congress of the United States and the Army Corps of Engineers in connection with Federal expenditures for rivers, harbors, and flood-control projects.

I wish to commend the senior Senator from Louisiana for his most excellent answer to this article, which in my judgment is misleading, and renders a disservice to the people of our country.

To suggest that authorizations and appropriations for rivers, harbors, and flood-control projects constitute so-called pork-barrel legislation is grossly erroneous. As the Senator so ably has pointed out, each and every project must be justified as to its economic benefits; it must be shown that it will return in economic benefits more than its cost.

During my entire period of service both in the House and in the Senate, I have worked vigorously in behalf of rivers, harbors, and flood-control projects for my own State of Michigan, because I know from firsthand knowledge their value not only to the people of Michigan, but to the entire country. I know that money spent for such projects is actually a capital investment in our country. A nation that neglects its waterways and harbors is indulging in bad business practice. The United States simply cannot afford to take such shortsighted and ill-advised action.

For my part, I have been extremely proud that my efforts have resulted in

authorization and appropriation of funds for a number of river, harbor, and flood-control projects for the State of Michigan, and for other States as well. As in the past, I shall continue to lend my vigorous support to such projects.

Mr. President, I wish to commend the distinguished Senator from Louisiana [Mr. ELLENDER] for his leadership in this field of capital investment in the Nation and our country.

Mr. ELLENDER. Mr. President, I thank the distinguished Senator from Michigan, as well as the distinguished Senator from Montana [Mr. MURRAY], who I understand also had a few words to say on the same subject. I assure both Senators that the Subcommittee on Public Works of the Committee on Appropriations will continue to protect and preserve our national resources.

Mr. YARBOROUGH. Mr. President, I also desire to offer my words of commendation and congratulation to the distinguished Senator from Louisiana for his devotion to the public works for our Nation, which are so important now, especially with reference to our national unemployment picture.

Mr. LONG. Mr. President, I take this opportunity to compliment my senior colleague [Mr. ELLENDER] for the very excellent presentation he made concerning Federal expenditures for river and harbor improvement and flood control. For many years I have been interested in this program of needed public works.

The statement of my senior colleague was in reply to an article which appeared in the Saturday Evening Post, in which the editors of that magazine undertook to give the false impression that such expenditures are not justified. I understand that my senior colleague requested the Saturday Evening Post to print, with equal prominence and a similar number of words, an answer to this very unfair and biased criticism. But I understand that the Saturday Evening Post declined to afford the opportunity to answer to those of us who do not agree with its position. That seems to me particularly inappropriate, inasmuch as my senior colleague has spent many years in studying these subjects, and inquiring into the justification and necessity for going forward with desirable public works.

It also seems particularly inappropriate that the Saturday Evening Post should deny an opportunity to reply, in view of the fact that very few organizations in America are more completely subsidized than is the Saturday Evening Post, as those of us who voted on the Post Office bill the other day well realized when we discussed the tremendous subsidy enjoyed by that magazine at the expense of the taxpayer.

In Louisiana the flood-control program has paid for itself many times over. So has the navigation program. One project, the Intercoastal Waterway, has at the rate of 15 to 1, that is, $15 worth of benefits for every dollar of expenditure.

Anyone who has undertaken to study this subject realizes that all these projects are justified. Every single one of them must be justified. Many of them have paid for themselves many times over.

I believe that my senior colleague has rendered a great public service in presenting the facts which the Saturday Evening Post failed to make available.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Louisiana if it is not a fact that all flood-control projects which are considered by committees in both Houses of the Congress are first fully investigated and passed upon by the Army Engineers, and recommended or not recommended on the basis of whether or not the benefits are greater than the cost. If so, the particular project is recommended to the proper committee, which may or may not consider it. In any event, the committee does not consider the project until it receives such a report. Is not that the policy which was established 75 years ago?

Mr. LONG. The Senator is entirely correct. If I could have had the opportunity to reply to the article in the Saturday Evening Post, I think I should have answered it under the title "Look Who Is Talking." They are among the highest subsidized people in America. From time to time they find themselves in support of a program of giving away the money of the taxpayers on the flimsiest possible pretenses, and then they proceed to represent the Congress as failing to serve the public interest in developing the great resources of the country.

Mr. MALONE. Is it not a fact that the precedent was established in 1902, 56 years ago, that when the Bureau of Reclamation of the Department of the Interior investigates a project and determines that it will repay the cost over a period of 30 or 40 years, and recommends the project to the appropriate committees of both Houses of Congress, those committees hold hearings, and report the project to the respective Houses, where it is finally acted upon? No project reaches the floor unless it is recommended by the Department of the Interior.

Mr. LONG. The Senator from Nevada is completely correct. As he so well knows, it is entirely possible that the very survival of our Nation may depend upon the wisdom of Congress in developing the tremendous undeveloped resources of America.

Mr. MALONE. Is it not a fact that the precedent was established by the Hoover Dam, as a matter of fact, and then later by the Boulder Dam, and that any project which develops a commercial product, such as power, must not only repay the cost, but also with interest at a rate not less than that charged the Government?

Mr. LONG. The Senator is correct.

Mr. MALONE. As the Senator has said, these projects are very valuable to the country. Is it not a fact that these projects, so constructed all over the United States under the three longtime policies established by Congress, have been utilized by the people, and that with respect to some of the power projects, which were a part of multipurpose projects, they were very important to us in World War II and in the Korean war, from the standpoint of the power that was produced by those projects?

Mr. LONG. The Senator is correct.

NATIONAL HOSPITAL WEEK—MAY 11–17

Mr. HILL. Mr. President, it is my privilege to call the attention of my colleagues to the observance of National Hospital Week, May 11 through May 18, sponsored by the American Hospital Association.

Our Nation's hospitals should require no special pleading, but amidst today's international tensions we are apt to forget the importance of our community hospitals. We are apt to forget until one of us or one of our loved ones is personally in need of their vital services. Today's hospitals combine the skill and care of physicians, nurses, pathologists, radiologists, therapists, laboratory technicians, and a host of other medical specialists who devote themselves so unselfishly to the service of their fellow men.

At this time, when our attention is so much drawn to outer space and the demands for scientific achievement, we need to remind ourselves that our American hospitals stand in the vanguard of scientific progress. Today's hospitals are community centers for medical research. From hospital laboratories come some of our most powerful weapons against disease and human suffering. Many of our most effective treatments for cancer have been developed in hospital laboratories, as well as many vaccines to guard against contagious diseases.

More and more of our young men and women are today entering the hospital field as a lifetime career. They are choosing jobs that offer more than security. They are entering a field of work that yields rewards which can never be measured in dollars and cents, but rather in terms of the satisfaction that comes from helping to save other human beings from needless agony or premature death.

The chosen theme of this year's National Hospital Week is "Careers That Count." Hospital careers constitute a frontier for the individual to express his own personality, for in the hospital, work and medical care are administered on a person-to-person basis. I hope that more of our young people will realize the list of challenging careers that are offered by today's hospitals. The list is a long one, consisting of over 200 career opportunities. Many skills can be learned only in the hospital where the training is offered.

It is fitting and proper that we express our gratitude to the institutions and the men and women who devote themselves so faithfully and unselfishly to the health, the strength, and the happiness of our people. It is vitally important that we emphasize the need for more young people to enter careers which have earned our people's confidence and their pride in the Nation's hospitals.

I congratulate and salute the Nation's hospitals, and the men and women who serve in them. They labor to lift the burden of sickness and disease from the shoulders of mankind so that we may reach new plateaus of health and long life.

PROGRAM FOR HELPING YOUTH IN EXPERIMENTATION WITH ROCKETS

Mr. THYE. Mr. President, recently I addressed a letter to Secretary of Defense McElroy asking that a program be provided by the Department of Defense to help the youth of our Nation in their experimenting with rockets. Young students throughout the Nation are doing outstanding work in the field of rockets, and it gives me great pleasure to note that the scientific achievements of these young people are nothing short of astounding. They should be encouraged to continue their experiments.

It would certainly be in the interests of our Nation's scientific development, however, that the experimental work being carried on by the young people be guided by trained defense personnel. The newspaper accounts of injuries which have been inflicted upon aspiring young spacemen have disturbed me a great deal, especially when I have noted that one of these intelligent young men has been killed in a rocket-launching attempt. The Department of Defense shares my concern, I should point out, and I understand that plans are being studied to put into effect some such program as I have suggested in correspondence with Secretary McElroy and the President's scientific adviser, Dr. James Killian.

A recent article in the St. Paul Sunday Pioneer Press reports on rocket launching experiments being carried on by a group of young rocket experts in Austin, Minn. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

I also ask, Mr. President, that a recent editorial comment on my suggestion that the Department of Defense set up a high-school rocket program be printed in the RECORD as a part of my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Pioneer Press of March 2, 1958]

AUSTIN EXPERIMENTS BROADEN OUTLOOK—ROCKETEERS VALUE 'ROUNDED' LEARNING

(By Harry Hite)

AUSTIN, MINN.—The four Pacelli High School students who have won nationwide publicity for this city with their rocket experiments have learned the need for fitting themselves into a "rounded world."

That's the opinion of Sister Duns Scotus, adviser to the youths in their experiments and teacher of physics, chemistry, and general science at Pacelli.

As the four Pacelli students—Seniors Richard King, Paul Germer, and Phillip Grunewald, and Sophomore Gary Solyst—continued their work on a new and better rocket, Sister Duns Scotus expressed her views on what effect the experiments have had on her proteges.

"It's been a good experience," she declared, "and has made them more aware of the need for a well-rounded education rather than just a concentration on science.

"Their eyes have been opened to the need for good grammar because they've been called on for numerous radio and television appearances."

Although the four Pacelli students have been doing the principal work on the rockets, another 8 students from Austin area schools are participating in the experiments as fellow members of the Austin Rocket Society.

'MOUSENIKS' FAMED

The Pacelli scientists won national publicity when they launched Mousenick I November 30, Mousenik II December 29, and a third rocket containing a mechanical rather than a live mouse December 31.

Not all the publicity was on the favorable side, either, with a court fight developing out of opposition of the United States and Minneapolis Humane Societies to the use of live mice in the rocket experiments.

The young scientists have launched six more rockets since then, including a two-stage that was sent aloft about the middle of January. The two-stage was regarded as unsuccessful because the second stage was lost.

Some successful and others not, the rockets ascended to heights ranging from 100 to 900 feet. They varied in length from 1 to 5 feet.

The launching of the rocket with the mechanical mouse was very successful and Sister Duns Scotus expressed the belief that if a live mouse had been used in the experiment it would have returned safely to earth.

She disclosed that the rocket society is still under a restraining order against use of live mice and the boys have no intention of using a mouse until some decision is made. And they may or may not use a live mouse even if granted permission to do so.

The boys have had other difficulties besides their court fight with the humane societies.

One such instance developed a little more than a week ago when vandals wrecked the society's new launching site, which was recently moved from the old Redrock Proving Grounds north of Austin to a new location east of the city.

The rocketeers are now repairing their launching pad and concentrating additional energy on several pretentious new projects—including a new and better rocket, a wind tunnel and a wind-velocity indicator.

Intended for launching in early spring the newest rocket will for the first time contain a transistor radio transmitter.

The young scientists plan either to parachute the whole rocket back to earth or to use an ejection system with the transmitter. Efforts also are being made to obtain other instruments to find out more information about the air the rocket goes through.

[From the St. Paul (Minn.) Dispatch of February 20, 1958]

HOMEMADE ROCKET ACCIDENTS INCREASE

Rarely a week goes by without a news story reporting that a youngster somewhere in the United States lost an eye or several fingers when a "homemade rocket blew up."

Unfortunately this kind of story can be expected to multiply. High-school students are just beginning to get seriously involved in the field of rocketry, and as more experiment with space flight the greater the number of accidents. You can't expect youngsters to build rockets without wanting to have the ultimate thrill of seeing them disappear into the sky. Launching a rocket, however, means working with dangerous, highly explosive elements.

Proper education in the correct and safe manner to handle rockets is, of course, one method of meeting the problem. High-school-science classes and rocket clubs can do much in this regard.

A plan suggested by Senator EDWARD THYE should be considered as a supplement to this educative approach. He has urged the Pentagon to set up a nationwide program of rocketry education in the high schools. It would include science seminars by military personnel plus expert supervision of actual rocket launchings. Such classes would help familiarize faculty members, as well as students, with the myriad problems—and dangers—involved. The armed services already are planning publication of booklets dealing with rocket construction and launching but extension of their activities into the area of direct contact and guidance would be a significant contribution to our space-age society.

A TRIBUTE TO THE WOMEN OF MINNESOTA

Mr. THYE. Mr. President, there appeared recently in the Duluth News-Tribune a tribute to the sturdy pioneer women of my State of Minnesota. This article was written by the world-renowned author, Margaret Culkin Banning, who is one of Duluth and Minnesota's leading citizens. In recognition of the contributions made by these pioneer women to the development of Minnesota, I ask unanimous consent that the article be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO THE WOMEN OF MINNESOTA

(By Margaret Culkin Banning)

The women of Minnesota have always been diligent, wise, and brave, and their influence has been strong and constant in this State which they love. In the last hundred years they have done their full share to make Minnesota a region of homes and a center of learning. In addition, they have never failed to preserve the ideals of morality and religion.

From the early pioneer days Minnesota women have never feared hard work. This tradition and practice has fitted them, more than women who had greater leisure, for the modern world. In the complicated society of today they have increased and multiplied the tasks which they consider to be their duties. They promote thousands of good works without vanity or ostentation. There are few useful or needful causes in the world of which Minnesota women are unaware and they give substantial aid to most of them.

The true and typical Minnesota woman is healthy and vigorous. She is often beautiful but she is not vain. She believes that the life of a woman should hold vastly more than personal pleasure or self-adornment. She is spirited and gay. She loves music, so Minnesota has fine orchestras. She loves books, so we have a great university and fine libraries. She loves the out-of-doors, with the result that Minnesota has great parks and skilled sports. She loves, most of all, children, and tries always to keep them good and happy as well as to train them for a useful life.

She does not ask for praise nor care to indulge in foolish competition and rivalry with men. She only asks to share the work, whether it be homemaking, scientific research, or Government. She asks to have her ideals valued and respected, and her talents used.

She is a woman of the world. But her roots are deep in Minnesota and her pride in her State is as great as her hopes for its

future. She brings up her children not to fear the world but to love it. Her strength has increased manyfold in the last hundred years and it will grow greater in the century to come. She offers that growing strength to Minnesota.

ACREAGE ALLOTMENT FOR COMMERCIAL CORN

Mr. THYE. Mr. President, the Senate Committee on Agriculture and Forestry also reported today a bill to raise the acreage allotment in the commercial corn area of the Nation to 54 million acres, from the present acreage of 38 million acres plus. Enactment of this bill should have a highly beneficial result for the corn producers of the Nation, more especially those in the commercial corn area.

SHORTAGE OF COLLEGE TEACHERS MUST BE CORRECTED

Mr. NEUBERGER. Mr. President, for the past years those of us who follow the course of education and educational policies in this country have benefited from the informative and thoughtful articles of Dr. Benjamin Fine in the New York Times. I myself have often had occasion to rely on Dr. Fine's review of education in the Times for information on educational matters, and to bring his columns to the attention of other Senators by inserting them in the CONGRESSIONAL RECORD.

Now Dr. Fine has left the New York Times to enter actively into the educational field himself as dean of the Graduate School of Education of Yeshiva University. His final column, on the subject of the shortage of qualified college teachers, appeared in the New York Times for Sunday, March 2. I ask unanimous consent, Mr. President, to have printed in the RECORD this final column written by Dr. Benjamin Fine as education editor of the New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHORTAGE OF COLLEGE TEACHERS IS CAUSING A REAPPRAISAL OF GRADUATE PROGRAMS

(By Benjamin Fine)

In recent weeks there has been considerable ferment on the question of graduate study in the Nation's colleges and universities. Many educators have begun to challenge the present master's and doctoral programs.

A major reason for the concern lies in the growing shortage of teachers on both school and college levels. Most high schools require their teachers to hold a master's degree. And colleges generally seek faculty members who have or are earning the doctor of education or doctor of philosophy degree.

Recently four university deans—from Columbia, Harvard, Duke, and the University of Toronto, issued a sharp critique of the method used to train candidates for the master's and doctor's degrees. The report called the present methods sterile and urged that a substantial revision be made in the course of studies now offered. The four deans also complained that it takes far too long to train a doctor of philosophy.

Dean Jacques Barzun, of the Columbia Graduate Faculties, one of the four deans making the report, wrote: "The time spent in making professional scholars is too long for the result achieved."

BOTTLENECK FOR DOCTORS OF PHILOSOPHY

The issue of graduate study is stressed in the current annual report of Dr. Benjamin F. Wright, president of Smith College. Referring to the doctor of philosophy bottleneck, Dr. Wright urged the Nation's educators to revise their thinking on the question of graduate programs. He, in common with other prominent educators, made these general complaints:

(1) It takes much too long for the average student to get a master's or doctor's degree. In some instances, students spend from 10 to 15 years on the doctor of philosophy, working on it on a part-time basis.

(2) Too much emphasis is placed upon the research or thesis side of the doctor of philosophy. Many students fall by the wayside after completing all their formal course requirements, because they simply cannot complete their thesis along the line required by their college committee.

(3) The doctor of philosophy program is often too rigid and regimented. Students are required to follow certain set patterns, regardless of individual needs or abilities. More flexibility is asked by Dr. Wright and the other educators who have been examining this question in recent months.

Columbia announced recently that it planned to make drastic changes in the doctor of philosophy requirements in the field of chemistry. The college proposed a combined 6-year program, which would mean that the student would receive his doctor of philosophy 2 years after completing the 4-year college course. Other colleges are planning similar changes in various fields.

The great graduate-degree bottleneck is in the field of education. Dr. Wright said that in some instances the candidates do not get a doctorate until they are in their middle forties. This would mean the college graduate may spend as much as 20 years working toward a doctorate. In the meantime, of course, the student gets a teaching job, gets married, raises a family, and takes a course or two each year toward his doctorate. By the time he gets his coveted degree he is not in the mood to do creative or constructive scholarship or to continue in the field of research.

AMERICAN TRADITION

The doctor of philosophy alone among all the other degrees has remained almost untouchable for the last half century. One hundred years ago the doctor of philosophy was not offered in any American institutions. Most scholars who wanted this degree went to Germany for their doctoral work.

Yale University granted the first doctor of philosophy in 1861, for 2 years' work beyond the bachelor of arts degree. Most of the work was taken away from the campus. Twelve years later, in 1873, Yale had granted 23 doctors of philosophy. This represented most of the doctoral degrees awarded by American institutions up to that time.

Other universities gradually added the doctor of philosophy. Pennsylvania, Columbia, Harvard, Johns Hopkins graduated a few doctoral degrees around the year 1876. The 2-year postbaccalaureate period for the degree was gradually lengthened to 3 years. However, although 3 years is the theoretical standard, a large majority of candidates, as Dr. Wright has shown, spend much more time than that.

There are not many accurate statistics concerning the actual age at which students receive their doctor of philosophy degrees. However, in 1944, Dr. S. L. Pressey, of Ohio State University, made a study in which he found that scientists listed in American Men of Science received a doctorate at a median age of 29.5. Those represented in the humanities and social studies as listed in The Directorate of American Scholars acquired their doctorate at a median age of 32.7.

This would indicate, Dr. Wright reports, that the work for the doctor of philosophy degree is not completed, even for the scientist, until 6 to 8 years after graduation from college. For other scholars the degree is usually earned from 10 to 15 years after the bachelor of arts.

Many educators agree with Dr. Wright's suggestion that "what we need is the acceptance of the principle that the doctor of philosophy degree is a preprofessional degree in the same sense that the doctor of medicine and doctor of law degrees are preparatory to practicing the professions of medicine and law."

TWO YEARS FOR A DEGREE

The Wright report makes this observation, which appears to be receiving serious consideration in the academic field: "If the student attending a first-rate college spends most of his time during the junior and senior years on a special field, more than 2 years of additional study in graduate school is rarely needed or even desirable." Moreover, Dr. Wright holds that more than a year on a thesis is unnecessary either to give the student experience in research or to enable him to deal with his subject with reasonable thoroughness.

It is evident that much thinking is now going on in American universities on the issue of graduate work. If the teacher shortage is to be met, then it will apparently be necessary to make a drastic reexamination of the doctor of philosophy and other doctoral programs.

LABOR'S 1958 POLITICAL STRATEGY

Mr. GOLDWATER. Mr. President, Victor Riesel, one of the Nation's leading writers on labor questions, has prepared two articles on confidential documents which he has which are supposed to be only in the hands of the leaders of labor. Because I feel that these are so important, I wish to read the first one, which is quite brief, and I shall insert the second in the RECORD. I read from the first statement:

INSIDE LABOR

(By Victor Riesel)

If anyone believes that labor's high command plans to sit out this Congressional campaign, he is living in the penthouse suite in some ivory tower. True, labor has said little about politics, but there is a 19-page blueprint for action in the files of the Committee on Political Education—COPE—the AFL–CIO's own national political committee. Marked "Confidential," it painstakingly provides instructions for getting millions of union members into the precincts come summertime.

The report promises its people it will distribute at least 40 million pieces of literature in the next 8 months.

"During this election year COPE plans an intensive public relations campaign which will utilize new leaflets and handbills, posters, special newsletters, pamphlets, special bulletins to particular States where particular situations warrant, films, radio and television * * *. The pieces of literature we will use should total between 40 million and 50 million," the report reveals on page 16.

While these pour from COPE's central headquarters in Washington, labor's high command has earmarked over $200,000 to place full-time labor-political directors in States where the unions are least influential and have special targets for defeat. On pages 2 and 3, the report reveals:

"The success or failure of the COPE program rests basically on the amount of grassroots activity. Elections are won in the precincts more often than in the headquarters * * *. This program contemplates that

COPE will match, up to $5,000 a year, funds put up by a State COPE for the purpose of employing a full-time COPE director or, where a full-time COPE director is already employed, a full-time director of women's activities.

"Negotiations to launch such a program are under way in the following States: Nevada, Utah, Arizona, Idaho, Montana, Wyoming, New Mexico, Oklahoma, North Dakota, South Dakota, Nebraska, Mississippi, Arkansas, Georgia, South Carolina, North Carolina, Maryland, Delaware, Vermont, New Hampshire, and Maine.

"It is expected that this program will substantially stimulate activity on the State level in the political field."

Part of this activity will be one of the most sweeping political drives any organization has attempted—the registration of every one of the AFL–CIO's 13,500,000 members.

This drive springs from the recommendation of George Meany that "registration should not be merely part of a short-lived, high-pressure political campaign, but should instead start the day after election and become an integral part of the normal, everyday work of each international and local union organization."

Right now permanent committees are being set up in each local union—the goal being some 60,000—and each local central body. The drive was launched because of what the political leaders report has been a "false self-confidence, a feeling that 'most of our people are registered.'

"This is simply not true: most of our people are not registered. When our people learn the facts, they will be shocked into action."

In some unions less than 10 percent of the membership is registered and eligible to vote. This is better than in 1954, when it was learned that some unions had as few as 1½ percent eligible to vote.

Therefore COPE has quietly started "a national inventory of registration." This is the first time in the history of American labor that such a countrywide inventory has been taken. COPE sent out a letter to each of the AFL–CIO affiliates. These national outfits, in turn, are writing to each of their locals. The locals are expected to fill in cards on who can vote and then rush the information back to central headquarters.

What I have reported here is but the sketchiest of details on just a few of the highlights of labor's drive to defeat scores of Congressmen it believes too conservative or unfriendly. Soon public war will be declared on labor's political opponents—at a special educational conference early this year in the Midwest.

It is contemplated that the conference will cover political techniques such as registration, dollar collections, organization of COPE's (political committee—VR), election day procedures, and the organization and activities of women's divisions—

Says the confidential report.

Sounds like we're back in the torchlight parade era.

In order to avoid delaying the Senate, I ask unanimous consent that the second of these articles be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSIDE LABOR

(By Victor Riesel)

Never underestimate the power of a WAD in politics. Labor's streamlined strategists are not. For I write of belles, not bills. A WAD in labor's national campaign machinery is a Women's Activities Director.

A confidential 19-page memorandum of massive political retaliation against labor's opponents reveals that much of the unions' precinct work will be done by women this year. The unpublicized report was submitted by COPE—the Committee on Political Education—to the AFL–CIO executive council at its midwinter session last month. The report reveals plans for a dynamic, imaginative drive in coming months to retire Congressmen considered too conservative by leading laborites.

An experimental pilot school for women in politics has been functioning for some time, the document reveals on page 13.

"In Florida, the State organization (of COPE–VR) established a school attended by 50 women trade unionists and union wives in the State and conducted by COPE representatives. The school was extremely successful and it is expected it will produce tangible results in the 1958 campaign."

Typical of the use to which the Florida WAD's will be put is a push for ex-Senator Claude Pepper—if he decides to run against incumbent Senator Spessard Holland. The fight will be made in the Democratic primaries and will make national news.

The COPE report also states that in "virtually every State, officials have undertaken such a program with the help and guidance of the COPE Women's Activities Directors, or are seeking ways of doing so."

Women's divisions are given considerable credit for successfully getting union members to register to vote. In turn, these registration drives are credited by the COPE report with election victories. On page 7, the document states:

"Oregon, Washington, and Wisconsin feel strongly that their registration drives made their recent electoral success possible."

It is believed that the WAD's, as well as the regular labor machinery, will be used in a dramatic move into the usually conservative suburbias of postwar America. Says the report:

"Two special studies are now under way in the national COPE office. One is the continuing inquiry into changes in the voting pattern resulting from the growth of suburbs. The other concerns existing relationships between farm and labor groups throughout the country.

"Preliminary work on the suburban project indicates that the first impact of suburban development is wearing off and that, as mortgages and time payments begin to pinch in a static or declining economy, traditional voting patterns are returning.

"Considering factors leading to the tremendously rapid growth of the suburbs, it would not be surprising to witness in these areas a wide swing of the political pendulum from conservatism to liberalism as the economy slows."

The report reveals labor's detailed plans for not stopping with the ex-urbanites—but driving into what COPE hopes will be greener political fields beyond the outskirts of the great cities. Efforts are being made to reach individual farmers as well as friendly farm groups.

This has happened in "virtually all States in which there is an important agricultural community." There are COPE staff members specializing in farm-labor relationships.

There are also other specialists seeking out other special voters' groups. COPE told the AFL–CIO high command that it "has been able to step up" its activities among minority groups. COPE now publishes a semimonthly newsletter with this objective and has added two special representatives to its staff for work in this area.

From special pay-your-poll-tax stickers in Southern States to serving cold lemonade and labor literature at county fairs, the unions' national political committee is on the move.

MASTERS OF DECEIT, BOOK BY J. EDGAR HOOVER ON THE COMMUNIST IDEOLOGY AND APPARATUS

Mr. BRIDGES. Mr. President, I take this opportunity to invite the attention of the Senate to a new book which is entitled "Masters of Deceit," by J. Edgar Hoover, Director of the Federal Bureau of Investigation.

This 337-page book gives a penetrating analysis of the Communist ideology and apparatus. In plain, factual language, the author exposes the Communist conspiracy for what it is. He vividly describes the ungodly tactics and strategy which have been used to enslave 40 percent of the earth's population.

The information which can be gained from this book will more than compensate for the time which is devoted to its reading. It is most valuable because, in my judgment, there is no man in America more familiar with, and aware of, the Communist conspiracy than the author.

When organized communism first appeared as a force in this country, Mr. Hoover quickly recognized its insidious design. In the year 1919, he wrote as follows about the Communist Party concepts:

> These doctrines threaten the happiness of the community, the safety of every individual, and the continuance of every home and fireside. They would destroy the peace of the country and thrust it into a condition of anarchy and lawlessness and immorality that passes imagination.

Since that time, through his vigilance, the Communist Party in America has been under constant surveillance. Time and again under his leadership the FBI has been able to create consternation among American Communists through public disclosures of their continuing conspiracy. It is noteworthy that from a peak American Communist membership of 80,000 in 1944, membership is now less than 25,000. While these figures do not minimize the danger, they do cause me to ponder what the membership would have been without the continuing vigilance of the Federal Bureau of Investigation under such superb leadership.

Mr. Hoover has, during his lifetime, been given literally hundreds of awards in tribute to his exemplary service to our country. These range from a 1936 award from the Boys' Clubs of America in "recognition of his services on behalf of the boyhood of America" to the "President's Award for Distinguished Federal Civilian Service" bestowed on him by our President only a month ago. To these tributes, I simply add that in writing Masters of Deceit, J. Edgar Hoover has again done a great service to the people of America.

SOUTH DAKOTA WEATHER

Mr. CASE of South Dakota. Mr. President, in the course of introducing me as a speaker at the luncheon of the Washington Board of Trade to honor Capt. Finn Ronne, the Antarctic explorer,

Tuesday, Master of Ceremonies Mark Evans made a remark to this effect:

A man from South Dakota should know what a winter in the Antarctic is like.

In parrying this jest, I somewhat boastfully offered to wager Mr. Evans that temperatures at home in South Dakota during the past 3 months would average 10° higher than Washington's.

The Washington Post immediately set out to check the facts. In a story appearing in this newspaper yesterday, I was facetiously accused of reading my home State thermometers upside down.

The Post said average temperature in Washington during the past 3 months was 35° as compared with 23° in Huron, S. Dak. This, the Post said, made Mr. Evans the winner of the wager by some 22°.

But, Mr. President, my home is in the Black Hills, in the western part of the State, and it was this area to which I was referring. The Weather Bureau was unable to supply figures for my home near Custer. However, it found the average temperature at nearby Rapid City during these months to be 29.6°.

Compared with the 35° temperature credited to Washington, my home town area was only slightly more than 5° cooler during this period. And because of the drier climate in South Dakota, I submit that it felt 10° warmer.

It will also interest him and other Washingtonians to know that the maximum temperature at Rapid City was higher than Washington's on 42 of the 90 days in question.

Out where I come from, the natives do not scurry to Florida to escape winter's icy blasts. They prefer to remain in the beautiful Black Hills, where they can enjoy not only balmy temperatures, but also some of the most beautiful mountain scenery in the world. A palm tree is not to be compared with a Black Hills spruce or ponderosa pine in a winter setting of snow and sunshine.

Why, only last month some Florida residents fled to South Dakota. Ostensibly this was for the purpose of obtaining hay for Florida livestock, but this trip strangely coincided with a cold snap in that Southern State.

I submit, Mr. President and Members of this distinguished body, that South Dakota's weather is not something to be belabored, but, indeed, may be envied by residents of a good many States.

THIRTEENTH ANNIVERSARY OF THE SOVIET SEIZURE OF RUMANIA

Mr. BUTLER. Mr. President, March 6 marks the 13th anniversary of the Soviet seizure of Rumania.

The occupation of Rumania by the Red army toward the end of 1944 was but the first step in the enslavement of that nation. The Russians, under the guise of an Allied Control Commission, exercised every pressure to establish their domination. They imposed drastic reductions on independent Rumanian military and police forces; armed Communist shock troops; fostered attacks against public authorities; and by other devious schemes, prepared for the overthrow of the legal Government of Rumania.

Finally, in March 1945, with Soviet tanks and armed Russian soldiers patrolling the streets, the Communists ruthlessly brushed aside the Rumanian Government and planted in its place a subservient clique under the absolute control of Moscow.

By similar methods, countless millions of other freedom-loving people in Europe also have been enslaved by the Communists. In the case of Hungary, the world witnessed the bloodbath which confronts any of the captive nations of Europe should they assert their freedom without strong, active world support backing them.

At the present time, the United States and other Western nations are planning with the Communists for still another summit conference to ease present tensions and promote world peace. Yet in Rumania, Hungary, Lithuania, and the other captive nations of Europe, we have a concrete example of what the Russians consider a peaceful existence for the non-Communist world. In these nations we also have a clear indication of the reckless immorality and depravity of the leaders who would participate in such a conference. Let us hope that, if such a conference does take place, leaders of the Western World will have constantly in mind the tragic fate of those nations which fall under Communist domination. The present world situation contains many imponderables, but the mass slaughter and imprisonment in Hungary, the slave-labor camps, and the desperate condition of the millions of people in the satellite countries are established facts. They are facts which must be pondered by our leaders should we attempt to negotiate in good faith with those who simply do not understand or comprehend the meaning of this term.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from the League of Free Romanians concerning the 13th anniversary of the subjugation and destruction of Rumania by the Soviets.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE LEAGUE OF FREE ROMANIANS,
New York, N. Y., March 4, 1958.

The Honorable STYLES BRIDGES,
United States Senator From New Hampshire.

DEAR SENATOR: I take the liberty to bring to your attention the significance of the 6th of March for the subjugated Rumanian people.

Thirteen years have elapsed since the Soviet seizure, through fraud and violence, of Rumania on the 6th of March 1945.

The circumstances of this seizure are a matter of record. While the Rumanian Army was on the front fighting on the side of the Allies, 2 weeks after the Yalta declaration, Vishinsky, through the overwhelming pressure of the Russian forces, crushed Rumania's independence. Under the shadow of Russian tanks, the Prime Minister, General Radescu, head of the Rumanian resistance was forced out and a Moscow sponsored Communist government was installed.

Unfortunately, after denouncing it as nonrepresentative the Western Allies recognized this Communist quisling government and concluded in 1947 a peace treaty with it. It is also a matter of record that the provisions of this peace treaty were never honored and that its mechanism of implementation through arbitration proved a complete failure, due to Communist disdainful and systematic obstruction.

Rumania, with its substantial oil resources, thus became a base for the politico-military Soviet aggressive purposes. Then in 1955 the Rumanian puppet government has been accepted in the United Nations.

All through this period the Rumanian people have been subjected to forced sovietization, economic exploitation and ruthless political and religious persecution. The two largest slave-labor camps in the occupied zone of Europe have been organized in that country, first in the Danube-Black Sea Canal and now in the Danube Delta project.

Reliable reports from inside the country point out that sabotaging the Russian Communist plans has become a national feature. The pro-American sentiment is strong and omnipresent in the mass of the people.

Under these circumstances and having in view the general situation behind the Iron Curtain, it is the vital and urgent interest of the Soviet Union to undermine and stifle this powerful and menacing faith in the United States. This is one important reason why the Russians are trying hard to push the United States into an official denial of any further preoccupation with the east European question. At this present moment their frantic efforts to promote disengagement formulas and to erase Eastern Europe from the agenda of any summit talks, amply proves this Achilles heel in the Kremlin's armor.

We believe that a few words of encouragement and sympathy from you, sir, on this 6th of March, anniversary of the enslavement of the Rumanian people 13 years ago, would greatly contribute to help their badly tried morale and hopes for the future. Anything you can do will meet with the deep gratitude of all Rumanians.

I remain yours respectfully,

MIHAIL FARCASANU,
President.

ONE HUNDRED AND EIGHTH ANNIVERSARY OF BIRTH OF THOMAS G. MASARYK, FOUNDER OF THE CZECHOSLOVAK REPUBLIC

Mr. HRUSKA. Mr. President, I invite the attention of Senators to the anniversary of one of the free world's most revered patriots. Tomorrow, March 7, 1958, marks the 108th anniversary of the birth of Thomas G. Masaryk, the founder of the Czechoslovak Republic.

For the 10th year, Mr. President, there will be no public acknowledgment of this event in Czechoslovakia. But we know that there will be quiet homage paid to this great statesman in the hearts of many now living under the yoke of Communist rule.

As the year 1958 marks the 10th year of Communist subjugation of Czechoslovakia, so it also marks the 40th anniversary of the establishment of the Czechoslovakian Republic. It was in 1918 that Czechoslovakia realized the goals of her years of struggle for freedom.

Liberty did not come easy to a nation strategically located in the heart of Europe. But under the inspired leadership of Thomas G. Masaryk the Czechoslovakian Republic was born. The adoption of the constitution of 1920 established the new Republic as a prosperous citadel

of democracy—a model for free men everywhere.

The Nazi occupation of Czechoslovakia in 1938, the renewed flickering of the flame of Czechoslovak freedom in 1945, the Communist coup d'etat of February 25, 1948—these tragic events are familiar in detail to all of us.

The pattern of Communist infiltration, intimidation, and plain brute force which subjugated Czechoslovakia was as lethal and sinister as any aggression faced by these valiant people in their long struggle for liberty.

Addressing the Congress of the United States in 1943, President Benes declared that the Czechoslovak nation would remain forever faithful to the principles of democracy, of spiritual and religious freedom, of peace and international cooperation. We may rest assured that, in spirit, the people of Czechoslovakia remain stalwart compatriots with free men everywhere in the cause of liberty.

The motto of Thomas G. Masaryk—truth will prevail—became the motto of the Czechoslovak Republic 40 years ago. It remains the motto of the Czech and Slovak people today, suppressed by Communist terror, but dynamic and inspirational in the hearts of men.

As we note the anniversary of the birth of Thomas G. Masaryk, Mr. President, we rededicate ourselves to the principles of freedom for which he fought. And we express to those held under the Red yoke our encouragement in their dreams and determination to regain their freedom.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of James E. Holshouser, of North Carolina, to be United States attorney for the middle district of North Carolina, which was referred to the Committee on the Judiciary.

CALL OF THE ROLL

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. PAYNE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection——

Mr. TALMADGE. Mr. President, I withdraw that request temporarily.

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

THE CALENDAR

The PRESIDING OFFICER. Under the unanimous-consent agreement previously entered into—which provides that on today, at the close of the morning hour, the Senate shall proceed to the call of the calendar beginning with Calendar No. 1298—the clerk will now proceed to call the bills and other measures to which there is no objection, beginning at that point on the calendar.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 5) to amend the Federal Property and Administrative Services Act of 1949, as amended, to prevent the allocation of procurement contracts to certain designated geographical areas, and for other purposes, was announced as first in order.

Mr. TALMADGE. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6182) to provide for the conveyance of certain real property of the United States to the former owners thereof was announced as next in order.

Mr. TALMADGE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE subsequently said: Mr. President, I desire to speak on Calendar No. 1302, House bill 6182, which was before the Senate earlier today. I ask unanimous consent that the remarks I make at this time be printed in the RECORD in connection with the previous consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, House bill 6182 authorizes the Administrator of General Services to convey 8.9 acres of land to Martha and Damaris Gilkeson without compensation. The Gilkeson sisters donated the site in 1938 for the establishment of a fish cultural station. Subsequently, the Federal Government expended roughly $2,800 in improvements. The project was abandoned in the early forties, and has now been declared surplus. At the time when it was declared surplus, it was appraised at $2,300. An offer of $1,001 was made, but was rejected because it did not conform to the fair market value.

Senate Report No. 1279 states, on page 3, that the deteriorated improvements are of nominal value. The property has an appraised value of $2,300. This bill would not violate the so-called Morse formula, because the Government did not continue to use the property for the purpose intended, and the property is now declared surplus. Since the Gilkeson sisters donated the property to the Government in the first place, it seems only fair that it revert to the Gilkesons without compensation.

Mr. President, that is in line with many cases in the past few years, as to which I have taken the same position, namely that because the property was conveyed to the Government in the first place for a specific use, and obviously with the understanding that when the use no longer prevailed, the property would revert to the former owner, it would not be fair to charge the original donor any price for the property.

Therefore, in this case—as in many previous cases of like nature—I have taken the position that the Morse formula is not involved.

The bill (H. R. 6623) to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club was announced as next in order.

Mr. TALMADGE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent that the remarks I now make on Calendar No. 1303. House bill 6623, be printed in the RECORD at the point where the bill was under consideration earlier today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, the Government has declared 0.65 of an acre of land surplus to its needs at Woods Hole, Mass. House bill 6623 would authorize the General Services Administration to convey this land to the Woods Hole Yacht Club at the fair market value. Because of the fact that the land has been declared surplus to the needs of the Government, and because of the willingness of the yacht club to purchase the land at the appraised fair market value obviously there is no application of the Morse formula; and I have no objection to the bill.

The bill (H. R. 8794) to provide an exemption from the tax imposed on admissions for admissions to certain musical performances was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 263) favoring negotiations with the Government of Japan for the protection of the red salmon fisheries was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. HRUSKA. Mr. President, I call the attention of the Chair to the fact that that resolution is the unfinished business.

The PRESIDING OFFICER. The resolution is the unfinished business, but it may still be handled upon a call of the calendar, if that is the wish of the Senate.

Mr. MAGNUSON. Mr. President, I do not wish to——

Mr. HRUSKA. Mr. President, over.

The PRESIDING OFFICER. Objection is heard. The resolution will be passed over.

CONVEYANCE OF INTEREST IN CERTAIN FISSIONABLE MATERIALS IN ALAMANCE COUNTY, N. C.

The bill (S. 2833) to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey by quitclaim deed to T. E. Steed, of the county of Alamance, State of North Carolina, and to his heirs and assigns, all right, title, and interest of the United States in and to fissionable materials, uranium, thorium, and all other materials determined pursuant to section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material, contained in the tract of land in Burlington Township, county of Alamance, State of North Carolina, which was conveyed to said T. E. Steed by quitclaim deed executed August 20, 1947, by the Reconstruction Finance Corporation (recorded on Dec. 22, 1947, at book No. 169, pp. 310–312, of the deed records of Alamance County, N. C.), as supplemented by an amendatory quitclaim deed executed December 6, 1954, by the United States through the Administrator of General Services (recorded Feb. 9, 1955, at book No. 231, pp. 385–387, of the deed records of such county).

Mr. MORSE subsequently said: Mr. President, earlier in the afternoon the Senate had before it Senate bill 2833, Calendar 1312. I ask unanimous consent that the remarks I shall make at this time on that bill be printed in the RECORD at the point where the bill was previously under consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I am making this statement because I do not want anyone to say in the future that when the bill was before the Senate, I did not take note of the fact that it complies with the Morse formula. Thus far in this session of Congress, the Senate has not had before it very many bills involving the Morse formula. However, it has been my practice, when a committee brings to the floor of the Senate a bill which complies with the Morse formula, to be just as willing to commend the committee for the bill as I am ready to proceed to oppose any bill which does not comply with the Morse formula.

Senate bill 2833 would authorize the General Services Administration to quitclaim to one T. E. Steed the interest of the United States in certain fissionable materials in a tract of land heretofore conveyed by the Government to Mr. Steed, in an exchange transaction.

In 1954, the Atomic Energy Act of 1946, as amended, was changed so as to delete the requirement of the reservation of fissionable materials in future conveyances of public lands. The 1954 act authorized the head of the appropriate department or agency to issue a supplemental conveyance without such a reservation.

S. 2833 would extend to public lands of the acquired variety, as contrasted with public domain lands, the benefit of the rule that reservations of fissionable materials are no longer necessary in conveyances by the United States.

So, Mr. President, since the policy of deleting fissionable materials reservations for public-domain lands has been established, I see no objection to extending the policy to acquired lands.

Therefore, Mr. President, in my opinion the Morse formula was not involved in the bill, although questions had been raised with me as to whether the bill complied with the Morse formula. I responded that in my opinion the Morse formula was not at all applicable to the bill, and I had no objection to the bill.

BILL PASSED OVER

The bill (H. R. 9271) to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society, was announced as next in order.

Mr. TALMADGE. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

BONDS OF UNITED STATES MARSHALS

The bill (S. 1438) to amend section 544 of title 28, United States Code, relating to bonds of United States marshals, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsections (a) and (b) of section 544 of title 28, United States Code, are amended to read as follows:

(a) Every United States marshal, including any marshal appointed to serve during a vacancy, shall be bonded in the sum of $20,000 for the faithful performance of duty by himself and his deputies during his continuance in office and by his deputies after his death until his successor is appointed and qualifies.

(b) The Attorney General may require the United States marshal for the southern district of New York to be bonded in a sum not exceeding $75,000 and any other United States marshal to be bonded in a sum not exceeding $40,000.

WADIHA SALIME HAMADE

The bill (S. 2239) for the relief of Wadiha Salime Hamade was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Wadiha Salime Hamade shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA G. ASLANIS

The bill (S. 2493) for the relief of Maria G. Aslanis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria G. Aslanis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CEDOMILJ MIHAILO RISTIC

The bill (S. 2613) for the relief of Cedomilj Mihailo Ristic was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Cedomilj Mihailo Ristic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HIROKO OZAKI

The bill (S. 2691) for the relief of Hiroko Ozaki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Hiroko Ozaki, shall be held and considered to be the natural-born alien child of Major and Mrs. Jack E. Smith, citizens of the United States.

HASEEP MILHEM ESPER

The bill (S. 2718) for the relief of Haseep Milhem Esper was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That Haseep Milhem Esper, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Haseep Milhem Esper shall have the same citizenship status as that which existed prior to its loss.

MRS. HERMINE MELAMED

The bill (S. 2819) for the relief of Mrs. Hermine Melamed was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Hermine Melamed shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the

Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CLAUDIO GUILLEN

The Senate proceeded to consider the bill (S. 803) for the relief of Claudio Guillen, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of sections 101 (a) (19) and 31 of the Immigration and Nationality Act, as amended, and section 3 (a) of the Selective Training and Service Act of 1940, as amended, Claudio Guillen may be naturalized in accordance with the provisions of title III of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MILOSAV MARES

The Senate proceeded to consider the bill (S. 2712) for the relief of Milosav Mares, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 2, after the word "act", to insert a colon and *"Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act," so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Milosav Mares may, if found to be otherwise admissible under the provisions of that act, be issued a visa and admitted to the United States for permanent residence under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FLORICA BOGDEN

The Senate proceeded to consider the bill (S. 2538) for the relief of Florica Bogden, which had been reported from the Committee on the Judiciary with amendments on page 1, line 4, after the word "act", to strike out "Florica Bogden" and insert "Florica Bogdan"; in line 8, after the word "said", to strike out "Florica Bogden" and insert "Florica Bogdan"; on page 2, line 3, after the word "said", to strike out "Florica Bogden" and insert "Florica Bogdan"; at the beginning of line 9, to strike out "Florica Bogden" and insert "Florica Bogdan", and, in line 11, after the word "said", to strike out "Florica Bogden" and insert "Florica Bogdan"; so as to make the bill read:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Florica Bogdan, the fiance of Vasile Cojerean, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Florica Bogdan is coming to the United States with a bona fide intention of being married to the said Vasile Cojerean and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Florica Bogdan, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Florica Bogdan, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Florica Bogdan as of the date of the payment by her of the required visa fee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Florica Bogdan."

OLIVE V. RABINIAUX AND OTHERS

The Senate proceeded to consider the bill (S. 2621) for the relief of Olive V. Rabiniaux and her two minor children, Annette Marcella Rabiniaux and Rochelle Jean Rabiniaux, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Olive V. Rabiniaux may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Olive V. Rabiniaux."

TOKIYO NAKAJIMA AND HER CHILD

The Senate proceeded to consider the bill (S. 2650) for the relief of Tokiyo Nakajima and her child, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 5, after the word "child", to insert "Megumi (Kathy) Nakajima"; on page 2, line 4, after the word "child", to insert "Megumi (Kathy) Nakajima"; in line 10, after the word "child", to insert "Megumi (Kathy) Nakajima"; in line 13, after the word "child", to insert "Megumi (Kathy) Nakajima", and in line 15, after the word "visa", to strike out "fee" and insert "fees"; so as to make the bill read:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Tokiyo Nakajima, the fiance of Richard L. Brinkley, a citizen of the United States, and her child, Megumi (Kathy) Nakajima, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided,* That the administrative authorities find that the said Tokiyo Nakajima is coming to the United States with a bona fide intention of being married to the said Richard L. Brinkley and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima, as of the date of the payment by them of the required visa fees.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima."

JESUS ROMERO SOTELO-LOPEZ

The Senate proceeded to consider the bill (S. 2657) for the relief of Jesus Romero Sotelo-Lopez, which had been reported from the Committee on the Judiciary, with amendments, in line 7, after the name "Jesus", to strike out "Romero" and insert "Romeo", and in line 8, after the name "Jesus", to strike out "Romero" and insert "Romeo", so as to make the bill read:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Jesus Romeo Sotelo-Lopez. From and after the date of enactment of this act, the said Jesus Romeo Sotelo-Lopez shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Jesus Romeo Sotelo-Lopez."

NATALIA KUTOWYJ

The Senate proceeded to consider the bill (S. 2733) for the relief of Natalia Kutowyj, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 7, after the word "Act", to strike out the comma and

"under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose", and on page 2, line 2, after the word "Act", to insert a colon and *"Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (4) of the Immigration and Nationality Act, Natalia Kutowyj may be issued a visa and admitted to the United States if she is found to be otherwise admissible under the provisions of that act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SARINA L. DE TRABOUT AND OTHERS

The Senate proceeded to consider the bill (S. 2818) for the relief of Sarina L. De Trabout, Lina Trabout, and Esther Trabout, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Ester Trabout shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ester Trabout."

POG MOO JUNG AND MOO WAH JUNG

The Senate proceeded to consider the bill (S. 2849) for the relief of Pog Moo Jung and Moo Wah Jung, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "act," to strike out "Pog Moon Jung and," and in line 6, after the word "alien," to strike out "children" and insert "child," so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Moo Wah Jung shall be held and considered to be the minor alien child of Peter Shu Jung, a citizen of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Moo Wah Jung."

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 67) favoring the suspension of deportation in the cases of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6013531, Conrad, John Eddy.
A-6854175, Khan, Young.
A-5609821, Lago, Manuel.
A-8024172, Romero-Garcia, Jose Esteban.
A-5919886, Karlquist, Karl Runar.
A-10375272, Ming, Dan Ah.
A-4994479, Schmidt, Anton.
A-4778249, Tapia-Palacios, Leandro.
A-7927373, Antoncich, Anthony Joseph.
A-5270094, Grammatikos, Nicolaos T.
A-4403972, Li, Ru-Chao.
A-6899735, Garcia-Travesi, Carlos.
A-3470764, Hicks, Prudence.
A-3535360, Ares, Leonide Ituarta.
A-5987407, Gavaletz, James.
A-8001256, Kim, Lim Hong.
A-9561104, Yan, Sang.
A-2482835, Ali, Manan Bin.
A-7083633, Lyras, Sozon.
A-8976987, Olvera-Gonzalez, Juan Manuel.
A-9836556, Tamm, Salme.
A-8996122, Jing, Yee Fong.
A-6859008, Ornelas-Alvarado, Carlos.
A-7390668, Fong, Ng Ben.
A-6590561, Lopez, Vincent Manuel.
A-5091348, Panzani, Natale.
A-3247674, Pellegri, Fert.
A-7266069, Wong, Henry.
A-10256415, Freund, Eva.
A-9652037, Muk, Fong.
A-2627821, Reinhardt, Fritz Willy.
A-9752493, Juan, Han Heng.
A-4735205, Sponza, Pietro.
A-4572014, Lorusso, Mauro.
A-2716669, Pena-Morales, Victor.
A-5753916, Gonzales-Campos, Francisco.

BILLS PASSED OVER

The bill (S. 213) to confer jurisdiction on the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law, was announced as next in order.

Mr. HRUSKA. Mr. President, it is suggested that this bill is not calendar business.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 3039) amending the Agricultural Trade and Assistance Act of 1954, as amended, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

PARTICIPATION IN INTERPARLIAMENTARY ORGANIZATIONS AND RECEPTIONS OF VISITING FOREIGN DIGNITARIES

The Senate proceeded to consider the resolution (S. Res. 259) providing assistance to Members of the Senate in the discharge of their responsibilities in connection with visiting foreign dignitaries and for other purposes, which had been reported from the Committee on Rules and Administration, with amendments, on page 2, line 2, after the word "amended", to strike out "and Public Law 4, Eightieth Congress, approved February 19, 1947, as amended", and at the beginning of line 6 to strike out "by Senators and the aforementioned employee", so as to make the resolution read:

Resolved, That in order to assist the Senate properly to discharge and coordinate its activities and responsibilities in connection with participation in various interparliamentary institutions and to facilitate the interchange and reception in the United States of members of foreign legislative bodies and prominent officials of foreign governments, the Committee on Foreign Relations is authorized from February 1, 1958, through January 31, 1959, to employ one additional professional staff member to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of section 202 (e) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The Secretary of the Senate is authorized and directed to pay the actual and necessary expenses incurred in connection with activities authorized by this resolution and approved in advance by the chairman of the Committee on Foreign Relations, which shall not exceed $5,000 from February 1, 1958, through January 31, 1959, from the contingent fund of the Senate upon vouchers certified by the Senator incurring such expenses and approved by the chairman of the Committee on Foreign Relations.

The amendments were agreed to.

The resolution, as amended, was agreed to.

REPEAL OF CERTAIN AUTHORIZATIONS TO MAKE EXPENDITURES FROM THE CONTINGENT FUND OF THE SENATE

The resolution (S. Res. 269) to repeal certain authorizations to make expenditures from the contingent fund of the Senate was considered and agreed to, as follows:

Resolved, That the authorizations provided by Senate Resolution 129, agreed to June 26, 1947; Senate Resolution 300, agreed to June 20, 1950; Senate Resolution 116, agreed to May 15, 1941; Senate Resolution 59, agreed to January 29, 1947; Senate Resolution 234, agreed to May 20, 1954; and Senate Resolution 250, agreed to April 13, 1950, as amended by Senate Resolution 311, agreed to July 27, 1950; Senate Resolution 209, agreed to September 13, 1951; Senate Resolution 262, agreed to January 24, 1952; Senate Resolution 333, agreed to June 12, 1952; Senate Resolution 106, agreed to June 8, 1953; and Senate Resolution 137, agreed to August 3, 1953, are hereby repealed.

PAYMENT OF GRATUITY TO ANNIE (NANCY) E. T. LEVAY

The resolution (S. Res. 268) to pay a gratuity to Annie (Nancy) E. T. Levay was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay, from the contingent fund of the Senate, to Annie (Nancy) E. T. Levay, daughter of Arthur Wilkins, an employee of the Senate at the time of his death, a sum equal to 10 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PAYMENT OF GRATUITY TO LENA B. HASKELL

The resolution (S. Res. 266) to pay a gratuity to Lena B. Haskell was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Lena B. Haskell, widow of Stephen R. Haskell, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PAYMENT OF GRATUITY TO EMMA L. SCOTT

The resolution (S. Res. 267) to pay a gratuity to Emma L. Scott was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Emma L. Scott, mother of Herman L. Scott, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

UNKNOWN SOLDIERS OF WORLD WAR II AND KOREAN CONFLICT

The concurrent resolution (H. Con. Res. 242) providing for the remains of the unknown American of the Second World War and the unknown American of the Korean conflict to lie in state in the rotunda of the Capitol before burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., was considered and agreed to.

PRINTING OF CERTAIN PAPERS FOR SUBCOMMITTEE OF WAYS AND MEANS COMMITTEE

The concurrent resolution (H. Con. Res. 246) authorizing the printing of additional copies of the compendium of papers collected for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means was considered and agreed to.

BILL PASSED OVER

The bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes, was announced as next in order.

Mr. HRUSKA. Over, Mr. President.

Mr. CASE of South Dakota. Over, Mr. President.

The PRESIDING OFFICER. The bill will go over.

UNPAID CANAL ZONE MONEY ORDERS

The bill (H. R. 6710) relating to Canal Zone money orders which remain unpaid was considered, ordered to a third reading, read the third time, and passed.

ATTENDANCE OF PROFESSIONAL PERSONNEL IN GRADUATE SCHOOLS

The bill (H. R. 6744) to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION EXPENSES FOR DEPENDENTS OF DECEASED MEMBERS OF UNIFORMED SERVICES

The bill (H. R. 7912) to authorize in case of the death of a member of the uniformed services certain transportation expenses for his dependents was considered, ordered to a third reading, read the third time, and passed.

TEMPORARY PLACEMENT OF STATUE OF MARIA SANFORD IN ROTUNDA OF CAPITOL

The concurrent resolution (S. Con. Res. 65) to place temporarily in the Rotunda of the Capitol a statue of Maria Sanford, and to hold ceremonies on such occasion was considered, and agreed to, as follows:

Resolved, That the Minnesota Statehood Centennial Commission of the State of Minnesota is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Maria Sanford, of Minnesota, and to hold ceremonies in the rotunda on said occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

ACCEPTANCE OF STATUE OF MARIA SANFORD

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 64) accepting the statue of Maria Sanford, presented by the State of Minnesota, to be placed in Statuary Hall, which had been reported from the Committee on Rules and Administration with an amendment in line 3, after the word "in", to strike out "Statuary Hall" and insert "the Statuary Hall collection", so as to make the concurrent resolution read:

Resolved, That the statue of Maria Sanford, presented by the State of Minnesota, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered said State for the contribution of the statue of one of its most eminent citizens, illustrious for her leadership in education; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Minnesota.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

CHRISTOS ATHANASE BELLAIRS

The bill (S. 1875) for the relief of Christos Athanase Bellairs was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Christos Athanase Bellairs shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

IRENE B. MOSS

The bill (S. 2099) for the relief of Irene B. Moss was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Irene B. Moss may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That if the said Irene B. Moss is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *And provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

ILONA AGNES RONAY

The bill (S. 2499) for the relief of Ilona Agnes Ronay was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Ilona Agnes Ronay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

TOMMY ILTON CHATTERTON (TOMMY KIM)

The bill (S. 3124) for the relief of Tommy Ilton Chatterton (Tommy Kim) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27 (A) and 205 of the Immigration and Nationality Act, the minor child, Tommy Ilton Chatterton (Tommy

Kim), shall be held and considered to be the natural-born alien child of Colonel David H. Chatterton, a citizen of the United States.

MRS. CATHERINE POCHON DIKE

The bill (H. R. 8139) for the relief of Mrs. Catherine Pochon Dike was considered, ordered to a third reading, read the third time, and passed.

IMPOSITION OF CIVIL PENALTIES FOR VIOLATION OF SECURITY PROVISIONS OF CIVIL AERONAUTICS ACT OF 1938

The bill (S. 1380) to authorize the imposition of the civil penalties for violation of the security provisions of the Civil Aeronautics Act of 1938, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That section 901 (a) of the Civil Aeronautics Act of 1938 (52 Stat. 1015, 49 U. S. C. 621 (a)) is amended to read as follows:

"(a) Any person who violates (1) any provision of titles V, VI, and VII, or any rule, regulation, or order issued under title XII of this act, or any provision of subsection (a) (1) of section 11 of the Air Commerce Act of 1926, as amended, or (2) any rule or regulation issued by the Postmaster General under this act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. Any such penalty may be compromised by the Secretary of Commerce, the Civil Aeronautics Board, or the Postmaster General, as the case may be. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged."

REDUCTION IN RATE TRANSPORTATION FOR RETIRED EMPLOYEES OF AIR CARRIERS

The bill (S. 2919) to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second sentence of subsection (b) of section 403 of the Civil Aeronautics Act of 1938 is amended by inserting after "directors, officers, and employees" the following: "(including retired directors, officers, and employees)."

IMPOSITION OF CIVIL PENALTIES

The Senate proceeded to consider the bill (S. 1749) to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 3, to strike out "this title." and insert "this title;", so as to make the bill read:

Be it enacted, etc., That paragraph (2) of section 610 (a) of the Civil Aeronautics Act of 1938, as amended, is amended to read as follows:

"(2) For any person to serve in any capacity as an airman in connection with any civil aircraft, aircraft engine, propeller, or appliance used or intended for use, in air commerce without an airman certificate authorizing him to serve in such capacity, or in violation of any term, condition, or limitation thereof, or in violation of any order, rule, or regulation issued under this title;".

SEC. 2. That section 610 (a) of the Civil Aeronautics Act of 1938, as amended, is further amended by deleting the word "and" at the end of paragraph (5); by changing the period at the end of paragraph (6) to a semicolon and adding the word "and"; and by adding the following new paragraph (7):

"(7) For any person holding an air agency or production certificate, to violate any term, condition, or limitation thereof, or to violate any order, rule, or regulation under this title relating to the holder of such certificate."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACTIVITIES BY THE ARMED SERVICES IN VIII OLYMPIC WINTER GAMES

The Senate proceeded to consider the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes, which had been reported from the Committee on Armed Services with amendments on page 2, line 13, after the word "Defense", to strike out "shall provide" and insert "is authorized to advance"; in line 17, after the word "funds", to strike out "sufficient"; in line 21, after the word "Games", to insert "Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States."; on page 3, line 1, after the word "audit", to insert "and control"; after line 2, to insert:

SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

And, after line 8, to insert:

SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act.

So as to make the bill read:

Be it enacted, etc., That, (a) notwithstanding any other provision of law, the Secretary of a military department may, with respect to the VIII Olympic Winter Games—

(1) permit personnel of the Armed Forces under his jurisdiction to prepare courses, fields, and rinks, maintain avalanche control, and provide communications;

(2) lend necessary equipment; and

(3) provide such other support as he considers appropriate.

(b) The Secretary of the military department concerned may spend such funds for the purposes of this section as Congress may specifically appropriate for those purposes. He may acquire and utilize such supplies, material, and equipment as he determines to be necessary to provide the support authorized by this section.

(c) The authority provided to the Secretaries of the military departments by this section is permissive and not mandatory.

SEC. 2. Out of moneys appropriated by Congress for the specific purpose, the Secretary of Defense is authorized to advance to the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, Calif., U. S. A., 1960, Inc., a nonprofit corporation of the State of California, at its request, funds to construct, on land of the United States in Squaw Valley, Placer County, Calif., a sports arena suitable for the conduct of sports and appropriate ceremonies in connection with the VIII Olympic Winter Games. Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States. The expenditure of such funds by the committee is subject to such audit and control as the Comptroller General of the United States may prescribe.

SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SECOND ANNUAL UNITED STATES WORLD TRADE FAIR

The Senate proceeded to consider the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958, which had been reported from the Committee on Foreign Relations with an amendment on page 2, line 4, after the word "commerce", to strike out the semicolon and "and be it further

"*Resolved*, That no funds appropriated by Congress for any purpose whatsoever shall be used to defray the expenses of any foreign country or foreign individual participating in the Second Annual United States World Trade Fair to be held in New York City."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over, Mr. President. The bill is not properly calendar business.

The PRESIDING OFFICER. The bill will go over.

That completes the call of the calendar, and the Chair lays before the Senate the unfinished business.

PROTECTION OF RED SALMON FISHERIES

The Senate resumed the consideration of the resolution (S. Res. 263) favoring negotiations with the Government of Japan for the protection of the Alaskan red salmon fisheries.

UNANIMOUS-CONSENT AGREEMENT TO CONSIDER BILLS PREVIOUSLY OBJECTED TO ON THE CALL OF THE CALENDAR

Mr. TALMADGE. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate proceed to consider two bills on the calendar which were objected to by this side of the aisle on the call of the calendar. The Senator who had objection has withdrawn his objection. We are ready to proceed now, if there is no other objection, to the consideration of Calendar Nos. 1302 and 1303, which, respectively, are House bill 6182 and House bill 6623.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? Without objection, the unfinished business will be temporarily laid aside and the Senate will proceed to the consideration of House bill 6182 and House bill 6623, which were previously objected to.

CONVEYANCE OF CERTAIN REAL PROPERTY TO FORMER OWNERS

The Senate proceeded to consider the bill (H. R. 6182) to provide for the conveyance of certain real property of the United States to the former owners thereof.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MAGNUSON. Mr. President, is this the unfinished business?

The PRESIDING OFFICER. No. The Senate has recurred to two items on the calendar, to which objection was made when the calendar was called. The objections have been withdrawn.

House bill 6182 is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN REAL PROPERTY TO THE WOODS HOLE YACHT CLUB, MASSACHUSETTS

Mr. TALMADGE. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1303, House bill 6623, to which objection was made when the calendar was called. The objection has been withdrawn.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6623) to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PROTECTION OF RED SALMON FISHERIES

Mr. TALMADGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the resolution (S. Res. 263) favoring negotiations with the Government of Japan for the protection of the red salmon fisheries.

Mr. MAGNUSON. Mr. President, first of all I wish to express my appreciation for the prompt action of the Committee on Foreign Relations in connection with the resolution. The reason prompt action was needed in this case is that the Department of the Interior, through its Fish and Wildlife Service, will promulgate certain rules and regulations on this subject in about 2 or 3 weeks. Already some hearings have been held, and within a short time the fishermen who fish for Alaskan salmon will know where they may fish, how much they may fish, and the dates on which they may fish. The rules and regulations are based largely upon the supply of the salmon and on conservation programs and practices which seem to be called for in the light of the yearly situation.

In the meantime, something needs to be done with reference to the whole subject as it relates not only to our relations with Japan, but also with reference to a treaty we have with Japan and Canada on the subject.

I should like to call to the attention of my colleagues the growing concern of people on the west coast and in Alaska over this situation, which involves mainly the Japanese fishermen intercepting Alaskan and Pacific Coast salmon on the high seas.

Often in the past, I have brought to the attention of the Senate matters which were of grave importance to American fisheries generally—not only the Alaskan salmon fisheries—and in most cases in the past Congress has been quite sympathetic to the needs of the fishermen.

Today, however, we have reached a point where not only action is needed almost immediately, but where our valuable salmon fisheries of Alaska and the Pacific Coast may cease to exist unless an understanding is reached between the United States and Japan for a cessation of salmon fishing on the high seas, or at least the establishment of a no-man's land or a twilight zone affecting which further rules and regulations may be promulgated.

During the past few years, the records reveal, the Japanese fishermen have extended an all-out effort to exploit salmon feeding on the high seas far from their homeland, and have taken a tremendous toll of these fish which were destined to return to streams in Alaska and the Pacific Northwest.

As the Japanese fishermen increased their take of the salmon on the high seas, the catch of our fishermen began to fall off sharply. That is not a coincidence. Last year, the Japanese caught more than 55 million salmon in the Aleutian area, and at the same time United States fishermen failed to meet expenses because their catches were so poor. I might say that that number 55 million salmon is according to the figures released by the Japanese themselves. I do not know how many more there might have been which they could not count, but that figure is according to their own count, which I assume to be a very conservative figure.

The Senator from Arkansas [Mr. FULBRIGHT] has just asked, quizzically, "55 million?" Yes; 55 million. At the same time, the United States fishermen have failed in most cases to meet their expenses.

As most of my colleagues in the Senate know, I have never shed many crocodile tears for our fishermen, most of whom have been doing a very profitable business as a rule. However, since the Japanese effort has been going on, most of them have failed even to meet the expense of going up to the Bering Sea and other points in Alaska to fish, and the salmon catches have been decreasing year after year, until the year before last the catch was the lowest in all the recorded history of salmon fishing.

What concerns me is that the open-door trade policy in this particular case may be a great factor, and under it Japan can not only catch our fish, but can dispose of them on our markets at handsome profits, without the requirement of paying any duty. The present occupant of the chair [Mr. PAYNE] is quite familiar with the plight of our fishermen, who have been seriously hurt. It is not that we are necessarily against a good free-trade policy, but that we are opposed to the inequities that are involved generally in the fishing problem.

Our tuna fleet on the West Coast is dead. I read in a fish trade paper only the other day that of the immense tuna fleet which is quartered at San Pedro, only three ships put to sea during the past month. The remainder of that fleet is lying idle at the docks. Because of the imports of tuna from Japan, duty free, frozen or fresh, the price of tuna is down to $270 a ton. No American fisherman can even afford to pay a part of his expenses by selling tuna at such a price.

The facts are not exactly the same with reference to salmon. There is a duty on canned salmon. None of us has any objection to that, although it is subject to some adjustment. Much of the canned salmon is canned in Japan under conditions which the American housewife would not particularly relish.

If there were a food and drug act in effect in Japan comparable to the act under which canneries in the United States must work, none of the Japanese canned salmon would ever get on the American market. It becomes a vicious circle when so much of the salmon that spawn on the North American Continent are caught on the high seas and taken back to Japan, canned there, and then shipped to the United States, to the detriment of our fishing industry, whether it be the canning or other aspects of the industry.

The Fish and Wildlife Service, charged with managing fisheries in Alaska, recently informed our fishermen that they will be forced to close down our Bristol Bay fisheries this year if the Japanese fishermen continue their efforts to intercept Alaska salmon as they did during the past season. All our efforts to build up and conserve these valuable salmon runs over the years will be lost.

We were informed that through our participation in the North Pacific Fisheries Treaty with Canada and Japan the security of these fisheries would be established, and that through extensive research programs all parties to the convention would be able to balance the fisheries so that Asian fishermen would not be harvesting North American salmon, and fishermen from the United States and Canada would not fish for Asian salmon.

I sponsored the original treaty and the supplemental legislation which implemented the treaty when it was first made. It was our hope that the treaty would establish a line where the salmon could be separated; that the Asian salmon would go to the shores of Siberia and to the northern Japanese rivers, and similar Asian locations; and that the North American salmon, as they moved, would come back to their spawning grounds on this continent. Based upon some research, the line which was selected was the 175th parallel. It was believed that possibly all the salmon on the east side of the 175th parallel would be those which would return to the North American Continent, while those on the other side of the 175th parallel would return to their Asian spawning grounds. That arrangement was agreed to by Japan, on the one hand, and by Canada and the United States, on the other.

There is no likelihood of Canadian or United States fishermen catching Asian salmon. They do not fish far away from our shores. There is a limitation by law and by regulation so that a Canadian or a United States fisherman could not possibly catch any Asian salmon. By the same token, the Japanese fish on the high seas. They claim they have no wish to take any of the North American salmon, but are concerned only with the Asian salmon. If that be true, they should be at least agreeable now, since the treaty has been in effect for a number of years, to allow a certain zone to be established on either side of the 175th parallel where no fishing would be allowed, because there is no possibility of our taking any of their salmon.

I held a hearing in Seattle early in December 1957, at which the testimony given by the witnesses was quite conclusive that the 175th parallel was probably not the proper line; that many of the North American salmon which show up on this continent to spawn have many telltale marks to indicate that Japanese nets have been around their gills, demonstrating that the Japanese were catching many of our salmon. Probably a great percentage of the 55 million salmon caught last year by the Japanese on the high seas were salmon which normally would have returned to North American waters to spawn.

The situation has now become such that the treaty itself cannot have effect. The treaty contained an error in its formulation which might be reflected in the action of the United Nations itself, because of the provision for a veto by any country on the changing of the regulations.

In this particular case, both Japan and Canada have used what is, in my opinion, the lame excuse that the research and the evidence are not conclusive to warrant the changing of the line from the 175th parallel. But the truth is that since the Japanese have been increasing their catches of salmon, the American runs of salmon have been correspondingly declining.

I have no doubt that the Japanese want to be fair about correcting the condition. The only doubt I have is that they would be willing to enter into an agreement or to come forward and say that the line should be changed in time for us to save our great salmon fisheries in Alaska.

Now, after 4 years, we find ourselves in a sad situation in which no one can claim that a North American fisherman has captured a single salmon of Asian origin, but the fact appears certain that entire runs of North American salmon are being intercepted by Japanese fishermen in direct violation of the original intent of the treaty. Yet, it also appears the Japanese have not violated the terms of the treaty as written.

This fact, based upon scientific research conducted during the past 3 years over the entire area of the North Pacific, was presented to the North Pacific treaty convention meeting at Vancouver, British Columbia, Canada, in November 1957. Canada agreed with the Japanese delegates to the convention that the research was not conclusive and therefore it was not a proper subject to be discussed by the delegates of the three countries.

As American salmon run declined as a result of the Japanese high sea fisheries, so have those destined to return to the Russian streams in the Sea of Okhotsk and the Kamchatka Peninsula.

Recently, the Japanese newspapers have carried daily accounts of how the Russian officials in Moscow have indicated they would take necessary steps to curtail Japanese salmon operations to protect their stocks of fish.

In contrast to these daily reports on negotiations between the Japanese and the Russians over this important subject, in the United States our State Department does not tell of communications on an international scale to save our fisheries.

Our fishermen, industry, and others interested are, of course, gravely concerned over just what action our administration is taking to secure these interests.

I have been asked by desperate industry representatives to introduce legislation that might offer them some relief through the restriction of fish imports from Japan so long as they continue to fish in violation with terms and conditions laid down to our own fishermen.

What concerns me most is why our State Department and other agencies involved have permitted this situation to happen and why we were so misled in the definition of the terms of the North Pacific Treaty Convention that our salmon stocks were protected under Japanese agreement of abstention from these fisheries. Now they do not want to recognize facts brought out through research and have virtually destroyed this source.

This is not the first time our country has been faced with this problem: on February 12, 1938, my departed friend, the Honorable Lewis B. Schwellenbach, who was then a Senator from the State of Washington, made a radio speech to the entire Nation on the Japanese Invasion of American Fisheries, he told of a condition existing in the North Pacific which exactly parallels the conditions of our fisheries today.

In these days, we would not accept the 175th parallel by treaty.

Some of us are beginning to wonder about the shortsightedness, or at least the lack of action, on the part of our own Government in this vital matter.

Toward the end of correcting the situation, I had a meeting about a month ago with representatives of the Fish and Wildlife Service, a representative from the Department of State, Mr. Harrington, who handles fishery matters; with members of our committee; and with members of the industry and other persons concerned. It was agreed by all that something should be done to correct the condition.

Also, it was stated that there was some indication of negotiations being started, or even being in progress, with the Japanese; but little could be said about what was being discussed. However, everyone was in agreement that some change in the treaty should be adopted. It seemed fair and reasonable to all concerned that the Japanese should temporarily agree with the United States and Canada to set aside a zone on either side of the 175th parallel where none would fish until conclusive evidence, based on research, could be obtained. I think such evidence is now about 90 percent complete.

As a result, the full Committee on Interstate and Foreign Commerce, at the suggestion of the chairman, agreed that a letter should be sent to the Secretary of State, stating the position of the entire committee. I sent such a letter under date of March 3, 1958. The letter sets forth the position of the committee and, I think, the practically unanimous position of everyone else concerned in the matter, and expresses the hope that something will be done quite promptly, because the regulations for fisheries must be promulgated within at least the next 30 days.

It seems fairly obvious to me that if our interests in fisheries are to be protected, something will have to be done soon to save this resource. We will have to revise completely our international approach in dealing with these matters and employ those who know how to protect these interests to represent us fairly in all negotiations involving United States fisheries.

Mr. President, I ask unanimous consent that the text of the radio address delivered by former Senator Schwellenbach on February 12, 1938, and also my letter of March 3, 1958, to the Secretary of State, be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The chair hears none, and it is so ordered.

(See exhibits 1 and 2.)

Mr. MAGNUSON. Mr. President, this is March. Most of Alaskan fishermen must begin all their preparations now; they must contract for their labor, and must get their gear ready, and must send people ahead, to open the canneries.

Because of this situation, the whole industry is in a chaotic situation. Unless something is done, if the Japanese still are allowed to intercept North American salmon, I am afraid that when the season is over, our salmon fishermen who go to the Bering Sea, the greatest fishing grounds in the world, will find themselves at the short end of the stick.

Mr. NEUBERGER. Mr. President, will the Senator from Washington yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield to my friend from Oregon.

Mr. NEUBERGER. Mr. President, first, I wish to compliment the able Senator from Washington on the address he is delivering today on a subject with which he is very familiar. I doubt that any other Member of the Senate has the knowledge that he does on the negotiations affecting our fisheries.

Recently, I read a highly interesting book, entitled "The Great Migrations," written by the French naturalist, Georges Blond.

In the book, he points out the mysterious nature of the life of the salmon at sea, the unknown nature of many of its habits.

Is it not possible that if these Japanese fishing depredations continue, they will have a most harmful effect on the very survival of the salmon runs in the great Northwest area—in Oregon, Washington, and the other States of that area, where the salmon spawn in the upstream regions?

Mr. MAGNUSON. The Senator from Oregon, who knows much more than the average layman does about this matter, is aware that very little is known about where the salmon go after they spawn. We strongly suspect that they go to an area of the Pacific Ocean south of the Aleutian Islands and, generally, north of Hawaii. But as to what they do, where they go, and whether they intermingle with other fish or keep apart, very little is known.

Mr. NEUBERGER. I have even read that fish caught in the Puget Sound and Columbia River waters, and then marked and freed—they are identified by having their fins clipped in a unique fashion—have been intercepted and identified off Kamchatka. So undoubtedly salmon which spawn in Washington and Oregon waters are caught by Japanese fishermen in the central Pacific region.

Mr. MAGNUSON. I am glad the Senator from Oregon has brought up this point.

There is another point to be made in this connection. The method of fishing of the Japanese is very different from the method used by our fishermen. I wish to be fair, for I believe that almost one-third of the food supply of Japan is made up of fish. The Japanese need fish, if they are to live. They cannot grow all the agricultural commodities that Americans grow.

Therefore, when the Japanese fish in the Bering Sea, they fish for anything they can catch, whereas our fishermen fish only for salmon.

Mr. NEUBERGER. Yes; the Japanese fishermen scrape the very bottom of the sea.

Mr. MAGNUSON. That is correct; they scrape the bottom of the Bering Sea itself. For instance, they fish for crabs also. I suppose that one of the great delicacies in the United States—certainly it is for me—is the huge crab.

Mr. NEUBERGER. The king crab.

Mr. MAGNUSON. Yes. Many of us have eaten them. The Japanese are extensively in that market. Their fishermen drag the bottom with their nets and bring up both the male crabs and the female crabs. The latter are the smaller ones, which have the eggs attached on the underside. The Japanese nets are such that the crabs caught are always injured. Perhaps the Japanese fishermen will throw back the female crabs, but they will have been injured and will not be able to reproduce. In other words, the Japanese method of fishing is such that anything found in the sea is brought up, willy-nilly. I have many photographs of the Japanese floating cannery boats and some of their mother fishing boats. Some of the Japanese fishing practices would not be tolerated for a minute if engaged in by American fishermen. The Japanese fish differently. They catch smaller salmon—salmon which our fishermen would not be allowed to catch because our fishermen are required to catch only the salmon which have matured and are on their way to the streams.

Not only do the Japanese catch salmon which are on their way back to our shores, but they may be catching many salmon which otherwise would remain in that part of the ocean for another 2 years or so.

Mr. NEUBERGER. Yes. It is my understanding that the Japanese catch many of the salmon which have only recently left fresh water, and are just beginning their life in that part of the ocean. I have been told by the great biologist, Dr. Ira N. Gabrielson, the founder of our Fish and Wildlife Service, that the salmon achieve their greatest maturity and size during their life in salt water.

Mr. MAGNUSON. That is correct.

Mr. NEUBERGER. But the Japanese catch the salmon before they have attained their full growth, before they have put on the flesh which adds to their value as food. Instead, the Japanese catch the salmon under the conditions the Senator from Washington has stated—in other words, willy-nilly, without regard to conservation practices.

Mr. MAGNUSON. Mr. President, I can give definite proof of that. I shall insert it in the RECORD. For instance, the salmon caught by our fishermen are placed in cans, and a certain number of cans are placed in each case. But the cases of salmon caught by Japanese fishermen contain almost 20 or 30 percent more cans—which shows that the Japanese catch smaller fish—fish which, when caught, are not on their way to the spawning grounds.

Mr. NEUBERGER. Furthermore, is it not a fact that in almost every area of the North Pacific, over the years, the salmon catch has been diminishing?

Mr. MAGNUSON. Yes, there has been a constant decrease. It is true that the catch increased during the war. However, the chart to which we have referred is a little deceiving, because of the fact that during the war the season was allowed to remain open for a longer period of time, and the fishermen were allowed to catch salmon wherever they could.

Mr. NEUBERGER. But is it not a further fact that the salmon catch has been decreasing almost everywhere?

Mr. MAGNUSON. Yes.

Mr. NEUBERGER. Mr. President, will not my colleague agree that in the Puget Sound area, in the waters off British Columbia, in the Columbia River itself, in the waters bordering the Inside Passage, in the waters off the Aleutian Islands—almost everywhere in the North Pacific region—the salmon catch has been decreasing?

Mr. MAGNUSON. Yes.

Mr. NEUBERGER. In both Washington and Oregon, where the land has been developed to a rather high degree of civilization, many people say, "The decrease in the salmon catch is due to the impact of the dams on the Columbia or to the impact of the great cities, with their pollution and factories and their encroachment on the wilderness."

Undoubtedly that is true. Yet the salmon catch has also been decreasing in Alaska and in nothern British Columbia waters, where there is virtually no civilization and where there are practically no power projects—certainly none to any significant degree.

Mr. MAGNUSON. Yes; in those areas, after the fishing season is over, there remain only a few Indians, trappers, and others who make their living there.

Mr. NEUBERGER. During most of the year, those areas are virtually uninhabited.

Mr. MAGNUSON. Yes.

Mr. NEUBERGER. Mr. President, I should like to mention another point in connection with the matter to which the Senator from Washington has referred in the address he has made today to the

Senate: Is it not a fact that in connection with our international policies affecting Japanese fisheries, the United States has been extremely generous? For instance, if I am not mistaken, today the United States permits fresh tuna—frozen, but still fresh fish——

Mr. MAGNUSON. Both fresh and frozen.

Mr. NEUBERGER. Yes; to be imported into our country from Japan, duty free?

Mr. MAGNUSON. That is correct.

Mr. NEUBERGER. That has been a source of irritation to many fishermen. Despite great duress, I have supported this policy because I have felt that it has made for friendly relations and harmonious commercial ties with a country which we wish to have as our friend in Asia and as a bulwark against the march of international communism.

But the policy of permitting both fresh and frozen tuna to be imported duty free into our country from Japan has been opposed by many commercial fishermen and by others, who think it is against our interest. On the other hand, it has been supported by those like myself who feel that is should be allowed in the interest of friendly relationships between the United States and Japan.

However, it seems to me that it is adding insult to injury to have the Japanese encroach upon and threaten the very existence of our vast Sockeye and Chinook salmon industry.

Mr. MAGNUSON. Yes. Of course, I have been one of those who have opposed the duty-free importation of Japanese tuna since the war. As I have said, last week only three tuna boats left our shores. Today, tuna is selling at a price so low that no money can be made by our tuna fishermen.

Of course, it is also true that the Japanese have not violated the treaty. We know of no instance in which they have gone beyond the 175th parallel. However, when the treaty was entered into, it was the understanding that we were more or less making a guess. In considering the basic objectives of the treaty, the Japanese said that they wanted to take none of our salmon; they were concerned only with Asian salmon. It turned out the 175th parallel was not the right place. If the Japanese are going to be completely honest with us and live up to what they knew to be the understanding, they should say, "It looks like we are taking some of your salmon. We do not want to do that." I do not know why the Japanese do not do that, because, in the long run, we will not allow this action to continue.

Only a very small part of Japanese fisheries is involved, although 55 million salmon is a lot of fish. However, their practices are absolutely ruining our industry. So it seems to me that the Japanese should say, "Let us have a little truce on this line, a sort of twilight zone. We will not go there and fish until we can be sure of our research." There is an escape clause in the agreement. However, it would take 3 years in order to have a meeting of the three nations that have entered into the agreement. A meeting might never come about. The Fish and Wildlife Service has charts to show where the Japanese caught fish and affected our runs.

I am sure the Senator from Oregon will be interested in this. The Aleutian Islands extend a little beyond the 175th parallel in some cases. In order to get to the Bering Sea, the salmon below have to go around that area, and they are caught as they do so.

Mr. NEUBERGER. They undoubtedly were some of the fish which were caught off Kamchatka.

Mr. MAGNUSON. If I may use the term, the Japanese are "in the bight of the line."

Mr. NEUBERGER. To use a fishing term.

Mr. MAGNUSON. Yes; to use a fishing term. The Japanese are now in Moscow, negotiating with the Russians, to see if they can fish in that area. If the Russians refuse to give them that privilege, the Japanese will be forced more and more into our area. We are hopeful that will not happen, because the Russians have not been utilizing their resources off Kamchatka. Russia has usually let fishermen fish there by license fee or by giving Russia a share of the fish. The Japanese must fish for salmon.

The situation is an unusual one so far as we are concerned. We do not compete with the Japanese. If we did, we might say that everybody ought to take his chances and try his luck. No other nation goes into that area but the Japanese. I suppose the theory is that if we say it is all right, the Japanese can go there. However, they ought to be willing to accept some regulations or rules of the game so the fish which would come to our streams would not be injured. We do not own the fish in the high seas, but the rules applying to salmon are different from those applying to other fish, because salmon come from the land and go back to the land.

Mr. NEUBERGER. Not only do they come back to the land, but, differently from almost every other fish, when they come back, they come back to die. They spawn and die, and that particular species of adult fish is gone forever. Therefore, if there is not the most scrupulously followed conservation policy, eventually salmon runs will disappear.

That is the reason why, as one of the Senators from Oregon, I wanted to express my gratitude to the Senator from Washington for bringing the matter up today. I urge that those in charge of our international negotiations try to protect our great salmon resources while there is still time.

Mr. MAGNUSON. I may mention that I happened personally to participate, to some extent, in drawing up the Japanese treaty after the war, particularly as it pertains to the merchant marine and fisheries. At that time we could have provided in a treaty almost anything we wished. We could have taken advantage of the fact that Japan was a defeated nation, and probably have spelled out exactly what we wanted in the treaty on fisheries. Instead of that, we did what good people should do. We recognized the fact that an important industry in Japan and also an important resource of ours were involved, and that perhaps, in the aftermath of war, nations and persons do not think quite so clearly about such matters as they should, and we proposed to wait for a time. We entered into an agreement with Japan as to fisheries and the merchant marine. We have not yet done anything as to the merchant marine. We stated that we were perfectly willing that Japan take the Asian fish, but we were suggesting that the fish which come to our continent should not be molested or taken. The Japanese stated that they had no intention of taking any North American fish.

It seems to me that, in the interest of long-range, better international understanding and the salvation of a great industry of both countries, immediately there should be worked out a temporary understanding, if necessary, between Canada, Japan, and the United States, meeting in accordance with the treaty. By the time we could sit down at a meeting, I think all the parties in interest could in the future, perhaps fish in the North Pacific under happier circumstances.

Mr. NEUBERGER. I thank the Senator from Washington.

EXHIBIT 1

[Printed in the CONGRESSIONAL RECORD of February 14, 1938]

JAPANESE INVASION OF AMERICAN FISHERIES

(Radio address by Hon. Lewis B. Schwellenbach, of Washington, on February 12, 1938)

Mr. MINTON. Mr. President, last Saturday night, the able junior Senator from Washington [Mr. Schwellenbach] delivered over a national hookup of the Columbia Broadcasting System an able and thought-provoking speech on Japanese invasion of our fisheries. I ask unanimous consent that the speech may be inserted in the RECORD.

There being no objection, the speech was ordered to be inserted in the RECORD, as follows:

"The people of the United States want peace. I know this to be true because I read my mail. I want to talk to you about a problem which is more likely to disturb the peace of the Nation than any other. I appreciate this chance given me by Columbia network to discuss it with the people of the country. May I talk with you about the Japanese invasion of our North Pacific salmon fisheries?

"Last July there appeared off the Alaskan coast a fleet of Japanese fishing vessels. No one knows how many there were. Twenty-six were sighted in one place, 5 in another, 4 in another. These vessels were of the mother-ship floating-cannery type. That is, they were large steamers, each accompanied by a flock of smaller craft and each equipped with cannery machinery. They carried nets 2 miles in length. They operated outside the 3-mile limit. No one knows how many salmon they caught and packed. The presence and operation of these vessels filled our own fishermen with fear and apprehension. Without dissent they declared that the continuation and expansion of this Japanese venture would destroy our Alaska salmon resources within 5 years.

"You in the East and South and Middle West inquire as to what concern this is of yours? You ask why this Japanese operation should be viewed with such alarm. To understand it one must know something about the salmon. To most people a salmon is merely the occupant of a can. The truth is that the salmon has had a most interesting and venturesome career. It is born in the headwaters of mountain streams or in freshwater lakes. Its first year is a pretty tough one to survive. The hardy ones which do

survive set forth from their streams at birth and travel the seven seas. In about 4 years from birth they get homesick and start their journey back. One thing about the salmon is that it never forgets where it was born. Unerringly it finds the home stream. When it reaches the point on the stream where it was spawned, it, too, spawns and dies.

"Food experts tell us that the salmon is one of our most important sources of protein food. Over 30 percent of our salmon supply comes from Alaska. But salmon are only desirable as food when caught just outside of the rivers to which they are returning. By "just outside" I mean within 20 or so miles. They have not reached the proper size or quality out in the deep sea. Once they get into fresh water they deteriorate rapidly. Another interesting fact is that when streams have excessive runs, overstocking results. Nobody knows why—but this causes less reproduction than understocking. Scientists guess this is because they so crowd against each other in the streams that they kill each other off before they spawn. Regardless of the reason, no one today denies that true conservation requires that sufficient escapement of salmon be permitted so as to insure that the streams be adequately stocked. It is also required that the portion headed for the streams which would result in overstocking should be caught and used for food.

"One need not be an expert to see how rapidly the Japanese method of fishing will destroy this resource. They spread their 2-mile nets. They fish all 24 hours of the day. They practically bottle up the area off the coast. They simply don't permit sufficient fish to pass through to restock the streams. There is no such thing as escapement with Japanese fishing.

"This is precisely what has resulted from Japanese fishing off the coast of Siberia. There the Russian Government has permitted them to fish under a year-to-year licensing agreement.

"It has been off the Siberian coast that they have developed their floating-cannery mother-ship method of operating. It was there they learned to operate a 2- to 3-mile net. It was there they came to know how much would be their annual catch if they fished 24 hours a day 7 days a week during the entire salmon run. They learned these lessons. They did not learn the lesson of conservation. Rather than learn that lesson, they now turn their eyes toward the salmon resources which we have developed by conserving. They have just about destroyed the Russian salmon runs. They now propose to destroy ours.

"Our Government will not permit our own people to fish in this way. We restrict the fishing areas. We limit the size of the nets. We tell our fishermen they can only fish a certain number of days a year and a certain number of hours a day. We designate the positions that traps may occupy. We clear the streams so the fish may get to the spawning grounds. The fact is that we spend about $400,000 a year to see to it that our fishing is restricted.

"I contend that because of these facts these salmon belong to us. It is true that they go out into the open sea. It is true they go beyond the imaginary 3 miles to which international law has limited our area of control. It is true they don't carry the American flag on their backs to command our protection. But they were born in our waters. Our taxpayers spend their money conserving them. Our fishermen each year have sacrificed immediate profits in order to conserve them. We should no more be willing to submit to their destruction than we should be willing to submit to foreign destruction of any other of our property.

"May I bore you for a few minutes with some figures showing how important is the fishing industry on the Pacific coast of North America? It gives direct employment to 77,000 people. No one knows how much indirect employment it gives. It results in the use of 20,000 boats of all sizes and description. Fish caught bring $37 million a year to the fishermen. They bring $97 million a year for the manufactured fish products. We on the Pacific coast know that if the Japanese succeed in this first effort their next threat will include our whole coastline as far south as California. Can anyone now deny my opening assertion that the invasion must be nipped in the bud? It does involve potentialities threatening the peace of the Nation.

"But, you say, this venture of last July was probably just a little private venture of two or three fishing companies. It probably will not reoccur. Unfortunately the records of the Japanese Diet (or Congress) disprove this conclusion. Let me read you from a petition filed in May 1936 with that body by official representatives of the Japanese fishing industry:

" 'The Government should, in accordance with the requirements and hopes of the civilian population, engage in the fishing industry immediately, and develop a policy of the open-sea salmon industry in the northeast waters of the Pacific Ocean * * *. At this time the best salmon fisheries of the world are to the east of the North Pacific Ocean. We now observe the production of canned salmon on the coast of Alaska to an amount several times as great as ours yearly. Thus our fishery people are keenly hoping for the opportunity of salmon fishing in those waters. The Government should make an epoch in Japan's fishing industry and meet the present need by immediately granting permission for the salmon fishery on the mother-ship system of operation on the North Pacific Ocean.'

"I may state that the foregoing quotation from the petition was printed in the Pacific Fisherman, a recognized trade journal on the Pacific Coast, several months ago and has not been officially or unofficially denied.

"In the November 18, 1936, edition of Far Eastern Survey we find the following:

" 'At the end of 1935 an application was made to the Japanese Government for permission to fish for salmon off Alaska, but in the spring of this year 89,000 yen were approved by the Japanese Diet for the purpose of investigating such fishing. The report states that "the department of agriculture and forestry is to conduct extensive investigation of fishing resources in the Alaska waters, where it is stated there is an opening for salmon and trout fishing." It was said that the investigation would last about 3 years.'

"Acting upon the petition, the Japanese Government appropriated sufficient to conduct a 3-year survey of our fisheries resources. Our Government was assured there would be no Japanese fishing off our coasts till the 3 years expired. Those years were to be 1936, 1937, and 1938. Nothing more till 1939.

"The opening of the 1937 season saw at least 35 Japanese mother ships in Bristol Bay. Under the Japanese form of government, fishing vessels operate under license. They don't go sailing around without the government knowing about them.

"This broadcast was opened with the statement that the American people wanted peace. I fully share that desire for peace. This broadcast is not intended for the purpose of inflaming passions. Its sole purpose is to solicit an understanding and appreciation by people in all parts of the country. I do not know the fishermen of Alaska and the Pacific coast. To them, this resource is the source of livelihood for themselves and their families. A recurrence of what happened in Bristol Bay last summer might very well result in a destruction by our fishermen of the vessels from which our fishery resources were destroyed. That is the eventuality which I fear. The problem of averting its possibility is one faced by our Government. I doubt that it is legislative in its character. Legislation is now under consideration by the Congress. I do not oppose its adoption. I merely doubt whether it will work. Our Government must know—the Government of Japan must know—that the people of this country insist upon a settlement of this problem. I appreciate the difficulties involved. May I assure my listeners from other parts of the country that the people of the Pacific coast and Alaska appreciate the difficulties involved. May I give assurances as to the patience of our people in the efforts of the Government to solve it. At the same time, may I express the determination of those for whom I speak that it will be solved so as to do justice to our people; that our rights will not be sacrificed; that the peace of America will not be jeopardized."

EXHIBIT 2

MARCH 3, 1958.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Department of State,
Washington, D. C.

MY DEAR MR. SECRETARY: As you know, in 1951, the United States, Canada, and Japan negotiated a treaty dealing with the fishery problems in the North Pacific. Japan negotiated this treaty as a sovereign nation, under no compulsion arising from World War II. The objectives of the treaty were to insure the maximum productivity of the North Pacific fisheries.

Some of the obligations and responsibilities imposed by the treaty are:

To encourage the conservation of the fishery resouces in question;

To abstain from entering a fishery being used as fully as is consistent with its yield, or which is under scientific study to determine its possible yield and necessary conservation practices, or is being managed administratively as the result of research and findings on necessary conservation methods;

To establish the meridian of 175° west longitude, as a provisional line, subject to readjustment after scientific study, as a line that best divides salmon of Asiatic origin and salmon of North American origin; and

To establish such new line or lines that can be shown by research beyond a reasonable doubt to more equitably divide such salmon.

The necessary research programs were not started until 1955. Full-scale operations were under way during 1956 and 1957, and the program established by the United States under its treaty obligation alone has cost almost $2 million. It is probably the most far-reaching study ever undertaken in this field.

There seems to be considerable evidence that the Japanese are taking salmon which originated in North American streams, such as fish bearing net mesh marks of the size used by the Japanese, causing a sharp drop in the salmon catch. Incidentally, the mesh sizes used by the Japanese are smaller than those legal for our fishermen. Further, in 1956, Russia arbitrarily required the Japanese to secure fishing licenses and to operate under a quota in certain Pacific Ocean areas. The Japanese, without such licenses, fished close to the 175° west longitude provisional line and outside the Russian license zone.

There is no evidence that the Japanese crossed the provisional line, but they came up to it, and found heavy fishing north of the Aleutian Islands in the ocean area that leads to Bristol Bay. A few weeks later, the Bristol Bay salmon run, forecast to be the largest in several years, collapsed in midseason. The same thing was repeated in 1957. The number of fish caught by our fishermen in the Bristol Bay area in 1957, bearing marks of the small-mesh Japanese

nets was 20 percent of the total catch, and the Alaska red salmon pack for 1957 was the lowest in history.

To repeat, there is a growing, and, I believe, sufficient body of evidence that the provisional line should be moved, as is provided for in the treaty.

The treaty provides for an International Pacific Fisheries Commission. At its 1957 meeting, the findings of the scientific investigation of this problem were presented in detail. The American section contended that the data presented showed, beyond a reasonable doubt, that salmon of North American and Asian origin intermingled over a wide area of the Pacific Ocean a full 15' west of the provisional line. Two requests of the Commission were made.

The first was a request for a special committee to determine, under the treaty a line or lines that would more equitably divide the salmon. The Japanese, I am informed, reluctantly agreed but only with the understanding that no action to start the committee's studies be taken until after the 1958 meeting.

The second request was for the establishment of a temporary zone in which all parties would cease to fish until the special committee made its recommendations. The Japanese successfully contended that this was not a proper subject for the 1957 meeting. Since, under the treaty any one nation has veto power over the Commission's actions, the proposal was lost.

Mr. Secretary, I am afraid that if prompt action is not taken, we face the loss of the Bristol Bay fishery, one of the richest in the world. The Japanese have apparently closed the door to immediate action. As the matter stands, the special committee cannot start work until November 1958, and the Commission cannot receive a report from the committee until November 1959.

If the Japanese fishing operations continue at even the same level of intensity in 1958 as it was in 1957, our Government may be forced to close or restrict the Bristol Bay area fishing in order to carry out its obligation of conserving the fisheries of Alaska. This could be an economic catastrophe.

I urge you, through your Department, to reopen this matter with the Japanese Government, with special emphasis on the establishment of a temporary zone in which all parties would voluntarily refrain from fishing until the question of a new treaty line is agreed upon. It may be that an early special meeting on this problem could be arranged in advance of the 1958 fishing season. Certainly all of the facts should be firmly presented to the Japanese Government immediately.

This letter was concurred in by 14 Senators, all members of the Senate Interstate and Foreign Commerce Committee. Action is needed. I hope that it is possible for an answer to be received before fishing regulations are promulgated for the Bering Sea.

I am sure we can rely on your complete and early cooperation.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

Mr. MORSE subsequently said: Mr. President, I had just come out of conference when Senate Resolution 263, Calendar No. 1310, was agreed to by the Senate, and I did not have an opportunity to join in the colloquy between the senior Senator from Washington [Mr. MAGNUSON] and the junior Senator from Oregon [Mr. NEUBERGER] in regard to that particular resolution.

I desire to say that I am very much pleased that the resolution, which is needed, has been adopted. While the Senator from Montana [Mr. MANSFIELD] is present in the Chamber I think we ought to make a very brief record of the legislative history of the resolution.

When the resolution came before the Committee on Foreign Relations of the Senate, of which the Senator from Montana and the senior Senator from Oregon are members, the committee held hearings on it; and we found it necessary, in view of the hearings, to make proposals for some modifications of the resolution, as the Senator from Montana will recall. With the complete cooperation of the Senator from Washington we did make some modifications of it, and the Committee on Foreign Relations unanimously reported the resolution.

I am very pleased today that the Senate has approved Senate Resolution 263, because so far as the commercial fishing interests of the west coast are concerned and, through the west coast, the entire Nation, I consider the resolution to be of vital importance.

Mr. President, I ask unanimous consent that the remarks which I have made on Senate Resolution 263 appear in the RECORD immediately following the colloquy with regard to this matter between the senior Senator from Washington and the junior Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? Without objection, it is so ordered.

The resolution is open to amendment.

If there be no amendment to be offered, the question is on agreeing to the resolution.

The resolution (S. Res. 263) was agreed to, as follows:

Resolved, That the Secretary of State, together with other appropriate officials of our Government, immediately initiate negotiations with the appropriate officials and agencies of the Government of Japan for the purpose of:

(a) Effectuating the purposes of the treaty entered into by the United States, Canada, and Japan in 1952; and

(b) Assuring in time for the 1958 season necessary action to prevent destruction of salmon stocks of North American origin.

THE ECONOMIC CONDITION OF THE NATION

Mr. HUMPHREY obtained the floor.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Montana, without losing my right to the floor.

Mr. MURRAY. Mr. President, it is extremely regrettable that efforts have been made recently to prevent discussion of the national economic situation.

We are almost rudderless in a very serious recession, which the President himself has once called a depression. But all we are getting is chins-up lectures—one of them a word for word repetition of a Herbert Hoover speech delivered 27 years ago—which carefully avoid giving the economic facts of our situation or action proposals to remedy it.

In order to stifle discussion from sources outside the administration, there is an effort to smear those who mention the recession as prophets of gloom and doom. There are efforts to accuse my political party of desiring a depression. This is the big lie with a vengeance, because we are actually seeking cures while others stick their heads in the sand. And there are efforts to identify real Americanism with blind faith and uninformed optimism about the economy.

There was once a time when people concealed certain illnesses because they considered them a family disgrace. Epilepsy and paralysis were once supposed to be evidence of weak family lines. It was not good taste to talk about a friend's child with an affliction.

Finally, we overcame this medieval view of sicknesses, brought the problems out into the light of day, studied the diseases, and found ways to ameliorate and cure many of them.

That is exactly what we have got to do with economic problems. We must discuss and find cures for economic ailments. We let this Nation sink into a disastrous depression a generation ago because too many people listened to Herbert Hoover's chins-up talks and did nothing to turn the economic tide. And it was not turned until a new administration faced up to the depression and took bold steps to bring the downswing to a halt.

I shall not try to predict today what the outcome of the present economic situation is going to be. I do want to talk about the necessity of studying it, analyzing it, and taking action to strengthen the economy immediately.

When Dwight Eisenhower was a candidate for the Presidency, he told the Nation, in a speech delivered October 21, 1952, that if he were elected, spokesmen for communities hard hit by unemployment—and I quote his words—"will not have to meet with some third string clerk in some back room—you can come up to my office."

He added that he would put experts to work on such problems at once.

The President was especially vigorous in denouncing anyone who intimated that a Republican administration would stand idly aside and let hard times return. At Lynn, Massachusetts, he vigorously told the Nation he would marshal the full power of Government if there appeared any sign on the horizon of even a recession. I give you his exact words, Mr. President. They were:

> Now, let me make myself clear as to one of the slanders that is being circulated by people who should be responsible but are not.
>
> It is a slander to this effect: That if you put the Republicans and their associates * * * into positions of leadership they will allow a depression to come.
>
> This crusade stands dedicated to the theory that only a strong America can lead us toward peace, and we cannot have a strong America unless we have a prosperous America. That means men and women employed at full employment, and at high wages.
>
> It means further that if there is any sign on the horizon of a recession or an economic collapse, that the full power of Government is instantly marshalled, instantly concentrated and localized to prevent that kind of catastrophe in this country. You need have no fear that this group, the kind I have mentioned today, would allow bread lines in this country again.

In face of this pledge to the American people of instant actions upon any sign of a recession, we are today told that, although there are 5 million unemployed, we should wait a while longer and take another look in March, April, or May. The President who once told the Nation that a strong America must have full employment at high wages, today counsels delay while 5 million Americans look for something to do—for jobs to put food on their tables.

Those of us who advocated a national full employment policy in 1946, and helped get it written into law, took the President's extreme vigor on the subject in 1952 as a reassurance that economic problems would be faced without long delays until we turned some chimerical corner.

Even with the invectives and the adjectives discounted as campaign oratory, Eisenhower gave the American people a pledge that he would personally discuss economic problems with them and act promptly, whenever needed, to restore full employment and prosperity.

Mr. President, last May a group of seven United States Senators from the Pacific Northwest, including the two Senators from Montana, two from Washington, two from Oregon, and the junior Senator from Idaho, sought a conference with the President of the United States to talk to him about the need for development of resources to halt and reverse the economic downtrend in our area. We wanted to talk to him about the danger of construction of midget dams in place of giant Hells Canyon Dam, and the need for orderly development of the Columbia Basin to assure low-cost power for industrial development in our area, to improve navigation and flood control, and to provide irrigation water.

We not only did not get to come up to the President's office, we did not get to see a third-string clerk in the back room. Instead, we got a note from a clerk advising us that the President "asked me to say that he believes such a meeting would be premature at this time." Those are the exact words: "he believes such a meeting would be premature at this time."

It would be an exaggeration to say I was surprised by the clerk's reply from the White House. It was not a great surprise. Other pledges—pledges to farmers and the mining industry—had previously been dishonored. It was therefore no surprise that the pledges about instant action to maintain our economy are also dishonored. But it was a great disappointment. It is an even greater disappointment that the President and his spokesmen have conducted a campaign to prevent discussion of the economic situation and to tar anyone who mentions unemployment figures as a "prophet of gloom and doom" who wants an economic decline.

There are many communities in the United States today with serious economic problems which should be talked about.

My own community is the State of Montana. We have a serious and steadily worsening unemployment situation there. Unemployment is serious throughout the Nation. It has been serious and worsening for 3 years in the Pacific Northwest—Montana, Washington, Oregon, and Idaho.

We are, all of us, indebted to the distinguished senior Senator from New Mexico [Mr. CHAVEZ], the chairman of the Public Works Committee, for the facts he put in the RECORD on February 17, at pages 2228–2234, on insured unemployment in the States of the Nation, and for his inventory of current post offices, reclamation, and civilian public works projects under construction and ready to build which could be speeded up and could provide employment for many thousands of the unemployed.

The able Senator's presentation shows that 13 percent of the insured labor force in Montana had applications in for unemployment compensation payments on January 25 of this year. Virtually the same situation exists in Washington, Oregon, and Idaho. Since he made his address, the unemployment figures have gone 1 percent to 2 percent higher in each of the four States.

This is considerably more than a sign on the horizon of a recession. This is serious unemployment. It has been growing worse month after month and year after year. Farm incomes have been driven down, and business has declined in our towns and villages. Pledges given the mining industry that it would be kept strong and active have been betrayed, resulting in thousands being thrown out of work.

As the able senior Senator from New Mexico pointed out in his statement, there are millions of dollars in needed public works ready to go ahead in Montana—and I use Montana only as an example of the situation in many States—if the Eisenhower administration would withdraw its opposition to appropriations and return to the Republican campaign thesis that to achieve peace we must have a strong America with full employment.

In Montana, we have $103 million of reclamation projects under construction, on which only $6 million actually has been spent. There are $97 million of works planned and started that could be speeded up and could provide jobs right now. There is another $20 million of reclamation projects approved, but not yet started, which could be put under way if we scrapped the no-new-starts policy which the President advocated in his budget message.

A million dollars of allotment money—Montana's share of a $50 million appropriation—would start $5 million of pollution work going in my State.

Montana can use $315 million on active Army engineer projects, having an ultimate total cost of $454 million, if it is seriously intended to keep the Republican campaign pledges and mobilize the power of the Government to end unemployment.

Similar unemployment situations and delayed works projects exist in Oregon and Washington and Idaho—the area which proved one of the two greatest bulwarks of strength for the Nation in the last World War. Along with the Tennessee Valley, it supplied the electric power to produce the atomic bomb, and a large part of our light metals and ships. Insured unemployment in Oregon, in Idaho, and in Washington is only slightly under the high Montana rate.

Speeding resource development projects—which were actually reduced in the 1959 budget submitted to Congress—is just one step that an administration which is really alert to economic dangers would have taken long ago.

The tragic fact is that the Congress has not been sent a single, realistic antirecession proposal from the administration.

The widely heralded $2 billion post office construction announcement was only a publicity agent's afterthought. It was nothing new. The Federal funds required were in the budget in January. It is now obvious that when the White House found itself caught without any constructive antirecession suggestions, the publicity men were called in to warm over this old stew. For one day, it looked like something genuine to newspapers. Then they learned that it was actually nothing but the current annual appropriation for a 3- to 5-year post office program.

Just as he has done in other fields, President Dwight Eisenhower has given lip service to full employment, but he has undermined that goal in most of his official actions.

I recently received a letter from President James G. Patton, of the National Farmers Union, on this subject. Mr. Patton was the first man in the United States who publicly espoused a national full employment policy. As was well known at the time, I worked with him very closely when, in 1946, I sponsored, and a great many of us still in this Senate succeeded in getting enacted into law, the Employment Act of 1946.

Mr. Patton has been a close follower of operations under the act because of his part in its inception and in its enactment. His letter to me says:

> The present administration has so thoroughly ignored or violated the spirit of the Full Employment Act of 1946, as well as its mandatory provisions, that a mockery has been made of legislation which should be used to maintain maximum employment in a growing, dynamic economy.
>
> In the hands of a sympathetic administration, the Employment Act of 1946, which created the Council of Economic Advisers, gave real meaning to the general-welfare clause of the United States Constitution. In the hands of the Eisenhower administration, however, it has become little more than a mirror-like exercise in collecting statistics which have been gathered by other agencies for many years—and still are. You, as father of this great legislation, know how the Council's functions have been allowed to wither away, until they no longer resemble anything like those described by the act.
>
> Unfortunately, this is not merely an academic matter for lawyers or political scientists to debate. The country faces today an economic situation which could easily break into the very same kind of depression which nearly destroyed us in 1929. It was for the prevention of such disaster that we joined with you in obtaining passage of the Employment Act of 1946.
>
> Even a superficial reading of that law makes it clear that the President is required by its terms to do more than issue annual statistical studies, as he has been doing in recent years. He is required affirmatively to set forth the level of maximum employment

and to set forth with it the needed level of production and purchasing power to achieve that goal.

President Eisenhower has not even pretended in his annual reports to do these things. As a consequence, the annual reports contain no estimate of national deficiencies, and as a further consequence, they contain no program for meeting the deficiencies or progressing to even higher desirable levels. Nor has there been any evaluation of existing Government programs from the standpoint of using them to achieve maximum employment, although this is also required by the law.

In view of depressed economic conditions, this is a disastrous situation. The cold facts are that unemployment has reached 4½ million men as of mid-January and has probbly reached 5½ million by now. This adds human suffering to economic depression. National production has fallen $35 to $40 billion below a full-employment level of production. Agriculture has been declining several years until it is now in a deep depression, with no reason to expect improvement. The cumulative loss in net farm income during the years since 1952 exceeds $14 billion—much more than this year's net income is expected to be for all farmers.

This calls for a hard look at the road ahead toward full employment and full production, a look which the President and his council should have been taking all the time. In contrast to the President's plea that people should refrain from buying goods, we must have more consumption. We must accelerate the rate of business investment as a stimulant to economic activity and expansion of the economy. We must have more leadership by the Federal Government in necessary and useful public works programs which contribute to the total economy.

Since our productive plant has outrun current consumption, the first step is to restore consumption. Because the recession has been allowed to become so deep and serious, the Government must take the lead in this effort and it should do so under the mandate of the Employment Act of 1946. Among the steps needed in the way of Government programs to expand employment, wages and consumption are the following:

(1) A reversal of the disastrous farm program of lower and lower prices, and a new program based on the objective of improving farm income while working toward a real parity of income for farmers.

(2) An expansion of other domestic programs which have an economic impact. This includes abandoning the administration "no new start" policy in the development of natural resources and power. It also includes a broad stimulation of the housing program, of school construction, expansion of health facilities and of outright public assistance where necessary.

(3) Expansion of national security. Although we have heard about strides made by Russia in the field of missiles and satellites, it is not so well known that the Russians are expanding at a more rapid rate than we are in the building of projects for hydroelectric power and irrigation. You recently performed a great service, as chairman of the Interior Committee, in having prepared and published the Straus study of comparative construction progress. These projects are not only beneficial to many people and necessary for an expanding economy, but they are the type which contribute greatly to our basic security.

In addition, we must build a sound security plant by distributing munitions contracts widely among smaller business and by planning production so that it will be a steady factor in the economy, instead of a disrupting one.

(4) Government programs to expand consumption. This includes either tax reductions or an increase in the personal exemption. It also includes a more equitable minimum wage rate, the extension of coverage of the minimum wage law and a similar extention to more people of increased social security benefits.

Similarly, the ill-advised tight-money policy of the Eisenhower administration must be further relaxed. It is too late to repair much of the damage done to home buyers, farmers, and small-business men by this unsound policy; but whatever steps can be taken should be taken immediately to provide ample credit for these categories. The Federal Reserve Board should lower its rediscount rates and the administration should use its broad authority to reduce interest rates on credit for farmers and for home buyers.

As an overall consideration, we must also renew the continuing battle against the monopolistic inflation injected into the economy by "administered" prices of the bigger businesses. The higher price levels announced by these groups, coupled with a continuing wave of increased prices among the utilities and railroads, imposes a heavy burden at critical points in the economy. To accomplish any basic change in this situation, Congress must redouble its efforts to investigate the exercise of this power and to propose antimonopoly steps to counter the growth of monopolistic influences in the economy.

Farmers, small-business men, and consumers have learned to look to you for leadership in these areas, and I know that we can count on you to make your best efforts in our behalf. Congress has been handicapped or prevented from carrying out its obligations under the Employment Act of 1946 by the refusal of this administration to carry out the preliminary requirements of charting a course for the consideration of the Congress. This makes all the more essential bold and imaginative action by Congress to provide the measures which will be necessary to prevent a worse depression.

Sincerely yours,

JAMES G. PATTON,
President.

In my opinion, the suggestions which Mr. Patton has made in his letter should be very seriously considered.

Immediate reversal of the Benson-Eisenhower farm policies is properly placed at the head of Mr. Patton's list.

The Wall Street Journal, February 25, carried a 3-line item reporting that the Caterpillar Tractor Co.'s sales were down from $60 million in January 1957 to $40 million in January this year.

Other manufacturers of farm machinery and farm supplies have lost volume, they have laid off workers and they are now closing plants altogether.

Everyone who does business with farmers is in difficulty because farm purchasing power is back to 1937 levels. This includes Main Street merchants who are going broke at record rates, wholesalers and manufacturers.

The deliberately planned deflation of agriculture has become an unplanned deflation of the whole economy.

Many of the steps which Mr. Patton has suggested are steps that this Nation should take regardless of the economic situation. Certainly we should not delay an instant on them in face of our large roll of unemployed.

We need schools, health facilities, housing and highways in all events. We can well put thousands of unemployed to work in national forests and soil conservation programs.

We need resources development to meet our people's resource needs and make the Nation strong regardless of any economic crisis. We must match the tremendous strides in basic national growth which our cold war foes—the Communist nations—are making.

The deliberate increasing of interest rates—the so-called tight money policy—should never have been instituted in the first place.

Tax reduction in the lower income brackets and closing of loopholes—a revision to encourage consumption and to discourage profiteering—is long overdue regardless of the economic situation.

Every one of these needed steps will help to halt the recession and should be taken at once. Others are needed. We should expand social security benefits. Hundreds of thousands of our elder citizens are receiving disgracefully inadequate sums to support themselves. We should improve unemployment compensation to assure more adequate payments over a longer period. The minimum wage should be increased.

Our able majority leader has outlined steps, in statements already in the RECORD, that are needed to reverse the economic trend. I have already congratulated him on his leadership in this respect.

For our long-term welfare, it is important that the Employment Act of 1946, now the law of this land, be improved and enforced.

In critical times like the present we need economic goals to assure high employment and action programs to meet those goals—not chins-up speeches.

We need the semiannual reports called for in the act, and they could well be made quarterly. The undisguised facts about our situation will be worth far more than nightly chins-up talks, even if those talks are incanted in unison by Herbert Hoover and Dwight Eisenhower.

We need discussion—intelligent discussion based on up-to-the-minute facts about our shortcomings in employment and economic activity—if we are to meet economic problems squarely. We can dispense with the medieval attitude that ills—including economic ills—should be hushed up. We have much to learn about economics, but we have advanced sufficiently to know that economic swings are not the result of inexorable forces beyond the influence of anything that men can do.

I want to congratulate the Joint Economic Committee on its activity and on most of the policy recommendations it has made to the Congress as a committee, to meet the economic situation. I find myself in agreement with the individual views of the great Senator and economist from Illinois [Mr. DOUGLAS] on the high priority which should be given a tax cut. I agree with him that the recession is of such a serious nature that the tax cut should come at once, along with public-works programs, easing of credit, and similar measures.

It is also pleasing that the full membership of the Joint Economic Committee has called for better economic reporting to permit "early detection and quick corrective action" to halt any economic downtrend. We should take every step possible to see that essential facts on underdevelopment of our economy and

underemployment are always speedily assembled and put before Congress and the public.

Mr. President, I ask unanimous consent to have printed at the end of my remarks the comments of two business writers urging that the public be kept fully informed of economic conditions.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. MURRAY. Mr. President, one is an article by Sylvia Porter, whose column appears in the financial pages of many papers. The other is by William H. Grimes and appeared in the Wall Street Journal on February 20, 1958. Mr. Grimes is a firm believer in the good judgment of the citizens of our Nation. He does not think they will be soothed by chins-up syrup or overly alarmed by pessimists. He says, in his Wall Street Journal article:

> There is no evidence that the country can be talked out of a recession. Nor is there any evidence that the country can be talked into one.

Mr. Grimes concludes that the role of government and economists should be to give the country "information as complete, as impartial and as undistorted as possible."

Mr. Grimes is correct.

We need to be constantly aware, in good times or bad, if economic growth is lagging behind proper, high employment goals.

The real tragedy of the present economic situation is that economists like Leon Keyserling, former chairman of the Council of Economic Advisors, have known and have attempted to warn us for several years that economic growth was lagging. But Congress and the public ignored all such warnings from Mr. Keyserling. He was no longer in an official position commanding attention.

The Joint Economic Committee may well reconsider whether the Council of Economic Advisors should be given more independent status to prevent its becoming a board of apologists for administration policy, or a party to efforts to hush and suppress the economic facts of life.

The Nation needs and we must insure a continuing public awareness of how economic growth measures up to the requirements of a full employment economy. Only through assurance of such information can we also assure the sort of instant marshaling of Federal power, and initiation of Federal policies and programs to meet a recession, which Candidate Dwight Eisenhower pledged in 1952 but has failed to deliver.

EXHIBIT 1

[From the Washington Star of February 24, 1958]

IS RECESSION TALK HEALTHY?

(By Sylvia Porter)

Never has a business downturn been so widely advertised or elaborately documentated as this decline of 1957–58.

I have been thumbing through newspapers published during previous important business setbacks—the collapse of 1929–33, the slump of 1937–38, the mild recessions of 1948–49 and 1953–54.

Certainly, stories were printed about drops in production, employment, sales in those periods. But the publicity about the previous slides was picayune in comparison with the publicity now being given to the business statistics.

News about this recession is prominently publicized every day. Jobless figures hit the front pages, are not buried in the back sections. Cities in distress are listed in detail. Retail sales are charted weekly. Production decreases are headlined. So it goes.

We know we are going through a general business retreat, that we have been experiencing one for months, that it is the responsibility of Government to do all it can to cut it short.

Is the wide advertising about the recession healthy? Is the publicizing of the facts good or bad for the economy?

These are hardly superficial questions. There is a large group—including professional as well as amateur economists and public relations men—which insists advertising of the recession is unhealthy, publicizing of the facts is bad.

This group argues even mention of the word "recession" frightens businessmen into pulling back on plans, scares consumers into reducing buying. This group insists the bad news in itself will intensify bad news.

I am not a member of this group, I believe the advertising is healthy, the publicizing of the facts is good for the economy. Here's why:

(1) Because we know the facts, there is no danger that a sudden shock will smash confidence. We have been informed about the decline, we are aware of its proportions and there is no threat of panic.

One reason the violent depression of 1929–33 went so far and lasted so long was that we didn't have the facts. In 1929, we had nothing approaching our present statistics on incomes, production, installment debts. In 1929, figures on unemployment were wild guesses. In 1929, the consumer price index was computed only twice a year, came out so late that it was valuable only as a record of what had happened long before.

Thus, President Hoover could assure us prosperity was just around the corner—even though millions were jobless, going bankrupt, losing their homes. We didn't know what was happening until the situation became chaotic. Then the shock was devastating and the panic was on.

2. Because we know the facts, we are in a position to demand action to cushion the drop and to take action to revive business.

The knowledge of recession is behind the rising clamor for antislump tax cuts, major public-works programs, expanded jobless benefits, constructive foreign trade policy. In prewar days, we couldn't formulate antirecession programs because we didn't have facts on which to base the programs.

3. No one can fool the man out of a job or the man losing sales or the neighbor and families of this man anyway. It's futile—in fact, it's downright dangerous—to try.

It is my firm conviction that our awareness and our determination to cushion the recessions of 1948–49 and 1953–54 helped keep them mild. It is my firm conviction that our awareness and determination to act will help us handle this decline properly, too.

EXHIBIT 2

[From the Wall Street Journal of February 20, 1958]

MINIMIZING BAD NEWS IN RECESSION TIMES CAN ONLY CREATE DISTRUST

(By William H. Grimes)

During the early 1930's there would bob up periodically the suggestion that the securities exchanges close or, if not that, that the newspapers should quit printing the quotations. The idea was that the people would not then know that the price of their securities was declining and so would feel better.

Any such action would have been extremely harmful and possible disastrous. People would have seen a deliberate effort to withhold bad news and quite humanly they would have imagined that matters were a great deal worse than they actually were. Instead of basing their actions on facts, they would have been based on rumors. Almost surely there would have been a panic to dump securities, which, even in those dark days had an appreciable value.

That suggestion stands as an extreme example of the fallacy that in some way the economy can be controlled by the manipulation of information given to the country; particularly that in a time of recession a downward trend can be halted if the unpleasant facts are withheld.

CONFIDENCE OR DISTRUST

Most newspaper editors have had to deal with the well-meant advice that they should minimize bad economic news and emphasize the optimistic. In that way, they are told, confidence could be created. Exactly the opposite would be true, of course. Distrust would be created. However, the hope that it is possible to talk the country out of a recession persists along with the fear that it is possible to talk it into one.

One of the unfortunate results of the Government taking a leading economic role is to make it almost inevitable that the public will receive information about the economy in distorted form.

The Federal Government gathers and issues a mass of statistics on business, industry and finance. Sometimes there is criticism of the methods used in collecting and computing these figures, but there arises no question as to the honesty of any of the computations. Yet the Government's role does not stop there. The statistics are subject to comment and interpretation and these frequently differ in a rather bewildering way.

With all due respect to the sincerity of the present occupant of the office, consider the position of any President of the United States when he discusses economic matters. His statements must have an optimistic tone. In a time such as the present a statement backed by the prestige of the White House would be likely to have a destructive effect if it should carry even a hint of pessimism.

The country is quite well aware of the Presidential limitations in this respect. Consequently his optimistic statements are likely to be discounted, even though they may be quite solidly based. Yet it is difficult for the President to remain silent. The silence may be taken as an indication that he has information which he does not care to divulge.

On the other hand, the President's political opposition is bound to try to turn any economic decline to its own advantage. The opposition will paint the picture worse than the facts warrant. It will be vocal in blaming the administration for any recessionary tendencies. Just as the President must be optimistic the political opposition must be pessimistic.

The increasing role of the Government in economic affairs has made politicians pose as economists. And by and large it would be hard to think of any group less fitted for economic judgments either by training or inclination.

Not only have politicians tried to become economists. A great many—by no means all—of those who call themselves economists have become politicians.

We have with us a school of economic thought which believes that the role of Government should be increased, that if any group of the population is less than fully

prosperous, if any industry is suffering even a temporary lack of demand, if any section of the Nation seems to be getting less than its full share of a constantly rising income, then it is incumbent on the Government to step in and do something. In the view of these gentlemen, balanced budgets are an outworn fetish and deficits are not something to be feared. In a time of declining business and industrial activity with rising unemployment, these gentlemen are quick to shout their warnings that unless their theories are put into effect things will get rapidly worse.

Bewildering as all this conflict of opinion and advice appears, there is the fortunate circumstance that the country seems to have developed an immunity to it. There is no evidence that the country can be talked out of a recession. Nor is there any evidence that the country can be talked into one.

MR. HOOVER, MR. FORD

After the stock market break of 1929, Mr. Hoover made valiant efforts to reassure the Nation. He called business and financial leaders to Washington. They agreed, among other things, not to cut wages. Mr. Henry Ford went one better and raised wages. Nevertheless depression ran its course and recovery from the lows started at the most unlikely time, which was just before the presidential election of 1932 when the people were being bombarded with reassurance on one hand and dire warning on the other.

At the end of World War II there were predictions of the calamities that would attend readjustment from war to peace. There would be 8 million unemployed, said some. Many who did not go to such extremes still expected difficulties. As matters turned out even the most moderate of the pessimists proved wrong.

In 1954 when the economy was in a declining phase, a great many predicted the recessions would be lengthy and deep. The spending-interventionists group of economists were particularly vocal about the troubles that lay ahead. The Democrats, then in a minority in Congress, were making the most of the decline in a political way. However, there followed the upturn of 1955 and 1956 with a carryover into most of 1957.

The people are not guided by the opinion of economists. It is the other way around. The economists can only be right when they know what the people are doing or about to do. Nor do the struggles of politicians determine the course of the economy. The role of Government and economists should be to get to the country information as complete, as impartial and as undistorted as possible.

Mr. CARROLL. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from Colorado without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? Without objection, it is so ordered.

REPORT ON PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 349)

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am transmitting herewith the second report to the Congress covering activities through December 31, 1957, in furtherance of the purposes of the Joint Resolution to Promote Peace and Stability in the Middle East. This report supplements the first one forwarded to the Congress on July 31, 1957, concerning activities through June 30, 1957.

The resolution continues to be an important element in United States foreign policy relating to the Middle East. Communist opposition to it is clearly revealed by the fact that over the past 6 months Communist propaganda and its adherents in the Middle East have intensified their efforts to distort the purposes of the resolution and to depreciate the contribution it has made to the creation of more stable conditions in this important part of the world. I am convinced that we must continue to devote major attention in our Middle East policy to assisting the states of the area, on a cooperative basis, in maintaining their independence and integrity. The resolution forcefully embodies the purpose of promoting these means of achieving international peace and stability in the Middle East.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1958.*

FEDERAL CONSTRUCTION OF HIGHWAYS

Mr. CARROLL. Mr. President, I desire at this time to commend the very able junior Senator from Tennessee [Mr. GORE] for the bill which he has introduced to provide for an acceleration of the Federal aid highway program. In my opinion, the bill shows great creative thinking. The Senator has approached this problem with clarity and wisdom. The program presented is one designed to stimulate our economy and relieve unemployment and it is critically needed at this time. This is bold and imaginative program and the distinguished junior Senator from Tennessee deserves great credit for a constructive anti-recession measure.

I desire to say to the able Senator from Tennessee that Colorado, Utah, Nevada, and California have a very great interest in the proposed new program, because the 41,000 mile feature of it will for the first time include financing for the transmountain Denver-Utah-Los Angeles interstate highway connection.

We, in Colorado, are indebted indeed for the very close attention the Federal Highway Administrator and Bureau of Public Roads have paid to this matter. And we are indebted to the junior Senator from Tennessee and his Subcommittee on Roads for the fair and objective treatment they have accorded the interstate program in expanding it to 41,000 miles, giving Colorado a chance to participate with the East-West Mountain Highway connection with the west coast.

Mr. President, I am very happy to associate myself with the proposed legislation and I ask unanimous consent that my name may appear as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? Without objection, it is so ordered.

Mr. GORE. Mr. President, I am delighted to be joined by the distinguished junior Senator from Colorado. It has never been my practice to solicit cosponsors of legislation, but I certainly have no objection to cosponsorship in this case, and I welcome the Senator's cosponsorship.

Mr. President, I ask unanimous consent that the bill lie upon the table until Monday, so that other Senators who may desire to do so may affix their signatures as cosponsors.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered.

Mr. CARROLL and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. Mr. President, I yield to the Senator from Colorado at the moment.

Mr. CARROLL. Mr. President, I did not know the distinguished junior Senator from Tennessee [Mr. GORE] was present in the Chamber when I made my remarks, but I wish to say to him that the bill is one of the most constructive pieces of legislation which has come before this body in this critical economic period. Many others have been presented during this period of recession and unemployment. But this proposed program will be especially vital. We are now faced with the whole highway program—both interstate and ABC—being stretched out from the original 13 years to 25 years. For the good of a depressed economy, it is important that this stretchout be stopped and compressed. Rather than a stretchout the condition of the economy calls for a speedup. We need action now and the junior Senator from Tennessee is providing us a workable, practical blueprint.

I am happy to be associated with the proposed legislation.

Mr. MANSFIELD. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. HUMPHREY. I wonder if the Senator would mind if I yielded first to the senior Senator from Oregon [Mr. MORSE] and then to the junior Senator from Oregon [Mr. NEUBERGER], with the understanding that I do not lose my right to the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me so that I may make a brief statement?

Mr. HUMPHREY. I am happy to yield, with the understanding that I do not lose my right to the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Minnesota may yield to me for a very brief statement of perhaps 5 minutes, with the understanding that the Senator will not lose his right to the floor thereby; and, if the Senator will permit, I should like to suggest the absence of a quorum so that the bells may be rung, to

notify Senators I am going to make a statement.

Mr. HUMPHREY. The only reason I was withholding on that was a request from one of our colleagues to make an additional statement. Then I was going to yield for the purpose of the suggestion of the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the statement of the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Minnesota may yield to me for the purpose of making a brief statement, with the understanding that the Senator from Minnesota will not lose his right to the floor thereby, and that the Senator from Minnesota may yield for the suggestion of the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? Without objection it is so ordered.

Mr. NEUBERGER. Mr. President, my statement will be extremely brief. As a member of the Subcommittee on Public Roads of the Committee on Public Works, I desire to congratulate the distinguished Senator from Tennessee [Mr. GORE] for introducing a bill to try to solve the crucial problem of unemployment by concentrating the interstate highway program in a shorter period of time and in the areas where it is most needed. Inasmuch as the Senator has opened his beneficial measure to cosponsorship, I would be very grateful if I could add my name as a cosponsor. I make that request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCELERATION OF MILITARY AND CIVIL CONSTRUCTION PROJECTS TO RELIEVE ECONOMIC DISTRESS

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and Senators ALLOTT, ANDERSON, BARRETT, BEALL, BIBLE, BUTLER, CAPEHART, CARROLL, CHAVEZ, CHURCH, CLARK, DIRKSEN, DOUGLAS, EASTLAND, ELLENDER, ERVIN, FREAR, FULBRIGHT, GORE, GREEN, HAYDEN, HENNINGS, HILL, HOBLITZELL, HOLLAND, HUMPHREY, JACKSON, JOHNSTON of South Carolina, KEFAUVER, KENNEDY, KERR, LANGER, LAUSCHE, LONG, MAGNUSON, MALONE, MANSFIELD, MARTIN of Iowa, MCCLELLAN, MCNAMARA, MONRONEY, MORSE, MURRAY, NEUBERGER, O'MAHONEY, PASTORE, PAYNE, POTTER, PROXMIRE, REVERCOMB, ROBERTSON, RUSSELL, SCOTT, SMATHERS, SMITH of Maine, SPARKMAN, STENNIS, SYMINGTON, TALMADGE, THURMOND, THYE, WATKINS, WILEY, YARBOROUGH, and YOUNG, I submit two concurrent resolutions, and I ask unanimous consent that they be read immediately for the information of the Senate, and that they remain on the table until midnight tonight so that any Member of the Senate who desires to associate himself with the concurrent resolutions may join as a cosponsor. I am informed that some 46 or 47 Senators desire to do so, and I should like to afford them the opportunity.

The PRESIDING OFFICER. Without objection, the concurrent resolutions will lie on the table until midnight tonight.

The clerk will read the first concurrent resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 68) as follows:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial and growing unemployment in many areas of the country; since many of the productive facilities of our economy are either idle or only partially occupied; since there is a clear danger involved in permitting an economic downturn to continue unchecked until it becomes unmanageable and unresponsive to even a maximum effort to take corrective action; and since there are many authorized and urgently needed civil construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion of these projects which will contribute greatly to enhanced national productivity and continued economic growth and prosperity.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. As I understand from the terms of the concurrent resolution just read, it should be referred to the Committee on Public Works.

The PRESIDING OFFICER. The concurrent resolution relating to the civil construction program will be referred to the Committee on Public Works.

Mr. JOHNSON of Texas. I thank the Chair.

May the second concurrent resolution be read?

The PRESIDING OFFICER. The clerk will read the second concurrent resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 69), submitted by Mr. JOHNSON of Texas (for himself and Senators ALLOTT, ANDERSON, BARRETT, BEALL, BIBLE, BUTLER, CAPEHART, CARROLL, CHAVEZ, CHURCH, CLARK, DIRKSEN, DOUGLAS, EASTLAND, ELLENDER, ERVIN, FREAR, FULBRIGHT, GORE, GREEN, HAYDEN, HENNINGS, HILL, HOBLITZELL, HOLLAND, HUMPHREY, JACKSON, JOHNSTON of South Carolina, KEFAUVER, KENNEDY, KERR, LANGER, LAUSCHE, MAGNUSON, MALONE, MANSFIELD, MARTIN of Iowa, MCCLELLAN, MCNAMARA, MONRONEY, MORSE, MURRAY, NEUBERGER, O'MAHONEY, PASTORE, PAYNE, POTTER, PROXMIRE, REVERCOMB, ROBERTSON, RUSSELL, SCOTT, SMATHERS, SMITH of Maine, SPARKMAN, STENNIS, SYMINGTON, TALMADGE, THURMOND, THYE, WATKINS, WILEY, YARBOROUGH, and YOUNG), as follows:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial and growing unemployment in many areas of the county; since many of the productive facilities of our economy are either idle or only partially occupied; since there is a clear danger involved in permitting an economic downturn to continue unchecked until it becomes unmanageable and unresponsive to even a maximum effort to take corrective action; and since there are many authorized and urgently needed military construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such military construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion and availability of these projects which are vital to our national defense.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. I understand that resolution will be referred to the Committee on Armed Services.

The PRESIDING OFFICER. The resolution will be referred to the Committee on Armed Services.

Mr. JOHNSON of Texas. Under the unanimous consent agreement, as I understand, any Member who desires to be a cosponsor of the resolution has until midnight tonight to notify the Parliamentarian.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President, I have conferred with the leadership—the Speaker and majority leader of the House—and I am informed that before the close of business today the majority leader of that body will submit similar resolutions. I have conferred with the chairmen of the respective committees having jurisdiction of the resolutions and I have been assured that the committees will meet and act promptly on the resolutions. Of course, I could ask consent, since these are resolutions which merely express the sense of Congress, to have them called up immediately. However, I do not think that generally speaking that is good procedure.

Although this is a very urgent problem, I believe we can afford to take the time that is necessary to give serious consideration to the resolutions.

I am very hopeful that in time we may be able to pass upon the resolutions by unanimous consent. I ask each Senator to give careful consideration to the language of the resolutions, and I appeal to every Senator for such support as he may feel justified in giving them.

The resolutions I have submitted are not intended as a prophecy of gloom or doom. It is not necessary to cast our lot with those who see the future dark; but neither is it necessary to be paralyzed by pollyanna-ish optimism. I have every confidence in the capacity of this Nation to solve its problems. I do not

believe we are foredoomed to depression or recession.

This Nation was built on the principle that God helps those who help themselves, and we will not solve our problems if we merely shut our eyes and hope the problems will fade away.

Congress is not the action arm of the Government. We can grant authority and we can make appropriations. But we cannot administer the laws nor can we actually construct the projects that will put people to work and add to the wealth of this country.

We can, however, express our feeling that that arm of the Government which is the action arm should accelerate the projects which we have already approved.

Congress has granted ample authority and ample funds for a wide range of construction projects both civil and military. Those funds at the present time are being spent on the basis of a normal economy.

But there is nothing normal about an economy which cannot find jobs for 5 million willing workers. There is nothing normal about a situation in which we are losing the productive capacity of 5 million men and women.

If those 5 million men and women were out on strike, there would be loud and clear calls for action. Congress would be besieged with petitions to pass laws and the executive agency would be besieged with demands to act.

I suspect there would be black headlines describing the "economic paralysis" of the United States. The country would be placed on a national emergency basis.

I think the situation is equally serious when 5 million people are unemployed. Unemployment may not be so dramatic as a strike, but the impact upon our Nation is fully as great.

Furthermore, we cannot be unmindful of the fact that those who are unemployed must buy their food and clothing and pay their rent at prosperity prices. The cost of living is at record heights. The man who is not on a payroll not only suffers a loss of income, but finds it even more expensive to starve in 1958 than it was in 1933.

I have asked that the resolutions remain at the desk, in case any of my colleagues wish to add their names.

These resolutions do not call for any greater outlay of money than Congress has already authorized and has already appropriated and which, in some cases, has been impounded.

These resolutions do not provide any degree of authority that Congress has not already passed upon. They simply express the sense of the Congress, a coordinate branch of the Government, that we should speed up our public works now and that we should try to reduce unemployment while it is still manageable and before it gets out of hand.

Mr. President, I urge my colleagues to join with me in support of these resolutions.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. Mr. President, let me say, first of all, that no one can quarrel with the aims of the resolutions.

Mr. JOHNSON of Texas. I thank the Senator. I appreciate his statement.

Mr. CAPEHART. Does the Senator from Texas believe that he should amend the resolutions so as to include a provision that, if as a result of expediting the expenditures for which the Government has already appropriated the money, the debt ceiling would be increased so that could be done? If we expedite the expenditure of these moneys, will it not increase the debt limit beyond the $280 billion ceiling?

Mr. JOHNSON of Texas. No; I will say to the Senator from Indiana that I would not favor amending the resolutions. That is the first point. Secondly, I do not believe the resolutions would have that effect. I believe it is much more likely that we will have to increase the debt ceiling further if we sit on our hands and talk about something around the corner that may not come to pass, instead of taking action. Third, I do not believe in procrastination. Instead, we should face the situation like men and do something about the problem. Then perhaps we will not only be taking in more money from taxes, but probably it will be less necessary to have the $5 billion debt ceiling increase we have already authorized than it was when we took that action.

Mr. CAPEHART. My point is that if we expedite matters over a period of 30 days or 60 days, should we not add to the resolution a provision for an increase in the debt limit, because if we spend that money we may go above the debt limit.

Mr. JOHNSON of Texas. I have not specified any rate of speed. I have not found the chief fiscal officer of the administration, the distinguished Secretary of the Treasury, for whom I have great admiration and affection, and with whom I was associated in public endeavors for many years, to be at all reticent or reluctant to ask for an increase in the debt limit whenever he finds it to be necessary.

Before the resolutions have even been acted upon, I would not favor such amendments; I do not think them to be at all necessary.

If it becomes necessary in the months ahead either to reduce taxes or to increase appropriations substantially and thereby to increase substantially the debt limit, I have no doubt that the Secretary of the Treasury, in his great patriotism and wisdom, will come to Congress and make a well-thought-out, well-reasoned request upon which Congress will act in the same light.

Mr. CAPEHART. Would it be better to add to the resolution or to set forth some of the specific construction projects, by categories, which we prefer the administration to expedite with money that Congress has already appropriated?

Mr. JOHNSON of Texas. I think the projects could be made so voluminous that no one would understand them. I think the administration has the capacity, at least, to know the projects which can be accelerated, those for which they have impounded funds, and those on which they have exercised the item veto. I would leave that to the judgment of the administration. I would not want to put the administration in a straitjacket by having Congress state which projects should be accelerated.

Mr. CAPEHART. Could we not name a half dozen projects or categories which, at the moment, we would prefer to have the administration expedite?

Mr. JOHNSON of Texas. Certainly; I will give some categories to the Senator, if he is seeking enlightenment. I will be glad to give him my views.

Congress has appropriated $35 million for armories. In many States of the Union they are very necessary, but the money has not been released.

In my hometown, a longer runway is needed by the Air Force. Two fighter wings are to be replaced by heavy bombers. The runways are to be completed next year but there is sound justification for advancing the date.

The Aluminum Co. laid off 300 workers 2 weeks ago in an adjoining town. In the next week they quietly laid off a couple of hundred more, because someone said that aluminum was running out of their ears. The people who were laid off are without jobs. They are drawing unemployment compensation. They are getting paid for doing nothing. They are getting unemployment compensation checks but are producing nothing for them.

I asked the commanding officer if the construction of the runway could be speeded up. He said "Yes." I went to the man who was building the runway and asked him if it could be speeded up. He said "Yes."

I asked, "What do you need to have done?"

He said, "We need authority to have an extra shift."

With an extra shift, several of the workers who lost their jobs at the Aluminum Co. plant could be employed. By employing the extra shift, the base could be completed ahead of schedule. It would not involve any substantial increase in cost, because the money has already been appropriated. The men now out of work could have jobs during the spring and summer, and perhaps the base would be finished next December instead of the following July.

First, the defense system of the country needs to have this work done. Second, the men now unemployed need the jobs. Third, Congress has already acted. I am trying to put the spotlight on situations of this type.

Mr. CAPEHART. I think the Senator's resolutions would be strengthened by having Congress designate a half dozen or a dozen instances such as those he has just named. We might even go further and specify a number of categories in which we wish the President to expedite action.

Mr. JOHNSON of Texas. I appreciate the Senator's solicitude, I welcome his assistance, and I appreciate his advice. But I do not want to limit the administration to a list of specific projects. I have included all military construction

and all civil construction. I have said to the extent "practicable." I have merely expressed this as the sense of Congress. I sought to have the opinion of Congress reflected.

Mr. KERR. Mr. President, will the Senator yield?

Mr. CAPEHART. Mr. President, will the Senator further yield?

Mr. JOHNSON of Texas. I do not want to have the questioning confined to the Senator from Indiana. I shall be glad to yield again later to the Senator from Indiana. I now yield to the Senator from Oklahoma.

Mr. KERR. I refer to the language of the resolutions as the basis for the question. Does not the Senator from Texas feel that had the Senator from Indiana read the resolutions, he would have understood that the Senator from Texas and the other sponsors of the resolutions had designated the areas for spending?

The language of one resolution is as follows:

> And since there are many authorized and urgently needed civil construction projects for which substantial appropriations have already been made.

The other resolution reads identically, except that it provides:

> And since there are many authorized and urgently needed military construction projects for which substantial appropriations have already been made.

Does not the Senator from Texas feel that if the Senator from Indiana had read the resolutions, he would have understood that they do apply specifically to those two fields and areas of construction, and that they are rather broad in their identification of the projects referred to, because, in the first place, one group is civil, and the other military; and in the next place, they are construction projects for which substantial appropriations have already been made?

Mr. JOHNSON of Texas. I think anyone who heard the resolutions read would understand that. While I do not wish to pass judgment on the understanding of the Senator from Indiana, I feel certain he understood it.

In his question, the Senator from Indiana was trying to document the specific projects: whether they would be in Indiana or Texas or some other State; and he would also want to have specified exactly whether it was a dam or a bridge or a road or a house, or something else.

I leave it to the administration to act within the two general classifications, civil projects and military construction, and to expedite and accelerate them, and to do so to the greatest practicable extent, in an attempt to face up to the problem of unemployment and to provide as many jobs as can be provided with the money which is now available.

Mr. KERR. I congratulate the Senator from Texas for his leadership in sponsoring the resolutions. I express my appreciation for the opportunity to become a joint sponsor of them.

I remind the Senator from Texas that in this morning's New York Times there is this headline: "President Says People, Not United States, Will End Slump."

The reference is to the President's press conference yesterday, when he indicated that he thought the people ought to have such confidence as would enable them or cause them to move forward courageously in spending for what they needed, and that they could do so with confidence, thereby injecting into the economy a dynamic element now badly needed.

I wonder if the Senator from Texas does not feel that the purpose of the resolutions is to express the sense of Congress that the United States Government should do, with reference to the spending which is authorized, and for which appropriations have been made, the identical thing which the President suggested yesterday it would be good for the people to do.

Mr. JOHNSON of Texas. The Senator from Oklahoma is absolutely correct. I have great confidence in the people of the Nation. I have great confidence in the free enterprise system. I have great confidence in the ownership, the management, and the employees.

I believe all of us ought to do everything we can to face up to the necessity of making the Nation stronger. I do not believe we can call upon all the citizens to do something that we ourselves refuse to do within the Government.

I hope the Government, as the Senator from Oklahoma has so well pointed out, will review the projects which have been authorized and will review the projects for which Congress has appropriated billions of dollars, with a view to determining which of them can be accelerated to meet the problem which now exists.

Mr. KERR. Mr. President, will the Senator from Texas yield for a further question?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Texas yield to the Senator from Oklahoma?

Mr. JOHNSON of Texas. I yield.

Mr. KERR. Then the Senator from Texas believes, does he not, that the United States Government should have the same degree of confidence and should move forward with the same degree of energy and the same degree of vigor that the President indicated he thought the people ought to have or to use?

Mr. JOHNSON of Texas. I do; and I appreciate the fine statement by the Senator from Oklahoma.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I am happy to associate myself with the distinguished majority leader in the sponsorship of both resolutions. In my opinion, both of them are long overdue.

Again I wish to say that when a man is out of a job, so far as he is concerned, a depression exists. Today 5 million of our people are out of jobs, and the end is not in sight.

I was very much impressed with what the majority leader had to say about the position of the Congress in connection with this particular matter. He said, and this is important:

> Congress is not the action arm of the Government. We can grant authority—

And we have—

> and we can make appropriations—

And we have—

> but we cannot administer the laws, nor can we actually construct the projects that will put people to work and add to the wealth of this country.
>
> We can, however, express our feeling that that arm of our Government which is the action arm—

That is the executive branch of the Government—

> should accelerate the projects which we have already approved.

I wish to say that, as I understand the resolutions, by means of them the majority leader is saying, in effect, to the administration that it is about time for it to "get off the dime" and to do something in behalf of the unemployed in this country.

Mr. DWORSHAK. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Idaho.

Mr. DWORSHAK. Does the majority leader have any plans for the consideration of proposed legislation designed to correct any of the injustices and inequities inherent in the trade-agreements program, which has accentuated the widespread unemployment in the petroleum, minerals, textiles, and other industries in this country?

Mr. JOHNSON of Texas. Mr. President, I shall say to my friend that the very short answer to his question is "Yes." I discussed that matter earlier in the day. I will say that my views about how to alleviate some of the suffering that has resulted have not been finalized to the extent of the introduction of a bill. But a number of my colleagues from the Western States are now giving consideration to a program to bring relief to those distressed areas, which rely so heavily on minerals for their income.

Furthermore, Mr. President, as my colleague in the Senate, and for many years my colleague in the House of Representatives, well knows, reciprocal-trade legislation is now being considered in committee in the House of Representatives, because the House must act first on revenue-raising measures. When that measure comes to the Senate, I have no doubt our committee will give it serious consideration. I expect to support that proposed legislation.

Mr. DWORSHAK. Mr. President, will the Senator from Texas yield further to me?

Mr. JOHNSON of Texas. I yield.

Mr. DWORSHAK. The distinguished Senator from Texas is assuring us, is he not, that he is not going to rely upon the taking of action by the executive branch on this program, but that he recognizes the joint responsibility of the Congress in the consideration of it?

Mr. JOHNSON of Texas. That is correct. Of course, the Congress and the executive branch are coordinate branches of the Government. I have great respect for the executive branch, and I am sure it will do its best to fulfill its responsibilities in the way it considers to be necessary and wise.

I consider these resolutions to be a part of the responsibility of the Congress. I hope my friend will be associated with me in this endeavor, as he has been on other occasions.

Mr. REVERCOMB, Mr. JOHNSTON of South Carolina, and other Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas has the floor. Does he yield? If so, to whom does the Senator from Texas yield?

Mr. JOHNSON of Texas. Mr. President, first I yield to my friend, the Senator from West Virginia [Mr. REVERCOMB]. Then I shall yield to my friend, the Senator from South Carolina [Mr. JOHNSTON].

Mr. REVERCOMB. Mr. President, I thank the distinguished majority leader for yielding to me. I wish to say I believe his resolutions are timely, and I expect to avail myself of the invitation to join in sponsoring them.

Mr. JOHNSON of Texas. Mr. President, I have difficulty hearing the Senator from West Virginia, because of the conversations going on elsewhere in the Chamber. Mr. President, I ask for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. The Senator from West Virginia comes from a State which I know has for some time been plagued by unemployment, and I wish to hear what he has to say.

Mr. REVERCOMB. Mr. President, I do not know that West Virginia has been plagued by unemployment any more than any other States have been. But I was saying that I think the resolutions which have been submitted by the Senator from Texas are timely, and I shall avail myself of the opportunity to join him in sponsoring them.

Mr. JOHNSON of Texas. I thank the Senator from West Virginia.

Mr. REVERCOMB. However, this matter has already received the attention of the administrative agencies to some degree. Last month—in February—I had a part in having released, for use by the Corps of Engineers, for construction, approximately 15 percent of the appropriated funds which had been held back in the civil-functions agency.

Mr. JOHNSON of Texas. Mr. President, I commend the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, there happens to be a very large dam project known as the Sutton Dam, on the Elk River, in West Virginia. The funds for it had been expended. The administration very readily authorized the release of approximately 15 percent, and that affected not only that particular project, but, I am told, approximately 40 other projects throughout the United States. So, to that extent, the administration has gone forward to use the unexpended moneys which have been appropriated.

Furthermore, I wish to say to the able Senator from Texas that even today the Senator from West Virginia has interested himself in the use of the appropriated moneys for the construction of armories in this country.

Mr. JOHNSON of Texas. Previously I referred to that situation, as the Senator from West Virginia will recall.

Mr. REVERCOMB. I may state that my interest in that subject was all the greater because of the armory construction program in my State.

I believe the Senator's resolutions are timely. I believe the administration has proceeded in this area to a considerable degree. I trust that Government construction will be accelerated, whether it be in the field of defense construction or under the civil functions of the Army. I trust that all appropriated moneys will now be used in the best possible way for construction purposes.

So I am very glad indeed to be invited, along with other Senators, to join the Senator from Texas in sponsoring the resolutions.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief comment, and then I shall yield to my friend, the Senator from South Carolina [Mr. JOHNSTON].

First, I welcome the Senator from West Virginia [Mr. REVERCOMB] as a cosponsor.

Second, I believe we must always be fair and just, not only in dealing with ourselves, but also in dealing with the coordinate branches of the Government. I realize that the administration has taken several steps along the lines suggested in the resolutions. One of the steps has rather clearly been pointed out by our committee, namely, the anticipated expenditures in the military for the coming fiscal year. It had been predicted that they would amount to approximately $39 billion. As a result of actions which have been taken since Sputnik No. I and since the Preparedness Subcommittee began its hearings, it is now estimated that those expenditures will be increased by approximately $4 billion. I am prepared to say that in other fields of endeavor, similar steps may have been taken.

All that these resolutions provide is to urge the Executive to review and comb the entire field of civil construction and military construction, with a view to determining first whether projects which have not been accelerated, can be accelerated, if they need to be accelerated and, second, to do it to the greatest extent practicable.

So I agree with what the Senator has said. I wish to be fair.

Mr. REVERCOMB. Mr. President, will the Senator from Texas yield further to me?

Mr. JOHNSON of Texas. I yield.

Mr. REVERCOMB. Let me say that in joining the able Senator from Texas in sponsoring the resolutions, I believe we shall be doing a little more than to say to the administrative branch of the Government, "You have gone ahead, and we are in agreement with that." We also would say, "We think this is a step which should be taken now, and should be broadened, if it can be broadened."

I believe the able Senator from Texas will agree that already the White House has given much attention to this subject, and already it has acted on the matters to which we have referred.

I am glad the resolutions state that it is the sense of the Senate that what has been done is good, and should be broadened, if that can be done by means of the use of the unexpended appropriations.

Mr. JOHNSON of Texas. Mr. President, I would be less than fair if I did not agree that action has been taken. As the Senator from Texas has said, the purpose of the resolutions is to broaden the activities.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, first, I wish to join the majority leader in sponsoring the resolutions.

Next, I wish to commend the distinguished majority leader for his foresightedness in submitting the resolutions.

The resolutions do not necessarily call for additional appropriations, and do not affect the debt ceiling. They only suggest the release of money which has been appropriated for various and sundry projects, and that such projects be proceeded with as fast as possible, in order to provide jobs for people of the United States.

Further, I think certain facts will be brought out as a result of hearings. We shall learn that not only are 5 million persons unemployed, but that the number is probably greater than that, for 1,800,000 persons have left the farms in the last year. It will also be found that approximately 4 million persons are drawing unemployment compensation, or most of them are. Some of them in some States have already joined the relief rolls.

It will also be found that conditions are even more serious than that. There are between 8 and 9 million persons drawing social security benefits. Where would they be if it were not for the social security laws? Would they be classified as unemployed? Previously, there was no age limit when there were 13 million unemployed. There would be 14 million unemployed today if it were not for social security laws.

I also call attention to the fact that when the matter comes before the committee for hearing the facts will awaken some people of the United States as to the serious conditions facing us.

Mr. JOHNSON of Texas. I thank my friend for his contribution. I have no desire to cut any Senator off. I am very anxious to fully explore this subject. I wish to point out to the Senate, however, that I occupy the floor through the generosity and understanding of my friend, the Senator from Minnesota [Mr. HUMPHREY]. I am informed he must catch a plane later today, and he has expressed the hope I will not take too much time. I do not plan to consume a great deal of time.

I yield now to the Senator from Florida.

Mr. HOLLAND. I thank the majority leader for yielding to me. I shall not detain the Senate very many minutes.

I know there was some justification last fall and winter for holding back commitments, because the Congress was

not in session, and we were getting reasonably close to the debt limit. These two resolutions, as I understand them, would serve, in the first instance, to commend and approve the action of the administration in moving ahead a little faster now, and would let us take a share of the responsibility in suggesting that we move still faster.

We are not in distress in my State, and I do not think we are going to be, but there is a very sizable number of persons out of employment now, because of the slowing down of the home-building program. Yesterday there was in my office a very representative delegation of persons from the building trades in my State discussing this situation with me. We discussed the fact that the construction of armories, post offices, and various other buildings in Florida could move ahead if funds were released for that purpose.

I think the best way to prevent a depression is to take action before it starts. I think by serving notice in this way and by agreeing to the resolutions, we shall be indicating to the administration that if we get too close to the debt limit, to the point where it has to be exceeded, we are taking responsibility along with the administration.

There are in my State a considerable number of public works projects which could be started, for example, the deepening of the channel at Pensacola, for which Congress appropriated money a year ago, and which the Navy reported was a must project. Failure to deepen it is costing $20,000 a month, because the carriers which operate with Navy personnel stationed at Pensacola are now berthed at Mayport, near Jacksonville, and they have to go clear around the State for their tour of duty.

There are many projects which can be speeded up in my State, which will mean not only increased employment, but a saving of money in the long run.

I am glad to join as a cosponsor of both resolutions and I thank the Senator for allowing me to do so.

Mr. JOHNSON of Texas. I am indebted to the senior Senator from Florida for his remarks, and I appreciate them very much.

I yield now to the distinguished Senator from South Dakota, who is a member of the Armed Services Committee and the Public Works Committee, which will have jurisdiction over these resolutions.

Mr. CASE of South Dakota. I thank the majority leader for yielding to me on this matter. If these resolutions were merely an expression of sentiment, I suppose they could be agreed to almost by unanimous consent this afternoon.

Mr. JOHNSON of Texas. I will say to the Senator I felt that could be done, but I do not think it is good procedure. For that reason I have asked that the resolutions lie on the desk until midnight. I have asked that they be referred to committees, and I have asked the chairmen of both committees to call early sessions of their committees for the purpose of giving thorough consideration to them, plus prompt action.

Mr. CASE of South Dakota. If the resolutions are to have real meaning, it seems to me the course of referring them to committees, which has been followed, is desirable. The matter of releasing funds or expediting action, if it is to be meaningful, should also be accompanied by ascertaining where such action is being held up. It happens that I am a member of the two committees to which the resolutions have been referred, and, incidentally, the ranking minority member of the Military Construction Subcommittee of the Committee on Armed Services and the Rivers and Harbors Subcommittee of the Committee on Public Works, to which the resolutions will be referred. Therefore, I shall not join in the sponsorship of the resolutions. I prefer to be in a position so that when they come before the committees I shall not be in a precommitted position, but shall have an opportunity to explore the full potentialities of the resolutions.

I think the distinguished Senator from Florida made a very valid point a moment ago when he referred to the debt ceiling. During the fall the Treasury of the United States operated within a straitjacket. There had been an indication a year ago that the Treasury of the United States needed more elbow room in managing the public debt, in the face of the appropriations. However, Congress did not raise the debt ceiling a year ago.

Expressions have been made to the effect that these are timely resolutions. They are timely particularly in the sense that the Congress has now voted for a bill, and the President has signed it, to raise the debt ceiling. Since that action was taken only within the past few days, it is timely to consider ways in which the programs can be accelerated.

The majority leader has referred to the armory program. I was one who felt the armory program was unduly delayed in the application of expenditure ceilings.

A few weeks ago I was invited, together with a number of other Members of the Senate and Members of the House of Representatives, to breakfast by the Secretary of the Army, and there the question was raised. The Secretary and the Under Secretary, Mr. Finucane, both promised to explore that situation before the day was over. The Bureau of the Budget had been asking for release of funds. Before the week was over, some money was actually released. That was responsible for the release of a construction program of approved Army projects.

It may be that similar steps should be taken within the field of rivers and harbors projects and other phases of public works.

I assure the Senator from Texas that, as the ranking minority member of the subcommittees to which these resolutions will presumably be referred, I shall hold myself available to attend the hearings which he has indicated the chairmen will call.

I shall seek to explore the resolutions fully and the potentialities for getting rid of the roadblocks which may be delaying the execution of the public works programs.

Mr. JOHNSON of Texas. I appreciate the Senator's assurance of cooperation, and I welcome his assistance.

Mr. FULBRIGHT and Mr. CAPEHART addressed the Chair.

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I join the majority leader in urging early consideration of these resolutions, and I compliment him for taking the initiative in submitting them.

I recently had a study made of the projects in the public works field in my State. The Army Engineers officially gave me a report indicating they could well step up the programs in that State by some $22 million this year.

I also wish, for the RECORD, to invite attention to the report of the Joint Economic Committee on the January 1958 Economic Report of the President, especially section 2, which is a recommendation of the full committee, with one minority dissent, which, however, did not disagree particularly with this section. Section 2 reads as follows:

2. Arresting the present decline and promoting economic recovery calls for acceleration of a number of Federal Government expenditure programs. Outlays for development of the Nation's water resources, including navigation and flood control, water and soil conservation, and reclamation command a high priority. These programs have great merit in the present circumstances, both for the immediate employment opportunities they create and because of their contributions to long-run economic development. Similarly, expanded grants to accelerate the Federal-aid highway program, stepped-up urban renewal programs, programs for needed public buildings such as post offices, the revision of present public and private housing programs to meet the accumulated backlog and demands of our expanding population, and a higher level of participation by the Federal Government for additions to the Nation's school and health plant would stimulate economic activity and contribute to long-run growth.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. Mr. President——

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Texas. I wanted to yield to the Senator from Indiana [Mr. CAPEHART], because he felt I had not yielded to him sufficient time. I yield to the Senator.

Mr. HUMPHREY. Mr. President, I do not want to be unkind or inconsiderate, but I should like to claim my right to the floor shortly. If the Senator is going to have another colloquy with the Senator from Indiana I am afraid my rights may be foreclosed.

Mr. JOHNSON of Texas. I shall do my best to yield as quickly as I can. I am sorry we became engaged in a controversy.

Mr. HUMPHREY. It is an interesting discussion, and I can only add how delighted I am to have an opportunity of joining with the Senator in his resolutions. His action is timely. This is effective leadership. This is action.

I could not help thinking, as I heard the comments of the distinguished and able Senator from Oklahoma [Mr. KERR], about the President's indication that the

people might now get us out of this slump by buying. I remind Senators that it was only a few months ago the President advocated that the people quit buying. When the people had the money to buy with, the President said "Don't buy." When they do not have the money to buy with, he says "Buy." It is because of this kind of economic confusion that we are in this kind of a jam, at least in part.

I only add further that, while of course both branches of Government have their responsibilities in directing the Nation's destiny, it is peculiar to me we have to have report after report this afternoon coming from our colleagues, in which it is said they visited with the Secretary of the Army and that he decided to let one or two projects go forward, or that they visited with the Secretary of the Interior, and the Secretary of the Interior decided to release one or two projects. That is not leadership; that is merely being able to twist the arm of Cabinet officers and the Executive to get a little action—a little action—when we need massive action.

I am delighted to join with the Senator. I shall have something more to say about the matter.

I may say that the reason why I wanted a right to the floor today was because I have documented the growth of this recession, line by line, chapter by chapter, day by day, week by week, and month by month. My documentation goes back to the day of the hearing before the Senate Committee on Finance.

Mr. JOHNSON of Texas. I have listened to the Senator with a great deal of interest. If he will permit, I will yield to the Senator from Colorado, who I believe desires to speak.

Mr. HUMPHREY. And then I am going to reclaim the floor.

Mr. JOHNSON of Texas. I hope the Senator will permit me to yield to other Senators. I am sure they will be reasonable.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend, the Senator from Colorado.

Mr. CARROLL. Mr. President, I express my sincere confidence in the resolutions which have been submitted, because I think they evidence plain commonsense and wisdom on the part of the majority leader and others who sponsor them. I make that statement for several reasons.

The distinguished junior Senator from Minnesota [Mr. HUMPHREY] has stated he will document this matter fully. We can easily document the actions of this administration for the past year, from the day of the debate on the tight money policy. They include the action of Secretary of Defense Wilson in withholding of funds in May, the action of the Bureau of the Budget in June, and the President's statements in September and October.

I do no know that the President actually told the people to quit buying, but he at least urged them to be more cautious.

I think the main reason these resolutions are needed is that the Council of Economic Advisers has missed the boat. Most of the leading economists today are frank to admit they do not really know when the upturn will come.

That is why the Congress, acting in a spirit of cooperation with the executive branch, should insert the needle. We need leadership and action now.

I have asked that my name be added as a cosponsor of the resolutions, and my request has been granted.

I thank my friend the Senator from Texas.

Mr. JOHNSON of Texas. I thank my friend from Colorado. With reference to this observation on tight money, it is interesting to observe that further action was taken today to loosen credit. It is an admission of past error and I hope the admission does not come too late.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Indiana.

Mr. CAPEHART. Mr. President, I think these are good resolutions. The idea is good. I am certain the President and the executive branch are working toward the same end at the moment.

Again I suggest that we ought somehow, in some way, to provide for an increase in the debt limit; because if we are going to call upon the President to accelerate expenditures which he was going to make over a period of a year or 2 years, and to spend the money within 30 or 60 days, that will increase the debt beyond the present ceiling.

Therefore, we are in effect asking the President to do something illegal and impossible. If we want the President to do what the resolutions call for—and I am one who does—then I think in a separate resolution we should authorize an increase in the debt limit; because, if the President starts to do what these resolutions ask him to do, which I think is necessary at the moment, he will face the problem of exceeding the debt limit. The President will not be able to do these things. He will not know how much or how little he can do, because he will not know what the tax collections will be. At the present time he is operating barely within the debt limit. I believe if we are sincere about this matter we will submit another resolution, along with these, as a part of the whole effort, to accomplish the desired result.

We are at present considering concurrent resolutions, and we cannot offer amendments to such resolutions in respect to the debt limit. What good will it do us to talk about doing something now, which we think ought to be done, without giving the President the necessary tools with which to do it? We will be leaving him with one hand free and the other tied behind his back; because, in my opinion, the President will not have the money with which to do what we are proposing, unless we raise the debt limit.

I do not know how much money has already been authorized and appropriated for the two categories which are covered by the resolutions. I do not know whether the amount is $1 billion, $2 billion, $3 billion, or $4 billion.

I know that today the Senate Committee on Banking and Currency voted to authorize the President to spend $1,750,000,000 in buying mortgages, in order to help home construction.

If the President is going to have to do these things, it will be necessary to exceed the debt limit. Let us show our real sincerity of purpose—and it is sincere—by submitting another resolution, by which we would say to the President, "Go ahead and accelerate these projects, but if the debt runs over the present ceiling, without any argument whatsoever we will automatically increase the debt limit."

If we do otherwise, I do not see how the President can do what is requested.

Mr. KERR. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Mr. President, I think I fully understand the viewpoint of the Senator from Indiana. I appreciate the expression of his viewpoint. If that is the viewpoint of the President of the United States and if that is the viewpoint of the Secretary of the Treasury I should be glad to have it. I am sure proper consideration would be given to it.

There is nothing in these resolutions that says anything about building in 30 or 60 days projects which would take 2 years to build. It is requested that the work be accelerated to the extent practicable. Thirty days is a misconception of the Senator from Indiana. I doubt that this administration can do anything in 30 days. I do not know that we can get much going in 60 days.

I hope, though, that we will make a thorough review of all the actions we have taken, the projects we have authorized, and the funds we have appropriated, with a view to putting them on an accelerated, sound basis whereby we will get value received, instead of a system of something for nothing in the form of an unemployment-compensation check.

This is not a recent idea of the Senator from Texas. I pointed out in the Senate as early as January 31 that the failure to have 5 million people gainfully employed resulted in the loss of billions of dollars of gross national productivity. I do not think we should lose that amount of gross national productivity. If we had no humane instincts, or no concern for hungry people, nevertheless, I think we should try to do something to bring about the maximum national productivity. I am informed by people in whom I have confidence that this Nation is losing $35 billion a year in gross national productivity because of 5 million unemployed workers.

Mr. KERR. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KERR. As I understood the Senator from Indiana [Mr. CAPEHART], he made a brief reference, in his remarks addressed to the Senator from Texas, to what he did not know. He said that he did not know whether the significance reflected in the resolutions of the Senator from Texas was $1 billion, $2 billion, $2½ billion, or $3 billion.

I am sure the Senator from Indiana was accurate in what he told the Senator

from Texas about what he did not know. I am sure that he did not cover the entire range of what he does not know.

The question I wish to ask the Senator from Texas is this: In view of the fact that the Senator from Indiana does not know whether these resolutions, if implemented, would bring about the accelerated expenditure of half a billion dollars, $1 billion, or $1½ billion, does it not occur to the Senator from Texas that before anyone should take seriously the suggestion that the resolutions be delayed until amendments were offered to increase the debt ceiling beyond the $5 billion increase already authorized, perhaps the Senator from Indiana ought to take the time to determine the effect of the resolutions as to whether the amount involved would be $1 billion, $2 billion, or $3 billion, before urging the Senator from Texas to accept an amendment further to increase the debt limit?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. What I said was that I did not know—and I do not know whether the Senator from Oklahoma knows——

Mr. KERR. Let the Senator speak for himself.

Mr. CAPEHART. I do not know whether the Senator from Oklahoma or anyone else knows how many hundreds of millions of dollars we have authorized and appropriated for these two categories for the fiscal year 1958. I doubt if any Senator knows. I must admit that I do not know.

The point I was making was that I am hopeful that the amount may be as much as $4 billion or $5 billion, and that the President can immediately accelerate the program to the extent of $4 billion or $5 billion.

Mr. KERR. Does not the Senator from Indiana think that while he is finding out some of the details about what he does not know, it would be all right for us to adopt the resolutions, with the assurances which the Senator from Texas has given us?

Mr. JOHNSON of Texas. Mr. President, I point out that anyone who has given any study to the resolutions knows that they provide that the programs shall be accelerated to the greatest practicable extent.

Mr. President, I have been in Congress for the past 21 years. I know when amendments are being offered to confuse a particular situation, and when Members seek to conduct a funeral service over a legislative proposal. I do not question the sincerity of the Senator from Indiana. I am glad to have his viewpoint. I shall be glad to have the administration take any step that is practicable. I was not aware that the administration had asked that the debt ceiling be lifted last year. I thought the then Secretary of the Treasury wanted to keep it where it was. When his successor took office and asked for an increase, I supported him, over the opposition of my chairman.

There is nothing sacred about a debt limit. People who are hungry and who are looking for jobs think we should try to do something to provide employment. Both parties are committed to the Full Employment Act, which Congress passed. All I am trying to do is to urge the Congress to give consideration to a proposal to accelerate all approved projects to the greatest extent practicable.

The Senator from Indiana does not confuse me. I do not believe the Senator from Indiana will be enthusiastic about the resolutions today or tomorrow. I gather from his general observations that if I were to accept his amendments he would still not favor the resolutions. I do not accept the suggested amendment.

We are going to adopt the concurrent resolutions. Forty-eight Senators on this side of the aisle have indicated that they plan to cosponsor them. I hope 47 Senators on the other side of the aisle will do so. In the meantime we shall keep the situation under review.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the junior Senator from Texas.

Mr. YARBOROUGH. I commend the distinguished majority leader for bringing this subject up for action at this time. In support of his resolutions, I cite the fact that there were 20,264 bankruptcy cases filed during the first quarter of fiscal year 1958, 25 percent more than for a like period in fiscal year 1957.

I think the distinguished majority leader is to be commended.

The distinguished Senator from Minnesota [Mr. HUMPHREY] is waiting to deliver a speech. I shall not at this time go into more facts to substantiate the need for these resolutions.

The chickens are coming home to roost, as a result of the tight-money policies. Those policies resulted in breaking small-business men and brought about such a situation that millions of men are walking the streets unemployed.

There is lying on the table today a tax bill proposing to increase the personal income tax exemptions for every American from $600 to $800. That action would put $5.2 billion into the market place. Economists say that that is one of the measures needed today to get purchasing power into the hands of the people.

I hope the resolutions will be adopted.

Mr. JOHNSON of Texas. Mr. President, the assistant chief clerk, Mr. Scott, and the assistant clerk, Mr. Hewitt, of the Appropriations Committee, have informed me, for the information of the Senate, the press, and the Senator from Indiana, that, as of December 31, 1957, there were in the neighborhood of $6 billion of unexpended balances of appropriations in connection with civil and military construction projects.

The Appropriations Committee staff informs me that total unexpended balances for the Federal Government approximate $69 billion. Included in this total are such items as $27 billion for all military functions. Of this $27 billion about $3 billion represents unexpended balances for military construction of the type included in the resolution.

Other major items constituting the total unexpended balance are: $21 billion for authorized expenditures from public debt receipts such as Housing and Home Finance, Federal Deposit Insurance Corporation credits, and so forth; $19 billion for regular departments of Government other than defense; and another billion each in funds appropriated to the President and contract authorizations.

The concurrent resolutions would accelerate, "to the greatest extent practicable," expenditure of the unexpended balances of appropriations of about $6 billion for civil and military construction projects. All we seek to do is to unleash some funds—just as a President once sought to unleash Chiang Kai-shek. In the light of that information, I shall be glad to have the support of the Senator from Indiana.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Massachusetts.

Mr. KENNEDY. This is a serious problem in Massachusetts, when we consider the statistical increase in unemployment from December to January. I am delighted to be associated with the Senator from Texas. I congratulate him for bringing this subject to the attention of the Congress.

We also have a responsibility, I think, under the leadership of the Senator from Texas, in meeting the situation.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. Mr. President——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senator will indulge me for a moment, I wish to yield first to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I am grateful for the opportunity to make this observation, and to ask one question.

First, these resolutions deal only with authorized projects, for which the funds have already been appropriated.

Mr. JOHNSON of Texas. The Senator is correct.

Mr. DIRKSEN. I can see no objection whatsoever to the resolutions. I believe the Senator stated earlier that he had already talked with the chairmen of committees to which these resolutions are to be referred, and that he hoped for very early and expeditious action.

I hope we can get the maximum amount of benefit from the resolutions by calling the necessary witnesses to find out where the projects are which are to be accelerated, what their status is, and what the procurement status is.

I believe we owe it to the country to lay the information on the line, so that everyone will understand what is available, what has been done, and whether there has been any lack of diligence in accelerating these projects. I hope, therefore, that we can devote a few days to ascertaining that information, rather than rushing the resolutions through the committees. We should make certain what the situation is.

Mr. JOHNSON of Texas. I should be glad to have the Senator associate himself with the resolutions. I welcome

his suggestions. However, they have been anticipated. The Senator from Texas explained that he did not ask for immediate consideration of the concurrent resolutions. He stated that he expected them to be thoroughly considered in the committees.

We have prudent chairmen of both committees, and wise members of those committees—with the possible exception of the Senator from Texas, who is also a member of one of them—and while we are not going to rush anything through, we will not merely talk and talk and talk. We will get action on the resolutions. I think we will get action on them at the earliest possible date, and I hope it will be before the middle of the month.

Mr. DIRKSEN. Certainly we can make a good case before the country.

Mr. THYE. Mr. President, I wish to associate myself with the resolution, because we have some projects in Minnesota which have been approved. I believe the resolutions are timely, and I believe they conform to sound procedure, and therefore I am in support of them.

Mr. JOHNSON of Texas. I welcome the Senator. I hope he will inform the parliamentarian to that effect, as well as other Members on his side of the aisle, because I am anxious that this matter not follow any party line. Practically every Member on this side of the aisle feels the resolutions should be promptly considered and promptly voted upon. I hope that the same situation will obtain on the other side of the aisle, because this is an hour of trial and tribulation, and if we ever needed to be unified, it is now.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. I said not once but may times that they were good resolutions and I was in favor of them.

Mr. JOHNSON of Texas. I welcome the Senator from Indiana.

Mr. CAPEHART. However, I believe we ought to go further and make certain that the President of the United States has the money within the debt ceiling with which to do the job. That is the position I was trying to make plain.

Mr. JOHNSON of Texas. We authorized the appropriations without that information and appropriated the money without that information. If the Secretary of the Treasury wants to increase the debt ceiling further, he knows how to get to the Capitol and he knows where our offices are located. He did not hesitate to come here when he wanted to increase the debt limit before, and if he feels it is necessary to do it again, as the Senator from Indiana feels, I have no doubt that the Secretary of the Treasury will do the same thing again.

Mr. President, I am informed that 48 Senators of the majority have cosponsored the resolutions, and that, so far, at least 6 Senators on the other side of the aisle have joined in sponsoring the resolution: The Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the junior Senator from West Virginia [Mr. HOBLITZELL], the Senator from Nevada [Mr. MALONE], the senior Senator from West Virginia [Mr. REVERCOMB], and the Senator from Minnesota [Mr. THYE].

I have requested that should other Senators ask permission before midnight tonight to add their names, they be allowed to do so, and I hope the staff will inform each Senator who is not present at this time of this request. I ask the secretary of the majority to confer with the Parliamentarian to institute such procedure as may be necessary, so that any Senator who wishes to do so may have the privilege of having his name added.

Mr. President, I ask unanimous consent that I may be permitted to insert in the RECORD at this point an observation I made on January 31 when I urged the distinguished Senator from Alabama [Mr. SPARKMAN] to detail a housing program to the Senate, and also to include certain statements I have made before and since that time, and also to have printed in the RECORD a letter report from the chairman of the Rules Committee.

The PRESIDING OFFICER. Without objection, the matters the Senator from Texas desires to have printed in the RECORD will be so printed.

The matters ordered to be printed in the RECORD are as follows:

REMARKS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON ON THE ECONOMIC SITUATION

January 7, 1958, remarks to Senate Democratic Conference:

"It is fundamental, I believe, that however urgent these military problems may be we are faced with the unchanging problem of building a strong country, not a strong military force alone.

"In this perspective, we cannot ignore the problems of three to four million unemployed workers.

"We cannot ignore the grave problems of our farmers.

* * * * *

"We cannot ignore the problem of credit.

"We cannot ignore the soft spots in our economy which are bringing some of our most vital industries into a difficult and troublesome climate.

"We cannot ignore the growing problems of small business."

January 8, 1958, newsletter:

"Our domestic economy is not strong enough so long as our farmers are caught in a tight economic squeeze—so long as there are not enough jobs for people wanting work—so long as small business enterprises continue to fail at an alarming rate—so long as the cost of living keeps going up and the administration's tight money, high interest rate policy places such a heavy burden on our people."

January 14, 1958, address before CBS affiliates:

"Just as we erred in our estimate of what Soviet gains might mean in the realm of technology, so can we err by complacency in our estimate of what domestic losses might mean in the realm of our economic health."

January 30, 1958, remarks on the floor of the Senate:

"There is not a Senator in this body, Mr. President, who is not conscious of the need for capital in our small businesses. There is not a Senator who has not devoted time to the study of the problems of small business; and there is not a Senator who is unaware that, despite the efforts of private enterprise, and of the Small Business Administration, small business remains in great need of capital with which to grow, to compete, and even to survive."

January 31, 1958, remarks on the floor of the Senate:

"We must have a balanced program. The greatest waste which has taken place in America today is that we have nearly 4½ million people who are doing nothing. All their energies, all their talents, all their sweat is going down the drain. They have no jobs to do. All the plants and the tools they have manned are idle. This Nation is losing the productivity of billions a year.

"If tomorrow morning somebody pulled the curtain and showed us a headline which said, 'Four and a Half Million People Walk Out on Strike,' there would be great alarm all over the country. But when we see 4½ million people with no job assignments, we do not seem to be too concerned about it.

"What I want to point out to the Senator is that I think he has made a great contribution today, because if we start a housing program which will look toward the day we can put a roof over the head of every family, we will put some of these people back to work, we will recoup some of these talents and energies which are now idle—we will make this Nation stronger economically."

February 5, 1958, newsletter:

"We have been hearing a great deal about the need for being strong from a military point of view. That need is very real, very urgent.

"Just as urgent is the necessity for being strong from an economic point of view. And we have reason to be disturbed when 6 to 8 percent of the total working population of the country is unemployed.

"Positive action is called for in the situation that exists. All of us hope the predicted upturn in the middle of the year will become a reality. But we cannot afford just to sit around and wait.

"We are in a slump and there is no sound reason to believe it will cure itself.

"The economic sores that are plaguing us now must not be permitted to develop into economic cancer."

February 12, 1958, newsletter:

"Unemployment in the Nation will reach a total of 5 million workers next month, according to a prediction by Secretary of Commerce Sinclair Weeks.

* * * * *

"These are straws in the economic wind that are being watched carefully by Congress. As I have said before, we are not in a depression. But conditions are not as good as they might be. We should not neglect to take advantage of every sound opportunity to improve them.

"Water projects are greatly needed, as we know in Texas.

* * * * *

"Housing legislation offers a positive means of encouraging an upturn in business activity. * * *

* * * * *

"Other affirmative actions to overcome the lag in our economy must be given careful consideration. It should be possible to speed up the roadbuilding program. Small business must have realistic and adequate assistance in obtaining needed credit. Farm policies should be designed to help farmers, not eliminate them. The Government's monetary policy must be flexible enough to meet rapidly changing conditions.

"We do not need to be alarmists about business conditions. But we do need to be realistic and we do need to be watchful. Drifting could be dangerous. It is danger that can be avoided and must be avoided."

February 16, 1958, radio broadcast:

"Let me emphasize that the economic resources of the United States are tremendous. We are a great and powerful Nation. I am not saying that we are drifting toward dis-

aster. What I am saying is that it is just as urgently necessary for us to be strong from an economic point of view as it is for us to be strong from a military point of view.

"All of us hope the upturn that is being predicted for the middle of the year will actually come. But we can't take the chance of just sitting around and waiting. Positive action is called for to make certain that we do not slide along into a recession that could have serious consequences for our people."

February 19, 1958, newsletter:

"The newspapers are headlining the current economic situation. It is not pleasant. At least 4½ million people want to work, are looking for work, and can't find work.

"The problems of 4½ million unemployed are not to be ignored. Without a payroll, they cannot buy pork chops, clothes, or shoes—let alone automobiles. And when buying falls off, the farmers, workers and businessmen who produce those things are threatened.

"There are things that can be done. This country need not resign itself to depression and hard times."

February 23, 1958, address at Harry S. Truman dinner:

"There are problems which cry out aloud for consideration and for action. The Senate Democrats are aware of their deep responsibility for meeting them. Let me list just a few of these problems:

* * * * *

"A farm bill to protect the men and women who work the soil—even if it is vetoed by the President again.

"A housing bill that will be a long stride toward putting a roof over the heads of every family.

"A small-business bill similar to the Federal land banks for farmers.

* * * * *

"A public-works program that will put our unemployed to work and which will represent a sound investment in the future.

* * * * *

"I would like to recommend that the administration start now to plan a public works program. If we are fortunate, we may never need it. But if the situation grows worse, there can be no substitute for foresight.

"I am not talking just about schools, roads, power and reclamation dams which this country always needs whether or not we have unemployment. I am talking about such things as the constructive public works projects of the 1930's which brought into being permanent public improvement in every city, town, and village in America.

"If we do not need such a program, nothing will be lost by planning for it. But if the program becomes necessary, planning now will be valuable insurance and much misery could be spared our people."

February 23, 1958, radio broadcast:

"But the most important of all our resources is people. And there is no greater sin that can be committed than to ignore the needs of men, women, and children.

"Right now, there are 4½ million unemployed in these United States. That means 4½ million people who want to work, who are looking for work—and who can't find work.

"There is no point to a long-winded argument as to whether this condition is a depression, a recession, or just a temporary slump. The only point worth discussing is what we can do and how soon we can do it.

"Folks who are out of work need action—not arguments.

"The chairman of the Senate committees are studying the legislation before them with a view to that objective—action. And the best type of action is that which puts people to work now on solid, substantial projects that represent an investment in the future."

February 26, 1958, newsletter:

"This latest rise in the cost of living comes at a time when the country is in a general business slump—when between 4½ million people and 5 million who want jobs can't get them. It hurts even more than previous increases.

"Unemployment in Texas is now estimated at approximately 210,000, which is close to 6½ percent of the total working force. That is a far cry from the 14 percent unemployment figure that Texas knew in the worst of the depression. But the man who is out of work today cannot find much comfort in the knowledge that many more men were jobless during the depression.

* * * * *

"Congress is aware of the problem. To recognize the problem and to take steps to meet it is not to express any loss of confidence in the future of the country. On the contrary, when we make investments in projects that will produce wealth in the future and also provide needed jobs in the present, we are showing a very realistic faith that the American people will go upward to new heights of prosperity and progress."

March 5, 1958, recording for radio broadcast:

"I am not, and have never been, a pessimist about the future of our country. At the same time, I believe it would be foolishly shortsighted to try to ignore the meaning of an unemployment total of nearly 5 million.

"Congress is aware that a serious problem exists and that soundly conceived steps need to be taken to meet it. This awareness certainly does not show any loss of confidence in the future of this Nation. As a matter of fact, when we make sound investments in projects that will produce wealth in the future and also provide needed jobs in the present, we are showing a profound faith that the American people will go forward to new heights of prosperity and progress."

Mr. JOHNSON of Texas. I wish to close by pointing to one paragraph in my statement of January 31. I said on that day:

We must have a balanced program.

That was during the discussion of missiles and other things people were concerned about.

The greatest waste which has taken place in America today is that we have nearly 4½ million people who are doing nothing.

Since then, 500,000 more have joined their ranks.

All their energies, all their talents, all their sweat is going down the drain. They have no jobs to do. All the plants and the tools they have manned are idle. This Nation is losing the productivity of billions a year.

I trust that the same great minds that have learned how to hurl a missile from one continent to the other will be able to find some approach where men can live in the world together without destroying each other.

I express the hope that these same great minds, some of whom are in the Senate, can find a way to provide jobs for heads of families who cannot get jobs and whose children are going without food. The relief lines are increasing, and the food lines are forming in the Nation. If we have the minds to hurl missiles into space, and if we have the minds to defend our Nation, we ought to have the minds and the ingenuity and the imagination and, what is more, the desire to do something about the present economic situation.

Mr. President, show me a man who can have tears in his eyes when he sees a group of unemployed, and I will show you a real man. We must have the desire to do something about unemployment, not merely speak reams of words about it. We cannot afford to say, "Oh, I will wait until tomorrow."

Twenty-five years ago I listened to that same kind of argument. I saw the Republic almost fall. I saw a brave man come down Pennsylvania Avenue and throw his chin out and say:

The only thing we have to fear is fear itself.

We needed action and we got it. In less than 100 days we had the AAA, the NRA, Federal Deposit Insurance, the Emergency Relief Act, the Securities Act, the Civilian Conservation Corps, the TVA, the HOLC, and a host of other measures. We had a lesson in action that our people will never forget.

Mr. President, sometimes I wonder if this is not where I came in. The events of that day are strikingly similar to what is taking place today. I am not criticizing anyone, and I am not quarreling with anyone. I am asking the Senate to stand up and face its responsibility. I am asking Senators to be men and to realize that this problem exists today, and try to do what we can about it.

Of course the resolutions will not give everybody jobs. In the first place, it involves 6 billion. However, the resolution will accelerate matters. The 200 people without jobs in Austin, Tex., will know that it means a lot to them.

We will have a housing bill next week, and that will give jobs to some people. We will also have a road bill, and that will give jobs to some people. We will have a PWA bill which will provide some plans if conditions continue to go from bad to worse. There will certainly be some action by the Senate and by the Congress as a whole. I have been assured by the responsible leadership that these resolutions will be acted upon, and that there will be action on the housing bill and on a road bill.

Mr. President, I spent all morning talking with committee members. The housing bill will be reported later today and it will be considered on Monday, following the appropriation bill. I hope it will be passed by Tuesday night.

Some of the carpenters who came into my office a few days ago and said that they had men sitting around the union halls, wondering why somebody did not do something about a bad situation in this, the greatest and richest land in the world, will get their answers. Something will be done about it. It will be done by the United States Senate.

If Senators do not want to vote with us, let them stand up and say, "Prosperity is only around the corner, and I will wait until it comes around the corner."

But if the resolutions appeal to Senators, I welcome them to the ranks.

Mr. President, I desire now to make a motion.

The PRESIDING OFFICER. The Senator from Texas has the floor.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1367, H. R. 10881, the second supplemental appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I announce that the appropriation bill will be followed by the housing bill. It is not expected that there will be any votes on the housing bill on Monday. There may be some votes on the appropriation bill. But it is the hope of the leadership to have action completed on the housing bill by Tuesday evening.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESSION—A REPORT AND A PROGRAM

Mr. HUMPHREY. Mr. President, this is a very happy hour for me. The address just delivered by the Senator from Texas is one of his greatest of many fine and great presentations.

Furthermore, he proposes a program of action, with a positive purpose. I believe it is fair to say that no one feels that the resolutions which have been submitted today are anything more than a beginning—at least the beginning of the use of tools and means and appropriations.

Mr. JOHNSON of Texas. They are the beginning of a beginning, I assure the Senator.

Mr. HUMPHREY. The Senator from Texas has indicated quite specifically and pointedly that by legislation further programs will be made available to the administration for purposes of execution and action, and that it will be up to the administration to see to it that they are promptly applied.

I repeat what I said earlier that it is an ironic and paradoxical situation when action against the recession must have its advocates in the legislative body, where we have less statistical information at our command and less information in terms of social and economic developments, while the executive branch of the Government, at best, treats the recession as if it really were not in existence and tries to treat it as if it were only responding to public pressure.

Many of us have been talking about the seriousness of the great recession for some time. We have been accused of being prophets of doom and gloom, and some of our Republican friends have even said that the Democrats are working a great disservice to the country by calling attention to the rapid and persistent business decline. They seem to be saying that if we simply ignore the recession it will somehow magically disappear. Such thinking is about as realistic as to say that if we would stop talking about disease, everyone would be healthy.

It is my purpose today to outline in the RECORD the economic developments which have taken place in the past few years, and the policies and programs which have been pursued and which have ultimately resulted in the present business decline and the mounting unemployment.

If it were not for the seriousness of the current recession, I would term it amusing to hear the Republican charges that the Democrats are attempting to talk the Nation into a depression. For the plain facts are that this recession was brought about by the planning, engineering, and programs of the Republicans themselves. And it is going to take more than "chins up" speeches by the Republican administration to get the country back on the road to prosperity.

This recession, Mr. President, should come as no surprise to anyone who has followed the actions of the administration.

Mr. President, I commend, among others, the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. KERR], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oregon [Mr. MORSE], the Senator from Rhode Island [Mr. PASTORE], and, indeed, the distinguished majority leader and other Senators for having pointed out in the Senate, time after time, that the policies which were being pursued by the Government would inevitably result in a business decline, in unemployment, and in serious economic consequences.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I appreciate the reference which the Senator from Minnesota has just made to the senior Senator from Oregon, but I think the RECORD should show also that, as will be recalled, in March 1953 it was first proposed by the then Secretary of the Treasury, Mr. George Humphrey, that there should be yoked around the neck of the consuming mass of the American people this administration's hard money, high interest rate, tight credit policy. The junior Senator from Minnesota and I were sitting at the time in a Small Business Committee hearing in the Senate Office Building. My assistant laid before me a news ticker announcement of this sad news. I walked over to the floor of the Senate and proceeded then and there to warn the American people about the great dangers which lurked in that selfish program of the administration.

A short time afterward, the junior Senator from Minnesota [Mr. HUMPHREY] joined me; and in speech after speech since then, the Senator from Minnesota has continued to impress upon the minds of the American people the sorry record this administration has made in its whole fiscal policy.

Mr. HUMPHREY. I thank the Senator from Oregon for his statement, which is according to the facts and is right to the point.

The evidence of the decline we are witnessing was indicated many months ago. The truth of the matter is that the administration approved of and instituted policies to hold back the economic growth of the country, under the mistaken notion that it would thereby stop inflation.

First, I call attention to the July 1957 monthly letter of the First National City Bank of New York. I might mention that former Under Secretary of the Treasury, W. Randolph Burgess, presently serving as an Ambassador, was chairman of the executive committee of this bank prior to joining the administration in 1953. In this monthly letter it is argued that the inflation is due to excessive wage demands forced upon business due to the "labor shortage." The real culprit, according to the First National City Bank of New York, is "overemployment" which "builds up payroll costs and consumer demands beyond the productive capacity of the economy and price inflation results."

Not wishing to appear callous, the letter states:

> Certainly, no central bank would set out to "deliberately" create unemployment. On the other hand, it is the duty of the central bank to exercise its best efforts towards ironing out the peaks and valleys of economic fluctuation.

There we see the beginnings of a policy, or the continuation of a policy, which leads to unemployment.

The First National City Bank of New York proposes a very simple solution to solve the alleged "labor shortage," which I quote:

> The way to hold back the pressure of excessive wage advances on prices is to relieve the labor shortage created by attempting too many projects at one time. This can be done by making money harder to borrow and by curtailing public expenditures.

That a powerful and influential bank should make such proposals is not amazing. But it is a matter of concern to the country when such policies are adopted in toto by the administration charged with promoting the welfare of all the people. And such policies were adopted by this administration.

In August of last year, W. Randolph Burgess, who was then still Under Secretary of the Treasury, appeared before the Senate Finance Committee and was asked for his comments on this bank's statement by the distinguished senior Senator from Oklahoma [Mr. KERR]. Dr. Burgess replied:

> I think it is a pretty good statement.

That was in August of the past summer. The entire administration, from the President on down, obviously agreed as tight money became even tighter, interest rates soared to new heights, and

budget cuts were secretly ordered, with no way for Congress to find out, until it was too late.

I have here the analyses of budgets for fiscal 1958 and 1959, as well as, in some instances, back to fiscal 1957, pointing out what happened to the budget, how the ceilings were imposed, and also pointing out the utter and total inadequacy of the present budget as a long-time recessionary measure.

There is no need to review in great detail the administration's tight-money policies. The record is quite complete as to what has happened. We have seen interest rates soar to the highest level in 25 years resulting in interest payments on the national debt increasing by 32 percent in 5 years, bank profits after taxes up 41 percent in 5 years, and interest payments by business, consumers and Government rising 58 percent.

When we reflect upon those statistics, which are documented from Government records, we can understand the tremendous drain and strain which have been placed on the economy, choking off its rate of progress and expansion.

We have seen tight money cause a sharp decline in home construction by killing off the GI loan program and seriously hampering FHA loans as well. We know only too well that tight money has worked a severe hardship on small business and has given large corporations even a bigger advantage over their small competitors as has been testified to here today by the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Colorado [Mr. CARROLL], and other Senators who have pointed out, again and again, what is happening to small business.

Prof. Sumner Slichter, the noted Harvard economist, recently said:

> The present recession is largely the result of overdoing credit restraint, and is causing us to consume valuable inventories of goods and to reduce the rate at which we construct much-needed plant and equipment. • • • Hence, the present recession tends to increase the likelihood of a rise in the price level.

That was a statement by a noted conservative economist, who pointed out that not only is the recession due to the credit policies of this administration, and the excesses of those credit policies, but that because of those policies the price level is going to continue to rise as the recession grips the country.

Yes, Mr. President, the administration has been successful in its plan to bring about a recession. Its tight money policy has brought about the rising unemployment the Republican administration and Republican Party desired. Even Time magazine admitted this when it reported last month:

> Many businessmen received the dip at year's end without alarm because they regarded it as a "recession as planned."

The planned recession, Time indicated, grew out of the "tight money" policies which "worked with grim determination to keep the economy from growing too big, too fast."

But as I have indicated, tight money was only one-half of the plan to assure a recession and increased unemployment. The other half, as contained in the July blueprint of the First National City Bank of New York, was to slash the budget. And the administration did just that when the Director of the Budget, Percival F. Brundage, sent out secret orders to agency heads last summer to hold spending in line with fiscal 1957. This order, which came to light despite the efforts of the administration to keep it quiet, meant a cut in spending of over $2 billion from what the President in January had recommended. Although the President told the American people, over the radio and the television that his budget of $71.8 billion for 1958 provided "funds for all necessary Government activities on a reasonable scale," his Budget Director secretly directed agency heads to start cutting.

Mr. CARROLL. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Does the Senator from Minnesota yield to the Senator from Colorado?

Mr. HUMPHREY. I yield.

Mr. CARROLL. In the course of his speech, does the Senator from Minnesota intend to comment on the statement made by a distinguished economist from the Brookings Institution?

Mr. HUMPHREY. Yes. I appreciate the cooperation, attendance, and participation in the debate, on the part of the Senator from Colorado. A number of economists testified before the Congressional committees, and I wish to quote from their statements, because certainly there is no more completely devastating evidence as to what has occurred and as to who is responsible for it than the testimony given by such economists.

Mr. CARROLL. I believe it was Dr. Watkins who put his finger on the very point the distinguished Senator from Minnesota is making.

Mr. HUMPHREY. Yes. I shall come to that very quickly.

Mr. CARROLL. I thank the Senator from Minnesota.

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I assume that the Senator from Minnesota has read the testimony which was taken by the Joint Committee on the Economic Report, at the recent hearings.

Mr. HUMPHREY. Yes, and I shall quote from the statements of those economists.

Mr. SPARKMAN. Did the Senator from Minnesota notice something which to me was rather significant, namely, that every witness, without exception—save perhaps some of the Government witnesses—called the present condition a recession, and had no reluctance in doing so?

Mr. HUMPHREY. That is correct.

Mr. SPARKMAN. With reference to the cuts in spending, following the appropriations which were made by the Congress, there was testimony before our committee by at least two of the witnesses. As I recall, they were the Chairman of the Board of the Federal Reserve System, Mr. William McChesney Martin, and Assistant Secretary of Defense McNeil. As I recall, both of them testified that one of the causes of the slump in the latter part of 1957 was the reduction in defense contracts. Furthermore, the point was made that whereas we talk about speeding up defense contracts, actually all that is proposed during this year, so far as spending is concerned, is to make up for those that were slumped off during 1957.

Mr. HUMPHREY. The Senator from Alabama is correct, and the tables which I shall include at the appropriate place in the RECORD indicate exactly what the Senator from Alabama has said.

Mr. SPARKMAN. I thank the Senator from Minnesota for his courtesy.

Mr. HUMPHREY. Mr. President, I appreciate the statement the Senator from Alabama has made.

Mr CARROLL. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Mr. President, what the Senator from Alabama has said is exactly what the record shows. In May, there was a $500 million cutback by the then Secretary of Defense, Mr. Wilson. In June, action was taken by the Bureau of the Budget, and there was a series of events which led up to the testimony given before the Joint Committee on the Economic Report. At that time Dr. Watkins put his finger in no uncertain terms on the situation. He said that the cutbacks in defense activities and contracts snowballed into the situation confronting us today.

I am glad the Senator from Minnesota will document this matter. His speech will be one of the most important speeches to be made before the Congress, and it will help us determine what to do regarding the concurrent resolutions submitted today by the distinguished senior Senator from Texas [Mr. JOHNSON], and what to do regarding the future and our future course.

Mr. HUMPHREY. I thank the Senator from Colorado.

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. In a moment it will be necessary for me to leave the Chamber. I believe it will be of interest to the Senator from Minnesota if I point out something which perhaps he already knows, namely, that today the Senate Banking and Currency Committee completed its work on the housing bill, which, if enacted into law, will put people to work. I estimate that it will result in the construction of from 200,000 to 300,000 houses, to be sold at prices which a vast majority of the prospective purchasers can afford; and we estimate that the construction of such houses will provide 500,000 man-years of work.

Mr. HUMPHREY. I thank the Senator from Alabama.

Today the majority leader indicated the progress which had been made on the housing bill, and I am sure all of us are indebted to the distinguished Senator from Alabama for his leadership in this field. We look to him for guidance

and direction. I commend him for the bill which has been introduced and for the speedy action which has been taken.

Mr. SPARKMAN. It is hoped that the bill will be called up on Tuesday of next week.

Mr. HUMPHREY. I thank the Senator from Alabama.

Thus, Mr. President, we see that many months ago the wheels were set in motion for a planned recession. Through manipulation of fiscal and monetary controls, the administration by deliberate design brought about the mounting unemployment and declining business activity of today.

The former Secretary of the Treasury, George Humphrey, in July of last year told the Finance Committee that he was not concerned over the decline in industrial production which had begun in January 1957. When asked by the distinguished junior Senator from Florida [Mr. SMATHERS] whether he thought the decline would continue, the Secretary's reply was:

> Well, I do not know whether it will continue. If the adjustment just rolls on in that sort of way, I think it probably would be a very salutary thing. * * * It is again as I say, it will be an adjustment, and that, you see, Senator, is the happiest thing that can happen to this country.

The Secretary's remarks prompted the New York Herald Tribune to comment that he "did not explain today how he would reconcile his characterization of further cutbacks in industrial production as salutary with his earlier insistence that shortages are to blame for inflation."

The administration's recession blueprint was reported in the Journal of Commerce on July 15 in an article entitled "To Tell or Not To Tell." The lead paragraph read:

> The evidence now points strongly to the conclusion that both the administration and the Federal Reserve authorities believe that a moderate recession now would be a small price to pay for the avoidance of another boom-and-bust later on.

On the same day, July 15, there appeared a column by David Lawrence headed "Preparing for Readjustment—President's Order to Curtail Spending Hinting Planned Recession in 1958." Mr. Lawrence wrote:

> There is more than meets the eye in President Eisenhower's recent directive to all Government bureaus to hold down spending * * *.
>
> It is certain that as Government spending is substantially cut, the wheels of the Nation's economy will be slowed down, some unemployment will be created and wage and price levels will be held steady * * *.
>
> Only one thing is going to stop the inflation and stabilize the purchasing power of the dollar for a while and that's a recession. This means some unemployment * * *.
>
> So the outlook now is for a readjustment sometime in 1958.

Mr. President, that article presents a complete exposé of the administration's plan. In the article, David Lawrence, one of the Nation's leading columnists, and the editor of the U. S. News & World Report, stated point blank that the way to stabilize wage and price levels is to create a recession and to bring about unemployment, and he also stated that that is exactly what the President's directive to the Government bureaus was designed for and that was its purpose.

Mr. CASE of South Dakota. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. Did Mr. Lawrence say that was the design of the President, or did Mr. Lawrence say that would be the effect of certain policies?

Mr. HUMPHREY. Mr. Lawrence said, in the article:

> There is more than meets the eye in President Eisenhower's recent directive to all Government bureaus to hold down spending. * * *
>
> It is certain that as Government spending is substantially cut, the wheels of the Nation's economy will be slowed down, some unemployment will be created and wage and price levels will be held steady. * * *
>
> Only one thing is going to stop the inflation and stabilize the purchasing power of the dollar for a while and that's a recession. This means some unemployment. * * *
>
> So the outlook now is for a readjustment sometime in 1958.

I believe that what Mr. Lawrence said is the truth, namely, that the administration's program resulted in, and was designed for, what they called a relaxation in the labor market and a step directed against inflation. In fact, in the earlier part of my speech, I quoted the Journal of Commerce, which published the following statement:

> The evidence now points strongly to the conclusion, that both the administration and the Federal Reserve authorities believe that a moderate recession now would be a small price to pay for the avoidance of another boom-and-bust later on.

I also said that in the course of testimony before the Finance Committee, former Secretary of the Treasury George Humphrey who was speaking of the "adjustment," as he called it, said in response to a question asked by the Senator from Florida [Mr. SMATHERS]:

> Well, I do not know whether it will continue. If the adjustment just rolls on in that sort of way, I think it probably would be a very salutary thing. * * * It is again, as I say, it will be an adjustment, and that, you see, Senator, is the happiest thing that can happen to this country.

I have quoted the rather disjointed statement made at that time by the then Secretary of the Treasury.

I quote the rather disjointed sentence of the former Secretary of the Treasury, but the whole impact of the statement was that the administration was going to see to it that, by tight credit, high interest rates, cutoffs on spending, the market would be relaxed, as they put it, that an adjustment would take place, and that a recession of a mild type would be foisted upon us.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. I think the quotation attributed to Mr. HUMPHREY by Mr. Lawrence speaks for itself. That was his appraisal, but he did not quote the President as saying that was the design of his policy.

Mr. HUMPHREY. I wish to say to my friend from South Dakota, whether the President knew what he was doing or not is possibly not the issue. I would like to give the President credit for knowing what he is doing. It is quite obvious that what he was doing, according to every analysis made, was to result in a recession; and, in my opinion, even his own officers testifying before committees, including Randolph Burgess, former Under Secretary of the Treasury, agreed with the statement the Senator from Minnesota just made.

Mr. CASE of South Dakota. Will the Senator indulge me a moment further?

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. It happens that I have disagreed with Randolph Burgess on different occasions. I am not here to defend his attitude toward money or prices of gold or other matters; but I call attention to the fact that neither Mr. Burgess nor Mr. HUMPHREY is in the Treasury Department.

Mr. HUMPHREY. That is true. I recall the fact that after Mr. Eisenhower reminded the country in February that things were going to be better in March, he proceeded to see former Secretary of the Treasury Humphrey, and spent the week with him, and George Humphrey was the architect of the recession. The President said that things would pick up in March. Things have not picked up in March. This is the same President who said last summer, "Do not buy. Cut back on buying." It is the same President who, before the Congress of the United States, asked industry not to raise prices or workers to demand higher wages. He says now the way for the people to get out of the recession is by buying goods. This administration has the policy of telling the workers and the people, when they have the money, not to spend it; and when they do not have the money the President advocates that the people get busy and spend what they do not have.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. What is the date of the David Lawrence article?

Mr. HUMPHREY. July 15, 1957.

Mr. CARROLL. I think it is very significant that on September 3, if my memory serves me correctly, the President said, "I am not advocating a buyer's strike," but he asked buyers to use caution. In October—I think it was October 30—the President suggested to buyers that they ought to be careful in their buying. In substance, he said that buyers ought to be very cautious and scrutinize their needs before spending. I think the junior Senator from Minnesota has pointed out the chief concern of the administration at that time was inflation, but it failed miserably to evaluate properly what was developing underneath the surface.

Mr. HUMPHREY. The Senator is correct.

The administration's recession blueprint has come into full flower. The mounting unemployment and drop in production which the administration desired is now a reality. I trust that the Republican Party is pleased at its success, but it comes with poor grace

for GOP leaders to now cry "foul play" when Democrats call attention to the very recession which they—the Republicans—planned for and wanted.

The administration's planned recession—and I underscore the word "planned"—is a direct and willful violation of the Employment Act of 1946, which states:

It is the continuing policy and responsibility of the Federal Government to use all practical means * * * for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

I would remind the administration that this act is still in effect. It has not been repealed. If the administration does not believe in the policies of this act—and it obviously does not believe in them as evidenced by its recession plan—then it should honestly come forward and say so. Such candor on the part of the administration would indeed be refreshing. I realize, of course, that the administration is not given to the idea that the people have a right to know all the Government is doing; it is considered poor public relations to lay its cards on the table. But the American people cannot be treated as silent partners. They cannot be treated as children too young to understand.

But despite the evident seriousness of the recession the Republicans only give us pollyannish speeches. The GOP is again singing a song distressingly similar to one we all remember as being so popular under the last Republican administration, "Prosperity is just around the corner." The tune is the same—only the words have been changed. The modern 1958 version goes, "Things will be better this March."

That is what the President confidently said on February 12, and I quote him:

We have had most of our bad news on the unemployment front.

I submit the statistical evidence by his own Secretary of Labor indicates the President was a poor prophet.

Said Mr. Eisenhower:

I am convinced that we are not facing a prolonged downswing in activity. Every indication is that March will commence to see the start of a pickup in job opportunities.

Joining in the Republican chorus of optimism is former President Herbert Hoover, who last month in a speech at Valley Forge, Pa., assured his listeners that there was nothing to worry about and that the economy would soon be much better. He went on to tell the press that he gave the very same speech, word for word, back in 1931, in the midst of a rather famous depression.

If Mr. Hoover's replay of his 1931 pep talk, coupled with President Eisenhower's variation of the same theme, does not give us cause for alarm and a cold chill, I do not know what will, especially when such optimism is directly contradicted by the economic evidence and by the financial experts. Even Dr. Arthur Burns, the President's own former Chief Economic Adviser, has said he sees no grounds for the President's prediction of a quick recovery..

The Joint Economic Committee, in its recent hearings heard from five leading economists, and not a one of them felt that recovery was in the near future. Prof. Yale Brozen, of the University of Chicago, thought the economy would approach bottom in a month or so, and "then we'll be bumping along on that bottom until the spring of 1959." The most optimistic prediction came from Ralph J. Watkins, of Brookings Institute, and even he said we shall not have prosperity by November, although we shall be in a recovery stage.

Thomas I. Storrs, vice president of the Richmond Federal Reserve Bank, recently referred to the predictions of an upturn by July as the "fad forecast."

Any look at 1958—

He added—

must start from the fact that business is in a widespread depression which is not a "rolling readjustment * * * by any accepted definition."

In its January appraisal of business conditions, the Chase Manhattan Bank stated that "the current problem of excess capacity could be worked off in approximately 18 to 24 months," which would place the trough of the recession some time in 1959.

The Federal Reserve Board has reported that industrial production in January declined, for the fifth straight month, by three points. This brings the drop in production, since only last August, to 8¼ percent.

Barron's Financial Weekly of March 3 reported that business activity declined further in the latest week, according to its business index, which fell off 2.3 points to 83.1. This compares with 114.0 at the end of 1956, and with 108.4 a year ago. It is the lowest point reached since late 1949—and then the index was sharply reduced by effects of a prolonged industrywide steel strike.

Barron's weekly indexes as of February 22 further show industrial production at 168.8, compared to 222.9 a year ago; steel activity at 174.4 compared to 318.4 a year ago; petroleum output at 215.0 compared to 238.9 a year ago; coal production at 87.8 compared to 127.3 a year ago; carloadings at 119.4 compared to 153.2 a year ago; and the paperboard industry—an excellent barometer of business activity—operating as of February 15 at 86 percent of capacity compared to 94 percent a year ago.

I thought my colleagues might be interested in this analysis. I tried to make succinct and to the point the analysis of the economic indexes, which really is a translation of what is happening in our economy.

Barron's makes the following observations:

Obviously, the rise in unemployment is running ahead of the administration expectations.

That sounds familiar. It seems as though some 26 or 27 years ago the rise in unemployment was running ahead of the expectations of the administration which was then in office. Barron's goes on:

Moreover, layoffs are continuing. * * * The recession, moreover, appears to be spreading. * * * Meanwhile, the industries hardest hit by the current decline of business activity show few signs of recovery. * * * Immediate prospects for the hard-pressed metals producers also seem dim, * * * Nor were prospects brighter in oil. * * * Production in the critical auto industry continues to lag far behind the 1957 pace. * * * Whatever measures may be taken by Washington, the hard fact remains that near-term prospects for corporate earnings are bleak.

Barron's Financial Weekly has an obligation to tell the truth about economic statistical information. It is the leading business journal for American free enterprise. Barron's Financial Weekly goes to the White House, I think. Barron's Financial Weekly, I hope, goes to the departments of Government. Barron's Financial Weekly keeps a careful tabulation of the economic development in America.

That weekly in the month of February, at the very time the President was telling the Nation that things were going to be jolly well better in March, was telling the President of the United States that there was no statistical information to support that kind of a totally miscalculated observation.

I think the American people are entitled to know what the facts are. More than that, they are entitled to have someone lay down a policy of action to accomplish the objectives which we seek of full employment and an expanding economy. That is why I was delighted to observe the action taken by the majority leader. That is why I salute the majority leader, and that is why I support the program. It is only a beginning, but at least it is a beginning of a beginning, as stated properly and succinctly by the Senator from Texas. Thank goodness that there are some voices in this Government which are being raised for a program of action, instead of passing out political tranquilizers and economic pep pills, which would do absolutely nothing except to make us feel momentarily that things were not so bad and that they could be worse.

I assure my colleagues that if such a course should be followed things could be worse. It is much like the sentiment expressed on the little card that somebody has handed out. When one looks at it he observes the statement, "Don't worry, things could be worse." And a recipient of the card reports back the next day and says, "You are right; things are worse."

Automobile production, which is such an important force in the economy, is down 28 percent from a year ago. Car sales in February were down 35 percent from a year ago.

Private home construction in 1957 was down 9 percent from 1956 and down 24 percent from 1955. This is the first year since 1949 in which less than a million homes were built. The private housing starts in January, which the administration announced with such fanfare, were in fact 13 percent less than 2 years ago.

Department store sales for the week ending February 15 were down 6 percent from a year before, the Federal Reserve Board reported.

New York City banks reporting to the Federal Reserve show that their business loans for the first 6 weeks of this year fell $607 million as compared to a decline for the similar period in 1957 of $171 million.

Dun & Bradstreet reports that business failures for the week ending February 20 totaled 317 as compared to 300 a year ago. Business failures reported to date in February are the highest since April of 1940.

Unemployment, according to the Bureau of Labor Statistics rose from 3.4 million to 4.5 million in January—the biggest rise in unemployment in any one month since the early 1930's. The Labor Department in January reported that 45 of the 149 areas it surveys are now surplus labor areas with over 6 percent unemployed. This compares with 19 surplus labor areas a year ago and 24 as of last November. Furthermore, of the 45 surplus labor areas reported, 9 of them have unemployment in excess of 9 percent of the working force.

For the week ending February 15, the Labor Department reports that the number of workers drawing unemployment compensation benefits rose to 3,130,200. This is the largest total in the entire history of the unemployment insurance system. The rate of insured unemployment for the week set an alltime high, of 7.5 percent.

I digress for a moment, Mr. President, to state that the Senator from Illinois [Mr. DOUGLAS] has given me the unemployment figures for February, which are shocking.

I wish to state again, as I said when I was interrogated about some of the observations of the distinguished Senator from Illinois, that there is no finer mind in America and no one who knows the economic picture better or is more capable of giving sound observations and analyses of the economic situation than the Senator from Illinois.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Colorado.

Mr. CARROLL. I hope the Senator will not mind if I make a very brief comment about the work of the Anti-Monopoly Subcommittee of the Senate Committee on the Judiciary, which has been investigating the automotive industry. I should like to state what we have found in substance. And our evidence has come not from partisan witnesses but rather from auto dealers who themselves sell the products of General Motors Corp., of the Ford Motor Co., and of the Chrysler Corp. We have learned from these witnesses that purchasing has fallen off to a startling extent. First they say they have been priced out of the market. But finally they testify that the purchasers—the consumers do not have the money with which to buy cars. They further say that those who do have the money will not obligate themselves for long-term contracts.

I should like to make one observation which I consider to have a relation vital to what the distinguished junior Senator from Minnesota is saying. When the people are not purchasing automobiles, the dealers are not ordering from the manufacturers. When the manufacturers are not receiving orders, they begin to lay off workers, just as they have laid off several hundred thousand people to date. When the manufacturers lay off workers in the automotive industry, that action affects the steel industry. Steel this week is still down in production to about 53 percent of capacity. The automotive industry slowup also affects the rubber, glass, and textiles industries. This is the "snowballing" effect which has occurred as a result of the cutback in defense spending and the other administration actions we have been talking about, which began in September, October, and November.

The distinguished junior Senator from Minnesota has aptly said that the economy has not picked up in March. Is it not the consensus of the leading economists that if there is to be a pickup, it will probably come in the third or last quarter of this year?

Mr. HUMPHREY. That has been the analysis thus far. That has been the viewpoint of the most able economists.

Mr. CARROLL. And conservative men.

Mr. HUMPHREY. I should say most able, too.

Mr. CARROLL. And some of them most conservative?

Mr. HUMPHREY. Yes.

Mr. CARROLL. And is it not true that almost without exception they are asking for a program to stimulate the economy.

Mr. HUMPHREY. I think that is true almost without exception, yes.

Mr. President, I should like to state some further economic facts.

Personal income in January was down a full $4 billion—annual rate—from August. Total wage and salary payments were down $2 billion—annual rate—from December, and a full $5 billion—annual rate—below August.

The decline in personal income reflected not only mounting unemployment, but reduced work weeks. The average workweek in manufacturing in January was down 1.5 hours from a year ago, and average weekly earnings of production workers in manufacturing in January were $1.14 below January of 1956.

Farm operators' net income in the fourth quarter of 1957 fell to a seasonally adjusted annual rate of $11.5 billion—a drop of $500 million from the fourth quarter of 1956.

I digress to point out that with such a startling figure staring the Department of Agriculture in the face, the Secretary of Agriculture has come before the committees of Congress to suggest a further price drop in dairy products, wheat, feed grains and other agricultural commodities. Then the Secretary goes around the country saying that when some of us criticize him we are not telling the truth about him. Mr. President, I am afraid if we told the truth about him there would be an uprising. We have told enough about his policies. I speak not of the man himself.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. When the Senator says, "If we told the truth about him," the Senator means, "if we told all the truth about him."

Mr. HUMPHREY. The Senator is correct. I accept that proper and adequate correction of my remarks.

Mr. President, total gross private domestic investment in 1957 was $2.3 billion less than in 1956. In the fourth quarter of 1957 investments fell sharply and were off as compared to the same period of 1956, by a seasonally adjustment annual rate of $7.5 billion.

And still the cost of living soars. In January it rose .6 percent, the biggest monthly rise in 18 months. I say today that without exception every month the administration has assured the American people that the rise in the cost of living was at an end.

Mr. President, it does not give me any pleasure whatsoever to report these facts. These facts show how serious the situation is, and they indicate the time is at hand for strong and affirmative action—the kind of action the White House is not giving and the kind of action our colleagues in the Republican Party hesitate to take.

Somebody defined the difference between an old-fashioned Republican and a modern one, and said that an old-fashioned Republican says "Don't do it," while the modern one says "Do it, but not now." I am afraid that we do not even get the "Do it, but not now" philosophy.

One of the most tragic aspects of this recession is the mammoth waste of our human and material resources.

Let us pause for a moment to reflect that the man-hours lost due to mounting unemployment can never be recovered. Plants and machinery—costing billions of dollars—are being used far short of their capacity.

Our country has never had as great a pool of trained and skilled labor as it has now. We have the greatest industrial plants and facilities in the world's history. And yet such precious resources are not being used at anywhere near the possible maximum. Such waste is a national scandal.

Consider for a moment the drop of $7.4 billion, annual rate, in the gross national product in the fourth quarter of 1957.

In the first quarter of 1958 the drop was even greater than that in the fourth quarter of 1957.

This is twice the amount being spent for our mutual security program.

It equals the interest payments on the national debt which is the second largest single expense of the Federal Government.

$7.4 billion is enough money to meet almost half of our school construction needs. It would meet half of the backlog in hospital construction. It is enough to replace 700,000 slum houses with decent homes.

This is what has been lost. This is what is being wasted. This is what the administration charges off in the name of its adjustment or readjustment.

For a Nation as wealthy as ours, in a world where countless millions live in utter poverty, not to be utilizing to the fullest its industrial facilities and trained work force is to me shameful.

And yet the administration continues to sit on its collective hands.

The President, true enough, did tell a group of Republicans on January 31 that "it is good Republican conviction that Government should continue taking all proper measure whenever necessary to help promote renewed expansion in output and employment." In his "chins up" economic statement of February 12, the President stated that "the firm policy of the Government is to foster this recovery in every sound way."

These are fine, high-sounding words, but like so many words that we have heard from the White House they are not backed up by deeds.

The truth of the matter is that the administration is not fostering recovery, it is not even standing still, it is actually moving backwards.

This is clearly apparent from the budget message which the President presented to Congress on January 13. Since then the President has come forward with no new proposals except his highly publicized $2 billion post office building program which actually turns out to entail Government spending of $175 million a year financed by raising the price of postage stamps.

That is the pump priming. I remind my colleagues that this is the same kind of program that Herbert Hoover recommended back in 1931. What originality. I pay tribute to this administration for one thing. They are at least proper recorders of ancient history, even if they occasionally do not understand its implications.

I have taken the time to study in close detail the President's budget message, and I must agree with columnist Walter Lippmann's observations concerning it:

> What the President has proposed is a narrow concentration on specialized strategic weapons accompanied by a contraction in almost every other field of national activity. The program says, in effect, that if only we can catch up with the Russians in missiles, all will be well, and we can retreat almost everywhere else along the line. * * *
>
> How the program was put together becomes clearer as we see it as a whole. The sputnik has been treated as a challenge to our missile program which has to be met. The new money for missiles and the like has been covered by the President's accepting, as he never has before, the views of those in his inner councils who want to cut back and, in principle, would like to dismantle, the welfare measures which have come down from the New Deal.
>
> No doubt there is room for cutting back on some of the subsidies and grants-in-aid. But the basic conception of the program is, considering the time we live in, a curious one—that this Nation, challenged as never before in its history, is to reduce and contract its national responsibility for the internal development and welfare of the Nation.

The Washington Post also accurately summed up the budget message with these words:

> What is fundamentally missing from the 1959 budget is a recognition that this country cannot operate in these times "on the cheap." The share of the national product that is devoted to defense and to mutual security and to basic domestic services adequate for stable times is not enough for a time of extraordinary change and growth. It is time to face up to the need for a sizable increase in the Federal budget, and to stop pretending that the country either can or wishes to ignore whatever adjustments or sacrifices this may entail.

The President begins his budget message to the Congress by saying:

> The budget for the fiscal year 1959 which I am transmitting with this message reflects the swiftly moving character of the time in which we live.

A careful analysis of the budget, however, reveals that the administration is not, in fact, aware of the swiftly moving character of the time in which we live. The budget message reflects rather that it is not taking the bold, imaginative steps necessary for our Nation to meet the threat of the growing power and influence of the Soviet Union and the internal threat of the current recession which if not checked could do our country irreparable harm.

Looking behind the fine sounding words of the President's budget message one finds that he is actually requesting less in the way of new obligational authority for 1959—$72.5 billion as compared to $73.3 billion asked for last year, and taking into account supplemental requests made for 1958, the total decrease amounts to almost $2 billion.

I have prepared a series of 13 tables which compare the recommendations in the form of new obligational authority, made by the President in his budget messages of 1958 and 1959. These tables are quite revealing, and I ask unanimous consent, Mr. President, that they be inserted in the RECORD at the conclusion of my remarks.

The tables relate to the obligational authority, and give a complete breakdown of the budget requests of the President to the Congress, both in 1958 and 1959.

The PRESIDING OFFICER. Without objection, the tables may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. HUMPHREY. The first table, for example, breaks down authorization requests by four major purposes—protection, civil benefits, interest, and general Government. It shows that even in the field of protection the President has cut his request from $46.1 billion to $45.9 billion. Civil benefits are slashed from $17.9 billion to $16 billion. And interestingly enough, funds for interest payments on the national debt are increased by $500 million, the only category in which there is an increase.

Table II lists the President's recommendations in greater detail according to function. From it we see that while the President requests $698 million more for major national security, he cuts $845 million off international affairs and finance, $46 million cut in veterans' services and benefits, $183 million cut in labor and welfare, the staggering total of $943 million slashed in agriculture, $113 million cut in natural resources, $730 million cut in commerce and housing, and $76 million cut in general Government.

I do not pretend to be an expert on the subject of national defense, but when I read in the President's budget message that "The progress of the Soviets in long range missiles and other offensive weapons, together with their continuing rejection of a workable disarmament, compels us to increase certain of our defense activities," and then I see that his requests for major national security are increased from last year by less than 2 percent, I am somewhat dismayed. Such a meager increase does not even cover the cost of inflation that has taken place this past year and it ignores completely the urgent recommendations of both the Gaither report and Rockefeller report that we are losing our position of military leadership.

Under the category of major national defense the President speaks of the administration's "determination both to increase the tempo of progress in achieving a greater nuclear military capability and to press ahead in our successful development of the peaceful applications of atomic energy." Here, again, we read lofty words only to discover that the President actually has cut his authorization request for the atomic energy program by $102 million from last year—table IV.

Discussing international affairs and finance, the President states:

> The major objectives of our international economic policies and programs is to help build the Free World's strength in the interest of mutual well-being and the maintenance of peace.

The President goes on to emphasize that "it is critically necessary to carry forward our development loans, technical assistance, and other special types of assistance under the mutual-security program."

Fine words, indeed, but again, not backed by requests for funds necessary to carry out the avowed purpose. The nonmilitary-security program is in fact slashed by $777 million—more than 37 percent from last year's request—table V.

Authorization requests for foreign information and exchange activities are cut back by $60 million—table V—while the President states:

> Greater understanding among nations * * * is a necessary part of our efforts to remove the misunderstandings that hinder disarmament, the building of a safeguarded peace, the strengthening of freedom.

But it is in the field of civil benefits that we see the administration really whet its budget-cutting ax and proceed with a vengeance to chop away at the welfare programs instituted under Democratic administrations—programs which the present administration would not dare attack frontally by asking for their outright repeal.

The President tells us his budget message reflects "concern for human well-being" and 22 pages later we learn that this "concern" is shown by recommendations that authorizations for civil benefits be slashed from an estimated $20.4 billion in 1958 to $16 billion in 1959—more than a 20-percent cut.

In contrast to the ambiguous language of most of the budget message

the President is quite explicit when it comes to civil benefits:

> Under present conditions, I am not recommending enactment at this time of certain legislation now pending in Congress for new programs which I have previously advocated. * * * I am also deferring proposals for some other grant programs and for certain new public-works projects.
>
> I am also making recommendations to reduce some programs, to curtail expansion in others, and to transfer greater responsibility from the Federal Government to State and local governments or to private individuals or enterprises. All of these recommendations, in addition to being required by sound public policy, will help to hold expenditures in future years to prudent levels.

Before discussing the President's plans to dismantle domestic programs permit me to cite various authorization slashes called for by the President.

In his budget message the President states:

> The national needs require the development through a strong general educational system of a vast number of aptitudes and skills.

He then proceeds to recommend cuts in educational programs totaling $278 million—a 40-percent slash from last year's budget requests—table VIII. Entirely omitted is last year's recommendation for a federally aided school construction program. And funds for schools in federally impacted areas are cut by $38 million although the President tells us "the Federal Government has a responsibility for aiding school districts when it creates serious financial problems for them."

In the field of public health the President calls for cuts of $50 million—table VIII. Hardest hit is the hospital construction program under the Hill-Burton Act which the President wants slashed by $46 million—a cut of 38 percent—"in view of the progress already made toward community hospital requirements for general beds." The President ignores completely the report of the Public Health Service made July 1, 1957, that there exists a shortage of close to 900,000 hospital beds. Even the National Institutes of Health which has done so much to fight disease is cut back by $9 million.

In the category of commerce and housing the President calls for $730 million less than last year—a cut of 26 percent—table IX.

The President refers to "the rapid growth of our population and its increasing concentration in urban and suburban areas" and then proceeds to request $48 million less than last year for urban renewal—a decrease of 20 percent.

The President speaks of "the goal of a decent home and a suitable living environment for every American family," and then proposes cuts in housing amounting to $507 million—a slash of 54 percent.

Concerning area redevelopment which is of growing importance in view of the recession, the President states: "I repeat my recommendation of last year for the prompt enactment of appropriate authority under which communities with basic problems of persistent unemployment can be assisted in their solution." But when we look in the fine print for his authorization requests to carry out such programs we find not 1 penny as compared to last year's request for $52 million. The President asks for a redevelopment program and at the same time says "don't give me any money, though, to carry it out."

I turn now to agriculture which under this administration has seen farmer's income drop by 23 percent and costs rise by 6 percent. What does the President propose to help this important segment of society? He proposes that agricultural authorizations be reduced for 1959 by $943 million from what he requested last year—table XI. This amounts to a cut of almost 20 percent.

For stabilization of farm prices and farm income the President asks $663 million less, than last year and states:

> Our system of price supports has tended to price key farm commodities as if they were scarce, stimulating continued production in excess of the quantities that existing markets can take at these prices.

What a far cry from the words of candidate Eisenhower when he was campaigning for President in 1952. Then he told the farmers of America that he supported 90 percent parity price supports and he made no bones about it.

For conservation of agricultural land and water resources, the importance of which cannot be overemphasized, the President also calls a retreat by requesting $144 million less than last year—a decrease of 23 percent.

For financing of rural electrification and telephones, requests are cut by $34 million.

And for the Farmers' Home Administration, which makes and insures loans to farmers unable to secure credit from other sources at reasonable rates, he asks $92 million less than last year—a cut amounting to 31 percent.

Turning next to natural resource programs, I call attention to the President's "fact paper" of February 12 in which he states that "expenditures of the Federal Government on civil public works will increase sharply in the current fiscal year and will be still higher in the coming fiscal year." What the President neglected to mention was that in his budget message he is asking for less and not more for public work projects and other programs dealing with our natural resources. His requests for natural resources programs are $113 million less than asked in 1958—table XII.

The President calls for $30 million less for civil functions of the Corps of Engineers. He asks $44 million less for programs of the Department of Interior. For our programs in the fields of forest resources, fish and wildlife, recreation, and minerals, the President requests $98 million less than he did last year—table XII.

The drastic cutbacks in appropriation requests for domestic programs which I have outlined are, however, but one-half of this story. Even more important are the President's proposals to dismantle many New Deal and Fair Deal programs.

The chamber of commerce predicted such a course of action last October, even before the Soviet satellites, when it stated:

> An historic shift in the Eisenhower administration policy may become apparent in the next few months. If carried out successfully, it would change the course of recent Federal-State-local relationships involving billions of dollars in tax money. It could lead to abandonment of a number of proposed programs that have previously been warmly embraced by the administration.

The chamber of commerce's predictions have certainly been accurate. The President's proposals in the field of domestic programs should exalt those who long for those days of so long ago when Calvin Coolidge sat rocking contentedly on the White House porch watching the street cars go down Pennsylvania Avenue.

As a starter the President recommends that Federal grants to the States for vocational education and the construction of waste treatment facilities be completely terminated and that certain revenues be transferred to the States, to carry out these programs.

The President further purposes that Federal grants be gradually reduced for hospital construction, public assistance, school construction in federally affected areas and natural disaster relief.

In the vital area of housing, the President proposes a further retreat. He would end completely the GI loan guaranty program and direct GI home loans. And at a time when interest rates are declining, he asks that the interest rate ceilings on FHA loans be increased and that discount controls be removed. The President also proposes that the Federal National Mortgage Association no longer be required to purchase mortgages at par. He would push on to the States and local communities a heavier share of the cost of urban renewal and slum clearance. On Federal loans for college housing the President asks that interest rates be increased.

The President proposes that conservation payments be whittled down in 1960. He further asks that interest rates on REA loans be boosted. I might add that he comes up with no alternative programs to aid the farmers in their present plight.

Concerning public works, the President not only recommends no new starts, but he furthermore proposes that more of the cost for such programs be foisted upon the States and local agencies and private interests.

This, very briefly, is the President's program to meet the mounting recession. In his own words it is the program "to foster this recovery in every sound way."

It is actually, however, a program of retrenchment not only meaning less expenditures by the Federal Government, but a reduction in the role of the Federal Government. The philosophy behind such proposals is, in my opinion, completely out of keeping with the times when practical men are talking seriously of trips to the moon and of space warfare.

This is not a time for policies and programs—of economic scarcity as embodied in the President's message. Our Nation can only meet the threats and

challenges of the age—both internal and external—by bold and imaginative programs.

We cannot afford to permit this recession to continue and to risk the very real threat of a depression. I agree with Business Week's recent comment that "a United States depression, which could breed economic collapse and political instability throughout the Free World, might be as ruinous to our national security as a lagging missile program."

Mr. President, the worldwide implications of a depression in our country cannot be overemphasized. As the leader of the free world against the totalitarian forces of the Soviet Union, it would be an utter catastrophe if our economy should collapse or even appreciably weaken.

It is time that we take off our blinders and see what is happening. The Soviet Union's sputniks, if nothing else, should have made us realize that we are facing a foreign power with tremendous scientific knowledge, productive capacity, and know-how. We can no longer afford to remain complacent. In the past year alone it is reported that the Soviet economy expanded by 10 percent and if the present trend continues the Soviet Union will match us in the entire economic field within a generation.

And while the Soviets make powerful strides forward, the United States is actually moving backward. The present recession is but a culmination of administration actions which first slowed our economic growth down to a walk, then to a dead stop and now the economy is in retreat.

Nothing could give greater aid and comfort to the Soviet than to see America plunged into a depression. The Communist leaders know full well that our stature as leaders of the free world will be destroyed if our economy does not stand up to the test.

The distinguished columnist, Marquis Childs, in an excellent article February 28 titled "United States Hard Times a Boon to Russia," points out that our European allies are watching very closely our economic decline. He quotes an official of one of the big British trade unions, who said:

> We have always been anti-Communist, but we are now pushing for expanded trade with Russia and Red China. We have got to find alternatives to keep our mills going if you're about to have a depression over there.

Mr. Childs reminds us that during the depression of the thirties American firms were only too happy to sell high-technology equipment to Russia, such as generators and dynamos for big power projects—and top American engineers helped to direct these projects. Idle American factories welcomed such orders and we sold much more to the Soviets than we bought from them.

If our economy falters, our allies and the neutral nations will have little choice but also to make closer economic ties with the Soviet Union. The political repercussions which would follow should give us all concern.

And the worldwide implications of an American recession are not mere speculation. Nations are already uneasy and less willing to trade with us. The Wall Street Journal, for example, in an article on February 24, pointed out that the recession is already causing a drop in United States farm surplus exports which "is threatening to slow or even to halt the drop in the surplus pile." And here is the key paragraph in the story:

> Federal farm men say the United States business drop is making foreign buyers turn more cautious, since most foreigners look on this country as an economic bellwether for the Free World. "Our foreign customers pull in their horns if we seem to stumble," one official remarks. To conserve cash and protect their own producers, officials fear, many foreign lands will tighten import curbs that affect farm as well as manufactured goods.

And we may rest assured that there will be many similar stories to follow if this recession continues. More and more of the free nations will turn by economic necessity to the Soviet Union for trade and financial aid.

Mr. President, the disturbing effects of the growing recession—both domestic and international—were vividly noted in two articles in the New York Times on Monday, March 3.

The first story, by the noted authority on communism, Harry Schwartz, points out that American officials concerned with the economic race between the United States and the Soviet Union believe our declining production coupled with increased Soviet output may be reducing our lead over the Soviet Union to the lowest level in history.

The article notes that Soviet steel production last year was only half that of the United States, but in the first quarter of this year steel production by the Soviets may amount to 70 or 75 percent of our lagging output.

I ask unanimous consent, Mr. President, that this important article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 3, 1958]

DECLINE IN PRODUCTION MAY CUT UNITED STATES LEAD OVER SOVIET UNION TO LOWEST IN HISTORY

(By Harry Schwartz)

The recession is creating mounting uneasiness among United States officials concerned with the economic race between the United States and the Soviet Union.

They suggest that declining production in this country and mounting Soviet output may be reducing the United States lead over the Soviet Union to the lowest in history.

In the first quarter of this year, for example, the estimated Soviet steel production of 14 million tons may amount to 70 or 75 percent of the output here. Last year Soviet steel production was about half that of the United Staes.

In recent weeks, the United States steel industry has been operating at about half of its capacity.

Similar comparisons can be made in oil and coal production, both of which have been declining.

In the case of coal, continuance of the trend for several more months may put Soviet coal production ahead of that of the United States for the first time in modern history.

The officials expect Soviet propaganda to stress this trend and unemployment in the United States.

Adding to the concern are forecasts that suggest the Soviet Union may match the United States in total production within 20 years, even if the United States continues to increase production capacity at the rate of the last few years.

In 1957 the United States gross national product was somewhat over $400 billion as against about $170 billion for the Soviet Union.

Mr. HUMPHREY. Mr. President, the second article by Richard E. Mooney reports that the number of unemployed who have exhausted their unemployment insurance benefit payments is steadily growing. In January alone 147,000 workers exhausted their benefits as compared to 111,000 in December and 107,000 in January of last year. It is also noted that the total number of workers receiving insurance benefits is at a record high and the percentage of insured workers receiving benefits is the highest in history.

The article describes the bill recently introduced in Congress to liberalize and extend unemployment insurance benefit payments. I am proud to have joined in sponsoring this bill (S. 3244) introduced by the junior Senator from Massachusetts [Mr. KENNEDY] and offered in the House by Representative EUGENE J. MCCARTHY.

I ask unanimous consent that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 3, 1958]

IDLE EXHAUSTING BENEFITS; EXTENSION OF PAY SOUGHT

(By Richard E. Mooney)

WASHINGTON, March 2.—The administration is facing growing pressure from a recession statistic that has received little public notice—the growing number of persons who have exhausted their unemployment benefits.

The amount of the payments and the maximum duration vary according to State law.

Liberalization and standardization of the program are the object of bills introduced in Congress 3 weeks ago by two Democrats, Senator JOHN F. KENNEDY, of Massachusetts, and Representative EUGENE J. MCCARTHY, of Minnesota.

Their plan would provide Federal assistance to States during transition to greater payments.

Administration officials are examining the Democratic proposal, but so far the administration position has not changed from that stated in each of President Eisenhower's five annual economic reports.

LIBERALIZATION URGED

These have suggested that the States liberalize their programs and have suggested a maximum of 26 weeks.

The Kennedy-McCarthy proposal calls for payments of up to $40 a week for a maximum of 39 weeks.

Few States have done anything to carry out the President's suggestion.

About 43 million workers are covered by the insurance plan. This is about four-fifths of the Nation's nonfarm wage and salary workers, and a little more than two-thirds of all workers.

New York State pays up to $36 a week for 26 weeks. Florida pays up to $30 for a maximum of 16 weeks. Louisiana pays up to $25

for a maximum of 20 weeks. Pennsylvania's maximum is the longest—30 weeks.

Many of the workers now reaching the end of their benefits were laid off last fall, when unemployment started to climb.

In January 147,000 workers exhausted their benefits, against 111,000 in December and 107,000 in January of last year.

Even after business starts picking up there will be heavy exhaustions, because the man who was laid off first—that is, the longest time ago—is usually the man who is taken back on the job last.

Insured unemployment at mid-February was 3,130,200, and still climbing. This was 7.3 percent of all insured workers—the highest percentage since the system began in 1938.

Unemployment insurance is a Federal-State program financed almost entirely by special Federal and State taxes on employers. Two States, Alabama and New Jersey, also impose a small tax on employees.

Essentially, the State taxes provide the funds that are actually paid out to the unemployed and the smaller Federal tax covers the cost of running the many State programs.

Mr. HUMPHREY. Mr. President, on Monday of this week the distinguished president of the United Steelworkers of America, David J. McDonald, addressed the Economic Club of New York. Mr. McDonald's proposals both as to the role of industry and the Government in reversing the present business recession merit thoughtful consideration. I ask unanimous consent that the summary of Mr. McDonald's remarks as reported in the New York Times of March 4 be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 4, 1958]

BUSINESS IS URGED TO REVERSE SLUMP—McDONALD OF STEELWORKERS WANTS PRICES CUT AND PRODUCTION INCREASED

The leader of 1,250,000 unionized steelworkers proposed last night that industry reverse the current slump by cutting prices and increasing production.

Contending that the planned Government spending appears inadequate, David J. McDonald, president of the United Steelworkers of America, urged a variety of Government measures.

These would provide $1 minimum hourly wages for millions of workers not now covered; increase social security benefit rates; provide effective administrative leadership for 2 million new housing units a year; improve workmen's compensation for injuries and death in part by public resources and expand defense, foreign aid, highway, and school programs.

"This administration must not make the mistake of 1930, 1931, and 1932 in delaying too long the forceful action needed to curtail the growing speed and gravity of the current decline," Mr. McDonald declared in a speech to the Economic Club of New York.

He said labor would recognize its responsibility and not ask preferential treatment or resist the march of technology. Eight hundred business executives attended a club dinner at the Astor Hotel.

Mr. McDonald charged that there had been a deliberate attempt to mislead the American people by tying price rises to every wage increase. From 1939 to 1957, he said, "real hourly straight-time wages" in steel rose 53 percent, whereas productivity went up 71 percent.

Despite drastically reduced output, steel profits reached a record high in 1957, Mr. McDonald asserted. Instead of being increased $6 a ton last July, prices could have been reduced $6, with profits still comparing favorably with most prior years, he contended.

Mr. McDonald voiced fear of a snowball effect from the nearly 5 million workers now unemployed. With steel production down to 54 percent of capacity, more than 125,000 steel workers are unemployed, and 200,000 are working short time, he said.

"During the business slump of 1949," he continued, "rapidly rising Federal, State, and local expenditures and rising automobile sales helped cushion the decline and spark the recovery.

"During the 1954 recession, booming home construction and rising consumer purchases did the same. But I cannot see comparable upward movements in any major area on the basis of current production forecasts.

"If industry asserts no signs of statesmanship in times of need, then the Government must step into the breach."

Representative JAMES E. VAN ZANDT, Republican, of Pennsylvania, spoke on Soviet atomic progress as seen during a trip last fall.

Mr. HUMPHREY. Mr. President, it is time for this administration to realize that there are worse things in life than an unbalanced budget—and one of them is the loss of our fight against Soviet totalitarianism. This concept might be difficult for the administration to grasp, but for the sake of the Nation and the cause of freedom I sincerely hope and pray that it soon begins to put first things first. And freedom must take priority over balanced budgets and reduced expenditures.

Freedom is never cheap. It does not come easily and it is not retained without great effort. And if the administration thinks it can preserve freedom by cutting budgets and relinquishing responsibility, the Nation is in serious peril.

I believe we should heed the advice of Elliott V. Bell, Business Week editor and publisher, who in a recent speech stated that "once a spiral of deflation gets momentum, it is well nigh impossible to halt it." Mr. Bell went on to advise that we "take the risk of doing more than is needed than the chance of doing too little and too late."

I believe that time is rapidly running out for the administration to take actions to stem the business decline. The American people want and need more than chins up statements and assurances that action will be taken if and when necessary.

The authoritative Congressional Quarterly in its February 28 issue reports that the administration may be prepared to wait as late as May or June before calling on Congress to enact an antirecessionary program, should it then appear that a general advance is not about to occur.

The President in his economic statement of February 12 told us that his administration has been engaged in systematic and comprehensive planning for expansion and modernization of public works and buildings, all of them useful public projects to be taken off the shelf when they could most appropriately be undertaken. Yet when the President's assistant for public works planning, Maj. Gen. John Bragdon, appeared before the Joint Economic Committee on February 18 and was asked what the administration's plans were he refused to reveal them.

Is the administration's planned shelf of programs to combat the recession a military secret? Is there some security reason why the American people are being kept in the dark as to the administration's program? Or could it be that there is in fact no real shelf of projects ready to be used?

Just as we do not wait until a fire breaks out to start thinking about setting up a fire department, so we cannot wait until the recession spreads and fans out before we draw up the blueprints and get our machinery in order to get the economy back on the track.

Just what are the administration's plans? We have a right to know, and if there are no real plans we should know that too. To have a shelf of programs ready to use can certainly do no harm. If the economy does shortly right itself—as the Republican leaders tell us it will—no damage will have been caused by having a recession program set up. If the recession continues to gain momentum, however, we will then be in a position to move in quickly and in a coordinated and intelligent manner to deal with it.

There are many things which can be done to cope with this recession. Some programs should be put into effect immediately, while others should be held in ready reserve to be put into operation if and when needed.

On the monetary front it is important that the Federal Reserve Board ease credit. The lowering of discount rates in the past few months and the Board's recent reduction of reserve requirements, although belated and overly cautious actions, are nevertheless steps in the right direction. Further reductions are in order. The Federal Reserve should also purchase Government securities in the open market in sufficient quantities to sizably increase the lending capacity of the banks and to bring about a reduction in interest rates.

The situation is serious enough also to warrant a prompt and meaningful tax cut designed to increase purchasing power. Such tax reductions should go in particular to low- and middle-income people whose declining income has been reflected in declining sales by businessmen throughout the country.

Our economy needs a good shot of increased purchasing power and nothing will bring this about faster than tax cuts to the great mass of the Nation's wage earners.

In view of mounting unemployment, action should be taken immediately to increase unemployment compensation benefits. Such benefits are at present sorely inadequate. Federal standards as to benefit payments are necessary in order to bring unemployment compensation payments up to a decent level. The bill recently introduced by the junior Senator from Massachusetts [Mr. KENNEDY] which I joined in sponsoring—S. 3244—would do just that and I hope it will receive prompt consideration.

We need also to increase social-security benefits—at the very minimum to keep pace with rising living costs.

On the agenda for urgency in any antirecession program must be the determination by Congress to see that the decline in farm income is halted and turned upward once more—both by legislative action and by administrative policies showing more concern for the plight of our rural population who have been suffering from recession far longer than the rest of the country.

I wish to add that today the Committee on Agriculture and Forestry took action to stop the decline. The committee adopted a resolution, which I had introduced and which had been cosponsored by the Senator from Missouri [Mr. SYMINGTON], to prevent any further decline in farm prices and any further changes downward in allotted acres. This is a warning to the administration. In fact, if it is passed, it will be a mandate to the administration to stop tampering with the price structure of agriculture in such a manner as to reduce the prices to a point where agriculture will be driven deeper and deeper into economic depression.

Due to the important role which housing plays in our economy, a meaningful housing program is sorely needed. The GI loan guaranty program and direct GI home loans which are scheduled to terminate this summer should be extended. This program has served as a great boost to the housing industry and with many veterans still not having used their GI benefits it would be a serious mistake to end this fine program.

For the millions of low-income Americans who still live in squalor and for whom decent private housing is simply not available, our public-housing program and urban-renewal programs must be expanded rather than cut back. No one should be living in inadequate dwellings in a country with the resources and wealth which we possess.

And with a growing number of elder citizens we must provide a housing program designed for their special needs along the lines of S. 1694 introduced by the junior Senator from Pennsylvania [Mr. CLARK] which I cosponsored along with others.

To assist small businesses which have seriously felt the effects of tight money and the present recession, it is imperative that they be given both tax relief and greater access to capital. I recommend the establishment of national investment companies to provide long-term loans and equity capital to small-business firms as provided in S. 2160 which I joined the junior Senator from Alabama [Mr. SPARKMAN] in sponsoring last year. Small-business tax relief along the lines of S. 3194, which was introduced recently by the junior Senator from Alabama, and which I cosponsored, is necessary.

Education demands top priority and in view of the shortage of classrooms a meaningful federally aided school construction program is in order. We also need additional laboratory and other facilities for our crowded colleges and universities as provided for in my bill S. 869.

Hospital construction under the Hill-Burton Act, rather than being whittled down as the administration proposes, should be increased to help fill the large shortage of hospital beds. There is a need for more health facilities, and my bill S. 1667 would encourage their being built.

Mr. President, I note that the majority leader today has called for these programs. Let the voice of the Senate go throughout the land. Let us assure the American people that we are going to take action. Of course it will require Presidential signature, and then it will require Presidential administration, and vigorous administration, and quick and effective and imaginative administration, which, I must say, is something that up to this date the Government has not been supplying the American people or the world.

A powerful stimulus to the economy is provided in the multi-billion-dollar interstate-highway program enacted by Congress in 1956. This program should not be stretched out as the administration plans, but rather it should be promptly stepped up.

Mr. President, I am pleased to be privileged to join the Senator from Tennessee [Mr. GORE] in his program of additional highway construction for secondary and primary roads, a program which will add some $900 million to our highway-construction efforts, as a means not only of stopping the recession, but taking care of the transportation needs of the Nation.

Our public-works programs for development of land and water resources should be geared to bolster the sagging economy. We should give particular attention to forest-conservation programs, waterpower development, and the expansion of our Federal recreational facilities so that more and more Americans may enjoy the wonders of nature in our country.

More than ever it is important that consideration be given to the bill (S. 964) offered by the senior Senator from Illinois [Mr. DOUGLAS], which I joined in sponsoring, to provide assistance to economically depressed areas.

These proposals can do much to turn the economic tide and return our Nation to prosperity. Unfortunately, the administration still refuses to act. It holds stubbornly to the idea that vigorous Government action is unnecessary.

I know full well that there are always some who welcome a recession.

They see a business decline as a method to throttle smaller competitors and to hold down wages due to sizeable unemployment.

I recall the testimony in 1949 of Dr. John D. Clark, who was Vice Chairman of the President's Council of Economic Advisers under President Truman:

> We have had presented to us repeatedly in our conferences with representatives of business that very proposal: That the best thing that could happen would be to have a larger degree of unemployment in order that there might be at the factory gate each morning a list of job hunters * * * because that would make labor more eager and more productive.

History has shown us that in a period of recession the larger firms tend to fare considerably better than do small ones. And this recession to date is proving no exception.

I am also aware that the large financial institutions are desirous of policies designed to assure high interest rates even if this means monetary policies which cause the economy to lag.

Let us not forget that the administration's tight-money policies have directly resulted in the highest bank profits in our country's history.

Also note that as our economy has slowed down the number of small business failures has risen, mergers have increased, the gap between small and large corporation profits has widened, and fewer and fewer firms control more and more of the market.

The same is true in agriculture. Under the administration's "economy of scarcity" philosophy, family size farms are vanishing and we see more of the huge and impersonal corporation farms take their place.

Could it be possible that the reason the President is refusing to take effective steps to halt the recession is because he is still listening to and being guided by the same people who advocated tight money policies, who wanted reduced price supports for agriculture, who perhaps convinced him that some unemployment would be good for the country, persuaded him that we were spending too much on national defense, and who convinced him that the Government was spending too much on the great programs of social welfare initiated under the New Deal and the Fair Deal?

I believe, Mr. President, that the American people have the right to know who their President is listening to, and why those people are advising him to do nothing about the mounting unemployment, the continued depression in agriculture, the chain reaction of bankruptcies and mergers in small business—except to make "chins up" speeches. It is time that the President began to listen to the counsels of men who are not necessarily financiers and industrialists. I would suggest that he pay serious attention to the counsel of those who have warned that action must be taken before we find ourselves in utter economic disaster.

I would suggest that the President call upon representatives of labor, of the great farm organizations and of small business to listen to their advice and counsel. I would urge that he ask the advice of responsible economists in our great universities.

I respectfully suggest that it is time the President broaden his circle of advisers. Perhaps then he will realize the peril we face and actions will be taken accordingly to end the recession.

I call upon the President and the administration to heed the counsel of its former chief economic adviser, Dr. Arthur Burns, who, in his recent book, Prosperity Without Inflation, laid down some helpful pointers on how to deal with a recession. Surely that book

is in the possession of the White House. Surely Dr. Burns is an acceptable authority. I quote Dr. Burns' suggested program of action:

There are major principles suggested by experience that can usefully guide governmental efforts to check a recession.

The first principle is that when the economy shows signs of faltering, prompt countermoves are required. Even mild measures on the part of Government can be effective in the early stages of an economic decline.

On the other hand, if action is withheld until a recession has gathered momentum, strong and costly measures may prove insufficient.

Second, efforts to check a recession have to be coordinated, so that the steps taken by different agencies of our farflung Government may reinforce one another.

Third, as far as possible every item of legislation or administrative action, whether it be short- or long-range character, should encourage consumers and business firms to look with hope and confidence to their own and their country's economic future.

Fourth, the actions taken should be on a sufficient scale to give reasonable promise of checking the recession, yet not so powerful as to stimulate extensive speculation or other excesses that may create trouble later.

Fifth, while monetary, fiscal, and general housekeeping measures must to some degree go together, they need to be spaced so as to give the private economy a reasonable opportunity to carry out necessary adjustments and to muster its latent strength.

Sixth, and by the way of partial corollary from the three preceding principles, the emphasis at the start of a recession should ordinarily be on the easing of credit conditions, later on tax reductions for both individuals and businesses, still later on rescheduling of Federal expenditure within totals set by long-term considerations, and—only as a last resort—on large public-works programs.

Of course, advance planning is essential, if public works expenditures are to be accelerated when they may be urgently needed to bolster the economy and if they are to be concentrated, as they should be, on projects that can be completed in relatively short periods and that will serve to support rather than to restrict the opportunities for private enterprise.

Seventh, since no two recessions are alike and since they occur under different circumstances in a nation's life, the policies of Government must be sensitively adjusted to the individual case. Thus, international factors and considerations of national security may at times justify giving early and preponderant emphasis to expansion of governmental expenditure.

As I said at the beginning of this speech, this recession is not going to be ended by mere talk. It is going to take vigorous positive action such as I have proposed today, and such as was proposed today by the distinguished Senator from Texas, the majority leader [Mr. JOHNSON], and by other Senators.

As Dr. Burns warns us, timing is all important. I use the administration's own economic authority for my authority, the illustrious economist, Dr. Arthur Burns. I hope the President will listen to him. Make no mistake about it. If the President refuses to heed the advice of competent and able advisers, then indeed the Nation is in grave trouble.

If the administration holds back while the recession picks up speed even the most costly measures may prove insufficient to turn the tide.

This administration will be judged not by its words but by its actions, and the American people will not accept excuses if this recession continues. I hope and pray that steps will be taken, and taken soon, to restore confidence and prosperity.

Mr. President, the seriousness of the recession is further substantiated by the drop of 1.4 percent in business activity in the last week of February alone.

This sharp decline is according to the New York Herald Tribune's index of general business, which fell to 163.4 for the week ending March 1 as compared to 165.7 a week earlier and 193 a year ago. This is the lowest Herald Tribune index reading of business activity for any normal week since November 1954.

I ask unanimous consent that the Herald Tribune article of March 6 reporting this decline be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUSINESS TREND: HERALD TRIBUNE INDEX OFF 2.3 POINTS

Business activities in the United States declined appreciably in the final week of February, latest available statistics disclose. Current levels, in fact, are the lowest, except for the period of the 1956 steel strike, in more than 3 years.

Based on data nearest March 1, the New York Herald Tribune's index of general business declined to 163.4 percent of estimated normal from 165.7 a week earlier. The current reading is the lowest for any normal week since the second week of November 1954, and is 29.6 points under the index figure of a year ago.

In the March 1 week the production index slipped 3.1 points to 194.6, which compares with 233.4 in the 1957 week. All components showed losses except construction, which was up 3 points, and coal, where output was unchanged. The sharpest dip occurred in electric power production where the overall activity was off 6 points for the week and 4 points below a year ago. Commodity carloadings also were substantially lower, at 161 against 165 in the preceding week and 191 a year earlier. Steel, logged at 108, was off a couple of points for the week. In the 1957 week the reading was 191. Crude-oil production was only a trifle lower.

Some optimism is being expressed by steel leaders with respect to a possible revival of more normal demand. However, there is no actual evidence that such is the case. In fact, a softening is noted in markets for oil-country goods, particularly line pipe. This field had been considered quite stable. Lone Star Steel Co., a major producer of oil and gas pipe, has announced it is cutting work forces a third because of shelving of pipeline expansion programs in the wake of the Federal Court decision in the so-called Memphis case, relating to oil and gas transmission rates.

Top brass of Jones & Laughlin Steel Corp., meanwhile, has issued an estimate that the slump in steel has reached or is near bottom.

Distribution declined last week to 119.3 from 120.9 and compares with an index figure of 145.4 at this time last year. Both components—bank clearings for the outside centers and miscellaneous and l. c. l. carloadings showed losses.

In the financial area the indicator was slightly higher, at 145.9 against 145.7 a week earlier and 137.6 a year ago. The most significant changes were a further easing of money rates and a substantial gain in new financing. Reflecting lessened activities in security markets, stock and bond volume and stock-price changes were all lower. Bank clearings for the metropolitan New York area also declined.

Index of general business

	For weeks ended—		
	Mar. 1	Feb. 22	Mar. 2, 1957
FINANCIAL			
Stock sales	124.0	128.0	117.0
Bond sales	45.0	47.0	36.0
Stock price changes	158.0	163.0	170.0
Money rates	218.0	231.0	291.0
New financing	813.0	741.0	633.0
Bank clearings, New York City	98.0	100.0	95.0
Index of financial activity	145.9	145.7	137.6
DISTRIBUTION			
Bank clearings out, New York City	93.0	94.0	102.0
Carloadings, miscellaneous and less than carload lot	133.0	135.0	168.0
Index of distribution	119.3	120.9	145.4
PRODUCTION			
Construction	140.0	137.0	175.0
Coal production	103.0	103.0	126.0
Crude oil	237.0	238.0	262.0
Commodity carloadings	161.0	165.0	191.0
Electric power production	322.0	328.0	326.0
Steel activity	108.0	110.0	191.0
Index of production	194.6	197.7	233.4
Index of general business	163.4	165.7	193.0

All the above figures are the latest available as of the dates specified. Data on carloadings and coal production, for instance, do not necessarily cover these particular weeks.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Two Economists Criticize Report," published in the New York Times of February 5, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO ECONOMISTS CRITICIZE REPORT—SAY PRESIDENT DID NOT COME TO GRIPS WITH INFLATION OR RECESSION PROBLEMS

WASHINGTON, February 4.—Economists for two business-oriented organizations criticized today the President's economic report. They said it had not come to grips with the problems of inflation or recession.

Herbert Stein, research director for the Committee for Economic Development, attacked the President's frequent pleas for "statesmanlike" behavior by business and labor in setting prices and wages.

"If there is a danger that business or labor organizations have enough power to force us to choose between price stability and high employment," Mr. Stein said, "we must seek diligently for ways to reduce this power, and not only appeal for its restrained exercise."

The committee is a private, nonpartisan economic research organization of businessmen and educators, mostly the former.

WOULD LAY GROUNDWORK

Referring to the current recession, Mr. Stein challenged the report for not having recognized the possibility of a slump's lasting beyond midyear. He said the administration and Congress should be discussing the prospect of an emergency tax cut, and when—and how—to apply it.

"The Economic Report should have laid the groundwork," he declared.

As for the $275 billion limit on the national debt, Mr. Stein charged that the administration had not been "prudent" in asking for a $5 billion increase.

"Even a small deepening of the recession would substantially reduce revenues," he said, "and, if the debt limit is not raised further, would force a squeeze on expenditures that would be undesirable in terms of both national security and economic stabilization."

Emerson P. Schmidt, director of economic research for the United States Chamber of Commerce, also challenged the President on his request for self-restraint.

"This type of thinking [in regard to business] is, in a fundamental sense, a negation of a free-market philosophy," he said. "It is the function of businessmen in a competitive economy to maximize profits, at least in the long run, both in their own and the public interest."

As for labor, he added, "the pious injunction to exercise restraint does not deal with the problem."

"While not all goods markets are perfectly competitive, they are far more competitive than the labor markets," he said.

STIMULANT HELD NEEDED

Mr. Schmidt held that the budget might not provide enough stimulant to lift the economy. He went on:

"It may well be that a tax cut, and tax reform, will be needed to bring the desired results."

Both testified at a hearing on the report under the Congressional Joint Economic Committee.

These developments occurred at other Congressional hearings on economic matters:

Percival F. Brundage, Director of the Budget, reappeared before the Senate Finance Committee as it considered legislation to lift the debt limit. He was asked to come back with more information later this week. This means that Senate action on the administration's request probably will not be completed this week. No action is likely next week because many Republican Members will be out of the city, making Lincoln's Birthday speeches.

A House Appropriations Subcommittee made public testimony on January 16 by Raymond J. Saulnier, Chairman of the Council of Economic Advisers. He said most of the decline in business spending for plant expansion may well have happened already and we probably have seen the major part of the decline in exports.

Mr. HUMPHREY. Mr. President, the least we can do in the coming week is to demonstrate to the American people that Congress is capable of prompt action. I shall bend my efforts toward that end. I join with my colleagues in that hope and that objective.

EXHIBIT 1

TABLE I.—*Recommended obligational authority by purpose*

[Fiscal years. In billions]

Purpose	1958	1959	Change
Protection	$46.1	$45.9	−$0.2
Civil benefits	17.9	16.0	−1.9
Interest	7.4	7.9	+.5
General government	1.4	1.4	0
Allowance for proposed legislation and contingencies	.5	1.3	+.8
Total	[1] 73.3	72.5	−.8

[1] New obligational authority for 1958 is estimated at $74.365 billion due to $6.627 billion in supplemental requests. The 1959 requests therefore actually are $1.913 billion less than for 1958. See p. 6 of Budget, 1959.

Source: Budget 1959, p. M12; Budget 1958, p. M24.

TABLE II.—*Recommended new obligational authority by function*

[Fiscal years. In millions]

Description	1958	1959	Change
Major national security	$43,600	$44,298	+$698
International affairs and finance	2,460	1,615	−845
Veterans' services and benefits	5,042	4,996	−46
Labor and welfare	3,799	3,616	−183
Agriculture and agricultural resources	4,792	3,849	−943
Natural resources	1,559	1,446	−113
Commerce and housing	2,791	2,061	−730
General government	1,438	1,362	−76
Interest	7,360	7,868	+508
Allowance for proposed pay raises	none	339	+339
Allowance for defense contingencies	none	500	+500
Allowance for other contingencies	500	500	None
Total	73,341	72,452	−889

Source: Budget 1958, p. M24; Budget 1959, p. 6.

TABLE III.—*Recommended new obligational authority by agency*

[Fiscal years. In millions]

Description	1958	1959	Change
Legislative branch	$95	$99	+$4
The judiciary	45	46	+1
Executive Office of the President	12	12	0
Funds appropriated to the President:			
Mutual security	4,400	3,940	−460
Other	35	9	−26
Independent offices:			
Atomic Energy Commission	2,520	2,418	−102
Veterans' Administration	4,990	4,968	−22
Other	884	825	−19
General Services Administration	447	336	−111
Housing and Home Finance Agency	1,194	638	−556
Department of Agriculture	5,158	4,107	−1,051
Department of Commerce	944	951	+7
Department of Defense, military functions	38,500	39,145	+645
Department of Defense, civil functions	703	685	−18
Department of Health, Education, and Welfare	3,071	2,793	−278
Department of the Interior	718	583	−135
Department of Justice	235	230	−5
Department of Labor	438	465	+27
Post Office Department	[1] 67	[2] 1	−66
Department of State	230	207	−23
Treasury Department	8,154	8,619	+465
District of Columbia	42	36	−6
Allowance for Defense contingencies	None	500	+500
Allowance for other contingencies	500	500	None
Allowance for proposed pay raises	None	339	+339
Total	73,341	72,452	−889

[1] Based on proposed postal rate increases of $654 million.

[2] Based on proposed postal rate increase of $700 million.

Source: Budget 1958, p. M24; Budget 1959, p. 6.

TABLE IV.—*Major national security—Obligational authority recommended*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Department of Defense, military functions:			
Directional coordination of defense	$17	$356	+$339
Air Force	16,481	[1] 18,044	+1,563
Army	8,539	[1] 9,036	+497
Navy	10,517	[1] 10,720	+203
Other central defense activities	688	784	+96
Proposed for later transmission	[2] 2,258	None	−2,258
Proposed civilian pay raise	None	205	+205
Subtotal	38,500	39,145	+645

[1] Includes proposed military pay raise.

[2] To finance proposed legislation for the new military public works authorizations and increased benefits for members of our Armed Forces.

TABLE IV.—*Major national security—Obligational authority recommended*—Con.

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Atomic Energy:			
Present program	$2,400	$2,298	−$102
Proposed legislation	120	120	0
Subtotal	2,520	2,418	−102
Stockpiling and expansion of defense production	130	70	−60
Mutual security, military	2,450	2,665	+215
Total	43,600	44,298	+698

Source: Budget 1958, p. M27; Budget 1959, p. M15.

TABLE V.—*International affairs and finance—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Export-Import Bank			
Nonmilitary mutual security program:			
Development loan fund	$1,950	$625	−$675
Technical cooperation		164	
Special and other assistance		486	
Other	121	19	−102
Foreign information and exchange activities:			
United States Information Agency	144	110	−34
Department of State, exchange of persons	35	21	−14
President's special international program	20	8	−12
Conduct of foreign affairs—Department of State and other	189	183	−6
Total	2,460	1,615	−845

Source: Budget 1958, p. M24; Budget 1959, p. M23.

TABLE VI.—*Mutual security program—Recommended new obligational authority*

[Fiscal years. In millions]

Function and program	1958 [1]	1959	Change
Major national security:			
Military assistance	$1,900	$1,800	−$100
Defense support	900	865	−35
Subtotal	2,800	2,665	−135
International affairs and finance:			
Development loan fund	500	625	+125
Technical cooperation	169	164	−5
Special and other assistance	396	486	+90
Subtotal	1,065	1,275	+210
Total	3,865	3,940	+75

[1] As requested in President's foreign aid message of May 21, 1957. In budget message of Jan. 16, 1957, the President asked for a total of $4.4 billion: $2.450 billion for national security, and $1.950 billion for international affairs and finance.

Source: President's foreign aid message, May 21, 1957; Budget 1959, p. M21.

TABLE VII.—*Civil benefits—Recommended new obligational authority*

[Fiscal years. In millions]

Function	1958	1959	Change
Labor and welfare	$3.8	$3.6	−$0.2
Commerce and housing	2.8	2.1	−.7
Veterans services and benefits	5.0	5.0	.0
Agriculture and agricultural resources	4.8	3.8	−1.0
Natural resources	1.6	1.4	−.2
Total	[1] 17.9	16.0	−1.9

[1] Actual new obligational authority for 1958 is estimated to be $20.4 billion. See p. M27 of Budget, 1959.

Source: Budget 1958, p. M24; Budget 1959, p. M27.

TABLE VIII.—*Labor and welfare—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Promotion of science, research, libraries, and museums:			
National Science Foundation: Basic research	$46	$58	+$12
Other	50	58	+8
Promotion of education:			
National Science Foundation: Science education	19	82	+63
Department of Health, Education, and Welfare:			
Science and general education programs	451	146	−305
Assistance for schools in federally affected areas	169	131	− 38
Vocational education and other	56	58	+2
Department of the Interior and other	64	57	−7
Labor and manpower	414	432	+18
Promotion of public health:			
National Institutes of Health	220	211	−9
Hospital construction grants	121	75	−46
Grants for construction of waste treatment facilities	50	45	−5
Other	242	252	+10
Public assistance	1,684	1,809	+125
Correction and penal institutions	42	37	−5
Other welfare services	171	165	−6
Total	3,799	3,616	−183

Source: Budget 1958, p. M58; Budget 1959, p. M32.

TABLE IX.—*Commerce and housing—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Postal service	[1] $67	[1] $1	−$66
Community development and facilities:			
Urban Renewal Administration	252	204	−48
Other	12	12	0
Public housing programs	112	126	+14
Other aids to housing:			
Federal Housing Administration	36	----	−36
Federal National Mortgage Association	600	90	−510
College housing	175	200	+25
Veterans' Administration	----	----	----
Other	10	10	0
Promotion of water transportation	489	544	+55
Provision of highways	32	----	−32
Promotion of aviation	583	654	+71
Other aids to business:			
Small Business Administration	66	$39	−$27
Area redevelopment (proposed legislation)	52	----	−52
Other	47	47	0
Regulation of commerce and finance	52	52	0
Disaster insurance, loans and relief	26	14	−12
Civil defense	180	68	−112
Total	2,791	2,061	−730

[1] Reflects proposed postal rate increase.

Source: Budget 1958, p. M39; Budget 1959, p. M38.

TABLE X.—*Veterans services and benefits—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Readjustment benefits:			
Education and training	$758	$625	−$133
Loan guaranty and other benefit	72	93	+21
Unemployment compensation	42	19	−23

TABLE X.—*Veterans services and benefits—Recommended new obligational authority*—Continued

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Compensation and pensions	$3,090	$3,232	+$142
Hospital and medical care	803	806	+3
Hospital construction	54	9	−45
Insurance and servicemen's indemnities	46	52	+6
Other services and administration (Veterans' Administration and others)	177	160	−17
Total	5,042	4,996	−46

Source: Budget 1958, p. M64; Budget 1959, p. M45.

TABLE XI.—*Agriculture and agricultural resources—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Stabilization of farm prices and farm income:			
Commodity Credit Corporation	$1,877	$1,790	−$87
Other	1,453	877	−576
Conservation of agricultural land and water resources:			
Agricultural conservation program	237	235	−2
Soil bank (conservation practice payments)	270	151	−119
Soil Conservation Service, watershed protection, Great Plains, and other	133	110	−23
Financing rural and electrification and rural telephones	249	215	−34
Financing farm ownership and operation:			
Farmers' Home Administration	300	208	−92
Disaster loans	----	----	----
Farm Credit Administration	2	2	0
Research and other agricultural services	270	261	−9
Total	4,792	3,849	−943

Source: Budget 1958, p. M47; Budget 1959, p. M47.

TABLE XII.—*Natural resources—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Land and water resources:			
Corps of Engineers, civil functions	$658	$628	−$30
Department of Interior:			
Bureau of Reclamation	210	202	−8
Power marketing agencies	49	36	−13
Indian lands resources	55	35	−20
Public domain lands and other	31	28	−3
St. Lawrence Seaway Development Corporation	35	----	−35
Tennessee Valley Authority:			
Present program	15	17	+2
Proposed legislation	30	125	+95
Department of State	4	4	0
Federal Power Commission	6	6	0
Forest resources	186	170	−16
Fish and wildlife resources	62	58	−4
Recreational resources	80	40	−40
Mineral resources	89	51	−38
General resource surveys and other	49	46	−3
Total	1,559	1,446	−113

Source: Budget 1958, p. M52; Budget 1959, p. M51.

TABLE XIII.—*General government—Recommended new obligational authority*

[Fiscal years. In millions]

Program or agency	1958	1959	Change
Legislative functions	$80	$82	+$2
Judicial functions	45	46	+1
Executive direction	18	14	−4
Federal financial management	519	508	−11
General property and records management	317	266	−51
Central personnel management and employment costs	107	108	+1
Civilian weather services	41	40	−1
Protective services and alien control	196	198	+2
Territories and possessions and District of Columbia	104	91	−13
Other general government	11	9	−2
Total	1,438	1,362	−76

Source: Budget 1958, p. 69; Budget 1959, p. 54.

ECONOMIC SHORTCOMINGS OF THE ADMINISTRATION

Mr. MORSE. Mr. President, I commend the able Senator from Minnesota [Mr. HUMPHREY] for the analysis which he has given this afternoon concerning the inexcusable economic shortcomings of the Eisenhower administration. As the Senator from Minnesota knows, since I referred to it earlier in his speech, in March 1953, as a member of the Committee on Small Business, I came to the Senate floor on the very day when Secretary of the Treasury George Humphrey announced the fiscal policy of the present administration, and I warned that it would result in great unemployment and would do great injury to the lumber industry in my State, to agriculture, to labor, and to consumers generally.

As I pointed out then, one did not have to be very smart to see it; one had to recall only a few principles of freshman economics to know it.

From that time until now, I have not, at any time, ceased to point out to the American people the inexcusable economic policies of this administration, policies which were designed to help the bankers to make more money by lending less money; policies which were designed to help big business exploit the consumers of the Nation; policies which were designed to create more and more mergers, and to reduce, more and more, the economic freedom of choice by America's small business.

Last fall, the Senator from Minnesota [Mr. HUMPHREY] and the senior Senator from Oregon, as members of the Committee on Small Business, participated in conducting small-business hearings across the Nation. The testimony was uniform. One could strike the name of any city from the front page of any transcript anywhere in the Nation, insert the name of any other city, and the testimony would be the same.

At long last, the American small-business men have awakened to the fact that this administration has been antismall business, antifarmer, antilabor, and anticonsumer generally. It has really been an administration controlled and run by big business.

I point out, however, that during the years of this administration, time and

time again, on this side of the aisle, I have been asking for more action. I felt that we could carry the fight to this administration to a greater degree than it had been carried. It will be recalled that last year I refused to go along with the inadequate housing program which was reported by the Senate committee. I thought it was perfectly obvious that the compromise agreed upon would not do justice to the veterans and the other potential housebuilders of the Nation. I thought that we on this side of the aisle made a great mistake when, a year ago, we did not make the housing issue a major issue and carry the fight concerning it right into the White House.

I am glad to hear today that we will take the stand on housing, which, in my judgment, we ought to have taken for the past several years. Had we taken it, we would not have today in Oregon, for example, mill after mill after mill closed down, and thousands of lumber workers unemployed for the past many months, with the result that Oregon has the highest percentage of unemployment of any State of the Union.

The main reason for this, in my judgment, has been the fiscal policy of this administration. It has resulted in great hardship to the lumber industry and great damage to the construction industry.

So I am happy to associate myself today with the remarks of the able majority leader, Mr. JOHNSON, of Texas. I am proud to be one of the cosponsors of the resolutions he introduced. I am also pleased to associate myself with the remarks of the Senator from Minnesota [Mr. HUMPHREY], as he has so ably analyzed the economic shortcomings of the Eisenhower administration.

FLOOD CONTROL AND RIVERS AND HARBORS IMPROVEMENTS

Mr. THYE. Mr. President, I should like to associate myself with the remarks made by my colleague from Louisiana [Mr. ELLENDER] in his rebuttal of the article in the January 11 issue of the Saturday Evening Post entitled "It All Comes Out of Your Pocket."

The author has taken some facts and used them in a most derogatory manner on all Federal projects. He selected a Minnesota project as one of his targets, with which to prejudice public opinion against beneficial programs. I should like to submit a statement justifying the Knife River harbor project.

Local interests formed an association to develop this harbor and 170 members out of a 600-member community donated $100 apiece for this work. Fifteen thousand man-hours of labor went into this project before the engineers were called for assistance. This project received support from the State government and was justified by the Army Engineers with a benefit-to-cost ratio of 1.3 to 1. In view of these facts, I believe it places the article in poor taste editorially.

I ask unanimous consent to have the statement and a letter which I have addressed to Mr. Ben Hibbs inserted in the RECORD and made a part of my remarks.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THYE

I should like to give you some of the background information on this particular project. Knife River was a community of approximately 600 population, at the time when the investigations were made. Because of extreme interest in the necessity for harbor improvements, the Knife River Cooperative Association was formed. In May of 1949, there were 170 members in the association, each of whom paid at least $100 for one share of stock.

In 1947, the association purchased the land for the harbor at a cost of $5,000. The next year, 1948, a harbor refuge was commenced at a total cost of approximately $40,000.

It was brought to my attention by this association that the commercial fishing industry on Lake Superior in the vicinity of Knife River grossed an excess of $100,000 annually. The trolling industry grossed an excess of $50,000 annually.

A total of 15,000 man-hours had already been expended in this project before the Army Engineers were asked for their assistance.

In 1954, the Governor of Minnesota, the Honorable C. Elmer Anderson, expressed the support of the State government for this project. He pointed out at that time that Mr. Chester Wilson, the State commissioner of conservation, gave his unqualified approval for this project since it would provide improved facilities for the safe operation of water craft used by the department of conservation and other public agencies in connection with law enforcement, management of fisheries, and the protection of other public interests in Lake Superior, would promote safety of navigation in the adjacent portions of the lake, and in general would result in substantial benefits to navigation on the lake and related interests.

The project when completed would provide Knife River with an entrance channel of varying width, 10 feet deep from that depth in Lake Superior; an inner straight channel 8 feet deep, 50 feet wide, and 600 feet long with a spending beach at its inner end having a radius of 150 feet; northerly and southerly side channels 8 feet deep, 50 feet wide, and 150 feet and 250 feet long, respectively; a breakwater about 180 feet long on the south side of the entrance; and certain other changes.

The justification for this project is divided into six categories, as presented in House Document 43 of the 83d Congress. They are as follows:

(1) Increase in fish catch.
(2) Reduction in damages to fishing vessels and gear and reduction in spoilage of fish.
(3) Sport trolling boat benefits.
(4) Recreational craft benefits.
(5) Refuge benefits.
(6) Land enhancement.

There were six local inboard commercial fishing craft which caught an average of 75 tons of fish annually. With the harbor improvement, it was estimated that each craft would make an additional catch of 3 tons of lake trout valued at a thousand dollars per ton and 9 tons of herring valued at $200 per ton thus equalling $4,800. In the computation of benefits, only 50 percent of the expected increase was used giving us a net annual value and benefit amounting to $2,400. A total of 10 fishing boats operated from Knife River and made 922 round trips. In addition, commercial fishing boats based at Duluth and Two Harbors made 272 round trips into this harbor. With harbor improvements, it was estimated that 10 more commercial fishermen would use this harbor as a permanent base. The net annual benefit to these boats would be approximately $4,000. It was also expected that three new commercial fishing boats would use the harbor producing a net value and general benefit commodity of $2,700.

It was estimated by local interests that $2,500 damage was done annually to nets, boats, and landing facilities because of lake storms. With improved harbor facilities, the annual overall benefit due to savings from these excessive losses would amount to $7,500. It was also estimated that the commercial fishermen would be able to save fish which spoiled in the nets when the men were unable to bring them in because of storms. This savings would amount to $2,500. Sport trolling benefits would amount to $1,200. There were four recreational craft based at this harbor in 1947. With improved harbor facilities, four additional recreational boats would locate there and the total annual benefit for recreational craft was estimated at $1,200.

From 1940 to 1954, five lives were lost. The Knife River Harbor is the only harbor between Duluth and Two Harbors and would serve as a refuge for other craft when sudden squalls and storms endangered their boats and lives.

The land enhancement was estimated to be approximately $5,000 and therefore figured on an annual basis, the increased values would be only approximately $200.

In determining whether a project is economically feasible, a ratio is established between the tangible annual benefits to the costs. In this particular case, the benefits amounted to $16,100 per year and the cost was to be $12,500 giving us a ratio of 1.3 to 1. This then should point out the reason why the Congress gave its approval to this project.

WASHINGTON, D. C., *March 6, 1958.*

Mr. BEN HIBBS,
Editor, Saturday Evening Post,
Philadelphia, Pa.

DEAR MR. HIBBS: I cannot let the article appearing in the January 11 issue of the Saturday Evening Post entitled, "It All Comes Out of Your Pocket," go unchallenged.

First of all, I would like to suggest that the readers of your magazine be given a truer picture of the benefits which are derived from these projects which the author attempts to slur Ask the man who has had his farm flooded whether the flood control project which now protects him from further danger about this article. Ask the man who is now producing crops on desert land through irrigation about his opinion on this article. Ask the people who are employed in the harbors which have been improved and are maintained by the Army engineers their opinion.

It is a disservice to the reading public to present supposed facts in such a manner. I know that you will not permit a rebuttal and therefore suggest that persons who are interested in a more factual presentation secure the March 4 CONGRESSIONAL RECORD and the March 6 CONGRESSIONAL RECORD or copies of the reprints which will be made available on this subject.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

PROPOSED HELLS CANYON DAM

Mr. MORSE. Mr. President, on February 25 I spoke on the subject, Hells Canyon Dam, the Dam That Will Not Die. In the course of the speech, I

pointed out that it would be to the economic advantage of the American people to buy the pygmy dam, known as Brownlee Dam, which is being constructed by the Idaho Power Co., and to use it until such time as the Hells Canyon Dam could be placed in operation. Then Brownlee Dam could be dismantled and much of its material, such as the generators, could be salvaged. We could then proceed to give the American people the full potential of this broad reach of the Snake River, which can only be realized by the construction of Hells Canyon Dam.

In my speech of February 25, I said that if that course of action were not followed, I would be perfectly willing to have it read in the CONGRESSIONAL RECORD 50 years from today that the American people recognized how right we were who fought in 1957, 1958, and in the preceding years, for Hells Canyon Dam, because, sooner or later, that dam will have to be built if the people are really to have the maximum development of the economic potentials of that reach of the Snake River.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement of Mr. J. T. Marr, president of the National Hells Canyon Association, before the Oregon Water Resources Board, in a public hearing at Portland Oreg., January 21, 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF J. T. MARR, PRESIDENT, NATIONAL HELLS CANYON ASSOCIATION, TO THE OREGON WATER RESOURCES BOARD, IN PUBLIC HEARING, PORTLAND, OREG., JANUARY 21, 1958

My name is J. T. Marr. I am executive secretary of the Oregon State Labor Council, AFL–CIO, with offices at the Labor Temple, Portland, Oreg. I am appearing today as president of the National Hells Canyon Association, 1135 Southeast Salmon Street, Portland.

I appreciate the opportunity of appearing before the water resources board on the subject of Middle Snake River development. The National Hells Canyon Association was organized in 1953 for the specific purpose of working to secure the maximum comprehensive development of the Middle Snake at Hells Canyon, and later on, at Nez Perce.

In order to expedite this hearing, I am limiting my oral testimony today to one problem connected with the full development of the Hells Canyon site: Brownlee Dam. Before I begin, however, I would like to present several exhibits to the board, and to describe them briefly.

The first is a copy of the association's brief to the Federal Power Commission examiner in the Mountain Sheep-Pleasant Valley case; and the second is a copy of our exceptions to the examiner's decision in that case. Since the State of Oregon is also an opposing intervenor in the Mountain Sheep-Pleasant Valley proceeding, we thought that the board members would like to have this information. Additional copies of both are available for the board; and I would also like to add at this point that we will be happy to provide the board with whatever information we can on our intervention in this case, at your request.

The third exhibit is a memorandum prepared by the association in August 1957 on the subject of development of the Snake and Salmon Rivers.

The fourth is a copy of the testimony I delivered to the United States Army Corps of Engineers at its hearing in Portland on November 15, 1957, on the review of House Document 531.

The fifth and sixth exhibits I would like to explain in greater detail. One is a copy of the December 1957 issue of the Hells Canyon News, to which is attached an article by Associated Press Foreign News Analyst Thomas Whitney. (The latter appeared in the Oregon Journal on December 29.) The subject of the Hells Canyon News is the Soviet Union's recent announcement that it intends to surpass the productive capacity of the United States by 1972, as that relates to our own Nation's economic future, and especially as it relates to the economic growth of the Pacific Northwest. The News has attempted to put the issue of full, low-cost Federal development of our Columbia River resources in the context of our overall regional and national economic strength. I believe that this subject is of the greatest importance to our State, region and Nation, and that the board should consider it carefully in making recommendations for development of the Middle Snake. I have brought with me several extra copies of the News, without the attached article.

The sixth, and last, exhibit, relates in a most interesting and useful way to the fifth, and to the subject of this hearing. It is a copy of a memorandum of the chairman to the members of the United States Senate Committee on Interior and Insular Affairs, dated December 20, 1957, and entitled: "Relationships of River and Related Water Resource Development Programs of the United States, Soviet Russia, and (Red) China." This report outlines in some detail the plans and programs of the U. S. S. R. and China for hydroelectric development; and compares those plans and programs with our Nation's lesser programs for river development.

As I said in the beginning, the subject of my statement today will be the problem created for full development of the Middle Snake—specifically, the Hells Canyon reach—by the existence of Brownlee Dam.

What I want to show the board is that if the Federal Government decided to allow Brownlee to be fully completed—rather than stop it in its present stage of construction—and then paid Idaho Power Co. the full amount of Brownlee costs (which we assume will be about $76 million), the Government could make an actual profit of between 11 and 12½ million dollars by flooding out Brownlee Dam when high Hells Canyon Dam is completed.

This could be brought about as follows: Upon its completion, the Government could assume ownership of Brownlee Dam by paying the Idaho Power Co. the total amount of its costs, or $76 million, which would be borrowed from the Treasury at a rate of 2½-percent or possibly 3-percent interest. The Government could deduct from this amount at the beginning $7 million in land and relocation costs which will be usable to high Hells Canyon Dam, bringing the total down to $69 million. During the 10-year construction period of high Hells Canyon Dam, the Government could operate Brownlee, and sell the entire output of Brownlee to the Idaho Power Co. at a rate of 4.6 mills per kilowatt-hour—or what it would have cost the company to produce the power itself. The revenue from the sale of this power to Idaho Power Co. could be used to amortize the Governments' investment in Brownlee during the 10-year period. Finally, at the end of the 10-year Hells Canyon construction period, the Government could salvage $15 million in reusable equipment from Brownlee, including generators, transformers, etc.; cut a channel through Brownlees at a cost of $4 million; and put the high dam into operation.

The attached table—there are extra copies here for distribution—is based on a 3-percent rate of interest, which is probably high, and shows that the Government may realize a net profit of $10,900,000 at the end of the 10th year of Brownlee operation.

The figures utilized in the table are all extremely conservative. It is likely that the Government would realize a far greater profit than that shown here.

In conclusion, I would like to state that Brownlee Dam is no obstacle to the construction by the Federal Government of high Hells Canyon Dam. It may, in fact, lower the cost of the high dam by many millions of dollars. Brownlee cannot be used as an argument against the full development of the Middle Snake River. We must continue to press for authorization and Federal construction of Hells Canyon Dam, for its superior and greater power, flood control, navigation, irrigation and other public benefits. When the high dam is completed, even Idaho Power Co. will benefit from its large supplies of power, sold at the usual low Federal rates.

In conclusion, therefore, we urge that the board include Hells Canyon in its list of projects for the maximum economic development of the Middle Snake River.

Mr. MORSE. Mr. President, it will be seen that that testimony was the source of a good deal of the statistical information I used in my speech of February 25.

I have said to Mr. Marr—and I wish to repeat the statement for the record—he is to be highly congratulated for the analysis he prepared in regard to this matter, and I have been very proud to work with him for a good many years in connection with this historic Hells Canyon fight.

In closing my statement at this time on this question, I would refresh the memory of the Senate regarding the observations made to the Senate by the Senator from Louisiana [Mr. ELLENDER] following his three trips to Russia, regarding the progress being made in Russia with hydroelectric development; and I would have this administration pause long enough to give some consideration to the danger signal the Senator from Louisiana raised when he pointed out that in the next 18 months, Russia will surpass the United States in hydroelectric development; and within the next few years the Russian program, already in the blueprint stage, will exceed by several times America's program of hydroelectric development. In fact, the Senator from Louisiana has pointed out that Russia is in the process of building dams not only larger than the largest dam in the United States, but—as I recall the figure he gave—at least one of the Russian dams will be 3 times larger than any dam in the United States.

Mr. President, have people in the United States reached the point of such economic timidity or such lack of confidence in the future of our country that Russia will be allowed to outstrip the United States in the development of energy? Are Americans going to blind themselves to the unanswerable, historic fact that a civilization is dependent upon the development of its energy potential?

Mr. President, civilizations do not progress or climb if their energy resources decline or stand still or do not keep pace with their growing populations and their growing economic needs.

Mr. President, the underdevelopment program of the Eisenhower administration in connection with our river basins

fails to meet the future energy needs of America.

I believe it is very well that Mr. Marr pointed out, in his testimony, the desirability of our doing whatever is necessary to be done in order to see to it that Hells Canyon Dam rises, even though it becomes necessary to buy out Brownlee Dam and salvage it.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

ARMAMENTS AND ARMS CONTROL IN THE WESTERN HEMISPHERE

Mr. MORSE. Mr. President, yesterday's Washington Post carried an article by Drew Pearson concerning talks which are alleged to be taking place among South American ambassadors to the United States on the question of armaments and arms control in the Western Hemisphere.

I ask unanimous consent to have the Pearson article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISARMING IDEA IRKS LATIN CHIEFS

(By Drew Pearson)

A Costa Rican proposal for limiting armament in Latin America has thrown Pan American diplomats into a tizzy and inspired a secret meeting at the home of Ambassador Luis Quintanilla, of Mexico, to oppose the move.

The proposal was made by Ambassador Gonzalo J. Facio, of Costa Rica, a country which has no army to speak of and lives alongside heavily armed Nicaragua. Ambassador Facio has proposed that Latin America could set a peaceful example to the world by spending their money on highways, health, and education, rather than on arms which they don't need. He points out that Latin America has set an example to the world in preventing war for the last two decades and that the chief use of armament in recent years has been to build up dictators.

Surprising opposition to the Costa Rican proposal came from Delegate Quintanilla, one of the pillars of Pan American solidarity who has done an outstanding job in mediating disputes between Latin American countries when threatened with war.

Quintanilla is the dean of ambassadors to the Pan American Union. To his house he invited most of the Latin American diplomatic corps.

There he argued that the United States and Costa Rica were trying to disarm the rest of the Western Hemisphere and thus endanger the other nations. He even seemed to think that the United States had designs on Mexico and that Mexico had to keep a big army in order to defend itself against the United States.

"Mexico will not disarm unless the United States is subject to the same limitation," he told colleagues.

BRAZIL IS CALMER

Other ambassadors at the meeting, which included Brazil, Argentina, Bolivia, Colombia, Dominican Republic, and Uruguay, did not entirely agree.

"Maybe our friend from Costa Rica has been a little sudden in his proposal," said coolheaded Ambassador Fernando Lobo of Brazil. "Maybe we should put his resolution on the stove to cook a little.

"I cannot see how we can suspect the United States of wanting to disarm us. After all," he said, "most of our arms in the past have come from the United States."

Communist and leftwing groups in Latin America have been extremely critical of the Costa Rican proposal, claiming that it is a conspiracy between the United States and Costa Rica to put the rest of Latin America at the mercy of the United States military.

On the other hand, Oswaldo Aranha, former Foreign Minister of Brazil and head of the Brazilian delegation to the U. N. Assembly last winter, privately urged that the Pan American Union take the lead in limiting arms. He was surprised that the American nations, which have led in other matters, had only an arms pact for inter-American defense.

The United States has been subject to criticism in the past for building up dictators by sending arms to Latin America. Hence surprise at the bitter leftwing criticism of the United States over the Costa Rican arms proposal and the charge that the United States wanted to dominate the Western Hemisphere by getting other nations to reduce their armies.

"One American H-bomb would knock out most of Mexico," remarked one South American diplomat, "and it wouldn't make much difference how many machineguns, tanks and artillery there were in the Mexican Army. However, I don't think the United States is going to drop that H-bomb, so we might just as well save some money on arms."

Mr. MORSE. Mr. President, according to the article, there is a division of opinion among these ambassadors concerning the needs of their countries for armaments. The Ambassador from Costa Rica is quoted as taking the lead in suggesting an end to expenditures for conventional weapons, and an increase in expenditures for economic and social development.

I want to commend most sincerely Ambassador Facio and his government for their leadership in the Western Hemisphere on this issue. On February 10, I suggested in a Senate speech that America end its military assistance in South America, and instead devote that money to economic investment, perhaps through the Organization of American States, to raise living standards in the hemisphere.

Frankly, after studying the foreign-aid surveys made last year for the Special Committee To Study the Foreign Aid Program, I can see little value in arms shipments, either by grant or purchase, to most of our South American neighbors. Their military establishments have little connection or relevance to the security system we have devised for our defense against possible Soviet attack. One excuse given for military aid to South American countries is that it is needed to guard against Communist subversion. That leads me to observe of South America what is equally true of so many low-income nations in Africa and Asia which we also supply with arms: Communist subversion is far more threatening where social and economic poverty are a way of life than where people can see that democracy and free enterprise make tangible improvements in their daily existence.

I am also intrigued by the position reputedly taken by the Mexican Ambassador, to the effect that Mexico needs weapons of war in order to defend herself against the United States. Mexico is presently eligible for military assistance from us, both by grant and by purchase. If her Government thinks it must have an armed force for defense against American aggression, its fatuousness is exceeded only by our own in continuing to supply weapons to any country which thinks it needs them for such a purpose.

Therefore, Mr. President, I would raise serious question as to the feasibility or advisability of arms shipments to Mexico.

Yesterday the Foreign Relations Committee held a public hearing, at which the Assistant Secretary of State for South American affairs, Mr. Rubottom, was the chief witness. The senior Senator from Oregon examined him at some length in regard to the United States policy of supplying arms to South American countries.

I speak most respectfully when I say I found the Secretary anything but convincing in support of the administration's policy. I pointed out to him, as chairman of the Subcommittee on Latin American Policies of the Committee on Foreign Relations, that I intended to pursue the matter with him further, in much greater detail, but I thought he should at least have an opportunity yesterday to set forth on the record what he considered to be the administration's rationale for its policy of arms shipment to South America.

I was very much interested in some of the arguments the Assistant Secretary of State presented. I discussed with him arms aid to Guatemala and the two crises in recent years in Guatemala, which is supposed to be a country in which there is a serious threat of a Communist takeover. I asked Mr. Rubottom if he thought the result in Guatemala would have been any different if we had not supplied any arms to Guatemala. His testimony was he thought the results would have been the same. I then asked him the question, "If that is true, then, why the arms in the first place? What was accomplished by sending the arms?"

I said I thought I had taken the weakest possible case for those of us who are against the shipment of arms to South America, and the strongest possible case of the administration. I think we would generally agree that we should do all we can, within the framework of international law, to prevent the spread of communism in South America. The Assistant Secretary of State testified that if we had not shipped any arms at all, the result would have been the same. I suspect he is right. I felt that, rather than establish the administration's case, it helped prove mine, namely, that we had better make a new appraisal of the whole policy of shipping arms into South American countries, for the reasons I set forth in a series of colloquies with the Assistant Secretary of State yesterday afternoon.

I pointed out to the Assistant Secretary of State that had he been with me in India at the Interparliamentary Conference of Commonwealth Nations he would have heard some of the delegates from the parliaments of some of the commonwealth countries of Asia and Africa express their severe criticisms of the United States for American policies in South America and for the shipment

of arms into South America, and their statements—and it is difficult to answer them—that to no small extent the shipment of such arms strengthens dictatorship in South America and suppresses freedom.

That is why, as a member of the Foreign Relations Committee, as the present Presiding Officer, the Senator from Minnesota [Mr. HUMPHREY], well knows, I have pleaded time and time again for a foreign-aid program in the underdeveloped nations of the world based upon bread, not bullets. And upon the building up of the economic productivity of the people of those underdeveloped areas. If it is desired to prevent the inroad of communism in those areas, we had better pay much more attention to the stomachs of the people in those areas, rather than send them bullets. The people there are not interested in bullets; the people are interested in bread. I use the word "bread" in this analysis as a descriptive term to point out that what we need to do in the underdeveloped areas of the world is to demonstrate, by exporting capitalistic products into those areas, that our economic free way of life is far superior to the police-state economics of Russia.

Yesterday in the hearing I discussed with the Assistant Secretary of State, Mr. Rubottom, Cuba, which today, under Batista, is a dictatorship, and, in my opinion, a Fascist dictatorship, and I said so at the hearing yesterday. There was no denial on the part of the Assistant Secretary of State that the Cuban regime is not democratic. There was no denial on the part of the Assistant Secretary of State that the Cuban regime is a dictatorship. There cannot be any denial on the part of the Eisenhower administration that we are shipping arms into Cuba to strengthen that dictatorship. That fact was also pointed out to me in India.

If we have any idea, Mr. President, that the leaders of the free nations of Asia and Africa are not aware of the double standard of American foreign policy, of the difference between our professings and our pratings about supporting freedom around the world and our practice of strengthening dictatorships in many parts of the underdeveloped areas of the world, I cite Cuba, because they referred to Cuba, as one of the several examples.

So I asked the Assistant Secretary of State if he believed the shipment of American arms to Cuba had strengthened Batista's dictatorship, and I elicited from him—because he is an honest witness, Mr. President—the admission that he believed it undoubtedly had. But he said he would like to point out to the Senator from Oregon, and I paraphrase his statement, that on June 1 there will be an election in Cuba. I said, "What kind of an election?" There are elections in Russia, too, Mr. President.

I am never moved by semantics. The problem is not answered by putting a semantic label on it. I wanted to know whether there is going to be a free election. So I asked the Assistant Secretary of State to tell us why the United States was not exercising any leadership, through the United Nations, in trying to get United Nations supervision of the election in Cuba. His reply, and I paraphrase him accurately, was that we were not doing that because it might be interpreted, and rightly so, by the Cuban Government, as an intervention in the internal affairs of Cuba.

It is interesting that when elections are called in other types of totalitarian states—Communist totalitarian states—we hear much from Dulles and others in this administration about bringing United Nations pressure to bear for United Nations supervision of elections. I am all for it. I have stood with Dulles on those occasions. But here once again John Foster Dulles follows a double standard.

We find our State Department urging supervised elections in Communist satellite countries. I am in favor of that. But when it suggested that we should use our prestige in the United Nations to have supervised elections in Fascist states such as Cuba, to which we send arms to strengthen fascism, we are told by the Assistant Secretary of State that it involves an intervention in the internal affairs of that country.

I want to say, Mr. President, that Mr. Rubottom did not sell me that bill of goods. I did not buy it.

As chairman of the American Republics Affairs Subcommittee of the Committee on Foreign Relations, I am going to proceed, as I told Mr. Rubottom yesterday, with a further analysis of the whole American policy in South America with respect to the shipment of arms.

As I pointed out yesterday, and as I say in the Senate Chamber today, one of the effects of this policy has not been to strengthen freedom in South America. In my judgment, the sad fact is that the policy has been conducive to rivalries among military juntas. It has been conducive to causing in no small measure unfortunate internal tests of force among various revolutionary groups.

I think, Mr. President, there would have been more stability in South America if the United States had been sending to South America more bread and fewer bullets.

I am very much interested in an editorial published in the New York Times of March 4, 1958, entitled "The Church in Cuba."

I ask unanimous consent, Mr. President, that the editorial be printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CHURCH IN CUBA

There are few developments more significant or interesting in the contemporary history of Latin America than the way the Roman Catholic Church has been moving in against the military dictatorships. So far as Cuba is concerned, it certainly is true that the action of the Catholic hierarchy in calling for a national union government on Friday ranks as one of the most important events in the island's recent history.

Cuba's cardinal and the bishops of all six Cuban provinces were intervening in strife-torn Cuba for the first time. The move came as such a shock to the Batista government that its first reaction was to ask the newspapers and radios not to publish the news. This was properly and courageously refused.

The military dictatorship rightly saw the church's move as a hard blow. In the first place it gave the rebel movement, which is chiefly although by no means wholly dominated by Fidel Castro and his 26th of July movement, the dignity of an opposition on a par with the pro-Batista forces. In the second place, it was a repudiation of the government's claim that all except a minority of Communists and criminal rebels wanted to hold elections on President Batista's terms on June 1.

For General Batista to accede to the church's appeal would have been recognition of the strength and following of the opposition. It was therefore to be expected that he would refuse, as he did. However, this cannot and does not end the incident. The church has great respect and prestige.

The fact that the church played important roles in the overthrow of the military dictators in Argentina, Colombia, and Venezuela is a warning that General Batista can hardly be overlooking. It seems as if church opposition to predatory dictatorships is becoming an established pattern in Latin America. If this is so, the champions of democracy in the hemisphere can rejoice and the few remaining dictators can tremble.

Mr. MORSE. I desire to read only a part of the editorial. The editorial shows that Cuba, which is a predominantly Catholic country, has found that the church in Cuba has been a great force on the side of freedom and against military dictatorships. I think the church is entitled to great commendation for the position it has taken in Cuba in opposition to the military dictatorship of Batista.

The editorial states:

There are few developments more significant or interesting in the contemporary history of Latin America than the way the Roman Catholic Church has been moving in against the military dictatorships. So far as Cuba is concerned, it certainly is true that the action of the Catholic hierarchy in calling for a national union government on Friday ranks as one of the most important events in the island's recent history.

Cuba's cardinal and the bishops of all six Cuban provinces were intervening in strife-torn Cuba for the first time. The move came as such a shock to the Batista government that its first reaction was to ask the newspapers and radios not to publish the news. This was properly and courageously refused.

The remainder of the editorial goes on to say that the Catholic hierarchy in Cuba has stood strongly and firmly on the side of freedom in Cuba and against a regime of military dictatorship.

I shall close my remarks on this subject today, Mr. President, although I shall speak on it in the months immediately ahead several times, as the work of my subcommittee progresses. I agree with the remarks of the Senator from Florida [Mr. SMATHERS] in his very able speech of recent date in the Senate as to American-South American affairs, wherein he pointed out, as I have been stressing, the need for us to do more in developing the economic productive power of the countries of South America.

If we are going to do that, there is a great need for the Committee on Foreign Relations of the Senate this year to give very careful attention to one of the reports prepared for it by a group of experts, for which we have paid many thousands of dollars of the taxpayers'

money. The report bears on the thesis which the senior Senator from Oregon has been proclaiming on this issue for more than a year, namely, that what we need to do is make very clear to our South American neighbors that we are desirous of being of great help in building up their economic power, but we are not going to continue to pour millions of dollars' worth of armaments into South America only to find that in too many instances such armaments are being used to suppress freedom and to strengthen military juntas and dictatorship regimes.

Mr. President, I yield the floor.

COMMENDATION OF SPEECHES ON ECONOMIC CONDITIONS

Mr. PROXMIRE. Mr. President, this afternoon we have heard a number of excellent, important, and pertinent speeches. We heard a fighting speech from the majority leader, a speech in which he supported his resolutions—resolutions which I am happy to join in cosponsoring.

We heard a marvelous analysis of the fallacies of the position of the present administration by the junior Senator from Minnesota [Mr. HUMPHREY], an excellent explanation of the reasons why we find ourselves in our present plight.

Incidentally, I should like to say to the present Presiding Officer of the Senate [Mr. HUMPHREY] that the reason I did not join in the colloquy, although I was very tempted to do so at a number of points, is that I understood the junior Senator from Minnesota was going to Wisconsin tonight to address a Wausau group. I would not wish to deprive my constitutents of anything, but particularly I would not wish to deprive them of the presence of the junior Senator from Minnesota. However, I find, happily, the Senator is going to address them tomorrow. He is going to have to stay up most of the night to get there, but I am delighted he is making the sacrifice, and I think his presence in Wisconsin will be a wonderful thing for the people of Wisconsin as well as a good thing for all people interested in the truth.

The PRESIDING OFFICER. The Presiding Officer thanks the Senator from Wisconsin.

SENATOR WAYNE MORSE

Mr. PROXMIRE. I should like to say that the other day the senior Senator from Oregon [Mr. MORSE] made a very flattering statement about the junior Senator from Wisconsin, one which I deeply appreciate and one which is very helpful to me.

I wish to say about the senior Senator from Oregon that I think there are some people who do not really understand WAYNE MORSE, because they cannot appreciate the roots from which he comes. It happens that I come from Wisconsin. In part, I represent in the United States Senate, the State of Wisconsin. I know something about Wisconsin. I know what the people of Wisconsin value more than anything else in public life is a man who is a fighter and a man who is independent. WAYNE MORSE is a fighter, and he is independent. I think if people will review the characteristics of the representatives of Wisconsin over the past 50 years they will realize how true my statement is.

The thing about the Senator from Oregon which endears him to my constituents is that he always puts his conscience above everything else. I think, in reviewing the history of old Bob La Follette, of young Bob La Follette, of Phil La Follette and the other great liberals from Wisconsin, we will find they have done the same things WAYNE MORSE has done. Of course, the people of Wisconsin take great pride in the fact that WAYNE MORSE was born in Dane County, Wis.; that he went to school there; that he married his high-school sweetheart; and that he went on to a brilliant public career.

They are proud of his record, his fight against corruption, his fight against inefficiency, and the fact that he is a great champion of the natural resources of this country. I think there is no man in public life who better represents than does WAYNE MORSE the tradition of the two great men who were honored in this body last Tuesday, namely, Franklin Delano Roosevelt and Teddy Roosevelt, because in the case of each of those men his public life was dedicated to making the Government of the United States an instrument of all the people. In doing so each had to take on special interests. This is something WAYNE MORSE has done, and has done very well, indeed.

In conclusion on this subject, let me say that as a new Senator I am delighted that we have a distinguished Senator like WAYNE MORSE in the Senate, who speaks so eloquently and with such force and power, and loud enough to be heard. I am very glad to have had this opportunity to listen to the senior Senator from Oregon.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

PROPOSED CORRECTION OF INJUSTICES TO POSTAL SUPERVISORS

Mr. PROXMIRE. Mr. President, I wish to join my distinguished colleagues in support of S. 3400, the Long bill, which would eliminate certain injustices inadvertently included in H. R. 5836, which this body approved last Friday.

I would like, first of all, Mr. President, to dwell on the subject—exactly what is a postal supervisor?

A postal supervisor is a career employee of the post office who started his postal life as a post-office clerk or a letter carrier. He started that life—on the average—28 years ago.

He is a career employee who, through ability and ambition and trustworthiness, has stood out among his fellow employees. During his career he was willing to work a little harder than the average, to study a little harder so he could advance in his chosen profession.

He is an employee who, when the opportunity came, chose to accept greater responsibility and a harder job in the post office, even when the increase in pay was nowhere near commensurate with the added duties he was willing to assume.

A postal supervisor is a career employee whose job does not stop when the 8-hour day draws to a close. Just as postmasters do not enjoy a 40-hour week, but must be on call every hour of every day, and personally be responsible for their offices every hour of every day—so a supervisor must always bring his job home with him. He is never free from care. It is his responsibility to live post office every hour of every day in his constant attempt to improve the service that he and those under him can give the patrons who depend upon them.

A postal supervisor is a dedicated postal employee who has been willing to give up the pleasant, desirable daytime hours of duty to which his seniority as a clerk or carrier had entitled him and to assume the heavy and uncomfortable nighttime tours of duty which are his inevitable lot when he first joins the supervisory ranks, and which deprive him—among other things—of the normal privileges of a home life enjoyed by other family men. This, Mr. President, is a considerable and exacting sacrifice to make in the cause of self-betterment and the betterment of the postal service.

The supervisors are small in number. There are just 21,000 of them in the entire country. They are an exclusive club—exclusive because it takes extra ambition, extra ability, extra dedication, and extra intestinal fortitude to join their society.

The postal supervisors are the indispensable employees of the postal service—the greatest and most essential system of communications devised by the mind of man.

What has happened to these fine and dedicated public servants over the years?

Since 1945 there have been three legislative reclassifications of the salaries of supervisors—as well as postmasters and other field officials.

In 1945, Public Law 134 was passed. At this time proper adjustments were hampered and hindered by the then existing wartime Little Steel Formula which prevented equitable differentials from being established between the pay of supervisors and that of those whom they supervise.

In 1951, Public Law 204 was passed, at a time when the Wage Stabilization Board had fixed a limited adjustment of 8.8 percent on supervisory salaries with a minimum increase of $400 and a maximum of $800. This setting of a minimum and a maximum prevented, once again, the establishment of significant and fair differentials in pay.

In 1955, finally, Public Law 68 was passed, which went a long way toward creating realistic differentials between supervisory grades and those of the employees whom they supervised. However, even then the existing ceiling of $14,800 on postal salaries created unrealistic compressions which prevented a completely fair adjustment of supervisory salaries.

But, through Public Law 68, great progress was made. The law is not perfect, but it is a great advance over what had pertained in the past.

The bill which the Senator from Louisiana [Mr. LONG] has introduced, along with his three distinguished colleagues—the bill now designated as S. 3400—would not only prevent the injustices which would be created by H. R. 5836 but would eliminate most of those inequities which remained in the postal pay structure after the passage of Public Law 68.

It would create an equitable salary structure for all postal employees from the top to the bottom. Everyone in the service, under this legislation, would be treated fairly.

Mr. President, I sincerely believe that no Member of this body desires to ignore the just claims of any group merely because they are a minority.

I am certain that no Senator wishes to be mesmerized, by the mere superstition of numbers, into giving to the many what he would deny to the few, regardless of how much each deserves.

I am certain that no Member of this body desires to penalize and discriminate against those who by ability and fortitude and loyalty have forged ahead in their postal profession.

Yet, if H. R. 5836 is allowed to stand as it was approved last Friday, we would, as a body, be guilty of all these things.

Therefore, Mr. President, with all my heart I urge my colleagues to avoid this danger of unfair discrimination by supporting the Long bill, S. 3400, which would restore order, consistency and justice to the postal pay structure.

UNEMPLOYMENT STATISTICS

Mr. DOUGLAS. Mr. President, when the unemployment figures collected by the Census Bureau for the month of February are given out early next week by the Department of Commerce, I am afraid that the American people will be in for a very severe shock.

The number of completely unemployed in the middle of January, according to the Census Bureau, was 4,494,000. A few days before the figure was given out, as the result of a survey by the Census Bureau, the senior Senator from Illinois predicted that the number of unemployed for January would approximate 4,500,000. The senior Senator from Illinois was on that occasion off by 6,000, in a total of 4,500,000. He made an error of one-tenth of 1 percent. He was therefore approximately correct to the degree of 99.9 percent, which he submits is a fairly good batting average in any league.

The Senator from Illinois is about to venture another very dangerous prediction. Next week the Census Bureau will announce the probable unemployment for the middle week in February, and the Senator from Illinois is now willing to predict approximately what that figure will be. He is predicting that the total will be at least 5 million completely unemployed, and that a more probable figure will be 5,200,000.

There is no magic or hocus-pocus about these predictions of the senior Senator from Illinois; nor does he have any private tapline into the Department of Commerce.

The Senator from Illinois is proceeding on a very simple basis, namely, the observed ratio between the total number of claimants for unemployment insurance benefits and the total number of unemployed.

Let me take, for example, the figures as of the week of January 18, 1958. The total number of insured unemployed, including those on railways, who were claimants for benefits, was 2,850,000. This figure was published in advance of the census figure for that week, based on a study of 35,000 families.

The figure from the Bureau of the Census, as I have stated, estimated the total number of unemployed for that week at 4,500,000.

Therefore it follows that for that week the number of insured unemployed, that is 2,850,000, was approximately 63 percent of the total number who were unemployed.

I may say that there has been an approximate constancy in this ratio, although not an absolute constancy, and the claimants for unemployment insurance benefits in the same week have varied between 60 and 66 percent, and have ordinarily been around 63 percent of the estimated total full-time unemployed.

I have just received, today, the figure for the total number of insured workers who claimed unemployment benefits during the week of February 15. According to the release issued by the Department of Labor, Bureau of Employment Security, Office of Program Review and Analysis, this figure was 3,335,800 for the week of February 15.

Mr. President, I ask unanimous consent that a table giving the figures for insured unemployment for various weeks in 1957 and 1958 be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The table is as follows:

Week ended—	Initial claims		Insured unemployment					
	State and UCFE	Veteran [1]	State and UCFE		Veteran [1]	Railroad [2]	Total	
			Number	Rate			Excluding railroad	Including railroad
1958	*Thousands*	*Thousands*	*Thousands*	*Percent*	*Thousands*	*Thousands*	*Thousands*	*Thousands*
Jan. 25	452.3	8.0	2,895.3	7.0	61.8	127.0	2,957.2	3,084.2
Feb. 1	442.1	7.8	2,939.4	7.1	63.9	134.0	3,003.3	3,137.3
Feb. 8	456.8	7.7	2,971.8	7.1	66.3	135.0	3,038.1	3,173.1
Feb. 15	425.3	7.1	3,130.2	7.5	70.5	135.0	3,200.8	3,335.8
Feb. 22	459.2	7.4						
	Comparable weeks a year earlier [3]							
1957								
Jan. 26	304.5	6.3	1,749.6	4.4	46.9	67.0	1,796.5	1,863.5
Feb. 2	289.1	6.4	1,768.4	4.4	48.0	66.0	1,816.4	1,882.4
Feb. 9	280.7	6.4	1,743.7	4.4	48.5	61.0	1,792.1	1,853.1
Feb. 16	237.0	5.4	1,758.6	4.4	49.4	67.0	1,808.0	1,875.0
Feb. 23	228.3	5.1						

[1] Veterans Readjustment Assistance Act of 1952. To avoid duplication excludes claims filed jointly with other programs.
[2] Source: Railroad Retirement Board.
[3] Based on average covered employment for 12 months ending March 1957.

Mr. DOUGLAS. If the same ratio, 63 percent, were to hold for February as it held for January, we would find total unemployment to be 5,295,000.

I personally think this would be something of an overstatement. I do not expect the figure for total unemployment to rise as high as 5,295,000. I believe, however, that it will reach 5 million, and that the probabilities are that it will be around 5,200,000.

I should like to have these figures entered in the CONGRESSIONAL RECORD, so that when the estimates come out next week it can be seen whether the Senator from Illinois is talking through his hat or his estimates have some approximation to reality.

Mr. CASE of South Dakota. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am very glad to yield to my good friend.

Mr. CASE of South Dakota. The junior Senator from South Dakota admires the boldness with which the senior Senator from Illinois proclaims his prophetic ability. So that we may have the figures identified, will the Senator—perhaps he did so already, and I may have missed it—tell the Senate whether or not the figures relate to estimates of unemployment on a general basis or whether they refer to covered employment, that is, those who receive benefits?

Mr. DOUGLAS. There are two sets of figures. The Department of Labor publishes weekly the number of persons in covered employment who are claiming unemployment benefits. Then the Census Bureau publishes monthly estimates of the unemployment in the civilian labor force based on the survey of 35,000 families.

What the Senator from Illinois has been saying is that these figures bear a fairly constant ratio to each other. In the month of January the figures with relation to claimants in covered employment were 63 per cent in the same week they were later revealed to be unemployed according to the census. The Senator from Illinois used these figures at the time in making the estimate of 4½ million unemployed, which proved to be correct to one-tenth of 1 percent.

I shall go one step further. The Department of Labor gives a figure of claimants for benefits in insured employ-

ment for the week of February 15 of 3,335,800.

Assuming this is 63 percent, as it was in January, of the total full-time employment in the country, this would give a figure of 5,295,000 full-time unemployment for February.

However, the Senator from Illinois always prefers to be cautious in his estimates, and he is not making his prediction of 5,295,000. He is not willing to go above 5,200,000. He feels certain the figure will be not less than 5 million.

Mr. CASE of South Dakota. In view of the fact that the Senator is using the 5 million figure—and I appreciate his identifying it as the total unemployment rather than that which is covered by unemployment benefits—I wonder if he would quarrel with an observation made by Harry Truman in an interview on the 15th of February 1950, in which Mr. Truman said:

> A certain amount of unemployment, say from three to five millions, is supportable. It is a good thing that job seeking should go on at all times; this is healthy for the economic body.

I have my reservation with respect to that statement, but I should like to give the Senator from Illinois an opportunity to comment.

Mr. DOUGLAS. I did not write that statement of Mr. Truman. I would say that the figures we now have are serious. However, I would also add that there is another factor which I have not mentioned, but which needs to be taken into consideration. That factor is the large number of involuntary part-time workers. If there are two workers, each of them working half time and unemployed the other half time, that is equivalent to one person who is employed and one person who is unemployed.

There is a tendency at the present time, because of some faults in the unemployment laws, to put two people on part-time work rather than one on full time and one completely unemployed. As a result there is a great deal of dilution in the unemployment figures. In the census reports, which come out monthly, there are also statistics with respect to the involuntary part-time workers and how many hours they work.

I have been having the Joint Economic Committee prepare indexes on how much this lost time within employment amounts to in terms of full time unemployment. For the month of January this came to an additional 1,200,000 unemployed. So that for January, if we add to the 4½ million of completely unemployed, the equivalent full-time unemployment of involuntary part-time workers of 1,200,000, we get a total of 5,700,000. This comes to 10 percent of those who are either working for wages and salaries or seeking employment.

I leave out of the 67 million civilian labor force the 10 million who are self-employed—farmers, small shopkeepers, and so forth, who suffer during a depression, not from unemployment, but from reduced income. As they "own" their jobs they are not properly subject to being unemployed.

Therefore in order to be properly oriented, we should take as a common denominator not the total labor force but those employed in wage and salary labor or who are seeking such employment. This would be, as I say, approximately 57 million, and 5.7 million unemployed in January would be 10 percent.

Now let me refer to February. If my estimate is correct, that the full-time unemployment figure for February is between five million and five million two hundred thousand, and if the equivalent unemployment in involuntary partial employment is equivalent to 1,200,000 or 1,250,000, which is more likely, we get a figure of total unemployment of 6¼ million, or 6,450,000, or between 11 and 11½ percent of the 57 million wage and salary workers or those seeking such work.

It is this which makes me feel that the time to act has arrived, as I think Mr. Truman, despite the quotation which my good friend from South Dakota has given, would agree; and this would be thoroughly consistent with the statement he made and also thoroughly consistent with the statement which the Senator from Illinois made at about the same time, which I presume the Senator from South Dakota may read at any moment.

Mr. CASE of South Dakota. I think I will spare the Senator from Illinois that.

Mr. DOUGLAS. Oh, the Senator does not have to. I should be very glad to have him quote the figures. I said that, if unemployment exceeded 8 percent, then the administration should act. Unemployment now greatly exceeds 8 percent; therefore, the case for action is extremely strong. I appreciate the courtesy of the Senator from South Dakota in sparing me, but it is not necessary.

Mr. CASE of South Dakota. Since the Senator from Illinois insists that he would like to have the statement in the RECORD, I shall read it. This was the statement of the Senator from Illinois on May 14, 1949.

Mr. DOUGLAS. I knew the Senator had it.

Mr. CASE of South Dakota. I read as follows:

> Conditions have changed for the worse * * * In the midst of a severe economic depression I would be willing at that time to consider launching a public-works program to help take care of the unemployed and revive business. But we should not do this now. We should be alerted for a depression but should not commit our reserves prematurely.

Mr. DOUGLAS. The Senator from South Dakota is correct. As I shall develop, I think that when unemployment rises above 8 percent, as it now has, the Government should move. But the first move should be in increasing unemployment insurance benefits and by making a tax cut. A public-works program should be made ready so that subsequently, if conditions do not improve, such a public-works program could be availed of.

Mr. CASE of South Dakota. Concerning the last observation, that there should be a tax cut, what does the Senator suggest as a means of financing the public-works program?

Mr. DOUGLAS. I will come to that. If the Senator from South Dakota will bear with me, I wish to introduce material into the RECORD which will develop my thought and argument.

Because of this present serious economic recession, I yesterday addressed a letter to the chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], urging that the Committee on Finance consider a tax cut of at least $4,400,000,000, to be added to the technical amendments bill which is now before the Committee on Finance.

Mr. President, I ask unanimous consent that my letter to the Senator from Virginia be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

The Honorable HARRY F. BYRD,
Chairman, Senate Finance Committee,
Washington, D. C.

MY DEAR MR. CHAIRMAN: In order that you may have advance knowledge of proposals to be called up by members when the Finance Committee considers H. R. 8381 in executive session, I want to advise you that I plan then to ask the committee to add to that measure the provisions of S. 3263, a bill to reduce income and excise taxes which I introduced on February 10.

Naturally, I hope the proposal may commend itself to you and to my colleagues on the committee.

I wish the committee had a House bill before it dealing with the same general subject matter as S. 3263. That is not the case, however, and since there is no prospect that it will be soon, I have chosen this method to enable the committee to give it immediate consideration.

Let me outline the reasons, which seem to me compelling, for acting at once on the tax reduction proposals of S. 3263.

The central problem before the country today is the very serious economic recession. The January figures—now almost 2 months old—show 4.5 million people fully unemployed. This was 6.7 percent of the civilian labor force. Those working only part time accounted for the equivalent of another 1.2 million fully unemployed, or an additional 1.8 percent. Thus, the full-time equivalent unemployment for January was 5.7 million, or 8.5 percent of the entire civilian labor force.

Even these figures understate the January conditions, for 10 million of the 67 million people in the civilian labor force are self-employed and are, therefore, not subject to being thrown out of work as they "own" their jobs. This means that in computing the percent of employment, we should use 57 rather than 67 million as the denominator. It is therefore seen that there are 5.7 million unemployed of 57 million people who are either actually employed or are seeking employment. This is a rate of unemployment of 10 percent. I estimate that the February statistics will show approximately 5 million completely unemployed and the equivalent full-time unemployment of the involuntary part-time workers will be equal to about another 1¼ million. This will give a total of about 6¼ million unemployed, or 11 percent of those either working at or seeking wage and salaried jobs.

In addition, the index of industrial production has fallen from 145 in August 1957 to 133 as of January 1958, or by 12 points. The February figure will be still less. The estimates of capital expenditures by business for plant and equipment in the first quarter of 1958 are down about $2 billion

from the last quarter of 1957 and will in practice fall by more than this.

Further, the economic indicators show no major area of economic activity which appears to be moving upward at a strong enough pace to turn the recession around.

We are therefore in a very serious recession. It is potentially more dangerous than either the 1948–49 or 1953–54 recessions because it gives all the appearances of being a capital goods or investment recession rather than only an inventory recession as the others were. In such a situation, there is always the danger of a cumulative breakdown in the economy. While I am not predicting that this will happen, there is a real danger that it can happen. With unemployment, investment, and production at decreasing levels, the recession could snowball and avalanche downward very quickly. If that happened, it would take massive applications of tax reductions, public works, monetary policies, and Government expenditures of all kinds to bring an upturn.

At the moment, a number of things can be done to help prevent a cumulative breakdown. The most immediate remedy is a tax cut.

S. 3263 would accomplish this purpose. It would lower the rate on the first $1,000 of taxable income from 20 to 15 percent and would repeal most of the excise taxes on consumer durable goods and reduce them on communication and transportation. The total reduction in revenues proposed in this bill amounts to $4.4 billion, of which approximately $3 billion would be the result of the cut in personal taxes and $1.4 billion the result of the excise cuts. The cut on the first $1,000 of taxable income would be retroactive to January 1, 1958, and, in order to avoid a danger of future inflation, it would be suspended on January 1, 1959, unless it were then extended by Congress. In my opinion, it is not practical either to make the excise cuts retroactive or to replace them once they are removed.

If the recession gets worse, or if this action is appreciably delayed, we should even be prepared to have a tax cut considerably in excess of $4.4 billion.

I believe the time to act has not only arrived but if we fail to act soon, we may find it necessary to take much more drastic action later. A tax cut is the best and quickest method to help, for it would be reflected in the pay checks of individuals and in the prices of consumer durable goods almost immediately. While I favor an increase in public works during a recession, these are generally slow getting started. In addition, those which can be started promptly are too often not in the areas where the unemployment exists. Further, it is more than likely that the question of whether or not this recession deepens into a depression will be determined before an increase in public works could have any major effect on the economy.

While a tax cut would bring an immediate cut in revenue, a continuation of the recession would cost us much more. It is estimated that at the present rate of decline, we will have lost at least $3 billion in revenues from the contraction of personal income and corporate tax liabilities, even if there is an upturn in the spring or summer. If things continue at the present rate, we stand to lose much more. Therefore, a tax cut which had the effect of changing the course of the economy would, in fact, insure some increase in tax revenues over those at the present levels of the economy.

For all of these reasons and particularly because of the real danger that a cumulative breakdown in our economy could occur, I believe that we should act now.

When the hearings began on H. R. 8381, it was agreed that they would be confined to the provisions in the House-passed bill and/or Treasury proposals. It was also agreed that amendments offered by members on additional matters would be considered. As I have said, therefore, it is my intention to offer my bill, S. 3263, as an amendment to H. R. 8381 in committee and, if necessary, on the floor of the Senate.

It may be that in view of this circumstance, you, Mr. Chairman, or a majority of the committee may feel that hearings should be reopened so that the full committee might hear the views of various people on such an important matter.

Because of the serious economic recession, I believe it is imperative that we act soon on the question of a tax cut. While the provisions of H. R. 8381 are important, they are not of such an imperative nature that they could not be delayed for a short period in order to hold hearings on the provisions of S. 3263, if that were your wish or the sense of the committee.

Faithfully yours,

PAUL H. DOUGLAS.

Mr. DOUGLAS. I give the argument for the tax cut in the body of my letter to the Senator from Virginia. Very briefly stated, it is this: Such a tax cut would immediately release a large amount of purchasing power which would be spent, in the main, for both durable and soft consumers' goods. This would increase the demand for and the sale of such goods. Likewise it would not only increase employment in the retail trade, but it would lead to increased orders for manufacturing, and hence increased employment in manufacturing.

As the idle capacity of American manufacturers became absorbed and decreased from, let us say, its present 30 percent, there would be an inducement for further investment by industry; therefore, there would be an improvement in the capital goods industries, as well.

Mr. President, I ask unanimous consent that the details of the tax cut I have proposed, both the income tax cut and the cut in excise taxes, be printed at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Provision

	Billion
Revenue loss, estimate	$3

Split the first tax bracket of $2,000, now taxed at 20 percent, into two parts under which the first $1,000 of taxable income would be taxed at a 15-percent rate and the second $1,000 at the present 20-percent rate. The effect would be to reduce the tax on the first $2,000 of taxable income from $400 to $350.

In addition, the bill would repeal or lower certain of the existing excises. The provisions and the estimated revenue losses under existing legislation for fiscal year 1958 would be as follows:

Estimated fiscal year 1958 revenue losses

[Source: The budget for fiscal year 1959, pp. 885–886]

Repeal excises on:	*Million*
1. Radio and television sets, phonographs, records, and musical instruments	$179.0
2. Clocks and watches	10.0
3. Mechanical refrigerators, quick-freeze units, and air conditioners	44.0
4. Electric, gas, and oil appliances	75.0
5. Electric light bulbs	28.0
6. Toilet preparations	102.0
7. Luggage, handbags, wallets	60.0

Estimated fiscal year 1958 revenue losses—Continued

8. Admission taxes	100.0
9. Business and store machines	93.0
10. Photographic equipment	22.0
11. Playing cards	6.9
12. Matches	6.0
13. Sporting goods, exclusive of fishing rods (estimate)	10.0
14. Pistols and revolvers	2.0
15. Leases of safe-deposit boxes	6.0
16. Fountain and ballpoint pens	10.0
17. Other	1.0
Total	754.9

Reduce present excises by 50 percent on:	*Million*
1. Telephone, telegraph, radio and cable services, leased wires, etc	$142.5
2. Local telephone service	187.5
3. Transportation of persons	107.5
4. Transportation of property	238.0
	675.5
Total revenue loss estimated for excise reductions	1,430.4

Total revenue losses including excise reductions and splitting first bracket provision, 4.4 billion.

In addition, if it could be reasonably guaranteed that the automobile manufacturers would pass on a decrease in the excise on passenger cars to the consumer, I am ready to propose that the present manufacturers' excise tax on passenger automobiles be reduced from 10 to 5 percent.

The estimated revenues from this provision for fiscal year 1958 and 1959 were estimated at $1.3 billion and $980 million, respectively. Therefore, cutting this tax by half would be a revenue loss to the Government and a decrease in the price of automobiles of approximately $500 million.

Mr. DOUGLAS. Mr. President, the Senator from South Dakota asked a very appropriate question: How would this be financed? How would the public-works program be financed? How would the Government be financed during this period? The Government would be financed by Government borrowing, in the main, from the banks. The banks would create additional monetary purchasing power, which is the function of banks. The banks are, after all, the manufacturers of purchasing power in the form of commercial bank credit. This would involve deficit financing, but there would be an injection of additional publicly stimulated purchasing power. This would help to offset the shrinkage in private purchasing power, which is now in progress. In other words, I am proposing that the Federal budget be used as a stabilizing force to help offset the shrinkage in the private sector of industry. This carries with it the corollary that in a period of prosperity, when there is a danger of inflation, the Federal Government has the obligation to spend less than it takes in, and to devote the surplus to the retirement of the previously accrued debt.

All I can say, so far as I myself am concerned, is that I have striven to carry out that policy in periods of comparatively full employment. I have tried to reduce the total governmental expenditures and to eliminate items which I thought were wasteful, and to produce a surplus which could then be used to retire a portion of the debt.

Therefore, I feel in a moral position—certainly I think I am justified—to urge deficit spending in a period of severe recession.

The most serious thing that could happen to the United States at present would be for us to slide into a depression. This would be terrible in its effects upon individuals, and upon families, and would cause much suffering. It would put a severe strain upon our political system. It would injure the international standing of the United States and would impair the alliance of the Free World. So the worst thing that could happen would be a severe depression. Although I do not predict that we will have one, it is important to take action now to prevent a depression from occurring.

Anyone who has been in the mountains understands how an avalanche will start, up at the top, with a slight shift of soil or rock or snow. As the slide gathers momentum, it carries with it portions of the rock, soil, or snow farther down the slope, until what was a faint stream in the beginning becomes a rushing flood at the end.

If we catch recessions early, before they initiate accumulative processes of breakdown, we can prevent them from developing into severe depressions. By action now we can prevent a depression, and that is all I have been trying to do.

The best lesson I ever had in the field of economics came when, as a boy, I went near the Canadian border to fight a forest fire. One learns a lot from studying forest fires and from taking part in fighting them. A fire will start from such stray circumstances as sparks from a locomotive or a match carelessly thrown into dry underbrush. The fire will spread. As it spreads, the fire will heat the immediate atmosphere. The hot air will rise, which is characteristic of all hot air, including oratorical hot air. As hot air rises, it creates a vacuum into which cold air moves. But cold air moving into a vacuum creates wind, which fans the flames. This creates more hot air, which in turn creates more of a vacuum into which cold air will rush, causing more wind and more fire. So there is created a cumulative force which I think scientists call an impetuous process.

A business recession or depression is much like this. Workers are laid off, and their purchasing power diminishes. They do not buy as much as they did before. This causes retail stores not to order as much and factories not to sell as much. The factories then lay off workers, who buy less from the retail stores. The retail stores then buy less from the factories, who lay off more workers; and so on.

Then, as the idle capacity begins to develop in the factories, the percentage of utilization of the existing plant and equipment falls.

Businessmen ask themselves, Why should we order new machinery? Why should we spend money to build an addition to our plant, when most of our existing plant and machinery lies idle?

So the demand for manufactured goods falls off, and it falls off at a greater rate than the decrease in demand for consumers' goods.

That is precisely what has been happening in this severe recession. This is not merely an inventory recession, as those in 1948–49 and 1953–54 turned out to be. This one is also a capital-goods recession. That became evident about the middle of January. Therefore, I believe there is great need for constructive action.

I know there are those who denounce any effort to make the facts known. It is said that that rocks the boat and destroys confidence. Mr. President, I do not subscribe at all to that point of view. I believe that those who cause the great difficulty are the blind optimists or those who try to administer intellectual soothing syrup to the public.

I do not pretend to be an expert on psychiatry, but what I understand of psychiatry is that people get into mental difficulties if they deny reality and refuse to face the facts, and that the first element in sound mental health is a recognition of the facts, however distasteful they may be. Only if one recognizes the facts and the problems which exist, can one make any progress in an effort to solve them.

The great tragedy during the period from March 1929 to 1933 was that a well-meaning President in the White House refused to recognize the reality. I remember a delegation which went to see him in June 1929, and asked him to take steps to recognize the existing situation. The President smiled at those men in a pitying manner, and said to them that they were just 6 weeks too late, and that the depression was over. I believe he was completely sincere, but he refused to admit reality. Nothing was done. The country steadily drifted into worse and worse conditions, and the results were almost disastrous.

God save us and protect us from ever again being compelled to go through such a depression as that one.

That was 29 years ago. Today, probably half of the population of the country does not remember that period. It has faded out of the memory of a large portion of the population, and apparently it has faded out of the memory of the present incumbents of the White House. They do not realize that their predecessor in the period from 1929 to 1933 followed the same course they are following today.

It is said sometimes that the elephant never forgets. I believe it also should be said that the elephant also never learns. That was also said of the Bourbons of old, and it may not be untypical of certain persons today.

Mr. President, I believe it is quite probable that in the next day or so the Senator from Illinois may be attacked, as he was some years ago, and charged with being a prophet of doom and gloom; and perhaps he may be called, once again, one of the four horsemen of the apocalypse, spreading disaster, pestilence, and war over a peaceful and prosperous country. Mr. President, certainly that is not my intention.

All that I ask is that the people of the country look at the unemployment figures when they come out the first part of next week, and compare them with the estimate I have made tonight—namely, that the figure for those completely unemployed will range between 5 million and 5,200,000—and then decide whether the Senator from Illinois is trying to raise scarecrows or is trying to point out realities.

It is time for the administration to wake up to what has happened, and to stop trying to bamboozle the people.

Mr. President, a tax cut is the immediate way to get relief.

I am not opposed to public works and we should be prepared to increase them; but in the case of public works, in many instances it will take time for plans to be drawn, for real estate to be acquired, for contracts to be advertised and let, and for materials to be assembled. By that time the situation may have become far worse.

The great advantage of a tax cut is that it takes effect immediately. Under the proposal I have made regarding the income tax—namely, that the first $1,000 of taxable income be taxed at only 15 percent, instead of at 20 percent—such a reduction would take effect immediately, and 5 percent less would be withheld from income. That would mean that an additional $50 a year, or approximately $1 a week, would be available to 60 million people.

The proposal for a reduction amounting to $1,500,000,000 in the excise taxes would also take effect immediately; and in the same amendment we could provide for reduction in excises for floor stocks, not merely current production.

Mr. President, if we do not act now, we may have to take more drastic action later.

I should like steps taken to protect the country with the least possible expense.

So I hope the associates of my dear friend, the Senator from South Dakota, will not be quite so negative in the attitude they assume toward these proposals as they have been in the past; and I hope they will join us in the effort to protect the employment, the production, and the vitality of the United States.

Mr. President, I yield the floor.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 6, 1958, he presented to the President of the United States the following enrolled bills:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski;

S. 674. An act for the relief of Cale P. Haun and Julia Fay Haun;

S. 888. An act for the relief of Alex P. Collins; and

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes.

ADJOURNMENT TO MONDAY

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Under the order previously entered, the Senate will

now stand in adjournment until Monday, at 12 o'clock noon.

Thereupon (at 7 o'clock and 6 minutes p. m.), the Senate adjourned, the adjournment being, under the order previously entered, until Monday, March 10, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 6, 1958:

Foreign and Diplomatic Service

James S. Moose, Jr., of Arkansas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan, vice Lowell C. Pinkerton.

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica, vice Robert F. Woodward.

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay, vice Jefferson Patterson.

Robert Newbegin, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras, vice Whiting Willauer.

United States Circuit Judge

Oliver D. Hamlin, Jr., of California, to be United States circuit judge, ninth circuit, vice William Denman, retired.

United States District Judge

George Harrold Carswell, of Florida, to be United States district judge for the northern district of Florida, vice Dozier A. DeVane, retired.

United States Attorney

James E. Holshouser, of North Carolina, to be United States attorney for the middle district of North Carolina for a term of 4 years, vice Edwin M. Stanley, resigned.

Sumner Canary, of Ohio, to be United States attorney for the northern district of Ohio for a term of 4 years. He is now serving in this office under an appointment which expires March 4, 1958.

United States Marshal

Joseph Stockinger, of New York, to be United States marshal for the eastern district of New York for the term of 4 years, vice William E. Smith, deceased.

Hobart Kelliston McDowell, of Texas, to be United States marshal for the northern district of Texas for a term of 4 years. He is now serving in this office under an appointment which expires April 2, 1958.

Municipal Court of Appeals for the District of Columbia

Andrew McCaughrin Hood, of the District of Columbia, to be an associate judge of the municipal court of appeals for the District of Columbia for a term of 10 years. He is now serving in this office under an appointment which expires June 10, 1958.

Municipal Court for the District of Columbia

Randolph C. Richardson, of the District of Columbia, to be associate judge of the municipal court for the District of Columbia for the term of 10 years, vice George D. Neilson, term expired.

In the Air Force

Col. Robert F. McDermott, 9782A, who was appointed as a permanent professor of the United States Air Force Academy under recess appointment provisions during the first recess period of the 85th Congress, for appointment as permanent professor of the United States Air Force Academy, under the provisions of section 9333 (b), title 10, United States Code.

The following persons for appointment in the Regular Air Force in the grades indicated, under section 8294 of title 10, United States Code, as modified by section 1 of the act of April 30, 1956, chapter 223 (70 Stat. 119), with a view to designation, under section 8067 of title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

To be captains, United States Air Force (Medical)

Robert O. Amdall, AO2261631.
Richard N. Betz, AO3000847.
Robert J. Buchman, AO3043056.
Richard M. Chubb, AO3002447.
Samuel P. Chunn, AO3000873.
Harold K. Golder.
Donald D. Hobbs, AO3043727.
William B. Jones, AO1857211.
Stanley D. Levine, AO3043022.
Verne L. McClellan, AO3000594.
James T. Moore, AO3041686.
Victor E. Schulze, Jr., AO3041761.
William M. Vinson, AO3044650.

To be captains, United States Air Force (Dental)

Donald E. Barnhill.
Vern R. Greenwood, AO2027671.
Max W. Hayden, AO965488.
Willard I. Mielke, AO3000470.
Karl K. Poorter, Jr.
Vincent A. Segreto, AO966302.
Arthur Signorella.
Oscar W. Stephens III, AO3001645.

To be first lieutenants, USAF (Medical)

George Ball, AO3075050.
Norman L. Carden, AO3075057.
Jack N. Drummond, AO3075017.
Stephen J. Dubel, AO3077391.
Kenneth A. Grigg.
Jerry W. Grise, AO3077408.
James G. Guillebeau, AO3075028.
Warner H. Gustavson, AO3075007.
John T. Halsell III, AO3015182.
Lynn R. Hamilton.
Warren H. Higgins, Jr., AO2247237.
Manuel J. A. Hinds, AO3017304.
Oris B. Hougium, AO3075261.
Frank J. Leary, AO3075478.
Howard A. Minners, AO3075001.
Maynard Nelson, AO3074978.
Robert G. Norfleet III, AO3011944.
Paul J. Phillippi, AO3075607.
Kenneth L. Pratt, AO3013601.
Ronald D. Smith, AO3074988.
Louis H. Stern, AO3078053.
Charles C. Tracy.

To be first lieutenants, USAF (Dental)

Leonard R. Barad.
William J. Darrington, AO3045294.
Edwin M. Heupel, AO3045552.
Gerald M. Isbell, Jr.
Hutson E. McCorkle.
David L. Moore, AO3001256.
Joe M. Patterson, AO3042426.
William R. Smith, AO3045466.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956), with a view to designation, under section 8067 of title 10, United States Code, to perform the duties indicated:

To be majors, USAF (Medical Service)

William Bassoff, AO286475.
Harrison G. Burnie, AO491423.
Harold H. Cochran, AO1945328.
Michael M. Conrad, AO1546938.
Louis F. Duquette, AO1542867.
Gerald Edwards, AO370575.
Frederick Ehardt, AO1054552.
Walter F. Gfeller, AO406969.
Harold H. Goldberg, AO425543.
Arthur W. Hjort, AO375920.
Raymond E. James, AO1543691.
Thomas C. Jones, AO499166.
George S. Kelemen, AO1546361.
John R. Kelley, AO448200.
Eugene W. LaRocca, AO2049307.
Emil J. Meyer, AO450048.
Joseph D. Nolan, AO386817.
Kenneth W. Skewes, AO1533201.
John H. Taylor, AO2047179.
Adolph Tucker, AO1533932.
Bernard Young, AO451900.

To be captains, USAF (Medical Service)

Richard G. Allen, AO957256.
Gerald J. Armatis, AO2049591.
Wesley H. Baker, AO2055478.
Arthur T. Beisner, AO1542240.
James L. Bethurum, AO1534675.
Gayle E. Boggs, AO1997369.
Carl H. Boldt, AO1543906.
Downing A. Bolls, Sr., AO2050733.
Charles B. Broadway, AO2002234.
Ernest H. Brown, AO1907445.
Kenneth E. Bryant, AO754061.
George B. Bundrick, Jr., AO1542388.
Wilmer C. Byassee, AO2048236.
Daniel P. Cahill, AO2046912.
Pierce F. Carney, AO2043003.
Lynn R. Channell, AO1906479.
Frank R. Christiansen, AO1542868.
Robert W. Clarry, AO1534941.
Thomas L. Cocheres, AO1701672.
Paul S. Cox, AO964719.
Kirkham V. Crabb, AO1547574.
Irving Davis, AO1999000.
Paul L. Deuel, AO2048273.
Joseph R. Dillehay, AO2049530.
Leroy C. Dykes, AO1543095.
Avis K. Eakle, AO2050461.
Thomas G. Ellis, AO518587.
Robert L. English, AO1543334.
Nathan V. Estell, AO1534011.
Manie J. Ezell, AO536101.
Ralph W. Foster, AO454037.
Marvin I. Frentress, AO973852.
Ralph H. Galati, AO2047654.
John J. George, AO1544399.
George E. Gilbert, AO340913.
David R. Goodyear, AO454064.
John R. Green, AO2213692.
Ivan B. Grimes, AO975636.
Charles B. Gunther, AO1544281.
Ernest A. Hannah, AO1543311.
Robert V. Heitlinger, AO2013999.
Vincent W. Herberholt, AO1541794.
Paul A. Herold, AO1544291.
David F. Hersey, AO2239940.
Eugene A. Hilty, AO1543782.
Robert W. Hobson, AO1038007.
James H. Holland, AO958795.
James E. Horne, AO1685007.
Clyde T. Hunt, AO962899.
Robert W. Hutson, AO1545906.
John K. Jackson, AO662275.
Robert T. Jacobson, AO660999.
Charles L. Jennings, AO565758.
William Kaplan, AO733197.
Paul C. Keller, AO1541451.
James M. Kennedy, AO1542865.
Benjamin Kislin, AO681904.
Nickolas P. Kobyik, AO1533606.
Joseph P. Kopas, AO1542053.
Richard E. Krause, AO1080793.
Fred T. Lewis, AO1541253.
Samuel Liberson, AO2047407.
Gordon F. Loebig, AO1996957.
Kenneth H. Long, AO1533843.
Alvin L. Lowery, AO1701569.
Anthony Macaluso, AO1545230.
Alfonso A. Martinez, AO454195.
Marschal W. Massey, AO2025658.
Lambert W. McChesney, Sr., AO575431.
Frederick McCullough, AO841953.
Myron L. McDonald, AO2239877.
Walter P. McHugh, AO808105.
Richard E. McKenzie, AO781362.
Philip E. McMahan, AO361744.
Albert M. Meyer, AO976872.
Carl B. Moore, AO861957.

Paul B. Mullin, AO1849826.
Duncan J. Munroe, AO1544671.
David B. S. Naylor, AO1545601.
Glendal D. Nichols, AO1534105.
Robert A. Olson, AO2014053.
John H. Patrick, Jr., AO1545929.
Carl N. Payne, AO1996807.
Robert L. Peterson, AO374695.
Robert J. Preston, AO1037678.
William C. Reischman, AO2213265.
Cortland E. Richmond, AO804975.
Edmund B. Rochford, Sr., AO2050933.
George H. Rogers, AO2051299.
John R. Shaw, AO1535077.
Wilbur W. Shepherd, AO1541192.
Eual J. Smith, AO1542748.
Edward E. Snyder, AO1546165.
Almon B. Strong, AO1543858.
Robert M. Sturtevant, AO1542470.
Robert C. Templeton, AO2007245.
Bob B. Thacker, AO440507.
Lloyd G. Thomas, AO2051563.
Ralph F. Thompson, AO420218.
Garvin M. Walker, AO2037181.
Edgar Weeks, AO2046857.
Francis E. Wolff, AO1534193.
Tracy W. Worley, Jr., AO791658.

To be first lieutenants, USAF (Medical Service)

Harold R. Andersen, AO2240174.
Leonard S. Anthony, AO2220918.
Louis H. Architect, AO958097.
Robert A. Baddour, AO3007767.
Jack W. Ball, AO2235287.
Aaron H. Barfield, AO3000106.
Acie C. Barfield, AO3000136.
Jack H. Bates, AO2233096.
William H. Beaber, AO2240057.
Harold L. Bitter, AO2239081.
Robert A. Blakely, AO3007261.
Clyde L. Britt, AO2217311.
Daniel G. Brown, AO2235831.
Norris S. Brown, AO2220960.
Alan L. Buchsbaum, AO1860097.
Frank C. Buchwald, AO2261747.
John C. Carden, AO1919015.
Clyde R. Carroll, AO580602.
Bert P. Chagnon, AO1534939.
Binning P. Chambers, AO2239025.
William H. Cross, AO3043504.
James B. Culbertson, AO1864705.
William D. Currie, AO2262012.
Lawrence Del Rosario, AO2240061.
John R. Galbraith, AO2232671.
Charles H. Gibson, AO3001938.
Thomas L. Gleason III, AO2252809.
Giles W. Hall, AO2233111.
Eugene F. Hames, AO3012828.
James E. Hartley, AO3000013.
James H. Hazel, AO3004045.
John E. Hoffman, Jr., AO2239041.
William L. Holder, AO2221151.
Dean S. Holman, AO3000224.
Charles F. Holtzman, AO3001945.
Joe E. Hunt, Jr., AO3006948.
David B. Illsley, AO3000080.
Thames F. Jackson, Jr., AO3000074.
Thomas H. Jenkins, Jr., AO2239364.
Lauris T. Jones, AO948820.
Eugene J. Kamrass, AO2221163.
Earl L. Kinsley, AO3012849.
Owen H. Kittilstad, AO3000225.
Warren W. Kopp, AO2240019.
Jasper LaPresto, Jr., AO2239635.
Robert W. LeDuc, AO3000004.
Russell R. Lunstrum, Jr., AO1861042.
Wheeler Lykins, AO2238853.
Victor H. Marcotte, AO3012677.
Everett E. Martin, AO2221245.
Jack C. McPhee, AO2230003.
Richard W. Newton, AO3004217.
John W. G. Noggle, AO2218989.
Joseph P. O'Brien, AO2238802.
Max H. O'Connell, AO1905534.
Bruce W. Pinc, AO3000045.
Alan D. Pinkus, AO2239000.
James T. Pons, AO1912484.
Thomas E. Powers, AO2232614.
William J. Robertson, AO2240045.
Edward R. Seefelt, AO2240102.
Carlos A. Soto, AO2262086.
Donald E. Summers, AO2239615.
Paul V. Thomas, AO2262038.
Arthur H. Tonn, AO3000882.
Ralph A. Trimble, Jr., AO2240031.
Donald F. Tustison, AO2238912.
Lewis A. Watterson, AO2238880.
Leroy D. Werley, Jr., AO2240107.
Jack Wilson, AO2239065.
Charles W. Winney, AO2221500.
Maurice G. Winstead, AO2219699.
James F. Wood, AO3011954.
Richard E. Woodruff, AO3000171.
Henry B. Zawacki, AO2262094.

To be second lieutenants, USAF (Medical Service)

Paul S. Casimiro, AO3075602.
Patrick D. Cavanaugh, AO3075978.
Keith Clemons, AO3075791.
Robert H. Cravey, AO3043437.
Norwood C. Dunn, AO3074823.
Jesse C. Edwards, AO3043563.
James T. Gallagher, AO3074895.
Ralph L. Gile, AO3000654.
Eddie L. Grady, Jr., AO3044593.
Robert C. Greaser, AO3056155.
Arnold Gurwitz, AO3043554.
Stanley G. Hammer, AO3043772.
James A. Hancock, Jr., AO3043363.
Jack D. Hegele, AO3045372.
Frederick T. Hoffman, AO3047655.
Elmer E. Huffman, AO3042171.
Dan W. Huntress, AO3042463.
Donn R. Kelsey, AO3075709.
Willard E. Kingsley, AO3042536.
Edward A. Kuykendall, AO3043972.
John P. Lensch, AO3056415.
Edward J. Lockwood, Jr., AO3043995.
Byrd K. Lyon, AO3043593.
William P. Mansfield, Jr., AO3042915.
Vernor L. McKinney, AO3044777.
Edward R. Noe, AO3014514.
James P. O'Connor, AO3043686.
Richard N. Ott, AO3042268.
Dale W. Parrish, AO990631.
Gary J. Pomeroy, AO3074822.
Sanford L. Reevesman, AO3043745.
Martin G. Rubin, AO3075363.
Billy S. Smith, AO3033461.
Richard A. Snyder, AO3049943.
Robert M. Taber, AO3043938.
John D. Voorhees, AO3076075.
Darius L. Wells, AO3042532.

To be captain, USAF (chaplain)

Edmund F. Lyznicki, AO2253849.

To be majors, USAF (Judge Advocate)

William R. Arnold, AO366939.
Robert E. Ashman, AO855590.
Francis R. Coogan, AO587683.
Daniel F. Derrick, AO725018.
Gordon P. Eckman, AO559760.
Herman C. Estes, AO571592.
Gerald B. Fisher, AO432351.
Eugene M. Gant, Jr., AO577641.
Lawrence W. Hunt, AO522011.
William Karr, AO728493.
Samuel T. Lloyd, Jr., AO432341.
Edwin L. Love, AO725173.
Jerome C. Neveleff, AO651054.
Victor Orsi, AO1549198.
Edward H. Posey, AO741364.
Clifford L. Summers, AO566856.
Paul R. Tarbutton, AO420878.
Francis I. Tennyson, AO566888.
Herbert A. Turk, AO397923.
Thoms H. Verdel, AO341736.
James J. Vogel, AO1797214.
Fred C. Vowell, AO672506.
William A. Watts, Jr., AO567026.
Curtis A. Whittington, Jr., AO432256.
Jack C. Young, AO424605.

To be captains, USAF (Judge Advocate)

Jake L. Abraham, AO884131.
Seymour Abrams, AO869662.
Robert S. Amery, AO2232948.
William H. Babcock, AO555853.
Thomas H. Barksdale, Jr., AO1865933.
Willard A. Barnes, AO986147.
Robert B. Beaudoin, AO1580751.
William L. Bedard, AO2251449.
John D. Blagg, Jr., AO3011069.
Willis H. Bledsoe, AO555595.
Ernest W. Boucher, AO688235.
Joseph C. Brady, AO2035799.
George W. Brewer, AO2230495.
Daniel J. Brodell, AO1114955.
Jay B. Brown, AO866782.
Lew D. Brundage, AO2230405.
Donald R. Burlington, AO2044747.
Perry H. Burnham, AO885833.
William R. Campbell, AO1850480.
Robert E. Cann, AO670354.
Harry G. Charles, Jr., AO679713.
Raymond R. Childers, AO588756.
Jerry E. Conner, AO2249433.
Thomas J. Connolly, AO741834.
Mack D. Cooley, AO423874.
Ransom H. Coulter, AO717942.
George L. J. Daliferes, AO556663.
John M. Davis, AO2230485.
Bernard A. Delaney, Jr., AO2233694.
Harvey P. DeLaune, AO2235722.
John A. Deronde, AO865758.
Chester L. Dillahunty, AO691437.
Frederick L. Donahower, AO1864072.
John R. Donnelly, AO579905.
James R. Dupler, AO659960.
Harry Ehrlich, AO1994417.
David E. Ells, AO2000281.
Oscar H. Emery, Jr., AO793236.
Frank Fedele, AO2037027.
Lucian M. Ferguson, AO726355.
William J. Foster, AO1855971.
Morris B. Fox, AO1852023.
Arthur L. Fuller, Jr., AO785660.
George H. Gibbons, AO816095.
Word L. Gidden, AO668927.
James D. Goddard, AO857972.
Oscar Goldberg, AO1643596.
Jack C. Goodman, AO2216574.
Donald C. Grey, AO2252934.
Lewis Z. Griswold, AO857417.
Lawrence J. Gross, AO1796267.
Stanley Haas, AO574839.
George F. Hall, AO790660.
Percival B. Hamilton, AO863212.
William C. Hamilton, Jr., AO1039018.
Robert M. Haynes, AO1859475.
William F. Hebert, AO2253071.
Howard W. Heman, AO870809.
George H. Hempstead, Jr., AO1045771.
Thomas R. Hennessey, AO567361.
Morris M. Herzberg, AO1591799.
Melville Hirschi, AO766526.
Andrew S. Horton, AO1643691.
Frank O. House, AO589887.
Clifton E. Hughes, AO886264.
Bertram Jacobson, AO581893.
George C. James, AO1905631.
Wray E. Kirsher, AO2251784.
Walter C. Koehler, AO578209.
Sidney R. Kuperberg, AO2251632.
William E. Lacy, AO1848294.
Fred R. Langford, AO2254631.
Jot B. Law, AO932537.
David Leib, AO1335437.
Jules M. Lipton, AO1059861.
Thomas E. Maher, AO1864207.
John R. B. Matthis, AO2236385.
John J. McCarthy, Jr., AO862523.
William D. McCarty, AO1945221.
Charles D. McCarty, AO856925.
Howard B. McClellan, AO738935.
Peter J. McKinney, AO948334.
Frank C. Miller, AO726807.
Edward A. Molnar, AO2217366.
George W. Moody, AO2070448.
Donald C. Morris, AO581012.
William G. Moses, Jr., AO2248832.
Arthur W. Murphy, AO2233892.
Norman J. Nelson, AO2229030.
Charles J. O'Brien, AO725342.
William F. O'Connell, AO700042.
Charles F. O'Connor, AO664803.
Howard J. Otis, AO563970.
Alexander J. Palenscar, Jr., AO1050853.
Joe P. Peck, AO2230609.
Carl B. Prestin, AO578915.
James F. Quiggle, AO2253860.
Kermit L. Racey, AO2234101.
Charles G. Reid, AO692438.

Stanley L. Roberts, AO2252627.
Thomas G. Roberts, AO2216177.
Dana A. Robertson, AO2233637.
Robert J. Rottman, AO1863720.
Homer A. Saetre, AO2251812.
Herman Saltzman, AO560306.
Mack E. Schwing, Jr., AO2233588.
Robert E. Shank, AO862804.
Harold Shapiro, AO811764.
Louis W. Smith, AO570304.
Richard M. Smith, AO2231281.
Eugene M. Solimine, AO2253202.
Albert E. Steensland, AO2215064.
Karl W. Stephens, AO2251692.
Herbert R. Swofford, AO1849188.
Quentin F. Teeven, AO2231686.
Willard R. Terry, Jr., AO1549851.
Raymond C. Troll, AO386748.
Quincey W. Tucker, Jr., AO736050.
John H. Van Voorhis, AO649288.
Marvin R. Vaughan, AO795316.
Mario L. Ventura, AO1863179.
Earl E. Weathersby, Jr., AO2236028.
James J. Weldon, AO430872.
John M. Wells, AO2249498.
Frank H. Weston, AO707465.
Thomas B. Whelan, AO570741.
Albert R. Whittle, AO567613.
Elroy F. Wiehl, AO368161.
Leo M. Williams, AO443479.
Leslie A. Williams, AO2231519.
Shirley G. Wimberly, Jr., AO1855658.
James D. Wofford, AO2235971.
James W. Woodcock, AO410349.
Thomas K. Wyseman, AO650874.
Waldo E. Ximenes, AO1859542.
George Yep, AO706995.
Richard T. Yery, AO2253228.

To be first lieutenants, USAF (Judge Advocate)

George W. Armor, AO3013093.
Richard C. Bauerle, AO3017846.
Donn L. Black, AO2230381.
Charles D. Bohlke, AO3015932.
Robert M. Boulineau, Jr., AO2255227.
Donald W. Brewer, AO940447.
Paul W. Buehler, AO1863255.
Howard F. Dick, AO2259598.
Dominick V. Driano, AO3033524.
Joseph H. Forsch, AO2209576.
Daniel Gallup, AO3059826.
Gordon A. Ginsburg, AO3059815.
Harold Howell, AO1865855.
Troy L. Hyatt, AO2207806.
Langford Keith, Jr., AO2204398.
Montgomery Knight, Jr., AO3059814.
Edward L. Kohler, AO1862497.
Donald J. Licker, AO3050395.
Paul T. Power, AO3046338.
Vincent J. Raymond, Jr., AO3019882.
Joseph W. Spencer, AO2246128.
Mark S. Tolle, AO2205825.
Robert J. Wallace, AO3016552.
Warren K. Wood, AO3052047.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 8291, title 10, United States Code, with a view to designation for the performance of duty as indicated under the provisions of section 8067, title 10, United States Code:

To be captains, USAF (Nurse)

Rita J. Ball, AN770047.
Effie B. Hinds, AN783400.
Eleanor L. McFall, AN2214223.
Jean C. Myers, AN804253.
Ruth M. Myles, AN2214208.
Audrey R. Rials, AN2214158.
Virginia L. Sears, AN741720.

To be captains, USAF (Medical Specialist)

Mary C. Ellis, AM2657.
Mary K. Fesenmyer, AR2260248.
Carolyn Reinbold, AM2241265.

To be first lieutenants, USAF (Nurse)

Mary R. Alford, AN1912968.
Elsie M. Armstrong, AN2244198.
Irene C. Bosch, AN2241891.
Lorraine C. Epler, AN2243692.
Kathleen E. Gagnon, AN2243253.
Nellie F. Greene, AN2244425.
Virginia C. Harmon, AN2244026.
Marjorrie L. Householder, AN2243839.
Ivy-Lou Ingram, AN2243249.
Mary L. Jones, AN2241934.
Mary V. Jones, AN3044740.
Goldie M. Ladner, AN2243760.
Mary J. Rader, AN2243540.
Mary M. Scanlon, AO2214440.
Mae D. Sneed, AN2242825.
Colleen Thornburg, AN2243515.

To be first lieutenant, USAF (Medical Specialist)

Barbara B. Bugbee, AM2239231.

To be second lieutenant, USAF (Nurse)

Lois M. Heath, AN3045327.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law, 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

To be majors

William L. Adams, AO707813.
John A. Akin, AO705487.
Ralph N. Albright, AO711894.
Richard L. Allen, AO792826.
David J. Andersen, AO767424.
Kenneth W. Anderson, AO410803.
Ralph W. Angel, AO767068.
Russell R. Angert, Jr., AO863616.
William E. Archer, Jr., AO809075.
William C. Athas, AO709728.
Gail L. Bahr, AO2046687.
James A. Bailey, AO544172.
Edward C. Barrett, AO824359.
Hugh L. Baynes, AO766841.
Edgar G. Beabout, AO855962.
Alexander N. Bebenin, AO706282.
George W. Bennett, AO564791.
James E. Benton, AO824374.
Lloyd A. Bishop, AO2056207.
Donell E. Bjoring, AO755293.
Val W. Bollwerk, AO398721.
Clarence F. Booth, AO822923.
Darrell C. Boyd, AO766145.
William T. Boyle, AO576946.
Leo F. Brady, Jr., AO1637069.
Bernard B. Brasser, AO574014.
Sidney W. Brewer, AO659650.
John W. Bridston, AO767476.
William G. Broome, AO728965.
Frederick W. Brown, Jr., AO709281.
Wayne M. Bundy, AO562649.
Dariel L. Burchfield, AO698417.
William K. Callaway, AO709044.
Robert Carson, AO821888.
Thomas B. Carter, AO828759.
Robert O. Celotto, AO406230.
Walter J. Chappas, AO769005.
Dennis J. Clark, AO806096.
Harold C. Cobb, AO810314.
Greenlaw M. Collins, AO791073.
Richard D. Cote, AO517847.
Robert A. Coury, AO687678.
Max E. Crandall, AO1845545.
Thomas C. Dahlgren, AO768472.
Daniel H. Daley, AO448214.
William J. Davis, Jr., AO767505.
Stephen J. Davitt, AO539919.
John E. Deacy, AO741246.
Zenon W. Dembitsky, AO512738.
Robert B. Doeker, AO874232.
Matthias F. Donelan, AO583170.
Reynold C. Dorman, AO741836.
Donald A. Dunn, AO757966.
Charles F. Dupont, AO581612.
Clyde B. East, AO686288.
Arthur Eberlein, Jr., AO711162.
A. C. Eggleston, AO767776.
Edwin C. Ervin, AO823935.
Robert W. Ewell, AO710245.
Martin D. Fetherolf, Jr., AO873521.
Hyman R. Finfer, AO765639.
Francis E. Fleming, AO668915.
Lawrence H. Flood, AO822664.
Arthur W. Foughty, AO584954.
Jerome R. Frazelle, AO1643555.
Richard A. Fromm, AO820988.
James R. Frye, AO708077.
Charles W. Fuchs, AO711382.
Cecil G. Furbish, AO822410.
Edward M. Garrett, AO418035.
Leslie E. Gaskins, AO708204.
Thomas B. Goodrich, AO307452.
Edward Gorski, AO767526.
Raymond A. Graham, AO703240.
Edwin E. Green, AO711657.
Jack V. Greenfield, AO767528.
George Grubic, AO706848.
Franklin P. Hall, Jr., AO855897.
James G. Hall, Jr., AO571910.
Wilbur L. Hall, Jr., AO815692.
Thomas P. Hammond, AO751128.
John R. Hane, AO396166.
Howard C. Harbaugh, AO809137.
Gabriel A. Hartl, AO764666.
James T. Herbst, AO563289.
Charles H. Hewitt, AO675335.
Melville W. Hightshoe, Jr., AO767230.
George E. Hodsdon, Jr., AO312470.
John H. Holliday, AO885357.
Thomas E. Jackson, AO758699.
Calvin E. Jarnagin, AO711686.
Harold F. Jeneman, AO433529.
Charles E. Johansen, AO823601.
Morris B. Johnson, AO1585680.
Bill J. Jurczyn, AO823611.
John G. Karabaic, AO706885.
Emmett L. Kearney, Jr., AO424968.
Harold M. Kennard, Jr., AO855178.
Marvin F. Kennedy, AO729973.
Julius J. Kinard, AO437314.
Albert J. Kirsling, AO823628.
Jerome A. Lauderbaugh, AO694001.
Robert K. LeBeck, AO422784.
Elroy C. Lehmann, AO813398.
David R. Lewis, AO709414.
James E. Lind, AO580922.
John J. Liset, AO824147.
Lue B. Mallory, AO888730.
George A. Marshall, AO869149.
Charles E. Massey, AO712417.
Lester F. Mathison, AO427397.
Clifford M. McGillivray, AO2036200.
Edward J. McManus, AO856245.
Carl L. Mellberg, AO660584.
David M. Miller, AO709487.
Clarence Molder, AO888830.
Enoch T. Naversen, AO710297.
Sidney L. Neal, Jr., AO822779.
Stanley J. Neitzel, AO417713.
Shirl M. Nelson, AO544667.
Henry D. Nix, AO797588.
Norris G. Norman, AO726061.
Ernest J. North, AO818735.
William J. Nosoff, AO1553531.
Richard E. Otier, AO683055.
Raymond W. Pahutka, AO1105733.
Fred O. Parrish, AO766044.
Russell W. Paulsen, AO709812.
Jay V. Percival, AO734594.
William P. Perkinson, AO822533.
Tom P. Petrus, AO671690.
Lyle V. Petterson, AO766851.
Claude D. Phillips, AO712032.
Howard F. Poulin, AO824565.
Marvin W. Prochnow, AO766947.
Sydney Pullen, AO2045061.
Virgil G. F. Raddatz, AO768060.
Glenn A. Reynolds, AO750846.
Herbert A. Reynolds, AO749931.
Eugene E. Rice, AO768671.
James R. Riley, AO709825.
Edward D. Robertson, AO797184.
John C. Robeson, AO803048.
Eugene A. Robinson, AO565208.
William A. Rogge, Jr., AO814764.
Ernest H. Rufer, Jr., AO744761.
Jack P. Ruff, AO766373.
Carl J. Schacherbauer, AO806734.
Kenneth J. Scott, Jr., AO823205.
David E. Shepard, AO701181.
Charles H. Spencer, AO711848.
William A. Stewart, AO406567.
Homer L. Stillens, AO738490.

John Susko, AO709852.
Frank R. Sutcliffe, AO712321.
Harold A. Swanson, AO708346.
William C. Tinsley, AO2036227.
Robert H. Towell, AO2044988.
Alwyn W. Traylor, Jr., AO810771.
Ralph D. Tucker, AO758109.
Robert V. Tucker, AO806750.
Roy E. Waller, AO697749.
William J. Walters, AO1551770.
Robert B. Weinard, AO823207.
Willard D. Welch, AO768340.
Dave A. Wettstein, AO768770.
Philip Y. Williams, AO417728.
John F. Wise, AO533916.

To be captains

James G. Abraham, AO1912196.
Robert E. Adams, AO2089587.
Stanley M. Adelson, AO1860174.
William Andrews, AO1846555.
George Aubry, Jr., AO1912197.
Allan R. Baer, AO1912050.
Joseph C. Baptiste, AO2068170.
Ewell M. Beasley, AO2076974.
Robert O. Bell, AO2079249.
Jack N. Bender, AO1905885.
Bohden Benn, AO1912266.
John J. Benson, AO1863158.
William M. Berrie, AO1848839.
Casper S. Bierman, AO1912136.
Dean R. Blincow, AO2088562.
Donald D. Blodgett, AO2076365.
William M. Bloom, AO1852832.
Wentworth Brackett, AO942858.
John A. Bradford, AO1912137.
John D. Brady, AO1903906.
Andrew C. Brewer, AO1850731.
Barnette E. Brooks, Jr., AO1912203.
Calvin W. Brown, AO2073829.
Albert T. Bruton, AO1860303.
Frank L. Buckio, Jr., AO887139.
James W. Buehler, AO1850127.
Edward A. Burnsed, AO723571.
Glen W. Buschman, AO2024907.
James O. Bush, AO1853935.
Nelson C. Butler, AO939503.
John W. Calhoun, AO1856744.
William H. Campbell, AO755873.
Max D. Cardwell, AO1912268.
Daniel L. Carroll, AO1912204.
Roy J. Chatham, AO1846651.
Anthony P. Cima, Jr., AO2088270.
Samuel W. Cochran, AO521583.
John B. Cogburn, AO841676.
Robert C. Cope, AO1912143.
Fenner S. Corbett, AO2251673.
James P. Cotton, AO1907559.
George B. Cowart, Jr., AO2081907.
Donald F. Coyner, AO1858723.
Dale F. Crank, AO837653.
Robert R. Crawford, AO1858697.
Edward F. Czarnomski, AO1860570.
William C. Dale, Jr., AO811025.
Charles M. Darby, AO2082987.
Sterling E. Davenport, AO1856950.
George E. Day, AO2214846.
Paul S. Deem, AO936784.
Tommy C. L. Denton, AO2090739.
William N. Dewar, Jr., AO1851099.
William D. Diggs, AO1848714.
Dennis R. Dippold, AO1858611.
John A. DiRienz, Jr., AO1999016.
Henry W. Dobek, AO1997872.
William E. Dougherty, AO760266.
Ernest E. Drake, AO865119.
Robert R. Ducharme, AO2069607.
Frank H. Dugger, AO543994.
Carl G. Ecklund, AO1865948.
Allen C. Evans, AO842305.
John E. Every, AO2095385.
Joseph L. Falvey, AO2088736.
William L. Faurot, AO843363.
Edward J. Fernandez, AO2099849.
Harry E. Ford, Jr., AO939161.
Frederick W. Forsythe, Jr., AO1853858.
Angelo L. Fortuna, AO2088743.
James C. Fosdick, Jr., AO1912220.
Robert B. Frazier, AO1854707.
Charles B. Fyock, AO2078513.
Paul E. Gardner, AO1847349.
Joseph P. Garvey, AO2023053.
Frederick P. Geier, AO973161.
Walter F. Geisinger, AO1863984.
Carl N. Germundson, AO710915.
Louis B. Gillmour, Jr., AO2089483.
Billie Gimble, AO1847533.
Robert W. Givens, AO703094.
Norman D. Gould, AO715667.
Eugene M. Graham, AO1853613.
William H. Graves, Jr., AO766256.
Keith R. Guthrie, AO2100823.
Edward W. Guymon, AO982460.
Harold B. Hackenberger, AO2088429.
Howard A. Hagen, AO1850051.
Robert R. Haggard, AO822903.
Randolph L. Hall, AO1866032.
John A. Hambleton, AO1852341.
Richard K. Hamilton, Jr., AO719940.
James J. Hand, AO1858514.
Wilbur T. Hanson, AO2092908.
Albert K. Harbaugh, AO1860827.
Frank G. Harper, AO760002.
Henry A. Harper, AO2081448.
James M. Harris, AO1850718.
Charles F. Hatfield, AO939243.
Eugene J. Heider, AO784443.
William T. Hemphill, Jr., AO2090952.
Arthur E. Hendren, AO2072262.
Joseph C. Hilliard, AO2101078.
Charles R. Holloman, AO1865727.
Walter E. Holston, AO2057922.
Walter B. Horn, AO1912087.
William R. Horton, AO1857155.
Ted A. Hosack, AO2094322.
Robert D. Hudson, AO1912089.
Wilbur C. Huff, AO1855597.
Edward J. Hughes, AO1854166.
Donald J. Hummel, AO2076322.
Hubert H. Hummel, AO1998249.
John M. Huston, AO2077311.
Thomas A. Immler, AO823868.
Calvin W. Jackson, AO787666.
Oliver N. Jackson, AO2203893.
Robert H. Jacobson, AO840597.
Joseph S. Jakoboski, AO709387.
George E. Johnson, AO1912092.
Worth R. Johnson, AO1855229.
Hughlon W. Jolley, AO2087169.
Donovan L. Jones, AO1912152.
Paul Jones, AO1912153.
Wilmer E. Jones, AO941108.
James D. Jordan, Jr., AO2087964.
Marvin E. Jordan, AO1912094.
Francis J. Kalinowski, AO2079365.
Harry E. Kempe, AO1904005.
Richard H. Kilpatrick, Jr., AO2084903.
David F. King, AO942589.
John A. King, AO1853781.
Lester D. F. Kinkade, AO1907438.
Edwin L. Klodzinski, AO2026576.
Albion Knight, AO937650.
Harold W. Knight, AO1848242.
Louis R. Kramer, Jr., AO946268.
John P. Langhorne, AO1863874.
Ronald J. Layton, AO1912230.
George H. Leggate, AO815936.
David Lewis, Jr., AO2095279.
John E. Loest, AO788046.
Kenneth R. Long, AO785840.
James A. Lucey, AO768147.
Earl F. Mabus, AO2078098.
Glenn B. Mackie, AO1853107.
William F. Manning, AO1850790.
Robert S. McCoy, AO771082.
Richard J. McGee, AO771476.
Dale A. McGuire, AO1912101.
Robert S. McHargue, AO972147.
Roy L. McKee, AO1905658.
Lloyd B. McKeethen, AO843356.
Elmer W. Merrow, AO944053.
Benjamin J. Moise, AO939202.
James E. Money, AO1907499.
Emory R. Moore, AO1865831.
Richard T. Moss, AO1848358.
Virgil W. Munsey, AO1912165.
Clair H. Musgjerd, AO1855327.
Walter H. Nesbitt, Jr., AO1857050.
Robert L. Nicholl, AO1912389.
James B. Norton, AO543988.
Nile B. Norton, AO2099765.
Charles W. Nugent, AO1995925.
Wallace H. Ogden, AO2100186.
Rollie G. Olson, AO1912107.
George W. Panas, AO2076053.
Eugene N. Paulnock, AO701635.
Roger K. Peterson, AO1912110.
Martin T. Phillips, AO940147.
Claude P. Phipps, AO1912168.
John A. Piazza, AO1905831.
Paul R. Powers, AO1847305.
Emmerson D. Price, AO1858441.
William D. Price, AO1912170.
Robert B. Pritchard, AO939443.
Edward J. Rau, AO1912291.
Harry C. Rawls, AO963204.
Andrew J. Reis, Jr., AO2080559.
Leland D. Reneau, AO1912172.
Robert P. Reynold, AO1862853.
Floyd W. Richardson, AO1860279.
John Rider, AO1912174.
John S. Rivers, AO1912175
James M. Roach, AO776408.
Leland J. Robar, AO1912292.
Richard E. Robinson, AO1851173.
David Rode, AO831807.
Glenn D. Ross, AO2060100.
Irving F. Ross, AO2084016.
Arthur A. Rossler, AO1692820.
Albert E. Runyan, AO1912248.
Charles M. Rush, AO841760.
James L. Rynning, AO1849660.
Charles J. Sanders, AO1905819.
Joseph O. Schwenk, AO944773.
Clair A. Schwob, AO787971.
Melvin R. Scott, AO760516.
William R. Seal, AO939200.
Norman W. Seegren, AO2062314.
Bernard G. Seggerman, AO1912323.
Robert E. Seidell, AO818767.
Donald J. Sheldon, AO1852189.
Oliver C. Sheldon, AO1864013.
Harold J. Shockley, AO1856207.
Clyde M. Simmons, AO2090164.
John C. Simons, AO930412.
Wyman J. Smalley, AO2085024.
Floyd E. Smith, AO719448.
John A. Smith, AO1912250.
Ray H. Smith, Jr., AO2098580.
Vernon W. Smith, AO936293.
Joseph M. Speroni, AO1912325.
John C. Squires, AO2084034.
Thomas B. Stables, AO946213.
Lawrence W. Stanley, AO1853753.
Theodore R. Sturm, Jr., AO1850996.
Mayo B. Sulser, AO2067380.
Ira T. Taylor, AO941944.
Frederick H. Thomas, AO1862271.
Donald A. Thompson, AO2101007.
Garland E. Trimble, AO839296.
Clemment W. Trombley, AO764865.
James E. Troublefield, Jr., AO1856221.
William C. Tunis, AO698618.
Cletus L. Wadlow, Jr., AO1858214.
Cecil E. Waggoner, AO939948.
James J. Walters, AO940966.
Charles E. Walton, AO2083496.
Edward P. Washington, AO1848600.
James L. Watkins, AO786192.
Raymond S. Watson, AO1864281.
Charles A. Waugh, AO2083206.
Dudley G. Welch, AO938837.
Douglas D. Wells, AO1912192.
George W. Wells, AO776465.
Robert A. Wells, AO2058599.
Robert B. Welsh, AO1856972.
Robert J. Whitehead, AO1912302.
Lorne D. Whitworth, AO817804.
Marvin A. Wicks, AO1912258.
Robert J. Wickwire, AO1912132.
Homer N. Willett, AO985604.
Carol M. Williams, AL1858383.
Robert H. Williams, AO1912260.
Robert P. Williams, AO2090365.
Shepard C. Williams, Jr., AO1912133.
Troy M. Wilson, AO1846963.
William J. Wilson, Jr., AO822582.
Earle R. Wolff, AO705198.
Emanuel H. Wolff, AO749950.
William F. Wood, Jr., AO1907575.
J. N. Woodard, AO935114.
Donald G. Woske, AO1912262.
Vernon L. Wright, AO1910299.
James R. Wymer, AO774401.
Frank C. Zettel, AO704999.

To be first lieutenants

John B. Abell, AO2209102.
Ralph K. Baber, AO2205327.
Robert F. Berry, AO3038267.
William J. Bland, AO2206816.
Richard F. Buchter, AO2211046.
John A. Clarke, AO2206196.
Donald N. Cohen, AO2210139.
Roland S. Crandall, AO2209411.
Charles E. Crawford, AO2206693.
Myron W. Crow, AO3038501.
Joseph A. DeJulia, AO3038035.
Wilford E. Deming III, AO3038572.
Gary L. Dryden, AO2207631.
Glenn R. Dunphy, AO2206047.
Donald G. Edson, AO3038648.
John R. Egan, AO2209324.
Edwin E. English, Jr., AO2204339.
Wilbur E. Ewing, Jr., AO3038206.
Horace K. Fawcett, Jr., AO3038083.
Neil F. Finnegan, AO3009173.
George I. Fischer, AO3030654.
Theodore A. Fisher, AO2204699.
William E. Fisher, AO2204402.
Gerrit D. Foster, Jr., AO3038398.
Jerome A. Frisch, AO3038708.
Francis S. Goeltz, AO3038709.
Richard J. Goodreau, AO3035917.
Raymond F. Hamel, AO2207534.
David L. Hancock, AO3031425.
Robert K. Hanna, AO3038275.
Peter W. Harris, AO2209423.
William G. Harris, Jr., AO2209854.
Williard W. Hartley, AO2219828.
Leo P. Hays, AO3013936.
Charles C. Hines, AO3038343.
Ramon A. Horinek, AO3038596.
Brice W. Horn, AO2209426.
Charles L. Hudson, AO3030026.
George Jatras, AO2210990.
Edward S. Johnson, AO3032594.
Edwin W. Johnson, AO3038049.
Robert E. Johnson, AO3037924.
Algirdas V. Kanauka, AO2210860.
Lewis G. Kirchner, AO3038050.
Charles N. Kirk, AO2207903.
Ronald R. Knaus, AO3038543.
Frederick R. Koepke, AO3038417.
Warren S. Kvetensky, AO3038091.
Roger C. Laber, AO2207542.
Robert W. Lamb, AO2209831.
Richard M. Lantz, AO3038719.
Arthur R. Larkin, AO3038243.
Robert F. Lewis, AO2210090.
William G. Lockwood, AO3038282.
Robert D. Loukota, AO3009143.
Samuel C. Maxwell, AO3038604.
Sabato J. Melone, AO2209336.
James E. Myers, AO2210146.
Conover A. Nelson, Jr., AO3038359.
Anthony R. Noonan, AO762392.
Bobby L. Norman, AO3038100.
Franklin D. Ott, AO3038101.
Billy R. Patterson, AO3036663.
Leslie R. Pawson, AO3011368.
Albert C. Pecuch, AO2205353.
Kenneth L. Peek, Jr., AO3038286.
Herbert G. Petrak, AO2204623.
John L. Piotrowski, AO3009097.
Kenneth L. Pitchford, AO2216225.
Carl W. Rawie, AO3038613.
Wesley E. Robb, AO2209893.
Jimmie R. Robertson, AO3038214.
Theodore R. Robertson, AO2204409.
Walter R. Sanborn, AO2209658.
Jack H. Sandstrom, AO3032777.
Arnold W. Scheu, AO3038363.
Gregory D. Scheuermann, AO2208668.
Robert M. Schurig, AO2206426.
Thomas E. Schwietz, AO2205820.
Carl C. Scott, AO2211359.
Otis D. Shaw, AO1861032.
Lyndon L. Sheldon, AO2211083.
Harrold S. Shipps, Jr., AO2232354.
Ronald J. Skorepa, AO2206533.
John A. Standring, AO3038442.
Nolen B. Stanford, AO3038293.
Robert W. Stapleford, AO3002360.
Henry E. Stickney, AO2205631.
George J. Stoddard, AO3038145.
John J. Summers, AO3021326.
Florian A. Supercynski, AO3031662.
Thomas E. Sutton, AO2204411.
William R. Tauzel, Jr., AO2205348.
Lucien T. Thompson, AO2207020.
Alexander W. Thomson, AO2208471.
Philip K. Trivitt, AO3038519.
Jimmy L. Twombly, AO2210202.
John D. Underwood, Jr., AO3038068.
Oscar E. Unser, AO3038556.
Edward J. Valentine, AO3037967.
George C. Van Heusen, AO3038520.
Harold G. Van Ree, AO3038623.
William E. Vetters, Jr., AO3038375.
Herman G. Vincent, AO3002234.
Richard D. Vogel, AO3038297.
James R. Watson, AO3038377.
Frank A. Williams, AO3038105.
Donald D. Wilson, AO2205664.
Herman R. Witzig, AO3038022.
Wayne B. Wolfkeil, AO2206256.
Thomas C. Wyatt III, AO3038379.
John A. Yeabower, AO2206965.
Billy J. Yeiser, AO2206186.

To be second lieutenant

William F. Dean, Jr., AO3064405.

The following-named distinguished graduates for appointment in the Regular Air Force, in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

Distinguished officer candidate graduates

Dennis L. Goudy, AO3087675.
Donald L. Jones, AO3087576.
Clifford A. Kinnunen, AO3087697.
Stanley M. Lowry, AO3087703.
Allan R. Redman, AO3087602.
Joseph Tortorete, AO3087741.
Noble L. Utley, AO3087626.

Distinguished aviation cadet graduates

Robert J. Aldrich, Jr., AO3080315.
Ivan G. Ames, AO3080161.
Daniel W. Boone, AO3080473.
Gerard J. Braun, AO3080337.
Melvin F. Brown, AO3080576.
Thomas F. Cantarano, AO3080476.
Philip M. Chafee, Jr., AO3066565.
John D. Champlain, AO3080323.
Robert W. Curfman, AO3080577.
Sigvard Dahl, Jr., AO3080177.
Harland M. Davis, Jr., AO3066494.
Thales A. Derrick, AO3080500.
Henry J. DiAngelo, AO3080501.
Carl R. Dice, AO3080316.
John R. Dyrdahl, AO3080134.
Robert Gorter, AO3080166.
William D. Jenerette, Jr., AO3080168.
Allen T. Johnson, AO3066512.
Francis W. Jowett, Jr., AO3080508.
Wyatt E. Key, AO3080606.
Leon S. Kirk, AO3080255.
Thomas J. Kuhns, AO3080256.
Joseph W. LaCasse, AO3080584.
Dennis R. LaFarlette, AO3080278.
Charles P. Little, AO3080511.
John R. A. Lofgren, AO3080280.
Robert F. Maheu, AO3080260.
William M. Malloy, AO3080289.
Alan S. Pastorius, AO3080426.
Herbert L. Philips, AO3080563.
Richard W. Simons, AO3080192.
Philip E. Smith, AO3080193.
James D. Stark, AO3080154.
Ronald E. Suladie, AO3080310.
James L. Sweeney, AO3080568.
Robert P. Terbet, Jr., AO3080297.
John R. Thornhill, AO3080156.
Vito Tomasino, AO3080282.
Edward M. Wagner, AO3080488.
Jay A. Whitney, AO3080225.
Norman B. Woodbury, AO3080489.

Subject to medical qualification and subject to designation as distinguished military graduates, the following-named distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

James B. Artman	Richard E. Ladd
Hastings W. Banner	Allan R. Lazarus
James L. Bartz, AO3083068	John L. Lytle
	Patrick A. Palmier
Robert S. Boyd	Ivan L. Reddington
Philip R. Brubaker	William D. Reese
James V. Foster	Thomas W. Snide
Eugene C. Goodale	Dean A. Upp
Paul H. Gottschalk	Thomas S. Wiley
David W. Harden	Lester R. Williams
Charles A. Kenyon, Jr.	Eldon T. Winston
Masami Kurihara	

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Lindsay G. Fields, Jr., Normal, Ala., in place of M. L. Gill, removed.

ARIZONA

Albert H. Salem, Sacaton, Ariz., in place of H. M. Peebles, resigned.

ARKANSAS

Gertrude A. Hargis, Okay, Ark., in place of D. O. Holland, retired.

Joe L. Mills, Sulphur Springs, Ark., in place of M. E. Whaley, retired.

CALIFORNIA

Carroll N. Clark, El Portal, Calif., in place of D. D. Shepherd, retired.

David H. Axtell, Fontana, Calif., in place of T. J. Conway, retired.

Benjamin P. J. Wells, Goleta, Calif., in place of C. A. Beguhl, resigned.

Eva C. Edwards, Littlerock, Calif., in place of M. A. Wallace, resigned.

Reba L. Guerrettaz, Orick, Calif., in place of E. A. Guerrettaz, resigned.

Howard Neubauer, Pacific Grove, Calif., in place of J. D. Orchard, Sr., retired.

Valate T. Eliason, San Quentin, Calif., in place of W. J. Bond, deceased.

Cecil H. Murley, Taft, Calif., in place of H. E. Jungi, deceased.

Eleanor J. Covey, Woodacre, Calif., in place of E. A. Clarke, retired.

COLORADO

Herbert L. Richards, Silt, Colo., in place of J. W. Anson, deceased.

CONNECTICUT

Jack A. Vaccarelli, Danbury, Conn., in place of A. P. Walsh, retired.

Richard J. Scully, Riverside, Conn., in place of M. P. Spezzano, retired.

FLORIDA

James W. Cobb, Nokomis, Fla., in place of R. G. Simpson, resigned.

Howard O. Guthrie, Parrish, Fla., in place of R. B. Wakeland, retired.

ILLINOIS

Fred H. Blatt, Jr., Elwood, Ill., in place of Blanche Linebarger, retired.

Charles W. Merriman, Fillmore, Ill., in place of H. A. Richmond, retired.

William H. House, Mansfield, Ill., in place of R. A. Tilford, resigned.

Stanley W Alm, Richmond, Ill., in place of J. F. Hora, removed.

John E. Holden, Schiller Park, Ill., in place of H. E. Grom, removed.

KANSAS

Clarence J. Wassenberg, Marysville, Kans., in place of P. W. Kirkpatrick, retired.

Roger R. Unruh, Pawnee Rock, Kans., in place of V. L. Smith, transferred.

Charlie C. Springer, Prescott, Kans., in place of V. M. Lapsley, retired.

KENTUCKY

Helen Hill, Hillsboro, Ky., in place of M. Z. Todd, retired.

MAINE

Henry A. Shorey, Bridgton, Maine, in place of E. F. Larrabee, deceased.

MASSACHUSETTS

Joseph H. Nolan, Lenox, Mass., in place of W. K. Parker, resigned.

George Treat Harriman, North Carver, Mass., in place of H. S. Pink, retired.

Thomas W. Ackerson, Wakefield, Mass., in place of E. J. Sullivan, removed.

MICHIGAN

Leon H. McNeill, Alma, Mich., in place of J. H. McFarland, Jr., transferred.

Jacob D. Bostrom, Jr., Branch, Mich., in place of L. M. Grantsynn, retired.

Richard F. Richardson, Clinton, Mich., in place of H. J. Stein, retired.

Frank D. Boria, Iron Mountain, Mich., in place of H. A. Torretti, resigned.

John W. Van Eck, Kalamazoo, Mich., in place of Walter Schanz, removed.

Marguerite I. Wilson, Lincoln Park, Mich., Office established June 16, 1954.

Richard E. Jackson, Palmyra, Mich., in place of A. C. Johnston, transferred.

MINNESOTA

Kenneth E. Jerdee, Ada, Minn., in place of J. L. Anderson, retired.

Henry Bakker, Jr., Ah-gwah-ching, Minn., in place of R. E. Kennedy, resigned.

Marie J. Steffen, Beaver Bay, Minn., in place of R. C. Amyotte, removed.

Ivan P. Twamley, St. Vincent, Minn., in place of C. A. Ahles, retired.

Albert Pederson, Spicer, Minn., in place of H. I. Nelson, retired.

Wayne L. Altermatt, Wanda, Minn., in place of Herbert Aufderheide, deceased.

MISSOURI

William P. Graham, Hawk Point, Mo., in place of R. G. Walton, deceased.

Edward J. Shelton, West Plains, Mo., in place of Summerfield Jones, retired.

MONTANA

Russell N. Grunhuvd, Hysham, Mont., in place of H. I. Manning, deceased.

NEBRASKA

Charlie N. Umphenour, Harrison, Nebr., in place of H. T. Dunn, deceased.

NEW JERSEY

Thomas W. Edman, Vincentown, N. J., in place of H. S. Eibert, removed.

NEW MEXICO

Rita L. Pena, Encino, N. Mex., in place of M. E. Behrens, retired.

Thomas W. Wilson, Ojo Caliente, N. Mex., in place of P. T. Lucero, resigned.

NEW YORK

John L. Kress, Jr., Galway, N. Y., in place of J. T. Hunter, retired.

Warren B. Lucas, North Salem, N. Y., in place of Marian Purio, resigned.

Frank E. McGrath, Jr., Port Chester, N. Y., in place of T. F. Connolly, removed.

Hollis A. Wilson, Pulaski, N. Y., in place of G. W. Woods, deceased.

Ralph A. Doty, Silver Creek, N. Y., in place of L. S. Kittell, deceased.

NORTH CAROLINA

Albert E. Ballard, Ansonville, N. C., in place of O. E. Ross, retired.

Isabelle M. Howard, Fairfield, N. C., in place of J. K. Ballance, resigned.

NORTH DAKOTA

Harold E. Reiten, Petersburg, N. Dak., in place of Christine Loken, retired.

OHIO

Ross N. Lament, Huntsville, Ohio, in place of E. C. Tracet, deceased.

OKLAHOMA

Jim J. Loftis, Frederick, Okla., in place of C. P. Vickrey, removed.

OREGON

George E. Crakes, Harrisburg, Oreg., in place of H. C. Kizer, deceased.

PENNSYLVANIA

Ruby H. Briner, Acme, Pa., in place of W. S. Hoke, retired.

PUERTO RICO

Jose M. Vidal, Jr., Juncos, P. R., in place of J. A. Principe, removed.

SOUTH CAROLINA

Donald H. Burch, Cheraw, S. C., in place of H. L. Burnette, retired.

SOUTH DAKOTA

Rolland R. Mattheis, Lennox, S. Dak., in place of M. A. Hurley, retired.

TEXAS

Elma T. Wakefield, Midway, Tex., in place of M. F. Wakefield, retired.

Jacob Truett Welch, Royse City, Tex., in place of Wyatt Williamson, retired.

UTAH

Wayne Barney, Escalante, Utah, in place of M. G. Allen, retired.

Glen T. Evans, Lehi, Utah, in place of A. C. Schow, retired.

VERMONT

George O. Rivard, Richmond, Vt., in place of Daniel Henley, deceased.

VIRGINIA

James E. Brunner, Riner, Va., in place of G. J. Akers, retired.

WASHINGTON

Hugh M. Behme, Custer, Wash., in place of Emanuel Lindberg, resigned.

Joanne T. Allen, Moclips, Wash., in place of Andrew Ainer, retired.

WISCONSIN

Clayton C. Watkins, Argyle, Wis., in place of M. L. Collentine, retired.

Claude J. Weber, Chilton, Wis., in place of Joseph Schmidlkofer, retired.

Paul W. Fleming, Emerald, Wis., in place of M. E. Hartwig, deceased.

Roy M. Schwalbach, Germantown, Wis., in place of A. P. Schwalbach, retired.

Gilbert H. Mueller, Glenbeulah, Wis., in place of G. V. Carolan, deceased.

Paul C. Matzke, Juda, Wis., in place of M. A. Dunwiddie, retired.

Elmer M. Rumpf, Milton, Wis., in place of F. W. Friedel, transferred.

Casamere A. Maniaci, Wood, Wis., in place of E. S. Judkins, retired.

WYOMING

Floyd W. Graefe, Jackson, Wyo., in place of A. L. Johnson, retired.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 6, 1958:

POSTMASTERS

SOUTH CAROLINA

Joe H. Giltner, Jr., to be postmaster at Chester.

Robert Morris Clayton, to be postmaster at Laurens.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 6, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Amos 5: 6: *Seek ye the Lord, and ye shall live.*

Eternal God, our Father, Thou art found by those who truly seek Thee, known by those who love, and seen by all whose hearts are pure.

Grant that, relying upon Thy divine grace, we may manifest a fidelity which never fails and a courage which never falters.

Show us how we may strengthen the spirit of mutual appreciation and understanding, of friendship and cooperation, of peace and good will among all the nations of the earth.

May it be our supreme desire to magnify Thy great and holy name.

Hear us for the sake of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER

The SPEAKER laid before the House the following communication from the Clerk of the House:

MARCH 6, 1958.

The honorable the SPEAKER,
House of Representatives.

SIR: A certificate of election in due form of law for the Honorable ALBERT H. QUIE as a Representative-elect to the 85th Congress from the 1st Congressional District of Minnesota, to fill the vacancy caused by the death of the Honorable August H. Andresen, has been received and is on file in this office.

Respectfully yours,
RALPH R. ROBERTS,
Clerk, United States House of Representatives.

Mr. QUIE appeared at the bar of the House and took the oath of office.

ELECTION TO COMMITTEE

Mr. MARTIN. Mr. Speaker, I offer a resolution (H. Res. 499) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ALBERT H. QUIE, of Minnesota, be and he is hereby, elected a member of the Standing Committee of the House of Representatives on Agriculture.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUSPENSION OF DUTIES ON CERTAIN SHOE LATHES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10792) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act entitled "An act to suspend for 2 years the import duties on certain lathes used for shoe last roughing or for shoe last finishing, and to permit substitution for drawback purposes in the case of printing papers," approved August 6, 1956 (Public Law 1012, 84th Congress), is amended to read as follows: "The amendment made by the first section of this act shall apply

only in the case of articles entered for consumption, or withdrawn from warehouse for consumption, on or after August 6, 1956, and before August 7, 1960."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 10792, which was introduced by our beloved colleague, the ranking minority member of the committee, the Honorable DANIEL A. REED, is to continue for 2 years, until August 7, 1960, the existing suspension of duties on copying lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one size shoe from a single size model of a shoe last.

As is explained in the committee report to accompany this bill, the machinery involved is of a highly specialized and expensive type used by the shoe manufacturing industry which can only be obtained from abroad. The duty on these lasts was first suspended by Public Law 1012, 84th Congress, effective August 6, 1956, for a period of 2 years. The bill which eventually became Public Law 1012, and which was reported unanimously by the Committee on Ways and Means, would have transferred these lathes permanently to the free list; however, a Senate amendment was added which limited the suspension for a period of 2 years. The instant bill would simply extend this suspension for an additional 2-year period.

According to a report received from the United States Tariff Commission, the Commission estimated that the number of lathes imported under the exemption has been very small, probably not as many as 10. The committee was advised that this legislation would be of benefit to the domestic shoe last manufacturing industry and to the consumer, and at the same time not present a detriment to domestic equipment producers or result in any major loss of revenue to the Government.

Favorable departmental reports were received on the bill by the Committee on Ways and Means.

The committee was unanimous in urging enactment of this legislation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, as the author of this legislation I of course have joined my distinguished chairman, the gentleman from Arkansas, in supporting the enactment in the House of Representatives of this meritorious proposal. The bill would continue for 2 years an existing suspension of import duties on copying lathes used in making certain shoe lasts.

I was privileged to be the author of the original legislation on this subject and have been pleased to note that since the original enactment of the suspension American industry has availed itself of the opportunity to import these copying lathes so as to improve the industry's competitive position. Unfortunately some companies in this great American industry were unable to acquire these lathes within the period allowed under the original suspension because of insufficient funds. This 2-year extension will give such companies additional opportunity to acquire this machinery.

It is my hope that this legislation will be enacted into law promptly so that companies in the American shoe manufacturing industry can proceed with plans to purchase machines of the type provided for under this bill.

AMENDMENT OF SECTION 512 OF THE INTERNAL REVENUE CODE OF 1954

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8268) to amend section 512 of the Internal Revenue Code of 1954.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 512 (b) of the Internal Revenue Code of 1954 is amended by adding at the end therof the following new paragraph:

"(13) In the case of a trust which by virtue of the provisions of a will becomes a limited partner in a partnership existing under the laws of any State providing for the creation of limited partnerships and under which a limited partner as such has no right to take part in the control of the business, there shall be excluded all income derived by such trust as such limited partner which is required to be distributed currently exclusively for religious, charitable, scientific, literary, or educational purposes, and all deductions directly connected with such income."

(b) The amendment made by this act shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

With the following committee amendment:

Page 1, strike out line 6 and all that follows down through line 8 on page 2, and insert:

"(13) In the case of a trust—

"(A) created by virtue of the provisions of the will of an individual who died after August 16, 1954, and before January 1, 1957;

"(B) which, by virtue of the provisions of such will, is a limited partner in a partnership created under the laws of a State (i) providing for the creation of limited partnerships, and (ii) under which a limited partner has no right to take part in the control of the business without becoming liable as a general partner;

"(C) which, at no time before or during a taxable year of the partnership ending within or with the taxable year of the trust, was (or was liable as) a general partner in such partnership; and

"(D) which is required to distribute all of its income (within the meaning of sec. 643 (b)) currently exclusively for religious, charitable, scientific, literary, or educational purposes, and which is required to distribute all of the corpus exclusively for such purposes,

there shall be excluded its share (determined under subsection (c) without regard to this paragraph and paragraph (11)) of gross income of the partnership as such limited partner and of the partnership deductions directly connected with such income, but, if such share of gross income exceeds such share of deductions, only to the extent that the partnership makes distributions during its taxable year which are attributable to such gross income. For purposes of the preceding sentence (i) any distribution made after the close of a partnership taxable year and on or before the 15th day of the fourth calendar month after the close of such taxable year shall be treated as made on the last day of such taxable year, and (ii) distributions shall be treated as attributable first to gross income other than gross income described in the preceding sentence, and shall be properly adjusted (under regulations prescribed by the Secretary or his delegate) to the extent necessary to reflect capital contributions to the partnership made by the trust, income of the partnership exempt from tax under this title, and other items."

(b) The amendment made by subsection (a) shall apply to taxable years of trusts beginning after December 31, 1955.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as the Members of the House will recall, a tax was first imposed with respect to the unrelated business income of charitable organizations by the provisions of the Revenue Act of 1950. This unrelated business income tax is imposed whether such organizations are tax-exempt organizations or trusts otherwise entitled to an unlimited deduction for charitable contributions. This action was motivated by a desire on behalf of the Congress to prevent unfair competition by such organizations against regular business organizations through the utilization of the tax-exempt privilege to accumulate capital for the expansion of a trade or business without the imposition of tax.

The Revenue Act of 1950 distinguished between passive investment income and income derived from the active conduct of a trade or business, and passive income was excluded from the unrelated business income tax. Thus, income such as dividends, interest, royalties, most rents, capital gains and losses, and other similar items are excluded from the base of the tax as passive in character and not likely to result in competition for taxable businesses. However, no exclusion was provided for income derived by a charitable organization from an interest

as a limited partner in a partnership interest except to the extent that such income represents dividends, interest or royalties, and so forth, which are otherwise excluded. Because of the passive character of income received by a charitable trust as a limited partner in a partnership interest, it is the purpose of H. R. 8268, as amended by the Committee on Ways and Means, to exclude such income from the tax on unrelated business income if the restrictions and limitations contained in the bill, as amended, are met.

Generally speaking, the bill provides limitations which assure that the new exclusion will apply only to passive income derived by a trust from a limited partnership interest and then only to the extent that such income is distributed by the trust to charitable organizations. Additional limitations are provided to assure that the exclusion will be reduced to the extent that the charitable trust makes a capital distribution to the partnership from amounts distributed to the trust by the partnership.

H. R. 8268 as amended by your committee was reported favorably by the unanimous vote of the committee.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, this meritorious legislation provides that the definition of taxable unrelated business income would not include income derived from a limited-partnership interest to the extent that the income attributable to such interest is currently distributed. This legislation would make applicable to such limited partnership income the same treatment under our tax laws that is accorded to dividends, interest, royalties, and similar items of income when received by a charitable trust.

The bill and existing law contain safeguards against abuses so that tax avoidance will not result from the enactment of H. R. 8268. Accordingly, I have joined with my distinguished colleague in urging my colleagues in the House to support this appropriate change in our Federal tax laws.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the author of the bill, the distinguished majority leader, may extend his remarks at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I introduced the bill, H. R. 8268, because of my interest in charitable works and because I feel that a need exists to encourage those whom God has placed in the fortunate position of being able to give for the good of others.

I see no grounds for distinction which would justify treatment of passive investment income derived by charitable trusts from a limited partnership interest different from dividends, interest, royalties or other types of passive investment income in the hands of such a trust. For that reason, I introduced H. R. 8268, which, as amended by the Committee on Ways and Means, will permit charitable trusts who are limited partners, and who receive income as such, to preserve their whole income without diminution by tax for the charitable purposes for which they were created, if they meet the conditions and limitations imposed by the bill, as amended, for the protection of the revenues.

Consistency of treatment requires the result which will be reached under the provision of the bill. In addition, its enactment will preserve for the charitable uses intended by the settlor of such trusts all of the funds which were intended to be devoted exclusively to the use of charity.

I wish to note that the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Tennessee [Mr. BAKER], and the gentleman from Florida [Mr. HERLONG] introduced identical bills, and I thank the gentlemen from the Committee on Ways and Means for the fine work they have done in amending and reporting this bill.

NEW YORK STATE AND NEW YORK CITY STUDENTS STAND HIGH IN SCIENCE COMPETITION

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, it is with considerable pride that I rise to inform the House that New York City and New York State lead the Nation in one more area of endeavor. I am sure all Members of Congress from New York join me in this feeling and commend with me the schools and students of our great city and State.

Data have just been released which show that students of high schools in New York have won almost one-third of all honors awarded in the nationwide Westinghouse science talent search since it began 17 years ago.

New York State has had 228 of the 680 winners and 1361 of 4420 receiving honorable mention. Of those from New York State, 61 percent of the winners and 57 percent of those getting honorable mention were from New York City schools.

Although the city school system has less than one-fortieth of the Nation's school children, it won more than one-fifth of the awards.

This is a great achievement of our schools, teachers, students, and families. All are to be commended and all can be justifiably proud.

CALL OF THE HOUSE

Mr. OSTERTAG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Beamer	Gordon	Richlman
Bonner	Grant	Rivers
Boykin	Green, Pa.	Saund
Brown, Mo.	Gregory	Scrivner
Buckley	Gross	Shelley
Carrigg	Hill	Shuford
Christopher	Hillings	Sieminski
Clark	Holland	Steed
Davis, Tenn.	Long	Teague, Tex.
Dempsey	McCarthy	Vinson
Dies	Murray	Widnall
Diggs	Nimtz	Williams, N. Y.
Engle	O'Neill	Willis
Flood	Osmers	
Forand	Powell	

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

IMPROVED METHODS OF STATING BUDGET ESTIMATES

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8002, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1 of the bill.

Are there any amendments to section 1?

Mr. TABER. Mr. Chairman, I offer a substitute for the bill.

The Clerk read as follows:

Substitute amendment offered by Mr. TABER: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 201 of the Budget and Accounting Act, 1921, as amended, is further amended by adding the following new subsection:

"'(b) Each department and establishment of the Government to which an appropriation is made shall annually submit to the Bureau of the Budget a justification for the continued availability of such funds and the President, in his annual budget message or supplemental messages, shall transmit to Congress his recommendations for action in the event he desires such availability to be continued, and, if so, in what manner and for what purpose.'

"SEC. 2. (a) It shall be in order to include in appropriation bills, or in amendments thereto, provisions pertaining to the availability of funds referred to in section 201 (b) of the Budget and Accounting Act of 1921, as amended.

"(b) The provisions of subsection (a) of this section are enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such

rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House."

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, because I have always had the highest regard and esteem for the Presidency, when this bill came up with its method of doing business I examined it very carefully with the idea of finding out what it would do, and I did that advisedly so that I might be very careful about what position I would take.

I found so many contradictions and so many things that were absolutely dangerous to the financial stability and the operation of the Government of the United States that I felt that I must oppose it.

In the first place it attempted to bring back contract authorization, a device that we have had here in days gone by but which we have found to be an impossible procedure if we were to operate the Government on an intelligent basis and if the Committee on Appropriations were to do anything that would keep the situation in hand.

That was not the only contradiction. I will read to you the language on page 3, lines 10 to 18. The first sentence is absolutely contradicted by the second sentence in that paragraph, and that is the way it is all the way through the bill. There is no coordination in the bill. The first sentence in that paragraph (e) would require the lapsing of appropriations that had not been expended at the end of a year under accrued expenditures. The second sentence provides that any remaining balances of such appropriations or funds shall be carried over. In the first sentence they lapse. In the second sentence they are carried forward to the next year and can be used for any purpose that that sum could be applied for. Under that, it would be absolutely impossible for us to have any control over the situation of appropriations.

Then, I had submitted to me various proposed substitutes, all of which were bad. The last one was approximately the same as the one the gentleman from Massachusetts has indicated he would offer. That is bad. If anybody has that before him, you know it appears on page 3421 of the body of the RECORD.

In paragraph (e) it reads "As of the end of each fiscal year, the excess of any appropriation or fund made on an annual accrued expenditure basis over the accrued expenditures under such appropriation or fund shall lapse." That is the same as the first paragraph of the sentence on page 3 of the bill, or practically the same in effect. I described that and told how it would work. Suppose a department wanted to buy a chair or something that cost $60 or $70 today. If they put in an order for that chair under this situation, and it was not delivered until after the 30th of June next ensuing, the appropriation would lapse and they would not have any money to pay for it until after the Congress sat again and passed another appropriation bill. You would have to hold up all sort of things. You would have everything messed up. Your whole Government operation would be messed up. On top of that if an appropriation were made for the construction of airplanes and the contract was attempted to be let and you had an accrued appropriation that was available, but you had another appropriation that would not be available until after the end of that fiscal year for which you were appropriating, in letting the contract the only thing they could let it for under the statute relating to contracts, and I read that yesterday, title 41 of the code, section 11, under that section it would be absolutely impossible to let a contract for any more than the accrued expenditure figure because they would not have the funds available.

They would not be able to let a contract. So that is how bad it is in the Wigglesworth amendment. That is the way it would work; absolute and utter confusion, and impossibility for the Govment to operate in any intelligent manner.

I do not like to be capricious. I do not like to flaunt what little ability I may have, but we have got to provide for the operation of the Government and we have to do it in some kind of intelligent manner. I sat down and I figured it over and I made up my mind that the only way out for me would be to offer an amendment which would be constructive. With that in mind I prepared language which to my mind would allow the Government to proceed, and where we would be able to control the situation better than we are now. I provided that each department and establishment of the Government to which appropriation is made should annually submit to the budget not only what it wanted for the next year but what it had for the current year and what it was going to do with what was left, so that we could have before us not only all prior appropriations, so that we could have a full picture of the situation presented, with the reasons why they wanted the money to be continued or to have new money appropriated. That would give the Appropriations Committee far greater range than it has now to do its job, because it has not been customary to cover all of that situation in the things we have submitted to us in the budget.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

(By unanimous consent, Mr. TABER was granted 2 additional minutes.)

Mr. TABER. Now, Mr. Chairman, when the Appropriations Committee would consider an appropriation, after they had held hearings and after the budget had been submitted in this way, with the additional information and additional recommendations, the committee would have authority to come to the floor of the House and change the availability of the fund as might be necessary to protect the things that were coming up, and the Government's need, or if it was not going to be needed it could be reduced and rescinded, and we could provide for those things we really need.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. Would this not be quite disturbing to every contractor, for instance, who had a Public Works job? He would not know whether he was going to get his money after June 30 or not, or what condition the whole thing would be in, and what would it do to the individual projects in all those areas?

Mr. TABER. It would practically prevent contractors from bidding. That is about what it would do. They would not try to bid with that kind of a picture.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SANTANGELO. I would like the gentleman to point out to us whether under your bill the report by the departments and establishments shall be to the Congress or to the Committe on Appropriations, as to the unused funds. What are they going to do with that?

Mr. TABER. It would be to the Budget, so that the budget, when it was submitted, would submit complete justification for all of these things that either they wanted to carry forward or continue or that they did not need any more; so that we would have a picture as to how the whole structure of all these appropriations was laid out.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from New York [Mr. TABER].

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH as a substitute for the substitute amendment offered by Mr. TABER: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 201 of the Budget and Accounting Act, 1921, as amended, is further amended by adding the following new subsections:

"'(b) Whenever the President determines there has been established a satisfactory system of accrual accounting for an appropriation or fund account, each proposed appropriation thereafter transmitted to the Congress for such account pursuant to the provisions of this act shall be accompanied by a proposed limitation on annual accrued expenditures.

"'(c) Whenever an appropriation is subject to a limitation on annual accrued expenditures, there shall be charged against the limitation the cost of goods and services and other assets received, advance payments made, and progress payments becoming due, and the amount of any other liabilities becoming payable, during the fiscal year, concerned.

"'(d) At the end of the fiscal year concerned, any unused balance of the limitation on annual accrued expenditures shall lapse.

"'(e) Any liabilities becoming payable during the fiscal year concerned but for which payment is not made during that year

may be paid, if not otherwise contrary to law, in a subsequent fiscal year or years to the extent they are within the limitation on annual accrued expenditures for the fiscal year concerned.

"'(f) Any obligations incurred during the fiscal year concerned or in prior fiscal years which do not result in liabilities becoming payable during the fiscal year concerned shall be charged against the limitation on annual accrued expenditures for any succeeding fiscal year in which such obligations may result in liabilities becoming payable.

"'(g) Nothing in subsections (b) through (f) of this section shall be construed to change existing law with respect to the method or manner of making appropriations or the incurring of obligations under appropriations.'

"SEC. 2. (a) It shall be in order to provide in any bill or joint resolution making appropriations, or in any amendment thereto, limitations on annual accrued expenditures covering amounts becoming payable as a result of obligations incurred both in the fiscal year concerned and in prior fiscal years, and provisions pertaining to the availability of any appropriations or funds previously made available.

"(b) The provisions of subsection (a) of this section are enacted by the Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"SEC. 3. This act, and the amendments made thereby, shall cease to be in effect April 1, 1962."

Mr. McCORMACK (interrupting the reading of the amendment). Mr. Chairman, this substitute has been printed in the RECORD, I understand. Is that correct?

Mr. WIGGLESWORTH. Yes; it was printed at page 3421 of the RECORD.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that further reading of the substitute be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WIGGLESWORTH] is recognized for 5 minutes in support of the substitute.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. WIGGLESWORTH. Mr. Chairman, as I stated yesterday, I offer this substitute amendment in the spirit of compromise, in the belief that every Member of the House today desires to obtain the best possible control over the obligations of this Government and the best possible control over the expenditures of this Government.

My amendment is designed to do three things:

In the first place it eliminates completely from the picture the proposal in H. R. 8002, that as far as obligations are concerned, we go back to the practice of contract authority which we abandoned some years ago as unsatisfactory.

In the second place, it accepts the balance of the proposal putting the Congress in a position, if it so desires, to place an annual limitation on expenditures in terms of accrued expenditure.

In the third place, it incorporates language to carry into effect the proposal just made by the distinguished gentleman from New York [Mr. TABER], which in effect waives points of order against rescissions, transfers, or reappropriations. I believe all of us feel that this is a very desirable thing.

In view of what has just been said I would like to quote again two paragraphs this time from an analysis of this amendment as distinguished from the original H. R. 8002, by the Bureau of the Budget.

Referring to subsection (d) to which the gentleman from New York referred, I quote as follows:

Subsection (d) provides that the unused balance of the limitation on annual accrued expenditures—

That is, on accrued expenditures, not on obligations—

shall lapse at the end of the fiscal year concerned. Receipt of goods and services under the same appropriation account in a subsequent year would be subject to a new limitation which Congress would establish after reviewing performance for the prior year. The authority to receive goods and services and incur other liabilities would thus be controlled on an annual basis in a manner which would automatically entail a review by the Congress of unobligated balances of prior appropriations.

Referring to subsection (e), I quote as follows:

Subsection (e) provides for making payment for goods and services received in a particular year but not paid for in that year. If such goods and services were within the limitation on annual accrued expenditures for the fiscal year in which they were received, they could be paid for in the next fiscal year without further Congressional action, thus insuring that no contractor or supplier would be denied payment for goods and services actually delivered or rendered in accordance with the law and the terms of his contract.

Mr. Chairman, the Budget Bureau believes that any misgivings which contractors or suppliers may have had under the original bill, H. R. 8002, should be largely if not wholly eliminated if we adopt the proposed amendment.

I offer this amendment, Mr. Chairman, because I cannot feel that the proposal in the original bill, H. R. 8002, to go back to contract authority is satisfactory. It was discarded because it was believed to be unsatisfactory in the control of overall obligations.

I offer this amendment, Mr. Chairman, because I do not feel that the present system is satisfactory. I have long felt that it was unsatisfactory primarily because it had served to deprive the Congress of direct control over our annual expenditures to a very large extent.

As I pointed out yesterday, we are in effect making huge deposits in the name of this or that agency and then saying to the agency concerned: You go ahead and draw against this deposit whenever you want to, and to whatever extent you want to. The expenditure is in your hands. We wash our hands of it.

Furthermore, there is the danger that some of these huge sums will be reprogramed without proper control either by the Congress or by the Bureau of the Budget.

The fundamental question, in my opinion, is the question, Shall the Congress of the United States control expenditures as well as appropriations? Shall it control expenditures as it always used to do until the time when we departed from the contract-authority practice, or shall we leave the control over about one-third of our expenditures to executive agencies of the Government?

I think we should be in a position to control expenditure and I think we should impose a reasonable limitation in the absence of exceptional circumstances.

This amendment has been carefully considered by the Bureau of the Budget, Mr. Chairman.

It is endorsed by the Bureau of the Budget. It is endorsed by the Comptroller General. It is endorsed by the Secretary of the Treasury.

It is supported, generally speaking, by the administration, and it is acceptable to the so-called Second Hoover Commission that proposed this legislation originally.

In my opinion, it is a fair compromise and entitled to a fair trial. I offer it for the consideration of the committee on this basis.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Florida.

Mr. FASCELL. As I understand it, the gentleman's amendment would preserve the accrual system in the transmittal of the budget; is that correct?

Mr. WIGGLESWORTH. It conforms to the accrual basis of accounting which is already called for by law and which, I understand, has already been put into effect in about 100 appropriations, or 20 percent of the total number that we have to deal with.

Mr. FASCELL. And it removes the contract authority which is in the basic proposal and substitutes in lieu thereof obligational authority as in the present system.

Mr. WIGGLESWORTH. As far as the making of appropriations or the incurring of obligations under appropriations is concerned, there is no change. The present practice is retained, and we thereby eliminate the principal objection which has been raised in the past by those most hostile to H. R. 8002.

Mr. FASCELL. And your amendment sets up and provides the mechanism by which annual limitations on expenditures could be placed.

Mr. WIGGLESWORTH. That is correct.

Mr. FASCELL. It also includes all of the things that the Taber amendment tries to do.

Mr. WIGGLESWORTH. It is designed to include fully the Taber proposals, which I strongly endorse.

Mr. FASCELL. I thank the gentleman. If the gentleman will yield further, I would like to announce that the proposed amendment has been considered by the committee bringing out the legislation, and I am authorized to say that it is accepted on this side.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the majority leader.

Mr. McCORMACK. This is simply permissive legislation.

Mr. WIGGLESWORTH. It is just as permissive and just as mandatory as the original H. R. 8002.

Mr. McCORMACK. Exactly.

Mr. WIGGLESWORTH. The Congress can work its will in the light of the proposals from the Executive.

Mr. McCORMACK. And if the President should send up a budget estimate based on this law, the Congress does not have to adopt it?

Mr. WIGGLESWORTH. That is my understanding.

Mr. McCORMACK. Like the chairman of the committee handling the bill, the gentleman from Florida [Mr. FASCELL] I thoroughly agree with the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH]. I think it not only clarifies it but strengthens the bill, and at the same time it strengthens the hands of the Congress to a very significant degree. I am in favor of the gentleman's proposal and hope the amendment will be adopted, and then I also favor the passage of the bill.

Mr. WIGGLESWORTH. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. WIGGLESWORTH] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have asked for this time in behalf of the minority in charge of this bill and of the minority on the Committee on Government Operations to say that we, too, have gone over this amendment very thoroughly, and the committee, members of both parties, unanimously agreed we would accept this amendment, not exactly what some of us may want, but as a compromise that meets the original objectives of the measure and present a fair piece of legislation for consideration by the House.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know whether I can add anything to this discussion or not, but I do want to make one point. Before I state that point, however, let me say that we are all, on both sides of the aisle, in the same boat. There is not a Member of this House that has not received literally dozens of telegrams on this subject, advocating the passage of H. R. 8002. They are from people you know and I know, fine people, and they have nothing but the finest of motives in sending those telegrams. They have been told that it is going to save the taxpayers some money. And, if it will, all of us want to vote for it. But, where in the world will we save 1 penny? There have been some broad generalizations and some fine charges, but I challenge anybody to put the finger on 1 penny saving in this bill.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I have only 5 minutes.

Mr. ROGERS of Florida. I would like to give the gentleman those figures.

Mr. THOMAS. Please do so right now, then.

Mr. ROGERS of Florida. I would like to give the gentleman the figures given by the Comptroller of the Department of Defense who stated, in his own testimoney before the committee—the savings.

Mr. THOMAS. Will the gentleman please hurry and give us the figures?

Mr. ROGERS of Florida. The figure was $2.5 billion that was saved in the Army by going on the accrual system in particular funds.

Mr. THOMAS. Who is the Comptroller?

Mr. ROGERS of Florida. Mr McNeil.

Mr. THOMAS. We have known Mr. McNeil for a long, long time. He was not talking about the proposition now before us.

Mr. ROGERS of Florida. I would like the gentleman to read from page 284 of the hearings, where I asked McNeil this question——

Mr. THOMAS. I would suggest the gentleman read the hearings on his own time and I refuse to yield further.

Mr. Chairman, the proponents of this bill have given the public the idea that because there are some unspent funds—not necessarily unobligated funds, and they use a round figure of $100 billion, which is a whole lot of money anywhere on earth—that cash is lying around in the Department of Defense and that they have to lock it up every night. They get the impression that it has been lying around there for 3 or 4 years and that the taxpayers are paying interest on that money, or have been paying interest on it for 3 or 4 years. There is not one word of truth in that. When the armed services finally issue an order on the Treasury to pay for the delivery of those long lead items, then and only then does the Treasury go out and procure the money.

So H. R. 8002 is not going to save any interest, because there is no interest involved. Where are you going to save any money? Where is it going to come from?

The greatest deterrent that any agency of the Government has, if it is in the procurement business, is to have to sit down and think and figure at the beginning of a program and come up with plans and specifications, with the best knowledge available as to what the program is going to be and what it is going to cost. And that is exactly what this Congress requires now of these agencies.

We have all heard of overruns. There is nothing on which an agency is more likely to be hauled over the coals for when it appears before the Committee on Appropriations, than to have overruns on contracts.

Here is what H. R. 8002 does, Mr. Chairman. It allows the agencies to get away from their original estimates. It takes the pressure off them to stay within the original limitations, those originally set by Congress. The Congress sets the limitation because the dollar amount is the limitation. This bill invites the agencies to come back every year and take the lid off and raise the price. In other words, it is an annual invitation to raise the ante. What else can you make of it other than that? That is all it is.

We are going to save money under the system we now have. The best example that I know was expressed by the Director of the National Advisory Committee for Aeronautics. We gave him $75 million for a 3½-year construction program in 1950. They wanted $102 million and he settled for $75 million. He came back several years later when the projects were about completed, and they wanted another $40 million or $50 million for other peacetime items.

He said:

> We want all our money at one time. We save money if you give it to us at one time, not on an annual basis.

Listen to this:

> Dr. DRYDEN. We like this procedure of appropriating the total estimated cost. It is much better in the control of the people doing the design. If you leave it wide open and say you will go back and get the rest of the money next year, there is no restraint whatever.

And it is that restraint, Mr. Chairman, that saves the money. It is not the invitation to come back every 12 months and increase the ante.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from California.

Mr. LIPSCOMB. Is the gentleman speaking in favor of the Wigglesworth amendment?

Mr. THOMAS. I am trying to say that this whole bill should be recommitted. I do not know the details of the amendment of my friend from Massachusetts [Mr. WIGGLESWORTH]. I just know he is an awfully fine man and a good friend of mine. The safe thing for this House to do is to send all of it back to the committee.

Mr. MARTIN. Mr. Chairman, I rise in support of the Wigglesworth amendment.

Mr. Chairman, this bill is here because of an overwhelming demand among the American people for new procedure that would make it possible to have a lower cost in Government.

Several years ago the Congress and the President appointed a committee of able men to study carefully into this subject because it was of such vast importance to the American economy and the future capacity of our Government. It was a bipartisan committee that included many eminent Republicans, with former President Hoover as Chairman. It included many eminent Democrats, like Jim Farley and Joe Kennedy.

The recommendation of the committee was one that should enable the American people to save millions of dollars. I am not conversant with the details of how that can be done, but it is their statement and I am sure it is a move in the right direction.

This proposal has been endorsed by the President of the United States; it has been approved by the Secretary of the Treasury; it has been approved by the Bureau of the Budget; and it was unanimously passed by the Senate of the United States. I believe it came out of the Committee on Expenditures with a unanimous vote.

The possibility of some doubt arose among certain people, after it was reported, and that resulted in the Wigglesworth amendment to make certain that no harm in continuing contracts could result from this better system of procedure.

Now we are asked here to recommit a bill that has met with popular response all over the country.

My friends, I do not think we can be that foolish. Recommittal of this bill means the final defeat of the legislation. Let no one think otherwise. If you want to tackle this problem honestly, you will support the Wigglesworth amendment because that amendment answers all the doubts that have arisen in the minds of the people and in industry particularly.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I am glad to yield to the distinguished gentleman.

Mr. TABER. I wonder if the gentleman from Massachusetts has read the bill or listened to the arguments that I have made against it and my explanation of the things that it does, because I do not think it solves the problem. I think it absolutely wrecks our governmental structure.

Mr. MARTIN. I appreciate the views of the gentleman. I might say to him that they are not new to me because I have heard the gentleman several times. But, I still insist that this bill provides legislation that the American people want. It has been endorsed by the Farm Bureau and the chambers of commerce and other organizations all over the land. Now because a few people do not like it, because one committee does not like it, we are asked to reject it. Frequently, we are brought into conflict with other committees of the House and we have to face these problems on their merits and we do so with a full appreciation of the fine and able service that these men have rendered. Mr. Chairman, the people want this bill. They want a chance to make savings in their Government costs and they believe this will be helpful. I hope we will support the Wigglesworth amendment which answers their fears; and that we will pass the bill and vote against any motion to recommit. May I say also it is only permissive legislation. It gives the administration power to make a reform that could bring relief to the heavily burdened taxpayers.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, having been a member of the Committee on Appropriations for 16 years, I am almost convinced that a change in the method of appropriating funds will not materially affect up or down the wasteful spending spree which has been operating full speed ahead for these many, many years.

The real solution to the problem is not in methods, but in the minds of Members of Congress. So when the day comes that the American voters elect a majority of Members to Congress who will vote against all unnecessary and wasteful spending, that will be the day when most of the distressing problems facing the American people today will be solved, and not before. There is no other good answer, as I see it. However, if the Wigglesworth substitute to H. R. 8002 is adopted it might possibly save a few dollars, so I feel it may be worth a trial run, at least for a year or two.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the situation has now developed where those who opposed the original bill and those who favored the original bill now admit that something should be done to change the present system. Something ought to be done. The gentleman from New York [Mr. TABER] says, "What I want to do by my amendment is to look at what has happened to funds we have already appropriated. Let us take another look." His language reads:

> The Department shall annually submit to the Bureau of the Budget a justification for the continued availability of such funds as the President in his budget message and supplementary messages shall transmit to the Congress that information.

So something needs to be done, at least on funds we have already appropriated, and that is about $70 billion.

Now, what is wrong as proposed in the Wigglesworth amendment of letting us have that same procedure on the entire budget? Is that so strange? Is that an unusual request? Do we not want Congress to have control of the expenditure budget of this Nation?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. TABER. The Wigglesworth amendment does not provide for continuing language.

Mr. ROGERS of Florida. I would like to point out that the system that would be in effect by the Wigglesworth amendment, which is the annual accrued basis, forces the departments to come back each year, automatically calls for a review of funds; and also provision is given to the Appropriations Committee to rescind those funds, in the Wigglesworth amendment.

Now what is the basic thing we are talking about? Is it whether we are going to give it more control, or let it develop in the executive department, or are we going to start to do something to bring back control to the Congress? The Taber amendment says we want to do it part of the way. The Wigglesworth amendment says we want to do it all the way. How will it work? We appropriate just as we do now; however, everybody seems to be concerned about the long lead items. We appropriate money just as we do now. The Appropriations Committee still has all the authority and perhaps more under the Wigglesworth amendment. We appropriate all the money, but we also place a limitation on the expenditures from the total funds we approved, like the gentleman from Texas [Mr. THOMAS] wanted us to. The expenditure is stated by this Congress, as to how much the Congress wants the departments to spend in any 1 year, and then the departments must come back, as the gentleman from New York [Mr. TABER] wants them to do, and tell us what they are doing with those funds each year. That is the way to get some Congressional control and Congressional approval. You do not have to get a reappropriation each year, because we have already appropriated so that they cannot go over the maximum amount appropriated by any stretch of the imagination, and under the Wigglesworth amendment it in fact gives us more control because we can say to them, "Here is your limitation for the year. If you want to go over it, you come back and check with the Appropriations Committee. You come back and check with the Congress."

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. FORD. Does the gentleman subscribe to the interpretation of this amendment which was put into the RECORD by Deputy Secretary of Defense, Mr. Quarles?

Mr. ROGERS of Florida. In what regard?

Mr. FORD. In regard to how the executive branch would have flexibility within this limitation.

Mr. ROGERS of Florida. Definitely not, and that is not so. As the gentleman pointed out yesterday, they were asking for additional authority. This will be the very opposite of that. This Wigglesworth amendment will establish control. That is why he put it in his letter to Congressman LIPSCOMB, saying, "We have reservations about the Wigglesworth amendment because we would like and have already asked the Congress to give us the right to use $2 billion to transfer around." Think of that. Just think of the fact that a Department of the Federal Government would ask this Congress to give them a so-called petty cash fund that they can shift

around without reporting to this Congress. We need more control in the Congress.

I support the Wigglesworth amendment strongly—believing that it will bring about better management and greater control of the budget and expenditures of our Government by the Appropriations Committee and the Congress.

This amendment will preserve the principle and substance of H. R. 8002. I would like to read the following telegram:

WASHINGTON, D. C., *March 5, 1958.*

Hon. PAUL ROGERS,
House Office Building,
Washington, D. C.:

In view of the debate in the House today on House bill 8002, I have reviewed the proposed amendment of the bill by Congressman WIGGLESWORTH and believe the bill if so amended would be in substance and principle equivalent to House bill 8002 as originally drawn. The amended bill should provide an adequate framework for carrying out the recommendation of the Hoover Commission that the Federal budget be administered in terms of annual accrued expenditures.

J. HAROLD STEWART,
Chairman of the Hoover Commission Task Force on Budgeting and Accounting.

Mr. GARY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, a tremendous amount of confusion exists over this question. I wonder if we could simplify this issue just a little.

I listened with great interest and respect to my very good friend the gentleman from Massachusetts [Mr. WIGGLESWORTH]. I have worked with him on many subcommittees and I have the highest regard for him. He said yesterday that our expenditures amount to $72 billion a year; that $48 billion, or two-thirds of that amount are now absolutely under the control of the Congress; that we do not need any new laws for that portion; but it is the other third, the $24 billion of carryover funds for which we do need some new controls.

What is the situation with reference to the various bills pending before us? House bill 8002, the original bill, and the Wigglesworth amendment in an effort to reach the $24 billion would change our entire system; in other words, they would burn down the barn to get rid of the rats.

The Taber amendment, on the other hand, does not attempt to make any changes as to the $42 billion, but it does attempt to make changes as to the $24 billion; it applies only to the portion of the expenditures which the gentleman from Massachusetts [Mr. WIGGLESWORTH] himself agrees is not covered. Why should we amend our entire system when we can take the Taber amendment which goes after the rats, rather than the barn, and accomplish just exactly what was intended in H. R. 8002? The Taber amendment would eliminate the objectionable features of H. R. 8002 and yet give the necessary control, in order to carry out the purposes of that bill.

Mr. FASCELL. Mr. Chairman, will the gentleman yield at that point?

Mr. GARY. I yield to the gentleman from Florida.

Mr. FASCELL. Does the Taber amendment preserve the accrual system?

Mr. GARY. It gives controls that are necessary over the $24 billion. I do not think more is necessary. As a matter of fact, the gentleman knows that all departments of the Government are not on the accrual system now and could not possibly comply with this bill insofar as the accrual system is concerned until such time as they have changed their method of accounting over to the accrual system.

Mr. FASCELL. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield.

Mr. FASCELL. Then the Taber amendment does not preserve the accrual system?

Mr. GARY. It provides the necessary controls; it gives Congress the control over the $24 billion over which the gentleman now says they need control; and Mr. WIGGLESWORTH agreed yesterday that that was the only part of the appropriation that needed additional controls.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. MARSHALL. This would have the effect of forcing agencies of the Government to obligate funds before the end of the fiscal year that they actually do not need to obligate, but which they will obligate in order to keep the funds.

Mr. GARY. The gentleman means that would be the effect of H. R. 8002.

Mr. MARSHALL. Yes.

Mr. GARY. Unquestionably.

Mr. MARSHALL. How could they do otherwise? And the gentleman has had unlimited experience from the Appropriations Committee. Is not the desire to obligate in advance of the end of the fiscal year one of the costly things with which we have to deal at the present time?

Mr. GARY. I will say to the gentleman this, that I also have had experience on the other side. I was in the administrative branch of government in the State of Virginia, and I remember that at the end of the year my staff would come into my office and say: "Mr. GARY, we have some money we have not spent; let us buy some stamps, let us buy some new furniture; let us spend this money. If we do not it will go back into the Treasury and we will lose it."

I can say truthfully that I personally never subscribed to that policy, but I have heard of its being done on numerous occasions.

Mr. MARSHALL. Like the gentleman, I, too, have had experience; so this thing works as a two-edged sword. First, it is an invitation to come back to the Congress and ask for more funds; second, it will cause funds to be obligated that ought not to be obligated. It will cause a waste of funds. It works both ways.

Mr. GARY. The gentleman is absolutely correct.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I would like to ask the gentleman a question. Under the accrual system actually the bills to be paid are determined on the basis of goods and services received so that one could not go out and buy indiscriminately at the last moment. It is determined on what is received during the year.

Mr. GARY. Under the accrual basis you have either an appropriation or contract authority for long-term items.

Mr. ROGERS of Florida. And we have appropriations as proposed in the Wigglesworth amendment.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent Mr. GARY was allowed to proceed for 2 additional minutes.)

Mr. GARY. Mr. Chairman, we had a bill sent in here by the committee. It was approved by the Rules Committee, but that bill has now been abandoned. The bill, everybody admits now, is an improper measure. We have two substitutes before the Committee of the Whole House.

I do not believe that there are many of us on the floor who know exactly what is in the two substitutes. I have had several days to study the Taber amendment and I know what is in it. The gentleman from Massachusetts [Mr. WIGGLESWORTH] has admitted that his amendment requires additional amendments to perfect it.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I do not recall any statement to that effect.

Mr. GARY. I do not want to misquote the gentleman, but he certainly said yesterday that he intended to add to it certain provisions of the Taber amendment. If that is not perfecting it, I do not know what is.

Mr. WIGGLESWORTH. I endeavored in the first instance to include language to take care of the Taber amendment in full. It was called to my attention that a very slight change in wording was necessary to accomplish that result. That is all I referred to.

Mr. TABER. All that I said was that the gentleman admitted that there had to be amendments to perfect his amendment. The gentleman admits that he will have to add something. So that is an amendment to perfect his amendment.

Mr. WIGGLESWORTH. The change has already been made—one slight change is not amendments with an "s" on it.

Mr. GARY. An amendment then. His substitute is not a perfect amendment at the present time by his own admission. I am in favor of the Taber amendment, but I cannot vote for the Wigglesworth amendment in its present form. Therefore, I believe the thing we should do is to recommit this legislation to the committee and let them bring in a perfected bill to take care of the situa-

tion. I trust that will be the pleasure of the House.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments end in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. H. CARL ANDERSEN. Mr. Chairman, I object.

Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I call to the attention of the Members of the Committee that of 8 of the ranking members of the Committee on Appropriations, 4 on each side, 7 are definitely opposed to this legislation. I believe I could go still further down the line on either side and perhaps quote even a more startling number in opposition to this particular measure.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Michigan.

Mr. RABAUT. The members of the committee who signed the original letter had 505 years total service in this House.

Mr. H. CARL ANDERSEN. Think of that, Members of the Committee. The members of the Committee on Appropriations who signed the manifesto or statement against this particular measure, H. R. 8002, had a total of 505 years service on the Committee on Appropriations behind them.

Now, Mr. Chairman, I am a comparative newcomer on the Committee on Appropriations with only 16 years of service. May I not, in all sincerity, ask the members of this great body this question: Who do you think knows more about the operations of the Committee on Appropriations, the members of the Committee on Appropriations with 505 years of service back of them or someone back home who sends you a wire asking you to support H. R. 8002, who perhaps does not know what is even in the bill, who has no conception of what he might be suggesting, or some other group sending propaganda to the Congress telling us that they are in favor of H. R. 8002? Do you mean to tell me that you will take such opinions as against the majority of your own Committee on Appropriations? I do not think you will. I think you will favor the advice of the chairman of our committee, the gentleman from Missouri [Mr. CANNON], and the ranking minority member, the gentleman from New York [Mr. TABER], and 7 out of the 8 ranking members of the Committee on Appropriations. I cannot conceive that you will force this bill down the throats of the Committee on Appropriations just because of being propagandized by telegrams or whatever it may be.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to call to the gentleman's attention—and I know that he already realizes it—that the majority of the members of the committee that are bringing this bill out have already repudiated H. R. 8002.

Mr. H. CARL ANDERSEN. Surely. I was just going into that point.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. ROONEY. I want to say that I am in thorough accord with every word that the distinguished gentleman from Minnesota has spoken. This legislation should be promptly recommitted for further study.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct.

Are we on the Committee on Appropriations to assume by any action which you may take here today that you will vote no confidence in us as a committee; and that you will say to the gentleman from Missouri and the gentleman from New York that they are not our Nation's best authorities on the subject after 37 years of service on the Committee on Appropriations? Are you going instead to agree with some people who have sent you wires, who perhaps have never even read the bill, H. R. 8002?

Now, listen to this. That particular bill concerning which they have wired you has been thrown out the window. Are you going to cast aside your respect for the full Committee on Appropriations? Are you going to do that and vote for some measure which was just put before us yesterday concerning which none of us know anything whatsoever?

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my colleague from Washington.

Mr. HORAN. The point has been made that the National Association of Manufacturers were very strongly in favor of this bill to begin with. My information now is that they are neutral, that they are not plugging for it. The point has been made that the National Chamber of Commerce was strong for this bill. My present information is that they are now neutral. And to indicate the interest in this debate that we had yesterday, with all the news there was in the newspapers yesterday, there was hardly a word printed on it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, let us remember that if you vote for such a measure as this you will be forcing upon practically the entire Committee on Appropriations who must work on this matter day in and day out, month in and month out, something which they do not want and which they think is wrong. We would not do that to the Committee on Foreign Affairs or the Committee on Ways and Means or any other of the great committees of the House. We would show them more respect than some of the newer Members of the House have shown here today to the Committee on Appropriations.

Mr. LIPSCOMB. Mr. Chairman, I am in support of the Wigglesworth amendment to H. R. 8002.

One of the primary objectives of the Hoover Commission was the establishing of a procedure which would first provide for an annual Congressional review of appropriations granted in prior years, and second, give the Congress a positive control over annual accrued expenditures from both current and prior-year appropriations.

The effect of requiring that the budget include a limitation on annual accrued expenditures, as proposed by the amendment, would be to give improved control to Congress and the executive branch:

First, Congress would be in a better position to control, on an annual basis, the cost to be incurred in carrying out approved programs. Not only would a program be studied initially, but could be thoroughly reviewed both as to past accomplishments and future plans each successive year when the appropriation action is taken and the accrued expenditure limitation established.

Second, Congress would be in a better position to control the level of expenditures in any given year. The amount of money appropriated for any fiscal year under present circumstances has little relationship to the amount of money spent in that fiscal year, because each year a portion of the expenditures will be out of appropriations previously made.

Third, there would be a more direct and effective control over the budget surplus and deficit in any fiscal year. Budget surplus and deficit is determined each year based on the difference between annual receipts and expenditures—expenditures meaning checks issued; not accrued expenditures. Through the use of an annual accrued expenditure limitation on appropriations, Congress and the President would be in a position to exercise greater control over the level of operations in any year.

Fourth, it would enable the Bureau of the Budget and the Congress to exercise an improved overall management control over executive departments and agencies, for aside from the question of improved direct control that would result, the appropriation of funds under the annual accrued expenditure limitation basis would provide a better means of obtaining information needed in relating past accomplishments to present performance and future plans.

Under the present basis, the information supplied to the President and the Congress through the budget process is in terms of obligations—contracts, and so forth—issued, unissued, and planned for issue, with no limitation on, or control over, accrued expenditures. This does not measure annually for Congress or currently for management, the cost of progress or performance. It is only when a program is totally completed that obligations approximate costs and then only if all resources have been consumed.

Under the annual accrued expenditure limitation basis, Congress would require and be supplied with data as to costs in

relation to annual periods, the accomplishments obtained and to be obtained for those costs and the inventories and other assets on hand. This data would have to be reviewed by Congress in passing upon the President's recommendation for a limitation on accrued expenditures.

For a better and more efficient fiscal program a vote for this amendment will carry us a long way toward this goal. I urge your support.

Mr. FASCELL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 35 minutes.

The motion was agreed to.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Would a motion be in order from a Member who is in favor of the bill, to recommit the bill with instructions that the enacting clause be stricken?

The CHAIRMAN. That would not be in order from a Member in favor of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. TABER. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman from Maryland.

Mr. MASON. Mr. Chairman, I object to any changes in this procedure.

The CHAIRMAN. Objection is heard.

Mr. MILLER of Maryland. Mr. Chairman, there is not very much time in a minute and a fifth, but I should like to stress the fact that this is really a very serious problem. The wish of all of us is to save money. Bear in mind that if any change goes into effect it will cost a great deal of money in clerical work and in new forms throughout the vast Government establishment, whether or not it is of value in the long term. If we do make a change we should be sure that we are going to save enough money by it to offset these costs.

There has been much misinformation circulated, perhaps unwittingly, regarding this problem. If I had more than a minute and a fifth I should like to call attention to some of the things that have been said about the great waste that is going on in the Defense Department and other agencies, which just simply is not true as of today. Our friends were talking about the meat scandal in the Navy. If they would look at the record, and there are over 8,000 pages of it before just one subcommittee of the Appropriations Committee, they would find that this was reserve rations that were needed just as much as ammunition is, to be kept in the box. The chamber of commerce's Mr. Shoemaker has come out in strong support of this bill.

I regret that I cannot follow it up, but there are many inaccuracies that have confused the proponents of 8002. The record should be straightened out. But my 72 seconds are up.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. Andrews].

Mr. ANDREWS. Mr. Chairman, I am opposed to this bill, H. R. 8002. I think the difference between the present way the Appropriations Committee operates and the way we would operate if 8002 were adopted is the difference between paying cash for what you buy and buying on credit. It is just human nature to buy more on credit than you do when you pay cash. I hope that this bill will be recommitted to the committee for further study.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, as we look at this bill, H. R. 8002, we find a provision that "this act and all amendments thereto shall cease to be in effect on July 1, 1961." The testimony which was taken by the Government Operations Committee clearly shows that the original bill as placed before this Congress could not take effect by that date.

The original Rogers bill, H. R. 8002, has been abandoned—the Wigglesworth bill has been substituted by its original sponsors. The Hoover Commission never supported, never acted upon, or never saw this substitute amendment which was unveiled for the first time yesterday morning in the CONGRESSIONAL RECORD. A few select members of the Government Operations Committee, Appropriations Committee, and Hoover Commission may have seen it.

If the proponents of this new substitute bill will show me where $1 of Federal funds will be saved, where $1 of carryover balances will be reduced, or where it increases any present budgetary authority of either the executive or legislative branch of our Government—I would be only too happy to support it.

As a member of the Appropriations Committee I know something about our budgetary procedures. I also know that to save money and be truly an advocate of economy one must be willing to vote against higher appropriations. The most effective control of Federal spending will not come from control of expenditure rates. It is too late then. The time and place to control spending is when the appropriation authority is requested.

This bill is being used by some Members of this Congress to escape from the facts of life about Federal spending.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, the contention has been made that through the accrual-accounting system the Army has saved $2½ billion. I should like to point out, and I have in my hand here, testimony which indicates that that was done in what we call consumer-goods items, off-the-shelf purchases. What this bill which we have before us pertains to is long-lead-time items, such as aircraft, ships, and things in that category. What they might save by bookkeeping procedures in buying something off the shelf, such as clothing, food, and so forth, is not the least bit pertinent to ships, aircraft, and things in that category.

Further, I think it is most important that we look at the interpretation of the Wigglesworth amendment that the Department of Defense intends to use as its criterion. It says, "Give us this huge spending limitation unlimited. Let us take under that spending limitation the full authority to spend from any account on an interchangeable basis." They want the right to transfer from one account or from one appropriation to another without limitation.

I would like to say, Mr. Chairman, that the Wigglesworth amendment will lead to less control rather than more.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MILLER of Maryland. I thank my friend, the gentleman from New York, for his courtesy in giving me an opportunity in a 1-minute installment to try to finish up the point that I was making about the well-intended but misinformed people who have been backing this bill, H. R. 8002. Mr. Shoemaker who came before our subcommittee last year, and you will find his testimony in the record of the hearings at page 2146 of the Department of Defense appropriations, told us that $200 million a year could be saved because of the mistakes being made in the handling of the Army ration.

On the next page, you will find where he says:

> Since testifying before your committee, I reviewed carefully both the commission's report and the task force report.

He goes on to admit that—

> Nowhere in these reports is there any reference to a $200 million savings, or for that matter any savings being made, by a more realistic count.

This is just one example of how the proponents of 8002 have been misinformed. This high-pressure, witch-hunting atmosphere is not one in which to pass on legislation that will affect millions of dollars in our annual accounts. I sincerely hope that this bill will be recommitted so that the proposals of my good friend from Massachusetts may be fully studied before a final decision is reached.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, I rise in support of H. R. 8002 and the amendment offered by the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH]. I am quite sure that every Member of this House has great respect for all of the members of the Appropriations Committee. It is composed of a very fine and able group of men. In fact, all of us are repeatedly following recommendations of that committee because of our confidence in its members.

Nevertheless, I think it is a weak argument for a member of that committee or anyone else to fight this legislation on the basis of the years of experience of a certain member or members of that committee who oppose it, as compared to the alleged inexperience of its proponents, including inferentially those who have so valiantly led the fight for and handled

this legislation on the floor. It is certainly proper to seek recruits on the basis of the knowledge and good judgment of men of experience, but to say that they have a monopoly on good judgment because of the combined total service of all or a certain number put together amounting to a total of several hundred years, and to ask that legislation be defeated for that reason, is going pretty far.

I believe that, as representatives of the people, we have a sacred obligation to use the best judgment we have in the light of the facts as we know them and our understanding of the legislation.

Are we, the members, masters of legislation considered here or must we accept without question the opinions and recommendations of some or even all the members of any one committee? Only yesterday some things were said in opposition to this legislation which amounted to weighing the experience of some who are opposed to it against the experience of some of its proponents. Many years of service on committees is not always the most appropriate criteria upon which to judge a person's knowledge and understanding of legislation, especially when the legislation is before another committee. All of us are grateful for the wisdom and the knowledge of those here who have had many years of experience on committees, but I think it is poor taste to contend that any member does not know what he is talking about because of the brevity of his service, or because he is not on a certain committee.

Because of the remarks to which I have referred, may be inadvertently made, I feel compelled to take this brief opportunity to commend the distinguished gentlemen from Florida, Mr. FASCELL and Mr. ROGERS, and all who have led the fight for this legislation, for the very intelligent, enlightening and persuasive manner in which they have explained it and the proposed amendments. They have done a grand job, equal to the best which I have had the opportunity to observe since I became a Member of this great body.

They have convinced me that this is proper legislation and that its passage by the Congress is wise and necessary, if the House of Representatives is to maintain appropriate control and supervision over the expenditures of public funds appropriated by it. I shall therefore vote for the Wigglesworth amendment and, thereafter, for the bill as amended.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, we now see the House of Representatives operating at its worst instead of at its best.

We have three major pieces of legislation before us. Many of us have received many requests to vote for one of the pieces of legislation, H. R. 8002, which has been abandoned by the Committee on Government Operations and which is not now before us.

This bill is aimed at missiles, satellites, and aircraft. It will hamper the defense program. It will add redtape to procedures which are already cumbersome. It will tend to defeat the conquest of space and the speedup of the defense effort. Do not think you will ever have to apologize for voting against this hodgepodge of deception. It is claimed that the bill will save $4 billion annually. It will not. It will increase costs and save nothing. I deliberately put that statement in the RECORD, and I predict that events will bear out my prediction. This I regret, but this we shall see.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I know the expression has been used several times yesterday and today that "I am confused" and others are confused. One point I would like to get from somebody is this, will any of these bills recapture the unexpended $70 billion that has been talked about?

Mr. BROWN of Ohio. The answer is "Yes."

Mr. TABER. The answer is "No."

Mr. BECKER. I rather expected that.

Now I have another question I would like to ask. I am informed this morning that of the $70 billion approximately forty-eight or forty-nine billion is in the Department of Defense unexpended balances and foreign aid unexpended balances, neither one of which will be accomplished under any of these bills. Is that correct?

Mr. MORANO. Judging from the answer to your previous question the answer would be "Yes" and "No."

Mr. BECKER. I give up.

The CHAIRMAN. The gentleman from Florida [Mr. ROGERS] is recognized.

Mr. ROGERS of Florida. Mr. Chairman, this enables the Congress, if in its wisdom it decides to rescind these funds, to do so. That is the answer. If we want to do it, we can under the Wigglesworth amendment. If we want to recapture control of the expenditures of this Government for the Congress of the United States, if you want to give more authority to the Appropriations Committee, if you want to aid in better management, if you want to try to effect some better management which will result in some savings that have been testified to by the Comptroller of the Department of Defense, you should support this legislation and the Wigglesworth amendment, and your people at home and the American people will commend you.

The CHAIRMAN. The gentleman from Indiana [Mr. BROWNSON] is recognized.

Mr. BROWNSON. Mr. Chairman, there is a principle involved in our vote here today which is far more important than the conflicting personalities or the committee rivalry which has been so often mentioned. The principle involved is an important one and should be the primary consideration you look at today in making up your mind as to how you will vote on the Wigglesworth amendment and as to how you will vote on the final passage of this important bill, H. R. 8002.

The question to ask yourself is one that goes right to the core of this matter. Are you and your constituents completely and entirely happy with the effectiveness of Congressional control that you have today over appropriations and over the expenditures of unobligated balances which cannot be reclaimed under the present system? In spite of all the fireworks and the fuss and furor, that is essentially the issue, today. If you are satisfied with the appropriations controls in use today to control Government spending; if your constituents are satisfied today, then you should join with the Committee on Appropriations in opposing any change in the appropriation procedure. If, on the hand, your constituents are dissatisfied, if you as their Congressman think the Congress of the United States has allowed the actual control over expenditures of the Federal Government to slip from its control, you should join with the entire membership of the Committee on Government Operations to vote for the Wigglesworth amendment and H. R. 8002, as amended. This is not a contest in longevity or years of seniority or loyalty to any great committee. It is a matter of principle, economy, and restoration of at least some of the Congressional control over spending.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, the hearings on this legislation and the debate on it remind me of the old story I used to hear going the rounds of law offices in Ohio when I was studying law: "When you have both the law and the facts against you the only thing left to do is to give the other lawyer the devil." That is what we have heard here today.

The attempt to kill this bill will come either through a motion to strike out the enacting clause or through a motion to recommit. If you want to vote for the Wigglesworth amendment, which I believe you do, for it will be in line with the recommendations of the President of the United States, the Hoover Commission, the Bureau of the Budget, the Secretary of the Treasury and great groups of citizens who have worked on this legislation for years and who are well qualified, as well as the unanimous support of the Committee on Government Operations, then vote "No" on either or both such motions, but if you want to kill the bill, then vote for the motion to recommit or the one to strike out the enacting clause.

If you want this kind of legislation to be made effective, so we can have greater control of appropriations, then vote against the motion to recommit, or to strike out the enacting clause.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, as a neophyte member of the House Committee on Appropriations, I would like to give you the benefit of my limited experience. We are faced with the issue of whether we should take the Taber amendment or the Wigglesworth amendment.

I, for one, favor the Taber amendment. What is the situation that exists? I recognize a sense of frustration on the part of Members outside of the Appropriations Committee because they do not know what the departments are spending. The members of the Appropriations

Committee find out because they have to seek it out; they have to ask questions.

The Taber amendment says that the departments and agencies must give us the information, they must notify the Budget Bureau, and the President must tell us if there are any funds available; and must justify the continued existence of those funds. You Members will get the information. If you adopt the Taber amendment all the Members of Congress will get the information and you will not have to be on the Appropriations Committee and you will not have to ask questions to obtain such information.

As far as the Wigglesworth amendment is concerned I do not know whether it will save one dime, no one seems to know definitely, although there are many exaggerated claims of savings. As for myself I shall rely upon the experience of the gentleman from Missouri [Mr. CANNON], and the gentleman from New York [Mr. TABER], who indicate that the Wigglesworth amendment has weaknesses which disrupt the normal procedures. I think it would be a bad mistake to take the Wigglesworth amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. TEWES] is recognized.

Mr. TEWES. Mr. Chairman, a first-term Congressman sitting in the House today must certainly be impressed with the fact that some of its better known figures, individuals of top seniority and some of its most economy-minded Members, are bitterly opposed to H. R. 8002. When a measure has the opposition of men of this distinction, however strong one's convictions may be, he is certainly given reason to pause and reflect.

On the other hand this bill is generally supported by the newer faces in the House—men without the authority of seniority or high rank on committees. Is it not possible that this coincidence has some significance?

Is it not possible that the senior leaders of this body and members of the Appropriations Committee deny this measure because they now have specified responsibilities which the bill would return to the House?

I am certain that they hold their convictions as they have always held them, because they honestly believe their opposition to be in the best interests of the country. I am certain that these men have, by their dedication, saved the country huge sums of money.

But perhaps this is an occasion when the newer Members, admittedly not as experienced in the workings of our complicated budget and expenditures, but also not entangled in the habit of our present procedures, can be more objective.

As one of the latter, I am well aware that the matter before us can be argued vigorously both ways. Because this has been done by the experts during this debate, I shall not repeat. But one thread running through all the arguments and counterarguments is that the bill would return more control to the House itself. Inevitably, under 8002 there will be fewer decisions by subcommittees and more review by the individual Members of the House.

This I conceive to be all to the good. The balance between carryover appropriations and contract authority appears to me to be about equal. Perhaps the weight is even a little in favor of the former. But when we add to the latter, a significant return of discretionary authority to individual Members rather than individual committees, I believe the scales then are tipped strongly in favor of the bill now before us. I hope the measure will be enacted.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] is recognized.

Mr. GARY. Mr. Chairman, I certainly would not——

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. EVINS. One of the arguments advanced for this bill is that the Comptroller General of the United States disapproves it. I want to say that when the Comptroller General appeared before the Committee on Appropriations he was asked to state some argument or reason why this bill should be passed, and he gave no answer; he referred to his staff member, Mr. Morris. Mr. Morris said he had the answers but could not state them then but would send them to the committee.

Mr. GARY. I thank the gentleman for that contribution.

Mr. Chairman, I certainly would not ask that anyone support legislation because of the experience of the Members who are supporting it; but let me say that the great majority of the members of the Committee on Appropriations opposed H. R. 8002, and now it has been completely abandoned, which, to my mind, is justification for the stand that the Committee on Appropriations has taken.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, to my very dear young friend from Wisconsin who referred to the old fossils in the House, may I say that I happen to be one of those who is supporting the present bill. While roaming the floor of the House yesterday afternoon and this morning the realization came to me that perhaps I was the only Member of the House who did not know all that could be known about this bill. In spite of my ignorance, I did learn that the fight seems to be between the Appropriations Committee on the one side and the Hoover Commission and the home folks on the other side. The Committee on Government Operations is clear out of the picture, according to the theory of the Appropriations Committee. This being the peoples Government and the giving promises of economy, I have to vote for it.

The Appropriations Committee gave the Hoover Commission something like $2 million a few years ago to make a study. The Commission came up with certain recommendations and now seems to want to kick one result of their study out the window without a trial.

I am going along with the Hoover Commission and the people of my district much as I approve of the service rendered by the Committee on Appropriations.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I repeat that I favor the Wigglesworth amendment. I am against any motion to recommit. I favor passage of the bill with the Wigglesworth amendment because I believe it would be in the interest of economy over a long period of time. I believe the able men who have studied the legislation and who know the Government structure thoroughly should be supported.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise to concur in all of the statements that have been made in the House in support of the bill, H. R. 8002, as amended by the Wigglesworth amendment. I say that due to my long experience in legislative matters, both in my own State of Michigan and the United States Congress.

The State of Michigan went on an accrual basis and recaptured all of the funds that were unobligated. These funds were brought back into the State treasury. This has been good for the State of Michigan and I believe it will be good for the National Government also. Therefore, I hope that the Wigglesworth amendment will be agreed to and that the bill will not be recommitted to the committee.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, appropriated but unexpended balances in recent years have been getting out of hand. As I recall it, in 1953 we had something like $80 billion of commitments from prior years facing the new Eisenhower administration.

This measure is an attempt to manage the appropriated but unexpended carryover balances and I think it is an intelligent way to do it. The gentleman from Texas [Mr. MAHON] in a colloquy with me yesterday, appearing on page 3472 of the RECORD, seemed to agree with me that this is not mandatory, but discretionary and permissive legislation, that if the Appropriations Committee and the Congress impose no limitations on the annual accrued expenditures for any particular year, then there is no limitation, and if there ever is any limitation it is only one that the Congress itself imposes.

The hands of the Appropriations Committee are not tied by this legislation and, in my opinion, it is an intelligent attempt to get control over the appropriated but unexpended balances which have been getting out of hand in recent years.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. FASCELL] to close debate.

Mr. FASCELL. Mr. Chairman, the Committee on Government Operations has accepted the Wigglesworth amendment because it preserves the substance and principle of the bill, H. R. 8002. Very simply stated, it means that it reserves transmittal of the budget on an

accrual system to the Congress of the United States. It preserves the obligational system which the Appropriations Committee holds so dear. It includes all of the things that the Taber amendment tries to do and it sets up a mechanism whereby the Congress of the United States can get control of expenditures on an annual basis rather than leave it entirely in the hands of the Executive as is now the case.

Mr. SMITH of Virginia. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SMITH of Virginia moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. SMITH of Virginia. Mr. Chairman, I make this motion not because I want to see the bill killed or see the enacting clause stricken out. I make it due to the parliamentary situation with which we are confronted. In order to get this bill back to the floor of the House, this motion at this time is necessary, and when it does come back to the House, if this motion prevails, I shall then ask for recognition to move that the bill be referred back to the Committee on Government Operations for further study and for further consideration.

Now, my reason for that was indicated somewhat in the few remarks I made here yesterday. We are confronted with three conflicting bills. Those of us who have not been on any of the committees concerned with this legislation are just not in shape to know which is the best bill, and we want further advice on it and we want further consideration. And, we, I think, certainly all entertain the hope that all of these conflicting views, which are all presented in good faith, may in some way be reconciled and that then you can bring us a bill that everybody can support, including the Committee on Appropriations and the Committee on Government Operations.

Now, it is said that the Committee on Government Operations has now agreed upon a substitute bill. Well, my friends, they came before the Committee on Rules a week ago and asked for a rule on H. R. 8002, and we were told that that was the answer to all of our problems; that it had been given thorough study and consideration. Yet, when we got here yesterday morning, for the first time we were confronted with an absolutely new bill, a bill which the Members of the House knew nothing about nor had the opportunity to know anything about. Now, if it took the Committee on Government Operations, who have been very sincere and earnest and hard working in their efforts, just a short time to find out that their bill, H. R. 8002, was not any good and should be replaced by the Wigglesworth substitute, then is it not reasonable that the House should have a little more time, a little more consideration, and that the committee should give further consideration to see if we cannot all learn a little more about this subject and all be better prepared to vote on it than we are now? There is good in all of these three bills, and I honor everybody who has been connected with bringing them here, because I know they have done it with the deepest sincerity. But, we are dealing with a subject of the utmost technicality. Do not forget now that H. R. 8002 would put back in contract authorization. Well, the House had it. I remember when we had contract authorization, and after experience with it we decided it was not a good thing and we abandoned it. Did we do right or did we do wrong? It seems some folks thought we did wrong.

Now, members of the committee, let us have a little more time, a little more consideration, and a little more thought, and let this matter go back to the committee and give us all an opportunity to share in the knowledge which these very fine committees all have, and the fine work they have put on it.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, this is the most polite way I have ever heard of anybody saying this is the best way to kill the bill; if you want to kill it, this is the cleanest way to do it, because nobody will know that you did it, unless they looked very closely into the RECORD.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have been intrigued by that which has just occurred on the floor. My chairman of the Committee on Rules, for whom I have great love and affection, rose here and asked that we strike out the enacting clause which, of course, is a very smart, a very clever, but not an unusual, way to kill a piece of legislation. It has been done before, may I say. Those of us who have been here for a long time know it. But I received a bit of a kick out of my good friend, the gentleman from Virginia, Mr. SMITH, talking about what a terrible thing it was that we accepted some amendments to this bill. Practically every piece of legislation that comes to the floor of this House is amended in some way or other. The gentleman criticized our great Committee on Government Operations because we agreed to accept an amendment; yet, not over 2 days ago, in connection with the rule granted on this bill by the Committee on Rules, of which the eminent gentleman from Virginia is the chairman, the gentleman came to me and made a proposal, and also supported an amendment, to amend the rule which his committee granted on this very piece of legislation. So I do not believe that his criticism should be well taken; that is, his criticism of our committee.

I agree fully with the gentleman that this is simply another attempt to kill this legislation by indirect action, by a parliamentary maneuver that may mislead some people. If you are for the bill you should not vote for the Smith motion. If you are against the bill you should vote for it.

Mr. FASCELL. Mr. Chairman, I thank the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield for a brief comment?

Mr. FASCELL. I yield to the gentleman.

Mr. SMITH of Virginia. May I suggest that the gentleman devote his limited time to a discussion of my motion rather than to a discussion of me.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. MEADER. Mr. Chairman, I would like to ask the gentleman if the gentleman from Virginia [Mr. SMITH] was not mistaken when he said that the Wigglesworth amendment contained contract authority?

Mr. FASCELL. Certainly he was mistaken.

Mr. MEADER. If the gentleman from Virginia had attended the debate yesterday and today, he could not have been that mistaken about the meaning of the Wigglesworth amendment.

Mr. FASCELL. I leave that to somebody else's judgment. Very simply, Mr. Chairman, the motion is obvious on its face. If you strike the enacting clause you have a dead piece of legislation. If that is what you want, vote for the motion. If you are opposed to that, vote against it and you will have an opportunity to vote on the legislation itself, which is a very important piece of legislation and certain should not be treated in the manner in which this motion offered to the committee at this time attempts to treat it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. HOFFMAN. What about those funds for the extension of the Capitol? A waste and unnecessary as well as undesirable. Who put that money in? That came from the Appropriations Committee, which only shows that the peoples wishes were not considered.

Mr. FASCELL. I leave that to be answered at another time. So, Mr. Chairman, without going any further into the matter, I am sure you are all aware of the purpose of the motion, and why it was made. I trust Members will reserve their rights as individuals to vote on the substance of the legislation rather than to treat it through the back door, which would be the case under this motion.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman.

Mr. BROWNSON. Is it not true that this matter of the Wigglesworth amendment has been under active discussion among many members of the Committee on Government Operations since early last fall and does not represent any rash or precipitate action taken immediately before this bill came to the floor?

Mr. FASCELL. The gentleman is correct. And further, we should correct the record about the attitude of the Comptroller General of the United States. I need not get into that now, but it is unfortunate that that kind of tactic is used, because the committee report on this bill will show that the Comptroller General of the United States supports the principles set forth in the legislation and the Wigglesworth amendment.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia and Mr. H. CARL ANDERSEN) there were—ayes 93, noes 145.

Mr. RABAUT. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the motion was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH] to the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. MORANO) there were—ayes 152, noes 113.

So the substitute amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER], as amended by the substitute.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 152, noes 103.

So the amendment as amended was agreed to.

Mr. LIPSCOMB. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LIPSCOMB. Mr. Chairman, I am sure that most everyone is curious to know just what was going on yesterday when, in the debate on H. R. 8002, a Member of the House quoted from and discussed a letter concerning this legislation which was sent to me by Deputy Secretary of Defense Quarles. I arose at that time to question as to where a copy of the letter had been obtained, or, as on one occasion, to determine whether the letter that was being quoted and discussed was in fact the letter addressed to me.

I must confess that I too, at times, was very curious to know just what was going on. I would like to relate to the Members of the House some facts surrounding this much discussed letter, and let you judge the situation for yourselves.

On March 3, 1958, I sent a wire to the Secretary of Defense, requesting the views of the Department concerning H. R. 8002, which I stated would come up for consideration in the House on March 5, 1958. At the same time, I made similar requests to the Treasury Department, the Bureau of the Budget, and the Comptroller General. Answers from two of the latter were received by March 4, 1958, and the other, on the morning of March 5, 1958.

Up until the time I was required to go on the floor yesterday, I had received no response from the Department of Defense. Then at 1:30 in the afternoon, the letter from Deputy Secretary of Defense Quarles was delivered to my office. My secretary immediately hand-carried it over to the Capitol, and sent it in to me on the floor by page.

You can well imagine my surprise when, about 20 or 30 minutes later, after the letter was handed to me on the floor and I had just barely finished reading it, another Member should start quoting from the same letter. I was surprised not only because of the time factor, but also because someone had apparently overlooked a courtesy I believe I have every right to expect. That courtesy is to be informed on an original letter sent to me as to which other persons are receiving copies of the letter. There was no indication of any kind that a copy, or copies, for all I know, were being sent to other persons.

Then you can imagine my further surprise when, a little later on in the debate, a Member stated, and I quote from page 3475 of the March 5 RECORD:

Advocates of H. R. 3002—

I assume that should be H. R. 8002—

received a letter from Secretary Quarles just this morning, under date of March 5, 1958.

As I stated, I did not receive the letter in the morning. It was delivered to my office at 1:30 p. m. and reached my hands shortly thereafter. I would be very interested in knowing, however, at what time the copy, or copies, of my letter was delivered to other persons.

I would like to point out also that this letter which was addressed to me was placed in the RECORD by another Member. It appears on page 3475 of the March 5 RECORD.

This is all I propose to say about the situation. Let the facts speak for themselves.

Now, since I have mentioned that I requested the views of the Treasury Department, the Bureau of the Budget, and the Comptroller General, I believe you will be interested in knowing what these agencies have to say about this legislation. As we know, these agencies are really qualified to discuss fiscal procedures and policies of Government, and are not interested in playing both sides against the middle. Their comments are set forth:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 4, 1958.

Hon. G. P. LIPSCOMB,
House of Representatives,
Washington, D. C.

MY DEAR MR. LIPSCOMB: As requested, I am setting forth herein the views of the Bureau of the Budget with respect to the enclosed draft of an amendment to H. R. 8002.

The amendment would require that the budget include a proposed limitation on annual accrued expenditures for each appropriation account whenever a satisfactory system of accrual accounting is established for such account.

The amendment sets forth the items which would be chargeable against any such limitation on annual accrued expenditures. This constitutes, in effect, a definition of accrued expenditures which is substantially in accord with that term as defined in the reported version of H. R. 8002.

Any unused balance of the limitation on annual accrued expenditures would lapse at the end of the fiscal year concerned. Goods received during that year but not paid for could be paid for in the next fiscal year without further Congressional action—provided the limitation was not thereby exceeded. Goods and services ordered during that year but received during a subsequent year could be paid for under the appropriation against which the obligation was incurred, but only within a new limitation on annual accrued expenditures established by the Congress for the subsequent year.

The effect of the amendment would be to give the Congress increased control over the value of goods and services to be received in each fiscal year. Appropriations would continue to be made in the same manner as at present and would continue to be available for incurring obligations and for making payment therefor; however, their use for the latter purpose would be subject to the limitations on accrued expenditures which would be established by the Congress each year.

The existing method of making appropriations and incurring obligations would be preserved. The use of contract authority would not be involved. Although the amendment would not eliminate the carryover of appropriation balances, it would permit Congress to control their use by determining, through the limitation on annual accrued expenditures, the value of goods and services which could be received each year. (While H. R. 8002, as reported, would eliminate the carryover of appropriation balances, it would involve a carryover of balances of contract authority.)

We believe that the draft amendment would accomplish substantially the same result contemplated by the recommendations of the Hoover Commission with respect to accrued expenditures, and the Bureau of the Budget would favor its enactment.

Sincerely yours,

PERCIVAL BRUNDAGE,
Director.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 4, 1958.

Hon. GLENARD P. LIPSCOMB,
House of Representatives.

DEAR MR. LIPSCOMB: Under date of March 3, 1958, you requested our position with respect to the proposed amendments to H. R. 8002 as set forth in the attached draft.

As you know, we have endorsed the provisions of H. R. 8002. We feel that the bill in its present form would carry out the recommendations of the Hoover Commission in that it would provide for proposed appropriations to be made on an annual accrued expenditure basis instead of an obligation basis; it would eliminate carryover balances of appropriated funds; and would provide for single appropriation accounts for current and prior fiscal years.

The amendments would continue proposed appropriations on an obligation basis, but would provide for limitations of accrued expenditures to be incurred during the year. In this respect the amendments should accomplish the objective of a systematic annual review by Congress of the work programs for each year, whether financed from prior year appropriations or current appropriations. However, carryover balances of appropriated funds would not be eliminated, nor would appropriation accounts be consolidated.

While we favor the provisions of H. R. 8002, the proposed amendments should, if properly implemented, provide an improvement over the present basis of stating appropriations and give Congress an improved control over the annual expenditures to be made by the Government.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

THE SECRETARY OF THE TREASURY,
Washington, March 5, 1958.

Hon. GLENARD P. LIPSCOMB,
House of Representatives,
Washington, D. C.

MY DEAR MR. LIPSCOMB: In response to your inquiry, the Treasury Department is in favor of the enclosed draft amendment to H. R. 8002 as described in the Bureau of the Budget letter to you of March 4, 1958.

This amendment would substantially carry out the recommendations of the Hoover Commission. It would also carry out the intent of the President's 1959 Budget Message in this regard.

Sincerely yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WESTLAND. Mr. Chairman, I am pleased that the gentleman from Massachusetts [Mr. WIGGLESWORTH] has offered this body his amendments to H. R. 8002. I sincerely feel these amendments will overcome those objections to the bill some Members have expressed. At the same time, I believe the amendments do not in any way reduce the measure of intent or purpose for which the legislation was introduced.

This bill now before the Congress to put appropriations requests on an accrued expenditure basis has the support of many distinguished persons and groups including the President, former President Hoover, and the members of the Hoover Commission.

Passage of H. R. 8002 has been recommended by the Treasury Department and the Bureau of the Budget. Also, some 12 Members of the House including myself have introduced identical or similar bills. In addition there are thousands of thoughtful American citizens, including more than 100 of my constituents in the Second District of Washington who have written to me, who support H. R. 8002 because they believe in better government at less cost.

Many Members of this House have recognized for some time the fact that we have given up much of our constitutional authority. Mr. Speaker, it is time for the control of the public's purse strings to pass back to the Congress where it belongs.

I will vote both for the amendment and the bill.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, the amendment to H. R. 8002 proposed by the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH] is a realistic and appropriate solution to this problem.

Control over the financing of this Nation's activities has been slipping away from Congress. It is high time we, as the elected representatives of the American people, took steps to reassert our traditional role as watchdog of the Nation's purse.

Much time and effort has gone into the preparation of H. R. 8002. Certain serious objections have been raised to it. The amendment by the gentleman from Massachusetts would, in my estimation, if adopted, take the heart out of these objections.

Let there be no mistake. Under the present system there have been large surpluses carried over from year to year. These carryover funds have complicated to a great extent the ability of Congress to fairly and equitably appraise requests for additional funds. The picture has become so clouded at times as to defy intelligent consideration. All too often the Congress does not know how much money is being expended or, for reasons of program changes, for what purpose. This bill would not prevent authorization of long-term contracts as has been alleged. It would limit the funds actually appropriated to the estimated expenditures for the succeeding fiscal year.

The practice which leaves Congress in a financial darkness is an intolerable one which would be greatly alleviated by the adoption of the amendment before us. It would permit Congress to resume the place our constituents expect us to hold, as effective guardians of their tax contributions.

This bill has widespread and informed support. The President is for it. The Comptroller General is for it. The Director of the Bureau of the Budget is for it. It is the result of long and searching investigation by the second Hoover Commission and was passed without objection by the other House.

We are faced today with a total $70 billion in carryover funds, the result of years of free spending under the present system. It is the usual practice for agencies to place more orders than necessary. Why? To be sure to obligate all its funds, since if not all funds are obligated, they revert to the Treasury; they are lost to the agency. This amendment would discourage this practice.

Expert opinion indicates considerable savings will result from enactment of this legislation. Padding of accounts would be much more difficult. When such padding took place, Congress would be in a far better position to use a firm hand and slice away the excess.

We must either pass this legislation or we will have perpetrated the present sorry state of affairs in which the Congress has largely abdicated its constitutional control over the power of the purse.

Mr. Chairman, the Committee on Government Operations has indicated that it will support this amendment in place of the original bill H. R. 8002. That is the position advocated by the Hoover Commission and by the President and the administration.

If this amendment is adopted, then an effort will be made to recommit the bill. The vote on that motion will be the crucial test. I hope the effort to kill this bill by recommittal will fail. If it is defeated, then the Senate-House conferees can get together and work out a mutually acceptable bill. If the motion carries, that will be the end of H. R. 8002 and with it, will die the hopes of those of us who seek by this method to support the Hoover Commission and help bring about greater fiscal efficiency and thereby achieve substantial economies over a period of years.

Mr. SHELLEY. Mr. Chairman, I rise to associate myself in opposition to this measure, H. R. 8002, and join with my distinguished and honored colleagues, the Chairman of the House Committee on Appropriations [Mr. CANNON] and the respected ranking minority Member from the State of New York [Mr. TABER]. I believe that there is general agreement that in these two distinguished Members of Congress, the House has a great wealth of knowledge and past experience in the problem, and a vexing problem, of appropriating funds for the operation of the United States Government.

My purpose in opposing this measure is one of not only simple opposition, but also of offering some suggestions and proposals that have been on my mind since I first served in the House and particularly over the past several years I have been serving as a member of the Committee on Appropriations. First, let us take a look at this bill that is before us for consideration. The bill will require a return to the use of contract authority, which is a form of installment buying and installment appropriation. We tried this method of contract authority for years and found that it was more costly to the taxpayers, easier to get approved and subsequently abandoned its use. Another point that is made is one of savings—savings of $4 billion a year. Even the Budget Director admitted this was a phony argument and said he could not point to a single dollar of savings under this system. This bill will not save a single penny, it will not reduce unexpended carryover balances by a single cent, it will not secure closer scrutiny of these carryovers and it will not strengthen control of the purse, and in fact it will weaken control, because it is too late to stop raids on the Treasury after the obligation has been made.

This then is the measure that is before us today. Working on the Appropriations Committee, Mr. Chairman, affords one a magnificent opportunity to look into every facet of the Federal Government and to admire the effective and efficient work of the Departments and their year around budget officials, who work with, develop and promote the budget requests of their particular agency, department, bureau or what-have you. Throughout the Government there are hundreds of these officials working endless hours on justifications for their special responsibility. In fact, just today, there was delivered in my office the 1959 budget justification data for the Department of Commerce. These documents are contained in two large

looseleaf volumes and run some hundreds of pages in length. Now, this is the kind of work that the members of the committee should have from our staff. The staff of the Committee on Appropriations is one of the hardest working, most dedicated group of professional people working for the Congress of the United States. They put in hours of overtime, and grind out a fabulous amount of work and information, but still cannot compete with the executive departments with their masses of material and data which are presented to the committee during our hearings. What we need is a system similar in nature to that which exists in the State of California and acts as a direct arm of the California Legislature. I refer to the joint legislative budget committee and the office of legislative auditor. If I may, I would like to give you a brief history of the foundation and development of this office in our State capital in Sacramento. In 1941 an impasse developed between the California Legislature and the Governor over the furnishing of fiscal information to the legislature. As a result, the legislature created a joint legislative budget committee with a staff headed by a legislative auditor. The first responsibility and primary job assigned to this staff was fiscal review and reporting on the administration of the State government. Each year, the staff of the committee prepares a report on the annual budget bill and presents this report and recommendations of the senate finance committee and the assembly ways and means committee. The legislative auditor is required to analyze all items of appropriations, express or implied.

Since the time the joint budget committee was set up, many extra responsibilities have been added by the legislature. The staff has been given the task of performing reference services at the request of any member of the legislature or any legislative committee. This work has been extended to include frequently the task of outlining research programs for committees and the preparation of special reports on the operations of various branches of the State government. The State auditor himself has the duties of reporting on the estimated cost of all proposed appropriation bills, express or implied. This involves the analysis of approximately 1,000 bills. He recommends on all items of appropriation. The legislative auditor is instructed to make a recommendation for or against all items of appropriation. These recommendations are those of the legislative auditor and not the budget committee.

The auditor is instructed, following each session of the legislature, to prepare a summary of the effect of the legislative program on the financial situation of the State. He reports to the committee instances where the auditor feels that the administration is failing to carry out expressed legislative intent, and he also prepares an estimate of the ultimate cost of each new or expanded service proposed in the budget or in appropriation bills. He proposes changes in law to effect economies in operation or more effective administration and also recommends methods by which research studies designed to secure efficiency and economy should be made.

Another important function of the legislative auditor is to serve as a watchdog for the legislature in the executive departments of the State. His staff continuously and constantly looks into the operations of each of the various agencies and departments and oversees their operations by supervising these departments and making sure they carry out the legislative policy as set down by the senate and the assembly. This is what is necessary here at the Federal level by making sure that the Federal departments are closely observed on a continuous basis by the staff of the Committee on Appropriations.

So, Mr. Chairman, you can see that the post of legislative auditor is one of sweeping and powerful responsibilities. Over the years this position has become one of great stature in the structure of government in the State of California and has been of outstanding assistance and help to the members of the State legislature. It has been my feeling for a long time that if such a post was established at the Federal level, by the two bodies of the Congress, each operating either as a single unit or as a joint body, we would all benefit greatly by such a service and would find that our operations and effectiveness as a deliberative and legislative body would be improved.

Mr. Chairman, we as members of the Committee on Appropriations have been assisted in our deliberations by the GAO and by their staff people. But, if we are going to carry out the ideas that I have expressed here during this debate, we should have a full staff of people from GAO, at least 100 on the other side of Congress and possibly 200 here on the House side, so that we can do a job of really investigating and supervising the functions and operations of the executive branch of Government.

This will be a long program, I know, to have such a change made in the structure of the operations of the Committee on Appropriations, but I feel that during the discussion of this particular bill, we have been given an opportunity to fully talk about and consider all the ramifications of our present budgeting and appropriation procedures. It has been an especially opportune time for a discussion of improvements that could be made a part of the present system and it seems to me that the establishment of a Congressional auditor working for the Committee on Appropriations would be a significant step in the right direction of improving our present method of budget and fiscal appropriation procedures.

And I would like to close by saying that if we don't do something like I have recommended today to the House which will adopt procedures and methods which will give us more information from our employees under control of the Committee on Appropriations, then such proposals as this bill, H. R. 8002, will be proposed again and again and more authority will be shifted to the executive branch and on that day I say, God help the taxpayers of the United States.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8002) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, pursuant to House Resolution 322, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FORD. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. FORD moves to recommit the bill, H. R. 8002, to the Committee on Government Operations.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 119, nays 275, not voting 37, as follows:

[Roll No. 18]

YEAS—119

Alexander	Ford	Natcher
Andersen, H. Carl	Forrester	Norrell
Anderson, Mont.	Frazier	Ostertag
Andrews	Garmatz	Passman
Anfuso	Gary	Patman
Ashmore	Gregory	Perkins
Bailey	Gwinn	Philbin
Barden	Hagen	Poage
Barrett	Hardy	Porter
Bass, Tenn.	Hébert	Preston
Blitch	Hemphill	Rabaut
Bolling	Horan	Rains
Bow	Hull	Ray
Boykin	Ikard	Riley
Brooks, La.	Jennings	Rogers, Mass.
Brooks, Tex.	Jones, Mo.	Rogers, Tex.
Brown, Ga.	Kelly, N. Y.	Rooney
Budge	Keogh	Roosevelt
Burleson	Kilburn	Rutherford
Byrne, Pa.	Kilday	Santangelo
Byrnes, Wis.	King	Shelley
Cannon	Kirwan	Sheppard
Carnahan	Kitchin	Sikes
Cederberg	Laird	Sisk
Celler	Landrum	Smith, Va.
Christopher	Lane	Spence
Clevenger	Lesinski	Sullivan
Davis, Ga.	Long	Taber
Denton	Loser	Thomas
Dingell	McFall	Thompson, La.
Donohue	McGovern	Thompson, Tex.
Dorn, S. C.	Magnuson	Thornberry
Durham	Mahon	Trimble
Eberharter	Marshall	Udall
Everett	Metcalf	Ullman
Evins	Miller, Calif.	Wharton
Feighan	Miller, Md.	Wier
Flood	Mills	Willis
Flynt	Morris	Young
	Morrison	
	Multer	

NAYS—275

Abbitt	Friedel	Mumma
Abernethy	Fulton	Neal
Adair	Gathings	Nicholson
Addonizio	Gavin	Nimtz
Albert	George	Norblad
Alger	Glenn	O'Brien, Ill.
Allen, Calif.	Granahan	O'Brien, N. Y.
Allen, Ill.	Gray	O'Hara, Ill.
Arends	Green, Oreg.	O'Hara, Minn.
Ashley	Griffin	O'Konski
Aspinall	Griffiths	O'Neill
Auchincloss	Gubser	Osmers
Avery	Hale	Patterson
Ayres	Haley	Pelly
Baker	Halleck	Pfost
Baldwin	Harden	Pillion
Bass, N. H.	Harris	Poff
Bates	Harrison, Nebr.	Polk
Baumhart	Harrison, Va.	Powell
Becker	Harvey	Price
Beckworth	Haskell	Prouty
Belcher	Hays, Ohio	Quie
Bennett, Fla.	Healey	Reece, Tenn.
Bennett, Mich.	Henderson	Rees, Kans.
Bentley	Herlong	Reuss
Berry	Heselton	Rhodes, Ariz.
Betts	Hess	Rhodes, Pa.
Blatnik	Hiestand	Roberts
Boggs	Hoeven	Robeson, Va.
Boland	Hoffman	Robison, N. Y.
Bolton	Holifield	Robsion, Ky.
Bosch	Holmes	Rodino
Boyle	Holt	Rogers, Colo.
Bray	Holtzman	Rogers, Fla.
Breeding	Hosmer	Sadlak
Broomfield	Huddleston	St. George
Brown, Ohio	Hyde	Saylor
Brownson	Jackson	Schenck
Broyhill	Jarman	Scherer
Bush	Jenkins	Schwengel
Byrd	Jensen	Scott, N. C.
Byrne, Ill.	Johansen	Scott, Pa.
Canfield	Johnson	Scudder
Carrigg	Jonas	Seely-Brown
Chamberlain	Jones, Ala.	Selden
Chelf	Judd	Sheehan
Chenoweth	Karsten	Siler
Chiperfield	Kean	Simpson, Ill.
Church	Kearney	Simpson, Pa.
Clark	Kearns	Smith, Calif.
Coad	Keating	Smith, Kans.
Coffin	Kee	Smith, Miss.
Collier	Kilgore	Springer
Colmer	Kluczynski	Staggers
Cooley	Knox	Stauffer
Corbett	Krueger	Talle
Coudert	Lafore	Taylor
Cramer	Lankford	Teague, Calif.
Cretella	Latham	Teague, Tex.
Cunningham, Iowa	LeCompte	Teller
	Lennon	Tewes
Cunningham, Nebr.	Libonati	Thompson, N. J.
	Lipscomb	Thomson, Wyo.
Curtin	McCormack	Tollefson
Curtis, Mass.	McCulloch	Tuck
Curtis, Mo.	McDonough	Utt
Dague	McGregor	Vanik
Dawson, Ill.	McIntire	Van Pelt
Dawson, Utah	McIntosh	Van Zandt
Delaney	McVey	Vorys
Dellay	Macdonald	Vursell
Dennison	Machrowicz	Wainwright
Dent	Mack, Ill.	Walter
Derounian	Mack, Wash.	Watts
Devereux	Madden	Weaver
Dixon	Maillard	Westland
Dollinger	Martin	Whitener
Dooley	Mason	Whitten
Dorn, N. Y.	Matthews	Widnall
Dowdy	May	Wigglesworth
Doyle	Meader	Williams, Miss.
Dwyer	Merrow	Wilson, Calif.
Edmondson	Michel	Wilson, Ind.
Elliott	Miller, Nebr.	Winstead
Fallon	Miller, N. Y.	Withrow
Farbstein	Minshall	Wolverton
Fascell	Mitchell	Wright
Fenton	Montoya	Yates
Fino	Moore	Younger
Fisher	Morano	Zablocki
Fogarty	Morgan	Zelenko
Fountain	Moss	
Frelinghuysen	Moulder	

NOT VOTING—37

Baring	Diggs	Hillings
Beamer	Engle	Holland
Bonner	Forand	James
Brown, Mo.	Gordon	Knutson
Buckley	Grant	McCarthy
Burdick	Green, Pa.	McMillan
Davis, Tenn.	Gross	Murray
Dempsey	Hays, Ark.	Pilcher
Dies	Hill	Radwan
Reed	Scrivner	Vinson
Riehlman	Shuford	Williams, N. Y.
Rivers	Sieminski	
Saund	Steed	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Radwan for, with Mr. Riehlman against.

Mr. Pilcher for, with Mr. Green of Pennsylvania against.

Mr. Bonner for, with Mr. Beamer against.

Mr. Steed for, with Mr. Hillings against.

Mr. Brown of Missouri for, with Mr. Sieminski against.

Mr. Vinson for, with Mr. Buckley against.

Mr. Hays of Arkansas for, with Mr. Engle against.

Mr. Dies for, with Mr. Gordon against.

Mr. Diggs for, with Mr. McCarthy against.

Mr. James for, with Mr. Baring against.

Until further notice:

Mr. Forand with Mr. Burdick.

Mr. Grant with Mr. Gross.

Mr. Rivers with Mr. Hill.

Mr. Dempsey with Mr. Reed.

Mr. Holland with Mr. Williams of New York.

Mr. CORBETT changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HOFFMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 311, nays 86, not voting 34, as follows:

[Roll No. 19]

YEAS—311

Abbitt	Byrd	Fallon
Abernethy	Byrne, Ill.	Farbstein
Adair	Byrne, Pa.	Fascell
Addonizio	Canfield	Fenton
Albert	Carrigg	Fino
Alger	Chamberlain	Fisher
Allen, Calif.	Chelf	Fogarty
Allen, Ill.	Chenoweth	Forrester
Anfuso	Chiperfield	Fountain
Arends	Church	Frazier
Ashley	Clark	Frelinghuysen
Ashmore	Coad	Friedel
Aspinall	Coffin	Fulton
Auchincloss	Collier	Garmatz
Avery	Colmer	Gathings
Ayres	Cooley	Gavin
Baker	Corbett	George
Baldwin	Coudert	Glenn
Baring	Cramer	Granahan
Barrett	Cretella	Gray
Bass, N. H.	Cunningham, Iowa	Green, Oreg.
Bass, Tenn.		Gregory
Bates	Cunningham, Nebr.	Griffin
Baumhart		Griffiths
Becker	Curtin	Gubser
Beckworth	Curtis, Mass.	Hale
Belcher	Curtis, Mo.	Haley
Bennett, Fla.	Dague	Halleck
Bennett, Mich.	Davis, Ga.	Harden
Bentley	Dawson, Ill.	Hardy
Berry	Dawson, Utah	Harris
Betts	Delaney	Harrison, Nebr.
Blatnik	Dellay	Harrison, Va.
Boggs	Dennison	Harvey
Boland	Dent	Haskell
Bolton	Derounian	Hays, Ohio
Bosch	Devereux	Healey
Bow	Dixon	Hébert
Boyle	Dollinger	Hemphill
Bray	Dooley	Henderson
Breeding	Dorn, N. Y.	Herlong
Broomfield	Dowdy	Heselton
Brown, Ohio	Doyle	Hess
Brownson	Dwyer	Hiestand
Broyhill	Edmondson	Hoeven
Budge	Elliott	Hoffman
Burleson	Everett	Holifield
Bush	Evins	Holmes
Holt	Miller, Calif.	Scott, Pa.
Holtzman	Miller, Nebr.	Scudder
Hosmer	Miller, N. Y.	Seely-Brown
Huddleston	Mills	Selden
Hyde	Minshall	Sheehan
Jackson	Mitchell	Siler
Jarman	Montoya	Simpson, Ill.
Jenkins	Moore	Simpson, Pa.
Jennings	Morano	Smith, Calif.
Jensen	Morgan	Smith, Kans.
Johansen	Moss	Smith, Miss.
Johnson	Moulder	Smith, Va.
Jonas	Mumma	Springer
Jones, Ala.	Neal	Staggers
Jones, Mo.	Nicholson	Stauffer
Judd	Nimtz	Talle
Karsten	Norblad	Taylor
Kean	O'Brien, Ill.	Teague, Calif.
Kearney	O'Brien, N. Y.	Teague, Tex.
Kearns	O'Hara, Ill.	Teller
Keating	O'Hara, Minn.	Tewes
Kee	O'Konski	Thompson, N. J.
Kilday	O'Neill	Thompson, Tex.
Kilgore	Osmers	Thomson, Wyo.
Kluczynski	Ostertag	Tollefson
Knox	Patterson	Tuck
Knutson	Pelly	Udall
Krueger	Pfost	Utt
Lafore	Pillion	Vanik
Lankford	Poff	Van Pelt
Latham	Polk	Van Zandt
LeCompte	Powell	Vorys
Lennon	Price	Vursell
Libonati	Prouty	Wainwright
Lipscomb	Quie	Walter
Loser	Reece, Tenn.	Watts
McCormack	Reed	Weaver
McCulloch	Rees, Kans.	Westland
McDonough	Reuss	Wharton
McGovern	Rhodes, Ariz.	Whitener
McGregor	Rhodes, Pa.	Whitten
McIntire	Roberts	Widnall
McIntosh	Robeson, Va.	Wier
McVey	Robison, N. Y.	Wigglesworth
Macdonald	Robsion, Ky.	Williams, Miss.
Machrowicz	Rodino	Wilson, Calif.
Mack, Ill.	Rogers, Colo.	Wilson, Ind.
Mack, Wash.	Rogers, Fla.	Winstead
Madden	Rogers, Tex.	Withrow
Maillard	Rutherford	Wolverton
Martin	Sadlak	Wright
Mason	St. George	Yates
Matthews	Saylor	Younger
May	Schenck	Zablocki
Meader	Scherer	Zelenko
Merrow	Schwengel	
Michel	Scott, N. C.	

NAYS—86

Alexander	Gary	Patman
Andersen, H. Carl	Gwinn	Perkins
	Hagen	Philbin
Anderson, Mont.	Horan	Poage
	Hull	Porter
Andrews	Ikard	Preston
Barden	Kelly, N. Y.	Rabaut
Blitch	Keogh	Rains
Bolling	Kilburn	Ray
Boykin	King	Riley
Brooks, La.	Kirwan	Rogers, Mass.
Brooks, Tex.	Kitchin	Rooney
Brown, Ga.	Laird	Roosevelt
Byrnes, Wis.	Landrum	Santangelo
Cannon	Lane	Shelley
Carnahan	Lesinski	Sheppard
Cederberg	Long	Sikes
Celler	McFall	Sisk
Christopher	McMillan	Spence
Clevenger	Magnuson	Sullivan
Denton	Mahon	Taber
Dingell	Marshall	Thomas
Donohue	Metcalf	Thompson, La.
Dorn, S. C.	Miller, Md.	Thornberry
Durham	Morris	Trimble
Eberharter	Morrison	Ullman
Feighan	Multer	Willis
Flood	Natcher	Young
Flynt	Norrell	
Ford	Passman	

NOT VOTING—34

Bailey	Gordon	Radwan
Beamer	Grant	Riehlman
Bonner	Green, Pa.	Rivers
Brown, Mo.	Gross	Saund
Buckley	Hays, Ark.	Scrivner
Burdick	Hill	Shuford
Davis, Tenn.	Hillings	Sieminski
Dempsey	Holland	Steed
Dies	James	Vinson
Diggs	McCarthy	Williams, N. Y.
Engle	Murray	
Forand	Pilcher	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Bonner with Mr. Beamer.
Mr. Brown of Missouri with Mr. Radwan.
Mr. Engle with Mr. Riehlman.
Mr. Grant with Mr. Williams of New York.
Mr. Vinson with Mr. James.
Mr. Pilcher with Mr. Hillings.
Mr. Green of Pennsylvania with Mr. Hill.
Mr. Steed with Mr. Purdick.

Mrs. SULLIVAN and Mr. WILLIS changed their vote from "yea" to "nay."

Mr. REECE of Tennessee changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 434, which is a similar bill to the House bill just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. FASCELL]?

Mr. TABER. Mr. Speaker, I object.

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, may I ask the majority leader if he will kindly announce the program for next week?

Mr. McCORMACK. Mr. Speaker, in reply to the gentleman from Illinois, I may say that while Monday is District Day there are no District bills to be considered.

The bill S. 497, the river and harbor flood control bill will come up for general debate only on Monday and consideration will continue until completed.

On Tuesday, Wednesday, Thursday, and Friday, the following bills will be considered: H. R. 376, relating to futures trading in onions; H. R. 5309, an authorization relating to the lower Rio Grande rehabilitation project; H. R. 7870, an authorization relating to the Inter-American Highway; S. 2448, relating to the Government of Denmark; and H. R. 8361, relating to the abuse of habeas corpus.

There are the usual reservations that conference reports may be brought up at any time and any further program will be announced later.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Mississippi.

Mr. COLMER. I desire to propound a question of the majority leader. May I call his attention to the fact that the bill H. R. 912 was reported out of the Rules Committee on January 30, last, under House Resolution 465 which was filed on that date. May I respectfully inquire of the distinguished majority leader when we might expect that bill to be programed?

Mr. McCORMACK. May I say to the gentleman that when a rule is reported, after 7 legislative days any member of the Rules Committee who desires to do so may call it up as a preferential matter. Is that correct?

Mr. COLMER. That is correct.

Mr. McCORMACK. I know that the gentleman or any other member of the Rules Committee would never do that without consulting with the majority leader whether myself or on occasion when the other party is in control, which we hope will not be for many, many years to come. I appreciate the gentleman making the inquiry. May I ask him, Does the gentleman want this bill programed?

Mr. COLMER. I am respectfully requesting that the majority leader program this bill.

Mr. McCORMACK. Under no circumstances would I disappoint my friend or any other member of the Rules Committee who serves notice that he would like to have it programed. I shall program it for week after next.

COMMITTEE ON PUBLIC WORKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 9821.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FEDERAL SUPPORT FOR PUBLIC EDUCATION

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, 10 years ago this month the late Senator Robert Taft took the floor of the other body to plead for Federal support for public education in the United States. Said this distinguished majority leader on March 24, 1948:

> It is popular to provide for public works—public works are nice things; we can see them. But when it comes down to the basic necessities of life and the basic elements of human welfare and human progress, there is nothing more important than education. It does not have the glamor that other things have, but it seems to me we must go forward in the field of education for our people and I know of no way of going forward in that field to any substantial degree without providing some Federal financial assistance.

Mr. Speaker, we ought to invest a larger share of our Federal revenues in education for the reason that Senator Taft suggested—the basic importance of education to human welfare.

In 1958, however, there are two additional reasons for a more adequate Federal investment in education.

First, our academic position has been seriously challenged by the Soviet Union.

Second, we are in an economic recession with 6 million people unemployed in the United States.

What more effective step could we take to strengthen our Nation's mind power and at the same time stimulate our economy than by a genuine Federal support program for education?

I am today introducing a comprehensive educational support bill providing for Federal grants to the States for educational purposes with no strings attached. The grants can be used by local school districts to meet what they regard as their most urgent needs, be it teacher salaries, school construction, or equipment. It is my conviction that the Congress should not make value judgments as to which phases of the curriculum or which parts of the school-financing program are most worthy of Federal support. This is a matter for local school officials and citizens to decide.

My bill also provides for college scholarships and loans and graduate fellowships to qualified students.

IMPROVING USEFULNESS OF UNITED STATES STATUTES AT LARGE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEOGH] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I should like to direct the attention of the Members to a recent additional service to the United States Statutes at Large intended to improve the usefulness of the statutes. This is the supplementary pamphlet containing tables of laws affected in volume 70 of the Statutes at Large for the 84th Congress, 2d session. I understand

that beginning with volume 71 similar tables will be published as an integral part of each volume and that from time to time the tables will be cumulated and made separately available as a convenience to users.

The General Services Administration, in particular the Federal Register Division, National Archives and Records Service, is to be commended for this worthwhile innovation. I should like also to commend Julius Silverstein, Esq., of the General Services Administration, for his part in the original suggestion for this improvement. I am pleased to note that this innovation is another step in the direction of the long-standing objective of the former House of Representatives Committee on Revision of the Laws, of which I had the honor to be chairman from the 76th Congress until the coming into effect of the Legislative Reorganization Act of 1946. When I became chairman in 1939, we adopted as the inspirational maxim of the committee that making the laws understandable is as important as making the laws. In our work of preparing the United States Code and the District of Columbia Code, we were always guided by that principle.

The tables of laws affected in volume 70 of the United States Statutes at Large are set out under two general headings:

First. Tables of amendments and repeals of prior laws and other Federal instruments.

Second. Tables of prior laws and other Federal instruments referred to in text.

These tables will facilitate the finding of laws affected by statutes contained in the current volume. I hope that this work will be projected a little further to bring up to date the Index to the Federal Statutes compiled in 1931 by Walter H. McClenon and Wilfred C. Gilbert, of the Legislative Reference Service of the Library of Congress. I still believe that no opportunity should be neglected by the Congress or the General Services Administration to make the laws understandable.

ECONOMIC BENEFITS FROM EXCISE TAX REDUCTIONS

Mr. KNOX. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KNOX. Mr. Speaker, I have today introduced meritorious excise tax reduction legislation that will upon its enactment provide a significant economic stimulant to the great American automobile industry, and, even more important, will similarly provide an economic stimulant to the economy generally. At the outset of my remarks I would stress the fact that one of the most significant features of my bill that distinguishes it from other excise tax reduction legislation introduced in the House is that the proposed effective date for the excise tax rate reduction would be retroactive to March 1, 1958, regardless of the date on which the legislation becomes public law.

Mr. Speaker, upon enactment, my bill would provide that effective March 1, 1958, the Federal manufacturers excise tax applicable to automobiles and to parts and accessories would be reduced to 5 percent of the price for which sold. Under present law the excise tax on automobiles is 10 percent, and the excise tax applicable to parts and accessories is 8 percent. By making it clear that the benefits of the tax reduction would under the bill be available to consumers purchasing automobiles or parts on or after March 1, 1958, I have avoided the inducement to withhold consumer purchases that would attend proposed prospective excise tax reduction.

Mr. Speaker, I have stated that the economic benefits of this excise tax reduction would accrue not only to the automobile industry, but would also have a beneficial effect on the economy generally. I would like first of all to comment on the present employment and production conditions in our American automobile industry. In the first quarter of calendar year 1958 average monthly employment for hourly rated workers in the automobile and parts industries is estimated at 550,000 workers; a decline of 149,000 jobs below a comparable period in 1957, when the average number of workers per month was 699,000. Automobile production, excluding trucks, for the first 2 months of 1958 was 882,700 units, compared to 1,213,200 units in the first 2 months of 1957; a decline in the current period of 330,500 units. The fact that there appears to be no prospects for a self-generating reversal of the downward trend makes it imperative that the Federal Government take responsible steps to ameliorate this declining production.

I would now like to comment briefly on the basis for my contention that this tax reduction with respect to automobiles will inevitably benefit the economy generally. When it is considered that manufacturers of motor vehicles and parts buy 23 percent of all steel, 69 percent of all plate glass, 72 percent of all upholstery leather, 41 percent of all lead, 29 percent of all zinc, and 10 percent of all copper sold in the United States, it is readily apparent that enhanced automobile production will make an important contribution to providing the job opportunities and payroll levels paid to our American workers. To further indicate the essentiality of a healthy automobile industry to a high level of economic activity in the United States I would point to the fact that 1 million workers look to the motor vehicle, automotive parts, and tire industries for their employment. An additional 9 million workers look to the other phases of the highway transportation industry for their employment opportunities. Under these circumstances it is obvious that Government tax and fiscal policy cannot remain static at a time when there is a decline in automobile production.

Mr. Speaker, no one more than I would desire to see the excise tax on automobiles eliminated completely. Unfortunately such outright repeal does not seem to be in the offing during this present session of Congress. Therefore, rather than to jeopardize the prospects of any tax relief in this area, I have responsibly advocated a reduction of 5 percent as the first step in a program of excise-tax reduction for this great industry. To insist on a greater tax reduction at this time would, in my judgment, be to aspire to an objective that would not be realized and would be to disregard the Federal budgetary requirements of our Nation for national security.

Mr. Speaker, I urge my colleagues in the House of Representatives to join with me in support of this legislation. I have today issued a statement relative to my bill, which I will include in the RECORD as a part of my remarks.

The statement follows:

The Honorable VICTOR A. KNOX, Republican, of Michigan, today announced the introduction in the United States House of Representatives of legislation to reduce, effective March 1, 1958, the Federal manufacturers excise taxes applicable to automobiles and to parts and accessories to 5 percent of the price for which sold. The existing tax applicable to automobiles is 10 percent of such price and the existing tax applicable to automotive parts is 8 percent. In introducing this legislation Congressman KNOX stressed the fact that his proposed excise-tax reduction would, upon enactment, become retroactively effective to sales occurring on or after March 1, 1958, so that the benefits of the tax reduction would be available to consumers purchasing automobiles or parts on or after that date.

Congressman KNOX stated that there are three compelling reasons dictating the favorable consideration of the proposed reduction of the excises applicable to automobiles and parts during the present session of the Congress. The first reason cited by Mr. KNOX related to what he termed a matter of simple tax justice. Mr. KNOX called attention to the fact that with respect to those excise taxes that were increased incident to the Korean war, the excises applicable to automotive products are virtually the only rates on any major products that have not been substantially reduced in the intervening period. As examples of excise tax reduction that has occurred in the case of other durable consumer goods, Mr. KNOX referred to the reduction from 10 percent to 5 percent of the Federal excise tax applicable to refrigerators, freezers, and electrical, gas, and oil appliances, and the rates on these articles had not been increased at the time of the Korean war.

A second compelling reason in favor of excise-tax reduction now is the need to provide a buoyant stimulant directly to the automotive industry with concomitant beneficial effects to be realized in the economy generally. When it is considered that nearly 1 million workers look for their employment in the motor vehicle, automotive parts, and tire plants, and that 9 million more individuals look for their employment to other phases of highway transportation, it is apparent that Government fiscal policy cannot remain static at a time when there is a decline in automobile production. This reason is made even more persuasive by the fact that one of every seven persons works in the manufacture, distribution, service, or use of motor vehicles. In demonstrating the direct collateral benefits that would be realized by industries serving as material suppliers to the automobile industry, Mr. KNOX set forth the facts that the manufacturers of motor vehicles and parts buy 23 percent of all steel, 69 percent of all plate glass, 72 percent of all upholstery leather, 41 percent of all lead, 29 percent of all zinc, and 10 percent of all copper sold in the United States.

A third compelling reason for favorable consideration of this legislative proposal to reduce the Federal excise tax on automobiles

and on parts, according to Mr. KNOX, is the fact that the Federal automotive excise tax is particularly unfair to farm operators and workers and to low-income groups. Mr. KNOX stated that the automobile constitutes an essential element in the economic life of the American farmers. With respect to low-income families, Mr. KNOX called attention to the fact that individuals with earnings of less than $4,000 a year comprise 44 percent of the passenger car owners. The Michigan legislator expressed the view that the automobile had long since ceased to be a luxury item and has now properly assumed an integral place in the American life.

In commenting on the revenue consequences of his legislative proposal Mr. KNOX stated that his suggested tax reduction would save the American consumers approximately $500 million a year that could be used for other consumer purchases and thereby have a further stimulating impact on the economy. Mr. KNOX observed that the automobile is an instrumentality which generates production and employment and thereby creates income which in turn creates wider and more abundant sources of tax revenues. Accordingly, any Federal revenue loss that might result from the excise tax reduction would be significantly offset by revenue increases from augmented sales and from higher income taxes realized from an enhanced level of payrolls in the automotive and related industries.

Mr. KNOX expressed the view that even in the absence of the undeniable benefits that would inevitably accrue to other industries not directly benefited by this tax reduction, present day economic conditions in the automotive industry alone warrant tax reduction now. Mr. KNOX called attention to the fact that in the first quarter of calendar year 1958 average monthly employment for hourly rated workers in the automobile and parts industries is estimated at 550,000 workers; a decline of 149,000 jobs below a comparable period in 1957 when the average number of workers per month was 699,000. Automobile production in January and February 1958 was almost 28 percent below a comparable figure for the previous year. Automobile production, excluding trucks, for the first two months of 1958 was 882,700 units compared to 1,213,200 units in the first two months of 1957; a decline in the current period of 330,500 units. The fact that there appear to be no prospects for a self-generating reversal of the downward trend makes it imperative that the Federal Government take responsible steps to ameliorate this declining production.

In commenting on the reasons for selecting 5 percent as the point to which tax reduction would be advocated, Mr. KNOX stated that he had given very earnest consideration to the obvious desirability of the outright repeal of the unwarranted Federal excise that is imposed on automobiles, an economic necessity. However, following a careful evaluation of the practical prospects of tax reduction or tax repeal, Mr. KNOX determined that a reduction to 5 percent was the most realistic approach in view of the Federal budgetary requirements for national security and in view of the excise tax rates applicable to comparable consumer durable goods. Mr. KNOX expressed the view that the advocacy of outright repeal of the tax would jeopardize the prospects for realization of necessary tax relief in the current session of Congress. As a further reason for selecting 5 percent, Congressman KNOX indicated that even though automobile excise taxes are not earmarked for the highway trust fund, the complete elimination of this tax revenue source from the general funds of the Treasury might indirectly impair the availability of Federal funds for highway development. Similarly, Mr. KNOX expressed the hope that the Congress would at some time in the foreseeable future find it fiscally possible to reduce the Federal excise tax of 10 percent applicable to trucks. Such tax reduction was not proposed in Mr. KNOX's bill because of the fact that half of the tax is earmarked for the Federal highway program.

In commenting on the effective date provided in his bill of March 1, 1958, Mr. KNOX stressed the fact that it is important that excise tax reduction in this area must be provided retroactively so as to avoid any consequence of consumers withholding automobile purchases in anticipation of a prospective tax reduction. Mr. KNOX stated that in pressing for immediate consideration of his legislative proposal to provide tax relief to automobile users and the automobile industry he would make every effort to retain at least the March 1, 1958, effective date and if during the Congressional consideration of the legislation it appeared administratively feasible to provide an even earlier effective date, he would support such a proposal.

Mr. KNOX stated that in introducing this legislation he was calling upon his colleagues to join him in this well-considered endeavor to provide a fiscally responsible and realistic stimulant to the American economy.

IMPROVED METHODS OF STATING BUDGET ESTIMATES

Mr. NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, the debate on H. R. 8002 has been revealing in that uniformity of opinion as to its beneficial effects is far from reality. Whether its passage, even with the proposed amendment, will enable the Congress to maintain better control over Government expenditures remains a moot question. However, the enormous increase in Government costs in recent years incident to the building and the maintenance of adequate national defense, as well as for expansion of civil and domestic programs for the welfare of an ever-increasing population, demands that every available means promising to lessen the load on the taxpaying citizenry be encouraged and implemented by the Congress.

Even though the majority of members of the Committee on Appropriations express doubts as to the effectiveness of this legislation, the preponderance of evidence lends encouragement to the belief that considerable savings will result from the adoption of the plan to consider appropriations on an annual accrual basis.

Since the termination date of this legislation will limit the experiment to the present administration, thereby in no way serving to embarrass the succeeding one in case it proves to be inefficient, I voted for the passage of H. R. 8002, as a move toward reducing Government costs.

STREAMLINE THE ORGANIZATION OF THE DEFENSE DEPARTMENT

Mr. DAGUE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAGUE. Mr. Speaker, on February 26 the gentleman from Georgia, the Honorable CARL VINSON; the gentleman from Illinois, the Honorable LESLIE C. ARENDS; and the gentleman from Texas, the Honorable PAUL J. KILDAY, introduced identical bills to streamline the organization of the Defense Department.

These bills would reduce to a reasonable number the round score of officials now reporting directly to the Secretary of Defense in order to free him from onerous minutiae and enable him to provide more constructive direction for the defense effort.

Testimony taken by the committees of Congress since the launching of the sputniks indicates clearly that the confusion, the delay, and the uncertainty created by a top layer of "no" men reporting directly to the Secretary were a major cause for our failure to stay ahead of the Soviets in the development of new weapons.

The key points in the management of the Pentagon are five, the Secretary of Defense, his military advisers, the Joint Chiefs of Staff, and the heads of the three operating departments, the Secretaries of the Army, Navy, and Air Force.

All the evidence indicates that, within their own spheres, the Joint Chiefs of Staff and the military departments are working effectively. The failures in the Pentagon seem to lie in the offices of the Secretary. For the most part these failures can be attributed to the layer of functionaries which stands between the Secretary and the military departments on the one hand and the Secretary and the Joint Chiefs of Staff on the other.

Improvement in the Pentagon requires that the five key points be recognized and that the proper relationships be established between them. These relationships should be direct and close.

Yet the Secretary almost never sits down with his military advisers, the Joint Chiefs of Staff, during their consideration of major problems. Similarly, he confers more frequently with intermediaries who have no more real responsibility than he does with the responsible heads of his major operating subdivisions—the Secretaries of the military departments. From all indications he has allowed his relationship with his military advisers on the one hand and the heads of his operating departments on the other to get into the hands of a vast bureaucracy which makes careers out of obscuring, confusing, and delaying the direct solution of problems by the five key figures. In a few short years this type of decisionmaking has plunged the Nation from relative security to relative insecurity.

I would associate myself with the gentleman from Georgia [Mr. VINSON], the gentleman from Illinois [Mr. ARENDS], and the gentleman from Texas [Mr. KILDAY] in this effort on the part of Congress to improve the decision-making process in the Pentagon by clearing the congestion which now afflicts its principal channels of communication.

A great virtue of this bill is that it recognizes what is working in the present organization and lets it alone. It does not seek to alter the broad statutory roles and missions of the military serv-

ices and their compartmentation on the broad bases of air, sea, and land power. It does not seek to eliminate the proven system for military planning—the Joint Chiefs of Staff. It does not seek to centralize the direction of all operations at the top but instead recognizes the practicality of the current system which utilizes as executive agencies the Defense Department's major operating subdivisions, the military departments. In this respect the bill differs from such proposals as the Rockefeller report which goes from a series of false premises to a preconceived solution, concluding that nothing can be done to perfect our organization for security short of tearing it down completely.

A great virtue of the present bill is that it identifies specifically what is wrong in an otherwise going concern and does something about it.

In this respect it differs from those proposals whose objective is not to determine what is right and what is wrong in the current structure but rather to bring about a radically different organizational structure—one which has never been subjected to the test of reality or even of thoughtful analysis.

The bill improves the higher organization for defense where improvements are needed and it does so without precipitating the debilitating struggle between the executive branch and the Congress which would result from schemes such as the Rockefeller proposal which would take from the Congress its constitutional responsibilities with respect to the Armed Forces and vest them in the executive branch. Included in such schemes are the proposals to centralize the direction of operations with the resultant further derogation of the status and authority of the Secretaries of the Army, the Navy, and the Air Force, upon whom the Department must rely for any real management efficiency. Included too are proposals which would give to the executive branch the power and authority to determine the roles and missions of military services, would give to a single military officer decisive power in matters affecting all the armed services, or would give the executive branch a free hand in the use of funds authorized by the Congress for specific purposes. Manifestly, the Congress could accept none of these schemes without abdicating responsibilities affecting the military services with which it is charged by the Constitution.

Admittedly, these are perilous times, but I, for one, do not believe that our response need be one which would place in jeopardy the constitutional separation of powers. In fact, to abandon the constitutional system of checks and balances would augur ill for our military security as well as our democratic institutions.

The record shows that some of the most important reforms of our military system have been initiated by the Congress and that sometimes they had to be imposed.

More recently, it was Congress which had to intervene to straighten out the missile muddle and free project managers like Rickover, Medaris, and Schreiver from strangulation by the Department of Defense "no" men.

But the responsibilities of the Congress do not stop with investigation. It must go on to enact laws to correct and to improve. The passage of the Vinson-Arends-Kilday bill will consolidate the progress already made by the Congress in improving the decision-making process in the Pentagon thus insuring better defense planning in the future.

TREASURY REFUNDING ISSUES

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, on last February 3 the United States Treasury advertised a $16¾ billion refunding in United States Treasury issues at interest rates running as high as a guaranteed 3½-percent rate for 32 years. The response to this offering was very enthusiastic—and not surprisingly so. The interest rates offered were the most satisfying of this generation to bankers and investors. They were also most costly to the American taxpayers.

It was announced several days ago that a recent Treasury offering of a new 3-percent 8-year bond to raise $1¼ billion was oversubscribed by more than five times. According to records submitted by banks of the Federal Reserve System, offers totaling $6,715,000,000 were made to buy the $1¼ billion bond issue. One-half of the offerings came from banks and resulted in part from the action of the Federal Reserve Board last week in reducing member bank reserve requirements by 1½ percent. This reduction in reserve requirements potentially increased bank lending power up to $3 billion.

The oversubscribed $1¼ billion offering of 3-percent 8-year bonds raises serious doubts about the fiscal wisdom of the Treasury in selling bonds only 3 weeks earlier with interest rates guaranteed at 3½ percent for 32 years.

The practice of issuing short-term bonds and indentures during a period of rising interest rates and long-term bonds and indentures in a falling-interest market seems to be entirely perverse to the public interest and indicates a Federal fiscal policy made to order for the bankers and the investors rather than the taxpaying public. A Congressional review of these practices is long overdue.

NEW APPROACH TO PUBLIC WORKS

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I have introduced a bill today which provides for the return of certain income tax revenues to the areas where collected as a means of financing the construction of public works projects in periods of economic recession. The measure seeks to establish a standby public works program responsive to the particular needs of each community and, most important of all, capable of immediate implementation whenever communities become afflicted with unemployment and economic distress.

To finance the program, an amount equal to 3 percent of the personal income taxes collected in the United States during calendar years 1957 and 1958 would be returned through the States to local municipalities and political subdivisions, according to the amount of personal income taxes paid by residents within each such subdivision.

The bill establishes a Federal Public Works Administration to review state plans for allocating funds and approving public works projects to be constructed in areas of substantial unemployment.

Under my bill, funds would be available to areas having 8 percent unemployment for 6 consecutive months, or 10 percent unemployment during 6 months out of any 12-month period.

Public works projects eligible for construction funds under the program include public parks, recreation facilities, rehabilitation centers, health centers, hospitals, water and sewer facilities, public buildings, public schools, highways and parkways, airports, river and harbor improvements, and flood control facilities.

As an antirecession measure, I believe that such a program has distinct advantages over a general income tax cut. In the first place, this approach makes use of Federal tax funds in such manner as to assure stimulation of economic activity, augmented employment, and the construction of projects for which a need has been demonstrated. By way of contrast, a general tax cut carries with it no assurance that the money thus made available will result in a proportionate increase of purchasing power. On the contrary, if the psychological temper of the country is one of caution, the result of a tax cut will almost certainly be increased savings rather than increased spending. Surely this does little to halt the forces of recession.

Mr. Speaker, the bill which I have introduced today asks the American taxpayer to make a direct investment in the prosperity of our country. I feel confident that the approach which I have outlined is the best means of halting the present recession and those which may develop in the future, and I know that the American people are more than willing to invest in a program to increase economic stability.

STAND-STILL BUDGET HAMPERS ABILITY OF FOOD AND DRUG ADMINISTRATION TO PROTECT CONSUMERS AS LOOPHOLES IN PRESENT ACT PERMIT QUESTIONABLE, UNPROVED CHEMICAL ADDITIVES TO BE USED IN FOODS AND COSMETICS

The SPEAKER. Under previous order of the House, the gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 20 minutes.

Mrs. SULLIVAN. Mr. Speaker, the Fogarty subcommittee of the House Committee on Appropriations is currently working on the appropriations bill for the Departments of Labor and of Health, Education and Welfare, and I assume we will be taking up that measure in the near future. One of the items in this bill, of course, is the annual appropriation for the Food and Drug Administration.

A year ago, the budget submitted by President Eisenhower for the current fiscal year referred in its "program and performance" section on the Food and Drug Administration to the great importance of carrying forward the recommendations made to him in 1955 by a special Citizens Advisory Committee. This advisory group had urged a vast increase in funds and personnel of the agency which is supposed to protect consumers from adulterated and misbranded foods, drugs, cosmetics, therapeutic devices and caustic poisons.

Consequently, the President last year recommended an increase of about $2,500,000 in the funds of the Food and Drug Administration for fiscal 1958, to a figure of $9,300,000. Despite a floor fight over the item here in the House, we succeeded in getting that figure enacted, knowing the urgent necessity for expanding the agency.

In voting as we did, we were conscious of the warning of the Eisenhower administration's Citizens Advisory Committee in 1955 that the FDA was a step-child agency which could not adequately protect the health of the consumers of this country from poisonous or harmful products. The Advisory Committee, in fact, said the Food and Drug Administration would not reach such a level of adequacy unless and until its funds and personnel were expanded threefold to fourfold. And it urged that such an expansion program be carried out within 5 years, if possible, or within 10 years at the very outside.

The budget for 1958 called for a reasonable, although minimum, expansion program toward carrying out the Advisory Committee's recommendations.

NEW BUDGET PERMITS NO FURTHER EXPANSION

Many of those Members who fought here and voted here last year to enable us to enact the increase recommended in the 1958 budget will be shocked to learn that the 1959 budget now before us does not provide for any further expansion in the Food and Drug Administration's enforcement activities. It is a standstill budget.

The new budget recommends the same $9,300,000 we enacted last year for the regular activities of the agency, plus an additional $110,000 for a special radiation hazard study being undertaken at the request of civilian defense authorities.

But for actual enforcement work, the FDA under the new budget would not be able to expand further. In fact, the detailed breakdown shows a slight decrease of three or four thousand dollars in actual field enforcement work in the coming year.

Appalled at this repudiation of the recommendations of his own Citizens Advisory Committee by the President for the forthcoming year, Mr. Speaker, I have in recent days urged the House Appropriations Subcommittee handling funds for the Department of Health, Education and Welfare to recommend for the Food and Drug Administration not the $9,410,000 suggested by the President for fiscal 1959, but a figure of $12,000,000. This would enable the agency to continue its current expansion program at about the same rate more or less. The increase would be almost identical to that we provided last year for the present fiscal year.

In view of the widespread interest which I know exists in the House in this matter of adequately staffing the Food and Drug Administration, I am inserting at this point in my remarks the text of the statement which I made to the Appropriations Subcommittee, as follows:

SAFEGUARDING THE CONSUMER—FUNDS FOR THE FOOD AND DRUG ADMINISTRATION

(Statement by Congressman LEONOR K. SULLIVAN, of Missouri, before Fogarty Subcommittee on Departments of Labor and Health, Education, and Welfare, House Committee on Appropriations, Friday, February 28, 1958.)

I am sure the members of this subcommittee share with me the deep concern I feel over the stand-still budget proposed by the President for the Food and Drug Administration.

In June of 1955 a distinguished Citizens Advisory Committee reported that this agency of government was woefully understaffed and unable to protect the health of the American consumer from filthy, adulterated or fraudulent foods, drugs, and cosmetics. It reported that the agency would require a threefold to fourfold increase to bring it up to adequate levels. It suggested this be done on a gradual, but consistent, improvement basis so that it would reach adequate staff levels within 5 to 10 years.

A SLOW START

That report was issued, as I said, in June 1955, in time to provide for a start on this program in the 1956 fiscal year. I introduced a bill immediately in June 1955, to provide for an initial increase in the appropriation but the Budget Bureau refused to recommend any such increase at that time to begin carrying out the recommendations of the report.

In the 1957 fiscal year, a small increase was requested, allowing a 15-percent increase in staff of this small agency. This was the very minimum level of expansion as recommended by the Citizens Advisory Committee.

For the current 1958 fiscal year, a substantial dollar increase was requested for the Food and Drug Administration, but the percentage of increase in personnel nevertheless remained at this minimum level of 15 percent, because much of the new money had to go for new equipment, including the replacement of terribly outmoded items.

NEW BUDGET PROVIDES NO ADDED FUNDS

The budget for the new year, for 1959, comes as a shock to anyone familiar with the problems of protecting Americans from unwholesome or adulterated foodstuffs. It would give the Food and Drug Administration exactly the same amount as the current year for its regular operations, $9,300,000, plus an additional $110,000 for a special radiation hazard study being made for civilian defense research purposes.

This is, as I said, a standstill budget. At the best, it will allow the hiring of about 35 more people—a 3-percent increase in personnel. All of this hiring would be for the purpose of helping to staff a new district office in Detroit. That is the full extent of the proposed expansion of the Food and Drug Administration in the coming year.

At this rate of expansion, it will take not 5 or 10 years but 30 or more years to bring the Food and Drug Administration up to the adequate level recommended by the Citizens Advisory Committee in 1955.

ADVISORY COMMITTEE PROPOSALS IGNORED

How can the President defend such a proposal? He has many times referred in glowing terms to the fine work done by the Citizens Advisory Committee in 1955 as an example of how his administration believes in going about the task of improving Government services.

But what good is even the best Citizens Advisory Committee, and this one was a very good one, if we are not going to follow its recommendations?

I was proud to join the chairman and members of this subcommittee on the House floor last year in fighting against the cuts which were being proposed in the budget items for the Labor Department and the Department of Health, Education, and Welfare. Chairman FOGARTY, as he has many times before in his distinguished career in Congress, once again earned the gratitude of every American for his strenuous leadership of that generally successful battle.

INCREASE TO $12 MILLON NEEDED

Now I am going to call on you, Mr. Chairman, and on your subcommittee to carry on that same great cause again this year, and particularly in this item for the Food and Drug Administration.

I ask that you recommend not the $9,410,000 proposed by the President in this "standstill" budget for the FDA, but an amount of $12 million.

This figure is not pulled out of the blue. It is a nice, round figure, yes, but it is based on solid considerations.

First of all, it represents about the very same dollar increase in funds for the Food and Drug Administration as we provided for 1958 over 1957. If you want the exact amount of the 1958 appropriation increase over 1957, it was $2,582,685. Adding that to the $9,410,000 programed in the budget for 1959 (including the $110,000 for civilian defense research which is a special assignment) it would bring the total to $11,992,685.

EXPANSION WOULD CONTINUE

If you prefer to take the figure of $11,992,685 to $12 million, all right. But I can assure you the additional $7,315 would not be wasted.

Here is what the increase which I am urging upon you would enable FDA to do: it would enable them to continue a rate of expansion in equipment, personnel, inspection work and in research, which could mean reaching an "adequate" staff level within 5 to 10 years from the time of the report of the Citizens Advisory Committee, rather than 25 to 30 years or more.

It would enable them to maintain the program now in effect to recruit and train the kind of specialists needed for this difficut, technical work.

It would enable them to continue modernization of their equipment, much of it so old now as to constitute museum pieces—and we know that is literally true, that the Smithsonian Institution has its eye on some of this equipment as real antiques for its displays as soon as FDA can replace them with modern instruments.

DANGERS TO CONSUMERS

It would enable the consumer to go into a grocery store, with a whole lot more confidence about the purity of the food she is buying, or make purchases in the drugstores or department stores with similar assurance.

All of you read the other day, I am sure, of the FDA's action in taking off the market a plastic nail polish which was discovered to be damaging the fingernails of untold num-

bers of women and could mean a kind of Chinese torture in having the nails break off at the quick. Think of the pain of that kind of thing. Yet millions of packages of this item were sold before FDA could act.

How many American women are being subjected to much more serious danger from cosmetics which contain unsafe ingredients? How many Americans—men, women, and children—are slowly dying from unsafe chemical ingredients in some foods?

This is a terribly serious thing. All of you on this subcommittee are aware of the extent of the problem. Please, I beg you, translate that concern into meaningful terms by giving this watchdog agency the money it absolutely needs to do its job intelligently and effectively.

LEGISLATION NEEDED TO CURB ADDITIVES

All of you are familiar with the loopholes in the present Food, Drug, and Cosmetic Act permitting the use of unproved chemical additives in foods and cosmetics. I am hopeful we will get legislation through soon to close this loophole and put the burden of proof as to safety on the manufacturer rather than on the FDA. That will help greatly.

But even such legislation, as badly needed as it is, will not solve the need for an expanded and vigorous and capable and fully staffed Food and Drug Administration.

It is my understanding that the additional $2,500,000 we provided the agency last year for its current appropriation is not causing the agency any embarrassment of riches. It is generally able to find the kind of people it wants and needs and is hiring them and training them. I have no reason to believe it cannot continue a successful expansion program—its recruiting and training work—if the amount I recommend is approved by this subcommittee and eventually by the Congress.

A standstill budget, however, holding the agency pretty much to present personnel levels, would mean the dismantling of its recruiting and training operations, and a long delay in future years in setting it up again if the expansion program proposed by the Citizens Advisory Committee were then to be renewed.

PROPOSED INCREASE EQUALS COST OF ONE MISSILE FIRING

I say, let's not stop the expansion program now in effect. Let's continue it. Let's be proud of the work of our Government in this field, not ashamed of it. I would say it is even more important to spend money for this purpose than it is for exhibits abroad on our public health activities—important as I agree such exhibits can be.

What about defense needs? I don't think we have to make a choice as between guided missiles and satellites and an adequate Food and Drug Administration.

The amount I am asking you to add to the food and drug budget—$2,500,000 or so—represents about the cost of one firing of one of those big intercontinental ballistic missiles!

Can we afford either expenditure? Of course we can. Can we afford both? Of course we can.

Both are essential to our country.

But if we become so obsessed over the need for providing missiles and satellites that we begin to think we can't afford adequate levels of enforcement work to assure the safety of the food we eat, and thus the health of our people, we could well find ourselves in the ridiculous situation of having the greatest armaments in the world and millions of poisoned Americans slowly dying not from enemy attack or enemy chemical warfare but from self-poisoning by eating foods not proved to be safe.

Let's not permit that to happen.

THE CHEMICAL ADDITIVES LOOPHOLE

Mrs. SULLIVAN. Mr. Speaker, my purpose in asking for this special order in the House today was only partly to discuss the need for more funds for the Food and Drug Administration, important as that is. I hope the Fogarty subcommittee and the full Appropriations Committee will recommend the increase I requested. I hope that all Members interested in assuring at least minimum protection for the American consumer from adulterated or misbranded foods and other products will mention their interest in this matter to friends and colleagues on the Appropriations Committee. I hope we can get a reasonable amount enacted this year—an amount sufficient to enable the agency to continue recruiting and training the people it needs to do an effective job for the consumer.

But while I am discussing this problem of building up the Food and Drug Administration to more adequate staff levels to protect America's consumers, I want to take the opportunity at this time to mention a related, perhaps even more serious, problem.

It is not a problem of appropriations, but rather of basic legislative authority.

In recent weeks, we read of the case of the plastic fingernail polish which had led to painful results for many of the women who had purchased this much-advertised, attractive-sounding preparation. The Food and Drug Administration discovered that hundreds or perhaps thousands of women had damaged their nails, some even losing them to the quick, because they bought and used this product. It has now been taken off the market.

But as I pointed out in my testimony to the Appropriations Subcommittee, millions of sales of this item had been made to consumers before the FDA could act. The agency should be so staffed that it can move in fast—immediately—on any product which should not be sold and used by consumers. It doesn't begin to have that kind of flexibilty due to lack of funds. But funds are not the only problem for the agency.

In the case of the fingernail polish, however, the FDA learned rather quickly that this product was or could be harmful. Also, those women who suffered the agonies of lost fingernails or who found their fingernails were disfigured by this preparation apparently suffered no lasting effects. At least that is my understanding.

But what about those many, many products now being sold in the food stores or in the drug or department stores which contain unproved chemicals whose harmful effects have not yet been fully determined and perhaps might not be for several years or more?

The consequences of eating or using some of these products may be tragic—and fatal—for many consumers in future years. For instance, some chemicals are now being used in foods or cosmetics which are known to cause cancer in laboratory animals. There is no proof as yet that they cause cancer in humans. We just do not know.

BURDEN OF PROOF ON FDA

But, unfortunately, if they are carcinogenic to humans, we will find out eventually in the morbid statistics—too late to help those now innocently buying and using these products.

The Food and Drug Administration, under present law, cannot prevent the use of these and many other chemicals until it has amassed clear proof of their harmfulness in such use.

This is the loophole in the Food, Drug and Cosmetics Act through which scores and scores of unproved and perhaps deadly chemicals are finding their way into food products, cosmetics items, and so on.

The burden of proof as to the safety or lack of safety of these chemical additives is on the Food and Drug Administration, not on the manufacturer. As we all know, FDA is terribly understaffed, overburdened, poorly equipped. Because of the stepchild treatment it has received over the years, and particularly between 1953 and 1955 when it was actually reduced in size and its appropriation was cut, it cannot begin to do the job it should do in its routinely assigned area of tracking down and removing from the market dangerous or adulterated or misbranded or filthy and contaminated items sold as food, of overseeing drug distribution, of exposing frauds in the health field, and so on.

It does not have enough chemists and inspectors to begin with; it lacks modern laboratory equipment; its inadequate laboratory facilities, furthermore, are spread out all over town because of the lack of its own building.

So here we have a situation where an agency, already woefully inadequate to the job assigned to it, because of lack of funds and facilities, is further handicapped by a loophole in the act which places the burden of proof as to the safety or lack of safety of chemical additives on FDA rather than on the manufacturer.

We do not have this ridiculous situation in connection with medicines. The safety of any chemical used in a medicine or drug must be clearly established by the manufacturer before he can use it commercially. That is why we have these carefully controlled tests on new drugs and medicines to establish their safety before they can be sold to the public. Occasionally you will read of a new wonder drug believed to be helpful in a particular type of disease and you wonder yourself why it is not immediately available to the public. The answer is that the drug must go through such tests—including use tests under elaborate medical supervision—as to establish that the drug is actually safe in use. Sometimes, as a result, the promise of a sensational new drug is not always fulfilled.

WE JUST DO NOT KNOW FOR SURE ABOUT MANY ADDITIVES

No one would seriously challenge this arrangement for drugs or medicines. Then why not have similar safeguards in connection with the chemicals added to foodstuffs? Where there is doubt as to the safety of a particular chemical, in whose favor should the doubt run—in

favor of the consuming public, or in favor of a food processor who sees in this particular unproved chemical additive a device to increase sales or reduce spoilage or otherwise add to his profits? I believe the doubt should be resolved in favor of the consumer.

If the FDA knows for a fact that one of these chemicals clearly causes cancer in humans, for instance, it can prohibit its use in foods. But they know and we know that some of the chemicals now in use have not been studied sufficiently to make sure they do not cause cancer.

In the past 25 years or so, the food industry has considered the possible use of more than 25,000 new chemical substances as food additives. Of these, about 400 or 500 are actually in use. About 150 are definitely known to be harmless. Another 100 or 150 are considered safe within the limits of the way they are supposed to be used. The rest, we are told, are in a kind of scientific no man's land—they are in use but without adequate testing to know for sure that they are safe. The FDA suspects some of them should not be used, but it cannot in every instance document its case with sufficient scientific evidence. Until it can do so, the additives in question remain in use.

PESTICIDE ACT SETS GOOD EXAMPLE

The situation is different, as I pointed out, in connection with new substances suggested for use in drugs or medicines. It is also different, thanks to a recent act of Congress, in connection with the indiscriminate use of insecticides on raw agricultural commodities.

Since the residue of certain pesticides remaining on fruits or other raw agricultural commodities can have a serious toxic effect on humans, we have provided in the recent Pesticides Act that the Food and Drug Administration can set maximum tolerances on the residue of any pesticide which can legally remain on farm products shipped in interstate commerce.

In this situation, it is up to the manufacturer or processor to prove to FDA that a specified tolerance—or any tolerance at all—should be permitted.

A recent case under this act involving the Du Pont Co. provides a perfect illustration of the difference in consumer protection as between raw agricultural commodities covered by the Pesticides Act on the one hand, and processed foods containing chemical additives.

Du Pont had requested a tolerance allowance of 0.25 part per million in the residue of the pesticide methoxychlor in milk, when the pesticide is used for the purpose of keeping the cows protected from flies. It submitted elaborate scientific evidence to show that such a small amount of this pesticide as residue in milk could not possibly hurt the consumer.

The Food and Drug Administration referred all of this evidence to a distinguished scientific committee appointed from a panel submitted by the National Academy of Sciences, and headed by Dr. Herbert E. Longenecker, vice president of the University of Illinois.

Mr. Speaker, the scientific advisory group unanimously recommended against Du Pont's request, on the ground that insufficient laboratory testing had taken place to determine the possible consequences of such a residue of this pesticide on newborn animals or on animals with liver injury, in view of the vital role of milk in the diet of infants and persons with liver injury. It outlined other test data which would have to be developed if the committee were to be able to gage the comparative safety of any residue at all of this chemical in milk.

OPPOSES ANY POISONOUS SUBSTANCE IN MILK

At the same time, the scientific committee urged that the FDA reconsider its policy of including milk as a raw agricultural commodity under the Pesticides Act, pointing out that once a scientific finding was made or could be made under this act of the existence of a safe tolerance for any pesticide in milk as a raw agricultural commodity, the act would require that such a tolerance must actually be established, despite the longstanding policy of the FDA and State food officials that no poisonous or deleterious substance should be sanctioned in milk.

The Scientific Advisory Committee added:

> This committee believes * * * that because of the unique position of milk in the diet of infants and normal and ill adults, a greater margin of safety must be established in a proposal for a pesticide tolerance petition than was demonstrated in petition No. 126 and in fact a greater margin or safety than would be the case for any other food item in the human diet.

In its decision in this case, the Food and Drug Administration on January 17 issued a regulation establishing a zero tolerance for methoxychlor in milk, thus in effect prohibiting the use of this preparation as a fly spray on cattle when the method employed leaves residues of poison in the milk.

I have gone into this case in some detail, Mr. Speaker, because it is so in contrast with the machinery under the Food and Drug Act for controlling the use of chemical additives in processed foods. In the latter case, FDA must come up with proof of the danger of a chemical; in the case I just cited the manufacturer of the insecticide had to prove that a trace of it in milk would be safe for consumers—but it could not prove it to the satisfaction of a distinguished scientific panel or the FDA.

The press release of the Food and Drug Administration dated January 17, 1958, and the report dated December 11, 1957, of the Food and Drug Administration's Advisory Committee on Pesticide Petition No. 126 are as follows:

RELEASE OF THE UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, FOOD AND DRUG ADMINISTRATION, WASHINGTON, D. C., JANUARY 17, 1958

The Commissioner of Food and Drugs today ruled against the application to dairy cows of the pesticide methoxychlor when the method employed leaves residues of the poison in the milk.

The Commissioner's action, which has the effect of outlawing such methods of application to keep cows free from flies, was in the form of a regulation setting a zero tolerance for methoxychlor in milk. Use of methoxychlor in ways which do not result in residues in the milk is not affected by the action. The ruling, printed in today's issue of the Federal Register, is effective immediately but can be appealed within 30 days.

FDA's action was on a petition by E. I. du Pont de Nemours & Co., requesting a tolerance of 0.25 part per million for methoxychlor in milk to permit use of the pesticide as a fly spray on dairy cattle.

Because of the unique place of milk in the diet of infants, children, the sick and the aged, the Food and Drug Administration had asked the National Academy of Sciences to select an advisory committee of scientists to consider this petition and to make a report and recommendations, as provided by the pesticide law. The committee was headed by Dr. Herbert E. Longenecker, vice president of the University of Illinois.

The committee found that the data on safety were inadequate to justify the establishment of a tolerance which would permit residues of methoxychlor in milk. Summarizing their position, the committee pointed out the longstanding policy of the FDA and food officials of all States that no poisonous or deleterious substance should be sanctioned in milk. Under the pesticide amendment a finding of safety for a proposed tolerance of necessity requires the establishment of such a tolerance.

The advisory committee recommended that in view of the importance of milk in the diet a greater margin of safety must be established in fixing such a tolerance than would be the case for any other food item in the human diet.

REPORT OF THE FOOD AND DRUG ADMINISTRATION'S ADVISORY COMMITTEE APPOINTED TO CONSIDER A TOLERANCE FOR METHOXYCHLOR IN MILK AS REQUESTED IN PESTICIDE NO. 126, DECEMBER 11, 1957

NOTE.—The committee, consisting of the persons named below, was appointed by the Food and Drug Administration from a panel nominated by the National Research Council—National Academy of Sciences. This committee report has been approved by each member.

Committee members: Herbert E. Longenecker, Chairman; Arthur C. Dahlberg; E. M. K. Geiling; Charles J. Kensler; Charles D. May.

In the definition of raw agricultural commodities for which tolerances of pesticidal chemicals may be established, the following language is used (sec. 120.1 (e), Federal Register, February 4, 1955):

"Raw agricultural commodities include, among other things, fresh fruits whether or not they have been washed and colored or otherwise treated in their unpeeled natural form; vegetables in their raw or natural state, whether or not they have been stripped of their outer leaves, waxed, prepared into fresh green salads, etc.; grains, nuts, eggs, raw milk, meats and similar agricultural produce. It does not include foods that have been processed, fabricated, or manufactured by cooking, freezing, dehydrating, or milling."

It has been a longstanding practice of the agencies of the United States Government to classify milk as a raw agricultural commodity and, for purposes of the administration of Part 120 ("Tolerances and Exemptions From Tolerances for Pesticide Chemicals in or on Raw Agricultural Commodities") a ruling has been made to so classify milk.

In accord with this ruling, and also in accord with established procedures the petitioner filed a request (designated by FDA as Pesticide Petition No. 126) for the establishment of a tolerance of 0.25 part per million in milk of a pesticide, methoxychlor, used in the control of cattle pests. The Pest Control Division of the Department of Agriculture has certified that the pesticidal chemical, methoxyclor, is useful as a treat-

ment of dairy animals and has expressed the opinion that the proposed tolerance reflects the maximum amount of residues likely to result in milk from dairy cattle treated with the pesticide.

Supporting its request for establishment of a tolerance, the petitioner has assembled a substantial body of experimental data applicable to a consideration of safety of methoxychlor at the tolerance level proposed. These data, together with comparable data resulting from investigations in the Food and Drug Administration's laboratories may be summarized with respect to the chronic toxicity of methoxychlor as follows:

1. Methoxychlor has a relatively low order of chronic toxicity. There was no effect on mortality even at 200 parts per million of the diet in a 2-year rat experiment, although a slight retardation in growth was observed in weanling female rats fed at this level.

2. Weanling rats fed at 200 parts per million in one laboratory and 1,600 parts per million in another laboratory did not show liver alterations usually seen with other chlorinated hydrocarbon insecticides when fed at much lower dosages.

3. In the dog department reported from the two laboratories, methoxychlor also had a lower order of chronic toxicity. The very high dose of 300 mg-kg per day allowed the survival of both of one laboratory's dogs for the experimental period of 1 year, and the survival of 2 of the 4 dogs in the other laboratory for the experimental period of 3½ years. There was little cumulative morphological effect.

4. Methoxychlor has a low order of accumulation in the tissues. At a dietary level of 500 parts per million the storage in rat fat amounted at not more than 30 parts per million. Essentially no storage occurred at dietary levels below 100 parts per million.

5. Stored methoxychlor disappears from fatty tissue within 4 weeks after cessation of exposure.

6. The only noticeable effect of low dosages of methoxychlor is a retardation of growth of weanling rats at dosage levels of 200 parts per million or more. This was greater in females than in males.

7. In the chronic rat experiment conducted in the FDA laboratories liver tumor production occurred at 2,000 parts per million methoxychlor, with no liver tumors occurring at either the next lower level (500 p. p. m.) or below. In the group of rats fed for 18 months at a level of 2,000 parts per million of methoxychlor, there were 20 survivors out of an original group of 24 animals. Among these, 3 were found to have benign liver tumors ranging in size from 1.7 by 1.3 by 0.9 centimeters to 3.2 by 2.6 by 1.4 centimeters. A fourth animal, living 97 weeks, had a malignant tumor. There were tumors other than those in the livers but not significantly greater than in the controls. In contrast to the liver tumors which appeared only in the animals receiving the highest dose of methoxychlor, other types of tumors such as lymphosarcomas and breast tumors were randomly distributed throughout the control and lower dosage groups. The FDA representatives advised the committee that, in the case of the liver tumors, experience in their laboratories led them to expect that one such tumor "might occur spontaneously, 2 possibly, but 4 would tend to incriminate the pesticide."

8. In contrast with these findings in the FDA laboratory, the other laboratory reporting chronic toxicity experiments observed no such liver tumors in animals fed as high as 1,600 parts per million over a 2-year period. At the request of the committee, a special study of the original sections was undertaken by Dr. Paul Cannon, who reported that no lesions of drug toxicity were observed in the specimens examined (with special emphasis on the liver and the kidney).

9. Weanling rats fed methoxychlor for 2 years at 100 parts per million, and dogs fed 12,000 parts per million showed no apparent effect. All available data indicated that the rat is more susceptible to toxic effects of methoxychlor than is the dog.

10. All data analyzed indicate a "no effect" level certainly at 100 parts per million and possibly at 200 parts per million of a low moisture diet.

Additional data bearing upon the occurrence of methoxychlor in milk produced by animals treated with the pesticide indicate that the accepted and customary use of this pesticide as a fly spray or dust on dairy cattle will contribute a maximum not in excess of 0.25 parts per million of methoxychlor to their milk and that such maximum will be exhibited in milk drawn within 24 hours after treatment with a gradual diminution to a level of less than 0.05 parts per million during the interval between treatments. Because of the widespread practice of blending milks from various herds, it has been estimated that only a small fraction, possibly less than 1 percent, of the total market milk supply would be offered for human consumption with so much as 0.25 parts per million methoxychlor as proposed by the petition. In fact, the committee was furnished evidence that the great bulk of market milk does not now contain detectable quantities (0.05 parts per million) of methoxychlor despite the widespread use of the pesticide in dairy herds as recommended by most of the State agricultural experiment stations.

Under the pesticide amendment 1 of 3 alternative recommendations can be adopted by an advisory committee in the presentation of the report to the Commissioner of the Food and Drug Administration:

1. That the proposed tolerance be granted.

2. That a zero tolerance be adopted—meaning that no amount of the pesticidal chemical may remain in the raw agricultural commodity when it is offered for shipment.

3. That the petition, while technically complete, is inadequate to justify the establishment of a tolerance or the tolerance requested by the petitioner.

In the case of petition No. 126, the advisory committee has unanimously adopted the third of these recommendations.

The committee also recommends that the Food and Drug Administration permit the petitioner to withdraw petition No. 126 without prejudice should the petitioner request such privilege in accord with the option provided a petitioner in paragraph 120.8, of the basic regulation governing pesticide tolerances.

Furthermore, the advisory committee recommends that the Food and Drug Administration reconsider its classification of milk as a raw agricultural commodity.

In reaching its decision to recommend that petition No. 126 be denied on the grounds that it is inadequate to justify the establishment of the tolerance proposed, the committee desires to point out that the chronic toxicity data on methoxychlor submitted by the petitioner, and comparable data available to the committee from the Food and Drug Administration, were obtained from experiments undertaken and completed prior to the existence of information that residual amounts of the pesticide would occur in the milk of treated animals. In fact, at the time these experiments were concluded, the view was widely held that methoxychlor spraying or dusting of dairy animals to control cattle pests did not result in any residual methoxychlor in milk. This opinion, based on the best experimental evidence then available, was modified when newer and more precise methods of measurement became available.

The advisory committee is in complete agreement with the principles adopted by the food protection committee in a 1956 statement:

"The translation of toxicologic data into terms of human use levels and margins of safety is one of the most difficult problems in the interpretation of such data. Each substance presents problems peculiar to itself and requires individual consideration by those competent to exercise objective judgment of all available evidence. Generally the assumption is made that man is more susceptible to poisons than are the laboratory animals." (P. 14, Safe Use of Pesticides in Food Production, a report by the Food Protection Committee of the Food and Nutrition Board, National Academy of Sciences, National Research Council publication No. 470, November 1956, Washington, D. C.)

Applying these principles to petition No. 126, the advisory committee sought, but was unable to find, data derived from experiments conceived in terms of specific questions raised by the anticipation of residues of methoxychlor in milk at a level of 0.25 parts per million. Members of the committee were impressed by the extensive agreement of experimental observations on the chronic toxicity of methoxychlor from independent laboratories and they were of the opinion that the data presented represent a reliable guide for many purposes. However, the committee believes that the data are inadequate to permit the establishment of a tolerance limit for this chemical in milk.

For a pesticide tolerance to be established for a food occupying so very important a place as milk in the diet both of well and ill humans, the committee believes it essential that experimental evidence on at least the following points should be provided. Data on none of these points were included in the petition:

1. Influence of the chemical on the growth of newborn and infants (pre-weanling) of two warm-blooded species.

2. Effect of the chemical in reproduction studies through at least two generations (including consideration of effects on the foetus).

3. Effect of the chemical observed under dietary conditions in which milk is a major component.

4. Effect of the chemical upon animals with liver injury, in view of the widespread practice in medicine of using milk diets for patients with ailments affecting the liver.

The committee also concluded that further experimentation is required to determine the significance of the tumors found in rats after ingestion of diets containing 2,000 parts per million of methoxychlor. The committee noted that the rate of tumor production was considerably higher than that experienced under nearly comparable conditions with DDT. The fact that methoxychlor does not accumulate in animal tissues to the extent that DDT does was of relatively little significance to the committee in view of the possible difference in the rate of tumor production. The committee noted particularly that although the data relative to tumor production were obtained nearly 6 years ago, there had been no subsequent effort to explore the matter further through additional experiments.

The committee was aware of the fact that the Food and Drug Administration has granted tolerances for methoxychlor in a number of raw agricultural commodities, including a group of forage crops for which a tolerance of 100 parts per million has been allowed, and that these actions were taken after consideration of essentially the same chronic toxicity data as were available for the purpose of considering this petition. However, the committee does not view its present recommendation as being inconsistent with the previous actions of the FDA for the latter were taken in consideration of additional facts, the most important of which is that direct feeding experiments with cows have shown that with more than 100 parts per million of methoxychlor in the feed, there is no carryover of methoxychlor into

either the milk or the animal tissues. Apparently, the methoxychlor is destroyed in the rumen. Also, the food items included are unlikely to be consumed exclusively or as major sources of subsistence even for a short time.

In closing this report, the committee feels that it would be remiss were it not to take cognizance of the longstanding policy of the FDA, and of the food officials of all States, that no poisonous or deleterious substance be sanctioned in milk. Under the pesticide amendment, a finding of safety for a proposed tolerance of a specific pesticide in milk would of necessity require the establishment of such tolerance. Nor would the establishment of one such tolerance necessarily exclude the establishment of others—and the committee received information indicating that several petitions for the establishment of tolerances for other pesticides in milk could be expected if the present petition were granted.

This committee believes, as noted above, that because of the unique position of milk in the diet of infants and normal and ill adults, a greater margin of safety must be established in a proposal for a pesticide tolerance petition than was demonstrated in petition No. 126 and in fact a greater margin of safety than would be the case for any other food item in the human diet.

But beyond this point, the committee has recommended that the FDA reconsider its inclusion of milk as a raw agricultural commodity under the pesticide amendment because the committee considers the implications of such conclusions to be unsound.

As stated by the American Butter Institute in its pamphlet Safe Use of Pesticides on Dairy Farms (September 1957):

"The market for dairy products depends upon continuing public confidence in their safety, integrity, and wholesomeness. Let us insure this continuing confidence."

WHAT DO WE DO ABOUT IT?

I hope, Mr. Speaker, that I have made clear the need for corrective legislation on this matter of food additives. I hope I have made clear the need for prompt action in this field of legislation.

For many years now, ever since he was chairman of a select committee of the House of Representatives which made an exhaustive study of this problem in 1950, the gentleman from New York, Congressman JAMES DELANEY, has been leading the fight here in the House for the kind of amendments we need to close this dangerous loophole in the Food, Drug, and Cosmetics Act. In the 6 years during which I have been in the House, I have been proud to join him in this battle and to cosponsor with him the Delaney-Sullivan bills to assure greater protection to the consuming public in connection with these unproved chemical additives in foods and cosmetics.

Our bills, along with a wide variety of others suggested by industry sources and by the Eisenhower administration, have been the subject of marathon hearings over the past year by the Committee on Interstate and Foreign Commerce. The record is a voluminous one.

The committee has indicated its intention of holding a final round-robin discussion with a panel of scientists on a number of unresolved or controversial technical issues in connection with the legislation before it votes on any of the bills. I understand that had to be postponed several times—once on account of the record snowstorm. I sincerely hope the committee will move promptly. I know it has many other problems currently before it. But the need for legislation to curb the use of chemical additives in foods and cosmetics is growing more intense with each passing month. The health and safety of the American people are at stake.

As an illustration of the growing consumer interest in this issue and the growing awareness of the seriousness of the problem, I include, Mr. Speaker, as part of my remarks, articles on this subject from such diverse publications as the Ladies' Home Journal, the Ethical Outlook, and the Journal of the National Chiropractic Association. These are typical of the many articles in the growing bibliography of protest over the present situation.

The Ladies' Home Journal, which took a leading role more than 50 years ago in the enactment of the original Food and Drug Act and its companion Meat Inspection Act had this to say in a recent issue:

[From the Ladies' Home Journal; Bruce Gould, Beatrice Blackmer Gould, Editors]

CONGRESS MUST ACT ON FOOD ADDITIVES

In recent years many hundreds of chemical substances have been developed and added to various processed foods to enhance or conserve color, flavor, texture or nutritive quality. The Food and Drug Administration considers most of these additives harmless, or beneficial, to the consumer. Another hundred or so are considered harmless and safe in the amounts now being used.

But about 150 other additives to the food we eat are in the "doubtful" class. No one knows their long-range effects on the human body.

There is a law that any drug to be placed on the market must first be tested to the satisfaction of a group of doctors, pharmacologists and chemists on the staff of the Food and Drug Administration. There is no law that additives to food must be tested and found safe before they are included in foods and sold. Existing laws are not preventive—they are merely punitive, empowering penalities if any additives that have been proved harmful to humans are used. The Food and Drug Administration lacks the facilities to test adequately the additives that are now being used in the food we eat. To create such a staff would require luring many scientists away from private industry, at great expense to taxpayers.

The Harris bill, introduced in the last session of Congress, is the most recent legislative attempt to control the use of food additives. Among other provisions, the proposed law would shift to the manufacturer the burden of proving, before marketing, that any substance added to foods is harmless and safe for human consumption. Some substances which appear to be harmless when taken into the body over a short period of time may conceivably cause disease, or death, if consumed even in small amounts over a long period.

The Harris bill received support from such sources as the executive committee of the American Cancer Society and a group of Federal judges. However, other bills were introduced countering several of its provisions. As has happened in every session since the danger was called to Congressional attention in 1950, definite action was forestalled.

The Journal, historically an early supporter of the Nation's pure food and drug laws, does not claim that the Harris bill cannot be improved. It does maintain that the American people must not be used like experimental animals. The public has been informed of the possible connection between lung cancer and cigarette smoking. As American Cancer Society officers have said, if individuals choose to take the risk, it is their privilege to do so. But we are given no such choice if possibly harmful substances are added to commonly eaten foods.

Congress should no longer delay passing a bill governing the use of chemical additives in food. Hearings on such a bill are to be resumed before the House Interstate and Foreign Commerce Committee. We urge our readers to follow these hearings closely. The bill, as finally drawn, might well be a subject of study by women's groups and all others interested in the public welfare. It should offer no loopholes for carelessness or exploitation.

The following article, Turning Point for Food Consumers, by Elise Jerard, is from the Ethical Outlook for January-February 1958:

TURNING POINT FOR FOOD CONSUMERS

(By Elise Jerard)

Citizens who have not been lulled into a state of what Hugh Casson calls "couldn't care less-itude" had better grasp what is at stake in the fight for a new food law, and speak their minds before it is too late. In the last session of Congress, eight bills were proposed to regulate the use of chemicals in food, in amendment of the dangerously lax Federal law. The situation is now crucial for consumers. Congressman JAMES J. DELANEY, of New York, who was chairman of the hearings which disclosed, beyond question, the need for new legislation, stands—as he has stood consistently—for full and forthright public protection. At the far end of the spectrum from his bill are the so-called straight industry bills which present the facade, but not the fact, of such protection. For years this conflict has been sharp—and unresolved. Last April the Food and Drug Administration sponsored a bill of its own. Since it has prestige and a good press, as well as some support from the industry (in the general hope of watering it down) it is this factor which is likely to spark action now. It is vital that we cut through the catch phrases to the actual content of these bills.

The public relations drums are beating for one fact. The need for the pretesting of food additives by manufacturers is generally conceded—in theory. All the bills have a compulsory pretesting clause. But the publicity handouts fail to say that the bills do not have the same pretesting clause, and that they vary in other respects which can significantly shape our fate.

All the bills except Mr. DELANEY's restrict the area of mandatory testing. All except his restrict the area of protection so that the law applies to safety only, would not protect nutritional standards, or any aspect of fair value for the food dollar. Besides, the so-called industry bills contain complex legalistic procedures which defeat the alleged purpose by making enforcement hard: that is, disapproval of an applicant's testing data would involve the Government in litigation—injunction, de novo trials, declaratory judgments (which could declare a suspect substance to be henceforth legally safe). Clearly, such a bill gives protective priority to products and profits, not to people.

Here are four ways to tell a fully protective bill from one that offers not too much consumer health and welfare: (1) Has it a grandfather clause, that is, one that exempts substances from testing simply because they were in use at a certain time? The Delaney bill alone has no such clause. The administration bill affords wide and vague exemp-

tions, the chief basis being prolonged use in foods. Even if it defined how long is "prolonged," which it does not, usage is no guaranty of safety. Nitrogen trichloride was used for three decades as a flour-maturing agent before it was shown to give convulsions to test animals. Dr. William Hueper, Director of the Section of Environmental Cancer of the United States Public Health Service, clearly stated during last summer's hearings on food bills, "The proposed grandfather clause would protect currently used, inadequately tested foods. The possible danger to the consumers' health which probably will result from adopting this clause is apparent." Mr. DELANEY's view is almost incredibly simple: "If a substance is dangerous, it is dangerous—period. No one wants to cause the industries any unnecessary dislocation; but the public health comes first." Opponents have branded the Delaney bill unrealistic—"you'd have to test everything—DELANEY wants to test salt." But he has agreed that, should his bill be enacted, the Secretary of Health, Education, and Welfare could issue a list of approved substances, universally considered safe, and in consonance with the provisions of the bill. Such substances would be exempted from testing, unless unforeseen hazards were disclosed. The basis of exemption is therefore scientific, not chronological.

2. Does it have a clear benefit to consumers clause? The Delaney bill provides that additives must serve a purpose useful to the consuming public. The administration bill requires additives to have functional value. Functional value to whom? To producers only, or consumers, too? Consumers are not mentioned in this bill. Industry bills do not even require additives to have functional value. Dr. William E. Smith, eminent researcher and executive secretary of the Cancer Prevention Commission, has said that, in the absence of a clear benefit-to-consumers clause, we would be "opening floodgates for legalized adulteration of foods on an unprecedented scale. * * * It is to our peril if the human digestive tract is legislated into the role of a sewer for disposal of chemicals that afford only commercial advantage." Would the equivocal phrase "functional value" suffice to halt the growing trend of substituting cheap and misleading chemicals for valuable natural ingredients in our food; for example, artificial coloring to suggest butter and eggs, or the glow of health in meat products and fruit juices; emulsifiers to replace shortening in baked goods; stabilizers to give ice cream a creamy impression (according to a Department of Agriculture bulletin); reasonable synthetic facsimiles for berries in preserves and for fruit flavors, and so on.

3. Does it minimize accumulation of small amounts of toxic substances in the diet? The Delaney bill requires that "poisonous or deleterious" substances be necessary for their intended purpose. The administration bill requires all relevant data. Whatever the intention, it is unclear. The other bills have no such provision.

4. Does it specifically exclude from use in food substances known to incite cancer? The Delaney bill provides that "The Secretary shall not approve for use in food any chemical additive found to induce cancer in man, or, after tests, found to induce cancer in animals." No other bill is specific about such carcinogens. There is much popular confusion about the definition of the carcinogenic additive. Dr. William Hueper of the National Cancer Institute clarified this matter in a statement submitted to the House Subcommittee on Health and Science, explaining that not only substances inducing cancer in man but also those inducing cancer in animals must be regarded as potential carcinogens because "it is likely that at least some of the long list of such substances will ultimately be shown to be actual human carcinogens." Dr. Hueper therewith offered a list of currently used or permitted carcinogenic food additives. These include dyes not previously so considered, certain materials for wrapping foods and coating them; estrogenic hormones for fattening food animals; certain pesticides, the residues of which remain on or in many foods, especially Aramite and DDT. The clause in the Delaney bill banning carcinogens is identical with the resolution of the International Union Against Cancer. The National Research Council has stated that the conservative position demands such a measure. The American Cancer Society has urged the subcommittee to approve a bill embodying this vital phase of cancer prevention. There is only one such bill; and noted cancer experts went to Washington last summer to support it.

Wise, public-spirited scientists are not the ones who are playing down the risks involved in this problem, nor the need for all possible precautions to safeguard the captive food consumers. The risks and the need for utmost prudence are being played down by economic bias, political expediency, optimistic ostrichism. These will prevail unless the public is aroused. Since this is the first generation of children ever to be raised on food containing a host of biologically foreign substances, can we afford not to be aroused? Dare we be tranquilized into accepting any measure short of all-out protection?

And, finally, Mr. Speaker, I include an article, "Do Chemical Additives in Our Food Cause Cancer?" by Dr. Emmett J. Murphy, of Washington, D. C., director of industrial relations for the National Chiropractic Association, in the December 1957 issue of the journal of that organization as follows:

DO CHEMICAL ADDITIVES IN OUR FOOD CAUSE CANCER?

(By Dr. Emmett J. Murphy, Washington, D. C., NCA director of industrial relations)

The cause and cure of cancer is always a plaguing problem. Recently, however, the Federal Government has intensified efforts to find out what can be done to eliminate some of the hazards to health which may result in cancer in the human body.

One such effort has been the work of the Committee on Interstate and Foreign Commerce of the House of Representatives which has a special Health and Science Subcommittee. This subcommittee has been holding hearings on legislation to insure the safety of food additives. These additives are the chemicals which are put in food to improve color, texture, or flavor, or to lengthen the time that the food will stay fresh.

According to the Food and Drug Administration, there are about 150 chemicals used in food today which have not been adequately tested for safety. During the last session of Congress, the committee considered nearly a dozen bills to require such testing. Congressman JAMES J. DELANEY, of New York, one of the early workers on this legislative project, has amended his bill to require specifically that no substance may be added to a food if that substance is known to induce cancer in man or animals.

Since the individual is powerless to protect himself against any such threat from food to which chemicals have been added, the Federal Government must be empowered to inspect, test, and approve or deny the use of the so-called additive if it endangers health in any way.

The Members of Congress interested in this problem feel they are following a warm trail. As Mrs. LEONOR SULLIVAN, a Member of Congress from Missouri stated in a radio interview, "It is obvious that in the case of some of these chemicals, the full effect on the human system will not be known for years to come. The main problem here is not that of acute poisoning. It's important to remind the people of that. Our major concern is the possible degenerative effect caused by taking small quantities of the chemicals in our bodies every day for years. Many of us have already been exposed, but I am most particularly concerned with what may happen to our younger generation, and I know that mothers throughout the country share my apprehension."

Some scientists claim that, so far as cancer is concerned, there is no safe level of poisoning. They include in their list of suspects a number of pesticides, dyes, emulsifiers, and other chemicals. One of the dangers which they have named as a threat to Americans is stilbestrol, a hormone used to tenderize and fatten poultry and livestock. In his report to Congress, Dr. William E. Smith, of the Cancer Prevention Committee, claimed that stilbestrol was cancer inciting. Dr. Smith said this drug was so potent and dangerous that under the drug law it can not be purchased without a physician's prescription.

This drug has been injected in poultry for the past 10 years. It is usually injected at the base of the skull and is absorbed within 4 to 8 weeks. It reduces the male characteristics in the fowl, which usually gains about an extra pound and is said to be more tender. Dr. Smith reported, "My colleagues and I have assembled data to show that this drug is not destroyed by cooking and that marketed poultry have contained, per bird, up to 342,000 times the amount of this drug sufficing as a daily dose to induce cancer in mice."

Those who, like the American Cancer Society, are interested in tracking down toxic and cancer-inducing food additives, claim there is need for Federal legislation for the best control of the threat. This organization has made the following recommendations for such strengthening of our food and drug laws:

1. That the proponent of any proposed chemical additive be required to conduct tests which will demonstrate that the additive is safe for human consumption in the manner in which it will be used, and that these tests include one to determine whether the additive may be carcinogenic to experimental animals. The adequacy of these tests should be determined by the Food and Drug Administration.

2. That permission to use the additive be withheld until its safety has been demonstrated to the satisfaction of the Food and Drug Administration by the proponent.

3. That no substance shall be approved found to induce cancer in man, or after tests provided in No. 1 above, found to induce cancer in animals.

The Food and Drug Administration has gone on record as saying that it does not know of any evidence that our food supply or any individual food being distributed in this country produces cancer when it is eaten. "If we had such evidence," says Commissioner George P. Larrick, "we could, and would, take immediate action to remove the food from the market, under the present law. What really concerns us is the lack of information about the long-range effects of chemicals which have not been thoroughly investigated. We believe that the law should furnish the same assurances of safety in regard to food additives that it now does in regard to new drugs."

The Department of Health, Education, and Welfare has offered its own bill for control of food additives, H. R. 6747, introduced by Congressman OREN HARRIS, of Arkansas, who is the chairman of the House Committee on Interstate and Foreign Commerce. This bill

does not specifically refer to cancer but covers any type of harmful effect from a food additive.

Congress has been considering the food additive problem since 1950, when a special investigating committee, headed by Congressman DELANEY held its first hearings. Failure to enact legislation has been due to disagreement between some representatives of the food and chemical industries and the FDA, regarding certain features of the proposed bills.

For example, FDA has opposed any so-called "grandfather clause" which would exempt chemicals from testing simply on a basis of prior use. This can probably be compromised on the basis of exempting only chemicals which the experts recognize to be safe.

Another point of difference is whether the food and chemical manufacturers will be required to show that a safe amount of poisonous additive is justified by its "functional value." FDA does not want to O. K. the addition of any poison to food unless there is some good reason (such as iodine in salt to prevent goiter, or preservatives that are necessary to prevent spoilage). Some of the manufacturers think this is strictly a commercial matter and that FDA has no business with anything but the safety of the additive. FDA officials reply that the use of an additive must be taken into consideration in any decision regarding whether it is safe.

Still another road block has been the question of what rights a manufacturer will have of FDA turns down his application to market some additive. Some of the bills call for a "trial de novo" in a United States District Court, in which all the complex scientific questions regarding the safety of the chemical would be put before a judge and jury of laymen. Both FDA and the Federal judges are strongly on record against this. They want the scientific decisions to be made by scientists, subject to review by the United States Court of Appeals, which is the procedure followed in other sections of the pure food law.

So there is disagreement among the experts in regard to potential dangers to the food supply. There is also disagreement between the Food and Drug Administration and some representatives of the food and chemical industries about certain features of the proposed legislation. But there is no disagreement today regarding the need for legislation that will require food additives to be tested before they are tried out on the consumer. The question seems to be whether agreement can be reached on a bill that will be adequate to protect the public.

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

DEPRESSED CONDITIONS OF THE DOMESTIC OIL INDUSTRY

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN] is recognized for 60 minutes.

Mr. JARMAN. Mr. Speaker, I wish to bring to the attention of the House a matter of extreme importance to the Nation. It has to do with the domestic petroleum industry which is one of the most vital defense industries. The health of this important industry is not good. Continuously for 2 years, its vigor and economic soundness have deteriorated.

The depressed conditions of the domestic oil industry, now reaching a critical point, are manifested by every measure. Crude oil production is running about 7 percent below last year's rate. Above-ground inventories are at record levels and increasing week after week. In 1957, drilling declined some 7 percent below 1956. Thus far in 1958, drilling is 10 percent below a year ago.

Exploratory activity, the forerunner of finding new reserves needed in the future, is curtailed even more drastically than other activities. Wildcat or exploratory wells are down 25 percent below a year ago and active geophysical and core drilling crews have declined steadily since 1954.

This trend cannot be permitted to continue if we are to remain strong defensewise.

Throughout recent years, one of the principal problems facing the domestic oil industry has been that of excessive oil imports. Prior to World War II, imports averaged 5 percent of total United States requirements. During the 6 postwar years of 1946–51, oil imports increased 10 percent of requirements.

By 1957, imports had reached 17 percent of this amount.

The Congress has reviewed many times the problem of foreign imports flooding the domestic markets. It has passed legislation designed to correct the trend of ever-increasing imports of foreign oil and other commodities, which are recognized as endangering the welfare and security of the Nation. On every occasion that Congress has acted with respect to this problem, it has, in my opinion, done so constructively and intelligently. Unfortunately, the intent and purpose of Congress has not always been carried out. Too often, the laws we have passed have been ignored or circumvented through administrative actions of departmental agencies. For this reason, the problem of oil imports is again a serious one that Congress must consider.

The policies of the Department of Defense in administering the "Buy American Act" illustrates how the intent of Congress has been completely ignored and nullified.

Twenty-five years ago, Congress adopted the "Buy American Act" which was designed to give preference to American made commodities purchased with American taxpayers' money by the United States Government.

In this law, Department heads are permitted to bypass the act and make foreign purchases when, and only when, first, it is in the public interest to do so; and second, the product is not available in this country in sufficient and reasonable available quantities and at a reasonable price.

No one will quarrel with the wisdom of these exceptions to the act. They were sound when first put into the law and are sound today. But in typical bureaucratic fashion, the executive department, particularly the Defense Department and the General Services Administration, has misconstrued, misapplied, and even ignored the intent of Congress behind these exceptions, as well as the intent behind the entire act.

Mr. BELCHER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to my colleague from Oklahoma.

Mr. BELCHER. Mr. Speaker, first I want to associate myself with my colleague from Oklahoma and congratulate him upon making a very fine statement and a very timely one.

In particular, the oil imports are dangerously affecting our State. The Oklahoma Corporation Commission has seen fit to reduce production of oil wells in the State 11 percent as compared with the January production. That is in addition to the fact that production has already been at a very low ebb. It is increasing unemployment in the industry. Some of the larger service companies have reduced their work week to 35 hours, and in addition to that have had to reduce their personnel. Increasing unemployment in the oil industry is in good part traceable proportionately to the increase of oil imports.

Mr. Speaker, again I want to congratulate the gentleman upon his very fine statement and say that this is very serious to our State as well as to oil-producing areas throughout the United States. I want to strongly urge the administration to place mandatory restrictions on oil imports at a very early date. I hope that this Congress will see fit to write restrictions on those imports into law before this session is over.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Texas.

Mr. BECKWORTH. Mr. Speaker, I want to commend each of the gentlemen from Oklahoma for what they have said in reference to at least part of our domestic oil industry and various related industries. As one who represents the district in east Texas that has in it the largest oil field in the United States as well as numerous other oil fields and the great Panola County gas field, I share the same great concern, as do many of the people of our area, that these gentlemen have evidenced here today.

I was talking to a man just yesterday who said that he had as many as 40 or 50 employees in his machine shop in the past, and he now has 12 employees only; some of these he added aren't really needed. He referred to the fact that in the heart of the east Texas oil field, unemployment is quite serious. I personally have had letters from people in the oil field who no longer can get oil field work. Not only is that true, but if the import situation is not changed there will be oil field schools, such as the gentleman is familiar with, that will have to get rid of teachers who are needed to teach children in those schools. So it is a serious matter employmentwise, taxwise and in many ways.

Last fall I met with and talked to a number of independent oil operators in

the east Texas oilfield area. I discussed our local situation with businessmen, schoolmen, and civic organizations. Only today a county commissioner of Carthage, Panola County, Tex., was telling me about conditions in his county. The condition was serious last fall; it is more serious now. When I returned to Washington, I reported once again my findings and have continued to do so. At this point I include a letter I received from Mr. Carson, of the United States Interior Department, which he wrote me on January 7, 1958:

DEPARTMENT OF THE INTERIOR,
Washington, D. C., January 7, 1958.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: Your letter of January 3 to the Secretary of the Interior has been referred to me for response.

In your letter you state that while you were back home in Texas you talked with many people who work in the oilfields as drillers and roughnecks, as well as others, and that many of these voiced the serious effects resulting from the quantity of oil coming into this country. You express the hope that additional consideration and attention be given to this problem immediately.

I am enclosing a copy of a press statement which was issued by the Department of the Interior on December 20, 1957, which presents a tabulation of crude-oil imports during November 1957, as compared with the allocation for the year ending June 30, 1958, and the forecasts as based on the November reports. You will note therein my statement that November was "the second straight month in which crude-oil imports have been below the level recommended by the Cabinet Committee."

As a fellow Texan, I am particularly interested in making certain that full information is available to all those who are interested in the oil industry of Texas. Because of the close association of your section of Texas with the oil industry, I have endeavored particularly to keep you fully informed as to the operations of the voluntary oil-import program, and to this end I have written to you on several occasions during the past few months. I feel that the present status of the program as shown in the enclosed press release warrants my statement that the efforts of the oil companies to make the voluntary program a success is rather gratifying. It would seem, accordingly, that the people with whom you talked while you were home recently must not have been informed fully as to the real progress that is being made in the limitations of foreign crude oil, even though the oil-trade press have prominently and accurately reported such progress.

Sincerely yours,

M. V. CARSON, Jr.,
Administrator, Voluntary Oil Import Program.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., February 11, 1958.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Your courtesy in sending me the copy of the "Kilgore News Herald" for February 3, 1958, is very much appreciated. I read with real interest the "open letter" presented therein concerning the imports of oil.

Information which I have sent to you previously has shown that the imports of crude oil into Districts I–IV during October, November, and December 1957, were below the Government-recommended level contained in the report which was approved by the President on July 29, 1957. Preliminary estimates indicate that crude oil imports for January, 1958, also were below the Government-recommended levels.

The current petroleum situation understandingly is a matter of real concern to the people in Kilgore, Tex., as well as other communities in the oil fields. For this reason, I am glad to be able to report that the Voluntary Oil Import Program has been operating with a considerable degree of success. Actual imports during the past 4 months in the districts east of the Rocky Mountains have been below the total of the allocations to the importing companies. The Independent Petroleum Association of America, in its magazine for January 1958, commented on the program and said:

"To date, the Government's import program has accomplished definite and substantial reductions in crude oil imports. This provides a basis for encouragement that imports will continue to be restricted in the interest of maintaining a healthy domestic industry for national security."

As requested, I am returning herewith the page from the "Kilgore News Herald."

Sincerely yours,

M. V. CARSON, Jr.
Administrator, Voluntary Oil Import Program.

WASHINGTON, D. C., *February 18, 1958.*

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Your letter to the President of February 11, 1958, has been forwarded to me for a reply.

The Cabinet Committee on Crude Oil Imports is cognizant of the seriousness of the situation in the domestic-oil industry. There is no question but that if the voluntary program, under which the industry is operating, breaks down it will of necessity find that mandatory controls shall be invoked.

I am enclosing a press release issued by the Secretary of Commerce on February 8 which you can forward to your constituent.

Sincerely yours,

FREDERICK H. MUELLER,
Assistant Secretary of Commerce.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., March 4, 1958.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: On the subject of Comparison of Domestic and Foreign Production as released by the Texas Railroad Commission, February 21, 1958, the Texas Railroad Commission sets allowables in accordance with the laws and regulations under which they are empowered to act, and have no doubt taken cognizance of the fact that the domestic demand is considerably under 1-year-ago levels.

The correspondence you sent with your note of February 21 is enclosed.

Sincerely yours,

M. V. CARSON, Jr.,
Administrator, Voluntary Oil Import Program.

[From Texas Railroad Commission, February 21, 1958]

COMPARISON OF DOMESTIC AND FOREIGN PRODUCTION

The contrast between conditions in the domestic industry and in foreign producing areas which supply the major part of the crude oil brought into the United States is quite significant. Despite the much larger number of producing wells, crude oil production in Texas is now at a lower level than in 1953, 5 years ago, and for the United States as a whole, crude-oil production is up only 5.6 percent above 1953. Meanwhile, production in foreign areas has increased quite substantially as shown by the following tabulation:

Area	Crude oil production (thousand barrels daily)			Change, 1953 to Nov. 1957	
	1953	1954	Nov. 1957	Thousand barrels daily	Percent
Texas	2,792	2,669	2,722	−70	−2.5
Other States	3,666	3,673	4,100	+434	+11.8
United States	6,458	6,342	6,822	+364	+5.6
Canada	222	263	428	+206	+92.8
Venezuela	1,745	1,895	2,562	+817	+46.8
Middle East	2,431	2,749	3,704	+1,273	+52.4

Source: United States figures from Bureau of Mines. Foreign figures from World Oil.

Texas allowable

	Barrels daily
March 1957	3,771,162
February 1958	2,999,660
Down	771,502
Reduction for March 1958	513,814
Total	1,285,316

Which makes a total of 1,285,316 barrels daily cut in Texas oil allowable production since we were called upon for more crude for the Suez crisis. Thus it will be seen that Texas has reduced her oil allowable by more than the total crude oil imports into the United States. Surely this can mean nothing less than the fact that Texas oil production is being supplanted by imported crude in the market place.

Mr. Speaker, it is my hope that sufficient interest will be manifested in order that something constructive may be done soon, and it needs to be done quickly. I thank the gentleman for his courtesy.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to my colleague from Oklahoma.

Mr. ALBERT. Mr. Speaker, I want to commend my colleague upon his fine statement and join him as well as my colleagues, the gentleman from Oklahoma [Mr. BELCHER] and the gentleman from Texas [Mr. BECKWORTH], in congratulating him upon his fine statement.

I should like to say this further, in addition to what the gentleman from Oklahoma [Mr. BELCHER] has said, that the impact of the curtailment of oil production on the Oklahoma tax structure is very serious. The Governor of Oklahoma has recently pointed this out. So much of our State revenue is dependent upon oil, the production of oil and the gross production tax on oil, that many services are going to have to be curtailed if oil production is further curtailed.

Mr. JARMAN. The gentleman certainly emphasizes the problem we face, particularly serious in our section of the country, but which has to be dealt with all over the country.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ROGERS of Texas. May I commend the gentleman on his fine statement. He has done an outstanding job

of research and I think he has pointed up the situation faced by the people within those areas.

I am receiving letters at the present time from people who have left the oilfields in my district because they were taken out of jobs they had been in for a long time. They have gone into other fields or have been trying to get other work. Now they are writing their Congressmen in an effort to try to get something to keep them and their families eating and with a house to live in. I think it is a very tragic situation when we drive these people from their jobs, and do it because we are importing foreign oil. I think the time has come for the administration to act, and I believe the gentleman from Oklahoma is doing a signal service in the presentation he is making today.

Mr. JARMAN. I am sure the gentleman will agree that in the long run we cannot hope for a voluntary limitation program to operate effectively.

Mr. ROGERS of Texas. I think the gentleman is exactly right. I do not think history will ever record any extended length of time when a man would stand and do something to himself that was economically bad for him. We cannot expect the people who are the owners of these foreign sources of oil to say, "We will be happy to forgo making a little money in order to help out others." They are looking out for themselves. It is time for the Government to step in and stop this tragedy that is happening to our people.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Illinois.

Mr. VURSELL. I am glad the gentleman from Oklahoma and the other gentlemen from Oklahoma and Texas have brought this matter to the attention of the Congress. I do think it is a much bigger problem in the interest of our economy and the defense of our Nation than the people generally over the United States realize. We are faced at the present time and have been for the last number of months with an unusual situation here in the United States, with the result that it was anticipated that the home consumption of oil would go up greatly during the fall and winter months, as it usually does. Unfortunately, that did not happen. Hoping that that would happen, the Cabinet-level members' committee set up certain restrictions and, as you well know, all of you urged the major importing companies to comply with a certain quota. I think the gentleman in charge of this, now associated with the Interior Department, Captain Carson, has done an excellent job. I do believe from my contacts with the administration that they realize that we do have a problem. I think they are friendly to the oil industry generally because of the great contribution it makes to powering our industry and for the defense of our Nation. I think that they will move more rapidly in the immediate future than they did in the past. I have noticed statements leading me to believe this. But, yet at the same time, this thing is so vital to the people of the country, to the economy of the country, and to the defense of the country that I have been finally brought to the notion that we had better make this a better program in some way by legislation. I am hopeful that section seven of the Trade Agreements Act at the proper time may be so strengthened that we can have legislative authority that would reduce this back to a ratio somewhat more in keeping with the imports of 1954. I say this because I represent practically the tristate area which embraces Illinois, Indiana and Kentucky to some extent. There are many other Members of Congress who help to represent the same area, but the great impact has hit southern Illinois. Our economy in the counties and in the State is tied to it to a certain extent, and it has become very serious in my section of the State. I want to associate myself with the remarks that have been made generally here on the floor of the House this afternoon. I am willing to go along to try to see if we cannot get something permanent that will settle this question.

Mr. JARMAN. I join with my colleague, the gentleman from Illinois, in the hope that we can get definite legislative enforcement of a limitation, a fair limitation, on the importation of foreign oil. Certainly, many of us are hopeful that the great Committee on Ways and Means, which is now considering a Reciprocal Trade Agreements Act extension, will see fit to write that protection into the act.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. NEAL. I very much appreciate the fact that the gentleman has brought up this acute problem today. While it pertains largely to a major industry and its effect on the economy of the whole country, I wish to emphasize the fact that throughout our country at large the present policy followed by the State Department and those who administer foreign trade in this country are bringing about some rules and regulations that are very detrimental not only to the people who prosper as a result of oil, but to those who are employed in small industry—diversified industry—throughout the whole country. In my opinion, bringing this matter before the Congress at this time, when we have more unemployment than we have had, is indeed a proper time to emphasize the deterioration that has been brought about in the general trade policies of our own local, domestic industries. I am certainly of the opinion that it is high time we made some changes in the rules of operation as now applied in the conduct of our foreign trade policies.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ALBERT. I would like to point out to the House that the administration does have the authority, and has had the authority, to curtail the importation of oil and has not done so under existing law. I think that ought to be pointed out.

Mr. JARMAN. There is no question about that, and we have waited a long time to see this existing authority put into effect.

Mr. WESTLAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. WESTLAND. I merely wish to ask the gentleman from Oklahoma in the consideration of any legislation which would restrict the importation of oil to consider our neighbor to the north, Canada. I have the honor to represent the district which is in the top left-hand corner of this country bordering on Canada and bordering on a very prominent oil field in Alberta, Canada. In my district at the present time, eight of the major oil companies of this country are planning and, in fact, constructing refineries. Any legislation that might come before this body and which might be passed that would affect the importation of oil from Canada not only would be to the detriment of my district but I believe would be to the detriment of this United States. Canada is one of the best customers of the United States, importing far more from this country than she exports to this country. Any restrictions that would be placed on the importation of foreign oil into this country should very definitely exclude that area, in my opinion. There have recently been some so-called voluntary restrictions on the importation of foreign oil. If the gentleman has read any of the remarks that have been made by the Premier of Canada and some of the other people of Canada in the consideration of these criteria which we have established, then I think he might very well take a close look at the importation of foreign oil. I see the gentleman from Texas [Mr. ROGERS] taking a dim view of this thing. I can understand his position and your position, where your oil wells might be operating on a 12- or 13-day period out of each 30 days, and therefore will perhaps have a rough time paying their bills. But I would urge the gentlemen to consider all factors of this thing, rather than to make a blanket ruling. Certainly this contiguous nation, which is almost part of us, should receive a great deal of consideration in any such proposed legislation.

Mr. JARMAN. I would say to the gentleman that I think much of what he says is certainly fair and should be considered in this overall picture. The positon that many of us take is not a position against the importation of all foreign oil, but an effort to try to keep the importation of foreign oil in line, percentagewise, with a fair formula in terms of domestic production. The formula, to which many of us have looked for enforcement, is a recognized relationship based upon the 1954 relationship, percentagewise, of imported oil to domestic production. If we abided by that formula it is my understanding that the importation of foreign oil could run from 800,000 to 1 million barrels of oil per day. Actually, what we have seen over the past years has been as much as a million and a half barrels of oil per day brought into this country. It is the excessive importation of foreign oil to which we object, recognizing that a fair

percentage of foreign oil has justification for coming into the country.

Mr. WESTLAND. I might say I wear another shoe, and that is on the importation of foreign plywood, which many of us in this Congress have objected to, where the importation of foreign plywood has put our plywood industry practically out of business. I have seen a case where the importation of foreign plywood now amounts to over 50 percent of the domestic consumption. Personally, I have introduced a bill which would do something, I presume, similar to what the gentleman from Oklahoma suggests, limiting them to a percentage of our domestic production. If I say that on one hand, certainly I cannot say otherwise in the matter of oil. This becomes really a terrific problem in the support of the economy of other nations, but by the same token the support of the economy of our own United States is perhaps more important in the final analysis.

Mr. JARMAN. I am in complete agreement with the gentleman. What the gentleman has said simply emphasizes in both industries the need for fair and equitable limitations that permit us to take care of our own domestic picture. If we do not take care of ourselves no one else will.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ROGERS of Texas. In view of the remarks of the gentleman from Washington [Mr. WESTLAND], I would like to add this: I have great respect for the gentleman. He has done an outstanding job in representing his people. We certainly ought to go along with Canada and work these things out with Canada as best possible. I think they can be worked out under the present law. There is one thing that I think should be pointed out, and that is this: There has been a great hue and cry in regard to the imports and exports, as far as Canada is concerned. When you look at the entire picture, you will find that Canada has imported so much more from this country than we have imported from Canada because capital from this country has gone over there to develop their resources. That is exactly what is transpiring in that part of Canada just across from the gentleman's district.

Those are things that I think can be worked out under present law.

I took a dim view of the voluntary program when it was commenced, and testified before an examiner, as I recall, downtown about that situation. I think the administration has utterly failed. Whether they did it intentionally, whether it was accidental, or whether it was because they just did not realize what the economic situation was, I do not know; but as far as maintaining the economy of this country is concerned in the oil sections of the Nation, they have utterly failed in this important program and I feel it is a definite responsibility and obligation resting on the administration today to do something under the present law. Otherwise the economy that has been so strong in these areas is going to suffer.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. Speaker, in 1954 I called to your attention the flagrant manner in which the General Services Administration was circumventing the language and intent of the Buy American Act. An even more aggravated case of misapplied departmental discretion in this area is the petroleum purchasing policy of the Department of Defense.

The Department of Defense now exempts and for many years has exempted its purchases of petroleum products from the Buy American Act.

This Department does not state how it arrived at its decision to exempt such purchases from operation of the Buy American Act. Its regulation, providing for the exemption, is completely void of enlightenment as to the basis for the exemption. According to the Pentagon, a departmental committee, sometime in the past, determined that military petroleum purchases should not come under the Buy American Act. No one seems to be able to locate this committee. Diligent effort during the past 6 months by interested persons in the domestic industry to find a basis for the decision of this phantom committee have not proved fruitful.

I have been able to arrive at one conclusion. It is simply this: Our high level Pentagon officials do not have a justifiable basis for the exemption because they are citing conflicting reasons for the Department's "Buy Foreign" petroleum purchasing policies.

Assistant Secretary of Defense Perkins McGuire recently stated that—

> The main basis for the Department of Defense exemption of petroleum from this act (Buy American) is that a healthy oil industry in friendly foreign countries is essential to the allied effort in wartime. If this industry is not used in peacetime, it would not be available in wartime.

Thus, the purpose of the exemption, according to Mr. McGuire, is to encourage foreign development.

This should be compared with the declaration of Maj. Gen. L. E. Cotulla, on behalf of Mr. Earl B. Smith, director for transportation, communications, and petroleum policy, Department of Defense, below:

> I do not agree that the Defense Department is administering the act so as to give preference * * * to foreign industry or to encourage foreign industry. I consider that we are allowing both foreign and domestic industry to compete on an equal basis.

Here, we have two officials from the same Department giving conflicting reasons for the exemption.

Furthermore, the departmental statement "that we are allowing both foreign and domestic industry to compete on an equal basis," is directly contrary to the Buy American Act. This act had the specific purpose of providing preferential treatment to domestic industry and it neither directs, nor does it authorize, any department of government to allow "both foreign and domestic industry to compete on an equal basis."

Despite the clear purpose of the Buy American Act, the Defense Department contends that:

> In the judgment of the responsible officials, it would be inconsistent with the public interest to apply the Buy American Act in the field of petroleum.

I don't know who these responsible officials are, but I would have less trouble in accepting their conclusion had not the President's special cabinet committee to investigate crude oil imports found that oil imports must be restricted in the national interest. You will recall that on July 29 of last year, this special cabinet committee stated:

> We have concluded * * * that if we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production.

Thereafter, the President directed that crude oil imports be limited. A program to that end is now in effect.

The inconceivable effect of the petroleum program of these responsible officials is to overrule the expressed policy of the President concerning importation of oil and its threat to our national security. While the President and a special cabinet committee struggle to limit oil imports, this Department continues to increase its foreign purchases.

The amount of money expended by the Defense Department for the purchase of petroleum supplies is tremendous. For example, in fiscal 1957, the Department spent $1.25 billion for such supplies. Each year, a larger and larger part of this money is spent for the purchase of oil from foreign sources. For example, in 1952, 27 percent of the total quantity of petroleum purchased was from foreign sources. This has steadily increased until during the first half of 1957, 35 percent was from foreign sources. During fiscal 1957, the Department spent $334,491,599 for petroleum products from foreign sources. This represents an increase of $104,433,243 over the previous fiscal year—up 5.4 percent in just one year. Since 1952, foreign oil imported by the Defense Department has almost tripled, averaging 47,000 barrels daily during the first half of 1957.

The history of the alarming increase during the last few years of the Defense Department's purchasing of petroleum products in the Caribbean and other foreign areas, has seriously affected the Gulf Coast and East Coast American refiner through the loss of sales to the Government of jet fuel and other petroleum products. During this same period, a rapidly increasing portion of oil purchased abroad was being imported into the United States in spite of severe oversupply conditions.

The purchases of jet fuel in the Caribbean over this present winter season has been a substantial factor in aggravating a distressed market condition, with its resultant adverse effect on the domestic industry. American refiners can adequately supply these petroleum products and it is obvious that every barrel of these products purchased from the Caribbean refiners means a reduction in the production of crude oil in this country and a loss of market for the domestic refiner.

In December, the Executive Director of the Military Petroleum Supply Administration, is reported to have called

for continued purchases in the Caribbean area, and urged that Caribbean refiners supply up to ninety percent of Navy special fuel oil. Every such barrel purchased reduces the amount of oil produced in the United States and processed by American refiners.

It must be obvious to everyone that American industry, acting under American laws, including the eight-hour law, the Walsh-Healey Act, paying American wages, paying American taxes, cannot compete with Caribbean refiners, operating under much more favorable conditions.

The Defense Department has again recently requested bids for a jet fuel and other products from the Gulf Coast and the East Coast and the Caribbean area for delivery over the next few months. If this bid is denied American refiners and purchased in the Caribbean, it will have a further adverse effect on our national economy and security.

I might add that the Defense Department permits petroleum products to be used in the United States to be imported into this country duty free. I consider this preferential treatment for foreign oil. In 1932 Congress imposed a duty on oil imports which still exists though it has been greatly reduced by trade agreements. Under some obscure reasoning, the Pentagon waives this duty. The Defense Department states that it wipes out this import duty on the basis of statutory authority which was given to defense agencies to be used only when making emergency purchases. We are thus, in effect, told that all of the petroleum products purchased in the last several years have been emergency purchases. This is just another instance of the Department of Defense bypassing the will of Congress and the trade laws by stretching the overworked phrase, "national emergency" as an excuse. Typical of this continuing circumvention of the act by Government departments is the purchasing policy of the General Services Administration. In a General Services Administration directive, dated April 5, 1954, with respect to petroleum purchases, it was stated:

> 15. Buy American exemption: The Regional Director, Region 7, General Services Administration, having been duly authorized thereunto, has determined that crude petroleum is not produced in the United States, in sufficient and reasonably available commercial quantities, and, therefore, has exempted from the Buy American Act petroleum fuels and petroleum lubricants.

Later, upon being apprised of the large surplus of available crude petroleum, General Services Administration finally admitted the fallacy of its position, and on September 17, 1954, issued a new directive revoking its exemption from the Buy American Act except for the east coast.

Nowhere in the act do I find authority for ignoring the Buy American Act on a regional basis. But that is what the General Services Administration is doing.

In view of the President's Cabinet Committee report, cited earlier, and the intent of Congress, as set forth in the Buy American Act, I find it very hard to understand another statement contained in the revised General Services directive. This statement declares:

> In addition, imports serve to maintain a flow of foreign crude into this country. If this flow ceases, a marketing pattern for foreign crude would develop which would make it difficult or unduly expensive for this country to acquire supplemental crude when and as needed.

Apparently, the General Services Administration is not familiar with the findings of the President's Cabinet Committee or else it chooses to ignore the Committee's conclusions, which in my opinion, contradict this portion of the General Services Administration's directive.

This departmental circumvention of the Buy American Act is a serious matter. It is particularly serious since it helps to further compound the unhealthy conditions now existing in the domestic oil-producing industry, with the resulting threat to the national security.

At the present time, idle drilling rigs are on the increase, exploratory and development work continue to decline, unemployment in many oil-producing areas is serious, inventories too high, and oil tax revenues at the local, State, and Federal levels are being adversely affected.

Compliance with the Buy American Act will not solve all of these problems. However, it will certainly go a long way in helping oil producers to accomplish the goal laid down by the President's Special Cabinet Committee To Investigate Crude Oil Imports. This Committee found that—

> If we are to have a vigorous program of exploration in this country by private enterprise in order to care for increasing domestic consumption and to meet emergency needs, and if we are to know what our reserve potential is in this country, it is essential that we follow a policy which will encourage continuation of free-enterprise exploration at a rate consistent with the demands of a growing economy.

It seems to me that the General Services Administration and certainly the Department of Defense, the one Department of Government specifically charged with national security, should comply with the findings of the President's Cabinet Committee, which were based solely on considerations of national security. I am indeed hopeful that both the Department of Defense and the General Services Administration will soon revise their petroleum-purchasing policies and bring them in conformance with the President's program to limit oil imports and the will and intent of Congress as laid down in the Buy American Act.

I question how much longer Congress can continue to ignore the real and drastic problems of an industry producing two-thirds of this Nation's energy requirements.

These purchases of foreign oil by Government departments are occurring despite drastic oil production slashes in my home State of Oklahoma and other oil-producing States. The action of these departments is an insult to an industry which has met every challenge of war or peace. It expresses complete contempt for the economic welfare of sovereign States of this Nation, for the judgment of this Congress, and for the import policy espoused by the President of the United States.

How much longer can this Congress tolerate actions by departments of this Government in direct contradiction to legislative and executive policy in serious detriment to the national interest? Is it too much to ask these departments to behave as though a part of the Federal Government?

If the laws, judgments, and policies of this Government are not soon complied with by these departments, Congress must act to erase all doubt as to their proper conduct.

THE TRADE AGREEMENTS ACT

The SPEAKER pro tempore (Mr. BECKWORTH). Under the previous order of the House, the gentleman from Illinois [Mr. COLLIER] is recognized for 10 minutes.

Mr. COLLIER. Mr. Speaker, I requested this time today to bring a matter to the attention of my colleagues that I think is of utmost importance. It is relative to the greatest of all American industries, and particularly my deep concern at the sharply increased influx of foreign automobiles on the American market at present. The trend of the figures I shall present certainly gives cause to view the future in this regard with definite alarm. I think it is timely that I bring the facts forward so that we are fully aware of the impact of liberalizing tariffs upon many American industries and millions of American working men.

At the offset, I assure you I do not intend to impose upon the House by delving into the long history of trade agreement acts. Neither do I propose to relate to any great extent the plight of the several American industries in an unrealistic local versus foreign competition. We all know the effects it has had upon the American bicycle manufacturer, watch manufacturers, the American plywood industry and others too numerous to mention. It is sufficient to note that the concept of Executive agreements replacing Congressional action, or in stronger terms, Congressional abdication of powers to the Executive, came to be the accepted method of legislating only some 25 or so years ago. The Constitution of the United States clearly states that Congress shall control the imposing of duties on imports. Yet, through this act, such power and right has been transferred from the Congress to the Executive. And the Executive has wielded that power in a wide variety of fields and in a wide variety of ways over the years. And it is now regarded in some quarters as an essential part of our foreign policy.

Getting back to the specific subject of my discussion, I believe it would be worth while to look at some of the figures involved in the automobile industry, where, by the thousands, men are idle and a serious unemployment situation prevails. The labor union representing these same people, incidentally, is on record as favoring the extension of our present reciprocal-trade program.

There are two major manufacturing areas in the world as far as the auto

industry is concerned. These are the United States and Western Europe. When we define Western Europe in this connection, perhaps I ought to make it clear that my reference is to Great Britain, France, Germany, Italy, and Sweden. While sales of American-made cars have fallen off in the United States, the sale of European-manufactured cars in this country has been constantly on the increase. There is no denying that foreign-car makers are not having the problem with which American manufacturers are confronted today. Figures from the auto industry indicate that the sharp increase in the sale of foreign-made cars including the bigger models, such as the Rolls-Royce have moved sharply upward. The big jump in the influx of foreign cars has been in the line of those models selling for less than $2,500. In other words, not in the luxury-car class nor with the class of people who can afford to have the hobby or fad does this situation exist. Instead, it represents an increase in buying of European-made cars by the class of people who are purchasing them as a necessity item.

Here are some figures that I think are very interesting: The United States last year exported 23,259 automobiles to the Western European market. This export was valued at approximately $43 million. Another $46 million in parts were exported earmarked for Western Europe. Adding the export of trucks we reach $97 million in the total automobile shipping to these Western European countries from the United States.

Now let us take a look at the other side of the coin.

Western Europe exported to the United States 230,000 passenger automobiles, valued at $265 million. They exported to the United States an additional $21 million in automobile parts, for a grand total of $286 million. This leaves a negative balance to be chalked up against the American automobile industry of $197 million. This $197 million would look well in the credit side of the automobile industry's ledgers in these days when nearly 200,000 persons are reported idle in Detroit—at a time when the best Mr. Reuther's union can do in some Detroit plants is to keep those men with top seniority on the job 5 days a week while those without seniority are laid off so they can enjoy the fruits of unemployment compensation.

But I think the trade balance is not to be told in dollar volume alone. We imported nearly 200,000 more low-price foreign cars than we exported. One reason for this is obviously that some American buyers will take a look at the little foreign car with its high gasoline mileage and compare it with the bigger, better-looking American car. They will find that the foreign car is just a bit cheaper, even after adding on the import duties, and will buy it instead of a domestic-manufacture automobile.

Let us translate that assumption into terms that UAW union members can readily understand. If those 200,000 cars imported from Europe were manufactured—say by Chevrolet, Plymouth, or Ford—they would add—and here I use one of their very inexpensive models as my guide—some $381 million to our economy. Translated still further, it has been estimated by the Antimonopoly Subcommittee of the Judiciary Committee of the other body—that it takes 135 man-hours to build the average automobile. This figure was presented to Harlow Curtice, president of General Motors when he appeared before that committee and, in general terms, he agreed with it. Now the average hourly wage in the auto industry is $2.48; add to this some 40 cents an hour in fringe benefits and multiply it by 135 man-hours it takes to build a car and you get a labor cost of roughly $400. Multiply this figure by the 200,000 cars imported from Europe which could have been built by American workers—and it comes to $80 million in wages that American labor has lost. In the auto industry alone, then, this loss last year cost workingmen $80 million. They could be using that $80 million now—those men and women who have been laid off or who are working the short week in Detroit.

Not all labor leaders or labor unions feel the same way. I have received a letter from Local 1935 of the United Steelworkers of America—a letter signed by all of the local's principal officers. I would like to read just a part of that letter at this time.

> We are not an integrated steel mill but buy our raw material as hot rolled rods.
>
> The products which we manufacture require many hours of labor per ton. Due to the low labor rates paid in foreign countries (approximately one-fourth of those paid at our plant) foreign competition is seriously reducing the market for our product. Over the years, the duty on our product has been reduced from 25 to 9 percent.

We must go one step further to appreciate this situation with an eye of appraisal to the future, too. A very reliable business survey shows that the sale of foreign-built automobiles in this country may be double those of last year.

In Great Britain, for example, automobile production is at record levels and some models have their sales for home purchase rationed so that export orders can be met. In France, we are told that the situation is pretty much the same as in Great Britain. In Germany both domestic and export manufacture continues to increase. Domestic sales in Italy are reported to be showing a small decline although total manufacture is up due to the increased United States market. This is pretty much the situation as it exists today. Looking ahead just a year or two it is certainly not unreasonable to visualize from 500,000 to even a million European cars being sold on the American market annually. Yet, strangely, there are still those who contend it will not be at the expense of the American labor force or the much criticized big industry which today pays its employees the highest wages in the world. As a matter of fact, we cannot even compare the wage scales and working conditions of our American automobile workers with those of the nations whose automobiles are moving boldly into the American market. The reasons advanced for the extension and expansion of reciprocal trade agreements are entirely sound in many respects. Some are altruistic and others purport to be purely selfish. But regardless of how we may individually feel in this question, situations such as exist in our greatest industry are such that we cannot be oblivious to it especially since we are all quite aware of the fact that between 27 and 29 percent of our total steel production in this country is used by the automobile industry.

Whatever purposes of international trade are considered, it is my deep conviction that we must travel the course as a two-way street. The building up of the economies of foreign nations is certainly important, but I contend that we must not sacrifice our own economy particularly in times like these when foreign competition challenges the American working man in American industry. I respectfully suggest it is food for serious thought.

A CRITICAL SITUATION EXISTS IN THE OIL INDUSTRY BECAUSE OF EXCESSIVE IMPORTS FROM FOREIGN COUNTRIES

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Speaker, the Congress is being asked to extend the Trade Agreements program for 5 years. With each passing day, we see mounting evidence that this law ought not to be extended without proper and effective amendments to safeguard our essential defense industries. One of the most glaring threats to the security of the Nation is the obvious stagnation which is now gripping the domestic oil industry as a result of excessive oil imports.

Oil imports no longer present merely a problem but a crisis. This is ironical because the President of the United States, his Cabinet fuels committee, the Congress of the United States, and all elements of the oil industry except a minor few with an overwhelming economic interest in foreign oil, are in agreement that oil imports must be limited, and that they must be limited on a basis which will assure full and unceasing development of adequate domestic petroleum supplies within our own arsenal.

With such broad and overpowering agreement that the problem must and should be solved on an effective, permanent basis, I submit that the Congress, in the interest of national security, should amend the Trade Agreements Extension Act of 1958 so as to fix definite and specific limitations on oil imports.

After long study of the oil import problem, and primarily as a result of the threat of foreign oil to our security, the Congress in 1955 adopted the defense amendment—section 7—which is a part of the present Trade Agreements Act. Under authority of that amendment, numerous studies were conducted by the administration. Hearings were held. The conclusion of all of these studies was that oil imports presented a critical threat to the national security and must therefore be limited.

To effectuate a limitation, President Eisenhower put into effect the voluntary import control program now being administered under the coauthority of the Interior Department and the Office of Defense Mobilization. This voluntary program has had commendable results as far as it goes. However, the evidence is now abundant that the voluntary program is failing in its basic objective. That objective was to maintain a dynamic and vigorous oil-producing industry in the United States.

The domestic petroleum industry, in fact, has been in a steady state of decline since the voluntary program has been in effect. Unquestionably, the industry is today at its lowest ebb since before World War II. In 1957, drilling suffered its first major drop in the United States since the war year of 1942. This tailspin regrettably has not been reversed, and drilling rates today are below the levels of a year ago.

The full effects of the crisis now facing domestic oil producers have hit with overpowering force throughout the oil-producing areas of the Midwest and Southwest. What is happening in my State of Kansas, where oil and gas production are predominantly in the hands of small independent producers, is typical of the disturbing signs that the Nation now has a sick oil-producing industry on its hands.

In the first 7 weeks of 1958, through February 17, the number of rotary drilling rigs operating in Kansas was 23.3 percent below the same period a year ago. The total number of wells completed in Kansas through February 15 was 14 percent below the same period in 1957, and development wells were off 18.3 percent.

Employment in oil production in the State of Kansas, according to the United States Bureau of Labor Statistics, was down almost 6 percent on January 1 as compared with the first of 1957. With the declining industry activity since January 1, I am sure that employment in the oil industry has deteriorated even further.

These signs of decay cannot be ignored. Oil is too basic to our survival. In every lesson we have had on the subject we have learned that we can defend this Nation only with oil within our own control. This was proved beyond question in the two World Wars, and again demonstrated in the Suez crisis when the simple closing of a canal presented all of Europe with an oil crisis. Our friends in Europe were forced again to turn to the United States for the oil to see them through that crisis.

There is no realistic course except to take whatever further action is needed with respect to oil imports. When the Congress adopted section 7, 2 years ago, it did so with assurances that this amendment would be administered with the objective of holding oil imports to their 1954 relationship between imports and domestic production. The present voluntary program should be immediately amended and strengthened to reduce imports to the 1954 ratio.

Unless it can be demonstrated that the voluntary program can and will be administered so that domestic producers do not have to make all of the adjustments required by reduced demand or other conditions, then the Congress will have no alternative except to write the 1954 relationship into law, by amending the trade agreements extension. I hope those concerned with this problem will act promptly to deal with the situation under the authority they now have. The situation is growing more serious every week.

RUMANIANS FIGHT FOR FREEDOM

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, today, March 6, marks the 13th sad anniversary of the Russian takeover of the once free and independent Rumanian nation. It will be recalled that the Russian Commissars Vishinsky and Malinovski, after having terrorized the unarmed population of Bucharest with masses of tanks and Russian infantry, installed a Moscow-sponsored puppet government. This was the answer of the Kremlin to their own promises, given during the war, that the governments of the liberated countries would be representative of the freely expressed will of the people concerned. Since the Russian takeover by force of the Rumanian Nation, the Kremlin has been required to use terror and military intimidation to keep the Rumanian nation within the Russian Communist empire.

The fact that the Russians have never been able to pacify the Rumanian people is attested to by a new and big slave-labor camp which has been established by the Muscovite regime in Bucharest. This new slave-labor camp is located in the delta of the Danube. The information made available to me indicates that at all times approximately 20,000 Rumanians are detained in this camp, living under appalling conditions, and from which they are dispatched as slave laborers to projects which Moscow considers necessary to the continuation of its vastly expanded empire.

Recently the Russians have been making frantic efforts to force the Western Powers into another summit conference. This time, however, they are offering a new formula for the meeting in which the Russian leaders would be flanked by their puppet regimes of Rumania and Czechoslovakia or Bulgaria, at such a meeting. The Kremlin maintains that this would give them more equality at such a summit conference. The other day Secretary of State Dulles stated that he could not accept this proposal because he would not equate the free and independent British and French with the Russian puppets of Rumania, Czechoslovakia or Bulgaria. While I agree with Secretary Dulles' reason for rejecting such an arrangement, I would go further by making the point that the Russians are anxious to have the puppet regimes of any of the Eastern European nations accepted on an equal basis for such a conference because once the Western Powers would accept this a de facto recognition of the status quo would have been accomplished. There is no doubt in my mind that the Russians are clamoring for a summit meeting for no other reason than to force the free nations to recognize the status quo and thus to cause us to turn our backs on our best allies behind the Iron Curtain.

The recent decision taken by Secretary Dulles refusing to enter into a summit conference with the Russians unless there is reasonable chance for resolving the real issues which are responsible for the tensions which grips the world, gives hope that we have not lost the dynamic driving force which comes from strict adherence to the political ideals which have made our country the great free Nation that it is. So long as we maintain our determination not to accede to the Russian demand for a recognition of the status quo of the enslaved nations, we keep alive the hope in the hearts of millions of people the world over that the cause of justice and freedom will soon triumph throughout the world.

We Americans will never forget the Russian takeover by force of the Rumanian nation, nor will we ever forget the the historical attachment of the Rumanian people to those basic freedoms and individual liberties which we Americans cherish beyond all else. In marking this sad anniversary of the Russian takeover of Rumania, I believe the Rumanian people will know that we continue to keep faith with them.

THE UNEMPLOYMENT SITUATION

The SPEAKER. Under previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 20 minutes.

Mr. PERKINS. Mr. Speaker, the country is now reaping the fruits of the misguided administration's economic policies. The inevitable consequences of tight money, high interest rates, and low support for farm prices are with us. Unemployment is on the increase and has reached, according to official figures, 4.5 million and is still rising.

As of February 22, 1958 more than 3 million workers were receiving unemployment insurance payments. Almost another half million filed new claims that week. This represents 3.5 million unemployed workers who are covered by the unemployment insurance programs. These programs cover less than 70 percent of our labor force. If unemployment of the noncovered workers follows the same trend that we find in the group covered by unemployment insurance, we now have more than 5.2 million unemployed. Past experience indicates that unemployment is actually higher in the noncovered group than it is in the covered group. At the same time, we face the paradox of an upward trend in the cost of living. I agree that it is a most unusual recession when prices go up at the same time that purchasing power goes down.

The fourth quarter of 1957 showed a substantial drop estimated at 7.5 billion in our national gross production. This downward trend in national production has carried over into the first quarter of 1958 and we may expect an even greater drop in gross national produc-

tion during the current quarter than that of the fourth quarter of 1957.

Today, more than 7.5 percent of our industrial workers are dependent on unemployment insurance payments. The Department of Labor has used a 6 percent rate of unemployment in any labor market area as the controlling guide for designating such areas as critical unemployment areas. On this basis, the entire Nation is now a labor market area of critical unemployment. However, approximately ⅓ of the States show an insured unemployment rate of less than 6 percent. At the other end, we have six Northwestern States and nine Eastern States lying in a triangle formed by Arkansas, Michigan, and Maine, in which approximately one worker out of ten is dependent upon unemployment insurance payments. These workers are exhausting their unemployment insurance rights at a rate well in excess of a million per year. At the same time, the administration remains callous to the needs of millions of unemployed, as it has over the past 5 years to the needs of depressed areas when good times prevailed in most of the country.

As I stated, these insured unemployment figures do not take into consideration millions of other workers who are forced to work on a part-time basis of 3 or more days per week. The statisticians do not count these as unemployed, but the fact is that the take-home pay of these millions has been sharply reduced. In some areas of the country, including my own section of Kentucky, the unemployment situation is much worse.

In Kentucky, the rate of insured unemployment is 11 percent of those employees covered and I am sorry to say that in some of the areas in the district which I have the honor to represent, insured unemployment is in excess of 20 percent of those employed. In one area, the insured unemployment exceeds 40 percent of the total covered employment.

If this is not a grave situation, I do not know of any conditions that can get much worse, at least in some depressed sections of the country. The administration spokesmen, headed by the President, are blithely announcing that prosperity is coming around the turn of the year. The President has announced that he expects conditions to improve in March. This is a logical announcement as economists would be shocked if March failed to show an improvement in the employment picture. However, they will not be surprised if the March improvement fails to equal the normal spring upturn. The truth about the whole matter is that this country is now experiencing the highest rate of unemployment since the years following the Hoover depression, and the people are not going to be satisfied with the promise that prosperity is coming around the corner.

Soaring food prices led living costs to another peak in January, according to a report from the Department of Labor. We must not forget that there are hundreds of thousands of people in the country trying to obtain the necessities of life on limited fixed incomes. Numerous Members of Congress representing these distressed areas have tried to offer a remedy for several years.

In fact, after the Douglas bill passed the Senate in 1956, authorizing loans and grants to depressed communities for construction of industrial plants and other facilities and after similar legislation had come from the House Banking and Currency Committee to the House Rules Committee, we find that on the last days of the session, the Department of Commerce vigorously opposed any legislation of this type because they were fearful that the Douglas bill might come out of conference.

I pointed up the facts of these existing conditions in 1956 in eastern Kentucky, and stated that unemployment would become worse in view of the closing of many rail mines which were the sole source of income for thousands upon thousands of workers.

When the Congress convened in 1957, I again introduced legislation similar to the Douglas proposal in many respects, which would set up a National Depressed Areas Administration, with the authority to make loans to build new industrial plants and to finance local public works projects. The proposed agency, headed by an Administrator, would have initial lending capacity of $200 million. I defined as a depressed area one in which 9 percent of the labor force has been unemployed for at least 18 months or in which 6 percent of the labor force has been unemployed for 3 years—H. R. 860, introduced January 3, 1957. The depressed areas bill would set up local industrial committees to plan for building new plants and for attracting new industries into their areas. The Federal Government would then lend up to two-thirds of the cost of construction of the new industrial facilities. The bill would also authorize the depressed areas agency to make grants for construction of local flood control projects and repair of secondary roads if local authorities certify the projects. This distressed areas legislation, which we worked so hard for over these past years, further encouraged new industries in depressed areas, a quick writeoff for capital outlay for tax purposes, and directed the Department of Labor to provide reemployment training for vocational rehabilitation and vocational education for the affected areas. This legislation provides for adtional payment of unemployment compensation up to 13 weeks beyond the present legal limit.

I think it is a fair statement to say that we were unable to get any support for this legislation from the administration during the calendar year of 1957, but I am hopeful in view of existing economic conditions today that the Department will come along and support at least in part some of these proposals to help the distressed areas of the Nation.

The President's program to build post offices over a period of 4 years is not going to alleviate unemployment in our area at the present time. I think the majority of Congress is for a post office building program and the modernization of the post offices. Those members of the Congress who were present at the time we enacted the Lease-Purchase Act several years ago, and who voted for the Lease-Purchase Act, and, some 4 or 5 years thereafter, discovered that not a single post office in the country had been constructed, certainly were disappointed.

For several years I have urged the appropriate authorities to build needed post offices in the district that I am privileged to represent, and modernize others.

In addition to the distressed areas bill now pending before the Congress, we have authorized flood-control projects that will help relieve the unemployment situation and at the same time bring about long overdue permanent improvements that will better the economic conditions of these distressed areas.

As a Member, I well realize that we will be unable to obtain these needed flood-control and navigation projects for these distressed areas unless we have the support of the Army Engineers. To my knowledge, studies have been completed on many local flood-control-protection projects in distressed areas. Funds must be provided for work on these projects.

From the press, I now discover that consideration is now being given by the President to reclamation projects in the West to reverse the current business decline. The people in eastern Kentucky were greatly disturbed when they discovered that the President ordered a halt on all projects involving new construction some time ago. I urge the President to lift that order and direct the Army Engineers to proceed with new starts. We must get these projects started that have heretofore been authorized and approved by the Army Engineers if we intend to build a sound economy in eastern Kentucky and other sections of the country. The civil functions budget is now before the President for reconsideration.

I again wish to call to the attention of the Director of the Budget the $40 million damage eastern Kentucky suffered last year as a result of the Big Sandy flood. The construction of these reservoirs would have prevented this tremendous loss. Then, again, our whole economy is suffering from the lack of industrial water.

TO POINT UP CONDITIONS IN EASTERN KENTUCKY

I receive dozens of letters from needy and starving people who clamor for the opportunity to work for at least food for their families. Mr. Peyton Wolford, president of UMWA, Local No. 6095, writes:

> We have people who are starving * * * on Blackberry Creek the mine is working 1 day a week.

A Mrs. Smith appeals for food for her large family. Dozens of letters come in appealing for food for the family. The same views are expressed in a telegram I received a few days ago from officials and other distinguished citizens in Pike County, Ky. The Floyd County Times reports that as of the beginning of February there were 800 needy families in the area. The report states:

> Food is a critical item. * * * Each home will be asked for at least one can of food in addition to clothing to help the needy. Shoes are badly needed for schoolchildren—

According to Mr. Walter Frazier, social worker with the Floyd County school system:

> Many families we have supplied with food and clothing, still were unable to send children to school because of the lack of shoes.

An individual from Warfield, Ky., offers free of charge the use of a railroad siding and building for the distribution of food. He is concerned about the seriousness of the situation in Martin County:

> People are out of work and many of them have already drawn all the unemployment insurance they can so something has to be done.

A PROGRAM

We should raise unemployment insurance payments to provide at least a minimum of subsistence for those people who become unemployed because of no fault of their own. In this connection, I believe that the Kennedy unemployment insurance bill, introduced by many Members of the Congress, including myself, should receive immediate priority. This bill provides minimum adequate standards for the unemployment insurance system. Briefly, it extends the duration of benefits to 39 weeks and provides that the minimum benefits be at least half of the earnings of the regular take-home of the beneficiary as long as it does not exceed two-thirds of the average weekly take-home pay of all employees covered in any particular State. The latest unemployment report shows that about three out of every ten unemployed during the month of January were out of jobs for 10 or more weeks and one out of five was unemployed for longer than 15 weeks. Many of these people will not be able to obtain jobs in the immediate future and their unemployment insurance will expire and thus will have to depend upon public assistance. We must avoid this situation by extending the duration of unemployment insurance.

Second, I believe the situation is sufficiently grave that we must immediately initiate a public-works program which would provide jobs to those seeking employment in the construction of flood control and navigation projects where possible.

In my own area, Congress has approved the construction of 3 reservoirs as flood-control measures essential for the economic development of the area, but despite the high unemployment in the district, the administration has ignored the vital needs of the area and the Corps of Engineers has failed to request funds for two of these reservoirs, and budgeted only $150,000 for another reservoir which will prolong planning until 1961.

We must not ignore any longer the economic needs and close our eyes to the suffering and destitute in the economically depressed areas. Then again, I feel that an immediate cut in taxes is necessary in order to stimulate purchasing power of the American people. I believe that boosting the personal exemptions for dependents from $600 to $800 is highly desirable and necessary at the present time.

I am hopeful that this Congress, with some support from the administration, will increase the amount of our social-security payments and the payments for railroad retirees by at least 10 percent. We should liberalize our public assistance programs for the needy people and lower the retirement age.

This is the minimum program that the American people need immediately. We must not wait for prosperity to turn around the corner.

MORE FEDERAL FUNDS FOR FOREIGN LENDING—NONE FOR UNDERDEVELOPED AREAS AND DISTRESSED AREAS AT HOME

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an amendment to a bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the House Committee on Banking and Currency has just reported H. R. 10459, a bill to increase the lending authority of the Export-Import Bank by $2 billion.

AMENDMENT

I am not satisfied with this bill. I have offered an amendment which would make the bill more agreeable, and I believe this amendment should be adopted. It will be offered on the floor when the bill is considered.

> *Provided*, that the Export-Import Bank shall receive applications from underdeveloped areas and from distressed areas in the United States and shall give such applications the same consideration as is given to applications from other countries and, where justified, shall make loans based on such applications in the same way and manner that applications are considered and approved for other countries.

The Export-Import Bank of Washington, familiarly known as the Export-Import Bank, is supported entirely by funds from the United States Treasury. It is engaged in making loans in some 59 different countries of the world, to create or expand economic enterprises of all kinds. It makes loans to foreign governments, to foreign corporations and to foreign nationals. In some instances it also makes loans to foreign subsidiaries of United States corporations, and to United States corporations for purposes of establishing a business abroad.

To cite but a few examples of this bank's lending, it has made loans for a steel mill in Argentina, a fertilizer plant in Egypt, a cement plant in Mexico, a coal-washing plant in Turkey, an atomic research reactor in Spain, an electric powerplant at Japan, a railroad in Indonesia, and a dam and canal system in Afghanistan. There is no limit to the kinds of economic enterprises for which dollars of the American taxpayer are lent abroad.

The Export-Import Bank is only one of four agencies which is using Federal funds in whole or in part for economic development abroad. The amounts of taxpayers' money going into these loans are immense.

There is no agency making such loans at home, even in minute amounts. There is no agency authorized to make such loans for economic enterprises within the United States.

Beyond the Canadian border, yes—United States funds can be lent to establish new plants, new mines, new oil wells, new businesses of all kinds. Below the Rio Grande, yes—United States funds can be lent to new businesses, new roads, new powerplants, new breweries, new textile plants, new flour mills, and, in short, new businesses of all kinds. It is only within the borders of the United States that Federal funds may not be loaned for these purposes.

FUNDS FOR FOREIGN DEVELOPMENT AND BIG BUSINESS EXPORTS—NOT LIMITED BY WHAT THE UNITED STATES CAN SPARE

It is now a little over 3 years ago that the administration and the Export-Import Bank asked Congress to authorize a 10-fold increase in the amount of funds which this agency could lend. The authorization was given. The amount was increased from $\frac{1}{2}$ billion to $5 billion. The $5 billion has substantially all been lent, or committed, and the request now is for another $2 billion. In asking for this additional amount, the officials of the bank have not been restrained by any question of what they think United States taxpayers can spare. They have testified that this $2 billion is the full amount which can be absorbed abroad in the form of sound loans. They have not indicated, however, how long they expect it will be before more can be absorbed.

The lending program of the Export-Import Bank is distinguished from lending programs of the other agencies making loans abroad principally by the fact Export-Import Bank loans must be used exclusively, or almost exclusively, for purchases of equipment and other goods made in the United States. These loans have been mostly for purchase of producer equipment, such as diesel locomotives, airplanes, motortrucks, tractors, turbines, and other kinds of machinery and equipment made in the heavy-goods industries of this country. In addition, a minor portion of these loan funds have been lent for the purchase of agricultural commodities. In the fiscal year 1957, the bank lent $84 million for purchasing agricultural commodities which was about 8 percent of the total credits authorized in that year.

The Export-Import Bank handles its lending in either of two ways. It makes loans directly to a foreign government or foreign national, for a specific project involving a specific bill-of-materials, all of which must be purchased from United States producers. In addition, the bank has set up what it calls "lines of credit" for certain large United States corporations. Corporations having a line of credit can sell their products abroad and charge a portion of the price to the bank without specific authorization. In these instances, the bank generally expects that the purchaser will pay 20 percent of the purchase price in cash and that the seller will finance another 20 percent, so that the bank's portion of the financing will not exceed 60 percent. These lines of credit run up to $10 mil-

lion for each corporation. They are operated as revolving funds, which means that the corporation can sell its products abroad and make charges against the bank to an extent of $10 million oustanding at any one time.

The directors of the bank have said that these "lines of credit" are not loans to United States corporations, but loans to the foreign purchasers. In a literal sense this is true, because the corporation selling its goods in this way has no responsibility for repayment of the loan. There is no recourse, guaranty or other obligation on the part of the corporation that sells its goods in this way, in the event the purchaser fails to make payment. Thus while the directors of the Export-Import Bank stoutly maintain that they will not make loans except where credit from private sources is not available, we find that such corporations as General Motors, General Electric and Westinghouse have each been extended credits of $10 million with which to sell their products abroad.

The purpose of the Export-Import Bank is twofold. The purpose is to help build up the economies of the countries of the Free World, and the purpose is to increase export sales of United States-made goods, particularly the heavy-capital goods.

THE BANK IS EXPERT ABROAD, HELPLESS AT HOME

The Export-Import Bank is now 24 years old. It has had considerable experience, perhaps a unique experience, in making loans to help underdeveloped and distressed regions. The directors of the bank boast of an expertness which extends to 59 different countries. The bank has kept its staff to one of modest size and has recruited certain large private banks in the United States to help in its operations.

The directors of the Export-Import Bank do not favor the amendment which I have offered. When I discussed it with them during the course of the hearings, it seemed to cause them considerable embarrassment and discomfort. Their first and immediate objection to the amendment was, they said, they would not have the expertness for making loans in the underdeveloped areas and the distressed areas of the United States. Later these directors said they thought that such lending in the United States would be foreign to the original purposes of their act.

It seems to me that the purposes would be the same: the purposes are to sell capital goods which would otherwise not be sold, and to create needed productive facilities and productive employment which would not otherwise be created. It also seems to me a strange kind of expertness which has been developed by the Export-Import Bank and the private banks of the United States which help in its operations. I wonder about the high confidence and sure-footedness with which these banks set out to learn the ways of making loans in the underdeveloped areas of 59 different countries of the world, when these same agencies are rendered helpless at the very thought of making loans in underdeveloped areas of the United States. Surely this is a case of the shoemaker's children going barefoot.

There are many undeveloped regions of the Free World—regions where economic progress is far behind the potential made possible by twentieth-century industrial techniques. There are likewise many distressed areas—areas where people are unemployed and in need. About this there is no disagreement.

THE PURPOSES OF THE BANK ARE IN DOUBT

The directors of the Export-Import Bank believe that it is a good thing to use Federal funds to help people in such areas, increase their productivity, and their standard of living. I, too, believe this. But when I hear the directors of the bank question the propriety of using Federal funds for the same purposes at home, I begin to have doubts whether the purposes of this bank are what I have understood them to be.

The directors of the Export-Import Bank believe that lending United States dollars abroad is good for the United States even in the narrow commercial sense. Their reasoning is that such lending increases immediate sales of American-made equipment, and, so they say, the resulting productivity increases abroad will enable foreign countries to sell us goods and thus to buy still more American goods. I, too, have tried to believe this; and I have believed this. But when I encounter objections to such lending at home, I wonder whether the directors of the bank do not doubt the principle they are espousing. If an economic principle is sound, it is not so by reason of some imaginary line which is the boundary between sovereignties.

If such loans as the Export-Import Bank are making abroad were made in the underdeveloped and distressed areas of the United States, the big corporations would also sell equipment which tney could not otherwise sell. And if we take seriously the argument that creating new productive facilities will in the long run redound to the commercial benefit of this country, then the argumuent is clearly in favor of creating the productive facilities at home. Here the productive facilities would feed back taxes to the United States Treasury. Here there is no risk that the facilities will be confiscated or that the investment would be lost by an overthrow of a foreign government. And here, presumably, there is no risk that the new productive facilities will fall into the hands of Communists and be used against us.

NEEDS FOR ECONOMIC DEVELOPMENT IN THE UNITED STATES

The directors of the Export-Import Bank make a great point of the fact that they are outstripping the Soviet Union in making loans abroad. This accomplishment—if it is an accomplishment—is highly laudable. But it has not been my understanding that the Soviets place their hopes of world supremacy merely on gaining good will abroad, nor even on an economic buildup in the free countries of the world. As I understand it, Communists' hopes for ultimate victory are based on the belief that the United States will be weakened internally, and eventually destroyed, by which they call monopoly capitalism.

From what we have been able to learn—and I concede this to be inadequate—it appears that purchases of United States goods being made on Export-Import Bank loans are substantially all going to the big corporations. The directors of the bank make a point that in certain typical contracts, the big corporations that receive the orders resulting from these loans place large amounts of subcontracts with small firms. Expressed in popular terms, this is the argument that "what's good for General Motors is good for the country."

The argument has some merit; it is true as compared to some alternatives that could be imagined. But it avoids the question whether the same amount of money could not be spent in ways which would be immeasurably better for the country. It avoids, for example, the question whether channeling this business to the big corporations increases monopoly control and thus weakens the competitive vigor of our economic system.

Despite the large efforts being made to sell the foreign aid and foreign lending programs, I find my constituents growing increasingly dissatisfied with these programs. And well they might be.

We have in this country several regions where the people have now been entertaining aspirations for industrialization for at least two generations. We are confronted with the long-term problems resulting from increasing farm productivity—people being pushed off the farms with no attractive and productive jobs to go to. We have—at this writing—at least 5 million of the regular labor force unemployed, plus millions of others laid off or working part time. We face the prospect of a gross national product this year which will be at least $14 billion below what the Nation's production would be if our normal rate of growth were being maintained.

Finally, we have several million capital starved small businesses in this country, and an epidemic of small business failures. There is little concern about this, and little willingness to take any step to make available capital for nourishing the seedbed of our own economic future. In contrast to these conditions, the promptness, boldness and the scope of the programs adopted for using United States dollars to create export markets for big business present a picture in which there is considerable irony.

E PLURIBUS UNUM DOLLARS ABROAD

Four billion dollars of lending over the past 3 to 3½ years is not a trivial amount. Nor is the additional $2 billion now being requested a trivial amount. Yet this lending program of the Export-Import Bank is only one of many programs for spending and lending abroad. These and the agencies operating such programs have so multiplied and duplicated of late that is has now become almost impossible for Members of Congress to keep track of the amounts of money they are being asked to approve for these purposes. The different programs are considered by different committees of Congress, depending in part on

whether the money is to be appropriated or borrowed from the Treasury. Yet the increasing numbers of programs and agencies in these fields overlap in considerable degree, in many instances it is difficult to discern any distinction between the purposes and programs of several of the agencies engaged in foreign spending and lending.

The present request for an additional $2 billion for the Export-Import Bank can hardly be considered separately and apart from the foreign assistance programs which have already been authorized.

Let me try to list, now, the recent expansions in this field.

When the tenfold increase in Export-Import Bank lending was approved in 1954, there already existed the International Monetary Fund. The United States Government has paid $2,750,000,000 into this. While the fund makes loans only to banks of the various countries for purposes of currency stabilization, such loans indirectly contribute to the financing of economic development.

At that time, the International Bank for Reconstruction and Development—called the World Bank—was also already in operation. The United States Government has committed $3,175,000,000 to this bank, and has actually paid in $635 million. The World Bank is actively making economic development loans for the same kinds of projects, and in the same countries, as the Export-Import Bank. Through June 30, 1957, it had made development loans totaling $2,528,000,000 for industrial plants such as steel, chemical, paper, and fertilizer, and for railroads, airlines, powerplants, mining, agriculture, and a variety of other economic enterprises in the underdeveloped regions of the world—except in the United States.

On or about the time the Export-Import Bank was previously expanded, the Mutual Security Act of 1954 was passed. This provides for a great variety of spending and lending programs operated by the Departments of State and Defense and the International Cooperation Administration. Huge appropriations have been made annually for these programs, and the administration is now asking for even larger appropriations for the fiscal year ahead.

For fiscal 1959, we are being asked to authorize spending and lending of $4,275,900,000 under the mutual security programs. In fiscal 1957, $3,800,000,000 was expended. The ICA, which handles most of the nondefense spending and lending obligated $1,700,000,000. According to ICA's report, $330 million of this went for its development assistance and regular technical programs, and $190 million went for nonmilitary purposes related to mutual security. How much of the greater spending and lending for defense-supporting programs was for economic development is anybody's guess, since almost anything that increases economic strength in the free world can be called defense supporting.

In 1954, the Agricultural Trade Development and Assistance Act—Public Law 480—was passed, which authorized the ICA to finance up to $3 billion in sales of agricultural products abroad, since amended to $4 billion. Under title I of this act, the ICA sells the products abroad, then lends back the proceeds of the sale for economic development. In fiscal 1957, according to ICA's report, over half of the proceeds of the sales of $3 billion of CCC commodities was earmarked for loans for economic development to 26 countries.

In addition, under the recently amended title II of Public Law 480, the ICA made loans of another $150 million in fiscal 1957 for foreign countries to purchase United States agricultural products.

In addition, under section 402 of the amended Mutual Security Act, the ICA made loans of another $285 million in fiscal 1957, to foreign countries to purchase agricultural products.

In 1955 the Mutual Security Act was amended to provide an additional fund of $100 million for Asian economic development.

In 1957, an additional special fund of $15 million was provided under the Mutual Security Act for Latin American countries which will enable the borrowing countries to go forward with projects essential to their economic and social development.

In 1956, the administration asked Congress to approve, and Congress did approve, still a new agency for making loans for the establishment or expansion of productive private enterprises in foreign countries, particularly in the less developed areas. This is the International Finance Corporation, the purpose of which is to stimulate the investment of private capital abroad. Congress has put up $35 million from the United States Treasury to help in this stimulation.

Finally, last year, the administration asked Congress to approve, and Congress did approve, still a new fund known as the loan development fund—to be administered by ICA—for making economic development loans in foreign countries. Congress appropriated $300 million for this fund last year; and we are now being asked to appropriate another $625 million "for successful completion of a 2-year initial period." A recent publication of the ICA states that this money will be lent for "specific economically sound and technically feasible projects," but sees a distinction between such lending and that already being provided by the Export-Import Bank and the International Bank for Reconstruction and Development, in that the new loans are to meet the needs in foreign countries for capital at a higher risk, even than the two existing corporations can meet.

Thus to summarize the major programs which are operated on Federal funds in whole or in part for lending in foreign countries, they are as follows:

[In millions of dollars]

Mutual security (economic, military, and technical assistance)	$73,598
Export-Import Bank	5,000
International Bank for Reconstruction and Development	635
International Monetary Fund	2,750
International Finance Corporation	35
Development loan fund	300
Total	82,318

None of these agencies and programs made loans for economic development in the underdeveloped areas or in the distressed areas of the United States.

CREDIT EXTENDED TO UNITED STATES SMALL BUSINESS IS LESS THAN EXPORT-IMPORT BANK CREDIT TO BIG CORPORATIONS

There is, of course, a small-loan program for economic enterprise in the United States, run by the Small Business Administration. This is trivial. SBA loans in no way compare with the loan programs of the Export-Import Bank or the other agencies making development loans abroad. Export-Import Bank loans are bold ventures for establishing new productive enterprises or drastically expanding already-established ones. These are investment-banker loans—and more. SBA makes only commercial-banker loans, which require assets and security safely in excess of the amount being lent, and under a command not to loan unless credit is unavailable from private sources. In short, SBA makes commercial-bank loans, if at all, in those instances where local banks are short of funds or the loan involves a shade more risk than the local bankers feel is appropriate to a commercial-bank loan which uses depositors' money.

At the end of 1957, after almost 4½ years of lending operations, the amount of Federal funds outstanding on SBA loans to small business amounted to only $141.7 million. Let us compare this amount with loans made by the Export-Import Bank alone, for example, to Mexico, $321 million; to Argentina, $290 million; to Brazil, $929 million.

Let us compare also the $137 million of Small Business Administration credit outstanding to small firms with the amount of credit which the Export-Import Bank had outstanding to big United States corporations, to help these corporations finance their export sales. On December 31, the lines of credit which the Export-Import Bank had outstanding to United States firms for financing export sales amounted to $180 million, and $161 million of this was extended to corporations which are known to have more than $10 million of assets each. Corporations of this size had 89 percent of the total credit extended by Export-Import Bank lines of credit; the remaining 11 percent had been extended to 11 companies having less than $10 million of assets plus 51 companies whose assets are not reported in the standard reference works. As to the latter 51 companies, they are not necessarily small companies; they are simply companies that do not make their asset figures public.

Let us make some more comparisons: The amount of Small Business Administration credit outstanding to the approximate 4 million small business firms in the United States is less than the Export-Import Bank had outstanding to 41 United States corporations with assets in excess of $50 million each.

The amount of SBA credit outstanding to all small businesses in the United States was almost equal to the amount of bank credit outstanding to 31 United

States corporations having more than $100 million of assets each.

This list of big corporations includes the familiar names of the United States industrial giants—General Motors, General Electric, Westinghouse, Ford, International Harvester, Allis-Chalmers, Caterpillar Tractor, Borg-Warner, and so on.

Altogether, 129 United States companies had a line of credit with the Export-Import Bank for export sales at the end of last year. This credit was distributed as follows:

Asset size of company	Number of companies		Amount of Export-Import Bank credit	
	Total	Cumulative total	Total	Cumulative total
Over $1 billion	4	4	$40,012,108	$40,012,108
$½ to $1 billion	3	7	11,762,468	51,774,576
$100 to $500 million	24	31	78,548,262	130,322,838
$50 to $100 million	10	41	12,753,125	143,075,963
$10 to $50 million	26	67	18,432,884	161,528,847
Under $10 million	11	78	2,822,060	164,350,907
Assets unknown	51	129	15,696,778	180,047,685
Total	129	129	180,047,685	180,047,685

THE BILL HAS NOT BEEN SUFFICIENTLY CONSIDERED

The amendment which I have offered to this bill would authorize the Export-Import Bank to make loans for economic development in the underdeveloped areas and in the areas with such a high percentage of the labor force unemployed that they are officially designated distressed areas. Indeed, the amendment would require that loans be made under the same standards and criteria by which loans are made abroad. The amendment should be adopted, even as a prerequisite to consideration of the bill. What we can do for foreign countries we certainly ought to do for our own people.

If there were any argument that this country cannot afford both foreign lending and lending at home, that might put the matter in a different perspective. But there is no such argument. Indeed the amount of funds being requested has not been tailored by what the administration thinks we can afford, it is tailored only by what the Directors of the Export-Import Bank think the foreign countries can absorb in the way of sound loans.

Some Members of Congress may be dissatisfied with my amendment on the ground that it has not been sufficiently considered. Neither has the bill been sufficiently considered, and this is another source of my dissatisfaction with the bill.

As a member of the committee reporting the bill I have been in full, and attentive, attendance throughout all moments of the hearings. We had about 3½ hours of hearings on this bill—on February 25 and 26. In these brief hours we heard a prepared statement, we saw a chart presentation and most of us complimented the Directors of the Export-Import Bank on what a fine job they were doing, although I do not know whether they are doing a fine job or not, as I do not actually know much about what they are doing. Then we asked a few perfunctory questions, which I have only the vaguest notions about the Export-Import Bank's lending program.

Four billion dollars have been lent, or committed, since we last considered this program. And we devote only 3½ hours to the matter. Two billion dollars more are now proposed for foreign lending, and we devote only 3½ hours to the whole matter.

As to how the $4 billion has been expended, we have reports showing amounts for each country and giving a few descriptive phrases about each project—beyond that, nothing. As to what plans there are for the $2 billion additional—what projects are contemplated, and in what countries—I have learned nothing.

On the second day of the hearings I asked the Directors of the Export-Import Bank to bring up for the committee's inspection several of the files on loans that had been granted. It was my understanding that the committee approved this request, and I had hoped that by inspecting these files I could get some impression of how these lending operations are being conducted. I had hoped to get an impression of the justifications that are made for the loans, whether the bank appraises the probable success of a proposed business, or whether approvals are perfunctory. And I had hoped to get an impression of other matters, such as the amount of pledge or security, if any, being required for these loans.

At the conclusion of the hearings on February 26 the committee voted the bill out. The files were not delivered on the afternoon of the 26th as I had understood they would be. I called upon the Board of the Export-Import Bank as an individual Member of Congress to bring up the files for my inspection. A member of the Board later visited me, explaining that he had a problem. The problem is, I was told, that all of these files contain documents which have been classified by various of the administrative agencies as secret or top secret. There is a question whether any Member of Congress can be allowed to see the files.

These loans are not for military projects. They are not for projects of a defense-supporting nature. They are loans for commercial business enterprises.

Yet here the matter stands: The committee has a continuing responsibility for keeping itself informed on the operations of the Export-Import Bank; but the files of the Export-Import Bank are secret, and the question whether a Member of Congress can see them is not settled.

We are taking this bill on faith—we are taking on faith a program to lend taxpayers' money for economic development in foreign countries. We should be able to take on faith an amendment to do as much for the underdeveloped areas and the distressed areas of the United States. I urge that the amendment be adopted.

LET US NOT UNDERMINE OUR PROFESSIONAL TEAM SPORTS

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, a controversy over the status of organized professional team sports under the antitrust laws has been raging for several years. The debate was brought to a head by a number of Supreme Court decisions resulting in anomalous situations. In the now famous baseball case, Toolson against New York Yankees, the Court concluded that—

> Congress has no intention of including the business of baseball within the scope of the Federal antitrust laws.

Following this, however, it held in the football case, Radovich against National Football League, that professional football was subject to the antitrust laws.

The Supreme Court's opinion in the Radovich case acknowledged that the contrasting treatment of football and baseball was illogical and invited legislation on the subject. In no way, however, does the Court suggest that the problem can be properly resolved simply by making the antitrust laws either wholly applicable or inapplicable to all the activities of all professional team sports. On the contrary, the Court specifically points out that—

> Congressional processes are * * * accommodate, affording the whole industry hearings and an opportunity to assist in the formulation of new legislation. The resulting product is, therefore * * * likely to protect the industry and the public alike.

Mr. Speaker, almost a year ago I introduced legislation—H. R. 6876—which would subject to the antitrust laws the business aspects and exempt from the antitrust laws the playing aspects of professional team sports. Under my bill, such things as the sale of stadiums, control of concessions, and the fixing of admission prices would have to conform to the general limitations of the antitrust laws. On the other hand, such things as the playing rules of the game, the organization of leagues, and the employment of players would be left to the control of the sports themselves and not be subject to regulation by Federal bureaus or courts.

I believe now, as I did when I originally introduced H. R. 6876, that this distinction between the business and playing aspects of professional sports activities properly protected the interests of "the

industry and the public alike." Moreover, in contrast to other bills introduced at the same time, H. R. 6876 also reflected an "accommodative" legislative approach such as was suggested by the Supreme Court. In my opinion, these other bills either would have unreasonably interfered with the authority of sports to regulate their own affairs or would have unnecessarily undermined the interest of the public in subjecting ordinary business activities to the antitrust laws. My proposal represented a middle ground between these two extremes which took account of the uniqueness of competitive team sports but was consistent with our basic antitrust philosophy.

In the summer of 1957 the Antitrust Subcommittee of the House Judiciary Committee conducted extensive hearings on the various bills which had been recommended. Testimony was presented at these hearings by numerous players, team owners, league officers, Government officials and Members of Congress. These witnesses, with few exceptions, supported the approach to the problem which I consistently advocated.

On January 30, 1958, the Antitrust Subcommittee voted to recommend to the full Judiciary Committee a bill which would make the business aspects of professional team sports subject to the antitrust laws but would exempt only those nonbusiness aspects of these activities which were "reasonably necesary" to the preservation of the game. This bill reflected the distinction between the business and playing aspects of competitive sports which I urged at the outset. I am delighted that after long hearings and considerable study the extreme positions originally advocated by others were unanimously rejected.

Unfortunately, however, this distinction is blurred in the subcommittee bill by the provision allowing exemptions only for "reasonably necessary" playing aspects of these sports. Under this provision, every dispute about the playing aspects of professional team sports will be litigable. This will invite endless and potentially disastrous court suits by disgruntled players. Controversy will move from the playing field to the courtroom. The spectacle, the expense and the uncertainty of such litigation could discredit and eventually ruin professional baseball, football, and similar sports. Such consequences would be a major and entirely unwarranted disservice to the millions of sport fans in America.

I know of no sound reason for foisting upon courts and juries an ill-suited role as arbiters of professional sports disputes. The vague and undefined phrase "reasonably necessary" would do just that. Without any guides to its meaning, decisions in such cases would depend entirely upon the personal views or caprice of the particular judge or jury. There is no public interest in promoting court suits in this field. There is no public interest in shifting to the courts the task of making policy decisions for team sports. The only beneficiaries of this courtroom competition will be the lawyers.

The "reasonably necessary" phrase did not appear in any of the many bills originally introduced. There was no opportunity, therefore, for any informed comment on its meaning or effect prior to the subcommittee's action. However, after the subcommittee's action, the staff requested a statement of views by organized baseball on the recommended bill. Such a statement has now been filed with the subcommittee on behalf of the Commissioner of Baseball, the American League, the National League and the National Association of Professional Leagues.

This statement by organized baseball is the first comprehensive analysis of the proposed bill by any affected party. The statement makes it clear beyond any doubt that organized baseball is strongly opposed to the subcommittee's bill. The reasons for this position are numerous and are fully set forth in the statement. I will ask that this statement be inserted in the RECORD following my remarks so that it may be considered by all who are interested in preserving our national pastimes.

Mr. Speaker, when the matter was before the subcommittee, I introduced an amendment to omit the "reasonably necessary" phrase from the subcommittee bill. I shall offer this amendment again when the matter comes before the full Judiciary Committee.

If the committee adopts this amendment, we will have a bill that makes sense and it will be possible to get speedy legislative action on the matter. If this amendment is not adopted, the bill will have rough sledding. Baseball and other sports and their fans have a lot of friends in Congress and properly so. By and large their operations have been clean and aboveboard. Under the leadership of a number of able Commissioners they have kept their houses in order. They should not now be subjected to the hazard of harassing litigation at every turn.

I hope we can dispose of this matter speedily so that we can then turn our full attention to much more pressing national problems than whether team sports should or should not be subject to the antitrust laws. We should join together on this and avoid partisan dispute over our national sports.

STATEMENT OF ORGANIZED BASEBALL ON ANTITRUST SUBCOMMITTEE'S SPORTS BILL (H. R. 10378)

This memorandum is submitted at the request of counsel for the Antitrust Subcommittee of the House Committee on the Judiciary as a statement of the position of counsel for the Commissioner of Baseball, the American League, the National League and the National Association, on the subcommittee's proposed sports bill (H. R. 10378).

By its terms, the bill would make the antitrust laws fully applicable to baseball and other organized professional team sports. It attempts, however, to limit the impact of this action, not by exempting certain specified activities from the antitrust laws, but by a vaguely worded proviso that no activity among teams or groups of teams "which is reasonably necessary to" preserve 1 or more of 3 stated objectives shall be held to be illegal. These objectives are:

"1. the equalization of competitive playing strengths;

"2. the right to operate within specified geographic areas; or

"3. the preservation of public confidence in the honesty of sports contests."

Thus, the bill first makes the antitrust laws fully applicable and then, in the words of the subcommittee's press release, declares that "reasonable restraints on trade shall not constitute a violation of the antitrust laws," provided these restraints are necessary to 1 of the proviso's 3 objectives.[1]

The effect of enactment of this bill on organized baseball would be:

1. To wipe out completely the exemption of baseball from the antitrust laws declared by the Supreme Court in 1922 and reaffirmed in 1953.

2. To place the baseball business (which the Antitrust Subcommittee has declared unique) in virtually the same position under the antitrust laws as ordinary commercial enterprises; under the bill, the practices of baseball would be subjected to court scrutiny for reasonableness just as the practices of any ordinary business are.

3. To permit and provoke endles litigation of every rule and agreement regulating the sports aspects of the baseball business.

4. To make uncertain and unpredictable the legality of baseball rules and agreements, (a) by leaving doubts as to which rules and agreements come under the proviso; and (b) by requiring the reasonableness and necessity of those rules and agreements held to come under the proviso to be determined by juries and judges in 87 Federal district courts.

5. To leave doubts as to the retroactive effect of the bill.

6. To jeopardize the continued existence of baseball by the burden of harassing litigation.

For 36 years, organized baseball in the United States has operated and developed under decisions by the Supreme Court that it is not subject to the antitrust laws. The Supreme Court's first declaration of this exemption in 1922 was reaffirmed in the Toolson decision[2] in 1953 for reasons stated there and elaborated upon the later Radovich decision,[3] as follows:

"In Toolson we continued to hold the umbrella over baseball that was placed there some 31 years earlier by Federal Baseball. The Court did this because it was concluded that more harm would be done in overruling Federal Baseball than in upholding a ruling which at best was of dubious validity. Vast efforts had gone into the development and organization of baseball since that decision and enormous capital had been invested in reliance on its permanence. Congress had chosen to make no change. All this, combined with the flood of litigation that would follow its repudiation, the harassment that would ensue, and the retroactive effect of such a decision, led the Court to the practical result that it should sustain the unequivocal line of authority reaching over many years."

The effect of the subcommittee's bill would be to reject this reasoning, to repeal the Toolson case, and to treat baseball, for antitrust purposes, virtually the same as any other business. This would be done in the face of the recognition by the subcommittee that baseball is a unique business to which the ordinary rules of commercial competition cannot be applied. In its 1952 report,[4] the subcommittee said:

"The subcommittee recognizes * * * that baseball is a unique industry. Of necessity, the several clubs in each league must act as partners as well as competitors. The history of baseball has demonstrated that coopera-

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[1] See subcommittee's release dated January 30, 1958, and entitled "Celler Committee Recommends Sports Bill."

[2] *Toolson* v. *New York Yankees, Inc. et al.* (346 U. S. 356 (1953)).

[3] *Radovich* v. *National Football League* (352 U. S. 445, 450–451 (1957)).

[4] Organized Baseball, report of the Subcommittee on Study of Monopoly Power of the Committee on the Judiciary, 82d Cong., 1st sess., 229 (1952).

tion in many of the details of the operation of the baseball business is essential to the maintenance of honest and vigorous competition on the playing field. For this reason organized baseball has adopted a system of rules and regulations that would be entirely inappropriate in an ordinary industry."

Two intensive investigations of baseball by antitrust subcommittees, one in 1951 and the other in 1957, have attested to the honest operation of baseball, to its unique competitive situation to which antitrust laws are not properly applicable, and to the lack of any public need or demand for subjecting baseball to the antitrust laws.

To subject baseball's activities to the same judicial scrutiny as the business practices of any ordinary commercial enterprise will irreparably damage baseball without any possible benefit to the public. Other businesses can avoid antitrust litigation by unrestrained competition. Baseball must regulate and discipline its sports practices in order to have the competition on the field that makes the game and interests the public. As the subcommittee's press release states, without some restraints on competition, "the stronger teams could become so powerful that spectator interest in sports contests would be lost and the entire industry accordingly placed in jeopardy." Under the subcommittee's bill, however, every restraint—every activity—may be subjected to a court test to determine its reasonableness.

If the bill is enacted, baseball could be harassed by a flood of litigation—litigation over the reserve clause, the assignment of player contracts, territorial rights, formation of leagues and the expansion of leagues. The history of baseball litigation shows that disgruntled players—some of them perennial plaintiffs—usually demand hundreds of thousands of dollars and name as defendants the 16 major league clubs, the presidents of each major league and of the national association, and the commissioner. Each of these defendants, therefore, has a large contingent liability and the cost of such litigation is multiplied by the number of litigants. Baseball believes its rules and practices are reasonable and would expect so to prove in court, but defense of antitrust suits is probably the most costly form of litigation there is—even for the victor.

At the time of the Toolson decision in 1953, seven antitrust suits were pending against organized baseball claiming aggregate damages in excess of thirteen million dollars. These suits were filed in Federal district courts in Utica, N. Y., New York City, Cincinnati, Chicago, and Los Angeles. Although none of these cases went to trial (5 of them involving the reserve clause and player contracts being dismissed on motion under the Toolson decision and the other 2 involving radio broadcasting being settled), the cost in legal fees and expenses to the baseball defendants aggregated several hundred thousand dollars. The subcommittee bill is an invitation to renewal of this harassing litigation which baseball simply cannot afford.

The economic data submitted to the subcommittee shows that major league baseball is not a particularly profitable business. The average annual net income over the 5 years 1952–56 for all 16 clubs taken together was only $29,154 per club. Eliminating the two most profitable clubs, the average annual return was a net loss of $13,896 per club. Some of the clubs reported losses every year. How can such clubs possibly pay the cost of defending antitrust suits and still remain in the business of providing professional baseball?

The bill makes uncertain and unpredictable the legality of baseball's rules and agreements. Take, for example, the so-called reserve clause evidenced by the renewal option in the uniform player contract and the rule permitting clubs to reserve the contracts of players pursuant to such options. The record of this subcommittee has consistently established that the reserve clause is essential to the continued existence of organized baseball, but instead of confirming that fact, this bill invites litigation to test the legality of the reserve clause. First it must be determined whether the reserve clause is covered by the proviso. Doubt on this point is raised by the fact that the bill apparently applies only to agreements among teams or groups of teams and not to agreements between teams and players.[5] Second, if it is within the proviso, the reserve clause is still subject to litigation to test its reasonableness and necessity. If the present reserve clause should not survive the test, then obviously what kind of reserve clause would meet the test would be open to infinite conjecture.

In this connection, it must be borne in mind that in treble damage actions plaintiffs almost invariably ask for juries and the issue of reasonableness is one for a jury. What may be reasonable to one jury may be unreasonable to another. Consequently, no definition or standard of reasonableness for clubs to follow will be developed no matter how many trials are held. With jury trials, local plaintiffs suing 16 or more absentee defendants and 87 district courts in which suits may be brought, the prospect for baseball's survival is bleak indeed.

The subcommittee's press release indicates that the subcommittee is laboring under the misapprehension that its bill would provide protection for baseball practices which is not now available to similar practices of ordinary commercial enterprises. The release says that if restraints employed by baseball were utilized by another business, the courts would consider them unreasonable per se and therefore beyond justification for antitrust purposes. The purpose of the bill, the release states, is to permit baseball to state its justification for these practices in court when it is subjected to antitrust suits.

The fact of the matter is, however, that ordinary businesses engaging in similar practices are presently given ample opportunity to justify them in court under the rule of reason. Only a few practices—such as price fixing and patent tie-ins—have been actually held unreasonable per se and therefore beyond the protection of the rule. Baseball does not engage in any of these things.

It has been suggested by some (but never conceded by baseball) that baseball's reserve clause involves a boycott and its territorial rules are divisions of markets and that boycotts and divisions of markets are unreasonable per se. While courts have indicated by way of dicta that boycotts may be beyond the protection of the rule of reason,[6] recent cases in which the point was specifically raised have permitted justification for boycotts to be stated.[7] A market division agreement, in the form of football's telecasting rule, has been justified under the rule of reason.[8] The point is that courts will listen to attempts to justify either boycotts or market division agreements—no special statutory language is needed to accomplish that.

The bill does not exempt any baseball practices from the antitrust laws. It merely provides in effect that the courts' per se doctrine (if it applies at all to baseball practices) does not apply to activities which are reasonably necessary to three vaguely worded objectives, the meaning of which can only be defined in litigation.

For example, what agreements or rules of organized baseball relate to "equalization of competitive playing strengths"? Does this include the uniform player contract, the reserve rule, the assignment of contracts, waivers, selection of contracts by major league clubs from minor league clubs, optioning of contracts? These involve rules and practices employed by baseball for decades. How directly must they relate to equalization of competitive playing strength in order to come within the proviso of the bill? If they are not within the proviso, are they or are they not to be tested under the rule of reason?

Another legal uncertainty created by the bill is the concluding clause stating "Nothing contained herein shall be held to affect or impair any right heretofore legally acquired." We are at a loss to judge whether this language gives the bill retroactive effect as to baseball.

It is apparent that this bill is not designed in any respect to help baseball. It simply subjects baseball to the antitrust laws and says "Justify your practices in court."

In our opinion, the bill likewise does not help the other team sports which it mentions. The bill will leave football, basketball and hockey in the same state of uncertainty as to their legal rights and will not save them from the burden of defending treble damage actions.

Our experience with baseball and with baseball litigation over a period of many years tells us that among more than 6,000 players and more than 200 clubs now in organized baseball, there are disappointed persons who would need little encouragement to seek the balm of treble damages for their failures or gripes. They will receive that encouragement if a statute is enacted that says that the reasonableness and necessity of every baseball rule, discipline and agreement are subject to attack under the antitrust laws. No more effective way to destroy organized baseball could be devised.

We submit that the voluminous record of the subcommittee establishes no public demand or need for subjecting the sports aspects of the baseball business to the antitrust laws. The subcommittee's bill in so doing would impose upon the sport a burden of litigation which would jeopardize continuance of the professional game.

Respectfully submitted.

Paul A. Porter, Arnold, Fortas & Porter, Washington, D. C., Counsel for Commissioner of Baseball; Benj. F. Fiery, Baker, Hostetler & Patterson, Cleveland, Ohio, Counsel for American League; Herman R. Tingley, Hedges, Hoover & Tingley, Columbus, Ohio, Counsel for National Association of Professional Baseball Leagues; Louis F. Carroll, Willkie, Farr, Gallagher, Walton & Fitzgibbon, New York, N. Y., Counsel for National League.

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[5] The proviso in the bill also omits reference to groups of leagues, such as the National Association of Professional Baseball Leagues, the minor league organization. No team is a member of the national association and all rulemaking action taken at annual meetings is by leagues. Whether national association actions would be included within the proviso is, therefore, unclear. Moreover, the term "teams" is usually considered to refer to playing units. A better term would be "clubs," the organizations which operate teams of players.

[6] See *United States* v. *Columbia Steel Co.* (334 U. S. 495, 522 (1948)); *Times-Picayune Pub. Co.* v. *United States* (345 U. S. 594, 625 (1953)).

[7] E. g., *Interborough News Co.* v. *Curtis Pub. Co.* (127 F. Supp. 286, 300–301 (S. D. N. Y. 1954), aff'd, 225 F. 2d 289 (2d Cir. 1955)); *United States* v. *Insurance Board of Cleveland* (144 F. Supp. 684, 696–698 (N. D. Ohio, 1956)).

[8] *United States* v. *National Football League* (116 F. Supp. 319 (E. D. Pa. 1953)); and see *Timken Roller Bearing Co.* v. *United States* (341 U. S. 593, 598–99 (1951)).

A HIGHER EDUCATION LOAN PROGRAM

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, today I am introducing a bill to establish a self-liquidating Federal educational loan program. The funds would go to aid highly qualified high-school graduates to obtain a college education.

Under terms of the bill, a minimum of 25,000 students would be covered in the first year and at least 100,000 could receive benefits by the fourth year.

A total of $250 million would be set up as a revolving loan fund over a 4-year period.

The loans could be repaid any time up to 15 years after the date of the first loan, and would bear interest of not more than 1 percent more than the Federal Government pays on its obligations.

The selection of students and the degree of need in each case would be left to the States, under terms of the bill, except that in no case would loans to an individual student exceed $1,000 a year for more than 4 years.

Funds would be apportioned among the States according to the number of high-school graduates and the number of people between the ages of 18 and 21 in each State.

Enactment of a self-paying Federal loan program for worthy high-school graduates would represent a significant step forward in the march toward full development of this Nation's intellectual resources. It is a step we can ill afford to ignore if we are to successfully meet the challenges of Soviet technologics and scientific achievements.

Since the launching of the sputniks, many people seem to have concluded that our survival as a Nation depends solely on putting into orbit more and bigger satellites. Although material advances such as these are vital, they fail to reach the heart of the problem raised by Russia's advances.

In our rush to maintain American military and scientific superiority, we must not lose sight of the long-range objectives. At base, the conflict between democracy and totalitarianism is a battle of intellect. B–58's and Thor missiles are the product of trained and skilled minds.

If the United States is to remain the most powerful Nation in the world, it must tap the vast potential of our reservoir of talented and developed minds, not only in the physical sciences but in the social sciences as well.

To maintain our ascendancy we must make full use of the enormous intellectual resources available within this Nation. Unfortunately, there are today literally thousands of topflight minds going to waste in our midst. Too many students of high potential, with a desire and ability to learn, are unable to continue their education beyond high school. For them, colleges are surrounded by forbidding walls of dollar signs. Unable to pay the fees charged—fees too high for the student and set too low to defray the cost to the college—this great source of talent remains undeveloped and unused.

To help swing wide the gates to the college campuses for highly qualified high-school graduates otherwise unable to obtain a higher education, I feel the Federal Government should make available some of its vast resources to provide low-interest loans. Administered by the States, these loans would not constitute interference with State and local control of education. In no way would federalized education or standardized thought result. A loan program would strengthen, not regiment, our educational system.

Many proposals have been advanced which would establish outright grants by the Federal Government to deserving students. Although there is some merit in that approach, I feel far stronger arguments can be made for the loan method.

A loan has the virtue of providing funds and developing a sense of responsibility at the same time. The student's mind and character are simultaneously strengthened. Rather than leaning on the crutch of a Government handout, he learns to stand on his own two feet.

Another great advantage to the loan proposal is that it would pay for itself almost completely. There would be only a small expense—for administering the program—to the American taxpayer. Funds paid through loans would be paid back, with a moderate amount of interest. The experience of private organizations with this type of program indicate the probability of a high percentage of repayment.

It should be noted that my proposal is not limited to students of any particular branch of learning. I do not think we should limit aid to science scholars. Important as science is in this age of the technician, it would be a grave mistake to equate security and chances for peace with technical prowess alone.

The astounding and shocking lack of knowledge among some of our young people today concerning the operation of their Government, is indicative of the fact there is a real need for sound training in the social as well as the physical sciences.

How can we expect the youth of today—and the leaders of tomorrow—to be dedicated to the principles of democracy if they don't know what those principles are?

What is needed, therefore, is not a science-prodding program alone, but a general strengthening of our educational program in all areas of human knowledge.

After careful consideration of available figures, I have decided upon the figure of 100,000 students a year, at a minimum, to receive loans at the end of a 4-year span. This is a minimum needed to meet the crisis in our higher education system. In all probability, many more would receive loans, since in many instances the $1,000 maximum allowed would not be needed and the funds thus freed could be used for loans to others.

The cost of administering such a program would be negligible. The vitality of this Nation lies with its youth. If we ignore our responsibilities to see that all worthy young people are given an opportunity to develop their mental capacities to the fullest, we threaten the very existence of our way of life.

There is no more important weapon in the arsenal of democracy than the spirit of freedom. There is no more important stimulus to this spirit than education. Mediocrity in education is one sure way to crumble a democracy.

A Federal loan program is a must if we are to meet successfully the challenges of the space age. I hope this proposal will receive prompt and affirmative consideration.

THE LEAST COMMON DENOMINATOR

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentlewoman from Minnesota [Mrs. KNUTSON] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. KNUTSON. Mr. Speaker, three decades ago—during the hotly contested presidential compaign of 1928—a great American and a great Democrat, the late Gov. Alfred E. Smith, of New York, gave meaning to his every speech by repeating these words—"Let's look at the record."

Let us look at the record—of eggs.

At the first glance, an egg seems unimportant. It is relatively small. Buying a single egg is not an exercise in high finance. But, right from the start, the egg is important. That is why I call the egg, "The least common denominator of our national economic stability."

What is a simplified definition of the least common denominator? My definition is, "Something that goes into everything—and almost everyone."

The money which the American farm wives get for their eggs goes into taxes for our national defense; into small business, for clothing, food, and other necessities; into higher education for farm youth. Like the widow's mite in the Bible, the egg is as important to the total financial health of America as our steel industry, our aircraft industry, and our farflung cosmetic industry.

Unless the farm wife gets a fair and decent price for her eggs, every American is certain to suffer.

Do not talk to the farm wife about an egg week or an egg month. Here is an egg year—year after year.

Do not talk to the farm wife about an egg queen. Every farm wife is an egg queen on her own.

Just do not talk.

Do something about it.

The Congress has the power to put a floor under the price of eggs. The Congress has the power to raise the ceiling over the price of eggs.

Use the power that God and the Constitution have given you. Make it possible for the American farm woman to

enjoy the security of a just egg price, a security to which she is entitled for her dedicated life and her untiring labor.

The four horsemen of depression—hunger, failure, hopelessness, and death—need not ride again.

Strike a blow for America while you still have time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHUFORD (at the request of Mr. LIBONATI), for Thursday, March 6, and for the week of March 10, on account of illness.

To Mr. RIEHLMAN (at the request of Mr. MARTIN), from March 6 through March 7, on account of official business, House Committee on Small Business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FEIGHAN, for 5 minutes, today.

Mr. MICHEL, for 20 minutes, on Monday next.

Mrs. KNUTSON (at the request of Mr. ALBERT), for 1 hour, on Monday, March 10.

Mr. PERKINS, for 20 minutes, today.

Mr. KEATING, for 1 hour, on Monday next.

Mr. CURTIS of Missouri, for 1 hour, on March 12.

Mr. DORN of New York, for 15 minutes, on March 12.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER in two instances and to include extraneous matter.

Mr. BALDWIN in the CONGRESSIONAL RECORD.

Mr. LESINSKI.

Mr. MACHROWICZ.

Mr. VURSELL and to include extraneous matter.

Mr. MOORE and to include extraneous matter.

Mr. MACK of Washington and to include extraneous matter.

Mr. KEATING and to include extraneous matter.

Mr. MILLER of Nebraska and to include a letter.

Mr. O'KONSKI and to include extraneous matter.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. CRAMER and to include extraneous matter.

Mr. DEVEREUX (at the request of Mr. WEAVER) and to include an article.

Mrs. SULLIVAN (at the request of Mr. LIBONATI) and to include extraneous matter.

Mr. SIEMINSKI (at the request of Mr. LIBONATI) and to include extraneous matter.

Mr. RODINO (at the request of Mr. LIBONATI) and to include extraneous matter.

Mrs. GRANAHAN (at the request of Mr. LIBONATI) and to include extraneous matter.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 573. An act conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim of Mrs. Walter E. von Kalinowski;

S. 674. An act for the relief of Cale P. Haun and Julia Fay Haun;

S. 888. An act for the relief of Alex P. Collins; and

S. 1552. An act to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1692. An act for the relief of Mrs. Margot M. Draughon;

H. R. 2901. An act for the relief of Ralph H. Weeks;

H. R. 4541. An act for the relief of Leslie A. Batdorf; and

H. R. 5163. An act for the relief of Forest H. Byroade.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 1 minute p. m.), under its previous order, the House adjourned until Monday, March 10, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1687. A letter from the Assistant Administrator, General Administration, Federal Civil Defense Administration, transmitting a report for restoration of unobligated balance previously withdrawn, pursuant to paragraph 8, general regulation No. 131, dated March 21, 1957; to the Committee on Government Operations.

1688. A letter from the Assistant Administrator, General Administration, Federal Civil Defense Administration, transmitting a report for restoration of unobligated balances previously withdrawn, pursuant to paragraph 8, general regulation No. 131, dated March 21, 1957; to the Committee on Government Operations.

1689. A letter from the Under Secretary of the Interior, transmitting the Second Annual Report on the Progress and Accomplishments of the Anthracite Mine Water-Control Program established by Public Law 162, 84th Congress; to the Committee on Interior and Insular Affairs.

1690. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend section 112 of title 1, United States Code"; to the Committee on the Judiciary.

1691. A letter from the Deputy Secretary of Defense, relative to transmitting additional information relating to executive communication No. 1443, dated January 14, 1958; to the Committee on Armed Services.

1692. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 10, 1958, submitting a report, together with accompanying papers and illustrations, on a review of reports on Galveston Harbor and Channel, Houston Ship Channel, and Texas City Channel, Tex., requested by resolutions of the Committee on Public Works, House of Representatives, adopted on February 17, 1950, April 21, 1950, and June 27, 1956 (H. Doc. No. 350); to the Committee on Public Works and ordered to be printed with five illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 2767. A bill to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records; without amendment (Rept. No. 1461). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9502. A bill to authorize certain exchanges of public lands of the Territory of Hawaii; with amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 10347. A bill to amend section 73 (q) of the Hawaiian Organic Act; to approve and ratify joint resolution 32, session laws of Hawaii, 1957, authorizing the issuance of $14 million in aviation revenue bonds; to authorize certain land exchanges at Honolulu, Oahu, T. H., for the development of the Honolulu Airport complex; and for other purposes; with amendment (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H. R. 11077. A bill to incorporate the Veterans of World War I of the United States of America; without amendment (Rept. No. 1479). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H. R. 9821. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; with amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 147. An act for the relief of Guido William Grambergs; without amendment (Rept. No. 1462). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael); without amendment (Rept. No. 1463). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1082. An act for the relief of Katina Apostolou; with amendment (Rept. No. 1464). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1249. An act for the relief of Martha A. Calvert; without amendment (Rept. No. 1465). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1287. An act for the relief of Heinz August Schwarz; without amendment (Rept. No. 1466). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1322. An act for the relief of Heinrich Johann Ellebrecht; without amendment (Rept. No. 1467). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1359. An act for the relief of Franz Hehn; without amendment (Rept. No. 1468). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1403. An act for the relief of Michael James Bolger; without amendment (Rept. No. 1469). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1543. An act for the relief of Dorene I. Fast, without amendment (Rept. No. 1470). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2062. An act for the relief of Yasna Trevizan; with an amendment (Rept. No. 1471). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2110. An act for the relief of Shirley Leeke Kilpatrick; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2124. An act for the relief of Tasia J. Somas; with an amendment (Rept. No. 1473). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. House Joint Resolution 552. Joint resolution to facilitate the admission into the United States of certain aliens; without amendment (Rept. No. 1474). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 551. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 1475). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 1476). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 11212. A bill to provide for the return of certain Federal income tax revenues to the areas where collected in order to relieve unemployment in those areas; to the Committee on Public Works.

By Mr. BAILEY:

H. R. 11213. A bill to amend section 408 of the Housing Amendments of 1955 with respect to State and local taxation of housing projects constructed under the Wherry Act; to the Committee on Banking and Currency.

By Mr. BUDGE:

H. R. 11214. A bill to abolish the Bureau of the Budget; to the Committee on Government Operations.

By Mr. COLMER:

H. R. 11215. A bill to amend section 201 (b) of the Agricultural Act of 1949, as amended, relating to price support on tung nuts and honey; to the Committee on Agriculture.

By Mr. FRIEDEL:

H. R. 11216. A bill to amend the Federal Trade Commission Act, as amended, so as to equalize rights in the distribution of identified merchandise; to the Committee on Interstate and Foreign Commerce.

By Mr. GUBSER:

H. R. 11217. A bill to provide a 30-day moratorium on the imposition of the withholding tax on wages; to the Committee on Ways and Means.

H. R. 11218. A bill to provide emergency tax relief for the purpose of stimulating immediate employment; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas:

H. R. 11219. A bill to establish a Joint Congressional Committee on Civil Rights to undertake an investigation and study with respect to the problems of desegregation in the public schools in the United States, and for other purposes; to the Committee on Rules.

By Mr. HEMPHILL:

H. R. 11220. A bill to amend part VIII of Veterans Regulation No. 1 (a) and the Veterans' Readjustment Assistance Act of 1952 to provide that World War II and Korean conflict veterans entitled to education under such provisions of law who did not utilize their entitlement may transfer their entitlement to their children; to the Committee on Veterans' Affairs.

By Mr. KNOX:

H. R. 11221. A bill to reduce, effective as of March 1, 1958, the manufacturers excise tax on automobiles and on parts and accessories to 5 percent of the price for which sold; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 11222. A bill to provide that no more than 32 hours of service shall be required of employees of the postal field service during any week in which a holiday falls; to the Committee on Post Office and Civil Service.

By Mr. McGOVERN:

H. R. 11223. A bill to establish a general program of educational assistance to elementary and secondary schools of the Nation and to students beyond the secondary school level; to the Committee on Education and Labor.

By Mr. MACK of Illinois:

H. R. 11224. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 11225. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. MONTOYA:

H. R. 11226. A bill to provide for a Federal contribution toward the cost of the dam and reservoir to be constructed on the Canadian River by the State of New Mexico; to the Committee on Public Works.

H. R. 11227. A bill to provide for the distribution of surplus food commodities by use of a food stamp plan; to the Committee on Agriculture.

By Mr. PATTERSON:

H. R. 11228. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. SISK:

H. R. 11229. A bill to amend title 10 of the United States Code to provide that certain staff positions relating to the Reserve program shall be filled by reservists called to active duty for the purpose of filling such positions; to the Committee on Armed Services.

By Mr. TAYLOR:

H. R. 11230. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL (by request):

H. R. 11231. A bill to amend subparagraph (c) of paragraph 31 of section 7 of the act of July 1, 1902, to provide that the license tax imposed by such subparagraph on owners of passenger vehicles for hire in the District of Columbia shall apply in future license years to vehicles with a seating capacity of nine passengers or more; to the Committee on the District of Columbia.

By Mr. COAD:

H. R. 11232. A bill to amend title I of the National Housing Act to authorize the Federal Housing Commissioner, in certain situations, to compromise or waive obligations and claims or discontinue efforts to collect or enforce them; to the Committee on Banking and Currency.

By Mr. MACK of Illinois:

H. R. 11233. A bill to amend the Federal Trade Commission Act and the Packers and Stockyards Act, 1921, to provide that the Federal Trade Commission shall have jurisdiction over unfair trade practices in connection with purchases and sales in commerce by meatpackers of all products other than livestock and live poultry, and to provide that the Secretary of Agriculture shall have jurisdiction over unfair trade practices in connection with all purchases and sales of livestock and of live poultry in designated cities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 11234. A bill to amend the Federal Trade Commission Act and the Packers and Stockyards Act, 1921, to provide that the Federal Trade Commission shall have jurisdiction over unfair trade practices in connection with purchases and sales in commerce by meatpackers of all products other than livestock and live poultry, and to provide that the Secretary of Agriculture shall have jurisdiction over unfair trade practices in connection with all purchases and sales of livestock and of live poultry in designated cities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINSHALL:

H. R. 11235. A bill to permit the construction of certain public works on the Great Lakes for flood control, and for protection from high water levels, and for other purposes; to the Committee on Public Works.

By Mr. FRELINGHUYSEN:

H. J. Res. 567. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. TAYLOR:

H. J. Res. 568. Joint resolution to authorize the Secretary of the Army to make a survey of a water route from Albany, N. Y., into Lake Champlain, N. Y. and Vt., with ultimate connection with the St. Lawrence River; to the Committee on Public Works.

By Mr. VURSELL:

H. J. Res. 569. Joint resolution designating October 31 of each year as Youth Honor Day; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. Con. Res. 285. Concurrent resolution favoring the acceleration of civilian construction programs for which appropriations have been made; to the Committee on Public Works.

H. Con. Res. 286. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made; to the Committee on Armed Services.

H. Res. 500. Resolution authorizing the expenses of the Select Committee on Astronautics and Space Exploration created by House Resolution 496; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced, and severally referred as follows:

By Mrs. BLITCH:

H. R. 11236. A bill for the relief of Arthur G. Williams; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 11237. A bill for the relief of Androula G. Kyriacou; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 11238. A bill for the relief of Primetta Galli; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 11239. A bill for the relief of James F. Moran; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 11240. A bill for the relief of John Andrew; to the Committee on the Judiciary.

By Mr. ROBISON of New York:

H. R. 11241. A bill for the relief of Mrs. Antonie Maass; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H. R. 11242. A bill for the relief of Guiseppe Gangemi, his wife Maria Scavo Gangemi, and their two children, Agata Gangemi and Giovanna Gangemi; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Use of Senate Caucus Room

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, March 6, 1958

Mr. JOHNSON of Texas. Mr. President, I have received from the chairman of the Committee on Rules and Administration a letter report on the incident which involved the use of the Senate caucus room for a press conference a week ago Wednesday. I ask unanimous consent that this report be printed in the CONGRESSIONAL RECORD for the information of the Senate and the country.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
March 3, 1958.

The Honorable LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: Pursuant to the discussion which recently transpired on the Senate floor in connection with the use of the Senate caucus room by Mr. Walter Reuther for a press conference last Wednesday, I have obtained signed statements from the Superintendent of the Senate Press Gallery and the Superintendent of the Senate Office Building and transmit copies herewith. These enclosures substantially confirm, I believe, the factual account of the incident given to the Senate, on the following day, by Senator HUMPHREY. (See CONGRESSIONAL RECORD, Feb. 27, 1958, pp. 3023-3024.)

It is of course not the practice or policy of the Committee on Rules and Administration or of any Member or employee of the Senate to permit the use of rooms in the Senate Office Building for formal private press conferences. To the extent that the event involving Mr. Reuther was accompanied by some advance announcement, the incident was unique and isolated. I am reliably informed, however, that it is the frequent habit of our accredited newspapermen to interview Senators and other prominent persons and participants, in various rooms and corridors of the Senate Office Building, during intermissions and after recesses of committee hearings. As long as we enjoy freedom of the press and its concomitant privileges, that custom of the press is one I think no Senator would willingly proscribe.

Reverting again to the situation of last Wednesday, the circumstances under which the location of the Reuther conference was changed from the press room to the caucus room in the Senate Office Building are set forth in the attached statements. It seems hardly necessary to add that an original request for the use of the Senate caucus room for a private press conference of the representative of a commercial organization of any kind would be summarily denied.

It is the firm general rule that space assigned to the Senate will not be utilized for activities disassociated from a Senate committee or a sponsoring Senator. In the supervision of this rule, there may be an occasional difference of opinion as to the pertinency or propriety of a particular request for assignment of the caucus room, or any other Senate facility. The Committee on Rules and Administration exercises its best discretion to grant no request likely to be disconsonant with the desires of the Senate or the public interest. Individual sponsoring Senators and Senate committees are necessarily accountable for activities indulged during the periods of the temporary assignments made to them. Generally speaking, I believe this accountability has been circumspect.

I hope this letter will sufficiently answer the inquiries initiated by the interview, on February 26, 1958, of Mr. Walter Reuther by members of the press in the Senate caucus room. If you or my colleagues believe broader inquiry is necessary, please let me know. Whether or not you decide to insert this letter and its enclosures into the CONGRESSIONAL RECORD or otherwise make them public, I leave to your sound good judgment.

With warmest regards to you, as always.

Yours sincerely,

THOMAS C. HENNINGS, Jr.,
Chairman.

P. S.—I am sending a carbon copy of this letter to Senator KNOWLAND for his information.

CONGRESS OF THE UNITED STATES,
PRESS GALLERIES,
Washington, February 27, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Rules and Administration Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR HENNINGS: Upon my return Wednesday, February 26, at 11:40 a. m., from the White House press conference, I was informed by several members of the Senate Press Gallery that Mr. Walter Reuther had scheduled a press conference to be held in the pressroom of the Senate Office Building at 1:00 p. m. that day. This press conference was not cleared through me or any member of my staff.

As you probably know, there were 8 or 10 committee hearings in the Senate Office Building on that day, and the pressroom was a very busy place. Quite a number of newspapermen asked me not to permit this press conference to be held in the pressroom where some of them were typing or dictating stories.

After an unsuccessful attempt to reach Mr. Reuther's press assistant, in an effort to cancel the press conference, I went to the pressroom at 12:30 p. m. to see his press representative, who arrived at about 10 minutes to 1. I informed him that the press conference could not be held in the pressroom.

There were 75 or 80 newsmen in or around the pressroom at that time, and some of them suggested that the press conference be held in the hall or some committee room. I told them that any use of a committee room, or even the hall, would have to be cleared through the custodian's office or by an official connected with the committee now using the room.

My assistant, Don Womack, telephoned the custodian's office and requested permission to use the caucus room for this purpose. He also telephoned someone connected with the Select Committee on Labor Activities for their permission, which was also granted; in order to accommodate the press.

I gave no instructions to the police on the door of the caucus room to bar Senators or any Senate official from the room, only tourists.

Thank you for the opportunity of explaining how this happened.

Yours very truly,

JOSEPH E. WILLS,
Superintendent, Senate Press Gallery.

UNITED STATES SENATE,
SENATE OFFICE BUILDING,
February 27, 1958.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, United States Senate, Washington, D. C.

DEAR SENATOR HENNINGS: At approximately 12:30 p. m. yesterday someone called this office. The phone was answered by Harry Clarke, service officer.

The caller stated that he had read on the teletype that a press conference was to be held in the caucus room at 1 p. m. for Walter Reuther. The caller wanted to know how Mr. Reuther obtained the room and permission to use it. The unidentified caller was told by Mr. Clarke that we knew nothing about the conference. I found out last night that the call came from the office of Senator GOLDWATER.

At approximately 12:45 yesterday Don C. Womack, Assistant Superintendent of the Senate Press Gallery, called this office. Mr.

Harold Brannon, service officer, received the call. Mr. Womack asked if he could use the caucus room in the Senate Office Building for a press conference for Walter Reuther. Mr. Brannon told Mr. Womack that the room was assigned for the day to the Select Committee on Labor Management, and that he would have to have the permission of that committee.

Mr. Womack called back a few minutes later and stated that he had contacted Mrs. Ruth Watt, clerk of the committee, and that she stated it was all right for them to use the room. Mr. Brannon asked Mr. Womack if he wanted the room unlocked, and Mr. Womack stated that he was already in the room.

Sincerely yours,

J. LEWEY CARAWAY,
Superintendent.

Start of the New Deal

EXTENSION OF REMARKS
OF
HON. KATHRYN E. GRANAHAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mrs. GRANAHAN. Mr. Speaker, 25 years ago the New Deal was born when Franklin D. Roosevelt became President of the United States.

We remember those days as a time when our country was literally flat on its back, when commerce and industry had come to a standstill and unemployment was of such vast proportions as to constitute a national calamity.

We did not have television in those days to enable those of us living away from Washington to watch the historic moment when Chief Justice Charles Evans Hughes and the President-elect raised their right hands for the swearing in ceremony at the Capitol.

But all of us who could were glued to radios around the country, listening to the ceremony and to the stirring, masterful inaugural address of the man who was to lead our country out of the wilderness of despair into a new day of happiness and prosperity for the American people.

Twenty-five years is a short period of time as history is measured. For all of us who remember those days of 1933, it was one of the most dramatic moments of our lifetimes, and one we shall never forget. We tend to forget, however, that to millions of Americans born shortly before then or after 1933, including many who are now voters, the depression of 1929–33 might have been generations ago—something completely remote from them.

Yet we know that the prosperity we have enjoyed in these last two decades could never have occurred if the President who was inaugurated on March 4, 1933, was not determined to end poverty and misery in our midst and was not also determined to act with speed and with wisdom and courage in meeting the problems of depression.

President Franklin D. Roosevelt earned a place in our history among the greatest leaders our country has ever had. And he earned a place in the hearts of the American people that few men have ever matched.

To the extent that we have prospered in this country in the last 25 years—and compared to depression days, today's recession is mild, indeed—we can be thankful for the great leadership and the great humanitarianism demonstrated by one of our greatest Presidents.

To the extent that we are now suffering economic dislocation, which is truly tragic for millions of Americans made jobless by present conditions, I think we can honestly say that we can point to failure on the part of our present national leaders to recognize the danger and to act against it—failure to follow the example set by Franklin D. Roosevelt in launching the New Deal and restoring America's spirit.

Propaganda Advertising Not Tax Deductible

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. VURSELL. Mr. Speaker, with leave to extend my remarks, I desire to include the following in the RECORD:

PROPAGANDA ADVERTISING NOT TAX DEDUCTIBLE

Mr. Speaker, for many months past, there has been publicity by private power organizations in the press and in magazines throughout the country, large and expensive ads, by the American Independent Electric Light and Power Companies, practically all of which appear to me to misrepresent the facts, with the result that these ads cannot be justified on the grounds of rendering a public service.

Such ads appear in the October 1957 issue of Redbook and the Reader's Digest, and in the October 1, 1957, issue of Look magazine.

Mr. Speaker, these ads appear to be a series of propaganda ads sponsored by a national group of electric utility companies, and, of course, paid for by the customers of these companies. I understand that the space for the ads in these three magazines alone cost about $56,000.

Mr. Speaker, it seems clear that the purpose of these ads is to prejudice the people against the Electric Power Cooperatives—hoping to gain favor for the private power industry.

I think there's plenty of room in this country for both the private power industry and the REA network cooperatives of the Nation who have been doing such a splendid job in bringing light and power to rural America.

Mr. Speaker, some of these ads complain that, whereas taxes allegedly constitute 23 cents of every revenue dollar paid to private utility companies, "People who get electricity from Federal Government electric systems * * * are privileged people."

The ads claim that "electric cooperatives pay a far smaller tax—only a fraction of the taxes paid by private power customers" because, the ad concludes, "a strange twist in Federal law exempts them (meaning the cooperatives) from paying most of the taxes in electric bills * * * because they get their electricity from Federal electric systems," meaning the REA.

The facts are that the REA is a nonprofit organization and, like all other nonprofit organizations, is exempt from income taxes. Of course, the private utilities' organization publishing the ads knew this quite well, but left the misleading inference to the contrary. The private utilities pay income taxes because they are in the business for profit, and income taxes to corporations and individuals alike are assessed on profits.

Despite the claims of the advertisement, there is no law which exempts anyone from paying taxes merely because he is a purchaser of Federal power. If that were true, the very power companies which sponsor the ads, and which purchase much more Federal power than do the nonprofit cooperatives, would themselves be exempt from the taxes about which they most complain.

These advertisements are designed not to build good will, not to sell electricity, not to render a public service, but solely and exclusively to destroy whatever small competitive influence exists in the electric utility business. Their motivation is the destruction of the Federal power program which in many areas has made possible rural electrification, and which helps to make feasible the irrigation of arid lands, the abatement of floods, and the deepening of navigation channels in our major rivers.

Mr. Speaker, the Federal Power Commission, I understand, about a year ago set a precedent prohibiting such propaganda ads from being classified as an "operating-expense deduction before taxes." This action should reduce such propaganda advertising activities.

Ireland Needs Help

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. SIEMINSKI. Mr. Speaker, the United Irish Societies of Baltimore—the Ancient Order of Hibernians, Friendly Sons of St. Patrick, the Hibernian Society, and the Emerald Isle Club—are to be commended for launching a program designed to attract new industries to Ireland.

Because so many of my constituents are of Irish heritage, I am even more mindful of the economic struggle that has long confronted the proud people of Ireland, and the program to locate major industries in that country deserves complete support and understanding on the part of business leaders throughout the Nation.

Ireland has always been and will continue to be a popular tourist center, but American businessmen have been slow to recognize the tremendous potential and actual opportunities which exist there. The available manpower, the excellent facilities, resources, and the friendly and cooperative attitude of Irish officials are but some of the factors that make Ireland ideal, geared to accommodate industries of all types and sizes.

As the program undertaken by the Irish Societies of Baltimore gains impetus, I am sure a growing number of American firms will investigate conditions and become firmly convinced of the fact that Ireland has much to offer.

Address by Hon. Edward Martin, of Pennsylvania, to the National Guard Association of the United States

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 6, 1958

Mr. MARTIN of Pennsylvania. Mr. President, on October 8, 1957, at Louisville, Ky., I delivered an address to the convention of the National Guard Association of the United States. I ask unanimous consent to have the address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF UNITED STATES SENATOR EDWARD MARTIN, OF PENNSYLVANIA, AT THE CONVENTION OF THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES, LOUISVILLE, KY., TUESDAY, OCTOBER 8, 1957

It is a distinct honor to be invited to speak to this historic and distinguished organization which has worked so courageously to protect and advance the American way of life.

As members of the National Guard you hold a unique position. You are both citizens and soldiers. You know the dangers involved in excessive taxation and the high cost of government. You also realize that one of the most important obligations of American citizenship is to share in the defense of our Republic.

Over the centuries the best minds of the world have tried to outlaw war. In spite of these efforts armed conflict has come generation after generation, in greater magnitude and with greater cost in money and in human agony and suffering.

In the eight wars in which we have been engaged 965,572 Americans have given their lives and another 1,276,520 have been wounded. The overall cost in money can hardly be estimated, but it is by far the largest item in our combined budget.

We are a peace-loving people. As Americans we do not want armed conflict because we do not covet anything that any other nation possesses. Everything that is honorable should be done to prevent war. The record of history proves that treaties, resolutions, and good intentions will not bring peace to the world. Strength is the only means by which war can be prevented.

More than 300 years ago George Herbert, the English poet and philosopher, expressed that thought when he wrote:

"One sword keeps another in the sheath."

We can be brought to disaster if we allow our Nation's sword to become dull and rusty.

Our wise forefathers realized that one of the most important functions of government is to provide for the common defense. They recognized the dangers of war and that it can be avoided only by adequate preparation. Therefore, they set forth the plans for our Nation's defense in the Constitution. One of the fundamental objectives of the immortal document, as stated in the preamble, is to provide for "the common defense."

The Constitution itself provides for calling out the militia to execute the laws of the Union, suppress insurrections and to repel invasions. It further provides for organizing, arming and disciplining the militia, "reserving to the States, respectively, the appointment of the officers and the authority of training the militia according to the discipline prescribed by Congress."

This wise reservation of certain powers to the sovereign States was to prevent an overpowerful central government from destroying the authority of the States. The National Guard is a fundamental part of that plan. It must be sacredly guarded. Even Federal appropriations for National Guard purposes must be carefully watched because they may be used to gradually destroy the direct State control of the guard. We must always remember whenever we seek financial aid from a higher level of government we may surrender some controls.

The National Guard, and its predecessor, the militia, have taken a glorious part in all our wars. They have served in the front lines from the Revolution to the frozen hills of Korea. Local pride and pride in the history of their organizations have carried them forward. From the days of the Roman legion it has been found that men make better soldiers when they fight at the side of their neighbors.

The embattled farmers at Concord and Lexington gave new ideals to military work. They stood their ground against trained British regulars because they believed in the cause for which they took up arms.

Every State has many historic outfits, many of them dating back to the Revolution.

In this discussion of national defense we must face a world of realities. Peace among nations, the great hope of mankind, will come slowly. It must grow out of education in which the spiritual will take a great part. Until the world knows how to live we must have a stabilizing police force.

While the slow process for peace continues, the American school system must provide for the education of all the children in the principles of the Republic. In that education we must emphasize patriotism, respect for the law, the rights of the individual, and loyalty to the Constitution. In this educational crusade we must also reach the many misguided American-born who have really forgotten the ideals of their fathers and the liberties we enjoy.

We must never forget that individual morality is our own responsibility. We must not forget that justice is an inward expression and not an outward force. We cannot legislate justice in the hearts of men. We all must aid the powers of righteousness so we may live in peace and good will under God. But until that great day comes, we must be prepared to defend our freedom and our national honor.

George Washington, as you so well know, wanted a well-regulated militia—well organized and well established.

In planning the military defense of our Republic, I believe we should have the best trained Regular Army in the world. It should have the most modern equipment. It should be the fastest with the greatest firepower the world has ever known. It should be prepared to move by air and sea to any place in the world.

Our National Guard should be under the control of the States until called into the Federal service. It should be trained by the best and most patriotic brains of the Regular Army.

We should have a great Reserve Corps of citizens, trained as both officers and enlisted men, and the training should be under the supervision of the best the Regular Army can provide.

We should have an Air Force so powerful that we could have complete supremacy in the air and enough planes to carry our ground troops to any part of the world.

We should have the world's most powerful Navy so that we and our allies will have complete command of the sea.

We should have a great merchant marine.

To guard and defend our liberty we must have great military strength, but equally important, we must have economic, industrial, agricultural, cultural, and spiritual strength.

We must maintain a strong and expanding economy that will provide employment for our workers at a wage scale adequate to sustain the American standard of living, and to provide the equipment for the Armed Forces.

We must have a high level of production in our mills, factories, and mines.

We must have the maximum production of food on our farms to meet the needs of our Armed Forces and our civilian population.

We must strengthen our financial position through economy in Government, and sound fiscal policies in order to prevent inflation.

We must economize in every function of Government. The cost of defense can be reduced by greater unification of procurement. There are more than 2,000 posts, stations, and camps in the continental United States with a civilian employment of more than 1 million. Many of these could be eliminated at a great saving in cost.

We must never forget that we have obligations in America as well as rights. We will have no rights of any value unless we preserve our great ideals.

Following that principle I believe that every American, regardless of his station in life, should be ready to defend his country and should be prepared by taking basic training.

A great American statesman, Daniel Webster, summarized the obligations of free men in his inspiring speech when he said:

"God grants liberty only to those who love it and are always ready to guard and defend it."

But defense means more than weapons. It means trained manpower. For many years I have maintained that universal military training is the only real solution. It is the right way for a republic, because if a republic is to survive, its wars must be fought by the people. There is much opposition to this plan. Some criticism comes from fathers and mothers and from those with deep and sincere religious conviction, but much of the opposition is expressed by politicians seeking the easy way.

Another group in opposition, and the real danger, are those subversive elements who would deliberately weaken and destroy our country by playing on the fears of others to serve their own sinister purposes.

Actually universal military training is real democracy, in that the rich and humble alike, share equally the responsibility of our Nation's defense.

If America is to be preserved as the greatest nation of all time every citizen must accept a full share of individual responsibility. Every American must join with complete loyalty and unselfish devotion to the task of building a national defense so strong that no aggressor will dare threaten our safety and security.

To meet the challenge of these disturbing times we need a great new wave of patriotic fervor. We need the power and strength of a united people, combining 100 percent Americanism with the highest moral and spiritual standards. We need the resolute courage and the high morale of God-fearing, clean-living, law-abiding people who appreciate our precious heritage of liberty and independence and are willing to make every sacrifice in defense of our ideals.

We all hope and pray that we may be spared the tragedy of another war. But if war should come, I don't want to see the youth of America thrown into battle without proper training.

That training should not only be the best in military work but the trainee should also

be taught the meaning of our form of government and what the American way of life means.

When his basic training is completed the trainee could elect service for a fixed period in the Regular establishment or a longer period in the National Guard or Reserve, which would excuse him from additional military obligation, except during a declared emergency. Thus we would be able at all times to muster a citizen army, ready, trained and prepared to meet any threat to our national security.

A plan of this kind would train every American in the basic principles of military work. It could be done at a time that would least interfere with the career or the education of the citizen, such as two yearly 3-month periods during June, July, and August. All of the clerical and supply work could be done at home.

The training should be done by carefully selected officers of the Regular Army, National Guard, and Reserve. It would be helpful if the training was done as near home as possible.

From the trainees, or those serving in the Regular establishment, National Guard, or Reserve, there should be selected by the officers in charge of training certain men who are qualified for schooling in our various colleges and universities. These men, with special training, would always provide a large reservoir of well-prepared officers and technical men.

Universal military training would show the world that we are prepared and would be a great step for peace.

As military men we must recognize the world situation. There is a contest for world domination. It may be through a cold war or it may be a shooting war. In either case, America must be prepared and every American must do his full duty.

We, in the United States, recognize the liberty and freedom of the individual as God given. Any other philosophy is nonreligious and un-American. Anyone advocating deviation from these ideals does not belong in the United States and if he does not volunteer to leave our shores he should be sent to a country where he and his philosophy of government may be exercised.

What do we need to prepare ourselves for the great task of defending our freedom?

1. We need accurate information as to our standing among the nations of the world. We must know our enemies and their real strength. We must know who our real friends are and what they can and are willing to contribute in defense of the common cause.

2. Our plans should be made. The part to be taken by each element should be clearly known.

3. Training should be thoroughly consistent with our financial situation.

4. Means for the production of supplies should be adequate.

5. We must have high morale as a Nation.

By precept and example we must inspire deeper love of our country, greater respect for its laws, more active support of the church and more individual assistance in all public spirited undertakings.

Let us emulate our forefathers by taking a more active part in Government.

Our forefathers were courageous and self-reliant. Without seeking governmental aid, they crossed the mountains with Bibles, rifles, axes, and plows. The axes and plows provided their food and shelter. The rifle was for protection. The Bible was the source of their deep religious faith.

Let us depend more upon ourselves and less on Government.

It is not necessary to relate to this real American audience how the early settlers toiled, suffered and died to start and then build this country. While this continent is more richly endowed by nature than any other of the world—its development was the result of the spirit of America.

That spirit built the solidity of the eastern coast line, developed the fertility of the great Central West, made the beauty of the Deep South, crossed the rugged Rockies and placed the hand of real progress on the slopes of the Pacific. That spirit made us a united Nation, the greatest in all history.

If we, in our day, live by that spirit, America will go forward to still greater achievement in the years that lie ahead.

Plywood Industry Needs Protection From Japanese Plywood Imports

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. MACK of Washington. Mr. Speaker, the Portland Oregonian, of Portland, Oreg., one of the largest newspapers in the Pacific Northwest, carried a top-of-the-column front page news story last Friday which said, "widespread plywood plant shutdowns will idle thousands of Oregon, Washington, and northern California workers."

The Oregonian news story went on to say that some of these plywood plants are closing for an indefinite period and that others have announced a shutdown of 1 week to 10 days. Other plywood plants, says the Oregonian, are working on a curtailed workweek basis.

Reason for the shutdowns, says the Oregonian, is that the price of plywood—one-fourth inch AD grade—dropped from $80 last fall to $72 by January 1, 1958, and by March 1, 1958, to $64. The price of plywood today is the lowest in 20 years and plywood mills no longer can be operated at a profit. When a plant is down and idle, its expenses, in some instances—taxes, management, watchmen, interest on loans, maintenance, and so forth—still continue. The management finds that it costs less to be closed down than to operate and so are closing their plants.

What has brought the plywood industry to this low level in employment and prosperity? One of the main reasons is too heavy imports of plywood produced by Japanese labor which is paid only 11½ cents an hour compared to a wage of $1.85 an hour in the plywood industry of the United States.

The Oregonian in its news story on plywood plant closures which are idling thousands of Oregon, Washington, and northern California workers, gave a list of the plants which have closed for indefinite periods and for 1 week to 10 days. This list includes the following plants scattered in widely scattered areas:

Oregon: Pacific Plywood, Dillard; Grants Pass Plywood, Grants Pass; Coquille Valley Lumber Co. plywood plant at Milwaukie; Coquille Valley Lumber Co. plywood plant at Swisshome; Medford Valley Plywood, Medford; Oregon Veneer, Medford; Custom Plywood, Grants Pass; Industrial Plywood, Coos Bay; Brookings Plywood, Brookings; Cascades Plywood, Cascades; and Western States Plywood, Bandon. Most of these plants employ 100 to 400 workers each. The idled Cascades plant is the largest plywood plant in the world and employs about 1,000.

Washington: Centralia Plywood, Centralia; Mount Baker Plywood, Bellingham; Hoquiam Plywood, Hoquiam; Elma Plywood, Elma; Hardel Plywood, Olympia; and Totem Plywood, Olympia.

Northern California: Interstate Container, Red Bluff; Durable Plywood, Arcata; Lund Plywood, Crescent City; and Northern California Plywood, Crescent City.

American plywood producers obviously cannot compete with the low-wage rates of Japan.

Japan last year shipped $60 million of plywood into the United States. These shipments were the equivalent of the output of 12 large American plywood plants employing 150 to 400 workers each. The Japanese plywood imports took away the jobs of 5,000 American plywood plant workers and also the jobs in those allied industries such as the loggers who supply the plywood mills with logs.

This breakdown in employment in the American plywood industry can be speedily corrected if the Democrat majority which now controls both Houses of Congress only will act and report to the floor of Congress a bill to limit imports of foreign hardwood plywood to 15 to 20 percent of the American consumption.

Foreign plywood last year supplied 54 percent of the domestic demand for hardwood plywood. Limit this to 15 to 20 percent of that demand, and Japan still can sell $20 million a year of her plywood in the United States which will be more plywood than Japan ever sold in the United States prior to World War II.

By limiting Japanese imports of plywood to 15 or 20 percent of the domestic hardwood plywood market, jobs for some 3,500 American plywood workers will be restored immediately, domestic production will be brought into balance with domestic demand, and plants that are idle will go back into production.

Where Small Business Stands on Issues Before Congress

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. MULTER. Mr. Speaker, the National Federation of Independent Business recently polled its members on several issues before Congress. I commend to the attention of all of our colleagues the positions expressed on three of these issues.

Postal rate increases, 61 percent against; small business tax revision, 86 percent favor; make Small Business Ad-

ministration a permanent agency, 84 percent favor.

I believe these positions to be sound and not only in the interest of small business but also in the public interest.

Thirteen Years of Enslavement in Rumania

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. MACHROWICZ. Mr. Speaker, this 6th of March is a sad day for the Rumanian people. It marks 13 years since Rumania's enslavement by the Soviets. This occasion should bring to our minds more vividly the tragedy of modern slavery.

Victims of Moscow's aggressive expansionism and of international failures which abandoned the eastern part of Europe to the absolute rule of the Russians, the Rumanians have since then been subjected to merciless Communist oppression.

The starting point for this Rumanian drama was one of the most flagrant and brutal examples of interference and seizure of a free nation by the Soviets. Two weeks after the Yalta declaration, one of the signatories, Soviet Russia, was ruthlessly crushing the independence of the country with a brazen display of brute force. While 19 Rumanian divisions were fighting alongside the Allies, Vishinsky, backed by the Russian tanks, ousted the legal government of General Radescu and imposed a Communist stooge government of Soviet agents.

It is to the honor of the Rumanian people that after 13 years of Communist terrorism, deportations, slave labor camps, religious persecution, and economic bleeding, their spirit of resistance is still alive today. I am informed that a new huge slave labor camp is now functioning with thousands of miserable, prowestern, pro-American prisoners, in the swamps of the Danube Delta. But in spite of all this the nation's spirit is not vanquished.

The pro-American sentiment of the people is shown on every occasion. For instance, the first day the American exhibition of architecture was recently opened in Bucharest, more than 20,000 despite the risks entailed, visited it.

The Rumanians like other East Europeans are deeply attached to Western culture and aspirations. Notwithstanding the long Soviet Communist occupation and the apparent Western acquiescence in this state of affairs, they are obstinately clinging to their beliefs and hopes in the Free World. This fact is a major problem for the Kremlin throughout East Europe, because its rule requires the periodic deflating of those expectations and hopes. It is for this reason that Moscow tries to induce the United States to officially drop the issue of the status of the Russian controlled Eastern Europe and is continually pressing for a disengagement which would help consolidate the status quo.

The Rumanian people have undergone these last 13 years untold suffering and disillusionment.

On this sad anniversary of the Soviet seizure of Rumania, I convey to its people our hopes and faith that the future will bring to them freedom and liberation.

Failure To Extend Lease Purchase and Further Scuttling of the Program in the Independent Offices Appropriation Bill Means End to Planned, Long-Range Federal Building Program and Eliminates Coordinated, Well-Programed and Expeditious Authorization of Additional Buildings in the Future

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. CRAMER. Mr. Speaker, the failure of the House to act on S. 2261, the extension of lease purchase, since it unanimously passed the Senate early last year has resulted in effectively scuttling the only program recently devised to provide for a planned, well-coordinated program for catching up on the Federal building needs throughout the country which have grown critical because of no program since 1938.

The provisions of the independent offices appropriation bill, that passed the House today, drove the last nail in the casket in which was buried the lease-purchase program, denying the General Services Administration even the authority to go ahead with the program between the passage of the bill and July 1, the effective date of the appropriation bill, when money may be made available by direct appropriation.

The death of lease purchase means that no new projects, outside of the 92 already authorized by the well-planned, soundly programed and simplified method of authorization provided in the Lease Purchase Act, can be authorized by a regular Public Works Committee resolution upon recommendation of the General Services Administration. Any future buildings must go through the long and arduous process of authorization by separate bill, after lengthy individual reviews and reports by the executive branch, that must be acted upon by Congress and finally, an appropriation by separate item action must follow. Incidentally, no such local buildings have been approved in any substantial number since 1938.

There were many projects under active consideration by GSA when lease purchase expired in June 1957; and many others were obviously available for consideration and authorization. All these projects are, for all practical purposes, dead at the present time. I include a portion of the minority report on S. 2261 which sets out a list of these projects, for the information of the Members, hoping that this will clearly demonstrate the concern of the minority over the failure of Congress to extend lease purchase.

That portion of the report follows:

The following is a list of 200 lease-purchase projects (GSA) that were being considered for submission to committees of Congress for approval before Public Law 519, 83d Congress, expired:

Alabama: Birmingham, Montgomery, Tuscaloosa.

Alaska: Anchorage, Juneau, Seward.

Arizona: Holbrook.

Arkansas: Camden, Fayettesville, Harrisburg, Jonesboro, Pine Bluff.

California: Bakersfield; Eureka; Fresno; Los Angeles, FBI; Los Angeles, West; Los Angeles; Menlo Park, Geological Survey; Pomona; San Diego; San Francisco, FSS WHSE; San Francisco; San Luis Obispo; San Mateo; Santa Rosa.

Connecticut: Greenwich; Meriden; Middletown, New Haven, Willimantic.

Delaware: Wilmington.

Washington, D. C.: National Metropolitan Center, etc.

Florida: Gainesville, Jacksonville, Tampa.

Georgia: Athens, Hazlehurst, Thomasville.

Hawaii: Honolulu.

Idaho: Boise, Pocatello, Twin Falls.

Illinois: Alton, Aurora, Belleville, Champaign, Chicago, East St. Louis, Mount Vernon, Springfield, Urbana.

Indiana: Anderson, Indianapolis, Muncie.

Iowa: Ames, Des Moines, Fort Madison, Keosauqua.

Kansas: Great Bend, Topeka.

Kentucky: Benton, Frankfort, Henderson, Lexington.

Louisiana: Baton Rouge, Houma, Natchitoches, New Iberia.

Maine: Portland, Wiscassett.

Massachusetts: Amesbury, Lawrence, New Bedford.

Michigan: Detroit, Grand Rapids, Lansing, Owosso, Saginaw.

Minnesota: Roseau, Virginia.

Mississippi: Jackson, Natchez, Quitman, Tupelo.

Missouri: Independence.

Montana: Billings, Bozeman, Butte, Great Falls.

Nebraska: Lincoln, Nebraska City, North Platte.

Nevada: Reno.

New Hampshire: Concord, Nashua, Portsmouth.

New Jersey: Camden, Morristown, Newark.

New Mexico: Carlsbad, Roswell, Santa Fe, Socorro.

New York: Buffalo, Rochester, Syracuse.

North Carolina: Bryson City, Fayetteville, Lexington, Raleigh, Winston-Salem.

North Dakota: Bismarck, Fargo, Mandan, Minot, Williston.

Ohio: Canton, Cleveland, Columbus, Dayton, McArthur, Youngstown.

Oklahoma: Altus, Durant, Guthrie, Lawton, Wagoner, Tulsa.

Oregon: Medford, Portland.

Pennsylvania: Harrisburg, Philadelphia.

Rhode Island: Bristol, Providence, Westerly, Woonsocket.

South Carolina: Charleston.

South Dakota: Huron, Mitchell, Pierre, Rapid City.

Tennessee: Bristol, Oak Ridge.

Texas: Austin, Corpus Christi, Dublin, El Paso, Ft. Worth, Levelland, Mineral Wells,

San Antonio, San Augustine, Sherman, Texas City, Tyler.

Utah: Ogden.

Vermont: Montpelier.

Virginia: Roanoke, Suffolk.

Washington: Aberdeen, Dayton, Everett, Olympia, Pasco, Richland, Seattle, Tacoma, Vancouver.

Wisconsin: Madison, Milwaukee.

Wyoming: Casper, Cheyenne, Cody, Rock Springs, Worland.

None of these 110 projects may be submitted to the Committees on Public Works since the time for securing approval under the lease-purchase law (Public Law 519, 83d Cong.) has now expired. Passage of S. 2261, as passed by the Senate, is necessary to provide for lease-purchase construction of these projects.

The following is a list of 71 Government-owned sites which may be used for new public buildings lease-purchase projects if Public Law 519, 83d Congress, is extended.

Alabama: Florala, Livingston, Moulton.

Arkansas: Ashdown, Augusta, Harrisburg.

California: Bakersfield, Los Angeles (terminal annex).

Florida: Monticello.

Georgia: Hogansville, Metter, Thomasville, Vienna, Warm Springs.

Illinois: Casey, Eureka, Fairbury.

Indiana: Bicknell.

Iowa: Ames (College Station).

Louisiana: Coushatta.

Maine: Wilston.

Michigan: Dearborn (Monroe Blvd. station), Milan, Tecumseh.

Minnesota: Roseau.

Mississippi: Quitman, Tupelo.

Missouri: Cape Girardeau, Independence, Moberly, St. Louis (Richmond Heights Branch).

Montana: Whitefish.

New Jersey: Carteret, Garwood, Newton.

New York: Dannemora, East Syracuse, Mohawk, Montour Falls.

North Carolina: Scotland Neck.

Ohio: Akron, McArthur, Oak Hill.

Oklahoma: Mountain View, Wagoner.

Pennsylvania: Beaver, Branckenridge, Clifton Heights, Downingtown, Emmaus, Greencastle, Jersey Shore, Newport, Reynoldsville.

South Carolina: Charleston, Lyman.

Tennessee: Etowah, Hartsville, Sharon.

Texas: Dublin, Levelland, Madisonville, New Boston, Orange, San Augustine.

Virginia: Waynesboro.

Wisconsin: Evansville, New London, Tomahawk.

Hawaii: Wailuku.

Passage of S. 2261, as passed by the Senate, is necessary to authorize lease-purchase of construction on the above mentioned sites.

If our lease-purchase program is continued additional needed projects in other locations will be submitted to the committees of Congress from time to time. Projects in which you are interested may be included and added to the list for construction under lease-purchase contract.

It is conceded that, thus far, the operations under Public Law 519 have not come up to expectations, but this is due to several provisions in the law that have resulted in unnecessary inflexibility.

S. 2261, as passed by the Senate, carries amendments designed to eliminate all these difficulties. For instance, the Senate version enables the General Services Administration and the Post Office Department to negotiate with local taxing bodies to reduce taxes on purchase-contract projects or arrange tax exemptions. Certain steps in procedure have been modified in the Senate passed S. 2261; also there is an amendment making it necessary to resubmit projects for committee approval only in instances wherein the cost exceeds estimates by 7 percent or more, thereby speeding up the program of construction.

I trust Congress will this year take some action to provide for a method to continue this much needed Federal building program on a planned, long-range basis.

Summit Spectacle

EXTENSION OF REMARKS

OF

HON. ARCH A. MOORE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1958

Mr. MOORE. Mr. Speaker, for many months we have been following with a great deal of interest the running battle of words flowing between the Kremlin and our own State Department regarding a proposed summit conference. While some of our allies have been clamoring for such a meeting at any price, I have been strongly impressed by the wisdom and logic of Secretary Dulles. He has consistently contended that a top level conference should not be held until the Soviets demonstrate by deeds and not mere words that something constructive might result from a meeting of the heads of state.

Past history indicates only too clearly that there has been more heat than light emanating from the conferences which we have attended at the express bidding of the Soviet leaders. Unless or until Bulganin and Khrushchev are willing to agree to a specific agenda of items to be discussed at a summit meeting, it would seem fruitless to beat the drums for such a conference. We cannot expect our President or the leaders of the other nations to travel half-way round the earth to listen to a mere harangue of Communist charges and counter charges without any hope of constructive accomplishment.

It would now appear that after months of exchanging diplomatic notes we are finally getting through to the Kremlin, and the Soviet leaders are more receptive to a preliminary meeting of foreign ministers to draw up a firm agenda of items to be discussed at a summit conference to be attended by President Eisenhower and the other heads of state. We should not look toward such a meeting as panacea which would solve all the ills of the world, but perhaps it would at least relieve tensions and create a more healthful atmosphere for promoting world peace.

In regard to my own thoughts on this important matter of foreign policy, I would like to call attention of the House to an outstanding editorial commenting on this subject which appeared yesterday, March 13, 1958, in the Fairmont Times, a leading and progressive newspaper published in Fairmont, W. Va., in my Congressional District. The editorial entitled "Summit Spectacle," follows:

The Department of State caught the Kremlin squarely between wind and water with these pointed questions in our latest note on the proposed conference at the summit: "What is the purpose for which a summit meeting would be held? Is it the purpose merely to stage a spectacle? Or is the purpose to take meaningful decisions?"

The barrage of letters from Bulganin has not obscured the fact that what the Russians seem to want is a spectacle. This is shown by their insistence that a preliminary meeting of foreign ministers be strictly limited to drafting an agenda and fixing a time and place for the summit conference. That would commit President Eisenhower and other Western leaders to meet with the Kremlin chiefs without any assurance that there could be agreement on matters of substance. Such a meeting would almost certainly be fruitless. Washington has wisely rejected such limitations on the foreign ministers' meeting.

The rejection included these blunt words: "A meeting of heads of government that was merely ceremonial or social, or which merely repeated promises already given or hopes already expressed would not, in the opinion of the Government of the United States, be warranted."

It is a pity that things have reached this impasse. The world yearns for summit talks that would magically clear the way toward mutual understanding and peace. But such talks are not to be realistically hoped for. The best we can hope for is talks based on firm preparations by the foreign ministers. Until the Russians agree to at least that, a summit conference would be pointless.

Corrections and Additions

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1958

Mr. O'KONSKI. Mr. Speaker, I ask permission to insert at this time corrections and additions to previous speeches appearing in the CONGRESSIONAL RECORD.

In the speech appearing on Thursday, March 18, 1954, I ask that the following sentences be added at the bottom of the speech:

The living conditions of the aged are far worse than living conditions in many parts of the world that our leaders are so concerned about. In fact, many of the countries we are giving billions to have a better old-age pension system than we ourselves have. Where is the heart and conscience of America to treat others better than we treat our very own? Most unfortunately, the majority of Congressmen have toured to other parts of the world, but they have never toured the small communities of our Nation to see the sad conditions under which our aged people are struggling to survive. America would look better in the eyes of the world if we turned our attention to taking care of these people who no longer can care for themselves.

To the speech of Friday, June 23, 1957, I wish to add the following sentences to the end of that speech:

The planes we gave France killed hundreds of innocent women and children in Tunisia. This is just one example of the many where our foreign-aid program has led to murder and has turned the people of the world against us. Yet in the light of this condition, our leaders are urging more and more giveaways of the same type. What a tragedy. Today we are being asked to vote more billions for a foreign giveaway program. I wish to report to the people I represent that I have never voted for this monstrosity, and

the more the world sees of it the more my position has been proved right. How can anyone in good conscience justify giving away more than $130 billion of the people's money only to have the world getting worse and worse instead of better and better?

To the remarks of Thursday, Jun 17, 1948, I would like to add this sentence:

Since these figures were compiled, we must add another $5 billion our Government gave away last year. So the amount that we actually gave away since 1941 is $136 billion. This appears to be just one-half of the national debt staring into the faces of our children and our children's children.

A Much-Needed Bill

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. KEATING. Mr. Speaker, last Thursday I introduced a bill, H. R. 11554, to give credit to those States which have already completed portions of their share of the Interstate Highway System. The principle embodied in this and related measures, now before the House Public Works Committee, is a sound one. If simple justice is to be served, it should be enacted into law in this session of Congress.

This measure will provide equitable reimbursement for New York and other States which have shown the initiative and ability to go ahead on their own in building the Interstate Highway System. The repayment would be achieved by allowing Federal payments up to 90 percent for substitute mileage to be added to the System in place of completed highway mileage.

As of June 30, 1957, New York State had completed nearly 580 miles of the original 1,200 interstate mileage allotment, at a cost of $1,062,600,000. Under terms of H. R. 11554, some $822,800,000 would go to New York in payment for completion of the substitute mileage. This amounts to roughly $50 per person in my State. The payments would take effect beginning in 1960.

Many other States which have forged ahead on their own would also benefit from this legislation. On the overall national level, credit would total about $4,200 million, for 10,859 miles of completed highways.

The pay-as-you-build principle embodied in the original highway bill is a sound and constructive one. Were that more Federal programs were run on such a hardheaded basis. However, we should not let that auspicious start be darkened by allowing later inequities in the distribution of funds.

It is my understanding that when the New York State Thruway and other road programs were begun prior to enactment of the highway bill, it was thought some sort of reimbursement for completed work would later be forthcoming. In all due fairness legislation to provide some form of repayment should be enacted. It would prevent the States which went ahead on their own from being penalized just because they had the foresight to get the job done, instead of waiting for Uncle Sam to provide the money.

As it is, New York State receives its usual short end of the stick under this Federal program. We are the most populous State in the Union. We are the most important business, manufacturing, and commercial State. We rank second in the Nation in number of automobiles and in gas consumption. As a result, New York contributes heavily to the revenues available to the Federal Government for this highway program. As usual, we put in more than we get out. We should at least receive credit for our contributions to the System.

The Federal Interstate Highway System marks a significant forward step in the internal development of our Nation. By drawing together our great industrial and population centers, it provides an important link in times of war or peace. But its worthy purposes and methods should not be used to deprive States which have already contributed to it from getting money for their work.

Because H. R. 11554 and the other identical bills before the Public Works Committee provide a fair and sane answer to the problem of the States which have pushed ahead with their contribution to the Interstate Highway System, it deserves the full support of this committee and eventually of the Congress and the President.

Anniversary of the Birth of Thomas G. Masaryk

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. MULTER. Mr. Speaker, tomorrow is the anniversary of the birth of Thomas G. Masaryk, the founder and first President of the Czechoslovak Republic. It is fitting that we commemorate this anniversary, not only because he was one of the great statesmen and democratic leaders of the century, but also because of his many close ties with this country.

Thomas Masaryk was a close friend of one of our greatest leaders, Woodrow Wilson. Indeed, it was in part through President Wilson's policy of self-determination that the Czechoslovak Republic came into being. The Constitution of the Republic which Thomas Masaryk helped to frame was based in large part on the Constitution of the United States. In many other ways this great man helped bring our two democracies together.

A strong spirit and bond of friendship exist to this day between the peoples of the United States and Czechoslovakia. Unfortunately, the ruthless, aggressive actions of the Soviets have ended free communication with Czechoslovakia. We look forward to that happy day when the undying resistance of this brave nation will triumph over the oppressive domination of the Soviet tyrants.

Address Commemorating 91st Birthday of Nebraska as a State

EXTENSION OF REMARKS
OF
HON. ROMAN L. HRUSKA
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Thursday, March 6, 1958

Mr. HRUSKA. Mr. President, Saturday, March 1, was the 91st birthday of the State of Nebraska. It was particularly appropriate, therefore, that members of the Nebraska State Society, of Washington, D. C., should meet to commemorate the event.

Also in the spirit of the day was a short address delivered to the members of the society by Representative R. D. "Bob" HARRISON of the Third District of Nebraska. In his remarks, Representative HARRISON traced the colorful history of Nebraska to its achievement of statehood on March 1, 1867.

All Nebraskans, Mr. President, take great pride in the initiative and perseverance of those who established our great State on the plains of the Midwest. This pride is well reflected in Representative HARRISON'S remarks.

Mr. President, I ask unanimous consent that the speech, Nebraska Becomes a State, by Hon. R. D. HARRISON, be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEBRASKA BECOMES A STATE
(By Hon. R. D. HARRISON)

Ladies and gentlemen of the Nebraska State Society, it was very kind of you to invite me to talk to you for a few minutes, and you may be sure that the invitation was accepted with genuine pleasure. In the 7 years that I have been in Washington, I have derived very real satisfaction as a member of our State society; I have observed the pleasure we, one and all, obtain from our gatherings. And these meetings and social occasions serve a deeper purpose than mere entertainment: they serve to remind us that we are all sons and daughters of the same mother State; they forge anew the bonds between us, so that wherever in this, the National Capital, we chance to meet, we can say that the meetingplace is constructively, for the time being, Nebraska soil.

I should like to talk to you for a few minutes this evening on the origin and beginnings of our statehood: I feel the more confident, not because of my own powers, but in my choice of topic, for that subject must always be of interest to us Nebraskans.

I take it that all of us know the origin of our State's name; still, "just for the record," as we say on the Hill, I will quote briefly from that admirable book on Nebraska in the American Guide Series:

"In 1842," we read, "Lt. John C. Frémont led an expedition to explore the country lying between the Kansas and Platte Rivers. On his return, he attempted to descend the Platte, but gave up the venture after dragging his boat for 3 or 4 miles over the sandy

bottom of the river. In his report to the Government he wrote: "The names given by the Indians are always remarkably appropriate; and certainly none was ever more so than that which they have given to this stream—the Nebraska, or Shallow River.'"

Recent finds in the western portion of the State point to the existence of an extremely ancient culture, estimated by conservative scientists to have existed some ten to twelve thousand years ago. These archeological discoveries whose type was first unearthed near Folsom, are known as the Folsom Culture. As for the historic Indians, at the time of the Lewis and Clark expedition in 1804–06, the Pawnee was the largest indigenous tribe of Nebraska Indians, their number probably reaching 10,000. There were four divisions, but after 1804 these united to form the Great Pawnee Nation. After various treaties with the United States Government, the Pawnees in 1875 finally ceded their Nebraska reserve and removed to Indian territory in Oklahoma.

In 1541 the Spanish adventurer, Francisco Vásquez Coronado, with 30 soldiers, moved northeastward from the Arkansas River under the guidance of the Indian Ysopete. The conquistador was seeking the Quivera—a land to the northwestward where, according to the fantastic report of a plains Indian, living as a captive at Pecos pueblo, gold was so common that the natives did not care anything about it. The old Spanish conquistadors were motivated by lust for that metal quite as much as by missionary zeal, and they were completely taken in by the report of the Indian captive who was, of course, by way of revenge, gloriously spoofing them.

The party marched for 40 days and at last came upon an Indian village somewhere near the present Kansas-Nebraska line. Here the adventurers heard of a large watercourse farther to the north—presumably, the Platte. From here, the white men moved eastward and may have reached the Missouri River. Though Coronado claimed actually to have found the mysterious kingdom of Quivera, it is not known just where he thought he had discovered it: the Republican River Valley in Nebraska has been named as the most likely place. Certainly the old conquistador found no gold; he and his followers, however, could probably claim to be the first white men to have set foot in what is now Kansas and Nebraska.

For the next two and a half centuries the region was occasionally entered by both Spanish and French explorers and by French traders and fur trappers. France's claim to the entire vast territory drained by the Mississippi was finally established by the Sieur de la Salle, who in 1682 explored the basin of the mighty river and took posession in the name of the French Crown.

American interest in the Kansas-Nebraska territory dates, of course, from the Louisiana Purchase in 1803 and the explorations of Meriwether Lewis and William Clark in 1804–06. Many of the earlier explorers were far from impressed by the region—indeed, from some reports, one would gather that it formed part of the Great American Desert. In these early years of American possession much of the exploration and all of the earliest settlements were connected with the fur trade. Manuel Lisa established the first fur-trading post at Fort Lisa in 1807, near the site of the present village of Fort Calhoun. Fort Atkinson served as a military post in the same area. Bellevue on the Missouri, in the present day Sarpy County, became the nucleus of the first permanent white settlement in 1823.

In 1834 Nebraska had been included in that territory designated by Congress as Indian country, from which all white men were excluded except the military and certain agents and officials who had special Government authorization. In 1844 Stephen A. Douglas introduced the first bill to create a Nebraska Territory. Not succeeding, he introduced similar bills in 1848 and 1852. By this time the slavery versus antislavery agitation had reached the boiling point, which was to lead to the fiery ordeal of the rebellion. After a conference at the White House with President Pierce and his Secretary of War, Jefferson Davis, Douglas submitted to the Senate one of the most fateful measures ever to reach that body. This was the Kansas-Nebraska bill. Instead of creating a single territory of Nebraska, the new bill provided for two territories, divided by the 40th parallel: Kansas, to the south, to admit slavery, while Nebraska to the north would probably be free soil. The new bill repealed the ancient, time-honored Missouri Compromise of 1820, declaring it inoperative and superseded by the legislation of 1850 (Clay's, Webster's, and Calhoun's famous compromise). The bill became law with the signature of the President, May 30, 1854. It is unnecessary to dwell upon the terrific storm which this ill-starred legislation provoked: suffice to say, that no measure laid before the Senate since the Jay Treaty with Great Britain in 1795 ever stirred such bitter opposition; that it was the greatest single concrete factor which made inevitable the looming Civil War, and that its consequences to the States, the Nation and the world were immeasurable and are felt to this very day and hour in which I speak.

So the great war came, and all else was forgotten in the fierce struggle on the part of the North to save the Union.

The war over, the thoughts of the people of the Nebraska Territory turned toward statehood, and after a long and acrimonious controversy involving considerations both of expense and national political questions, Nebraska at last became a State, March 1, 1867. A new State constitution was adopted in 1875, and revised by constitutional convention in 1920. The most magnificent subsequent revision was the adoption of the unicameral legislature, which became effective in 1937, and which was largely due to the unremitting efforts of George W. Norris.

In these brief moments at my disposal it is obviously impossible for me to offer, even in barest outline, the history of our State. This much, however, can be said in conclusion: As Nebraska nears the century mark of her admission to the Union, we may look back with pride and affection upon the noble, truly heroic record of our pioneer forebears—indeed, we feel we can claim that the pioneer spirit has not departed from our midst; we hail with equal satisfaction the advances, scientific and commercial, intellectual and cultural, of the modern generation, and we feel we can honestly claim that we have lived up to, and shall continue to exemplify, the noble motto of the State: "Equality Before the Law."

I thank you.

Thomas Masaryk: Man of Ideals

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. RODINO. Mr. Speaker, March 7 marks the 108th anniversary of the birth of a man of great ideals, the founder of the Czechoslovak Republic, Thomas Masaryk. Although the life of that republic was short lived, nonetheless, the name of the man who gave it creation will live long in the memory of all of us.

I know that the people of the world who hold sacred the ideals of freedom and independence, which inspired Masaryk, join with me in the hope and prayer that the bells of freedom will ring out once again for the subjugated nations of the world. I know, too, that Americans of Czech origin and the people who inhabit that part of the world look eagerly forward to that day.

It is my privilege on this anniversary date to salute those Americans who claim kinship with Thomas Masaryk and join with them in just reverence to his memory.

Statement by Hon. John Lesinski, of Michigan, Upon Introduction of the Bill To Provide That Only 32 Hours of Service Need Be Performed by Postal Employees During Any Week in Which a Holiday Falls

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. LESINSKI. Mr. Speaker, I introduce for appropriate reference a bill which would provide that no more than 32 hours of service would be required from postal employees during any week in which a holiday falls.

Mr. Speaker, on February 5, the Comptroller General of the United States ruled that employees who rendered service on a Saturday which also is a holiday are entitled to compensatory time and also to holiday benefits.

Under this ruling the Post Office Department has held that the benefits of the ruling could be applied only to those people actually scheduled for duty on the holiday. The Post Office Department has informed employees that the law does not grant Saturday holidays, and that accordingly the day cannot be treated as it would were it to fall between Monday and Friday. At the same time, the Comptroller General has said that to deny holiday benefits to employees working on holidays is contrary to the basic concept of the law.

In the postal field service, the handling of the mail on a 24-hour around-the-clock basis frequently disrupts what otherwise would be a holiday schedule. Employees who work on "swing" and "graveyard" shifts find it difficult to understand that just because they may be scheduled off on a holiday which also is a Saturday, they should be required under the Comptroller General's decision of February 5, to perform an additional period of service.

Accordingly, I have introduced today a bill which would make sure that holidays would be granted equally to all postal employees, regardless of the day of the week upon which they happen to fall. This would be accomplished through the simple expediency of requir-

ing that no more than 32 hours of service would be required during any such week. In the event that more than 32 hours of service were to be required, compensatory time would be granted within the benefits and provisions of existing law.

Mr. Speaker, I believe that the idea embodied in my proposed amendment is necessary to the smooth functioning of the postal service. I hope that early action can be taken.

Trinity River

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. MILLER of Nebraska. Mr. Speaker, I sent a letter to the senior Member of the other body from California relative to the Trinity River project in that State. It seems certain that reclamation in California will be struck a deadly blow unless the partnership plan is adopted in which the power revenues would aid and assist reclamation in the Central Valley project.

The irrigators of the Central Valley project should be keenly aware that unless this partnership plan is adopted that there will be less money to assist them in the payoff on reclamation. If the Government develops the Trinity River power project, it will be selling power for less than the cost of production. The partnership plan would help reclamation in California.

The letter follows:

FEBRUARY 19, 1958.

The Honorable WILLIAM F. KNOWLAND,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KNOWLAND: It was with a great deal of satisfaction that I read your recent statement expressing emphatic approval of the partnership plan of joint development of the power facilities at the Trinity River project in California.

This indicates your usual sound and courageous thinking on matters of this kind. You have again demonstrated to my mind that you reflect the views of the majority of sound thinking people, not only in California, but in the rest of the Nation.

In this connection, I would like to call your attention to an excellent factual study of the Trinity case which has just reached my desk. I refer to the last bill analysis, dated February 18, 1958, which has been issued by one of the Nation's leading nonpartisan economic research organizations, the American Enterprise Association of Washington, D. C. These are the same bill analyses which deal with the pros and cons of current legislation and which are regularly circulated among a large number of the Members of Congress.

Though there are points which can be stated on both sides, the bill analysis shows clearly that the only sound course is to pass legislation which will permit joint developments of the power features of the Trinity project. I might say that I was particularly impressed with this document on the views favorable to joint development by professors at Harvard University and University of Chicago—two of our top-ranking institutes of higher learning.

There is one feature of the bill analysis which was pointed up very forcefully and which disturbs me greatly. It is the simple fact that under all-Federal development the power feature at Trinity would actually be a drain on the California Central Valley project. The document shows that if this procedure is followed in California and other parts of the West, reclamation would receive a body blow.

You realize, of course, that historically power has been regarded as the paying partner of reclamation. As you know, the very act authorizing the Central Valley project provides specifically that power revenues shall aid and assist the water features of the project. I am also pleased to add that the Secretary of the Interior was specific on this same point when he appeared before our committee on February 3, 1958.

It is important for all of us who are truly interested in reclamation to recognize that an all-Federal project at Trinity would reverse this historical pattern and thus hit reclamation a deadly blow. I might illustrate in terms of a proposal now before our committee, which concerns the San Luis project in your State. This project, as you know, would require substantial financial assistance from the Central Valley project. If this assistance is jeopardized by an all-Federal Trinity development, the prospect at San Luis would be bleak indeed.

On the other hand, joint development would provide substantial additional revenues to the Central Valley project which, together with Federal taxpayments, would assist materially other projects in California and the West.

This question of assistance to reclamation is no small one. For example, testimony by the Secretary of the Interior and others before our committee (the same matter is clearly analyzed in the bill analysis to which I referred before) emphasized the fact that Federal power at Trinity would be sold at an average of 4.6 mills per kilowatt-hour which is only slightly above half its production cost of 8.9 mills. This is equivalent to a loss to the Federal Government of about $4 million annually which would be just the reverse of the intended function of power facilities.

Each of us is vitally interested in reclamation in his area. In my general territory, there are many projects contemplated in the Missouri Basin, the upper Colorado River and so on. If the unsound principle of selling power from reclamation projects at less than Government cost is applied to other projects in the West, there can be only one result: Our water needs will go unfilled, and our States' economic growth will be stunted. That would be a terrible price to pay for a mistaken power policy. Let me add that the bill analysis already mentioned supports about the same conclusion.

Similarly, may I call your attention to the way in which joint development at Trinity would help meet the Nation's temporary unemployment problem. We have a huge national debt. This cannot be allowed to rise without limit. Joint development at Trinity would save the Government $60 million, which means that employment-generating reclamation projects now held back for lack of funds could get the go-ahead again to the extent of $60 million if Congress approves the partnership plan advocated by the Secretary. Some of the presently excluded reclamation projects are in my territory, and some are in your State. You know, for example, of the problems connected with California's Sacramento Valley canals. These canals were authorized by our committee, but I can't help wondering how the funds for the canals would be obtained when the Appropriations Committees of Congress realize that $60 million in reclamation funds were unnecessarily diverted to Trinity power facilities, especially when such division actually results in such power being sold at less than cost, thereby draining off some of the financial assistance required for the canals unit.

Again, I want to express my appreciation of your generous interest in reclamation and water conservation. I am sure your State and the West will be in much better position to secure needed reclamation funds if your counsel is heeded. I am sure that many thoughtful people in your State and throughout the West will applaud your forthright stand in the interest of reclamation and needed water resources development.

Sincerely yours,

A. L. MILLER,
Member of Congress,
Fourth District, Nebraska.

National Farm, Business, Organization Leaders To Meet on Rural Development Program

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 6, 1958

Mr. CURTIS of Missouri. Mr. Speaker, under leave to extend my remarks, I wish to comment on the announcement of a most important rural development program conference to be held June 16 and 17, in Memphis, Tenn. We have the opportunity to lend encouragement and offer suggestions to this meeting. The progress of this program in less than 3 years is most encouraging.

It is a program which adds strength to our total Nation as low-income rural families and families on small farms attain more adequate incomes.

For example, the great metropolitan area of St. Louis, which I serve, draws many of its workers and leaders from rural areas where there is underemployment and small farms. These people serve best the cities and industrial centers when they have grown up with adequate medical care and received more education than is now usually the case.

Also, every town, city, and trade area is aware of the fact that the 1.5 million farm families with $1,000 or less of income per year are not very large customers for all the goods and services that most families are able to enjoy.

The private citizens and nongovernmental organization representatives who gather in Memphis will discuss ways in which they can be even more effective in helping move the rural development program forward. Its success depends upon the way in which State and local leaders team up and make a determined effort to get at the problems of underemployment in rural areas.

I serve on the Agricultural Policy Subcommittee of the Joint Economic Committee. We held very extensive hearings this winter. At the conclusion Senator

SPARKMAN, our chairman, issued a statement for our committee which, in discussing low-income farm families in agriculture, said in part:

The third problem is the need to develop local nonfarm resources and otherwise to assist farm-reared people who have poor opportunities in agriculture to earn income in other ways. The need is to assist farm people in making a normal change reaching back to Colonial days. But there is no implication that any program should try to push people out of farming * * *.

Development of local nonfarm resources, vocational training, and improved employment information and assistance are among the means suggested for widening the employment opportunities for farm-reared people.

Missouri is one of the 30 States in which there are pilot or demonstration counties. There are some 1,000 counties in the Nation in which farms are small or land is poor and fine farm families need more income. This is not a new problem. It has existed all down through the years—but now an effective program is underway. All of us have an obligation to lend the rural development program support and encouragement. We should applaud especially private citizens and organizations for the fine work they are doing.

NATIONAL FARM, BUSINESS, ORGANIZATION LEADERS TO MEET ON RURAL DEVELOPMENT PROGRAM

National farm, business and organization leaders will meet in Memphis, Tenn., June 16 and 17 to review progress in the rural development program, and the contribution private groups are making to the work now going forward on a demonstration basis in 30 States.

The conference is being called by the Committee for Rural Development Program, which includes Under Secretaries of five Federal departments, the Administrator of the Small Business Administration and a member of the President's Council of Economic Advisers. The chairman, True D. Morse, Under Secretary of Agriculture, issued the announcement on behalf of the committee.

It is expected that all major national organizations working in such fields as agriculture, business, labor, education, conservation, health, welfare, youth programs, and religious affairs will be represented at the Memphis conference.

During the 2-day meeting, individual speakers and panel members will appraise the importance to the Nation of increased incomes and opportunities for families in rural areas of underemployment and small farms. They will also suggest ways in which private citizens and nongovernmental organizations can help on rural development programs.

Speaking for the Committee for Rural Development Program, Under Secretary Morse said the following would be among the main topics of discussion at the meeting:

Social and economic effects of underemployment among farm families.

Industrial development in rural areas.

Education beyond the high school for rural youth.

Contribution of service and civic clubs to rural development.

Role of churches and religious organizations.

Participation in rural development programs by private banks and businesses and their organizations.

Importance of participation by youth organizations.

Communications media as means of encouraging interest in local programs.

The rural development program is a cooperative Federal, State and private effort to promote balanced economic development in rural areas with substantial numbers of underemployed people. On January 1, 1958, some 100 counties in 30 States were participating on a demonstration or pilot basis. Planning and program organization are going forward in many other rural counties as well.

The forthcoming meeting will be held at the Peabody Hotel in Memphis.

Committee for Rural Development Program, Washington, D. C., is made up of:

O. Hatfield Chilson, Under Secretary, Department of Interior.

True D. Morse, Under Secretary, Department of Agriculture (chairman).

Walter Williams, Under Secretary, Department of Commerce.

James T. O'Connell, Under Secretary, Department of Labor.

Dr. John A. Perkins, Under Secretary, Department of Health, Education and Welfare.

Wendell Barnes, Administrator, Small Business Administration.

Dr. Josph S. Davis, Member, Council of Economic Advisers.

The Omnibus Rivers and Harbors and Flood-Control Bill

EXTENSION OF REMARKS

OF

HON. JOHN F. BALDWIN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1958

Mr. BALDWIN. Mr. Speaker, considerable opposition has developed to section 205 of S. 497, the omnibus rivers and harbors and flood-control bill, which will be considered by the House of Representatives next week. Serious objections to this section have been voiced by the American Farm Bureau Federation and by many States. Section 205 deals with water law. The major objections to section 205 have resulted from its broad and loose general approach to the problem. In order to give recognition to some of the objections which have been raised to this section, it is my intention to offer an amendment to section 205 when this bill is under consideration by the House of Representatives.

The language of my amendment is much preferable to the language in S. 497, since this revised language provides for the establishment of definite standards and guides for the Corps of Engineers and the Secretary of the Army to follow in connection with development of water supplies in Federal reservoirs on such important matters as consultation with the States and the Public Health Service, repayment periods, interest rates, provision for future needs, and modification of authorized projects to provide for water-supply storage. The need for these provisions to be spelled out in legislation is self-evident. The adoption of the generalities contained in section 205 (b) and (c) of S. 497 could result in administratively established standards which could set up a program far different from that contemplated by the Congress as being necessary to meet the Nation's need in the future; a program which could be in direct conflict with the standards of section 9 of the Reclamation Project Act of 1939 which governs the development of water supplies in connection with Federal reclamation projects, and which could touch off another round of competition between the Corps of Engineers and the Bureau of Reclamation over which agency will construct water-supply projects. The language in my amendment will minimize conflicts, and establish a program which will permit Federal participation in the development of water supplies on a sound basis.

The wording of my amendment is as follows:

On page 102 of S. 497, beginning with line 13, strike out all of section 205, ending on line 20, page 103, and substitute in lieu thereof the following new section:

"SEC. 206. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or multiple-purpose projects.

"(b) In carrying out any authorized navigation or flood-control survey, or review investigation, involving improvements which may be useful in developing water supplies, the Corps of Engineers shall consult with the State or States affected and the United States Public Health Service, Department of Health, Education, and Welfare, with a view to including in the reports thereon submitted to Congress, plans for the development of water supplies for domestic, municipal, industrial, and other purposes, and such reports shall include the views and recommendations of the States and the United States Public Health Service on the plans for water supply. Features for providing water supply storage capacity, facilities, or services may be included in any navigation, flood control, or multiple-purpose project recommended for construction by the Corps of Engineers, subject to the following provisions of this section.

"(c) Before construction of any project including water-supply provisions is completed, State or local interests shall agree to pay the costs allocated to water supply. Such costs shall be determined by the Chief of Engineers in such manner that all authorized purposes served by the project shall share equitably in the benefits of multiple-purpose construction. The schedule of payments by States or local interests of such costs may provide either for paying the share of the construction expenditures during construction of the project, plus annual payments for operation, maintenance, and replacement costs as incurred; or for equal annual payments for the construction costs, and interest on the unpaid balance, plus annual payments for operation, maintenance, and replacement costs as incurred: *Provided*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable

for redemption for 15 years from date of issue.

"(d) The plans for any authorized navigation, flood control, or multiple purpose project on which construction has not been initiated, or any existing project, may be modified or its operation changed by the Secretary of the Army to provide additional storage capacity, facilities, or services for water supply as he considers reasonable: *Provided*, That before construction is completed, or in the case of projects under construction or completed, before changes for the benefit of water supply are made in the project, or before operation is modified in the interest of water supply, State or local interests shall agree to pay the costs allocated thereto as provided in subsection c of this section: *Provided further*, That such modifications which would seriously affect the purposes for which the project was authorized or constructed or which involve major structural or operational changes shall be made only upon the specific authority of Congress.

"(e) The plans for any authorized navigation, flood control or multiple purpose project on which construction has not been initiated may be modified to include provisions for future water supply when directed by resolution by the Public Works Committee of the Senate or of the House of Representatives, or when approved by the Secretary of the Army upon recommendation of the Chief of Engineers: *Provided*, That the cost of such provisions for future water supply shall not be more than 30 per centum of the total estimated cost of the project and reasonable assurance is given by States or local interests that the use of the future water supply provided for will begin within not more than 10 years after the time the project is first available for the storage of water for water supply purposes, and that necessary water rights for such use have been or can be obtained: *Provided further*, That States or local interests indicate a willingness to pay for such water supply in accordance with subsection c above, beginning when the water supply is used, and costs allocated to water supply shall be repaid within the economic life of the project, but not to exceed 50 years after the time the project is first available for the storage of water for water supply purposes: *And provided further*, That in arriving at the costs to be repaid, the interest charges on the initial cost of provisions for future water supply during the period until the water supply storage is used will not be included, but in no case will the interest-free period exceed 10 years.

"(f) Responsibility for complying with any applicable State law relating to water supply or water use shall rest with the State or local interests contracting to pay the costs allocated to water supply or utilizing the water supply services.

"(g) That part of the second proviso of the first paragraph of section 5 of the Flood Control Act of June 22, 1936, as amended (33 U. S. C. 701h), pertaining to modification of reservoir projects is hereby repealed, except as to contracts and agreements in force at the date of this act."

Antitrust Laws for Labor Unions

EXTENSION OF REMARKS
OF
HON. EDWARD MARTIN
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, March 6, 1958

Mr. MARTIN of Pennsylvania. Mr. President, our distinguished colleague, the senior Senator from Maryland [Mr. BUTLER], delivered on the Dean Manion Forum an outstanding speech which should have the thoughtful consideration of every American.

Too many Americans—labor leaders, industrial leaders, agricultural leaders, and intellectual leaders—seem to be advocating the philosophy of prosperity at any price, soft living, and the get-rich-quick theory.

I ask unanimous consent to have the address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Senator BUTLER. Thank you, Dean Manion. At the outset, let me make this perfectly clear: I know the vast majority of men and women constituting organized labor are as dedicated to the perpetuation of the free-enterprise system as I am.

However, in far too many cases our citizens have formed opinions about the American economy and the integrity of its leaders from statements by certain labor bosses and political demagogs.

In this time of crisis, when the fate of humanity hangs by a thread, our military security requires a strong domestic economy. We must produce a larger national income in dollars of constant value so that the increased burdens of defense can be borne without reducing the American standard of living.

This will require hard work. We cannot afford to continue to generate inflationary pressures. Unions cannot force round after round of wage increases which greatly exceed the increase in the productivity of our economy without jeopardizing our security.

Yet, with the threat of more inflation on the horizon, the well-worn legend that business has been reaping excessive profits is once more abroad in the land. As usual, in the forefront in advancing this charge is CIO President Walter Reuther. His accusations, and the facts concerning wages and prices, need careful examination.

Some people forget that the compensation of employees is not only income to the employee, but also a cost to the employer. It must be recovered in the price charged the consumer or we shall have neither employers nor employees.

An examination of the distribution of the increase in the national income through the last decade shows that for every additional dollar of corporate profits after taxes, employees receive an additional $40.

Furthermore, labor's share of the total national income rose from 65.3 percent in 1947 to 70.3 percent in 1956. On the other hand, corporate profits after taxes dropped from 9.3 percent of the national income in 1947 to only 6.1 percent in 1956.

If all corporate profits before taxes in 1956 had been paid as additional compensation to employees, their total income would have been increased by less than 18 percent. However, if there were no corporate profits, the Government would have received $22 billion less from corporate income taxes.

With the existing level of Government expenditures, higher personal income and consumer excise taxes would have been required. Since income taxes in the upper brackets have already reached the point of diminishing returns, most of this increase would of necessity have been imposed on lower-bracket taxpayers.

All of this goes to show that the profiteering legend will not stand up as an explanation for the inflation that besets our economy.

From my close observation of Reuther's political interests, I am convinced that he regards the bargaining table as a platform for the acquisition of political power. His statements clearly show that if he were in a position of greater political power, he would attempt to destroy competitive capitalism.

For a concrete example, we need only to turn to Mr. Reuther's latest proposal to the automobile manufacturers. He advocates that 50 percent of all profits in excess of 10 percent of invested capital before taxes be shared evenly between workers and consumers. He alleges that, under such a procedure, in 1956 General Motors workers would have received $286 million in additional compensation and that consumers of its products would have received a rebate of the same amount. What he fails to say, and this is an important point, is that corporate income taxes for this one firm alone would have been approximately $300 million less.

HAS BIG BROTHER COME OVER THE HORIZON?

If Mr. Reuther's plan were universally adopted, the Government would lose upwards of $4 billion in corporate tax revenue. Incredibly, he must now vision himself as an economic dictator representing consumers, stockholders, workers, and citizens alike. In fact, he would supplant the Congress of the United States in determining the Government's revenue.

Obviously, this is more of Mr. Reuther's special brand of economic hogwash—all of which is pointed to an eventual destruction of the free-enterprise system. His statements are propaganda in its most vicious form.

Before the advent of pattern bargaining, lower prices for all Americans were the result of improved technology and increased capital investment. Every individual had an opportunity to advance further through experience and the development of superior skills. In recent years, however, national productivity has been preempted by certain union agreements. Labor costs have outdistanced national productivity, thus forcing prices to rise.

As a result, Government employees, retired people and farmers have suffered a great disadvantage. The efforts of these groups to equalize their position with organized labor has placed additional demands on budgets at all levels of Government. Increased labor costs require additional appropriations for Federal expenditures on defense materiel, one of the largest items in the Federal budget.

Similarly, the budgets of local and State governments have been strained to equalize the compensation of firemen, policemen and schoolteachers. With limited tax resources, some have pressed for Federal aid to education and other grant-in-aid programs to States and local communities.

Meanwhile, price increases for manufactured goods have depressed the parity index for farm products. This automatically results in great expenditures by the Federal Government under our price-support programs. The harassed taxpayer is thereby denied needed relief.

This is the deadly circle of inflation and economic intervention by government; it must be broken. After careful study, I have concluded that the first step in reversing this dangerous trend is to make it impossible for any group to exercise monopoly power.

Let no one misunderstand my position. I am opposed to monopoly—so much so that I have publicly stated that I would support legislation to have our antitrust laws apply to all segments of our economy. I would even make them apply to unions which were granted exemptions for many of their activities by the passage of the Clayton Act in 1914.

Certainly labor unions with millions of members, and controlling the investment of many billions of dollars through welfare funds, are in a position to exert monopoly powers.

BIGNESS NO CRIME; MONOPOLY—SOMETHING ELSE

I steadfastly believe that the antitrust laws have made this country strong. They have given us the competitive society upon which our future rests. I do not believe that bigness and monopoly are synonymous.

The Congress, during the 67 years since the Sherman Act was placed on the books, has never adopted legislation making bigness a crime. Repeated decisions of the United States Supreme Court have also stated that bigness per se is not a violation of the antitrust laws. I am interested in strengthening these laws so as to preserve a vigorous competitive society. We cannot operate in the world of today without big business.

However, some labor leaders primarily interested in exercising political power have attempted to justify their activities on the basis that they are working for the good of the entire economy to increase purchasing power by the device of raising wages.

Prof. Edward H. Chamberlin, one of the most distinguished economists of our generation, has just made a detailed study of the economics underlying this theory. Professor Chamberlin's views are of particular interest to those concerned with monopoly. He was the originator of the phrase "monopolistic competition". His theories have influenced economists, legislators and businessmen since the late 1930's. In his most recent study, Professor Chamberlin said:

"Whoever receives a higher money income gains relative to others who do not, and there is nothing in the argument to indicate why union laborers any more than anyone else should be chosen to have the agreeable privilege of mysteriously spreading prosperity in this way.

"But since some laborers (and some other elements of society) have more power to raise their money income than others (some, such as receivers of contractual incomes, life insurance beneficiaries, pensioners, etc., have zero power) those who have more power gain at the expense of those who have less. The interest of those who gain is hardly to be identified with the whole, if the whole includes also those who lose."

This statement is in complete contradiction to Mr. Reuther's high-sounding economic theories. His carefully designed scheme to replace our competitive enterprise system with variegated socialism, or Reutherism, as I choose to call it, must be nipped in the bud. The doing will require the wisdom, cooperation and patience of government, labor, management and the general public alike.

It is my considered conviction that we must now establish equality of treatment before the law for all organized groups in our economy—labor as well as business.

During the early days of the labor movement, there may have been some justification for labor unions receiving special treatment under the antitrust laws. Today, they have great financial resources and exercise vast political and economic power. Special treatment is no longer justified.

Favorable Prospect for Action on Food Stamp Plan

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1958

Mrs. SULLIVAN. Mr. Speaker, I want to take this opportunity to express my thanks publicly to the distinguished chairman of the House Committee on Agriculture [Mr. COOLEY], for arranging for early consideration by an appropriate subcommittee of the proposal which I have been urging for so many years for establishment of a food-stamp plan for the distribution of some of our vast stores of surplus food to needy Americans.

Congressman COOLEY went on record in the House last year in favor of this legislation at the time I attempted to have it enacted as an amendment to Public Law 480, the law under which we now give away surplus foods here and abroad—particularly abroad. He promised me then he would see to it that the committee took up the bill this year, and he renewed that promise to me in recent weeks.

Now I am very pleased that Chairman COOLEY has turned this matter over to the Consumers Study Subcommittee headed by Representative VICTOR L. ANFUSO, of New York. Mr. COOLEY, Congressman ANFUSO reported to us yesterday, has given that subcommittee "the green light," to proceed on this issue.

And I am also pleased that the subcommittee chairman has demonstrated his personal interest in this matter by introducing a bill based on the measure which I drafted and first introduced 4 years ago last month, and which I have been reintroducing with some modification in each succeeding Congress.

FOOD STAMPS WOULD GO AUTOMATICALLY TO NEEDY

This is the type of food-stamp plan, incidentally, which most of the Democratic Members present on the House floor last year voted for when I submitted it as an amendment to the bill extending Public Law 480. It is the type of plan which I am happy to say the Democratic platform of 1956 promised.

The idea incorporated within the bill is simplicity itself. In each State or political subdivision participating in the program, needy persons meeting eligibility standards would automatically receive food stamps redeemable for specified quantities of whatever surplus foods were available for distribution.

Primarily, the food stamps would be intended for persons and families on various forms of public assistance, but other needy persons would also be included, particularly during periods such as the present recession when many families are in real want but cannot qualify for public assistance if they include employable persons—even if the employables cannot find employment.

PRESENT DISTRIBUTION PROGRAM UNSATISFACTORY

The plan outlined in my bill would replace the present hit-and-miss program now in effect—a very unsatisfactory program—for distribution of some surpluses to the needy in States which have substantial unemployment. The unsatisfactory nature of the existing program has been pointed out time after time by officials of the States and localities which are participating in it. In many instances, it costs the State or city more to distribute occasional packages of free food than the food itself is worth.

A national food stamp plan would not only get the food to more of the people who really need it—and I have some amazing figures covering that point which I intend to present to the subcommittee at the appropriate time—but it would do it a whole lot more efficiently and at less cost than this present hit-and-miss program which is primarily a food dumping program rather than an aid-the-needy program.

The Department of Agriculture seems interested only in finding the quickest way of disposing of as much of its surplus as possible, rather than in having this food used to maximum advantage by the needy here at home. That is apparently why most of the Department's emphasis on surplus distribution has been on shipping huge quantities of it abroad to whatever country will "buy" it with local currency which is then returned to the "customer" in the form of additional foreign aid.

I am not against the Public Law 480 program. But I do think the Congress has up to now been too quick to go along with Mr. Benson's foreign dumping programs without insisting at the same time that he also help feed our own hungry through a sensible food stamp plan.

That may be a little harsh to say, Mr. Speaker, particularly since my purpose in making this statement is to congratulate the fairminded chairman of the House Committee on Agriculture for starting the ball rolling on this and turning it over to a subcommittee for early action.

I hope all Members who are conscious of the large number of needy persons in their districts will take the time and trouble to look into this matter and join in support of legislation to launch a meaningful program of surplus food distribution to our needy.

MUCH BACKGROUND MATERIAL AVAILABLE

There is a lot of material available on this subject for those who care to look into it.

In addition to the many speeches I have made on it in the House since introducing the bill originally on February 12, 1954, including the debate on my amendment last year on the extension of Public Law 480, further information can be found in the testimony which I presented to the Committee on Agriculture during special hearings on this matter in both the 83d and 84th Congresses. Two years ago, furthermore, we had a day of hearings before the Senate Finance Committee on proposals to include this plan as part of the public welfare programs under the social-security law. And last year I testified on it before the Humphrey subcommittee of the Senate Committee on Agriculture when that group was holding exploratory hearings on long-range proposals for improving the Public Law 480 set-up.

I am grateful that many Members over these past 4 years have joined me as cosponsors of this legislation, either using the same bill which I drafted in 1954 or the revised version which is H. R. 949

in this Congress, or else using the overall features of my bill but revising it to incorporate additional ideas. Substantially all of these bills are identical, however, in proposing a plan which would give to all of our needy—and there are unfortunately millions of persons in our Nation who could be included in that term—an opportunity to share in our great abundance by receiving regularly on a systematic basis some of the surplus foods we are acquiring under the various Government-aid programs for agriculture.

NEEDY IN ALL STATES COULD SHARE IN PLAN

Every State has many, many persons who would be eligible under my bill. In most States, most such persons are not now receiving surplus food. In some States, distribution is very broad in some localities, but does not include other localities. A national food stamp program would make it possible for all States and all local communities to participate, thus assuring some of this food for each eligible person.

The best way to achieve this distribution, of course, is through the regular channels of trade, although I leave that detail open in my bill. The point is we are trying to get food to people not now getting enough to eat.

Mr. Benson has refused to show any interest in or concern for this type of program. The administration generally opposes it. I am afraid we will have to force it upon them.

Mr. Speaker, because of the growing interest in the food stamp plan in all parts of the country and, I am sure, in every Congressional District, as a result of widespread distress in our economy, I include the text of H. R. 949 in these remarks so that it can be seen how the plan would actually operate.

The bill is as follows:

(In the House of Representatives, 85th Cong., 1st sess., January 3, 1957, Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture.)

H. R. 949

A bill to provide for the establishment of a food stamp plan for the distribution of $1 billion worth of surplus food commodities a year to needy persons and families in the United States.

Be it enacted, etc., That in order to promote the general welfare, raise the levels of health and of nourishment for needy persons whose incomes prevent them from enjoying adequate diets, and to remove the specter of want, malnutrition, or hunger in the midst of mountains of surplus food now accumulating under Government ownership in warehouses and other storage facilities, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

SEC. 2. In carrying out such program, the Secretary shall—

(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of the act; and

(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

SEC. 3. The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

SEC. 4. Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

SEC. 5. In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to $1 billion based on the cost to the Federal Government of acquiring, storing, and handling such food.

SEC. 6. The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however*, That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

SEC. 7. For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

SEC. 8. The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

SEC. 9. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The National Guard

EXTENSION OF REMARKS

OF

HON. JAMES P. S. DEVEREUX

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 6, 1958

Mr. DEVEREUX. Mr. Speaker, before the Armed Services Committee of this House, representatives of the Department of the Army are unfolding their plans for a drastic reduction in the Reserve forces of this country to meet the limitations imposed by the budget of the Department of Defense.

The Army National Guard is the principal victim of the proposed force reduction. In April 1957 as the result of intensive efforts to increase the strength of the National Guard, it stood at an all-time high active strength of 434,000 men and officers. The Department of Defense then ordered it reduced to 400,000 by December 31, 1957. It is now to be cut a further 40,000 men and officers during the fiscal year 1959. Thus by June 30, 1959, its strength will be not more than 360,000 and 74,000 trained men and officers will have been turned out of the military service of our country. This means that in these dark days, when our enemies are busily enhancing their military strength, the Department of the Army is proposing that we turn away volunteers for military service to the equivalent in number of almost five full-strength combat divisions, and deny them the opportunity to prepare themselves to defend their country. And mind you, these are men who have come into the National Guard under the urging for the past several years of our national leadership.

Mr. Speaker, the proposals now being made to the Armed Services Committee gravely and irretrievably weaken the ability of our country to defend itself and those portions of the free world upon which our security depends.

Mr. Speaker, 3 years ago—February 1955—General Gruenther told the Armed Services Committee:

In my position as Supreme Allied Commander, Europe, it is my responsibility to study the effectiveness of the reserve systems of the various nations of NATO. It has become increasingly clear to me that the present Reserve system of the United States is one of the weakest in the entire North Atlantic Treaty Organization.

I have studied the National Reserve plan and the choices which it offers. I consider that it is a feasible plan and better than anything we have had before. If I were to offer any criticism of it, it would be that it does not go far enough toward providing combat-ready units soon enough. I, therefore, sincerely hope that if any changes are

made in the program by the Congress, they will not be of such a nature as to weaken or dilute the present plan.

Three years ago General Ridgway, then our Army Chief of Staff, told the committee:

The Army's need for effective Reserve forces is greater today than ever before.

General Maxwell Taylor told us in July 1955:

The present weakness of our Reserve forces is the shortage of trained participating enlisted men.

Has the face of things, in your judgment, so changed for the better that the equivalent of five divisions of trained men can be cut from our first line of defense? For the Army National Guard, you must remember, is, under our law, a part of our first line of defense.

Are you satisfied that missiles, still imperfect and no one knows how far away as practical weapons of warfare, can justify the elimination by the end of the coming fiscal year of five combat divisions of trained manpower? Do you believe that we have come to the point where we cannot afford to train our young men to defend their country, and this at a time when the deadly possibilities of strange new weapons makes training a more vital necessity than ever before in history?

Less than 1 year ago when a controversy over the effect on the strength of the National Guard, of a requirement for 6 months' active duty for training for all enlistees, was before our committee, it was agreed that the strength of the Army National Guard would be maintained at 400,000 through the fiscal years of 1957 and 1958 and that thereafter everything possible would be done to maintain the guard at its appropriated strength.

The President of the United States, in a message to the National Guard Association only last year said:

As Commander in Chief I subscribe fully to the statutory declaration that now and in the future we must maintain and assure the strength and organization of the National Guard as an integral part of the first line of defense of the Nation, to the end that your organizations shall be ready to discharge their historic role at the very outset of any national emergency * * *

And when appealed to personally by a delegation of State adjutants general, including Maj. Gen. Milton A. Reckord of my own State of Maryland, he assured them directly that the National Guard would not be weakened.

No longer ago than last October, Secretary of the Army Brucker told the National Guard Association:

I am determined that the guard shall not be reduced below the 400,000 level at which it is set.

Mr. Speaker, the proposals for reduction in the strength of the Army National Guard break faith with all of these high assurances and shut the door in the faces of thousands of young men who wish to serve their country in the traditional manner of American citizen soldiers. This is unthinkable. It is an action which conveys to young American manhood the understanding that they are not needed for the security of this great Nation. It is an action which is evidenced in a most extreme manner for not only will the National Guard be required to refuse to accept the offered services of fine young men, but it must go further and turn out thousands upon thousands who are already in uniform.

There is every evidence of a purposeful design somewhere in the Department of Defense or in the Department of the Army to weaken the National Guard and to ultimately remove it from its time-honored and lawful place in the military structure of our country in deliberate disregard of the assurances I have quoted to you. I say this because I find that when reductions similar to those proposed for the National Guard are applied to the United States Army Reserve, no existing strength is lost from the Army Reserve. No men now serving will be required to leave the Army Reserve. In fact, it will continue to have room to expand its active drill strength, indeed beyond any such strength achieved in the past, and apparently even beyond the budgetary provisions being made for the Army Reserve in fiscal year 1959.

It is no secret that the Regular Army has been drastically reduced in strength over the past year and is now hard put to fulfill all of the worldwide commitments placed upon it. But it is proposed today to carry this reduction of forces into the Reserve components as well, directly contrary to the hitherto prevailing conception of the relation of the Reserve components to the Regular Establishment.

Gen. Maxwell Taylor, Chief of Staff of the Army, told us a year ago:

Really we should view our Army as a combination of the Active Army and the two Reserve components. As one goes down presumably the other should go up. The world situation changes and the whole aggregate should be adjusted. * * *

Admiral Radford, when he was Chairman of the Joint Chiefs of Staff, also said:

The size of the Regular forces, as I tried to say in my message this morning, was geared to the size and composition, organization of the Reserve forces. In other words, if we cannot get an organized Ready Reserve, then we would have to review the size of the Regular forces.

What is it that now justifies this change of front to a proposal to drastically reduce the Reserve components of our Military Establishment at the same time that a reduction is made in the Regular forces?

It has been widely stated in the public press that the proposed slash in the strength of the Army National Guard will be accomplished by complete elimination of some 5 or 6 existing National Guard divisions along with more than a thousand other organized formations throughout the country.

Gentlemen, consider what this means: If the Army puts its proposals into effect many States which, under urging from Washington to build up its National Guard, have made large investments in facilities and have made great contributions toward the building up of a strong National Guard, will suddenly find they have little or no National Guard at all. Many citizens who have served long and loyally in the National Guard and have attained military competence of great value to our country, will be discharged. No statement has yet been made by the Army describing the means by which the planned elimination of units will be accomplished. Reflect, then, if the plan now being placed before the Armed Services Committee receives our approval, any one of you may find your State bereft of most or all of the National Guard which it has supported and of which it has been proud for generations, in many States even back to the beginning of the country.

Mr. Speaker, it is unlawful to make any change in the plans, organization, or allocation of units of the National Guard without approval of the Governor of the State—title 32, United States Code, section 104. To accomplish such a result indirectly by withdrawing Federal funds applied to the support of the National Guard is a violation of the spirit, if not of the letter of the law, and it is an action which no Federal authority should be permitted to take.

I am happy to report that just the other day the subcommittee on which I serve unanimously reported two resolutions which in essence favors the retention for the National Guard strength at 400,000 and further provides for the Army Reserve to build up to 300,000. These resolutions have not yet been considered by the whole Armed Services Committee, but I feel certain that they will be favorably considered, and I trust and hope will be passed by the House of Representatives.

The courage, patriotism, and enthusiasm of the young men of this country, as exemplified by their voluntary participation in the programs of our Reserve forces, must not be dampened for lack of a comparatively small number of dollars. This fundamental resource must be nurtured, whatever the cost. As I have pointed out, the United States Army Reserve faces no problems of strength or funds in fiscal year 1959. On the other hand, the National Guard does face most serious deprivations. I am confident that this House will not permit this segment of our first line of defense, which is so much a part of the history and traditions of our States, to parch amidst the great wealth of this Nation.

And when we have provided the funds which will sustain the National Guard with the strength and vigor it now employs to the obvious benefit of our overall military strength, no destruction of its organizational integrity can be justified, and will not be tolerated by the American people.

Mr. Speaker, I urge the gentlemen of the House to give careful heed to the proposals being made to the Armed Services Committee and consider them in the light of what I have said today. Elimination of a part of the first line of defense of this Nation from whatever design or purpose or considerations it proceeds must not be permitted.

SENATE

MONDAY, MARCH 10, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, who art to be surely found if with all our hearts we truly seek Thee: Because Thou art our shepherd, we shall not want any good thing. Thou restoreth our souls. Thou leadest us beside still waters and into green pastures, for Thy name's sake. Yet always when our little lives touch Thine and are illumined by Thy love, we are conscious that our glory and destiny are not on the ground—never beneath our feet—but are flames on the lofty heights of far horizons.

Forbid that when radiant human hopes are glowing in the skies, our eyes should be blinded by the smoke of our own campfires. Through the baffling perplexities of these days, when all humanity is facing the blessing or the curse, make us crusaders of a golden tomorrow for all Thy children; when the shared plenty of the good earth shall wash the aching misery of the world's slums into watered gardens of life abundant. We ask it in the hallowed name of Him for whose Kingdom's coming we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 6, 1958, was dispensed with.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 6, 1958,

The following reports of committees were submitted on March 7, 1958:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2883. A bill to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905 (Rept. No. 1352); and

H. R. 9653. An act to provide that the Fort Gaines lock and dam on the Chattahoochee River shall hereafter be known and designated as the Walter F. George lock and dam (Rept. No. 1353).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 1984. A bill to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution (Rept. No. 1354).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, on March 7, 1958:

S. J. Res. 162. An original joint resolution to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws (Rept. No. 1355); and

S. J. Res. 163. An original joint resolution to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices (Rept. No. 1356).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, on March 8, 1958:

S. 3420. A bill to extend and amend the Agricultural Trade Development and Assistance Act of 1954 (Rept. No. 1357).

(The above original joint resolutions and bill, reported by Mr. ELLENDER, were read twice by their titles and placed on the calendar.)

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 199)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am sending you herewith the 38th Report to Congress on Lend-Lease Operations for the calendar year 1956.

During this period, collections and credits amounting to approximately $36 million were realized on lend-lease accounts. In addition 88,777,495.85 fine troy ounces of lend-lease silver were returned to the United States.

Last year I reported that notable progress had been made toward reaching agreement with Poland for settlement of its lend-lease account. The settlement agreement was signed with Poland on June 28, 1956.

Also, a settlement arrangement was concluded with Ecuador for certain postwar debts relevant to lend-lease.

More details on these and other lend-lease activities are contained in the report.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 10, 1958.*

(Enclosure: 38th Report to Congress on Lend-Lease Operations.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8002. An act to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations;

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954; and

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1086. An act granting the consent of Congress to a Bear River compact, and for related purposes;

H. R. 6182. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H. R. 6623. An act to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club;

H. R. 6710. An act relating to Canal Zone money orders which remain unpaid;

H. R. 6744. An act to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools;

H. R. 7912. An act to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents; and

H. R. 8139. An act for the relief of Mrs. Catherine Pochon Dike.

HOUSE BILLS PLACED ON CALENDAR OR REFERRED

The following bills were severally read twice by their titles and placed on the calendar, or referred, as indicated:

H. R. 8002. An act to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations; placed on the calendar.

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954; and

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; to the Committee on Finance.

ORDER FOR ADJOURNMENT UNTIL 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the unfinished business is Calendar No. 1367, House bill 10881, the supplemental appropriation bill.

When the Senate concludes its action on that bill, we plan to have the Senate proceed to the consideration of Calendar No. 1370, Senate bill 3418, to stimulate the construction of residential housing.

I have conferred with the distinguished minority leader. In view of the fact that the Senate will take some time off, as is customary, during the Easter period, we plan to have the Senate meet earlier in the mornings and continue later in the evenings between now and April 3. I wish to have all Senators be on notice that, if important proposed legislation which needs to be considered promptly is ready, there will be Saturday sessions if necessary between now and then. In that regard, we shall give Senators as much advance notice as possible.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Dan C. McNeill, to be postmaster at McNeill, Miss., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Malcolm Anderson, of Pennsylvania, to be an Assistant Attorney General, vice Warren Olney III, resigned;

Archie M Meyer, of Arizona; to be United States marshal for the district of Arizona;

Donald A. Fraser, of Connecticut, to be United States marshal for the district of Connecticut; and

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED NATIONS

The Chief Clerk read the nomination of Homer M. Byington, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary to the Federation of Malaya, to serve concurrently and without additional compensation as the representative of the United States of America to the 14th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Raymond A. Hare, of West Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Republic.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The Chief Clerk read the nomination of Anna L. Rose Hawkes, of Vermont, to be a member of the United States Advisory Commission on Educational Exchange for a term of 3 years, expiring January 27, 1961, and until her successor has been appointed and has qualified.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Arthur Hollis Edens, of North Carolina, to be a member of the United States Advisory Commission on Educational Exchange for a term of 3 years, expiring January 27, 1961, and until his successor has been appointed and has qualified.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Dr. Paul Darwin Foote, of the District of Columbia, to be an Assistant Secretary of Defense.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk read the nomination of Lt. Gen. James Maurice Gavin, O17676, Army of the United States (major general, U. S. Army) to be a lieutenant general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE REGULAR AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Regular Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

UNITED STATES AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the United States Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

THE NAVY AND THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Navy and the Marine Corps which had been placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

That completes the nominations on the calendar.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediateley notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

PROGRAMS TO MEET THE UNEMPLOYMENT SITUATION

Mr. JOHNSON of Texas. Mr. President, over the weekend there were a number of extremely important developments in regard to the urgent problem of what this country can do about the 5 million men and women who are out of work.

Last Saturday afternoon, the President announced a series of steps, in a letter to the Republican leader of the House of Representatives and in a letter to the Republican leader of the Senate. They included the acceleration of some construction projects which have already been authorized, and for which the Congress has appropriated funds. The President also called for some new programs. In effect, the President responded to the call for action which had been issued by the Congress a few days before.

I believe it is up to the Congress to respond by considering as rapidly as possible the President's proposals.

This morning, I appeared before the Senate Committee on Public Works, and testified on Senate Concurrent Resolution 68, to accelerate civil construction programs already authorized by the Congress, and for which funds are available. A similar concurrent resolution (S. Con. Res. 69) affecting military construction programs is pending before the Senate Armed Services Committee. I hope those resolutions will receive speedy action.

Mr. President, there may be some who look upon the current situation as an "issue." If it is, I think it is an issue which we should rid ourselves of as soon as possible. The men and women who are out of work need payrolls, not issues.

I believe that members of both parties share a sincere and earnest desire to see that those who are unemployed are, as soon as possible, put on payrolls which will reflect carefully planned, constructive work on needed public improvements.

I believe we must approach the unemployment situation in the same spirit. The only issue is how soon we can get rid of the issue, so the working men and women of America can be employed on productive jobs.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the statement I made this morning before the Senate Committee on Public Works and some tables prepared by the Senate Appropriations Committee, which accompanied that statement.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS BEFORE SENATE PUBLIC WORKS COMMITTEE, MARCH 10, 1958

Mr. Chairman, I wish to express my deep appreciation to you and the committee members for the speed with which this hearing was arranged.

The question before us involves a high degree of urgency. There are men and women out of work, at least 5 million of them. Their sources of income are vanishing rapidly.

But their needs for income are just as great as the needs of those who are still on a payroll.

Programs are under consideration which will create jobs. But a program does not become a payroll immediately upon its enactment by Congress.

Even with the best of will, it takes time to plan programs; to set up administrative machinery; to let contracts; to start the wheels spinning. A period of weeks, and months, must elapse before there is action.

With the cost of living at record highs, there are not many of our people who can afford to be separated from a payroll for weeks or months. Resources melt far too quickly at today's prices.

Unemployed workers, of course, can find some income through unemployment compensation payments. But these payments are necessarily limited unless we decide to convert our social-security system into a dole.

America's working men and women are not looking for charity. They do not want to become burdens upon our taxpayers. They do not expect something for nothing.

Congress will do whatever is necessary to tide our people over the hump. But we cannot consider the problem behind us until our people are employed at productive jobs.

And the only action we can take which will put people to work quickly is to speed up the projects which we have passed upon already and for which we have appropriated the funds.

That would be the effect of the resolution before you today and the companion resolution before the Senate Armed Services Committee.

These resolutions would merely urge the unleashing of funds already in existence. They would request the more rapid spending of money which is going to be spent anyway.

The resolutions do not involve 1 cent of new money.

The Senate Appropriations Committee informs me that there was a little more than $7.1 billion in unexpended balances from appropriations for civil and military construction as of December 31, 1957.

The resolution before this committee would affect about $4 billion of that amount.

I am attempting to get a detailed breakdown on the extent to which those funds could be accelerated. It will take some time before they are all ready. But those which have been assembled indicate what can be done.

The Army engineers inform me that through acceleration they could spend an additional $150 million by October 1. About half of that amount would go into materials and the other half into payrolls—to the extent of about 35,000 jobs.

Thirty-five thousand jobs would not solve the unemployment problem—although it would mean plenty to 35,000 people and their families. But it would be a start.

And furthermore, the $150 million that would be accelerated would come from only $1 billion on the unexpended balances.

I have here a table of both the unexpended and unobligated balances. I ask unanimous consent that it be placed in the RECORD.

It is obvious that the one example involving 35,000 jobs would be multiplied a number of times.

Mr. Chairman, action upon this resolution can in no sense be interpreted as a lack of confidence in our country. In fact, the resolution carries with it no implications as to the future.

In this resolution we are not anticipating the problems of the unknown future. We are not passing judgment as to whether times will good or times will be bad next year.

We are merely recognizing that 5 million men and women are out of work right now—and need jobs right now. And if we act right now we may be able to head off trouble before it gets out of control.

This is a form of cooperation between the legislative and the executive branches of the Government.

Congress is not the action arm of the Government. We cannot carry out the laws. We cannot administer programs. We cannot let contracts.

But we can tell the President that he will have our support if he uses all the resources available to him to put our people to work.

Over the weekend, the President announced some steps to pump new vigor into the economy. I believe most of us would endorse those steps—insofar as they have been explained up to this point.

In return, I believe we should let him know now that we endorse the fullest practicable use of his resources to battle unemployment. He should not be leashed on these programs which have been approved already by the Congress.

We will soon have the opportunity to consider more basic legislation. There will be a housing bill, a road bill, a farm freeze bill, and many others.

The President's recommendations for new programs and for pump priming will be carefully examined.

But, for the time being, there is little we can do to create jobs now when they are needed except to speed up programs already in existence. This resolution would be a first step in that direction and I commend it to your favorable consideration.

Civil public works and military construction—Summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative	$143,738,427	$131,048,157
Independent offices	1,857,688,383	918,264,892
Agriculture	67,422,385	47,304,522
Commerce	449,946,000	267,473,000
Defense:		
Military	3,188,690,000	2,071,360,000
Civil	376,359,698	260,698,428
Health, Education, and Welfare	613,705,939	262,996,441
Interior	305,674,935	198,755,956
Justice	1,930,252	1,066,212
Post Office	32,073,560	6,871,619
State	77,700,000	23,200,000
Treasury	2,976,576	2,238,027
District of Columbia	46,418,100	46,418,100
Total	7,164,324,264	4,237,695,354
Legislative branch:		
Architect of the Capitol:		
Extension of the Capitol	42,043,415	40,423,168
Additional Senate Office Building	8,799,485	3,724,291
Additional House Office Building	89,632,723	84,071,695
Capitol Power Plant	3,262,804	2,829,003
Total, legislative branch	143,738,427	131,048,157
Independent agencies and funds appropriated to the President:		
American Battle Monuments (overseas)	5,456,997	6,611,068
Federal Civil Defense Administration:		
Administration building	10,025,645	5,824,465
Emergency centers	3,649,456	3,522,678
Independent agencies, etc.—Continued		
General Services Administration:		
District of Columbia Hospital	$10,025,645	$5,824,465
Renovation, improvement sites, planning, construction	110,714,666	68,220,676
Housing and Home Finance Agency:		
Public facility loans	95,286,969	78,536,100
College housing loans	645,725,220	122,460,000
Advance planning loans	15,008,866	6,690,379
National Advisory Committee for Aeronautics	55,821,000	38,141,000
National Science Foundation	4,359,167	93,939
St. Lawrence Seaway	57,175,000	34,090,000
Tennessee Valley Authority	28,394,551	23,000,000
Smithsonian Institute	35,788,533	34,545,443
Veterans' Administration hospital	183,244,379	144,070,870
Atomic Energy Commission	588,632,000	341,730,000
U. S. Information Agency, radio facilities (overseas)	5,380,289	4,903,809
Total, independent offices	1,857,688,383	918,264,892
Agriculture:		
Soil Conservation Service, flood prevention, watershed protection, etc	42,760,000	31,612,000
Forest Service, forest roads and trails	24,662,385	15,692,522
Total, Agriculture	67,422,385	47,304,522
Commerce:		
Civil Aeronautics Administration:		
Establishment of air navigation facilities	192,833,000	88,124,000
Washington airports	14,014,000	13,186,000
Grants-in-aid for airports	157,138,000	106,675,000

Civil public works and military construction—Summary of unexpended and unobligated balances as of Dec. 31, 1957—Continued

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Commerce—Continued		
Bureau of Public Roads:		
Forest highways	$63,550,000	$45,352,000
Access roads	2,788,000	976,000
Public lands highways	4,750,000	1,840,000
Woodrow Wilson Bridge	14,873,000	14,320,000
Total, Department of Commerce	449,946,000	267,473,000
Defense, military functions:		
Military construction:		
Army	610,916,000	435,122,000
Navy	633,576,000	388,865,000
Air Force	1,805,103,000	1,144,134,000
Army Reserve Forces	103,699,000	79,811,000
Naval Reserve Forces	30,319,000	20,842,000
Access roads	3,966,000	1,759,000
Construction, Alaska Communications System	1,111,000	827,000
Total, military functions	3,188,690,000	2,071,360,000
Army civil functions:		
Panama Canal bridge	738,000	668,000
Panama Canal Zone Government	2,535,000	2,050,000
Panama Canal Company	4,350,000	4,050,000
Corps of Engineers:		
Construction, general	335,300,202	229,234,882
Flood control, Mississippi River and tributaries	32,844,704	24,288,272
Cemeterial expenses, Quartermaster Corps	591,792	407,274
Total	376,359,698	260,698,428
Total, military and civil	3,565,049,698	2,332,058,428
Health, Education and Welfare:		
Construction, Gallaudet College	3,309,275	1,116,289
Construction, Howard University	6,052,676	4,195,612

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Health, Education and Welfare—Continued		
Assistance for school construction, Office of Education	$122,287,328	$42,916,669
Public Health Service	478,826,579	213,842,375
St. Elizabeths Hospital	3,230,061	925,396
Total, Health, Education, and Welfare	613,705,939	262,996,441
Interior:		
Bureau of Land Management	6,960,474	6,134,600
Bureau of Indian Affairs, construction	36,113,000	31,006,907
National Park Service, construction	82,565,688	67,227,325
Bureau of Mines:		
Construction	1,644,530	1,238,041
Drainage anthracite mines	8,386,519	7,067,133
U. S. Fish and Wildlife Service	9,122,778	7,614,944
Office of Territories:		
Alaska public works	10,011,101	6,407,006
Virgin Islands public works	368,222	368,222
Southwestern Power Administration	1,808,480	1,560,964
Bonneville Power Administration	25,477,221	12,997,569
Bureau of Reclamation	106,869,875	48,920,920
Upper Colorado River storage	15,090,753	6,920,525
Geological Survey	1,350,304	1,291,800
Total, Interior	305,674,935	198,755,956
Justice: Federal prison system	1,930,252	1,066,212
Post Office: Improvements and alterations	32,073,509	6,871,619
State:		
International Boundary and Water Commission	3,800,000	3,400,000
State Department Building	44,100,000	7,600,000
Acquisition of building abroad (overseas)	29,800,000	12,200,000
Total, State	77,700,000	23,200,000
Treasury: Coast Guard	2,976,576	2,238,027
District of Columbia (out of Federal funds)	46,418,100	46,418,100

Summary of appropriations and authorizations, expenditures, and unexpended balances as of Dec. 31, 1957

Title	Unexpended balance, June 30, 1957	Appropriations and authorizations, 1958	Total available for expenditures, 1958	Expenditures, July 1, 1957, to Dec. 31, 1957 (net)	Rescissions, cancellations, and other adjustments	Unexpended balance, Dec. 31, 1957	Unexpended balance as of Dec. 31, 1957, for civil public works and military construction	Civil public works and military construction unobligated portion of unexpended balance as of Dec. 31, 1957
Legislative branch	$181,777,031	$96,621,160	$278,398,191	$49,817,652		$228,580,539	$143,738,427	$131,048,187
The judiciary	2,733,977	42,545,750	45,279,727	21,564,421		23,715,306		
Independent agencies and funds appropriated to the President	25,545,381,213	13,585,015,108	39,130,396,321	6,449,086,253	$1,473,596,918	31,207,713,148	1,857,688,383	918,264,892
Agriculture Department	3,070,480,349	4,552,955,004	7,623,435,353	2,818,712,273	700,000	4,804,023,081	67,422,385	47,304,522
Commerce Department	633,169,261	721,880,875	1,355,050,136	331,906,711	98,600	1,023,044,816	449,946,000	267,473,000
Defense Department:								
Military functions	34,660,267,544	35,304,985,238	69,965,252,782	19,200,196,144	−236,296	50,765,292,934	3,188,690,000	2,071,360,000
Civil functions	351,328,446	665,051,213	1,016,379,659	393,798,175	35	622,581,520	376,359,698	260,698,428
Health, Education, and Welfare Department	769,346,881	2,188,561,329	2,957,908,210	1,331,690,167	75,000	1,626,143,043	613,705,939	62,996,441
Interior Department	353,882,457	614,934,832	968,817,289	348,821,558	−964,463	620,960,194	305,674,935	198,755,956
Justice Department	17,900,149	226,705,000	244,605,000	109,986,285		134,618,864	1,930,252	1,066,212
Labor Department	8,164,795	379,494,600	387,659,395	214,812,916		172,846,478		
Post Office Department	212,735,482	353,000,000	565,735,482	211,865,480		353,870,001	32,073,509	6,871,619
State Department	92,525,567	199,521,920	292,047,487	115,609,251		176,438,236	77,700,000	23,200,000
Treasury Department	2,912,022,530	8,555,433,412	11,467,455,942	4,260,621,718	3,703,502	7,203,130,721	2,976,576	2,238,027
District of Columbia Federal loans	37,687,000	32,135,550	69,822,550	23,404,450		46,418,100	46,418,100	46,418,100
Miscellaneous adjustment				178,193,524		−178,193,524		
Total	68,849,402,686	67,618,840,995	136,368,243,681	36,060,086,982	1,476,973,236	98,831,183,462	7,164,324,264	4,237,695,354

NOTE.—Amounts will not necessarily add to totals due to rounding. Does not include trust funds or deposit funds.

Mr. JOHNSON of Texas. Mr. President, this morning the Washington Post in an editorial pointed to the fact that there is a great deal of agreement on what should be done to counteract unemployment. I ask unanimous consent that this fine editorial be printed in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S GET GOING

The old saying, "You can't spend your way out of a depression," is, like most home remedy advice, too inexact to be very useful. But President Eisenhower reflected this basic conviction in his letter to the Republican leaders of Congress, when he wrote:

"The proper relation of Government to the growth and vigor of our economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity."

The President added that he is concerned over proposals for make-work projects financed by the Government and rightly rejects them as unsound. At the same time, he disclosed that further steps are being taken to accelerate spending on useful and normal Federal public works programs. He again urged Congress to act on various measures he had previously proposed to encourage housing loans and to aid small business and areas of persistent unemployment. He also asked for special Federal aid to extend the period of State unemployment benefits for the growing number who have exhausted their eligibility.

The President's letter, together with his previous economic statements and messages, for all practical purposes embrace the very kind of program which Senate Majority Leader JOHNSON and his cohorts called for last week. Even in the matter of what not to do there is seeming agreement. It is not time for a tax cut, both sides—with the exception of a few individuals—believe.

Doubtless this state of affairs will quickly change if the March unemployment figures—which will come out a month hence—fail to show a more-than-seasonal improvement. The thing to remember then and in that case, however, will be that most of the recession remedies now being advanced cannot possibly take hold in a dollars-and-cents fashion until late spring or summer at the earliest.

The hope now must be that the Government's decisions to advance and expand some of its normal spending program will be sufficient to hold off pressures for abnormal, make-work projects or for drastic tax reductions that might induce curbs on indispensable Federal expenditures. The best chance Congress has to avoid such pitfalls is to get quickly about the business of authorizing the

various housing, highway, unemployment, and other economic measures on which there is now clear agreement to proceed.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of the letter from the President of the United States, dated March 8, which was addressed to me. A similar letter was sent to Representative MARTIN, the minority leader of the House of Representatives. I may say that the letter grew out of discussions at the White House with the leadership, which occurred more than 2 weeks ago.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 8, 1958.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR BILL: In recent press conferences I have stressed the point that in the current economic situation certain kinds of governmental measures, including the acceleration of planned and needed public improvements, can be helpful in promoting increased growth of the economy.

I have also stressed this point: The course of our huge, complex economy mainly depends upon what individual citizens do—upon their creativity, their productivity, their initiative and enterprise, and the millions of economic decisions which they freely make each day. The proper relation of Government to the growth and vigor of such an economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity.

I am concerned over the sudden upsurge of pump-priming schemes, such as the setting up of huge Federal bureaucracies of the PWA or WPA type. That kind of talk evidences lack of faith in the inherent vitality of our free economy and in the American as an individual. Schemes of that kind reflect the fallacy that economic progress is generated, not by citizens wisely managing their own resources, but by the wholesale distribution of the people's money in dubious activities under Federal direction. Unsound programs of that kind would do great damage to America rather than contribute to our economic strength.

My February 12 economic statement emphasized a number of important considerations:

First, that current economic developments, including increased unemployment with its severe hardships for those individuals temporarily out of work, are of deep concern to us all;

Second, that the basic factors making for economic growth remain strong, justifying expectations of early economic improvement;

Third, that numerous governmental policies and programs already under way and projected will help achieve an early resumption of economic growth; and

Fourth, that should additional governmental measures be needed, they will be taken by the executive branch or proposed to the Congress.

In that statement I cited a number of governmental activities currently aiding the economy. These include measures by the Federal Reserve authorities to ease credit, various steps to stimulate homebuilding, a $600 million increase in Federal-aid highway expenditures next fiscal year, sharply increased activity under the urban-renewal program, and a more than $5 billion increase in defense procurement and construction during the first 6 months of this calendar year over the preceding 6 months.

A number of administration recommendations for new legislation which could be of great help in stimulating the economy are already pending before the Congress. Again I urge the Congress to act promptly on such measures as (a) authority for additional insurance of FHA mortgages of $3 billion per year for the next 5 fiscal years; (b) adjustment of those statutory interest rates which stifle private investment; (c) special assistance to areas of high and persistent unemployment; (d) tax relief for small business; (e) removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business; (f) a $2 billion increase in the lending authority of the Export-Import Bank; and (g) a $2 billion year program to modernize post office buildings and equipment.

Since my February 12 statement the administration has been developing additional orderly accelerations of programs that are genuinely needed in the public interest, have long been planned, and are already approved. I cite here some of the additional actions I have directed since February 12:

1. The Director of the Bureau of the Budget, on my instruction, has directed the executive departments and agencies to accelerate where practicable the construction of projects for which appropriated funds are available. Acceleration of civil projects alone, many of which are already in planning and engineering stages, will result in the expenditure of nearly $200 million several months earlier than previously planned. This earlier expenditure will step up such construction programs as Corps of Engineer civil works, the improvement of roads and facilities in national parks, and the Bureau of Indian Affairs' road building and maintenance activities.

2. Additionally, certain water resource projects have been accelerated in the present fiscal year and the affected departments are submitting such amendments to the budget as are needed to continue this higher construction rate in 1959. Amendments, to be transmitted to the Congress next week, will involve increased appropriation requests as follows:

[In millions of dollars]

Department of the Interior, Bureau of Reclamation	46
Department of the Army, Corps of Engineers, rivers and harbors and flood control	125
Department of Agriculture (watershed protection and flood prevention projects)	15
Total	186

In addition, an amendment to the Department of the Interior budget will be presented to the Congress to allow an early start on small reclamation projects which were authorized by the 1956 Small Projects Act.

3. The Director of the Bureau of the Budget has just released an additional $200 million to the Administrator of the Housing and Home Finance Agency. These funds will be used by the Federal National Mortgage Association to stimulate construction of homes for citizens of modest means and to implement other authorized programs.

They will provide additional employment throughout the country. Should experience establish a need for more of these funds, they will be requested of the Congress.

4. In the next few days the administration will ask the Congress to amend the Highway Act to suspend certain expenditure limitations for 3 years. If enacted this amendment will permit apportionments to the States of an additional $2.2 billion of Federal funds, all of which will be placed under contract during calendar years 1958–61. Adoption of this amendment will permit the apportionment during each of these years of a total of $2.2 billion of Federal funds for interstate highway construction alone.

5. The military departments, on my instruction, have in recent days acted to award more procurement contracts in labor surplus areas, with first priority to small-business concerns in such areas. A new clause is being inserted in future contracts urging prime contractors to give preference to qualified subcontractors in labor surplus areas to the full extent permissible under existing law. The services are also reexamining their procurements to assure that the maximum number of contracts are available to small business generally as well as to labor surplus areas.

6. The Veterans' Administration has acted to make private funds more readily available to veterans for acquiring home ownership under the GI loan-guaranty program, and the Federal Home Loan Bank Board has launched a program to increase the availability of funds for investment in home mortgages in areas that in recent months have experienced a shortage of such funds.

7. I deeply believe that we must move promptly to meet the needs of those wage earners who have exhausted their unemployment-compensation benefits under State laws and have not yet found employment. I have requested the Secretary of Labor to present to me next week a proposal which, without intruding on present State obligations and prerogatives, would extend for a brief period the duration of benefits for these unemployed workers. This would enable eligible unemployed individuals to receive weekly benefits for a longer period than is now permitted under State laws and thus enable them to continue to seek jobs with a greater measure of security. I shall shortly place such a proposal before the Congress.

Finally, it should be understood that other programs and measures are under study and, as circumstances may require, will be administratively set in motion or proposed to the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. SMITH of New Jersey subsequently said: Mr. President, in his letter to the Senator from California [Mr. KNOWLAND] and Representative JOSEPH MARTIN last weekend, President Eisenhower made a comprehensive report on the broad actions which his administration has already taken to combat the current recession. He also outlined additional proposals which he plans to make within the next few weeks.

It should be of great encouragement to the Nation that our President is acting so quickly and vigorously to increase employment and to stimulate confidence in the economy. At the same time, the President's leadership cannot bring about its desired result unless the Congress accepts its parallel responsibilities.

Today I joined with seven of my distinguished colleagues in a statement emphasizing that the responsibility for action rests upon the legislative branch equally with that of the Executive, and pledging our readiness to act immediately.

To this end, we proposed four specific steps which, to our minds, must be taken promptly to combat recession. It should be noted that these proposals firmly support, and, in some cases strengthen, the program which the President has already outlined.

It is my hope that both these documents may form the basis for effective antirecession legislation by the Senate and the House. I ask unanimous consent that the text of today's statement by Senators AIKEN, CASE of New Jersey,

COOPER, IVES, JAVITS, KUCHEL, PURTELL, and myself be printed in the RECORD at this point in my remarks to accompany the text of President Eisenhower's letter to Senator KNOWLAND and Representative MARTIN, which the senior Senator from California has already placed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATORS AIKEN, CASE OF NEW JERSEY, COOPER, IVES, JAVITS, KUCHEL, PURTELL, AND SMITH OF NEW JERSEY

Immediate positive action must be taken by the Federal Government to end the recession and increasing unemployment and to bring about an upward turn in the Nation's economy. The President and the Congress have parallel responsibilities for this. Action by both is necessary.

Action should be rapid and on a scale large enough to accomplish its purpose. At the same time it should be, and we are convinced it can be, of such a nature that it will not result in additional inflationary pressures over the long pull.

We propose these immediate specific steps:

1. Emergency Federal extension of unemployment compensation for all those who have used up or shortly will use up their current benefits.

2. Large-scale channeling of Federal purchases and spending into labor distressed areas.

3. Legislation to stimulate and facilitate home construction.

4. Legislation to step up highway construction, both in the interstate and in the primary, secondary, and urban systems.

Our first concern must be for people, for the families whose breadwinner is out of a job. Unemployment compensation has already run out for many of these and before very long the same grim prospect may be facing hundreds of thousands of Americans. Therefore, Congress should immediately provide for emergency continuation of unemployment compensation benefits for all workers whose benefits have expired or will expire under existing State laws during this year. This should be done at once pending final decision on permanent unemployment compensation legislation.

The executive departments should immediately institute an effective program to channel Federal purchases and Federal spending into labor distressed areas. For example, a substantial proportion, perhaps as much as 50 percent, of military supply contracts could be set aside for such areas. The pattern of recession varies greatly over the country. In certain areas real suffering exists. In others, business is good and employment remains high. The resources of the Federal Government should be employed where they are most needed and where they will do the most good.

Congress should act immediately to insure that activity in the building of homes is increased. We advocate legislation to provide an expanded opportunity for American families to buy homes and to provide incentives to labor and industry to build them.

Congress should immediately insure that the highway program is stepped up. We emphasize that this should apply not only to the Interstate Highway System but also to the construction of primary, secondary, and urban highways throughout America.

Of course, in addition to these specific measures, we support the acceleration of all public works and reclamation projects which are feasible and necessary. The same applies to hospital construction, college dormitories, and similar programs.

It would be shocking for Congress to fail to act promptly and favorably on the school-construction program. We cannot ignore the needs of our children and the future of our country.

We emphasize again the need for immediate action on a scale big enough to do the job. Such action is required to prevent individual hardship to millions of Americans. It is needed to restore vigor to our economy upon which our national strength depends. And unless the Government acts promptly and effectively to end recessions, it cannot succeed in its long-range effort to control inflation. Control of inflation cannot succeed without public support and that support will be forthcoming only if the public has confidence that its Government is interested not only in maintaining stability of the price level, but also, and equally, in preventing business depressions and the individual suffering which they entail.

The President recognizes the problem. And, he has today added specific recommendations to others that he has previously made. This is the joint responsibility of the executive and the legislative branches. We are prepared to shoulder our portion of the responsibility.

Mr. JAVITS subsequently said: Mr. President, over the weekend I had the honor to be associated with seven of my colleagues, Senators AIKEN, CASE of New Jersey, COOPER, IVES, KUCHEL, PURTELL, and SMITH of New Jersey, in a declaration of policy for action against the current recession, to which we pledged ourselves.

We propose four immediate specific steps:

First. Emergency Federal extension of unemployment compensation for all those who have used up or shortly will use up their current benefits.

Second. Large-scale channeling of Federal purchases and spending into labor-distressed areas.

Third. Legislation to stimulate and facilitate home construction.

Fourth. Legislation to step up highway construction, both in the interstate and in the primary, secondary, and urban systems.

The reason for our declaration is our understanding of the fact that when we talk about leadership, we realize that Congress, too, has a responsibility to lead and a responsibility for taking action. We want to make it clear—and this is the purport of the statement, as I see it—that we understand this means a responsibility, not merely to build up a record for the next election, but to take steps necessary to wage an antirecession struggle. We really feel a massive effort is necessary to do the job, and we want the effort to be big enough to do the job.

We feel also a responsibility to restore vigor to our economy and to help those who may be hurt, especially those who may be unemployed. Hence our recognition of the necessity for Federal extension of unemployment compensation.

I deeply feel such action is vital at this particular moment, for not only does the fate of our country, in terms of its economy, depend upon what we do, but, indeed, the fate and peace of the whole world. It is an open secret that the nations of the whole Free World which are allied with us in the struggle for peace will be hurt by any continuance of a recession in our country, and the whole system of alliances which we have built up, and which are indispensable to peace, could be very materially and seriously jeopardized by a long-continued recession in this country.

I hope we, in the Congress, will recognize our responsibility to act, and to act with sacrifice. I deeply feel the American people are prepared to make any sacrifices which may be required to sustain our productive prosperity and peace in the world.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF DEFENSE (S. DOC. NO. 81)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Department of Defense, in the amount of $3,500,000, for the fiscal year 1958 (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work, during the first 6 months of fiscal year 1958 (with an accompanying report); to the Committee on Banking and Currency.

NOMINATION FOR REAPPOINTMENT TO DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

A letter from the Commissioners of the District of Columbia, nominating, pursuant to law, Richard R. Atkinson for reappointment as a member of the District of Columbia Redevelopment Land Agency; to the Committee on the District of Columbia.

REPORTS PRIOR TO RESTORATION OF BALANCES, FEDERAL CIVIL DEFENSE ADMINISTRATION

Two letters from the Assistant Administrator, Federal Civil Defense Administration, Battle Creek, Mich., transmitting, pursuant to law, reports for restoration of unobligated balances previously withdrawn in that Administration (with accompanying reports); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Hideichi Yoshida from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957; to the Committee on the Judiciary.

MASSACHUSETTS COLLEGE OF PHARMACY v. THE UNITED STATES

A letter from the Clerk, United States Court of Claims, Washington, D. C., transmitting, pursuant to law, the opinion of that court, rendered in the case of *Massachusetts College of Pharmacy* v. *The United States* (with an accompanying document); to the Committee on the Judiciary.

SALARIES AND PERSONNEL PRACTICES FOR CERTAIN EMPLOYEES OF DEPARTMENT OF DEFENSE

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to govern the salaries and personnel practices for teachers, certain school officers, and other employees of the Dependents Schools of the Department of Defense in foreign countries, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolutions memorializing Congress against certain legislation commonly referred to as right-to-work legislation

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States not to enact any legislation relating to the right to work, so-called, or any similar legislation designed to prohibit closed shops or to provide that no employee shall as a condition of his employment be required to join a labor union, which proposed legislation will, if enacted, tend to undermine the strength of labor and of labor unions throughout the country; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of the Congress of the United States and to each Member thereof from this Commonwealth."

A resolution of the Senate of the State of Georgia; to the Committee on Labor and Public Welfare:

"Senate Resolution 132

"Whereas we the senators of Georgia's 54 senatorial districts duly convened in session for the purpose of enacting laws and making recommendations beneficial to the people of our State; and

"Whereas the Senate Committee of Veterans Affairs of the State of Georgia having fully looked into the Veterans' Administration hospital facilities available for Georgia veterans and having reported their findings to the full senate in session; and

"Whereas it is the unanimous opinion of this Senate of the State of Georgia that existing Veterans' Administration hospital facilities are entirely inadequate; and

"Whereas one of the more notable findings of our committee on veterans affairs refers to Veterans' Administration Hospital No. 48 in Atlanta. This hospital was acquired by the VA some 28 years ago to serve the needs of Spanish-American War veterans and veterans of World War I; and

"Whereas since that time World War II and the Korean conflict has increased the veterans population of our State to approximately 450,000, a large portion of which reside in the Atlanta and north Georgia area; and

"Whereas it is the unanimous opinion of this body that the 300 beds available at the Atlanta Veterans' Administration hospital is entirely inadequate: Therefore be it

"*Resolved*, That we recommend and urge our congressional and senatorial delegations at Washington to exert their influence and every effort toward having a new hospital of sufficient bed capacity constructed in the Atlanta-north Georgia area."

A joint resolution of the Legislature of the State of Georgia; to the Committee on Agriculture and Forestry:

"Joint Resolution of the General Assembly of Georgia

"Whereas on December 18, 1957, Secretary of Agriculture Benson announced that dairy price support for the marketing year beginning April 1, 1958, will be at 75 percent of parity; and

"Whereas the 75 percent of parity will result in a decrease to approximately $3.02 per hundredweight for 3.95 percent butterfat milk from the current support price of $3.25; and

"Whereas on January 16, 1958, the President of the United States in his message to the Congress of the United States for a revised farm, food, and fiber program recommended that the dairy price support should be determined administratively between 60 and 90 percent of parity; and

"Whereas the recommended minimum of 60 percent of parity will result in a decrease to approximately $2.37 per hundredweight for 3.95 percent butterfat milk from the current support price of $3.25; and

"Whereas this decrease will drastically reduce dairy income in the State of Georgia: Therefore be it

"*Resolved by the General Assembly of Georgia (both houses thereof concurring)*, That the Legislature of the State of Georgia does hereby memorialize and petition, and does respectfully urge the Congress of the United States to enact legislation to provide that the dairy support price for the marketing year starting April 1, 1958, shall be not less than the current $3.25 per hundredweight for 3.95 percent butterfat milk and that the Secretary of Agriculture shall use a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive; and be it further

"*Resolved*, That the secretary of the senate transmit a duly authenticated copy of this resolution to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Georgia delegation in Congress."

A resolution adopted by the Alliance of Czechoslovak Exiles in Chicago, relating to Communist domination of the world; to the Committee on Foreign Relations.

Two resolutions adopted at the annual convention and World Travel Congress of the American Society of Travel Agents, Inc., at Madrid, Spain, relating to the importance of travel, and the free movement of people between friendly nations; to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Elsmere, Ky., relating to the control of natural gas; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Western Governors' Conference, at Colorado Springs, Colo., relating to highway mileage allocation for Hawaii; to the Committee on Public Works.

A resolution adopted by the Western Governors' Conference, at Colorado Springs, Colo., favoring statehood for Hawaii and Alaska; ordered to lie on the table.

A resolution adopted by the Alaska National Guard Officers' Association, at Anchorage, Alaska, favoring the enactment of legislation to grant statehood to Alaska; ordered to lie on the table.

A resolution adopted by the Board of Commissioners of the City of Trenton, N. J., favoring increased compensation for postal workers and all Federal employees; ordered to lie on the table.

By Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND):

A concurrent resolution of the Legislature of the State of South Carolina; ordered to lie on the table:

"Concurrent resolution memorializing Congress to defeat the passage of the bill increasing postal rates

"Whereas the United States Senate on February 26, 1958, accepted a postal hike on nonlocal mail to 5 cents; and

"Whereas the mail services are cluttered with circulars and much unimportant mail; and

"Whereas the increase on first class mail would work as a hardship upon the people of our country: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That Congress is memoralized to refrain from the passage of legislation increasing the cost of out-of-town mail; be it further

"*Resolved*, That should the Congress deem it necessary to increase postal rates to defray expenses, that it consider increasing the rates on classes other than first class mail; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the two Senators from South Carolina and the Members of the House of Representatives from South Carolina."

By Mr. McNAMARA:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Finance:

"Senate Concurrent Resolution 7

"Concurrent resolution requesting the Congress of the United States to alleviate unemployment and to counter the growing industrial recession in Michigan and other industrial States by repealing the Federal excise tax on motor vehicles

"Whereas the current recession in industrial production is worsening at an alarming rate, resulting in widespread unemployment and increasing alarm amongst the people of Michigan and other States of the Union; and

"Whereas unless effective countermeasures are taken in time the recession may begin to feed upon itself and precipitate a ruinous spiral of deflation and depression; and

"Whereas business analysts have counted upon strong public acceptance of 1958 automobiles as a major sustaining force in our economy not only because of the thousands of persons employed directly in the manufacture of automobiles and parts therefor, but also because the automobile industry is a large user of steel, glass, rubber products, rail transportation, and other goods and services; and

"Whereas the business recession is spreading in these related industries resulting in lower Federal and State tax revenues and increasing unemployment with its welfare burdens and inevitable human misery; and

"Whereas the loss of revenue from the repeal of the excise tax on motor vehicles would be largely if not wholly regained through an increase in business activity and the resulting increase in income-tax collections; and

"Whereas any other effective method of countering the growing recession could be expected to be very costly; and

"Whereas it is believed that the immediate repeal of the excise tax on motor vehicles would supply an important impetus to the sale of motor vehicles and to business activity and employment in automobile factories and related industries throughout Michigan and the United States; and

"Whereas the brunt of this discriminatory tax is being borne by the unemployed worker; and

"Whereas the greatest share of the impact of unemployment resulting from the excise tax on motor vehicles is unfairly borne by Michigan which now has more than 10 percent of its labor force unemployed: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the people of Michigan respectfully request the Congress of the United States to repeal the excise tax on motor vehicles; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the United States, the Secretary of Labor, the President of the Senate, the Speaker of the House of Representatives, and the United States Senators and Representatives from Michigan."

The VICE PRESIDENT laid before the Senate a concurrent resolution of the legislature of the State of South Carolina identical with the foregoing, which was ordered to lie on the table.

JOINT RESOLUTION OF NEW HAMPSHIRE LEGISLATURE

Mr. BRIDGES. Mr. President, I present, for appropriate reference, a concurrent resolution which has been adopted by the New Hampshire State Legislature memorializing the Congress of the United States concerning the imposition of income taxes by one or more States against legal residents of another State.

In this connection, Mr. President, my colleague, the junior Senator from New Hampshire [Mr. COTTON] and I have introduced a joint resolution proposing to amend the Constitution of the United States to prohibit such taxation. I sincerely hope that the Congress will give serious and favorable consideration to this proposed legislation.

There being no objection, the concurrent resolution was referred to the Committee on the Judiciary, as follows:

Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collections of taxes on income by the States

Whereas citizens of New Hampshire residing within this State but employed in the States of Vermont and Massachusetts are now imposed upon by being forced to pay income taxes to those States; and

Whereas United States Senators STYLES BRIDGES and NORRIS COTTON of New Hampshire have joined with United States Senators from other States in proposing an amendment to the Federal Constitution to end the imposition of income taxes by one State upon the residents of other States: Now, therefore, be it

Resolved by the Senate of the State of New Hampshire, the House of Representatives concurring:

(1) The Congress of the United States is hereby memorialized to propose an amendment to the Federal Constitution by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

Resolved, That the secretary of state be instructed to forward a copy of this concurrent resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to each Member of the United States Senate.

W. DOUGLAS SCAMMAN,
Speaker of the House of Representatives.
ERALSEY C. FERGUSON,
President of the Senate.

RESOLUTION OF KANSAS INDUSTRIAL DEVELOPMENT COMMISSION

Mr. CARLSON. Mr. President, the Kansas Industrial Development Commission at its meeting on February 17, 1958, adopted a resolution for the development and conservation of water resources of Kansas.

This resolution called attention to the value and importance of the early completion of the authorized and recommended water-control projects in Kansas. The resolution also pledged full cooperation and support to the Soil Conservation Service, the Bureau of Reclamation, and the Corps of Army Engineers, who have planned programs for the use and control of water runoff in our State.

This is a program I have been advocating for many years, and while Kansas has made great progress in this area, there is still much work to be done.

The future growth and development of Kansas will be largely industrial, and it is essential that the State have an abundant and an assured water supply in order to encourage industry moving into the State.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION FOR THE DEVELOPMENT AND CONSERVATION OF THE WATER RESOURCES OF KANSAS

Whereas the Kansas Industrial Development Commission recognizes the importance of developing the water resources of Kansas for flood control and water conservation in order that our State can be in a better position to attract new industry; and

Whereas many industries have indicated that a guaranteed water supply and flood protection is one of the prime considerations which determine the location of their plants; and

Whereas the occurrence of devastating floods followed by the periods of extreme drought in recent years has demonstrated to the people in Kansas the imperative necessity for the control and conservation of our water resources in order that water may be available when needed for beneficial use and not wasted through destructive and catastrophic floods; and

Whereas the control of major floods and the impounding of water in sufficient quantity to meet the ever-increasing demands of industry can only be accomplished by the completion of the comprehensive plans for water conservation and flood control which have been authorized by Congress and which will be proposed by Federal and State agencies for future authorization; and

Whereas the completion and carrying out of these plans so vitally important to the welfare and prosperity of our State has been delayed by misunderstanding and lack of appreciation of their character, purposes, and potential benefit: Now, therefore, be it

Resolved, That the Kansas Industrial Development Commission hereby pledges its support and cooperation to the Federal agencies charged with the responsibility of developing the water resources of our Nation; namely, the Soil Conservation Service of the Department of Agriculture, and the Bureau of Reclamation of the Department of Interior, and the Army Corps of Engineers in the Department of Defense; and be it further

Resolved, That this commission urge the Kansas Water Resources Board and other State agencies to consider the value and importance of the early completion of the authorized and recommended water-control projects in our State in order to place us in a more favorable competitive situation with surrounding States to attract desirable industry in order to create a better balanced economy in our State.

RESOLUTIONS OF POLITICAL SUBDIVISIONS AND OTHER ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD various resolutions adopted by public bodies and other distinguished agencies in the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

City of Oswego

Whereas there is now pending in the Congress of the United States a bill known as the Harris-O'Hara natural gas bill amending the Natural Gas Act to remove regulatory powers of the Federal Power Commission over contract prices for natural gas sold by producers to pipeline companies before its entry into interstate transmission lines; and

Whereas the cost of distributing natural gas has substantially increased since 1950, which cost has been passed on to the consumer; and

Whereas the Oswego area heating gas consumers have a large investment in gas-heating equipment and would be at the mercy of producers without Federal control; and

Whereas the passage of this bill would be injurious to consumers in that it would impose an additional financial burden upon them and increase inflationary pressures; and

Whereas natural gas is a necessary commodity and constitutes a public utility that affects the health, welfare, and safety of the people and is therefore properly subject to regulation and control by responsible governmental authority: Now, therefore, be it

Resolved, That this common council urges the Congress of the United States to protect the homeowners of Oswego and central New York by defeating the Harris-O'Hara natural gas bill; and be it further

Resolved, That copies of this resolution, duly certified, be forwarded by the city clerk to Senator IRVING IVES, Senator JACOB JAVITS, and Representative CLARENCE E. KILBURN.

At a recent meeting of the directors of the Oneida County Bar Association, at Utica, N. Y., the following resolution was duly adopted:

"Whereas there has been introduced in the Congress of the United States a bill which provides for additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity, bringing the pay and promotion status of military lawyers to a level commensurate with the special professional pay and promotion schedule now available to members of the medical and other learned professions serving with the military; and

"Whereas it is the sense of this association that lawyers should receive such commensurate compensation and rank, for their professional training and skill are certainly as valuable to the Armed Forces as those of the other learned professions; that the armed services are having great difficulty in procuring and retaining even a minimum of military lawyers, and that if they are unable to do so, it will be impossible to administer properly the present Uniform Code of Military Justice; that said code was made the basis of military justice largely through the efforts of civilian lawyers, and that we, therefore, have a responsibility to insure its successful operation; and that, finally, this bar has a peculiar interest in and knowledge of the needs and problems of the armed services: Therefore, be it

"*Resolved*, That the Oneida County Bar Association endorses the aforesaid bill and urges upon the Congress of the United States its passage, and the secretary be and he is directed to send copies of this resolution to the Members of the United States House of Representatives and the United States Senate from this State, and to the American Bar Association."

Whereas there is pending in the Congress of the United States of America a bill known as H. R. 9467, 85th Congress, popularly termed the Forand bill; and

Whereas this legislation calls for the expansion of the Social Security Act into the

medical- and hospital-care field through the provision of Federal funds collected for social security to pay the cost of hospital, nursing home, and surgical services for persons eligible for old-age and survivors' insurance benefits; and

Whereas this legislation, if enacted, would in effect create for a large and rapidly growing section of our population a system of socialized medicine which differs in no essential particular from the national compulsory health insurance proposals which have been so consistently opposed by all who desire the continuance of free enterprise in these matters; and

Whereas the American Medical Association, the Medical Society of the State of New York, and the Nassau County Medical Society have repeatedly opposed compulsory-health-insurance legislation because of their firm conviction that it would adversely affect the health of the people, although designed to further it; and

Whereas the proposed legislation fails to provide adequate safeguards against governmental interference with the practice of medicine or with hospital administration: Be it hereby

Resolved, That the Nassau County Medical Society go on record as being wholeheartedly against the Forand bill and similar legislation; and be it further

Resolved, That every attempt should be made to resolve these problems through existing local mechanisms and facilities; and be it further

Resolved, That copies of these resolutions be forwarded to the Nassau-Suffolk Hospital Council, to the Medical Society of the State of New York, to the American Medical Association, and to the Senators and Representatives representing this section in the Congress of the United States.

Whereas Representative AIME J. FORAND, Democrat, of Rhode Island, has introduced a bill in Congress, currently known as H. Res. 9467; and

Whereas the terms of this bill propose to liberalize a wide range of social security benefits including the provision of certain items of hospital, nursing, home care, and medical and surgical services to persons receiving social-security benefits, or currently eligible for them, including surviving widows and eligible children, with cost to be defrayed out of the social-security funds; and

Whereas in the opinion of the members of the Onondaga County Medical Society this bill for all practical aspects proposes socialized medicine for a percentage of our population; and

Whereas the members of the Onondaga County Medical Society are opposed unalterably to socialized medicine in any form: Therefore, be it

Resolved, That the Onondaga County Medical Society expresses its opposition to House bill 9467; and further resolves that this information be conveyed to New York State's Representatives in Congress.

Board of Supervisors, Oneida County
Resolution 21

Whereas there is produced in Oneida County annually more than 400 million pounds of milk, and the income from said milk is very substantial and plays a big factor in the people of both our urban and rural areas; and

Whereas as of January 1958, there was held by the Federal Government some 35 million pounds of butter which is substantially less than a year ago and the same applies to the amount of cheese and skim milk on hand; and

Whereas the Secretary of Agriculture of the United States proposes to reduce the support level from 83 to 75 percent, thus decreasing the amount of income to Oneida County farmers: Now, therefore, be it

Resolved, That this board go on record in opposition to any reduction of the support level and its products; and be it further

Resolved, That a copy of this resolution be forwarded by the clerk of this board to Congressman WILLIAM R. WILLIAMS and Senators IRVING IVES and JACOB K. JAVITS with the request that they use their influence to keep the present support level.

Whereas the Fraternal Order of Eagles is engaged in a nationwide Jobs After 40 campaign to eliminate age discrimination in employment as an unwarranted practice which is depriving many thousands of physically sound, skilled and experienced workers of the means of a livelihood, and which is resulting in a tragic waste of manpower in the American economy; and,

Whereas there is now pending in the United States Senate bill S. 3188, introduced by Senator RICHARD L. NEUBERGER, and cosponsored by nine other Senators, to prohibit discrimination because of age in the hiring and employment of persons by government contractors; and,

Whereas enactment of such proposed legislation would provide employment for many competent workers now barred by age discrimination, and would set an inspiring example by Government for all industry for the adoption of similar policies: Now therefore, be it

Resolved, That Yonkers Aerie of the Fraternal Order of Eagles hereby goes on record for support of bill S. 3188, and urges enactment of this pending legislation into law.

IMMEDIATE CONGRESSIONAL ACTION ON PUBLIC WORKS—LETTER

Mr. HUMPHREY. Mr. President, I have just received a letter from the Minneapolis Central Labor Union urging immediate Congressional action for public works to stem the tide of the current recession.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS CENTRAL LABOR UNION,
Minneapolis, Minn., March 4, 1958.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The Minneapolis Central Labor Union in meeting assembled this 26th day of February 1958 passed the following action.

That we urge the Senator to do everything in his power to put into motion the various projects of public works for which authorization has been granted and appropriations made.

This immediate action must be taken to take up the slack in the present employment picture and to stem the tide of this very real recession.

Your assistance is urgently solicited.

Very truly yours,

JEROME FREOHLIG, *Secretary.*

RESTORATION OF FARM PRICES—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Compton Farmers Union Local 656, Wadena, Minn., advocating immediate steps to restore farm prices. An identical resolution was received from the Brewster Farmers Union local, Brewster, Minn.

I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That, we the Compton Farmers Union No. 656, Wadena, Minn., urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

REPORTS OF COMMITTEES

The following reports of committees wre submitted:

By Mr. JACKSON, from the Committee on Armed Services, with amendments:

H. R. 8437. An act to amend the Act of August 3, 1956, to authorize certain personnel of the armed forces to accept and wear decorations conferred by the Philippine Government (Rept. No. 1358).

By Mr. SCHOEPPEL, from the Committee on Agriculture and Forestry, without amendment:

S. 3406. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history (Rept. No. 1359).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, with amendments:

S. 2359. A bill to authorize the establishment of the Petrified Forest National Park, in the State of Arizona, and for other purposes (Rept. No. 1360).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1987. A bill for the relief of Richard K. Lim and Margaret K. Lim (Rept. No. 1361); and

S. 2735. A bill for the relief of Sayo Ono Taylor (Rept. No. 1362).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2713. A bill for the relief of Abbas Mohammad Awad (Rept. No. 1363); and

S. 2807. A bill for the relief of Johanna Dippold (Rept. No. 1364).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. Con. Res. 49. Concurrent resolution requesting the President to designate the week of March 16–22, 1958, as National Library Week (Rept. No. 1365).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States (Rept. No. 1367); and

H. J. Res. 483. Joint resolution to amend the act of August 20, 1954, establishing a Commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton (Rept. No. 1366).

By Mr. GREEN, from the Committee on Foreign Relations, with amendments:

H. J. Res. 347. Joint resolution authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to 13, 1958 (Rept. No. 1369).

PROVISION OF MINIMUM ACREAGE ALLOTMENT FOR CORN—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to provide for a minimum acreage allotment for corn, and other purposes, and I submit a report—No. 1370—thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3441) to provide for a minimum acreage allotment for corn, and other purposes, reported by Mr. ELLENDER, from the Committee on Agriculture and Forestry, was read twice by its title, and placed on the calendar.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

FORMULA FOR TAXING INCOME OF LIFE-INSURANCE COMPANIES—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. BYRD. Mr. President, from the Committee on Finance, I report favorably, without amendment, the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957, and I submit a report (No. 1368) thereon. I ask unanimous consent that the report be printed, together with the minority views of the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], and the Senator from Delaware [Mr. WILLIAMS].

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and the report will be printed with the minority views, as requested by the Senator from Virginia.

SUMMARY OF REPORTS OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a summary of monthly personnel reports on civilian employment in the executive branch of the Federal Government for the period November 1957 to January 1958, inclusive.

In accordance with the practice of several years' standing, I request that it be printed in the body of the RECORD as a part of my remarks.

There being no objection, the summary of reports was ordered to be printed in the RECORD, as follows:

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1958, and comparison with November 1957, and pay for December 1957, and comparison with October 1957*

Department or agency	Personnel				Pay (in thousands)			
	January	November	Increase	Decrease	December	October	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	85,249	85,516		267	$31,144	$33,082		$1,938
Commerce [1]	52,187	51,681	506		24,039	24,792		753
Health, Education, and Welfare	53,364	53,297	67		22,211	23,023		812
Interior	48,862	49,702		840	21,573	23,214		1,641
Justice	30,523	30,703		180	15,437	[2] 15,964		527
Labor	5,807	5,874		67	2,707	2,882		175
Post Office	535,421	536,367		946	235,126	200,790	$34,336	
State [3]	[4] 34,397	34,276	121		13,457	13,948		491
Treasury	78,498	77,990	508		34,321	37,069		2,748
Executive Office of the President:								
White House Office	407	398	9		232	238		6
Bureau of the Budget	437	447		10	302	323		21
Council of Economic Advisers	32	31	1		25	24	1	
Executive Mansion and Grounds	71	71			28	28		
National Security Council [5]	64	61	3		41	39	2	
Office of Defense Mobilization	243	265		22	152	161		9
President's Advisory Committee on Government Organization	6	6			4	4		
Independent agencies:								
Advisory Committee on Weather Control [6]		16		16	8	4	4	
Airways Modernization Board	49	26	15		23		23	
Alexander Hamilton Bicentennial Commission		3		3	3	3		
American Battle Monuments Commission	540	571		31	92	92		
Atomic Energy Commission	6,787	6,808		21	3,700	3,956		256
Board of Governors of the Federal Reserve System	579	587		8	313	314		1
Boston National Historic Sites Commission	4	2	2		1	1		
Civil Aeronautics Board	672	662	10		376	387		11
Civil Service Commission	4,107	4,284		177	1,939	2,028		89
Commission of Fine Arts	4	4			2	2		
Corregidor Bataan Memorial Commission	2	2			1	2		1
Export-Import Bank of Washington	206	201	5		122	133		11
Farm Credit Administration	875	916		41	479	502		23
Federal Civil Defense Administration	1,295	1,264	31		712	735		23
Federal Coal Mine Safety Board of Review	8	8			4	4		
Federal Communications Commission	1,204	1,200	4		638	660		22
Federal Deposit Insurance Corporation	1,191	1,183	8		643	624	19	
Federal Home Loan Bank Board	796	776	20		375	390		15
Federal Mediation and Conciliation Service	319	323		4	205	251		46
Federal Power Commission	708	707	1		392	407		15
Federal Trade Commission	727	731		4	423	443		20
Foreign Claims Settlement Commission	93	100		7	56	58		2
General Accounting Office	5,399	5,450		51	2,745	2,868		123
General Services Administration [7]	27,524	27,312	212		10,620	10,971		351
Government Contract Committee	24	21	3		10	11		1
Government Printing Office	6,410	6,425		15	2,881	3,069		188
Housing and Home Finance Agency	9,688	9,722		34	4,861	5,033		172
Indian Claims Commission	17	16	1		12	12		
Interstate Commerce Commission	2,253	2,217	36		1,136	1,189		53

[1] January figure includes 174 seamen on the rolls of the Maritime Administration and their pay.
[2] Revised on basis of later information.
[3] January figure includes 12,208 employees of the International Cooperation Administration as compared with 12,046 in November and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The January figure includes 2,271 of these trust fund employees and the November figure includes 2,979.
[4] Subject to revision.
[5] Exclusive of personnel and pay of the Central Intelligence Agency.
[6] Ceased to exist Dec. 31, 1957.
[7] Includes 6 employees of the Federal Facilities Corporation.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1958, and comparison with November 1957, and pay for December 1957, and comparison with October 1957*—Continued

Department or agency	Personnel				Pay (in thousands)			
	January	November	Increase	Decrease	December	October	Increase	Decrease
Independent agencies—Continued								
Jamestown-Williamsburg-Yorktown Celebration Commission	3	4		1	$3	$3		
National Advisory Committee for Aeronautics	7,696	7,740		44	4,134	4,287		$153
National Capital Housing Authority	268	270		2	111	114		3
National Capital Planning Commission	31	35		4	18	21		3
National Gallery of Art	327	329		2	113	116		3
National Labor Relations Board	1,124	1,128		4	686	719		33
National Mediation Board	102	107		5	64	86		22
National Science Foundation	298	303		5	137	169		32
Panama Canal	14,820	14,275	545		3,689	3,645	$44	
Railroad Retirement Board	2,522	2,457	65		979	983		4
Renegotiation Board	332	337		5	221	232		11
St Lawrence Seaway Development Corporation	37	32	5		22	23		1
Securities and Exchange Commission	838	828	10		461	473		12
Selective Service System	6,296	6,296			1,593	1,624		31
Small Business Administration	1,310	1,269	41		671	704		33
Smithsonian Institution	853	840	13		350	352		2
Soldiers' Home	1,007	1,003	4		272	274		2
Subversive Activities Control Board	33	33			24	24		
Tariff Commission	216	215	1		126	133		7
Tax Court of the United States	150	152		2	98	97	1	
Tennessee Valley Authority	14,674	14,910		236	6,887	7,540		653
Theodore Roosevelt Centennial Commission	11	11			3	4		1
U. S. Information Agency	10,989	11,044		55	3,303	3,498		195
Veterans' Administration	174,657	175,062		405	61,930	63,401		1,471
Virgin Islands Corporation	567	614		47	80	79	1	
Total, excluding Department of Defense	1,236,210	1,237,516	2,255	3,561	519,546	498,331	34,431	13,216
Net change, excluding Department of Defense			1,306				21,215	
Department of Defense:								
Office of the Secretary of Defense	1,600	1,629		29	1,015	1,078		63
Department of the Army	405,628	410,840		5,212	156,193	167,074		10,881
Department of the Navy	364,137	367,088		2,951	154,966	160,070		5,104
Department of the Air Force	311,526	313,034		1,508	121,948	132,697		10,749
Total, Department of Defense	1,082,891	1,092,591		9,700	434,122	460,919		26,797
Net decrease, Department of Defense			9,700				26,797	
Grand total, including Department of Defense	2,319,101	2,330,107	2,255	13,261	953,668	959,250	34,431	40,013
Net decrease, including Department of Defense			11,006				5,582	

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during January 1958, and comparison with November 1957*

Department or agency	January	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	83,805	84,152		347
Commerce [1]	48,026	47,476	550	
Health, Education, and Welfare	51,606	51,490	116	
Interior	45,791	46,492		701
Justice	29,998	30,165		167
Labor	5,659	5,737		78
Post Office	532,874	533,826		952
State [2]	8,552	8,526	26	
Treasury	77,502	76,989	513	
Executive Office of the President:				
White House Office	407	398	9	
Bureau of the Budget	437	447		10
Council of Economic Advisers	32	31	1	
Executive Mansion and Grounds	71	71		
National Security Council [4]	64	61	3	
Office of Defense Mobilization	243	265		22
President's Advisory Committee on Government Organization	6	6		
Independent agencies:				
Advisory Committee on Weather Control [5]		16		16
Airways Modernization Board	49	26	23	
Alexander Hamilton Bicentennial Commission		3		3
American Battle Monuments Commission	21	21		
Atomic Energy Commission	6,760	6,781		21
Board of Governors of the Federal Reserve System	579	587		8
Boston National Historic Sites Commission	4	2	2	
Civil Aeronautics Board	668	658	10	
Civil Service Commission	4,090	4,267		177
Commission of Fine Arts	4	4		
Corregidor Bataan Memorial Commission	2	2		
Export-Import Bank of Washington	206	201	5	
Farm Credit Administration	865	906		41
Federal Civil Defense Administration	1,295	1,264	31	
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,180	1,176	4	
Federal Deposit Insurance Corporation	1,190	1,181	9	
Federal Home Loan Bank Board	796	776	20	
Federal Mediation and Conciliation Service	319	323		4
Federal Power Commission	708	707	1	
Federal Trade Commission	727	731		4
Foreign Claims Settlement Commission	93	100		7
General Accounting Office	5,326	5,375		49
General Services Administration [6]	27,466	27,252	213	
Independent agencies—Continued				
Government Contract Committee	24	21	3	
Government Printing Office	6,410	6,425		15
Housing and Home Finance Agency	9,513	9,546		33
Indian Claims Commission	17	16	1	
Interstate Commerce Commission	2,253	2,217	36	
Jamestown-Williamsburg-Yorktown Celebration Commission	3	4		1
National Advisory Committee for Aeronautics	7,696	7,740		44
National Capital Housing Authority	268	270		2
National Capital Planning Commission	31	35		4
National Gallery of Art	327	329		2
National Labor Relations Board	1,106	1,111		5
National Mediation Board	102	107		5
National Science Foundation	298	303		5
Panama Canal	404	423		19
Railroad Retirement Board	2,522	2,457	65	
Renegotiation Board	332	337		5
St. Lawrence Seaway Development Corporation	37	32	5	
Securities and Exchange Commission	838	828	10	
Selective Service System	6,111	6,110	1	
Small Business Administration	1,289	1,253	36	
Smithsonian Institution	847	838	9	
Soldiers' Home	1,007	1,003	4	
Subversive Activities Control Board	33	33		
Tariff Commission	216	215	1	
Tax Court of the United States	150	152		2
Tennessee Valley Authority	14,674	14,910		236
Theodore Roosevelt Centennial Commission	11	11		
United States Information Agency	2,646	2,673		27
Veterans' Administration	173,438	173,820		382
Total, excluding Department of Defense	1,170,031	1,171,718	1,707	3,394
Net decrease, excluding Department of Defense			1,687	
Department of Defense:				
Office of the Secretary of Defense	1,558	1,584		26
Department of the Army	345,342	349,917		4,575
Department of the Navy	332,446	335,302		2,856
Department of the Air Force	273,064	274,484		1,420
Total, Department of Defense	952,410	961,287		8,877
Net decrease, Department of Defense			8,877	
Grand total, including Department of Defense	2,122,441	2,133,005	1,707	12,271
Net decrease, including Department of Defense			10,564	

[1] January figure includes 174 seamen on the rolls of the Maritime Administration.
[2] January figure includes 1,781 employees of the International Cooperation Administration, as compared with 1,758 in November.
[3] Subject to revision.
[4] Exclusive of personnel of the Central Intelligence Agency.
[5] Ceased to exist Dec. 31, 1957.
[6] Includes 6 employees of the Federal Facilities Corporation.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during January 1958, and comparison with November 1957*

Department or agency	January	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,444	1,364	80	
Commerce	4,161	4,205		44
Health, Education, and Welfare	1,758	1,807		49
Interior	3,071	3,210		139
Justice	525	538		13
Labor	148	137	11	
Post Office	2,547	2,541	6	
State [1]	[2] 25,845	25,750	95	
Treasury	996	1,001		5
Independent agencies:				
American Battle Monuments Commission	519	550		31
Atomic Energy Commission	27	27		
Civil Aeronautics Board	4	4		
Civil Service Commission	17	17		
Farm Credit Administration	10	10		
Federal Communications Commission	24	24		
Federal Deposit Insurance Corporation	1	2		1
General Accounting Office	73	75		2
General Services Administration	59	60		1
Housing and Home Finance Agency	175	176		1
National Labor Relations Board	18	17	1	
Panama Canal	14,416	13,852	564	
Selective Service System	185	186		1
Independent agencies—Continued				
Small Business Administration	21	16	5	
Smithsonian Institution	6	2	4	
United States Information Agency	8,343	8,371		28
Veterans' Administration	1,219	1,242		23
Virgin Islands Corporation	567	614		47
Total, excluding Department of Defense	66,179	65,798	766	385
Net increase, excluding Department of Defense			381	
Department of Defense:				
Office of the Secretary of Defense	42	45		3
Department of the Army	60,286	60,923		637
Department of the Navy	31,691	31,786		95
Department of the Air Force	38,462	38,550		88
Total, Department of Defense	130,481	131,304		823
Net decrease, Department of Defense			823	
Grand total, including Department of Defense	196,660	197,102	766	1,208
Net decrease, including Department of Defense			442	

[1] January figure includes 10,427 employees of the International Cooperation Administration, as compared with 10,288 in November. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The January figure includes 2,271 of these trust fund employees and the November figure includes 2,979.

[2] Subject to revision.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during January 1958, and comparison with November 1957*

Department or agency	January	November	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,132	3,141		9
Commerce	2,446	2,471		25
Interior	6,684	6,906		42
Treasury	5,714	5,590	124	
Independent agencies:				
Atomic Energy Commission	151	148	3	
Federal Communications Commission	14	14		
General Services Administration	1,084	1,105		21
Government Printing Office	6,410	6,425		15
National Advisory Committee for Aeronautics	7,696	7,740		44
Panama Canal	7,850	7,219	631	
Tennessee Valley Authority	11,870	12,124		254
Virgin Islands Corporation	567	614		47
Total, excluding Department of Defense	53,798	53,497	758	457
Net increase, excluding Department of Defense			301	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 132,750	[2] 134,496		1,746
Outside continental United States	[1] 10,325	[2] 10,556		231
Department of the Navy:				
Inside continental United States	203,578	204,206		628
Outside continental United States	5,199	5,236		37
Department of the Air Force:				
Inside continental United States	154,626	154,979		353
Outside continental United States	5,600	5,692		92
Total, Department of Defense	512,078	515,165		3,087
Net decrease, Department of Defense			3087	
Grand total, including Department of Defense	565,876	568,662	758	3,544
Net decrease, including Department of Defense			2,786	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of January 1958 and comparison with November 1957*

Country	Total		Army		Navy		Air Force	
	January	November	January	November	January	November	January	November
Belgium	8	7					8	7
Denmark	1	1					1	1
England	5,396	5,574			36	36	5,360	5,538
France	22,667	23,437	16,210	[1] 16,708			6,457	6,729
French Morocco	5,251	5,404	80	[1] 54	887	926	4,284	4,424
Germany	87,316	88,683	73,946	[1] 74,808	365	401	13,005	13,474
Japan	102,004	107,831	50,679	[1] 54,547	17,731	17,914	33,594	35,370
Korea	4,748	4,690	4,748	[1] 4,690				
Malta	92	93			92	93		
Netherlands	39	40					39	40
Norway	25	24					25	24
Trinidad	543	519			543	519		
Total	228,090	236,303	145,663	[1] 150,807	19,654	19,989	62,773	65,607

[1] Revised on basis of later information.

Personnel and pay summary, November 1957 through January 1958

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In January, numbered—	In November, numbered—	Increase (+) or decrease (−)	In December was—	In October was—	Increase (+) or decrease (−)
Total [1]	2,319,101	2,330,107	−11,006	$953,668	$959,250	−$5,582
Agencies exclusive of Department of Defense	1,236,210	1,237,516	−1,306	519,546	498,331	+21,215
Department of Defense	1,082,891	1,092,591	−9,700	434,122	460,919	−26,797
Inside continental United States	2,122,441	2,133,005	−10,564			
Outside continental United States	196,660	197,102	−442			
Industrial employment	565,876	568,662	−2,786			
Foreign nationals	228,090	[2] 236,303	−8,213	25,499	26,937	−1,488

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3421. A bill for the relief of Alexander Nagy; and

S. 3422. A bill for the relief of Miss Yang Yok-Ying; to the Committee on the Judiciary.

By Mr. BRIDGES (for himself, Mr. COTTON, Mr. JAVITS, Mr. IVES, Mrs. SMITH of Maine, Mr. CASE of New Jersey, Mr. CLARK, Mr. SMITH of New Jersey, and Mr. MARTIN of Pennsylvania):

S. 3423. A bill granting the consent of Congress to an interpleader compact between or among any two or more of the States, Territories, and possessions of the United States and the District of Columbia; to the Committee on the Judiciary.

By Mr. PAYNE (for himself and Mrs. SMITH of Maine):

S. 3424. A bill to amend title II of the Social Security Act to facilitate the extension of social security coverage to certain State employees in the State of Maine; to the Committee on Finance.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH:

S. 3425. A bill authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; to the Committee on Foreign Relations.

By Mr. BUTLER:

S. 3426. A bill to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 3427. A bill for the relief of Mrs. Jo E. Inglett and Don Ramon Inglett; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3428. A bill to provide a method for obtaining the consent of Congress to interstate compacts; to the Committee on the Judiciary.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 3429. A bill to authorize reimbursement to the States for certain free or toll roads on the Interstate System, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE (for himself, Mr. HUMPHREY, Mr. NEUBERGER, Mr. MAGNUSON, Mr. DOUGLAS, Mr. MORSE, and Mr. POTTER):

S. 3430. A bill to expand and extend the loan program for bona fide fur farmers and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 3431. A bill to provide for the addition of certain excess Federal property in the village of Hatteras, N. C., to the Cape Hatteras National Seashore Recreational Area, and for other purposes; to the Committee on Government Operations.

S. 3432. A bill for the relief of Dr. Ki Hyuk Pak and his wife, Mrs. Ki Hyuk Pak; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. IVES, and Mr. PAYNE):

S. 3433. A bill to eliminate discriminatory employment practices on account of age by contractors and subcontractors in the performance of contracts with the United States and the District of Columbia; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3434. A bill to provide for disaster loans to small business concerns which suffer economic injury due to federally aided highway construction programs; to the Committee on Banking and Currency.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 3435. A bill to provide for the coverage of agricultural labor by the Federal Unemployment Tax Act; to the Committee on Finance.

S. 3436. A bill authorizing the appropriation of funds for the purpose of rebuilding a bridge at Cannon Ball, N. Dak.; to the Committee on Public Works.

(See the remarks of Mr. LANGER when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3437. A bill authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Francis, Ontario, Canada; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 3438. A bill to direct the Secretary of the Interior to convey certain lands in the State of Idaho to certain individuals; to the Committee on Interior and Insular Affairs.

S. 3439. A bill providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city; to the Committee on Agriculture and Forestry.

By Mr. BEALL:

S. 3440. A bill for the relief of Mary Therese Chen; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3441. A bill to provide for a minimum acreage allotment for corn and other purposes; placed on the calendar.

(See the remarks of Mr. ELLENDER when he reported the above bill, from the Committee on Agriculture and Forestry, which appear under the heading "Reports of Committees.")

By Mr. CHAVEZ:

S. 3442. A bill for the relief of Jyh Ming Barn; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 3443. A bill to provide registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 3444. A bill for the relief of Nona Cooper; and

S. 3445. A bill for the relief of Teruko K. Jackson; to the Committee on the Judiciary.

ESTABLISHMENT OF HALL OF FAME FOR AGRICULTURE

Mr. CARLSON. Mr. President, on behalf of myself and other Members of the United States Senate, I am today submitting a concurrent resolution stating:

That it is the sense of the Congress that there be established and maintained, as a memorial to the important role played by agriculture in the development of our Nation, a Hall of Fame for Agriculture.

There is no vocation that has been more basic to the development of the American spirit than agriculture. It is true, we are an industrial nation of impressive achievements, but the bringing of this once-wild continent into peaceful cultivation is surely one of our greatest accomplishments. The men and women who made this possible surely exemplify the virtues we like best to aim for today—courage and integrity, personal honesty, and a determination to

persevere even in the face of hardship and difficulty.

One cannot view the history of progress made in agriculture without getting back to the lives and careers of great leaders of American agriculture. Washington, Jefferson, and Madison were great Presidents, but they were also great agriculturalists and farmers in their own right. More recently names in American agriculture are Luther Burbank, Babcock, Kelly, and McCormick.

As a Kansan, I know of no one in our State who was more devoted to the cause of agriculture and probably no one in the Nation who was responsible for more agricultural legislation during the past three decades, than Arthur Capper, a former Member of this body.

In view of this past history, I think it is most fitting that we consider establishing a Hall of Fame for American Agriculture.

It is my thought that with the adoption of this resolution, Congress would sanction the establishment of a National Agriculture Hall of Fame and Museum.

A number of halls of fame have been established for great American leaders in other lines. Why not one for the leaders in agriculture?

As our Nation reaches maturity, it is time for us to look back on the great heritage we have received and seek out and recognize the great Americans who have their roots in the glorious past of agriculture.

Naturally, a project of this kind should have the broadest possible base. From the outset, we should seek to enroll the support and participation of every aspect of American life—colleges and universities and agricultural organizations, teachers and research workers, industry and labor, government, and the churches.

Many patterns of organizations are present in existing halls of fame that can serve as a guide to us.

Mr. Howard A. Cowden, president of Consumers Cooperative Association, Kansas City, Mo., has devoted much time and thought to this proposal and has made some very worthwhile suggestions, among which are:

First. A nonprofit corporation would be created with a board of trustees of about 100. This group would include the Secretary of Agriculture, the heads of the 4 national farm organizations, the presidents or deans of about 15 land-grant colleges, the presidents of 12 leading cooperatives, representatives of industries allied with agriculture, and about 12 working farmers. This first board would establish its own bylaws and rules of operating procedure.

Second. It would become the first order of business for the board to establish the hall of fame itself. This probably should be in a rural setting, near good transportation. It would be a building set aside for the recognition of the great names of farming in America.

Third. The Hall of Fame and Museum would be operated under an executive committee, consisting of from 5 to 15 members of the board of trustees, who would elect their own officers and employ an executive director.

Fourth. A nominating committee would be chosen by the board to suggest candidates for the Hall of Fame. After the initial choices were made, not more than 5 new names would be added in any one year.

Fifth. Financing could be from annual contributions by individuals and organizations in agriculture and industries related to it, giving suitable recognition to those who contribute. In addition, a very considerable source of revenue would be daily contributions by thousands of tourists, schoolchildren, and youth groups whom the memorial would attract.

Mr. President, I ask that the names of the cosponsors be noted on the concurrent resolution, and that the concurrent resolution lie on the desk for further signatures today, if any Senator desires to join.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk, as requested by the Senator from Kansas.

The concurrent resolution (S. Con. Res. 70) favoring the establishment of a Hall of Fame for Agriculture, submitted by Mr. CARLSON (for himself and Senators CASE of South Dakota, SCHOEPPEL, MURRAY, HOBLITZELL, YARBOROUGH, REVERCOMB, CHAVEZ, THYE, NEUBERGER, SCOTT, ALLOTT, CAPEHART, BARRETT, THURMOND, BENNETT, AIKEN, WATKINS, PROXMIRE, HUMPHREY, HRUSKA, PAYNE, MUNDT, SPARKMAN, HILL, IVES, MARTIN of Pennsylvania, JOHNSTON of South Carolina, FLANDERS, SYMINGTON, COOPER, and MAGNUSON) was referred to the Committee on Agriculture and Forestry, as follows:

Whereas many of our bravest men and most valiant soldiers were of an agricultural background;

Whereas the Founding Fathers of this Republic and many of its most eminent leaders were farmers;

Whereas agriculture has played a dominant role in the rise of our country to greatness;

Whereas there now exist halls of fame recognizing the glorious past for the baseball player, the cowboy, and others;

Whereas the ox yoke, the bull-tongue plow, the hand-forged iron kettle, and the sod house represent the evolution of agricultural technology in this country and the difficulties which a determined people faced and successfully overcame in improving their way of life; and

Whereas our American heritage should be preserved and tribute should be paid to the great men and women who over the years have helped to make American agriculture the most productive in the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that there be established and maintained, as a memorial to the important role played by agriculture in the development of our Nation, a Hall of Fame for Agriculture, wherein there will be collected and preserved for posterity relics, artifacts, and other evidence and data relating to agriculture and the great contributions it has made and continues to make in the rise to greatness of our country; and the Congress does hereby commend, encourage, and sanction the efforts of any organization which undertakes to establish such a hall of fame.

PRINTING OF PROCEEDINGS AT PRESENTATION, DEDICATION, AND ACCEPTANCE OF STATUE OF MARIA L. SANFORD

Mr. HUMPHREY. Mr. President, on behalf of myself and my colleague, the senior Senator from Minnesota [Mr. THYE], I submit, for appropriate reference, a concurrent resolution to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. THYE. Is that the resolution about which the Senator spoke to me?

Mr. HUMPHREY. It is.

Mr. THYE. I had submitted a similar resolution, but I understand that there are some documents and brochures which have been sent to the Senator to accompany the resolution which I have submitted. Is that correct? I understand that is why the Senator is submitting his resolution, which is identical with the one I have submitted.

Mr. HUMPHREY. I do not believe it is identical. The one the Senator submitted was with reference to the Maria Sanford statue authorization. My resolution would supplement it with documents which relate specifically to the authorization. The senior Senator from Minnesota has joined me in submitting my resolution.

Mr. THYE. As I understand, it does not replace the resolution which I submitted earlier, but supplements it with documents which have been received from the Centennial Commission.

Mr. HUMPHREY. That is correct. The Senator has kindly joined me in submitting the concurrent resolution.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 71) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Maria L. Sanford, to be presented on November 12, 1958, by the State of Minnesota in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed 5,000 additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,900 copies shall be for the use of the Members of the Senate from the State of Minnesota, and 500 copies shall be for the use of the House of Representatives, and 2,500 copies shall be for the use of the Members of the House of Representatives from the State of Minnesota.

AMENDMENT OF SOCIAL SECURITY ACT RELATING TO EXTENSION OF COVERAGE TO CERTAIN STATE EMPLOYEES

Mr. PAYNE. Mr. President, on behalf of myself, and my colleague, the senior

Senator from Maine [Mrs. SMITH], I introduce, for appropriate reference, a bill to amend title II of the Social Security Act to facilitate the extension of social-security coverage to certain State employees in the State of Maine. I ask unanimous consent that the bill, together with a statement, prepared by me, explaining the purposes of the bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3424) to amend title II of the Social Security Act to facilitate the extension of social-security coverage to certain State employees in the State of Maine, introduced by Mr. PAYNE (for himself and Mrs. SMITH of Maine), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 218 (d) (6) of the Social Security Act is amended by adding at the end thereof the following new sentence: "For the purposes of this subsection, any retirement system of the State of Maine which covers positions of teachers and positions of other employees shall, if such State so desires, be deemed to consist of a separate retirement system with respect to positions of such teachers and a separate retirement system with respect to the positions of such other employees; and, for the purposes of this sentence, the term 'teacher' shall mean any teacher, principal, supervisor, school nurse, school dietitian, school secretary or superintendent employed in any public school, including teachers in unorganized territory."

The statement presented by Mr. PAYNE is as follows:

STATEMENT BY SENATOR PAYNE

This bill would amend the Social Security Act to permit the extension of coverage to employees of political subdivisions of the State of Maine. The amendment is necessary so that the State will be able to conform to the requirements of the applicable State statute which is at present in conflict with the Social Security Act on one minor point.

Last year the 98th Maine Legislature adopted an act declaring it to be the policy of the State of Maine that employees of political subdivisions of the State have the benefits of social security whether or not they were members of an existing retirement system. Some 25 or 30 Maine communities are members of the Maine State retirement system and will be affected by the bill.

The act of the Maine Legislature expressly provided that its provisions would not apply to teachers, policemen, and firemen who were under an existing pension or retirement plan. In Maine, teachers are covered by the Maine State retirement system as a class and do not depend upon the municipality's membership to make them eligible. In effect then, for the purpose of the State retirement system, a teacher is considered a State employee. But for social security purposes a teacher is considered an employee of the municipality and where social security coverage is to be extended to employees of a municipality which belongs to a retirement system, it must under the Social Security Act, include all municipal employees covered by the system.

Since the laws of Maine preclude social security coverage for teachers, the employees of municipalities which belong to the State retirement system are presently denied social security benefits because of the requirements of the Social Security Act. The bill which has been introduced would permit the State of Maine to treat teachers in the same manner that the Social Security Act treats policemen and firemen—as a separate class.

The Social Security Act presently contains special provisions for many States including: Florida, Georgia, Minnesota, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Washington, Wisconsin, and the Territory of Hawaii.

It is my hope that the Congress will be able to adopt this measure this year so that the employees of cities and towns in Maine may participate in the social security program.

CONVERSION OF AND REPAIRS TO NAVAL VESSELS

Mr. BUTLER. Mr. President, I introduce for appropriate reference a bill which is intended to provide a measure of stability to the Nation's ship-repair industry. This measure relates primarily to the conversion and repair of naval vessels a considerable amount of which is now performed in Navy shipyards in direct competition with private yards.

My bill has two fundamental purposes:

First, it calls upon the Department of the Navy to place contracts for at least 75 percent of all conversion and repairs to Navy vessels in private ship-repair yards instead of in naval shipyards.

Secondly, it would require the appointment, by the President, of a commission, to study the effect on the shipbuilding and repair industry of the construction and repair of naval vessels in Government yards. It is envisioned that a majority of such a commission would consist of independent citizens having no connection with the Navy or the shipbuilding and repair industry. The Hoover Commission recommended this important study several years ago, and I am confident an impartial and careful analysis will demonstrate that this phase of Government activity can be transferred to private enterprise at great savings to the taxpayers.

Prompt enactment of my proposal will also have a healthy effect on the Nation's economy. We are in a period of economic recession, and the shipbuilding and repair industry has been one of the victims of the business slowdown. Many yards have been compelled to release workers.

Under today's adverse economic conditions it is folly to have the United States Navy in direct competition with private industry. The shipbuilding and repair industry is vital to national defense and its maintenance in a State of health is of utmost importance.

If 75 percent of all naval conversion and repair work is allotted on a contract basis, furloughed workers will be returned to their jobs, and the shipyards will again thrive, thus contributing to an economic upturn. At the same time the Government will save the taxpayer's money. Repair work in Government shipyards is often more costly than similar work in private yards. Federal employees released because of curtailment in naval yards and installations can obtain jobs paying as well or better in private yards, and a proper balance will be restored to our ship-repair potential.

It has been the policy of this administration to take the Government out of competition with private industry insofar as possible. The provision in my bill calling for the appointment of an independent commission to determine the effect Navy construction and repair work in Government shipyards has on private industry is in keeping with this sound economic philosophy.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3426) to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards, and for other purposes, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Armed Services.

METHOD FOR OBTAINING CONSENT OF CONGRESS TO INTERSTATE COMPACTS

Mr. BIBLE. Mr. President, at the request of the National Association of Attorneys General, I introduce, for appropriate reference, a bill to provide a method for obtaining the consent of Congress to interstate compacts.

This bill is a procedural proposal, expressly designed to provide a more expeditious process by which Congress may review and grant consent to compacts and agreements among the States.

In response to the 20th century needs of the American people, the States have been making increased use of such compacts and agreements, and in an expanding number and variety of fields. Examples of the use of this cooperative approach can be found in probation and parole supervision, and other aspects of law enforcement, in provision for welfare and correctional facilities, higher education, health, metropolitan area development, conservation and development of our natural resources, and other areas.

Not only are more fields of State and local activity involved in these compacts, but individual compacts nowadays are linking together increased numbers of States—in contrast to the simpler bi-State compacts of the 18th and 19th centuries. Of 24 compacts drafted for nationwide or regionwide ratification by the States prior to 1956, 18 date from the end of World War II.

Congressional consent to such compacts rests upon article I, section 10, clause 3, of the Constitution which reads:

> No State shall, without the consent of the Congress, * * * enter into any agreement or compact with another State, or with a foreign power.

Traditionally, but with some exceptions including crime control and civil defense noted below, the granting of Congressional consent has taken the form of legislation.

During the same recent years in which the States, to improve their operating programs, have become increasingly dependent upon the interstate compact,

the work of Congress in other areas has become increasingly complex, bills introduced and heard have multiplied, and sessions have become prolonged. Consideration of compact consent legislation of necessity has tended to be deferred and delayed, and in the process these bills and resolutions have come to be regarded largely as local legislation.

This bill is not a consent-in-advance proposal, although Congress has granted such advance consent in the crime field, but rather it is based on the procedure established in 1950 by Congress for expeditious review of civil-defense compacts. The procedure contemplated would appear to be entirely constitutional, in the judgment of the State officials—notably the State attorneys general—who developed the proposal, and of the Columbia University legislative drafting research fund which has researched this area.

Briefly, the bill provides an optional procedure by which copy of any compact requiring consent may be transmitted to the President of the United States and to the Congress. The consent of Congress then shall be deemed to have been granted upon the expiration of the first 90-day period of continuous session following transmittal, unless within that 90-day period Congress or either House has not passed a resolution denying consent.

More expeditious procedures, such as contemplated by this bill, appear highly desirable as an encouragement to States and local governments to cooperate for more effective discharge of their services and activities on behalf of the people.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3428) to provide a method for obtaining the consent of Congress to interstate compacts, introduced by Mr. BIBLE, by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

REIMBURSEMENT TO STATES FOR CERTAIN FREE OR TOLL ROADS

Mr. BUSH. Mr. President, I introduce, for appropriate reference, a bill to authorize reimbursement to the States for certain free or toll roads on the Interstate System, and for other purposes, and I ask unanimous consent that the bill be printed at the conclusion of the remarks which I shall make.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from Connecticut.

The bill (S. 3429) to authorize reimbursement to the States for certain free or toll roads on the Interstate System, and for other purposes, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Public Works.

(See exhibit 1.)

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD, following the text of the bill, a summary by the Department of Commerce of its recent report entitled "Consideration for Reimbursement for Certain Highways on the Interstate System."

There being no objection, the summary was ordered to be printed in the RECORD.

(See exhibit 2.)

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD, following the statement just ordered to be printed, a table entitled "Highways Incorporated Into the National System of Interstate and Defense Highways—Distribution of Cost Less Depreciation: Toll and Free Roads, Combined, in Millions of Dollars."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(See exhibit 3.)

Mr. BUSH. Mr. President, I have introduced the bill to implement a recommendation of the original Clay committee, which recommended acceleration of construction of the Interstate System. The bill proposes to reimburse the States which have had accepted by the Department of Commerce and by the Bureau of Public Roads various sections of existing highways within those States, highways which have measured up to the standards of the Interstate Highway System and have been accepted as a part of it. About 26 States have toll roads, a part or all of which, in some States, may be available for this consideration. Other States have free roads which are eligible for such consideration.

The Clay Committee made much of the fact that it would be only justice and equity to reimburse those States which were in a position, due to their foresight, vision, and courage, to construct such roads as could be taken into the Interstate System.

I sincerely hope that other Senators will see the merit of the bill. I ask unanimous consent that it may remain at the desk for 24 hours, so as to enable any Senator who wishes to do so to join as a cosponsor.

I hope the Committee on Public Works will take cognizance of the bill in the very early part of the week. I understand the committee is holding special meetings to consider highway matters, and I hope the bill will receive their early attention.

EXHIBIT 1

Be it enacted, etc., That it shall be the policy of the Federal Government to equitably reimburse a State for free or toll highways on the Interstate System within its boundaries, the construction of which has ben completed or partially completed subsequent to August 2, 1947, or which was either in actual construction, or under construction by contract, for completion, awarded not later than June 30, 1957, if such highway or partially completed section thereof meets the standards required for the Interstate System.

SEC. 2. If an existing free or toll highway or partially completed section of highway which is located upon the Interstate System and included in the report submitted to Congress under section 114 of the Federal-Aid Highway Act of 1956 (70 Stat. 374) (House Document No. 301, 85th Cong.), is believed to measure up to the standards of construction adopted under section 108 (i) of the Federal-Aid Highway Act of 1956, a State may request of the Secretary of Commerce that it receive reimbursement for such highway, and the State shall be entitled to receive such reimbursement subject to the conditions of this act. The Secretary of Commerce shall first determine whether or not the highway, or partially completed section of highway, meets such standards. If he approves the same, the Secretary of Commerce shall determine, in accordance with the rules and regulations issued pursuant to section 4 hereof, the amount of reimbursement to which the State is entitled based on the cost of such highway, less depreciation and the total amount of any Federal funds used in the construction of such highway. In each such determination for a toll highway, the Secretary shall also exclude from the cost of the highway the cost of financing thereof and the cost of any toll plazas, toll collection facilities, and any other facilities not included within the definition of the term "highway" under Federal-aid highway legislation.

SEC. 3. Any State entitled to reimbursement under this act, whether for a toll or a free highway or a partially completed section of highway, shall use the funds so reimbursed, for construction of projects on the Federal-aid systems, subject to the condition that all Federal-aid highway funds apportioned to a State under Federal-aid highway legislation for the current fiscal year have been expended within the meaning of said legislation. Whenever a State constructs such projects with funds received as a result of a reimbursement under this act, all procedures and steps shall be taken in the same manner as though such funds had been apportioned under Federal-aid highway legislation; *Provided,* That State matching funds shall not be required: *And provided further,* That the funds received as a result of a reimbursement under this act shall constitute the total Federal share of any project upon which such funds are expended. The State shall obligate the amount to which it is entitled to be reimbursed under this act within 5 years after the time such amount is credited to it, and any amount not so obligated shall lapse.

SEC. 4. The Secretary of Commerce shall establish such rules and regulations necessary to carry out the purposes of this act.

EXHIBIT 2

CONSIDERATION FOR REIMBURSEMENT FOR CERTAIN HIGHWAYS ON THE INTERSTATE SYSTEM

In the Federal Aid Highway Act of 1956, the Congress indicated its intent to determine whether or not reimbursement should be made to the States for highways, toll or free, completed or put under construction on the National System of Interstate and Defense Highways between August 2, 1947, and June 30, 1957. For that purpose, the Secretary of Commerce was directed to determine which highways might be eligible for consideration for such reimbursement, their cost, and depreciation.

With the cooperation of the State highway departments, the Bureau of Public Roads of the Department of Commerce undertook this study and here reports its findings.

Of the 38,548 miles of approved detailed locations on the Interstate System as of September 1957, it was found that 10,859 miles, or 28 percent, met the criteria for consideration for reimbursement. In this mileage were included 1,950 miles of toll roads in 26 States and 8,909 miles of free roads in 47 States. Only 1,955 miles of the 10,859 mile total were fully completed.

The total cost of the highways eligible for consideration for reimbursement amounted to $6.09 billion, of which $2.59 billion was for toll roads and $3.50 billion for free roads. Federal aid funds accounted for 32 percent of the latter.

Since only highways completed or undertaken in the last 10 years were considered, their average life span was short: 37 percent of the costs represented work under con-

struction or awarded to contract on June 30, 1957; 30 percent represented completed work less than 2 years old; 33 percent represented completed work 2 to 10 years old.

As a consequence, the computed depreciation of the total $6.09 billion cost amounted to only $174 million. The total cost less depreciation for the 10,859 miles eligible for consideration for reimbursement amounted to $5.92 billion, of which $2.52 billion was accounted for in toll roads and $3.40 billion in free roads.

EXHIBIT 3

Highways incorporated into the National System of Interstate and Defense Highways—Distributions of cost less depreciation: Toll and free roads, combined

[In millions of dollars]

State	By status of completion							By location		By cost item				Grand total
	100 percent complete	Partially complete						Rural	Urban	Right-of-way	Grading and miscellaneous	Surface and base	Structures	
		80 to 99 percent	60 to 80 percent	40 to 60 percent	20 to 40 percent	0 to 20 percent	Subtotal							
Alabama			2.6	7.5	5.3	2.8	18.2	18.2	(1)	1.5	7.8	6.3	2.6	18.2
Arizona	0.6		1.0	2.9	30.6	6.8	41.3	36.3	5.6	3.6	21.2	10.4	6.7	41.9
Arkansas	5.3	3.2	1.2	.4	3.2	.7	8.7	7.9	6.1	1.9	2.7	4.1	5.3	14.0
California	6.4	153.7	80.4	43.4	62.0	34.0	373.5	70.0	309.9	123.2	105.9	48.5	102.3	379.9
Colorado		4.9	13.6	17.3	9.7	.3	45.8	28.8	17.0	9.3	21.1	8.0	7.4	45.8
Connecticut	309.7		4.0	10.0	2.3	.6	16.9	63.9	262.7	75.7	99.0	27.2	124.7	326.6
Delaware				34.9			34.9	34.9		2.2	1.3	1.1	30.3	34.9
Florida	26.1		6.3		1.9	1.2	9.4	14.9	20.6	7.9	7.1	5.8	14.7	35.5
Georgia	29.0	16.2	9.9	7.6	5.8	.2	39.7	22.3	46.4	18.3	21.8	11.3	17.3	68.7
Idaho			4.6	2.6	4.1	.5	11.8	10.4	1.4	1.4	6.8	3.0	.6	11.8
Illinois	35.5	334.6	41.6	58.2	74.4	5.8	514.6	181.1	369.0	142.4	122.5	111.5	173.7	550.1
Indiana	147.0	10.0	12.6	5.6	1.4	4.0	33.6	97.9	82.7	9.5	61.4	50.1	59.6	180.6
Iowa		1.7	7.2	1.1	2.1		12.1	10.4	1.7	1.4	4.4	1.8	4.5	12.1
Kansas	87.7	7.3			14.0	.3	21.6	82.4	26.9	14.2	30.0	43.5	21.6	109.3
Kentucky	36.9				.7		.7	22.9	14.7	6.3	12.9	11.1	7.3	37.6
Louisiana	7.1	1.5	12.8	1.3	9.6	1.0	26.2	8.2	25.1	2.9	10.7	2.2	17.5	33.3
Maine	28.5	9.4		.8			10.2	24.8	13.9	2.6	17.9	5.8	12.4	38.7
Maryland	86.6	34.3	7.4	20.2	4.7	12.1	78.7	35.6	129.7	22.2	39.7	17.0	86.4	165.3
Massachusetts	41.8	184.8	62.7	2.7			250.2	110.8	181.2	49.8	76.7	26.4	139.1	292.0
Michigan	2.1	115.9	53.7	78.6	9.3	23.5	281.0	132.2	150.9	82.5	42.5	29.7	128.4	283.1
Minnesota		1.7	6.6	7.5	8.4	1.7	25.9	18.4	7.5	4.8	9.5	8.1	3.5	25.9
Mississippi				4.8	7.1	.6	12.5	7.3	5.2	1.8	4.7	3.7	2.3	12.5
Missouri	19.9	34.7	29.2	.6	18.2	11.2	93.9	61.2	52.6	14.0	27.8	30.6	41.4	113.8
Montana		2.7	2.4	2.9	6.9	.1	15.0	14.4	.6	1.0	7.8	5.4	.8	15.0
Nebraska				.6	.8		1.4	.8	.6	.1	.2	.4	.7	1.4
Nevada		1.2	1.1	2.2	5.2	1.2	10.9	10.9		.2	6.3	4.3	.1	10.9
New Hampshire	6.1		4.0				4.0	7.6	2.5	1.4	4.9	2.3	1.5	10.1
New Jersey	47.4	290.4	9.0	6.1	2.3	1.2	309.0	19.7	336.7	28.4	102.4	34.5	191.1	356.4
New Mexico		2.7		6.1	9.4	1.8	20.0	19.9	.1	.8	10.4	5.7	3.1	20.0
New York	664.3	258.0	5.4	69.3	20.8	18.4	371.9	280.8	755.4	187.8	357.2	120.7	370.5	1,036.2
North Carolina		9.4	11.8	16.7	16.3	4.3	58.5	42.8	15.7	14.4	17.8	10.4	15.9	58.5
North Dakota				3.1	3.8	(1)	6.9	6.9		.2	2.2	4.2	.3	6.9
Ohio	175.1	51.3	43.3	14.5	13.9	2.0	125.0	198.8	101.3	45.4	103.0	57.6	94.1	300.1
Oklahoma	87.5	.1	11.2	.3	1.0	1.7	14.3	81.2	20.6	10.2	30.0	32.2	29.4	101.8
Oregon	13.7	11.6	17.2	50.6	10.6	2.3	92.3	85.3	20.7	15.9	51.6	17.4	21.1	106.0
Pennsylvania	304.8	56.2	26.7	40.1	4.5	.3	127.8	169.8	262.8	53.0	138.1	66.5	175.0	432.6
Rhode Island	14.5		4.7				4.7	4.7	14.5	6.1	3.6	1.8	7.7	19.2
South Carolina		1.6	1.4	.3	6.0	.2	9.5	9.5		1.0	2.9	2.2	3.4	9.5
South Dakota		.4	1.9		6.3	1.2	9.8	9.6	.2	.8	2.8	5.8	.4	9.8
Tennessee	10.7			1.0	2.5	.6	4.1	4.4	10.4	2.1	2.7	1.3	8.7	14.8
Texas	83.9	57.7	26.1	43.5	43.0	30.9	201.2	116.4	168.7	76.6	88.6	64.7	55.2	285.1
Utah			1.6	4.4	11.6	.7	18.3	16.7	1.6	2.0	9.1	5.8	1.4	18.3
Vermont			3.2				3.2	3.2		.5	1.4	1.3		3.2
Virginia		69.4	3.5	44.6	4.9	.6	123.0	35.6	87.4	19.9	30.1	13.9	59.1	123.0
Washington	.3	21.7	26.5	13.1	19.0	9.7	90.0	50.4	39.9	22.1	31.2	17.7	19.3	90.3
West Virginia		6.3		3.2			9.5	3.2	6.3	1.8	1.9	.4	5.4	9.5
Wisconsin	.2		3.3		2.7	6.5	12.5	7.1	5.6	5.8	2.5	1.7	2.7	12.7
Wyoming			.4	12.7	10.0		23.1	22.3	.8	.5	14.0	5.8	2.8	23.1
District of Columbia	6.2	1.5			5.6	2.9	10.0		16.2	1.5	.9	1.7	12.1	16.2
Total	2,284.9	1,756.1	562.1	643.3	481.9	193.9	3,637.3	2,322.8	3,599.4	1,008.9	1,779.0	952.9	2,001.4	5,922.2

[1] Less than $50,000.

Mr. BUSH subsequently said: Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Connecticut will state it.

Mr. BUSH. If a Senator who introduces a bill requests that it remain at the desk, in order to give other Senators an opportunity to join in sponsoring it, will the bill be printed immediately, so it can be referred to the appropriate committee on the following day, for instance?

The VICE PRESIDENT. The Chair is informed that such a bill will be held at the desk until the time limit requested has expired.

Mr. BUSH. Then, Mr. President, I wish to modify my request. I now ask unanimous consent that the bill I have introduced remain at the desk only through today, in order to permit other Senators to join in sponsoring it. In that event, the bill may be printed immediately and may be referred appropriately on tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

FHA LOANS FOR FUR FARMERS

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Washington [Mr. MAGNUSON], the Senator from Illinois [Mr. DOUGLAS], the senior Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. POTTER], I introduce for appropriate reference, a bill to extend the loan program for bona fide fur farmers, and for other purposes.

The bill would make fur farmers eligible, on the same basis as other family-sized farmers, to receive operating loans through the Farmers Home Administration.

I ask unanimous consent, Mr. President, that a brief statement I have prepared to explain the provisions of the bill and the need for it be inserted at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3430) to expand and extend the loan program for bona fide fur farmers, and for other purposes, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. PROXMIRE is as follows:

STATEMENT BY SENATOR PROXMIRE

This bill would extend the same privileges under the Farmers Home Administration's operating loan program to family-sized fur farmers as are now accorded to producers of other agricultural commodities.

It would:

1. Amend section 21 (a) of the Bankhead-Jones Farm Tenant Act, as amended, to include fur farmers.

This section authorizes loans to family-sized farmers for the purpose of purchasing livestock, seed, feed, fertilizer, equipment, supplies, and other farm needs; to reorganize the farming operation to permit more diversified or more profitable operations; to refinance existing indebtedness; and for family subsistence.

Loans would be at an interest rate of 5 percent, for a period of 7 years from the date of the initial loan. A maximum of indebtedness of $10,000 per farm operator would be permitted, except that 10 percent of the total funds available for such loans could be used for larger total amounts up to $20,000.

2. Continue for 5 years the authority to make supplemental advances on loans granted under the Regional Agricultural Credit Corporation. The present expiration date of June 30, 1958, would be extended to June 30, 1963.

Mr. President, I am particularly concerned about this legislation because my State ranks first in the Nation in the production both of farm-raised mink and of silver fox.

Following is the ranking of the leading fur-producing States, as of 1956:

Wisconsin: First in mink, first in silver fox.
Minnesota: Second in mink, fifth in fox.
Michigan: Third in mink, fourth in fox.
Utah: Fourth in mink.
Oregon: Fifth in mink.
Washington: Sixth in mink.
Illinois: Seventh in mink.
New York: Eighth in mink, third in fox.
Ohio: 6th in fox, 12th in mink.
Pennsylvania: 7th in fox, 10th in mink.
Colorado: Second in fox.

ELIMINATION OF DISCRIMINATORY EMPLOYMENT PRACTICES BECAUSE OF AGE IN CERTAIN CASES

Mr. JAVITS. Mr. President, on behalf of myself, my colleague, the senior Senator from New York [Mr. IVES], and the Senator from Maine [Mr. PAYNE], I introduce, for apropriate reference, a bill to eliminate and prevent discriminatory employment practices because of age by contractors and subcontractors doing business with the Federal or District of Columbia Governments.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3433) to eliminate discriminatory employment practices on account of age by contractors and subcontractors in the performance of contracts with the United States and the District of Columbia, introduced by Mr. JAVITS (for himself, Mr. IVES, and Mr. PAYNE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, a critical issue in the American economic structure is our ability to deal with the unjust and unreasonable discrimination against older workers—those over 45, and in some instances only over 40—in opportunities for employment. Such discrimination deprives the Nation of a most important resource of experienced, often highly skilled employees, adds materially to the number of persons requiring public assitance, and deprives mature citizens of the dignity and status of self-support and continued participation in constructive economic activity. This is especially important now, in an economic downturn. Traditionally, employers continue to maintain age barriers, and as a result older workers are the first to be laid off. Excuses used are that they are more accident prone, slower, less dependable, have poor attendance records, turn out less work, and are less compatible with other employees. This is rash generalization, unjust and untrue.

While the whole problem of unemployment for those 45 or over cannot be solved by law, a suitable basis for solution can be brought about by law, since age discrimination in employment has unfortunately become widely prevalent in modern times. In meeting this problem, the Federal Government can and should exercise leadership in an area where it has already done much to banish discrimination in employment against individuals because of race, religion, color, or national origin.

Because of the great opportunity for the Federal Government to exercise leadership in this area, I am introducing this bill as a companion measure to the bill I introduced last year, the National Act Against Age Discrimination in Employment (S. 1073), which would make it unlawful for employers engaged in interstate commerce to discriminate in employment because of age. The bill I am today introducing, by limiting the scope to contractors and subcontractors of the Federal Government and the District of Columbia, offers a starting point from which we can proceed to reach the ultimate goal, barring age discrimination in employment wherever it exists, and provides the Government leadership so necessary if such progress is to be made. The Davis-Bacon Act has provided Federal standards in the areas of wages, hours, and conditions of employment.

Under the terms of the bill, contracts with the Federal Government and the District of Columbia would contain written stipulation against age discrimination in employment. Violation could result in cancellation of the contract. To define age discrimination, the bill states that it would be a discriminatory employment practice to refuse employment or to discharge a person because of his age "when the reasonable demands of such employment do not require such an age discrimination." The legislation provides that the Secretary of Labor shall "prescribe such rules and regulations as may be necessary to carry out the provisions of this act and to assure uniform application of such provisions by contracting officers." The discriminatory practice is determined by the Government only after notice and a hearing by the Government contracting officer. The findings of the hearing officer are subject to court review, and in all other respects, too, due process is observed.

DISASTER LOANS FOR CERTAIN SMALL BUSINESS CONCERNS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to provide for disaster loans to small-business concerns which suffer economic injury due to federally aided highway construction programs.

The State Highway Commissioner of the State of Minnesota, L. P. Zimmerman, has often expressed his concern that many small businesses who are forced to move by condemnation procedures as the result of the federally supported highway program, have no loan program which would assist them in making the changeover to a new place of business.

In the February 14 issue of the Washington Star, Phil Yeager and John Stark wrote a most interesting article pointing out that perhaps as many as 50,000 American businesses may be forced out of their current site in the next few years because of the tremendous amount of redevelopment and highway construction scheduled.

It may be that disaster loans might well be extended to businessmen who are forced to vacate through condemnation proceedings as a result of urban renewal development. However my proposal addresses itself simply to the question of condemnation proceedings of small businesses as a result of the Federal Highway System. Clearly this is a Federal undertaking, and is a Federal responsibility.

The present Small Business Act provides a broad program of disaster loans at very low interest to business firms which suffer economic hardship as a result of floods, droughts, and other natural catastrophies. These loans are made either by the Small Business Administration directly or in cooperation with private lending institutions at 3 percent interest payable within 10 years. It seems to me, Mr. President, that the disastrous effect on small-business men who are forced to move is in many cases no less complete than a disaster suffered as a result of natural causes. It would be a natural and obvious step to take to set up a program to provide these small-business men with the necessary loans to enable them to make the transition over to a new place of business.

I ask unanimous consent that the article by Phil Yeager and John Stark may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and without objection, the article will be printed in the RECORD.

The bill (S. 3434) to provide for disaster loans to small-business concerns which suffer economic injury due to federally aided highway construction programs, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The article presented by Mr. HUMPHREY is as follows:

CONDEMNATION EVOLVES AS HOT PUBLIC ISSUE

(By Phil Yeager and John Stark)

Suppose you operate a small business on the outskirts of town.

One day you get a notice from some land acquisition agency—it might be local, State, or Federal—indicating your property is to be condemned to make way for some new road or urban redevelopment.

Of course, there is no question of the power of public authorities to acquire necessary land through eminent domain. But you have a constitutional right to just compensation when this happens. So the question is—what is just compensation?

Is it the value of your property to you or its value to the agency acquiring it?

Methods of appraising condemned property are varied and complicated. But according to experts who have made recent studies of the matter, the final payment for condemned property in most cases is apt to be much closer to the valuation set on it by the condemning authority.

MANY CONSIDERATIONS OMITTED

Sometimes this can be very tough indeed on the person whose property is taken especially if it is a business property. For the courts rarely allow appraisers to take into consideration such items as loss of goodwill, costs of moving the business to a new location, or loss of profits occasioned by the move or the inability to start over again.

Maybe you think this doesn't happen often enough to worry about.

If so, here's something to ponder. As many as 50,000 American businesses may be forced out of their current sites in the next few years because of the tremendous amount of redevelopment and highway construction scheduled. Some think this is a conservative figure.

CONCERN GROWS

In New Haven, Conn., 312 business properties were condemned in one year—1956—incidental to only a part of that city's redevelopment program.

So great is the concern over the accelerated rate of business property condemnation, plus the tendency to undervalue the property, that virtually all State legislatures are receiving demands for increases in compensation.

But this problem, too, has its other side. In an age of redevelopment and mushrooming population, land acquisition is crucial. If planned public improvements are not made, we are apt to be caught in an ever-tightening web of traffic constriction and stifled living. Yet condemnation costs are already extremely high from a tax point of view. Paying everyone what he thinks his property is worth will mean digging much deeper into the taxpayer's pocket?

What's your solution?

COVERAGE OF AGRICULTURAL LABOR UNDER FEDERAL UNEMPLOYMENT TAX ACT

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to provide for coverage of agricultural labor by the Federal Unemployment Tax Act.

This bill, if enacted, will provide coverage for agricultural labor under the Federal Unemployment Tax Act and aid the large number of agricultural laborers who have lost their jobs and are not entitled under law to unemployment compensation to keep them and their families in food and necessities until they are able to obtain other gainful employment. Depressed farm prices and farms being placed in the soil bank has caused much unemployment among farm laborers.

There is no reason in the world why agricultural laborers should not be covered. Every worker in the United States should be protected by unemployment compensation if he loses his job. The importance of the agricultural laborer in producing the many agricultural products and thereby aiding the national economy is well known. We must do everything we can to protect the agricultural laborer to assure production of agricultural products.

I ask unanimous consent that the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3435) to provide for the coverage of agricultural labor by the Federal Unemployment Tax Act, introduced by Mr. LANGER, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subsections (c) (1) and (k) of section 3306 of the Federal Unemployment Tax Act are hereby repealed.

SEC. 2. The amendments made by the first section of this act shall be effective with respect to calendar years after 1958.

HIGHWAY BRIDGE BETWEEN INTERNATIONAL FALLS, MINN., AND FORT FRANCIS, ONTARIO, CANADA

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Francis, Ontario, Canada. I ask unanimous consent that the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3437) authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Francis, Ontario, Canada, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Department of Highways of the State of Minnesota is authorized to construct, maintain, and operate a free highway bridge and approaches thereto, at a point suitable to the interests of navigation, across the Rainy River between International Falls, Minn., and Fort Frances, Ontario, Canada, so far as the United States has jurisdiction over the waters of such river. Such construction, maintenance, and operation shall be in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and shall be subject to the conditions and limitations contained in this act and to the approval of the proper authorities of the Government of Canada.

SEC. 2. The rights, privileges, and powers conferred upon the Department of Highways of the State of Minnesota by this act may be exercised by such department in cooperation with the Government of Canada or any political subdivision or agency thereof which may agree with such department in the construction, maintenance, and operation of such bridge.

SEC. 3. The authority granted by this act shall terminate if the actual construction of the bridge herein authorized is not commenced within 3 years and completed within 5 years from the date of the enactment of this act.

SEC. 4. The right to alter, amend, or repeal this act is expressly reserved.

STIMULATION OF RESIDENTIAL CONSTRUCTION—AMENDMENTS

Mr. MONRONEY. Mr. President, I wish to record my strong opposition to some features of the housing bill reported by the Committee on Banking and Currency. Although I am a member not only of that committee, but also of the Subcommittee on Housing, I agreed not to file minority views in order to expedite reporting and consideration of the bill. But I served notice on Thursday, and I reiterate now, that I intend to wage a prolonged and bare-knuckled scrap on those features of the bill which increase interest rates.

As reported by the committee, the bill—S. 3418—would increase the maximum interest rate on VA-guaranteed mortgages from 4½ to 4¾ percent. It would also raise from 4 to 4½ percent the interest rate chargeable on FHA-insured and Government-guaranteed mortgages on Capehart military housing.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. If the committee had but waited 6 more hours for the most recent action of the Federal Reserve Board, there would have been no excuse or reason for increasing the interest rates.

Mr. MONRONEY. I thank the Senator from Tennessee for his comment. The ink was not dry on the committee bill when the Federal Reserve Board's announcement of the further reduction in the rediscount rate was published. As the distinguished Senator well knows, such action by the Federal Reserve Board sets the stage for further reduction in interest rates.

The committee's proposal increases these interest rates when interest rates generally are going down.

Mr. GORE. Is it not likely that in view of the action of the Federal Reserve Board, the committee itself will offer an amendment to the bill?

Mr. MONRONEY. I am informed that the committee has made its choice. I understand that the margin by which the rate was adopted by the committee was only one vote. The majority of the committee has determined, in the face of declining interest rates, to provide additional profits to insurance companies, mortgage companies, and other moneylenders. Those profits will come out of the pockets of the GI's. An increase in interest rates will reduce the size of houses, thus requiring the use of less material, such as lumber, plumbing, and other equipment. In this bill the committee has failed to keep the interest rates at a point where the average borrower on a 30-year home loan can have a house of adequate size.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. THYE. I join with the distinguished Senator from Oklahoma in his remarks concerning interest rates, and I have so expressed myself previously. By permitting high interest rates, we shall only be adding to the overall cost of veterans' housing, thereby possibly enabling the lenders to foreclose many veterans' mortgages, simply because the veterans do not have incomes large enough to enable them to continue the monthly payments on their homes.

Mr. MONRONEY. I would welcome the distinguished senior Senator from Minnesota as a cosponsor of the amendment which I shall offer at the conclusion of my remarks. At present, some 18 Senators have become cosponsors. If the Senator from Minnesota would care to join us in the submission of the amendment, I shall be glad to have him do so. It simply continues the present interest rates, instead of permitting them to rise.

Mr. THYE. Mr. President, I ask unanimous consent that I may be permitted to join in sponsoring the amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MONRONEY. I thank the Senator from Minnesota who always is interested in having such funds made available at low rates.

Mr. President, I send to the desk the amendment, which would strike out the sections of the committee bill which would increase the interest rates. I submit the amendment on behalf of myself, the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from North Dakota [Mr. LANGER], the senior Senator from Washington [Mr. MAGNUSON], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Minnesota [Mr. THYE].

Many others Senators have indicated that they will support the amendment. I ask unanimous consent that it may lie on the table until the end of the session today, so other Senators who may wish to do so may join in sponsoring it.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, will remain at the desk, as requested by the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I am fully aware of the need for fast action to stimulate the construction of new housing to help stem the tide of the current recession. Widespread unemployment in the United States is not to be trifled with, and we must take on chances of permitting the development of the cumulative effects of a recession psychology. We should give clear proof to all citizens that we will move heaven and earth, if necessary, to prevent the occurrence of another depression debacle such as that which settled over the country in the early 1930's.

But Mr. President, it is an utter paradox for us to increase the interest rates on GI and Capehart housing mortgages at a time when interest rates are drastically dropping in all sectors of the economy. These mortgages are rapidly becoming competitive at present rates. Even beyond this, however, an increase in interest rates on Capehart housing will actually slow down the construction of many projects which would otherwise go forward very quickly, contrary to the purpose of the bill.

Thus the bill as reported with the higher interest rates will stymie rather than stimulate housing construction.

Today it is being said around the cloakrooms and the halls of the Senate Office Building that higher interest rates is the price Congress must pay in order to get through a housing bill which will not be vetoed. Mr. President, I, for one, and I think many other Senators, will refuse to be bludgeoned by such tactics. Higher interest rates are not in the best interests of the country at this time, and I cannot conceive that the President would veto a constructive measure to help the Nation stop mounting recession pressures. Although everyone knows that this administration is committed to a policy of higher interest rates, I refuse to believe that even the White House could possibly be so shortsighted as to veto the bill before us simply because it does not raise interest rates.

I also send to the desk, and ask to have printed, a second amendment. It would increase the funds available to the Federal National Mortgage Association for purchase of Capehart mortgages.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. MARTIN of Iowa submitted amendments, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

STIMULATION OF RESIDENTIAL CONSTRUCTION—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (S. 3418) to stimulate residential construction, which were ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. PAYNE submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. HUMPHREY submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, the following amendment, namely:

On page 5, between lines 13 and 14, insert the following:

PRICE SUPPORTS AND ACREAGE ALLOTMENTS

Notwithstanding the provisions of any other law—

(1) The support price (in terms of dollars and cents) for any agricultural commodity, except tobacco, shall not be less than that available for such commodity during the marketing year or season which began in 1957; and

(2) The total acreage allotted for any agricultural commodity, except tobacco, shall not be less than that allotted for the 1957 crop of such commodity, and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to the 1959 and subsequent crops of upland cotton and rice, respectively.

Nothing herein shall be construed to supersede or limit any other provision of this act or to require price support to be made available if marketing quotas have been disapproved by producers, or to noncooperators in the case of any basic agricultural commodity.

Mr. HUMPHREY also submitted an amendment, intended to be proposed by him, to House bill 10881, making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT OF FEDERAL-AID HIGHWAY ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 6, 1958,

The names of Senators PASTORE, PROXMIRE, HUMPHREY, NEUBERGER, MURRAY, KENNEDY, CHAVEZ, MCNAMARA, MAGNUSON, JACKSON, CHURCH, and HENNINGS were added as additional cosponsors of the bill (S. 3414) to amend and supplement the Federal-Aid Highway Act approved June 29, 1956, to authorize appropriations for continuing the construction of highways, and for other purposes, introduced by Mr. GORE (for himself, Mr. CARROLL, Mr. MORSE, Mr. MANSFIELD, and Mr. YARBOROUGH) on March 6, 1958.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were

ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Lincoln Day address entitled "Lincoln and American Foreign Policy," delivered by Senator BRICKER, at Toledo, Ohio.

Letter, dated February 6, 1958, addressed to him by H. L. Rice, of Florence, Ala., regarding Tennessee Valley Authority, and his reply, dated February 22, 1958.

NOTICE OF HEARINGS ON MUTUAL SECURITY ACT OF 1959

Mr. GREEN. Mr. President, the Committee on Foreign Relations expects to begin hearings on the Mutual Security Act of 1959 on next Wednesday, March 19. In that connection, I desire to announce that there are available in the Foreign Relations Committee room six volumes of detailed documentation on the President's proposed mutual security program for the fiscal year 1959.

These documents are classified secret, but they are available for inspection personally by Senators in the committee room. Members of the staff of the committee will likewise be glad to help any Senator find the answer to any question on this subject he may have.

FEDERAL EXPENDITURES FOR RIVERS, HARBORS, AND FLOOD CONTROL

Mr. HOLLAND. Mr. President, I rise to compliment the distinguished senior Senator from Louisiana [Mr. ELLENDER], chairman of the Public Works Subcommittee of the Senate Appropriations Committee, for performing a real public service last Tuesday on the floor of the Senate when he set the record straight with reference to a recent misleading article in the Saturday Evening Post concerning Federal expenditures for developing and conserving our valuable water resources.

I am grateful to the Senator from Louisiana for presenting the full and complete story of our continuing efforts to utilize fully our waterways and harbors and to prepare properly for the future water needs of the people of this Nation. No one is more cognizant of our needs in this field than he; or works harder to see that these needs are met. It is unfortunate that efforts to discredit the outstanding work of such men sometimes are made in misleading articles such as the one which recently appeared in the Saturday Evening Post.

In Florida we have many harbors and waterways which are being developed as rapidly as possible to serve our people; and we have one particular project, the central and southern Florida flood control project, which is constructed to a point where now it is beginning to conserve for future use valuable water which otherwise would be wasted by flowing into the Atlantic Ocean or the Gulf of Mexico. Such handling of this valuable resource is to be highly commended, rather than condemned.

Mr. President, leadership with foresight and imagination is necessary today in this field if in the years to come we are to supply the needs of the people of the Nation. Senator Ellender is supplying such leadership in a magnificent way, and I take this opportunity publicly to congratulate him for his untiring efforts, in behalf of all of our people, to prepare for the tremendous job ahead of supplying the water needs of a steadily increasing population.

The VICE PRESIDENT. Morning business is now in order.

NEED FOR MORE PHYSICIANS

Mr. SMITH of New Jersey. Mr. President, one of the most important long-term health problems of the Nation involves maintaining an adequate supply of well-trained physicians to meet the needs of our rapidly growing population. This is one of the reasons why I am interested in having Congress take prompt action on S. 1917, pending before the Committee on Labor and Public Welfare, to provide financial aid for the construction of medical-teaching facilities, without which it will be difficult, if not impossible, to meet our national needs during the next two decades. Such funds are needed, not only to assist schools in expanding enrollments, but to enable many of the schools to strengthen current programs by replacement of outmoded instructional facilities.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a thorough analysis of this problem, written by Michael Clark, and published in the New York Times of Monday, March 3, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATION NEEDS PHYSICIANS TO MEET RISING POPULATION—SURVEY SHOWS THAT THE DEMAND EXCEEDS SUPPLY—DECLINE IN STUDENT ROLLS IMPERILING FUTURE MEDICAL CARE

(By Michael Clark)

The number of physicians in the United States is falling behind the growing population.

The demand for their services already is far greater than the supply, and the gap appears to be widening.

Unless a way can be found to recruit and train many more qualified students, medical care a decade or two from now will suffer, according to the best opinion in the profession.

These are the findings of a survey made by the New York Times on whether enough students are entering the medical profession.

In an attempt to predict future needs, a group of medical educators recently sought advice from Dr. Dudley Kirk of Population Council, Inc.

With the population at 172 million, he said, the country is growing at a rate of 3 million a year and a reasonable guess of the population in 1980 would be 240 million.

The projected rate of population increase transcends any current projections of the rate of increase in medical school enrollment or physicians.

Medical school graduates have increased from 4,565 in 1930 to 6,796 last year. A record was set in 1955 with 6,977.

By 1962, however, the number is expected to level off at 7,400 a year, with the population curve continuing to rise sharply.

In recent years, the physician-population ratio has remained constant at 1 to 750 (850 if active physicians only are counted). This is exceeded only by Israel, which has 1 physician to 467 inhabitants.

In other words, although the number of physicians licensed each year has been greater than the number who have died, the difference has been just great enough to keep pace with the increment in the population.

It is unlikely that the present ratio can be maintained much longer.

Dr. Vernon W. Lippard, dean of the Yale University School of Medicine, estimated last year that if the population reached 220 million in 1975, as predicted, and if the present ratio was to be maintained, the country would have to produce 2,000 more physicians a year.

It is widely felt that any attempt to "balloon out" the existing medical schools may impair the quality of instruction.

ASKS NEW SCHOOLS

According to Dr. Lippard, the United States can avoid a drop in the physician-population ratio only by building 20 to 25 new medical schools of the current median size.

Since a new school normally involves a capital outlay of $50 million, Dr. Lippard was suggesting an investment of about $1,250,000,000.

His estimates are rejected by those who hold that the physician-population ratio is no key to adequate medical care. They fear that an oversupply of doctors could, in the event of an economic slump, bring great hardship to the profession.

Traditionally, this has been the position of the American Medical Association. This powerful group has never conceded a shortage of physicians or such a possibility.

According to the American Medical Association, the real problem is distribution, not numbers.

Dr. Frank G. Dickinson, director of its bureau of medical-economic research, cites the increased efficiency of medicine as the best argument for rejecting the physician-population ratio as a valid indication of the number of physicians needed.

He reported in 1954 that only one-sixth of the United States land area, inhabited by one-sixth of 1 percent of the population, was beyond a 25-mile radius from the closest physician in active practice.

His conclusion was that if 361 physicians of the 156,000 then in active practice were relocated, no area would have more than 2,000 inhabitants for each physician in active practice.

Dr. Dickinson put the lowest area ratio at 1 physician to 5,100 inhabitants.

However, since 1954, the position held by Dr. Dickinson and the old guard of the American Medical Association has been increasingly beleaguered.

Dr. Kirk delivered a blow when he told the recent Congress on Medical Education and Licensure in Chicago that the profession should prepare for an enormous increase in the potential demand for medical service.

He did not try to answer the question, "How many doctors are enough?" However, he felt it "fair to say the medical profession has erred in the direction of preparing too few physicians in relation to the prospective needs for their services."

After having heard Dr. Kirk, a workshop conference on population and medical care concluded that the present physician-population ratio should be regarded tentatively as the best available yardstick by which to determine the desirable output of physicians in the immediate future.

TWO DISSENTERS NOTED

The 20 participants in the conference included physicians, sociologists and businessmen. Only two believed that a lower ratio would be satisfactory. The names of the dissenters were not given, but Dr. Dickinson presumably was one.

At a plenary session of the congress, Dr. Dickinson asked if the findings of the conference reflected the official views of the American Medical Association. The answer was "No."

It was noted that the conference had not conceded that there was a physician shortage now, but implied that there might be one if the physician-population ratio dropped.

However, the conference gave weight to the recommendations of the Association of American Medical Colleges. At its 1956 annual meeting, the association issued a statement to the effect that more physicians should be obtained by increasing the number of medical schools.

In the opinion of many medical educators, the physician-population ratio must be improved if present shortages are to be overcome and probable future demands met.

When a balance sheet is drawn showing, on one hand, factors tending to improve the efficiency of the corps of physicians and, on the other, factors tending to increase the demand for medical service, it is reasonable to conclude that the saturation point is nowhere in sight.

The following factors make it possible for a physician to see more patients in less time: "wonder" drugs, improved techniques, faster transportation, group practice, and greater assistance from auxiliary medical personnel.

A case of pneumonia used to absorb 11 hours of a physician's time. Today, the average case occupies him an hour and a half.

Dr. Dickinson says physicians' service increased at least one-third between 1940 and 1950. Yet there has been no "technological unemployment" in medicine.

URBANIZATION A FACTOR

Dr. Lippard noted recently that between 1900 and 1950 the number of physicians increased by 58 percent, while in the same period the number of trained health personnel, including dentists, nurses, pharmacists, and technicians, rose by 370 percent.

"If this remarkable increase has diminished the need for physicians' services, it has not been apparent," he commented.

Urbanization is another factor tending to increase the demand for medical care, since metropolitan areas always absorb more doctors than rural areas.

In addition, urbanization is accompanied by a general social and economic upgrading of the population. As health consciousness grows, more and more persons can pay for medical care.

This process is accelerated by the spread of prepaid-health-insurance plans and industrial and union programs. About 123 million persons, three-quarters of the population, are covered by health insurance.

The changing age structure is another factor.

The baby boom of the last few years has widened the base of the population pyramid. However, as life expectancy at birth approaches 70 years, the population is also aging. The median age rose from 23 years in 1900 to 30 in 1950, and there is no reason to suppose that the ceiling of life expectancy has yet been reached.

The implications of these changes are that obstetricians and pediatricians will continue to be in demand and, concomitantly, a growing need will be felt for specialists in the chronic and degenerative diseases of old age.

It has been found, too, that mental and emotional disorders are more prevalent among the elderly and are aggravated by the complexities of urban living.

A specialist estimates that no more than 10 percent of the psychoneuroses, emotional disturbances and disorders of behavior, character and intelligence are getting competent professional attention.

Medical advances make it possible for a physician to treat more patients in less time, but they also enable him to attack conditions previously thought to be beyond his scope.

As a physician has put it:

"The advent of intra-thoracic and intracardiac surgery, new approaches to mental health and the increasing demands for effective control of degenerative diseases impose new demands for the augmentation of health personnel."

The search for an optimum physician-population ratio is hindered by countless unknowns. That is why some physicians and medical educators prefer to look at the problem from a different angle.

Let us forget the ratio controversy and the overall picture, they say, and examine, instead, the measurable shortages as they exist in the supply of medical students, medical teachers and practitioners in specific areas of medicine.

When this is done, it is seen that in many instances, the demand far exceeds the supply and that virtually unlimited opportunities await the young doctor emerging from internship or residency.

That there is a decline in medical studies can hardly be doubted. This is not necessarily reflected in absolute numbers. Actually, the number of medical schools and students have been increasing.

There are 78 approved, 4-year medical schools in the United States and 4 approved 2-year schools of basic medical sciences. Three new schools—Florida, Seton Hall in Jersey City and Albert Einstein in New York—are in the process of development.

A total of 29,130 undergraduates were attending all the schools last year, a record number. The 1956 entering class was the largest ever enrolled, 8,014.

However, medical schools have reported a decrease in the number of applicants. The figure fell from a high of 24,434 in 1950 to a low of 14,538 in 1954, but rose to 15,917 in 1956. The number of applicants for each available place in first-year classes has been at a record low of 1.9 since 1954.

It has been unfortunate for the schools that as the high veterans' demand for medical education subsided in 1952, the small crop of depression babies began to arrive on the college scene.

By 1954, the schools were in the trough of the wave. However, by the mid-1960's, when increased enrollments now reported by high schools begin to be reflected in medical school applications, the situation will improve.

RISING COLLEGE ROLLS

In 1955, the total college enrollment was 2,755,000. This is expected to rise to 6,443,000 by 1970. Will medical schools be able to squeeze an additional 2,000 students a year out of the increased number of college students?

The answer probably is yes, but there are grounds for concern.

In 1920, medical schools had 2.4 percent of the total college enrollment. Now, they have 1 percent. It is estimated that by 1965, the figure will be 0.6 percent. It is here that the falling away from medical studies becomes apparent.

There also seems to be a deterioration in the quality of students applying for medical school.

The number of college students entering medical school with grade A averages has decreased from 40 percent in 1950 to 16 percent in 1956, while the number of students with grade B averages has increased from 43 to 70 percent.

The major, privately owned medical schools drawing students from colleges across the Nation have felt no pinch. Theirs is the pick of the crop.

Harvard, for instance, received 10,560 applications last year for the 115 places in its first-year class. As each applicant had filed an average of 7.7 applications to different medical schools, Harvard's share worked out to 1,371.4, or 11.9 for each available place.

Most State schools have geographical restrictions compelling them, either by custom or law, to reserve all or most places to residents.

CAUSES OF DECLINE

Medical educators admit that the national average of 1.9 applicants for each available place leaves little room for complacency. It means that too many schools must scrape the bottom of the barrel.

What is keeping good students away from medicine? Any answer involves speculation. Several contributing factors have been suggested, including the following:

The high cost of medical education.

The long grind involved.

The lure of science and industry.

The decline of learning in general.

The insecurity and hardships encountered by practicing physicians.

Racial and religious discrimination.

A medical education is the most expensive. The minimum time required to complete it is 8 years beyond high school—3 years of college, 4 years of medical school, and a year of internship. However, 75 percent of first-year medical students in 1955 had 4 years of college behind them.

A medical education for certification as a specialist may take 12 years or more, for the specialist must normally complete at least 3 years as a resident in an approved hospital.

Eight years of premedical and medical education cost up to $13,000. The median cost of 4 years of medical school is $7,200, and is increasing.

Is medicine, then, a rich man's profession?

Not necessarily, for scholarships and student loans are available at most medical schools. A wide range of employment opportunities exists for students and their wives.

Medical educators are, however, unanimous in the belief that more financial assistance is needed.

A college student with insufficient motivation may be deflected from medicine when he considers the arduous road that leads to distant licensure and certification. Many students and ex-students of medicine insist, however, that medical school may be a most satisfying experience.

LURE OF INDUSTRY

The lure of science and industry does not appear to be as great for the potential medical student as may be thought. The prestige of the physician is as great as some persons think. The prestige of the physician is not exceeded by that of the engineer or industrial scientist. His financial rewards are usually comparable.

Besides, many students choose medicine in preference, not to other scientific pursuits, but to law, theology, or teaching. For medicine belongs to the social as well as the physical sciences.

On the other hand, the general softening of scholastic endeavor in high schools and colleges has been as prejudicial to medicine as the basic sciences. It is hard to tell how much native talent and intelligence is lost to advanced scientific studies simply because the groundwork has not been laid.

Yet, despite their complaints, physicians live better than most. In 1953, the average physician in private practice earned $15,000. For lawyers, the figure was $9,392; dentists, $8,500, and public-school teachers, $3,615.

REGARDING DISCRIMINATION

The charge that good students are lost to medicine through racial and religious discrimination in admission policies is hard to substantiate because the discrimination, if it exists, is never admitted.

Two medical schools, Howard in Washington and Meharry in Nashville, Tenn., are primarily for Negroes. The Woman's Medical College in Philadelphia admits only women.

A 1953 study showed that a student wanting to enter medical school in New York State stood a better chance if he was Protestant rather than Catholic, or Catholic, rather than Jewish. It was noted, however, that the findings were not proof of discrimination.

Geographical discrimination sometimes works to the detriment of ethnic groups. Many private medical schools make a conscious effort to achieve national representation in student bodies.

Thus, an applicant from Wyoming or another State having no medical school may be taken in preference to an equally promising applicant from New York. However, the New York applicant is more likely to be a Jew than his competitor from the West.

Discrimination may keep Negroes out of medical school even in the North. Inferior educational opportunities and lack of funds also are factors.

Internship and residency are an essential part of medical education. However, increasing amount of medical care is being dispensed by interns and residents. They constitute the majority of house staffs in the 867 hospitals offering approved internships and 1,202 offering approved residencies.

However, 2,013 of the 11,616 approved internships available in 1955 were vacant. Of the 26,516 approved residencies, 5,091 were vacant.

Without a constant influx of foreign physicians and American graduates of foreign medical schools, the shortage of house staffs would be more pronounced. In 1955, there were 2,293 foreign interns and 5,560 foreign residents in American hospitals.

New York State reported 2,005 foreign physicians serving as interns and residents, about a quarter of the total. In New Jersey, about 68 percent of hospital house staffs were foreigners.

Foreign medical schools as a rule do not come up to American standards. Many patients, therefore, are being cared for by graduates of substandard medical schools. This situation has been described as reminiscent of the diploma-mill era 50 years ago.

The number of graduates of foreign medical schools entering the United States medical profession on a permanent basis increased from 308 in 1950 to 907 in 1955. The latter figure represents the output of 11 United States schools of median size.

In 1955, there were 1,863 Americans enrolled in medical schools outside the United States and Canada. The number of foreign students enrolled in United States schools was 375. The difference represents the capacity of four United States schools of median size.

The shortage of medical teachers has become serious. Last year, medical schools reported 331 full-time faculty positions unfilled, a substantial increase over the 251 reported in 1956.

Efforts of several States to encourage young doctors to practice in rural counties testify to the physician shortage in remote areas. In most cases, the encouragement takes the form of financial assistance to medical students in return for an undertaking to practice for a specified time.

The physician-population ratios vary greatly in regions and States. The Northeast States, for instance, are much better supplied with doctors than the South.

Among the States, New York has the highest ratio, 1 physician to 485 inhabitants. Mississippi has the lowest, 1 to 1,305.

DISTRIBUTION A PROBLEM

The need for better distribution to help areas not yet adequately supplied has been listed by the Association of American Medical Colleges as a factor calling for an increased number of physicians.

Acute physician shortages also are reported in the medical specialties, especially mental health. State mental hospitals now need more than 3,700 additional physicians.

A similar situation exists in public health. A 1951 study showed 458 medical vacancies in State and local health departments. The American Public Health Association believes the number of vacancies has substantially increased since.

More doctors also are needed in anesthesiology, physical medicine and rehabilitation, pathology, radiology, and medical research.

The available evidence, therefore, suggests that the recent workshop conference erred in stating that the demand for physicians' services and the supply were about in equilibrium.

The conference conceded, however, that the need for more physicians might exceed the demand.

Federal programs to stimulate new medical-teaching facilities and assist medical students have been proposed as a way of increasing the supply of physicians.

Most medical schools have indicated that they would apply for Federal matching grants for expansion purposes if the necessary legislation, now in preparation, were enacted.

Contemplated construction projects, costing about $400 million, could then be undertaken over a period of 5 years. About three-fifths of the cost would be chargeable to teaching and the rest to research.

Schools estimate that expanded facilities may enable them to accept as many as 1,850 more first-year students. This would be a long step in the right direction. However, most medical educators believe a more concerted effort is needed.

UNITED STATES RATIO OF PHYSICIANS TO POPULATION UNEVEN

The physician-population ratios are higher in the Northeast than in the West, higher in the West than in the North Central States, and higher in the North Central States than in the South.

In large cities the distribution is also often uneven. In Greater New York the ratio is 1 to 410. The ratios by boroughs are Manhattan, 1 to 208; Brooklyn, 1 to 662; Queens, 1 to 660; Bronx, 1 to 724; Richmond, 1 to 782.

REMODELING OF EAST FRONT OF CAPITOL

Mr. SMITH of New Jersey. Mr. President, I had inserted in the RECORD during the past week the Washington Post series of articles dealing with the east front of the Capitol controversy. Since our last meeting Elsie Carper has contributed several more of these informative articles, and I would recommend them for the consideration of Senators. I trust that my colleagues have found, and will continue to find, useful this splendid series.

In addition, I should like to call attention of the Senate to two editorials commenting on this subject, particularly the lead editorial, entitled "Save the Capitol," in last Friday's New York Times, which called for a reconsideration of the present plans before any irrevocable action is taken. It is encouraging to have the support of that great newspaper.

I ask unanimous consent that the New York Times editorial of March 7, 1958, Washington Post editorial of March 7, 1958, and the Washington Post articles of March 7, 8, 9, and 10, 1958, be printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 7, 1958]

SAVE THE CAPITOL

SAM RAYBURN has been a Member of the House of Representatives for 45 years and as Speaker is one of the most respected and powerful men in the United States Government. But he doesn't own the Capitol.

Yet one would think he did, judging by the way his pet scheme to alter the east front of that historic building is being pushed ahead, irrespective of Senate protests, without House hearings and in utter disregard of public opinion and the judgment of some of the most prominent architects in America today.

A Senate subcommittee has just unanimously approved a bill to reconsider the proposed 32½-foot extension of the east front; but Mr. Rayburn says that, nonetheless, he expects the plans to be submitted for bids as scheduled. He is on perfectly secure legal ground, for as long ago as 1955 Congress, with virtually no thought and no debate, authorized this nonsensical scheme to give the House a little more eating, working, and walking space, at a cost of many millions and the defacement of one of our country's most treasured shrines.

The uproar over this piece of vandalism is admittedly belated. It is, however, genuine, and it ought, at the very least, move the Speaker and his pliant Commission for Extension of the Capitol, which now controls the situation, to defer any irrevocable action until all the alternatives can be fairly considered. This would be the only democratic thing, as well as the only reasonable thing, to do. No one begrudges the House its desire for more space, although the third House Office Building, now under way, might be expected to go far to fill that need.

The plan being pushed by Mr. RAYBURN, who is no architect, and also by Architect of the Capitol J. George Stewart, who is also no architect, but a former Congressman, a former Senate committee clerk, and a civil engineer, is based on one of two schemes put forward 53 years ago, and the less desirable one at that. No plan to disturb the east front would be satisfactory, least of all a plan that would do what this one would—bring it forward 32½ feet, reerect an imitation in marble, and alter the present fine relationship between the east front and the House and Senate wings.

The Capitol Building means a great deal to Americans, and the part that would be changed happens to be the oldest section of that building. The Capitol is an authentic bit of the history of our country, as Daniel Webster recognized when he wrote these words which were placed in the cornerstone of the House-Senate extension of 1851:

"And all here assembled, whether belonging to public life or to private life, with hearts devoted thankful to Almighty God for the preservation of the liberty and happiness of the country, unite in sincere and fervent prayers that this deposit, and the walls and arches, the domes and towers, the columns and entablatures, now to be erected over it, may endure forever. God save the United States of America.

[From the Washintgon Post and Times Herald of March 7, 1958]

EAST FRONT BREAKTHROUGH

The hour may be late, but there is still time to block the determined drive to mutilate the United States Capitol at an extravagant cost for little visible purpose. Yesterday, the Senate Public Works Committee unanimously reported out a bill which could thwart the plan to extend the Capitol's east front by 32½ feet. The bill would simply give Congress a chance to seek other ways

of enlarging office space besides hacking out the venerable front door of the Nation's Capitol.

Originally, authorization for the change was whisked through Congress, without hearings, in 1955. Since then, proponents of the change (led by Speaker RAYBURN) have been unable to justify their unseemly rush to rip out the old facade. Respected architects have pointed to serious flaws in the extension plans—and have received only garbled responses. A series in this newspaper by Elsie Carper has brought forth some startling facts, including the estimate that the added space will cost $200 per square foot. This is roughly 10 times the cost of floorspace in the plush United Nations building. Will the next suggested improvement be to cast the Capitol dome in solid gold? We are wholly in accord with Senator BYRD in feeling that this profligate plan ought to be completely scrapped.

[From the Washington Post and Times Herald of March 7, 1958]

FOES OF CAPITOL CHANGES QUESTION LAG IN REPAIRS

(By Elsie Carper)

(Fifth of a series)

The sandstone facade of the east front of the Capitol is in need of repair.

Proponents and opponents of the plan to revamp the historic central section of the building agree that it needs some attention.

Capitol Architect J. George Stewart proposes to make the repairs by building a marble replica of the present east front 32½ feet out in front of the portico.

The American Institute of Architects, the Society of Architectural Historians and other groups fighting to save the Capitol say this is wasteful and will destroy the historical interest of the building as well as its harmonious appearance.

In recent hearings before a Senate Public Works Subcommittee on Legislation to halt the east front alteration, two members of the AIA charged that the building had been neglected.

They maintained that the present facade can be repaired at considerably less cost than the $10.1 million for the east front extension.

Their contention is borne out by a study made last summer at Stewart's request by the National Bureau of Standards.

D. W. Kessler, former chief of the Bureau's building stones section and consultant for the study, said that stone brought to Washington from the nearby Aquia Creek quarries in the 1790's for construction of the Capitol is, like most sandstone, of variable consistency. Some sandstone is soft, some is durable as granite.

Some of the stone in the Capitol is not of the best quality, but most of it is in good condition.

Sample test borings to a depth of a foot showed no appreciable weathering of the stone back of the first half inch, Kessler said. If the surface were scaled, and this can be done with modern pneumatic tools, the "stone would be practically as good as new," Kessler said.

During the hearings, Stewart and one of his consulting architects, John F. Harbeson, testified that the building is dangerous. They said that pieces from moldings and cornices have fallen into the court of the building frequented by visitors.

Harbeson said a section of cornice weighing 60 pounds fell 12 years ago.

Stewart showed pictures of balustrades and columns with surface stone damage, and pictures of other stonework with chipped edges. One picture was of a column cap reinforced with wire.

The pictures were made 2 years ago, before the building received its last coat of paint. Before the paint was put on, eroded sections were filled in.

Harbeson said that the 35 coats of paint applied to the building since its original section was burned by the British in 1814 have softened the detail of the building but have not prevented erosion.

Douglas Haskell, a member of the AIA and editor of Architectural Forum magazine, said the "wire and putty" standard of repairs indicated negligence in caring for the building.

Haskell wanted to know why, if the building was as dangerous as Stewart had indicated, he didn't rope off this area this very afternoon before anybody can be killed and he might be held responsible.

Julian Berla, a local architect and chairman of the Committee To Preserve the National Capitol, said he could not understand why repairs had not been made.

Lorimer Rich, architect for the Tomb of the Unknown Soldier, asked: "Could it be that this condition was deliberate in order to build up a case for reconstruction?"

Rich said that crumbling stone should be replaced where necessary. This has been done at the statehouse in Nashville and in the trim of the statehouse in Richmond. Sandstone taken from the same Aquia Creek quarries as the stone for the Capitol has been kept in repair at the White House.

"I am sure the American people can afford to replace caps and columns here with new ones rather than wiring them up," Rich declared.

Rich asserted that it would be impossible to reproduce the early Federal character of the Capitol in marble.

"This whole thing," he said, "is a document of our early American culture."

The architects also said the harmony of the painted iron dome and the painted sandstone below would be lost if the central section is redone in marble.

Haskell expressed astonishment at a statement by Harbeson that it would be cheaper to build a complete new duplicate wall 32½ feet away on a new foundation than to repair the present building.

[From the Washington Post and Times Herald of March 8, 1958]

FRONT OF CAPITOL REFLECTS HISTORY

(By Elsie Carper)

(Sixth of a series)

The United States Capitol as it now stands is a visual history of classic American architecture.

The many elements that make up the building are visible as one stands in the plaza looking toward the east front, now scheduled to come down to make way for additional restaurant and office space.

The work of famous American architects, going back a century and a half, can be seen in one sweep of the eye.

Although the Capitol has grown many times from its original size, the architects that have added to it have always managed to retain the work of their predecessors. As a result, the Capitol that Washington and Jefferson helped design and the plaza where Lincoln was inaugurated remain as monuments to American history and architecture.

MARBLE REPLICA

If the plan to build on the Capitol by putting up a marble replica of the east front 32½ feet into the inaugural court goes ahead, the old sections of the building will disappear.

The fight to save the east front is an old one. For more than a century men put in charge of the building have wanted to tack on space by changing the appearance of the building.

This is the case of the present Architect of the Capitol, J. George Stewart. Actually Stewart is an architect in title only. He is a political appointee and by profession a contractor and engineer.

A former attempt to alter the east front was stopped by President Fillmore.

By 1850 Congress had outgrown the building that Washington and Jefferson had envisioned and Thornton, Latrobe, and Bulfinch had executed. New States were sending representatives to Washington. The Senate had 66 Members in the Hall that later was to become the Supreme Court chamber, and the House had 237 Members crowded in what is now Statuary Hall.

GREEK CROSS

Capitol Architects Robert Mills and Thomas U. Walter submitted plans for large additions to the east, forming a Greek cross.

Fillmore insisted that the building be kept intact and that space be added according to an alternate plan submitted by Walter.

"It was desirable," Fillmore said, "not to impair the harmony and beauty of the present building, which as a specimen of architecture is so universally admired."

Fillmore supervised the adding of the Senate and House wings by narrow corridors to leave the present Capitol uninjured.

The wings were built of marble and were extended beyond the central section to form a court and enframe the east front portico.

With the dome that was added during the Civil War, the Capitol was completed essentially as it stands today.

The late Leicester B. Holland, chairman of the American Institute of Architect's Preservation of Historic Buildings Committee, has written that the Capitol is the only building that tells the story of the history of American architecture as the cathedrals and palaces of Europe do.

TREATMENT OF DETAIL

The treatment of detail, he said, shows "where one man's work stopped and another man's commenced."

After completing the dome, Walter resubmitted his plan for filling up the courtyard with a marble addition but it was never accepted. Stewart cites this plan as a precedent for his proposal.

When more space was needed for the Capitol, the architectural firm of Smithmeyer & Peltz was hired not to add to the Capitol but to build a separate building for the Congressional Library. When they completed the Library, they found the Capitol out of harmony and suggested alterations.

Had they been given their way, the Capitol would now look something like the Kremlin with little cupolas and minarets complementing the dome.

Again when more space was needed, Congress went outside the Capitol. The firm of Carrere and Hastings was selected to design the Senate and House Office Buildings. They also were commissioned to submit plans for the east front.

Turning away from Walter's proposal, they developed two plans. One, scheme A, was to extend the east front 12 feet 10 inches—sufficient to correct the so-called visual defect that the false skirt at the base of the dome rests on the portico.

The second plan, scheme B, was to move the front out 32½ feet to provide office and corridor space in the building.

AGAINST SCHEME B

Carrere and Hastings suggested that the wisest move would be to reface the walls where they stood. They strongly recommended against Scheme B, as the inaugural courtyard would be destroyed.

Stewart also cites this discredited plan as a precedent for his proposal.

The Congressional authorization for expanding the Capitol makes it mandatory that the addition to the Capitol be in accord with scheme B.

The American Institute of Architects claims that this freeze has prevented architects from seeking ways of providing space other than by destroying the east front.

Legislation approved unanimously Thursday by the Senate Public Works Committee and sent to the Senate floor would remove the scheme B requirement.

The AIA maintains that additional office and restaurant needs can be met by reorganizing space already within the building, by adding onto the less important west front, or by going outside of the building.

Since the Senate and House Office Buildings were occupied, the Supreme Court has moved into its own building on Capitol Hill, and a second House Office Building has been occupied. A second Senate Office Building and a third House Office Building are under construction.

[From the Washington Post and Times Herald of March 9, 1958]

CAPITOL BEARS IMPRINT OF BIG NATIONAL EVENTS

(By Elsie Carper)

(Seventh of a series)

No building in the United States carries the imprint of the Nation's history as does the Capitol.

Here all the great legislative debates from 1800 have been held, wars declared, and Presidents from the time of John Quincy Adams inaugurated. Here 5 Presidents, 3 felled by assassins, have lain in state.

To preserve the Capitol as a historic shrine and yet keep it a working Capitol is the focus of the present controversy over rebuilding the historic east front.

A five-member commission headed by Speaker of the House SAM RAYBURN (Democrat, Texas) has authorized Capitol Architect J. George Stewart to let contracts for the $10.1 million extension.

MARBLE COPY

A marble copy of the present east front whose walls go back to 1793 when Washington laid the cornerstone, will be built 32½ feet into the plaza to provide additional restaurant and office space and a private corridor for Congressmen across the building.

Legislation is pending in the Senate to delay construction, to learn if space cannot be found elsewhere without the destruction of the century-old portico.

The American Institute of Architects, which has called the east front extension a "desecration" because of the architectural and historical importance of the building, believes this can be done.

Senator A. WILLIS ROBERTSON (Democrat, Va.), will seek an amendment to the supplemental appropriations bill early this week to hold up the letting of contracts until the Senate acts on the legislation.

ON JENKINS HILL

Today, without the private corridor, Congressmen and the public mingle in the halls of the building that sits atop what was once Jenkins Hill. L'Enfant, who chose the site, described it as "a pedestal waiting for a monument."

Congress moved into the original section of the building in 1800—the Senate meeting in what later was to become the Supreme Court chamber and is now a hearing room.

In this room the Senate confirmed the treaty for the Louisiana Purchase, heard the message that formulated the Monroe Doctrine, ratified the peace treaties for the War of 1812 and Mexican War.

Calhoun, Clay, and Webster held their debates in the Chamber and Calhoun and Clay were buried from the room.

After the Senate moved in 1860, the Supreme Court occupied the Chamber for 75 years considering legal questions that grew out of the Civil War to outlawing of the NRA during the Roosevelt administration.

The old Senate Chamber and area now occupied by Statuary Hall, then the meeting place of the House, were fired by the British in 1814.

Torch-bearing troops came up the winding stone steps just off the hall to hold a mock session in the House Chamber.

Placing his muddy boots on the rostrum, the British Admiral Cockburn is said to have called for a vote from his troops as to whether "this harbor of Yankee democracy be burned."

When the room rocked with the shouts of "Aye," he ordered the two original sections of the Capitol set ablaze.

WALLS SAVED

The walls of the buildings were saved by patriots assisted by a heavy rain. Inside the east door the walls still bear the marks of British bullets.

It was this House Chamber that John Quincy Adams, who returned to Congress after he was President, suffered a stroke in his 81st year while seated at his desk. A small bronze plaque in the floor marks the spot.

It also was in this Chamber that Abraham Lincoln served a term in Congress.

As the martyred President, Lincoln was the first to lie in state in the rotunda just inside the door of the east front portico where he had but a month before delivered his second inaugural address.

NATION'S TRIBUTE

Others who have lain in state in the rotunda include Presidents Garfield, McKinley, Harding, and Taft, the Unknown Soldier and Gen. John J. Pershing. The last to lie in state in the rotunda was Senator Robert A. Taft.

Tragic and near tragic events have taken place in the rotunda. Constantino Brumidi, who painted the murals and frescoes, never recovered from a fall when working on the frieze. President Andrew Johnson escaped assassination when a pistol aimed at him misfired.

It was from the Capitol Samuel F. B. Morse, in 1884, sent the first telegraph message.

SENATORS' PRIVATE WALK OUTRAGEOUS

Senator RALPH E. FLANDERS (Republican, Vermont) yesterday described as outrageous the suggestion that the east front of the Capitol be extended to provide a private corridor for Congressmen.

When the Senators march across the Capitol for joint session, FLANDERS said, "the people of the United States * * * who own the Capitol and who have elected the Senators, are entitled to see what they look like."

FLANDERS said that additional space can be found by moving standing committes to the Senate and House Office Buildings now under construction, leaving only joint committees in the Capitol. He agreed decaying masonry of the old section of the building must be repaired and suggested the use of stronger matching stone.

[From the Washington Post and Times Herald of March 10, 1958]

EXPERTS' VIEWS IGNORED IN PLANS FOR EAST FRONT

(By Elsie Carper)

(Last of a series)

If the east front of the Capitol is extended, the only way to retain the present beauty and majesty of the building is to move out the House and Senate wings also.

This is the conclusion of a panel of three consulting architects hired by the Commission to Extend the Capitol.

Their recommendations, contained in a report to Capitol Architect J. George Stewart, were ignored when the Commission 2 weeks ago ordered the letting of contracts to extend only the central section.

Other recommendations by the consulting architects that have been lost are these:

The private corridors for Congressmen linking the House and Senate wings on each floor should be built to the west rather than to the east of the building.

Restaurants with a view of the Mall and considerably more office space could be provided at a relatively low cost by rebuilding the west terrace.

The present east front should be kept as an entity apart from the House and Senate wings, and if refaced should be in a material different from the wings.

The plaza now crowded with parked cars should be cleared of traffic by the construction of an underground garage and by landscaping.

The finest visual contribution that could be made to the Capitol by our generation would be an addition to the west front that would extend the present colonnade to form a loggia overlooking the Mall.

Architects signing the report were John F. Harbeson, of Philadelphia; Henry R. Shepley, of Boston; and engineer and landscape architect Gilmore D. Clark, of New York. Architect Arthur Brown, Jr., of San Francisco, who died before the report was submitted last August, is said to have endorsed a preliminary draft.

The report states that the question of whether the east front should be moved was not a matter for discussion, since Congress already had authorized the extension.

Instead, the architects said, they were "concentrating on the problem of how best to accomplish the will of Congress within the limitations imposed by the act in ways that will be least detrimental to the beauty and majesty of the east front."

They said this could best be done by following a "scheme C" that included remodeling the west front. Speaker of the House SAM RAYBURN Democrat, of Texas, chairman of the Commission, subsequently ruled out consideration of building on the west.

The Congressional act referred to is the 1956 legislative Appropriations Act specifying that the Capitol extension follow a "scheme B" developed in 1903 for moving out the east front 32½ feet.

The plan as prepared by Stewart, who is not a professional architect, is to put up a marble replica of the east front 32½ feet from the present portico, at a cost of $10.1 million.

The extension would provide 44,930 square feet of space for 54 office rooms, 8 document rooms, and 2 dining rooms, each seating 115 persons.

Legislation is pending before the Senate to remove the straitjacket restriction that space be found by rebuilding the historic east front, and instead engage architects to develop plans for the west front or other parts of the Capitol.

OBJECT TO MATCHING MARBLE

The consultants said that if the sandstone east front had not been painted over the years, "normal restoration would * * * have been a standard procedure," as at the Houses of Parliament in London.

If the east front is to be refaced in marble, the architects said, it "would be undesirable to have the central part match the wings," since the aesthetic function of the wings is to serve in a "subordinate manner as a setting for the central element."

"The marble of the wings is not of good color nor has it weathered attractively. The mortar joints are too wide and conspicuous and the effect is somewhat harsh and drab."

Stewart has said he plans to use marble of a "color and texture to harmonize with the Senate and House wings."

WAITING FOR THE "ROBERT E. LEE"

Mr. SPARKMAN. Mr. President, one of the most popular songs ever sung by the American people is Waiting for the *Robert E. Lee.* That fine old song was written by L. Wolfe Gilbert 46 years ago. Mr. Gilbert, by the way, is this year celebrating his 50th anniversary as a song writer.

L. Wolfe Gilbert has appeared before audiences here in Washington, and many Members of Congress have had the privilege of seeing this old trouper perform. He has written many great songs which Americans have found delightful to sing. As a tribute and as a matter of interest to music-loving people everywhere, I ask that there be printed at this point in the RECORD the words of the great old song Waiting for the *Robert E. Lee;* also a column written about L. Wolfe Gilbert by Vincent H. Flaherty which appeared in the Los Angeles Examiner on June 19, 1957.

There being no objection, the song and the article were ordered to be printed in the RECORD, as follows:

WAITING FOR THE "ROBERT E. LEE"

(Lyric by L. Wolfe Gilbert)

'Way down on the levee, in old Alabamy,
There's daddy and mammy, there's Ephra'm and Sammy;
On a moonlight night you can find them all;
While they are waitin' the banjos are syncopatin';
What's that they're sayin'? Oh, what's they're sayin'?
The while they keep playin', I'm hummin' and swayin';
It's the good ship *Robert E. Lee*—that's come to carry the cotton away.

(Chorus)

Watch them shufflin' along,
See them shufflin' along.
Go take your best gal, real pal,
Go down to the levee,
I said to the levee
And then join that shufflin' throng;
Hear that music and song;
It's simply great, mate, waitin' on the levee,
Waitin' for the *Robert E. Lee.*

The whistles are blowin', the smokestacks are showin',
The ropes they are throwin'; excuse me, I'm goin'
To a place where all is harmonious;
Even the preacher, they say, is dancin' teacher;
Have you been down there? Say, were you aroun' there,
If you ever go there, you'll always be found there;
Why, doggone, here comes my baby
On the old ship *Robert E. Lee.*

SONG WRITER GILBERT NOW BOOK AUTHOR

L. Wolfe Gilbert, dean of America's songwriters, never really attained the recognition he rightly deserved, except in the immediate circle of the profession. He never became as famous as Berlin or the few others, even though he wrote some of the greatest alltime hits.

WRITING HITS SINCE 1911

"Wolfie," as his friends call him, has been turning out hits since 1911 and is not at all bashful about telling you he is climbing into the seventies of life pretty good.

Wolfie probably is one of the most versatile songwriters who ever lived, having turned out a great miscellany of fine ballads, novelty songs, the first successful rhumbas, and even French types.

Gilbert's hits gallop all the way back to Waiting for the *Robert E. Lee,* Ramona, Down Yonder, Jeannine I Dream of Lilac Time, My Mother's Eyes, and on through Don't Wake Me Up—Let Me Dream, O Katharina, Green Eyes, Swanee Shore, Entre Nous, the Peanut Vendor, When You're With Somebody Else—and there is one with the improbable title: "When I'm With You, I'm Lonesome."

Wolfie is not only famous in show business but one of its most beloved figures.

It is a bit ironical, therefore, that he figures to become more famous for having written one recent book than he ever did in turning out a perpetual parade of hit songs.

His book is a humorous autobiography called Without Rhyme or Reason, which maintains a running fire of his experiences in the music and show world. It takes you from his days as a boy in his native Philadelphia to New York's Tin Pan Alley and Hollywood.

It isn't wholly confined to the theater and music world. It has much to do with his friends and experiences in the sports world. Gilbert goes back quite a distance. He was a friend of John L. Sullivan, the Boston strong boy, who usually is named among the greatest heavyweight prizefighters of all time.

GIVES JESSEL A RUN

Wolfe Gilbert gives George Jessel a close run when it comes to "the man who came to dinner" honors. He is invited to all banquets of any note and manages to make most of them. Invariably he is called upon to sing because he writes parodies in keeping with the occasion at the drop of a pencil.

Gilbert, being of the Jewish faith, is a must at Jewish functions. However, he makes the whole banquet circuit. During the past few days he appeared at the Beverly Hills Men's Club dinner; the California Tavern Owners' banquet; the Beverly Hills Bar Association dinner, and the trouper's dinner—all within a week.

Somehow he got me into the act when he sang his most recent parody before the aforementioned groups. He sings it to the tune of They Call It Ireland. Here are his lyrics:

"Sure, if you should meet an Irishman
With a brogue as thick as glue,
Though he be gorras all day long,
He still could be a Jew.
There's Dublin's Mayor Briscoe,
With his blarney, charm and grin,
Related to the Briskins,
Sam and Irving are his kin.
Sure I'm doubtin' Pat O'Brien,
And Vince Flaherty, the tad,
I saw them down on Fairfax—
Eatin' motza balls like mad—
They were singing Eli, Eli—
And I cannot understand, why
With all these sons of Israel,
They still call it Ireland."

I wondered what was the exact meaning of "tad." I looked it up. Means "a boy." That's just about the nicest thing Wolfie could have said about me.

PROGRESS UNDER FISHERY EDUCATION ACT

Mr. PAYNE. Mr. President, 3 years ago, during the first session of the 84th Congress, I introduced a bill to establish a fishery education program that would offer training in fisheries at the college, secondary, and vocational school levels. During the second session of that Congress hearings were held by the Senate Interstate and Foreign Commerce Committee and the House Merchant Marine and Fisheries Committee. The response to the bill which was evidenced at the hearing was extremely encouraging.

As a result of the support of all segments of the fishing industry throughout the Nation, the bill was passed by the 84th Congress and became Public Law 1027. Since then funds have been appropriated for implementing the secondary and vocational fishery training program, though as yet the Congress has not provided the money necessary for college level education. The commercial fisheries have many problems which require and deserve immediate attention. However, it is my conviction that the Fishery Education Act, Public Law 1027, 84th Congress, still offers one of the soundest long range methods of restoring the economic vigor of our fishing industries.

Mr. President, I ask unanimous consent that an article discussing the progress made under the Fishery Education Act, which appeared in the January 1958 issue of the Fish Boat magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FISHERY EDUCATION PROGRAM IS UNDER WAY—UNITED STATES-STATE SPONSORED UNITS IN TEXAS, MISSISSIPPI

There's something new in the national fisheries picture—educational programs covering the fundamentals of work aboard fishing vessels and brush-up courses for men already working in the industry.

Training men in the fishing trade is an established procedure in many other countries—for example, British Columbia, Italy, France, and Britain—but this is the first time such instruction has been scheduled in United States schools. The idea is not new here but little was done to implement it until coastal and Gulf States legislators led by Senator FREDERICK PAYNE, of Maine, began to campaign actively for Federal support.

The Payne-McCormack bill, now known as Public Law 1027 or the fisheries education law, was passed by Congress in 1956. It provided funds for instruction programs at both the college and high-school levels. Sponsors of the bill asked for a grant of $550,000 for teaching on the college level and $375,000 for vocational training in high schools.

When the appropriation was finally made, however, $228,000 was allotted for the vocational instruction and none for college-level work. Sponsors hope for college-level funds sometime in the future but meantime they're developing the high-school programs.

Among States receiving grants for vocational training in fisheries were California, $37,301; Massachusetts, $20,292; Louisiana, $15,116; Virginia, $13,087; Florida, $11,286; Texas, $10,009; Maryland, $9,257; North Carolina, $6,384; Mississippi, $4,378; Georgia, $3,648; Alabama, $1,618; South Carolina, $1,618; Tennessee, $730; and Arkansas, $598. Alaska was given $30,429. The Federal money was to be matched with a similar sum by each State and Territory.

The program is administered nationally by the United States Department of Health, Education, and Welfare through the Office of Education. The drive to get it underway passed the preliminary stage in July and August 1957, after conferences among Federal and State officials. And now two school programs—in Texas and Mississippi—are already in operation.

Courses of study and requirements outlined in the Texas and Mississippi programs offer interesting contrasts. They should, in addition, provide a general guide to other States now in the process of setting up their study outlines.

The Texas course, Fundamentals of Fishing and Shrimping, provides for an instruc-

tion period of 22 weeks with classes from 7 to 10 p. m. Monday, Wednesday, and Friday of each week. Classes started December 9 in the high-school building at Brownsville. Minimum age limit for enrollees is 17; there is no maximum. No educational background requirements are listed but students are required to know how to swim. Youths considering fishing as a career as well as men already in the industry are welcome to attend classes. There is no charge to the student, the cost being paid out of Federal funds plus a contribution by the Texas Shrimp Association.

OUTLINES HIS PLANS

John Santos Carinhas, Jr., president of the Brownsville Shrimp Producers Association and a director of the Texas Shrimp Association and the National Fisheries Institute, has been certified by the Vocational Division of the Texas Educational Agency as instructor of the school. He has announced that experts in the various fields will be invited to lecture in each of the sections. He plans to make moving pictures and tape recordings of talks which lend themselves to such treatment and which would be difficult to repeat "in person" for future classes.

The more than 200 hours of instruction is divided into six classifications. Introduction (13 hours) will cover general purpose of the course and topics such as fisheries associations, relationship of captains, crews, and owners, and a description of fishing boats. Navigation (45 hours) will cover Rules of the Road, the compass, celestial guides, coastal guides, tides, and dead reckoning. Radio, Depth Recorder (10 hours) includes description of and instruction in operating these devices. Mechanics (50 hours) covers principles of engines, accessories, power takeoffs, gears, propeller and shafting, auxiliaries, engine-room piping, steering gear, hoists, and electrical systems. Biology, Sanitation (10 hours) will emphasize types of shrimp and where they are found, conservation, and handling and icing of the catch. Fishing Gear (75 hours) will cover blocks, knots, splicing, nets and their operation and maintenance. The curriculum will also include lectures and demonstrations on first aid.

OBJECTIVES OF COURSE

Discussing the general purposes of the course, Mr. Carinhas said he hoped the instruction would help to decrease accidents of crewmen and damage to boats and equipment. Other main objectives are better preservation of the catch, less lost time from mechanical and other failures, and possibly an eventual reduction in insurance rates.

"The course isn't designed to turn out an expert fisherman," Mr. Carinhas said. "The student will be prepared for an apprenticeship and will have to start at the bottom when he gets on a boat—but our course should make it easier for him."

A Texas Shrimp Association committee named to work out the details and get the school started was made up of Mr. Carinhas as chairman, Sam M. Snodgrass, Earl Webster, and O. A. Kirkconnell. E. L. Pritchett, Brownsville superintendent of schools, cooperated in drawing up plans for the course and said he'd watch the program with a view to establishing a similar course for Brownsville high school students.

MISSISSIPPI'S PROGRAM

Mississippi's first vocational program under the fisheries education law is just getting underway at Pascagoula where it is supported jointly by State and Federal funds. In an important respect it differs from the Brownsville program since it is offered only to adults who plan to enter the industry or are already engaged in commercial fishing. As in Brownsville, however, there is the possibility that next year the course may be extended to cover high school students.

Another important difference in the Pascagoula course is the curriculum. Electronic navigation and piloting will be the only studies during the early stages. As the program is developed courses will be added in seamanship, engineering, charts and navigational equipment, and technical training in use and maintenance of fishing gear.

Lt. Cmdr. Robert Craven, a retired United States Navy officer who has had considerable experience in commercial fishing, is coordinator-instructor of the school. An advisory committee made up of gulf coast leaders in the industry includes Hermes F. Gautier, Harvey Bullis, George Castigliola, Cecil Drake, and Tom L. Murphy.

IN FORMATIVE STAGES

Louisiana provides an example of a program still in the formative stages. Four State-operated vocational courses are planned under general direction of T. E. Hampton, State director of trade and industrial education. An advisory committee, already at work setting up the program, includes John W. Lewis, manager of Twin City Fisheries Co-op, Morgan City; Euda Delcambre, shrimp producer and mayor of Delcambre; Percy Viosca, Jr., marine biologist with the Wildlife and Fisheries Commission; Louis F. Lapeyre, of Grand Cailluo Packing Co., Houma; E. J. Grizzaffi, State representative, St Mary Parish; W. Dudley Gunn, secretary-treasurer of Gulf States Marine Fisheries Commission; and H. L. Dickens, Louisiana Menhaden Co., Lake Charles.

The Louisiana plans, in contrast to the Brownsville and Pascagoula courses, will offer still another innovation. In addition to the regular coverage of navigation, engines, fishing gear, and handling of the catch, it will offer instruction in the field of distribution. Under this heading will be studies in grocery display and marketing procedures, and business management practices relating to markets and restaurants.

As the programs develop in all the States, important changes may be expected. Men of the fishing fleet will still depend upon experience and know-how passed down by veteran fishermen. But a new element—technical instruction by authorities in each field—will give apprentices a good background in the trade and will keep the working fishermen up to date on new gear and methods.

RECIPROCAL TRADE AGREEMENTS, AND CONDITIONS ON FARMS—STATEMENT ADOPTED BY THE COMMITTEE OF KANSAS FARM ORGANIZATIONS

Mr. SCHOEPPEL. Mr. President, under date of February 26, I received a letter signed by Martin J. Byrne, Secretary-Treasurer of the Committee of Kansas Farm Organizations, and attached thereto was a statement adopted by the Committee of Kansas Farm Organizations. I ask unanimous consent that the letter and the statement be printed in the body of the RECORD.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

COMMITTEE OF
KANSAS FARM ORGANIZATIONS,
Concordia, Kans., February 26, 1958.

Hon. ANDREW SCHOEPPEL,
Senate Office Building
Washington, D. C.

DEAR SENATOR SCHOEPPEL: Enclosed is a very significant statement adopted by the Committee of Kansas Farm Organizations.

Very truly yours,

MARTIN J. BYRNE,
Secretary-Treasurer.

STATEMENT ADOPTED BY THE COMMITTEE OF KANSAS FARM ORGANIZATIONS MEETING IN TOPEKA, KANS., FEBRUARY 18, 1958

The high protective tariff law was enacted for the purpose of assisting in the development of "infant industry." As the years have passed these industries have grown up and in many cases assumed giant proportions. They have become a powerful force in the economy of the country, and in too many cases wield a most powerful political influence.

In addition to the benefit they have derived from the tariff they have enjoyed direct and indirect subsidies from the United States Treasury. Subsidies such as direct financial support of transportation companies, buildings for use in manufacturing materials that might be used in case of war, indirect subsidies in the form of semifree mailing service and others.

These "favors" to certain industries have enabled them, through trusts, combines and mergers to develop monopoly control of prices of most products that are sold at retail.

Service organizations, telephone companies, professions, labor unions, and many others fix the price of their service without regard to supply and demand.

Agriculture, because of the uncertainty of production and the fact that it is composed of millions of small units, has been, and probably always will be, unable to compete successfully in the mad scramble for power in control of the markets for its products and the power to fix its own prices on the purchase of necessary equipment to operate the farm and support his family on the basis of American standards.

We appeal to Congress and the national administration to give serious consideration to the lowering of the tariff wall, so far as is possible, without bankrupting essential industries and will enable this country to exchange goods and services with our friendly foreign countries to a better advantage.

We urge a 5 year extension of the reciprocal trade agreements and a more aggressive use thereof. The reenactment of Public Law 480 as an aid in exporting our surplus farm production.

We feel the present price support law should not be eliminated until such time as conditions change or some better method of handling the situation is devised.

Farmers are constantly being called upon to solve their own problems without Government help or interference.

While it seems impossible to do this effectively, yet much is being done and it behooves organized agriculture to exert every effort to affect this purpose.

The Committee of Kansas Farm Organizations representing as it does fully 90 percent of the farmers of Kansas, pledges its united support to the building of stronger and better marketing, purchasing and service cooperative organizations.

We feel justified in expecting encouragement and help from the Congress, and the United States Department of Agriculture. Therefore, the encouragement and development of a stronger system of farmer cooperatives should be the publicly declared policy of our National Government.

EXTENSION OF UNEMPLOYMENT COMPENSATION COVERAGE FROM 26 WEEKS TO 39 WEEKS

Mr. NEUBERGER. Mr. President, as a Senator from the State with the highest rate of unemployment in the Nation, I desire to commend President Eisenhower for supporting the proposal that the Federal Government finance an extension of unemployment compensation

benefits from the existing period of 26 weeks to a longer time of 39 weeks. Such extension of coverage is one of the key features of the Unemployment Compensation Amendments of 1958 introduced on February 6, 1958, by the eminent Senator from Massachusetts [Mr. KENNEDY]. As a cosponsor of this proposed legislation, I am heartened by the decision of the President to urge extension of coverage. The prestige of his office will add to our hopes for success in restoring a portion of purchasing power among the unfortunate jobless.

Many Oregon sawmill and lumber communities are stagnating economically today because of the twin evils of unemployment and of the fact that numerous insured workers have exhausted their unemployment insurance payments, because they have been so long without work.

I regret the sad economic circumstances which make necessary the proposal for extension of unemployment benefit payments. For the individual, it is painfully distressed and bewildering to be without work for 26 weeks. It is even more alarming when the Nation may lose the productive energies of its citizens for a period of as much as 3 months beyond that time. The President's concurrence in the proposal for lengthening the time which people out of work may receive unemployment benefits gives recognition, at long last, to the seriousness of current economic conditions.

I feel that his administration has had complicity in the present critical situation, particularly in Oregon, because the tight-money policy has had such an adverse impact on our basic lumber industry. But this is time for action, rather than recriminations. I strongly urge that the proposal, now supported by the President, be ratified by Congress, so that the families of thousands of insured workers can commence to receive unemployment compensation payments for an additional 13 weeks, in States agreeing to the 39-week readjustment.

Extension of the benefit period would have a profound effect in reestablishing purchasing power in my home State of Oregon. Unemployment has gone on so long there that many insured workers have already exhausted their full quota of benefits, thus they do not show in compilations of the State's percentage of insured unemployment. Of 105,276 persons filing claims for unemployment benefits in the first 7 months of the 1957–58 benefit year, 5,318 already have drawn their full amount, and this number is increasing at the rate of more than 800 a week.

The rapid acceleration in the number of claimants exhausting benefit rights in the State of Oregon is illustrated by information given to me by the Bureau of Employment Security of the Department of Labor. This shows that 3,266 persons lost their rights to continued payments during the month of January, nearly 3 times the number which expired in the same month a year ago. I ask unanimous consent that a table showing the rapid increase in the numbers being cut off from the assistance of unemployment insurance in Oregon and a few selected States, and a table showing the continued rise in unemployment, be printed at this point in my remarks. These figures seem to indicate that the rate of benefit expirations is higher in Oregon than in any other Far Western State.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Number of claimants exhausting benefit rights [1] and average monthly insured unemployment,[1] for selected States

	Oregon		Washington		California		Idaho		Montana		New York		Illinois	
	1957–58	1956–57	1957–58	1956–57	1957–58	1956–57	1957–58	1956–57	1957–58	1956–57	1957–58	1956–57	1957–58	1956–57
	Exhaustions													
July	400	254	919	465	5,019	3,229	180	68	207	178	8,196	7,591	4,968	2,132
August	4	3	3	5	4,675	2,707	1	0	236	111	7,069	6,065	5,420	3,963
September	2	1	1	0	3,604	2,011	76	45	304	93	6,197	4,742	4,483	2,858
October	297	96	481	500	4,219	2,280	143	106	315	108	7,338	5,113	3,451	3,142
November	691	244	919	767	4,915	2,943	173	95	360	149	6,785	5,111	3,137	3,367
December	1,199	365	1,018	886	7,855	3,700	291	116	722	284	7,788	4,731	4,105	3,758
January	3,266	1,189	5,196	3,699	8,895	4,948	698	371	989	311	10,228	7,000	6,883	5,940
	Average weekly insured unemployment													
July	11,261	6,293	16,406	14,234	94,675	69,715	2,107	1,628	2,725	1,015	183,057	161,742	63,100	65,626
August	11,935	5,773	20,000	14,385	88,789	57,862	2,237	1,428	2,710	772	140,665	117,152	61,083	58,478
September	15,553	6,365	23,892	14,973	85,293	54,573	1,928	1,169	2,900	654	132,424	114,402	52,690	53,306
October	20,793	10,139	31,246	19,465	103,171	53,153	2,671	1,550	4,039	872	147,758	101,996	53,797	45,761
November	29,291	19,251	46,107	30,621	152,741	77,463	5,963	3,560	6,814	2,269	184,183	125,613	61,462	51,415
December	40,691	28,811	61,806	41,807	209,376	102,875	9,613	6,496	10,423	5,198	272,159	176,265	81,784	55,960
January	48,736	37,498	72,133	52,155	268,202	135,770	12,396	8,983	15,009	8,915	348,189	231,534	151,697	85,322

[1] Under State programs and the Federal employee unemployment insurance program.

Source: U. S. Department of Labor, Bureau of Employment Security, Office of Program Review and Analysis, Mar. 4, 1958.

Mr. NEUBERGER. Mr. President, these tables graphically illustrate the need for extending the period of unemployment coverage if even a small measure of purchasing power is to be restored to the channels of trade and the jobless are to have at least a subsistence standard of living. Both the number of jobless and the number whose benefit payments are being exhausted are on the rise. This foreshadows the possibility that even a greater number of individuals will lose the security of unemployment coverage unless another 13 weeks is added to the period for which compensation may be paid.

The need for extension of coverage is also reflected in public-assistance payments in Oregon. In December of 1957, these direct payments to needy persons by the State topped the $3 million mark for the first time in history of the Oregon State Public Welfare Commission. There is little doubt that this record outlay is the result of greater unemployment among persons not covered by unemployment compensation and also indicates that those whose unemployment benefit protection has expired are seeking this source of funds to keep body and soul together. I hope that legislative priority can be given to enactment of the proposal for extending unemployment benefit payments to 39 weeks.

Mr. President, this problem has received considerable attention by leading newspapers, and I ask unanimous consent to have printed in the RECORD with my remarks an editorial from the New York Times of March 2, 1958, entitled, "Jobless Pay: the Challenge," an editorial from the Washington Post of March 10, 1958, entitled, "Let's Get Going," and an article from the New York Times of March 3, 1958.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 2, 1958]

JOBLESS PAY; THE CHALLENGE

More people covered by unemployment insurance are now out of work than at any time since the Federal-State system went into effect in 1938—3.1 million, representing 7.5 percent of the 42 million insured.

The national figures, released last week as of February 15 by the Department of Labor, are deeply disquieting—even though claims fell off somewhat between January 11 and February 7 and haven't varied much, up or down, since then. But only those workers are included who are covered by unemployment insurance. The total number of people out of work now is estimated at about five million—more than in any year since 1941.

These figures should be of grim concern to the Government in its efforts to turn back the tide of the present recession. So should

they be also to both employers and organized labor, in whose hands are the decisions, as to plant and prices and as to wage increases, which so largely determine the ups and downs of the health index of the economy.

But most directly challenged is the adequacy of the existing unemployment insurance system. The present situation calls for its thorough reappraisal and for bold efforts to bring it more in line with its objectives—both to aid the unemployed and to keep up purchasing power when the economy needs it the most. It isn't only the individual worker who needs help in times like these. It is also his butcher, his grocer, and his landlord.

The unemployment insurance system is administered at Federal expense by the several States, which set their own terms as to benefits paid. The Federal Government levies a tax on employers everywhere, against which offsets allowed proportionate to taxes they pay to each State. Five years ago President Eisenhower urged the States to enact minimum adequate standards as "a valuable first line defense against economic recession." But Senator KENNEDY has said in a recent speech in Congress, that "not one State has met the standards the President requested."

In the meantime increases in wages and in the cost of living have largely outdated the benefit scales, which were originally intended to provide at least half of the workers' regular earnings. Senator KENNEDY estimates that actual benefits today average only one-third of lost wages. Part of the difficulty has been the failure to lift the ceilings on benefits as wages and living costs have gone up. Then, too, there are other serious inadequacies and divergencies—in coverage, eligibility and the duration of benefits.

The time has come—is indeed long past—to meet this nationwide problem with nationwide and adequate minimum standards set up and enforced by the Federal Government. A group of Senators, led by Senator KENNEDY, and another group in the House introduced a bill to do it. The Kennedy-McCarthy measure, now before both houses, deserves wide attention. Its details may be open to question, but its objectives are sound—and especially timely at this particular moment.

[From the Washington Post and Times Herald of March 10, 1958]

LET'S GET GOING

The old saying, "You can't spend your way out of a depression," is, like most home-remedy advice, too inexact to be very useful. But President Eisenhower reflected this basic conviction in his letter to the Republican leaders of Congress, when he wrote—

"The proper relation of Government to the growth and vigor of our economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity."

The President added that he is concerned over proposals for make-work projects financed by the Government and rightly rejects them as unsound. At the same time, he disclosed that further steps are being taken to accelerate spending on useful and normal Federal public-works programs. He again urged Congress to act on various measures he had previously proposed to encourage housing loans and to aid small business and areas of persistent unemployment. He also asked for special Federal aid to extend the period of State unemployment benefits for the growing numbers who have exhausted their eligibility.

The President's letter, together with his previous economic statements and messages, for all practical purposes embrace the very kind of program which Senate Majority Leader JOHNSON and his cohorts called for last week. Even in the matter of what not to do there is seeming agreement. It is not time for a tax cut, both sides—with the exception of a few individuals—believe.

Doubtless this state of affairs will quickly change if the March unemployment figures—which will come out a month hence—fail to show a more-than-seasonal improvement. The thing to remember then and in that case, however, will be that most of the recession remedies now being advanced cannot possibly take hold in a dollars-and-cents fashion until late spring or summer at the earliest.

The hope now must be that the Government's decisions to advance and expand some of its normal spending program will be sufficient to hold off pressures for abnormal, make-work projects or for drastic tax reduction that might induce curbs on indispensable Federal expenditures. The best chance Congress has to avoid such pitfalls is to get quickly about the business of authorizing the various housing, highway, unemployment and other economic measures on which there is now clear agreement to proceed.

IDLE EXHAUSTING BENEFITS; EXTENSION OF PAY SOUGHT

(By Richard E. Mooney)

WASHINGTON, March 2.—The administration is facing growing pressure from a recession statistic that has received little public notice—the growing number of persons who have exhausted their unemployment benefits.

The amount of the payments and the maximum duration vary according to State law.

Liberalization and standardization of the program are the object of bills introduced in Congress 3 weeks ago by 2 Democrats, Senator JOHN F. KENNEDY, of Massachusetts, and Representative EUGENE J. MCCARTHY, of Minnesota.

Their plan would provide Federal assistance to States during transition to greater payments.

Administration officials are examining the Democratic proposal, but so far the administration position has not changed from that stated in each of President Eisenhower's five annual economic reports.

LIBERALIZATION URGED

These have suggested that the States liberalize their programs and have suggested a maximum of 26 weeks.

The Kennedy-McCarthy proposal calls for payments of up to $40 a week for a maximum of 39 weeks.

Few States have done anything to carry out the President's suggestion.

About 43 million workers are covered by the insurance plan. This is about four-fifths of the Nation's nonfarm wage and salary workers, and a little more than two-thirds of all workers.

New York State pays up to $36 a week for 26 weeks. Florida pays up to $30 for a maximum of 16 weeks. Louisiana pays up to $25 for a maximum of 20 weeks. Pennsylvania's maximum is the longest—30 weeks.

Many of the workers now reaching the end of their benefits were laid off last fall, when unemployment started to climb.

In January, 147,000 workers exhausted their benefits, against 111,000 in December and 107,000 in January of last year.

Even after business starts picking up there will be heavy exhaustions, because the man who was laid off first—that is, the longest time ago—is usually the man who is taken back on the job last.

Insured unemployment at mid-February was 3,130,200, and still climbing. This was 7.3 percent of all insured workers—the highest percentage since the system began in 1938.

Unemployment insurance is a Federal-State program financed almost entirely by special Federal and State taxes on employers. Two States, Alabama and New Jersey, also impose a small tax on employees.

Essentially, the State taxes provide the funds that are actually paid out to the unemployed and the smaller Federal tax covers the cost of running the many State programs.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, if it will make the Senator from Oregon feel any better, although it does not affect me in that way, the State of Montana has the very important distinction of leading the States in the number of unemployed drawing compensation insurance. The latest figure is 14.4 percent.

I wish to say, as a cosponsor with the Senator from Oregon of the bill introduced by the Senator from Massachusetts [Mr. KENNEDY], that I think it is about time the administration is waking up to the economic facts of life in this country. I hope that from now on the administration will give as much attention to the domestic economy as it seems to be giving to the reciprocal trade and foreign-aid programs.

Mr. NEUBERGER. I thank the Senator from Montana. If I am not mistaken, the Senators from the Pacific Northwest States of Montana, Oregon, Washington, and Idaho have the unenviable distinction of representing that region of the Nation which has the highest rate of unemployment in the United States.

Mr. MANSFIELD. The Senator is correct. It is a very important distinction.

FOREIGN AID—LETTER FROM VIETNAMESE GIRL—EDITORIAL—REPLIES

Mr. THYE. Mr. President, in the Washington Post and Times Herald of February 25, 1958, there was published a letter from Miss Le-My, a Vietnamese girl, addressed to Alfred Friendly, managing editor of the Washington Post and Times Herald, relating to our foreign-aid program in Vietnam, and its impact upon the Vietnamese people. I ask unanimous consent that the letter from Miss Le-My be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Mr. ALFRED FRIENDLY,
Managing Editor, The Washington Post and Times Herald
1515 L Street NW., Washington, D. C.

Dear Mr. FRIENDLY: I am a little Vietnamese girl. I saw your name in a newspaper and decided to write to you because your name sounded the nicest.

Here are some questions I would like to know about America, for now, Vietnamese people are living under the help of your country.

I would also like to let you know what I think about America. These questions are my doubts towards your country. If you answer my questions, I am sure that all the other Vietnameses will appreciate it.

1. Does American Government help us because of friendly reasons or by its own interests?

As for me I think that American Government help Vietnamese people because of these principal reasons:

a—Commercial point of view: Vietnam will be a big market for the commerce and undustry of America.

b—Strategic point of view: Vietnam will be used to stop communism.

2. Is it right that the policy of American Government is to assimilate all the countries living under its help?

3. Will Americans go home soon or will they stay in Vietnam for a hundred year?

4. Do American people know that Ngo-Dinh-Diem is an American puppet as some of the Vietnamese think?

5. Do American people know that 95% Vietnamese people don't like them?

Mr. Friendly, I found that although we live under the help of Americans but we don't like Americans, we don't get along with Americans.

6. What do Americans think about Vietnamese people? Do they consider us as Negros in America?

7. Is President Eisenhower influenced by big capitalists such as General Motors, General Electric, or other interests?

8. Why are there still a lot of White Americans do not get along with Black Americans? Do they still have the impression that Blak Americans are their slaves?

I think America is a democratic and free country so such a colored seperation must be ended. The trouble at Little Rock, do you think that was a big shame hung over America?

9. What do Americans think about the Russian man-made moon and 150 atomic sub-marines?

I think that's a big mortification for American Government.

10. Do you agree with me that Americans do not have man-made moon because American spies could not work in Russia?

(Russians control their country very rigid.)

11. How can Hoollywood make James Deans more popular than President Eisenhower in Vietnam?

If America is really a democratic country, I am sure that your Government will let you answer all of my questions.

Sincerely yours, and thanks,

Miss LE-MY

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "How We Look," which was published in the Washington Post of February 26 last. The editorial is most thoughtful and timely, and I believe it will be of value to all readers of the RECORD to have the editorial published in it.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of February 26, 1958]

HOW WE LOOK

The searching questions about the United States contained in the letter from a young Vietnamese girl which we published on the front page yesterday have caused considerable consternation in Washington. Some persons assume that the letter was a Communist plant. We are convinced from what we know of the background of the letter that it was not; that the questions are sincere and that they deserve thoughtful answers. Obviously the young lady has absorbed Communist propaganda. But the views which she expresses really pose a challenge for this country to do a better job of making itself understood in Asia.

It is quite natural in a country such as Vietnam, which was long under colonial rule, that people should be suspicious of large groups of Americans who descend upon them. These suspicions are fed by the occasional Americans who are overbearing, who are impatient with the locals and seldom see them except to dispense advice, who live in sumptuous houses and whose chauffeurs imperiously honk for the peasants to scatter. There are relatively few such persons in comparison with the numbers of Americans sympathetically doing their best to help, but they hurt. The effect of such arrogance is compounded by reports of American racial discrimination which are widely discussed among the darker skinned peoples of Asia—although the American information services tried hard to show that the events at Little Rock came about because it was the policy of the United States Government to eliminate discrimination.

Special difficulties arise in Vietnam because of the character of the divided country and its government. Independent Vietnam was born in the war with the Communist Viet Minh. The United States quietly urged France to grant full independence, but to some persons the United States seemed to be alined with the country they regarded as their oppressor. The Geneva armistice left Vietnam split into two parts, and when American advisers replaced French colonial administrators their motives were suspect.

The government of President Ngo Dinh Diem has proved a good bet for American help in establishing stability. Mr. Ngo is an authentic nationalist, and his objectives are praiseworthy. But he has little understanding of the function or importance of a democratic opposition, and there has been an autocratic cast to his regime. The reasons why he resists nationwide elections for reunification have never been fully explained. Part of the task in Vietnam is for President Ngo to take the people more fully into his confidence.

American aid to Vietnam last year amounted to nearly $300 million. Much of this went directly or indirectly into support of the 10-division army maintained against the Communist threat. But there is an impressive showing for economic help—resettlement of nearly a million refugees, a flourishing agriculture, small industries starting up.

It is difficult at best to explain that the primary interest of the United States in extending aid is to assist other countries to maintain their freedom. The quest for markets is easily disposed of: American exports to Vietnam last year amounted to only $75 million out of a worldwide American total of $19.5 billion. But to many Asians the United States unquestionably does seem more interested in signing up anti-Communist allies in the cold war than in helping people for their own sake.

Obviously there is no simpler answer to the young Vietnamese girl, but part of it lies in official American attitudes. Communism, and even the brutal events in Hungary, are something remote from the experience of many Asians. But what the United States has done to help neutral India without strings—and the eloquent thanks of the Finance Minister for pioneering the concept of aid by richer countries to those less fortunately placed—does have meaning in Asian terms.

What the episode really illustrates is that, whatever may be the shortcomings of the American information program, the information people can't do the whole job by themselves. The need is for official actions and statements to reflect an understanding of Asian desires, for recognition by Americans at home that their own conduct is on trial. The need is for American representatives abroad who are trained in local languages, who are willing to live on a modest scale and who can win the trust of the people.

It is particularly fitting that the Vietnamese letter should have arrived at a time when discussion of foreign aid is so current in Washington. Far from regarding this single instance impatiently as a rebuke or a demonstration of ingratitude, administrators and legislators ought to look upon it as a stimulus. We hope that the young lady will receive many answers—and that the appropriate answers will be translated into official policy.

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD the letter to the little Vietnamese girl which appeared in the Washington Post of March 2. The letter is Editor Alfred Friendly's reply to Miss Le-My, of Saigon. Miss Le-My's letter contained 10 questions concerning America and its relationship with Vietnam.

I believe it is vitally important that these questions and the answers by Mr. Friendly be published in the RECORD, because we must realize that Miss Le-My's questions are becoming the questions—whether they are Communist inspired or not—of thousands of Southeast Asians.

Too many Americans did not seem to realize that they were in Vietnam to serve, not to be served. The Americans did not trouble themselves to learn the language or understand the customs. The apparent secret of Communist success in Asia and throughout the world lies in the willingness of the Communists to take the time and trouble to really understand the Asians.

We are, and always will be, guests in the house of the Asians. The questions asked by Miss Le-My are important. Mr. Friendly's answers to them are good.

But we must go beyond the answers. We must change the ways of our own hearts, so that all the Miss Le-My's of Asia will know we serve their interests—and not our own, alone.

If we show that our interests and theirs are really the same—namely, the arrest of communistic enslavement—we shall be able to work together everywhere, for everyone.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN ANSWER TO THE LETTER OF A VIETNAMESE GIRL

DEAR MISS LE-MY: Yours is a charming letter; your questions are good ones, set down clearly and frankly. I'm happy to try to answer them, as frankly and clearly as I know how.

In doing so, I can speak only for myself, as one American, for there is no official doctrine that Americans subscribe to; everyone has his own ideas and delights in stating them. But I earnestly think that my views would not be very different from those of the great majority of Americans; that in broad terms they fairly represent the philosophy of our Government and—in this area—of both our political parties, despite those parties' differences on other matters.

OUR OWN INTEREST

1. All governments try to act—and should act, I think—in their own interest. If the acts in their own interest are also friendly and kindly and generous ones, so much the better. And the best of all is when the acts in our own interest are equally in the interest of other nations affected. I believe the American-aid program, to Vietnam and to all the other lands where it operated, was that happy kind of an act.

The real question is what do we mean by America's "own interest"?

It is to live in a world of other free, democratic, and prosperous nations. Such nations, governed by their people, do not want or plot war, for all ordinary people hate war and would never choose it if they could avoid it. With other free, prosperous, democratic nations as neighbors, no country need fear that it will be attacked, or undermined, or subverted. If it is prosperous, it can produce and trade for what it needs, without wanting to grab or dominate the property and people of other countries. In short, an independent country, governed by its own citizens, seeking progress toward a bright horizon of good living, is no threat or menace to anyone, or to the peace. It will resist the attempt by anyone, from within or outside, to overthrow it and replace its democracy with a tyranny.

So the United States sees its best chance for peace and for a happy future in living in a world where other nations are governed by the majority will of their people, are sturdily independent, and can look forward to growing prosperity and improvement in the conditions of life. It has no wish to make those countries similar to the United States in other matters, and does not seek to change their national—and natural—customs, philosophies, values, culture, or civilization.

America's aid program is intended, therefore, to help other countries, particularly the new ones which have gained independence since World War II, establish themselves as strong, secure, and self-governing. This is America's own interest, and the interest for which it acts. Is it not also, fortunately, in the interest of every other democratic nation to be helped in staying free and to be aided toward prosperity, and to find other nations around it similarly helped?

You suggested that the United States helps other lands for its own strategic and commercial reasons. To the extent that a country so helped is better able to resist Communist attempts to poison and destroy its democracy, and to the extent that, with increasing prosperity, it will want and be able to buy and sell more goods from all countries around the world, to that extent I agree with you.

ASSIMILATION

2. Surely America has not assimilated any of the countries it has aided. It spent billions of dollars through the Marshall plan and other programs to help European countries, and I think they would agree they were helped enormously. Yet none of them feel, I believe, that their freedom of action has been lessened, much less that they have been assimilated by the American aid. Indeed, most of them feel that they have been helped to become stronger, more secure, more prosperous and—and this is the most important—better able to stay free and independent—independent of the United States and of anyone else. The same, I think, is true with the new Asian nations. Surely India and Ceylon, for example, have been helped in their new independence by American aid, and are receiving American aid to forward them on the path of stability and prosperity.

Think of the course of development of some of the countries which had been helped by large amounts of American aid. Austria and India, for example, became neutrals in the cold war; Greece and Pakistan are allied to the United States by various treaties; Yugoslavia is a Communist country but relatively independent of Moscow control; Egypt is currently unfriendly to us. How different they all are, one from another. But they have one thing in common: none is dominated by America or chained to American policy; none is in any way assimilated.

We might ask ourselves who is the real colonial power these days. Are not Czechoslovakia, Bulgaria, Rumania, Albania enslaved to Moscow in their actions and policies and directions? Did not a brutal military force from Russia smash an attempt by the Hungarians to choose their own government? And as for assimilation, was there ever a greater extermination of national identity and independence than that accomplished by Russia on Latvia, Lithuania, and Estonia and in its Asian territories?

Wouldn't you agree that America's record in colonial matters has been very good? The United States freed Cuba from Spain, but did not seize it as a colony. At the same time, it took the Philippine Islands, but promised them independence when they were able to govern themselves, and fufilled that promise. It offered Puerto Rico a choice between independence or remaining as part of the United States, by the free choice of the Puerto Ricans, they decided to join this country as a self-governing commonwealth. America had many chances to win colonies, but it has no colonies.

HOW LONG?

3. You ask whether the Americans will go home or remain for years and years in your country. They want to go home, I can assure you, as soon as possible, because each person likes best to live at home, not in another's country. I cannot make you promises; I can only ask you to look at what has happened in other nations where the United States had aid missions and programs. As soon as the country was restored to a sturdy condition, the aid missions, both civil and military, left.

NO PUPPET

4. Americans do not consider Ngo-Dinh-Diem as an American puppet, as you say many Vietnamese people do. I do not consider that he is and believe he is in a vastly different position from the puppet heads of countries which are Russian satellites. And I know, too, that as other democratic nations which America aided grew stronger, their government leaders guided them ever more independently along their own national ways and in their own national policies.

LIKING US

5. I am sure most Americans do not know that, as you say, 95 percent of the Vietnamese do not like them. They will be unhappy in the thought that this is so. It is a failing of Americans, I am afraid, to want everyone to like them. Perhaps, if you will write me again, you will tell me what the characteristics of Americans are that your people dislike. It may be that some Americans are rough in their manners, or, not knowing the customs of others, may seem too rude. And yet I hope that among our bad habits you do not find the qualities of meanness, or slyness, or deceit, or brutality. We are inclined to sentimentality, and I hope always to a sympathetic and generous attitude when we come to understand the conditions around us.

THE NEGRO

6. You ask whether the Americans consider the Vietnamese as they do Negroes in America. This implies, if I understand you, that we think ill of Negroes here. This is not so. To be sure, many of our people in the South particularly, but certainly not a majority of the Nation, see the Negro as less than the equal of the rest of the population. But most of us, I think, see the Negro as endowed with all the rights and dignity of all human beings.

As for the Vietnamese, we know only a relatively few of them in this country, but there is no hostility toward them. On the contrary, they are liked and welcomed wherever they are, principally in American schools where they have come to study.

In the past century there was, in certain parts of the country, some prejudice against Asians. It is rapidly disappearing. Some of our finest citizens, our most distinguished artists, teachers, scientists, businessmen, and workers are of Asian blood. In all but a few places, they are completely part of the community. Their neighbors give their ancestry scarcely a second thought, and their oriental descent is little more noted than the fact that other neighbors may be of German or Polish or Irish forebears.

CAPITALISTS

7. What about the influence of big capitalists on President Eisenhower, you ask. Well, many of his friends and several of his principal Government advisers are men who were successful in large businesses. But he has great numbers of friends and advisers who have not come from the ranks of business, big or little. The only way one can judge their influence is to look to the policies that the President has adopted. Some Americans argue that some of Mr. Eisenhower's policies affecting the domestic economy favor big business, while others argue vehemently the contrary. But few would argue that the foreign policy of the United States and of President Eisenhower—things which most concern you and your country—is aimed at a goal of helping business, big or little, or is influenced by what could be called business considerations. It is not influenced, I feel, by any thought of favoring one or another individual group, such as business or labor, rich or poor, whites or Negroes, North or South, farm or city, but rather it is influenced by what must be seen as national considerations; that is, what is good for the country as a unit.

There has been much talk from those hostile to this country that our foreign policy is based on the desire of big capitalists for more profits through military production and that they deliberately keep up a war scare, or stimulate world unrest and disturbances for this purpose. For almost 40 years, the Communists have been trying to peddle that absurdity. Nothing could be more ridiculous. In a peaceful, unthreatened world, our business and our labor, everyone in our country, would profit vastly more by producing the goods of peace; taxes, a heavy burden on business and individuals here, could be cut in half; all the good things people want—schools and scholarships, roads, household possessions, equipment for recreation and sports, for science and learning, libraries and museums—could be produced in larger measure at just as high wages for labor and just as good profits for business. Yet a war, in today's world, means devastation for the winner as well as the loser, destruction of life and of everyone's property. Big capitalists as well as other people know this. They know they have as much to lose from war and from this world of fear and tension as anyone else—and maybe more.

RACE QUESTION

8. You turn again to the race question in America. It is a difficult one and I would not want to pretend to you otherwise. It is not true that white Americans think of Negroes as slaves. But many, as I said before, think Negroes inferior to them. In one sense many Negroes are, but only because they have been deprived, through no fault of their own, of opportunities for good schooling, and they have generally been among the least privileged in their economic opportunities, background, and way of living.

Why this was so is a long and complicated and sad story, and one that takes volumes to explain and describe. But it is true, and it represents a blot on America's good name. The Nation has determined that this must be changed. What is now important is that our Federal Government has said that discrimination by reason of race can no longer be permitted in schools, in jobs, in politics, in any of the rights of a citizen. It has set its face firmly in this direction, and is acting on

this principle with the support of the great majority of the people.

Its laws and its policies are being resisted in some areas and some of the States of the Union. It will be many years, I think, before prejudice is erased and full justice done. But the direction we are going, and the good speed at which we are moving to this goal, are encouraging.

America's problem here, and its proposed solution, may be much like India's. There, for centuries, there has been a caste system, with cruel discrimination against some classes. But by its laws and by its firm resolve, India has determined to end that unfairness. It will take time and courage to do it.

America, like other countries, has its problems; this is one of its most difficult ones. It is moving the right way to solve the problem and is moving successfully. It is important, don't you think, to observe not only what is bad, but to judge how determined and resolute and effective are the programs to correct what is bad?

Little Rock was indeed a shame that hangs over the United States. It was a shame that a group of people tried to stop Negroes from entering a public school. But it was right, and not a shame, that the Government insisted that there be obedience to its new rules that Negroes be allowed to enter the schools, and that it took action to obtain obedience.

RUSSIANS' MOONS

9. Americans were tremendously impressed by the Russian man-made moons. They realized that those satellites demonstrated the Russians' scientific and technical skill. More than that, they realized that this represented a marvelous achievement of man, not of a Russian, or of an American, or of a Vietnamese, but of man.

Now the United States has successfully launched its first artificial moon. Both Russia and the United States will surely put up many more before the year is out. And their success did not, and will not depend upon spying upon each other, but rather on the fact they are studying and developing basic scientific knowledge which cannot and should not be kept secret, but which by its very nature is the property of all men of all lands and cannot be hidden from them.

SECOND PLACE

10. America was second, not first, in launching a satellite not because we were unable to find out, by spying, how the Russians did it. Rather, the Russians decided earlier and perhaps worked harder on the project of launching the moonlet. There has been much talk, most of it foolish, in my opinion, that Russia was able to make an atomic bomb only because it spied here and discovered how we did it. Perhaps the Russians were helped a bit by getting some American secrets. But I go back to what I said before; there are no secrets to be kept for long in science, and there is no national monopoly in scientific ability.

What there should be, of course, is worldwide cooperation in scientific and cultural work, so that everyone in every country can enjoy the fruits. In a world where no nation threatens another, this will come about. Meantime, because Russia and China declare continually and insistently that they mean to conquer free countries, overthrow their democratic governments, and replace them with a Communist government, which we see as tyranny and despotism, we and our allies turn science to military use, and build weapons, just as Russia is doing. Thus we have built some atomic submarines and doubtless will build some more. Russia will too, I am sure, although whether it will produce 150 or not, I do not know. It has not built one yet, as far as I know.

You and I can agree that making weapons is a wasteful thing to do, when there is so much else to be done that would be constructive. Yet we would also agree, I think, that we must make weapons now if we are to stay free and live by the governments we choose.

JAMES DEAN

11. If you tell me that James Dean is more popular in Vietnam than President Eisenhower, I must take your word for it, but I don't think you can exactly blame Hollywood for it. Hollywood movie companies, all privately owned and not controlled by Government, make films which they think people will enjoy. I suppose they conclude that when people go to the cinema they want entertainment rather than serious politics, and so they make films by entertainers, and often about them. We here would rather be entertained by movies than preached to, and that may also be the case in your country.

What I have written is, as I said at the beginning, just one American's answers. But your questions are so important—and I believe they reflect so well the concern that millions of people around the world, in Vietnam and in many other countries, have about my country—that I think they deserve reading and answering by many Americans.

So—and I hope you don't mind—I am going to print your letter in our newspaper with the request that others write you with their answers. I will not disclose your name or address but am using the pseudonym Lê-My; our paper will forward the letters to you.

You will, I suspect, get a lot of them. Some may be foolish, a few may even be unpleasant, for America has its share of foolish and unpleasant people—no more and no less, I guess, than other nations. But most letters, I think, will be earnest attempts to tell you about America and its attitudes and aims. Taken together, all the letters may give you the best and most accurate picture of what our country feels and works for and worries about * * * and dreams about. And most of the letters will be written as this one is, with the greatest good will to you and your countrymen.

Sincerely yours,

ALFRED FRIENDLY.

P. S.—One question to you: Where did you learn such splendid English?

Mr. THYE. Mr. President, in the Washington Post and Times Herald for Sunday, March 9, 1958, a number of replies were printed to the letter sent Mr. Friendly by Miss Le-My, the Vietnamese girl. I ask unanimous consent that these letters also be printed in the RECORD.

There being no objection, the replies were ordered to be printed in the RECORD, as follows:

READERS ANSWER THE LETTER OF A VIETNAMESE GIRL

(By Alfred Friendly)

(Publication of the question-laden letter from a Vietnamese girl in the Washington Post on Sunday, February 23 along with an invitation to readers to reply, has resulted in a flood of correspondence. As of last Friday, a total of 197 replies to "Miss Le-My" had been received, with the flow still continuing. In addition there have been 74 letters to the editor relating to the topic. Of the latter group, some 35 expressed the opinion that the girl's motives were less than sincere, that she was a Communist dupe or that the letter was a hoax. Directly or otherwise, most of the communications of this sort attacked the Washington Post for publishing a letter which, it was charged or implied, would have damaging effects on the United States aid program and on the conduct of its foreign policy. Of the 197 replies to "Miss Le-My," however, only one attacked the principle of American foreign aid. Almost without exception, all of the rest were expressly or indirectly defenses and explanations of the rationale of the United States overseas aid program and its foreign policy. In view of the assertively critical tone of the Vietnamese girl's letter, it was noteworthy that only two of the replies to her could be considered hostile or abusive in attitude, and less than a dozen were even sharply worded. The remainder were universally gentle, tolerant, infinitely patient, and overwhelming in expressions of good will. Some of the most moving and effective were written by non-Americans now in this country and by "Miss Le-My's" contemporaries, American teenagers. Almost without exception, the writers expressed the hope that their comments and answers would serve to further understanding between this country and Vietnam. Many asked the girl to be their guest if she came to the United States. The letters and excerpts published on this and the following page are typical and representative of the total. All of the replies will be forwarded to "Miss Le-My." In all, 89 of the 271 who wrote to the editor and to the girl commended her for writing the letter, or congratulated the Washington Post for printing it, or both.)

If the Washington Post could arrange your transportation, I would like very much to have you come and visit my family during your next school holiday. I have an extra bed in my room and, perhaps by living with us for a little while, you might come to know, understand, and even like us a little.

Our "Man, the Citizen" class discussed your letter. When I came home from school, I decided to answer you. Do you think that your newspapers in Saigon, Cholon, Hanoi, or Haiphong would print my answer to you as I have written it?

We are now living in Washington, D. C., where I am a student in the Immaculata High School. However, I grew up in Tientsin, China, Singapore, and Taipei, Taiwan. Because our family still has many very good friends in Asia, and because the aunts and uncles there are still very dear to my brother, sister, and myself, I will answer your questions honestly. I do hope that you were sincere in asking them.

3. We go overseas because my mother and father believe in our Government and what it is trying to do. Some people go overseas because they are ordered to. These people are possibly the ones who make you feel as you do about Americans—but if you would only give them a chance.

Mother says that whether a woman is Indian, Dutch, Chinese, or American, she has the same problems of family, children, husband, money, illness. She likes to drink a cup of coffee or tea with a friend and share her happinesses, troubles, or a bit of gossip. When we are overseas, it hurts to see people living in compounds, visiting among themselves, missing so much of the country in which they are stationed, and it is often because the people of the country will not meet them halfway and because Americans, like anyone else, are sensitive about being rejected.

5. Can you tell me how you arrived at the figure 95 percent? For 95 percent of one country's people to dislike all of another country's people is completely frightening. Can you tell me why you feel that your people dislike Americans so much, and what you feel it is necessary to do to change that dislike to friendship?

It is true that all people find it easier to give than to receive. The recipient is often resentful of the donor if he considers himself unable to return what he has been given. But, could you cook up 4 cups of rice for yourself while your neighbor tried to make 1 cup do for his entire family, especially if you knew that he could have had enough rice if someone had given him a hand with the planting? This is how Americans feel about their overseas neighbors. If we can help our neighbors to provide for

themselves, then we can enjoy the blessings of our own land more.

8. Our country is still very young and we have moved so fast that our growing pains have not yet caught up with us. Consider: I am an American. Some of my ancestors were among the early settlers—yet I am the product of Rumania, Russia, Scotland, Ireland, Switzerland. Can you realize the amount of absorbing and assimilating that has gone on in the United States in less than 200 years? In Asia, where the cultures and histories are thousands of years old, there are still feelings among Chinese about Indians and Malays, Asians about Africans, all peoples about their aborigines or hill peoples, Asians about Eurasians. Yet we, in America, in less than 200 years are supposed to have eliminated all prejudices against race, color, and religion, which became part of our life through migrants from all over the world. I think we're doing a pretty good job if you compare us factually with other parts of the world.

11. If it is true that, in Vietnam, Jimmy Dean is more popular than President Eisenhower, I do not believe that Hollywood is responsible for making him so. I think it only suggests that, on the whole, the people have a more spontaneous reaction to a foreign movie star than to a foreign political figure.

ELIZABETH ANN NADLER.

Your picture is on the front page of my newspaper this morning, and an invitation to answer your letter. I should be writing to my own teen-age daughter who is away from home at college, but instead I am going to write to you. Her letters are always full of questions, too, and in my family we like people who ask questions. In my country, we encourage people to ask about many things, and to think for themselves. So I welcome this chance to try to answer some of the questions in your letter * * *.

4. Is it true that Ngo-Dinh-Diem is an American puppet? I am glad you ask this question. It means that you do not like the idea of being controlled by any large country. You are afraid that Ngo will sell out Vietnam to us, a foreign power. In your part of the world, rulers have acted in that way in the past. You fear him, probably, more than you fear America.

But look at it this way: Perhaps Ngo sincerely believes that we want to help Vietnam become a strong independent nation, and then go away and leave you alone. He has given us his trust. He believes us when we say we will never assimilate Vietnam. He is cooperating with us. Then he is not a traitor, and never will be. He is working for the good of Vietnam.

5. You ask if we know that 95 percent of the Vietnamese people do not like Americans. This is very sad. But it is true that Americans are not very well liked in other countries. "Americans, go home," are words we see written on walls. We know. What can we do about it? Perhaps you can help us.

We want to be liked. In your country, we have much money to spend, and we spend it freely. We make you look poor by comparison. We talk in loud voices. We are used to voicing our opinions at home because we cannot be put in jail for our opinions. We have no political prisoners. We like to talk and discuss, and we are not afraid because we are free. We have not learned to adjust our ways to our host countries when we go abroad. All this we know. Is there anything more you can tell us? We need your help.

Mrs. LUCIA M. HYMES.

I am a United States Congressman. I decided to write to you because I think I can answer some of your questions you ask about America.

My special work in the Congress is on the Committee on Foreign Affairs. As a member of this committee, I visit foreign countries together with other Congressmen. We study foreign aid, relations with other countries, what their needs are, what we can best do to help them.

Our principal aim is the securing of world peace.

We look upon the peoples in foreign countries as fellow human beings. We know there can be no peace while there are forces of evil determined to exploit these people to advance their own power and expansion.

We ourselves seek no additional territory. We do not seek to exploit the economy of any country, large or small.

We seek to raise the standards of living of people all over the world without lowering our own.

The best defense against the evil of communism is a secure, prosperous people enjoying a good standard of living and able to share in the many wonderful developments of modern civilization.

Communism's evil encroachment and possession of the mind is one of the greatest dangers to the youth of the world. When youth, with its normal zeal for knowledge, is able to learn current events and history as it really is, undistorted by insidious propaganda, then, I hope, such letters as yours will not be necessary.

ALBERT P. MORANO,
Member of Congress.

Being a southerner, I have a natural feeling of superiority over the Negro because I was brought up in the section that fosters such a feeling. But we are realizing that we are wrong. We want to make amends, but we can't change overnight. It is as difficult for us to change as it is for your people to like the Americans. But as I have said, we are traveling the road of change and we will reach one day the goal—complete equality in action and in thought among our people.

As for the Little Rock incident, yes, it was a big shame hung over our country. Yet the American character has come off of the floor before to win the fight, and we are rising from the floor now. Do not think harshly of us because of Little Rock. There are too many peaceful settlements of our racial problem already accomplished to judge us because of this one incident. We are trying to achieve equality, and we are moving closer to that goal every year. But only time heals deep wounds.

JIMMY DUFFY.

At Mr. Friendly's invitation in his newspaper, I am going to try to answer a few of your very intelligent questions.

First, let me tell you who I am. I work in the city of Washington, but I have nothing whatever to say about the United States Government, for we have no vote in this District. Neither do I work for the United States Government. (If I had a vote, I would not have voted for Mr. Eisenhower, for I do not agree with many of his policies, nor do I approve of his political party). I am a private citizen—I work for a department store, and I work hard for the money I earn.

The reason I refer to the money I earn is that about $1 out of every $5 that I earn is taken from us in United States income taxes, and since a substantial part of my tax money has been spent since World War II on what we refer to generally as foreign aid in places like Vietnam, I believe I have a right to answer your questions. (And you can be sure, Miss Le-My, that my Government is completely powerless to either censor or influence my opinion, or dictate the publishing of it.)

Your question No. 1 is most important, to me as well as to you, because it concerns my hard-earned money that is being spent in your country.

As far as I, a private citizen, am concerned, my money is being spent in Vietnam so that you and your people can build a free, prosperous, democratic and happy country, completely free of domination by any other country in the world.

Millions of us Americans feel exactly the same way. I know that because we private citizens would never contribute such enormous sums in taxes for foreign aid if our money were to be spent on selfish or sinister projects, for evil reasons, for commercial reasons, or simply for strategic reasons.

We Americans believe in liberty. The idea of liberty has made us prosperous and strong, and we are constantly working to make the idea work better. We Americans are so convinced of the practical success of this devotion to liberty that we have spent many billions of dollars (I don't know how many) to help other nations realize its objectives.

If you Vietnamese decide, by a free vote, that you wish to have a Communist government, we Americans will regret it, but we will not try to prevent it. We want you to decide your own future. What we will try to do is to prevent, and help you to prevent, the seizing of your country by men who are quite literally agents of the Soviet Union and who do not like liberty for you, nor democracy.

I am sorry the Vietnamese do not like Americans. Perhaps we would not like you either, if we knew you and associated with you closely here; I don't know.

But I do know this—and millions of my fellow Americans pay their tax dollars to help the Vietnamese because they feel the same way—we hope you will become strong and free, and have no further use for our help. When that day comes, as we know it will, we American private citizens will have a feeling of satisfaction and accomplishment. We will feel pride in your strength and your freedom and happiness, even if the price has been many of our dollars, and your dislike.

WALLACE M. DAVIS.

I have decided to write to you mainly because of the last paragraph of your letter, which reads: "If America is really a democratic country, I am sure that your Government will let you answer all of my questions."

At first it seemed incredible that anyone would think that freedom to answer a letter could be denied. Then it occurred to me that we Americans take such elementary freedoms for granted, and that there are many places in the world where they do not exist. This is certainly the most important point you raised, and I hope that you can understand that it is our freedom which we cherish and which makes our country great, however imperfect we may be in other respects.

1. The American Government helps other Nations, because we believe it is in our own best interests to do. We also believe it is in the best interests of those we help. This can hardly be viewed as an unfriendly policy; if it is considered a gesture of friendship, so much the better.

2. Who is James Dean?

Mrs. NANCY P. HAMMILL.

I am an American Negro, and I should like you and all of the people of Vietnam to know that I am really very proud to be both. An American, because I am proud of all my country's progress and consideration for all its peoples; my race, because we have been able to accomplish much, and not without the help of other Americans. There is no other country I would rather call home, and I believe the overwhelming majority of my people feel the same.

Mrs. ELIZABETH A. ROBERTS.

America was cut off from the rest of the world by wide oceans for a long time, and like all isolated corners of the world, we became quite provincial in our outlook. America was all the world we could see, and it was easy to forget the rest of the earth in such a huge country.

Now the world is suddenly much smaller, and Americans are beginning to see that people in Africa, Asia, South America, and Europe have become our neighbors. This is a big surprise to most Americans, and it has not been easy for us to remember how many new neighbors modern technical advances have given us.

What shall we do about these new neighbors if they need help? The easiest thing would be to say, "They are still thousands of miles away. Let's continue to forget their existence."

But then someone tells us that one of our distant neighbors is in bad trouble of one sort or another. We might be able to help them if we wanted to make the effort. We cannot be comfortable and enjoy our lives with a good conscience, no matter how hard we try to justify ourselves. In the back of most American minds is the unpleasant half thought that we are not doing right to live in ease when somebody else is in terrible trouble. The only thing we can do to get rid of this uncomfortable feeling is to help as best we can.

It is extremely hard for a proud person or nation to bear being helped. We would all prefer to stand on our own feet and never need help. Unconsciously, every human being resents the necessity for being helped and takes out this resentment on the person or group who is there to do the helping. This is not a beautiful trait of human character but it is well-nigh universal. I regret to say that I believe if Vietnamese were in the United States to help Americans in some dire extremity, we should probably begin to dislike our helpful rescuers very soon. We should all be ashamed of ourselves for this. It is a bad kind of pride that nearly all human beings have.

PHILINDA KRIEG.

I am a 24-year-old Bolivian citizen.

Although I admire your clear exposition of facts and opinions, shared by many millions of people throughout the world, I don't agree with most of them. I have been living in this country for more than 2 years during which time I have had many opportunities to find the truth about many facts propagated by the enemies of America. Now let me answer all the questions in the same order in which you asked them.

1. Does American Government help us because of friendly reasons or by its own interest?

The American Government helps your country as well as mine and many others for both reasons.

(a) Friendly reasons: I have found that the majority of Americans are generous beyond duty. This is probably due to the fact that Americans are, as a whole, unselfish and easily moved by compassion. Many of the American agencies now operating to relieve poverty in different parts of the world are maintained through private contributions of the American people.

(b) Own interest: The American Government prefers to have other countries as friends rather than allies of its enemies.

10. Do you agree with me that Americans do not have man-made moon because American spies could not work in Russia?

America has its man-made moon and certainly without need of having spies in the Soviet Union.

In the parenthesis you put that the Russians control their country very rigidly. Would you like to have your country controlled like that? I wouldn't like to have mine so regulated.

JAIME A. PERO.

No, little friend, white Americans do not consider Negroes their slaves. I hope that all white Americans consider Negroes as I do—that is, each person on his or her own individual merits. I have known Negroes and white people whom I would not want to be associated with. And I count both Negroes and white people among my friends.

Also, if you are interested, our family has as friends a lovely Korean girl; a Chinese family; a Persian family; people from England, France, Spain, and Mexico. We have numbers of friends and acquaintances who are Negroes, but I don't even think of them as Negroes, just people. One of the most brilliant men I know (a Negro) teaches English in a college in the District of Columbia, our Capital. He teaches white and Negro students as well as students from various other countries.

Yes, the trouble at Little Rock was a big shame hung over America, and I particularly feel the shame of Little Rock, because it was brought about by fellow Americans. Little Rock is in the South, and I was reared in the South, but I am not proud of the way some few southerners act. Neither am I proud of the way some Americans in all parts of our wonderful country behave. But, surely, you must have found that not all Vietnamese are perfect? We do not claim perfection for our country or our people, but, believe me, little friend, we are trying very, very hard to outgrow the childishness that makes a Little Rock situation possible.

We are also striving to have mutual understanding with all nations and their peoples. We want peace in the world, but we will not give up our democratic way of life, because it gives everyone, just ordinary citizens like myself, an opportunity to have a voice in the Government and to say what we please, whether it is criticism or praise.

I feel a little sad to have read your letter and to discover that you don't like me—an American you have never seen. I feel that I could not possibly have offended you, because all my thoughts toward you are kindly, as I'm sure the thoughts of thousands of other Americans are. That is why I am writing you this letter. You don't have to necessarily like us, but you really should give us the understanding and consideration that you expect us to give to you and to all people everywhere.

REBA K. HUGHES.

Your letter reveals with crystal clearness the following facts about you:

Whether you know it or not, you have been brainwashed by communism and each of your questions is loaded with Communist ideology.

You have been misled by Communist propaganda to think many things about America which are not true; for instance, that white Americans do not get along with black Americans; that Russian moons and submarines are a big mortification for our Government; and that America wants to assimilate a lot of smaller nations.

If you came here to America, you would get to like America, you would discover how democratic we are here and you would no longer say that Vietnamese people don't like the American people.

VINCENT GODFREY BURNS.

You end your letter by saying: "If America is really a democratic country, your Government will let you answer all of my questions. * * *" Here you may find one of the many great differences between our democracy and communism.

Every American, without asking permission of Government, works where he pleases, works at what pleases, refrains from working if he pleases, goes and comes anywhere in the United States or in the world where he wants to go, and when he goes he may take his money and possessions with him if he pleases, and also his friends and family.

This is not all that it takes to make a democracy. But we think the freedom to come and go without permission of Government is one of the greatest blessings men can enjoy. And it is precisely this great blessing that communism denies men. I believe, then, you will agree with me in this:

Communism is a cage in search of a bird.

Did you ever try to count the millions of birds caged now in Soviet Russia and Red China alone? Did you ever ask yourself: Do the birds like to be caged? Do they benefit by being caged? Would they rather not be free to sing and fly as they did before the cage closed over them?

DAVID L. COHN.

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1. American helps Vietnam and its people for mixed motives. No nation is altruistic, and self-interest plays its part in our aid to all the nations we help; but over and beyond any self-interest, we have a genuine feeling of friendship for an unselfish desire to aid less fortunate people.

Our trade with Vietnam is a negligible part of our vast world commerce, so surely we are not in Vietnam for the benefit of our traders. From the strategic standpoint, Vietnam forms a formidable bastion against the advance of communism—an advance which we believe will, if unchecked, enslave the whole world. To deny that we are motivated by strategic considerations is to deny the obvious.

Self-defense is a universally recognized right, and we are sure we are acting only in self-defense when we set up barriers, in Vietnam or elsewhere, against communism. We believe we are helping you as well as ourselves. * * *

4. We do not see Ngo-Dinh-Diem as our puppet, but as our partner. We regard him as a loyal friend and a worthy ally, the free leader of a free people to whom we gladly lend a helping hand without requiring knee-bending obedience to our desires.

M. SGT. HENRY AVERILL.

Your letter is directed to Americans, and I have no doubt that you have heard from many of them. However, as a Vietnamese student in this country I am adding a few comments to your questions with the hope that you will find them of interest.

Judging from your picture, I believe that you are less than 16 years old. The nature of your questions, therefore, leads one to conclude that either you are extremely precocious or you are not the author of the letter. While admitting that conditions of hardship and misery such as those prevailing in Vietnam for the last 10 years or so tend to mature people before their age, I find it difficult to believe that they could accomplish such a miracle on such a young mind as yours.

Naturally, you have the liberty to ask as many questions as you like. However, when you present falsities as facts with the possible consequence of harming the friendship of two nations, you have gone too far. I refer to your question 5, which is stated as follows:

"Do American people know that 95 percent Vietnamese people don't like them?"

I would like to know the methods of research you use to come up with such an impressive statistical figure. Again, you may personally love or hate as many persons as you want. But when you authoritatively state that 23 million Vietnamese don't like Americans without giving any evidence to back up your statement, you have gone too far.

On the contrary, I believe that Americans are well liked in South Vietnam. I know of many Americans who have spent several years in our country and who are very much impressed with the hospitality, love, and friend-

ship which our people have shown them. Moreover, the feelings seems to be mutual since many of these Americans would like to have stayed longer in our country if it were possible.

In your question 4 you ask:

"Do American people know that Ngo-Dinh-Diem is an American puppet as some of the Vietnamese think?"

Now I would agree with you if you were to say that Mr. Tran van Huu or Mr. Nguyen van Tam were French puppets. To classify Mr. Diem in the same category, however, would be unjust and inconceivable. In fairness to Mr. Diem, I like to say that the outstanding progress achieved by South Vietnam under his leadership during the last few years eloquently speak for themselves.

I do not intend to go over all your questions, but in general let me tell you this. The wheels of history have turned in such a way that South Vietnam and the United States have a common enemy, i. e., communism. We as a people know that we cannot shake off French colonialism to fall under Communist totalitarianism. One is as bad as the other. On the other hand, America knows that it would not be to her advantage to have all of Vietnam under communism. That's why both countries join efforts to stop communism.

I hope that you understand now and will not seek to destroy this precious friendship between the two countries, which is so vital to Vietnam at the present time. I hope that your letter has not substantially damaged the existing friendly relations between America and Vietnam and that readers of your letter will not be misled in thinking that you speak for 25 million Vietnamese people.

NGOC-THU.

Probably there are other people who can answer your letter much better than I. I am neither old nor wise, being a high-school graduate of average mentality. My answers will be of no interest to a statesman or scholar. It's just a letter from one young lady to another, and I hope you read it.

When people anywhere are hungry, we send them food; when they're cold, we send them clothing; when they need a new start, we send them money; when they need refuge, we take them in. But most important of all, we try to be a friend when they need one.

We are not aggressors. We go in to help when and where we can. We do all we are asked to and when we are no longer needed we leave.

This all sounds rather pompous. I don't mean it that way at all. America is not perfect. Americans are not perfect. We make mistakes like everyone else, but it's better to try to do right and make a few mistakes than to sit back and do nothing and make no mistakes at all.

President Eisenhower is not our Government. He is representative of our Government. We are our Government, and we are not influenced by anything but our own conscience.

BARBARA MEEK.

You have asked questions about the problem of colored people and white people living together. Let me tell you about the school of which I happen to be principal. We have about 70 deaf and hard of hearing children. Half of them are Negroes, the other half white. They live together, go to classes together, play together. We have no color problem.

In our school we train young people to become teachers of the deaf. In this class are two young men from India. They are learning so that they can go back to their native country and help deaf boys and girls who cannot now read and write. All this is done without cost to them. Two or three years ago we trained a young woman from Vietnam who started the first school for the deaf there. During the past few weeks we have had as visitors, teachers from Australia, Africa, Europe, and South America.

These people come at the expense of our Government. Perhaps the critics of our country would say that we are merely trying to buy friendship, but I can assure you that we who meet and work with these visitors and students do our best to share with them the things that have helped make the deaf people of America the most prosperous, best educated, and the most free of any in the world.

JOHN A. GOUGH.

One of the great experiences of my life was the chance to participate in the International Farm Youth Exchange program—a part of our 4-H Club program. This gave me the opportunity of learning a lesson in understanding firsthand.

As an IFYE, I lived for 6 months in the Philippines—not to study in their schools or live in their cities but to go into the rural areas and live and associate with the farm families and the people there. Grassroot ambassadors, we are called. My trip home took me to the shores of your land and I spent 3 days in Saigon. As a farm girl in Utah, I never dreamed I would have the opportunity to visit other lands.

Have you ever been to the Philippine Islands? The Philippines are certainly evidence that the American Government does not want to assimilate all the countries living under its help. The Philippines are also evidence that we want all people to enjoy the same freedom we enjoy.

Perhaps you have studied about the Philippines in your history classes. If you have, you will remember that the Philippines were a possession of the United States for nearly 50 years. They wanted to be independent—to have their freedom. Knowing that they desired freedom, we helped them establish a government of their own and then we gave them their independence in 1946.

The Philippines no longer belong to the United States. They are free and independent—a separate country. They govern themselves. They are our friends, but they are not bound to us.

When I was in your land I did not feel that your people were unfriendly. The time I spent there was most enjoyable. Life in your country is like life in my country in many ways—people are much more alike than they are different.

We have not solved all of the problems that arise in our country. Sometimes things happen that we are not proud of—and often these are the ones that get the most publicity.

The college at Price, Utah, that I attended for 2 years had students of many nationalities and races. All of the students participated in student-body activities. A Negro boy, Japanese students, Greeks, Italians, Mexicans all held offices in the student body and classes. There was never any feeling of animosity—no feeling of racial prejudice.

You and other people never hear about this kind of situation. You hear only of the few cases where there is trouble, because that is sensational and makes news headlines. Probably you never hear about an average American or an average family. This is one reason why I should like to talk to you and give you the opportunity to meet some average American families. It is also one reason why I was interested in taking time out of my studies to go to the Far East to live with rural families.

RUTH E. BRASHER.

We are ninth graders in a civics class at Western Junior High School near Washington D. C. We are very interested in your letter and we would like to reply to the best of our ability.

In answer to your first question, it is our opinion that the United States Government is helping Vietnam for the mutual benefit of our two countries. Our greatest aim is to promote world peace and freedom.

The intention of the United States is to aid other countries in building and maintaining strong and independent governments, not to assimilate them. A good example of this policy has been our treatment of the Philippines. Mutual respect and good will now exist between the people of the United States and of the Philippines.

The Americans who are in Vietnam are there in the interests of your people, not to hinder but to help them. It is their purpose to assist you in your resistance to communism. No one knows how long some Americans will be in Vietnam, but they will most likely remain as long as they can be of service to you.

We, as young Americans, are honestly surprised by your statement that so large a majority of your people dislike us. We are very concerned about this attitude, for we earnestly desire your friendship.

We are certain the Ngo Dinh Diem is not a puppet of the United States. We regard him as a most outstanding man, dedicated to his country's welfare.

Regarding your question about "Black Americans" and "White Americans," we can understand your doubts as to the equality of races in our country as a result of the incident at Little Rock last fall. However, this tragedy does not give a complete picture of the situation throughout the United States. The majority of our schools have been successfully integrated. At Western, people of all races and nationalities attend our school, and all are accepted on an equal basis.

Everyone has the opportunity to be elected to school offices, play on athletic teams, attend our school social affairs, and enjoy the responsibility and privileges of high-school life.

The President of the United States is elected by the people and, therefore, is directly responsible to all the people.

Our Government is organized in such a way that no man may gain dictatorial control. General Motors, General Electric and other companies are composed of many millions of Americans. The President must consider the opinions of such a large number of citizens, and at the same time he must also consider the thousands of other industries, large and small, as well as labor unions, religious organizations and community problems.

We fully recognize the great scientific advances made by the U. S. S. R. However, we are also aware of the means which were used to achieve these ends. Please consider the many other fields of science in which the Free World has excelled. Among our advances have been the first atomic submarine, *Nautilus*, the development of the great Salk vaccine which is already saving many lives, and our reasearch on cancer, heart diseases and tuberculosis.

There is no comparison between the esteem with which we regard our President and the popularity of Hollywood stars.

We appreciate the cultural accomplishments of all nations, but we do not compare national leaders with athletes and entertainers.

We hope our replies to your questions have enabled you to gain a better understanding of our country and our way of life.

(The Ninth Grade Civics Class, Western Junior High School—31 signatures).

I am an American college student, and I was very interested and shocked by some of your questions • • •

After the Spanish-American War, the United States received the Philippines and made Cuba a protectorate. In Cuba, yellow fever was stamped out by the work of two American doctors, Reed and Gorgas. We soon left Cuba * * *

I have not had to ask the Government for permission to write this letter and would not live in a country where I did.

KENNETH S. BEALL, Jr.

I am an American housewife who has lived in five other countries in the past 15 years. Your letter could have come from the people of any one of those five countries where I have been. So you are not alone in your bewilderment. But you are unique in searching for the answer, and in going to the source for the information.

I am sorry to say that I am not qualified to answer all of your questions. You will get the answers to those from other letters. But I do have some ideas on some of the questions that perhaps will be of help to you * * *

8. One of the saddest periods in the history of our country was the Civil War. No war is more vicious than a civil war, and none leaves so many scars. The Negro people, through no fault of ther own, were caught in the middle of this most terrible war, and to many people they are still a constant reminder of the tragedy.

Inconsistent, unfair, illogical? Of course it is. But if all peoples in this world thought logically all of the time, there would be no problems.

Prejudice, like weeds, takes a long time to kill off. The affair at Little Rock was indeed most shameful, and many, many of us feel that shame. In this letter, I can't point out to you how much progress has been made in this matter. But the situation is steadily improving.

These improvements unfortunately do not make headlines, while one isolated incident like Little Rock does. There have been other smaller incidents, but they are just that—incidents. This will take a long time, for people tend to hang on to their prejudices like grim death. Think now. Aren't there some prejudices in your own country?

9. What do Americans think about the Russian manmade moon and 150 atomic submarines? Many think just as you do, that we are mortified and shamed before the world. But why? Must America always be first? Are we the only nation with brains? We are feared and criticized because so often we are first. But why should you feel that we should be mortified? Honestly, isn't it more a feeling of gloating that this giant, even this monster (in the eyes of many), has at last shown a weak spot? Perhaps you personally don't feel this way, but isn't this the general feeling? * * *

11. In Hollywood, their business is to make movies, and then to sell them. They must make us want to see their movies. So they spend large sums of money in advertising. The American Government is far too busy, and has too many other uses for the money, to indulge in a popularity contest. Most of us do not know offhand the name of the President of Italy, but we have all heard of Sophia Loren. This is true in many countries.

Mrs. WELDON LITSEY.

I am a boy 18 years old. I read your letter in the paper and it interested me because of your curiosity to find out from the American people the answers to your questions. * * *

3. My country is not an aggressive country and is not crazy for land or power. I am very sure that when my Government feels that your country can stand on its own two feet and no longer needs our help, we will leave your country to govern itself. * * *

11. This is an example of American democracy. A person unknown can rise to become one of the best loved and best known people in the world and have a chance to make something of himself. This is not only true in the theatrical world but also in science and politics.

LANNY LIEN.

I am foreign born. I came to America in 1949, which was my first contact with this country. I became an American citizen in 1954. I believe, therefore, that I observed the American people with an unprejudiced and uninhibited mind and that my answers to your questions might interest you.

1. The American Government has no funds of its own for helping Vietnam as it helps many other nations. The money comes from the pockets of the American citizens, who pay the heaviest taxes in the world. These taxes can be neither levied nor spent by the Government without a specific and itemized permission of those who pay them—that is, the American people, expressed through their elected representatives to the Congress. In particular, the people's representatives give their permission to spend money to assist various foreign countries, such as Vietnam, and decide how much money will be spent for that purpose.

The reasons for the American help to other countries are, of course, mixed. It is a fact that the American people feel friendly indeed toward any nation wanting to assure its independence and the welfare of its people and to protect its freedom and integrity. And they are friendly toward individual foreigners as well.

But they also think that it is in the American interest to help other nations of the Free World to raise their standards of living, develop education, improve health conditions, offer a better existence to large numbers and acquire or preserve their freedom and national sovereignty, because they believe that freedom, peace and well-being are indivisible for all the nations of the Free World and must be secured, defended and shared in common.

In that sense, undoubtedly, the Americans feel that they have an interest in helping Vietnam. However, I doubt that this interest would have been recognized by the Americans were they not of a basically friendly and neighborly disposition. Moreover, this is not a kind of selfish and mercenary interest which should either reflect on the honorability and sincerity of the American intentions or cause the Vietnamese to resent American help.

Besides, while I understand your concern about the intentions of the American people in helping other countries, I wonder whether you should not at the same time, and perhaps in the first place, consider the effects of this help: Does it contribute to develop the education of the people of Vietnam, to build better and more numerous hospitals and schools, to provide for a better care for children, for the sick and disabled, to make more goods available to more people, improve the methods of agricultural and industrial production?

Or else, would the Vietnamese be better off without the American help? For, you see, the American taxpayer is not so overhappy to give out his hard-earned money; and if it were proven that Vietnam does not profit from his help, he would rather keep it than waste it.

UNIVERSITY PROFESSOR.

I am a 16-year-old exchange student from Austria, spending 1 year in the United States for studying and learning about American people and their way of living.

Dear Le-My, you will think I have praised Americans so much, and maybe you even will not believe what I said. But I really tried to be honest.

My opinion about Americans is that they want to love people of other nations and to be loved by them. Everybody has his faults and everybody makes mistakes, but to have the good will to try as hard as one can to be tolerant and unselfish; to do the best for the family, the state, the nation, and the whole world is the difficult thing and everybody wants to reach this, in many different ways and with many different ideas.

GERDA KROIS.

I am a young housewife who finished college last June, so I am not much older than you. I am hardly an authority on government, even my own, but perhaps my opinions will interest you.

I think of Vietnamese as people, just like anyone, with ideas and behavior, likes and dislikes, just like the many different people I know here. But I know there are plenty of people who look down on anyone who isn't just the same as themselves. There are people like that among your own acquaintances also, I expect, just as there are probably people who think as I do.

James Dean was in business to make money for himself and his employees, whereas Mr. Eisenhower is not. Hollywood is definitely big business, and big business knows that the best way to sell a product is to make you and me want to buy it. They spend unbelievable amounts of time and money bringing the product to our attention and making it look good.

Many people say that politicians and governments should use the same technique to make themselves popular. But I am not so sure. I believe that people should be allowed to think for themselves about their government and their leaders. This can only be done by people finding out the truth. No man, and no government, is all good and no bad.

Mrs. MARGARET C. SCHOENE.

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3. Will Americans go home soon or will they stay in Vietnam for a hundred years?

This question hits home, in a manner of speaking. It made me feel unwanted and disrespected. I am a serviceman and have been in many countries throughout the world. I am proud to say that I have done nothing to cause shame or disrespect upon my country of the uniform I wear.

An American serviceman has faults that are easily seen by the people of other lands. He is boastful, wild, and, in many instances, inconsiderate. There are numerous reasons for this type of behavior. He is also the first to give his bread to the hungry.

As to your original question, I don't have the slightest idea as to when the Americans will leave Vietnam. That is a subject which our combined Governments must decide.

4. Do American people know that Ngo Dinh Diem is an American puppet as some of the Vietnamese think?

The American people are made up of many nationalities. Our forefathers came to the United States seeking freedom. They fought for this freedom; many died for it. The principles and ideals of our forefathers are realized and practiced today.

We cannot visualize or accept any nation or leader as a puppet to us. If a nation is down, we will pick her up; if she cannot stand by herself, we will hold her up until she can stand. We will walk beside her and surely not hang on to burden her. We want friends, not slaves.

T/Sgt. NORMAN VAN RYE.

The Greek people will always be very grateful to the United States for the help without which they could not keep their independence.

What has the American Government asked as repayment? A commercial market for its products? No.

Did it ask military support against Russia? No.

What, then? You would be surprised, my dear young lady, when I tell you—nothing at all.

The American Government still helps Greece financially. The money that the Greek Government receives comes from the pockets of the American people. But still Greece has never been asked to do a thing against her independence and the independent opinion of the Greek Government and the Greek people.

REV. DEMETRIUS HELIOPOULOS.

Your letter requires the consideration of all Americans. It has helped many of us, I am sure, to clarify our thinking about our relationship with the people of Vietnam.

As an American housewife, I would like to know more about the Vietnamese people; possibly I can help you to know more about us. Unfortunately, Americans are not always well informed about other peoples, even those whom their Government assists. We do not share uniform views and are certainly not equally aware of your country's plight.

At most, we understand only vaguely the pressures which you are experiencing, and your letter therefore has been helpful to us and we appreciate the opportunity which it affords us to help you to reevaluate your impressions of us.

When you say "living under the help" of our country, you imply that this assistance dominates you and perhaps it is that feeling which offends you; this would be especially true if you do fear assimilation.

As an American who believes in our giving aid to Vietnam, I would describe our motivations as friendly. I do not feel that your country offers important markets for our commerce and industry. Surely, if all of our efforts are predicated on material gain, many of the Communist-dominated states would be far more lucrative markets.

Nor do I believe that we are using Vietnam to stop communism. Most well-informed Americans regard that form of political domination as destructive of the dignity of man and thus oppose it in principle everywhere. A basic concept of democratic government is that the people should be autonomous. Intercession in the affairs of government of another people, therefore, must only be temporary and in this instance is motivated by the belief, supported by much historical and current evidence, that a Communist form of government will deprive the Vietnamese people permanently of such freedom. I feel confident that when the strife within your country has abated the Americans will go home.

President Eisenhower is a political leader; James Dean was an actor with tremendous emotional appeal. There is no way to evaluate a comparison of their popularity with your people, or with ours for that matter. However, it may be noted that in countries where control is very rigid, no one, actor or other, can attain such popularity and recognition as would shadow its political leader.

A. J. Y.

I was looking through the paper this morning when I happened to see your letter. I am 15 and in my sophomore year at high school.

The Americans will stay in your country only to protect it. If you value any sort of personal dignity, you should not mind having them there. Since my father is in the Army and now serving in the Orient, I know that the Americans do not want to stay in foreign countries any longer than they are needed. We send our men overseas so that your country can be protected long enough to be able to stand on its own two feet.

Our President is influenced only by the wishes of the people and his personal concern for our welfare. The companies you mentioned are very important in the United States but do not influence the actions and decisions of Mr. Eisenhower.

The greater number of white Americans do get along with the black Americans, as you put it. All my life I have grown up and gone to school with Negroes and have no prejudices or dislikes toward them. The people who still dislike and mistreat the colored people are either of the older generation or have grown up within prejudicial surroundings. These people we can only pity.

Because no person or no thing is perfect, we have to accept the bad along with the good. So we have to trust to time to help us iron out our difficulties.

JANE FLINN.

Your questions regarding the Little Rock incident and the racial problem in our country are worthy of serious thought. To most thinking Americans, the Little Rock affair is deplorable. We realize that it has hurt our prestige abroad and we are ashamed of that proportion of Americans who have been raised on racial prejudice.

In their defense, we must admit that they think they are right. Thinking one is right does not make one right, but it does explain one's actions to some extent. These people will in time come to realize that they are wrong; and if not they, then their children will change.

Prejudices are not easily laid aside, as you must realize, else why would your people dislike us without knowing us? If you lived in our country you would know that there are many cities completely opposite to Little Rock—cities where all races go to school together in friendship. In the school my own daughter attends are girls from all over the world, girls from various countries of Europe, Africa, Asia, and South America. They are all friends and never think of each other in racial terms but rather in terms of character of the individual.

Lastly in connection with the racial problem, let me say that I wish you could know the majority of our people about whom headlines are never written. We are the people. We live quietly and enjoy our homes, families and friends; we don't hate anyone and we want to be liked by all. We will see this thing through in our own way and in our own time.

ELEANOR CRAUN.

As a citizen of Turkey, a country which along with yours receives yearly American military and economic aid (awarded by a suspicious and highly undecided United States Congress), I perhaps understand better than most Washingtonians your bewilderment so guilelessly expressed in your letter.

Americans may not have turned out to be what some of the younger people in your country and mine imagined them to be, but following your questions I cannot help feeling that you have some of the issues mixed up. This, of course, is the privilege of any young man and woman living in a free and democratic country. By the same token, I would like to be able to tell you where I feel certain issues were confused.

To begin with, you must not feel that you live under American aid. No country can live under aid from another country; if it does it has ceased being a country. American aid is not designed for that anyway. If you believe in Vietnam, you should be sure that there shall be a Vietnam, with or without American aid.

Foreign aid, no matter how large, will not hold together a country which has no other reason for being. Once you start feeling in your country that you can take American aid or leave it alone, you will stop having presidents you think are Amercan puppets and you will also start liking Americans. You will stop wondering if they will be in Vietnam for a hundred years. Because you will know that what makes Vietnam what it is are the Vietnamese and not American foreign market or strategic needs. I am sure that most Americans will want you to feel that way.

For instance, we do not mind in Turkey the thousands of American families who have moved in since 1945. Some we like and others we dislike. To us they are just folks, and we believe they will behave right if we treat them right. We know and they know they are in Turkey. We are not worried as to how long they will stay. In fact, it makes us feel good to see them moving about as long as the threat of Communist invasion from the north persists.

We like to tell Americans that we feel they are our friends because they believe like we do that the poeple of a country should be free to elect the government they feel is best and organize their lives in a manner they consider is best. We do not like the Communists because they want to tell us who should lead us, how and where.

You must not also, Miss Le-My, be shocked in case American businessmen try to influence the President toward gainful but unidealistic ends. Businessmen's high ideals are only measured in terms of profit, the world over. However, they are not the only people in America and their boundless enthusiasm is curbed more often than not by opposing forces—and there I think lies the beauty of an efficient democracy; for it can make a great public benefactor out of a howling egotist, because it remains sensitive to changing human values and their impact on society.

A final point: I hope that the poeple of Vietnam realize that by accepting American aid they accept America as it is—good or bad. They realize that it is a collection of widely different individuals whose various ideals clash all the time but who nevertheless stand united to keep the U. S. A. going because they feel it is the only setup that will tolerate them and their way of life. This is the way things are on both sides of the fence. I hope you like it, because in a general way you are part of it.

We in Turkey think we understand this. We realize that neither America nor the Americans are perfect. They have, for instance, race problems that we do not understand—problems whose origins go into dark corners of American history and which are further complicated by deep atavistic feelings. We sympathize both with the Negroes and the white. This is a complex matter which is becoming increasingly difficult for all concerned—whether one is a top-dog or under.

ZEYAT KROM.

I have just seen your letter in the Washington Post. It does not say how old you are, but I think it is a very intelligent letter.

Because I am 10 years old, I do not think I can answer all of your questions, but I do want to try to answer a couple of them.

You asked if Americans know that the Vietnamese don't like them. I did not know it, and I am very sorry to hear it. While not all Americans are perfect, or anywhere near perfect, there are many nice people in this country and I am sure you would like us if you came here.

You asked about the trouble at Little Rock. Have the people of your country ever done anything that you were ashamed of? Many Americans are very ashamed of what happened at Little Rock, and most Americans would never do such a thing. We certainly do not treat colored people as slaves, and the colored girls at my school are just the same as I—except one girl in my class who is almost always getting A's, which is not quite the same as I.

As for what we think about Vietnamese people: I only know one lady from Vietnam, and I think she is very sweet. She is very tiny and very pretty. She always wears the dresses of her country and I think they are beautiful.

As for what we think of all people, it depends on the person. If they are nice, we like them very much, and if they are not so nice, we don't care for them. Mostly we are very friendly.

I hope you will come to visit here someday, and I hope I will get to visit your country, too.

KAREN VINER.

I am replying to your questions not because you asked them, but because I think many of them are questions being asked by people not only in Asia, but in other parts of the world. I feel these are questions which thoughtful and reasonably informed Americans should put to themselves and attempt to formulate honest answers.

1. It would be naive to suppose that governments normally extend aid to other countries, except perhaps in cases of great emergency such as a natural disaster, for reasons other than what they conceive to be in their own interest. Here one must draw a distinction, I believe, between governments and peoples.

I have lived in many countries outside the United States, but I have not yet been in one where the people responded as generously as do those in the United States to appeals to help others in their misfortunes. Governments are another matter. It is their business to protect the national interest, and the American Government is no exception.

With regard to the motivation for American aid to Vietnam, I believe that your second suggestion comes closer to the truth than the first, but I doubt that many Americans would expect to use Vietnam to stop communism.

Americans fear communism—perhaps unduly so; but rightly or wrongly, they fear it. They consider communism to be a philosophy and a form of government which is repugnant to everything they admire and hold dear. They have seen the manner in which countries which have been brought under the yoke of Moscow have been deprived of their liberties and reduced to the status of dependents. They are resolved that this shall not happen to them, and they are prepared to extend substantial assistance to other weaker countries which likewise show determination to resist the Communist menace. Surely this is the basic motivation in American aid to Vietnam.

FRANCIS B. STEVENS.

I am a young American girl and was very interested to read your letter. The questions you ask need answering if one is ever to understand the United States.

The United States sends help to other nations because it wishes to protect itself and its allies from the spread of communism. America believes in what President Wilson once called self-determination, that is, that nations and people should choose their own governments and rulers. Because Communists want to rule others by force, as in Hungary, America supports its belief in self-determination by helping countries build strong defenses against communism. America does not want to assimilate the countries that accept its help, for that would be defeating the very principle we wish to protect.

Vietnamese want the Americans to go home, and Americans in Vietnam sometimes want very much to go home themselves. It is the threat to your country and mine that keeps them there. Perhaps it will take 10 years or 20, but our generation will accomplish the hopes of both countries.

America is a very large Nation, larger than Vietnam and many countries that surround it. But the people of America are no bigger or more important than the people of Vietnam or any nation. All people have faults, and in a nation of 175 million people it is impossible that we could have no unthinking people. Those people were the cause of the Little Rock incident you asked about.

I am a white American and my school has many Negro students. They are friendly and intelligent people. Their clothes are good quality and their homes are well furnished. In Washington, Negro and white students have attended school together for 4 years, and we have never had soldiers near our schools. Little Rock was a terrible thing for America, but it was world news because it seldom happens. If it were typical of America, no one would bother to read about it.

JUDITH ECKERSON.

I am an ordinary American citizen. I happen to work for a labor union. In my job, I learn a lot about how other ordinary Americans think and feel; what they fear and don't understand, and what they dream about and aspire toward. I thought that you might be interested in my viewpoint on your questions.

So far as question seven is concerned, I'd have to guess at it. My guess is that President Eisenhower, as a person, is probably not influenced by the big capitalists you mention. However, it seems to a great many of American working people that the political party to which the President happens to belong does reflect the philosophy of the big capitalists and to that degree, and in that sense, the party is influenced.

However, there is really nothing wrong with the ideas of capitalism—so long as alternate ideas are allowed to exist and actively compete in the marketplace of ideas. Tom Jefferson, who wrote our Declaration of Independence, once said that "even if there be some among us who would change our Republican form (of government), let them stand as monuments of the safety with which error of opinion may be tolerated so long as reason is free to combat it."

Some people in our recent American history have forgotten that principle. But most of us, I think (and hope), still hold fast to this principle. Don't worry about the power of big capitalists to influence the President. Other people and groups are equally capable of influencing good government.

On questions 9 and 10, we are proud of the scientific achievement of the Russians in their man-made moon projects. We are mortified that the Russians got theirs up first, and with such a magnificent product. But that's partly because we are a bunch of people who like to compete and take our competition seriously.

Actually, though, the sad thing about the American reaction to the sputniks was that it showed that we didn't think anyone else could be better than we are—in anything. I suppose that we have a failing in this regard. We tend to look at ourselves with a lot of pride.

Because we have free institutions, and plenty of opportunity to do almost anything we set our hearts on, we have enormous confidence in ourselves and what we can do. The way most of the people I know feel about the sputniks is simply that we were beat to the deadline—but, as you probably know by now, we have gotten our own first man-made moon up, and are working on plenty of others.

I happen to have worked some time ago on the early development of some of the stuff which was later used in the earth satellite program. I know for a certainty that we weren't depending on any spy information in order to develop our engineering for our rockets and other accessory equipment. The only thing we were worried about, if anything, was that maybe the Russians might be able to get our plans and use them. Of course, each country has competent scientists, and you can't keep a natural law a secret from anyone—for long, that its.

I don't know anything about Russia's 150 atomic submarines. We've had atomic subs for some time. The only reason that I know that we don't have 150 of our own is that it costs a lot of money, and we citizens tend to keep a tight grip on the national pocketbook. If we had a dictatorship in this country, which could do as it pleased with the National Treasury, we'd probably have beat the Russians into space and would probably have 500 atom subs, if we wanted to. But, thank God, we don't have a dictatorship here yet.

HAROLD BARRETT, JR.

This American did not know that 95 percent of the Vietnamese do not like us. I am sorry to hear it. However, it is not surprising. You see, tact is not one of our great national characteristics. We feel open-hearted. Many civilizations are more subtle than we are and they cannot believe that we are without ulterior motives in trying to help.

You know, it is much more difficult to receive aid than it is to be gracious in giving. My country has yet to learn how to proffer its gifts graciously. Until we learn to do this and to convince the people of the other countries that we truly don't want anything in return for our help (except that they in turn will help others), then we cannot be hurt if that help is accepted or rejected ungraciously.

I am grateful to the Russian moons, because we have been forced to examine critically our educational system. We have found it needs improvement and we will begin to give the educators the public support they need to start that improvement.

In closing, I would like to thank you for your thought-provoking questions. I am grateful for the opportunity to sit down and think about them. I am a woman in my middle thirties with six children. It is my sincere hope that they will grow up with the same open mind and inquiring spirit that you have. God bless you and yours.

JEANNE K. ANDRIOT.

AGRICULTURAL NEW FRONTIERS IN RESEARCH

Mr. THYE. Mr. President, I should like to comment on those parts of an editorial which appeared in the Minneapolis Star, of March 5, 1958, which I think are vital to an understanding of the farmer's dilemma today.

The remarks from an address I delivered in Austin, Minn., to the Minnesota-Iowa Swine Institute, are pertinent, I believe, to the excellent questions raised in the editorial.

At Austin, I observed that it was ironic today that achievement in production has worked against our farmers. The farmer of today has advanced faster in the expansion of production than has any other phase of our national economy. Industry has increased its production by about 3.2 percent a year during the past 10 years. Agriculture has advanced 6 percent a year. In terms of total productive output, agricultural production is 60 percent higher than it was 10 years ago.

Even though the farmer may agree to curtailment of his production at present, there remains the problem of surplus

products. At Austin, I again stressed the need for new frontiers in research to find uses for surplus products.

The Congress must enact legislation to establish a sweeping program of research into industrial uses of agricultural products.

We have research facilities, both private and public, that can go into the problems of finding new uses for our present surpluses. I have cosponsored a bill (S. 2306) to accomplish exactly that result.

We have land-grant colleges, universities, and the extension services, which are willing and capable to investigate and to look into the new frontiers of agricultural research.

My purpose in inviting attention to the excellent editorial in the Minneapolis Star is to bring again to the attention of Members of Congress the research facilities which I think can do much to reduce present surplus products and solve the growing problem of the farmer's productive capacity.

I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE GOES FARMING?

The Minneapolis Chamber of Commerce concluded another successful farm forum on Tuesday with a panel which had as its theme: "Where do we go from here?" No very clear answer to the question was forthcoming but at least there were some pretty clear definitions of the problems involved in production controls.

There seemed to be agreement that production of farm commodities could be controlled, and surpluses thereby avoided, if farmers would submit to the necessary disciplines. Whether the controls were regulated by the Government or by farmer organizations, proper cooperation could make them effective and the price-depressing surpluses would disappear.

But a farmer pointed out, most farmers don't want stringent controls. Secretary Benson has said much the same thing. He lays great stress on the farmer's freedom to run his own business. Probably what most farmers would like would be plenty of freedom to produce as they liked and still to have a price guaranty which would return them their costs and a reasonable profit. Benson and many others say that isn't possible.

So what seems likely, in the view of a Senate committee, are production controls on the old basis of partial compliance. Farmers at the farm forum indicated that these should be applied on a volume basis rather than an acreage basis. Acreage allotments fail because farmers can intensify attention on their allotted acres and raise as much of a particular crop as they formerly did on the whole farm. And the acres taken out of one crop are planted to something else to add to the surplus.

And there you get back to the question of how much regulation farmers will accept. Some, recognizing the entire problem, will go along. Others, cherishing their right to make their own decisions, will object. If you attend many farm meetings you soon learn that there is no more unanimity on farm problem solutions among farmers than there is among Congressmen.

TEXAS LOSES A JOURNALISTIC GIANT, WARD MAYBORN

Mr. YARBOROUGH. Mr. President, Saturday, March 1, 1958, was a day of great loss to the people of Texas who have been fighting for honest and able government in Texas. On that day Ward C. Mayborn, publisher of the Sherman (Tex.) Democrat, died. His passing ended one of the great journalistic careers of this Nation, and left a void in Texas publication leadership that never will be completely filled.

In a few minutes, Mr. President, I shall ask permission to have printed in the RECORD a dozen news stories and editorials on the interesting and inspiring life of this journalistic giant. These stories are immediately touching, and, in part, almost incredible. I have selected these accounts from many published across the Nation. Mr. Mayborn was a newsman of the old school, a courageous and champion fighter for freedom of the press.

Few men are in a better position than I to know how well Mr. Mayborn kept his publications unfettered and unafraid of that vast army of moneyed power which today dictates the policy of so many news publications. He and his son Frank Mayborn, editor and publisher of the Temple Telegram, have given unswervingly honest reports of my position on public issues. At one point the two Mayborn newspapers, the Sherman Democrat and the Temple Telegram, were two of the finest dailies in Texas which supported me in my fight to restore honesty in government in Texas; the other 120 daily papers in my State were on the side of the old machine.

Ward Mayborn, like all great and thinking men, was an individualist. He and I did not always agree on all political questions. But my views as well as his, were always fairly presented in his newspaper. I believe there can be no greater tribute than this to his great belief in, and practice of, real freedom of the press.

This Nation has lost a journalistic giant. Time will not permit me to begin to cover even the high points of the life of Mr. Mayborn in this statement. But a selection of the news stories and editorials published at time of his death disclose many inspiring activities of Ward C. Mayborn.

The following are a few highlights in his life:

Born in Ohio on a farm in 1879. He was always proud of his farm background.

Nineteen hundred and six, founded Evansville (Ind.) Press.

Nineteen hundred and nine, managed Denver Express.

Nineteen hundred and eleven, managed Memphis Press.

Nineteen hundred and nineteen, managed Dallas (Tex.) Dispatch and Houston Press.

Nineteen hundred and twenty-nine, bought Temple (Tex.) Telegram.

Nineteen hundred and thirty, became publisher of Baltimore News-American.

Nineteen hundred and forty-one, went to Chicago to help found the Chicago Sun for Marshall Field.

Nineteen hundred and forty-five, came back to Texas to stay.

Mr. President, I ask unanimous consent to have printed in the RECORD certain editorials and news articles from the following publications:

From the New York Times, March 2, 1958, Ward C. Mayborn, Dead; from the Sunday, March 2, 1958, Sherman Democrat, Ward Mayborn, Publisher of Democrat, Dies; from the March 3, 1958, Sherman Democrat, Last Rites Held for Publisher, God Bless You, Ward, and Many Pay Tribute to Memory of Publisher Ward Mayborn; from the Sherman Democrat, March 5, 1958, Newsmen, City Council Praise Publisher Ward C. Mayborn.

From the Sunday, March 3, Temple Daily Telegram, Nationally Noted Publisher Ward C. Mayborn, 78, Dies.

From the Fort Worth Star-Telegram, March 4, 1958, Ward C. Mayborn; from the Dallas Morning News, March 3, 1958, Progressive Publisher; and from the Houston Press, March 6, 1958, Ward C. Mayborn.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 2, 1958]

WARD C. MAYBORN, PUBLISHER, DEAD—OFFICIAL OF TEXAS PAPERS SERVED SCRIPPS CHAIN—SOUGHT MERGED PLANTS

SHERMAN, TEX., March 1.—Ward C. Mayborn, who helped to establish and direct the operations of more than a dozen newspapers throughout the Nation, died today at the age of 78.

Mr. Mayborn, publisher of the Sherman Democrat since 1945, had been ill for more than a year. He had been in a hospital here since last June.

Starting his career at 18 with the Cleveland Press, Mr. Mayborn was for 30 years with the E. W. Scripps newspapers, now Scripps-Howard. He was former advertising manager of the Akron (Ohio) Democrat and with F. R. Peter founded the Evansville (Ind.) Press.

Successively thereafter Mr. Mayborn was business manager of the Terre Haute (Ind.) Post, the Denver Express, and the Memphis Press. In 1919 he became manager of the Dallas Dispatch and the Houston Press and later he was a founder of the Fort Worth Press and the El Paso Herald-Post.

Mr. Mayborn and his sons purchased the Temple Daily Telegram in 1929. He also was former publisher of the Baltimore News-American and general manager of the Nashville Tennessean.

Mr. Mayborn was credited with being the originator of the mechanical merger plan in which competing daily newspapers effect production economies by using the same mechanical plant. Starting with mergers at Albuquerque and El Paso, he later guided similar mechanical mergers at Tulsa, Topeka, Peoria, Evansville, and Nashville.

His three sons survive. They are Frank Mayborn, editor and publisher of the Temple Telegram and president of the Sherman Democrat; Ted Mayborn, editor and publisher of Drilling magazine in Dallas; and Don Mayborn of Baltimore.

[From the Sherman (Tex.) Democrat of March 2, 1958]

WARD MAYBORN, PUBLISHER OF DEMOCRAT, DIES

Ward C. Mayborn, 78, publisher of the Sherman Democrat and a distinguished newspaperman for more than half a century, died at 2:50 p. m., Saturday, at Sherman Community Hospital after a prolonged illness.

Mr. Mayborn's active newspaper life started in Ohio and ranged over several

States. He held high positions with Scripps-Howard and was a leader in founding several newspapers.

Funeral services will be held at 10:30 a. m., Monday, at Dannel Funeral Home, followed by burial at Grove Hill Cemetery in Dallas.

Rev. Fred Mooring, of Wylie, until recently assistant pastor of the First Methodist Church here, will officiate.

Graveside services will be held at the Grove Hill Cemetery in Dallas at 1 p. m., Monday, Dannel in charge.

NEARLY 60 YEARS

The newspaper career of Ward Carlton Mayborn encompasses nearly 60 years. He was one of the oldest active newspapermen in Texas.

His career started with an Akron, Ohio, lumber company and after he began writing advertising copy for that firm, he was employed by the Akron edition of the Cleveland Press.

That association started his long newspaper association which terminated with his 12-year stint as publisher of the Sherman Democrat.

STARTED AT 18

He went to work at 18 and held his first newspaper job with the Cleveland Press, starting in 1898.

He spent almost 30 years with E. W. Scripps Newspapers, which later became Scripps-Howard. This newspaper chain is one of the newspaper giants of the country.

After 2 years on the Cleveland Press, he became associated with the Akron Democrat and in 2 years was that paper's advertising manager.

FOUNDED PAPER

In 1906, on "shoestring" capital, Mayborn and F. R. Peters founded the Evansville (Ind.) Press. Typical of newspaper operations in that day, the newspaper was started with a venerable press and a stereotyping outfit that cost $700. The rent on the building was $25 a month and the weekly payroll for the 9-man staff was around $150.

In 1909, the Mayborn-Peters team took over the Terre Haute (Ind.) Post and the next year Mayborn moved to Denver, Colo., to manage the Denver Express.

In 1911, the Memphis Press, another in the Scripps chain, came under his management. He served as business manager of these four papers until 1916. At that time he took over full management of the Denver Express.

TO TEXAS IN 1919

His first stint in Texas started in 1919. He came to Dallas to manage the Dallas Dispatch and the Houston Press. In 1921, he left the Dallas paper to establish the Fort Worth Press. In 1922, he started the El Paso Herald-Post. For the next 3 years he managed the three papers as well as the Albuquerque State Tribune and the Oklahoma City News.

He left Scripps in 1929 and bought the Temple Daily Telegram with his sons Frank, Don and Ted.

In 1930, he became publisher of Hearst's Baltimore News-American. In 1937, he went to Nashville, as general manager, to help Silliman Evans and James G. Stahlman with the backshop merger of the two competing Nashville papers.

He was originator of the shop merger plan, starting with the Albuquerque and El Paso papers. He put through similar mergers in Tulsa, Okla., Topeka, Kans., Peoria, Ill., and Evansville, Ind.

HELPED FOUND SUN

In 1941, he went to Chicago to help Silliman Evans found the Chicago Sun for Marshall Field.

In 1945, he came back to Texas to stay. He was associated from that time on with his son, Frank W. Mayborn, in the operation of the Sherman Democrat. Frank Mayborn was, and still is, president of the publishing company in Sherman and Ward Mayborn was publisher and vice president.

It was said of him in the profession that a big leaguer has returned to the minors and was having more fun than he ever had before.

DIDN'T DODGE ISSUES

He was an adamant champion of freedom of the press and did not dodge issues.

His associates would be the first to say that he had forgotten more about the newspaper profession than they could learn in a lifetime.

He was eternally alert and interested in affairs and people around him and, until ill health forced him to curtail his activities over 3 years ago, had his finger on the pulse of every facet of newspaper operation.

BORN IN OHIO

Ward Mayborn was born at Kinsman, Ohio, on October 10, 1879. Family circumstances in the "hard times" of the nineties forced him to quit school and go to work at an early age. His education was on the informal side, but despite that he was one of the best-informed men in the profession.

Secret of his educational background was reading. He made it a point to read at least one book a week and piles of newspapers and magazines.

WIDE INTERESTS

As a conversationalist, he had few peers. The range of his interest was wide, including politics, Government, city affairs, but most of all people.

In spite of his lack of formal education he became in his later life a foremost champion of college-educated newspapermen.

He was founder of the Texas Daily Newspaper Association program of interns and headed up that program for years. This is a cooperative effort on the part of most Texas dailies to help colleges in training working newspapermen by letting them serve summer stints in actual newspaper work after their junior year. This program is still going strong under the impetus Mr. Mayborn gave it in its formative years.

BOOSTED PROFESSION

In any crowd in which he found himself, he always was enthusiastic in boosting the newspaper profession. He felt that through the years techniques, ethics and job opportunities had shown great improvement.

He always took pride that he had a farm background. He left the farm because of economic necessity at 18 but never lost touch with rural problems.

He married Nellie Welton, July 13, 1900. She died in 1928. To them three sons were born.

Frank Mayborn is still in the newspaper business, being president of the Sherman Democrat and the Temple Telegram. He also owns a radio station and TV station.

Ted Mayborn is president of Associated Publishers, Inc., industrial trade magazines. He is editor and publisher of Drilling magazine in Dallas, one of the top oil publications in the Nation.

The other son, Don, is in business in Baltimore, Md.

He also is survived by three brothers, Claude Mayborn, Kinsman, Ohio, Glen Mayborn, Ashtabula, Ohio., and William A. Mayborn, Bradenton, Fla.; four sisters, Mrs. William Dunning, Columbus, Ohio., Mrs. Paul Fouch, Canton, Ohio, Mrs. Harry Templeton, Lakewood, Ohio, and Mrs. Sam Hadsell, Oceanside, Calif.

He was married a second time on June 6, 1942, to Norma Brown. She died in 1952.

Two stepsons, Robert E. Brown of Sherman and Richard J. Brown of Rye, N. Y., also survive.

ACTIVE IN SHERMAN

He was active in many Sherman civic enterprises, including the Chamber of Commerce, Kiwanis Club, president of the Industrial Foundation. He was a member of the First Methodist Church. Among his professional affiliations was membership in Sigma Delta Chi, national journalistic fraternity.

He was a 32d degree Mason for many decades, and was a member of Travis Lodge No. 117, A. F. & A. M., of Sherman, the Dallas Scottish Rite Consistory, and Mosiah Temple Shrine of Fort Worth. He had served as president of the Grayson County Scottish Rite Association.

For his work for statewide newspaper improvement, he was awarded two citations by the Texas Daily Newspaper Association. He was one of the oldest members, a charter member, of that association.

He had been in declining health for several years. He spent three winters in Phoenix, Ariz., for his health, but in May 1957 he returned to Sherman to remain, a patient at Sherman Community Hospital.

Pallbearers will be C. A. Schulz of Temple, Walter Humphrey of Forth Worth, L. S. Stemmons, Dallas, and the following from Sherman: Albert Nibling, Elliott Higgins, Dana A. Blocker, E. Robertson, J. V. Gradick, P. Miley and Charles Harrell.

[From the Sherman (Tex.) Democrat of March 3, 1958]

LAST RITES HELD FOR PUBLISHER

"He carved for himself a place in the world of business for his achievements in life, but even more significant, he made a place for himself in the hearts of untold numbers of people because of his genuine concern for all men."

This was the characterization for Ward C. Mayborn, given Monday at his funeral services by the Reverend Fred Mooring, pastor of Wylie Methodist Church and former assistant pastor of First Methodist Church here.

Funeral rites for the publisher of the Democrat, veteran newspaperman whose career spanned 60 years of American journalism, were held at Dannel Funeral Chapel. Graveside services and burial were at Grove Hill Cemetery in Dallas.

Mr. Mayborn, a native of Ohio, died Saturday after a long illness. He had been publisher of the Democrat for 12 years, a period that followed numerous experiences in the newspaper field, which he entered at the age of 18.

EXPERIENCE OF DEATH

"We would be less than a people of faith, if we did not see in this experience of death, the unfolding of God's purpose for man," said the Reverend Mooring, "if we did not see a fitting and proper climax for an almost incredible career."

Commenting on his brief acquaintance with Mr. Mayborn, the minister said he found in the man a person about whom there was something extraordinary, a person of many facets, a variety of interests, a command of friendships that made him an amazing personality.

"Few of us rise far above the level of the normal," said the Reverend Mooring, "but here was a person that transcended the ordinary circumstances, who surmounted obstacles and emerged victorious.

"But the bare facts of his life do not account for all that he was. No man is a rubber stamp of environment plus heredity, for within each is that gift of God which places on each one the stamp of uniqueness.

"In Mr. Mayborn's case, the gift was generously given."

CREATED NEW PATTERNS

Noting that Mr. Mayborn faced hardships at an early age, the minister said that he did not expect society to make a place for him, but rather he made that place for himself. And further, that he was not satisfied to stay in charted waters, to follow tradition, but he felt compelled to create new patterns, methods, and ways of doing things.

"Life as we know it must end," said the minister, "the passing of man is not a tragedy but a triumph, not a disaster but the end for which we have been made, the key that unlocks the door to God's mysteries."

With an admonition that man "have no anxiety about anything," the Reverend Mr. Mooring said how blessed is he who so lived that his children have a wonderful idea of him and opinion of his life.

Organ selections played by Mrs. Raymond Judd included Traumerei (Schumann), Melody (Romberg), Aria (Mendelssohn). Hundreds of floral tributes were received at the chapel and at the burial place in Dallas.

WORK SUSPENDED

Work was suspended at the Democrat office Monday during the funeral hour, with the exception of the telephone and wire staffs.

Surviving are Mr. Mayborn's three sons: Frank Mayborn, president of the Sherman Democrat and Temple Telegram; Ted Mayborn, of Dallas, president of Associated Publishers and editor and publisher of Drilling magazine; Don Mayborn, of Baltimore, Md., president of Cornco Co., Baltimore; three grandsons, Mitch, Ward, and Don Mayborn, all sons of Mr. and Mrs. Ted Mayborn, of Dallas.

Two stepsons, Robert E. Brown, of Sherman, and Richard A. Brown, of Rye, N. Y., and five stepgrandchildren, Harriet, Toni, and Martha, daughters of Mr. and Mrs. Robert E. Brown; Ward Douglas, son, and Kathleen, daughter, of Mr. and Mrs. Richard A. Brown.

He also is survived by 3 brothers, Claude Mayborn, Kinsman, Ohio, Glen Mayborn, Ashtabula, Ohio, and William A. Mayborn, Bradenton, Fla.; 4 sisters, Mrs. William Dunning, Columbus, Ohio, Mrs. Paul Fouch, Canton, Ohio, Mrs. Harry Templeton, Lakewood, Ohio, and Mrs. Sam Hadsell, Oceanside, Calif.

Among those from out of town who attended the funeral services were: Byron Skelton, Temple attorney and national Democratic committeeman for Texas; Guy Draper, Temple banker and vice president of southwest region, American Bankers Association; C. A. Schulz, assistant publisher of Temple Telegram, and Mrs. Schulz; Dr. and Mrs. Burbank Woodson, Mr. and Mrs. T. J. Cloud, and Mr. and Mrs. Jack Childress, all of Temple.

William C. Barnard, Associated Press Texas bureau chief, Dallas; Meyer Donosky, Dallas, past president, Texas Publishers Association, well-known Texas and Arkansas newspaperman, and Mrs. Donosky; C. J. Paine, Dallas, oilman and director of American Oil Well Drilling Contractors Association and Independent Producers of America, and Mrs. Paine; Rollo E. Davidson, Dallas, executive vice president of Associated Publishers; Robert B. Farson, Dallas, vice president, Associated Publishers; Robert B. Frederich, senior editor, Dorothy Monroe, foreign editor, Virginia Nesmith and Anita D. Martin, administrative staff members, all of Drilling magazine, Dallas.

Sam D. Hales and Lee Bond, United Press representatives, Dallas; Gene Mewhinney, banker, of Holland, and Mrs. Mewhinney.

[From the Sherman (Tex.) Democrat of March 3, 1958]

GOD BLESS YOU, WARD

(James J. Metcalfe, author of Portraits, a nationally syndicated column, sent this tribute to Ward C. Mayborn on the occasion of his 78th birthday, October 7, 1957.—THE EDITOR)

God bless you on your birthday, Ward—with every happiness. As you so well deserve it for your wonderful success. The way you struggled up the ranks—as only genius can—to reach the top, and so become a great newspaperman. You showed the faith and courage, Ward, to fight each battle through and there was never anything you were afraid to do. Tough-skinned but always soft of heart, prepared to understand the problems of each youngster, and to lend a helping hand. And that is why we love you, and so many thousands say a very happy birthday, and God bless you on this day.

[From the Sherman (Tex.) Democrat of March 3, 1958]

MANY PAY TRIBUTE TO MEMORY OF PUBLISHER WARD MAYBORN

Leaders in professional and business life, statesmen, and public officials joined friends and business associates Monday in praise and tribute to the memory of the late Ward C. Mayborn, Democrat publisher.

Scores of telegrams of condolence and telephone calls flowed in Sunday and Monday to members of the Mayborn family and the Democrat.

In addition to personal friends, words of sorrow came from many former business associates and men who had worked for Mr. Mayborn and who now hold positions of responsibility in all parts of the country.

All major wire services Sunday carried stories of Mr. Mayborn's death, reviewing his long career in the newspaper world and his many professional and public services.

EDITORIAL COMMENT

First editorial comment that reached Sherman was carried Monday in the Dallas News, which follows:

"Ward C. Mayborn, publisher of the Sherman Democrat who died Saturday at the age of 78, is assured of a niche in journalism's hall of fame.

"The founder, or cofounder, of 4 newspapers during his 59-year career, he was also a notable innovator in the publishing field. He suggested the internship for graduates of schools of journalism which the Texas Newspaper Publishers Association inaugurated years ago.

"Mayborn is also credited with being the originator of an even more significant move in the economics of newspaper publishing—the merger of the mechanical plants of two newspapers which otherwise continue their separate identities. As general manager of the Nashville Tennessean he guided the merger by which it shares the same presses and other mechanical facilities with its arch rival, the Nashville Banner.

"Dallas knew Ward Mayborn as a valued citizen in the few years he served as manager of the old Dallas Dispatch. He leaves a rich heritage to his family, including his two sons who remain in the newspaper profession, as well as to Texas and the Nation."

COMMENT BY STAFF MEMBER

Typical of those who worked last with Mr. Mayborn was this unsolicited comment left on the editor's desk by a member of the Democrat staff: "Because he gave recognition to even small talent, because he gave unstinting praise to all real effort, because he was a friend as well as an employer, it is with great sorrow that we accept the death of Ward C. Mayborn."

Among the many messages received were these:

Gov. Price Daniel: "Texas has lost one of its outstanding newspapermen and citizens, and I join his many friends in heartfelt sympathy."

Cranston Williams, general manager of American Newspaper Publishers Association, New York: "He was a grand friend of mine for many years, and it has been a regret that in recent years I have had less personal contact with him. * * * He was a man for whom publishers had not only high esteem but great affection."

Roy W. Howard of Scripps-Howard newspapers: "Ward Mayborn has long been a credit to his profession and his reputation for integrity and square dealing, as well as for making and holding friendships, constitutes a heritage of which you (his sons) can be proud."

Senator RALPH YARBOROUGH, Washington, D. C.: "All the people in Texas who believe in good government are grieved with the knowledge of the passing of Ward Mayborn. He was fearless and independent * * * one who pursued the course that he thought best for the people * * * was not swayed by the pressure of big money. * * * He was one of God's noblemen and Texas will long remember his courage and his dedication."

William C. Barnard, Associated Press Texas bureau chief, Dallas: "He was a great force in the newspaper profession in Texas, particularly in his efforts to bring new youngsters into newspaper work through the interns' program which he was instrumental in putting into effect."

Rhea Howard, publisher, Wichita Falls Record-News: "He has done an outstanding job as a publisher in Texas and his knowledge of the newspaper profession was respected throughout this Nation. He was recognized as a civic leader in his community and State."

James Stahlman, publisher, Nashville (Tenn.) Banner: "Please accept our deepest sympathy in your sorrow."

MESSAGE FROM EX-SENATOR

Roy Sanderford, mayor, city of Belton, and former Texas Senator: "He was a distinguished gentleman; you are fortunate to have had him so long."

Bryan Daily Eagle: "The State and Nation have lost a fine newspaperman and the profession a real friend and mentor."

Sam Kinch, Fort Worth Star-Telegram, Austin bureau: "We share your loss and that of the newspaper profession."

Jack H. Bowen, Bryan Eagle city editor: "Texas has lost one of its finest newspapermen * * * he was a grand guy. We share your loss."

Ted Maloy, Safeway Stores public relations director: "It was a privilege knowing so fine a gentleman, so fine a newspaperman."

Bob Gresham, editor, Tourist Court Journal, Temple: "Mr. Mayborn had a long and useful life. He loved and enjoyed every breathing hour of it, but most important he helped others benefit from his experience as he went his way. * * * We have lost a great leader, a good American, a gentleman, a real man and will miss his smiles, his gentle humor, and his strong encouraging boosts. The Lord perhaps had a more important job for him to do."

Jay Phillips of Houston, chairman, Texas Securities Commission: "* * * our deepest sympathy, your closeness to Ward should comfort you greatly in the days ahead."

LOSS SHARED

Frank G. Eathorne of Odessa: "All Texas newspapermen share your loss."

Don Malcolm, representative, Burgess Matrix Co., Dallas: "His memory will be honored and respected by all who knew him."

Arthur Dawe, chairman of the board of Consolidated Paper Co., Montreal, Quebec, Canada: "He was an old and true friend and will be greatly missed."

W. C. Bussing, of the Evansville (Ind.) Press (a paper which Mr. Mayborn founded): "* * * deepest sympathy in this great loss."

Dr. John F. McKinney, Jr., clerk of the session, First Methodist Church, Temple: "The session on behalf of the First Methodist Church expresses deepest sympathy; our prayers attend you."

Coleman Harwell, publisher, the Nashville Tennessean: "Greatly regret death of a fine friend and outstanding newspaperman."

Sarah McClendon, Washington, D. C., correspondent of the Democrat: "* * * I glory in the privilege of having known and worked for him."

Wayne C. Sellers, assistant publisher, Rock Hill (S. C.) Herald: "Ward was truly a great man and I am grateful for my association with him."

E. L. Callahan, head of the journalism department, Southern Methodist University, Dallas: "* * * Ward Mayborn was an outstanding journalist and a friend for education and journalism in Texas. We shall all miss him."

Ernest Kurth, president of Southland Paper Mills, Lufkin: "Deepest sympathy in the passing of Mr. Mayborn."

Mrs. Silliman Evans, Sr., Silliman Evans, Jr., and Amon Evans, Nashville, Tenn.: "No more worthy tribute can be paid that to say he was a newspaperman. His memory will live long in the Evans household."

Frank Starzel, general manager of the Associated Press, New York: "Sympathy and expression of loss."

[From the Sherman (Tex.) Democrat of March 5, 1958]

NEWSMEN, CITY COUNCIL PRAISE PUBLISHER WARD C. MAYBORN

The unselfish service and progressive foresight of the late Ward C. Mayborn, Sherman Democrat publisher and dean of Texas newspapermen, are voiced in resolutions passed by the Texas Daily Newspaper Association and the Sherman City Council.

Mr. Mayborn was praised in the TDNA Tuesday in session in Austin and this resolution was passed:

"Whereas the Texas Daily Newspaper Association is meeting for the first time in its history without the presence, either spiritual or physical or both, of one of its founders, stalwart supporters and most effective members; and

"Whereas his contributions to the association and the industry which it serves are known full well to each and every member who have benefited directly from the efforts of this man; and

"Whereas his spirit commingled his unselfishness and his profession, that the latter only should exist to serve and improve the former, that service might be his creed: Then be it

"*Resolved*, The Texas Daily Newspaper Association in its 37th annual meeting in Austin, on March 4, 1958, convey to the family and associates of Ward C. Mayborn its deep and sincere sympathy to become a part of the permanent record and a copy sent to his bereaved family."

"Mr. Mayborn was a man of dynamic personality, and the people of Sherman will miss his progressive foresight," says a resolution passed by the Sherman City Council in Monday night session.

The resolution says also: "The governing body of the city of Sherman takes this means of expressing deep sympathy to the members of the family and the intimate friends of Ward Mayborn during this trying time.

"A copy of the resolution shall be sent to the Sherman Democrat and to the children of Mr. Mayborn."

Other tributes to Mr. Mayborn include these:

An editorial in the Denison Herald: "Texas journalism lost a colorful and one of its most dedicated leaders. * * *

"Mayborn was an oldtimer in the business with an ever-new and expanding perspective that kept him alert and challenging well beyond the normal retirement age. * * *

"True to his life's work, Mayborn never passed over an opportunity to boost the newspaper profession. He felt that through the years the technique, ethics, and job opportunities had improved. In fact, he himself contributed to that improvement through his active service.

"The Herald expresses sympathy to our neighboring newspaper and community on this loss. At the same time it shares their satisfaction that Ward Mayborn came this way."

W. St. John Garwood, associate justice, Supreme Court of Texas: "Ward was a very able and very good man, and this old world, including my part of it, is that much poorer now that he is no longer with us. I will always cherish his memory."

C. E. Shuford, director of journalism, North Texas State College: "I wish you would express to his family my sympathy as well as my deep appreciation for what Ward Mayborn did for journalism education in Texas.

"I feel personally indebted to him for the encouragement and help he gave me as well as to the students placed through the TDNA internship program which he fathered. The work he did was a tremendous inspiration to all of us."

Charles A. Spears, Sherman banker: "I miss Ward Mayborn—his thinking was a stimulation to all of us."

DeWayne Davis, manager, Sherman Chamber of Commerce: "In the passing of Mr. Mayborn, I know that you must feel a great loss. I did not know him personally, but all indications point to his being a great and wonderful gentleman."

[From the Temple (Tex.) Daily Telegram of March 3, 1958]

NATIONALLY NOTED PUBLISHER WARD C. MAYBORN, 78, DIES

Ward C. Mayborn, 78, dean of Texas newspaper publishers and nationally known veteran of the great old days in American publishing, died Saturday in a Sherman hospital. He had been in the hospital since June.

Funeral services will be held at the Dannel Funeral Home in Sherman at 10:30 a. m. Monday, followed by graveside services at Grove Hill Cemetery in Dallas at 1 p. m.

Publisher of the Sherman Democrat since 1945, Mayborn during his long career had founded or directed the operations of more than a dozen major United States newspapers. He was the father of Frank W. Mayborn, editor and publisher of the Temple Telegram and president of the Sherman Democrat.

Mr. Mayborn had been active in newspapering for 60 years, and was at the time of his death one of the oldest active newspapermen in Texas or the Nation.

Born in Kinsman, Ohio, October 10, 1879, Mr. Mayborn entered newspaper work at 18 with the Cleveland Press. For the next 30 years, he was with the E. W. Scripps newspapers (now Scripps-Howard).

In 1902 he became advertising manager of the Akron Democrat, and in 1906, on "shoestring" capital, he and F. R. Peters founded the Evansville (Ind.) Press. He then successfully was business manager of the Terre Haute (Ind.) Post, Denver Express and Memphis Press.

He first came to Texas in 1919, as manager of the old Dallas Dispatch and the Houston Press, going to Fort Worth in 1921 to help found the Fort Worth Press. In 1922, he founded the El Paso Herald-Post, and for the next 3 years managed those three Texas newspapers as well as the Albuquerque State Tribune and the Oklahoma City News.

He left the Scripps papers in 1929 to become associated with his sons, Frank, Ted, and Don, in the purchase of the Temple Daily Telegram.

In 1930 he became publisher of Hearst's Baltimore News-American, and in 1937 went to Nashville, Tenn., as general manager of the Tennessean and to guide the mechanical merger of the two competing Nashville papers.

Mr. Mayborn is generally credited with being the originator of the mechanical merger, starting with the Albuquerque and El Paso papers, in which competing papers effect production economies by using the same mechanical plant. He guided similar mergers in Tulsa, Topeka, Peoria, and Evansville.

His next call was to Chicago, where in 1941 he helped found the Chicago Sun for Marshall Field.

Frank Mayborn, his son, bought the Sherman Democrat in 1945, and Ward Mayborn came back to Texas to become publisher of that newspaper, the position he held at the time of his death.

Famed throughout the United States for his vigorous mind, his energy, and as an intense conversationalist, Mr. Mayborn became, if anything, more widely active after becoming publisher of the Democrat than he had been before.

One of his projects was the Texas Daily Newspaper Association intern program, now fully established, through which college newspaper students hold down regular newspaper jobs during their summer vacation. He was also highly active in Sherman civic enterprises, including the chamber of commerce, the Kiwanis Club, and as president of the Sherman Industrial Foundation. He was a member of the First Methodist Church of Sherman.

Mr. Mayborn had been a Mason for many decades and was a member of Travis 117, Ancient Free and Accepted Masons, of Sherman, the Dallas Scottish Rite Consistory, and Moslah Temple Shrine of Fort Worth. He had served as president of the Grayson County Scottish Rite Association.

In his later years, Mr. Mayborn had been presented citations for his work for newspaper improvement by both the Texas Daily Newspaper Association and the Southern Newspaper Publishers' Association.

With all his other activities, Mr. Mayborn was a tremendous reader. He made it a point to read at least one book a week, plus piles of newspapers and magazines. He was recognized as a foremost champion of absolute freedom of the press and was never known during his long career to dodge a legitimate issue.

He married Nellie Welton July 13, 1900. She died in 1928. To them 3 sons were born: Frank, now editor and publisher of the Temple Telegram and president of the Sherman Democrat; Ted, editor and publisher of Drilling magazine in Dallas; Don, in business in Baltimore, Md.

He married Norma Brown in 1942. She was killed in an automobile accident in 1952.

For 3 years preceding his return to a Sherman hospital, Mr. Mayborn had wintered in Phoenix, Ariz., spending the summer months at his home in Sherman.

The white-haired newspaper publisher, who started his career on the same day in 1898 that Admiral Dewey of Spanish-American War fame gave his famous order, "You may fire when ready, Gridley," was active in journalism until his final illness.

Enthusiastic about the opportunities of journalism, Mayborn several years ago declared, "I never saw the time when the newspaper business and all the people in it had such a bright future as now. This is a great day for newspapering and even better ones are ahead."

To Mayborn, the advent of television was seen as an opportunity for newspapers.

"TV is no threat to newspapers. TV will help make the public better informed, and a better informed public will read more newspapers. I believe in making the most of TV. If my newspaper hears of some big event to be telecast, we write it up before and after * * * to let readers know what is coming and what took place. After all, many readers probably didn't see the event on TV. Fifteen minutes and it's gone, as far as the screen is concerned. But the newspaper account will wait for the reader to read. In the newspaper, the reader will find the record of what took place," he said.

Mayborn believed in finding out how the readers felt and what they wanted. When the circulation of the newly founded Fort Worth Press lagged, Mayborn took to the sidewalks and in a house-to-house campaign asked 500 families what was wrong with the newspaper. He put their opinions to work and circulation climbed.

Besides being active in Masonic and civic affairs at Sherman, the late publisher was also extremely enthusiastic about introducing young people to newspaper work. One of his proudest possessions was a plaque from six Texas colleges and universities thanking him for the aid he had given their students.

"This is best time in history to become a newspaper reporter," Mayborn said recently. "Newsing is more than a business—it's a way of life, it's a wonderful responsibility—to print the truth without fear or regard for personal profit. I never felt the need of vacations—the work itself was just too much fun."

[From the Fort Worth (Tex.) Star-Telegram of March 4, 1958]

WARD C. MAYBORN

The man who builds or has a major part in building one institution of usefulness and substance usually can consider that he has had a successful career. What, then, could be said of a man who has had a leading role in establishing or nurturing the growth of a dozen or more now thriving newspapers?

Such a figure was Ward C. Mayborn, publisher of the Sherman Democrat, whose death last weekend ended an eminent newspaper career spanning nearly 60 years. Mr. Mayborn was a specialist in newspaper economics who presided at the birth of four newspapers—one of them the Forth Worth Press—and who piloted numerous others through sometimes stormy financial weather. His experience covered a wide field—from such newspaper chain operations as the Scripps-Howard and Hearst organizations to small-town newspaper publishing.

His interest and his knowledge covered both the business and the editorial operation of newspapers. He was the originator both of the cost-cutting idea of joint use by two competing newspapers of one mechanical plant—a system he introduced into at least seven cities—and of the now prevalent program of summer internships which give active newspaper experience to journalism students. His skill at solving complicated newspaper production problems caused him to be called to Chicago in 1941 to help Marshall Field establish the Chicago Sun, now the Sun-Times.

By no stretch of the imagination could Mr. Mayborn have been called a press lord, yet few men have left an imprint upon so much of the Nation's newspaper operations. And few men have ended a career with as wide a circle of acquaintanceship and warm friendship in the newspaper field.

[From the Dallas (Tex.) Morning News of March 3, 1958]

PROGRESSIVE PUBLISHER

Ward C. Mayborn, publisher of the Sherman Democrat who died Saturday at the age of 78, is assured of a niche in journalism's hall of fame.

The founder, or cofounder, of 4 newspapers during his 59-year career, he was also a notable innovator in the publishing field. He suggested the internship for graduates of schools of journalism which the Texas Newspaper Publishers Association inaugurated years ago.

Mayborn is also credited with being the originator of an even more significant move in the economics of newspaper publishing—the merger of the mechanical plants of two newspapers which otherwise continue their separate identities. As general manager of the Nashville Tennessean he guided the merger by which it shares the same presses and other mechanical facilities with its arch rival, the Nashville Banner.

Dallas knew Ward Mayborn as a valued citizen in the few years in which he served as manager of the old Dallas Dispatch. He leaves a rich heritage to his family, including his two sons who remain in the newspaper profession, as well as to Texas and the Nation.

[From the Houston (Tex.) Press of March 6, 1958]

WARD C. MAYBORN

Few persons have been more influential or enacted a more significant role in the newspaper business of America than Ward C. Mayborn, Texas publisher whose death brought to an end a 60-year newspaper career.

Mr. Mayborn had a very strong tie with the Houston Press. The first 30 years of his career were spent in association with E. W. Scripps and the Scripps-Howard newspapers. He came to Texas as business manager of the Houston Press and other Scripps-Howard papers in Texas and spent many years of his career in that capacity.

Later he became publisher of the Sherman Democrat and associated with his son, Frank Mayborn, in publishing the Temple Daily Telegram.

But as a consultant and a newspaper business specialist, Mr. Mayborn's career took him over all the United States in key newspaper publishing roles.

Mr. Mayborn knew every phase of the newspaper business—editorial, advertising, production, and circulation. His experience also encompassed work on newspapers of every size from very small, struggling dailies to some of the largest publications in the Nation.

His death removes a real giant from the publishing world.

THE IMPORTANCE OF ADULT EDUCATION

Mr. WILEY. Mr. President, last week the educational authorities in Milwaukee completed an interesting survey on the vast extent of adult education in Wisconsin's largest community.

The survey showed that there are no less than 15 different institutions in that one city offering approximately 3,000 courses for adults. There are about 58,000 registrations in these courses. A new Milwaukee Council of Adult Learning has just been formed for the purpose of helping to coordinate these courses.

In other communities of my State there is likewise tremendous interest in increased adult education. For example, I note in Lake Geneva in my State the efforts of the Adult Education Council, composed of 15 member organizations, to expand its work.

Included among such member organizations are, of course, the school system, the public library, YMCA, PTA's women's clubs, ministerial groups, the American Red Cross and others.

To me, Mr. President, the growth of adult education in our land represents one of the finest trends in our times.

It demonstrates that more and more Americans realize that education should never really stop. The fact that a man or a woman years ago secured or did not secure a bachelor's or other degree, should not mean that the growth of the mind should cease.

For both vocational and avocational purposes, adult education can make an ever-increasing contribution to the well-being of the American people.

As Americans acquire new skills, new interests, new hobbies, they are in an ever better position to serve themselves and to be better citizens of their country.

I hope that this trend will continue and that the Federal Government will be ever more effective in its cooperation with the States and localities along these lines.

THE ST. LAWRENCE SEAWAY

Mr. POTTER. Mr. President, the Middle West is looking forward with much anticipation to the time when the St. Lawrence Seaway opens for deep-draft navigation. When the St. Lawrence River and the Great Lakes are ready to receive the commerce of the world, then the cities of Michigan and Wisconsin and Ohio and all the others in the American heart land will begin a new and more prosperous era.

I am proud to have sponsored legislation for the St. Lawrence Seaway project and subsequent legislation for work on the connecting channels. Throughout the Nation millions of patriotic citizens join me in pride and anticipation of the new project. One of them is a local man, Mr. James Dixon, of Washington, D. C., who has written a song to commemorate approaching completion of the seaway.

Last Friday morning I had the honor of hearing the first rendition of this fine selection in my office. Four attractive young ladies who call themselves the Quarternotes traveled to Washington from their homes in Racine, Wis., to serenade Senators from seaway States with Mr. Dixon's song entitled "The St. Lawrence Seaway Is on Its Way."

Mr. President, the words are a tribute to all those who participated in the seaway project and a contribution to Canadian-American relations. I ask unanimous consent that the words be printed in the RECORD.

There being no objection, the text of the song was ordered to be printed in the RECORD, as follows:

We dedicate this song to unsung heroes,
To men who live and dare to blaze the trails,
To men who sweat and toil in heat or zeroes,
To men whose faith and courage never fails.
Yes, gentlemen, our hats are off to you,
The men we trust to see this project through.

CHORUS

The St. Lawrence Seaway is on its way
God bless her friendly shores.
The St. Lawrence Seaway is here to stay
And commerce will open up the doors.
The maple leaf forever, forever standing by,
The Stars and Stripes will never let the friendship die.
The St. Lawrence Seaway is on its way
God bless her friendly shores.

A NATIONAL CAPITAL CULTURAL CENTER OF THE PERFORMING ARTS

Mr. FULBRIGHT. Mr. President, Representative FRANK THOMPSON, of New Jersey, introduced in the House of

Representatives, and I have introduced in the Senate, companion bills H. R. 9848 and S. 3335, respectively, authorizing construction of a privately financed National Capital Cultural Center of the Performing Arts to be located on a federally owned site on the Mall opposite the National Gallery of Art. This site is bounded by Fourth Street SW. on the east, Seventh Street SW. on the west, Independence Avenue on the south, and Adams Drive on the north.

The proposal I introduced, and another bill providing for the erection of a National Air Museum on the same site, is pending before the Committee on Public Works of the Senate. Last week the Public Works Committee agreed to hold hearings on these bills, a decision which I think is most wise and fair. I wish to take this opportunity to commend the committee for its decision and I hope when hearings are held that all interested persons will make their views known.

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post and Times Herald of Sunday, March 9, 1958, entitled "Another Try for a Cultural Center," by Mr. Robert C. Albrook.

Also, Mr. President, I ask unanimous consent to have printed in the RECORD from the Washington Evening Star of Saturday, March 8, 1958, an editorial entitled "National Cultural Center," and also a letter by Representative THOMPSON on the subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 9, 1958]

ANOTHER TRY FOR A CULTURAL CENTER

(By Robert C. Albrook)

After a year in the doldrums, the idea of a cultural center for Washington came to life again last week in the plans of the Senate Public Works Committee to hold hearings on two bills that bear on the subject.

One is a measure by Senator FULBRIGHT to provide for a privately financed center of the performing arts to be built on the Mall opposite the National Gallery of Art.

The other measure—which really prompted the forthcoming hearing—is one favored by the Smithsonian Institution to designate this same site for a federally-financed airplane museum.

In the last half century, the various efforts to provide the Capital City with proper theaters for opera, ballet, music and the drama have encountered all kinds of obstacles. But this is the first time that the problem has been cast in terms of a competition between culture and flying machines. The outcome will be interesting to watch.

Last year, the latest official effort to do something about Washington's widely recognized deficiencies in facilities for the performing arts came to an inglorious end. The 21-member District Auditorium Commission, headed by Agnes E. Meyer, turned in its proposals for a national cultural center on January 30, 1957.

The ambitious plans, including a large convention hall has as well as theaters for various kinds of presentations and other facilities, were put together by the architectural firm of Pereira and Luckman, of Los Angeles and New York.

The Commission, composed of 21 members named by the President, the Vice President, and the Speaker of the House, spent $94,675 in Federal funds to make its studies and prepare its report. Congress was asked to provide a site, at Federal expense, in Foggy Bottom, with a tract in the southwest Washington redevelopment area cited as an alternative. Funds for the center itself were to be raised privately.

But legislation to keep the Commission in business and to authorize an appropriation to acquire the preferred site bogged down in a House-Senate conference committee. Opposition of various local interests to use of the Foggy Bottom area plus general misunderstanding and ill will among and between members of the Commission and Members of Congress made it impossible to break the logjam. The Commission's authority—and the unexpended $55,325 balance of its appropriation—expired.

The plans, however, and the considerable amount of background information developed by the old Commission, need not be a total loss if Congress will now consider the Fulbright bill a twin to one sponsored in the House by Representative FRANK THOMPSON, JR., of New Jersey.

The appeal of the Fulbright-Thompson plan is that the proposed site on the Mall is already owned by the Federal Government. To be sure, it should not be turned over for a municipal purpose without a proper showing of what the tract is worth. But at least no appropriation of funds would be required to get the cultural center project rolling again.

The land would be donated for a performing arts center in the same way that land was made available by the Government for the Mellon and Freer Art Galleries and—as THOMPSON points out—for the bell tower memorial to the late Senator Taft.

Set up as a branch of the Smithsonian—like the Mellon Gallery—the performing arts center should command enough prestige by reason of sponsorship and the location to attract adequate private financial support, just as the Mellon Gallery did.

The Fulbright-Thompson plan would leave the air museum still looking for a site, of course, and such a museum, to house the great firsts in American aircraft, is badly needed. But such a building need not be large—since the country already has, or is planning, major aircraft exhibits at Wright-Patterson field in Ohio and at the Air Force Academy in Colorado.

The Mall site for a cultural center also would be inadequate to permit inclusion of a large convention hall, which was proposed to be a part of the cultural center under the old Auditorium Commission's plans. But such a hall need not necessarily be in the same place as the performing arts center.

[From the Washington Star of March 8, 1958]

NATIONAL CULTURAL CENTER

The Senate Public Works Committee has wisely held up a bill which would designate one of the few remaining choice sites on the Mall for a huge Smithsonian air museum.

The air museum, a sprawling complex of buildings big enough to house the modern giants of the air, cropped up a few years ago when its sponsors wanted it placed in the southwest redevelopment area. That move was quickly killed, and there is serious question whether it would not be just as much out of place on the south side of the Mall, opposite the National Gallery of Art.

An equally valid reason for holding up the project, however, is Senator FULBRIGHT's proposal that this Mall site be earmarked for a center for the cultural arts. The Senator's bill, and a companion measure in the House, provide new legislative machinery for a cultural center, which would be built with private donations on the federally owned Mall tract.

This proposal is an outgrowth of efforts of the now-defunct District Auditorium Commission, which collapsed last year in disagreement over sites. The absence of a fitting center for the performance of the arts has long been a major gap in the cultural life of the Capital. The proposal that it be located on the Mall should receive careful consideration before this prime site is committed to any other purpose.

CULTURAL CENTER SITE

The Senate Public Buildings Subcommittee has approved a bill to locate the monster National Air Museum, larger than the United States Capitol Building, on the Mall across from the Mellon Gallery.

The Senate subcommittee chose to give the green light to the air museum over Senator FULBRIGHT'S bill for a National Cultural Center on the site.

There already is a splendid air museum at the Wright-Patterson Air Force Base in Dayton, Ohio. The Air Force is planning a great air museum for the entire Air Force at the Air Force Academy in Colorado Springs, Colo. I am informed, also, that no legislation is needed for the Air Force Academy Air Museum, that all the necessary authority is inherent in the Secretary of the Air Force. The air museum in Washington will be a third air museum. All three museums will be paid for and maintained by the taxpayers, of course, not by the billion-dollar air industry.

The Nation's top cultural leaders, the Commission of Fine Arts and the Smithsonian Art Commission, and the leading national art organizations are on record as opposed to the Mall location for the air museum. At the same time, nationwide support has developed for the measure Senator FULBRIGHT and I have sponsored. Locating the air museum at Bolling Air Force Base would save millions of dollars, which the taxpayers otherwise will have to shell out for the air museum on the Mall.

The Fulbright-Thompson National Cultural Center bill is a compromise plan that is an outgrowth of the work done by the District Auditorium Commission. It provides that the Federal Government shall donate a choice site in the same way it donated choice sites for the Mellon and Freer Art Galleries and for the 115-foot bell tower memorial to the late Senator Robert Taft.

The National Cultural Center which it would establish would have the same status in the Federal Government as the Mellon Gallery, which is a branch of the Smithsonian Institution, and it would be paid for in the same way—that is, by private contributions only. The center would be similar in many respects to the $205 million Lincoln Square Center of the Performing Arts in New York City which is to be built by private funds. Foundations, including the Ford and Rockefeller Foundations, have already pledged the New York City project $15 million, and I am confident they would do as much or more for a National Cultural Center if legislation is enacted into law providing for such contributions. Especially would this be so if the center had the same status as the Mellon Gallery.

More than $100 million is presently represented in the National (Mellon) Gallery and its matchless collections donated by the Mellon, Widener, Kress, Dale, and other families. Certainly this is proof of the attractiveness of the Mall location for an art center. No comparable site for a cultural center exists in the Nation's Capital, in fact. The one remaining Mall site across from the Archives Building is smaller and, besides, a Federal office building is planned for that location. By its insistence on locating the air museum on the Mall, the administration is scuttling the one opportunity for a great cultural center in the Nation's Capital.

I hope the Senate will carefully consider these matters and reverse the position taken on the air museum.

FRANK THOMPSON, Jr.,
Representative From New Jersey.

PROPOSAL FOR AN INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. FULBRIGHT. Mr. President, I am greatly interested in the proposal of the junior Senator from Oklahoma [Mr. MONRONEY] that an International Development Association be created to help finance international economic development loans on a multilateral basis.

The Free World needs new ideas in the international development field. As chairman of the Senate Banking and Currency Committee to which the Monroney resolution has been referred, I intend to cooperate in every way to see that it is given proper consideration.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD three newspaper articles about the Monroney proposal:

First. An article written by Mr. E. W. Kenworthy, and appearing in the New York Times of March 2, 1958.

Second. An article written by Mr. Raymond P. Brandt, and appearing in the St. Louis Post-Dispatch of March 2, 1958.

Third. An editorial in the Washington Post of March 9, 1958.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 2, 1958]

WORLD FUND PROPOSED TO AID WEAK NATIONS—IT WOULD SUPPLEMENT WORLD BANK BY LOANS IN SOFT CURRENCIES

(By E. W. Kenworthy)

WASHINGTON, March 1.—The staggering problem under which the less-developed nations ceaselessly labor is how to achieve a modest but steady growth of their productive base so as to bring about a gradual improvement in living standards.

It is a problem that also faces the free nations of the West. As the Soviet Union has stepped up its aid-and-trade campaign in the less-developed nations, the West has come to relaize that the future political climate and orientation of these nations will depend on where they get the funds to finance their development.

What are the chief western sources right now for this development capital? There are four institutions—United States Export-Import Bank and Development Loan Fund and the International Bank for Reconstruction and Development (the World Bank) and its affiliated International Finance Corporation.

FOUR AGENCIES

(1) The Export-Import Bank now has lending authority of $5 billion, which will probably be increased to $7 billion by Congress this year. Its chief function is to make dollar loans for the purchase of income-producing equipment manufactured in the United States. Its rate of interest is now between 5 and 6 percent.

(2) The Development Loan Fund of the International Cooperation Administration was set up by Congress last year with an initial appropriation of $300 million, to which $625 million will be added this year—Congress willing.

Its interest rate is 3½ percent on loans to governments for such public projects as harbor development, roads and state-owned railroads and communications. For loans to private industry its interest rates are from 5½ to 5¾ percent. The fund is authorized to make some soft loans—that is, with long maturity and partly repayable in local currency.

(3) The World Bank, with 64 members, is a specialized agency of the United Nations. It has lending authority of about $9,500 million at present. It makes bankable loans in hard currencies, repayable in the same, with interest at 5 to 6 percent.

(4) The International Finance Corporation, a new institution, has authorized capital of $100 million. It will make dollar investments in productive private enterprise in less-developed countries. So far only about $6 million has been invested.

It is obvious that these institutions cannot provide all the development capital needed by the underdeveloped countries. Except for the Development Loan Fund, they make hard money loans at interest rates charged by commercial banks.

There is more to the problem than this. The above institutions usually require some matching of loans in local currency for approved development projects. Because the less-developed countries have little private saving, they are often short of the domestic capital needed for local-currency counterpart.

Also, the economically underdeveloped countries have a fully developed sense of independence. They are increasingly disinclined to be beholden to the United States.

For the last 18 months Senator A. S. MIKE MONRONEY, Oklahoma Democrat, has been sharpening an idea on the knowledge of economic experts he has talked with here and abroad. Last week he crystalized it in a resolution urging the creation of an international development association to make long-term, low-interest, multicurrency loans.

The association would be a subsidiary to the World Bank, making loans that the Bank must now reject under its regulations as unbankable. Essentially, it would be a secondary mortgage institution. Senator MONRONEY told the Senate that Eugene Black, World Bank president, informed him the Bank could have made 50 to 60 more loans if there had been such an institution to take the proportion of the loan which was found unbankable.

As an illustration of how it might work, Senator MONRONEY cited a TVA-type project, long-planned, for the Indus River system in Pakistan and northern India. The estimated cost of this project is $400 million.

Suppose, said Senator MONRONEY, the World Bank could underwrite half the amount as a bankable loan repayable in hard currency over 20 years at 4 to 5 percent interest. Then the association might underwrite the rest, repayable over 40 years at 2 percent.

The association, Senator MONRONEY said, might provide deutschemarks for engineering costs, dollars for earth-moving equipment, any number of currencies for cement, and rupees for local labor and some materials.

"Thus," explained the Senator, "with a worldwide shopping list and a vault filled with many local currencies, for the first time wise banking administration could make full use of local currencies, including those from the sale of our agricultural surpluses."

It is this last suggestion that has especially attracted the attention of many Government officials and Congressmen. Since 1954 the United States has been selling agricultural surpluses for local currency.

When these loans begin to be repaid in a few years, the United States will have hundreds of millions of dollars worth of soft local currencies. What to do with them has been the despair of Government economists. Under the Monroney plan, they could be used to supply the lack of domestic capital in the less-developed countries.

Many high administration officials showed interest in the Monroney plan. However, Secretary of State Dulles was reported chilly to the idea. He was said to be still firmly wedded to bilateral loans, believing them to be more useful diplomatic tools.

[From the St. Louis Post-Dispatch of March 2, 1958]

LOANS FOR DEVELOPMENT OF ASIA AND AFRICA—PLAN BY SENATOR MONRONEY—NEW AGENCY UNDER WORLD BANK PROPOSED TO MEET NEEDS OF UNDERDEVELOPED AREAS—AN ANSWER TO COMMUNIST ECONOMIC SCHEMES THREATENING TO ATTRACT LOYALTY OF MAJORITY OF MANKIND

(By Raymond P. Brandt)

WASHINGTON, March 1.—With hopes of stopping the propaganda here and abroad about "Uncle Sugar" and "Uncle Shylock," Senator A. S. MIKE MONRONEY proposed this week the creation of a "second mortgage" international bank that could first reduce and perhaps eventually end Congressional appropriations for American economic aid to underdeveloped countries.

After 18 months of study, the Oklahoma Democrat came up with the first detailed plan for meeting the Kremlin's long-term, low-interest loans to newly independent nations that are long on manpower and natural resources but short on dollars and other hard currencies.

As a member of the House Banking and Currency Committee more than 12 years ago, MONRONEY participated in the establishment of the International Bank for Reconstruction and Development, usually called the World Bank, under the Bretton Wood agreement. As a member of the similar Senate committee, he is chairman of the International Finance Subcommittee which will hold hearings in about 2 weeks on his proposal for an International Development Association, to be closely allied with the World Bank.

In summary, the new banking organization, capitalized with a billion dollars in hard currencies supplied by the countries underwriting the World Bank, would have the following objectives:

1. Long-term loans, up to 40 years at 2 percent, repayable in local or soft currencies to supplement the World Bank's hard currency loans, limited to a maximum of 20 years at rates from 4 to 6 percent.

2. Maximum use of foreign currencies available to the United States through the sale of agricultural surpluses and other programs by devoting a portion of these currencies to such loans.

3. Placement of the loans in a way to eliminate any possible implications of interference with national sovereignty.

During his study of the foreign economic aid problem, MONRONEY first thought it would be necessary to have a Bretton Wood type of conference to create the auxiliary World Bank. After talks with administration and World Bank officials, he came to the conclusion that with bipartisan American support, the World Bank directors had or could be given ample authority for its establishment. The resolution he introduced this week merely says that it is the "sense of the Senate" that consideration should be given to the establishment of the Development Association. Witnesses scheduled to be heard on this resolution include Treasury Secretary Robert B. Anderson; Under Secretary of State Christian A. Herter and his economic deputy, C. Douglas Dillon; President Eugene Black, of the World Bank; economists and private bankers.

Black, whose private banking reputation was impressive before he became head of the World Bank, has cautiously said for publication that the Monroney idea is one the World Bank should explore. He has consistently favored multination loans over bilateral arrangements for public development projects.

MONRONEY has not been able to get the support of Secretary of State John Foster Dulles for favorable action on his resolution at this session of Congress. There are several reasons for this. The first is that the Eisenhower administration is concentrating on getting the full $3,942,100,000 authorization for the mutual security program the President has recommended for next fiscal year. The second is that the Monroney resolution asks the Senate to approve the transfer of the uncommitted $300 million voted last year to the development loan fund to the proposed international bank.

Furthermore, MONRONEY has not endeared himself to Dulles by saying that if he cannot get the initial $300 million away from the International Cooperation Administration fund, from which not a single loan has been made, he will ask Congress to reject the administration's request for an additional $625 million for the ICA loan fund and appropriate the money directly to the proposed international bank.

From the practical parliamentary and political viewpoint, it does not appear that the new bank could be established this year, even if the Senate acted favorably on the Monroney resolution. Although the United States supplied 30 percent of the original capital for the World Bank, and as a result has 30 percent of the voting strength on the board of directors, it would probably require 2 or 3 years before the World Bank could have a billion-dollar auxiliary in shape to make sound soft currency loans on approved projects.

It would be logical and practical, however, for the Eisenhower administration and the Democratic Congress to follow through on the Monroney proposal as a long-term proposition, while the economic aid parts of the present Mutual Security program are gradually tapered off.

MONRONEY told the Post-Dispatch that as he envisaged the new bank's operations, full and immediate use could be made of the World Bank's trained personnel and its comprehensive studies of economically sound projects in specific countries throughout the world.

"The World Bank and its personnel," he said, "command the highest respect. Because its loans are in hard currencies for relatively short periods at comparatively high interest rates, many countries cannot meet its terms. But if we could make use of the soft local currencies the United States has accumulated from its foreign-aid programs and from the sale of agricultural surpluses, together with the soft currency deposits and credits of the other free and the uncommitted countries, second mortgages would make new World Bank loans practicable."

Walking over to a huge map of Asia on his office wall, Monroney pointed to the northwest part of India, where it joins western Pakistan, and said:

"One of the world's great trouble spots is in the relationships between India and Pakistan. The root of this trouble is for more than Kashmir. The struggle is for the use of the waters of the six-river watershed that originates in India and Tibet and goes down through Pakistan.

"If India alone developed the waters of this great river system, Pakistan would perish through loss of the water necessary for its economy.

"For more than a year, engineers of Pakistan and India have worked together on a joint plan for a huge TVA-type of development for this section of Asia. The program probably would cost around $400 million. As a hard currency World Bank loan, requiring payment in 20 years at 4 percent interest, this would not be bankable.

"Under the International Development Association, the plan could be financed with safety to the tremendous good of two countries whose disagreements threaten trouble in the Far East.

"As a second mortgage operation, the IDA could take perhaps 50 percent of the $400 million loan, subordinating it to the first claim of the World Bank, which would take the primary loan. The secondary loan would be for 40 years at 2 percent interest, repaid not in dollars or hard currency, but in the local currencies of India and Pakistan. This would be on better terms than the Russians and their satellites are offering.

"In designing the dam and other works, the IDA could lend funds for engineering in German deutschemarks. It could furnish funds for earth moving equipment in French francs, with certain dollar or hard currency additions to make the loan attractive to the French. Cement could come from some 10 countries, purchased in local currencies. Thus with a worldwide shopping list, wise banking administration could make full use of local currencies, including those accumulated from the sale of our agricultural surpluses, which will run into the equivalent of several billion dollars over the next 5 years."

Monroney said other members of the World Bank could individually contribute local currencies they have on hand, such as India's block sterling credits in England. This, he said, would give flexible and judicious use of many presently frozen assets.

In a greatly limited way, the development loan fund of the International Cooperative Administration could theoretically make loans of the sort MONRONEY described. The basic difference between the development loan fund and the IDA is that ICA loans, when made, will be bilateral between the United States and the borrowing country while the IDA loans would be multilateral, with the responsibility diffused among the countries now supporting the World Bank.

MONRONEY argues and many administration officials concede that the present bilateral arrangement on much of the present foreign aid, military and economic, is the reason the United States is called "Uncle Sugar" and "Uncle Shylock." The arrangement also permits the Communist propagandists to proclaim that the American economic aid program is a thinly disguised operation for economic and military domination of the uncommitted, underdeveloped countries.

Adlai E. Stevenson had a similar idea to MONRONEY's in his speech this week to the national conference on the foreign aspects of United States national security. He did not specifically endorse the "second mortgage" World Bank but his ideas could be included in the IDA proposal. He told the gathering assembled by Eric Johnston:

"I think it is time we coordinated our economic efforts with our friends instead of going it alone. The whole of the industrialized Free World has the same interest in seeing the underdeveloped areas make the transition to self-sustaining growth while maintaining their independence.

"INTERESTS IDENTICAL

"Our interests are identical. This is a global enterprise; and it should be organized on that basis. For Western Europe and Japan this coordination would give a badly needed sense of common constructive purpose at a time when military problems alone seem to hold the center of the international stage. Moreover, coordination would also make possible useful contributions from some of the smaller states of the Free World.

"I do not believe it is necessary to commingle all our funds to set up a single international fund. But the governments of the Free World should gather, assess what they are doing, and make common cause in enlarging their efforts in both technical assistance and the supply of capital. Before the NATO conference, I suggested that the organization for European economic cooperation in Paris might offer a useful gathering place for this new enterprise. That organization, a product of the Marshall plan, has the flexibility, the staff, and the tradition of constructive purpose to do the job. I am confident that from such collaboration a new spirit would emerge in the Free World, a new sense of the powers and constructive possibilities of democracy, a unity based on hope rather than fear.

"Against the background of an enlarged and stabilized American program, weaving together the great resources of the industrialized nations, giving play to private as well as Government initiative, we could well invite Mr. Khrushchev to coordinate his efforts with ours if he is really interested in the economic development and political independence of these less fortunate countries." Such cooperation—and I hope we leave no stone unturned in our effort to cooperate—could avoid the waste and hazard of blackmail that results from competition in this kind of effort. And if the Soviets are not interested in joining our international effort, such an offer would at least unmask the motive behind their assistance.

OPEN TO CHANGES

MONRONEY is open to changes in his proposal, saying details can be worked out after the hearings before the full Banking and Currency Committee or the International Finance Subcommittee.

"I am convinced that most of the objections to the secondary bank can be ironed out," he said. "We will seek the testimony of the best authorities we can find. The proposal can, and probably will, be modified and improved, but I believe the time is right to make a dramatic change and improvement in our methods of handling foreign economic aid.

"No football coach could use the same old plays year after year in the same conference without winding up in the cellar. What is true of football is also true of foreign policy.

"The Communist economic penetration has been concentrated in the areas where we are the weakest—the countries of Asia and Africa, especially those which make up the periphery of the Communist geographical hegemony. These nations are currently the most susceptible to political and economic infiltration. Many have broken the bonds of Western colonial power only within the last 10 to 12 years.

"The greatest desire of these nations is economic independence and control of their own affairs. Our aim should be to regain the initiative from the Soviets. We need to finance them in a way that is proof we have mutual interests at heart rather than any desire for economic or military control. This I believe can be handled best by an international arrangement.

"The United States has more to gain from international development than merely forestalling Soviet strategy. As more nations break through the development barrier and are able to join the select group of countries with rising living standards, the market for Western goods will simultaneously expand."

DECIDED IN COMMITTEE

The fate of the Monroney plan at this session of Congress will be decided by the committee hearings and the votes in both Chambers on President Eisenhower's $3,942,100,000 mutual security recommendation. The committee hearings will disclose whether the administration officials are ready to indorse publicly the "second mortgage" international bank. Debates on the mutual security recommendation will reveal the extent of Congressional criticism of the economic aid portion, particularly the development loan fund, for which $300 million was urgently requested at the last session, and from which the first loan is yet to be made.

[From the Washington Post of March 9, 1958]

A FRESH IDEA ON AID

Senator MONRONEY, of Oklahoma, has suggested a new approach to economic aid for the underdeveloped nations that has considerable appeal. The details remain to be worked out after hearings which he proposes to conduct soon, but the general idea is to create a sister agency of the International Bank for Reconstruction and Development (World Bank) to make loans in mixtures of hard and soft currencies on more favorable terms than the World Bank can grant.

As a starter, the United States would put up some $300 million of a $1 billion initial hard-currency capitalization. The rest would come from such of the 59 other members of the World Bank, as elected to participate in the new agency. Soft currencies owned by these members, such as those accruing to the United States from its disposal of agricultural surpluses abroad, would also be made available where they could be used to pay for local labor or materials needed in a project. Where feasible, part of a project's cost would be financed in the present way by the World Bank, on a hard-currency basis and on terms otherwise "bankable." The Monroney bank—which he would call the International Development Association—would take a sort of "second mortgage" for the remainder of the required funds.

The IDA is certainly more attractive than the perennially rejected "Sunfed" project urged by the underdeveloped nations as a United Nations approach to multilateral aid. Control presumably would be apportioned in accordance with capital subscriptions, as in the case of the World Bank. The help would be in the form of loans, not grants. If, ultimately, the bulk of the American foreign-economic aid effort could be channeled through IDA, the overemphasis on military and security aspects which now hobbles this country's development-aid efforts could be avoided. Even the Soviet Union could become a partner in the venture if it came to see the disadvantages and perils of a bilateral program of the kind which it is now beginning to develop. In this way, economic aid might emerge from its cold war context.

If the way had not been blazed by the World Bank, the Monroney plan might seem to be purely wishful thinking. If bilateral aid enjoyed broader support in this country and had a better record of success overseas, there might be no reason to consider a fresh approach. But aid to the economically underdeveloped nine-tenths of the world's population is now on a piecemeal, inadequate and poorly understood basis. At the same time the provision of such aid is perhaps the single greatest policy imperative of this century for the advanced nations. The need is for method and organization that will make possible a sufficient and a sustainable effort, and the Monroney plan seems to offer substantial hope in these respects.

POPE PIUS MARKS TWO ANNIVERSARIES

Mr. BUTLER. Mr. President, irrespective of considerations of particular faiths, the people of our respective States will heartily join in the worldwide acclaim now being voiced in regard to the joint anniversaries of Pope Pius XII. As an earnest exponent of world peace, he is exerting indefatigable efforts to assist in bringing about the adjustment of differences among nations so that there will be the cessation of military undertakings resulting in so many untimely deaths and in horrors so devastating to mankind.

The Pope is now observing the 19th anniversary of his installation as the Supreme Pontiff of his Church, and this anniversary is coincident with his 82d birthday, which fortunately finds him in excellent health, enabling him to continue his activities for all peoples, regardless of religious affiliations.

The Pope's advocacy of the inalienable rights of human beings has long since characterized his efforts. It is significant that the consistent reiteration by the Apostolic Delegate, whom we are so fortunate as to have in our midst, upholds the basic principles of the dignity of man. This fundamental thesis commands our attention and support, and is expressive of the philosophy of the Pope in all his religious pronouncements.

In our taking notice of the joint anniversaries, the Baltimore Sunday American gave expression in its editorial to sentiments which will be shared by American people throughout this land, and I therefore ask that the text of this publication be included in the body of the CONGRESSIONAL RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POPE PIUS MARKING TWO ANNIVERSARIES

One of God's most valiant commanders in the field, this world of ours, observes today two anniversaries. It is the 82d birthday of Pope Pius XII. It is also the date of his election 19 years ago to the Papacy.

His Holiness is observing rather than celebrating the occasion. He is spending the day much like any other, fulfilling the high obligations of his dedication. But it is a day of reverent rejoicing for the world's 450 million Roman Catholics.

They are praying—and they are joined by many, many others not of their faith—for the continued health and reign of this gentle, holy man of peace, who, by divine paradox, is one of the greatest warriors against godless communism.

To this vast conjoining of prayer we humbly add our own.

COORDINATION OF AGRICULTURAL PROGRAMS

Mr. BUTLER. Mr. President, I support the administration's farm bill submitted to Congress.

This bill provides the combination and coordination of programs required to free farmers of burdensome controls.

Passage of this bill will help farmers stabilize agriculture and expand markets. It will help them achieve the economic security which farmers, and all other segments of our population, can expect to earn through investment of capital, hard work, and the application of managerial skill.

Each provision of this bill is essential to the successful operation of all its provisions.

The provision to authorize a substantially wider range within which price supports may be provided is directly related to the needed authority to increase acreage allotments for tobacco, cotton, wheat, rice, and peanuts.

Neither of these authorizations can be effective, of course, unless we repeal the law which requires that price supports be raised as surpluses are reduced.

Nor can we logically provide authority to increase acreage allotments unless we close out, as this bill provides, the soil bank acreage reserve at the end of the 1958 crop year.

I cannot say that any one part of this bill is more important than any other part of it. Yet I want to stress the urgent need to provide authority to increase acreage allotments for tobacco, cotton, wheat, rice, and peanuts.

Under existing legislation, numerous farmers have acreage allotments so small that it hardly pays them to grow the permitted crops. If they exceed their allotments, they are penalized.

Cotton is a good example. Seven out nine cotton allotments are less than 15 acres. The national cotton allotment average is only 18.4 acres. In North Carolina, the average cotton producer is permitted to plant less than 6 acres of cotton; in Georgia, less than 11 acres.

How can a cotton farmer with 4 or 5 permitted acres, or even the national average allotment of slightly more than 18 acres, afford to mechanize his farming operations? He cannot.

The technological revolution in agriculture is passing him by, simply because he has lost his freedom to plant—his freedom to keep his own business producing a profitable volume. His efficiency is crippled.

Tobacco is another example. The average allotment for all tobacco in 1957 was slightly more than two acres. For burley tobacco, the average allotment was barely above one acre.

Present legislation so reduced corn acreage allotments per farm that acreage controls for corn have become completely unworkable. Only 1 bushel in 7 grown in the commercial corn area in 1957 was eligible for price support, because so few farmers complied with allotments. That is the reason the administration's bill would free corn farmers of all acreage allotments.

We now have a real opportunity to give farmers more freedom to plant. We can do it by providing authority to increase acreage allotments for tobacco, cotton, wheat, rice, and peanuts. We can do it by abolishing unworkable acreage allotment provisions for corn.

But the success of this one step toward greater freedom for farmers hinges on the passing of this bill by Congress with its other vital provisions.

We must remember that the farm problem was many years in the making. We must remember that many factors, including outmoded legislation which hampered this administration in solving an inherited farm problem, have created the complicated problem the farmer has today.

We must have the combination and coordination of agricultural programs for which the administration's bill provides, in order to solve the many-sided farm problem.

JUDGE JAMES R. KIRKLAND

Mr. KEFAUVER. Mr. President, James Robert Kirkland, judge of the United States District Court for the District of Columbia, passed away on February 25, 1958. During his distinguished

and able career, Judge Kirkland was at one time counsel for the Senate Committee on the District of Columbia. He was appointed to the staff of the committee at the beginning of the 80th Congress, and although he was Republican and had countless Republican friends, he was also held in high esteem by the Democrats, and when the Democrats won control of the 81st Congress, he was retained as committee counsel.

Judge Kirkland was a native of Wilmington, Del., but was exceedingly proud of his District of Columbia background, having attended District public schools and graduated from old Business High School. He continued at Emerson Preparatory Institute, Pace School of Accountancy, Benjamin Franklin University, and George Washington University, and at the latter university, within a period of 4½ years, earned three degrees—bachelor of arts, bachelor of laws, and master of laws.

I was a member of the Senate District of Columbia Committee during the 81st and 82d Congresses, and during the 81st Congress, I had the pleasure of working with Jimmy on home-rule legislation and the satisfaction of introducing a bill for home rule which ultimately passed the Senate. Before he even joined the committee staff, he was a strong proponent of home rule for the District, and was known as an ardent worker in the suffrage movement. He served as legal adviser to the Plebiscite Committee in connection with the November 5, 1946, plebiscite vote in the District for national representation and local suffrage.

Judge Kirkland had close ties with the civic and social life of Washington and became a liaison between Congress and this voteless community. He listened to citizens' appeals and complaints, shaped local legislation, and worked with the local government. He was very active as a speaker and often appeared before the various citizens' associations and other civic organizations on matters of moment to the District residents.

The loss to all segments of the city is a very real one, but more than this, the loss of Jimmy as a friend will be keenly felt.

Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

PROPOSALS TO COMBAT THE PRESENT RECESSION

Mr. KEFAUVER. Mr. President. I am in accordance with the efforts of the majority leader to plan and put into effect a dynamic program to combat the present recession.

Unemployment has reached a new postwar high of 5.1 million which we understand will be shown by the Department of Labor report to be released tomorrow. This total for February follows a report for January which showed the largest one month increase in unemployment in this decade. We are in a decidedly dangerous economic situation.

While I am in accord with the general principle of useful public works as an antidote to economic recession and depression, I wish to point out that certain kinds of construction have far greater immediate value than others. One type of construction, the effects of which are felt in every community, is private housing.

A resumption of a vigorous period of private housing construction is dependent largely on the availability and cost of money. There can be no question that the mistaken tight money policy pursued by the administration and the Federal Reserve System effectively dried up new home construction. Readily available short term money is necessary to finance builders, and readily available and low cost money is essential to finance new homes for the vast majority of young families which should be in the housing market under good conditions.

It should also be pointed out that public housing can be gotten underway with reasonable expedition in many communities which contain many low income families in slums.

New housing is beneficial far beyond the construction involved. New houses expand the markets for refrigerators, stoves and many other appliances. They account for a large percentage of sales of furniture, carpets, and textiles.

It is also my hope that legislation providing for school construction will be high on our list. In thousands of communities there is a need for schools which is immediate. In a large percentage of these communities plans are ready and sites available. This is a most opportune time to begin a genuinely significant school construction program which will solve that nagging problem and provide a weapon against further unemployment as well.

CANDIDACY OF ROLAND STEINLE

Mr. PROXMIRE. Mr. President, a supreme court justice of the State of Wisconsin named Roland Steinle has just resigned from that high court. He has announced his intention to run for the Republican nomination for the United States Senate. If Justice Steinle wins that nomination, and if I should decide to run for reelection, and if I win the nomination of my party this year, he and I would be opponents in November.

Mr. President, Justice Steinle would make an excellent United States Senator. He is a man of intellectual capacity. He is an extremely hard worker. Through a lifetime of public service he has always hewn to the line of scrupulous honesty and rocklike integrity.

Of course Justice Steinle and I will differ, and differ vigorously, in the coming campaign. He will be a well-qualified champion of his Republican Party and the principles and program for which it stands. If I run for reelection, I am going to do my best to make an all-out fight for our Democratic Party on its record.

If Justice Steinle, as a Republican, and I, as a Democrat, run against each other, the Senate campaign in Wisconsin this year will, I am sure, be clean, responsible, and informative.

Mr. President, The Milwaukee Sentinel has written an excellent editorial testifying to the splendid record of my opponent for this seat in the Senate. I ask unanimous consent that the editorial be printed at this point in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STEINLE RESIGNS

The resignation of Justice Roland J. Steinle from the Wisconsin supreme court, which becomes effective this weekend, removes from the court an able, conscientious, and hard-working justice.

Justice Steinle has announced he is resigning for personal reasons. There is a strong likelihood that, as soon as he is off the bench, he will announce his candidacy for the United States Senate on the Republican ticket.

But while on the bench Justice Steinle has scrupulously and resolutely steered clear of any political activity or political pronouncements. For this, he is to be commended.

Justice Steinle also deserves the gratitude of Wisconsin citizenry for his fine record of service on the high court since 1954, and for his work, before that, on the Milwaukee circuit court bench.

It is now up to Governor Thomson to appoint a worthy successor.

POLITICS AND POLITICIANS

Mr. NEUBERGER. Mr. President, the able junior Senator from Wisconsin [Mr. PROXMIRE] has spoken favorably about the character and high personal qualities of the citizen of Wisconsin who may be his opponent in the general election this year, should the junior Senator from Wisconsin decide to be a candidate for reelection.

I commend the junior Senator from Wisconsin for his enlightened attitude. In my opinion, one of the factors in recent years which has done most to discourage outstanding Americans from entering public life has been the character assassination and personal abuse witnessed in so many political campaigns.

Recently I read the results of a Gallup poll which indicated that approximately 69 percent of American parents did not want their sons and daughters to go into politics. One of the reasons given was that politics was such a "dirty game."

If in this country we ever reach the point where young people of education, of idealism, and of courage do not see fit to go into government, then free government will be imperiled.

I subscribe, Mr. President, to what was once said by a very distinguished American, Elihu Root, who was the Secretary of State, under President Theodore Roosevelt, when he addressed the student body of Syracuse University in 1920. Elihu Root pointed out that politics is the practical exercise of self-government, and if we are to have self-government in the United States, then somebody has to go into politics. This outstanding American, who also served in the United States Senate from the State of New York added that the principal ground of reproach which he could think of against an American citizen was that such an American was unwilling to be a politician.

Yet we must confess that today the term "politician" often has fallen into

disrepute among many segments of our population. I fear that one of the reasons for this is that some of those who participate in American politics try to get ahead, to win votes and thereby elections, by abusing their opponents personally, disparaging their opponents' characters, personal lives, families, and even religious affiliations. To me this is very unfortunate, as it strikes at the very heart of the type of free government which prevails in the United States.

For that reason, I wish to commend and praise the junior Senator from Wisconsin, who stood in the Senate Chamber today and said that his prospective opponent in the Senate race from his great State was a man of high character and honesty and integrity. To me, this epitomizes the type of standard we should maintain in public life and the type of approach we should have to political campaigns in a great free country.

FORTIETH ANNIVERSARY OF LITHUANIAN DECLARATION OF INDEPENDENCE

Mr. PROXMIRE. Mr. President, in the middle of February many of us commemorated, on the floor of the Senate, the 40th anniversary of Lithuania's Declaration of Independence. I was proud to be one of those who did so.

I ask unanimous consent to have printed at this point in the RECORD the resolutions adopted unanimously by a mass meeting of Lithuanian Americans at Kenosha, Wis., on March 2, 1958. The resolutions were sent to me by the Reverend Father J. J. Augunas, M. I. C., who is president of the Kenosha chapter of the American Lithuanian Council.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas Lithuania with her 705-year-old history, tradition, language, and religious customs; and

Whereas the people of Lithuania during these 705 historical years have time and again fought aggressors to defend her freedom, have shed their blood to prove to the world that Lithuania as a nation, is worthy of self-government; and

Whereas Lithuania, together with her neighbors Latvia and Estonia, make up a population of 7 million people, have wholeheartedly and sincerely defended the principles of western democracy; and

Whereas the Baltic democratic republics, these past 18 years, enslaved by Hitler and Stalin, have been subjected to torture and death; and

Whereas the citizens of Lithuania, placing their faith in the Atlantic Charter and in world peace, today face tragedy and wholesale massacre by the thousands, and also deportation to the slave camps of Siberia; and

Whereas Lithuanian freedom being dissolved by the Communists, her religious beliefs persecuted, and tens of thousands of her loyal subjects scattered throughout the world, homeless: Therefore be it

Resolved, That loyal Americans of Lithuanian descent of Kenosha, Wis., having carefully reviewed the events and being well aware of the graveness of the present international situation and concerned over the fate of the Lithuanian nation, pledge all possible support to the Government of these United States in its effort to achieve the principles of justice and freedom for all the nations, great or small; be it further

Resolved, That the Lithuanian Americans of Kenosha, Wis., petition the Government of the United States:

1. That the servitude of the Baltic States be further held as an act of aggression, and to accept and recognize only the democratic diplomats of this country.

2. To support this country's resistance movement by information and organization.

3. To help carry on and conclude the testimonies of the Committee on Communist Aggression.

4. To make known to the United States the Baltic States Aggression Act.

5. To recognize the genocide convention, thereby concluding defenseless peoples' wholesale massacres.

6. To accept Kersten's committee findings as a sharp weapon against communistic propaganda; to propagate the enslaved peoples' plea, through the press, so that political leaders throughout the world would awaken and realize the dangers of communism, and act by liberating these people from their aggressors. Silence only urges Communists on to more barbarous acts by subjugating other nations and by tearing down democratic principles.

Resolved, That this meeting of the Lithuanian Americans of Kenosha, Wis., express their deepest gratitude to the Federal Government and both Houses of Congress of the United States for their support constantly extended to the cause of the independence of Lithuania.

DAIRY FARMERS ALREADY LOSING MONEY AS RESULT OF BENSON'S PRICE CUT

Mr. PROXMIRE. Mr. President, just 22 days remain until the cut in dairy supports announced by Secretary of Agriculture Ezra Taft Benson will go into full effect.

Dairy farmers are already losing money as a result of the Secretary's action. The giant dairy processing and marketing corporations are already beginning to harvest a windfall as a result of the policy of lower prices to producers which they have helped to originate, and to which they give their counsel and political support.

An outstanding University of Wisconsin agricultural economist, Hugh Moore, recently reported that dairy producers can expect a loss of 15 to 20 cents per hundred pounds on their milk prices during February and March. The buyers simply start to discount the prices they pay to the farmers in anticipation of the lower price levels which Mr. Benson has decreed will take effect on April 1.

Professor Moore reported on a study of milk prices that was made before and after the dairy price support cut which Mr. Benson imposed in 1954. These studies show, according to Professor Moore, that Wisconsin manufactured milk prices fell about half of the 59-cent total decline in the 3 months before April 1.

The University of Wisconsin economist pointed out that little, if any, of this price decline was a normal seasonal price dip. This is shown, he said, by a study of milk prices during the same months of years in which no change in supports had been made.

The cost to Wisconsin's dairy producers of the severe slash in milk prices ordered by Secretary Benson has been estimated at between forty-six and fifty million dollars a year. This estimate did not include the loss that is being suffered by farmers already—before the order has even gone into effect.

Mr. President, the damage will spread far beyond the farms, when $50 million a year is torn out of the cash registers of small business in my State. It will spread far beyond the small towns where farmers trade. It will spread its economic poison, Mr. President, like a radioactive cloud, throughout every nook and cranny of our national economy. It will spread so far as even to weaken the great alliance of free nations that stands against the aggressive menace of communism.

Mr. Benson's order will be a severe and unfair blow to dairy farmers. It will slam shut the factory gates against a rising, growing army of unemployed workers. It will rob both small businesses and big ones of their margin of profit. It will pile a new burden of injustice, cruelty, and despair upon the heads of the people who work for a living. It is a reckless, senseless invitation to the disaster of a great depression.

WHEAT PLANTING CREDIT AND PENALTY

Mr. SCHOEPPEL. Mr. President, I have just reported from the Committee on Agriculture and Forestry the committee's action on S. 3406.

The Wheat Subcommittee of the House Agriculture Committee heard testimony on Friday, March 7, on the bill of Mr. ALBERT, of Oklahoma, H. R. 11086, and, later the same day, met in executive session and agreed to report the bill favorably to the full committee. Mr. ALBERT's bill, H. R. 11086, is identical with S. 3406.

S. 3406 is quite simple.

First. It suspends the loss of acreage penalty for overplanting for the 1958 harvest, as provided in Public Law 85–203.

On October 4, 1957, the Secretary of Agriculture issued regulations placing the increased penalty in effect. The seed wheat was then in the ground. Because of favorable weather and planting conditions in the fall of 1957, almost all wheat producers overplanted. They believed the penalty—cash only—would remain the same on the 1958 harvest as it was on the 1957 harvest. They learned, after the seed for the 1958 crop was in the ground, that the penalty provisions for overplanting had been changed.

My bill would, for the 1958 crop, correct this injustice if the wheat produced on these over-seeded acreas is:

(a) placed in bonded storage, or

(b) delivered to the Secretary and not used for market until in 1959, or later years.

If the producer suffers a partial or a total crop loss on his allocated acres, then he may use the stored wheat to make up the difference between his actual production and his average normal yield. All this may be done without penalty. However, should the producer market the 1958 overproduction before he suffers a partial, or a total, crop loss then the full effect of the penalty as prescribed in Public Law 85–203 will be

assessed against him and his farm-wheat acreage.

Second. It leaves intact the provisions of Public Law 85–203 with respect to wheat acreage credit—history—for 1958 to be used in the establishment of future State and county acreage allotments.

This prevents the shifting of wheat acreage history from a commercial producing area to noncommercial areas. Producers in the various States and areas may continue, as before, to plant up to 15 acres, and market their total production without penalty. Also, producers with allotments of less than 15 acres may continue to plant up to 15 acres and market their total production without penalty. Public Law 85–203 provides that these surplus acres shall not be counted for wheat acreage history.

Third. It would permit the provisions of Public Law 85–203 to become fully effective as to wheat acreage credit for the 1959 crop, and subsequent years, which will be used in the establishment of future acreage allotments for farm, county, and State, except that it would suspend the loss of acreage penalty for overplanters, provided they store, or deliver to the Secretary, such overproduction, and do not market it until they suffer a partial or total production loss in later years.

LETTERS FROM OREGON FARM LEADERS OPPOSING REDUCTION IN DAIRY BUTTERFAT PRICE SUPPORTS

Mr. NEUBERGER. Mr. President, I have received several thoughtful and informative communications from Oregon concerning the situation facing the Nation's dairymen. Our Oregon dairymen are a resourceful, hardworking group of farmers. They are generally in favor of a self-help program. However, Mr. President, they see in the order to lower dairy supports a blow that will imperil them before a sound self-help program can be inaugurated. I am sure several representative letters will be of significant interest to my fellow Senators.

I ask unanimous consent, Mr. President, that these letters be printed in the body of the RECORD. I have a letter from Vida Helen Leu, of Goble, Oreg.; an open letter on subsidies from the North Bayside Grange No. 691, of Coos County, Oreg.; a brief statement from the Wallowa County Pomona Grange No. 22; a letter from Leonard Squier, Salem, Oreg.; a letter from Francis C. Sparks, Lower Columbia Cooperative Dairy Association, Clatskanie, Oreg.; a letter from Marvin D. and Marie A. Williams, Dayton, Oreg.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CREST-O-HILL FARMS,
Goble, Oreg., February 17, 1958.

The Honorable RICHARD NEUBERGER,
The United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: Please, do not lower the price supports on milk. I believe if anything they should be raised for several reasons:

(1) There are millions of undernourished children in this country. Not all of them in poor families. Most women in the United States work to help with payments on merchandise at set figures, the only place an American family is willing to save money is on its food bill.

(2) I think children are this or any country's greatest asset and they should be well fed. This Government should see that every child has all the milk he or she can possibly consume.

(3) I believe the people should realize that they are the ones being subsidized, not the farmers of this Nation. If Mr. Benson succeeds in cutting the milk supply of this country down to a point where milk becomes a scarce article, it could mean only two things:

(1) Milk will be very high priced and there will be no milk, cheese, and other dairy products, to distribute through the schools, etc., and the health of the children and their children will suffer, or

(2) This country would import large amounts of milk products from other countries, where we would have no control over sanitation or quality. The dairy industry contributes much new wealth to this country's economy. It is a large user of the products produced on other types of farms, using much hay and grain and the byproducts of vegetable canneries, brewers, and others. It is also a user of large amounts of all kinds of merchandise from steel mills and factories. Eliminating the American farmers will do no one any good at all.

This country's people need a supply of food on hand for possible national emergencies and they need the farms here at home, not abroad, for the same reason.

Do not break this country's backbone by ruining her farmers.

Please protect this country's people by keeping her farmers strong.

The farm is a constant user of the products of all other industries.

Sincerely,

MRS. JACK LEU.

NORTH BAYSIDE GRANGE No. 691,
Coos Bay, Oreg.

OPEN LETTER ON SUBSIDIES

The members of North Bayside Grange No. 691, of Coos County, Oreg., have seen fit to protest the proposed lowering of dairy-support prices. Coos County is a dairy country so our members are concerned over this development.

This protest should not be construed as an argument for subsidies as such. The dairyman is as willing as anyone to cease being dependent on the Government, providing that all other segments of the economy return to the same basis.

The dairyman has unwittingly been caught in the subsidy trap. The price of cheese is governed by the support price and his cost of production is kept high by other artificial means. Lowering of supports on one commodity without lowering on all is clearly a discrimination against that commodity.

Agriculture is the only industry that has been and is being ridiculed for receiving subsidies. Airlines and shipping, rapid amortization and other beneficiaries receive little or no publicity at all.

The majority of our press, nationally, has pursued a policy that has been both misleading and harmful. Namely, they create the impression that the entire budget of the United States Department of Agriculture is being used for price supports. The fact is that the major part of this budget is being used for the benefit of nonfarmers in the Forest Service, school lunches and many reimbursable funds. If the United States Department of Agriculture has done anything to counteract this trend it has not been noticeable in this area. This grange has always been committed to the belief that the United States Department of Agriculture should be helpful to the farmers.

Public utilities are guaranteed the right to set their rates according to costs so that they may have a profitable operation.

Labor is guaranteed the right to bargain for a raise based on the cost of living. In many cases, escalator clauses are in effect. Labor also has a national minimum-wage law.

The grange does not begrudge labor a decent standard of living but where this is reflected in the basic commodities we must buy, the dairyman becomes more acutely aware of his diminishing income and lowered standard of living.

Taxes continue to climb and no one is optimistic enough to predict that they will not continue to do so. Our responsibility to the school system is clearly mapped out for a number of years in advance. Teachers' salaries are increasing. There is national publicity on behalf of raising teachers' salaries.

The dairyman will acknowledge this responsibility unless he is forced out of business and can find no place in industry. Industrial unemployment is now a major problem.

The major portion of the milk in Coos County is used for cheese. This cheese has been moving into the markets under competitive conditions, but at a subsistence rate to the producer. The support price alone would not be a profitable operation so it has been used only in cases of extreme emergencies. All that cheese supports have meant is insurance that the market will not collapse.

It is the grass-roots opinion of this representative cross section of dairy men, that we deserve some consideration.

The trend of the administration to eliminate the small operator could result in a monopoly condition which would be more harmful to the general public than the total of all subsidies ever paid.

If the time has come to end subsidies, let us eliminate them on everyone alike. The dairyman does not ask for preferential treatment—all he asks is equal treatment. It is not realistic to expect the dairy industry to exist in competition to Government largess.

BONNIE FULLERTON, *Secretary.*

WALLOWA COUNTY POMONA
GRANGE No. 22,
Joseph, Oreg.

RICHARD NEUBERGER,
Senate Chambers,
Washington, D. C.

DEAR SIR: At the last meeting of the Wallowa County Pomona Grange they went on record opposing any reduction in support price of all dairy products and would appreciate your support for the small farmers and dairymen.

Sincerely,

SYLVIA BONER, *Secretary.*

SALEM, OREG., *February 10, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR NEUBERGER: Because you campaigned so successfully for the opportunity to represent me and my interests in the United States Congress, it is no more than fair that you should be informed of my views and opinions on certain subjects.

The one in which I am most vitally interested at the present time is the President's suggestion to remove the price support from milk. The President's reasoning is no doubt sound and may be justified; but so long as the price supports are left on other commodities and agricultural products, I do not favor its removal from milk. In my opinion it would be unfair discrimination and possibly a violation of the equal protection clause of the 14th amendment of the United States Constitution.

As you know, dairying is one of Oregon's chief industries and is engaged in by all sizes of corporations, associations, and cooperatives as well as individual farmers. With very little study and research you can determine the fate of the little dairyman milking 18 or 20 cows if the price support is removed from milk—and it's the little people of Oregon who make such an impact at the polls on election day.

It isn't fair or even good logic to risk cutting or doing away with the income of the already overworked dairyman and still continue to guarantee fabulous profits to the already wealthy owners of Oregon's wheat land. And while I'm on the subject, I have serious doubts as to the wisdom of paying a man to do nothing with his land.

I trust you will do your utmost to see that justice and equity are served in every instance rather than to help promote the convenience and prosperity of only a few.

Very truly yours,

LEONARD SQUIER.

LOWER COLUMBIA COOPERATIVE DAIRY ASSOCIATION,
Clatskanie, Oreg., February 27, 1958.

Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We are naturally concerned on behalf of our dairy people about what Congress will do with the dairy subsidy on April 1. A reduction from the present 83 percent of parity to the proposed 75 percent would work a real hardship on the dairymen of this area.

We believe the present subsidy should be retained until such time as the entire program can be abolished and some other plan adopted.

Our preference is for the self-help plan as presented to Congress by the National Milk Producers Federation and several other organizations. This plan would relieve the taxpayers of the dairy subsidy burden and place the milk surpluses in control of the industry.

We will greatly appreciate any help you can give us in this matter.

Sincerely yours,

FRANCIS C. SPARKS, *Manager.*

DAYTON, OREG., *March 5, 1958.*

DEAR SIR: We are asking you to help preserve the support prices on milk as it now stands.

Most of our hired labor is in a better financial position than the owner.

If our income is lowered any more it will force many of us dairymen to go out of business.

How about giving us a bill to vote on such as the self-help plan as proposed by the National Milk Producers Federation and the National Grange?

Please help.

MARVIN D. WILLIAMS,
MARIE A. WILLIAMS.

ECONOMIC CONDITIONS

Mr. O'MAHONEY. Mr. President, I am looking for a document which I should like to have printed in the RECORD today, but unfortunately it does not appear to be among my papers.

Let me say in the morning hour, as morning hour business, that on Saturday last I received my monthly letter from the First National City Bank of New York, one of the greatest banks in the world. It contained a statement about the current economic condition which ought to be brought to the attention of every Member of Congress and every person in Government.

I am going to ask unanimous consent that I may have the statement printed in the RECORD in connection with my remarks when I get it in my hand.

Let me state the content of the monthly economic letter of this great New York bank. It was a report as to some 610 of the largest manufacturing companies in the United States, on their final reports as to their net income during the year 1957.

These 610 companies included all steel companies, petroleum companies, producers, and refiners, manufacturers of textiles and apparel, manufacturers of food products, drugs, chemicals, and minerals of all kinds. There were included all the dominant industries in the United States.

These 610 companies reported that their net incomes in the last quarter of 1957 were 16 percent below what they had been in the same period of 1956.

When I read this report by such an eminent Wall Street authority without any tinge of partisan leanings of any kind, and certainly without any possibility of being accused of participating in the political aspirations of the Democratic National Committee, I was reminded of the fact that throughout the last 3 months of 1957 whenever any economist in Government, any Member of the Senate, or any Member of the House, dared to point a finger of warning with respect to any declines in our economy, such persons were immediately called prophets of doom and of gloom.

Here is the evidence that in the counting houses of the largest business corporations in America, during the months of October, November, and December, the recession was in progress and was becoming worse. The administration was doing nothing except to throw cold water upon the declarations which were being made by realistic observers of the economy that some positive action would have to be taken.

So strong was the conviction of the leaders of the administration that nothing needed to be done that when the President's budget was submitted to the Congress, in January, it contained paragraph after paragraph making it clear that nothing was to be done. Certainly nothing was to be done with respect to public works.

Not only was it stated in the President's budget message that there would be no new starts, but it was also stated in the Budget in Brief that there would be no new starts.

However, now we have the facts before us; and finally, in the spirit of—shall we say complete cooperation and fairness?—the White House releases information about some program of public works, which information is given not to the Congress, to which the budget was sent, but to some Senators and Representatives from the States in which the administration now proposes to make some expenditures by way of public works. The policy laid down before the Congress in the budget message of the President is reversed; and the knowledge of this reversal is given not to the Congress as a whole, not to the Senate, or to the House, but to Members of the President's party in the Senate, the President's party in the House, and to some extent it is given to the press.

This is not the administration of the public affairs of the Government of the United States in the interest of all the people. It is the administration of such affairs in the interest of a political party, and that alone, though it does not know where it stands.

I ask unanimous consent that the article to which I have referred, in the monthly letter of the First National City Bank of New York, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CORPORATE EARNINGS IN 1957

Annual reports issued to date by companies engaged in all major lines of business reveal that—on an overall basis—the earnings drop in the fourth quarter largely cancelled the gains made earlier in the year. Our tabulation of 2,474 statements for the full year shows combined net income after taxes of $15.4 billion, an increase of 1 percent over the total for 1956. This virtually unchanged total of net income represents a narrower average margin of profit on the substantially increased total of sales or revenues, as well as a lower rate of return on a greatly expand[illegible] capital investment.

Separate quarterly figures available for 610 manufacturing companies indicate that net income in the fourth quarter of 1957 was slightly below the third quarter, but 16 percent below the relatively high fourth quarter of 1956. The following condensed summary shows the predominance of declines in the fourth quarter, while the table on the next page gives a preliminary summary for the full year as reported to date by a much larger number of companies, representing other lines as well as manufacturing.

Net income of leading manufacturing corporations for the 4th quarter, 1956–57

[In thousands of dollars]

Industry groups	Number of companies	1956	1957	Percent change
Food products and beverages	49	$82,882	$87,129	+6
Tobacco products	10	44,090	46,921	+6
Textiles and apparel	28	31,420	22,182	−29
Paper and allied products	36	71,678	57,955	−19
Chemical products	39	238,459	213,947	−10
Drugs, soap, cosmetics	26	75,099	93,637	+25
Petroleum producing and refining	43	451,455	309,301	−31
Cement, glass, stone	46	87,180	85,699	−2
Iron and steel	35	343,144	235,281	−31
Machinery	66	108,888	85,800	−21
Other metal products	139	284,705	251,684	−12
Autos, other transportation equipment	50	390,256	370,395	−5
Miscellaneous manufacturing	43	134,998	106,268	−15
Total manufacturing	610	2,334,254	1,966,199	−16

For the full year 1957, reports of 1,194 manufacturing companies together showed net income practically unchanged from 1956. Subgroups registering gains include tobacco, shoes, drugs, steel, autos, and other transportation equipment. Those experiencing decreases include textiles, clothing, tires, paper, petroleum, building materials, and miscellaneous metal products. Although about 7 out of 10 manufacturers reported sales increases, rising costs so squeezed profit margins that only half of them were able to better their net income.

The best earnings, generally speaking, were realized by those industry groups which achieved the sharpest expansion in volume of dollar sales billed. Where sales increased only slightly, the persistently rising trend of costs—labor, materials, services, and taxes—caused net income to rise proportionately less or to dip. Where sales sagged below those of the previous year, earnings usually dropped quite sharply.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there further morning business? If not, morning business is concluded.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

Mr. LAUSCHE. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. LAUSCHE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hennings	Mundt
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Hoblitzell	Payne
Bridges	Holland	Potter
Bush	Humphrey	Proxmire
Butler	Ives	Revercomb
Byrd	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smith, Maine
Clark	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Dirksen	Kuchel	Symington
Douglas	Langer	Talmadge
Dworshak	Lausche	Thurmond
Eastland	Long	Thye
Ellender	Magnuson	Watkins
Ervin	Mansfield	Wiley
Flanders	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Fulbright	McClellan	Young
Goldwater	McNamara	

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Indiana [Mr. CAPEHART], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

IMPROVED METHODS OF STATING BUDGET ESTIMATES AND ESTIMATES FOR DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS—HOUSE BILL PLACED ON CALENDAR

Mr. HUMPHREY. Mr. President, there is at the desk a bill, H. R. 8002, to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, which has just been approved by the House of Representatives and referred to the Senate.

The normal procedure would be to have this bill referred to the Committee on Government Operations for consideration. In view of the fact that the committee has had extended hearings and recommended the enactment, and the Senate has approved a similar bill, S. 434, I move that the House bill be placed on the Senate Calendar and not be referred to the committee.

It is believed that Members of the Senate are already sufficiently familiar with the purposes and objectives of this bill, which proposes to implement the recommendations of the Hoover Commission in the fields of budgeting and accounting, and that further committee consideration is not necessary under the circumstances. The matter has been cleared with the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

EXPORT-IMPORT BANK LOAN TO INDIA

Mr. HUMPHREY. Mr. President, last week the Department of State announced the agreement of our Government to loan the Republic of India $225 million. One hundred and fifty million dollars of this amount is to be loaned by the Export-Import Bank, and $75 million from the Development Loan Fund established by the Congress last year.

The announcement of this $225 million loan should be welcomed enthusiastically by all Americans who have the best interests of this country and the Republic of India at heart. In what I have to say today, I do not mean to diminish in any way the importance of the $225 million loan. The fact that I feel it is inadequate does not mean that it is unimportant. I wish to compliment those who have negotiated this agreement successfully, and I know that those who are responsible in India for the management of the second 5-year plan will breathe a little easier because of it.

Nevertheless, Mr. President, the fact remains that India is in trouble, and that shots of adrenalin, even in the amount of $225 million, will not cure the economic deficiency involved. When the Indian Finance Minister visited Europe and the United States late last year, he was then seeking $600 million in an immediate international credit to save India's second 5-year plan. The practical alternative to such credit was and is abandonment of much of India's development plan, with all of the serious and tragic political consequences which such an eventuality might produce. We have only to look at the degree of need to see that our current $225 million loan falls far short of the challenge and opportunity facing us.

India hopefully launched her present 5-year plan in April 1956 at an estimated cost of $15 billion. Something between $12 billion and $13 billion of this amount was to be met with Indian rupee funds raised within India. The balance of about $2.5 billion was to be in foreign currency, needed for imported machinery and supplies. In the remaining 3 years of the second 5-year plan, $1.4 billion is the absolute minimum gap which must be filled from foreign sources by 1961. In view of the increasing difficulties in financing, probably $2 billion comes closer to the actual need. Not all of this amount will have to come from American sources, but most of it will.

The situation is emphatically a special and serious one. It needs special and serious attention. India's strategic situation, her democratic institutions, her economic absorptive capacity, and her size and prestige in Asia and in world affairs, all add up to a unique challenge. The issue at stake is so crucial, and the assistance needed so large, that a Marshall plan effort for India is required, apart from the mutual-security program, the Development Loan Fund, and the Export-Import Bank assistance.

Indeed, the present instruments of assistance should not be distorted by exerting disproportionate pressure on them for the major Indian aid which they are unable to supply. I do not mean that these agencies should not play a role in Indian assistance. But the task is beyond them, singly or together.

It is not fully realized that there are two major challenges facing us in Indian economic assistance. The first is to provide the critical foreign exchange necessary for industrial progress until India can surmount her present balance-of-trade problem. The second, so far largely ignored, is to find a solution for the growing food crisis in India, to make certain that economic development is not undermined by uncontrollable inflation. Fortunately the United States has the tools to help on both fronts, if we will only put them to use.

Let us look first at the present foreign-exchange predicament, using the minimal, probably obsolescent, estimate of a $1.4 billion gap in foreign credits over the next 3 years. Allow for the $225 million loan just announced. Allow for the possible conversion to rupees of the 1952 wheat loan, as the distinguished senior Senator from Kentucky [Mr. COOPER] has proposed. Allow for certain funds from non-American sources.

Allow for the additional assistance which can be granted without further Congressional authorization, through the Development Loan Fund, the Export-Import Bank, farm surpluses under Public Law 480 with deferred repayment in rupees, an extension of training grants and fellowships to Indian students and technicians through current State Department funds or the President's Emergency Fund. Allow for all of these, and it is my best estimate that an additional $900 million is left in terms of minimal American economic assistance which this country must expect to provide to India by 1961.

I think we should recognize this challenge squarely. I wholeheartedly endorse suggestions which other Senators have made for Congressional support of a basic 3-year commitment to insure the success of India's second 5-year plan. It is certainly in our interest as Americans that India survives and succeeds. A program of financial loans to India should pay off over a period of years just as effectively as did the Marshall plan in Europe. Expanded credits are needed now.

Since its usefulness is maximized by its early availability, ample dollars made available now are worth more than those made available later. I earnestly propose that the Congress and the administration seriously attempt to meet the $900 million target of direct economic aid to India. The best way to meet it would be by two Congressional appropriations, one of $600 million this year and the second of $300 million in 1959.

I am not naive enough to believe that these amounts, or anything like them, will be approved by the Congress without strong administration leadership. I call upon the State Department to summon the courage to give us the facts and the leadership which the situation requires.

What we need is a dramatic new Marshall plan program of funds and food for India. And food, for the next few years, may be almost as important as funds.

The food crisis in India is not appreciated for what it really is—a key to this whole situation. The foreign exchange problem is immediate and must be dealt with on an emergency basis. But unless the inflationary situation in India is stabilized and rupee capital generated within the country for effective, economic development purposes, the foreign exchange assistance may prove of little avail. Insufficient food in India is producing inflation, and inflation can torpedo economic development. The United States, blessed with ample food and fiber, can use it to stabilize Indian economic development and the effectiveness of our own economic aid.

Mr. President, two illuminating articles have recently been written by Matthew J. Kust, distinguished lawyer and economist, who has had personal experience in south Asia over a period of years as legal adviser for our aid program in India, Pakistan, Afghanistan, Nepal, Ceylon, Burma, and Indonesia.

In his first article, Mr. Kust emphasizes the current Indian food crisis, and offers some healthy suggestions for action in the taxation field by the Indian Government itself. I note his stress on this matter, because economic development, of course, is not simply a one-way street. Where serious deficiencies in local tax structures are themselves impeding economic growth, as seems to be the case in Indian agricultural taxation, it is up to the government itself to surmount its own political difficulties in the interests of big, broad economic programs.

In his second article Mr. Kust discusses at length the role American food can play in India. I do not necessarily agree with everything Mr. Kust has to say about the current operation of Public Law 480, but I think he has put his finger on certain problems in a new and brilliant way. I ask unanimous consent that the text of his two articles entitled "India: Deepening Crisis," which he has recently written for the New Republic, be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From New Republic of January 20, 1958]

INDIA: DEEPENING CRISIS

(By Matthew J. Kust)

I. WHAT INDIA CAN DO

Midway in its second 5-year plan India is experiencing a serious and worsening crisis in its economic development, a crisis which must inevitably, sooner or later, become a political crisis. In the short run this crisis could be resolved by enough aid, soon enough, from the United States and other nations of the West. Indeed, I believe that the United States should greatly increase its assistance to India's development both as a matter of national morality and as a matter of national self-interest. But the present crisis emanates primarily from certain fundamental weaknesses in India's own policies, especially tax policies. In the long run these deficiencies must be rectified if India is to achieve stable economic and political development.

We have been hearing much lately about the foreign exchange shortfall which led India to request at least $600 million in emergency credit from the United States. This is a serious problem, of course, because India must import capital goods and technical assistance for its industrialization. India's foreign-exchange difficulties, however, are overshadowed by a still more fundamental dilemma in India's domestic effort to exploit its own resources. This dilemma comes down, in the final analysis, to the food crisis about which we may well hear more during the coming months.

Food production—and control of the food produced—is the key to rapid economic development in the underdeveloped countries. An agricultural economy not fortunate enough to possess some product such as petroleum demanded by the world market has little choice but to get the necessary resources for its industrialization from its agriculture. Agricultural surpluses must be generated not only as the primary source for capital for industrialization but to assure that economic development is not undermined by uncontrollable inflation.

To avoid inflation, the vicious circle between inadequate food production, rising incomes, and rising prices must be broken. The underdeveloped countries have large numbers of underemployed people living on a low subsistence level. As they are brought into greater employment they spend most of their increased incomes on food. According to the latest national sample survey, food comprises 61.3 percent of consumer expenditures in India; a survey of agricultural labor concludes further that 85 percent of all spending by India's landless laborers, the most depressed economic group in the country, goes for food. If, therefore, food supplies do not increase together with increases in income and employment under the 5-year plans, food prices will rise.

This is precisely what has been happening in India during the past 2 years. Reserve-bank statistics show that food prices rose 56.7 percent from June 4, 1955, to May 25, 1957. Since May further increases have been recorded. It is also interesting to note the difference in price increases among the chief food grains of India during this period. The prices of rice and wheat rose 67.9 percent and 59.9 percent while the prices of two coarse grains which form the staple diet of the poor—known as gram and jowar—rose 96.5 percent and 196.8 percent. This phenomenal price rise can no doubt be attributed to the increased demand by the underemployed who have gained new purchasing power under the 5-year plans.

It appears now that the food problem will be further aggravated by a failure of the monsoon rains. Reports from India indicate that severe drought is destroying the grain crops in eastern and central India. About 60 million people will be affected. A monsoon failure at this time would not be altogether unexpected. The monsoon cycle is usually a 5-year cycle, and the normal 5-year period includes 1 good and 1 bad year with the other 3 ranging in between. India's last bad year was in 1951–52. Yet if this is, in fact, a year of a monsoon failure the problem of food shortages and food control will become acute.

The Indian Government remained complacent about the developing food crisis much too long. Food price increases were blamed on hoarders and speculators. These are, of course, only symptoms of the food shortage. They aggravate the crisis and must therefore be dealt with sharply. But they do not create it. The reasons are much more deep seated.

India's worsening crisis is primarily the result of first, insufficient agricultural production and second, failure to channel a significant portion of the agricultural production into economic development.

Low food production is the result of an unproductive agriculture which suffers from poor land utilization and antiquated agricultural techniques. Moreover, India's agriculture is largely dependent on the vagaries of the monsoon. To be sure, India is pursuing a great number of irrigation projects, but these have not yet provided the answer to the undependable rains.

India's food production is probably the lowest in the world. While China, her big competitor in Asia, produces 185 million tons of food grains for a population of 580 million, India produces only 68 million tons of food grains for a population of 385 million.

As for India's failure to channel a significant portion of agricultural production into economic development, this can be attributed, first and foremost, to ineffective agricultural taxation. The Indian tax system is the most lopsided in the world. At the same time that a small group (not exceeding a million persons) subject to the income, capital gains, wealth, expenditure, commodity and estate taxes pays the highest tax in the world, Indian agriculturalists, who contribute approximately one-half the national production, pay perhaps the lowest tax in the world. Only about 1 percent of gross agricultural output is appropriated by the government through taxation. This contrasts significantly with China where approximately 25 percent of gross agricultural output is appropriated through taxation and other measures.

The land revenue system in India is an archaic tax. It is based on a monetary assessment per acre fixed for long periods of

time. Although this system calls for reassessments every 30 years, these are, for the most part, now in arrears. Most of the fixed assessments are at least a generation old; many have not been changed for 50 years and others, under the Bengal permanent settlement, date back to 1793. Although 100 years ago about one-third of agricultural output was taken up by the land revenue system, since then the combination of the system's own rigidity and price inflation have eroded away its effectiveness to a point where today only 1 percent of agricultural output is appropriated by this tax.

This unsatisfactory situation is further aggravated by the Indian Constitution which prohibits the central government from taxing agriculture. Agriculture is thus free of the federal income, capital gains and wealth taxes. The states are empowered to levy an agricultural income tax but thus far none have done so effectively. It is, of course, open to question whether it is administratively feasible to levy an effective agricultural income tax in India, where holdings are small and financial records nonexistent. At the same time, however, the states have done nothing about reforming the archaic land revenue system. The taxation of agriculture continues to go by default while development grows more difficult each year.

In a country where half or more of the national product is derived from agriculture it would seem axiomatic that domestic savings for industrialization must be derived to a large extent from agriculture. If these potential savings are allowed to be consumed in the rural area because of ineffective taxation the possible rate of savings and investment for industrialization will be greatly diminished.

That is what is happening in India today. This was already clear during the first 5-year plan when the states fell short, by 34 percent, of the revenue surpluses required of them. The problem is now becoming acute in the second plan. The present plan requires the states to raise about $450 million in new taxation. But instead of revenue surpluses from either old or new taxation most of the states are running revenue deficits.

Ineffective agricultural taxation also results in inadequate control of the limited food supply. If the potential food surpluses are not appropriated by agricultural taxation or other measures they end up either in unnecessary consumption in the countryside or in the hands of hoarders and speculators. This aggravates the inflation inherent in a food shortage economy and causes food prices to soar. Sound food policy for economic development, therefore, requires that the food surpluses in the hands of the wealthier agriculturalists be appropriated through taxation. Moreover, it would be advisable to collect the agricultural tax in kind in order to keep the grain out of the hands of traders and speculators.

Failure to tax effectively and soaring food prices are having a destructive effect on financing of the second 5-year plan. Revenue surpluses in the states are not materializing, and inflation is undermining both public borrowing and deficit finance. It appears at this time that only about one-half the financial resources planned will be possible.

A more effective agricultural tax preferably collected in kind, buttressed by state-trading in food grains and, if necessary, by food price control and rationing, would make possible a greater rate of economic development in India by generating additional savings from agriculture for industrialization and aiding immeasurably in controlling food prices and inflation. Price stability would then make possible greater deficit finance and public borrowing for the 5-year plans.

The economic development of Japan is noteworthy in this respect. During the period 1890–1920 Japan pursued steadfastly two policies. The first was to increase agricultural output rapidly with very little capital investment through increased use of fertilizers and improved farming techniques. The second was to appropriate about one-third of the agricultural output through heavy taxation and other economic measures for the industrialization of the country.

Russia exploited its agriculture to the utmost during its first few 5-year plans in order to derive the necessary savings for its industrialization. China is now emulating this method by appropriating at least 25 percent of her agricultural output for industrialization through heavy taxation and compulsory purchases of grains.

Japan, Russia and China, of course, employed draconian methods which would be incompatible with India's desire to achieve economic development within a democratic framework. On the other hand, it seems that India has gone to the opposite extreme in her policies toward agriculture so that economic development may not be at all possible. It does not appear to be necessary (nor may it be economically feasible in view of India's low agricultural productivity) to tax agriculture as heavily as Japan did or as China is doing today. It would, however, appear economically and administratively feasible to tax about 10 percent of agricultural output in India. This would raise an additional billion dollars of revenue for economic development annually and assure the success of the second 5-year plan.

Indians themselves usually express misgivings about suggestions for increasing agricultural taxation. The general response is that the agriculturalist is too poor. To be sure, numerically speaking, most Indian agriculturalists are too poor for additional tax burdens. The landless laborers and their families—some 90 million—have no additional tax capacity. Indeed, India's Agricultural Labor Enquiry estimated that this depressed group, which comprises about 37.5 percent of the agriculturalists, is receiving only 10 percent of the total agricultural output in wages. Of the remaining agriculturalists, perhaps one-half are marginal tenants and owners who receive another 20 percent of output. We are left, if these estimates are sound, with a striking conclusion: the top 30 percent of the agriculturalists claim 70 percent of the agricultural output. Clearly, it seems to me, this upper group of wealthier farmers has the tax capacity to pay the necessary 10 percent of agricultural output to the Government. India's problem is to design an agricultural tax which can reach effectively, to this extent, these wealthier farmers.

Therein, however, resides the political problem. These same wealthier farmers are also the leaders and molders of political opinion in the Indian villages. Many are prominent supporters of the governing Congress Party and indeed of all parties. Imposition of a heavier agricultural tax upon them would undoubtedly present enormous internal political problems for the Congress Party and might even lose it elections. This is something no American politician will have difficulty understanding.

Thus far the Congress Party has not found the political courage to begin the necessarily long-drawn-out task of reforming India's inadequate agricultural taxation. Yet on this issue, I believe, India will determine in the long run whether it is possible for an underdeveloped country to achieve rapid economic development within a democratic framework. For most underdeveloped countries, like India, must get the domestic capital for economic development from agriculture. Ironically, as Alexander Eckstein has written in these pages (Special Report on Communist China, the New Republic, May 13, 1957), more and more commanding use of Government power by representative leaders today may be necessary in India "to avert slipping into a whole-hog totalitarian economic pattern tomorrow." India will ultimately decide the issue for itself, but as the drama is enacted in the years immediately ahead the United States can play a decisive role, and it is this which I would like to examine next week.

[From New Republic of January 27, 1958]

INDIA: DEEPENING CRISIS

(By Matthew J. Kust)

II. WHAT THE UNITED STATES CAN DO

India has approached the United States for help, help soon, help on a large scale. Although $600 million is the sum which has been requested to meet an immediate deficit in foreign exchange—the administration's dilatory and inadequate response last week was only $225 million—India's actual needs run much higher. India cites $1.4 billion as a bare minimum needed from all foreign sources to assure the success of the second 5-year plan. When we consider the developing shortfalls in financing for the plan, even $2 billion is a modest estimate of the difference between success and failure.

Since it is, I believe, in our national interest to assist India with its economic development, we must consider what can and should be done. What should be done, of course, in view of the gravity of the problem, calls for special Congressional action. Such action, reminiscent of our response to the crisis in Greece 10 years ago, would exemplify a boldness singularly lacking in our foreign policy today. There is little promise of such action on the political horizon, however, and we must consider what can be done within the existing and emerging foreign-aid program.

The objective of our economic assistance to India should be twofold:

First, to alleviate the present food crisis so India can gain time to increase agricultural production and above all, as I argued in these pages last week, to develop more effective agricultural taxation.

Second, to provide the foreign exchange necessary for industrial progress until India can redress the present unfavorable balance of trade.

These objectives are, quite obviously, interdependent. If the food crisis can be solved, the only foreign exchange required will be for imports of capital goods and for technical assistance. If, however, food must be purchased abroad to carry out the second 5-year plan, the food crisis will overlap and greatly aggravate the foreign exchange crisis.

If we can give India time, time to reform its agricultural policies and time to carry forward industrialization, I believe stable economic and political development to be entirely possible. I can envision a prosperous and powerful industrial India engaged in friendly intercourse with the United States. For example, India, with its excellent iron and manganese ore resources and other favorable factors, can produce steel at a lower cost than most countries. India's new steel plants—not to mention other industrial projects—will make possible progressive savings and even earnings in foreign exchange through the export of steel and steel products.

Here, then, is a concrete and feasible program for United States economic assistance to India.

Agricultural surpluses

The food crisis in India finds the free world in a strange and ironic posture. In India, as in most other underdeveloped countries, the principal barrier to economic development is insufficient supplies of food. Yet the United States (and several other countries) face an almost insoluble problem of agricultural surpluses. American agricultural surpluses alone amount to nearly $8 billion. These surpluses not only imperil

our economic stability at home but attempts to sell them abroad have disturbed our relations with other countries possessing agricultural surpluses.

This equation—insufficient food supplies in India plus unmanageable agricultural surpluses in the United States—points plainly to the use of our farm surpluses to rescue India's second 5-year plan.

The present Public Law 480 surplus program could be extended for this purpose. Thus far Congress has authorized $4 billion in surpluses for the 4-year period ending June 30, 1958, and it appears that an extension of the program is contemplated for fiscal 1959. But this program leaves much to be desired.

Public Law 480 was designed to sell agricultural surpluses abroad for foreign currencies when it was found difficult to sell them for dollars. The proceeds are used for several purposes, only one of which is loans and grants for economic development. The program can be used for economic development in underdeveloped countries and has been so used to a limited extent in India and Indonesia. Unfortunately, however, economic development is not its chief purpose. Instead Public Law 480 is now characterized as a surplus disposal program with all of the unfortunate foreign policy implications connected with that term.

Moreover, the Public Law 480 program directs a large proportion of its agricultural surpluses to Europe and needlessly undermines traditional markets for the agricultural exports of countries such as Canada and Australia. About one-third of the surpluses were sold to Europe during the first 3 years. This not only strains our relations with these countries, but accumulated foreign currencies pose a difficult problem of management for the United States Treasury and create fears abroad of United States domination.

Congress should make a fresh start on the problem of agricultural surpluses by limiting the program to underdeveloped countries for their economic development, by transferring the surpluses in the form of grants without any foreign currency deposits to the account of the United States Treasury, and by making the entire amount of our surpluses available for this purpose.

If the new program had as its primary objective the economic development of underdeveloped countries Canada would be less likely to find it economically and politically objectionable. In fact, we should do our utmost to persuade Canada to join us in this program. Canada has just promised India $7 million worth of wheat under the Colombo plan and is likely, therefore, to welcome an enlarged program.

Such a new program would make it possible to grant India needed agricultural surpluses to stabilize inflation and carry out the second 5-year plan. But there should be no agreements for fixed amounts of our agricultural surpluses. India should, instead, be able without limits fixed in advance to draw on our surpluses for food and other agricultural products needed from outside to carry out the plan. This may well turn out to be $500 million in agricultural surpluses per year in contrast to $125 million or so per year under existing agreements, even taking into account the latest $65 million agreement presently under negotiation.

India's second 5-year plan is a minimum plan for economic progress. Yet there has been criticism that the plan is too ambitious. This may seem to be so from the standpoint of available financial or physical resources, but certainly not from the standpoint of need. The plan is expected to provide only about 8 million new jobs outside agriculture, which will barely absorb the additions to the labor force due to population growth during the period. India should, in fact, be undertaking a more ambitious plan if she is to achieve a satisfactory rate of economic betterment for her people and keep pace with China in economic development. But this would only be possible if we made large quantities of our agricultural surpluses available to India under a revised program of surplus grants to the underdeveloped areas.

This new and augmented program of agricultural surpluses for economic development would enable our Government to help India solve the major crisis of the second 5-year plan. At the same time it would reduce India's foreign exchange need to the bare minimum by obviating the need of foreign exchange for food purchases abroad. But the need of foreign exchange for imports of capital goods and technical assistance would still be substantial.

Development Loan Fund

In this connection, our best instrument for assisting India is the new Development Loan Fund. The Export-Import Bank should also be used more effectively for this purpose than it has been to date. But the Bank requires purchases of capital goods and technical services in the United States, which increases the cost of projects by about 40 percent. There are limits, therefore, to its utility as a means for assisting India. The Fund must be our major instrument.

The administration requested and the Senate authorized a $2 billion Development Loan Fund last summer. One-half billion dollars was to be a direct appropriation and $1.5 billion was to be borrowed from the Treasury. The House first cut out the borrowing authority and then proceeded to appropriate only $300 million to launch the Fund during its first year. As it stands today the fund has a 2-year authorization of $500 and $625 million, respectively, and an appropriation against the first year's authorization of $300 million.

In the new session of Congress, an all-out effort should be made to appropriate for the Development Loan Fund capital on the scale originally planned in order to assist India in its foreign exchange difficulties. With $625 million already authorized to be appropriated, the administration can and is likely to request Congress early in this session to appropriate this new sum, bringing the fund to $925 million. In addition, however, why not request once again the balance of last year's authorization, adding still another $200 million? This would build the fund up to $1.125 billion.

Moreover, in the new mutual security bill for fiscal 1959, another attempt should be made to obtain the originally contemplated borrowing authority for the Fund. There is every reason to expect that the Senate would restore this authority to the Fund. We can only hope that the House, too, recognizing our deteriorating international position, would give the Fund this needed power. By this summer the Development Loan Fund could be in business in accordance with its original conception. Unfortunately, however, the budget message indicates that the administration has already decided against approaching Congress for anything more than the $625 million of already authorized funds.

It is the purpose of the fund to finance economic development on a project-by-project basis instead of the previous country-by-country basis of foreign aid. This should not prove unfavorable to India with its well-developed plan with specific projects.

With respect to another of the fund's declared purposes, however, we must exercise great care: the encouragement of private enterprise in the underdeveloped areas. We can only hope that the administration will carry out this intent wisely. The furor created by Mr. Hollister's parting directive as head of the International Cooperation Administration gives some pause for thought on this point. It would be a foreign policy mistake to permit this laudable purpose of the fund to become a means—or to be viewed as a means—for dictating or influencing domestic economic policies and alinements in the underindustrialized countries. In many of these countries the government is required to undertake industrial projects which in the United States we leave to private enterprise because no private interest, domestic or foreign, is able and willing to do the job. To deny such undertakings help under the Development Loan Fund because of some blind dedication to the philosophy of private enterprise would be inadvisable foreign policy.

India would be at a disadvantage under any such narrow policy. In the Government's industrial policy resolution of April 30, 1956, India allocates responsibility for the development of many industries such as railways, steel, heavy machinery, heavy electrical equipment, and others to the state. It is considered a matter of economic necessity. Then, too, there are other domestic reasons, properly of concern to Indians in determining their own internal relationships, which may be involved. We must exercise great care to avoid any suggestion that by the allocation of our loans we are seeking to affect these relationships. The Russians avoid this pitfall by conforming without deviation to the settled economic policies of recipient countries. As the State Department's own study of the Soviet-bloc economic offensive noted and as this journal pointed out, the Russians gain great political capital and psychological impact at relatively low cost by channeling aid to those heavy industries—such as steel mills—which symbolize the desire of the underdeveloped countries to catch up with the West. Often these industries happen to be marked out for primary state development. We must, therefore, be prepared to use our loan fund with political sophistication, which means that we should loan funds to governments for state-controlled industrial development as well as to United States and foreign private enterprise.

At the same time, it should be emphasized, India's economic policy is not so inflexible that private enterprise when it is willing and able is precluded. For example, the Tata enterprises have been permitted to operate and expand their privately owned steel mill. Other Indian industrialists have also received approval to undertake heavy industries allocated to the state where they proved able and willing to do so. If the administration approaches this matter flexibly the fund can be an effective instrument for assisting India's industrialization.

Encouraging United States private enterprise to assist in the economic development of underdeveloped areas is laudable above all, in terms of economic necessity. While our Government is in a good position to assist underdeveloped countries in the fields of agriculture, health, and education—able as it is, with the participation of American universities, colleges, and other nonprofit organizations to marshal the best American knowledge and skills for these purposes—it is greatly handicapped in assisting these countries with their industrialization. To be sure, our Government is able to provide capital and other financial assistance through such means as the Development Loan Fund and Export-Import Bank. But it has no way of assuring that the capital goods and the managerial and technical skills for which this finance is made available will be forthcoming from the United States.

The reasons are not difficult to understand. Industrial technology is principally the property of United States private enterprise. Americans most knowledgeable and skilled in industrial management and technology are employed by private enterprise. Thus, assistance for industrialization is not readily within the province of our Government. The Soviet Union, on the other hand, can send

its best technology, technicians, and managers anywhere in the world to further its foreign policy. The State Department study reveals that the 2,000 Soviet technicians now in the field are almost exclusively industrial experts. Our problem is how to induce American private enterprise to send its capital, knowledge, and skills to the underdeveloped countries to assist with their industrialization.

TAX CONCESSIONS

The intent of the Development Loan Fund to encourage American private enterprise participation is laudable precisely because it recognizes the importance of channeling United States technology to the underindustrialized countries. In assuming all or part of the capital risk the fund can make it easier for Americans to supply the technology. It is doubtful, however, whether this will suffice by itself.

American business finds it hard to induce its managerial and technical personnel to go to these countries. It encounters economic costs, risks and obstacles absent at home. Moreover, the economic and political situation in many of these countries increases the risk of inconvertibility of foreign currencies, expropriation and damage due to riot, revolution and war. These and other factors make the employment of capital and technology in underindustrialized countries far less attractive to United States private enterprise than its employment at home or in other industrialized countries, above all at a time of high prosperity.

Thus far our Government has merely established the so-called investment guaranty program which removes only part of the risks, costs and obstacles. This program has proved insufficient by itself to stimulate a substantially increased participation by United States private enterprise in the development of the underindustrialized countries.

More positive steps will have to be taken to induce United States firms to employ capital and technology in the underdeveloped areas. Profit expectations will have to be increased in order to induce United States business to assume the risks and costs involved. To do this I propose an income tax concession.

This tax concession should be restricted to new United States private investment and technical assistance in underindustrialized countries. Further, so that its political validity as part of our foreign policy may constantly be reviewed, this concession should be administered by the State Department, or another agency designated by the President, through the issuance of tax exemption certificates for qualified foreign investment and technical assistance. This procedure would be similar to the administration of the existing investment guaranty and amortization of emergency facilities. The certifying agency should be empowered to grant partial or complete tax exemption as it determines is necessary in accordance with guiding standards and criteria fixed by Congress to induce greater participation by United States private enterprise in the industrialization of the underdeveloped countries.

A tax exemption of individual income from personal services rendered abroad in connection with certified United States private investment and technical assistance to underindustrialized countries should also be provided.

This proposal differs fundamentally from the so-called 14-percentage-point tax credit for foreign income which the administration tried to get enacted unsuccessfully in 1954 and 1955. This proposal had as its purpose a vague objective to stimulate foreign investment. It gave insufficient recognition to the more important factor of managerial and technical assistance. Most important of all, perhaps, there was no limitation of the tax concession to investment and technical assistance, nor was there any suggestion of limiting it to new investment and technical assistance. The net result of the administration's proposal would have been to benefit United States private investment, past as well as prospective, in the already industrialized countries of Canada and Europe where the bulk of present United States investment abroad is situated. It would have been ineffectual for stimulating more United States private investment and technical assistance in Asia and Africa. It is unfortunate, therefore, that Vice President NIXON reendorsed this twice-rejected proposal in his address last October in San Francisco before the International Industrial Development Conference, which had as its theme the industrialization of the underdeveloped countries, and we can hope that the administration will display greater economic statesmanship when it places its final proposals before Congress this year.

The tax proposal suggested here would assist appreciably in India's industrialization. A great number of Indian businessmen have approached United States companies this past year with well-thought-out proposals for industrial undertakings for which they require capital goods and technical assistance from the United States. While the finance for the capital goods and technical assistance can come from either private enterprise or the Government, the technical assistance itself can come only from United States private firms. Yet the reception by United States business to these proposals has been unenthusiastic. If, however, the undertakings would be free of income tax, United States business would be compelled to take greater interest in the proposals. And as it happens, this gain to United States business would also be a great gain, attainable in no other way, for our foreign policy.

Finally, we should continue our point 4 program to India to provide technical assistance for the development of agriculture, health, and education.

In sum, an effective program under which we could assist India to fulfill its second 5-year plan should consist of the following components:

Grants of agricultural surpluses to enable sound domestic financing of economic development.

Loans to provide foreign exchange for the capital goods and technical assistance required from abroad for industrialization and other economic development.

Investment guaranties, tax exemption, and other concessions to induce United States private enterprise to send its technology and capital to underdeveloped countries to assist with industrialization, and

Technical assistance for the development of agriculture, health, and education.

A foreign aid program so constituted would furnish the food needed from outside to permit sound economic development until India, on its own, can resolve enormous long-range dilemmas of agricultural production and taxation. This program embodies, at the same time, the essential elements for a program suited to the needs of other underdeveloped countries.

Mr. HUMPHREY. Mr. President, I have been deeply impressed with Mr. Kust's analysis of the critical role which American food can play in stabilizing the Indian economy against inflation during this crucial period of basic economic development. I agree with Mr. Kust completely that we must begin to think in terms of a vastly increased food availability program for India, one which would perhaps quadruple the present $125 million agreement under Public Law 480. Here, too, I would like to see imaginative, constructive proposals from the administration. Anticipating that these proposals will not be forthcoming, I am urging Congressional initiative.

This whole issue demands and deserves the closest Congressional scrutiny. I intend to give it my best attention, and I hope that other Senators will do the same. The time is late and the challenge is undeniable. But so is the opportunity. As a leading Indian journalist, Frank Moraes, reported on Mao's China:

> By a queer quirk of fate Asia's two most densely populated countries, which are also neighbors, are the testing ground for two differing and contending political philosophies. If China proves that her system of government insures economic security to the vast masses of her people without detracting greatly from their sense of freedom, Asia will be lost to communism. If India, on the other hand, demonstrates that democratic government can insure not only economic security but individual liberty, then Asia will be won to democracy. What India and China are today, in fact, doing is wrestling for the political soul of Asia. That is why India's role in Asian affairs is crucial and vital.

SECOND SUPPLEMENTAL APPROPRIATION, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN. Mr. President, the pending bill recommends appropriations in the amount of $2,865,963,718, which is an increase of $8,080,811 over the amount in the bill as passed by the House. The largest appropriation in the bill is $2,235,131,868 for reimbursements to the Commodity Credit Corporation. Also included in the bill is $294,287,800 for the Veterans' Administration, most of which is for compensation and pensions. Other large amounts include $33 million for grants to States for unemployment compensation, $170,600,000 for grants to States for public assistance, and $57 million for school construction.

Included in the $8,080,811 increase recommended by the Senate committee over the amount provided by the House are the following items:

Brussels Fair	$2,054,000
President's trade-fair program	750,000
Claims and judgments	1,423,236
Inquiries and investigations of Senate	795,000
National Science Foundation	1,150,000
National Advisory Committee for Aeronautics	1,000,000
Public buildings operating expenses	700,000

Mr. President, I ask unanimous consent that the committee amendments to the bill be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. Do I correctly understand that if the request of the Sen-

ator from Arizona is agreed to, amendments then can be offered which might strike out the amendments proposed by the committee?

Mr. HAYDEN. Yes. The purpose of the request is that the bill with the committee amendments be considered as the original text, and that no point of order shall be considered to have been waived.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. THYE. Do I correctly understand that any motion to suspend the rule would not be foreclosed, and that nothing embodied in the request would have the effect of suspending the rule?

Mr. HAYDEN. That is correct.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the unanimous consent request of the Senator from Arizona that the committee amendments be agreed to en bloc?

Mr. HOLLAND. Mr. President, may we have an understanding that the amendments which are referred to as the Ellender amendment and the Thye amendment, relating to cotton and to dairy products, are not included in the committee amendments?

Mr. HAYDEN. They are not included.

Mr. HOLLAND. They have not been proposed by the committee.

The PRESIDING OFFICER. The amendments can be offered separately; they are not a part of the committee amendments.

The question is on agreeing to the unanimous consent request of the Senator from Arizona that the committee amendments be agreed to en bloc. The Chair hears no objection, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

Under the heading "Chapter I—Department of Agriculture—Agricultural Research Service," on page 2, after line 3, to insert:

"SALARIES AND EXPENSES

"RESEARCH

"For an additional amount for 'Salaries and Expenses', for 'research', $12,500."

Under the subhead "Soil Bank Programs—Reimbursement to Commodity Credit Corporation for Costs Incurred Under Soil Bank Programs," on page 3, line 19, after "(7 U. S. C. 1801–1837)" to strike out "$489,500,000" and insert "$567,500,000, of which $78,000,000 shall be derived by transfer from the appropriation 'Acreage reserve program', fiscal year 1958."

Under the subhead "Acreage Reserve Program," on page 4, line 9, after "Public Law 85–118," to strike out the colon and *"Provided,* That no part of this amount shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000" and insert a colon and *"Provided,* That the same $3,000 limitation which was applicable to the original $500,000,000 authorization shall also apply to the additional $250,000,000 authorized herein."

Under the heading "Chapter II—Department of Commerce—Maritime Activities," on page 5, after line 16, to insert:

"SALARIES AND EXPENSES

"The limitation under this heading the Department of Commerce and Related Agencies Appropriation Act, 1958, on the amount available for 'Administrative expenses', is increased from '$7,045,000' to '$7,057,800'; and the limitation thereunder on the amount available for 'Reserve fleet expenses', is decreased from '$6,850,000' to '$6,837,200'."

On page 6, after line 12, to insert:

"NATIONAL BUREAU OF STANDARDS

"EXPENSES

"For an additional amount for 'Expenses,' $112,000, to be derived by transfer from any other definite annual appropriation available to the Department of Commerce for the fiscal year 1958."

Under the heading "Chapter III—Independent Offices—Federal Power Commission—Salaries and Expenses," on page 7, at the beginning of line 16, to strike out "$133,000" and insert "$136,000, of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid."

Under the subhead "General Services Administration—Operating Expenses, Public Buildings Service", on page 8, line 12, after the word "Service", to strike out "$2,000,000" and insert "$2,700,000."

Under the subhead "Operating Expenses, Transportation and Public Utilities Service", on page 8, line 23, after the word "exceed", to strike out "$50" and insert "$100", and in line 24, after the word "individuals", to strike out "$75,000" and insert "$37,500."

On page 9, after line 2, to insert:

"No moneys appropriated under this act shall be expended for any activity authorized by section 201 of the act of June 30, 1949, as amended (40 U. S. C. A. 481), or by section 303 of the act of August 3, 1956 (Public Law 968) except for the purpose of assuring that the executive agencies are not discriminated against in terms of quality, kind, or charges for service as compared to other customers of the utility."

Under the subhead "Housing and Home Finance Agency—Federal Housing Administration", on page 9, line 16, after the figures "$38,000,000", to strike out the colon and *"Provided,* That no part of the funds herein made available shall be used to process or approve any applications for mortgage insurance unaccompanied by a building permit showing compliance with applicable local building laws or regulations."

Under the subhead "National Advisory Committee for Aeronautics—Salaries and Expenses", on page 9, at the beginning of line 24, to strike out "$3,500,000" and insert "$3,720,000", and in the same line, after the amendment just above stated, to strike out "none of which shall be for personal services."

Under the subhead "Construction and Equipment", on page 10, line 3, after the word "equipment", to strike out "$6,000,000" and insert "$6,780,000."

Under the subhead "National Science Foundation—Salaries and Expenses", on page 10, at the beginning of line 8, to strike out "$8,750,000" and insert "$9,900,000."

Under the heading "Department of Agriculture", on page 12, after line 11, to insert:

"INDEPENDENT OFFICES

"NATIONAL CAPITAL PLANNING COMMISSION

"Salaries and expenses, Washington regional mass transportation survey

"For necessary expenses to enable the National Capital Planning Commission and the National Capital Regional Planning Council to jointly complete a survey of the present and future mass transportation needs of the National Capital region as defined in the National Capital Planning Act of 1952 (66 Stat. 781), and to report their findings and recommendations to the President, including transportation expenses and not to exceed $15 per diem in lieu of subsistance, as authorized by section 5 of the act of August 2, 1946, as amended (5 U. S. C. 73b–2), for the members of the Commission and Council serving without compensation, $60,000 to remain available until Jun. 30, 1959: *Provided,* That the unobligated balance of $400,000 of appropriations heretofore granted under this head shall remain available until said date and shall be merged with this appropriation."

Under the heading "Chapter V—Department of Health, Education, and Welfare—Office of Education—Assistance for School Construction," on page 14, line 6, after the word "construction," to strike out "$56,900,000" and insert "$57,000,000, of which $100,000 shall be available for necessary expenses of technical services rendered by other agencies."

On page 15, after line 13, to insert a new heading "Senate."

On page 15, after line 14, to insert:

"For payment to Alberta R. Neely, widow of Matthew M. Neely, late a Senator from the State of West Virginia, $22,500."

On page 15, after line 17, to insert:

"SALARIES, OFFICERS AND EMPLOYEES

"Administrative and clerical assistants to Senators: For an additional amount for administrative and clerical assistants for Senators, to provide additional clerical assistants for each Senator from the States of Florida and Pennsylvania so that the allowance of each Senator from the State of Florida will be equal to that allowed Senators from States having a population of over 4 million, the population of said State having exceeded 4 million inhabitants, and so that the allowance of each Senator from the State of Pennsylvania will be equal to that allowed Senators from States having a population of over 11 million, the population of said State having exceeded 11 million inhabitants, $8,000."

On page 15, after line 7, to insert:

"Office of Sergeant at Arms and Doorkeeper: For an additional amount for Office of Sergeant at Arms and Doorkeeper, $91,235, to include, from March 1, 1958, an assistant superintendent, press photographers' gallery at $2,820 basic per annum; 40 additional privates, police force at $2,160 basic per annum each; and 23 additional mail carriers at $2,100 basic per annum each."

On page 16, after line 14, to insert:

"CONTIGENT EXPENSES OF THE SENATE

"Joint Economic Committee: For an additional amount for salaries and expenses of the Joint Economic Committee, $13,000."

On page 16, after line 18, to insert:

"Inquiries and investigations: For an additional amount for expenses of inquiries and investigations, fiscal year 1957, $285,000."

On page 16, after line 21, to insert:

"Inquiries and investigations: For an additional amount for expenses of inquiries and investigations, $510,000."

At the top of page 18, to insert:

"CAPITOL POLICE

"GENERAL EXPENSES

"For an additional amount for expenses of uniforms and equipment for the Capitol Police Board, for the fiscal year ending June 30, 1958, $11,840."

Under the heading "Chapter VII—Public Works—Department of the Interior—Bureau of Reclamation," on page 18, line 24, after the word "project", to strike out "not to exceed"; on page 19, line 1, after the word "Project", to strike out "not to exceed"; in the same line, after the figures "$10,000,000", to strike out the colon and *"Provided,* That no part of any funds allocated to these two projects activities shall be used for construction contracts not in effect as of February 20, 1958", and in line 7, after the word "year", to insert a colon and *"Provided,* That the funds appropriated in this paragraph for the Trinity River Division of the Central Valley project shall be transferred to the appropriation entitled 'Construction and Rehabilitation, Bureau of Reclamation.'"

On page 19, after line 11, to strike out:

"GENERAL INVESTIGATIONS

"For an additional amount for general investigations, $62,500."

Under the heading "Chapter VIII—The Judiciary—Courts of Appeals, District Courts, and other Judicial Services—Salaries of Judges," on page 20, line 22, to strike out "$300,000" and insert "$275,000."

Under the subhead "Travel and Miscellaneous Expenses," on page 21, line 3, after the word "expenses", to strike out "$59,000" and insert "$70,500; and the limitation under this head in the Judiciary Appropriation Act, 1958, on the amount available for payment of fees to attorneys, is increased from '$1,000' to '$12,500.'"

Under the heading "Funds Appropriated to the President—President's Special International Program," on page 21, after line 18, to strike out:

"Not to exceed $1 million of the funds previously appropriated under this head for the trade-fair exhibit in Gorki Park, Moscow, may be used for the Universal and International Exhibition of Brussels, 1958, and the limitation thereon as contained in the Supplemental Appropriation Act, 1958, is increased from '$7,045,000' to '$8,045,000': *Provided*, That said increase shall be made available to the United States Public Health Service to place and operate a health exhibit at said fair."

On page 22, after line 2, to insert:

"For an additional amount for the 'President's special international program', $2,054,000, to remain available until expended: *Provided*, That the amount made available under this head in the Departments of State and Justice, the Judiciary, the Related Agencies Appropriation Act, 1958, and the Supplemental Appropriation Act, 1958, for United States participation in the Universal and International Exhibition of Brussels, 1958, is increased from '$7,045,000' to '$9,099,000'."

On page 22, after line 11, to strike out:

"Not to exceed $750,000 of the funds previously appropriated under this head for the trade fair exhibit in Gorki Park, Moscow, may be used for the international trade fair program."

And, in lieu thereof, to insert:

"For an additional amount for the President's special international program to be used for necessary expenses of the international trade fair program, $750,000."

On page 22, after line 18, to insert a new title, as follows:

"CHAPTER IX

"DISTRICT OF COLUMBIA

"(Out of District of Columbia funds)

"Operating expenses

"Metropolitan Police

"For an additional amount for 'Metropolitan Police', $192,000, to be paid out of the general fund of the District of Columbia."

On page 23, line 1, to change the chapter number from "IX" to "X."

Under the heading "Claims for Damages, Audited Claims, and Judgments", on page 23, after line 22, to insert:

"For payment of claims for damages as settled and determined by departments and agencies in accord with law, audited claims certified to be due by the General Accounting Office, and judgments rendered against the United States by United States district courts and the United States Court of Claims, as set forth in Senate Document No. 80, 85th Congress, $1,423,236, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or in certain of the settlements of the General Accounting Office or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That unless otherwise specifically required by law or by judgment, payment of interest wherever appropriated for herein shall not continue for more than 30 days after the date of approval of this act."

Mr. MANSFIELD. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. Mr. President, I offer an amendment to the committee bill as amended, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, line 4, after the sum of "$2,054,000," it is proposed to insert the following:

Of which $45,000 will be used for the expenses of the Flathead County A Cappella Choir, of Kalispell, Mont., to attend and to represent the United States at the Brussels Fair.

Mr. HAYDEN. Mr. President, I have great sympathy for what the Senator from Montana seeks to do; but I am compelled as chairman of the committee, to make the point of order that the amendment is not authorized by law.

Mr. MANSFIELD. Mr. President, will the Senator withhold his point of order?

Mr. HAYDEN. I withhold it.

Mr. MANSFIELD. Mr. President, I am offering an amendment to include $45,000 in the supplemental appropriation bill now being considered by the Senate for the payment of the expenses of the Flathead County High School A Cappella Choir, of Kalispell, Mont., to the World's Fair in Brussels, Belgium, in August of this year. I do not know whether I will be successful in having this amendment agreed to, but I do want to make this last effort in behalf of as fine a group of boys and girls as this country can produce.

I have personally contacted the Department of State; the Brussels Fair Commission; Gen. H. I. Hodes, Chief of the United States Army Ground Forces in Europe; and Gen. F. F. Everest, Chief of the United States Air Forces in Europe. I have also contacted in person and by letter the Honorable JOHN ROONEY, chairman of the State Department Appropriations Subcommittee in the House of Representatives, and the Senator from Arizona [Mr. HAYDEN] personally and by letter, and in an appearance before his committee. In all these contacts I have received much sympathy, some small offers of assistance, but no really tangible results in the achieving of my main objective—the sending of this outstanding Montana choir to Brussels.

I am now down to my last move, and I urge the Senate—even though it may create a precedent—to look with favor upon the amendment so that it can at least be taken to Conference and there be given further consideration.

I realize the arguments which have been made to me personally by members of the Senate Appropriations Committee, that to allow the amendment for this particular group would set a precedent and open the floodgates to other groups to be given the same consideration for the same purpose. However, I point out to the Senate that, to the best of my knowledge, the offer to the Flathead County A Cappella Choir to participate in the Brussels Fair was voluntarily made by the Choir by the Department of State. To the best of my knowledge, this was the only high school group in the entire Nation given such an invitation and the only group of any nature invited from west of the Mississippi.

I do not think I am asking for too much consideration for the Flathead Choir when I consider that the President of the United States, out of his own funds, appropriated by Congress, has invited and paid the way of other musical groups in this country on overseas assignments, or when we consider that we have counterpart funds in many countries which could be used for this purpose.

I am not asking for any additional amounts in excess of those requested by the Administration, but I am asking that $45,000 of the amount allowed under the performing arts program be allocated for the expenses of this group of youngsters to represent our country at the Brussels Fair. I know they have not had the publicity or the training of the Bolshoi Ballet, and I know they are not so professional as the Soviet violinists, pianists, and folk dancers. But I do know that these fresh-faced youngsters, descended from the different nationalities which have made this country what it is, would, in their own way, be the most effective counterpoise to the talent and showmanship which the Soviet Union will be sending to Brussels.

The contrast of fresh-faced American youth with professional theatrical ability and world famous choruses, musicians, and folk groups will be, in my opinion, very important in our favor. These youngsters will be seen with our faces; they will be heard with our voices; they will be a living exhibition of what America means and stands for and what its youth looks like. It will not be a showing of a group from New York, Washington or Chicago; it will be a showing of young people from the Rocky Mountain heartland of America. It will be a demonstration of this country's faith in its young and its system of free education. It will be a demonstration by these youngsters of our way of life and of the schools which dot this country from one end to the other.

We have sent our youngsters to Europe before, during times of great crises; and a tragic number did not return. These young people, if sent to Brussels, will be a credit to Montana, to the United States, and to its arts. They will be the marvel of everyone of their own age who sees them on the streets of European cities, and they will be the best ambassadors we could send to any part of the world to represent us.

It is impossible for the members of this group to raise the funds—although they have endeavored to raise a portion of them—which must be provided if they are to accept the invitation of the

Department of State, and thereby to represent our country at Brussels. I think the $45,000 I am requesting is little enough for the advertising, the good will, and the enthusiasm which they will generate abroad.

I say again, in conclusion, that if the Flathead County High School A Cappella Choir should be sent to represent this country at the Brussels Fair, it would, by its contrast and its freshness, be the most perfect competition and counterpoise to the Soviet Union and its groups represented there. Again, Mr. President, I urge the Senate to adopt my amendment.

Mr. President, if I may address the Senate on the point of order which has been raised, let me state that I believe the amendment is perfectly germane because it would be tied to an appropriation item allowed by the committee regarding the use of funds for the Brussels Fair. If my memory serves me correctly, $375,000 has been allocated for that purpose.

I say most respectfully to the chairman of the committee and to the entire Senate that $45,000 spent to send the Kalispell A Cappella Choir to Brussels, Belgium, to represent the United States there, could not be spent in a better way.

Mr. HAYDEN. Mr. President, I regret very much that I must make the point of order. I am in entire sympathy with what the Senator from Montana has said with respect to sending Americana to Brussels.

In my own State, for example—and the situation in Arizona is illustrated by matters brought before the committee by other Senators—there is an excellent high-school band at Scottsdale; and the band wishes to go to Brussels. But when the matter was presented to the committee, the committee did not agree to that, because there are other proposals of the same kind.

A proposal for a lump-sum provision of funds to enable groups to attend the Brussels Fair does not authorize or designate the sending of a particular group.

Therefore, I believe the amendment of the Senator from Montana is subject to the point of order.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Arizona make the point of order?

Mr. HAYDEN. I do.

Mr. MANSFIELD. Mr. President, I should like to have a ruling on the point of order which has been raised.

Mr. DIRKSEN. Mr. President, one can concede the accuracy of everything the Senator from Montana has said. However, as the Senator from Arizona has well pointed out, musical organizations all over the United States would like to attend the Brussels Fair. I believe the Senate would be usurping an administrative prerogative if it were to provide that for sending to Brussels a specific choir or band.

So I believe the point of order is entirely valid, on the ground that if we were to give to the organization which is administering the fund an affirmative direction as to how a portion of the fund shall be expended, that would be a direction, not a limitation and, therefore, certainly would fall within the rule.

Therefore, Mr. President, I believe the point of order should be sustained.

Mr. MANSFIELD. Mr. President, in response to the point made by the distinguished Senator from Illinois, let me say that the choir has received from the State Department an invitation to attend the Brussels Fair. To the best of my knowledge, it is the only choir and the only high-school group in the country that has been so honored.

Let me also point out that the President, with funds made available to him by the Congress, by way of appropriation, has seen fit to send various musical and choral groups to Europe and elsewhere to represent the United States; and the groups so sent have had all their expenses paid.

I believe it is about time that—for a change—a group from a section of the country west of the Mississippi River should participate in representing the United States in Europe. I cannot think of a finer group than that composed of the young people from Kalispell, Mont., in the Pacific Northwest.

Therefore, Mr. President, I hope the point of order will be overruled, so the Senate will be allowed to have an opportunity to vote on my amendment.

Mr. BRIDGES. Mr. President——

Mr. HAYDEN. I yield.

Mr. BRIDGES. Mr. President, my position as the ranking minority member of the Appropriations Committee is in support of the position taken by the distinguished Senator from Arizona [Mr. HAYDEN].

Let me point out to the distinguished Senator from Montana that I believe everything he has said about the choir is true. It is an outstanding choir, and it would be an asset to the United States if it were sent to the Brussels Fair.

Let me also point out that the committee wrote into the second supplemental appropriation bill a statement in which we said:

> The committee urges that in the selection of choral groups and other performing artists, due regard be given by the official of the Brussels Fair to regional representation.

That was done in the hope that not all the groups selected would come from one section of the country.

If the point of order is sustained, I hope the proposal the Senator from Montana has made will be accepted and will be carried out by the Department—perhaps as the result of the debate which has occurred here—and that in taking such action, particular pains will be taken to care for groups which are in such circumstances.

Mr. MANSFIELD. Mr. President, in that connection did the committee have in mind the Kalispell Choir?

Mr. BRIDGES. Perhaps the committee did not single it out, but the committee included the language to which I have referred. That was done in order that attention should be given to that particular choir.

Let me point out that if the amendment of the Senator from Montana were to prevail, every Member of this body would be put on the spot. Every Senator has in his own State outstanding choirs or glee clubs or college groups or high-school groups. For instance, in my own State there are some outstanding ones.

So I believe it would be unwise for us to include in the bill an amendment which would particularly specify this group.

On the other hand, I believe that the Senator from Montana has made a correct statement in regard to regional representation; in other words, that not all such groups should come from the east coast or any other particular section of the Nation.

I believe the group referred to by the Senator from Montana is much more deserving than many of the groups, including some of the jazz bands and some of the theater groups, which in the past have been sent abroad, which have been sent abroad to represent the United States, groups which are completely unlike the real Americans, and have not represented the real American philosophy which we like to have appreciated by the Europeans.

So, Mr. President, I hope the point of order will be sustained. But I believe this matter has been well developed in the committee and in the Senate, with the result that attention is bound to be directed to the invitation which has been given.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair is reluctantly compelled to rule that the point of order raised by the Senator from Arizona [Mr. HAYDEN] is well taken, because the amendment offered by the Senator from Montana [Mr. MANSFIELD] is an explicit direction for the expenditure of a particular amount of money carried in an appropriation bill, and, therefore, under the precedents provided the Chair by the Parliamentarian, is legislation on an appropriation bill, and is subject to a point of order.

Mr. MANSFIELD. Mr. President, if the Senator from Arizona will yield further to me——

Mr. HAYDEN. I yield.

Mr. MANSFIELD. I desire to ask unanimous consent to have printed at this point in the RECORD a copy of the statement I made before the Appropriations Committee, in behalf of this choir.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD BEFORE THE SENATE APPROPRIATIONS COMMITTEE IN BEHALF OF FLATHEAD COUNTY A CAPPELLA CHOIR, FEBRUARY 27, 1958

I appreciate the opportunity to discuss for a few minutes the proposal to send the A Cappella Choir of the Flathead County High School, of Kalispell, Mont., to the international exhibition at Brussels, Belgium.

To begin with, I hope your committee will restore the cut made in our fair funds by the House of Representatives. No money is ever saved, it seems to me, if it loses this Nation the opportunity to keep ahead of the Soviet Union. We have all been advised of the efforts and the excessive expenditures planned by the Russians for this Brussels exhibition. I need recall to no one that our display will be presented in one of the most important cities of the North Atlantic Treaty Alliance. Going to the fair will be thousands of persons from our allied NATO nations. We have a duty to remind these

visitors, our friends, of our achievements and skills. But more than that, we should not overlook the chance to show ourselves as we really are, a free and able people, with pride in our accomplishments, and pride, also, in our men and women, and especially in our youth, the hope and symbol of our future in this world.

That is why I particularly would like to see this Montana high-school group go to Europe. To send them there, Mr. Chairman, would be the finest demonstration I know of of this country's faith in its young and its system of free education. We will be sending our goods and our inventions, I take it. I would suppose our pavilion will be full of them. But these goods, actually, are only the byproducts of the people who made them, of the homes in which they live, and the schools where we educate our children with American pride. I repeat we could do no better at Brussels than to display our young men and women and their talents. Our youth are part of our way of life; they have our faces and the voices of liberty. We have sent them to Europe before, and on more somber missions. A tragic number did not return. But these young people of my State will be on a different journey than their brothers before them. They will be a credit to Montana and the Nation and to its arts, the marvel of everyone of their own age who sees them on the streets of European cities. If mountains make enemies, fairs make friends. I would assert that the best emissaries we can send to our friends across the Atlantic are those most capable of making friends.

Of course, I wish I could add that this high school choir from Montana was able to pay its way. Unfortunately, that is not the case. As you may have suspected, the business conditions in my State are not as consistent now as they were when this choir received its first invitation to appear at the fair. As a matter of fact we have the shameful distinction of being first in the number, on a percentage basis, of those drawing unemployment compensation. There have been attempts to find private financing for these young people, and so send them abroad. These efforts have been without much success. This discouragement at one time led the choir and its friends to decline the invitation offered. Right now, however, I can tell you they are ready to go, but they need help.

I suggest, and ask, Mr. Chairman, that this Congress provide the necessary funds. The State Department has estimated $45,000 as the minimum expense for the group. That figure, I know, is acceptable to the people of Flathead County. It is my hope it can be authorized. I would like to see it included in the sum granted by the Senate for United States participation at the Fair. To go a step further, I would suggest and hope that your committee's report will state that of the amount recommended by the committee for the Brussels Fair there will be included in it $45,000 for expenses necessary to finance the appearance of this young choir from the Rocky Mountain West at the United States pavilion.

Perhaps these young people from my State are not box office in the Broadway sense. One can understand why we would want to employ our best among our professional entertainers and artists, especially if we are to compete in a performing arts program with the Bolshoi Ballet of Moscow or the Old Vic Company of London. I think we need to present competition also to a great degree in our folkways, our traditions, our nationalities. The proposed appearance of the Kalispell group is a case to that point. The performances of this young choir will not be altogether expert by professional standards, but it will have the strain of American and of the West in them. Indeed, if I had any suggestion to offer I should say that there ought to be more regionality in the lineup of our performing artists at the fair. So far, it is my understanding that the Flathead County Choir is the only group coming to the fair from a State west of the Mississippi River and the only high school group in the entire country invited. This is no reflection on those who will be appearing from the East and the Midwest. But it does show, perhaps, that the western part of the United States will have no representation on our stage at Brussels unless this fine group goes.

I repeat, this a cappella choir will bring great credit to this country and to its youth everywhere it goes in Europe. I think the amount of $45,000 asked is little enough for the advertisement, the goodwill, and the enthusiasm which it will generate abroad. I hope again you will specify that amount in your report, Mr. Chairman, and so help these typically young people of our Nation.

In conclusion, I want to say that, in my opinion, the Flathead County High School A Cappella Choir would, by its contrast and its freshness, be the most perfect competition to the Soviet Union and its groups.

Mr. MANSFIELD. I thank the Senator from Arizona.

Mr. HAYDEN. Mr. President, I desire to have corrected a clerical or printing error in the bill.

Through a printing error, the Senate amendment relating to the National Science Foundation is not properly stated in the bill, as reported to the Senate. The amount shown on page 10 in line 8, $9,900,000, is the amount proposed by the Senate amendment. Omitted from this print of the bill is the figure $8,750,000, as set forth in the bill as passed by the House of Representatives. That figure was stricken out by the Senate committee's amendment.

Mr. President, I ask that that printing error be corrected.

The PRESIDING OFFICER. Without objection, the correction will be made.

Mr. KEFAUVER. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. KEFAUVER. As I understand, the amount provided for the Brussels Fair is the amount requested for that purpose by the administration.

Mr. HAYDEN. The amount provided for the Brussels Fair is exactly what the administration requested.

Mr. KEFAUVER. And it is not dependent upon the use of any of the money previously appropriated for the Gorki Park Fair, in Moscow, is it?

Mr. HAYDEN. No. The idea of the committee was that the funds for the Brussels Fair should stand on their own merits, and that funds heretofore appropriated for the Gorki Park Fair should remain for that purpose.

Mr. KEFAUVER. Mr. President, I wish to congratulate the committee for allowing the full amount, because I think it is most important for the entire United States.

I did not understand that the amendment of the Senator from Montana had to do with the Kalispell Choir. Let me say that in the general election campaign of last year, I tried to visit Kalispell. However, because of the weather conditions, I was unable to reach Kalispell.

The men and women on our plane—who never got to Kalispell—formed themselves into an organization called the Kalispell Choral Society. It is still in existence. Nobody has suggested inviting the Kalispell choral group of which I speak to any fair, but if the group the Senator from Montana is sponsoring is as good as the one the news men and women formed, naming it after the Kalispell group, I am sure it will make a fine impression at the Fair.

Mr. MANSFIELD. Mr. President, I might say that the Kalispell group referred to by the Senator from Tennessee, which was composed of newspaper men and women, would not be in the same class with the A Cappella Choir of Flathead County High School. While the capabilities and abilities of the newspaper men and women are good, they are not to be compared with those of the outstanding group which has made such a great reputation throughout the country.

Mr. KEFAUVER. I am quite sure the group which the Senator from Montana is sponsoring can stand on its own bottom.

Mr. ELLENDER subsequently said: Mr. President, a while ago, when we were discussing the appropriation for the Gorki Fair and the Brussels Fair, I tried to obtain the floor, but I was unable to do so. I ask unanimous consent that what I shall have to say now with respect to the Brussels Fair, as well as the Gorki Fair, be placed in the RECORD just preceding the point at which the amendment was offered by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I am very happy that the Committee on Appropriations decided to make a direct appropriation for the Brussels Fair in the sum of $2,054,000. Some of us objected to transferring money, which had been previously appropriated by the Congress, from the Gorki Fair to the Brussels Fair.

It is my considered judgment that the little money we would spend on the Gorki Fair would do much more good, insofar as our peaceful competition with Russia is concerned than would the fifteen-odd millions of dollars that are to be spent at Brussels.

While the hearings were being held, I offered for the record a letter dated February 20, from the Assistant Secretary of Commerce, Mr. Henry Kearns, to the Senator from Arizona [Mr. HAYDEN] and Representative CANNON with regard to the Gorki Fair in Moscow. I asked for particulars about that letter in a letter I addressed to Mr. Kearns under date of February 25. When the hearings were held, Mr. Kearns had not as yet answered my letter of that date, but I have since received his response. It is now too late to have the letter placed in the printed committee hearings, so, Mr. President, I ask unanimous consent that there may be placed in the RECORD at this point the sequence of letters to which I have just referred. The first is a letter dated February 20, 1958, addressed to the Honorable CARL HAYDEN

and the Honorable CLARENCE CANNON, and signed by Henry Kearns, International Affairs, Department of Commerce. The second exhibit is a copy of the letter I addressed to Mr. Kearns, under date of February 25, 1958, asking for information with respect to the Gorki Fair.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE ASSISTANT SECRETARY
OF COMMERCE,
Washington, D. C., February 20, 1958.

Hon. CARL HAYDEN,
United States Senate,
Washington, D. C.

Hon. CLARENCE CANNON,
House of Representatives,
Washington, D. C.

DEAR SENATOR HAYDEN AND MR. CANNON: At the request of the staff director of the Senate Appropriations Committee we recently forwarded a memorandum declaring that, in our opinion, it would be impractical at this time to participate in an exhibit in Gorki Park in Moscow during the year 1958. This latest memorandum is a result of recent negotiations that appeared to hold out the possibilities of Russian agreement to United States Government plans for an exhibit.

Our Office of International Trade Fairs has minutely examined the requirements in time, money, and personnel to complete the steps necessary for an adequate presentation. These steps include completion of building design, prefabrication of the building, shipping building to Moscow, erection, accumulating and displaying all material, training personnel, and other intermediate steps that may be necessary for a successful presentation.

In contemplating the latest possible date at which an adequate program could be developed, we have come to the conclusion that February 10 was that deadline. As a consequence, it is our considered judgment that the Office of International Trade Fairs in the Department of Commerce cannot, therefore, accept the responsibility for producing an exhibit in Gorki Park, Moscow, during 1958.

Since the Congress acted on the request for a supplemental appropriation on August 28, 1957, this Department has conscientiously exhausted every effort to make possible suitable United States representation as requested. It is with deep regret that we must take this irrevocable position of forestalling further consideration of the program.

Sincerely yours,

HENRY KEARNS,
International Affairs.

FEBRUARY 25, 1958.

Hon. HENRY KEARNS,
Assistant Secretary of Commerce,
Washington, D. C.

DEAR MR. KEARNS: I am in receipt of a copy of your letter of February 20 to Senator HAYDEN and Representative CANNON with reference to the decision of your Office of International Affairs to withdraw its decision to participate in an exhibit in Gorki Park in Moscow during 1958.

I would appreciate your informing me as soon as possible the status of the exhibition contract between the Government of the Soviet Union and Mr. Neuburger of New York. I would also appreciate your providing me with your evaluation of what part the existence of that contract played in the decision of the Department to withdraw United States participation in the exhibit. In other words, I am anxious to learn whether or not the fact that a contract had been negotiated with Mr. Neuburger influenced either our Government or the Government of the Soviet Union in their discussion of, and planning for, the Gorki exhibit.

I hope you will provide me with a full and frank reply, and I assure you that if any portion of your reply is confidential, I shall regard it as such.

With kindest regards and best wishes, I am,

Sincerely yours,
ALLEN J. ELLENDER,
United States Senator.

Mr. ELLENDER. Mr. President, it was my information that the Gorki Fair was postponed in 1956 because of the Hungarian revolt. It seemed some of our representatives in both the State Department and the Commerce Department felt that the time was not opportune to hold negotiations with respect to the Gorki Fair. Whatever negotiations had transpired during 1956 stopped abruptly when the Hungarian revolution took place. It was after the revolution that the committees on appropriations of the Congress recommended an appropriation of over $2 million for the Gorki Fair.

I have a letter of explanation from Mr. Kearns setting out in detail the reason why the fair negotiations had to be culminated. In essence, it was because the Russians had given permission to a Mr. Neuburger to arrange for and stage a private fair at Gorki Park. That situation is fully explained by Mr. Kearns in his letter to me, which I now ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE ASSISTANT SECRETARY
OF COMMERCE,
Washington, D. C., March 3, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: This is in reply to your letter of February 25, 1958, requesting to be informed regarding our efforts to stage a Government exhibit in Moscow in 1958. You specifically request also to be informed as to our dealings in this connection with Mr. Neuburger, of New York City.

I am most anxious that you be fully informed, particularly in view of the additional remarks you made during the course of last Thursday's hearings before the Senate Appropriations Committee to the effect that this project may not have been conscientiously pursued by the executive branch. I am, therefore, taking the liberty of giving you a complete and chronological account of our actions in this connection which I should appreciate your arranging to have made a part of the record of the committee's hearings.

(1) In the spring of 1957, on April 19, the Soviet Government inquired as to United States plans for staging an exhibit in Moscow during the summer of 1958. The Soviet Government was informed of our affirmative interest in such an exhibit, and the President, on June 28, 1957, recommended that the Congress appropriate funds therefor. The Congress, on August 27, 1957, appropriated $2.2 million for this purpose.

(2) Just before the appropriation was made, it was learned that the Soviet Government had signed a contract on July 12, 1957, with one Gottfried Neuburger, d. b. a. International Trade Shows, leasing, for his use as a private exhibitor, the same space in Gorki Park, Moscow, that had been contemplated for the Government exhibit.

(3) After informing the Congress through the chairman of the House and Senate Appropriations Committees of this situation, and after the appropriation was finalized, discussions were undertaken almost immediately with Mr. Neuburger, looking toward the possibility of two separate exhibits, provided that a new and separate agreement could be reached with the U. S. S. R., relating to the Government exhibit.

(4) In this connection, it was explained to Mr. Neuburger that appropriated funds could not be used to subsidize a private venture for profit as contemplated by him, but that they were intended to be used to finance a noncommercial exhibit along the lines presented to the Congress, including defraying some of the costs for firms or individuals contributing products or services required or requested by the Government for such an exhibit. He was also advised that, both for policy and administrative reasons, it had been determined that we could not operate under his contract and that we must have direct dealings with the U. S. S. R. with respect to any Government exhibit and settle in advance as many terms and conditions as practicable concerning the staging of such an exhibit.

(5) These discussions with Mr. Neuburger took place over a period of several weeks, but without reaching agreement. It was then determined that a direct approach should be made to the U. S. S. R. Government to ascertain whether they would approve a possible assignment to the United States Government under a separate agreement of some of the space involved, provided that Mr. Neuburger was also agreeable.

(6) Early in October, I personally visited Moscow, together with Mr. Harrison McClung, then in charge of the trade fair program, and Mr. Nathan Ostroff of our General Counsel's Office, to go over all aspects of the situation with our Embassy. Our Ambassador in Moscow then took the matter up with the Soviet Foreign Ministry, but received no reply other than a statement that the matter was under consideration. Subsequently, after several follow-up efforts in Moscow which yielded no reply, the matter was placed on the agenda of the East-West contacts discussion which took place in Washington between the Soviet Ambassador and our State Department during November and early December. The main effort during these talks continued to be made to obtain a clear invitation for a United States Government exhibit and an agreement on necessary operating details pertaining thereto. During those discussions, on December 7, 1957, the Soviet Government finally advised our Embassy in Moscow that it had been concluded, in view of the existence of their contract with Mr. Neuburger, it would not be possible to entertain our proposal for an assignment of space for a United States Government exhibit in 1958.

(7) Shortly thereafter, on January 24, 1958, Mr. Neuburger called on me and indicated that he was prepared to relinquish to the United States Government approximately 100,000 square feet of the space involved, provided that the Government would be prepared to pay for it at his agreed rental with the U. S. S. R. and provided also that a satisfactory separate agreement on the staging of the United States Government exhibit was thereafter entered into with the U. S. S. R. And he stated his willingness to go to Moscow and negotiate such an arrangement with the U. S. S. R. Although by this time it was questionable whether we could any longer mount a satisfactory exhibit this year, I gave my approval to one more effort along these lines provided the U. S. S. R. agreed to it at least in principle by February 10. A copy of my letter to Mr. Neuburger to this effect is enclosed, which he was authorized to give to the U. S. S. R. as evidence of our continuing desire to mount a Government exhibit.

(8) Mr. Neuburger then proceeded to Moscow and presented his proposal to the

U. S. S. R., but to this date, long after our necessary deadline, he has received no reply. Accordingly, last Friday, we finally but reluctantly announced our giving up of plans for a United States Government exhibit in Moscow this year. (See enclosed copy press release, dated February 28, 1958.)

I trust that the foregoing satisfactorily explains the situation, and I should, of course, be glad to furnish any additional information you may require.

Sincerely yours,

HENRY KEARNS,
International Affairs.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield for a question on that subject?

Mr. ELLENDER. I yield, gladly.

Mr. SALTONSTALL. I simply wished to bring out one point, which I feel sure the Senator from Louisiana desires to have covered. The United States Government had to stop, because the only way it could proceed would be to occupy land privately conceded to an individual citizen, and therefore really be controlled by what he wanted at the fair, rather than what the Government wanted.

Mr. ELLENDER. The letter from Mr. Kearns points that out.

Mr. SALTONSTALL. Does the Senator agree with that interpretation?

Mr. ELLENDER. Yes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. Mr. President, when the discussion was taking place with regard to the amendment offered by the distinguished Senator from Montana [Mr. MANSFIELD], whom I do not observe present in the Chamber at the moment, the Senator from Montana stated that the Flathead County Choral Group from Kalispell, Mont., was the only musical group which had been invited by the Department of State to attend the fair at Brussels.

I noticed from a letter I received from Illinois that the choir of Knox College, a celebrated institution at Galesburg, Ill., and also the men's glee club of the University of Illinois, have been invited to go to the Brussels Fair. Those groups, of course, have a slight deficit facing them, but they are quite willing to pick up the deficit themselves.

However, those groups noted on the ticker the possibility that the choral group from Montana was going to be sent to Brussels, so they thought perhaps they should be afforded fair treatment. I think we did quite the wise thing, Mr. President, by permitting this to be a matter for administrative determination, rather than earmarking funds in the bill.

Mr. ELLENDER. I am in thorough agreement with my friend, the Senator from Illinois.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JAVITS. I desire to join the Senator in his expression of approval for what the committee has done.

I wish to give a word of information as to my home town, which has so many performers who are very disquieted by the cuts which have been made in the budget for the fair, who are very loathe to go, although they know they would render a great service if they would go.

This is a very important point. Many such persons will be contributing their services, and they will be greatly reassured by what we have done.

I express the faith and the hope that we will stand by our guns, because I think this leverage amount—and this relates to the question I should like to ask the Senator—represents the difference between whether American participation will really be in first-class American style or whether it will look like some kind of a pennypinching operation.

Mr. ELLENDER. In answer to that statement, I should like to say the amount has been somewhat cut by the Commission itself. Originally more than $15 million was requested by the Commission. We are providing $2,054,000, which is much less than the amount first thought to be required. However, we have been assured that if the Congress will appropriate $2,054,000 it will be ample to carry on the work and to provide a good show.

Mr. JAVITS. If I may add one further word, the lady who is gathering the talent for the performances at the fair is named Jean Dalrymple, and she does a similar job for the city center in New York. She is an extraordinarily able woman and has won many commendations. I will say for the benefit of the Senator from Illinois and other Senators who are interested that she has had an enormous amount of experience with performing groups all over the country and is known in our city for her strong feeling that all artistic creation is not centered in New York but that, on the contrary, the whole country can and should be drawn upon for talent.

I think it is an excellent augury for the statement in the report, with which I thoroughly agree.

Mr. ELLENDER. Mr. President, I wish to say again that I am particularly proud of the fact that the Senate has not transferred the appropriations previously made for the Gorki Fair. The House under the bill which is before us transferred from that appropriation $1 million for a health exhibit, something that was never thought of by the originator of that fair. It is proposed to handle such an exhibit with funds to be taken from the appropriations previously made for the Gorki Fair.

The House proposed to take from that fund $750,000 in order to carry on some of the work at the Brussels Fair.

As the bill has been reported to the Senate—and I hope the House will agree to it—we are providing all the money the Commission desires; that is, the money they say is absolutely necessary to carry on the fair as intended. That amount, as I have previously stated, is $2,054,000.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. The amount for the Gorki Fair will remain intact. It is my hope that the State Department will start now, while the money is available, in order to arrange for participation in a fair at Gorki Park as early as possible.

I visited the fair at Brussels last year, and I had the privilege of also visiting the location where we intended to make a showing at the fair at Moscow. It is my sincere belief that the expenditure of $2 million for the Gorki Fair will improve our relations with Russia a good deal, and will do more good in the long run than the $15 million it is proposed to spend at Brussels.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Mr. President, I offered the amendment which proposed to increase the money for the Brussels Fair by $2.5 million. I know from my own personal experience at international trade fairs that we had to have sufficient money to put on a proper exhibit or the United States would be discredited in the eyes of all who would visit the Brussels Fair.

After we undertook the hearings on the matter, I learned that $2,054,000 would be sufficient to carry through our participation in the Brussels Fair. Therefore, I was perfectly happy to concur in supporting that amount.

The distinguished Senator from Louisiana has very clearly stated why there is a necessity for funds for the Gorki exhibit. I think that would provide a way for the United States to show its good intentions. It would to a great extent improve the relations, I believe, between the people of Russia and the people of the United States.

The additional funds for the Brussels Fair are an absolute necessity if the United States is to put on the kind of an exhibit which will be a credit to the United States. Unless we are there properly exhibiting, we should not be there at all.

I certainly want to express myself as supporting this appropriation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Kentucky.

Mr. COOPER. As the Senator has stated, this question must be determined in conference between the House and the Senate.

I should like to make a statement, which I hope will be of some value. I remember that in 1955 I saw one of our fairs in New Delhi, India. I remember the distinguished Senator from Louisiana was a visitor that year.

Mr. ELLENDER. Yes.

Mr. COOPER. Perhaps the Senator remembers the fair. About $500,000 was appropriated for our exhibition in New Delhi, India. A great part of the sum was spent for the erection of a building, which was quite imposing, but there was little in it.

The representatives of the United States who organized our exhibit at the fair and ran it, did a very fine job.

The trade mission which was sent by the Department of Commerce did an outstanding job. Yet, visiting our exhibit, observing it many times, and then looking at the exhibits of the Soviet Union, and even Communist China, I always came away from our exhibit with a heavy heart. There was no doubt in my mind

that people who had never been to the United States and knew very little about it, and who had never been to the other countries, if they had no other information, when they visited our exhibits and then the exhibits of Soviet Russia, and even Communist China could believe that the other countries were more industrially advanced than the United States. It was easy to gain the impression that the standard of living in Soviet Russia must be better, because it had great exhibits of consumer products. Finally, they might easily conclude that the other countries had a greater appreciation of art, in its various forms, and that we had very little.

I doubt that our country will appropriate and spend in specific places, the amounts which the Soviet Union is willing to spend for its purposes. However, we can make a better effort, and we must do so if we are to participate in these fairs.

I noticed also in New Delhi that private industry and private organizations in this country had made very few contributions to the fair.

I suggest to the chairman that it might be possible for the State Department, the Department of Commerce, and other agencies or individuals who are interested in promoting these fairs to make greater efforts to obtain exhibits from our great industries, from cultural organizations, and other appropriate organizations, to round out the exhibits in fairs, so as to give a true image of all phases of American life including its cultural and artistic aspects. The one fair which I have attended gave a very unbalanced picture of life in America.

If we are to participate in international fairs, let us do our part to see that they are typical of American life.

Mr. ELLENDER. Mr. President, I agree with what the distinguished Senator from Kentucky has said. It is my information that the State Department has been endeavoring to interest private organizations in making contributions to the fairs. Quite a number of the exhibits which will be at the Brussels Fair will be financed by private enterprise in our own country. I was particularly interested in having such interest manifested in places where we needed it the most, namely, in Russia. In Moscow millions of people are totally ignorant of conditions in our country. I believe that that fair affords a good opportunity to show them exactly what we have.

Mr. COOPER. Mr. President, I join wholeheartedly in what the distinguished Senator from Louisiana says.

Mr. BRIDGES. Mr. President, I agree with what the distinguished Senator from Kentucky [Mr. COOPER] has said. I offered an amendment in the Appropriations Committee to provide funds for the Brussels Fair. I believe in it wholeheartedly. In particular, I approve of his suggestion with respect to encouraging private firms and others to participate. Such cooperation can be constructive. There can be no question about this appropriation, because it involves new funds, as contrasted with the action of the House in transferring funds from the money previously appropriated for the Gorki Fair. Under the Senate committee version of the bill, each operation will stand on its own merits.

Mr. ELLENDER. As my good friend from New Hampshire will recall, I raised the question during the hearings that under no conditions should the transfer be made. To begin with, if we had adhered to the action of the House, the $1 million would never have covered the amount necessary to provide the exhibit which the House desired. An expansion in the building program would have been necessary, and the construction could never have been completed on time.

Mr. STENNIS. Mr. President, I commend the Senator from Kentucky [Mr. COOPER] for the statement he has made. It carries unusual weight, by reason of his background of experience. The impressions which he gained at the various fairs should be very instructive and enlightening. I myself have never attended one of these international fairs. However, I note the unanimity of opinions and conclusions on the part of Members of the Senate who have attended them. At many of them we make some effort to have an exhibit, but not enough effort.

The Senator from Kentucky, in his former capacity as Ambassador to India, was in an especially good position to appraise and judge the situation. I am very glad indeed to have the Senator from New Hampshire [Mr. BRIDGES] make the remarks which he has made; and I appreciate the remarks of the Senator from Louisiana [Mr. ELLENDER].

I believe that this is a subject which is not thoroughly understood. We are inadequately represented at fairs in many places in the world. We are not required to go into any of those places, but when we go, we ought to put our best foot forward.

I hope that this discussion will mark the beginning of a new viewpoint on this highly important subject.

Mr. THYE. Mr. President, I hope the Senate conferees will hold fast to the Senate position and not surrender, because it is important that the $2,054,000 appropriation remain in the bill. It is also very important that we should not disturb the funds for the Gorki Park project, because America must be properly on display. People throughout the world are appraising us. At the time I witnessed the American exhibit at Bangkok in the fall of 1953, I found that the Russians had a very impressive exhibit, not only so far as buildings were concerned, but also as regards equipment, machinery, musical instruments, surgical instruments, and other exhibits. Our display would not have done credit to a county fair.

I knew that we were losing face with the orientals. I came back and reported to the President, and to members of the State Department. The result was appropriations which permitted us to enter into international trade affairs, which we have done from that time on. Our participation in various trade fairs throughout the world has been a great advantage to the United States.

For that reason, I feel very strongly about the need for a proper exhibit at Brussels. We cannot have a proper exhibit unless we provide the means for it.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. HAYDEN. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, is it in order yet to offer amendments from the floor?

Mr. HAYDEN. Yes.

The PRESIDING OFFICER. The bill is open to amendment, but the Senator from Arizona has the floor.

Mr. HAYDEN. Does the Senator from Wyoming have an amendment to offer?

Mr. O'MAHONEY. I do.

Mr. HAYDEN. Under the agreement entered into, the Senator may call up his amendment at any time.

Mr. O'MAHONEY. Mr. President, I call up my amendment, identified as "3–6–58–C," which is at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 19, line 5, after "unit" to insert ", and the unobligated balance of the $6,100,000 previously appropriated for the Flaming Gorge unit."

On page 19, line 6, to strike out "is" and insert "are."

On page 19, line 7, to strike out "this unit" and insert "these units."

Mr. O'MAHONEY. Mr. President, I submitted this amendment last week on behalf of the junior Senator from Colorado [Mr. CARROLL], my colleague the senior Senator from Wyoming [Mr. BARRETT], and myself. I think an opportunity to join in the amendment was also extended to the senior Senator from Colorado [Mr. ALLOTT].

Let me say that when the bill was under consideration in the Appropriations Committee of the House of Representatives there was a recommendation from the Bureau of the Budget that the Congress make available $10 million, in addition to the current appropriation for fiscal 1958, for construction of the Glen Canyon Dam unit of the Upper Colorado storage basin project. There was also an amendment proposing $10 million for the continuation of construction of a dam on the Trinity River, in the Central Valley project of California.

The committee rejected this recommendation and wrote in an amendment providing for the transfer of already appropriated funds to these two projects. It was found that this amendment was in the form of legislation upon an appropriation bill and was deleted on a point of order. As a result, it was redrafted to provide for direct appropriations as originally requested by the Bureau of the Budget. It had the effect, however, even in its redrafted form, of separating the Upper Colorado River project from a single unit or single project into one of several different units, with the result that several of the units, one in particular being the Flaming Gorge unit, was altogether neglected.

On the floor of the House Representative DEMPSEY, from New Mexico, a former Governor of New Mexico, called attention to the fact that appropriations for fiscal year 1958—and we are now in the ninth month of that fiscal year—had been provided for the construction of the Navaho unit of the Upper Colorado storage basin project. That project was placed in the deep-freeze by order of the Bureau of the Budget and the Secretary of the Interior, who were at that time guided by the belief that it would be necessary to economize in domestic expenditures even on authorized and appropriated for projects, in order to compensate for the additional expenditures which would presently be necessary for national defense.

The Representative from New Mexico pointed out that Congress had already appropriated $1,800,000 for the Navaho project. So he asked the House to adopt his amendment, which appears on page 19, beginning on line 4, in the following language:

> The $1,800,000 previously appropriated for the Navaho unit of the Upper Colorado storage basin is to be used to initiate construction on this unit in the current fiscal year.

That is merely a restatement on the part of Congress of the intent and purpose of the Congress to make certain that the beginning of the construction should not be postponed until July 1, which will be the beginning of fiscal year 1959.

No amendment was offered with respect to Flaming Gorge, so the amendment which I have mentioned was designed. It merely provides, on the pattern of the amendment of Representative DEMPSEY, that the unobligated balance of the $6,100,000 previously appropriated for the Flaming Gorge unit shall be used to initiate construction on this unit in the current fiscal year.

Mr. HAYDEN. Mr. President, if the Senator will yield, I may state that I have no objection to his amendment. I think it should be made clear that the original budget estimate to initiate construction of the Colorado River storage project was a lump sum of $8 million, which included funds for the initiation of construction of the Flaming Gorge unit and the Glen Canyon unit. In reporting the public works appropriation bill for fiscal year 1957 the Senate Committee on Appropriations recommended $13 million, which included funds to initiate construction on the Glen Canyon, Flaming Gorge, and Navaho units. The Senate and the conference committee adopted the committee's recommendation.

The budget estimate of $25,142,000 for the current fiscal year, which was approved by the Congress, included funds to continue construction on all three of these units. In reporting the public works appropriation bill, the Committee on Appropriations stated in its report (S. Rept. 609, 85th Cong.):

> The committee recommends the allowance of these funds with the understanding that construction will proceed simultaneously on the Flaming Gorge, Glen Canyon, and Navaho units of this project.

The budget for fiscal year 1959 proposes to terminate construction on the Navaho unit and to slow down the previously approved construction schedule on the Flaming Gorge unit. Mr. President, I do not agree with this action, and during the hearings on the public works appropriation bill for fiscal year 1959 I intend to go into this matter thoroughly.

Mr. President, the other body has seen fit to write into the law a direction to proceed with the Navaho unit. Inasmuch as the Committee on Appropriations has taken the position that all three units should proceed simultaneously, I shall be glad to accept the Senator's amendment, which merely places the Flaming Gorge unit in the same position in which the other body has placed the Navaho unit.

Mr. O'MAHONEY. I thank the Senator. I understand that the Senator accepts the amendment.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. HAYDEN. I yield to the senior Senator from Wyoming.

Mr. O'MAHONEY. Do I correctly understand that the Senator from Arizona is willing to accept the amendment?

Mr. HAYDEN. Yes; I am.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], for himself and other Senators.

The amendment was agreed to.

Mr. BARRETT. Mr. President, before the amendment was agreed to, I had requested that the Senator yield to me. I believe the Senator from Arizona did yield to me.

Mr. HAYDEN. I yield to the Senator from Wyoming.

Mr. BARRETT. I should like to invite attention to the fact that instead of there being $6.1 million unobligated in the fund, the amount which will be available at the end of this fiscal year is $900,000.

I join with my distinguished colleague from Wyoming, pursuant to a conversation I had with him, in stating that when the appropriation for fiscal year 1959 comes up for consideration we shall move then that the funds be made available immediately, rather than in the fiscal year 1959.

Mr. O'MAHONEY. I confirm that statement, Mr. President.

Mr. BARRETT. I wish to say that I am extremely anxious to see construction started on the Flaming Gorge project as early as possible. However, in the normal course of events, the $900,000 which is available in this fiscal year would be wholly inadequate to enable the prime contractor to proceed.

On the other hand, if we can make immediately available the $2½ million which has already been requested for fiscal year 1959 and make immediately available the $8 million additional which I understand the President will request this week for Flaming Gorge, then, of course, the prime contract could be awarded some time in June of this year. It is with that understanding I have joined with my colleague in the hope that we can expedite the letting of this contract by 30 or 60 days.

Mr. O'MAHONEY. Mr. President, I am very grateful to the senior Senator from Wyoming for joining in advocacy of the amendment. I wish to point out, however, that the amendment as I offered it does not attempt to state that the $6.1 million mentioned is the unobligated balance. The amendment reads, "and the unobligated balance of the $6,100,000 previously appropriated for the Flaming Gorge unit."

The amount which is unobligated is not more than $900,000; perhaps it is less. It is more than sufficient, however, to authorize the Bureau of Reclamation to issue a call for bids. The sooner the call for bids is made, the sooner the idle men and idle machines in this area of the Upper Colorado River will have an opportunity to go back to work.

As I have stated before to my colleague from Wyoming, when the additional estimate is submitted for inclusion in the 1959 budget I shall certainly join with him in offering an amendment to make that money available immediately.

Mr. BARRETT. If my colleague will yield to me for one more observation, I should like to say that I mentioned the fact that the construction was to be initiated in this fiscal year because the language in the amendment says that the unobligated funds are to be used to initiate construction on this unit in the current fiscal year, which means before the end of June of this year. I assume that the Bureau of Reclamation could go ahead notwithstanding the fact that only $900,000 was available, when the prime contract might call for a bid of around $10,000,000.

I hope the distinguished chairman of the committee will agree to make any funds which have been requested or will be requested for fiscal year 1959 available immediately, so that this work can get underway.

Mr. HAYDEN. Later the committee will have under consideration the public works appropriation bill providing appropriations for the Bureau of Reclamation. At that time we can consider the Senator's proposal.

Mr. BARRETT. Yes.

Mr. HAYDEN. At that time we can give consideration to those things. I anticipate, from what I read in the newspapers, that some budget estimates relating to this matter will be sent to the Congress before very long.

Mr. BARRETT. I may say to my distinguished colleague that, because of the acute unemployment situation in the area where Flaming Gorge is located, the senior Senator from Utah [Mr. WATKINS] and I appealed to the President, and as a result the President indicated to us that a supplemental request of some $8 million would be sent to Congress. Such a request would make a total of

$10.5 million, which, added to the $900,000 of unobligated funds, would make possible the use of $11.4 million.

Mr. HAYDEN. I should like to add that such a statement was made by the Senator from Utah [Mr. WATKINS], who at the moment is not present in the Chamber, when he appeared before the committee. The Senator from Utah pointed out that in the West there has been a long dry cycle, and judging from the way changes in climate are occurring, it appears as though we may be in for a wet cycle. It would be highly advantageous for those interested in storage of the water of the Colorado River to have both dams completed at the earliest possible date, in order to catch the water and fill up the reservoirs. Until these reservoirs are filled it will be impossible properly to regulate the water and produce power.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Illinois.

Mr. DIRKSEN. When this item was under consideration in the Committee on Appropriations the Senator from Utah [Mr. WATKINS] appeared before the committee and expressed himself with respect to this project. The Senator pointed out that the same water will serve Glen Canyon and Flaming Gorge.

The Senator from Utah is momentarily detained from the Chamber, but I am sure if he were present he would certainly desire to make a statement on the project. In the absence of the Senator for the moment, I ask unanimous consent that the matter appearing on pages 378, 379, and 380 of the hearings before the Committee on Appropriations on the supplemental appropriation bill, which represents the comments of the Senator from Utah in this regard, be printed in the RECORD at this point, as an indication of the interest of the Senator from Utah.

Mr. HAYDEN. Mr. President, I think that would be very appropriate.

There being no objection, the excerpt from the hearings was ordered to be printed in the RECORD, as follows:

NAVAHO DAM SITUATION

Senator WATKINS. Mr. Chairman, I would like to make a comment about this Navaho Dam situation.

The people of my State, through the water power board and the Governor, adopted a resolution in which they certainly are opposed to any transfer of funds from the Navaho to Flaming Gorge. Flaming Gorge is located in the State of Utah, but we feel there should really be a fair distribution of the construction facilities in the four States as much as possible but New Mexico certainly is entitled to have that project.

Additional information has come to me that there are uses for that dam even prior to the time that they get the irrigation canals distribution system, and so on, built.

I do not have the details on it today, but the people of my State feel rather strongly on this, and I know the New Mexico people probably are not very happy over that change.

I understand also that Colorado and Wyoming officials are also opposed to the transfer.

Mr. DOMINY. As I said earlier, we are prepared to build the Navaho Dam. It is in the authorized Colorado River project and the administration and Congress, taking into account the purpose for which it is built, the timing of its need and the effect of its requirement on the budget, should make the decision as to when it shall go forward. If we start it in fiscal year 1958 then we would need approximately $7 million in fiscal 1959 to carry it on. It should not be started and then not financed adequately to completion.

At the moment, there is nothing in the President's budget for the Navaho Dam for fiscal year 1959, as I explained earlier.

FLAMING GORGE PROJECT

Senator WATKINS. I would like to comment also on Flaming Gorge. We were very much disappointed that funds were not recommended so that the prime contract could be let for the construction of that dam.

The Wyoming people are the people concerned as well.

We also felt it was a mistake to curtail the housing contract for the use of the people who would be working on Flaming Gorge.

It seems to me if there is any policy now for accelerating the projects already underway, the Bureau and the Department could very well recommend a sufficient time so that the contracts could be let and work gotten underway.

Mr. DOMINY. I am sure that is among the things that Secretary Seaton is considering at the moment.

Based on our 1959 budget, which was predicated, of course, on changing the schedule of Flaming Gorge; instead of trying to have it completed approximately 2 years ahead of Glen Canyon, the 1959 proposal as embodied in that budget request, would change that schedule to have it completed simultaneously with Glen Canyon.

There are certain advantages to that. The transmission facilities will all have to be tied together, and it seems reasonable that if the 2 dams are completed simultaneously, some advantages would accrue, rather than if Flaming Gorge were built 2 years earlier and then separate facilities built to carry the power out to the customers.

Senator WATKINS. One of your big problems is to get these dams filled with water so you can operate the power facilities.

Mr. DOMINY. That is true, sir.

Senator WATKINS. The same water will flow in the Flaming Gorge and the Glen Canyon.

Mr. DOMINY. That is correct, sir. Flaming Gorge is on the Green River, a primary tributary to the Colorado River above Glen Canyon.

Senator WATKINS. Under the circumstances, it would seem wise to get Flaming Gorge built as soon as possible before you have to start taking water out to fill the Glen Canyon, because that is an enormous job. It would require about 26 million acre-feet of water.

Mr. DOMINY. That is maximum capacity. It will be a functioning reservoir long before that, and it will have power head at not much over 6 million acre-feet dead storage.

Senator WATKINS. If we ran into our drought period, it might take as many as 10 years to get those 2 dams filled to capacity so we could get the maximum generation of power.

Mr. BENNETT. That is entirely possible, sir.

Senator WATKINS. It is one of those hazards that ought to be taken into consideration rather than having to fill them both at the same time.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. I wish to express to my colleague my deep appreciation for his cooperation on this matter.

The Bureau of the Budget has been singularly backward in urging the expenditure of such funds during fiscal year 1958; but I think, in view of the changed atmosphere which has now become apparent, in consideration of the fact that the Senator from Wyoming [Mr. BARRETT] and the Senator from Utah [Mr. WATKINS] appealed personally to the White House about this matter, and also the fact that it is now clear the Upper Colorado River storage project is a single unit, we can look forward to cooperation.

I may say, since I observe the Senator from Colorado [Mr. ALLOTT] in the Chamber, that in offering the amendment I sought to extend to the Senator from Colorado the opportunity to join with the other Senators.

Mr. BARRETT. Mr. President, if the Senator will permit, I should like to make one more observation, and then I shall be through.

As I understand the position taken by the distinguished chairman of the Committee on Appropriations, the funds available for Flaming Gorge and for Glen Canyon are to be made available in such a continuous flow that both projects will be completed at the same time, which is a matter of policy on the part of the Department. Is that understanding correct?

Mr. HAYDEN. It is a policy of the committee. The Bureau of the Budget abandoned that policy by not requesting adequate funds for Flaming Gorge in the 1959 budget. It is clearly to the advantage of the whole basin to have the water stored in these reservoirs as quickly as possible. The Senator from Utah explained that very thoroughly.

Mr. BARRETT. That is what I understood the position of the distinguished Senator from Arizona to be. I appreciate his cooperation in this matter. I am sure that with his help the necessary moneys can be made available immediately when the appropriation bill for the fiscal year 1959 is before the Senate.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CARROLL. I commend the distinguished Senator from Wyoming [Mr. O'MAHONEY] for his leadership in this fight, and for bringing this subject to our attention, which he has done with his usual vigor, vitality, and wisdom.

Thanks are also extended to the distinguished senior Senator from Arizona [Mr. HAYDEN] for accepting this amendment. It represents a real step forward, and one which is needed. It will be helpful to the Upper Colorado; and I am happy to associate myself with the remarks of both Senators from Wyoming and other Senators who have worked on this particular amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WATKINS. I entered the Chamber only a moment ago. I have not caught the drift of all the discussion which has taken place with respect to Flaming Gorge.

I am very happy the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] has been accepted.

With respect to the program for building that particular unit, originally it was planned to proceed with it immediately, full steam ahead. However, after the sputnik developments and the demands for defense money, another program was devised, which would provide for the completion of Flaming Gorge at the same time Glen Canyon would be finished. Then there would be a tie-in of the transmission lines from Glen Canyon to Flaming Gorge, which would put electricity on the lines from both projects at about the same time.

However, certain unemployment situations have developed. It was decided to speed up the Flaming Gorge project. It should be in the interest of the entire project to speed it up, even ahead of Glen Canyon, because these two reservoirs must be filled from the same stream, and it would be highly beneficial to the project to have Flaming Gorge reservoir built first, so that it can be filled before the filling of Glen Canyon begins, and the transmission lines built from Flaming Gorge to take care of the needs of Wyoming and Colorado in that area, and also northeastern Utah.

Northeastern Utah has a vast deposit of phosphates, which one of the large chemical companies wishes to develop. Some time ago representatives of that company urged members of the delegation from Utah and others to see if they could obtain a contract with the Government to buy the entire output of power from Flaming Gorge. They are ready to go to work immediately. If that project were built now and completed ahead of Glen Canyon, transmission lines could be started south from Flaming Gorge toward Glen Canyon and the communities just mentioned could use the power generated, and revenue would be coming into the project to help repay costs; and since interest is being charged on the money which goes into the power features of projects of this kind, the present proposal would bring to an earlier end the time during which interest would be paid without any revenue being received.

The President has notified Congressional leaders that additional sums will be requested for projects of that type. I expect to see Flaming Gorge made the subject of a supplemental request in connection with the 1959 budget, which will make available for the project $10,500,000, provided Congress goes along with the recommendations of the administration.

So the program which I am outlining could actually be placed in operation by putting Flaming Gorge into production 2 years ahead of Glen Canyon. This would help to meet the power needs of northeastern Utah and other areas in the very near future and would make much easier the filling of both Flaming Gorge and Glen Canyon Reservoirs.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ALLOTT. I should like to inquire of the Senator from Arizona, who has been quite helpful in connection with all our reclamation projects, whether or not the money which is now added by the O'Mahoney amendment will enable the Government to go ahead with all practical speed with the anticipated 1959 appropriations, on both the Glen Canyon and Flaming Gorge projects?

Mr. HAYDEN. The amount actually appropriated for Flaming Gorge up to the present time is not sufficient to enable much work to be done. However, the point was that when it was appropriated in the first place, our committee said, "You are to proceed with the work." When it is laid aside entirely, we think we have the right to protest; and the way to do so is indicated by the Senator from Wyoming [Mr. O'MAHONEY] in his amendment.

As the Senator from Utah pointed out, we expect budget estimates for additional work of this kind; and I certainly hope one such estimate for Flaming Gorge will be in the budget, so as to allow the work to proceed.

It is to the advantage of everyone to have that project built as early as possible. It involves a much smaller dam than Glen Canyon. The overflow from Flaming Gorge would help to fill the Glen Canyon Reservoir.

On the whole, it would be a good thing to proceed with the project. That is what we intended in the first place, and now we would like to have the intention of Congress carried out.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. HAYDEN. I yield.

Mr. WATKINS. As I understand, the O'Mahoney amendment will make available moneys which have already been appropriated.

Mr. HAYDEN. Yes; and that is all.

Mr. WATKINS. It does not add any new money, but it releases an interdiction against the use of money which was inserted by the House.

Mr. HAYDEN. Yes.

Mr. WATKINS. So we would be making available money which has already been appropriated.

Mr. HAYDEN. And that is all.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. I think the Senator has made a slight error. There was no interdiction by the House.

Mr. WATKINS. As the bill stands, the amendment was necessary.

Mr. O'MAHONEY. But there was no interdiction.

Mr. HAYDEN. The House simply failed to include the item.

Mr. O'MAHONEY. The House failed to include the item. In order to make the record clear, what happened was that, although the Bureau of Reclamation acknowledged, in the published testimony on the subject, that the objective of the Senator from Utah and myself for the simultaneous construction of Glen Canyon and Flaming Gorge was also the purpose of the Bureau of Reclamation, and notwithstanding the fact that the Senate Committee on Public Works, adopting that understanding, wrote into the report its declaration that it was the understanding of the committee that these two units should proceed simultaneously; nevertheless, in October the Bureau of the Budget took the position that such simultaneous progress should not be allowed; and the Bureau of Reclamation of the Department of the Interior, acting in harmony with the Bureau of the Budget, canceled the call for bids. That is the record.

This amendment, with respect to which there has been perfect unanimity, is a declaration of the sense of the Senate—and I hope it will be the sense of the Congress—that we want this program to proceed immediately, both units being constructed simultaneously, as was previously agreed to; and that we should not have to wait until the beginning of the new fiscal year, 4 months hence, before the call for bids is issued.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. I had intended to defer any questions on the Upper Colorado until we reached it on pages 18 and 19 of the bill. However, in view of the amendment offered by the very able Senator from Wyoming [Mr. O'MAHONEY] and the discussion which has ensued, I hope the Senator will permit me to ask a few questions now. Am I correct in understanding that lines 23 and 24 on page 18 carry an additional appropriation for the Glen Canyon project?

Mr. HAYDEN. It is an additional appropriation to carry on the work because the contractors have exhausted the money available to them.

Mr. DOUGLAS. May I ask if it is merely to complete the work which was originally planned, or is it also to meet costs of a change in the plans?

Mr. HAYDEN. There has been no material change in the plans. The contractor is very efficient. He has moved right along with the work, has earned his money, and will earn more money as the work proceeds. He is a very fine contractor, and is doing a very good job.

Mr. DOUGLAS. As the Senator from Wyoming knows, there are rumors to the effect that it has been discovered that the Glen Canyon Dam should not be constructed at the point where it was originally planned because of some defects in the rock at that point, and that it may be necessary to move the dam upstream. Is that point involved here?

Mr. HAYDEN. That is news to me. I have heard that perhaps because of the character of the rock it may be necessary to widen the base of the dam, but no one has suggested that another site for the dam be found.

Mr. DOUGLAS. Is it true that the ultimate cost of the dam, whether the site is moved or not, will be greatly in excess of the original estimates?

Mr. HAYDEN. No; I do not understand it to be greatly in excess. The amount of money involved in this foundation problem is small compared with the total cost.

Mr. WATKINS. Mr. President, may I add at that point that——

Mr. DOUGLAS. I should like to complete my questions. I permitted the Senator from Utah to complete his questions.

It is always ungracious to point to a past record. However, when the original Upper Colorado project was before the Senate, the Senator from Illinois warned that the engineering plans for

Glen Canyon might have to be changed because of the rock on either side of the dam not being of sufficient strength, and that the preliminary estimates of costs in my judgment would have to be increased. Does the Senator say now that the $10 million involved is not to be for any of the increased costs, but is merely for the purpose of carrying out the original plan?

Mr. HAYDEN. All I have heard is that there has been some warning, from testing the strength of the rock at the site, that it may be found it will not be strong enough to bear the stress and strain unless the base is widened to some extent.

Mr. DOUGLAS. The Senator from Illinois is not an engineer, but he warned on that point when the bill was before the Senate. May I ask another question?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. There are rumors also that it has been discovered that there will not be enough water to fill the reservoir behind Glen Canyon Dam, and that therefore it is not unlikely that there will be a dam which will be all dressed up but which will not have much water behind it.

Mr. HAYDEN. We have the record of the Colorado River for years past. In 1 year it discharged 29 million acre-feet of water, which would fill this reservoir completely in 1 year. That is the greatest discharge on record.

Mr. DOUGLAS. However, the average flow has been a little less than 18 million acre-feet a year; has it not?

Mr. HAYDEN. In recent years, as the Senator from Utah has repeatedly pointed out, there has been a dry cycle. According to the tree rings, the cycles come and go. The tree-ring experts say that the cycle we have been through is about the worst in 600 years, and that after each such cycle there have been years of greater rainfall. We are therefore entering another wet cycle, and we hope to get the dam completed in time for the greater flow.

Mr. DOUGLAS. Therefore, on the basis of tree rings, the Senator from Arizona hopes that there will be enough water behind Glen Canyon Dam?

Mr. HAYDEN. The tree rings do not lie. They have told the truth about the rainfall in past centuries.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I would prefer——

Mr. O'MAHONEY. I should like to respond to my friend from Illinois. I am sure he cannot deny me that pleasure.

Mr. DOUGLAS. No; I would not think of doing that, since the Senator from Wyoming is so importunate.

Mr. O'MAHONEY. I am always importunate where the Senator from Illinois is concerned, and grateful, too.

I wish to point out that the waters which have flowed down the Colorado River for century after century have dug the great Grand Canyon of the Colorado, which is one of the marvels of the world. When we begin to conserve that water behind the dams which are proposed to be constructed, we will be storing water which will make new opportunities for residents of Illinois, who will be looking for better lands on which to settle.

Mr. DOUGLAS. What usually happens is that the residents of Illinois have to pay the bills, and the Mountain States walk off with the bacon.

Will the Senator from Arizona yield further?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. There are also rumors to the effect that there shortly will be proposals to charge added irrigation costs on the Upper Colorado project in order to conserve water so that there will be enough water behind the reservoir in Glen Canyon.

Mr. HAYDEN. That is news to me. There has been no testimony to that effect.

Mr. DOUGLAS. I hope the Senator from Arizona will keep his eyes open, as I am sure he will, because what may happen is that there will be requests for new irrigation systems so that the water may be more carefully conserved.

Mr. HAYDEN. Is the Senator from Illinois suggesting that I subscribe to the same press clipping bureau to which he subscribes?

Mr. DOUGLAS. I do not subscribe to a press clipping service, but I do consult engineers. There are rumors, not wholly unfounded, that the irrigation system on the Upper Colorado River will be completely reconstructed and that such a proposal will be brought forward either now or later as an added cost. If that is done, then the costs of irrigating these areas, instead of being $1,200 or $1,500 an acre, will be very much more than that. The Upper Colorado project was originally a giveaway, and it becomes more of a giveaway each year.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WATKINS. I have listened with a great deal of interest to the Senator from Illinois talk about rumors. There were a great many rumors, and nothing but rumors, against the project when it was before the committee for authorization. The facts were all contrary to the rumors.

There is not another project in the United States which has had more thorough study by skilled experts than the Colorado River project. It was studied from one end to the other for more than 25 years. Water flow records, running back for a long period of time, on the water flow of the river were kept. One reason why the reservoir is to be as large as is proposed is that it will have to carry over water from the wet periods to the dry periods in some instances for more than 20 years. That is why it is to be a 26 million acre-feet project. The flow for one 10-year period ran below the overall average. We have a record of that fact. That is the period to which the Senator from Illinois probably referred. However, for the other periods the flow was far above that. The Colorado is now in what we call a wet cycle. The deficit in Mead Lake is usually made up from the snowfall in the mountains in wintertime, and the recent snowfall in the mountains will finally completely fill the Mead Reservoir, and there will be enough left over to half fill Glen Canyon Dam. However, our program calls for the gradual filling of Glen Canyon over a period of years following its construction.

With respect to the cost per acre, that question was gone into very carefully. The one high cost element in the whole program is for the benefit of the Navaho Indians, who claimed a prior right to the whole river. The United States is helping them, and that one part of the project will cost more per acre than the other parts. The white water users there are willing to carry that extra burden.

In addition to the water, these projects also provide huge power developments, and the power itself is usually sold to the same people which get the water.

If the Senator from Arizona will yield to me once more, I should like to refer to the matter of the appropriations. As the Senator from Wyoming [Mr. BARRETT] has told me, the amendment, as modified, will permit the Bureau of Reclamation to go ahead with letting the contracts now, and will make possible the start of construction immediately on the Flaming Gorge project as soon as a bid is accepted.

Mr. O'MAHONEY. Mr. President, I interrupt to say that the amendment has not been modified; the amendment is at present in exactly the form in which it was offered.

What I said to my colleague, the distinguished senior Senator from Wyoming [Mr. BARRETT] was that when the new estimate is received, I shall move—and I shall welcome the cooperation of all Senators from the Upper Colorado Basin in this step—to make appropriations under the new estimate immediately available.

Mr. WATKINS. With that kind of estimate soon to be received and with the pending amendment, I do not think it will be necessary to go much further, because I believe the Bureau of Reclamation will be permitted to go forward and to advertise for bids immediately, and that contracts can be let well in advance of July 1, 1958, if we know that a subsequent budget estimate will be made to take care of the program.

Mr. HAYDEN. The contractors cannot be paid before appropriations are made.

Mr. WATKINS. There is never enough money appropriated in any single year to take care of the whole cost; it is necessary to have it appropriated year by year. That is all we are doing in this instance.

Mr. HAYDEN. That is correct.

Mr. WATKINS. This is a project which has been studied and found to be sound. Its cost will all be repaid, with interest for the most part. Ninety-nine percent of the cost will be repaid completely. Only about 1 percent of the cost in the whole area is chargeable to flood control. There are other areas in the United States where the whole cost is charged off as being in the public interest, and the recipients of the benefits do not pay any more than their infinitesimal part of the overall taxes collected.

In this instance, the project has been well studied, and has been found to be sound and is well on its way.

I am happy to know that there will be cooperation between Congress and the executive department in getting the Flaming Gorge Dam under way as soon as the bid has been accepted. The project happens to be in my State. That is one reason why I am happy about the situation.

Mr. LANGER. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. LANGER. For many years the Senators from Montana, South Dakota, and North Dakota have backed irrigation projects and dams in Colorado, Utah, Arizona, and Wyoming.

Now I should like to inquire when we in North Dakota will get the irrigation project which is to be built in connection with Garrison Dam. At the time Garrison Dam was constructed, it was said that it was to be for flood control, power, and irrigation. A million and a half acres were to be irrigated.

May I ask the distinguished Senator from Arizona when the irrigation feature will be developed?

Mr. HAYDEN. My understanding with reference to that project is that the soil surveys and other studies have not been completed. As the Senator knows, in certain areas of his State the soil is residual from deposits of glaciers. In some areas the water cannot penetrate freely, and therefore the land cannot be irrigated successfully. On the other hand, there are other sections of excellent land.

The idea was to be very careful about expenditures, so as not to bring water to lands which would not be suitable for irrigation, but, on the other hand, to bring water to lands which are productive. The investigations are underway and will be completed in the near future.

Mr. LANGER. More than 3 years have passed since we had a hearing in connection with that land. It was said then that it was not quite adapted to irrigation. At that time, my colleague, the distinguished junior Senator from North Dakota [Mr. YOUNG], and I showed that land in several counties of North Dakota was adapted to irrigation. Do I correctly understand from the Senator from Arizona that the program is still being studied?

Mr. HAYDEN. The report has not yet been submitted to Congress. We are expecting it. It should be submitted very soon. We must have have adequate studies on these projects before we start construction, because mistakes have been made in other places which should not be repeated.

Mr. LANGER. Can the Senator give some idea when the report will be made?

Mr. HAYDEN. I do not know. The last news was that work is progressing, and that it was expected a report would be made in the near future. How soon it will be made, I do not know.

Mr. LANGER. Will it be made in time for action to be taken at this session of Congress?

Mr. HAYDEN. I could not say, but I shall be very glad to make inquiry and to let the Senator from North Dakota know what information we receive.

Mr. LANGER. I thank the Senator from Arizona.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. Do I understand correctly that the Senator from Arizona gives assurance to the Senate that none of the additional $10 million will be used either for a change of plans in the Glen Canyon Dam or for a modification and improvement of irrigation systems in the Upper Colorado Basin?

Mr. HAYDEN. The necessity for increased funds in this case is that there are exceptionally good contractors on the dam and bridge, and they have been proceeding at a fast rate. The bridge contractors, by the way, were prudent enough to buy all their steel before the price of steel rose. They have had good luck in getting workers, and have given them employment.

The work has progressed at such a fine rate that the contractors have now come to the point where the available money has been exhausted, so we are taking care of that situation in the manner proposed.

Mr. DOUGLAS. Would the Senator from Arizona be willing to give a pledge that if changes in the Glen Canyon Dam are introduced, or if modifications of the irrigation system in the Upper Colorado Basin are projected, he will give due notice in connection with any further appropriation bills which are considered?

Mr. HAYDEN. I will do that, and I will also inform the Senator from Illinois personally.

Mr. DOUGLAS. I thank the Senator.

Mr. WATKINS. Mr. President, will the Senator yield for another observation?

Mr. HAYDEN. I yield.

Mr. WATKINS. The Senator from Illinois has just spoken concerning whether the cost of the project is exceeding the estimates because of the work on the dam. The estimate for the prime contract for the building of the dam itself was $135 million. Merritt, Chapman & Scott were the low bidders, their bid being $105 million, and they received the contract. Their bid was about 20 percent under the estimate, which is a very substantial amount, indeed.

A change was referred to. The Senator from Arizona gave a partial explanation of the change.

In making a check, after some experimental tunnels had been made in the rock, it was found that in the interest of safety it would be better to have a wider base for the dam itself, and a change-order was made to include that. The cost will not exceed probably $4 million or $5 million. But since the bid which was received was under the estimate, there will be no difficulty, because the cost will not exceed what the sponsors of the project claimed it would be and what the Bureau of Reclamation testified it would be. As a matter of fact, since the project has now gotten well under way, and the cost probably is going down, the estimate will probably prove to have been well over and above the entire construction price which finally will have to be paid for the project. I hope that will be the case.

Mr. KNOWLAND. Mr. President, testimony offered to the committee concerning the Glen Canyon project made it very clear that the contractor had gone ahead with the work and was proceeding a bit ahead of schedule. The committee was satisfied that the request for the Glen Canyon project was proper.

I join with the Senator from Arizona in his statement that there has been a dry spell and in his hopes that the dry cycle will be followed by a wet cycle as shown by the rings on the trees.

I am certain the Senator recognizes the obligation to make certain that the existing Colorado compact shall not be interfered with, that the obligations under the treaty with Mexico shall be observed, and that the rights, whatever they may be, shall be subject to determination by the Supreme Court when the issue is decided by the court. I thought this statement should be made so that there would be no interference with the obligations and requirements of existing contracts.

Mr. O'MAHONEY. I am very happy, indeed, that the Senator from California has made this statement of his understanding concerning the Upper Colorado River storage project. I think it will be most helpful. In fact, all the discussion this afternoon has been most helpful.

Inasmuch as the Senator has diverted from his intention to proceed with his amendment, I call the attention of the Senator from California and the Senator from Arizona to the fact that the senior Senator from New Mexico [Mr. CHAVEZ] today asked me, because of his obligation to be present at a meeting of the Committee on Public Works, to have the provision with respect to the Navaho unit, which was adopted by the House, modified by the Senate so as to accord with the amendment which the Senate has just agreed to.

Mr. President, I therefore ask unanimous consent that on page 19, line 4, after the word "the," and before the figure "$1,800,000," there be inserted the words, "unobligated balance of the."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 19, line 4, after the word "The," it is proposed to insert the following: "unobligated balance of the."

Mr. HAYDEN. Mr. President, that conforms to what has been done in other places in the bill. It should have been done in this place. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. O'MAHONEY. I thank the Senator from California.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point certain correspondence which I have had with the governors of the Upper Colorado Basin States, members of the Congressional delegations of these States, the Bureau of the

Budget, the chairman of the President's Council of Economic Advisers and others concerned in the struggle to reverse the decision of the Bureau of the Budget to postpone construction on Flaming Gorge Dam.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MEETING WITH BUDGET BUREAU ARRANGED

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., October 2, 1957.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: This will confirm our telephone conversation this morning pertaining to a meeting with yourself and representatives of the various interested States concerning the Upper Colorado project. I would be happy to meet with you and the State representatives at 10 a. m. on October 28 in my office, room 246, Executive Office Building.

Mr. Brundage has indicated that he also will attend if he is in town on that date.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant Director.

TELEGRAM INVITES GOVERNORS TO MEETING

OCTOBER 2, 1957.

The Honorable MILWARD L. SIMPSON,
Governor of Wyoming,
Cheyenne, Wyo.:

The Honorable GEORGE DEWEY CLYDE,
Governor of Utah,
Salt Lake City, Utah:

The Honorable STEPHEN L. R. MCNICHOLS,
Governor of Colorado,
Denver, Colo.:

The Honorable EDWIN L. MECHEM,
Governor of New Mexico,
Santa Fe, N. Mex.:

After conference with Department of the Interior and Bureau of Budget officials, I feel it will be most helpful if Governors of Upper Colorado Basin States can arrange to attend meeting 10 a. m., October 28 in office of Assistant Director of Budget Merriam to discuss the importance of adequate appropriations for Upper Colorado storage project for fiscal year 1959. Mr. Merriam has advised he will be glad to see Governors on this date. I am authoritatively advised Reclamation Bureau has been given a target of $143 million for all construction projects for fiscal 1959. If this limitation stands, estimates for Flaming Gorge, Glen Canyon and Navaho projects will necessarily have to be reduced below the construction plans presented to Congress this session amounting to approximately $66 million. This cut will, because of inflation, necessarily increase the total cost of Upper Colorado River construction and will unduly delay completion of project. I have recent report of Comptroller General Joseph Campbell on military assistance program of Department of Defense in nine foreign nations, from France to Formosa, showing excessive expenditures for military material beyond the capacity of allies to use. This report would indicate that savings can immediately be effected in sufficient amount to allow Reclamation Bureau to proceed with Upper Colorado River as planned. Letter follows.

JOSEPH C. O'MAHONEY.

SENATORS NOTIFIED OF CONFERENCE

OCTOBER 2, 1957.

The Honorable FRANK A. BARRETT,
United States Senate,
Washington, D. C.

DEAR FRANK: For your information, there is inclosed a copy of a telegram I am sending each of the Governors of the Upper Colorado Basin States with respect to a conference for which I have made arrangements with the Bureau of the Budget on October 28. I think it is essential that this conference be held before the budget estimates are fixed for the President.

I have had a brief conversation with Secretary Aandahl, who has been planning to have a conference with the Governors, and I shall talk with him again with this objective in view. It is important that the Congressional delegations of all the States involved be kept fully advised with respect to what the Bureau of the Budget plans, because, of course, appropriations will be made by the Congress.

I am preparing a summary of the report of Comptroller Campbell, of the General Accounting Office with respect to military assistance abroad, and if it is ready in time it will be included with this letter. Otherwise it will be forwarded under separate cover.

Sincerely yours,

JOSEPH C. O'MAHONEY.

(Identical letter sent Senators of other upper States.)

WYOMING GOVERNOR ACCEPTS

CHEYENNE, WYO., *October 3, 1957.*

The Honorable JOSEPH C. O'MAHONEY,
United States Senate,
Senate Office Building,
Washington, D. C.:

Reurtel today. I am agreeable to attending a meeting of the Upper Colorado River Basin States on October 28 in office of Assistant Director of the Budget to discuss adequate appropriation for Upper Colorado River project for fiscal year 1959, provided the other Governors can arrange to attend. I take it from your wire you will accompany us. Hope Senators from other States can do likewise. Thanks for the telegram.

Regards.

MILWARD L. SIMPSON,
Governor.

TELEGRAM TO GOVERNOR SIMPSON

OCTOBER 7, 1957.

The Honorable MILWARD L. SIMPSON,
Governor of Wyoming,
Cheyenne, Wyo.:

Interest running high in proposed Upper Colorado conference. Assistant Budget Director Merriam has confirmed October 28, saying that Director Brundage hopes to be in town and attend. Governor McNichols, of Colorado, confirms his presence. Have advised Senators from Upper Basin States and am sending out further information tomorrow.

JOSEPH C. O'MAHONEY.

NEW MEXICO GOVERNOR RESPONDS

STATE OF NEW MEXICO,
Santa Fe, October 8, 1957.

Hon. JOSEPH C. O'MAHONEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'MAHONEY: It will be almost impossible for me to be in Washington October 28. As a matter of fact, it is exceedingly difficult for me to leave New Mexico at any time. However, I would be pleased to present New Mexico's position by correspondence or representative.

I am concerned that we have had no opportunity to discuss this matter or to discuss the availability of dates and meeting sites. There are some of my constituents who would like to be present and in no position to go to Washington at present. Senator ANDERSON would like very much to attend. It seems to me it would be far better to have this meeting in the West at a date suitable to all concerned.

The Bureau of Reclamation has asked a meeting of the seven Colorado River Basin Governors in the month of October, to be held in the West. There may be more conflicts.

Could we have a further breakdown of the information contained in your wire?

Sincerely,

EDWIN L. MECHEM,
Governor.

LETTERS TO GOVERNORS POINT OUT SOURCE OF FUNDS FOR PROJECT

OCTOBER 8, 1957.

The Honorable MILWARD L. SIMPSON,
Governor of Wyoming, Cheyenne, Wyo.

DEAR MILWARD: Supplementing my recent telegram to the Governors of the four Upper Colorado River Basin States, I have now received a letter from Assistant Budget Director Robert E. Merriam confirming the conference on the Upper Colorado storage project to be held in his office, room 246, Executive Office Building, on October 28 at 10 a. m. He advises me that Director Brundage also plans to be present unless other engagements keep him out of town.

The Bureau of Reclamation will be heard at the Budget Bureau on Monday, October 21. This hearing usually takes 2 or 3 days. After the Bureau has set forth its requests and justifications, the Budget Bureau will of course review them and make the final recommendation that will go into the program of the President. The hearing on October 28, therefore, affords an opportunity for the presentation by the Governors of their points of view.

The spokesmen of the Bureau of Reclamation are not at liberty to reveal the recommendations they propose to make to the Bureau, and of course the Bureau makes no comment with respect to specific figures before the entire budget is cleared by the President. However, when Commissioner of Reclamation Dexheimer and his aides appeared before the Subcommittee on Public Works Appropriations of the House in April of this year, the plans of the Bureau were set forth in great detail in response to the inquiries of the committee members. Under separate cover I am sending you a copy of the hearings. On page 662 you will find, in a table on the construction schedule of the three reservoirs, that the expenditures for fiscal year 1959 were estimated to be as follows:

Flaming Gorge	$12,135,000
Glen Canyon	42,509,000
Navaho Unit	11,070,000

Mr. Dexheimer estimated at that time (p. 663, House hearing) that Glen Canyon and Flaming Gorge would probably cost a total of something over $500 million and that it was hoped that these 2 units would be built within the next 6 or 8 years. The full story of the plans for the Colorado Basin begins on page 592 and concludes on page 742.

It is, of course, impossible to predict at this time what the overall budget plan will be. Substantial cutbacks have been ordered by the Secretary of Defense in the expenditures for which Congress has made appropriations for the present fiscal year. The launching of the Soviet satellite, however, may result in a complete reversal of this program. It probably will bring about increased expenditures in the field of intercontinental ballistic missiles. I am of the opinion, however, that this latest development should not deter us from carrying through programs designed to aid in the development and utilization of natural resources. Water storage programs deserve a high place upon this list because they increase the productive capacity of the Nation.

Another result will, I am sure, be a close examination by the Bureau of the Budget and by Congress of the recommendation made by Comptroller General Joseph Campbell in his report released on August 29, 1957, of the examination made under his direction

of the military assistance program of the Department of Defense. Unfortunately, this report was received only the day before the adjournment of Congress and was, therefore, not ordered to be printed as a public document. A limited number, however, were printed by the House committee and I have secured a copy to send you herewith.

For the purposes of this letter, it is sufficient to say that the Comptroller General finds that we have been making excessive expenditures in the nine foreign countries which were examined and recommends a complete reevaluation of the program. It is pointed out, for example, by Mr. Campbell that as of December 31, 1956, almost $3 billion had been awarded to carry out contracts for the manufacture and delivery of military items in foreign countries. "Contract prices," the report says, "on many ordnance procurements contain substantial interest costs which resulted from (foreign) contractors charging the United States for the cost of borrowing working capital at the high interest rates prevailing in European countries."

The appropriation for mutual security approved September 3, 1957, carries a total of approximately $3.4 billion and, according to the figures submitted in the House on August 30 by Congressman PASSMAN who was in charge of the bill, this amount, added to the appropriations made in other mutual security programs, makes an overall aggregate of $8.9 billion. From this total it would seem certain that a saving can be made in the light of the utterly changed circumstances and the Comptroller's report which will be more than sufficient to enable the Bureau of Reclamation to proceed advantageously with the Upper Colorado River program.

Sincerely yours,

JOSEPH C. O'MAHONEY.

(Identical letters sent to governors of other Upper Basin States.)

UPPER STATES SENATORS RESPOND

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Albuquerque, N. Mex., October 9, 1957.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: Thank you very much for your letter of October 2 enclosing a copy of a telegram you sent the governors of the Upper Colorado Basin States with respect to the conference with the Bureau of the Budget on October 28.

I recognize the importance of joint effort if enough funds for Glen Canyon, Navaho, and Flaming Gorge are to be received.

Sincerely yours,

CLINTON P. ANDERSON.

UNITED STATES SENATE,
Washington, D. C., October 10, 1957.

The Honorable JOSEPH C. O'MAHONEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR JOE: Thank you very much for your letter of October 2, together with a copy of the wire forwarded to the governors of the upper States.

Like you, I am very much concerned about the effect of any further cuts in the budget may have upon the prompt prosecution and development of the plans for Upper Colorado.

I hope to discuss this with our own Governor today or tomorrow and undoubtedly he will support our position upon it very strongly.

If I can be of any assistance to you, please do not hesitate to let me know.

Sincerely yours,

GORDON ALLOTT,
United States Senator.

LETTER TO GOVERNOR MECHEM

OCTOBER 11, 1957.

The Honorable EDWIN L. MECHEM,
Governor of New Mexico,
Santa Fe, N. Mex.

DEAR GOVERNOR MECHUM: Thank you for your letter of October 8 with respect to the difficulty you are encountering in not visiting Washington for the meeting of the governors of the States of the Upper Colorado River Basin set by Assistant Director Merriam of the Bureau of the Budget in his office on October 28. I note, however, that you would be pleased to present New Mexico's position by correspondence or representative.

I hope you can send a representative if you are yourself unable to come. The Bureau of Reclamation released on October 9 a letter of Assistant Secretary of the Interior Fred G. Aandahl to Governor Knight, of California, advising him of a proposed meeting of Colorado River Basin governors or agencies at the Department of the Interior Building in this city on October 24. This announcement includes not only the four Upper Basin States but the States of Arizona, Nevada, and California as well. I am enclosing a copy of the release for your information, although you may have already received it from the Secretary.

Last night Governor McNichols, of Colorado, called me by telephone to say that he was planning to invite the governors to meet at his office in Denver on October 21 so that they may have an opportunity to discuss this matter before the meeting. I hope that it will be possible for you or your representative to attend that session.

The importance of this conference lies in the fact that there is real danger of an attempt to reduce the appropriations for the next fiscal year below the targets already set for this year by the Bureau of Reclamation.

Sincerely yours,

JOSEPH C. O'MAHONEY.

RESPONSE TO SENATOR ALLOTT

OCTOBER 14, 1957.

The Honorable GORDON ALLOTT,
United States Senate,
Washington, D. C.

DEAR GORDON: Thanks for yours of October 10. It's difficult, I think, to overestimate the importance of the proposed conference of governors of the Upper Basin with the Bureau of the Budget on October 28. If our funds are cut for fiscal 1959, the prospect will be, I am afraid, rather dim.

Your letter is most encouraging and if you have an opportunity I hope you will impress the governors of Utah and New Mexico with your views. I know that Governor Mechem may find it difficult to leave New Mexico at that time, but I hope he will at least send a representative

Sincerely yours,

JOSEPH C. O'MAHONEY.

UTAH GOVERNOR CONSIDERS ATTENDING CONFERENCE

STATE OF UTAH,
Salt Lake City, October 14, 1957.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'MAHONEY: Reference to your wire of October 2 and your letter of October 8, I, too, feel that the matter of appropriation for the Upper Colorado River storage project and participating projects is of major importance. I am advised that no figures have yet been set for Upper Colorado River project for fiscal 1959 but that appropriation of funds adequate to provide for a wise and economical development of the basin projects will be recommended to the Congress.

As you probably know, the Secretary of Interior has called a meeting of the Governors of the seven Colorado River Basin States to be held in Washington October 24, 1957. This meeting will be preceded by a meeting of the Governors of the four Upper Basin States at Denver, Colo., on October 22, 1957.

This matter of appropriations will no doubt be discussed at the meeting of the Upper Basin State governors on October 22. If it appears advisable and in the best interest of the project for the Governors to appear before the Budget Bureau on October 28, 1957, I shall certainly join them.

I would suggest that if such appearance is made, that the Governors for the respective States be joined by members of their respective Congressional delegations.

Yours sincerely,

GEORGE D. CLYDE,
Governor.

OCTOBER 16, 1957.

Hon. GEORGE D. CLYDE,
Governor of Utah,
Salt Lake City, Utah.

DEAR GOVERNOR CLYDE: Thank you for your letter of October 14 indicating your willingness to attend the meeting of the governors of the Upper Basin States which I have arranged before the Bureau of the Budget on October 28.

I think it is highly important that all of our Governors attend this meeting if at all possible. The executive program with respect to expenditures must be formulated before the President's budget is submitted at the opening of Congress. Last April, testifying before the House Committee on Appropriations, the Bureau of Reclamation set forth a tentative program for Glen Canyon, Flaming Gorge, and Navaho. There is real danger that this may be cut. I am confident that a cut would seriously injure the possibility of completing the storage program of the Upper Basin. I am confident that economies can be made in the budget, particularly in the military assistance program abroad, as recommended by the General Accounting Office, and that these economies can be utilized to keep the Upper Colorado River project moving.

The construction of water conservation projects is productive. Large segments of foreign military assistance program are utterly wasteful because, as Comptroller Campbell has reported, we have been providing military aids in excess of the capacity of the foreign nations to use.

Sincerely yours,

JOSEPH C. O'MAHONEY.

COLORADO SENATOR WRITES HE WILL SEND REPRESENTATIVE

UNITED STATES SENATE,
Washington, D. C., October 23, 1957.

The Honorable JOSEPH C. O'MAHONEY,
Senate Office Building,
Washington, D. C.

DEAR JOE: Thank you for sending me a copy of your letter to Governor McNichols concerning the meeting with Mr. Merriam on October 28.

Since I cannot attend, I am asking my assistant Mr. Warren Elliott to be present for me.

Sincerely yours,

GORDON ALLOTT,
United States Senator.

LETTER TO BRUNDAGE JUSTIFYING ESTIMATE FOR PROJECT

NOVEMBER 23, 1957.

The Honorable PERCIVAL F. BRUNDAGE,
Director, Bureau of the Budget, Executive Office Building, Washington, D. C.

DEAR MR. BRUNDAGE: As you know, your able Assistant Director of the Budget, Mr. Robert E. Merriam, was good enough, at my request, to hold a conference with the governors of the four Upper Colorado River Basin States and their representatives in room 246 of the Executive Office Building on the morn-

ing of October 28 last. The conference was most satisfactory from the point of view of the opportunity that was afforded to the officials of the Upper Basin States to present the facts which, in their opinion, justify the inclusion in the President's budget for 1959 of an estimate for the Upper Colorado storage project sufficient to enable the Bureau of Reclamation to proceed with the plans which Commissioner Dexheimer laid before the House Appropriations Committee when the appropriation bill for fiscal 1958 was under consideration.

Recognizing even at that time that increased appropriations would probably be necessary for defense, I presented orally the suggestion that it will be easily possible to save from the outmoded military assistance program now being carried out, and from the economic aid program, more than sufficient money to prevent the abandonment of much of the Upper Colorado project which I fear is now proposed. It is recognized by Secretary McElroy that "A strong and growing United States economy is the very foundation of our military strength and that of the Free World." The conservation and development of our natural resources constitute an essential element in the preservation of the United States economy. And since we are correctly pursuing a policy of stimulating the economic development of our allies by the appropriation of funds from the United States Treasury, we must be certain that we shall make no cuts in the development of American resources which will tend to weaken the United States economy upon which the Free World depends.

I now have before me the precise figures from the International Cooperation Administration which show that on September 30 this year the funds appropriated and unexpended for the Mutual Security Program amounted to a total of $7.989 billion. Of this sum, $5.053 billion was available for military assistance, and $2.935 billion was available for nonmilitary expenditure.

I called the attention of Assistant Director Merriam to the report of Comptroller General Joseph Campbell on the military assistance program which was submitted to the Vice President of the United States and the Speaker of the House on August 29 last, in which, after examination of the military assistance program in nine countries—France, Germany, Italy, Spain, Turkey, Pakistan, Formosa, Japan, and Korea—the Comptroller General reported that we are furnishing military supplies in some of the allied countries beyond the capacity of those countries to use them. It appeared from this report that while unused military supplies were not being recovered from the countries where they are not used, we are sending similar supplies in the same unrealistic manner to other countries. More than that, according to the Comptroller General's report, "the military aid program to date, for which almost $24 billion has been appropriated, in many countries has not, in the opinion of our military authorities, resulted in the creation and maintenance of effective fighting forces by present-day standards." The GAO report goes so far as to say that we have been delivering military equipment to some countries which they have not desired, and that the pricing policies are inaccurate and confused. Let me make the following quotations:

"Programing of military assistance: In a number of countries the United States has programed and is delivering equipment in excess of that which can be effectively absorbed and utilized by the recipients at their existing stage of development. The recipients either have not been able to use the aid furnished because of their financial and economic incapacity and their manpower limitations or they have not desired to use the assistance for the purposes intended by the United States. * * * Responsibilities for controlling overseas agencies and for developing program requirements within the Department of Defense have not been clearly defined.

"Pricing policy and practice: During our reviews we have noted much confusion in the pricing of military assistance shipments. Different units used different pricing data, thereby impairing the accuracy of consolidated reports. Also, the latest cost data was not always used in pricing computations, due in part to cumbersome and untimely cateloging procedures."

One of the most significant criticisms of the military assistance program made by Mr. Campbell's report is that in some countries the foreign governments and their agencies are making a profit contrary to the memorandum of understanding with our Government. This criticism is directed at the offshore procurement program by which we have entered into contracts for the procurement abroad of military equipment and under which contracts amounting to $2.7 billion had been awarded as of December 31, 1956. I quote from the report:

"The memorandums of understanding which govern the principles and policies to be observed by the United States and foreign governments under the offshore procurement program provide that no profit will be made by the foreign countries on offshore procurement contracts. We have observed that allowances for profit were included in certain contracts with foreign governments and their instrumentalities. As a result of our bringing this matter to the attention of the Departments of State and Defense, these departments issued a joint message to interested United States Embassies setting forth general guidelines for conducting negotiations as to the application and operation of the no profits causes. However, since it appeared unlikely that the current position of the Departments of State and Defense would result in substantial recovery of profits, we transmitted a comprehensive report, which was classified, to the Secretaries of State and Defense on the more significant problems and its recommendations. This report has been transmitted recently to appropriate Congressional committees."

It is clear from the GAO report that in the opinion of that agency the military assistance program should be reevaluated, responsibilities for carrying on the program within the Department of Defense should be clarified, and that an internal audit program should be established.

There can be no doubt, therefore, that great savings can be made in the military assistance program for which funds amounting to $5.053 billion were available and unexpended on September 30, 1957. It can scarcely be doubted that sufficient savings can be accomplished here alone to carry on uninterrupted the authorized program for the conservation of the water of the Colorado River system in the States of the Upper Basin.

I do not criticize economic aid given to our allies for the purpose of improving their capacity to raise their living standards, the importance of which the President emphasized in his Oklahoma speech of November 13. Speaking of economic aid, he said: "This kind of assistance helps others keep free of dependence upon Soviet help which too often is the prelude to Soviet domination. It shows the Free World's ability to develop its resources and increase its living standards. It helps allied economies support needed military unit and remain sturdy partners in this worldwide struggle."

This objective of the President I applaud, but I venture to point out that, if we intend to develop the natural resources of our allies and increase the living standards of their people, we cannot fail to develop our own natural resources and maintain our own living standards because these are the factors that make it possible for our people to aid the Free World. We cannot sacrifice the conservation of wasting water, or the development of power and the prevention of floods in this country, while we use the funds appropriated by Congress for these same projects in foreign lands.

In 1956 the International Cooperation Administration financed a contract by which the Helmand Valley project in Afghanistan was surveyed by the Tudor Engineering Co. of San Francisco. This company, the head of which was a former Assistant Secretary of the Interior, recommended a program for the completion of the Afghanistan irrigation project which it reported could be completed in what was called phase I by 1961, the total cost of which on a preliminary basis was estimated to be $10 million. This great program was started in 1946 by the Government of Afghanistan in a contract with Morrison-Knudsen Co., of Idaho, a well known and efficient construction corporation which has done much work on American projects. Most of the cost of this project will be borne by funds supplied by the Afghan Government and borrowed from the Export-Import Bank.

Two major dams of the Helmand Valley project have already been completed and I feel that the continued cooperation of our Government is needed. It should be pointed out, however, that in Taiwan, or Formosa, there was initiated in fiscal year 1956 at a total cost of $40 million, including local currency, the Shihmen multipurpose dam. This project is for the development of electric power, for the storage of water for irrigation and flood control, and for the storage of water for drinking purposes.

Three other projects are fostered by the International Cooperation Administration in Taiwan—the Wusheh Dam hydro project, the Lungchien hydro power project, and the Ku Kwan hydro power project. Dollar funds to be expended on these four projects in Taiwan for fiscal year 1958 are estimated at $9,250,000. There will be included, of course, counterpart funds and local currency generated by ICA.

There are three such projects in Korea—the Hwachon hydroelectric power project, the Unam power plant, and the Congpyong Dam and power project. The first of these projects was initiated in 1954 and is expected to be completed in December 1957. The cost will be approximately $13.5 million. Of this amount, $9.7 million is classed as ICA dollars, and the remainder comes from counterpart funds and from contributions by the South Korean Government. Unam power plant is a repair job costing about $200,000, of which $115,000 comes from ICA dollars. The Chongpyong Dam and power project involves the rehabilitation of a hydroelectric plant and dam on the North Han River. It was approved in 1956. United States engineers are now drafting specifications for equipment and materials. Almost $3 million was provided for this project through fiscal year 1957, and additional United States contributions are expected to be required.

I do not urge the termination of any of these projects. They will develop resources in these areas which doubtless will raise the living standards of the people of these areas, and the completion of the projects will demonstrate to the people that the Free World does not have to surrender to the Soviets in order to make economic progress, but certainly it follows that we must not neglect our own economic resources. The waters of the Upper Colorado River Basin have been wasting for years into the Lower Basin and eventually into the sea. The area through which these waters flow in Wyoming, Utah, Colorado, and New Mexico is rich in natural resources, the development of which we need if we are to prove to the world that the free people of the United States can lead all mankind to a demonstration that free government is better than dictatorship.

I hope that the Bureau of the Budget will not make the mistake of submitting an

adverse recommendation to the President on the authorized Upper Colorado River storage project.

Sincerely yours,

JOSEPH C. O'MAHONEY.

NOVEMBER 25, 1957.

The Honorable PERCIVAL F. BRUNDAGE,
Director, Bureau of the Budget,
Executive Office Building,
Washington, D. C.

DEAR MR. BRUNDAGE: Supplementing my letter of November 23 with respect to the Upper Colorado River storage project, I am enclosing herewith photostatic copies of the statement of appropriations available for obligation and expenditure for the mutual securing program during fiscal year 1958.

These statements I received from the International Cooperation Administration.

Sincerely yours,

JOSEPH C. O'MAHONEY.

NOVEMBER 23, 1957.

Mr. ROBERT E. MERRIAM,
Assistant Director of the Budget,
Executive Office Building,
Washington, D. C.

DEAR MR. MERRIAM: You were very courteous and helpful on October 28 in conducting the conference with the governors of the Upper Colorado River Basin States and their representatives, which you were good enough to arrange at my request. As I told you at the time, I intended to file a written statement. The preparation of this has been delayed by an attack of the flu, but it has at last been completed and here it is.

I have addressed the original to the Director believing that protocol would require that, but I know that you have the problem clearly in mind and I hope that even in these hectic days you will have the opportunity to give your personal attention to my letter.

Sincerely yours,

JOSEPH C. O'MAHONEY.

BRUNDAGE LETTER SENT TO GOVERNORS

NOVEMBER 25, 1957.

The Honorable GEORGE DEWEY CLYDE,
Governor of Utah,
Salt Lake City, Utah.

DEAR GOVERNOR CLYDE: For your information I am enclosing copy of a letter I have addressed to the Director of the Bureau of the Budget in support of appropriations for the Upper Colorado River storage project. Recent developments brought about by Soviet earth satellites and intercontinental ballistic missiles has set the Bureau looking for places in which to cut expenditures. Only Glen Canyon, at this writing, seems to be safe. Flaming Gorge may survive, but Navaho and all participating projects at this writing seem not to have the support of the Bureau.

Construction work on the Trinity project in California seems to be under consideration but there is, I understand, a disagreement with respect to the powerplant.

Sincerely yours,

JOSEPH C. O'MAHONEY.

(Identical letter sent to other Basin States governors.)

GOVERNORS WARNED OF SLOWDOWN

DECEMBER 17, 1957.

Hon. MILWARD SIMPSON,
Governor, State of Wyoming,
Cheyenne, Wyo.:

Hon. GEORGE D. CLYDE,
Governor of Utah,
Salt Lake City, Utah:

Hon. STEPHEN L. R. MCNICHOLS,
Governor of Colorado,
Denver, Colo.:

Hon. EDWIN L. MECHEM,
Governor of New Mexico,
Santa Fe, N. Mex.:

Latest information here has it that both Flaming Gorge and Navaho will not be included in budget for 1959. I am authoritatively advised Bureau of Budget has asked Reclamation Bureau not to advertise beginning contract for Flaming Gorge which was definitely announced several times during appropriation hearings this year by Commissioner Dexheimer. The policy seems to be to allow no new starts and even though initiation of Flaming Gorge was clearly planned it is being ruled out because contract would carry over into new fiscal year. On other hand contracts for one dam and one tunnel for Trinity Project, a recently authorized California project for which $85 million have been committed by contracts will be allowed to proceed and funds will be provided in 1959 budget. Rule against new starts will exclude Seedskadee, Lyman, and La Barge. The situation is particularly critical since it now appears that the budget estimate for construction in 1959 by Bureau of Reclamation will amount to approximately $150 million, an increase of $7 million over the funds available for 1958. Final action on budget will not take place until after President's return from Paris. It is imperative that Upper Basin States take vigorous stand now. Adverse budget action will be serious handicap in Congressional flight since administration plans adding $2 billion for missile program but will strive to balance budget by cutting domestic programs. I believe there is no justification for this attitude. More than enough to furnish Flaming Gorge and other Upper Basin projects can be saved from huge expenditures for outmoded military items which Comptroller Campbell has reported are in excess of ability of foreign nations to use. International Cooperation Administration as of September 30, 1957, had available unexpended funds for military and nonmilitary aid to foreign nations amounting to $7,989 million. I stand ready to cooperate in every way.

JOSEPH C. O'MAHONEY.

ADVOCATES BUDGET BUREAU POLICY REVERSAL

FEBRUARY 12, 1958.

Dr. RAYMOND J. SAULNIER,
Chairman, Council of Economic Advisers,
Executive Office Building,
Washington, D. C.:

Mindful of our colloquy when you were testifying before the Joint Economic Committee on January 27, I now make the suggestion that, since President Eisenhower, after conference with you, the Council of Economic Advisers, and other top economic officials from Government agencies, has reversed the administration view of the gravity of the recession, it may now be possible to reverse the policy of the Bureau of the Budget which has resulted in a decision not to award a contract on Flaming Gorge for which funds appropriated last year are now available. Four days ago, in pursuance of the Budget Bureau policy, Secretary of the Interior Fred A. Seaton announced that the Bureau of Reclamation had eliminated the construction of 30 of the 80 housing units at Flaming Gorge for which a contract had already been made. This elimination was due to the failure of the Bureau of Reclamation, under budget orders, to ask for bids for initial construction on the dam, although the funds were available and Congress had been assured that the contract would be let. This cutback of the authorized program for the development of the conservation project in the Upper Colorado River Basin was formally announced by the Bureau of Reclamation on January 15. Now that a broad program of public works is being announced to stop the recession, I confidently hope that immediate steps will be taken to proceed with Flaming Gorge. No action by Congress is necessary for the resumption of the program on this public work. It requires only action by the Executive.

JOSEPH C. O'MAHONEY,
United States Senator.

LETTER TO SEATON ASKS BIDS BE CALLED

FEBRUARY 12, 1958.

The Honorable FRED A. SEATON,
Secretary of the Interior,
Department of the Interior,
Washington, D. C.

DEAR FRED: On receiving word of the President's announcement of a $2 billion public works program to stop the recession, I wired Chairman Saulnier of the President's Council of Economic Advisers expressing the hope that the authorized call for bids on Flaming Gorge may be immediately made.

The Director of the Bureau of the Budget, the Council of Economic Advisers, the Secretary of the Treasury, and Chairman Martin of the Federal Reserve Board in their testimony given last week before the Joint Economic Committee all adhered to the budgetary program devised in November and December last and presented to Congress in January. Today's announcement reverses all that, and since the appropriation has already been made for the development of the Upper Colorado River project there is every reason to hope that the cut-backs in the Upper Colorado River project ordered at that time will now be canceled. The development of natural resources, including the construction of reservoirs to store volumes of water now being wasted, will not only stimulate the economy of the areas affected but will result in the production of revenue for the Government.

When the Senate Committee on Interior and Insular Affairs met on January 23, I reviewed this whole matter and announced that I would ask the Committee formally to condemn the policy of the Bureau of the Budget. The President has done that more effectively than I could have done it by announcing the $2 billion project.

I am enclosing for your information a copy of my wire to Mr. Saulnier.

Sincerely yours,

JOSEPH C. O'MAHONEY.

WYOMING GOVERNOR WIRES PRESIDENT

CHEYENNE, WYO., *February 12, 1958.*

Hon. JOSEPH C. O'MAHONEY,
United States Senator,
Senate Office Building,
Washington, D. C.:

Reurtel I am in complete accord with your logic concerning cancellation of proposed cutback of Upper Colorado River project. This was intended as a vast public works project and at present recession gives it added importance. I could not resist your same conclusion after hearing President's statement today. Have just wired the President and traced Secretary Seaton with copy wire as follows: "Your proposal today to renovate and rebuild post office plants necessitates new legislation. Permit me to observe that the Colorado River Basin project was originally visualized, was intended to be, and is the greatest public works ever undertaken. Last year's appropriation for Bureau of Reclamation makes money available for immediate action to proceed with public works in Upper Colorado Basin. In light of this rather severe recession and the urgency of sound public works to combat it I earnestly implore you and Secretary Seaton to cancel proposed cutback of the Upper Colorado River project already authorized.

"I further urge restoration of the Navaho project in New Mexico. No legislation needed to restore the $1½ million taken from Navaho and transferred to Flaming Gorge. Bids for construction for Flaming Gorge would constitute a beneficient and salutary short in the arm from sagging economic plight in this entire Western area. I respectfully call your attention to the constant and unremitting support given you and the Secretary of the Interior and all Government agencies involved in this project from beginning. Here is presented the logical and ready vehicle for application of your

sound philosophy of offsetting any temporary economic sag during your great era of unprecedented prosperity. Immediate undertaking of Flaming Gorge and other participating projects will materially bolster morale and economy of entire West. Am sure my fervent plea stems with your sponsorship of this vast program and your former utterances regarding it."

MILWARD L. SIMPSON,
Governor of Wyoming.

FEBRUARY 13, 1958.

Hon. MILWARD L. SIMPSON,
Governor of Wyoming,
Cheyenne, Wyo.

DEAR MILWARD: Many thanks for your telegram of yesterday. I am delighted that you wired the President. If we do not lose persistence, we'll get this job done, and the Upper Colorado River project will be started and finished to the great advantage of our States.

Sincerely yours,
JOSEPH C. O'MAHONEY.

COLORADO GOVERNOR WIRES PRESIDENT

DENVER, COLO., *February 13, 1958.*

Senator JOSEPH O'MAHONEY,
Senate Office Building,
Washington, D. C.:

I have just sent the following telegram to the President in the interest of the Upper Basin States and have suggested that other Upper Basin governors follow suit:

"In the spirit of your proposal to launch a public-works program modernizing our post-office buildings as a measure to counteract the current increase in unemployment, and the general economic recession, I respectfully urge that you take action to reinstitute full-scale, full-speed development of Upper Colorado River projects already authorized. I further urge restoration of the Navaho project in New Mexico. These are public works not only basic to the development of the West and the future security of the Nation but also extremely important to the present economic stability of the whole western area. They are projects which pay for themselves, produce wealth, create new sources of tax money and which will immediately stimulate the economy. In contrast to the post-office-modernization program which will require new legislation, last year's appropriation for the Bureau of Reclamation makes money available for immediate action on the Flaming Gorge Dam and Glen Canyon storage project and no legislation is needed to restore the money for the Navaho project. The reinstatement and acceleration of these reclamation projects will greatly bolster the morale and the economy of our entire western area at this crucial time.

STEVE MCNICHOLS,
Governor of Colorado.

DR. SAULNIER REPLIES

WASHINGTON, *February 18, 1958.*

The Honorable JOSEPH C. O'MAHONEY,
United States Senator,
Washington, D. C.

DEAR SENATOR O'MAHONEY: I too remember our exchange of views on Federal programs for the development of water resources.

My information about the specific project advocated in your telegram of February 12 is far from complete, but you can be assured that, spurred by your inquiry, I will learn more about it.

Sincerely yours,
RAYMOND J. SAULNIER,
The Chairman of the
Council of Economic Advisers.

WASHINGTON, *February 26, 1958.*

The Honorable JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: With further reference to your telegram of February 12, 1958, regarding the Flaming Gorge project, I understand that the first major construction contract for this unit is scheduled to be awarded shortly. It will cover the diversion tunnel; a contract for the main dam will be awarded later.

The Bureau of Reclamation's schedules call for completion of Flaming Gorge in the fiscal year 1965, 1 year before the scheduled completion of the Glen Canyon unit, the other major unit of the Colorado River storage project now under construction. It is my understanding that since these two units are closely associated and the powerplants will be interconnected, Flaming Gorge could not be fully effective until Glen Canyon is in operation. I would judge, therefore, that the present construction schedule will permit an orderly rate of progress on the project as a whole.

Respectfully,
RAYMOND J. SAULNIER,
The Chairman of the
Council of Economic Advisers.

UNDER SECRETARY ACKNOWLEDGES LETTER

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., March 4, 1958.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: We appreciate having your views, expressed in your letter of February 12, concerning the development of the Colorado River storage project.

Should there be any change in the budgetary situation for fiscal year 1959, the Department is prepared to make the necessary adjustments.

Sincerely yours,
HATFIELD CHILSON,
Under Secretary of the Interior.

LETTER STRESSES NEED FOR IMMEDIATE START ON DAM

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
March 5, 1958.

Mr. HATFIELD CHILSON,
Under Secretary of the Interior, Department of the Interior, Washington, D. C.

DEAR MR. UNDER SECRETARY: I am most grateful for your letter of March 4 acknowledging my letter of February 12 addressed to Secretary Seaton concerning the immediate development of the Colorado River storage project. You seem to be under the impression that I was writing Secretary Seaton about "the budgetary situation for fiscal year 1959." I was not. I was writing about the budgetary situation for fiscal year 1958.

The Department of the Interior, following a suggestion of the Bureau of the Budget when it was the plan of the administration to cut back domestic appropriations, including appropriations for public works, in order to compensate for increased military spending, stopped the progress of the work on the Flaming Gorge and Navaho units of the Upper Colorado River storage basin. A lump sum appropriation had been made by Congress at the request of the Bureau of the Budget and the Bureau of Reclamation to proceed with this great public works program affecting four Western States. This included not only the construction of access roads to the Flaming Gorge site, but it included also a call for bids for the initiation of construction on the Flaming Gorge Dam.

Since that time, it has been evident that the recession was worse than had been anticipated and the President called for a public works program on the rehabilitation and reequipment of post office buildings. In my letter of February 12, I pointed out that this program would be dependent upon Congressional action but that the Interior Department already had the money appropriated for fiscal year 1958 to proceed as originally planned with Flaming Gorge and Navaho. The call for bids for beginning the construction of the Flaming Gorge Dam can be made now without regard to the 1959 budget.

I am confident from what the President said at his press conference this morning, that work will be resumed on Flaming Gorge and Navaho during fiscal 1959, but the longer the Department of the Interior delays in initiating the work already authorized and provided for by appropriations, the greater will be the ultimate cost to the public.

Sincerely yours,
JOSEPH C. O'MAHONEY.

LETTER TO SAULNIER CALLS FOR EXECUTIVE ACTION

MARCH 6, 1958.

Dr. RAYMOND J. SAULNIER,
Chairman, Council of Economic Advisers, Executive Office Building,
Washington, D. C.

DEAR DR. SAULNIER: Illness which has detained me from my office for the past 10 days has prevented an earlier acknowledgment of your letter of February 26. I very much appreciate the helpful information you have provided me. I can't help but remark that it is much more responsive than that of Under Secretary Chilson, of the Department of the Interior, who wrote me under date of March 4 in response to my letter of February 12 to Secretary Seaton on the same subject. Copies of my letter to Secretary Seaton, of Mr. Chilson's response, and of my acknowledgment of the latter's letter are herewith enclosed.

The misunderstanding with respect to the treatment of the Colorado River storage project, so evident in H. R. 10881, which was passed by the House on February 26 and which will be acted upon in the Senate next Monday, could easily have been avoided by the frankness which has characterized your response to my letter. My feeling is that appropriations already made for fiscal year 1958 should be put to work without delay rather than delaying until the next fiscal year begins on July 1. The initiation of work, which, having been stopped unnecessarily a few months ago, can now be reinstated by the executive branch of the Government without any action at all by the Congress.

Sincerely yours,
JOSEPH C. O'MAHONEY.

Mr. KNOWLAND. Mr. President, I have discussed with the Senator from Arizona, the chairman of the Committee on Appropriations, and also with the ranking minority member of that committee, as well as with the majority leader, the amendment which I have prepared and now offer on behalf of myself and my colleague [Mr. KUCHEL]. It is in conformity with Senate bill 3262, dealing with the Eighth Olympic Games, which are to be held in California. The bill was unanimously passed by the Senate on the last call of the calendar.

I ask unanimous consent to have printed in the RECORD a budget estimate by the President of the United States, covering this item; and I also ask unanimous consent to have printed at this point in the RECORD an excerpt from the CONGRESSIONAL RECORD of March 6, 1958, showing how the bill was passed by unanimous consent by the Senate.

There being no objection, the estimate and excerpt were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 7, 1958

The PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of the Congress

a proposed supplemental appropriation for the fiscal year 1958, in the amount of $3,500,000, for the Department of Defense.

The details of this proposed supplemental, the necessity therefor, and the reason for its submission at this time are set forth in the attached letter from the Acting Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 6, 1958.

The PRESIDENT,
The White House

SIR: I have the honor to submit herewith a proposed supplemental appropriation for the fiscal year 1958, in the amount of $3,500,000, for the Department of Defense, as follows:

"DEPARTMENT OF DEFENSE

"Interservice Activities

"Olympic Games

"For construction of a sports arena suitable for the 1960 Olympic Winter Games as authorized by the act of , Public Law 85– , $3,500,000, to remain available until expended."

This appropriation is necessary for the construction of a sports arena suitable for the conducting of sports and appropriate ceremonies in connection with the VIII Olympic Winter Games. Because of the remote location of the site and relatively short construction season, a construction contract should be let by April 1, 1958.

I recommend that the foregoing proposed supplemental appropriation be transmitted to the Congress.

Respectfully yours,

MAURICE H. STANS,
Acting Director of the Bureau of the Budget.

ACTIVITIES BY THE ARMED SERVICES IN VIII OLYMPIC WINTER GAMES

The Senate proceeded to consider the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes, which had been reported from the Committee on Armed Services with amendments on page 2, line 18, after the word "Defense", to strike out "shall provide" and insert "is authorized to advance"; in line 17, after the word "funds", to strike out "sufficient"; in line 21, after the word "Games", to insert "Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States."; on page 3, line 1, after the word "audit" to insert "and control"; after line 2, to insert:

"SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena."

And, after 3, to insert:

"SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act."

So as to make the bill read:

"Be it enacted, etc., That, (a) notwithstanding any other provision of law, the Secretary of a military department may, with respect to the VIII Olympic Winter Games—

"(1) permit personnel of the Armed Forces under his jurisdiction to prepare courses, fields, and rinks, maintain avalanche control, and provide communications;

"(2) lend necessary equipment; and

"(3) provide such other support as he considers appropriate.

"(b) The Secretary of the military department concerned may spend such funds for the purposes of this section as Congress may specifically appropriate for those purposes. He may acquire and utilize such supplies, material, and equipment as he determines to be necessary to provide the support authorized by this section.

"(c) The authority provided to the Secretaries of the military departments by this section is permissive and not mandatory.

"SEC. 2. Out of moneys appropriated by Congress for the specific purpose, the Secretary of Defense is authorized to advance to the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, Calif., U. S. A., 1960, Inc., a nonprofit corporation of the State of California, at its request, funds to construct, on land of the United States in Squaw Valley, Placer County, Calif., a sports arena suitable for the conduct of sports and appropriate ceremonies in connection with the VIII Olympic Winter Games. Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States. The expenditure of such funds by the committee is subject to such audit and control as the Comptroller General of the United States may prescribe.

"SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

"SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SALTONSTALL. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from California yield to the Senator from Massachusetts?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I shall be glad to wait until the Senator from Arizona speaks, if he desires to make a statement at this time.

Mr. HAYDEN. Mr. President, inasmuch as the appropriation was previously authorized, and inasmuch as there has been a budget estimate for it, I have no objection to the amendment.

Mr. SALTONSTALL. Mr. President, as the Senator who reported the bill from the Armed Services Committee, let me say that I hope the amendment will be adopted. It simply will carry out the purpose of the bill, which is to have the Federal Government build on Forestry Service land a stadium for the Eighth Winter Olympic Games.

The bill contains a provision that when the games are over the charge made to California by the Federal Government shall be adjusted so as to include the value of the stadium built for the purpose of the games. In the Armed Services Committee, we looked into the matter very carefully.

Personally, I hope the Federal Government will be properly paid—and I am sure it will—by the State of California for the increased value over the life of the stadium, which is estimated to be between 20 and 30 years.

Mr. LAUSCHE. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. LAUSCHE. When the project was originally instituted, was it not contemplated that the State of California alone would finance the development of the grounds and the construction of the buildings?

Mr. KNOWLAND. I do not believe it was contemplated that California would assume all the obligations in that connection. California already has appropriated approximately $8 million for the games. In addition, there has been a substantial additional cost for construction of the highways necessary for this purpose.

Mr. LAUSCHE. Recently I read an article, which I am trying to locate, which pointed out that some entrepreneur in California conceived the idea of having the games held in California, on the assumption that the cost would be small. After the decision was made to have the games held in California, it was found that the costs had risen and risen, and now they have reached an astronomical sum, as compared with what the cost originally was supposed to be.

Mr. KNOWLAND. As the Senator from Ohio knows, the Olympic Games are international in character. The United States Government and the United States Congress joined in extending the invitations to the eighth Winter Olympic Games. The State of California, through its Governor, has appointed a commission to cooperate in the holding of the games, which have the approval of the State Department and the approval of the Department of Defense, and have had the recommendation and approval of the President of the United States and the Director of the Bureau of the Budget.

I think the general situation will be beneficial both to the United States and to the international contests which will be held there.

Mr. LAUSCHE. Do any records which have been filed contain evidence on this subject? I am quite sure no evidence was taken in the Appropriations Committee. Was evidence taken by the committee of which the Senator from Massachusetts is a member?

Mr. SALTONSTALL. Mr. President, will the Senator from California yield again to me?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. Evidence was taken by the Armed Services Committee. I do not remember that any evidence was taken on the question of the cost under the bill as originally introduced. But this land belongs to the United States, and is under the jurisdiction of the Forest Service. California now has the use of the land, under very easy terms from the Federal Government.

After the Federal Government has contributed funds, after California has contributed funds, and after the games

have been held, the land will become a very much-improved recreational area.

I hope the Governor of California and the Secretary of Agriculture will work out arrangements so that ultimately the Federal Government will receive, by means of increased payments from the State of California, a substantial portion of the money the Federal Government contributes. From a recreational point of view, the improvements will be very attractive to tourists, and will be of great benefit to all who may visit that sun-swept State.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report from the Armed Services Committee listing the purpose and the background of the Eighth Winter Olympic Games to be held in California.

There being no objection, the report (No. 1342) was ordered to be printed in the RECORD, as follows:

The Committee on Armed Services, to whom was referred the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic winter games, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

AMENDMENTS TO THE BILL

The amendments are as follows:

On page 2, line 13, strike out the words "shall provide" and insert in lieu thereof "is authorized to advance."

On page 2, line 17, strike out the word "sufficient."

On page 2, immediately after the period on line 20, insert the following: "Funds so advanced by the Secretary of Defense shall not exceed estimated requirements for expenditures for the ensuing 2-month period from the date of the request. As completed, the arena becomes the property of the United States."

On page 2, line 21, after the word "audit" insert the words "and control."

At the end of the bill add the following new sections:

"SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupancy thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

"SEC. 4. There is authorized to be appropriated not to exceed $500,000 to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act."

EXPLANATION OF THE AMENDMENTS

The amendments adopt suggestions contained in a report on the bill from the General Accounting Office and provide for a return to the Federal Government on its investment in the sports arena from the use of this arena after the Olympic winter games.

PURPOSE

The purposes of this bill are (1) to authorize the Department of Defense to support the VIII Olympic Winter Games to be held in California in February 1960 with personnel and equipment, and (2) to authorize a Federal grant for the construction of a sports arena for use in connection with these games.

BACKGROUND

The VIII Olympic Winter Games are scheduled to be held in Squaw Valley, Placer County, Calif., in February 1960. The decision to hold the games at this location was made by the International Olympic Committee in response to an invitation from the United States Olympic Association. By Public Law 69, 84th Congress, the United States Government joined in this invitation and urged the International Olympic Committee to hold the games here.

The State of California will bear most of the expenses of preparing for the games. The State has appropriated $7,990,000 directly for this purpose, of which $2,990,000 was appropriated to make the Olympic site a permanent State park. In addition, the State of California is spending $43 million to widen the major highways that lead to Squaw Valley to 4 lanes. The State of Nevada has appropriated $200,000 for the staging of the games and may provide additional support. The President's budget message of January 1958 recommended that $4 million in Federal funds be appropriated by Congress for assistance in constructing the Olympic facilities and to defray the cost of participation of elements of the United States Armed Forces in the staging of the games. This bill would authorize the expenditures referred to in the budget message.

The competitors in the games will come from approximately 37 countries. As host for this event the United States has the opportunity to promote international understanding and to give the visitors a favorable impression of this country.

USE OF ARMED FORCES PERSONNEL AND EQUIPMENT

The committee has been assured that the use of Armed Forces personnel and equipment in the staging of the games is only for specialized services that are uniquely within the competence of the Department of Defense. The Army will furnish ski troops and equipment used in avalanche control. The Navy will provide snow-compaction services. It is not intended that Armed Forces personnel will be used for the construction of facilities or as a replacement for services available from civilian sources. It is estimated that about 160 members of the Army and a lesser number of Navy personnel will be used.

SPORTS ARENA

The sports arena to be built under the provisions of section 2 would be located on national-forest land and would be subject to the jurisdiction and authority of the Secretary of Agriculture. The sports arena would remain Federal property.

The State of California has been granted a 30-year permit to use the land on which the arena is to be constructed as part of a State park. It is the intent of the committee that the permit issued by the Forest Service will provide for the payment by the permittee after the VIII Olympic Winter Games are over of a fee that fairly reflects the value of the use of the arena. This provision of the bill should result in some return to the Federal Government on its investment. The General Accounting Office will be enabled to review the adequacy of the rentals.

COST DATA

The authorization for the use of Armed Forces personnel and equipment is limited to $500,000 and the authorization for the construction of the sports arena is limited to $3,500,000.

DEPARTMENTAL RECOMMENDATIONS

Printed below and hereby made a part of this report are letters from the Deputy Secretary of Defense dated February 10, 1958, from the Comptroller General dated February 20, 1958, from the Assistant Secretary of State dated February 14, 1958, and from the Acting Secretary of Agriculture dated February 27, 1958. These letters indicate that enactment of this measure would be in accord with the program of the President. Suggestions contained in the letter from the Comptroller General have been adopted.

THE SECRETARY OF DEFENSE,
Washington, February 10, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There is enclosed a draft of proposed legislation to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes.

This proposal is part of the Department of Defense legislative program for 1958 and it has been approved by the Bureau of the Budget. It is recommended that the proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation is designed to enable the Department of Defense to support the conduct of the VIII Olympic Winter Games, to be held at Squaw Valley, Calif., during February 1960. Because of the difficulties peculiar to staging winter games in such mountainous areas, military support is required.

By the joint resolution of June 13, 1955, chapter 138 (69 Stat. 131), the Congress invited the International Olympic Committee to hold the VIII Olympic Winter Games in Squaw Valley. This invitation was accepted and the United States has the responsibility of acting as host nation at those games.

Section 1 authorizes the Department of Defense to assist the VIII Olympic Winter Games Organizing Committee by providing personnel, equipment, and supplies for the preparation of courses, fields, and rinks; avalanche control; communications; transportation (through the use of special vehicles designed to operate in heavy snow); and snow compaction; and for the loan of communications equipment and housekeeping supplies.

To provide this support, it will be necessary to move military personnel and equipment to Squaw Valley and establish an Arctic-tent camp for quartering, feeding, and administering this group separate from their parent installations. It is estimated that 160 Army personnel and a smaller number of Navy personnel will be required.

For a number of years, the Armed Forces have been engaged in research and training for operations in mountain and cold-weather conditions and are capable of providing the required assistance with a minimum of orientation and training. In addition, some training benefits will be derived in providing this support.

So far as they relate to military support and participation, preparation for the VIII Olympic Winter Games, actual conduct of the games, and the closing out of facilities will cover a period of approximately 60 days.

Section 2 authorizes the organizing committee of the VIII Olympic Winter Games to construct a suitable sports arena on Government land in Squaw Valley for use in connection with the VIII Olympic Winter Games and requires the Secretary of Defense to provide funds therefor out of moneys appropriated by Congress for the specific purpose. As a permanent memorial of those games, this arena would be available for sports on a continuing basis. The United States has leased the area to the State of California, which will operate it as a State park consistent with the policy of Federal-State use of public land for recreational purposes.

This legislation, relating as it does to only special kinds of support, is intended to be in addition to, and independent of, any provision of existing permanent law respecting the training, attendance, or participation of athletes in the Olympic games or other international competitions generally.

COST AND BUDGET DATA

Enactment of this proposed legislation will result in an aggregate increased cost to the Department of Defense of not in excess of $4 million during fiscal year 1958 through

fiscal year 1960. It is anticipated that $3.5 million of this amount will be necessary for the construction of the sports arena authorized by section 2, and that the $3.5 million probably will be a supplemental request for fiscal year 1958. The remaining one-half million dollars will be necessary for the support functions authorized by section 1 of the proposed legislation and probably will be requested for fiscal year 1960.

Sincerely yours,

DONALD A. QUARLES,
Deputy.

A bill to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes

Be it enacted, etc., That (a) notwithstanding any other provision of law, the Secretary of a military department say, with respect to the VIII Olympic Winter Games—

(1) permit personnel of the Armed Forces under his jurisdiction to prepare courses, fields, and rinks, maintain avalanche control, and provide communications;

(2) lend necessary equipment; and

(3) provide such other support as he considers appropriate.

(b) The Secretary of the military department concerned may spend such funds for the purposes of this section as Congress may specifically appropriate for those purposes. He may acquire and utilize such supplies, materiel, and equipment as he determines to be necessary to provide the support authorized by this section.

(c) The authority provided to the Secretaries of the military departments by this section is permissive and not mandatory.

SEC. 2. Out of moneys appropriated by Congress for the specific purpose, the Secretary of Defense shall provide to the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, Calif., U. S. A. 1960, Inc., a nonprofit corporation of the State of California, at its request, funds sufficient to construct, on land of the United States in Squaw Valley, Placer County, Calif., a sports arena suitable for the conduct of sports and appropriate ceremonies in connection with the VIII Olympic Winter Games. The expenditure of such funds by the committee is subject to such audit as the Comptroller General of the United States may prescribe.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D. C., February 20, 1958.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: Further reference is made to your letter of February 11, 1958, requesting a report on S. 3262. The bill would authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games and authorize the Secretary of Defense to provide funds to the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, Calif., U. S. A. 1960, Inc., at its request, to construct a sports arena.

Whether public funds should be made available to a private organization for expenditure such as is contemplated by section 2 of S. 3262, is a matter of policy peculiarly within the province of the Congress to decide. As a general rule we do not favor the enactment of this type of legislation, since private organizations (such as the organizing committee) are not subject to the usual regulatory and prohibitory statutes governing the expenditure of public funds as in the case of Government agencies. However, in view of the unusual circumstances present here we have no objection to the instant bill although we do feel that it might be modified and clarified to some extent.

We would like to point out that neither section 1 nor section 2 of the bill contain a dollar limitation on the appropriation authorization or a time limitation on the availability of the funds. Also, as section 1 is now worded it appears that all costs incurred by the military departments in providing personnel and equipment of the Armed Forces for the support of the games, including the pay and allowances, subsistence, and travel of such personnel, and the cost of transporting the equipment to and from Squaw Valley, would have to be paid from the funds specifically appropriated for the purposes of section 1, and regular Department of Defense appropriations would not be available to pay such costs. However, we understand that it is estimated that 160 Army personnel and a smaller number of Navy personnel together with communications equipment, housekeeping supplies, and other equipment, will be provided by the Armed Forces under the authority of section 1 and that it is anticipated that $500,000 will be necessary for the functions authorized by this section. It may be that $500,000 would not be sufficient for the purposes of section 1 if the above specifically enumerated costs are to be paid therefrom, and that the Department of Defense contemplates paying such costs from its regular appropriations. If the Congress intends that the Department do this, it appears that section 1 should be modified to specifically so provide.

Concerning section 2, while it appears that under this section the Secretary of Defense may advance funds to the committee, instead of reimbursing it, the section does not specifically so provide. In view of section 3648, Revised Statutes, prohibiting advance payments, we feel that if it is the intent of the Congress that the funds be advanced to the committee such authority should be clearly spelled out. Also, while section 2 limits the total amount of funds the Secretary of Defense shall provide the committee to an amount sufficient to construct (i. e., the actual cost of construction), the sports arena, it does not limit the amount which may be advanced (if such is intended) at any time. It may be that consideration should be given to limiting the funds which may be advanced to the committee at any one time under section 2 to an amount sufficient to pay the progress or other payments on the arena construction falling due within the 2-month period immediately following the date of the advance.

Further, section 2 is silent as to who shall have title to the sports arena and as to its disposition after the games are over. We assume that title will vest in the United States since the arena will be constructed on land owned by the United States. However, we understand that the area containing the land on which the arena will be built has been leased to the State of California and that the State will operate this area as a State park after the games. In order to dispel any doubts concerning the title to the arena, we feel that section 2 should specifically provide that title shall vest in the United States, if that is what is intended.

We would also like to point out that while under the audit language in section 2 the expenditure of the funds is subject to such audit as we may prescribe, since the organizing committee is not a Government organization our audit responsibility would be limited to determining whether the committee's accounts fully and fairly reflect its expenditures and whether the funds were spent for the purposes for which appropriated.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

DEPARTMENT OF STATE,
Washington, February 14, 1958.

Hon. RICHARD B. RUSSELL,
Chairman, Armed Services Committee, United States Senate.

DEAR SENATOR RUSSELL: I understand that the Armed Services Committee plans to consider at an early date S. 3262, authorizing certain activities by the Armed Forces in support of the VIII Olympic Winter Games.

The Department of State believes the holding of the VIII Olympic Winter Games in this country can make a significant contribution to our foreign policy objectives. It is of the utmost importance that the United States perform its function as host in an exemplary manner and we are pleased that the Department of Defense is prepared to participate as authorized in S. 3262.

The Department hopes that the Congress will act favorably on the legislation.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 27, 1958.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, United States Senate.

DEAR SENATOR RUSSELL: On February 11, 1958, you requested the recommendations of this Department with reference to S. 3262, a bill to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes.

This Department is familiar with and in sympathy with the purposes of the bill, and has no objection to its enactment.

Section 1 of S. 3262 would provide that a Secretary of a military department, with respect to the VIII Olympic Winter Games may: (1) permit personnel of the Armed Forces to prepare facilities, maintain avalanche control, and provide communication; (2) loan equipment; and (3) provide other appropriate support. For those purposes the Secretary of a military department may spend such funds as Congress may specifically appropriate. He may acquire and utilize such supplies, material, and equipment as he determines to be necessary to provide the support authorized.

Section 2 of S. 3262 would direct the Secretary of Defense to provide sufficient funds to the organizing committee, VIII Olympic Winter Games, Squaw Valley, Calif., U. S. A., 1960, Inc., to construct a sports arena suitable for the conduct of sports and ceremonies in connection with the VIII Olympic Winter Games. The funds would be provided out of moneys appropriated by Congress for the specific purpose and the Secretary of Defense would provide such funds upon request of the organizing committee. The bill provides for the arena to be built on land of the United States in Squaw Valley, Calif. The expenditure of such funds by the committee would be subject to such audit as the Comptroller General of the United States may prescribe.

The site of the VIII Olympic Winter Games in Squaw Valley is within the boundaries of the Tahoe National Forest and the sports arena would be on national-forest land. Accordingly, the Forest Service in this Department has been, for nearly 2 years, actively engaged in working with the California Olympic Commission of the State of California in developing plans for staging the winter games in Squaw Valley. The Forest Service has issued a 30-year permit to the commission authorizing it to use national-forest land, including the sports-arena site, under prescribed conditions in staging the Winter Olympic Games and establishing a public recreation area. The organizing committee named in section 2 of S. 3262 is under the auspices of the California Olympic Commission.

In order to avoid possible confusion and duplication of effort it is expected that the Armed Forces, in their activities under section 1 of the bill, will be governed on national-forest land by the terms of the Forest Service permit and plans jointly developed by the commission and the Forest Service. For example, the permit requires the commission to prepare and put into effect a

snow-safety plan for the protection of contestants and the general public. The Forest Service has collaborated in the preparation of this plan which involves shooting down potential avalanches with artillery or hand-placed explosives.

Plans for the sports arena to be constructed on national-forest land have been approved by the Forest Service. Since the arena is to be built on federally owned lands and since S. 3262 would authorize the use of Federal funds in its construction for use in the games, we understand that the arena would remain Federal property. Since it would be a permanent improvement on national-forest land it would be under the jurisdiction of this Department. Although the present permit issued by the Forest Service does not specifically cover the use of a Government-owned sports arena, there would be no obstacle to amending the permit to provide therefor. The permit provides that use of the area will be reviewed in 1962, which will be after close of the games, with a view to adjusting the fees to conform with fee schedules then in effect.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. LAUSCHE. Mr. President, do I correctly understand that the amendment does not now contain any provision requiring the State of California within the next 25 or 30 years, through appropriate arrangements, to reimburse the Federal Government?

Mr. SALTONSTALL. The answer is "Yes." The bill as originally introduced made no provision for a redrafting of the terms of the concession to the State of California. The bill as originally introduced and referred to the Committee on Armed Services did not contain a provision for a reexamination of the concession after the Olympic games were over—in April 1960, I believe. The committee voted to include this provision, having in mind what the Senator has said, namely, that the concession would have an increased value because of the construction of the $3,500,000 stadium, and therefore the Federal Government should get an increased concession from the State of California for this area, which of course will be more useful for tourists, for recreational purposes, and for the holding of other games.

As I understand, the stadium will be built in the form of an ordinary stadium, so that other games can be played there. In addition, cultural events, concerts, and so forth, will, I assume, be held there.

Mr. LAUSCHE. Where are the provisions just described by the Senator from Massachusetts written?

In addition, I should like to ask the Senator from California whether he understands that ultimately there is to be a recoupment of the $3,500,000.

Mr. SALTONSTALL. Mr. President, this matter is covered by a new section 3 and a new section 4, which were voted by the Armed Services Committee to be included in the bill. I now read them from Senate bill 3262, as passed on March 6, 1958, by the Senate:

SEC. 3. On or before April 1, 1960, any lease by the United States of the property on which the arena authorized by section 2 is located shall be reviewed and lease occupant thereafter shall include a fair and appropriate rental reflecting the added value and utility represented by the arena.

SEC. 4. There is authorized to be appropriated not to exceed $500,000—

That is for the Army, for the persons the Army has assigned—

to carry out the purposes of section 1 and not to exceed $3,500,000 to carry out the purposes of section 2 of this act.

That is to build the arena.

Those sections were voted by the Armed Services Committee to added to the bill, as originally introduced.

Mr. KNOWLAND. Those sections were not included in the bill as it was originally introduced; they were voted by the committee to be included. They are entirely acceptable to California, and I understand their meaning to be as indicated by the Senator from Massachusetts.

Mr. LAUSCHE. Mr. President, I hope the Senator from California will understand the motive which prompts me to ask these questions. When the Pan American Stadium, to be built in Cleveland, was being considered a year ago, I objected to the expenditure of $5 million by the Federal Government. I felt that the local authorities who had started it should complete it. I at that time said I would not ask for my State anything that I would not be willing to have given to another State.

I believe we are entering upon dangerous ground if we start building facilities of this type within individual States unless we have assurance that the Federal Government will be eventually reimbursed for its investment.

Mr. KNOWLAND. Mr. President, if the Senator will yield, I merely wish to say I thoroughly understand his position. I was present when he took the position which he previously assumed. I think the record will show that the State of California and the State of Nevada have both provided substantial sums for the games, which are international in character. I think it is equally as important, if not more so, that games of this type, with their international implications, be as successfully conducted here as international trade fairs are in Moscow, Poznan, Brussels, or any place else. I think the amendments recommended by the Committee on Armed Services have improved the bill, and the terms are entirely satisfactory.

Mr. SALTONSTALL. Mr. President, if the Senator will yield, in order to make it absolutely clear, there is proposed an appropriation of $3,500,000. There will still have to be a later appropriation of $500,000, which will be assigned to the Army so it may furnish the necessary guards. I wanted to make that clear because I made a slight misstatement in my previous statement.

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a magazine article describing how one man had an idea to build a stadium at a low cost, how he began with no help, and how the cost finally rose to the point where at least a part of the responsibility, if in a secondary way, will be assumed by the Treasury of the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of February 22, 1958]

THE GREAT WINTER-OLYMPICS FIGHT

(By Melvin Durslag)

The committee arranging the solemn closing ceremony of the 1956 Winter Olympic Games at Cortina d'Ampezza, Italy, was beset suddenly with panic. Olympic tradition calls for the mayor of the host city for the next games to sit among the dignitaries on the rostrum. But no such official was on hand from Squaw Valley, Calif., the site of the 1960 Winter Olympics.

An excited Italian raced into the stands and tugged at the arm of John J. Garland, American member of the International Olympic Committee. "Come quickly," the Italian cried. Garland hurried to the rostrum and was pushed into the vacant chair. The ceremony proceeded and the 1956 winter games concluded, with no explanation being offered of why a stand-in was needed for the mayor of Squaw Valley.

Actually, it happens that Squaw Valley doesn't have a mayor. For that matter, it has no policemen, no post office, no gasoline station. It doesn't have much of anything except some strikingly scenic mountains, oceans of snow and gobs of troubles.

Through a dazzling display of salesmanship by one of Squaw Valley's thirty registered voters the 1960 Winter Olympics had been given to an area which doesn't appear on most maps. Indeed, except for a sprinkling of ardent ski enthusiasts who have discovered the pristine charm of Squaw Valley and tested its wondrous alpine slopes, there were few people even in California who had heard of it, let alone seen it.

Squaw Valley stretches only 3 miles long by a half mile wide. It is located in an obscure spot on the eastern side of the Sierras, adjacent to Lake Tahoe and 45 miles southwest of Reno, Nev. Squaw Valley is a place of quiet, simple beauty, but since the moment 3 years ago when it was picked by the International Olympic Committee as the scene of the 1960 winter games, it has been a whirlpool of strife and controversy.

The balloting had hardly concluded before a spokesman for Innsbruck, Austria, which finished second in the voting, hurled a charge of political connivance. A delegate from Saint-Moritz, Switzerland, which was also in the running, described the Squaw Valley bid as a cunning land-and-hotel scheme. Even Avery Brundage, of Chicago, the president of the International Olympic Committee, warned Squaw Valley that the wherewithal for staging the Olympics had better be forthcoming immediately, or he would recommend that its right to hold the games be forfeited.

Skiing and sledding groups joined the detractors. And to add to the complications, the principal landowner in the valley, some of whose property is needed for the games, refused to sell. A hot court battle is pending.

The bringing of the Winter Olympics—and all attendant troubles—to Squaw Valley was accomplished by a nimble-witted promoter named Alexander Cushing, who has been called "a Mike Todd in snowshoes." On December 28, 1954, Cushing, then 41, sat reading the morning paper in his mountain home in Squaw Valley. A dispatch from the East put his memory machinery into motion. The United States Olympic Committee, he read, was hearing bids in New York City from various winter-sports centers which were eager to become the American nominee as host for the 1960 Winter Olympics. The more Cushing thought about it, the more he was convinced that the games belonged in Squaw Valley.

His enthusiasm wasn't dampened by the fact that Squaw Valley's facilities consisted of (a) one ski lift, (b) two rope tows and (c) one small lodge. Nor did he worry that the nearest place for groceries, aspirin, and mail was seven miles away, at the village of Tahoe City. These were drawbacks, he felt, that could be easily surmounted.

More important in his view were the natural attributes of Squaw Valley, which he considered the finest in the world for winter sports. The flawless wind-free skiing and the clean, fresh air of the valley had enchanted Cushing at first sight, back in 1947.

A socially prominent New Yorker, a Harvard graduate—by way of Groton—and a prominent attorney, he chucked his career in law and brought his wife and three children to Squaw Valley in order to enter, of all things, the ski-resort business.

He obtained 574 acres of land from Wayne Poulsen, a Pan American World Airways pilot, and Martin Arrouge, ski-instructor husband of former actress Norma Shearer. Then Cushing built a lodge and ski lift with $400,000 he raised among his eastern friends. Laurance Rockefeller and John (Jock) McLean were among those who became major stockholders in 1948 in the newly formed Squaw Valley Development Co.

Now, in December of 1954, the problem at hand for Cushing, president of the development company, was how to realize his brainstorm of landing the 1960 Winter Olympics. "I didn't know the first thing about procedure on this sort of matter," he says, "so I phoned the United States Olympic Committee in New York. The man I talked to finally told me to prepare a presentation, not exceeding 45 minutes, which the committee would hear at 8 a. m. on January 10. You can see I had to work fast."

Cushing began by getting the backing of Gov. Goodwin Knight and the United States Senators from California, Thomas Kuchel and William Knowland. "None of them thought I had a chance," says Cushing, "but they naturally couldn't go on record saying they were against the Winter Olympics' coming to California. All gave me an endorsement."

The next step was to get a promise of financial backing from the California Legislature. For this project, he enlisted the help of State Senator Harold T. Johnson, of Placer County, in which Squaw Valley is located. Cushing extolled the endless benefits that Placer County would reap from a Winter Olympics. He assured the Senator that the cost would be nominal. Johnson introduced a bill in the State legislature that would appropriate $1,000,000 for the winter games—if Cushing should be able to bring them to California.

Thus armed, the one-man delegation from Squaw Valley was off for New York to make his pitch against such widely publicized contenders as Sun Valley, Idaho; Lake Placid, N. Y.; and Aspen, Colo. Other candidates included Reno, Nev., and Anchorage, Alaska.

Cushing is a tall, distinguished-looking man who appears completely at home in the sports jacket and slacks in which he is usually attired. He is a cool, imposing speaker. His words flow evenly, and they hit with the clear ring of fine crystal. In his presentation before the United States Olympic Committee, he talked eloquently of Squaw Valley's beauty and its magnificent slopes, which offer skiing with all exposures to the sun. Squaw Valley's unique layout, he continued, was such that spectators, all of whom would be quartered in surrounding areas, could commute for each day's events and empty out at night, leaving the valley free of constant congestion. Finally, he assured the committee that all resources needed for staging the games had been pledged by the State of California, whose hospitality had no peer.

Much to the shock of winter-sports authorities around the Nation, not to mention Cushing's rivals, Squaw Valley was chosen as the United States candidate. Snorted a delegate from Lake Placid, "If you ask me, the whole place"—Squaw Valley— "is a figment of Cushing's imagination."

The selection came as a surprise even to Cushing. "Up to then, I was going mostly on palaver," he says today. "I had won the first round, but the big problem was still ahead—how to sell Squaw Valley to the foreigners."

The final choice was to be made by the International Olympics Committee at a meeting in Paris in June. The Winter Olympics are traditionally a European proposition. Of the seven winter games staged in the past, six have been awarded to Europe and one to Lake Placid. Since 1936 European athletes have dominated the Winter Olympics. The honors at Cortina were divided largely among Russians, Austrians, Swiss, and Scandinavians. The United States won in only two divisions, the men's and women's figure skating.

Cushing felt that, although he could do nothing to improve the skill of our winter-sports athletes, he at least could arrange for them to lose on their own soil. He went back to Placer County. Victory, he assured officials there, was now within sight. They came up with $12,000. From the Southern California Committee for the Olympic Games he got $2,000 more, even though southern Californians aren't ordinarily in the habit of encouraging promotions in the northern part of the State. The remainder of a $50,000 war chest was donated by the Squaw Valley Development Co., whose stockholders were convinced by Cushing that opportunity at last was knocking to put Squaw Valley on the map.

Money matters now out of the way, Cushing departed for Europe to make his reconnaissance of the opposition. Other cities bidding for the 1960 winter games were Austria's Innsbruck, Switzerland's Saint-Moritz, and Garmisch-Partenkirchen in West Germany. Since previous Olympics had been awarded to Saint-Moritz and Garmisch, the overwhelming favorite this time was Innsbruck.

In Europe, Cushing met a veteran foreign correspondent for the Chicago Daily News, George Weller. The picture that Cushing painted of Squaw Valley was so intriguing and his arguments for bringing the games there so convincing that Weller was moved to volunteer his services—if his editor in Chicago was agreeable.

Returning to America, Cushing went directly to the offices of the Chicago Daily News. In no time at all, he persuaded executive editor Basil Walters to keep Weller on the Daily News payroll while letting him work gratis for Squaw Valley. Cushing and Weller began to plan their strategy. To offset the strong support that would go to Innsbruck from Austria's neighbors and from anti-American strongholds behind the Iron Curtain, they figured they needed votes from nations that generally don't concern themselves with the Winter Olympics. Cushing and Weller decided they could best secure votes by personal contact with Olympic committeemen. They divided up the world. Weller would go to South America and the Caribbean, heading from there to the Scandinavian countries. Cushing would salvage what he could in Western Europe.

Their strongest talking point, they figured, was Squaw Valley's physical layout, which for the first time would make it possible for all the Winter Olympics events to be seen in the same place. At Cortina in 1956, for instance, the skating was held in a village 18 miles away, and the ski jump in another village 3 miles distant. In Squaw Valley, every event either would finish or be staged in its entirety in the one area.

A second selling point was the idea of having a Winter Olympics Village for the athletes. This was another "first." Participants in the summer games are always quartered in the privacy of their own village, but the winter competitors usually live in public hotels, where, as Cushing puts it, "other guests drink beer and raise hell until all hours."

A third argument for Squaw Valley was the need for holding the Winter Olympics in a new locale—namely, "among the Pacific family of nations." Satisfied that their case was sound, Weller departed for South America and Cushing left for Europe, enlisting the help enroute of a Harvard classmate named Marshall Hazeltine, a polished expert in the field of public relations.

"Hazeltine is what you'd call a top-level man," says Cushing proudly. "He attended Eton, has worked on diplomatic missions abroad for our State Department and has excellent contacts all over Europe. He also speaks French, Italian, and German fluently."

By the time the Squaw Valley triumvirate reached Paris for the meeting of the International Olympic Committee, they had a dossier on each of the 62 delegates attending. They had also obtained an endorsement from President Eisenhower, who had signed a joint resolution, passed by Congress, inviting the world to Squaw Valley.

Each group bidding for the Olympics was granted 30 minutes in which to state its case before the committee. In preparing the all-important speech, Cushing, Weller, and Hazeltine realized that Squaw Valley's chief weakness was the scarcity of facilities there. Considering the $1 million budget, there was no prospect of startling improvements. However, they conceived a way of converting this liability into a sales asset.

"It came to us like a vibration from heaven," says Cushing. "Psychologically, this was our knockout punch. We would plead poverty—poor-mouth it all over the place. When had Americans ever admitted abroad that they had nothing? We wouldn't try to compete with the rich European resorts, which would stage the games with Roman grandeur. Ours would be a healthy, unadorned games in a clean, simple atmosphere, free from commercial pressure and public interference."

And so the Squaw Valley bid officially was dedicated to "Restoring the Olympic ideal to the winter games." Cushing and Weller decided that the speech might have added impact if delivered by Hazeltine in French, the language of the revered founder of the modern Olympics, the late Pierre de Coubertin.

Hazeltine, a man of quiet charm, spoke impressively to the delegation for 22 minutes. In the remaining 8 minutes Cushing delivered a crisp summary in which he emphasized that the cost of sending athletes to Squaw Valley would not be high. He guaranteed that transportation on a charter arrangement and 3 weeks of room and board with decent accommodations would not exceed $500 for any athlete.

On the first ballot cast by the committee, Squaw Valley, aided by strong South American support, polled a surprising 30 votes, as opposed to 24 for Innsbruck, 6 for Saint-Moritz, and 2 for Garmisch. Squaw Valley and Innsbruck moved to the finals. To most observers, it seemed a foregone conclusion that the Europeans who had backed Saint-Moritz and Garmisch would now swing their votes to Innsbruck. On the second ballot, however, Squaw Valley won by a count of 32 votes to 30, the closest finish in I. O. C. history.

Innsbruck took the defeat hard. Not impressed by the Squaw Valley platform of a friendly but humable games, the Innsbruck newspaper editorialized tartly, "The rich Americans may have won, but the Olympic ideal has been defeated."

In California there were jubilant headlines. Champagne toasts were drunk to

Cushing, the supersalesman. Then the roof fell in. The State quickly discovered that it had a sputtering bobcat by the tail.

To begin with, Cushing's guaranty to the IOC of a $500 maximum cost per athlete for travel and living expenses turned out to be a slight miscalculation. State experts figured the bill at $725 per athlete. This meant a total cost to California of $270,000, because, as an official of the California Olympic Commission explains, "Rather than renege on a guarantee, we will make up the difference."

Secondly, the $1 million originally allocated for the games proved a noticeably short figure. Cushing's revised estimate came to $2,400,000. When State architects and engineers got busy and started totaling up such sums as $2 million for an ice arena, $440,000 for a sewer system and $300,000 for flood control, the cost quickly expanded to $4 million.

When it was found that the ice arena would cost a million more than originally expected, and the next total estimate came to $5 million, the California Legislature rebelled. Some members suggested it would be sinful to take the Winter Olympics away from such a garden spot as Innsbruck. Many taxpayers agreed.

There was, however, the matter of California pride, not to mention the endorsements of the President, Congress and Governor Knight. The feeling soon grew in the California Olympic Commission and the Olympic Organizing Committee, both appointed by Governor Knight, that if anything was worth sponsoring in California, it was worth sponsoring in a manner befitting the State's reputation. They eventually won out in a hard fight over the economy-minded faction.

Right now the cost of the games has risen to $8 million, and with heavy expenditures still in sight, Squaw Valley has asked Congress for a $3,800,000 appropriation. (Note: Not due for action until April.)

H. D. Thoreau, executive secretary of the commission, explains, "To justify all the spending for the Winter Olympics, it has been decided to make a State park in Squaw Valley of all the land on which the State is doling out money for improvements. To do this, the original $5 million investment must be protected by expenditure of an additional $3 million to convert the area into a permanent installation."

The idea of a State park for winter and summer recreation is acceptable to most taxpayers in California, but not to the biggest landowner in Squaw Valley, Wayne Poulsen, who has opposed the plan from the outset. Of the 1200 acres that Poulsen holds in the area—valley and hillside—the State wants to buy sixty-three and a half and lease 129 for two years. This land is an indispensable part of the proposed 480-acre Winter Olympics tract.

For 2 years, Poulsen refused to sell. When he finally agreed last fall, he demanded a price so high that the State balked. At the time, the State had wanted to buy 73½ acres, for which it offered $103,000. Unblinkingly, Poulsen made a counter offer of $440,000, whereupon the State invoked the law of eminent domain and carried the case to Placer County court. Since the State has amended its complaint, asking for only 63½ acres, plus other land for lease, the court must now determine an equitable price. The court is due to take up the case sometime this month or next.

Of the California Olympic Commission's many headaches, Poulsen currently rates as No. 1. A quiet, sturdy man of 41 with a penchant for the outdoors, Poulsen flies the polar route for Pan American from San Francisco to London. As a ski fan and hunter, he first came to Squaw Valley in 1938, shortly after his graduation from the University of Nevada. He began to buy acreage on credit, acquiring tiny parcels at a time. After World War II, he and his wife, Sandy, and their five children moved permanently to the valley, occupying a tent until they could build a home.

To the best of Poulsen's knowledge, he and his family were the first full-time residents there since the gold prospectors cleared out in the 1840's. Remains of the mining villages of Claraville and Knoxville can still be seen at the east end of the valley, through which the old Emigrant Trail passed, leading across the Sierras. It was only a few miles away that members of the Donner party perished in 1846.

The Poulsens have dreamed for years of developing Squaw Valley into a charming alpine-type community—a sort of small-scale Saint-Moritz. Poulsen cringes at the thought of a State park. Envisioning campers, hamburger stands, souvenir hawkers, and the like on land where he had planned his dream village, he has fought the State doggedly.

California officials, however, are resolute in their feeling that one man's real-estate ambitions shouldn't take precedence over the public welfare. P. K. Macker, assistant to the president of the organizing committee, adds: "Despite himself, Poulsen will become rich off the Olympics. They will considerably increase the value of his land"—the bulk of which is not directly involved. "He should make a $3 million killing."

Poulsen's opposition isn't all that the State has had to cope with lately. It has a major rhubarb on its hands, with the International Federation of Bobsledders and Tobogganers, which is protesting the elimination of bobsledding from the Squaw Valley program. Olympic rules specify that no single event need be staged unless entries have been received from at least 12 nations. Since fewer than that number answered in a poll that they would compete in the bobsledding, Squaw Valley seized the opportunity to drop the event, thereby saving the $750,000 cost of building a bobsled run.

Says Alan Bartholemy, technical director of the Squaw Valley games, "The federation has demanded we build the bob run, under threat of exposing us to the world as American cheapskates." The Amateur Athletic Union of this country has joined in asking that bobsledding be offered.

The Russians, too, have been unhappy. They have roared their indignation over fingerprinting requirements made of all foreigners entering this country. The California Olympic Commission has asked Congress to waive the McCarran-Walter Immigration Act for all Olympic athletes.

Further concessions are needed for Russian satellite countries not recognized by our State Department. Caught in a crossfire between the International Olympic Committee, which does not acknowledge political differences, and Senator JOHN BUTLER, of Maryland, who has demanded that the satellites be barred, Squaw Valley has appealed to John Foster Dulles to admit all nations which wish to compete in the games. Barring any world upheaval, Dulles has promised to comply.

Meanwhile, trying to balance a budget that is shaking precariously, Squaw Valley is still moving ahead with preparations for an elaborate Olympics. "We have spent $200,000 for expert advice alone," says Bartholemy. "We will probably have the finest and most novel winter games of all time."

At this stage, four ski courses have been completed in Squaw Valley, and foundations laid for new buildings. Land has been graded for the ice arena and a hillside cleared for the ski jumps. Work has been finished, too, on a $155,000 ski chair. As a flood-control measure, engineers have also begun the rerouting of Squaw Creek, which runs through the heart of the valley's meadowland, where much of the proceedings will take place.

When snow melts this spring, the bulk of the construction, delayed a year by Poulsen's land fight, will start at an accelerated pace. This is the first winter Olympics ever planned from the ground up. In the past, Olympic construction has been mostly superimposed by the host cities upon existing facilities. But almost everything at Squaw Valley will be new, including a sprawling Olympic village, which will quarter some 1,200 athletes, trainers, and coaches from 35 nations.

The village will overlook a scenic 10-acre artificial lake, for which ground will soon be removed. About 500 yards away will be built the ice arena, center of Olympic activities. From there, a walk of no more than 200 yards will bring one to any event. It won't be necessary to go even that far to see what's taking place because, from a comfortable seat in the heated arena, spectators will be able to watch the show flashed on a giant screen by closed-circuit television. Camera towers to be built along the Alpine and Nordic ski courses will bring viewers a picture of the races in progress.

For not-so-hardy members of the press, who don't relish an invigorating trudge in the snow, there also will be closed-circuit television in the lavish press center, adjacent to the ice arena. This structure, complete with restaurant, cocktail lounge, snackbars, and locker rooms, will accommodate 600 working writers.

Other new facilities will include a speed-skating rink, 3 hockey rinks, 3 ski jumps, a ski chair, several restaurants, cafeterias, warming huts, and a network of spectator centers, all equipped with closed-circuit TV.

Squaw Valley has made arrangements with the Navy to conduct snow-compaction tests this year to determine whether automobiles could be parked in the meadowland. If this doesn't prove feasible, a unique traffic plan has been worked out whereby private cars will be barred from the valley entirely. The expected 30,000 people per day will be shuttled instead by 250 buses, leaving every few minutes from the nearby communities of Tahoe City and Truckee. Bus service will be free to those purchasing tickets to the Olympic events.

Alexander Cushing's original theme of restoring the Olympic ideal in a natural setting devoid of embellishments has long since been forgotten. With deep-felt pride, Governor Knight recently told the International Olympic Committee, "In the State of California, there are many monuments to the creative and engineering genius of our citizens. * * * We are confident that this same technical skill will lead to construction of winter-sports facilities in Squaw Valley which will greatly exceed the expectations of our visitors who will come to this great event from all parts of the world."

Cushing isn't in the least crushed that most of his poverty-inspired ideas have been discarded in favor of more grandiose plans. "I truthfully don't see the need for such extravagance," he says. "But, as far as I'm concerned, my feelings won't be hurt if they spend $20 million—just as long as all the stories on the games are datelined 'Squaw Valley.' "

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND] for himself and his colleague [Mr. KUCHEL]. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 22, after line 18, to insert:

CHAPTER IX

DEPARTMENT OF DEFENSE

Interservice activities

Olympic games

For construction of a sports arena suitable for the 1960 Olympic Winter Games as authorized by the act of , Public Law

85– , $3,500,000, to remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from California [Mr. KNOWLAND] for himself and his colleague, the junior Senator from California [Mr. KUCHEL].

Without objection, the amendment is agreed to.

Mr. LAUSCHE. I object.

Mr. KNOWLAND. Mr. President, will the Chair again put the question to a vote?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senators from California.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 4, it is proposed to delete lines 12 through 14, and insert the following:

Provided, That the same $3,000 limitation which was applicable to the original $500 million authorization shall also apply to the additional $250 million authorized herein, so that a single producer or participant may receive no more than $3,000, whether he operates one or more than one farm (except for winter wheat).

Mr. PROXMIRE. Mr. President, this was language suggested by the Department of Agriculture, which has always opposed any limitation on the size of acreage-reserve payments, and, of course, it would have the unfortunate result of permitting huge payments to multiple farms.

The original $3,000 limitation, adopted last summer, should have prevented payments in excess of $3,000 to any one producer, regardless of the number of farms he operates. This limitation was disregarded by the Department of Agriculture, which talked the Comptroller General into agreeing with it. Except for winter wheat, it is not unfair to limit payments to $3,000 for one producer, irrespective of the number of farms he operates.

Such an amendment would make it clear that Congress always intended the $3,000 limitation to apply irrespective of whether the producer, who may be an owner, a tenant, or a sharecropper, operated one farm or many farms. Winter wheat can be excepted, because the time for planting, of course, ended by last fall. As to all the other crops, there is still plenty of time for planting everywhere, so there would be no hardship or administrative difficulty whatever in limiting payments to $3,000 to any one producer or participant, irrespective of the number of farms he operates.

One important reason why the funds have run out so soon this year is that Secretary Benson has refused to heed the limitation of $3,000 on the amount which could be paid to any single producer.

The distinguished senior Senator from Georgia [Mr. RUSSELL], the chairman of the Subcommittee on Agricultural Appropriations of the Committee on Appropriations, explained this language as follows, on June 11, 1957:

The $3,000 limitation was proposed because we proposed the total amount be reduced to $500 million. Therefore, we proposed the $3,000 limitation in order to assure that all the smaller producers would be able to participate in the program.

Mr. Benson claimed that this should allow him to pay up to $3,000 for each farm that an individual or corporation might own. Thus a corporation or individual owning 100 farms could collect up to $300,000. If a corporation and an individual had a 50–50 relationship, the corporation could collect $150,000.

I now cite some of the largest acreage reserve payments made by Secretary Benson in 1957:

Garvey Farms and family interests, Colby, Kans., $318,374. Harris Ranches, Sahuarita, Ariz., $209,701. Ray Flannagan, Red Top, Calif., $138,122. Sutter Basin Corp., Ltd., Robbins, Calif., $128,442. Westlake Farms, Stratford, Calif., $125,942. Robert Pelletier, Bakersfield, Calif., $12,378. J. H. Williams, Natchitoches, La., $120,088. Crews Farm, Pecos, Tex., $107,200, and Vista Del Llano, Firebaugh, Calif., $103,411.

Mr. President, I submit it is exactly this kind of payments which have discredited a worthy farm program. Of course the taxpayers do not want to pay subsidies of this kind to corporation farmers. That is not the purpose of the act. I am sure it was not the purpose of the vast majority of Senators or Representatives when the bill was passed.

Some Senators feel that my amendment would work an injustice to some farmers because they have already started their planting. The Department of Agriculture has issued planting times, as they occur across the United States, and they are as follows:

Cotton, March 1 to May 31; corn, March 1 to June 20; spring wheat, March 1 to May 25; rice, April 10 to June 20; tobacco, March 20 to June 30. It is therefore obvious that prompt action by Congress indicating that it does not want more than $3,000 to be paid to any one producer or participant, regardless of the number of farms, will work neither hardship on farmers nor any administrative burden on the Department of Agriculture.

I have been referring to the statement made by Representative REUSS, of Wisconsin, as shown at page 407 of the hearings before the Senate Committee on Appropriations on the pending measure.

Mr. President, I have just conferred with a Senator for whom I have the greatest of admiration, the Senator from Georgia [Mr. RUSSELL]. He undoubtedly knows more about this subject than I will ever know. He tells me that the administrative difficulties will be considerable. I agree that there will be serious administrative difficulties, but I feel that the principle involved is so overwhelmingly important that, even though it will be difficult to administer, it can be administered, and I therefore hope the amendment will prevail.

Mr. HAYDEN. Mr. President, although I have great sympathy for the amendment, it does change existing law, and for that reason I must make a point of order that it is not in order on an appropriation bill.

The PRESIDING OFFICER (Mr. MORTON in the chair). The Senator from Arizona makes a point of order. Does the Senator from Wisconsin wish to speak on the point of order?

Mr. PROXMIRE. It is my understanding that the amendment merely attempts to restore what the House bill provided for. There are two modest changes involved, but it seems to me that they are not changes of substance. One change is that winter wheat is excluded because winter-wheat farmers have already planted. The other change is that the $500 million is included, as well as the $250 million. For that reason, Mr. President, I submit that the amendment, because it is in keeping with the House bill, is appropriate, pertinent, and proper.

Mr. RUSSELL. Mr. President, regardless of the merit of the Senator's amendment—and it does possess considerable merit—there is no question that the amendment would change existing law. When the 1958 appropriation bill for the Department of Agriculture was before Congress, one of the most substantial issues in conference was the language relating to the limitation on the amount of payments which could be made. The controversy was largely with reference to the amount, not the language of the amendment. The House had inserted a limitation of $2,500, as I recall, and the Senate increased it to $5,000. In conference the conferees agreed on $3,000, and the bill as passed contained this language:

Provided, That no part of this appropriation shall be used to formulate and administer an acreage-reserve program which would result in total compensation being paid to producers in excess of $500 million with respect to the 1958 crops, or in total compensation being paid to any one producer in excess of $3,000 with respect to the 1958 crops.

That language, of course, would seem to have been applied to any one recipient receiving in excess of $3,000. The Department of Agriculture submitted the language to the Comptroller General, and the Comptroller General ruled that the language applied to the farm, rather than to the individual. Therefore, the amount a farmer might draw was as much as $3,000 on each farm he owned. If a farmer owned 10 farms, he could draw $3,000 on each of the 10 farms.

Whether that ruling is correct, is not for me to say. It was made by the Comptroller General. In the allocation of the $500 million program established by Congress for fiscal 1958, that ruling of the Comptroller General was followed. Agreements were entered into with the several thousand farmers—who were permitted to proceed under the first-come first-served theory—on the basis of the Comptroller General's ruling that the $3,000 applied to the farm rather than to the individual producer.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, may I first ask a question of the Senator

from Georgia? I shall then be glad to yield to the Senator from Vermont.

Is it the view of the Senator from Georgia that the House language is also a legislative change?

Mr. RUSSELL. No; I do not believe it is, because the House language undertakes to relate to the $250 million additional which is made available for the soil-bank program. Under it there would be two separate systems for the administration of the soil-bank program, one of them relating to the $500 million in the regular 1958 appropriation act, and the other the $250 million in the pending bill. Therefore, we would have two programs for the same purpose, from practically the same appropriation, being administered under different rules, if the House language had been retained in the bill.

There can be no question that if the Senate sees fit to do so, it can reject the committee amendment and can apply the House language to the $250 million. There can be no question about the power of the Senate to do that if it wishes to do so.

Mr. PROXMIRE. If the amendment were offered, would the Senator from Georgia feel it would be a good amendment to support?

Mr. RUSSELL. If it were presented de novo, I think it might be; but I do not think the program could be administered under two different rules. I do not think it could be explained to Farmer A on one side of the road that he was operating under a different rule from that applying to Farmer B, living across the road. I think it is one of those things which would create a difficult, if not impossible, administrative problem. It would change the ruling in the language of the 1958 regular act, and, indeed, it would change the basic law by undertaking to except winter wheat from the operation of the program.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. Disregarding any change in the law, and disregarding the merits of the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE] the Federal Government would, in effect, be required to break contracts which have already been made with, presumably, several thousand farmers throughout the Nation. It seems to me that the Senator's amendment could well apply to next year's appropriation for the acreage reserve, if there is to be one; but I do not see how it could be applied now without forcing the Federal Government to break agreements which it has already made with the consent and approval of Congress under last year's legislation.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. Has there been a ruling on the Senator's amendment?

Mr. PROXMIRE. No. As I understand, it is now under discussion.

Mr. LAUSCHE. I wish to ask additional questions. Do I correctly understand from the Senator from Wisconsin that payments up to $300,000 have been made to one interest under the cotton support program?

Mr. PROXMIRE. My understanding is that payments have been made which are very high. On page 407 of the hearings, a copy of which is on the desk of every Senator, payments are listed up to $209,000. But I have information before me that Garvey Farms at Colby, Kans., in 1957 received $318,000, which I presume was not for cotton.

Mr. LAUSCHE. I asked for a report, and the highest figure I received, which is shocking, was the figure of $209,000. Now the Senator from Wisconsin has a figure as high as $318,000.

I can explain with greater ease the difference in the rule applicable to different farmers than I am able to explain a $318,000 subsidy payment to one farmer for the purpose of not growing crops, when the people of the Nation feel that the spirit of the law is to help the poor farmer lift himself out of financial distress.

I do not believe the people of Ohio know of this type of payment. Frankly, I think that if they knew, there would be an inclination to shout from the housetops, "How can you justify having Joe Smith, working in a ditch and earning $8 or $10 a day, contribute to taxes to pay one farmer $300,000 as a subsidy?"

The very statement of the proposition is sufficient to cause a revolt in the minds of the citizens.

Mr. PROXMIRE. The Senator from Ohio has put his finger exactly on the point: What was the intent of Congress?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. In a memorandum submitted by Representative REUSS, of Wisconsin, printed on pages 407 and 408 of the hearings, does not Representative REUSS discuss in great detail the intent of Congress and show by means of statements on the floor of the House of Representatives BREEDING, WHITTEN, REUSS, HARRISON, BOYLE, and HOLIFIELD that it was the intent of the House to restrict payments to not more than $3,000 to a farmer?

Mr. PROXMIRE. He does, indeed; and the language on pages 407 and 408 is crystal clear that the intent of the House in the debate was to restrict payments to $3,000 to an individual, not to an individual farm.

Mr. DOUGLAS. The Senator from Illinois was on the floor when this measure was discussed in the Senate. I can certainly say that I thought we had restricted the payments to not more than $3,000 to a farmer. I was astonished when the Secretary of Agriculture tried to raise the figure to $3,000 a farm, so as to permit the owner of multiple farms to collect $3,000 for each farm. The Secretary was upheld by the Comptroller General.

It seems to me that we should try to define what everyone thought was the intent of Congress. I congratulate the Senator from Wisconsin for offering this amendment. I hope it will be upheld on a point of order. If it should, by chance, be ruled out on a point of order, I hope the Senator from Wisconsin then will renew his effort to restore the House language which was eliminated by the committee.

Mr. PROXMIRE. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. It is my belief that the word "subsidy" is not only a nasty word but also an improper one when used in connection with soil bank. The soil bank was advocated by the present Secretary of Agriculture in order to reduce surpluses. If we read the debates which took place in the Senate when the matter came before us, it will be seen that the idea behind the reserve acreage was to take acres out of cultivation, thus reducing production so as to reduce surpluses.

The money which was paid to a farmer, whether it was $3,000 or $300,000, was for not producing. Otherwise, the chances are that he would have produced more price-supported commodities, and thereby further aggravated the surplus situation.

When a payment of $3,000 was made to a cotton farmer or a wheat farmer, or to any other eligible farmer, it was not money given to him in the nature of a subsidy. It was money paid to stop him from planting more of the crops, and thereby to lessen the chances of aggravating the surplus problem.

We are all very much disappointed—I know I am—in the so-called acreage-reserve program. It will be recalled that the first year this program was tried out on corn, the Government paid almost $180 million to corn farmers. More than 5 million acres of corn were taken out of cultivation. When the 1956 crop was gathered, we found ourselves paying almost $180 million, but 220 million more bushels of corn had been produced than in the previous year. The program did not work.

As the Secretary stated himself when he appeared before our committee, it mattered not from where the acreage was taken to reduce the surplus, whether it be from small farmers or large farmers. The purpose of the soil bank was to curtail production so as to reduce surpluses. Whether 100 acres of cotton were taken out of cultivation by a man who produced on 5,000 acres or on a combination of a dozen small farms made no difference. The idea was to reduce surpluses. That was the purpose of the act. Whenever the soil bank is referred to as a subsidy paid to the farmer, that is not correct. It is not the right word to use.

It is not the right word to use, because the farmer would have made that much money from the crops he otherwise would have planted on the land if he had not participated in the soil bank.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana has made an excellent point of substance and of wisdom.

However, it seems to me to be sensible to have the Congress permit this option to be available first to the farmer who has a small, family-size farm. Since the

amount of money available always is limited, the farmer who has a small family-size farm should have the first "crack" at it. It seems to me this is the way to accomplish that objective. It will accomplish the same thing, as the Senator from Louisiana pointed out.

Mr. ELLENDER. Mr. President, if the Senator from Wisconsin will yield further, let me say that under the basic law, only $300 million can be provided, as I recall, for cotton and corn, as the maximum. It is my understanding that there will be sufficient funds—except, I believe, for approximately $12 million—to pay all the corn farmers who have applied for acreage-reduction payments; we shall be able to supply them with all the funds necessary, if the plan goes through, except for approximately $12 million.

So far as cotton is concerned, all the money necessary will be available.

The wheat farmers also will receive all the money necessary to carry out the program, as we understand it.

Mr. CARROLL. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. PROXMIRE. I yield.

Mr. CARROLL. I should like to make a point which I believe is a new one. The Garvey Farms, of Colby, Kans., operate both in Kansas and in Colorado. I wish to quote from a statement by Representative BREEDING, of Kansas, who is a very sound farm economist and a very fine Member of Congress:

> Mr. BREEDING. I have one constituent who has 50 tenants. Does this landowner receive only $3,000, or would he receive a portion or payment, for each of those 50 tenant-operated farms?
>
> Mr. WHITTEN. It would be my thought that he would be one producer and would get a limitation of $3,000.

That is under the amendment offered by the distinguished Senator from Wisconsin.

As I understand, the purpose of the soil-bank program is to withdraw acreage from production. But when acreage is withdrawn from production by a tenant farmer who lives with his family on a farm, his income is interfered with.

As the distinguished Senator from Wisconsin and the distinguished Senators from Illinois and Ohio have so correctly stated, it is unconscionable to have $318,000 paid to one corporate farmer.

Is there any way by which we can provide protection for a small farmer or for a tenant who is a part of a corporate farm system?

Mr. ELLENDER. Under the law enacted by the Congress, I fear that the figures given by my good friend, the Senator from Wisconsin, may be a little misleading.

If a corporation were the producer and if it had but one farm, the amount would be limited to $3,000. But evidently the corporation referred to has farms scattered all over Kansas, and probably all over Colorado, as well. Under the interpretation made by the Comptroller General, the limitation is to apply to each producer with regard to each farm. I cannot conceive that, under the law as now written, a corporation would receive $300,000 unless it had farms scattered all over Kansas and all over Colorado.

Mr. CARROLL. That is exactly the situation; the corporation has 50 farms or units scattered in Kansas and Colorado. Page 407 of the Senate committee hearings on the second supplemental appropriation bill shows that the corporation received $318,000—plus.

Mr. ELLENDER. It would have to have 100 farms, scattered over the two States, in order to receive that large payment.

Mr. CARROLL. I believe that is the situation. Let us assume that it has 100 farms.

Mr. ELLENDER. Very well.

Mr. CARROLL. A little later I shall come to the point the distinguished senior Senator from Georgia [Mr. RUSSELL] made; I believe his point is a very valid one.

But at this time let me say that the sense of the Senate and the sense of the House of Representatives was that a $3,000 limitation would be applied to any one farmer or producer. However, the ruling by the Comptroller General has opened the gate.

My question is, How can we protect the small farmer who is subject to the $3,000 limitation, and how can we protect the tenant farmer who is a part of a corporate farm system? Can that be done?

Mr. ELLENDER. Mr. President, the basic law protects the tenant, in that the tenant receives part of the money that is collected by the landlord.

However, I wish to emphasize to my good friend, the Senator from Colorado, this point, which is set forth in the record, and the Committee on Agriculture and Forestry held hearings for several weeks on the proposal: The idea was to take acres out of cultivation. It was not the purpose to benefit directly the farmer who otherwise would produce crops on the land. The farmer was to receive an indirect benefit; in other words, by reducing surpluses, the farmer would receive a higher price for the crops he later produced.

The amount paid to the farmer—$318,000, or whatever the correct amount is—would be the amount of money he would have made if he had planted in crops the land which he took out of cultivation.

The Secretary of Agriculture was directed to give to those who withdrew their lands from cultivation an amount of money about equal to the profits they would have made from the land if they had planted it in crops. That was just a plan whereby we would reduce the surpluses; it was not intended to assist the farmer directly. The money was to be given to the farmer only in order that he would take his allotted acres out of cultivation—in the hope that the surpluses which dangle over the market and depress agricultural-commodity prices would be withdrawn, and then all the farmers would benefit. That was the theory back of the whole plan.

When my good friend, the Senator from Ohio, mentions the word "subsidy," I wish to say that I do not believe it is the proper word to use.

I desire to make another point for the benefit of the Senator from Ohio: If the allotted acres had been planted in crops, the Government would have had to support the crops grown on them. Furthermore, the Government would have had to put in storage the wheat or the cotton or the corn thus produced, and that would have cost the Government much more money than is now being paid.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana [Mr. ELLENDER] has made his point very clear, and it is an excellent one. He is very largely correct. Obviously, the purpose was to reduce production. This is an efficient way to do so.

Mr. ELLENDER. I would not say "largely"; it was done for that purpose only.

Mr. PROXMIRE. But a corollary purpose, and one of great benefit, was to have a small farmer who exercised the option to stop producing, get a job, perhaps in a factory, or elsewhere.

At any rate, it seems to me that it makes a great deal of sense for the Congress to have the right to determine whether it wishes to give this option, this advantage, this chance, to the small farmer, or simply to give it to all farmers. In the latter case the large corporate farms might receive benefits amounting to $318,000 a year.

Mr. ALLOTT. Mr. President——

Mr. PROXMIRE. I yield to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from Wisconsin.

Mr. President, I should like to congratulate the Senator from Louisiana [Mr. ELLENDER] on his very clear and lucid statement on what the soil bank is and what it was intended to do.

I believe it will be well particularly to emphasize at this point that, on the basis of our present farm laws, the cost of the soil bank to the Government is far less than the cost would have been if those lands had been permitted to be used for the cultivation of crops and if the crops grown on them had been placed under Government loan.

Let us refer to a specific example. In the Great Plains area, where wheat is grown, if a farmer had an allotment under the acreage reserve—and the acreage reserve applies only to wheat and basic commodities—and he grew 20 bushels to an acre, it would cost the Government in excess of $40, or about $40 in round figures. Perhaps the Government would recoup that amount some day, and perhaps it would not, depending on the condition of the wheat it sold.

I should like to call this matter to the attention of the Senator from Ohio [Mr. LAUSCHE], and also of my colleague [Mr. CARROLL], who is very much interested in the question. I happen to know of my personal knowledge of the general situation with respect to the Garvey Farms. I have supported, on the floor of the Senate, limitations similar to the one the Senator from Wisconsin is proposing. There is one aspect of the question which

I have not heard mentioned. It relates to one effect of the law as now written which has not been taken into consideration, and which everyone should understand. In the situation with respect to the Garvey Farms, I have just been informed by the Senator from Kansas [Mr. CARLSON] that they farm out and sublet a lot of their acreage.

At page 407 of the Senate hearings, a distinction was made, and Mr. REUSS, a Representative from Wisconsin, referring to the Garvey Farms, stated that it is a "firm which owns many farms throughout Colorado and Kansas, and operates the farms itself."

In instances where farmers have large tracts of land—and most of the land in our area is subtenanted or subleased upon a share-crop basis—the tenant participates in the soil bank payment. For example, it is a very common arrangement, with respect to the growing of wheat, that the landlord receives 1 part of the crop and the tenant gets 4 parts. Perhaps the proportion may be 1 and 3. I have sometimes seen an agreement which fixed the proportion at 1 and 5. In such instances, the tenant receives the same proportion of the soil bank payment.

In the case of the Garvey Farms, when they lease a part of the land the tenants also get those payments, provided the arrangement is on that basis. If the statement of Mr. REUSS is literally true, then I am not sure they would get it.

I am as much opposed to large corporations being able to subsidize great operations on this basis as is the junior Senator from Wisconsin, but I think, in considering this matter, it should not be forgotten that when land is leased upon a share basis, the tenant takes a proportion of the soil-bank money, and the landlord has to pay the taxes, or, if it is irrigated land, has to pay for water, repair, and upkeep on the house, with his own money.

I do not know whether my explanation has contributed to the discussion, but the point needed to be made, and it is an angle which has not heretofore been explained.

Mr. PROXMIRE. I appreciate the remarks of the Senator from Colorado, and I assure him they have contributed to the discussion.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Colorado.

Mr. CARROLL. Reading from page 407 of the hearings——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. A point of order has been raised against the amendment. Debate has long since departed from the point of order. The Chair is prepared to rule on the point of order.

Mr. CARROLL. Mr. President, before the Chair rules, the question I have relates to the point of order.

The PRESIDING OFFICER. The Chair has attempted to be cooperative——

Mr. CARROLL. The Senator from Wisconsin has yielded to me. I wanted to put a question relating to the point of order.

I am referring to page 407 of the hearings.

Representative BREEDING said, in respect to the Reuss proposal:

> I would like to make this further remark, that if we put this limitation on at $3,000, it will automatically cut out 40 percent of the operators in the summer fallow wheat-producing area of the United States from participation in the soil bank.

That is why I raised the question with the distinguished Senator from Louisiana as to whether or not tenants or farmers who share by contract could participate in the $3,000. The distinguished Senator from Colorado [Mr. ALLOTT] has said they may in some cases. I did not hear a part of the answer by the Senator from Louisiana. I should now like to address my question to the distinguished Senator from Georgia on the point of order which has been made. Is it not true that the new $3,000 limitation applies to the $250 million which is provided in this bill?

Mr. RUSSELL. Mr. President, as I construe the amendment now proposed by the Senator from Wisconsin, he undertakes to apply the limitation not only to the $250 million, but to the $500 million carried in the regular 1958 Appropriation Act. The Senator from Wisconsin, I am sure, would say that was not his intention.

The PRESIDING OFFICER. The Chair is prepared to rule on the point of order made to the amendment offered by the Senator from Wisconsin.

It is in two instances clearly legislation on an appropriation bill. In the first place, it excepts winter wheat, which is a change in the 1958 act, and it encompasses the work of a participant as well as a producer, which is a provision proposing to construe existing law, and is in itself a proposal of legislation. For those reasons the Chair sustains the point of order.

The bill is open to further amendment.

Mr. PROXMIRE. Mr. President, I propose an amendment at this time, which I ask to have stated.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wisconsin will be stated.

The CHIEF CLERK. It is proposed on page 4 to strike out lines 12 to 15 and substitute therefor the following:

> *Provided*, That no part of this amount shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000.

Mr. PROXMIRE. Mr. President, this amendment restores the House language. It has been proposed for the purpose of presenting an amendment which is acceptable and proper. I now ask the Chair to rule on this amendment. It is my understanding the Senator from Georgia has given his opinion that the amendment is proper. Is that correct?

The PRESIDING OFFICER. The Chair will not rule on the amendment unless a point of order is made.

Mr. RUSSELL. Mr. President, I was happy to discuss the amendment with the able and diligent Senator from Wisconsin, after he was kind enough to mention it to me. I am of the opinion, as I told him, that if the Senate rejected the committee amendment, the language he has proposed by way of amendment would automatically be in the bill. I do not think it is necessary to submit an amendment, because if the Senate rejects the committee amendment, this language will be in the bill.

Mr. PROXMIRE. That is not exactly my understanding. I have discussed the question with the Parliamentarian, because it puzzled me. My reason for offering the amendment is that the amendments of the committee were accepted en bloc, and the only way it would be in order to proceed properly would be by offering an amendment to restore the House language.

Mr. RUSSELL. The Senator is absolutely correct. I was not present in the Chamber when the committee amendments were agreed to en bloc. This would be the proper procedure.

Mr. PROXMIRE. I thank the Senator.

The PRESIDING OFFICER. The committee amendments have been agreed to en bloc. The amendment is in order.

Mr. RUSSELL. Mr. President, I think there is a great deal of merit in the position taken by the Senator from Wisconsin. I have consistently sought to impose limitations on these very programs, from the time of the inception of the agricultural conservation program and the so-called conservation program adopted in 1936, after the Supreme Court declared the original Agricultural Adjustment Act unconstitutional.

The proposed amendment would prescribe two rules. One rule would apply to the people who are fortunate enough to have been able to get into the soil bank prior to the present appropriation.

They would come within the rule of the existing law. Then there would be applied another rule to those who would come in hereafter, under the provisions of the amendment.

The distinguished Senator from North Dakota [Mr. YOUNG] brought out at the hearing before the committee the fact that he had talked to his State committeemen about the amendment and the proposal, and those committeemen were terrified by the prospect of having to attempt to administer such a provision.

All my inclinations and feelings are against what I say, because I favor the limitation, but I think such a procedure would present an almost insuperable administrative problem, to undertake to apply $250 million of the appropriations for the soil-bank program under one set of rules and to apply $500 million which has already been made available under another set of rules. For that reason I shall vote against the amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from North Dakota.

Mr. YOUNG. As the Senator has mentioned, I discussed this matter with my State committeemen, and they told

me that the House provision would make it impossible to administer the program in a manner which would be fair to all the farmers.

My own feeling is that there ought to be a limit as to the amount to be paid to any one farmer. I do not see how we could now change the program in effect and still have a workable program. We would then have a situation where one farmer, who had already signed up under the old program, who happened to be a tenant, would receive the benefits of the program, while another tenant farmer across the road would be denied a contract, although he had made an application. I think the adoption of the Senator's amendment would do more harm than good to the cause to which the Senator is dedicated, helping the small farmers.

Mr. PROXMIRE. I understand the viewpoint of the Senator from North Dakota. The adoption of the amendment would perhaps result in some discrimination as between those who took advantage of the program last year and those who do so this year.

I have a deep feeling about the principle. We should give to the small-family farmer, the real family farmer, the time option. It seems to me that is proper procedure. It is not as orderly a procedure as it might be possible to adopt, but more justice can be done if the amendment prevails. Henceforth the discrimination can be worked out: Whatever discrimination there is as between the farmer of last year and the farmer of this year can be worked out, and we can make sure that the only person entitled to receive payment is the family farmer under the limitation of $3,000 for a single farm.

Mr. ANDERSON. Mr. President, this is one amendment which I certainly hope will not prevail.

It seems to me that once every year or so we ought to have a "Be Kind to the Secretary of Agriculture Week."

This is about the most unkind cut that could be directed at the Secretary of Agriculture—to ask him to administer the soil-bank program, which has already run into difficulty, in one way for one group of people and in another way for another group of people, and probably in two different ways for the same tenant on adjoining farms.

Much has been said about the soil bank, which I think might well not have been said today. There was a figure read a while ago of the Harris Ranches in Arizona receiving $209,000, as if that were a staggering sum of money. It is a large sum of money, but I think we ought to find out why it was paid and why Jack Harris did what he did do.

Mr. Harris had about 1,500 acres of cotton quota land which he could have planted to cotton.

I notice the able senior Senator from Arizona [Mr. HAYDEN] is present in the Chamber. This incident relates to his State. I apologize to the Senator for discussing it, and if I misstate any fact I hope he will correct me.

Jack Harris had about 1,500 acres of cotton quota land, land upon which he could plant cotton, but he decided not to plant one acre of it to cotton, and he received a check for $209,000 from the Government for not planting cotton upon the land. Thereafter, with his California associates, he took over some wild land in Maricopa county, where he planted 4,500 acres to cotton, as compared to the 1,500 acres he took out of cultivation. That cotton proceeded to grow to maturity.

I happened to be in Phoenix, Ariz., talking to members of the National Reclamation Association, on the day when Mr. Harris walked down to the Triple A office and wrote out a counter check for $965,595 in penalties.

If we are going to talk about the subsidy which a man may receive, and if we use that term—which I quite agree with the Senator from Louisiana is thoroughly unjustified—we also ought to talk about the penalties. We are talking here about a man who received $209,000 on the one hand, and who paid out $965,000 on the other hand.

My personal guess is that Mr. Harris did not make any money on this transaction.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. LONG. How much money did this person pay out?

Mr. ANDERSON. Nine hundred sixty-five thousand five hundred and ninety-five dollars, plus or minus a dollar or two. I am pretty sure that is the correct figure.

Mr. LONG. Then would it be fair to say that he paid out a net of $700,000 or so more than he took in?

Mr. ANDERSON. No. The Senator knows how these programs operate, I am sure. This was penalty cotton. When one plants penalty cotton, one pays half of the sale price to the Government as a penalty, and receives 50 percent of the price support.

Mr. Harris received $209,000 for taking 1,500 acres out of cultivation to reduce the production of cotton. Then, on the other hand, he planted 4,500 new acres of cotton, on which he paid a penalty of $965,000, and as to which supposedly he received $965,000. I do not know whether he made or lost money on the transaction, but I think he probably lost money in the last analysis.

What an awful agricultural program it is, when on the one hand a person takes 1,500 acres out of cultivation, but on the other hand puts 4,500 acres into cultivation.

Later on we are going to be asked to pass upon about the same sort of proposition, where we would add $250 million to take cotton land out of production and, on the other hand, put 30 percent more back into production.

These agricultural programs had better begin to make sense. They are in enough trouble now with the American people. I say that it is time to stop all of this foolishness. Why do we have to fight about the dairy price-support program? It is because people have made mistakes in the past. All the farm programs are in trouble, all across the Nation.

While I sympathize with the purpose which the able Senator from Wisconsin has in mind, his amendment represents an impossible program for the Secretary of Agriculture to administer. No Secretary of Agriculture can administer a program which says to one group of people, for whom $500 million is provided in the soil bank, that they can get as much as they want in return, including $209,000, as was paid to Jack Harris in Arizona, but which says on the other hand to all the other people, "You are a little bit late in coming under the wire, so we have provided $250 million for you, but you can only draw $3,000 each."

What kind of sense does that make in an agricultural program? That, of course, is not the fault of the able Senator from Wisconsin, because he did not have a chance to do anything with regard to the original $500 million.

I think it would be extremely unfortunate if the Senate should adopt the amendment. We had better try to put a little more common sense into these programs, because it could happen that the American taxpayer will become disgusted with this sort of performance after a while and slap down the whole agricultural program. That has happened before.

There are Senators in this Chamber today who well remember that for a long, long time we were troubled with a potato price-support program. There are Members present in the Senate Chamber who were burned by that problem day after day after day. Nobody would reduce the support price for potatoes for a long time, and the situation became so bad, with so many potatoes rotting upon so many tracts of land and being used for all sorts of purposes, that finally the entire program of potato price supports was wiped out. We did not dare attempt to get price supports for potatoes for years afterward. That program has been restored to a slight extend. It has been placed on a commonsense basis again.

The foolishness has to be paid for someday. If we adopt this sort of program, I believe we will only hurt the American farmers.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ANDERSON. Let me say to the able Senator from Wisconsin that I feel very sick at heart over having to rise and criticize what he is trying to do. I subscribe to his motives. I wish we had been able to limit this program in the first instance. I can only say to the Senator, as one who presided over the Department of Agriculture for a while, that I think it would be unfortunate to say to the Secretary, "Administer two-thirds of your money in one way, and the other third in another way, and try to explain to the farmer what you are doing with one hand that you cannot do with the other."

I do not believe it would make any sense.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DOUGLAS. The Senator from New Mexico has made a characteristic plea for charity with respect to his successor, the present Secretary of Agriculture.

Mr. ANDERSON. He is my successor once removed.

Mr. DOUGLAS. The Senator is very much concerned over the problems which now face the Secretary of Agriculture. I am deeply touched by this concern on his part. I, too, would like to observe a "be kind to Benson" week.

But is not the Secretary of Agriculture largely responsible for his own troubles? If he had interpreted the law of last year as we all thought it was drawn, and limited payments to $3,000 per farmer rather than per farm, he would not be in this difficulty. So the comments of the Senator from New Mexico, although charitable in nature, leave me somewhat cold.

Mr. ANDERSON. I am sorry they leave the Senator cold, but unfortunately this is a Government in which men operate under laws. The Secretary of Agriculture had a law to administer. He asked the advice of legal counsel, and they told him how it had to be administered, and he administered it in accordance with the law. It would be very convenient if he could administer it according to his feelings. There were days in the Department when I would have liked to deal with certain persons who wished to sell commodities to the Department by dumping the people as well as the commodities into the ocean. But we do not operate in that way. We must live up to the law.

I do not think I am defending the Secretary of Agriculture when I say that we must try to make sense in connection with agricultural programs. If this sort of proposal were enacted, the Secretary could easily say, whatever happened, "The Congress messed up the situation."

As the able Senator from Minnesota [Mr. HUMPHREY] knows, several years ago I participated in a program in which I spoke rather unkindly of the Secretary of Agriculture. I do not believe he has administered the agricultural programs in a perfect fashion, but I do not propose to give him any excuse, if I can avoid it, from now on. If we give him one set of rules for $500 million and another set of rules for $250 million, and mess up the program so that no one can administer it, we give him an alibi which is ironclad and perfect; and I object to doing it.

Mr. DIRKSEN. Will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DIRKSEN. The Secretary of Agriculture does not expect to be the object of a "Be Kind to Benson" week. All he asks is for the Congress to be fair. I have some doubt as to whether we have been fair with him. If my colleague from Illinois [Mr. DOUGLAS] had looked on page 205 of the House hearings, he would have discovered that the Comptroller General of the United States, to whom the qeustion of interpretation was submitted, was the one who passed upon it.

Mr. ANDERSON. We cannot expect the Secretary to do other than what his legal adviser tells him to do. Let me say to the able Senator from Illinois that at the time I was Secretary of Agriculture I knew exactly what I wanted to do with respect to a certain proposal which was made. I talked with the legal adviser of the Department, and was advised that that was not a very good thing to do. I then did what every other Cabinet officer has the right to do. I took the question up with the chief law officer of the United States, namely, the Attorney General. He told me that I was 100-percent wrong; and that I had better do it another way. I followed the advice of the lawyers. That is a pretty sound practice if one is not himself a lawyer. He should seek good legal advice.

In this particular instance I do not believe the Secretary of Agriculture arbitrarily or capriciously decided how to administer the soil-bank program. I regard Joe Campbell as one of the finest Comptroller Generals the United States has had. If I had been Secretary of Agriculture and he had ruled a certain way, I would have been impressed by his ruling.

I believe the Congress would add to its grief, and assume a great deal of responsibility which it need not assume, if it should adopt the pending amendment and mess up the situation. Things might reach such a state that the Secretary of Agriculture could say, "There was no way in the world to administer the soil bank, because the Congress messed up the situation beyond redemption."

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. The word which I have received from the Ohio farmer, who on the average controls 100 acres, is that in the effort to develop a rounded-out operation, the aid which is now given—whether we call it a grant, a subsidy, or a payment—means nothing to him, because his acreage is not large enough to enable him to take any acres out of production.

As I recall, a year ago the same argument was made, namely, "We are in the midst of a period when contracts are being made, and we cannot do anything about the situation."

As I previously stated, from the standpoint of the Ohioan, I think both the farmer and the city man can understand the opposition to the payment of these huge sums. To me it is a payment which bears some signs of odium—whether we say it is for the purpose of reducing acreage, or whether we call it by some other name. I venture to say that not 5 percent of the people of the United States know that we are paying as high as $300,000 to a single farmer.

My query is this: Let us assume that the Senator from New Mexico is correct in his argument, and that the provision in question would be difficult for the Secretary to administer. Should we not do something now in the way of a program or policy which will be in operation next year, to preclude such payments in the future, and to limit the amount to a reasonable sum for each farm operator?

Mr. ANDERSON. I think we should. However, I believe that recommendation should come from the Committee on Agriculture and Forestry, and not from the Committee on Appropriations. If it does not come from the Committee on Agriculture and Forestry, I think we can look for a complete elimination of the soil bank some of these days, because it is resulting in all kinds of wild operations which I think are completely unjustified.

Mr. LAUSCHE. In my judgment, the elimination of the program will come about if and when the ordinary man, with calluses on his hands, the man who has trouble paying his taxes, the man who is unable to leave his wife at home to take care of infant children because she must go to work to help sustain the family, comes to realize that he is paying taxes to provide some man or corporation $300,000 in the farm program.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. As the Senator is well aware, the Department of Agriculture has already announced that this will be the last year for the acreage reserve.

Mr. LAUSCHE. The Senator from Louisiana is a member of the committee. When must we introduce a bill to stop this program, if it is to be stopped?

Mr. ELLENDER. This minute. The basic law must be changed. That is a subject for consideration by the legislative committee. As I have just indicated, the Department of Agriculture has already announced that that part of the soil-bank program dealing with acreage reserve will be abandoned next year.

Mr. AIKEN. Mr. President, I was very much interested in the comment of my friendly colleague from New Mexico [Mr. ANDERSON]. I should like to say that I would like nothing better than to join him and other Senators in a move to eliminate all farm subsidies, but on one condition, and that is to eliminate also subsidies on other things at the same time. I would start with the 27½ percent depletion allowance which the oil producers now enjoy. I would very much like to have the Senator from Illinois and the Senator from New Mexico and the Senator from Louisiana join with me, if they would, in trying to reduce the 27½-percent depletion allowance to 15 percent, or to whatever amount people engaged in other lines of business now enjoy.

I would also like to join Senators in eliminating the unholy subsidies which have been given to the power companies of the United States, including the subsidy of several billion dollars in the form of the rapid tax writeoff. It is all very well to say that they must pay that tax at some time. What we overlook, however, is that the power companies may write off these costs in 5 years, but for ratemaking purposes they can continue these billions of dollars for from 30 to 50 years. That is where the profit comes in. I would like to join other Senators in eliminating the special tax benefits which utility companies now enjoy.

I should like to join them in eliminating the huge subsidies which are now enjoyed by the American merchant marine. Heaven only knows how much those subsidies amount to in all, but the total is tremendous. In fact, a part of that subsidy is charged to the farm program costs.

I have joined some other Senators in undertaking to eliminate the special postage rate subsidies which have resulted in causing a part of the Post Office deficits, the total amount of which is $700 or $800 million, and possibly $1 billion a year. A good share of that subsidy goes to magazines and other publications which carry on campaigns against farm subsidies. If Senators who are so anxious to leave the farmer alone in a subsidized world join me in sponsoring a single bill to eliminate all the other subsidies I have mentioned, and others, I will be very glad to vote for it. However, so long as the farm population is to be left at the mercy of others, then I believe a little consideration for the farmers by Congress is only fair.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. RUSSELL. I am sure the Senator makes his proposal with the utmost good faith. I should like to point out, however, that a great many artificial stimulants have the effect of indirect subsidies and contribute to the costs a farmer must pay. If we are to have a free and unchecked economy, we will have to repeal the Minimum Wage Act and the wage-and-hour law, and any other law by which the Government lends its assistance to increasing the income of any one group of persons.

Mr. AIKEN. Also tariff laws.

Mr. RUSSELL. Yes; also the tariff laws. We would then achieve a completely free market, and the farmer, of all people, would be at the top in that kind of world.

Mr. AIKEN. The farmer would be at the top in that kind of world. However, I do not want to leave the farmer undefended in a world of subsidies.

Mr. YOUNG. Mr. President, I appreciate the good defense the Senator from Vermont is making of the farmer. At the present time we are talking about billions of dollars for public works programs, to relieve the depressed areas of the United States. The fact is that the farmer's income has been far below that received by other elements of the economy for several years. The little we can do to help the farmers is very small compared with the billions of dollars we are now going to spend to help others. Of course I am in favor of most of those programs also.

Mr. AIKEN. The Senator is entirely correct. We who still have faith in the farmers are not prejudiced. We are willing to help other people who are in distress. I am sure of that.

Mr. YOUNG. Whenever the rest of the economy is willing to be placed on a "go it alone" basis, strictly competitive and no subsidy, I would be willing for farmers to do the same. In fact, I have been thinking of introducing proposed legislation along that line.

Mr. RUSSELL. I am sure it would take the Senator from North Dakota at least 2 or 3 weeks to get such a bill through Congress and to have it signed by the President. [Laughter.]

Mr. LONG. Mr. President, the Senator from Vermont has perhaps overlooked the group of indirect subsidies paid to industries, that enjoy the protection of tariffs. If we were to enumerate those industries, it would take us all night. They enjoy the protection of tariffs which have been passed by Congress.

Mr. AIKEN. Subsidies began in this country more than 300 years ago, and no one has been able to stop them, and no one will be able to stop them. Subsidies are nothing new. They began with the Virginia Colonies, and wage and price controls started with the Plymouth Colony.

Mr. HUMPHREY. Mr. President, I am very sympathetic toward the purposes of the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE]. As a matter of fact, it was my feeling that his amendment was already, in substance, the law at the present time. It was the law until the law was interpreted by the legal staff of the Department of Agriculture and ruled upon by the Comptroller General with reference to the acreage reserve payments.

I must say that the arguments of the Senator from New Mexico, with reference to the administrative difficulties involved, whereby the $500 million program would be administered under one formula and the $250 million program under another formula, throw a different light on the subject. Such administrative difficulties make it very difficult to administer the law, indeed, well nigh impossible to do so.

I believe the case the Senator from Wisconsin makes is a compelling one, and is one that will be considered by the Committee on Agriculture and Forestry when it considers all matters of conservation and all matters of commodity prices. That is what the committee is going to do. As a matter of fact, it is the kind of proposal I thought we had last year, and which was the law, but apparently we did not have it.

In every State of the Union there are people—I forget what the total number is, although I believe it is in excess of 400,000—who have signed up under the acreage-reserve program. Ninety-seven percent of them will come under the limitation of the $3,000 payments. There will be a handful who will receive more. They have been approved by the Secretary and they have been approved by the local county committee. It would be literally an abrogation of contract on the part of Congress to cancel those out. There are others who have applied under the same terms, and I do not believe there will be a handful who will obtain more than the $3,000 limitation per farm owner.

Therefore the actual purpose which the Senator from Wisconsin seeks to serve is being served by the very economic facts of agriculture throughout the country.

There are some examples—and they are horrible ones—of golf courses having profited under the conservation reserve program, or of producers of cotton or some other commodity under acreage allotments having received huge payments.

However, I want the record to be clear that those are very few indeed in terms of the total amount of acreage which has been withdrawn under the acreage reserve program. I have been as critical of the acreage reserve program as any other Senator, because I feel it lends itself to political manipulation and abuse, particularly when no limits are placed on it, and that it is even disgracing the farm program.

I could not agree more with what I have heard here in terms of how we can ruin the farm program. As a matter of fact, I have been of the opinion that some persons would like to see it ruined by these excesses. They would like to see the farm program administered in such a way as to make it look very bad in the public eye.

I wish to join the Senator from Wisconsin in his amendment, and I assure him that I will vote for it, strictly on the basis of the moral conviction that what we are attempting to do is right. However, I am sure that if it were a controlling vote, we would be faced with an impossible administrative situation. I do not want to give the Secretary of Agriculture one excuse—not one—to sneak out from under the tent he has created for himself and to becloud the situation. I want him to administer the law as he said it ought to be administered.

He wants a clarification of the law. There is only one way in which the matter can be handled now, and that is to leave it as it is, regrettably, and then to have it clarified in the Committee on Agriculture and Forestry when the committee considers basic legislation, which we are going to bring before the Senate, and which, as I understand, will be brought before the House.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Does not the Senator from Minnesota feel that when Congress has spoken, it has spoken in favor of the sort of limitations which the Senator from Wisconsin has advocated?

Mr. HUMPHREY. Absolutely. I was one of those who joined with the distinguished Member of the other body, Representative REUSS, in support of his position. I think he was manifestly right. But I find the Comptroller General has ruled against him.

I also find that even after the Comptroller General had ruled against him, new contracts were let under the Comptroller General's ruling. We are in the situation where two-thirds or three-fourths of the money has been obligated under one set of rules, and we are asking that the other one-third or one-fourth be obligated under a new set of rules.

Frankly, I think the Secretary will then be able to come before the Congress and say, "I tried to operate a good program, but it was men like you who made it impossible." I shall not give him that chance. I want him to know that, so far as HUBERT HUMPHREY is concerned, there must be a clean acreage reserve program. I want no excuses as to how it can be operated. I want the Secretary to have all the leeway he can have to operate the best program we can devise. If he messes it up after that, he will not have my signature at the bottom, to show that I, too, was a conspirator in such action or was one of the accom-

plices to his mismanagement. I do not want that to happen under any circumstances.

I commend the purpose of the Senator from Wisconsin, and I join with him in its advocacy, but I hope the purpose will be realized in the legislative committee.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. Does not the Senator think that the most damaging action that has been taken by the Federal Government has been to enact legislation which permits, whether through administration or through a defect in the bill which was passed by Congress, the payment of subsidies to single producers in the amount of $200,000, $250,000, or $300,000? Is that not what puts the farm program in the greatest jeopardy? Is it not true that the newspapers and magazines throughout the Nation have been building up this condition?

Is it not true that actually millions of American citizens, as we find when we talk to people throughout America in the States we represent, approve subsidies for the small family farmers, but subsidies of $200,000 and $300,000 are repugnant to them?

I recognize the opposition to my amendment by an overwhelming number of Senators, having infinitely more experience than I have——

Mr. HUMPHREY. Not opposition.

Mr. PROXMIRE. The opposition to my amendment on technical grounds is very strong. It has been pointed out that agreement to the amendment would tend to discredit the farm program. But what would be accomplished would be that in the coming year it would not be possible for the newspapers of the Nation to point out that individual producers are receiving $100,000, $200,000, or $300,000 in subsidies. That is what is damaging the farm program.

Mr. HUMPHREY. I suggest to the Senator from Wisconsin that when the debate has been concluded he have the Legislative Counsel prepare an amendment to be submitted to the Committee on Agriculture and Forestry for consideration and inclusion in the general legislative farm program for the coming year.

Furthermore, I could not agree more with the Senator from Wisconsin. I am one of those who wanted a limitation on the amount of land that could be put in the soil bank. I recommended such a proposal on the floor. I offered an amendment which, regrettably, was not adopted. There are administrative difficulties connected with such matters.

But I think the Senator speaks right to the point when he says the public gets a view which is damaging to the agricultural program when they read about the excessive payments of $200,000 to someone for doing what the Senator from New Mexico said—namely, paying a penalty for cultivating new acreage out and receiving payment from the acreage-reserve fund for land withdrawn from cultivation. A person would have to have a twisted mind to be able to justify that kind of operation.

I will join with the Senator from Wisconsin in offering an amendment to limit the acreage-reserve payments. I think there should be an amendment which will limit the price-support loans and to restrict them to the smaller farms, for which the program was designed. Once we include farms of from 25,000 to 50,000 acres, which are operated in some areas of America, we do not need a price-support program. We need a program for the family unit, not for the corporate farm.

I commend the Senator from Wisconsin for his new voice in agricultural morality and agricultural integrity, which goes deep through his character, because he is a man of integrity and morality.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

Mr. HAYDEN. Mr. President, by direction of the committee, I call up the amendment designated 3-4-58-A, which was authorized by the committee to be offered under a suspension of the rule, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 15, after the the word "herein" it is proposed to insert the following:

Provided further, That notwithstanding any other provision of law—

(1) within 60 days after the effective date of this act, any 1958 cotton acreage reserve agreement shall be cancelled without penalty, at the request of the farmer;

(2) for any farm which does not participate in the 1958 cotton acreage reserve program, the cotton acreage allotment shall be increased by 30 percent: *Provided*, That the cotton produced from such increased acreage shall not be eligible for price support and the production from such increase shall not be taken into account in determining the level of price support for the 1958 crop; and

(3) the additional acreage planted on the basis of such increased allotments shall not be taken into account in establishing future State, county and farm acreage allotments and such acreage shall be in addition to the county, State and national acreage allotments. The production from such acreage shall be in addition to the national marketing quota.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. I did not hear whether the amendment was offered under a motion to suspend the rule.

Mr. HAYDEN. I move to suspend the rule so that the amendment may be considered, because it is subject to a point of order.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry, for the purpose of clarification.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. The distinguished chairman of the Committee on Appropriations has indicated that the language of the amendment, which was considered in the committee, is clearly legislative and, therefore, is subject to a point of order.

Mr. HAYDEN. For that reason, I have, by direction of the committee, filed a motion to suspend the rule.

Mr. DIRKSEN. That is the pending motion, and it requires a two-thirds vote.

The PRESIDING OFFICER. A two-thirds vote of Senators present and voting is required to suspend the rule. The Senator from Illinois is correct.

Mr. HAYDEN. Mr. President, the amendment is offered to provide for an increase in cotton acreage this crop year.

Last fall heavy rains in most of the Cotton Belt at the time of harvest caused a heavy loss of quality in the cotton harvested.

The supply of good quality cotton beginning this summer and for the next marketing year is estimated to be at the lowest point since the Korean war in 1951. An adequate supply of quality cotton is needed to protect long-run demand for cotton for domestic use, and foreign markets. There has been a heavy signup for cotton acreage to go in the soil bank.

The amendment before the Senate if adopted will: First, permit a farmer to withdraw from the soil bank, within 60 days after enactment; second, then, if not in the soil bank, it will permit a 30-percent increase in original cotton acreage allotment, with no price support on the increased acreage; but with no effect on price support on the original allotment; third, it will exclude the increased acreage from history in making future allotments; and fourth, department officials indicate they have ample sources of loan authorization to meet credit needs of farmers; with from $90 million to $100 million of loan funds available through Farmers' Home Administration.

Mr. President, that is a brief statement of the effect of the amendment.

Mr. ELLENDER. Mr. President, before presenting this amendment to the Appropriations Committee, I gave it much thought. At first I thought it out of order for me, as chairman of the Committee on Agriculture and Forestry, to present there and to the Senate an amendment which should be considered first by the committee of which I am chairman. But, Mr. President, I consider that this amendment is germane to the issue presented to the Senate in the pending measure.

When the 1958 program for the soil bank was considered, the Department of Agriculture asked for $750 million. The Senate provided that amount, and the House voted no money at all. In conference, an appropriation of $500 million was agreed to in order to continue the operations of the soil bank. The amount provided for by the Congress would have eliminated from production approximately 3 million acres of cotton land.

I felt that even with the elimination from production of that large number of acres, sufficient merchantable cotton—that is to say, Strict Low Middling and better—would have been produced in order to satisfy not only domestic needs but export needs as well.

But, Mr. President, all of us are acquainted with what happened last September, October, and early in November, in the cottonfields of the South. It

has been my privilege to see many cotton crops made, gathered, and harvested. But never before in the history of our Nation was a cotton crop made, and ready for harvest, but then not completely harvested, because of unprecedented weather conditions. Furthermore, the quality of that cotton harvested was extremely low as compared to past years.

Mr. President, there is a sufficient amount of cotton on hand. We shall have on hand approximately 8¼ million or 8½ million bales as of August 1. That is a substantial carryover, but it is not of the quality required by the mills. That is a result of the unprecedented weather conditions which prevailed at cottonpicking time.

Mr. President, in the past 2 years we have spent millions of dollars in an effort to regain our cotton export markets. The cotton exports have increased many, many fold during the last 3 or 4 years. Now we have reached a point where exports of cotton amounted to not quite 7½ million bales last year. The Department of Agriculture has made a noble effort, I may say, to recapture the export market. But if we do not have the right kind of cotton to export, we shall lose the benefit of the efforts which have been made in the past.

Mr. President, as of today there will be a demand for more than 11 million bales of cotton for the coming year, for both export and domestic use.

If the program envisioned by the bill is put into effect—that is to say, if the amount being appropriated for the acreage reserve is spent—in order to take more acres of cotton out of cultivation, I can foresee a shortage of more than 5 million bales of cotton for the 1959–60 season.

Mr. President, even though a substantial amount of cotton now is on hand as surplus—as I have said, it will amount to between 8¼ million and 8½ million bales—only about 1.7 million bales is the type cotton that is best suited for use by our mills and for export. In other words, Strict Low Middling and better. Every year a sufficient amount of cotton has been produced, not only for our domestic use, but also for export.

Mr. President, I took up this matter with the Appropriations Committee. It does not look very good for us to request, on the one hand—as my distinguished friend, the Senator from New Mexico, has just indicated—funds with which to take acreage out of cultivation, and on the other hand to request that more acres be allowed. I know that does not seem to add up.

But, Mr. President, we are faced with a desperate situation. Unless we do something about it, we shall lose the advantages and the benefits we should receive from the efforts we have made during the last several years in connection with our exports of cotton, and we shall invite more competition from synthetics—all of which we have been fighting for a considerable period of time.

Mr. President, the amendment is a very simple one. I wish to make it plain to the Senate that, if the amendment will do anything, it will save the taxpayers of the country money. I shall state why that is so.

First, the Congress provided $500 million for the soil-bank program. Under that program, $174 million was allotted to take cotton acres out of cultivation. If that program had remained at $500 millon, the senior Senator from Louisana would not be here, today, to ask for adoption of this amendment, because he believes that we could have gotten along if only 3 million acres or so had been taken out of cultivation.

But, Mr. President, by increasing the amount from $500 million to $750 million, in order to satisfy those farmers who have requested permission to have acres diverted to the soil bank, in the neighborhood of 5 million acres of cotton will be taken out of cultivation this year

If that happens, we shall be short next year, by about 2.2 million acres, of having sufficient acreage to produce cotton to take care of our export and domestic needs. I am told that at the end of the next cotton marketing year we will show a deficit of about 5½ million bales of quality cotton.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. THYE. If the additional allowance of cotton acreage were allowed, would that lessen the amount of soybeans which could be planted in the cotton-growing areas of the Nation?

Mr. ELLENDER. I do not know, but I imagine it would, in that more land would be planted to cotton.

Mr. THYE. My reason for asking the question is that Minnesota, of course, is a very important soybean-producing State.

Mr. ELLENDER. Yes. I was about to come to that point, if the Senator will permit me.

Mr. THYE. I have received communications on the question both from processors and producers. My own personal study of the question indicates that some of the acres which could be planted to cotton would be planted to soybeans or some other kind of feed crop directly competitive with soybeans.

The other phase of the question is that, because of the storms which prevailed when cotton normally would have been picked last fall, there was a large loss of cotton of desired staple; therefore, there is a shortage of such cotton. Unless the increased allotment is provided, textile mills which will need this kind of cotton will have to import it. That is the conclusion I have reached from a study of the question.

While I recognize that Minnesota is a soybean-producing State, and that the farmer is looking to protection rather than a giving away of any advantage he may have in growing a soybean crop in the North, as compared to the Deep South, it is also true that if there is a denial of the requested increase in acreage planted to cotton, such farmers are apt to plant some of their acres to soybeans, which would become directly competitive with soybeans grown in my State.

Am I correct in my statement?

Mr. ELLENDER. I think the Senator is correct in his assumption. I do not think there can be any question about it. I wish to make it plain now that the purpose of the amendment is simply to give to the cotton farmers of the Nation an opportunity to provide the cotton that is necessary—I say absolutely necessary—if we are to maintain our export market, as it has been established in the past couple of years, and also to keep our own mills operating at full speed.

I realize that the mills of this country can, to some extent, utilize some low grade cotton, but this would be undesirable at the relative prices of cotton. Not long ago, there was much use for short staple cotton and for spotted and discolored cotton. Bags used to be made out of such cotton, in which fertilizer was packed and sold. Blue denims were also made from short staple and discolored cotton. Today that market is almost gone. There is no more use for short staple and spotted cotton. Today we have, or shall have, in the warehouses of the Commodity Credit Corporation, and in the hands of the mills, from 8¼ to 8½ million bales of cotton, of which only 1.7 million bales are or will be Strict Low Middling and better, which we must have in order to keep our markets abroad, as well as to keep mills in our own country going at full speed.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. I was curious about the answer given to the Senator from Minnesota as to what the proposal would do to the soybean producer. Could any worse thing be done to soybean producers than to increase cotton acreage by 30 percent?

Mr. ELLENDER. Does the Senator refer to the effect of cottonseed oil?

Mr. ANDERSON. Certainly.

Mr. ELLENDER. I was going to discuss that phase of the question. That statement has been spread in order to promote opposition to the amendment. The Senate can vote down the amendment if it so chooses. It is perfectly within its rights if it does so. But I am trying to place before the country and the Senate a situation which, in my opinion, is serious.

I wish to say to my good friend from New Mexico, and to the Senate, that if the amendment I have presented is adopted, it will save quite a few million dollars which otherwise would be paid to operate the soil bank. In a nutshell, what the amendment proposes is to give to those who withdraw from the soil bank a 30-percent increase in their allotted acres, but with no price supports. Remember that, Members of the Senate. If the amendment is adopted those who will be given an opportunity to increase their cotton acres will not receive any price supports, nor will those acres be counted hereafter for purposes of computing future acreage allotments.

Last, but not least, if the proposal shall be adopted, of the $287 million which will be allotted to pay cotton farmers to take their acres out of cotton, probably as much as $100 million will not be used. That will be the effect of the amendment. It will save money for the taxpayers, and it will provide cotton we need.

As I said, I would not be here today if it were not for the fact that I assume the Senate will provide the $250 million which will take out of cultivation an additional 2 million acres of cotton. That is where the trouble arises.

In my humble judgment I do not believe that the amendment will cause more than an additional 2 million or 2¼ million acres of land to be put into cotton production, and producers will not receive one single solitary cent of support prices on that acreage.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Illinois.

Mr. DOUGLAS. Did I correctly understand my good friend from Louisiana to say he thought there would be an increase in the total cotton acreage of approximately 2 or 2¼ million acres?

Mr. ELLENDER. That is my estimate. I may be wrong. I do not think it will be more than that.

Mr. DOUGLAS. How much more cotton does the Senator think will be grown?

Mr. ELLENDER. That is another question I cannot answer.

Mr. DOUGLAS. Would it be as much as two bales per acre?

Mr. ELLENDER. The difficulty involved is that I do not know where the acreage will be applied. I presume that a good deal of it will be in Arizona and California, which is where the good cotton is now produced.

Mr. DOUGLAS. That is the high yield cotton?

Mr. ELLENDER. It is the high yield cotton, and it is cotton which we absolutely need. I do not believe that the increase in yield there will be sufficient to meet the needed number of bales of cotton.

Mr. DOUGLAS. I should like to come to the point.

Mr. ELLENDER. Very well.

Mr. DOUGLAS. Does the Senator from Louisiana think it would be safe to estimate that somewhere between 3 and 3¼ million bales on the one hand and 5 million bales of additional cotton on the other would be grown because of the provisions of his amendment?

Mr. ELLENDER. It is possible that the Senator's estimate is correct. It would be from 2½ to 3¼ million bales, I should say. That would be my estimate.

Mr. DOUGLAS. What would be the additional quantity of cottonseed which would be produced?

Mr. ELLENDER. I have a small table here with regard to that.

Mr. DOUGLAS. What is the ratio of cottonseed to cotton?

Mr. ELLENDER. I anticipated that question from my good friend from Illinois.

I have before me, Mr. President, a table which I had prepared to indicate the amount of soybeans involved.

Mr. DOUGLAS. No. I asked about cottonseed.

Mr. ELLENDER. Cottonseed and soybeans go together—at least I understand that will be the Senator's argument.

Mr. DOUGLAS. I am discussing cottonseed.

Mr. ELLENDER. But I have the floor. I want to discuss cottonseed in connection with soybeans, because they are things that count. We should discuss not only soybeans but also cottonseed.

Mr. DOUGLAS. I am interested in finding out how much cottonseed will be brought into the market to compete with soybean oil and to compete with corn.

Mr. ELLENDER. I will state it this way: In 1957 the total production of food fats—that is, of all commodities producing food fats, such as soybeans, cottonseed oil, and others—accounted for 181,000 tank cars. Soybeans accounted for 76,000 tank cars, whereas cottonseed accounted for only 23,000 of these tank cars. All others put together accounted for 82,000 tank cars. The total was 181,000 tank cars for the year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table showing miscellaneous cottonseed and soybean data, which is pertinent to the issues I have been discussing.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Miscellaneous data on cottonseed and soybeans (for beans)

Year	Harvested acreage (in millions)		Production (in thousands of tons)	
	Soybeans	Cotton	Soybeans	Cottonseed
1926	0.5	44.6	157	7,989
1936	2.1	29.8	900	5,511
1946	9.9	17.7	6,102	3,514
1949	10.5	27.2	7,026	6,559
1952	14.3	26.9	8,943	6,190
1957	20.7	13.6	14,394	4,527
1958	(?)	[1] 12.0	(?)	(?)

[1] Estimated.

1957 yield per acre

[In pounds]

	Soybeans	Cottonseed
Beans and seed	[1] 1,380	670
Oil	251	112
Meal	1,081	312

[1] 23 bushels.

Total 1957 production

	Protein meal (in thousand tons)	Food fats (in thousand tank cars)
Soybeans	9,888	76
Cottonseed	1,950	23
Other	655	82
Total	12,493	181

Potential oil and meal production from increase in 1958 cotton production

	Protein meal		Oil	
	Thousand tons	Percent of 1957 total	Thousand tank cars	Percent of 1957 total
1,000,000 acres	161	1.3	1.9	1
2,000,000 acres	323	2.6	3.7	2
3,000,000 acres	484	3.9	5.6	3

Mr. DOUGLAS. May I ask another question?

Mr. ELLENDER. In a moment.

I should like to say to my good friend from Illinois that if 1 million acres of cotton are added, by virtue of this amendment to the bill, that will increase the 1957 total of tank cars, to which I have referred, by 1 percent. If 2 million acres of cotton are planted, which in my humble judgment will be the figure, that will result in an increase percentagewise of 2 percent with relation to the 181,000 tank cars to which I have referred. That comparison demonstrates the amount of oil which is produced from these various fat-producing substances.

Mr. EASTLAND and Mr. DOUGLAS addressed the Chair.

Mr. ELLENDER. In other words, if I may put it in another way, 1 million additional acres planted would add 1,900 tank cars. If 2 million acres were planted, it would add 3,700 tank cars. If 3 million acres were planted, it would add 5,600 tank cars.

I want to also indicate to the Senator from Illinois, with relation to the increase in soybean production in contrast to the decrease which has taken place in the past 2 years in cottonseed production, that I have a table which indicates that the harvested acreage in soybeans in 1926 was less than a half million acres, whereas the cotton acreage was 44.6 million acres. In 1936, 10 years later, the soybean acreage had increased to 2.1 million acres, whereas cotton acreage had decreased to 19 million acres from the 44-million acre high.

Mr. DOUGLAS. That is because of the great superiority of soybeans. Soybeans have won their place in the market, on their own merits.

Mr. ELLENDER. They have taken the market away from cottonseed. I do not deny that.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. EASTLAND. Does the Senator from Illinois not know that if the additional acreage is not planted to cotton, much of that acreage will go into soybean production, and that an acre of soybeans will produce twice as much oil and twice as much meal as an acre of cottonseed, which is a byproduct?

If the distinguished Senator from Illinois desires to protect the great American soybean industry he will be in favor of the amendment, because if that land goes into the production of soybeans it will increase the surplus position of that fine commodity.

Mr. ELLENDER. Mr. President, I thought I had made that very plain in answer to a question asked by the Senator from Minnesota. If the 30-percent increased acreage is not put into cotton it will be planted to soybeans.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. As my good friend from Mississippi has pointed out, much more oil and cake can be produced from an acre of soybeans that can be produced from cottonseed if the acre is put into cotton.

Mr. DOUGLAS and Mr. EASTLAND addressed the Chair.

Mr. ELLENDER. I yield to the Senator from Illinois.

Mr. DOUGLAS. It is my understanding that for every bale of cotton there is produced from 800 to 900 pounds of cottonseed. I believe that is approximately correct.

If we accept the 800-pound figure as a minimum——

Mr. EASTLAND. Six hundred and seventy pounds is the correct figure.

Mr. ELLENDER. That is correct.

Mr. DOUGLAS. Very well. Let us take 700 pounds.

Mr. EASTLAND. If the Senator will pardon me, I can give him the figures.

Mr. DOUGLAS. I should be glad to have them.

Mr. EASTLAND. The average acre of soybeans, figured at the national average of 23 bushels to the acre, produces 251 pounds of soybean oil. An average acre of cottonseed produces 112 pounds of cottonseed oil, or less than half as much.

As to the meal, the average acre of soybeans produces 1,081 pounds of meal, while the average acre of cottonseed produces 312 pounds of meal.

Mr. DOUGLAS. I am trying to get a conversion from bales of cotton into pounds. Suppose we accept the statement of the Senator from Mississippi. I am sure he is an expert.

Mr. EASTLAND. These figures are correct.

Mr. ELLENDER. I was going to present those figures myself.

Mr. DOUGLAS. Suppose we take a figure of a little less than 700 pounds per bale. If the increase in yield is 3 million bales, that would represent in excess of 2 billion pounds.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. In a moment.

Mr. DOUGLAS. There would be 2.1 billion pounds of cottonseed, including the oil, which would be a little more than 1 million tons.

This is the point I should like to make: This production will inevitably compete with soybean oil and drive down the price of soybean oil, and the cottonseed cake will inevitably compete with corn and drive down the price of corn.

We in the Midwest——

Mr. EASTLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. DOUGLAS. We in the Midwest have suffered under the cotton program, because the acres which have been diverted from cotton have not, generally speaking, been taken out of cultivation, but have been planted to soybeans, sorghums, oats, and rye, so that those feed grains have depressed the price of corn in the Midwest, and we have suffered very much. We do not want to take this burden in addition, which would lower the price of soybeans and soybean oil, and also the price of corn.

Mr. EASTLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. EASTLAND. The distinguished Senator from Illinois must realize that the acre which is not planted to cotton will go into soybeans.

Mr. DOUGLAS. Necessarily?

Mr. EASTLAND. Yes.

Mr. DOUGLAS. I should like to propose an amendment requiring cross-compliance, and that acres taken out of the production of basic crops should not be planted to additional crops, but planted to legumes or other soil-building crops.

Mr. EASTLAND. We can propose all the amendments to the bill we desire, but I think I can say, in the light of history, that if this amendment fails, the increased acreage in soybeans and soybean products will greatly depress the market for that great commodity. I cannot see how any Senator who wishes to promote the soybean industry can stand on this floor and oppose an amendment the effect of which would be to add hundreds of thousands of acres to the soybean production of our country.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I have the highest regard for the views of the Senator from Mississippi on the very important subject of cotton, as well as for the views of the chairman of the committee. However, I must say most respectfully that when the acreage cuts have been made as a result of the acreage allotment program, acres which were taken out of cotton, in the main, did not go into soybeans. They went into other feeds. There is little reason to believe now that the acreage would be converted to soybeans.

Mr. EASTLAND. There have been hundreds of thousands——

Mr. HUMPHREY. I have seen the production maps. To be very blunt about it, two States in the Union produce the overwhelming bulk of soybeans. They are Illinois and Minnesota. There is some production in Iowa and Indiana. There is a little production in Wisconsin, but not very much. In the area I have described most of the soybean production is found. However, in a number of States in which the new commercial corn areas are located, because of the reductions in acreage land has gone into the production of grain sorghums. I am not saying that such acres will not go into soybeans.

Mr. EASTLAND. They have.

Mr. HUMPHREY. I am saying that they have not gone into such production to the degree they have gone into other commodities.

Mr. EASTLAND. I can explain that to the distinguished Senator. In the Midsouth we have planted a large acreage in small grains. That acreage was not planted last year because of excessive rainfall. Almost the entire acreage will be in soybeans. I should say that in the State of Mississippi the soybean acreage in 1958 will be larger than the cotton acreage unless this amendment is adopted.

Mr. HUMPHREY. The other point I should like to make is that we cannot have this argument both ways. We cannot say that this amendment would draw land out of the soil bank, and thereby save the taxpayers money because of soil-bank acres which would be placed in production, and which would be put into cotton and not into soybeans; and, on the other hand, say, "If you do not adopt this amendment, soybean production will go up."

This is an inducement to draw acres out of the soil bank and put them into production.

I think the Senator from Louisiana is correct when he says that it could result in a substantial saving in the soil bank moneys for acreage reserve; but having said that, we must remember that the acres planted into cotton were acres out of production, on which no other crop could be produced. Therefore we cannot have the argument both ways. We cannot say that the amendment would cut down soil bank costs, and, on the other hand, that if we do not adopt the amendment there will be a flood of soybeans. We must make up our minds which argument we wish to follow.

Would it cut down soil bank costs? If so, there would not be any alternate crop. If not, it would mean, of course, that there could be some acres in soybeans.

Mr. ELLENDER. Mr. President, my good friend from Minnesota does not seem to understand the amendment.

Mr. HUMPHREY. I think I do.

Mr. ELLENDER. The amendment would increase cotton acreage by 30 percent.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. As the Senator from Mississippi [Mr. EASTLAND] has pointed out, if that 30 percent is not planted to cotton, it will be planted to feed grains and soybeans.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I should like to reply to the distinguished Senator from Minnesota about the soybean situation in my State in its relationship to cotton. Much of the cotton acreage which went out of cotton production went into soybean production.

Mr. HUMPHREY. I think that is true in Missouri.

Mr. SYMINGTON. Also, under the law if we do not get more acreage, there will automatically be an increase in the price of cotton. Such an increase can only make cotton even less competitive against synthetics.

Here we have a situation in which the producers desire to lower the price of the farm product, because they know that otherwise cotton is pricing itself by law, out of the market. It is an unusual situation, peculiar to this particular crop.

Mr. HUMPHREY. I say most respectfully that this Senator has voted in every instance for the benefit of the cotton farmer. I do not differentiate as between the cotton farmer, the dairy farmer, the wheat farmer, and any other type of farmer. I believe that farmers are entitled to a fair income. I know their acreage allotments have gravely limited their ability to survive.

I am not unmindful of the complexity and difficulty of this problem. I want to do the right thing.

I must say, with equal candor, that producers in the State which I am privileged to represent in part have been in touch with me. The soybean producers and the soybean processors have said, "Senator, this amendment could raise havoc with our people."

I am seeking information. I have not made up my mind to vote against this particular amendment. However, I would be less than honest if I did not say that I believe that the practice of suspending the rule is anything but a desirable legislative procedure. If we fall into the habit of doing so, there is no reason why we should not take up each commodity, one by one, and consider it in the same fashion.

Mr. ELLENDER. Mr. President, in my opening remarks I expressed the view which the Senator from Minnesota has just stated.

Mr. HUMPHREY. The Senator is correct.

Mr. ELLENDER. I hesitate to come before the Senate, especially as chairman of the Committee on Agriculture, and ask to add agricultural legislation to an appropriation bill; but I know of no other way to accomplish the purpose in time. This is the situation which now faces us if we contemplate passing a bill through the Senate and the House and sending it to the White House: At present cotton is already being planted all over the South. In south Texas the farmers are in process of planting thousands of acres.

The same thing holds true in other sections of the United States. I again wish to emphasize that my only reason for proposing the amendment is to provide sufficient cotton so as to maintain the necessary supplies for export and domestic consumption.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall yield in a moment. It has been brought about only by the fact that the bill provides for sufficient funds to take two million more acres of cotton land out of cultivation. That would not be the case under the $500 million program adopted last year. We could live with from 2¾ million to 3 million acres of cotton land being taken out of cultivation, but when Senators vote, as they have today, to increase the soil bank payments by $250 million, that means that we will be taking an additional two million acres of cotton land out of cultivation, and thereby aggravating the situation even more.

As I pointed out a little while ago, we will be short for 1959–60, if we have an average crop of about five and four-tenths, or five and six-tenths million, bales of cotton. We cannot afford to face a situation of that kind, especially in view of the fact that we have been spending millions of dollars trying to recapture our export market. That is the only reason, as was pointed out by my good friend from Mississippi, and other Senators, for my amendment. A shortage of cotton will simply invite more production by foreign countries; that is what will happen. We will be confronted by greater production abroad. Synthetics will increase their share of the market, also. The situation will be particularly aggravated when we find ourselves without enough cotton in our own country to supply the demands of domestic mills.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. At first blush, my amendment might look as though it asks in one breath, as my good friend from New Mexico has said, for more acres, and then in the next breath asks for more money to take more acres out of cultivation. However, let us not forget that this added acreage is not to be considered in the same category as existing allotted acres. A farmer who plants the 30-percent increase will plant at his own risk. These acres will not be used in the future to get more acres in 1959; nor will the producer of cotton grown on the increased acres get one penny of price support.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, the distinguished Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry, explained the amendment in the Committee on Appropriations. It was on that basis that the committee agreed to permit the amendment proposing the suspension of the rule.

What interested me was that the chairman of the Committee on Agriculture, one of the senior members of the Committee on Appropriations, outlined every legislative step it would be necessary to take if his proposal were to be enacted by following the regular legislative procedure. The time factor would not permit that course to be followed.

I am in exactly the same legislative predicament in connection with the dairy situation, and that is why I am going to vote to suspend the rule. Today is the 10th of March, and at midnight of March 31, the present dairy supports will expire. The Secretary of Agriculture has informed us that he intends to drop the supports by 25 cents a hundredweight on the 1st of April.

In order to try to protect my Minnesota dairy farmers and the other dairy farmers of the United States, I was compelled to do what I think has always been an improper procedure, and that is to move to suspend the rule in order to legislate on an appropriation bill. However, I am bound to do it in order to try to save the dairy farmers of the Nation from a 25-cent drop in their prices, at a time when all of us are endeavoring to find some method of bolstering the national economy.

I can see no common sense or consistency in trying to bolster the economy on the one hand, and on the other causing a drop in farmers' prices. Therefore, I am doing the unusual thing this afternoon; I am proposing to suspend the rule in order to get a dairy amendment acted on. Therefore, I commend the Senator.

Mr. ELLENDER. Let me advise my friend from Minnesota that when the matter was taken up, both before the Committee on Appropriations and again before the Committee on Agriculture and Forestry, I said I hoped that the only amendment that would be offered to the pending bill would be my cotton amendment, and that if anything else was added, to count me out. That is exactly what I mean this afternoon.

Mr. THYE. Does the Senator wish me to be counted out in the same manner?

Mr. ELLENDER. In this way: As the Senator knows, he has two bites at the apple, as it were, with reference to dairy support prices. There is the separate joint resolution, which was adopted by the Committee on Agriculture and Forestry, affecting dairy prices only. Then there is another joint resolution, adopted by the Committee on Agriculture and Forestry, which would affect the price supports of other commodities.

Mr. THYE. I am in favor of both of them.

Mr. ELLENDER. I have discussed the matter with the majority leader, and he has promised to do his best to have the two joint resolutions to which I have referred—Calendar No. 1376, Senate Joint Resolution 163, and Calendar No. 1377, Senate Joint Resolution 162—considered this week. I have taken a further step, I may say to my good friend from Minnesota, in that I have discussed the matter with many members of the Committee on Agriculture of the House. As soon as they receive the two resolutions to which I have referred, they will be taken up by the House Committee on Agriculture, so that there will be ample time to enact the necessary legislation, if Congress sees fit to do so, to freeze prices of dairy products as well as prices of other commodities. Such is not the case with cotton. Action must be taken now, or not at all. It will be too late if we do not act today.

Mr. THYE. I supported both joint resolutions as adopted by the committee.

Mr. ELLENDER. So did I.

Mr. THYE. I stand in complete support of both of them today, tomorrow, and until they are enacted. However, the distinguished Senator from Louisiana, an authority on legislative matters, with many years of experience, knows very well that the accomplishment of the legislative steps required to be taken by April 1 is so fraught with hazards that it is almost a certainty that we could not possibly succeed, especially if we should be faced with a Presidential veto. We have been threatened with such a veto. Therefore, I have had to do exactly what my good friend from Louisiana is doing. I have had to serve notice that I intend to request a suspension of the rule in order that we can take legislative action so as not to be foreclosed by the time factor.

I agree with what the Senator is trying to do in connection with the cotton acreage proposal, although it may be a little hazardous politically for me to say that. My colleague has already spoken about this point. We have received word from both soybean growers and processors in our State. I have been in communication with them, and they have expressed the fear that the additional cotton acreage which is proposed by the Senator will bring cotton cake in competition with soybean cake, and cotton oil

in competition with soybean oil. I recognize that fact. I also recognize that some of the acres might go into cotton which otherwise would go into soybean production, if we do not adopt the amendment.

Therefore, I am faced with the same problem my colleague is faced with, in that if we support the Senator from Louisiana, we are going to be criticized by some producers of soybeans in our State. If I say "yes" to the amendment, then I can expect to be criticized. If I say "no," then my dairy amendment would likewise be confronted with irritation on the part of those who want additional cotton acreage. So where am I? I am in what might be called the old squeeze, in which I am going to be hurt no matter how the action turns out.

Mr. ELLENDER. I hope that no politics will be involved in this amendment.

Mr. THYE. I hope so, too; that is why I expressed the feeling I have expressed.

Mr. ELLENDER. If the Senator from Minnesota had stated to me before the Committee on Agriculture and Forestry or had stated to me before the Committee on Appropriations that he intended to pursue the course he now says he will pursue, I never would have insisted on the amendment, because I stated emphatically that if any amendment of this nature were offered, I would withdraw from the battle. The only reason why I am trying to have the amendment agreed to is that I consider the amendment to be germane to what we are now doing. That is, trying to provide funds to reduce further cotton acreage.

I would not be speaking before the Senate today except for the fact that we shall be voting more than $100 million additional for the cotton-acreage program, which will take 2 million more acres of cotton out of production. That is why I am here. If the figure had remained at $500 million, the Senate would not have heard from the senior Senator from Louisiana.

But I made it plain to the Committee on Agriculture and Forestry and the Committee on Appropriations that I thought this was a just cause, because of the action we are about to take in increasing the funds so as to take more acres of cotton out of cultivation.

Mr. THYE. Mr. President, will my friend yield further?

Mr. ELLENDER. I yield.

Mr. THYE. I like the Senator from Louisiana so much that it is regrettable that I ever have to differ with him. But I can recall when I endeavored to provide for a little corn acreage last year. I was defeated in the Senate.

Mr. ELLENDER. I led the fight against the Senator.

Mr. THYE. That is correct.

Mr. ELLENDER. I am not finding fault with the Senator from Minnesota.

Mr. THYE. When the committee so overwhelmingly supported the proposed legislation to freeze dairy supports at their present level, I thought it was a reflection of the sentiment of the committee, and that I would be perfectly justified to take the first open avenue to try to proceed to secure what I was seeking. This avenue is open, and if I can get a two-thirds vote, we can freeze the dairy supports at the existing level. If this avenue is closed to me, I fear that the legislative procedure will take so long that a freeze of the dairy supports will not become effective, and the farmer will take a 25-percent drop in the price of milk. That he cannot afford. If the avenue is open, I shall try to take it.

Mr. ELLENDER. I reiterate what I have just said. If the distinguished Senator from Minnesota had taken this attitude before the Committee on Appropriations, of which he is a member, or had taken the same attitude before the Committee on Agriculture and Forestry, I would not be urging the adoption of this amendment this afternoon.

The Senator will remember that I said to the members of the committee that, if anything else were added, I myself would oppose it for the simple reason, as I shall repeat again, that I considered the amendment, insofar as it deals with cotton, to be germane to what is sought to be done under the bill itself. We are providing ways and means of further aggravating the cotton-supply situation by increasing the soil-bank funds. That is why I am here.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. EASTLAND. I wish to ask the Senator from Minnesota a question.

Mr. THYE. I shall be delighted to try to answer it.

Mr. EASTLAND. If the dairy price supports were frozen at the level of a year ago, such action would not be felt at the consumer level, would it?

Mr. THYE. If it were frozen at the present price-support level?

Mr. EASTLAND. Yes.

Mr. THYE. It would not be felt at the consumer level. If it were unfrozen, the drop would not be felt either.

Mr. EASTLAND. If the price-support level were reduced, it would not be felt at the consumer level?

Mr. THYE. Positively not, because, when the price support was reduced 59 cents a hundredweight in 1954, it reflected in the consumer's price for a quart of milk a drop of only four-tenths of a cent, and it was less than a year until the price went up again. At present the price is up more than 2 cents from where it was when it was dropped.

Mr. EASTLAND. Under the prevailing price support, before the reduction was announced, the dairy industry had been recapturing its markets, had it not?

Mr. THYE. Oh, positively. I have a chart containing figures which will substantiate that very statement, when I call up my amendment. Therefore, I could see no objection to the dairy amendment. I could see an avenue open which would permit us to freeze the price-support level. I simply served notice.

Mr. EASTLAND. I am for the Senator's amendment.

Mr. THYE. I thank the Senator from Mississippi.

Mr. EASTLAND. The sum total of the Senator's amendment would be to increase the farm income. The result would not be felt at the consumer level.

Mr. THYE. Certainly; that is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DOUGLAS. I have been trying to follow the overtures of the Senator from Minnesota and have tried to make out what it was he was proposing to the Senator from Louisiana. I now wish to ask the Senator from Louisiana whether my impression is correct.

Is the Senator from Minnesota saying that if the Senator from Louisiana and his followers will support the dairy amendment, the Senator from Minnesota will support the cotton amendment? Are we having bargaining between these two groups taking place on the floor of the Senate? I should like to have the interpretation of the Senator from Louisiana.

Mr. ELLENDER. Unfortunately, that may be the case. I discussed this amendment with both. At no time did my good friend from Minnesota state that he was going to move to add his amendment to the bill. I believe, in all justice, he did support the amendment before both the Committee on Agriculture and Forestry and the Committee on Appropriations.

Mr. KNOWLAND. Mr. President, will the Senator yield briefly?

Mr. ELLENDER. I yield.

Mr. KNOWLAND. Because a number of Senators have requested the information, I wonder whether we might have the yeas and nays ordered on the motion to suspend the rule, so that Senators may be on notice.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield for a parliamentary inquiry?

Mr. ELLENDER. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Illinois will state his parliamentary inquiry.

Mr. DIRKSEN. As I understand, there could be two votes on the amendment. The first would come on the pending motion to suspend the rule, which requires a two-thirds vote.

The PRESIDING OFFICER. The Senator from Illinois is correct.

Mr. DIRKSEN. The second vote could come on the amendment itself, if the motion to suspend the rule prevailed.

The PRESIDING OFFICER. Again the Senator is correct.

Mr. THYE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. THYE. I assure my colleague from Louisiana I never thought it would be necessary for me to serve notice concerning what I intended to do. I thought it was necessary for me to follow the rules and to reflect in the RECORD what my intent was. I think I have done precisely what the rule prescribes. I think that is what I have done. I have asked no one whether he will support me, nor have I asked anyone a question. I have followed the rules of the Senate according to my best interpretation of the rules. That is how I have endeavored to legislate at all times.

Mr. ELLENDER. Mr. President, I am not blaming my good friend the Senator

from Minnesota [Mr. THYE]. But he remembers that I explained to the Committee on Agriculture and Forestry, as well as to the Appropriations Committee, that if amendments were offered to my amendment, I would just "call it a day" and would withdraw the amendment. Certainly that was notice on my part to my good friend the Senator from Minnesota. I explained to the Appropriations Committee that, to my way of thinking, my amendment was germane and was required because of the fact that the Congress was appropriating more money in order to get more cotton acres out of cultivation.

Mr. THYE. Mr. President——

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. THYE. My distinguished friend, the Senator from Louisiana, is proposing that the rule be suspended, in order to make it possible to have the Senate consider an amendment relative to cotton acreage. I am not endeavoring to amend his amendment. But when the proper time comes, I intend to move that the rule be suspended, in order that I may offer my amendment; and I shall ask the Senate to consider it on its merits, just as the Senator from Louisiana is asking that his amendment be considered by the Senate on its merits.

I did not believe I had to state my intention or what my inner thoughts were. I have followed the rules to the best of my judgment.

Mr. ELLENDER. But the Senator from Minnesota well knows that he could not have his amendment added to the amendment I shall propose if the rule is suspended; and that is why he would not attempt to do so.

Mr. THYE. Of course I know that; I realize full well the parliamentary situation.

Mr. ELLENDER. Mr. President, I have nothing further to add to what already has been said about the purpose of the amendment and the need for its adoption.

I ask unanimous consent to have printed at this point in the RECORD a succinct explanation of the amendment; and also some miscellaneous data on cotton and soybeans, to which reference has been made during the debate.

There being no objection, the explanation and data were ordered to be printed in the RECORD, as follows:

The provision of the bill to allow cotton producers to increase their acreage provided they do not participate in the soil bank is necessary to alleviate what will otherwise be an acute scarcity of high grade cotton.

At the time Congress appropriated the money for the cotton acreage reserve program last year, and even later when the Department of Agriculture made its announcement on the regulations for the cotton soil bank, the prospects were for a crop of around 12½ million bales with a normal distribution of qualities. With this prospect it appeared there would be enough cotton of all qualities to meet the demands for the domestic and the export market and to provide a small carryover of quality cotton.

However, the weather in the Cotton Belt during the main harvesting season after September was extremely adverse. It was not realized how greatly the crop had been damaged until the United States Department of Agriculture issued its ginning report on January 23, 1958. This indicated the production of strict low middling and better cotton would be 3¼ million bales less than had been expected in September. The carryover of strict low middling and better cotton had been cut in half by the large domestic consumption and exports of the previous year and reduced to a figure of 5.4 million bales on August 1, 1957. The supply for the current season, according to USDA figures, is only 11.4 million bales.

To show how important these qualities are, last season according to USDA figures 86 percent of the domestic consumption and exports of United States cotton was strict low middling and better.

It is, of course, going to be necessary because of the scarcity for the mills to substitute lower qualities. But the extent of the substitution is limited. The manufacturers have to meet rigid specifications for their cloth and cannot deviate greatly in the quality of the raw material. Even if the use of low grades through substitution is increased from last year's 14 percent of the total disappearance to 30 percent of the total this year, the carryover of the high-grade cottons, strict low middling and better, on August 1, 1958, would be down to about 1¾ million bales. At no time in the last 18 years has the use of low grades been as great as 30 percent of the total except in the 2 years immediately after the war when the United States Government shipped large quantities of low grades under the aid program to war-ravaged foreign countries who had nothing else to spin.

There will be a very tight situation the end of this cotton season in the summer of 1958, but the real scarcity will come during the next season in the late spring and summer of 1959. I wish to emphasize especially this point. The crisis is not now. It is more than a year away. But the only way we can avoid this crisis is by producing more cotton this year—in 1958.

With 5.1 million acres in the soil bank in 1958, the 1958 crop, assuming normal yields, will probably be only about 10 million bales. This would be almost a million bales below the current crop. With normal weather about 7.3 million bales of the crop would be expected to grade strict low middling and better. With a carryover of 1.7 million bales, this would give a supply of only 9 million bales of cotton of these qualities.

Assuming adequate supplies of the various qualities and reasonable prices, we might expect an offtake of 14.5 million bales in domestic and foreign markets in 1958–59. Of this about 11 million bales would normally be expected to be strict low middling and better. For such an offtake we should have about 3.4 million bales of strict low middling and better cotton in the carryover for working stocks, according to the definition of normal carryover in the law.

However, we will be 2 million bales short of having enough of these high-quality cottons to meet the expected demand for the 1958–59 season with no carryover.

A shortage of quality cotton will certainly cause an expansion in foreign cotton production and foreign rayon production. It will cause a further use of rayon and other substitutes in the domestic market. Because of the shortage we stand to lose over 2 million bales of our markets to foreign cotton, rayon, and other substitutes at home and abroad in 1958–59 season.

We have spent untold time and effort and millions of dollars in building our foreign markets. Last year we exported 7.6 million bales of cotton and expect to export more than 5½ million bales this year. It is unthinkable that we should allow these foreign markets to be lost because of our inability to supply the kind of cotton our customers want. These markets once lost will be difficult, if not impossible, to regain. Over the years these losses will amount to millions of bales.

Of course, it is possible that the mills at home and abroad may find ways to substitute even more low-grade cotton for high-grade cotton than has been estimated, but by no stretch of the imagination can we avoid an acute scarcity of cotton by the spring and summer of 1959, unless additional cotton is planted this season. No one can argue that offering our customers substitutes—something of lower quality than they want and need to make the quality of goods the market demands—is the way to hold and expand markets for cotton.

By offering producers the opportunity to expand their acreage, we believe that many who have already applied for the soil bank will cancel their applications and plant cotton. To the extent that the soil bank participation is reduced, the Government will save money.

It is unfortunate in many ways that we have cotton acreage in the soil bank to this extent. However, in view of the fact that the Government obligated itself to the cotton farmers many months ago when there was no indication of this shortage, I think the Government must recognize these obligations. At the same time, however, the Government also has an obligation to recognize the change in the situation. It also has an obligation to see that Government programs do not destroy cotton's markets for the future.

Only through building and expanding markets can the cotton problem ultimately be solved. In order to build and expand markets, we must have the quality of product the customer wants. For the future of the American cotton industry I think this legislation must be enacted to provide additional acreage.

Now, I want to comment on the specific provisions of this amendment. First, it permits withdrawal from the soil bank within 60 days after enactment. Second, farmers who withdraw from the soil bank and farmers who did not apply for the soil bank in the first instance, would be permitted to increase their acreage up to 30 percent of their allotment. However, they would have no price support on the increased acreage and the cotton produced on this increased acreage would not affect the support on their original allotment. Third, the increased acreage would not count in the allotment history for future years.

Mr. ELLENDER. Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, I never cease to have unalloyed respect for the Founding Fathers and the promulgators of the rules of the Senate, which have been born out of the crucible of experience. Today we see the wisdom of the rules.

There was early established a rule with respect to the adding of legislation to an appropriation bill. I recall my experience in the House of Representatives, when I was the opposite number there of the Senator from Louisiana [Mr. ELLENDER], as chairman of the Committee on Agriculture. We used to do a great deal of legislating on appropriation bills. But I can see now, as I could see then, that that was a mistake in technique.

Mr. President, today it would be a mistake for the Senate to suspend the rule and to write into this bill a legislative provision of such far-reaching importance.

As I contemplate what is before us at the present time, I think of the old days when, in the House of Representatives,

we would, one day vote, by teller vote, and then, on the following day, would vote, by a record vote, to reverse our previous vote.

Someone coined the old ditty about the King of France:

The King of France with 20,000 men
Went up the hill, and then came down again.

Mr. President, if the amendment had a title, the Senator from Louisiana could well borrow from Ernest Hemingway and could use, as a title for the amendment, "Farewell to the Soil Bank," because the amendment is the most amazing contradiction I have ever seen in all my experience in the Congress.

First, Mr. President, let us examine the amendment itself; that is always somewhat helpful. I believe the amendment is one of the most skillful pieces of legislative carpentry I have ever seen; and I salute whoever drafted its language, because I believe it is beautiful, excellent, and untouchable. You will note, Mr. President, under clause 4 of rule XVI, the amendment could not be amended.

My distinguished friend, the Senator from Louisiana [Mr. ELLENDER], and I discussed the amendment privately. I am not one of the naive and restrained persons; I am always ready for a little "deal," so to speak. I said to him, "All right; you want this for cotton. Then we will propose an amendment to modify the allotments on corn."

The Senator from Louisiana was very honest with me; he said, "Oh, no; if you do that, I shall withdraw the amendment"—exactly as he indicated a moment ago to the Senator from Minnesota [Mr. THYE].

I said: "This amendment gives us an opportunity to offer an amendment to remove the escalator clause," the clause by means of which, whenever there is a little drop in the surplus, the Secretary of Agriculture is authorized to increase the price, and then we are in an awful hole again.

The Senator from Louisiana replied: "I would not go along with that; I would have to fight you." I respect the Senator from Louisiana for taking that position, Mr. President.

Mr. ELLENDER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. ELLENDER. The Senator from Illinois remembers that I said to him that proposed legislation was pending before our committee, and we were going to consider it.

Mr. DIRKSEN. Yes; my distinguished friend was very forthright.

But I point out, Mr. President, that if the step proposed, namely, to suspend the rule, is taken, then the Senator from Minnesota [Mr. THYE] will move that the rule be suspended, in order that he may have the Senate vote on an amendment calling for a freeze in the price supports of dairy products; and then I might try to have the rule suspended, in order to try to have the Senate remove the escalator clause and everything else that is in the administration's farm bill; and then we would be a long time wrestling with these matters, because then a motion to suspend the rule would be in order.

Mr. President, as I examine the amendment, it provides:

Within 60 days after the effective date of this act—

If it were enacted—

any 1958 cotton acreage reserve agreement shall be canceled without penalty.

Mr. President, there are 301,000 agreements; and, under the amendment, any of them could be canceled without penalty.

Senators know what would be done; by legislative fiat, the Congress would be breaching contracts with the Government. That is what the amendment provides.

The contracts are in force; they had to be approved by the Secretary of Agriculture, under the soil bank legislation.

I leave the matter to my distinguished friend, the Senator from New Mexico [Mr. ANDERSON], who knows so much more about the agricultural questions than I shall ever know.

But there is a contract; and, under the amendment, by law the Congress would say that the farmer could break the contract with his Government, without penalty.

Mr. ELLENDER. What is wrong with that? The contracts which now are in effect or would be in effect, give, or would give, the producer of cotton a payment, on the basis of so much money an acre, for the total number of acres. That is what the amendment refers to.

Mr. DIRKSEN. Oh, yes.

Mr. ELLENDER. It simply states in so many words that if the contract is canceled and if the farmer foregoes the payments which otherwise would be made for his participation in the soil bank, he will be permitted to plant 30 percent more acres. What is wrong with that? The language would not compel the Government to breach a contract. On the contrary, in order for a farmer to escape his soil bank obligations, he would have to indicate a desire to withdraw from his contract by planting the increased acres provided under my amendment. The option is with the farmer not the Government. All this language does is to give the farmer a choice: He can either adhere to his contract and not plant the increased acreage, or, if he desires to avail himself of the increase he cannot keep his soil bank contract—I repeat, the option is in the farmer, not in the Government.

Mr. DIRKSEN. But what would we do to the confidence of the little producer in the word of his Government?

Mr. EASTLAND. Mr. President, will the Senator from Illinois yield for a question?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. How would a contract be violated, when the whole thing is based on the consent of the person involved?

Mr. DIRKSEN. Mr. President, if this is not a contract——

Mr. EASTLAND. Of course, the individual has a contract.

Mr. DIRKSEN. Yes; it says "agreement."

Mr. EASTLAND. Very well. But since this is a matter of his individual agreement to waive his rights under a contract, how can it be said that he would be violating the contract?

Mr. DIRKSEN. It would be a breach by legislative fiat, when Congress would say to him that he could cancel the contract he had entered into, without penalty.

Mr. EASTLAND. A breach of what?

Mr. DIRKSEN. A breach of the contract.

Mr. EASTLAND. By giving him the right to say he will waive his rights under the contract——

Mr. DIRKSEN. He would have filed his application.

Mr. EASTLAND. That is correct.

Mr. DIRKSEN. And he would not have entered into a contract unless it went through the whole process and then was approved by the Secretary of Agriculture.

Mr. EASTLAND. Yes. But the Senator from Illinois says the amendment would breach the contract.

Mr. DIRKSEN. Yes; that is my understanding of it. I am only a humble lawyer.

Mr. EASTLAND. The contract would be fully in effect unless the farmer were to waive his rights under it. In fact, when he waived his rights under it, and took something else, he would have a new contract. The Senator from Illinois knows that to be so.

Mr. DIRKSEN. However, the Government has an interest in reducing the acreage. That is why the Congress commenced this program. But now it is proposed that we let the contract lapse at the request of the farmer, and give him, as a penalty for the lapse, 30 percent more acreage if he wishes to have that done. If that is not what the amendment means, I fail to understand the English language.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. ANDERSON. Mr. President, I can only agree with the Senator from Illinois that that is what the language of the amendment does mean. That is why I think the amendment means that one party to the contract could break it at his will, and as his reward, could have a chance to plan 30 percent more acreage.

Mr. EASTLAND. But that would not be a breach of the contract. The farmer wold have a right to waive the contract and to ask for something else—just as any businessman has a right to do.

Mr. DIRKSEN. Mr. President, I do not wish to labor the point further; but I have stated the way the amendment looks to me.

Mr. ANDERSON. I only wish to say to the Senator from Illinois that when one farmer signed a contract, a great many other farmers signed contracts on the supposition that the contracts would be kept in force. Now it is proposed that some of them, at their own request, can cancel their contracts. I say that if it is done, every other contract holder in existence can terminate his contract

and produce cotton on 30 percent more acreage, which, in my section of the country, means 2½ bales to the acre. At 40 cents a pound that is $500 or $600 an acre. I believe this amendment would change the circumstances and that other farmers who subscribed to contracts would not have a chance to do anything about them.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. I do not desire to labor the point, but the Secretary of Agriculture has already canceled contracts. I should like to place in the RECORD a news release of the Department of Agriculture, under date of February 28, 1958, in which it is stated that because of a critical shortage of spinnable cotton, the Department is giving farmers until the 28th of March to withdraw from the soil bank. The Secretary himself would change the terms of the contract.

Mr. DIRKSEN. The Department is merely extending the date.

Mr. EASTLAND. It is a change in the terms.

Mr. DIRKSEN. That is quite another thing from changing a contract by legal fiat.

Mr. EASTLAND. Nobody is canceling anything. The farmer has a right to surrender his rights and take other alternatives.

Mr. DIRKSEN. How many of those contracts have not been approved by the Secretary? Because of low prices many of them have never gotten to the point where they were consummated. That was made crystal clear in the hearings.

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the RECORD the news release of the United States Department of Agriculture, under date of February 28, 1958. There being no objection, the news release was ordered to be printed in the RECORD, as follows:

CANCELLATION DATE FOR CORN, COTTON, AND SPRING WHEAT ACREAGE RESERVE APPLICATIONS EXTENDED TO MARCH 28

The United States Department of Agriculture today announced that farmers who have made applications for participation in the 1958 acreage reserve for corn, cotton, and spring wheat, may cancel their applications anytime through March 28. Previously, farmers could cancel their applications for these crops through the signup deadline, which was February 20.

The deadline for canceling applications for rice and tobacco will be March 7, as previously announced.

The present corn signup would require payments in excess of the Soil Bank Act limitation, which restricts corn acreage reserve payments to $300 million. All offerings of corn acreage as reported from State ASC offices would require total payments of $313 million. It is expected that extension of the deadline for cancellations will result in a reduction of total requests for participation in the program.

For cotton, the acreage reserve offerings have been larger than expected earlier. With the 1957 cotton crop generally lower in quality than was anticipated, it is believed that the cotton acreage reserve signup is now in excess of what would appear to be desirable. Today's action will give cotton producers more time to withdraw from the program.

Lack of operating capital is frequently given by farmers as the reason for their interest in the program. Many cotton farmers are eligible for emergency loans, at 3 percent interest, for the production of 1958 crops, available through county offices of the Farmers Home Administration. In addition, many farmers are eligible for regular FHA loans.

Since the signup deadline for spring wheat was February 20, the same opportunity to cancel applications is extended to spring-wheat producers as is extended to corn and cotton growers.

Mr. DIRKSEN. I have seen the release.

Mr. EASTLAND. The Department, for the first time since I have been in the Senate, has adopted a tactic of inviting agriculture to have its way.

Mr. DIRKSEN. I could not subscribe to that sentiment.

Mr. EASTLAND. I have known of telephone calls made to Senators on the Republican side of the aisle by officials of the Department of Agriculture in which statements were made which were not in accordance with the facts. They pit soybean producers against cotton producers, and one commodity against another commodity, in an attempt to destroy whatever little influence farm groups may have in the United States Senate.

Mr. DIRKSEN. Of course, I do not subscribe to that sentiment.

Mr. President, I think I ought to continue a moment on the case before us. In the first place, why is this amendment before the Senate? It is assumed that there is a shortage of quality cotton. I do not know whether there is a shortage, although I suppose there is some shortage. But I ask this question: If 30 percent were added to the cotton acreage, what assurance would there be that, as a result of wet weather, there would not be produced much more short staple, inferior cotton? There can be absolutely no guaranty of that at all.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. The Senator has mentioned short staple cotton. The staple of the cotton has no more to do with the question than does the man in the moon.

Mr. DIRKSEN. It is middling cotton which was being talked about in committee.

Mr. EASTLAND. Middling cotton is a very high grade, fine, spinnable cotton. The cause of the trouble is that there was more rain in 1957 than in any other year since 1925. The quality of cotton was damaged. For that reason, there was a shortage, and the Secretary of Agriculture has given more time to farmers to enable them to withdraw from the soil bank, and has offered easy-credit terms to farmers who withdraw and place land in cotton.

Mr. DIRKSEN. Let us get the rest of the story.

Mr. EASTLAND. It is the official statement of the Department that there is a critical shortage of cotton. Farmers are told, "If you will withdraw, we will give you easy credit terms with which to grow cotton."

In a normal year, about 73 percent of a crop of cotton is good quality cotton. It was 50 percent last year.

Mr. DIRKSEN. Here is the rest of the story.

I have in my hand a letter, over the signature of the Secretary of Agriculture, dated March 6, from which I shall read one paragraph:

The pressures for additional acreage are based on the assumption that there is a critical shortage in the supply of high quality cotton. It is true that the 1957 crop of cotton was considerably lower in acreage than other recent crops and that the average quality of the August 1, 1958, carryover will be lower in grade than any recent carryover. However, large quantities of good, spinnable cotton are available and can be used in the same manner as similar cotton has been used in past years. We do not believe the situation is as serious as represented by some segments of the cotton industry. For example, Calcot, Ltd., indicates a large quantity of high quality cotton available in California which they are having difficulty in marketing. So long as the premiums and discounts are permitted to reflect the demand for the particular qualities desired, we believe that the supply situation between qualities will tend to correct itself.

Mr. EASTLAND. He was referring to the State of Texas.

Mr. DIRKSEN. He never mentioned Texas, so far as I know.

Mr. EASTLAND. That is the meaning of it. Let us be frank, because the support price was based on middling ⅞-inch cotton, which benefits northern Texas. The distinguished Senator knows it is necessary for a mill to buy its requirements for 9 months from now. Several million dollars in cotton inventories have to be expended. In addition, for a 15,000-bale cotton mill, the carrying charges would be about $100,000. That is the reason why the mills have not bought cotton.

I should like to make an inquiry of the Senator. Why has the Department of Agriculture given additional time, and why is it urging farmers to withdraw from the soil bank, and why does it promise easy credit if they plant cotton? I should like to have an answer to that question. Are they giving money away? Are they wasting money?

Mr. DIRKSEN. No.

Mr. EASTLAND. Because there is a critical shortage of spinnable cotton, a vote against the amendment is a vote for more unemployment in New England and in the other textile areas. I have in my hand a letter written to cotton mills by the largest synthetic manufacturer in the country, the American Viscose Corp. In the letter it is stated:

If the shortage of cotton is pinching you, remember the following factors and let rayon serve as a practical answer to your cotton problem.

The letter goes on to point out that there is a shortage of cotton and recognizes the fact that mills will have to buy rayon to replace cotton.

With the Senator, I think we must take a national viewpoint. We cannot, as the Department of Agriculture has done, play one commodity against another, but we must do what is best for

the country as a whole and what is best for the national economy. That means an adequate supply of quality cotton, at a reasonable price, for the cotton mills and for the consumers of the Nation.

Mr. DIRKSEN. Mr. President, if I may take a little of my time, I first desire to say that this proposal represents an amazing contradicton. There is money available to the Department of Agriculture to take cotton acreage out of tillage, yet a proposal is made to enable farmers to withdraw without penalty from their agreements and expand the cotton acreage by 30 percent, if that is the wish of the cotton producers. There we have an amazing contradiction.

I have heard no satisfactory explanation of it. I would not know how to defend such action. I would not know how to go home and say to the farmers, "Certainly I voted funds with which to take acreage out of production, in the hope that we could secure stabilty in the cotton industry, and then at the same time I voted for a proposal to add acres."

We would have then the astonishing spectacle of one farmer in the soil bank and, adjoining him, another farmer who withdrew and expanded his acreage by 30 percent. If that is logical—if that is sensible—then certainly I do not know anything about a logical farm program.

The next point I make is that this proposal is not for the benefit of the small producer. The small producer is against it. I think one of the finest farmers I ever knew was a great big, rugged, burly fellow from Pelham, Ga., whom we affectionately called "Tiny" Wingate. He had a heart attack, but he gets around once in a while. I have talked to "Tiny" Wingate several times in the past 10 days. He said to me, "Senator, I hope you will not let them do this to us, because 93 percent of the small producers in a referendum have favored the soil bank."

So one observes an amazing division of interest. Perhaps I have blindly and naively followed the wrong course and thought the soil bank was in the interest of the small cotton producer. If that be the case, I am going to listen to him.

"Tiny" Wingate at one time was the distinguished president of the Georgia Farm Bureau Federation and served in that capacity for many years. At one time he was a vice president of the American Farm Bureau Federation. I believe he speaks for the small cotton producer. He has indicated as unequivocally as he can that such small producers are opposed to the amendment of the Senator from Louisiana. In my judgment, it would not be in the interest of the small producers.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. Why?

Mr. DIRKSEN. Why is it not in the interest of the small producer?

Mr. EASTLAND. Yes. Why?

Mr. DIRKSEN. First, I start with the element of confidence in his Government. Secondly, what is likely to happen to him next year, when there is no soil bank and perhaps no minimum cotton acreage, for aught I know? What will happen when we begin to pile up the production and make this a relief plan? I do not know. There is no indication that there will be an acreage reserve.

Mr. EASTLAND. Let us be frank.

Mr. DIRKSEN. Yes. I am.

Mr. EASTLAND. Let us be frank and present all the facts.

Mr. DIRKSEN. Yes.

Mr. EASTLAND. The distinguished Senator knows that such additional acreage will not constitute farm history, on which acreage allotments will be paid.

Mr. DIRKSEN. Yes. I know that.

Mr. EASTLAND. The amendment is in the interest of the small farmer. A sound cotton economy is in the interest of the United States and in the interest of every farmer in it.

Mr. DIRKSEN. The farmer is now getting a pretty fair price for his cotton.

Mr. EASTLAND. He will still be getting it.

Mr. DIRKSEN. What is going to happen when the cotton crop is totaled around the first of August and an estimate is presented of 8.6 million bales of carryover, plus whatever else may come along?

Mr. EASTLAND. The cotton farmer will still get the price.

Mr. DIRKSEN. Yes.

Mr. EASTLAND. Such acreage is not figured as a basis for price supports.

Mr. DIRKSEN. What will be the impact on the crop in 1959?

Mr. EASTLAND. Such action will prevent thousands of acres from being planted in Mexico and in Brazil. It will preserve for the cotton farmer the one thing which has to be preserved—a market for his product. What is his farm worth, if he has no market for what is produced on his farm?

Mr. DIRKSEN. That is certainly not what the leaders of the small producers in States like Georgia have been saying. I will read the memorandum for the Senator.

Mr. EASTLAND. I have read the memorandum. I have also read the memorandum from the Farm Bureau in my State. I have read the memorandum from the Farm Bureau in Alabama. I have also read the memorandum from farm leaders in Tennessee and Arkansas.

Certainly this proposal is in the interest of the small farmer. It is in the interest of everyone. It will not decrease the price received by the small farmer.

Mr. DIRKSEN. Where were the small farmers in the hour of testimony? They were not here.

Mr. EASTLAND. A sound way to defeat a farm proposal is to divide and conquer—to divide farmers into groups, to divide commodities into groups. I am sorry those are the tactics of the Department of Agriculture.

Mr. DIRKSEN. Mr. President, with all the affection I have for my distinguished friend from Mississippi, I do not believe that is quite a fair statement. I cannot believe that a devout, Christian, dedicated person such as Ezra Benson would divide agriculture or anything else in this country.

Mr. EASTLAND. I am not tagging the Secretary of Agriculture, but there have been calls going out from the Department stating that this proposal would hurt soybeans, so as to array the soybean industry against the cotton industry, which is a very unfair argument and not in accord with the facts.

Mr. DIRKSEN. I will say to my distinguished friend from Mississippi that at no time, either in the committee or in the Senate Chamber, have I ever raised the competitive issue as to cotton versus soybeans, cottonseed versus soybeans, or cottonseed oil versus soybean oil. I have never mentioned that anywhere, at any time, and I see no particular point in doing so.

Mr. EASTLAND. Mr. President, the Secretary of Agriculture is a very honorable gentleman.

Mr. DIRKSEN. Indeed he is.

Mr. EASTLAND. I am not accusing him of anything. I am saying that such calls have gone from the Department of Agriculture. I have said that they have been reflected in the Senate Chamber—and they have been. Mr. President, that is a true statement.

Mr. DIRKSEN. That could be, but I reject the very implication so far as the junior Senator from Illinois is concerned; because at no time, anywhere, anyplace, have I predicated my opposition to the proposal upon whatever the competitive factor with respect to soybeans may be.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. The Senator fleeth where no man accuseth. The Senator has not been accused.

Mr. DIRKSEN. Oh, no.

Mr. EASTLAND. I will agree that my distinguished friend from Illinois is above those arguments.

Mr. DIRKSEN. I do not use them because I am afraid it might be regarded as venal, and I would rather not cast myself in that light.

Mr. EASTLAND. I agree with the distinguished Senator.

Mr. DIRKSEN. I want to see the motion to suspend the rule defeated strictly on the merits involved. That is the reason for the argument.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. Why does the Senator not vote to suspend the rule and permit the Senate to consider the amendment on its merits, as a national emergency measure?

Mr. DIRKSEN. We have been considering the proposal on its merits all afternoon.

Mr. EASTLAND. We are considering a motion to suspend the rule.

Mr. DIRKSEN. But the argument has directed itself to the merits of the amendment which the Senator favors. I have heard virtually no technical discussion of the motion to suspend the rule. The distinguished Senator from Louisiana has very completely addressed himself to the merits of the amendment he desires to offer.

Mr. EASTLAND. Why could the Senator not agree that we should suspend the rule, and then discuss the amendment on its merits?

Mr. DIRKSEN. The Senate operates under its rules.

Mr. EASTLAND. Does the Senator desire to shut us off, so that we cannot present our case on the merits?

Mr. DIRKSEN. The Senator from Illinois could not shut anybody off, because the rules speak for themselves.

Mr. EASTLAND. That is the meaning of it all.

Mr. DIRKSEN. When there is a legislative proposal to an appropriation bill, the rules say the only way it can be considered is by a suspension of the rule and by a two-thirds vote. I think that is an excellent device. Over the years it has served the Senate and the country very well.

Mr. EASTLAND. Let me tell my distinguished friend that we are in a national emergency. A vote against the motion of the Senator from Louisiana [Mr. ELLENDER] will cause thousands of people in this country to lose their jobs. Why does not the Senator agree to suspend the rule and permit the subject to be debated on its merits?

Mr. DIRKSEN. For the very good reason that I do not believe people will lose their jobs, and that I think we would do infinitely more injury to the cotton producer and the cotton industry by this amendment than could be compensated for by any slight benefit.

Mr. EASTLAND. The rayon industry is moving in. In that connection, it is very peculiar that the Department of Agriculture says:

> We are going to extend the time to withdraw from the soil bank, and in addition we will give you easy credit if you will grow cotton, which is in critically short supply.

Mr. DIRKSEN. All I know is that the former president of the Georgia Farm Bureau Federation, whom I have cherished as a friend for 20 years, said in his memorandum:

> Cotton producers voting in the December 10 referendum were over 93 percent for the present program. There is no question that the vast majority of the cotton producers feel that they have a definite contract with their Government for this crop. If the program is changed through legislation at this time, the farmers will lose confidence in the Government and feel that there is no need to vote in future referendum.

If this proposal was for the little fellow, why did he not rush to Washington and, through his leaders, in a magnificent gesture show his support for this proposal?

Mr. EASTLAND. I think that has been done through the great number of farm bureaus which have endorsed this amendment. The Senator points to the fact that the President of the Farm Bureau Federation of one very great State opposes it.

Mr. DIRKSEN. He is a pretty good spokesman, and has been for a long time.

Mr. EASTLAND. Where are the others? I should like to have the distinguished Senator explain how the small farmer would be injured. He would be helped by this amendment.

Mr. DIRKSEN. The Senator can try to sell that argument to Mr. Wingate, president of the Georgia Farm Bureau Federation. I knew him 25 years ago, when I was at the other end of the Capitol. He was devoting himself even then to the interest of the small cotton farmer.

Mr. EASTLAND. Does the Senator take the position that the American Farm Bureau is prejudiced against the small farmer?

Mr. DIRKSEN. Indeed not. It is for the small farmer.

Mr. EASTLAND. It is for the small farmer?

Mr. DIRKSEN. Certainly. It is for all farmers.

Mr. EASTLAND. The American Farm Bureau supports this amendment.

Mr. DIRKSEN. No; it does not.

Mr. EASTLAND. Yes; it does.

Mr. DIRKSEN. I ask the Senator to show me the letter of John Lind in the record, and point out that the American Farm Bureau supports this amendment.

Mr. EASTLAND. The representatives of the American Farm Bureau Federation testified for it.

Mr. DIRKSEN. They called me up today and said that they had had Frank Woolley talking to Members on both sides of the aisle, to the effect that they do not support this amendment.

Mr. EASTLAND. They testified for it.

Mr. DIRKSEN. I do not think they did. John Lind appeared before the committee and testified, but he testified on something quite different from the amendment now before us.

Mr. EASTLAND. What was it?

Mr. DIRKSEN. It was something that was first considered in the House.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. I can easily see how there could be misunderstanding on this subject. Feeling some doubt myself as to the position of the American Farm Bureau Federation, I telephoned that organization and asked if it was supporting this particular amendment. I was assured that it was not. I asked that a letter be written to me, which I shall later ask to have printed in the RECORD.

The American Farm Bureau Federation states that it offered testimony in support of Senate bill 3228, introduced by the Senator from Mississippi [Mr. EASTLAND], and other Senators. The American Farm Bureau Federation representatives described what that bill meant, and stated what they supported in appearing in behalf of the bill. The letter states, in part:

> In commenting on S. 3228 before the Senate Committee on Agriculture and Forestry, we urged that the acreage increase be set at 25 percent and the level of support for farmers taking the extra allotment be set at 70 percent of parity. We did not recommend two separate levels of price support for the same farmer, as was included in other proposals before the committee at that time, and which is being proposed currently as an amendment to the supplemental agriculture appropriations bill for 1958.

Mr. EASTLAND. What they did was to recommend a 25 percent increase in acreage. Why? Because of a critical shortage of spinnable cotton. To get that acreage planted, they wanted 70 percent price support.

Here we have a proposal for a 30 percent increase in acreage and no price support. How can the distinguished Senator say that the American Farm Bureau Federation would oppose this program?

Mr. DIRKSEN. For the very good reason that they do oppose it, right now. If the program calling for a 70 percent support level and a 25 percent increase was their baby, why was it not offered to the Appropriations Committee?

Mr. EASTLAND. I am not a member of the Appropriations Committee.

Mr. DIRKSEN. It was never considered.

Mr. EASTLAND. Here is a program providing for a 30 percent increase in acreage, instead of the 25 percent which they advocate.

Mr. DIRKSEN. What about the price support?

Mr. EASTLAND. There is no price support.

Mr. DIRKSEN. What was the reason for that?

Mr. EASTLAND. The Farm Bureau thought that extra price support would get more acreage planted. They are in agreement that there is a critical shortage.

Mr. DIRKSEN. It is an amazing thing that the Secretary of Agriculture, who has all the marketing and statistical facilities at his command, does not share the feeling that there is such a critical shortage. He admits that there is a shortage.

Mr. EASTLAND. Has he stated what the shortage would be 12 months from now?

Mr. DIRKSEN. I do not know.

Mr. EASTLAND. I think the Department of Agriculture even admits that there will be a critical shortage a year from now. The only way to get the cotton produced is to plant it now.

Mr. DIRKSEN. Twelve months from now more acres can only mean more cotton, added to the carryover. What would be the impact in 1959?

Mr. EASTLAND. Added to the carryover?

Mr. DIRKSEN. We shall have a carryover in excess of eight million bales, at gins or warehouses, on farms, and in Government accounts.

Mr. EASTLAND. The distinguished Senator wants to be fair, I am sure.

Mr. DIRKSEN. Certainly.

Mr. EASTLAND. The distinguished Senator must realize that the cotton to which he refers is largely unspinnable. Some of it is practically worthless.

Mr. DIRKSEN. Cotton which is worthless?

Mr. EASTLAND. Yes. Some of it is the dregs of the crop.

Mr. DIRKSEN. I do not realize anything of the kind.

Mr. EASTLAND. The distinguished Senator from Illinois sets himself up as being an expert——

Mr. DIRKSEN. No, indeed.

Mr. EASTLAND. The distinguished Senator from Illinois sets himself up as an expert whose judgment is superior to that of anyone in any segment of the entire industry.

Mr. DIRKSEN. If we cannot rely upon the marketing experts in the Department of Agriculture for information on the subject of cotton, I do not know

where to go to obtain complete and unbiased information.

Mr. EASTLAND. Then why are they asking farmers to withdraw from the soil bank, and offering easy credit terms to induce farmers to plant cotton?

Mr. DIRKSEN. Was the memorandum limited to cotton?

Mr. EASTLAND. Yes. The reference to a shortage was limited to cotton.

Mr. DIRKSEN. I ask the Senator to take a look at it and see.

Mr. EASTLAND. I have placed it in the RECORD.

Mr. DIRKSEN. Were not other commodities included?

Mr. EASTLAND. No.

Mr. DIRKSEN. That may or may not be the release I saw; but in the release I saw the same thing applied to other commodities.

I ask my friend this question: More acres means more cotton, some of it poor cotton, not of good spinnable quality; but we shall have it. What are we to do with it? Our export program has cost us $742 million in the past 2 years.

Mr. EASTLAND. What about the wheat-export program?

Mr. DIRKSEN. We are not dealing with wheat.

Mr. EASTLAND. The Senator wants to forget about wheat.

Mr. DIRKSEN. There is no proposal to expand the wheat acreage.

Mr. EASTLAND. The cost of liquidating the cotton surplus has been very great. Why point to cotton when the Senator does not point to commodities produced in Illinois?

Mr. DIRKSEN. Let the Senator offer an amendment relating to wheat, and we shall obtain all the figures. The amendment will be treated in exactly the same manner.

Mr. EASTLAND. We are not going to play one product against another.

Mr. DIRKSEN. I am glad to hear the Senator say that. That is the reason why I did not raise the subject of wheat.

Mr. EASTLAND. But the Senator has brought up cotton.

Mr. DIRKSEN. That is what we are dealing with. Under the rule of relevancy and germaneness, we cannot even add to the amendment a provision covering corn, or anything else, because under the rule it would not be germane or relevant, and it would be ruled out of order. This is a closed chapter. We cannot get at it with an amendment. All we can do is to suspend the rule on every other proposal that comes along, if we are to give relief.

Mr. EASTLAND. Each proposal ought to be decided on its merits.

Mr. DIRKSEN. I am ready to do that.

Mr. EASTLAND. Then the Senator should vote to suspend the rule.

Mr. DIRKSEN. I am against suspending the rule, definitely so, and I hope the motion will be rejected, and decisively so.

SEVERAL SENATORS. Vote! Vote!

Mr. DIRKSEN. We are thinking in terms of the impact on the taxpayers. What will happen finally to the inferior cotton, the so-called nonspinnable cotton? Someone will have to pay for it. Next year, of course, the bill will come in. How much will it be? I do not know. If it means 6 or 7 cents a pound and $30 or $40 or $45 a bale, we might get a bill for $150 million. That will be the cost before we get through.

Therefore, I can see no virtue in this program. I see no virtue in it for the small producer. He has not been asking for it.

I thought the soil bank was designed for the small farm producer. It will only be a few months—the first of August will soon be here—when the line will be drawn and the issue determined and decided. Then we will know what the carryover is, and also about the new crop.

Why the hurry? It seems to me that this is a rather tortuous road to travel. It can produce many headaches.

I do not see how Senators can explain the proposal back home by saying that with the left hand we have taken millions of dollars out of the Treasury to take cotton acreage out of cultivation, and with the right hand, with the instrumentality of a legislative amendment to an appropriation bill, we have let the farmers withdraw from their agreements without penalty, and to extend their cotton acreage. If that is logical, then my conception of logic is woefully impaired.

I shall not detain the Senate any longer. I earnestly hope the motion to suspend the rule will be rejected and that the amendment will also be rejected, because its adoption will only mean other suspensions to write other legislative provisions into the bill. Woe betide the man who must administer it when we get through. Therefore, I earnestly hope that the Senate will reject the motion to suspend the rule and will also reject the amendment.

Mr. JOHNSON of Texas. Mr. President, I wonder if I could inquire of my colleagues on both sides of the aisle how many anticipate addressing themselves to the motion to suspend the rule, in order that we may determine whether it will be possible to have a vote on the motion this evening.

I have talked with the distinguished minority leader, and we hope that we will be able to get a vote. However, we do not wish to have the Senate stay in session very much after 7 o'clock.

I know that my friend, the distinguished Senator from New Mexico [Mr. ANDERSON], desires to address himself to the subject. I know that my distinguished friend from Tennessee [Mr. KEFAUVER] also wishes to address himself to the subject. I do not know how many more Senators wish to speak on the amendment.

Mr. ALLOTT. I have requested time, and I have had my request in for some time now.

Mr. JOHNSON of Texas. Does the Senator desire to speak before the motion is voted on?

Mr. ALLOTT. No; immediately after, if we can get a vote.

Mr. JOHNSON of Texas. I understand that the Senator from New Mexico wishes to speak for 5 minutes. How long does the Senator from Florida [Mr. HOLLAND] desire to speak?

Mr. HOLLAND. I will accommodate myself to the leader's plan.

Mr. KEFAUVER. I shall take about 5 minutes.

Mr. JOHNSON of Texas. Those are the only requests so far.

Mr. ROBERTSON. Before the majority leader announces the program, as he may know, I have been waiting very patiently all day to make another motion to suspend the rule. I do not wish to speak on the pending motion, but I do wish to speak on the other one. I should like to have some general indication of what the program is, because at least seven Senators have indicated their desire to speak on my motion to suspend the rule, and we will stay here as long as necessary, although I do not believe we will stay here much after 7 o'clock.

Mr. JOHNSON of Texas. I shall be glad to stay as long as it may be necessary to accommodate the Senator, if he desires to address the Senate this evening. If he does not wish to do so, the Senate will be meeting at 11 o'clock tomorrow morning, and he can make his motion then and speak on it, or he can proceed to do it at such time as he may desire.

Mr. ROBERTSON. That suits the Senator from Virginia.

Mr. JOHNSON of Texas. The Senator from Tennessee, I understand, wishes to speak for 3 or 4 minutes. Is that correct?

Mr. KEFAUVER. That is correct.

Mr. JOHNSON of Texas. The Senator from New Mexico desires to speak for 5 minutes.

Mr. ANDERSON. More or less.

Mr. FULBRIGHT. I ask unanimous consent to have my remarks printed in the RECORD at this point. I will not speak this evening, to save some time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

Developments over the weekend indicating that the administration is at last taking steps to ease the present economic conditions are very encouraging. I am pleased that the administration now faces the reality that Government action is needed to relieve the distress and suffering caused by the economic situation. I fear, however, that the administration has, by its delay in taking positive action, accentuated an already bad condition. No one knows how much of a tonic effect early Federal action would have had on the economy. There is no doubt that it would have generated some of the confidence which we have been told is the cure for our economic woes. It is difficult for a workingman to appreciate the importance of confidence when he is unable to find a job and his unemployment compensation is running out.

I was particularly pleased to note that the President has ordered an acceleration of public works projects. Although the action is tardy, it is welcome to all who are concerned with proper development of our natural resources. However, this program affects only authorized projects now under way. It does not change the status of the projects included in the rivers and harbors authorization bill vetoed by the President in 1956. This bill included authorization for construction of Millwood Reservoir and seven upstream projects on the Little River and tributaries, in Arkansas and Oklahoma; Lone Rock and Gilbert Reservoirs on the Buffalo River in Arkansas; the White River backwater project; and others. If this authorization bill had been signed into law, it is likely that many other sound water development

projects would be ready for construction by this time. This omnibus flood control bill has again passed the Senate and is awaiting action by the House of Representatives. I sincerely hope when the House acts on it, we are not faced with another Presidential veto.

Last week I inserted in the RECORD a list of Corps of Engineer projects in Arkansas with a companion table of the amounts which could be effectively used on the projects in fiscal year 1959 and the corresponding budget request. It was apparent from this table that the administration is stifling progress on Arkansas flood control projects. The same shortsighted attitude is seen in budget requests for many State aid programs. For example, a decrease of $121 million to $75 million has been recommended for the Hill-Burton hospital construction program. I know that every Senator is familiar with the contribution of this fine program to our Nation's health and well-being. It is a program which should receive the highest priority, and yet the administration asks that funds for it be cut more than one-third in fiscal 1959. If this recommendation is followed, it will mean a reduction from $2,389,135 in 1958, to $1,367,055 in fiscal 1959 for the program in Arkansas. An accelerated hospital construction program would be an important factor in helping depressed areas get back to normal. I have been informed by the Department of Health, Education, and Welfare that there are over 2,000 hospital projects throughout the country which are waiting for Federal funds. In Arkansas alone there are now 35 projects which are stymied for lack of Federal grants. I hope the Congress will give particular attention to this vital and humanitarian program in considering an accelerated public works program.

The library services and the impacted-areas school-aid program will be seriously curtailed in fiscal 1959 if the budget recommendations are approved by Congress. The Library Services Act, passed by the Congress in 1956, authorized appropriations of $7.5 million per year for a 5-year period. The President this year asked for only $3 million for the library services program. Congress last year wisely increased the funds requested from $3 million to $5 million, and I hope that similar action will be taken this year to make the program more effective. I, for one, should like to see the full $7.5 million which was authorized by the Congress, appropriated for this activity. In this time of deep concern over educational problems, we cannot neglect programs to make our citizens better informed and educated. Arkansas has taken great pride in the expansion of library services in rural areas within the State, and urgently needs the full grant authorized. If the President's budget is not increased, it will mean that Arkansas will suffer a cut from $107,309 in 1958 to $61,520 in 1959, of its share under the program. Although this program is small in comparison to other public-works programs, its long range significance cannot be overemphasized.

The program of Federal grants to school districts in areas of large Government activity would be slashed to the bone if the administration had its way. The impacted-areas program is not a gift—it is merely payment to the local school system for costs which it incurs due to attendance of large numbers of children of Federal employees in the area. It is a moral obligation of the Government to pay the schools for the added burdens caused by Federal activity in the community. The administration proposes that the program be cut drastically after this year. Arkansas schools in fiscal year 1958 are expected to receive $1,515,000 in payments, but if the administration's proposals are accepted, the payment would drop to $970,000 in the 1959 fiscal year. I am sure all Senators can appreciate what an extra burden this cut would place on an already overtaxed educational system. It would undoubtedly mean serious reductions in the quality of the educational program in many areas. I hope the administration's proposed reduction will be firmly rejected by the Congress.

I should like to mention another proposal by the Federal Government which will have a depressing effect on the economy. The administration has requested that the strength of the National Guard be reduced approximately 10 percent. The cut is more severe than appears on the surface. I understand that many entire units will have to be cut out in my State if the reduction is carried out. It will mean a $38 million loss to the States and guard members for support of guard activities. The cut of this amount will be acutely felt by the hundreds of communities throughout the country which support National Guard activities. The guard has served this Nation well in peace and war; and, in this perilous time, we cannot afford to curtail this fine defense force. I am pleased that the House Armed Services Committee is studying the administration proposal carefully. I hope the proposed reduction will be halted by the Congress.

One last item I should like to mention in this brief list of areas where Congress can overcome the unconcern and lackadaisical attitude of this administration is the field of Federal aid to education. I have, for many years, urged passage of a workable program of Federal aid to education. Never has the need for such a program been so imperative as now. We must begin to place education in proper perspective, and the most significant step which the Congress can take in this direction is to enact a Federal aid program. It is unfortunate that we do not have a school construction program in operation now. It would be an ideal medium for channeling additional Federal money into depressed areas. I have seen the latest Department of Health, Education, and Welfare statistics, which indicate a national shortage of over 140,000 classrooms in elementary and secondary schools at the beginning of the fall term. My State has reported a shortage of 1,226 classrooms. At the current average cost of $40,000 per classroom, this represents a total cost of $49,040,000 needed to satisfy the classroom needs of Arkansas alone. We must have Federal help to satisfy this urgent need, and I urge that the Senate enact a workable Federal aid to education program at once.

The programs I have mentioned deserve careful study by the Congress. By increasing emphasis on them, much could be accomplished in making the economy healthy again. The Congress has already indicated a real awareness of the need for Federal action to bolster the economy. I am hopeful that the areas I have mentioned will receive study along with programs for accelerating public works, housing, and other projects. I know that increased emphasis placed on these additional areas would be justified.

Mr. JOHNSON of Texas. I should like to inform the Senate that we will attempt to vote on the motion this evening, and I ask the secretary of the majority and the secretary of the minority to notify absent Senators that we expect to try to vote at about 7 o'clock this evening.

Mr. JAVITS. Mr. President, I send to the desk two amendments to the pending measure which I propose to offer, and I ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. KEFAUVER. Mr. President, I can only speak for my own State, but in Tennessee the cotton farmers with whom I have talked—and I have talked with a great many of them—feel that for the good of the cotton industry, generally, it is absolutely necessary that they have some additional acreage. It is true that the Farm Bureau, as I understand, has requested 25 percent additional acres, with a 70-percent-support price. That proposal may not be exactly like the pending amendment, but it represents the general effort of all of them to secure some additional acreage.

Mr. President, I do not like a suspension of the rule on this kind of matter. However, if the cotton farmers are to have any kind of relief, and if anything is to be done for the cotton industry, it must be done now or it will be too late. As the Senator from Louisiana has said, cotton is being planted, and plans are being made. So it is either now or never.

Furthermore, I do not feel that the amendment violates any agreements with reference to the soil bank, because the Department of Agriculture itself has recognized the fact that we need more spinable cotton and has extended the time for cotton farmers to withdraw from the soil bank.

The American cotton industry is facing one of the most severe crises in its history due to an impending critical shortage of quality cottons. Unless acreage is increased so as to increase the production of quality cottons, United States cotton producers could lose the market equivalent of 2 million bales of cotton in just a year or two.

Extremely adverse weather conditions last fall resulted in a loss of 3¼ million bales of quality cottons—the principal grades demanded by our customers at home and abroad.

Mr. President, in the States of Tennessee, Arkansas, Missouri, and Mississippi, the cotton farmers were able to save very little cotton, and almost none of the high-quality cotton.

Due to this loss, the carryover of these qualities next August 1 is expected to be reduced to about 1¾ million bales. With over 5 million cotton acres in 1958 soil bank, as is now expected, the crop next year will probably be only about 10 million bales. Assuming average grade distribution in the 1958 crop, we can expect about 7.3 million bales of Strict Low Middling and better cottons. This, plus a carryover of 1¾ million bales, would give a supply of only 9 million bales of these qualities for the next marketing year.

Such a supply could not support an offtake—domestic consumption and exports—of more than about 12.5 million bales. However, if supplies of these qualities were adequate, we might expect an offtake of around 14.5 million bales. Simply because of this quality shortage caused by weather, the American cotton industry stands to lose markets both at home and abroad. For most certainly, if the United States cannot provide the cotton needed and demanded, our customers here and abroad will turn to substitutes. Our foreign customers will turn to foreign-produced cottons or synthetics, while our domestic customers

will be forced to turn to manmade fibers. In recognition of the short supply situation, the American Viscose Corp. has sent a letter to the leading cotton-spinning mills, from which I should like to quote a few lines. The letter says:

> Today there is industrywide concern over the top-quality cotton supply. Stocks are not adequate to meet known manufacturing requirements.
>
> Does this mean a forced shortage of quality fabric this year? Fortunately not. High quality rayon, not subject to nature's whim, is steadily available. In blends with cotton, rayon will yield attractive, high quality, functional, economic fabrics.
>
> If the shortage of quality cotton is pinching you, remember the following factors and let rayon-cotton blends serve as the practical answer to your problem.

It goes on to offer the American Viscose Corporation's technical advice in switching from the spinning of cotton to rayon.

Mr. President, the cotton farmer faces a desperate struggle for markets. If we do not provide the means, through additional acreage in 1958, for the farmer to increase his production, all the efforts and money expended by the industry and the Government to build, develop, and maintain markets for United States cotton may very well go for naught.

I hope the Senate will at least, in this time of emergency, suspend the rule and provide an opportunity to discuss and debate the amendment in more detail on its merits.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. YARBOROUGH. The Senator from Tennessee has made a very succinct statement on the question. With reference to the facts he has given us, is the Senator from Tennessee aware that in 1957, 17,500,000 acres were planted to cotton; that considering the land already placed in the soil bank, only 14 million acres are calculated to be planted to cotton this year; that 2 million or 2,500,000 additional acres will be taken out of the soil bank; and that under existing laws, there will be planted fewer acres of cotton this year than at any time in 80 years?

Mr. KEFAUVER. The Senator from Texas is entirely correct. Even if we add the 2 million or 2,500,000 acres that might be taken out of the soil bank to the acres which will be planted, there will still be this year considerably less acreage than there was in previous years.

Mr. YARBOROUGH. The people in the small cotton-growing areas and those who live in the small towns where the stores are boarded up and the gins are closed and the banks are going broke are hard hit. The straight-out cotton belt looks like a tree that has died.

Mr. KEFAUVER. The extension of the soil bank in west Tennessee has dried up our towns. The stores are closing. It is the worst thing possible for our economy. The additional credit will revive our towns and will give employment to hundreds of thousands of persons. There will be no support price. I think the amendment will save the Government money in the long.

Mr. YARBOROUGH. The county seat of Houston County, in my State, is Crockett, named for the distinguished Tennesseean. It had a population of 35,000 in 1946. The population today is down to 17,000. The towns in the Cotton Belt are drying up because of the reduced acreage. They are appealing for more acreage so as to keep cotton going in that State.

Mr. KEFAUVER. The same is true of the county in Tennessee from which Davey Crockett came.

Mr. ANDERSON. Mr. President, I have received from W. B. McAlester, president of the New Mexico Farm and Livestock Bureau, and my longtime friend, a telegram urging me to support the motion made by the Senator from Louisiana. I should be happy to do so under ordinary circumstances. I think I owe Mr. McAlester and the Senator from Louisiana an explanation of why I am not doing so.

We are confronted with a situation in which the administration has been forced, on the basis of the supply situation, to determine that cotton is in surplus. Having determined that cotton is in surplus, the Department has established an acreage-reserve program. Then the Department of Agriculture began to make allocations of the funds to the individual farmers.

The Department left to each State the determination of the method to be followed, whether it should be on a first-come, first-served basis, or whether the Department should make the distribution on some other basis.

But it had more demand that the acreage should come out of the soil bank than the money would permit them to do.

Mind you, Mr. President, there was $180 million in the first pot for this purpose. But already we have built the soil bank up to $250 million; $90 million was allotted for cotton.

So we see the Department, with one hand, taking acres out of cultivation, and with the other hand putting them back. At the same time that the Government is spending $180 million to reduce production, there is additional pressure to expand the acreage of cotton in order to provide an adequate supply of desirable qualities. That is what the right hand will be doing.

What will the left hand be doing? It will take the opposite position. It will then be said that having taken 5 million acres out of cultivation from the soil bank, we will proceed to put 5 million acres back by another device—5 million acres in the western section of the country, where the production is above the national average, where 2½ bales to the acre is not unusual and where even 3 and 4 bales to the acre have been achieved.

It is proposed to take out of production 5 million acres of one kind of land and put in 5 million acres of the most productive kind of land. Why? Is it to take cotton land out of production because there is a surplus?

We have to spend $270 million, but we also have to open up land because there is a shortage. This is the first time I know of when we are being asked to suck and blow at the same time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I note, in the operations under Public Law 480, that 2 million bales of cotton were exported in the two marketing years of 1956–57 and 1957–58 under title I, which is the title relating to trading in soft currency. In the same two years, under title III, the barter title, 1,350,000 bales were exported, making a total of 3,350,000 bales used in that important program, which is based upon the idea that we have a tremendous surplus of cotton.

I wonder if the distinguished Senator from New Mexico has tried to determine how much the program would be affected by the passage of a bill declaring that not only do we not have a surplus, but that we must create a great deal more production.

Mr. ANDERSON. I think the Senator from Florida has put his finger on the most important part of the discussion. There are two laws which apparently have been overlooked. One is Public Law 480. The Secretary of Agriculture cannot export cotton under Public Law 480 if the United States is in a situation of shortage. He may do so only when there is a surplus.

If Congress says that there is no surplus, that there is a shortage, I think the Secretary of Agriculture would be well advised if he stopped operating under Public Law 480, so far as cotton is concerned.

In addition, there is section 22 of the Code, which Secretaries of Agriculture have used to impose quotas for the importation of cotton.

At the present time, Brazil and Mexico have an abundance of every type of cotton which is in shortage in the United States. Unless there is danger of a surplus of cotton destroying the price-support program, quotas cannot be imposed. Therefore, if suddenly it becomes necessary to declare that a shortage of cotton exists, there is no basis on which the Secretary of Agriculture can put section 22 into effect.

If it is desired to destroy the cotton farmers of the United States, this is the best way to do it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. I should like the RECORD to be clear about the nature of the surplus. There is a large supply of low quality cotton. There is a shortage of cotton of strict low middling or better. The shortage has been accentuated by floods in Missouri, Tennessee, Arkansas, Mississippi, and other States along the Mississippi Valley.

The fact that there is a surplus of low quality cotton should not preclude more acreage in order to produce good quality cotton. That is the intent and purpose of the proposed legislation.

Mr. ANDERSON. That may be. I only say there are 8,500,000 bales of cotton. It is not all spotlessly white; it is not the finest cotton in the world. But there is a demand for it. It can be milled and handled. There is no reason why our export program should con-

tinue to cost the tremendous sums which would be imposed upon it.

The Senator from Illinois pointed out that the export programs for surplus goods have cost $740 million in the last 3 years. How long do we suppose the taxpayers are going to like that?

There was a time many years ago when it was possible to point to a profit of a couple of hundred million dollars in the cotton market. At that time we made money in exporting fine, short pieces of cotton, a half inch in length. We were told that it was so poor that it could not be milled anywhere in the United States. Yet it was found that cotton mills in China, Japan, and Austria could use that kind of cotton. We have 8,500,000 bales which can be sent to those areas, and still take care of our domestic needs.

I did not intend to speak for a long time, and I shall not. A good program is operating under Public Law 480. Why put it in jeopardy by saying that cotton is in surplus and also is in shortage. We do not deal only with short cotton. We deal with the whole picture. Cotton is not in shortage.

We also have a good program under section 22, which imposes quotas. Why jeopardize that section?

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. I appreciate the comments which the Senator from New Mexico is making. This problem has been of some concern to me, because I have a very definite interest in agriculture. I do not think one commodity can be selected and dealt with individually. I think the picture must be considered as a whole; and there are problems which concern all commodities. Therefore, I shall not vote to suspend the rule. I think there would be trouble if we started to do that.

Mr. ANDERSON. I agree with the Senator. I was about to say that if we want to suspend the rule with respect to cotton, which I do not raise, then I should like to see the rules suspended with respect to wheat, which I do raise. If the rule is suspended with respect to cotton and wheat, then I want to know about corn and tobacco. Why not go the whole route? Why not take the matter away from the Committee on Appropriations?

Mr. President, I think that to do what is proposed is bad practice and that we will regret it if we do it in this particular instance.

Mr. HILL. Mr. President, I shall be happy to join my colleagues in supporting increased cotton acreage, provided we include adequate safeguards to protect the income of cotton farmers not only in 1958 but also in the subsequent years.

I believe that the Hayden amendment, in its present form, would result in a reduction of price supports to a level below the cost of production in 1959 and future years.

In the event the motion to suspend the rule is approved, I shall submit an amendment, on behalf of myself and my colleague [Mr. SPARKMAN], to incorporate in the Hayden amendment adequate safeguards to protect the income of cotton farmers.

Mr. HOLLAND. Mr. President, I strongly support the position taken by my distinguished friend, the Senator from New Mexico [Mr. ANDERSON] and my distinguished friend, the Senator from Alabama [Mr. HILL], in opposing the waiving of the rule on the basis of this particular motion.

Mr. President, the time limitation which we have voluntarily placed upon ourselves, at the request of the majority leader, precludes my making an extended statement. But I wish to call attention to just three facts.

First, by means of a very considerable majority, the Senate voted for the law now on the statute books. A very considerable majority of the Members of the Senate also voted to confirm the nomination of the Secretary of Agriculture who administers that law. Under that law the Congress has vested in the Secretary of Agriculture the discretion to act, and the Congress gave him a mandate to act in such a way as best to serve the interests of agriculture and at the same time to assure the production of what he regarded as adequate supplies.

The Secretary of Agriculture has acted. But now the Senate is being asked—without any specific hearings at all on the proposed amendment, either before the legislative committee or elsewhere—simply to decide that the law the Congress enacted will not be followed, and that the Congress will not approve or confirm the decisions made by the Secretary of Agriculture whose nomination was confirmed by the Senate and who in that position administers that law. Mr. President, I do not care to put myself in that position.

Second, I should like to comment concerning the question that arose as to the position of the American Farm Bureau Federation in this matter.

I have already stated, in the course of a colloquy, that I called the American Farm Bureau Federation and found that although it is in favor of added acreage, it dos not favor added acreage in connection with a proposal of this kind. The Federation has written to me a letter confirming this position, over the signature of Frank K. Woolley, legislative counsel, under date of March 6, 1958. I have already quoted certain parts of the letter, but I ask unanimous consent to have the entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 6, 1958.

Hon. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: This is in reply to your inquiry concerning the Farm Bureau's position on an increase in cotton acreage for 1958.

Enclosed herewith is a copy of Farm Bureau's testimony, dated February 17, 1958, on S. 3228, a bill to encourage the production of additional high-quality cotton in 1958 and to help avoid further losses of markets and thereby protect farm income.

In summary, Farm Bureau's resolutions with respect to price support and production adjustment on cotton for 1958 read as follows:

"Recognizing the seriousness of the cotton-supply situation due to the adverse weather of the past growing season and the danger of a repetition of the 1950–51 price cycle, we request the American Farm Bureau Federation board of directors to work out details of a program for (1) an increase in acreage in 1958 sufficient to assure adequate supplies and (2) a long-range program to return to a competitive one-price system for cotton."

Pursuant to these specific guidelines and other general guidelines, laid down by the voting delegates, the board of directors recommended for cotton for 1958 that each individual farmer be given a choice of (a) an increased acreage allotment of 25 per-percent and a price support of 70 percent of parity or (b) an acreage allotment and price support effective in 1958 under present law. Farmers accepting the increased acreage and lower price supports for 1958 would not be eligible to participate in the cotton acreage-reserve program for 1958. As a part of this action, the board also said, "We oppose legislation to reinstate price support for dairy products at 1957 levels."

In commenting on S. 3228 before the Senate Committee on Agriculture and Forestry, we urged that the acreage increase be set at 25 percent and the level of support for farmers taking the extra allotment be set at 70 percent of parity. We did not recommend two separate levels of price support for the same farmer as was included in other proposals before the committee at that time and which is being proposed currently as an amendment to the supplemental agriculture appropriations bill for fiscal 1958. We most certainly believe that our proposal for increased cotton acreage in 1958 is preferable.

Sincerely yours,

FRANK K. WOOLLEY,
Legislative Counsel.

Mr. HOLLAND. Third, Mr. President, all of us know that the production of cotton in some areas is greatly more profitable than in others. I inquired about the amount of "penalty" cotton produced last year. I found that 35,000 acres of "penalty" cotton were produced—mostly in the West. Such cotton was produced when some farmers thought it was sufficiently profitable to produce cotton, even if they had to pay to the Government half of the amount obtained from producing it. They believed they could still "come out" in that event. I do not know whether they "came out" or not, but certainly from that history of last year, we have assurance that with the appearance of a fine market this year, many more acres of that kind will be planted.

Mr. President, why transfer the production, in the peremptory way it would be transferred under the amendment, by allowing 30 percent additional acreage to be planted in the areas where the growers have not availed themselves to any considerable degree at all of the acreage-reserve program.

Mr. EASTLAND. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. EASTLAND. The Senator from Florida does not desire, does he, to leave the impression that the Farm Bureau is not in favor of increased acreage this year?

Mr. HOLLAND. Certainly I do not. The Farm Bureau, in its letter, makes it

very clear that it favors increased acreage. But it favors it on the basis of a 25-percent increase and a 70 percent price support on all the production of anyone who claims that increase—which is a very different thing, as the Federation said in its letter, from having two kinds of programs operate in the case of a producer who, under the provisions of this amendment, would claim the right to increase his acreage by 30 percent.

Mr. President, in closing I wish to say that not only will the future and the prosperity of the cotton farmer be greatly jeopardized if the amendment is agreed to, but in my judgment we could do nothing more deliberately calculated, and more certain of its accomplishment, to tear down the confidence of the Nation in the agricultural program.

If Senators wish to destroy that program, they create an extremely good vehicle, in my humble opinion, with which to do it, by voting to suspend the rule and to have this amendment agreed to.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have some remarks I would have made at this time printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SYMINGTON

Two years ago the United States embarked on an extensive program to regain its export position in the world cotton market. The program has been an outstanding success.

Exports in the 1956–57 cotton marketing year reached 7.6 million bales—3½ times the exports of the previous year. Exports for the 1957–58 season, while less than in 1956–57, are expected to be 5½ to 6 million bales. This short-term response is dramatic proof of the effectiveness of a realistic export sales program.

While the immediate reaction to the program was exceedingly beneficial, the long-range responses are of even more importance. The export sales program has stopped the foreign expansion of cotton production. Foreign production has failed to increase since 1955–56. This contrasts with an expansion which averaged nearly 1.5 million bales annually in the postwar period prior to the inauguration of our export program.

Not only was expansion of foreign cotton production stopped by the program, but the expansion of foreign synthetic fiber production was also slowed down. Production of rayon outside the United States had been increasing at a rate equivalent to 900,000 cotton bales a year since World War II and reached a level equivalent to 10.9 million cotton bales in 1956. The expansion in 1957 was almost stopped, amounting to only 200,000 bales, in spite of a large expansion in capacity which had been started prior to the reduction of United States cotton export prices. In addition, no new rayon plants have been started in the last 2 years in the Free World since the United States cotton sales program went into effect.

The United States has a wonderful opportunity to continue to expand its export market for cotton in the years ahead. The market for cotton and rayon outside the United States, for which we compete, has been undergoing a phenomenal growth since the end of World War II. Actually, it has averaged an increase of more than 2 million bales a year for the past 12 years and now is at a level equivalent to 40 million bales annually. If the effectiveness of our export program is maintained and if we have the qualities of cotton our foreign customers want in adequate quantity, we have every reason to expect an export market for United States cotton of 7 to 8 million bales in the next few years—and a market that will continue a healthy growth on indefinitely into the future, as population and living standards continue to rise in the rest of the world.

However, we may throw this whole opportunity for export expansion away by failure to have adequate supplies of cotton. The current shortage of quality cotton has already pushed prices of better grades up considerably. The Liverpool price for Strict Middling 1 1/16-inch cotton has gone up over 3 cents a pound since the beginning of this season. This is the kind of cotton Mexico and Central America grow and the higher prices will stimulate production in those areas. Mexico is reported to be planting a record acreage of cotton in 1958 and likely will produce a half million bales more than last year. Once the Mexicans produce this cotton they will have to sell it and this will mean a reduction of one-half million bales in United States exports in 1958–59. Other countries, stimulated by higher prices, are also expanding acreage. This is a situation which will cause a loss of around a million bales in United States exports unless we increase production this year to put a damper on expansion plans abroad.

Not only will the United States lose markets to foreign cotton producers, but to rayon staple fiber also. Unused capacity to produce staple fiber outside the United States is equivalent to 1.9 million cotton bales. The owners of this capacity are more than anxious to produce with this idle equipment and are exerting every effort to induce cotton mills to switch their spindles to rayon staple. The mills, faced with reduced supplies and high prices of quality cotton, are blending rayon in cotton yarn in ever larger quantities. Again, only a larger United States cotton crop in 1958 can prevent a severe loss in foreign markets.

Once the foreign producer of cotton or rayon expands his production, it is almost impossible to get him to cut it back. It took a tremendous amount of money during the past few years to just stop the expansion. To throw down the drain these expenditures and our marvelous opportunities for export markets in the future would mean the end of a healthy cotton economy in the United States.

Mr. SPARKMAN. Mr. President, the 1957 cotton crop was a failure in many areas, due to extremely bad weather. Cotton that was grown was generally of poor quality. This situation, some groups said, had brought about a shortage of quality cotton, both for domestic use and for export. This condition, coupled with the harm caused by the soil-bank acreage reserve program to businesses wholly or partially dependent upon cotton production, persuaded me to support increased acreage, provided the growers were adequately protected.

The amendment before us does not provide such protection to the great mass of cottongrowers. It would depress cotton prices for many growers to a level below their production costs on the additional acreage, and would serve to impose a lower price on the 1959 and subsequent crops for all cottongrowers regardless of whether they participated in a last-minute acreage increase.

Furthermore, I confess that I am troubled by the public's attitude toward our voting tens of millions of dollars, on the one hand, to take cotton acres out of cultivation, and voting, on the other hand, to put millions of additional acres under cultivation. We have a moral commitment to fulfill our contract with farmers who were encouraged to participate in the soil-bank program, and who thus made plans to do so. There is, I believe, little disagreement on this point. There is wide disagreement on the increased acreage proposal. Somehow, we must find a sound and workable long-range farm program. We cannot do so except as we have the understanding and confidence of the general public.

For these reasons, Mr. President, I shall vote against the motion to suspend the rule. If the motion carries, then the Senator from Aalabama [Mr. HILL] and I will propose the adoption of measures which would give protection to the growers.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Arizona [Mr. HAYDEN] to suspend the rule.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "nay" and the Senator from Rhode Island [Mr. PASTORE] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are necessarily absent.

If present and voting, the Senator from Indiana [Mr. CAPEHART] would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is detained on official business.

The yeas and nays resulted—yeas 36, nays 48, as follows:

YEAS—36

Aiken	Jenner	Morse
Chavez	Johnson, Tex.	Mundt
Eastland	Kefauver	Russell
Ellender	Kerr	Schoeppel
Ervin	Knowland	Scott
Fulbright	Kuchel	Smith, Maine
Goldwater	Langer	Smith, N. J.
Gore	Long	Stennis
Green	Magnuson	Symington
Hayden	Mansfield	Thye
Hennings	McClellan	Yarborough
Jackson	Monroney	Young

NAYS—48

Allott	Cooper	McNamara
Anderson	Cotton	Morton
Barrett	Curtis	Neuberger
Beall	Dirksen	Payne
Bennett	Douglas	Potter
Bible	Dworshak	Proxmire
Bricker	Frear	Purtell
Bridges	Hickenlooper	Revercomb
Bush	Hill	Robertson
Butler	Hoblitzell	Saltonstall
Byrd	Holland	Sparkman
Carlson	Humphrey	Talmadge
Carroll	Johnston, S. C.	Thurmond
Case, N. J.	Lausche	Watkins
Case, S. Dak.	Martin, Iowa	Wiley
Clark	Martin, Pa.	Williams

NOT VOTING—12

Capehart	Ives	Murray
Church	Javits	O'Mahoney
Flanders	Kennedy	Pastore
Hruska	Malone	Smathers

The PRESIDING OFFICER. Fewer than two-thirds of the Members of the Senate having voted in the affirmative, the motion is rejected.

The bill is open to further amendment.

LEGISLATIVE PROGRAM

Mr. ALLOTT obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. ALLOTT. Mr. President, I will yield to the Senator from Texas with the understanding that I do not lose my right to the floor.

Mr. JOHNSON of Texas. Mr. President, I should like to announce that we do not expect to have any more yea and nay votes this evening. I have assured certain Senators who plan to make statements today the Senate will remain in session in order that the make such statements. We will do all in our power to avoid yea and nay votes.

Mr. THYE. Mr. President, will the Senator from Colorado yield to me so that I may propound a question to the majority leader?

Mr. ALLOTT. Mr. President, I shall be happy to yield to the Senator with the understanding that I do not lose my right to the floor.

Mr. THYE. My question, is could we have the yeas and nays ordered on my amendment, and then go over until tomorrow, to act on the amendment tomorrow? By following that procedure the Senate would be on notice there would be another yea and nay vote on my amendment tomorrow.

Mr. JOHNSON of Texas. The Senator from Virginia [Mr. ROBERTSON] is in a somewhat similar situation. The Senate will be in session at 11 a. m. tomorrow. I have no doubt that we can take action on those matters. Unless the Senator insists tonight, I have told several Senators, including the Senator from Virginia earlier in the colloquy, that after 11 o'clock tomorrow they could be recognized, and I told the Senator from Virginia that he could be recognized to make his motion to suspend the rule.

Mr. THYE. Mr. President, I withdraw the suggestion.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. ALLOTT. Mr. President, I introduce for appropriate reference a bill to provide registration, reporting, and disclosure of employee welfare and pension benefit plans. I have prepared the bill for the purpose of clearing up some very obvious discrepancies in proposed legislation now pending before the Senate. I should like to devote a few moments to this subject.

For some reason or other in the consideration of these plans and such proposed legislation by the committee, very little, if any, consideration has been given to any form of legislation except an overall registration, reporting, and disclosure of all pension plans in the United States. This procedure totally ignores the fact that there are many different kinds of plans. The committee has found that the majority of the abuses which have crept in exist in certain plans classified according to their type.

I have long advocated legislation which would exempt from such legislation such funds and plans as are called level-of-benefits plans.

Last spring the committee on labor relations law of the American Bar Association met and did not approve the plan suggested by me. The house of delegates of the American Bar Association also did not approve the plan.

This year the section of corporation, banking and business law of the American Bar Association, which inherited the consideration of such legislation from the section of labor relations law, gave this matter very extended and careful consideration, and reported favorably with regard to the proposal made by me that plans based upon a level-of-benefits be exempted from any legislation which is enacted.

The matter will be discussed at great length later, and I do not wish to go into it further tonight.

Mr. President, I ask unanimous consent that two items from the Daily Labor Report dated February 27, 1958, reporting the action of the Section of the American Bar Association and reporting the action of the house of delegates confirming the section on corporation, banking and business law, as well as the resolution and report of such section, be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

LAWYERS GIVE VIEWS ON DISCLOSURE LAW

The house of delegates of the American Bar Association, which last summer deferred action on recommended disclosure legislation for welfare and other funds, now says Congress should act but should exclude level-of-benefit plans and all funds already subject to Federal disclosure from the new law. The second group includes funded pension and profit-sharing plans qualified for tax credit under the Internal Revenue Code.

The proposal to exclude level-of-benefit funds appears to be based largely on the fact that mismanagement of these would result in no loss of benefits to employee-beneficiaries, but merely would cost the employer more. Under such plans, the beneficiary is assured of specific benefits regardless of the amount in the fund. ABA's feeling also apparently is that abuses have been turned up only in certain other types of funds, notably those health-and-welfare funds of the cents-per-hour type set up under the Taft Act.

Other elements of the kind of law ABA supports are the usual ones—preventing officers or employees of funds or of the parties thereto from lining their pockets, outlawing payment or receipt of commissions by insurers, and prohibiting conflict-of-interest transactions by trustees, administrators, officers, or employees of funds.

The resolution approved at the lawyer's midwinter meeting in Atlanta was submitted by the section on corporation, banking, and business law, which inherited consideration of such legislation from the section on labor-relations law. The labor-law section last summer proposed a somewhat different resolution.

RECOMMENDATION OF AMERICAN BAR ASSOCIATION FOR PENSION-HEALTH-WELFARE FUND DISCLOSURE LEGISLATION

AMERICAN BAR ASSOCIATION

Report of the section of corporation, banking, and business law

Nothing herein contained shall be construed as the action of the American Bar Association unless the same shall have been first approved by the house of delegates or the board of governors.

Recommendation: The section of corporation, banking and business law is opposed to the adoption of the proposed resolution of the section of labor relations law as set forth in its July 1957 report (No. 73), and recommends the proposed resolution be amended in its entirety to read as follows: [1]

"Resolved,—

"1. That Congress enact legislation providing for the compulsory annual filing with an appropriate agency of the Federal Government of complete financial statements of all unilateral and bilateral employee pension and health and welfare funds where the payments into the fund are determined by a formula which is primarily related to factors other than the benefits to be provided, as where amounts paid into the fund are specified to bear a direct relation to the amount of employees' compensation, the number of hours worked or the units of production, except for funds which form part of pension or profit-sharing plans meeting the requirements of section 401 of the Internal Revenue Code and which are exempt from taxation under section 501 of such Code.

"2. That such legislation provide that any officer or employee of any party establishing such funds be prohibited from profiting in any manner, whether directly or indirectly, through the creation, administration, or investment of such funds, with appropriate penalties for violation thereof.

"3. That such legislation prohibit the payment by or on behalf of any insurer of commissions or emoluments to any officer or employee of any party to such fund, and the receipt by any such officer or employee of any such commissions or emoluments. That such legislation also provide for the prohibition of any conflict of interest transaction by any trustee or administrator of such fund, or by any officer or employee of a party to such fund, be it further

"Resolved, That the foregoing resolution be presented to the House of Delegates of the

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[1] The bylaws of the section authorise the council "To act for the section as to all matters whatsoever which come before the section during intervals between the annual meetings of the section."

American Bar Association for immediate adoption."

Report: The proposed resolution of the section of labor relations law also was referred to the section of insurance, negligence and compensation law, and this report has been prepared after consultation with members of that section. It is understood that that section is submitting a similar recommendation.

The section of corporation, banking, and business law believes that legislation in this field should be restricted as carefully as possible to those areas where abuses have been found to exist, and should be limited insofar as possible to requirements reasonably designed to result in the elimination of those abuses. In particular, it is felt that the association should not urge the Congress to adopt unnecessary requirements which may lead to burdensome and costly procedures on the part of the managers of pension and health and welfare funds, the Government, and banks and insurance companies, and which in turn might well increase the costs of those programs, reduce the benefits available and otherwise interfere with their growth, all without any particular public benefit.

It is understood that abuses in the form of diversion of funds, through excessive costs and improper charges and otherwise, have been found to exist only in the case of certain types of funds, particularly those set up under the provisions of the Taft-Hartley Act and which are sometimes referred to as cents-per-hour funds. Statutes intended to prevent or minimize these abuses have been enacted recently in certain States including the State of New York, and numerous bills on the subject have been introduced in the Congress.

The resolution proposed by the section of labor relations law would put the association in the position of recommending to the Congress that it enact blanket legislation imposing compulsory filing requirements on all pension plans and health and welfare funds. The amendments to that resolution offered by this section in conjunction with the section of insurance, negligence and compensation law are designed to exclude from the field of recommended Federal legislation (a) funds established under level-of-benefit plans and (b) all funds of whatever kind that are already subject to adequate disclosure requirements under Federal law.

In addition, it is only in plans where there is a fund subject to mismanagement or diversion that there is any possibility of abuse. For this reason, we recommend that the phrase "pension plans, health and welfare funds" in the resolution proposed by the section of labor relations law be changed to read "pension and health and welfare funds."

Under the so-called level-of-benefits type of fund, the employee beneficiaries are assured of definite benefits determined by a formula unrelated to the amount available in the fund, so that any mismanagement or uneconomical management of the fund would merely increase the cost to the employer and would not in any way reduce the benefits to, or increase the cost to, the employee beneficiaries. Under these circumstances there would appear to be no incentive for abuse and we understand that no such abuses have been found to exist in connection with the administration of funds of this type.

In many of the level-of-benefit funds the benefits are provided by means of contracts with insurance companies, and this type of fund is more fully discussed in the report of the section of insurance, negligence and compensation law.

In addition to the level-of-benefits type of fund, there are other funds where, even though the amount of benefit depends upon the amount in the fund at the time, the opportunity to divert moneys from the fund to the detriment of the employee beneficiaries does not appear to exist, because expenses and charges are not paid from the fund but by the employer. These include particularly profit-sharing funds where the contributions to the fund are segregated in accounts for the beneficiaries and bank-trusteed money-purchase pension funds.

Most of these funds, and indeed most funded pension and profit-sharing plans, are required to be qualified under section 401 (a) of the Internal Revenue Code if the employer is to be entitled to deduct his contributions for Federal income-tax purposes and the income of the fund is to be exempt from Federal income tax. This requirement applies only to pension and profit-sharing funds and does not include health and welfare funds. Most of the funds where abuses have been found to exist are health and welfare funds of the cents-per-hour type.

In order to qualify a plan under section 401 (a) of the Internal Revenue Code there must be filed with the Bureau of Internal Revenue, among other things, copies of the plan and trust agreement, information concerning the 25 highest paid employees, the compensation and contribution in respect of all employees, a schedule of excluded and covered employees, a balance sheet, a statement of receipts and disbursements of the fund, the actuarial assumptions employed, and a summary of the data and computations used in determining the deductions claimed. The same supplemental information must be filed each year, including a statement of receipts and disbursements and a balance sheet showing details concerning assets in the funds with particular emphasis on any of the stock or securities of the employer. Other information required to be filed annually includes answers to a series of questions which cover any and all dealings between the trustee and the employer.

In addition to the information required to be filed, each qualified fund is subjected to a number of other requirements including:

(1) Section 503 of the Internal Revenue Code sets forth a list of prohibited transactions which, if entered into, will disqualify the fund for tax purposes. These include loans to the employer from the fund without adequate security or at insufficient interest and a variety of other arrangements which might benefit the employer to the detriment of the fund.

(2) Regulations require the submission of data in connection with the purchase of any securities of the company with a full statement of the reasons for the investment.

(3) In order to continue its qualification, the contribution to the plan must at all times be sufficient to maintain a fund which is equal at least to the amount of the estimated current costs plus interest on the unfunded past-service cost.

(4) The Treasury Department must be notified before any distribution can be made in connection with the termination of a plan.

If any of these requirements are not complied with, the employer loses his right to deduct for Federal income tax purposes the amount of his payments to the fund. Thus, as to qualified funds, the Federal law already not only requires adequate disclosure in the form of the compulsory filing of detailed information concerning the administration of the fund, but also provides substantial incentives to discourage practices which might divert moneys from the fund to the detriment of the employee-beneficiaries. Also, as in the case of the level-of-benefit funds, the abuses, which it is sought to correct by new Federal legislation, have not been found to exist in qualified funds.

Extension of additional compulsory filing requirements to qualified funds would merely impose an additional burdensome and expensive requirement on these funds with no corresponding benefit to the public or to the employee-beneficiaries.

The section of corporation, banking, and business law accordingly recommends that if the Congress is to enact any legislation requiring the compulsory annual filing of financial statements by employee pension and health and welfare funds such legislation applies only to those funds which do not provide a level of benefits and then only if the funds are not qualified under section 401 (a) of the Internal Revenue Code.

The section estimates that the expenditures required for the recommended action will be negligible.

Respectfully submitted.

HERBERT P. STURDY,
Chairman.

FEBRUARY 17, 1958.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 3443) to provide registration, reporting and disclosure of employee welfare and pension benefit plans, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

HEARINGS ON LEGISLATION TO INCREASE PAY OF POSTAL SUPERVISORS

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a press release by me today.

Due to the questions raised during the debate on this matter when the postal-pay legislation passed the Senate recently, I want to invite the attention of Senators to the hearings to be held on Thursday of this week on S. 3400.

This bill was introduced after the debate I refer to, by the junior Senator from Louisiana [Mr. LONG], along with with the junior Senator from Pennsylvania [Mr. CLARK], the junior Senator from Texas [Mr. YARBOROUGH], and the junior Senator from Wisconsin [Mr. PROXMIRE].

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

Senator RICHARD L. NEUBERGER, Democrat, of Oregon, chairman of the Subcommittee on Federal Employees Compensation of the Senate Committee on Post Office and Civil Service, announced today that hearings would be held on Thursday, March 13, 1958, at 9:30 a. m., in room 135 of the Senate Office Building, on S. 3400, a bill to further increase the compensation of post-office supervisors and postmasters.

Senator NEUBERGER stated:

"I am hopeful the hearings can be concluded on Thursday and the committee can take action on this legislation without any further delay.

"We expect to hear testimony from officials of the Post Office Department and the Bureau of the Budget, as well as employee association leaders."

EMPLOYMENT AND UNEMPLOYMENT

Mr. ALLOTT. Mr. President, much of the President's seven-point anti-recession program can be implemented without additional legislation. In these instances where Congressional action is required, however, I earnestly hope that

the Democrat leadership will move more promptly than in the past.

As the President pointed out, several of his earlier recommendations for new legislation which would greatly help to stimulate the economy are still pending before the Congress. These include:

First. Authority for additional insurance of FHA mortgages of $3 billion per year for the next 5 fiscal years.

Second. Adjustment of those statutory interest rates which stifle private investment.

Third. Special assistance to areas of high and persistent unemployment.

Fourth. Tax relief for small business.

Fifth. Removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business.

Sixth. A $2 billion increase in the lending authority of the Export-Import Bank.

Seventh. A $2 billion program to modernize post office buildings and equipment.

The President's proposal to extend unemployment compensation benefits to jobless workers over a longer period of time deserves prompt action. Extension of the present period of eligibility will provide urgently needed security for unemployed workers and their families. It will also give the job seekers more time and greater freedom of choice in finding suitable employment.

An increasing number of wage earners have exhausted benefits provided under the laws of the various States.

The President has clearly recognized the need for extending unemployment compensation benefits to tide workers over until the anticipated upturn in employment and business activity materializes.

Mr. President, today much is being said and numerous suggestions are being made about what should be done in the present economic situation of this country. To say that nothing is wrong and that all is wonderful of course would be a statement which showed no thinking behind it at all, but statements forecasting doom and gloom in my opinion are just as bad and just as erroneous.

The report that unemployment in February exceeded 5 million is of course bad news. So long as substantial numbers of Americans want to work and cannot find jobs there is cause for deep concern.

Mr. President, when we talk about unemployment to the man who is unemployed it matters not whether the unemployment total is 1, or 10, or 1 million, or 10 million. The same effect is observed by him.

But we should not let the calamity howlers and prophets of gloom and doom get away with their dismal distortions and forecasts. The American economy is basically sound, and although there have been some declines in recent months it is still operating at a high level.

There is good reason to believe that the downward movement has about stopped and the economy will move ahead again in a short time. Furthermore, the Eisenhower administration is taking action to institute governmental measures to promote increased growth of the economy.

While not forgetting the 5 million unemployed we should note the other factors in the economic situation.

Employment is still very high. Around 62 million Americans are employed and the present rate of employment is close to the high for any February.

The declines in employment from previous highs have been largely in manufacturing, mining, transportation and construction. In manufacturing the declines have been primarily in the durable-goods field making capital equipment, automobiles, aircraft, etc., industries which enjoyed the greatest boom in the past few years.

On the other hand employment in finance, services, trade, and State and local governments has increased over 1957. There has been little decline in the soft or nondurable-goods manufacturing industries.

Bear in mind also that during February the Nation suffered some of the most severe winter weather in history. Heavy snow and extreme cold weather immobilized many areas for days and below freezing weather greatly damaged fruit and vegetable crops in Florida and other southern areas. Such severe conditions greatly handicapped the construction and many other industries.

What is more significant than the absolute number of unemployed is the percentage of the labor force unemployed. Our February unemployment constituted around 7½ percent of the labor force and about 6½ percent when adjusted for seasonal variations. This rate is lower than in several months during 1949 and early 1950. And it is, of course, way below the 25 percent unemployed in 1933, 19 percent in 1938, and 14.6 percent in 1940 after 8 years of New Deal recovery.

As a matter of fact, only 8 years ago—in February 1950—unemployment stood at 4,828,000 and constituted 7.8 percent of the labor force, and even 6.4 percent when seasonally adjusted.

That was the time when Harry Truman said that a certain amount of unemployment—say from three to five million—was supportable. He also said that jobseeking should go on at all times, for it is healthy for the economic body. He made those statements on February 15, 1950, in an interview with Arthur Krock.

Bear in mind that in early 1950 the civilian labor force was only 61.6 million and employment was under 57 million. Today our labor force is over 67 million, and employment is around 62 million. If up to 5 million unemployed was supportable for Harry Truman in 1950 with a much smaller labor force, then to be consistent he should not be yelling recession today with 5 million unemployed and more people employed than he had in his total labor force. But consistency has never been one of Mr. Truman's virtues.

During this February our labor force increased about 400,000 over January, mainly because of women and young people entering the labor market.

It should also be emphasized that over 3,300,000 persons who are unemployed are drawing unemployment compensation from the various States. Such payments are at substantially higher rates and in many cases for longer periods than have prevailed in previous years. All of us would like to see such rates and periods increased, but they now do provide income for the majority of the families of the persons out of work. President Eisenhower has proposd that we extend the duration of the benefits for the unemployed workers. As he has said:

> This would enable eligible unemployed individuals to receive weekly benefits for a longer period than is now permitted under State laws and thus enable them to continue to seek jobs with a greater measure of security.

I am not trying in any sense to paint a "Pollyanna" picture. Neither do I propose to join the doom and gloom prophets. It seems to me that in considering the entire picture and deciding what action the Congress should take, we should take into account the fact that there are some favorable factors besides those of which I have spoken. I understand that this week we shall hear many suggestions about what action Congress should take.

First among all the favorable factors in the Nation's economic picture is that personal income is holding up. Personal income in January 1958 stood at an annual rate of $343.6 billions, about 1 percent below the alltime high of $347.3 billion in August 1957.

Retail sales in January 1958 were only four-tenths of 1 percent below the alltime high of July 1957 and were higher, after seasonal adjustment, than in November or December 1957.

Housing expenditure has been increasing every month since June 1957. In January 1958 new housing starts were at an annual rate of 1,030,000, 9.5 percent higher than in January 1957.

I may add that word which I have received from those who are engaged in the mortgage and finance market in my own State indicates that they are anticipating that by the middle of June there will be a demand for money in the housing market which they may not be able entirely to meet.

With regard to Government expenditure, State and local expenditure, which was $3 billion higher in 1957 than 1956, will probably be another $3 billion higher in 1958. The National Government is substantially increasing expenditures for defense. During the first half of 1958, defense procurement contracts will run four to five billion dollars higher than in the same period of 1957. However, total Federal expenditure in 1958 may not be higher than in 1957. We must admit that that is wishful hoping at this time.

New machine tool orders, in January 1958, totaled $19,350,000, up 4 percent from December, but still 69 percent below January 1957.

New construction put in place in first 2 months of 1958 amounted to $6.3 billion, a record for this 2-month period. Private construction is up 2 percent, and public construction up 4 percent over the same months of 1957. The Commerce Department expects construction in 1958 to be 5 percent above 1957.

Among the major factors in the slump are a decrease in inventories and a sharp

decline in expenditures by business for new plant and equipment. In the first quarter of 1958, inventory spending at an annual rate will be about $5 billion below the third quarter of 1957, and expenditures for new plants and equipment will be $2¼ billion below.

Increased spending for defense procurement by the National Government and by State and local governments for construction will offset the effects of these declines to some degree. Further, the fact that retail sales are holding up should stem or reverse the decline in inventories.

Mr. President, in conclusion of these few remarks, I wish to say that I do not believe anyone, including our President, is blind to the fact that there has been a shift in the inflationary boom and the apparent inflation which we were having as of August of last year.

I am sure that the President, his administration, and the Congress, will take immediate steps to stop any runaway development of anything which would tend to cause a major depression. We must remember in this respect also that an extended period of inflation, with a situation such as was developing during the past 2 years, could lead to a bubble and a burst which could be even worse and probably would be worse than a temporary economic recession or depression—whichever we wish to call it. At any rate, it seems to me that this is the time for all of us to look at this matter coolly, without being swayed by the extremists on either side, and to attempt to meet the situation and to have ready such items as will quickly stimulate the national economy in the event it becomes necessary to do that over and above the suggestions I have made.

THREE THOUSAND DOLLAR LIMITATION TO THE SOIL BANK ACREAGE RESERVE

Mr. HUMPHREY. Mr. President, earlier in the day we discussed the amendment of the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] requiring a $3,000 limitation on the soil bank acreage reserve payments to the proprietor or owner of a farm. It was the judgment of the Senate, because of administrative difficulties which would ensue from such an amendment, that the amendment should not be adopted. That judgment should not be construed in any way as underwriting the present practice of large payments. I attempted to make that perfectly clear in my remarks.

Mr. President, I ask unanimous consent that a sheet headed "Facts on the $3,000 Limitation to the Soil Bank Acreage Reserve" be printed at this point in the RECORD; also a letter addressed to me under date of March 5, 1958, from Representative HENRY S. REUSS, of Wisconsin.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

FACTS ON THE $3,000 LIMITATION TO THE SOIL BANK ACREAGE RESERVE

1. The Senate Appropriations Committee is now hearing the second supplemental appropriations bill, 1958. The House by a vote of 137–17 on February 25, amended the $250 million additional soil bank acreage reserve appropriation by adding the following language: "*Provided*, That no part of this amount shall be used to authorize compensation to any one individual or corporate participant in excess of $3,000."

This is a sound amendment, since it prevents the Secretary of Agriculture from paying huge sums (such as the $309,000 paid Garvey Farms, which owns numbers of farms in Kansas and Colorado, for not growing wheat).

2. A similar $3,000-per-producer limitation was put into the Agricultural Appropriation Act of 1958 last August. Unfortunately, the Secretary of Agriculture practically nullified the amendment by construing it to permit him to pay $3,000 to any producer for each farm: thus, a corporate producer which owns 100 farms could receive $300,000. On of the reasons for the present bankruptcy of the $500 million soil bank appropriation, necessitating the additional $250 million appropriation, is Secretary Benson's using the fund to pay these large farming organizations.

3. It is important that the Senate Appropriations Committee, and the Senate on the floor and in conference committee, not only retain the language of the House amendment but prevent any legislative history which might give Secretary Benson a chance to continue to evade the $3,000-per-producer limitation. It should be made clear that the $3,000-per-producer limitation applies irrespective of the number of farms the producer or participant operates, and that in the interests of orderly administration and participation, it should be applied to the original $500 million as well as to the additional $250 million. Unfortunately, in the consideration of the $3,000-per-producer limitation in the Agricultural Appropriation Act last summer, Senator Mundt made a few statements on the floor which Secretary Benson later seized upon as permitting large payments. See CONGRESSIONAL RECORD, volume 103, part 10, pages 13283–13284. Effort should be made to prevent this happening again.

4. The entire history is set out in the CONGRESSIONAL RECORD for February 25, 1958, pages 2750–2778; particularly at 2752, 2758, 2762–2763, 2774–2778.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 5, 1958.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: On February 27 I wrote you concerning the $3,000 limitation on soil-bank acreage reserve payments passed by the House in the second supplemental appropriations bill, 1958. Now my worst fears have been realized, for in the bill (H. R. 10881, Calendar No. 1367) reported out by the Senate Committee on Appropriations on March 4, 1958, the House language on page 4, lines 9–11 has been struck out, and the following language inserted: "*Provided*, That the same $3,000 limitation which was applicable to the original $500 million authorization shall also apply to the additional $250 million authorized herein."

This was language suggested by the Department of Agriculture, which has always opposed any limitation on the size of acreage-reserve payments, and of course would have the unfortunate result of permitting huge payments to multiple farms. My statement to the Senate Committee on Appropriations (see hearings before the Senate Committee on Appropriations on H. R. 10881, pp. 406–408) sets forth that the original $3,000 limitation passed last summer should have prevented payments in excess of $3,000 to any one producer regardless of the number of farms he operated; that this limitation was disregarded by the Department of Agriculture, who talked the Comptroller General into agreeing with it; and that, except for winter wheat, it is neither unfair nor administratively difficult to limit payments to $3,000 for one producer, irrespective of the number of farms he operates.

In order to do the job, it would be desirable that H. R. 10881, as reported by the Senate Committee on Appropriations, be amended by adding certain additional words, so that the entire provision reads: "*Provided*, That the same $3,000 limitation which was applicable to the original $500 million authorization shall also apply to the additional $250 million authorized herein, so that a single producer or participant may receive no more than $3,000, whether he operates one or more than one farm (except for winter wheat)."

Such an amendment would make it clear that Congress always intended the $3,000 limitation to apply irrespective of whether the producer, who may be an owner, a tenant, or a sharecropper, operated one farm or many farms. Winter wheat can be excepted, because the time for planting of course went by last fall. As to all the other crops, there is still plenty of time for planting everywhere, so there would be no hardship or administrative difficulty whatever in limiting payments to $3,000 to any one producer or participant, irrespective of the number of farms he operated.

Sincerely,

HENRY S. REUSS,
Member of Congress.

Mr. HUMPHREY. Mr. President, I wish to commend the Senator from Wisconsin [Mr. PROXMIRE] for his efforts. As was indicated, legislative measures will be introduced, and I hope will be acted on favorably by the Committee on Agriculture and Forestry, to accomplish the purpose which the Senator from Wisconsin has in mind, and the purpose which I thought had been accomplished last year in the Appropriations Act as passed by Congress in August 1957. It is regrettable that the Secretary of Agriculture and his legal counsel have interpreted that act so as to permit payments on each farm unit.

MEDICAL FOREIGN AID

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Medical Foreign Aid—Analysis of Why New Medico Program in Underdeveloped Areas Deserves Aid," written by Dr. Howard A. Rusk and published in the New York Times; as well as the text of the address delivered by the Honorable Angier Biddle Duke, at a meeting of the American College of Surgeons on March 5, 1958. Mr. Duke is the president of the International Rescue Committee. In his address Mr. Duke outlined the International Rescue Committee's newest program, Medico. This is an exciting program for medical international cooperation, a full-fledged division of the International Rescue Committee. I wish to commend the Committee for the outstanding work it is doing not only in meeting the refugee problem of resettling these unfortunate people, but also for its people-to-people program of medical assistance. It is a program I have advocated and have always wholeheartedly supported.

In his speech, Mr. Duke stresses something which I have been emphasizing frequently in recent weeks and months—the importance of voluntary constructive human endeavor in conditioning the international atmosphere for peace and progress.

Mr. Duke is eternally right when he says:

Medicine has a role in human destiny far above the give-and-take of national rivalries; medicine rises above the fears of colonialism or of domination by selfish foreign interest. Medicine affords American doctors such as yourselves a unique opportunity for service to all mankind. A surgical attack on misery and suffering, the maintenance of international health, are among the best methods of promoting international cooperation and understanding. The hand of the healer can help make a reality that vigorous, peaceful, happy, healthy, productive world to which we aspire. America, its people, its system, its ideas, its work must polarize the hopes of men everywhere. What better way to identify their dreams with ours than through medical international cooperation?

There being no objection, the article and speech were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 10, 1958]

MEDICAL FOREIGN AID—ANALYSIS OF WHY NEW MEDICO PROGRAM IN UNDERDEVELOPED AREAS DESERVES AID

(By Howard A. Rusk, M. D.)

While the future of our American foreign-aid program is being debated in the Congress, a group of American citizens has announced a new significant effort to implement its objectives on a voluntary basis.

This new effort, sponsored by the International Rescue Committee, is known as Medico or Medical International Cooperation.

Its objective is to send teams of physicians and medically trained assistants into the underdeveloped areas of the world, where they will build, equip, and staff medical clinics and small hospitals.

Medico is a real people-to-people concept carried out at the grassroots through a physician-to-patient program. It is based on not just the concept of making friends, but on the more fundamental desire of America to share our knowledge and skills with the needy sick.

Working in remote village areas recommended by the host government, Medico-supported teams will train local personnel. After 18 to 24 months, they will withdraw, leaving behind all of their equipment and self-sufficient local staffs.

DR. DOOLEY SET EXAMPLE

Medico's program is based on recognition of the impact and contribution that highly dedicated and skilled physicians can make individually on a people-to-people basis. It is the outgrowth of the experience of the International Rescue Committee with one such dedicated physician—Dr. Thomas A. Dooley.

In July 1954, while in the Navy, Dr. Dooley was assigned to a refugee camp in Vietnam. His mission was to give medical aid to the nearly a million refugees who poured into free South Vietnam from Communist North Vietnam, following the partition of that nation. Dr. Dooley has told that dramatic story in his book Deliver Us From Evil.

Dr. Dooley emerged from that experience in 1956, dedicated to the belief that medicine was one of the great bonds of unity among the peoples of the world. He resolved to devote his life to this concept. He turned for help to the International Rescue Committee. This nonsectarian agency, of which Mr. Angier Biddle Duke is president, has been doing outstanding work for 25 years in aiding refugees fleeing from totalitarian tyranny. Although it had never before sponsored such a project, the International Rescue Committee was impressed by both Dr. Dooley himself and his proposal.

Under its auspices, Dr. Dooley returned to Laos in the fall of 1956, to establish two jungle hospitals, one of which was only 5 miles from the frontier of Communist China.

During the next 15 months, Dr. Dooley and his two young volunteer helpers from the University of Notre Dame gave medical aid to more than 30,000 Laotians. They carried on no propaganda activities. Their message was inherent in healing the sick, easing pain, and preventing disease, teaching elementary public health and sanitation, and being understanding friends.

Regardless of what these 30,000 people and their families had heard about Americans before, they know now what Americans are like. They learned from their friends, Tom Dooley, now only 31 years old, and his two even younger helpers.

In July, Dr. Dooley will return to Laos under the sponsorship of Medico to establish a new field hospital.

The second of the programs being immediately supported by Medico is that of Dr. Gordon S. Seagrave, the famed Burma surgeon. Dr. Seagrave had started work in his hospital in Namhkam, 6 miles from the Communist China frontier, 5 years before Tom Dooley was born. During his more than a third of a century as a doctor-diplomat in Burma, he has never lost this dedication and belief that medicine's contribution to human destiny rises above the fear of colonialism and foreign domination.

ONE MILLION DOLLARS IS SOUGHT

The location of other Medico-supported projects will be based on the current study tour of 27 African and Asian nations by its secretary-general, Dr. Peter Comanduras. Dr. Comanduras gave up his extensive private practice in Washington, where he was head of the Department of Gastrointestinal Medicine at George Washington University Hospital, to assume his present responsibilities.

Although announced just 1 month ago, Medico has already received contributions and pledges, principally from the American pharmaceutical industry, of more than half of the drugs and medical equipment initially needed. The value of these contributions exceeds $500,000. It now seeks contributions of $1 million from the American public and American industry.

Although Medico is patterned after the work of Dr. Dooley and Dr. Seagrave, it derives its inspiration from the philosophy of Dr. Albert Schweitzer and his world-famous hospital at Lambarene, French Equatorial Africa.

Dr. Schweitzer has a longstanding policy that he does not endorse or sponsor projects regardless of their merit. However, when Dr. Comanduras and Mr. Leo Cherne, chairman of the International Rescue Committee, presented the program of Medico to him at Lambarene last month, he said, with characteristic simplicity and sincerity, "I endorse Medico with all my heart."

It is to be hoped that millions of Americans also endorse and support Medico with all of their hearts. Here is a program with lofty aims and practical purposes, based on the ancient proverb, "It is better to light a single candle than to curse the darkness."

REMARKS OF THE HONORABLE ANGIER BIDDLE DUKE AT THE MEETING OF THE AMERICAN COLLEGE OF SURGEONS AT THE WALDORF-ASTORIA ON MARCH 5, 1958

We meet tonight in the shadow of one of the gravest issues of our times. The future of our foreign-aid program is in doubt and even in jeopardy. Please consider these remarks of mine this evening as one more plea for helping others, in the purest sense first of all, and in order to help ourselves as well. And I say that last bit not apologetically or defensively because I have the conviction that, in this case, the self-interest of the helper and the helped most surely coincide.

It is appropriate that such a plea be addressed to this gathering. No body of men and women can be more aware of the implications of helping others. No group in the world knows better than you the effect upon others of the hand of the healer. And so I speak to you as kindred spirits sharing a common concern for people who need help around the world.

In no other manner can the impact of the American personality be made more real to the peoples of foreign lands than through the person of the American doctor binding up their wounds.

Let me give you a specific on the value of impact. Dr. Peter Comanduras, a Washington surgeon, has just written me from Afghanistan. He retells at first hand a story about rival concepts of foreign aid operating in that crucial area which shares a common frontier with the Soviet Union. America has directly tackled the basic problem of the country by building a dam and hydroelectric plant nearly one hundred miles from Kabul, the capital. It is a fine idea and no progress is possible out there without such a project. It is, however, difficult of access over wild roads from the city and its work is neither visible nor readily understood by the undereducated population. But Dr. Comanduras writes me of the pride and enthusiasm the Afghans have in what the Russians have done for them. Soviet engineers have paved the main street of Kabul from one end of the city to the other. The fact that the asphalt is hardly essential for traffic largely of the oxcart variety is not very important. The Afghans are delighted and look for more Russian aid.

The moral is that we must supplement our long-range programs with projects of similar impact, the kind that make an immediate impression.

I refer, of course, to the terrible need for medical programs, administered by American physicians and surgeons. Out in these vital zones on the frontiers of the Free World, American doctors, by their every act of compassion, are living, breathing, and demonstrable proof of the kind of people we are. In that sense doctors are diplomats, representatives abroad of our country, our culture.

Last April I went out to Southeast Asia to look over the work of one of these doctor-diplomats. Our International Rescue Committee was sponsoring the medical operation of Dr. Thomas A. Dooley in the remote kingdom of Laos. There, a few miles from the border of Communist China, Tom Dooley and his medical corpsmen were bringing the impact of our American personality to people who had not yet made up their minds whose side they were on.

The tribesmen in this political twilight zone had probably never seen an American before and had heard little of our country except from whatever Communist propaganda may have seeped in from across the border.

Tom Dooley is a very young man and he had with him two assistants even younger from the University of Notre Dame. Although they all had very affirmative views on the nature of society, they carried on no propaganda activities. Their message was inherent in healing the sick, easing pain and preventing disease, through teaching elementary public health and sanitation, and through being a friend. They lived right in the poor village among the people they served. They were cheerful, happy, and backbreakingly hard working. I can tell you

that those are Americans who are deeply loved.

Now I don't know just what is going to happen out there in Laos. It is an uncommitted nation. It has recently taken Communist influenced Pathet Laos into the government. Two of its western provinces were Red-held for years. The Laotians are in a most delicate position; and yet there is a chance for them to move closer to friendship with us. If that day comes, a portion of the credit must be due to the unselfish, devoted, humanitarian work of Dr. Tom Dooley.

One anecdote about some of Tom's techniques: He is a stickler for professional ethics, even of the local variety. His colleagues were the local witch doctors and he scrupulously observed the proprieties of the profession. Whenever possible, he would bring them in for consultation on patients' problems and it usually worked out very well. He told me of the case of an internal jaw infection which was cured by one of the wonder drugs. The local magician was in very good humor about the cure, however, because she had applied cow-dung and herbs directly to the patient's chin, which was obviously more effective to the jawbone than Tom's ridiculous method of inserting a needle in the buttocks. So everybody's face was saved and when the patient brought in two chickens as payment, our Dr. Dooley turned one over to the witch doctor. Fee splitting, I believe you call it.

One other curiosity: An outbreak of what we call the Asian flu had been going the rounds while I was out there. Although the local population had only the vaguest idea of geography and knew nothing about atomic physics, a new expression became current; to them the Asian flu was "La grippe atomique." You see, medicine had been put to a different use by the Communist propagandists.

During his 15 months in Laos, Dr. Dooley treated over 30,000 men, women, and children. He and his assistants left behind an image of Americans that was at once highly favorable and unforgettable. No matter what these patients and their families had heard about Americans before, they knew from personal experience what Americans are really like.

When Dooley returned from a year and a half among his new friends half a world away, he came back with an idea—an idea for Medical International Cooperation, to be known as Medico. He sold me on it and he sold my colleagues in the IRC. We even had to change our charter to encompass the concept, but today it is a program in being. Medico is now a full-fledged division of the International Rescue Committee. We have based our concept of medical international cooperation on some basic premises. We feel that out of misery and disease come chaos and revolution. The vigorous, peaceful, and productive world we strive to build depends on the health and the vitality of its men and women.

An organization such as ours cannot attack all the ills of mankind—but we can and will attack suffering in those particular areas which are most critical. We do so in a spirit of humanizing our approach to a more effective foreign policy. A British statesman, Anthony Nutting, former British Secretary of State for Foreign Affairs, on November 11, 1957, had this to say in an article in the New York Herald Tribune:

"True, Khrushchev, like Hitler, has dreams of empire, but whereas Hitler had to use military force, Khrushchev in his day and age can achieve his dreams only if he avoids force and uses trade and propaganda. If we are going to frustrate these intentions, we must change our tactics. We must think less about defending New York against Russian rockets and more about attacking Asia with Western power stations."

To that concept I would like to add, "with power stations and with a person-to-person program of applied medicine." Or, as Senator HUBERT HUMPHREY has said, "What we Americans need to do is to be ourselves, just to do what comes naturally; to be the generous, humanitarian, and compassionate people that have endeared us in the past to our neighbors and has become the hallmark of our tradition and heritage."

The Medico program proposes just that. It is modeled after our experience with Operation Brotherhood, in Vietnam. You may remember the great work of the Filipino medical teams among the refugees from Communist North Vietnam. We helped sponsor and finance their work, in cooperation with the United States Junior Chamber of Commerce.

In connection with this, the doughty Chief of State of Free Vietnam, President Ngo Dinh Diem, stated in a message to the International Rescue Committee last year:

"We could not have succeeded as we did without American material aid. But equally important for our survival was your moral aid, a kind that usually does not come from governments but from people directly. How sincerely Americans were interested in our welfare is perhaps best illustrated by the splendid work of your internationally famous relief organizations * * *. The foreign doctors who went into the villages to help our people were direct messengers of international friendship. * * * Let me record my gratitude to people who gave us the moral aid for which material aid can never be a substitute."

Medico today has several projects actually under way. On January first we assumed sponsorship of the work of the famed Burma surgeon, Dr. Gordon Seagrave. His hospital at Namkham, only 1 mile from Red China, is now supported by the Medico division of IRC. Special assistance is being arranged for the Lambarene Hospital in French Equatorial Africa of our honorary patron, Dr. Albert Schweitzer. Our secretary-general, Dr. Peter Comanduras, is at present on a mission in Asia, surveying medical needs in the most sensitive areas. Furthermore it is essential for Dr. Comanduras to know where we are wanted as well as needed. Medico will never impose a program; it will operate only where it has been specifically invited.

Our secretary-general gave up his practice in Washington, where he was the head of the gastro-intestinal department of George Washington University and Associate Professor of Clinical Medicine at the University Medical School. When he returns to New York in a month or so we will activate other Medico programs, and Dr. Dooley will return to again head up our mission in Laos.

This is how we plan to operate: As many new Medico teams will be organized and sent out as can be financed from the dollar support we receive from the general public of all of this country. We have been formally invited to a number of Asian countries, and our experience leads us to believe that the host governments will be willing to furnish a great deal of assistance and equipment, as well as personnel. We shall work through the host governments' ministries of health; and where they request it, we shall stock and supply small clinics. Then our mission staff will train indigenous personnel to a level that they can easily reach. Medico will operate with teams of volunteers, a physician or surgeon and his assistants. We plan to keep them in the field for 18 months to 2 years, certainly a minimum of a year.

When a doctor practices in the Far East he has an opportunity to study diseases which he has known here only in textbooks—yaws, smallpox, beri-beri, leprosy. At a time when America needs more physicians and surgeons, one might hope that a program like this, with its dramatic challenge to the medical profession, might even stimulate young men to enter the field of medicine.

Medico will also arrange for American specialists to visit the clinics and hospitals of the host countries, so that others may benefit from our knowledge, and also that we may forge closer ties on an international, professional level.

Medico has been set up as a nonsectarian, voluntary organization supported by the contributions of the American people. Public response to it promises to be overwhelming both here in the United States and overseas. Two weeks after the news of its formation, we had already heard from the most remote hill districts of India, from Cambodia, and from Ethiopia. Foreign ambassadors and officials of our Foreign Service have indicated that they welcome its establishment. Drug companies have contributed enough supplies to equip six medical teams immediately. Dozens of persons have volunteered—students of medicine, doctors, dentists, physicians, surgeons, of wide experience and high reputation.

I ask you tonight for your interest and moral support; you American doctors have always extended your helping hands enthusiastically and effectively. I believe there are some 1,500 American doctors working overseas today, including visiting specialists and teachers. Men and women are working in governmental and intergovernmental programs, others as medical missionaries and as dedicated individuals. We hope to swell their number.

Medicine has a role in human destiny far above the give-and-take of national rivalries; medicine rises above the fears of colonialism or of domination by selfish foreign interest. Medicine affords American doctors such as yourselves a unique opportunity for service to all mankind. A surgical attack on misery and suffering, the maintenance of international health, are among the best methods of promoting international cooperation and understanding. The hand of the healer can help make a reality that vigorous, peaceful, happy, healthy, productive world to which we aspire. America, its people, its system, its ideas, its work must polarize the hopes of men everywhere. What better way to identify their dreams with ours than through medical international cooperation?

THE UNITED NATIONS AND AMERICAN FOREIGN POLICY

Mr. HUMPHREY. Mr. President, last Friday, March 7, 1958, I had the pleasure of addressing the Central Wisconsin Teachers Association at Wausau, Wis. My remarks largely dealt with the United Nations and American foreign policy.

I took the occasion to suggest that in the face of the current dilemma on resuming disarmament negotiations, the United States should probably explore the use of the United Nations Security Council as the logical place for the resumption of talks. Consequently, Mr. President, I was particularly interested to read in the following morning's newspapers that the Soviet Union has reportedly indicated that it would attend a United Nations Security Council meeting to discuss the resumption of disarmament talks.

I ask unanimous consent that an INS dispatch which appeared in the Washington Post on March 8, 1958, entitled "Soviet Seen Set To Attend Arms Parley" be printed in the RECORD at this point in my remarks.

I also ask unanimous consent, Mr. President, that the text of a news release of my Wisconsin talk, issued March 7, 1958, be printed at this point in the RECORD.

There being no objection, the article and press release were ordered to be printed in the RECORD, as follows:

SOVIET SEEN SET TO ATTEND ARMS PARLEY

(By Pierre J. Huss)

UNITED NATIONS, N. Y., March 7.—Russia reportedly signified today it would attend a U. N. Security Council meeting to discuss resumption of arms talks.

It was reported the Soviet delegation has responded to United States Ambassador James J. Wadsworth's bid for a Security Council meeting on disarmament by requesting assurances the session will be strictly procedural.

In a private talk with Soviet Envoy Arkady A. Sobolev last Monday, Wadsworth proposed that the 11-nation Council pass a resolution making it clear that future arms negotiations are to be held under U. N. auspices.

The Council session is expected to be held during the first week in April.

U. N. SECURITY COUNCIL URGED AS FORUM FOR NEW DISARMAMENT EFFORTS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today urged the United States to turn to the United Nations Security Council as the "logical forum" for resuming disarmament efforts.

"The United Nations Security Council is the logical channel for our next effort to resume talks with the Soviet Union on disarmament and other outstanding issues," Senator HUMPHREY declared in an address before the Central Wisconsin Teachers Association at Wausau, Wis.

"For many years the Security Council has been crippled by indiscriminate use of the veto, but it is, nevertheless, the body which has, under the United Nations Charter, been formally charged with primary responsibility for the maintenance of international peace and security. I think that in the current crisis of international peace and security we should resort to the Security Council and utilize its machinery to the greatest possible extent. If obstructionism or the veto should block effective Council action, then—but only then—we should carry our negotiations to other channels.

"In preparing for negotiations with the Soviet Union on disarmament and other issues of the 'cold war,' the United States is consulting on policy with the member countries of the North Atlantic Treaty Organization. The issues involved, however, are much broader than NATO—they affect the interests of the entire world. The 'cold war' is not a private squabble between Moscow and the NATO powers, but a state of tension that affects the lives and fate of people on every continent of the globe. In Asia, Africa, and Latin America nations are watching with deep concern the progress of the exchange between the major Atlantic powers and the Kremlin, because they know that their own future depends on the outcome.

"Yet, despite the interest and concern of the governments and peoples of nations all around the globe, we have been treating most of them as mere bystanders. It would be to our interest to associate these countries more closely with the policies and the decisions that in the last analysis profoundly affect all of them.

"The place for disarmament negotiations is the United Nations," Senator HUMPHREY declared. The United Nations, as the instrumentality of formal political cooperation established by practically all the nations of the world, is the proper channel through which policy coordination should be achieved. The General Assembly, with some 80 members, is too cumbersome an agency for this purpose. But the Security Council, containing as it does countries from nearly every major region of the world officially chosen by the entire membership of the General Assembly, could offer a means of broad representative negotiation and consultation.

"But wherever we negotiate, we should consult with all those members of the Security Council that desire to do so. We cannot consult with every country in the world—this would be an endless and futile process. But we can get together with those countries which have been chosen by all the members of the General Assembly—the 'town meeting of the world,' as their official representatives, so to speak, on peace and security matters. We would thus show our regard for the views and interests of nations throughout the world and not just those who have chosen to ally themselves militarily with us in the North Atlantic region. Our own policies would be immensely strengthened by recognizing the broad interests of nations everywhere in the great issues of peace and war, and we would derive much profit from this demonstration of our respect for world opinion."

Reviewing the United Nations role today, Senator HUMPHREY went on to say that "there is a need for a general, ever-open forum in which to discuss the problems of the world, to supplement the normal, separate, compartmental contracts of traditional diplomacy. It is of tremendous value to the diplomat and to the policy maker in the field of foreign affairs to have this supplementary, complementary mechanism. As has been often said, if the United Nations did not exist we would have to create it. But fortunately the United Nations does not only exist, but it works. Time and again, our country and our allies have been able to use it to advantage as one of the essential tools of modern diplomacy.

"Admittedly, the United Nations has its limitations, and we must remain alert to correct them," the Senator stated. "However, I am convinced that despite its shortcomings, the U. N. provides the best international forum yet devised in which nations in time of crisis can air their grievances and achieve solutions to international disputes through discussions, debate, and compromise."

Further excerpts from Senator HUMPHREY'S remarks follow:

"It was my privilege to serve as a member of the United States delegation to the General Assembly of the United Nations during the 11th General Assembly which adjourned in March 1957. During this period world peace hung in the balance—the result of the crises in Egypt and Hungary. These twin crises dominated the 11th General Assembly, and we have not yet heard the last of them.

"The contrast between the crises in the Middle East and Hungary is striking. In the Middle East, the United Nations achieved a cessation of hostilities because the parties involved were willing to comply with the recommendations of the United Nations. In Hungary, the United Nations was frustrated because the Soviet Union arrogantly flouted its will.

"The Middle East crisis led to one of those momentous steps which may in the future come to be seen as a turning point in history. I refer, of course, to the establishment of the United Nations Emergency Force which is continuing to do an outstanding job in keeping the peace in that troubled area. It is a tribute to UNEF that we have not for a long time read anything in our newspapers about the trouble in the Sharm-el-Sheik or Gaza areas.

"I regret, however, that more progress has not been made toward establishing a force of similar character as a permanent arm of the United Nations. It will be recalled that such action was recommended in a resolution which was agreeed to by the Senate in August of last year. I was glad to join Senator SPARKMAN in sponsoring this forward-looking resolution and I hope that in the coming year concrete steps will be taken to implement it.

"Egypt and Hungary, however, are only two examples of the value of the United Nations to the Free World. There are other examples which are less spectacular, but which nonetheless are vital. Through the United Nations progress was made in the field of the peaceful uses of atomic energy; constructive gains were made toward self-government and independence in the dependent and trust territories of the world; technical-assistance programs provide underdeveloped countries with a pool of skilled and professional personnel. During 1957, the United Nations for the first time devoted itself, although briefly, to the problem of outer space. It is significant that in the disarmament resolution of November 14, 1957, the General Assembly called for agreement on an inspection system to insure that the sending of objects through outer space would be exclusively for peaceful and scientific purposes.

"We must, of course, prepare the way for negotiations by improving the international climate. Private United States citizens can play a major role in this area. We cannot, for instance, overstress the importance for schoolteachers to be well informed in U. N. operations so that they can better inform and teach the future citizens whose lives will be so affected by the developments of the present. Teachers should lead in our people-to-people exchange program.

"Individual and group voluntary efforts to help meet today's total challenge from the Kremlin should be encouraged on every front."

FARM POLICY

Mr. HUMPHREY. Mr. President, each year for the past 20 years the National Farm Institute at Des Moines, Iowa, has been distinguished for its excellent programs. The program this year was again outstanding and I have been told that the addresses of Professors John Kenneth Galbraith of Harvard University, and Theodore W. Schultz of the University of Chicago were the highlights of this year's Institute. I have had the privilege of reading these addresses and have found them unusually stimulating and helpful.

Professor Galbraith, in an address entitled "Farm Policy: The Problem and the Choices," makes it abundantly clear that "agriculture is peculiarly incapable of dealing with problems of expanding output and comparatively inelastic demand."

He points out that the steel industry is now producing at 60 percent of capacity because it cannot sell a larger output at a satisfactory price. If farmers had the same market power they too could deal with their problems effectively.

If we do not want an agriculture of large corporation farms, Galbraith says, we must have a farm policy in which the ordinary family enterprise can survive. We must provide a floor under prices or under income. Production payments, either generally or specially financed,

would be far more satisfactory in Galbraith's view than our recent farm price support programs.

What is at stake today is the traditional organization of agriculture. We are in the process of deciding between continuing modest family farms or an agriculture of large-scale units.

Professor Galbraith's article has already been inserted in the CONGRESSIONAL RECORD.

Professor Schultz outlined a "Policy to Cope with Agricultural Abundance." He makes the point that what is bad economics is also bad politics. He has much to say that is critical of the operation of past farm programs. He says:

> It is high time we faced up to the fact that our total supply of feed concentrates has gone through the roof. * * *
>
> The support price on corn has degenerated into a club * * * what is required is a forward price on hogs. It should be put at about $13 and announced as a floor price for 2 years ahead. When the average monthly market price received by producers for hogs falls below $13, the difference between that average market price and the $13 should be covered by an income (production) payment (made direct to the producers).

Mr. President, I am sure that the Members of the Senate will find Professor Schultz's address helpful in evaluating current proposals for changes in the farm program.

I ask unanimous consent that the text of the address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

POLICY TO COPE WITH AGRICULTURAL ABUNDANCE

(By Theodore W. Schultz, chairman, department of economics, University of Chicago)

Everything that King Midas touched turned into gold; everything that Uncle Sam has touched in agriculture has turned into feed. It has buried farmers under a mountain of well over 200 million tons of feed, and there is no one in sight to rescue them. What wouldn't the originators of the two sputniks give for our touch.

There are now so many proposals to get agriculture out of its trouble that it becomes a challenge to come up with anything new. Responding to that challenge, I have three very original ideas.

1. Let us embark on a strong program to change each farm product at least in some detail once a year. The goal should be to produce, for example, a new-model hog every spring, and then put on a Dinah Shore TV show to tell consumers about the new wrinkles in the snout and the added twist in the tail, and do it in color and in black and white, with plenty of singing guest stars. The big broadcasting companies will applaud.

2. Our secular and ecclesiastical authorities should issue an edict requiring every person to eat double rations every Monday. Or, rather than passing still more laws to get farmers to produce less, pass at least one law requiring every family to consume more than it did during the base year against which it will be judged. A consumption allotment of only 10 percent more would increase farm prices fully 20 percent. Surely not a bad start.

3. My last fling at originality should appeal especially to our chairman. But may I ask that all Democrats and not-too-loyal Republicans refrain from applause. Inasmuch as the Russians have been very successful in producing less than they want, and we have been equally successful in producing more than we want, let us exchange, not surpluses for sputniks, but our top agricultural officials for their top farm bosses. Surely both countries would be better off. Who knows, they might even throw in that old farm boss, Khrushchev.

At the time I agreed to do this talk, I asked with trepidation, "How should the problems of agriculture be divided between the two of us this evening?" I was told, "Each should do what comes naturally, one taking up the economics, the other the politics of agriculture." My misgivings rose abruptly. You know and I know that there is no glamour in economics. How many of you have ever read The Wealth of Nations from cover to cover? Henry Wallace once said, appearing before the American Economic Association, "Economics is a study of the dry, dead bones of a society with all the flesh removed and all of the blood and life drained out." Who would want to be stuck with that dismal prospect on a night like this? It's hard enough to do it in the classroom where attendance is required. So, I forswear that role this evening.

The image I have is that politics and economics are joined, as implied in the old phrase "political economy." One can see this in modern fiscal and monetary policies that we use to attain economic stability and growth; in taxation to obtain revenue and to bring about greater equality in the way income and wealth are distributed; in foreign economic policy and in the area under consideration here, i. e., in agricultural policy. In each of these, politics and economics are joined not as a matter of mere convenience, but as partners in a marriage. The initiative is with politics. Let politics take unto himself a good partner and the prospects are good, but let it be a bad partner and there will be, in Harry Truman's idiom, "hell to pay." It is my thesis that good economics is good for politics and bad economics is bad for politics—for better or for worse.

BAD ECONOMICS IS BAD FOR POLITICS

Economics is not a mere handmaiden of politics, to be used and misused to satisfy the whims of politicians. Let me cite some examples, going back no further than the late twenties.

First, it was thought to be smart politics in the twenties to raise tariffs and promise to make them effective for agriculture.

The brutual fact that farm prices really collapsed soon after World War I is now almost a part of forgotten history. The value of farm land fell and kept on falling. Foreclosures became a plague and one wave of bank failures followed another. Well do I remember, for twice as a college student and then once again as an instructor at Ames, I had all of my small, precious nest egg of liquidity wiped out by this scourge. To deal politically with that collapse in farm prices, more and better tariffs were enacted. First it was the Fordney-McCumber Act of 1922, and then in 1930 came the lamentable Smoot-Hawley tariffs. Was there ever a greater piece of economic folly? It soon turned sour, however, and became bad politics.

It will be to the everlasting credit of economists that they had the courage to protest en masse. But it took a Cordell Hull to undo the Smoot-Hawley fiasco. I vividly recall how he, from this very platform, stated boldly the purposes and importance of the reciprocal-trade agreements he was launching. Unfortunately, these trade agreements are once more in jeopardy, but we cannot afford to give up the high ground won under Hull's great leadership. Many farm people and their leaders support my former colleague, the distinguished Senator from Illinois [PAUL DOUGLAS], who has risen to rally the forces that fought for Cordell Hull.

Second, I need only remind you that there was once upon a time a flourishing Federal agency called the NRA, an awful piece of economics, so bad that it soon became too great a political liability for even the strong New Deal to maintain.

Third, let me now be so bold as to comment on parity for agriculture. On welfare grounds, it has much merit as a policy goal. The difficulties all start when the idea of parity is converted into a set of specific prices and when laws are passed establishing a parity price formula tied to dead hand of history. The legal formula served notice, then and there, that we had embarked on a policy built on bad economics. Most economists, including some who looked with much favor on the many fine efforts of the New Deal to help agriculture, clearly saw the faulty foundation of parity prices.

It may not be amiss to recall that in the middle thirties, through the agricultural extension service of this good State, those of us who were then economists at Ames took it upon ourselves to point out to farmers the nature of the bad economics inherent in the legal parity price formula. These educational efforts on our part were not received with any outburst of enthusiasm by the then leaders of your major farm organiaztion, to put it mildly. Ironically, the positions of two of the major farm organizations were at that time precisely the reverse of what their positions are today with regard to parity prices. One might, of course, gloat and say, "consistency, thou art a jewel." But I would much rather like to believe that our meetings, and talks, and the things we wrote contributed to the excellent economic grasp that has been typical of the farm people who had to live with us during those exciting years.

As long as legislation specified a fairly low percentage of parity as the support price, no major disturbances occurred in the flow of farm products into markets, and no excessive stocks were accumulated. Such was the case during the early New Deal years, although at one time it looked bad in cotton. In any case, the war years cleared the decks of stocks, but it also induced Congress to raise the percent of parity repeatedly, and these higher mandatory parity prices became unworkable in the postwar years after Korea.

Professor C. M. Hardin's studies show that simply voting for high support prices does not necessarily assure Congressmen that they will get the votes of farm people in these parts of the Corn Belt. Parity prices, tied to the horse and buggy days of 1910–14, have at long last caught up with us; they have in fact become bad politics.

We might have developed, and could have had by now, a workable system of forward prices growing out of our support prices, but instead we have been on the verge of destroying the whole of it by our insistence on having price supports dictated by a wholly unworkable price formula. It is high time that we rescued our support prices; agriculture needs them; they can be made to work.

Fourth, as I read the record of the last 2 decades, it has been neither good economics nor good politics to impose effective production controls on farmers. Tobacco may be in part an exception. This interpretation of the record seems to hold for that old stand-by—acreage allotments with or without cross-compliance—and, also, for the soil bank.

As far back as 1942, Professor O. H. Brownlee and I made a study of the effects of the AAA on total feed production, and we found that it had not reduced the total output of feed. (See Research Bulletin 298, Iowa Agricultural Experiment Station, Ames, Iowa, April, 1942.)

I do not want to imply that these production controls have been altogether neutral. The Corn Belt would be much better off now had they been neutral. At every turn, so it

seems, they have added to the supply of feed. We all know that they have been shifting acreage and production around: less corn acreage but more of other feeds; less land in wheat but much more in grain sorghum, oats, and barley; and less cotton and again more feed. It is high time we faced up to the fact that our total supply of feed concentrates has gone through the roof, rising from 167 million tons in 1952 to 218 million tons last fall—up 30 percent in 5 years.

Even in the case of tobacco, the economic effects on tobacco farmers of the ever smaller acreage allotments are likely, sooner or later, to become intolerable.

Acreage allotments and the soil bank have been acceptable to farmers as a formula for distributing some Government payments but not as controls to reduce farm production. Whenever these controls have ben pressed to a point where they might have curtailed total production, they have become unacceptable politically.

Fifth, without elaborating on the reasons why, let me simply say that our recent large scale disposal programs of farm products abroad, will prove to be both bad economics and bad politics, although in this case the political shortcomings are slow in coming to a head, because those who are burdened by the maladjustments that Public Law 480 and the other disposal programs bring about abroad are not represented in Congress. Our foreign policy position, however, is being weakened, and these programs are, therefore, all too high a price to pay in view of our national insecurity at this time.

GOOD ECONOMICS IS GOOD FOR POLITICS

Is there anything left that is not bad? Am I not guilty of labeling any and all economic endeavors by Government simply as "bad economics," and of picking out those that fail to prove my thesis? I shall prove that this is not my position. I am fully aware that free enterprise and economic freedom also become doctrines, and in the hands of some have become fully as inflexible and unworkable as the now very obsolete parity price formula. Let me present my case as follows:

I want, first, to go beyond agriculture and consider policy for the overall stability of the United States economy. Since the war, it has become both good economics and good politics to maintain full employment and prosperity without inflation. That this is true politically is clear enough: no more inflation than that of late 1956 and early 1957 was a political liability, and the amount of unemployment that has come upon us since then is no political asset. But what is good economics in achieving this policy objective? I dismiss out of hand the arguments of those who tell us that monetary controls are necessarily bad because they restrict somewhat the economic freedom of banks. But there are some disagreements among economists on how much can and should be done through monetary, or fiscal, or direct wage controls. It is, I fear, all too easy to espouse either a particular monetary-fiscal doctrine, or some kind of wage-price spiral doctrine.

I for one have been unable to convince myself that the rises in wages that have occurred since the war have been the villains of the piece. Wages undoubtedly have overshot the mark at times in some places; but it could hardly be otherwise in a period of rapidly rising factor prices attributable to new techniques and new knowledge that have been expanding output. It may be that I am wearing a set of monetary-fiscal blinders, but as I see it, these controls can and should play a dominant role.

When these controls are applied too hard and long they will bring on a depression. In my judgment, Arthur F. Burns was essentially right in his assessment at the time he resigned from the President's Economic Council that the Federal Reserve had gone too far in checking the rise in the money supply. I find much economic wisdom in his lectures at Fordham University given during October 1957. (See his Prosperity Without Inflation, Fordham University Press, 1957, especially chapter 3, "The New Environment of Monetary Policy," and chapter 4, "Public Policies for Coping With Inflation.")

Turning now to agriculture, there is a long list of public programs that have stood both the economic and political test.

The farm home and the family farm have been strengthened measurably by good old FRD (older by far than FDR), by roads, electricity, and telephone facilities for farm people. The business side of family farms is better because of what Government has done to develop our farm credit institutions, market information, and some of its soil-conservation programs. In principle, I am sure that support prices are also good when we have once learned to use them as forward prices, and that CCC stocks can and should be used to counteract vicissitudes in production and not to underwrite a set of obsolete parity prices. Income payments, I am still convinced, also, can play a positive role for the purposes and, as a second line of defense, as I originally envisioned them in 1944.

POLICY TO COPE WITH AGRICULTURAL ABUNDANCE

Paradoxically, we seem to be determined as a people to make farm products and the services of scientists, engineers, and teachers cheap. There can be no doubt that this is the effect, on the one hand, of the vast array of new, useful knowledge being made available to agriculture, by the Agricultural Experiment Stations and Agricultural Extension Services; and, on the other hand, of the vast public efforts to recruit and subsidize students to become teachers, engineers, and scientists. We are, thus, in the same boat: ever more public funds are to be spent to keep your products and my services cheap.

Robert Buck saw this clearly as it applies to farming in the excellent paper that he presented at this Institute last year.

For consumers this is of course fine; moreover, these expenditures for agricultural research and extension have served and will continue to serve the public interest. So will public funds to pay outstanding students to study hard for many long years, as is necessary if they are to be competent intellectuals. But when we decide to serve the public interest in these ways, we must face up that we are making it exceedingly rough for many farmers who have committed themselves to farming, and also for many teachers, engineers, and scientists who have made the investment in their education largely on their own.

In agriculture, the price of land has not been depressed by this revolution in new knowledge useful in agricultural production. The returns on other forms of capital being used in farming is also not below par. It is the returns for human effort committed to farming that is carrying the brunt of the load.

Let me, in closing, consider, I fear all too briefly, what can be done to improve this situation in farming. I shall restrict myself in the main to the Corn Belt, although for the most part what I propose is also applicable to other parts of agriculture.

1. We must reestablish a general economics intelligence branch in the USDA. It should be called a Bureau of Agricultural Economics in deference to the fine work and record of the old BAE. It should give economic policies for agriculture the highest priority in its work.

We are in great need of studies to determine how important is the level and the stability of price in winning and in holding additional markets at home and abroad. M. K. Horne's recent study, The Outlook for Cotton Markets, a report to the National Cotton Council, is such a study and it has much merit. I know of none such in recent years by the Department of Agriculture. The rural development program has now been under way for several years and yet all one gets out of the Department about the lessons to be learned from this important program is an occasional, insipid, public relations pamphlet. The belief that there may be some new ways of gaining some control over parts of the agricultural supply, ideas that I associate with Prof. Willard Cochrane, should be explored. I am very pleased that Cochran will be a visiting professor with us at the University of Chicago next year. The United States Department of Agriculture should have been making studies of the possibilities of alternative income payment programs to break the feed grain log-jam. The estimates of the Department showing that it might require $10 billion of payments to support all of the 26 major farm commodities at 90 percent of parity is pointless, even as a political weapon to discredit any and all income payment programs.

2. On positive actions: How are you going to remove the large, menacing supply of feed grains dangling over your heads? In principle, meaningful choices are: (1) feed it and (2) get wheat and cotton land out of feed production.

Let me comment first on the production of feed. Clearly, our present farm programs are not capable of reducing the production of feeds. In the Middle West, at best, they have shifted feed production around; in wheat they have increased production substantially; and, in cotton and rice they have also added to the feed supply. The upshot has been that acreage allotments and the soil bank have made the feed supply situation worse than it otherwise would have been. Cotton acreage should be increased this year by as much as 25 percent; wheat in the spring wheat area should be freed of all acreage restriction this spring and then all wheat should be freed before planting time next fall. Corn acreage allotments were already meaningless last year and they should be discontinued.

Let me now turn to the policy for removing the large feed supply—by feeding it promptly and with dispatch. Hogs have been and still are the principal shock absorber of big changes in feed supplies. I shall restrict my comments, therefore, to two prices, namely that of feed and that of hogs.

The support price for corn has degenerated into a club to get farmers to engage in uneconomic production controls. What is needed is a support price on feed grains that is available to all farmers who produce corn, oats, barley, or grain sorghum. On this point, there is much merit in the new proposal of the Farm Bureau using recent market prices and the feeding values of these grains to establish, say, for the current season support prices of $1.22 for corn, $0.62 for oats, $0.99 for barley, and $2.18 (hundredweight) for grain sorghum. But what about hogs into which most of the excess feed will necessarily go? What is required is a forward price on hogs. It should be put at about $13 and announced as the floor price for 2 years on ahead. When the average monthly market price received by producers for hogs falls below $13, the difference between that average market price and the $13 should be covered by an income payment. (This is not the occasion to elaborate on administrative details, costs, or on changing this forward price for hogs for subsequent periods in order to reach a workable equilibrium between supply and demand.)

It would be good economics, and I venture also good politics, to discontinue acreage allotments, to make support prices available to all farmers producing corn, oats, barley, and grain sorghum linked to the market prices of the past several years and to

establish a forward price for hogs with income payments.

3. For the longer run, the fundamental issue facing farmers is not the large amount of farm products being produced or even the very large stocks that have accumulated. The issue is the low earnings for the work that farm people do. But it would be a serious error to infer from this that the earnings on most of the physical assets used in farming are, therefore, also too low. On most land, machinery, and fertilizer they are not below par. But what is basically out of line, and it must be seen clearly, are the low earnings that many people are getting for the time and effort they devote to farming. The economic remedy is to make this time and effort of farm poeple more valuable. Moreover, the sooner we see that this is the heart of the problem and come to grips with it, the sooner we will begin to get favorable results.

We could stop the flow of new knowledge into farming and thus try to slow up the technical revolution in agricultural production. I do not believe that doing so would be consistent with the public interest. But a number of things can be done, and should be done to take the burden of these advances in new knowledge off the back of the people who prefer to earn their living at farming. I would again urge upon you a program along the lines of my proposal for homesteads in reverse. If Government payments are to be made, and they are likely to stay large for some years, they should be distributed—not on the basis of acreage allotments, or through price supporting crop loans set far in excess of normal market prices, or for putting land into some hypothetical bank—but on the basis of the time and effort that farm people devote to farming and as an inducement to increase the rate of occupational migration. (A payment of no more than 10 cents for every hour that farm family workers devote to farming would require about $1.2 billion.)

Our fable tells us that King Midas had his troubles. We have our farm trouble, to use the title of our chairman's excellent book. It would be pleasant for a change to have just a little of the kind that King Midas had. It could be had by combining a measure of good economics and politics to redirect our farm policy.

AMENDMENT OF THE LIFE INSURANCE TAX BILL

Mr. DOUGLAS. Mr. President, I am submitting an amendment to H. R. 10021, the life insurance tax bill, and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. DOUGLAS. The amendment which I have submitted to the life-insurance-tax bill, H. R. 10021, is, in substance, my bill, S. 3263, which calls for a reduction in personal income taxes and the repeal or reduction of numerous excise taxes. In addition, the amendment includes a provision for refunds of the excise taxes paid by manufacturers for floor stocks now in the hands of dealers. I also tentatively include in the amendment a provision halving the tax on automobiles and automobile parts, and the corresponding floor stocks of automobiles and automobile parts; namely, reducing the tax on automobiles from 10 to 5 percent and on automobile parts from 8 to 4 percent.

This reduction on automobiles and automobile parts is done under the informal assurance, which I have indirectly received from the automobile manufacturers, that they will pass on any decrease in the tax to the ultimate buyer. I have been expecting formal confirmation of that informal assurance most of the day. It has not as yet arrived. I reserve the right, therefore, if we do not receive a written assurance, to withdraw that section of my amendment.

In other words, it is inserted only under the assumption that the informal assurances will be made good; if they are not made good, then there will be no tax-reduction provision for these automobile items in this amendment when I call it up.

What I am doing is submitting, as an amendment to the life-insurance-tax bill, the tax-cut bill which I proposed on February 10, and which I think is absolutely necessary if we are to prevent a further decline in the economy.

The reason why I am offering the amendment to the life-insurance-tax bill can be stated quite simply. I had informed the chairman of the Committee on Finance, the distinguished Senator from Virginia [Mr. BYRD], that I intended to offer my bill, S. 3263, as an amendment to the so-called technical-amendments bill, H. R. 8381, upon which the Committee on Finance has held hearings.

It now appears, however, that the Committee on Finance will not consider the bill in executive session until next week, and it is not certain when the committee will report it to the floor of the Senate, for it is a very long and complex bill. Therefore, a very long delay may ensue before the present amendment can be offered to the technical-amendments bill, and we would lose much precious time if we were to wait for it.

In the meantime, we have the problem of severe unemployment. I may say, in this connection, that on February 10, and earlier, I predicted that the employment figures for the month of January would be 4,500,000. Later the official figures were announced, and they fixed the total unemployment for January at 4,494,000. I was only one-tenth of 1 percent off. I submit that that was not a prediction of gloom and doom, but that I hit the probable figure right on the head. It was a prediction of accuracy.

Last week I predicted, on the basis of the unemployment insurance figures, that when the official figures for the month of February were issued, the first part of this week, they would show not less than 5 million and in all probability 5,200,000 unemployed. After I made this prediction, and on the next day, the leaks began to come from the Department of Commerce. It was stated the unemployment figure for the middle of February would be above 5 million.

It will be very interesting to see what the figure is tomorrow, when the announcement comes; but in all probability my estimate will be almost precisely on the head.

I submit, therefore, that my predictions have not been predictions of gloom and doom, but have been predictions of reality. That is the way I shall try to continue.

I may say in this connection that I think we do not have to wait until the monthly unemployment figure is announced by the Census. I think we can make a reasonable estimate of the total figure of unemployment for each week based on the weekly figure of those who are covered by unemployment insurance, who are claimants for unemployment insurance. In doing so, we should take into account not only the claims for unemployment insurance under the ordinary State unemployment compensation laws, but also the claims for unemployment compensation under the Federal Railway Unemployment Compensation Act.

The figures will show that there have been about 137,000 of those unemployed railway employees, claiming benefits, in recent weeks, and they should be added to the total.

For the last 2 months there has been an approximate consistency between the total number of claimants under unemployment compensation and the total number of unemployed, as revealed later by the figures from the Bureau of the Census. In brief, the claimants for unemployment compensation have formed approximately 63 percent of the total unemployed. If we take, therefore, the number of claimants from the weekly unemployment compensation figures, issued by the Department of Labor, and then multiply by 100 and divide by 63, we will get a fairly good approximation of what the total unemployment figures are.

I think as time goes on the percentage which the claimants for unemployment benefits form of the total unemployed will slightly diminish, due to the fact that there will be a larger number of persons who will have exhausted their claims for benefits. But as the weekly unemployment compensation figures come out, I shall make an estimate each week, based upon those figures, of what the total unemployment amounts to, and we shall not wait until the monthly figures are issued by the Department of Commerce.

I expect shortly to make an estimate for the week of February 22, and then possibly toward the end of the week an estimate for March 1.

Conditions will have to improve very markedly in the next 5 days before we get the upturn which the President predicted would mark the beginning of the end of unemployment in March.

If we add the part-time workers to the 5 million or 5.2 million full-time employees, who tomorrow in all probability, will be announced as unemployed in the middle of February, they would form the equivalent of at least another 1,250,000 full-time unemployed.

There is an increasing tendency in recent years for employers to put employees on the part time rather than to lay them off completely, because in so doing the employers reduce the assessments which they have to pay under the State unemployment compensation laws. These assessments are graduated according to the unemployment benefits paid to their own workmen. The benefits generally do not start until the employees' earnings have fallen below one-half of his normal earnings. An employer, who, let us say, has to reduce his hours by one-

third, instead of working two men full time and laying off one man, will tend to work all three two-thirds time. In that way, no one will receive any benefits, and the employer will have no benefits charged against his account. Therefore, his contribution to the unemployment compensation fund will be less. A large part of the unemployment at present is taking the form of such part-time unemployment.

As I think I have mentioned on previous occasions, for some years I have had indexes computed of what the full-time unemployment would be of such part-time workers. For January, this amounted to an additional 1,200,000. It is most conservative to assume that for February this would be at least 1,250,000.

If we add this figure to the completely unemployed, we have a total of more than 6¼ million, or very close to 6½ million. That is the best figure of the total unemployment.

In order to get the percentage of unemployment, it is necessary to divide this figure by the total number who are susceptible to unemployment. The common practice, up to now, has been to take the total civilian working force, about 67 million, as the denominator; but this figure includes 10 million persons who are self-employed, or who are the wives or children of self-employed persons and are working in the family establishment—farmers, for instance; and independent shopkeepers, whose wives help them to keep store. It includes also the elder sons or daughters who help around the store. There are 10 million persons within that category. They are not susceptible to unemployment in a recession or a depression. They own their jobs; they do not lose their jobs. The recession or depression hits them in the form of reduced income.

Therefore, they should not be included in the denominator. The denominator should instead cover only those who are already employed as wage or salary workers, and the unemployed who are seeking wage and salaried work. When that figure is used, the total donominator would be 57 million, not 67 million.

Six and one-fourth million or six and one-half million will be 11 or 11½ percent of this number.

In other words, the situation is far more serious than the publicity men downtown would have us believe. The time to act on a matter of such seriousness is now. I think it very likely that about April 15 the administration may propose a tax-cut bill. I think the March figure of unemployment is going to be so unfavorable that the administration will then propose a tax cut.

But that may be too late, particularly when such a bill will have to take the course of being introduced, first, in the House of Representatives, having hearings before the House Committee on Ways and Means, then the reporting of the bill, the passage of the bill through the House, and then its passage to the Senate, then the holding of hearings before the Senate Committee on Finance, the reporting the bill by the Committee on Finance, and action by the Senate. There will be some question as to the type of tax cut we should have and the debate will take time. There will then be the problem of reconciling the differences in conference and the approval of the conference report by both Houses.

In the meantime, the recession may well be gathering headway; in fact, I think it has been gathering headway since the middle of February. In other words, the figures which will probably be published tomorrow will almost be antedated before they appear because all the signs I can read indicate a decrease in employment and an increase in unemployment in the 3 weeks which have passed since the middle of February.

The situation is so serious that we cannot afford to wait all this time.

As many of us have tried to point out, an economic decline can be like an avalanche: It starts on a small scale, but it gathers momentum as it moves down the mountain, and ultimately there may be a terrific movement of snow, rock, water, or what not. In other words, once the cumulative forces of breakdown commence within an economy, they are very hard to arrest. The time to stop these impetuous and cumulative forces is in the early stages. A pound of prevention is worth a ton of cure.

Mr. President, I know it is somewhat presumptuous for one to make personal references; but I hope I may be forgiven if I say that a month ago, on the 10th of February, I proposed this tax cut. At that time it was "laughed out of court", so to speak, by the administration and by many others who said it was fantastic and foolish. But the longer we postpone this step the more serious the situation becomes, and the less our chances of success. So I believe that we must act quickly.

If the Senate now had before it a general-tax-cut bill which had been passed by the House of Representatives, such an amendment would be a matter of course. However, the Senate has received from the House of Representatives a small tax-cut bill, in the form of the insurance bill. It would cut the taxes of insurance companies by approximately $124 million, as compared with what the companies would pay if the bill were not enacted. This bill has been reported out by the Finance Committee and is now before this body. I understand that it is to be called up for passage this week.

For the moment I shall not argue the merits of that insurance tax-reduction bill. I simply say it is a tax-cut bill. We can justify it on the ground that the Treasury has been very lax and very remiss in not presenting another method of taxing the insurance companies, and therefore it may well have encouraged the insurance companies to believe that the previous stopgap method, which we have used in the last 2 years, would be continued for this year. Many have carried out their financial plans on the basis of this assumption, which, as I have said, has been encouraged by the Treasury. I think that is the chief argument for the insurance tax bill. But for the time being I shall not go into the merits of that bill. I simply say it is a tax reduction bill for a particular group of taxpayers.

Therefore, it is highly appropriate that we add a general tax-reduction amendment to that specific tax-reduction bill. We could speed up our action on these matters, because the House already has passed the insurance company tax-reduction bill and the Senate Finance Committee has reported it out. If we adopt my amendment to it a solution can be worked out in conference, and in that way the House and the Senate can pass judgment upon the matter. Thus, in my judgment, we would save 3 or 4 months; and that might represent the difference between arresting the recession and preventing it from becoming a depression, or allowing the avalanche to pour down upon us.

In connection with such serious dangers as these, it is always better to do something which may turn out to be too much, rather than to do too little and to have it done too late.

Mr. President, I may say that, in general, what I propose to do by means of this measure is to make a cut of approximately $3 billion in the income taxes. Originally, I proposed a cut of about $1,400,000,000 in the excise taxes. But with the changes I have made, the figure will be considerably larger and will amount to about $2.2 billion or a total of around $5.2 billion.

So far as the income-tax cut is concerned, it would be given in the form of taxing the first $1,000 of taxable income at a rate of 15 percent, instead of the present rate of 20 percent, or a reduction of 5 percent. That would mean that each income taxpayer would pay $50 less a year than he now pays. That reduction would operate immediately. The withholding tax would be decreased by that amount—or by approximately one dollar a week.

Then at the end of the year the taxpayer would receive a refund for the income-tax amounts withheld from the first of the calendar year until the time of the enactment of this measure. That would stimulate production also, because in addition to a larger weekly pay check the prospect of a tax refund would be certain, and people would spend in anticipation of the cash refund which would be coming to them. The income-tax cut would expire on January 1, 1959, and unless it were revived, we would go back to the present rate. We hope the recession would be over by that time.

So far as the excise-tax cuts are concerned, I am proposing a complete removal of all the excise taxes on radio and television sets, phonographs, records, and musical instruments; clocks and watches; mechanical refrigerators, quick-freeze units, and air conditioners; electric, gas, and oil appliances; electric light bulbs, toilet preparations; luggage, hand bags, wallets; admission taxes; business and store machines; photographic equipment; playing cards; matches; sporting goods, exclusive of fishing rods (because this is earmarked for conservation purposes); pistols and revolvers; leases of safe deposit boxes; fountain and ballpoint pens; and a small miscellaneous group.

Let me say that in the case of admission taxes, the so-called cabaret tax or amusement tax would be included. It would be completely removed.

All those reductions would amount to approximately $755 million.

The complete removal of taxes on the 17 categories I have just listed would apply to existing floor stocks, as well as to items manufactured and sold by manufacturers in the future. The process there would be for the Government to rebate to the manufacturers the taxes on items of the goods in the dealers hands, and then for the manufacturers to rebate to the distributors the amounts the latter had paid in the form of increased prices. So we have assurance that this measure would result in reducing the prices to consumers, both on future production and on past production during this year.

We estimate that the decrease in taxes on the floor stocks on consumers durables would be approximately $50 million, although that is our best estimate.

We also propose that the existing excise taxes on the following items be cut in half: Telephone, telegraph, radio, and cable services, leased wires, and so forth; local telephone service; transportation of persons; and transportation of property.

That would amount to an additional reduction of taxes in the amount of approximately $676 million, making a total cut of approximately—including the reduction in the case of floor stocks—$1,500,000,000.

There remains the automobile amendment to which I have referred. If the automobile companies come through with their pledge to pass on this reduction to the consumers—as I expect they will, tomorrow—then that will amount to a reduction, on an annual basis, of close to $560 million on automobiles and automobile parts.

We similarly propose a refund in the case of the floor stocks of automobiles and automobile parts. That should be done so there would be no advantage in buyers holding off from the purchases of automobiles after the tax cut was passed, and so there could be a purchase of the existing stocks, and not merely of future production.

I believe that a rough estimate of the tax cut in the case of floor stocks of automobiles would be approximately $100 million. If we include parts, it would possibly be $120 million. There is a margin of error in the case of the proposed tax reduction on automobile floor stocks; but I believe that perhaps an over-all figure for the tax cut for both automobiles and parts in stock would be probably not far from $120 million.

Therefcre, in all, the cut on both personal incomes and excises would amount to approximately $5,200 million—possibly a little more; possibly a little less.

The great advantage of this proposal is that it would take effect immediately. The consumers and purchasers would immediately have more money in their pockets; less would be withheld from current wages. The prices of the goods on which the excise taxes are paid would be reduced. Thus, the consumers would be able to buy more with the same amount of money. The result should be a great stimulus to purchasing and hence to employment.

So the amount for the average family would net, in reduced taxes, to well over $100 a year. That is a very real addition to total income.

I know this issue of a tax cut will be debated, but I thought it was important to lay the matter before the Senate, to have it printed in the RECORD, so that Members of the Senate tomorrow can read the proposal. Its great advantage is the speed with which it will operate. At the same time we should liberalize unemployment compensation benefits in amount and in extent as proposed by Senators KENNEDY and MCNAMARA. And I am also for some public works construction on schools, hospitals, slum clearance and urban renewal, housing for low-income groups, and highways.

Mr. President, I ask that the text of the amendments be printed, so that they may be available to Senators, and that a brief tabular statement of what the reductions amount to may be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments are as follows:

On page 1, after line 2, insert the following:

"SECTION 1. Short title, etc.

"(a) Short title: This act may be cited as the "Tax Reduction Act of 1958."

"(b) Amendment of 1954 code: Except as otherwise expressly provided, wherever in this act an amendment or repeal is expressed in terms of an amendment to or a repeal of a section or other provision, the reference shall be considered to be made to a provision of the Internal Revenue Code of 1954.

"TITLE I—REDUCTION OF INCOME TAX ON INDIVIDUALS FOR TAXABLE YEAR 1958

"SEC. 101. Reduction of rate applicable to first $1,000 of taxable income for taxable year 1958.

"(a) Rates of tax on individuals other than heads of households: So much of section 1 (a) (relating to rates of tax on individuals) as precedes the table therein is amended to read as follows:

"'(a) Rates of tax on individuals.—

"'(1) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:

"'If the taxable income is:	The tax is:
Not over $1,000	15 percent of the taxable income.
Over $1,000 but not over $2,000.	$150, plus 20 percent of excess over $1,000.
Over $2,000 but not over $4,000.	$350, plus 22 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$790, plus 26 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,310, plus 30 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,910, plus 34 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,590, plus 38 percent of excess over $10,000.
Over $12,000 but not over $14,000.	$3,350, plus 43 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$4,210, plus 47 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$5,150, plus 50 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$6,150, plus 53 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$7,210, plus 56 percent of excess over $20,000.
Over $22,000 but not over $26,000.	$8,330, plus 59 percent of excess over $22,000.
Over $26,000 but not over $32,000.	$10,690, plus 62 percent of excess over $26,000.
Over $32,000 but not over $38,000.	$14,410, plus 65 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$18,310, plus 69 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$22,450, plus 72 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$26,770, plus 75 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$34,270, plus 78 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$42,070, plus 81 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$50,170, plus 84 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$58,570, plus 87 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$67,270, plus 89 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$111,770, plus 90 percent of excess over $150,000.
Over $200,000	$156,770, plus 91 percent of excess over $200,000.

"'(2) Other taxable years: A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:'.

"(b) Rates of tax on heads of households: So much of section 1 (b) (1) (relating to rates of tax on heads of households) as precedes the table therein is amended to read as follows:

"'(1) Rates of tax.—

"'(A) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:

"'If the taxable income is:	The tax is:
Not over $1,000	15 percent of the taxable income.
Over $1,000 but not over $2,000.	$150, plus 17½ percent of excess over $1,000.
Over $2,000 but not over $4,000.	$325, plus 21 percent of excess over $2,000.
Over $4,000 but not over $6,000.	$745, plus 24 percent of excess over $4,000.
Over $6,000 but not over $8,000.	$1,225, plus 26 percent of excess over $6,000.
Over $8,000 but not over $10,000.	$1,745, plus 30 percent of excess over $8,000.
Over $10,000 but not over $12,000.	$2,345, plus 32 percent of excess over $10,000.

"'If the taxable income is:	The tax is:
Over $12,000 but not over $14,000.	$2,985, plus 36 percent of excess over $12,000.
Over $14,000 but not over $16,000.	$3,705, plus 39 percent of excess over $14,000.
Over $16,000 but not over $18,000.	$4,485, plus 42 percent of excess over $16,000.
Over $18,000 but not over $20,000.	$5,325, plus 43 percent of excess over $18,000.
Over $20,000 but not over $22,000.	$6,185, plus 47 percent of excess over $20,000.
Over $22,000 but not over $24,000.	$7,125, plus 49 percent of excess over $22,000.
Over $24,000 but not over $28,000.	$8,105, plus 52 percent of excess over $24,000.
Over $28,000 but not over $32,000.	$10,185, plus 54 percent of excess over $28,000.
Over $32,000 but not over $38,000.	$12,345, plus 58 percent of excess over $32,000.
Over $38,000 but not over $44,000.	$15,825, plus 62 percent of excess over $38,000.
Over $44,000 but not over $50,000.	$19,545, plus 66 percent of excess over $44,000.
Over $50,000 but not over $60,000.	$23,505, plus 68 percent of excess over $50,000.
Over $60,000 but not over $70,000.	$30,305, plus 71 percent of excess over $60,000.
Over $70,000 but not over $80,000.	$37,405, plus 74 percent of excess over $70,000.
Over $80,000 but not over $90,000.	$44,805, plus 76 percent of excess over $80,000.
Over $90,000 but not over $100,000.	$52,405, plus 80 percent of excess over $90,000.
Over $100,000 but not over $150,000.	$60,405, plus 83 percent of excess over $100,000.
Over $150,000 but not over $200,000.	$101,905, plus 87 percent of excess over $150,000.
Over $200,000 but not over $300,000.	$145,405, plus 90 percent of excess over $200,000.
Over $300,000	$235,405, plus 91 percent of excess over $300,000.

"'(B) Other taxable years.—A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:'.

"SEC. 102. Optional tax.

"(a) Table prescribed by the Secretary.—Section 3 (relating to optional tax if adjusted gross income is less than $5,000) is amended by striking out "who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"'(1) In the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross-income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"'(2) In the case of any taxable year other than a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in the following table:'.

"(b) Technical amendments: Section 4 (a) (relating to rules for optional tax) is amended by inserting after 'the table in section 3' the following: 'and the table prescribed under section 3.'

"SEC. 103. Withholding of tax at source.

"(a) Percentage method of withholding: Section 3402 (a) (relating to withholding of income tax at source) is amended to read as follows:

"'(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages (except as provided in subsection (j))—

"'(1) With respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax equal to 16 percent of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b) (1), and

"'(2) With respect to wages paid before the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958, or on or after January 1, 1959, a tax equal to 18 percent of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b) (1).'

"(b) Wage bracket withholding: So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"'(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"'(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee (other than wages paid during the period to which subparagraph (A) applies) a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):'.

"SEC. 104. Technical amendment.

"(a) Retirement income credit: Section 37 (a) (relating to credit for retirement income) is amended by striking out 'an amount equal to the amount received by such individual as retirement income (as defined in subsection (c) and as limited by subsection (d)), multiplied by the rate provided in section 1 for the first $2,000 of taxable income' and inserting in lieu thereof 'an amount equal to 20 percent of the retirement income (as defined in subsection (c) and as limited by subsection (d)) received by such individual.'

"(b) Effective date: The amendments made by subsection (a) and by section 102 (b) shall apply only to taxable years beginning after December 31, 1957, and before January 1, 1959.

TITLE II—REPEAL AND REDUCTION OF CERTAIN EXCISE TAXES

"SEC. 201. Retailers excise taxes.

"(a) Tax on toilet preparations and luggage, handbags, etc.: The following provisions are repealed:

(1) subchapter C of chapter 31 (tax on toilet preparations); and

"(2) subchapter D of chapter 31 (tax on luggage, handbags, etc.).

"'(b) Watches and clocks: Section 4003 (relating to exemptions from tax on jewelry and related items) is amended by adding at the end thereof the following new subsection:

"'(c) Certain watches and clocks: The tax imposed by section 4001 shall not apply to any watch or clock if the price for which such watch or clock is sold is less than $100.'

"(c) Technical amendment: The table of subchapters for chapter 31 is amended by striking out

"'Subchapter C. Toilet preparations.
"'Subchapter D. Luggage, handbags, etc.'

"SEC. 202. Manufacturers excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter B of chapter 32 (tax on refrigeration equipment, electric, gas, and oil appliances, and electric light bulbs);

"(2) subchapter C of chapter 32 (tax on radio and television sets, phonographs, records, and musical instruments);

"(3) part II of subchapter D of chapter 32 (tax on photographic equipment); and

"(4) subchapter E of chapter 32 (tax on business machines, pens, mechanical pencils, mechanical lighters, and matches).

"(b) Passenger automobiles: Section 4061 (a) (2) (relating to tax on automobile chassis and bodies) is amended by striking out 'Articles taxable at 10 percent except that on and after July 1, 1958, the rate shall be 7 percent' and inserting in lieu thereof 'Articles taxable at 5 percent.'

"(c) Parts and accessories for automobiles: Section 4061 (b) (relating to tax on automobile parts and accessories) is amended by striking out '8 percent of the price for which so sold, except that on and after July 1, 1958, the rate shall be 5 percent' and inserting in lieu thereof '4 percent of the price for which so sold.'

"(d) Sporting goods: Section 4161 (relating to tax on sporting goods) is amended to read as follows:

"'SEC. 4161. Imposition of tax.

"'There is hereby imposed upon the sale by the manufacturer, producer, or importer of fishing rods, creels, reels, and artificial lures, baits, and flies (including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale thereof) a tax equivalent to 10 percent of the price for which so sold.'

"(e) Firearms: Section 4181 (relating to tax on firearms) is amended to read as follows:

"'SEC. 4181. Imposition of tax.

"'There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to 11 percent of the price for which so sold:

"'Firearms (other than pistols and revolvers).

"'Shells and cartridges.'

"(f) Technical admendments.—

"(1) The table of subchapters for chapter 32 is amended by striking out

"'SUBCHAPTER B. Household type equipment, etc.

"'SUBCHAPTER C. Entertainment equipment.'

and by striking out

"'SUBCHAPTER E. Other items.'

"(2) The table of parts for subchapter D of chapter 32 is amended by striking out

" 'Part II. Photographic equipment.'

"SEC. 203. Facilities and services.

"(a) Repeal: The following provisions are repealed:

"(1) part I of subchapter A of chapter 33 (tax on admissions); and

"(2) subchapter D of chapter 33 (tax on safe deposit boxes).

"(b) Reduction of tax on communications: Section 4251 (relating to tax on communications) is amended—

"(1) by striking out '10' each place it appears therein and inserting in lieu thereof '5'; and

"(2) by striking out '8' and inserting in lieu thereof '4'.

"(c) Reduction of tax on transportation:

"(1) Persons: Section 4261 (relating to tax on transportation of persons) is amended by striking out '10 percent' each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof '5 percent'.

"(2) Property other than coal: Section 4271 (a) (relating to tax on transportation of property other than coal) is amended by striking out '3 percent' and inserting in lieu thereof '1½ percent'.

"(3) Coal: Section 4271 (b) (relating to tax on transportation of coal) is amended by striking out '4 cents' and inserting in lieu thereof '2 cents'.

"(d) Technical amendments:

"(1) The table of subchapters for chapter 33 is amended by striking out

" 'SUBCHAPTER D. Safe deposit boxes.'

"(2) The table of parts for subchapter A of chapter 33 is amended by striking out

" 'Part I. Admissions.'

"SEC. 204. Other excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter A of chapter 36 (tax on playing cards); and

"(2) subchapter C of chapter 36 (occupational tax on bowling alleys, billiard and pool tables).

"(b) Technical amendments: The table of subchapters for chapter 36 is amended by striking out

" 'Subchapter A. Playing cards.'

and by striking out

" 'Subchapter C. Occupational tax on bowling alleys, billiard and pool tables.'

"SEC. 205. Floor stocks refunds.

"(a) Passenger automobiles and parts and accessories: Section 6412 (a) (1) (relating to floor stocks refunds on passenger automobiles) is amended:

"(1) by inserting 'or 4061 (b)' after 'section 4061 (a) (2)';

"(2) by striking out 'July 1, 1958' each place it appears and inserting in lieu thereof 'the tax reduction date';

"(3) by striking out 'November 10, 1958' each place it appears and inserting in lieu thereof 'the tenth day of the fourth month which begins after the tax reduction date'; and

"(4) by striking out 'October 1, 1958' and inserting in lieu thereof 'the first day of the third month which begins after the tax reduction date.'

"(b) Allowance of refunds on other tax paid articles: Section 6412 (a) (relating to floor stock refunds) is amended by renumbering paragraph (3) as (4), and by inserting after paragraph (2) the following new paragraph:

"'(3) Miscellaneous articles subject to manufacturers excise tax: Where before the tax reduction date any article subject to the tax imposed by section 4111, 4121, 4131, 4141, 4151, 4161 (other than fishing rods, creels, reels, and artificial lures, baits, and flies), 4171, 4181 (other than firearms (other than pistols and revolvers), shells, and cartridges), 4191, 4201, 4211, or 4451 has been sold by the manufacturer, producer, or importer and on the tax reduction date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by him on his sale of the article, if—

"'(A) claim for such credit or refund is filed with the Secretary or his delegate on or before the tenth day of the fourth month which begins after the tax reduction date, based upon a request submitted to the manufacturer, producer, or importer before the first day of the third month which begins after the tax reduction date by the dealer who held the article in respect of which the credit or refund is claimed, and

"'(B) on or before the tenth day of the fourth month which begins after the tax reduction date, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund.'

"(c) Definition: Paragraph (4) of section 6412 (a) (relating to definitions), as renumbered by subsection (b), is amended by adding at the end thereof the following new subparagraph:

"'(C) The term "tax reduction date" means the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958.'

"(d) Technical amendment: Section 6412 (c) (relating to applicability of other laws) is amended by striking out 'and 4081' and inserting in lieu thereof '4081, 4111, 4121, 4131, 4141, 4151, 4161, 4171, 4181, 4191, 4201, 4211, and 4451.'

"SEC. 206. Effective dates.

"The repeals and amendments made by sections 201, 202, and 204 (a) (1) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. The repeal made by section 203 (a) (1) shall apply to amounts paid on or after such first day for admissions on or after such first day, except that with respect to the tax imposed by section 4231 (6) (relating to tax on cabarets), such repeal shall apply only with respect to periods after 10 antemeridian on such first day. The repeals made by sections 203 (a) (2) and 204 (a) (2) shall apply to amounts paid on or after such first day. The amendments made by section 203 (b) shall apply to amounts paid on or after such first day for communication services or facilities rendered on or after such first day. The amendments made by section 203 (c) shall apply to amounts paid on or after such first day for, or in connection with, transportation which begins on or after such first day.

"TITLE III—1957 TAX ON INCOME OF LIFE INSURANCE COMPANIES"

On page 1, line 3, strike out "SECTION 1" and insert "SEC. 301."

On page 2, line 1, strike out "SEC. 2" and insert "SEC. 302."

Amend the title so as to read: "An act to amend the Internal Revenue Code of 1954 so as to reduce the rate applicable to the first $1,000 of taxable income of individuals for the taxable year 1958, to repeal or reduce certain excise taxes, and for other purposes."

STATEMENT OF PROVISIONS IN DOUGLAS AMENDMENT

Provision

	Billion
Revenue loss, estimate	$3

Split the first tax bracket of $2,000, now taxed at 20 percent, into 2 parts under which the first $1,000 of taxable income would be taxed at a 15-percent rate and the second $1,000 at the present 20-percent rate. The effect would be to reduce the tax on the first $2,000 of taxable income from $400 to $350.

In addition, the bill would repeal or lower certain of the existing excises. The provisions and the estimated revenue losses under existing legislation for fiscal year 1958 would be as follows:

Estimated fiscal year 1958 revenue losses

[Source: The budget for fiscal year 1959, pp. 885–886]

Repeal excises on:	*Million*
1. Radio and television sets, phonographs, records, and musical instruments	$179.0
2. Clocks and watches	10.0
3. Mechanical refrigerators, quick-freeze units, and air conditioners	44.0
4. Electric, gas, and oil appliances	75.0
5. Electric light bulbs	28.0
6. Toilet preparations	102.0
7. Luggage, handbags, wallets	60.0
8. Admission taxes	100.0
9. Business and store machines	93.0
10. Photographic equipment	22.0
11. Playing cards	6.9
12. Matches	6.0
13. Sporting goods, exclusive of fishing rods (estimate)	10.0
14. Pistols and revolvers	2.0
15. Leases of safe-deposit boxes	6.0
16. Fountain and ballpoint pens	10.0
17. Other	1.0
Total	754.9
Reduce present excises by 50 percent on:	
1. Telephone, telegraph, radio, and cable services, leased wires, etc	142.5
2. Local telephone service	187.5
3. Transportation of persons	107.5
4. Transportation of property	238.0
	675.5
Total revenue loss estimated for excise reductions	1,430.4

Total revenue losses including excise reductions and splitting first bracket provision, $4.4 billion.

The tax-cut amendment would also provide for a refund of the manufacturer's excise taxes already paid by the dealers to the manufacturers for floor stocks or the goods they now have on hand or in inventory. As the excises to be repealed include approximately $500 million in manufacturer's excises, and as floor stocks amount to approximately 10 percent, this provision would provide an immediate refund of approximately $50 million from the manufacturers to the dealers.

In addition, if formal assurances are received, my amendment would reduce the manufacturer's excise tax on automobiles from 10 to 5 percent and the excises on auto parts from 8 to 4 percent. This reduction would amount to an additional $560 million on a yearly basis. Further, as floor stocks of cars and parts now amount to approximately 20 percent of the estimated yearly production, the refund from manufacturers to dealers for floor stocks would amount to approximately another $120 million.

When these amounts are added to the $1.4 billion in excise reductions it is seen that the total reduction for excises and floor stocks which I have proposed would amount to $2.16 or approximately $2.2 billion.

The computation is as follows:	Million
1. Manufacturer's excise tax repeal on consumers' durables and repeal of certain miscellaneous and retail excises	$754.9
2. Reduction of 50 percent in communication and transportation excises	675.5
3. Floor stock refunds on repeal of consumer durable excises	50.0
4. Reduction of 50 percent in manufacturer's excises on passenger automobiles and auto parts	560.0
5. Floor stock refunds on automobiles and auto parts	120.0
Total excise floor stock cuts	2,160.4
Total personal reductions	3,000.0
Grand total	5,160.4

EMERGENCY FEDERAL EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. CASE of New Jersey. Mr. President, I am introducing today, on behalf of myself and Senators AIKEN, COOPER, IVES, JAVITS, KUCHEL, PAYNE, and PURTELL, a bill providing emergency Federal extension, throughout 1958, of unemployment compensation for all those who have used up, or shortly will use up, their current benefits under existing State laws during this calendar year.

I ask unanimous consent that the bill be received and appropriately referred, and that the provisions of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3446) to provide for the extension of the duration of unemployment compensation payable under State laws and for Federal payments to finance such extended unemployment compensation, introduced by Mr. CASE of New Jersey (for himself, Mr. AIKEN, Mr. COOPER, Mr. IVES, Mr. JAVITS, Mr. KUCHEL, Mr. PAYNE, and Mr. PURTELL), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the Emergency Unemployment Benefits Act of 1958.

DEFINITIONS

SEC. 2. When used in this title—

(a) The term "compensation" means cash benefits payable to individuals with respect to their unemployment (including any portion thereof payable with respect to dependents).

(b) The term "benefit year" means the benefit year prescribed in the applicable State unemployment compensation law; except that, if such State law does not prescribe any benefit year, such term means any period of 52 consecutive weeks specified in an applicable agreement made under this title or, if there is no such applicable agreement, then any period of 52 consecutive weeks prescribed by the Secretary.

(c) The term "State" includes the District of Columbia, Alaska, and Hawaii.

(d) The term "United States," when used in a geographical sense, means the several States, Alaska, Hawaii, and the District of Columbia.

(e) The term "Secretary" means the Secretary of Labor.

EXTENSION OF THE DURATION OF BENEFITS

SEC. 3. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with any State, or with the agency administering the unemployment compensation law of such State, under which such State agency (1) will make, as agent of the United States, payments of compensation to supplement the duration of compensation payable under the law of such State, on the basis provided in subsection (b) of this section, and (2) will otherwise cooperate with the Secretary and with other State agencies in making payments of compensation under this subchapter.

(b) Any such agreement shall provide that such State agency (1) will make, as agent of the United States, payments of compensation to supplement the duration of compensation payable under the law of such State to individuals whose unemployment occurs between the effective date of this act and December 31, 1958, and who have, on or after January 1, 1958, exhausted their unemployment benefit rights under State law.

(c) Any agreement made under this section shall provide—

1. for paying compensation with respect to unemployment will be payable under such unemployment occurring in the calendar year 1958 in cases where compensation is not payable under the State law because of the exhaustion of benefit rights under such law for a benefit year;

2. that compensation with respect to such unemployment will be payable under such agreement at the same rates, on the same terms, and subject to the same conditions as the compensation which would be payable under the State law with respect to such unemployment except for the exhaustion of such benefit rights.

NO REDUCTION OF BENEFITS

SEC. 4. No agreement under this title for payment of compensation by a State agency shall be valid if compensation payable to any individual under the law of such State is less than it would have been under such law as it existed on January 1, 1958.

ADMINISTRATION

SEC. 5. (a) Determinations of entitlement to payments of compensation by a State unemployment compensation agency under an agreement under this title shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

(b) For the purpose of payments made to a State under title III of the Social Security Act, as amended, administration by the unemployment compensation agency of such State pursuant to an agreement under this title shall be deemed to be a part of the administration of the State unemployment compensation law.

(c) The State unemployment compensation agency of each State shall furnish to the Social Security Board, for the use of the Secretary, such information as the Secretary may find necessary in carrying out the provisions of this title, and such information shall be deemed reports required by the Social Security Board for the purposes of section 303 (a) (6) of the Social Security Act, as amended.

PAYMENTS TO STATES

SEC. 6. (a) Each State shall be entitled to be paid by the United States an amount equal to the total of all payments of compensation made under and in accordance with an agreement under this title.

(b) In making payments pursuant to subsection (a) of this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this title for each calendar quarter; reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the State. The amount of such payments may be determined by such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

(c) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment, at the time or times fixed by the Secretary, in accordance with such certification, from the funds appropriated to carry out the purposes of this act.

(d) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury upon termination of the agreement or on December 31, 1958, whichever first occurs.

(e) An agreement under this title may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from appropriations for carrying out the purposes of this act.

(f) No person designated by the Secretary, or designated pursuant to an agreement under this title, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this title.

(g) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (f).

PENALTIES

SEC. 7. (a) Whoever, for the purpose of causing an increase in any compensation authorized to be paid under this title or under an agreement thereunder, or for the purpose of causing any compensation to be paid under this title or under an agreement thereunder where none is authorized to be so paid, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any compensation authorized to be paid under this title or under an agreement thereunder, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

(b) Whoever shall obtain or receive any money, check, or compensation under this title or an agreement thereunder, without being entitled thereto and with intent to defraud the United States, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

Mr. CASE of New Jersey. Mr. President, I am aware that legislation in this field is highly technical in nature. For that reason, and because of the haste with which my bill had to be drafted, it may well be that it is not altogether artistic, or even that it may be inadequate to its purpose. But its purpose is

clear, Mr. President, and I am confident that my colleagues and their staffs, who are expert in the field, will be able to correct any shortcomings and right any errors. It was, I felt, essential to introduce the bill immediately, so that the committee and the Congress might have before it a measure to which immediate consideration might be given.

It is clear that the Nation is faced with an economic situation which requires emergency action by both the President of the United States and the Congress. This action should be rapid and on a scale large enough to accomplish its purpose. Seven of my colleagues and I have recommended four immediate steps. These are:

First. Emergency Federal extension of unemployment compensation for all those who have used up or shortly will use up their current benefits.

Second. Large scale channeling of Federal purchases and spending into labor distressed areas.

Third. Legislation to stimulate and facilitate home construction.

Fourth. Legislation to step up highway construction, both in the interstate and in the primary, secondary, and urban systems.

The highest priority should be given to the unemployment compensation extension, and I hope that the appropriate committee of Congress will give urgent attention to the bill which I am introducing today.

The most recent figures available on the number of persons drawing unemployment compensation show that for the week ending February 22, there were 3,478,600 workers in that category. I am sure that more recent figures would show an even larger number of unemployment compensation. The duration of benefits paid varies from State to State. In some States these payments are made for as little as 16 weeks, and in others for as many as 30 weeks.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a State-by-State listing of the maximum weekly unemployment benefits and the maximum number of weeks for which they may be paid under existing legislation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

State	Maximum weekly unemployment benefits	Maximum number of weeks
Alabama	$28.00	20
Alaska	45.00	26
Arizona	30.00	26
Arkansas	26.00	18
California	40.00	26
Colorado	35.00	26
Connecticut	40.00	26
Delaware	35.00	26
District of Columbia	30.00	26
Florida	30.00	16
Georgia	30.00	22
Hawaii	35.00	20
Idaho	40.00	26
Illinois	30.00	26
Indiana	33.00	20
Iowa	30.00	24
Kansas	34.00	20
Kentucky	32.00	26
Louisiana	25.00	20
Maine	33.00	26
Maryland	35.00	26
Massachusetts	$35.00	26
Michigan	30.00	26
Minnesota	38.00	26
Mississippi	30.00	20
Missouri	33.00	26
Montana	32.00	22
Nebraska	32.00	20
Nevada	37.50	20
New Hampshire	32.00	26
New Jersey	35.00	26
New Mexico	30.00	24
New York	36.00	26
North Carolina	32.00	26
North Dakota	26.00	20
Ohio	33.00	26
Oklahoma	28.00	26
Oregon	40.00	26
Pennsylvania	35.00	30
Rhode Island	30.00	26
South Carolina	26.00	22
South Dakota	28.00	20
Tennessee	30.00	22
Texas	28.00	24
Utah	37.00	26
Vermont	28.00	26
Virginia	28.00	18
Washington	35.00	26
West Virginia	30.00	24
Wisconsin	38.00	26½
Wyoming	41.00	26

Mr. CASE of New Jersey. Mr. President, in January the number of workers who exhausted unemployment benefits was 147,000, and I am told the figure for the shorter month of February will be about 140,000.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a State-by-State listing of the number of workers who exhausted their unemployment compensation benefits during the month of January 1958. These are the latest figures available from the Department of Labor.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

State	Number
Alabama	3,382
Alaska	248
Arizona	490
Arkansas	1,535
California	8,895
Colorado	557
Connecticut	3,102
Delaware	488
District of Columbia	713
Florida	2,537
Georgia	3,723
Hawaii	191
Idaho	698
Illinois	6,883
Indiana	7,213
Iowa	1,366
Kansas	1,181
Kentucky	2,795
Louisiana	1,473
Maine	1,271
Maryland	1,707
Massachusetts	5,589
Michigan	9,102
Minnesota	2,063
Mississippi	1,740
Missouri	2,860
Montana	989
Nebrskaa	686
Nevada	367
New Hampshire	349
New Jersey	9,546
New Mexico	375
New York	10,228
North Carolina	3,853
North Dakota	353
Ohio	4,683
Oklahoma	1,627
Oregon	3,266
Pennsylvania	9,156
Rhode Island	2,410
South Carolina	2,067
South Dakota	292
Tennessee	4,783
Texas	5,079
Utah	329
Vermont	289
Virginia	2,260
Washington	5,196
West Virginia	1,317
Wisconsin	5,646
Wyoming	209
Puerto Rico	55

Mr. CASE of New Jersey. Mr. President, further, the Department of Labor in a study made in early 1957 found that the usual period of unemployment for at least half the people who have exhausted their unemployment compensation benefits was an additional 2 months. Then, unemployment was, of course, substantially less than it is now. I would guess that workers who now exhaust their benefits may be forced to remain on the unemployment rolls for much longer than the 2-month period.

We should remember, too, that past experience with unemployment has shown that before employers start beginning to rehire, they tend to restore their reduced working forces to a full-time basis. Thus, low seniority workers may remain jobless long after their unemployment compensation runs out.

Unemployment is more than the loss of a job. It represents a crucial need for some cash with which to feed and clothe the family and keep a roof over their heads. I feel, therefore, that Congress must move swiftly to provide the funds necessary to permit the States to continue payments of unemployment benefits under their existing standards for as long as is needed during the year 1958. This should be done at once, pending final decision on the permanent unemployment compensation legislation which has been placed before the Congress.

Inaction on this matter will cause real suffering in the families, and the only alternative is public welfare. The psychological impact which this will have on the individual breadwinner and on the communities in which he lives is tremendous. A man on unemployment compensation is an unemployed worker. A man on relief is a defeated man, whose prospect for reemployment has faded.

I urge swift consideration of this legislation in the belief that quick action will help restore purchasing power in surplus labor areas and will keep them from being further depressed under a heavy load of public-welfare costs. Penicillin applied on the first day of sickness is much more effective than even a double dose a month or two later. It is important to treat this situation as a recession so that we may avoid the possibility of a depression. I urge unemployment compensation rather than public welfare.

This measure alone is only a part of the broad program of action necessary to defeat recession. In developing such a program we should also concentrate on the areas of surplus labor. A general uplifting of the economy, a general acceleration of public works and of military construction is useful, but even more so

is a funneling of Government contracts directly to the surplus labor areas.

In this connection we have proposed development of a set-aside program so that a substantial proportion, perhaps as much as 50 percent, of military supply contracts be pinpointed for labor-distressed areas. One of the suggestions which has been made is that we should divide some of the Federal contracts into two parts, perhaps one-half for the lowest bidder, wherever he may be located, and the remainder for firms located in surplus-labor areas. This proposal would require that the surplus-labor firms bid on the original contract and then be given an opportunity to match the low bid for the first half of the contract. Thus, the Government would get the work accomplished at no additional cost to the taxpayer, but, on the other hand, the firms in surplus-labor areas would have a very definite assist from the Federal Government in obtaining contracts and work for their many unemployed workers.

A set-aside program would follow the pattern of recession as it exists over the country. Presently, in certain areas real suffering exists. In others, business is good and employment remains high. The resources of the Federal Government should be employed where they are most needed and where they will do the most good.

Congress should act immediately to insure that activity in the building of homes is increased. We advocate legislation to provide an expanded opportunity for American families to buy homes and to provide incentives to labor and industry to build them.

Congress should immediately insure that the highway program is stepped up. We emphasize that this should apply not only to the Interstate Highway System, but also to the construction of primary, secondary, and urban highways throughout America.

Of course, in addition to these specific measures, we support the acceleration of all public works and reclamation projects which are feasible and necessary. The same applies to hospital construction, college dormitories, and similar programs.

It would be shocking for Congress to fail to act promptly and favorably on the school-construction program. We cannot ignore the needs of our children and the future of our country.

We emphasize again the need for immediate action on a scale big enough to do the job. Such action is required to prevent individual hardship to millions of Americans. It is needed to restore vigor to our economy, upon which our national strength depends. And unless the Government acts promptly and effectively to end recessions, it cannot succeed in its long-range effort to control inflation. Control of inflation cannot succeed without public support, and that support will be forthcoming only if the public has confidence that its Government is interested not only in maintaining stability of the price level, but also, and equally, in preventing business depressions and the individual suffering which they entail.

The President recognizes the problem, and he has made several specific recommendations this weekend, in addition to those he has previously made. We heartily concur in his objectives, and add our own suggestions for specific and immediate action. Alleviating conditions caused by the recession is the joint responsibility of the executive and legislative branches. We must shoulder our portion of the responsibility.

ADDITIONAL BILL INTRODUCED

Mr. CASE of New Jersey (for himself, Mr. AIKEN, Mr. COOPER, Mr. IVES, Mr. JAVITS, Mr. KUCHEL, Mr. PAYNE, and Mr. PURTELL), by unanimous consent, introduced a bill (S. 3446) to provide for the extension of the duration of unemployment compensation payable under State laws and for Federal payments to finance such extended unemployment compensation, which was read twice by its title, and referred to the Committee on Finance.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 10, 1958, he presented to the President of the United States the enrolled bill (S. 1086) granting the consent of Congress to a Bear River compact, and for related purposes.

ADJOURNMENT TO 11 O'CLOCK A. M. TOMORROW

Mr. CASE of New Jersey. Mr. President, pursuant to the order previously entered, I now move that the Senate stand adjourned until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 17 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Tuesday, March 11, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 10, 1958:

FEDERAL COMMUNICATIONS COMMISSION

John S. Cross, of Arkansas, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1955.

COLLECTORS OF CUSTOMS

The following-named persons to the positions indicated:

John G. Kissane, of Vermont, to be collector of customs for customs collection district No. 2 with headquarters at St. Albans, Vt. (Reappointment.)

Anne A. Mitchell, of Connecticut, to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn. (Reappointment.)

Harold R. Becker, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y. (Reappointment.)

Josiah A. Maultsby, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N. C. (Reappointment.)

Jessie Dixon Sayler, of Georgia, to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga. (Reappointment.)

James L. Latimer, of Texas, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex. (Reappointment.)

Douglas Butler, of Texas, to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex. (Reappointment.)

Frank W. Hull, of Washington, to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash. (Reappointment.)

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The following nomination made by the Commissioners of the District of Columbia, pursuant to the provision of section 4 (a) of Public Law 592, Seventy-ninth Congress, approved August 2, 1948:

Richard R. Atkinson for reappointment as a member of the District of Columbia Redevelopment Land Agency for a term of five years, effective on and after March 4, 1958.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1958:

UNITED NATIONS

Homer M. Byington, Jr., of Connecticut, Ambassador Extraordinary and Plenipotentiary to the Federation of Malaya, to serve concurrently and without additional compensation as the representative of the United States of America to the 14th session of the Economic Commission for Asia and the Far East of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Raymond A. Hare, of West Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Republic.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The following-named persons to be members of the United States Advisory Commission on Educational Exchange for the term indicated and until their successors have been appointed and qualified:

Anna L. Rose Hawkes, of Vermont, to be a member, for a term of 3 years, expiring January 27, 1961.

Arthur Hollis Edens, of North Carolina, to be a member, for a term of 3 years, expiring January 27, 1961.

DEPARTMENT OF DEFENSE

Dr. Paul Darwin Foote, of the District of Columbia, to be an Assistant Secretary of Defense.

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James Maurice Gavin, O17676, Army of the United States (major general, U. S. Army).

REGULAR AIR FORCE

The following-named officers for appointment in the Regular Air Force to the grades

indicated, under the provisions of sections 8306 and 8307, title 10, of the United States Code:

To be major generals

Maj. Gen. Archie J. Old, Jr., 605A.
Maj. Gen. Edward H. Underhill, 421A.
Maj. Gen. Daniel F. Callahan, 579A.
Maj. Gen. John P. McConnell, 611A.
Maj. Gen. Hunter Harris, Jr., 624A.
Maj. Gen. William O. Senter, 648A.
Maj. Gen. William T. Hefley, 358A.
Maj. Gen. George E. Price, 475A.
Maj. Gen. Donald N. Yates, 584A.
Maj. Gen. Frank A. Bogart, 585A.
Maj. Gen. Ernest Moore, 586A.
Maj. Gen. Jacob E. Smart, 592A.
Maj. Gen. Joe W. Kelly, 612A.
Maj. Gen Robert H. Terrill, 628A.
Maj. Gen. Gabriel P. Disosway, 654A.

To be brigadier generals

Brig. Gen. Donald P. Graul, 455A.
Maj. Gen. Donald J. Keirn, 462A.
Maj. Gen. Troup Miller, Jr., 559A.
Maj. Gen. Alfred F. Kalberer, 607A.
Maj. Gen. Romulus W. Puryear, 637A.
Maj. Gen. Thomas S. Moorman, Jr., 644A.
Maj. Gen. Charles W. Schott, 949A.
Maj. Gen. Benjamin J. Webster, 974A.
Maj. Gen. William T. Thurman, 1034A.
Maj. Gen. John B. Cary, 1055A.
Maj. Gen. William M. Canterbury, 1071A.
Maj. Gen. Leighton I. Davis, 1111A.
Maj. Gen. James H. Walsh, 1120A.
Maj. Gen. Thomas C. Musgrave, Jr., 1129A.
Maj. Gen. William T. Hudnell, 1171A.
Brig. Gen. Moody R. Tidwell, Jr., 1553A.
Maj. Gen. Howell M. Estes, Jr., 1211A.
Maj. Gen. Richard H. Carmichael, 1214A.
Maj. Gen. Joseph J. Nazzaro, 1241A.
Maj. Gen. John D. Stevenson, 1320A.
Maj. Gen. Bruce K. Holloway, 1336A.
Maj. Gen. Maurice A. Preston, 1337A.
Maj. Gen. John D. Ryan, 1418A.
Maj. Gen. William H. Blanchard, 1445A.
Maj. Gen. Henry R. Spicer, 1487A.
Maj. Gen. John S. Hardy, 1502A.
Maj. Gen. T. Alan Bennett, 1513A.
Maj. Gen. James Ferguson, 1530A.
Maj. Gen. David Wade, 1582A.
Maj. Gen. Thomas P. Gerrity, 1613A.

UNITED STATES AIR FORCE

The following-named officers for temporary appointment in the United States Air Force under the provisions of chapter 839, title 10, of the United States Code:

To be major generals

Brig. Gen. Clyde H. Mitchell, AO263935, Air Force Reserve.

Brig. Gen. Wilford F. Hall, 19026A, Regular Air Force, Medical.

Brig. Gen. William L. Kennedy, 517A, Regular Air Force.

Brig. Gen. James H. Wallace, 442A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Daniel C. Doubleday, 471A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Charles B. Dougher, 600A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Stanley T. Wray, 608A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. John R. Sutherland, 617A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Albert T. Wilson, Jr., 1086A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Dolf E. Muehleisen, 1144A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Charles M. McCorkle, 1224A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Don O. Darrow, 1270A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Victor R. Haugen, 1292A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Sam W. Agee, 1346A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Edwin B. Broadhurst, 1350A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Charles B. Westover, 1351A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Don R. Ostrander, 1343A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Ben I. Funk, 1500A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Harold E. Watson, 1520A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Marvin C. Demler, 1550A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. Henry Viccellio, 1728A (colonel, Regular Air Force), United States Air Force.

Brig. Gen. James V. Edmundson, 1863A (colonel, Regular Air Force), United States Air Force.

To be brigadier generals

Col. Charles A. Piddock, 625A, Regular Air Force.

Col. Robert J. Goewey, 910A, Regular Air Force.

Col. Joseph F. Delaney, 998A, Regular Air Force.

Col. Lee W. Fulton, 1107A, Regular Air Force.

Col. L. Render Braswell, 19065A, Regular Air Force, Medical.

Col. Gordon H. Austin, 1207A, Regular Air Force.

Col. William S. Steele, 1229A, Regular Air Force.

Col. John H. Jeffus, 1289A, Regular Air Force.

Col. Ivan W. McElroy, 1338A, Regular Air Force.

Col. Ernest H. Beverly, 1590A, Regular Air Force.

Col. Robert B. Miller, 1646A, Regular Air Force.

Col. John A. McDavid, 1652A, Regular Air Force.

Col. Robert E. Greer, 1672A, Regular Air Force.

Col. Perry M. Hoisington 2d, 1694A., Regular Air Force.

Col. Melvin F. McNickle, 1891A, Regular Air Force.

Col. William R. Large, Jr., 1919A, Regular Air Force.

The officers named herein for appointment as Reserve commissioned officers in the United States Air Force under the provisions of section 8351, title 10, United States Code, and the Reserve Officer Personnel Act of 1954:

To be major generals

Brig. Gen. Clarence A. Shoop, AO341066, California Air National Guard.

Col. Emanuel Schifani, AO663100, New Mexico Air National Guard.

To be brigadier generals

Brig. Gen. Edsel O. Clark, AO1699452, Ohio Air National Guard.

Col. John M. Campbell, AO355733, Nebraska Air National Guard.

Col. Alma G. Winn, AO264476, Utah Air National Guard.

Col. Frank A. Bailey, AO429343, Arkansas Air National Guard.

Col. Holt Atherton, AO430076, Texas Air National Guard.

Col. John P. Gifford, AO949201, Tennessee Air National Guard.

Col. Charles H. DuBois, Jr., AO429378, Missouri Air National Guard.

Col. George R. Doster, Jr., AO815665, Alabama Air National Guard.

Col. John H. Gibson, AO298256, Tennessee Air National Guard.

Col. Charles W. Sweeney, AO430633, Massachusetts Air National Guard.

Col. Philip E. Tukey, Jr., AO393591, Maine Air National Guard.

Col. Bernard M. Davey, AO801258, Georgia Air National Guard.

Col. James C. Grizzard, AO426152, Georgia Air National Guard.

APPOINTMENTS AND PROMOTIONS IN THE NAVY AND MARINE CORPS

The nominations of Mack E. Allison, Jr., and 1,507 other officers for appointment or promotion in the Navy and Marine Corps, which were confirmed today, were received by the Senate on February 27, 1958, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD that date, under the caption "Nominations" beginning with the name of Mack E. Allison, Jr., which is shown on page 3033, and ending with the name of Robert J. Maguire, which appears on page 3036.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 10, 1958.

POSTMASTER

MISSISSIPPI

Dan. C. McNeill to be postmaster at McNeill, in the State of Mississippi.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 10, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 10: 10. *I am come that they might have life, and that they might have it more abundantly.*

O Thou who art the supreme source and inspiration of our life, show us how we may have a larger part in building a nobler civilization.

Give us a clear vision of the place and function of government and politics in achieving for humanity the blessings of the more abundant life.

Grant that we may seek to do Thy will more perfectly, for in the doing of Thy will is our peace.

Help us to hasten the dawning of that glorious day of prediction when all shall know Thee from the least to the greatest.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, March 6, 1958, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H. R. 6182—An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H. R. 6623. An act to provide for the conveyance of certain real property of the United

States in Massachusetts to the Woods Hole Yacht Club;

H. R. 6710. An act relating to Canal Zone money orders which remain unpaid;

H. R. 6744. An act to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools;

H. R. 7912. An act to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents;

H. R. 8139. An act for the relief of Mrs. Catherine Pochon Dike;

H. Con. Res. 242. Concurrent resolution providing for the remains of the unknown American of the Second World War and of the unknown American of the Korean conflict to lie in state in the rotunda of the United States Capitol before burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va.; and

H. Con. Res. 246. Concurrent resolution authorizing the printing of additional copies of the compendium of papers collected for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to 17, 1958.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 803. An act for the relief of Claudio Guillen;

S. 1380. An act to authorize the imposition of civil penalties for violation of the security provisions of the Civil Aeronautics Act of 1938, and for other purposes;

S. 1438. An act to amend section 544 of title 28, United States Code, relating to the bonds of United States marshals;

S. 1749. An act to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes;

S. 1875. An act for the relief of Christos Athanase Bellairs;

S. 2099. An act for the relief of Irene B. Moss;

S. 2239. An act for the relief of Wadiha Salime Hamade;

S. 2493. An act for the relief of Maria G. Aslanis;

S. 2499. An act for the relief of Ilona Agnes Ronay;

S. 2538. An act for the relief of Florica Bogdan;

S. 2613. An act for the relief of Cedomilj Mihailo Ristic;

S. 2621. An act for the relief of Olive V. Rabiniaux;

S. 2650. An act for the relief of Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima;

S. 2657. An act for the relief of Jesus Romeo Sotelo-Lopez;

S. 2691. An act for the relief of Hiroko Ozaki;

S. 2712. An act for the relief of Milosav Mares;

S. 2718. An act for the relief of Haseep Milhem Esper;

S. 2733. An act for the relief of Natalia Kutowyj;

S. 2818. An act for the relief of Ester Trabout;

S. 2819. An act for the relief of Mrs. Hermine Melamed;

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina;

S. 2849. An act for the relief of Moo Wah Jung;

S. 2919. An act to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers;

S. 3124. An act for the relief of Tommy Ilton Chatterton (Tommy Kim);

S. 3262. An act to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes;

S. Con. Res. 64. Concurrent resolution accepting the statue of Maria Sanford, presented by the State of Minnesota, to be placed in Statuary Hall;

S. Con. Res. 65. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Maria Sanford, and to hold ceremonies on such occasion; and

S. Con. Res. 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1086. An act granting the consent and approval of Congress to a Bear River compact, and for related purposes.

LEAVE OF ABSENCE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. FLYNT] may be granted leave of absence for today and tomorrow on account of official business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INTERNATIONAL TRAFFIC IN WEAPONS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, recently the Associated Press carried a dispatch stating that a Flying Fortress, loaded with arms, and allegedly en route from Tel Aviv, Israel, to Venezuela, was forced down by engine trouble at Bone, Algeria.

The dispatch further stated that the pilot, an unidentified American, claimed the Flying Fortress and its cargo of arms was a gift of the Israel Government to the Venezuelan Government.

Mr. Speaker, it ought to be of vital interest to every Member of Congress to know the full details of this transaction and I have requested the Secretary of State to provide them.

I am particularly interested to know by what authority a B–17 bomber, without any license number or national identification, can be used in the international traffic of weapons.

SUMMIT MEETING

Mr. NEAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, I am deeply concerned over the increasingly favorable trends advocating a summit meeting with the Kremlin dictators. In the light of our historic relations with the Russians since we were induced to recognize the Red regime, it seems foolhardly to believe any greater dependence upon their good faith can be expected from such a meeting at this time, when through her advances in scientific and political accomplishments she has succeeded in convincing some of our former allies and most neutral nations that American world leadership is faltering.

Regardless of their feigned willingness to meet us on equal ground, I doubt if we can expect more adherence to any agreements they may be willing to make than they have consistently demonstrated throughout the past. To acquiesce to their demands will serve only to surrender our national pride and afford them a long-awaited opportunity to propagandize the world.

America need not fear that Russian dictators, faced with internal distress among their enslaved millions, can continue to deceive the free nations of the world from their ultimate purpose to dominate. Let us not then, by appearing to have been animated by fear, agree to a summit meeting which they so earnestly seek and which they so greatly need for the purpose of restoring what appears to be a growing loss of confidence in their government leadership by the unfortunate and enslaved people of the Russian nation.

I believe a summit meeting with Russia at this time will only hasten the time when Communist China, still holding 450 American servicemen unaccounted for, will be greatly encouraged in her claim to recognition by the United Nations and the nations of the civilized world.

NATIONAL INTERSTATE HIGHWAY SYSTEM

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, in a few days, President Eisenhower will ask Congress to amend the Federal Interstate Highway Act in order to accelerate construction of our National Interstate Highway System. This proposal, if approved, would release an additional $2.2 billion for new highway construction.

This proposal, Mr. Speaker, is but one of many the President has or will make to relieve unemployment and to bolster our economy. It is unquestionably one

of the most vital to our defense and to our economy and I cannot speak too strongly in urging that it receive the full support of the House.

Also, Mr. Speaker, it is just as imperative that the respective States take advantage of the Federal funds available to them for new highway construction. Some States are marking time in committing Federal funds and letting contracts for this vital new highway construction program. I am especially chagrined because one of these States is my own home State, Michigan.

Our State highway commissioner has not seen fit to take advantage of Federal highway money as it comes available. Since one of the main purposes of these proposed additional funds for new highways is to bring about full employment, it would be well for all of us to urge our State highway departments to take full advantage of the millions of dollars available to each of them as an added impetus in creating new jobs.

DUTIES OF THE EXECUTIVE BRANCH

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, last Thursday the Attorney General of the United States appeared before a Congressional committee and testified as to his understanding of the right of the Executive to withhold information from the Congress. He asserted in that statement a so-called Executive privilege which, in effect, would place in the executive branch of the Government a discretion to determine what information Congress may obtain from the executive branch of Government under its investigative authority.

Mr. Speaker, this is a very important constitutional problem. I have taken this occasion, the first opportunity since the statement was made, to ask for time to answer the statement of the Attorney General. I think it is a matter that all Members of the Congress should be concerned with, and that is why I have taken this one minute to advise the Members of the House that I intend to discuss this question this afternoon.

ADMINISTRATION MEASURES TO HELP EMPLOYMENT

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NIMTZ. Mr. Speaker, on Saturday, President Eisenhower urged leaders of his party in both the House and the Senate to give immediate consideration to his proposals for ending the present employment slump.

In addition to extended benefits for the unemployed, the proposals included a recommendation for acceleration of many long-term Federal projects that would release an additional $8.5 billion for purchases and jobs.

The speedy adoption of his program can, if given the bipartisan support it deserves, bring immediate relief to those jobless whose unemployment benefits have ceased; produce thousands of jobs in construction and industrial fields, and guarantee the American people a continuation of the greatest era of prosperity the Nation ever has known.

To supplement this program, I believe that the executive departments should take immediate action to channel more Federal purchases and Federal spending into distressed labor areas. I am particularly concerned about the South Bend-Mishawaka area in my District which has a large surplus of skilled labor which could be effectively used in the defense effort. I have been urging officials of the Defense Department for weeks to make fuller use of idle labor and plant facilities in South Bend and I believe that, as an antirecession measure, a substantial proportion of military supply contracts should be set aside for such areas.

PROPOSED TAX RELIEF MEASURES

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, in granting first priority on defense contracts to small-business firms in labor-surplus areas, President Eisenhower has gone as far as he can administratively to assist small business. The next step is up to the Congress.

If the Democrats in Congress are really interested in helping small business through this temporary downturn in our economy, they should give immediate consideration to the President's proposals of last year which would provide badly needed tax relief to small firms.

Specifically, the Ways and Means Committee should promptly report for House action administration proposals which would—

First. Provide small corporations with 10 or less stockholders the option of being taxed as partnerships.

Second. Extend the accelerated-depreciation formula of the 1954 internal-revenue law to purchasers of used property as well as new.

Third. Give taxpayers the option of paying estate taxes over a 10-year period in cases where the estate consists largely of investments in closely held firms.

Fourth. Liberalize the tax treatment of capital losses suffered by investors in small-business firms.

PRESIDENT'S PROPOSAL TO REDUCE UNEMPLOYMENT

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, there are many who would reinstitute the dole economy of the early New Deal era in the belief that it may reduce unemployment. I call upon these Members to consider, instead, the proposals made by President Eisenhower to minority leaders in the House and in the Senate on Saturday.

The recommendations, if carried out, would accelerate long-term programs for which funds already have been appropriated and award Government contracts in areas of greatest unemployment, thus eliminating all possibility of the many evils and frustrations which resulted from WPA's and PWA's.

They would produce, instead, full employment, better housing and public works, a full network of highways and immediate aid to the jobless.

I believe it is the patriotic duty of every Member of this body, Mr. Speaker, to give his full and enthusiastic support to the President's proposals.

THE UNEMPLOYMENT SITUATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I submit that many things are not being done that could be done to help business today. I have excellent reasons to believe that they are paying no attention in asking for and awarding bids in considering distressed areas. If that were done you would find a great deal less unemployment in distressed areas. It is inexcusable at this time of great emergency not to do something about this matter. It requires no legislation.

THE FINANCIAL INSTITUTIONS ACT, S. 1451 AND H. R. 7026

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I am happy to note that my comments about the Financial Institutions Act, S. 1451 and H. R. 7026, are arousing some interest.

I have referred to the bill as a big bankers bill for the moneyed interests and have indicated that no one representing depositors, stockholders or the general public participated in the drafting of the bill. Those who sought to present the case against the bill, at least before the House Banking and Currency Committee, were given short shrift. The statement now has been made that the

general public and the small-business man was represented in the drafting of this bill by the committees of the United States Chamber of Commerce.

I doubt whether any Member of this House will believe that the United States Chamber of Commerce ever represented general public and the small-business man or anyone except the big fellows. Furthermore, it is my information that the committees appointed by the United States Chamber of Commerce to help draft this bill all represented bank management.

Is it any wonder then that we find in this bill an effort to destroy every safeguard that has been written into the banking laws of the Nation during the last 30 years?

The bill seeks to destroy the right of minority stockholders to be represented on the directorate of banks. It permits bank management to indulge in self-dealing. It permits impairment of capital and surplus. Capital and surplus are intended to serve as a partial protection to depositors and stockholders. The bill permits management to acquire bank stock at less than true or fair value. It creates a means by which management can put itself in a position preferred over that of common stockholders. It permits the kind of borrowings between banks that bankrupted so many of them in the 1920's and 1930's.

The bill destroys the safeguards against bad loans to favored borrowers, while it does nothing to prevent the Hodge's scandals such as happened in Illinois and have since been repeated in New York, Florida, and elsewhere. This bill will make it easier for these things to recur, make it harder to detect them, and make it almost impossible to prosecute the wrongdoers.

TARIFF COMMISSION DECISIONS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time to remind my colleagues that President Eisenhower has once more seen fit to flaunt his authority under the Reciprocal Trade Agreements Act to act contrary to the wishes of Congress by setting aside the recent decision of the Tariff Commission in the stainless steel flatware case. He totally disregards the unanimous decision of the Commission asking that import duties be adjusted upward.

The President has taken it upon himself to ignore the Commission because he says they are working out a private arrangement with Japan under which they will voluntarily cut down their exports to this country of this type of ware.

His decision in the wool case is a middle-of-the-road decision that is not going to do anything for anybody. So I think more than ever it is time we in Congress took action to see to it that the Congress has the final say in setting asided decisions by the Tariff Commission.

TAX RELIEF FOR SMALL BUSINESS

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, last July, President Eisenhower called on Congress to enact a four-point program of tax relief for small business. The President's request was again embodied in his state of the Union message to Congress last January and I have introduced a bill which is now pending before the House Ways and Means Committee, to carry out the President's recommendations. So far, however, the committee has failed to act on this badly needed legislation.

In his message last Saturday to Republican leaders of both Houses, the President again directed the attention of Congress to the need for tax relief for small firms.

I submit that the small-business concerns of this country now feeling the pinch of the current economic adjustment would gain more from positive action by Congress on the legislation now before it than from the blasts of oratory recently expended here.

LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 199)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am sending you herewith the 38th report to Congress on lend-lease operations for the calendar year 1956.

During this period, collections and credits amounting to approximately $36 million were realized on lend-lease accounts. In addition, 88,777,495.85 fine troy ounces of lend-lease silver were returned to the United States.

Last year I reported that notable progress had been made toward reaching agreement with Poland for settlement of its lend-lease account. The settlement agreement was signed with Poland on June 28, 1956.

Also, a settlement arrangement was concluded with Ecuador for certain postwar debts relevant to lend lease.

More details on these and other lend-lease activities are contained in the report.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 10, 1958.*

JURISDICTION OVER LANDS USED FOR FEDERAL PURPOSES

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be discharged from further consideration of the bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes, and that the bill be rereferred to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 490 and ask for its present consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Works now in the bill and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time I yield myself such time as I may require.

Mr. Speaker, this is a rivers and harbors and flood control bill reported by the Committee on Public Works and carries authorizations in those categories of rivers and harbors and flood control that have been considered by the committee since 1954. There has been no public works bill since 1954.

There are numerous projects in the bill. There are a few in there that have not been approved on the one hand by the Bureau of the Budget or on the other hand by the Army Engineers. There will be some controversial items in the bill and some amendments will be offered because this bill was reported last August and since that time in the ordinary course of the work of the committee other items have been approved by the committee and by the Army Engineers and the Bureau of the Budget. Some 18 of them will be offered, I believe, as amendments to this bill.

Mr. Speaker, the rule provides for 2 hours of general debate, the time to be equally divided on both sides.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I understand the bill will not be read today for amendment, that we will finish up general debate only?

Mr. SMITH of Virginia. I am not informed on that subject.

The SPEAKER. That is correct.

Mr. SMITH of Virginia. I am now advised there will be nothing but general debate of 2 hours on the bill today.

The total authorization carried in the bill is $1,456,637,800. This is approximately $86 million less than the authorization contained in the bill as passed by the Senate.

The bill is divided into two parts. Title I contains the authorizations for rivers and harbors projects including 47 navigation projects, 11 beach erosion projects and a project for the eradication of water hyacinth in the waters of eight southern coastal States. The authorization for these projects amounts to $163,923,800. The committee added eight navigation projects and three beach erosion projects which were not in the Senate bill, and modified three navigation projects and one beach erosion project contained in the Senate bill. These additions and modifications made a total increase in the authorization in title I of $43,679,000 over the amount authorized in the Senate bill.

Title II of the bill contains authorizations for 71 flood-control projects, with a total authorization of $1,042,714,000. The House committee added 5 projects not included in the Senate bill and modified, or deleted, the authorization for 16 projects contained in the Senate bill. The total authorization for flood-control projects is reduced in the bill as reported by the committee by $124,204,000.

The bill authorizes 29 surveys to be made by the Corps of Engineers. There is also a proviso in the bill which gives the Corps of Engineers authority to include storage for water supply in Federal navigation, flood-control or multiple-purpose projects.

During the hearings before the Rules Committee on this bill it was brought out that there are 18 projects in the bill which are not recommended by the Chief of Engineers, the Secretary of the Army and/or the Bureau of the Budget. The total involved is a little more than $303 million. Twelve projects are not approved by the Secretary of the Army and/or the Chief of Engineers. In the case of nine of these projects amendment to the language would bring the project authorization in line with the recommendations of the Secretary of the Army or the Chief of Engineers. Three projects were not found economically justified by the Chief of Engineers.

Mr. Speaker, I have no further requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, during the month of August 1956 the Congress passed an omnibus rivers and harbors and flood-control bill. You will recall that it was vetoed by the President.

The White House memorandum of disapproval expressed regret that this action was necessary because, quoting the President:

> I believe that the periodic enactment of river and harbor and flood-control legislation is an important step in the formulation of a sound Federal program for the wise development of the Nation's water resources.

The President further stated in his memorandum of disapproval:

> While the majority of the projects which this bill would authorize have been given adequate study and review within the executive branch and by the affected States, there are still a large number which have not been reviewed in accordance with the orderly procedures set forth in the applicable laws. Therefore, it is not possible at this time for me to determine whether their authorization would be in the public interest. Still others have, after review, been found not to be in the public interest.

By this the President felt that it was his duty to veto the bill because many of the projects had not been recommended by the United States Engineers, the Secretary of the Army, or the Bureau of the Budget. I have been informed that in the 1956 omnibus bill there were included several projects by the other body without having any committee hearings.

The bill presently before us contains 130 river and harbor and flood-control projects, having an estimated cost of $1,456,000,000. Title I, the rivers and harbors section, provides for 50 projects and title II, the flood-control section, provides for 80 projects.

Of these 130 projects, 112 have the complete approval of all executive agencies as required by law and the unanimous approval of the House Committee on Public Works. There are 18 projects in the bill that do not have adequate approval as required by law.

I am particularly interested that the Congress pass an omnibus rivers and harbor and flood control bill wherein all projects are in accordance with the law and will receive the approval of the President. My reason for being interested is that included in the bill is a small project in my District which is recommended by the Secretary of the Army, the United States Engineers and the Director of the Budget.

The question before us, and I believe the question is extremely important, is whether or not the Congress should send to the President a clean bill limited to the projects recommended and approved, as required by law. I believe we should. Why should 112 approved projects be placed in jeopardy by the inclusion of 18 unapproved projects?

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 497, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FALLON. Mr. Chairman, I yield such time as he may require to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, the bill under consideration provides authorizations of projects in the United States, Alaska, Hawaii, and Puerto Rico.

There are 59 projects in title I, of which 48 are for navigation and 11 are for beach erosion. The total monetary authorization in title I is $163,923,800, of which $157,714,800 is for navigation and $6,209,000 is for beach erosion.

In title II, dealing with flood control, there are 71 projects with a total monetary authorization of $1,292,714,000. This makes a grand total for the bill of 130 projects with a monetary authorization of $1,456,637,800.

May I say to the House that this bill might very well have been $2,500,000,000 instead of $1,450,000,000. Much more money could be used than has been authorized and appropriated to improve the national resources which have contributed to making our country the most powerful Nation in history. Among the most important of these resources are our rivers and our land. Improvements such as those contained in this bill will restore millions of acres of land to useful purpose which would otherwise be inundated, will protect the lives, homes, and farms of many thousands of people, will improve navigation in many of the great harbors and provide better navigation of many of our rivers. All of the projects in the pending bill will add to the wealth of the United States and are intended to protect the lives and property of the people of our country. Harbors must be kept open. Impediments to navigation must be removed. Bars must be eliminated. Channels must be deepened. Navigation must be promoted. They are self-liquidating. River and harbor improvements are among the most satisfactory public works. Waterborne commerce has contributed to the growth of Chicago, New Orleans, Los Angeles, San Francisco, Baltimore, New York, Pittsburgh, Philadelphia, Houston, and many more of our Nation's ports.

This is a bill which provides for the continuance of desirable public works in the national economy and in the national security in normal times. At the same time it provides for stepping up not make-relief but projects that have been thoroughly investigated, in practically every State of the Union.

Major General Itschner, the Army's Chief of Engineers, told a Congressional committee just a few weeks ago that we would be very negligent if we did not build up our national economy so as to

be in a better position to support a greater military effort in advance of the possible initiation of war. He said it follows that now, more than ever before, as part of our national improvement program, we should develop our water resources and protect our industries, farms and homes from flood damage and destruction. General Itschner warned that the new era of military preparedness encompasses a new natural resource development age which is an integral part of what must be our broad program to meet the severe demands of national preservation.

A backlog of authorized river and harbor and flood-control projects constitutes an important reservoir of works which can be put under construction on short notice to provide additional employment in the event that the present trend of increased unemployment continues.

Many projects in the pending bill are urgent. For example, a number of major river basin authorizations have been reduced by appropriations to a point where additional monetary authorization is needed to carry on the comprehensive plan for flood control, navigation, and other purposes, as originally approved by the Congress. There are a number of other general legislative provisions and modifications previous project authorizations which are of utmost importance.

There is not sufficient time for me to discuss all of the urgent and important projects in this bill, but I do want to point out, Mr. Chairman, that the dams in the Connecticut River Basin authorized by the bill would have been valuable during the 1955 hurricanes; and that projects on the west coast, such as the Hidden and Buchanan Reservoirs, and others in the basins of the Sacramento and San Joaquin River would have been tremendously valuable during the 1955 Christmas floods. The projects for reservoirs, levees, and other flood-control improvements in the Southwest would have done much to mitigate the damage from the May and June floods of 1957. And so on.

S. 497 is substantially the same bill as that approved by the 84th Congress, H. R. 12080, which was vetoed by the President. The principal reason for the veto was the fact that reports of the Corps of Engineers on some projects in H. R. 12080 had not been reviewed and cleared by the States and Federal agencies.

As the situation now stands with respect to S. 497, many of these reports have been submitted to Congress, thereby removing the original objections, insofar as the favorable reports are concerned. In addition, action by the Senate and the House Committees on Public Works has resulted in the removal of other projects or portions of projects objected to in the 1956 bill. As a result, the objections to the original bill have been reduced considerably. For the benefit of the House I shall make a comparison of the bill, as reported, with the 1956 bill which was vetoed and with the bill as it passed the Senate and as it has been amended by the committee. H. R. 12080, the 1956 vetoed bill, contained a total authorization of $1,619,000,000 of which projects totaling $607 million or 37.5 percent carried objections by the Bureau of the Budget. S. 497, as it passed the Senate, contained a total authorization of $1,542,000,000, of which projects totaling $192 million or 12.4 percent carried objections by the budget. S. 497, as amended by the House committee, contains a total authorization of $1,457,000,000, of which projects totaling $52 million or 3.6 percent carry objections by the budget. New authorizations in the bill exceed recommendations of the Corps of Engineers by only 0.6 percent. Imagine, within 3.6 percent of meeting the objections of the Bureau of the Budget.

The authorizations of the bill exceed the recommendations of the Corps of Engineers by only 0.6 of 1 percent. Now follow this. If there was any justification for the veto in which almost two-thirds of the project amount had been approved by the executive department, which the committee is not willing to concede, there can be no justification for disapproval of a reported bill which is 96.4 percent in accord with the view of the Bureau of the Budget and 99.4 percent in accord with the views of the Corps of Engineers.

The committee in making the reductions indicated has done so realizing the importance and even the urgency of some of the projects and wishing to leave no possible ground for disapproval of the bill to achieve this objective, the committee has gone as far as it feels it can go without a complete abrogation of its functions and duties to meet the desires of the executive branch.

The committee feels with the deepest conviction that it has reported a bill which is so close to the wishes of the President that no fair appraisal could result in disapproval. The bill, S. 497, was reported from the Committee on Public Works by a vote of 22 to 12 with the full membership present and voting. I repeat that the new authorizations of the bill exceed the Budget Bureau recommendations by only 3.6 percent and the Corps of Engineers' recommendations by only 0.6 of 1 percent. All of them were considered fully justifiable by a majority of the committee. The bill has been attacked by some Members on the other side of the aisle, and I say this with great respect, on the basis that no project should be authorized that does not have Budget Bureau approval. I ask the House to accept the committee bill and overwhelmingly defeat this new attempt at domination of the Congress and its committees by the Bureau of the Budget.

Executive Order 8248 of September 8, 1939, establishing the divisions of the executive office of the President and defining their functions sets forth the Budget Bureau's functions, and one of them directs the Bureau to assist the President by clearing and coordinating the departmental advice on proposed legislation and by making recommendations as to Presidential action on legislative matters.

Please note the words "advice and recommendations." There is nothing in the act creating the Bureau of the Budget or in the Executive order cited which authorizes the Budget Bureau to tell the Congress what to do. Its function in this respect is purely advisory. I recognize that the Bureau of the Budget will take the position that it is merely advisory to the President and that if, as a result of its advice, the President chooses to disapprove a particular project, the disapproval is the disapproval of the President and not the disapproval of the Budget Bureau. The facts of life, however, are obvious. The multiplicity of projects and the tremendous amount of engineering and economic detail would make it impossible for the President to go into these projects. In fact, in my opinion, it is obviously impossible for the few staff members in the Bureau of the Budget to go into this detail, which for any one project represents the combined efforts of literally hundreds of engineers in the Corps of Engineers over a period of years going back since its establishment by George Washington himself. In any event, since the President has complete control over the budget estimates on the construction of civil works projects, if his decision on authorization of these projects, which again I repeat are really those of the Bureau of the Budget, must be obeyed completely and without deviation by the Congress, then the legislative branch of the Government might just as well withdraw from the field of civil works immediately. I go a step further and say that if this Congress cannot write 3.6 percent in a big public works bill, when all of us are elected by our several constituencies over the country, I tell you we ought to be ashamed of ourselves.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. FALLON. I take it then from what the gentleman is saying, the only justification we have for being here is with reference to 3.6 percent of these projects.

Mr. DAVIS of Tennessee. Exactly, and I think if we cannot justify our own decisions after long, thorough, and careful hearings before the committee over a period of 2 years, I think we ought to just give up and quit.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BROOMFIELD. You mentioned it was only 3.6 percent. The figures you are taking are the difference between the Bureau of the Budget and the committee figures, are they?

Mr. DAVIS of Tennessee. I will supply that detail later, but please accept those as correct figures. Should we find it necessary tomorrow, under the 5-minute rule, to go further into that, I will be glad to develop it.

Mr. McGREGOR. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we all listened intently to the capable gentleman from Tennessee [Mr. DAVIS] who is chairman of the subcommittee that had charge of these particular hearings. I noted that my distinguished friend simply took the Budget Commission over a whipping post, but I also notice how he evaded any reference to the Army Engineers. I am wondering if the distinguished gentleman from Tennessee will accept an amendment striking out the projects that

are not recommended by the Army Engineers. Section 202 of the Rivers and Harbors and Flood Control Act of 1954 declares it to be the policy of Congress, and I quote from the law:

No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

I regard this as being a wise policy, and I believe that it is very unfortunate that this traditional statement was not followed in S. 497—but the law is followed in substitute bill of Congressman RUSSELL MACK, H. R. 11121, which I hope you will all support, which I believe the President will sign.

We have approximately 130 projects in this legislation. There are only 18 that have not been recommended, not only by the Bureau of the Budget but by the Army Engineers.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to call the gentleman's attention to the fact that the Board of Army Engineers and everybody connected with it has given the O. K. to New Bedford and Fair Haven Harbor that I represent, and they have gone all out for this proposition and have given it study for at least 3 years. Due to red tape this project could not go in the last bill anywhere. So, if the gentleman from Tennessee does not want to say that all of these problems have been recommended, here are two that have been, and it was so testified before the Committee on Public Works.

Mr. McGREGOR. I appreciate the contribution of the gentleman from Massachusetts. We have no objections to projects that have been accepted in accordance with existing law—Flood Control Act of 1944—but we do object to these projects being in the bill and thus jeopardizing the other legitimate projects which have passed all tests and requirements and are meritorious and needed.

There are only five projects that are really going to jeopardize the whole program of 130 projects. A great many of you have projects in this legislation that have been recommended by the Army Engineers and the Bureau of the Budget. They meet the formula and law that have governed projects in years gone by.

At this point in my remarks I would like to incorporate a message of disapproval of the White House on April 10, 1956. In this the President vetoed a bill similar to the one we have now before us because there were a certain number of projects that had not received the recommendation of the Army Engineers or the Bureau of the Budget and were not in accordance with the law the same as these projects that are now in question and are jeopardizing this legislation.

The President's veto message follows:

MEMORANDUM OF DISAPPROVAL

I have withheld my approval of H. R. 12080, which would authorize appropriations totaling about $1.6 billion for 99 projects or project modifications and 14 river basin authorizations involving improvements for navigation, shore protection, flood control, and related purposes. I regret that this action is necessary, because I believe that the periodic enactment of river and harbor and flood-control legislation is an important step in the formulation of a sound Federal program for the wise development of the Nation's water resources.

This bill does not appropriate funds. It only authorizes certain projects or project modifications so that the next Congress can consider them for appropriation. So my action on the bill need cause no delay in starting the many worthwhile projects in the bill.

While the majority of the projects which this bill would authorize have been given adequate study and review within the executive branch and by the affected States, there are still a large number which have not been reviewed in accordance with the orderly procedures set forth in the applicable laws. Therefore, it is not possible at this time for me to determine whether their authorization would be in the public interest.

Existing law requires that before a report of the Chief of Engineers recommending authorization of a project is submitted to the Congress the affected States be afforded an opportunity to comment on the proposal. In addition, procedures for review consistent with other statutory requirements have been established under Executive Order 9384. These procedures provide for review of project reports within the executive branch before they are submitted to the Congress. For 32 of the projects which the bill would authorize, involving financial commitments of over $530 million, all of these requirements have not been met. Without such review the Congress must necessarily have acted on the basis of incomplete information. Some of these projects have not even been studied and reported on by the Chief of Engineers, and in a few cases field studies have not yet been completed.

Section 202 of the River and Harbor and Flood Control Act of 1954 declares it to be the policy of Congress that:

"No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law."

I regard this as being a wise policy, and I believe that it is very unfortunate that this traditional statement was not followed in H. R. 12080.

In various messages to the Congress, I have clearly stated my view that our vital water resources can best be conserved and utilized in the public interest if the Federal Government cooperates with State and local governments and with private interests in the development of those resources, and does not undertake such development as though it were a matter of exclusive Federal interest. In order to carry out such a policy, properly and effectively, it is necessary that the views of affected States be given adequate consideration in formulating proposals for water-resources projects. This has not been accomplished for a number of projects included in this bill.

In addition, other projects in this bill would be authorized on a basis which would result in a lesser degree of local participation than was agreed to by the local interests and recommended by the executive branch. I believe that authorization of water-resources projects on such terms would represent a serious backward step in the desirable development of the Nation's water resources, and would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government.

In the weeks before the Congress convenes, a careful, orderly review will be undertaken of those projects and other provisions of the bill which have not been fully studied or reviewed at the present time. This should enable the Congress to base its action on a full knowledge of all the facts involved. I believe that the people of the United States are entitled to expect that these procedures will be followed before new water-resources projects, involving large future financial commitments, are authorized in law.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 10, 1956.*

We find that a small group in the Congress have projects that are not recommended by Army Engineers, in accordance with the law, and they have put them in this bill, thinking that we will O. K. them in order to authorize the meritorious projects. In my humble opinion, this is being done in order to put the President on the spot and make him veto the bill, as he did similar legislation last year. We on the minority side offered to hold hearings on those particular projects and take them out of this bill so that it would not jeopardize the good projects. You are entitled to have the good projects taken care of.

But they voted us down, and they have the same type of projects in this bill that they had in the bill last year, which the President vetoed, and he set forth the reasons why he vetoed the bill; yet the majority side of the Public Works Committee are attempting to get unworthy projects accepted, even in the face and possibility of another veto.

May I say further that if we on this side of the Capitol are going to scratch each other's backs and put projects in this legislation that have never been recognized by either the Army Engineers or the Bureau of the Budget we are simply inviting the legislators on the other side of the Capitol to do the very same thing. If that is to be the procedure what is the use of having a Committee on Public Works? What is the use of having the Corps of Army Engineers? What is the use of having the Bureau of the Budget—what is the use of having certain rules to go by—this would mean any project regardless of merit, would be authorized.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I dislike to keep interrupting the gentleman, but here is what the President of the United States said in a letter dated October 17, 1955, to Governor Roberts of Rhode Island:

I appreciate your letters and the resolutions of the New England Governors' Conference. At the outset I would like to reaffirm the determination of the entire administration to assist States and people in the Northeast in developing adequate protection against future floods and hurricanes.

Mr. McGREGOR. I thank the gentleman.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. MACK of Washington. I wish to say to the gentleman from Massachusetts in the matter of these hurricane projects that there are three, one in Florida, and two in New England.

These were considered by the committee and agreed to. An amendment will be offered incorporating them in this bill.

Mr. McGREGOR. The total cost of the 132 projects in the bill is approximately $1,400 million. The cost of the projects wanted by these few Members of Congress but which have not been approved by the Corps of Army Engineers or by the Bureau of the Budget, amounts to $139,175,000.

The question before this body today is whether you are going to jeopardize $1,400,000,000 of public works projects by the selfishness, if you please, of about five Members of Congress who want to get in $139,175,000 worth of projects that have not been acted on or O. K.'d by anybody. That is the proposition you are going to pass on this afternoon.

Mr. Chairman, I would like to include at this point of the RECORD a letter I wrote to each Member of Congress on March 8, setting forth the number of projects that have been O. K.'d and that we have accepted and that I feel certain the President will accept.

ONLY WORTHY PROJECTS SHOULD BE APPROVED IN THE OMNIBUS BILL

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 8, 1958.

DEAR COLLEAGUE: The Congress in August 1956 passed an omnibus rivers and harbors flood-control bill. That bill was vetoed by the President. The veto message said that many of the projects in the bill had not been properly reported and properly reviewed by the Chief of Engineers, Secretary of the Army, the Budget Bureau, and the various executive agencies as customarily has been required. Also, the President said there were many projects in the vetoed bill where the cost sharing, local and Federal, was not in accordance with precedent.

On Monday, a new rivers and harbors flood-control bill to replace the vetoed one will be before the House of Representatives.

This new bill, as reported by the committee, contains 130 river and harbor and flood-control projects, having an estimated cost of $1,456,000,000.

Of these 130 projects, 112 have the complete approval of all executive agencies and the unanimous approval of the House Committee on Public Works.

There are, however, 18 projects in the bill that do not have adequate approval.

The omnibus bill should be limited to projects recommended by the Secretary of the Army, the Chief of Engineers, and the Bureau of the Budget, and the minority will offer H. R. 11121 as a substitute for the committee bill. (Copies available from document room.)

If the substitute bill, H. R. 11121, the clean bill, is not agreed to, all worthy projects will be placed in jeopardy by the unworthy projects.

Your support in all steps necessary to authorize only worthy projects will be appreciated. Please arrange to be present throughout consideration of the bill Monday and Tuesday.

J. HARRY MCGREGOR,
Member of Congress, Ranking Minority Member, Committee on Public Works.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from New York.

Mr. KEATING. As I remember reading the report, when it came out, there was about $300 million which was not approved by the Bureau of the Budget or the Corps of Engineers. In the substitute which the gentleman will offer and which I enthusiastically support, will all of those projects be excluded, or has the committee agreed to accept some of the $300 million?

Mr. McGREGOR. The committee will accept some because we are in accord with the general purpose of the projects and, since the first passing of the bill from the Committee on Public Works, the projects have been recommended in accordance with the law. We question the amount of local participation, and we are changing the local participation in order to adhere to a formula that has been in effect for some time.

Mr. KEATING. In other words, this $300 million group which was not approved involves only five projects.

Mr. McGREGOR. It involves 18 projects.

Mr. KEATING. Five projects amounting to $139 million. The rest of it is taken up by the bill providing for a greater amount of Federal participation than has been approved by the Engineers or the Bureau of the Budget?

Mr. KEATING. A lesser amount of local and a greater amount of Federal?

Mr. McGREGOR. Yes, that is correct. In other words, the substitute that will be offered by the gentleman from Washington [Mr. MACK]—we hope to offer it as a substitute—is a clean bill that contains only projects that have been approved by the Army Engineers and the Bureau of the Budget and I feel certain it would be signed by the President of the United States.

Mr. Chairman, may I reiterate, if we pass the bill that is before us, carrying these great numbers of projects that have not been in accordance with the rules and regulations and the law, if you please, then I feel certain that the President will veto it and you will have no public works bill at all.

Mr. BLATNIK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall make a brief introductory statement on title I of S. 497. Title I deals with the authorizations for projects in the rivers and harbors category.

The improvement of the Nation's rivers and harbors for navigation dates back 133 years. As it now stands, the program includes about 2,300 navigation projects with an estimated cost of $4.3 billion. Appropriations to date have totaled about one-half of that amount, leaving the remaining half to complete the program.

The benefits from the program have been tremendous. On the coastal harbors, on the Great Lakes, and on the inland waterways of the Nation, more than 1 billion tons move each year. This figure was reached for the first time in history in 1955. In order to keep pace with the healthy growth of this essential element in the Nation's economy, the country has wisely provided for a live program—one which has, and must continue, to meet the challenge of changing times.

At the coastal harbors, our facilities for moving waterborne commerce have been improved over the years, from the relatively shallow depths necessary to serve sailing craft to the greater depths required with the advent of steamshipping, and finally, to the deep drafts needed for the present-day mammoths of the ocean—the super tankers and the super ore carriers. As a result, depths of 35 feet generally prevail at major harbors on the Atlantic and gulf coasts, ranging up to 45 feet at New York Harbor. Depths of from 30 to 40 feet are generally available along the west coast. The total commerce at coastal harbors has now reached a record high of about 450 million tons, not including local traffic.

Of the 106 cities in the United States with populations greater than 100,000 people per city, 63 of them are on harbors and navigable channels improved by the Federal Government. The population of these 63 cities is more than 35 million people, almost 20 percent of the total population of the country.

So much for the coastal harbor network.

On the Great Lakes we find that here we have the world's largest and busiest inland waterway. These tremendous bodies of water have a total surface area of 95,000 square miles. Eight States border on the lakes and nine more are directly tributary to them. With the connecting channels and the great harbors, the lakes provide a low-cost artery of transportation that permits the movement of bulk materials and products of every description in huge quantities to advantageously located manufacturing areas. The deepening of the connecting channels to 27 feet has already been authorized by the Congress. Studies of a similar deepening of the harbors are now under way, in accordance with the express intent of Congress. When the St. Lawrence Seaway is finished, we will have a waterway serving the great heartland of the Nation that will surpass the wildest dreams of the early settlers. There are many projects for improvement of the harbors of the Great Lakes in this bill, S. 497. Of these the three major ones are at Detroit, Cleveland, and Toledo.

On the Great Lakes we find that here we have the world's largest and busiest inland waterway. The Great Lakes system can be easily called the lifeline of America. Eighty-five percent of all the steel made in the Nation is produced from ore transported down the lakes, through the locks and improved channels at the lowest transportation cost in all the world.

I want to mention finally the third element in the navigation program, the improvement of the inland and intracoastal waterways. In importance, this ranks with the other two. The inland waterway system has proved its worth in peace and war as a vital link in the Nation's transportation structure. The total length of this system can be visualized by thinking of it as a single channel stretching all the way around the world, and lacking a few miles of forming a continuous bank at the Equator. It is the most extensive inland waterway system in the world. Traffic on this system has grown tremendously over the years and has now reached a record high of

approximately 100 billion ton-miles. The inland waterway system has been of great help in sparking the Nation's economy, and is one of the most important tools we now need in fighting the growing recession and the mounting unemployment. Industry recognizes the economic advantage of low-cost water transportation and, taken together with the availability of adequate water supplies for industrial processing, these factors are the prime reason why industry has, and is, moving to the river banks. For example, investments in new industrial development along the Ohio River since World War II are approaching the $10 billion mark. The resultant increase in Ohio River traffic since the end of the war has been outstanding—it now amounts to approximately 75 million tons. Many improvements of this kind will be authorized if S. 497 is enacted.

So, to this impressive public works structure and improvement of our rivers and harbors and navigable streams and the inland and coastal systems we come up now with this additional authorization. Again I repeat that the items in dispute or controversy make up a narrow band of but 0.6 percent of the projects in S. 497 which are not recommended in whole or in part by the Corps of Engineers and only 3.6 percent objected to in whole or in part by the Bureau of the Budget.

So, Mr. Chairman, I strongly urge favorable approval of S. 497 which has been given most thorough and conscientious consideration over a period of many, many weeks during the past 2 years. The question is going to be whether we in the Congress are going to pass upon these projects over which there is some question due to the peculiarities of their local situations and circumstances or whether the Bureau of the Budget shall be the determining factor.

Mr. Chairman, in closing I want to plead with all the earnestness I possess for passage of the pending bill—and for passage in its present form with committee amendments—and not with the crippling modifications that will be attempted by those who do not agree that the committee should have the backbone and stamina to fight for its right to exercise its judgment, but who believe, on the contrary, that the word of the Bureau of the Budget is the highest law and that the Congress must go along with this agency of the executive branch all the way—not 50 percent—not 75 percent—not even 96 percent—but right down to the last period and semicolon—100 percent.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, it is the historic policy of the United States to develop and maintain its waterways in order to promote the general economic welfare of the Nation and its military strength and defenses. This policy was forged on the anvil of imperative need in the early days of the Republic, when our great inland rivers represented the lifelines of agriculture and commerce in the developing interior of the country. Stated in another way, it is the American doctrine that the provision of waterways suitable for navigation is a sovereign function and responsibility of the Federal Government. In discharging this function, the Federal Government acts not as a proprietor but as a sovereign, for one of the most ancient of all sovereign responsibilities is the provision of free common highways, accessible to all without restraint, tolls or charge. It was on March 14, 1818, that this House first formally determined that the Congress has power to appropriate funds for waterways and other internal improvements when it adopted a committee report stating:

> *Resolved*, That Congress has power under the Constitution to appropriate money for the construction of post roads, military and other roads and of canals, and for the improvement of water courses.

Our greatest statesmen have consistently espoused the cause of waterway improvement for navigation purposes as a Federal responsibility. George Washington said he could not "but be struck with the immense diffusion and importance (of) the vast inland navigation of these United States." And he added: "Would to God we may have the wisdom to improve them." Jefferson compared our waterways with the free public schools as "our channels of communication between the States—identifying their interest and cementing the Union." Madison believed that "no objects within the circle of political economy so richly repay the expense bestowed upon them" as roads and waterways. John Quincy Adams considered waterway improvements "as treasures laid up in heaven from the contributions of the present age for the benefit of posterity."

Andrew Jackson said:

> Every member of the Union in peace and war will be benefited by the improvement of inland navigation and the construction of highways in the several States.

Lincoln, after referring for purposes of comparison, to the general public benefits derived from the United States Navy, said:

> The next most general object I can think of would be improvements on the Mississippi River and its tributaries.

Beginning with the appropriation of funds in 1824 for clearing snags and bars on the Ohio, this guiding principle reiterated by our elder statesmen has been consistently applied by successive Congresses.

In the early days, our rivers and harbors were used principally in their natural state, aided by removal of obstructions, limited dredging, the establishment of light stations and beacons. The Federal expenditures involved for these improvements were, of course, modest—averaging about $350,000 per year from 1824 to 1865. It is a familiar fact of our economic history that during the great age of railroad building in the last half of the 19th century the policy of Government, National, State, and local, shifted to an all-out effort through enormous land grants and other forms of public assistance to encourage railroad construction. The inland waterways, where commerce almost disappeared under the impact of unrestrained railroad competition, fell into neglect, and river communities stagnated and decayed. From 1866 to 1900 the bulk of the average annual expenditures of about $15 million for rivers and harbors was concentrated on seacoast and Great Lakes harbors and channels.

After an exhaustive review of the condition of the Nation's inland waterways, the famous National Waterway Commission reported to the Congress in 1912:

> Water transportation is in such a decadent condition on most of our rivers that there are few boat lines operating on regular schedules at published rates.

Notwithstanding the black outlook for inland water commerce in the closing years of the last century, there were a few devoted men who never lost their confidence in the ultimate superiority of low-cost water transportation for bulk commodities over all other forms of transport. They were joined by a new group of farm, labor, and business leaders who had awakened to the potentialities of water highways which would reduce the costs of moving the output of farms and factories to distant markets. Men of vision throughout the country, under such leaders as the immortal William Jennings Bryan, recognized the imperative need for waterway improvement as a means for stimulating the economic development of the Midwest and South, which had long been mere tributaries of the industrial and financial centers on the eastern seaboard. By the 1890's a rising tide of public opinion expressing the irrepressible demands of farmers, workers, and small-business men, compelled the Nation's attention to the urgent task of rehabilitation of internal navigation.

The public mind was articulated by President Theodore Roosevelt in 1907 at Memphis, Tenn., when he said:

> [The Mississippi Valley] being literally the heart of the United States, all that concerns its welfare must concern likewise the whole country. Therefore, the Mississippi River and its tributaries ought by all means to be utilized to their utmost possibility. Facility of cheap transportation is an essential in our modern civilization and we cannot afford any longer to neglect the great highways which nature has provided for us. These natural highways, the waterways, can never be monopolized by any corporation. They belong to all the people, and it is the power of no one to take them away. • • • Year by year transportation problems become more acute and the time has come when the rivers really fit to serve as arteries of trade should be provided with channels deep enough and wide enough to make the investment of the necessary money profitable to the public. The National Government should undertake this work.

The key to the achievement of these great aims of public policy lay in the establishment of minimum stable depths for year-round navigation.

Although some canalization work was authorized and begun before the turn of the century, the great public effort commenced for all practical purposes shortly before the start of the First World War. The war demonstrated the vital importance of adequate inland

waterway transport as a part of the National Defense Establishment and postwar increases in overland transport costs intensified the public demand for efficient low-cost inland water transportation.

The period between the two World Wars saw major advances in channel improvement projects on the Ohio, the upper Mississippi, the Warrior-Tombigbee, the Illinois Waterway, the Tennessee, the Intercoastal Canal, various Atlantic coastal rivers, and the Sacramento and Columbia Rivers on the Pacific coast. All work was suspended during World War II. But it was during those critical years that the true value of inland navigation facilities was demonstrated beyond a shadow of a doubt.

As President Truman's Water Resources Policy Commission said in its 1950 report:

> The service rendered by inland waterway transportation during World War II demonstrated conclusively that it is of vital importance to national defense. Its performance in contributing to the winning of the war more than justified the confidence of Congress in the Corps of Engineers waterway improvement program prosecuted for and sponsored by the people, and more than repaid the Federal Government for all the expenditures of public funds for that program.

At the close of World War II the Nation had just over 27,000 miles of improved inland waterways, exclusive of the Great Lakes and seacoast harbors, representing a total public expenditure since 1824 of $1,789,991,000. The great objective of connecting the Great Lakes to the Gulf of Mexico had been accomplished. Stable navigation depths of 9 feet had been established on the Ohio and the Mississippi and various smaller streams. In the aggregate, at the close of World War II the Nation had 9,700 miles of waterways with an assured minimum depth of 9 feet, 5,800 miles between 6 and 9 feet, and 11,800 miles under 6 feet.

Even on the basis of what by present standards must be considered relatively low traffic volumes, the aggregate returns to the public in the form of transportation cost savings on our 15 largest and most active waterways had aggregated over $2 billion in the 20 years ended June 30, 1948.

Beginning in 1946, the task of extending our improved waterways was slowly resumed and by 1955, we had 28,996 miles of improved waterways, of which those of 9 feet or greater depth had been increased to 15,021 miles, an addition of more than 5,000 miles, to the 1945 mileage of minimum 9-foot channels. It is estimated that the construction costs of these navigation improvements over the 11 years from 1945 through 1955 averaged approximately $100 million annually.

Concurrently, the inland waterway industry entered a phase of remarkable technological improvement and expansion. These developments have included the twin and triple screw diesel engines to replace the old steam-driven, stern wheelers, the use of radar, supersonic depth recorders, and ship-to-shore radio telephones, and a number of devices and arrangements for reducing water resistance—all combining to increase cargo-carrying capacity, speeds and dependability of service and to permit operations under all weather conditions. Today, powerful diesel towboats in integrated tows bearing cargoes of 2,000 tons of coal, the equivalent of 200 railroad cars or 200,000 barrels of oil—as much as a supertanker—are a common sight on the inland waterways. To an increasing degree also, the river fleet is being utilized for the transportation not only of the conventional items of bulk freight, such as coal, sand and gravel, but for chemicals, petroleum products, finished steel, automobiles and other high-value commodities. This modern, efficient inland fleet, expanding in relation to rising demand, carried traffic of more than 97 billion ton miles on the inland waterways—exclusive of the Great Lakes and coastal harbors—in 1955, and the volume is estimated to have passed the 100 billion ton-mile mark in 1956. The 1955 volume represented 7.7 percent of all the ton miles of traffic carried by all modes of transportation in the United States, an increase of more than 150 percent over 1945 in the proportion of total traffic. This inland fleet, with some 4,300 towing vessels of more than 2 million aggregate horsepower and nearly 15,000 barges of more than 16 million tons capacity, because of its flexibility, the economy in critical materials and manpower required for its expansion, its enormous carrying capacity, and its relative immunity from enemy action, is a national defense asset of the first importance. And because of the relatively low costs of equipment of equivalent carrying capacity as compared with railroads and pipelines, and the ease of entry into the business, the inland towing industry is predominantly made up of many hundreds of small businessmen in active competition and thereby constantly spurred to improve its efficiency and reduce costs. It thus represents an important competitive influence in the transportation industry which, apart from the motor transport field, is generally characterized by enormous aggregations of capital organized as legalized quasi-monopolies.

In the postwar period, therefore, as costs of overland transport were rising, American industry found in the inland waterway fleet a highly developed mechanism for efficient low-cost mass transportation. Under the further stimulus of vastly increased needs for abundant supplies of fresh water for processing, industry has literally flocked to the shores of our improved inland waterways. Chemical and metallurgical plants, thermal electric plants, automobile and steel fabricating plants, and countless others are eagerly seeking river sites. On the Gulf intracoastal waterway, the Mississippi, the Warrior-Tombigbee, the Ohio, and its great tributaries—the Tennessee, the Cumberland, the Monongahela, and the Kanawha, and many others—we are witnessing one of the greatest industrial booms of modern history.

These great manufacturing concerns are generating tremendously increased tonnages of river traffic. Farm marketing organizations and other grain shippers seeking reduced transport costs and higher realizations to the farmer are making increased use of cheap, efficient inland waterway transportation. Grain shipments on the inland rivers increased more than 300 percent between 1946 and 1951.

All these factors have combined to increase inland waterway traffic more than 220 percent in the 11 years from 1945 through 1955.

Already in 1956, inland waterway traffic passed 100 billion ton-miles, the figure predicted in 1950 by the President's Commission on Water Resources Policy as the level for 1975. Viewing the situation on the basis of the lower traffic volumes of 1954 and finding a total Federal expenditure for construction and maintenance since 1824 of $3.4 billion applicable to navigation improvements, the Senate Public Works Committee, in its Report No. 108 of March 25, 1957, to accompany S. 497, found that the system of inland and intercoastal waterways was returning in transportation cost savings to the public about $3 for every Federal dollar expended.

On the basis of Army engineers' calculations of transportation cost savings of 6 mills per ton-mile from low-cost water transportation, the single year 1956—when inland waterway traffic exceeded 100 billion ton-miles—reflected public benefits of $600 million. This, by any standards, is a handsome return on the Federal investment.

But these calculations of benefits from waterway improvements take no account of the vastly increased employment, the regional rehabilitation, the improved standards of life, the renewed self-respect, the sense of optimism, confidence, and content that today measure the human returns upon the Federal program of waterway development. For it is precisely those regions of the country, the valleys of our great inland rivers—where the people had suffered most from the years of accumulated poverty, stagnation and neglect—that are today the scene of an economic renaissance founded in large measure upon economical and efficient water transportation. The sweep and scope of these benefits are quickly apparent from the fact that more than two-thirds of our population lives in counties at least half of whose area is within 50 miles of navigable water. The prophecy of Andrew Jackson has been confirmed by history:

> Every member of the Union in peace and war will be benefited by the improvement of inland navigation.

But in order to continue this great flow of benefits and to maintain the growth of prosperity based upon low-cost water transport, we must proceed with all possible dispatch to modernize and extend our system of improved waterways as an integral part of comprehensive plans for water resource development.

Already, many of our navigation facilities completed in the twenties and thirties or even earlier, are outmoded and inadequate for the needs of modern traffic. Indeed, some of the older

structures on the Warrior-Tombigbee, the Ohio and the Monongahela are in imminent danger of collapse. The short, narrow locks built 25 or 30 years ago are as unsuited to modern 1,000-foot diesel-driven tows as the highway system of the twenties would be for modern high-speed vehicular traffic. Failure to push these modernization programs to early completion will deprive the public of the benefits of the improvements and bring to a halt the economic development based upon low-cost water transportation. Already, existing facilities are approaching the saturation point through long stretches of the inland waterway system. The margin for the expanded traffic requirements that would surely confront us in the event of war or national emergency is grossly deficient. By construction of modern locking facilities and high-lift dams the capacity of such vital waterways as the Ohio and the Warrior-Tombigbee can be quadrupled and transport costs sharply reduced.

It is imperative also that the full potential benefits of our God-given resources be made available by means of suitable connecting channels such as the Cross Florida Barge Canal and the great Calumet Sag Channel improvement between the Illinois Waterway and Lake Michigan, and the improvement of the New York State Barge Canal between the Hudson River and the Great Lakes-St. Lawrence Seaway.

Again in our Federal democracy, it is fundamental that water resources development take place in accordance with comprehensive programs based upon need and appropriate standards of national interest and general applicability. Wherever suitable opportunities exist, they must be exploited. For discrimination cannot be tolerated, nor can one region be developed at the expense of others where similar needs and resources are present. Thus the Gulf Intracoastal Waterway should be extended to the Mexican border. The Missouri Channel improvement should be extended to its practical limits. The Atlantic Intercoastal Waterway should be extended and improved. And all other navigable streams, when the expenditure can be justified on the basis of standards approved by the Congress, must be improved and developed. In the evaluation of such projects, their relationship to broad programs of water resource development must, of course, be taken into account. Rarely does a water resource project stand in isolation. Its true value is measured by its place as an element, supporting and supported by other elements in a broad pattern. Flood control, low-flow regulation, navigation, water supply, recreational benefits, wildlife conservation—all these are closely interrelated. Each contributes to the others and enhances the value of the whole. Application of narrow mathematical rules to these great issues involving the development of our most important national resource will defeat our objectives and retard our economic growth.

In this time of unprecedented population pressures and economic expansion which demand the fullest utilization of our resources, we must act boldly and imaginatively. We can no longer afford the luxury of narrow conservatism and timidity.

Mr. McGREGOR. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, no man feels a higher regard for the integrity, the ability and the fairness of those on the majority side of this committee than I do. The Committee on Public Works is one of the great committees of the House of Representatives. It has authorized every building project in this country excepting, of course, the one to extend the front of the Capitol Building, and for the construction of the new House Office Building.

In 1954, under the leadership of the gentleman from Ohio [Mr. McGREGOR], a bill was passed that expanded the highway program from $550 million a year in Federal contributions to $850 millions, the biggest advance in highway construction, which had ever been made up to that time. In 1956, under the able leadership of the distinguished gentleman from Maryland [Mr. FALLON], there was developed the expanded highway legislation, which, in my opinion, is the greatest legislation enacted by this Congress in the past 25 years. When the Fallon bill highway program is completed by about 1970 it will provide for 4-lane divided highways from the Canadian border in northern Maine to the Mexican border south of San Diego, there will be no crossroads and no stoplights. East and west and north and south across the country there will be similar interstate highways to save the lives of people and provide more convenient and faster transportation.

In addition to these responsibilities the Committee on Public Works has had the great responsibility of preserving and utilizing two of America's greatest natural resources, its soil and its water; particularly the water. This committee has made great strides in increasing the utilization of the Nation's water supply.

In considering projects of such vast magnitude, it is natural that different men should have different opinions upon the same subject. In the consideration of this bill certain members of the committee, 13 of us, in fact, have objections to certain provisions in the bill which now is confronting the House of Representatives.

We, of the minority who seek amendments to this bill do not want or propose to destroy the bill. We propose to take out of the bill certain provisions which we on the minority side believe may result in a Presidential veto of this bill.

Patrick Henry once said that "I have but one lamp by which my feet are guided, and that is the lamp of experience. I know no way to judge the future but by the past."

We, the Members of the minority, feel that what has happened in the past, the veto of the President in 1956, may happen again in another veto by the President of this bill unless we delete from it some or all of the projects to which the administrative branch of the Government raised objections in 1956.

It has been said that the committee bill, which is presented here today includes 130 projects valued at $1,456,000,000 or $1.5 billion in round figures. That is an understatement. The Army Engineers testified before the House Committee on Public Works that nearly all of these projects are based upon costs which prevailed on January 1, 1956. The Engineers said costs of construction in recent years has been increasing at the rate of about 5 percent a year. In short, the real cost of the projects in this bill are 10 percent higher than the figures on the bill. In other words, $145 million should be added to the estimated cost of these projects. In addition to that $145 million in increased costs there should be the cost of the 19 new and additional projects which are not in the committee bill now, but will be added to it tomorrow by an amendment. The cost of these 19 projects is an additional $87 million. Also in the committee bill three reservoirs authorized for power, as part of valley projects, but not for specific sums of money.

The 13 minority Members who signed the advice report on this bill, are endeavoring to take out of the bill the projects to which there are objections by the administrative branch of the Government, objections by the Budget, by the Army Engineers, by the Secretary of the Army, and some, too, by the Interior Department. We want to take these projects out of the bill so the President will find the bill less objectionable and will be more likely to sign instead of vetoing it.

What the minority wants is a bill that will meet the President's approval, not his objection. We want the 18 objectionable projects removed from the bill to the end that we will get a bill that will be signed, so that the 112 projects that are acceptable to everyone will be sure to be approved, not vetoed, by the President. In other words, we of the minority by amendments are trying to save the 112 projects which are acceptable to the administration. We want to save the good projects by taking out of the bill some, or all, of the 18 projects to which the President has objections. Many of these are identical projects to those in the bill vetoed in 1956.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Florida.

Mr. CRAMER. Further to clarify the good faith on the part of the minority and to make certain that a good bill is passed in the interests of these public works projects, is it not true with respect to the 18 projects which we are asking be clarified that only 5 of those 18 will actually be removed from the bill itself, and as to 13 of the 18 we are only asking that amendments be included to make the projects consistent with the recommendations of the Bureau of the Budget, the Army Engineers, and as to the water projects also the Department of the Interior and the Federal Power Commission?

Mr. MACK of Washington. That is true. There are only 4 or 5 projects the minority substitute would strike out.

The other projects would modify but not take out of the bill.

Mr. CRAMER. On those five projects which we are asking be stricken, we are asking that they be temporarily delayed consistent with the Army Engineers' recommendation on the basis that those five projects do not have a cost-benefit ratio favorable to making the projects feasible.

Mr. MACK of Washington. These projects were not approved in most cases by the Chief of Army Engineers, by the Secretary of the Army, or by the Budget Bureau. If we send those projects back to the President, he may veto the bill again and thus kill the acceptable projects in this bill.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. If it is supported by the majority in this debate that only six-tenths of 1 percent of the value of this bill represents projects that do not have the approval of the Chief of Engineers of the United States Army, would the gentleman still believe it likely that the President would veto this bill because of a difference over six-tenths of 1 percent of the value of the bill?

Mr. MACK of Washington. The minority does not agree that only 6 percent of the money involved in this legislation is in dispute. There is considerably more than that. There are all these projects that relate to local interests, what the local people should pay as compared to the Federal contribution. Also, there are authorized by the committee bill three dams for power construction as party of overall river valley developments but which are not listed in monetary value, more than $150 million in the carrying out of those dam projects is involved.

Mr. EDMONDSON. I can see that there is a difference of opinion as to the amount actually involved on which there has not been a full approval of the Bureau of the Budget and the Engineers, but I ask the gentleman the question, If the majority establishes that this consists of only six-tenths of 1 percent, does the gentleman believe a veto likely?

Mr. MACK of Washington. We on the minority have gone carefully over these projects. We insist many times 6 percent is involved in the dispute between what the majority says is in the bill and what the minority says is in the bill.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Ohio.

Mr. McGREGOR. I might say in reply to the gentleman from Oklahoma about the six-tenths of 1 percent that there is a concrete example that certain individuals in this Congress want to jeopardize the $1,400,000,000 of projects by this six-tenths of 1 percent, where they will not agree to the rules and the formula that has been established here a long time. I say it is unfair for anyone to jeopardize that big program because you have a few individuals that want to get their projects in and break the rules and break the law, if you please.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Maryland.

Mr. FALLON. Did I correctly understand the gentleman to say that more than 6 percent of the total money is in dispute? Is it more than 6 percent?

Mr. MACK of Washington. More than 6 percent of the money is in dispute. I do not think the gentleman has taken into consideration the land enhancement projects. He certainly is not taking into consideration the three dams where power would be installed as valley propositions and that are not listed in the bill.

Mr. FALLON. The gentleman used the figure of $1,450,000,000 as a total.

Mr. MACK of Washington. Yes.

Mr. FALLON. The figure the gentleman used, or the figures that are in the committee report, had to be less than 4 percent in dollars.

Mr. MACK of Washington. The gentleman is not taking into consideration any one of the three power dams in which power is proposed.

Mr. FALLON. The difference in opinion as to the enhancement of value might be a whole lot more than this, and we could run it up to 20 percent. It is according to what you have estimated the value to be.

Mr. MACK of Washington. We think there is a greater difference.

Under the amending stage tomorrow, I will offer an amendment to the committee bill.

This amendment will accept the 112 projects in the committee bill which are acceptable in almost all cases to administrative agencies and to all, or nearly all, members of the House Public Works Committee.

In addition, my substitute will carry the 19 projects which the Public Works Committee approved last week and on which approval came too late for their inclusion in the regular bill.

My substitute will propose to delete 4 projects from the committee bill and modify 14 others in accordance with recommendations of various administrative agencies, the opposing agencies in most cases being the United States Army Engineers, the Budget Bureau, and the Secretary of the Army.

A number of the projects which my substitute will endeavor to modify are flood-control projects involving land enhancement.

We of the minority will insist on local interests paying the amount for land enhancement which was determined as fair and just by the Army Engineers when the Engineers recommended the projects.

President Eisenhower made it quite clear in his veto message of the 1956 bill that one reason for his veto was that many projects in the vetoed bill did not properly assess to local interests the full amount of the costs of these projects which Government agencies believed fair and equitable and which were charged by the committee to figures below what Governors of involved States previously had agreed to.

As one of his reasons for his veto of the 1956 bill the President's veto message said:

> In addition, other projects in this bill would be authorized on a basis which would result in a lesser degree of local participation than was agreed to by the local interests and recommended by the executive branch. I believe that authorization of water-resources projects on such terms would represent a serious backward step in the desirable development of the Nation's water resources, and would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, slightly more than two-thirds of the monetary authorization for this bill is for flood-control projects. I am very proud of the fact that the bill gives so much attention to this work that is a basic responsibility of the Federal Government and is essential to the protection of the lives and property of the people of our country.

The last bill was passed in 1954. In monetary terms alone since that time, including the projected expenditures for the fiscal year 1959, approximately $2½ billion will have been appropriated for this work. Our bill, with proposed committee amendments, will add authorizations of approximately $1,500,000. In other words, the backlog of authorized projects since the last omnibus bill has been reduced by $2,500,000, and we propose to add $1,500,000 to the backlog.

Very few of the projects in the bill are likely to remain part of the backlog for any great length of time. Most of them are vital and urgently needed in the areas concerned, and I think it likely that the Congress will see fit to begin to make appropriations for them at an early date.

We all realize that this vast program cannot remain static. We have to authorize new programs, current and properly evaluated, to meet present and future needs. If there is any major stepup in flood-control work in the next year or so, I think it is obvious that we will have to follow this omnibus bill with another one during the 86th Congress.

Our water resources make perhaps the greatest single contribution of any resource to the progress of our great economy. As an example, in the period since the last omnibus bill there have been major flood disasters in New England, California, and in the Southwestern States, in addition to highly destructive, more individualized, floods in all sections of the country. This bill contains items absolutely essential for the protection of these areas from additional floods in the future.

Three basin flood-control projects are already short of authorized funds, the Los Angeles County project in California, the Success and Terminus Rivers project in California, and the central and southern Florida flood-control project.

Unless this bill is enacted into law, funds appropriated for these projects last year cannot be used. In addition, other major projects are approaching the limit of authorization.

The last overall bill that we passed in relation to flood-control projects was in 1954. The bill contained, in any way that you estimate, these items that are objected to, approximately three times as many items as were opposed by the Bureau of the Budget as compared to the current bill. It was signed by the same President who sits in the White House today. At the time the bill was up for consideration, the gentleman from Washington thoroughly endorsed the bill and all of the projects involved in it. In 1948, we passed the rivers and harbors bill in which one-fourth of the projects contained therein were objected to by the Bureau of the Budget. The gentleman from Washington was a member of the committee then. He said, "I commend every project that has gone into this bill." I do not expect anybody to try to assume that consistency must be followed completely, but I do object when this principle of consistency is adopted in 1954 when in 1948, none of the projects involved the Columbia Valley or the Columbia Basin.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. MACK of Washington. The gentleman is talking about the previous bill. He is talking about projects objected to by the Bureau of the Budget. Most of the projects that we are objecting to in this bill are projects which are disapproved not only by the Bureau of the Budget and the Army Engineers and by the Chief of the Army Engineers but also by the Secretary of the Army.

Mr. SMITH of Mississippi. I would like to point out that that is another part of the inconsistency of the argument here. Everyone of the objections involved here by the Army Engineers is the result not of some action by the Engineers because they believe there is some error in the concept of the project or that it is not feasible from an engineering standpoint, but their objections rather come about as the result of their having to carry out a directive by the Bureau of the Budget known as circular A–47. They are directed to carry that out, and as a result we see these objections by the Engineers which apply to only six projects in the bill. Therefore, as I say, these objections come about as a result of the action of the Bureau of the Budget.

Mr. Chairman, I will not elaborate on this question because the only issue involved in this bill is whether or not the House of Representatives and the Congress of the United States is going to let the Bureau of the Budget write the legislation for you. That is the sole issue in question here.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. ROGERS of Colorado. I would like to point out probably one other issue and that is the question of whether or not these reclamation States west of the 98th meridian are adequately protected.

Mr. SMITH of Mississippi. The language involved in regard to the reclamation problem has nothing to do with the projects that we are arguing about with the Bureau of the Budget, and in relation to the problem of the reclamation States I think we can arrive at some satisfactory solution concerning that language, if the reclamation people who represent the reclamation States indicate any interest whatsoever to do so.

Mr. ROGERS of Colorado. Our great danger, as the committee report indicates in explanation of 205, is that it gives to the Army Engineers a plan on a river. Out our way most of the rivers come from the Rocky Mountains, as the gentleman knows. Most of those States have an appropriation system, contradistinguished from the riparian rights, that is exercised in other parts of the United States. We have heretofore in the Flood Control Act provided that they should comply with the State law. All we are interested in is compliance with our State laws.

I appreciate the gentleman yielding to me, and I will not take any more of his time.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. DIXON. The gentleman intimated that possibly the committee might be willing to consider some amendment that would protect the States water rights, as the gentleman from Colorado [Mr. ROGERS] just mentioned. Is that correct?

Mr. SMITH of Mississippi. That is correct. I would like to point out in that matter, however, that the committee took no action to disregard States water rights. The language that was changed in the bill had purely to do with Interior Department operations. It was stricken out, not because of any change in the concept of the law, but we felt the committee should not change the law in regard to Interior Department projects. It was entirely a misunderstanding—this idea that we attempted to change anything in the West. We hope we can make it clear by working out some better language when we come to that section.

Mr. DIXON. I thank the gentleman.

Mr. SMITH of Mississippi. The crux of the matter, as the gentleman on the minority side said, is the question concerning whether we in the Congress should come up and say that we have a right to make the laws. The idea of those who oppose this is to say that we do not have the right to make the laws; that we can only write what the Bureau of the Budget says we can write. As I said, that is the issue that is involved. It is an issue that goes far beyond this matter of water projects. It is a question of whether or not we are going to have a referendum title government. If we have got to the point where we can say only "yes" or "no" to what the President or the Bureau of the Budget send down, we should shut up our service and have plebiscites like they have in Egypt and Syria.

Mr. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. GEORGE. Does the gentleman not think we ought to take technical advice from the Army Engineers?

Mr. SMITH of Mississippi. We should take technical advance from the Board of Army Engineers. There is not one project in which the Engineers have indicated any technical objection. If there is any, I would like to see it.

Mr. GEORGE. Do you not have a project in this bill that has not been O. K.'d by the Army Engineers?

Mr. SMITH of Mississippi. Oh, I say there are six.

Mr. GEORGE. And one is yours?

Mr. SMITH of Mississippi. In all cases the reason for their objection is because they have been following the directive of the Bureau of the Budget.

Mr. GEORGE. One of them is yours that has not been O. K.'d by the Army Engineers?

Mr. SMITH of Mississippi. Of course. There is no secrecy about it. There are many projects involved in this situation where 2 years ago, when the President vetoed it they were wild projects. They were utterly objected to by the Bureau of the Budget. But since then the Bureau of the Budget has acted upon them. Not one line in the authorization has been changed. It is simply that the Bureau of the Budget has finally gotten around to acting on them. The members of our committee who have acted in such fashion that they feel that no project is entitled to their vote unless they receive instructions from the Bureau of the Budget to vote for it, they have found that those projects that they voted against originally are all right now, simply because a letter came from the Bureau of the Budget.

I hope the Congress does not adopt the idea that we must be put in the position where we can only pass on these "yes" or "no" to something sent to us by the Bureau of the Budget

If any Member has a question in regard to any specific project on flood control in the bill, technical details and so forth, I will be glad to explain it to the best of my ability in regard to the situation involved; but I defy any Member who objects to any of these items to indicate any technical fault with any of the projects that have been disapproved by the Engineers or the Bureau of the Budget.

I wish to make it clear also that even by that statement I do not accept this deification of the Corps of Engineers; I do not accept the deification of any other bureau of the Government in regard to matters like this, and I do not believe Congress does either. I believe the Congress accepts the responsibility to act on its own.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. EDMONDSON. On the question of projects that are not approved, is it not an accurate statement to say that practically every one of these projects under minority attack is one that has been studied and reported on by the

Corps of Army Engineers and that the committee has simply differed with the Engineers or with the Bureau of the Budget on the proposition of how much local reimbursement should be given to the Government for factors such as land enhancement.

Mr. SMITH of Mississippi. The gentleman is correct; in fact, the question involved in these projects is, as has been stated on this floor and as was stated in the committee by those who offered the propositions, that we in the Congress have no right to raise any objection to anything that the Bureau of the Budget does not approve. I do not think the Congress will follow that. I think the House will want to act for itself on these propositions.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. WRIGHT. Does the gentleman believe, in view of the fact of this present economic downturn and with the President of the United States trying to find ways in which to accelerate public works that there is any likelihood that he will veto the bill just because we have used our own judgment on six-tenths of 1 percent of the total amount of the bill?

Mr. SMITH of Mississippi. It is inconceivable to me that the President would veto the bill. The only circumstance under which I could conceive of his vetoing it would be under the mistaken assumption that he had to give support to these members of his party who have opposed the bill.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Washington.

Mr. MACK of Washington. The gentleman from Mississippi has said time, and time, and time again during the testimony that the only bureau that is opposing a great many of these projects is the Bureau of the Budget. I ask the gentleman from Mississippi if it is not a fact that in the case of nearly all these projects the reports of the Corps of Army Engineers state that they are opposed to the projects, that the report of the Secretary of the Army says he is opposed to the projects, and the report of the Bureau of the Budget says they are opposed to the projects?

Mr. SMITH of Mississippi. The gentleman is absolutely incorrect. I want to be polite in my qualification of his statement.

There are 18 projects in the bill, as I understand, which are objected to by the minority group. Only one-third of these projects were objected to by the Corps of Engineers, or 6 out of 18, and, as I have said before, the basis of the objection by the Corps of Engineers is not the cost of these projects but that the Engineers had to object in following out this Circular E–47 of the Bureau of the Budget. That circular has no basis in law; it is an administration operation by people in the Bureau of the Budget who are not responsible to the Congress in their writing of it, and which in my mind has no validity and should not be put into effect. I think that we can take action on this bill and reject the proposition presented by the minority group over here making it clear that we shall not accept this dictation from the Bureau of the Budget, from the administrative branch of the Government, from the President or whatever you want to term it.

Mr. McGREGOR. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, I rise at this time to discuss one individual project and I want to direct my remarks chiefly to the majority members of the committee. I discuss this individual project at the present time because it is one of the projects to which the minority objected but which it now agrees should be a part of this bill provided there is adopted an amendment which I shall offer when the bill is read for amendment.

We objected to the inclusion of the Kaskaskia River project, known as the Shelbyville Dam, because there was not information available at the time as to the share of the cost that was to be borne by the local communities. That information has now been made available; therefore, the minority of the committee will agree to the insertion of this project. That will only leave 17 in dispute if, as I say, we adopt my proposed amendment.

Mr. Chairman, I should like to explain the amendment in the hope that the majority during the recess this evening will consider the amendment and then perhaps we can agree on it tomorrow. Let me explain it briefly.

The Shelbyville Dam and Resorvoir is the project in dispute, located on the Kaskaskia River in Illinois. Twenty years ago the Carlyle Dam and Reservoir was authorized by the Congress. The Carlyle Dam and Reservoir is part and parcel of this same project. It is about 100 miles south of the proposed Shelbyville Dam. The Carlyle project has not as yet been built. It is merely a proposal. At the time the Carlyle project was authorized the formula we now use and the policy we now follow with reference to local contributions for benefits received by local communities were not in vogue. If we adopt and put into this bill the Shelbyville Dam, the local communities that benefit from this project will pay a certain share of the cost as related to the benefits they receive. Because the present policy was not in effect 20 years ago, the local communities which receive benefits from the Carlyle Dam project are not going to be required to pay the cost for the benefits they receive.

Since this is all one project now and will be built possibly at the same time, the amendment I shall offer provides that the local communities which benefit from the construction of the Carlyle project and reservoir shall pay in the same proportion and under the same formula and policy that their neighbors up the river are going to have to pay.

The position taken by the minority in respect to this individual project indicates that the minority is attempting at least to pass upon these projects on the basis of merit. It is not, as the majority has charged, a rubber stamp for Bureau of the Budget and the Army Engineers.

The minority is attempting to evaluate each project on the basis of information and testimony offered by the Army engineers and other witnesses. We want to eliminate the projects that cannot be justified under the standards that have been set up. We merely want to eliminate the pork in this bill.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, for 133 years the United States has followed the philosophy that the development of the Nation's harbors and navigable waterways is vital to the interests of the Nation as a whole. For 40 years the Federal Government has been engaged in flood control: First in 1917 on the Sacramento River in California; next in 1928 which saw the beginning of the vast project for the alluvial valley of the Mississippi River; and finally in 1936 which saw the passage of the first national flood-control act. Some 2,200 projects costing in excess of $3.4 billion have been authorized by the Congress and completed by the Corps of Engineers. An approximately equivalent amount is invested in projects under construction. The projects now in operation have not only yielded important benefits from their primary purposes of navigation and flood control, but have also produced significant associated benefits from hydroelectric power, municipal and industrial water supply, recreational development, pollution abatement, fish and wildlife conservation, and other related tangible benefits. The program has equally important intangible effects in the development of the Nation's economy and in the protection of the Nation's assets. These last cannot be evaluated in monetary terms but they include, for navigation, the unmeasurable value of creating arteries of commerce connecting the great ports and the inland cities and, for flood control, the protection of lives against one of the most violently destructive forces of nature.

Included in this bill are projects for the improvement of all three navigation categories: the coastal ports, the Great Lakes, and the inland waterways. Coastal harbor improvements include projects for Boston, New York, Baltimore, and ports on the Atlantic seaboard; a number of projects at harbors along the gulf coast; and projects on the west coast as far north as Alaska. With respect to the Great Lakes, projects are included at ports such as Cleveland and Toledo and at other localities bordering this great inland sea. Finally, there are projects for improvements and various points on the inland waterway system of the Mississippi and Ohio Rivers and their tributaries. All these projects will fit into the framework of the greatest navigation program ever developed by one country. The committee feels that they are essential to this program.

With respect to flood control, 343 projects having a total cost of $933 million have been completed since the national

program began in 1936, 96 projects having a total estimated cost of $3.2 billion are under construction, and the remainder of the active program consisting of 327 projects estimated to cost $2.2 billion has not been started. The committee has learned that a recent analysis of the effects of the flood-control program indicates that Federal projects completed or in partial operation now prevent flood damages estimated to average about one-half billion dollars annually.

The committee wishes to point out that the flood-control program has been in operation for a relatively short period of time in comparison to the navigation program and has not progressed so far toward its goal. In most areas even a minimum amount of adequate protection from floods is not available, and in many areas lives and property are highly vulnerable to severe flood damage, such as occurred in the last 2 years in the Northeast, on the west coast, and in the Southwest, as described in the general statement at the beginning of this report. The goal of reasonably adequate flood control may be reached only through orderly prosecution of existing flood-control plans expanded from time to time, as in this bill, on the basis of up-to-date engineering and economic studies which take into account more recent flood experiences and the expanded economic development that has taken, or is taking, place in the flood plains. The projects in this bill are important in the achievement of this goal.

In closing, I wish to emphasize its firm belief that the projects in this bill should be authorized at this time. They have already been delayed 1 year and their need becomes more vital with the passage of time. In addition to individual projects and river basins, there are various other matters of a general legislative nature in this bill which are necessary to the general civil-works program. These items of legislation are important and their authorization should no longer be delayed.

As a member of the Public Works Committee I take pride in its part in the accomplishment of the nationwide flood-control and navigation program. In the development and control of water resources, the committee has made valuable contributions, the Congress in the authorization of the projects and plans, the Corps of Engineers in the engineering and economic investigations and in the actual construction of the works and, most of all, the people of the United States in their foresightedness in recognizing the need for the program and in their unflagging zeal in cooperating toward its fulfillment.

I urge passage of S. 497, as reported, as a major step toward the comprehensive development and control of the Nation's water resources.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, the bill before the committee contains nine projects vital to the economic development of Alaska. An authorization of $1,394,000 for improvements at Douglas and Juneau harbors has been recommended. Specifically the authorization would provide for dredging small boat basins at Douglas and Juneau, with protective jetties, plus a breakwater at Juneau. Among the benefits expected from this combined project are reduced damages to fishing craft and other small boats, increased fish catch and improved recreational facilities.

Through the recommended improvements at Dillingham which include an excavated basin, dredging, a timber sheet-piling sill, and improved entrance to the basin, facilitated entrance and exit would be promoted and boat damage would be reduced. In addition, the efficiency of operations in this fishing community would be increased and the handling of cargo could be performed more expeditiously. The authorization proposed for the improvements at Dillingham is $372,000.

S. 497 contains an authorization of $19,000 for improvement of the Naknek River channel through removal of boulders in the reach of the channel.

A very important provision for flood control at Fairbanks is included. Extensive local cooperation is envisioned, and the Federal contribution authorized in the bill would be $9,727,000. The plan is to provide for the diversion of the waters of the Chena River, along whose banks the city of Fairbanks lies. This would be accomplished by the erection of an earth-fill dam, control works, a 200-foot bottom-width diversion channel some 5 miles in length, and a levee.

Another group of projects authorized in the bill reported by the committee relates to the development of the Cook Inlet area, the fastest growing area in Alaska. The overall authorization amounts to $5,199,200 for four projects. The largest project recommended is for improvements at Anchorage Harbor. The figure for necessary improvements would amount to $4,010,000, as recommended by the Army Engineers. In addition, the townspeople of Anchorage, All-America City for 1957, have gone to the polls and voted favorably for a bond issue which will be used in part for the development of the wharves in the harbor. In addition, the people of Anchorage have spent approximately $60,000 for professional surveys.

These actions by the community testify to the importance of water transportation to Anchorage. At the present time, high transportation costs plague the entire Cook Inlet area of which Anchorage is a part. Of course, the national interest would be promoted by improvements which would make the harbor serviceable at least 8 months out of the year; in particular I point out that the major portion of the cargo handled for Anchorage is military cargo.

The fishing communities of Seldovia, Homer, and Ninilchik require small boat basins in order to reduce boat losses, damages, and operation costs. Improved navigation facilities are needed to promote development of the fishing industry. Furthermore, Seldovia and Homer are food-producing areas, and Homer is a potential agriculture locality of considerable importance in a region which, according to the Department of the Army's Chief of Engineers, "depends on water transportation for 90 percent of its foods and supplies." The bill calls for an adequate small-boat basin at Seldovia, fish-processing center on the west coast of the Kenai Peninsula, at a cost of $514,200. Authorization for the basin at Homer Spit of $498,000 would permit a longer fishing season and substantially reduce present costs. At Ninilchik, where supplies are generally unloaded on the beach under existing conditions, a proposed basin accommodating 32 boats would require $176,600, authorization for which is included in the overall $5,199,200 authorization for Cook Inlet in the bill.

Finally, the bill contains an authorization of $60,000 for flood control to protect the town of Talkeetna. Riprapping the river would obviate the necessity of moving buildings in the town to higher ground and would prevent property damage and loss of rental income.

There is clear need for the projects proposed because they affect the economy of the Territory, they reduce the costs of fishing operations, the recurrent problem of boat damage, the unusual transportation expenses in the areas concerned, and the harassment of communities by flood. I urge the approval of these Alaska projects.

Mr. MACK of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SHELBYVILLE, ILL., RESERVOIR

Mr. MACK of Illinois. Mr. Chairman, the bill reported by the House Public Works Committee authorizes a flood control project for the Kaskaskia River in Illinois. This project is authorized substantially as recommended by the Chief of Engineers in his report of April 19, 1957. The Engineers' plan calls for construction of a large reservoir on the Kaskaskia River at Shelbyville, Ill.

The Engineers have recommended this project as necessary for flood control in the Kaskaskia Basin. Construction of a dam and lake at Carlyle, Ill., downstream from Shelbyville, was authorized by Congress in 1938. President Eisenhower has asked Congress for an appropriation to start work on the Carlyle project during the 1959 fiscal year.

The Shelbyville project also has the approval of the Budget Bureau. If I understood the gentleman from Ohio [Mr. SCHERER] correctly, the minority members of the Public Works Committee have withdrawn the objection they had a year ago to the Shelbyville project. The only controversy is over the Bureau's recommendation concerning the extent of local contribution to be required in the construction of the Carlyle project. The Shelbyville project carries provisions for local cooperation in line with the present policies of the Budget Bureau.

Shelbyville is in the 21st Congressional District which I represent. Carlyle lies outside that District. Thus, my con-

stituents are not directly affected by the dispute over local cooperation in the Carlyle project. However, I support the committee's view that the local cooperation requirement for the Carlyle project should not be changed. I feel that logic is on the side of the committee majority. Since the Carlyle project was authorized 20 years ago, there is no more reason to apply the current policy retroactively in this case than there would be to change the local cooperation requirement for every project in the United States that does not meet the Budget Bureau's present policy. I hope that the substitute offered by the committee minority will be voted down.

I am pleased that the Budget Bureau has given its approval to the Shelbyville project. This project is greatly needed by the people in this section of Illinois. There is considerable unemployment in the Shelbyville area. During recent years this section of Illinois was a depressed area while much of the Nation enjoyed unprecedented prosperity.

President Eisenhower said at his news conference on February 26 that "of course, there will be new starts" on public works projects in the coming fiscal year. I hope the Shelbyville reservoir will be one of these new starts. You could not find a better place to start licking the recession that grips the country.

Mr. BLATNIK. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I think this is one of the most important bills which this House will have before it in this session. It is aimed directly at meeting one of the growing needs of the United States and its people.

Since 1900 the need of the American people for water, in good and usable form, has increased three times over. We require today 346 billion gallons of water each year for our different uses of water. For irrigation we require 46 percent of the total; for industrial uses another 46 percent, and for consumptive uses 8 percent more, and that makes up the 246 billion gallons of water use of the United States. But, water experts have told our committee that during the next 17 years, by 1975, the need of our Nation for water will redouble once again.

Now, this bill is an attempt to meet the need of our country for additional water in the future, and I do not think, from the standpoint of building a strong and expanding economy, that we will have a more important bill before us in this session.

There are several major steps which we put forward in regard to the control of water and the use of water. In the first place, we provide a number of new authorizations for projects to go forward in different parts of our country to meet the problem of floods, to meet the problem of water storage, to meet the problem of our Nation for additional reliable supplies of water for irrigation, industrial, and consumptive use.

In the second place, we have also provided that some of these projects which we set up are going to provide flood protection in areas where hurricanes contribute to flood damage. That is a new concept that we are trying to introduce into the bill, and it is a sound and constructive forward step. It is in recognition of the great flood in New England which occurred very recently and of the terrible flood conditions which occurred along the gulf coast of Texas. And, in an endeavor to do something constructive for the first time in this Congress to meet the condition of flood damage finally we provide as a third new major step that there shall be a new policy in regard to water storage, and that is in section 205. Section 205 is a major forward step in the development and the use of the water resources, and when we go into the full House I am going to ask permission at this point to insert material in regard to section 205 and its import upon the water policy of the United States.

JUSTIFICATION FOR INCLUDING SECTION 205 (B) AUTHORIZING STORAGE FOR LOW FLOW REGULATION

Section 205 (b) authorizes storage to be included in reservoir projects without reimbursement to increase low flows downstream to the extent warranted by widespread, general, and nonexclusive benefits.

This is an extremely important addition to water resource legislation, looking forward many years into the future as we visualize how our rivers and streams should be to take care of our expanding social and economic needs. The patterns that are now emerging—tremendous population growth, increasing necessity for millions of our citizens to find attractive outdoor areas for recreation use such as could be provided by many of our rivers and streams, expanding economic developments of all types and varieties in the valleys, and decline in fish and wildlife resources—make it imperative that we look ahead and provide now for our future needs.

The low flow regulation to be provided by reservoir storage is not intended to be used, and will not be used, as a substitute for needed sewage treatment works required by State authority or contemplated in comprehensive pollution control plans prepared under the Federal Water Pollution Control Act. This point was made clear by Mr. Mark Hollis of the Public Health Service in his testimony last year before the Senate Public Works Subcommittee, and General Person of the Army Engineers stated that this was fully in accord with his views.

The important point is that even with full treatment of the sewage and industrial wastes there will still be a very large problem. The rivers must still carry the products away, even after full treatment of the wastes. There is no other means of removal, and it is increasing all the time and will increase vastly in the future as the population and industries grow. The treatment works simply do not and cannot do a complete job; augmentation of low flows will be needed to diffuse and dilute the products of the disposal plants.

This is not a problem during high river flows; it becomes a problem during low flows, in the summer after the spring rises have flushed the rivers of the products of man. Then, concentrations begin to increase as the flows decline; the summer temperature vitalizes remaining biological processes, odors increase, the public is offended, the recreational value of an outing along the river is lost, and esthetic and scenic values no longer exist. Low flow regulation is needed to increase the flows during the hot summer months, to dilute the wastes, to reduce the odors, to make recreational use pleasurable at the time it is most needed, to restore esthetic and scenic values, and to increase fish and wildlife resources.

The augmentation of low flows will provide widespread, general, and nonexclusive benefits to a large segment of our population for these and other purposes, and will greatly enhance the character of our streams for later generations. It will be analogous to flood control in that where a flood-control reservoir contributes widespread downstream benefits then the cost of construction is a Federal cost, but where, on the other hand, construction is for the primary benefit of a particular community which requires rights to the storage, then obviously that community will pay the cost.

The larger prolonged summer flows resulting from flow regulation will dissipate the temperature effects of industrial plants using the water from the river for cooling purposes, which in itself will be a very large benefit. This has been demonstrated conclusively in the Pittsburgh area, where even very small decreases in river temperature made possible by upstream reservoirs result in large savings in costs to industry.

The many important beneficial effects of low flow regulation are very real and substantial, and will be of ever-increasing value to our social and economic welfare as our civilization grows. We must provide the means of accomplishing these many beneficial purposes to the end that we may pass on ever-increasing values and opportunities to succeeding generations. The time has arrived when measures to increase low flows in our rivers are of equal or greater importance than the reduction of flood flows.

In addition, Mr. Chairman, section 205 (c) contains the authorization for water storage in reservoirs already constructed, as well as those yet to be constructed, where practical storage agreements can be effected with water-hungry communities—subject, of course, to equitable reimbursement of the United States. This authorization is an absolute must if we are to meet today's water needs.

Now, the only significant objection that is made by some minority members on the committee in regard to this bill is the fact that there are some items on which we do not have the combined approval of the Chief of Engineers and the Bureau of the Budget. And, when we come on down to a consideration of those items to which they object, they cannot deny the fact that some of those items have been approved in part, at least, by the Bureau of the Budget and by the Corps of Engineers. But, we have parted company with the Bureau of the Budget and the Corps of Engineers in regard to certain specific parts of those projects.

Let me give you an illustration of where we have differed with the Bureau of the Budget and the Corps of Engineers on a project, and that is the Millwood project, or the Millwood system, which I am sure is one of the five or six which the minority will seek to strike from this bill. The Millwood project has already been authorized in part by the United States Congress with the approval of the Army Engineers and the Bureau of the Budget in a previous administration. The other body undertook to amend in a certain respect the Millwood project by the addition of certain reservoirs to it.

They had the testimony of the States of Arkansas and Oklahoma that those States would not agree to the construction of the Millwood Reservoir as it had been authorized in law unless those changes were made and those additional reservoirs made possible. They considered those things. They considered also the fact, when the Bureau of the Budget and the Engineers came before them that, as they said, "We will go for six of those additional reservoirs if you will provide for certain things, such as local contributions for land enhancement."

The other body looked at what had happened with the previously authorized part of the system. They saw that the Millwood Reservoir, the biggest dam in the system, did not provide reimburse for land enhancement downstream although it gave more significant flood protection downstream and most of the 86,000 acres benefited by this system's flood protection were downstream from Millwood. But no land enhancement was provided for, no local contributions by the beneficiaries below Millwood. So the committee said, both in the House and in the other body, "We do not think we should put land enhancement into effect for the upstream dams of the Millwood system when the major beneficiaries of this system under previous authorization are not required to pay for land enhancement." And so we differed from the Budget Bureau and some minority members on this. Now they say that this project should be taken out because it is not approved by the Bureau of the Budget and the Army Engineers. We say to you that this is a necessary and desirable project in the opinion of a majority of this committee and that this project, along with the other desirable ones in the bill, should be approved by this House.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. ENGLE].

Mr. ENGLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLE. Mr. Chairman, I would like to first congratulate the Public Works Committee for bringing this bill out at this time when emphasis is being placed on the need for a public-works program to stimulate our national economy. In considering the type of public-works program which will best serve the Nation, it is my opinion that the emphasis should be placed on those projects which control and develop our water resources—projects such as those included in this bill, which strengthen and stabilize our national economy.

I am particularly glad that the committee has included in this bill two items which are covered by legislation that I have introduced. In order to give all Members a better understanding of these two items and perhaps answer some questions that may arise, I would like to discuss them very briefly. The first is the provision in section 204 of the bill, authorizing a monetary contribution for the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir proposed to be constructed on the Feather River by the State of California. The procedure involved here, whereby the Federal Government contributes to the cost of a non-Federal project for the flood-control benefits therefrom, is not new. Such participation by the Federal Government was authorized for the Markham Ferry project in Oklahoma, which was constructed by an agency of that State, for the Cherry Valley project in California, constructed by the city of San Francisco, and others. The amount of the contribution will be determined by the Secretary of the Army in cooperation with the State of California and under the language of the bill must be approved by the President. The State of California will be required to enter into an agreement with the Federal Government providing for the operation of the Oroville Dam and Reservoir in such a manner as to accomplish the flood-control benefits upon which the monetary contribution is predicated. Operation of the dam for flood control must be in accordance with rules prescribed by the Secretary of the Army the same as Federal flood-control projects.

I first introduced the legislation, which now is section 204 of this bill, in January 1956, following the disastrous floods in California. I believe that there is general agreement among all State water and flood control agencies that this is the most constructive single thing that the Federal Government can do to prevent a repetition of the heavy toll of life and property damage which occurred in the December 1955 floods. During those floods, I visited the Feather River area with several members of the Public Works Committee to make a visual inspection of the flood damage. It is hardly necessary for me to go into detail on that subject as I am sure those members recall the damage and devastation which we saw. The important thing is that if this dam had been constructed and in operation at that time, the heavy toll of life and property along the Feather River in the vicinity of Marysville and Yuma City would not have occurred. I want to emphasize that the construction of this dam and reservoir will prevent future repetitions of this great tragedy and that the Federal participation provided in this bill will assure the completion of construction at the earliest possible time.

Federal participation in the Oroville project not only has the endorsement of the State of California but has the approval of the Department of the Army and the Bureau of the Budget. In my opinion, Mr. Chairman, there is no more economical method of providing the necessary flood control than that which is here proposed, either by separate, single-purpose flood-control dams or levees or by any other means. This proposal for a monetary contribution actually minimizes the cost to the Federal Government for the flood protection and gives such protection sooner than would otherwise be possible.

The next item I want to refer to very briefly is the provision authorizing the construction of bank protection and incidental channel improvements along the Sacramento River between Chico Landing and Red Bluff, Calif. This work has been recommended by the Corps of Engineers and has the full approval of everyone concerned. The completion of this program would resolve a very troublesome problem that has existed along this stretch of the Sacramento River for many years. Along the Sacramento River in this area, there are extensive, rich agricultural lands. However, much of the land is underdeveloped because of the threat of erosion. There is frequent erosion both summer and winter due to floods and due to water releases from Shasta Dam.

There is a definite view on the part of many of the landowners affected that the major part of this damage is caused by the water releases from Shasta Dam. Regardless of whether this is the major cause, the fact remains that it is the responsibility of the Federal Government to correct this situation. The channel maintenance and bank protection works herein authorized would provide a satisfactory solution, and I am very happy that the committee has approved this much-needed work.

I would just like to mention a few other items that we in California are grateful to the committee for including. Among these are the authorizations for additional funds to continue the comprehensive plans for the Sacramento, San Joaquin, Los Angeles, and Santa Ana River Basins previously authorized. We are also grateful for the authorizations to construct the Terminus and Success Reservoirs on the Kaweah and Tule Rivers. The water situation in California is becoming more and more critical because of the ever-expanding population and the increased needs for municipal and industrial water supplies. I believe that the solution of California's water problems will require the best efforts of both Federal and State agencies, and this includes the works being constructed by the Corps of Engineers.

Again let me congratulate the committee and express appreciation to the committee in behalf of the people of California for including these items.

Mr. McGREGOR. Mr. Chairman, I yield 5 minutes to the gentleman from California, a member of the committee [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, we have before us for discussion today S. 497 which was reported by the Public Works Committee during the latter part of the 1957 session. The committee has worked long hours and studied the projects which you have before you today.

During 1955 and 1956, we worked on another bill that would have authorized many worthy projects throughout the entire country. It is the opinion of many of us that in the consideration of these projects that the committee was too liberal in the conclusions they reached as to local participation of many of the projects contained in the bill and they were not in conformity with the directive of 1952 issued by President Truman and referred to as A–47 whereby Federal projects where land enhancement was provided that local interests should pay at least 50 percent of the cost of the improvement.

In his veto of H. R. 12080 on August 10, 1956, President Eisenhower pointed out that section 202 of the Rivers and Harbors and Flood Control Act of 1954 declares it to be the policy of Congress that:

> No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

The President went on further to state:

> I regard this as being a wise policy, and I believe that it is very unfortunate that this traditional statement was not followed in H. R. 12080.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Is it correct to say that the quotation the gentleman refers to is section 202 of the Rivers and Harbors and Flood-Control Act of 1954, and it is a law?

Mr. SCUDDER. That is right. I believe the President was within his rights in vetoing the bill. We worked long and hard in an effort to bring out a bill that did meet pretty generally the feeling of our committee, which made this expansive investigation. On 112 of the projects we all agree. Eighteen projects are in dispute. There are two projects in this bill to which I should like to call your attention.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Maryland.

Mr. FALLON. Can the gentleman tell us how many of the 18 projects are House projects and how many of them were put in by the other body?

Mr. SCUDDER. I could not break that down, but I do feel that we could have taken action on them. If they are Senate projects, there is the possibility that a conference might be able to work out some of these problems.

Mr. FALLON. The gentleman, of course, realizes that many of the projects that were put in the bill last year were projects that were not authorized or recommended by the Army Engineers or the Bureau of the Budget?

Mr. SCUDDER. That is right.

Mr. FALLON. We will find ourselves in a very confused position when we go to conference and the Senate insists on those projects. It means there will either be no bill for the President to veto or he will be in the same position he was 2 years ago.

Mr. SCUDDER. I am very hopeful that we can make some amendments to some of these projects that might make the bill a little more palatable for the President when it is brought before him for signature. At least he will know that some of the committee tried to comply with his wishes.

The hyacinth project that has been developed in this program is something entirely new, and I believe we should have a better understanding of financial responsibility in this program.

Mr. FALLON. I do not think there is anything new about the water hyacinth program. We also have a program for the water chestnut, and it is almost the same kind of program.

Mr. SCUDDER. We are expanding the program and getting into a field where I feel we are laying ourselves open for a great expenditure of Federal money in areas where the responsibility is largely that of the local community. I believe a 50–50 basis for arriving at the cost of the project is fair. I think this is something to which we should give more attention.

I would like to proceed with my statement.

During the hearings on S. 497, many of us on the committee endeavored to bring all the projects contained in this bill in line with previous policy in order that we might have a bill that would meet the requirements laid down by the Executive. We were quite successful in developing this legislation inasmuch as that of the 130 projects contained in this bill only 18 of them are contrary to the policy requirements and I believe that with the slight modifications which we will offer to these various projects and if accepted by the Congress, they will eliminate the possibility of a Presidential veto and give a go-ahead signal to the many highly important and desirable projects.

One of the projects to which I shall offer an amendment appears on page 61, line 10 of S. 497 under title I, Rivers and Harbors. It is the La Quinta Channel in the Port Aransas-Corpus Christi Waterway. The purpose of my amendment is to delete from the bill the provision reimbursing local interests in the amount of $954,000 for the deepening of the channel for a distance of about 6 miles to the turning basin at La Quinta. This channel is used almost exclusively by one company of ore carriers for the transportation of raw materials and other products to the company's plant at La Quinta.

The original report of the Corps of Engineers recommended the deepening of this channel to 32 feet and the report was accepted by the committee and the project was authorized for the deepening of the channel to 32 feet. Subsequently, the company involved in imports, obtained larger ore carrying vessels which required a channel depth of 36 feet. Without authorization from the Federal Government, local interests went ahead on their own with the additional deepening and paying for the additional costs.

The proposal in this bill is an unusual one and without precedent and if followed, could be a very dangerous precedent. It provides for the authorization of a 36-foot depth that has already been completed and provides for the reimbursement to the community by the Federal Government of the money it has expended in the deepening of this channel to 36 feet.

The provision in the bill requesting reimbursement does not carry the approval of the Secretary of the Army or the Bureau of the Budget. It can establish a precedent whereby any community could request the Congress to reimburse them for work on a Federal project where such work was expanded beyond the Federal authorization.

Again, I desire to quote the President in his veto message of August 10, 1956, when he said:

> No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

Mr. Chairman, I desire to point out to the Committee another amendment which I shall propose to S. 497 which appears on page 68, lines 4 to 6, inclusive.

I propose to delete "75 percent, presently estimated at $1,012,500, shall be borne by the United States and 25 percent, presently estimated at $337,500, by local interests" and substitute the following: "50 percent, presently estimated at $675,000, shall be borne by the United States, and 50 percent, presently estimated at $675,000, by local interests," and in line 14 substitute "50" for "25."

The purpose of this amendment is to reduce the amount of Federal participation in a program for the elimination and control of the water hyacinth plant on certain navigable waters.

Again, this project does not comply with the Executive Order No. 9384 nor the provisions set out in directive A-47.

The communities where this plant has run rampant originally imported it for the purpose of beautifying their waterways. After the first planting, the plant multiplied in such quantity that it was uncontrollable. Without a doubt, it is a distinct hazard to shipping and its infectious nature has created similar problems in other States where its seeds have spread.

There is no question but that action should be taken to eliminate this hazard.

However, the proposal in the bill provides for 75 percent of Federal participation against 25 percent local participation.

Again, such authorizing action by Congress would not be consistent with prior policies and would establish a precedent that might apply to any noxious weed growing in any body of water used for navigation or even for pleasure boating. The Committee has already had programs proposed to it for the eradication of waterchestnuts and other plants. Where Federal use of such waterways is apparent, assistance should

well be extended. However, local interests also have a responsibility to themselves and their participation should be on an equal basis with the Federal Government.

President Eisenhower spelled this out very clearly in his veto message of the omnibus bill in 1956, and I quote:

> I believe that authorization of water resources projects on such terms would represent a serious backward step in the desirable development of the Nation's water resources, and would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government.

Mr. Chairman, I am a firm believer in investing as much of the taxpayers' dollars as is possible in the development of the internal conditions of our country. This authorization bill, is, I feel, extremely important to the welfare of our people and particularly to the people who are located in the areas that will be affected through these projects. I hope that this Committee will give serious consideration to the report of the minority and amend this bill so that it will receive Presidential approval.

Many of the improvements that will be made possible through the passage of this bill will have a stimulating effect on the general economy of our country. Let us work together in the development of a bill that will serve the best interests of the great majority of our country.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, this is a very important bill. I shall support it and will vote against amendments to delete any project. All of them are worthy and needed. They are needed from the standpoint of developing the areas to be served and from the further standpoint of providing employment during these days of recession.

It amazes me, Mr. Chairman, that some Members of the House have planned an attack on any segment of the bill. It amazes me that they are willing to surrender the prerogatives of the Congress to the Bureau of the Budget. The Bureau may be a fine agency and it may serve a fine purpose. On the other hand, it is not for the Bureau to say what the Congress can and cannot do. The integrity of the Congress should not be subordinated to that of one of its own creatures, of which the Bureau of the Budget happens to be one.

It also amazes me that Members of this body will make such an attack on projects carried in the bill, all sorely needed, and then turn right around and support an all-encompassing foreign aid bill filled with giveaway gravy-train millions for the construction of similar projects in foreign lands all over the world. We build highways, power projects, flood-control dams, and innumerable other projects in foreign lands with foreign-aid dollars; yet, when our own people are beset with floods and disaster we quibble over technicalities or the question of whether or not the project has the approval of the Bureau of the Budget.

I am for this bill, every part of it, the opposition of the Bureau of the Budget to the contrary notwithstanding. Furthermore, I shall not be disturbed with the veiled threat of a Presidential veto. The Congress should work its will no matter what the will of the President might be.

The bill authorizes the construction of many projects needed for the development of the water resources of our country and for flood-control protection, particularly in the Tombigbee Valley.

The history of floods in the Tombigbee Valley is long. The floods have been violent. They have been very damaging. The losses have run into millions upon millions of dollars. It seems to me, Mr. Speaker, that this particular section has long been the forgotten area in the submission of flood-control legislation.

The Tombigbee River and its tributaries serve as a water outlet for about 20 counties in northeast Mississippi and northwest Alabama. The main stem is served by 22 tributaries. The area is almost completely agricultural. The largest city is Columbus, Miss., with a population of approximately 20,000. The total population according to the last census is 594,000, of which 127,000 is urban; 319,000, farm rural; and 146,000 nonfarm rural.

Seventy-three percent of the area is in active agricultural production and has been for a century or more. Income from agriculture is approximately $75 million per year. Assuming that the average family consists of four, the average annual agricultural income is only about $936 per year. One of the principal reasons for the low income per family is the annual damage which occurs to crops as a result of flood waters along the tributaries and the main stem of the Tombigbee River.

Cotton is the principal crop. The average cotton allotment is only about 8 acres to the farm or 8 acres to the family. Because of controlled production, acreage has been cut and cut until the average family allotment is now below a subsistence level. The farmers have not only been compelled to bear damaging annual floods but they have likewise been compelled to bear "floods" of acreage cuts.

The other principal crops are cattle, grain, and milk.

The average annual rainfall in the area is between 50 and 60 inches per year, sometimes even higher. Rainfall is often very heavy in the spring—planting time—and through the month of July. As a result of these rains, heavy floods are frequently visited upon the area at the very time when the crops are in the young development stage. Time after time I have driven through sections of the Tombigbee Valley and seen acre after acre of cotton, corn, and other crops inundated and completely washed away. It is not an extraordinary thing for the farmers to have to plant and replant their crops as often as three times a year. For the last quarter of a century they have been compelled to endure these damaging floods. The necessity for the projects as recommended in the pending bill is obvious.

In support of this project, I would like to quote from the letter from the Secretary of the Army, House Document 167, 84th Congress, 1st session, as follows:

> General floods in the basin occur on an average of once in about 10 years and are usually caused by widespread winter rainfall. Intense local rainfall produces flooding on the tributaries several times a year. Floods may occur at any time over any part of the basin, but are more frequent in winter and spring. At Columbus, flood stage on the Tombigbee River has been equaled or exceeded 87 times in 60 years of record, an average of 1.5 per year. Twenty-five of the floods were in the cropping season and 5 were major floods. Flooding occurs on the principal tributaries on the average of 2 to 8 times a year and on minor tributaries on an average of 5 to 14 times a year.

On page 20 of the report in section 49, the Secretary had the following to say:

> Flood-producing storms usually last from 2 to 4 days, and may center over any portion of the basin. With normal runoff conditions, about 5 to 6 inches of intense and general rainfall are usually required to produce an extensive flood. However, on many of the minor tributaries 1 to 3 inches of intense rainfall, which may occur several times a year, are sufficient to produce local floods. Winter and spring floods often cover a large portion of the basin and produce most of the major inundations, while summer storms are usually very intense over much smaller areas, producing serious local floods.

The Secretary's letter contains numerous references to violent storms which are very common in the area and particularly to the storm of February 1948; to that of January 1949; and to the storm of March 1951, where the center of the heaviest rainfall was in the immediate community where I reside. A total of 15.07 inches was recorded, all of which fell within the period of a very short time. It completely inundated very nearly all crops in this section, drowned many cattle, destroyed highways, barns, homes, and other fixtures.

The storm which occurred in the spring of 1955 was one of the most serious ever experienced. Actually, it was this particular storm which brought about numerous flash floods that resulted in this project receiving approval by the Bureau of the Budget.

In the aforesaid document, the Secretary of the Army also reported as follows:

> During the 43-year period of record, 1909–52, flood stage has been equaled or exceeded 109 times, or an average of 2.5 times a year. The majority of these floods occurred in the winter and early spring causing only slight damage. However, 37 floods occurred in the cropping season between April and November with the average frequency being less than once a year. Thus, farmers in certain parts of the flood plain can expect to lose at least part of their crops every year due to flood conditions.

Continuing, the Secretary reported further:

> The upper tributaries of the Tombigbee River, the East and West Forks, are frequently flooded. During the period of record at Fulton, Miss., on the East Fork, 1929 through 1952, flood stage of 12 feet has been equaled or exceeded 194 times in the 24 years, an average of 8.1 times a year. Floods during the cropping season, April through November, have occurred 84 times, an average of 3.5 times a year.

And from section 71:

The Tombigbee River is joined by three major tributaries, the Buttahatchie and Tibbee Rivers and Luxapallila Creek, near Columbus. Studies indicate that damaging floods of relatively short duration occur 4 to 7 times a year with about 2 floods occurring during each growing and harvesting season.

So, the necessity for a major flood control project is most impressively set forth by the Secretary of the Army in recommending approval of the tributary projects as outlined in House Document No. 167.

Flood control has long been recognized as a Federal responsibility. It has been authorized by statute and accepted generally by the people of our country. I am glad that the time has at long last come when the people of the Tombigbee Valley are about to, and I hope will, receive the merited benefits under the policy of our Government to control damaging floods.

I sincerely hope that this bill will be approved in the manner and form as submitted by the Committee on Public Works.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, this project—extending from the main channel of the waterway a distance of 5⅔ miles to a turning basin near La Quinto—was authorized in 1954 to a depth of 32 feet and width of 150 feet, at an estimated cost of $1,800,000. The authorization provided that the Federal Government and local interests would each assume half the construction cost.

The need for this channel was so urgent, however, that local interests immediately constructed it with local funds—to a width of 125 feet instead of the 150 feet provided in the authorization—at a cost in excess of $1,350,000. Local interests thus spent not only the $900,000 to which they were committed under the authorization, but also more than $400,000 of the Federal Government's share of $900,000.

Since commerce using this branch channel became considerably greater than anticipated, and since many costly groundings resulted from the inadequate 125-foot width, local interests then beseeched the Federal Government to appropriate its remaining $500,000 to complete the project to its authorized width of 150 feet. This sum was appropriated in 1956.

Before this appropriation of $500,000 could be expended, however, the Corps of Engineers, responsive to a resolution of the Senate Public Works Committee, was completing a survey which disclosed the need of a further increase in dimensions.

It became evident to both Federal agencies and local interests that considerable money could be saved if the dredging of the new proposed dimensions could be accomplished simultaneously with the dredging provided for by the $500,000 appropriation. Though the new dimensions had not yet been authorized, the need for the deeper and wider channel was so urgent that local interests undertook to bring about the savings by making available the funds to complete the entire project.

On August 24, 1956, General Services Administration urged local interests to proceed with this project in order to obviate the necessity of hauling 1,750,000 tons of ore by truck 14 miles from the main turning basin at the Corpus Christi Port to its stockpile site on La Quinta Channel. This program is now in progress, and is saving the Federal Government more than $5 million, or about double the cost of the entire project.

The entire project eventually cost $2,979,200, which amount was to have been borne equally by local interests and by the United States, or $1,489,600 by each. Local interests, however—by advancing funds in order to effectuate substantial savings to both the Federal Government and local interests—had actually contributed $2,443,000, or $953,400 more than the amount of their fair and equal contribution. It is this sum which should rightfully be reimbursed by the Federal Government.

The Chief of Engineers, in his formal report to the Secretary of the Army dated March 6, 1957, stated that the procedure proposed and prosecuted by local interests was "a sound businesslike undertaking," adding that "the usually high benefit-ratio of approximately 12 to 1 substantiates this conclusion."

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, this is a day of unusual significance in the House of Representatives. It is not every year that we can enact an omnibus authorization bill for improvement and development of our Nation's water resources. Nor is it often that we have the opportunity to consider something of such far-reaching importance to our Nation.

The last Omnibus Authorization Act involving flood control, navigation and allied works became law in 1954. For the past 4 years we have had no new law of general authorizations. The need for such an updating has become increasingly critical. Work on several river basins has had to be halted at a time when much of this work is most desperately needed because the formerly authorized expenditure ceilings have been reached.

In addition to this, new needs have been forcefully thrust upon us in many areas of the country, due both to our Nation's spectacular economic growth and to the unusual severity of both droughts and floods occurring over the past 4 years.

THE BILL

The bill itself is the product of extremely long labors and much careful consideration on the part of your Public Works Committee. I know of no other legislation likely to come before this session of the Congress in which the individual expenditures authorized have been more thoroughly scrutinized or more carefully studied than the item-by-item projects contained in this bill.

During the past 4 years, each individual item has been subjected to the microscope of searching inquiry and discussion by the House Committee on Public Works and its subcommittees. On each of the items we have heard the recommendations of the Corps of Engineers and the Bureau of the Budget, and often of the individual Members of Congress most familiar with the areas affected and their needs.

In all, your committee has devoted 110½ hours of its formal sessions during the past 3 years to the examination and consideration of the matters contained in this bill. When we take into account the number of members in attendance at each of these committee hearings, we realize that this bill is the product of 2,200 man-hours of productive thought and labor.

In other words, if an individual member were to undertake to devote himself exclusively to the study of this bill, dedicating 40 hours a week to this single task, it would take that member 385 days, or 1 year and 3 weeks on a full-time basis, to give this bill the equivalent time and effort that it has received at the hands of the Public Works Committee of the House and its formal sessions.

And this does not take into consideration the countless hours of research spent by members of the committee staff and by individual members of the committee outside the session. Nor does it touch upon the vast amount of painstaking labor on the part of the Corps of Engineers in the preparation of some 130 detailed reports, the average one of which required the efforts of five men, to assist the committee in its deliberations.

I mention this in order for you to know that nothing contained in this authorizing legislation has been lightly considered.

THE TOTAL PROJECTS

There is a grand total of 130 different construction projects embodied in this legislation. They are located throughout the United States, Alaska, Hawaii, and Puerto Rico. Seventy-one of these involve flood control and allied purposes; 48 are to facilitate navigation, and 11 are concerned with hurricane protection and beach erosion.

In addition to these, the committee has considered some 19 projects during the current year which it has voted to recommend for inclusion and which will be offered by committee amendment.

The total financial authorizations contained in the bill come to $1,456,637,800. It is anticipated that these works will extend over a period of years. The Corps of Engineers has officially recommended all but six-tenths of 1 percent of the total expenditures authorized. And a full 96.4 percent of all costs involved have the hard-to-please Budget Bureau's stamp of approval.

THE ECONOMIC SITUATION

As we contemplate the consequences of the economic downturn, with more than 5 million men and women presently unemployed, there is hardly a more timely or fitting step that we could take to vitalize the economy of the United States than to pass this bill. Under

these circumstances, I find it very difficult to conceive of a Presidential veto of this legislation.

Much has been said about an accelerated public works program to arrest the present decline and promote economic recovery. Here is a bill which authorizes the soundest possible method of accelerating public works. For the projects herein contemplated will pay for themselves. They create wealth and enrich the Nation's future economic life.

Water-resource developments, alone among all of our public-works activities, are judged by stern criteria in which they are expected not only to pay for themselves, but to return dividends on the investment. This is exactly what they are. They are not expenses. They are investments. Whoever heard of applying a benefits-to-costs ratio in the authorization of any other Government construction—of a highway, a post office, or any other public building? But we do this in the case of water developments.

Only 10 days ago, the Joint Economic Committee of the Congress filed its annual report on the Nation's economy. That committee made six major recommendations. Recommendation No. 2 contained the following language:

> Outlays for the development of the Nation's water resources * * * command a high priority. These programs have great merit in the present circumstances, both for the immediate employment opportunities they create and because of their contributions to long-run economic development.

That is just the point. While the water-development projects contained in this bill will create jobs and stimulate useful construction activity during their completion, this is not their only or even primary purpose. They are not make-work projects. Their principal virtue lies in the fact that flood control, navigation, and harbor improvements promote the growth of industry and stimulate the flow of commerce which in turn will enrich the free American economy and create ever more job opportunities for American men and women for years and years to come.

THE SOVIET CHALLENGE

Let us look at the challenge ahead of us. Much of the world wavers between two ways of life—ours and Russia's. The competition between our opposing economic philosophies will not be settled overnight. While we race to meet the Communist challenge in the field of missiles and military might, we must meet the Soviet threat on the economic front as well.

This titanic competition may be determined, over the long span, by a demonstration of which country and which social and economic system can best withstand the strain of heavy and continuous cold war. This is not to be looked upon as a hundred-yard dash, but as a marathon.

This is what Maj. Gen. E. C. Itschner, Chief of Engineers for the United States Army, had in mind when he pointed out recently that meeting Russia's challenge and supporting our growing population in the years that lie immediately ahead will result in an unprecedented demand upon our resources, particularly our water resources.

> The demands for water-resource development and flood control that we may expect in the near future are formidable—

Said General Itschner—

> and our present state of development is wholly inadequate to meet them.

Russia's river-basin projects, this eminent authority stressed, are big, bold, and imaginative. Comprehensive development of the Volga River, about the size of our Mississippi, already has provided the Soviet Union with a 3,000-mile integrated main-stem waterway serving European Russia from the Arctic Ocean to the Mediterranean and from the foothills of the Urals to the Baltic.

They have been moving with amazing speed in the development of Russian waterways. While the use of river transportation is a relatively new factor in their economy, our Chief of Engineers states that Soviet efforts have already built up commercial navigation to about two-thirds of the 110 billion ton-miles of commerce carried on the inland waterways of the United States, exclusive of the Great Lakes, in 1955.

We cannot expect to win the eventual victory in this cold war competition by stalling the development of our Nation's resources or retarding the expansion of our own national economy. And to adopt a penurious, gimlet-eyed attitude toward our program of water resource development would be to do just that.

THE CRITICS ANSWERED

Notwithstanding these facts, there has persisted in certain quarters a disposition to skimp in the matter of water developments. It would be difficult to imagine a more shortsighted attitude, or a more costly one in the long run. I am happy to observe the diminution in the ranks of those who have not yet awakened to the vast scope and importance of this water problem.

Yet there still remains an uneasy remnant of people who have a sort of vague impression that maybe this might be a good place to save money by cutting down on our water development program. A favorite epithet among such misguided critics is the completely inappropriate and entirely inaccurate slogan of "pork barrel" which is even yet occasionally applied to this program.

I have never understood exactly what they meant, or thought they meant, by the use of this term. Nobody who has ever seen the human wreckage of broken dreams and shattered hopes which lie in the wake of a flood can call flood control "pork barrel." Nobody who has seen the booming industry and thriving commerce and economic strength created by navigation can call navigation "pork barrel."

What, then, do they mean? Does anyone actually feel that this type of legislation has been used by the Congress as a means of bestowing partisan reward to certain politically favored Members by authorizing projects in their particular districts? On occasion I have heard this rather sinister suspicion hinted by the cynical and the uninformed. But I can prove in one very simple illustration that this is not so. In this bill presently before you, a Democratic majority has presented legislation which authorizes projects in 67 Republican districts as compared with 55 Democratic districts.

I realize the point has been raised that a few of these projects have not been formally approved by the Bureau of the Budget. That Bureau has taken exception to 3.6 percent of the total authorizations in this bill. The Army Engineers significantly enough have agreed to all except six-tenths of 1 percent of the amount of money in this bill. That makes it as pure as Ivory soap—99.4 percent pure. I do not know how you can get much better than that.

This is the issue we are going to be called upon to decide tomorrow. Let us face it frankly. Are we going to suffer usurpation of our legislative prerogatives by an appointed bureau? Shall we meekly surrender the responsibility of making our own decision to some nameless clerk with a slide rule who has never seen the sites of the projects, who has never had the opportunity to understand anything of the human aspects involved, but who sits behind closed doors in an air-conditioned office in the Bureau of the Budget and deals exclusively with impersonal statistics? Are we to say that the people's elected Representatives in the Congress of the United States are incapable of exercising any judgment? Or shall we assert our responsibility for making our own decisions which is vested in the Congress by the Constitution of the United States? That is the issue that you and I are going to decide tomorrow.

To say that the Congress should not have the right to enact a program unless we have the permission of this appointed Bureau, is to suggest a radical departure from the fundamental theory of constitutional government. For if the approval or disapproval of the Budget Bureau were to be a final criteria, as some would make it, then there would be no need for a Congress. There would be no need for a public works committee except to act as a perfunctory rubberstamp meekly ratifying decisions already made by this appointed Bureau and doing only what they told us we could do. If this great legislative committee were ever to be so reduced, and if that were to be its only function, then I, for one, would not desire to serve on it.

We have the suggestion here that your Committee on Public Works did not know what it was doing and that we should not have the right to exercise our own discretion as a committee of the Congress and as the Congress of the United States on a meager 3.6 percent of the total money in this bill, but that we should bow our knees to the sacrosanct Bureau of the Budget and say, "All right, you write the law. You tell us what we can pass. You pass the dictum down to us and we will meekly and supinely accept those decisions you tell us to make." Shall we say we dare not trust our own judgment and the judgment of our legislative committee on even 3.6 percent of our financial decisions without the written permission of an appointive bureau? Or shall we say to the Bureau of the

Budget and other appointive agencies that we expect them to stay within the bounds set out by Congress, and that the Congress will enact the laws?

CONCLUSION

I submit that this entire bill should be adopted, exactly as presented by your Public Works Committee, without the deletion of a single project. The Government spends no money more wisely than the amount it sets aside for the development of the water resources of our Nation.

This bill has been carefully considered. It is timely. It is necessary. It is geared to the task ahead of us. It will return rich dividends to the Nation. It deserves to be enacted.

Mr. McGREGOR. Mr. Chairman, I yield 8 minutes to the gentleman from Florida, a member of our committee [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, about the best service I could render at this stage would be to attempt to clarify what this debate is all about. First, let me answer the gentleman from Texas [Mr. WRIGHT] with regard to substituting our judgment for that of the Bureau of the Budget. First, I do not agree with this method of setting basic public-works policy by a hit-or-miss deviation from basic standards as they apply to certain projects and not to others. Second, the fact of the matter is—and the committee should realize it—is that the Bureau of the Budget is exercising its discretion as a result of an instruction from this House, resulting from the Jones committee, 82d Congress, House Document No. 23, which was set up for the purpose of determining how allocations of costs of Federal water resources development projects should be made. This was done in 1951. In January 1952 this A–47 instruction came out from the Bureau of the Budget as the result of a request on the part of the Public Works Committee in this House, setting out certain standards and criteria whereby this Congress, the Public Works Committee, the Army Engineers, the Department of the Interior, and other departments involved could judge all of these projects on the same fair and equitable basis. Consistent with that and as a result of this regulation that was issued, incidentally under a Democrat Congress and signed by Harry Truman, and a resolution by the Public Works Committee, the Jones report, ground rules were established whereby those projects would be judged. Those ground rules in Circular No. A–47 read as follows:

8. Benefits to be included in evaluation: The evaluation report prepared in accordance with paragraph 7 shall include an estimate of the primary benefits of the program or project. Unless the report sets forth clear justification for considering other factors, main reliance on the review of project reports will be placed on the following categories of primary benefits:

(a) Reduction of flood damage, including damage from water and sediment, to land and other public and private property; and prevention of loss of life.

(b) Increases in the expected net income obtained directly from changed use of the property made possible by any form of flood control.

(c) Increases in expected net income from lands on which watershed treatment measures are to be installed as part of the program or project.

(d) Increase in expected net farm income from additional production or reduced cost of production of farm products as a result of reclamation of land.

(e) In the case of navigation projects other than harbor improvements, the transportation savings resulting from:

(1) The differential between expected costs of movement by nonwater transport and expected costs of movement by water transport for those commodities which will be carried by land transport if the project is not built, but which will move by water if the project is built.

(2) For traffic which will not move without the waterway improvement, but which will move by water if the project is built, the differential between the cost of transportation by waterway and the highest cost at which it would be feasible for the traffic to move.

(3) Where the project improves an already navigable waterway, the differential between expected costs with and without the project of moving on the waterway traffic expected to move on the waterway even if the project is not built.

(f) Direct benefits of shore protection.

(g) Direct benefits from harbor improvements, including those for small-boat traffic.

(h) Value of electric energy to be produced. This is equal to the lower of two figures:

(1) The cost of equivalent energy from the cheapest alternative source of energy—private, Federal, or other—that is available, or could be expected to develop in the absence of the project, to meet the same power needs. Taxes and interest charges for this alternative source should be computed on a basis comparable with the project.

NOTE.—Where the project plan includes the cost of constructing and operating the necessary facilities to transmit and distribute the project power to load centers, the costs of the alternative source with which the project is compared should also include transmission and distribution costs to the same load centers. Where the project plan does not include transmission costs, the total costs incurred by the alternative source in providing power at load centers should, for purposes of determining power benefits, be reduced by the transmission costs incurred in bringing the project power to the same load centers.

(2) Value of power to users (considered as the highest price they would pay and applicable especially where the cost of alternative power would be prohibitive for particular users).

(i) Value of municipal, industrial, and domestic water supply to be furnished, measured by the cost of obtaining equivalent supply from the cheapest alternative source that would most likely be used in the absence of the project, including the cost of development of the same source of water by the water users themselves as one of the alternatives. Taxes and interest charges for the alternative source should be computed on a basis comparable with the project.

(j) Increases in the value of recreation and fish and wildlife resources expected as a result of the project. Although such benefits are usually not subject to measurement in monetary terms, complete information, in terms of the amount and type of expected use of recreation and fish and wildlife developments is required as a basis for comparison of the incremental costs and benefits of such developments referred to in paragraphs 11c and 19b.

(k) Savings in the cost of water treatment or gains in the value of streams for industrial, municipal, and domestic water supply, and other uses, through the abatement of water pollution; and reduction in the cost of pollution abatement by streamflow augmentation. Such benefits should be calculated as the residual benefit possible after allowing for all direct measures to control pollution at the source that would normally be required or considered necessary by the public health authorities concerned.

The evaluation prepared in accordance with paragraph 7 shall also include an estimate of any secondary benefits which the program or project will provide. The evaluation shall include a separate showing of total primary and total secondary benefits. Until standards and procedures for measuring secondary benefits are approved by the Bureau of the Budget, the evaluation shall be based mainly upon primary benefits.

The evaluation shall also include an appraisal of the general benefits which will accrue through such effects as safeguarding life and public health, stabilizing national and regional food and raw materials production, and contributing directly to the improvement of technically underdeveloped areas within the Nation's boundaries.

9. Costs to be included in evaluation. The evaluation prepared in accordance with paragraph 7 shall include an estimate of the total construction costs and the total operation and maintenance costs of the program or project, whether such costs are incurred by the Federal Government, State, and local governments, or private interests.

Such an evaluation shall also include a statement of economic costs expected to be induced by the program or project, such as the costs of:

(a) Displacement of people.

(b) Decreased value of lands, minerals, water, quantity, or quality, and other water or related land resources, where not reflected in market values.

(c) Rectifying adverse effects upon sanitation, transportation, highway construction or maintenance, or other activities reasonably foreseen as being affected by the program or project.

(d) Business losses, such as disruption of trade or diversion of waterborne traffic from existing ports or channels.

(e) Losses in State or local tax revenues, adjusted for changes in costs of State and local government services caused by the existence of program or project facilities.

(f) Unprevented and uncompensated losses of or damages to fish and wildlife resources; recreation resources; and scenic, archeological, or historical values.

(g) Abandonment of economically useful structures, such as locks and bridges.

Such an evaluation shall also include an appraisal of other detriments to the general welfare, whether or not they can be measured in monetary terms, and the groups which will suffer any substantial injury should be identified so far as feasible.

10. Comparison of benefits and economic costs: Benefits to be obtained and economic costs to be incurred throughout the assumed economic life of a program or project, as limited by paragraph 14 of this circular, where expressed in monetary terms, shall be converted to a common time basis to facilitate the comparison called for in paragraph 7a (2). Where benefits and economic costs are compared on an annual basis, interest on the construction costs should be included in the computation of average annual equivalents for total economic costs. Where the present net worth method of comparing benefits and economic costs is to be used, future benefits and economic costs should be discounted to present values. Using an interest rate to cumulate benefits and economic costs is necessitated where the net gain or loss at any given time during the operation of the program or project is to be computed. Determination of the applicable interest or discount rate shall be made in accordance with paragraph 15, except for the interest rate on project costs to be financed by non-Federal sources.

The ground rules having been established, the majority of the committee consider that although we established those rules now we do not want to live by them. Why? Because it eliminates some of the projects they would like to have in the bill.

We as minority members of the Public Works Committee do not think that they should change the elements that go into those standards. Let me indicate what some of those elements are. Some of those elements which have been accepted by the Bureau of the Budget as a result of this resolution are used in determining whether a project is feasible. How do they do that? The benefit cost ratio must be 1 to 1. The benefits must equal the cost on an annual basis. Now, on the majority side they are saying, "Yes, but we do not like the formula they used in making up the benefit-cost ratio, even though Congress instructed them to make it."

Some of the elements that were changed that we minority members do not like are decreases in amounts of the local contributions. Further, we do not think that in power projects taxes foregone should be included in computations under this formula. Also, the question of whether or not the incremental method should be used in determining the local contributions, which the majority wants to do contrary to established practice and which was discussed in effect by the gentleman from Oklahoma [Mr. EDMONDSON]. Also the question of whether, despite incomplete Army reports, projects should be approved. Those things are fundamental.

To give an example of the seriousness of these fundamentals as applied to specific projects, I refer to two projects containing three reservoirs, Sherwood Reservoir, in Oklahoma, and the Gilbert and Lone Rock Reservoirs, in Arkansas.

None of these projects are economically feasible according to the Army Engineers—still they are included in the bill.

In all of these projects, the majority says we should abandon the principle of taxes foregone in determining the cost-benefit ratio, a criteria laid down by the Bureau of the Budget, the Interior Department, and the Federal Power Commission after careful and lengthy consideration. Even the majority report admits that taxes forgone should be considered, otherwise the formula is not properly weighted, and I quote from that report:

> This project involves one of the most important issues before the committee. It is the matter of the so-called taxes forgone. The committee has considered carefully the argument on both sides of this question and wishes to bring to attention the following points:
>
> Projects involving hydroelectric power development were, in the past, evaluated on the basis of the cost of generating an equivalent amount of power, both with respect to capacity and energy, by a steam plant. It is generally conceded that the value of power, like water, is equivalent to what the consumer is willing to pay. Since this figure is somewhat indeterminate, the device was used of measuring the value on the basis of the cost of alternative thermal power. In computing this value, the cost of the equivalent thermal power was calculated on the same basis as Federal hydropower, that is, without taxes and with the same interest rate. This method of measuring the value of power led inevitably to the point that power values were not measured correctly unless the element of taxes, interest rates, and all other factors were included in the computation. As a result, the major Federal agencies concerned with this matter—the Federal Power Commission, the Department of the Interior, and the Corps of Engineers—reached an agreement that taxes forgone would be included as a part of the value of power on the benefit side of the ledger or subtracted from the cost side.

To determine the benefit of power in setting out the benefit of the project for power purposes the Engineers must determine the value of the new power based on the cost of alternative available power—and in determining the alternative available power, since feasibility as well as value of the project is to provide salable, cheaper power as well as adequate power, the question is whether the taxes that are paid for alternative power and not paid by the Federal Government should be included in determining the benefit of the Federal power as compared to the cost of alternative power.

The majority wants to delete consideration of taxes forgone in determining the benefits of Federal power projects in determining the benefits of the project on the annual basis in order to result in a more favorable cost-benefit ratio. Thus, projects that would otherwise be economically not feasible obtain a 1–1 ratio or better—1.1 to 1 in these specific instances of these reservoirs—and a presently bad project becomes a good one.

A discussion of this one aspect of the problem involved in these three reservoirs alone I believe indicate why it is unwise to deviate from set standards in the manner attempted in this bill—by applying different criteria to each project instead of establishing uniform standards and adhering to them. If any change in the criteria is justified then it should be made as a change in basic policy and so included in the bill rather than applying the change to some projects and not others. The result will be chaos in the departments in the future.

Also, land enhancement and increased land usage and value will be eliminated in these three projects, contrary to the Engineers' reports, if the majority position is permitted to stand. It is eliminated entirely in these projects, but included in others even in this bill. This does not lead to equitable or uniform treatment.

The second fundamental question involved in the Sherwood project dealing with local contributions is clearly shown by the Engineers summarization of this project as submitted to our Committee on Public Works. The majority in its bill decided to change the formula set out for determining the local contributions, and thus requiring the Federal Government to increase its contribution, and the local interests to decrease theirs by some $15,027,000. This was decided upon despite the fact that in multiple-purpose projects the separable costs-remaining benefits method is used rather than the incremental costs method invariably. The Army Engineers' summarization follows:

INCREMENTAL METHOD OF COST ALLOCATION AS APPLIED TO MILLWOOD RESERVOIR AND ALTERNATIVE RESERVOIRS, RED RIVER BASIN, OKLAHOMA AND ARKANSAS

Provisions contained in S. 497 for authorization of the alternative reservoirs to Millwood Reservoir would provide for allocating costs to hydroelectric-power and water-supply purposes by the incremental method. By the use of this method the costs allocated to power and water supply would be limited to the incremental cost of adding power and water supply as purposes to the project, with all of the joint costs of the reservoir allocated to flood control, resulting in a minimum allocation to hydroelectric power. This contrasts with the separable costs-remaining benefits method of cost allocation recommended by the Chief of Engineers for these projects which would provide for an equitable sharing of the joint costs of the project among all purposes served.

Comparison of the actual cost allocations under the two methods is somewhat complicated by the fact that S. 497 would authorize the Sherwood Reservoir and, presumable, power features at Broken Bow Reservoir in addition to the reservoirs recommended by the Chief of Engineers. This adds $56,245,000 to the cost of the project. Allocations under the two methods are as follows:

Millwood Reservoir—alternative reservoirs as recommended by Chief of Engineers

Federal costs (flood control)	$44, 973, 000
Non-Federal costs (water supply and land enhancement)	58, 062, 000
Total cost of work recommended by Chief of Engineers	103, 035, 000

(This exceeds the cost of the presently authorized Millwood Reservoir by $53,235,000, which is the cost figure in S. 497.)

Millwood Reservoir—alternative reservoirs plus Sherwood, as called for by S. 497

Federal costs:	
Flood control	$60, 000, 000
Power (reimbursable from power revenues)	56, 245, 000
Subtotal	116, 245, 000
Non-Federal costs (water supply)	43, 035, 000
Total cost of work which would be authorized by S. 497	159, 280, 000

The net result thus is to increase the nonreimbursable Federal costs by $15,027,000 and to decrease the share borne by local interests by the same amount. Presumably, the power could be sold at rates to reimburse the Federal Government's investment in this purpose, although this has not always been the case.

For a detailed comparison of the various methods of cost allocation see House Public Works Committee Print No. 23, 82d Congress, 2d session, The Allocation of Costs of Federal Water Resources Development Projects, put out by the Jones Subcommittee To Study Civil Works. More recently this subject was discussed in 1956 during hearings of the 84th Congress before the Senate Public Works Committee on Power Rates—Southwestern Power Administration. (See p. 756 of Senate hearings which contains comparison of power allocations of a number of projects, computed by various methods.)

The results of applying different formulas to situations for which they were not intended can readily be seen in the example of the Sherwood Reservoir above.

To indicate the problem involved in allocation of costs of multiple-purpose water resource development projects and how important it is that the proper formula be applied, as well as that there must be some uniformity of its application, as well as to indicate further how complicated this subject is and how foolhardy it is to write new regulations for the agencies by changing the criteria established by deviating markedly from it in this bill as suggested by the majority in its report, I submit the following statement on the purposes of having applicable formulas and the results of applying—or misapplying them:

ALLOCATION OF COSTS OF MULTIPLE-PURPOSE WATER RESOURCE DEVELOPMENT PROJECTS

PENDING LEGISLATION

Section 203 of the pending Flood Control Act provides for the authorization of the construction of certain reservoirs in the Red-Ouachita River Basin, Tex., Okla., Ark., and La., subject to a limitation that "the basis for determining the cost allocated to hydroelectric power and water-supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable."

PURPOSE OF THIS STATEMENT

This statement is intended to set forth background material on the question of allocation of costs of multiple-purpose water-resource development projects with particular reference to the probable consequences of the adoption of a procedure such as that proposed in the quoted language.

BACKGROUND

The problem of allocation of costs of Federal water-resources development projects first received major attention in connection with the Tennessee Valley Authority operations. The enabling act required that the board of directors submit to the Congress by January 1, 1937, a report allocating the costs of multiple-purpose structures built among the several purposes authorized in the act. The allocations were to become final upon determination by the board and approval by the President of the United States. TVA's study led to the conclusion that the costs should be allocated solely to direct uses of water and so the costs were allocated to flood control, navigation, and hydroelectric-power development. (H. Doc. No. 709, 75th Cong., 3d sess.) No amounts were allocated to national defense or to manufacture of chemicals. It was considered that the costs properly chargeable to these latter two functions would be adequately met if those two functions were charged for the electric energy consumed by them.

The method used in allocating the costs was named the "alternative justifiable expenditure" method.

At the request of the Senate Committee on Public Works, the Federal Power Commission in 1948 reviewed and approved the TVA cost allocations.

Subsequent to the enactment of the Flood Control Act of 1936 and the Reclamation Act of 1939, it became increasingly apparent to the Federal agencies concerned that the cost allocation problem was an important one. This is particularly true when some of the purposes of a structure are nonreimbursable and costs of other purposes are to be reimbursed by the users or beneficiaries.

Starting in April 1946 representatives of the Army Corps of Engineers, the Department of the Interior, the Federal Power Commission, and the Department of Agriculture undertook a joint study on the question of economic analysis of river-basin projects. In May 1950 that group (by that time including a representative of the Department of Commerce) published its report and recommendations which included a section devoted to the allocation of costs of multiple-purpose water resource development projects. This group recommended the adoption of a procedure designated as separable-costs—remaining-benefits method. This method is essentially a refinement of the one developed by TVA.

In December 1952 the Bureau of the Budget issued a directive (Budget Circular A-47) to the agencies of the executive branch of Government in which it was stated that the costs of facilities or features of a program or project used jointly by more than one purpose of water-resource development should be allocated among the purposes served in such a way that each purpose would share equitably in the savings resulting from combining the purposes in the multiple-purpose development.

This directive was issued less than a month following the public release of a report by a subcommittee of the House Committee on Public Works entitled "Allocation of Costs of Federal Water Resource Development Projects" (House Committee Print 23, 82d Cong., 2d sess.). This report, a basic document on the subject, includes this paragraph:

"The conclusions of the subcommittee may be simply stated. All costs directly incurred for specific purposes should be charged to those purposes. The joint costs should then be so allocated that each purpose will share equitably in the savings and economies resulting from the multiple-purpose approach."

On March 12, 1954, an agreement was entered into among the Department of the Interior, the Department of the Army, and the Federal Power Commission in which it was stated that three methods of cost allocation were acceptable. That considered preferable for general application was the one designated "separable costs—remaining benefits." The second method considered acceptable was that designated "alternative justifiable expenditure," and the third was called "use of facilities." The three agencies agreed on the basic principle which stated:

"Costs of a multiple-purpose project shall be allocated among the purposes served in such a manner that each purpose will share equitably in the savings resulting from combining the purposes in a multiple-purpose development."

While both reports considered the subject, nothing basically new was added to literature on the problem in either the report of the second Hoover Commission Task Force on Water Resources and Power (1955) or the 1956 Report of the Presidential Advisory Committee on Water Resources Policy. The most recent Congressional statement on the overall issue appears to be that set forth in connection with a comment of three Senators published in a report entitled, "Conservation and Development of Water Resources" (Committee Print No. 5, 85th Cong., 1st sess.) of the Senate Committees on Interior and Insular Affairs and Public Works in connection with Senate Resolution 148. This statement presents no new material but refers to most of the documents and reports already cited in this memorandum.

CURRENT PROBLEM

It does not appear to be necessary or desirable to discuss all of the methods considered in the literature. The following paragraphs compare the incremental method proposed in the cited amendment with the separable-costs—remaining-benefits method, considered most acceptable by the operating agencies of the executive branch, and with the basic principle, already quoted, recommended by the Bureau of the Budget, the executive agencies concerned, and by the House Subcommittee To Study Civil Works.

The separable-costs—remaining-benefits method attempts to divide the savings resulting from the multiple purpose approach in water resource development equitably among the various purposes. Costs that are clearly separable because of their identification as serving exclusively one particular purpose are allocated as costs chargeable against that purpose. Joint costs, or costs of common features of the project, are allocated among the purposes proportionately to remaining benefits—those estimated as creditable to the various purposes over and above the benefits already balanced by the separable costs. This method meets the generalized requirement recommended by the House Subcommittee To Study Civil Works and the subsequent positions adopted by the executive agencies.

The incremental method of allocation assumes that a structure is built for one or more basic purposes and that one or more other purposes are added somewhat in the nature of afterthoughts to the original purposes. Under this consideration the basic costs, including joint costs, are allocated to the basic purposes, and the separable costs added because of the so-called subordinate, secondary, additional, or incremental purposes are the only costs allocated to those purposes.

As a general rule a minimum cost will be allocated to any one purpose if only the direct costs allocable to that purpose were considered. The highest costs will be allocated to a specific purpose if that purpose is considered basic, and all other purposes incremental. If the purpose in question is considered incremental to some other basic purpose, then the costs allocable to that purpose, while probably somewhat greater than the direct costs, will be less than those that would be allocated under any other method.

If it is desired to minimize costs to be reimbursed by local beneficiaries, then some nonreimbursable function or functions can be considered basic and the reimbursable functions supplemental so that the costs allocated to the reimbursable functions are either only the direct costs or the incremental costs. This procedure will not spread the savings (and costs) equitably among the various functions. It will tend to overload the nonreimbursable functions and, in effect, subsidize the reimbursable features.

There are instances in which the legislative history indicates that an incremental allocation for some purpose or another is in order. The Denison Reservoir on the Red River in Texas, authorized by the Flood Control Act of 1938 was, by the Flood Control Act of 1940, specifically declared to be for the purpose of improving navigation, regulating the flow of the Red River, controlling floods and for other beneficial uses. Costs allocated to power, and still later to water supply, were based on an incremental type computation.

Lavon Reservoir in the Trinity River Basin was built for flood control, but prior to its completion legislation authorized its use for storage of municipal water. Costs allocated to this latter purpose were computed on the incremental basis.

On the other hand most projects, including most of those in the Southwest area, have had costs allocated under separable-costs—remaining-benefits method because the original authorization of the projects contemplated that hydroelectric power would be generated as an incident to the development.

The Senate report (No. 168, 85th Congress) on the bill S. 497, from which the quotation at the head of this memorandum was taken, makes no comment on the reason the language was proposed to apply to the specific projects intended to provide flood control, hydroelectric power, and water supply. It does not seem out of order, therefore, to assume that the intent of the language anticipates the obvious result, that is, that the

costs allocated to the reimbursable features—water supply and hydroelectric power development—would approach a minimum and that other costs equitably allocable to those features would be borne by the nonreimbursable features financed from the general fund of the Treasury.

In the House report (No. 1122, 85th Cong.) on the pending legislation, in the minority views, the consequences are pointedly stated:

"The incremental method called for in this provision would result in favored treatment for local beneficiaries of the power and water supply features of the project at the expense of the general taxpayers. Extension of this method of allocation to other projects would greatly reduce Federal revenues from the sale of electric power generated at other projects."

But I say to you, as far as our objections relate to the projects involved in this bill, there are only 18 projects to which they apply. The value of those projects as stated today is not six-tenths of 1 percent. The value of those projects, authorizationwise, either in additional money or in putting the new project in the bill, is $303 million, as you will find in the minority report. $303 million is not six-tenths of 1 percent. It is 20 percent of the total bill. That is the amount the President will have to consider in deciding whether or not he is going to be consistent and veto this bill, because the same basis for veto applies at the present time to this 20 percent of these projects, as applied to the bill passed in the 84th Congress. There is no doubt in my mind about that. There is not any question about it as a reading of the veto message in the minority report will show. There is far more than six-tenths of 1 percent. There is actually 20 percent in controversy in the bill.

I will insert in the RECORD figures to substantiate that position.

From the committee minority report, the projects objected to by the minority, on the basis of adverse recommendations of the Bureau of the Budget and the Corps of Engineers, are listed as:

	Estimated project costs
Title I—Rivers and Harbors:	
La Quinta Channel, Tex	$954,000
Water-hyacinth control	5,062,500
Title II—Flood Control:	
Mohawk River at Rome, N. Y.	240,000
Hendry County, Fla	3,172,000
Tombigbee River Basin, Ala. and Miss	19,199,000
White River Backwater, Ark	2,380,000
Boeuf, Tensas, and Bayou, Macon, Ark	1,212,000
Greenville Harbor, Miss	2,530,000
Red-Ouachita River Basin, Ark. and Okla., Millwood and alternatives	109,480,000
White River Basin, Gilbert and Lone Rock Reservoirs, Ark	57,000,000
Pecos River at Carlsbad, N. Mex	2,066,000
Rio Grande at Socorro, N. Mex.	3,152,000
Saylorville Reservoir, Iowa	44,500,000
Kaskaskia River, Ill	23,000,000
Saline River and tributaries, Ill	5,970,000
Oahe Dam, S. Dak., damages	42,000
Buchanan Reservoir, Calif	10,900,000
Hidden Reservoir, Calif	12,500,000
Grand total	303,359,500

The total amount in the bill is $1,457 million plus $88 million added by the committee last week or a total of $1,545 million, and $303 million is thus 20 percent of the total.

Incidentally, on the question of the 18 projects being objected to, only four projects are being eliminated in flood control and one in rivers and harbors by the minority substitute. The flood control projects that have been found not economically justified at present are Buchanan and Hidden Reservoirs in California, Gilbert and Lone Rock Reservoirs on White River in Arkansas (one project) and Sherwood Reservoir in Oklahoma. The rivers and harbors project objected to because it is not economically feasible is Greenville Harbor, Miss. The balance of the projects, 13, that are objected to are objected to only in part and the substitute bill will bring these projects in line with the objections of the departments.

Moneywise, the minority substitute removes only $25.9 million in money authorization within the above five projects because the balance of $123 million is contained in the bill as not money authorizations but project authorizations without increases proportionately in the money authorizations and therefore this is a hidden cost in the future that must be recognized as such.

Moneywise, beyond these five projects, with regards to the 13 projects in the balance of the bill, the minority substitute deletes some $80 million in Federal contributions and requires these contributions to be borne locally consistent with established rules and procedures.

Thus, moneywise there is a deletion by the minority bill of only $80 million plus $25.9 million or a total of only $105.9 million. Authorizationwise an additional $123 million of the unsound projects are being completely removed.

The minority has worked diligently in trying to bring out a bill that we feel the President will sign. That is all there is to this question. We want a bill which the President will sign. We are just as concerned with the President's recommendation of Saturday for carrying out these projects as a hedge against a possible temporary slump, that these public works projects should go forward.

If you take the other position of six-tenths of 1 percent as suggested by the majority we are asked to jeopardize this bill for six-tenths of 1 percent of the total value of the bill. This makes little sense. I am trying to point out though that Congress is being asked by the majority to vote on certain basic fundamental concepts underlying our public works program by approving the majority bill and the minority is taking the position that this is not the manner, on the floor, to hammer out fundamental policy by applying changes to individual projects. These fundamental changes should be considered as was the Jones report, after hearings and due deliberations of all the effects of these changes of policy and the need for them.

What we are arguing about, even if you accept the majority position, is six-tenths of 1 percent of the total of the bill. We are jeopardizing $1,457,000,000 worth of projects by technical arguments about the application of the rules by the Bureau of the Budget and other Government agencies which Congress itself said should be applied at the direction of the Bureau of the Budget. The Jones committee report itself makes this finding in its report, Report No. 23. Their finding No. 3 deals with the Bureau of the Budget, the Bureau that is being made the whipping boy here today. Finding No. 3 states "that the Bureau of the Budget, in the Executive Office of the President, shall be designated as the executive agency to approve these tentative and final allocations." This sets up the ground rules. Now in the middle of the game the majority wants to change the ground rules on 18 of these projects, and put them in the bill despite the fact they do not conform to the ground rules.

These are fundamental questions we are deciding on. It is not, for example, by any means only a matter of new projects for which new money authorization is involved, but it is a matter as well of continuing old projects that need additional appropriations to permit work to go ahead on them. On flood control, as an example, in the Central and Southern Flood Control District there will be $40 million more needed in Florida because appropriations have used up all available authorized money. And there are many small projects around the country as well as major projects of this nature. To delay further these projects that have already been handicapped through lack of funds will be to defeat in part the objective of the great public-works program at this time when we are faced with the possibility of a degree of a recession.

Therefore, if we do not pass this bill, if we do not accept the substitute that is being proposed that involves 18 projects, a total of 20 percent of the amount involved, I say to you that we are running the risk of the President's vetoing the bill; and I say it to you seriously because I believe the President will be consistent in his position.

We have heard a lot about the Bureau of the Budget being the whipping boy on this bill. In cases like the Gilbert and Lone Rock Reservoir projects and the Sherwood Reservoir project and other projects that involve power and water supply other departments are involved than the Bureau of the Budget and have concurred in the unfavorable findings in many instances. There is the Corps of Army Engineers, also the Department of the Interior, also the Federal Power Commission and the Secretary of the Army. Therefore all the blame is not to be saddled on the Bureau of the Budget. And to condemn the Budget Bureau, after giving them this job to do, for doing it, is to try to avoid the fundamentals involved in an effort to get the House to vote for projects that are objectionable and subject to the President's veto, thus jeopardizing the entire bill.

I am for adequate and needed public works projects and have worked in committee for such projects. I believe in our great Public Works Committee and the purposes it is supposed to serve. But, I do not favor judging one project by one standard and the same type

project in another area by another standard. To repeat the pertinent portion of the President's veto message:

In various messages to the Congress, I have clearly stated my view that our vital water resources can best be conserved and utilized in the public interest if the Federal Government cooperates with State and local governments and with private interests in the development of those resources, and does not undertake such development as though it were a matter of of exclusive Federal interest. In order to carry out such a policy, properly and effectively, it is necessary that the views of affected States be given adequate consideration in formulating proposals for water-resources projects. This has not been accomplished for a number of projects included in this bill.

In addition, other projects in this bill would be authorized on a basis which would result in a lesser degree of local participation than was agreed to by the local interests and recommended by the executive branch. I believe that authorization of water resources projects on such terms would represent a serious backward step in the desirable development of the Nation's water resources, and would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government.

Mr. McGREGOR. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I thank our distinguished colleague, the gentleman from Ohio [Mr. McGREGOR] for giving to me the privilege of extending my remarks at this point in the CONGRESSIONAL RECORD. I wanted this space because it fits in so nicely into what has been a long struggle and what I hope is the last day of the long struggle.

People who have never lived along any of our large lakes or rivers have difficulty in appreciating how dangerous it is sometimes to be living along some of our big rivers. We who live along the Ohio River think it is magnificent and would not want to give up the blessings it brings to us through its big supply of fresh water which we and most of the large cities use as our drinking water.

But there is another side of this matter that is very interesting and that is the way the people must make the river stay within its bounds so that it can yield to the people its utmost capacity for all of the advantages that come from a constant supply of good water. I have lived along the majestic Ohio River nearly all my life. I have cooperated with many groups in our efforts to get the natural advantages that come from this great river. I have been very active in securing flood walls for the protection of our cities and the great water supply for the use of the many large plants that operate within the sight of the great Ohio. So active have I been in many different directions that the river men call me Old Man River.

The matter I wish to discuss today, however, has been a serious one for many years and I hope that after we have passed this legislation we are now considering it will relieve at least one very serious situation. Let me give you the details of this situation to which I refer.

The Ohio River is much larger and more impressive than many people believe. Gallipolis is a large thriving town located down in southeastern Ohio. It is the oldest city along the southeastern border of the State and is the city and is the place on which the first large group of French settlers coming in that section decided to locate. The river continues on its southwesterly course for about 80 miles until it comes to my home city of Ironton, Ohio, and from there continues on its way and serves the people in Portsmouth, Cincinnati, Louisville, and on and on it flows until it empties in the Mississippi.

When the French chose this site for their location, they appreciated that it was a beautiful location and they naturally hoped that they could control the river, or at least, could so manage as to keep themselves outside of the reach of the river. While Gallipolis was prospering on the Ohio side, the settlers were fast filling up the Kentucky and West Virginia side of the beautiful Ohio. The builders of Gallipolis left a beautiful space which they have always used as a park. This space comprises probably 20 acres or more. The shores of the river at this point and for some distance further up on the river were rather high and invited settlers to live there. In the middle of the river at that place is a large island. Across the river is what is now part of West Virginia and reaching on further down they reach the upper stretches of Kentucky. Coming to the point, as I have already stated, the Ohio River ran along for a number of miles in a southwesterly direction. It then turned in a westerly direction. At flood times the water would encroach upon this territory. A few years ago a heavy flood came along and swept out two or three houses that had been located close in to the north side of the river. This was followed later by a number of floods which have been very threatening to real estate in that immediate section and even further down. The wharf was located further down and was also in that same threatened location.

The citizens of Gallipolis appealed to me and of course their appeal was listened to because I was very familiar with the dangers that were coming to that city from the encroachment of the river. I, and those working with me, took the matter up with the United States Army Engineers which have a post there at Huntington, West Virginia, down the river about 40 miles from Gallipolis.

The cooperation between all of us was very satisfactory with the result that we succeeded in getting from the United States Army Engineers a ruling with reference to the safety or the danger connected with the flow of the river as it came past the upriver portion of the city of Gallipolis. The United States Army Engineers had realized that this was a dangerous place and that something should be done about it. We cooperated together and did get some improvement in the river and of the city, but this improvement was not permanently satisfactory and the big succeeding floods became more threatening. We again rallied our forces and we got the United States Army Engineers and Washington authorities to make a most complete survey of these requested improvements. As a result, about 3 years ago the United States Army Engineers made a survey and they indicated that according to their estimate it would require about $66,000 to make the improvements that would be necessary to protect the upper end of Gallipolis against the flow of the floods. With the United States Army Engineers I kept pressing this matter along for several years. It was no trouble for us to take our action from the standpoint of being deserving, but the United States of America is a big country and has expansive territory and of course we could not expect to get everything our way just for the asking. We have kept it up, however, and I am glad now that we not only have the approval of the United States Army Engineers, but we have the approval of the Committee on Public Works of the House of Representatives. We have previously gotten a favorable report from the Senate but we were required to take other steps in order to secure what we had been trying to reach for years.

So, today, we have taken up on the floor of the House the bill designated as Senate bill 497. But it is in effect made up as a bill that has been prepared to use in the House of Representatives in an effort to carry out the original program, some of which had been originated in the House. Therefore, we are in a position now where the Senate would be satisfied and the Members of the House of Representatives should be satisfied and the United States Army Engineers are abundantly satisfied and I am sure I, as a representative of the people of Gallipolis, am thoroughly satisfied. Therefore, Mr. Chairman, and Members of the House, I hope we pass this legislation which is now before us and which will be in line with the sentiments of all of the people in the Ohio Valley who know the facts in this case and which will also meet the approval of that great organization in our Government known as the United States Army Engineers and also will meet with the approval of the House committee before which the bill has been considered and I am sure that if the bill is passed and the $66,000 asked in the bill may be allowed to be used for the protection of Gallipolis that we will feel that we have finally won a victory after a long fight.

To those who have assisted me so loyally I want to give them the credit for the work and I hope that we can all see this beautiful work carried on to a grand and beautiful conclusion.

I appreciate most profoundly the help I have received from the United States Army Engineers and from the members of the House Committee on Rivers and Harbors and also the help I have received from the citizens of Gallipolis and Gallia County and many others interested in this project. Again, I say I hope that we are successful in getting the Government to do this job because there is no question about the merits of the case and if this job is not done there is no question but thousands and thousands of dollars of damages will come

to Gallipolis and that neighborhood as time rolls along. The next big flood may take away five or six small houses which are the homes of fine law-abiding Americans.

Mr. McGREGOR. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, I would like to direct my remarks to section 205 of the bill under discussion.

Section 205 deals primarily with water laws. There has been a good deal of discussion about this particular section, and we are coming close to the time when the House will vote upon this measure. I placed in the CONGRESSIONAL RECORD for Thursday of last week, at page 3658, an amendment which if the parliamentary situation allows, I intend to offer tomorrow. This same wording is contained in the Mack bill which will be offered tomorrow.

As I understand, the Mack bill will probably be voted upon first. If the Mack bill is adopted then, of course, I will not have the opportunity to offer this as a separate amendment for it will already have been adopted. If the Mack bill is not adopted and we are left with the committee bill then, as I say, if the parliamentary situation permits, it is my intention to offer this as an amendment to section 205.

The history of this is as follows: The wording which I would propose to offer as a substitute is the exact wording that was adopted by the other body 2 years ago in the 84th Congress in the omnibus rivers and harbors and flood-control bill of that year—H. R. 12080. The wording of my proposed amendment will be exactly the same as the wording which was adopted by the other body at that time.

The bill at that time went to conference. It was revised to some extent, then later was vetoed; therefore the measure never became law.

There have been two primary criticisms directed to section 205 in recent days. One criticism has come from some of the Western States particularly with reference to the portion which deals with low flow. The objection is directed to it on the ground that section 205 (b) authorizes the Corps of Engineers without reimbursement to increase the low flows downstream to the extent warranted at that time or anticipated to be warranted at that time or anticipated to be warranted during the economic life of the project by widespread, general and nonexclusive benefits from said increases in low flow.

That provision has been objected to on the ground that it is too general, it does not lay down any ground rules and it may involve considerable additional cost to the United States because there would be no reimbursement for it and it might jeopardize the rights of people in the Western States who depend on water from some of these reservoirs for irrigation purposes. The amendment which I shall propose to submit would eliminate section (b) dealing with low flow. So that would no longer be in the bill.

Section (c) is the other one to which some objection has been raised. Section (c) authorizes the Corps of Engineers to impound water beyond the needs for flood control for municipal or industrial water or water for other beneficial community use. It states that the Corps of Engineers will provide for such water for present or anticipated future demand. It does not define when that anticipated future demand may occur, whether, 10, 20, 30, or 40 years in the future. Again, objection has been directed to that particular provision because it is too general, it does not lay down specific enough ground rules.

The amendment which I would offer, if opportunity permits, would define the situations under which the Corps of Engineers may make provision for water for domestic use. There will have to be a contract entered into with State or local interests by the time the project is completed. It will also provide that payment will be made in one of two specific ways, either pay as you go by the local interests as that portion of the project is constructed, or repayment in 50 years at a rate to be computed by the Treasury. A maximum of 30 percent of the total cost of the project will be available for allocation to domestic water supply.

The purpose of the amendment will be to endeavor to clarify and to make more specific a situation that is confused in section 205 as it now exists.

A question has been raised a moment ago by the gentleman from Colorado [Mr. ROGERS] as to a worry or danger as to State laws and the Federal law under section 205 and the effect of it.

The original section 205 of S. 497 as passed by the other body this year had a provison in it which referred to reclamation. I would like to refer to it for a moment. Section 205 as passed by the other body was stricken by the House committee.

There was section 205 (a) adopted by the other body in which there is the following sentence:

> Storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior for irrigation, hydroelectric power, municipal and industrial water supply, and allied purposes, under the Federal reclamation laws (act of June 17, 1902 (32 Stat. 388)) and acts amendatory thereof and supplementary thereto: *Provided*, That such storage be constructed and used in compliance with applicable State laws and interstate compacts.

The committee struck this particular sentence out because the Public Works Committee of this body does not have jurisdiction over reclamation projects constructed by the Secretary of the Interior. There was no intention whatsoever on the part of the committee by striking out that sentence to negate any existing or current laws as to compliance with State laws. It was in the sentence dealing with construction to be made by the Secretary of the Interior. On that point we felt we did not have jurisdiction.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I would like to point out that in the original Flood Control Act of 1944 there is a provision dealing with the Secretary of the Interior. I direct the gentleman's attention to section 1 and to section 8 of that act. I am fearful that the gentleman's proposed amendment to the Mack bill is not sufficient.

Mr. BALDWIN. No; the wording of my amendment is in the Mack bill. If the Mack bill is adopted, it will automatically be adopted as the wording of my amendment is worded. If the Mack bill is not adopted and we are considering the bill offered by the committee, it is my intention, if the parliamentary situation allows it, to offer my amendment as an amendment replacing section 205 in the committee bill.

Mr. ROGERS of Colorado. Do you recognize that under the original Mack bill, especially on page 48, section 205 (F), the protection only applies where the city or State makes the application to utilize the water supply, that then they are compelled to comply with the State water law? As I analyze it, only in those cases where application is made are they compelled to comply with the State water law. Is your amendment directed to that part of the bill, that only on the application made by the State or city that they then comply with the State water law, or does it go further? Could you tell me whether it is limited to that application?

Mr. BALDWIN. My amendment at present is worded exactly as the Mack bill. I will elaborate upon it when we get into the amendment under the 5-minute rule.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I sincerely regret that it is necessary for me to rise today in opposition to section 205 of the bill as it is presented to us by the great Committee on Public Works. I oppose section 205 because of the conflicts and confusion which I am certain will result especially in the reclamation West from enactment of this part of the bill. I must say that I find myself in opposition only after what at this time appears to be failure to reach agreement with representatives of the Committee on Public Works on language which would minimize the conflicts and confusion. If section 205 is eliminated from the bill, or if language agreeable to both sides of the controversy can be found, then I shall be glad to give my unqualified support to the passage of S. 497.

I do not object to the basic objective of this section, which as I understand the purpose of the legislation, is to provide flexibility in planning and permit optimum development of our water resources. However, such broad policy changes as are here involved must be given careful and detailed consideration by all those affected. It seems to me that it is not appropriate to incorporate in this omnibus project bill general language which involves such sweeping changes in policy as does this section. I would like to see the matters involved in section 205 considered in separate legislation with consideration given to making the policies applicable to all executive agencies in or-

der to minimize conflicts and confusion and to establish consistant and uniform policies in the development of our water resources. If my information is correct, we do not have the views of the executive agencies on the provisions incorporated in this section. I think it is important that we do have such views and that we give to them consideration before we take final action regardless of whether such departmental recommendations are followed or not.

Enactment of this section would widen the already obvious gap between the laws and policies presently applicable to the Corps of Engineers and those applicable to the Bureau of Reclamation. Without question, such proposal moves in the direction away from what many of us had hoped to accomplish, and, that is, to put all executive agencies under the similar policies and requirements with respect to multiple-purpose water resource development projects.

Basically, the authority provided in this section would do two things: First, it would permit the Corps of Engineers, in its planning and construction of projects, to include storage on a nonreimbursable basis to increase low flows downstream to the extent warranted by existing or anticipated future benefits. My first objection to this provision is that low flow augmentation in itself is not a benefit. Low flow augmentation could serve several beneficial purposes. It might benefit municipal and industrial water users as well as irrigation water users who might be able to acquire water as a result of leases from storage upstream. It also might benefit fishlife. It might also very well result in pollution abatement and control. At the present time and under existing law, these problems and purposes are handled in different ways, especially with respect to reimbursement. Most certainly, such proposal would result in confusion, particularly in those areas where other executive agencies have authority to handle these problems differently.

My second objection to this provision is that it imposes no limitation on the size and scope of the projects which may be constructed, except perhaps physical limitations based on stream flows and storage sites. I am sure that I don't have to be a prophet to say that sometime in the future there will be a need for development of every drop of water in all our river basins. On the other hand, to proceed with such development at this time without adequate justification is just not economically sound.

The second thing which the authority in this section does it to permit storage to be included for present or anticipated future needs for municipal or industrial water—including water for other beneficial community use. As I understand the language, it would call for equitable reimbursement as determined by the Secretary of the Army at such time as contracts were entered into to make use of the storage. This could be 20, 30, or even 50 years from the time when the storage reservoir was completed. In the meantime, the Federal Government would be required to carry the cost for the storage with the interest which accumulates. In other words, for the first time there is established by the language of section 205 the policy whereby the Federal Government would subsidize a municipal water supply.

With respect to the term "water and other beneficial community use," it is my understanding from the committee that this is intended to cover agricultural uses. This being the case, I point out two very serious objections to it. First of all, it places two executive agencies under completely different policies. Under this language, the Corps of Engineers would be authorized to include storage without any assurance of reimbursement, while the Bureau of Reclamation must have repayment contracts before construction can be undertaken. Second, this language seems to conflict with section 8 of the 1944 Flood Control Act, which makes reclamation laws applicable to irrigation operations of Corps of Engineers projects.

Perhaps the most important aspect relating to this section is the absence of language requiring compliance with State laws relating to the appropriation and use of water. In my opinion, this omission would be an infringement upon the State water rights in the 17 western reclamation States, where for a half century the Federal Government has recognized the States' jurisdiction over the storage and distribution of waters within their borders. The committee's report has omitted reference to State laws on the basis that "the committee believes that the construction of Federal projects for flood control, navigation, hydroelectric power development, and other related water uses has been successfully carried on for many years without any question of interference with State laws or interstate compacts." First, I would like to point out that this section gives to the corps general authority which it has not previously had to store water for consumptive beneficial uses. It is this storage over which the States in reclamation West claim full jurisdiction. In the second place, I believe that it is inaccurate to contend that the Corps' past operations have been made without any question of interference with State laws or interstate compacts. It is my information that the Corps is in trouble right now in several areas in this respect. What is going to happen when the Corps first proposes to increase low flows downstream for which some local agency has established water right under the State laws? Litigation, of course, will be the result. So far as the western reclamation States are concerned, I am absolutely certain that if the Corps of Engineers is permitted to store and release water without regard for State water law and interstate compacts, only trouble and confusion can and must result. The amendment which I propose to offer reads as follows:

PROPOSED AMENDMENT TO S. 497, AS REPORTED BY THE HOUSE PUBLIC WORKS COMMITTEE

Pages 102 and 103, strike out all of proposed section 205 and insert in lieu thereof the following:

"SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or reclamation projects.

"(b) In prosecuting plans and projects for navigation, flood control, irrigation, reclamation, or allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers or the Bureau of Reclamation without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow.

"(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed, or to be planned, surveyed, and/or constructed by the Corps of Engineers to impound water for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army or the Secretary of the Interior, as appropriate, in a period not to exceed 50 years: *Provided*, That the provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) relating to the same subject.

"(d) The provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944 (58 Stat. 890).

"(e) The Secretary of the Army and the Secretary of the Interior shall, in the interest of comity between the United States and any State in which storage for beneficial consumptive use is provided pursuant to subsections (b) and (c) of this section and which lies wholly or partially west of the 98th meridian, impound water therein and release it therefrom (i) without interfering with any prior valid, subsisting vested right to the use of water, (ii) in accordance with the applicable laws of the State in which the storage is located relating to the appropriation of water for beneficial consumptive use, and (iii) in conformity with the applicable provisions of any interstate judicial decree or judgment or of any interstate compact to which the consent of Congress has been given. The term 'applicable laws of the State,' as used herein, does not include laws which discriminate against the United States as an appropriator of water or, if the place of use is outside the State, against an appropriation for such outside use."

In closing, let me say again that if the objective of making the best use of our water resources is handled in separate legislation, I believe we can agree on policies that are sound and consistent in their application to all executive agencies. Since agreement on language to be included in this section does not seem possible at this time, I hope that the section will be deleted from the bill and, if necessary, I shall sponsor an amendment to that end.

Mr. McGREGOR. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, all of us are aware, I am certain, of the need for a return to full employment in our Nation. All of us, I am equally certain, will do all in our power to accomplish this purpose to insure that our Nation's economic future rests on the bedrock of firm fiscal policies.

Among the measures proposed by both the legislative and executive branches of our Government has been an increase in new public works construction. Many measures are being sought to increase the amount of this new construction as a necessary push to our economy and the creation of new jobs.

There is no doubt of the need for many of these public works projects, whether we are in a position of full employment or not. Nor is there much question as to the responsibility of the Federal Government in most of these projects.

But there is a question of the Federal Government going too far and too fast, bringing about a new condition which I am certain none of us wants again. That is the spector of inflation, which hangs over our heads like an avenging spirit if we overreach ourselves.

There has been some criticism of the Bureau of the Budget in its efforts to insure that Federal dollars are used in a wise and just manner in the matter of new construction. There have been charges that this Government agency is usurping the powers of Congress and that it is taking over some of the legislative duties of our Nation.

If the Bureau of the Budget has become strong, it is because Congress has become weak in showing the responsible leadership and the initiative to cope with the problems facing our Nation in the past, present, and future.

Let us take the matter of public works, since that is the topic of discussion for today. We hear cries for a step-up in the Federal program and a blanket authorization of new projects, whether they are justified or not.

But do we hear any cries to Congress to make funds available for projects which already have been authorized in years past? Do we hear any clarion calls to duty from my distinguished colleagues on the other side of the aisle to get about the business of authorizing money for what we have already approved? So far, I have not heard them.

An example is S. 497, a matter which is before us for consideration today. This measure, which—as it now stands—certainly is not in the best interests of our Nation as a whole, has been delayed for many months before it was permitted to come to the floor of the House of Representatives.

The record of delay by Congress in the past is no better. Some $8 billion in Federal projects have been authorized by Congress for which funds have not yet been appropriated for their construction by Congress.

Imagine, $8 billion, and they are trying to ram through this pork barrel bill which contains about 20 percent objectionable projects out of a total of $1.4 billion.

Of these projects, some $4.5 billion are considered "active" by the Corps of Engineers, another $1.4 billion are on the "deferred" list, while more than another billion dollars are labeled "inactive."

Of the projects now in the construction stage, some $8.7 billion has been authorized. But it will take $4.5 billion to complete these projects. So if the Appropriations Committee wants to prime the pump in the United States, all they have to do is appropriate $4.5 billion and you will have a great many projects under construction.

From the available projects in which the Federal Government now has a responsibility, it is quite evident that there is plenty of work to do and plenty of money to be spent. It is imperative that any questionable projects be deleted from our public-works program. There are enough worthwhile projects already authorized by Congress to keep our work force busy for years, if it had the money.

Approval of all the projects in the world is not going to do our Nation's economy any good unless there are funds to help build these projects.

We already have seen some of the peculiar workings of the majority in the House Committee on Public Works on other measures. For instance, the lease-purchase agreement was permitted to lapse last year after bipartisan passage by the Senate of this vital measure to insure a Federal building construction program.

Instead, the majority members of this committee wanted a return to the spoils system of direct appropriation which would further increase our national debt and deprive many of our communities of the local tax base they need to carry on their own governments.

The fact remains that S. 497 will not put a single man to work if it is passed by Congress and approved by the President. There still must be money appropriated to carry on construction of these projects.

It is in the interest of our Nation's taxpayers and the already heavy drain upon their pocketbooks that we insure that no unworthy projects are included in the rivers and harbors omnibus bill. We must take every precaution to insure that the Federal Government is paying its share, and only its share, for the construction of needed facilities.

Therefore, I propose that my distinguished colleagues in the House approve a clean public-works bill, one in which there is no question as to the desirability of the projects themselves or in the cost to the Federal Government for their construction when money is made available in the future.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. GRIFFIN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GRIFFIN. Mr. Chairman, I rise to commend my distinguished colleague, the gentleman from Michigan [Mr. BROOMFIELD] for his diligent work and his courageous stand on this bill.

Mr. BROOMFIELD has focused attention upon the fact that there are now about $8 billion worth of Federal projects heretofore authorized for which Congress has not yet appropriated funds. In light thereof, there can be no excuse whatever for throwing reason and principle aside to push through this "pork barrel" legislation.

This is an authorization bill—not an appropriation bill. It cannot be justified under a cloak or pretext that it will prime the pump of our economy.

The House owes a great measure of appreciation to our colleague, the gentleman from Michigan [Mr. BROOMFIELD] who has contributed so much to a better understanding of this important bill.

Unless this body deletes from the bill those 18 "pork barrel" projects, to which the gentleman from Michigan [Mr. BROOMFIELD] and the other minority Members object, I intend to cast my vote against the bill.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Chairman, the omnibus river and harbor bill, S. 497, is of deep interest to Clevelanders as it contains the authority—on page 63 of the bill and page 10 of the report—to replace three bridges that are now a hindrance to navigation at the port of Cleveland.

The first of the bridges, Erie Railroad Bridge No. 19, is located on the main stem of the Cuyahoga River. Its replacement is essential if the larger ore boats are to move to the docks of the Republic Steel Corp. and Jones & Laughlin Steel Corp. The other two bridges, Baltimore & Ohio Bridge No. 32 and Willow Avenue Highway Bridge No. 33, are located on the Old River branch of the Cuyahoga River. These bridges prevent the larger ore boats from moving to the Erie ore dock.

Replacement of all three of these bridges is essential in the interest of national defense. The port of Cleveland cannot function entirely efficiently until all of these structures have been replaced. When that is done Cleveland will be able to take full advantage of the inner harbor-development program that has been going on for the last 20 years. The railroads, city of Cleveland, and industries have all done their part on this project over the years.

I am happy to speak in support of this section of the bill.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. DENNISON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DENNISON. Mr Chairman, I rise today in support of the authorized

projects in H. R. 11121. In that connection I particularly desire to discuss with the Members of the House the project known as the West Branch Reservoir of the Mahoning River, Ohio. This project has been designed by the Corps of Engineers for the purposes of flood control in the Mahoning River in the winter and spring and low flow augmentation during the summer and fall.

It is proposed that the West Branch Reservoir, of which I speak, will be constructed in an area to the west and south of Warren, Ohio, and to the east and south of Ravenna, Ohio, both of which are in my district. The entire project will lie within the 11th Congressional District of Ohio which I have the honor to represent.

West Branch Reservoir will make a contribution to flood control in the entire area. I can remember year after year seeing Perkins Flats along the Mahoning River in Warren, particularly in the springtime, covered with water. Those flats are where our children in the city of Warren play baseball, where we school and train our Little Leaguers. It is the place in the city of Warren the people are proud to call a park, when it is not under water. This condition which often still continues is but one isolated example of the effect of seasonal rains and high water along the Mahoning River. With the construction of West Branch Reservoir to catch and store this surplus water, floods in such areas will be a thing of the past.

I need not remind the Members that northeastern Ohio contains within its bounds a tremendously dynamic industrial capacity and, although it is known, in the Mahoning Valley at least, principally as a basic steel producing area, I dare say that there is greater industrial activity in diversified fields such as electric lamps, steel fabricating, electric motors and cables and many other.

All the industries in the valley require water for their operations and the only source of water is the Mahoning River itself. It is upon this river that the livelihood of thousands of working men and women depend. It is upon this river that the hopes and aspirations of many more thousands of working men and women in the future depend. For such job opportunities to be fully realized by our people, it is, of course, a condition precedent that the factories themselves shall operate and operate successfully. They cannot do this without water.

The West Branch Reservoir will give a new incentive to industry to locate in the area and particularly a new hope to the people of Portage County where the dam will be constructed to seek more rewarding employment. The Corps of Engineers assures me that the water of the West Branch Reservoir will be available for use by new industry which may desire to locate within the drainage area of the reservoir, a total of 80.5 square miles. Furthermore, the city of Ravenna may use the water from such reservoir if it so desires provided a suitable filtration plant is located within the drainage area of the reservoir. This project then will mean much to the citizens of Trumbull and Portage Counties.

Some time ago and before I took office, a diversion on the Mahoning River was planned and authorized and is now in the process of construction. Its purpose is to increase the available water supply to the city of Youngstown, Ohio. Its effect will be to divert usable water from the city of Warren, Ohio. An agreement entered into by the Corps of Engineers provides that up to 34 million gallons of water a day may be diverted to meet the needs of Youngstown. This means that 34 million gallons which now flow in the Mahoning River through the city of Warren may ultimately be drawn off and bypass Warren completely.

You can readily see the effect on Warren of this tremendous volume of water being taken away which the Corps of Engineers says is indispensable to the maintenance of stream conditions at Warren.

In order to compensate for the potential loss of water in the Warren area, it is necessary that the West Branch Reservoir be constructed without delay. Even with the West Branch Reservoir which will provide an estimated maximum of 27 million gallons per day, there will still be a net loss to the area which I am honored to serve, of 7 million gallons per day. West Branch will not solve the problems of the area, but it will at least put Warren back somewhere near the place it started.

I am convinced from my study of the information given me by the Corps of Engineers and my own personal knowledge of the area and from hearings which have been held on this matter, that the West Branch project is extremely vital for the welfare and health of the citizens of perhaps the most dynamic area in the country today.

For these reasons I urge the House to approve this project without delay so that adequate flood control will be provided in the wet seasons of the year to those along the Mahoning River, so that industrial development and employment in Trumbull County will increase, and so that residents of Portage County will enjoy the privilege of increased industrial activity and greater job opportunities for all.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. O'HARA] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Chairman, S. 497 contains many worthy projects and I do wish to comment on three which affect my Congressional District.

One which offers tremendous future benefits to Minnesota would authorize certain improvements on the Minnesota River. It provides for improvement of the channel on that river which would not only improve navigation, but afford a tremendous development for industrial purposes along the Minnesota River from the mouth of that river upstream to mile 14.2, and with the channel further extended five-tenths of a mile upstream to mile 14.7.

A further project would provide flood protection on the Minnesota River at Mankato and North Mankato, Minn., where in 1951 the town of North Mankato was flooded and practically all of the population of 5,000 persons had to be removed to other locations. In addition other homes and business places and industrial locations were flooded in Mankato and LeHillier. In all, the flooding caused the evacuation of about 6,000 persons when emergency protective measures proved to be ineffective. The United States district engineer reported that a repeat of the 1951 flood would cause damages estimated at over $2,600,000, based on 1953 price levels.

A third worthy project, which will be included in a Committee amendment, is that of a flood-control project at South St. Paul, Minn., which is located on the Mississippi River and which was subjected to flood conditions in both 1951 and 1952. These floods were particularly damaging to the South St. Paul stockyards and the packingplants located there, as well as having a very severe effect upon several large trunk sewers and the sewage disposal plant in the flooded area.

The United States Army Engineers made a formal report, recommending the construction of levees between miles 834.5 and 832.6 at South St. Paul, together with improving interior drainage facilities for the protection of the industrial area of the city, exclusive of the South St. Paul sewage disposal plant.

In each of these projects the Board of Engineers finds that the projects are economically justified and recommends their construction, subject to certain requirements of local cooperation. The construction of each of these projects is urgently needed and I sincerely hope that passage of this legislation will authorize this highly needed construction.

Mr. McGREGOR. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, like the gentleman from Colorado [Mr. ASPINALL], for whom I have a great regard, I rise in opposition to section 205, which puts a cloud on State water rights. On page 56 of the commmittee report it is stated:

> The committee has also removed the proviso concerning compliance with State laws and interstate compacts since this is not considered to be necessary for projects constructed by the Corps of Engineers.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. ROGERS of Colorado. Directing the gentleman's attention to the so-called Mack substitute, that in effect provides that before our water laws can be complied with there must be an application made by the State or county. Does not the gentleman think it is proper that in both the substitute and this bill we clarify the language so that the reclamation States laws shall be complied with?

Mr. DIXON. The gentleman is exactly right, and I support the amendment which my colleague [Mr. ASPINALL] will submit, also the one to be offered by the gentleman from California [Mr.

BALDWIN]. Either one of them will help correct our situation.

The 17 Western States in the reclamation area are up in arms with the bill because it casts the cloud upon our water rights. We have enough things at this time to upset people without going out of our road to find them. So I plead with my colleagues here in the House to look with favor upon one or the other of these amendments, which will protect the States water rights. The water in many of our reclamation States is as valuable as the land. Conversely, the land is of no use without the water. When you cast a cloud upon the water rights it creates more tension and apprehension.

For these reasons, I hope we can get one or the other of these amendments to protect State water rights.

A crucial problem facing Federal-land States is the preservation of State water rights against Federal invasion. If the Federal Government does not abide by State water laws, the water rights which have been long established under these laws will be threatened and their validity will be thrown into confusion. It would take decades of litigation in the courts to clarify the validity of existing water rights if the Federal Government is left free to encroach on them.

There are 13 provisions of law enacted over a span of decades from 1866 to 1955 which affirm and reaffirm the position taken by Congress that the Federal Government must observe and follow State water laws in the West.

For example, the Desert Land Act of 1877 severed water rights from Federal ownership of all public land so as to render the water subject to appropriation under State law. This position was accepted by the United States Supreme Court which in a sweeping statement in the case of *California Oregon Power Co.* v. *Beaver Portland Cement Co.* (295 U. S., at 162–163), as follows:

> What we hold is that following the act of 1877, if not before, all nonnavigable waters then a part of the public domain became publici juris, subject to the plenary control of the designated States.

However, in a recent decision of the Supreme Court doubt was injected into the generally accepted principles of water rights in the reclamation States. The case was *Federal Power Commission* v. *Oregon* (docket 367) decided June 6, 1955. The applicant in the case did not acquire water rights for power generation under the laws of Oregon, notwithstanding the provisions of section 9 (b) and 27 of the Federal Water Power Act of 1920, as amended. The Supreme Court upheld the granting of the license to build the dam and produce power and declared that the Desert Land Act of 1877 does not apply to the use of waters on lands reserved by the United States.

This would work a revolutionary change, and Justice Douglas filed a dissenting opinion in the case. He pointed out that the Court had departed from the ruling it previously made in Nebraska against Wyoming. He also cited other cases supporting his position. Justice Douglas then pointed out the importance of the decision:

> The rule adopted by the Court profoundly affects the economy of many States, 10 of whom are here in protest. In the West the United States owns a vast amount of land, in some States over 50 percent of all the land. If by mere Executive action the Federal lands may be reserved and all the water rights appurtenant to them returned to the United States, vast dislocations in the economies of the Western States may follow. • • • Federal officials have long sought that authority (to reserve the water rights as well as withdraw the land). It has been consistently denied them. We should deny it again. Certainly the United States could not appropriate the water rights in defiance of Oregon law, if it built the dam. It should have no greater authority when it makes a grant to a private power group.

Congress should attack the revolutionary rejection of established State water rights implicit in the Pelton Dam case. We should adopt either the Baldwin or the Aspinall amendment to require that the Federal Government obey State water laws in the development of the projects in this public works authorization bill.

In my State where the Federal Government owns 72 percent of the land, the people want this amendment passed. The following is a telegram I received from Frank Shelly, director of the Utah State Farm Bureau:

> Strongly urge your vigorous support of action to restore requirement for compliance with State water law to S. 497. House Public Works Committee struck Senate approved proviso. Effect of deletion would be that Army Engineers could disregard State water law and rights thereunder. Extremely important that rights under State law be protected.

I would also like to quote a resolution passed by the National Farm Bureau, which was recommended by most of the Western States especially after votes had been taken in their State conventions, following votes taken in their county meetings:

> Water rights established by State law and State laws relating to the use of water should be respected by Federal agencies. We support the enactment of legislation to provide for this.

Mr. McGREGOR. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, as I rise in support of the worthy projects in this bill, I am reminded of the fact that 18 years ago, when I first became a Member of this body, I was assigned to the Committee on Flood Control. The chairman was Will Whittington, of Mississippi, perhaps the best-informed man on rivers and flood-control matters of any civilian in the United States. He was indeed a fine chairman as many of you will recall.

After the Reorganization Act, the Committees on Flood Control, Rivers and Harbors, and Roads were combined into the single Public Works Committee. It was my privilege and pleasure to serve as chairman of the Subcommittee on Flood Control during the 80th Congress. As I recall, the distinguished gentleman of the majority party on the present Public Works Committee, Mr. DAVIS of Tennessee, served with me on that subcommittee. I am sure he will remember the rigid standards which guided our subcommittee on the selection of projects in the rivers and harbors omnibus bill.

We had about $4 billion of authorized flood-control projects awaiting appropriations at that time. I understand we have more than that now. Knowing, as we did, that there were enough authorizations to take care of future appropriations for 10 years or more, we required each new project approved by the subcommittee to have a ratio of benefit to cost of 2 to 1 or better. Furthermore, these projects were to have cleared all interested Government agencies such as the Corps of Engineers, Agriculture, Interior, and Commerce Departments, and the Bureau of the Budget.

Under such a procedure there were no controversial proposals in the bill. It passed this House in about 45 minutes, if my memory serves me correctly.

This present Congress has many new Members who represent changing economic conditions, shifts in population, and so forth. There are new and desirable projects in the bill before us at this time. Should they be authorized? I certainly believe they should be, and that we should group them into a clean omnibus bill and send them on to the President. I emphasize the necessity of having none but clean projects—projects which have cleared the interested Federal agencies, recommended by the Corps of Engineers and which have a high ratio of benefit to cost.

Members who have offered uncleared projects for this bill have had a full year in which to get them cleared with the Corps of Engineers and the necessary Federal agencies. It is regrettable that this has not been done.

My own project, construction of a dam and creation of a reservoir in an important area in southern Indiana, was one of those which had not been given a clean bill of health when the other Chamber passed the omnibus bill last year. In the interim, however, I have been able to contact all the interested agencies and received their approval. Therefore, this project, which is known in Indiana as the Monroe Reservoir project, is included in this bill with all necessary approval.

I am hopeful that other projects are similarly approved before the bill goes on to the White House. I suggest, therefore, adoption of the minority substitute which I understand is to be offered.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. CHENOWETH] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHENOWETH. Mr. Chairman, I am happy to see this bill on the floor today. I am anxious to see an omnibus river and harbor and flood-control bill passed at this session. I was very disappointed when the bill passed in the 84th Congress was vetoed, and I hope that we

can agree on a bill which will have the approval of the President.

There is only one project in this bill for the State of Colorado, and that is the Trinidad Dam on the Purgatoire River, located near Trinidad. The city of Trinidad suffered heavy damages from a devastating flood in May 1955. I might state that there have been recurrent floods on this river which have caused great damage in the city of Trinidad, and to the farms located below Trinidad on the river. It is important that this dam be constructed at the earliest possible date in order to prevent future damages to the property in this area.

This project was included in the previous bill and there is no controversy over the same. There is a great deal of interest in this dam, which has been recommended for construction by the Chief of Engineers as contained in House Document No. 325 of the 84th Congress. There is an urgent need for this project in order to protect life and property in the city of Trinidad. This is a multiple-purpose project, and the farmers in the Trinidad area will purchase water for irrigation. No new land will be brought under cultivation, but there will be supplemental water for the land now being cultivated.

Mr. Chairman, I have received a number of communications from Colorado protesting against section 205 of this bill. There seems to be great concern over the language used in this section. There is a feeling that this section will jeopardize the water laws of the State of Colorado, and other western States.

It is my understanding that it is not the intention of the committee to attack our State water laws, and I hope that this language can be revised so that there will be no doubt concerning the meaning of the same. It is essential that each State be permitted to regulate the water within its boundaries, without interference from the Federal Government.

I will be happy to support an amendment which will remove all doubt concerning the interpretation of this section. I feel that language can be used which will clear up the confusion which now exists concerning the intent of this section.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri [Mr. MOULDER] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MOULDER. Mr. Chairman, today we are considering legislation which has for its purpose the development of our natural resources for the benefit of the people. S. 497 is a good bill, providing for the future improvement of our economy and also employment opportunities for our own country and our own citizens instead of contributing billions of the American taxpayers' dollars to the economies of 60 foreign countries in every port of the world, at a cost of $4 billion annually.

I shall support and vote for S. 497.

Mr. Speaker, I include as a part of my remarks the following letter from Julius Helm, of the Missouri State Rural Electrification Association:

JEFFERSON CITY, MO., March 8, 1958.

HON. MORGAN M. MOULDER,
House Office Building,
Washington, D. C.

DEAR MORGAN: This is to give you the thinking of the REA co-op officials in Missouri on Senate bill 497, which is the omnibus public-works bill authorizing rivers and harbors, navigation, and flood-control projects.

In a meeting last Wednesday, March 5, with approximately 100 co-op officials representing every rural electric cooperative in the State, Senate bill 497 was thoroughly discussed and it was the unanimous opinion of those present that the bill should be passed by the House for the following reasons: (1) these projects will be beneficial to the general public in controlling floods and conserving natural resources, and (2) construction of these projects would be of general economic aid to the present receding national economy. Furthermore, we feel that some of the projects will contain power that is going to be badly needed in the very near future. Therefore, unless there are reasons unknown to us which make the projects undesirable, we would sincerely appreciate your support of Senate bill 497 when it comes up on the floor of the House for passage.

With kindest personal regards.

Sincerely yours,

JULIUS HELM,
General Manager, Missouri State Rural Electrification Association.

Mr. DENT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, I note that the week-end papers are filled with stories of a new and added proposal by the President concerning flood-control expenditures. In conjunction with this today we are presented with a new bill with $1½ billion of the projects, both river and harbor and flood controls. I note that in the main most of the projects are restricted to those recommended by the Secretary of the Army, the Chief of Engineers, and the Bureau of the Budget.

Faced with an emergency need of quick and early activity in the matter of public works, I would recommend that this project be coupled with a new departure in a selection of projects.

I would recommend that moneys be paid directly to the States through the various flood control, river and harbors departments for any projects that they now have and will have within a limited time which will be beneficial to the State's problems.

I have in mind, for instance, an immediate project requirement in Westmoreland County, the District I represent, calling for a 3-mile cleanup in a stream which vitally and seriously affects the community of Scottdale and surrounding areas.

I have in mind the great need in the city of Philadelphia for harbor repairs which are all ready for immediate construction and contract.

I have in mind the city of Pittsburgh with its great need in its river facilities with projects that are now or can be made ready in a very short time.

I have in mind the city of Erie with its lake-ports plans which are of great importance in the future planning for the great St. Lawrence Seaway.

I am thinking of the deepening of the channels of the Delaware, the Schuylkill, and hundreds of other streams in my own State of Pennsylvania which, I am sure, can be duplicated in every State in the Union.

The States, in many instances, will have projects prepared, engineered, and ready to go. On projects that a State prepares, most have complete approval by the Federal agencies affected thereby so that there can be no argument that the projects will be harmful to the flood-control and river-and-harbors problems.

I am sure that in the face of the immediate need for public works, this plan would expedite the contracting, construction, and repairs which, in turn, would give an immediate lift to the economy of the Nation. It would not then be a waste or a boondoggle, because these projects have been prepared by the various States on the basis of need. The money can be made available directly to the various States of the Union and they, with proper clearance from the Federal agencies, can start to work almost immediately giving relief both to the affected areas as well as to the unemployed workers.

I ask that the committee and the Congress give every consideration to this proposal.

In view of committee rules and the fact that S. 497 is on the calendar for action this week, I shall introduce a new bill to carry out the purpose outlined herein.

Mr. THOMPSON of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Chairman, I find myself in a rather unusual position. I have two projects in the original Public Works bill passed some 2 years ago and vetoed by the President. There is no question about their merit, and none has been raised at any stage of their progress. I want to see them passed, and under no circumstances would I contribute to a move which would prejudice their successful conclusion.

As I have listened to the debate on the measure today, I have been somewhat puzzled to know just what projects are to be eliminated if the Republican substitute bill prevails. Some who have spoken have indicated that a measure which has the approval of the Chief of Engineers will be included in a committee amendment which is acceptable to both sides of the aisle. If this is the case, I will have an additional project included—one which is very important to my District and particularly to Galveston County and the industrial city of Texas City. It provides for an $8 million seawall-and-dike project, some of which is to replace an inadequate structure on which the city has depended for

many years. This measure has the complete approval of the Corps of Engineers. It was recommended to the committee by the Corps in last week's special meeting. This recommendation came in spite of the fact that the Bureau of the Budget gave it somewhat less than a wholehearted recommendation. The Bureau said "there would be no objection to submission of the proposed report—by the Engineers—to the Congress at this time." It went on to say that they would recommend "that the project not be authorized until there has been an opportunity to review further the implications of the new program of hurricane flood protection proposed by the Chief of Engineers. In view of the predominantly local character of the benefits anticipated from these projects it is considered especially important that further study be given to the degree of non-Federal participation in the cost of such projects."

Thus, the Bureau gives a qualified approval. The project meets every requirement of the law which this Congress passed and of every policy it has established. The Bureau, in effect, tells us that maybe there will someday be a different law and that therefore it should not be approved until it has been reviewed further, and so forth. If this review is to be by the Congress, and I believe that it is and should be, then the action of the committee last week has met the requirements of the Bureau of the Budget, and the project should be approved. I can hardly believe that anything else was in the minds of the Bureau, particularly in the light of an article in yesterday's Washington Post reflecting that the President recommended a 3-year, $2.8 billion speedup in existing public works and housing programs to recharge the slumping economy. It is my understanding that the President has in mind flood-control projects of the exact nature of this Texas City project, of which I now speak. Apparently, therefore, the requirements of this Congress, and certainly of the Public Works Committee, have all been met; and it should be accepted by all here present. Should it be included in the final bill, there is nothing about it which should be objectionable to the President, since it has not been objected to by the Bureau for any reason of law whatsoever. As a matter of fact, I cannot find in the Bureau's letter of transmittal any objection whatsoever. Certainly, the Chief of Engineers has given his wholehearted recommendation. I hope the committee and the House will likewise approve it.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I want to take this opportunity to do two things:

First, I want to express myself as being squarely in support of the bill now being debated in the Committee of the Whole House on the State of the Union. I refer to S. 497.

Secondly, I want to take this opportunity to congratulate this committee upon the fine bill it has brought to us. It contains, as I understand it, a total of 130 projects.

Now, it is my understanding that the committee is in agreement as to most of these projects. I am told that of the 130 projects that the committee is in complete agreement on 112 of them. As I understand it, there is some disagreement about 18 of the projects.

Mr. Chairman, this country needs a bill authorizing the construction, repair, and preservation of public works on our rivers and in our harbors for navigation, flood control, and for other purposes.

The country has waited too long, already, I think, for such a bill.

The committee is aware of the fact that the President vetoed the public-works authorization bill which we passed in 1946.

Along with you, I have heard the rumblings that the President might veto S. 497. I have no way of knowing what his attitude about this bill is, or might be after we pass it. It is his responsibility to approve it, or veto it as he sees it. I believe he will sign the bill, even though he might, and even though members of his party might disagree on the merits of some of the projects.

Here today we have heard the old arguments that this is pork-barrel legislation, that there is already several billion dollars worth of projects authorized that have not yet been built.

I say to you, Mr. Chairman, that this is good legislation. A project cannot be built until it is authorized. Once authorized, the Congress can again exercise its judgment as to whether it will build a particular project in the appropriations process. It is certain that no project can be built until it is first authorized.

If the economy of this country continues to slide, as it has done for the past 6 months, then it may become necessary for the Government to go into the building of public works projects on a wide scale in order to fight unemployment and its ravages.

Mr. Chairman, I am for this bill.

Mr. Chairman, most of the members of the legislative committee know of my interest in the Tombigbee River and tributaries project in Mississippi and Alabama.

This project has long been before the Congress.

It was approved by the Congress in 1956 for a lesser amount of local contribution by almost one-third than that contained in the bill before us.

I am glad that the committee has again recognized the value of this project. I have long thought it to be a worthwhile project.

The project is situated in an area that cannot pay the amount of local contributions recommended by the Corps of Engineers.

Tomorrow in the amending phase of the debate on this measure, I trust that the House will retain this project, and all of the other projects embodied in this bill. I feel that the House committee has done a most excellent job in writing the bill.

The authorization of the projects contained in this bill by the Congress will make America richer. These projects will make America stronger. They should be authorized.

Mr. SELDEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Chairman, I urge the Members of the House to retain in the omnibus rivers-and-harbors bill now under consideration the sum of $19,199,000 which has been recommended for the Tombigbee River Valley flood-control project.

The first attempt to gain Congressional approval of a flood-control project for the Tombigbee River Valley area was made in 1939, but it was not until 1956 that Congress passed legislation authorizing the project. However, the legislation containing the authorization was vetoed by the President on August 10, 1956.

The Board of Engineers for Rivers and Harbors has recommended improvement of the Tombigbee River and its tributaries by means of channel clearing and rectification on 22 tributary streams, generally in accordance with the plans of the district engineer. The district engineer's plan involves about 466 miles of streams and provides principally for clearing all growth except trees larger than 10 inches in diameter from within 20 feet of the top of the banks; clearing the channels of snags, debris, and drift jams; and excavating channel cutoffs and enlargements.

Two of the tributaries of the Tombigbee River—the Noxubee River and the Sipsey River—are partially located in the Sixth Congressional District of Alabama, which I have the privilege to represent. The Sipsey River flows through Tuscaloosa and Greene Counties in my District,. The Noxubee River flows southeasterly 135 miles through Noxubee County, Miss., and Sumter County, Ala., also in the Sixth District, to join the Tombigbee River just above Gainesville in Sumter County.

For nearly 25 years, this area has been hit by heavy rainfall several times each year, with the annual precipitation estimated at approximately 55 inches. In addition, ruinous floods occur about once every 10 years. The floods and high water conditions have become progressively worse, due chiefly to the very poor drainage system in the basin. The resulting damage to agriculture, which is the main livelihood of the people who live in the area, is most severe. Crops on inundated land are either destroyed or the yields are greatly reduced.

Although the greater part of the flood losses occur in the rural areas, urban sections in the region inundated by major floods also suffer considerable damage and inconvenience.

The Corps of Engineers has stated that the flood-control improvements recommended in its report are both warranted and economically justified. Therefore, I respectfully urge the Mem-

bers of the House to support this important flood-control project.

Mr. McGOVERN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Chairman, I rise in support of the bill S. 497. I have always believed that public funds invested in the improved usage of our water resources represent a sound investment of the tax dollar.

This is especially true today with the Nation's demands for water accelerating at an almost unbelievable rate. Aside from the normal peacetime benefits of proper water control and usage, the remarkable strides of the Soviet Union in development of river projects offers a new challenge to us in this field.

Sometimes, however, worthwhile river development projects cause temporary hardships to local citizens that ought to be eased as much as possible by Federal assistance. Such a case involves the St. Joseph Indian School at Chamberlain, S. Dak.

In this instance, construction of the Fort Randall Dam and Reservoir, has contributed to a sewage disposal problem for the Indian school at Chamberlain. This is a privately operated church school which provides care and educational instruction for nearly 300 Indian children at no cost to the Government. The school operates on a meager budget which is provided by voluntary contributions. It would be difficult to fully evaluate the tremendous contribution that such an institution makes to the educational, economic, social, and moral life of the Indian youth of the area.

Prior to the construction of the Fort Randall Reservoir at Chamberlain, the St. Joseph school had for years disposed of its sewage in the Missouri River channel. Today, however, this practice is regarded as a health hazard to the city of Chamberlain because the sewage is going into the new reservoir from which the city now draws its water supply.

Local engineers estimate that it would cost approximately $42,000 for the Indian school to attach its sewer system to the existing municipal system of the nearby city of Chamberlain. This is not a large sum of money, but it represents an almost impossible burden for the school to add to its already strained budget. It is entirely possible that this additional load would force the school to close, thus throwing the burden of maintenance and education for nearly 300 Indian children on the Federal and State agencies.

The Army Engineers have argued that the Federal Government cannot be held legally responsible for the sewage problems of the school since these facilities were inadequate even before construction of the Missouri River Reservoir. The fact remains, however, that there was no public objection to the sewage-disposal practice of the Indian school prior to the time when Missouri River construction forced the school to revamp its disposal system and begin emptying into the newly created reservoir.

Mr. Chairman, we have supported many programs that are far more costly and of no greater merit than this modest request for assistance to a benevolent institution that has been faced with a serious problem since the Congress authorized the building of the Fort Randall Dam. I strongly urge my colleagues on the Republican side who are objecting to the support for this $42,000 authorization recommended by the Democratic majority of the House Public Works Committee to reconsider their objections and give us their support for this worthwhile project. I do not see how we can in good conscience turn our backs on this request.

In a recent letter to me from Father George Pinger, of the St. Joseph Indian School, this dedicated educational director said:

> After all, over the years, St. Joseph's has poured many thousands of dollars into caring for the Indian children of this area at the same saving for our Government. We are now launching upon a building program that will almost double our present facilities for caring for Indian children. We do not ask help of our Government in carrying on this work. It has been supported by private charities until now, and our friends will continue to support us. Are we asking too much of our Government to simply repair the damage which the Government project has caused to St. Joseph's?

Mr. Chairman, I most strongly urge the House to sustain this recommended project for the St. Joseph Indian School.

Mr. CHRISTOPHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, a recent article by NEA Washington Correspondent Peter Edson in which he quotes Senator ELLENDER and General Itschner contains some very disturbing information.

This article, which I am including herewith, brings out very graphically the fact that the near future is liable to find us trailing Russia in the production of hydroelectric power as well as sputniks and ICBM missiles.

Mr. Edson's statement that the Russian project on the Yenesey River will, when completed, produce 6 million kilowatts which he says is 75 million kilowatts in excess of all the dams built by the United States Army Corps of Engineers in its entire history.

Is it not high time that we began the utilization of all of our great water-power potential while we still have time.

The article follows:

SEE U. S. S. R. SURPASSING UNITED STATES IN HYDROELECTRIC POWER

(By Peter Edson)

WASHINGTON.—Soviet Russia's hydroelectric power production now approaches and will soon surpass that of the United States.

Individual powerplants in Russia and Siberia are far bigger than the largest installations in America.

Grand Coulee Dam on the Columbia, largest United States installation, has a capacity of 1.9 million kilowatts.

The new United States-Canadian Niagara powerplant on the St. Lawrence will have a total capacity of 2.2 million kilowatts.

But the U. S. S. R. has 10 plants ranging from 2 to 6 million kilowatts. One is almost complete, three more are under construction, six more are in advanced planning stage.

The 6 million kilowatts of the Yenesey River plant will be larger than the 5.25 million kilowatts capacity of all powerplants at all dams built by the United States Army Corps of Engineers in its history.

Five Siberian plants will have a combined capacity 50 percent greater than all United States dams built by the Army, Bureau of Reclamation, and Tennessee River Valley Authority put together.

This amazing picture of Russian power development comes from no less an authority than Maj. Gen. Emerson C. Itschner, Chief of United States Army Corps of Engineers. It is based on Russian reports put together by Army intelligence. It is fully supported by Senator ALLEN J. ELLENDER, Democrat of Louisiana, who visited Russia last year and was allowed to make movies of many installations.

Testimony by Senator ELLENDER and General Itschner before the Senate Interior and Public Works Committees have given Washington a rude awakening on what was going on in Communist Boss Khrushchev's declared war to pass the United States in peaceful production.

Only two new United States multiple-purpose water resources projects have been authorized during the Eisenhower administration. One is the Bureau of Reclamation's Colorado River development. The other is the St. Lawrence Seaway being built with Canada.

General Itschner gives Russian engineers full credit for having developed construction techniques equal to America's.

Since building materials are scarce, particularly concrete, the Russians go in for earth and rock-filled dams.

Most Russian rivers flow through flat country, so they have few canyons or high dams. But they have four notable dams from 7 to 12 miles long. Fort Peck, longest in the United States, is 4 miles. Only one Russian dam failure has been reported.

Total Russian hydroelectric power capacity is put at 25.9 million kilowatts, but this does not include 44 powerplants whose size is unknown. Total United States hydroelectric capacity is 27.6 million kilowatts. This is about 16 percent of all United States electric power. Russian coal is of such inferior quality that more emphasis is put on hydroelectric power development than in this country.

The Russians are building a national transmission grid. Some of its lines carry 400 kilovolts 500 to 600 miles. These are far heavier loads over greater distances than any United States lines.

Russia is dispersing its powerplants, developing whole new economic areas, says General Itschner. This breaks up big industrial concentrations like those in the United States Northeast and so reduces and scatters strategic bombing targets.

Nearly all Russian water-resource developments are multipurpose, for power, irrigation, and navigation. They are financed by bond issues, says General Itschner. One such issue sold in 1952 was for the equivalent of $7 billion.

Russia's inland waterways rival America's, though their traffic is less. Two Russian canals linking the Baltic and White Seas. The Caspian and Black Seas, permit inland construction and passage of submarines and destroyers to the ocean. Planned waterway development will link all these seas.

Russian irrigation projects are also roughly comparable to America's, though some Russian projects are larger. The biggest United States project irrigates a million acres. The

Russians have five projects servicing from 3.5 to 8.5 million acres.

Flood control is no particular problem to the Russians as spring floods have been regular and high for many years and people have not settled on bottom lands. Few levees have been built along river banks, though dikes are erected in cities.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield the balance of the time remaining to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, this is the most important bill, probably, that the Congress has considered in several years relating to water resources development. During 130 years—from 1824 through 1953—the Federal Government has invested about $14⅓ billion on water-resources projects. Federal expenditures have improved and made available some 237 improved harbors and 28,000 miles of navigable streams on the inland waterways, and we have placed water on 7 million acres of land, which have been put under irrigation. We have provided in excess of 20 million kilowatts capacity through hydroelectric plants producing some 18 percent of the total generated electric energy in the United States. Water resources are growing in importance in every section of the United States. The committee was most careful to give geographical distribution so that there would be uniform progress in the development of this most important natural resource.

I want to point out that section 205 (b), which has been discussed by several members of the committee, will be a most valuable adjunct, a valuable new adventure of Federal responsibility in the development of water resources as a policy of the Federal Government.

This is an extremely important addition to water resource legislation, looking forward many years into the future as we visualize how our rivers and streams should be to take care of our expanding social and economic needs. The patterns that are now emerging—tremendous population growth, increasing necessity for millions of our citizens to find attractive outdoor areas for recreation use such as could be provided by many of our rivers and streams, expanding economic developments of all types and varieties in the valleys, and decline in fish and wildlife resources—make it imperative that we look ahead and provide now for our future needs.

The gentleman from Oklahoma [Mr. EDMONDSON] touched on a very vital and important need of water resource development and what those needs would be for the future. Geological Surveys estimate that we are now withdrawing from subterranean water sources, from our streams and rivers, about 180 billion gallons of water daily. That is a tremendous amount of water that is required for our daily use. The divisions of water use are about 17 billion gallons daily used in our cities and towns; 83 billion gallons used for industry; and about 80 billion for irrigation. More than a trillion gallons of water are used every day in the generation of hydroelectric power. What will be our water requirements in the future? They are reflected in some rather stupendous figures. It is estimated that the per capita use of water, which is now approximately 140 gallons daily, will increase annually about 5 percent. The industrial need in our country will increase by 1975 to 130 billion gallons of water. Domestic consumption by 1975 will be raised by 7 billion gallons a day. In 1975 the total increase in water, based on present consumption, will be increased by 145 percent. In other words, we will need in 1975 reservoir capacities that would serve 145 cities of the size of New York City, or it would require 11 Colorado Rivers to supply the great need of water in this country. When we anticipate the great need of water it only seems wise and prudent that we would make careful plans, and see that reservoir capacities are extended to hold the necessary water that all of us will demand later. Today we are seeing competition develop in certain areas of our country for the use of water. We have a tremendous drop in water in the plateaus of Texas. We have seen the depletion of water in the Western States where additional projects are needed in order to develop water resources. We have seen the erosion of our beaches and the great flood damages that have been caused in the eastern part of the United States. We see industrial competition in all sections of the United States for water and we see new industries being set up all the time, each requiring tremendous quantities of water. The enlargement of the capacity of our reservoirs will in large measure reduce the great competitive forces now engaged in trying to control the use of that water.

I now yield to the gentlemen from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. I appreciate the gentleman's yielding, and I appreciate also the kind attention he has given to us in the reclamation West to try to interpret section 205 of the bill S. 497.

First of all I would like to ask the gentleman a question in connection with this bill.

Page 80, section 202 provides that the provisions of section 1 of the act of December 22, 1944—Public Law No. 534, 78th Congress, 2d session—shall govern with respect to projects authorized in this act.

Do I understand that language means that all these flood control acts will be controlled by Public Law 534 as set forth? Is that the gentleman's understanding?

Mr. JONES of Alabama. It is not only my understanding, but also let me make a statement in clarification of the intention, and the language in the report of the committee, that neither the substitute nor the committee bill amends the flood-control provisions of the 1944 act that relate to section 205, and it will not disturb the appropriation of water in any reclamation State or area.

I want to make that as positive and clear as I can.

Let me proceed a little further because I want to make another statement in connection with this bill that is very important. Complaints are made in connection with some of these projects simply because they have an amount of local contribution which is less than that recommended by the Bureau of the Budget. The Bureau of the Budget follows a rigid formula in computing land enhancement benefits and in some cases the committee has seen fit in its judgment to reduce this amount of contribution simply becauses local interests cannot pay these large cash amounts, and these areas, mostly farming and rural sections, would be denied the relief of flood control which the Government has provided throughout the country. Every one of these projects was carefully studied by the committee and, where the Bureau of the Budget requirements were deviated from, there was in the judgment of the committee good and sufficient reason for this deviation. The projects I am talking about are major drainage projects which come within the scope of the drainage provision of the Flood Control Act of 1944. I want to point out that this act never contemplated that a fine technical distinction be made between getting water off the land through drainage and getting water off the land through other types of flood-control improvements.

The CHAIRMAN. The time of the gentleman from Alabama has expired, all time for general debate has expired.

Pursuant to the rule the Clerk will now read the substitute committee amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Navigation

Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

Baltimore Harbor and Channels, Md.: House Document No. 86, 85th Congress, at an estimated cost of $28,161,000;

Herring Creek, Md.: House Document No. 159, 84th Congress, at an estimated cost of $110,000;

Betterton Harbor, Md.: House Document No. 333, 84th Congress, at an estimated cost of $78,000;

Delaware River Anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

Matagorda ship channel, Port Lavaca, Tex.: House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;

Port Aransas-Corpus Christi Waterway, Tex.: La Quinta Channel: Senate Document No. 33, 85th Congress, at an estimated cost of $954,000;

Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of $317,000;

Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts: House Document No. 135, 84th Congress, at an estimated cost of $2,476,000;

Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of $246,000.

Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of $62,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Mississippi River at Clinton, Iowa, Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of $241,000;

Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of $147,000;

Mississippi River between St. Louis, Mo., and Lock and Dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of $5,802,000;

Mississippi River between the Missouri River and Minneapolis, Minn.: Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn., House Document No. 33, 85th Congress;

Minnesota River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of $2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of $66,000;

Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of $393,500;

Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of $66,000;

Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of $1,760,000: *Provided*, That local interests shall continue 43½ percent of the total cost of the project;

St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of $101,500;

Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000;

Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of $859,000;

Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of $1,865,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of $19,800,000;

Siuslaw River, Oreg.: House Document No. 204, 85th Congress, at an estimated cost of $1,693,100;

Port Townsend Harbor, Wash.: House Document No. 418, 84th Congress, at an estimated cost of $387,000;

Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of $83,700;

Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of $1,394,000;

Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $372,000;

Naknek River, Alaska, House Document No. 390, 84th Congress, at an estimated cost of $19,000;

Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of $5,199,200;

San Juan Harbor, P. R.: House Document No. 38, 85th Congress, at an estimated cost of $6,476,000;

Beach erosion

State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of $12,000;

Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of $229,000;

Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of $2,724,000;

Asbury Park to Manasquan, N. J., in accordance with the plan and subject to the conditions for that portion of the shore of New Jersey as recommended by the Chief of Engineers in his report on the shore of New Jersey from Sandy Hook to Barnegat Inlet, House Document No. 361, 84th Congress, as modified by the report of the Beach Erosion Board dated May 6, 1957, at an estimated cost of $1,823,000;

Delaware Coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of $28,000;

Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of $50,000;

Fair Haven Beach State Park, N. Y.: House Document No. 134, 84th Congress, at an estimated cost of $114,000;

Hamlin Beach State Park, N. Y.: House Document No. 138, 84th Congress, an an estimated cost of $404,000;

Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of $516,000;

San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of $289,000;

Waimea Beach and Hanapepe Bay, Island of Kauai, Territory of Hawaii: House Document No. 432, 84th Congress, at an estimated cost of $20,000.

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now underway of $1,350,000 annually for 5 years, of which 75 percent, presently estimated at $1,012,500, shall be borne by the United States and 25 percent, presently estimated at $337,500, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across St. George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction, in the amount of material which will have to be removed to provide project

dimensions at such time as Federal dredging of the channels is undertaken: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided,* That such payment shall not exceed the sum of $44,000: *Provided further,* That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further,* That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided,* That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further,* That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the States with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within 2 years after the date of enactment of this act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further,* That after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the Upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

SEC. 109. The project for the Illinois Waterway and Grand Calumet River, Ill. and Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges in part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

SEC. 110. (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee-simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of and appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee-simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

(b) The Secretary of the Army further is authorized, out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance, the United States shall have no further obligation with respect to the canal.

(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through-navigation.

(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

(f) There is hereby authorized to be appropriated the sum of $2 million to carry out the provisions of this section.

SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided,* That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

Stave Island Harbor at South Goldsboro, Maine.

Short Sands Section of York Beach, York County, Maine.

Tashmoo Pond, Martha's Vineyard, Mass.

Sachem's Head Harbor at Guilford, Conn.

Poquonock River at Groton, Conn.

Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

Indian River Bay via Pepper's Creek to Dagsboro, Del.

Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

Currioman Bay, Va.

Tabbs Creek, Lancaster County, Va.

Wrights Creek, N. C.

Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

Little Gasparilla Pass, Charlotte County, Fla.

Frenchman Creek, Fla.

Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

Small-boat channel from the port of Panacea, Fla., in Apalachee Bay, Fla.

Dredge channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

Tampa Bay, Fla., with a view to determing the feasibility of a fresh water lake at that location.

Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Blountstown.

Streams at and in the vicinity of Gulfport, Fla.

Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, South Dakota-Nebraska.

Channel from Port Inland, Mich., to deep water in Lake Michigan.

Connecting channel between Namakan Lake and Ash River, Minn.

Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

SEC. 113. Title I may be cited as the "River and Harbor Act of 1957."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law No. 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

Connecticut River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24 million for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of $5,090,000.

The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of $5,430,000.

Housatonic River Basin

The project for the flood-control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,960,000.

The project for the flood-control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,780,000.

Hudson River Basin

The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of $2,069,000.

Pantego and Cucklers Creek, N. C.

The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of $413,000.

Savannah River Basin

In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of $44,300,000.

Central and southern Florida

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Fla., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of $3,172,000: *Provided*, That cost sharing for the works herein authorized shall be on the same basis as that prescribed for works authorized in the Flood Control Act of 1954.

Mobile River Basin

(Tombigbee, Warrior, and Alabama-Coosa)

The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document No. 167, 84th Congress, at an estimated cost of $19,199,000: *Provided*, That in lieu of the cash contribution contained in item (f) of the recommendations of the Chief of Engineers, local interest contribute in cash or equivalent work, the sum of $1,585,000 in addition to other items of local cooperation.

The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 83, 85th Congress, at an estimated cost of $1,300,000.

Lower Mississippi River

The project for flood control and improvement of the lower Mississippi River adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

(a) Modification of the White River Backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated cost, over that now authorized, of $2,380,000 for construction and $57,000 annually for maintenance: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Ark., such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project.

(b) Modification and extension of plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Ark., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of $1,212,000.

(c) In addition to the previous authorization, the sum of $28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin approved in the act of May 17, 1950.

(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of $1,932,000.

(f) The project for Greenville Harbor, Miss., substantially in accordance with the recommendations of the Mississippi River Commission, dated April 12, 1957, at an estimated cost of $2,530,000: *Provided*, That the amount to be contributed by local interests shall not be in excess of 12 percent of the cost of construction, the amount of 12 percent being presently estimated at $358,000.

The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of $547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

Red-Ouachita River Basin

The general plan for flood control on Red River, Tex., Okla., Ark., and La., below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and alternate reservoirs, Little River, Okla. and Ark., except as follows:

(1) The Sherwood Reservoir on Mountain Fork River is authorized in addition to six other reservoirs upstream from the Millwood Reservoir, recommended by the Chief of Engineers.

(2) In the case of such reservoirs, the basis for determining the cost allocated to hydroelectric power and water supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable.

Arkansas River Basin

The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of $16,628,000.

The first section of the act entitled "An act to provide for the construction of Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma," approved July 6, 1954 (68 Stat. 450), is amended by inserting after "as recommended by the Chief of Engineers," the following: "or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers."

White River Basin

In addition to previous authorizations, there is hereby authorized the sum of $57 million for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress, and such comprehensive plan is hereby modified to provide for the generation of power in conjunction with flood control at the Lone Rock Reservoir and the addition of Gilbert Reservoir for flood control, power generation, and other purposes as recommended by the district engineer in House Document No. 499, 83d Congress.

Pecos River Basin

The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of $2,066,000.

Rio Grande Basin

The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of $3,152,000.

Upper Mississippi River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21 million for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of $6,996,000.

The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 52, 84th Congress, at an estimated cost of $6,690,000.

The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress, at an estimated cost of $1,620,000.

The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress, at an estimated cost of $1,870,000.

The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $44,500,000.

The project for the Kaskaskia River, Ill., is hereby authorized substantially, as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of $23 million.

The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers, in House Document No. 431, 84th Congress, at an estimated cost of $796,000.

Great Lakes Basin

The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of $917,000.

The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of $5,358,000.

The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of $16,085,000.

The project for flood protection on the Saginaw River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimate cost of $16,085,000.

The project for flood protection on Owasco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of $305,000.

Missouri River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The Secretary of the Army, acting through the Corps of Engineers, is authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of the St. Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding $42,000 in cost: *Provided*, That the Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this section out of any sums appropriated for the construction of the Oahe and Fort Randall Dam and Reservoir projects, Missouri River.

The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of $434,000.

The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of $3,060,000.

The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of $850,000.

The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of $1,214,000.

The project for flood control on Salt Creek and tributaries, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of $13,314,000.

The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of $2,025,000.

Red River of the North Basin

The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of $632,000.

Ohio River Basin

The project for the Saline River and tributaries, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of $5,970,000: *Provided*, That in lieu of the cash contribution recommended by the Chief of Engineers, local interests contribute in cash, the sum of $233,000, in addition to other items of local cooperation.

The project for the Upper Wabash River and tributaries, Ind., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of $45,500,000.

The project for flood protection on Brush Creek, at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engi-

neers in Senate Document No. 122, 84th Congress, at an estimated cost of $917,000.

The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of $708,000.

The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of $4,796,000.

The project for flood protection on the West Branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, at an estimated cost of $12,585,000.

The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of $1,188,000.

The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Ind., in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of $4,359,000.

Sacramento River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17,000,000 for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of $1,560,000.

Eel River Basin

The project for flood protection on the Eel River in the Sandy Prairie Region, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of $707,000.

Weber River Basin, Utah

The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of $520,000.

San Joaquin River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $13 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for the Buchanan Reservoir on the Chowchilla River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $10,900,000: *Provided*, That, prior to starting construction, assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

The project for the Hidden Reservoir on the Fresno River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $12,500,000: *Provided*, That prior to starting construction assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

Kaweah and Tule River Basins

In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of $28 million.

Los Angeles River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

Santa Ana River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

Columbia River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112 million for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent Acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood control goals not less than those contained in said House Document No. 531.

Sammamish River Basin

The project for flood protection and related purposes on the Sammamish River, Wash., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of $825,000.

Territory of Alaska

The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of $9,727,000.

The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of $60,000.

SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken within 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

SEC. 205 (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance and operation of Federal navigation, flood-control or multipurpose projects.

(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow.

(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers to impound water for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army.

(d) The provisions of this section shall not be construed to modify the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 890).

SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real-estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

(1) No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion

of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to investment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exemption, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term "present record owner of land" shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) This section shall terminate 3 years after the date of its enactment.

SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey or submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

Deep Creek, St. Marys County, Md.

Mills Creek, Fla.

Streams in Seminole County, Fla., draining into the St. Johns River.

Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

Lake Pontchartrain, La., in the interest of protecting Salt Bayou Road.

San Felipi Creek, Tex., at and in the vicinity of Del Rio, Tex.

El Paso, El Paso County, Tex.

Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

Missouri River Basin, S. Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

Bird, Caney, and Verdigris Rivers, Okla. and Kans.

Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill., and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

All streams flowing into Lake St. Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

Pescadero Creek, Calif.

Soquel Creek, Calif.

San Gregorio Creek and tributaries, California.

Redwood Creek, San Mateo, Calif.

Streams at and in the vicinity of San Mateo, Calif.

Streams at and in the vicinity of South San Francisco, Calif.

Streams at and in the vicinity of Burlingame, Calif.

Kellogg and Marsh Creeks, Contra Costa County, Calif.

Eastkoot Creek, Stimson Beach area, Marin County, Calif.

Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

Kihei District, Island of Maui, T. H.

SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public Law 534, 78th Cong.), as amended and supplemented by subsequent act of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood-control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 210. Title II may be cited as the "Flood Control Act of 1957."

Mr. DAVIS of Tennessee (interrupting the reading). Mr. Chairman, I ask unanimous consent that the reading of the substitute be dispensed with, that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, had come to no resolution thereon.

UNEMPLOYMENT COMPENSATION BENEFITS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I was pleased to read the announcement made over the past weekend to the effect that the President intends to recommend an extension of the duration of unemployment compensation benefits. Of all the recommendations suggested I believe that the proposal to liberalize unemployment compensation benefits is the most urgent. Such action would have an immediate effect on the Nation's economy as against the long-term nature of other proposals. However, I am convinced that unemployment benefits should be increased in amount as well as in duration.

The present unemployment situation has come upon the country at a time when the State unemployment insurance laws are not providing adequate unemployment benefits to meet the situation.

Unemployment is increasing in severity. Total unemployment in January was about 4.5 million and may have reached 5 million or more. The latest reports on unemployment insurance claims shows that unemployment is still growing. In the week ended February 22, new claims for unemployment benefits increased by 33,900 to 459,200—more than double the number in the corresponding week a year ago. Insured unemployment under the State and Federal civilian worker unemployment compensation systems—that is, persons who had been unemployed at least a week—for the week ended February 15 totaled 3,130,200 or 1.4 million more than a year earlier. The rate of insured unemployment averaged 7.5 percent—the highest rate on record.

In January, one-third of the Nation's major industrial areas were officially classified as areas of substantial labor surplus, that is, they had more than 6 percent unemployment. This included the city of Providence in Rhode Island. Smaller communities in my State are equally hard hit.

The average weekly benefit being paid in the United States is under $30, although average wages are over $80. Average benefits therefore represent only a little over a third of average wages, although it has been recognized from the beginning of the program that workers should receive at least half their regular earnings. The main reason these benefits are not higher is that the States have not raised their maximum weekly benefits as much as wages have increased, especially since the war. The average duration of benefits for the country as a whole is only a little over 20 weeks. In some States it is even less—15 weeks in Rhode Island. This is not only because the maximum number of weeks is limited to 26 weeks or even less, but also most of the State laws have other restrictions that cut down duration. These restrictions particularly result in inadequate benefits in periods of high unemployment. As a result, the number of workers exhausting their unemployment benefit rights is increasing rapidly. In January, the number exhausting benefits was about 147,000, about 75 percent above November 1957. If this rate continues through 1958, more than 2 million workers will exhaust their benefit rights and will have to fall back on charity.

The long-range solution to these inadequate benefits is the enactment of adequate legislation in the States. But with unemployment as high as it is today, we cannot wait for State action. Only 17 State legislatures are meeting this year, and some will soon adjourn. And there is also a question as to whether the Federal Government should not step in and help the States when unemployment becomes as serious as it is today. In my State of Rhode Island, we have been charging employers maximum unemployment tax rates for years and have provided as adequate benefits as we can afford. However, these amount to only $30 as a maximum weekly benefit and 26 weeks maximum duration, with many getting less than these amounts.

The situation calls for emergency Federal action. I am therefore today introducing a bill which will supplement State unemployment insurance benefits up to 50 percent of a worker's former average weekly wages up to a maximum equal to two-thirds of the average wages of all covered workers in the State. This will bring weekly benefits up to the levels that the President has recommended for several years, and will assure that the great majority get at least half their former weekly wages. The bill also provides for supplementing the duration of State benefits up to 40 weeks if a worker remains unemployed that long. While the President has recommended 26 weeks duration of benefits to the States as the normal period, the additional 14 weeks that would be provided under my bill is amply justified, since as unemployment increases in amount it also increases in duration.

The bill would place this program in effect 30 days after enactment and would continue it until July 1, 1959. I am providing that the program go into effect at the earliest possible moment because it is already needed and should be delayed only long enough to get the program in motion. The terminal date of July 1, 1959, is necessarily arbitrary. If reemployment and recovery develops sooner than that date, workers who are reemployed will automatically, of course, stop receiving these supplementary benefits. The States in the meantime will have time to improve their laws so that they can take over entirely when this supplementary program ends.

The increases in unemployment benefits that would result from this bill would not only be of immeasurable help to the unemployed, but also would be a very effective method of bolstering the economy. Every additional dollar that would be paid out in these supplementary benefits would be immediately spent for groceries, rent, fuel, needed clothing and would keep up the level of retail trade and in general put a brake on the downward spiral of the economy.

MANUFACTURERS EXCISE TAXES ON AUTOMOBILES

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, today I have introduced a bill to provide that during the 1-year period beginning as of March 1, 1958, the manufacturers excise taxes on passenger automobiles and on parts and accessories shall be suspended and the tax on trucks and buses shall be reduced to 5 percent. I would like to give a brief explanation of the provisions of my bill, as follows:

SECTION 1

In general: The effect of section 1 of the bill is to suspend for the 1-year period beginning March 1, 1958, all the manufacturers excise taxes imposed by section 4061 of the Internal Revenue Code of 1954 on motor vehicles and parts and accessories, except to the extent that the taxes on trucks, buses, and truck and bus trailers and semitrailers are attributable to the highway trust fund.

Trucks, buses, etc.: Under existing section 4061 (a) (1) of the code, a tax of 10 percent of the sales price is imposed on the sale of trucks, buses, and truck and bus trailers and semitrailers. An amount equivalent to one-half of this tax goes into the highway trust fund. The bill reduces the tax from 10 percent to 5 percent, the maximum reduction that can be made without affecting the amount payable into the highway trust fund. On March 1, 1959, the tax rate will, under the bill, go back to 10 percent.

Passenger automobiles, etc.: Under existing section 4061 (a) (2) of the code, automobiles (other than trucks and buses), and trailers and semitrailers suitable for use in connection with passenger automobiles, are taxable at 10 percent of the sales price until July 1, 1958, and at 7 percent on and after July 1, 1958. No part of this tax is allocable to the highway trust fund. Under the bill, no tax will be imposed for the 1-year period beginning on March 1, 1958, and on March 1, 1959, the tax will be reimposed at the 7-percent rate.

Parts and accessories: Under existing section 4061 (b) of the code, parts and accessories (except tires and tubes and automobile radio and television sets) are taxable at 8 percent of the sales price until July 1, 1958, and at 5 percent on and after July 1, 1958. No part of this tax is allocable to the highway trust fund. Under the bill, no tax will be imposed for the 1-year period beginning on March 1, 1958, and on March 1, 1959, the tax will be reimposed at the 5-percent rate. The bill does not affect the tax on tires and tubes or on automobile radio and television sets.

SECTION 2

Existing law provides that when the manufacturers excise taxes on automobiles, trucks, buses, and trailers and semitrailers is reduced that floor stocks refunds are to be made for stocks in the hands of dealers on the date the rate is reduced. The refund is made to the manufacturer, but only if the manufacturer reimburses the dealer for the tax reduction or obtains the dealer's written consent.

Subsection (a) of section 2 of the bill makes technical amendments so that these provisions will apply to the suspension and reduction made by the bill effective as of March 1, 1958.

Subsection (b) of the bill applies to automobiles, trucks, buses, and trailers and semitrailers held by dealers on March 1, 1958, but sold by them on or before the date of the enactment of the bill. In such a case, the floor stocks refund will apply only if the ultimate purchaser is reimbursed for the tax reduction or gives his written consent to the refund.

The floor stock refund provisions do not apply to parts and accessories.

SECTION 3

Section 3 is a technical amendment to the Highway Revenue Act of 1956 to insure that the highway trust fund will continue to receive the amount contemplated by that act.

Under existing law 50 percent of the 10 percent tax is allocable to the trust fund. Under the bill 100 percent of a 5 percent tax is allocable to the trust fund. Adjustments (patterned on existing provisions of law relating to the trust fund) are made by the bill to take care of the fact that during the 1-year period covered by the bill the Treasury will receive taxes incurred before March 1, 1958, at the 10-percent rate, and will receive taxes on and after March 1, 1959, incurred during the reduced period at the 5-percent rate.

FLOOR STOCKS TAXES

In general, when the manufacturers excise taxes on trucks, buses, automobiles, and trailers and semitrailers has been increased a floor stocks tax has been imposed on these articles in the hands of dealers on the date the increase takes effect.

The bill does not provide for any floor stocks taxes at the termination of the 1-year period covered by the bill on the theory that the absence of such taxes will encourage greater production and sales anticipating the deadline period.

A NEW FOREIGN-TRADE BILL

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I have today introduced a comprehensive new foreign-trade bill which will, in my judgment, firmly restore and stabilize America's foreign trade in the classic concept originally conceived by the late Cordell Hull; real trade reciprocity between nations for truly mutual advantages.

My bill represents the thoughtful and composite conclusions of a considerable number of industries affected by foreign trade, after a careful study lasting more than a year. Trade experts conducting this study were directed, explicitly, to consider the United States national welfare; not piecemeal benefits for single industries. Provisions of this legislation were drafted in this concept.

The bill I have proposed, I am well aware, constitutes an entire replacement of the existing foreign-trade machinery. This is critically necessary. The existing United States foreign-trade machinery and the policies which govern its administration today threaten disaster to American industry and death to thousands of American jobs.

Under this bill, the misnamed reciprocal trade program now in operation would be replaced by a system and policies offering liberal—and attractive—terms to our world trade neighbors and partners. At the same time this legislation provides intelligent moderate protection for industry and jobs at home and insures better conditions and terms of trade to the great segment of industry and agriculture which relies on exports.

Under the bill introduced today United States foreign-trade policy, instead of giving a heavy downward push to the current economic slump, as it does under policies and commitments now in effect, would help us pull out of this and any future recession.

As you have seen from its text, my bill would expand, retitle, and strengthen the present United States Tariff Commission in its role as an agency of the Congress. In its new status the Commission would be designated the United States Foreign Trade Board.

The new bill would place final control over United States trade policy where it traditionally and constitutionally belongs, in the United States Congress. It would delegate administrative functions to a legislative agency and leave to the executive department the function of negotiating with foreign countries under standards which strengthen the hands of the President.

As a necessary element of Congressional control over United States trade policy, the new bill would provide 3-year bilateral trade compacts.

Other provisions of the new bill strengthen United States rights to modify trade concessions whenever a foreign country unfairly circumvents or evades agreement terms either as to imports into the United States or exports to such foreign country, and give added strength and meaning to national defense sections of existing law.

It is my firm conviction that the legislation introduced today provides an intelligent, fair-to-all, foreign-trade policy, and the machinery to carry it out. Moreover, it seems to me this measure offers a supportable basis for two groups of legislators who have up to now been compelled to solve an unappy dilemma.

First. Those Members of Congress who dislike the unfair and unsatisfactory foreign-trade machinery contained in the new expiring Trade Agreements Act, but who have voted for its extension rather than have no machinery at all.

Second. Those who oppose so vigorously the policy and machinery embodied in the Trade Agreements Act that each time it came up for action they simply voted against extension.

Finally, it is my conviction that this legislation—representing the first major proposal for trade-agreement policy and machinery modification since 1934—constitutes the only type of proposal which, in the light of practical considerations today, has any real prospect of enactment into law. I sincerely hope that it will be adopted.

FEDERAL AID NO PANACEA FOR OUR EDUCATIONAL SHORTCOMINGS

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 40 minutes.

Mr. MASON. Mr. Speaker, may I say at the beginning that I will not yield until I am through, because I have asked for twice as much time as I expect to use so that any questions may come after I finish my statement.

Mr. Speaker, if President Eisenhower is an authority in any one field that field would be the military field because he has had more than 35 years of experience in that field and had climbed to the top. If Congressman MASON could be called an authority in any field it would have to be in the educational field because he, too, spent 35 of the best years of his life in that field and had a fair degree of success. Because of that background I want to speak on the subject "Federal Aid No Panacea for our Educational Shortcomings," and I want to say that I expect to handle that subject without gloves.

Mr. Speaker, for well over 30 years bureaucratic do-gooders in Washington have been trying to convince the Congress, and the people back home, that our public schools are in dire need of Federal aid; that they face problems the local school districts and the various States cannot solve without financial aid from Washington; that unless Federal aid for education is provided by Congress, our local school districts and State school systems will be unable to meet the educational needs our children require in this day and age.

The first argument the bureaucratic New Dealers used was:

It is the duty of the Federal Government to provide an equal educational opportunity for every child in America. Federal aid for education must be given to the States and local school districts so that the children in the poorer school districts and in the poorer States may receive equal educational opportunities to the more fortunate children in the wealthier school districts and the wealthier States.

They said nothing about where under our Federal Constitution the responsibility for providing a proper and adequate educational system rests. They said nothing about the need to equalize educational opportunities of children as between our public school systems and our parochial school system. They said nothing about the strings that inevitably must be attached to Federal aid for education when given.

After unsuccessful efforts spread over a 20-year period, that argument was finally given up.

A second attempt to put across a system of Federal aid for education was made on the plea that our schools were overcrowded; that we needed more classrooms and more teachers; therefore, we should provide Federal aid for school building programs, because many local school districts and many States could not afford to build the needed classrooms.

Again nothing was said about the double taxation this would force upon the local school districts and States that had met their own classroom needs. Under this Federal plan they would be required to help build classrooms for those school districts that had neglected to provide the needed classrooms, although in many instances were better

able to do so than the school districts that had taken care of their own classroom needs. Nor was it said that this plan could turn out to be a new method of getting the nose of the Federal-control camel under the educational tent.

This second effort of the bureaucratic New Dealers and the modern Republicans to sell their school program to a stubborn Congress and an independent-minded people in the hinterland also failed and had to be discarded.

Then came the Russian sputniks and such exciting shibboleths as: the great advances our Soviet enemies have made in the field of science and mathematics; the dire lack of American scientists; control of the outer space; and the woeful lack of teachers of science in our public schools.

Here then was a great crisis that must be met by the Federal Government, a need that only Federal billions can supply, a demand that only the Federal Government can meet—a real made-to-order argument for Federal aid to education.

So today the Eisenhower administration proposes a temporary 4-year Federal aid program that will cost more than $1 billion.

Mr. Speaker, the foregoing are the arguments and proposals of our New Dealers and modern Republicans. What are the real facts? Our people are entitled to know the facts that bear upon the Federal-aid-for-education controversy. Here are some of them:

First. There is no such thing as free Federal aid.

Uncle Sam has no money of his own to give away. He must first take away from the citizens of the States in taxation the dollars he so generously proposes to give back to the States. Uncle Sam has not one thin dime of his own to give away. Therefore, there is no such thing as free Federal aid.

Second. There is absolutely no need for Federal aid for education.

An authority on the subject of Federal aid for education, Roger A. Freeman, the former research director for the Intergovernmental Relations Commission, had this to say:

> Education for many years has been the largest item of public expenditure in the United States next to national defense. The cost of education accounts for about one-third of all State and local expenditures and is about twice as great as the next largest public function—highways.

The report of the Intergovernmental Commission stated:

> We have been unable to find a State that cannot afford to make more money available to its schools or that is economically unable to support an adequate school system.

Third. Federal aid for schools is followed by Federal control of schools as night follows day.

It is stupid not to realize that in the power to approve and give is embedded the power to direct and control. Federal aid carries with it the power of control that inevitably resides in the holder of the purse strings.

For example: In 1916 Congress passed the Smith-Hughes Act providing Federal aid for local vocational educational systems. Prior to passage, its proponents insisted vigorously and incessantly that it would involve no Federal control. However, Federal regulations in connection with the administration of the Smith-Hughes Act have been expanded over the years until they now fill a book of 108 pages, the title of which is "Administration of Vocational Education," published by the United States Government Printing Office. One sentence on page 4 of the book is all that is necessary to use. I quote:

> Each State is required to submit a plan which must meet with the approval of the Federal Office of Education.

There it is in a nutshell. No approval of the plan, no money. What is that but Federal control?

Again, in 1956, the United States Commissioner of Education said:

> If Federal aid is to bring about better schools, it seems apparent that there must be some Federal control.

There you have it from "the horse's mouth." Federal aid and Federal control are twins; they go together.

Fourth. The controversial subject of States rights is involved in Federal aid to education.

In his well-known book, Let's Face It, Dean Manion says:

> In the Communist Manifesto Karl Marx made control of public education one of the ten commandments of communism. Crypto-Communist, fellow travelers, and leftwing progressives in the field of education have kept their sights fixed upon this objective since. Twenty-five years ago a group of so-called liberal American educators, appointed by the American Historical Society and financed with more than a quarter of a million dollars from the Carnegie and other foundations, went into a long learned huddle and finally came out with a 15-volume report. In their findings they declared that our form of government was a failure and should give way to a collectivized society, wherein the individual should be made to surrender his liberty in the interest of group welfare. They determined that only the schools of the country could bring about this revolutionary change in our American system, and that it was the duty of every educator to see that the schools did so.

Fifth. There are two knotty problems in connection with the distribution of Federal aid for education that have not as yet been solved:

Problem No. 1: Segregation in the schools of the South.

Will Federal aid with its consequent control accentuate this problem or diminish it? If today a President, without any authority in either the Constitution or in the law, sends troops into Little Rock to enforce a judicial decision—where there is no Federal aid involved—how much more likely would such action occur if Federal aid were involved?

When an administration sends troops to enforce a decision of the present Supreme Court—a decision based entirely upon opinions of sociologists and psychologists, and not upon legal precedents or constitutional provisions; a decision that ignored former opinions of the Supreme Court based upon legal precedents and constitutional provisions—is it not time to be somewhat suspicious of any aid to education that such an administration offers?

And, if the foregoing is not enough to convince my southern brethren that there is danger in Federal aid for schools, I advise them to obtain a copy of the bill introduced in the other body by Senators DOUGLAS and DIRKSEN of Illinois on February 9, 1958. Those two Senators were joined by 11 other Senators in sponsoring a bill to provide special Federal aid to education—$40 million to finance integrated schools in States that would be denied State support for integrated schools by State law; $12.5 million to promote community understanding of the need for school integration; and to bestow upon the Attorney General broad civil-rights powers which Congress specifically removed from the civil rights bill of 1957. Is it not about time to stop, look, and listen?

Problem No. 2: Federal aid for parochial schools.

If Federal aid to education is to be provided in order to insure equal educational opportunities for every child in America, then should it not be provided for the children who attend parochial schools? And if so provided, what becomes of the principle of separation of church and state?

These are two basic problems that must be faced when considering Federal aid for education.

Now, Mr. Speaker, what are the actual facts concerning our overcrowded schoolrooms and the need for Federal aid for school construction?

The United States Office of Education is the source of the following data:

In 1936 all the high schools and grade schools of the United States were manned by 870,963 teachers, and they had a total combined enrollment of 26,417,986 pupils. That made an average teaching load of 31 pupils per teacher.

In 1956—20 years later—the high schools and grade schools in the Nation were manned by 1,196,980 teachers, and they had a total combined enrollment of 31,527,695 pupils. That makes an average teaching load of 26 pupils per teacher.

Thus we have fewer pupils per teacher today in our high schools and grade schools than we had 20 years ago. Where then are the overcrowded schoolrooms?

Of course, in many communities, because of the impact of Government-required war industries and the consequent influx of pupils into the schools of those communities, we do have some overcrowded schoolrooms. However, Congress took care of these impacted school districts by passing Public Laws 874 and 815 to provide Federal aid for these impacted school districts. These special aid provisions take care of both construction costs and operating costs of such schools. We have already paid out well over $1 billion to such impacted school districts.

The American Legion in testifying last year before the House Committee on Education and Labor against Federal aid for school construction said:

> In 1900 Americans spent $14 per pupil; in 1950 the figure was $224 per pupil; in 1956

local school districts spent $380 per pupil to provide public education for their children.

While the number of pupils in the public schools increased about 3.7 percent in the past year, the number of schoolteachers increased 6.9 percent.

Does this sound as if the local school districts are neglecting their responsibilities? Does this indicate a need for Federal aid?

Mr. Speaker, many New Dealers and Modern Republicans believe that billions of dollars taken from our taxpayers' pockets have the magic power to solve all present-day problems. In substance they say, "If there is something wrong with our educational system, just spend another billion or two and the problem will be solved, regardless of whether the system is basically sound or not."

We have been spending like drunken sailors on the less-important parts of our educational system. Untold millions upon magnificent football stadiums, untold more millions to build educational palaces; princely salaries to football coaches and beggarly salaries to teachers of mathematics, science, and English; scholarships for students strong on brawn but weak on brain. Is this the way to develop scientists or scholars? Can we by spending a few billions more correct mistakes and solve problems? Should there not be some soul searching to determine what is fundamentally wrong with our educational system?

OUR PUBLIC SCHOOLS ARE TOO SOFT

Mr. Speaker, a recent report from the United States Office of Education comparing our public schools with the Russian public schools informs us we are far behind in science and mathematics. From another source we learn that the high schools of our European allies provide more courses and superior courses in science and mathematics than American high schools provide.

We realize that Russia's emphasis upon science and mathematics is primarily due to her war aims. This fact, however, cannot be given as the reason the democratic nations of Europe also provide superior courses in science and mathematics to the courses provided in our high schools. In addition, school standards are high in Western Europe, workloads are heavy, and discipline is rigidly enforced—in direct contrast, may I say, to American schools.

The most shocking thing, however, concerning science and mathematics in our high schools is the fact that during the past 50 years of our so-called progressive education the percentage of American high-school students taking science and mathematics courses has dropped from 28 percent of the total enrollment to 10 percent of the total enrollment—due largely to the flabby, soft, educational philosophy of the past 30 years. We have too many elective courses and not enough required basic courses in our high schools today. We have made it altogether too easy for a high-school student to elect himself out of an education. Too many American schools have become cradles of comfort where our children are gently rocked and lulled to sleep.

Educational leaders blame our present-day lag in science and mathematics upon lack of funds, and call for increased educational subsidies. They ignore the fact that today we are spending 20 times as much per pupil in our high schools and grade schools as we did 50 years ago, much of which goes for fads and fancies.

Our so-called progressive education, with its soft pedagogy and soft discipline, is certainly in need of a reappraisal. To adopt the rule "We must let the pupil do what comes naturally" is neither good discipline nor good training. Doing only the easy tasks never produced an Einstein, an Edison, nor a Henry Ford.

Faced with these stern realities in connection with our present-day educational methods, we should abandon the soothing-sirup treatment given our students today, and make a right-about-face in both methods and curriculum content of our elementary and secondary schools.

Mr. Speaker, in the good old days—30 or 40 years ago—our American schools used to teach and stress the "Three R's." We also insisted upon strict discipline. We were old-fashioned enough to believe that discipline was an important part, an essential part, a valuable part of school training. Character formation and proper habits of study and behavior were important objectives of education.

In those days our pupils were taught to "stand upon their own feet," to "hoe their own row"; "to paddle their own canoe"; to be independent, not dependent; to compete with each other mentally as well as physically. We were old-fashioned enough to believe that this world is a competitive world, where adults are required to compete with each other for a place in the sun; and that if "education is a preparation for living," as the books said, then it was important for the teacher to develop in her pupils initiative, independence, ambition, self-reliance, a spirit of rugged individualism, to prepare them for the battle of life. These certainly were the traits that made America great.

Of course, that was before the so-called progressive methods in teaching were invented by Prof. John Dewey of Columbia; before soft discipline and soft pedagogy became the order of the day; before progressive teachers adopted the rule, "You must let the child do what comes naturally"; before adolescent, immature high-school students were allowed to select their own school subjects; yes, before juvenile delinquency became a national problem.

Summarizing, Mr. Speaker, I make the following statements, and challenge anyone to refute them:

First. There is not one word in the United States Constitution that delegates power to the President or to the Federal Government to subsidize, to aid, or to meddle in any way with the public schools of the Nation. On the contrary, the tenth amendment to the Constitution forbids it in these words:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Second. Every State in the Union is far better off financially than the Federal Government. The Federal debt of $274 billion is much greater than the public debt of all our States, all our local governments, and all other world governments put together.

Third. Federal aid for education is not a temporary program to meet an immediate emergency, as stated by its proponents. This is the old stock-in-trade excuse for starting every new Federal program. It was used to start the Marshall program, which was to end after 4 years and after an expenditure of $17 billion. The Marshall plan—as we all know—is still with us under a different name and has already cost our taxpayers between fifty and sixty billion dollars.

In the face of the foregoing, Mr. Speaker, I say that any Member of this House who believes in segregated schools, any Member who believes in and supports parochial schools, yes, any Member who believes in the Constitution and States rights, who votes for any new kind of Federal aid for education will certainly live to rue the day.

Mr. DORN of South Carolina. Mr. Speaker, will the distinguished gentleman from Illinois yield?

Mr. MASON. I gladly yield to the gentleman.

Mr. DORN of South Carolina. Mr. Speaker, I would like to compliment my distinguished and able colleague, the gentleman from Illinois on the very timely and eloquent address. I would like to call the attention of the House to the fact that the gentleman from Illinois [Mr. MASON] is eminently qualified to speak on this subject since he has spent a greater portion of his lifetime, 35 years, in the field of education.

Mr. MASON. I thank the gentleman.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield.

Mr. LANDRUM. I have not been privileged to hear all that the gentleman has said today, but what I did hear I agreed with completely. However, I would make one or two observations which I believe the gentleman would agree with. That is that although we may rue the day when support for education programs came from the Government, we should nevertheless recognize that unless we do something here on the Federal level to relinquish to the States some of the taxing powers that the Federal Government has usurped, the States are being left in a position, and localities as well, where there is no other source to which they may look than the Federal Government. Is that not correct?

Mr. MASON. I agree with that, because Uncle Sam now claims 75 cents out of every dollar of taxation, which leaves only 25 cents to the State and local governments on which to operate.

Mr. LANDRUM. I was interested in the comment the gentleman made about those of us who believed in supporting segregated schools and those of us who believe in supporting States rights. I wondered if he had had an opportunity to read the three papers prepared and delivered by Judge Hand to the Harvard Law School.

Mr. MASON. I have read them, and I agree with Judge Hand's interpretation of what the Constitution and the law is.

Mr. LANDRUM. Particularly I would like to direct the gentleman's attention to the comment and observation of Judge Hand to the effect that if we are going to have a third legislative body, let us have one in which all of us can participate as to representation in that body.

Mr. MASON. I agree with that. Of course, Judge Hand meant that our Supreme Court was usurping legislative functions, and legislating rather than interpreting.

Mr. LANDRUM. As a matter of fact, Judge Hand stated, in very emphatic terms, that the Supreme Court in overruling a longstanding decision completely left the field of interpreting our statutes and jurisprudence and entered the field of legislative activity; did he not?

Mr. MASON. He did.

Mr. LANDRUM. I thank the gentleman.

Mr. BYRNE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield.

Mr. BYRNE of Illinois. I was particularly interested in that phase of your capable analysis that had to do with the double-taxation feature of this proposed Federal aid for schools. I have the privilege of representing the Third District of Illinois. In that district are many parochial and private schools: the Morgan Day Military Academy, Lutheran high schools, many Catholic institutions, as well as other types of private schools. Is it not true that if the type of legislation that is proposed became the law of the land, we would not only have double taxation for the people who elect to send their children to private and parochial schools but we would have a triple form of taxation?

Mr. MASON. I agree entirely, and it would be an impossible burden.

INVASION OF PEORIA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 20 minutes.

Mr. MICHEL. Mr. Speaker, I have asked for this time to call the attention of the House to an article appearing in the March 10 issue of Newsweek, entitled "Invasion of Peoria." This article is a special report written by the chief of Newsweek's Chicago bureau, Mr. Harry Homewood, and tells how the United Auto Workers is moving into Illinois politics at the precinct level.

The report states that the UAW local No. 974, boasting a membership of 19,000 strong at the sprawling Caterpillar plant in my district, is "in the midst of a determined effort to capture the Democratic machinery in Peoria for the union." The report goes on to say that if its forces win out—and the test will come in the April primary—there can be little doubt that UAW headquarters in Detroit would consider Peoria as a pattern for action in many another industrial area.

To implement their program, specifically in Peoria, the union has filed candidates for Democrat precinct committeemen in 92 of the 210 precincts, and has designs on 80 precincts where no candidates filed before the deadline last January 20.

Mr. Speaker, I should like to make it very clear, at the outset, that I was once a union member myself, and have a host of friends, not only among the rank and file, but including some of those guiding the destinies of other local unions comprising the Peoria Trade and Labor Assembly. I have attended a number of their meetings and have had individuals and numerous groups of laboring people come into my office and discuss their mutual problems. We have always gotten along well together even though having our differences of opinion.

I have no quarrel, whatsoever, with those individual members who have filed as candidates for Democrat precinct committeemen and who, at the same time, happen to be members of Local No. 974. They have every right as citizens to do so, and if it is their intention to promote the cause of better government, then I commend them for taking such an active part. We have a number of union members serving as precinct committeemen in our Republican Party, as a matter of fact, and it is always a great source of pride for me to associate myself with these people. I consider myself a friend of labor's rank and file.

The thing I, personally, resent, and I am confident that I am joined by many, many discerning Democrats, is the fact that the master plan for this operation comes from as far away as Detroit and is under the direct leadership of Mr. Walter Reuther. What right has he to come into Peoria and tell our good Democrat friends what is best for them in their own hometown?

In January, after Caterpillar had reduced its working force by some 6,000 men and expressed a desire to propose a further cut by way of a 4-day workweek for the balance of their employees, Mr. Reuther's representatives came to town and held a mass meeting at the Bradley University fieldhouse trying to get support among the rank and file for his plan to retain the 5-day workweek for those with the most seniority and a complete layoff for those with the least seniority. Mr. Speaker, the rank and file in the union stood up in righteous indignation and rejected Mr. Reuther's proposal; and now, I am happy to say that come March 31, all those who were put on a 4-day week will be coming back to work again for a full 5-day week.

I could not contend that labor is possessed of any lesser right to assert itself as a political force than any other group. Indeed, labor, like all other groups that make up our citizenry, has a responsibility to seek good government. However, it must be asked, should labor in Peoria, Ill., where peace between union and management has been the pattern, have imposed on it the strife and discord that has attended Mr. Reuther's grasp for personal power in Michigan? Others here are more familiar than I could be with the misuse of power that has characterized his constant attempts to completely dominate the Democrat Party in his own State, and full credit should be given to those persons, both Democrat and Republican, who, at the risk of their own personal safety, have attempted to stand in his path.

What motivates this man, who, each day over the past decade, has further extended his tentacles until now we see specific evidence that he has alliances with top governmental officials? Is it for the ultimate good of labor? Is the unrest, suffering, loss of wages, personal violence and economic destruction that he has achieved, consistent with a belief that what he seeks is a strong, wholesome laboring force? As I indicated earlier, I was once a member of a local labor union. It seems to me that neither party today can or should claim that it is the sole protector of labor, or, conversely, that labor will protect its longevity. For myself, I know that I have, within that area where my efforts are and should be felt, been on labor's side, just as I have been on the side of all deserving segments of our population.

It is uniquely possible in the United States to make a statement such as this. Nowhere else does there exist the condition we enjoy under which labor and management—although in some areas competitive—are both so completely motivated by a single goal: A strong economy and a powerful Nation.

I acknowledge that I have little personal strength to aid those persons of the State of Michigan, or the Detroit area, in the solution of their local problems. I have not, in an attempt to grasp personal power to which I am not entitled, attempted to artificially grasp power beyond my logical area of influence.

Let this be noted, however—I challenge Mr. Reuther to cite one instance where I have been motivated by any desire, other than that desire to make labor strong in my own District—strength which can only be achieved through high employment, good working conditions, acceptable wages, and peace between labor and management.

I have and shall battle to preserve labor as a strong faction in my District. I have and shall battle to prevent its strength being corrupted by the infiltration of agents from hundreds of miles away whose interests are personal in character and could lead to but one result—the gradual weakening, corrupting, and destroying of the very good friends with whom I have spent my entire lifetime.

There have always existed differences between segments of our population, and it is historically true that out of resolving these differences through peaceful debate, arbitration and compromise, that strength has been realized. It is my responsibility as a Member of this body to contribute at all times to the peaceful resolving of disputes and the creation of strength that is so indispensable to our Nation today. As a friend of labor, I will not sit idly by and observe Mr. Reuther or any other individual from either labor or management take over

one of our local political parties for their own selfish interests or personal aggrandizement. Experience has shown that it would result in considerable strife and suffering for my many friends.

Therefore, let me pledge this: In those areas where the goal of the UAW and Mr. Reuther is peace, improvement of the life of individuals doing a day's work for a day's pay, and harmony between labor and management, they shall have my full support and cooperation. In those areas where the apparent goal of Mr. Reuther is the achievement of personal power, violence, injury to individuals and property, he will never have my support, and I shall be an unrelenting opponent in victory or defeat.

Mr. Speaker, I suspect if Mr. Reuther persists in his efforts to dictate to the people of my home community, that between now and election day, in addition to what already has been done, we shall see the vast financial resources of the UAW pouring into the campaign. This will indeed be a challenge, but I welcome the opportunity to let the home folks decide for themselves just who can do the best job here in Washington for all of them, and I modestly but confidently submit that it will be BOB MICHEL over Walter Reuther.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. As one who has been here for some time may I say to the gentleman that if I were him I would not worry too much about the CIO or the Americans for Democratic Action or any leftwing organizations. They moved into Rockford, Ill., several years ago to take over the Democratic organization in Rockford. There are many sincere and honest Democrats there. They think they are running the show but they have no more to do with it than I have running the French Foreign Legion. I reiterate, if I were the gentleman I would not worry too much about it.

Mr. MICHEL. I respect the gentleman's position and sincerely appreciate the good counsel and advice he has always given me heretofore. I cannot help but be gravely concerned for the people in my District who may not recognize fully what Mr. Reuther seeks to do in my home town by this attempt to take over the Democrat Party organization locally, lock, stock, and barrel.

Mr. TEWES. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. TEWES. Impartial analysts and historians have said frequently that the two principal requisities for successful service in Congress were, first, leadership ability and second, integrity of thought. On both of these scores the gentleman from Illinois has proved himself to his people back home.

Those of us who are new in the Congress early last year chose the gentleman as the chairman of our group. We have found in our subsequent associations with him that his abilities as a leader have been valuable not only to his people but to those of us who have been privileged to work with the gentleman.

On the second point, the Members of Congress benefit from hearings, floor debate, and correspondence which comes from our people. These aids give us a special insight into the problems of the United States. Based upon this information we reach our decisions on what is best for the people of our district and our country.

And, I want to say that in my opinion—although as the gentleman knows we have differed on occasion—he has always marshaled the facts and has voted on those issues as his own intellectual integrity dictated. The people in my neighboring State of Illinois have reason to be proud of the services rendered by their Congressman. He is a credit not only to them but to the entire Nation.

Mr. MICHEL. I thank the gentleman from Wisconsin. As he indicated, we do have our differences of opinion, but there is always deep mutual respect for one another's integrity and honesty.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. MASON. I want to re-echo what the gentleman has just stated. My name is Noah. Noah prophesied the flood, and I prophesy that BOB MICHEL will be sent back here by an overwhelming majority, a larger majority than he had the last time, because he stands for statesmanlike things, and that was a statesmanlike speech that he just made.

Mr. MICHEL. Coming from the very distinguished gentleman from my neighboring district, I am completely overwhelmed.

Mr. GRIFFIN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan, who obviously has knowledge of the pattern that has gone on before in his own State and which I have discussed today.

Mr. GRIFFIN. Mr. Speaker, I rise to associate myself with the remarks of the gentleman from Wisconsin [Mr. TEWES], in commending the gentleman from Illinois [Mr. MICHEL], for his searching analysis and statement concerning the reported invasion by UAW leaders from Detroit into the politics of Peoria. While it is true that Mr. Reuther, and other UAW leaders whose primary concern seems to be politics, have a stranglehold on the Democratic Party organization in Michigan, let me assure the gentleman, as one who represents a district which includes a large industrial area, that even in Michigan they do not control the votes of the individual rank-and-file union members. I believe the gentleman from Illinois has performed a valuable service in bringing this matter to the attention of the House.

Mr. MICHEL. I thank the gentleman from Michigan. And, I want to emphasize again that were it not for the overall master plan being directed from Detroit, I would have no concern. I simply cannot stomach the idea of Walter Reuther taking it upon himself to chart the course of one of our local political parties and know I speak for many discerning Democrats who do not care to be so stigmatized.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD, the article referred to in Newsweek entitled "Invasion of Peoria," and a timely editorial appearing in Saturday's Detroit News entitled "Caesar's Meat."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The articles are as follows:

[From Newsweek magazine of March 10, 1958]

INVASION OF PEORIA

(One reason why the Republicans on the Senate Labor Rackets Committee want to investigate Walter Reuther is that his UAW seeks political as well as economic power. Already the UAW is politically entrenched in Michigan. In this special report, Harry Homewood, chief of Newsweek's Chicago bureau, tells how the union is now moving into Illinois politics.)

Peoria, Ill., once vaudeville's symbol for "the sticks," today is a booming industrial city, the second largest in the State (population: 112,000). It also is a major outpost of the realm of labor governed by Walter Reuther's United Auto Workers-CIO whose capital is Detroit. At Peoria's huge Caterpillar Tractor Co. plant, sprawling beside the Illinois River, the UAW's local 974 boasts a membership 19,000 strong.

It has long galled the local's leaders—and presumably the Detroit leadership as well—that Peoria through the years should have remained an impregnable Republican stronghold. Increasingly, they have become convinced that the Republicans can never be dislodged by the present Democratic organization, which they view as somnolent, complacent, and resigned to defeat.

This week, local 974 was in the midst of a determined effort to capture the Democratic machinery in Peoria for the union. If its forces won out—and the test would come in April's Democratic primary—there could be little doubt that UAW headquarters in Detroit would consider Peoria as a pattern for action in many another industrial area where the Democrats are weak.

NATIONAL PROGRAM

Charles K. (Kenny) Johnston, UAW subregional director in Peoria, puts it like this: "Although I am the one who implemented this move in this particular area, it is really a national program out of Detroit. * * * We are started on a course that will allow us to deliver Illinois in 1960 to the candidate we think best for labor."

The tactics by which the UAW is seeking to attain its immediate ends are based where the professional politicians base theirs: The precinct level. Marvin (Red) Hyde, the short, stocky chairman of publicity and education for the Caterpillar local, describes them like this: "There's 210 precincts in Peoria County and each one elects a Democratic committeeman. Nobody but the party hacks used to file. People weren't interested. Well, we changed that. We told the workers in the union to get out and run. So right now our guys are running for precinct committeeman in 92 of the 210 districts. And we have a situation where there is no candidate at all in another 80 precincts."

POLITICAL POTENTIALITIES

If the union forces do carry a majority of the precincts—and even their opponents give them a good chance—they will control selection of the county chairman. This is one of the two most powerful positions in the Illinois 18th Congressional District (which embraces 5 other counties in addition to Peoria). The other is that of State

central committeemen of the district, and for that position Red Hyde himself is running.

To what extent Peoria would set a national example remained a question for the time being. But it was certain that in Peoria itself the UAW was digging in for a major attempt to control one of Illinois' biggest party organizations. As Red Hyde summed it up: "If it's necessary, we'll have a new Democratic Party."

[From the Detroit News of March 8, 1958]

CAESAR'S MEAT

The performance of Emil Mazey as a witness before the McClellan Senate committee is one more entry in the case history of the UAW and its curious and growing God-complex.

If not from the throne itself, Mr. Mazey's voice was from on high, from whence he pronounced moral judgments on the clergy of two great faiths, on the legal fraternity, and medical profession of Sheboygan County, on a member of the Senate committee and on a Sheboygan court which had dared to jail a UAW goon.

The daily press, long a target of Solidarity House and its anathema mill, finds itself for the moment in excellent company.

The offense, in which all these are joined, appears to be only that they do not believe that the law according to the UAW transcends the law of the land.

The God-complex is not new in American experience, or for that matter in the annals of organized labor. The American spirit puts up with fools. But not with Caesar. What we are witnessing in the McClellan hearing room may very well be the beginning of the end.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Glad to yield to the gentleman from Wisconsin.

Mr. LAIRD. I want to commend my friend and colleague from Illinois on the very fine and forthright statement which he has made here this afternoon on the floor of the House. I feel that it certainly is well that this issue be met early and that the people in Illinois and in other sections of the United States may be well aware of the type of political activity which Mr. Reuther is carrying on throughout the country. I think that we all must be aware of the type of activity that he contemplates in the next election, and I commend the gentleman for bringing it to the floor of the House this afternoon.

Mr. MICHEL. I thank my good friend and most able colleague from Wisconsin.

Mr. TEWES. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. HASKELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HASKELL. Mr. Speaker, I would like to take just a few moments to commend our colleague from the 18th Congressional District of Illinois, Mr. MICHEL, for the outstanding job he is performing in this Congress and for the manner in which he so ably represents his constituents. The gentleman from Illinois became a Member of this body with a wealth of experience in governmental matters that, combined with his earlier life in the district which he represents, makes it possible for him not only to be closely aware of his constituents' needs and desires, but to take prompt and appropriate action on them.

The residents of the 18th District of Illinois are indeed fortunate to have as their Representative a man of the gentleman's ability, courage, and determination.

I consider it a great honor to be able to pay this brief tribute to our colleague today. I feel certain that in doing so I am joined by the vast majority of other Members of this body.

A REALISTIC PAUL BUNYAN PLAN FOR EDUCATION

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentlewoman from Minnesota [Mrs. KNUTSON] is recognized for 60 minutes.

Mrs. KNUTSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Mrs. KNUTSON. Mr. Speaker, I am for sound economy in government. I believe that the American people should get good returns from their expenditures through government at all levels—Federal, State, and local. I abhor waste of the people's money, of our natural resources, or of the lives of Americans.

But waste can occur in many different ways. There could be, for example, waste of the people's money by maladministration in Government. There could also be waste of the very lives of many of our people by failure of the Government to spend money.

If our Federal Government had not spent billions of dollars during World War II, the lives of millions of our people would have been sacrificed for lack of training and equipment.

If President Franklin D. Roosevelt had not foreseen the necessity for Federal expenditure of billions of dollars to bring this Nation out of the great depression of the 1930's, hundreds of thousands, perhaps millions of Americans would have died from hunger, lack of heat for their homes, suicide, disease, and the many other causes of death which would have been rampant throughout our land.

Now our Nation is in the midst of another great crisis—an educational crisis. This crisis threatens the very survival of our American way of life, for we are in the deadly grip of a life or death competition forced upon us by international communism. The basis of this competition is education and the alternative to our losing this competition is war—a war of worldwide devastation and death.

Most of you have heard of a character well known throughout my home State of Minnesota—the gigantic hero of the lumberjacks, Paul Bunyan. Now Paul Bunyan might be considered by some people to have been only a mythical character, but today I am proposing a realistic Paul Bunyan plan for the preservation and advancement of our American way of life. I am proposing that the Federal Government invest $100 billion in American education—in America's future. I am proposing this investment be made at the rate of $10 billion a year for the next 10 years.

If this seems a large investment, let us ask ourselves: How important to us is the preservation of our way of life during our lifetime; and what is it worth to assure that way of life for our children? When we consider the certain gains from such an investment and the potential loss from failure to make such an investment, the amount seems a mere pittance.

Our gross national product at present amounts to about $430 billion. Writing in the Educational Record for January 1958, Robert D. Calkins, president of the Brookings Institution, has pointed out that—

> If during the next decade there are no more serious interruptions than those of the last 10 years, we may expect a growth [in gross national product] of about 3½ percent at least, perhaps more. At 1957 prices, an annual growth of 3½ percent would yield in 1967 a gross national product of about $600 billion.

At present the Federal Government is spending for Federal aid to all levels of education in the States only about $1.5 billion a year, which is only about one-third of 1 percent of the value of the gross national product. The $10 billion additional which I am proposing that the Federal Government spend represents less than 2.5 percent of the present value of the gross national product, and only about 1.7 percent of the value of the gross national product which is expected in 1967 provided this Nation does not in the meantime suffer a serious interruption. I believe that unless at least this $10 billion a year is spent by the Federal Government for the advancement of education this Nation will indeed suffer a serious interruption. It might even lose the character of its existence as a free nation.

ONE HUNDRED BILLION DOLLARS

These $100 billion wisely invested in the revitalization of American education can help America to win the cold war and prevent a holocaustal hot war of H-bombs and ICBM's.

These $100 billion thoughtfully spent can help the Free World to secure for itself a meaningful, productive peace.

These $100 billion thoughtfully spent can go a long way toward insuring for our grandchildren and their grandchildren a way of life founded on the American tradition.

This investment of $100 billion represents the expenditure of only a fraction of what our country will gain in gross national income in the long run. These $100 billion represent an investment in this country's future productivity. The multi-billion-dollar Federal highway aid program, which will probably cost the Federal Government well over the $40 billion currently estimated, is also such an investment—but no one can tell me that the education of our children is not more important than our roads.

One hundred years ago the London Economist editorialized:

> Education, being an artificial want, cannot be, and never has been, left to grow up

spontaneously. Man is the better for it, but he must possess it in a certain degree before he can feel the want of it. It is the duty of [government] to procure for it a recognized position among the wants of a community.

These $100 billion thoughtfully spent can procure for education "a recognized position among the wants" of our community such as the present demands.

These $100 billion thoughtfully spent can help the Free World to produce the necessary hardware of peace and, in time, can help to make extinct the hardware of war.

THE 120 DAYS WHICH SAVED AMERICA

The 120 days of suspense between the launching of the first earth satellite and the launching of the American Explorer may very well be known in history as the 120 days which saved America. If—and what a dangerous "if" it is—we fail to follow through with the determination we have now gathered within us, if we fail to heed the warnings, and to meet the challenges, the world of 100 years from now may very well look upon these 120 days of recent memory and mark them as the beginning of the end of the American way of life.

As a parent, as a former schoolteacher, as well as a Member of Congress, I want to talk with you today about several matters which relate to the most serious business which has ever confronted this great legislative body. This business is the education of our young people—the boys and girls who tomorrow, as men and women, must shoulder the tremendous responsibilities of our increasingly complex world.

THE STRAIGHTEDGE OF CONFIDENCE

The night before he died in 1945, Franklin Delano Roosevelt wrote a speech which the scythe of death prevented him from delivering. In this speech, Mr. Roosevelt wrote:

We seek peace—enduring peace. Today, science has brought all the different quarters of the globe so close together that it is impossible to isolate them one from another.

Today, as we move against the terrible scourge of war—as we go forward toward the greatest contribution that any generation of human beings can make in this world—the contribution of lasting peace, I ask you to keep up your faith. I measure the sound, solid achievement that can be made at this time by the straightedge of your own confidence and your resolve.

The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

Today, as we must dig deeply into our consciences, as we must think difficult thoughts to make difficult decisions, the echo of FDR's ringing words appropriately challenges us to move forward with strong and active faith.

We must be confident and determined—and what's more important, we must not look back. We must keep moving in the direction of a better way of life for us all.

A PAUL BUNYAN FOR 1958

A hundred years ago this year, the Minnesota Territory became a State. Back then in 1848, we spoke of the United States in the plural: we said, "The United States are." Now we say, "The United States is." I believe Minnesota had much to do with making this great country of ours a truly united one. The spirit of Minnesota echoes the spirit of Paul Bunyan. What a man he was—a strong man, full of vision and energy and hope and boldness and movement.

Indeed, Paul Bunyan and his blue ox, Babe, symbolize well the strength of America. No task is too great, no hurdle too high, no dare too idealistic for our people. At this time we need a bold educational plan to prepare our boys and girls for the strange new world into which they have been born.

A few weeks ago I testified before the Elliot Subcommittee on Special Education. I said then and I wish to repeat now:

There is no earthly reason why we Americans should go halfcocked in 20 directions hoping to get ourselves out of our educational dilemma by wishful thinking and halfway measures.

Let's get over our inferiority complex and get to work. And if it's for education, let's spend the necessary money. Let's start "running scared."

There are no two ways about it. Unless we do enough for education in terms of energy, initiative, imagination and dollars, we will have done nothing except further muddy the already muddy American educational waters.

We need Paul Bunyan thinking. We need Paul Bunyan action. I assure you, Mr. Speaker, that education will yield for us Paul Bunyan results.

THE RULE OF THE FARM FIELDS

My people in Minnesota, many of them, are farmers. They know the rule of the farm fields. You plant a good seed if you want good fruit. You work hard during planting time if you want to reap a good harvest. You try to improve your farming methods. You work. You help yourself and then you pray to God to give you a helping hand. You do not just wish a farm crop and count on luck.

Minnesotans know that a bucket of water will not quench the thirst of a growing acre of flax. Minnesotans know that a 15-minute-a-day gesture of work will not produce a crop.

Not only Minnesotans but the whole American people know that a 10-percent solution to our educational crisis is no solution at all.

TIMIDITY, INDECISION, CONTRADICTION, AND FOOLHARDINESS

The President of the United States said about a year ago that education was "more important than our Nike batteries, more necessary than our radar warning nets, and more powerful even than the energy of the atom."

Then last month, the President's advisers talked him into proposing a program which betrayed an administration of timidity, indecision, contradiction, and foolhardiness. The President's $1 billion program for education, even if supplemented by wishful thinking and sweet platitudes, is not enough.

One Midwestern superintendent of schools, Walter E. Stebbins, reacted to President Eisenhower's half-hearted educational program this way. I quote from his thoughtful remarks which were recently inserted in the CONGRESSIONAL RECORD:

Now, I cannot believe the President of these United States would intentionally do anything to hurt these little children, or their teachers, or the communities in which they live, but I can believe that some tempter did take him up to the pinnacle, and there this tempter pointed out in one direction only, and said, "Mr. President, these are the things that will make America safe." And looking in that direction, he could see stretching out to reach the purple mountain's majesties, great massive highways, broad and long, and colossal overpasses, and a thousand beautiful bridges, and airport terminals and runways for our alabaster cities, and he could see great factories built with Federal assistance under the writeoff plan. "Choose these," said the tempter, "these are the things for which we must spend more billions; then America will be safe."

Without ever turning to look in the other direction they went down, and in so doing, this good man turned his back on America's children, her greatest asset and her most urgent need. This is the way it must have happened.

And who is the tempter, you well may ask. Who it is has been pretty well established. It is not a secret at all. Collectively, it is a force of national scope, and it can be characterized by self-interest, shortsightedness, and selfishness. In your town and mine all across this broad land, it speaks a confused and garbled language. It gives awards to teachers and tells them of their great worth, then fights the appropriation designed to give them a decent salary. It is for better school buildings, yet spends great sums to prove no more school buildings are needed. Some of its segments will work for more billions for highways and airports, and at the same time, promote a program of economy that will rob the school children of America.

As a former teacher, I know just how Mr. Stebbins feels. Some Members of Congress think that the only reason they are in Congress is to demonstrate their expertness at logrolling. Today, America is over the barrel almost, education-wise. I might say that that barrel is the pork barrel.

There is a saying that if you can't beat them, join them. All right, then. Let me tell you that there is no pork that will reach all of the American people more effectively than education. The little people all over this great country of ours—from California to South Carolina, from Louisiana to Minnesota—are tired of seeing all the pork go to big business and to H-bombs. The little people are saying:

Give us education for ourselves and our children, and we will work ourselves to the bone to build America and a world that knows the dignity of the human soul. With education, we can help ourselves and God will help us.

Apparently, the Madison Avenue advertising geniuses have convinced General Eisenhower that the war of the schoolhouse with the Soviet Union can be won by advertising and propaganda. The complacency which will be engendered by the administration's baby-crash program makes it no more than a program for a crash.

I am not in favor of such a program. Neither am I for a program for a splash—a Madison Avenue publicity stunt calling for quantities of money, irresponsibly spent in order to excuse ourselves from the constant public thoughtfulness that the education of our children deserves. As I have said, edu-

cation is serious business, very serious business. To paraphrase what a famous general once said about war and generals, let me say that education is too important to be left solely to the educators.

As the President of the United States said—and it sounds like an understatement in light of recent history—education is more powerful than the energy of the atom.

THE SAY-SO OF THE MOON

It has become quite fashionable to say that we need this and we need that because of sputnik. And we have been offered a variety of token-educational proposals to appease that queer little metal god in the sputniksphere. I think that it is high time that we quit playing footsy with political expediency and lazy-man solutions. Let's listen for a moment to the real and more important messages of the sputnik. Dr. Franklin D. Murphy, chancellor of the University of Kansas, has pointed out that:

The message which this little ball carries to Americans, if they would but stop and listen, is that in the last half of the 20th century * * * nothing is as important as the trained and educated mind. This sphere tells us not of the desirability but the urgent necessity of the highest quality and expanded dimensions of the educational effort. It states more dramatically than ever before that the future of the 20th century lies in the hands of those who have placed education and its Siamese twin—research—in the position of first priority.

Presidential scientific adviser James Killian has expressed the sputnik's message in the following terms:

What sputnik has shown is not that leadership has passed from the United States to the U. S. S. R., but that we expect in the future more instances of Russian challenges to our scientific leadership.

We should not copy our competition. * * * Our aim should be * * * to do those things which represent our genius and which will best meet our needs. * * * We should not allow the pressure for scientists and engineers to obscure the need for first-rate talent in other fields.

The great Swedish-American poet of the people, Carl Sandburg, once wrote a poem which concluded:

The new moon is a law.
The little say-so of the moon must be listened to.

The say-so of the sputnik, "the new moon," translated into its significance for the American people, was simply this: "Wake up, America. Get the cobwebs out of your eyes. Do a little soul-searching and thinking. And then, proudly and energetically, climb to the altitude of the American tradition to make American education the best in the world."

H-BOMB OR E-BOMB

The cold war has properly been identified by discerning people as the war of the schoolhouse. The sinister H-bomb with its terrible destructive power and its terrifying fallout is a deadly toy for grown men to be playing with. The destruction and tears and time-splitting screams of an H-bomb war are terrible to contemplate.

Only by recognizing the basis of the cold war of the schoolhouse and taking necessary steps to win this cold war can we hope to avert a helpless drift into the hot war of the H-bomb. We must bend our efforts to the development of education, the E-bomb.

Listen to what a writer in the Educational Record for January 1958 said in an article entitled "The E-Bomb: A Proper Instrument of Civilization in the Nuclear Age":

The E-bomb's fallout affects every phase of our way of life. It is the key to successful democracy, a productive economy, and an efficient technological defense posture. * * * The Russians are using the E-bomb. The challenge is unmistakable. We must, of course, keep up with the Jonesvitches.

We cannot escape the E-bomb issue. Our civilization can just as surely freeze to death in the cold war of the classrooms as it could blow itself to a nasty kingdom come in a hot atomic war. * * *

Upon the solution of our educational problems depends the future of America.

The E-bomb should be viewed as an instrument of peace. Only through its development and use can we hope to win and maintain a real and enduring peace. With all the energy of our forefathers and foremothers, we must work to that end.

In his aforementioned article, Brookings' President Calkins has graphically capsuled the proper direction of our thinking:

It is certain that if we are struck with modern weapons in a massive war, it will be unlike anything that has gone before. * * * After a few hours or days the scattered survivors will crawl out of the rubble and concern themselves with elementary survival. The preservation of education and free institution will for a long time seem a remote, academic issue. Our only hope is to provide in advance an effective deterrent against such a holocaust.

Dr. Calkins warns that the public must understand "the great and growing importance of education and research to our national strength and security, to the further development of our way of life, and to our role of leadership in the world."

A THREE-POINT PLAN

First, let us make the education of our young folks a bipartisan effort.

Then, let us look at the educational crisis in America which has threatened the Free World's defense posture and program for peace.

Lastly, let us have the intestinal fortitude to develop and carry out the necessary program to boost American education.

Recently, I wrote a letter to my constituents about the educational crisis. I wrote them:

We're behind in everything—classrooms, advanced laboratory equipment, teachers, scholarships—everything. You name it, we're behind in it.

I am asking you to remember that our children deserve more than parity in educational opportunity. There are billions of children, not even around yet, depending upon our honesty and courage.

THE EDUCATIONAL STATE OF THE UNION

However, before we make a further general indictment of our educational situation in the United States, "let's look at the record," as one statesman used to say whenever someone declared a fact without documentation. Let us make the necessary comparisons, scratching below the surface here and there, weighing and measuring—let us see for ourselves what is the educational state of the Union.

On November 13, 1957, President Eisenhower broadcast to the American people the following facts about Soviet education:

Remember that when a Russian graduates from high school, he has had 5 years of physics, 4 years of chemistry, 1 year of astronomy, 5 years of biology, 10 years of mathematics through trigonometry, and 5 years of a foreign language.

Prof. Arthur Bestor of the University of Illinois, in a recent interview published in the U. S. News & World Report, asked an interesting series of questions. How many of the American boys and girls who graduated from high school last spring completed 5 years of physics? How many completed 4 years of chemistry? How many took 1 year of astronomy? How many, 5 years of biology? Ten years of mathematics through trigonometry? Five years of a foreign language? How many American boys and girls who graduated from high school last spring completed all of these things?

Professor Bestor commented on these questions:

Citizens have a right to the answers.* * * I suspect that the answers will be "None" in a vast number of American communities. * * *

Only the ablest Russian students complete the program that President Eisenhower described. But these do complete it. Our ablest students don't even get a chance to engage in a course of study as thorough and intensive as the Russian one. * * * Actually, we don't offer our brightest young people the kind of educational opportunity they would have if they were born in other countries.

In December 1957, Marion B. Folsom, Secretary of Health, Education, and Welfare, wrote:

Studies indicate that only one out of three high-school graduates [in the United States] has had a year of chemistry, only one out of four has taken a year of physics and one out of three has had more than one year of algebra.

Dr. A. Whitney Griswold, president of Yale University, a few weeks ago received an application for admission to Yale from a young man from a large western city. The application was turned down by Dr. Griswold because the young man simply was not prepared for higher education. According to the young man's transcript for his junior and senior years in high school he had obtained credit for the following courses:

In junior year: English III, American history, typing, speech, chorus, and physical education.

In senior year: English IV, journalism, speech, personality problems, marriage and family, and chorus.

I would be equally shocked, of course, if this young man had offered a high school transcript as follows:

In junior year: Nothing but science.

In senior year: More science and nothing else.

It is significant, I believe, that the young man who was turned down by

Yale University took journalism, speech, and chorus but apparently few courses which would give him anything to write, talk, or sing about. No wonder in this time of the administration's brinkmanship and golflinksmanship, we have such a deficiency in thinkmanship.

A COMMENT ON UNITED STATES-U. S. S. R. COMPARISON

At this point I think that it would be appropriate to say a further word or two about United States-U. S. S. R. comparisons with respect to education.

Since the ascent of Sputnik I, we have all been tempted to show how this country is lagging dangerously behind the Soviet Union.

True, the Russians showed us up. True, the Russians have made fantastic advances of late. True, the Russians pose for us a grim threat. We must, however, carefully evaluate the Russian challenge.

Dr. Alexander Korol, of the Massachusetts Institute of Technology, recently published the results of his 2-year study of Soviet education for science and technology. Dr. Korol said very appropriately:

[The] nature of the Soviet challenge is not expressed in numbers, nor even in quality, but in the degree to which national education and training efforts and performance are consonant with national goals. The essence of the challenge for the United States, therefore, is not to permit the scale, character, flexibility, vigor, and quality of American education to lag behind its expanding goals and responsibilities.

Article 121 of the Soviet Constitution, which proclaims the Soviet citizen's right of education, is secured by a 1956 amendment which provides for—

Universal 7-year education, by the widespread development of secondary education, by the fact that education of all types—whether secondary or higher education—is free; by a system of State scholarships for college and university students who distinguish themselves—

And so on.

The fact that, in 1955, the Soviet Union produced 126,000 science field college graduates to our 59,000 becomes significant when you realize that educational opportunity is constitutionally certified in the Soviet Union. The Soviet Union graduate engineer crop was 59,000 to our 22,600 in 1955. In 1955, the Soviet Union had 1,900,000 teachers at all levels; the United States, only 1,360,000.

We in the United States need not and should not play a numbers game with our Soviet rivals. But let us not pretend that all is well. All is not well. As I wrote my constituents in January:

For the first time since our World War I rise to world power, another nation has outdistanced us in potential. Practically every noted authority maintains that not only are we behind Russia but also that we will remain behind Russia until 1962. If we do nothing now, we will remain behind Russia until the hereafter.

CAUSE AND EFFECT

Let us not fool ourselves into thinking that the fault of American education lies solely with our educational philosophy. We have a shortage of teachers which, of and by itself, multiplies all other manpower shortages in the United States. We have a shortage of classroom space which is growing worse each year. We are underpaying our teachers and our scholars. We are denying an education to thousands of young Americans by pricing them out of the classroom. We are still treating education as if it were a luxury. I do not believe that I must array facts and figures to show that education is not a luxury but a necessity without which our democracy will eventually shrivel and die.

FEDERAL AID TO EDUCATION—PROPERTY TAX CANNOT SUPPORT MODERN EDUCATION

One of the reasons why I believe in Federal aid to education is this. The property tax base for support of local school systems is as out-of-date as the dodo bird. It is inequitable and inadequate in these days of expensive educational plant and facilities. Net farm income has dropped from $16.1 billion in 1951 to $11.5 billion in 1957. During this time, farm real estate values have remained high, advancing even, in some areas. It is becoming increasingly evident that financing of education must be done through the taxing of income rather than property—if such costs are to be fairly and equitably distributed.

Even if all property taxes were devoted to this purpose, particularly now in the farm depression, they could not possibly provide the extensive laboratory equipment, the highly technical textbooks, and other advanced facilities to meet today's needs.

Furthermore, it is industry as a whole which benefits most from the training of scientists, engineers, math teachers, and other persons trained in highly technical skills. Industry, logically, therefore, should bear the brunt of these increased costs of modern education. This can only be done on the broad, countrywide scale of Federal taxation, based on income, and Federal aid. Industry's contribution to local colleges for local purposes, is not sufficient—nor is it equitable. The whole country must advance, educationally; standards and facilities must be raised, equalized, and improved all across the country. This can only be done through Federal aid to which industry would have contributed its fair share.

Russia spends 10 percent of gross national income on education, while in this country we spend 3 percent. Even if we spend $10 billion more per year, we will be coming closer to the Russian figure earmarked for education, but we will still not spend nearly 10 percent of our country's gross national income.

MINNESOTA AND FEDERAL AID

On May 11, 1858, a century ago, Minnesota stepped into statehood as the 32d State with Federal aid for education already an established principle. When Congress made the customary land grant to the new territory of Minnesota for the support of common schools, it generously set aside two sections for education in each township. According to the school lands law all funds derived from the sale or lease of these lands is held in a permanent trust fund. Some of Minnesota's lands turned out to be worth millions of dollars in timber and iron ore.

With Federal assistance under the Morrill Act of 1862, Minnesota established a college of agriculture, forestry, and home economics at the University of Minnesota.

The Vocational Education Act of 1917 initiated a new phase of Federal aid for Minnesota. Then came the school-lunch and school-milk acts.

In the year 1956, nearly $800,000 went to Minnesota as its share of Federal funds for vocational education—agriculture, home economics, trade and industrial education below college level.

For the national school lunch and school milk programs, Minnesota got over $2 million of Federal funds in 1956. The sizable Federal contribution for just these 3 programs becomes more striking when compared with the $86 million total State government expenditures for education in Minnesota in 1956. Federal aid for education in my State, as in the other 47, represents an established intergovernmental partnership of responsibility and action in the field of education.

THE CONSTITUTION AND THE TRUTH ABOUT FEDERAL CONTROL

The Legislative Reference Service of the Library of Congress recently prepared a report in response to a specific Congressional request to develop the facts and present the arguments on the favorable effects of Federal aid to the States for education. Let me quote from that report:

The fact that the Constitution omits specific provision for education is unimportant, from the viewpoint of the national interest, because from the beginning, the general welfare clause and other clauses in the Constitution have served as warrants and limitations for Federal aid to the States for education and for other Federal educational programs. In 1931 the National Advisory Committee on Education appointed by President Herbert Hoover reported finding in the Constitution itself 14 warrants and limitations for Federal activities in education.

In 1937 Historian Charles A. Beard and others wrote a paper entitled "The Unique Function of Education in American Democracy." I should like to quote from that paper:

In the Convention that framed the Constitution, James Madison proposed that Congress be empowered "to establish a university," and Charles Pinckney urged a broader provision: "to establish seminaries for the promotion of literature and the arts and sciences." At a later time in the Convention Madison and Pinckney joined in moving for the creation of a university. Upon their project Gouverneur Morris remarked: "It is not necessary. The exclusive power at the seat of government will reach the object." The motion was lost. No express provisions were made in the Constitution, but leaders among the men who framed that document certainly believed that the power to perform this national service was positively implied.

President George Washington, in his first annual address to the Congress declared:

There is nothing which can better deserve your patronage than the promotion of science and literature. * * * Whether this desirable object will be best promoted by affording aids to seminaries of learning already established, by the institution of a national university, or by any other expedients will be well worthy a place in the deliberations of this Legislature.

Now, in 1958, it is high time that we in the Congress give the promotion of

science and literature the maximum patronage which President Washington recommended over 150 years ago.

And let us remember what President Eisenhower's Committee on Education Beyond the High School said last year:

Over the last 100 years many Federal programs have evolved. * * * There is little evidence that any of these has led to undue Federal interference.

Brig. Gen. Stephen R. Hanmer, in his dissertation on Federal aid to education submitted to the Industrial College of the Armed Forces in 1956, aptly concluded:

The bugaboo of Federal control appears to be largely a figment of some people's imagination.

The phrase "Federal control" has become the hobgoblin of many well-intentioned persons. The intergovernmental approach to the public educational responsibility—with all of its cooperation and rivalry—has done much through the years for America. It has bolstered the necessary eternal vigilance which prevents exclusive control of education at any level of government.

THE SHORTAGE OF TEACHERS

A college professor recently offered what he described as a controversial solution for our overcrowded universities. Says Prof. Philip Ward Burton, of Syracuse University:

Keep women out of college.

Possibly with tongue in cheek, he goes on to say, apparently in all seriousness:

Cut down the number of women allowed to go to coeducational schools.

Denying women any privilege—no matter how slight—is sure to bring shrill cries from every quarter. Just the same, ladies, from this corner it looks very doubtful that in 10 years (or less) there will be room for both you and all the men who want to go to college. And it's more vital that men should have that college education. That's why many of you are going to have to step aside.

As a former schoolteacher, I want to tell you that the proposal to keep women out of college is almost as unreasonable as it would be to forget all about education and let illiteracy and ignorance prevail. That is almost what Mr. Burton is suggesting.

The most serious shortage in this country is the shortage of schoolteachers. We need more women in college preparing to teach, not fewer. We need more women studying in all fields, because womanpower is an important element of manpower, and the United States is desperately in need of professionally developed manpower.

Parade magazine, the Sunday supplement to the Washington Post and Times Herald, recently published the story of Phyllis Weber, one of America's satellite engineers. Commented the editor of Parade:

In Russia, 25 percent of engineers are women, in America only 1 percent. That this ratio can be changed for the better is clear.

That this ratio be improved is imperative, at least to the extent of developing and recognizing this country's woman "mindpower."

Mrs. Rose Arnold Powell, of Minneapolis, Minn., has written a stirring article about the tradition of American pioneerism, and woman's role in that tradition. She said:

America was discovered when it was because a sympathetic understanding woman listened to the startling claims of Columbus and pledged her jewels to secure funds for his great adventure. * * * As Mary R. Beard, historian * * * has emphasized, "Women have always been at the heart of things." * * * Let us ponder the statement of the late Arthur Brisbane, noted columnist, "The world might well have wept if Susan B. Anthony had been born a boy."

Professor Burton's panacea for our educational crisis might well lead the world to weep some day because some woman was not born a boy—some woman who never got an education.

Three years ago when I first introduced the Student Loan Act I received numerous letters from college administrators all over the country. From Kansas State College in Manhattan, Kans., I received the following comment:

Far too few people in America today realize what an acute manpower shortage we face, especially of persons with college training for scientific, technical, and professional occupations. Our chief means of solving this problem is to encourage college attendance by all youth who have the mental ability to benefit from it. Studies show that only approximately half of such youth are now attending college. I am sure the legislation you propose will be most helpful in this regard.

I say to you, we must expand, drastically expand, educational opportunity in this country. Not reduce it.

In the school year 1957, according to the National Education Association, there was a shortage of 180,000 qualified elementary and high school teachers in the United States. The American Library Association reported last year that the number of professional library vacancies was estimated at 10,000 with a bleak prospect of only 1,000 graduates in library science in the coming year. The President's Committee on Education Beyond the High School conservatively estimated a few months ago that between 180,000 and 270,000 new college teachers must be recruited in a dozen years—between 15,000 and 22,500 annually.

The Secretary of Health, Education, and Welfare, Marion B. Folsom, told the American Council on Education:

Most critical of all, perhaps, is the shortage of school and college teachers. A careful study indicates that by 1966, the Nation will need more than 600,000 additional teachers.

Keep women out of college? The absurdity of the suggestion speaks for itself. Perhaps, Professor Burton should be commended for trying to shock us into understanding how great the contemporary educational crisis really is.

SALARIES OF TEACHERS

In 1956, the National Education Association indicated that close to 71,000 classroom teachers were paid less than $2,500. In the current academic year, the average United States public school teacher's salary is $4,650—but 29 States have teacher salaries below the national average with some States having average salaries as low as $3,300. Examples: Nebraska, $3,320; North Dakota, $3,300; South Dakota, $3,300; Mississippi, $2,650.

Average teacher salaries, according to a study made in 1957 by the NEA Research Division, were lower in 1955 than in 1939 when compared with the income of the average employed person in the United States. The following table summarizes the study's findings:

Average annual earnings of teachers and certain other groups, 1939–55

Year	Teachers (calendar-year estimated average salary	All persons working for wages or salaries	Employees in manufacturing	Civilian employees of Federal Government	Nonsalaried professional practitioners		
					Dentists	Lawyers	Physicians
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1939	$1,420	$1,264	$1,363	$1,843	$3,096	$4,391	$4,229
1940	1,450	1,300	1,432	1,894	3,314	4,507	4,441
1941	1,480	1,443	1,653	1,970	3,782	4,794	5,047
1942	1,540	1,709	2,023	2,226	4,625	5,527	6,735
1943	1,640	1,951	2,349	2,628	5,715	5,945	8,370
1944	1,765	2,108	2,517	2,677	6,649	6,504	9,802
1945	1,900	2,189	2,517	2,646	6,922	6,861	10,975
1946	2,080	2,356	2,517	2,736	6,381	6,951	10,202
1947	2,380	2,589	2,793	3,074	6,610	7,437	10,726
1948	2,710	2,793	3,040	3,168	7,039	8,003	11,327
1949	2,900	2,850	3,092	3,362	7,146	7,971	11,744
1950	3,050	3,008	3,300	3,504	7,436	8,349	12,324
1951	3,235	3,247	3,612	3,778	7,820	8,855	13,432
1952	3,485	3,431	3,833	4,033	----------	9,012	----------
1953	3,615	3,581	4,049	4,225	----------	9,302	----------
1954	3,810	3,660	4,116	4,319	----------	10,258	----------
1955	4,012	3,830	4,351	4,597	----------	----------	----------

Sources: NEA Research Division; U. S. Department of Commerce.

In 1939, teachers earned 12.3 percent more than the average employed American. In 1955, teachers earned only 4.8 percent more.

Let us use 1939 salaries as a base year; teacher salaries since 1939 went up 287 percent, the average employed person's went up 303 percent and salaries and wages for employees in manufacturing went up about 320 percent.

This is inexcusable, when you consider that teachers clearly are front-line officers in the cold war. Let us get the necessary teachers, good teachers, and let us pay them what they deserve and what is necessary to retain them in the teaching profession.

Gen. Omar N. Bradley has said:

The teacher is the real soldier of democracy. Others can defend it, but only he can make it work.

An Educational Policies Commission report of January 1958 stated:

> The highest priority * * * in responding to the contemporary challenge to American education is the recruitment, education, and retention in the profession of qualified teachers.

SCHOOL HEALTH SERVICES

Education and health go hand in hand.

In a 1945 issue of the American Journal of Public Health, Antonio Ciocco reported that a great many of the physical defects which had rendered young men unfit for military duty during World War II "had arisen in childhood and could have been corrected right then and there."

The Health Information Foundation of New York City, George Bugbee, president, made a grant toward the total cost of a survey in cooperation with Pennsylvania State University to determine how cooperative efforts of the public schools, physician, parents, and community organizations could be centered on improving the health of schoolchildren. The Social Science Research Center of Pennsylvania State University, under Sociologist William G. Mather, conducted this study. When the study was completed, the foundation published the following conclusion:

> The present rate of correcting schoolchildren's medical and dental defects is far too low in all segments of society and all types of homes. We need a long-range all-persuasive program.

A publication released jointly by the Public Health Service, the Office of Education, and the Children's Bureau in 1951 said:

> It costs less to prevent health problems than to cure them. Childhood is the time to correct and treat many of the handicaps that, if untended, may afflict and restrict adults throughout their lives.

An important consideration is the relationship of a child's health to the successful exploitation of his maximum educational opportunity. While research needs to be done on the question of how seriously the lack of medical help interferes with each child's education and development, it would be a grave mistake to overlook the health needs of a child in our examination of the educational crisis of today.

SCHOOL CONSTRUCTION

In January of this year the administration once more informed us of the national shortage of over 140,000 classrooms. Yet there is no administration proposal for classrooms at all—an astonishing fact, considering that the administration last year recommended emergency Federal aid for school construction.

According to data released by the United States Office of Education, there are almost 2 million pupils "in excess of normal capacity in public elementary and secondary schools." This figure represents about 6 percent of the total enrollment at the beginning of the current school year.

You will be interested to see how these figures were distributed throughout the United States. The following table, prepared in the Legislative Reference Service of the Library of Congress, is based on data furnished to the United States Office of Education by the State and Territorial departments of education:

Preliminary fall 1957 statistics on enrollment and school housing in fulltime public elementary and secondary day schools

Col. (1) Region.
Col. (2) State or Territory.
Col. (3) Total number of pupils in excess of normal capacity of the accessible publicly-owned school plants in use.
Col. (4) Total additional instruction rooms needed at opening of school in fall 1957.
Col. (5) Instruction rooms scheduled for completion during 1957–58 school year (not available for fall 1957 shortage).[1]

[In thousands]

(1)	(2)	(3)	(4)	(5)
United States (estimate).		1,937.0	140.4	70.8
Northeast	Connecticut	21.8	2.2	1.5
	Maine	7.1	.7	.3
	Massachusetts	23.0	2.2	1.2
	New Hampshire	5.6	.4	.2
	New Jersey	78.3	3.5	1.5
	New York	[2]	[2]	[2]
	Pennsylvania	[2]	[2]	3.7
	Rhode Island	5.0	.6	.1
	Vermont	4.6	1.0	.1
North Central	Illinois	58.3	3.3	2.9
	Indiana	27.0	3.4	2.5
	Iowa	29.0	[2]	.6
	Kansas	[2]	[2]	[2]
	Michigan	164.8	10.1	4.2
	Minnesota	20.3	5.0	1.6
	Missouri	[2]	4.4	1.5
	Nebraska	3.3	.3	.2
	North Dakota	7.5	.3	.2
	Ohio	54.7	3.9	2.7
	South Dakota	5.0	.7	.2
	Wisconsin	2.9	.5	1.6
South	Alabama	280.9	11.0	.4
	Arkansas	20.9	1.2	.5
	Delaware	3.6	.2	.3
	Florida	92.1	5.0	1.8
	Georgia	106.0	7.1	2.7
	Kentucky	54.5	9.8	1.2
	Louisiana	31.3	2.4	1.8
	Maryland	67.1	3.2	1.2
	Mississippi	67.0	4.9	1.7
	North Carolina	41.7	3.9	1.6
	Oklahoma	[2]	[2]	1.1
	South Carolina	16.0	2.1	.5
	Tennessee	27.4	3.8	.2
	Texas	40.6	2.7	5.1
	Virginia	72.9	5.0	1.2
	West Virginia	24.9	1.9	.2
	District of Columbia.	[2]	[2]	.0
West	Arizona	32.7	1.4	.2
	California	90.0	8.0	10.0
	Colorado	32.3	1.3	.5
	Idaho	5.8	.7	.1
	Montana	5.1	.6	.2
	Nevada	3.3	.2	.1
	New Mexico	14.8	1.5	.4
	Oregon	9.9	.7	.5
	Utah	11.1	.5	.2
	Washington	70.0	3.3	1.2
	Wyoming	2.0	.1	.1
Territories	Alaska	242.0	7.6	1.4
	Samoa	----	----	----
	Canal Zone	----	----	----
	Guam	----	----	----
	Puerto Rico	----	----	----
	Virgin Islands	----	----	----
	Hawaii	----	----	----

[1] It is estimated that additional instruction room needs, which develop prior to the 1958 term, will amount to approximately 58,000 rooms (44,000 for anticipated enrollment increases and 14,000 for minimum annual replacement needs.) This is in addition to the fall 1957 shortage of 140,000 rooms.

[2] Data not received or not available.

Source: U. S. Office of Education. Fall 1957 Statistics on Enrollment, Teachers, and Schoolhousing. Washington, D. C., January 1958, pp. 6–7 (Circular No. 513).

Do not forget, as a House Committee on Education and Labor study last year pointed out:

> The current rate of construction is barely keeping pace with the new needs developing each year, with little reduction of the shortage accumulated over more than 2 decades.

When I served as a representative in the Minnesota State Legislature from 1951 to 1954, I closely felt the great concern of Minnesotans to provide for their own educational system. But I did know that there was a limit to what parents and local taxpayers could spend for the education of their children.

As you know there is a considerable range in per capita personal income among the 48 States. And yet as former United States Commissioner of Education William J. Cooper said in 1933, there should be "no place in the United States where it would be a disadvantage educationally to be born."

RELATIVE ABILITY OF THE STATES

Today, it is a disadvantage educationally to be born in some States. The Survey of Current Business reported last year that the per capita personal income ranged from $964, in Mississippi, to $2,858, in Delaware. When one State has three times the per capita personal income as another State, the problem of assuring universal educational opportunity becomes dramatically evident.

The following table shows the per capita personal income for the 48 States, 1956:

1.	Delaware	$2,858
2.	Connecticut	2,673
3.	New Jersey	2,443
4.	California	2,419
5.	Nevada	2,413
6.	New York	2,395
7.	Illinois	2,243
8.	Massachusetts	2,206
9.	Michigan	2,156
10.	Ohio	2,154
11.	Maryland	2,102
12.	Washington	2,022
13.	Rhode Island	2,012
14.	Pennsylvania	2,008
15.	Indiana	1,946
16.	Oregon	1,908
17.	Wyoming	1,875
18.	Wisconsin	1,864
19.	Colorado	1,863
20.	Montana	1,862
21.	Missouri	1,858
22.	New Hampshire	1,812
23.	Florida	1,762
24.	Minnesota	1,745
25.	Arizona	1,718
26.	Texas	1,686
27.	Kansas	1,668
28.	Maine	1,667
29.	Iowa	1,651
30.	Virginia	1,647
31.	Vermont	1,641
32.	Utah	1,633
33.	Nebraska	1,588
34.	Idaho	1,587
35.	Oklahoma	1,561
36.	New Mexico	1,494
37.	Louisiana	1,444
38.	West Virginia	1,420
39.	Georgia	1,400
40.	North Dakota	1,365
41.	South Dakota	1,330
42.	Kentucky	1,324
43.	Tennessee	1,317
44.	North Carolina	1,305
45.	Alabama	1,239
46.	South Carolina	1,133
47.	Arkansas	1,088
48.	Mississippi	964

Delaware, the State with the highest per capita personal income, spends only 1.7 percent from State and local sources for education while Mississippi, the State with the lowest per capita income, spends 3.3 percent. The so-called poorest State would have to spend about 8 percent of its per capita personal income in order to match the educational effort of Wyoming, the State spending the greatest amount of money per capita.

I am not discussing the relative abilities of the States in order to excuse the so-called poorer States from the sacrifices which must be made by all of us to make America up-to-date educationally. But I do want to show that the citizens of the richer States have the ability to pay more for education, whereas the citizens of some of the poorer States have almost hit the breaking point of their taxability for education.

If Delaware, for example, spent 8 percent of its per capita personal income for education, Delaware would be spending an amount equal to about 24 percent of Mississippi's per capita personal income.

The differences in educational opportunity become all the more apparent when you consider that Mississippi has more children and lower income per family. In the school year 1956–57, each child in public school in Delaware represented a personal income of $17,432 whereas in Mississippi the personal income payments per pupil enrolled in public schools amounted to only $3,754.

Such a discrepancy of opportunity is incompatible with the American way of life. What is more, many young folks raised in Delaware may migrate with industry to Mississippi, and vice versa. It is therefore wise for all the States, acting through our Federal Government, to assure adequate learning chances to all our youth, regardless of the income of their fathers or next-door neighbors, regardless of the State of their birth.

Only the Nation as a whole can bring about a reasonable degree of adequacy and equality of educational opportunity among all the States. An assertion that any one of the wealthier States puts in more and gets back less through Federal grants-in-aid to education represents an erroneous and shortsighted attitude. Such a position is as silly as it would be for the people of a State in which a larger amount of Federal revenue is collected to whine that they own a larger share of one of our aircraft carriers but get less protection from it.

For the protection of one of our States, all must be protected, and this applies as much to protection through provision for the adequate education of all our people as it does to protection by our Army, Navy, and Air Force and their equipment.

It is a basic principle of our form of government that wealth must be taxed where found and distributed where needed. A democracy—or republic if you prefer—can be financed on no other principle and remain a true democracy or republic.

For the support of educational opportunities throughout our country that are adequate to assure its security and progress, Federal revenue sources must be utilized, and Federal leadership must be exercised. To leave to the States and localities the responsibility for supporting education from the revenue sources which the Federal Government is not utilizing is to invite national disaster.

SOME STARTLING FIGURES

Dr. Vannevar Bush declared a number of years ago:

This country may be proud of the fact that 95 percent of boys and girls of fifth-grade age are enrolled in school, but the drop in enrollments after the fifth grade is less satisfying.

Only 62 percent of the eighth-grade enrollment in the United States in 1950 actually graduated from high school in 1954. My own State of Minnesota happens to be in the top 10 percent in the country on this score, but the following table prepared for me in the Legislative Reference Service will shock you, I am sure, as it shocked me:

Number of States with certain percentages of 1949–50 eighth grade enrollment graduating from high school 4 years later (1953–54) by percentage group

Percentage of 8th grade enrollment finishing with high school:	*Number of States falling within percentage group*
95–100	0
90–95	1
85–90	0
80–85	2
75–80	0
70–75	9
65–70	13
60–65	4
55–60	5
50–55	8
45–50	2
40–45	4
Below 40	0

The 1950 census of the population brought out many startling facts. The adult population in 16 States completed an average of less than 9 years of schooling. The following table shows that only 1 State has a population of over age 25 with a median education experience equivalent to high school graduation:

Median educational experience of United States population 25 year of age and older, 1950

Median school years completed:	*Number of States*
Less than 8 years	5
Less than 9 years	16
Less than 10 years	33
Less than 11 years	43
Less than 12 years	47
12 years	1

When we inquire as to the actual percentage of the population, age 25 and above, who have not finished high school, we find an equally amazing fact. Two-thirds of America's adult population never finished high school.

The following table shows that there are no States having at least a 50 percent "batting average" on this point. There are 13 States having more than 70 percent of the population without high-school diplomas, and only 9 States have between 50 percent and 60 percent. What a shameful picture.

Number of States with certain percentages of population 25 years of age and older who are not high-school graduates, 1950, by percentage group

Percentage of population not high-school graduates:	*Number States falling within percentage group*
90–100	0
80–90	3
70–80	10
60–70	26
50–60	9
0–50	0

As children, some of you, as well as I, attended a little frame one-room schoolhouse. I realize that, in this complex world, a "little red schoolhouse" approach to our educational cold war with the Soviet "Big Red Schoolhouse" simply will not suffice.

The statistics I have offered you here do not tell the whole story. Of the top 30 percent of those of our children who actually finish high school, only half ever go on to college. About one in five of the students in the top quarter does not even stay in high school long enough to graduate.

FOREIGN LANGUAGES

On February 17, 1958, Time magazine had this to say:

As Congress debated last week on Federal aid to education, a fresh flood of reports swamped Washington with evidence of the sorry state of the Nation's schools. * * *

Fewer than 15 percent of the United States high-school pupils are taking a foreign language. Half of United States high schools do not offer a foreign language at all. While 40 percent of all Russian high-school pupils study English, only 10 out of 25,000 United States high schools offer Russian. Meanwhile, the number of college graduates qualified to teach a foreign language has dropped 30 percent since 1950.

One State board of education has a regulation which reads as follows:

No foreign language shall be required by a State college as a condition to graduation.

Such a foolish step leads toward another utterly disastrous one, namely: "No foreign language shall be offered as a course of study."

In this field, as Marion Folsom accurately put it:

We find ourselves the most backward major Nation in the world.

GUIDANCE AND COUNSELING

In resolving our educational dilemma, Dr. James B. Conant, former president of Harvard University, has stressed the importance of guidance—meaning that no student is forced into anything, but advised and then given a free choice.

The Office of Education estimates that there are about 11,000 full-time counselors to serve 8 million secondary school students. To meet a recommended minimum of 1 counselor to 300 students, the United States needs 15,000 more experts in this field.

Mr. Alvin C. Eurich, vice chairman of the Fund for the Advancement of Education, has said:

We've tended to equate choral speaking with chemistry. As long as you offer choice, guidance is basic. That's the only way to help artists be artists and scientists be scientists.

SPECIAL EDUCATION FOR EXCEPTIONAL CHILDREN

There are from 4 to 6 million children in the United States who do not get an education because they have physical, social, intellectual, and emotional exceptionalities. These exceptional children require special education. They have not been getting this special education because, first, special teachers have not been available, and, second, special facilities have not been available.

A factual report which shows the urgent need for proper facilities for these often-forgotten children was prepared in the Legislative Reference Service last August. The data appear in the CONGRESSIONAL RECORD, volume 103, part 12, pages 16361–16366.

The following table brings up to date the estimate of the number of exceptional children in the United States and the number of special teachers needed as of February 1, 1958:

A rough estimate of the number of exceptional children and special teachers needed, by areas of exceptionality, 1958

Col. (1) Area of exceptionality.[1]
Col. (2) Estimated percentage of incidence.[2]
Col. (3) Estimated number of school-age children.[3]
Col. (4) Practical pupil-teacher ratio.[4]
Col. (5) Estimated number of special teachers needed.[5]

(1)	(2)	(3)	(4)	(5)
	Percent	*Thous.*		*Thous.*
Blind and partially seeing	.20	80	11	7
Crippled	1.50	600	12	50
Special health problems	1.50	600	13	46
Deaf and hard of hearing	1.50	600	23	26
Speech-handicapped	2.00	800	136	6
Socially maladjusted	2.00	800	25	32
Mentally retarded	2.00	800	16	50
Gifted	2.00	800	23	35
Total	12.70	5,080	20	252

[1] There is disagreement as to how the areas of exceptionality should be defined. All told, 14 areas of primary exceptionality have been noted: (1) Intellectually incapable, neither trainable nor educable, I. Q. below 25; (2) mentally deficient but trainable, I. Q. between 25 and 50; (3) educable mentally retarded, I. Q. between 50 and 75; (4) crippled and deformed, including the cerebral palsied; (5) deaf; (6) hard of hearing; (7) blind; (8) partially seeing; (9) speech-defective; (10) undervitalized, those with special health problems, including the cardiopathic, epileptic, and tuberculous; (11) emotionally maladjusted; (12) delinquent; (13) intellectually superior, highly gifted, I. Q. usually above 125, and (14) the artistically gifted.

[2] As of 1952, as estimated by the U. S. Office of Education.

[3] Computed as a product of the estimated percentage of incidence and the estimated school-age population, Feb. 1, 1958.

[4] Based on data in Rice, Mabel C., and Arthur S. Hill. Statistics of Special Education for Exceptional Children, 1952–53. Washington, U. S. Office of Education, 1954, pp. 15–16; table 1, p. 19. This ratio is not the ideal, but the actual ratio in practice during 1952–53. The ideal number of pupils per teacher would be lower, notably of the speech-handicapped.

[5] Computed by dividing estimated number of school-age children by the practical pupil-teacher ratio.

The most recent survey of special teachers reveals that we have only one-tenth the number of needed teachers. The subsequent curtailment or denial of educational opportunity to hundreds of thousands of boys and girls is a national disgrace.

NO CRISIS?

Mr. Speaker, how are we going to meet our responsibilities in educating our young folks?

I suggest that the 10-year program I am introducing will go a long way to tackle the situation we find in this country today. We cannot long survive as a culture with as many as one out of three selective service registrants in some of our States being disqualified by the Army mental test. Can you imagine? There are three States in this great country of ours 40 percent of whose young men cannot meet the basic intelligence requirements of our armed services.

Let us consider the following data:

Percent of selective service registrants disqualified by mental test, including those also failing physical test, 1956, by State, by percentage group

Percentage of registrants failing mental test:	*Number of States*
Below 10 percent	23
10 percent to 20 percent	9
20 percent to 30 percent	7
30 percent to 40 percent	6
40 percent to 50 percent	3
Over 50 percent	0

Mr. Speaker, when faced with the reality that 16 States of our Nation have from 20 percent to 50 percent of their young men failing the selective service mental test, how can any of us say there is no educational crisis?

HOMER STEWART AND CONSTRUCTIVE CRITICISM

One of the jet-propulsion experts whose work contributed basically to the successful launching of Explorer I is a Minnesota man—Dr. Homer J. Stewart.

He attended Murray Grammar School and Central High School at St. Paul, went on to the University of Minnesota and then to the California Institute of Technology, where he worked in the jet-propulsion laboratory.

I am proud of Dr. Stewart's accomplishments, and so is all America proud of all of its eminent scientists. However, we dare not even think of the Homer Stewarts who were never developed professionally because education was beyond their reach, because the opportunity was not there for them.

Someone recently said, America is making a scapegoat out of education for the failure to launch a satellite before Russia. To a certain extent that is true.

However, when I criticize America's second-rate approach to education, I am not criticizing for the sake of criticism.

I am criticizing out of patriotism, because I want all Americans to have the finest educational opportunities possible.

I am criticizing because I think education is an American birthright.

I am criticizing because there is so much room for criticism.

I am criticizing because I know education—and only education—can make the American dream evolve into a full reality.

Let us not let second-rate education become a way of life in this country.

WANTED: A BROAD LEGISLATIVE MEASURE

I believe that any Federal legislative measure adequate to meet the educational needs of our times must be broad enough to give balance to the overall educational system; be bold and farseeing in concept; conform to our belief in the importance of the individual, and adhere to the democratic principle of equal and maximum educational opportunity for all.

I am proposing a bill based upon these beliefs.

The following statement sets forth, in substance and in layman's language, the main findings, policies, intents, and provisions I am suggesting for inclusion in a bill to be drafted by the legislative counsel.

MY PROPOSAL

I. FINDINGS AND DECLARATION OF GENERAL POLICY

The Congress should declare in this bill that: First, the security of the Nation requires the fullest development of the intellectual resources and the agricultural and industrial skills of its youth; second, current, international, and military developments have dramatized the inadequacy of the Nation's educational resources; third, public education is traditionally a cooperative responsibility of the national, State, and local governments; fourth, the national welfare calls for large-scale emergency and long-range plans and programs at the Federal, as well as at the State and local levels of government, to meet the Nation's educational needs.

The Congress should express its belief that: The security and welfare of our country and the necessity for maintenance of our leadership of other countries require provision for broad educational opportunities—including opportunities for mastery of the sciences and the humanities, for the acquisition of ability to fathom the laws of electronics and the mysteries of outer space, and for the attainment of broad understanding of people and of the art of human relationships.

II. PROHIBITION OF FEDERAL CONTROL

The Congress should provide that no department, agency, officer, or employee of the United States be permitted to exercise any direction, supervision, or control except for specification of funds over the curriculum, program of instruction, administration, or personnel of any educational institution receiving Federal financial assistance under this bill.

III. SCHOOL CONSTRUCTION AND EQUIPMENT

A. INTENT

It should be the expressed intent of the Congress to support State elementary- and secondary-school construction and equipment programs by authorizing grants, bond purchases, and credit assistance. The purpose should be: First, to relieve the serious present national shortage of elementary- and secondary-school buildings, classrooms, and equipment including laboratory and library facilities, materials, supplies and equipment, and second, to provide every child in the United States an opportunity for elementary and secondary education on a full-day schedule in classes of State-approved size, in buildings and classrooms State-approved as being adequately equipped to meet the child's educational needs.

B. PROVISIONS

First. Grants: The Congress should authorize an appropriation of $3 billion per annum for the fiscal year beginning July 1, 1958, and the 9 succeeding fiscal years, to be allotted to the States. The allotments to each State should bear the same ratio to the total funds appropriated as the school-age population of the State bears to the total school-age population (ages 5 to 17 years inclusive) of all the States. Grants should be conditioned on the approval of State plans by the Commissioner of Education, and standards prerequisite to such approval should be set forth in the bill.

Second. Purchase of obligations of school districts: The Congress should authorize the purchase of obligations of local governments during the fiscal year beginning July 1, 1958, and each of the 9 succeeding fiscal years where such local governments are unable to obtain such financing on reasonable terms from other sources. The Congress should authorize $500 million as initial capital for the school-bond purchase fund—herein created—which should serve as a revolving fund to be used by the Commissioner of Education for the purchase of obligations. The aggregate amount of obliga-

tions to be purchased should be limited to $1.5 billion. The share for each State should be limited to 15 percent of the aggregate principal amount of purchased obligations. Conditions prerequisite to Federal bond purchase should be set forth in the bill.

Third. Federal credit assistance to State school-financing agencies: The Congress should authorize the Commissioner of Education to enter into agreements on behalf of the United States with State school-financing agencies. These agreements should be for making advances to reserve funds established by such agencies to help assure payment of obligations issued by them. The obligations should be to finance the construction of school facilities for use and ultimate ownership by local government.

Conditions to agreements and provision for the establishment of a reserve fund in which Federal and State matching funds would be deposited should be stipulated in the bill.

The Congress should authorize appropriations for this purpose for the fiscal year beginning July 1, 1958, and for the next 9 fiscal years. Federal advances should be limited to an aggregate $10 billion.

Fourth. Limitation of aid: Federal grants, purchase of obligations of school districts, and Federal credit assistance to State school financing agencies should be provided only for public elementary and secondary school construction and equipment, including laboratory, library, health, and special educational facilities and equipment.

IV. OPERATION OF PUBLIC SCHOOLS

A. INTENT

It should be the expressed intent of the Congress to provide Federal financial aid to the States for the operation of public schools. The purpose should be: first, to generally improve the instruction given in public elementary and secondary schools throughout the United States; second, to provide in these schools to meet the educational needs of every child, including educational offerings in reading, writing, mathematics, literature, foreign languages, the sciences, arts, and agriculture; third, to raise teachers' salaries to the level of those of other professionally qualified persons of equal ability and training, and fourth, to improve school transportation services.

B. PROVISIONS

The Congress should authorize appropriation of $3 billion per annum for the fiscal year beginning July 1, 1958, and the 9 succeeding fiscal years to be allotted to the States for the purposes enumerated. The allotments to each State should bear the same ratio to the total funds appropriated as the school-age population of the State bears to the total school-age population—ages 5 to 17 years inclusive—of all the States.

Federal funds should be available only for, first, salaries of duly certified teachers; second, salaries of professional administrative personnel; third, building operation and maintenance costs; fourth, expansion of curriculum to meet individual educational needs; and fifth, improvement of pupil transportation services, provided by public elementary and secondary schools or State educational agencies.

Apportionments should not be used to reduce State expenditures for public elementary and secondary education.

V. GUIDANCE AND COUNSELING

A. INTENT

The Congress should declare its belief: First, that the national interest would be served through grants-in-aid to the States to develop counseling and guidance services which would assist in identifying children's abilities; second, that it is important that these be identified at an early age; and third, that the needed counseling and guidance services should be under the control and direction of the State educational agencies. It should be the intent of Congress to promote counseling and guidance under these policies.

B. PROVISIONS

First. Grants to State agencies: The Congress should authorize an appropriation of $500 million for the fiscal year beginning July 1, 1958, and for each of the 9 succeeding fiscal years for making grants to State educational agencies. The purpose should be to assist them to establish and maintain programs of guidance and counseling. For each fiscal year the United States Commissioner of Education should allot an amount which bears the same ratio to the total amount appropriated as the school-age population—ages 5 to 17 years, inclusive—of that State would bear to the total school-age population of all the States. Any State desiring to accept payments should submit to the Commissioner a program under which the Federal funds would be expended to: First, identify the abilities, aptitudes, and skills of students; second, advise students of courses of study best suited to their abilities, aptitudes, and skills; third, encourage those of superior aptitude and ability to prepare themselves for college training and to enter institutions of higher education upon graduation from high school.

Second. Institutes in guidance and counseling: The Congress should also authorize an appropriation of $500 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter, for institutes in guidance and counseling. The United States Commissioner of Education should: First, contract with institutions of higher education for the purpose of establishing summer-session institutes offering courses in the counseling and guidance of students at the secondary school level; and second, pay stipends to eligible persons to attend such institutes.

Any person employed in a teaching or guidance and counseling capacity in a public school system should be eligible to attend such an institute. The amount of the stipend should be determined by the Commissioner.

A contract with an institution of higher education for the operation of an institute under this act should provide for payment to that institution of the reasonable cost incurred by it in providing the institute.

VI. SCHOLARSHIPS

A. INTENT

The Congress should declare its purpose to assist able but financially needy students to continue their education at institutions of higher education and thereby increase the Nation's supply of manpower trained at such institutions.

B. PROVISIONS

For this purpose the Congress should authorize an appropriation of $500 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter.

The Federal funds should be used to provide scholarships not to exceed 4 academic years to enable the recipient students to complete the work for their first bachelor's degree at institutions of higher education. The funds should be allocated by the United States Commissioner of Education, on the basis of the relative number of graduates from secondary schools, among the qualifying States. In order to qualify a State should be required to establish a commission on Federal scholarships which must submit to the United States Commissioner of Education a State plan for carrying out the purpose of the Federal grant.

Each State should be authorized to use such portion of its Federal grant as would be necessary for the administration of its plan for implementation of the Federal purpose.

VII. STUDENT LOANS

The Congress should create a revolving fund to be known as the National Student Loan Fund to support loans to students, and authorize an appropriation of $10 billion for the fund.

By and with the advice of the Senate, the President of the United States should appoint three persons to constitute a National Student Loan Board. The duty of the Board should be to make loans to applicant students unable to obtain sufficient funds from other sources. The amounts of the loans should be determined by the Board.

A student receiving a loan from the Board should be granted additional loans only after his submittal of evidence of satisfactory progress in his pursuit of an education.

The Board should prescribe the terms and conditions governing the repayment of the loans. Interest at 3 percent should begin 1 year after the student leaves school.

VIII. SUMMER SCHOOL AND EXTENSION COURSES FOR TEACHERS

A. INTENT

The Congress should acknowledge its appreciation of the basic role of the teacher in our educational system, and its recognition that the critical shortage of well-qualified teachers in the United States has the unique potency of multiplying all other trained manpower shortages. Accordingly the Congress should inaugurate a policy of giving financial support to summer school and extension courses for teachers to improve their qualifications for teaching.

B. PROVISIONS

The Congress should authorize an appropriation of $500 million for payments

to teachers for advanced study in summer sessions at institutions of higher education, and for teachers taking advanced studies in extension courses offered by institutions of higher education during the fiscal year beginning July 1, 1958, and for each of the following 9 fiscal years. Allotments to the States should be made according to the ratio of the school age population of each State to the school age population of all the States.

Each teacher selected by his or her State educational agency for advanced study in summer sessions at institutions of higher education should receive a stipend of $150 a week plus $25 a week for each dependent.

Teachers taking advanced courses in extension courses offered in institutions of higher education should receive stipends of $10 a day for each day they attend such courses, with a ceiling of $100 a month.

IX. FELLOWSHIPS

The Congress should authorize an appropriation of $500 million to provide fellowships for the fiscal year beginning July 1, 1958 and each of the 9 fiscal years thereafter. These fellowships should be awarded by the United States Commissioner of Education to graduate students preparing to become teachers in colleges and universities. The awards should be made to persons showing demonstrated ability and special aptitude for advanced study or research in specialized fields.

Each person awarded a fellowship under the provisions of this act should receive a stipend of $3,000 for each year of advanced study of research, plus an additional amount of $300 per year for each dependent.

An individual awarded a graduate fellowship should also be paid amounts necessary to cover the cost of instruction at the institution attended.

X. RESEARCH AND EXPERIMENTATION IN USE OF NEW EDUCATIONAL MEDIA

A. INTENT

It should be the intention of Congress to promote research and experimentation in more effective utilization of television, radio, motion pictures and related mediums for educational purposes, and to provide for the acquisition and development of materials adapted to new educational mediums.

B. PROVISIONS

First. Establishment of Institute for Research and Experimentation in the Use of New Educational Media: The Congress should create an institute in the United States Office of Education for research and experimentation to develop and evaluate projects involving television, radio, motion pictures, and other auditory and visual aids which may prove of value in State and local educational agencies and institutions of higher education.

Second. Advisory Council on New Educational Media: There should be established in the United States Office of Education an Advisory Council on New Educational Media. The Council should consist of the Commissioner and 12 persons appointed without regard to the civil-service laws by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. The functions of the Advisory Council should be to advise, consult with and make recommendations to the Commissioner on matters relating to the utilization or adaptation of television, radio, motion pictures, and related mediums of communication for educational purposes, and to perform other functions specified in this act.

With the approval of the Advisory Council, the Commissioner of Education should be authorized to make grants-in-aid to public or nonprofit private agencies, organizations, or individuals for projects of research or experimentation in the use of new educational mediums, and to enter into contracts with such agencies, organizations, or individuals for such research.

XI. SPECIAL EDUCATION FOR EXCEPTIONAL CHILDREN

A. INTENT

The promise of equality of educational opportunity should be extended to every child in our country—including the blind and partially seeing, the crippled, those having special health problems, the deaf and hard of hearing, those handicapped in speech, the socially maladjusted, the mentally retarded and the intellectually and artistically gifted. The Congress should express its recognition of the fact that such children require special instruction and guidance for the development of their total educational potential.

The Congress should furthermore recognize that there are acute national shortages of, first, teachers especially trained to guide and instruct such children, second, supervisors of such teachers, third, research in the problems of education of exceptional children, and fourth, special facilities and equipment for the education of teachers of such children. The Congress should declare these shortages are a matter of important national concern and announce a policy of providing funds for the reduction of these shortages and for the promotion of the education of exceptional children throughout the United States.

B. PROVISIONS

Accordingly the Congress should authorize an appropriation of $500 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter. These funds should be administered by the United States Commissioner of Education for the following purposes.

First. Assistance for the training of teachers, supervisors of teachers, and researchers in special education for exceptional children, and to encourage and assist public and nonprofit institutions of higher education to expand training work in these fields—$200 million.

Second. Awarding of scholarships and fellowships to individuals for the purpose of taking advanced training in order to engage in employment of teachers of exceptional children, or to train or supervise teachers in this field or to engage in research in the teaching of exceptional children—$100 million.

Third. Grants to institutions of higher education for specialized facilities and equipment for use in training persons to engage in employment as teachers of exceptional children, or as supervisors of teachers of exceptional children, or as researchers in special education for exceptional children—$100 million.

XII. SCHOOL HEALTH SERVICES

A. INTENT

The Congress should declare its belief that: First, the medical, dental, and mental health of the child is an important factor in the educational development of his potential; second, periodic physical examinations can make possible the maximum remedial treatment of diagnosed health problems; and third, no child should lack medical care because of reasons of cost or unawareness of the importance of the early correction of remediable defects.

It should be the intent of the Congress, first, to promote the establishment within the States of area school health clinics for the detection and diagnosis of children needing medical, dental, or psychiatric treatment and, second, to aid the States in providing adequate medical treatment of the identified health defects.

B. PROVISIONS

Accordingly the Congress should authorize an appropriation of $100 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter, these funds to be administered by the Surgeon General of the United States Public Health Service. The Surgeon General should be authorized to make allotments to each State. These allotments should bear the same ratio to the total funds appropriated as the school-age population of the State bears to the total school-age population of all the States. Grants should be conditioned on the approval of State plans by the Surgeon General of the United States, pursuant to the purposes of this bill.

The State plans should include provisions for the establishment and/or maintenance of area school health examination centers, mobile clinics for rural areas, and a financial assistance program for the defrayal of cost for treatment of identified health problems.

The Congress should also authorize an appropriation of $100 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter, these funds to be administered by the Commissioner of Education for grants to individuals and to nonprofit institutions for the conduct of research in the area of child health, and for the establishment of pilot programs for detection, diagnosis, and treatment of children with health problems.

XIII. ADULT EDUCATION

The Congress should recognize that: (1) a citizen's right to an education does not cease when he has advanced beyond school age, and (2) the general welfare of the United States demands that literacy and basic education be universal.

The Congress should accordingly authorize an appropriation of $100 million for the fiscal year beginning July 1, 1958, and for each of the 9 fiscal years thereafter, to be administered by the Commissioner of Education. These

funds should provide for aid to the States for special programs of basic elementary and secondary education for adults. The term "adults" should be defined as meaning any person beyond compulsory school age not enrolled in a regular full-time day school.

These funds should be apportioned to the States on the basis of the number of adults who have not completed high school, but no State should receive less than $500 thousand per year for this purpose.

XIV. VOCATIONAL TRAINING BELOW COLLEGE GRADE

A. INTENT

The Congress should give full recognition to the growing national interest in vocational education below college grade and declare a policy of providing increased financial aid to the States for such education.

B. PROVISIONS

Accordingly the Congress should authorize an increased appropriation under the George-Barden Act of 1946 as amended by Public Law 462, 81st Congress, of $700 million for the fiscal year beginning July 1, 1958, and for each of the 9 succeeding fiscal years. The appropriation should be distributed as follows among the several forms of vocational education below college grade: Agriculture, including on-farm training, $300 million; trade and industry, $100 million; home economics, $200 million; and distributive occupations, $100 million.

XV. SCHOOL LUNCHES

The Congress should recognize its duty to safeguard the health and well-being of the Nation's children by grants-in-aid to the States for nonprofit school lunch programs.

Accordingly the Congress should authorize an increased appropriation under the National School Lunch Act—Public Law 396, 79th Congress—of $200 million for the fiscal year beginning July 1, 1958 and for each of the 9 fiscal years thereafter.

SUMMARY OF PROPOSED FEDERAL FUNDS FOR EDUCATION

Following is a summary of the Federal investment proposed in my bill:

Grants-in-aid and payments to individuals and institutions	Loans-in-aid and advances	Description of aid
$2,500,000,000	----------	Elementary and secondary school construction and equipment.
----------	$500,000,000	Local school board purchase fund (a revolving fund).
----------	10,000,000,000	Advances to reserve funds (credit assistance to State school financing agencies)
3,000,000,000	----------	Operation of public elementary and secondary schools (increase of teacher salaries, building operation and maintenance, pupil transportation, expansion of curricula).
1,000,000,000	----------	Guidance and counseling (institutes; aid to State agencies).
500,000,000	----------	Undergraduate scholarships.
----------	$10,000,000,000	National student loan fund (a revolving fund).
$500,000,000	----------	Summer-school and extension courses for teachers.
500,000,000	----------	Graduate fellowships.
500,000,000	----------	New educational mediums (research, experimentation, equipment—radio, television, and motion pictures).
400,000,000	----------	Special education for exceptional children.
200,000,000	----------	School health services and research in child health.
100,000,000	----------	Adult education.
700,000,000	----------	Vocational education below college grades (agriculture, including on-farm training; home economics; trade and industry; and distributive occupations).
100,000,000	----------	School lunches.

CONCLUSION

On August 30 of last year I commented that because of Mr. Eisenhower's inaction in the field of Federal aid for education "we might very well lose the race against time in our cold war with the Russians." This was before sputnik.

The other day the Journal of Commerce ran an article titled "Experts See New Soviet Firsts" which reported:

The Western World can expect more than Russian satellites as technological firsts resulting from that nation's rapidly expanding research and training programs.

Dr. J. F. Piccard, of Minneapolis, the famous aeronautics scientist who taught at our State University in Minnesota until 1952, pointed his finger at this markworthy truth when he recently declared:

There is, however, something far more important than a little moonlette making faces at us. We cannot deny that there was a race going on and we lost it. * * * There are other races going on—and the outcome of these races is far more important than all the Russian sputniks. If we lost one race, shall we lose another? * * *

Today certainly one of the most immediate problems for American survival as a world leader is education. * * * There must be advances in all directions, moral and spiritual, as well as technical.

Now, before the Russians loose another type of sputnik in a different field, such as international relations or medicine, let me say again to the President of the United States that we might very well lose the race against time in our cold war with the Russians; and let me add, we might very well lose our freedom, our way of life from A to Z. Mr. Speaker, we cannot take a vacation from our patriotic responsibilities. We cannot take a vacation from our parental concern for our children. We cannot take a vacation from the truth, the stark truth that quick action is needed. Nor can we avoid the truth that the emergency is the greatest one the American people have ever faced.

Recently, Walter Lippmann summarized America's educational predicament with these words:

What we have to worry about is that with the declining level of education, with the vulgarization of the cultural standards in our mass society, we shall become a big but second-rate people, fat, Philistine, and self-indulgent.

In 1947, the Washington Sunday Star editorialized:

Surely, out of the bitter experience of this war [World War II] should come the realization that trained personnel is our most valuable asset in science. It is criminal folly to gamble with the future by policies which dissipate that asset.

Let me say, here and now, that it would be criminal folly for the Congress to gamble with our country's future by failing to act in behalf of American education. Our failure in the Congress now to see the needs of American education and to do something now to correct the situation would go down in history as a deliberate, coldblooded, cruel slap in the face against the democracy for which our fathers and grandfathers died to preserve.

Mr. Speaker, all of our ancestors came to this country to secure for themselves and their neighbors liberty and peace and the right to enjoy the benefits of progress. Let us not pretend that life, liberty, and the pursuit of happiness can continue if we are indifferent to the Nation's educational needs or assume that they can or will be met by the States and localities.

I have heard it said, "Easy does it." But I say to you, "Easy doesn't do it."

An interesting letter to the American people, dated February 2, 1958, came from a Leningrad family. The letter was published in the New York Times, as follows:

As Soviet citizens, my family and myself congratulate your people on the successful launching of your satellite. I hope it will be a good example of peaceful neighboring in the cosmos, together with our sputnik.

Let our people have the same friendly movement for the progress of peace on earth.

ALEXEI A. ZINEVITCH.

All of us in America hope that, as time goes on, peace on earth to men of good will will be realized. All of us in America hope that "peaceful neighboring" is possible.

However, we should not dupe ourselves into thinking that peace can be possible in a world of ignorance. H. G. Wells said a number of years ago that civilization was engaged in a desperate race between education and catastrophe. Perhaps, if we concentrate on an educational drive in America we can get the Russians to broaden their educational programs.

With enough education in the U. S. S. R., totalitarian communism, with its Siberian salt mine slave centers, will be overthrown eventually. I am confident of that. The world can, if it puts its mind to it, win the race between education and catastrophe, but not, if we in America, rest on our haunches in blissful complacency.

Let me in conclusion quote the superintendent of schools of Springfield, Mo., William J. Graff:

> We should remind ourselves that the pharaohs built the pyramids. * * * Mussolini made the trains run on time. * * * Hitler created some of the best roads and rockets * * * the Russians are building sputniks * * * but we still face the question of human values. * * * What the Russians aren't saying is that with all of their technical progress they also have to have concentration camps, secret police and government by terror. How to preserve the great human values to which we are dedicated and * * * to make sure we do not lose our freedom is the most challenging problem that has ever confronted Americans.

The way to preserve our human values is to insure for every American now and for time to come all the education he wants and can use. Our investment in education will bring great profits. America and the world will be the better for it.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say, and I am sure the gentlewoman will agree with me, that 27 years ago when Franklin D. Roosevelt was inaugurated for the first time as President of the United States there was a period of 100 days that immediately followed his inauguration of which it might well be said that under the leadership of Franklin D. Roosevelt the then Democratic administration saved the United States, because during that 100 days of leadership he gave to our country the greatest type of leadership humanly possible. He brought America out of despair, he gave to the people of the country hope, and he revivified the spirit and the confidence of Americans and thereby strengthened the entire life and the entire national economy of our country. So when the gentlewoman speaks about the 120 days of recent passage, my mind goes back 25 years to when a great man, one of the greatest men of all time, Franklin D. Roosevelt, gave in the first 100 days of his administration what is now recognized by many objective students of history as leadership that saved America.

Mrs. KNUTSON. I thank the majority leader.

Mr. TEAGUE of California. Mr. Speaker, will the gentlelady yield?

Mrs. KNUTSON. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Speaker, I was not privileged to hear all of the lady's remarks, but I am not quite clear about one thing. It seemed to me that she found much fault with and had very little good to say about our educational system in this country, but much good to say about the educational system in Moscow. I am just curious as to whether the lady is proposing that their system be substituted for our system here, with the exception of our having control from all-powerful Washington instead of all-powerful Moscow.

Mrs. KNUTSON. Not at all. The comparisons that were made were comparisons with advancements made in Russia in the same fields. We cannot afford to fall behind.

Mr. TEAGUE of California. I certainly agree with that last statement, but it seemed to me that we also cannot afford to abandon our time-honored American principles of education and to trade them for Russian ideas.

Mrs. KNUTSON. That was not implied.

DANISH NATIONAL HOLIDAY

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, good health and a long life to King Frederick IX of Denmark in his 59th birthday, March 11, 1958.

It is no cold diplomatic congratulations which I send to His Majesty on this happy occasion. I have the honor of serving the Seventh Congressional District of Iowa. My District has the distinction of having within it the largest community of Americans of Danish ancestry in these United States. I am proud that both my mother and my father were onetime citizens of Denmark.

King Frederick's birthday is not only a Danish national holiday. It has international echoes. In a sense, it should be an all-Scandinavian holiday. The wife of this wise and friendly monarch is the former Princess Ingrid of Sweden. His uncle is King Haakon VII of Norway.

The heartfelt good wishes of millions of Americans go out to King Frederick. His country and ours have been—and, with God's help, ever will be—allies in war and friends in peace.

May the United States long receive Denmark's most vital and valuable export—Danes.

J. EDGAR HOOVER: GREAT CRIME FIGHTER, GREAT ANTI-COMMUNIST BULWARK, A GREAT AMERICAN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. KEATING] is recognized for 60 minutes.

Mr. KEATING. Mr. Speaker, the most important book to be published this year appears officially today. It is Masters of Deceit and its author is the eminent Director of the Federal Bureau of Investigation, J. Edgar Hoover.

This volume should be required reading for every American.

It tells the story of communism and its efforts to take over America. Mr. Hoover knows the Communists and their tactics as no other living American, and it is fitting that he has written this definitive work about their methods.

Seldom in the history of a nation does a man command universal respect and admiration as does J. Edgar Hoover. Through personal courage, devotion to duty, deep dedication to religion, and inviolate integrity, he has become the ideal American.

As a nation, and as individuals, we owe a deep debt of gratitude to Mr. Hoover for the service he is rendering in protecting us from criminal and subversive elements. In the larger context, we owe a great debt of gratitude to Mr. Hoover for his indomitable faith in America and his unceasing dedication to the ideals which have made our Nation great.

Mr. Hoover is, of course, best known for his activities directly connected with the Federal Bureau of Investigation. He joined the FBI in 1921 and was named Director in 1924. In the 34 years he has held that post he has proved to be one of the greatest patriots of our entire history as a nation.

In many ways modern crime detection as practiced in this country is due directly to the untiring efforts of Mr. Hoover. No deskman, he has personally directed many of the most important cases investigated by the FBI since he became Director. He has personally led raids against a number of the most dangerous of our criminal element. No man can question his courage and leadership abilities.

Some of Mr. Hoover's most important contributions have been in the field of crime technology. Systematic organization of these techniques has been a potent force in combating the tentacles of organized crime in America. Crime as big business has been dealt a telling blow through Mr. Hoover's efforts.

The FBI under his inspiring direction has given tremendous aid to local law-enforcement agencies. Every advance achieved through the research undertaken in FBI laboratories has found its way directly or indirectly into the day-to-day operation of our local crime-fighting units.

Of particular importance in this regard has been the establishment of a central clearinghouse for fingerprint files. From the start it has been Mr. Hoover's goal to bring into being a complete fingerprint file as an aid to criminal detection throughout the country. Just how successful he has been may be judged by the fact that when the identification files were begun, there was a nucleus of 810,000 records. Today these same files contain more than 148 million fingerprint records. This has been of immense help to local law-enforcement agencies otherwise at a serious disadvantage in today's world of criminal mobility. Wherever the gangster goes today, the FBI files keep tabs on him.

Nor are the advances in fingerprint identification by any means the only significant advance. The deductions of Sherlock Holmes must take a back seat to the scientific laboratories that have come into being under the zealous leadership of Mr. Hoover. The thousands of tourists who yearly visit these laboratories can attest to the extent to which this operation has grown from the one small room of the early thirties. Lawbreakers can likewise attest to its efficiency. Time after time the so-called perfect crime has bowed to the lock of hair, the scrap of thread, the bit of dust that FBI experts have traced to the criminal. In 1957 over 160,000 such examinations were undertaken on requests received from throughout the country.

Led by Mr. Hoover, the standards for FBI agents have been made the highest

in the world. Exhaustive training in the FBI's National Academy, the West Point of law enforcement, has resulted in top-flight law enforcement officials being placed throughout the Nation. Police training has become highly efficient and graduates of the Academy go out fully trained in all the up-to-the-minute tactics of criminology.

Our Nation owes Mr. Hoover a great debt of gratitude. Through his unselfish dedication to the cause of law and order, we have today in the FBI the world's most efficient, most modern organization to combat the ever-dangerous underworld of crime. His efforts more than those of any other single individual are responsible for the fact that the crime rate in the United States is as low as it is.

J. Edgar Hoover's activities beyond the immediate scope of his FBI duties are legendary. His patient, understanding and unceasing efforts to find solutions to the enigmas of juvenile delinquency are recognized by all. He has worked without letup in behalf of programs of Americanism and the teachings of the American ideals.

He has been lay leader in promoting the religious revival now being experienced by this Nation. A deeply religious man himself, he has conveyed this deep faith in God to many who have come in contact with him.

There is a sense of kindliness and willingness to help his fellow human beings in this man which few men possess.

These qualities, combined with his well-known talents as our leading law enforcer, mark him as a giant among men.

I am proud to claim Mr. Hoover as a friend. I am proud to point to him as an ideal American, as one whom our youth should emulate. His 24-hour-a-day efforts for the good of his Nation merit the approbation of each and every American.

And today, as for so many years in the past, he continues to lead the struggle against perhaps his most implacable foe. He stands, four-square, as the great American bulwark against the greedy hordes of the international Communist conspiracy.

One of Mr. Hoover's greatest services to his Nation has been his untiring work to alert the American people to the dangers of communism. In the book appearing today he has distilled the wisdom and thought of his 40 years' experience in studying this atheistic menace.

Mr. Hoover has done his job well. Masters of Deceit is a well-written book, exceedingly clear, logically organized and designed to give advice on how to combat the Communist evil. After reading it, I felt a great sense of relief that finally the American people had an authoritative, accurate, and painstakingly fair analysis of the greatest challenge which faces America today.

Mr. Hoover has watched the rise of communism in the United States since his first days with the Department of Justice in 1917. He saw that communism was an enemy of freedom and that its exponents wanted to destroy the Government of this Nation.

From the very beginning this man of vision was not deceived by the sly tactics and evasive antics of the international Communist conspiracy. He pegged the Communists for what they are—traitors to America.

Over the years he has scrutinized every zig and zag of the comrades. He has observed them whirl above ground and burrow underground.

All too often he has seen citizens fooled by clever Communist propaganda. The rise of Communist fronts, the infiltration of non-Communist organizations, the crescendo of party agitation—all these are evidences of the inroads the Reds have made in our national life.

Even during World War II, when all too many Americans were lulled into a position of trusting the Communists, Mr. Hoover warned against the machinations of the Soviet fifth column. His voice many times seemed almost solitary, but his efforts to warn us never flagged.

Through the years he has kept his eyes fixed on the truth—on the need of fighting this enemy. To a large extent the leadership of Mr. Hoover was responsible for alerting the American people to the menace of communism.

Now these years of experience have been framed in words. They have been put on paper with a firm and knowing hand.

It should be emphasized that Masters of Deceit is not an expose-type book. It is not full of names, bizarre situations, or sensationalism. It is a sober, thought-provoking study of Communist techniques, tactics, and modes of operation. The reader can learn just what the party is trying to do and how it proposed to accomplish its goals. He can see inside a party club, witness its leaders in action, and observe how a party front is formed.

The book, in general, can be summarized under five headings.

First. History of communism: The first five chapters discuss the history of international and national communism. There are interesting sketches of the Big Four of communism—Marx, Engels, Lenin, and Stalin—and their contributions to the development of modern-day communism.

To many people, Communist theory is a maze of confusion. Party expressions such as dictatorship of the proletariat or class struggle are meaningless gibberish. Mr. Hoover cuts through Communist verbiage and sets forth clearly the premises of Marxism-Leninism.

Second. Development of the party structure: In this section Mr. Hoover tells how the Communist member is molded until he becomes a fanatical devotee of revolution.

The great majority of Americans have no way of learning about what goes on inside the party. Masters of Deceit gives a first-hand account of the party's educational program, literature and press outlets and disciplinary machinery.

The terrifying thing is that the development of Communist man is occurring right here in America—under our very eyes. We must realize that the party structure is a vast machine shop for the creation of party members.

Third. The Communist attack against our society: To create the party member is not enough, Mr. Hoover points out. The member must be mobilized for attack against democratic society. In three excellent chapters we see the party on the attack through mass agitation, infiltration and fronts. The Communist is no longer a shadowy figure, seldom seen. He is knocking at doors, standing on street corners, and making speeches. He is contacting loyal Americans—always hoping to hoodwink them into supporting party objectives.

These chapters are not only exciting but informative reading. They sound the alarm so that all can hear. Citizens can learn here how they can avoid being swindled by the Communists.

Fourth. The Communist underground structure: At all times, Masters of Deceit makes clear, the party maintains an underground structure—to carry on activities whch cannot be pursued in the open. A chapter on espionage shows the relation of Soviet espionage to the Party. Here is a vital danger point to our security. Russia is interested in all our vital secrets and is working through well-trained spy networks to steal vital information. Every citizen, Mr. Hoover emphasizes, can do his role in preventing these Soviet aims.

Fifth. Democracy's answer: In the concluding section, in chapters on communism and religion and America's role in fighting communism, Mr. Hoover sets forth what we might call democracy's answer. The chapter on religion, in my opinion, is one of the finest expositions on this subject that I have ever read. Mr. Hoover points out that communism, from its earliest origins, was atheistic. Karl Marx was an atheist. He denounced religion. All party leaders since Marx, including today's leaders, have also opposed religion. Masters of Deceit tells also how the party seeks to infiltrate church groups in the hope of subverting them for party purposes.

Mr. Speaker, Masters of Deceit is must reading for every American. I would hope that our schools and colleges will make extensive use of it in appropriate courses. There is no better way to learn about this threat than by a study of this volume. Let us never forget: Forewarned is forearmed.

Here is a recipe for survival in the cold war. Here is a guidebook of democratic strategy against an atheistic dictatorship.

These are not maxims laid down by a dreamer or a bystander. They come from the pen of a man who has spent a lifetime in ferreting out the minions of Moscow.

Mr. Hoover knows what communism is. He knows the terrible future which would face this country if communism were ever successful here.

Masters of Deceit is his attempt to give his fellow citizens the information he possesses. That is why we must learn—learn before it is too late.

I can think of no finer tribute to the distinguished author of this book than that every Member of Congress could stand up and say he had read it.

Mr. Speaker, Masters of Deceit represents another milestone in the career of dedicated service of J. Edgar Hoover.

It marks another contribution for the good of his beloved Nation by a man

whom many of us consider one of the great Americans of all time.

Mr. DORN of New York. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. DORN of New York. I did not interrupt the gentleman when he was talking about communism and the necessity of fighting communism, but I wonder if the gentleman had read the review of this book in the New York Times and Herald Tribune.

Mr. KEATING. I glanced at them, yes. I did not read them in full but set them aside to read later.

Mr. DORN of New York. The review in the Times went on to say they did not believe there was any real menace as far as communism was concerned today. Would the gentleman agree with that statement?

Mr. KEATING. I do not agree with that statement.

Mr. DORN of New York. Did Mr. Hoover in his book agree with that?

Mr. KEATING. No; he did not agree with any such statement. He did not create any such impression as that. I would not want to be unduly critical of the review without having read it carefully, but I certainly do not agree with that statement, nor, I am sure, does Mr. Hoover.

Mr. DORN of New York. I want to congratulate the gentleman on his remarks with reference to the book and join with him in praise of it. It is well written and well deserving of the attention of all the people of the United States of America.

Mr. KEATING. I thank the gentleman.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. JENSEN. I want to join the distinguished gentleman in everything he has said about this great man, J. Edgar Hoover, Director of the Federal Bureau of Investigation. Mr. Hoover has long been a model, an ideal, for American youth. When I talk to young boys and girls in my District about Washington, D. C., it is not long until they ask, "Do you know J. Edgar Hoover personally?" I am always proud to say, "Yes, I know him personally," and the praise they shower on Mr. Hoover is always a delight and a real inspiration to me, for then I have no fear for their future. The Honorable J. Edgar Hoover will go down in history as one of the greatest men who has walked on the blessed soil of the United States of America. I know his heartbeat as you my colleagues know and as every good patriotic American does, and his devotion to duty. He is held in the highest esteem by every good American, regardless of their avocation. We are indeed fortunate in this blessed land of ours that God Almighty sent this man our way. I am grateful and proud in the fact that J. Edgar sent to me his book, Masters of Deceit, autographed by his own hand.

Mr. KEATING. I agree with the gentleman, and I thank him for his remarks.

Mr. DOOLEY. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New York.

Mr. DOOLEY. I rise to commend the distinguished gentleman from New York for his very penetrating delineation of the character of J. Edgar Hoover which is known to all of us, and to the quality of his leadership. I think that J. Edgar Hoover has rendered a great service to the public in writing this book, Masters of Deceit. It is a warning to us and a very valuable document.

I would like to associate myself with the statements of the distinguished gentleman.

Edgar Hoover has been a bulwark of strength against the evil forces of communism for more than half of his own life. Since the twenties he has served faithfully and well in a constant effort to counteract the persistent and penetrating forces of subversion.

His book, Masters of Deceit, might well be made required reading for high school and college students everywhere. It outlines with clarity the methods of chicanery and base deceit used by Communists against their fellow workers who have seen the light and endeavored to reform.

Mr. KEATING. I thank the gentleman.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. PELLY. I think the gentleman from New York has done a great service in calling our attention to this publication. I know that the gentleman from New York has considerable knowledge of the matters which are in that book through his position as ranking member of the Committee on the Judiciary.

I wonder if the gentleman from New York will agree with me that it is very fitting in this time that the American people have such a high esteem of the Director of the FBI and the organization which he heads.

Mr. KEATING. I think that the high esteem of the American people is very important to the performance of his task in the dedicated way in which he has performed it, and I know that he would be the first to say that he could only have done what he has done because he has so universally enjoyed the understanding and backing of the people of the country.

Mr. PELLY. I wonder if the gentleman would not also agree that it is equally unfortunate that the citizens of this country do not have a full knowledge of communism and the ways in which the Communists work; and that, therefore, this book is must reading for every American.

Mr. KEATING. I think no one, after reading this book, could have much doubt about the situation in this country.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I also would like to join my colleagues in commending the gentleman from New York on having brought to our attention this splendid book, Masters of Deceit. I am sure that all of us who have heard the gentleman today will feel inspired to go out and get this book.

I also hope that the book will be circulated among the youth of this country. That is another thought the gentleman has brought out, and I think it is most important. Just as Mr. Hoover is the ideal of every youth, so they should inform themselves of what he has really got to say by reading this book.

I want again to tell the gentleman how deeply I appreciate his having brought it not only to our attention but also to the attention of the Nation.

Mr. KEATING. I thank the gentlewoman from New York.

Mr. SMITH of California. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from California.

Mr. SMITH of California. Mr. Speaker, it is especially gratifying to me that the gentleman from New York has asked for this time in order to acquaint us with this book by Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation.

It is gratifying to me because for seven years I served as an agent of the Federal Bureau of Investigation. I shall be forever grateful to Mr. Hoover for having had the opportunity to work under and serve with him.

I think Mr. Hoover is the greatest, most dedicated public servant we have in the United States Government today. For over 30 years he has been the Director of the Bureau and he is most qualified to present this book to us on the Communist Party, for back in 1919, I believe it was March 2 to 6 of 1919, the Communist Party held the Third Internationale, the world congress in which the present form of the Communist Party was set out. It was in 1919 that Mr. Hoover as then a Special Assistant to the Attorney General wrote the first legal brief on the Communist Party. Since that time he has been completely familiar with the Communist Party and its activities, and in this book he shows us how it works, what it means to us, and tells every American what he or she can do in order to fight this terrible menace which is still a threat to us and intent on attacking us today.

So I want to join the gentleman in his remarks and am very proud indeed to be associated with the gentleman from New York in his remarks. I appreciate the opportunity to say a few words in behalf of this great American, J. Edgar Hoover.

Mr. KEATING. I particularly appreciate the remarks of the gentleman from California because he is peculiarly well equipped to speak of the accomplishments of Mr. Hoover and the value of his book because of his years of able and conscientious service in the FBI.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the distinguished majority leader.

Mr. McCORMACK. I am sure my good friend, J. Edgar Hoover, would not want this to be a Republican monopoly by any means, because the esteem for J. Edgar Hoover exists in the minds of all persons as Americans without regard to political party.

It was my pleasure to first meet J. Edgar Hoover shortly after I was first elected to this body in December of 1928.

I found him to be the type of man who made a profound impression upon me. He was an American imbued with the spirit and the depth of American life and tradition.

I remember well his vigorous denouncement of the unfortunate campaign of 1928 when the religious issue was injected into that campaign. My admiration for him was so strong that in 1933, then a comparatively new Member of the House, I urged his reappointment by President Franklin D. Roosevelt. An older Member, one of the grandest men I ever served with, my late friend, Buck Oliver, of Alabama, who was a very prominent member of the Committee on Appropriations and chairman of the subcommittee that the Bureau of Investigation appropriation came before, was deeply impressed, as I was, with J. Edgar Hoover in his appearance before the subcommittee. He and I on three occasions went to the late Franklin D. Rosevelt and urged his reappointment and also to the then Attorney General, Homer Cummings. Franklin Roosevelt told us at that time that if Homer Cummings sent his name over to him he would reappoint Mr. Hoover. We went to Homer Cummings and there was perfect teamwork. Throughout the years the relationship between J. Edgar Hoover and myself has been very close.

I might say also that I know something about communism when it was unpopular to attack communism. I know something about communism because I was chairman of a special committee in 1934 that investigated communism when everybody thought that myself and other members of the committee were just seeking the headlines. I suggest that the gentleman read the report of that special committee made in February 1935, the kind of a report that you would expected to be made today or tomorrow. We found it to be an international conspiracy at that time. We made certain recommendations. The Smith Act came out of my special committee. I introduced a bill but I could not get a hearing for 4 or 5 years because it was claimed by some that it violated States rights. I also introduced the Foreign Agents Registration Act which my special committee recommended. That became law. There was also the power given the Army, Navy, and Air Force to control Communist activities in Army camps and in Navy installations. That all came out of the special committee of which I was chairman.

The one man who fought shoulder to shoulder with me against the power of propaganda, and it is powerful when used, was Mr. J. Edgar Hoover. He knew communism. I have read his book. He conferred the honor of sending me an autographed copy of his book. It is one of the greatest contributions to American literature and to American contemporary history. I thoroughly agree with my friend, the gentleman from New York, that it should be must reading for everyone.

Everything that has been said about J. Edgar Hoover I subscribe to. I could go further if it were possible to do so by any words I might be capable of expressing. He has been a citadel of Americanism.

May I say that it has not been so many years ago when certain types of columnists used to attack him. I and some others would take the floor and defend him, showing that J. Edgar Hoover had friends who were willing to fight for him. I remember on several occasions of concentrated attacks being made on him and we would take the floor to break up the attack. Those were the days when they were leveling off on some of us here.

There were some of us who 30 years ago had to fight for him in those days because of the powerful enemies who were trying to destroy him through the use of the smear and through the use of the innuendo. It is well that we pay tribute to him today, because J. Edgar Hoover, in my opinion, is one of the great living Americans of his day and age.

Mr. KEATING. I thank the gentleman from Massachusetts for his eloquent words.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Mr. Speaker, in the more than 30 years that I have had the opportunity to personally learn of the great services rendered to the United States by J. Edgar Hoover, I know of no one during this period who has rendered greater and more effective service to his country than he has. It is a privilege and a pleasure for me to join the gentleman from New York in this tribute to a great American, J. Edgar Hoover.

Mr. KEATING. I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted that this subject has been brought to the attention of the House, I will say to the gentleman from New York. It is only one of the many fine things that he brings to our attention. I think those of us who were fighting communism in the early days and who were attacked and smeared, and still are attacked and smeared, have a special appreciation for what he has done. J. Edgar Hoover is admired and beloved not only in this country; he is admired and beloved in other countries in the world, in Latin America and in Europe, for the great work that he has done. I would like to pay tribute to his humanitarian ideals. He has helped me in my District in meeting some very serious problems where, strictly speaking, the FBI could not take over, but they could give advice. They gave me advice that enabled me, I think, to save the lives of some people, and also enabled other people in the State to go ahead. J. Edgar Hoover is a very great man. I pay my tribute to him and I also pay tribute to the gentleman.

Mr. KEATING. I thank the gentlewoman.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Speaker, I have a profound regard for J. Edgar Hoover and all he means to our American way of life. I also have profound regard for the distinguished gentleman from New York [Mr. KEATING] and for the distinguished majority leader [Mr. MCCORMACK] for all that they have done to promote legislation inspired by Mr. Hoover. No one can say that J. Edgar Hoover is partisan. His history negates the very thought. With him and the FBI we in the Congress of the United States backed by patriotic citizens everywhere are going to defeat communism in this country not by working as Democrats, not by working as Republicans, but working together as Republicans and Democrats.

Now, reference has been made, Mr. Speaker, to an article that appeared in the New York Times. May I read just briefly two paragraphs from yesterday's New York Herald Tribune book review by Harry W. Baehr, who is an editorial writer on that great newspaper. Discussing this new book by Mr. Hoover entitled "Masters of Deceit," Mr. Baehr said:

> This is a practical manual of the communist conspiracy and how to fight it, prepared by a sane, dedicated and experienced public official. J. Edgar Hoover is primarily responsible for the development of an organization—the Federal Bureau of Investigation—which represents what is probably the best possible answer, within the framework of American institutions, to the problem of subversion. He has access to a vast amount of detailed information about the workings of communism; he does not indulge in wishful thinking about the failure of the Communist Party in the United States, but neither does he vent panic-stricken cries for a vigilante-type response to the continuing threat.
>
> How is the Communist attack, in its protean forms, to be repelled? Mr. Hoover urges that the first and most important task of the citizen is to make sure that we do not permit the Communists to fool us into becoming innocent victims—to be able to recognize the falsity of Red claims and the techniques of Red penetration. Given that knowledge, it is possible—and essential—to resist infiltration into unions, civic, fraternal and social organizations. And against illegal subversive activity the citizen should, if information on the subject comes his way, cooperate with the FBI. "Stick to the facts," Mr. Hoover urges. "The FBI is not interested in rumor or idle gossip." He warns against smears, character assassination, and the scattering of irresponsible charges—but hard facts, even when they appear trivial, can be of great importance in the hands of trained and responsible investigators.

May I say to my friend, the gentleman from New York [Mr. KEATING], that I have not yet read Masters of Deceit but, like him, I agree that it is must reading for every Member of Congress and for freedom-loving people who can obtain the book. Let us be about it.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Utah.

Mr. DIXON. Mr. Speaker, it is most appropriate and fitting for the gentleman from New York, my colleague, Mr.

KEATING, and my colleagues on both sides of the aisle, to pay tribute to this great American patriot, J. Edgar Hoover, and to his monumental work, Masters of Deceit. This book will leave a lasting impression upon America and help to mold the American mind. I believe that we can learn to survive. A work of this kind is a tool in helping us to learn to survive. J. Edgar Hoover calls this his primer of communism. It is exactly that. I hope it becomes a textbook.

It is written in language that is understandable to everyone. It reduces the menace of communism to its simplest terms so all can understand and see its insidiousness.

It is very important to do something about communism, so one chapter, chapter 22, is devoted to "What the Average Person Can Do To Combat Communism." One warning is that everyone should be able to spot the Communist front, so as to recognize it when he sees it operating.

Mr. Hoover also makes an appeal to report to the FBI all information believed to be in the best interest of the American cause. He thinks, and says, that the American people have not only a right but an obligation to protect their institutions and freedom against atheistic communism.

The book traces the Community Party from the days of Lenin and Stalin to the present as it operates in the United States and tells why people become Communists.

The lessons found in Masters of Deceit are lessons which all Americans must learn. We must learn to survive. J. Edgar Hoover's name will go down in history as a great American patriot and a defender of freedom wherever it is found.

Mr. KEATING. I thank the gentleman from Utah.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, over this past weekend I had occasion to read about 150 pages of Mr. Hoover's new book, Masters of Deceit, and found it very absorbing reading. As a matter of fact, it will have a lasting place on my library shelf and will be "must" reading for my children. I certainly want to commend the gentleman from New York [Mr. KEATING] for bringing it to the attention of the House and to all of the American people as he has so ably done on a number of other occasions whenever there was something of real importance that needed to be brought to the attention of the people.

Mr. KEATING. Mr. Speaker, I thank the gentleman for those kind remarks.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Indiana.

Mr. NIMTZ. Mr. Speaker, I commend the gentleman from New York, my distinguished colleague on the Committee on the Judiciary, who is so well acquainted with and well versed in matters of justice and its administration, for bringing to the attention of Members of the House this new powerful and monumental work entitled "Masters of Deceit."

J. Edgar Hoover, Director of the Federal Bureau of Investigation has by his leadership of the FBI, his personal integrity and his cooperation with the law-enforcement officials throughout the United States, exemplified the highest ideals of a law-enforcement administrator.

In the 33 years the Honorable J. Edgar Hoover has been Director of the Federal Bureau of Investigation he has contributed immeasurably to raising the standards and promoting the growth of, and obtaining public support and respect for, law enforcement through the provision of training, laboratory, identification, and administration of the uniform-crime-reporting program. He has continued his efforts in opposition to the nationalization of the police forces of America, and has greatly strengthened law enforcement at all levels of government.

As has been stated by the gentleman from California [Mr. SMITH], the field in which Mr. Hoover now writes is not a new one to him. He is well qualified to speak and write about the influence, evils and dangers of communism. As has been said here today by many, I also hope that all Americans, particularly the youth of this country, will read this book, Masters of Deceit. Because Mr. Hoover is an ideal and an example to our youth, his words should and will have force and influence with them.

Mr. Speaker, J. Edgar Hoover is truly one of the great men of our times. No one in the history of this or any other country has contributed so much to the safety and security of property and human life as has Mr. Hoover and the efficient organization he has constructed and so ably directed. This work, Masters of Deceit, adds to Mr. Hoover's already great contributions to the security of our country and the American way of life by acquainting us with and warning us about the dangers of communism.

Mr. KEATING. I thank the gentleman. In addition to what the gentleman said, and I should have emphasized it more in my remarks, Mr. Hoover has built around himself a remarkable staff, so well exemplified by the gentleman from California, a former member of it, a group as dedicated as he is. He has been able to inculcate that feeling into them. He would be the first to say, I am sure, that he could not have done his task without that kind of staff.

Mr. LOSER. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Tennessee.

Mr. LOSER. I want to join with the distinguished gentleman from New York [Mr. KEATING] and the other Members of the House on both sides of the aisle, in paying tribute to that great American, Mr. J. Edgar Hoover. For more than a quarter of a century I was privileged to call upon him. I was a public prosecutor in my community for more than 25 years, and down through the years I have seen that agency of our Federal Government grow into the greatest police organization on the face of the earth. It is directly attributable to the skill, the knowledge, the energy, and the integrity of that great American who has brought that police organization to the front in the history of civilization, in my judgment.

I have called upon him down through the years for technical advice, fingerprinting, ballistics, and identification of all types of material that might be used in the prosecution of a criminal case. His advice down through the years, and his expert testimony, as offered through the agents of the Federal Bureau of Investigation, have been of inestimable value to the people of America.

The great Committee on the Judiciary has made great contributions to the success of Mr. Hoover in his work down through the years, so I am happy to join with the gentleman from New York, the ranking minority member of the Committee on the Judiciary, and my other colleagues here in paying tribute to this great American and to say that his book will be a must on my library shelf.

Mr. KEATING. I thank the gentleman.

Mr. DELLAY. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. DELLAY. Mr. Speaker, American history is replete with many great heroes. Unfortunately, commendation and praise were not accorded many of these individuals until after they had passed from the scene.

Today we honor a living American hero, one who has made a contribution to the present that will list him in history with the many American great. It is with an enormous amount of respect and admiration that I salute J. Edgar Hoover, Director of the FBI, for what he has done, for what he is doing, and for what we can anticipate from him.

International communism is still the greatest threat to the free countries of the world and is the cause of many of the problems that our country is faced with today. The relentless fight carried on by the Federal Bureau of Investigation against subversivism and its movement, which to a large extent now lives in underground fashion, is a program of work that not too many Americans are conscious of or appreciate because of the silent, quiet and efficient way the FBI has of operating. Yet it is one of the mainstays to our being able to exist as a free nation and continue to be the leading free nation that other countries can look up to and depend upon for guidance.

I deem it a great honor and personal privilege to help in honoring one of today's great Americans.

Mr. KEATING. I thank the gentleman from New Jersey.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. MEADER. Mr. Speaker, I am happy to join with my colleagues and the gentleman from New York in paying tribute to the contribution of J. Edgar Hoover to the development of our American democracy. As a former prosecuting attorney I am familiar with the impetus which J. Edgar Hoover has given to law-

enforcement techniques generally. The modern science of detecting crime is much greater today than it would have been if we had not had a J. Edgar Hoover. His other great contribution to which his book is directed is, perhaps, less well known to the American people. What J. Edgar Hoover and the FBI have done in combating subversion and infiltration has not, in my judgment, been as widely known as the G-man activities generally. I might say from having spoken with him personally that Mr. Hoover paid great tribute to the Congress of the United States in combating subversion and infiltration. I know that he is aware that the Congress under its investigative authority has done a great deal to prevent the growth of subversive groups and cells. I think the gentleman from New York has done well to take this time today to point up the contributions of this great American.

Mr. KEATING. I appreciate the remarks of the gentleman from Michigan.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the distinguished delegate from Alaska.

Mr. BARTLETT. Mr. Speaker, as these remarks are being made here this afternoon about Mr. Hoover, I recall an experience of some years ago. It has been said and written about Mr. Hoover, as it would be said and written about anyone in his position, that he desires power for power's sake. I should like to offer here some rather direct personal evidence to the contrary. The Federal Government has a primary responsibility for law enforcement in the Territories through the office of the United States marshal. On this occasion, years ago, a rather high-ranking official made the suggestion that there be established in Alaska a Federal constabulary similar to the Northwest Mounted Police. A meeting was held with the then Attorney General and others of his staff. Mr. Hoover attended this meeting. The proposal for this Federal police force was made.

Mr. Hoover said—I do not pretend to quote his exact words, but this was the effect of what he said: "I am absolutely against any such organization. It would be perhaps a start on the road to a Federal police system which I am against. I do not want it. I do not think we should do any such thing in Alaska."

His remarks squelched the idea at its very inception. I have thought how many times how wise he was and how mindful of the characteristics of our Government in not having the Federal Government dominate. He could have gone in there and taken over without any trouble, but because he is devoted to the ideals of democracy, the ideals of our police system throughout the Union, he declined to do so. I, for one, will be forever grateful to him for his stand on that day.

Mr. KEATING. I thank the gentleman.

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. TOLLEFSON. I want to join with my colleagues in complimenting the gentleman from New York for taking time to pay tribute to the distinguished gentleman, J. Edgar Hoover, and calling attention to his book. The gentleman has pointed out how Mr. Hoover has rendered great service to our people. As a previous prosecutor, I am familiar with his field, and on more than one occasion my office as prosecuting attorney has benefited from his office.

With reference to his combating international communism, perhaps Mr. Hoover has alerted the people to the danger of international communism more than anybody else. This book will render distinguished service in that same way. In fact, there is a tendency on the part of the American people to become complacent from time to time, and it has been my impression that it is timely for a publication of this kind to be brought to the attention of the American people again. I want to say to the gentleman from New York [Mr. KEATING] that I believe he has rendered a distinct service to the American people in discussing this matter on the floor today.

Mr. KEATING. I appreciate the remarks of the gentleman from Washington.

I yield at this time to the distinguished minority leader [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, the book recently published by Edgar Hoover is most enlightening and an illustration of the dangers which confront the people of America. Communism, as Director Hoover points out, is still actively working to infiltrate our life and we can protect our way of life only through eternal vigilance. Mr. Hoover has performed a patriotic service in sounding the alarm.

Mr. KEATING. I yield to the distinguished gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Speaker, in a world and in an era, when national police power is so often synonomous with political maneuvering, suppression of individual freedoms, and public terror, America's Federal Bureau of Investigation stands in distinct contrast. That the FBI has become not merely an accepted agency but an institution in which the American people have pride, not fear, is due in great measure to the hard work of its leader, J. Edgar Hoover. His integrity, courage, sincerity, and competence have become so well known that they are taken for granted. Despite their bold role in so many fields of interest, the FBI and its Director have the approval and cooperation of our people. I join my distinguished colleagues today in voicing the thanks all America feels.

Mr. KEATING. I yield at this time to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, the opportunity to know J. Edgar Hoover and to work with him has been one of the most rewarding experiences of my service in Congress. It is a privilege to join with my colleagues today in tribute to this outstanding American.

Since his early manhood J. Edgar Hoover has been devoted to the fight against communism. Long before the threat of Communist imperialism was generally recognized he was actively fighting it and building the Federal Bureau of Investigation into our strongest bulwark against subversion.

But for his foresight we might have been defenseless against the far-reaching plots of Communist agents during and after World War II.

J. Edgar Hoover is well aware that this threat is still with us. His new book, Masters of Deceit, will give Americans great insight into the operations of the conspiracy. More than that, it tells us what we can and should do about it. We should heed its message.

Mr. KEATING. I yield at this time to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, I wish to add my congratulations to Mr. J. Edgar Hoover on not only the great service he has rendered to his country through his deeds but what he has done through his words by writing his book, Masters of Deceit.

I hope all our citizens will heed the advice of Mr. Hoover and heed the warning his experience has taught him.

Although the Communists are currently smiling, we cannot take their smiles seriously until through their actions they prove their sincerity.

Mr. KEATING. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I appreciate this opportunity to join in a well-deserved salute to J. Edgar Hoover and his new book, Masters of Deceit.

All Americans owe a great debt of gratitude to Mr. Hoover, and to the dedicated corps of agents whom he leads.

All Americans will read with profit anything Mr. Hoover writes on the subject of the menace of communism.

No American citizen has done more to alert our Nation to the great danger of this insidious conspiracy against freedom.

No American is more deserving of this tribute from both sides of the aisle in the House.

I hope and trust that J. Edgar Hoover will continue to serve America for many years to come.

Mr. KEATING. Mr. Speaker, I at this time ask unanimous consent that the following gentlemen may extend their remarks at this point in the RECORD:

The gentleman from New York [Mr. REED].

Mr. REED. Mr. Speaker, outstanding instances of public service by the distinguished Director of the Federal Bureau of Investigation, the Honorable John Edgar Hoover, have become almost commonplace and therefore accepted without appropriate public acclaim. Over the weekend an event has come to my notice that requires the attention of every American citizen and prompts my remarks in the House of Representatives at this time. I refer to the publication of a book written by Mr. Hoover entitled "Masters of Deceit" which is the story of communism and how to fight it. In this ably written book Mr. Hoover has in a readable and understandable manner told us what communism is, its danger, how it works, and how to combat it. This book is of such considerable substance in the message it contains for the American people that a brief summary

describing the book is difficult. However, I believe that its paramount thought is that our Nation and its citizens must be vigilant in guarding our institutions of Government, our ideals of Government, and our way of life against insidious encroachment by imperialistic communism.

To anyone who is privileged to know Mr. Hoover and to be acquainted with his patriotic devotion, his tireless capacity, and his remarkable intellectual ability, the product of his endeavors as evidenced by the writing of this book will come as no surprise.

Mr. Hoover entered the Department of Justice in 1917 and his outstanding ability brought him success and promotion almost from the very beginning. In the period from 1921 to 1924 he served as Assistant Director in what was then known as the Bureau of Investigation. In 1924 he became Director of that Bureau, which had less than 30 agents. Today that Bureau is known as the Federal Bureau o. Investigation, with 6,000 agents. The Bureau's reputation for effective law enforcement is recognized throughout the world. Under the leadership of Mr. Hoover, it is safe to say that his agency and the men and women employed in it have a singular claim to a reputation for integrity and service to country.

Mr. Hoover's service is not limited to that rendered in his official capacity as Director of the Federal Bureau of Investigation. Mr. Hoover has maintained a constructive and active interest in the youth of our Nation, and he is, indeed, a fitting inspiration to our youth. Mr. Hoover finds time in his busy schedule to serve as a member of the board of directors of the Boys' Clubs of America and to serve on the national committee on public relations of the Boy Scouts of America. He has received countless honors from the American Bar Association and from other professional and similar groups. On May 27, 1955, he received the National Security Medal for outstanding service in the field of intelligence. More recently, on January 27, 1958, the President of the United States presented to him the President's award for distinguished Federal civilian service.

Mr. Speaker, I commend to every American citizen and to every individual who believes in freedom and justice Mr. Hoover's book, Masters of Deceit, as required reading.

Mr. KEATING. The gentleman from Michigan [Mr. McINTOSH].

Mr. McINTOSH. Mr. Speaker, I wish to join the gentleman from New York [Mr. KEATING] in his tribute to FBI Director J. Edgar Hoover. During the more than 30 years under his guidance the FBI has achieved a reputation for alertness, fairness, and competence unsurpassed by any other agency of the Federal Government.

Under Mr. Hoover's leadership, the FBI has stood as the Nation's bulwark against lawlessness, immorality, and subversion. The FBI has grown in strength and respect through changes in administration, during depression and prosperity, during war and peace. Mr. Hoover has led his agency in fighting corruption, racketeering, professional criminals, espionage, saboteurs, and subversive groups, Fascist and Communist.

Because of his determined support of right and justice, J. Edgar Hoover, in his position of responsibility and trust, has contributed greatly in preserving the moral and ethical standards of our communities and Nation, created respect for our laws, and made it possible for all of us to enjoy greater happiness and freedom.

Mr. KEATING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks at this point in the RECORD, to pay tribute to Mr. Hoover and to comment on his work for our country and his recent book.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HILLINGS. Mr. Speaker, probably no American knows more about the threat of communism to the United States than J. Edgar Hoover, Director of the Federal Bureau of Investigation.

I highly recommend that every American read Mr. Hoover's book, Masters of Deceit, a masterful picturization of what communism is, what its aims are, the real dangers it poses, and what loyal American citizens must know to protect their freedom.

I am in complete agreement with Mr. Hoover's opening statement in his foreword and that is:

Every citizen has a duty to learn more about the menace that threatens his future, his home, his children, the peace of the world.

Mr. Hoover's book details the day-to-day operations of the Communist Party in the United States, the persons involved in this conspiracy against freedom and liberty, and what would happen if the Communists succeeded in overthrowing the Government of the United States.

There is no doubt that Mr. Hoover has more complete knowledge of the Communist threat in this country than anyone else.

This great American has performed another tremendous service for his country in writing this book, giving us a crystal-clear picture of the modus operandi of the American Communist and a first-class lesson on how we can meet this menace on our home grounds.

Mr. YOUNGER. Mr. Speaker, I wish to join with the gentleman from New York in his remarks about the service which J. Edgar Hoover has rendered to the citizens of the United States. He has developed a bureau in our Federal Government which has conducted its very sensitive investigations in a manner that has never brought unfavorable comments.

In doing so, he has trained thousands of FBI investigators who have been imbued with such a fine esprit de corps that after they have left the Government service they have continued their associations together with other investigators who have left the service in the form of an association of former FBI agents.

I have had the pleasure of meeting with the group in northern California and it is both surprising and gratifying to see how they continue to help each other in their chosen civilian fields and at the same time take a leading part in their community for better and more effective government.

Mr. LANE. Mr. Speaker, we in the United States have been most fortunate in being served for so many years by such a skilled and devoted public servant as J. Edgar Hoover, Director, Federal Bureau of Investigation.

No wonder that the Communists see red at the very mention of his name. No man in the United States has done more to anticipate their plays and break them up before they got started, than the very able Director of the FBI.

Due to the efficiency of the Agency and the exceptional qualifications of its personnel, the Communists have been outwitted at every turn. The Communist Party in the United States has become demoralized, as its members suspect and distrust one another—because they never know which of their comrades are FBI undercover agents, planted in their ranks to keep tabs on every conspiratorial and subversive move.

It is no exaggeration to say that the FBI is J. Edgar Hoover, for he has imbued every member with his own passionate faith in freedom, and with the necessity of thoroughly understanding the way that the Communist mind twists and turns, in order to frustrate this menace, no matter how it may try to disguise itself.

His diagnosis of the Communist Party in the United States is complete.

There is no hidden symptom that escapes his experienced search.

Now, out of his vast practical knowledge, he brings to the people of the United States the opportunity to detect the devious ways of communism, so that we may know how to spot it and combat them.

If J. Edgar Hoover had done nothing more than to develop the Agency which he heads, into the most effective counter-intelligence weapon against communism in the whole world, we should be eternally grateful to him.

But he has done more, and in the best tradition of our democracy, by enabling us to arm ourselves with his knowledge, and, let us hope, with a part of his skill.

It is a foregone conclusion that the book which is the fruit of his rich and varied experience, is going to become a best seller.

But, more than that, it is going to render a great public service by its exposé of the enemy that lurks in the shadows.

Masters of Deceit, by J. Edgar Hoover, throws the spotlight on the secret treachery which is basic to communism.

After reading its revealing chapters, there will never be any excuse for anyone to underestimate, or to fall victim to, the tricks and stratagems of atheistic communism.

J. Edgar Hoover has ripped the mask from the Red conspiracy.

UNITED STATES ARMY BAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.,

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to pay tribute to the leader of the United States Army Band, Maj. Hugh Currie, of Cambridge, Mass. Cambridge at one time was a part of my District, and Major Currie as leader of the band, is a friend of every man, woman, and child in the United States. I will place in the RECORD an appraisal of this great patriot and bandleader and the Army Band.

INTERNATIONAL LAW SHOULD EMBODY PRINCIPLE OF ABSTENTION AND CONSERVATION OF FISHERIES

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 15 minutes.

Mr. PELLY. Mr. Speaker, I have just introduced a concurrent resolution that is of utmost importance to the United States fishing industry. This resolution would express the sense of the Congress as being that President Eisenhower, through such agency and by such means as may be appropriate, should take necessary action to insure, to the extent practicable, that the United States Conference on the Law of the Sea should consider, adopt, and implement the principle of abstention and conservation in any revision of the Articles on the Fisheries or in any other appropriate agreement with respect to fishing and fisheries which is concluded at such conference.

Immediate consideration of this concurrent resolution is urgent because the Conference on the Law of the Sea is now in session at Geneva, Switzerland, and seeking to deal with world fisheries problems. Meanwhile for the past 3 years the United States fishing industry has been holding meetings on recommendations made by the International Law Commission. The industry has proposals for changes in these recommendations in the interest of conservation and to safeguard the industry which should be insisted upon.

The abstention principle which is recommended is the only safeguard against complete destruction of certain Alaska and Pacific Northwest salmon resources. Obviously, treaties are the only solution to fishery problems between neighboring nations, and other nations which concern joint fishery interests.

The importance of the abstention principle is pointed up by House Resolution 451 which recently was reported favorably by the House Merchant Marine and Fisheries Committee and will soon come before the House. Having introduced a similar resolution, I am in strong support of House Resolution 451 which would request the Secretary of the Interior and all Departments of Government to protect Alaska-spawned salmon. It should be recognized that the greater part of the life cycle of the west coast salmon is spent in the ocean before their final return to their native waters and streams to plant their eggs and then die.

On the basic principle of abstention the United States has a treaty with Canada and Japan which is supposed to protect on the high seas those salmon originating in Alaska. The North Pacific Salmon Fisheries Commission, under the assumption that no Alaska-spawned salmon were to be found east of the 175th parallel, implemented our treaty by an agreement whereby the Japanese would take no fish in the high seas east of this line. But subsequently it was found that the Alaska-spawned salmon penetrate west of the 175th parallel in large numbers and certain runs of Alaska red salmon, as a result of Japanese fishing in the North Pacific Ocean are under immediate menace of extinction.

Mr. Speaker, I trust the House will pass House Resolution 451 when it is considered and our proper Government officials would thus be instructed to take steps necessary to protect our Alaska salmon. But let me say in all frankness, that such a resolution does not go nearly far enough. The abstention principle must be adopted as the international means of conservation. Right now the Japanese instead of conforming to abstention are indicating their intention to curtail the size of their fishing fleet. The solution does not lie in an agreed number of boats, but the problem is concerned with the location and where the fish are taken. Our great resource will be destroyed unless our historic rights are protected.

Bear in mind on the high seas the Japanese fish 7 days a week and do not conform to our conservation methods and regulations. Bear in mind, on the other hand, American and Canadian fishermen are prevented entirely from catching any fish by use of nets in the North Pacific Ocean and in those international waters as House Resolution 451 points out.

Because of my conviction that our State Department will never reach a satisfactory agreement with the Japanese, I introduced H. R. 10244. This bill recognizes that the United States is a substantial market for the products of indiscriminate and uncontrolled net fishing for salmon by Japanese nationals. It recognizes this country is the market for the very salmon of American origin caught by means and methods denied our own citizens and in competition with the catch of American fishermen under strict regulations for conservation.

H. R. 10244, my bill, would make it unlawful to import for market and distribution within the United States salmon taken on the high seas of the North Pacific Ocean by nets or other means, or at times, places and under conditions or methods of fishing which would be unlawful if practiced by our own citizens.

In the near future, Mr. Speaker, it is my intention to offer extensive evidence as to the support for H. R. 10244 but today that proposed legislation is simply used by me as an illustration of the critical nature of the fishery crisis and the urgency of expressing support for the policy of abstention. Our representatives at international discussions must be made to understand that we stand firm on the principle that all nations on the high seas should respect and abstain from fishing and depleting stocks of fish, the origin of which is in the inland waters and streams of another nation.

I repeat, abstention is the only practical means of conservation and the only proper solution of disputes between Nations over the limits of territorial water rights.

Our fishing industry which is or should be, such a valuable resource and means of gainful employment and source of healthy food is in a critical economic condition. The bottom-fish industry which once contributed so greatly to the standard of living of this country is an example of this deplorable situation. Legislation to assist in restoring this industry likewise deserves support.

But to return to the subject of abstention, I should like Mr. Speaker to conclude with a simple reminder to my colleagues that in international discussions our fishermen and fishing industry have no representatives other than those of the United States to protect their interests. Foreign nations, through their delegates, outnumber and can outvote us.

Therefore, as I see it, the Congress should spell out our position, and if that principle does not prevail and an agreement embodying it with respect to fisheries is not adopted, then other nations should be on notice that our markets will not be open to fish taken by foreign nationals illegally by our American conservation standards and principles.

In other words, I urge now immediate adoption of an abstention-principle resolution. In due course, and on the basis of what transpires at Geneva—and also during the forthcoming fishing season in the north Pacific Ocean—consideration of restrictive import legislation can be considered.

Finally, let me thank the membership of the House of Representatives for its interest in this important subject.

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I am very happy, Mr. Speaker, to yield to the gentleman from Washington [Mr. TOLLEFSON] who is the author of the resolution I refer to, H. R. 451.

Mr. TOLLEFSON. Mr. Speaker, the gentleman has touched upon a very important subject. It may not be as important as the matter of communism which we discussed earlier on the floor today, but it is important to many thousands of fishermen. It is important to the economy of this Nation. Take the Alaska salmon fisheries alone, it is estimated that they are worth $100 million annually. Other fisheries of the Nation are equally valuable. The entire fisheries resource of the Nation runs into the

hundreds of millions of dollars in value to the economy of the United States.

I am familiar with the good work that the gentleman from Washington now addressing the House has done in connection with the welfare of the fisheries of the United States. He has worked hard and diligently in the years he has served in the Congress and has made a great contribution to the welfare of the industry.

The gentleman made mention of a resolution which I have introduced, H. R. 451. I agree with him it is not as strong as his own resolution, H. R. 10244. I may say to the gentleman I shall support, as I have already, the resolution which he has introduced. I think it does go further.

The purpose I had in introducing my resolution was that I felt it would obtain earlier action than perhaps would be the case in connection with the gentleman's resolution. I am glad he has touched upon this Law of the Sea Conference now taking place in Geneva. The gentleman, of course, is aware of the contacts members of our committee have had with the State Department in connection with the Law of the Sea Conference. He is familiar also, I am sure, with our effort to convince those people who represent us at the conference and who work hard for our point of view in connection with protecting the American domestic fisheries. I am hopeful that Congress as a whole will give a sympathetic ear to the plea that the gentleman has just made and to the pleas of other Members of Congress who seek to do something in the direction of obtaining greater protection and greater consideration for our American fisheries.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I will be very happy to yield to the Delegate from Alaska who represents that area in which these salmon spawn. I believe that this industry is the largest industry in the area.

Mr. BARTLETT. Mr. Speaker, the gentleman from Washington [Mr. PELLY], is to be congratulated upon a penetrating, analytical, and logical statement and one which was badly needed to be made. This is, indeed, a serious problem, in my opinion, for the Nation. It is a vital one for Alaska, as the gentleman who has the floor well knows, as does his colleague, the gentleman from Washington [Mr. TOLLEFSON]. They have been interested in this matter and have been helpful over a long period of time. I should like to point out that nothing illegal is being done by the Japanese in their high-seas fishing at this time. The gentleman, I know, agrees with that.

Mr. PELLY. I have made that statement on the floor before.

Mr. BARTLETT. Yes. But, notwithstanding, the consequences are that this resource, which otherwise would be annually renewable and would be a source of wealth and food forever, may be exhausted soon. The fact is that over the years from 1921 through 1956 over 33 million cases of red salmon have been packed in Bristol Bay, the richest red salmon fisheries in the world. That pack was valued—and I think this is important—at close to $450 million. The gentleman from Washington [Mr. PELLY] and the gentleman from Washington [Mr. TOLLEFSON] and I know that if something is not done soon, immediately, this year, there may be no more red salmon returning to the streams of Bristol Bay to spawn. The fact is that this last season in Bristol Bay 20 percent of the fish caught by American packers showed that they had been previously in Japanese nets and had escaped from those nets, meaning that most of the fish out on the high seas, originating in American waters, had been caught. And, the pity of it is, further, that most of those fish caught by the Japanese are small, immature, and have not been permitted to reach their full growth.

Mr. Speaker, I thank the gentleman for having called the attention of the House and the country to this matter, because something not only should but must be done about it and must be done about it this spring, because if the Japanese are allowed to fish on the high seas, taking our fish, our red salmon, for one more summer, this great resource may be gone forever. I am grateful to the gentleman as well as the gentleman from Washington [Mr. TOLLEFSON] for their assistance.

Mr. PELLY. I thank the Delegate from Alaska.

Mr. Speaker, I would like to conclude by emphasizing that the importance right now of our standing firm on our fisheries policy is one of support to the principle of abstention and conservation.

GOVERNMENT SECRECY

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 60 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, last Thursday the Attorney General of the United States, the Honorable William P. Rogers, appeared before the Senate Judiciary Subcommittee on Constitutional Rights to present his views on the power of Congress to obtain information from the executive branch of the Government. His statement asserted a privilege in the executive branch of the Government to withhold information from the Congress in such broad terms that it should not go unanswered.

Increasingly in recent years, as the executive bureaucracy has grown in power and in numbers of officials, there has been a parallel tendency to assert limitations and restrictions upon the investigative power of the Congress and its committees with respect to documents, papers, and information in the possession of the executive branch of the Government.

I fully realize that silence on the part of the Congress has no legal significance in fortifying these executive assertions. Yet such statements often enough repeated, create a public impression of Congressional acquiescence.

The Congress should be jealous of its constitutional powers, and Members in both Houses should be alert to strike down assertions of limitations upon Congressional powers and should resist encroachments by the executive branch into legislative authority vested by the Constitution in the Congress.

For that reason I am impelled to repudiate the doctrine announced by the Attorney General to the Senate Judiciary Committee, to deny that it is a valid statement of constitutional law and to urge the Congress and its committees to disregard his doctrine in the exercise of their legislative and investigative functions.

For 29 pages of his prepared statement the Attorney General cites unilateral acts and pronouncements by Presidents, editorials from newspapers, Congressional debates, and textbooks and asserts that a number of principles have been established. The court cases cited in this portion of the statement deal only with the doctrine of the separation of powers. Then, for the first time in his statement we learn from the Attorney General that "there is no judicial precedent governing this question."

Subsequently in his statement the Attorney General, quoting his predecessor and enlarging somewhat on the quotation, concludes that the so-called independent regulatory agencies, as well as the executive departments, come within the executive privilege from Congressional inquiry as to their administrative functions; that as to their judicial functions they should be just as free of any demand from Congress or the executive branch as a court would be; and that as to the legislative functions of the independent agencies, Congressional inquiries should be subject to restraining considerations.

The net effect of the Attorney General's statement is that the executive branch of the Government will give to the Congress or its committees such information as the executive branch chooses to give and no more.

I wonder if the American people and their elected representatives in Congress appreciate the significance of this latest pronouncement of the executive branch of the Government. If this is sound constitutional doctrine, then it is permissible, without amending the Constitution, for the huge executive bureaucracy we have built up over the years to become the master, not the servant, of the people. It places within the sole and unfettered discretion of an organization of well over 2 million persons in the executive branch of the Government the power either wholly to deny Congress access to facts about the public business, or to make known, only on such terms, at such times and under such conditions as the Executive sees fit, those portions of the total picture which the Executive wants the public or the Congress to know. The latter course makes possible a rigged, distorted,

slanted factual foundation for the formulation of public opinion and thus grants the Executive greater power over policymaking than is healthy under a system of self-government by the people.

Mr. Speaker, I recall as a law student listening to an address by the famous lawyer, Clarence Darrow. He said, in substance, that he did not care who made the decision if only he could write the facts. The unlimited discretion in the executive branch of the Government over access to information in its possession asserted by the Attorney General, would vest in the departments the power by ex parte presentations of half truths to build a record which would permit of only one conclusion. Under such circumstances, what has become of the proud principle of self-government through elected representatives? Solemnly elected representatives under such circumstances become mere figureheads, performing no substantive function.

Mr. Speaker, having called attention to the importance of the right of Congress to obtain information from the executive branch of the Government and the fundamental unsoundness of the position taken by the Attorney General, let us now examine in greater detail the Attorney General's statement and analyze the principles he stated as well as the logic and precedents upon which they purport to be founded.

SO-CALLED PRECEDENTS

The Attorney General recites instances in which the Congress asked the Executive for documents and information. Some of the requests were granted, some were denied. He also recites statements made by Presidents concurrent with the granting or denying of Congressional requests. He asserts that those events establish a great number of principles which he asserts are founded upon executive privilege.

In opposition to the instances cited by the Attorney General where the executive branch of the Government has refused Congressional requests, there are countless instances where Congressional requests for information from the executive branch of the Government have been fulfilled. Records and testimony frequently have been obtained by Congressional committees from officials in the executive branch of the Government by subpena. It might be illuminating to refer specifically to some of these.

One of the most notable examples of Congress' forcing the production of records from the executive was the order of Senator Truman, as chairman of the Special Senate Committee Investigating the National Defense Program, to serve subpenas duces tecum on two members of the President's Cabinet, as a result of which documents were delivered to the possession of the Truman committee.

On May 20, 1944, a subpena duces tecum was served upon the Honorable Francis Biddle, Attorney General of the United States, commanding him to appear before the Truman committee on Thursday, May 25, 1944, at 10 o'clock a. m., in room 318, Senate Office Building, and to produce a file of papers and documents kept by Comdr. John D. Corrigan in his office at the Navy Department.

On the same date a subpena duces tecum was served upon the Honorable James V. Forrestal, Secretary of the Navy of the United States, to appear before the Truman committee on Thursday, May 25, 1944, at 10 o'clock a. m. in room 318 of the Senate Office Building and to produce certain papers and documents kept by Commander John D. Corrigan in his office at the Navy Department.

It is also interesting to note that when the present Attorney General served as Chief Counsel for the Senate Permanent Subcommittee on Investigations, a subpena was issued by that committee and served August 1, 1949, on one Frank Udoff, a courier at the Department of State, and on August 22, 1949, a subpena duces tecum was served on Darrell St. Clair, a legislative and liaison official in the Department of State.

Another noteworthy series of subpenas were served on March 30, 1955, by the Senate Permanent Subcommittee on Investigations on various officials of the Foreign Operations Administration.

On April 1, 1955, a subpena duces tecum was served on the Honorable Harold E. Stassen, Administrator of the Foreign Operations Administration.

On November 1, 1955, a subpena duces tecum was served on Hugh W. Cross, Chairman of the Interstate Commerce Commission.

Another interesting reference to the use of the subpena of a Congressional committee to obtain information from the executive branch of the Government is contained in the hearings on the activities of Gen. Bennett E. Meyers held by the Special Committee Investigating the National Defense Program of the United States Senate. These hearings were conducted when the present Attorney General was the chief counsel of that committee. On pages 27018–19 of part 43—1947—of that committee's hearings occurs the following:

Senator FERGUSON. Right there, we might clear up the matter. It is your contention that the committee could not have found this directive and reply without your aid?

Mr. MEYERS. The committee had so informed me that they were unable to get the directive; and, furthermore, after I had brought the directive to the committee's attention on several occasions, I was informed by the committee counsel that there wasn't any such directive, that they had even subpenaed this directive from the War Department and the War Department had advised the committee there was no such directive.

It is interesting to note the testimony of Mr. Hugh Fulton, first chief counsel of the Truman committee, before the Special Subcommittee on Government Information of the Committee on Government Operations of the House of Representatives on May 9, 1956. In a prepared statement Mr. Fulton said:

Several times during the proceedings before the Truman Senate committee, the Attorney General refused us information, subpenas were issued to him, and he complied with the subpenas under protest.

The authority of the Congress is, I think, crystal clear. The difficulty is that this problem has not risen as the great constitutional problems did in England by a clearcut dispute between the Stuart kings and Parliament (House Government Operations Committee Hearings on Availability of Information from Federal Departments and Agencies, part 3, p. 525).

Subsequently, Mr. Fulton amplified this statement in a colloquy with committee counsel as follows:

Mr. MITCHELL. What we are particularly interested in is: Did the Truman committee withdraw its subpena after serving or was it in effect a real subpena where he complied because of the subpena?

Mr. FULTON. It was never withdrawn. It was complied with. And the Attorney General complied with the subpena rather than bring the question to an open breach between the two agencies, the Senate and the Department of Justice.

Mr. MITCHELL. Therefore, there is legal status then to the fact that a subpena has been served and has been recognized by the head of a department?

Mr. FULTON. There never was any statement that I know of on behalf of the Attorney General during discussion of any of these subpenas to the effect that the Senate did not have the authority to issue the subpena to the Attorney General as an individual. He did raise questions as to his alleged privilege but he did not assert that privilege when it was necessary for him either to be in a position where our committee might have cited him to the Senate for contempt or to drop his privilege. In other words, he dropped his privilege but at the same time stated he had had it if he had wanted to exercise it (House Government Operations Committee Hearings on Availability of Information from Federal Departments and Agencies, part 3, p. 541).

It will serve no good purpose to develop further the multitude of instances in which, in the exercise of its investigative power the Congress has required and obtained information from the executive branch of the Government through the issuance of subpenas, or otherwise. The point of reciting those instances is to show that if a series of events never tested in a judicial controversy is to be regarded as precedents for a principle, it is just as easy to establish the right of Congress to obtain information from the executive branch of the Government as the right of the Executive to withhold information from the Congress.

Forebearance does not make law. The fact that Congress, in instances where the President has refused to comply with a Congressional request for information, took no action does not prove that there was my Executive privilege. It proves nothing at all except that Congress chose not to assert its authority or to test its powers.

The reasoning of the Attorney General as contained in the section of his statement on precedents may very well come home to roost. If this reasoning is sound law, a company charged with violation of the antitrust laws could very well assert that over a course of years in repeated instances the company had engaged in a course of conduct and had made pious pronouncements concerning its right to do so and that no action had been taken by the Department of Justice to enforce the law. On subsequent indictment for the same offense which repeatedly had been committed previously, the defendant company, using the Attorney General's logic, could assert that a

long line of precedents had established its right to engage in such conduct.

The simple fact is that as a matter of legal logic a course of conduct and ex parte pronouncements do not make law and are not precedents for anything. Neither the historic occasions cited by the Attorney General in his statement and the pronouncements of Presidents and others, nor the long history of the successful use of Congressional subpenas to procure information from the Executive, establish any rule of law at all. The unquestionable fact is that the question never has been adjudicated.

Mr. LIBONATI. Does the gentleman feel that a committee of the Congress has an absolute right to issue subpenas indiscriminately regardless of the subject matter they are investigating or does the gentleman feel that the Congress in its entirety reserves that power?

Mr. MEADER. The gentleman, I hope, might wait for that question to be answered later in my remarks, but I will advance to that part of my remarks to say this. The Constitution vests in the Congress all legislative power. The lawmaking power has within it the power to know the necessary facts upon which to found intelligent policy. The House of Representatives and the Senate operate through committees. The committees are the agent of the parent body and they have only the authority given them by the parent body. So that if the House or the Senate authorizes a committee to engage in an inquiry, the committee has the power given to it by the House and the legislative authority and the investigative authority given to it by the parent body. For that reason, it is difficult to say that all committees can ask all kinds of questions—and I understood that is what the gentleman is asking me. I recognize no limit to the legislative authority of the Congress or the investigative authority that it needs to exercise that legislative authority.

Mr. LIBONATI. Would you not say, sir, that the Speaker of the House in this instance would have the power to determine whether or not they exceeded the authority under which they were holding their hearings, the Speaker of the House, of course, being the supreme officer of the legislative body involved? Does the gentleman not feel that under those circumstances the Speaker would have the power to call it to the attention of the committee when they exceeded such powers in accordance with the purposes their investigation was conducted?

Mr. MEADER. The gentleman is attempting to draw me into an area which is not the subject of my discourse. I am not discussing the parliamentary rules of the House of Representatives or the manner in which the House works its will. The Speaker of the House obviously has very great power as the chief officer of the House.

Whether or not the Speaker should arbitrate all disagreements within a committee or whether the committee should settle those matters itself I think is a wholly different matter. I am addressing myself to the question of whether or not the executive branch of the Government can destroy the investigative power of the Congress.

Perhaps it is well that between two great coordinate branches of Government the controversy has never arisen in such a way as to be passed upon by the third great coordinate branch of the Government. Under our tripartite system comity, cooperation and teamwork between the three branches of Government are the best assurance of the successful functioning of a democratic Government of limited powers.

The growing tendency, however, on the part of the executive branch of the Government to disregard the investigative authority of the Congress, such as is evidenced by the statement of the Attorney General last Thursday, may well, however, lead to an impasse where this historic constitutional question will have to be resolved. I, for one, hope this can be avoided and that discretion, restraint, and statesmanship will be displayed by both the executive and the legislative branches of the Government so as to make unnecessary such a constitutional showdown.

SEPARATION OF POWERS

In his discussion of the doctrine of the separation of powers between the legislative, judicial, and executive branches of the Government, the Attorney General cites decisions and statements of principle with which no one will quarrel. Every eighth grade student knows we have three branches of government and that the foundation for this unusual tripartite system was the fear of the tyranny of an absolute monarchy. Hence, we established a Government of limited powers, with adequate checks and balances.

Yet under the Constitution the three branches are not entirely watertight compartments. No one department possesses all the executive power. No one department possesses all the legislative power and no one department possesses all the judicial power. Each has authority and functions in the field of the other.

Article I of the Constitution vests all legislative power in the Congress. Yet under article II the President has the power, first, to make treaties, with the advice and consent of the Senate; second, to give Congress information on the state of the Union and recommend measures; third, convene both Houses of Congress; and fourth, veto bills. All of these are legislative powers expressly vested by the Constitution in the President. In addition, it may be noted that statutes have delegated legislative authority to the executive branch of the Government and to the so-called independent agencies which, although they are said not to be within the executive branch of the Government, are subject in some degree to the control of the President. In addition of course, the President by reason of his powers, his prestige, and his position as the leader of his party and the head of the executive branch of the Government wields immeasurable influence on the course of public policy.

Likewise, the Congress by the Constitution is vested with executive and judicial powers: First, important positions in the public service can be filled only with the consent of the Senate; second, the Senate must advise and consent to treaties and the appointment of ambassadors; third, without funds which only the Congress can appropriate, the executive department could not exist; fourth, the Congress can impeach the President, Supreme Court Justices, and subordinate officials in the executive and judicial branches of the Government; fifth, in extraordinary situations the House of Representatives elects the President; sixth, the Congress has the power to regulate and make exceptions to the appellate jurisdiction of the Supreme Court; to ordain and establish inferior courts of the United States; to fix the compensation for judges—except that it may "not be diminished during their continuation in office"—and provide funds for the operation of the judiciary.

The judicial branch of the Government reviews and passes judgment upon the constitutionality of the acts of both the legislative and executive branches of the Government.

The foregoing are cited not as a complete list of mixed powers but only to dispel the inference drawn by the Attorney General from the doctrine of the separation of powers that there are three tightly compartmentalized branches of government and that their functions are not in any way intermingled. From the foregoing examples drawn from the Constitution itself and the basic Supreme Court decisions interpreting it, it is clear that the checks and balances devised by the founders of the Constitution wisely provided not only three great areas of governmental power, but within each devised relationships and cross authority so that each department, even within its own sphere, is not wholly autocratic.

What bearing, then, does the doctrine of the separation of powers have upon the right of the Congress to obtain information in the possession of the executive branch of the Government?

In considering whether or not the power of the Congress to obtain information from the executive branch of the Government conflicts with the doctrine of separation of powers, we must distinguish between those executive powers which are derived from the Constitution and those created by statutes.

As to the latter it is clear that what the Congress created by statute, it may destroy or modify. Frequently in statutes creating agencies, a provision is included that reports be made to the Congress from time to time. The validity of such provisions has never been challenged to my knowledge. If the Congress may create an agency in such form as it desires, it obviously can provide as a feature of the agency it creates that the files, records, and papers in its possession should be available to the Congress and its committees upon such terms as the Congress may specify. The Congress can repeal or amend any statutes creating agencies and specifically provide for Congressional access to information in the agency's possession. I see no reason why, if it should be necessary, Congress could not pass a general statute applicable to all agencies created by statute specifying that, and the terms

upon which, the Congress and its committees should have access to information in the possession of such agencies. This power resides in the Congress wholly aside from its power through subpena or otherwise to make inquiries.

It should be observed that the Legislative Reorganization Act of 1946 signed by the President on August 2, 1946, contains provisions for the subpena power of all committees of the Senate and several committees of the House of Representatives. No exclusion of persons within the executive branch of the Government is mentioned. None could reasonably be inferred from the language authorizing the issuance of subpenas. The bill was signed by the President and no claim of Executive immunity or Executive privilege was made.

The foregoing reasoning, of course, does not apply to the important constitutional powers of the President, his power to execute the laws, his powers as Commander in Chief of the Armed Forces, and his power to conduct diplomatic relations. As to any powers granted to the President by statute, however, there would seem to be no difference, on the basis of logic, between such activities and those of agencies created by Congress with respect to Congressional access to information.

The doctrine of separation of powers can have no relationship to the problem at hand unless it is asumed that the power of Congress to obtain information is an invasion of the powers and prerogatives of the executive branch of the Government. Congressional access to information within the possession of the executive branch would not seem in and of itself to interfere in any way with the orderly discharge of the responsibilities and duties of officials of the executive branch. The mere possession of information is not tantamount to making administrative decisions, directing and supervising officials in the executive branch, employing or discharging subordinates or performing any of the functions commonly associated with executive or administrative authority. It is difficult to see how mere knowledge of facts within the possession of the executive branch—not associated with any further action whatever on the part of Congress—could constitute legislative invasion of executive power.

Mr. Speaker, I have been as zealous as anyone in keeping the Congress from injecting itself into the performance of executive and administrative duties and responsibilities. I disapprove of the practice which has grown up lately of requiring the consent of a Congressional committee before administrative action can become effective. This, it seems to me, is an unconstitutional invasion by the legislature into the execution of the laws. But certainly this is a far different matter from mere knowledge of the public business.

Marbury against Madison established that the Executive has political power which is purely discretionary and that the courts have no power to review and overrule such a decision.

Though the court did not say so—the question was not before it—let us agree that Congress likewise could not overrule Executive decisions even those made under authority given to the Executive by Congress through legislation. Nevertheless, there are sound reasons why Congress should have knowledge concerning such a decision. The power to legislate includes the power to unlegislate or to amend. How can an experimental public policy be improved if Congress is unable to observe its operation?

Even actions taken by the Executive under his constitutional authority should be open to Congressional observation since the Congress has the power to propose to the States amendments to the Constitution including amendments to those provisions vesting power in the President.

There is no reason why the judicial branch should inform itself about the decisions under the political power of the Executive since his discretion in the exercise of that power is not reviewable in a court case.

But there is every reason why the Congress should know about the exercise of such discretionary power since it can take action, not perhaps to reverse a Presidential decision, but either to amend existing statutes, pass new ones, or propose constitutional amendments to the States. It is noteworthy that the Constitution excludes the President from any part in the proceedings by which the Constitution is amended.

No case has been made that the doctrine of separation of powers in any way conflicts with the power of Congress to investigate. It therefore should not impair or limit in any way the power of Congress to obtain facts from citizens or from the executive branch of the Government which it needs as a foundation for a sound and intelligent determination of public policy.

POWER OF CONGRESS TO INVESTIGATE

The central and unmistakable constitutional fact is that a part of the legislative power which the Constitution vested in the Congress is the power to inquire and to compel the production of information necessary or helpful in the formulation of public policy.

The power of legislative inquiry is so well established that it is amazing that the Attorney General gave it scant notice. It comprises one sentence in his entire statement. He mentioned the classic case of *McGrain* v. *Daugherty* (273 U. S. 135 (1927)) only in a footnote. He preferred to quote extensively and rely heavily upon *Kilbourn* v. *Thompson* (103 U. S. 190). That case was decided in 1881, did not relate to the right of Congress to obtain information from the executive branch of the Government, and is probably one of the most unskillful decisions in the field of constitutional law ever written by the Supreme Court.

It is obvious from the heavy reliance the Attorney General placed on this discredited case that he was completely unaware of the brilliant law review article written by Gerald D. Morgan, now the Special Counsel to the President of the United States, in the California Law Review for December 1949, entitled "Congressional Investigations and Judicial Review." Mr. Morgan, who for 10 years served as assistant legislative counsel to the House of Representatives, contributed one of the most thoughtful discussions of the investigative power of the Congress I have ever read. The subtitle of his article was "Kilbourn Versus Thompson Revisited."

Because of its bearing upon the reliance the Attorney General has placed on Kilbourn against Thompson for the position he has taken in his statement, I quote a few paragraphs from Mr. Morgan's excellent discussion:

"A legislative committee of inquiry vested with power to summon witnesses and compel the production of records and papers is an institution rivaling most legislative institutions in the antiquity of its origin. * * * Prior to the adoption of our Constitution colonial assemblies frequently assumed authority to punish for contempt any person who refused to appear in answer to a summons or who failed to disclose information required for the effective administration of Government" (*Fields* v. *United States* (App. D. C. 1947)).

For almost 100 years following the adoption of the Constitution this institution of inquiry flourished virtually free from judicial supervision or control. Indeed, in 1821, Chief Justice Marshall's court, in *Anderson* v. *Dunn*, intimated that the institution was not subject to control by the judiciary, and a similar intimation is found in *Ex parte Nugent*, decided in 1848 by the circuit court of the District of Columbia, in which it was held by the court, after an exhausting review of the English authorities, that the court had no power in a habeas corpus proceeding to go behind a warrant of the Senate ordering a witness committed for contempt.

It was not until 1881 in *Kilbourn* v. *Thompson* that the Supreme Court undertook to pass upon the validity of a judgment of the House of Representatives adjudicating a witness to be in contempt of the authority of the House, and to do so in a proceeding (false imprisonment) that constituted a collateral attack upon that judgment. The judgment was held void on the ground that the subject matter of the inquiry was one on which Congress could not validly legislate. Thus began the doctrine whose effect was to treat the Senate and House of Representatives, when exercising an inherent power at the very threshhold of the legislative process, as having a status analogous to that of an inferior court of limited or special jurisdiction.

Indeed for some 46 years following *Kilbourn* v. *Thompson*, because of the broad sweep of its reasoning (and also, as has since been shown, by reason of an incorrect view taken by the Court as to the origin of the inquisitorial power possessed by the British Parliament), the very existence in this country of a power in the Senate and House of Representatives to compel testimony and punish for contempt in aid of the legislative function was in grave doubt. And this doubt was not finally resolved until a short 22 years ago when the Court in *McGrain* v. *Daugherty*—upon review of a decision of a district court in a habeas corpus proceeding—held that the Senate was acting within its lawful authority in arresting the brother of former Attorney General Daugherty for refusing to respond to a subpena directed to him by a Senate committee investigating the administration of the Department of Justice.

* * * * *

The Court in *Kilbourn* v. *Thompson* merely held that Congress had no jurisdiction to legislate on the subject matter into which

the committee of the House of Representatives was inquiring, and that hence the committee had no jurisdiction to inquire on that subject matter.

* * * * *

But more important, *Kilbourn* v. *Thompson* indicates a lack of understanding as to just what the legislative function is. Legislatures exist not merely to enact laws. They have the equally important function of determining that laws should not be enacted and their decisions in the performance of this latter function must in the nature of things frequently be influenced by consideration of whether or not the power to legislate exists. Yet *Kilbourn* v. *Thompson* would prevent the legislature from gathering the information that it believes will enable it to make such decisions, to make them intelligently, and to persuade others that such decisions are correct.

* * * * *

Kilbourn v. *Thompson* sought to treat the legislative branch of the Government, when exercising a power (punishment for contempt) like that which courts exercise, as if it were an inferior tribunal in the judicial hierarchy, confined in its jurisdiction to the consideration of a limited number of easily defined "cases" or subject matters. The Oklahoma Press case, as well as the nature of the legislative function itself, shows that the legislative power of inquiry cannot be so confined. Would dire consequences result if we should abandon *Kilbourn* v. *Thompson* and return the workings of the legislative process to the exclusive jurisdiction and control of the legislature? Perhaps the consequences would be beneficial. Legislators, like other members of the human race, are subject to the common human failing of being careless if someone else is available to review and correct their mistakes. "Interference by the courts is not conducive to the development of habits of responsibility." Full and final responsibility for power, on the other hand, induces care in its exercise.

I believe it is also helpful to quote from a speech ex-President, and former Senator, Truman made on August 7, 1944, on the floor of the United States Senate at the time he announced his resignation as chairman of the Special Senate Committee Investigating the National Defense Program. He said:

In my opinion, the power of investigation is one of the most important powers of the Congress. The manner in which that power is exercised will largely determine the position and prestige of the Congress in the future. An informed Congress is a wise Congress; an uninformed Congress surely will forfeit a large portion of the respect and confidence of the people.

The days when Webster, Clay, and Calhoun personally could familiarise themselves with all the major matters with respect to which they were called upon to legislate are gone forever. No Senator or Representative, no matter how able or diligent, can himself hope to master all the facts necessary to legislate wisely.

The accomplishments of the Truman committee—and I am referring now to the other members of the committee and its staff, rather than to myself—present an example of the results that can be obtained by making a factual investigation with a good staff. Similar accomplishments can be made by other special committees, as well as the standing committees of the Congress, and I particularly urge upon the Senate that it be liberal in providing ample funds for the prosecution of proper investigations. The cost of a good investigation is negligible when compared with the results which can be obtained.

Mr. Hugh Fulton, first chief counsel for the Truman committee, the excellence of whose performance in that capacity is widely credited for the rise in prestige which led to Senator Truman's becoming President of the United States, made this comment on the investigative power of the Congress:

Second, the Congress not only should assert and maintain but should vigorously exercise its power to investigate.

No one has the temerity to challenge the right of Congress to exercise the powers expressly granted to Congress by the Constitution, although, in my opinion, there is an ever growing tendency on the part of bureaucrats generally to assume that it is too bad that matters which they think would be handled best by experts such as they consider themselves to be should have to be explained to politicians who are not experts and whose opinions may reflect what they consider to be the desire of their constituents (House Government Operations Committee hearings on "Availability of Information from Federal Departments and Agencies," pt. 3, 84th Cong., 1956, pp. 523–524).

Curious things seem to happen to individuals who move from one end of Pennsylvania Avenue to the other. The Attorney General, whose statement I am now analyzing, succeeded me as chief counsel for the Senate War Investigating Committee and then stayed on with the Senate after the expiration of that special committee and served as Chief Counsel for the Investigations Subcommittee of the Committee on Expenditures in the Executive Departments.

We all know of the important role a committee counsel plays in the preparation of committee reports.

While Mr. Rogers, the present Attorney General, was chief counsel for the Investigations Subcommittee a report was filed September 4, 1948, on an investigation of Federal employees loyalty program. On page 19 of that report—Senate Report No. 1775, 80th Congress, 2d session—is the following interesting passage:

NONDISCLOSURE POLICY OF THE EXECUTIVE BRANCH ON LOYALTY INFORMATION

Under our constitutional form of government Congress has the duty to enact laws for the public welfare. To perform this duty intelligently it must have the complete facts upon which to base its judgment. Congress is entitled to learn by direct investigation whether present laws are satisfactory or, if not, then in what respects they fail. Under our system of checks and balances Congress should not be placed in the position of enacting legislation merely at the request of the executive branch of the Government and solely for reasons advanced by it. Congress is entitled to know the facts giving rise to the requests and to satisfy itself by first-hand information that the reasons furnished are valid. Any other course blinds the legislative branch and permits action only when the President provides a "seeing-eye dog" in the form of a request for legislation desired by the Executive. Good legislation and ignorance of the facts are incompatible. President Truman, in discussing the importance of Congressional investigations on the floor of the Senate when he retired as chairman of the War Investigating Committee, forcefully emphasized this basic fact by saying: "An informed Congress is a wise Congress; an uninformed Congress surely will forfeit a large portion of the responsibility and confidence of the people."

The Attorney General appears to agree that the Congress does have investigative power but maintains that with respect to the executive branch of the Government that investigative power extends only as far as the Executive determines.

Thus, the Congress is in the ludicrous position of having full authority to inquire into the business of private citizens, but is impotent when it comes to inquiry about the public business. The main responsibility of the Congress is the public business, the formulation of public policy and dealing with problems of the operation of the Government. Yet according to the theory of the Attorney General, the Congress is entitled to know about this subject only what the Executive condescends to allow it to know.

Referring again to the Legislative Reorganization Act of 1946, a Committee on Expenditures in the Executive Departments—later changed to Government Operations—was created in each of the Houses of the Congress with the duty of "studying the operation of Government activities at all levels with a view to determining its economy and efficiency." Those committees were given the subpena power to enable them to make that study.

Is it possible that the intent of the Legislative Reorganization Act was that those committees should study the operations of the Government but only have access to information outside the possession of the executive branch of the Government? The great bulk of information on which any such study must be based naturally would be in the possession of the executive branch of the Government.

Is it possible that when the President signed the Legislative Reorganization Act of 1946, he had some mental reservation, which he did not express, that because of Executive privilege the Congress, in the provision cited was doing a meaningless thing?

Similarly, section 136 of the Legislative Reorganization Act of 1946 provided:

26. To assist the House in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government.

How can this duty be performed if Congressional committees are denied access to the files and records of the agencies?

Frequently when commissions have been created, such as the Hoover Commission, the Randall Commission, the Kestnbaum Commission, and others, provision is made that each department and agency, and so forth, furnish estimates, statistics, and information to the Commission or any committee thereof upon request. Has the doctrine of Executive privilege ever been raised as a basis for vetoing bills creating commissions with

these powers? If the Congress itself, in its own right, does not have access to information and statistics in the possession of the executive branch of the Government, how can it delegate such authority to a commission?

Mr. Speaker, one of the things which disturbs me most about the assertion of Executive discretion to withhold information from the Congress and the denial of the existence of the investigative power of the Congress is the implication that the elected representatives of the people are not to be trusted. Those making such an assertion, and unfortunately all too frequently we see among them Members of the Congress, and even Congressional leaders, seem to take the attitude that officials in the executive branch are wise and trustworthy and that Senators and Representatives are irresponsible.

Of course, Mr. Speaker, the plain fact is that officials in both branches are but human beings. Certainly, with respect to the preservation of the classified character of information regarding the national defense, the record of the Congress is a good one. Indeed, it is far better than that of the executive branch in which many instances have been exposed where classified information has found its way into the hands of unauthorized persons to the public detriment.

Mr. Speaker, the investigative power is said to be auxiliary to or an adjunct to the legislative power. I prefer to think of the investigative power of the Congress as an integral part of its legislative power. Laws are not made like the declarations of the oracle at Delphi. The policymaking process is a long and involved one, only the last portion of which is the bill which becomes a law. No sound judgment can be picked out of the air. It must be preceded by extensive and thorough study and consideration of the facts, arguments, conflicting views, conflicting interests and calculations as to probable future effects, all measured against the standard of the general public good. That study is the investigative part of the legislative process and may well be said to be the major part of it.

When, therefore, there is an attempt to destroy, impair or weaken the investigative power of the Congress, the capacity to legislate intelligently is undermined. Asserting an Executive privilege to deny to Congress facts and information which Congress in its legislative judgment believes it needs, is to attack the legislative power itself.

It is amazing to me that a nonexistent, imaginary so-called Executive privilege, nowhere recognized in the Constitution, in statutes or in court decisions, can seriously be advanced to destroy the expressly vested legislative power, as well as the investigative power which inheres in it, so clearly established in the Constitution and in an unbroken line of court decisions throughout the entire history of our Government.

There is no question that the power to investigate is subject to abuse. The same is true of the power to execute the laws or the power to adjudicate cases. But as the court so well said in McGrain against Daugerty:

> The contention is earnestly made on behalf of the witness that this power of inquiry, if sustained, may be abusively and aggressively exerted. If this be so, it affords no ground for denying the power. The same contention might be directed against the power to legislate, and of course would be unavailing.

Mr. Speaker, there may be limits to the investigative power of the Congress. There may come a time when those limits will be defined with respect to access to information in the executive branch of the Government. As we all know, they have already been defined in some respects as to private citizens where the investigative power comes into conflict with rights guaranteed by the Bill of Rights, such as the right against self-incrimination. I think it would serve little purpose at this time, however, to attempt to speculate and map out in advance the limits of the investigative power of the Congress with respect to the executive branch of the Government. Certainly there are areas where unusual restraint, sound discretion, and forbearance on the part of Congress are needed. I refer to such areas as the conduct of our diplomatic relations and matters affecting the national security. It is to be hoped that the statesmanship both in the executive branch and in the Congress is of such caliber that there never will have to be an adjudicated controversy involving these sensitive areas.

But, Mr. Speaker, let me make it as clear as I can that the discretion on matters of legislative inquiry must remain in the Congress.

In this view I am fortified by a clear statement by the Vice President of the United States when he was a Member of the House of Representatives. Mr. NIXON said in debate on House Resolution 522, 80th Congress, 2d session:

> I am now going to address myself to a second issue which is very important. The point has been made that the President of the United States has issued an order that none of this information can be released to the Congress and that therefore the Congress has no right to question the judgment of the President in making that decision.
>
> I say that that proposition cannot stand from a constitutional standpoint or on the basis of the merits for this very good reason: That would mean that the President could have arbitrarily issued an Executive order in the Meyers case, the Teapot Dome case, or any other case denying the Congress of the United States information it needed to conduct an investigation of the executive department and the Congress would have no right to question his decision (CONGRESSIONAL RECORD, vol. 94, pt. 4, p. 4783).

Vice President NIXON referred to the Meyers and Teapot Dome cases. Today we have fresh in our minds the inquiry of the House Interstate and Foreign Commerce Subcommittee on Legislative Oversight into the Operations of the Federal Communications Commission and other regulatory agencies. If the doctrine asserted by the Attorney General is sound, the power rests in the executive branch of the Government, if Executive privilege is exercised, to deny Congress access to information concerning facts bearing upon possible improper influence in the discharge of public authority.

The Attorney General asserted the independent regulatory agencies, with respect to their judicial functions, "should be just as free of any demand from Congress or the executive branch as a court would be."

Let us test this:

First. The Federal Communications Commission is an independent regulatory body.

Second. The licensing of Channel 10 in Miami, Florida, was a judicial determination.

Third. The Federal Communications Commission enjoyed privilege from inquiry either by Congress or the executive branch with respect to this determination.

Fourth. The Legislative Oversight Subcommittee of the Committee on Interstate and Foreign Commerce of the House and the grand jury established by the Justice Department are without power to inquire into this determination of the FCC or the matters which led to it.

Fifth. The FCC, and presumably all subject to its jurisdiction, should invoke privilege and refuse to divulge any facts relating to the judicial determination or anything that led up to it.

It is quite apparent that the Attorney General has chosen the wrong word. What he advocates is not "Executive privilege" but "Executive license."

If ever there was a time when the investigative part of legislative power should be strengthened rather than weakened, it is today. The American economy and the United States Government have grown huge and complex. More study, not less, is required for intelligent policymaking in these days. Because of the size and complexity of the problems of modern society, Congress has delegated vast policymaking authority to agencies such as the Federal Communications Commission. If the particular system Congress chose to meet a public need is not functioning effectively, or even honestly, if a new and better way of meeting the public need must be found, how could the Congress ever hope to solve the problem if its power of inquiry, its ability to assemble the facts and consider the arguments, is stripped from it?

EXECUTIVE PRIVILEGE

Mr. Speaker, it is difficult to prove that a nonexistent thing does not exist. That is the dilemma with the so-called Executive privilege. The burden of proof should be upon those who assert that there is Executive privilege which, of course, is nowhere mentioned in the Constitution or in any court decision in any controversy concerning the investigative power of the Congress.

Mr. Speaker, I wish to comment briefly on another question discussed by the Attorney General before the Senate Judiciary Committee last Thursday. Although a different subject, it is related to this discussion. The Attorney General opposed S. 921 of the 85th Congress, identical with H. R. 2767, which would amend section 161 of the Revised Statutes by adding at the end thereof the following:

> This section does not authorize withholding information from the public or limiting the availability of records to the public.

The Attorney General asserted the Department of Justice was unable to determine the effect of this legislation with any degree of certainty. The Attorney General said, however, that although he thought the bill was meaningless, he would have no objection to it if an amendment made clear that the bill "in no way intended to impair the Executive privilege."

I suggest that this latter statement is the understatement of the year. If the Attorney General could get Congress in any statutes to recognize the existence of the nonexistent Executive privilege, he certainly would have achieved a lot. The Congress shortly will consider this legislation and I believe a warning should be issued at the earliest moment to be on guard against including any words in this or any other law which would give Congressional sanction to Executive privilege to withhold information, either from the Congress or the public.

Mr. Speaker, I have not tried to make an exhaustive analysis of all of the weaknesses and fallacies and erroneous conclusions contained in the Attorney General's statement to the Senate Judiciary Committee. I believe, however, I have demonstrated sufficiently that its legal reasoning is unsound and that its assertion of unbridled Executive authority is unfounded.

MARKHAM FERRY DAM

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 5 minutes.

Mr. EDMONDSON. Mr. Speaker, when the House meets tomorrow for the reading of the bill S. 497 for amendment and for amendments thereto, a committee amendment known as the Markham Ferry Dam amendment will be offered. This amendment was adopted on March 6, 1958, in the committee by the overwhelming vote of 21 to 6, with the purpose of correcting language in a 1954 act which appears to open the door to a serious misinterpretation of Congressional intent and a grave injustice to the State of Oklahoma.

Because the situation is somewhat complicated, I wanted to get the full facts before the House in advance of tomorrow's consideration.

Mr. Speaker, I ask unanimous consent to place in the RECORD at this point the language of the amendment and a letter from the general counsel of the Grand River Dam Authority in Oklahoma explaining the reason for the amendment.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

That the following amendment be added at the end of line 6 on page 89 of S. 497, Union Calendar No. 428, Report No. 1122, as follows: "and the third section of said act is amended by striking out after 'all claims heretofore or hereafter' the words 'asserted of whatever nature including but not limited to' and inserting in lieu thereof the following: 'arising from or out of the'."

GRAND RIVER DAM AUTHORITY,
Vinita, Okla., February 5, 1958.

In re amendment, Public Law 476, 83d Congress, 2d session, Markham Ferry project.

Hon. ED EDMONDSON,
Member of Congress,
Washington, D. C.

DEAR ED: You will recall that the subject act was passed July 6, 1954, which act authorized the Markham Ferry project on Grand River in Oklahoma to be constructed by the Grand River Dam Authority, and thereafter Public Law 163, 84th Congress, appropriated funds in the amount of $6,300,000 as a contribution for the flood control portion of the project.

Public Law 476, as finally enacted in section 3, contained this provision:

"That the acceptance by the Grand River Dam Authority of the foregoing amount shall constitute the agreement of the Grand River Dam Authority to hold and save the United States free and harmless from all claims heretofore or hereafter asserted of whatever nature, including but not limited to acquisition of land, relocation, construction, operation and maintenance of the dam and reservoir."

The above quoted provision was inserted in this bill after we had had public hearings before a subcommittee of the Committee on Public Works of the United States Senate on August 20, 1951. This provision might be construed that the authority waives all claims whatever arising from any source. It was the intention in our discussions with the various governmental agencies that the authority, by accepting the appropriation, would release the Government from any claims that the authority may have arising out of or in connection with the Markham Ferry project. In other words, the Government had filed condemnation proceedings to acquire lands owned by the authority in the Markham Ferry reservoir and, of course, the authority should release the Government from these claims, but it was never the intention that the authority waive any claim or rights that it may have arising outside of the Markham Ferry project.

The thing that has brought this to my attention at this time is the case of the *Grand River Dam Authority* v. *United States of America* (No. 226–256) in the United States Court of Claims. The authority has sued the Government for usurping its franchise and water rights to generate electric power at the Fort Gibson project, and the Department of Justice has set up as a defense that Public Law 476, under the provision above quoted, released any claim the authority may have against the Government.

I am herewith enclosing a copy of Public Law 476, and copies of the Government's motion and defenses filed in the Court of Claims. I have talked to Don McBride in Senator KERR's office about this matter. Of course, Don is familiar with the history of this legislation, having worked on it 4 or 5 years before it was enacted, and he suggests that you might be able to get the proper amendment to Public Law 476 when Senate bill 497, Rivers and Harbors, is being considered by the House.

You will recall that in Senate 497, under Arkansas River Basin on pages 88 and 89, there is an amendment amending section 1 of Public Law 476 to provide for raising the power pool and flood pool elevations. It appears to me that this bill might be further amended by adding an amendment in section 3 of the same. I am herewith enclosing a proposed amendment, which I think will carry out the intention and understanding had between the authority and the Corps of Engineers.

It is my opinion that the authority cannot afford to accept the $6,300,000 appropriated if it is required to release the Government and hold it harmless from all claims heretofore or hereafter asserted. As you probably know, the authority has operating agreements with the Government relating to the Pensacola project, also the Oklahoma Ordnance Works and other operational and joint use arrangements, and the authority should not be required to waive any claim or right that it may have arising outside of the Markham Ferry project and, in fact, I doubt if the authority, under the State law (Grand River Dam Authority Act), can be bound by any such provision as is contained in Public Law 476 involving any claim that may arise independently of the Markham Ferry project.

It will be appreciated if you will give this matter your attention and at the proper time endeavor to get the suggested amendment in the Rivers and Harbors bill. I am sure that Mr. McBride will give you any assistance that he can in this matter.

Yours very truly,

Q. B. BOYDSTUN,
General Counsel.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to place in the RECORD three further pieces of correspondence, one of which is a letter to the Attorney General of the United States seeking his comments upon this particular amendment. I might say that the answer to that letter has not yet been received. Also a telegram from officers of the Grand River Dam Authority; and a further letter dated March 7, 1958, explaining the background of this particular amendment and the need for it.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 6, 1958.

Mr. WILLIAM P. ROGERS,
Attorney General of the United States,
Department of Justice,
Washington, D. C.

DEAR MR. ROGERS: The House Committee on Public Works today adopted at my request the attached amendment to S. 497, and it will be offered as a committee amendment when the bill is considered by the House next week. The reasons for its enactment are set forth in a letter to me from the Honorable Q. B. Boydstun, general counsel for the Grand River Dam Authority, and a copy of Mr. Boydstun's letter is attached herewith.

In order to place this matter fairly and squarely before the House, I would appreciate a letter from you commenting upon this amendment and stating your views on it. I will see that this letter is made known to the House membership during debate of this amendment.

It is my understanding from conversations which staff members of the committee have had with your Department that you are opposed to this amendment, and I assure you that I will make this fact known during debate if you do not have the time to prepare a detailed statement of your views.

Sincerely,

ED EDMONDSON,
Member of Congress.

VINITA, OKLA., *March 6, 1958.*

ED EDMONDSON,
Member of Congress,
Washington, D. C.:

We, the undersigned, France Paris, as general manager, Q. B. Boydstun, as general counsel, and W. R. Holway as consulting engineer, represented the Grand River Dam Authority in negotiations with the Corps of Engineers for the amount of contribution

to be made for flood control in the Markham Ferry Dam and Reservoir project in connection with the passage of Public Law 476, approved July 6, 1954, and we had the agreement and understanding that if the Government would contribute $6½ million to the construction of the Markham Ferry project for the flood-control benefits and would grant to the authority all of the lands that the Government owned within the boundaries of the project, and would transfer to the authority such engineering data and plans that would be useful to the authority, the authority would release the Government from any claim of whatsoever nature arising out of or from the Markham Ferry project. At no time was it the understanding that the authority would waive any claim that it may have or that it would have in the future arising out of any other project or matter and at the time public hearings were held before the Public Works Subcommittee of the Senate in August 1951 the provision of Public Law 476 purporting to relieve the Government from any claim of whatsoever nature theretofore or thereafter arising was not in the bill.

FRANCE PARIS.
Q. B. BOYDSTUN.
W. R. HOLWAY.

GRAND RIVER DAM AUTHORITY,
Vinita, Okla., March 7, 1958.

Hon. ED EDMONDSON,
Member of Congress,
Washington, D. C.

DEAR ED: Pursuant to our telephone conversation yesterday, I will briefly outline the litigation that we have against the United States and which may be affected by Public Law 476.

The Oklahoma Legislature created the Grand River Dam Authority in 1935 and specifically authorized it to build the Pensacola, Markham Ferry and Fort Gibson Dams, and granted to the Grand River Dam Authority the exclusive franchise to develop and use the waters of Grand River and its tributaries for the production of electric power and energy. At that time the United States had expressly declared no Federal interest in Grand River (House Document 308). The authority built Pensacola, the first unit of its comprehensive plan, in 1939 and 1940 and had plans and specifications near completion for the construction of Markham Ferry and Fort Gibson when Congress, by the Flood Control Act of August 18, 1941, authorized the development of the Grand River and the construction of all three dams by the War Department, which effectively took and appropriated the authority's franchise right to develop and generate electric power and energy at the Markham Ferry and Fort Gibson sites.

The Government took over the possession of the authority for war emergency from November 1941, until September 1, 1946, and during that time the Government actually started construction of the Fort Gibson project, and, as you know, Public Law 476 deauthorized the Corps of Engineers as to Markham Ferry. At the time we negotiated with the Corps of Engineers for the $6½ million appropriation for the flood control in Markham Ferry, there were two lawsuits pending in the United States District Court for the Northern District of Oklahoma between the Government and the authority involving lands that the authority had acquired for the Markham Ferry project, and it was agreed that if the Government would contribute $6½ million for flood control benefits in Markham Ferry that the authority would release any and all claims that it might have against the Government arising out of the construction of the Markham Ferry Dam and Reservoir project by the Government and the authority, and that the authority would operate the flood control features of the Markham Ferry Dam and Reservoir for the Government free of cost and would hold and save the United States free and harmless from all claims theretofore, or thereafter, arising out of the construction, maintenance and operation of the flood control features of the Markham Ferry Dam.

The authority filed a suit in the United States Court of Claims against the United States (copy of petition enclosed) seeking a $10 million money judgment. This case is still pending. The authority's claim is based on the 5th and 10th amendments to the Constitution of the United States. We claim that the Grand River Dam Authority had the exclusive franchise and right to develop and generate electric power and energy from the waters of Grand River at the Fort Gibson site long before Congress authorized the Government to develop the site, and that the same was a taking of property right owned by the Grand River Dam Authority for which it must be compensated. We do not contend that we could prevent the Government from building the Fort Gibson project, but we think the Government should pay just compensation for the property and property rights taken.

The authority's plan of development, which was initiated long before Government authorization, was to construct Pensacola with a large power storage reservoir and to build the Markham Ferry and Fort Gibson plants as run of the river plants and to use the power storage of Pensacola three times, first through Pensacola, second through Markham Ferry and third through Fort Gibson, and the authority spent large sums of money to provide these headwater improvements. Now the value of the headwater improvements at Pensacola has been materially reduced by the Government usurping the authority's right to generate electric power at the Fort Gibson site.

In this lawsuit in the Court of Claims, the Department of Justice now contends that Public Law 476 releases the Government from any liability on this Fort Gibson claim. Under their construction of this provision, the authority is forever barred from asserting any claim of whatsoever nature against the United States.

The consideration between the authority and the Government disproves the contention of the Department of Justice. The authority is spending approximately $28 million of its money to build the Markham Ferry project. The Government is contributing $6½ million ($6,300,000 in cash, lands valued at $200,000) and engineering plans and data that the Corps of Engineers have, which may be of value to the authority, and the Government, for their consideration, is receiving at least 233,000 acre-feet of flood-control storage in the Markham Ferry Reservoir. In addition to the flood-control storage, the Authority operates and maintains the flood-control features of the project for the United States free of cost to the United States for the entire life of the project, which I am informed is a lower cost per acre-foot of storage than any of the flood-control reservoirs constructed by the Corps of Engineers. In flood-control projects constructed and owned by the United States they not only have the capital investment but they have a continuing operating expense. They have nothing in the Markham Ferry project except $6½ million for which they receive 233,000 acre-feet of flood control free of operating costs for, at least, 100 years. No reasonable thinking person would conclude that the Authority would release the United States from all claims in perpetuity arising outside of the Markham Ferry project for such small consideration.

With kindest personal regards, I remain,
Yours very truly,

Q. B. BOYDSTUN,
General Counsel.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DAVIS of Georgia, for 90 minutes, on Wednesday, March 19.

Mr. PELLY, for 15 minutes, today.

Mr. BENTLEY, for 10 minutes, on Thursday next.

Mr. MEADER, for 60 minutes, today.

Mr. BAILEY, for 30 minutes, on Monday next.

Mr. EDMONDSON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and to include extraneous matter.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. O'HARA of Illinois and to include extraneous matter.

Mr. HULL and to include a speech.

Mr. MCINTOSH.

Mr. HIESTAND in two instances and include extraneous matter.

Mr. KILBURN (at the request of Mr. MARTIN) and include extraneous matter.

Mr. HARRIS.

Mr. CELLER and to include extraneous matter.

Mr. FASCELL in two instances.

Mr. MACK of Washington, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. SCHERER, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. BALDWIN, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. CRAMER, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. TOLLEFSON and to include extraneous matter.

Mr. MCCORMACK and to include extraneous matter.

Mr. CHRISTOPHER, his remarks in Committee of the Whole today and to include an editorial.

Mr. VAN ZANDT (at the request of Mr. SILER).

Mrs. ROGERS of Massachusetts and include an appraisal of the United States Army Band.

(At the request of Mr. LIBONATI:)

Mr. EDMONDSON, his remarks in Committee of the Whole today and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 803. An act for the relief of Claudio Guillen; to the Committee on the Judiciary.

S. 1380. An act to authorize the imposition of civil penalties for violation of the security provisions of the Civil Aeronautics Act of 1938, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1438. An act to amend section 544 of title 28, United States Code, relating to the bonds of United States Marshals; to the Committee on the Judiciary.

S. 1749. An act to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1875. An act for the relief of Christos Athanase Bellairs; to the Committee on the Judiciary.

S. 2099. An act for the relief of Irene B. Moss; to the Committee on the Judiciary.

S. 2239. An act for the relief of Wadiha Salime Hamade; to the Committee on the Judiciary.

S. 2493. An act for the relief of Maria G. Aslanis; to the Committee on the Judiciary.

S. 2499. An act for the relief of Ilona Agnes Ronay; to the Committee on the Judiciary.

S. 2538. An act for the relief of Florica Bogdan; to the Committee on the Judiciary.

S. 2613. An act for the relief of Cedomilj Mihailo Ristic; to the Committee on the Judiciary.

S. 2621. An act for the relief of Olive V. Rabiniaux; to the Committee on the Judiciary.

S. 2650. An act for the relief of Tokiyo Nakajima and her child, Megumi (Kathy) Nakajima; to the Committee on the Judiciary.

S. 2657. An act for the relief of Jesus Romeo Sotelo-Lopez; to the Committee on the Judiciary.

S. 2691. An act for the relief of Hiroko Ozaki; to the Committee on the Judiciary.

S. 2712. An act for the relief of Milosav Mares; to the Committee on the Judiciary.

S. 2718. An act for the relief of Haseep Milhem Esper; to the Committee on the Judiciary.

S. 2733. An act for the relief of Natalia Kutowyj; to the Committee on the Judiciary.

S. 2818. An act for the relief of Ester Trabout; to the Committee on the Judiciary.

S. 2819. An act for the relief of Mrs. Hermine Melamed; to the Committee on the Judiciary.

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina; to the Committee on Government Operations.

S. 2849. An act for the relief of Moo Wah Jung; to the Committee on the Judiciary.

S. 2919. An act to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers; to the Committee on Interstate and Foreign Commerce.

S. 3124. An act for the relief of Tommy Ilton Chatterton (Tommy Kim); to the Committee on the Judiciary.

S. 3262. An act to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes; to the Committee on Armed Services.

S. Con. Res. 64. Concurrent resolution accepting the statue of Maria Sanford, presented by the State of Minnesota, to be placed in Statutory Hall; to the Committee on House Administration.

S. Con. Res. 65. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Maria Sanford, and to hold ceremonies on such occasion; to the Committee on House Administration.

S. Con. Res. 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6182. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H. R. 6623. An act to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club;

H. R. 6710. An act relating to Canal Zone money orders which remain unpaid;

H. R. 6744. An act to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committtee for Aeronautics in graduate schools;

H. R. 7912. An act to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents; and

H. R. 8139. An act for the relief of Mrs. Catherine Pochon Dike.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1086. An act granting the consent of Congress to a Bear River Compact, and for related purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6182. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H. R. 6623. An act to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club;

H. R. 6710. An act relating to Canal Zone money orders which remain unpaid;

H. R. 6744. An act to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools;

H. R. 7912. An act to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents; and

H. R. 8139. An act for the relief of Mrs. Catherine Pochon Dike.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.), the House adjourned until tomorrow Tuesday, March 11, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1693. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime-contract-procurement awards to small and large business firms for work in the United States during the first 6 months of fiscal year 1958, pursuant to Public Law 268, 84th Congress; to the Committee on Banking and Currency.

1694. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to govern the salaries and personnel practices for teachers, certain school officers, and other employees of the dependents' schools of the Department of Defense in foreign countries, and for other purposes"; to the Committee on Post Office and Civil Service.

1695. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Hideichi Yoshida, A-3687302, involving suspension of deportation under the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1696. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 10, 1958, submitting a report, together with accompanying papers and an illustration, on a review of reports on Greenwich Cove, R. I., requested by a resolution of the Committee on Public Works, House of Representatives, adopted August 16, 1950; to the Committee on Public Works.

1697. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 6, 1958, submitting a report, together with accompanying papers and an illustration, on a letter report on Browns Bay, Gloucester County, Va., authorized by the River and Harbor Act approved March 2, 1945; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9543. A bill to provide for the conveyance of certain real property used by the University of Hawaii to the board of regents of such university, for the use and benefit of such university; with amendment (Rept. No. 1484). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 8250. A bill to authorize the establishment of the Petrified Forest National Park, in the State of Arizona, and for other purposes; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 10127. A bill to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 10009. A bill to provide for the reconveyance of certain surplus real property to Newaygo, Mich.; with amendment (Rept. No. 1488). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 2783. A bill to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; with amendment (Rept. No. 1489). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H. R. 7516. A bill to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations; with amendment (Rept. No. 1490). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1466. A bill for the relief of Dr. Thomas B. Meade; with amendment (Rept. No. 1481). Referred to the Committee of the Whole House.

Mr. CRAMER: Committee on the Judiciary. H. R. 2763. A bill for the relief of Hong-to Dew; with amendment (Rept. No. 1482). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 4073. A bill for the relief of Peter James O'Brien; with amendment (Rept. No. 1483). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H. R. 11243. A bill to repeal the manufacturers' excise tax on passenger automobiles and trucks; to the Committee on Ways and Means.

By Mr. BERRY:

H. R. 11244. A bill to amend section 613 of the Internal Revenue Code of 1954 to change the percentage depletion allowance for gold mines; to the Committee on Ways and Means.

H. R. 11245. A bill to authorize the coinage of 50-cent pieces in commemoration of the 100th anniversary of the birth of Theodore Roosevelt; to the Committee on Banking and Currency.

By Mr. BROYHILL:

H. R. 11246. A bill to amend the act of July 1, 1902, to exempt certain common carriers of passengers from the mileage tax imposed by that act and from certain other taxes; to the Committee on the District of Columbia.

By Mr. CELLER:

H. R. 11247. A bill to amend section 112 of title 1, United States Code; to the Committee on the Judiciary.

By Mr. CHIPERFIELD:

H. R. 11248. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

By Mr. CRAMER:

H. R. 11249. A bill to prohibit the using of improper methods to influence the acts or decisions of certain Federal regulatory agencies engaged in regulating activities or transactions in or related to interstate or foreign commerce and to repeal authority of the Federal Communications Commission members to receive certain fees; to the Committee on Interstate and Foreign Commerce.

By Mr. DORN of South Carolina:

H. R. 11250. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H. R. 11251. A bill to provide that certain retired officers of the Armed Forces of the United States who were advanced one grade in rank at the time of or after their retirement shall receive retired pay of the rank to which advanced; to the Committee on Armed Services.

By Mr. DOOLEY:

H. R. 11252. A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 by providing for exchanges of athletes; to the Committee on Foreign Affairs.

By Mr. ENGLE:

H. R. 11253. A bill to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes; to the Committee on Agriculture.

By Mr. FOGARTY:

H. R. 11254. A bill to provide for the temporary supplementation of State unemployment insurance benefits; to the Committee on Ways and Means.

By Mr. GRANT:

H. R. 11255. A bill to provide for payments to persons who operate cotton gins to compensate such persons for losses incurred by them in the operation of such gins which have resulted from programs reducing cotton production administered by the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. HALE:

H. R. 11256. A bill to amend title II of the Social Security Act to facilitate the extension of social-security coverage to certain State employees in the State of Maine; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 11257. A bill to amend the National Science Foundation Act of 1950, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. IKARD:

H. R. 11258. A bill to provide a program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. JONAS:

H. R. 11259. A bill for the relief of certain members of the Fleet Reserve and Fleet Marine Corps Reserve; to the Committee on Appropriations.

By Mr. JONES of Missouri:

H. R. 11260. A bill to provide for emergency credit to farmers and stockmen in certain disaster areas to refinance certain indebtedness, and for other purposes; to the Committee on Agriculture.

By Mr. KEATING:

H. R. 11261. A bill to establish a self-liquidating scholarship loan fund to enable highly qualified high-school graduates in financial need to receive a college education; to the Committee on Education and Labor.

By Mr. LANE:

H. R. 11262. A bill to increase from $600 to $800 the personal income-tax exemption of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 11263. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to exclude from that act the spouse of an elective officer of the Government of the United States; to the Committee on the District of Columbia.

By Mr. MACDONALD:

H. R. 11264. A bill to amend the Federal Trade Commission Act, as amended, so as to equalize rights in the distribution of identified merchandise; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTOYA:

H. R. 11265. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. MOULDER:

H. R. 11266. A bill to suspend the manufacturers' excise tax on passenger automobiles and trucks; to the Committee on Ways and Means.

By Mr. RABAUT:

H. R. 11267. A bill to provide that during the 1-year period beginning as of March 1, 1958, the manufacturers' excise taxes on passenger automobiles and on parts and accessories shall be suspended and the tax on trucks and buses shall be reduced to 5 percent; to the Committee on Ways and Means.

By Mr. RAINS:

H. R. 11268. A bill to amend part VIII of Veterans Regulation No. 1 (a) and the Veterans' Readjustment Assistance Act of 1952 to provide that World War II and Korean conflict veterans entitled to education under such provisions of law who did not utilize their entitlement may transfer their entitlement to their children; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Florida:

H. R. 11269. A bill to amend the Tariff Act of 1930 to place certain pumice stone on the free list; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H. R. 11270. A bill to provide for averaging the tax on the income of individuals through the purchase of noninterest bearing tax-deferment bonds; to the Committee on Ways and Means.

By Mr. ULLMAN:

H. R. 11271. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. RAINS:

H. R. 11272. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. PATMAN:

H. R. 11273. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. MULTER:

H. R. 11274. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. ADDONIZIO:

H. R. 11275. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. BARRETT:

H. R. 11276. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mrs. SULLIVAN:

H. R. 11277. A bill to establish an emergency community facilities and public works

program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. REUSS:

H. R. 11278. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mrs. GRIFFITHS:

H. R. 11279. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. ASHLEY:

H. R. 11280. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. VANIK:

H. R. 11281. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. HEALEY:

H. R. 11282. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. COAD:

H. R. 11283. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. ANDERSON of Montana:

H. R. 11284. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. BREEDING:

H. R. 11285. A bill to establish an emergency community facilities and public works program in the Community Facilities Administration of the Housing and Home Finance Agency; to the Committee on Banking and Currency.

By Mr. BOSCH:

H. R. 11286. A bill to provide registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

By Mr. MULTER:

H. R. 11287. A bill to amend section 5210 of the Revised Statutes to provide that lists of the shareholders of national banks shall be available for inspection by committees of Congress, and for other purposes; to the Committee on Banking and Currency.

H. R. 11288. A bill relating to the establishment of national mutual savings banks; to the Committee on Banking and Currency.

By Mr. ADDONIZIO:

H. R. 11289. A bill to prohibit the introduction, or manufacture for introduction, into interstate commerce of switchblade knives, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H. R. 11290. A bill to amend the Servicemen's Readjustment Act of 1944 to stimulate the veterans' housing program; to the Committee on Veterans' Affairs.

By Mr. BOGGS:

H. J. Res. 570. Joint resolution for the preservation for posterity of the archives establishing the fundamental history of America made by the heroic men and women who emigrated from foreign lands to establish the plantation and colonies of America; to the Committee on House Administration.

By Mr. McCARTHY:

H. Con. Res. 287. Concurrent resolution to provide for printing of proceedings in connection with the unveiling of Maria L. Sanford statue; to the Committee on House Administration.

By Mr. PELLY:

H. Con. Res. 288. Concurrent resolution to express the sense of the Congress that at the present United Nations Conference on the Law of the Sea, at Geneva, Switzerland, the United States should endeavor to conclude an agreement embodying the principle of abstention and conservation with respect to fishing and fisheries; to the Committee on Foreign Affairs.

By Mr. SCHWENGEL:

H. Con. Res. 289. Concurrent resolution authorizing the printing as a House document of the First Annual Report of the Civil War Centennial Commission; to the Committee on House Administration.

By Mr. SMITH of Mississippi:

H. Con. Res. 290. Concurrent resolution favoring the acceleration of military construction projects for which appropriations have been made; to the Committee on Armed Services.

H. Con. Res. 291. Concurrent resolution favoring the acceleration of civil construction projects for which appropriations have been made; to the Committee on Public Works.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States that the General Assembly of Georgia expresses its deep regret at the death of Hon. Henderson L. Lanham and extends its sincerest sympathy to the members of his family; to the Committee on House Administration.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States against certain legislation commonly referred to as right-to-work legislation; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Michigan, memoralizing the President and the Congress of the United States, to alleviate unemployment and to counter the growing industrial recession in Michigan and other industrial States by repealing the Federal excise tax on motor vehicles; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States, to refrain from the passage of legislation increasing the cost of out-of-town mail; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 11291. A bill for the relief of Ben Chassin; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. R. 11292. A bill for the relief of Leong Lun Do; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 11293. A bill for the relief of Thirza Skoff; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 11294. A bill for the relief of Mutsuo Shiosaki; to the committee on the Judiciary.

By Mr. HUDDLESTON:

H. R. 11295. A bill for the relief of William Shikle; to the Committee on the Judiciary.

By Mr. McINTIRE:

H. R. 11296. A bill for the relief of Austin L. Knowlton; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 11297. A bill for the relief of Gordon S. Pate; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 11298. A bill for the relief of Edward L. Jenkins; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 11299. A bill for the relief of Mrs. Maria Tarsi Priori; to the Committee on the Judiciary.

H. R. 11300. A bill for the relief of Maria Stella LiDestri; to the Committee on the Judiciary.

H. R. 11301. A bill for the relief of Dimitrios Kondoleon (also known as James Kondolous); to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 11302. A bill for the relief of Petar Tomasevic; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

458. By Mr. HORAN: Petition of 32 citizens of Davenport and Harrington, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television and radio programs; to the Committee on Interstate and Foreign Commerce.

459. Also, petition of Mrs. Lynn Gunning and 29 other citizens of Davenport and Harrington, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television and radio broadcasts; to the Committee on Interstate and Foreign Commerce.

460. Also, petition of Mrs. Irene E. Doty and 15 other citizens of Spokane, Wash., urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television and radio broadcasts; to the Committee on Interstate and Foreign Commerce.

461. By Mr. HOSMER: Petition of certain residents of the 18th Congressional District of California, who request enactment by Congress of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages; to the Committee on Interstate and Foreign Commerce.

462. By Mr. THOMPSON of New Jersey: Resolution adopted by the commissioners of the city of Trenton, N. J., on March 6, 1958, relating to and in favor of pay increases for postal workers of the United States; to the Committee on Post Office and Civil Service.

463. By Mr. WESTLAND: Petition of Mr. and Mrs. Harold Curtis, and members and friends of the Women's Christian Temperance Union of Ferndale, Wash., calling for the passage of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; prohibiting the serving of alcoholic beverages to airline passengers while in flight; and prescribing alcohol tests for persons tried in the District of Columbia for certain offenses committed while operating vehicles; to the Committee on Interstate and Foreign Commerce.

464. Also, petition of Mrs. Martha E. Neff requesting that the advertising of alcoholic

beverages be banned from radio, television, newspapers, and magazines; to the Committee on Interstate and Foreign Commerce.

465. Also, petition of Mr. and Mrs. Harold Curtis, and members and friends of the Women's Christian Temperance Union of Ferndale, Wash., in support of legislation prohibiting the mailing of obscene literature to persons under 19 years of age; to the Committee on the Judiciary.

466. By the SPEAKER: Petition of the secretary, Governors' Conference, Chicago, Ill., relative to resolution adopted at the Western Governors' Conference held at Colorado Springs, Colo., February 26, 1958, recommending passage of legislation granting statehood for Alaska and Hawaii; to the Committee on Interior and Insular Affairs.

467. Also, petition of the secretary, Governors' Conference, Chicago, Ill., relative to resolution adopted at the Western Governors' Conference held at Colorado Springs, Colo., February 26, 1958, recommending highway mileage allocation for Hawaii; to the Committee on Public Works.

468. Also, petition of the city clerk, Trenton, N. J., relative to the Board of Commissioners of the City of Trenton, N. J., going on record as being in favor of pay increases for postal workers and all Federal employees recommended by the Senate Post Office and Civil Service Committee; to the Committee on Post Office and Civil Service.

469. Also, petition of the chief clerk of the council, Philadelphia, Pa., requesting favorable consideration of the omnibus rivers, harbors, and flood control authorization bill (S. 497), which provides for the improvement of anchorages between Philadelphia and the sea; to the Committee on Public Works.

470. Also, petition of the clerk of the city council, Reno, Nev., requesting the Bureau of Public Roads to take necessary action to expedite the approval of the Third Street route so as to cause the survey and construction of said highway to become a link in the chain of highways across the Nation; to the Committee on Public Works.

471. Also, petition of the president, Alaska National Guard Officers' Association, Anchorage, Alaska, urging the granting of immediate statehood to the Territory of Alaska; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

In Defense of Secretary Benson

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. HIESTAND. Mr. Speaker, rarely has a Cabinet member been vilified as much as Ezra Taft Benson.

As Secretary of Agriculture during one of the most critical periods in the history of American farming, Benson has been badgered constantly by pressure groups and free spenders who charge "he has not done enough for the farmer," while at the same time housewives and wage earners blame him because their food bills are at sputnik levels.

It is time to check the facts.

First, we must realize that Congress, not the administration, makes the laws. The Secretary of Agriculture has a right to propose, or oppose, laws while they are being made, but Congress does not have to take his suggestions. Furthermore, once the laws are on the books he has no choice but to enforce them.

Congress has been tampering with the farm economy for years, ever since it passed the Agricultural Adjustment Act of 1933. Controls, rigid supports, acreage allotments, conservation programs—all passed originally as "emergency programs"—have been held over and each year Congress adds new variations and twists.

The result has been hodgepodge legislation which has cost the overwhelming majority of Americans billions of tax dollars to support a farm minority which generally neither needs nor wants these farm laws and their modifications.

The farm economy is so inseparably interwoven with the rest of the national production pattern that this constant meddling by Congress has gone too far to throw out the whole mess of laws and just start over, nice as that sounds.

Instead, Benson has had to treat the effects of the laws rather than the causes. He has had President Eisenhower's full blessing in trying to untangle the problems.

But Congress under Democratic control has been hostile in the extreme. A recent hearing before the Senate Agriculture Committee was an example. Benson began to read a statement incorporating the major part of his 1959 farm plans. He was set upon immediately by Members of the majority side who seized this chance to belabor Benson and the administration. What they offered in return were the same outmoded, unworkable system of high, rigid price supports which have been responsible for the overwhelming surpluses and for the climbing costs of farm products.

With complete disrespect for the housewife and her husband's paycheck, these Senators lashed Benson with vicious personal attacks and smears because of his program. Mobilized behind these Senators are farm pressure groups, spearheaded by the radical Farmers' Union, which to date have been so powerful that it was political suicide for a farm-State officeholder to oppose them.

Nevertheless there are indications that in this session of Congress the farm bloc will not be so united as heretofore. Even with huge subsidies, the Democrats' farm program has forced poverty on a great segment of the farm population, especially the small farmer. The hard facts are that a large percentage of the money that is being paid out in subsidies is going to the wealthy farmer with large-acreage holdings. This goes to emphasize the inequity of the present laws.

No one knows better than Benson that any Government subsidy is unsound. Where his proposals have gone into effect through the years, they have worked. Surplus holdings in the hands of Government were reduced last year. Three-fourths of our farms are owned by those who operate them, the highest percentage on record. Farm net income stabilized from a year ago, and farm real estate prices moved to the highest on record. But still the outmoded laws are being handed to him to enforce.

There is hope that this year there may be a little change. The administration's farm program which was presented by President Eisenhower on January 16 has several first-rate features. And as mentioned earlier, there are chinks in the solidity of the farm bloc. This may be a year for the food buyer as well as the food grower.

Ezra Taft Benson was a Mormon clergyman before taking office as Secretary. He took the job only on assurance from President Eisenhower that it was a spiritual duty to restore the faith of the American people in the integrity of their Government and the farm economy.

If he fails in this duty, it will not be for lack of trying but for lack of votes on the Democratic side of the aisle.

Allan E. Pestcoe, Science Talent Search Award Winner

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. FASCELL. Mr. Speaker, Allan E. Pestcoe, 17, a high-school senior from Miami Beach, Fla., has been in Washington February 27 through March 3, as one of 40 most promising research scientists in America's high schools selected in the 17th annual science talent search conducted for the Westinghouse science scholarships and awards by science clubs of America. He was invited to Washington for an all-expense trip along with other winners from 19 States and the District of Columbia chosen by judges from among 25,039 contestants.

As his qualifying scientific projects, he investigated the effects of 2,4-D, a commonly used plant spray, on the absorption of sulfur in plants and has determined the movement rates of sulfur and phosphorus in leaves. Both projects were carried out in the radioisotopes laboratory in his high school and are reported in his required search paper. As student director of the laboratory, he has helped to design and build a gamma-ray chamber and to adapt Atomic Energy Commission handbook procedures to the equipment available to the students. He is now planning the construction of a small heavy-ion linear accelerator.

The son of Mr. and Mrs. Harry Pestcoe, 6375 Indian Creek Drive, Miami Beach, Allan would like to attend the California Institute of Technology following his graduation this year from Miami Beach High School.

I feel his unusual scientific ability is certainly well evidenced by these very able activities. In this era of great scientific emphasis, I take pleasure in congratulating him and commending his efforts to my colleagues' attention.

Surplus Property for Science Education

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. McCORMACK. Mr. Speaker, on January 27, 1958, I inserted in the RECORD at pages 1131–1132 some data indicating that interested executive agencies were cooperating in an effort to break a number of bottlenecks to increase the amount of surplus property made available for educational, health, and civil defense purposes.

I have been pleased to note that the allocations of property for the month of January 1958 have increased to an all-time high of $29,078,312. The latest report from the Department of Health, Education, and Welfare indicates the following allocation of property by States:

Total property allocated to the States, by regions and States

Region I:	
Connecticut	$577,335
Maine	101,227
Massachusetts	322,180
New Hampshire	57,229
Rhode Island	92,617
Vermont	69,764
Total	1,220,352
Region II:	
Delaware	89,970
New Jersey	592,029
New York	2,161,158
Pennsylvania	917,960
Total	3,761,117
Region III:	
District of Columbia	$104,184
Kentucky	325,687
Maryland	521,228
North Carolina	1,204,070
Virginia	416,049
West Virginia	443,900
Puerto Rico	107,773
Virgin Islands	----------
Total	3,122,891
Region IV:	
Alabama	473,766
Florida	497,288
Georgia	644,637
Mississippi	306,806
South Carolina	414,783
Tennessee	692,654
Total	3,029,934
Region V:	
Illinois	1,462,351
Indiana	597,375
Michigan	856,538
Ohio	757,299
Wisconsin	370,634
Total	4,044,197
Region VI:	
Iowa	165,696
Kansas	192,867
Minnesota	152,246
Missouri	2,423,710
Nebraska	1,540,855
North Dakota	36,845
South Dakota	193,568
Total	4,705,787
Region VII:	
Arkansas	160,659
Louisiana	248,638
New Mexico	225,645
Oklahoma	375,750
Texas	980,264
Total	1,990,956
Region VIII:	
Colorado	612,862
Idaho	226,810
Montana	99,060
Utah	180,364
Wyoming	66,107
Total	1,185,203
Region IX:	
Alaska	10,179
Arizona	331,588
California	4,049,135
Hawaii	111,611
Nevada	93,178
Oregon	862,436
Washington	559,748
Total	6,017,875
Grand total	29,078,312

A more recent development regarding donable property for science and research in educational institutions has been initiated. On February 5, 1958, as chairman of the Special Subcommittee on Donable Property, I addressed a letter to the Secretary of Health, Education, and Welfare, raising the question: First, whether or not it would be possible for that Department, in cooperation with interested educational agencies and institutions, to develop a list of priority items needed in the teaching of scientific courses and, second, if the Department of Defense which controls most of the available stocks of property and the General Services Administration could not cooperate in screening available stocks and expedite the declarations of excess property in order to meet the educational requirements.

The other members of the Subcommittee on Donable Property are: Hon. JOHN E. MOSS, JR., Hon. EDWIN H. MAY, JR.; ex officio, Hon. WILLIAM L. DAWSON, Hon. CLARE E. HOFFMAN.

I have been pleased to receive a favorable letter from the Secretary of Health, Education, and Welfare on the subject. Copies of my letter of February 5, 1958, and Secretary Folsom's reply of February 27, 1958, follow at this point:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY LEADER,
Washington, D. C., February 5, 1958.

Hon. MARION B. FOLSOM,
Secretary of Health, Education, and Welfare, Washington, D. C.

DEAR MR. SECRETARY: Further reference is made to my letter of November 12, 1957, and to your reply of January 3, 1958, concerning suggestions for improvement of the donable surplus property program.

In amplification of the suggestions contained in my letter and with a special reference to educational requirements for scientific purposes I would appreciate your reaction to the following:

1. HEW, after consultation with interested educational agencies and institutions might submit a list of requirements to the Department of Defense. This list to set forth priorities and be in accordance with the classification and nomenclature of items as reflected in the new cataloging system.

2. The Department of Defense, the General Services Administration and the Department of Health, Education, and Welfare expedite the screening, declaration and allocation of these items to the extent feasible.

I believe that there may be many surplus items of current use and need for scientific training in our educational systems, and that priority screening and expeditious declaration of these items will be in the public benefit with little or no additional cost or inconvenience to the holding agencies. It also seems to me that the procedure herein outlined leaves the discretion with the holding agencies as to necessary inventory levels for current missions.

It will be appreciated if you will consult with other interested agencies and advise me as to your conclusions at your convenience.

I am sending a copy of this letter to Assistant Secretary of Defense (Supply and Logistics) Perkins McGuire and the Administrator of the General Services Administration, Franklin G. Floete.

Sincerely yours,

JOHN W. MCCORMACK.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, February 27, 1958.

Hon. JOHN W. MCCORMACK,
House of Representatives, Washington, D. C.

DEAR MR. MCCORMACK: This will acknowledge your letter of February 5, 1958, wherein you make certain amplifications to the suggestions contained in your earlier letter regarding surplus property, particularly in the areas of scientific utilization.

Your first suggestion that, after consultation with interested educational agencies and institutions, there might be submitted a list of requirements to the Department of Defense is generally a good suggestion. We have not as yet determined the best method for accomplishing this purpose.

Your second suggestion that the Department of Defense, the General Services Administration, and this Department expedite the screening, declaration, and allocation of these specialized items to the extent feasible is currently under consideration.

In order that you may be brought up to date on our activities of improving the procedures of allocation of materials appropriate for use by schools and colleges in the areas of mathematics and science, we can advise you that the Office of Field Administration is working with the Office of Education. A special committee has been established in the Office of Education, composed of specialists in secondary and higher education, for the purpose of working out with educational organizations and the Office of Field Administration more effective methods and procedures in this area.

In addition, we have been in contact with the National Science Foundation, which agency is planning some 200 to 400 workshop programs for science teachers during the summer. It is hoped that we will be able to contact each of these teacher workshops with a view to outlining how the schools which they represent can secure surplus scientific equipment. We have also been in touch with the Atomic Energy Commission with a view to learning if that agency can be of assistance in this area.

Our Division of Surplus Property Utilization staff is at work in the development of

procedures to improve scientific equipment allocation.

The plans outlined above should result in the development of an action program. In carrying out such a program, we will solicit the cooperation of the National Association of State Agencies for Surplus Property, through their executive committee.

One other aspect of this development which we think would be helpful is the proposal to suggest to the States that they name a small advisory committee in each State, to be composed of a secondary, higher, and administrative education person, which could serve to assist the State operational unit in the development of special need lists and in expediting procedures generally.

Sincerely yours,

MARION B. FOLSOM,
Secretary.

Hearings on H. R. 10293

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. HARRIS. Mr. Speaker, on Friday, March 7, I issued the following release with respect to hearings to be held on H. R. 10293, a bill to establish a national scientific reserve fund, introduced by the gentleman from Illinois [Mr. DAWSON]. In view of the great interest which has been manifested by many scientists throughout the country, I would like to serve notice that the Committee on Interstate and Foreign Commerce stands ready to hold hearings on this legislation as soon as possible after reports have been received on this bill from the departments and agencies of the Government.

The text of the release is as follows:

Congressman OREN HARRIS, Democrat, of Arkansas, chairman, House Interstate and Foreign Commerce Committee, announced today that hearings would be scheduled on H. R. 10293, a bill to establish a national scientific reserve fund, as soon as possible after receipt by the committee of reports from the various departments and agencies of the Federal Government, setting forth their views with regard to this legislation.

The committee has been advised that the National Science Board of the National Science Foundation will meet on March 14, 1958, at which meeting the Board will consider the position of the National Science Foundation with regard to this legislation. Requests have been made of the departments and agencies of the executive branch to submit their views on this legislation as soon as possible so that hearings may be scheduled promptly on H. R. 10293.

The Committee on Interstate and Foreign Commerce is aware of the great and urgent need for additional support for basic research. As a matter of fact, hearings were begun by the committee on January 24, 1958, on this very subject in the course of which Dr. Detlev Bronk, Chairman of the National Science Board and President of the National Academy of Sciences; Dr. Alan T. Waterman, Director of the National Science Foundation; and Dr. Paul M. Gross, Chairman, Executive Committee, National Science Board, testified.

Since introduction of H. R. 10293 by Congressman DAWSON, Democrat, of Illinois, the Committee on Interstate and Foreign Commerce has received hundreds of communications from scientists who are active at universities and research institutions all over the country, in support of this legislation. These communications indicate the great interest in this legislation on the part of all those who are seeking to keep the United States ahead in basic research.

Lincoln and American Foreign Policy

EXTENSION OF REMARKS
OF
HON. WILLIAM F. KNOWLAND
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Monday, March 10, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of the Lincoln Day address delivered by the distinguished senior Senator from Ohio [Mr. BRICKER] at Toledo, Ohio, on February 12, under the title "Lincoln and American Foreign Policy."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LINCOLN AND AMERICAN FOREIGN POLICY

(Lincoln Day address of Senator JOHN W. BRICKER, Toledo, Ohio, February 12, 1958)

"We live in the midst of alarms; anxiety beclouds the future; we expect some new disaster with each newspaper we read. • • •" These were Lincoln's words in a speech at Bloomington, Ill., on May 29, 1856. Today, 102 years later, the alarms, the anxiety, and the expectancy of disaster have increased manyfold. My remarks here tonight will be more in keeping with the somber background than with this festive occasion.

What should be the response of the Republican Party, the response of the American people, to the looming threat of global annihilation? There is no possibility, of course, of turning back the clock; of pushing back into the bottle the destructive capabilities of human intelligence. To believe that scientific inquiry having military applications can be suppressed is a form of idle daydreaming. It is our destiny to explore the infinitely small recesses of the atom and the infinitely vast distances of outer space and yet somehow avert a catastrophe springing from finite limitations on human wisdom and morality.

I do not know of any better way to keep freedom from going under than by drawing upon the profound wisdom shown by Lincoln during his ordeal. This will not be easy. It will be necessary to separate the real Lincoln from the Lincoln of myth and legend. In addition, analogies between the events of one century and those of another are often imperfect or misleading. As Lincoln himself said:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew, and act anew. We must disenthrall ourselves, and then we shall save the country." (Annual message to Congress, December 1, 1862.)

The perils of the present are also unprecedented. I believe, however, that the world's best hope of peace and freedom lies in a thoughtful, modern adaptation of Lincoln's political philosophy.

Stripped to its fundamentals the survival of the Free World hinges on the foreign and defense policies of the United States. The long-term effectiveness of these policies depends in turn, wholly and absolutely, on the quality of American education.

In what President Eisenhower has aptly described as total cold war, a host of domestic issues—Federal spending and taxation, civil rights, internal security, agricultural production, industrial employment—are extremely important in the mortal struggle against international communism. However, an unwise decision on one or more domestic issues is not likely to prove fatal. On the other hand, a basic miscalculation in foreign or defense policy may easily spell the difference between life and death.

Because foreign and defense policies are of such crucial importance many well-meaning people have said they should be taken out of politics; that they should not be subjected to extended political debate. Let me say right here and now that I am in 100 percent disagreement with this curious notion. I am not one who believes that politics must stop either at the water's edge or outside the doors of the Pentagon. The people have a right to know and a duty to decide. Only in a crucible fired by political controversy can we formulate policies which are sound and durable.

Of course, there are all kinds of politics—good, bad, and indifferent. This is true whether the issue is paving a street or testing nuclear weapons. The people of Ohio are smart enough to detect any demagogic handling of political issues.

Ordinarily, there is not much political mileage in crying over spilled milk. But so long as Democrats insist that the Truman-Acheson foreign policy is a model for the future or that their national defense policies were far sighted, we should not hesitate to prove them wrong. We did it in 1952 and we can do it in 1958. However, new issues affecting the next generation are vastly more important than old issues debated in the last election.

In urging that the great issues of our time be settled by political debate, Lincoln is the only witness we need to call. If there was ever a time for a moratorium on politics it was in 1864. The outcome of the war was still in doubt. The North was divided into three hostile groups: the supporters of Lincoln; the forces of appeasement; and the faction demanding unconditional surrender and harsh retribution. Two days after his victory at the polls Lincoln cited the election as convincing proof that a government not too strong for the liberties of its people can be strong enough to maintain its own existence in great emergencies. And then he said, "If the rebellion could force us to forego or postpone a national election, it might fairly claim to have already conquered and ruined us." I see a great difference between conquest by the Confederacy and conquest by communism, but I see little difference between foregoing an election and holding one in which issues intimately related to the survival of the human race cannot be discussed.

No one has suggested that the problems of American education should be taken out of the political arena. In fact, the leftwing of the Democratic Party hopes to capitalize in this year's election on what most people agree is a crisis in education. The solution of these New Deal retreads at least has the virtue of simplicity. They merely take all the proposals of the Department of Health, Education, and Welfare and then multiply all the figures by 4 or 6 or 10 depending on the degree of their irresponsibility. However, the most serious weakness of American education is due to an organic illness, what the progressive educators praise as life adjustment but diagnosed by Dr. Arthur Bestor (and by most scientists and scholars) as perilously close to death adjustment for our Nation and our children. How reckless it is to pretend that this illness can be cured by splints of gold or bandages made of greenbacks.

In our justifiable concern about the quality of American education let us never come to regard those who do not go on to college as second-class citizens. Remember Abraham Lincoln. He educated himself with a few classics of history and literature, the Bible, and apprenticeship at the bar. Yet he turned out to be the most profound political thinker in our history. Jefferson was more brilliant and his intellectual range was wider, but there has never been anyone who could reduce a problem to its bare essentials so well as Lincoln, or whose actions correspond so closely to his principles. That such a man appeared on the political scene at the time he did must be accounted the nearest thing to a miracle in American history.

In recent years we have tended to emphasize only a certain side of Lincoln's character. Of course he was inspired by humanitarian impulses, by a hatred of oppression, by confidence in the people, and by faith in God. But, unfortunately, we seem in recent years to have forgotten other characteristics which tempered those mentioned and which were perhaps more important in the preservation of the Union.

We might look first at the matter of passion. If we did not detest communism we could not hope to remain free, nor would Lincoln have returned to politics had he not hated the institution of human slavery. But this is what Lincoln said on the subject: "Passion has helped us but can do so no more. * * * Reason, cold, calculation, unimpassioned reason—must furnish all the materials for our future support and defense. * * *" Lincoln was always ready to negotiate with the South upon one condition. The condition was not unconditional surrender but simply the return of the Southern States to the Union. At the bottom of our policy of unconditional surrender in World War II was passion, not reason. Hitler's atrocities make that passion understandable, but because passion was not restrained by Lincoln's cold and calculating reason we have today a divided Germany, a Red China, and the enslavement of Eastern Europe. As a result, America has never been in greater danger. I am not trying to put all the blame on the Roosevelt administration. The policy of unconditional surrender was generally approved by the American people. What I do want to stress is that we dare not make the same mistake again.

I do not know any man less likely to be consumed by passion than Dwight D. Eisenhower. His temperament is a precious asset for the Free World. Moreover, the people of the world know that President Eisenhower, notwithstanding all manner of Soviet provocations, is not going to abandon the quest for peace. Still, there are many Americans who seem to believe that we should negotiate with the Soviet Union only on the terms of its dissolution. The best help we can give President Eisenhower in his crusade for peace is to stamp out, wherever we find it, the idea that the only alternative to the cold war is the unconditional surrender of the Soviet Union.

Lincoln's confidence in the commonsense of the people was tempered by a profound understanding of the flaws in human nature. His law partner, W. H. Herndon, no doubt exaggerated, but Herndon said that Lincoln always took the negative position in their discussions on the subject of unselfish human actions. We do know that Lincoln advised young lawyers not to take the whole fee in advance as that would put too great a strain upon a natural inclination to be lazy. Also, Lincoln opposed a bank bill solely on the ground that the duty and the self-interest of the custodians of funds did not coincide.

We could use more of Lincoln's skepticism about the innate goodness of human nature. The man who advised young lawyers always to link duty and self-interest would be quick to see that in any unenforceable agreement banning the production of nuclear weapons the moral duty of the Soviet Union would not coincide with its declared self-interest.

We need, too, in this hour of crisis a greater measure of Lincoln's humility. How strange it must appear to many people today that Lincoln never placed God in the corner of the Union. Instead, in 1862 he conceded that in the present civil war it is quite possible that God's purpose is something different from the purpose of either party. In a letter written in 1864 he suggested that the war was divine retribution on both North and South for their toleration of slavery. And in his second inaugural address he supposed God's will to be to continue the war until every drop of blood drawn with the lash shall be paid by another drawn with the sword. Only with this tremendous perspective is it possible to say with Lincoln: "I shall do nothing in malice. What I deal with is too vast for malicious dealing." This generation deals with something much more vast and the necessity of humility and honest self-appraisal is thus even greater.

There is a very close parallel between a nation half slave and half free in 1858 and a world in that condition a century later. We can learn much from the cool reason and rigorous logic which Lincoln applied to his problem. It was territory, rather than morality or legislation, on which Lincoln built his case. The territory of a nation, Lincoln said, is the enduring part, whereas generations fade away and laws can be repealed or amended. Slavery he regarded as a moral wrong, but knew it to be a legal right. His strategy, therefore, was to confine slavery to the territory it already blighted. Knowing that if slavery could not grow it must wither and die, he would thereby put it in course of ultimate extinction.

Soviet oppression is a moral wrong, but in the present state of international law a legal right. Communism, too, will wither away if it cannot grow. A vital part of the East-West conflict is a dispute over territory, primarily that of Germany. If we concentrate on the territorial problem, rather than on international moral and legal reformation, we may be able to put communism in course of ultimate extinction. As Republicans we can be very proud of the record of the Eisenhower administration in avoiding war while at the same time confining communism to virtually the same territory it held 6 years ago.

In Ida Tarbell's Life of Lincoln there is a moving chapter on the journey of Lincoln's funeral train and this conclusion: "The result was a demonstration which in sincerity and unanimity has never been equaled in the world's history." Ninety-three years ago this April the train carrying Lincoln and his son Willie on their last earthly journey rolled slowly through Ohio, not a bell ringing or whistle sounding. The grandparents of many Ohioans were eyewitnesses. I want to read a few sentences of Ida Tarbell's description of the scene as an indication of how deeply the American people revered a leader who never sacrificed principle for expediency:

"At many points arches were erected over the track; at others the bridges were wreathed from end to end in crape and evergreens and flags. And this was not in the towns alone; every farmhouse by which the train passed became for the time a funeral house; the plow was left in the furrow, crape was on the door, the neighbors were gathered, and those who watched from the trains as it flew by could see groups of weeping women, of men with uncovered heads, sometimes a minister among them, his arms raised in prayer. Night did not hinder them. Great bonfires were built in lonely countrysides, around which the farmers waited patiently to salute their dead. At the towns the length of the train was lit by blazing torches. Storm as well as darkness was unheeded. Much of the journey was made through the rain, in fact, but the people seemed to have forgotten all things but that Abraham Lincoln, the man they loved and trusted, was passing by for the last time." (Tarbell, Life of Lincoln, vol. 2 (1917 ed.), p. 258.)

That was the first Republican President; the man who in life saved the Union; and whose principles long after his death may save the world if we have the courage to act upon them.

Tennessee Valley Authority

EXTENSION OF REMARKS
OF
HON. JOHN J. SPARKMAN
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Monday, March 10, 1958

Mr. SPARKMAN. Mr. President, recently I had a letter from Mr. H. L. Rice, of Florence, Ala. He was writing me from 2640 First Street, Fort Myers, Fla., where he spends the winter each year.

In his letter, Mr. Rice asked me some pertinent questions regarding TVA.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the letter from Mr. Rice and my reply to him.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Mr. JOHN SPARKMAN,
Washington, D. C.

DEAR SIR: My home is at Florence, Ala. I spend 6 months each winter down here.

It seems that everyone down here thinks that the TVA is a gift to that section and they are taxed for it.

I am not posted well enough to argue with them. They say that the TVA borrowed $20 billion and no interest.

I would like what TVA owes Government, what interest they pay, if any, and what amount they paid. And at what rate they are paying this money back.

Yours truly,

H. L. RICE.

FEBRUARY 22, 1958.

Mr. H. L. RICE,
Fort Myers, Fla.

DEAR MR. RICE: A good deal of misinformation has been spread by people who are hostile to TVA. I am glad you took the trouble to write me so that I, through you, may contribute some facts which every citizen should know about this great Federal agency.

Of course, as you and I know, TVA undertakes many programs in the region of its operation which are similar to activities carried out in other areas by different Federal agencies. TVA has made the river navigable. It has provided flood protection. Likewise it has promoted excellent programs in the field of agriculture, forestry, and so on. Such programs are undertaken by the Federal Government in all parts of the country. There should be no misunderstanding about that.

When people talk about the amount they are taxed for TVA, I believe they usually have in mind the TVA power system. In this area the Federal Government, through TVA, owns the facilities for power generation and transmission. The distribution systems, over 150 of them, which purchase power at wholesale from TVA for resale to their con-

sumers are not owned by the Federal Government. They are locally owned and managed. Discussing only the investment in power facilities, therefore, I am amazed that anyone would believe that TVA had borrowed $20 billion. The money provided by the Federal Government for investment in TVA power facilities is not a loan to TVA. The Government is the owner of the properties and the figure of $20 billion as the amount invested by taxpayers is more than 10 times overstated. At the present time about $1,200,000,000 of the total power investment represents the net amount of funds made available through appropriations by the Congress.

You are probably aware that there is pending before the Congress a bill which would permit TVA to issue revenue bonds to provide future investment in power facilities. This means that the power consumers of the area would in the future provide the money for the capacity additions which are required to keep up with the growing loads. The Government would still own the property. Its assets would grow without the appropriation of further funds from the Treasury. As a matter of fact, the consumers of electricity have already provided over $350 million for investment in TVA power facilities, facilities which are operated for purposes and under policies laid out by Congress. And in addition to plowing back proceeds to increase power assets, TVA has made cash payments into the Treasury from power proceeds. To date $240 billion has been paid in cash to the Treasury. Under present law, those cash payments must in 40 years from the time a power facility goes into operation equal the amount made available by the Congress for investment in the facility. Under the pending self-financing legislation the schedule of cash payments into the Treasury will be changed and in the future the amounts will be, at a minimum, large enough to cover the cost to the Government of the remaining appropriation investment. This means that the Government, as owner, will always be kept whole, and that the assets of the Government-owned system will continue to increase by the investment of proceeds from bonds issued against future earnings.

It is important to remember that the benefits to the Nation from TVA power operations are not measured by the direct cash return to the Treasury. They are measured rather in the increasing economic strength of the region which means in turn that the people bear a larger share of the total national tax burden. National benefits can be measured in the stimulation of the economy of other areas as the TVA region becomes a better market for the goods and services of all parts of the country. Few people, for example, stop to realize that TVA itself has spent over $1 billion in States which lie outside the region and that since the end of the war the power consumers of the area have themselves spent over $1½ billion to purchase the electrical appliances which are made in other areas. They do this because Congress directed TVA to make power available to the people at rates which, while covering the cost of power production, would encourage the abundant use of energy on the farms and in the homes of the area. No one can measure the national benefit of this demonstration of the effect of the low rate-high use marketing policies which Congress directed TVA to adopt. Power systems and power consumers everywhere have benefited because TVA and its distributors took the risk involved in selling power at rates lower than people in the Southeast had ever enjoyed it before, depending upon increased volume of sales for adequate revenues.

We can estimate the direct benefit to the Federal Treasury which has resulted because TVA has served Federal installations with power at reasonable cost. The taxpayer pays the power bills of the Army, the Air Force, and the Atomic Energy Commission. The latter particularly uses power in vast amounts. It is reliably estimated that to date the Government has saved over $250 billion in its power bills because of TVA and that savings of $50 million a year will be realized as long as AEC uses power in the quantity it requires today.

These are some of the factors you will wish to keep in mind as you talk about TVA with your friends in Florida. I am enclosing a couple of pamphlets which may be helpful to you, and I hope you will be able to convince those with whom you talk that TVA is an asset to the Nation, that every citizen should be proud of its performance, and that it is contributing and will continue to contribute to regional and national strength.

With best wishes, I am,

Sincerely,

JOHN SPARKMAN.

Situation in the Sudan

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. O'HARA of Illinois. Mr. Speaker, in view of the present tense situation in the Sudan I am extending my remarks to include a report I made early in the year to my constituents in the Second District of Illinois. This report was based upon my observations as a member of Chairman WAYNE HAYS' subcommittee of the Committee on Foreign Affairs. The gentlewoman from Illinois [Mrs. CHURCH] was the third member of the study group. The report follows:

THE SUDAN

Khartoum is a charming city of 75,000 near the junction of the Blue Nile and the White Nile. In our Embassy the personnel go to work at 6 or 7 in the morning, quit at 2 in the afternoon, as a matter of living with the climate. There are 15 Americans in all, including the Ambassador and the USIS staff which has many headaches not attributable to the climate to make an annual allowance of $36,000 stretch far enough to cover a country a third the size of our country with American books, films, and broadcasts to offset Communist propaganda.

Pitted against this lone Ambassador and his corporal's guard are 61 Soviet diplomats, each with a regal retinue of highly trained persons who engage in every phase of infiltration under the protection of diplomatic immunity.

This is a relatively recent device in Soviet strategy. We found it first in the Sudan. There are six Soviet bloc countries. Instead of one Ambassador representing all, as would be sufficient, a fully accredited Ambassador is assigned by each of the bloc nations. As the Ambassador must have a staff, the reasonable size of which cannot be questioned under diplomatic courtesy, this device is literally flooding Africa, even in countries friendly to us, with past masters at infiltration.

In the Sudan, for instance, we learned that of the five newspapers three were Soviet controlled either by ownership or subsidy and that individual newsmen had been whispered where to go when in personal need of funds.

This is why the Soviet regards the Sudan as fertile field; northern portion is inhabited by Moslem Arabs, 6 million in all; southern portion largely by pagan primitive tribesmen, numbering about 4 million, and overall illiteracy is over 90 percent. Moreover, the Sudan is a signatory of the pact and treaties of the Arab League. (It is also a member of the United Nations and is reportedly party to a mutual defense treaty with Ethiopia.)

Despite the tremendous drive the Soviet is making to take over the Sudan, there was little indication that the infiltration has reached responsible circles. Indeed, everything seemed to the contrary. We had a long talk with the Prime Minister, Sayed Abdulla Bey Khalil, and later were dinner guests at his home. At a reception by the Minister of Foreign Affairs there were 64 guests, with whom we talked freely. We did not miss any facet of opinion.

Most important were our long conferences with the two religious leaders, Sayed Ali al Mirghani and Sayed Aba al Rahman al Mahdi, at their respective homes, which really are palaces. You will remember that it was through an agreement of these rival religious leaders that the present national cabinet was formed and Sudanese independence accelerated. The Sudan has been an independent nation only since January 1, 1956. At present it is governed by a Supreme Commission with the Prime Minister elected by the national house of representatives, 68 of whose 98 members were elected by direct vote. In February of 1958 another election will be held and a permanent constitution adopted.

My conclusion is that the leaders of the Sudan have their hearts and minds set primarily on the development of their own independence, that there is a pretty general feeling of distrust of Egyptian designs, springing largely from a common but conflicting interest in the Nile River, and that the influence of the two great Arab religious leaders will go far in countering Soviet efforts to stir unrest among the people. The not-announced mutual defense treaty with Ethiopia is an indication of the trend.

Nevertheless, the Sudan is a most critical area. We cannot afford to make mistakes. It has been receiving no American aid, has shown willingness to help itself by spending (1957) $50 million of its own money in development projects. It now looks to the World Bank for a loan to build the Roseires Dam on the Blue Nile, opening another 1.2 million acres to irrigation. This is foreign aid on a sound banking basis.

The Japanese Don't Make Plywood From Soviet Lumber

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. PORTER. Mr. Speaker, I wish to report to the House that I have requested from the United States-Japan Trade Council some authoritative information on a charge made here the other day that Soviet lumber was being purchased by Japan, remanufactured into cores for plywood-faced doors and then being exported to the United States. In response, I have received the following information from the Embassy of Japan, in the form of a cable from the Japanese Government:

In 1957 about 500,000 koku (or approximately 4.9 million cubic feet) of lumber was imported from the Soviet Union. None of

this lumber was used in the manufacture of plywood in Japan. The Soviet lumber is unsuitable for plywood manufacturing (either as core or facing) because of the following characteristics: (1) It has too many knots; (2) adhesion of this type of wood is difficult; and (3) it's diameter is too small. For these reasons, the percentage of utilization would be low and the cost of production high, as compared to Philippine lauan (mahogany) lumber which is available in adequate quantities for the manufacture of plywood.

The timber imported from the Soviet Union consisted mainly of logs of silver fir, abies sachalinensus, and larch trees. The former two varieties were used for construction 42 percent, packing materials 34 percent, and furniture manufacture 24 percent. The latter variety was used for construction 68 percent, and, as logs, for stakes, posts, piles, and pickets 32 percent.

I should think this cablegram would constitute sufficient refutation of the claim to silence it once and for all. The least we can do in the present widespread discussions of our foreign-trade policy is to keep the fight fair and honest on both sides.

The United States Army Band

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mrs. ROGERS of Massachusetts. Mr. Speaker, while the American public is understandably and properly preoccupied with those ramifications of national defense dealing with such critical areas as the combat potential of the component armed services, frequently overlooked is the continuing contribution of the military to the scene of American culture.

Such an outstanding example, well-known to Members of Congress and residents of the Washington area, is the internationally known United States Army Band, led by Maj. Hugh Curry, of Cambridge, Mass. One of the services' quartet of great musical organizations stationed in this city—the others of equal fame being the Marine Band, Navy Band, and Air Force Symphonic Band—the United States Army Band is an active contributor to the cultural life of the National Capital, performing at frequent intervals before the public, during the summer season at such locations as the steps of the Capitol and the Watergate and, during the midwinter series of concerts, at the Interdepartmental Auditorium.

Maj. Hugh Curry, the leader and commanding officer of the United States Army Band, the official representative band of the Department of the Army is the son of the late Hugh Curry and of Alice Duggan Curry. He attended St. Paul's Parochial School in Cambridge, the Cambridge High and Latin School, and graduated from the Boston University College of Music with the degree of bachelor of music. Just prior to entering the Army of the United States, he was prominent as a teacher of music at Rindge Technical School in Cambridge, Mass.

Hugh Curry entered the Army in 1941 and served as an enlisted man in the band of the 101st Field Artillery of the 26th Division, Massachusetts National Guard, until June of 1942 when he entered the Army Music School for Bandleader Candidates in Washington. He was later appointed a warrant officer band leader, and subsequently served in the United States Army Band as its assistant leader. The band was at that time assigned to Allied Force Headquarters of the North African theater of operations in Algiers.

On October 1, 1945, Assistant Leader Curry was designated acting leader and commanding officer of the Army Band, shortly after which he directed the band on a highly successful concert tour of the United States in the interest of the victory bond drive sponsored by the United States Treasury Department. On January 4, 1946, Chief Warrant Officer Curry was appointed leader of the Army Band to succeed Capt. Thomas F. Darcy. He was commissioned a captain in the Army of the United States in 1946, and in 1952 was promoted to the rank of major.

Among the first acts of Gen. John J. Pershing on becoming Chief of Staff after World War I was the creation of the United States Army Band.

Although the General Headquarters Band of the American Expeditionary Force was organized in France in 1917 by General Pershing, then commander in chief of the AEF, it was only temporary and broke up soon after the armistice.

Partly because of that unit's outstanding record during its brief existence and partly because of a genuine need for a permanent military musical outfit, General Pershing brought the United States Army Band into being in 1922.

The United States Army Band quickly assumed its important role in local, national, and world affairs. The general's faith and judgment were increasingly justified down through the years, and to the present day it has become an inseparable part of the pride and colorful tradition of the United States Army.

It is made up of more than 100 bandsmen—the cream of the Army's musicians. Before their incorporation into military service, they played in well-known orchestras and dance bands throughout the country, and many of them are products of America's finest music schools. Names of brothers are on the rolls and there is also a father-and-son team. Nucleus around which the organization revolves is a respected, slowly dwindling little group of men who are all one-time members of the "Pershing's Own" 1917 band.

The United States Army Band is often called on as the lead unit in important parades. It has taken part in parades commemorating national holidays, both here and abroad, and in parades of welcome for returning heroes. A partial list of the more noteworthy of these parades gives some idea of the scope of its job as the United States Army's representative musical outfit.

For example, there were Bastille Day, 1943, in Algiers; Armistice Day, 1944, in Paris; Dwight D. Eisenhower's homecoming in Washington in 1945, and the homecoming of the 82d Airborne Division in New York City in 1946.

It has marched in the glittering inaugural parades of five of our Presidents—Calvin Coolidge, Herbert Hoover, Franklin D. Roosevelt, Harry S Truman and Dwight D. Eisenhower; and it has solemnly led the way in the funeral corteges of Warren G. Harding, Woodrow Wilson, and William Howard Taft.

On July 19, 1948, the band once more marched slowly to the muffled beat of drums. On the way to his final resting place in Arlington National Cemetery was its gallant progenitor, Gen. John J. Pershing.

Simple ceremonies at the Tomb of the Unknown Soldier in Arlington National Cemetery and elaborate, formal receptions for visiting dignitaries are frequent highlights in the United States Army Band's notable career. Other, more diversified activities for which it is called on are the annual Cherry Blossom Festival in Washington, the opening baseball game of the American League season when the President traditionally tosses out the first ball, and national meetings of patriotic groups like the Daughters of the American Revolution, American Legion, Veterans of Foreign Wars, and Gold Star Mothers.

The United States Army Band has been a regular contributor to radio and television and it has made countless broadcasts over the country's major networks since it first went on the air in 1923. Some of its better known presentations have been Division Diary, This Week in History, and Campus Salute. Its annual Freedom Sings series of concerts, featuring internationally famous guest stars, for a number of years has been a steadily popular Tuesday night feature.

During World War II it traveled extensively overseas, entertaining American and allied troops and civilians, and from June 1943 until its return to the United States, 2 years later to the month, it gave more than 500 performances in 17 African and European countries.

American Merchant Ships, Foreign Trade, and National Security

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. TOLLEFSON. Mr. Speaker, I have just read again the excellent address of our colleague, the Honorable FRANK T. BOW of Ohio, before the American Merchant Marine Conference and the Propeller Club Convention, at Houston, Tex., on October 22, 1957. I had previously read a copy of the speech

last fall during the recess of Congress, and would have placed it in the CONGRESSIONAL RECORD then had Congress been in session. It is an outstanding address given by one of the outstanding Members of the House of Representatives. Mr. Bow's contributions to the well-being of our Nation have been many. Amongst them has been his fine work in behalf of the American merchant marine which is our country's fourth arm of defense and which is an important segment of our economy. I insert his address in the RECORD so that other Members of Congress may read it.

AMERICAN MERCHANT SHIPS, FOREIGN TRADE, AND NATIONAL SECURITY

Quite frankly, my views of your great industry have altered radically in the last few years. Some time ago, before I became a member of the House Appropriations Committee, I do not think it would have occurred to the Propeller Club to extend the sort of invitation that brings me here today.

In recent years, however, I have had the opportunity to become much more acquainted with the objectives, problems and contributions of the United States merchant marine. And no one, as we know, is more zealous than a convert.

What has brought about this conversion? As you might expect, it has been the opportunity, for which I shall always be grateful, of serving as a member of the House Appropriations Committee. I have attended literally hundreds of hearings and heard scores of industries and Government agencies present their justifications for Government financial support.

The testimony given at these hearings varies, of course, both in style and skill of preparation and execution. As committee members, our great challenge, always, is to overlook personalities and other surface impressions and probe for the real issues involved. Why, we must ask ourselves, is the request for financial assistance necessary at all? Is it reasonable in amount—or is the appropriation sought more than required? Or, as sometimes happens, is it inadequate to do the job properly? Is it in line with past requests—and if not, why not? What is its importance to the national interest relative to other Government obligations? Must the expenditure be made now, or can it be deferred?

As taxpayers, I am confident that you would be gratified by the skill and patience which committee members, notably Congressman PRINCE PRESTON of Georgia and your own ALBERT THOMAS of Texas, exercise in assuring that our recommendations will result in a fair return on each tax dollar.

But Congressmen, of course, are human. They frequently enter Congress with preconceived points of view, subconsciously or not, on many issues with which they will have to deal as committee members. These are predispositions formed by childhood, education, geographical environment, and other factors. The last factor—geography—had, I suppose, much to do with my early disinterested view regarding the merchant marine. You see remarkably few C–3's on Nimishillen Creek in Stark County, Ohio, where I come from. My childhood sleep was seldom lulled by the sound of surf or interrupted by foghorns.

MIDWEST GREAT SOURCE OF CARGO

There are many others like me in this country. Yet it is we who are the great source of your cargoes, inbound and outbound; and we of Ohio, we of the Midwest, and we of all the inland areas have a right to know more about you. You have an obligation—to us and to yourselves—to make us aware of your tremendous contributions to our economic and our military strength.

It is not enough that you are ably represented in Washington. We in Congress are obliged to steer a navigable course between our responsibilities to our constituents and, where there is a difference, our conviction as to what is best for all the country. Our Nation's need for adequate ocean transportation under its own flag has become crystal clear to me; it may be less clear, and understandably so, to many other people of Ohio and the Midwest.

It is my duty to act in the best interests of the merchant marine where I consider this, as I must do, to be congruent with the best interests of Ohio and the entire country. I would think that it is your obligation and opportunity, more so than mine, to make known this mutuality of interests that exists between the United States merchant marine and inland America.

Consider for a moment that national problem—the national budget. Paring anything from the costs of governing this burgeoning population of ours is inexplicably difficult. Yet, your industry is part and parcel of an $18 billion entry on the credit side of the national ledger. I refer, of course, to our income from the goods we sell abroad. There would, of course, still be foreign trade without an American merchant marine. But what sort of foreign trade? And at what cost, in terms of reliability, freight rates, assured access to vital imports we lack domestically, and so on? This is obviously too important a piece of United States income to be handed over, lock, stock, and barrel, to our foreign friends—much less our foreign enemies.

A full 8 percent of all those goods we produce that can be moved at all are shipped overseas to foreign customers. Can we trust their delivery to our competitors? I think not. Our worldly wise British friends have an expression applicable here that requires little explanation. The gist of it is, "Don't lend your doughnut to your friend." Or, as they say in New York, "Does Macy's tell Gimbels?"

NATION DEPENDENT ON AMERICAN MERCHANT SHIPS

Few persons in the country know better than you assembled here today how dependent we are on shipping and foreign trade to sustain life in our Nation's industrial machine. I thought I had a fair idea of our dependence upon imports, but I learned just this week that there are only two metals (magnesium and molybdenum) for which we are not at least partially dependent on foreign supplies.

Coming as I do from a highly industrialized area, totally dependent on imports to keep its assembly lines busy and its workers employed, I respect the words I heard recently from one of your industry's greatest leaders, James A. Farrell, Jr.: "The carriage of our export and imports," he said, "is too critical to the health of American industry—which is, after all, the ultimate source of our defensive strength—to be entrusted to the whims, vagaries, and competitive urges of foreign maritime powers. It is a national jewel far too precious for delivery by the first available messenger."

Let me tell you something else about this Mr. Farrell, while I am about it. He visited my home town of Canton recently, at my suggestion and at the invitation of our chamber of commerce, and what he had to say there about your industry and what it means to Canton and the surrounding area was an education to all those fortunate enough to hear him. I readily admit that I learned some things about Ohio's kinship with the merchant marine that were news to me. Let me mention just one figure that I shall not soon forget. The Committee of American Steamship Lines, which Mr. Farrell represented during his Canton visit, did some work with a pencil and a research economist and developed figures showing that Ohio's share of United States exports last year totaled approximately $1 billion.

Now, gentlemen, let us be completely realistic. If you will take the time to develop figures like that for every State in the Union, and make this information available to the people in interesting, understandable terms, you shall certainly have an easier job from here on in, gaining understanding and justifying support for the United States merchant marine. All this, of course, has to do only with the commercial aspects of our national shipping policy. I am not one of those who believe that national defense considerations are the sole basis for Government support to United States shipping.

I see no sensible distinction between a strong domestic industrial economy and a secure military potential. I see no way in which we can be commercially dependent and militarily secure. I have no formula for developing military independence out of an industrial machine beholden to foreign powers for its bread and water.

MERCHANT MARINE VITAL TO DEFENSE

Nor, so long as we are on this military tack, do I subscribe for an instant to the view that modern warfare has altered the role of our merchant marine. I say this confidently because, unlike some of my associates in Washington, I am not hobbled by the gift of clairvoyance. I do not know what form modern warfare will take. Will the world really seek suicide with an all-out hydrogen war? Or will the very effectiveness of modern weapons serve to prevent their use, reducing future combats to such primitive techniques as those employed in Korea and World War II? For safety's sake, must we not assume something in between the two, in which event the need for seapower and reliable ocean transportation will be no less than it has been historically? Should we risk arming to the teeth with H-bombs and ICBM's, only to find ourselves helpless against any well-directed musket fire?

I make no pretenses at being a military expert; I can only impose the tests of common sense and past experience on the arguments of those who are. But isn't it reasonable to assume that one way to determine how the next war shall be fought is to examine the facts as we know them to be, then lay our plans from there—fully prepared to revise them as subsequent information, not hunches, indicate?

If that is so, then isn't there some useful indication of the war to come in the fact that Russia currently has a fleet of more than 475 submarines, and is building them at the rate of better than 80 a year? Let me remind you that Hitler started World II with but 57 submarines. Russia, obviously, foresees the need to destroy as much enemy shipping as possible in any future war—which would suggest that she believes merchant ships are important to us, even if some of our own people do not.

SOVIET NAVY GAINING ON UNITED STATES

Since 1950, in fact, the Soviet Navy has been outbuilding our own in combatant tonnage of many classes. They have outbuilt us in destroyers 9 to 1, and in cruisers 14 to 1.

Russia fully appreciates the fact, which some of our own countrymen seem quick to forget, that last year 99.6 percent of our commercial tonnage was carried in ships and 99.15 percent of our military tonnage. One reason for this is that it requires 4 tons of aviation gasoline to fly 1 ton of freight across the Atlantic, for example. So it is clear why Russia would seek to deprive us, when the time comes, of access by sea to our friends, allies and forces overseas. And

should she obtain control of these seas, she would dominate nearly 95 percent of the earth's surface.

Will airpower, not immediately, but eventually, make shipping obsolete? I cannot foresee it, but again, I would rather look into the facts than into a crystal ball. Facts show me, as we have seen, that over 99 percent of our foreign trade is currently moved in ships. Every day more than 2,000 merchant ships are traveling the North Atlantic sealanes alone. True, this may change, but I am confident that such change is not so imminent that it could possibly affect the plans we make today. And as of today, there is nothing under this sun to challenge the payload carrying capacity of an oceangoing ship.

You of the maritime industry, then, have much to claim for the role that ocean shipping is destined to play for an indeterminate number of years. You also have problems, of course, that are serious and require assiduous attention. One particularly prominent area for critical self-examination and improvement is cargo handling which, I understand, absorbs between 50 and 60 percent of a cargo liner's revenue. The same attention should be directed to unity within your industry so that you can speak clearly and authoritatively on issues that concern all of you. Then, of course, your labor-management relationship is an area of continuing concern to all Americans.

INDUSTRY SHOULD GET COMMUNICATIVE

None of these problems are easy, but neither are they insoluble. Nor are they the only ones you face. One of the most important of these remaining has to do with your public. This problem will be discussed rather fully by another speaker, so I shall not dwell on it except to say this: that I am part of your public. So are all the other Members of Congress. What you do and what you tell the public about what you are doing will be seen, heard and read by us as well as others. I would suggest that your industry get more communicative. Certainly a long and fruitful step in this direction has been that taken by the committee of American steamship lines. I would hope other industry representatives would follow the committee's example of visiting Midwestern communities to talk in factual terms about the impact that reliable ocean transportation has on their economics.

I understand that it has visited Cedar Rapids and Racine as well as Canton, with top line executives touring local plants, appearing on radio and television and speaking before chambers of commerce and manufacturers associations on the importance of a strong merchant marine. This should be a continuing activity.

The reason that such efforts must be unceasing is clear. Since the Merchant Marine Act of 1936 was passed, the taxpayers have contributed $1,028,000,000 to the support of the United States merchant marine in the form of construction and operating subsidies. Based on present population figures, that breaks down to little more than the cost of a pack of cigarettes a year per capita. Nevertheless, it is still more than a billion dollars. But, in my opinion, it is an expenditure that can be justified.

It is simply the nature of the business you are in that justification before the bar of public opinion is an additional task you must assume willingly and execute both skillfully and unceasingly. It is not enough that certain of us in Washington are aware of the need for an adequate United States merchant marine. Our constitutents in every town and village should be equally aware. I wonder if they are?

This, gentlemen, is an opportunity for your industry; more importantly, it is your responsibility to your country.

Why Modern Highways Are Essential to America

EXTENSION OF REMARKS

OF

HON. W. R. HULL, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. HULL. Mr. Speaker, we in Missouri are extremely proud of our State highway system. A large part of the credit for our excellent system goes to the voters of Missouri who have consistently supported sound road programs.

The will of the people for good roads, soundly financed, has been given a push toward realization by an outstanding professional group, the Missouri Highway Engineers Association.

This group met recently in Kansas City, Mo., and those in attendance had an opportunity to hear, among other speeches by outstanding men, a very fine talk by Missouri's distinguished Senator, the Honorable STUART SYMINGTON.

A former member of the Senate Committee on Public Works, Senator SYMINGTON, discussed the subject, Why Modern Highways Are Essential to America.

Under unanimous consent, I include his speech in the RECORD:

WHY MODERN HIGHWAYS ARE ESSENTIAL TO AMERICA

(Address by Senator SYMINGTON before the Highway Engineers Association annual dinner, Kansas City, Mo., February 27, 1958)

At a time when the minds of many are concentrated on outer space, it would seem wise—and it is certainly pleasant—to get down to earth and talk about our highways.

This is one subject on which we can point up our needs, outline our deficiencies, and still know that we are far superior to any other country on earth.

There are those who believe that world conditions make it necessary to curtail heavily our highway program, in order to increase our defense strength.

Nothing could be more erroneous—or, for that matter, more dangerous.

In this nuclear age, highways are an integral and vital part of our defense strength. We must be able to move rapidly. There can be no breakdown in transportation. Such a breakdown would immobilize America.

As illustration, into the city of New York alone, there moves each day over the bridges and through the tunnels over 20,000 tons of food.

Without one of the world's most modern highway systems leading into that city, this would be impossible.

Let's not consider as any luxury, therefore, our planned, modern highway system. It is a necessity, and the record so proves.

For some time I sat on the Senate Public Works Committee, that committee which handles the highway program in the Senate.

Both in that committee and on the Senate floor, Senator ALBERT GORE, of Tennessee, was the leader in development of progressive highway legislation.

The ranking minority member and former chairman is Senator EDWARD MARTIN of Pennsylvania; and I never heard the matter of good highways come up that he did not emphasize their value to our national security.

Such a system is also vital to our prosperity. America can only continue to exist as we know it through emphasis on a strong, progressive, dynamic economy.

In the past 10 years our gross national product has increased from $257 billion to $434 billion. Our highways must be geared to support that gigantic increase in economic activity.

Money and effort efficiently devoted to highway construction can only be a sound investment in the future of the United States.

Today, with this country experiencing an economic decline, the Nation's highway program has an added significance.

It is quite possible that the tortoiselike speed exhibited in much highway construction throughout the country has in itself contributed to the current recession. Certainly, this added stimulus to employment, plus the increased demand for construction materials and equipment, would help turn the trend of our economy in the right direction.

But essentials such as highways should not be postponed, like medicine, for use only when economy is ill.

A construction program geared to the increased needs and increased population is sound, regardless of our general economic health.

It is better to have a stepped-up highway program now, with the resultant improvement in our economy, than to have a relief program inaugurated later in order to stay the rate of deterioration of our economy.

This same principle applies to school construction, flood-control projects, and other comparable programs.

The Federal Government as well as the State and local governments have a constructive tool ready at hand to accomplish two major objectives—eliminate our highway deficiencies, and reverse the recession trend.

The Federal-aid highway program is based on the principle of partnership between the Federal Government and the States. It is important that this does not involve a taking over by the Central Government of the prerogatives of the States.

The broad interests of the country as a whole, and of each taxpayer in particular, should be protected and encouraged by the Federal Government. In so doing, that Government has insisted on minimum construction standards; and has retained a veto power as to where Federal funds should be used.

These powers have been embodied in law and are all right if used in an atmosphere of agreement on objectives.

But the role of the States is largely unimpaired by this centralized authority. Federal highway aid should not and has not been translated into Federal domination.

On this point may I give deserved credit to the contributions—both in attitude and in ideas—of Missouri officials and Missouri citizens who have played a most important role in the passage of the 1956 act.

As you know, the proposal for an all-powerful Federal organization to administer our road programs was discarded; and is something we plan to do our best to see will not be revived.

Any actions which would tend to delay or stymie effective implementation of the present program can only encourage the proponents of greater centralized control to revive their unfortunate proposals.

Historically, Federal-State cooperation in building highways has been increasing at an irregular pace. Fortunately, however, it has been going in the right direction.

As we view the history of this progress, three major legislative actions stand out.

The Federal Highway Act of 1916 initiated the development of an integrated highway system, and established the requirement that every State must have a functioning highway department before it could be eligible for assistance under the act.

The Federal Aid Act of 1944 authorized a national system of interstate highways to connect metropolitan areas and industrial centers throughout the country.

The most recent legislative milestone in this field is the Federal Aid Highway Act of 1956. In this act our legislative program came of age—more nearly geared, in magnitude and policy, to the economic and defense needs of the country.

If this legislation is administered as Congress intended, we will have, in fact, a national highway system.

This 1956 act earmarked funds from specific sources. I cannot say I believe that this is necessarily the best way to finance a program of such importance and magnitude, as the amount of funds can fluctuate downward while the need for the highways increases.

Actually, a sound and adequate highway structure benefits all—not just the users—, and hence necessary funds might appropriately come from general revenue accounts.

In spite of certain weaknesses, however, I consider the 1956 Highway Act an outstanding development in highway legislation.

Now that the intent of the American people, reflected through their Congress, has been clearly expressed in this law, it would seem wise to go about getting the job done as effectively and promptly as possible.

At this point, let me draw a brief parallel with what happened last year in the military defense program.

National intelligence information substantiated beyond reasonable doubt that we were rapidly losing both our qualitative and quantitative superiority to the Soviets in weapons systems. The need to act to reverse our relative decline was clear. Yet, our military manpower was cut back, funds for research and development were withheld, production schedules of planes and submarines were decreased, and ballistic missile programs were curtailed.

Turning to our new highway program, we see some of the same forces at work. Efforts are being made to stretch out the program. Actions are proposed for diverting money from the trust fund to pay expenses of the Labor Department, to pay tax collectors of the Treasury Department, to finance costs for national forest roads, and to withdraw revenues obtained from the aviation gasoline tax.

These diversions are estimated to amount to as much as $68 million per year.

Here, again, we have evidence of the policy of placing fiscal objectives ahead of this country's welfare.

In the face of increasing costs and increasing requirements, the need is to increase the highway trust fund—not to raid it.

There are many features of this highway program about which you know much more than I.

As an example, there is the question of the State allocation formula, currently being reviewed because the Congress soon has to take action regarding it.

Hearings are being held, and I understand the Comptroller General is being asked to analyze the data.

Without attempting to suggest the proper formula before we have all the facts and analyses, I do believe that it is necessary to have uniform criteria for defining the needs of the respective States, regardless of what formula is used.

And so, in summary, it would seem that a sound approach to carrying out the highway program can be stated simply: Determine the needs for highways for all purposes; provide, on a Federal-State cooperative basis, as much financing as is required to meet those needs fully; and then put the program into effect as quickly as possible, without adjustments for nonhighway objectives.

Revision of Coal Mine Safety Law Is Imperative in Safeguarding Human Lives

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. VAN ZANDT. Mr. Speaker, legislation was introduced in the Congress on January 13 to bring all underground coal mines in the United States, no matter how many men are employed, under the jurisdiction of the Federal Coal Mine Safety Act of 1952.

Under the present law, mines employing 14 or less men cannot be shut down by Federal coal mine inspectors no matter how hazardous are the conditions existing in the mines. These are known as title I mines. Title II mines—employing 15 or more men—can be ordered shut down by Federal inspectors for violations of the safety law.

I was a Member of Congress when the first mine safety bills were introduced. The legislation received my full support throughout the years when it was being shunted back and forth between Congressional committees and from the House to the Senate. The fight was hard and bitter. The United Mine Workers of America, as sponsors of the original bill, were opposed by the Federal Bureau of Mines, the State bureaus of mines, the coal mining industry and other powerful interests of the Nation who were violently opposed to such legislation on principle. It was a desperate and bitter struggle which ended year after year with no action by Congress. The bills died and coal miners died. Meanwhile as many as 2,500 a year were crushed or blown to eternity, as high as 50,000 injured, and many crippled for life. Widows and orphans were thrown upon cold charities for an existence or forced to depend upon friends and relatives, in many cases almost as poor as the dependents themselves.

One of the strongest arguments used throughout the vicious fight was the argument that there was no necessity for the law, because it provided a duplication of State effort which was unneeded. It was a powerful argument and carried great weight with legislators who knew nothing of coal mining or coal law enforcement. So the slaughter went on from day to day, month after month, year after year, until the saying that "every ton of coal mined in America was stained with the blood of the men who mined it" became almost literally true.

Then came Centralia with its 111 burned and blasted bodies and Orient number 2 with its 119 dead, to awaken the public conscience and lend force to the demand that the Congress do something. And the Congress, acting slowly and reluctantly, passed a punchless and toothless law that gave the experts of the Bureau of Mines the right to inspect any mine in America but gave them no power to enforce their findings. Presumably the Congress of the United States had hoped by its action to force the various mining States to provide more rigorous laws and strict enforcement under the threat of having the blame for these explosions laid right upon the doorsteps of the State. If so, it did not work and the killing and maiming went on although in a slightly less degree.

It remained for a colleague of mine from Pennsylvania and a fellow Republican to provide the answer for most of the mining problems of that day, particularly those of major disasters. Representative Samuel J. McConnell, the ranking Republican member of the House Committee on Education and Labor, troubled by the terrific death and injury rate in the coal industry, introduced legislation covering mine safety. The bill was referred to a special subcommittee of the Committee on Education and Labor, under the leadership of the late Augustine B. Kelley, Democrat, of Greensburg, Pa. With thousands of people prophesying defeat, these dedicated men sat down with the experts from the mining industry, the Government and the union, and drafted a bill which became Public Law 552 in the 82d Congress.

I know every man on the Education and Labor Committee at that time is today proud of the part the committee played in passing title II of the coal-mine-safety bill. It was brought out of the full committee with a few added amendments, one in particular by the present chairman of the committee, Hon. GRAHAM A. BARDEN, which has resulted in the setting up of 9 modern State mining laws, more efficient, more up to date than our own Federal setup. Another amendment, limiting Federal law enforcement to mines employing 15 or more men was accepted in committee in the interests of getting legislation passed. It was accepted under protest by the United Mine Workers of America, the Bureau of Mines and some coal operators. Other Congressmen besides myself doubted that it was good legislation but in the spirit of compromise it was accepted. Both Republicans and Democrats in the Congress gave this bill enthusiastic support and approved it with little opposition. And the result was overwhelming. From an industry which had killed as high as 2,500 men a year and injured many thousands, it became an industry that saw 461 killed in 1953, 396 in 1954, 413 in 1955, 446 in 1956, and 473 in 1957. In 1955 and 1956 there were no major disasters, an almost unbelievable phenomenon. At long last everyone in the business of mining coal—operator, miner, inspector, State and Federal—were working together and the death and injury rate started dropping. It is unthinkable that it should be allowed to start once again on an upward spiral.

Mr. Speaker, I am confident that no Member of Congress wants the return of conditions in coal mining which prevailed before 1952. I am sure everyone was highly elated at the success of Federal participation and wants it to continue as long as it is doing a good job.

There is plenty of work for all concerned—Federal, State, county, and local safety groups, which aid and implement each other to the benefit of all who work in this necessary and dangerous industry.

I am alarmed, however, over the rising death and injury rate as shown in recent statistics from the Bureau of Mines. Times are hard and economic conditions are forcing workers to accept risks and corner cutting in safety measures that they would not accept under ordinary circumstances. The death and injury rate in roof falls is increasingly alarming. In my own State of Pennsylvania we read regularly of whole mining communities being called upon to spend agonizing days and hours trying to save the lives of poor unfortunates who have taken their lives in their hands trying to make a living in some doghole or abandoned mine.

The most appalling is the fact that proportionately there are 3 deaths in the small mines to every 1 death in the larger mines.

The small mines produced in 1956 only 7.6 percent of the total production of coal, both anthracite and bituminous coal, but they killed 21.1 percent of the men who died in coal-mine accidents.

In 1955 the small mines killed 19.2 percent of the total number of men killed. In 1956 the small mines killed 21.1 percent of the total. And in 1957 the small mines killed 25.9 percent of the total.

The fatality rate in the small mines for 1957 was 4.49 per million man-hours of exposure. In the larger mines the fatality rate for the year was 1.22 per million man-hours of exposure.

In 1956 the small underground mines produced only 28,139,454 tons of coal, while the larger underground mines produced 344,254,843.

Yet there were in 1957 a total of 7,659 small underground mines producing, as against only 1,484 larger underground mines. The charge has been made that many small coal operators purposely employ 14 or less men so that they will not have to obey the Federal law.

In addition to the 7,659 underground small mines, there were, in 1957, 1,586 strip mines in production and 150 auger mines. These surface operations are not covered by the Federal law as far as authority to close them down is concerned.

Latest information, for the period from January 1 through January 30, 1958, shows an ever increasing trend in fatalities in the small underground mines. For that period the small underground mines killed 37 percent of the men killed; the larger underground mines killed 53 percent, and strip mines killed 10 percent.

Mr. Speaker, I have sponsored H. R. 10807, a bill to bring all underground mines in the United States under the jurisdiction of the Federal Mine Safety Act of 1952. Many of my colleagues are sponsoring similar bills. I think the legislation is needed. I can see no justification for saying that a mine which employs 15 or more men must comply with the law and keep its mine in a safe condition while one that employs 14 or less can do as they wish about conditions and no one can intervene in the cause of safety. Personally, I can see no reason why any employer should object to this amendment to the existing law. Any man who keeps his mine in a safe condition has nothing to fear from an inspection whether he employs 1 or a 1,000 men. If it is not safe he should not be allowed to operate. I think every man who enters a hole in the ground to mine coal is entitled to every protection his government—Federal, State and county—can give him. Surely, now with conditions depressed in the coal industry, we should be more vigilant than ever. Since we have found the answer to some of the problems of this dangerous industry it is my opinion we should strive more diligently to further reduce its perils by strengthening the law wherever possible.

Italy Will Stand With the West

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. CELLER. Mr. Speaker, Nikita S. Khrushchev, now Grand Panjandrum of the Soviet Russian empire, is seeking to catch Italy. He is attempting to woo her with his usual cunning, wiles and trickery. But Italy will not, I am sure, rise to the bait.

Boss Khrushchev, who has caused many heads to decorate the platter, asks Italy to get out of the North Atlantic Treaty Organization and become a neutral between the East and the West. In return, the Moscow chief would grant Italy "esteem and understanding." That is like asking one to give up a pearl of great price for a bauble. Independence and freedom in return for a gewgaw. Unthinkable.

President Gronchi and Premier Penna were not—in common parlance—born yesterday. They will, I am sure, reject the invitation of the Kremlin in no uncertain terms.

Khrushchev promises peace, trade, prosperity, unlimited atomic power—plus advice of Russian technicians on agriculture. The sting is in the tail. A procession of Russian spies and agents provocateur would stream into Italy, presumably to help in the depressed areas, but actually to subvert the Italian democracy into a Communist state.

Another price that Italy would pay for ushering in the Soviet millenium would be Italy's pulling out of European Common Market and Euratom. The European Common Market—Euromarket—and European Atomic Energy Community—Euratom—consist of six Western European nations, who signed a treaty at Rome in 1957 and committed themselves to abolish within 15 years all customs barriers and to cooperate for the peaceful uses of atomic energy.

This is just Soviet midsummer madness. But the Moscow boss places no limitation on his "delusions of grandeur."

The leaders of Italy, well aware of the new Machiavelli from the north, are on guard. They know that Czar Khrushchev's offer came at a time when all the Italian political parties are opening their campaign for the general elections to be held on May 25 and 26. This is but a shrewd and abortive attempt to augment the Communist vote in Italy. It is a crude and rough interference in the internal affairs of Italy. The offer of Khrushchev has already been headlined in the Italian Communist press for fellow travelers.

Italy will rebuff the latest knavery from the Kremlin. She will stand by her commitments. She cherishes her independence. She realizes she is an equal among the Western Democracies and will not be pried away from the Western Alliance.

Educational Standards

EXTENSION OF REMARKS
OF
HON. ROBERT J. McINTOSH
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. McINTOSH. Mr. Speaker, today the American people are engaged in an effort to improve educational standards throughout the country. Before the Congress are a number of proposals with that object in view.

Certainly at the heart of attempts to improve educational standards stands the teacher himself. No scholarship program, however vast, and no Federal-aid program, however extensive, can ever take the place of the character, skill, and devotion of individual teachers. Every effort must be made to provide incentives to well-qualified teachers. The impressively sponsored and staffed Educational Policies Commission said this:

> The quality of learning in schools and colleges depends upon skillful teaching • • • the highest single priority, therefore, in responding to the contemporary challenge to American education is the recruitment, education, and retention in the profession of qualified teachers.

Teachers, however, have seldom received the incentives that their crucial role in the life of our society deserves. Through the years, teachers' salaries have lagged behind compensation for other professions and vocations. The average college faculty salary is estimated by the NEA to be around $4,100 for instructors and $5,730 for associate professors. The average salary of an instructor on the college level is less than the average income of an industrial worker. A full professor's salary is only slightly more.

While low salary levels affect recruitment of teachers, this is primarily a problem to be met by local action. But complex and confused rulings by the Internal Revenue Service on the deduc-

tibility of teachers' continuing education costs have discouraged the teacher, once licensed, from pursuing his education to his full capacity. This situation which discourages ambition at the very level where it should be most encouraged is one that falls within the scope of Congressional action. Legislation that will permit the teacher to deduct the costs of continuing his inservice training should be enacted.

In a sense, such legislation does not properly fall into the category of tax relief but rather into the category of a just correction of a now existing discriminatory practice against the teaching profession. A lawyer can attend a real estate institute and deduct the costs as necessary expense. An insurance man can take a short course in estate planning and deduct the costs as necessary expense. A doctor can take a refresher course in anesthetics and deduct the costs as necessary expense. An actor may take a physical culture course to shed excess poundage and deduct the costs as necessary expense. The science teacher, however, who takes a summer course in physics to keep abreast of ever-expanding horizons cannot deduct the costs as necessary expense.

The Celina (Ohio) Daily Standard described the inequity in this somewhat blunt but picturesque way:

> A businessman is after a fat contract. So he loads the prospect into a private plane and flies to Florida. They live in $60-a-day hotel suites, eat the best food, drink the best liquor, take in all of the night spots.
>
> Every penny—the liquor bill and the tips and all—is tax deductible. It is part of the expense of making a buck. But an underpaid teacher goes to school for the summer. He lives in the cheapest room he can find, cooks beans on a hotplate, buys dog-eared textbooks.
>
> Tax deductible? Are you kidding? Not if he is going to school just because he wants to become a better teacher.

Sounds incredible, does it not? But, incredible as it sounds, it is happening every day. At present, teachers can deduct the expenses of attending a summer school or evening classes only if they take these courses in order to keep their present positions. This concession was made only after the courts ruled in Hill against Commissioner that courses taken under administrative edict were deductible. The Internal Revenue Service has taken a very narrow view of this ruling. In effect, its interpretation holds that a teacher cannot deduct these educational expenses unless he would have been fired had he not taken the courses. This interpretation is so restrictive that its effect has made it almost impossible for a teacher to deduct any educational expenses. A strong recommendation is not enough. It must be a requirement. To take just one example, the Chicago Board of Education does not require that any teacher expend any money to keep a position after passing the exam to receive it. Thus, no Chicago teacher, under this interpretation, is able to deduct any expenses for professional improvement. Examples could be multiplied ad infinitum.

The Internal Revenue Service's defense in strictly limiting deductions by teachers is an alleged lack of statutory authority for deductions. The history of uncertainty in interpretation and ambiguity of regulation on the whole issue seem to suggest that a satisfactory resolution of the problem can only be achieved through clarifying legislation.

In the case of Coughlin against Commission, the courts have upheld the right of an attorney to deduct the cost of attending a series of lectures on taxation. The court pointed out that the attorney was morally bound to keep himself informed and up to date and that expenses of this sort were deductible when directly connected with practices of his profession. Surely, the teacher has an equally great moral obligation—if not greater—to keep himself informed and up to date. Yet even the proposed modifications will not permit him to do so and deduct the expenses.

So clearly do such examples reflect a demand for more just and equal treatment for teachers that 25 Members of Congress, including myself, have introduced bills designed to bring greater justice to the American teacher.

Most of the bills provide that established teachers may deduct the amount of their educational expenses up to $600 in any 1 taxable year, without having to prove that the courses taken were necessary to prevent loss of job.

Many organizations have studied and endorsed this legislation. They include:

The United States Chamber of Commerce which calls for permission for teachers to deduct from gross taxable income reasonable costs for courses taken to increase their competence and professional position.

The National Science Teachers' Association which says the Federal Government can stimulate and assist in this area—opportunities for science teachers to update their knowledge of subject matter and techniques of teaching—by passing legislation to allow income-tax deductions for funds spent by teachers to take inservice and summer courses for self-improvement.

The National Education Association which believes that the Internal Revenue Code should be amended to establish a uniform policy granting tax exemptions for professional expenses.

It is, of course, axiomatic that if the youth of the country are to be well educated, we must have a well educated and well informed body of teachers. With summer school attendance becoming more and more costly, many teachers who would like to take additional instruction are financially unable to do so. The small relief provided by this legislation would undoubtedly enable some teachers to make these expenditures and would provide an incentive to others.

The annual revenue loss is estimated to be—at most—$18,372,374. The legislation does not involve any appropriations for increased salaries or subsidies or Federal control of any kind. It simply extends to teachers the even break they deserve. It is a positive step in the right direction that can be taken now to provide personal incentive to improve our teaching profession.

Everyone agrees that something must be done to help our schools. Here is a simple way to enable teachers to help themselves. This bill will end discriminatory practices against and provide incentive for the most overburdened and underpaid professional in our society: the American teacher.

The Financial Institutions Act

EXTENSION OF REMARKS
OF
HON. CLARENCE E. KILBURN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. KILBURN. Mr. Speaker, I am sure the Members of the House will be interested in the following insertion. It is part of a speech given by Senator A. WILLIS ROBERTSON, of Virginia, at a banquet of group 1 of the Virginia Bankers Association at Virginia Beach, March 8, 1958. I have selected the portions of Senator ROBERTSON'S speech which have to do with the Financial Institutions Act already passed by the Senate. A companion bill has been introduced in the House by the gentleman from Georgia [Mr. BROWN]. These bills are now before the House Banking and Currency Committee.

I hope all the Members will read Senator ROBERTSON'S clear and concise statement:

> As I stated in a speech before the State bank division of the American Bankers Association in Atlantic City last September, there is no group in the United States that is more interested in a sound economy and a stable dollar than our bankers. It was in recognition of that fact that I proposed in the summer of 1956 a review of our banking and credit laws and their codification.
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> That proposal resulted in a bill, designated as the Financial Institutions Act of 1957, which was passed by the Senate last March and which is now pending in the House along with a companion bill sponsored by Representative BROWN of Georgia.
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> These bills, unfortunately, have become the subject of misrepresentation and unfounded charges, including one that they are bankers' bills. To put the real facts on record, I want to review with you, briefly, the history of the Senate bill.
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> Virginia lawyers know how often the general laws of Virginia have been reviewed, new acts codified and published as a new code. Lawyers also know how often the criminal provisions of the United States Code have been codified and a few years ago the Congress codified the tax laws. But, strange to say, never in our history has there been a codification of the Nation's banking and credit laws. Prior to 1956 the banking laws had not even been reviewed since the passage of the Banking Act of 1935.
>
> So, in the summer of 1956, Chairman FULBRIGHT of the Senate Banking and Currency Committee authorized me to conduct a study on behalf of the committee of all the Federal statutes governing banks, savings and loan associations, and credit unions.
>
> All of the Federal supervisory agencies, namely, the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Bureau of Federal Credit Unions were asked to review their

statutes and submit recommendations for amendments. In addition, the Treasury Department, the General Accounting Office, and the Bureau of the Budget undertook similar studies.

Along with the help of the Government agencies, we also desired the views of private industry. In August 1956, an advisory committee consisting of leading experts representing all segments of the financial field was appointed to assist our committee.

Some critics of the bill have implied that there was something sinister about the advisory committee, and have said that it was terrible to have one. I have never been associated with a finer group of public-spirited men. They paid all their own expenses in connection with their committee work and did not receive any compensation from the Government. Each Senator on the Banking Committee appointed one member of the advisory committee, and the attempts that have been made to impugn the motives of the advisory committee are resented. It is experiences such as this that make private citizens reluctant to serve the Federal Government in any capacity.

In November 1956 our committee held hearings on the more than 180 amendments recommended by the Government agencies. In December 1956, the advisory committee submitted a report covering more than 200 different proposals.

After carefully reviewing all of the testimony and the recommendations made by the Federal agencies and the advisory committee, the able counsel of my subcommittee, Don Rogers, and I prepared what I announced to the press as a tentative bill which would be the basis for public hearings.

I deliberately eliminated from the tentative bill new policy issues and limited the controversial issues as far as practical to those which had previously been considered either by the Senate or the House but on which no final action had been taken.

This draft was printed as a committee print bill, and in January and February 1957 5 weeks of hearings were held on it. Testimony was received from the Government agencies, all the major financial trade associations, and all private individuals who requested to be heard. As a result of these hearings, the proposed bill was revised and amended and reported to the Senate as the Financial Institutions Act.

The Senate debated the bill for a week and adopted further amendments before it was passed late in March 1957.

There is no basis in this history to support a charge that this is a bankers' bill. It is true that the views of the financial industry were solicited—it would be foolish not to. However, we also solicited the views of the Government agencies and of every private individual who expressed an interest in the legislation. And certainly the United States Chamber of Commerce in endorsing the Senate bill was speaking for the business interests of the Nation and not just for bankers.

I do not suggest that this is a perfect bill, and I don't want to imply that I agree with every provision in it. There is room on some items for honest differences of opinion, as was brought out in the debate in our committee and on the Senate floor. But on the whole, the bill is a constructive one and in the public interest. Therefore, I object to anyone characterizing the bill as being dictated by any segment of private industry. To make such a charge is to impugn the integrity of every member of the Senate Banking and Currency Committee and the United States Senate—to say nothing of our splendid committee staff members who worked so faithfully on the technicalities involved.

Those who make the charge that this is a bankers' bill never mention the provisions that strengthen the powers of the banks' supervisory authorities. To mention just a few of these provisions: There is the prohibition against conflicts of interest by supervisory agency employees; the requirement for the disclosure of the identity of major stockholders; the authority to limit dividend payments by national banks; the strengthening of the procedure for the removal of bank officers and directors for unsafe and unsound practices; the strengthening of the procedure to terminate FDIC insurance; the prohibition against political contributions by insured banks; and many others. These provisions are specifically designed to give the Federal agencies authority to meet modern day problems and to better protect the depositors of our banks.

It has been charged that there are a great number of sleepers in the bill. I can assure you that the Members of the Senate were not asleep when they voted for the bill. It was given careful consideration.

Among items called sleepers was a provision permitting national banks to write insurance in cities of under 5,000 population. This statute has been on the books since 1916 and was not changed by the Financial Institutions Act. The extraordinary charge has been made that if this provision is continued in the law, it will put the jobs of 200,000 insurance agents in jeopardy.

How absurd. The statute has been in operation for over 30 years, and there are only 77 national banks writing insurance in cities under 5,000 population. This is just one example of the fantastic campaign of misrepresentation that has been waged against the bill. I am happy to say that the National Association of Insurance Agents has not been misled by this accusation and has filed a statement with the House Banking and Currency Committee stating that the association has no objection to the present law.

A great turmoil has been stirred up about another relatively minor provision of the bill. This amendment to the present statute regarding the maximum rate of interest that may be charged by a national bank consists of only one sentence, as follows: "The purchase of obligations or evidences of indebtedness from the actual owner thereof shall not for the purposes of this section, be deemed a loan or discount if such purchase would not, under the law of the State in which the purchasing bank is located, be deemed a loan or extension of credit subject to the interest or usury statutes of such State."

There is nothing mysterious about this language. It merely puts national banks on a par with State banks and is clearly in line with our desire to perpetuate a dual banking system. Yet it has been charged that this provision is "immoral" and would permit national banks to charge 50 percent interest. If those who made such charges would talk to our State bankers and their customers, they would find out how wrong they are.

It also has been charged that the bill would permit banks to make gifts, such as tickets to My Fair Lady and Cadillac automobiles, to their big depositors. This is really a bewildering accusation, because the bill contains exactly the same language as the present Federal Reserve Act concerning time and demand deposits. The irresponsible nature of these charges seems to have no bounds.

I am confident that H. R. 7026, by Representative BROWN, which to a large extent is the companion bill to S. 1451, will be passed and differences between the House and Senate adjusted in conference. It is constructive legislation to codify the banking laws so that bankers can get easy access to the rules under which they operate, and it is in the public interest to make the Federal supervision of financial institutions more effective while helping these institutions to meet the modern-day credit needs of our people.

Last, but not least, this banking legislation recognizes a vital principle of our Government—a dual banking system functioning within the framework of private enterprise. It contains no new encroachment of Federal powers over the rights of the States—a trend which I deplored in a speech at Virginia Beach last October.

Adapting Federal laws to meet modern-day demands without upsetting the delicate balance of powers between Federal and State units is essential if we are to preserve the unique system of government fashioned by our Founding Fathers.

I feel that the Financial Institutions Act is in keeping with that fundamental principle and merits the support not only of bankers but of all businessmen interested in the perpetuation of the American system of competitive enterprise privately financed.

Reciprocal Trade

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 10, 1958

Mr. DORN of South Carolina. Mr. Speaker, the reciprocal trade bill I am introducing today is the only reciprocal trade bill before Congress at this time. My bill will promote an increase in foreign trade on a truly reciprocal basis.

The following is an analysis of my bill which I believe an overwhelming majority of this Congress can support:

SECTIONAL SUMMARY

This bill spells out a declaration that the Congress seeks to restore reciprocal, mutually advantageous trade with friendly foreign nations in a manner which is consistent with a sound domestic economy, in harmony with broad aspects of our foreign trade policy, and also protects domestic agriculture, industry, and labor and benfits our national security.

Section 360 of the bill continues in effect existing rates of duty, including rates established by trade agreements. Even though existing trade agreements be canceled, there would be no automatic increase of such rates.

Section 361: The Tariff Commission is renamed and designated as the legislative agency to carry out the policy of the Congress. There is vested in it additional powers to carry out its duties as the legislative agent to whom the Congress has delegated the task of administering the provisions of the bill. The name of the Tariff Commission is changed to the Foreign Trade Board and the present Tariff Commissioners continue to be members of the Board.

This section of the bill also provides that the number of members of the Board shall be increased to seven and that members hereafter appointed to the Board shall be removable from office only by the Congress.

Section 362: This section sets out duties to be performed by the Board in carrying out the general principles of the bill so as to vest in the Board full responsibility to provide information by which the President shall be guided in negotiating trade agreements.

This section also establishes criteria by which the Board may determine whether a trade agreement would be reciprocal and beneficial to the United States and a foreign country. It also describes types of discriminations against the commerce of the United States.

This section further provides that the Board, rather than an executive department

agency, shall prepare a list of items on which it is proposed to negotiate a trade agreement with a foreign country.

Section 363 directs the Board to advise the President as to the extent to which duties and other import restrictions applied by foreign countries affect exports from the United States.

Section 364: This section establishes the principle that trade agreements shall be concluded on a bilateral basis with a foreign government as to any or all items of merchandise for which each foreign government is a principal supplier to the United States.

This section also utilizes provisions of existing law, modified in some respects, requiring public hearings to be held in connection with items which are intended to be included within a proposed trade agreement.

Section 365: This section continues the existing provisions of law defining domestic industry.

Section 366 is an entirely new provision of law in which the Board is directed to establish peril points. Criteria are set forth to guide the Board in making peril-point determinations prior to the negotiation of a trade agreement, including the establishment of quota limitations.

Section 367 is a modification of existing law as to application of reductions in rates.

Section 368 continues existing law limiting the term of a trade agreement to a period of 3 years, subject thereafter to termination upon 6 months' notice. It also requires that each foreign trade agreement concluded pursuant to provisions of the bill shall be reviewed periodically in order to determine whether the entire agreement continues to be truly reciprocal and mutually advantageous.

This section continues the provisions of the existing law insofar as the most-favored-nation principle is concerned. It amends existing law in that it spells out categories of discrimination against American commerce which nullify or impair the most-favored-nation principle. The enumeration and description of acts of discrimination represent a means of protecting our export markets as well as our domestic commerce.

Section 369. This section puts into law administrative practices which were followed prior to the proclamation of GATT. In bilateral agreements concluded under the Trade Agreements Act of 1934, several of these agreements contained provisions that either party could withdraw from the agreement, or modify its terms in the event that a third country became chief beneficiary of a concession contained in such agreements. The bill would establish this desirable administrative practice as a permanent policy objective of the Congress.

Section 370. This section substantially repeats the provisions of existing law concerning escape-clause remedies. It provides, however, that in instances where injury or threat of injury under the escape-clause provisions has been found to exist, that the President may not disregard such findings but injury or threat of injury shall be deemed to constitute a discrimination against domestic commerce.

Section 371 modifies existing law concerning products having a national defense or national security aspect.

Section 372 provides for "escape" relief, where a product involved has a national defense or security aspect.

Section 373 provides that existing trade agreements shall be reviewed in order to determine whether they conform to the policies and standards expressed in the bill for the conduct of our future reciprocal trade relations with foreign countries.

The section also provides that existing trade agreements shall also be reviewed in order to determine whether concessions made therein have destroyed or adversely modified the duty rate structure established in the Tariff Act of 1930, which recognized and provided for percentage differentials in rates of duty upon (a) a raw material, (b) a semiprocessed article produced in whole or in part from such raw material, or (c) a finished article or product produced by utilizing the semiprocessed item in whole or in part.

Section 374 provides that wherever a recommendation of the Board for concessions in duty or modifications of import restrictions be limited to a certain volume, that the President in his negotiations with a foreign country be required to limit such concession to permit imports to be admitted up to an amount equivalent to 5 percent of domestic production of like or directly competitive articles during a specified period of time.

The Alleged Inherent Right of the Executive To Withhold Information From Congress

EXTENSION OF REMARKS
OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. FASCELL. Mr. Speaker, for years the executive branch of the Government has encroached upon the field of lawmaking—all in the guise of inherent power.

Without constitutional direction, without statutory permission, without judicial sanction, the executive branch has slowly and surely introduced into our governmental structure a great mass of orders, rules and regulations designed to have the force and effect of law.

Upon occasion the President has even attempted to fashion law by letter, by press conference, or by mere oral communication. A particular example of this unusual lawmaking power came to light in our study in the Government Information Subcommittee of the Committee on Government Operations.

On May 17, 1954—during the Army-McCarthy hearings—President Eisenhower directed a letter to the Secretary of Defense concerning that Department's problems with supplying information to a Congressional committee, the Senate Committee on Government Operations.

In effect, he said to the Secretary of Defense: You will instruct employees of your Department that in all of their appearances before the subcommittee of the Senate Committee on Government Operations regarding the inquiry now before it they are not to testify to any such conversations or communications or to produce any such documents or reproductions.

This was a mere letter of instruction. Yet at a hearing before our subcommittee on November 14, 1956, that mere letter was construed by legal counsel in the Department of Defense as the law.

Specifically, we were told:

> Well, the May 17 letter is a statement of the law. I think you could analogize it to a decision of the Supreme Court. For example, the Supreme Court addresses itself to specific cases which are before it, but when it renders a decision on a specific case it enunciates law, and that law is relied upon by lawyers generally as an expression of what the law generally is.

The May 17 letter expresses the President's position with respect to a certain type of subject matter, and I do not think we could expect him to reinstruct us on each succeeding occasion once he had indicated what the position of the executive branch of the Government was to be (hearings, p. 1815).

Amazingly enough our subcommittee's hearing record indicates that this letter of May 17 has been cited by 19 agencies—House Report No. 2947, page 281—as authority for actions taken by other departments—other agencies. Similarly other committees of Congress have had this same letter, or the memorandum from the Attorney General attached to it, cited authoritatively about 11 times.

Why is this letter of May 17 cited so widely and so often interpreted as the law? We have been able to find no memorandum directing it to the attention of other heads of executive departments or executive agencies—hearings page 1821. It appears to be simply a letter to the Secretary of Defense.

But it was directed to departments and agencies we are told. Counsel within the Department of Defense explains:

> The very day it came out the whole matter was given publicity by a press release * * * the press release was transmitted throughout the Government (hearings, p. 1821).

A great deal of information is so informally communicated they say.

A letter—a press release—a writing from the President's Office—anything enunciating a principle is enough, we are told. "It is binding." In this particular instance the Defense Department attorneys tell us that it is bound by the President's letter of May 17, and its interpretations as expounded in a press conference of July 6, 1955, a letter from Sherman Adams to Hon. WILLIAM L. DAWSON on July 2, 1956, and a letter from Mr. Gerald Morgan to Mr. Clark Mollenhoff, of the Des Moines Register, on October 26, 1956—hearings, page 1830.

And so it appears that if the President chooses to enunciate a principle, it makes no difference how it is communicated, the Defense Department is bound by it—hearings, page 1831—other departments and agencies are bound by it—"it enunciates the law."

If we are to silently submit and not object to these methods and these interpretations of so-called binding law we are abdicating our legislative power vested in the Congress of the United States by the Constitution.

If we submit to this unqualified, unsupported, unfortified claim of "inherent power" in the Executive, the day will come when Congress will not have to come to Washington. The Executive will fully legislate as well as administer.

Therefore, my distinguished colleagues, I repeat what the House Government Information Subcommittee reported, and unanimously approved by the 30-member full Committee on Government Operations, in its report to the House in July 1956:

> The most flagrant abuse of so-called legal authority is the misuse of the May 17, 1954, letter from the President to the Secretary of Defense at the time of the Army-McCarthy controversy. Regardless of the questionable

legal basis of the Attorney General's memorandum on which the President acted, the letter was, by its very terms, a specific instruction to the Secretary of Defense for a specific purpose and to a specific committee of the Senate. It seems inconceivable that 19 Government departments and agencies would cite this letter as a shadowy cloak of authority to restrict or withhold information from the Congress and the public. This flimsy pretext of so-called legal authority only serves to demonstrate to what extent executive departments and agencies will go to restrict or withhold information.

The letters discussed are as follows:

THE WHITE HOUSE.

The honorable the SECRETARY OF DEFENSE,
Washington, D. C.

DEAR MR. SECRETARY: It has long been recognized that to assist the Congress in achieving its legislative purposes every executive department or agency must, upon the request of a Congressional committee, expeditiously furnish information relating to any matter within the jurisdiction of the committee, with certain historical exceptions—some of which are pointed out in the attached memorandum from the Attorney General. This administration has been and will continue to be diligent in following this principle. However, it is essential to the successful working of our system that the persons entrusted with power in any one of the three great branches of Government shall not encroach upon the authority confided to the others. The ultimate responsibility for the conduct of the executive branch rests with the President.

Within this constitutional framework each branch should cooperate fully with each other for the common good. However, throughout our history the President has withheld information whenever he found that what was sought was confidential or its disclosure would be incompatible with the public interest or jeopardize the safety of the Nation.

Because it is essential to efficient and effective administration that employees of the executive branch be in a position to be completely candid in advising with each other on official matters, and because it is not in the public interest that any of their conversations or communications or any documents or reproductions concerning such advice be disclosed, you will instruct employees of your Department that in all of their appearances before the subcommittee of the Senate Committee on Government Operations regarding the inquiry now before it they are not to testify to any such conversations or communications or to produce any such documents or reproductions. This principle must be maintained regardless of who would be benefited by such disclosures.

I direct this action so as to maintain the proper separation of powers between the executive and legislative branches of the Government in accordance with my responsibilities and duties under the Constitution. This separation is vital to preclude the exercise of arbitrary power by any branch of the Government.

By this action I am not in any way restricting the testimony of such witnesses as to what occurred regarding any matters where the communication was directly between any of the principals in the controversy within the executive branch on the one hand and a member of the subcommittee or its staff on the other.

Sincerely,

DWIGHT D. EISENHOWER.

OCTOBER 26, 1956.

MR. CLARK R. MOLLENHOFF,
Des Moines Register and Tribune,
National Press Building,
Washington, D. C.

DEAR CLARK: At the press conference on September 27, 1956, you asked the President whether all employees of the Federal Government, at their own discretion, can determine whether they will testify or will not testify before Congressional committees when there is no security problem involved.

In the President's letter of May 17, 1954, to Secretary Wilson, the President set forth the general principles that are to govern all employees in the executive branch concerning their testimony, or the production of documents, relating to their conversations or communications with, or their advice to, each other on official matters. In his press conference of July 6, 1955, the President further amplified the principles set forth in this letter as follows:

"If anybody in an official position of this Government does anything which is an official act, and submits it either in the form of recommendation or anything else, that is properly a matter for investigation if Congress so chooses, provided the national security is not involved.

"But when it comes to the conversations that take place between any responsible official and his advisers, or exchange or mere little slips, of this or that, expressing personal opinions on the most confidential basis, those are not subject to investigation by anybody. And if they are it will wreck the Government."

In so writing to Secretary Wilson, and in further amplifying these principles, the President was exercising a right which is his, and his alone, to determine what action is necessary to maintain the proper separation of powers between the executive and legislative branches of the Government. In the orderly administration of the Government, the head of each executive agency directs the manner in which these principles are enforced.

The underlying reasons for these principles are set forth in the President's letter of May 17, 1954. It is essential to efficient and effective administration that employees of the executive branch be in a position to be completely candid in advising each other on official matters. It is essential, if channels of information are to be kept open, that confidences among employees should not be breached.

It will continue to be this administration's policy to keep the Congress and the people fully informed of what is being done in the executive branch. An employee is not free merely to exercise his own discretion but in the final analysis information will be withheld only when the President or agency heads acting under the President's authority or instruction determine it is contrary to the public interest to disclose it.

All of the above, of course, is subject to the Executive order dealing with the classification of information in the interest of security, and to the various statutes and regulations of the department and agencies relating to information to be held in confidence.

I hope this answers your inquiry.

Sincerely,

GERALD D. MORGAN,
Special Counsel to the President.

THE WHITE HOUSE,
Washington, July 2, 1956.

HON. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations, House of Representatives, Washington, D. C.

DEAR MR. DAWSON: This will acknowledge your June 25 letter to the President about a book by Robert J. Donovan.

Your letter refers to minutes of the Cabinet and to verbatim reports of Cabinet meetings. Cabinet discussions are not so recorded. When the Cabinet acts on a matter, a memorandum is prepared. This is called a Cabinet record of action. Some of these memorandums relate to classified matters affecting national security; many do not. However, regardless of classification, all Cabinet actions constitute advice to the President. I cannot agree with your observation that the privileged nature of advice to the President is "dissipated" by the publication of Mr. Donovan's book, whatever it may concern.

Obivously, I cannot agree with the implication in your letter that your committee and its subcommittees may examine Cabinet records in instances where it is felt that certain information may not have been made available by department or agency officers.

Final official action taken by an executive department or agency on any subject is the very proper concern of Congress and the public. In this connection, the President's record for prompt and full publication of the business of his administration needs no elaboration. It has been, and shall remain, the purpose of this administration to keep Congress and the public fully informed of our actions and the reasons which underlie them.

It has, of course, been necessary on occasion, for reasons of national security, to give some of this information to committees of Congress on a classified basis. But in any event, the Congress and the public have been kept informed of the actions of this administration, and I can assure you, they will continue to be so informed.

It should also be borne in mind that the public interest demands orderly and efficient operation of the executive branch of the Government. This order and efficiency could not be maintained if officers and employees were not in a position to be completely candid with each other in discussing their official business. Therefore, while final actions of Government should be made known, it does not necessarily follow that the public interest is also served by divulging the discussions, recommendations, or advice of subordinates.

I note your reference to a passage in Mr. Donovan's book which apparently discusses a Cabinet meeting about the use of advisory committees. I am not familiar with the passage, and in any case would not presume to assess its accuracy. However, I can assure you that your interest in advisory committees commends itself to any department or agency making use of such committees. In any such instance, the responsible officers of the department or agency stand ready to answer the questions of your committee, and all appropriate committees of Congress, on whatever final action that department or agency may have taken.

This cooperation, as you are aware, is not limited to questions about advisory committees. I want to again assure you that on all official matters, each department and agency shall continue to give Congress and its committees the same cooperation, and the same information we have repeatedly given about final actions and the general reasons which underlie them.

Sincerely,

SHERMAN ADAMS.

Credit Where Credit Is Due

EXTENSION OF REMARKS

OF

HON. EDGAR W. HIESTAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 10, 1958

Mr. HIESTAND. Mr. Speaker, the American labor movement has suffered tremendously because of the actions of a few corrupt union bosses. Millions of honest, devoted union members have

been the biggest sufferers, first, because they are most conscious of corruption yet powerless to combat it; and, second, because it is their dues money which is used to feather the nests of the crooks.

It is fitting, therefore, that we pay tribute to some of the well-managed decent labor unions which are operated for the benefit of their members and the public at large, instead of being run to fill the pockets of the union bosses.

An outstanding example of a soundly operated union is local 11 of the International Brotherhood of Electrical Workers, AFL, which has a membership of just less than 9,000. It has four units in southern California; one in the Los Angeles Harbor area, one in downtown Los Angeles, one in the San Fernando Valley and one in the San Gabriel Valley.

Local 11 takes great pride in upholding good relations among the union, its members and their employers. Naturally, there are occasions when all do not agree, but usually some common ground can be found where problems can be resolved. The union is interested in the advancement not only of its members, but of the electrical industry as a whole and the Nation as a whole.

Local 11's internal affairs are exemplary. Every bill is approved by the executive board before being paid. A certified public accountant gives a quarterly financial report which is available for any member's inspection at any time. A summary of this report is posted on every bulletin board with copies of it in every district office where anyone can request and receive it.

Moreover, the international brotherhood gives a complete financial report in its Journal Quarterly which is mailed to all members.

In local 11 an election is held every 2 years. Balloting is secret. The polls are open from 7 a. m. to 7 p. m. in each district office. Judges and tellers are elected by the membership to conduct the election. The same method of voting is used as in civil elections, with booths and ballots.

Members take a sincere interest in their union's affairs. At the general meetings there is an average attendance of about 800. Officials estimate that between the general meetings and the unit meetings that somewhere between 2,300 and 2,500 of the members attend a meeting every month.

Local No. 11 feels a strong sense of responsibility to the public. The IBEW construction department has not had a major strike since 1922. There is a clause in the constitution which forbids any local union to strike without permission of the international office.

In 1923, the council of industrial relations was formally established in the IBEW. It is composed of six members representing the employers and six representing the union, and they come from various parts of the Nation so that a broad segment of the electrical industry is represented. The council of industrial relations considers any unresolved problems arising during negotiations if these problems cannot be decided locally. Decisions of the council are binding and none has ever been violated.

Locally, there is a joint conference committee set up to resolve minor grievances which arise because of differences in interpretations of agreements.

The organization has a pension plan which has been in effect for some 30 years. Both employers and employees contribute to the plan.

Local No. 11 publishes a newsletter to keep its members informed of union affairs and problems. It encourages the families of members to take part in union activities.

Contests for members—including families—with Government bonds as prizes, family picnics, sponsorship of youth activities and other community projects, apprentice-training programs with savings bonds and other awards for outstanding trainees, and information programs for all members, are among the many activities which local No. 11 promotes for the benefit of its members.

Local No. 11 is an outstanding example of a union which operates from the ground up, in behalf of the rank-and-file union man and his family. What a contrast this is to some unions, and especially to some union leaders whose performance and reputation are far more widespread.

SENATE

TUESDAY, MARCH 11, 1958

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, in whom alone is the strength of our hearts and the hope of our world: In this, our morning fellowship of prayer, we would bring our frail and faltering lives to the waiting resources of Thy grace. In the midst of events so colossal on the confused world stage, O God, who sittest above the flood of man's insanity, lift us into the only greatness we shall ever know, by using us as the channels of Thy purpose and intent. In these days of great peril and of critical decision, as we face powers of darkness which have not Thee in awe, save us from all shortsighted policies whose reaping may bring a harvest of horror for our children's children. Give us to know clearly and to follow faithfully the things that belong to our peace and to the peace of the whole world. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 10, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 6, 1958, the President had approved and signed the following acts:

S. 1568. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; and

S. 1714. An act for the relief of Roma H. Sellers.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, if it is necessary, in order to have the Senate dispose of the supplemental appropriation bill, I hope the Senate may be able to remain in session and to have yea-and-nay votes until at least 7:30 this evening.

Mr. President——

The PRESIDENT pro tempore. The Senator from Texas.

ORDER FOR ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PLANS FOR CERTAIN WORKS OF IMPROVEMENT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement in the States of New Mexico, New York, Oklahoma, and Wisconsin (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTION, DEPARTMENT OF THE AIR FORCE

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on research and development procurement action, for the period from July 1, 1957, to December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

REPORT ON REVIEW OF PROCEDURES FOR CANCELING PRODUCTION OF CERTAIN JET ENGINES IN DEPARTMENT OF THE AIR FORCE

A letter from the Comptroller General of the United States, transmitting, pursuant to

law, a report on review of procedures for canceling production of excess aircraft jet engines in the Department of the Air Force (with an accompanying report); to the Committee on Government Operations.

REPORT OF FEDERAL MEDIATION AND CONCILIATION SERVICE

A letter from the Director, Federal Mediation and Conciliation Service, Washington, D. C., transmitting, pursuant to law, a report of that Service, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

AMENDMENT OF HIGHWAY REVENUE ACT OF 1956

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend and supplement the Highway Revenue Act of 1956, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan, favoring Congressional action to repeal the excise tax on motor vehicles, to the Committee on Finance.

(See concurrent resolution printed in full when presented by Mr. MCNAMARA, on March 10, 1958, p. 3669, CONGRESSIONAL RECORD.)

INCOME TAX RELIEF FOR CERTAIN FARMERS—RESOLUTION

Mr. NEUBERGER. Mr. President, I have received a resolution from the Columbia Grange No. 867, of Hermiston, Oreg. This resolution favors income tax relief for those farmers whose income is less than $3,000 per annum. The Grange members propose this as another measure to help in the preservation of the family farm.

I ask unanimous consent that the resolution be appropriately referred, and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION FOR THE RELIEF OF CERTAIN FARMERS

Whereas the farmers of moderate means are known to be having a struggle to survive due to the instability of the markets, also to hazards not applicable, such as weather, to other occupations; and

Whereas it is imperative that, in order to maintain the family farms, some form of financial relief must be had: Therefore be it

Resolved, That we, the members of Columbia Grange No. 867, do hereby request that legislation be enacted whereby any farmer whose income is less than $3,000 per annum, shall be exempt from Federal income tax; however, be it further

Resolved, That any farmer whose income shall exceed $3,000 during any year shall be liable, at such time, for the entire Federal income tax regularly imposed; be it further

Resolved, That a copy of this resolution be forwarded to Senator WAYNE MORSE, Senator RICHARD L. NEUBERGER, and to Congressman AL ULLMAN.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 3408. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes (Rept. No. 1371).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

S. 3385. A bill to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments (Rept. No. 1372).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 3295. A bill to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act (Rept. No. 1373).

By Mr. CLARK, from the Committee on the District of Columbia, without amendment:

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia (Rept. No. 1375).

By Mr. CLARK, from the Committee on the District of Columbia, with amendments:

S. 3243. A bill to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia (Rept. No. 1374).

INCREASED EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 272) authorizing an increase in expenditures for the Committee on Foreign Relations, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the 85th Congress, $10,000, in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946, and Senate Resolution 152, agreed to July 3, 1957.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PAYNE (for himself, Mrs. SMITH of Maine, Mr. CASE of New Jersey, Mr. BEALL, Mr. HOBLITZELL, Mr. IVES, Mr. CHAVEZ, and Mr. ALLOTT):

S. 3447. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. BARRETT:

S. 3448. A bill to permit the Secretary of the Interior to fix the size of farm units on the Seedskadee Reclamation Project at more than 160 irrigable acres in certain circumstances; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 3449. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 3450. A bill for the relief of unemployment through the performance of useful public works, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. CHAVEZ when he introduced the above bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 3451. A bill for the relief of Grace L. Patton; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 3452. A bill to change the name of Hulah Dam and Hulah Reservoir, located on Caney River, a tributary of Verdigris River, to Lake o' the Osages Dam and Lake o' the Osages, respectively; to the Committee on Public Works.

RESOLUTION

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 272) authorizing an increase in expenditures for the Committee on Foreign Relations, which was referred to the Committee on Rules and Administration.

(See resolution printed in full when reported by Mr. GREEN, from the Committee on Foreign Relations, which appears under the heading "Reports of Committees.")

PROPOSED AREA ECONOMIC REDEVELOPMENT ACT

Mr. PAYNE. Mr. President, on behalf of myself, my colleague, the senior Senator from Maine [Mrs. SMITH], the Senator from New Jersey [Mr. CASE], the Senator from Maryland [Mr. BEALL], and the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. IVES], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Colorado [Mr. ALLOTT]. I introduce, for appropriate reference, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. The bill will be referred to as the Area Economic Redevelopment Act.

This bill is a proposed compromise distressed-areas bill, and represents a sincere effort to compromise the differences between the Douglas bill (S. 964) and the administration bill (S. 1433) in the light of recent economic developments.

It is imperative that early action be taken on this proposed legislation, and I am requesting the distinguished chairman of the Senate Committee on Banking and Currency [Mr. FULBRIGHT] to schedule this bill for early action by the full Banking Committee without reference to a subcommittee, in the same way

in which he recently handled the housing bill (S. 3418) within the committee. The same reasons for the emergency action on the housing bill are valid for similar action on distressed-area legislation.

I also ask unanimous consent that this bill may lie at the desk until noon tomorrow to afford any other Senators who so desire an opportunity to join as cosponsors.

The PRESIDENT pro tempore. Without objection, the bill will lie on the desk, as requested by the Senator from Maine.

Mr. PAYNE. Mr. President, I also ask unanimous consent that a more detailed statement which I have prepared on the Area Economic Redevelopment Act, a section-by-section comparison in table form of my bill with the Douglas bill and the administration bill, and the bill itself, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement, section-by-section comparison, and bill, will be printed in the RECORD.

The bill (S. 3447) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. PAYNE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement, comparison, and bill are as follows:

STATEMENT BY SENATOR PAYNE

This area economic redevelopment bill would provide a Federal program of assistance to those areas of the Nation which have consistently suffered from unemployment. These economically distressed areas, caught in the backwash of the onward rushing national economy of 1955 and 1956, are now left high and dry as the economic tide recedes. They need to be brought back into the mainstream of our national life, and it must be done soon or these communities will become ghost towns—their social, cultural and economic assets lost forever. But of more importance are the people—they cannot become ghosts with their communities. They remain unemployed and suffer all the hardships which accompany unemployment. These statistics on labor surplus areas which the Department of Labor delivers to us every other month represents workers—workers who cannot find work. One small area of Maine now has over 6,700 workers who cannot find work and is one of the hardest hit areas in the Nation. This area—Biddeford, Saco, Sanford—has been listed by the Department of Labor as an area of substantial labor surplus—meaning more than 6 percent unemployment—since March 1954.

This new legislation is designed to meet the deep-rooted economic problems of such areas by means of augmenting the outstanding, though many times inadequate, efforts of the States and local communities. It is aimed at providing assistance to enable such areas to achieve lasting improvements and to establish stable and diversified local economies through creation of new employment opportunities.

Specifically this assistance would be in the form of grants, loans, and technical advice to those industrial as well as rural areas which have suffered from high unemployment and continuing economic adversities. A revolving fund of $150 million would be created out of which loans would be made to local redevelopment commissions for rehabilitation and improvement of old industrial property and for the construction of new factories. An additional $100 million in loans as well as $50 million in outright grants would be made to distressed areas for construction of needed public facilities or the improvement of existing facilities. Technical assistance to local redevelopment agencies in the form of evaluating the needs and growth potentialities of areas is also included in this bill. Redevelopment areas would receive special priorities for Federal procurement contracts and for urban renewal projects. Special vocational training is provided to help workers learn new skills. Taken in its entirety, this measure brings the full power of the Federal Government to bear upon the national problem of chronic unemployment in scattered areas across the Nation.

This idea is not a new one. For 2 consecutive years the President has recommended passage of this type of legislation. Other similar proposals have been made in both Houses of Congress during the past 3 years. However, this new bill is drawn up in the belief that it offers the best possible program of assistance to economically distressed areas at this time.

While this program is oriented toward the needs of the many scattered areas of consistently high unemployment, it also provides a first-rate means of combating the effects of the current slump in the economy. The funds made available under this program will not be limited in their effects merely to the locality where spent but will aid other facets of the economy in other sections of the Nation. The loans and grants for construction work will alleviate local unemployment and give a shot in the arm to the various suppliers and manufacturers of building materials and equipment. Thus this measure can do double duty both as an aid to the chronically distressed areas and a measure to counter the economic effects of the current slump. As a member of the Senate Banking and Currency Committee I shall actively work for favorable consideration of this measure at the earliest date possible. This Nation cannot afford to waste its human resources, and it is up to the Congress to enact legislation to help put an early end to this waste.

Section-by-section comparison of Senator Payne's economic development bill with other 2 distressed area bills introduced during the 85th Congress

Provision	Douglas bill (S. 964)	Payne bill	Administration bill (S. 1433)
1. Title	Area Redevelopment Act	Area Economic Redevelopment Act	Area Assistance Act.
2. Declaration of purpose		Same as S. 1433	
3. Organization	A separate administration, such as Small Business Administration.	Within the Commerce Department with Administrator on level with Assistant Secretaries.	Same as Payne bill.
4. Advisory board	1. Cabinet-level advisory committee. 2. 12-man national public advisory committee from all walks of life.	1. Cabinet-level advisory board. 2. 25-man national public advisory committee from all walks of life.	Cabinet-level advisory board.
5. Redevelopment areas	1. Industrial areas with unemployment level: (a) 12 percent for 1 year preceding. (b) 8 percent for 15 of 18 months preceding. (c) 6 percent for 8 months of each of 2 years preceding. 2. Rural areas with low-income farm families.	1. Industrial areas with unemployment level: (a) 15 percent for 6 months preceding. (b) 12 percent for 1 year preceding. (c) 9 percent for 15 of 18 months preceding. (d) 6 percent for 18 of 24 months preceding. 2. Rural areas with low-income farm families, not to exceed 300 counties.	Areas where unemployment level: (a) Is 8 percent seasonally adjusted, and has been. (b) 8 percent for major portion of 2 years preceding.
Local redevelopment authority	Local committee appointed by Federal administrator.	Public or private agency approved by State or its instrumentalities.	Same as Payne bill.
6. Redevelopment loans	1. Revolving fund total: $200,000,000. 2. Maximum Federal participation: 75 percent. 3. Minimum State or local participation: 10 percent with maximum, 25 percent. 4. Minimum private participation: 5 percent. 5. Maximum period of loans: 40 years.	1. Revolving fund total: $150,000,000. 2. Maximum Federal participation: 50 percent. 3. Minimum State or local participation: 10 percent. 4. Minimum private participation: 5 percent. 5. Maximum period of loans: 35 years.	1. Revolving fund total: $50,000,000. 2. Maximum Federal participation: 35 percent. 3. Minimum State or local participation: 15 percent. 4. No private. 5. Maximum period of loans: 25 years.
7. Loans for public facilities	1. Revolving fund: $75,000,000. 2. Terms same as for redevelopment loans.	1. Revolving fund: $100,000,000. 2. Terms same as for redevelopment loans.	None.
8. Grants for public facilities	1. Annual appropriation: $50,000,000.	Same as Douglas bill	Do.
9. Funds for loans	Essentially technical outlining procedures for obtaining funds from Treasury.	do	Similar to Douglas and Payne bills.
10. Information	Other departments of Government shall provide information as necessary.	do	None.
11. Technical assistance	Annual appropriation: $4,500,000	Annual appropriation: $3,500,000	Annual appropriation: $1,500,000.
12. Powers of Secretary	Technical	Same as Douglas bill	Same as Douglas and Payne bills.
13. Termination of eligibility	Provides for termination of designation as redevelopment area.	do	None.
14. Procurement by Government agencies.	Provides distressed areas with priorities for Federal procurement contracts.	do	Do.
15. Urban renewal	Provides distressed areas with priorities for urban renewal projects.	do	Same as Douglas and Payne bills.
16. Urban planning grants	Provides distressed areas with priorities for planning grants.	do	Do.

Section-by-section comparison of Senator Payne's economic development bill with other 2 distressed area bills introduced during the 85th Congress—Continued

Provision	Douglas bill (S. 964)	Payne bill	Administration bill (S. 1433)
17. Vocational training	Provides special vocational training in distressed areas.	Same as Douglas bill	None.
18. Retraining subsistence payments.	Provides 13 weeks' subsistence payments to persons undergoing retraining.	do	Do.
19. Penalties	Technical	do	Same as Douglas and Payne bills.
20. Employment of expediters	Requires statement of expediters employed by local agencies.	do	None.
21. Annual report	Requires report	do	Same as Douglas and Payne bills.
22. Appropriation	Technical	do	Do.
23. Use of other facilities	Provides for use to be made of facilities of other departments.	do	Do.

Be it enacted, etc., That this act be cited as the "Area Economic Redevelopment Act."

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

AREA ECONOMIC REDEVELOPMENT ADMINISTRATION

SEC. 3. To assist areas in the United States designated hereinafter as Redevelopment Areas the Secretary of Commerce is authorized to take such action as may be necessary to carry out the provisions of this act. To assist the Secretary of Commerce (hereinafter referred to as the Secretary), there is hereby established within the Department of Commerce an Area Economic Redevelopment Administration. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Economic Redevelopment Administrator, who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this act as the Secretary may assign.

ADVISORY BOARD

SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this act, there is authorized to be created an Area Economic Redevelopment Advisory Board, hereinafter referred to as the Board, which shall consist of the following members, all ex officio: The Secretary, as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Labor and Treasury, the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of 25 members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such committee the Secretary shall designate a chairman. Such committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this act. Such committee shall hold not less than two meetings during each calendar year.

(c) The Secretary is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Secretary as redevelopment areas. Conferences convened under authority of this subsection shall consider with and recommend to the Secretary plans and programs with special reference to any such industry to carry out the purposes of this act.

REDEVELOPMENT AREAS

SEC. 5. (a) The Secretary shall designate as "Industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 15 percent of the labor force during the 6-month period immediately preceding the date on which application for assistance is made under this act, (2) 12 percent of the labor force during the 12-month period immediately preceding such date, (3) 9 percent of the labor force during at least 15 months of the 18-month period immediately preceding such date, or (4) 6 percent of the labor force during at least 18 months of the 24-month period immediately preceding such date.

(b) The Administrator shall also designate as "Rural redevelopment areas" those rural areas within the United States (not exceeding at any time 300 counties in the United States) in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Administrator shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

(c) In making the determinations provided for in this section, the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse, out of any funds appropriated to carry out the purposes of this act, the foregoing officers for any expenditures incurred by them under this section.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, for purchase of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time shall not exceed $150 million;

(2) Such assistance shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(4) No loan shall be made unless it is determined that an immediate participation is not available;

(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(6) No loan, including renewals or extension thereof, may be made hereunder for a period exceeding 35 years and no evidences of indebtedness maturing more than 35 years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of 10 years, will aid in the orderly

liquidation of such loan or of such evidence of indebtedness;

(7) Such assistance shall not exceed 50 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 percent of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder; and

(C) That in making any loan under this section with respect to an industrial redevelopment area, the Secretary shall require that not less than 5 percent of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

(8) No such assistance shall be extended unless there shall be submitted and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) Of the funds authorized to be raised under section 9 of this act, not more than $150 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 50 percent of the aggregate cost of the project for which such loan is made. Subject to section 12 (5), the maturity date of any such loan shall be not later than 35 years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-half of 1 percent per annum.

(c) In making any loan under this section, the Secretary shall require that not less than 10 percent of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan repayable only after the financial assistance provided under this section has been repaid in full, and, if such loan is secured, its security shall be subordinate to the lien or liens securing the financial assistance provided under this section. In determining the amount of participation required under this subsection with respect to any particular project, the Secretary shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Secretary may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public-facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public-facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Secretary, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Secretary, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Secretary shall by regulations provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) There is hereby authorized to be appropriated not to exceed $50 million annually for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this act, the Secretary may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $250 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Secretary shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act, the Secretary is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $3,500,000 annually.

POWERS OF SECRETARY

SEC. 12. In performing his duties under this act, the Secretary is authorized to—

(1) Adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and define their authority and duties, provide bonds for them in such amounts as the Secretary shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) Hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) Request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) Under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) Further extend the maturity of or renew any loan made under this act, beyond the periods stated in such loan or in this act, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) Deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this act;

(7) Pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this act. This shall include authority to obtain deficiency judgments or otherwise as in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) Acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this act;

(9) In addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this act;

(10) To such an extent as he finds necessary to carry out the provisions of this act, procure the temporary (not in excess of 6 months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) Establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this act, no further assistance shall be granted under this act with respect to such area and, for the purposes of this act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

PROCUREMENT BY GOVERNMENTAL AGENCIES

SEC. 14. Each department, agency, or other instrumentality of the Federal Government engaged in the procurement of any supplies or services for use by or on behalf of the United States shall—

(1) Use its best efforts to award negotiated procurement contracts to contractors located within redevelopment areas to the extent procurement objectives will permit;

(2) Where deemed appropriate, set aside portions of procurements for negotiations exclusively with firms located in redevelopment areas, if a substantial proportion of production on such negotiated contracts will be performed within redevelopment areas and if such firms will contract for such portions of the procurement at prices no higher than those paid on the balance of such procurements;

(3) Where deemed appropriate and consistent with procurement objectives, after the expiration of the period during which bids for any procurement are permitted to be submitted and if the lowest of such bids was submitted by a firm in an area other than a redevelopment area, negotiate with firms in redevelopment areas with a view to ascertaining whether any such firm will furnish the services or supplies with respect to which bids were theretofore submitted for an amount equal to, or less than, the amount of the lowest bid theretofore submitted for the furnishing of such services or supplies, and if any such firm can be found, award the contract for the furnishing of such services or supplies to such firm;

(4) Assure that firms in redevelopment areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified and on which small business joint-determinations have not been made, but whenever the number of firms on a bidders' list is exclusive, there shall be included a representative number of firms from redevelopment areas;

(5) In the event of tie bids on offers on any procurement, award the contract to the firm located in a redevelopment area, other things being equal;

(6) Encourage prime contractors to award subcontracts to firms in redevelopment areas; and

(7) Cooperate with other departments, agencies, and instrumentalities of the Federal Government in achieving the objectives set out in this subsection.

URBAN RENEWAL

SEC. 15. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA ECONOMIC REDEVELOPMENT ACT

"SEC. 112. (a) When the Secretary of Commerce certifies to the Housing and Home Finance Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5 (a) of the Area Economic Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Housing and Home Finance Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Housing and Home Finance Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110 (c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105 (b).

"(e) Following the execution of any contract for financial assistance under this sec-

tion with respect to any project, the Housing and Home Finance Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Economic Redevelopment Act.

"(f) Not more than 10 per centum of the funds authorized for loans under section 102 or for capital grants under section 103 shall be available to provide financial assistance under this section."

URBAN PLANNING GRANTS

SEC. 16. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": (1) are situated in areas designated by the Secretary of Commerce under the Area Economic Redevelopment Act as industrial redevelopment areas, or (ii)."

VOCATIONAL TRAINING

SEC. 17. (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining, for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided*, That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman and other job training needed in the locality.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 18. The Secretary of Labor shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing training for a new job. Such payments shall be made for a period not exceeding 13 weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

PENALTIES

SEC. 19. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security thereof, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this title, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 20. No loan shall be made by the Secretary under this act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of 2 years after any assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee of the Secretary occupying a position or engaging in activities with which the Secretary shall have determined involve discretion with respect to the granting of assistance under this act.

ANNUAL REPORT

SEC. 21. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this act for each fiscal year beginning with the fiscal year ending June 30, 1959. Such report shall be printed, and shall be transmitted to the Congress not later than January 3, of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

APPROPRIATION

SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

USE OF OTHER FACILITIES

SEC. 23. (a) To avoid duplication of activities and minimize expenses in carrying out the provisions of this act, the Secretary shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act. This act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

PROPOSED PUBLIC WORKS ACT OF 1958

Mr. CHAVEZ. Mr. President, I introduce, for appropriate reference, a bill for the relief of unemployment through the performance of useful public works, and for other purposes.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3450) for the relief of unemployment through the performance of useful public works, and for other purposes, introduced by Mr. CHAVEZ, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. CHAVEZ. Mr. President, the bill which I am introducing is designed to develop a program of public works in the field of rivers and harbors, navigation and flood control, irrigation and reclamation, forest roads and trails, park roads, watershed protection works by the Soil Conservation Service and Forest Service, sewage and waste treatment and sewage collection systems, public buildings, including both those under the jurisdiction of the General Services Administration and the Post Office Department.

I have not included the highway program for the interstate, primary, and urban systems since this is being currently discussed by the Roads Subcommittee of the Public Works Committee.

I am proposing an accelerated 5-year program of works in the fields I have mentioned. The total program would amount to about $14,219,000,000, with $2,788,000,000 for fiscal year 1959. I propose $2,829,000,000 for fiscal year 1960; $2,899,000,000 for fiscal year 1961; $2,874,000,000 for fiscal year 1962; and $2,829,000,000 for fiscal year 1963.

I hope that we can develop a consistent and uniform public-works program so that there can be an efficient utilization of funds and development of resources. I cannot think of anything more inefficient than a program of construction work which involves starts and stops.

I do not wish to convey the implication by introduction of this bill that we can expect the present unemployment problem to continue for 5 years, but I

should like to see a program of work developed which would result in the best utilization of every dollar spent in our country on projects which would strengthen our economy and be of a permanent nature. I do not suggest a crash program, but a uniform program to develop our resources and provide necessary public buildings and water treatment works.

CONTRACT AUTHORITY

Mr. President, the Public Works Committee has held hearings on Senate Concurrent Resolution 68 which would accelerate the spending of available funds. There is another source of funds which can be used to combat recession. The Highway Act gives contract authority to the Park Service, Indian Service, Forest Service, and other agencies to enter into construction contracts.

I have called upon the Budget Director to make immediate use of this authority so that every available source of existing authority will be used.

In order that all Senators may be informed as to the steps I have taken, I ask unanimous consent that my letters to Budget Director Brundage and Secretary of Agriculture Benson be printed in the RECORD.

There being no objection the letters were ordered to be printed in the RECORD, as follows:

MARCH 11, 1958.

MR. PERCIVAL BRUNDAGE,
Director, Bureau of the Budget,
Washington, D. C.

DEAR MR. BRUNDAGE: I am gratified at the announcement that the spending of funds already appropriated will be accelerated in order to help reduce unemployment. There is one other avenue which I think should not be overlooked. The Public Works Committee has given various agencies contract authority. This year the Budget requested that there be a rescission of this authority as a rider to the appropriation bill for the Department of the Interior and the House declined to do so. In the case of the Forest Service the contract authority has never been used. This has been under discussion in our committee and we are concerned that full use has not been made of this method. In view of the desire to accelerate programs evidenced by the executive branch it seems to me that complete use of contract authority qualifies as a method to be used to the fullest extent.

I wish to know the various amounts of contract authority unused and available which could be applied immediately. I also desire to know your plans for immediate use of these authorities. Will you present to the Committee on Public Works and to the Committee on Appropriations a tabulation showing these data and a statement of how these funds could be used and your plans to insure immediate use of this authority?

A reply by March 15 is desired.

Sincerely,

DENNIS CHAVEZ,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
March 11, 1958.

HON. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: The Federal Highway Act authorizes agencies to utilize contract authority in the construction of needed roads. All of the agencies granted this authority, with the exception of the Forest Service, have used it. As you well know, we have before us various proposals to accelerate selected Federal programs to curb rising unemployment. One device that has been used by the executive branch is to release funds placed in reserve in fiscal year 1958.

It is my understanding that there is currently $5,914,000 of the authorization provided for forest-development roads and trails in the 1956 Highway Act, which could be utilized at once by application of the contract authority.

As chairman of the Senate Committee on Public Works, it is my desire to see every authority granted by the Congress used to the utmost to combat the recession now imposing severe hardships on many of our people. I, therefore, call upon you to take the necessary steps to place the balance of the authorization under contract so that immediate benefits may be secured. One project, known as the Scenic Highway near Las Vegas, N. Mex., costing only $231,000, would be most helpful in not only developing that area, but also in providing gainful employment to the people. I am sure that in many places of critical unemployment there are other equally meritorious projects that could be started now.

I would appreciate your advice by March 15, 1958, of the steps which you have taken to utilize now the authority granted to you by law.

Sincerely,

DENNIS CHAVEZ,
United States Senator.

Public Works Act of 1958

[In millions

Agency	1959	1960	1961	1962	1963
Corps of Engineers: Rivers and harbors and flood control	$875	$900	$900	$850	$800
Department of the Interior:					
Irrigation and reclamation	200	200	250	250	225
Small irrigation projects	10	10	10	10	5
National Park Service	50	50	50	50	50
Bureau of Indian Affairs	30	30	30	30	30
Department of Agriculture:					
Watershed programs	53	69	89	114	149
Forest roads and trails	100	100	100	100	100
Forest improvements	100	100	100	100	100
Department: Public Health Service:					
Sewage and waste treatment	100	100	100	100	100
Sewage collection systems	300	300	300	300	300
General Services Administration:					
Public building construction	500	500	500	500	500
Repair of public buildings	120	120	120	120	120
Post Office Department:					
Construction of post office buildings	250	250	250	250	250
Repair of post office buildings	100	100	100	100	100
Total	2,788	2,829	2,899	2,874	2,829

Yearly totals:	
1959	$2,788
1960	2,829
1961	2,899
1962	2,874
1963	2,829
Total	14,219

AMENDMENT OF FEDERAL-AID ROAD ACT OF 1916—AMENDMENT

Mr. KERR (for himself and Mr. MONRONEY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3088) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways, which was referred to the Committee on Public Works, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. CAPEHART submitted amendments, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC. PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GREEN:

Address delivered by him at dedication of Navy pier, United States Naval Construction Battalion Center, Davisville, R. I., March 5, 1958.

By Mr. YARBOROUGH:

Address delivered by him at the seventh annual Jefferson-Jackson Day dinner at Baltimore, Md., on March 8, 1958.

THE RECESSION AND A TAX CUT

Mr. CARLSON. Mr. President, the main topic of concern in our Nation—and I believe it can be truly said among the nations of the world—is the business recession in the United States.

Many proposals are being advanced for steps to be taken in order to stimulate employment and pump money into our economy, and thus again increase our gross national product.

It is only natural that in a period such as this, we should review recessions or depressions of the past, in order that we may know how to deal with the present one.

Credit is being eased through the Federal Reserve, Federal spending in several areas is being proposed, and an increase in the funds for unemployment compensation and a tax reduction are among the suggestions being offered.

I would remind the Senate and those who believe that this recession seems to follow the pattern of the 1949 and 1954 periods, that in both of those instances Congress acted with dispatch in dealing with the depression by giving a tax reduction.

In 1949 taxes were reduced—and, I should mention, that was done over President Truman's veto. That tax reduction was a leading factor in bringing about a $21 billion increase in the gross national product within 6 months, and that occurred before the outbreak of the Korean war.

In 1954 taxes were also reduced very sharply, and the Federal Reserve Board made credit easier. Again there was an increase in the gross national product—one of $54 billion between 1954 and 1956.

I think it is the obligation of Congress to give serious consideration to every proposal that is offered to halt this recession; but I suggest that if we base our actions on the history of depressions, we shall give every consideration to a tax cut. One sure way to stop the recession is to cut taxes.

There are many proposals for cutting taxes, and each of these would affect our economy in different ways. Therefore, I think it is essential that we give consideration to the proposals which would give immediate relief in the present situation.

In the March 7 issue of the Des Moines Register there appeared an editorial entitled "Recession Can Be Stopped." I call the editorial to the attention of the Senate, and I ask unanimous consent that it be made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RECESSION CAN BE STOPPED

Prof. Gustav Cassell, of Sweden, said many years ago that any country could get out of a depression if it just waited long enough—until sufficient industrial plant and equipment had rusted out and worn out. Then, he said, capacity would fall short and a reinvestment advance would begin, enlarging incomes, and pushing the economy upward.

Cassell didn't recommend this policy. He was an early advocate, even before John Maynard Keynes of England, of government spending and taxing policy to stabilize the economy. Under his leadership, Sweden had a successful economic stabilization policy long before most Western governments began to assume such responsibility. The United States did not adopt its Employment Act, assigning such responsibility to the Federal Government, until 1946.

Today, no modern government dares fall back on the archaic natural remedy for depression. Democratic governments cannot stand idly by as unemployment mounts.

The United States is now in a recession which has been gathering impetus for several months. The first signs of it appeared in the middle of 1957. Some leading Government and private economists thought that the Federal Government should start acting as early as last August. Among these was Arthur Burns, the former Chairman of the President's Council of Economic Advisers. Burns differed with the Federal Reserve Board on money policy—that is, he thought credit should have been loosened earlier than it was.

The Federal Reserve Board and the Eisenhower administration are worried about overdoing recovery measures and thus bringing on a new burst of inflation. This is the reason why the administration has not yet recommended a tax cut nor proposed anything more than a mild step-up in public works spending. The President and his advisers are counting on somewhat larger defense spending to pull the country out of the slump.

Those who take the cautious view about antidepression measures believe that the 1958 recession is shaping up much like the recessions of 1949 and 1954. These downswings were moderate and recovery was quick. Here is a table showing the changes in the gross national product (GNP) in these recessions, compared with the figures for the current dip. The GNP is the total value of production of goods and services at current prices.

	GNP in billion dollars at annual rate
1949 recession:	
4th quarter 1948	264
1st quarter 1949	256
4th quarter 1949	255
2d quarter 1950	276
1954 recession:	
2d quarter 1953	370
4th quarter 1953	364
1st quarter 1954	358
4th quarter 1954	364
1958 recession:	
3d quarter 1957	439
4th quarter 1957	433

A study of the major components of the GNP leads many economists to believe there will be a leveling off, or perhaps a small pickup in the second quarter of 1958. But this is only a guess, and in the present critical stage of the recession, a change in consumer and business spending plans could turn the economy farther downward.

Even if a leveling off does occur, this would mean that the economy was failing to make sufficient progress to maintain full employment. Suppose the GNP measures $439 billion (annual rate) next quarter. This would be $16 billion less than would have been produced if the progress of the last few years had been maintained (not counting the rise in prices).

Since the size of the work force is continuing to grow, this would mean a further increase in unemployment. Arthur Upgren, professor of economics at Macalester College in St. Paul and one of the country's leading economists, figures that a leveling off in 1958 would mean about 2½ million more unemployed this year.

What can be done about it? Those who are comparing this recession with 1949 and 1954 may have forgotten that the Federal Government acted promptly and vigorously in both these instances.

In 1949 taxes were reduced (over President Truman's veto). This was a leading factor in the rise in GNP of $21 billion in 6 months—and entirely before the outbreak of the Korean war. Tax revenues actually increased, despite the lower rates, because business picked up so fast.

In 1954 taxes also were reduced sharply, and the Federal Reserve Board made credit easier. Again tax revenues increased as economic activity expanded. GNP increased by $52 billion from 1954 to 1956.

In both these recessions, therefore, quick tax reduction was effective, and it cost less than nothing, because total revenues rose substantially.

Government antirecession policy is a very inexact and clumsy science so far. Yet there are a few things which have been learned in recent years in keeping United States recessions small. One is that prompt tax reduction is effective.

If tax reduction is postponed too long, it will be necessary for the Government to pull more drastic antirecession tools out of the bag. Spending for public works would have to be stepped up sharply. As the recession deepened, the difficulty of pulling the Nation out of the doldrums would increase.

For this reason, it is much better to err on the side of inflation at this stage of the recession (and considering our limited experience and knowledge about stabilizing the economy) than to wait and let unemployment grow. The methods may be crude, but we do know how to keep a recession from advancing. Tax cuts in time may do the job. They ought to be tried soon before more radical measures become necessary.

THE ECONOMIC RECESSION

Mr. SMITH of New Jersey. Mr. President, the other day I read an interview with a resort hotel operator who claimed he was feeling the effects of the recession. He turned down 500 reservations every weekend last year, he said, but now he is turning down only 400. A gloom-and-doom statistician could claim that that hotel is suffering a 20-percent recession.

I am not contending that hotel conditions are a proper measurement of the Nation's economy, but I was intrigued by the illustration. It suggests, I think, that we need a more truly national perspective on the business recession than we have been getting.

It is meaningless to talk about recession unless we consider what the economy is receding from, and where it stands in relation to the past. At the present time it is receding from the highest peak in our economic history; and even now it remains at a record high, compared to the level of previous years.

Let us consider the gross national product, a prime national economic measurement. In 1956, it averaged a record $415 billion.

The rate in the fourth quarter of 1957 was about $433 billion—which represented a drop of $6 billion from that of the third quarter of the year.

Figures are not yet available for the gross national product in the first quarter of 1958. For the sake of discussion, however, let us suppose that the rate drops another $6 billion. This would put the national economy in the position of a man who made $415 per pay period a year ago, received a raise of $24 6 months ago, and has just had $12 of it eliminated. He still makes $12 more per pay period than he did a year ago. Let us remember that this is the same man who was making $345 per pay period when the Eisenhower administration took over. So even with his pay cut of the past few months, he is still making $76 more each pay period than he did then.

He has not had to endure war to reach this high plateau. Furthermore, he has the word—and actions—of his President, and the opinion of the Nation's leading economic specialists, that the $12 pay cut will soon be more than restored.

I am not trying to belittle the unemployment figures; they definitely show more unemployment than usual, even at this normally slow time of year, when weather affects a number of major industries. Of course, the big storm which occurred recently has caused some difficulties.

However, the administration is fully alert to the situation, and is moving to insure a speedy upturn, through increased Federal expenditures for things

the Nation needs, through relaxed credit, and through programs designed to spur private economic activity. More such activities are in readiness or are under preparation for use if needed later. Recently we have heard a great deal of discussion on this matter on the floor of the Senate, from Senators on both sides of the aisle.

The point I am making is one I have repeatedly stressed in remarks on the Senate floor during the last 4 weeks; namely, that there is no justification for panic, and there is no basis for politically inspired fears of a depression. The underlying forces of American economic strength, such as the size of the gross national product and the continuing record level of personal income, remain essentially sound.

The fact is that the confidence of our people is not impaired, despite the ill-advised partisan pessimism manufactured for political purposes. This confidence is clearly reflected in the figures for home construction, one of the basic areas of economic activity.

Home construction is continuing at a rate of over 1 million units annually. People who are convinced that the country is in danger economically do not commit themselves to long-term housing mortgages. I, myself, went through the experience once.

The PRESIDENT pro tempore. Under the 3-minute limitation, the time available to the Senator from New Jersey has expired.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, I think the downturn in economic activity would well be described as a breathing spell occurring after 5 years of sustained growth and capital investment at the greatest rates in history—even surpassing wartime spurts.

The administration has moved, and will continue to move, to make certain that our economy will not stand still, and that more jobs will become available for our ever-increasing population and work forces.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, two articles published recently in the Washington Star and in other newspapers throughout the country. Both are parts of a survey of the economy by the Associated Press. One, which appeared in the Star of March 4, describes the recession as a sideslip, not a tailspin. The other, published in the Star of March 6, emphasizes the strong points in the Nation's economic health.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 4, 1958]

RECESSION IN AMERICA: ECONOMIC MOVE CALLED SIDESLIP, NOT TAILSPIN

(By Norman Walker)

Take a pencil and a map of America. Draw a line down the west coast, another under the Great Lakes, and a third down the Atlantic coast from Maine to the Carolinas.

You have marked off the main trouble spots in America's ailing economy. They cover the country's greatest manufacturing centers, the areas with the heaviest populations, and thus the most politically important.

The rest of the country is beginning to feel the pinch, but it is not too bad.

Even in the troubled areas, business is still thriving in many respects, gliding along on the momentum of America's fabulously rich and diverse economy.

SIDEWISE MOVEMENT

"Progress is sidewise, not going up or down," said President Lee Miller of the Citizens Fidelity Bank & Trust Co., Louisville, Ky.

It is important to remember our patient—business—is still lusty and active with the greatest potentialities in history. Ailing, sure, but not down on his back.

Measured in income, profits, employment, and production he has slipped back only a few notches from record achievements even for the world's leading nation. But he has been accustomed to constant success.

"We were living in a fool's paradise thinking business would keep going on up," says Holmes Whittemore, general manager of Jones & Lamson Machine Co., at Springfield, Vt.

But will our economic patient get well on the dose of aspirin and rest prescribed by President Eisenhower? Or is he getting worse and needing a stronger remedy?

This is the key problem in Washington and many State capitals, facing mounting demands for stronger emergency pump-priming measures.

PEOPLE CALLED REALISTIC

A comprehensive survey by the Associated Press reaching down into the grassroots of America shows that people are facing the situation with a hardheaded attitude. They are neither discouraged, nor particularly optimistic.

They see 1958 as a year of trial and trouble, but are remarkably unanimous in confidence that our current economic stumble will somehow straighten out and lead to new high plateaus in 1959 and 1960.

Data collected from coast to coast suggests a buyer's market. Down at Chattanooga, Tenn., it's tough selling power lawnmowers in January snows, yet L. B. Jackson's hardware store got terrific response from a cutrate sale. He sold 100.

"And I don't recall ever selling one before in January in the dozen years I've been at the store," said Mr. Jackson.

Many businessmen feel it's time for more vigorous merchandising, fancier packaging, aggressive selling. One of those is John P. Coleman, planning director of the General Aniline & Film Co. (Ansco), who calls it a "do-it-yourself" economy for business.

LITTLE PRICE CUTTING

Yet the AP survey reflects little disposition to cut prices at this stage. Living costs are staying right at record levels.

And many citizens, especially the army of perhaps 5 million unemployed, are curbing buying habits, drawing in their horns, getting along on hamburger instead of chops and steak, making the car and topcoat do a while longer.

People still have money to spend; retail sales in January hit $15.5 billion, up 1 percent from December on a seasonally adjusted basis.

Gross buying power is holding up, even though the number of customers is dwindling.

The Commerce Department reported personal income stayed in January at the high December level. But it reflected an unusually heavy distribution of year-end dividends.

In fact, the annual rate of wage and salary payments has dropped by $5 billion since August.

INDUSTRY SORE SPOTS

Just as you can pinpoint the trouble spots on the map, you can single them out by industry.

In manufacturing it's primarily aircraft, autos, construction, electrical manufacturing, men's clothing, and the chronically receding textiles industry.

Beyond this are the sorely hurt great raw material industries—steel, down to 52½ percent of operating capacity; coal, copper, aluminum, and lumber. Losses of freight from these industries have pinched their hauler, the railroads.

Construction, one of the first industries to feel the recession, is beginning to pick up again. Tight interest rates which discouraged building have been loosened somewhat. As a result, January hit a record $3.3 billion, 3 percent above a year ago. Even home construction is showing improvement.

But the oil industry is hurting. Domestic production built up for export during the Suez crisis is hard pressed now to find markets. Texas crude output dropped in 1957 for the first time.

Inevitably, regardless of what happens from here on out, the relatively still-prospering areas in the Midwest, South, Southwest, and Western Plains States will be dented from what is happening in the factory centers, mines, and mills. They are at the other end of the production line.

The Plains States—coming out of a long period of bad times in wheat and cattle from the long drought that was broken last spring—are happy and encouraged—provided beef prices hold.

Industry is beginning to scrounge for orders, meanwhile cutting inventories. The Commerce Department estimated unfilled orders amounted to $51 billion at the start of 1958, well down from the $64 billion a year earlier. Business faces a dwindling market abroad as well as at home. Exports hit a record $20 billion clip in 1957, but a spokesman for the Government's Foreign Trade Council of Businessmen predicts a 10 percent decline this year.

Some businessmen, tolerant of foreign competition in the good years, are getting a bit huffy about it now and dreaming of higher tariffs. This is true in the steel and copper industries, among others.

INDUSTRY EXPANDING

Despite its troubles, industry still is expanding, even though it can't use all the production capacity created in recent years. Money being spent on new plants and equipment is running at a $35.5 billion annual rate during the first quarter of this year, down only about $2 billion from the peak rate of the third quarter of 1957.

The new plants are more efficient, need fewer workers. And the unemployed workers are idle as customers as well. The fact that those still employed are working only an average 38.7 hours a week means their earnings and buying potential are less.

It looks like United States capacity to produce has, at this moment of history at least, outstripped the capacity to consume.

[From the Washington Evening Star of March 6, 1958]

RECESSION IN AMERICA: SOME AREAS OF NATION BARELY FEEL THE SLUMP

(By Norman Walker)

"Business is no good," says the operator of a big hotel on the Las Vegas gambling strip. "Last year we were turning down 500 reservations every weekend. Now we're only turning down 400."

Which helps prove that even with the troublesome recession the country is experiencing, there are bright spots. And the en-

couragement isn't only on the Las Vegas dice tables.

It's reflected in the optimism in the long-depressed farm areas.

You also see it in the hopes of builders with spring weather coming and the freeze on building money credit thawing.

You find buoyancy, too, in the boom towns near missile bases like Cape Canaveral, Fla., and Redstone Arsenal at Huntsville, Ala., the Government's vast atomic works in New Mexico, and the missile fuel factories in Texas.

SOME AREAS NOT HURT

It's apparent in many areas across the land which have barely felt the recession and report business as good or better than their top levels of prosperity, or only a little off.

The same search by Associated Press newsmen that turned up the gloomy economic facts of life in the jobless areas of Michigan, Pennsylvania, and California also brought glowing accounts of conditions elsewhere.

President Eisenhower isn't the only one with a chins-up outlook. Take Bob Conroy, 38, one of Detroit's jobless army. He and his wife both lost their jobs in early December. They and their 2 children are living on hopes, State jobless benefit payments and 2 basement freezers filled with food.

"We're living," said Mr. Conroy. "We'll get along. I think in a few months something ought to happen. I got a deer during the hunting season last fall and froze the carcass. That's helped."

BOOM IN WEST FLORIDA

In Florida, where migrant field hands idled by the crop freezes are being fed in soup kitchens, business is booming on the State's west coast. There has been an influx of plant construction workers and "snowbirds," the winter vacationers from the North.

Miami Beach, with temperatures back to the normal 70°, has been bidding hard to recoup some of its lost winter tourist business.

A whole trainload of hay balers, 600 of them, was recently sold in eastern Kansas and western Missouri.

A survey of 444 firms by the chamber of commerce at Buffalo, N. Y., showed 84 percent expect business to equal or exceed last year. About one-fourth expect to expand employment this year.

SEE NO BIG DEPRESSION

There's an almost unanimous view the country isn't headed for a major depression.

In Chicago, Robert C. Tyson, finance chairman of United States Steel Corp., said two factors alone should prevent any repeat of 1929. Then, he said, we had a highly speculative stock market financed on thin margins with borrowed money. Now, he said, the bulk of stock market holdings are self-financed.

Mr. Tyson's second reason: "Home mortgaging practice has shifted from lump sum, short maturity loans, to monthly amortized, 20- to 30-year obligations, more like rent. Much of the debt is also guaranteed or insured by the Government."

Other businessmen now are paying tribute to the unemployment compensation part of the social security system. An $8 billion insurance pool is being tapped by the nearly 5 million jobless to make sure they don't starve or go homeless. This keeps them in the market as buyers, to some extent, at least.

Also, for those rightly worried about the present shortage of jobs, particularly in the Nation's factories, there is the encouraging word from many economists that we are really headed for a labor shortage in a few years—that there will be plenty of work and pay for all.

Louisiana reports: "Almost everyone is living high on the hog here." Texas reports its bustling gulf coast industries are going full blast. South Dakota says its bank deposits topped $300 million for a record.

TWO IMPROVING AREAS

It's odd, but two of the sectors that worried the economists most last year—farming and construction—now are improving and carrying much of the hopes for pulling the country up again.

The big story in farming is the broken drought. The wheat and cattle farmers in Kansas, Iowa, Idaho, Missouri, Nevada, New Mexico, Oklahoma, and the Dakotas have stars in their eyes again.

Nebraska, coming out of a bumper crop year after a series of bad ones, counted a 43 percent hike in crop dollar values which gave the State's farmers $200 million more to spend.

Construction, a laggard in 1957, is looking up. Various Government moves have eased money availability.

Home builders in many areas started clearing sites even before early February snows melted away, getting ready for cement pouring, bricklaying, plastering.

George Yamini, Dallas developer, reported sale of 62 lots in 1 week for $14,000-up homes, said it was due to more liberal credit. Tyler, Tex., expects $30 million to be spent this year in expansion, repairs, streets, and highways.

DEFENSE WORK GROWING

Revived defense work is beginning to show up. For example, construction is starting on a new $65 to $100 million missile base at Cheyenne, Wyo.

Threaded through the AP's survey data are strong suggestions of the mobility and fluidity of the labor force. Workers can and do adjust to other jobs—go elsewhere looking for work.

The electrical manufacturing industry generally has been hurting. People more or less ran out of money to buy home appliances, TV sets, and so forth. But the electronics end of the industry is beginning to pick up again with renewed defense spending. And withdrawal of small appliances from fair trading by several firms may help sales.

A group of electronics makers in the San Francisco Bay area are particularly optimistic. "We have had no layoffs and are starting to hire engineers again," says H. Myrl Stearns, president of Varian Associates, Palo Alto.

Arkansas, like most Southern States, is working overtime trying to lure in new industries. There have been some spotty layoffs, but Southern States are still on the plus side of the economic ledger.

CONFIDENCE IN SOUTHEAST

The confidence that the growing Southeast will continue its steady economic growth is seen in the comment of an Arkansas State official:

"There's only one catch right now; the new plants are coming—they're just not here yet."

If you want to look on the bright side, consider that baby sitters are easier to get. Ditto guys to shovel snow off your driveway.

Living costs still are soaring at record levels. But there's some encouragement here, too. Raw material prices have sagged, for such things as rubber, metal, hides, wool, gasoline, fuel oil, and lumber. Government economists predict sooner or later this will drift into the retail level as lower consumer prices.

In southern Wisconsin the town of Monroe calls itself America's swiss-cheese capital. Here's another industry that's been in the doldrums. But milk prices paid to the farmers and the price of the Swiss product are not shot through with holes any more. So Monroe is one of Wisconsin's bright spots.

Mr. SMITH of New Jersey. Mr. President, I am glad to add these observations to the recent discussion, because I believe we must have a picture of where we are from the standpoint of the economic figures.

ARMS IN THE HEMISPHERE

Mr. MORSE. Mr. President, the Washington Post of March 8 carries the reply to Drew Pearson's column of March 5 from Ambassador Luis Quintanilla, of Mexico. Since I placed the Pearson column in the CONGRESSIONAL RECORD, it is only fair that I now have printed the response from Ambassador Quintanilla, and I ask to have it printed in the body of the RECORD.

There being no objection, the reply was ordered to be printed in the RECORD, as follows:

ARMS IN THE HEMISPHERE

I was greatly shocked when I read Drew Pearson's article of March 5 entitled "Disarming Idea Irks Latin-American Chiefs"; not because of the article in itself, which is Mr. Pearson's own responsibility, but because in it I found an inaccurate report of facts and a completely false quotation of words attributed to me.

Mr. Pearson, who for years has been a good friend of mine and for whom I hold personal esteem and respect, states that the recent Costa Rican proposal for limiting arms in Latin America "inspired a secret meeting at the home of Ambassador Luis Quintanilla of Mexico to oppose the move."

May I say that when friends invite one another at their residence—or in this case at my residence—such a gathering of friends cannot be labeled either a meeting or secret. What is said in such informal receptions does not require a public report by intelligent and conscientious newspapermen.

Mr. Pearson is both, intelligent and conscientious; yet he did not hesitate to state in his article that, on the occasion referred to, "he (Quintanilla) argued that the United States and Costa Rica were trying to disarm the rest of the Western Hemisphere and thus endanger the other nations." Nothing of the kind was ever argued by me or by any of my colleagues who were present.

No one questions the good faith and moral reasons that inspired Costa Rica to submit its controversial proposal. The initiative is exclusively Costa Rica's and not a joint United States-Costa Rica move. Much less could anybody suggest that there might be some strange special alliance between the United States and Costa Rica "to disarm the rest of the Western Hemisphere and thus endanger the other nations." That statement is silly on its very face.

Mr. Pearson says even more: He writes that "he (Quintanilla) even seemed to think that the United States had designs on Mexico and that Mexico had to keep a big army in order to defend itself against the United States." Who in the world ever reported such absurdity to the candid ears of Mr. Pearson?

Latin America had, it is true, much trouble with the United States in years prior to the Good Neighbor Policy. Since that time, however, neither Mexico nor any of the American republics holds the view that the United States harbors any kind of designs upon any of them. In fact the only invasion we do expect—and cordially welcome—is that of the friendly United States tourist flow moving south of the border.

Furthermore, Mr. Pearson attributes to me, this time in quotes, the following words:

"Mexico will not disarm unless the United States is subject to the same limitations." One would think that here as in the previous interpretation of people's inner thoughts, Mr. Pearson had a basis for writing what he did. How can anyone refer to something that another person "seems to think"? And how

can anyone honestly quote somebody without identifying the sources? I never said, then or at any time, anything which even remotely resembles this remark and I am unable to ascertain why Mr. Pearson, who was not even present at my reception, could possibly report such a thing.

As was properly stated by some of my colleagues who spoke publicly, as I did, at an open meeting of the OAS council, the problem of limitation of armaments is considered, by most, universal by nature. Therefore, to reduce armaments among a few countries can never help the cause of peace as long as all other countries, among them the most powerful nations, are left to arm as they see fit. That is all there is to it and we think that it makes sense and that there is nothing mysterious or anti-United States in this logical approach.

But we all hope that, perhaps sooner than we think, the international play of military forces will allow the United Nations and the OAS as well to bring all our countries in the Western Hemisphere and all the countries throughout the world, a real and permanent guaranty of international peace and security which will allow every country—and not only the countries of Latin America—to reduce substantially their respective military appropriations.

LUIS QUINTANILLA,
Ambassador of Mexico to the Organization of American States.
WASHINGTON.

Mr. MORSE. Mr. President, naturally I am gratified that the Ambassador denies so emphatically the position attributed to him, and by implication to his government, by Mr. Pearson, to the effect that his government is fearful of American aggression and desires to arm itself against that possibility.

At the same time, I restate my hope that some of our neighbors in South America will continue to demonstrate to the United States a better understanding of the real needs of the Western Hemisphere than the United States has demonstrated under this administration. The Organization of American States could show farsighted leadership indeed, if it would appeal to the United States to put into economic development the money we are now spending on military assistance to South America, much of which I think is completely wasted.

James Reston, writing in the New York Times, yesterday presented an analysis of what scientists and engineers are doing to American foreign policy. In brief, they are making it more and more obsolete. Reston discusses the advent of atomic-powered submarines, capable of lying submerged even under Arctic ice, and their ability to deliver nuclear warhead missiles.

I shall ask that the entire article be printed in the RECORD, but at this time I should like to read a brief portion of what Mr. Reston says:

It takes very little imagination to see what this will eventually do to the vast, expensive, and intricate network of United States bases and political arrangements now in operation.

I ask to have his column printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON ADAM AND EVE AND ADMIRAL RICKOVER

(By James Reston)

WASHINGTON, March 8.—As Adam said to Eve when they were kicked out of the Garden of Eden, "We are certainly living in a period of change."

The Navy's last battleship, the 45,000-ton *Wisconsin*, was put in mothballs today at Bayonne, N. J. She was built less than 15 years ago at a cost of $100 million, and the Navy is now left without a single ship of the line for the first time since the administration of Grover Cleveland.

Yesterday, however, the *Grayback*, an atomic-powered submarine capable of firing the Regulus II nuclear missile a distance of 1,000 to 1,500 miles was commissioned at Vallejo, Calif.

Last Wednesday the Navy's third atomic submarine, the *Skate*, arrived in Portland, England, after a totally submerged crossing of the Atlantic. The voyage took 8 days and 11 hours.

Meanwhile the Navy was planning a series of atomic submarine maneuvers under the polar ice and talking about a submerged crossing of the Arctic Ocean between the Atlantic and the Pacific.

These are the events that are revolutionizing the lives of men and nations. Secretary of State Dulles has gone off to Manila for the Southeast Asia organization meeting, and is sharing the headlines with the marathon letter-writing contest between President Eisenhower and Prime Minister Bulganin. But the great news, underlying all the talk of summit meetings and economic recessions, lies not with the diplomats but with the scientists and technicians, not at the summit but in the depths of the oceans.

THE POLITICAL IMPLICATIONS

The political implications of this undersea revolution are startling. Today the United States has political commitments to 43 different nations all over the world. It has over 200 air and naval bases around the periphery of the Communist empire. These are essential now to bring American power within effective striking range of the Soviet Union in the event of a major war. But what of the future?

Before many years, probably before the end of the Eisenhower administration, the United States will be able to put atomic missiles on submarines that can lie submerged for months close to the Soviet shores under the polar ice where they cannot be detected.

Coincidentally, the range of effective missiles will increase so that United States bases close to the Communist heartland will no longer be the only, or the cheapest, means of massive retaliation. It takes very little imagination to see what this will eventually do to the vast, expensive, and intricate network of United States bases and political arrangements now in operation.

For the time being, the issues between the great powers seem stale and endless. We seem to be lost in a world of tiresome and insoluble arguments, but the roots of these arguments are gradually being eroded, not by Eisenhower and Khrushchev but by the restless, brilliant minds of men such as Adm. Hyman G. Rickover, the atomic submarine genius, and Wernher von Braun, the Army's German-born missile expert.

The great days of Britain and France are over, we are told: The future lies with the military and industrial giants. Maybe so. But there is no reason why, in a few years, Britain and France will not be able to put their own atomic missiles aboard atomic submarines under the polar ice, and then Moscow will have to listen once more to London and Paris, and for that matter, to Stockholm as well.

STRANGER THAN FICTION

This is no Sunday-supplement science fiction. The atomic submarine *Nautilus* has already cruised under the ice to within 180 miles of the North Pole. Though no ordinary battery-driven submarine had ever before gone more than 20 miles under ice, the *Nautilus* traveled 1,383 miles under ice in 5½ days, and Rickover has just come back from Britain, where he had long conversations with Adm. Louis Mountbatten and other British naval experts about what he calls the revolution at sea.

The astonishing thing about all this is that political and public thinking is lagging so far behind. The British are bemoaning their decline when, in fact, they may actually be on the verge of another technical revolution that will restore both their industrial and military power.

Similarly, they are needling the American flyers to go home when, in fact, they are actually confronted by the thing they fear the most: namely, another great American withdrawal from Europe, which is quietly being encouraged by their own anti-American agitation and the development of the long-range missile and atomic submarine.

It is true that every generation, including Adam and Eve's, is, to use the current phrase, an era of transition. But the transition is faster now in everything but in politics. The diplomats are talking about the past when the future is upon them. The battleship *Wisconsin* is in mothballs, but politicians' arguments and issues far more obsolete are still on the front pages of this morning's newspapers.

Mr. MORSE. In particular, Mr. President, I call attention to his final sentence:

The battleship *Wisconsin* is in mothballs, but politicians' arguments and issues far more obsolete are still on the front pages of this morning's newspapers.

The foreign aid bill presented by the administration, with its 75 percent for military aid and only 25 percent for economic aid, is a prime example of obsolesence in our foreign policy. A great deal of that military aid, moreover, is for conventional weapons and armaments to nations having little or no role in the American defense against Soviet aggression. The tanks, airplanes, and machineguns in every farflung country of the world have been bypassed by science, and I know of no better example of that than the military aid we are sending to South America.

Therefore, as chairman of the Subcommittee on South American Relations of the Foreign Relations Committee, I say once again that the burden of proof is clearly on the administration to justify a continuation of what we are sending to South America in the way of military aid. It would be better to send bread rather than bullets to South America.

Mr. President——

The PRESIDENT pro tempore. The Senator from Oregon.

POSTAL RATES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter addressed by John F. Richardson, director of the State of Oregon Department of Finance and Administration, to Mr. Horace H. Nahm, president of the Association of First Class Mailers, pointing out that in the State of Oregon $590,000 was spent in the calendar year 1957 for mailing. The letter further states that the major portion of that expenditure covered first- and third-class mailings.

If the 5-cent postage stamp provision is not eliminated in conference, it will,

in my judgment, cause great injustice to the State of Oregon by the additional postage charge, undeserved, in my opinion, which will flow from it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF OREGON,
DEPARTMENT OF FINANCE
AND ADMINISTRATION,
Salem, February 20, 1958.

Mr. HORACE H. NAHM,
President, Association of First Class Mailers, Washington, D. C.

DEAR MR. NAHM: Gov. Robert D. Holmes has referred your letter of January 31, 1958, regarding postage costs to us for reply.

On February 17, 1958, we informed Senator OLIN D. JOHNSTON, chairman, Post Office and Civil Service Committee, that the estimated total postal costs for all departments of Oregon State government approximated $590,000 for the calendar year 1957. The major portion of this expenditure covered first- and third-class mailings.

We do not record postal costs as a separate item in our budgets or accounting records. These costs are included in an object classification for all costs of transporting things, including freight and express, as well as postage. A statewide survey to determine the postage costs of each department by class of service, such as you request, would require a great deal of work because many thousand accounting entries would have to be analyzed to secure accurate data. We do not believe that the value of such a survey would justify its cost.

We hope this information will assist you in compiling postal costs for State government.

Very truly yours,
JOHN F. RICHARDSON,
Director.

THE ARREST OF DR. CARLOS PRIO SOCARRAS IN MIAMI, FLA.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from former Prime Minister of Cuba and President of the Cuban Senate, containing a translation of an editorial entitled "A Most Reprehensible Affair." It deals with the arrest in Miami, Fla., of Dr. Carlos Prio Socarras, who, incidentally, not so long ago was given a merit award by the United States Government, and at one time, as we all know, was head of the Cuban state, and a great democrat.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

MIAMI, FLA., *March 4, 1958.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MORSE: I wish to call your attention to the editorial which appeared in the February 23 issue of Bohemia. A translation is enclosed for your convenience.

Bohemia is the most powerful and influential magazine in Latin America. Its voice is, substantially, the voice of 170 million men and women in Latin America.

Since democracy is one and indivisible, what the editorial states should not be taken lightly.

Respectfully yours,
MANUEL ANTONIO DE VARONA,
Former Prime Minister and President of the Cuban Senate.

[From Bohemia of February 23, 1958]

A MOST REPREHENSIBLE AFFAIR

The arrest of Dr. Carlos Prio Socarras and his removal to the Dade County jail, handcuffed and paraded through the streets of Miami, constitute an unexplainable spectacle that has aroused protests not only in Cuba, but throughout free America, including, of course, the United States itself. For no civilized state should confuse the political prisoner and the common delinquent. The constitutions of all democratic republics establish logical differences between one or the other, and even provide that those jailed for political reasons be kept apart from ordinary prisoners.

The political transgressor is a man of ideals and convictions. He struggles for noble objectives and is backed by public opinion. He often suffers punishments and persecutions, risks his own life and that of his dearest ones; but when victorious, goes on to occupy the high positions held previously by his persecutors.

The spectacle of Dr. Prio being held by manacles, walking between guards, and being followed by hundreds of fellow Cubans singing the national anthem does not flatter the great American democracy. When a country becomes, due to its undeniable political virtues, the leader of the Free World, it must watch its steps carefully, lest it fail those other peoples who have placed their faith and hope in it. We do not question the right of the American authorities to watch the conduct of those persons who have gone there to escape the inferno of dictatorships. Neither do we judge the grand jury that indicted him. We admit that all these were performed to uphold the law. What we censure is the fact that an ex-president of a neighbor republic has been treated like a bandit of the worst type. Not even Lansky, the notorious gangster who has made Habana his headquarters and who was implicated in Anastasia's death, was treated that way when arrested at Idlewild Airport for questioning.

Washington should in some way rectify this uncalled-for insult to Prio. There is no possible justification for tying the wrists of a man whose only offense has been to fight for the reestablishment of democracy in his own country. The mere fact that he surrendered to the authorities, as soon as he heard of his indictment by a grand jury, indicates that it was not his intention to evade the law. In the case of a dangerous criminal or a fugitive from justice, such measures are justifiable, but not when the person involved is an outstanding political figure enjoying the hospitality of a great nation.

We would like to believe that what happened was due to the excessive zealousness of police agents, not having the consent and backing of the Government or the courts. In the United States, human dignity is respected too much to allow the practices characteristic of despotic governments. At any rate, the affair should be set straight, lest it be exploited by the enemies of the great American democracy for political purposes. For, as coincidence would have it, while Carlos Prio was indicted and even paraded through the streets of Miami, handcuffed and on foot, Marcos Perez Jimenez, the Venezuelan tyrant recently overthrown by a revolution, was admitted to American shores. How can anyone explain this conduct on the part of a democratic government? What kind of policy is that which allows the persecution of a Cuban who respects fundamental freedoms, while it welcomes a Venezuelan who violated every human right in Bolivar's homeland? How can such contradictory strategy give hope to peoples hungry for democracy?

Dr. Carlos Prio Socarras was imputed many errors and sins while he occupied our highest office. But it is only fair to admit publicly, as we do now, that he was a President elected by popular vote; that in 1950 he presided over honest elections, even to the point where his own brother, running for our second highest office, that of mayor of Habana, was defeated; that in every single instance he respected individual liberties and freedom of speech, without persecuting anyone for his ideas or beliefs. This is the undeniable truth. Prio is the typical example of the liberal statesman, robbed of his legitimate powers by the military, just 3 months before the next elections, and at a time when Cuba seemed to have become a stable democracy.

We do not prejudge the charges made against the former Cuban President by the grand jury. Neither do we wish to make reference to the political past of Dr. Prio, which history will weigh eventually, or the tactics he has followed in order to combat the regime that overthrew him and did away with every vestige of democracy in Cuba. One thing we do proclaim, namely, that a liberal and democratic ruler, despoiled by force of his constitutional powers, does not deserve to be insulted publicly by a friendly democratic government which lives and acts through democratic laws. Where a man like Perez Jimenez is offered all guaranties, a man like Carlos Prio cannot be paraded handcuffed as if he were a vulgar malefactor.

Fortunately, the responsible press of the United States has been the first to react against this outrage. Once more the press has brought to light the inevitable errors and contradictions of a nation and a political system.

We are sure that the regrettable case involving Carlos Prio is not the result of a policy change at the Department of State. Washington cannot be blamed for an incident in Miami, regardless of its seriousness or its international repercussions. We have not lost our faith in the permanent and solid North American democracy. Neither can we believe that its generous land, from where so much help came to make Cuba free and independent, will be denied to all who suffer persecution at the hands of despotic regimes, whether these freedom fighters come from Hungary or our own island of Cuba.

OUR FOREIGN AID POLICY

Mr. MORSE. Mr. President, I wish to pay tribute to a series of articles written by a very able newspaper writer, I think one of the most able, Mr. Robert H. Estabrook, of the Washington Post and Times Herald.

Last fall Mr. Estabrook traveled in Asia. Upon his return he published a series of articles on his observations. He wrote a very keen series of analyses of some of our foreign policies in Asia. I think it is important that not only members of the Foreign Relations Committee of the Senate, but that all Members of the Senate, have this material available for quick reference.

There is much in the material, Mr. President, that is borne out by the series of expert studies made almost 2 years ago, by the Foreign Relations Committee, at a cost of $275,000. The studies were conducted by a group of so-called task research forces who were employed to make a survey of our foreign-aid program, both economic and military. Those task forces were selected from such reputable places as Chicago University, Columbia University, Massachusetts Institute of Technology, Princeton University, and Brookings Institution.

Unfortunately, the Senate has not seen fit to follow many of the recommendations of those expert studies, although I am still waiting for the first argument on the floor of the Senate which will be a successful rebuttal of their findings.

I recommend to the Senate a reading of the Estabrook articles, because in a few weeks we shall enter into an historic debate on foreign aid. I shall continue to be for foreign aid. I shall continue to be for more loans than we are now granting. Generally speaking, I shall be for reversing the ratio which now exists, of 75 percent grants and 25 percent loans, to one that corresponds more to a ratio of 25 percent grants and 75 percent loans.

Also, I shall be for a foreign-aid program that increases and strengthens economic programs on a loan basis, project by project, aimed at improving the economic productive powers of people and countries in the underdeveloped areas of the world, rather than a policy of sending them bullets when they do not have enough to eat, and simply need bread.

I recommend a reading of the Estabrook articles, because, although he does not pinpoint the matter as I am now doing, there will be recognized some of the criticisms I have been making relating to the need for foreign aid, particularly to the underdeveloped areas of the world.

Mr. President, I ask unanimous consent that the series of articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of October 30, 1957]

UNITED STATES AND KOREA: RHEE SEEKS FORCES ACCORD, OPPOSES AID CUT

(By Robert H. Estabrook)

SEOUL, KOREA.—President Syngman Rhee of Korea is exerting pressure to obtain a status-of-forces agreement covering off-duty offenses of American troops here. At the same time he is vigorously resisting contemplated reductions in American economic aid and a proposed cut of 4 divisions in Korea's 21-division army and marine strength which the United States supports.

This situation may spell new troubles for the United States in the often-prickly official relations with Rhee. The fact that such a possibility arises in a country which receives more total American aid than any other, and with a government which considers itself the most loyal ally of the United States, is only one of the many paradoxes in the Land of the Morning Calm.

This is a country in which the vice president, John M. Chang, is under virtual house arrest because he dared to run on a ticket opposed by Rhee. Chang is supposed to be president of the senate, but President Rhee's Liberal Party has never permitted organization of the upper house as called for by the constitution.

Yet Korea also is a country in which virtually everyone acknowledges the patriotism of Rhee. Even those who deplore his autocratic methods and the reach of his police concede that his strength and determination have been a valuable asset to Korea at a critical time.

It also is an impoverished country in which corruption and theft is a major problem. Yet public officials are paid so little that many if not most have to supplement their incomes in order to support their families.

And it also is a country beginning to become restive under the presence of relatively large numbers of American troops. Even without wanting to do so, Americans in quantity tend to take over a country. Seoul is still a half-ruined city with many destitute people and many reminders of war; but the Koreans are rebuilding at a remarkable pace and they are beginning to feel their oats in relations with the United States.

Gen. George H. Decker, the American and United Nations commander, is strongly opposed to a status-of-forces agreement. He believes that it would run into great trouble in Congress because of the immaturity of the Korean judicial system. Moreover, it would not eliminate the incidents which are worrying Rhee and the Korean Government.

Yet there is this much to be said for Rhee's position: Recently there has been a spate of shooting incidents involving American troops and Korean civilians. In the wake of the Girard case in Japan these have aroused considerable local emotion and press comment. American officials concede that in some instances guards have been trigger-happy. Rhee asked why, in cases of trespass or attempted theft it is necessary to shoot. Korean police, he says, could handle the problem.

The answer to this, in the view of American officials, is that without the deterrence of firearms the Army would be stolen blind—not so much because of any basic tendency to crime on the part of Koreans as because of their often desperate personal economic plight. The Korean army has experienced fantastic pilferage. Still the shootings are bad.

There are some who suggest that Rhee is using the status-of-forces argument as a bargaining weapon to prevent the reduction of American economic and military aid. The wily Rhee, who admits to being 82, is alert and a formidable protagonist when he feels Korea's interest at stake.

Economic aid has been running at about $300 million a year, and it now appears slated for a reduction to a little over $200 million. This is a matter of regret to Ambassador Walter Dowling and Aid Administrator William E. Warne because it will mean that no new projects can be undertaken and that the economic expansion will be slowed.

After the initial relief phase, aid has been funneled into capital items such as the development of small industries. These are beginning to take hold, and Korea has a small export trade. National income this year may amount to nearly $2 billion, up more than 10 percent from the approximately $1.8 billion, or $78 per capita for South Korea's 22 million inhabitants, last year. The wild price inflation has been checked, at least temporarily. Korea's rice crop looks like the best since before World War II.

The remainder of the total of some $600 million a year in American aid has been accounted for in support of Korea's defense forces, in surplus commodities and some technical assistance.

Any reduction in military strength is a worry to General Decker. The Chinese Communists and North Koreans together maintain some 33 divisions north of the 38th parallel. There is no present indication that they are planning to strike, but the U. N. command must be ready. Against this force there are the 21 Korean divisions, two American divisions, a Turkish brigade, a Thai company and various tiny detachments from other U. N. members—plus, of course, considerable air and naval strength.

Some months ago the United States and its allies denounced a paragraph of the Korean armistice because of the repeated violations north of the truce line. This freed the U. N. command to bring in more modern weapons, beginning first with jet aircraft. The implication is that nuclear weapons will be sought, though they are not yet present.

So long as the division of the country exists, there is little prospect that South Korea can become a viable state. Most of the industry is in the north, and South Korea's resources are mainly agricultural, although mineral potential has not been fully explored. Ambassador Dowling is hopeful of a gradual reduction in American aid. But continued support of Korea is one of the prices the United States must pay unless and until there is a settlement with the Communist world.

[From the Washington Post and Times Herald of December 16, 1957]

WHAT AFTER NEHRU?—YOUNG LEADERS AND LOYAL OPPOSITION CALLED NEEDS

(By Robert H. Estabrook)

NEW DELHI.—What comes after Nehru?

For more than a decade of independence the commanding personality of Jawaharlal Nehru has dominated India and the controlling Congress Party. If Mahatma Gandhi was the spiritual originator of independence, Nehru was the practical leader who brought it to fruition and gave it meaning. He has become a sort of father image to millions of Indians.

Very probably Nehru can remain Prime Minister as long as he wants and can keep the Congress Party in power at the national level with him. Nevertheless, Nehru is 68 years old. Though he is in good health, the multiple burdens of government he insists upon shouldering himself inevitably are taking a toll.

Moreover, open criticism of the Prime Minister has begun to emerge in the Lok Sabha, or House of the People, as well as in the press. Nehru's initial indifferent reaction on Hungary stirred a volume of protest. He also is criticized for failure to foresee difficulties in India's new 5-year plan and for too much of a tendency to lecture the public. His popularity seems to have passed its peak.

More serious, there is considerable evidence of decay at the fringes of the Congress Party. Last spring Congress lost control of Kerala state and a Communist government came to power. In the recent Bombay municipal elections Congress also took a pasting from the Socialists, who were supported by the Communists. At the national level Congress is still heavily predominant, but at the state and local level it is losing roots.

The Congress Party is more an agglomeration than a political party in the Western sense. So long as the struggle for independence was a galvanizing force, the party was able to hold together many disparate elements, but after 10 years in power it has begun to get flabby and slothful. The question is whether the Congress Party can—or should—hold together after Nehru in the face of many influences toward division.

One great problem of Indian democracy, which virtually all political leaders acknowledge, is the need for a loyal opposition. There is none now. The Socialists count for nothing at the national level, and the Communists, with only about 30 seats in the national legislature, form the second largest party. The result is that voters who oppose the policies of the Congress Party have almost no place to go except to the Communists.

Yet an opposition cannot be created as such; it has to grow. Many political authorities such as S. K. Patil, the Jim Farley of India who is currently serving as Minister for Irrigation and Power, look for an ultimate

split of the Congress Party into two groups, one conservative and the other Social Democratic. For the moment, however, Patil is the party's best known political organizer and is striving to bind the party together and renew its mandate.

Just as the presence of one dominant independence party has tended to hold down the development of other parties, so the personal dominance of Nehru has discouraged the emergence of other political leaders and potential successors.

There are, to be sure, highly respected figures such as V. Pant, the Home Minister; the shrewd and philosophic Morarji Desai, who is Minister for Commerce and Industry; and Patil himself. They are sometimes mentioned as possible successors to Nehru, and in some fields they might be abler than he.

But these are men of Nehru's own generation who fought alongside him (and went to prison with him) in the struggle for independence. Much younger men of promise have not yet come to national prominence.

There are such men, and many of them are to be found in India's remarkably good civil service. But these men have not yet had an opportunity to lead.

Irrespective of the individual leader, the likelihood is that when Nehru retires the political direction will swing to the right, perhaps far to the right. In this respect Nehru has not been representative of his colleagues. Many of the men around him are far more conservative than he is. The Congress Party very often has acted as a restraining influence on Nehru.

Meanwhile, whatever India's policy of friendship with Communist nations abroad, many leaders look upon communism as a serious menace at home despite the relatively small influence the Communists wield so far. Such men as Patil and Desai make it quite clear that they regard the Communists as mortal enemies of a democratic system.

Yet the Communists are clever, and conditions in Kerala demonstrate the point. Here, in the most heavily populated and also most literate portion of India, a Communist government came to power in a split election last winter as the result of the failure of the Congress Party to clean house.

If at some point the Communists prove unable to govern, there is a distinct possibility that the national government will intervene and impose what is called president's rule, meaning central direction, until the next election in 1962. That could be calculated to help the Congress Party mend its fences.

But Kerala is not the only place where the Communists may obtain a foothold. The overcrowding of Calcutta by destitute refugees, and the endemic discontent of the people of Bengal, give the Communists another fertile field in which to work.

In short, wherever feudal conditions remain or communities are just now emerging from such a status, Communist promises are appealing. India's strongest bulwark against communism domestically is the middle class the government is striving hard to create. Thus much of the political answer to India's future will be written in economic terms.

Beyond this there remain the needs for young leadership, the precise shape of which cannot now be foreseen, and for the development of an opposition. Whether this emerges independently or as a split from the Congress Party is not so important as that there be some loyal party in which discontent with governmental policies can be focused without going to the Communists.

That India's present leaders are dedicated to the democratic way is evident. India is embarked upon a great experiment in raising her standard of living through free and democratic means. But apart from the question of economic stability, politically India's democracy will not be wholly secure until it has been demonstrated that there can be a peaceful transfer of power to another party also upholding democratic means.

[From the Washington Post and Times Herald of December 14, 1957]

INDIA'S STRUGGLE: SOCIALISM OFTEN MEANS SOCIAL JUSTICE IN PLANNING

(By Robert H. Estabrook)

NEW DELHI, INDIA.—Labels cause many of the misunderstandings that exist between India and the United States.

When Indians speak of socialism as their objective, very often they mean social justice—or a system approximating the social security, union security, and economic opportunity for the individual long taken for granted in the United States.

When Indians think of capitalism, they often think of the sort of capitalism they have known in the past—exploitation associated with colonialism, largely unregulated, without antitrust laws and with little of the responsibility or economic planning found in the United States.

Putting aside semantic differences, India wants much the same sort of life the United States now enjoys. Knowledge of the American standard of living has inspired new wants, and the government is seeking to satisfy those wants through the most effective means available. It is using a combination of private and public enterprise.

Strictly speaking, neutralist India is not neutral at all in the thing that matters most. She has long since made her decision to advance her standard of living through democratic means, and today after two general elections she is the largest working democracy in the world.

Foreign policy, relations with the Communist bloc, even the dispute with Pakistan over Kashmir—all these are secondary to India's mammoth preoccupation with economic improvement. This is also the most effective answer to India's internal Communist problem.

Inevitably the philosophy that the government should do for the people what they cannot do for themselves means something different in an economically underdeveloped country from what it means in the United States. Even so, India's public sector, including nationalized railways and communications, is only about 5 percent of the economy. Some estimates put the public sector in the United States as high as 18 percent.

"We are not thinking of liquidating the private sector," Finance Minister T. T. Krishnamachari asserts. "It will remain in some form or another for all time." Public development is largely focused in heavy industry, with consumer goods production reserved for private initiative.

Recently India lowered her top individual income tax rate from 93 to 77 percent as a stimulus to capital formation, TTK, as Krishnamachari is called, hopes eventually to be able to reduce the rate to 60 percent. When he told this to John J. McCloy in New York recently, one of McCloy's associates asked: "Is there any possibility of getting Mr. Krishnamachari over here?"

India began her social revolution with staggering problems. Her population, now estimated at 392 million, is increasing at a rate of 5 million a year—in an area one-third the size of the United States. Eighty-two percent of the people are still illiterate, and there are more than a dozen principal languages. The per capita income, when India undertook her first 5-year plan in 1951, was only about $50.

Today there have been visible improvements. India has increased her food output materially through more modern methods, and under the first 5-year plan she increased her gross national product 18 percent and per capita income 11 percent. This in turn resulted in a marked rise in food consumption and purchases of consumer goods such as bicycles, which has a sort of multiplier effect on the standard of living.

Enormous disparities remain. Calcutta is a knot of human misery, with its population swollen nearly double to 8 million by Hindu refugees swarming in from East Pakistan, Madras, bordering the Communist-governed state of Kerala, is the center of the most literate sector of India; yet university graduates cannot find decent jobs and many land in menial occupations.

Bombay, which is the commercial and financial capital, has many new buildings and bustling industries; but in the city and in the villages nearby are conditions of appalling squalor, where families live in filthy cubicles.

Nevertheless, there is much evidence of progress—in the determination of the people as much as in the new industries that are arising.

Whereas the first 5-year plan was largely agricultural, the second plan deals mostly in heavy industry. India is blessed plentifully with natural resources, and she hopes to exploit more of them. Among other things, she plans a steel capacity of 5 million tons by 1961 through private expansion with governmental help as well as through three publicly owned plants now being constructed by Russia, Germany and Britain.

The ambitious objectives of the second plan have run into trouble. For one thing India has a new food problem. Droughts and floods have produced bad harvests, and currently the rice crop is imperiled.

For another thing, the private sector has expanded more rapidly than was contemplated under the second 5-year plan. Sixty percent of the goal has been attained within 18 months, thus causing a strain on dollar reserves. This is of course a temporary problem, and essentially a happy one.

Finally, the planners were admittedly overeager in relying on foreign capital to fill the $1.4 billion gap between the plan's objectives and India's resources. This is where India's request for a $600-million loan from the United States comes in—to be supplemented, she hopes, with assistance from Britain and the Commonwealth, Germany and the Soviet Union.

To India's credit, Krishnamachari does not want to ask for more than the government can service and repay. India is anxious to place all help from the United States on a loan basis, and this is now in prospect. Of the total of nearly $1 billion in American assistance since 1947, 58 percent has been in loans. One possibility now being discussed is the conversion of the 1951 wheat loan of $190 million from a dollar to a rupee repayment basis.

Also to India's credit, she does not wave the threat of communism if her wishes are not met in full, although the specter is surely in the background. If her plans fail, she will tighten her belt. But this is not an appealing recourse to people already largely at the mere subsistence level, and the lures of communism, which promises more results faster, are strong.

Even if the plan succeeds, India will continue to have vast problems. Foremost among these is population. The government is strenuously encouraging family planning, but until India can control her population increase her efforts at economic improvement will be retarded.

What stands out in India, beyond all the frustrations and sensitivity and inferiority complex born of years under foreign rule, is the determination for self-improvement. This has some of the same spirit as the struggle for independence, and it is impressive. In India more than in most countries, it is not what is said but what is done that counts.

[From the Washington Post and Times Herald of December 15, 1957]

INDIA'S NEUTRALITY MOST CONVENIENT

(By Robert H. Estabrook)

NEW DELHI.—Indian foreign policy, which so often is viewed as a thing of mystery and wonder, is not really very difficult to understand. Like the foreign policy of most countries, it is based on self-interest.

India is neutral or neutralist in world affairs because Prime Minister Nehru considers this to be the best means of insuring his country the period of noninvolvement necessary to carry out its social revolution and its vital program of economic improvement.

Vice President Radhakrishnan reminds American visitors that George Washington advised essentially a policy of neutrality. "Why do you reproach us," another Indian asked, "for doing what the United States did for 150 years?"

What sets India apart is Nehru's habit of moralizing and lecturing to other nations, even when his own country occasionally seems to depart from the standards he upholds. Some of this no doubt reflects a compulsion to extend into foreign policy the influence of Gandhi which plays a large part in Indian psychology.

In this connection, it is necessary to remember several factors:

First, Nehru is one of the most heavily burdened statesmen of the world and also one of the most fully reported. He is actually his own foreign minister—other high officials hesitate to speak even privately on foreign policy—and he is questioned almost daily in the Lok Sabha, or House of the People.

The Indian press devotes columns to Nehru; it seems to have an interminable fascination with speeches. Thus his asides or incompletely thought out remarks are likely to have a far wider audience than he contemplates.

Second, although he is Western educated and speaks with the accent of Cambridge, Nehru is fundamentally an Asian. Questions of color have a profound influence on him. And despite his own wealthy Brahmin background, he has not altogether outgrown his early exposure to Marxist ways of thinking.

Third and most important, underneath the moral gloss Indian policy toward her neighbors is based upon hard realism. Nehru is sympathetic with the efforts of Communist China to raise her standards of living, particularly because she is an Asian country, and he wants friendly relations; but he also is wary of Chinese expansionism.

For example, India tolerates no monkeyshines from China in the border states of Nepal and Sikkim. She keeps a sharp eye on what the Chinese are doing in Tibet. And she looks with considerable misgiving at Chinese behavior in the boundary dispute with Burma.

Many officials acknowledge, although this is not stated publicly, that India is in a great power rivalry with China. India has chosen a free and democratic course of economic development, whereas China has embarked on an authoritarian way. The outcome of this rivalry may well determine the future of much of Asia.

Thus, proximity explains much of the public attitude toward China. Even here there is some polite criticism of China's intellectual repression. With respect to the Soviet Union the attitude is somewhat sharper. There is considerable criticism of the excesses in Russia, and India has been careful to restrict Soviet aid to loans.

Whereas there is some tendency to look upon domestic Communists as good fellows gone wrong, there is little sympathy among leaders with communism as such. Prime Minister Nehru himself noted in a speech recently that although India admired the technical accomplishments of the Soviet revolution, it abhorred the purges and the brutality which continued.

There are many indications in Nehru's public statements that he was impressed by what he saw and learned last year in the United States. Prominent in the reception room of his residence are autographed photographs of President and Mrs. Eisenhower. Similarly, the visits of a number of Indian newspapermen to the United States have produced far better understanding in the press of America and Americans.

Handling of the distasteful events in Little Rock was relatively restrained in the Indian press, and there was recognition among leaders that the incidents happened precisely because of the policy of the American Government to eliminate discrimination. Some of this recognition may have been conditioned by the fact that almost simultaneously there were caste riots at Ramanathapuram in Madras state in which some 40 persons were killed. These received little attention outside India.

Relations with Pakistan and the Kashmir issue are cases in which self-interest clearly determines Indian policy. One official in another city had the candor to acknowledge that Indian's abstention on the recent United Nations censure of the Soviet actions in Hungary was dictated in part by the necessity of obtaining Soviet support in the Kashmir debate.

American military aid to Pakistan has been an enormous irritant to India, and it can be argued that this aid constituted a major blunder by the United States in terms of value received. Certainly it poisoned Indian relations with the United States, although Indians unquestionably seize on it as a scapegoat for more ills than it actually caused.

Nehru genuinely fears an attack by Pakistan. "We have never thought that the United States intended its aid for aggression," he says, "and we think that if Pakistan started a war the United States would intervene to help us." But part of the problem, he points out, lies in lack of restraint and in the sort of small incident that could grow into war.

Indians are fond of citing a remark attributed to a former Pakistan Prime Minister that India and not Russia is Pakistan's enemy. At the root is a fear that the Pakistani Army with American equipment would cut through the Indian Army even though the latter is larger. Recently India purchased some jet fighters from Britain.

Withal, Nehru looks upon the differences with Pakistan as a family quarrel in which there is much shouting, but in which basic relations between brothers and cousins remain close. He disavows any thought of injuring Pakistan, pointing out that India has enough troubles of her own. He is less promising, however, about a Kashmir solution.

India's case on Kashmir is not easy to follow. There is far from universal admiration of Krishna Menon, who has presented the case in the United Nations. Menon's behavior has been criticized frankly in the press and there are rumors that he will not return to the U. N. although there is no indication that he has lost favor with Nehru.

Basically, India insists that the U. N. and the United States have not paid sufficient attention to what went on in Kashmir prior to 1948, and that the Pakistani "aggression" must be liquidated before other measures are possible. There is no enthusiasm whatever here for the new mission of Dr. Frank P. Graham.

To the outsider, this appears at least in part a rationalization for an effort to freeze the status quo. As in the case of the early use of force in Hyderabad, India is camouflaging her real objectives. Sheikh Abdullah remains under house arrest because he talked of an independent Kashmir and Indian officials look the other way when the subject is brought up. The real fear is that an independent Kashmir would be a pawn for Pakistan and would reopen religious quarrels and bring chaos.

Some observers believe that the best chance for a Kashmir solution lies in private negotiations with a responsible Pakistan Government toward some sort of de facto settlement with minor territorial adjustments. Whether any Pakistan Government could accept this is another question.

Meanwhile, India continues to base her policy on her interests as she sees them. There is reason to think that many Indians know in their hearts that criticism of the West is a diversion and luxury made possible by the shield the West has created, and that they do not really want this shield removed.

[From the Washington Post and Times Herald of December 29, 1957]

OUR STOCK LOW IN ASIA—DULLES HEAVILY BLAMED

(By Robert H. Estabrook)

How does the United States look in Asia? In 32,000 miles of travel through 18 countries of Asia and the Near East, I asked this question in seeking to obtain a better understanding of Asian views and problems.

Talks with presidents, prime ministers, and private citizens in these countries as well as with Americans overseas have led to certain broad conclusions. Aware of the dangers of superficial generalization, and aware too that there is no such thing as one single Asian point of view, I nevertheless list those conclusions for what they are worth:

MISSILE REVERBERATIONS

1. Sputniks I and II and Soviet missile prowess have caused a devastating blow to American prestige in Asia. Soviet prestige has risen accordingly. The fellow who said that the United States was not in a race with Russia for the earth satellite could not have miscalculated more grossly in terms of the psychological effect.

By the same token, the American propaganda response—as contrasted with what actually is being done to strengthen defense—appears panicky to many Asians. As one said, it looks like precisely what the Russians wanted and it accentuates their claim of superiority. The initial failure of Project Vanguard fell with perhaps a worse thud in Asia than in the United States.

The net result is to cause questioning among America's allies and a more determined neutrality, intermingled with fear, among the neutrals. There remains a large reservoir of friendship for and admiration of the United States, but confidence has been shaken. In countries where there is a tradition of playing the winner, there are doubts as to whether the United States is the right horse to back. The one exception is India, where the Soviet success has created a certain sympathy for the United States as the underdog.

THE DULLES IMAGE

2. The policies of John Foster Dulles are under attack everywhere. In private conversation, it was hard to find any official who would defend the Secretary of State except out of politeness. The image held of him is of a man who thinks primarily in military terms, who would like to involve every part of the world in the cold war, who has little understanding of the feelings of neutral countries and who wants to sign everyone up on the dotted line.

This image does not hold for President Eisenhower, who is looked upon as a man of peace but one who has lamentably failed to lead. But the feeling against Dulles is strong. Regardless of whether the indictment is fair—and surely some Asians would blame him even for breathing—Dulles' unpopularity is an indisputable fact.

Particularly in question is the matter of absolute judgments. In many countries of

Asia, especially those with colonial backgrounds, there is not the same good-versus-evil attitude toward communism as frequently prevails in the United States. People in these countries tend to admire the technological accomplishments of the Soviet and Chinese revolutions although they are repelled by the human cost.

In most Asian countries, there is sharp criticism of the rigidity of American policy toward Communist China. Many Asians with no particular sympathy toward Peking reject continued American recognition of Nationalist China as "sovereign" on the mainland as based on fiction. They know—and many of the leaders of Taiwan (Formosa) also know—that the Nationalists simply are not going to return to the mainland.

At the same time, because American policy has been stuck on the same note for so long, governments of countries where there are large Chinese populations are anxious not to have an abrupt change for fear that any additional prestige for Peking would create internal security problems for them. In most of these countries, however, there is recognition that the only way really to win the loyalty of the overseas Chinese is through a determined effort at assimilation with equal rights.

What would command a good bit of tacit support in Asia is a gradual modification of American policy in two respects: (1) The relaxation of restrictions on trade with Communist China so as to make them conform to the strategic restrictions on trade with the Soviet bloc; and (2) the seating of Communist China in the United Nations with the concurrent provision of a seat in the General Assembly for an independent Taiwan. Such a policy, which is sometimes termed a "two-China" policy but is better described as an independent Taiwan policy, would enlist considerable sympathy even though the governments of Indonesia, Burma, and India are committed to the thesis that Taiwan belongs to the mainland.

THE REVOLUTIONARY TIDE

3. Many Asians feel that United States policy does not show sufficient understanding of the revolutionary feeling which has swept the continent. As one person put it, "You Americans are committed to the support of legally established governments. But the Russians and Chinese support popular aspirations."

Revolution is sometimes regarded as a horrid word in the United States even though this country is itself the product of revolution. What Asians mean by it is an effort to shuck off reminders of foreign rule and to chart a new course based on self-respect. The zeal varies in proportion to the amount of repression during colonial eras. It is the least where, as in most countries once under British dominion, there has been a conscientious effort to provide education and to develop a competent civil service.

Often the Communists appear to support the extremes of revolutionary and nationalistic feeling blindly to the disadvantage of fair or logical solutions—as in the Indonesian dispute with the Netherlands over West Irian (New Guinea) and the Indian dispute with Pakistan over Kashmir. Asians sometimes contrast this support, without too much regard for the alternatives with American support of Syngman Rhee in Korea, Chiang Kai-shek in Taiwan and the military dictatorship in Thailand—regimes which are looked upon as reactionary and antirevolutionary.

Perhaps understandably, the economic objectives are often described as "socialism." Asian countries have had little experience with private enterprise of other than the explosive variety, and in many countries the government is the only major source of capital. What most Asians mean by socialism is some sort of welfare state. There often is a doctrinaire faith in slogans and in the views of the late Harold Laski of the London School of Economics. But this is more theory than practice. Most countries would be happy to settle for only a small portion of the economic benefits of American life and call them "socialism."

MILITARY AID

4. Military pacts are poorly suited to the needs of south and southwest Asia, where conditions differ greatly from those in NATO. It may be that the creation of the Southeast Asia Treaty Organization (SEATO) helped stem the Communist military advance, although this is debatable. It may also be that the Baghdad Pact strengthened the determination of the Moslem countries to resist Soviet pressure, although it rent the Arab world and may have presented the opportunity for Soviet leapfrogging. But what is altogether clear is that in most countries an exaggerated emphasis on military buildups merely diverts resources and attention from the economic requirements for real stability.

A particular case in point is American military aid to Pakistan. This caused an enormous amount of harm to American relations with India, probably far beyond any defense gain achieved in Pakistan. Certainly Pakistan, with a struggling economy, has not been made into a strong ally.

In India, the fear reaction has been out of all proportion to the cause; American military aid to Pakistan has been seized upon as a rationalization for Indian refusal to accept the U. N. resolutions on Kashmir and as a scapegoat for many of India's other troubles. The net result is that in both countries resources have been diverted to arms when the same resources could be devoted far more productively to satisfying some of the economic needs.

Patently, it is unrealistic to look upon most of the countries of Asia as potential allies in a military sense. Some of the governments with which the United States has alliances have little popular base, and to this extent the alliances are built on sand. In some countries, the military-aid programs assumed by the United States appear interminable; there is no possible way in which impoverished governments can take over the burden.

Throughout most of free Asia, with a few conspicuous exceptions, the mere achievement of independence and a determination to remain independent is all that reasonably can be expected. It is foolish to think that countries on the borders of Communist China with mammoth internal problems, will want to irritate their powerful neighbor by joining military pacts or shouting their anti-communism.

Most of these countries nevertheless have made a choice in an intellectual sense. They prefer the free way, and they will cling to it so long as they can make progress in satisfying their needs. The challenge to the United States in these countries is to help them untie their economic knots and increase their productivity without seeming to take over the countries themselves. This is a task for subtlety, not for an anti-Communist loyalty test.

In most of the countries, communism is a practical internal problem rather than an external ideological issue. A shift in Communist tactics is apparent in southeast Asia. In Malaya, in Laos, and in Burma, particularly Communist insurgents are coming out of the woods to lay down their arms and become nice, respectable fellows who seek recognition in political parties. Then they concentrate assiduously on subversion—in the schools, unions, and the like.

These tactics cannot be met by military means. They have to be met by the strengthening of internal security and intellectual defenses—by economic and political measures.

ECONOMIC AID

5. American economic help is the most important tool this country has, but it needs to be wielded skillfully so as not to develop satellite mentalities. Some countries such as India welcome a shift from grants to long-term loans, especially loans repayable in local currency. This is to be encouraged as a stimulus to responsibility. But there must be recognition also that in some other countries, notably those of what was once Indochina, there simply are not the resources at the present time to place aid wholly on a loan basis. A continuation of some grant aid will be necessary.

Of course, there is waste in American economic aid. Sometimes it is poured in too fast, and sometimes it is diverted by the various forms of squeeze which are endemic in Asia. Sometimes it makes too little headway against the increase in population—though in much of Asia, including India, the rate of increase is below that in the United States.

One of the most important ways in which the United States can help strengthen public administration in Asia is to persuade governments to raise the pathetically low salaries of civil servants. In many cases, this probably would save far more than the cost by reducing the temptations of corruption.

Technical assistance is the most valuable single aspect of American aid and produces the most long-term good. But it cannot be the whole program. Inevitably, American aid is in competition with Communist aid in some countries. This is not necessarily bad, but the peoples of the countries concerned need to see what the United States is doing. Mere talk by the Communists of building a hospital for example, may tend to offset in public opinion more important but less visible American help. For this reason, some impact assistance is necessary.

The exchange program by which Asian leaders are brought to the United States for visits pays big dividends. Sometimes, however, these leaders are overwhelmed by the factories and assembly lines they see—overwhelmed with despair, because they know that they cannot hope for such developments in their own countries. The inclusion of visits to areas like Puerto Rico, where Operation Bootstrap has had such success in improving living standards in an underdeveloped economy, would be much more helpful for their immediate problems.

THE COLOR QUESTION

6. Questions of color and human dignity are at the root of many Asian reactions. The white man has large sins to atone for in Asia, and he will be expiating them for a long time. Even though there is hypocrisy in the way in which some Asians view their own discrimination problems, and even though some still reflect the servant-and-master conditioning of colonial times, color sensitivity is everywhere.

The publicly expressed reaction to Little Rock was mild in some countries, and the incidents even brought calls in Japan and India for elimination of prejudices there. But it would be a bad mistake to think that such things do not matter. They matter greatly, and the United States got off easily.

The peoples of Asia belong to the colored races which make up well over half of mankind. These peoples do not understand the kind of insensitivity which seems to deny fundamental human equality. Some of them do realize that the United States is making progress toward its own expressed ideals, but this recognition is easily marred or set back by a series of headlines.

ANTICOLONIALISM

7. Many peoples of Asia feel that the United States is being untrue to its own traditions in failing to support them completely on what they regard as anticolonial issues.

This is not altogether or even largely a matter of logic, there is much emotion and fancy in it, and not a little color sensitivity in the feeling that the United States tends to side with the white nations. There was amazement when the United States opposed the course of white nations in the Suez invasion.

Sometimes this anticolonialism is carried to extremes of bitterness and does demonstrable damage to immediate interests, as in frightening away investment. Nevertheless, it is one of the fundamental factors in the revolutionary mood of Asia. Asians view colonialism as meaning the exploitation of darker peoples by white nations; they have no experience with Communist colonialism.

Such things as Dulles' unfortunate remarks to the effect that Goa is part of Portugal do the United States harm. Although there is no justification for the mistreatment of innocent Dutch residents of Indonesia, much of the Indonesian resentment of the Netherlands in the quarrel over West Irian is understandable in terms of the abuses and shortcomings of past Dutch administration of the East Indies.

Anticolonialism can be just as blind of course, as the more extreme kinds of colonialism. The colonial records of European countries in Asia vary greatly, and old-fashioned colonialism is all but gone. Many of the abuses have been exaggerated and exploited by demagogues. Yet the bad and lasting effect of most colonialism, apart from any material achievements, is to dull self-respect. It is this which Asian countries are struggling to regain. Although they cannot reasonably expect that the United States will ignore other interests to support them in every dispute, they do look to this country to break frankly with colonial practices it does not like.

AMERICAN MISFITS

8. There are too many Americans in official positions abroad, and too many of them are unsuited for dealing with Asians. This assertion needs to be qualified. There are some exceptionally able American ambassadors in Asia, some commendably effective representatives of the United States Information Agency (and most of them are good) and some highly sensible and knowledgeable administrators in the economic aid program. But the bad apples taint the barrel.

Although some Americans in Asia live and work under conditions of genuine hardship, others never had it so good and act accordingly; they live on a scale far beyond what they could afford in the United States. Far worse is the arrogance of some. Something seems to happen to certain Americans when they get on the plane or boat; they develop an intolerance and an overbearing contempt for the locals and for people whose values differ from theirs.

In one country, an economic official addressed a letter to a cabinet minister which said in effect: "You will carry out such and such a policy or else." No sovereign government can put up with this sort of peremptoriness.

In addition to the abuses of bureaucracy and empire-building, there is the danger of loss of objectivity. Some Americans tend to identify themselves with particular governments or cliques and to become advocates instead of American representatives.

In Thailand, the September coup d'etat was predicted in advance but the report was quashed in the United States Embassy because a top official refused to believe it. The former Ambassador to Pakistan, who surprisingly was kept on in Karachi after his daughter married the son of President Mirza, went native even to the extent of having his family adopt Pakistani dress. Asians do not really respect such obsequiousness.

USE OF INFLUENCE

9. Although strings on American help are repugnant to Asian governments, this country could use its influence to press solutions to internal disputes in Asia. It is absurd, for example, to have President Rhee of Korea adamantly resisting any sort of accord with Japan over fishing rights when the United States is giving more aid to Korea than to any other country and at the same time is trying to promote an economically stable Japan. Korean bitterness at past Japanese repression is real, but the attitude summed up by the Foreign Minister is self-defeating: "The Japanese are getting arrogant again. They won't agree to our terms."

Obviously the United States cannot be in the position of giving orders, but it can disabuse recalcitrant governments of the notion that it condones their intransigence. Friendly relations between the United States and Asian countries call for mutual support. It is dangerous to allow any government to get the idea that the United States needs it more than it needs the United States.

ONE COMMON CAUSE

In summary, free Asia is an exciting place, a continent of extremes of wealth and poverty and nationalism, of high aspirations and sometimes disappointing performance, of widely differing paces of development. The one common denominator is a fervent desire for economic betterment.

Each of the countries has individual problems. Indonesia is depressing because it is wasting its energies in a foreign quarrel and inviting a Communist takeover instead of concentrating on correcting its centrifugal tendencies through more autonomy and better government. Ceylon is worrisome because its economy is stagnating and there is little intellectual awareness of the danger of communism. India is perhaps the most impressive, not because its internal problems are not vast, but because it is doing a great deal to meet them.

There are more than three-fourths of a billion people in free Asia, exclusive of the Middle East. In the last analysis, people do count—in moral, spiritual, and physical terms. Either the countries of Asia will succeed in meeting their problems as free governments, in which case they will be on our side irrespective of alliances, or they will be seduced by the seemingly quicker authoritarian ways of communism with the forfeiture of the liberties they never have fully enjoyed.

The key to stability in Asia is economic, and in a nutshell is in the development of a middle class. This is the real meaning of American economic efforts, and these are far more important than armaments in determining the future of Asia.

When the countries of Asia are involved in the cold war, their economic development is retarded accordingly and the solution of international disputes which affect them is rendered impossible. The challenge to American policy is for this country to be mature enough to be content with neutrality on the part of Asian countries which have chosen free ways.

The essential point, though perhaps obvious, has nowhere been better expressed than by Stephen Spender in his essay on why he left communism in The God That Failed. The only solution, he wrote, is "for the peoples and nations who love liberty to lead a movement throughout the world to improve the conditions of the millions of people who care more for bread than for freedom; thus raising them to a level of existence where they can care for freedom. The interests of the very few people in the world who care for the values of freedom must be identified with those of the many who need bread, or freedom will be lost."

RELIEF OF UNEMPLOYMENT

Mr. MORTON. Mr. President, both the Congress and the Administration are urgently seeking ways and means of getting people back to work. We are particularly anxious to reduce the unemployment rolls by developing projects which are in the national interest and which are not wasteful of Federal funds. It is my opinion that if we diligently apply ourselves to this task, many useful projects can be developed and many of the pitfalls of WPA days can be avoided.

One such project has been suggested to me by the Pittsburgh Metallurgical Co. This company operates one of its plants in Calvert City, Ky. This plant happens to be the largest in the world for the production of high carbon ferrochromium. This product is processed from chrome ore, an item included in the Government's strategic stockpile. There are approximately one hundred thousand tons of this ore in the stockpile at the Calvert City plant. The ore in this stockpile contains a large percentage of very dustlike material and is subject to erosion from the weather and might even break down physically or chemically.

The Pittsburgh Metallurgical Co. has made an offer to convert this material to high carbon ferrochrome, a product necessary for the production of certain steels which are vital to our national defense. In its raw form, the ore is of no value in case of emergency. It will some day have to be converted to usable form and shipped to the mills for the production of high-strength chrome steels, tool steels and stainless steel.

It seems to me that the administration would be wise to accept this offer for the immediate conversion of one hundred thousand tons of chrome ore now in stockpile. The conversion of this product would put 400 men back to work in the Calvert City plant. These men would be assured regular jobs for many months to come. The conversion process requires a large amount of electric power, and that power is today available. It might not be in time of emergency. Today there are adequate rail and water facilities for shipping the end product to Government-owned or private locations near the steels mills. The ferrochrome produced is not perishable. It can be stored in the open for years without physical or chemical deterioration and without being subject to any loss or erosion from the weather.

The cost of converting this hundred thousand tons would be in the neighborhood of $15 million. However, the ore will have to be converted sometime before it can be used in the production of critical and essential steels. There would be no waste of the taxpayers' funds and, in fact, there would be an actual savings. Some of this ore is lost every time it rains or every time the wind blows. This loss would be eliminated by converting the ore into a durable product.

Four hundred men who are now out of work would immediately be given good, steady jobs. Their purchasing power would be restored, which would

improve economic conditions in an important section of western Kentucky. The fuel for the conversion and the transportation of the finished product would provide additional employment.

The manufacture of high carbon ferrochrome from chrome ore requires a tremendous amount of electric power. Generating this power for the Calvert City work would lead to consumption of literally thousands of carloads of coal, thus giving a badly needed impetus to the coal-producing regions of Kentucky.

Should an emergency develop, we will need the ferrochromium, and need it quickly. The raw ore will do us no good at that time. In fact, it may be blown away or washed away long before it is needed. Today we have the trained and skilled men ready and available to do the job. We have adequate power today and surplus shipping facilities. I say, let us do it now.

This is just one example of what might be done to bolster the economy without resorting to costly make-work projects. I am sure that many similar undertakings can be found in Kentucky and throughout the Nation. This proposition is now under urgent study by the Office of Defense Mobilization. I am hopeful that a favorable decision will be promptly made.

I ask unanimous consent that there may be printed in the RECORD as a part of my remarks a letter from Charles Colbert, the President of Pittsburgh Metallurgical Co., to Gordon Gray, Director of the Office of Defense Mobilization, dated March 3, 1958, and my own letter to Gordon Gray, dated March 7. A copy of my letter has also been sent to the Secretary of Defense, the Secretary of the Interior, the Secretary of Commerce, the Secretary of Labor and the Director of the General Services Administration. All of these Departments have an interest in the matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PITTSBURGH METALLURGICAL CO., INC.,
Niagara Falls, N. Y., March 3, 1958.

Subject: A proposed plan to avoid further losses by the Government of a certain percentage of stockpiled chrome ore.

Mr. GORDON GRAY,
Director, Office of Defense Mobilization, Washington, D. C.

DEAR MR. GRAY: We have approximately 537,000 gross tons of Government owned chrome ore in stockpile at our three plants; Niagara Falls, N. Y.; Charleston, S. C., and Calvert City, Ky., by agreement with General Services Administration.

The ore in stockpile at our Calvert City plant, approximately 100,000 tons, is largely fine and of a friable nature and is stockpiled on plant property close by our furnaces.

We respectfully offer to convert, subject to a formal contract, all of this ore for you to high carbon ferrochrome with specifications as set forth in "National Stockpile Specifications, P–11b–R, October 19, 1954 (supersedes issue of December 30, 1950)," with a guaranteed minimum recovery of chrome of 80 percent, at a price of 18 cents per pound of chrome, any rail transportation required to ship the finished product for the Government's account.

We have discussed this matter with several of your people during the past year calling their attention to the fact that—

1. I learned from experience on ferroalloy committees during World War II the desperate need for production at a time when electric energy a major factor in production, labor, and materials were in short supply to say the least; however, if Government at that time had a well balanced stockpile of standard ferroalloys ready for immediate use a far better result would have been accomplished. Presently you have the ore in stockpile but when an emergency occurs it will be necessary to ship the ore to various ferroalloy plants for production of the ferroalloy and then reshipment of the metal where most needed. We believe the metal should be produced now and stockpiled in the areas where it will be most likely required. The selection of such sites is very simple.

2. The chrome ore now in stockpile at the various Pittsburgh Metallurgical Co. locations contains a large percentage of friable, as well as fine, ores that break down physically, as well as erode, due to weathering, causing excessive losses. Also, there is always the danger of contamination of chrome ore that is stored over a long period of time.

3. By converting the stockpiled chrome ore to a standard grade of ferrochrome that meets all Government specifications, it can be stored outside and will not deteriorate over a long period of time, either physically or chemically, thereby eliminating further losses of chrome in the form of ore.

4. The cost of storage of the ferrochrome would be considerably less than for chrome ores because much less space is required. It normally requires 2½ tons of chrome ore to produce 1 ton of ferrochrome alloy.

5. The ferrochrome would be produced at a time when operations in the ferroalloy industry are considerably below normal capacity and, therefore, would permit us to maintain our skilled and trained personnel so necessary to manufacture ferroalloys.

6. Stockpiling the ferrochrome itself in metallic form is equivalent to stockpiling the valuable ore, labor, electric energy, and other raw materials.

7. In the event of another war, the time element will be more precious that ever and this proposed plan avoids all the delay of shipping the raw chrome ore to a plant where it can be converted to ferrochrome and allocated and shipped where most needed. I firmly believe that ferroalloys ready for immediate use should be available in the steel centers that would be called upon for wartime steels.

8. At this time there is plenty of idle productive capacity, labor, an ample supply of all raw materials and good transportation movements, all of which, we know from past experience, become in short supply during an emergency.

We sincerely trust our offer will have your favorable consideration and we will welcome an opportunity of coming to Washington and discussing it with you in more detail.

Sincerely yours,
CHARLES F. COLBERT, Jr.,
President.

MARCH 7, 1958.

Mr. GORDON GRAY,
Director, Office of Defense Mobilization, Washington, D. C.

DEAR MR. GRAY: I have just finished studying the proposal of the Pittsburgh Metallurgical Co., Niagara Falls, N. Y., to convert approximately 100,000 tons of chrome ore in stockpile at its Calvert City, Ky., plant to high-carbon ferrochrome for the Government's account. The offer previously has been submitted by company officials to the Office of Defense Mobilization for your consideration.

The reasons detailed by the producer for wanting to commence this work are so compelling and commendable from every point of view that I wholeheartedly recommend that your Office proceed rapidly to accomplish such conversion.

The Calvert City plant is the largest of its type in the world. The 100,000 tons of chrome ore, if converted now, would yield 40,000 tons of high-carbon ferrochrome ready for immediate use, when needed, in the manufacture of chrome, tool and stainless steels, all essential to our military effort. It is not usable in its present form, and must be converted to the ferroalloy before going into the steel furnaces. In its current stockpile state, the ore is subject to excessive chemical and physical loss from erosion and other weathering. It would be nonperishable in its converted form.

The conversion requires shipment to ferroalloy plants for reduction to ferrochrome. It then has to be reshipped to the steel mills. Considerable electric power and labor, in addition to transportation, are involved. The next national emergency might occur so fast that there will be no time under the fastest crash program to convert present stockpiles to usable forms of metal soon enough to be of any help.

The defense effort would, in my opinion, best be served if this work were done now, when labor, electric power, and transportation are plentiful and unburdened, and the converted ferrochrome stockpiled in selected areas available to American steel-producing centers.

Of vital concern to me personally are the immediate employment possibilities. I am informed that 400 persons would be needed for many months to handle the work at Calvert City. Kentucky has had its share of recession problems, and the initiative of the Pittsburgh Metallurgical Co. in suggesting a realistic program which will put 400 men back to work, conserve a vital mineral resource, improve our emergency defense production capabilities, and save the taxpayers money cannot be overlooked at this time.

I am most anxious to effect this proposal as quickly as possible. If it cannot be accomplished through current administrative procedures, then I am prepared to cooperate in securing legislation necessary to provide the authorization and any appropriation which may be needed to get this work underway.

With best wishes.

Sincerely yours,
THRUSTON B. MORTON.

FAILURE OF GOVERNOR OF WISCONSIN TO CALL A SPECIAL ELECTION IN THE FIRST CONGRESSIONAL DISTRICT

Mr. PROXMIRE. Mr. President, recently Senators discussed on the floor of the Senate the almost incredible failure of the Governor of Wisconsin to call a special election in Wisconsin's First Congressional District this year.

Unfortunately, it was impossible for me to be present in the Chamber during this debate, because I was involved in other Senate business at that time. The colloquy that took place during this debate has been of deep interest to Wisconsin citizens. They were particularly impressed by the fact that even the Republican Senators, who supported the Governor of Wisconsin, indicated in their remarks that they could not believe that the Governor had actually denied the people living in Wisconsin's First District

representation in the House of Representatives for virtually the whole legislative year. But it is a fact, Mr. President, that this is exactly what the Governor of Wisconsin has said that he will do. He will deny all of the people living in Wisconsin's First District any representation in the House of Representatives until 1959.

To the people of Wisconsin it has become increasingly clearer that the Governor is not calling the election because the Democrats would have such a fine chance to win another "always Republican" Congressional District.

Mr. President, the Wall Street Journal, which can certainly not be disqualified on the grounds that it is usually overly critical of Republican policies, contained an excellent editorial on this unfortunate and improper decision of the Governor of Wisconsin. On March 7, the Wall Street Journal editorial said:

Representative Lawrence H. Smith, of Wisconsin's First Congressional District, a Republican, passed away last January. Gov. Vernon Thomson, a Republican, has said he will not call a special election to fill the vacancy, but will leave the seat unfilled until the general elections next November.

Now, that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principles of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STEMMING THE TIDE

The Republicans, like any sensible group of men who sense a storm in the wind, are trying to stem a political tide they believe is right now running for the Democratic Party. There is a question, though, whether some of the things they are doing are politically sensible.

For example, reports from Washington tell us that the Republicans are trying to prevent the holding of special Congressional elections right now. They were upset by the election of a Democrat, Mr. PROXMIRE, to the late Senator McCarthy's Wisconsin seat last year. And 2 weeks ago the First Congressional District in Minnesota gave them an even greater start. Though the Republican won in this special election, the Democratic candidate came within less than 700 votes of winning in a traditional GOP stronghold.

So the political generals of the GOP have decided these special elections are far too risky. The word is that a policy is being tried out that will avoid the riskiness by avoiding the elections.

There are two phases to this policy. One is a decision said to have been suggested by the Attorney General, Mr. Rogers, not to name any Republican Congressmen to the Federal bench right now. Such an appointment would cause a vacancy in Congress, which, if filled by a special election, may well go to the Democrats and thus increase even more that party's majority.

Now the trouble with this sort of thing is that it is not only not the best kind of government; it isn't even good politics. This newspaper, to be sure, thinks that a good rule of thumb for appointments to the Federal bench is to choose men already on a lower Federal or State bench. But we certainly would never say that a good judge cannot be found in Congress. And it is even worse to say that, for partisan political reasons, Congress may not provide a judge.

In a great many places in this country Federal court dockets are already overcrowded, and the Attorney General's Office has from time to time reminded Congress of that in its requests for additional judges. From a viewpoint of good government, one may fairly ask whether the Attorney General's interest in this matter is to be found on the side of what is best for an orderly judicial process or on the side of what is best for the GOP.

And if, as seems plain, the weight is in the political balance, what is the effect one may expect on the Republican Congressmen who are now denied a chance at the Federal bench? Does Mr. Rogers actually believe that creating disappointed—and perhaps even disgruntled—Congressmen benefits the internal structure of his party?

Even more serious in its implications is the second phase of a policy of preventing special elections.

Representative Lawrence H. Smith, of Wisconsin's First Congressional District, a Republican, passed away last January. Gov. Vernon Thomson, a Republican, has said he will not call a special election to fill the vacancy, but will leave the seat unfilled until the general elections next November.

Now that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principles of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

INVESTIGATION OF REGULATORY AGENCIES

Mr. PROXMIRE. Mr. President, the New York Times, in its characteristically solid and responsible manner, this morning in an editorial calls for an investigation to determine whether or not the regulatory agencies are functioning with the purposes Congress had in mind in originally setting them up.

The Times editorial points out that while the sins of omission and commission of prominent personalities in Washington may make more spectacular reading, the public interest will be better served if the investigation of the FCC goes far deeper.

Last week I had printed in the RECORD two articles by Pulitzer Prize winning Reporter Anthony Lewis, which pointed out how the administration of the FCC is totally lacking in responsibility.

This morning's editorial by the New York Times points to the action that the Congress should take in the light of Mr. Lewis' revelations.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE "INDEPENDENT" AGENCIES

The House subcommittee now investigating the independent Federal agencies will be missing a bet if it confines its activities merely to the sins of omission or commission of prominent personalities in Washington and elsewhere. In fact, it will be missing the main purpose of the whole inquiry.

While the low standard of ethics in Government as practiced by some public figures and private businessmen needs to be exposed, the major goal of the subcommittee on legislative oversight ought not be lost sight of. It should be to determine whether or not the regulatory agencies are functioning properly, independently of undue outside influence and in accordance with the purposes Congress had in mind in originally setting them up. This goal should also include a thorough appraisal of the laws and regulations by which the agencies themselves are bound.

It has been a healthy thing to have brought to public attention the indifference of some officials to the proprieties of public life. Commissioner Mack's resignation was necessary. If there are other Commissioners in the FCC or any of the agencies who have shown so little sense of propriety, we hope the House subcommittee will relentlessly expose them too. But a few resignations, however healthy, cannot and will not solve the problem.

The basic procedures of the regulatory agencies must be looked at with a critical and nonpartisan eye. The basic philosophy of these agencies must be reappraised. They were established to perform a combination of administrative and judicial work, but they have not achieved the stature—or perhaps it would be more accurate to say they have declined from the stature—they ought to have in the public mind. One feels that the sense of mission that inhered in these agencies when they were established has tended to dissolve with the passing of the years. A partial reason may be that the appointments to the topmost jobs have been too frequently based on political or other extraneous influences.

These agencies are not courts, nor would it be practicable to bind them to courtroom procedure; but there is every reason why in the determination of cases the decision process should have some of the sanctity of the courts. For example, if in a case at law a party at interest tried to influence a judge's decision outside the courtroom he would be fittingly rebuffed. The same standard just does not exist among the agencies, but it should—and it would if there were a concerted effort to make it stick. Furthermore, it is dangerous nonsense for Commissioners to be allowed to take "honoraria" from the industry they're supposed to be regulating. Their pay should come entirely from the Government—and incidentally it ought to be increased. In some cases, the effectiveness of an agency may be hamstrung by the laws designed to guide it.

Congress has a big responsibility in this field; and the inquiry it has begun can be one of the most important it has ever undertaken—but only if it is followed through.

PRICE SUPPORTS ON DAIRY PRODUCTS

Mr. PROXMIRE. Mr. President, only 21 days remain before the order reducing price supports on dairy commodities is scheduled to take effect.

Yesterday I reported that dairy farmers are already suffering a loss of income as a result of this unwise, unjust, and severe blow to dairy farmers. Today I have evidence directly from the Department of Agriculture that refutes Secretary Benson's claims that this order will be good for farmers.

In the Dairy Situation, issued by the Department of Agriculture last weekend, the following estimate is published of the effect of Mr. Benson's order on

prices of dairy products during the coming year:

The change in price-support level for dairy products, scheduled for April 1, will result in a decline for manufacturing milk of about 22 cents per 100 pounds, approximately 7 percent. The changes in price for this component of milk will be reasonably uniform over the whole country.

Mr. President, there is the warning, directly from the Department of Agriculture itself, of what will happen to the rural economy wherever milk is produced and sold for manufacturing into cheese, dried milk, butter, and other manufactured dairy products. The Department of Agriculture estimates that there will be a gain in production of around 1 billion pounds this year—considerably less than 1 percent. Prices will be down 7 percent, and volume marketed will be up less than 1 percent—this spells a severe cut in the total cash that farmers will receive for their milk, and an even greater proportionate cut in the net returns farmers will have available for family living expenses. Moreover, indications are that farmers' production costs and living costs will continue to go up.

Not only the producers of manufacturing milk will suffer as a result of Mr. Benson's order. Here is what the Department of Agriculture estimates in respect to the effects of this cut in price supports on prices farmers will receive for milk for fluid consumption:

Prices for fluid milk, however, will be influenced by several other additional factors and price changes will vary among market areas. Overall, the reduction probably will be less for fluid milk than for manufacturing milk. The average price to farmers for all milk (fluid and manufacturing milk combined) will average 15 to 18 cents per hundredweight lower after April 1, than a year earlier, a reduction of about 4 percent.

Mr. President, the result of this action by the Secretary of Agriculture will be to slash the returns of dairy producers who are now receiving far less than a fair return for their work. It will result in a dangerous additional downthrust to the economic recession which has thrown 5 million or more breadwinners out of work and brought breadlines back to the American scene. It will destroy additional small-business men in the rural communities. It is dangerous, unfair, and destructive.

INDIAN MEDICAL CARE

Mr. LANGER. Mr. President, I would like to bring to the attention of the United States Senate an article printed in the Grand Forks (N. Dak.) Herald on March 2, 1958, dealing with a "New agreement signed on Indian medical care."

I wish to state that the Honorable Carlyle D. Onsrud, executive director, North Dakota Public Welfare, was instrumental in working out this agreement with the area medical officer for the Public Health Service, Dr. Herbert A. Hudgins, of Aberdeen, S. Dak.

One significant feature of this agreement is that the State and county welfare boards will provide medical health service to Indians who have established residence away from their home area, and the Public Health Service will be responsible for medical health services to Indians living within the boundaries of reservations or adjacent areas.

Mr. President, this is one of the most significant advances in aid to the American Indian. We have learned from experience and from the many hearings we have held around the country that one of the factors in making the Indian, who has gone to the big city to obtain employment, return to the reservation, is that he and his family could not obtain medical and health services through the Federal Government unless they were residing on the Indian reservation. Also, this factor has been significant in the Indians being reluctant to leave their reservation to join the relocation program of the Bureau of Indian Affairs, since medical attention is not provided to them as to the other Indians living on the Indian reservation.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Grand Forks (N. Dak.) Herald of March 2, 1958]

NEW AGREEMENT SIGNED ON INDIAN MEDICAL CARE

BISMARCK.—The Public Health Service and the State welfare board have signed an agreement instituting a new system of medical care for Indians living in North Dakota.

Carlyle D. Onsrud, executive director of the welfare board, said the agreement outlines geographical areas in which each agency will be responsible and in general should serve to minimize conflicts between public agencies over Indian health services.

The agreement was signed by Onsrud and Dr. Herbert A. Hudgins, Aberdeen, S. Dak., area medical officer for the Public Health Service. Its basic points:

Public Health Service will be responsible for medical health services to Indians living within the boundaries of reservations or adjacent areas.

State and county welfare boards will provide medical health services to Indians who have established residence away from their home area.

OBJECTIVES NOTED

Indians who leave reservations to gain employment need not, in all cases, return to the reservation to receive medical care.

The hoped for result, said Onsrud, will be enhancing of the twin objectives of care where needed and affirmative action toward Indian employment.

He pointed out that both the board and the health service recognizes a sameness in living conditions in the Indian community that cannot be artificially separated by a mere reservation boundary.

Under the agreement, the Health Service assumes responsibility for several areas outside exact reservation boundaries.

AREAS DEFINED

The Turtle Mountain area is defined as Rolette County. Fort Totten area is the original reservation plus certain townships including the town of Sheyenne in Eddy County, city of Devils Lake, and some area between the north reservation boundary and Devils Lake.

Fort Berthold area is defined as the original reservation plus designated townships including an area north of the reservation and the towns of Parshall, New Town, and New Sanish.

Standing Rock area remains only the reservation, since it does not have a substantial number of Indians living outside or near its boundaries.

Where Indians establish residence away from their home area, the Health Service will give them treatment even though they are nominally then the responsibility of State and county welfare boards.

Another part of the agreement is that when personal funds are not available, the Health Service will be responsible for burial of any Indian who dies while in its custody, either in a hospital facility directly operated by the Service or in a contract facility.

The Public Health Service took over Indian medical care from the Bureau of Indian Affairs on July 1, 1955.

ECONOMIC ASSISTANCE TO INDIAN TRIBES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated January 30, 1958, addressed to me by the Kickapoo Tribal Council, and also a resolution which accompanied the letter.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

HORTON, KANS., *January 30, 1958.*

Hon. Senator WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: Referring to your letter of January 17, you mentioned not getting the resolution, passed by our tribal council.

Please find enclosed a copy of resolution passed by the tribal council on December 27, in regard to Senate bill 809, which we sincerely hope receives due consideration as we do find that circumstances over which we have not had and do not now have control, has forced practically all of our working people from the home reservation in an effort to provide a living for our people.

Sincerely,

VESTANA CADUE,
Chairman, Kickapoo Tribal Council.

POTAWATOMI INDIAN AGENCY,
Horton, Kans., December 27, 1957.

Resolution

Whereas membership in the Kickapoo Tribe is governed by article 11 of the constitution and bylaws ratified by the tribe on January 23, 1937, and approved by the Secretary of the Interior on February 26, 1937; and

Whereas because of changing conditions and unemployment that exists on Indian reservations it is desired that Senate bill 809 be passed to provide economic assistance to the American Indian Tribes and their members; and

Whereas to encourage private enterprise and to promote the establishment of industrial plants in or near Indian reservations which will provide steady employment to the Indian people; and

Whereas it is felt that the Indian people should be given an opportunity to establish private enterprise and to obtain steady employment near their homes so they may properly provide for their families: Now, therefore, be it

Resolved, That the Tribal Council of the Kickapoo Tribe go on record as requesting Senate bill 809 be passed to provide loans and grants to the Indian people for the establishment of private enterprise and industrial plants in or near their reservation which will create steady employment and improve and raise their standard of living.

VESTANA CADUE, *Chairman.*
MINERVA SPOONE, *Secretary.*
GERALDINE SCHUETZ,
LEO WAH MASSUAK.
DAVID KEO.
IRA ALLEN.

EMPLOYMENT OF INDIANS ON THE GREAT NORTHERN RAILWAY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me by Isadore C. Azure, of Belcourt, N. Dak., and a letter dated January 13, 1958, addressed to me by J. M. Budd, president of the Great Northern Railway, concerning the employment of Indians on the railway.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BELCOURT, N. DAK.

DEAR MR. LANGER: We of the Turtle Mountain Tribe of Indians, are sure in favor of Senate bill 809. We think that jobs closer to home are better than looking for work 3, 4, to a thousand miles.

We are in favor of working instead of getting relief or checks. Course relief and relief checks are indeed welcome if there is no income of any kind. Most people would think that Indians would rather stay home and get help from the Government, but that is a long way from being the truth. We would rather earn money, just like our white counterpart.

We are thanking you and the others who are doing all they can for the Indian people. If it wasn't for you and others like you, the Indians would indeed be in poor shape.

Would you do me and also 17 other heads of families a favor? There are 18 of us Indians working on the Great Northern Railway from Rugby to Minot. This is district gang 11, and there are 18 of us on this gang. Very unusual for an all-Indian gang on the railroad.

You are in a high position, so will you thank the Great Northern Railway for us for hiring Indians and keeping us on. All of us have families that are working on the gang. Our roadmaster is S. J. Gates Rugby N. Dak.

Thanking you,

Sincerely,

ISADORE C. AZURE.

GREAT NORTHERN RAILWAY CO.,
St. Paul, Minn., January 13, 1958.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: Thank you for sending me the letter from Mr. Isadore C. Azure of Belcourt, N. Dak.

I am taking the liberty of passing on a copy of the letter to our people who are responsible for the employment of the Indians and letting them know of the appreciation expressed in Mr. Azure's letter.

Yours very truly,

JOHN M. BUDD.

OCCUPATION OF ESTONIA BY THE SOVIET UNION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a declaration concerning the occupation of the Republic of Estonia.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

DECLARATION

In 1940 the armed forces of the U. S. S. R. invaded and occupied the Republic of Estonia and later forcibly incorporated Estonia into the Soviet Union in violation of all existing treaties and provisions of international law. Estonia was a recognized member of the community of free nations. Its policy had been the development of friendly and peaceful relations with other countries including its eastern neighbor, the U. S. S. R.

Estonia had declared its neutrality at the outbreak of World War II.

After being repulsed from Estonia in the course of war in 1941 the Soviet forces returned to Estonia in 1944 and reestablished the Soviet rule.

The invasion, occupation, and forcible incorporation of Estonia into the Soviet Union was a flagrant act of aggression.

Regardless of all international agreements and commitments signed or adhered to by the U. S. S. R., the Soviet Union has not withdrawn its armed forces and administration from Estonia, so that the Estonians could continue their own national life.

In view of the fact that the Soviet policy is guided by the Communist doctrine and Russian imperialism, there is no hope that the U. S. S. R. would voluntarily leave the territory of Estonia. Instead of liberating occupied countries, the leaders of the U. S. S. R. have repeatedly stated that their unalterable aim is the conquest of the entire world.

The only way to stop Communist conquest and to liberate the enslaved nations from the Communist yoke is to pursue a forceful, persistent, and all-out policy against communism and Soviet aggression.

The policy to contain communism and Soviet rule in its present borders is unrealistic and would mean recognition of the status quo and the acts of aggression.

Nations who have suffered under the Communist yoke are potentially the strongest allies of the free world and they should not be abandoned to their present fate.

Estonians and American citizens of Estonian descent and their friends gathered here today for the commemoration of the 40th anniversary of the declaration of independence of Estonia are expressing their appreciation of the policy of the United States Government in fighting the Communist onslaught and the continued recognition of Estonia as an independent and sovereign nation.

BLOODMOBILE TO VISIT SENATE TOMORROW

Mr. DIRKSEN. Mr. President. I wish to call the attention of the Members of the Senate, Senate committee staffs, and the staffs of Senators, to the fact that the Bloodmobile will be at the Capitol tomorrow. Blood may be donated in rooms 154 and 155 of the Senate Office Building.

This is being done under the direction of the Red Cross and the Federal Civil Defense Administration, in conjunction with the medical authorities who are conducting the blood pledge campaign.

It is hoped that 100,000 pledges of blood will be made in the metropolitan area of Washington. This will serve as a pattern for blood drives in other sections of the Nation.

In connection with this announcement, I wished to place a statement in the body of the RECORD. But I thought since the Bloodmobile will be here tomorrow, the announcement should be made now, so that everyone might hold himself in readiness for the occasion.

STATEMENT BY SENATOR DIRKSEN

With the growing emphasis on missiles, rockets, and other space-age weapons, there is a grave danger of overlooking a vital form of self-survival. This essential defense line for the Nation is the American National Red Cross blood program, now observing its 10th anniversary.

March, as you know, is traditionally Red Cross month, now being observed in all sections of our country. In many of the towns and cities, Red Cross chapters are conducting their membership and annual fund drives. The success of the Red Cross fund drive is essential to every family in the Nation who may be confronted with some sort of disaster—floods, hurricanes, cyclones, fire, or the immediate need for blood or one of its derivatives. Within the past week you have seen or read of the fire that devastated a large number of apartments here in Washington and left 40 families without food, shelter, or personal possessions. It was the Red Cross that moved in to alleviate suffering and organize a rehabilitation program. Equally important as the disaster service is the Red Cross blood program. Here, tomorrow, when the bloodmobile will visit, you will have an opportunity to express your belief in the blood program by personally donating a pint of blood or securing a substitute to donate for you.

Six metropolitan area chapters, participants in a United Givers Fund drive earlier last year, now are engaged in a unique campaign. The area chapters, which include the District of Columbia (Washington, D. C.); Alexandria, Arlington, and Fairfax, Va.; and Montgomery and Prince Georges Counties, in Maryland, are calling upon the residents of the area to pledge a pint of blood. One hundred thousand pledges is the goal.

This blood donor pledge campaign is significant for several reasons. Among the many reasons are: (1) It is the first Red Cross-organized blood donor pledge campaign yet attempted on such an organized and vast scale. (2) As residents of the Nation's Capital, the army of volunteer campaign workers are constantly reminded of the need for preparedness in all forms of defense. And defense preparedness can mean saving the life of some man or woman through a blood transfusion.

The metropolitan-area blood-donor campaign must be successful. If it succeeds, and I am sure it will, it will set the pattern for similar ones in other parts of the country.

In August 1956, the American National Red Cross undertook a responsibility that may prove to be one of the most significant in the history of the blood program.

At the request of the Federal Civil Defense Administration, the Red Cross agreed to develop a national plan for providing whole blood in time of war emergency. This plan would be carried out by the Red Cross under the supervision of the Federal Civil Defense Administration Health Office. The other participating agencies in the Joint Blood Council—the American Hospital Association, the American Association of Blood Banks, the American Society of Clinical Pathologists, and the American Medical Association—will all participate in the program with the Red Cross.

This plan must take into account that an attack with nuclear weapons on this country would cause vast destruction. Millions would be killed and injured and tremendous quantities of blood and its derivatives would be needed in a relatively short time to treat casualties. All surviving blood-collecting resources would have to put forth a maximum effort to even meet the partial blood needs.

Organized in 1948, the Red Cross blood program has grown to 51 regional programs with 1,500 participating chapters. It collects more than 2 million pints of blood annually and distributes blood to 3,900 hospitals in all 48 States and the District of Columbia. The Red Cross Washington regional blood center supplies the total blood needs of 51 civilian and Federal hospitals in the District of Columbia and neighboring States of Virginia, West Virginia, and Maryland. Part of the blood collected by the

Red Cross regional center must go to Civil Defense for stockpiling blood derivatives.

Besides supplying fresh whole blood for hospitals, the Red Cross has processed and distributed millions of units of valuable blood products. These blood products include gamma globulin, for the modification and prevention of measles and for agammaglobulinemia—a condition in which the patient cannot manufacture his own gamma globulin and thereby is subject to repeated infection; serum albumin, used in treating shock, severe burns, and certain kidney diseases; fibrinogen, latest in the derivative family, now used in cases of severe hemorrhaging resulting from certain complications of childbirth.

In the past decade, American Red Cross processed and distributed at Red Cross expense 18,994,900 cc.'s of gamma globulin, 435,000 units of serum albumin, and 5,200 units of fibrinogen. These derivatives have a current commercial value of more than $50 million.

While the entire life-saving whole blood and blood derivatives are valuable to the health and well-being of the American people, Gen. Alfred M. Gruenther, president of the American National Red Cross, stressed the fact that the real significance of the blood program lies in the continuing research in blood which had been made possible largely by the Red Cross blood program.

In a recent speech General Gruenther said, "New blood fractions now are being studied; one of these is plasminogen, which when changed into active form, enzyme plasmin, is capable of dissolving blood clots."

The Washington regional blood center is to be congratulated in leading the blood pledge donor campaign and deserves your support now. Unless there is replenishment of blood supplies by regular, continuing donations, the blood bank cannot meet their obligations or assure you and your family whole blood or derivatives when they are needed.

A Member of the House of Representatives is currently in a local hospital and has to date received 40 pints of Red Cross blood.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

John M. Allison, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Czechoslovakia, vice U. Alexis Johnson; and

Robert G. Barnes, of Pennsylvania, a Foreign Service officer of class 2, to be Special Assistant for Mutual Security Coordination, in the Department of State.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Malcolm Anderson to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations of United States marshals be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

UNEMPLOYMENT STATISTICS AND A TAX CUT

(The following speech subsequently delivered by Mr. DOUGLAS was, on his request, and by unanimous consent, ordered to be printed in the RECORD preceding the debate on the amendment affecting the east front of the Capitol:)

Mr. DOUGLAS. Mr. President, the Department of Commerce and the Department of Labor have just announced the unemployment figures taken by the census for the middle of February, and I read from the announcement which has been made:

Unemployment totaled 5.2 million in mid-February, Secretary of Labor Mitchell and Secretary of Commerce Weeks jointly announced today.

In the middle of last week, on the basis of the unemployment insurance figures for the middle of February, I predicted that the census figures of unemployment for the middle of February would be not less than 5 million, but more probably 5.2 million. It thus develops in my prediction I hit the nail precisely on the head.

While it is always somewhat ungracious to point to one's own record in these matters, I think I should also indicate for the RECORD that on February 10, and on days preceding February 10, I predicted, on the basis of the unemployment insurance figures, that the census figures for the middle of January would be 4.5 million. That is precisely what they turned out to be. So I submit that, far from being a prophet of gloom and doom, my prophecies seem to be precisely on the head.

I regret very much, as we all do, that there has been this great increase in unemployment.

Mr. President, I ask unanimous consent that the first few pages of the current release, together with an analysis and explanatory notes, be printed in the RECORD at this point in my remarks.

There being no objection, the release, analysis, and notes were ordered to be printed in the RECORD, as follows:

COMBINED EMPLOYMENT AND UNEMPLOYMENT RELEASE, FEBRUARY 1958

Unemployment totaled 5.2 million in mid-February, Secretary of Labor Mitchell and Secretary of Commerce Weeks jointly announced today. The number of jobless—normally stable at this time of year—was up by 700,000 from a month earlier. Continued layoffs in durable goods manufacturing and unusually bad weather in some areas which affected construction and other outdoor activities accounted for a major part of the rise. In addition to these job losses—which mainly affected men—unemployment was further increased by the entry of a considerable number of women and young persons into the labor market. State insured unemployment—which does not include these new labor market entrants—rose by 300,000 between mid-January and mid-February.

The seasonally adjusted rate of unemployment reached 6.7 percent in February as compared with 5.8 percent the month before. Prior to last fall, the rate had ranged between 4 and 4½ percent for more than 2 years. The rate is now higher than at the peak of the 1954 business downturn (then around 6 percent) but about the same as in the later stages of the 1949 recession.

Total civilian employment, at 62 million in February, showed a relatively small change in view of the sharp rise in unemployment, because many of the new labor market entrants were able to find jobs. These new additions partly offset a job reduction of about 400,000 among adult men.

The number of workers on nonfarm payrolls (BLS), which normally changes little between January and February, dropped by 670,000 to a level of 50.3 million as a result of greater than seasonal reductions in hard goods manufacturing industries and construction. Compared with a year ago, employment on nonfarm payrolls was down by 1.4 million, with more than 80 percent of this decline in durable goods manufacturing industries.

The job changes were much sharper in the BLS payroll series than in the overall census employment estimates for two principal reasons. First, the BLS figures do not include the self-employed and domestic service groups which were up both over the month and since a year ago. Second, unusually large numbers of workers were absent from

their jobs during the February survey week because of bad weather; these are counted as employed by the Census if not seeking other jobs, but not by BLS unless they were paid for the time off.

Manufacturing employment dropped by 300,000 over the month to 15.6 million, with particularly sharp declines in primary and fabricated metals, machinery industries, and automobile plants. Weekly hours of factory workers, virtually unchanged over the month at 38.5, were at the lowest level for any February in the postwar period. Weekly earnings at $80.85 were about the same as in January, although down by about $1.50 over the year because of reduced hours of work.

Outside of the manufacturing sector, there were continued declines in railroad and mining employment and a large drop, 220,000, in construction, much of it due to bad weather. The employment reduction of 150,000 in trade was mainly seasonal.

State insured unemployment rose in all but nine States between January and February. Four leading industrial States showed increases of more than 25,000—California (51,000), Ohio (38,500), Michigan (31,500), and Illinois (25,700).

As compared with February 1957, insured unemployment was up by 1.4 million, total unemployment by 2.1 million.

The national rate of insured unemployment in mid-February was 7.5 percent (not adjusted for seasonality) compared with 4.4 percent a year earlier. The February 1958 rates were above 10 percent in 14 States compared with two States in February 1957. Among the large industrial States, Michigan had the highest rate this year (11.4 percent), while those in New Jersey and Pennsylvania were about 9 percent. Illinois had the lowest rate among the large States (5.9 percent).

Approximately 1 million workers who had been unemployed in January—about one-fifth of the jobless total—had found jobs by the February survey week. The proportion finding jobs at this time of year is usually considerably larger, however—about one-third. The slowdown in hiring was also reflected in a greater than seasonal increase in the number of long-term unemployed—those seeking work 15 weeks or longer. This group increased by 300,000 to 1,150,000 whereas it had previously remained well under the 1-million mark since the spring of 1955. The longer period of unemployment in recent months is reflected in the rising number of claimants exhausting their unemployment insurance benefits. Preliminary data indicate, however, that the February total of those exhausting benefits will approximate the 147,000 figure for January compared with less than 100,000 last February.

Employment and unemployment indicators

	1958	
	February	January
Labor force figures (census): [1]		
Total labor force, including Armed Forces	69,804,000	69,379,000
Civilian labor force	67,160,000	66,732,000
Employed, total	61,988,000	62,238,000
In agriculture	4,830,000	4,998,000
In nonagricultural industries	57,158,000	57,240,000
Worked 35 hours or more during week	43,212,000	44,767,000
Worked less than 35 hours during week	11,469,000	10,455,000
Usually work full time at present job	4,931,000	4,021,000
Worked part time for economic reasons	2,084,000	1,953,000
Worked part time for other reasons	2,947,000	2,068,000
Usually work part time at present job	6,539,000	6,444,000
Worked part time for economic reasons	1,111,000	1,116,000
Worked part time for other reasons	5,428,000	5,328,000
With a job but absent from work entire week	2,476,000	2,008,000
Unemployed, total	5,173,000	4,494,000
Seasonally adjusted unemployment rate	6.7	5.8
Unemployed 15 weeks or longer	1,148,000	865,000
Not in labor force	51,627,000	51,947,000
Payroll employment statistics (BLS): [2]		
Total employees in nonagricultural establishments	50,314,000	50,937,000
Manufacturing	15,586,000	15,889,000
Durable goods	8,859,000	9,113,000
Nondurable goods	6,727,000	6,767,000
Mining	793,000	807,000
Contract construction	2,391,000	2,610,000
Transportation and public utilities	3,962,000	3,997,000
Wholesale and retail trade	11,302,000	11,456,000
Finance, insurance, and real estate	2,344,000	2,343,000
Service and miscellaneous	6,395,000	6,393,000
Government	7,538,000	7,501,000
Average weekly hours of production workers in manufacturing industries	38.5	38.6
Durable goods	38.8	38.9
Nondurable goods	38.2	38.3
Unemployment insurance statistics (BES):		
Initial claims (State), week ending—		
Feb. 8; Jan. 11	456,800	609,000
Feb. 15; Jan. 18	425,300	523,200
Feb. 22; Jan. 25	459,200	452,300
Mar. 1; Feb. 1	435,900	442,100
Insured unemployment (State), week ending—		
Feb. 1; Jan. 4	2,939,400	2,809,300
Feb. 8; Jan. 11	2,971,800	2,863,800
Feb. 15; Jan. 18	3,130,200	2,850,000
Feb. 22; Jan. 25	3,288,000	2,895,300

[1] Calendar week ending nearest 15th of month. Figures based on new definitions adopted in 1957.
[2] Payroll period ending nearest 15th of month. January figures revised.

EXPLANATORY NOTES

Changes in employment and unemployment result from a variety of economic and social forces. Genuine understanding of what is happening in the labor market requires the collection of many different kinds of information. Current statistics on the employment situation are available from three principal sources: (1) Sample surveys of the population, (2) payroll reports from employers, and (3) administrative statistics of unemployment insurance systems. Although there is some inevitable overlap in coverage, the statistics from these separate sources provide information on basically different aspects of employment and unemployment and largely supplement each other.

A sample survey of the population provides the only comprehensive measure of the entire labor force, both employed and unemployed. It also provides information on the characteristics of employed and unemployed persons, such as age, sex, and color, which cannot be readily obtained except from direct enumerations of the population. Other unique information obtained are distributions of the employed by hours worked and by broad occupational attachment and of the unemployed by duration of unemployment. A sample of employers, on the other hand, can report the number of people on establishment payrolls, the hours worked, and the wages paid in nonagricultural industries. Statistics on employment, hours of work, and earnings are provided from this source for a large number of specific industries and areas on a current basis. Not included on these payrolls are several million people who are self-employed, who are hired as domestics, or who work at unpaid jobs. Most nonfarm workers, however, are employed in establishments and these are the basic figures on employment levels and trends for a wide range of specific industries. Finally, administrative statistics of unemployment insurance systems furnish a complete count of new and insured unemployment among the two-thirds of the working population covered by unemployment insurance programs. Although these administrative reports do not cover all of the unemployed, they are valuable as current indicators because the figures are available weekly, are given separately for each State, and show both emerging new unemployment and continued unemployment.

These three series reflect the same underlying economic situations yet measure different aspects of the labor market. It is therefore expected that the numbers will not move in complete harmony from month to month. Some discrepancies may also arise because of sampling variability and response or reporting errors, and administrative factors. The principal purpose of the combined report is to provide a rounded picture of the employment situation based on all of the available information and to promote a better understanding of the different types of data and of differences which may arise, from time to time, between the various series.

Following is a brief description of each series. For more detail, the publications of the Bureaus compiling the series may be consulted.

Sample surveys of the population—labor force statistics

Bureau of the Census: This Bureau prepares monthly estimates of the population of working age (14 years and over) showing the total number employed, the total unemployed, and the number not in the labor force. The information is obtained from a scientifically selected sample of about 35,000 interviewed households in 330 areas throughout the country and is based on the reported activity or status of the surveyed persons during the calendar week ending nearest the 15th day of the month. The employed total—which is divided between agricultural and nonagricultural pursuits—includes all wage and salary workers and self-employed persons who worked at all during the survey week or who had jobs or businesses from which they were temporarily absent that week because of illness, vacation, or various other reasons; it also includes unpaid workers in family-operated enterprises who worked 15 hours or more during the survey week. The unemployed total includes all jobless persons who were looking for work, regardless of whether or not they were eligible for unemployment insurance. Also counted as unemployed, effective January 1957, are persons on temporary (less than 30 days' layoff) and those scheduled to start new wage and salary jobs within 30 days.

Sample surveys of employers—payroll employment statistics

Bureau of Labor Statistics: This Bureau issues monthly statistics of the number of employees on the payrolls of nonagricultural establishments, by industry. The figures are based on reports from a sample of 155,000 employers covering more than 20 million workers. The employment of production and related workers is also shown separately by industry, together with average weekly hours and average hourly and weekly earnings. The employee figures include all persons who worked or received pay from nonagricultural establishments during the payroll period ending nearest the 15th of the month. Persons on paid sick leave, paid holiday or paid vacation, etc., are included, but not those on leave without pay for the entire payroll period. Persons on the payroll of more than one establishment during the period are counted each time reported.

Unemployment insurance statistics

Bureau of Employment Security: This Bureau issues weekly reports, by State, on the number of initial claims and the volume and rate of insured unemployment under State unemployment insurance programs, including the program of unemployment compensation for Federal employees. Figures are also issued by State on the volume of unemployment compensation for veterans and nationally for the Railroad Retirement Board program. Week-to-week changes may be affected by holidays and other administrative factors. The count of insured unemployment represents the number of persons reporting a week of unemployment under programs which currently cover about two-thirds of the Nation's labor force. Included are some persons who are only partially unemployed, and excluded are persons such as those who have exhausted their benefit rights, new workers who have not earned rights to unemployment insurance and persons losing jobs not covered by unemployment insurance systems (agriculture, State and local government, domestic service, self-employment, unpaid family work, nonprofit organizations, firms below a minimum size). State initial claims are notices given by those losing jobs covered by State and Federal employee programs that they are starting periods of unemployment. A claimant who continues to be unemployed a full week is then counted in the insured unemployment figure. Initial claim counts are of value as the first indication of emerging new unemployment.

Mr. DOUGLAS. Mr. President, the figure which has been given out by the Department of Labor and the Department of Commerce jointly does not include a computation as to what the full-time equivalent unemployment would be of those who are involuntary part-time employees.

On various occasions I have called attention to the fact that for some years I have had computed a private figure, or a private index, reducing the involuntary part-time workers to a full-time equivalent unemployment basis.

I now ask unanimous consent that the computation be inserted in the RECORD at this point in my remarks.

There being no objection, the computation was ordered to be printed in the RECORD, as follows:

Unemployed persons, part-time workers, and estimated full-time equivalent unemployment, by months, January 1956–February 1958

Unemployed persons		Persons who worked part time because of economic factors			Full-time equivalent unemployment	
		Total	Usually work full time	Usually work part time	Of part-time workers	Total
1956—January	3,092	1,847	1,060	787	769	3,861
February	3,137	1,877	1,130	747	798	3,935
March	3,125	1,722	938	784	783	3,908
April	2,755	1,873	1,057	816	796	3,551
May	2,870	2,046	1,221	825	835	3,705
June	3,400	2,398	1,172	1,226	1,092	4,492
July	3,134	2,167	1,016	1,151	1,011	4,145
August	2,527	2,280	1,118	1,162	1,004	3,531
September	2,295	1,919	1,023	896	821	3,116
October	2,127	1,793	1,000	793	721	2,848
November	2,648	1,839	1,055	804	767	3,415
December	2,727	1,863	1,043	820	804	3,531
1957—January	3,244	1,935	1,190	745	816	4,060
February	3,121	2,076	1,203	873	879	4,000
March	2,882	2,136	1,288	848	893	3,775
April	2,690	2,083	1,242	841	844	3,534
May	2,715	2,133	1,215	918	831	3,546
June	3,337	2,501	1,312	1,189	1,089	4,426
July	3,007	2,363	1,091	1,272	1,061	4,068
August	2,609	2,323	1,076	1,247	1,016	3,625
September	2,552	1,952	1,068	884	799	3,351
October	2,508	1,991	1,057	934	826	3,334
November	3,188	2,208	1,152	1,056	942	4,130
December	3,374	2,332	1,306	1,026	979	4,353
1958—January	4,494	3,069	1,953	1,116	1,210	5,704
February	5,173	3,195	2,084	1,111	1,204	6,377

Mr. DOUGLAS. Mr. President, I will say the computations which we have just made for February indicate that there would be the full-time equivalent unemployment of an additional 1,204,000 workers, which when added to the 5,173,000 full-time unemployed makes a total completely unemployed and equivalent unemployed of 6,377,000.

The question then comes, What percentage of unemployment is this? Sometimes the figure of unemployment is divided by the total working force to get a percentage, but that is obviously inaccurate. The civilian labor force includes some 10 million persons who are self-employed, who are farmers and shopkeepers, and who, in some instances—about 1 million of them—embrace the families of the self-employed, such as wives who help husbands keep stores, and so forth. As I tried to point out, such persons are not subject to unemployment during a recession or depression. The recession or depression hits them in the form of reduced income, but they still have their jobs underneath their feet. Therefore, they should not be included in the denominator when we are computing the percentage of unemployment. That denominator, instead, should include only those who are already employed in wage and salaried labor, and those who are seeking wage and salaried labor, but are unable at the moment to obtain it. Therefore, the denominator should not be 67 million, but 57 million, namely, 67 million minus the 10 million self-employed.

If we used that figure as the denominator and the 6,377,000 equivalent unemployment figure as the numerator, we would get a percentage of 11.2, or one-ninth of the working force who are completely unemployed or equivalently unemployed.

I might say the part-time situation is very serious. It is being increasingly resorted to. It is certainly true that 2 people working part time are the equivalent of 1 person unemployed.

Mr. President, the situation is extremely serious, and I cannot understand the psychology of those who would dally with this problem and who are saying that now is not the time to act. The time to act is now, and the problem is getting more serious every day.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to my good friend from Michigan.

Mr. McNAMARA. I should like to ask the distinguished Senator from Illinois if he has taken into consideration the fact that in June of this year, with the graduates, and with the dropouts from our educational system, a tremendous number will be added to the figures the Senator has already mentioned. Is not the outlook very black for those youngsters? Is not now the time, as the Senator has said, to do something to create a possible pickup in our economy, so that our young people will have something better to look forward to as they graduate from schools and colleges?

Mr. DOUGLAS. It is true that a very large number of young people who will leave college and a still larger number who will leave high school and not go on to college will be seeking work. Unless employment opportunities are expanded, they will be compelled to walk the streets.

We all hope that employment opportunities will expand. The Senator from Michigan has invited attention to a very important matter; namely, that we must get a pickup in employment soon or the situation is going to become worse and worse.

Mr. President, since on these last two occasions I have hit the nail precisely on the head as regards the probable number of unemployed, I believe that fact lends some support to the method which I have used. Very briefly, what we find is that in the past few months, if we take the number of claimants for unemployment insurance under State

laws, under special provisions for veterans and under railroad unemployment—the last two items sometimes being ignored by economic writers—we get a total which has been in January and February about 63 percent of the final figure as it has been reported by the Census Bureau. Therefore, at least for the present we can assume that the figures as to the number of claimants for unemployment benefits will represent, roughly, 63 percent of the total number who are unemployed. As I mentioned yesterday, this may increase in the future as a larger number have exhausted their claims to benefits.

We also have the figures for February 22 which have been released by the Department of Labor as to the total number of claimants under insured employment; State unemployment compensation laws, veterans' provisions, and railroad provisions.

I read from page 2 of the release dated March 7, where I note that the total number of claimants for benefits was 3,478,600. Applying the 63-percent factor, we would get an estimated total number of unemployed for the week of February 22 of 5,520,000, or a figure well in excess of 300,000 more than the census figures for the preceding week.

Let me say that I think this figure of 5,520,000 is a little bit higher than the actual number, because the week of February 22 was the week of the big snow, so to speak. There are some workers who are hired by the day in construction and building who would technically be counted as unemployed on that day. That would not be true, of course, for the factory workers.

Mr. SPARKMAN. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I fail to see how such a situation would affect the formula by which the number of people drawing unemployment compensation is converted by a factor of 63 percent. A person out of employment for 1 day would not be drawing unemployment compensation, would he?

Mr. DOUGLAS. No, but he would be counted. If the Census had taken a figure with relation to that week he would have been unemployed.

Mr. SPARKMAN. That would be true, but, as I understand the situation, the Senator arrived at his figure of 5,520,000 by converting the unemployment insurance paid by a factor of 63 percent.

Mr. DOUGLAS. By using the insurance figure. The Senator is correct.

Mr. SPARKMAN. Then this element the Senator mentions would not enter the picture at all.

Mr. DOUGLAS. It is perhaps true that I have been excessively cautious.

Mr. SPARKMAN. I merely wanted to remind the Senator of his ultraconservatism.

Mr. DOUGLAS. I have always tried to be conservative in my views on this point.

In any event, it is very significant that the week from February 15 to February 22 showed an increase in unemployment.

If I may read the unemployment-insurance claimant figures for those 2 weeks, for the week of the 15th of February, which was the week the Census covered by its study, there were 3,337,800 claimants, and for the next week, February 22, the figure had risen to 3,478,600, which was an increase of 140,800. Therefore, conditions slid downhill from the 15th to the 22d of February very markedly, and the number of unemployed certainly increased by more than 141,000.

Mr. President, I believe on Friday of this week the Department of Labor will give the figures as to the claimants for unemployment-insurance benefits for the week ending the 1st of March. As soon as I obtain those figures, I shall make an estimate as to what the total unemployment was as of the 1st of March. I shall do the same thing for the 8th of March and for the 15th of March. The Ides of March are here.

Then we shall be able to compare the estimate which I make for the 15th of March with the census figures which will be published some time in April for the 15th of March.

Again, without pinning any roses on myself, I should like to have the RECORD show that on the two previous predictions—namely, the probable numbers whom the Census Bureau would show as unemployed as of the 15th of January and the 15th of February—I hit the number on the head to the precise 100,000.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a speech delivered by President George Meany of the AFL-CIO this morning at 10 o'clock, to an emergency economic and legislative conference of the AFL-CIO at the Sheraton Park Hotel. In his speech Mr. Meany states that "We have a right to expect action," and he also states that "Probably the most important single weapon through which the Federal Government can fight recession is by a cut in taxes, which will immediately pump new purchasing power into the economy."

I want to commend President Meany for this speech. I believe the priorities he establishes for fighting a recession are correct. He first wants to help the unemployed by increasing the amount of benefits and by extending the period of coverage. He then says that a tax cut is the best single weapon to fight a recession and advocates such a cut. He then points out that we should expand slum clearance, school construction, hospital building, and other needed public works, as well as aid to the chronically depressed areas. He is quite right to put a tax cut at the top of his list of priorities, for it is by far the quickest and most immediate action we can take.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY AFL-CIO PRESIDENT GEORGE MEANY TO AN EMERGENCY ECONOMIC AND LEGISLATIVE CONFERENCE OF THE AFL-CIO, WASHINGTON, D. C.

You men and women are here today because our Nation is in trouble—bad economic trouble.

I don't suppose that any of us here in Washington can tell you anything you don't know already about unemployment in your hometown. But unemployment is not an isolated phenomenon—peculiar to your hometown.

This is a contagious disease. I say that flatly and without equivocation. I say it without partisanship, without rancor; and I don't consider that I am a prophet of doom and gloom.

I say unemployment is now a contagious disease because we have reached the point—the danger point—where unemployment is now feeding on itself.

The time has come to put a halt to it. In fact, we must do more now just because we've done nothing up to now.

I wish that I could speak to you in the same tone of calm confidence that has been used in discussing this situation by many of our elected officials. I wish I could say confidently to you that the statistics, the facts, the figures that you will hear during this conference do not merit alarm. I wish I could say to you, "Let's do nothing for awhile and maybe this bad dream will vanish."

I can't in all honesty do that. I can't because I don't view—and the trade-union movement will never view—the problem of millions of job-hungry people in terms of just statistics and percentages.

We are going to be talking about people at this conference—about men looking for jobs, about wives who daily face the task of feeding and clothing the family on a meager budget.

You are here today because it is high time that people in high places in Washington learned what unemployment means in human terms; learned to think of this problem—the No. 1 problem in the United States today—in terms of men and women, not just in terms of cold figures.

You're here to tell the Congressmen and the Senators—elected by the people of your area—just exactly what's going on back at home; to tell them about the Jones family and the Smith family and the XYZ factory that closed down and about the corner grocery store that is on the economic rocks.

You're here because it is high time this problem of unemployment was taken out of the political arena, was stripped of the fancy language of the economists, was translated into terms that we all understand—the problems and sufferings of people.

Suffering is an individual thing. None of us, I suppose, can really know how intense some are suffering these days. But we can imagine; we can understand; we can react.

As for me, I am tired of headlines that talk of millions of jobless men and women in terms of just plain statistics. You know, these aren't figures comparable to railroad carloadings, or the price of hogs at the Chicago stockyards.

These are men and women. Millions of them are our members.

We have a right to be concerned; we have a right to be alarmed; we have a right to demand action now.

And as Americans we have a right to expect to get action.

Let me make one thing clear. There are a lot of people who carry some responsibility for today's economic crisis.

The administration is to blame for shortsightedness, for its basic lack of confidence in the American people while it preaches confidence. The administration is to blame because it has done too little until it's almost too late, because it has sought to hide the truth behind a face of political cheerfulness.

But the people on Capitol Hill must share the blame too. There is no excuse for the delay in the Congress. The Congress need not have waited for administration leadership. It could—it should—have moved before this.

I say that after having examined with care the proposal made last Thursday by all of

the Democrats in the Senate, with the sole exception of Senator Byrd, and by 18 of the Republican Senators.

That proposal contains much that is sound and sensible and necessary. But it is awfully late and it does not meet what I consider the first need—putting cash into the pockets of people so that they can spend it without delay.

I say that there is blame on both sides after having examined with equal care the proposals of eight Republican Senators, which indeed go further in some areas than the proposal of Senator JOHNSON and also go further in some areas than the administration's proposals.

But this proposition again fails to meet today's basic need—to put money into the pockets of all workers, as I shall outline in detail in a few minutes.

Do not be misled by the political soothsayers and spellbinders from either side. The Democrats know they can make political capital out of talking about the recession and doing little about it. The Republicans hope to protect themselves by hiding the fact that, during a Republican administration, the economy has become dangerously sick.

This is not the time to indulge ourselves in partisan name calling or partisan blame tossing. Now is the time for all of us—no matter what our political preferences—to close ranks and to get something done.

That means abandonment of some of the administration's favorite and now thoroughly disproven theories of economics. That means that, for the good of the country, the Democrats are going to have to put political capital to one side and do something.

We propose here to outline what that "something" should be.

But first, let's take a hard, factual look at where we stand.

The current unemployment figures have not, as yet, been issued. I am told they will be released in an hour or so.

I predict, however, that they will be so close to 5,250,000 jobless that there won't be any necessity of correcting the record.

That's an increase of three-quarters of a million in a month.

Five and a quarter million. That's more than twice as many people as there are in the entire city of Philadelphia. That's more than all the people in the States of Wyoming, Vermont, Utah, South Dakota, Rhode Island, North Dakota, New Mexico, New Hampshire, and Nevada, altogether.

That's not all.

In February, more than 3 million people were working part time—3- and 4-day workweeks—through no fault of their own. If you add up their lost time and divide it by a 5-day week, you'd add another 1.3 million to the number of people who are totally unemployed—or 6½ million wage earners who are no longer contributing their purchasing power to keeping the economy going.

Now I know all about the economic cushions that were built into our economic structure during the years when Congress was socially conscious and was passing social-welfare legislation. Many of us here in this room fought vigorously for the adoption of unemployment insurance, for example, and we fought vigorously for years for improvement. Unfortunately, our fight hasn't been successful. If it had been, we wouldn't be in the spot we are in today.

I'll have more to say on the subject of unemployment insurance in a few minutes. Now let me get on with the picture of where we stand economically in this Nation today. Here are some more statistics which, though I dislike using them, do present the figure.

More than 25 percent of our industrial capacity is idle. In some industries, like steel, our output is only at 50 percent of capacity. Factory working hours in January were the lowest for that month since 1951.

Freightcar loadings are 25 percent less than they were a year ago. Exports are 25 percent below March of 1957.

Let me see if I can't bring one of these statistics to life. Do you know what the cut in steel production means? It means that during the last month we lost more steel production than the average monthly output of the Soviet Union.

How can we keep superiority in production and material if we allow this condition to continue?

And one last, but vitally important, set of statistics: In February, 170,000 workers exhausted their unemployment-insurance benefits. Imagine that. More than 40,000 workers every week during the month of February ran through all of the unemployment-compensation benefits to which they were entitled.

As of mid-February, 7½ percent of those eligible to receive unemployment compensation were receiving benefits. That's the highest figure on record.

Now those are the facts. There's no sense in trying to gloss them over. There's no sense in trying to pretend they don't exist. There is no sense in doing anything else but facing up to the grim realities of the situation—and then doing something about it.

Now, now did we get into this fix?

Well, I think it dates back to 1954, when the Congress of the United States heeded the wishes of big business and ignored the pleas of the trade union movement. The key was the economic policy which encouraged and subsidized a business investment boom while discouraging consumer buying power. As a result, we created a tremendous ability to produce, but we paid no attention to the Nation's ability to consume.

The trade union movement warned them—and I get no satisfaction out of saying "I told you so" but facts are facts—we warned then that the 1954 tax law was geared to special-tax privileges to encourage business investment. We warned then that ignoring the needs for increasing consumer purchasing power was bound to put this Nation in economic hot water.

For 3 years our warnings must have sounded hollow, for business continued to boom. But by early 1957 the economy was weakening. The business investment boom had lost its steam; the consumer markets showed no new strength.

Despite some clear-warning signals, the Government last summer took two decisive and fatal actions. The Federal Reserve Board further tightened up on money. The administration, in a budget-cutting mood that was aided and abetted by men from both parties on Capitol Hill, slashed defense contracts.

Last August, the AFL–CIO warned that we were in for real trouble.

In Washington, people laughed.

Last September, one month later, the economy began slipping.

It hasn't stopped.

Now the question for us here today—the question for all America—is crystal clear; what can be done about it?

The AFL–CIO says we can do plenty. We say that the time for waiting and whistling and hoping is past. The time for bold, decisive actions by the Federal Government is here.

Probably the most important single weapon through which the Federal Government can fight recession is by a cut in taxes which will immediately pump new purchasing power into the economy. This can be done, simply and with an immediate effect by increasing the individual basic exemption from $600 to $700. In fact, it may even be necessary to go higher than $700.

In these days of withholding taxes that would mean an immediate increasing in purchasing power in the pay envelope of every single American worker.

Let's examine, first of all, the justice and the basic commonsense of cutting taxes at this time. At this very minute, 5¼ million wage earners aren't paying a cent in taxes for the very simple reason that they haven't got a cent in income. By putting this new purchasing power into the economy and putting people back to work, we would be creating taxable income—a fact which the conservative economists seem to forget.

And why not increase the basic exemption? What is so sacred about the $600 figure? When the Congress established, in 1948, the basic individual exemption of $600, it was acting on the assumption and belief that $600 was the rock-bottom income per individual that was necessary for the most basic living essentials. As a matter of public policy, the Government decided that it had no right to tax income below that level.

That was 1948. The cost of living has risen so markedly since then that it takes more than $700 a year to buy what $600 bought in 1948.

And what would this increased exemption mean? Well, it would mean that the family of 4, with an income of $3,100 or less a year would pay no taxes. Well, isn't that fair, since the Department of Labor figures, brought up to date, say that a family of 4 needs an income of $4,472 a year just to maintain a minimum, decent standard of living?

We can also, and we should, eliminate or reduce some of the Federal excise taxes on consumer goods and thus stimulate purchasing through lower prices.

And if anyone on Capitol Hill says to you that the Government can't afford a reduction in its income, just remind them that the most important thing is to put people back to work.

If this takes a deficit, let there be a deficit. It is better to have a deficit this year and prosperity next, than to have a balanced budget this year and even more unemployment next year.

In No. 2 spot on the list of "must" legislation, I believe we should place the so-called Kennedy-McCarthy bill—the measure introduced in the United States Senate by Senator JOHN KENNEDY of Massachusetts, and in the House of Representatives by Congressman EUGENE MCCARTHY of Minnesota.

This is the measure designed to establish some realistic and sensible Federal standards for unemployment compensation.

I don't have to tell those of you here, who have fought in your State legislatures year after discouraging year for realistic improvements in unemployment compensation, of the need for improving the unemployment insurance laws of your home State.

In good years, the legislators said there was no sense in improving unemployment insurance when you didn't have unemployment. In bad years, they said they couldn't afford to improve unemployment insurance. And in routine years, they said: "Let's not rock the boat."

Well, the time has come to end this kind of nonsense. The time has come to show that we mean it when we say that the family of a man who is unemployed through no fault of his own must—and of a right should—live in some sort of decency.

Every year since February 1954, President Eisenhower and Secretary Mitchell have recommended to the several States that they establish standards to provide that workers unemployed through no fault of their own would get benefits equal to at least half of their lost wages.

Not a single State in the 48 has come anywhere near that standard.

The reason is rather obvious. If the Secretary will pardon my candor, I think I should tell him that the legislatures of the several States have far less regard for the urging of the President of the United States

and of the Secretary of Labor than they have for the political power of the business interests of their States.

Well, the Kennedy-McCarthy bill would right the wrong created by the shortsighted businessmen whose voices have been heeded in these legislatures. It would improve unemployment compensation benefits immediately by raising the Federal standards; by forcing the States to do what they should have done as a matter of common justice and economic sense.

And that's another measure which would immediately put more purchasing power into the market place. It would give today's jobless worker some money to spend for the bare necessities of life.

The Kennedy-McCarthy bill meets the immediate needs of the unemployed and at the same time makes the essential repairs to our unemployment insurance system which must be made if that system is to play its part in preventing future downward slides in our economy. It would restore the Federal Government to full partnership with the States.

We believe that if the Federal Government is to pay the bill, the Federal Government should have some say as to the adequacy of the benefits paid to the unemployed, and as to the conditions on which benefits are paid.

In contrast, the proposals put forward by the administration this past weekend would leave untouched the basic inequities that have, over the years, crept into the State programs. Nevertheless, it is encouraging to note that now the administration has recognized the need for action, and even more significantly, recognized that the action should be at the Federal level.

But certainly this administration proposal, as outlined in the President's letter to the leaders of the House and Senate, can't be accepted as a substitute for what must be done to make unemployment insurance meaningful in the future, nor can it be accepted as a substitute for what should and must be done today to meet the real problems posed by this recession.

In third place on the legislative list, I would put increases in defense spending.

I can't for the life of me see any common sense to the contention that a balanced budget is more important than defense spending at this moment in history when international tensions are dangerously high, and when the Soviet Union is demonstrating, through its satellite program, a superiority over the United States in the ballistics field.

Budget-balancing and penny-pinching are not the answer. We can't protect ourselves against Communist aggression with cash registers or balance sheets.

We need guided missiles and manned aircraft; we need armaments and aircraft carriers; we need a trained, expert, well-manned and well-paid military establishment; we need to adopt a military posture consistent with our abilities, not with our fears.

All of this costs money. All of it, however, costs far less than total war. And what's the use of having a balanced budget if we lose to the Communists?

Now, it is a matter of simple arithmetic, that if we spend the money we need for national defense and thus create more jobs, more spending, new wealth, we are at exactly the same moment creating new income which can be taxed in a fair manner and with true adherence to the theory of ability to pay.

In other words, we can have both adequate defense and we can have a prosperous Nation. They are not mutually exclusive. As a matter of fact, they go hand in hand.

Next—and I put it in this order for a very realistic reason—is the whole subject of public works.

Public works are vital to overcoming this recession.

But as all of you who have had experience with the legislative process know, it takes time in a democracy to pass a law, to get the appropriation, and to translate the authorization into a program which puts men and women to work.

The other measures I outlined can give our economy the economic blood transfusion it needs with far more speed. But public works can give the economy the sustained strength that it needs.

Now I'm not talking about leaf-raking projects. I don't think America wants any more make-work projects.

I'm talking about the things that we need; the things that we've needed for a long time; the things that must be built in America by the Federal Government some time or other. I say the time is now. We can have the things we need, and we can help move off this crisis spot, by enacting the legislation without delay.

What things? Well, homes, for example, and schools, and roads, and hospitals, and airports.

No honest person can contend that America needs no new houisng. You don't need statistics to prove that—as a matter of fact you can see it with your own eyes. If the Congress needs any expert witnesses on the subject, I suggest they invite the mayors to come and testify. The mayors know the problem of their towns, the problems of slums and of delayed urban redevelopment.

What do we need in the way of new housing? Well, the answer is 2 million more homes a year—for a long, long time. Do you know that the most recent census survey shows that in December 1956, 13 million families were living in substandard homes? Thirteen million families—and the survey notes that there has been virtually no change in these figures since 1950.

And building homes would mean jobs for building tradesmen, jobs for everybody in the construction-supply industry. Jobs for these thousands of workers would mean new spending and new spending would mean new jobs for other workers, and on and on and on.

For you see prosperity, like unemployment, is contagious. It feeds on itself. Every new worker drawing a paycheck means new spending. And all that spending adds up to good news for the American economy.

No one can contend that America doesn't need schools. We are short thousands and thousands of classrooms. Many of the children of our members today go to school in buildings which are little more than converted chicken coops; in buildings which are old and neglected and are dangerous and are firetraps. Thousands of children go to school on split shifts these days. And then people wonder why we don't have the scientists and the engineers and the technicians to match the Soviet Union.

Let me give you a few of the school statistics. At this moment, the most conservative estimate is that we need 140,400 more classrooms just to catch up.

In the last 5 years, public school enrollment rose 5 million. In the next 5 years, it will rise 6 million more. Incidentally, that's not just guesswork. That's counting the children that are already born and that will be going to school in the next 5 years.

Just to meet this growth, we will need 45,000 new classrooms every year—or 225,000 more in the 5-year period. Every year, thousands of classrooms become obsolete or must be replaced because of destruction by fire or flood. So in the next 5 years, we must build a total of 502,900 classrooms. Now that too is just plain arithmetic. There's no crystal-ball gazing here.

Let me translate those statistics for you, too.

If we were to build all the classrooms we need to meet the shortage as one-story buildings, 50 feet wide, they would stretch from New York City to San Francisco.

The fact is that these classrooms cannot be built without Federal aid. This year, the States and the political subdivisions, which are making an heroic effort to keep up with this need, are spending $12 billion on education.

I consider that's the soundest possible investment in the future of the United States. But the States and cities can't do it all. They must have Federal help if we are to get the classrooms we need.

Everything I said about houses and schools goes just as well for roads. Look at the highway situation in this country today. Any one of you who drives a car knows the need for new highways. And, hospitals, too, as any of you who've had a sick relative or friend in a hospital in recent years knows.

And how about improving the minimum wage to $1.25 and extending it to the millions of workers who today are denied even the ridiculously low income of $1 an hour?

How about improving the social security law so that our senior citizens can spend their twilight years in decency and security?

How about improving the lot of the chronically distressed cities—and remember that figure is growing every day that this recession lasts.

In other words—and this is what you should be saying to your Senators and Congressmen—how about doing something now to pull America out of this slump?

That's the situation. That's the program of the AFL–CIO, designed to end this recession. That's what you're going to be talking about when you go up on Capitol Hill tomorrow and Thursday.

Now, of course, legislation is not the whole answer to this problem.

Some of the answer lies at the collective-bargaining table. Some of it can be achieved by higher wages which actually mean more purchasing power for the consumer.

Some of it can be achieved if business would reverse its pricing policy and realize that it can make greater profits in the long run by lowering prices on individual items, by making a smaller profit per item and thus having a large volume of sales.

When you go into collective bargaining with your employers, don't let anyone tell you this is the time to hold the line on wages, like Herbert Hoover did the other night.

Maybe Mr. Hoover hasn't learned it yet, but we've sure learned that higher wages means greater purchases. The higher the purchasing power, the greater the sales; and the greater the sales, the greater the production; and the greater the production, the greater the employment; and the greater the employment, the greater the prosperity—not only for us but for the farmer, and for the businessman, and for the professional man, and for every single segment of our society.

But what we're trying to do here—the reason for your presence in Washington—is to deal with the legislative aspect of this situation. And as you go up on Capitol Hill, let me remind you of two things.

First of all, some of you may be told up on the Hill that these proposals are radical, that they create a whole new concept of Federal Government intervention into the economic life of this Nation.

Well, to begin with, they aren't radical. But more important, we have on the statute books of this Nation—and we have had for a dozen years now—a law called the Employment Act of 1946. That law makes it mandatory that the President of the United States report on the economic situation to the Congress annually and that, as a matter of public policy, this Government intervene at any time when it becomes necessary to maintain full employment in our land.

What we now propose is that the administration and the Congress do their duty.

And secondly, I want to caution you about maintaining a sense of urgency and not being misled by optimistic prophecies that when

the unemployment figures are reported a month from now things are going to be a lot better.

As a building tradesman, I know what happens in the period between February and March every year—the period when the winter weather breaks. That's when building tradesmen go back to work.

Unless unemployment drops by at least 200,000 in that period, then we have not hit the bottom of the recession.

I don't care who says differently. I don't care from what high source these statements come. Our troubles will not have diminished unless unemployment is down by at least 200,000 by a month from today.

Nothing that I can find in the present picture, and nothing that the economists and research people on our staff can find, leads me to believe that things are going to grow any better—unless, and this is important, unless the Congress heeds our plea, awakens to its responsibilities, thinks of this recession in terms of people and not statistics, and acts.

We must put America back to work.

That's the answer to this recession. That's the only possible answer to the economic crisis which faces this Nation today.

Mr. DOUGLAS. Mr. President, that point in President Meany's speech that a tax cut is the most important single weapon to fight a recession is exactly what the Senator from Illinois has been contending for well over a month. That is the program which was denounced as crazy and foolish and unneeded by many people when it was first advanced, but it is a program which is winning increasing support and which will be adopted at some time. The question is not whether we shall get a tax cut, but when we shall get a tax cut and what kind of a tax cut we shall get.

I predict that certain people who have been saying that a tax cut is foolish will shortly come out with a proposal to cut taxes on the upper income groups and on corporations, and who will say that what we need to do is to build up and increase the productive capacity of the Nation, when 30 percent of the productive capacity of the Nation is now idle and unused.

Mr. President, I think the discussion is now moving into another phase. My own belief is that what we should primarily try to do is build up the purchasing power of the country by releasing income to those in the lower and middle income groups and by reducing excise taxes.

I yield the floor, Mr. President; and I ask unanimous consent that this discussion of mine be printed in the RECORD prior to the discussion with regard to the extension of the east front of the Capitol, so that it will not obscure the very valuable discussion started by the Senator from Virginia. I may say that I am wholly in accord with what the Senator from Virginia has said and I intend to support his motion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. ROBERTSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The CHIEF CLERK. On page 18, after line 5, it is proposed to insert the following:

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

Extension of the Capitol: Notwithstanding any other provision of law, no further funds shall be obligated and no further contracts entered into in connection with the proposal for the extension, reconstruction, and replacement of the central portion of the Capitol until the end of the 2d session of the 85th Congress unless prior thereto the Senate shall have acted upon S. 2883.

Mr. HAYDEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. HAYDEN. Mr. President, I make the point of order that the amendment is not in order, inasmuch as it provides for legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. ROBERTSON. Mr. President, I move to suspend paragraph 4 of rule XVI in order that my amendment may be considered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

Mr. ROBERTSON. Mr. President, before the Senate proceeds to vote on my motion, I feel that I owe it to my colleagues to explain why I make a rather unusual motion of this character.

The PRESIDING OFFICER. The motion is debatable. The Senator from Virginia is recognized.

Mr. ROBERTSON. Mr. President, last Monday, March 3, I made a brief statement on the floor of the Senate in which I confessed I had been slow to realize the full implications of the authorization which had been given to move the east front of the Capitol Building, but that I felt that we were committed to an unnecessary and undesirable program.

The following day, in the Appropriations Committee, I offered an amendment to the bill which is now before the Senate, which reads:

Notwithstanding any other provision of law, no further funds shall be obligated and no further contracts entered into in connection with the proposal for the extension, reconstruction, and replacement of the central portion of the Capitol until the end of the 2d session of the 85th Congress unless prior thereto the Senate shall have acted upon S. 2883.

My amendment was rejected by the committee on the point of order that it would be legislation on an appropriation bill. I then indicated my intention of seeking a suspension of the rule when the second supplemental bill came before the Senate in order that my amendment could be considered on its merits.

Since that time the Public Works Committee has reported S. 2883 to the Senate, but we have no present assurance as to when it will be taken from the calendar and considered. Under these circumstances, I am asking that the rule be suspended and that my amendment may be considered.

While admitting that my proposal is technically subject to a point of order, which makes the rule suspension necessary, I believe that this is the appropriate time and place for us to record our views on the question whether the presently authorized remodeling of the Capitol Building should be held up long enough for us to take another look at the plans, or whether we should go forward with a program which ultimately may cost the taxpayers $110 million.

My amendment would not necessarily delay the work a single day, because it merely provides that no more money shall be spent until the Senate has acted one way or another on S. 2883. That bill is on the calendar, and could be taken up on short notice if a majority of the Senate felt that it was urgent to dispose of the issue and get on with the work.

On the other hand, if my amendment is not accepted, there is the possibility that no convenient time will be found to bring up S. 2883; and those of us who feel strongly that the program ought to be stopped and reevaluated will have no opportunity to go on record.

Incidentally, as the senior Senator from Virginia will later very thoroughly explain and document, we are not dealing merely with $10 million for improving the east front, or with a $17 million appropriation. Instead, we are dealing with an overall program of $110 million, the expenditure of every dollar of which will have as much authority in the small paragraph in the Appropriation Act of 1957 as the authority now claimed to alter the historic appearance of the east front of the Capitol.

Mr. President, $110 million is involved if my amendment is voted down and no stop is put to the program with which the Architect of the Capitol claims he has been authorized to proceed, subject, of course, to the approval of his Commission. Incidentally, the Commission has not actually approved anything, according to the testimony of the Architect in the hearings which I read.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HAYDEN. Senate bill 2883, introduced by the Senator from New Jersey [Mr. SMITH], is on the calendar. Does the Senator from Virginia not believe it would be better for the Senate to take up and consider that bill in the usual order, instead of amending the appropriation bill now pending before the Senate? The

bill before the Senate provides $256 million for the Veterans' Administration for the payment of compensation and pensions. The Administration cannot pay the veterans without this money. The bill also provides $33 million for grants to States for unemployment compensation. There is also contained in the bill an appropriation of $170,600,000 in grants to States for public assistance, which is highly important.

If the Senate should agree to the Senator's amendment and it should go to conference with the House, inasmuch as it is such a controversial matter, it would be tied up for some time, and would tie up the whole bill, which is essentially an appropriation bill, and should be passed immediately. Why does the Senator from Virginia feel it is necessary to amend the appropriation bill in the way he suggests?

Mr. ROBERTSON. The Senator from Virginia has not yet reached that point in his speech, but when he gets to it he will say, first, that Congress never authorized the alteration except by legislation on an appropriation bill. If Congress can authorize it in that way, Congress can repeal it in the same way. The Senator from Virginia will then say that he does not propose necessarily to halt the construction by so much as 24 hours. All the leadership need do is to bring up for immediate consideration the bill which is now on the calendar, as reported by the distinguished committee headed by our amiable and beloved friend from New Mexico [Mr. CHAVEZ] and we can vote it up or down in the regular way.

Last, but not least, the Senator from Virginia, with all due deference to and commending the Commission, and sympathizing with the problem that confronts them, taking into account the $110 million for capital improvements, and knowing how busy the Commission is and how it would welcome someone's coming to its relief, in view of all the public clamor, to have the responsibility taken off its shoulders. The Senator from Virginia believes it would be very fitting to take about 10 or 15 minutes on the pending bill in order to insert a little stopgap provision to help the Commission, which has not had the time to consider all the facets of what the Architect of the Capitol said he has the power to do under the one small paragraph in the appropriation bill of 1957.

The junior Senator from Virginia intended then to say that he had the highest respect for the Commission which is to advise the Architect, and that he had every confidence in their wisdom. However, we are dealing with a building very much beloved by the whole Nation, the Capitol. We are dealing with the front of the Capitol, where many historic events have taken place. It is where all the Presidents since John Quincy Adams have been inaugurated. It is where Lincoln delivered his wonderful inaugural addresses.

The Senator from Virginia would then quote from one of the very great orators, the great Daniel Webster, one of the grandest statesmen this country has ever produced, who wanted to be temperate on the subject of civil rights, who wanted to preserve the Union, and who managed to be too temperate for the Abolitionists of Massachusetts, but did not go far enough for the citizens of South Carolina, and as a result was caught in a crossfire.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. I am delighted that the Senator from Virginia should express his admiration for the inaugural addresses of Abraham Lincoln, and also that he should praise the Liberty and Union speech of Daniel Webster. This makes me believe the Civil War is at last over. [Laughter.]

Mr. ROBERTSON. It was a tragedy for us in the South that we could not grasp the wisdom of Webster, who, in appealing for the Union, predicted what would happen:

> When my eyes shall be turned to behold, for the last time, the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious Union; on States dissevered, discordant, belligerent; on a land rent with civil feuds, or drenched, it may be, in fraternal blood.

Fortunately, Mr. President, Daniel Webster died before it happened, but it did happen. It could have been prevented.

The assassination of Lincoln, which was toasted in the Union League Club in Chicago, was a body blow to the South. Many of the abuses which occurred would never have happened but for that assassination.

In my office I have a picture of Abraham Lincoln. I also have there a picture of Robert E. Lee, and a Confederate flag. The other day, a friend of mine from New Jersey said to me, "I should like to have my picture taken with you."

I said, "Get in front of the picture of Robert E. Lee and the Confederate flag and I will have my picture taken with you."

That is what happened.

Mr. President, that flag, to me, is a symbol of the courage with which the South defended a principle of government. It reminds me of the story told of the Confederate soldier who was telling his grandchildren of what had happened when he was blown up in the crater at Petersburg. He said, "When we were blown up in the crater, on the way up we passed our captain coming down. He yelled to us, 'Rally, boys, as soon as you hit the ground.'" [Laughter.]

We need a little more of that kind of courage. That is why I keep that flag in my office. What concerns the Colonial Dames and the Daughters of the American Revolution is that they think of the Capitol as their ancestors knew it. They do not want it torn down. That is why I am speaking as I am today.

Mr. President, I desire now to return to the remarks I had planned to make. Some of my colleagues caused me to become a little excited, and I got off the track. [Laughter.]

The members of the Commission deserve some consideration. They need a little help. That is what I propose to give them.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CHAVEZ. Inasmuch as the Senator from Virginia is discussing the question of the cost, the information obtained in good faith by the Chairman of the Committee on Public Works, in connection with the bill now pending on the calendar, is to the effect that while word has gone out that the contemplated work under item E or B will be $10 million, actually, when the work has been finished, we will be lucky if the cost is not $100 million.

Mr. ROBERTSON. My friend from New Mexico is absolutely correct. Included in the cost will be a garage for Capitol employees. They are accustomed to nice, steam-heated offices and warm automobiles. They do not want to get into cold automobiles and become sick waiting for the engines to heat up before they start off.

It is proposed to spend $30 million or $40 million for an underground garage. It will not be built for Senators. We have our parking places. It is not intended for use by Members of the House. They have their parking places. But it is said that the plan is to move all the automobiles away from the front of the Capitol, because they make the area so unsightly. The same authority is claimed for that expenditure as is claimed for the remodeling of the east front. It is all contained in the same authorization.

As the chairman of the Committee on Public Works has said, we shall be spending $110 million without knowing whether it has been authorized specifically, simply to provide a little more office space and to install another dining room or two.

Mr. President, I must hurry on. I told the distinguished chairman of the committee [Mr. HAYDEN] I did not want to delay action on the bill which provides funds for the relief of unemployment. I said I did not think 15 or 20 minutes would affect the situation too much. But I must hurry on. I understand other Senators wish to speak on the subject. I understand they will all speak briefly.

The situation confronting us today is very different from what happened in 1903, when the enlargement was first suggested. Then there was a shortage of space. The Senate Office Building had not been constructed. There was no House Office Building either. Offices were needed on both sides of the Capitol.

Since then, what has happened? The Senate Office Building was constructed and then enlarged. Congress has also voted $18 million to build a new Senate Office Building—and it will be a nice one. The Senate garage was built.

On the other side of the Capitol, the Old House Office Building was constructed, as was the New House Office Building. There is now under construction a third and larger office building, which will cost possibly $60 million before it is completed.

Other allied projects are under way, including tunnel work and provision for additional parking space. All this will probably make the entire cost of the project about $100 million. We have

raised no objection to it. The House said it was needed. We said, "Very well; we will go along with it." We have raised no question.

The only question we raise concerns the proposal to alter the portion of the Capitol which is between the two Houses, and for which we have joint responsibility to our constituents. When one group says, "We are going to change it," we say, "We would like to look into the matter further."

Mr. President, there is much objection to the proposed alteration. We find it in Virginia, and I feel certain that it is duplicated elsewhere. Among the objectors are the Daughters of the American Revolution, the Colonial Dames, and the Virginia Society for the Preservation of Antiquities. They are organizations which are dedicated to the fundamental principle which we read in the Bible:

Remove not the ancient landmark which thy fathers have set.

We want to be tied to something which carries us back to the incomparable wisdom of the Founding Fathers, who gave us the greatest form of government any nation has ever had, and under which we have experienced so much prosperity and freedom. Some of these fundamental landmarks we desire to preserve.

The problem is not one of space, as it was in 1903, when program B was first authorized. Following that, in 1935 and 1937, there were efforts to enact authorizing legislation. In one House or the other, the proposal always failed when a vote was taken.

This time it was first included in one paragraph of the appropriation bill of 1956. There was an enlarging paragraph, first for $5 million under some limited authority; then another for $12 million under greater authority, which was contained in an appropriation bill.

Hence I said to our distinguished chairman, "This is not the way to legislate. If the Senate could include this item in an appropriation bill, certainly we should have the power to repeal it."

I must hurry on. I call attention to the fact that the situation has changed from what it was in 1903 or 1905. The best experts say that the proposed extension of the Capitol should not be carried out. We have the testimony of the National Institute of Architects, and of other experts who appeared before the Committee on Public Works. Everyone who has really studied the project says it should not be completed; that it is not necessary to do what is planned to be done.

I, personally, feel we should take steps at once, before additional large amounts of money are finally committed, to get control back into the hands of Congress where it belongs. Then we should make sure that any future work is done in accordance with the wishes of the people of the United States, to whom the National Capitol belongs, rather than to suit the convenience of those of us who were sent here to represent them.

I take this position, Mr. President, without implying any disrespect or lack of confidence in the distinguished members of the Commission for Extension of the United States Capitol. My feeling is that they must be reluctant to carry the full burden of responsibility which has been placed on them by what I must frankly call legislative carelessness. They are probably less to be blamed for trying to carry on without complaint the duties imposed on them than the rest of us are for asking them to do it and that blame falls doubly on members of the Appropriations Committees, of whom I am one.

The fact remains, however, that five extremely busy men have been asked, ex officio, to do a job of supervision which is entirely outside the normal routine of four of them and which they must necessarily delegate in large part to others, accepting the results on faith.

All I am asking today is that we revise our instructions to the extent of asking them not to spend any more money until we have had a chance to consider this problem again. If that is done, I expect to join later with other Members of the Senate in revising the Commission's instructions so that responsibility for future spending decisions will be shared by all Members of the Congress and that those who act will know just what they are approving.

Now, generally speaking, I am opposed to permitting any legislative riders on appropriations bills. I think there is great merit in the requirement that authorizations and appropriations shall be considered separately on their own merits and that no item of legislation should be allowed to slip into a public law merely because it cannot conveniently be detached from an essential appropriation.

That very line of reasoning, however, leads me to feel that the amendment I am offering today is a proper and appropriate one. I say that because all I am trying to do is slightly modify in an appropriation bill an authorization which has never been given anywhere except in an appropriation bill. If we can give such power in that type of legislation, we ought also be able to take it away.

In his report to the Chairman of the Commission for Extension of the United States Capitol dated August 1957 and in testimony given before a Senate subcommittee on February 17, 1958, the Architect of the Capitol stated that authorization for the extension project he is undertaking is contained in Public Laws 242 and 406 of the 84th Congress. The second act named was a technical correction of the first which was the 1956 Legislative Appropriations Act approved on August 5, 1955.

There has been no pretense that any authorization was given outside of that contained in this appropriation bill and the 1957 legislative appropriation bill which made available for spending $12 million in addition to the original $5 million appropriation.

In addition to the absence of any independent authorization legislation, we must consider the fact that the power to spend up to $110 million and the first installment of money to be spent were bundled together in a legislative appropriation bill which normally receives little public attention because it contains only our Congressional "housekeeping" items.

Consequently, the public clamor against that part of the proposal which involves extension of the historic east front of the Capitol and would deface the plaza where so many Presidents have taken their oath of office, was slow in building because few persons realized what was being done.

This situation is in contrast with what happened in 1903 when this plan originally was proposed and approved by the House but rejected by the Senate and in 1935 and 1937, when the plan was reconsidered and approved by the Senate but rejected by the House.

On those previous occasions there were public hearings and when the will of the American people became known, Congress decided to let the Capitol's main architectural features stand undisturbed.

In 1955 the authorization and $5 million appropriation were approved after a Senate subcommittee hearing attended only by four Senators and the Architect of the Capitol and his assistants. A suggestion made in that hearing by the senior Senator from Massachusetts [Mr. SALTONSTALL] that it would be wise to withhold final approval until the proposed Commission had prepared and submitted plans and the cost was known was ignored. The only indication of outside reaction was a letter from the American Institute of Architects, inserted on the last page of the hearing record, which said that important organization which includes a majority of the practicing architects in the country, reiterated the position it had taken in 1935 and 1937 against altering the east front of the Capitol.

The hearings held by our Senate Appropriations Committee in 1956, when the $12 million appropriation was made, were of the same limited order. The Architect made his case before an audience of three subcommittee members on one day. The next day a representative of the American Institute of Architects appeared before four subcommittee members and reported on the official position of that organization, which remained unchanged against moving the east front of the Capitol. But this witness admitted that he personally thought it might not be a bad idea after all.

So far as I can recall there was no debate on these items in the full committee either year before the appropriations were approved.

I submit, therefore, that the American public did not have an adequate opportunity to know what was being done when the authorization was given and the two appropriations were made for changing the Capitol.

We know now that there is at least divided sentiment on the wisdom of "extension, reconstruction and replacement of the central portion of the United States Capitol in substantial accordance with scheme B of the architectural plan" of 1905 with "such modifications and additions" as present Commission may approve.

I think we would be wise to give that sentiment a little more time to crystallize and to be sure we understood it before the plan was further advanced.

So far as I know only two plausible sounding arguments have been offered for proceeding immediately with this work. They were good enough to persuade us to let this authorization and the appropriations slip by in the first place, but on analysis they do not stand up as adequate reasons to let construction go forward now.

The first and least persuasive reason is that the extra working space which would be provided by moving out the east front of the Capitol is needed.

That argument probably had more validity in 1905, when what is called plan B was formulated, but even then it was not acceptable enough to get the change authorized once Members of Congress realized how the public felt about the matter.

Since then the committee rooms, restaurants and other working space which an extension of the Capitol would have furnished have been supplied several times over through erection of a Senate Office Building and two House Office Buildings already in use, a second Senate Office Building which is nearly finished, and a third House Office Building which has been authorized will provide further additions.

The first House and Senate Office Buildings were started in 1905 and 1906, immediately after plan B had first been considered and rejected. They obviously were intended as an alternate way of obtaining the required room. The second House Office Building was built in 1932 and 1933.

Our new Senate Office Building is costing $23 million. The House has appropriated $64 million for its third office building, and the entire plan which includes remodeling the two older House Buildings is estimated to cost around $100 million.

If all these facilities still do not fully meet the needs of an expanding Government, better ways still can be found than radically changing the main section of the Nation's most historically precious building.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. The Senator from Virginia has made mention of experts who have given advice and have opposed the suggested change. Would the Senator from Virginia elaborate on that subject?

Mr. ROBERTSON. I shall try to do so. I shall quote from the statement of Richard H. Howland, president of the National Trust for Historic Preservation:

> In the guise of "necessary repairs," "improved circulation," and "additional facilities for work which must be done in the Capitol by the Congress," the obliteration of the historic "court of honor," which has been the scene of the inauguration of every President since John Quincy Adams, is demanded.
>
> The National Trust has no desire to see the Capitol retained as a mausoleum of our Nation's history. It recognizes with Thomas Jefferson, a philosopher-statesman, as well as an architect, that "the earth belongs to the living." He was also mindful, however, of the rights of what he called "our innocent posterity." The National Trust wishes to express a hope that present needs, and the heritage of the past can be so reconciled that future generations will receive from us at least this small part of our legacy.
>
> No mere 32 feet of the most expensive square feet of official building in history can expand the historic Capitol to a size that will encompass all the needs of the present generation of legislators for more space, more restaurant area, and more parking spaces, as well as more offices and hearing rooms. Of necessity these have already been assigned to the two Senate Office Buildings, two large House Office Buildings, and an additional even larger House Office Building now under construction. All of these are connected to the parent building by underground subways not defacing the historic exterior.
>
> Thomas Jefferson, in discussing plans for the building of a Federal City on the Potomac, stated, "Whenever it is proposed to build plans for the Capitol I should propose the adoption of some one of the models of antiquity which have had the approbation of thousands of years; and for the President's house I should prefer the celebrated fronts of modern buildings which have already received the approbation of all good judges." In this he had his wish, and later described Dr. William Thornton's prize-winning design for the Capitol as "simple, noble, beautiful, excellently distributed and moderate in size."
>
> To this original design succeeding generations of able architects: Latrobe, Bulfinch, Mills, Walter, and Clark have made necessary and sympathetic additions, working in a variety of materials, and facing a variety of demands, but somehow achieving a harmonious structure that still fits Jefferson's initial description.
>
> Work must still continue to keep the building in repair, to extend the western facade and wings if needed, but the National Trust for Historic Preservation urges that the surviving, original facade that epitomizes our earliest ambitions, and records the greatest events of our history, be preserved. We sincerely agree with one of our western members who wrote, "A nation that has no regard for its past will have no future worth remembering."

The second argument offered for carrying out plan B, and the one which many of us accepted too readily, was that the walls of the Capitol had deteriorated to a point where they were dangerous, and that something must be done quickly, not only to preserve the building, but also to protect human life.

Testimony presented at the Senate subcommittee hearing on S. 2883 has made it obvious that the reports of impending death and destruction were somewhat exaggerated. The testimony also indicated that alternative ways of dealing with whatever damage existed have not been adequately explored.

There is, for example, the record that the Bureau of Standards, which made tests, found that deterioration of the sandstone did not extend deeply below the surface; and witnesses said it should be quite feasible to chip off the bad part and resurface it.

There was reference to the fact that the White House, which has walls of stone taken from the same quarries that the stone for the Capitol came from, was successfully repaired a few years ago without tearing down and rebuilding its walls when the entire interior was restored. Similar repairs have been made on State capitols and other older buildings with sandstone walls.

Testimony by competent architects also indicating that even if replacing the present stone surface with one of marble were considered desirable, that could be done much more cheaply by facing the existing wall, rather than building in another location an entirely new wall of marble.

The American Institute of Architects, which has in its membership a majority of the practicing architects of the Nation, and which officially has gone on record time after time in opposition to the moving of the east front of the Capitol, has offered its services to the Congress to work out plans for obtaining more space without sacrificing priceless historic values.

In its largely attended centennial meeting in Washington last year, this organization adopted a resolution which read as follows:

> *Be it resolved,* That the American Institute of Architects, convened for their centenary celebration, reaffirm their conviction that the east front of the National Capitol, the outstanding architectural heritage of the American people, should be preserved in its present form and position in accordance with the considered views of the majority of informed architectural opinion. * * *
>
> As architects, we would like the people of the United States to be able to enjoy the full benefits of the best thinking our professional training and experience can offer. We feel this to be particularly important when one of the most significant buildings of our great country is involved.

Mr. President, I shall not go into further detail today. The arguments for and against carrying out plan B can be, and should be, thoroughly discussed when the Senate considers Senate bill 2883. But in urging immediate action to protect the Capitol until that bill can be considered on its merits I wish to remind my colleagues once more of the monumental significance of the structure with which we are dealing.

Mr. LAUSCHE. Mr. President, is the American Institute of Architects the best and most highly qualified group of architects in the Nation that could possibly give advice on this subject?

Mr. ROBERTSON. Beyond doubt. All the great architectural experts are members of that organization. Among its members are those who have the best architectural skill and wisdom in the Nation. For years that organization has opposed altering the east front of the Capitol. Mr. President, that is our main concern today. We do not wish to prevent the taking of any necessary safety measures, and, of course, we do not want to say arbitrarily what space shall be provided. However, I have indicated that a great deal more space can be obtained without paying $200 a square foot for it—which would make the proposed additional space the most expensive office space of which I have ever heard. The architects say, "The change proposed in the Capitol should not be made. If more space is needed, we shall tell you where to get it."

But, Mr. President, those who favor the proposed change say that it must be made at once.

Mr. LAUSCHE. Has there been created by law an agency to give advice regarding what shall be done architecturally?

Mr. ROBERTSON. We have a Commission on Fine Arts and a Commission on National Capital Planning. But a very splendid Architect of the Capitol had the good judgment to employ a very fine firm of architects to advise him. Then Congress created a commission composed of some of its ablest senior Members. Our distinguished minority leader is one of them. As I understand, the Architect cannot proceed with the proposed work unless the Commission gives its approval. According to my reading of the report and the testimony, the Architect agreed that he submitted to the Commission his plan for changes costing $110 million, but that proposal never received the Commission's approval.

So far as authority is concerned, he has just as much authority for the $110 million plan as he has for the $10 million plan, except perhaps the Commission has already approved the $10 million plan. However, I do not know that detail. But there is not a standing commission to deal with such matters.

Mr. LAUSCHE. The Senator from Virginia referred to a cost of $200 a square foot. Did he mean to say that if the proposed additional space were to be provided in a private office building, then, in order to provide a fair return to the owner, a rent of $200 a square foot would have to be charged?

Mr. ROBERTSON. Of course, the Government is going to do the work at the taxpayers' expense, and the Government will use the additional space; it will not be rented. But in all history there never has been an instance of such expensive office space having been provided.

The Senate is fortunate in having among its membership the distinguished junior Senator from Michigan [Mr. McNAMARA], who is a very experienced builder. He is on the committee which submitted the report. I ask him whether he ever heard of office space constructed at a cost of $200 a square foot.

Mr. McNAMARA. Mr. President, the hearings are replete with testimony which indicates, as the Senator from Virginia has said, that the proposed office and restaurant space would be constructed at the highest cost ever contemplated in the history of the world.

Mr. LAUSCHE. I thank the Senator very much.

Mr. ROBERTSON. Mr. President, aside from the point that, under the proposal, violence would be done to what we regard as a very precious heritage which has been handed down to us, I desire to conclude by referring to a statement made by Daniel Webster.

On July 4, 1851, ceremonies were held at the laying of the cornerstone of the major addition to the Capitol, which included addition of the House and Senate wings and replacement of the old wooden dome by the present cast-iron structure.

The orator on that occasion was Daniel Webster; and among the things deposited in the cornerstone was an account in Webster's own handwriting of the day's proceedings.

I commend to the serious consideration of my colleagues the last paragraph of that document, which read:

> If, therefore, it shall be hereafter the will of God that this structure shall fall from its base, that its foundation be upturned, and this deposit brought to the eyes of men, be it then known, that on this day the Union of the United States of America stands firm, that their Constitution still exists unimpaired, and with all its original usefulness and glory; growing every day stronger and stronger in the affections of the great body of the American people, and attracting more and more the admiration of the world. And all here assembled, whether belonging to public life or to private life, with hearts devoutly thankful to Almighty God for the preservation of the liberty and happiness of the country, unite in sincere and fervent prayers that this deposit, and the walls and arches, the domes and towers, the columns and entablatures, now to be erected over it, may endure forever.

Mr. President, every year more and more of the people of the United States and more and more of the people of the world visit the Capitol Building. Yet under the proposed remodeling, a secret passageway would be provided, to enable Members of Congress to move back and forth without having to meet their constituents, who pour into the Capitol Building in a steady stream. Daniel Webster predicted that when he said the Capitol Building would be "attracting more and more the admiration of the world."

Mr. HAYDEN. Mr. President, will the Senator from Virginia yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Virginia yield to the Senator from Arizona?

Mr. ROBERTSON. I yield.

Mr. HAYDEN. I wish to assure the Senator from Virginia that, as I understand the plan, not one wall of the Capitol will fail to endure forever.

I should like to inquire of the Senator from Virginia whether he has examined closely the model of the Capitol Building which has been in the crypt, in the basement of the Capitol, for a good many years. If he has not examined it, I can tell him that many persons have examined it; and they have not realized that in that model, the front of the Capitol has been advanced 40 feet, or 7½ feet farther than is proposed in the present plan. No one who has observed it has been able to tell the difference; those who observe it do not realize that they are not looking at an exact replica of the Capitol Building as it stands today. In other words, otherwise it is an exact replica of the entire east front of the Capitol Building as it now exists.

Under the provision in the pending bill no change is to be made other than to advance the central portion of the east front 32½ feet.

Mr. ROBERTSON. All the architects who have testified say that the difference will be apparent. If the east front of the Capitol is advanced 32½ feet, a person who stands on the plaza will not be able to see the beautiful Corinthian columns of the dome, which Daniel Webster said he hoped would "endure forever."

One who views the west side of the Capitol finds that about all he can see of the dome is the Statue of Freedom, on its top.

On the other hand, we have become accustomed to being able to walk on the Capitol plaza and see all of the historic dome. We wish to have the present situation continued. Today, when photographs are taken on the steps of the east front, the entire dome shows. But if the proposed change is made, only the steps and the very top of the dome will be seen.

With all due deference to my friend from Arizona, who has said that if the east front is moved forward 40 feet, no one will know the difference, I wish to say that many architects say the difference will be apparent. Certainly if we judge by the picture which was published in the Washington Post, the difference could easily be observed.

Mr. President, we should consider the testimony taken before the Committee on Public Works; namely, that if the central portion of the east front of the Capitol is moved forward 32 feet, then, for goodness sake, the wings should also be moved forward 32 feet, in order to preserve the present symmetry of a very unique and wonderful building.

In conclusion, Mr. President, let me say—without any desire to delay action on the necessary appropriations carried in the pending supplemental appropriation bill—that I hope two-thirds of the Members of the Senate will vote to suspend the rule, and that then the Senate will vote in favor of delaying action until a quick look can be taken at the bill which the distinguished Senator from New Jersey [Mr. SMITH] now has on the calendar.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Wisconsin.

Mr. WILEY. I have listened with a great deal of enthusiasm to the exuberant remarks of my good friend from Virginia. I know he is a lover of this old Capitol. He has convinced me that he is right about changes which will not add to the beauty or strength of the building itself. I wish to compliment him.

Mr. ROBERTSON. I thank my distinguished friend. I appreciate his remarks, coming as they do from one who represents an area which was originally a part of Virginia. During the whole conflict between the States, the soldiers from Wisconsin were about the toughest the southern armies had to confront.

During the delivery of Mr. ROBERTSON'S speech,

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CLARK. I was one of the cosponsors of Senate bill 2883, which, at the time it was introduced and referred to the Committee on Public Works, appeared to be appropriate to achieve the end which the distinguished Senator from Virginia and I both hoped for.

Since that time, however, other steps have been taken. The Commission charged with going forward with the work with respect to the east front of

the Capitol has indicated its intention of moving forward despite the action of the Public Works Committee in favorably reporting Senate bill 2883, so that this bill may no longer be effective to achieve the results for which we hoped.

Threfore, Mr. President, I should like to give notice to my colleagues that I intend to propose, on behalf of myself, the sesnior Senator from Virginia [Mr. BYRD], the junior Senator from Virginia [Mr. ROBERTSON], the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from New Jersey [Mr. SMITH], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Maryland [Mr. BEALL], as well as such other Members of the Senate as may wish to take the opportunity to co-sponsor it, an amendment which will, in effect, provide that the moneys to be spent on the improvement of the east front of the Capitol shall be spent for the improvement of the east central portion of the United States Capitol without extending, altering, or otherwise changing the character of the east front.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table. Without objection, the amendment will lie on the table for 24 hours.

Mr. CLARK. If my friend from Virginia will indulge me for one more moment, I should like to ask unanimous consent to have printed in the RECORD at this point four editorials, two from the Philadelphia Inquirer, one from the Erie Morning News, and the fourth from the Philadelphia Evening Bulletin, sustaining the position which the distinguished Senator from Virginia and I are taking with respect to this matter.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of February 20, 1958]

CAPITOL FACE LIFTING

A special commission, headed by House Speaker SAM RAYBURN, was created some years ago to revamp the front face of the National Capitol by pushing a central section outward some distance to adjust the symmetry of the historic structure.

This project has, after a considerable lapse of time, become the subject of heated arguments. A large number of architects are cited as being strenuously opposed to the alteration, while the Capitol Architect, Mr. RAYBURN, and other Representatives are as strenuously in favor of going ahead with it.

Latest development is a move in a Senate committee to block or delay the change by shutting off appropriations for it, or trying to. This would require acquiescence of the House of Representatives, naturally. And with the weight Speaker RAYBURN is known to swing around, that could create difficulties.

It has been alleged that the project has not been dealt with in public hearings and similar formalities. That raises questions which ought to concern Mr. RAYBURN, too. Since so much argument is generating around the proposal it would be desirable to have all sides of it opened up for the information of the American people.

We don't discern any important signs of unrest throughout the country about this face lifting of the Capitol. The important thing is that we all like to be sure that it is sound, necessary, and won't mess up one of Washington's notable structures. Some light on that would be worthwhile from all standpoints.

[From the Philadelphia Inquirer of February 20, 1958]

MORE THAN FACE LIFTING

In the area between the Senate and House wings of the Capitol in Washington on the east front, every President since John Quincy Adams has been inaugurated.

That is one of the reasons being put forward by a growing number of critics for their opposition to a proposal to extend the eastern front of the Capitol by some 32 feet, and there to build a new foundation and wall.

A commission of Congressional leaders and the Capitol Architect has been considering the proposal, and has ordered plans and specifications drawn for the construction. This would provide a little more room inside. It would also, say the opponents, ruin the beauty of the present east front.

We have an idea that this project will be delayed, at least until Congress, rather than a commission, can take a closer look at it. For the Capitol is more than a place where Congress meets. It is a national symbol, laden with cherished historical associations.

Possibly repairs are essential to the east front as it stands, which with the two wings forms a court providing balance and scale to the entire building. But it seems to us that these repairs could be made without radically changing the appearance of a building which means more to the Nation than it does to any Congressmen who temporarily use it.

[From the Erie Morning News of February 25, 1958]

SENATOR CLARK LEADS OPPOSITION TO VANDALIZING HISTORIC CAPITOL

Pennsylvania's Senator JOSEPH S. CLARK is one of a growing number of legislators and ordinary Americans who think Congress should not tamper with the architecture of the Capitol.

Two years ago Congress authorized the Architect of the Capitol, J. George Stewart, to provide for the extension, reconstruction and replacement of the central portion of the Nation's most famous building, in accordance with plans originally drawn up in 1905.

Heart of the plan is the extension of the east front of the Capitol, facing the plaza, by 32½ feet. This would bring the center steps in line with the steps of the House Senate wings.

Seventeen million dollars already has been appropriated for the work and contracts will be let as soon as architects have completed their drawings. The center building's sandstone walls would be refaced with marble.

The plans also call for remodeling of the west front facing the Mall to provide a badly needed restaurant for Members, but this portion of the work will be postponed. Additional office space would be provided in the overall $110 million dollar plan.

Most of the opposition is centered on the part of the plan which provides for extension of the historic east front. House Speaker SAM RAYBURN, one of the principal advocates of the plan, said he hopes construction will be completed in time for the 1961 inauguration.

Opposition was sporadic in the past, but took a new lease on life this year, so much so that the entire program is now apparently jeopardized.

Powerful support has been provided opponents of the plan, the latest from House Republican Leader JOE MARTIN, former Speaker of the House and a commission member, who now says he is against it.

Bills have been introduced in the House and Senate by members of both parties and committee hearings scheduled. One of the sponsors, Senator CLARK, branded the proposal to extend the east front as "unnecessary and ill-conceived."

Harsher words were uttered by Julian E. Berla, architect who heads the newly-formed Committee for the Preservation of the National Capitol. He declared that if the extension is carried through, it should be marked with a new inscription, "Vandalized by Congress, 1958."

The Society of Architectural Historians has unanimously voted to ask President Eisenhower to halt the project.

Congress should not go through with the plan.

[From the Pittsburgh Post Gazette of March 8, 1958]

SPARE THAT EAST FRONT

In defiance of a rising tide of protest, Speaker of the House RAYBURN is pushing highhandedly ahead with pet plans to alter the east front of the National Capitol at a cost of many millions of dollars. Ways should be found to blow the whistle on this project, which opponents have labeled vandalism.

Mr. RAYBURN is proceeding under a bill which Congress enacted in 1955, with little thought or debate, authorizing an extension of the east front by 32½ feet. That would give Congressmen a little more room for dining and working.

It would be the costliest construction in history. Architectural Forum, a magazine devoted to building, has estimated that the ultimate cost of a few hearing rooms would probably come to $200 per square foot, "close to 4 times the costliest working space ever erected * * * a high price to pay for a project which will ruin the beauty of a national shrine."

More alarming than costs, however, is the defacement of an historic building owned and revered by the American people. The east front, where Presidents are inaugurated, is one of the Capitol's few original and unchanged portions. It should remain as it is.

At the urging of Pennsylvania's Senator JOSEPH S. CLARK and others, a Senate subcommittee has unanimously approved a bill to reconsider the Capitol project. The American Institute of Architects has adopted an official policy which opposes any alterations of the external form of the National Capitol and urges the Congress to preserve intact the authenticity and integrity of the Capitol as the Nation's greatest historic monument.

Congress should have the space it requires to conduct the Nation's business efficiently and comfortably. But surely it can be provided without defacing the Capitol. What about the third House office building presently under construction; could it not be made to suffice?

At the very least, Congress should delay this project long enough to hear its opponents, including the Society of Architectural Historians, which declares that if this project goes through it should bear an inscription reading: "Founded, 1791; burnt by a British army, 1814; restored by Congress, 1817; vandalized by Congress, 1958."

Mr. ROBERTSON. I ask unanimous consent that the remarks of the distinguished Senator from Pennsylvania be printed at another point in the RECORD. I thank my distinguished colleague from Pennsylvania, because he has offered a very vital amendment to a bill which is now on the calendar, and which was reported unanimously by the Committee on Public Works. We had assumed that that bill would be sufficient to give us another look at the matter and would not permit anything to be done except the necessary support work for any

crumbling of the sandstone walls of the east front that may have taken place.

On further examination, however, we found that it did not do that. The amendment which will be offered to that bill, when it comes before the Senate for consideration, will have as its purpose bringing about a complete stoppage of everything except the necessary repairs purely from the standpoint of safety.

(At this point Mr. DOUGLAS addressed the Senate on the unemployment situation. On his request, and by unanimous consent, his remarks were ordered to be printed in the RECORD preceding the debate on the amendment affecting the east front of the Capitol.)

Mr. SMITH of New Jersey. Mr. President, I wish to comment briefly on the fine speech delivered today by the junior Senator from Virginia [Mr. ROBERTSON] on the question of the east front of the Capitol.

I appreciate the action of the distinguished Senator from Virginia and his distinguished colleague [Mr. BYRD] and other Senators in attempting to secure reconsideration of the merits of the plans to extend the east front of the Capitol.

The fine support given to those of us who are working on this matter by many newspapers and magazines has indeed been gratifying and has done much to arouse the concern of the Congress and the public throughout the country.

On August 29, 1957, S. 2883 was introduced by me together with my colleague from New Jersey [Mr. CASE], and also the Senator from Pennsylvania [Mr. CLARK], and the Senator from Minnesota [Mr. HUMPHREY].

The purpose of this proposed legislation is to remove the handicap of the mandatory requirement adopted some years ago that any consideration of Capitol improvements must include the moving forward of the east front of the Capitol. The Senate Public Works Committee last Thursday gave their unanimous approval to S. 2883 and the bill is now on the Senate Calendar.

Dealing with this matter from the standpoint of appropriations, the pending Robertson amendment supplements the efforts my colleagues and I have been making to postpone the letting of any contracts in order to give additional opportunity to reconsidering alternate plans for enlarging the Capitol Building to meet present-day needs and make the necessary repairs.

I hope that Members of the Senate will support the Robertson amendment and will give full support to S. 2883 when it comes before this body.

We have it within our power to rectify what many feel to be a grievous mistake in extending the east front of the Capitol.

Mr. BYRD. Mr. President, I sincerely believe the people of this country would be overwhelmingly opposed to destruction or distortion of the contour of the Capitol of the United States.

But, I am equally certain that they wish this fine old building maintained in a safe state of repair, and in condition befitting the majesty of this Nation.

There have been proposals to extend the Capitol, change it, and so forth, for more than a half century. One of the proposals made back in 1905 was known as scheme B. Among other changes, this scheme proposed extension of the east central front of the building, including the portico where Presidents are inaugurated.

This scheme B was not even submitted as a principal plan. It was prepared 53 years ago by consulting architects Carrere & Hastings to comply with orders to suggest an alternate plan which would produce additional space. The architects, themselves, did not approve of the scheme. When they submitted it they said:

> It would be a great change from the present facade, so familiar to our people and which they have learned to love and venerate, that we make this suggestion merely to meet the condition which has been imposed upon us by your Commission of reporting a scheme with added space. We hope, nevertheless, that this alternative plan, scheme B, will not be favorably considered.

There is now before us a proposal immediately to begin construction of another east central front of the Capitol "in substantial accordance with scheme B." This is the same old scheme B which has been opposed by some of the best architects in the country since 1905. It has not been accepted from that time until now.

I have seen the new photographs of the architects' drawings, supplied by the Architect of the Capitol, and I am familiar with the contention that there will be no serious change in appearance.

But I have also seen opposite views expressed by competent architects, and I have read the testimony given by the Senator from New Jersey [Mr. SMITH], who has introduced a bill to eliminate the direction to proceed under scheme B. Senator SMITH testified, in part, as follows:

> It is shocking to realize that the present plans * * * would result in the drastic alteration of the historic east facade.

In this whole matter, only one thing is clear: the contentions and testimony are conflicting. In fact, I find current information on present plans for extension of the Capitol to be exceedingly confusing.

I intend no personal criticism of any one involved, but I must say I find a great lack of clarity throughout all of the material available to me in connection with the proposal to extend the Capitol at this time.

But I shall deal here with the lack of clarity with respect to costs.

The expenditure authority for extension of the Capitol is open end. There is no limit on amount or time. Obligations may be made without prior appropriation.

The Budget document for the current fiscal year, 1958, page 24, shows $5 million was appropriated in 1956 along with an indefinite contract authorization for $37.6 million—a total obligational authority of $42.6 million. It shows also a $12 million appropriation in 1957 for contract liquidation.

The Architect of the Capitol says there have been $17 million in appropriations, and that is what will be spent for the extension along with electrical and lighting improvements, repairs to the dome and incidentals. The figure generally referred to in connection with this project is $10.1 million.

As you unwind the available information on the subject, you come to the realization that this scheme B proposal to extend the east front, according to recommendations by the Architect of the Capitol, is only the first step in a master plan to make over the whole Capitol. And when you look as the unlimited expenditure authority which has already been granted, it may be well at this time to anticipate the ultimate.

This master plan was set forth in eight pages of detail in the CONGRESSIONAL RECORD on the day Congress adjourned last summer—August 30, 1957. It is in the nature of a report by the Architect of the Capitol with his recommendations which add up to a total cost of $110 million. And that is not all. As I understand it, the Architect's recommendations break down as follows:

Extension of the east front	$10,100,000
Refacing west front between Senate and House wings	1,595,000
Transportation terminals at New House and Senate Office Buildings subways	4,025,000
Underground garage for 1,900 automobiles	41,970,000
Pedestrian tunnel to Supreme Court and Library of Congress	960,000
Extension of north and south wings of west central portion and extension of House and Senate connections	16,625,000
Subtotal	75,275,000
Communications center, underpinning, landscape treatment of Capitol grounds, repairs to Capitol dome, replacement of lighting fixtures and wiring in Capitol Building	34,725,000
Total	110,000,000

These figures, of course, were tentative estimates a year ago. They would have to be raised considerably now.

As to further expansion, in addition to his outline, the Architect said his associates for the future suggested:

First. Extension of the present Senate and House wings to the east a distance approximately equal to eastward extension of the east front.

Second. Wings extended north from the north portico of the Senate wing, and south from the south portico of the House wing.

Third. An extension north and south of the present terrace on the east side.

Fourth. An extension northwest and southwest of the present terrace on the west side.

Fifth. The addition of a lower level in the present terrace by changing the grade to permit windows.

No cost estimates were given on these additional proposals.

Mr. President, many Senators who have traveled in foreign countries have noted that the people of those countries go to the greatest pains and incur great cost in order to preserve their historic buildings in their original condition. If it is necessary to repair them, they repair

them stone by stone, not by making great changes to them and not by adding to them. They want to preserve their buildings because of their great historic significance.

I venture to say that is true of almost every country in the world. I have just returned from Mexico, where I saw in progress the restoration work on buildings damaged by earthquakes. In connection with their old buildings they are going to tremendous expense in order to restore them exactly as they were. They are not adding to them or changing their appearance.

There is nothing in any of the schemes proposed for the Capitol of the United States which simply provides for maintaining a safe state of repair and preserving traditional and historical contour. I am in favor of spending all that may be necessary to preserve this great building in a safe state of repair.

In their places, spacious offices, underground parking garages, ornate restaurants, underground tunnel systems, and so forth, are desirable.

I suggest that, in the case of the United States Capitol, we evaluate the proposals in terms of the sacrifice which may be involved.

I suggest we stop this latest headlong rush into the east front-scheme B-step 1 project. I think we should stop it long enough to find out why a plan which has not been accepted for 50 years should suddenly be accepted and expedited now.

I think we should review the whole program to be sure that what we are about to do is right. Hearings incident to this latest move on the east front are difficult to find, and there is a minimum of recent testimony on the subject.

I suggest also that if this project is to be continued, the full story on the cost should be budgeted, and that orthodox methods of financing should be followed.

In conclusion, I should like to request publication by the Architect of the latest estimate of the total cost of the New Senate Office Building, the New House Office Building, and the additional property being acquired across the street from the New Senate Office Building. I should like to request him also to publish a statement as to the use which is to be made of this additional unimproved property, and an estimate of costs involved.

I hope that the motion offered by my distinguished colleague, the junior Senator from Virginia, will be agreed to.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. HAYDEN. I have examined the figures the Senator has mentioned. My understanding is that at the present time an appropriation of $17 million is available, and that there is an additional $25.6 million in contract authority. All the Commission has done is to authorize the expenditure of $17 million on the east front; no more and no less.

The Commission has declared that it does not intend to spend $25.6 million. So far as I am concerned, the logical way to prevent any contract authorization from becoming effective would be by amending the legislative appropriation bill, when the Senate considers it this year.

In other words, I believe the Senator is right, that if we are going to do anything to the Capitol we should do it one thing at a time, and know what we are doing. It is a good thing to do it that way, and it is the proper thing to do. I can see no harm in it. Beyond that there is no need to go until we have further information.

Would it meet with the Senator's desire that the additional authorization at least be canceled?

Mr. BYRD. I think that would be helpful. I am not in favor of the extension of the east front or changing the east front.

Mr. HAYDEN. The Commission has given its final approval to only one thing, and that is the extension of the east front of the Capitol 32½ feet, the walls to be of marble, and the completed project to be an absolute replica of the existing front, the present sandstone walls of which are now crumbling. Incidentally, it would also provide some rooms. However, my understanding is that viewed from a distance one could not tell the difference between the two except that the new one would be of marble.

Mr. KNOWLAND. Mr. President, the Senator from Arizona has stated the situation correctly. The only funds which have been appropriated and are available as I understand, are the $17 million, of which the extension of the east front amounts to about $10,100,000, and the balance is for necessary repairs which have been under way, and the changes in the electrical work in the Capitol Building, and so forth.

The Senator mentioned earlier the model which is in the basement of the Capitol. I believe that was put there in 1938, and it has been there for some 20 years. It shows the Capitol as it would be with the extension.

Mr. HAYDEN. That is what I was told.

Mr. KNOWLAND. Except, actually, the scale of the model shows an extension of 40 feet, whereas the proposal under scheme B is 32 feet.

So the model which has been admired for so many years by so many persons, including Members of Congress, as being a representation of the Capitol, will be a representation of the Capitol after the extension shall have been made.

Mr. HAYDEN. That is correct; that is exactly what I said.

Mr. FLANDERS. Mr. President, I desired to question the senior Senator from Virginia, but he took his seat so quickly that I was unable to do so. May I have the privilege of questioning him?

Mr. BYRD. Certainly.

Mr. FLANDERS. Among the various suggestions which have been made concerning improvements which would result from the extension of the east front, one was the important suggestion of providing more room. Does it not seem reasonable to the Senator from Virginia that all standing Senate committees now quartered in the Capitol should be transferred to the New Senate Office Building? Would not that release a large amount of valuable space? It has long seemed to me that committee rooms in the Capitol should be reserved for the joint committees. That would afford better accommodations to the joint committees.

My last remark does not seem to be a question. I hope the Senator from Virginia does not become so exasperated as I do when questions are not addressed to me.

Mr. BYRD. I do not become exasperated.

Mr. FLANDERS. The Senator does not become exasperated?

Mr. BYRD. Not with the Senator from Vermont.

Mr. FLANDERS. I suppose none of us do visibly, but perhaps we do internally.

It seems to me that the proposal to build a private walkway from the Senate Chamber to the House Chamber is queer—just plain queer. The people of the United States own the Capitol. The people of the United States have elected every Senator. For us to go through a "sneakret" way from the Senate to the House in order to attend a joint session is beyond my imagination.

I am willing to be looked at; in fact, at times I court it. I think every Senator has times when he is eager to be looked at. That is one of the times I am willing to be looked at.

If anyone wants to make a new passageway between the Senate and the House, I should like to have it done in the basement so that it will not be necessary for us to go upstairs and then downstairs again. There is a way at present, but it is a long, toilsome walk under the terraces of the western front.

If some good tunnel builder could be engaged to construct a passageway through the middle of the Capitol from north to south on the basement floor, I would approve of that.

I simply wished to second the remarks which the senior Senator from Virginia has made.

The proposed changes in the Capitol seem to have come—to me, at least; I do not know about other Senators—as a sudden surprise. I am told about things after they have been decided upon. What are plans A and B? Have plans A and B ever been set forth? Has the Senator from Virginia ever seen them?

Mr. BYRD. I have not. This particular plan to change the east front was first proposed in 1905. It has been rejected ever since until now, when it has been revived.

Mr. FLANDERS. I desired, by means of the procedure of questioning the Senator from Virginia, to give expression to my own thoughts.

Mr. BYRD. I think the Senator from Vermont is exactly correct about the committee rooms. The standing committees could be moved from the Capitol to either the House Office Building or the Senate Office Building. There are quite a number of committee rooms in those buildings.

I was chairman of the Committee on Rules for quite a while. I know there is much space in the Capitol which could be

recaptured from the standing committees. The new Senate Office Building will afford much more space for committee rooms and for rooms for Senators. Also, some Senators have rooms in the Capitol which might be vacated.

Mr. FLANDERS. To provide joint committees with appropriate signals to announce quorum calls and yea-and-nay votes at the respective ends of the Capitol would seem to me to be a proper arrangement. That is of much more importance, so far as I am concerned, than to provide a "sneakret" passage from the Senate to the House.

I thank the Senator from Virginia.

Mr. BYRD. I agree with the Senator from Vermont.

LAYOFFS OF EMPLOYEES IN THE FEDERAL SERVICE

Mr. JOHNSTON of South Carolina. Mr. President, incredible as it may seem, while we of the Senate are gravely concerning ourselves with rising unemployment and the sagging national economy—and while, I might add, the President is earnestly adjuring business and industry to hold the line against increasing joblessness—no less a source than the Federal Government itself is apparently making an appreciable contribution to the numbers of the Nation's unemployed.

In fact, Mr. President, on last Thursday, March 6, at almost the same time that the majority leader was introducing, for myself and some 18 of our colleagues, Senate Concurrent Resolutions 68 and 69, declaring it to be the sense of the Congress that there be an acceleration in those civil and military construction projects for which funds have already been appropriated in order to alleviate unemployment—the Washington Post and Times Herald was reporting that "Layoffs have started again in the Federal service, chiefly in defense agencies."

According to the usually most reliable reporting of Mr. Jerry Kluttz, whose column, the Federal Diary, appears daily in the Washington Post:

> The numbers of jobless Federal employees being paid unemployment compensation reached 46,849 last week (the week of February 24, 1958) including the 2,852 new applicants. The record number on the unemployment rolls shows that laid-off Federal employees are no longer able to get other jobs.

I have carefully checked Mr. Kluttz' figures, Mr. President, and find them to be quite correct. Therefore, I ask unanimous consent that the article written by Mr. Kluttz be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE THOUSAND LAYOFFS DUE THIS MONTH—TOTAL IDLE HITS NEW PEAK

(By Jerry Kluttz)

Layoffs have started again in the Federal service, chiefly in defense agencies. * * * Jobless Federal employees touched another new high last week.

That is bad news. It is particularly bad for the unfortunate people involved and also for the Nation's sagging economy.

There were very few layoffs during January and February. But during this month about 50 agencies and installations have reported plans to discharge more than 3,000 employees. Unreported layoffs are expected to total at least another 1,000.

Navy's Bureau of Ships is letting off 109 employees here the end of this month. Otherwise, Federal employees in this area will escape the economy ax during March.

With the exception of 75 in TVA and 50 in VA's Denver office, all the layoffs set for this month are in the Army, Navy, and Air Force. Among the larger ones are:

Naval air stations in Corpus Christi, Tex., Jacksonville, Fla., Alameda, Calif., and Quonset Point, R. I., 225, 130, 163, and 100, respectively; Lima (Ohio) Ordnance Depot, 170; Fort Polk, La., 149; Camp Pendleton, Calif., 126; Military Sea Transport (Seattle), 125, and the Twin City Army Arsenal at Minneapolis, 66.

Meanwhile, the number of jobless Federal employees being paid unemployment compensation reached 46,849 last week, including the 2,852 new applicants. A year ago about 21,000 were receiving jobless pay. The record number on the unemployment compensation rolls shows that laid-off Federal employees are no longer able to get other jobs.

The Federal employee jobless were paid an average of $29.22 a week during January, which is about a dollar less than the national maximum rate.

In the week ending February 15, 1,240 former Federal people were being paid unemployment compensation in this city, and another 112 applied for it. In Virginia, 898 were on the rolls and 68 applied for aid, and in Maryland, 797 were on the rolls, with 68 new applicants.

Defense officials explain that the Army, Navy and Air Force are in a transition period, that job cutbacks are being made in some established operations as those above, but the money saved thereby will be spent to hire more people on missiles and other modern weapons. Overall, they expect little change in the number (1,100,000) of civilian jobs in Army, Navy and Air Force.

Wage Board boost? A new increase for the 18,000 laborers and mechanics of the Army, Navy and Air Force in the Washington area is now imminent. The wage study has been completed, and all of the necessary papers and recommendations have been made to the wage committee.

The average increase should be no less than 10 cents an hour.

The wage survey was started last October. It also includes food-service personnel in Federal hospitals and maintenance employees in Federal buildings. Some of these employees will get only minor increases.

Senator WAYNE MORSE, Democrat, Oregon, a real good friend of postal employees, is critical of AFL–CIO postal employees for endorsing the successful Senate maneuver to couple the postal pay plan with the postal rate-increase bill.

He predicted their action "will rize to plague them" and that in the years to come there will be no increase in salaries unless there is also "a juggling of postal rates."

Roundup: Col. Charles C. McCall has retired from HHFA's legal staff after 31 years of service. Harry A. Babcock has been promoted to executive director at Federal Trade. He has served the agency 36 years.

Mr. JOHNSTON of South Carolina. Mr. President, I wish, moreover, especially to point out that the figure of 46,849 unemployed Federal workers is more than double the number of 21,900 Government employees who were drawing unemployment compensation in the same period 1 year ago. That shows the condition which is developing.

Thus, contrary to the common assumption, Federal employees seem to be less fortunately situated today than are their coworkers in private industry. For whereas total covered unemployment on a nationwide basis climbed to a peak of 3.268 million in this same week of February 24—an alltime high since the unemployment insurance program was initiated in 1938—this figure is still not quite double the 1.7 million who were drawing unemployment compensation in the like period of 1957.

Moreover, according to Mr. Kluttz—and again, I may say that my preliminary investigation of the situation shows him to be accurate—"during this month of March about 50 agencies and installations have reported plans to discharge more than 3,000 employees. Unreported layoffs are expected to total at least another 1,000."

While these figures, Mr. President, may not loom very large in proportion to the overall national figure, in federally impacted areas, where unemployment is already serious, they become staggering. They are also staggering to the families of the unfortunate Government workers who are facing protracted periods of hardship while their breadwinners remain jobless.

It is my intention to go further into the causes and the validity of these layoffs. Entirely aside from the harmful effect upon national morale which such dismissals by the Federal Government must have—especially at this particular time—I am not convinced that they represent the maximum of either efficiency or of economy in the good administration of Government.

Even in the lower grades of classified Federal employees, a good deal has been invested by the Government in their training. But those who have lost their jobs can hardly be expected to wait patiently until they are recalled into service.

This means that a constant training program for new recruits must be maintained—a costly operation for either Government or industry. Furthermore, with Government employment no longer offering its former security and stability, the generally lower salaries paid by Government, in comparison with the salaries paid by private industry, are scarcely likely to attract the most desirable workers into the service of their country.

THE COTTON SOIL BANK PROGRAM FOR 1958

Mr. THURMOND. Mr. President, included in the supplemental appropriation bill, now being considered, is an appropriation of $250 million for the cotton Soil Bank program for 1958. At this time, I should like to discuss briefly the necessity for this expenditure.

My remarks will not include anything on the merits or the demerits of the Soil Bank plan, or any of the other devices that have been set up for the well-being of our farmers. To do so would only becloud the point of my remarks.

The point, very simply, is that the Federal Government has made a moral

commitment to the farmers, and, therefore, has a clear duty to pay 100 cents on the dollar to fulfill its Soil Bank obligation.

The Department of Agriculture evidently overlooked the fact that 1957 was a disastrous year for cottongrowers in most parts of the Southeastern States, and greatly underestimated the demand for Soil Bank funds for 1958. These growers—small farmers for the most part—were pushed to the wall by the losses resulting from the poor growing season of 1957.

For some growers, no doubt, this dark cloud had a silver lining. With the cotton surplus reduced, as a result of the poor crop, they saw a chance for a better market for the 1958 crop, and prepared to plant their full acreage allotments.

Such was not the case, however, for the small cotton farmer. His debt position would not permit him to take even the normal farming risks. He required a year of operating under minimum risk conditions, in order to get back on something approaching an even keel.

The plain fact, which the Department of Agriculture has consistently failed to recognize, is that the low price supports favored by the present administration do not offer enough hope for profitable operation for the small cotton farmer. His best chance for getting a return for his year's work lies in renting substantial acreage to the Government under the Soil Bank plan.

Faced with this situation, our cotton farmers voted in the cotton referendum of December 10, 1957, to continue the Soil Bank program through the 1958 crop year. The results of this referendum, in the eyes of the farmers, constituted a clear contract between them and the United States Government.

During the winter, cottongrowers made their plans accordingly. They made no arrangements for hiring hands to work the acreage that was intended to go into the Soil Bank. In numerous cases, tractors and other farm equipment used to work the fields were sold. In many cases tenant farmers moved off the land and sought work elsewhere. Wornout farm equipment was not replaced.

In announcing its plans for administering the Soil Bank plan in 1958, the Department of Agriculture announced that the period for farmers to contract for participation would be from January 13 through March 7. In many of the counties in South Carolina—and, I am sure, in other States as well—the local authorities advised farmers not to rush to sign up. In this way they hoped to spread out the clerical work involved and to insure that the work would be done in an orderly and efficient manner.

Nevertheless, there was quite an early rush. In some counties, the rush to sign was of such magnitude as to make this comparatively simple procedure quite a chore.

Let me quote here from a sampling of letters I have received from constituents, which will give some idea of the picture at signup time.

Here is a report from a gentleman who had the foresight on January 13 not to put full reliance in the information that the Department of Agriculture had put out, and, therefore, he was among the first in line:

> On the morning of January 13, I arose at 4:30 a. m. and drove 20 miles to the ASC office then stood in the cold and rain for 2 hours waiting for the office to open.

This grower feels that, having had the foresight to be among the earliest applicants and having undergone the rigors involved in getting a place toward the front of the line, he should receive the full Soil Bank allotment for which he contracted.

However, this opinion is not a unanimous one by any means.

Here is a portion of a letter from another South Carolina citizen, who also was ready to sign up the first morning that agreements were being accepted:

> I went to the office of the ASC county committee on the morning of the first day of the signup for the cotton acreage reserve program. There were so many waiting that I left to attend to some other important business. I returned in the afternoon and was assigned a number. The following day I went back and signed a contract to put my entire cotton allotment, 43 acres, in the reserve program.
>
> Now I am informed that because I did not fight my way in ahead of the crowd that was waiting and get in among the first few, that there are no funds and that the contract I signed with the Government in good faith will not be carried out by the Government. How can the Government of the United States of America expect loyalty from her citizens when she repudiates a contract made between her and her citizens?

I have received a letter from a 61-year-old widow, who states that her small farm provides her with her only income. She could not sign up until after the allotment for her county was exhausted. She had only 4 acres to put in the Soil Bank, but her name is on the waiting list because, as she expresses it, "widow women cannot go at 4 o'clock in the morning and stand in a mob several hours."

I could go on in this vein for some time, but I think these letters illustrate the point.

In some counties, the farmers were warned that the allotment would be on a first-come, first-served basis; and these counties, in general, were the ones where the signup line began forming before daylight on the morning of January 13.

In other counties, local committeemen relied on the United States Department of Agriculture notice SB–106, dated December 27, 1957, which said, in part:

> It is believed that * * * national funds will be adequate to cover all offered acreage for spring wheat, corn, cotton, rice, and certain kinds of tobacco for the first several weeks of the signup campaign. Therefore, until further notice, State and county fund allocations * * * will be considered as automatically equaling the amount obligated on signed agreements at the county level.

These were the counties where, in general, standing in line was discouraged.

Mr. President, the cottongrowers of South Carolina are as mad as hornets about this badly bungled mess.

The Department of Agriculture earmarked the sum of $13 million for the payment of Soil Bank funds to the cotton farmers of South Carolina. Within 4 days, farmers had applied for payments totaling $19 million. At the last report, the total applications had risen to over $23.5 million.

If these payments are made on a pro rata basis—giving each farmer a portion of the money due him—the individual farmer will receive less than 60 percent of the money the Government represented he would receive.

In recent months, we have experienced a distinct downturn in business activity. Economists disagree as to the seriousness of the business recession. To my mind, nothing is more discouraging in the general economic outlook than the continued failure of our farmers to gain their proper financial status. They have not shared fully in the general prosperity of the last several years, and they are always among the first affected when business activity turns downward.

It appears to me that there could be no better starting point than for the Government to stand behind the obligations it has contracted to pay, and put some cash in the hands of the hard-stricken farmers.

We are spending billions of dollars annually for foreign aid. It is difficult for the farmers of our country to understand how the Government can justify an expenditure of this kind, while refusing to pay in full the moral debt it has contracted with a number of its individual citizens.

The reports I am receiving from South Carolina cotton farmers are the reports of disillusioned people. It is not now possible at this late time to plan and enact a complete remedy for our numerous agriculture problems to be effective in 1958. But we can and should do what is plainly indicated, and that is to supply the Agriculture Department with the appropriation needed for it to carry out its commitments.

Mr. COOPER. Mr. President, on February 13 I introduced Senate bill 3280, providing that an additional $250 million be made available for the acreage-reserve program of the Soil Bank.

I introduced the bill because I had just returned from Kentucky, and there I had learned at firsthand that our farmers had signed up for the contracts to place corn in the Soil Bank in an amount far exceeding the sum which had been appropriated and allotted in 1957 for corn in the 1958 Soil Bank.

I am very glad the Senate Appropriations Committee has recommended the additional appropriation of $250 million in the supplemental appropriation bill we are now considering. That amount, when approved by the Senate, will add to the $500 million provided in 1957, and will provide a total of $750 million for the acreage-reserve program during this fiscal year. And it will correct the inequity which developed because of the unexpected participation by farmers in the acreage-reserve program for 1958.

I think it is only fair to say that the situation which developed cannot be laid at the door of the Department of Agriculture. The fact is that last year, when the appropriation bill providing funds for the Soil Bank program came to the Senate of the United States, it had no money for the acreage reserve of the Soil Bank program. It was with

great difficulty that we were able to include in the appropriation a provision for $500 million for the acreage reserve. That was done in the Senate of the United States and later approved by the House.

Mr. THYE. Mr. President, will the Senator yield?

Mr. COOPER. Yes, I yield.

Mr. THYE. The distinguished Senator from Kentucky is entirely correct in his statement relative to the farmer's position. Last year the corn farmer was waiting for legislative action relative to what would be the approved number of acres for the commercial corn area as a basic allotment; 37,300,000 acres were approved for the commercial area. The historical planting would amount to about 57 million acres. Everyone knew that acreage allotment was too small to enable the farmer to participate. However, the increased corn acreage allotment bill which was introduced by me was defeated on April 10. Therefore, many farmers who had waited to see what would happen to that proposed legislation were caught short. Furthermore, not too many were thoroughly familiar with the reserve acreage phase of the Soil Bank. They learned much in calendar year 1957. Therefore, as the opportunity to sign up for participation in the reserve acreage section came about in 1958, there was a great influx of participants. That happened in Minnesota. In the first few days, all the allotments were obligated, because the sign-ups were on a first-come-first-served basis.

As the Senator from Kentucky visited his State, I, too, visited my State, not only in January, but in February. I found farmers were greatly disturbed. In fact, they came to me wherever they could reach me and talked to me about the matter.

I returned to Washington and introduced a bill proposing to increase the appropriation to the full amount authorized by the act, $750 million. Congress had appropriated $500 million, but the authorization permitted $250 million more to be appropriated.

I am happy that the bill now before the Senate provides for that fund. Even if approved, there will be more applications than can be taken care of under the additional appropriation, and we shall have reached the maximum amount authorized. There will have to be some surrender if all applications are to be covered.

I thank the distinguished Senator for discussing and bringing the question to the floor of the Senate.

Mr. COOPER. I am glad to have the comments of my friend, the senior Senator from Minnesota. I do remember that in the early part of the session last year the distinguished senior Senator from Minnesota [Mr. THYE] introduced a bill which would have helped corn farmers. Action on that bill was delayed, and finally the bill was not approved, but not because of any fault on the part of the distinguished Senator from Minnesota. In fact, he made every effort to relieve the situation in which corn farmers found themselves. It was because the program was not settled, and because of lack of experience with the Soil Bank program, and also because of the delay by Congress in approving funds for the program that the situation developed regarding Soil Bank allotment which has made necessary this additional appropriation of $250 million.

I remember that the distinguished Senator from Minnesota did introduce a bill which would have increased the amount to $750 million. My own bill called for an appropriation of an additional $250 million, so we were in complete accord when we introduced our bills to help the thousands of farmers who had applied for Soil Bank participation, whether wheat, corn, tobacco, rice, or cotton.

It is my information that the total signup for corn, cotton, wheat, rice, and tobacco approximated $750 million, as against the $500 million which we appropriated in 1957. As a present example, Kentucky farmers had by February 20 applied for corn contracts in the Soil Bank totaling $12.3 million, against a State allotment of $6.3 million. Unless the Senate takes the action recommended by the Appropriations Committee and provides the additional $250 million, many farmers will be denied participation in the acreage-reserve program of the Soil Bank, whether for cotton, corn, wheat, tobacco, or rice, for which they believed they were eligible, because they had filed their applications within the time prescribed by the Department of Agriculture.

The action of the committee is fair and equitable to our farmers. I am sure that the Senate will quickly vote to provide the additional $250 million, and I shall be glad to vote for this appropriation.

Mr. President, on March 4, the distinguished senior Senator from Louisiana [Mr. ELLENDER] made one of the most effective speeches I have ever heard in the Senate on the water resources of the United States, and the necessity of their development. It was a complete answer to an inaccurate article by Mr. Leslie A. Miller, which recently appeared in the Saturday Evening Post. The article was very critical of the Congress of the United States and the Corps of Engineers, in connection with expenditures for rivers and harbors development, flood control, and the protection of our water resources.

No one in the Senate of the United States or in the House of Representatives is better qualified to speak on water resource development than is the senior Senator from Louisiana. He draws from an experience of 20 years' service in the Senate. He has served for years as a member of the Senate Committee on Appropriations, and as chairman of the Subcommittee on Public Works, which deals directly with appropriations for flood control, navigation, harbor improvement, and other types of water-development projects. I know from my own experience, as a witness before his subcommittee, of his patience and industry, and of the care he takes in hearing and appraising testimony. I know, also, his wide knowledge in the field of water resources and river and harbor development, and his fairness in judging the matters that come before him. And, I may say, he is known in the Senate of the United States as a Senator who vigorously opposes waste in Government spending.

I cannot add to the unanswerable case the Senator from Louisiana made in his speech of March 4 regarding the necessity of supporting and continuing the work of the Corps of Engineers, the Department of Agriculture, and other agencies charged with the conservation and development of our waterways and other water resources. Flood control and its protection of human life, navigation, water conservation, water supply for industry, are among the objectives of water-resource development. We in Kentucky recognize that the current improvement of locks and dams on the Ohio River has contributed to new industrial investment in the Ohio River Valley, approaching $15 billion. The Ohio River carries more traffic than any river in the world, and traffic is increasing. The improvement of the locks and dams on the Ohio River must continue, and we in Kentucky want very much that the development of other rivers in Kentucky and particularly flood-protection facilities, shall steadily progress. We have been concerned by the tragic floods which only last year swept the Big Sandy, upper Kentucky and upper Cumberland Rivers, and the necessity that the people in these valleys be protected.

In the last year in my State great floods have swept many river valleys, particularly along the Big Sandy, the Cumberland, and the Kentucky Rivers.

I should like to say at this point, that waterway transportation must not be taxed, as has been proposed in some quarters. The development of our waterways and river resources creates new wealth for the Nation. It is necessary to conserve and develop the water resources that our Nation will need in the future and without which it cannot grow. I congratulate the senior Senator from Louisiana on his speech, on his consistent support of water conservation and development. I am happy to support him in his position.

THE UNEMPLOYMENT SITUATION

Mr. KEFAUVER. Mr. President, the Labor Department's latest figures show that in February unemployment rose to over 5,100,000—a 600,000 increase over January. This means that 1 out of every 14 workers is unemployed. On Saturday, March 8, the President announced what has been described as a vigorous, new program to combat the current downswing.

The President's announcement was of course intended to have the effect of allaying any fears which the American people might have that what is now admitted to be a recession might ripen into a full-fledged depression.

If the President's program is enough to turn the tide, he has rendered a great service to the country. But if it is not enough and unemployment continues to rise despite this new program, what confidence the American people have in the

present administration will be sorely shaken. The administration has a well-known proclivity for trying to make difficult problems disappear by the use of Madison Avenue catchwords and slogans. An economic decline, however, is one problem which, as former President Hoover should have learned, cannot be made to disappear by incantation and exhortation.

How effective, therefore, can we expect this new program of the President to be? Can it be expected to live up in substance to the vigor with which it was presented?

At the outset, I wish to make it clear that I heartily approve of the program—as far as it goes. The recommendations to stimulate housing and small business are particularly desirable, but they are of an indirect character and will not pump new Federal funds into the economic blood stream. It is the latter type of recommendation on which we must place our major reliance for any early revival of our economic fortunes. The critical question is whether they go far enough.

As is the case with many other statements emanating from the White House, it is somewhat difficult to determine the precise meaning of these various recommendations. Thus, the first measure is an acceleration of works projects for which funds already appropriated are available. But a reading of the fine print indicates that this is only to be done where practical.

The President states that certain water resources projects have been accelerated in the present fiscal year. The thought is conveyed that this higher level of activity will continue into the next fiscal year. But again, the fine print indicates that this is by no means a certainty. The affected departments of Government are merely to submit amendments to this end which the Director of the Budget may or may not approve. We will probably not know the results of his decision until the President's next budget message is submitted in January 1959.

The highway program is another type of activity which is to be accelerated. This is to be done by the amendment of the Highway Act to suspend certain expenditure limitations for 3 years. This, of course, will require Congressional action which, even under the best of circumstances, is bound to take a little time in spite of the urgent manner in which the matter is being pursued by the subcommittee of the Committee on Public Works, under the leadership of my colleague, the Senator from Tennessee [Mr. GORE].

The figure used as to the effect of this proposal is $2.2 billion of Federal funds. But again, a reading of the fine print indicates that this is to be spread over a 4-year period. The annual average would be only $550 million, and undoubtedly the amount would be somewhat less in the first year.

The President proposes that unemployment compensation benefits be continued to those unemployed workers who have exhausted their unemployment benefits. This is a very laudable proposal. But again, it is necessary to read the fine print. The extension is only to be for an undefined brief period.

All told, these programs would increase Government expenditures by at most from one-half to three-fourths of a billion dollars. Moreover, there is little prospect that any of these increased expenditures will actually be made within the next 6 months, which may turn out to be the critical period in this economic decline. In a $400 billion economy, it is entirely proper to raise the question of whether a program of this limited size is enough to do the job.

We cannot escape facts, and some of the current reported facts are not encouraging. Thus, the Wall Street Journal of March 10, 1958, contains an article pointing to a possible further decline in the steel industry which is now operating at 52.6 percent of capacity. The article, which I would like to incorporate into the RECORD with my remarks, is headlined as follows: "Steelmakers Hit by Order Deferments; They Fear Production in March May Be Lower Than February." The article goes on to state:

> Within the past few days, new disappointments in the form of order deferments and the failure of expected orders to materialize have hit the Nation's steelmakers, whose giant industry perhaps more than any other mirrors the Nation's economic life.
>
> While some steel men insist there's still a chance March could bring an improvement if a batch of rush orders come through, they add almost in the same breath that the chance is rapidly fading.
>
> They concede that instead of the upturn that had been generally predicted for March a few weeks ago, there may now be a further drop in production. The operations outlook for this week in three major production centers bears them out, for operations in the Pittsburgh, Chicago, and Youngstown districts are scheduled for declines.
>
> Recent cautious optimism expressed by steel men was based mainly on a slight pickup in orders, the grudging nature of the ground-giving in the steel production rate and the expectation that March would begin to see a more substantial improvement in steel buying. And for some mills—exceptions, to be sure—orders actually have improved to the point where operations are being stepped up.
>
> But overall, the past week brought a turn, for the worse, or, at best, a failure of an expected turn for the better to materialize.

Moreover, there are respectable economists who tell us that the end of the decline is nowhere in sight. One well-known forecaster, Prof. V. Lewis Bassie, director of the bureau of business research of the University of Illinois, publicly predicted on February 25 that economic activity would continue to decline in 1958 and would drop to even lower levels in 1959. Professor Bassie correctly called the turn on the present downswing and, in addition, is one of the few experts who correctly predicted that we would have a boom following the end of World War II. His present warning should give us pause indeed.

It may well be that his forecast will turn out to be inaccurate—I certainly hope it does—and that we have already reached or will shortly reach the bottom of the decline. The prediction of things to come, in economics as well as in other fields, remains a hazardous undertaking.

Yet is it not better to be prepared for the worst, just in the event that it does happen? The economy has a fever. The temperature is rising and is up to 5.1 million unemployed. It may well go higher—perhaps much higher. When one's child runs a fever, is it not better to assume that it might be something serious and call a doctor rather than merely exude confidence and give the child aspirin tablets? Confronted with an ailing child and a demand by his wife that he call a doctor, does any father in his right mind denounce his wife as a "prophet of gloom and doom"?

There is one point, however, on which I believe the President is right. He is reported as having said in his last news conference that the critical factor is buying by consumers. He is right because, except for a great expansion of Government expenditures, the only likely source of a stimulus to the economy would be an increase in consumer buying. This is so because the present decline in the other great source of jobs and purchasing power; namely, outlays for capital goods, was more or less inevitable. It was inevitable because most industries had already expanded their facilities to such a point that their capacity was substantially in excess of their probable demand.

In an interesting article appearing in the Washington Post on March 8, which I ask to have printed in the RECORD at the end of my remarks, Bernard D. Nossiter calls attention to the potential seriousness of a decline in this type of spending.

I also ask to have printed two other articles, one from the Journal of Commerce of March 10, 1958, and the other an article written by Edward J. Lally, published in the Wall Street Journal of March 10, 1958.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, the articles may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. KEFAUVER. Mr. Nossiter said:

> Spending for new capacity has an impact beyond its size. Economists attribute to it multiplying effects on income, jobs, and output because dollars put in at the beginning of the production process lead to orders and employment at all intermediary stages.

Surveys made last fall of plans by business to make outlays for new plant and equipment and other facilities showed a significant falling off in 1958 as compared to 1957. But even these surveys probably understate the decline. Mr. Nossiter predicts that the forthcoming survey by the Department of Commerce and the Securities and Exchange Commission "will show a larger cutback than earlier forecasts." If this turns out to be true, the need for an increase in consumer buying to offset the decrease in business investment becomes urgent.

It so happened that exactly 1 year ago today the Subcommittee on Antitrust and Monopoly, of which I have the honor to serve as chairman, became concerned with one important phase of this problem. Accordingly, we launched an inquiry into what are referred to as "ad-

ministered price" industries. In announcing the inquiry, I stated:

The inevitable result of cartel behavior is reduced consumption, lower living standards, and unemployment. Low volume-high price behavior can help cause a depression and, if it develops, can make it much worse.

Since that time we have held lengthy hearings on the steel industry and the automobile industry and, in addition, heard from leading economists in the country who have specialized on the subject. We have found that, confronted with falling demand, both industries nonetheless raised their prices. Today, operation in both industries have fallen to just above 50 percent of capacity. I should like to place in the RECORD following my remarks a copy of the press release summarizing both the majority and minority views of our steel report which is now at the Government Printing Office.

The PRESIDING OFFICER. Without objection, the press release may be printed in the RECORD, as requested.

(See exhibit 2.)

Mr. KEFAUVER. I quote briefly from that release:

From the material presented in this report, it is clear that the price increase substantially exceeded the cost increases in 1957, and apparently also in 1956. It is also reasonably clear that at the time the 1957 price increase was made, there was nothing in the information then available to suggest a forthcoming increase in demand which would support the higher prices. That the price increase was made and has been held in the face of these underlying conditions is tribute to the perfection with which price leadership in the steel industry maintains price rigidity.

Prices have been raised in the face of declining demand and substantial excess capacity. * * * This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment.

The $64 billion question is this: How can we expect real consumer buying power to increase, as it must to offset the decline in business investment, if prices are raised? Instead of offsetting the decrease in capital-goods expenditures, the price increases in administered price industries will cause real consumer demand to go down, thereby aggravating the general decline. And if both capital-goods expenditures and consumer buying power go down together, we are headed for real trouble.

The way in which price increases are eroding the buying power of the American people is illustrated by the fact that the increase in the cost of living between January 1957 and January 1958 reduced by 3.3 percent the ability of the American consumer to buy goods and services. Since then prices have reached even higher levels and the purchasing power of the consumer's dollar has correspondingly declined.

What this country needs above all else at the present time are price decreases which will place more goods and services within the reach of the average citizen's pocketbook. Consumers want more goods, and they want them badly, but they simply cannot afford to pay the prices being demanded. Yet, instead of stimulating buying power by making these needed price reductions, the managers of the administered price industries are apparently planning even further price increases. Spokesmen for three of the large steel companies have publicly announced that a further increase in steel prices will take place in the next few months. The can manufacturers have just put into effect a new price increase. The retiring president of the American Paper and Pulp Association on February 20 stated that "The Nation's papermakers will be forced to raise prices if operations continue to lag."

What we need in this economic situation is real statesmanship on the part of the managers of industry. I include also the leaders of labor.

But so long as big business keeps prices high, and indeed raises them to even higher levels, we must look to a substantial increase in Government spending to save the day. Only a large-scale program, such as that outlined by our distinguished majority leader, Senator JOHNSON, can begin to fill the gap created by the decreases in business investment and in real consumer buying power.

EXHIBIT 1

[From the Washington Post of March 8, 1958]

NEW, AND DOUR, READINGS DUE SOON

(By Bernard D. Nossiter)

A freshet of dour readings on the economy is due to come pouring from Government agencies in the next 10 days.

New figures on business capital spending plans and unemployment will provide more steam for Democratic demands to force feed the economy and set the stage for next week's AFL–CIO unemployment conference.

Economists are split over the meaning of figures already in hand. But most of them are reluctant to stamp this as the bottom of the slump.

Some indication of how sharp a drop is in sight will come from the Commerce Department-Securities Exchange Commission forecast of 1958 business investment. The survey will show a larger cutback than earlier forecasts.

These outlays for factories, stores, machinery—items to produce other goods—fueled the 1955–56 boom, began leveling off in the middle of last year and turned down slightly in the final quarter to about $37.5 billion.

An earlier Government survey put the drop for the first 3 months of this year at $500 million; the McGraw-Hill Publishing Co. estimated the entire 1958 slide at somewhat more than $2.5 billion.

But both of these reports are out of date. How much more this cutback has already taken place and is still to come, will measure the change in business confidence since last fall.

This spending for new capacity has an impact beyond its size. Economists attribute to it multiplying effects on incomes, jobs and output because dollars put in at the beginning of the production process lead to orders and employment at all the intermediary stages.

The new estimates on unemployment for February have already been compiled and Secretary of Labor James P. Mitchell has revealed that the jobless exceeded 5 million for the first time since 1941. The best estimate is a figure of 5.1 to 5.2 million—more than 600,000 above January. The Secretary flatly predicted that this would be the recession peak in jobless.

Optimists take some comfort from these factors: Unemployment usually hits a high in January or February because bad weather holds up building, road construction and other outdoor work, and this year was an especially severe February; and the month-to-month gain is far under the whopping 1.1 million increase from December to January.

But a 600,000 increase is considerably more severe than had been expected. The official figures are sure to be cited at the AFL–CIO meetings, which begin on Tuesday, as added evidence of the need for Government stimulus.

Contrary meanings are being assigned to the Commerce report that manufacturers cut back goods on their shelves at a stiff rate in January. For the moment, it means smaller orders to their suppliers, who in turn reduce output and lay off workers.

The cutback, $600 million on a seasonally adjusted basis, was as much as the liquidation in the whole fourth quarter. At some point, both the gloomy and cheerful agree, businessmen will not have enough goods on hand to take care of orders and will rebuild inventories. This starts a new chain reaction of orders and jobs. But the key question is, How soon?

Optimists note that business shifted from buildup to cutback at the end of last summer, just as the recession began. In the past, this turning point has usually been missed and stocks have grown for a while as business turned down. The early change this time, it is argued, means the cutback will not have to go as far and much of it may already be over. The steel industry is believed to be scraping the bottom of its supply barrel now, for example.

But other experts note that the reduction was even steeper in January. They concede that a hefty portion of it was due to the Defense Department's inability to order as much as had been planned, a situation that has now changed.

But they point to the ratios of inventories to sales to show that the cutbacks have not gone far enough. This relationship—dividing stocks on hand by a current month's sales—was under 1.8 a year ago; in January, manufacturers had about 2 months' worth of goods in stock. Reductions, then, had not matched the drop in sales.

The gloom dispellers see nothing alarming in this since inventory-sales ratios always mount in a recession's early stage. And the January figures showed an important change. Last year, the inventory cutting had taken place in raw materials and semi-finished goods, while manufacturers' stocks of finished goods actually rose. This forced an unwanted pileup which was reduced sharply as the current year began.

[From the Journal of Commerce of March 10, 1958]

FURTHER CUTBACKS FORECAST FOR AUTOS

DETROIT.—Ward's automotive reports said that further curtailment of automobile production is in prospect for March and April. It said that despite the cut in factory operations dealer stocks now are pressing the 890,000-unit mark.

Ward's said new-car sales in February dropped to 321,400 units. In February last year they numbered 438,725 units.

The agency put last week's United States output at 84,202 cars and 18,240 trucks, compared with 91,508 cars and 17,451 trucks in the previous week. In the like 1957 week, 140,161 cars and 17,835 trucks were built.

Ward's noted that Ford last week slashed its car assembly in half, idling half a dozen plants; that Chevrolet closed 3 plants for 1

day; Dodge at Detroit, 3 days; Chrysler (Detroit), 1 day and De Soto the entire week. American Motors also was down all week.

[From the Wall Street Journal of March 10, 1958]

STEELMAKERS HIT BY ORDER DEFERMENTS; THEY FEAR PRODUCTION IN MARCH MAY BE LOWER THAN FEBRUARY—HOPES FOR EARLY UPTURN FADE AND MILLS SHOW CONCERN OVER APRIL PROSPECTS

(By Edward J. Lally)

PITTSBURGH.—A lamb-like March is threatening to upset the steel industry's modest hopes for an early spring recovery.

Within the past few days, now disappointments in the form of order deferments and the failure of expected orders to materialize have hit the Nation's steelmakers, whose giant industry perhaps more than any other mirrors the Nation's economic life.

Based on orders now on the books, March is not going to bring the moderate upturn that producers had been looking for and April is taking on a question-mark air that has steel men worried. Those two points were emphasized time and again late last week in a survey of steel companies, large and small, here, in the Midwest and in the East.

While some steel men insist there's still a chance March could bring an improvement if a batch of rush orders come through, they add almost in the same breath that the chance is rapidly fading.

FURTHER DROP POSSIBLE

They conceded that instead of the upturn that had been generally predicted for March a few weeks ago, there may now be a further drop in production. The operations outlook for this week in three major production centers bears them out, for operations in the Pittsburgh, Chicago, and Youngstown districts are scheduled for declines.

In the Pittsburgh district, mills are expected to operate this week at 56.3 percent of rated 1958 capacity, down a half-percentage-point from last week, and in Chicago production is scheduled to drop to 52.8 percent from a rate of 54 percent last week. These two districts, along with the Youngstown, Ohio area, produced nearly 50 percent of the Nation's steel.

Youngstown operations are scheduled for a 2-percentage-point drop to about 51 percent of capacity.

The low rate of operations in these three big steel centers is typical of what's happening nationally. The steel production line has taken a ragged downward course since shortly after the first of the year and last week the scheduled rate moved down to 52.6 percent of capacity, lowest of the year to date except for the 50.9 percent in the week of February 17, when extreme cold and snow took a wintery slice out of production.

Stacked up against a year ago, production totals this year look sickly. Since the first of the year, the steel furnaces have poured only about 15,250,000 tons of molten metal, against 24,447,000 tons for the corresponding period last year.

Current production is running at an annual rate of only about 74 million tons, which if continued would mean that 1958 would be the worst production year since 1946. In that year, marked by postwar dislocations and a long winter steel strike, output totaled only 66,600,000 tons.

In steel's 1949 recession, when the industry's capacity was only 96,100,000 tons, compared with present annual capacity of 140,700,000 tons, production amounted to 77,900,000. And in the industry's most recent important slump, in 1954, tonnage was 88,300,000.

Of course, there's plenty of deep-rooted optimism in the industry for a recovery late in the year and scarcely any thought that production will sink as low as the present annual rate of output. But estimates on 1958 production, which earlier in the year ranged as high as 116 million tons, have been revised downward, in some cases to around 95 million tons.

Recent cautious optimism expressed by steel men was based mainly on a slight pickup in orders, the grudging nature of the ground-giving in the steel production rate and the expectation that March would begin to see a more substantial improvement in steel buying. And for some mills—exceptions, to be sure—orders actually have improved to the point where operations are being stepped up.

But overall, the past week brought a turn for the worse, or, at best, a failure of an expected turn for the better to materialize. Here's what one of the country's biggest steel producers had to say about it:

"Frankly, we thought in the past 5 or 6 days we would receive tangible encouragement for March.

"We have not. March will have to go like blazes to equal February. It's definitely not going to be a better month. We just don't see any hope for it.

APRIL LOOKS ABOUT LIKE MARCH

"As of the moment, April looks about like March, but we may be premature about that."

Despite his discouraging view on order and production prospects for the next month or two, this steel maker is forecasting a higher steel-production rate in the second quarter than for the first. "But whether it will be 10 points better—or 5, or 3, or 7—we just don't know."

Another Pittsburgh district steel company that had looked for better things in March did so, an official confided, on the strength of customers talking a little more brightly.

"Our encouragement," he said, "was not based on orders and releases. So far as March is concerned, the orders just haven't come through and the month may not equal February."

Similar reports came late last week from producers in Ohio, Illinois, Indiana, and parts of Pennsylvania. Chicago area producers painted a gloomy picture.

"We are receiving a considerable number of order pushbacks from automobile companies," one said, explaining that orders booked for March are being delayed to April and some April orders are being shifted to May delivery dates.

"We do not have as many orders today for March delivery as we had a month ago for February delivery," he added.

Another midwestern company said it expected its daily shipment rate in March to drop 2 percent to 3 percent below February, although for the month as a whole, because of its 31 days, it figures on shipping about as much tonnage as in February.

An executive of this company commented that "we thought February would be our low point for the year, but now we think February and March combined will be the low point, and we are not so sure that we shouldn't include April, too."

An Ohio producer who had consistently predicted a pickup in orders for March reported Friday that so far things are no better—"and from where we sit, we can't see where March will be any better than February."

"We can't tell about April," he said, "ordinarily, we should be getting April orders if customers would observe the 45-day lead time, but nobody does that any more. We are down to 2-week delivery wherever possible."

AN EASTERN VIEW

Asked how March business is stacking up, and eastern producer said:

"The answer to that is it's not coming up to expectations. And for April, we see little change over March and slightly lower if anything."

Ordering of steel has been on a hand-to-mouth basis for months as customers have been cutting into their inventories and, according to another eastern mill "orders are getting more hand-to-mouth."

This mill said it still has orders coming in for March shipment, but the month "definitely won't be as good as the first 2 months and I don't think April will be, either."

Some of the expressions in the industry that business has hit bottom have had a wistful air and producers themselves occasionally conceded that. "I think we've hit bottom," said the sales chief of a medium-size Pennsylvania producer, "but I would like to see a few more orders. There's lots of talk and a better attitude, but no orders. Generally we find our customers are talking about more business but they're not placing orders for steel."

The inventory slashing that steel consumers embarked on last spring has brought down customers' stocks of steel about 7 million tons since last summer, some steel leaders estimate. They figure consumers' stocks now total around 15 million tons, only 2 million or 3 million tons above the point they think will mark a leveling off.

"This inventory reduction is the most important thing influencing the steel business," a large producer here said. "We know inventories are coming down. But why aren't more of our customers run out completely, so that replenishment would make itself felt? Some shipments now may be for replenishment, but apparently stocks are not low enough overall to make for a measurable uplift."

An example of how customers are holding down inventories is provided by a Chicago steel warehousing company with nationwide outlets. The warehouse said the average size of its orders now is just under 1,000 pounds compared with 2,000 pounds 6 and 8 months ago. Nearly all its orders are coming in after 2 o'clock in the afternoon.

An official explained:

"Apparently people get together in the morning or at lunch and talk about steel consumption. Then orders are placed in the afternoon for the next morning's delivery. That shows how close to the vest many of our customers are operating."

The steel recession has hit practically all products turned out by the mills. Such stalwarts as heavy steel plates, structural shapes, and oil country tubular products, which helped keep last year's production high after demand has slipped for light-steel products like sheet and strip, are now readily available. "Dime a dozen," commented one mill man.

On a wide variety of other products, including sheet, strip, bars, and wire products, you get such comment from producers as "slow," "extremely quiet," and "no life." The flurry in sheet and strip that often comes with spring as auto demand and production perk up, hasn't materialized this year, although a few mills report a little more activity in these light flat rolled products due to slightly better demand from miscellaneous sources.

SOME SEASONAL GAINS REPORTED

Seasonal gains are being reported for tinplate, in advance of the food-packing season; galvanized sheets, used extensively on farms for roofing and siding, and for some wire products. But mills emphasize that none of it is spectacular or important enough to give a lift to the whole market.

Steel production last year wound up at a little under 113 million tons, compared with 115,200,000 tons in 1956 and with the record 117 million tons of 1955.

Output sagged to about 1,366,000 tons in Christmas week and since then has been

running at the following week-to-week levels, with rates based on a weekly capacity of 2,699,172 tons:

Week beginning	Percent of capacity	Tonnage
Dec. 30, 1957 [1]	55.6	1,072,000
Jan. 6, 1958	56.1	1,515,000
Jan. 13	57.0	1,538,000
Jan. 20	55.4	1,496,000
Jan. 27	54.1	1,459,000
Feb. 3	54.0	1,457,000
Feb. 10	53.5	1,445,000
Feb. 17	50.9	1,373,000
Feb. 24	54.6	1,475,000
Mar. 3 [2]	52.6	1,419,000

[1] Less approximate pro rata production for the final 2 days of 1957.
[2] Scheduled.

EXHIBIT 2

The steel industry was not justified in establishing recent price increases, since these increases substantially exceeded its cost increases, the Senate Antitrust and Monopoly Subcommittee has concluded in a report today.

The report, entitled "Study of Administered Prices in the Steel Industry" and now being printed, criticized steel industry management for its lack of responsible leadership and called on the Antitrust Division of the Department of Justice and the Federal Trade Commission to launch a study of steel pricing in order to determine possible violations of the antitrust laws.

The report presented subcommittee views based on hearings held between August 8 and November 5, 1957, on the subject of administered prices in the steel industry. Witnesses included officials of United States Steel Corp., Bethlehem Steel Corp., National Steel Corp., United Steelworkers of America, and technical experts. The hearings followed steel-price increases totaling $19.50 per ton set in a 12-month period preceding the start of the inquiry.

Subcommittee members include Chairman ESTES KEFAUVER, Democrat, of Tennessee, and Senators THOMAS C. HENNINGS, JR., Democrat, of Missouri, JOSEPH C. O'MAHONEY, Democrat, of Wyoming, JOHN A. CARROLL, Democrat, of Colorado, WILLIAM LANGER, Republican, of North Dakota, EVERETT M. DIRKSEN, Republican, of Illinois, and ALEXANDER WILEY, Republican, of Wisconsin. The report contains the majority views of the subcommittee and the individual views of Senators DIRKSEN and WILEY, separately presented.

Calling for the extension of the subcommittee's administered price inquiry into other important industries also characterized by the phenomenon of increasing prices accompanied by falling production and employment, the report concluded that "if it is determined that new laws are required, it is the subcommittee's belief and hope that they will be of such a nature as not to repeal or set aside the antitrust laws, but to make of the antitrust statutes a more effective instrument in dealing with present-day realities."

"The time might have very well arrived when the 1890 Sherman Act and the 1914 Federal Trade Commission Act should be strengthened to meet the demands of a dynamic 1958 economy," it said.

The report noted that the steel industry operates on a different concept of competition from that which is believed to govern the American economy. "Notable among these differences," it points out, "are the high levels of concentration in the market, the long-established practice of price leadership which appears to operate just as effectively when prices are increased as when they are reduced, the relative absence of newcomers, the historical use of elaborate pricing systems which have produced complete identity of delivered prices at any given point of destination, etc."

No matter what the change in cost or demand, since 1947 steel prices have moved only upward, the report maintained. "From the material presented in this report, it is clear that the price increase substantially exceeded the cost increases in 1957, and apparently, also in 1956. It is also reasonably clear that, at the time the 1957 price increase was made, there was nothing in the information then available to suggest a forthcoming increase in demand which would support the higher prices. That the price increase was made and has been held in the face of these underlying conditions is tribute to the perfection with which price leadership in the steel industry maintains price rigidity."

Discussing the general problem of administered prices, the report stressed that in industries where administered prices are maintained, "prices have been raised in the face of declining demand and substantial excess capacity. * * * This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment."

An administered price is defined in the report as having two characteristics: It is set by administrative action, and it is maintained for a period of time. The report noted, however, that administered prices are not necessarily illegal, nor are they undesirable per se. "The question at issue is the manner in which they are administered," it emphasized.

The hearings were set off by an announcement issued by the United States Steel Corp., raising steel prices an average of $6 per ton, effective July 1, 1957. Within a few days, price increases nearly identical in every instance were announced by other steel firms, producing "a general pattern * * * of virtually complete uniformity," to the United States Steel increases. "The records of the subcommittee do not disclose a single instance in which a major producer ended up with a lower price for any product than the United States Steel price after these changes," the report stated. These identical price increases were made in spite of the fact that the producers freely admitted that the costs of operation of each of the companies were widely at variance.

The type of competition by which the other steel companies moved in unison to increase their prices to the level of the United States Steel increase was referred to by Senator O'MAHONEY as upsidedown competition.

It was noted that the July 1957, price rise of $6 a ton was the third sizable increase within a 12-month period—the first was in August 1956, averaging $8.50 a ton, and the second between that period and July of the following year, averaging $5 a ton. This totaled $19.50 a ton in just about a year.

"The fears expressed concerning the inflationary potential of recent steel price increases appears to be well founded," according to the report. It was estimated that the direct cost to steel users of the July 1957, increase alone will exceed $500 million. It was also estimated that the direct cost of the three price increases will be $1.6 billion. There has been no estimate of additional costs to consumers of finished products made in whole or in part of steel, or such indirect costs as higher prices for machinery, transportation services, etc., except that they will be substantial.

In a discussion of concentration in the steel industry, the report said that "while there has been a decline in the position of United States Steel, concentration or capacity in the industry as a whole in terms of the four largest companies is about the same today as it was in 1901 upon the formation of the corporation; recently, the trend of concentration appears to have been upward; concentration is noticeably higher for most of the individual steel products than for the industry as a whole and, by any standard, can only be regarded as extremely high. And, finally, in the substantial majority of the industry's products there is still to be found the ubiquitous presence of United States Steel as the leading and dominant producer."

The report emphasized that the heads of United States Steel, Bethlehem, and National had similar philosophies of competition at variance with the traditional American view of competition. When Roger Blough, chairman of the board of United States Steel, was asked to comment on uniform bids on Government contracts where prices of competitors matched each other to the last decimal place, he explained, "A price that matches another price is a competitive price."

When Senator KEFAUVER asked whether it would not be more competitive if there were at least a slight difference in price, Mr. Blough replied, "My concept is that a price that matches another price is a competitive price * * * In the steel industry, we know it is so."

The report commented that the basic conflict here was not on the identity of prices, but on how identity was arrived at. "Mr. Blough made identity of price synonymous with competition. But where price uniformity is achieved through lockstep action on the part of producers, all following the price leader, the behavior is hardly of the type traditionally associated with the operation of free competitive forces."

Arthur B. Homer, president of Bethlehem, expressed his disagreement with the idea that simply because a firm had lower costs, it should pass on to the consumer the benefit of those lower costs in the form of lower prices, stating that if that were to happen "you will just end up eventually in a place where you just do not have anybody in the steel industry * * * you eventually get to a point where you have monopoly."

George M. Humphrey, chairman of the board of National, had still another, though similar, view. When asked by Senator KEFAUVER whether he would try to get the same increase as another producer, he replied, "I would be ashamed of myself if I could not get the price that was justified, that conditions justified, yes, sir; that other people could get."

Senator KEFAUVER summarized his position in these words: "As I interpret that, Mr. Humphrey, you would be ashamed of yourself if you did not get what the traffic would bear."

Discussing the "extraordinarily high payments by management to itself," the report maintained that "unconscionably high payments to executives act as an impetus to labor to seek higher salaries. * * * The linking of executive compensation to dividends or market values of stocks can be an unhealthy trend. * * * Stock option plans are a method of income tax avoidance and their efficacy as incentives is questionable. * * * Since steel price increases—with subsequent increases in profits and the general price level—raise stock prices, we are in the anomalous position of steel management tying much of its long-term compensation to rising steel and stock prices rather than to lower costs and lower price levels. * * * Management has not exercised responsible leadership in raising steel prices and linking its own compensation to the very same price increases."

On the subject of the uniform pattern of prices of leading steel producers, the report noted the need for examination by antitrust enforcement agencies of possible violation of the Sherman Act and the existing orders of the Federal Trade Commission with respect to the important element of steel prices. Furthermore, it went on, "it is evident that either by legal or illegal

means, the steel industry has continued to preserve matched delivered prices despite the present f. o. b. mill pricing system, and under the present pricing formula the public will continue to suffer the ills of identical bids, matched prices and stifled competition."

Concerning possible monopoly power by United States Steel, the report declared that the substantially identical increase in base prices "were evidently the result of the power of United States Steel as price leader to name prices for the industry. Whether illegal conduct or abuse of power are involved in pricing in the steel industry should be determined and acted upon by the Antitrust Division of the Department of Justice and the Federal Trade Commission. If no violations of present law are found, and amendments are believed to be needed, such recommended changes would aid Congress."

The report concluded that "whether or not our present antitrust laws are capable of coping with the phenomenon of administered pricing has not at this stage been determined. In fact, presently to render such an opinion without the benefit of expert opinions and testimony would, in a sense, be premature. For this reason, as these hearings progress, it is intended to seek the opinion and advice of the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, the Chairman of the Federal Trade Commission, and legal and economic scholars.

"The subcommittee is seeking to ascertain whether present laws are sufficient to cope with the problem, or whether new laws are required. To answer this question, a great deal more must be learned about the nature and behavior of administered-price industries. If it is determined that new laws are required, it is the subcommittee's belief and hope that they will be of such a nature as not to repeal or set aside the antitrust laws, but to make of the antitrust statutes a more effective instrument in dealing with present-day realities," it said.

SENATOR DIRKSEN'S INDIVIDUAL VIEWS

Senator DIRKSEN disagreed "emphatically with the position taken in the majority's report that so-called administered prices are associated with monopoly power." He dissented "vigorously from the attempt of the majority to raise the completely unfounded specter of future economic stagnation in America as a result of an alleged monopoly power in large segments of industry."

"The majority's report," he continued, "is based on a theoretical, preconceived, biased economic and legal analysis developed by the subcommittee staff. It fails to make an impartial appraisal of the testimony presented to the subcommittee; and in many respects it would appear to offer economic superstition where simple and reasonable facts are plainly evident."

Senator DIRKSEN maintained: "The evidence presented to the subcommittee at this time does not support a need to strengthen the antitrust laws, or to recommend the enactment of new laws to accomplish the desirable objectives of free competition."

Discussing at great length 12 charges in the majority report, Senator DIRKSEN stated that "after careful analysis of the testimony adduced at the hearings," he concluded in each instance that each charge was "erroneous and unfounded." The charges which Senator DIRKSEN rejected are summarized by him as follows:

"1. The steel industry has made unjustified price increases.

"2. Steel price increases are injurious to the whole economy.

"3. Corporate profits in general and profits in the steel industry in particular are exorbitant.

"4. There is no price competition in the steel industry.

"5. Steel prices are insensitive to changes in market conditions.

"6. The efficiency of the low-cost producers is reflected in higher profits rather than in lower prices.

"7. Inelasticity of demand for steel has not been proven.

"8. Uniformity of steel prices is maintained through the price leadership of the largest producer.

"9. There is too much concentration in the steel industry, and such concentration is increasing.

"10. Executive compensation in the steel industry is excessive and contributes to inflation.

"11. The frequency of identical price bidding on Government contracts suggests antitrust implications.

"12. Present pricing practices in the steel industry are a continution of elaborate pricing systems historically used for the purpose of eliminating competition."

In his conclusions, Senator DIRKSEN noted that Russia and its satellites have used documents produced by our own Government to embarrass United States representatives.

"Many American firms," he declared, "have encountered unwarranted difficulties in their operations abroad, because the Communist bloc was successful in labeling large American firms as cartels and American monopolies, even though there is no justification for such a characterization.

"Every Member of the Congress has a responsibility in terms of our national welfare to avoid exaggeration, partisan statements and criticism not supported by the evidence developed in committee hearings or otherwise in the preparation of Congressional reports. Every Congressional report may become an official Government document.

"The minority regrets that the majority has accepted the unwarranted and prejudiced assumptions of the staff in the preparation of its views. It is satisfied that they have unwittingly provided propaganda which may be used to our national detriment."

SENATOR WILEY'S INDIVIDUAL VIEWS

Senator WILEY's statement contained the following points:

"1. The jurisdiction of the Antitrust Subcommittee is to discover violations of the antitrust laws and to determine whether those laws should be amended.

"2. This subcommittee has no jurisdiction to determine what the price of steel should be.

"3. Nor has the subcommittee jurisdiction to say what the wage level in the steel industry should be.

"4. The evidence before the Antitrust Subcommittee does not disclose any conspiracy or other violation of the antitrust laws by the steel companies.

"5. Nor does the evidence in the record prove that the steel business is a monopoly. There are many steel companies in the industry and the United States Steel Corp. does not sell more than about one-third of the steel manufactured. When the antitrust suit was brought against the Aluminum Corporation of America, that company had full and absolute control of the aluminum industry. Whether price leadership in an industry where there are a few big concerns is an evil, and what can be done about it if it is, is one of those questions which only the combined thinking of all men of good will can solve. It is not in my judgment a matter for legislative enactment, at least at the present time.

"6. The issue whether labor is or is not a monopoly is not before our subcommittee.

"7. Increasing production of steel would help everyone concerned, those receiving wages, those receiving profits, those buying products, and also the Federal Government which collects a 52 percent corporate income tax on the profits of the steel companies. Increased confidence can go far toward increasing purchases and increasing production."

Mr. THYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Barrett	Green	Mundt
Beall	Hayden	Neuberger
Bennett	Hickenlooper	O'Mahoney
Bible	Hill	Pastore
Bricker	Hoblitzell	Payne
Bridges	Holland	Potter
Bush	Hruska	Proxmire
Butler	Humphrey	Purtell
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S. C.	Scott
Chavez	Kefauver	Smathers
Church	Kennedy	Smith, Maine
Clark	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Mansfield	Watkins
Ellender	Martin, Iowa	Wiley
Ervin	Martin, Pa.	Williams
Flanders	McClellan	Yarborough
Frear	McNamara	Young

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Montana [Mr. MURRAY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN. Mr. President, I ask you and the other distinguished Members of this body a question: What is the crowning glory of this Capitol Building which we all love and respect? What is the symbol of the Congress and of Government to every school child in the Nation? What is the first object visitors see both night and day, when they arrive in the city by rail and leave the Union Station? What is the beauty we behold when approaching the Capitol from the Mall, Constitution Avenue, Pennsylvania Avenue, and the other great avenues which radiate from the Capitol? It is not the east front, the west front, the Senate wing or the House wing. The one crowning feature is the great dome. The dome, as well as the Senate and House wings, was designed and constructed by Thomas U. Walter, the fourth Architect of the Capitol. Architect Walter had this to say about the extension of the front eastward, I quote his words:

The eastern portico of the old building will certainly be taken down at no very distant day and the front be extended eastward.

The old records clearly indicate that had it not been for the occurrence of the War Between the States at the time, the extension would have been promptly carried forward.

Every Senator knows, or should know, that the base of the great dome now projects over the east front of the Capitol. The circumference of its base had to be that large in order to conform with the size of the dome as designed by Walter, and that is the obvious reason why he said that the front of the old building should be extended eastward. Extending the front 32½ feet eastward is just what is now proposed to be done. When that work is completed, the east front of the old building will be reproduced exactly as it now is, except that it will be of enduring marble, instead of crumbling sandstone.

Who was it that authorized an exact replica of the present front to be constructed? That has been done by authority of an act of Congress, approved by the President on August 5, 1955, which created a Commission consisting of the President of the Senate, the Speaker of the House of Representatives, the minority leaders of the Senate and the House, and the Architect of the Capitol.

I have not talked about the east front of the Capitol to the Vice President or to Speaker RAYBURN, or to the Senator from California [Mr. KNOWLAND], or to Representative MARTIN, but I know that not one of them would at any time give his consent to any desecration or vandalism of any feature of the Nation's Capitol. Next to myself, SAM RAYBURN has been a Member of Congress for a longer time than anyone else now serving in either body. He has the same reverence for the Capitol, in which we have served together for so many years, that I have, yet, according to the outcries in newspaper articles, he is made to appear to be the chief vandal. The truth is that he wants to do nothing more than to have the Capitol look just as it is, except to make certain that it will remain that way. It is also true that every other member of the special Commission had no thought of altering the appearance of the east front of the Capitol. They would retain all its features and make them more enduring.

After the enactment of Public Law 242, the Commission authorized the Architect of the Capitol to engage a group of architectural advisers and a group of associate architects to advise and assist the Commission and the Architect in determining the scope of the work and the manner in which the work should be carried forward. As a result, a group of outstanding architects was selected from across the country to study and plan this work. The architects are all fellows or members of the American Institute of Architects. Their names and addresses are as follows:

Consulting and advisory group: John F. Harbeson, architect, of Philadelphia, Pa.; Henry R. Shepley, architect, of Boston, Mass.; Gilmore D. Clarke, consulting engineer and landscape architect, of New York City, N. Y.; Arthur Brown, Jr., architect, of San Francisco, Calif, deceased.

Associate architects and engineers: Roscoe DeWitt and Fred L. Hardison, architects, of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, architects, of New York City; Jesse M. Shelton and Alan G. Stanford, of Robert & Co. Associates, Atlanta, Ga., architects and engineers.

These architects and the Architect of the Capitol studied the problems for many months, and came forward in the summer of 1957 with plans and recommendations for expanding the Capitol and its facilities both now and in the future. These plans and recommendations were submitted to the Commission at its meeting of August 30, 1957, the last day of the first session of the 85th Congress. Because of the pressure of Congressional business at that late date, no action was taken by the Commission on the report of the Architect of the Capitol.

Subsequent to the meeting of August 30, 1957, the Commission, by directive of October 28, 1957, ordered the Architect of the Capitol to proceed with necessary repairs and improvements to the dome, changes and improvements to the electrical and lighting systems, and preparation of contract drawings and specifications for the extension of the east-central front of the Capitol. All members of the Commission signed this directive.

Thereafter, the Commission formally met on February 21, 1958. All five members of the Commission were present. At that meeting, the plans and recommendations of the Architect were carefully considered; and the Architect of the Capitol was ordered to proceed with the extension of the east-central front, at a total estimated cost of $10,100,000, in addition to the dome and lighting improvements authorized in October.

The approved plans provide for faithfully reproducing in marble the present historic east front 32½ feet to the east of the present location.

There has been some complaint with regard to the uncertainty of the total cost of the work to be undertaken. It is true that under the authorization act, responsibility for establishing the total cost of the work on the project is placed upon the Commission. However, it is a matter of public record that the total cost of all work under this program will not exceed the $17 million already appropriated. In directing the Architect of the Capitol to proceed with the extension of the east-central front, the Commission ordered that all work must be accomplished within the amount of $17 million already appropriated.

It has been further agreed that the amount of unfunded contract authorization of $25,600,000 appearing in the current budget document no longer is applicable, and will be canceled in the next budget of the Architect of the Capitol, leaving only the $17 million as the total cost of the project. That contract authorization could be abrogated in the next appropriation bill.

Mr. President, I can see no reason why we should not proceed in an orderly way to extend the east front as directed by the Commission. All the evidence furnished by the Architect, his advisers, and associates, indicates that something must be done to the deteriorated east-central front, if it is to be made safe and sound. I believe that even the opponents of the project agree to this. Some think that we should reface and rebuild the wall and portico in its present location. The Architect of the Capitol assures me that, based upon the best information available to him, it would cost as much or more to reface and rebuild the wall in its present location as it would to construct the proposed marble reproduction 32½ feet to the east.

Let me emphasize that there is no thought of carrying the central front so far forward as to bring it into line with the Senate and House wings. Even after the present front is extended 32½ feet to the east, the central steps will still be 40 feet back of the steps of the Senate and House wings. Thus, the so-called concavity of the whole composition is to be preserved.

I ask my colleagues, are we exercising good judgment, are we proceeding in an economical manner, in spending $10 million or more to reface and rebuild the front in its present location, when we can have a new marble front 32½ feet eastward for the same price? The extension to the east will result in the present exterior wall becoming an interior wall. Being thus protected from the elements and being repaired and tied into the new front, it will stand indefinitely.

By extending the east front, two major problems are solved: one, structural; the other, architectural. The crumbling east-central front will be constructed of marble, which will last for hundreds of years and will require no more painting; and the architectural defect of the great dome overhanging the portico will at last be corrected—as the architect who designed the dome said should be done.

As an incidental item, this program will provide the Congress with 54 office rooms, 2 rooms which may be used for committee rooms or restaurant facilities, and 17 other miscellaneous rooms. If we are to spend $10 million for this work, does not it make good sense to provide these additional facilities in the process?

Mr. President, I can see no desecration or any vandalism in this program. On the contrary, I see a plan in conformity with the ideas of Architect Walter—a plan which will reproduce and preserve in permanent stone the work of the first three great early Architects of the Capitol—Thornton, Latrobe, and Bulfinch.

I trust that we shall do nothing in this chamber to delay or stop the work as planned by the Architect of the Capitol and his outstanding panel of advisors and associates and as approved by the Commission for Extension of the United States Capitol.

Mr. KNOWLAND. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. KNOWLAND. I wish to say that the distinguished senior Senator from Arizona, the chairman of the Appropriations Committee, has made a very able presentation of the facts, as I understand them.

As was stated earlier—although perhaps some Senators were not present at that time—there has now been for more than 20 years in the basement of the Capitol, where it has been seen by tens of thousands—or perhaps even hundreds of thousands—of people, and also by the Members of Congress, a reproduction of the Capitol. It shows the present Capitol building with the east front extended. The only difference is that the extension, on scale, of the east front as shown on the model, which has been there for 20 years, is 40 feet, whereas the extension under plan B is about 32 feet.

Much has been said about the overall plans and what may be done many years in the future. The only problem before us, whose solution is the only purpose for which funds have been appropriated and are now available, relates to the extension of the east front, under plan B, by some 32 feet, and necessary repairs to the Capitol Building and to the dome, in order to prevent loss of life. There is no change proposed in the dome. It would be precisely as it is, with necessary electrical work.

It is necessary to keep in mind that the Capitol Building represents the whole people of the country, and houses the legislative branch of the Government, a coequal branch of the Government, which has been live and growing since the cornerstone of the Capitol was laid.

The original Capitol comprised only the central portion. Subsequently, as the Nation grew and as the need arose for additional space for the House of Representatives, when additional States were taken into the Union, it became necessary to build what is now known as the House and Senate wings of the Capitol. When that was done, it changed the entire concept of the original Capitol building. It was obvious to the architects, and to everyone else concerned at the time, that, the original small wooden dome was not large enough for the new mass of the Capitol, which had increased from the original concept. Therefore, the small dome which had been built on the Capitol originally was removed, and the dome which is presently there was erected in its place.

A reading of the reports submitted at the time and the recommendations of the architects who had responsibility for the building will show it was their opinion that the east front should be extended.

There was discussion as to whether plan A or plan B would be more acceptable, but both plan A and plan B provided for extension of the east front, one plan by 12½ feet and the other by 32½ feet.

The proposal is nothing unusual. It has been before the Congress from the year 1905, if not from before that time. The Commission acted under the mandate of the Congress in making its study and recommendation.

It must be kept in mind that if the work is to be completed—and this is true whether the walls of the east front at their present location should be refaced, otherwise—the work will have to be undertaken very soon if it is to be completed by the time the next President will be inaugurated, on the 20th of January 1961.

The question has been raised by some persons why the same thing which was done with the White House could not be done with the Capitol. The outer walls of the White House were retained, and an entirely new structure was built within the walls. It was possible to move the Office of the President completely out of the White House to the Blair House. However, the functioning of Congress in the Capitol cannot be closed down. Therefore, I do not believe anyone thinks that type of arrangement would be practical under the circumstances.

The proposal relates only to the extension of the east front, and the question of what may come about 50 or 100 years in the future, or 10 or 20 years in the future, as the Nation grows, is not the issue before the Senate today.

I thank the Senator from Arizona. He has made a very able presentation of the question.

Mr. CARROLL. Mr. President, will the Senator from Arizona yield to me for a question?

Mr. HAYDEN. I yield.

Mr. CARROLL. I have missed the debate on the pending question up to this point. What is the fact as to the danger to life as a result of the possibility of crumbling stone falling? I believe the Senator from Arizona referred to crumbling stone. What does that mean from the standpoint of safety of visitors to the Capitol?

Mr. HAYDEN. I have been told, and I think it is correct, that should an airplane crash near the Capitol—not hit the building, but crash near it—because of the condition of the walls at the present time and the strain on them, the building might collapse. The walls are cracked. The stones have been there 100 years. The Capitol was built in stages. The first part included the old portion, where the old Supreme Court chamber is. Then Statuary Hall was constructed. Then the small dome was constructed. Then when the Architect later designed the two wings, he also designed the great dome. It is a heavy dome. When lightning strikes the bronze on top of the dome, it shakes the whole building. The building is not in as sound a condition as it should be. The improvements will make it very much better.

Mr. KNOWLAND. Mr. President, if the Senator from Arizona will yield, I wish to say to the Senator from Colorado that the Architect has shown members of the Commission parts of the cornices which have fallen into the outer court. My recollection of the testimony of the Architect of the Capitol is that if the work is not carried on, there will have to be constructed wooden protections at the entrances to the Capitol, because of the danger of falling pieces from the cornice stones, and so forth.

Mr. CARROLL. My next question was going to cover that point. As I recall I read in the newspapers that a piece of stone weighing as much as 30 pounds had fallen. I do not know the area into which it had fallen. Suppose we merely confined the work to repairing and strengthening the walls. What would it cost? Is there any cost estimate of that work?

Mr. KNOWLAND. I am not an architect, and persons have honestly differed on the question, but the Architect of the Capitol, who was selected by the Congress to hold his responsible position, has been advised on the cost by competent architects, although there are competent architects who disagree, and his opinion has been fortified by the fact that during the whole history of the Capitol those who participated in its building have made recommendations, and there is now an attempt to carry out their ideas. I think the testimony has been that if we are to do the type of job which needs to be done, we shall have to extend the east front. Even if the extension were not made, there would have to be a replacement of the sandstone which is presently there. Marble would be used in the permanent structure, because it would conform with the construction of the Senate and House wings. The cost of such reconstruction—and the Capitol would have to be practically closed during that period of time—would be the approximate cost of extending the east front by 32½ feet, as originally recommended by some of those who designed the present dome. If that work were done, and the east front were not extended, we would not have the advantage of the additional space which is desirable in the Capitol Building.

Mr. CARROLL. Will the Senator answer one more question? From the standpoint of the distinguished Members of Congress who have served on the committee and on the commission, would the Senator say there is a real safety factor involved in the proposals?

Mr. KNOWLAND. Based on the factors presented to the commission, I believe that there is a safety factor involved, as respects visitors to the building, as cornices and pieces of stone have fallen over the years.

Mr. CARROLL. I thank the Senator from California.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. I have understood that the Architect of the Capitol had the authority to do anything which needed to be done for the protection of people against such happenings as falling stones. He would not need additional authority for that work. He does not need to extend the east front of the Capitol for that purpose.

I do not quite see that the possibility of falling stone has anything to do with the extension of the east front.

Mr. KNOWLAND. It is only that we had under consideration the whole problem of the reconstruction of the east front.

Mr. SMITH of New Jersey. Yes.

Mr. KNOWLAND. There is no question about the fact that we could reconstruct the east front precisely where the

east front is today. I would not want to be held to an exact cost figure, but my recollection is that the cost of reconstructing the east front under those circumstances would be approximately the cost of the extension of 32½ feet. That, of course, would probably require the closing off of a large portion of the Capitol during the period of reconstruction, which would not be necessary in the case of an extension.

Mr. SMITH of New Jersey. Let me ask another question, if the Senator will permit.

The purpose of the bill which I introduced was simply to try to hold back the authorization for the expenditure of the money which commits us to the project of changing the east front until some of the important architects, who felt they had not had an adequate opportunity to be heard, could be heard. The will was considered by the Committee on Public Works, and the Committee on Public Works unanimously reported our bill, S. 2883.

Is it not possible for the leadership to indicate that it is not planning to go ahead and support the letting of a contract until that bill can be considered by the Senate, and until we have heard all the arguments? I am only trying to assure that the question will be further considered, because so many organizations have been urging us to think twice before we undertake this project.

Mr. KNOWLAND. I will say to the Senator that this project has been opposed by some and strongly recommended by others since the year 1905. As a matter of fact, it was long before that when the first proposal for extension of the east front of the Capitol was made. In 1905 the Congress itself first took steps to move ahead with the program.

Hearings were held in the House. Hearings have been held in the Senate. It is true that until more recently the two Houses have not in the same session of Congress or in the same year acted on the same bill, but both Houses have gone into the matter very extensively.

As the distinguished Senator from New Jersey knows, as the minority leader I do not determine the order of consideration of proposed legislation by the Senate. A bill has been reported by the Committee on Public Works, which I understand is on the Senate Calendar.

Mr. SMITH of New Jersey. That is the bill to which I refer.

Mr. KNOWLAND. I assume that in due course, after the majority leader and the majority policy committee have had a chance to pass upon that matter, a determination will be made as to when the bill will be called up for consideration by the Senate. I have no control over that matter.

Mr. SMITH of New Jersey. What I fear may happen is that a contract will be let and the water will be over the dam before we can obtain consideration of the bill.

It seems to me to be reasonable, considering the many people who are interested in the matter, to ask, at least, that the bill be taken up for consideration and voted on, after all the evidence has been submitted to us. When the evidence was presented to the Committee on Public Works, the committee thereafter submitted a unanimous report. It seems to me only reasonable to ask for such consideration.

I am absolutely sure that the Senator from Virginia [Mr. ROBERTSON] and my colleagues on the other side of the aisle would be perfectly willing to forego having this matter brought up in connection with an appropriation bill. We do not desire to have to move to amend an appropriation bill, if we can help it. We are simply afraid that nothing will be done and a contract will be let, at which time the matter will be settled without many interested persons having a chance to be heard. People all over the country have been making a furor about this project. I have been deluged with mail written from all over the country—east, west, north, and south.

Mr. KNOWLAND. If the majority leader and the majority policy committee at some reasonable time in the future ask to have the bill taken up for consideration by the Senate I hope the Members of the Senate will in the meantime personally acquaint themselves with the problem. I know the distinguished Senator from New Jersey has taken a keen interest in this matter.

Mr. SMITH of New Jersey. I have.

Mr. KNOWLAND. The Architect of the Capitol has made it clear that he will welcome to his office any Member of the Senate and any Member of the House, and that he will show all Members the entire plans and take them on a personally conducted tour. I am sure the Architect would be glad to appear before any group of Senators. I only hope that the Senators will get their information directly from the Architect of the Capitol and will take a look at the plans themselves, rather than depend upon some newspaper stories.

Mr. SMITH of New Jersey. I agree with that statement. I want the thing to be done in an orderly and proper way. But I believe the feeling in this country should be respected, and that a contract ought not to be let now, before the bill can be given consideration. I request that the bill be considered.

When the Committee on Public Works first met it was in doubt about what ought to be done. After they heard the testimony, they submitted a unanimous report in favor of the bill, feeling that the project should be reconsidered and that any further action should not be taken hastily.

Nothing will be lost by a delay of a week or two, if we can have assurance that the bill will be considered. Even a 1-month delay or a 2-month delay would not be serious. I hope the money for this work will not be committed and that the building of this project will not be started, until we can have a final decision made as to the east front. That is all I am pleading for.

Mr. KNOWLAND. I will say to the Senator that I think it would be far better procedure to have the issue settled by a vote on the bill, rather than to try to suspend the rule.

Mr. SMITH of New Jersey. I agree.

Mr. KNOWLAND. It should not be done without Senators having a chance to fully acquaint themselves with the problem.

Mr. SMITH of New Jersey. I agree. We do not want to debate this question on the motion the Senator from Virginia has made. The Senator is simply asking that no money be spent until the bill has been considered. That is all the Senator is requesting. He is not asking for anything else. That is most reasonable.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HAYDEN. Mr. President, that is exactly what has happened twice before. Twice in the past 50 years the Senate carefully considered and passed legislation in order to get the work done, but difficulty arose in the House. This time the House and the Senate are in accord, so far as I know, that the work should be done.

Every time we talk about changing the east front of the Capitol somebody says, "Don't do it now." As a result the deterioration goes on.

Mr. SMITH of New Jersey. Mr. President, if the Senator will yield further, I do not say anything like that at all. I want to have done what needs to be done as soon as possible. However, I desire that the people throughout the United States who feel so strongly on this matter be heard. They believe this to be a very serious matter. I want them to have a chance. At least, the bill should be brought up for consideration by the Senate, so that the Senate may pass upon it. This matter should not be settled by a small committee. I make no reflection upon the committee whatever, but it ought not be done in that way. That is the wrong way to deal with this project.

Mr. KNOWLAND. Mr. President, for the information of the Senate, I ask unanimous consent that there be printed at this point in the RECORD the statement of Mr. J. George Stewart, the Architect of the Capitol, giving the background and history relative to the extension of the east front, which appears on pages 7 to 18 of the hearings of the subcommittee of the Committee on Public Works.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE ARCHITECT OF THE CAPITOL, J. GEORGE STEWART, ACCOMPANIED BY CHARLES A. HENLOCK, ADMINISTRATIVE OFFICER; JOHN F. HARBESON, CONSULTANT ARCHITECT; ROSCOE DEWITT AND ALFRED E. POOR, ASSOCIATE ARCHITECTS

Mr. STEWART. Mr. Chairman and members of the committee, I appear before your committee in my position as Architect of the Capitol only. I make this statement because I am also, by law, a member of the Commission for Extension of the United States Capitol.

I am testifying in my role as Architect of the Capitol and my testimony should in no way be construed as reflecting the views of the Commission.

I have prepared a report to the committee and have included in my report a comprehensive account of all facts pertinent to the Capitol extension project and would therefore

like to be permitted to read my statement at this time.

Senator MCNAMARA. We would be glad to have you proceed in that manner.

Mr. STEWART. My report is dated February 13, 1958, and addressed to the Honorable DENNIS CHAVEZ, chairman, Senate Committee on Public Works, and reads as follows:

"In compliance with your request that I submit to your committee a report containing such suggestions as I may deem proper touching the merits of S. 2883, 85th Congress, and the propriety of its passage, I submit the following report on S. 2883, 'A bill to amend the Legislative Appropriation Act of 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905.'"

It is my recommendation that no change be made in the present legislation authorizing the extension of the Capitol project—Public Law 242, 84th Congress, as amended by Public Law 406, 84th Congress.

CONTROL AND SCOPE OF PROJECT

The present legislation governing the extension of the Capitol project provides that all work in connection with this project, including the preparation of plans and the letting of contracts, shall be performed under the direction of a Commission to be composed of the President of the Senate, the Speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol.

The present legislation provides for the extension, reconstruction, and replacement of the central portion of the Capitol in substantial accordance with scheme B of the architectural plan reported to Congress March 3, 1905, in House Document 385, 58th Congress. This plan provides that that part of the east central front of the Capitol, constructed of sandstone and located between the Senate and House wings, be extended eastward 32 feet 6 inches, and that the extended section be constructed of marble; also, that that part of the west central front of the Capitol, similarly constructed and located, be refaced with marble.

The present legislation, however, authorizes the Commission to effect modifications of the 1905 plan, so long as the substance of that plan is followed, and also authorizes the Commission to effect additions to that plan.

The present legislation further authorizes the construction of such facilities in the Capitol Grounds and such approaches, appurtenances, or other necessary items as the Commission may approve. The hearings before the Senate and House Appropriations Committees show that this authorization was included to cover such items as underground garages, security vaults, underground transportation systems, and other improvements in the Capitol Grounds.

To date, a total of $17 million has been appropriated for the project and, under the provisions of the Authorization Act, such additional amounts as may be necessary are authorized to be appropriated.

LEGISLATIVE BACKGROUND

Opponents to the plan to extend the east central front of the Capitol and to construct the extended section in marble have indicated that such extension is being carried into effect without adequate consideration by the Congress.

The facts of record do not bear out this contention.

The House of Representatives in 1903 considered and passed legislation authorizing the extension of the east central front of the Capitol and provided an initial appropriation to start such work. The item at that time was not, however, approved by the Senate.

The United States Senate has twice considered and passed bills authorizing the extension of the east central front of the Capitol, in addition to the legislative action taken in 1955. One of those bills was passed in 1935 and the other in 1937, following hearings conducted by the Senate Committee on Public Buildings and Grounds at that time. The committee in 1937 not only had the benefit of the hearings which it had held in 1935 and the 3 days' hearings which it held in 1937, but also of 9 days' hearings held on such proposed legislation by the House Committee on Public Buildings and Grounds in 1935. Proponents and opponents of the legislation were given full and free opportunity to testify on these occasions, and their testimony is a matter of record in the printed hearings of those committees for such years.

Although neither the 1935 nor the 1937 bill was reported out by the House committee, the action taken by the Senate is significant.

In 1935, the Senate authorization bill was reported out unanimously by the Senate Committee on Public Buildings and Grounds and was considered and passed on the Consent Calendar, when the objection of a single Senator would, in that case, have prevented its consideration and passage.

In 1937, after being favorably reported by the Senate Committee on Public Buildings and Grounds, the Senate authorization bill was considered under regular order of the Senate and was passed immediately following a quorum call to which 82 Senators responded. When this bill was considered and approved, two present Members of the Senate, Senator CHAVEZ, the present chairman of the Senate Committee on Public Works, and Senator GREEN, were members of the Senate Committee on Public Buildings and Grounds.

The present authorization for the extension project is contained in the Legislative Appropriation Act, 1956, as amended by Public Law 406, 84th Congress—the amendment being in the nature of correction of technical defects. This authorization together with an initial appropriation, was included in the Legislative Appropriation Act, 1956, by the House Committee on Appropriations, following consideration of the item by that committee, and was retained in the bill upon recommendation of the Senate Committee on Appropriations, following consideration of the item by that committee. Before action was taken on this item by the House and Senate committees, these committees were furnished copies of the 1935 and 1937 printed Senate and House hearings on the extension of the Capitol and a résumé of previous action taken by the Senate and House committees and by the Senate itself.

The 1935 and 1937 printed hearings covered a complete exposition of all possible arguments, pro and con, relating to the extension. The validity of those arguments, whether they be pro or be con, does not change with the years.

The facts which I have just presented certainly render untenable any charges that the extension of the Capitol is a matter that has not received due consideration on the part of the Senate and the House.

PURPOSE OF LEGISLATION

Just what has been the intention of the Congress in its introduction and consideration of these bills and passage of the present legislation? I think the intent is obvious.

Correction of the architectural defect caused by the overhang of the dome over the east portico.

Reconstruction of the central portion in marble in order to provide a durable material for the exterior of this part of the building, in replacement of the deteriorated sandstone exterior.

Provision of much-needed additional space in the Capitol for the Congress, its officers and employees, and functions required to be carried on in this building.

In every previous hearing, there have been those who were opposed to the passage of the bill then in question. Their opposition centered around what its opponents have characterized as desecration, and more recently as vandalism. It was their desire that no stone be touched, no wall be moved, and that painting be continued down the long stretch of the centuries. Sentimental attachment to the old work was their one motivating force, without regard to other factors which must necessarily be considered and which the Congress has considered. It is fair to state that those Members of the Senate and of the House, who have voted to approve the proposed work would yield to no one in their devotion to this grand old building.

I feel I should review in this report the intentions cited above, weigh the objections, and attempt to reach some conclusions.

EXTENSION OF THE EAST FRONT

Opponents of the plan to extend the east central front of the Capitol have, as stated, referred to such extension as desecration and vandalism, but almost without exception have frankly admitted the existence of the architectural defect which the Congress is attempting to correct.

The need, architecturally, for this extension of the east front dates back to the addition of the House and Senate wings and the construction of the present great dome. As soon as the wings were completed, and probably as soon as they were designed, it was obvious that the existing low wooden dome designed by Charles Bulfinch was entirely inadequate to dominate the greatly extended mass of the Capitol Building; and because the east wall behind the portico was also the wall of the rotunda, it was equally obvious that a dome of proper size and proportion would extend beyond the rotunda wall and hang out over the portico. What actually is the case is that the lower columns of the dome are bracketed out from the rotunda wall so that both the columns and the octagonal skirt below them appear to rest entirely on the roof of the pediment over the portico. No other support is visible. This does violence to the one universally accepted tenet of good classic architecture—that is, that adequate and proper support for every load should be apparent. When viewed from any angle, except straight on, not only can this lack of apparent support be readily seen, but the mass of skirt and dome seem to overpower the portico and detract from its beauty. Conversely, the simple portico crushed against the great mass of the dome detracts from the dome's magnificence.

This may seem to be a technical matter. Those who have opposed its correction for the sake of preserving a sort of architectural status quo have called the proponents of the correction "purists," which is not necessarily a bad charge. For architecturally, it is a matter of real importance and has always been so considered by those who both know good architecture and are anxious that the Capitol Building of the United States be without correctible defect. It was one of great importance to Thomas U. Walter, the designer of the wings and the dome, for he not only urged the extension of the east front as soon as recovery from the Civil War would permit but also made sketch plans for such extension before his departure from office. The need for this extension has, as previously brought out, been felt by the Congress, and its position in the matter has been supported by all architects identified with the Capitol since Walter's time, including Robert Mills, the architect of the Washington Monument, and the Treasury Building.

In 1904, Carrere and Hastings, who designed the original Senate and House Office Buildings, were engaged to make studies and prepare plans for the proposed extension of the east central front of the Capitol under the direction of a Joint Commission of Congress. They submitted two schemes—one scheme A, which provided for extending the east central front eastward 12 feet 10 inches, and the other scheme B, which provided for an extension of 32 feet 6 inches, as an alternate, if the needs of Congress for additional accommodations required the greater extension. They expressed their decided preference for scheme A, but in a letter to the Joint Commission, September 23, 1904, they stated:

"If your Commission decides that more room must be provided we would submit scheme B. This in our opinion is the plan which least changes the artistic character of the building at the same time giving a large number of committee rooms; it would affect the appearance of the building very slightly and make an excellent second-best plan and we would advise the selection of this plan in case you require the rooms."

Their proposed schemes are contained in House Report 385, 58th Congress, cited in the present legislation authorizing the extension of the Capitol project. A model, prepared at that time, showing a proposed extension substantially in accordance with scheme B has been on exhibit in the crypt of the Capitol for a number of years.

I might add at this point that when Carrere & Hastings were engaged, in 1904, by the Joint Congressional Commission, they were instructed to base their studies on Thomas U. Walter's plan of February 20, 1865, for the extension of the east front, which provided for extension of the central portion to the line of the House and Senate wings.

I want to emphasize that Walter, the architect who designed the dome and wings is the original advocate of the extension of the east front. Extension of the east front has also been advocated by most of the architects who have done monumental work in Washington—Carrere & Hastings; Bacon; Cass Gilbert; McKim, Mead & White; Platt; Coolidge; Pope; York and Sawyer; Zantzinger; Wyeth; Sullivan; and Cunningham. Totten, Hirons, Howells, Swartwout, and Magonigle have also expressed their approval. A number of these architects appeared at the hearings in 1935 and 1937 in support of the extension.

The works of these men include such monumental achievements as the Senate and House Office Buildings, the Archives Building, National Gallery of Art, Jefferson Memorial, Lincoln Memorial, Constitution Hall, Red Cross Building, Department of Justice Building, Freer Art Gallery, Supreme Court Building, Philadelphia Museum of Art, Panhellenic Tower, Liberty Memorial in Kansas City, McKinley National Memorial in Ohio, Philadelphia Mint, Maine Memorial, Missouri State Capitol, Museum of Fine Arts of Yale University, additions to the British Museum; also the recent remodeling of the Senate and House Chambers.

The National Commission of Fine Arts approved of the extension in 1919 and 1935, and its Chairman, Charles Moore, in the 1935 hearing, lent to it the weight of his 36 years of experience in the Washington plan.

On June 12, 1956, at a hearing before the Senate Committee on Appropriations, on a request for a second appropriation of $12 million, Mr. Edmund Purves, executive director of the American Institute of Architects, appeared to state that the official position of the American Institute of Architects was that of opposition to the proposed extension, but, under questioning, he disclosed that this position was in conflict with the position of the institute's own committee on the National Capital and in conflict with his own personal sentiments.

The foregoing evidence and the impressive record of the proponents of the project during the past century should be enough to refute the charge of vandalism which has been leveled at the Congress and to point up the fact that objections to the extension are solely sentimental ones. These I will subsequently consider.

RECONSTRUCTION OF CENTRAL PORTION IN MARBLE

Opponents of the east-front extension have objected to replacing the existing sandstone front with marble.

Thornton, the first Architect of the Capitol, whose design for the Capitol was adopted by President Washington, urged that marble be used for the exterior facings. He felt that only marble would be satisfactory to give true definition to the moldings and carved ornaments and to serve as a proper and durable dress for so monumental a building. In the absence of a domestic source for such material, he even advocated that it should be imported. In spite of his strong recommendation, the President, in the interest of economy, finally ordered the building to be built of Virginia sandstone.

This sandstone, taken from the Aquia Creek quarries in Virginia, is a soft friable material which is uneven in color and texture. The variations in color detract from the sharpness of the moldings and carved ornaments, and its soft friable quality has been the cause of progressive deterioration. It was heavily damaged by the fire set by the British in 1814 and very considerable repair and replacement were required. At this time, according to testimony in the 1935 hearing, Latrobe, who followed Thornton as Architect of the Capitol, recommended that marble be used as a new covering for the Capitol.

Shortly after the reconstruction of the Capitol was completed in 1819, the entire structure was painted and has been a painted building ever since. Recent research of old records discloses that exterior painting was done in 1819, 1822, 1827, 1832 and 1849, and that this painting was done primarily for preservation of the stonework. This corrects previous statements that painting began in 1862 with the erection of the House and Senate wings. There have been some beneficial results of this painting: (1) the color was improved so that the detail was clarified; and, (2) the rate of deterioration of the sandstone was somewhat reduced. There has been, however, in spite of repeated paintings over the years, a positive and progressive deterioration of the stone and a concurrent deterioration of the paint film. Many stones have had to be replaced, moldings and ornaments have eroded, cornice stones and balustrade members have fallen out, and in one instance the parts of a capital are wired together. The paint film peels and the scaling paint frequently takes the surface of the stone with it, leaving unsightly blisters on the surface. An impartial observer is bound to judge the present appearance of the surface of the building to be far short of that rightfully expected of the Capitol of our great Nation. The ever-thickening paint more and more obscures the sharp detail of the original designs. Even now one cannot see the actual details of the work of Thornton, Latrobe, and Bulfinch. All one can see is paint. This matter of appearance is, however, secondary to the integrity of the structure and of its priceless detail. Unless it is faced, and its rich ornamentation faithfully reproduced, in a durable material, there will eventually be nothing left but a drawing in the files to bear witness to the art of Thornton, Latrobe, and Bulfinch.

Mere refacing of the present east front, however, is not enough. Here a number of cracks extend the full height of the wall, from balustrade to footing, and extend completely through the masonry behind the sandstone facing. It is probable that if this facing were cut back and replaced with marble, the cracks would immediately recur in the new facing. The proper repair, therefore, involves partial reconstruction of the wall. As the several floors of the building are supported on masonry arches and vaults which bear upon and thrust against the exterior walls, their reconstruction is a major operation which would be difficult, costly, and disrupting. For it is very unlikely that the areas inside the walls could be continued in use during the construction period. If a new exterior wall is constructed to the east and the present wall becomes an interior one, and is thus protected, it should endure for centuries.

There are those who object to the replacement of any stone however deteriorated. There are those who oppose replacement of deteriorated sandstone with any material except sandstone. There are also those who, while objecting to any other change in the building, are willing to see a more durable material used as a replacement for deteriorated stones. These are the ones who feel that painting of the building must continue—and confront the Congress and the American people with an everlasting undertaking. Decade after decade, century after century, down the vista of years beyond man's imaginative vision, the painting continues. Whereas there are now 35 coats of paint, a hundred years from now there would be 60, in another century 85—a staggering prospect. Already peeling and cracking, already obscuring fine detail, the building would be a mass of pockmarks—and, of detail, there would only be a trace. Such treatment of a fine old building can only be called desecration.

When Thomas U. Walter submitted his design for the enlargement of the Capitol, which resulted in erection of the Senate and House wings, he insisted on the use of a white marble for the exterior facing and suggested that refacing the old center part with marble was both practicable and desirable.

In a letter to the Senate Committee on Public Buildings, dated November 21, 1850, he stated:

"In the adoption of this, or any other plan for an enlargement of the Capitol, it is essential to the beauty and durability of the structure, that its exterior be composed, if possible, of an imperishable material. I would, therefore, strongly recommend that white marble be used for facing all the new work, and that the old work be painted to imitate it.

"I may venture further to suggest that it would by no means be impracticable to remove all the facing of the present building and substitute marble, without interfering at all with the stability of the structure. If, therefore, the work is commenced by facing the new part with marble, the day will no doubt come when we shall have a marble Capitol, upon which time can work but little change."

The plans prepared by Carrere and Hastings in 1904 for the east-front extension provided for reconstruction of the central portion of the Capitol in marble. Without exception, the great architects who appeared at the 1935 hearings in favor of the east-front extension expressed themselves as being in favor of the use of marble for the facing of the east-central portion of the building.

From this record, it is evident that the decision to use marble to preserve the details of the present design in durable material has not been a hasty one, but is the result of mature deliberation by the Congress. The charge of vandalism on the part of the Congress is not substantiated and the objections raised to replacement of the old work in marble again boil down to the matter of sentiment.

NEED FOR ADDITIONAL SPACE

One of the intentions of the Congress in the passage of the 1955 act, as evidenced by its adoption of scheme B, was to secure additional space for carrying on its functions in the Capitol. The Capitol is a workshop—and the workshop of a growing Nation whose needs have made more varied and complex the activities of the Congress, its Members, and employees. If these activities are not to be hampered at every turn and if committees and offices are to function efficiently and not be handicapped in their efforts to serve the people, the space in the Capitol must expand as the Nation expands and grows in population and in power. This is recognized by the Congress, but implementation of plans to meet these needs may possibly run afoul of some of those, outside of Congress, who would keep the building as it is, unchanged through the years.

The Capitol is not a museum, even though many areas of it are now largely devoted to museum purposes. But insofar as it is a museum, it is a living one—the live seat of a great government—the activities of which give to the building its dynamic quality. Remove these activities and it becomes a relic. But if these activities are not to be removed, the building must be expanded; it must grow now and in the future, just as it has grown in the past. The action of the Congress, in taking steps to provide more space by the creation of new areas, is indicative of its vision.

CHANGES AND ADDITIONS TO THE CAPITOL

The Capitol, as seen today, is the composite of many building projects. Construction began in 1793 with the section north of the rotunda in accordance with plans prepared by Thornton, and it was at the southeast base of this section that George Washington laid the cornerstone. Then came the construction of the section south of the rotunda, now called the Statuary Hall section, which was also planned by Thornton. The two sections were joined by a wooden breezeway across the area now occupied by the rotunda. At this stage of development, the building was burned by the British and in the fire very considerable damage was done to the soft sandstone with which the building was faced.

The rebuilding of the heavily damaged structure was entrusted to Latrobe, who took great liberties with the design of Thornton, who at the time was already incensed by the changes attempted by Hatfield and Hallet. Latrobe completely revised the plan of the Hall of the House of Representatives, discarding Thornton's elliptical plan and constructing a semicircular one, around the perimeter of which was placed a row of marble columns, the first use of marble in the building.

He changed the design of both the east and west central elements, providing a wider east portico than Thornton had designed and introducing the great flight of steps on the east and omitting them on the west. These changes made the east the important entrance, whereas the original concept was for the building to face west down the Mall. On the exterior there was much work done to repair the ravages of the fire of 1814 and part of this work was the removal of a very considerable amount of the stonework, parts of the cornice, and balustrade. In fact, there are now but a few stones which one can say with certainty were a part of the original work.

Bulfinch followed Latrobe and carried out his designs for the east portico and steps and for the section west of the rotunda. He took considerable liberty with Latrobe's details, however, and changed the latter's design for the west portico. Bulfinch designed the original dome and in his design departed entirely from that of Thornton.

In 1849, a considerable amount of stone in the three lower courses were so eroded and deteriorated that they were replaced with granite.

After the 1851 fire in the west area occupied by the Library of Congress, extensive repairs and alterations ensued.

Between 1851 and 1865 the House and Senate wings were added and the low wooden dome of Bulfinch was replaced by the great cast-iron dome of Walter.

In 1892, the construction of the terraces was completed by Olmstead and a marked change in the aspect of the Capitol from the west resulted.

In 1897, the Library of Congress left its quarters in the west section of the building to occupy its own new building. The area was divided into offices and this effected a complete change in the plan and aspect of this historic area.

After the gas explosion of 1898, the small domes over the Supreme Court Chamber and Statuary Hall were replaced with replicas of the early brick and wood originals.

The original roof construction over the east and west porticoes and over the central portion of the building has been replaced with fireproof construction. The new roof over the central section was lowered several feet, changing the silhouette, but in accord with Walter's plan for the east front extension.

In 1915, the original sandstone steps on the east central front were replaced with granite steps.

In 1949, the roofs over the Senate and House wings were in such a dangerous condition that they were replaced by fireproof roof construction. The huge skylights over the Chambers were eliminated. The large skylights over the west central section of the building have likewise been eliminated. These changes have changed the original roof lines and markedly altered the appearance of the building.

In 1950, the Senate and House Chambers were completely remodeled to meet the present-day requirements of the Congress, and in this work their interior designs were subjected to major changes and improvements. Thus two historic rooms gave way to changes before the needs of Congress.

Many other changes were made to the interior of the building when the needs of the Congress dictated. These include changes in the restaurant and kitchen location and facilities, the installation of central heating and then that of year-round air-conditioning, the introduction of, first, gas and then electricity for lighting, and the installation of elevators for vertical transportation.

It is obvious from the foregoing that the Capitol has undergone almost constant change and, in the last analysis, the needs of the Congress and its offices and committees have brought about those changes. This is as it should be. In any event, there is ample evidence—the building itself is sufficient evidence—that the changes have been thoughtfully made by men in whom devotion to the building was instinctive. What is considered today should no more be characterized as vandalism or desecration than the thoughtful studied changes of the past.

EAST AND WEST EXTENSIONS

There have been proposals that the extensions be to the west rather than to the east. Based on surveys that have been made, there is strong evidence that the ultimate needs of the Congress can be met only through extensions to both the east and the west, but the following considerations give emphasis to the need for proceeding first with work to the east.

Among the items which were authorized by the present legislation are improvements to the restaurant facilities of both Houses; underground-transportation systems, and an underground garage designed to rid the forecourt of the Capitol from its present sea of asphalt and row upon row of cars. The authorization also includes security vaults and other improvements to the Capitol Grounds. It further permits modifications and additions to scheme B.

The present restaurant facilities are all located on the east side of the existing building; the dining rooms are on the first floor, and the kitchens are in the basement. Supplies to these kitchens and, in fact, all supplies to the building and all garbage and trash are now handled by sidewalk lifts in the east plaza. When and if an underground service approach is achieved, it will of necessity be on the east side.

The logical—and the only practical—location for the underground garage is below the east plaza; in fact, below the present parking area. Logically, the entrance to it is from the east side of the building. This garage can be approached by underground tunnels from the north and south and, possibly, from the west, so that all vehicular traffic can be removed from the area in front of the building. The landscape treatment, which now exists east of the present parking area, can then be extended up to the building itself. Elimination of cars and traffic from the forecourt of the Capitol and proper landscape treatment will give to the setting of the building the dignity which the building deserves.

The east side is the nearest and most convenient to the House and Senate Office Buildings and it is on the east side that the tunnels connecting the Capitol with these office buildings terminate.

Very few utilities of a nature which would be difficult to move exist under the east plaza. Those which do exist are steam and water mains, the moving of which creates no great problem. There exists a book tunnel from the Library of Congress, but this needs only to be shortened to be continued in use, at least until such time as the underground development takes place.

The east front urgently requires immediate attention, not only because the sandstone is badly cracked and deteriorated, but also because the east front constitutes the main approach to the Capitol for both pedestrians and vehicles and, in its present condition, constitutes a hazard, due to the possibility of injury to persons or vehicles from any sandstone which may erode and fall. So extensive is the deterioration of both stone and paint, the face which the building presents to the four or five million persons who annually use it is an unhappy one.

Any extensions to be made to the west front would require the demolition of a portion of the existing west terraces, as it would be impracticable, even though possible, to attempt an extension of the west front without first removing part of the terraces and then reconstructing the central area. Changes to the electrical systems of the Capitol and conversion from direct to alternating current, now planned, must be accomplished before any move can be made to change the structure on the west; also, most of the large air-conditioning equipment would necessarily have to be relocated in space not yet found or determined, and complex service and delivery problems would have to be resolved, provided a practical solution can be worked out, before extensions to the west front could be effected. Although extension of the west front would result in the acquisition of more space than on the east, the acquisition would be at a much greater cost.

From the viewpoint of those concerned with sentiment and with the preservation of the Capitol intact, in its present state and condition, it must be remembered that extension of the west front also effects the work of our first three architects and, on such basis, would fall into the same category of "desecration" and "vandalism" as is alleged against the east front extension. Should it happen that the same hue and cry

which has been raised over the extension of the east front should occur if the extension of the west front were attempted, the Congress would really be in a sorry plight for adequate space in which to do its work.

Extension of the east front will certainly afford immediate and substantial relief to the overcrowded and space-shortage conditions that now exist in the Capitol. Although there is good reason to believe that it, alone, will not meet the ultimate requirements of the Congress, it will alleviate conditions in this part of the building and provide much-needed additional office, committee, restaurant, and storage space. No matter what else is done about the building, expansion on the east side fulfills a logical demand. It is believed that any attempt to solve space requirements, without extension of the east front, would fail to satisfactorily accomplish its objectives.

The associate architects for the extension of the Capitol project, in collaboration with the Advisory Board of Consultants, have prepared preliminary plans and estimates of cost for the enlargement of the Capitol, which include the extension of the east front in substantial accordance with scheme B, but with the retention of the deep recesses now existing between the House and Senate wings and the central portion—this recess not having been provided in the original scheme B; also, another scheme, identified as scheme C, which, in essence, is a comprehensive or master plan for the Capitol Building and Grounds. Scheme C is inclusive of scheme B and goes further to include not only a subsequent extension of the west front and enlargement of the west terrace area, but also the underground garage, underground approaches and transportation systems and the development of the Capitol Grounds.

The extension of the east front is the logical first step in this overall plan for the reasons which have been pointed out. No such logical first step could be taken on the west, as there would remain too many unresolved matters on the east. It is essential therefore that the east front be undertaken first.

PLANS FOR EXTENSION

The associate architects retained for the extension of the Capitol project are: Roscoe DeWitt and Fred L. Hardison, architects of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, architects of New York City; and Jesse M. Shelton, architect of Atlanta, Ga. They are all members of the American Institute of Architects, and two are fellows of the institute. Alan G. Stanford, engineer of Atlanta, Ga., has been retained with this group.

A board of consultants retained for this project consists of John F. Harbeson, architect of Philadelphia, and Henry R. Shepley, architect of Boston, and, until his death, July 7, 1957, the board also included Arthur Brown, Jr., architect of San Francisco, Calif.—all fellows of the American Institute of Architects. Advisory services for this project are also being furnished by Gilmore D. Clarke, consulting landscape architect and engineer.

All were retained by the Architect of the Capitol at the direction of the Commission and were instructed by the Architect of the Capitol, also at the direction of the Commission, to prepare preliminary plans and estimates of cost for the project in such a manner that the Commission would be in a position to approve the program in whole or in part.

Last August I submitted to the Commission for the Extension of the United States Capitol a report on the preliminary plans and estimates of cost for this project, which embodied the recommendations of the associate architects and the consultants and my own approval of the plans and estimates. This report was presented to the Senate by Senator KNOWLAND and is contained in the CONGRESSIONAL RECORD of August 30, 1957. I am prepared to furnish copies of my report to the committee, if you wish me to do so, together with letters from the consultants endorsing my report as a correct presentation of their views.

As stated in my discussion of the east and west extension, it is proposed to proceed at this time with work under scheme B, as the first logical step of the master plan.

Under scheme B, it is proposed to leave most of the existing east front sandstone undisturbed; to let the old east sandstone walls remain as interior walls, wherever possible; and to make an exact replica of the present front in marble at a distance of 32 feet 6 inches beyond the present walls, but still well behind the front of the House and Senate wings. The details of the eastern central portion will be faithfully reproduced in marble for future generations to have and to hold.

This work should be done now when architects are still alive who are sensitive to the meaning and substance of traditional architecture and while artisans still live who can transmit traditional design to enduring stone. That time is not long.

Mr. McNAMARA. Mr. President, I think the RECORD should show that the suggestion made that Senators familiarize themselves with the plans which are involved in the extension of the east front is a timely one. It is the first time I have heard that suggestion made.

When we held hearings in the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, the plans were not available for the subcommittee to consider. To the best of my knowledge, the plans still have not been made available to the Committee on Public Works or to any subcommittee of the Committee on Public Works.

I do not believe any Senator is going to be able to go downstairs to look at such plans. One can see models and one can see artists' drawings, but one cannot see the plans.

In the same report which has been referred to by the distinguished minority leader, in answer to a question the Architect of the Capitol stated that these plans were in the nature of plans being drawn by the Atomic Energy Commission or any other Commission, and that they cannot be made available—that there is a great deal of secrecy about them.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McNAMARA. I will yield in a moment.

To justify that statement, he said to the architects, who were very much concerned about this matter and who are well-qualified, world-renowned architects, that they could not see the plans, because the Commission had not authorized him to make the plans available to interested parties. I am pretty sure we are not going to see the plans if we go to the Architect's office.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. KNOWLAND. I can give categorical assurance, because I have personally raised the issue with the Architect of the Capitol and with the Commission. Any United States Senator or any Member of the House of Representatives who wishes to examine the plans is welcome to do so. The Architect will make them available.

There are some factors and information relative to communications systems and other matters which, as in the case of the White House, are not generally made available to the public. I think the Senator thoroughly understands that situation. But there is not a Member of the Senate who is not most welcome in the office of the Architect of the Capitol, who is prepared not only to show him all the plans, but to take him on a personally conducted tour.

Mr. McNAMARA. That is a new situation. That has not been the case up to this time.

I think this assurance removes some of the secrecy. The result will be to make available to interested persons information as to the use to which this area is to be put, so that Senators can decide upon the necessity of private corridors in order that they may not have to bump into their constituents.

This assurance will make available to interested persons information as to the use to which the general area is to be put, by way of restaurants, and so forth, so that Senators can evaluate the plans for the use of the additional space. However, I think this offer comes very late. It would have been much better if it had been made at the time of the hearings.

Mr. KNOWLAND. Not later than yesterday I addressed an inquiry to the Architect of the Capitol as to the number of Senators who had requested an opportunity to examine the plans. He told me that not more than six Senators had ever asked to see the plans. I am sure they were available at all times; and I categorically say here today that every Senator will have full opportunity to examine any of the plans he would like to see.

Mr. McNAMARA. I am sure that the minority leader and I are in complete agreement, but I insist that this proffer is new.

Representatives of the American Institute of Architects had been to the office of the Architect of the Capitol and they were told that they could not see the plans. Then they were told to come back a day later. They returned a day later, and were told, "Now you may look at the plans, but you must be sworn to secrecy before you look at them." The representatives of the American Institute of Architects did not want to examine the plans under those circumstances. There would be no point in not being able to discuss them and make recommendations. They are interested in the Capitol, and they have a right to be interested. They are the ones upon whom we must rely. No matter on which side of the question a Senator may be, he must rely on technicians. None of us is a technician to the degree necessary to pass judgment on this question. As has been pointed out, the technicians disagree. They were found on both sides at the public hearings. However, those in opposition to the extension predominated.

Mr. KNOWLAND. Mr. President, I hold in my hand the annual report of the Architect of the Capitol for the year

ending June 30, 1938. Mr. David Lynn was then the Architect of the Capitol.

We have previously spoken of the model which has been on display in the basement since 1938, a period of some 20 years. I think Senators would be interested in a very brief descriptive statement of the model to be found on pages 7 and the top of page 8. The model was first authorized in 1903, when Mr. Joseph G. Cannon, of Illinois, was Speaker of the House of Representatives. That model, which shows the extension as it will be—except that the extension will not reach out so far as the model shows—was first exhibited in 1915 at the Panama-Pacific International Exposition in San Francisco, Calif.; next, in 1926, at the Sesquicentennial Exposition, in Philadelphia, Pa.; in 1928–29, at the International Exposition, Seville, Spain; and in 1937, at the Great Lakes Exposition, in Cleveland, Ohio.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. I wonder if the distinguished Senator can tell us how much more space, how many more rooms, would be added if the construction were done as planned. The reason I ask the question is that Senators will recall that for 8 years I opposed the construction of the new Senate Office Building. I proposed instead that the east front of the Capitol Building be extended in order to make additional space available to Senators. That proposal would have cost far less than the construction of a new building, but it was rejected by the Senate.

I wonder why, since the new office building is under way, there is now a hue and cry to also extend the east front of the Capitol? We are to have the new Senate Office Building, where each Senator will be accorded a minimum of five rooms. In addition, there would be whatever rooms will be provided by the proposed extension.

Mr. President, each year the Congress seeks to impose economy upon the various agencies of our Government. I think it is up to the Congress to set a proper example. We should not seek to enforce one standard upon the agencies and then adhere to another ourselves.

It is my judgment now, as it was several years ago, that the taxpayers of our country would have been better served if Congress had expanded the east front of the Capitol in order to make additional space available to Senators and Members of the House of Representatives. I felt that was a more logical route to follow than constructing a new Senate Office Building.

My alternate plan was voted down, and the new Senate Office Building was built.

Now, we find that those who then opposed an east-front extension, as an alternative to a new Senate Office Building, want to eat their cake and have it, too; they want both the east-front extension and the new Senate Office Building.

I say that is no way to help our burdened taxpayers; it is no way for Congress to act, insofar as our relations with the executive department branches are concerned. It does not make sense for us to preach economy in other areas of government and then proceed to spend money unnecessarily upon ourselves.

I do not know how many more rooms this proposal would make available, but since we are now building the new Senate Office Building, and since the other body is building a new office building of its own, it is my opinion that the extra space this proposal would provide is unnecessary.

Mr. KNOWLAND. My recollection is that there will be some 40 or 45 additional rooms.

Mr. ELLENDER. What is proposed to do with those rooms?

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HAYDEN. The rooms will be divided between the House and the Senate. There will be 54 office rooms, 2 rooms mainly to be used for committee rooms, and 17 miscellaneous rooms.

Mr. ELLENDER. Those are in addition to all the rooms in the new Senate Office Building, are they not?

Mr. HAYDEN. Yes.

Mr. ELLENDER. Counting space in both the New and Old Senate Office Buildings, there will be assigned to each Senator five rooms, whether he needs them or not.

Mr. HAYDEN. The question is, Is it better to spend money to repair the old wall where it stands, or to make the proposed extension?

Mr. ELLENDER. I proposed to do that 3 years ago, and my proposal was turned down by the Senate. Now the Senator wants to build the extension. The new Senate Office Building is being constructed, irrespective of cost. More expenses will be saddled onto the taxpayers. If we add 50 more rooms, necessarily someone must take care of them. There must be more lights and more of everything else. There will be many additional costs.

Mr. KNOWLAND. But the fact is that whether we add a single room or not, the best advice of the Architect of the Capitol and other architects is that we shall have to reconstruct, even if it be in the present precise location, the walls of the Capitol where the east front is now located.

Mr. ELLENDER. I wish that when I made the suggestion on the floor of the Senate 2 or 3 years ago there had been as much interest shown as there is now. We might have saved the taxpayers $25 million or $30 million in the construction of the new Senate Office Building.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. Let me say to the Senator from Louisiana that I voted, with him, against funds for the Senate Office Building in the first instance, but I changed, as he did, and voted for them the second time, when the plans were changed.

So far as the east front is concerned, I personally voted for such funds twice, not because of the additional rooms—that is merely incidental—but because the building is in such condition that the proposed construction must be done. If we must construct a new front for the Capitol, let us get the additional space, and build the Capitol the way it was originally designed. That was the form in which the proposal went through the Legislative Subcommittee of the Appropriations Committee 2 years ago.

Mr. JOHNSTON of South Carolina. Mr. President, personally I do not think we should be spending too much money at the present time. I believe that in the near future we ought to move the Capital to the center of the United States. I think there are a good many reasons why we should do so, and I believe we shall hear more on that subject in the future.

For that reason I do not think we should spend a great deal of money and do a great amount of repairing, remodeling, or additional building to provide more rooms in the Capitol Building. If something like that is to take place, I believe we shall be jeopardizing the safety of the legislative branch, because Senators and Members of the House are here practically the year round.

I think Senators will admit that we jeopardize our entire Defense Establishment by having so many high-ranking officers in the Pentagon Building.

The President, Vice President, and every other national official are in Washington most of the year round. That being so, I ask Senators what would the Russians have to do if they wished to knock us off the top of the earth? They could destroy all the national offices and all the leaders of the United States in only a few minutes.

Mr. SMITH of New Jersey. Mr. President, I ask for the yeas and nays on this important vote.

The yeas and nays were not ordered.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. ROBERTSON] to suspend paragraph 4 of rule XVI of the Senate.

Mr. SMITH of New Jersey. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

The Senate divided.

The PRESIDING OFFICER. The motion having failed to receive two-thirds of the votes of the Members of the Senate present and voting, the motion is not agreed to.

Mr. THYE. Mr. President, I call up my amendment designated "3-6-58-B" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, between lines 13 and 14, it is proposed to insert the following:

PRICE SUPPORTS FOR DAIRY PRODUCTS

Notwithstanding the provisions of any other law, the price supports for whole milk, butterfat, and the products of such commodities for the marketing year beginning April 1, 1958, shall be not less than the price support made available for such commodities for the marketing year beginning April 1, 1957.

Mr. HAYDEN. Mr. President, I make the point of order that the amendment seeks to amend existing law on an appropriation bill. Therefore, it cannot be acted upon except by a suspension of the rule.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Chair sustains the point of order.

Mr. THYE. Mr. President, I have moved to suspend the rule. I shall speak to the amendment briefly, and then ask for the yeas and nays on the question of the suspension of the rule.

Mr. President, I ask for the yeas and nays.

Mr. HAYDEN. Mr. President, I did not quite understand the Senator. Does he ask for the yeas and nays on the suspension of the rule?

Mr. THYE. My request for the yeas and nays is on the question of the suspension of the rule.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. THYE. Mr. President, I shall speak to the question. Later, I shall suggest the absence of a quorum and again ask for the yeas and nays on the question of the suspension of the rule.

My only reason for proposing to suspend the rule on the amendment is that an emergency exists. In the event no action is taken, the proposal of the Secretary of Agriculture to reduce the price supports on dairy products by 25 cents a hundredweight will take effect on April 1. If such a reduction occurs the dairy farmer will suffer a loss in income.

I can only judge by the past what benefits the consumer will receive from a 25-cents-a-hundredweight reduction in the price the farmers receive. In examining the question, we need only go back to the calendar year 1954, when dairy-price supports were lowered by Secretary of Agriculture Benson because the Executive had the right to establish supports between 75 percent and 90 percent of parity.

In 1954, when the price support was dropped 59 cents a hundredweight, there was reflected to the consumer, the person who bought a quart of milk, a reduction of only four-tenths of 1 cent. If the drop to the consumer was only four-tenths of 1 cent on a 59-cents-a-hundredweight reduction, what may we expect the drop actually to be on a quart of milk when the reduction is but 25 cents a hundredweight? Judging by what happened in 1954, I believe that such a reduction will not reflect a drop in the price to the consumer who buys a quart of milk in the Midwest area of the United States, where surpluses exist, and where we are not privileged to have Federal milk-marketing orders in operation, as they exist in 68 other national markets.

It is a little difficult, I can understand, for Senators who are not aware of what a farmer in the surplus area of the Nation receives for his milk to appreciate the situation.

Under the Federal milk-marketing orders in existence in the New England area, the producer in the Boston milkshed receives $6.36 a hundredweight.

The distinguished senior Senator from Wisconsin [Mr. WILEY] represents the largest dairy-producing State in the Nation. There the farmer who produces grade-A milk receives but $3.25 a hundredweight.

The Secretary of Agriculture announced on December 18, 1957, that he proposed to reduce that price by 25 cents a hundredweight, or to $3. That is the subject to which I am addressing myself this afternoon.

I might refer to other large city areas. An example is the Fall River, Mass., area in New England. There the producer receives $6.97 a hundredweight for 3.5 percent butterfat tested milk.

Consider the Springfield, Mass., area of New England. There the producer gets $6.90 a hundredweight.

On the other hand, we might consider the North Central section of the United States. In Minneapolis and St. Paul the price, under a Federal milk marketing order, is $3.81 a hundredweight. Why is that? Those cities are located in a vast area where large quantities of milk are produced. Besides Minneapolis and St. Paul, there are no other large cities to take the product as fluid milk, so it must go into manufacturing. If the Twin City milk price was much higher than the outlying creameries' price, the situation would be competitive, and a price war would be in progress. Consequently, that market must reflect a much lower milk order price than exists in the New England area or than will be found in Chicago or the Quad Cities in Illinois and Iowa.

This is why I am taking the time to discuss a proposal which I do not usually approve, namely, the suspension of the rule. But I would not have moved in this instance to suspend the rule if an emergency did not exist. Only 20 days remain between now and midnight of March 31. At that time the existing order, which provides for the present $3.25 a hundredweight for 3½ percent butterfat milk, will expire, and the price will drop to $3 a hundredweight for the milk. That is something which the farmer should not be made to suffer. The farmer cannot take such a loss, in view of the fact that today he lives in a semi-inflationary period, so far as the farmer's production costs are concerned. The farmer's taxes reflect the inflationary cost. He must pay that cost.

The farmer is living in a machine age. When he replaces a machine of any kind, he must pay the inflationary price for the new equipment. I need not tell Senators that today the cost of the farmer's tractor is double what it was 10 years ago. The same is true of fuel oil. Every price he must pay is at the inflationary level.

If we ask the dairy farmers to accept a price decrease now, we shall only aggravate the recession which today confronts the country and is a matter of serious consideration, not only in the Senate, but also in the House of Representatives.

If the purchasing power of the farmer is decreased, immediately there will be a depressed economic condition in the local communities, whether in Ohio, Minnesota, Illinois, Iowa, or any State where the outlet for dairy products is dependent upon manufacturing plants.

Mr. President, the States operating under the national marketing orders will not be affected by what the Secretary of Agriculture does on April 1—absolutely not. Before they could be affected, there would be required a long period of negotiations, preceded by notice of intent to open hearings on the subject of a decrease in the price of milk; such negotiations and conferences would have to be had before a decision as to the future price was reached.

Only the dairy farmers who produce milk to be used for butter and other milk products will be affected immediately if the price is decreased by 25 cents per hundredweight on April 1.

Both of the resolutions before the Committee on Agriculture and Forestry propose that the price of milk be frozen as it is today, relative to the price of grain and relative to all the agricultural price supports in effect today. These resolutions would, of course, affect wheat; they would stay the hand of the Secretary of Agriculture if he attempted to announce a lowering of the support price on wheat.

A resolution which now is on the calendar, after being reported by the Committee on Agriculture and Forestry, proposes that the hand of the Secretary of Agriculture be stayed as regards a reduction in the milk supports on April 1.

Mr. President, I had thought that the Secretary of Agriculture might change his mind during the past winter. When I returned to Washington on the reconvening of Congress, I called on the Secretary of Agriculture. I said to him that in my humble opinion he was in error, and should change his mind, and should immediately announce that he had no intention of reducing the support price on milk. However, he has not chosen to do so.

Up to this time, I have endeavored in every possible way, other than by legislative means, to prevent a reduction in the support price for milk.

I do not like to ask this legislative body to suspend the rule pertaining to the consideration of legislative amendments offered to an appropriation bill. However, that course is open to us; otherwise there would not be such a provision in regard to the rule. Of course there is a requirement that notice be given a day in advance, and I have done that. I propose to do my best to convince my colleagues that they should support the motion to suspend the rule, and thereafter should agree to an amendment which would have the effect

of freezing the price of milk at its present level. I must emphasize that such action must be taken before April 1.

Between today and April 1 I doubt that there will be time for the Senate and the House to pass a joint resolution to freeze dairy price supports. Furthermore, if there are variations in the form of the joint resolution, as passed by the respective Houses, it would have to go to conference and the conference report would have to be acted upon by both Houses. The measure would then be sent to the President, who would have 10 days in which to make his decision. If the President decided to veto the measure, it would be returned to the Congress, where a two-thirds vote would be required to override the President's veto.

Of course, Mr. President, a two-thirds vote is also required if the rule is to be suspended. Therefore, the same number of votes would be required in either case.

I say to the grain farmer—whether he be producing feed grains or whether he be producing wheat—that I will give him the same support in an attempt to establish by legislation a firmer price than the one he is now receiving. However, it would take longer to enact such legislation than it would to suspend the rule and to adopt such an amendment to the appropriation bill now before us.

On the other hand, in connection with the consideration of such new legislation, we would not be confronted with the April 1 deadline which faces us at this time with respect to dairy supports. The chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER] has announced that on next Wednesday the committee will proceed to study such measures, and will consider the holding of hearings, in an effort to determine what permanent farm legislation should be enacted. After that study is made, I hope the Congress will enact legislation similar to the measure which incorporates the self-help plan for dairy farmers. In the dairy producing area there is much sentiment in favor of such a bill. No farmer wishes to request that Congress provide supports for him, in the form of Treasury checks or Federal appropriations. The farmers much prefer to remain independent. But they cannot be entirely independent in an organized society and under an organized economy such as we have today.

Yesterday there was spread on the RECORD evidence in regard to the supports and subsidies given to various industries. Supports and subsidies are given in many ways and manners which, in many cases, are not exposed to the public. For instance, subsidies are received by the merchant marine. The existing tariffs, under the agreements between the United States and other countries, and under the United States own tariff structure, amount to subsidies.

Therefore, Mr. President, it will be proper for the Congress to enact into law a self-help plan for the dairy farmers. I shall support such a plan. I certainly shall endeavor to persuade my colleagues to vote for the necessary enabling legislation.

Likewise, I shall assist in the enactment of a more positive and helpful legislative program for the farmers who are engaged in the production of feed grains. I believe that in recent years the Congress has done a tremendous amount of good for agriculture by means of measures such as the authorization contained in Public Law 480, which permits surplus agricultural commodities to be sold, bartered, traded, or donated through international channels. Such operations are of assistance to the peoples living in areas of the world where there is not sufficient food or fiber for their own domestic needs and welfare. By that means, good will for the United States is created. Certainly the United States Government would have to spend a great deal of money if it were not for the existence of the surpluses of agricultural commodities which win for our country that which it now seeks to win in countries where there is a shortage of food or fiber.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. THYE. Mr. President, I am delighted to yield to my colleague, the Senator from North Dakota. There is no greater friend of agriculture than he, and there is no one who better understands agricultural problems and questions.

Mr. YOUNG. I thank the Senator from Minnesota very much.

Does he have available any figures regarding the price of milk at this time, as compared to the price 10 years ago?

Mr. THYE. No. I do have figures regarding the price of milk over a period of 5 years, in the so-called fluid milk area, or for the support level, in percentages, as of that time.

In 1952, the support level was 90 percent. At that time the support level, in terms of dollars and cents, was $3.85 a hundredweight for milk. That price applied to milk used for manufactured milk; it had nothing to do with the price of fluid milk or the price of milk under fluid-milk orders.

Today the price is $3.25, merely as a result of the fact that the support is holding the price at that level. That is the price for fluid milk in the surplus milk-producing areas. The Federal milk orders have been set forth; and, as I have stated, they range up to $6 or more. In fact, in one market I believe the price is as high as $7. I do not see it in the list I now have before me, but I know there are several markets where the price was $6.90 a hundredweight.

Mr. YOUNG. Does the Senator agree that the price the farmer receives for the milk he produces represents his wages, just as the salary check a laboring man receives at the end of each month represents his wages?

Mr. THYE. Yes. That is the dairy farmer's only source of income. Many farmers have, as their only source of income, the payments they receive for the milk they produce or for the veal calves they sell from their dairy herds or the amounts they receive from the occasional sale of a dairy cow or a dairy heifer which they have culled out. But many, many farmers in Minnesota—more especially in the northern part of the State; and the same is true of farmers in Wisconsin and Michigan who depend entirely, for their income or "wage," on the payments they receive for the milk they produce.

Mr. YOUNG. Does the Senator from Minnesota know of any other segment of the economy as to which there has been a Government proposal that its income be decreased at this time?

Mr. THYE. No, I do not know of any other. Today, minimum-wage laws are in effect; and I am thankful they exist. They maintain a reasonable floor or level under the payments received by the wage earners.

Mr. YOUNG. Dairy farming represents the best possible means of helping the small farmer continue to farm. Dairy farming does more to conserve the soil of the Nation than does any other type of farming.

It seems to me that it would be a pity at this time to decrease still further the price of dairy products, when the dairy farmer—of all farmers—has to work 7 days a week, not 5 days or 4 days. To decrease at this time the price he receives for his dairy products does not make sense. After all, his costs of operation have increased year after year.

I heard some figures stated on the floor of the Senate a little while ago that there are over 5½ million unemployed in the United States. About 7 million farmers have left the farms in the last 5 years, many of them, or most of them, to seek employment in the cities. If the farmers could have been kept on the farms, there would not have been any unemployment problem today.

Mr. THYE. The Senator from North Dakota is entirely correct in that contention, because every person who has left the farm and has gone to the city is another person who must seek unemployment compensation if he is unemployed. If he had been left on the farm, he would not receive unemployment compensation, though his income might drop to such a low amount that he could not meet his obligations. The dairy farmer has no means by which to draw on the Treasury, whether it be the State or National Treasury, for compensation benefits during a period when he has no earnings. He has to use his best resources and means to exist, until enough cows have freshened to give sufficient fluid milk to provide an income for him. The same farmer may go along for several months, able to get only a minimum flow of milk, waiting for a cow or a number of cows to freshen and supply milk which will provide an income for him.

Embodied in the proposal there are many questions that justify a continuation of supports at the present level. I have tried to outline roughly why I think it was unwise, first for the Secretary to announce his intention to roll back price supports, and, secondly, why I think I am justified in imposing upon my colleagues by my proposal to suspend the rule, when I personally have opposed such suspensions in the past.

As I have stated, I would not seek such a suspension now if we were not faced with an emergency. If we are willing

to vote huge sums of money for national public works programs, if we are willing to incur deficits by providing for reductions in taxes, and if we propose such measures to bolster our economy, I think it is inconsistent to force a recession upon the farmer by the mere stroke of a pen, which will result in a reduction of 25 cents in prices received for milk. I shall prove that the dairy farmer has done the best job of all in trying to bring his production in line with consumption and his ability to sell his products abroad.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. YOUNG. The Senator has undoubtedly read many columns by so-called political authorities to the effect that a drop in price supports affects only a few people, only about 12 percent of the total population. However, would not the Senator agree that such a drop would affect more than just those living on the farms? Is it not true that every small town with a population of from 5 to 10 thousand and even many with a population of as much as 50 to 100 thousand depends for survival almost entirely on farm income and providing vital services to agriculture? Is it not a fact that the income of the farmers affects the Nation as a whole directly and indirectly?

Mr. THYE. The Senator knows very well that if a farmer places an order for a $3,500 tractor—the price of many of them is in the $5,000 range—the implement dealer who has an opportunity to make a sale in the community, whether it be La Moure, or Devils Lake, or Jamestown, is the first person to feel the benefit of such sale. The sale also benefits the manufacturer, whether the product is manufactured in Minneapolis, Moline, Chicago, or in Waterloo, Iowa. Everyone concerned gets the benefit of the sale of the tractor, including the manufacturer and the skilled worker who makes the crankshaft, or piston, or any part of the tractor. The benefit of the sale is reflected in the steel mill which first produced either the steel or the iron. The benefit is reflected in the iron-ore mine in Minnesota, where workers are engaged in bringing out of the earth minerals which are sent to blast furnaces across the Nation. When a sale has been made in any community in Minnesota or North Dakota, the benefit of the sale is felt in all the channels of business, from the producer of the raw material, to the manufacturer of the product, to the seller. When the purchasing power of the countryside is increased, a parallel benefit is felt by employees in the factories.

In the 1930's, we tried to tell the people of the importance of maintaining the farmer's income. It was thought that the farmer was unimportant. People were told to forget about the farmer, that he does too much complaining. However, the day came when the purchasing power in the countryside fell to zero. Then there had to be action. Then the Commissioners Act was passed, and second mortgages were taken by the Federal land banks. Then the farmers regained possession of farms which were up for sale by the sheriff because of their inability to pay interest on their mortgages.

Mr. YOUNG. Mr. President, if the Senator will yield, I have just obtained some official Government figures, which I should like to state for the RECORD. In the last 5 years 6,672,000 farm people have left the farms. That figure is more than the total number of unemployed persons today.

In my State of North Dakota about half the people live on the farms and about half live in small towns and cities. Despite the fact that we are now one of the major oil-producing States in the country, 90 percent of our total income still comes from the farms.

The Senator from Minnesota may not be successful in obtaining a suspension of the rule, but I commend him for focusing attention on a very important problem, not only to the farmers, but to the entire Nation. If there is a desire that we have economic stability, we shall not attain it if we bankrupt agriculture. The loss of the farmer's income will be reflected in the country as a whole.

Mr. THYE. I have heard many noted economists state that the condition of the national economy can be judgd by observing the status of farm income. If farm income decreases, it is only a matter of months before the whole national economy will reflect the same reduction in income.

Mr. President, I stated before, and I now restate, that I shall support the freezing of the wheat price support at the present level. Much wheat last fall was sold directly from the combine to the cash market, because the market price was up near the loan value of the wheat. Therefore, much wheat went directly to the cash market rather than under a commodity loan.

I shall support a move to freeze the price support for wheat at its present level.

I shall support a move to establish the present supports on feed grains at the same level. I do not want to see our farm economy drop.

Any change we desire to make can be made in the future, because we have a greater time factor for taking such steps than we have now in the case of the dairy industry.

We need to take action at the present time on dairy price supports, or we will not accomplish the needed result. The situation is serious.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. THYE. I am happy to yield.

Mr. YOUNG. I note the Senator's comment as to supporting the proposal to freeze the price supports of all commodities at not less than the level of last year. The level of last year, so far as dairy products and wheat and most other commodities are concerned, is a level which was set by President Eisenhower himself when he vetoed the farm bill of 2 years ago. Is that a correct statement?

Mr. THYE. That is correct.

Mr. YOUNG. The farm operating costs have gone up greatly in the past 2 years. If the figure fixed 2 years ago was a fair level for farm price supports, at that time, it certainly ought to be a minimum now. Does the Senator agree with that statement?

Mr. THYE. There is no question about it. That is why I was unable to concur with the Secretary in his statement that he was going to reduce price supports on wheat and was going to reduce price supports on dairy products. That action was inconsistent with the facts. The President had set the price supports at a time when farmers' costs were not so great as they are today. For that reason I felt perfectly justified in endeavoring to secure a continuation of at least the present price-support level.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. THYE. I am delighted to yield.

Mr. YOUNG. Is there anything in the RECORD to indicate that the production of dairy commodities has been lowered as a result of price supports being lowered?

Mr. THYE. No. I shall now read some information from a chart I have, in order that there may be a positive figure in the RECORD.

I hope Senators will take note of the fact that in the calendar year 1952 the price supports on dairy products were at 90 percent of parity. This gave the farmer an average price of $3.85 for manufacturing milk.

At that time fresh milk sold to the grocer at an average of 22.8 cents a quart. The fresh milk delivered to the consumer per quart was 24.2 cents.

In 1953, dairy price supports were at the same level, and at that time the price to the grocer had dropped from 22.8 cents to 22.3 cents, or a one-half-cent drop. At that time the price of delivered fresh milk to the consumer was 23.4 cents.

In 1954, the Secretary lowered price supports on dairy products by 59 cents a hundredweight. Price supports were dropped to 75 percent of parity. That gave the farmer a price of $3.15. I refer to the time before the President's action. I hope Senators will bear that fact in mind.

The price per quart for fresh milk to the grocer at that time dropped to 21.9 cents. The price of fresh milk delivered to the consumer was 23 cents a quart.

In 1955 the President had not yet acted, and at that time the support price for manufactured milk was still $3.15. The price to the grocer for fresh milk was 21.9 cents per quart, and the price to the consumer of delivered fresh milk was 23.1 cents.

Then came the legislation of 1956, which the President vetoed. After that the President in his letter stated that the price support for dairy products should be maintained at $3.25. The support was set at that level, which gave the farmers 83 percent of parity. That support level brought about an increase in the price of a quart of fresh milk to the grocer to 22.6 cents per quart, and to the consumer, in the form of a quart of delivered milk, to 24.2 cents.

However, the price did not long remain at that level, because it was being forced up, even though the farmer's price support remained at $3.25. In the calendar year 1957 the dairy price support stayed at 83 percent of parity, or $3.25 to the

farmer. The cost of fresh milk per quart to the grocer was 24.3 cents. The fresh milk delivered to the housewife cost 25.8 cents a quart.

Even though the farmer's price support remained at $3.25, we have noted that the cost to the consumer went up. In reality, Mr. President, when the farmer in 1954 lost 59 cents a hundredweight for his milk the housewife received four-tenths of 1 cent as a saving in the cost of a quart of milk delivered to her door.

In 1953, when the dairy price supports were at 90 percent of parity, the cost of a delivered quart of milk was 23.4 cents. When the dairy price supports were dropped to 75 percent of parity in 1954 the cost of a quart of milk delivered to the housewife was 23 cents a quart. That is only four-tenths of 1 cent as a saving to the consumer who was buying the quart of milk.

Do my colleagues here in the Senate think that the consumer is going to get a reduction in the price of a quart of milk in these circumstances, when the consumer only obtained a reduction of four-tenths of 1 cent when the price support dropped 59 cents a hundredweight? I think the question is answered by its simple statement, without any further attempt to explain it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. YOUNG. It would be easy for all of us, I think, if we could believe in the viewpoint that the lowering of price supports would take care of all the surpluses and all other farm problems. The entire history of agricultural production—and the figures are available from the Department of Agriculture—indicates exactly the opposite. Lowering of price supports will do nothing toward solving farm surplus problems.

If the Senator will permit, I should like to say a word about wheat at this point. A statement has been widely publicized recently which indicates that the cost of the wheat price support program was about $15 for every farmer in America, which is about as far from the truth as any statement I have ever read. It has also been claimed that when the consumer goes to the store to buy bread, it costs another additional $20 per family to purchase the bread as a result of the wheat price support program.

It is unbelievable to me that some of the figures which are thrown about would even be published by a responsible magazine or newspaper in America.

Let me state some figures as to wheat for the information of Senators. In 1948 the price support for wheat was $2 per bushel. The average cost of bread was 13.9 cents per loaf. The farmer received for the wheat which went into that loaf of bread 2.6 cents. During the intervening years the price supports went from $1.95 up to as high as $2.24 a bushel, and price supports in 1957 were again $2 a bushel.

In the meantime, the price support for wheat is exactly the same now per bushel as it was 10 years ago. Ten years ago the price support for wheat was exactly $2 per bushel, on the average, throughout the United States. The same figure applies for 1957. The price of wheat was $2 a bushel.

In 1948, the average cost of a loaf of bread was 13.9 cents. Today it is 18.8 cents a loaf. So, while the price of wheat remains the same, the cost of a loaf of bread to the consumer is up from 13.9 cents to 18.8 cents a loaf. These figures are from the Department of Agriculture.

If the farmer gave his wheat to the bakers of America, I doubt if it would affect the price of a loaf of bread more than 1 cent a loaf. The total cost of a loaf of bread today is 18.8 cents. Today the farmer receives only 2.6 cents for his part of that loaf of bread.

I ask unanimous consent to have printed in the RECORD at this point a table of figures which I obtained from the Department of Agriculture.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

[In cents]

Year	Cash price-support level	Retail price of a 1-pound loaf of bread	Farm value of the wheat in a loaf of bread
1948	2.0	13.9	2.6
1949	1.95	14.0	2.4
1950	1.99	14.3	2.5
1951	2.18	15.7	2.6
1952	2.20	16.0	2.6
1953	2.21	16.4	2.5
1954	2.24	17.2	2.7
1955	2.08	17.7	2.7
1956	2.0	17.9	2.6
1957	2.0	18.8	2.6

NOTE.—Estimated number of families in the United States, 42,548,000.

Source: J. Murray Thompson, Price Division, Commodity Stabilization Service.

Mr. THYE. What the distinguished Senator from North Dakota has stated is absolutely correct. The situation in the dairy industry is much the same. If we consider the 5 years which I have listed on a chart, from the calendar year 1952 down through 1957, we find that when butter was supported at 90 percent of parity the price per pound of butter to the consumer was 85½ cents. When the percent of parity to the farmer dropped to 75 percent, the price of butter to the consumer was 72.4 cents.

In 1955, when the support price to the farmer was at 80 percent of parity, the price for butter averaged 70.9 cents. In 1956 when butter was supported at 84 percent of parity, a pound of butter then sold for 72.1 cents. When the percent of parity dropped in 1957 to 83 percent of parity to the farmer, the price to the consumer was 74.9 cents.

The same is true with respect to cheese. I could go through the index with respect to cheese or evaporated milk. In 1952, evaporated milk, under 90 percent parity, was 14.9 cents. In 1957, under 83 percent parity, it was estimated at 14.8 cents. These figures run through December. They are not exactly 100 percent accurate, because figures for the entire year had not been completely tabulated.

Because of the information it contains, I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Support prices for milk and dairy products (from Support Price Levels, Commodity Stabilization Service, Department of Agriculture)				United States average annual retail prices of dairy products (from Retail Food Prices by Cities, Bureau of Labor Statistics, Department of Labor)					
	Milk [1]		Butterfat [1]		Fresh milk, grocery	Fresh milk, delivered	Ice cream	Butter	Cheese, American process	Milk, evaporated (14½-ounce can)
	Support level	Average support price	Support level	Average support price						
	Percent	*Dollars per hundredweight*	*Percent*	*Cents per pound*	*Cents per quart*	*Cents per quart*	*Cents per pint*	*Cents per pound*	*Cents per pound*	*Cents per can*
1952	90	3.85	90	.692	22.8	24.2	31.4	85.5	60.7	14.9
1953	90	3.74	90	.673	22.3	23.4	30.1	79.0	59.8	14.6
1954	75	3.15	75	.562	21.9	23.0	29.6	72.4	57.6	13.9
1955	80	3.15	76	.562	21.9	23.1	29.0	70.9	57.7	13.7
1956	84	3.25	81	.586	22.6	24.2	28.9	72.1	57.2	14.0
1957	83	3.25	80	.586	[2] 24.3	[2] 25.8	[2] 29.6	[2] 74.9	[2] 57.8	[2] 14.8

[1] Support prices for marketing year beginning Apr. 1.

[2] Data for December 1957, only; 1957 annual average not yet published.

Mr. THYE. As I have previously stated, the farmer had tried his utmost to effect a reduction in his overall dairy operations so as to produce about what our domestic needs were, so that there would be no necessity for the Department of Agriculture to buy the surpluses.

The table which I have before me shows that total milk production has increased steadily since 1952 in spite of steady decrease in the number of milk cows on farms. It naturally follows that the reason for the increase in total milk production was the increase in milk production per cow. Milk production per cow increased 15 percent since 1952.

This was the result of better breeding, better management, and lower feed prices. The present occupant of the chair [Mr. PROXMIRE], from the great State of Wisconsin, knows very well that when corn is at 54 percent of parity, as it is now, and as it was during the late fall months, the dairy-feed ratio will be greatly increased, and therefore there will be greater production per animal.

Every time there is an abundance of cheap feed, there will be increased production per dairy cow, as well as an increase in poultry flocks, and also increases in other livestock, such as pork.

Let me say for the benefit of Senators who are listening, and who do not have the tables before them, that in the calendar year 1950 there were 21,944,000 head of milk cows on farms. In 1957,

although there had been 7 years of annual increase in the national population, there was a decrease in the number of milk cows on farms, to as low a figure as 20,510,000 head. That is an indication that the farmer was trying to reduce his production by reducing the number of cows on farms.

I ask unanimous consent that the entire table be printed in the RECORD at this point as a part of my remarks. It covers all the years from 1950 through 1957.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Number of cows, milk production per cow, and total milk production, 1950–57*

Year	Average number of milk cows on farms	Milk production per cow	Total milk production
	Thousands	*Pounds*	*Million pounds*
1950	21,944	5,314	116,602
1951	21,505	5,333	114,681
1952	21,338	5,374	114,671
1953	21,691	5,542	120,221
1954	21,581	5,657	122,094
1955	21,193	5,810	123,228
1956	20,900	6,004	125,474
1957	20,510	6,162	126,381

Source: Agricultural Marketing Service, U. S. Department of Agriculture, Feb. 19, 1958.

Mr. THYE. Table 2 shows total supply of feed concentrates and feed grains, as well as supply per animal unit for the period 1952–57. The total supply of feed concentrates and feed grains has shown a steady increase each year since 1952. The total supply of feed concentrates increased from 167.1 million tons in 1952 to 218.5 million tons in 1957, and the feed concentrates supply per animal unit increased from 1.05 tons in 1952 to 1.34 tons in 1957. The total supply of feed grains increased from 90.6 million tons in 1953 to 121.1 million tons in 1957, and the feed grain supply per animal unit increased from 1,141 pounds in 1953 to 1,490 pounds in 1957.

The fact that a more than ample supply of feed grains is available at relatively low prices is directly responsible for the increased milk production per cow.

I ask unanimous consent that the entire table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Total supply of feed concentrates and feed grains[1] and supply per animal unit, 1952–57*

Year	Total supply feed concentrate	Concentrate supply per animal unit	Total supply of feed grains	Feed grain supply per animal unit
	Million tons	*Tons*	*Million tons*	*Pounds*
1952	167.1	1.05	(2)	(2)
1953	172.5	1.10	90.6	1,141
1954	181.7	1.13	94.7	1,209
1955	196.4	1.19	107.6	1,333
1956	200.5	1.23	116.7	1,409
1957	218.5	1.34	121.1	1,490

[1] Corn, oats, barley, and sorghum grains only.
[2] Not available.

Source: The Feed Situation, January 1958, AMS, USDA.

Mr. THYE. Table 3 shows the purchases of the United States Department of Agriculture by year since 1952. In 1952, when total milk production was at 114.7 billion pounds, the United States Department of Agriculture purchases amounted to only 300 million pounds. However, in 1953 the United States Department of Agriculture had to purchase 10 billion pounds—whole-milk equivalent—because of the substantial increase in production that occurred during that year. Although milk production has continued to increase, the United States Department of Agriculture purchases has been substantially below the 1953 level and in 1957 amounted to only 5.9 billion pounds. This was only 4.7 percent of the total milk production of this land.

Under Public Law 480, we have used surplus dairy products in payments for NATO base construction. We have used them for barter in foreign countries, and, above all, we have won friends who stand with the United States now in countries where there was a food deficit and where our dairy products have served a most worthy purpose.

I now send to the desk a table covering all these figures, in order that they may stand as evidence of what I am bringing out this afternoon when I say that the dairy farmer has endeavored to reduce production and spare the Treasury support payments. I ask that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Total milk production in the United States and purchases by the U. S. Department of Agriculture*

Year	1952–57		
	Total milk production	U. S. Department of Agriculture purchases	U. S. Department of Agriculture purchases as a percent of total production
	Whole milk equivalents, billion pounds	*Whole milk equivalents, billion pounds*	*Percent*
1952	114.7	0.3	0.2
1953	120.2	10.0	8.3
1954	122.1	9.1	7.5
1955	123.1	4.7	3.8
1956	125.5	5.2	4.1
1957	126.4	5.9	4.7

Source: Dairy Situation, February 1958, AMS, USDA.

Mr. THYE. Mr. President, the dairy products which were purchased by the United States Department of Agriculture, as shown in table 4, became valuable assets both domestically and in our foreign relations. Domestically they provided our schoolchildren, our needy persons, and other less fortunate persons in this country with one of the best foods in America; and in foreign countries these foods were used to stave off famine and disaster. During the period 1953–57, total donations of dairy products, both foreign and domestic, amounted to $1,133 million, which was 67 percent of total food donations both at home and abroad.

That is how the farmer has aided the Nation in its endeavors not only to win friends abroad, but also to take care of our schoolchildren under the schoollunch program. I ask unanimous consent that the chart be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Donations of dairy products and other foods domestic and foreign during the fiscal years 1953–57*

Donations	Dairy products	Other foods	Total donations	Dairy products as a percent of the total
	Million dollars	*Million dollars*	*Million dollars*	*Percent*
Domestic	459.0	404.0	863.0	53
Foreign	674.0	153.0	827.0	81
Total	1,133.0	557.0	1,690.0	67

Source: CCC, USDA.

Mr. THYE. Mr. President, chart No. 5 is a table which shows that the total cost of the dairy price-support program from the period October 17, 1933, through December 31, 1957, has amounted to only $2,103,400,000. This table shows not only donations, but also dollar sales, barter, and Public Law 480 sales.

Mr. President, I ask unanimous consent that the table may be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 5.—*Realized cost of the dairy price support program for the period October 17, 1933, through December 31, 1957, by program*

	Amount (millions)
Gain or loss on sales of CCC price support commodities:	
Dollar sales:	
Export	$110.1
Domestic	106.6
Barter	.3
Public Law 480, title I	[1] .4
Public Law 480, title II	[1] 2.4
Sec. 402, ICA	.7
Sec. 32	6.4
Other—Sales to other Government agencies	78.1
Subtotal	299.4
Cost of CCC price support commodities donated and payments made for the increased consumption of fluid milk, Public Law 439, 81st Cong., as amended:	
Sec. 202 (Armed services and veterans	97.6
Sec. 202 (Increased consumption of fluid milk)	147.1
Sec. 416 (Needy persons, institutions, etc.):	
Domestic	276.4
Foreign	742.8
Other	.9
Subtotal	1,264.8
Other program adjustments	[1] .4
Total CCC nonrecourse loan purchase and payment programs	1,563.8
Donations of commodities to other nations (Public Law 480, title II)—	
Subtotal, Public Law 480, title II	71.2

[1] Denotes gain.

TABLE 5.—*Realized cost of the dairy price support program for the period October 17, 1933, through December 31, 1957, by program*—Continued

	Amount (millions)
Commodities sold for foreign currencies under Public Law 480, title I:	
Subtotal	$24.1
Less: Foreign currencies collected	16.1
Subtotal, Public Law 480	8.0
Removal of surplus agricultural commodities—Cost allocable to specific commodities, sec. 32	458.9
Acreage allotments and marketing quotas:	
Subtotal	.5
Total realized cost	2,102.4

Mr. THYE. Mr. President, table 6 shows the total number of persons who have benefited from donations and grants of agricultural commodities by the United States Department of Agriculture. In 1957, 11.9 million schoolchildren benefited from surplus commodities in the United States while 1.4 million people in institutions and 3.2 million needy persons also received help. Dairy products constituted 53 percent of total domestic donations and 81 percent of foreign donations. The Department of Agriculture estimates that a total of more than 75 million people at home and abroad have received donations of our surplus food.

Without the dairy surplus we would not have been able to assist the needy people, or have taken the other welfare actions which the surplus foods have permitted us to take.

I ask unanimous consent that this chart also be made a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—*Number of persons receiving surplus [1] commodities in the United States*

[In millions]

Year	Children in school	Persons in institutions	Needy persons	Total
1953	9.4	1.3	0.1	10.8
1954	9.7	1.4	.8	11.9
1955	10.2	1.3	2.2	13.7
1956	10.9	1.4	2.7	15.0
1957	11.9	1.4	3.2	16.5

[1] Dairy products constitute 53 percent of domestic donations and 81 percent of foreign donations.

This does not include the school milk program, the Armed Forces dairy products program, or other programs not considered donations.

The Department of Agriculture estimates that a total of more than 75,000,000 people at home and abroad receive donations of our food.

Source: Sharing America Abundance, USDA.

Mr. THYE. Mr. President, table No. 7 shows domestic disappearance of dairy products from commercial sources. In 1952, 1,102 million pounds of butter moved through domestic channels of trade. In 1957, this had increased to 1,273 million pounds. American cheese increased from 806 million pounds to 817 million pounds, and nonfat dried milk increased from 690 million pounds to 781 million pounds. Fluid milk and cream increased from 53,224 million pounds in 1952 to 57,993 million pounds in 1957.

The total disappearance of all dairy products in milk equivalent from commercial sources increased from 106,510 million pounds in 1952 to 112,835 million pounds in 1957.

I have a table which lists every one of these figures specifically, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Domestic disappearance of dairy products from commercial sources*

[Million pounds]

Year	1952–57				
	Butter	American cheese	Nonfat dry milk	Fluid milk and cream	Total disappearance in milk equivalents from commercial sources
1952	1,102	806	690	53,224	106,510
1953	1,079	770	630	53,380	105,795
1954	1,141	816	767	54,358	108,035
1955	1,187	777	815	55,678	110,170
1956	1,175	806	742	56,883	111,683
1957	1,273	817	781	57,993	112,835

Source: Dairy Situation, February 1958, AMS, USDA.

Mr. THYE. Mr. President, I have other charts which are just as important as the ones I have placed in the RECORD. They should convince the Senate that at this time the supports on dairy products should not be reduced, because it will immediately effect a reduction in the farmer's purchasing power, and it will also drive some of the young farmers off the farms, especially those who do not have the financial means with which to withstand such a loss in income. The consequence will be that such a young farmer will have to sell his farm, and will be added to the rolls of those who seek employment in community centers and in the large cities.

That is the main reason for my pleading here today. My main concern is not for the established farmer, who can suffer a year or two of a slight recession, but for the young farm families, particularly the young persons who came back from World War II or the Korean war and bought farms and commenced farming under the inflationary prices which then prevailed. They are today attempting to pay their obligations, with an increased interest rate and reduced income.

The only commodities which have been firm in the past few years have been pork and beef. The only reason that beef has been firm is that the drought years reduced the brood herds, and therefore the beef cattle population of the country has been low. The replenishing of the brood herds in the grazing areas has kept cattle from the feed lots. Therefore we have had a relatively few number of cattle going to the feed lots, and the prices remain firm. It is not the farm program that has kept them firm. It was the drought, which reduced the potential production and the productive ability of the vast grazing areas, because the brood herds were liquidated.

Pork has been relatively firm, although many a farmer was financially hurt when pork prices were low a few years ago. However if we let the feed prices continue at the present level—corn is 54 percent of parity—we will see what will happen to pork production and to turkeys and poultry.

Mr. President, I ask unanimous consent that table No. 8 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 8.—*Average daily sales in 1957 as a percent of sales in 1956 in specified Federal order market areas*

Market area	Whole milk	Skim milk	Milk and cream mixtures [1]
Boston, Mass	101	104	(2)
Philadelphia, Pa	101	105	109
Cleveland, Ohio	105	111	110
Chicago, Ill	101	110	100
Detroit, Mich	101	100	114
Milwaukee, Wis	104	114	116
Minneapolis-St. Paul	103	104	102
St. Louis, Mo	103	109	111
Louisville, Ky	102	111	120
Knoxville, Tenn	100	103	126
Corpus Christi, Tex	104	99	101
Pudget Sound, Wash	102	102	104
Fort Smith, Ark	114	97	108
Average for 34 markets	102	106	104

[1] Includes mixtures of milk and cream with milkfat content higher than whole milk and lower than the minimum for fluid cream.

[2] Not available.

Source: Fluid Milk and Cream Report, February 1958, AMS, USDA.

Mr. THYE. Mr. President, I ask unanimous consent to have table No. 9 printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9.—*Comparison of rates of change of United States population and total milk production*

Year	Yearly		Yearly	
	United States population	Rate of change	Milk production	Rate of change
	Number	*Percent*	*Number*	*Percent*
1952	155.4		114.7	
1953	159.0	1.7	120.2	4.8
1954	161.8	1.8	122.1	1.6
1955	164.6	1.7	123.1	.8
1956	167.5	1.8	125.5	1.9
1957	170.5	1.8	126.4	.7

Mr. THYE. Table No. 10 shows the average hourly earnings of dairy-farm operators in Wisconsin compared to dairy price supports.

The studies of the United States Department of Agriculture show that dairy farmers in Wisconsin have extremely low hourly income earnings. Wisconsin is one of the finest dairy States in the United States. It has some of the finest dairy herds to be found anywhere outside my own State of Minnesota.

In 1953, western Wisconsin dairy farmers earned an average of 53 cents an hour, and in 1957, 48 cents an hour; while eastern Wisconsin farmers earned only 50 cents an hour in 1953, and only 37 cents an hour in 1957.

Some of the eastern Wisconsin farmers belong to the Chicago milkshed, and therefore they have the benefit of the firm price that exists in the city.

When farmers in eastern Wisconsin receive only 50 cents an hour, as they did in 1953, and only 37 cents an hour in 1957, we know what has happened to

the dairy farmers' prices. The prices have been dropping. The drop in price, of course, is reflected in a farmer's income.

In 1953 price supports were at 90 percent of parity. In 1954 the Secretary of Agriculture dropped price supports to 75 percent of parity, and farmers in western Wisconsin earned only 33 cents an hour, and 38 cents an hour in eastern Wisconsin.

In 1956, price supports were at 81 percent of parity for butterfat and 84 percent for manufacturing milk. In this year the average hourly earnings increased to 52 cents an hour in western Wisconsin, and to 43 cents an hour in eastern Wisconsin.

In 1957, price supports were at 80 percent for butterfat and 83 percent for manufacturing milk, and farmer income dropped to 48 cents an hour in western Wisconsin, and to 37 cents in eastern Wisconsin.

So the farmer's wage per hour reflects the price of milk. If the price drops 25 cents a hundredweight the 1st of April, that will cause a decrease in the farmer's income and will be indicated in his next milk check.

The Department of Agriculture has not collected information about hourly earnings in Minnesota. If price supports are allowed to drop to 75 percent of parity, that can only mean that the average hourly wages of all farmers, including Wisconsin farmers, will be lowered substantially. They will be lowered in every area where there is a substantial amount of dairying being carried on.

Mr. President, I ask unanimous consent that a table entitled "Average Hourly Earnings of Dairy Farm Operations in Wisconsin Compared to Dairy Price Supports, 1953–57," be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 10.—*Average hourly earnings of dairy farm operations in Wisconsin compared with dairy price supports, 1953–57*

Year	Hourly earnings		Level of price supports			
			Percent of parity		Average support price	
	Eastern Wisconsin	Western Wisconsin	Butterfat	Manufacturing milk	Butterfat	Manufacturing milk
	Cents	*Cents*				
1953	0.50	0.53	90	90	0.673	3.74
1954	.38	.33	75	75	.562	3.15
1955	.29	.35	76	80	.562	3.15
1956	.43	.52	81	84	.586	3.25
1957	.37	.48	80	83	.586	3.25

Source: Farm Costs and Returns, ARS, USDA.

Mr. THYE. Mr. President, I should like to mention for the record a few of the large cities which are under Federal milk marketing orders but which are not in any sense affected by the 25-cent-a-hundredweight reduction. Neither do they reflect, in the reference to national quotas, what is parity, because in the national quotas what a farmer gets for milk which is sold to a condensery, cheese factory or butter plant is entirely different with respect to the return to the farmer than the return from a gallon or a hundredweight of milk which goes into a fluid milk market, such as Washington, Boston, New York, or other large cities which are under Federal milk marketing orders.

For instance, in the New England area, every one of the 6 major cities which are under milk marketing orders has prices which range from $6.36 to $6.97 a hundredweight.

In some of the southern and southwestern cities the situation is similar. In San Antonio, Tex., the milk marketing order provides for $5.79 a hundredweight; in Corpus Christi, it is $5.37 a hundredweight; in the Texas Panhandle area, it is $5.40 a hundredweight.

Mr. President, a farmer who produces milk for a creamery, a cheese factory, or a condensery will have 25 cents a hundredweight taken off the price he receives for his milk beginning April 1, unless we, this afternoon, suspend the rule and then amend the appropriation bill. That is the only avenue which is open to us to have such a provision enacted before April 1.

I would have preferred to follow the course of legislation through the Committee on Agriculture and Forestry of which I am a member and of which my colleague, the junior Senator from Minnesota [Mr. HUMPHREY], is a member, and to have had the Senate act on the 2 resolutions which are on the calendar, 1 to freeze all farm commodities at their present level, the other to freeze dairy prices at $3.25 a hundredweight. But if such a legislative avenue were taken, I am afraid that April 1 would have arrived and we would not have effected a freeze in the price supports for dairy products.

That is why I am asking this afternoon to have the rule suspended, even though ordinarily I am opposed to such a procedure. I am anxious to have this legislative amendment added to the appropriation bill, because it is the only way by which we can be positive that such a provision will become law before April 1.

Mr. LANGER. Mr. President, I associate myself with the remarks of the distinguished senior Senator from Minnesota. I think he has done outstanding work in calling the attention of the Senate to the plight of the farmer and the dairyman. I shall certainly vote with him to have the rule suspended.

Mr. THYE. I thank the Senator from North Dakota.

Mr. COOPER. Mr. President, I support the motion of the distinguished senior Senator from Minnesota and his amendment to maintain the dairy-price supports at the present level. I oppose the reduction of price supports as announced by Secretary of Agriculture Benson to become effective April 1.

I have received hundreds of letters from dairy farmers in every section of Kentucky, pointing out the losses they will suffer if dairy-price supports are lowered on April 1. Every dairy cooperative and every farm organization in my State, that I know of, supports the effort to reverse the proposed action.

I concur in the statements which have been made by my colleague from Minnesota, who has pointed out that such action is unnecessary and unjustifiable. I think it has been shown that the consumption of milk is now increasing faster than the production of milk. Government stocks of milk are down sharply. The dairy industry itself is doing outstanding work in advertising to promote the consumption of milk. This is being done through the contributions of dairy farmers all over the Nation.

I do not suppose it is widely known, but it is a fact that Kentucky ranks 13th in the Nation as a producer of dairy products. In the production of cheese, Kentucky is surpassed only by Wisconsin and Missouri.

Approximately 60,000 farm families in Kentucky depend on dairying as a source of cash income. The gross farm income from dairy products in Kentucky in 1956 amounted to $99 million.

It has been calculated that if the proposed cut should become effective, it would mean an estimated loss to dairy farmers in Kentucky of approximately $5,865,200 annually.

I agree with my colleague from Minnesota that this is not the time to reduce the income of dairy farmers. I do not intend to support any measure which will lower the income of the farmers at this time. I concur in the arguments which have been made by my able colleague from Minnesota and by other Senators. I intend to support the motion and the amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement showing the volume of milk production and of dairy products in Kentucky, and the effect which the lowering of price supports would have upon the dairy industry of Kentucky.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Dairy statistics for the State of Kentucky

In 1957:

Milk production on farms in Kentucky (pounds)	2,666,000,000
The average production per cow (pounds)	4,590
Average number of milk cows in Kentucky (excludes heifers not yet fresh)	582,000
Creamery butter produced (pounds)	16,270,000
American cheese produced (pounds)	50,140,000

Kentucky ranked third in 1957 in the production of American cheese—being surpassed only by Wisconsin and Missouri.

Source: Milk Production on Farms and Statistics of Dairy Plant Products, 1957, AMS, USDA, February 1958.

In 1956—last year for which statistics are available by States by commodities—the total cash receipts from farm marketings in Kentucky, $555,249,000, the total cash receipts from marketings of dairy products, $78,732,000.

For Kentucky, the income from the sale of dairy products ranked third, exceeded only by the receipts from the sales of tobacco and cattle and calves.

Source: The Farm Income Situation, September 1957, AMS, USDA.

1954: There were 37,444 farms reporting sales of whole milk in Kentucky.

1954: The total pounds of whole milk sold was 1,189,141,860 at a value of $41,731,888.

1954: There were 19,942 farms reporting cream sold.

1954: The total pounds of butterfat sold was 6,111,717 at a value of $2,606,821.

Source: Agricultural Census of 1954, United States Department of Commerce.

If the support price for manufacturing milk were changed from the present $3.25 per hundredweight level to 75 percent of parity or $3.03 per hundredweight, the estimated loss to dairy farmers in the State of Kentucky would be $5,865,200.

If the support price for manufacturing milk were changed from the present $3.25 per hundredweight level to 60 percent of parity or $2.37 per hundredweight, the estimated loss to dairy farmers in the State of Kentucky would be $23,460,800.

Mr. PROXMIRE. Mr. President, I rise in support of the motion of the Senator from Minnesota [Mr. THYE]. Today he has made an excellent statement in support of the dairy farmer.

Wisconsin is the No. 1 dairy State of the Union, and we are very proud of that. It is my understanding that Wisconsin produces nearly twice as much milk as does any other State of the Union.

If the announced order of the Secretary of Agriculture to reduce the price supports on dairy products is put into effect, it will be a devastating blow, not only to the Wisconsin dairy farmers, but to the Wisconsin economy generally.

I believe the Senator from Minnesota [Mr. THYE] has clearly shown that today the No. 1 victim of economic injustice in the country is the farmer; and of all the farmers, I believe the dairy farmer is right in the forefront as the chief victim.

The fact is that the farmer's income is less than half the income of those who do not work on the farms, even though the farmer works much longer hours than do those who do not work on the farms. As a matter of fact, in Wisconsin the average dairy farmer—as shown by very responsible statistics which have been prepared by the University of Wisconsin—works 12 hours a day, or nearly 1½ hours more each day than do farmers throughout the country as a whole.

I believe that the case which has been made by the Senator from Minnesota [Mr. THYE] is unanswerable, because if price supports are reduced—as proposed by the Secretary of Agriculture—the problem from the standpoint of either the consumer or the taxpayer or the farmer will not be solved. The record shows that a reduction in the price supports for dairy products will not mean a reduction of production. On the contrary, Mr. President, the forecast is that during the coming year, milk production will increase substantially. That is shown by a publication which I hold in my hand; it was released 3 days ago by the Department of Agriculture itself, and is entitled "The Dairy Situation." Although the Secretary of Agriculture assumes he will be able to cut the price supports for milk, this publication estimates that during the coming year milk production will increase substantially. The Department of Agriculture itself knows that a reduction of the price supports will not reduce the production of milk.

Furthermore, Mr. President, tables which are included in the article which has come from the Department of Agriculture also prove that the proposed reduction in price supports will not increase the consumption of milk. In other words, the action proposed to be taken by the Department of Agriculture will not solve the problem either on the supply side or on the demand side.

In conclusion, I should like to say that the Senator from Minnesota [Mr. THYE] has shown that Wisconsin farmers have an average hourly income which varies between 35 cents and 48 cents. Let me repeat those figures, Mr. President: Wisconsin farmers—who have a capital investment, on the average, of $35,000, and who work 12 hours or more a day, and who have no vacations—have an average hourly income, so the Department of Agriculture itself admits, of between 35 cents and 45 or 48 cents.

What will happen if the proposed order of the Secretary of Agriculture goes into effect is this: In many cases, Wisconsin farmers will have no hourly income at all. On the average, their income will be reduced to 25 or 30 cents an hour.

Mr. President, it seems to me that this afternoon the Senate has an opportunity to do something about the recession which is occurring in the country. At this time the Senate has an opportunity to take a constructive step toward protecting the present income of the farmers. The Senate will do that if it agrees to the motion of the Senator from Minnesota to suspend the rules, and if thereafter it agrees to the amendment to which he has referred, and if eventually the amendment is enacted into law.

I feel very strongly that if such action is not taken, the order of the Secretary of Agriculture will result in a further recession and depression, not only in Wisconsin, Minnesota, North Dakota, New York, and the other dairy States, but throughout the Nation.

Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I request the indulgence of the Senate for only a few minutes.

As will be recalled, yesterday I had before the Senate a motion to suspend the rules, in order to offer a very simple cotton amendment. I believed then, and I believe now, that that motion to suspend the rules and that amendment were in a much better position to receive favorable action by the Senate than is the pending motion of the Senator from Minnesota.

Mr. President, today there is on the calendar a measure which I am sure will be acted upon by the Senate this week. It will do the very thing the Senator from Minnesota seeks to have done. Not only that, but there is also on the calendar a measure—Calendar No. 1377—which will preclude any reduction in support prices or acreage allotments for all commodities until Congress can make appropriate changes in the price support and acreage allotment laws. That measure covers all commodities.

As I said on yesterday, the only reason I advocated the cotton amendment was the fact that the pending bill will provide more funds for the Soil Bank and will result in taking more acres out of the production of cotton. That was the only reason I made my effort to have the Senate vote to suspend the rules.

Mr. President, the Committee on Agriculture and Forestry worked diligently this week to report the two joint resolutions to which I have just referred. They are Calendar No. 1376 and Calendar No. 1377, Senate Joint Resolution 163 and Senate Joint Resolution 162. The committee reported them because of its belief that this is not the time to lower price supports on farm commodities.

I have a chart which indicates that last year income to persons on farms of the Nation was less, percentagewise, as compared with national income, than at any other time since figures of this sort have been kept by the Department of Agriculture, and they have been kept since 1910. The net income of persons on farms, from farming, as a percentage of the national income, in 1910 was 14.1. At the present time it has decreased to 4.2 percent. As a matter of fact, the net income of persons on the farm, from farming, as a percentage of the national income, is even less today than it was during the depression days of 1933 and 1934.

So, Mr. President, I say that it would be disastrous to lower farm income at this time; and I believe that fact is what prompted the Committee on Agriculture and Forestry to report, almost unanimously, to the Senate the two joint resolutions which would freeze farm support prices and acreage allotments at the 1957 levels.

Mr. President, the two resolutions will be considered this week. As I said yesterday, I have spoken to the leadership on the House side. I believe that by next week the bills, which I hope will pass the Senate this week, will be considered by the House, so that both resolutions will be on the desk of the President within 2 weeks, that is, before April 1, when dairy support levels will be reduced as the law now stands.

Mr. President, my good friend from Minnesota has made a good case, but I do not believe the amendment should be attached to the appropriation bill, since, as I have said, there are measures on the calendar designed to cure the evils of which he complains.

I ask unanimous consent that there be inserted in the RECORD at this point a table showing the net income to persons on farms from farming in comparison with the national income.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Net income to persons on farms from farming as a percentage of national income [1]

	Percent
1910	14.1
1912	14.2
1914	12.8
1916	11.3
1918	16.4
1919	14.9
1920	11.9
1921	7.0
1922	8.3
1923	8.2
1924	8.0

[1] Includes Government payments.

Net income to persons on farms from farming as a percentage of national income—Con.

	Percent
1925	9.9
1926	8.4
1927	8.3
1928	8.4
1929	8.1
1930	6.7
1931	6.6
1932	5.8
1933	7.4
1934	6.9
1935	10.3
1936	7.7
1937	9.4
1938	7.8
1939	7.4
1940	6.8
1941	7.8
1942	8.9
1943	8.6
1944	8.0
1945	8.3
1946	9.9
1947	9.4
1948	9.4
1949	7.2
1950	7.0
1951	7.2
1952	6.4
1953	5.4
1954	5.2
1955	4.6
1956	4.3
1957	4.2

Source: AMS, USDA.

Mr. IVES. Mr. President, I am a typical example of what happens in the Senate after one sits here a long time and listens to extended debate. I had not expected to say a word on the pending question. Now I think I shall.

I am strongly in favor of the amendment offered by my distinguished colleague from Minnesota. My answer to the distinguished Senator from Louisiana is simply this. The joint resolutions reported by the Committee on Agriculture and Forestry, and particularly the one which parallels the amendment now before the Senate, may be passed by the Senate this week. We do not know, but it is possible that one or both will be. It is possible that they will be passed by the House the following week. We do not know. We have no way of knowing.

The one pertaining to milk and milk products may reach the President before the end of the month. It may not be approved by the President, it may be vetoed. Then will come the question of trying to pass it over the veto. It will then be too late, because the whole problem will come to a head on April 1. If we are going to do anything, we shall have to complete our action before April 1. That is the reason why the distinguished Senator from Minnesota is offering the amendment. If we can incorporate it in the bill, it will be before the President before April 1. Undoubtedly he will have to approve the bill. That will take care of the situation. That is why I am for the amendment.

Generally speaking, I do not approve amendments of this type to appropriation bills. I do not approve of putting substantive matters in appropriation bills. However, there exists a real and dire emergency. I should like to say, for the information of Senators, that I come from the second largest milk-producing State, New York. This proposal means a great deal to the farmers in the State of New York. Therefore, I am in favor of the amendment, and I shall vote to suspend the rule in order that it may be considered.

WISCONSIN DAIRYMEN ARE HURTING—PRICE SUPPORTS MUST NOT BE SLASHED

Mr. WILEY. Mr. President, during the extended debate on the farm parity amendments, I have not attempted to take the time of the Senate to comment in detail regarding the problem as faced by the dairymen of my State. I have felt that the time is at hand for action, and not for extended words.

I had pledged to the dairymen of my State an all-out effort to prevent the ruinous reduction of dairy income by an estimated $43 million—a reduction which is now but 20 days away unless we act to freeze the present support level. In my judgment, it will be a sad day, indeed, if April 1 rolls around and if there is not on the statute books a law to prevent another harmful diminishing of the meager income now received by the Nation's dairymen.

It is a source of regret to me, as I am sure it is to all my colleagues, that it should be necessary to take emergency action to prevent an administrative decision by the Secretary of Agriculture.

It is a source of regret to me that we should have to appeal most earnestly to our distinguished President not to veto our action in the event that we successfully write a bill on the floor of the Congress.

I, for one, would have wished that we might have been able, by now, to have written a long-range dairy bill, instead of finding it necessary to take this temporary and emergency action. But time is running out. The days of the month are slipping away. We have no alternative, therefore, but to earnestly ask the administration to accept our appeal to prevent another harmful reduction of the dairymen's income.

Do the dairymen want to maintain present dairy parity level? The answer is "yes." From all over my State I have received appeals pleading for constructive action by the Congress. The dairymen have appealed as a matter of simple justice for themselves. But, more important, they have appealed because they know it is in the interests of this Nation that dairying thrive and prosper.

More especially, it is in the interest of America that the family dairy thrive and prosper.

As proof of the deep feelings in the hearts of the Nation's dairymen, I send to the desk now several clippings and three representative letters from businessmen. One clipping is from the February 28 issue of the Wisconsin Farmers' Union News. It consists of an open letter from the Barron County, Wis., Farm Union Local to the President, asking for help to the dairymen. Another is an article from last Sunday's Milwaukee Journal, wherein the Milwaukee Cooperative Milk Producers earnestly appealed against the Secretary of Agriculture's order.

I ask unanimous consent that these clippings and letters be printed at this point in the body of the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DAIRY FARMERS TO FEEL DROP IN PRICE PROPS BEFORE APRIL 1

MADISON.—Wisconsin dairy farmers can expect 15 to 20 cents per hundredweight lower milk prices for February and March as a result of the scheduled April 1 drop in milk price supports, says Hugh Moore, University of Wisconsin agricultural economist.

Secretary Benson's announced cut in the support level for manufactured milk from 83 to 75 percent of parity price equivalent means a drop in the support price from $3.25 to around $2.95 for average test milk, he says.

Moore reports on a study that was made of milk prices before and after the April 1954, drop in milk support prices from 90 percent to 75 percent of parity equivalent. These figures show that Wisconsin manufactured milk prices fell about half of the 59-cent price decline in the 3 months prior to April 1.

Little, if any, of this price decline was a seasonal price change. A further look at milk prices for the same months of the year, in the years with no change in the support level indicates that. We can expect the 1958 milk prices to follow the same pattern as 1954.

The major reason for lower prices before the change in the support level is in the method used to support milk prices, says Moore. Milk prices are supported through direct purchases from plants of cheddar cheese, butter, and nonfat dry-milk powder by the Government. The prices paid for these products are set at a level that will permit the plants to pay the farmers the support level for their milk. Plants must sell their products prior to the April 1 price change to be able to pay their producers the current higher support price. Because of the timelag between the plants receiving the milk and when it is processed, assembled, and sold to the Government, a large quantity of products made from milk produced before April 1 will be sold at the lowered support price. He says, for most plants, this timelag should be less than a month.

[From the Milwaukee Journal of March 9, 1958]

DAIRY ORDER ALL WRONG—PRODUCERS RAP CUT

HARTLAND, WIS.—The Milwaukee Cooperative Milk Producers Saturday opposed Secretary of Agriculture Benson's order cutting dairy price supports April 1. The cooperative has 1,637 farmer members in the 10 counties supplying milk to the Milwaukee metropolitan area.

Benson's order would reduce support payments on manufactured milk products from 83 percent to 75 percent of parity and on butterfat from 80 percent to 75 percent.

Charles F. Dineen, Cedarburg, executive secretary of the cooperative, told its 41st annual meeting at Arrowhead High School here that Benson's order was all wrong.

Dineen said that prices paid to farmers supplying milk to the Milwaukee markets were too low. He said Benson's belief that lower prices would reduce surpluses was wrong.

SAYS PLAN DOES NOT WORK

"It does not work that way," he declared. "When the price is too low, the farmer produces more milk to get more money."

Dineen said that if the plan went into effect farmers would receive 23 cents a hundred pounds less than they now were getting. He said it would mean a half cent reduction per quart.

The cooperative approved negotiations now under way with Milwaukee dairies for payments of a premium over the price set for class 1 bottling milk by the Federal milk marketing administration.

Cooperative members have urged that Milwaukee dairies pay the same premium now being paid to Chicago area farmers. They got 25 cents per hundred pounds over the marketing administration price to offset higher production costs in the metropolitan areas.

The new premium would extend through 1958.

PROTEST TRANSPORT TAX

The cooperative also:

Protested continuation of the Federal transportation tax established after World War II on hauling of milk and livestock from farm to market.

Endorsed a checkoff of 1 cent per 100 pounds to help the Milwaukee Dairy Council promote dairy products, and asked Milwaukee dairies to equal the amount.

Reelected Henry Rosenow, Oconomowoc, and Edward Stuesser, Richfield, to the board of directors for 1 year. New directors are Arthur Rummel, Wind Lake, and Joseph Unrein, Merton.

[From the Wisconsin Farmers' Union News of February 28, 1958]

BARRON COUNTY LOCAL WRITES IKE SEEKING HELP FOR DAIRY FARMERS

A letter, calling for support of measures to help dairy farmers, was sent to President Eisenhower this month by members of the Dallas Farmers Union local in Barron County.

The letter stated that dairy farmers have had their earnings lowered for the past 5 years while manufacturing corporations and companies have made billions of dollars in profit.

The President was asked to give the dairy farmers' problem serious consideration and to secure ways and means for the most immediate relief.

A full text of the letter follows:

DALLAS, WIS., *February 15, 1958.*

THE PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: No doubt you have received many communications from family farmers of the State of Wisconsin requesting an increase in the dairy-price supports for dairy family farmers.

Wisconsin, as you know, is one of the leading dairy States of our Nation.

The dairy family farmers at present are confronted with a serious problem which includes many hours of the day of hard work, determination, energy, and courage in order to be successful and to insure themselves and their families an American standard of living.

For the past 5 years their earnings have been lowered, and from the following report you will note that while the dairy family farmer has lost heavily, the manufacturing corporations and companies have made billions of dollars in profits.

The following is the report of the United States Department of Commerce relative to profits secured:

Income from farms

1952	$18,641,000,000
1956	15,205,000,000
	3,436,000,000

Or a loss to family farmers of $3 billion.

Income of manufacturing corporations

1952	$89,318,000,000
1956	101,805,000,000
	12,487,000,000

Or a gain for corporations of more than $12 billion.

The loss for dairy family farmers, and the gain for corporations still continues.

Our Senator PROXMIRE and Congressman LESTER JOHNSON, both recently elected to Congress from Wisconsin, are working vigorously and both have presented bills to Congress to relieve this present dairy family farmers trouble on a very fair basis. Also our Hon. Senator WILEY supports these measures for dairy family farmers.

It is very discouraging to the farmers and their families to have their earnings constantly lowered while the cost of their living is constantly increasing.

Mr. President, will you please give this matter your most considerate attention and secure ways and means for the most immediate relief?

Wishing your good health to continue, we are,

Very sincerely yours,

BARRON COUNTY MEMBERS OF WISCONSIN EDUCATIONAL & COOPERATIVE UNION OF AMERICA, LOCAL NO. 175, OF DALLAS, WIS.

WOODROW LENTZ, *President.*
R. D. PECORE, *Publicity Director.*

FOND DU LAC
ASSOCIATION OF COMMERCE,
Fond du Lac, Wis., February 7, 1958.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Our agricultural committee held a meeting last night and discussed Secretary of Agriculture Benson's plan to lower the parity rates of dairy products and milk, on April 1.

This committee of 20 members covers a good cross section of business, most of whom, of course, are close to the farmer, and are affected by the price he obtains for milk. After considerable discussion, and I might add, a very good and constructive discussion, the committee came up with a resolution which was passed unanimously.

A copy of this resolution is made part of this letter and is sent to you in accord with the request of the committee.

Cordially,

R. W. MILLS,
Executive Secretary.

RESOLUTION PASSED BY THE AGRICULTURAL COMMITTEE OF THE FOND DU LAC ASSOCIATION OF COMMERCE IN A MEETING HELD THURSDAY, FEBRUARY 6, IN FOND DU LAC, WIS.

Whereas the Congress has now before it several bills pertaining to farm legislation and in particular pertaining to milk and dairy products; and

Whereas most Members of Congress readily admit that some form of farm legislation must be enacted in 1958 and most of them admit that they are not sure what form that legislation should take; and

Whereas this combination of Congressional attitudes will obviously produce considerable debate and controversy over farm legislation; all of which will cause considerable delay beyond April 1, in the adoption of a program: Be it

Resolved, That the Agricultural Committee of the Fond du Lac Association of Commerce believes that the present prices of manufactured milk should be maintained at not less than 82½ percent of parity until such time as a self-help milk price program is adopted by this session of the 85th Congress: Be it further

Resolved, That, copies of this resolution be forwarded to President D. D. Eisenhower, Secretary of Agriculture E. T. Benson, Senators ALEXANDER WILEY, and WILLIAM PROXMIRE and Congressman WILLIAM K. VAN PELT.

PETER P. WEIDENBRUCH,
Director, President, and General Manager, Damrow Bros. Co.

VALDERS, WIS., *February 27, 1958.*

The Honorable ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR WILEY: The Valders Lions Club strongly opposes the Secretary of Agriculture's plan of lowering the price support for milk. We feel that such talk is unwarranted when farmers have been receiving a smaller and smaller percentage of the dollar. We can see the repercussions in agricultural communities with further curtailment of the farmers' purchasing power.

We feel the benefits of price support far outweigh its cost. The surplus milk is but a small amount of the whole amount of milk produced. The cost of absorbing this small amount goes way ahead of what can be gained from keeping the price of milk at a respectable level to give the farmer a fair place in the American standard of living.

We feel it is your duty to help maintain the farmers' fair share in our economy. Do not let milk price supports slip to the point suggested by Mr. Benson.

Sincerely yours,

EARL MULLINS,
Lion President.
WILLIAM DAYTON,
Lion Secretary.

PULASKI, WIS., *March 10, 1958.*

SENATOR ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The Pulaski Chamber of Commerce, of Pulaski, Wis., is opposed to any cut in the dairy support prices until a new, satisfactory dairy program is formulated and put into force.

J. F. JOSWICK,
Secretary of Chamber of Commerce.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Morse
Allott	Goldwater	Morton
Anderson	Green	Mundt
Barrett	Hayden	Neuberger
Beall	Hickenlooper	O'Mahoney
Bennett	Hill	Pastore
Bible	Hoblitzell	Payne
Bricker	Holland	Potter
Bridges	Hruska	Proxmire
Bush	Humphrey	Purtell
Butler	Ives	Revercomb
Byrd	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Jenner	Saltonstall
Carroll	Johnson, Tex.	Schoeppel
Case, N. J.	Johnston, S. C.	Scott
Case, S. Dak.	Kefauver	Smathers
Chavez	Kennedy	Smith, Maine
Church	Kerr	Smith, N. J.
Clark	Knowland	Sparkman
Cooper	Kuchel	Stennis
Cotton	Langer	Symington
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Mansfield	Watkins
Eastland	Martin, Iowa	Wiley
Ellender	Martin, Pa.	Williams
Ervin	McClellan	Yarborough
Flanders	McNamara	Young
Frear	Monroney	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from Minnesota to suspend paragraph 4 of rule XVI.

Mr. IVES. Mr. President, on this question I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota [Mr. THYE] to suspend paragraph 4 of rule XVI to enable him to offer a certain amendment.

Mr. ANDERSON. Mr. President, with reference to the motion to suspend the rule, I hope there will be no misunderstanding or misinterpretation of the issue on which the Senate is about to vote.

This is purely a procedural motion to suspend the rule with respect to an appropriation bill which is before the Senate. Certainly a vote against suspending the rule is not in any way a vote against protecting the dairy farmers, nor a vote in support of Secretary Benson's proposed cut in dairy-support prices. Instead, in my opinion, such a vote would be in the best interests of our farmers by helping to clear the way for orderly procedure in the Senate toward acting on legislation now pending to protect farmers from further price cuts.

Actually, the delay being caused by this maneuver of offering a legislative provision to an appropriation bill may delay the procedure. I have been informed that if the rule is suspended a motion will be made to include all other commodities. I can only say that no one could object to that, because if we are to start selecting commodities one by one some of us might be very much interested in seeing that certain other commodities are taken care of. But I have believed for a long time, and I now believe, that proposals relating to agriculture should come from the Committee on Agriculture and Forestry. A motion to suspend the rule should be made only if everything else has failed. I do not believe that everything else has failed.

The able chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] is present, and many other members of that committee are in the Chamber. The Committee on Agriculture and Forestry has approved, by a vote of 12 to 2, a joint resolution preventing the proposed cut in dairy support prices, and taking similar action with respect to other commodities. It is a course of action agreed upon by the Committee on Agriculture and Forestry as an effective way of protecting farmers pending further action by the Congress.

I wish to be perfectly fair. It may be that I shall not be very much in favor of what the Committee on Agriculture and Forestry has reported, and my able friend from Louisiana [Mr. ELLENDER] will not be too much shocked if that happens. I am only trying to say that I think the procedure which the able Senator from Louisiana has followed has been correct. He has reported a measure by a vote of 12 to 2. If the Committee on Agriculture and Forestry had refused to consider the proposal, or if the majority leader and the minority leader had agreed that they would not bring it to the floor of the Senate, a motion to suspend the rule might be appropriate. On the contrary, we have had assurances by the leadership that the joint resolution which the able Senator from Louisiana has reported will be brought to the floor. Under those circumstances I think it is bad procedure to bring the issue to the floor in this fashion.

I have had a few things to say about the Soil Bank at various times. In the Committee on Agriculture and Forestry, when I was a member of that committee, I offered the Soil Bank plank which the American Farm Bureau Federation had thrashed out after 2 years of hard work. The Committee on Agriculture and Forestry, in its wisdom, decided that another program was better. I do not question the majority vote by which it so decided. However, the experience of the past few years has not made me too enthusiastic about it. It might have been a good thing to have taken what the Farm Bureau Federation had worked out. At least on this subject we have a very clear statement of Farm Bureau Federation policy, reflected in the action which the American Farm Bureau Federation took. I read from a letter from Frank K. Woolley, legislative counsel of the American Farm Bureau Federation:

> We oppose legislation to reinstate price support for dairy products at 1957 levels.

That may not influence many of us, except those who have watched the American Farm Bureau Federation work over a period of years. However, it ought to warn Senators that the question on which they are about to cast their votes is not an open-and-shut question.

I believe that complete cooperation has been given by the leadership to assure speedy action on the joint resolution. The House Committee on Agriculture is ready to act on the joint resolution as soon as it is acted upon by the Senate.

If the Senate committee had failed to act, or if the leadership had failed to cooperate, I could perhaps understand a colleague trying, in desperation, to find some other recourse by moving to suspend the rule. I do not believe that is the case in this instance.

There was more justification for the cotton amendment than there is for a dairy amendment, because there is no legislation pending to take care of the problem which cotton producers face. There is legislation pending to take care of dairy producers and wheat producers, but we must complete action on the pending appropriation bill in order to get to it. Delaying the appropriation bill is delaying our efforts to enact the farm price freeze on all commodities.

As I tried to indicate last night, I did not agree with the proposal which had been made yesterday. I did not think it was the best resolution that could be offered on behalf of cotton producers; but I say that there was far more reason for offering an amendment relating to cotton, with respect to which there is pending no legislative relief, than there was for offering an amendment with respect to dairy products. Legislation dealing with that phase of the economy has been acted upon by the committee, and shortly will be before the Senate for consideration.

I do not believe it would serve a useful purpose to cover the entire dairy situation. I remind Senators that under section 201 of the Agricultural Act of 1949, as amended—and I had a fair amount to do with the Agricultural Act of 1949—the Secretary of Agriculture is directed to support the price of butterfat and manufactured milk at such a level, between 75 and 90 percent of parity, as the Secretary determines to be necessary in order to assure an adequate supply. I think anyone familiar with the dairy situation must know that an adequate supply has been obtained, and the price levels will continue to assure it.

Under those circumstances, I think the recourse is by agricultural legislation, and not by trying to set aside the administrative act of an officer.

Moreover, I believe that the action taken by the Committee on Agriculture and Forestry—action which I wish to leave myself perfectly free to oppose on the floor, and action which was opposed by my able friend from Florida [Mr. HOLLAND] with whom I frequently found myself in agreement when I was a member of the Committee on Agriculture and Forestry—is what I regard as a proper way to bring this issue to the floor.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. Does the Senator from New Mexico believe that there is time enough to enact the legislation to which he refers? This is the 11th day of March. The expiration of the existing support act, holding dairy supports at $3.25 a hundredweight to the producer, is close at hand. Does the Senator from New Mexico have an idea that we could pass a joint resolution, have the House pass it, and send it to the President for his signature, and have it become law in time? If the President should see fit not to approve the measure, does the Senator from New Mexico believe that we could act upon it in time?

This is an emergency which we must recognize if we are sincere in our efforts to freeze the present support level on dairy products at $3.25 a hundredweight. Is the Senator from New Mexico of the opinion that, having only 20 days left to enact the legislation, and to override a veto should that become necessary—and I am of the conviction that it might very well come back with a veto—we could effect a freeze on dairy prices in such a short period of time? Are we not faced with an emergency at this time?

Let me say to my good friend from New Mexico that dairy farmers have shown a greater inclination to bring their production into line than have producers of almost any other kind of agricultural commodities. The dairy farmer has reduced the dairy cow population by 266,000 in the past 2 years.

If it were not for the abundance of cheap feed, we would not have the production we have today, because we have not the dairy cows to produce it. That is why we are faced with an emergency, and that is why I have pleaded with Senators to save the farmer, and not let the proposed reduction take effect on the first of April.

Mr. ANDERSON. That is a rather long question, and I shall attempt to answer it in this way.

First, we cannot start with the assumption that we will have disposed of such matter if we add a dairy amendment to the pending bill. Once we start

to suspend the rule in order to adopt a dairy price freeze amendment on an appropriation bill, we will find that other Members of the Senate will offer other motions to suspend the rule. If that happens, we will be considering the appropriation bill for a long time to come. If we undertake a discussion of the various commodities item by item, it will turn out to be a very lengthy discussion and a very long drawn out process. On the floor of the Senate I have taken part in the debate on many agricultural bills. There is a difference of opinion on a great many questions connected with the subject of agriculture. We already have had long discussions on the pending bill, and I am quite sure that there will be further lengthy discussions, because some of us are not persuaded that what we have stood for is wrong.

Therefore, I say, we cannot expect merely to add the dairy price freeze amendment and then adjourn.

Furthermore, I cannot anticipate what the House of Representatives would do if we were to add such an amendment to the appropriation bill. I know some of the members of the Committee on Appropriations in the House. I served on that committee in the House, and I can assure Senators that they will not accept any such provision, or at least not accept it quickly, merely because the Senate has suspended the rule in order to add such an amendment to an appropriation bill. Of course, I do not believe the Senate will suspend the rule.

Then, finally, I do not know what the President will do. That will be up to him. I would hardly presume to know what he would do. I assume the Senator from Minnesota still has some confidence in the President's good judgment. If he has, I am sure he would expect the President to veto the bill. I do not believe it would be a tragedy to the country if the President should veto the bill. I say that because it is a great mistake to say that an administrative officer shall have authority to administer a law in order to get an abundant supply of a product and then, when he has an abundant supply, he should fix the price arbitrarily.

Mr. THYE. Mr. President, will the Senator yield again?

Mr. ANDERSON. I shall yield in a moment. First, I should like to say to the Senator that I shall not attempt to answer his question except in this way: First, I do not believe the Senate will suspend the rule; second, if the Senate does suspend the rule, I look for an outpouring of all sorts of proposals, and no one knows how long it will take the Senate to debate all of them; third, if all such attempts should succeed, the House of Representatives, a coordinate branch of Congress with the Senate, may decide not to follow the pattern we have set. In fact, I have found the House of Representatives to be more liberal on these matters than the Senate.

Lastly, I will not attempt to guess what the President may do. I will leave that to his good judgment, and I would say that in his exercise of good judgment he might veto the bill.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. The point is that there is time available with reference to the other commodities involved in the resolution to which the Senator has referred. The Committee on Agriculture has reported the two joint resolutions, one dealing with dairy products, and the other with the other commodities.

Mr. ANDERSON. I am not sure that we have all the time the Senator speaks of. The able Senator from Texas [Mr. JOHNSON] represents, in part, a State where cotton is being planted and where wheat has been planted, and where grain sorghum has been planted. I am not sure that we can judge the whole country by the agricultural pattern in some of the States. It is not a simple matter. I hope the Senate will vote against the motion.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. First, Mr. President, let me say that I appreciate the kindly references which my distinguished friend has made to the senior Senator from Florida.

Second, I particularly appreciate the consideration for and recognition of the Committee on Agriculture and Forestry, which has reported Senate Joint Resolution 162, now on the calendar. That joint resolution covers all the basic commodities except tobacco, milk, and milk products. The Committee on Agriculture and Forestry has also reported Senate Joint Resolution 163, which covers only dairy products.

I wish to ask the distinguished Senator from New Mexico if he knows that it was the plan of both the distinguished chairman of the Committee on Agriculture and Forestry, announced to the committee at the time those two joint resolutions were reported to the Senate, and the plan of the majority leader not only to propose the consideration of these measures very shortly but in a definite order, taking up first Senate Joint Resolution 162, since it covers all basic commodities except tobacco, and milk and milk products; and that the effect of the adoption of the pending motion would be to defeat the intention of the chairman of the Committee on Agriculture and Forestry, as announced at the time of the approval by the committee of the two joint resolutions, and would put the two joint resolutions in reverse order, with a different approach strategically from that adopted by the Committee on Agriculture and Forestry?

Mr. ANDERSON. Yes; I agree with that statement. I said a moment ago that I have the greatest faith in the fairness of the able Senator from Louisiana [Mr. ELLENDER]. I have served with him on the Committee on Agriculture and Forestry. Although I have not always agreed with him upon every issue, if the Senator from Louisiana says, "I intend to bring up that bill," everyone had better get out of the road, because that is what he will do.

In this instance he has an agreement with the leadership.

Furthermore, I was impressed by something the Senator from Louisiana said during the discussion of the cotton amendment. He said that he would support the motion to suspend the rule with reference to the cotton amendment when it was brought up, because there was no proposed legislation on the subject pending before the Senate, but that he was opposed to any other such motion.

I was on the opposite side of the question, but I could not praise the conduct of a public official more than I can praise the conduct of the Senator from Louisiana, because he recognized that the cotton producers did not have any other recourse, and therefore they had a perfectly good reason to seek relief in this way.

However, there are joint resolutions pending on the calendar with reference to the other products. These measures should be handled in the regular course. I have served on the Committee on Agriculture and Forestry, and I have the greatest respect for that committee and the members who comprise it. I believe we should handle these measures as they come from the committee to the floor for action.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. Very reluctantly I shall vote against the adoption of the motion and against adding the proposed amendment to the appropriation bill. As the Senator from New Mexico has indicated, he has served on the Committee on Appropriations of the House of Representatives and he knows something of the principles under which that committee acts. I served on it for 12 years of the 14 years I was a Member of the House. I know that if the bill goes to the House with the proposed amendment added to it, since it is an amendment to an appropriation bill, it will be necessary to have a separate vote on it in the House, because the conferees on the part of the House will not agree to it in conference.

I voted against the cotton amendment yesterday, because I did not believe it should be added to an appropriation bill. I shall also have to vote against the dairy products amendment and against other amendments of similar character. I am one of the cosponsors of the joint resolution which is similar in language to the proposed dairy amendment, and I shall vote in favor of the joint resolution when it comes before the Senate.

However, Mr. President, I cannot in one instance take the stand of not adding to an appropriation bill legislation of one character and then make an exception in this special case, much as I should like to do so.

Mr. ANDERSON. I appreciate the remarks of the Senator from South Dakota. He was a most able member of the Committee on Appropriations of the House.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DOUGLAS. I regret that I have not been on the floor all afternoon. Is it my understanding that a pledge has

been given by the majority leader as to a definite time when Senate Joint Resolution 162 and Senate Joint Resolution 163 will be brought up for consideration by the Senate?

Mr. ANDERSON. I would not attempt to speak for the majority leader. I have merely stated that the chairman of the Committee on Agriculture and Forestry expected it to be brought up. He may wish to speak for himself.

Mr. ELLENDER. It is my understanding that both joint resolutions will be considered this week, probably on Thursday or Friday. Am I correct?

Mr. JOHNSON of Texas. I never made that statement, because I am unable to be that prophetic. I never know how long the Senate will talk. I have indicated for the RECORD several times on the floor that when we dispose of the pending appropriation bill we hope to proceed to the consideration of the housing bill. After the housing bill has been disposed of, I said, we would consider the bill reported by the Committee on Finance, known as the insurance bill. I understand some amendments will be offered to it. I also said we would then consider the farm bill.

We had hoped to be able to consider all those bills this week. How long it will be before we get to the housing bill I do not know. If we can pass the pending bill, we will have 2 or 3 hours of discussion on the housing bill this afternoon. Then we can meet tomorrow morning at 10:30. I am informed that we will probably be able to enter into an agreement for 4 hours of debate on the only controversial amendment in the housing bill; and if that is so, perhaps we can vote on it by noon tomorrow. Then I shall wish to confer with the distinguished chairman of the Committee on Finance and the distinguished chairman of the Committee on Agriculture and Forestry and schedule one of the measures reported by that committee to follow the housing bill.

Mr. AIKEN. Mr. President, have we the assurance of the majority leader that the joint resolution freezing dairy price supports will be taken up?

Mr. JOHNSON of Texas. The Senator has the assurance of the majority leader that the resolution freezing all price supports—I believe it is Calendar No. 1377, Senate Joint Resolution 162—will be taken up.

Mr. AIKEN. The Senator will not give assurance, will he, that the dairy price freeze resolution can be considered by itself, so that we may have a clear-cut vote on it?

Mr. JOHNSON of Texas. I have no present intention of doing so; it has not been cleared by the policy committee.

Mr. AIKEN. I think it must be clear to the majority leader that if we expected the President to sign a general freeze order, we would have to reflect that he would have to go back on all the principles for which he ever stood. Therefore, to include dairy products in the general freeze order would give no assistance to the dairy products at all.

Mr. JOHNSON of Texas. I have no disposition to delay the other resolution; I have just agreed to the calling up of Calendar No. 1377, Senate Joint Resolution 162.

Mr. AIKEN. It would make a difference if we had assurance that Calendar No. 1376, Senate Joint Resolution 163, would be taken up. The majority leader has it within his power to do so.

Mr. ELLENDER. I suggest to the majority leader that Senate Joint Resolution 163, Calendar No. 1376, as the Senator from Vermont has said, affects dairy products only. Calendar No. 1377, Senate Joint Resolution 162, affects all price-supported commodities. So in the discussion of Senate Joint Resolution 162, we will be discussing dairy products also. The dairy products resolution could be taken up following the consideration of Senate Joint Resolution 162.

Mr. JOHNSON of Texas. If that is the desire of the chairman of the committee and it is agreeable to the minority leader, I have no disposition to delay it.

Mr. SPARKMAN and Mr. THYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. The Senator from New Mexico referred to Senate Joint Resolution 162, Calendar No. 1377. Does that include dairy products as well as other commodities?

Mr. ANDERSON. It does, I am informed. I am not a member of the committee, but I am informed that it includes dairy products.

Mr. SPARKMAN. Does it include cotton?

Mr. ANDERSON. Yes.

Mr. SPARKMAN. Does it include other basic commodities?

Mr. ANDERSON. It includes all basic commodities except tobacco.

Mr. SPARKMAN. Tobacco is under a program of its own, separate and apart from the other basic commodites; is it not?

Mr. ANDERSON. Yes.

Mr. SPARKMAN. I am completely in sympathy with the proposal of the Senator from Minnesota concerning dairy products; but if a resolution is on the calendar, and we have the assurance of the majority leader and the chairman of the committee that it will be considered soon, it seems to me that what should be done is to proceed in an orderly manner to take it up on the calendar.

Mr. ANDERSON. I thank the Senator.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DIRKSEN. If agricultural policy is to be written into an appropriation bill so as to modify existing law, I have an amendment ready to repeal the escalator clause; I have one ready with respect to the corn allotment program; and there is no reason why they should not be offered under a suspension of the rule, if that be the will of the Senate. I shall be prepared to offer them, reluctant as I should be to do so.

Mr. ANDERSON. Not only should they be considered, but, so far as I myself am concerned, the repeal of the escalator clause is the first thing I should like to see accomplished.

Mr. DIRKSEN. Exactly.

Mr. ANDERSON. But I do not think this is the proper way to proceed. I want the proposals to come through the Committee on Agriculture and Forestry in proper fashion, and I am willing to wait.

Mr. THYE. Mr. President, we are confronted with an emergency. We have from now until midnight of March 31 in which to enact a freeze of price supports for dairy products. On the other commodities, we can legislate later, because they do not face a deadline of a certain date.

I have introduced a bill providing for a corn allotment acreage of 56 million acres in the commercial corn area. The Senate Agriculture Committee has recommended a bill providing for a commercial corn acreage allotment of 54 million acres. I hope the Senate can act on it in the next few days. I hope the Senate will also act on the resolution to freeze price supports on all commodities in the next few days. But other commodities do not have a deadline as dairy products do.

I have seen appropriation bills which, by unanimous consent agreements, have contained legislation. In this instance, because of the objection, we are confronted with the necessity of moving to suspend the rule. Yesterday I supported a motion to suspend the rule in the case of the cotton amendment, because I recognized the emergency nature of that situation.

In the case of dairy products, we are also faced with an emergency. On April 1, if the dairy farmer's income is not protected, Congress will be responsible for the failure to freeze the price of dairy products at the present level.

Mr. AIKEN. Mr. President, ordinarily I would not approve legislation on an appropriation bill. However, we appear to be faced with rather unusual circumstances.

On December 18, 1957, the Secretary of Agriculture announced that as of April 1, 1958, the price support on manufacturing milk would be sharply cut. That means a great deal to probably 2 million dairy producers. The amendment offered by the senior Senator from Minnesota is an effort to make certain that while we are trying to help everyone else by raising their income, we will not squeeze the dairymen between the millstones.

The Secretary of Agriculture made a grievous mistake in announcing this cut as of April 1. We ought to correct it in any way we can. A deadline confronts us.

It is true that last week two resolutions were reported by the Committee on Agriculture and Forestry, one providing for a general freeze of all price-supported commodities, the other providing for a freeze of the price of dairy products at the level which existed in 1957. I have tried to obtain assurance from the majority leader that both resolutions will come before the Senate for action. We have not had such assurance. In fact, if we can believe the reports we

hear outside the Chamber, we will not have a chance to vote on maintaining the support level for dairy products by itself, but only in connection with other commodities, some of which do not even need to be included, and in such a manner that the President could not, in good conscience and in view of his record, sign the legislation.

I am not certain that the President would sign a bill freezing by itself the support level of dairy products at the 1957 level. I have not asked him. I have done the best I could to have the Department of Agriculture reverse its position and be fair to the dairy industry, but my efforts have been completely ineffectual. The Department has committed a grievous wrong, and I would like to have it corrected.

It appears that this is probably the only chance we shall have to cast an effective vote to maintain the price support for dairy products at the 1957 level.

During the past 3 years, the dairymen have conducted a most effective program to help themselves. They do not deserve the treatment they are getting now. The Government holdings of dairy products have been reduced from 10 billion pounds of milk to 1¾ billion pounds in only 3 years time. That has been done at a moderate cost. The cost has been nothing compared with what the Secretary's press release said it was, namely the Secretary's claim that it was $379,500,000 for 1 year. We got a report on the dairy situation yesterday. If we take the report and figure out the dairy products which were bought in calendar year 1957, it will be found that the amount comes to considerably less than $300 million, a great deal of which was recovered.

There seems to be a determination not to let the Senate vote on a simple measure to freeze the support price for dairy products at the 1957 levels. The only way that we can show the dairy interests of the Nation whether we are for them or against them is to vote either for or against the motion of the Senator from Minnesota [Mr. THYE] to suspend the rule.

Mr. HUMPHREY. Mr. President, before the vote is taken—and I make this statement without making any reference to how any Senator will vote—let me suggest that the vote will be on a matter of procedure, not on a substantive matter. The Senate will vote on the substantive matter only if the existing procedure is set aside.

If the pending motion is rejected—as is liable to be the case—I can hear Mr. Benson say he has won a great victory.

Mr. President, it is regrettable that we are compelled to vote on a precedural matter of this nature, although there are on the calendar two joint resolutions dealing with this subject. I, too, come from a dairy State; and I, too, have to run for election. But I, too, recall that for 1 year the agricultural commodity groups of the country have been attempting to get together, so the so-called farm group would not be torn apart. Our farm legislation has been riddled because one commodity after another has been dealt with separately on the floor of the Senate. One day the Senate deals with cotton; another day it deals with wheat; another day it deals with dairy products; another day it deals with feed grains; another day it deals with tobacco; another day it deals with wool; another day it deals with sugar—commodity by commodity.

If this continues, the Members of the Senate who represent the predominantly agricultural States will—by attempting to take care of their States, at the expense of others—ruin all the producers of farm commodities.

Many Members of this body have asked me, "Why does the Senate vote for a sugar bill?" Mr. President, sugar is not one of the principal commodities produced in Minnesota, although some sugar beets are grown there.

I have heard some Members ask, "How can there be 100 percent of parity for wool at the same time that there is 75 percent of parity for dairy products?"

Mr. President, when the Congress deals with these commodities one by one, it will get in trouble.

It seems to me that Mr. Benson is one of the cleverest politicians ever to come to Washington. He has learned, and has taught, how to divide and conquer.

I have been told that the Senate will not have a chance to vote on a dairy products bill. Mr. President, Senators will have a chance to vote on such a bill, and they will also have a chance to vote to keep the price of wheat from dropping from $2 to $1 a bushel.

I say to the Members of the Senate who represent the States in which any wheat is grown that if they are willing to have the votes scattered from one end of this Chamber to the other, just so long as the Senate votes on a wheat bill, the votes of the Senators who represent the States in which wheat is produced will not be sufficient; neither will the votes of Senators who represent States in which cotton is produced; neither will the votes of Senators who represent States in which dairy products are produced; and so on, down the line.

I have said that it is time for us to discuss the facts of life. It is perfectly true that we have a gun pointed at our heads—not because one Senator or another Senator has spoken; but because the Secretary of Agriculture, at the order of the President of the United States, has said that the prices of dairy products will come down.

President Eisenhower was asked to dismiss Mr. Benson, the Secretary of Agriculture; but President Eisenhower asked some of the Members of Congress who came to him and asked him for Mr. Benson's dismissal whether they were among the very Members of the Senate who supported Mr. Benson's program. Mr. Eisenhower said that, as President of the United States, he was in favor of Mr. Benson; that Mr. Benson was carrying out the President's program; and that he, the President, was not going to dismiss Mr. Benson.

Today, I have heard Senators say that we cannot expect the President of the United States to sign a bill dealing with cotton, wheat, and all the other agricultural commodities, because for him to do so would be to violate all his principles on the subject of agriculture. Well, Mr. President, how about having the President sign a bill dealing with only one agricultural commodity? After all, I gather that one of the reasons why the President is insisting on breaking the backs of the dairy farmers is that he would do so on principle. I hope he would not do so for any other reason.

I say, candidly, that while we are speaking here, the President of the United States can raise the prices on dairy products; for that purpose he will not need an additional act of Congress, for he already has legal authority to raise those prices.

I believe that the time has come for the President of the United States to order Ezra Taft Benson, the Secretary of Agriculture, to start to take care of the interests of agriculture and to stop misleading the American people.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. HUMPHREY. I am happy to yield to the Senator from North Dakota.

Mr. YOUNG. Would it be violating any principle on the part of the President of the United States if he were to sign a bill to fix the price supports on wheat at 82½ percent of parity, as they were in 1957? Two years ago the President vetoed a bill to raise supports to 90 percent of parity and immediately afterward raised supports for wheat from 76 to 82½ percent. Would it be a violation of principle by the President of the United States if he did the same today?

Mr. HUMPHREY. Not at all; it would only be to embrace the very principle the President of the United States established a year or a year and a half ago.

Mr. YOUNG. Did the President of the United States or the Republican Party at any time during the last campaign advocate price supports of from 60 to 90 percent, as Secretary Benson is now doing?

Mr. HUMPHREY. I do not recall any such advocacy. If the President had listened to the distinguished Senator from North Dakota and if the Republican Party had done so, there would not be this impasse this afternoon.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. YOUNG. I may say that I would never have supported the reelection of President Eisenhower if he had advocated the kind of program Secretary Benson is advocating now, that of lowering support levels of basic farm commodities to 60 percent of parity.

Mr. HUMPHREY. I thank the Senator from North Dakota for his extreme candor, courage, and forthrightness.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Mr. President, when I came to the Senate in 1953, an address made by the distinguished senior Senator from Georgia [Mr.

RUSSELL] impressed me very much. In the course of that address, he said the farm population of the United States had decreased to 13 percent of the total population, but that the income received by those on the farms had dropped to 6 percent of the entire income of the United States.

About 10 days ago I thought it might be interesting to see what had happened during the last 5 years; so I obtained the figures. Whereas 5 years ago 13 percent of the population of the United States was in farming, today only 12 percent are in that business. I also find that today the income of the farmers has dropped to but 3.2 percent of the income of the United States. Five years ago it was 6 percent. In other words, there has been a drop of nearly 50 percent in 5 years.

I should like to ask the distinguished Senator from Minnesota whether he thinks those who in recent years have been working to cut against the farmer should be congratulated for the magnificent job they have done.

Mr. HUMPHREY. Mr. President, I will not congratulate them; but I will say they have done their job, even though the proportions, dimensions, and description of that job in my opinion are not what I call in the public interest.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MANSFIELD. In the same speech to which the Senator from Missouri has referred, I believe the distinguished Senator from Georgia [Mr. RUSSELL] said that, according to the figures of this administration, at that time 1,400,000 farm families were earning less than $1,000 a year. Have I correctly stated the figure?

Mr. RUSSELL. That is my recollection. The number was considerably in excess of one million.

Mr. MANSFIELD. Therefore, although I would not agree that Mr. Benson should be "congratulated," I would say he is doing a very good job to make it extremely difficult for family-size farming. In effect, he is driving such farmers off the farms; and the Secretary of Agriculture is doing nothing to benefit the group of at least 1,400,000 farm families in the United States that are earning less than $1,000 a year.

The Senator from Minnesota is correct; in other words, Mr. Bensons' technique or tactic is to divide and conquer. He will give something to one group—as he did a few years ago to the cotton producers—and the next time he will give something else to another group. But in the long run, all of them will go down the drain, and Mr. Benson will get his zero parity, instead of the 75 percent of parity on dairy products on April 1, or a reduction from $2 a bushel to $1.78 a bushel on wheat.

I believe it is about time for the different farm groups with divergent interests to wake up and get together and take cognizance of the joint resolutions which on last Friday were reported by the Senate Committee on Agriculture and Forestry.

Mr. HUMPHREY. I thank the Senator from Montana.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. When the Secretary of Agriculture came before the Senate Agriculture Committee, I asked him how he felt the farmers could get along, when the first thing the new Secretary of the Treasury tried to do was raise the price of money. I am not saying that was wrong. It helped the bankers.

Similarly, the first thing the new Secretary of Commerce tried to do was to increase the profits made by business.

The first thing the new Secretary of Labor tried to do was increase the minimum-wage law. He was successful in his effort. The President sent to Congress a recommendation that the minimum wage be increased.

I asked the Secretary of Agriculture how he thought the farmers in this country could live if at the same time when all the other members of the Cabinet, representing their respective segments of the economy, were working to increase the income for their segments, he, the Secretary of Agriculture, was attempting to reduce the prices and the price supports for the commodities produced by the very people he is supposed to be representing.

If anybody has any doubt about the mistiness of these policies, I suggest he read the RECORD of those hearings which will be printed soon.

The president of the largest farm organization in Missouri has been saying that depressions are farm bred and farm led. I am not saying we are in a depression. It is said a recession is when one's friends lose their jobs, a depression when one loses his own job. The logic, justification for that statement about farm-bred and farm-led depressions may be found in the fact that many of the small towns in my State are in trouble. That trouble is being reflected in unemployment in the larger towns. It looks like we are going through the same old cycle.

Mr. HUMPHREY. I thank the Senator. There are Members of the Senate who feel very strongly about the rules of procedure, and undoubtedly will follow a strict interpretation of the rules, regardless of how this vote may ultimately turn out. If the vote is not to suspend the rule, I want the RECORD clear that it shall not be interpreted as any vindication of Mr. Benson's agricultural policies. I regret we have to have this kind of demonstration, because ultimately, we ought to be voting on the substantive question of the issue itself. Regardless of how the vote may turn out, we are going to have to accomplish our purpose, anyway. We are going to have to say whether we approve or do not approve of the agricultural policies of this administration. I believe the sound procedure for the long pull is to see to it that the great agricultural community is considered in a comprehensive program, in a total program. In so doing I think we shall hold together the power and the strength which exists in this Chamber to protect the interest of the real minority group in the country today. The farm group is a minority, and needs our help as it never needed it before.

I think we should have a procedure in this body whereby we can carry out the desired program. Obviously, some are going to disagree with us. We do not impugn their motives. Many persons do not agree with my position on farm supports. Many persons do not agree with my position on feed grains and how I think they ought to be treated. There is on the calendar a resolution which would treat every commodity on the same basis it was treated in 1957.

I ask the majority leader again if we can have his assurance that this resolution will be acted on as soon as the housing bill and the tax bill are disposed of. I regret he has decided to wait until the tax bill is disposed of, but I understand there is a deadline involved.

Mr. JOHNSON of Texas. Mr. President, I do not think one gains anything by repeating assurances, but I do repeat, not that there will be action, but that the majority leader will move to consider the measures in the order suggested by the chairman, namely, that Order No. 1377, Senate Joint Resolution 162, will follow the tax bill, and that Order No. 1376, Senate Joint Resolution 163, will follow Senate Joint Resolution 162.

I do not give assurance that action will be taken. I will make the motion to proceed to the consideration of the bills. Action will be up to Members of the Senate. I hope we can act. If we can stop talking on the bill now before the Senate, we will be able to make progress. We shall stay late tonight. We are to meet early tomorrow morning. If we can have a unanimous consent agreement on the Monroney amendment, the only controversial amendment in the housing bill, we could perhaps vote on the farm measures late tomorrow evening.

Mr. HUMPHREY. I thank the Senator. I regret I have had to ask him for reassurance. Three or four of my colleagues were not in the Chamber at the time the Senator gave his assurance. I understand correctly that both resolutions will be acted on.

Mr. JOHNSON of Texas. I am always glad to be fully responsive to my friend.

Mr. KERR. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Will the Senator state briefly and precisely the question on which the Senate is about to vote?

Mr. HUMPHREY. The question on which the Senate is about to vote is the motion to suspend the rules, in order that, following that motion, if it is carried, price supports on milk and milk products can be sustained at 1957 levels. By the way, I am for sustaining the price supports. I want my position clear. There are differences of view on the question. I am for that.

Mr. KERR. I desire to say that the Senator from Oklahoma is equally as strong for it. He is happy to know the attitude of the distinguished Senator from Minnesota who is among those who are most effective and able in advocating that position.

Would the Senator from Minnesota give the Senator from Oklahoma his

understanding of the percentage of votes required to adopt the motion to suspend the rules?

Mr. HUMPHREY. It would require a vote of two-thirds of those present and voting. It was on that basis that I stated I was afraid we might see some columnists and editorials interpreting the action as a vindication of Ezra Taft Benson's policies.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. KERR. I am aware of the Senator's distinguished and able ability as a parliamentarian. I ask him if it is not a fact that a motion to consider the resolution which generally deals with this question—that is, of maintaining throughout 1958 the level of price supports on all farm products which prevailed in 1957—could not be adopted by a two-thirds vote of those present and voting.

Mr. HUMPHREY. It is my understanding that could be done, yes.

Mr. KERR. So if the Senator making the motion to suspend the rule, with reference to voting on this question as an amendment to the appropriation bill, which I understand is now before the Senate, was really concerned with the merits of his case rather than with a procedural operation, he could as easily get the agricultural resolution before the Senate for consideration as he could get the rule suspended, in order that it might be considered as an amendment to the bill which is now before the Senate. Is that correct?

Mr. HUMPHREY. I will say I am not positive of that. That may be the case, but there are able parliamentarians present.

Mr. KERR. Will the Senator join with me in propounding that parliamentary inquiry of the Chair?

Mr. HUMPHREY. Yes. Will the Senator propound the parliamentary inquiry?

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. I asked the Senator from Minnesota if he did not share my understanding that it would require two-thirds of those present and voting to sustain the motion on which the Senate is about to vote.

The PRESIDING OFFICER. The Chair will state, in answer to the inquiry, that it takes a two-thirds vote to suspend the rule.

Mr. KERR. That is the question on which the Senate is about to vote, is it not?

The PRESIDING OFFICER. The Chair refers to a motion to suspend the rule. Following such action, an amendment to freeze present price supports would be subject merely to a majority vote.

Mr. KERR. Could not the Senator making the motion to suspend the rule, to permit an amendment to the bill before the Senate, by an equal vote bring up for consideration at this time proposed legislation on the calendar, the purpose of which is to hold the present price support level for farm products prevailing in 1957 through 1958?

The PRESIDING OFFICER. The Chair inquires if the question is whether the proposal to broaden the freeze on price supports would be offered as an amendment to an amendment?

Mr. KERR. No. The parliamentary inquiry I propounded was whether we could not with equal ease lay the pending question on the table and bring up the proposed legislation having to do with the very subject.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that a motion to bring up a matter for consideration of the Senate is in order, and that therefore a majority vote of the membership could accomplish that end.

Mr. IVES. Mr. President, will the Senator yield?

Mr. KERR. A further parliamentary inquiry, Mr. President.

Mr. IVES. I should like to state a parliamentary inquiry. The yeas and nays have been ordered.

Mr. KERR. Mr. President, the Senator from Minnesota yielded to me for the purpose of propounding a parliamentary inquiry.

Mr. IVES. Mr. President, the yeas and nays have been ordered.

The PRESIDING OFFICER. In answer to the Senator from New York, the Chair will advise that even though the yeas and nays have been ordered, the Senate would not be prevented from taking up for consideration a measure properly on the calendar of business of the Senate. After the completion of the consideration of such a bill on the calendar, if taken up now for consideration by a majority vote, the yeas and nays would still be pending on the motion of the Senator from Minnesota if the Senate returned to consideration of the question now before the Senate. The yeas and nays have been ordered on the motion of the Senator from Minnesota to suspend paragraph 4 of Rule XVI.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KERR. In the light of the information which the Chair has just given the Senator from Oklahoma, the Senator from Minnesota and the other Senators, to the effect that by a majority vote the proponents of this motion to suspend the rule could have a matter in which they are interested, voted on, in lieu of the pending matter, is it not amazing that they insist upon the peculiar procedural method they are now attempting to bring about?

Mr. HUMPHREY. It is, indeed. It seems to me it might be a very good suggestion that we simply proceed to consider that resolution, since we have taken up this much time with regard to agricultural matters, and since a very effective case has been made about the iniquitous action of the Department of Agriculture and the administration relating to dairy price supports.

I see no reason at all for the Senate not wanting to proceed to consider Senate Joint Resolution 162, which is Calendar No. 1377, by a simple majority vote, since it is not necessary to get a vote of two-thirds of the Senators present. We can then pass that resolution. The resolution has been reported by the committee. The resolution has all the support we could hope for, with the exception of, I believe, 2 or 3 who voted against it in the committee.

We could also move to proceed to the consideration of Calendar No. 1376. I see no reason why we should exclude these other matters. I say to my friends from the cotton areas and wheat areas and other areas that I see no reason why their areas should be excluded.

Believe me, the head of the Department of Agriculture has been pretty clever in setting one of us against the other, in pitting one group against the other, and in putting one group out in front and the other in the second position.

I must say, before we proceed to try to get a two-thirds vote, it might be very proper to give thoughtful consideration to obtaining a majority vote, which I gather would be slightly easier to obtain.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. In view of the palpitating eagerness on the part of some Senators to protect a limited group of farmers by this extraordinary procedural effort, does the Senator from Minnesota not feel that they would gladly substitute the other procedure, under which a simple majority vote would give them the opportunity to gratify the burning desire in their hearts to tell Mr. Benson what he must do with reference to a limited group of farmers without remaining entirely silent as to the great mass of farmers equally entitled to this treatment?

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I will gladly yield to my colleague from Minnesota.

Mr. THYE. Mr. President, is the procedure which is now before us as to the dairy farmers not the same procedure that Senators endeavored to follow with regard to cotton farmers yesterday? I only followed the procedure intelligent parliamentarians in the Senate endeavored to follow yesterday with respect to the cotton-acreage question.

Mr. KERR. I rise to a point of personal privilege, Mr. President.

Mr. THYE. My only schooling is what occurred yesterday.

Mr. SYMINGTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. Mr. President, I yield first to the Senator from Oklahoma.

Mr. KERR. The Senator from Oklahome desires to make a point of personal privilege.

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. I hope that the Senator from Minnesota [Mr. THYE] was not leveling his gun at me when he said "intelligent parliamentarians," but if he was looking at me, Mr. President, I want

to say that the distinguished Senator, with his great ability and knowledge, could not have made the statement sincerely, and I ask him to retract it, since it evidently was made in sarcasm and derision.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield now to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, if I may address a statement to the Senator from Minnesota [Mr. THYE], after hearing his last remarks, let me say that I was one of the cotton State Senators—and there were others—who voted against the so-called cotton amendment yesterday. One reason I did so was that a measure directly related to the problem is pending on the calendar. That measure came from the Committee on Agriculture in an orderly way. It looks toward not acreage increases but acreage allocation.

As I understand Senate Joint Resolution 162, all the basic commodities with the exception of tobacco are included in its provisions.

Mr. HUMPHREY. The Senator is correct.

Mr. SPARKMAN. I learned about this only from newspaper reports, but a few months ago I noted in the newspapers that the Secretary of Agriculture had announced that for 1959 he would cut the cotton acreage by 25 percent. I know that the cotton farmers cannot stand a 25 percent cut in the cotton acreage.

It is my understanding that Senate Joint Resolution 162 would provide for allocation of the same acreage in 1959 that is allocated in 1958. May I ask the Senator if my understanding is correct?

Mr. HUMPHREY. That is absolutely correct.

Mr. SPARKMAN. Mr. President, I desire to make it clear that I believe in a good program for every single farm commodity. I support a program for dairy products. Dairying has some importance in my State, but not the same importance it has in the State of the Senators from Minnesota and in the States of some other Senators. However, I support a sound dairy program. I shall vote for the program which is proposed.

I do not wish to find myself in the position of voting for one segment of agriculture, voting for another segment of agriculture, and then finding that the cotton farmers have been left out in the cold. Therefore, I propose to support Senate Joint Resolution 162 when it comes up for consideration from the calendar, with the understanding that almost without exception all basic farm commodities are included.

Mr. HUMPHREY. I thank the Senator from Alabama.

Mr. President, I desire to yield the floor, but first I will yield to the Senator from Missouri, who previously asked me to yield.

Mr. SYMINGTON. I thank the Senator.

Mr. President, on page 3747 of yesterday's RECORD there is a colloquy which, better than anything the Senator from Missouri has read in a long time, shows the true position in which the American farmer now finds himself.

Mr. President, in this colloquy, led by the distinguished senior Senator from Vermont [Mr. AIKEN], there were also remarks by the distinguished senior Senator from Georgia [Mr. RUSSELL], the distinguished junior Senator from North Dakota [Mr. YOUNG], and the distinguished junior Senator from Louisiana [Mr. LONG].

Mr. President, I hope all those who are interested in the future of the American farmer will read this colloquy on pages 3747 and 3748 of yesterday's CONGRESSIONAL RECORD.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SYMINGTON. This colloquy gives the truth about the problem of our farmers.

Mr. AIKEN. Mr. President, if the Senator will yield, does he refer to the colloquy concerning the depletion allowance and other subjects?

Mr. SYMINGTON. The colloquy I referred to has to do with all types and character of subsidies other segments of the economy are receiving, at the same there is so much objection to supports for the farmer.

Mr. AIKEN. Yes. I thank the Senator from Missouri. I am very glad to have the colloquy referred to in the RECORD the second time.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have no questions. I desire about a minute on my own time.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, we have had discussion relative to the parliamentary inquiry. I thank the Senator from Oklahoma for his participation in bringing this subject to the attention of the Senate.

Someone might say, "If any Senator can move to proceed to the consideration of Senate Joint Resolution 162 or Senate Joint Resolution 163, why not do it, since that can be done by majority vote?" I wish to make my position crystal clear as to why I do not propose to do so. I believe in orderly procedure. I do not believe it is right to try to supersede the leadership, particularly when there is legislation on the calendar, and particularly when the leadership has said that such legislation will be brought up immediately. If the leadership were to say, "The legislation is on the calendar, but we do not know when we are going to bring it up, if ever," then I should say we would be at a point where we would need to move affirmatively.

The Senate cannot operate in an orderly fashion if each individual Member of the Senate jumps up and moves to consider various bills. That is a difficult matter to explain to one's constituents.

I want the record to be crystal clear that I am not about to embarrass the majority leader, the minority leader, or the policy committee when they outline their program, even though such a thing could be done. We might have a good hot argument, and become tied up in the discussion of a great many little things, and not get to the issue.

Therefore, I feel that we should vote on the pending question, which is a motion to suspend the rule. However, I think we ought to bear in mind that the very same question can be determined by a simple majority, by adopting an orderly procedure with respect to Senate Joint Resolution 162 or Senate Joint Resolution 163. Whether the President would sign such joint resolutions or not, I do not know. I do not see how he can apply one principle to wheat but not to dairy products, or one principle to dairy products which does not apply to cotton or wheat.

I think it is an outrage that the support prices have been reduced. I want my position to be crystal clear. I have protested this action from the day I heard it rumored. I have heard it rumored that the Secretary may increase the price levels. If he does, I shall be the first to thank him for doing so. In the meantime, I suggest that we have orderly procedures to follow for the benefit of American agriculture.

Mr. JOHNSON of Texas. Mr. President, I appreciate the Senator's expression of confidence. I assure him that once we shall have acted on the appropriation bill and the tax bill, we shall proceed to the consideration of the two joint resolutions to which he has referred, and about which he has spoken to me. I refer to Calendar No. 1376, Senate Joint Resolution 163, and Calendar No. 1377, Senate Joint Resolution 162. I am hopeful that we may be able to reach them before the end of the week.

Mr. HUMPHREY. I think it is imperative to do so.

Mr. AIKEN. Mr. President, I must take exception to the statement of the Senator from Minnesota that the Secretary of Agriculture cut the price support on dairy products at the direction of the President. I do not know to what extent the President was consulted. We hear, however, that the White House was considerably concerned over the situation, and the President was reported in one of the newspapers about a week ago as saying that merely because he declined to dismiss the Secretary of Agriculture, that was not to be taken as an indication that he favored the cut in dairy supports. I think the President probably knows more about his relations with the Secretary than does any Member of the Senate.

I am also quite concerned that any Member of the Senate should rise and serve notice on the dairymen that unless they cooperate and give their support and their vote to the producers of other commodities and other interests with which they may not be concerned, they will not receive consideration in the solution of their own problems.

I was sent here largely by the vote of the dairymen of my State, but they did not send me here to trade votes. They sent me here to do what is right.

Mr. NEUBERGER. Mr. President, I am a comparatively new Member, but I

regret what I have witnessed in the past 2 days.

Yesterday I saw Senators from cotton-producing States delaying the vote on the appropriation bill for a day. That represented a delay which was lost to an orderly consideration of legislation which would affect cotton, dairy products, and all other agricultural products.

Today Senators from dairy-producing States are delaying the orderly procedure in bringing up agricultural legislation.

I come from a dairy State. My wife's family operates a dairy farm. Yesterday I voted against suspending the rule for the consideration of a cotton amendment. I admire the two Senators from Alabama, who, in my opinion, had the intellectual integrity to vote against disorderly and questionable procedure, the purpose of which was to enable a farm commodity grown in their State to receive special consideration.

Today I shall vote against a disorderly procedure proposed by the distinguished Senator from Minnesota [Mr. THYE] in order that dairy products, which are major agricultural products in my State, might receive special consideration. I am doing so because I have faith in the pledge made on the floor of the Senate by the majority leader that, in an orderly process, and under an orderly procedure, Calendar No. 1376, Senate Joint Resolution 163, a joint resolution to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices, will be brought up in the regular business of the Senate.

I support that joint resolution. I believe that our dairy farmers are entitled to it. They need and merit it.

I have said so, many times in the past. But merely because I come from a dairy State, I do not propose to be frightened into suspending a rule of the Senate and undertaking what seems to my inexperienced eyes, ears, and mentality, to be a disorderly procedure, for the purpose of giving priority to one commodity over another, and opening the floodgates to people from every State which grows wheat, corn, peanuts, or anything else, to do likewise.

Mr. THYE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. THYE. Does not the Senator from Oregon recognize that we are confronted by the time factor? This is the 11th of March, and we have only until midnight of March 31.

Mr. NEUBERGER. As I stated previously, I believe that the one day consumed yesterday in an effort to suspend the rule for the benefit of cotton, and the one day taken today in an effort to suspend the rule, under the motion of the Senator from Minnesota, for the benefit of dairy producers, have cost us 48 hours during which cotton legislation and dairy legislation could have been brought up in an orderly procedure from the Committee on Agriculture and Forestry, and passed.

I also recognize that the practice we are following, if indulged in by every Senator who feels a sense of loyalty and obligation to the products of his State, would result in indefinitely prolonged efforts to suspend the rule.

Mr. THYE. This is a very orderly procedure that we are following. The rules are set forth in the Senate Manual. Notices were properly filed. The Parliamentarian has advised me on every procedure I have followed. I am operating in accord with the rules. My conduct has been exactly what the rules prescribe.

Mr. NEUBERGER. Does the Senator from Minnesota—who, if I am not mistaken, is a distinguished member of the Committee on Appropriations—believe that any Senator who feels he has a particular interest in some farm commodity or some piece of social legislation should move, during the consideration of an appropriation bill, to suspend the rule in order that his legislative language may be added to such appropriation bill whenever it comes before the Senate?

Mr. THYE. If the Senator will further yield, I will answer his question.

There have been many times when, by unanimous consent, we approached the question of cotton in exactly the same manner we are now approaching the dairy products proposal by a motion to suspend the rule in connection with an appropriation bill.

I have seen legislative paragraphs placed in appropriation bills under unanimous-consent agreements. However, in this instance there was denial of unanimous consent. The Senate Manual prescribes how we shall proceed by positive action. I followed the course of positive action. I am proceeding in a very orderly manner, as prescribed by the Senate Manual.

Mr. NEUBERGER. Mr. President, I do not wish to presume further upon the time of the Senate.

It may be a very naive and unsophisticated conclusion, but I have always presumed that farm legislation should come from the Committee on Agriculture and Forestry. Legislation dealing with dairy products has been reported by the Senate Committee on Agriculture and Forestry. It is on the Senate Calendar. It bears a calendar number. We have had assurances from the majority leader—and if I am not mistaken the minority leader concurs in such assurance—that this joint resolution will be brought up very soon, in the orderly procedure of the Senate. I support that procedure. I intend to vote for the joint resolution when it is called up by the majority leader and his associates; and I trust that it will pass in very short order.

Mr. THYE. Mr. President, will the Senator yield further, for a brief comment on his remarks.

Mr. NEUBERGER. I yield.

Mr. THYE. Mr. President, the disinguished junior Senator from Oregon and I are not of contrary opinions or views on this subject. I have proceeded in an orderly manner. I did not give notice of my intent to suspend the rule until such time as the Committee on Agriculture and Forestry, by a very firm vote had approved the freeze on dairy projects and had approved the freeze on the other commodities. That approval was reflected by the committee reporting to the Senate the joint resolutions to which reference has been made.

I acted only because of the time factor. We must act promptly if our action is to be effective in freezing dairy products before the expiration time. That is why I have proceeded to ask for the suspension of the rule.

If we can suspend the rule, we can then debate the question, and then we can have an effective freeze just as if we had acted on the joint resolutions which are on the calendar, and which have been overwhelmingly approved by the Committee on Agriculture and Forestry.

Mr. NEUBERGER. If we were to proceed in the manner suggested by the Senator from Minnesota, we might as well abolish the Committee on Agriculture and Forestry.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. I believe my colleague is absolutely right in the position he is taking with regard to the joint resolutions. The situation has changed remarkably since the debate started. The Senator from Minnesota performed a service by offering the motion in the the first place, because as a result of the debate on the procedure we now have the situation pretty well cleared up so far as future action on the joint resolutions is concerned. We have the assurance now, which we did not have at the beginning of the debate, that the Senate will take up those resolutions, and that they will be taken up a long time in advance of the 31st of this month.

I believe my colleague has performed a service in pointing out that if we defeat the Thye motion we will proceed, after we conclude consideration of the housing bill and the tax bill, to the consideration of the agricultural joint resolutions. No two-thirds vote will be required for those resolutions. They can be passed on the basis of a majority vote, or defeated on the basis of a majority vote. That is the orderly way in which to treat all commodities. They should be treated alike.

When it became perfectly clear to me yesterday that there was a strong possibility that we were going to find ourselves in the position of one product being picked out and treated specially, I made up my mind that I would vote for the motion to suspend the rule in regard to each commodity, as I was satisfied the motions would be made in rotation. I started out with cotton. As my colleagues know, I said in committee, "I think this is bad procedure, but it is the only way we can get to the problem."

Now we have had the air cleared, so far as knowing that we will have a chance to vote on the two joint resolutions. In view of that fact, I want my colleague to know that I intend to join him in opposition to the motion to suspend the rule.

In conclusion, I wish to say that the suspension of the rule is not a disorderly procedure in the Senate. If the parliamentary situation in a given instance justifies a suspension of the rule, it is perfectly orderly procedure. Other-

wise, we would have to take the position that we should repeal the suspension-of-the-rule provision. The suspension-of-the-rule provision is important, to be used in those rare instances when it is necessary to use it. This is not one of those circumstances. It would be if we did not have the assurance that the agricultural joint resolutions will be brought before the Senate before the week is out.

I am very glad my colleague has pointed out to the Senate in a very clear way the procedure we should follow.

Mr. NEUBERGER. I thank the senior Senator from Oregon. It seems to me that dairy legislation should come to the Senate from the Committee on Agriculture and Forestry. We have the assurance of the chairman of that committee and the assurance of the majority leader that this proposed legislation will be before us.

SEVERAL SENATORS. Vote! Vote!

Mr. DIRKSEN. Mr. President, I am not sure whether Members of Congress—and what I say refers to both branches of the Congress—seek to absolve themselves of their own blame and lay it upon the shoulders of the Secretary of Agriculture.

If I understand the Farm Act of 1949, as amended, it provides very distinctly and very expressly that the Secretary of Agriculture shall set the support price at such point between the brackets of 75 percent and 90 percent, as will secure an adequate supply of a particular commodity.

The Secretary of Agriculture calls in his economists and his advisory committee on those commodities, and his own stabilization experts. They have determined that the 75 percent level will assure an adequate supply. On the 18th of December, the Secretary announced that fact to all the world, and said that the new price support would become effective on the 1st day of April 1958. That is the law. That is what Congress wrote. Now, through the instrumentality of an amendment to an appropriation bill, it is proposed to modify that law. It is intended to freeze the price support and to tie the hands of the Secretary of Agriculture. We will say to him, "Yes, that is what we did say."

He says, "That is the law I have followed. That was your mandate. That was your direction."

Now we propose to say to him, "We do not like what you have done."

It is therefore proposed to use the instrumentality of an appropriation bill in order to tie the Secretary's hands.

What an amazing procedure. Let us confess our own sins here today.

The act of 1949 and every amendment to it was written by Congress. Its enactment required the concurrence of the House and the Senate.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Not for the moment. Let us be men enough to stand up and take our medicine. If something is wrong, in the dairy area, let us propose amendments in the regular form.

The Secretary is right. Those who deliver their imprecations and tirades against him, as they have this afternoon, are wrong. That devoted and humble man from Utah does not need any defense from me. His character and his devotion and his dedication to the cause are sufficient defense. Surely he can be wrong. All of us can be wrong. However, I will be the last to take advantage of him, and I will be the last to sit in silence and see the finger of scorn pointed at him, and his character maligned, on the ground that he has perpetrated a disservice to agriculture. If we have ever had a more devoted Secretary of Agriculture in the history of the Republic than Ezra Taft Benson, I should like to know it. I will let no day pass without defending him. He may be wrong, but no one, without my protest, will ever put in issue his character and his devotion to the farmers of America.

Mr. AIKEN. Mr. President, the provisions of the law relating to dairy price supports are exactly the same, word for word, as they were 2 or 3 years ago, when the Secretary of Agriculture raised the support price for dairy products from 75 to 83 percent of parity.

At the time the Secretary raised the support price from 75 to 83 percent of parity, the Government owned the equivalent of more than 10 billion pounds of milk. Now the Government owns the equivalent of 1¾ billion pounds of milk.

If the law prevents the Secretary from holding the support price at the 1957 level today, there was a clear and definite violation of the law 2 years ago, because the law was the same, word for word, as it is now.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota [Mr. THYE] to suspend the rule. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN, when his name was called, voted "yea."

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Chair regrets to inform the Senator from Washington that the yea and nay vote is in progress, and the first name has been called.

Mr. MAGNUSON. I was on my feet before the vote began.

The PRESIDING OFFICER. The Chair informs the Senator from Washington that the vote may be suspended only by unanimous consent.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the voting be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. I shall take only a minute.

Mr. THYE. Mr. President, as I understand, this procedure will not change the parliamentary position of the motion, because the yeas and nays have been ordered, and one vote has been recorded.

The PRESIDING OFFICER. The yeas and nays have been ordered, and one vote has been recorded. Unanimous consent has been given to suspend the vote, so as to enable the Senator from Washington to make a brief statement.

Mr. MAGNUSON. Mr. President, I know there is great confusion today about the action concerning the dairy problem. I have just listened to the Senator from Illinois [Mr. DIRKSEN] chastise Congress as a whole about dairy price supports and the law.

Mr. DIRKSEN. I was confessing my own sins.

Mr. MAGNUSON. If the Senator from Illinois was confessing his sins, this is probably one sin which some others of us do not need to confess.

On the other hand, many Senators who were opposed to that provision of the dairy price support law away back when it was started, and who have opposed it ever since and have voted against it, still think it is wrong. I still think that the authority granted to the Secretary of Agriculture to regulate the price supports on dairy products is wrong. I have always favored higher price supports. I think the RECORD should show that all Members of Congress did not favor that law in 1949. All Members of Congress still are not for that provision of the law.

If it is necessary to take up this matter in piecemeal fashion, that is the way we shall have to take it up.

This has been my serious conviction for many years. Therefore, I shall have to vote with the senior Senator from Minnesota, because I have not prevailed for all these years. This is one chance I have to reiterate again that I do not believe the action on dairy price supports or the law that allows them was correct when it was passed.

The PRESIDING OFFICER. The yea-and-nay vote will continue. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The yeas and nays resulted—yeas 30, nays 59, as follows:

YEAS—30

Aiken	Javits	Payne
Allott	Jenner	Potter
Barrett	Kefauver	Proxmire
Church	Langer	Schoeppel
Cooper	Long	Smith, Maine
Dworshak	Magnuson	Stennis
Eastland	Mansfield	Symington
Flanders	McClellan	Thye
Ives	Morton	Wiley
Jackson	Mundt	Young

NAYS—59

Anderson	Capehart	Curtis
Beall	Carlson	Dirksen
Bennett	Carroll	Douglas
Bible	Case, N. J.	Ellender
Bricker	Case, S. Dak.	Ervin
Bridges	Chavez	Frear
Bush	Clark	Fulbright
Butler	Cotton	Goldwater

Green	Knowland	Russell
Hayden	Kuchel	Saltonstall
Hickenlooper	Lausche	Scott
Hill	Martin, Iowa	Smathers
Hoblitzell	Martin, Pa.	Smith, N. J.
Holland	McNamara	Sparkman
Hruska	Monroney	Talmadge
Humphrey	Morse	Thurmond
Johnson, Tex.	Neuberger	Watkins
Johnston, S. C.	Pastore	Williams
Kennedy	Purtell	Yarborough
Kerr	Revercomb	

NOT VOTING—7

Byrd	Malone	Robertson
Gore	Murray	
Hennings	O'Mahoney	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, not having voted in the affirmative, the motion to suspend the rule is rejected.

PROPOSED REDUCTION OF EXCISE TAXES

Mr. DOUGLAS. Mr. President, earlier in the day I stated that I was waiting for telegrams from the automobile industry as to whether it would agree to pass on to the ultimate purchasers of automobiles any reductions in the excise tax on automobiles, if such reductions were made.

At this time, I should like to read three telegrams I have received. The first is from Henry Ford II, and is addressed to me. I believe similar telegrams have been sent to both the Senators from Michigan. The telegram reads as follows:

DEARBORN, MICH., *March 11, 1958.*

Hon. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.:

You may be assured that any reduction in the automobile excise tax that may be determined by the present session of the Congress will be excluded from our charges to our dealers and that we will make specific recommendations to them that they, in turn, exclude the amount of any such reduction from their charges to their customers.

HENRY FORD II.

The second telegram I have received comes from George Romney, president of American Motors Corp. It reads as follows:

DETROIT, MICH, *March 11, 1958.*

The Honorable PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.:

American Motors would pass on to our dealer customers the benefit of excise tax reduction on appliances and cars and would encourage our dealers to pass benefits on to their customers. We support prompt elimination of these excise taxes. Prolonged consideration would add to public uncertainty and be harmful.

GEORGE ROMNEY,
President, American Motors Corp.

The third telegram comes from Frederick J. Bell, executive vice president of the National Automobile Dealers Association. This telegram reads as follows:

WASHINGTON, D. C.

The Honorable PAUL H. DOUGLAS,
United States Senate:

The following telegram was sent this morning to the President and is passed to you for information and appeal for your support:

"THE PRESIDENT,
"The White House,
"Washington, D. C.:

"The 25,000 franchised automobile dealers who comprise the National Automobile Dealers Association urge most respectfully and emphatically that the manufacturers' excise tax on automobiles, parts, and accessories be removed. Our members have pledged themselves to pass along immediately to the consumer the cost benefits that would thus accrue when passed to the dealer by the manufacturer. In the opinion of these many thousands of small-business men, this action would be dramatic, heartening, and of immediate benefit in removing the log-jam that seems to be bottling up consumer confidence in the current state of the economy.

"FREDERICK J. BELL,
"Executive Vice President,
"National Automobile Dealers Association."

Mr. POTTER. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DOUGLAS. I am glad to yield.

Mr. POTTER. I appreciate the fact that the Senator from Illinois has read the telegrams he has received from Henry Ford and from the president of American Motors Corp. I wish to assure the Senator from Illinois that I have been informed by the president of General Motors Corp. and by the president of the Chrysler Corp. that telegrams from them are en route to him, giving the same assurance that he has received from the others.

Mr. DOUGLAS. I appreciate very much that assurance. I hope when they are received, either the Senator from Michigan or the Senator from Illinois will put them into the RECORD.

Mr. LONG. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. LONG. Is there any reason why General Motors Corp. or the Ford Motor Co. cannot cut the present prices of their automobiles; or are all those companies in a loss condition?

Mr. DOUGLAS. I, myself, would like to see the prices cut. But apparently we have received from the automobile manufacturers pledges that any reductions in the excise taxes on automobiles or parts will be passed on to the dealers, and that the manufacturers will try to have the dealers pass them on to the consumers and purchasers.

Mr. POTTER. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. POTTER. In commenting on the question asked by the Senator from Louisiana [Mr. LONG] about such a reduction, let me say that all of us would like to see the prices of automobiles reduced. I hope all the companies will be able to do the same thing. I would hate to see a price war which would result in driving the American Motors Corp. or the Chrysler Corp. out of business.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. MORSE. Mr. President, I should like to have the attention of the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN]. I desire to call attention to one provision in the bill now before the Senate. In that connection, I refer to the following paragraph on page 9 of the committee report:

> The committee recommends the addition of $3,000, in order to compensate the Chairman of the Commission for the period between the expiration of his prior appointment and his confirmation for his present appointment.

Of course that refers to Mr. Kuykendall, the Chairman of the Federal Power Commission.

The record shows that some Members of the Senate, including myself, considered him then, and still consider him, to be completely disqualified to hold the position he occupies.

It is my recollection that the Chairman of the Federal Power Commission, when the hearing on the question of confirmation of his nomination was being considered, testified that his name was off the door; that he was off the payroll; that he was not functioning as Chairman of the Commission.

So I am a little at a loss to understand why a $3,000 gratuity should be given the Chairman of the Federal Power Commission for the period of time when, according to my understanding, he was not performing any service for the taxpayers, and when he was subject to a very legitimate and sincere inquiry into his qualifications.

In my judgment the proposed gratuity would constitute an exceedingly bad practice. I should like to be informed whether any precedents in support of such action can be pointed to. If there are any such precedents, certainly they are bad ones; and certainly we should not establish another bad precedent.

It is most unfortunate if we have come to the point where, when a person is nominated to a particular position, and when many Members of the Senate have sincere differences of opinion as to his qualifications, and when some Members of the Senate think that because of the course of action he has followed, he is completely disqualified to hold the job to which he has been nominated, he is thereafter to be given a gratuity in the amount of $3,000 for a period of time when he did not perform any service for the taxpayers of the country. If such a gratuity is to be paid, certainly we have reached a rather bad state of affairs in connection with the handling of the money of the taxpayers.

First of all, I should like to know what allegations have been made in justification of the proposed payment. After I hear about that point, I shall raise a series of parliamentary inquiries in regard to this matter.

I should like to have the chairman of the committee tell me what the committee offers as justification for the proposed payment of a gratuity of $3,000 to Mr. Kuykendall.

Mr. HAYDEN. Mr. President, in the Appropriations Committee we were advised that the Senate Committee on Interstate and Foreign Commerce had considered this matter and had recom-

mended that this action be taken; that the long delay in confirming the nomination ought not prevent the nominee from receiving some compensation for that period of time. That is why the committee placed the provision in the bill.

Mr. MORSE. He was to be compensated for idly standing by while a duly constituted committee of the Senate investigated his qualifications and conducted hearings on an appointment as to which there was a decided split of opinion as to whether he should have been appointed in the first place, and confirmed, in the second place. I see no justification for paying a man to sit idly by while the confirmation issue was under question. In my opinion, it is a giveaway of the taxpayers' money that is unwarranted.

Mr. President, I raise a parliamentary inquiry if under the circumstances of this case it does not amount to legislation on an appropriation bill. The language to which I have reference appears on page 7, lines 16 through 19.

Mr. HAYDEN. It was recommended that the Appropriations Committee take this action. It was no fault of the man. He had no interim appointment. He could not do anything else. He had to live, and was entitled to compensation.

Mr. MORSE. He was not doing anything. I think the record will show he was not working for the taxpayers of the country. He was not working for the Federal Power Commission. I do not think we have any right to give him a gratuity while the question as whether his appointment should be confirmed was under consideration. After all, he should have been doing something to entitle him to compensation.

Mr. President, may I have an answer to my parliamentary inquiry?

The PRESIDING OFFICER. The Chair is of the opinion that, under the law, payments can be made if the Senate authorizes them. Therefore the Chair overrules the point of order.

Mr. MORSE. Mr. President, I shall appeal from the ruling of the Chair after debate. I think we ought to have all the facts. I do not believe the facts of the case fall into the framework of the ruling the Presiding Officer has just made. I do not think the facts are as indicated in the ruling. I submit the facts will show, unless one can produce evidence to the contrary, that the appointee was doing nothing for the taxpayers during the period of time for which it is now proposed to give him $3,000.

The Appropriations Committee could start adding to the appropriations bill $3,000 for A, $3,000 for B, $3,000 for C, and $3,000 for any number of other people the committee wanted to pay by way of gratuity, and such gratuities would fall under the ruling the Presiding Officer has just made.

If the Appropriations Committee decided to pass out $3,000 payments to persons who had not rendered any service, it would be legislating on appropriation bills. Such action requires legislation.

The question of fact is whether the nominee's testimony can be believed when, before the Committee on Interstate and Foreign Commerce, he indicated he was performing service for the Federal Power Commission. A gratuity is legislation on an appropriation bill, and the Chair's ruling is wrong.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. Why does the Senator not make a point of order? It must be legislation on an appropriation bill if it is a gratuity.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. If the Senator from Oregon will read the bill, he will see that the principal amount was increased from $133,000 to $136,000, without any statement as to what was to be done with it, but then the language reads:

> Of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid.

That is legislation.

Mr. MORSE. Clearly, it is legislation.

Mr. JOHNSTON of South Carolina. But the committee had a perfect right to put that language in the bill. If the law takes care of him, let the law do so.

Mr. MORSE. It cannot take care of him for the period of time he was not on the payroll.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I want to make it very clear that I shall appeal from the ruling of the Chair if the ruling is that under the facts of the case this language is not legislation on an appropriation bill. I appeal from the decision of the Chair.

The PRESIDING OFFICER. The Chair is prepared to rule.

Mr. MAGNUSON. Mr. President, I think probably I should have something to say about this matter. I am partially responsible for the insertion in the appropriation bill of this provision. The appointment of the Chairman of the Federal Power Commission was sent to the Senate. There was a promise that there would be early hearings on the nomination by the committee of which I am chairman. Hearings were set, under our committee rule, 2 weeks from the time the name was sent to the committee. In the meantime, there developed a serious illness in the family of Mr. Kuykendall, which I need not go into at this time, since it has nothing to do with the case, but which involved his wife. He was forced to ask if I could postpone the hearings for at least a week, which I did.

Then I postponed the hearings for another week because of the extreme seriousness of the operation performed on his wife. Mr. Kuykendall was in no condition to come before the Senate with such a matter hanging over him. I may point out that the chairman of the committee was ready to oppose his confirmation as vigorously as was the Senator from Oregon. I thought a postponement of the hearing was fair. After that, he was willing to come before the committee.

I set hearings, not once, but three times, before the full Committee on Interstate and Foreign Commerce. Every time I set a hearing a Senator who was in opposition to the nomination wanted a postponement. I agreed to the postponement. I kept calling Mr. Kuykendall, until I was somewhat embarrassed, asking him to agree to a postponement. Almost a month went by with no hearings.

Then the Senator from Oregon testified, and I testified. I opposed the nomination vigorously. I think there were about 22 votes against confirmation. We had to wait until the hearings were printed. Some Senators wanted to have the printed hearings available. All that time went by. Technically, Mr. Kuykendall was not serving as Chairman of the Federal Power Commission.

That is true. He was down there every day working, because there were many cases in which he was involved. He could not draw his salary because of the rules. All the independent agencies have different rules. In the case of some independent agencies, a man may serve and be paid until his successor is appointed. The agencies are governed by different rules.

As a matter of fact, I will say to the Senate that I am having a bill prepared this week to make the rules for these agencies uniform. I think the Senators will agree that a man should serve until his successor is appointed. Orderly procedures should be established for regulatory agencies. God knows that is needed in many cases.

Finally Mr. Kuykendall's nomination was confirmed. I suppose his name was put back on the door. There was so much going on that I know as a personal matter he was there every day working, except for the time he was with his wife, when she was seriously and dangerously ill.

I felt a little bit embarrassed about the matter. Perhaps I became a little sentimental about it. I apologize to the Senate for that.

I know Mr. Kuykendall. He is not a man of any means. He had the problem of the illness to which I referred, in addition to the loss of his regular salary. He did not have any outside income that I know of.

I think Mr. Kuykendall is a fine man, although, as the Senator from Oregon knows, I violently disagree with him on pretty nearly everything he has done.

I said, "Is there some way we can pay you for the time lost which was not your fault?" In one case it was the fault of the committee, practically, and in a good many instances it was due to Senators desiring to delay the matter.

I brought up the question informally in the committee. We could not figure out any way to compensate Mr. Kuykendall for the time he waited. He is serving now as Chairman of the Federal Power Commission.

The suggestion was made that perhaps in the appropriation bill we would be able to work out some provision to give Mr. Kuykendall some pay for the 2½ months he was out of office.

I appeared before the Committee on Appropriations. The Senator from Illinois—I do not know whether he is present in the Chamber now—submitted the amendment. I told the members of the Committee on Appropriations that I

hoped we could accomplish the desired result in some way. I did not know whether we were technically and legislatively correct in the procedure, but I told them that the Committee on Interstate and Foreign Commerce had discussed the matter and was practically unanimous in feeling that something ought to be done about compensating Mr. Kuykendall for time lost when all this happened. That is the background with relation to why the provision was included in the bill.

I think I owe the Senators that explanation. I did not submit the amendment. It was submitted by the Senator from Illinois. I had not talked to the Senator from Illinois about it at all, but I appeared before the committee and I merely supplemented what the Senator had to say, by saying that the Committee on Interstate and Foreign Commerce had very informally discussed this matter, and we hoped something could be done on behalf of the Chairman of the Federal Power Commission, Mr. Kuykendall.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I will yield in a moment to my colleague from Rhode Island.

That is the explanation of the way this provision came to be put into the bill. I suspect that a point of order could lie against it. I have no precedents to quote for the Senator from Oregon. I did not look them up, because I did not present the amendment. I was merely present at the committee hearing to supplement what was stated.

As I have said, I am partially responsible for this amendment. The sum of $3,000 was suggested because that would roughly correspond to the figure representing proper payment for the time we in the committee held the matter up. That does not relate to the time Mr. Kuykendall was not working because of the serious illness of his wife.

The Senator from Kansas [Mr. SCHOEPPEL] was present. He is interested in the matter.

I suppose a point of order would lie against the provision. Perhaps it represents a precedent we should not establish. I did feel I was duty bound to tell the Senate what brought the request about.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield first to the Senator from Rhode Island.

Mr. PASTORE. I thank the Senator from Washington.

First, I should like to corroborate everything the distinguished chairman of the Senate Committee on Interstate and Foreign Commerce has said. I, also, voted against the confirmation of the nomination of Mr. Kuykendall. I am not at this time addressing myself to the point of order which has been raised, but I address myself alone to the substance and justice of the claim.

There is no question in my mind that Mr. Kuykendall did perform services for the United States Government as a member of the Commission during the time the matter was being considered by our committee. There is no question about that in my mind. There is no question in my mind as to the fairness and as to the justice of the claim.

I repeat that I do not debate the question of the point of order. I suppose some argument could be made with reference to it. However, I think Mr. Kuykendall is entitled to the money. Whether the procedure is somewhat unorthodox I do not discuss at this time, but I think that the man should be paid, because during the period of time in question he was serving as a member of the Commission, and without any fault on his part the confirmation of his nomination was delayed because of requests made by various Senators who were interested in the confirmation of the nomination, and who desired to delay the matter and not hear it, when it could have been heard in an orderly procedure.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kansas?

Mr. MORSE. I do not have the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. SCHOEPPEL. In my own right, Mr. President?

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. SCHOEPPEL. I wish to commend the Senator from Washington and also the Senator from the great State of Rhode Island.

The Senator from Kansas is a member of the Interstate and Foreign Commerce Committee. I am sure I sat through every one of the committee hearings wherein the confirmation of Mr. Kuykendall's nomination was under consideration.

I wish particularly to commend the Senator from Washington [Mr. MAGNUSON] because, as chairman of the committee, I am sure he honestly had certain misgivings about the confirmation of the nomination of Mr. Kuykendall, and he made his position amply clear. Because of his great sense of fairness the Senator has indicated to the Senate today the very commendable position he takes. He is always fair in such matters, and I have always found him to be so.

The Senator from Washington has said to the Senate that a number of the delays were not due to any fault on the part of Mr. Kuykendall, but came about as a result of the members of the committee making certain requests, legitimately so in many instances. As the Senator said a while ago, Mr. Kuykendall is not a man of any great means, but he held himself open to the will of the committee. Week after week went by and he was not called.

I might point out that in the orderly procedure of the Senate, as well as in the orderly procedure of the committee, the committee voted favorably on the question of confirming Mr. Kuykendall's nomination. The nomination was submitted to the full committee, and the full committee reported it to the Senate, and Mr. Kuykendall's nomination was confirmed.

I am glad to hear the Senator from Rhode Island say what he has, because I checked into that very matter. The facts are that, except for the time he was with his sick wife, Mr. Kuykendall appeared at work, at the Commission. It was probably embarrassing to him, because the confirmation of his nomination was delayed, and the law required during that time that he could not serve as a member of the Commission.

Mr. President, I think the Senate, during the time I have been a Member, in a number of instances, certainly, has appropriated money and funds far beyond the amount the committee is asking the Senate to approve today.

I think approval of the amendment is only fair and just, and it has been proposed because of a sense of fairness and justice.

I wish to say to the distinguished Senator from Oregon that I have no quarrel with him about objecting to this type of procedure. I do not address myself to that. I address myself only to the fairness of the approach which I think the committee took with reference to this matter.

I desire to say in defense of the chairman of the Committee on Interstate and Foreign Commerce that many members of the committee thought, in the interest of fairness and justice, he should appear before the proper appropriations subcommittee and present the matter. I commend the Senator from Washington for doing that.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield.

Mr. POTTER. Is it not true that upon the basis of the statute governing the actions of the Federal Power Commission, at the expiration of his term a Commissioner is out of the job or is not on the payroll, which is unlike the rule governing some other Commissions, where the member remains on the Commission until succeeded by someone else? In this case, when a Commissioner's term expires, he goes off the payroll before another Commissioner takes his place.

That is a subject which our committee should look into. When we ask a man to assume an important position with a Commission, and because of actions on the part of Congress, or, in this case, perhaps, partly because of illness of his wife, there is a delay in his confirmation, a question as to procedure is raised.

He was not a free agent. He was not in a position to do anything else but wait around without pay. Some persons can afford to do that, and others cannot. Regardless of what we may think about the particular policies of any individual, we should not be unfair to any man whose nomination must be confirmed by the Senate. The question was raised before the Senate in ample time so that the committee could have acted and the Senate could have acted on his nomination. That did not take place, and he was penalized.

I do not know of any other way to correct this situation than by the method proposed here.

Mr. SCHOEPPEL. Mr. President, the Senator from Michigan is correct. As I

understand the law, no member of the Commission can serve beyond the time for which he is appointed. That question arose in the case of the then chairman, Mr. Kuykendall. I agree wholeheartedly with the Senator from Michigan that the Congress should take a look at the applicable statute, because various situations have developed in certain agencies.

From a sense of fairness and justice, I believe that this man should be compensated.

Mr. MORSE. Mr. President, I should like the attention of the Senate for a few minutes while I discuss the procedural issue involved in this case, quite separate and distinct from any personality involved in the $3,000 item, and quite separate and distinct from any personality involved in the debate.

This is the way to make a very serious precedential mistake in the Senate, if we do not take the time to understand the procedural principle which is involved.

After listening to the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] I do not think there is any escaping the conclusion that he recognizes that this is legislation on an appropriation bill, and that the purpose of placing this amendment in the bill was to right what the members of the committee thought was a wrong, or at least do equity, as the Senator from Washington implied, or correct an injustice, or do what they thought was the fair thing—whatever adjectives may be used to describe the course of action.

All that is irrelevant to the issue before the Senate. It is very important, in my judgment, that we come to grips with the principle of procedure which is involved. If we start underwriting this kind of approach to an appropriaton bill, the Appropriations Committee will become the superlegislative committee of the Senate. The Appropriations Committee is not a legislative committee. Under the rules of the Senate the Appropriations Committee has no power to recommend legislation to the Senate.

This is a delicate matter. I do not deny the fact that I am talking about the most powerful committee in the Senate. That is all the more reason, therefore, why we should hold it to the rules, and make it clear to the Appropriations Committee at all times that we expect it, too, to follow the rule, and not propose legislation on an appropriation bill.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall be glad to yield when I shall have concluded my argument.

I believe that the proper procedure to follow is by way of a claim bill or a private bill. If the Senator from Washington, the Senator from Rhode Island, the Senator from Kansas, or any other Senator believes that some injustice has been done to Mr. Kuykendall, let him introduce a bill. Let it be referred to the appropriate standing committee which considers legislative claim bills, and let us get the facts.

What the Appropriations Committee is saying, or what some of its members are saying on the floor of the Senate is, "Mr. Kuykendall performed some services. Therefore, because he performed some services and his wife was sick and had a serious operation, he should get $3,000 of the taxpayers' money."

That is not the way to legislate. If we want to give Mr. Kuykendall $3,000, it should be done through a bill which proposes to give him $3,000. We should have a hearing on the bill. We should take evidence on the bill.

I do not happen to share the view stated on the floor of the Senate this afternoon, that Mr. Kuykendall performed very much work during the time in question. Some of his own statements before the Committee on Interstate and Foreign Commerce indicate that he did not consider himself to be a member of the Commission. He was not on the Commission. He testified that his name was taken off the door. It is true that he asked for speedy action, but the Senator from Washington knows that the Senator from Oregon was not responsible for his not getting speedy action. I was champing at the bit, so to speak, to testify at any time with regard to Mr. Kuykendall, because I considered him to be completely disqualified for the appointment.

But that has nothing to do with the issue which is now before the Senate. I think it is important that we forego any feeling we may have about Mr. Kuykendall, or WAYNE MORSE, or anyone else, and come to grips with the issue which is involved here, namely, whether or not we are to countenance the action of members of the Appropriations Committee in recommending to the Senate a payment of $3,000 to someone whose nomination was the subject of confirmation hearings, to pay him for the time required by the Senate, in its due process, to hold such hearings. If that is not legislation on an appropriation bill, I do not know what it is.

What I am respectfully saying to members of the Appropriations Committee is that I think this amendment should be withdrawn. I think they should say that they propose to introduce a bill to provide $3,000 for Mr. Kuykendall. The senior Senator from Oregon would favor giving the green light for the earliest consideration of such a bill, after a committee report had been submitted which answered such questions as: "What did you do? How many days did you spend in the office? What did you handle? Where were you when you were not in the office during working hours?"

I think the taxpayers are entitled to such information before we give $3,000 of their money to a man who, in my judgment, is not entitled to a red cent of it. Under the existing rules, if he is to be given $3,000, it should be accomplished through proper legislation, and we should not turn the Appropriations Committee into a legislative committee.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PASTORE. While it is true that the regular procedure would be to file a claim with the Judiciary Committee, the fact remains that a legislative committee did give thorough examination and study to this case. We considered it at length in the Committee on Interstate and Foreign Commerce. We were quite familiar with the entire background of the situation.

We realized that the nomination came up at an inappropriate time, and that the delay was not caused by any fault on the part of Mr. Kuykendall. It was our own delay. For that reason we decided to recommend to the Appropriations Committee that Mr. Kuykendall be compensated.

I realize that the proper committee to handle a claim bill would be the Judiciary Committee, because the case would have to be handled in the nature of a claim. However, the fact is that the case was passed upon by a legislative committee, not in a formal fashion, but after discussing it thoroughly. We decided that justice dictated that this man should be paid, because he was serving his Government, although perhaps not in the legal manner discussed by the Senator from Oregon. He was on the job, and the only delay was caused by various Members of the Senate who desired to be heard on the nomination. The delay was not caused by Mr. Kuykendall.

I repeat that I was one of those who voted against his confirmation, but on this point I feel justice demands that the man be paid.

Mr. MORSE. I say most respectfully to my friend from Rhode Island that there were many of us in the Senate who did not know the Committee on Interstate and Foreign Commerce was considering the matter. Therefore, I respectfully submit that the committee was following a course of action that could be described by some of us as legislating by way of secrecy. After all, if we are to consider the question of whether we will give $3,000 of the taxpayers' money to someone who at best must be classified as a volunteer, because during that period of time he occupied no official position, then all of us should have notice of hearing and notice of the introduction of a bill, so that we may have an opportunity to appear before the committee, and if we do not share the point of view of the proponents of the bill, may have an opportunity to testify against it.

I respectfully submit that the procedure which my friend the Senator from Rhode Island has outlined as having been followed by the Committee on Interstate and Foreign Commerce was not fair to other Senators because they did not have notice.

Mr. PASTORE. There was no attempt at secrecy involved in the matter. It came up in an orderly fashion. We had before us the case of a man who, through no fault of his own, had not been paid. It was decided by the committee. It was done openly and in an orderly fashion. The matter was then referred to the Committee on Appropriations. That was the decision of the Committee on Interstate and Foreign Commerce.

Furthermore, the matter was heard by the Committee on Appropriations. The appropriation is now in the bill. The attention of the Senator from Oregon

has already been called to the fact that the item has been included in the appropriation bill. He has an opportunity to vote on it just as if it had been reported by the Committee on the Judiciary. The question is, "Is the Senator for it or against it?" Some Senators are for it and some are against it. The Senator's attention has been called to the matter, as is the case with all other Members of the Senate. I repeat that there is no secrecy involved. It is a simple matter of justice.

Mr, MORSE. The Senator from Rhode Island is making a remarkable argument. He knows that that is what we call a matter after the fact, not before the fact. He said it is no longer any secret, now that it is on the floor of the Senate at long last, after the committee has committed itself and after Senators have put themselves in the presumptive position, with every presumption going to be resolved in their favor, and after they are in a strong position and able to carry some votes along with them.

He knows very well that other Senators, who are not members of the Committee on Interstate and Foreign Commerce, did not have the slightest idea that the subject was being considered by the committee. We did not know anything about it. Yet now, in the course of the debate on the appropriation bill, we come across it, as we follow the procedure which most Senators follow when a bill comes before the Senate. In other words, we study the committee report and we study the bill, but now we run into this matter on the floor of the Senate.

I say we were entitled to have a bill introduced. We were entitled to have it go to the calendar and then to the floor. We were entitled to have an opportunity given us to appear before the committee to ask some questions of Mr. Kuykendall, because it may be that we are not so satisfied with the examination of the facts made by the Committee on Inter-State and Foreign Commerce as we would like to be. Therefore, I say that on the procedural record of this matter we were not put on notice. I do not think there is any escaping the fact that what is before us now is a proposal by the Committee on Appropriations to legislate on an appropriation bill, to give a volunteer $3,000.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HAYDEN. Mr. President, rule XVI of the Senate rules reads:

> No amendment shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provision of some existing law * * * or unless the same be moved by direction of a standing or select committee of the Senate.

If the Committee on Interstate and Foreign Commerce had thought it necessary to move that Mr. Kuykendall receive this pay, it would have been perfectly in order to put that provision in the bill.

Mr. MORSE. What is one of the purposes of the rule? I ask that question of the Member of the Senate who knows more about the rules of the Senate than all the rest of us put together. The purpose of the rule is to give us some assurance of a chance of notice. The fact is we did not have any notice. The fact is that 25 of us on the floor of the Senate thought the man was completely disqualified for the job in the first place. Now the Committee on Appropriations comes along and says "We ought to give him $3,000."

I think that is the wrong procedure for us to follow. I think the amendment ought to be withdrawn. A bill should be introduced and hearings held on it. We should be given an opportunity to testify on the bill.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. I wish to call to the attention of the Senator from Oregon, and also to the attention of the chairman of the committee, the testimony on the second supplemental bill, at page 49. At that page there is found the statement by the committee, and the procedures which were followed at the time the amendment was offered. It was done on the recommendation of a proper legislative committee.

Mr. MORSE. As a Member of the Senate I have the right to the presumption that the Committee on Appropriations is not bringing forth legislation. I do not believe I should be required to go through the committee report to determine that there is no legislation contained on an appropriation bill. I have a right to assume that it does not contain legislation. I think the proper action to follow in this case is to withdraw the amendment.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAGNUSON. This is a very unfortunate situation. I do not believe the Senator from Oregon is quite fair in saying that we did this in secrecy. We discuss many matters before the committee. At every regular meeting of the committee all kinds of matters are discussed. It is all done openly, and it is all submitted to all the members of the committee. Many times we do not notify every Senator on every question that comes before the committee. I believe I have been as diligent and as fair as other chairmen of committees in notifying Senators when a matter in which a particular Senator was interested would come before the committee. There was nothing secret about it. It was almost a year when this was taken up. Mr. Kuykendall never suggested this himself.

Mr. ANDERSON. Has the Senator from Washington seen the hearings?

Mr. MAGNUSON. Yes.

Mr. ANDERSON. Mr. Kuykendall suggested it, even the figure.

Mr. MAGNUSON. Mr. Kuykendall never suggested it to our committee. In the hearings last year he suggested he would be without pay and therefore he wanted further hearings. Mr. Kuykendall has never consulted me about this matter at any time since Congress has met.

Mr. ANDERSON. These are the hearings.

Mr. MAGNUSON. Those are the last year's hearings.

Mr. ANDERSON. That is the copy of the hearings to which the minority leader has referred.

Mr. MAGNUSON. No; he referred to the hearings of the Committee on Appropriations.

Mr. ANDERSON. Did the Senator from California not refer to page 49 of the hearings?

Mr. MAGNUSON. No. Page 251 of the hearings.

Mr. KNOWLAND. I referred to the hearings of the Committee on Appropriations on the supplemental appropriation bill.

Mr. ANDERSON. To which page did the Senator refer?

Mr. MAGNUSON. Page 251.

Mr. KNOWLAND. Page 49.

Mr. ANDERSON. Mr. Kuykendall testified there.

Mr. KNOWLAND. On page 49? Yes.

Mr. ANDERSON. Does that page not show that Mr. Kuykendall testified?

Mr. KNOWLAND. Yes; it does.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FULBRIGHT. How does the Senator interpret section 5 of rule XVI which says:

> No amendment the object of which is to provide for a private claim shall be received to any general appropriation bill.

The PRESIDING OFFICER. Senators will suspend. The Senate will be in order.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAGNUSON. I understand that Mr. Kuykendall did appear at the behest of the Senator from Illinois [Mr. DOUGLAS] on the second supplemental appropriation bill. That is something the Senator from Washington knows nothing about. Mr. Kuykendall has never appeared before the Committee on Interstate and Foreign Commerce. The matter was brought about voluntarily by several Members. We never heard from Mr. Kuykendall, either by word or by letter.

When the Committee on Appropriations was marking up the bill the other day, the Senator from Illinois [Mr. DIRKSEN] offered the amendment. I said for the record, on page 251 of the hearings, on that occasion, about a month or 3 weeks ago:

> I will say for the record that I brought the matter up before the Interstate and Foreign Commerce Committee in charge of the nomination, and they were in agreement to see if we could figure out ways and means to pay him for the time that he was kept in this position. It has full concurrence of the full committee.

That is what I said at that time. But Mr. Kuykendall was not before us.

I hope the Senator from Oregon will not say that there was any secrecy about it in any way whatsoever. I do not understand that the Committee on Interstate and Foreign Commerce, or any other committee, has the obligation

to notify Senators of everything that we discuss in an informal way. I do not know how we could do it, as a practical matter. Many matters are discussed in committee. This was one of them. There was no bill before the committee. This was an informal discussion, and we were trying to do what we thought was simple justice in the matter. I must say I knew nothing of the testimony before the Committee on Appropriations.

It was when the Senator from Illinois [Mr. DIRKSEN] offered the amendment and made a short statement, which appears on page 251 of the hearings on the appropriation bill, that I responded.

I do not think it is fair to say that there was any attempt to put anything over on anyone. Our only purpose was to do what we thought was fair. It had never been suggested to me by anyone, since the hearings were held on the nomination before the Committee on Interstate and Foreign Commerce last June.

Mr. MORSE. I am certain the Senator from Washington does not mean to put words into my mouth. I know he would not think of doing so. I have not said anything about something being put over on anyone. There is nothing in my remarks which implied or intended such an implication.

When I used the word "secrecy" I was talking about a lack of notice to those of us who did not know this matter was before the Committee on Interstate and Foreign Commerce or before the Committee on Appropriations. When I do not have notice of something, then action taken is certainly secret, so far as I am concerned.

When the Senator from Washington says that we cannot expect to have notice given, I say that the Senate has a right, in my judgment, to have notice by way of the introduction of a bill, when it is proposed to grant a private claim.

The regular legislative procedure of the Senate is to have private claim bills introduced. I think we are entitled to have that notice. I do not think a standing committee should proceed to take action without notice to the rest of the Senate concerning a private claim. Then the committee should recommend to the Committee on Appropriations the granting of the private claim. What this amounts to is attaching a claim to an appropriation bill.

The Senator from Illinois [Mr. DOUGLAS] has handed me a copy of the hearings on the second supplemental appropriation bill for 1958, which is the business now before the Senate. On page 49, I find this colloquy:

Senator DIRKSEN. Mr. Chairman, before Mr. Kuykendall makes his statement, I was going to direct the committee's attention to the fact that when he was reappointed by the President, his confirmation was delayed in the hearings before the Committee on Interstate and Foreign Commerce and actually he was in the very unhappy position of having to stay here because other Senators wanted to have additional hearings, and there was no interim appointment.

At the same time Mr. Kuykendall could not go out and look for any employment of any kind during that period when he was out of office. He could not go to his office.

The Senator from Illinois [Mr. DIRKSEN] said:

He could not go to his office.

I continue:

Then, above all else, he had to keep himself available for any special appearances before the committee.

You may recall that Senator MORSE testified at great length.

I digress to say, Mr. President, that I was not the only one who testified at length. I continue:

But there was a period from late June until August when he was completely immobilized and for which he received no pay.

It just seems to me that the fair thing to do is to make available the pay that he lost during that entire interim period because all this was through no fault of his own.

The amount involved is $3,000. I think the easy way to handle it is to insert a little amendment in this bill making provision for the reimbursement of $3,000.

I think it amounts to $3,000.

Mr. KUYKENDALL. Just about that amount, Senator.

Senator DIRKSEN. Is that a fair statement of the case?

Mr. KUYKENDALL. Yes, I believe it is.

Senator DIRKSEN. Mr. Chairman, for consideration of the committee I would submit this language for inclusion in this bill.

Chairman HAYDEN. The committee will give consideration to that.

You may proceed.

I simply want to say that I think it is perfectly clear that the Committee on Appropriations, based on the colloquy I have read, was considering a legislative matter. I think the statement by the Senator from Illinois [Mr. DIRKSEN] is pretty clear evidence that Mr. Kuykendall was out of a job. He had no official appointment at the time. Now it is proposed to give him $3,000.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. KNOWLAND. I think it should be made clear that Mr. Kuykendall was not appearing for the purpose of having this matter taken up in the Committee on Appropriations. He was there by virtue of his position on the Commission, and the item in the supplemental appropriation bill related to the Federal Power Commission. That will be found on page 11 of the report of the House Committee on Appropriations on the second supplemental appropriation bill, House Report No. 1373.

It was while Mr. Kuykendall was before the committee to testify on an item concerning the Federal Power Commission that the Senator from Illinois [Mr. DIRKSEN] raised this issue. Mr. Kuykendall was not there for the purpose of appearing on behalf of this item.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Arizona.

Mr. HAYDEN. I have made inquiry of the Chair. The Chair has not ruled on the point of order, but he proposes to submit it to the Senate. That will be the same as an appeal by the Senate, so we can vote on the question and dispose of it now without further debate.

Mr. MORSE. Mr. President, I wonder if we may have the yeas and nays on that question. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. I therefore summarize my argument as follows:

I think we should set aside all features of personalities involved in the matter. I think that as the Senate we should come to grips with the procedural problem involved. It is a very important procedural problem.

That leads me to my second point. The issue is whether or not we shall establish a precedent which I think would be a very bad precedent, namely, to authorize the Committee on Appropriations to report an appropriation bill with legislation written into it. If we start to do that, with the $3,000 involved in this instance, the sky will be the limit; we shall have established a precedent.

I have been in the Senate for 13 years. The Senate has rather zealously guarded this protection of its Members. As I have respectfully said, I do not think it is wise to vest this kind of power in the Committee on Appropriations; I think it should be given to the legislative committees.

My third and last point is that there is a clear procedure which will enable the Senator from Washington [Mr. MAGNUSON] and other Senators who are interested in getting $3,000 for Mr. Kuykendall to do so rather quickly, and that is to conform to the rules of the Senate by introducing a bill authorizing that $3,000 be paid to Mr. Kuykendall. Then let a committee report be submitted showing the justification for the bill, giving the evidence which some of us need that Mr. Kuykendall did anything for the $3,000 during the period in which he had no appointment. He was not an official of the Government; he was a private citizen, at best, and whatever he did was that of a volunteer.

It will be a bad precedent if we ever establish the principle that a gratuity for a volunteer can be written into an appropriation bill.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. The point I wish to make is that although it has been said that Mr. Kuykendall was appearing in connection with his work, we have the testimony of the Senator from Illinois [Mr. DIRKSEN] that he could not go to his own office. If he was not able to go to his office, I do not see how it can be contended that he was acting in the performance of official duties.

Furthermore, I am a little confused. I understood the chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] to say that this is legislation on an appropriation bill. I think that is a frank statement, and the RECORD will so show. Then we have a ruling that it is not legislation on an appropriation bill.

Here is the case of a man who was not at work, but who is to be paid a sum of money. If this does not constitute legislation on an appropriation bill, what, in the name of heaven, would be legislation on an appropriation bill?

I think it is unfortunate that we have this kind of situation confronting us.

Mr. Kuykendall may be entitled to some money; I do not know. But he would not be the first person who had to wait while Congress took its time. It seems to me there have been many instances when Congress took its time.

I voted against the confirmation of Mr. Kuykendall's nomination, and would again, tomorrow, if I were afforded the opportunity, because I have no faith in what he does. I see no reason whatever, since some of us do not have faith in him, because of the situation in which he was involved with power companies, by apparently awarding a contract contrary to the welfare of the country, why we should pay him for that activity. I am glad the Senator from Oregon has brought up this matter.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I have raised the point of order that this item is legislation on an appropriation bill. What is the present status of my point of order?

The PRESIDING OFFICER. The Chair has not yet ruled on the point of order; but at the present time the Chair is ready to rule.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. If the Chair has yet to rule on the point of order which has been raised by the Senator from Oregon, upon what question were the yeas and nays ordered a few minutes ago?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Chair has not yet ruled on the point of order. However, the Senator from Arizona [Mr. HAYDEN] stated how the Chair expected to rule on the point of order; and, following the statement of the Senator from Arizona, the Senator from Oregon requested that the yeas and nays be ordered.

Mr. MORSE. Mr. President, first I request that a ruling be made on my point of order.

The PRESIDING OFFICER. The Chair is ready to rule on the point of order.

Mr. WILLIAMS. Mr. President, I rise to a further parliamentary inquiry, because I am much confused by the present situation, and I believe that perhaps other Senators are confused.

The PRESIDING OFFICER. The Senator from Delaware will state the point of order.

Mr. WILLIAMS. Do I correctly understand that the yeas and nays were ordered on the question of whether the Senate agreed or disagreed to the statement made by the Senator from Arizona [Mr. HAYDEN] as to how he thought the Chair would rule on the point of order which had been raised by the Senator from Oregon?

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. In view of the misunderstanding which has occurred, would not it be better for the Senate to give unanimous consent that the order for the yeas and nays be vacated until we permit the Chair the courtesy of allowing him to rule, first. I believe that is the thing to do, Mr. President. Therefore, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. Mr. President, I shall not object; but I wish to point out the ridiculousness of the entire situation, in that the Senate is about to withdraw the order for the yeas and nays on something, although Senators do not know upon what question they were ever ordered. [Laughter.]

Mr. President, I believe it is about time for the Senate to resume work on the pending appropriation bill and that we should do so in a more orderly manner.

Mr. KNOWLAND. Mr. President, if I may say a word, let me state that I believe so much confusion was existing in the Chamber a few minutes ago that there was difficulty on the part of many Senators in understanding whether the Chair had ruled on the point of order and whether, in such event, an appeal from the ruling of the Chair was in order.

Mr. President, such a misunderstanding would have been avoided if there had been order in the Chamber. I call for order, so that Senators can understand what action is being taken.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Mexico has requested unanimous consent that the order for the yeas and nays be vacated. Is there objection? The Chair hears none, and it is so ordered.

At this time let the Chair state that the Senator from Oregon [Mr. MORSE] has made the point of order that the item on page 7, in lines 16, 17, 18, and 19, of House bill 10881, is legislation attached to an appropriation bill, and therefore is subject to a point of order.

The Chair knows nothing of the circumstances, save the debate which has transpired on the floor of the United States Senate. In view of that fact, the Chair is of the opinion that the matter should be referred to the Senate itself, for decision, under rule XX.

The question is, therefore, Shall the point of order raised by the Senator from Oregon be sustained?

Mr. MORSE. Mr. President, on this question, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. LONG. Mr. President, personally I feel that the Senator from Oregon is correct in the position he takes, insofar as the rule is concerned.

However, in regard to the merits of the issue involved, I believe the Commissioner should be paid the $3,000.

Mr. President, at this time I send forward a notice of a motion to suspend the rule.

The PRESIDING OFFICER. The notice will be read.

The legislative clerk read as follows:

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. LONG submitted the following notice in writing:

"In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881), the second supplemental appropriation bill for 1958, the following amendment, namely: On page 7, line 16 to 19, strike out $133,000 and insert: '$136,000, of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid: *Provided*.'"

The PRESIDING OFFICER. Under the rule, the motion will lie over for one day.

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. MAGNUSON. I believe this matter is very unfortunate. Perhaps we can clear it up by means of the procedure I shall suggest, if the Senator from Illinois [Mr. DIRKSEN] will agree. I believe that technically, under rule XVI, to which reference has been made, the Appropriations Committee could adequately take care of the wish of the standing committee in this particular case.

However, inasmuch as the Senate Committee on Interstate and Foreign Commerce did not actually send a formal notice in writing to the Appropriations Committee—although I have no doubt that would be done—I believe, in order to avoid the confusion, it would be better if the Senator from Illinois would sponsor a motion, to which all of us could agree, to withdraw or strike out the $3,000 item.

Tomorrow, the Committee on Interstate and Foreign Commerce will meet. If the Appropriations Committee sees fit, such an item can be included in the next appropriation bill. I offer this merely as a suggestion.

Mr. DIRKSEN. Would that mean that the present proceedings would be vacated and the point of order would be withdrawn?

Mr. MAGNUSON. Yes.

Mr. JOHNSTON of South Carolina. Mr. President, I would like to ask a question: What would hinder a Senator from submitting an amendment calling for payment of the $3,000, and having that amendment go through the Appropriations Committee procedure. Then, of course, the law could be amended later.

Mr. MAGNUSON. I was making a suggestion, in order to expedite the handling of this matter. There is no doubt of the position of the members of the Committee on Interstate and Foreign Commerce. We discused the matter on many occasions. Perhaps by proceeding in the way I have suggested, we could quickly clear up the misunderstanding.

Mr. DIRKSEN. Mr. President, I concur only if the present proceedings on the point of order are vacated, so the Senate will be able to proceed to take action on the pending bill.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon agree to have the proceedings on the point of order vacated?

Mr. MORSE. Mr. President, I am not so sure I shall agree. I wish to discuss the matter a little further.

Mr. LAUSCHE. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Ohio is correct.

Mr. LAUSCHE. However, I am willing to hear from the Senator from Oregon. I yield to him.

Mr. MORSE. Mr. President, the two things about which I am most concerned are as follows:

First, the procedural point. In the past there has been much discussion among us—off the floor of the Senate—about the importance of protecting the rules of the Senate in respect to legislation on an appropriation bill. I do not believe we pay any disrespect to the Appropriations Committee when we seek to have established very clearly the point that the Senate is going to stand behind the rule—as I think it should—that the legislation should not be added to an appropriation bill unless two-thirds of the Members of the Senate vote to have that done.

I do not wish to be placed in the position of agreeing to have the proceedings on the point of order vacated, unless the particular provision of the appropriation bill to which I have referred is stricken from the bill, in which case there will not remain in the bill the provision to which the point of order would apply.

Of course, if the provision to which I have referred is withdrawn or is stricken from the bill, I shall withdraw my point of order, because in that event there would not be in the bill a provision against which I could make a point of order.

But if by any interpretation of the proceedings it can be said this language shall remain in the bill, then my point of order has to stand, because I am satisfied of one other thing: If the Senate will take overnight to think about the principle I have raised, it will have to say that it will sustain my point of view, for future reference.

The second point I am interested in is that if we follow the procedure suggested by the Senator from Washington, then we ought to have evidence presented to us, when the matter is put to a vote on the floor of the Senate, that Mr. Kuykendall performed adequate services for $3,000. That is a question of fact. There has been a dispute on the floor of the Senate as to whether he did or did not. If the situation is that out of the largesse of our hearts it is proposed that we make a gift of $3,000 to Mr. Kuykendall, then I think a proposal which may be made next month, or next year, or at any other time, should be defeated.

I have two interests in the matter. If this man in fact performed services for the Government worth $3,000, and it can be shown that he did, I would be inclined, on the basis of the argument made by the Senator from Washington, to go along with the Committee on Interstate and Foreign Commerce and the Committee on Appropriations; but if the fact is that he did not, then I would not vote that he be paid $3,000.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand the situation—and I should like to have the Chair note my statement—an amendment has been put into the appropriation bill containing language which provides $3,000 for the purpose of compensation to be paid to Mr. Kuykendall, who had been named Chairman of the Commission, who had served on the Commission, and whose appointment was held up for a period of time for confirmation. After action by the Committee on Interstate and Foreign Commerce, and on its recommendation, the Appropriations Committee put the amount in the bill.

A point of order was raised by the Senator from Oregon [Mr. MORSE], under rule XX of the Standing Rules of the Senate, which states that:

> A question of order may be raised at any stage of the proceedings, except when the Senate is dividing, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate.

Subsection 2 of that rule reads:

> The Presiding Officer may submit any question of order for the decision of the Senate.

The Chair has submitted the issue to the Senate as to whether or not the point of order is well taken. Upon that matter the yeas and nays were requested by the Senator from Oregon, and were ordered by the Senate, so that on the question now pending before the Senate, on which issue the yeas and nays have been ordered, a vote of yea would sustain the point of order, and a vote of nay would overrule the point of order made by the Senator from Oregon. The yeas and nays have been ordered, and under the rules, the Senate will have an opportunity to pass on the matter. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Interstate and Foreign Commerce. I was present on occasions when delays were caused by the committee, making impossible the presentation by Mr. Kuykendall of his evidence. I subscribe to the statements made by the Senator from Washington [Mr. MAGNUSON]. I voted to confirm Mr. Kuykendall's appointment. I found nothing wrong in his conduct. However, on this question, if the decision must be made on the basis of whether the point of order is well taken—and I understand that to be the fact—the decision will not be on the question of whether Mr. Kuykendall is entitled to pay, but will be on the point of order. I shall have to vote in favor of the point of order, while I wholeheartedly subscribe to the judgment that Mr. Kuykendall should be paid.

SEVERAL SENATORS. Vote! Vote!

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Monroney
Allott	Hayden	Morse
Anderson	Hickenlooper	Morton
Barrett	Hill	Mundt
Bennett	Hoblitzell	Neuberger
Bible	Holland	Pastore
Bricker	Hruska	Payne
Bush	Humphrey	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Church	Kennedy	Scott
Clark	Kerr	Smith, Maine
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Mansfield	Watkins
Ellender	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McClellan	
Goldwater	McNamara	

The PRESIDING OFFICER. A quorum is present.

The question is, Shall the point of order raised by the Senator from Oregon be sustained? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. FULBRIGHT. Mr. President, before the vote is taken I have to state my position, which is in accord with the position of the junior Senator from Ohio [Mr. LAUSCHE]. I voted for the confirmation of the nomination of Mr. Kuykendall. I think he is an excellent man.

I find myself in a very embarrassing position, to have to vote on the motion, which concerns only the rules of the Senate. I am forced to believe, and I do believe, this to be legislation on an appropriation bill. I shall have to vote that way. I do not mean that vote to be interpreted as a vote on the merits of the claim of Mr. Kuykendall. I do not feel that way about it. I am not one of those who opposed his nomination.

Mr. KNOWLAND. Mr. President, I do not believe that the point of order is well taken. This action does not create a new position, nor does it establish a new position in the Federal Government. This is merely an equity request for compensation for the Chairman of the Commission for a period of time when hearings were being held, between the time when his old term expired and the time when his new term began, by confirmation of the Senate, which was the final ratification.

It seems to me under those circumstances this is an entirely different situation from one where a new position might be created in the bill, or where a man was being appointed de novo and had not held the position.

This action was not initiated by the Committee on Appropriations. It began on the recommendation of the proper legislative committee, to do justice to a man for a period of time he was holding himself available to the Government in a position which he had previously held and which he now holds by confirmation of the Senate.

SEVERAL SENATORS. Vote! Vote!

Mr. CASE of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of New Jersey. Is it possible under the rules of the Senate and the present procedural situation for the Senators to have the benefit of a ruling from the Parliamentarian of the Senate, or if not a ruling, the advice of the Parliamentarian?

The PRESIDING OFFICER. The Chair is exercising the privilege, under rule XX, of referring the matter to the Senate itself for determination.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CASE of New Jersey. Mr. President, I did not understand. Is the answer to my inquiry that it is not possible for Senators to have the advice of the Parliamentarian before the vote is taken?

The PRESIDING OFFICER. The point of order was submitted to the Chair. The Chair has consulted with the Parliamentarian about the matter without any advance notice. Neither the Parliamentarian nor the Chair has had an opportunity to search the precedents of the Senate. For that reason, the question is being submitted to the Senate itself for determination.

Mr. MAGNUSON. Mr. President, I have only one thing to add, to clear up a matter so that the RECORD of the Senate will be straight.

The minutes of the Committee on Interstate and Foreign Commerce will show that the chairman and the other members of the committee who were also members of the Committee on Appropriations—in particular the chairman—were directed by the majority of the committee to convey to the Committee on Appropriations the desire of the Senate Committee on Interstate and Foreign Commerce that this amount should be placed in the bill. That would cause it to come under rule XVI of the Senate.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. The Senator from Florida is recognized. Let the Senate be in order.

Mr. HOLLAND. Mr. President, rule XVI states an exception covering words which, though constituting legislation, can nevertheless be included in an appropriation bill, in these words "unless the same be moved by direction of a standing or select committee of the Senate."

The words used by the Senator from Washington [Mr. MAGNUSON] when he appeared before the committee were these:

> I will say for the record that I brought the matter up before the Interstate and Foreign Commerce Committee in charge of the nomination, and they were in agreement to see if we could figure out ways and means to pay him for the time that he was kept in this position. It has full concurrence of the full committee.

That statement, particularly when supplemented by the statement just made by the distinguished chairman of the Committee on Interstate and Foreign Commerce, to the effect that the minutes of his committee show that he was directed by the committee to make this recommendation to the Committee on Appropriations, seems to me to substantially comply with both the spirit and the letter of the rule. I do not think that the point of order should be sustained.

Mr. MORSE. Mr. President, I had not intended to say more. I was ready to vote, until the rebuttal testimony was put in, which is at variance with the earlier testimony this afternoon. The RECORD will speak for itself.

The Senator from Washington, the chairman of the Committee on Interstate and Foreign Commerce, said in effect earlier this afternoon in the debate that formal action was not taken by the Committee on Interstate and Foreign Commerce, but that they had an informal discussion of this matter. The Senator submitted in the debate that he did not file with the committee the motion which the rule clearly contemplates.

I think, Members of the Senate, this is a matter so important from the standpoint of precedent that the course of action I outlined earlier should be followed.

There are two ways of handling the matter. One I outlined earlier, which is to introduce a bill quickly and to go ahead and have hearings on it as a private claim. The other, which was suggested in the debate in the last 30 minutes, is to sustain the point of order, which, in the interest of the future welfare of this body, I think ought to be done, and permit the Committee on Interstate and Foreign Commerce to meet tomorrow, when the committee can file a formal action with the Committee on Appropriations. That will give some of us who now have had notice an opportunity to go before the Committee on Interstate and Foreign Commerce tomorrow and ask for answers to certain questions I have asked this afternoon. What service in fact during this period of time did Mr. Kuykendall render? I think that is a perfectly fair question, and I think we are entitled to have his answer to it. That is orderly procedure.

I think, Mr. President, that all indications ought to be resolved in favor of protecting the Senate from a practice of reporting legislation on an appropriation bill.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is, Will the Senate sustain the point of order raised by the Senator from Oregon [Mr. MORSE]? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative when his name was called.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Do I correctly understand that a "yea" vote is a vote to sustain the point of order made by the Senator from Oregon?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOUGLAS. I thank the Presiding Officer.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN[, the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I further announce that on this vote the Senator from Tennessee [Mr. GORE] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting the Senator from Tennessee would vote "yea" and the Senator from New Mexico would vote "nay."

The Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Florida would vote "nay."

The Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Texas would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New York [Mr. IVES] is necessarily absent. If present and voting would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business and, if present and voting would vote "nay."

Also, the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The result was announced—yeas 29, nays 50, as follows:

YEAS—29

Anderson	Humphrey	McNamara
Carroll	Johnson, Tex.	Morse
Case, S. Dak.	Johnston, S. C.	Neuberger
Church	Kefauver	Proxmire
Clark	Kerr	Russell
Douglas	Langer	Scott
Eastland	Lausche	Sparkman
Ellender	Long	Stennis
Fulbright	Mansfield	Symington
Hill	McClellan	

NAYS—50

Aiken	Goldwater	Morton
Allott	Green	Mundt
Barrett	Hayden	Pastore
Bennett	Hickenlooper	Payne
Bible	Hoblitzell	Potter
Bricker	Holland	Purtell
Bush	Hruska	Revercomb
Butler	Jackson	Saltonstall
Capehart	Javits	Schoeppel
Carlson	Jenner	Smith, Maine
Case, N. J.	Kennedy	Talmadge
Cooper	Knowland	Thurmond
Cotton	Kuchel	Thye
Curtis	Magnuson	Watkins
Dirksen	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Frear	Monroney	

NOT VOTING—17

Beall	Gore	Robertson
Bridges	Hennings	Smathers
Byrd	Ives	Smith, N. J.
Chavez	Malone	Yarborough
Ervin	Murray	Young
Flanders	O'Mahoney	

So Mr. MORSE's point of order was not sustained.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following:

That section 207 (b) (1) of the Small Business Act of 1953 is amended by inserting "(A)" immediately after "to be necessary or appropriate", and by inserting before the first colon a comma and the following: "and (B) to any small-business concern if the administration determines that the small-business concern has suffered a substantial economic injury as a result of programs administered by the Secretary of Agriculture under the provisions of the Soil Bank Act."

SEC. 2. Section 204 (b) of the Small Business Act of 1953 is amended—

(1) by striking out "$455,000,000" wherever it appears and inserting in lieu thereof "$505,000,000"; and

(2) by striking out "$125,000,000" and inserting in lieu thereof "$175,000,000."

Mr. HAYDEN. Mr. President, I make the point of order that the appropriation proposed by the amendment is not authorized by law.

Mr. SPARKMAN. Mr. President, we have on file notice of a motion to suspend the rule. If the distinguished chairman of the committee will withhold his point of order for a moment, I shall greatly appreciate it.

Mr. HAYDEN. I am glad to withhold it for a while.

Mr. SPARKMAN. Mr. President, I have no thought of detaining the Senate for long. We have had a long, hard day. However, I wish to explain the purposes of the amendment to the Senate.

This is a situation in which relief is needed, and it has not been acted upon by any committee of the Senate, and there is nothing on the Senate Calendar designed to give such relief. In many instances in my own State—and I am sure this is true in every State in which there has been a great deal of land placed in the Soil Bank—the small businesses which have been serving the farmers, namely, the ginners, the fertilizer dealers, the implement dealers, and other small businesses of that kind, have been severely affected.

Let me give an example. A few days ago a man called me from my State and said that in 1955 he ginned 3,400 bales of cotton. In 1957, the first year of the full impact of the Soil Bank, he ginned 700 bales. He said, "I cannot operate my gin on that amount."

Another called me a few days ago and said, "About 3 or 4 years ago I invested $100,000 in a gin. I am on the rocks. I am being ruined because the land has been taken out of production and put in the Soil Bank, and I simply cannot keep my head above the water."

I told him, "If you can stay afloat for one more year, I think I can assure you that we shall not have this Soil Bank operation, which pulls land out of production, and has the effect which you describe."

He said, "I cannot keep going."

All we are proposing to do by this amendment is to extend to the ginners and the small businesses which are adversely affected by this program the right to utilize the Small Business Administration's loan program, just as we extended such right to small businesses which were adversely affected by reason of drought or excessive rainfall.

We say they should have that privilege, if they are adversely affected by the operation of the Soil Bank program.

Mr. President, it is a good amendment. It is a good proposal. It is one that is badly needed, particularly by the small businesses—the ginners, the fertilizer dealers, the implement dealers, the small grocery stores, the small crossroads stores—who have been supplying the farmers in all the areas in which the Soil Bank has taken excessive acreage out of production.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HILL. Is it not correct to say that the ginners and others affected adversely by the program are as much adversely affected as if the disaster had been brought about by drought?

Mr. SPARKMAN. The Senator is absolutely correct.

Mr. HILL. We seek to give them some relief for their sufferings, in the same way we would give them relief if their sufferings had come about because of drought or floods.

Mr. SPARKMAN. The Senator is correct. Under a bill passed by Congress and signed into law only 2 weeks ago, that same principle was followed.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. I was going to make the point that only 2 weeks ago the President signed a bill into law which authorized the Small Business Administration to make loans to small businesses which are in great difficulty because of excessive rainfall. It was an extension of the basic act which had already provided relief in the case of floods and other natural disasters.

I merely wish to confirm, from my own knowledge of conditions in Arkansas, what the Senator has described in his own State. Extreme hardships have been visited on small businesses, which have resulted from the operation of the Soil Bank in taking large acreages out of production, and has adversely affected the people who supply the fuel for the tractors, the tractors themselves, the insecticides, the fertilizers, and all the other supplies which are utilized by a farming community. They are inevitably injured by the operation of the Soil Bank.

The principle which the Senator from Alabama is seeking to apply is one which we have recently approved in the case of the bill which he has mentioned, and it is completely consistent with the disaster-loan program which the Small Business Administration administers. I hope the Senate will accept the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HILL. I point out also that the amendment would continue to assist persons who have been adversely affected, many of whom are in a desperate situation, and many of whom are on the verge of bankruptcy.

Mr. SPARKMAN. The Senator is correct.

Mr. HILL. It might be said that they are in extremis. Is that correct?

Mr. SPARKMAN. The Senator is correct.

Mr. HILL. Unless something is done, unless a hand is extended to them to save them, they are lost. Is that not true?

Mr. SPARKMAN. That is true, and that is true at the very time that the greatest amount of land is going to be taken out of production.

I can speak particularly with reference to my State, although I know the statement applies to Arkansas and to practically every agricultural State of the Union. We have had the heaviest call on the Soil Bank of any year of its operation. In Alabama it is true for this reason. We had excessive rains, which cut the cotton crop practically in two. The same thing is true of our peanut crop. Farmers in Alabama met disaster last year, and therefore they have accepted the invitation to go into the Soil Bank this year.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KEFAUVER. I wish to commend the junior Senator from Alabama [Mr. SPARKMAN] and his senior colleague [Mr. HILL] for offering the amendment. Certainly in my State the conditions he has described prevail to a larger extent, because in West Tennessee, as is in the case in Arkansas, Missouri, and Mississippi, farmers, through no fault of their own, have suffered great losses.

Now that the land has been taken out of production, the flow of money in business has come almost to a standstill in some places. As I understand—and I ask the Senator if this is true—no money would be available for loans under the amendment unless the Small Business Administration itself found that the hardship had resulted from the operation of another arm of the Government, the Department of Agriculture, in the administration of the Soil Bank.

Mr. SPARKMAN. The Senator is correct.

Mr. KEFAUVER. I believe the amendment is eminently fair. I do not believe the Government ought to harm one segment of our economy without at least in some way making up for it.

Mr. SPARKMAN. I may add to the statement of the Senator from Tennessee that these are not grants, but loans which are repayable with interest.

Mr. KEFAUVER. In that connection, I was impressed by the statement of the Senator from Arkansas [Mr. FULBRIGHT], that farmers in 1948 or 1949 who obtained emergency loans paid them back to the extent of ninety-six-plus percent.

Mr. FULBRIGHT. That is exactly correct. The repayment record of those disaster loans has been very high.

Mr. SPARKMAN. I realize that the presentation of the amendment has been brief, but the essence of it has been stated.

Mr. HAYDEN. Mr. President, I know of instances in my own State of small-business men having been faced with the situation to which reference has been made. When farmers went into the Soil Bank, businessmen lost business. However, a rule is a rule, and the proposed appropriation is not authorized by law.

ALLEN J. ELLENDER, SENATOR OF LOUISIANA

Mr. KUCHEL. Mr. President, I should like to make a very brief comment on another subject, concerning the senior Senator from Louisiana. Will the Senator yield to me before he asks for a ruling on his point of order?

Mr. HAYDEN. I yield.

Mr. KUCHEL. Mr. President, I wish to salute the senior Senator from Louisiana [Mr. ELLENDER]. On January 11, of this year, a most regrettable article appeared in a highly reputable national publication, the Saturday Evening Post. It is authored by a former Governor of Wyoming, Mr. Leslie Miller, and is entitled "It All Comes Out of Your Pocket." It is an unfortunate series of half-truths and innuendoes with respect to the work which the Congress of the United States has engaged in over the years in discharging its constitutional duty of assisting the States of the Union in the field of public works and in the field of rivers and harbors, being carried on by the Army Engineers and the Bureau of Reclamation. Congress, like every other group of human beings, makes its share of errors. But in my view its prodigious labors in the legislative area have been sound and constructive. It has sifted facts surrounding public works and reclamation projects with great care. To charge its labors with allegations of "pork barrel" is simply not the fact.

ALLEN ELLENDER made a powerful and persuasive rebuttal to that unfortunate article. Here is a Republican Senator who is glad to salute him. I come from a State which is grateful for what the Government of the United States over the years has done for it and for its people in the field of reclamation and public works.

My senior colleague [Mr. KNOWLAND] and I several weeks ago fashioned a statement of principles with respect to the water problems of California and the manner in which the Federal Government might most effectively assist in helping to solve those problems. I ask unanimous consent that a portion of that statement of principles be included at this point in my remarks.

There being no objection, the excerpt from the statement was ordered to be printed in the RECORD, as follows:

The record of California's progress shows that our State has benefited by federally constructed reclamation projects. The growth and prosperity of the southern portion of our State could not have been realized were it not for the foresight which 30 years ago inspired the late United States Senator Hiram Johnson and former Congressman Phil Swing to fight successfully for Congressional approval of a great multiple-purpose dam on the Colorado River, known as Hoover Dam. We also look with pride upon the local governing units, the civic leaders and the people of Los Angeles County and other areas of southern California who had the foresight to help plan for this development and who have carried the burden of repaying the Federal investment. To the north, the Central Valley project initiated under the administration of Franklin Roosevelt, brought to northern California a vast Federal water project which has permitted that great area of our State to thrive. We salute the people of San Francisco whose leaders, years ago, began undertaking a vast water project (Hetch Hetchy) to serve their needs. Federal cooperation has played an important role in this development and we participated, a few years ago, in Federal legislation to bring a new reservoir at Cherry Valley into being.

The beneficial impact of certain Federal civil-works projects was dramatically illustrated just 2 years ago last Christmas when drastic floods inundated many rural and urban areas in California. According to official estimates of the Army Corps of Engineers, Folsom Dam paid for itself in the first year of its operation by holding back water which otherwise would have done severe damage in the capital city of Sacramento. At the same time Shasta Dam saved much of upper northern California from flood damage. Friant Dam saved the San Joaquin Valley. Pine Flat Dam helped to protect the Fresno area from serious damage. From Imperial Valley to the far north of our State, great reclamation projects provide for needed water development to assist the people of the respective areas. All these facilities were constructed by the United States. In addition we point with pride to the fact that our State is dotted with irrigation and water districts where the people themselves have anticipated and met with their own water requirements.

Mr. KUCHEL. Mr. President, there is a concrete series of Congressional actions, in the field of public works, of incalculable value to California.

Mr. THYE. Mr. President, I too had noted the strong statement made by the distinguished Senator from Louisiana, [Mr. ELLENDER], and I commended him at the time. I wrote to the editors of the magazine and criticized them. I also stated most emphatically that the publication of the article in their magazine was a disservice to their readers. I again commend the distinguished Senator from Louisiana for his statement.

Mr. KUCHEL. I am glad to be associated with the senior Senator from Minnesota. As I conclude these remarks I say: "As far as I am concerned ALLEN ELLENDER, you have done a good thing in demonstrating the good which Congress has accomplished and you have done a good thing for the country in spreading the facts in the RECORD for all to see. So far as I am concerned, I intend to continue to work with you in a bipartisan fashion to bring needed, necessary, and feasible public works to the building of America and the American people."

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN. Mr. President, I insist on my point of order.

The PRESIDING OFFICER. The Senator from Arizona raises a point of order on the amendment of the Senator from Alabama [Mr. SPARKMAN]. The Chair is prepared to rule. In the judgment of the Chair, the amendment offered by the Senator from Alabama constitutes legislation on an appropriation bill. The point of order is well taken, and the Chair sustains the point of order.

Mr. KNOWLAND. Mr. President, in order to clarify the RECORD, I call the attention to the fact that the Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, and I, who also am a member of that committee, supported the recommendations which had been made for the Glen Canyon Dam. I want the RECORD to be very clear that the action of the committee in supporting the appropriation for the Glen Canyon Dam did not take into account the hydrologic basis contained in Senate Document No. 77. I ask the Senator from Arizona if his understanding is the same as mine.

Mr. HAYDEN. I have examined the statement. The report to which the Senator has made reference was not referred to the Committee on Appropriations and is in no way related to the funds for the construction of the Colorado River storage project in this or any other bill.

The report referred to deals with the operations of the projects on the Colorado River, which is a matter for negotiations between the Secretary of the Interior and the appropriate agencies of the various States involved.

Mr. KNOWLAND. I thank the Senator from Arizona for his statement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the proposal of the States of Arizona, California, and Nevada, concerning the basic principles to govern the operation of Glen Canyon Dam.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

PROPOSAL OF ARIZONA, CALIFORNIA, AND NEVADA—BASIC PRINCIPLES TO GOVERN OPERATION OF GLEN CANYON DAM

The States of Arizona, California, and Nevada propose that the following basic principles shall govern the preparation, adoption, and execution of any plan for the operation of the Glen Canyon Dam:

I

The United States shall recognize the right of the lower basin to the consumptive use of water as superior to the Government's right to accumulate or retain water at Glen Canyon. To that end, the United States shall release at Glen Canyon Dam each year the quantity of water, corrected for downstream tributary inflow, required to meet all consumptive use requirements of the lower basin from the main stream, in addition to the full Mexican Treaty requirements, and all reservoir evaporation losses and channel losses between Glen Canyon and the Mexican boundary.

II

The United States shall not impair the performance of its Hoover Dam power con-

tracts by the filling and operation of Glen Canyon Reservoir. To that end, water shall be released at Glen Canyon in such amounts as may be required to generate the contracted quantities of energy at Hoover Dam.

III

In any year in which the inflow to said Glen Canyon Reservoir shall exceed the aggregate of the quantities required in I above, releases therefrom during such year shall, unless the same would cause spill at Hoover Dam, be in quantity sufficient to provide a flow at Lee Ferry amounting to not less than the aggregate of the quantities required under I above plus half of such excess.

IV

Operation of the Glen Canyon Reservoir for flood control shall be appropriately co-ordinated with flood-control operation at Lake Mead in order to achieve the greatest practicable flood-control benefit for the river as a whole.

V

Releases from the Glen Canyon Reservoir shall, to the fullest practicable extent, be such as to permit the reasonably efficient utilization of the flows thus released for the production of hydroelectric power at existing and hereafter constructed plants downstream therefrom.

VI

The foregoing proposal is without prejudice to the claims of the States of Arizona, California, and Nevada, or any entities therein, regarding their respective rights in and to waters of the Colorado River and relates only to releases from the Glen Canyon Reservoir.

Mr. LAUSCHE. Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, line 24, it is proposed to strike out "$37,500" and insert in lieu thereof "$75,000."

Mr. LAUSCHE. Mr. President, my amendment proposes to restore the figure $75,000 to be available to the General Services Administration in appearing before public utilities commissions and especially before the Federal Communications Commission to participate in contests fixing rates which are charged for communications services of which the Federal Government is one of the primary purchasers.

In the 84th Congress there was imposed upon the General Services Administration the responsibility of representing the Government, especially before the Federal Communications Commission. The amendment, in my opinion, is important because of the huge stake which the Federal Government has in the rates which are fixed.

I invite the attention of my colleagues to pages 72 and 73 of the hearings. On page 73 it is pointed out that the bill of the Federal Government for communications services rendered by the Western Union Telegraph Co. and the Bell Telephone Co. amounts to $100 million a year. In addition, the communication utilities have installed facilities at a cost of $1 billion, based upon which, at the termination of the services, the Federal Government might become involved in the sum of $222 million.

I assume the committee felt it was proper to take the money from the General Services Administration. I examined the questioning which was directed to the representatives of the General Services Administration. That questioning indicated that we should rely upon the Federal Communications Commission to do justice. With that type of reasoning I cannot agree. $100 million a year is the bill we pay. We may have a contingent liability of $222 million. In my judgment, the amount involved is so great that the Government should have an agency acting as a protagonist and an advocate of the interests of the Federal Government and the consumer as a whole.

For 10 years I was Governor of Ohio. Time and again I witnessed the inability of the local communities properly to present their cause to the Public Utilities Commission in rate contests.

Fifty thousand dollars was given to the General Services Administration from the Emergency Fund of the President. The General Services Administration says it needs $100,000 more. The House gave the General Services Administration $75,000; the Senate Committee on Appropriations reduced that amount to $37,500.

On page 73 of the hearings, it is pointed out that there are three important cases on the docket of the Federal Communications Commission, one involving the American Telephone & Telegraph Co., the second involving the Western Union Telegraph Co., and the third involving the American Telephone & Telegraph Co. and others.

In my judgment, it will be a mistake not to have the public interest represented by an advocate. It will be a mistake to rely on the Federal Communications Commission alone to do justice. If that theory is correct, then the utilities ought to say, "We will not have an advocate; we will rely upon the justice of the Federal Communications Commission."

I have three reasons for urging the amendment. First, the provision of the law passed by the 84th Congress was sound. It specifically provided that the General Services Administration should appear before the Federal Communications Commission and represent the people of the United States in any proceeding involving rates charged for communications services rendered to the armed services.

Second, it is indispensable that the Federal Government be an active participant in rate cases pending before the Federal Communications Commission and other utility commissions whenever the Federal Government's interest is involved.

Third, the denial of the additional $37,500, in my opinion, would be penny-wise and pound foolish.

That, in substance, is the case as I see it.

Also, at this time I wish to raise a point of order against the provision contained on page 9 of the bill. I shall read the paragraph.

No moneys appropriated under this act shall be expended for any activity authorized by section 201 of the act of June 30, 1949, as amended (40 U. S. C. A. 481), or by section 303 of the act of August 3, 1956 (Public Law 968).

The following is the language against which I make the point of order:

Except for the purpose of assuring that the executive agencies are not discriminated against in terms of quality, kind, or charges for service as compared to other customers of the utility.

Mr. President, that language would write such a law into the appropriation bill.

However, I have a greater and a deeper apprehension about that language: It would completely deprive the General Services Administration of the ability in any way to represent the public interest before the Federal Communications Commission, except when there had been discrimination against the Government.

I suggest that it would be difficult to find where there had been discrimination, because the rates charged to the Federal Government undoubtedly would be identical to the rates charged to the general public.

I wish to read a letter, and then I shall yield. The letter has come from Mr. Floete, of the General Services Administration, under date of March 7, 1958; and it reads as follows:

MARCH 7, 1958.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This letter points out the effect of an amendment adopted by the Appropriations Committee to H. R. 10881 relating to GSA's representation of the Government in rate proceedings. The amendment, if enacted, would preclude GSA's representation of the Government as a shipper or user of a public utility or communication service in rate proceedings before Federal and State regulatory bodies except for the purpose of assuring that the executive agencies are not discriminated against in terms of quality, kind, or charges for service as compared to other customers of the utility. GSA would be prohibited from representing the Government from the point of view of the overall reasonableness of the rate or rates to be charged the Government as a shipper or user.

This amendment (lines 3 through 10 on page 9), and the Committee Report No. 1344 applicable thereto, in our opinion, substantially narrows the authority granted in section 201 (a) (4) of the Federal Property and Administrative Services Act so far as representation by GSA of the Government as a shipper or user of the service in rate proceedings before Federal and State regulatory bodies is concerned.

Sincerely yours,

FRANKLIN FLOETE.

I submit that if this language remains in the bill and is enacted into law, the General Services Administration will be bereft of all power in such matters and will be unable to perform its duty.

Mr. HAYDEN. Mr. President, I concede the validity of the point of order. I have consulted with the Parliamentarian, and the language referred to is legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair understands that an amendment is pending.

Mr. HAYDEN. Mr. President, I am willing to have the Senate proceed in either way. Does the Senator from

Ohio prefer to have the point of order disposed of at this time?

Mr. LAUSCHE. Yes.

The PRESIDING OFFICER. Without objection, the Chair will now rule on the point of order.

Mr. LAUSCHE. First, Mr. President, I should like to ask what the reaction of the Senator from Arizona is to the amendment I have proposed.

Mr. HAYDEN. Mr. President, my impression is that the committee did very well by the General Services Administration by increasing from $50 a day to $100 a day the amount which could be paid for the services of an expert. But we did not think the General Services Administration would need so many experts; therefore, we provided that the total amount should be reduced from $75,000 to $37,500.

Of course I can say to the Senator from Ohio that in view of the difference of opinion between the two Houses as to whether to provide $75,000 or $37,500, this amendment will be in conference. If the conferees on the part of the House of Representatives insist that a larger amount be provided, the conference report can provide either for the $75,000 or for some other figure larger than the $37,500.

On the other hand, I believe the members of the Senate Appropriations Committee are interested in having the per diem amount increased from $50 to $100, so that proper services can be obtained. I believe the per diem allowance of $100 can very well remain in the bill.

However, we have to concede that on page 9, the language to which the Senator from Ohio has referred is legislation on an appropriation bill; and it will go out of the bill.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. On the point of order, I agree with what the Senator from Arizona has said. As a member of the Appropriations Committee's subcommittee which considered this question, I agree that the point of order is well taken.

I also believe that by means of this discussion and by means of the consideration had in the committee, something will be accomplished.

The committee was trying to have the General Services Administration given this authority, because the members of the committee wished to protect the Government in the cases the Senator from Ohio has been discussing.

But in the opinion of the committee, representatives of the General Services Administration have been appearing in cases in which their appearance was not necessary, and in that way the General Services Administration has spent for these services much more money than was needed to be spent.

By means of the amendment, the committee was trying to accomplish a reduction in the number of appearances made by representatives of the General Services Administration.

I agree with the Senator from Arizona [Mr. HAYDEN] and the Senator from Ohio [Mr. LAUSCHE] that the language included at this point in the bill is subject to a point of order. Therefore, this language will go out of the bill. But certainly we should try to cover our point in the next appropriation bill, if that is necessary.

On the other hand, I hope the Senator from Ohio will not insist on his amendment, because as the Senator from Arizona has said, the question whether the amount should be $75,000 or $37,500 will be in conference. Perhaps the Senate Appropriations Committee voted to have the total amount cut too low, in view of the fact that the committee voted to increase the per diem allowance from $50 to $100.

If the Senator from Ohio will not insist on his amendment, I believe that in conference the conferees on the part of the Senate will be able to yield somewhat on the total amount, if necessary. On the other hand, we shall be able to be all the more insistent on the $100 per diem allowance.

But I believe the Senator from Ohio has accomplished his objective, namely, to have the Government protected.

If the point of order is sustained—and I am sure it will be—I hope the Senator from Ohio will not insist on his amendment, but will permit the conferees to deal with this subject. If so, we hope the conferees will agree upon a larger total amount.

Mr. LAUSCHE. Mr. President, I hold the Senator from Massachusetts in the highest esteem. However, I do not quite concur in his view regarding the significance of this matter.

As the bill now stands, $37,500 would be allocated to fight for the public's interest, before the Federal Communications Commission, in rate proceedings which will involve $100 million a year. I believe that for every dollar spent by the Federal Government in that connection, probably $50 would be saved, as the result of the fight made.

If $37,500 is appropriated, it will be insufficient; I believe the testimony showed that the representatives of the General Services Administration believe that in that event they would be unable to take the necessary action.

Mr. HUMPHREY. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. Earlier today, I indicated to the Senator from Ohio that I was strongly in support of the amendment he has offered and also in support of the point of order he has made. In fact, I would have made it myself, had not the Senator from Ohio wished to do so and been prepared to do so, as he has done so ably.

I would only add that, as the Senator from Ohio has said, the rate cases involved are tremendous in their size and importance. In fact, the information I have is that originally it was estimated by the American Telephone and Telegraph Corp. that the cost of this communications network would amount to approximately $240 million annually.

When the majority leader in the other body probed into this point, the figure was subsequently reduced to approximately $160 million. It is now very obvious that the General Services Administration experts believe that amount can be reduced by one-fourth, thus reducing it by at least $40 million.

Therefore, as the Senator from Ohio has said, it seems to me to be vital that the experts of the General Services Administration be allowed the necessary funds, in order to be able to represent properly the public's interest.

I realize that if the amount voted by the Senate differs from the amount voted by the House of Representatives, a conference will be held on the differing votes of the two Houses on this item. However, I know that the House of Representatives believed that the $75,000 was needed; and, likewise, the Senate Appropriations Committee believed that the per diem amount should be increased from $50 to $100.

I believe that what really is needed is a sufficient amount of money with which to have the job done.

Mr. SALTONSTALL. Mr. President, will the Senator yield, because he is laboring under a misapprehension.

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. $50,000 has already been provided from the President's emergency fund for the remainder of the year. The Senate Committee has allowed $37,500. There are 3 months left in the fiscal year. Next year the budget calls for $175,000. So there is a difference as between $50,000 from the President's emergency fund, plus $37,000 and $75,000, which the House provided. We can have a conference on the differences between the two Houses.

Mr. LAUSCHE. There is great strength in the argument made by the Senator from Minnesota [Mr. HUMPHREY] when he points out that the Senate Committee proposes to allow $100 per diem for individuals, instead of the House allowance of $50, but allows only $37,000 instead of the $75,000 provided by the House. The General Services Administration will run out of rope before the proceedings get under way.

Mr. HAYDEN. Mr. President, I may point out that this is an entirely new matter. The President provided $50,000 from his emergency fund to help the General Services Administration until the end of the year. The Agency said it needed it. The Senate Committee has recommended $37,500. Then we consider the annual budget, which provides for $175,000. The greatest favor we did was to raise the per diem fees from $50 to $100. The Agency ought to be able to get good talent for that. I think if the provision is left alone, we can adjust it in conference.

Mr. HUMPHREY. I think the Senator from Arizona is correct when he states the greatest favor we did the Agency was to adjust the per diem rates, so that the services of competent experts could be obtained. The Bureau of the Budget did obtain $50,000 from the President's emergency fund, but some portion of it has been expended by the experts which the Agency has hired. Those experts obtained preliminary information which indicated that excessive rates were being charged. I do not know how

much of the $50,000 was expended. There was testimony on the matter. My notes refer to pages 77 to 85 of the hearings on the second supplemental appropriation bill.

May I ask Senators who are members of the Appropriations Committee how much of the $50,000 has been expended?

Mr. LAUSCHE. I cannot give the Senator an exact answer, but a substantial part of the $50,000 has been expended, because proceedings were started last fall. The proceedings were really started on December 28, 1956, so a considerable period of time has elapsed in approaching this problem.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The assistant to the Appropriations Committee informs me that the $50,000 was made available in the last part of September of last year, so presumably a considerable amount of that fund has been expended. The question is, How much is needed for the remainder of the fiscal year, to July 1?

I hoped the Senate would be willing to let us take the matter to conference. The committee restored the per diem figure to $100 from $50. The House committee provided $100, but it was reduced to $50 on the floor of the House. The Senate restored the figure to $100.

I hope the amendment will be rejected on the point of order. I hope the Senator will be willing to trust the conferees to work out the matter fairly as it applies to the remaining months of the fiscal year.

Mr. HUMPHREY. Mr. President, I now have a record of the hearings before me. As shown on page 78, Mr. Mills was testifying for the General Services Administration. He noted, in response to a question by the Senator from Illinois [Mr. DIRKSEN]:

> In connection with SAGE, we got an emergency fund allocation from the President of $50,000 to see us through the initial stages of this work and to provide for representation before the Federal and State regulatory bodies, particularly the Federal Communications Commission.
>
> That fund is very nearly exhausted at the present time and hence we are requesting that you allow us $75,000 supplemental appropriation to see us through fiscal year 1958.

The Senator from Louisiana [Mr. ELLENDER] asked:

> How much did you obtain from the President's fund?
>
> Mr. MILLS. Fifty thousand dollars.

I read further from the hearings:

> Senator ELLENDER. I was informed that for the next fiscal year you are going to request a little over $200,000 for that purpose.
>
> Mr. MILLS. $200,000—$170,000 for the operating end and $30,000 in connection with the legal and administrative end.

So the record does indicate that a substantial portion of the emergency fund allocation has been expended. If the conference committee can arrive at an agreement respecting a major part of the $75,000, it seems to me that a figure of about that amount should be included in the bill. I hope we may have some kind of understanding about it.

Mr. LAUSCHE. Was not $100,000 recommended originally?

Mr. SALTONSTALL. Mr. President, if the Senator will yield, $100,000 was originally recommended. The House approved $75,000. The Senate committee cut it down to $37,500. If the Senate will permit us to do so, we shall try to adjust the matter fairly in conference.

Mr. LAUSCHE. $100,000 was recommended. The House cut it to $75,000. The Senate committee cut it to $37,500. I really believe the Agency will be disemboweled, from the standpoint of doing any effective work.

Mr. SALSTONSTALL. The members of the committee realize the importance of seeing that the work in connection with SAGE is well done.

Mr. HUMPHREY. Mr. President, I appreciate the interest which has been demonstrated in this matter. I only hoped the figure of $75,000, which represents a little more than one-third of the total amount which will be requested for fiscal 1959, would be agreed upon; $50,000 plus $75,000 would make $125,000 for the fiscal year.

Mr. LAUSCHE. If I may interrupt, I do not think there will be another $50,000 from the President's fund.

Mr. HUMPHREY. I mean from last year. If we add the $75,000 to the $50,000 for fiscal 1958, which will end on June 30 of this year, the amount is $125,000.

Mr. SALTONSTALL. That was for 9 months.

Mr. HUMPHREY. And $200,000 is being requested now for the full year 1959. My hope is, and I think the hope is shared by the Senator from Ohio, that $200,000 will be granted ultimately, and that at least a figure approximating the amount of $75,000 for the remainder of this fiscal year will be made available.

While this matter is under discussion, I wish to make a few comments as to the committee amendment on page 9, lines 3 to 10.

Mr. President, the amendment "line 3 through 10 on page 9 of H. R. 10881" would force the General Services Administration to pull out of three very important telephone and communication rate cases pending before the FCC.

The amendment was put into the bill after White House efforts failed to get GSA Administrator Floete to pull out of the rate case.

The cases involve tolls charged the Government, mainly for the Defense Department, by A. T. & T., and subsidiaries for telephone lines and services.

GSA, which has been looking into these rates, has discovered that the rates are at least 25 percent too high. They are using authority given by Congress to intervene to seek reductions in rate requests asked by A. T. & T. before FCC.

MILLIONS ARE AT STAKE ON THIS AMENDMENT

For example, the GSA has already asked a $6 million reduction in one rate case involving $25 million in line tolls being sought by A. T. & T. and its subsidiaries in application before the FCC. This is just part of the story.

The crux of the fight and the main reason for the amendment centers around the charges which A. T. & T. plans to make for the SAGE system tolls. This is the semiautomatic system that connects the Air Defense Command, Pentagon, and so forth, with all of our early warning radar system. Originally A. T. & T. estimated the cost would be $240 million annually, but when House Majority leader JOHN MCCORMACK started his own investigation of the rates, A. T. & T. immediately shaved down the amount to an estimated $160 million.

Now GSA rate experts have discovered that A. T. & T. cost estimates are way off, and that at least 25 percent, or $40 million, a year should be cut from the $160 million figure.

GSA, using section 201 of Public Law 968—see hearings pages 77 through 85 of second supplemental appropriation bill—then proceeded to work out an agreement with Air Force, the contracting agency for SAGE, and the Bureau of the Budget to intervene before FCC to present the case that the rates were too high.

The Budget Bureau thought so highly of GSA's plans that they obtained $50,000 from the President's emergency fund to pay rate experts to work up a strong case to present to the FCC. Using these funds, GSA has proceeded to obtain some startling information, and is just now in position to begin presenting it to FCC.

Legislative experts report that the amendment is actually legislation on an appropriation bill and is subject to point of order.

Economic experts report that if GSA Administrator Floete should win his cases before FCC—and he has three very strong cases—the action could stem the tide of rising telephone rates throughout the entire United States. For example, right now A. T. & T. and its subsidiaries have requests for higher rates in 22 States.

According to Wall Street Journal, A. T. & T. and its subsidiaries profits reached an alltime high last year.

Supporters of the amendment argue that the FCC should make its own investigation and that GSA's intervention is just so much duplication. This is nonsense. FCC makes little or no investigation of whether the rates are correct. It makes its decision from the hearing record. The GSA is the Agency which makes the case for the Government. Without it, the FCC will not have the facts to pass on the rates. The FCC, now under probe in the House, has been known to approve telephone rates without even so much as a hearing. This would have been the case except for intervention in this case by General Services Administration.

If the GSA should win its case, an estimated $230 million could be saved over a period of 5 years. How much such a victory would indirectly save telephone consumers all over the United States is hard to estimate, but it would certainly be substantial.

Remember, the Government is the biggest telephone user in the country.

Mr. President, I read a letter from Mr. Floete, Administrator of GSA, as follows:

MARCH 7, 1958.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This letter points out the effect of an amendment adopted by the appropriations committee to H. R. 10881 to GSA's representation of the Government in rate proceedings. The amendment, if enacted, would preclude GSA's representation of the Government as a shipper or user of a public utility or communication service in rate proceedings before Federal and State regulatory bodies, "except for the purpose of assuring that the executive agencies are now discriminated against in terms of quality, kind or charges for service as compared to other customers of the utility." GSA would be prohibited from representing the Government from the point of view of the overall reasonableness of the rate or rates to be charged the Government as a shipper or user.

This amendment (line 3 through 10 on p. 9) and the committee Report No. 1344 applicable thereto, in our opinion substantially narrows the authority granted in section 201 (a) (4) of the Federal Property and Administrative Services Act so far as representation by GSA of the Government as a shipper or user of the service in rate proceedings before Federal and State regulatory bodies is concerned.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

Mr. LAUSCHE. It is my understanding that we will not vote on the amendment tonight. May I say to the Senator from Massachusetts that I should like to consider the proposal he has made, and I will give an answer tomorrow, if that is proper.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SPARKMAN. Mr. President, when the majority leader left the Chamber, he stated it was his purpose to complete consideration of the bill tonight.

Mr. LAUSCHE. That is fine.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. I wonder if the Senator from Arizona, who is always reasonable—as is, indeed, his esteemed associate in this debate, the Senator from Massachusetts [Mr. SALTONSTALL]—would be willing to settle for the Senate figure of $50,000 so that the Senators will have a little closer bargaining range in the conference.

Mr. HAYDEN. I had Yankee ancestors, and the Senator from Massachusetts is a Yankee, and we will do that.

Mr. HUMPHREY. That will be very helpful. We thank the Senator for his kind consideration.

Mr. LAUSCHE. Mr. President, I withdraw my amendment.

Mr. HAYDEN. Mr. President, I move to strike out "$37,500" on page 8, line 24, and to insert in lieu thereof "$50,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

Mr. HAYDEN. Mr. President, will the Chair rule upon the point of order, after action is taken on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair is prepared to rule on the point of order raised by the Senator from Ohio against the committee amendment, appearing on lines 3 through 10 of page 9 of H. R. 10881. The Chair rules that the point of order is well taken, because the committee amendment does constitute legislation on an appropriation bill.

The bill is open to further amendment.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware.

Mr. WILLIAMS. Mr. President, will the Senator from Arizona explain the language on page 16, lines 8 through 14? I find there an authorization for 40 additional police privates and 23 additional letter carriers. I wonder why that provision is included.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HAYDEN. Yes.

Mr. SALTONSTALL. That was suggested because of the need for the extra policemen on the night prowls, to give a greater protection at night.

Mr. HAYDEN. That is correct.

Mr. WILLIAMS. I have no objection to safeguarding adequately the property in the New Senate Office Building, but I wonder if we need 40 policemen to do so.

How much mail are those 40 policemen going to get? There is a provision for 23 extra letter carriers.

Mr. SALTONSTALL. I am sorry; I thought the Senator was talking about the District of Columbia police.

Mr. STENNIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Mississippi?

Mr. WILLIAMS. Yes. I am speaking to the language on page 16, lines 8 through 14, which will provide 40 additional policemen and 23 additional letter carriers. I wonder what those employees are needed for.

Mr. STENNIS. Mr. President, that part of the appropriation bill is based upon the requirements and the facts set forth in a letter from the Sergeant at Arms to the chairman of the Appropriations Committee dated February 12, 1958.

I might point out, before reading from the letter, that the understanding of the Appropriations Committee is that the present plans are to move the Legislative Counsel's office to the new Senate Office Building. It is also planned to move the service department from the present Senate Office Building, before the end of the fiscal year, and perhaps during the month of April. Perhaps other staff members will also move to the new building.

This item is for work which is to be done before the end of the fiscal year. Already the telephone operators who serve are located in the new building.

Mr. WILLIAMS. How many telephone operators are there? Does the Senator have an estimate as to how many telephone operators are in the building? I recognize that they would need some protection.

Mr. STENNIS. I do not know how many are there, but the protection is needed for the property and for the operators, and requires the employment of five men, who have already been on duty for some time.

Mr. WILLIAMS. Does the Senator from Mississippi believe that 40 additional policemen are needed?

Mr. STENNIS. I will come to that. The Senator asked a question.

Mr. WILLIAMS. Yes.

Mr. STENNIS. If the Senator will permit me to develop the matter chronologically, I shall be glad to do so.

Mr. WILLIAMS. Very well.

Mr. STENNIS. The present offices require attention and will require more attention.

The Appropriations Committee was also of the opinion that as soon as the new building could be occupied, for the convenience of the Senate and the staff, the better it would be for all concerned.

The Sergeant at Arms stated in his letter:

Your attention is invited to the fact that the new Senate Office Building will soon be occupied, at least in part. The new Capitol telephone switchboard is already being operated in the new building.

Incidentally, five doors are served by these men. It is necessary to have someone on duty on some of these doors around the clock. For the time that one shift is on duty, it takes five men.

I continue to read from the letter:

Last spring when I submitted the annual request for appropriations for the Office of the Sergeant at Arms I stated that I would not then ask the committee to create any positions for the new building. Instead I considered it more feasible to wait until the first supplemental appropriation bill subsequent to January 1, 1958.

Attached is a request and justification for 40 new police privates and 23 new mail carriers which I recommend that the committee create to become effective as early as possible. This request is based on the lowest possible number of police and mail carriers for adequate protection and security and for expeditious postal service respectively. The request also includes funds to equip the additional police.

The committee included in the current legislative act sufficient funds to the Architect of the Capitol for him to employ elevator operators for the new building for the entire latter half of fiscal year 1958.

It is my intention not to fill the new positions hereby requested until the services of each are necessary and justifiable.

It is impossible to tell when these men will be necessary, or how many there will have to be in June, July, or August of this calendar year. However, the estimate of the number to be required to complete the operation is given. The idea was to provide the authorization now and to trust the Architect of the Capitol and the Sergeant at Arms, who are responsible to us, to hire only those employees who are needed and whose employment can be justified.

Mr. WILLIAMS. Mr. President, at the time they were making that estimate we had all been notified, as Members of the Senate, that it was expected the new offices would be available for the Sena-

tors to move into and occupy in the early part of this year. We have since been notified that the offices will not be available until sometime toward the end of this calendar year. They will not be available, so far as the Senators are concerned, during the present fiscal year, which is the year the appropriation is to cover.

Some extra policemen may be needed, but I am not so sure that we could not transfer some of the policemen now employed for this duty. I understand police protection is provided.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. WILLIAMS. In a moment.

If there is a need for extra policemen, I would go along with that provision, but certainly there is no need for 23 letter carriers beginning March 1 to carry the mail, when nobody is occupying those offices and nobody is going to occupy them, with the exception of a few committee staffs.

We already have post office service in the Senate Office Building. When a committee office is moved it is merely moved across the street, not more than 40 feet or so.

It will not take more time for the present mail carriers to carry mail to the new building until the building is occupied.

I do not desire to go along with the authorization of additional employees at the present time, because I do not think there is a proper justification for it. Unless I can hear a more persuasive argument than that which I have heard, with all due respect for the Senator from Mississippi, I shall be inclined to make a point of order against that provision of the bill.

Mr. STENNIS. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. STENNIS. The Senator has made no suggestion about an excess of men being employed now. The Senator has not said that we have too many letter carriers or too many policemen, and therefore some of them can be used for the new building. The Senator has made no suggestion, as I understand, as to an estimate of how many may be necessary if he agrees some new personnel need to be employed.

Mr. WILLIAMS. No; I have no estimate. No one else has any estimate that I have read in the committee hearings. There has been no testimony to that effect. If I am in error, where is it in the hearings? I may be mistaken.

Mr. STENNIS. The Senator from Mississippi has read the primary part of the justification.

Mr. WILLIAMS. Where can that be found in the committee hearings?

Mr. STENNIS. I think the letter is in the hearings.

Mr. WILLIAMS. May I ask the date of that letter?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am advised that the letter was not placed in the hearings, although I thought it was. I was not present when this testimony was taken.

Mr. WILLIAMS. What is the date of the letter?

Mr. STENNIS. February 12, 1958.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. Let me read the mail carrier justification.

The new building has six floors occupied by offices; one man will be required for each floor for each of the three shifts, making a total of 18; two of the shifts will need two utility men each, and the third shift one utility man.

In the old building, with only four floors of regular offices, there are presently being used 16 mail carriers. This provides one delivery man for each floor for each of the three shifts and one utility man for each shift.

The increase from one to two utility men for the new building will be necessary on account of the extension of the geographical area to be covered by the addition of the new building.

If more than one floor in one building is served by one mail carrier 50 percent of the offices assigned to each man for delivery service will receive each mail delivery much later in time than they receive mail at present.

It is my understanding that these men are not to be put on the roll until they are actually needed.

Mr. STENNIS. That is the commitment in the letter presented by the Sergeant at Arms. We have a justification in detail, I will say to the Senator from Delaware, showing the number of outside doors. There are five outside doors, and two shifts of policemen are needed for those doors. They must remain guarded 24 hours a day. Three shifts would require 12 men.

Mr. WILLIAMS. I recognize that we must protect the property, but we already have police assigned to that duty. If the bill were to provide a reasonable number of police, with the proper justification, I would go along with it, but I do not, based upon the arguments already presented. It is sought to have more letter carriers assigned to the new building, which no one will be occupying for the remainder of the fiscal year, than are at present delivering mail in the Old Senate Office Building. Not a single Member of the Senate, even if he wished to do so, could move over into the new office building during the present fiscal year. Not a single Senate committee will move there.

If these men are not going to be put on duty, the legislation is unnecessary. If they are to be put on, they are certainly not needed. Therefore, I wish to make a point of order against the language beginning with line 8, and extending through line 14, that it constitutes legislation on an appropriation bill. I ask that it be stricken from the bill.

Mr. STENNIS. Mr. President, let me refer to page 272 of the Senate Manual:

TITLE 40—PUBLIC BUILDINGS, PROPERTY, AND WORKS

206. Capitol Police; appointment

There shall be a Capitol Police. The captains and lieutenants shall be selected jointly by the Sergeant at Arms of the Senate and the Sergeant at Arms of the House of Representatives; and one-half of the privates shall be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House of Representatives.

That is an authorization—that there shall be a Capitol Police. The captain and lieutenants shall be selected jointly. It does not seem to limit the number.

Mr. WILLIAMS. I have read the same paragraph. Will the Senator continue to read? Is there anything in that paragraph which refers to mail carriers?

Mr. STENNIS. I do not see any reference to mail carriers.

Mr. WILLIAMS. Is there anything in that paragraph concerning the additional office for Assistant Superintendent of Press Photographers?

Mr. President, I renew my point of order on the basis that the language in this paragraph is legislation, and I ask that the entire paragraph be stricken.

Mr. STENNIS. There is reference to uniforms for the police, including the captain and lieutenants.

Mr. WILLIAMS. That is correct. I concede that point. However, that reference deals only with the Capitol Police, and does not refer to the other two phases.

Mr. STENNIS. The Senator is correct. It does not refer to anything except the police.

Mr. WILLIAMS. In making the point of order, I make it against the paragraph as a whole.

The PRESIDING OFFICER. The Chair asks the chairman of the Appropriations Committee if in his judgment there is any basic authority for these appointments.

Mr. HAYDEN. The basic authority has just been read, so far as concerns the police. I do not happen to have at hand the basic authority for the mail carriers, if there is such. There may be such authority, but I do not know at the moment where it is provided.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Delaware, because it is impossible for the Chair to differentiate in making his decision. The Chair suggests that the committee offer a modified amendment complying with the basic authority, to the extent that compliance can be shown.

Mr. STENNIS. Mr. President, may we modify the language so as to cover the police? The police item is urgent. Will the Senator from Delaware permit us time to modify the language in that way?

Mr. WILLIAMS. I would go along with a portion of the request. I do not think 40 are needed. I believe the chairman might be willing to accept a modified number, in order to take care of the problem which has been pointed out, and which I am willing to have taken care of. In a future appropriation bill, after proper justification is shown, the number can be increased, if it is shown to be necessary. Having talked with the chairman, I suggest that we provide for 10 as the initial authority for the Capitol Police. I could go along with that number. I think that would take care of all that could be properly justified. If 10 additional police were assigned to the new building, would that not take care of the situation?

Mr. HAYDEN. It is necessary to afford protection for the telephone office. When the workshop, so to speak, is moved from the old building to the new Senate Office Building, we shall need still more police. Let us split the difference, and make the number 15.

Mr. STENNIS. We are already using five from the old force.

Mr. WILLIAMS. I will go along with that suggestion.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the clerks be permitted to adjust the figures.

The PRESIDING OFFICER. Without objection, the amendment, as modified, is agreed to.

Mr. WILLIAMS. Mr. President, it is my understanding that the amendment will now provide for 15 additional Capitol police.

Mr. HAYDEN. Yes.

Mr. SALTONSTALL subsequently said: Mr. President, after consultation with the Senator from Delaware and with the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], it is agreeable to provide for 20 policemen instead of 15 policemen. I therefore suggest that the amendment provide for 20 policemen.

Mr. HAYDEN. I ask unanimous consent that the amendment be modified accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THYE. I am happy that such an agreement has been reached, because there is no question that the new building must be properly policed. Each time a room is opened there must be adequate protection; otherwise there is the danger of vandalism.

The modified amendment, as agreed to, is as follows:

Office of Sergeant at Arms and Doorkeeepr: For an additional amount for Office of Sergeant at Arms and Doorkeeper, $21,480, to include, from April 1, 1958, 20 additional privates, police force at $2,160 basic per annum each.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, before the Senate votes on the bill, I wish to commend the Committee on Appropriations for the excellent work it has accomplished in providing acreage-reserve funds which are sorely needed; and also for the explicit language of the bill which relates to the Brussels Fair.

I note that the Senate committee did not detract from or limit the funds that had been appropriated last year for the Moscow Agricultural Fair.

I also note that the Senate did not agree with the allocation of the set amount of money for the United States Public Health Service, even though I hope our exhibit at Brussels will make proper recognition of the importance of the developments in the field of medical care, hospitalization, research, and the extensive activities of the public-health program.

I note also that the amount of $2,054,000, which is provided in the bill, is the amount which the State Department has requested and has said is necessary to place before the people who visit the Brussels Fair a reasonably good exhibit by the United States.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article which appeared in yesterday's edition of the Washington Star entitled "Russia Is About to Outclass Us in Belgium's Big Show."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BRUSSELS BATTLEFIELD—RUSSIA IS ABOUT TO OUTCLASS US IN BELGIUM'S BIG SHOW

(By Robert J. Lewis)

A major engagement in the cold war soon will be fought out on 500 fantastic acres outside Brussels, Belgium.

There the big $300 million Universal and International Exposition—"Expo '58," the Belgians call it—will swing open its gates just 39 days from now. Forty-eight nations have built over 200 halls and pavilions to make this first World's Fair in 19 years a spectacular showcase of national ways of life and civilization's progress.

Inevitably, the character of United States participation will be compared with that of the Russians during the 6 months of the fair by an expected 35 million presumably impressionable visitors. How will the competing leaders of the Eastern and Western Worlds stack up in the arts, in science, in technology?

As things stand today, the experts say we'll probably be greatly outshone by the Russians. In spite of a brilliant beginning and many truly exceptional accomplishments, the United States effort is being dimmed severely by an inadequate budget.

Available funds are so limited that Howard S. Cullman, United States Commissioner General, has said we will be able to keep the United States pavilion open only 8 hours a day, closing it at 6 p. m. In contrast, the Russians—across the street—will operate their facilities 13 hours a day, closing at 11 p. m.

SHORT SEASON

Likewise, with appropriations now at hand, our program of events can last only 15 of the 26 weeks of the fair, even if a 4-week movie presentation of South Pacific is included.

These are only a few of the restrictions reportedly imposed on our program by shortness of funds. The list is disappointingly long and serious—almost, if not entirely, the apparent result of conflicting opinions in Congress over how much we should spend.

The embarrassing disadvantage the United States will suffer at Brussels has become all the more plain as details of the well-heeled Soviet program have been disclosed. In a report 6 weeks ago, the United States Information Agency's Office of Research and Intelligence said:

"Judged from the specific preparation for the Brussels Fair, as well as from past performance, the Soviet effort this year will be the largest ever undertaken by a Communist state at a competitive international exposition. * * *

"The Brussels Fair emphasizes the general fields of scientific, economic and cultural progress. The Soviet exhibits appear designed to convince visitors that the U. S. S. R. is now the fountainhead of human progress in those fields and, furthermore, that the Soviet contributions are the direct result of its socio-political-economic system."

For the United States, too, the Brussels Fair will mark our most extensive participation in an international exposition. But we will operate on probably less than a quarter of the Soviet budget.

Best estimates are that the Soviet Union will spend about $50 million for its participation, plus another $10 million for advertising and promotion. Belgian printing firms, alone, have reported the Russians have awarded more than $1 million in contracts for giveaways to be handed out at their exhibitions.

The Soviet pavilion, covering 6 acres, will have a movie house and concert hall to seat 1,500 persons. The cost of this building is estimated by the Belgians at $5 million, not including its contents or the items of decoration.

Asked by newsmen on his arrival at Brussels how much the Soviet Union would spend, Soviet Commissioner Gen. Dimitri A. Ryzhkov answered briefly: "What it will cost."

Apparently the U. S. S. R. intends to shower Brussels with delegations of scientists, industrial ambassadors and "cultural" representatives.

The Leningrad Hermitage Museum will send a collection of old masters that will be displayed in Brussels as a group for the first time outside the Soviet Union. The Bolshoi Theater Ballet will give a 3-week program in a Brussels theater. Children in the theater's ballet school will present a 2-week program later.

WIDE CULTURAL VARIETY

Also on the Soviet program are appearances by the Moiseyev Ensemble, accompanied by a Soviet orchestra; three Chekov plays to be presented by the Stanislavsky Art Theater; song and dance ensembles from the Ukraine; and appearances by the Soviet Republic Ensemble, a troupe of singers and dancers from 15 Soviet republics.

The Symphony Orchestra of the Soviet Union will hold concerts during the 6-month-long show, and such international artists as pianist Emil Gilels and violinist David Oistrakh will appear. The Moscow circus, said to be roughly comparable to Ringling Bros., Barnum & Bailey's in its heyday, will spend 2 months in Brussels and a month in Liege and Antwerp.

To top off their program, the energetic Soviet representatives have set up a daily jet-airliner schedule between Moscow and Brussels for the duration of the fair.

The United States has aimed to keep its participation modest, yet representative.

Our biggest, and most magnificent accomplishment, by all accounts, is the design and construction of what many persons believe is the fair's outstandingly beautiful pavilion. It is the work of one of this country's most imaginative architects, Edward D. Stone, of New York. Although it is said to be the largest circular free-span building in the world it is nevertheless much smaller than the Soviet pavilion.

The American pavilion cost $5,365,000, plus an additional $2,157,000 for exhibits, or a total of $7,522,000 for building and contents. It was authorized back in 1956 at a time when it was expected that Congress would provide $15 million for United States participation in the fair.

Instead, Commissioner General Cullman was given an operating budget of $11.8 million, which means that he has left, after the cost of the pavilion and exhibits are subtracted, a balance of $4,278,000 for all other expenses.

United States officials want to match the Soviet with a 13-hour-a-day schedule. They want to fatten up the performing arts and scientific programs. They want to see that visitors to the pavilion receive printed infor-

mation on America. Essential, too, they feel, is employment of young Americans as usher-guides so that the millions of fair visitors can have appropriate contacts with American youth. Under the present budget, it will be necessary to employ Belgians for guide service.

THE AMERICAN PROGRAM

On paper, the management seems to have an excellent program worked out. Examples: Color television (the Russians have black and white); Walt Disney's Circarama (movies using 11 projectors to bring the audience inside the action); a Broadway play and an American musical comedy; concerts by such artists as violinist Yehudi Menuhin; the noted Negro singers Leontyne Price and Harry Belafonte, Metropolitan Opera star Eleanor Steber and others; the world premiere of a new opera by Gian-Carlo Menotti.

The Philadelphia Orchestra, the Juillard Orchestra and the American Ballet Theater have been scheduled for brief appearances. It is hoped that other orchestras, including Washington's National Symphony Orchestra, will be able to scrape up money themselves to finance appearances.

Up to now, repeated efforts to obtain the amount originally indicated by the House Foreign Affairs Committee as the probable cost have been unsuccessful. Last August, the Senate approved an additional $2,889,000, but the House cut this to $535,000.

Early this year, the administration again went to bat with a recommendation for $2,054,000. Two weeks ago the House turned down this request though, in some confusion, it did make available $1 million for an additional exhibit to be administered by the Health, Education, and Welfare Department. It is understood, however, that HEW feels that this appropriation came too late for a health exhibit to be prepared.

Ten days ago, Mr. Cullman told the Senate Appropriations Committee considering the administration's request:

The need for this supplemental appropriation is critical.

It is obvious that the United States cannot afford to come in with too little too late. This supplemental request, if granted, will mean that we do not come in with too little, and speedy action on this request will mean that we do not come in too late.

His appeal fell on sympathetic ears. The committee recommended the full $2,054,000. The Senate is expected to vote on the matter tomorrow.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H. R. 10881) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, and Mr. KNOWLAND conferees on the part of the Senate.

STIMULATION OF RESIDENTIAL CONSTRUCTION

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1370, S. 3418.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3418) to stimulate residential construction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the bill.

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES

Mr. HUMPHREY. Mr. President, I have received a letter and an editorial from the business manager of the Winona Daily News, of Winona, Minn. The editorial is worthy of the attention and careful study by the Congress, as it pursues and seeks a program to check the economic decline. I ask unanimous consent that the letter and editorial be printed in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

THE WINONA DAILY NEWS,
Winona, Minn., March 8, 1958.

The Honorable HUBERT H. HUMPHREY,
Senate Office Building,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: Congress has the power to reverse the present business downtrend and to turn it into a substantial upswing by reducing individual and corporate income taxes. We feel that Congress should not wait for a greater slump to make substantial changes in the tax structure.

We have a proposal, as outlined in the enclosed editorial which we think would do more to stimulate business activity and reduce unemployment than any other single remedy. It is a plan to give all corporations a token tax reduction and substantial tax relief to small corporations. We hope you will give this plan your consideration.

Sincerely,

WILLIAM F. WHITE.

[From the Winona (Minn.) Daily News]

CORPORATE TAX CUT WOULD HELP ECONOMY

(By William F. White)

If the current business decline continues, both Republicans and Democrats in Congress are considering the possibility of a cut in Federal income taxes to put a shot in the arm of the United States economy.

Most of the tax-reduction proposals we have heard about are aimed at cutting the amount individuals will have to pay in income tax, the idea being to put more spendable dollars in the hands of the consumer. Greater consumption of goods and services would aid the retailer immediately, and the benefits of the retail upswing gradually would be passed on to manufacturers of consumer products.

We think there is much merit to this proposal, but it is only a one-pronged attack on a problem that needs a double approach.

If Congress really wants to help business, which is its stated purpose for any income-tax reduction, it also should make some changes in the corporate-tax law.

High income taxes not only have a stifling effect on consumer purchasing power—they also have a serious deterrent effect on business expansion—the very thing that provides more and more jobs for our rapidly growing population.

The choking effect that the high corporate income tax has on business expansion hits small corporations much harder than large ones, even in generally good times. Small corporations find it difficult to obtain money for expansion purposes—big ones can get what they ask for in the money market. Since it is difficult for small corporations to borrow money for capital, they must finance expanded business activities out of profits, and the Federal Government does not leave them enough to do the job.

According to present corporate tax law, the Government takes 30 percent of the net earnings of any corporation earning less than $25,000. This rate is rapidly increased for incomes above $25,000 so that the corporation with earnings of only $100,000 is paying nearly half of its profits in Federal income taxes. The rate then gradually rises so that the largest corporations pay just a hair under 52 percent.

While the rate probably is not far out of line for the largest corporations, it starts out too high and increases too rapidly for the small, under $100,000 corporations.

One of the best things Congress could do to reduce unemployment would be to grant substantial tax relief to small corporations to provide them with more investment capital at a stage in their development when it is needed most.

We propose that in addition to an income tax cut for individuals, that the corporate tax law be changed as follows:

Set the tax rate for the first $25,000 of any corporation's earnings at 12 percent. For each subsequent $25,000 of earnings add another 10 percent up to $125,000, after which all earnings would be taxed at 52 percent. The effect of this would be as shown below:

For the corporation with net earnings of—	The present tax is—	Under this proposal the tax would be—	Tax savings under new plan
$25,000	$7,500	$2,500	$4,500
$50,000	20,500	8,500	12,500
$75,000	33,500	16,500	17,000
$100,000	46,500	27,000	19,500
$125,000	59,500	40,000	19,500
$1,000,000	514,500	495,000	19,500

Under this plan, corporations with net incomes under $100,000 would be granted a substantially higher percentage of tax relief than those with larger incomes. We think that the maximum tax rate on all corporations should eventually be reduced, but this is probably not the time to give the largest corporations substantial relief.

This proposal would provide only token relief for the largest corporations, and those with net incomes of a billion dollars or more would measure their tax reduction under this plan by the thousandths of a percent. In fact, $19,500 would be the largest tax saving granted to any corporation.

While $19,500 may be a drop in the bucket to the big corporations, it can mean everything to the expanding small corporation.

Our Congressmen are well aware that any form of tax reduction will have an initial effect of reducing the Federal Government's income, and if any tax cut is granted, they will be prepared to take that consequence.

Any tax reduction program, however, that actually results in greatly stimulated business activity, will in the long run bring more dollars into the treasury than the amount obtained under the present tax law. Many more people would be employed and pay income taxes on their wages. More corporations and businesses would show more profits, and the Federal Government's total take inevitably would rise as the economy gained in health, even though the individual personal and corporate taxpayer would pay at lower rates.

There can be no doubt that some sort of recession is with us. There is no question that Congress has the power to reverse the tide by reducing both personal and corporate income taxes. In the long haul, the Treasury will benefit if taxes are reduced.

Why wait for things to get worse? The time for action is now.

THE RECESSION

Mr. HUMPHREY. Mr. President, last week in my speech describing in detail how the administration led us into the present recession, I called attention to the statement of Dr. Arthur Burns, former economic adviser to the President, that—

> Efforts to check a recession have to be coordinated, so that the steps taken by different agencies of our farflung Government may reinforce one another.

Unfortunately, it would appear that the administration has chosen to ignore Dr. Burns' advice for there has been no coordinated effort on the part of the administration to meet this serious recession. An example of this sad state of affairs is the Treasury's current effort to lengthen the public debt which is in direct contradiction to the administration's avowed desire to ease credit and lower interest rates.

The Journal of Commerce of March 10 in an editorial urges the administration to come forward with some unified fiscal program to replace the present confusion.

Speaking of steps the administration can take immediately to halt the recession the Journal of Commerce states:

> The Treasury, for example, could start right now where it counts, in the field of fiscal policy. Specifically, it could end its current efforts to lengthen maturities on the public debt.
>
> With the power they wield over swings in the economy through control of the availability and cost of money, monetary and fiscal authorities should make doubly sure at this juncture that their activities do not clash headon with the overall needs of credit policy.
>
> Yet the Treasury's current efforts to lengthen the debt by issuing intermediate and long-term issues while calling in short-term securities is doing just that.

I ask unanimous consent, Mr. President, that this article from the Journal of Commerce be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

START WHERE IT COUNTS

The President was right on Saturday in expressing his concern over the spate of pump-priming schemes sprouting like weeds on the Democratic side of Congress, just as he was right Wednesday in declaring that whatever the Federal Government can do to stem the business slide is minor by comparison with what consumers can do simply by spending more money.

But to be right in terms of generalities is not necessarily to be astute in dealing with specific issues. At his Wednesday press conference, for example, Mr. Eisenhower appeared to leave the impression that his administration doubts the efficacy of the weapons in its antirecession arsenal and is reluctant to use them.

This impression was doubtless created inadvertently. In his weekend letters to Senator KNOWLAND and House Majority Leader MARTIN, he offset it in some degree. But whether his opposition to the current public works drive will prevail hinges largely on one thing—the speed and determination with which the administration gets down to business in providing sound alternatives.

Following so close on the heels of another cut in the Federal Reserve rediscount rate, the President's listing of antirecession steps now being taken, made cheering weekend reading.

These steps are outlined elsewhere in this issue. We shall have more to say concerning certain of them at a future date. Suffice it to say for the present that the fact the administration has decided on them is probably more important than the volume of funds they will add to the economy this year.

A cautioning note must be added, however. Some of the steps proposed by Mr. Eisenhower (we regret to see tax cuts were not among them) require the approval of Congress in which the Democrats are busily maneuvering to seize and keep the initiative. If it is going to maintain this initiative itself, the administration must act decisively in spheres where it is now free to act without any sanction from Congress. The Treasury, for example, could start right now where it counts, in the field of fiscal policy. Specifically, it could end its current efforts to lengthen maturities on the public debt.

With the power they wield over swings in the economy through control of the availability and cost of money, monetary and fiscal authorities should make doubly sure at this juncture that their activities do not clash head-on with the overall needs of credit policy.

Yet the Treasury's current efforts to lengthen the debt by issuing intermediate and long-term issues while calling in short-term securities is doing just that.

Does not the current state of the economy require that every dollar available for long-term investment go into corporate and municipal securities to bolster capital spending in these fields? We would think so. Then why is the Treasury insistent on competing for these funds? The answer is far from clear, but the facts are pretty plain.

The Treasury's long-term financing of the past few months is a major reason why interest rates on new municipal and corporate securities have been climbing recently, and nobody has been able to fight a recession yet with high interest rates. The intimation that the Treasury will require more long-term financing every few months has also prompted some investors to hold back funds in the hope of even higher interest rates later. And that is just what, through easier credit conditions, the administration is elsewhere trying to avoid.

Of course, it is usually in the best interests of the Treasury to convert the national debt to longer maturity issues to the end that it is not constantly pressed by refunding problems. Consequently, it is also good for the Nation as a whole. This was certainly the case when Mr. Eisenhower and his colleagues promised to extend the debt before the present administration took office in 1952.

Ironically, however, little was done to achieve this goal in the earlier years of the administration. It was only recently that long-term issues were floated at all. And then they were launched on a sea of high interest rates as the Treasury sought to absorb some of the investment funds available during the last phases of the 1955–57 boom, thus reducing private capital spending by that amount.

Conditions now are quite different. We grant it is still inconvenient to refinance the public debt at frequent intervals. But inconvenience is not the only germane factor.

Interest rates on short-term issues now are again considerably below those on long-term issues. The Treasury could benefit from this. But far more important is the consideration that a return to short-term financing would gear the Treasury's fiscal policy a little more realistically to the need to create an atmosphere favorable to capital investment and business spending generally.

We don't say this would be a cure-all. We do say that by moving decisively in a sphere such as this, the administration can do a good deal to restore confidence both in its will and in its ability to deal with the recession.

HARD MONEY—HIGH INTEREST

Mr. HUMPHREY. Mr. President, I was recently struck by an article appearing in an advertisement in the Times-Picayune of New Orleans, La., on March 3, 1958.

This article was entitled "I Don't Want To Say 'I Told You So,'" and it was written by Mr. John Schwegmann, Jr., of New Orleans.

This article reflects the thinking of very thoughtful people all over the country, independently arriving at the same conclusions. It particularly emphasizes the role which the high interest, tight money policies of the Government in recent years have played in bringing on the current recession.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I DON'T WANT TO SAY "I TOLD YOU SO"

The following article appeared in our Schwegmann Bros. advertisements in the New Orleans newspapers the week of April 22, 1956. It predicted fairly accurately the economic situation in which we presently find ourselves.

"DOES THE GOVERNMENT THINK 'WE HAVE IT TOO GOOD'

"Since last April, the Federal Reserve System has increased its bank lending rate five times. Last week it ordered into effect on its member banks the highest discount rate since 1933. This makes it more expensive for commercial banks to obtain money to satisfy their clients' demand for credit. Banks have to pay higher interest, therefore they must charge higher interest. Loans are harder to obtain, more collateral is asked, and general progress is impeded.

"In order to have full employment, at good wages, it is necessary that sound business enterprises be able to secure credit at all times, and at low interest rates. This country operates on credit—which must be available and reasonably easy to secure. Under the increasingly high discount rates of the past year, the money market has tightened up considerably, which effectively ties the hands of all business planning expansion programs. It is especially hard on the small independent businessman, because he must depend on his bank, while the large corporations can float a bond issue, or sell stocks. It is also hard on would-be homeowners, who have to pay higher interest on home loans. Every kind of a loan will be a little more difficult to get, and will cost more in interest—even installment loans on washing machines, televisions, or automobiles.

"You may say, how could the Federal Reserve discount rate affect me? If you wish to own your own home, or if you buy anything on the installment plan, it affects you. To illustrate how much even a slight increase of one-half of 1 percent can affect the home buyer, when you buy a home costing $10,000 and pay for it over a 30-year period, 4 percent interest will amount to $7,210. When the interest rate is advanced by one-half of 1 percent, this increases the interest charges by $1,050. If you pay 6-percent interest, you might pay a total of $21,580 by the time you are through paying principal and interest on a $10,000 home.

"Under the present tax structure, it is almost impossible for anyone to save money for the future, because there is so little left after taxes. Because so little can be accumulated from profits, no matter how successful a business is, money to expand and go forward must be borrowed. Sometimes the long-term plans for expansion take months to perfect, and by the time the loan is approved the hard-money policy is in effect, and the cost of borrowing is too high. When the cost of borrowing is too high, expansion is delayed or given up altogether, production falters, sales dry up, and people are thrown out of work.

Is it logical for the Government to tighten up money, discourage borrowing, and thus slow down construction at a time when we are still 15 to 20 years behind in home, hospital, school, and road construction? We have not solved our housing problems, our slum problems, our school problems, or our road problems. Unless we are satisfied with the standard of living in this country, we must continually go forward in manufacturing, in sales, and in consumption. Unnecessary high-interest charges hamstring business, prevent expansion, and stagnate the economy of our country. In my opinion, it is far better for the Government to keep interest rates low so that people may borrow, build, and progress, than to raise the rates and put millions out of work and let them live on unemployment insurance.

"Tight money limits the number of businesses and makes it harder for new enterprises to develop which limits competition and causes inflation.

"When our country is able to loan billions of dollars of our tax money to foreign countries without any collateral, or give the money or goods to them outright, what is wrong with showing a little faith in the American people, and the American businessman?

"My opinions are bipartisan—I hold no brief for either political party or their share in the events of the past 40 years. I try to consider the good of the country as a whole, and not one segment of the population as opposed to another.

"JOHN SCHWEGMANN, Jr.

"How many G. I.'s in the past 2 years had to pay points or bonuses to get their home mortgage loan?"

THE ATOMIC ENERGY COMMISSION'S STATEMENT ON THE DEEP UNDERGROUND NUCLEAR TEST

Mr. HUMPHREY. Mr. President, I have just learned that the Atomic Energy Commission has issued an important correction to a statement released on Thursday, March 6, entitled "Background Information on the Deep Underground Shot—Rainier—at the Nevada Test Site." This paper gives valuable data on the important underground nuclear test explosion of last September 1957. On page 6 of the release there is a brief statement on the seismic effects of the explosion. The last two sentences of the section on seismic effects state: "The earth waves were recorded at seismological stations at Los Angeles, about 250 miles, air line, from the shot mesa. This was the maximum distance at which the shock was recorded."

The last sentence is totally and completely wrong and the second to the last leaves the impression that Los Angeles was the only seismological station that picked up the explosion on its instruments.

The Atomic Energy Commission has now issued the following correction:

Delete last two sentences of second paragraph on page 6, lines 14–16. Substitute the following sentence: "Seismological stations of the United States Coast and Geodetic Survey as far away as College (near Fairbanks) Alaska, about 2,320 miles from the shot mesa recorded the earth waves."

The Disarmament Subcommittee as well as other interested observers brought this error to the attention of the Atomic Energy Commission. Important data on the detection of tests must be accurate. Mr. Stassen, when he appeared before the Disarmament Subcommittee, stated that the "very small nuclear shot that was put out underground in last year's test—Rainier—was recorded in every seismic instrument within a thousand miles." To have the AEC come out publicly less than a week after Mr. Stassen spoke and say that the test was recorded no farther than 250 is indeed confusing to the public to say the least. It gives the impression that scientific facts are being used by someone to prove a political point, a dangerous concept to perpetuate in our efforts to work out effective arms control agreements.

The Coast and Geodetic Survey has a record of the stations located more than 250 miles from the site of the explosion that recorded the Rainier shot. Nine of these stations had a recording in a manner sufficiently clear so that an accurate determination could be made in location in space and time. The recording on 10 other stations was discernible but rather poor or marginal. The data on eight other stations have not come in or have not been analyzed. The only station at which the recording is considered definitely negative is St. Louis, some 1,400 miles away from the site where the explosion took place.

Unfortunately the Atomic Energy Commission's press release on the background of the Rainier shot was not carefully prepared. But in view of the importance of this subject I believe all of us who have a responsibility in the matter of test detection must take the time and care to be as accurate as we can possibly be.

The matter of developing adequate inspection systems is one of the key questions in our search for a beginning step in halting the arms race. If the United States entered into an agreement with the Soviet Union and other countries to suspend tests of nuclear weapons it must only do so if an effective and reliable inspection can be installed in the Soviet Union as well as in all other countries and areas in which such tests might take place. Therefore, it is essential that the facts on test detection be made available. It is also imperative that the executive branch expend considerable effort to devise inspection systems that will work.

The Senate Disarmament Subcommittee is now in the process of holding hearings to obtain information on this and other aspects of the control of nuclear weapons and missiles. It is our hope to receive testimony from many qualified persons on this matter.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

CHECKING THE RECESSION

Mr. HUMPHREY. Mr. President, it was only 2 months ago that the President in his budget message told us that the Federal Government would operate in the black this coming fiscal year with a surplus of $500 million. This estimate was based on the President's rosy assumption that "soon the expansion of our economy will be resumed."

But it is becoming quite apparent that the President's optimistic forecasts are not working out and as the recession grows the country is not going to operate in the black, but rather in the red to the tune of several billion dollars.

I ask unanimous consent, Mr. President, that a column by Sylvia Porter dated March 10 calling attention to the budget deficit resulting from the recession be inserted at this point in the RECORD.

I also ask unanimous consent that a story of March 10 from the Washington Star noting that steel production last week fell to the low mark of the present recession—52.5 percent of capacity—be inserted at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

BUDGET DISTORTIONS EMERGE

(By Sylvia Porter)

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958–59 budget.

For the budget the President presented 6 weeks ago is now scarcely worth the paper it's written on.

The 1958–59 budget won't be a half billion in the black, as the President predicted. There's not a chance of it. The 1958–59 budget easily may be six to eight billion dollars in the red. Easily.

If the recession doesn't end soon and turn into a strong upturn, red ink may splatter the budget even more.

I am not distorting the picture. The distortions were in the President's original figures. I am not exaggerating the possible size of the deficit in the 1958–59 year. The gross understatements appeared in the budget sent to Congress in January.

STATISTICS OFFERED

Let's be specific. Document this with some cold statistics:

In January the President estimated that the Government would collect $74.4 billion in receipts in the year beginning this July. The assumptions were that personal income would run at $352 billion in 1958, up $9 billion over 1957, and corporate profits would run at $42 billion, upchanged from 1957.

But personal income is running at only about $342 billion now. If the President's estimate is to be reached, wages and salaries must go into a great upswing almost immediately and keep climbing through the rest of the year. As for corporate profits, they're far below the $42 billion rate today and an authoritative Congressional estimate actually is that corporate profits may not top $36 billion in 1958.

Is it likely that the President's forecast for receipts in the new year will be realized? It is not.

Rather, a conservative projection is that the tax take from us and corporations may run $4 billion under the budget prediction.

In January the President estimated that the Government would spend $73.9 billion in the new fiscal year. The assumptions were that Congress would accept the administration's defense budget, would cut spending on some nondefense items and wouldn't add to other programs.

DEFENSE COSTS RISING

But the administration itself is already adding $1 billion to $2 billion to its defense budget. Congress is pushing ahead with housing, welfare, other programs that almost certainly will add billions more to the budget. Budget cuts will be the rare exception.

Is it likely that the President's forecast for spending in the new year will be realized? It is not.

Rather, a conservative projection is that the spending total will run at least $2 billion to $3 billion—at least—over the budget prediction.

There you have it. A budget deficit of $6 billion plus.

And if business doesn't turn up on schedule, a tax cut by midyear is the outlook. If the tax cut is to have a stimulating impact, it must run into the billions.

And then you really would have it. A deficit of $8 billion to $10 billion, or even more.

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

STEEL OUTPUT DROPS BACK AFTER GAIN

CLEVELAND, March 10—Steel production last week fell off a point to return to the low mark of the current recession at 52.5 percent of capacity, and steelmakers still are looking for their first clear indication of an upturn, Steel magazine said yesterday.

"So far as March is concerned, improvement doesn't seem to be in the cards," the weekly journal of metalworking reported. "Steel men believe April will be the start of the upturn."

Chevrolet, one of the strongest producers until now, has canceled about half of its April steel orders, and other car makers are pushing March orders into April, Steel said.

While cold weather has hindered an early start of spring construction, there is demand for large quantities of galvanized sheets for duct work in air conditioning of office buildings, the magazine said. Production of tin plate continues at near-capacity level, it added.

Jones & Laughlin Steel Corp. suspended operations in Detroit, but Youngstown reactivated two open hearth furnaces March 1, Steel said. This week Wheeling Steel Corp. will reactivate two open hearths, and last week Wheeling Steel brought three blast furnaces and its bessemer department back into production.

DISCLOSURE OF FINANCIAL AFFAIRS OF LABOR ORGANIZATIONS

Mr. KENNEDY. Mr. President, as chairman of the permanent Subcommittee on Labor Legislation of the standing Senate Committee on Labor and Public Welfare, I wish to make two announcements at this time:

First. Our subcommittee, with the agreement of the chairman, the distinguished Senator from Alabama [Mr. HILL], will commence hearings on or about March 24 on legislation in the general areas covered by the McClellan hearings during its first year of activity. These four areas include: First, regulation and control of pension and welfare plans; second, regulation and control of union funds; third, democratic procedures in trade unions; fourth, the elimination of the corrupting influence of middlemen in collective bargaining arrangements. Other bills including the one I am introducing today or proposals directly related to these areas of concern, will also be considered by the committee, including pertinent recommendations made by the administration. It is expected that the Secretary of Labor will appear to testify as well as other governmental experts. We expect also to hear testimony from trade unionists and others who have a vital interest in and knowledge of this field.

These hearings will continue the legislative work which has already begun. Having already completed work on a pension and welfare disclosure bill which should be before the Senate soon, we are moving on what appear to be high priority legislative tasks.

Second. I introduce, for appropriate reference, a bill to safeguard union finances and to curb certain improper and undemocratic practices—including the abuse of trusteeships. This bill grows directly out of the hearings of the Senate Select Committee on Improper Activities in the Labor or Management Field—the McClellan committee—of which I am also a member, and out of consultations which I have had with others interested in these matters.

LABOR ADVISORY COMMITTEE

Last fall, because of the complex issues involved in legislating in this field, I asked several distinguished scholars and well-known labor relations experts to advise me on the design of possible legislative measures. Prof. Archibald Cox of the Harvard Law School served as chairman of the committee of experts which included Prof. Sumner Slichter, Harvard University; Prof. Charles Myers, MIT; Prof. Richard Lester, Princeton University; Prof. Clyde Summers, Yale Law School; Prof. Philip Taft, Brown University; Prof. Lloyd Reynolds, Yale University; and Prof. Harry Wellington, Yale Law School. I wish publicly to acknowledge and thank the members of this committee for the invaluable service which they have rendered.

The bill is based in large measure upon their recommendations. In my opinion, it represents a substantial and important step forward toward the objective that all trade unions be run for the benefit of their members.

RESULTS OF THE M'CLELLAN COMMITTEE HEARINGS CONTAINED IN THIS BILL

This bill corresponds to the priority needs as clearly demonstrated by the hearings of the McClellan committee. The results and this bill may be summarized as follows:

First. The select committee uncovered examples of large union sums expended for doubtful or improper purposes by union or nonunion officials without knowledge or consent of those members whose dues were thus being used. This bill is designed to prevent that situation, through requirements for full disclosure.

Second. The select committee uncovered examples of union officials engaged in private transactions for personal gain which compromised the rights or the position of the members who elected them, without the latter's knowledge or consent. This bill is designed to prevent that situation, through requirements for full disclosure and additional criminal penalties.

Third. The select committee uncovered examples of union officials obtaining large loans from the union treasury as a means of covering illicit transactions. This bill prohibits any such loan in excess of $2,500 in the future.

Fourth. The select committee uncovered examples of false, inaccurate, or unjustifiable data being included in union financial reports, without penalty, independent audit or public knowledge. This bill is designed to prevent that situation, through new criminal penalties, audits, and the publication of such reports.

Fifth. The select committee uncovered examples of union trusteeships unjustifiably established and unduly prolonged as a means of preventing local democratic control, punishing dissenting members, diverting local funds and adding to the power of certain national officers. This bill would make virtually impossible the recently exposed practice of the Operating Engineers Union keeping key local unions in trusteeship—one for over 29 years. By establishing standards for the imposition of trusteeships, providing for public review and limiting their duration, this bill would eliminate the abuse of this otherwise useful and legitimate tool of union administration.

COMPARABLE REQUIREMENTS IN THE BUSINESS AREA

These provisions are neither unprecedented nor an effort to single the labor unions out for discriminatory legislation.

Trust companies, investment houses and other corporations with fiduciary obligations are presently prohibited from loaning funds entrusted to their officers. Such officers are barred from using such funds for personal gain or otherwise engaging in conflict-of-interest transactions. All registrant corporations under the SEC Acts are required to disclose detailed financial information of the type required here. Their officers are not permitted to make personal profits by exploiting their official position. Other requirements of a similar nature apply to banks and bank officers under Federal Deposit Insurance regulations.

UNDERLYING PRINCIPLES

This bill is based upon the following principles:

First. A strong, honest, and responsible trade union movement is an essential part of American economic life; and its orderly progress and overwhelmingly honest leadership should not be undermined by either unnecessarily restrictive legislation or the uncurbed malpractices of a few wrongdoers.

Second. Control of internal union affairs and finances should rest basically with neither the Government nor a few leaders, but with rank-and-file union members fully informed of their rights and the use of their funds and free to exercise such rights.

Third. Union officers have fiduciary obligations, holding union dues, power, and statutory privileges in trust for the members who make them available—and union organizations granted certain protections and privileges by law are necessarily affected with a public interest, and consequently subject to basic legislative standards.

I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a summary analysis of this bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the summary analysis will be printed in the RECORD.

The bill (S. 3454) to provide for the reporting and disclosure of the financial affairs of labor organizations and to regulate union trusteeship and prevent the abuse thereof, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The summary analysis presented by Mr. KENNEDY is as follows:

SUMMARY ANALYSIS OF BILL TO REQUIRE DISCLOSURE OF FINANCIAL AFFAIRS OF LABOR ORGANIZATIONS AND TO REGULATE TRUSTEESHIPS

Section 100: A statement of findings and policy outlines the general justification for legislation in this field and the objectives of the bill.

Section 101: Requires every labor organization in an industry affecting commerce to file annually with the Secretary of Labor, a copy of its constitution and by-laws and a report signed by its president and secretary showing (1) the name of the labor organization and address of principal office (2) the names and titles of its officers (3) initiation fees required of new members (4) regular dues or fees (5) a detailed statement showing the procedures used in qualifying or restricting membership, electing officers and stewards, calling of regular and special meetings, levying of assessments, imposition of fines, authorization for bargaining demands, ratification of contract terms, authorization for strikes, authorization for disbursement of union funds, authority of union financial transactions, participation in insurance or other benefit plans and expulsion of members and grounds therefore.

Also required is a detailed financial report. This financial statement must contain such information as assets and liabilities, receipts of any kind, salaries of officers or employees receiving more than $10,000, direct or indirect loans to officers or members in excess of $500, loans to employers with whom the union bargains and any other disbursements.

Section 102: Requires every employer or officer of a labor organization to file an annual report with the Secretary of Labor listing loans which he received or repaid to such organization in excess of $500; stocks, bonds or other interest which he or his spouse holds in a business represented by his union; any transactions in which he or his spouse engaged during the previous year involving any interest in a business whose employees his organization represents; any interest which he or his spouse has in a business (other than a public corporation) which does business with the union, or in which the union's employees are working, and finally, any financial transaction between him or his spouse and any employer whose employees his organization represents.

Section 103: Provides that the documents and reports filed under this act shall be available for public inspection and provides that every labor organization shall make copies of reports readily accessible to its members in a manner prescribed by the Secretary of Labor.

Section 104: Provides that unions shall keep and preserve records for a reasonable length of time and in sufficient detail to prepare and verify the reports required by section 101.

Section 105 forbids a labor organization to make loans directly or indirectly to any officer or employee totaling more than $2,000 or to make any direct or indirect loan to any business firm (other than a corporation whose securities are publicly traded) in which an officer or employee of the union has a financial interest.

Section 106 grants the Secretary of Labor authority to issue rules and regulations prescribing the form, content, and publication of reports and such other reasonable rules as he may find necessary to prevent the circumvention of the reporting requirements of the act. The bill also empowers the Secretary to make investigations to determine whether the provisions of the act and the rules and regulations issued under it are adequate to secure an honest accounting of the financial transactions of labor organizations and gives the Secretary or his representatives authority to inspect the financial records of such labor organizations. The bill also authorizes the Secretary to exempt labor organizations having a membership of fewer than 150 from the requirements of section 101 if he finds that such reporting would be unduly burdensome.

Section 107 provides a penalty of not more than $5,000 fine or 5 years in prison or both for any person who violates or fails to comply with the provisions of the act. It also provides a similar penalty for a person who wilfully makes a false statement or misrepresents or fails to disclose a material fact. The bill specifies that officers required to sign the reports under section 101 shall be personally responsible for failure to do so.

Section 108 makes it a crime punishable by $10,000 or 5 years in prison for any one who embezzles, steals, or otherwise converts to his own use or the use of another the property of a labor organization of which he is an officer or employee.

Section 109 repeals subsections 9 (f) and (g) of the National Labor Relations Act.

TITLE II

Section 201 establishes grounds for the imposition of a trusteeship by a labor organization on a subordinate body. The reasons for which a trusteeship may be imposed are to correct corruption, assure the performance of collective bargaining agreements, or otherwise carry out the legitimate objects of the labor organization.

Section 202 makes it illegal for a labor organization to transfer funds from a subordinate body in trusteeship or to count the votes of delegates from such a subordinate body in any convention or election of officers of the labor organization unless the delegates from the subordinate body have been chosen by secret ballot in which all members of the subordinate body were eligible to participate. Violation of these provisions is subject to a $10,000 fine or 5 years in prison, or both.

Section 203: Unless the procedures outlined in section 204 are used, the National Labor Relations Board is empowered to enforce the provisions of title II when a change is filed by members of the labor organization alleging violation of sections 201 or 202. If after further proceedings the Board is satisfied that a trusteeship has been established in conformity with the procedural requirements of the organization's constitution and by-laws and authorized or ratified by its executive board, then the trusteeship shall be presumed valid for a period of 1 year from the date of establishment and shall not be subject to attack during that period except upon proof that the trusteeship was not established in good faith or for a purpose allowable under section 201. After the expiration of the 1-year period a trusteeship shall be presumed invalid unless the labor organization concerned shall show by clear and convincing proof that its continuation is necessary for a purpose allowable under section 201. If the Board finds that a labor organization has violated sections 201 or 202, it shall issue an order requiring the organization to cease and desist from such violation. An order issued by the Board under this title shall be subject to enforcement and review in a manner provided by section 10 (e) and (j) of the National Labor Relations Act.

Section 204: Provides that a labor organization may apply to the Secretary of Labor for the issuance of a certificate authorizing the administration of the requirements of this title by an impartial appeal board established under its constitution or by-laws. The Secretary may issue such a certificate if he is satisfied that such an appeal board can review and make a final decision upon any appointment or continuance of trustees; that the appeal board is composed exclusively of members drawn by a panel established by the Secretary under section 205; and that the minimum protection afforded the individual members and subordinate bodies will be substantially as great as the protection available under section 203. A certificate issued under this section shall be valid for a 2-year period and the decision to grant or deny the issuance of the certificate shall not be subject to review by any court or agency.

Section 205: The Secretary is authorized to establish a panel of persons experienced in labor relations to serve as members of an independent appeal board.

Section 206: Provides that the National Labor Relations Board shall have no authority to administer the provisions of title II in the case of a labor organization for which a current certificate issued by the Secretary under section 204 is in effect.

Section 301: Contains definitions of terms used in the act.

Section 302: Provides that the rights and remedies provided by title II of the act shall be in addition to other remedies at law or in equity provided that a final order of the National Labor Relations Board or the final judgment of any State or Federal court adjudicating the propriety of a trusteeship shall be res judicata.

Section 303: Savings clause.

THE FEDERAL-AID HIGHWAY SYSTEMS

Mr. COOPER. Mr. President, I introduce a bill which would authorize a limited appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960, to be immediately apportioned to the States upon the enactment of the bill.

The purpose of the bill is to speed up and increase highway construction throughout the United States on what is known as the ABC system of highways; that is, on the Federal-aid primary system, the Federal-aid secondary system, and extensions of the primary and secondary systems within urban areas.

The bill is a simple one. It would authorize an appropriation of $500 million for fiscal year 1960 for expenditures on the ABC system. It provides that the $500 million shall be apportioned to the States immediately upon the enactment of this bill.

As Senators know, the enactment of the bill—providing for immediate apportionment of the money authorized—

would enable the States to begin at once to obligate for road construction the funds apportioned to them, provided they can match the funds on a 50–50 basis.

I have received a letter from the Bureau of Public Roads, stating that all but 3 of the States have reported that they are now able to match 1960 funds, and that 3 will require action by their legislatures.

Let us assume that this bill is passed and approved, by April 1, and the $500 million is immediately apportioned to the States. Let us assume that a State received $10 million as its share of the apportionment on a matching basis. It could immediately obligate $20 million of contracts—45 percent to the Federal-aid primary system, 35 percent to the secondary system, and 25 percent for their extensions in urban areas. If the entire $500 million is matched by the States, the bill would enable the early placing of new road contracts totaling $1 billion.

Now, I would like to make these points clear:

First. My bill would not require new appropriations from the general funds of the Treasury. The $500 million would be payable to the States from the trust fund which derives its funds from certain taxes established in the Highway Act of 1956. The Senate will remember that the ABC system has first priority on the trust fund.

Second. It would not add to the Federal budget of 1958 or 1959 because it would be payable from the special trust fund.

Third. For the same reason, it would not result in any increase in the debt limit.

Fourth. It does not change the provisions of the Highway Act of 1956 in any way, except that it enables the immediate authorization and apportionment of $500 million as a part of a larger authorization for 1960 that this Congress will make in a few weeks.

Making the authorization now, and providing that it can be promptly apportioned between the States, will enable the States to make contracts for road construction which they would otherwise be making a few months later, when the authorization for fiscal year 1960 is made by the Congress.

The words "in making the limited authorization contained in this act it is the intention of the Congress to expedite action on the Federal-aid highway program for 1960 pending a determination of the total sums which should be authorized for such program for the fiscal years ending in 1960 and 1961" make it clear that the bill would not limit any authorization that the Congress may ultimately make for fiscal year 1960 and 1961. It is an advance upon such authorization, certain to be made by Congress in a very few weeks.

There is much talk in Congress about the necessity for a speedup and acceleration of public works.

I am in accord with the necessity of accelerating public works. Two bills which have been introduced call for additional expenditures of public funds.

I submit that the bill which I have introduced, without calling for additional appropriations, but enacting the context of the Highway Act of 1956, would make available immediately $1 billion of road-construction money from funds which are available from the Federal Government in the trust fund created by the Highway Act of 1956, and from funds which are available in the States. This could be done without calling for new appropriations and without causing a budget deficit. The bill could be passed quickly. I certainly do not think it would be vetoed. It would reach into every section of every State, and the States could direct the use of the funds in the areas where they were most needed.

A number of Senators have joined with me in the introduction of the bill. I hope it will be considered by the Committee on Public Works tomorrow when the committee meets to consider an accelerated highway program for the Nation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3455) to provide a limited authorization for appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960 which may be immediately apportioned and would expedite the road construction program, introduced by Mr. COOPER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

SMALL FARMS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me under date of January 21, 1958, by Mrs. Calvin T. Moore, of Culver, Oreg., and my reply to her letter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CULVER, OREG., *January 21, 1958.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR MR. MORSE: I read your article today on the small farmer. Perhaps you would like to hear from a small farmer.

Twelve years ago when we came here this was a rockpile. We cleared the rocks, and put in a crop; wheat, what the Government allots, alsike clover and a few acres of alfalfa—a big garden for 2 people.

We have never had a Government loan, borrowed money, or had a job to support the farm. Everything on a cash basis. My husband is 76 years old and I am 72 years old, and we are still farming.

Seems that some of the very important men of our Nation were raised on small farms. A farm is a wonderful place to raise boys and girls. Why not put some of the larger farms into smaller farms? That would let more people farm and reduce the unemployment situation some.

Yours truly,

Mrs. CALVIN T. MOORE.

MARCH 11, 1958.

Mrs. CALVIN T. MOORE,
Culver, Oreg.

DEAR MRS. MOORE: I was deeply touched by the sincerity which marked your letter of January 21. It occurred to me in reading it that your life and that of your husband stand as a strong testimonial to the Jeffersonian belief that the strength of our country lies in the small freeholder.

As one who was born and raised in a rural community myself, I certainly share the love that you have for agriculture as more than an economic enterprise, important though that aspect is. It is a school, hard but kindly, in the civic virtues; and it nurtures the important psychological qualities of self-reliance and diligence; above all, it provides an appreciation of the interlocked destinies of man, his land, his water, and his food.

To see the homestead replaced by a factory in the field, as sometimes seems to me to be the trend of the administration policy, is to foresee for the fuutre, the loss of values that transcend the immediate and pecuniary. It is for this reason, among others, that I have consistently supported those policies in agriculture which seek to strengthen and preserve the family farm.

I believe, for example, that an acreage limitation on reclamation land is wise law. So, too, are laws which provide low interest rates on agricultural loans for seed and crop production, for farm housing, and for farmstead and homestead water systems. It is by such means that we in the Congress, in accordance with the sound wishes of the American people, strive to transform ethical principles into law and action programs.

With kindest regards.

Sincerely,

WAYNE MORSE.

OPPOSITION TO HIKING INTEREST RATES ON HOUSING

Mr. MORSE. Mr. President, even though the hour is late, I am pleased to open the debate on the pending bill. The speech is one which I had expected to deliver at a much earlier hour in the day. The manuscript is at the press gallery. The subject of the speech has been discussed with newspapermen in the State of Oregon. Therefore, I feel obligated to make the speech tonight. It will not be a long speech. I am particularly glad to make it tonight, so that it may be a matter of record for reference by my colleagues tomorrow, as the housing bill debate gets under way. The speech is entitled "In Opposition to Hiking Interest Rates on Housing."

Mr. President, the record will show that on February 4, 1953, I warned the present administration of the consequences to the Nation's economy if the policies of hard money and high interest rates were followed. Since that time, I, along with numerous other of my colleagues in the Senate, have stood fast in the position that continued high interest rates would destine this Nation to economic chaos.

The Eisenhower administration, however, took the dangerous path of tight money and high interest rates. I ask, Where did it lead us?

Our economy has declined to the point where we can no longer consider the present slack a recession or a temporary adjustment. We must now face the cold hard facts that we are in what could be the first stages of a depression if prompt, resolute, and adequate action is not taken.

The index of industrial production has plunged 112 points from August 1957, through January 1, 1958—from 245 to 133. The rate of gross national product dropped $17.4 billion during the last quarter of 1957. It is my understanding

this figure will sink to lowed depths when the tabulations for the first quarter of 1958 are reported. Unemployment—something we have experienced in Oregon for some time now under the present administration—has reached an all time 16-year high with over 5 million unemployed throughout the Nation.

Have we not had enough of the higher and higher interest rates leveled at us by the President and his so-called monetary experts?

In the past, each time the administration has been called to task or warned of the consequences of its money policies we were told that there were any number of means ready to be employed which would halt a further decline and that we should trust Ike. It is now plain that none of these methods, even coupled with a Presidential grin, was successful.

Mr. President, it is not my intent to enter into any long dissertation today on the economic condition of our country. I shall for the moment, however, refer to the emergency housing bill, S. 3418, which was reported by the Committee on Banking and Currency on Thursday of last week.

I should like it clearly understood that I am wholly in agreement with the aims of the bill. However, I am unalterably opposed to the provisions in the bill which would increase the interest rate on Government-supported mortgages.

The high interest rates and tight money policies which were adopted by the present administration have had a disproportionately severe effect on the building of badly needed homes in this country. Housing starts during 1957 were down 10 percent compared with 1956 and down 25 percent compared with 1955. These declines can be directly attributed to the squeeze which high interest rates have caused in the money market.

During the last 2 years, the Commissioner of the Federal Housing Administration has, on 2 occasions, increased the interest rate of FHA-insured loans. The first of these increases occurred on December 4, 1956. The Commissioner's action raised the rate from 4½ percent to 5 precent. This action was taken for the announced purpose of securing more private capital for FHA-insured mortgages during a tight mortgage money market.

This increase in the FHA interest rate had, in fact, very little stimulating effect upon the total number of housing starts in 1957. The increase did, however, have some very significant and far-reaching effects: First, it increased the total interest on an average cost house—$11,000 mortgage, 25-year term—by $1,000; second, it disqualified many potential home buyers; third, it encouraged higher and higher downpayments; fourth, it brought about shorter loans; fifth, it did little to abate costly discounts; and, sixth, it assisted in reintroducing second and third trusts or mortgages.

All of these things, in turn, narrowed the housing market. By narrowing this market the housing industry, which is one of the largest industries in our economy, was severely crippled. Thereby literally thousands of jobs were lost. Workers who lost jobs were not only those who physically build homes, but also those employed in related industries contributing to the production of housing.

The second increase by the Commissioner in the FHA interest rate from 5 to 5¼ percent in August 1957 likewise did very little to produce the vigorous housing program it was announced such an increase would accomplish.

The total effect of these 2 actions by the administration has been an additional cost of $140 million to all those homeowners using the medium of an FHA-insured mortgage to purchase their homes.

As I said of the tight money policy in February 1953—"Quite clearly the many million dollars of extra expense redound directly to the benefit of banks, insurance companies and other private investors in Government obligations, while the little people foot the bill."

There are slightly over 9 million World War II veterans who have not yet exercised their entitlement to obtain a home through the medium of VA home mortgage financing. If only 2 million of these veterans exercise their right, the committee bill would extract an additional $600 million in interest costs alone from these veterans. This added cost to these veterans, of course, inures to the benefit of the mortgage lender. That $600 million is the difference in the interest charges for a $13,500 mortgage, as between 4¾ percent and 4½ percent, based on an average mortgage life of 12½ years.

Mr. President, the major issue before the Senate in connection with Senate bill 3418, the emergency housing bill, is very simple and clear cut. It is not a new one. It has been fought out during the entire course of American history, and it will be fought out again when this bill is debated. That issue is, Is the Senate of the United States going to vote in favor of a high-interest-rate policy which will benefit the money lenders, or is the Senate going to vote against a high-interest-rate policy and in favor of the great mass of the American people—those who want to buy houses and need to buy them, those who build houses, those who produce building supplies and equipment, and the tens of thousands of others whose livelihood is dependent upon them.

Mr. President, in closing my speech, I wish to make two brief comments in regard to reactions to this bill.

One relates to what I understand was the situation within the Senate Committee on Banking and Currency. Some members of the committee voted to go along with this increase in the interest rates, in order to get some measure to the floor of the Senate, although they prefer the lower rate. Mr. President, I do not think much of such a legislative practice. I happen to believe that the issue should have been fought out more fully in the committee.

But I hope that at least the members of the committee who voted to report the bill to the Senate, and who in fact had serious reservations about, or really in their hearts were opposed to, this interest-rate increase, will join with other Senators in voting to eliminate from the bill this proposed increase in the interest rate.

In view of the serious economic slump the country is experiencing, in view of the need for a stimulus of home construction, and in view of the importance of increasing private home ownership in the Nation and the desirability of encouraging veterans to use the advantages which have been made available to them in the case of home loans, I believe that to increase the interest rates at this time would be inexcusable and unjustified.

Certainly there must be some limit to the appetite of the moneylenders. Certainly there must be, on their part, some sense of moral obligation as to what they owe to the society which makes it possible for them to do so remarkably well—as they are doing at the present time, in making the profits they are making.

I realize that one of the sad stories of the depression in the 1930's was that throughout that period of time the moneylenders kept on trying to make as much money as the traffic would bear. We see that situation occurring again today, as is evidenced by this proposal to increase the interest rates on the homes which are so sorely needed.

The second point I wish to make, in closing, is in reference to an attitude being taken by some of the reactionary press in my State, which, for example, yesterday and today published articles and editorials charging that the senior Senator from Oregon was taking a negative position against the housing bill, at a time when Oregon is so sorely in need of a reopening of the lumber mills which now are closed.

I wish to say to the reactionary press of Oregon that when I fight the proposed increase in the interest rates, I am fighting for the cause of the lumbermen of the State of Oregon, even though the newspaper editors of Oregon who have been following that line are, by and large, too shortsighted or too much hitched to the selfish interests of the moneylenders to understand that situation.

When I make the fight for low interest rates, I am fighting to have the lumber mills of Oregon opened and kept running, because the operation of those mills happens to be dependent in no small measure upon the sale of lumber for the construction of private homes in the United States.

I wish to say to the private, reactionary newspaper editors in my State that they are not going to fool the American people on this issue any more than they fooled the American people on the issues on which the senior Senator from Oregon took a stand in the 1956 campaign. The lumber-mill owners of Oregon know that when I am fighting for lower interest rates, I am fighting to keep the lumber mills open, because we are fighting for the construction of the needed homes.

But those who are entitled to benefits under the Veterans' Administration and those who are in the low-income and middle-income brackets in the Nation will not contract for the construction of homes under such interest rates as the

Senate Banking and Currency Committee has placed in the bill it has reported to the Senate.

Mr. President, I am supporting the Monroney amendment, which would reduce the interest rate to the extent to which it should be reduced for the benefit of potential homeowners and for the benefit of the lumber interests of the State of Oregon.

I would have the reactionary editors of the Portland Oregonian note the position I take on this issue. Let me say to them that I am willing to carry this fight to the crossroads of Oregon and let the people of Oregon decide whether the position of the senior Senator from Oregon is a negative one or whether it is an affirmative and positive one.

I have taken this position against high interest rates since March 1953. I never have had the support of the Portland Oregonian; and let me say that I do not want it, because if I had it on any issue, I would be suspicious that I was dead wrong in my attitude toward that issue, because that reactionary, yellow sheet is always to be found on the side of the selfish, vested interests, and in support of permitting the moneylenders to gouge more from the people of the United States, by having less money lent to them, but by having more money made from the lending process. That is their record.

So, Mr. President, here tonight on this floor, I renew the fight I have always made in the Senate of the United States for the best economic interests of the lumber industry of my State. Again tonight I renew the fight to try to get those lumber mills open, and thus put back into the woods or into the lumber mills the thousands of unemployed men in Oregon.

Mr. President, very little good will be done—and that for only a very short time—by increasing the interest rates on housing. I realize that because the existing situation is so bad, some immediate relief would be obtained in that way. But finally there would dawn upon the investors a realization of the gouging to which they were being subjected, and then there would be another "freeze" in the purchasing attitude on the part of the prospective purchasers.

So, Mr. President, I say to the Senate that if it really wishes to give immediate help in connection with the existing depression, the Senate should take action to do something for the construction industry. In my judgment, the first step which needs to be taken is to give some stimulus to the construction industry, not only because it is of vital importance to my State, but because it is also of vital importance to every State of the Union. That is true because, until hammers and saws and shovels again are used in the home construction industry, the present downward slump will continue.

That is why I have repeatedly suggested, both in the Senate and in my appearances before Congressional committees, and as I testified this morning before the Senate Committee on Labor, Education and Public Welfare, that there is an urgent need for the construction of schools, not only because the children of America need more schools, but also because the entire economy of the Nation needs the stimulus which would flow from the construction of new schools.

Mr. President, I shall close my remarks by enumerating a few of the construction projects which are sorely needed in order to remedy and alleviate the present economic slump:

For example, we need a great home-building program. This housing bill will help, if the interest rates are reduced, instead of being increased.

Second, we need a roadbuilding program. As I have said before, we need to speed up the roadbuilding program, not stretch it out or delay it, not even for the 13 years provided in the bill Congress passed last year. Instead, we need a roadbuilding program along the lines recommended by the senior Senator from Texas [Mr. JOHNSON], our distinguished majority leader, in order to accelerate that public-works program. I happen to be one of those who believe that it should be accelerated. It should be at least a 7-year or a 9-year program, instead of the 13-year program now provided in the bill, or instead of the 24-year program which the President of the United States not so many weeks ago recommended, although he already had on his desk clear evidence of the increasing slump the enocomy of the Nation was facing.

We need, next, a great public-works program in the field of our natural resources. We need to proceed rapidly with our river-basin-development projects.

It is true of many States, but I speak from specific knowledge with regard to my own State. The John Day Dam was authorized by the Congress, construction money was already appropriated, and some work was started. The Army Engineers informed the Oregon Congressional delegation that between $6 million and $10 million could be effectively used next year. The junior Senator from Oregon was told that $6 million could be used. Representative ULLMAN, from eastern Oregon, was told $10 million could be used. Whatever the figure, it is somewhere between $6 million and $10 million. What does the President of the United States recommend? Two million dollars.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I am privileged to listen to one of the great speeches made by one of the great men with whom I serve in the Senate. For many years the Senator from Oregon has been pointing out the errors of the present administration, and indicating the evils which follow the high-money policy advocated by the former Secretary of the Treasury, Mr. George Humphrey. I remember very vividly that the Senator dissociated himself from approval of the nomination of the former Secretary of Defense, Mr. Wilson.

When we left there at the end of the last session, I wrote the Director of the Budget and the President of the United States, and raised the question of the executive exercise of an item veto, so that when Congress had authorized funds for construction of conservation programs, such as the John Day dam, to which the Senator from Oregon has referred, and when Congress had appropriated funds for the building of that dam, the President could veto it. The President, by the exercise of his own judgment and discretion, could have vetoed it, but instead he chose to approve it. After he had approved it, he permitted a budget official, who had responsibility to no one, who was an appointee of the Executive, to impound the funds and vitiate the will of the Congress and of the Executive. Last fall, in a letter to the Budget Bureau, I asked by what authority the funds were impounded.

I received a long letter explaining that the administration had some authority, under a rider in some appropriation bill.

I will say to the Senator from Oregon when I came back here in January I raised the same question with the Defense Department, with those in charge of public works, and with the Army Engineers. This time the high-money policy, the Federal Reserve policy, and the policy of impounding and holding back and cutting back had produced so much apparent trouble that some funds were released gradually.

We have a new Secretary of the Treasury. I am proud that he comes from my State. Twenty-five years ago I had responsibilities, in another serious period in our national life. I was head of the National Youth Administration in Texas, and I had to find work for young people in college and high school. I had to appoint a board. One of those whom I appointed was the now Secretary of the Treasury, Mr. Robert B. Anderson. I take pride in the fact that I discovered him 25 years before President Eisenhower did. As soon as Mr. Anderson came to Washington, he looked carefully at past policies. I think his advice to the Federal Reserve Board, to the Congress, and to the administration has been good, because I think anyone who looks at the price of Treasury bills today will see that his influence has been in the right direction in the past few months.

As a result of high interest rates, and the impounding of funds Congress had authorized and appropriated, there was forced upon the people of the country a restrictive monetary policy which has resulted in great damage. Unless we cut high interest rates, loosen up the money markets, refuse to pay high premiums to money lenders, and pass some legislation needed by the whole Nation, we shall find ourselves in a situation perhaps not so bad as in 1932, but better only because of some of the cushions we have provided for the economy.

Mr. President, no Senator has done more for the average citizen than has the Senator from Oregon. He has fought the moneylenders. He has fought high interest rates. He has fought for the people in his State who produce and who earn their living by the sweat of their brows.

I am glad I happen to be present in the Chamber, at 9:20 tonight, to hear

him give evidence that there still is somebody in this country who believes in the people, who is willing to stand up and fight for them, and who has demonstrated his willingness to do so on the various yea and nay votes we have had.

I assure him that when the housing bill is finally ready for a vote in this Chamber, the observations he has made tonight will have had their effect. I believe the Monroney amendment will be adopted. I believe in time the wisdom of the counsel the very conscientious, and able, and dedicated senior Senator from Oregon has given in this Chamber will be evidenced in the legislation which will be enacted.

I do not always agree with the senior Senator from Oregon, as he well knows, but in the hour of greatest difference with him I have never questioned his convictions or his intelligence or his dedication to all the people of the country. In terms we apply in the area from which I come, the Senator from Oregon, who comes from a great State in the Northwest, speaks with a very powerful voice, and we are glad he and his able and eloquent colleague [Mr. NEUBERGER] have been sent to Washington to fight for a better America.

Mr. MORSE. I want to say to my majority leader his comments moved me very deeply. He has demonstrated what I said of another Senator this morning, the senior Senator from Alabama [Mr. HILL], at a meeting of the Committee on Labor and Public Welfare—that a man can possess no more precious treasure than the treasure of a biased friend.

I am afraid the Senator from Texas has demonstrated in the very fine and much appreciated remarks he has made about the senior Senator from Oregon tonight that he is one of my jewels so far as human possessions are concerned, in that he is a biased friend. I appreciate it very much.

I do not want the Senator to think that what I now say is motivated simply because I feel moved to comment favorably about the Senator from Texas. I am moved, I may assure the Senator, because of the debt of gratitude the people of Oregon owe to the Senator from Texas.

I digress from my remarks long enough to say I think I am in a position, as the senior Senator from Oregon, to express publicly once again to the majority leader the deep appreciation of the people of Oregon for the complete fairness and impartiality he has shown to the State of Oregon in connection with public works appropriations and the authorization bills considered by the Senate during the period of our joint tenure in the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I do not want to accept that compliment, because I have not been impartial so far as Oregon is concerned. Whenever Oregon had a cause and I was informed of it, I enlisted in the ranks with the senior and junior Senators from Oregon and their colleagues in the House of Representatives, to do what I could to see that effective action was taken.

We have not always been able to do everything we wanted to do, but I will say that we have been able to achieve substantial and meaningful results.

The Senator lives in a great section of this country. It has been opened to development and has offered a great future to many of our people. I am not one who feels that the appropriations we spend in that great area represent a loss in any sense. I think our rivers must be harnessed. I think our natural resources must be conserved.

I do not consider such appropriations a loss because they benefit the whole Nation. I demonstrated my faith in the Northwest to the Senator when I accompanied him to the House the year before last in connection with certain matters, and I will demonstrate it again when the people of the Northwest are concerned.

Mr. MORSE. I can understand the modesty of the Senator from Texas, but the RECORD will contain the compliment, nevertheless, because it is a deserved compliment. Whenever a Senator follows the facts, in my book he is impartial. The Senator from Texas has only asked me one controlling question as I have talked to him about projects in the Northwest, "WAYNE, what are the facts about it?" I have presented the facts. On the basis of the merits of our case, we have won the support of the majority leader time and time again for the great river-basin developments in the Pacific Northwest, because we share a common philosophy with the majority leader, the senior Senator from Texas; namely, that we have a great moral obligation as Senators to carry out our trusteeship of the Nation's natural resources, and to see to it that we hand them down to the next generation in a better condition than that in which we found them.

Upon that premise I am willing to testify here tonight that I know the basis of the actions of the Senator from Texas with regard to development projects, no matter where they are located, be it in the Pacific Northwest or in the Northeast or in any other section of the United States. That is why I was about to say—the Senator interrupted before I completed the statement—and why I want the RECORD to show that the people of Oregon, in my judgment, are more indebted to the Senator from Texas for the great strides we have made in recent years in gaining authorization, approval, and appropriations for great river-basin development programs in the Pacific Northwest than to any other person. I want the RECORD to show that. I have personally thanked the Senator many times, and I now want publicly to thank him on behalf of the people of my State.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I am not entitled to any credit for what the senior Senator from Oregon has done or what his colleague, the able junior Senator from Oregon has done. Only yesterday I read that the distinguished junior Senator from Oregon [Mr. NEUBERGER], stated that he had found it necessary to differ with the Senator from Texas the day before the Hells Canyon bill was brought before the Senate and that he was surprised to see the Senator from Texas so active in support of Hells Canyon. I was very pleased with the compliment the junior Senator from Oregon paid me, and I want to attest to my friendship and great admiration for the junior Senator from Oregon. But if he had served with us during the days of the Korean war, if he had been here at the time the tin monopoly moved in on us, if he had seen the many fights we have put up together and put up against each other time and time again, he would have understood the Senator from Texas. The Senator from Texas and the senior Senator from Oregon can differ on policies but not on personalities.

While the senior Senator from Oregon at times has differed rather strongly with the Senator from Texas, there is no one who ever had greater admiration for a person who was disagreeing with him than the Senator from Texas has for the Senator from Oregon.

I hope my children will remember that during the course of their father's service in this body, he served with one great constitutional lawyer who had the courage and the conviction to speak his piece at any time, in any place, under any circumstances, without fear of consequences, and that he did so on occasion to protect his enemy as much as he did so to protect his friend. The Senator from Texas is pleased to bear witness that in the deliberations of this body in this great Chamber he has seen the Senator from Oregon stand up and with a clarion voice say, "Stop, look, and listen: this is my enemy, but he is entitled to equal and exact justice under the law." I know of no greater compliment that could be paid to any man than that he would speak for one of an opposite faith and see that his rights were protected. Mr. President, so long as we have men in this Chamber who will stand up to protect the rights of those with whom they differ, I have no fear for the Republic.

Mr. MORSE. Let me say to my friend from Texas that humbleness is no adequate description of the feeling which now pervades me following these overgenerous comments.

I want the Senator from Texas to know that the junior Senator from Oregon [Mr. NEUBERGER] has the same high regard for the Senator from Texas that I have, and that if he were present tonight he would join me, I am certain, in thanking the Senator from Texas for the great help he has been to us not only in the Hells Canyon Dam fight in the Senate, but in connection with the other projects I was about to enumerate.

Before I continue the enumeration, I wish to comment on the reference the Senator from Texas made to the tin controversy, when the two of us served together on the Johnson Preparedness Subcommittee of the Senate Armed Services Committee for a period of years. How well I remember that controversy, and how well I recall the attempt that was being made by selfish interests to rob the Treasury of the United States—and that is what it amounted to in fact.

It was the leadership of the Senator from Texas which on that occasion—and let the RECORD show the figure—saved the taxpayers of the country a minimum of $1 billion. In my judgment the saving was even greater.

But we had lost that fight until the Senator from Texas gritted his teeth and clenched his fists and said, "We are going to fight it out until we win." And we did win. Again the Senator from Texas asked, "What are the facts?" We got the facts. He said, "Let us place them on the public record." We put them on the public record and then we walked to the floor of the Senate and let the CONGRESSIONAL RECORD speak for itself.

When the Senator from Texas was through spreading the facts on the RECORD there was no doubt that any Senator who was willing to follow the facts had to follow us in that fight. As a result a great saving for the taxpayers was made, and it was only one of the many savings the Senator from Texas was able to win for the American people, as chairman of the Senate Preparedness Subcommittee, from which he brought forth, as will be recalled, a whole series of unanimous reports, with Republicans and Democrats voting together, because the Senator from Texas gave them unanswerable facts on issue after issue.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I do not wish to prolong this discussion, but I should like to say that one of my major regrets is that the unanimous reports which may come from the Preparedness Subcommittee in the days ahead will not bear the name of the senior Senator from Oregon. The Senator from Texas disclaims any responsibility for that fact. The country would be greatly benefited if the senior Senator from Oregon were a member of that committee. He demonstrated that he could frequently disagree without being disagreeable.

During the time he served on that committee it submitted 52 reports. The senior Republican on that subcommittee was the distinguished chairman of the Republican policy committee, the Senator from New Hampshire [Mr. BRIDGES]. The Senator from Massachusetts [Mr. SALTONSTALL], chairman of the Republican conference, was another Republican member of the committee.

I know the Senator from Oregon does not like to be reminded of the fact, but at that time the senior Senator from Oregon was a representative of the Republican Party on that subcommittee. He always voted for his country first, and I pay tribute to his decisions.

Mr. MORSE. I interrupt my colleague long enough to say that I am delighted to be reminded of the fact that I was once a Republican, because it focuses attention on my present good judgment. [Laughter.]

Mr. JOHNSON of Texas. I am very proud of the dedicated service the Senator rendered during that period. I want him and his people and the country to know that, often as we disagree, and much as I attempt to find areas of agreement with my colleagues, there is no Member of the Senate I would welcome back to that subcommittee more than I would the Senator from Oregon, because he is one of the great lawyers I have known. No more dedicated public servant has crossed my path.

Mr. MORSE. Again I say to the Senator from Texas that I appreciate his remarks. It certainly would be a great pleasure to me if, at some time, circumstances developed which would permit me once again to serve under his leadership on the Preparedness Subcommittee. I think there is a great job to do there, and a great job is being done there. I should like to be a partner in that great work.

Mr. President, I am about through. I wish to complete the enumeration of projects which I think should be accelerated. I had just finished saying that the Army Engineers report that between $6 million and $10 million could be used next year on John Day Dam. The administration recommends $2 million.

At the appropriate time in the Senate I shall recommend an increase in that appropriation, as has already been done on the House side. Increasing the appropriation for John Day Dam would afford employment to a great many unemployed in the State of Oregon at the present time. It would speed up completion of a great project the power of which is sorely needed in the economy of our country. Also, of course, it would give impetus and strength to the flood-control program, which is likewise sorely needed.

But that is not the only project which I would recommend that the President take a second look at as we come to grips with the need for accelerating the public-works program.

There is the Green Peter Dam, in the Willamette area, with respect to which a most inadequate sum of money is being recommended by the President of the United States in his budget.

I speak here tonight as the senior Senator from a State which is at the bottom of the unemployment ladder in the country tonight. I am advised that it has the highest percentage of unemployment in the Nation.

What kind of a Senator from Oregon would I be if I did not do everything I could to impress that fact upon the President of the United States, and plead with him, as I am doing on the floor of the Senate tonight, to accelerate the Green Peter project? We have the men to do the work. We have the materials to put into the project. Speeding up the construction of that project would return to the Treasury of the United States, in the next few years, much more than the cost of the accelerated program for which we are asking.

We are not asking for a handout. We are not asking for a giveaway. We are asking for an investment in a capital asset.

If we had a capital budget we would not be talking in the Senate about deficit spending. The question of deficit spending needs to be analyzed more carefully than it is being analyzed. I have pleaded in the Senate ever since 1947, when the Committee for Economic Development first recommended it, for a capital budget, in which could be set forth, on one side of the ledger, the capital investments owned by the taxpayers, and on the other side of the ledger, the administrative costs of operating the Government, instead of having them both together in the budget, as at the present time—a practice no good business follows.

Mr. President, when I am making a plea for a capital investment in the Green Peter Dam, I am not doing any injustice to the taxpayers. Rather, I am seeking to increase their wealth, because I am urging the completion of a capital investment quickly, so that the investment can start returning increased taxes to the Treasury of the United States from the new businesses its completion will develop and put into operation in our State.

Then there is the Holly Dam. I am mentioning these projects in my State because I know about them. I have talked to other Senators, and they can give a list of capital investments in their States which would help break the log jam of depression which is now blockading our economy.

The Holly Dam should get a green light. The President should accelerate it. The President should recommend the maximum amount the Army Engineers say they can spend in the next year. That is all I am asking for. I am simply saying to the President, "In view of the need for an accelerated public-works program, why don't you accept and follow the figures of the Army Engineers for the standpoint of authorizing and recommending and urging appropriations to the maximum dollar which the Army Engineers say they can efficiently and effectively spend in the next year?" In that way, construction will be stimulated.

Then there is Cougar Dam. Why delay Cougar Dam? Oh, I know, the administration tried to make a partnership dam out of it but we defeated them here in the Congress. I believe they are still licking their wounds. That battle is behind us and the President ought to recognize that fact. Congress exercised its policy-making prerogative. Congress said that Cougar Dam would be a Federal dam, not a partnership dam.

I am asking for the maximum dollar that can be spent at Cougar Dam, and spent efficiently and effectively, within the next year by the Army Engineers. Let us get on with the project. We need the power. We need the flood control. We need the stimulation to the business of our State. As I say, we are the worst-hit State in the Nation.

I will make the same fight for other States. I have heard the Senator from Michigan [Mr. MCNAMARA] talk about the situation in Michigan. The Senator from Michigan knows that I am his colleague and partner in any fight he may make for any proposal he submits which will give to Michigan the stimulation it needs in connection with sound projects that go to meet the unemployment situation and relieve the business depression in his State.

I am talking about projects with which I am familiar. Therefore I mention Cougar. Then there is also Hills Creek. We need Hills Creek. The employment problem in Oregon needs a speedup of the Hills Creek project.

On these matters I have already sent my testimony to the House. When the matters are raised in the Senate, I shall appear before the Committee on Appropriations, to urge an increase in the appropriations for these public-works projects, because such appropriations will put men immediately to work.

Who are my witnesses? The Army Engineers. I say to them, "If we get the appropriations, what will happen?" They say, "We will proceed immediately to spend the money in accordance with our blueprints."

Mr. President, we are not talking about piles of concrete; we are talking about men and women. We are talking about human values. We are talking about the need to come to the assistance and relief of fellow Americans who are suffering because of the disjointures which have developed in the Nation's economy.

Is it a moral obligation? I happen to think it is. I happen to think it illustrates once again a cardinal tenet of mine, that as Senators we have the moral obligation to try to translate into legislation moral principles. The relief of unemployment is a moral issue as well as an economic one. We cannot justify a standing by and letting fellow men suffer when there is something Government can do to alleviate their suffering, particularly when we can do it in a way, in the instances I am citing, which will increase the wealth and strengthen the economy of America.

Mr. President, we must think not about the expenditure of the moment, but we must think of the long-term economic results. The long-term economic results will be economic benefits to our country.

I am not proposing a waste of money. I am not proposing a leaf-raking program. I am proposing a construction program which will put saws and hammers and planes and shovels to work, and will put to work the hands of presently unemployed people. I am thinking about the economic effect of such increased employment on the cash registers on every main street of every town in America in which men and women are put to work.

Mr. President, I could enumerate the other public-works projects in Oregon which are pending and for which the administration has recommended inadequate funds. There are revetment works on the banks of our rivers. There is the Willamette project and the Umpqua project. There are river projects which are being held back. There are great coastal projects, concerning which I have already testified and will testify again.

Here is an opportunity for the President of the United States to do something by way of helping quickly, by saying, "I agree to accelerate these projects." In the long time this will not involve a waste of money but a great saving of money, in the sense that it will create new wealth for the American people. I say that even though it may mean for the time being what is termed deficit spending. I will accept deficit spending to put Americans back to work.

So much for the river basin development projects. However, let the RECORD show that I say to the people of Oregon I hereby incorporate by reference every one of the projects in the State of Oregon for which I have been pleading and fighting in the Senate for money in this fiscal year.

Now I wish to say a word about schools. A school program will put hammers and saws to work, and very quickly. What a great humanitarian cause that is. We need schools. We need many schools. There is a tremendous shortage of classrooms. As I testified before the Committee on Labor and Public Welfare this morning, there are many thousands of boys and girls in grade schools and high schools who are going to school for only a part of each day. Why? It is because of two great shortages: Schools and teachers.

Mr. President, if we really want to keep a strong democracy, we had better see to it that our educational facilities are adequate. I say that because democracy is dependent in no small measure upon the educational level of our people.

We are guilty of a great waste so far as American brainpower is concerned, as we meet the competition of the Russians.

It is not pleasant to say it, but the fact is that Russia is forging ahead with its educational program. All one needs to do is listen to one of our most recent witnesses, the great Senator from Louisiana [Mr. ELLENDER], as he has briefed us on what he has observed on three trips to Russia, where he has spent considerable time, and his report on the emphasis which the Russians are putting on grade schools and high schools.

We cannot afford to fall behind Russia in brainpower. So here is a chance to serve a dual purpose, not only to help meet the educational needs of the boys and girls of America by supplying them with more classrooms, but also to give to the construction industry the stimulus which is so sorely needed for the speedup of the school construction program.

I could go down the list and mention one needed project after another which would give stimulus to the economy, which would put men and women to work quickly. Once that movement was started, it would snowball. Once reemployment began, it would grow, grow, and grow.

But it cannot be done by speeches. It cannot be done by grins. It cannot be done by pratings about having confidence. It cannot be done by partisan applause. It cannot be done simply by saying, "All we need to do is to trust Ike."

Mr. President, it must be done by concrete actions; in this instance in the form of the specific legislative steps in which the Executive cooperates by giving to the construction industry the stimulus it so sorely needs. That is not the sole answer, but it is a very important part of the answer.

I close by saying to the President and to his leaders, as a member of the Committee on Foreign Relations, that I do not think any Member of Congress can justify ignoring the domestic needs of the American people in this critical time. I say this as one who wants to support an adequate foreign-aid program. I say it as one who wants to increase loans for specific projects which will improve the economic productive power of the people of many foreign countries who must be won over to the side of freedom, or kept on the side of freedom.

I shall not cease to support foreign aid. I shall make some recommendations, as a member of the committee, as to the ways in which I think the program can be improved. But I do not run away under pressure. I shall not run away from what I know to be a sound foreign policy for my country. But I try to be a political realist. One cannot read my mail—and I do not think there is a great difference between my mail and that of my colleagues in the Senate—without observing its growing tempo and serious criticism of those of us who have already announced that we are willing to stand up in the Senate and be counted in support of a fair and reasonable administration foreign-aid program.

I happen to think that in the legislative process the President has some obligations of fair play, too. I think the President owes some obligations to Congress and those of us in Congress who recognize that we should not proceed to emasculate the foreign-aid program. Therefore, I think the President's interest is ours, and our interest is his, in the long run.

I do not think I am unfair or unreasonable, nor do I think I am unduly partisan, when I say to the President of the United States, "You had better take note of the fact that if you do not proceed to give immediate assistance to an accelerated public-works program, so as to get construction going, I think the result will be a growing opposition in Congress to foreign aid."

I do not believe we should play one issue against another, but I shall not stand on the floor of the Senate and be so naive as to say I do not think there will be a direct legislative relationship between what is done to help our people domestically and what finally will be done in order to help foreign peoples, so far as the foreign-aid program is concerned.

I say that as a member of the Committee on Foreign Relations which last year made a series of specific proposals for amendments to the foreign aid bill along the lines of the recommendations of a group of experts to whom we paid a good many thousands of dollars, in order that they could study the operations of our foreign aid program. I have mentioned them before on the floor of the Senate. They were expert survey and investigation groups from the University of Chicago, the Massachusetts Institute of Technology, Columbia University, Princeton University, the Brookings Institution, and some private research agencies, as well. I think we

could produce some well documented recommendations for certain modifications in the foreign aid program.

My difference over foreign aid has not been whether we should have foreign aid, but as to the form it should take and the question of ratio between grants and loans. I happen to be a strong supporter of increasing loans and decreasing grants; and also a strong supporter of reducing military aid to underdeveloped countries and strengthening military aid to the Western Powers, who, in the last analysis, I think, will have to meet the contest with Russia, should such a test ever come.

But that is another question. I mention it now only because I think it is simply fair to point out to the administration that I think it will become more difficult to pass the kind of foreign aid bill which ought to be passed if we are to fulfill our international obligations, if we continue to fail to meet the emergency needs of the American people in this time of growing depression.

So I say to the President, "I hope you will give very careful consideration to the recommendations of the Army Engineers concerning what they can do for example, with respect to the public works projects I have mentioned, so as to accelerate them. I hope you will give consideration to the need for a school construction program. I hope you will give consideration to the speeding up of the road building program. I hope you will recognize that in no small measure what happens to the construction industry in the next few months will determine, in no small measure, what will happen to the growing depression in this country, if you really want to stop it."

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

PLANNED EXPANSION OF EAST FRONT OF CAPITOL

Mr. MORSE. Mr. President, there has been in the past days and weeks an increasing public discussion of the planned expansion of the east front of the Capitol. I feel sure that by now, most if not all of the Senate has had a chance to hear from the members of the architectural profession in their home States.

Mr. President, although I do not lay claim to expertize in this field, I am one Senator who is always ready to listen to the voice of an expert, and further I am one Senator who is willing to give weight to the evidence produced by a professional in a field in which I have little or no competence.

It is for this reason, Mr. President, that I wish to bring to the attention of the Senate some correspondence which I have received from men in my State who command the respect of their colleagues. One is a professor of architecture at the University of Oregon, one is a practicing architect in the city of Portland, Oregon, and one is the president of a nonprofit corporation dedicated to the preservation of the historic sites of my State who lives in Medford, Oreg.

Regardless of other considerations than the esthetic, and in the consideration of the extension of the east front of the Capitol there are not a few, I would hold that on the esthetic and historic grounds alone the requests contained in this correspondence should be given most careful consideration.

I therefore ask unanimous consent that the three letters to which I have alluded be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SCHOOL OF ARCHITECTURE
AND ALLIED ARTS,
UNIVERSITY OF OREGON,
Eugene, Oreg., February 7, 1958.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I am taking this opportunity to write to you to urge that you use your influence to help preserve the historic east facade of the United States Capitol, the integrity of which is at present threatened by plans to extend the front.

As a teacher of the history of architecture I should deeply regret to see this important example of our early Federal architecture lost to future generations. I understand that bills have been introduced in Congress to block the destruction of the east front. Senate bill S. 2883, introduced by Senators SMITH, CASE, HUMPHREY, and CLARK, will provide for the preservation of this important example of architecture. May I urge your support of this bill.

Sincerely yours,

MARION D. ROSS,
Professor of Architecture.

PORTLAND, OREG., *February 8, 1958.*

The Honorable WAYNE MORSE,
United States Senate Building,
Washington, D. C.

SIR: I should like to urge you to support this bill which will prevent the destruction of the historic east facade of the Capitol Building.

There are many alternatives for providing additional space without destroying this original facade which has been part of our heritage since its conception by William Thornton with the approval of our first President.

Your support of this bill will be an immense service to the country, and greatly appreciated by all who cherish the relatively few great historic monuments possessed by our Nation.

Respectfully yours,

GENE G. WESTBERG.

SISKIYOU PIONEER SITES FOUNDATION,
Medford, Oreg., February 17, 1958.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR MR. MORSE: We understand that plans have been made to alter the east facade of our National Capitol.

It is the opinion of this group that the National Capitol is a heritage of the people and as such any plans made should be to preserve it for posterity, as a symbol of our Republic.

We oppose the proposal to change this building. Let progress leave its mark on other less important structures.

Sincerely,

ALBERT W. GANDT, *President.*

LOWERING OF DISCOUNT RATE

Mr. KNOWLAND. Mr. President, to date the Federal Reserve Bank of San Francisco has not followed the lead of the Board of Governors of the Federal Reserve System in lowering the discount rate. The San Francisco District, I believe, is the only district in the United States which has not done so.

In view of the present economic situation, I hope the Board of the San Francisco District, when they next meet, will give serious and favorable consideration to taking action in conformity with that taken by the other Federal Reserve districts, so that the Pacific coast will benefit from the resulting decrease in interest rates.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

COMMITTEE SERVICE

On motion of Mr. JOHNSON of Texas, and by unanimous consent, it was,

Ordered, That the Senator from Idaho [Mr. CHURCH] be assigned to service on the Committee on Public Works to fill an existing vacancy.

AUTHORIZATION FOR COMMITTEE ON PUBLIC WORKS TO FILE REPORTS DURING RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works be permitted to file reports during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. CHAVEZ, from the committee on Public Works, with amendments:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made (Rept. No. 1376).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

S. 1843. A bill to amend the Act entitled "An Act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes", approved April 29, 1942 (Rept. No. 1377).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 3059. A bill to amend the Act entitled "An Act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes", approved March 1, 1899, as amended (Rept. No. 1378).

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 3453. A bill to authorize assistance under the Small Business Act of 1953 to small-business concerns adversely affected by programs under the Soil Bank Act; to the Committee on Banking and Currency.

By Mr. KENNEDY:

S. 3454. A bill to provide for the reporting and disclosure of the financial affairs of labor organizations and to regulate union trusteeship and prevent the abuse thereof; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER (for himself, Mr. AIKEN, Mr. SMITH of New Jersey, Mr. CASE of New Jersey, Mr. IVES, Mr. JAVITS, Mr. PURTELL, Mr. MORTON, Mr. REVERCOMB, Mr. HOBLITZELL, Mr. BARRETT, and Mr. PAYNE):

S. 3455. A bill to provide a limited authorization for appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960 which may be immediately apportioned and would expedite the road construction program; to the Committee on Public Works.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TAXING INCOME OF LIFE INSURANCE COMPANIES—AMENDMENTS

Mr. ANDERSON submitted four amendments, intended to be proposed by him, to the bill (H. R. 10021) to amend the Internal Revenue Code of 1954, to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which were ordered to lie on the table, and to be printed.

ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, pursuant to the order previously entered, I now move that the Senate adjourn.

The motion was agreed to; and (at 10 o'clock p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, March 12, 1958, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 11, 1958:

IN THE COAST GUARD

Vice Adm. Alfred C. Richmond to be Commandant of the United States Coast Guard, with the rank of vice admiral, for a term of 4 years, effective June 1, 1958. Reappointment.

Rear Adm. James A. Hirshfield to be Assistant Commandant of the United States Coast Guard, with the rank of rear admiral, for a term of 4 years, effective June 1, 1958. Reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11, 1958:

DEPARTMENT OF JUSTICE

Malcolm Anderson, of Pennsylvania, to be an Assistant Attorney General.

UNITED STATES MARSHALS

Archie M. Meyer, of Arizona, to be United States marshal for the district of Arizona for the term of 4 years.

Donald A. Fraser, of Connecticut, to be United States marshal for the district of Connecticut for a term of 4 years.

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan for a term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 11, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Thessalonians 5: 21: *Prove all things; hold fast that which is good.*

Almighty God, we invoke the blessings of Thy grace and power for Thou alone art our help for each new day and our hope for every unknown tomorrow.

We beseech Thee to emancipate us from all feelings of fear and foreboding and fill our minds and hearts with that peace which the world cannot give or take away.

May our character and conduct, private and public, always find their inspiration in the great Word and spiritual principles, rather than in expediency.

Show us how we may incarnate and emulate the spirit of our blessed Lord, that spirit of compassion and consideration of love and kindness which always sought the welfare of humanity.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERSONAL ANNOUNCEMENT

Mr. HOLLAND. Mr. Speaker, on rollcall No. 18 I was unavoidably detained at one of the departments and was unable to be present. I should like it to be noted that if I had been present I would have voted "nay."

On rollcall No. 19 I am recorded as not voting. If I had been present I would have voted "yea."

RIVER AND HARBOR, BEACH EROSION, AND FLOOD CONTROL PROJECTS

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 497, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had been agreed by unanimous consent that the committee amendment in the nature of a substitute now in the bill would be considered as read and open to amendment at any point.

Are there any amendments to the committee amendment?

Mr. BLATNIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Strike out all after the enacting clause and insert in lieu thereof:

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Navigation

Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

Baltimore Harbor and Channels, Md.: House Document No. 88, 85th Congress, at an estimated cost of $28,161,000;

Herring Creek, Md.: House Document No. 159 84th Congress, at an estimated cost of $110,000;

Betterton Harbor, Md.: House Document No. 333, 84th Congress, at an estimated cost of $78,000;

Delaware River Anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

Hull Creek, Va.: House Document No. 287, 85th Congress, at an estimated cost of $269,800;

Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

Intracoastal Waterway, Jacksonville to Miami, Fla.: House Document No. 222, 85th Congress, maintenance;

Port Everglades Harbor, Fla.: House Document No. 346, 85th Congress, at an estimated cost of $6,683,000;

Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

Chefuncte River and Bogue Falia, La.: Senate Document No. 54, 85th Congress, at an estimated cost of $48,000;

Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

Galveston Harbor and Houston Ship Channel, Tex.: House Document No. 350, 85th Congress, at an estimated cost of $17,196,000;

Matagorda Ship Channel, Port Lavaca, Tex.: House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;

Port Aransas-Corpus Christi Waterway, Tex.: Report of the Chief of Engineers dated February 10, 1958, at an estimated cost of $6,272,000;

Port Aransas-Corpus Christi Waterway, Tex.: La Quinta Channel: Senate Document No. 33, 85th Congress, at an estimated cost of $954,000;

Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of $317,000;

Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts: House Document No. 135, 84th Congress, at an estimated cost of $2,476,000;

Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of $246,000;

Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of $62,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Mississippi River at Clinton, Iowa, Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of $241,000;

Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of $147,000;

Mississippi River between St. Louis, Mo., and Lock and Dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of $5,802,000;

Mississippi River between the Missouri River and Minneapolis, Minn.: Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn., House Document No. 33, 85th Congress;

Minnesota, River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of $2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

Vermilion Harbor, Ohio: House Document No. 231, 85th Congress, at an estimated cost of $474,000;

Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of $66,000;

Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of $393,500;

Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of $66,000;

Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of $1,760,000: *Provided*, That local interests shall contribute 43½ percent of the total cost of the project;

St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of $101,500;

Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000;

Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of $859,000;

Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of $1,865,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Santa Cruz Harbor, Santa Cruz, Calif.: Report of the Chief of Engineers dated February 27, 1958, at an estimated cost of $1,612,000;

Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of $19,800,000;

Siuslaw River, Oreg.: House Document No. 204, 85th Congress, at an estimated cost of $1,693,100;

Port Townsend Harbor, Wash.: House Document No. 418, 84th Congress, at an estimated cost of $387,000;

Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of $83,700;

Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of $1,394,000;

Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $372,000;

Naknek River, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $19,000;

Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of $5,199,200;

San Juan Harbor, Puerto Rico: House Document No. 38, 85th Congress, at an estimated cost of $6,476,800;

Beach erosion

State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of $12,000;

Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of $229,000;

Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of $2,724,000;

Atlantic Coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document No. 332, 85th Congress, at an estimated cost of $6,755,000;

Delaware Coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of $28,000;

Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Fla.: House Document No. 342, 85th Congress, at an estimated cost of $222,500;

Berrien County, Mich.: House Document No. 336, 85th Congress, at an estimated cost of $226,000;

Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of $50,0000;

Fair Haven Beach State Park, N. Y.: House Document No. 134, 84th Congress, at an estimated cost of $114,000;

Hamlin Beach State Park, N. Y.: House Document No. 138, 84th Congress, at an estimated cost of $404,000;

Humboldt Bay, Calif.: House Document No. 282, 85th Congress, at an estimated cost of $38,200;

Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of $516,000;

San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of $289,000;

Waimea Beach and Hanapepe Bay, Island of Kauai, T. H.: House Document No. 432, 84th Congress, at an estimated cost of $20,000.

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have ben done on these projects is apoved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growth from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now under way of $1,350,000 annually for 5 years, of which 75 percent, presently estimated at $1,012,500, shall be borne by the United States and 25 percent, presently estimated at $337,500, by local interests, to be administered by the Chief of Enginers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across Saint George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 168, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for

such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided*, That such payment shall not exceed the sum of $44,000: *Provided further*, That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided futher*, That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided*, That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further*, That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance, and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the States with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within 2 years after the date of enactment pursuant to the provisions of existing law of this act, said property may be disposed of and upon such terms and conditions as may be determined to be in the public interest: *And provided further*, That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the Upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

SEC. 109. The projects for the Illinois Waterway and Grand Calumet River, Ill., and Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges in part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

SEC. 110. (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of and appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through-navigation.

(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

(f) There is hereby authorized to be appropriated the sum of $2 million to carry out the provisions of this section.

SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided*, That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

Stave Island Harbor at South Goldsboro, Maine.

Short Sands section of York Beach, York County, Maine.

Tashmoo Pond, Martha's Vineyard, Mass.

Sachem's Head Harbor at Guilford, Conn.

Poquonock River at Groton, Conn.

Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

Indian River Bay via Pepper's Creek to Dagsboro, Del.

Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

Currioman Bay, Va.

Tabbs Creek, Lancaster County, Va.

Wrights Creek, N. C.

Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

Little Gasparilla Pass, Charlotte County, Fla.

Frenchman Creek, Fla.

Trinity River, Tex.

Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

Small-boat channel from the port of Panacea, Fla., into Apalachee Bay, Fla.

Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

Tampa Bay, Fla., with a view to determining the feasibility of a fresh water lake at that location.

Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Blountstown.

Streams at and in the vicinity of Gulfport, Fla.

Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, S. Dak.-Nebr.

Channel from Port Inland, Mich., to deep water in Lake Michigan.

Connecting channel between Namakan Lake and Ash River, Minn.

Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

SEC. 113. Title I may be cited as the "River and Harbor Act of 1957."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law No. 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

New Bedford, Fairhaven, and Acushnet, Mass.

The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Mass., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 59, 85th Congress, at an estimated cost of $15,490,000.

Narragansett Bay area, Rhode Island and Massachusetts

The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 230, 85th Congress, at an estimated cost of $16,180,000.

Connecticut River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24,000,000 for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of $5,090,000.

The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of $5,430,000.

Housatonic River Basin

The project for the flood-control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,960,000.

The project for the flood-control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,780,000.

Hudson River Basin

The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of $2,069,000.

Pantego and Cucklers Creek, N. C.

The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of $413,000.

Savannah River Basin

In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of $44,300,000.

Central and southern Florida

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

The project for canals, levees, water-control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Fla., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of $3,172,000: *Provided*, That cost sharing for the works herein authorized shall be on the same basis as that prescribed for works authorized in the Flood Control Act of 1954.

Mobile River Basin

(Tombigbee, Warrior, and Alabama-Coosa)

The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document No. 167, 84th Congress, at an estimated cost of $19,199,000: *Provided*, That, in lieu of the cash contribution contained in item (f) of the recommendations of the Chief of Engineers, local interests contribute in cash or equivalent work, the sum of $1,585,000 in addition to other items of local cooperation.

The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 83, 85th Congress, at an estimated cost of $1,300,000.

Lower Mississippi River

The project for flood control and improvement of the lower Mississippi River, adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

(a) Modification of the White River Backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated cost, over that now authorized, of $2,380,000 for construction and $57,000 annually for maintenance: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Ark., such permits, rights-of-way and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project.

(b) Modification and extension of plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Ark., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of $1,212,000.

(c) In addition to the previous authorization, the sum of $28,300,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the Saint Francis River Basin approved in the act of May 17, 1950.

(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of $1,932,000.

(f) The project for Greenville Harbor, Miss., substantially in accordance with the recommendations of the Mississippi River Commission, dated April 12, 1957, at an estimated cost of $2,530,000: *Provided*, That the amount to be contributed by local interests shall not be in excess of 12 percent of the cost of construction, the amount of 12 percent being presently estimated at $358,000.

The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of $547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

Red-Ouachita River Basin

The general plan for flood control on Red River, Texas, Oklahoma, Arkansas, and Louisiana, below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and Alternate Reservoirs, Little River, Oklahoma and Arkansas, except as follows:

(1) The Sherwood Reservoir on Mountain Fork River is authorized in addition to the six other reservoirs upstream from the Millwood Reservoir, recommended by the Chief of Engineers.

(2) In the case of such reservoirs, the basis for determining the cost allocated to hydroelectric power and water supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable.

Gulf of Mexico

The project for hurricane-flood protection on Galveston Bay, Tex., at and in the vicinity of Texas City, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 85th Congress at an estimated cost of $6,166,000.

Arkansas River Basin

The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of $16,628,000.

The first section of the act entitled "An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma", approved July 6, 1954 (88 Stat. 450), is amended by inserting after "as recommended by the Chief of Engineers," the following: "or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers."

White River Basin

In addition to previous authorizations, there is hereby authorized the sum of $57 million for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress, and such comprehensive plan is hereby modified to provide for the generation of power in conjunction with flood control at the Lone Rock Reservoir and the addition of Gilbert Reservoir for flood control, power generation, and other purposes as recommended by the district engineer in House Document No. 499, 83d Congress.

Pecos River Basin

The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of $2,066,000.

Rio Grande Basin

The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of $3,152,000.

Upper Mississippi River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21 million for the prosecution of the comprehensive plan for the upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of $6,996,000.

The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 52, 84th Congress, at an estimated cost of $6,690,000.

The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress, at an estimated cost of $1,620,000.

The projects for flood protection on the Mississippi River, at St. Paul and South St. Paul, Minn., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 223, 85th Congress, at an estimated cost of $5,705,500.

The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress, at an estimated cost of $1,870,000.

The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $44,500,000.

The project for the Kaskaskia River, Ill., is hereby authorized substantially as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of $23 million.

The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers, in House Document No. 431, 84th Congress, at an estimated cost of $796,000.

Great Lakes Basin

The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of $917,000.

The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of $5,358,000.

The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of $9,825,000.

The project for flood protection on the Saginaw River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $16,085,000.

The project for flood protection on Owasco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of $305,000.

Missouri River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The Secretary of the Army, acting through the Corps of Engineers, is authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of the St. Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding $42,000 in cost: *Provided*, That the Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this section out of any sums appropriated for the construction of the Oahe and Fort Randall Dam and Reservoir projects, Missouri River.

The project for flood protection on the Sun River, at Great Falls, Mont., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 343, 85th Congress, at an estimated cost of $1,405,000.

The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of $434,000.

The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of $8,060,000.

The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of $850,000.

The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of $1,214,000.

The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of $13,314,000.

The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of $2,025,000.

Red River of the North Basin

The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of $632,000.

Ohio River Basin

The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of $5,970,000: *Provided*, That in lieu of the cash contribution recommended by the Chief of Engineers, local interests contribute in cash, the sum of $233,000, in addition to other items of local cooperation.

The project for the upper Wabash River and tributaries, Ind., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of $45,500,000.

The project for flood protection on Brush Creek at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 122, 84th Congress, at an estimated cost of $917,000.

The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of $708,000.

The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of $4,796,000.

The project for flood protection on the west branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, at an estimated cost of $12,585,000.

The project for flood protection on Chartiers Creek, at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 286, 85th Congress, at an estimated cost of $1,286,000.

The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of $1,188,000.

The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Ind., in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of $4,359,000.

Sacramento River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of $1,560,000.

Eel River Basin

The project for flood protection on the Eel River in the Sandy Prairie region, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of $707,000.

Weber River Basin, Utah

The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of $520,000.

San Joaquin River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $13 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for the Buchanan Reservoir on the Chowchilla River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $10,900,000: *Provided*, That, prior to starting construction, assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

The project for the Hidden Reservoir on the Fresno River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of $12,500,000: *Provided*, That prior to starting construction assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

Kaweah and Tule River Basins

In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of $28 million.

Los Angeles River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

Santa Ana River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

San Dieguito River Basin

The project for the San Dieguito River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 288, 85th Congress, at an estimated cost of $1,961,000.

Columbia River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112 million for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood-control goals not less than those contained in said House Document No. 531.

Sammamish River Basin

The project for flood protection and related purposes on the Sammamish River, Wash., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of $825,000.

Territory of Alaska

The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of $9,727,000.

The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of $60,000.

SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken within 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or multiple purpose projects.

(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or antici-

pated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow.

(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers to impound water for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army.

(d) The provisions of this section shall not be construed to modify the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 890).

SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

(1) No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to revestment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term "present record owner of land" shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) This section shall terminate 3 years after the date of its enactment.

SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

Deep Creek, Saint Marys County, Md.

Mills Creek, Fla.

Streams in Seminole County, Fla., draining into the Saint Johns River.

Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas, including Merritt Island, and the area of Turnbull Hammock in Volusia County.

Lake Ponchartrain, La., in the interest of protecting Salt Bayou Road.

San Felipi Creek, Tex., at and in the vicinity of Del Rio, Tex.

El Paso, El Paso County, Tex.

Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

Missouri River Basin, S. Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

Bird, Caney, and Verdigris Rivers, Okla., and Kans.

Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill. and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

All streams, flowing into Lake Saint Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

Pescadero Creek, Calif.

Soquel Creek, Calif.

San Gregorio Creek and tributaries, California.

Redwood Creek, San Mateo, Calif.

Streams at and in the vicinity of San Mateo, Calif.

Streams at and in the vicinity of South San Francisco, Calif.

Streams at and in the vicinity of Burlingame, Calif.

Kellogg and Marsh Creeks, Contra Costa County, Calif.

Eastkoot Creek, Stinson Beach area, Marin County, Calif.

Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

Kihei District, Island of Maui, Territory of Hawaii.

SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public No. 534, 78th Cong.), as amended and supplemented by subsequent acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in

the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 210. Title II may be cited as the "Flood Control Act of 1957".

Mr. BLATNIK (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. MACK of Washington. Mr. Chairman, reserving the right to object. My understanding is that this amendment provides for the inclusion in the bill of the 19 projects which were approved last week?

Mr. BLATNIK. That is correct and this is the first opportunity we have to give an explanation of them.

Mr. MACK of Washington. Mr. Chairman, I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Chairman, the amendment just offered to S. 497 is briefly this: It includes S. 497 as amended and as debated for 2 hours on the floor yesterday afternoon. S. 497, which was before the House yesterday was a Senate bill, as revised and amended by the House Committee on Public Works and reported out of that committee last August 1957. The bill was then not scheduled on the agenda for floor action until just recently, when a week or so ago we appeared before the Rules Committee. During those intervening 6 months 19 projects have come to the Public Works Committee, which have been approved by the Corps of Engineers and the Bureau of the Budget in all cases except three and one minor one. Nineteen were approved by both the Corps of Engineers and the Bureau of the Budget. In those three exceptions economic justifications were most favorable. The committee felt that only in fairness to the authors of the projects and to the areas and communities desiring and needing those projects, that the committee hear and review them, which they did. They heard reports from the Corps of Engineers and reports from the Bureau of the Budget, and adopted them. So, S. 497 as before the House now is identical with the bill which was debated yesterday, plus those 19 projects which I will summarize by categories briefly, and then I will be glad to answer any questions that anyone may desire to ask about any particular project in detail.

Those 19 projects were divided as follows: 12 were in title I, rivers and harbors. Of those 12, 8 are for navigation, totaling approximately $32,500,000. Four were beach erosion, $7,241,000.

In title II went 7 of these projects, 4 for flood control, $10,357,000, and 3 new types of project, hurricane-flood control, $37,836,000. So we have an overall sum of $87,990,000 added to the approximate authorization in yesterday's bill of $1,456,000,000.

So, briefly, Mr. Chairman, this is the substance of the amendment which has been offered to S. 497. I will be pleased to answer any questions with reference to any of the problems.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. MASON. I wish to serve notice that I shall object to any requests for extension of time under the 5-minute rule on both sides, proponents and opponents.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. ROGERS of Colorado. In the substitute that has been offered, what provision has been made for the protection of the water rights of those States which have different water rights than the riparian rights? In other words, an appropriation system that is recognized in the western part of the United States. Is there any protection to those States that their own State water laws will be complied with?

Mr. BLATNIK. Yes.

I would like to yield to the gentleman from Mississippi who is a member of the Subcommittee on Flood Control.

Mr. SMITH of Mississippi. In the substitute only the items which have been approved by the full committee are included. The bill has protection for those water rights. There might be a difference of opinion about it, but the question is involved and can be taken up with regard to an amendment to section 205. As I understand it, there are several proposed amendments that will be offered in regard to section 205, when we get to that point.

Mr. FALLON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FALLON. Mr. Chairman, Senate bill 497 is a combined omnibus river and harbor and flood-control measure, title I dealing with river and harbor and beach erosion control authorizations, and title II dealing with flood-control authorizations. The last general authorization bill was the act approved September 3, 1954. Since that time many reports have been submitted by the Corps of Engineers to the Congress. These reports deserve early action because of the importance and urgency of the problems involved. In addition, a number of major river basin authorizations have been reduced by appropriations to a point where additional monetary authorization is needed to carry on the comprehensive plan for flood control navigation, and other purposes as originally approved by the Congress. There are also several matters concerning general legislation and modification of previous project authorization which should be considered at this time.

The civil-works program of the Corps of Engineers constitutes a major portion of the Federal plan for developing the Nation's water resources. From a modest beginning over a century ago the scope of the work has been enlarged to meet the continually growing demands of an expanding population for water uses.

Beginning with a $75,000 appropriation in 1824 for snagging and clearing the Mississippi and Ohio Rivers, the program has grown during the ensuing 132 years until today it constitutes a multimillion dollar activity, with over 3,000 projects in the 48 States, the District of Columbia, and the Territories and possessions. The work embraces projects for the improvement of the Nation's rivers and harbors for navigation, flood control, hydropower, and related purposes.

Navigation improvements at coastal and Great Lakes harbors generally involve the dredging of channels and anchorages, and frequently the protection of entrances by jetties and the creation of protected areas by breakwaters. Rivers are improved for navigation by clearing and snagging, dredging, construction of regulating works, and canalization by locks and dams. Flood control is accomplished by improving the channels of streams to increase carrying capacity, by creation of diversion channels, by construction of reservoirs for storage or detention of flood flows, and by levee and flood-wall construction for protection of areas subject to damage. Projects for beach erosion control entail principally restoration of damaged areas by artificial placement of sandfill and construction of seawalls, groins and similar structures to prevent further damage and induce beach replenishment.

The importance of the system of inland waterways is indicated by the vast annual increase in the tonnage and in the variety of commodities that move over these waterways. For each ton of freight that uses the improved inland waterways there is returned to the Nation as a general benefit a saving in transportation costs. While these savings may be considered as a prime factor in the use of the system of inland waterways, I believe that another factor just as important is that the improved waterways have to a large extent been responsible for the growth and the development of the interior sectors of the country. Low-cost water transportation has enabled the movement of products from the mines, forests, and the farms to a widespread consuming area. It has also enabled the distribution, at low cost, of semifinished and finished products from industrial communities that have been established on these waterways to the consumers spread over almost the entire Nation. The importance of our improved ports cannot be overemphasized, both in times of peace and in times of national emergencies. The large ports serve their purposes in national and international commerce. The smaller ports, from which the benefits are more of a domestic nature, play a very vital part in the economic life of the country. These ports have frequently been constructed in the interests of the fishing industry which serves to supply the Nation with low-cost seafood products, and to serve as harbors of refuge and ports for recreational craft.

In turning to the flood-control program, I want to emphasize that the

accomplishments of the flood-control program have more than justified its cost. The projects in full or partial operation are preventing flood damages of one-half billion dollars a year and in addition producing related benefits of one-fourth billion dollars a year. This total annual value of three-fourths billion dollars a year is being achieved at a cost of slightly more than $200 million a year. The flood-control program is paying off at the rate of more than $3 from each $1 invested and this does not take into account the values which cannot be measured in monetary terms such as the saving in life and the economic security of hundreds of urban communities and farming areas.

I recognize that much is still to be done in the field of flood-damage prevention. The potential flood losses in the United States in the main river valleys and the major tributaries would amount to $900 million a year if there were no flood-control works. The reduction of one-half billion dollars a year in flood damage being achieved by flood-control works now in operation still leaves a balance of $400 million of annual average loss. The projects included in this title represent a long stride along the road toward adequate protection of the lives and property of the American people from devastating floods.

I want to report that there is an urgent need for this bill at this time. Many of the projects, river-basin authorizations, and other items were needed last year, and the passing of a year has made it more important that they be authorized as soon as possible. Further delay will result in additional monetary losses. For example the proposed project for a navigation dam across the Mississippi River at St. Louis, Mo., to increase the navigable depths during low water is one on which there is complete agreement on the need for authorization as an emergency measure. Many others are in the same category.

Mr. Chairman, one of the most important projects in this bill provides a plan of recommended improvement for the Baltimore harbor and channels, Maryland and Virginia in accordance with the report of the Engineers set forth in House Document 86, 85th Congress. The project, as approved by the Committee on Public Works, provides for a channel 41 feet in depth over the existing 39-foot waterway with a realinement at Rappahannock Shoal and increases in width from 600 to 800 feet in those sections applicable; an increased depth in the connecting channel to the Chesapeake and Delaware Canal to 35 feet and width of 600 feet; and increased depths in certain branch channels to 41 feet. The recommendations of the Engineers as adopted by the committee also provide that, when local interests dredge certain areas of the northwest branch to 39 feet, they will be maintained by the Federal Government.

I call attention to the high economic ratio of this project—4.95—which is unusually high. Commerce at the port of Baltimore is increasing very rapidly and it is vitally important from a national defense standpoint. The project is needed to accommodate larger vessels and to provide for expansion of port facilities.

I want to emphasize that this is the proper time to consider an omnibus bill, and that any delay in enacting this legislation would have unfortunate results in the retardation of projects which are urgently needed for the protection of lives and property, for the improvement of the Nation's waterways, and for the general enhancement of the national economy.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington as a substitute for the Blatnik amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"TITLE I—RIVERS AND HARBORS

"SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

"Navigation

"Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

"Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

"East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

"Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

"New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

"Baltimore Harbor and Channels, Md.: House Document No. 86, 85th Congress, at an estimated cost of $28,161,000;

"Herring Creek, Md.: House Document No. 159, 84th Congress at an estimated cost of $110,000;

"Betterton Harbor, Md.: House Document No. 343, 84th Congress, at an estimated cost of $78,000;

"Delaware River Anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

"Hull Creek, Va.: House Document No. 287, 85th Congress, at an estimated cost of $269,800;

"Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

"Intracoastal Waterway, Jacksonville to Miami, Fla.: House Document No. 222, 85th Congress, maintenance;

"Port Everglades Harbor, Fla.: House Document No. 346, 85th Congress, at an estimated cost of $6,683,000;

"Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

"Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

"Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

"Chefuncte River and Bogue Falia, La.: Senate Document No. 54, 85th Congress, at an estimated cost of $48,000;

"Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

"Galveston Harbor and Houston Ship Channel, Tex.: House Document No. 350, 85th Congress, at an estimated cost of $17,196,000;

"Matagorda Ship Channel, Port Lavaca, Tex.; House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;

"Port Aransas-Corpus Christi Waterway, Tex.: Report of the Chief of Engineers dated February 10, 1958, at an estimated cost of $6,272,000;

"Port Aransas-Corpus Christi Waterway, Tex., La Quinta Channel: Future maintenance in accordance with Senate Document No. 33, 85th Congress: *Provided*, That local interests shall not be reimbursed for funds contributed for this improvement;

"Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of $317,000;

"Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts: House Document No. 135, 84th Congress, at an estimated cost of $2,476,000;

"Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of $246,000;

"Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of $62,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

"Mississippi River at Clinton, Iowa, Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of $241,000;

"Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of $147,000;

"Mississippi River between St. Louis, Mo., and lock and dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of $5,802,000;

"Mississippi River between the Missouri River and Minneapolis, Minn.: Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn., House Document No. 33, 85th Congress;

"Minnesota River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of $2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

"Vermilion Harbor, Ohio: House Document No. 231, 85th Congress, at an estimated cost of $474,000;

"Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of $66,000;

"Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

"Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of $393,500;

"Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of $66,000;

"Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of $1,760,000: *Provided*, That local interests shall contribute 43½ percent of the total cost of the project;

"St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

"Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of $101,500;

"Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000;

"Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of $859,000;

"Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of $1,865,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

"Santa Cruz Harbor, Santa Cruz, Calif.: Report of the Chief of Engineers dated February 27, 1958, at an estimated cost of $1,612,000;

"Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of $19,800,000;

"Siuslaw River, Oreg.; House Document No. 204, 85th Congress, at an estimated cost of $1,693,100;

"Port Townsend Harbor, Wash.; House Document No. 418, 84th Congress, at an estimated cost of $387,000;

"Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of $83,700;

"Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of $1,394,000;

"Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $372,000;

"Naknek River, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $19,000;

"Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of $5,199,200;

"San Juan Harbor, P. R.: House Document No. 38, 85th Congress, at an estimated cost of $6,476,800;

"Beach erosion

"State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of $12,000;

"Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of $229,000;

"Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of $2,724,000;

"Atlantic coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document No. 332, 85th Congress, at an estimated cost of $6,755,000;

"Delaware coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of $28,000;

"Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Fla.: House Document No. 342, 85th Congress, at an estimated cost of $222,500;

"Berrien County, Mich.: House Document No. 336, 85th Congress, at an estimated cost of $226,000;

"Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of $50,000;

"Fair Haven Beach State Park, N. Y.: House Document No. 134, 84th Congress, at an estimated cost of $114,000;

"Hamlin Beach State Park, N. Y.: House Document No. 138, 84th Congress, at an estimated cost of $404,000;

"Humboldt Bay, Calif.: House Document No. 282, 85th Congress, at an estimated cost of $38,200;

"Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of $516,000;

"San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of $289,000;

"Waimea Beach and Hanapepe Bay, Island of Kauai, Territory of Hawaii: House Document No. 432, 84th Congress, at an estimated cost of $20,000.

"SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

"SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now under way of $1,350,000 annually for 5 years, of which 50 percent, presently estimated at $675,000, shall be borne by the United States and 50 percent, presently estimated at $675,000, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 50 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

"SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

"SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across Saint George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

"SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided*, That such payment shall not exceed the sum of $44,000: *Provided further*, That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further*, That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

"SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided*, That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further*, That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quit-claim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within 2 years after the date of enactment of this act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further*, That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the Upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

"SEC. 109. The project for the Illinois Waterway and Grand Calumet River, Ill., and Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges in

part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

"SEC. 110 (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of and appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

"(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons, or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceeding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

"(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

"(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through-navigation.

"(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the Canal and the transfer thereof to the State.

"(f) There is hereby authorized to be appropriated the sum of $2 million to carry out the provisions of this section.

"SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided*, That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

"SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

"Stave Island Harbor at South Goldsboro, Maine.

"Short Sands Section of York Beach, York County, Maine.

"Tashmoo Pond, Martha's Vineyard, Mass.

"Sachem's Head Harbor at Guilford, Conn.

"Poquonock River at Groton, Conn.

"Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

"Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

"Indian River Bay via Pepper's Creek to Dagsboro, Del.

"Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

"Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

"Curtioman Bay, Va.

"Tabbs Creek, Lancaster County, Va.

"Wrights Creek, N. C.

"Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

"Little Gasparilla Pass, Charlotte County, Fla.

"Frenchman Creek, Fla.

"Trinity River, Tex.

"Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

"Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

"Small-boat channel from the port of Panacea, Fla., into Apalachee Bay, Fla.

"Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

"Tampa Bay, Fla., with a view to determining the feasibility of a fresh water lake at that location.

"Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

"Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Blountstown.

"Streams at and in the vicinity of Gulfport, Fla.

"Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, South Dakota-Nebraska.

"Channel from Port Inland, Mich., to deep water in Lake Michigan.

"Connecting channel between Namakan Lake and Ash River, Minn.

"Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

"Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

"SEC. 113. Title I may be cited as the 'River and Harbor Act of 1957.'

"TITLE II—FLOOD CONTROL

"SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

"SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law No. 534, 78th Cong., 2d sess.) shall govern with respect to projects authorized in this act,

and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

"SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

"New Bedford, Fairhaven, and Acushnet, Mass.

"The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Mass., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 59, 85th Congress, at an estimated cost of $15,490,000.

"Narragansett Bay area, Rhode Island and Massachusetts

"The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 230, 85th Congress, at an estimated cost of $16,180,000.

"Connecticut River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24 million for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of $5,090,000.

"The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of $5,430,000.

"Housatonic River Basin

"The project for the flood-control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,960,000.

"The project for the flood-control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,780,000.

"Hudson River Basin

"The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of $2,069,000: *Provided*, That the works at Rome, N. Y., shall not be constructed until a report showing economic justification has been completed by the Chief of Engineers.

"Pantego and Cucklers Creek, N. C.

"The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of $413,000.

"Savannah River basin

"In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of $44.3 million.

"Central and southern Florida

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

"The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Florida, substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of $3,172,000.

"Mobile River basin

"(Tombigbee, Warrior, and Alabama-Coosa)

"The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document No. 167, 84th Congress, at an estimated cost of $14,445,400.

"The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 83, 85th Congress, at an estimated cost of $1.3 million.

"Lower Mississippi River

"The project for flood control and improvement of the lower Mississippi River adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

"(a) Modification of the White River backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated cost, over that now authorized, of $1,613,000: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Ark., such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project: *Provided further*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 31.2 percent of the cost of the project in cash or equivalent work, and to operate and maintain the pumping plant after completion.

"(b) Modification and extension of plans of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Ark., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of $631,000: *Provided*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 48 percent of the cost of providing major drainage in cash or equivalent work, to furnish without cost to the United States all lands, easements and rights-of-way necessary for construction of the project, and to hold and save the United States free from damages due to the construction works.

"(c) In addition to the previous authorization, the sum of $28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

"(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin approved in the act of May 17, 1950.

"(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of $1,932,000.

"(f) The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of $547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

"Red-Ouachita River Basin

"The general plan for flood control on Red River, Tex., Okla., Ark., and La., below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and Alternate Reservoirs, Little River, Okla. and Ark.

"Gulf of Mexico

"The project for hurricane-flood protection on Galveston Bay, Tex., at and in the vicinity of Texas City, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 85th Congress at an estimated cost of $6,166,000.

"Arkansas River Basin

"The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of $16,628,000.

"The first section of the act entitled 'An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma,' approved July 6, 1954 (68 Stat. 450), is amended by inserting after 'as recommended by the Chief of Engineers,' the following: 'or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers.'

"White River Basin

"In addition to previous authorizations, there is hereby authorized the sum of $45,000,000 for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress.

"Pecos River Basin

"The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of $1,792,000.

"Rio Grande Basin

"The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of $3,103,000.

"Upper Mississippi River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21,000,000 for the prosecution of the comprehensive plan for the upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

"The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of $6,996,000.

"The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 52, 84th Congress, at an estimated cost of $6,690,000.

"The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress at an estimated cost of $1,620,000.

"The projects for flood protection on the Mississippi River at St. Paul and South St. Paul, Minn., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineerr in House Document No. 223, 85th Congress, at an estimated cost of $5,705,500.

"The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress at an estimated cost of $1,870,000.

"The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $40 million: *Provided,* That local interests contribute in cash 10 percent of the cost of the project in recognition of the water supply benefits of the project.

"The project for the Kaskaskia River, Ill., is hereby authorized substantially as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of $23 million: *Provided,* That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute in cash or equivalent work a percentage of the cost of Carlyle Reservoir and Levee Districts 3, 4, 8, 10, and 13, calculated on the same basis as cost sharing for the other projects recommended in the report of the Chief of Engineers.

"The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers, in House Document No. 431, 84th Congress, at an estimated cost of $796,000.

"Great Lakes Basin

"The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of $917,000.

"The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of $5,358,000.

"The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of $9,825,000.

"The project for flood protection on the Saginaw River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $16,085,000.

"The project for flood protection on Oswasco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of $305,000.

"Missouri River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent acts of Congress: *Provided,* That with respect to any power attributable to any dam in such plan to be constructed by the Corps of Engineers, the construction of which has not been started, an equitable proportion of such power as may be determined by the Secretary of Interior, or such portions thereof as may be required from time to time to meet loads under contract made within this reservation, shall be made available for use in the State where such dam is constructed.

"The project for flood protection on the Sun River, at Great Falls, Mont., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 343, 85th Congress, at an estimated cost of $1,405,000.

"The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of $434,000.

"The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of $8,060,000.

"The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of $850,000.

"The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of $1,214,000.

"The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of $13,314,000.

"The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of $2,025,000.

"Red River of the North Basin

"The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of $632,000.

"Ohio River Basin

"The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of $5,272,000.

"The project for the upper Wabash River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of $45,500,000.

"The project for flood protection on Brush Creek at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 122, 84th Congress, at an estimated cost of $917,000.

"The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of $708,000.

"The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of $4,796,000.

"The project for flood protection on the west branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, an an estimated cost of $12,585,000.

"The project for flood protection on Chartiers Creek, at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 286, 85th Congress, at an estimated cost of $1,286,000.

"The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of $1,188,000.

"The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Ind., in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of $4,359,000.

"Sacramento River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

"The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of $1,560,000.

"Eel River Basin

"The project for flood protection on the Eel River in the Sandy Prairie region, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of $707,000.

"Weber River Basin, Utah

"The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of $520,000.

"San Joaquin River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $18 million, for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

"Kaweah and Tule River Basins

"In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of $28 million.

"Los Angeles River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress.

"Santa Ana River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8 million, for the prosecution of the comprehensive plan approved in the Act of June 28, 1938, as amended and supplementd by subsequent act of Congress.

"San Dieguito River Basin

"The project for the San Dieguito River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 288, 85th Congress, at an estimated cost of $1,961,000.

"Columbia River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112 million, for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

"In carrying out the review of House Document No. 531, 81st Congress, second session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood control goals not less than those contained in said House Document No. 531.

"Sammamish River Basin

"The projects for flood protection and related purposes on the Sammamish River, Washington, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of $825,000.

"Territory of Alaska

"The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of $9,727,000.

"The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of $60,000.

"SEC. 204. That, in recognition of the flood-control accomplishments of the multi-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken within 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

"SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance and operation of Federal navigation, flood control or multiple-purpose projects.

"(b) In carrying out any authorized navigation or flood control survey, or review investigation, involving improvements which may be useful in developing water supplies, the Corps of Engineers shall consult with the State or States affected and the United States Public Health Service, Department of Health, Education, and Welfare, with a view to including in the reports thereon submitted to Congress, plans for the development of water supplies for domestic, municipal, industrial, and other purposes, and such reports shall include the views and recommendations of the States and the United States Public Health Service on the plans for water supply. Features for providing water-supply storage capacity, facilities, or services may be included in any navigation, flood control, or multiple-purpose project recommended for construction by the Corps of Engineers, subject to the following provisions of this section.

"(c) Before construction of any project including water-supply provisions is completed, State or local interests shall agree to pay the costs allocated to water supply. Such costs shall be determined by the Chief of Engineers in such manner that all authorized purposes served by the project shall share equitably in the benefits of multiple-purpose construction. The schedule of payments by States or local interests of such costs may provide either for paying the share of the construction expenditures during construction of the project, plus annual payments for operation, maintenance, and replacement costs as incurred; or for equal annual payments for the construction costs, and interest on the unpaid balance, plus annual payments for operation, maintenance, and replacement costs as incurred: *Provided*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for 15 years from date of issue.

"(d) The plans for any authorized navigation, flood control, or multiple purpose project on which construction has not been initiated, or any existing project, may be modified or its operation changed by the Secretary of the Army to provide additional storage capacity, facilities, or services for water supply as he considers reasonable: *Provided*, That before construction is completed, or in the case of projects under construction or completed, before changes for the benefit of water supply are made in the project, or before operation is modified in the interest of water supply, State or local interests shall agree to pay the costs allocated thereto as provided in subsection c of this section: *Provided further*, That such modifications which would seriously affect the purposes for which the project was authorized or constructed or which involve major structural or operational changes shall be made only upon the specific authority of Congress.

"(e) The plans for any authorized navigation flood control or multiple purpose project on which construction has not been initiated may be modified to include provisions for future water supply when directed by resolution by the Public Works Committee of the Senate or of the House of Representatives, or when approved by the Secretary of the Army upon recommendation of the Chief of Engineers: *Provided*, That the cost of such provisions for future water supply shall not be more than 30 percent of the total estimated cost of the project and reasonable assurance is given by States or local interests that the use of the future water supply provided for will begin within not more than 10 years after the time the project is first available for the storage of water for water supply purposes, and that necessary water rights for such use have been or can be obtained: *Provided further*, That States or local interests indicate a willingness to pay for such water supply in accordance with subsection c above, beginning when the water supply is used, and costs allocated to water supply shall be repaid within the economic life of the project, but not to exceed 50 years after the time the project is first available for the storage of water for water supply purposes: *And provided further*, That in arriving at the costs to be repaid, the interest charges on the initial cost of provisions for future water supply during the period until the water supply storage is used will not be included, but in no case will the interest-free period exceed 10 years.

"(f) Responsibility for complying with any applicable State law relating to water supply

or water use shall rest with the State or local interests contracting to pay the costs allocated to water supply or utilizing the water supply services.

"(g) That part of the second proviso of the first paragraph of section 5 of the Flood Control Act of June 22, 1936, as amended (33 U. S. C. 701h), pertaining to modification of reservoir projects is hereby repealed, except as to contracts and agreements in force at the date of this act.

"SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

"(1) No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

"(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

"(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to revestment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

"(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

"(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

"(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

"(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

"(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term "present record owner of land" shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

"(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

"(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

"(i) This section shall terminate 3 years after the date of its enactment.

"SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

"Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

"Deep Creek, St. Marys County, Md.

"Mills Creek, Fla.

"Streams in Seminole County, Fla., draining into the St. Johns River.

"Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

"Lake Pontchartrain, La., in the interest of protecting Salt Bayou Road.

"San Felipi Creek, Tex., at and in the vicinity of Del Rio, Tex.

"El Paso, El Paso County, Tex.

"Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

"Missouri River Basin, S. Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

"Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

"Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

"Bird, Caney, and Verdigris Rivers, Okla. and Kans.

"Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill. and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

"All streams flowing into Lake St. Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

"Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

"Pescadero Creek, Calif.

"Soquel Creek, Calif.

"San Gregorio Creek and tributaries, California.

"Redwood Creek, San Mateo, Calif.

"Streams at and in the vicinity of San Mateo, Calif.

"Streams at and in the vicinity of South San Francisco, Calif.

"Streams at and in the vicinity of Burlingame, Calif.

"Kellogg and Marsh Creeks, Contra Costa County, Calif.

"Eastkoot Creek, Stinson Beach area, Marin County, Calif.

"Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

"Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

"Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

"Kihei District, Island of Maui, T. H.

"SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public No. 534, 78th Cong.), as amended and supplemented by subsequent acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

"SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood-control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

"SEC. 210. Title II may be cited as the Flood Control Act of 1957."

Mr. MACK of Washington (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, inasmuch as the items in this amendment are the items in the bill which I introduced as a substitute and also include

the 19 projects the gentleman from Minnesota has just mentioned.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. BLATNIK. Mr. Chairman, reserving the right to object; and, of course, I shall not, but for further clarification will the gentleman explain again, just to be certain we have it, whether he included the 19 new projects in my amendment?

Mr. MACK of Washington. Plus 112 projects in addition. May I say to the gentleman from Minnesota that the purpose of offering my amendment is to speed up consideration of the bill.

Mr. BLATNIK. The gentleman says he has included 112 projects which were in the bill yesterday. Which projects were deleted? What number of projects are deleted?

Mr. MACK of Washington. We are deleting or modifying only those projects that were in the minority report. These are the only ones we want to delete or modify.

Mr. BLATNIK. The gentleman has deleted from S. 497 all projects that have been objected to in whole by the Bureau of the Budget or the Corps of Engineers; is that correct?

Mr. MACK of Washington. That is correct, the 18 projects that were involved.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. McGREGOR. The gentleman's bill that he is bringing before us for consideration is what is characterized as a clean bill. It incorporates only projects that have been satisfactorily investigated and recommended by the Army Engineers and the Bureau of the Budget, except in few instances where changes have been made relative to local participation. This is the bill that goes along with the large percentage of projects of Members of the House that have been thoroughly investigated and recommended by Army Engineers.

Mr. BLATNIK. If the gentleman from Minnesota understands it correctly, the gentleman from Washington has deleted from S. 497, as amended, all projects objected to by the Bureau of the Budget and the Corps of Engineers except where you have made alterations to comply with the requirements of the Bureau of the Budget.

Mr. MACK of Washington. There are only 4 of those that are deleted; 14 are modified.

Mr. BLATNIK. May I ask whether in the additional 19 projects that were included, the 3 dealing with hurricane flood control were approved?

Mr. MACK of Washington. All 19 are included in the bill.

Mr. SMITH of Mississippi. Mr. Chairman, reserving the right to object, will the gentleman state that he accepts the three projects objected to by the Bureau of the Budget included in the amendment adopted by our committee last week?

Mr. MACK of Washington. We accept the 19 amendments that were adopted last week.

Mr. SMITH of Mississippi. In other words, you accept some projects of the Bureau of the Budget and reject others?

Mr. MACK of Washington. I say we accept 19 projects that were approved by the committee last week.

The CHAIRMAN. The gentleman from Washington asks unanimous consent that further reading of the amendment be dispensed with.

Is there objection?

There was no objection.

The Clerk concluded reading the amendment.

Mr. MACK of Washington. Mr. Chairman, since this is the most important amendment to be offered to the bill I ask unanimous consent to proceed for an additional 5 minutes.

Mr. MASON. Mr. Chairman, most reluctantly I shall have to object. I object.

Mr. MACK of Washington. Mr. Chairman, my substitute includes all 112 projects that were discussed yesterday and which all administration bureaus and agencies are agreed are sound and desirable. In addition it includes the 19 projects that were adopted last week by the Public Works Committee. My amendment includes 131 projects. The minority does object to the 18 projects to which various administrative departments of the Government question. We object on the ground that we fear that if we adopt today a bill which contains too many projects that are objectionable to the President, the bill may meet the same fate as the one in 1956—be vetoed—with the result that we will obtain no legislation at all. I am trying to save by my proposal the 131 projects that are acceptable to the executive branch and to most of the members of the Committee on Public Works.

My amendment, which is a substitute, differs somewhat from the proposal offered by the gentleman from Minnesota in that it proposes to delete or to modify 18 of the projects in the bill.

We propose to modify the Port Aransas project on the LaQuinta Channel in Texas. We authorize the project. We guarantee to pay the maintenance of the project. We do not authorize the payment of $953,000 to the local interests as a refund. This project was undertaken without any authorization by Congress. While the Army Engineers have recommended the payment of the $953,000 to local interests the Bureau of the Budget and the Secretary of the Army both oppose this refund.

We propose with reference to hyacinth flood-control projects pertaining to 8 States in the South, that the payments be made on the basis of 50 percent by the Federal Government and 50 percent by local interests.

With reference to the Mohawk flood-control projects in New York, there are 2 projects at South Amsterdam and at Herkimer involving $2 million. My amendment authorizes these. We say that the $240,000 project at Rome, N. Y., which did not have satisfactory benefit-cost ratio, be disallowed and that this project be not undertaken by the Army Engineers until its benefit-cost ratio is brought up to parity.

We are deleting four projects from the bill. We are deleting a project as to a school in North Dakota costing $42,000, for replacement of a sewage plant for this school. The Army Engineers have testified they have authority now to pay the school district for the damages to its sewage plant, or the Army Engineers can replace that facility in kind, which makes it as good as it originally was. This is fair.

We object to two projects in California, the Buchanan and the Hidden Reservoirs, on the ground that under the Eisenhower administration and under the Truman administration the Bureau of the Budget and the Secretary of the Army objected to these projects on the ground that satisfactory data had not been included upon which to base the cost estimates.

We object to a rivers and harbors project at Greenville, Miss., on the ground that there has been no survey made of this project by the United States Army Chief of Engineers, no survey of the project by the Bureau of the Budget, no review of it by the Rivers and Harbors Board here in Washington, and no report on the project by the Bureau of the Budget. There have been no hearings before our committee on the Greenville project, which will cost a million and a half dollars. The members of our committee do not know whether the depth of the harbor is 10, 20, or 40 feet. We do not know what type of vessels use this harbor, whether cargo vessels or fishing craft or yachts. We know nothing about the type of improvement that the Army Engineers contemplate. There has been no testimony on this project before our committee.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MACK of Washington. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MACK of Washington moves that the Committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. MACK of Washington. Mr. Chairman, one of the principal controversies in this bill is over land enhancement. The Truman Director of the Budget in 1952, after a study that was made by five members of the Truman administration, Interior, Commerce, Agriculture Departments, the Power Commission, and United States Army Engineers, recommended that in flood projects all costs that were public, that relieve flood damage, save property from damage, save the gravel and stone from piling up on the land, the destruction of roads, evacuating people from flooded areas—all those costs are properly chargeable as public benefits. Then the Bureau of the Budget said that where there was land enhancement, where the value of the land was increased by the flood-control project, the local interests should pay one-half of the cost of the project related to land enhancement.

I can best explain that by referring to the Tombigbee project in Alabama and Mississippi. This project, according to the Army Engineers, would cost in ex-

cess of $25 million. The Army Engineers, after a full study of land enhancement, said that 58 percent of the project would inure to the owners of the land, enhance the value of their land, so that they could sell it for higher prices. So, under this enhancement formula the Engineers and the Bureau of the Budget said that the people in Alabama and Mississippi in this flood-control district should pay one-half of the 58 percent of land enhancement or 29 percent of the cost of the project. Land enhancement was figured as a benefit. The majority objects to it being considered in relation to the cost of the project. They accept all of the proposals of the Bureau of the Budget as they relate to determining benefits of projects, but they do not accept the proposition that local interests paying any costs then enhance land values. Unless land enhancement, the windfall money that goes to the landowners, is considered as a benefit, this project would not be a worthy flood-control project. The total annual cost of the project is $1.8 million. The annual land enhancement benefit is $1,162,000, leaving only $669,000 as the annual flood-control benefits. If we consider the benefits and cost purely as the basis of flood control, the annual benefits will be $669,000 and the costs more than $1 million a year, on that basis the project would not be sound.

Now, in the White River section in the lower Mississippi backwater, there is another land enhancement project. This is very similar to the one we have just mentioned.

There is a project in New Mexico where the Federal cost is $2,066,000 and the land enhancement $272,000. My amendment would require the local interests to pay the $272,000.

On another New Mexico project the cost is more than $3 million, and the land enhancement $49,000, according to the Engineers. This $49,000 should be paid for by the local interests and my amendment so provides.

There are two other projects where they do not meet with the approval of the Army Engineers, the Bureau of the Budget, or the Secretary of the Army. I am going to leave that part of the discussion to the gentleman from Florida, who has made a very special study of those projects.

The Saline River is another of the land enhancement projects that involve the same objections as the Tombigbee project.

There are two modifications of language in my amendment. One gives a State, where a dam is built, the assurance that it will receive a fair and equitable share of the power from that dam as determined by the Secretary of the Interior. This proposal will be discussed by one of the other members of the committee. Also there is section 205, a complicated section relating to water conservation and utilization which will be discussed by the gentleman from California who has devoted much time to studying this problem.

The CHAIRMAN. The time of the gentleman from Washington [Mr. MACK], has expired.

The question is on the preferential motion offered by the gentleman from Washington [Mr. MACK].

The preferential motion was rejected.

Mr. EDMONDSON. Mr. Chairman, I offer an amendment to the Blatnik amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDSON of Oklahoma to the amendment offered by Mr. BLATNIK of Minnesota: Page 34, line 10, after the word "Engineers" change the period to a comma and add the following: "and the third section of said act is amended by striking out after 'all claims heretofore or hereafter' the words 'asserted of whatever nature including but not limited to' and inserting in lieu thereof the following: 'arising from or out of the.'"

Mr. EDMONDSON. Mr. Chairman, I should like to say this at the outset.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. Mr. Chairman, I shall be glad to yield in a few minutes, but this is a rather technical matter and I should like to proceed for several minutes, if I may, before yielding.

For those who are concerned about the details of this amendment, I should like to refer them to yesterday's CONGRESSIONAL RECORD at pages 3854 and 3855 in which the complete background of this particular amendment is set forth to the limit of my ability.

I might further amplify and make clear and complete the record by saying that I had sought to have for yesterday's RECORD a letter from the Attorney General on the question, but I had not received it yesterday afternoon. That letter has now been received and to make it perfectly clear, to put everything on the table with regard to this amendment, I would like to state that the Attorney General's letter dated March 10 states that the Department is opposed to the proposed amendment, and it states several reasons for that, which I am quite sure will be discussed by Members of the minority who oppose this particular amendment.

The final reasoning of the Attorney General in opposition to it is that it would seem inappropriate that an amendment be interposed which would obviously affect the conduct and the results of the litigation now pending before the Court.

This amendment was adopted by the committee by a vote of 21 to 6 to correct an apparent misinterpretation of language appearing in a 1954 act, an apparent misinterpretation by reason of very broad and general language in a waiver of claims by the Grand River Dam authority in the State of Oklahoma under which the Federal Government, through the Attorney General at this time, is seeking to prevent a court from hearing the merits of a cause of action which this power authority is bringing against the United States on a completely different and unrelated matter from the legislation in 1954.

The language which was used in the 1954 act provided that the Grand River Dam Authority would waive all claims heretofore or hereafter asserted against the Government, asserted of whatever nature, including but not limited to the maintenance and operation of the Markham Ferry Dam which was the subject of the 1954 legislation. The key words, and the objectionable words, are the words "but not limited to."

This language seeks to substitute—and the committee majority and some Members of the minority felt that it was only equitable and fair to do so—seeks to substitute for the language of the 1954 act the standard phraseology that is used in legislation of this type and make the waiver apply only to claims heretofore or hereafter arising from or out of the construction, operation, and maintenance of the Markham Ferry Dam.

If this amendment is not adopted, it is entirely possible that the State will not be given its day in court with reference to the claim against the Government. If this language is not adopted, it will be possible that our State power authority will be precluded from ever maintaining a cause of action of any kind against the Federal Government. This power authority carries on numerous relationships with the Federal Government in connection with the supply of power and steam to military and defense installations and Federal agencies in that area.

The idea which we seek to prevent by enactment of this corrective legislation is the idea that it might be possible by loose language in a waiver of claims to prevent a State agency from ever maintaining any action of any kind against the United States Government. I do not think that was the intent back in 1954. I think the exhibits that are part of the RECORD for yesterday support and carry out that position.

I think the position the Attorney General takes, that it would be an interference with litigation to adopt this language, could be used in futuro and ad infinitum to prevent any kind of correction of this particular situation. We may have a number of lawsuits pending in future years against the United States Government by the power authority of the State of Oklahoma. If this language is not changed, it will remain on the books to prevent any type of action in the future. When we do file these actions in the future, all the Attorney General will have to say is, "We cannot change the language in the law, we cannot change this statutory waiver because there is litigation in progress," and there can be litigation in progress initiated by either side indefinitely in the future.

What I ask by this amendment, that the committee felt was right and proper, is a correction to this language in the 1954 act to make possible a day in court for the State of Oklahoma and the Grand River Dam Authority. I earnestly hope the committee will go along with this amendment, as did the Committee on Public Works.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support the amendment offered by the able gentleman from Oklahoma [Mr. EDMONDSON]. It applies to a project in his State which is of great importance to the people of his State. The clarification of intent which he requested has been explained clearly to us.

This amendment was considered by the whole House Committee on Public Works and voted and reported favorably by the committee.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Maryland.

Mr. FALLON. Did the gentleman point out to the committee that no place in any other legislation of the same type does this particular language apply? It is the only project that has this particular language in it.

Mr. BLATNIK. That is correct.

Mr. Chairman, I move the adoption of the amendment offered by the gentleman from Oklahoma.

Mr. SCHERER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oklahoma and strenuously oppose the adoption of the amendment.

First, this amendment has nothing whatsoever to do with any project related in this bill. It is an attempt to add onto this bill an amendment which would defeat the position the United States Government has taken in a lawsuit which is currently pending against the United States by the Grand River Dam Authority of the State of Oklahoma, for $10 million.

There were no hearings whatsoever on this amendment. We had concluded hearings on this bill when this amendment was introduced. The Army Engineers do have a vital interest in the changing of this language. The Department of Justice, which is defending the lawsuit which would be defeated if this amendment is adopted, were not given a chance to present their point of view. Now let us see just what happened in this case. The gentleman from Oklahoma said that this lawsuit involves an entirely different matter than the act which he is seeking to amend. Originally, there were three dams to be built in the State of Oklahoma, namely, the Pensacola, the Markham Ferry, and the Fort Gibson Dams. They were to be built by the Federal Government as one unit. Later, the Grand River Dam Authority was established by the State of Oklahoma and the Pensacola Dam, the one dam, was built. The Pensacola Dam was built by the State authority of Oklahoma. The Fort Gibson Dam, which is part of this trio of dams involved in this matter, was built by the Federal Government and is presently being operated by the Federal Government. The Markham Ferry Dam was started to be constructed by the Federal Government and then, as a result of the legislation that this amendment is seeking to amend, the Federal Government got out of the construction of the Markham Ferry Dam, but contributed $6,500,000 to the construction by the State authority. The suit that is pending in the Federal court at the present time is a suit against the Federal Government arising from waters that the State of Oklahoma claims are being used illegally by the United States, which waters come from the Pensacola Dam. The Markham Ferry project lies immediately between these two dams. The reason this clause was put into the 1954 legislation, which authorized the Federal Government to contribute $6,500,000 to the Markham Ferry Dam, was that at that very time and prior to the passage of this legislation, the State of Oklahoma had already asserted this $10 million claim. It had already asserted this $10 million claim against the United States. What I am trying to say is that at the time of the passage of this act, which they seek to amend, the claim of the State of Oklahoma was pending against the Federal Government so that when the Federal Government agreed to contribute $6,500,000 it wanted to protect itself from that very claim which has now resulted in a lawsuit. So that is the reason the waiver-of-claim language was put into that act, to relieve the United States after it paid this $6,500,000 to the State of Oklahoma from any liability. Now, for us to say at this point in the middle of the game that we are going to change the rules and pass legislation which would automatically defeat this lawsuit for the Government of the United States, in my opinion, it would be most criminal. The Attorney General, who did not have a chance to be heard before our committee, takes that same position as I do. He sent a letter to the chairman of this committee and said in that letter substantially what I have said to you gentlemen here today. The letter is as follows:

Hon. CHARLES A. BUCKLEY,
Chairman, Committee on Public Works, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to the informal request from your committee for the views of the Department of Justice upon a proposed amendment to S. 497, 85th Congress, 1st session, "An act authorizing public works on rivers and harbors for navigation, flood control, and for other purposes."

It is understood that your committee has proposed that the following amendment be added at the end of line 6, on page 89 of S. 497 (Union Calendar No. 428, Rept. 1122): "and the third section of said act is amended by striking out after '* * * all claims heretofore or hereafter * * *' the words '* * * asserted of whatever nature including but not limited to * * *' and inserting in lieu thereof the following: '* * * arising from or out of * * *.'"

This Department is opposed to the proposed amendment for the following reason:

There is now pending in the United States Court of Claims on action entitled *Grand River Dam Authority* v. *The United States*, No. 226-56. In that case the Grand River Dam Authority seeks to recover $10 million, allegedly representing just compensation claimed for the taking by the United States of water in the Grand River which the Grand River Dam Authority asserts that it owns exclusively, and for the taking of its franchise to produce power.

The United States owns and operates the Fort Gibson Dam and Reservoir project, which is about 50 miles downstream from a dam owned and operated by the Grand River Dam Authority at Pensacola. The Grand River Dam Authority has asserted that the use of waters which it owns and releases from its Pensacola Dam is an uncompensated taking and that the production of power by the Fort Gibson Dam constitutes the taking by the United States of the Grand River Dam Authority's franchise.

That suit was tried on the issue of liability at Tulsa, Okla., on January 13 and 14, 1958. At the trial the United States asserted as one of its defenses the fact that the acceptance by the Grand River Dam Authority of $6,500,000 authorized to be appropriated by section 3 of the act of July 6, 1954 (68 Stat. 450), would, under the existing language of section 3 of that act, "* * * constitute the agreement of the Grand River Dam Authority to hold and save the United States free and harmless from all claims heretofore or hereafter (arising from or out of) acquisition of land, relocation, construction, operation and maintenance of the dam and reservoir."

The proposed amendment of the language of section 3 is designed to eliminate the defense presented at the trial of the case in that the acceptance by the Grand River Dam Authority of the amount appropriated would no longer constitute a bar to the present action.

The suit is now before the court and the parties are engaged in preparing proposed findings of fact and briefs. After formal argument it will be before the court for decision on all of the claims and defenses which have been asserted. It would seem inappropriate that an amendment be interposed which would obviously affect the conduct of and the result of the litigation now pending before the court.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,
LAWRENCE E. WALSH,
Deputy Attorney General.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WRIGHT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the Edmondson amendment because I believe it consists of nothing more than a very proper attempt on the part of the Congress to clarify the matter of Congressional intent.

Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I appreciate the gentleman from Texas yielding to me. I take this additional time only to respond to several statements which I am afraid are a little bit inaccurate as to the exact facts regarding the history of this particular suit.

The documents which appear at page 3855 in the RECORD support a little different state of facts as to the origin of this particular controversy. They show that the Oklahoma Legislature created the Grand River Dam Authority in 1935 and specifically authorized it to build the Pensacola, Markham Ferry, and Fort Gibson projects, granting to them exclusive franchise to develop and use the waters of Grand River and its tributaries for the production of electric power and energy. At that time the United States had expressly declared no Federal interest in Grand River. The authority built Pensacola, the first unit of its comprehensive plan. Subsequently, during the war, the Federal Government came along, largely as a war measure, and took over this Pensacola Dam. Thereafter, the Pensacola Dam was turned over to the Grand River Dam Authority. We now have this situation, that the Grand River Dam Authority is maintaining an action because of the use of the water at Fort Gibson Dam and the use of the Fort Gibson Dam is completely unrelated to the construction of

the Markham Ferry Dam, which was the subject of the 1954 legislation.

I do not know the source of the gentleman's statement that this claim by the State of Oklahoma inspired this peculiar language in the 1954 act, but I do know that the document which I have placed in the RECORD gives evidence of the position which the State takes, that there was no knowledge whatsoever on the part of the State that any such position was being taken for the Federal Government to bar their other claims. Opponents of this amendment have not denied the facts which I have contended, that if we let this language stand it would not be possible for the State of Oklahoma to maintain any action against the Federal Government of any nature arising from any cause. What kind of a waiver is that? To come in and waive all claims against the Federal Government in order to secure Federal funds for a dam. I do not believe there is anything in the hearings which supports the fact that that was the understanding of the State of Oklahoma.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. SCHERER. Is it not a fact that the letter from the Department of Justice substantiates just what I said to this Committee today?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The letter from the Department of Justice, if I have the same copy which the gentleman has, makes no statement whatsoever that this language was specifically put into the 1954 act to bar any claim by the State of Oklahoma.

Mr. SCHERER. But does he not say that it will defeat the Government's position, and that he is opposed to it?

Mr. EDMONDSON. He said he is opposed to it. He believes it would be putting legislation into effect during litigation.

Mr. SCHERER. Will the gentleman yield further?

Mr. WRIGHT. I yield.

Mr. SCHERER. Was the Attorney General given an opportunity to explain before the Committee voted on your amendments any of the facets involved in this very complicated problem? The fact is, he was not.

Mr. EDMONDSON. I sought to get an opinion from the Attorney General before this House in time to present it yesterday. I wrote my letter in time to receive his reply, but I had not received his reply until this noon.

Mr. WRIGHT. Mr. Chairman, I yield back the remainder of my time.

Mr. CRAMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is nothing more than changing the rules of the game right in the middle of the game. There is a $10 million lawsuit pending. The result of this would be to nullify the defense of the United States Government in that suit, which is presently pending in the Court of Claims. In that case the Department of Justice claims that Public Law 476 releases the Government from any liability in this Fort Gibson claim. Under their construction the authority is barred from asserting any claim of any nature against the United States.

That is the defense the United States has in this suit before the Court of Claims as is admitted by the gentleman from Oklahoma in his insertions in the RECORD at page 3855. As a member of the Committee on the Judiciary as well as the Committee on Public Works I think this is bad legislation; I think it is an extremely bad precedent to set to change the law. It is the basic law upon which the defense of the Attorney General relies in this case before the Court of Claims involving a claim against the United States in the amount of $10 million.

In the matter of this amendment that is now proposed, and it was proposed before the Committee on Public Works, no opportunity was given for the Department of Justice to appear before the Public Works Committee to discuss this matter at all. The members of the Public Works Committee have not been advised otherwise that the effect of this will be to completely nullify the Government's defense in this particular suit.

The Department of Justice has not been given an opportunity to testify as to whether there are other defenses available to the United States.

I say that this changes the rules in the middle of the game by changing the basic legislation involved. It is extremely bad precedent particularly as there have been no hearings before our Public Works Committee on this particular issue.

I yield to the gentleman from Ohio to complete the answer to the question of the gentleman from Oklahoma.

Mr. SCHERER. The proponents of this amendment contend that the waiver in this legislation which they now seek to amend had nothing whatsoever to do with the present claim that is being prosecuted against the Federal Government. On that very Markham Ferry bill, the bill they seek to amend, the Secretary of the Army in his testimony before the committee on that bill says this:

> The Pensacola-Markham Ferry and completed Gibson Reservoirs were originally recommended by the Chief of Engineers for construction and operation by the Federal Government as one coordinated unit in the combined interest of flood control and power development—

And so forth. And he says further on that we must protect the Federal Government from all claims. Therefore, it was necessary to insert this waiver provision in the 1954 act.

Mr. EDMONDSON. Was not that "We must protect the United States Government from all claims in the construction, operation, and maintenance of the Markham Ferry Dam?"

Mr. SCHERER. No.

Mr. EDMONDSON. It was intended to apply to claims arising from construction, operation, and maintenance of the Markham Ferry Dam.

Mr. SCHERER. No. Just one minute, if the gentleman please. I did not go quite far enough in my reading:

> The original plan, or the original authorization, contemplated that the Pensacola, Markham Ferry, and Fort Gibson projects would be operated in the best combined interest for flood control and power. I think it is important that we do have a measure of coordination which will preserve and protect the Government's investment in the Fort Gibson project.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. EDMONDSON. The gentleman has said that this amendment would nullify totally the defense of the United States in this lawsuit, but the gentleman does not indicate that it would nullify a defense on the merits of the controversy, does he?

Mr. SCHERER. The Attorney General told me that it would.

Mr. EDMONDSON. How would the assertion of a waiver affect the merits of a suit by the State against the United States for taking over this river during World War II?

Mr. SCHERER. As I said, this amendment offered by the gentleman from Oklahoma was submitted after the hearings were closed. I admit it is a highly complicated matter; I admit I do not understand all the facets of this problem, although I have discussed it with the Attorney General.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and the Chair being in doubt, the committee divided and there were—ayes 85, noes 73.

Mr. McGREGOR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. EDMONDSON and Mr. McGREGOR.

The Committee again divided, and the tellers reported that there were—ayes 144, noes 117.

So the amendment was agreed to.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the Mack amendment and to the veiled threat that has been expressed here on the floor of the House that we run the risk of a Presidential veto unless we knuckle under and bend our knees and bow down completely to the Bureau of the Budget, letting them in effect write the bill for us. I think I have more confidence in the President of the United States than do those Members of the House who have been expressing that veiled threat.

Mr. Chairman, I do not believe that we have the kind of a President who, with 5 million people unemployed throughout the country, with 4 years having elapsed since the last such authorization law, with necessary work having to be stopped on several important river basins because of the reaching of the existing ceilings, with 96.4 percent of the monetary authorizations in this bill admitted by his own Bureau of the Budget to be needed, would veto this bill simply out of spite for the remaining 3.6 percent on which the Congressional committee has exercised its own judgment. I do not believe we have that kind of a President. I do not believe,

Mr. Chairman, that we have the kind of a President who would deny to the Congress of the United States the right to exercise its own mature judgment, its own enlightened conscience, and its own deliberate discretion on a meager 3.6 percent of the total financial authorizations in the bill.

If we did have such a President—and I do not concede that we have—who would demand that the legislative branch prostrate itself and let the administration branch write the law down to the last dotting of an "i" and the crossing of a "t," then he would be a dictator; and if we had such a President, and I do not concede that we have, it would be high time for us to come to grips with him.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. McGREGOR. I am sure the distinguished gentleman from Texas wants to have a President that will see that the law is obeyed; and I refer my distinguished friend to section 202 of the Rivers and Harbors and Flood Control Act of 1954 which says that—

> No project or any modification not authorized as a project for flood control or rivers and harbors shall be authorized by the Congress unless a report on such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

Is not that correct?

Mr. WRIGHT. Mr. Chairman, I will say to the gentleman that I am familiar with the provision from which he is reading. I should like to point out that this provision requires only that a report be submitted by the Chief of Engineers. It does not require that it be a favorable report, nor even a written report. We have had such reports submitted, and I will say to the House that it is very significant that the Corps of Army Engineers had placed its stamp of approval on all but six-tenths of 1 percent of the financial authorizations in this bill. The language cited by the gentleman expressly does not require that the Congress first secure permission from the Budget Bureau as a requisite for Congressional action.

Mr. Chairman, let us examine this Bureau of the Budget. The Bureau of the Budget was created by the Congress in 1921. It was created not to dictate but merely to advise, not to make policy—that was left to the Congress—but merely to provide statistics. And now we have the suggestion on the floor of this House that the Congress should subordinate itself to its creature.

To adopt this amendment and to say by inference that the Congress does not trust its own judgment in even a few of these matters, but must be censored by an administrative board, to say that we are incapable of exercising our own discretion in even so small a portion of this total legislation, to make the approval or disapproval of any bureau the final criterion, would be to destroy the very purpose of the legislative committees of the House. And with it, were we to surrender our prerogatives in so supine and servile a fashion, the effect would be to destroy the very purpose of the House itself.

Mr. Chairman, your Committee on Public Works has not lightly considered any of these projects. Our deliberations upon all of these projects have extended over a period of 3 years. On each of them we have heard both sides in minute detail and we have felt, after careful deliberation, that there were good and valid reasons for the inclusion of every item we recommend to you. As a matter of fact, on each of these items we have heard the recommendations of the Bureau of the Budget and in a vast majority of instances we have acceded to its requests, adopted its recommendations and acted favorably upon them. The only thing we have not done in this regard has been to surrender completely the integrity of our own committee and to turn over to the Bureau of the Budget, lock, stock, and barrel, the power of life and death over every project and thus to make of our committee merely a rubber stamp for this administrative agency.

Mr. Chairman, this is a good bill and a necessary bill. I know of nothing more important to the economic future of our country than the orderly development of our Nation's water resources. This bill provides badly needed authorizations to assist in that orderly development. I urge that we defeat the Mack amendment and adopt the committee bill.

The CHAIRMAN. The time of the gentleman from Texas [Mr. WRIGHT] has expired.

Mr. LANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Chairman, S. 497, authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, passed the Senate on March 28, 1957.

On March 29 it was referred to the House Committee on Public Works.

On August 13, 1957, it was reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed.

In the first week of March 1958, almost 1 year later, it comes to us for a vote.

Now there is nothing unusual in the time sequence I have just mentioned except that much has happened, both in this country and the world during that same period, that has a bearing upon this bill.

S. 497, in the normal course of events, provides substantial authorizations for various and necessary projects, but in view of the current recession which was not anticipated last summer, it is insufficient in its scope.

Public works programs are expanded and accelerated during economic declines for the further purpose of creating jobs, increasing purchasing power, and stimulating recovery.

On February 27, 1958, the Congressional Joint Economic Committee called for a stepped-up public works program "to brake the business recession."

The President has twice declared that the Government is preparing to accelerate existing public works programs, and there is no better place to start than the area of public works on rivers and harbors and flood control projects.

Surveys and plans that would require long and detailed preparation in the case of new and emergency projects are ready and waiting for the go-ahead from Congress. The Corps of Engineers, with the foresight for which it is noted, has accomplished the preliminary paperwork on projects for which they anticipate approval in the future. These blueprints can lead to actual construction without intervening delays, once the Congress decides on a speedup in public works as a counteroffensive against recession.

These, in addition to the highway- and postal-construction programs, can provide employment in all of the States, and reverse the economic decline before it gathers momentum.

Additional help is needed for New England flood-control projects, which were ordered stretched out last year, as were other projects throughcut the Nation, during the economy wave.

I am interested in accelerating progress on the Hopkinton-Everett Reservoir project in New Hampshire. This is the key to flood control of the Merrimack River which flows through New Hampshire and Massachusetts.

After 20 years of redtape and delays, the $34 million project was finally approved, but with an initial appropriation of only $600,000 last year.

The Corps of Engineers has estimated that, if the 1936–38 floods should sweep through the valley again this year, the damage would exceed $74 million in New Hampshire and $140 million in Massachusetts.

With the present heavy snow cover in the mountains, we are apprehensive.

I cite these facts to show the necessity of speeding up this project.

Similar situations exist in other parts of the country that could result in flood losses far in excess of the money required to build the necessary reservoirs and dams to protect our lives and our property.

Because of these needs, plus the opportunity to provide jobs for the unemployed, I believe that S. 497 should be expanded to authorize full-scale construction of those projects on which a start has been made, with the urgent recommendation that appropriations to implement these projects should be approved as soon as possible.

Mr. McGREGOR. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to reply to my good friend the gentleman from Texas [Mr. WRIGHT] a member of the committee. He is inferring that the President is asking us to waive our rights as Members of Congress. He said that he hoped that the President would give us authority to act as Members of Congress. I want to call the Committee's attention to the existing law passed by this Congress—by the House and by the other

body—and signed by the President of the United States. And it is a law. May I quote from section 202 of the Rivers and Harbors and Flood Control Act of 1954:

No project or any modification not authorized as a project for flood control or rivers and harbors shall be authorized by the Congress unless a report on such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

Is my friend from Texas asking you or me or the President to break the law? That is the situation we are faced with today. The President is only suggesting that we act in conformity with the existing law.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Texas.

Mr. WRIGHT. The language which the gentleman has quoted says unless a report has been submitted. It does not say unless they have given us their permission. It does not say it has to be a favorable report. We have received reports from the Bureau of the Budget and the Corps of Engineers, most of them written, some of them verbal, on every one of these projects, and therefore it complies with the law.

Mr. McGREGOR. We have a President who does not want to interfere with the prerogatives of Congress and he wants us to do what we want to do and what we think best in conformity with the law. Last year he vetoed a similar bill. Why? Because certain projects had not been recommended by the Corps of Engineers, the Secretary of the Army, the Secretary of Defense, the Bureau of the Budget.

Mr. Chairman, we are faced with the very same thing today. Are you going to take four projects that have not been okayed, and jeopardize all the rest of the good projects in this bill? I want to say firmly and honestly, if the President vetoed the bill last year because of projects that were not in conformity with the Flood Control Act, in my humble opinion he will veto this. Are you who have projects going to jeopardize those good projects, those projects that have been in compliance with the law, by accepting four projects which amount to only $139,175,000? Are you going to jeopardize $1,400 million by accepting these projects?

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. MACK of Washington. May I ask the gentleman from Ohio if it is not true that in connection with the Greenville project on the lower Mississippi River estimated to cost $2,500,000 that the Chief of Army Engineers never reported it? The Secretary of the Army has made no report, and the Budget Bureau has made no report. There were no hearings held by the committee on any phases of this project.

Mr. McGREGOR. The gentleman from Washington is correct. May I read one paragraph of the President's budget message on a similar bill:

Existing law requires that before a report of the Chief of Engineers recommending authorization of a project is submitted to the Congress the affected States must be accorded an opportunity to comment on the proposal.

Did these States have that opportunity on these projects? Absolutely not, and the record will so show.

I repeat, please do not jeopardize over 100 good projects because of the attitude of some Members of Congress who are going to try to force down your throats projects that are not in compliance with the law, projects that are not meritorious. Please do not jeopardize good projects, for that very reason.

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I would like to call the attention of my colleagues in the House of Representatives to a situation which has taken place and is now taking place in the House Committee on Public Works. That is the matter of the use of general proxies in this committee.

Certainly, the use of these proxy votes does not lead to the best legislative processes in the decisions of this committee, nor do the decisions necessarily represent the informed opinion of those members present at the committee sessions.

General proxy votes have been used by the House Committee on Public Works on a number of occasions when the most important issues were being considered. Four major pieces of legislation were largely decided by proxy votes in 2 days during the current session of the House. These included S. 497, the omnibus rivers and harbors and flood control which we are considering today, as well as the TVA bill and the expiration of the Lease Purchase Act. Now it seems that the House Committee on Public Works will either have to rescind some of the actions it took last year, or else they will face Presidential veto.

Efforts have been made to bring the matter of proxy voting up before the Committee, but so far this subject has not been permitted to be discussed.

To say the least, it is more than a little discouraging to have the vote decided ahead of time by a few pieces of paper which a chairman or acting chairman carries in his pocket on matters which affect the tax bills of all Americans. It is even more discouraging to have these same pieces of paper used almost a hundred times in one 2-day session of the House Committee on Public Works.

No such absentee voting is permitted on the floor of the House of Representatives by its Members during the regular course of Congressional business. It is only fitting that this same rule should apply to the House's designated representatives, the committees, as prevails upon the floor of the House.

The views of the Speaker, the gentleman from Texas [Mr. RAYBURN], upon the propriety of using general proxy tactics in committee is well known and is a matter of record over a period of years of devoted and outstanding service to his Nation. In the 24 years in which the Speaker has been present at meetings of the Committee on Interstate and Foreign Commerce, not a single general proxy vote has been cast, because the Speaker objected to the practice.

Certainly, in committee matters where the vote of Members of Congress are more important in many ways than those cast upon the floor of the House, we should encourage in every way a full acquaintanceship of the subjects to be voted upon. We should try to discourage absenteeism from important committee sessions at every opportunity. We should discourage the practice of permitting any one man from literally carrying the votes of other Members of Congress in his pocket.

These blanket powers-of-attorney in the hands of a chairman or an acting chairman are a direct discouragement of both majority and minority members of a committee to attend sessions. The majority members know that their absenteeism can be hidden behind proxy votes, so they do not attend meetings. The minority members of a committee are aware that proxy votes are going to be used despite their full attendance, so they are discouraged from attending committee sessions.

As a protest against the use of general proxies in the House Committee on Public Works, the minority members of this committee have refrained from using a single general proxy vote. It is rather a fruitless and silent protest of a practice which makes all debate on a matter useless and beside the point.

Because of the stifling of thought, speech, acquaintanceship of the subject matter to be discussed and even attendance, I therefore urge that the use of general proxy votes be banned in House committees. Their use can only encourage steamroller tactics in these committees and are a direct detriment to orderly legislative procedures.

The House Manual states that the Rules of the House of Representatives shall be the rules of its committees. Because proxy voting is not permitted in the House, it is only fitting that general proxies should be barred in committees.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

First of all, Mr. Chairman, I want to clarify the misinformation which has been deliberately put into this debate about the situation at Greenville, Miss. The project has been reported by the Engineers. It was reported on by the representative of the Chief of Engineers to our committee. It has one of the highest benefit-cost ratios in the bill, 4.5.

The project has been reviewed and inspected by this committee as late as 3 months ago. All members of the committee were invited to inspect it. It has met every other requirement of the law, and it has been placed in this bill by the members of this committee.

I would like to point out some of this information about the law involved. Every project in this bill has been reported on by the regular process. If there were any substance to this talk

that we had violated the law in bringing out this bill, the bill would never have been brought to the floor of the House. It would be subject to a point of order and it would never have been brought to the floor of the Congress. But, we in the Congress have the power to write the law. That is what we are proposing to do here today. We are proposing to write the law.

The members of the committee are making a great to-do about the fact that they are just talking about four projects. Actually, they seek to strike out of this bill some 18 projects. They would modify and strike out six projects or four projects—it is unclear as to exactly what they mean there. But, the situation would be such that the 12 remaining projects that we are talking about would be modified in such a fashion that the sponsors of the projects, the local people involved, would rather that they not be authorized at all than for them to be authorized in such a fashion.

So, actually, do not accept this idea that there are only four projects involved because there are 18 projects involved. Once again, they are being led by the dictation of the Bureau of the Budget—dictation accepted by the minority members of our committee. I do not believe the Congress as a whole will accept that dictation. In fact, the minority members of the committee began to react a little bit about that today because today they have put into this substitute bill, which they have offered, four projects which are projects objected to by the Bureau of the Budget, which projects cost about $37 million.

But, I think they have begun to decide that even if the Bureau of the Budget is against these projects, and even if by all standards they are bad projects, they have a lot of vote appeal—they are hurricane control projects and we ought to be doing something about hurricane control. And so you see the minority being selective in their purity. Their bill is no longer pure. As you know, you cannot be a little bit pure. You have to be either all pure or not pure. So now they are coming to you in contradiction of the only idea they had in the first place.

We should either leave out the Bureau of the Budget or else we should take the orders of the Bureau of the Budget. Now they are beginning to retreat a little bit with these amendments. So, I say to the House that what you have here is an indication of the mixed up position that you will be in if you accept the dictation of the Bureau of the Budget.

While we are discussing this, I want to call your attention to one of the projects that would be modified in such a fashion that it would be in jeopardy. I am doing this because the sponsor of the project, the gentleman from New York [Mr. WILLIAMS] cannot be with us today because of illness in his family. His project would be grossly changed by the Mack substitute. I want to call your attention to the value of the project involving the Mohawk River which is needed for the protection of Rome, N. Y. I happen to be familiar with the project. A number of people who live in Rome served with me in the Armed Forces of the United States. I certainly hope that in the interest of some of these people that you are not going to pay lip service and pay blind allegiance to the Bureau of the Budget and knock out this project as well as a number of other worthy projects. I would like to call your attention to the fact that the gentleman from Washington who is introducing this substitute favors the Bureau of the Budget when it does not affect his district. But, just a week ago in our committee he introduced an amendment to override the Bureau of the Budget to the extent of $1,500,000 and the committee did so.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN as an amendment to the Mack substitute: At the end of section 205 on page 48, following line 10, add the following new subsection to section 205:

"(h) The provisions of this section shall not be construed to modify the provisions of Section 1 and Section 8 of the Flood Control Act of 1944 (58 Stat. 87)."

Mr. BALDWIN. Mr. Chairman, in the debate yesterday there were a number of questions raised as to whether the committee, by its section 205, either in the committee bill or in the Mack substitute, intended to make any modifications in section 1 and section 8 of the Flood Control Act of 1944.

The gentleman from Alabama [Mr. JONES] pointed out in the debate yesterday that we did not intend to modify those two provisions in any way. At this time I am offering an amendment to the Mack substitute to state clearly in the wording of the modified section 205 in the Mack substitute that it is not intended in that wording of section 205 to modify the provisions of section 1 or section 8 of the Flood Control Act of 1944 in any way. Section 1 of the Flood Control Act of 1944 provides that the Corps of Engineers in drawing up plans must consult with the States in connection with those plans. Section 8 provides that if there are reclamation aspects in a Corps of Engineers project, the reclamation portions will be constructed by the Department of the Interior, and that they should construct those sections under the provisions of the reclamation laws. That will answer the questions raised by several Members yesterday and confirm that the reclamation laws would continue in effect for such portions of the projects.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. JONES of Alabama. I am in accord with the language of the amendment, which should be accepted, because it is the clear intention of both the gentleman from California and the gentleman from Alabama to clarify the situation where there would be no misunderstanding, that any part of section 205 would trespass upon the laws of the various States of the Union.

Mr. BALDWIN. I thank the gentleman.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. MACK of Washington. We are willing to accept the amendment proposed by the gentleman from California.

Mr. BALDWIN. I thank the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. ROGERS of Colorado. In the Mack substitute under section 202 it says:

Section 1 of the act of December 22, 1944—

That is the Flood Control Act. Would you have any objection to amending your amendment to include section 8 as well as section 1?

Mr. BALDWIN. My amendment to section 205 is intended to accomplish that objective.

Mr. ROGERS of Colorado. But you put in as an additional part section 205. In section 202 they say that the provisions of section 1 of the Flood Control Act shall govern with respect to projects authorized in this act. If you would include section 8—that is the section which deals with the Bureau of Reclamation.

Mr. BALDWIN. That is correct.

Mr. ROGERS of Colorado. Would you be willing to say that the provisions of section 1 and section 8 of the act of December 22, 1944, shall govern with respect to projects authorized by this act?

Mr. BALDWIN. My amendment as submitted now would be an additional subsection to section 205 and it would not prejudice the gentleman's point of view.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. JONES of Alabama. Section 205 does not modify either section 1 or section 8 of the Flood Control Act and was never intended to. The amendment proposed by the gentleman will not affect it at all.

The CHAIRMAN. The time of the gentleman from California [Mr. BALDWIN] has expired.

Mr. BUDGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to point out at this time, that although I think the language is most certainly intended to protect the water rights in the Western States, I doubt that it actually does it. This is a subject which has been before the Congress of the United States ever since 1852 when for the first time the Congress of the United States said that water in the arid States of the West, those States west of the 98th meridian, was to be appropriated and used under the laws of the States and the territories of the West.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. There are included in this bill projects authorizing the Corps of Engineers to construct navigation and flood-control projects. Is the gentleman from Idaho fearful that by the construction of those flood-control projects by the Corps of Engineers they will usurp the States' water laws in the administration of the project once it is completed?

Mr. BUDGE. In reply to the gentleman from Alabama, the only thing that I seek is that the law be kept in status quo, no matter what the law is now, with reference to water rights in the West. I am hopeful that the committee will accept language which will leave the law in exactly the same form in which we now find it.

If the gentleman will permit me to continue for just a moment, the same situation arose during the House consideration of the tidelands legislation. The committee at that time handling the tidelands bill accepted a very short sentence to the effect that nothing in the chapter was intended to change the laws in the Western States as regards water rights. I would appreciate very much if the gentleman from Alabama and Members on the other side would agree to accept a simple statement containing just exactly the same language as was put in the tidelands bill.

Mr. JONES of Alabama. I believe that if the gentleman will read the amendment offered by the gentleman from California he will have assurances in that regard, because it accomplishes the very purpose the gentleman from Idaho seeks.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from California.

Mr. BALDWIN. The purpose of the amendment which I have offered is to reiterate that the existing laws as stated in the Flood Control Act of 1944, section 8, shall be retained, that is, that any reclamation project shall be constructed under the provisions of the reclamation laws; and the gentleman knows what those provisions are. They state that this reclamation work must be constructed in accordance with State laws and in accordance with interstate compacts.

Mr. BUDGE. I hope the language does what the gentleman from California thinks it does. This matter has been rather hurriedly presented, and in different language than the gentleman previously indicated to me it was to be presented, but if on examination he now finds any doubts I hope he will agree to accept a simple declaration to take care of it, and that could be done by including in this bill the language of the tidelands legislation. That will preserve the status of the law. I think it is a matter that should be taken care of.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, both the Mack bill and the bill reported by the committee do violence to State water laws historically recognized by the Congress of the United States. It, therefore, becomes necessary and proper, if we expect to carry out in a proper manner this legislation that has been the law for more than 50 years. We must amend each of these bills to insure that the water rights of the States are not destroyed.

Without proper amendments in this bill you are going to develop two water systems, one administered by the States and one administered by the Federal Government.

We cannot live under a dual administration. May I point out that historically when the original Reclamation Act was adopted in 1902 there was provision that the Secretary of the Interior was compelled to comply with the State water laws. That has been lived up to ever since.

When the original Flood Control Act was passed in 1944, in section 1 and again in section 8 there was provided a plan whereby it became necessary before you could get a project approved to submit it to the Army Engineers and meet with their approval and with the plan they had. If it turned out that it was a reclamation project, then it went to the Bureau of Reclamation and they constructed it under the laws of the Bureau of Reclamation which compelled them to recognize State water laws.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I am sympathetic with the desire of the gentleman, namely, that the laws regarding reclamation projects are not changed.

Mr. ROGERS of Colorado. Yes.

Mr. EDMONDSON. On the other hand, I do not see the basis for his statement that section 205 today involves a fundamental change out there in regard to reclamation projects.

Mr. ROGERS of Colorado. I will answer that in this way: Under section 202 you start out and say that the provisions of section 1, the part that deals with reclamation under Public Law 534, which is the Flood Control Act of 1944, is section 8 which directs the Secretary of the Interior. If you do not have sections 1 and 8 of the Flood Control Act of 1944 definitely spelled out in both of these then you are doing violence to the present situation.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield.

Mr. ROGERS of Colorado. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman makes a point in connection with sections 1 and 8 of the 1944 act. Is the gentleman opposed to the amendment that has been offered by the gentleman from California which establishes the very thing he seeks?

Mr. ROGERS of Colorado. I am willing to go along with the gentleman from California. But I think that the gentleman from Colorado [Mr. ASPINALL] has a clearer amendment which spells it out in detail so that he who can read can understand in the future that so far as we in the West are concerned our water rights are amply protected. I have a little fear that unless that is done the references to sections 1 and 8 may not be sufficient in interpretation in the future.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Colorado.

Mr. ASPINALL. I wish to advise my colleague that I find myself in the situation where I cannot offer an amendment. My amendment would not be in order at the present time because of the fact it would not be proper under the Rules of Procedure of the House.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from California.

Mr. BALDWIN. May I say that the purpose of my amendment, which is now pending, is to strengthen the points discussed yesterday to be sure sections 1 and 8 of the Flood Control Act of 1944 are clearly recognized as continuing in effect. The purpose of it is simply to clarify and reiterate that point, which was the intention of every member of the committee that brought this bill before the House.

Mr. ROGERS of Colorado. Again, as I asked the gentleman when he was speaking, under section 202 of the substitute or the Mack bill, you start out with the provision of section 1 of the act, but you do not say anything about section 8. You do wind up in the end, however, by saying, as your amendment says, it shall be in compliance, that it shall not vary from sections 1 and 8 of the Flood Control Act of 1944. My suggestion is that you put it at the beginning of section 202, after section 1, because it is good.

Mr. TRIMBLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Lone Rock and Gilbert Dams, which are in the committee bill, were approved by the Corps of Engineers for the addition of power to Lone Rock and for flood control and power for Gilbert in a letter transmitted May 6, 1952, by Brig. Gen. C. H. Chorpening, then Assistant Chief of Engineers for Civil Works, along with a letter of the same date from Lt. Gen. Lewis A. Pick, then Chief of Engineers, and a letter dated April 21, 1952, from the Board of Engineers for Rivers and Harbors of the Corps of Engineers, without objection of the Bureau of the Budget.

In other words, they were found feasible and were recommended not only by the Chief of Engineers, General Pick, but by the Board of Engineers for Rivers and Harbors, and they were not objected to by the Bureau of the Budget.

They have a benefit-cost ratio as high as that of most other projects on the White River that are under construction. But in 1952 we did not have a rivers and harbors authorization bill because they come up only every 2 or 4 years. Where these two projects are caught is that before the next rivers and harbors bill came up in the Congress, formula A–47 was issued by the Bureau of the Budget telling the Corps of Engineers to change completely the formula which they had used previously, and this new formula made every project on the White River incapable of measuring up if it had been completely and closely followed.

All Arkansas knows of the great benefit that has accrued to the sections where the projects have been constructed in jobs, industrialization, tourist trade, and increases in population. It is just really not the same country—it has been changed. Lone Rock and Gilbert measure up to most of the previous projects on the White River so far as the benefit-cost ratio is concerned. It would be denying them the sanctuary of the family circle to exclude them from the bill.

Not only that, these projects pay for themselves. They return to the Government of the United States the money invested in them. They are good investments.

In my opinion, one of the great problems to face America in the next 25 years will be the shortage of water, not only in the now arid West but in all sections of the country, because of the increase in population, increase in industrialization, the denuding of the forests, and evaporation. I was amazed to hear the engineers testify that the water level today is at least 25 feet lower on the average than it was 25 years ago. If that continues during the next 25 years, then we will have a great shortage of water.

I am asking you, the Members of this House, to reject this amendment and to include these worthwhile projects in the bill.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am proud to associate myself with the gentleman from Colorado [Mr. ROGERS], the gentleman from Colorado [Mr. ASPINALL], and the gentleman from California [Mr. BALDWIN] in protecting our States water rights, because these water rights are our life blood.

STATE WATER LAWS AND FEDERAL USURPATION

The retention by the States of their historic water rights against Federal encroachment is the issue upon which I rise to speak. Legislatively the issue is spelled out in the proposed Aspinall and Baldwin amendments to S. 497. This seeks to fortify the States against the devouring federalism that is now attacking what in the western half of this continent is perhaps our most precious resource. The dread peril that confronts us is that the monumental principle involved in this legislation and its relevance to the heart of American government will be lost in a morass of legalistic minutiae. Now it happens that I am not a lawyer but I cannot permit myself to be brushed off as a layman by those who are lawyers. And I will not permit a fundamental precept in a form of government all of us hold precious to be overwhelmed and buried by the growing avalanche of Federal aggression against the States.

It is impossible for me to accept the argument that greater centralization of Government is some kind of inevitable, historic force, inherent in the growth of the country and consonant with the trend of communication and the shrinkage of time and space. This position makes the wholly unsupportable presumption that the several States have been living in a state of total economic paralysis and that only this amorphus and remote power structure called the Federal Government has been enjoying growth and expansion.

Substantively the reverse is true.

It is the States that constitute the reservoir of America's economic wealth. It is the States that have been growing prodigiously and dynamically in every facet of this most advanced civilization. On the other hand the Federal power has risen artificially, mushrooming up through the overlordship of a mass of superimposed and very obnoxious restrictive Federal legislation. The acuteness of the national peril this represents is accentuated by judicial attrition against the States from the Supreme Court. This is manifest in the notorious Pelton case known more exactly as Federal Power Commission against Oregon et al. decided June 6, 1955.

What is the Pelton case?

I learn from volume 349, United States Reports, page 435, that the Federal Power Commission issued to a power company a license to construct, operate, and maintain a hydroelectric plant, constituting Pelton project, No. 2030, on reserved lands of the United States on the Deschutes River in Oregon. The State of Oregon challenged the authority of the Commission to issue the license and the adequacy of provisions approved by the Commission for the conservation of anadromous fish. The Supreme Court rendered the extraordinary decision that the Federal Power Act is applicable in accordance with its terms, and the Federal Power Commission acted within its powers and its discretion in granting the license. Mr. Justice William O. Douglas, who happens to come from the West and must be presumed to know some of its problems at firsthand, dissented.

Now here where the vital data contains such anomalous words as "anadromous fish" we have what I mean in speaking of losing the monumental significance of the issue in a morass of detail and jargon. The water rights of the States, as an issue in Federal-State relationships, can very well have its back broken on the Supreme Court's pro-Government decision in this Pelton case. What the Court in effect decided was that so far as the issue in this case was concerned—State water rights—Oregon ceased to exist as a State. But Mr. Justice Douglas held that the United States—as I read his decision—could not build the proposed dam on this nonnavigable river without in the first instance obtaining the water rights to do so in accordance with the laws of the State of Oregon. It was necessary first that Oregon's water-rights law be satisfied. The dissenting Justice held that the Federal licensee who was to build the dam was given his right to do so by the United States and the United States, said Mr. Justice Douglas, I quote, "cannot give what it does not have."

There stated simply is the issue in the case.

But the overall problem is a much greater one. This decision and some of the proposed legislation—without the Aspinall or Baldwin amendment—is part of a slow, irresistibly moving process of corrosion that is grinding down, law by law and decision by decision, whatever sovereignty yet remains to the States. This issue is so vital, I hold, to the existence of the States as States that I foresee—should these amendments fail—a rising wall of indignation so charged with a righteous sense of justice, that there will be an imperative demand for a reevaluation of all the Federal-State legal and power relationships that now ensnarl the two conflicting avenues of government. When the Federal power reaches the proportions encompassed in this decision, and legislation of otherwise sound Federal significance is passed without safeguards for the rights of the States as recommended in this amendment, then the sweep of angered reaction could compel changes more radical than anything now under contemplation. As a westerner I am offering this judgment not as a threat, but as a warning that such a threat is indeed inherent in the situation. It will explode unless measures like these amendments are this time and more and more in the future, imbedded in the legislation diagraming the areas of power and rights between the Federal Government and the States.

The Congress, beginning now, by validating once more, bluntly and decisively, the integrity of the water laws of the States, will have restored some of the damage done in the Pelton case and will forestall, perhaps obviate, this impending conflict taking a regional form, between the States and the Federal power. To me as a westerner, an educator, and a Member of the Congress, the Supreme Court's decision in the Pelton case sounds like a semi-intellectual, dream-world application, in ivory tower abstraction, of a very earthy, powerfully held, State and grassroots prerogative. The Justices who rendered this decision are, I notice, some of them from the West. But the flavor of their judgment shows not so much a geographical bias, one way or the other, as a lack of understanding produced by excessive devotion to theory and remoteness from the history and the water rights facts of life.

Of course there are the acknowledged rights of the Federal Government over navigation. Of course there is the role of the Government federally in flood control and her history in canal navigation and in opening the continent to settlement. But the State governments have been dominant at various periods in the improvement of navigation. History and tradition emphasizes their water rights. Had I the time I could develop the function the States adopted in the 19th century for making their waterways more navigable. I could detail the magnificent work they did later on in flood control on the Ohio and the Mississippi Rivers where, indeed, they—the States—took the initiative. I should like to have it understood that I speak from tradition. I speak from history. I speak from a position of justice and the law and I speak with a profound regard for the future.

I know it will not be lost upon the architects of this legislation and upon the Congress contemplating the Aspinall and Baldwin amendments that what is here involved is something close to the heartblood of 17 Western States. This is 60 percent of the area of continental United States. In fact water rights in this arid or semiarid area of 1,830,000 square miles can be said to have existed long before the United States came into being. The desperate need for water in a region so limitedly favored with it, explains much of the depth of feeling that Federal usurpation can arouse. For these States water rights, sunk deep in the western consciousness, are matters

of survival, of life and death, of justice, to be fought for to the very last.

There was in the West, especially after the gold rush in the 19th century, local rules and regulations for peace and order. The State and the Territorial legislatures and courts gave these rules and regulations validity and custom even before the Federal Government added her recognition. It has been provided in these western regions that water, because of the desperate need for it, can be denied because of nonuse and granted only for beneficial use. All that this adds up to is the brutal truth that in the regions where I come from we equate water with life.

It would be dangerous, I hold, to tamper lightly with the rights that a State feels it has in its water.

Mr. DIXON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Chairman, I wish to call the attention of the Committee to page 92 of the pending bill, S. 497, which states:

> The project for flood protection on the Saginaw River, Mich., is hereby authorized substantially in accordance with the recommendation of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $16,085,000.

This project is listed on page 36 of the report of the House Committee on Public Works of August 13, 1957.

I would like to point out that the Bureau of the Budget had some initial reservations regarding this project although these were later withdrawn. They had no bearing on the 1956 veto of H. R. 12080 as witnessed by the following letter from Mr. Robert E. Merriam of the Bureau of the Budget, dated August 17, 1956 and which states in part:

> I am happy to advise you that the Saginaw River project does not contain major features which are considered objectionable by the Bureau of the Budget, and that it is not included among the 32 projects specifically mentioned in the President's memorandum of disapproval on H. R. 12080.
>
> This project would meet with the complete approval of the Bureau of the Budget if the following language were to be used in its authorization:
>
> That the project for flood control and wildlife conservation in the Saginaw River Basin, Mich., is hereby authorized in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $14,107,720; of which $2,589,600 is the Federal share of the costs allocated to wildlife conservation.

In a letter dated August 30, 1956, however, General Itschner revised these figures in accord with January 1956 price levels, to read $16,889,000 and $3,100,000, respectively. This is $804,000 above the authorization contained in S. 497.

On January 3, 1957, I introduced H. R. 566 which contained the up-to-date figures and also employed the exact wording desired by the Bureau of the Budget. I called this matter to the attention of the chairman of the Public Works Committee who notified me on January 16 that he was in turn calling it to the attention of the chairman of the Subcommittee on Flood Control. That was the last word I had had from the committee on the subject until early this week. However, I am now informed that the Bureau of the Budget no longer insists on its language regarding a specific allocation for wildlife conservation since that has been covered in the report of the Army Engineers. I am also informed that the Federal cost figure of $16,085,000 as contained in S. 497 is based on the latest testimony of the Engineers. This being the case, Mr. Chairman, I heartily support the Saginaw River project as contained in S. 497 and urge the passage of the bill.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, the form of the bill before us troubles me deeply. Sound and approved projects are mingled with projects which have no sound reason for being there. It should be altered by an amendment to eliminate projects which are not in line with the recommendations of the Chief of Engineers and the Bureau of the Budget. That is exactly what the Mack substitute does, as I understand it.

At a time when we are locked in a life-and-death struggle for our very survival, a battle which costs staggering sums of money, we can ill afford to spend the dollars of the American taxpayer on projects which are not clearly justified.

We must ever remember that it is a prime belief of the Communists that we can be forced to spend ourselves into bankruptcy. We must ever remember that our national defenses can be no stronger than the economy which backs them up.

At a time when such vast amounts must be spent to keep our guard up to deter potential military dangers, it behooves us to scan with extra-special care all nondefense items coming before us.

This bill, above all others, deserves such scrutiny. I recognize, of course, that river and harbor, beach erosion and flood-control projects are important. Realistically planned and soundly financed, they develop the sinews of our national strength. But the bill before us represents a perversion of this ideal.

Clearly, most of the projects which would be authorized by this bill are good and are needed. Unfortunately, they have been mixed up in a big package with other projects which have no good reason for being here. As a result, we are presented with a choice: Either approve a number of unjustified projects to get the good ones through, or kill the whole lot, including the many sound ones.

The only realistic answer is to amend this bill to include only those authorized according to the procedures established by Congress.

Congress has set up sound means for obtaining informed advice on complex matters such as the one before us today. Both the Bureau of the Budget and the Corps of Engineers are required to pass on river and harbor, beach erosion, and flood control projects. Their careful study and objective reports are essential to proper Congressional action. If we disregard their advice, we are sabotaging the very procedures we have established not only to protect us from taking unjustified steps, but in the end to protect the pocketbooks of every American citizen.

I am extremely disturbed that a majority of the committee has chosen to ignore this expert advice. Over $300 million worth of projects which would be authorized by this legislation have not been approved by the proper agencies of the Government.

This means that $1 out of every $5 which would be spent, were the bill enacted in its present form, would be doled out without technical or fiscal justification. If a pickpocket lifted a dollar from your pocket when you had only $5 with you, it would hurt. The American taxpayer has just as much right to cry out at a similar action by Congress.

Mr. Chairman, every sound and approved project in this bill, four out of five, is imperiled if we pass the measure in its present form. One in which I have a particular interest is the project for various alterations and improvements of Irondequoit Bay, N. Y. It has the full approval of both the Bureau of the Budget and the Corps of Engineers. Local interests have expressed a willingness and ability to carry out their end of the financial burden.

Completion of the proposed Irondequoit Bay project would being to fruition a dream nearly a hundred years old. It would culminate the efforts of many dedicated citizens in my home city of Rochester, N. Y., who have worked unceasingly to bring about these improvements. It would provide important navigational, safety, and recreational benefits for thousands who are now denied full use of this body of water.

Because it has the backing of the requisite authorities, because it will confer great benefits on a large number of deserving people, and because it can only become a reality through Federal cooperation with local citizens, it deserves support. I hope it will survive the ordeal of this present mixed-up measure.

But, Mr. Chairman, the people of this country pay high taxes. In most cases they pay them willingly with the understanding that we will apportion this revenue intelligently for essential activities. We have a responsibility to live up to that trust which has been placed in us.

We would be abdicating that responsibility if we approved, without a fight, the bill as it has been presented to us.

If we pass the bill in its present form, I fear the President will again be forced to veto it. And he will be justified in doing so, since he, also, has a solemn

responsibility to look out for the interests of the American taxpayer.

There is altogether too much fat in the measure before us. A good, clean surgical job is called for to remove this excess. Only in that way can we insure Executive approval.

The amendment to limit the scope of this bill solely to fully authorized projects provides the scalpel by which the necessary surgery can be performed. I support it unhesitatingly and completely.

Mr. Chairman, this is no time for wasteful frivolity. Every dollar we spend should be for good, sound reasons. They should be reasons dictated by the need for a strong, vigorous nation. If we are to spend money for items urgently needed to meet the threat of international communism, we must cast a highly critical eye on unnecessary frills such as are contained in S. 497.

For these reasons, the substitute for this measure, which will include only approved projects, deserves wide support. Let us stop logrolling and start using logic.

Mr. MORANO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of making an inquiry of the chairman of this subcommittee handling the bill. As I understand it, Bridgeport Harbor of Bridgeport, Conn., is in this bill; that the Federal participation is $2,300,000, and that the non-Federal participation is $530,000, making a total of $2,830,000; is that correct?

Mr. BLATNIK. That is correct.

Mr. MORANO. Is it also true that this is an Army Engineers recommended project and a budgeted project recommended by the Bureau of the Budget?

Mr. BLATNIK. It is a clear project recommended by the Bureau of the Budget and the Army Corps of Engineers.

Mr. MORANO. I wish to compliment the committee for including this project in the bill, because there is ample justification for this project and the general benefits that will accrue to the area more than justify the Federal expenditure.

Mr. McGREGOR. Mr. Chairman, if the gentleman will yield, I might say to the gentleman that the project he refers to is in the substitute bill offered by the gentleman from Washington [Mr. MACK], because the project has been O. K.'d by the Corps of Engineers and the Bureau of the Budget in accordance with law.

Mr. MORANO. I want to ask this question: As I understand, there is pending before this Committee of the Whole a substitute amendment offered by the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Whether my amendment passes or the gentleman's amendment passes, the project will be protected.

Mr. MORANO. I want to ask whether or not your formula excludes any unrecommended or unbudgeted project in the State of Connecticut.

Mr. MACK of Washington. There is no project in New England excluded in my substitute.

Mr. MORANO. I thank the gentleman.

I simply wish to state, Mr. Chairman, that authorization of the Bridgeport Harbor project is long overdue; that it has been and is an Army engineers-approved project; that it was in a bill once before approved by the Congress and vetoed by the President; that it is still justified; that it has been approved by the Budget Bureau; that it is sorely needed by industries and the people of the Bridgeport and Connecticut area, and that the Congress should pass the authorization so that we can look forward to an appropriation to begin work on the harbor project. Mr. Chairman, the sum of $530,000 as the non-Federal contribution clearly shows how vital the people of Bridgeport and Connecticut believe this project to be.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The amendment was agreed to.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER to the substitute amendment offered by Mr. MACK of Washington: Page 11, lines 3 to 5, after "which", strike out "50 percentum, presently estimated at $675,000, shall be borne by the United States and 50 percentum, presently estimated at $675,000" and insert "75 percentum, presently estimated at $1,012,500, shall be borne by the United States and 25 percentum, presently estimated at $337,500."

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. MACK of Washington. Mr. Chairman, this is a dispute between the Army Engineers and the Budget Bureau. The Budget Bureau recommending 50–50 cost sharing with the local areas, and the Army Engineers recommended that the project be paid 75 percent by the Federal Government and 25 percent by the local interests. On this side of the aisle we are willing to accept the amendment, which brings it in conformity with the Army recommendation and that of the position of the majority, and removes from the bill, from the list, one of the amendments in controversy.

Mr. CRAMER. Mr. Chairman, the objective of this, as the gentleman from Washington has said, is simply to change the local participation and the Federal contribution on the water-hyacinth program, which affects a number of the Southern States, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas.

The Army Engineers in its report to the committee and in its discussion of the reason for its recommended 75–25 basis, 75 Federal and 25 State participation in this program, made in my opinion a much sounder presentation than was made by the opposition, the Bureau of the Budget.

This is an entirely new program to which A–47 does not apply and to which agreements on all other projects in controversy do not apply, thus the minority is being perfectly consistent in this instance in accepting the recommendation of the Army Engineers. It contains a provision for participation of 75 percent by the Federal Government, whereas the Mack bill contains a provision for 50–50. May I ask the gentleman from Minnesota if he will accept this amendment?

Mr. BLATNIK. Most of the legislation is 75–25. I should like to speak on that at the proper time.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. SMITH of Mississippi. I should like to point out that I agree wholeheartedly with the gentleman.

Mr. CRAMER. I thank the gentleman.

Mr. SMITH of Mississippi. May I ask the gentleman this question: Is it not true that he and all except one or two other members of the minority voted against that same proposition in committee?

Mr. CRAMER. I would suggest to the gentleman from Mississippi that the minority had an opportunity of considering this matter along with the hurricane projects, also a new program, very carefully and of going into the justification of both the Bureau of the Budget and the Army Engineers as it relates to water hyacinths with regard to their recommendation of 50–50 and 25–75 and we decided that because these were new programs not under A–47 we would go along with them on a trial basis. The hurricane matter didn't come up until last week after the vote on the initial bill was taken. I call the attention of the House to pages 336 and 337 of the committee hearings, at which place the Army Engineers indicate the reason for their justification, and show that in making their study they took into consideration the economics of the future and the various benefits, the benefits to navigation, to fish and wildlife, to recreation, and other things. They made a study of the traditional local participation on each of these units. On recreation, for example, I believe they took 50–50. On navigation they used 100 percent, which is the present Federal participation, and I think that is the correct participation.

Mr. SMITH of Mississippi. Did the gentleman say "Yes" or "No"?

Mr. CRAMER. I am answering the gentleman, if he will give me permission to do so.

Navigation, 100 percent. Then they applied those percentages to the amounts of each, in effect, weighing the percentages. After completing that computation, the overall weighted average came out to be 75 percent.

I believe this water hyacinth program is a good program. I believe the 75–25 justification as applied by the Army Engineers is a sounder one than that prepared by the Bureau of the Budget. There is involved in this $47 million annual losses on the part of the States involved. Navigation is involved, fish, and wildlife is involved, drainage is involved, and so forth. I believe the amendment is a good one and outside the reason for

other objections by the minority and I yield back the balance of my time.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, here is a demonstration of the confusion and lack of order, and it is understandable, that results on a complex bill being handled in this involved parliamentary manner. This bill, with 130 some projects with a total of $1½ billion involved in authorization, in which over 96 percent of the monetary value of the projects has the approval of both the Corps of Engineers and the Bureau of the Budget. So our controversy is limited to a small little band that has projects in which in whole or in part are in dispute. These required close scrutiny following testimony and statements by the sponsors of these projects and the local interests involved, following which the committee itself made the determination that the rigid criteria of the Bureau of the Budget should not hold, and that equitable concessions were justified. Now the minority who have been the ones to object to any projects that have not been fully approved by both the Corps of Engineers and the Bureau of the Budget, come this afternoon, in these closing hours of consideration of this bill, and they themselves include in the Mack substitute 3 projects with an authorization of over $37,800,000, the 3 hurricane flood-control projects, which were not recommended by the Bureau of the Budget. Obviously they, too, feel that in some circumstances the Bureau of the Budget's recommendations should not prevail.

Now they concede further, in yielding from their position on the water hyacinth project. The majority of the committee felt that the Bureau of the Budget requirement that local participation shall be 50 percent to 50 percent Federal participation was too heavy a burden, and that because of the navigation aspects of the project that a 25 percent local and 75 percent Federal participation was more in keeping with equity and in accordance with reality. Now, again, the minority comes and they yield on their earlier premise that rigid adherence to the Bureau's recommendation must prevail.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. DAVIS of Tennessee. Of course, the Federal participation over a 5-year period would only amount to slightly over a million dollars. The gentleman recalls that. But I would like to read, if I can, the minority report signed also by the gentleman from Florida who just spoke:

> Since the benefits are primarily to agriculture, and the beneficiaries can be readily identified, the minority agrees with the Bureau of the Budget that a more equitable cost-sharing arrangement would be 50-percent Federal and 50-percent local. This would have no effect on the program already underway for keeping navigable waterways clear of water-hyacinths for purposes of navigation, which is done primarily at Federal expense.
>
> Reduction of the Federal share is particularly important when we recognize that this authorization may be used as a precedent in the establishment of additional programs for control of waterchestnuts and other noxious water plants in other areas in the future. Accordingly the minority objects to the authorization contained in the bill.

Mr. Chairman, I respectfully suggest to my colleague, the gentleman from Minnesota, that this is further evidence that they have a very fine selectivity on the other side of the aisle when they insist that they should follow the Bureau of the Budget in one case, the Army Engineers in another case—but in all cases they are, and I say this with great respect, following the dictates of their own particular conscience in these matters.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. ALBERT. I would like to ask whether the project embraced in the present amendment is contained in the bill as reported by the committee. If we vote down the substitute bill and vote up the committee bill we will give the gentleman exactly what he is trying to get?

Mr. BLATNIK. That is correct. In behalf of orderly procedure, let us terminate this confusion, vote down the substitute and then alter or modify and approve the original bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NORRELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am against the Mack substitute and in favor of the committee bill, S. 497. I wish to amplify briefly.

Under title II, section 203, lower Mississippi River, paragraph (b) authorizes modification and extension of the plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Ark., in accordance with the recommendations of the Chief of Engineers, at an estimated cost of $1,212,000.

The extension contemplates the enlargement and/or cleanout of 7 tributaries of Boeuf River and Bayou Macon, which have drainage areas ranging between 17 and 78 square miles each, and which are obviously too large to be classed as local improvements. Local cooperation is required, as is furnished in the existing project in the basin, as also construction of supplementary farm-drainage improvements, at very substantial cost to the landowners.

While each of these seven tributary streams need the improvement, and each is well justified, and, as pointed out by the Engineers, we might have well included in the authorization bill enacted in 1946 which extended the project into Arkansas, there is a very special need for the work contemplated on Black Pond Slough to provide adequate outlet for both local drainage and for the disposal of storm and sanitary sewerage from the city of McGehee, Desha County, Ark., where from time to time the sanitary conditions have been serious due to a lack of outlet for impounded waters.

The Bureau of the Budget's objection to the proposed extension is that—

> For similar projects outside of the lower Mississippi River Valley it is accepted policy to require that local interests, in addition to complying with the normal requirements of local cooperation * * * also contribute in cash or equivalent work 50 percent of the cost of the project allocated to land enhancement.

When Congress, in 1950, in the Flood Control Act of that year, authorized a limitation of local cooperation on this project to an agreement to maintain the works, it did so because of their substantial expenditures over the years for flood-control works prior to the adoption of the Federal project. The Engineers estimated that local interests had expended about $25 million for flood control and drainage improvements in the entire area. In the immediate area covered by Chicot, Lincoln and Desha Counties local interests have spent, according to the engineers, about $5,500,000.

Local levee and drainage districts in both Arkansas and Louisiana have furnished assurances of the local cooperation required under the law, and the engineers report that adequate maintenance is now being furnished on the work thus far completed.

The improvements contemplated in the extension will, of course, provide only main outlet channels, and must necessarily be accompanied by lateral and on-farm drainage at very substantial costs to the local interests. On that score, against a Federal cost of $1,212,000 for the extension of these main outlet channels, there must be a local interest expenditure of $826,000.

If the extension of this project, approved by the Engineers, the Senate, and the House Committee on Public Works is rejected, we are thereby permitting the Bureau of the Budget, in effect, to repeal a law.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman cannot offer an amendment at this time.

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Chairman, I am acquainted with the water-hyacinth program. When the situation of the water-hyacinth first arose, it started in my home State of Louisiana. The water-hyacinth is an imported flower, being brought here before the turn of the century as a beautiful flower. Many people thought it might give more pleasure to the art of living in our country as a result of being imported here.

In the first years after it was imported, the fact that a new plant was being brought into this land was largely ignored by our people. It was allowed to propagate and began to fill the bayous and streams in South Louisiana. So prolific was the growth and development of this plant that, in due course, it began to choke the bayous of Louisiana, killing the fish and making navigation impossible. Special boats with sharp prows plied the bayous, moving up and down, cutting these water-hyacinths to pieces with a sharp knife and maintaining to a limited extent an open channel for navigation.

This method of keeping water channels open was found to be inefficient and, in due course, other methods were devised. In spite of all our efforts to date, the water-hyacinth has become more and more prolific, spreading to more and more streams, stepping across State boundaries, to choke the rivers, creeks, and bayous throughout the country, smothering wildlife in the water and making the streams unusable. I have heard the criticism made that this is a local program, related to agriculture and therefore a 50–50 State-Federal contribution was in order. Of course, such an objection is untenable. I have never heard it said that the water-hyacinths helped agriculture; but I know that it is an outstanding menace to navigation because of its effect in making impossible navigation over inland waterways. I think it entirely proper that the United States accept the policy of making a contribution on a 75–25 percent basis.

I am interested in this entire program. In recent years our program of water utilization has been slowed up. The extravagant needs of our foreign policy and the demands upon our Government for tax funds has had the effect of threatening to strangle our inland waterways program. Even flood control, so vital to the health, happiness, and welfare of our people, is suffering badly as a result of this situation.

As president of the National Rivers and Harbors Congress, we will hold an important convention at the Mayflower Hotel in Washington, May 14–16. At this convention will be gathered supporters of the water development program from all over the country. We intend to demonstrate that the water development program is not a matter of mere sectional interest. This convention will show that there is broad popular support and demand for the improvement of our rivers and harbors and waterways. The delegates to this convention will undoubtedly be critical of the expenditure of Federal funds on foreign projects while our own projects are being denied money. The National Rivers and Harbors Congress has become increasingly critical of outlays of American tax dollars for projects which are hastily devised and which are designed to benefit the economy of so-called allies whose loyalty to our cause is doubtful in the first place.

At this convention will be shown an exhibit of Russian pork barrel projects. The Army Engineers and our military intelligence tell us that Russia has been carrying on a stupendous program of development of its internal waterways. Russia is developing 19 new ports and is electrifying navigation on its extensive inland waterway system. Russia has already launched an atomic-powered icebreaker. These facts should give us pause. They lead to the inevitable conclusion—

First. If the Russians can build dams and waterways while launching sputniks and missiles all at one and the same time, we can do the very same thing. As a matter of fact, we cannot afford to do less.

Second. It should also be kept firmly in mind that the reason for our failure to get our Vanguard off the ground cannot be attributed in the slightest degree to the fact that we are conducting an orderly program for controlling and developing our water resources.

As conscious as we must be of budgets and appropriations, surely the Government of the United States is not so tightwad that it cannot take care of some of these crying needs.

For this reason I support an all-out effort to give this country the needed waterways and reclamation program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment to the Blatnik amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama to the amendment offered by Mr. BLATNIK: page 49, following line 20, strike out lines 21 to 23 and insert in lieu thereof the following:

"(d) The provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1954 (58 Stat. 887)."

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to change the date of the Flood Control Act in the amendment to read 1944.

The CHAIRMAN. Is there objection?

Mr. McGREGOR. Reserving the right to object, is this similar to the amendment offered by the gentleman from California?

Mr. JONES of Alabama. It is an identical amendment to the amendment offered by the gentleman from California.

Mr. McGREGOR. I withdraw my objection, Mr. Chairman.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I do not intend to impose upon the time of the Committee to make an explanation of the amendment. It is identical to the amendment that has just been adopted by the Committee, offered by the gentleman from California, to the Mack substitute. This goes to the Blatnik amendment. I hope this will resolve any doubt of the intention of the committee to preserve the water rights in the reclamation States.

Mr. ASPINALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASPINALL. If favorable action is had upon this amendment, does that preclude offering further amendments to section 405 of the Blatnik amendment?

The CHAIRMAN. It does not.

The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The amendment was agreed to.

Mr. BUDGE. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BUDGE to the substitute amendment offered by Mr. MACK of Washington. Subsection 1, section 205 of the Mack substitute: "Nothing in this chapter shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which are wholly or in part westward of the 98th meridian, relating to the ownership and control of ground and surface waters; and control, appropriation, use, and distribution of such waters shall continue to be in accordance with the laws of such States."

Mr. BUDGE. Mr. Chairman, at the outset may I say I hope I am not involved in this dispute about the Bureau of the Budget. I should not be, because last week I introduced a bill which would abolish the Bureau of the Budget, and I think it should be passed.

I very much appreciate the efforts of the members of the committee in attempting to work out this question of water rights. It is of extreme importance to us in the West.

The only thing the amendment I have offered does is to restate exactly the same law which is in the present Tidelands Act. It simply states that nothing in this bill shall be construed to change the present system of obtaining and holding water rights in the States west of the 98th meridian. I am hopeful that the Committee will adopt it. I do not see any objection to it; it simply supplements the efforts that have previously been made by members of the committee and removes doubts which some of us may have.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Would the effect of this language be to apply this principle of law as set forth in the act to the operations of the Army Engineers as well as to the Bureau of Reclamation?

Mr. BUDGE. I do not believe it would be. It is not so intended. The Corps of Army Engineers does not appropriate water for consumptive use, but the Bureau of Reclamation does.

The amendment is intended simply to restate the existing law. There is no intention to broaden the scope of existing law. We simply want to keep it in status quo; just as the law is now, we want it to be the same law tomorrow.

There is no intent to change existing law one whit.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield.

Mr. THOMSON of Wyoming. In reading the provisions of the bill I find it does provide for storage of municipal water and other uses not before contemplated. I certainly think we are entitled to have our original water laws protected. I was in hopes the members of the committee would accept the amendment offered by the gentleman from Idaho.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to express my appreciation to the gentleman for offering this amendment. I think it is a wise one and I hope it will be adopted.

Mr. BUDGE. I thank the gentlemen from Wyoming and Arizona for their contributions and I know of their inter-

est in the preservation of the water rights of the West.

Mr. BOW. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, I am pleased to note that the pending bill contains authorization for an additional reservoir in the Mahoning River watershed.

Although this project is not in my Congressional District, it can have a beneficial effect for many of my constituents.

One of the existing projects on the Mahoning River is the Berlin Reservoir a few miles north of Alliance, Ohio. When this reservoir was created local citizens were encouraged to regard it as a new recreational opportunity. Considerable investment has been made in summer homes, docks, and equipment.

We have been seriously disappointed to find that the operation of this reservoir for the purpose of controlling downstream flow is not always compatible with recreational uses and in most years the water level is lowered in late summer so that there can be no recreational use. Instead of a lake we have acres of mud flats and dying fish.

For the past several years I have been trying to find a solution to this problem. I hope that construction of the new reservoir on the West Branch may be the solution, and that the operation of this additional reservoir can be coordinated with Berlin and Mosquito Creek so that it will no longer be necessary to lower Berlin excessively during August and early September.

Mr. SIKES. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Chairman, I support wholeheartedly the measure brought before us by the Committee on Public Works. Its distinguished membership has contributed a significant service, and the proposals of the majority members of the committee should prevail today. Those who would seek to cripple or to limit this bill are, despite what may be good intentions, working at cross purposes with the good of the Nation.

I find myself completely out of sympathy with those who charge the Congress with sponsoring pork-barrel legislation on the occasions when we attempt to develop the natural resources of the various States. Most of that same group are highly vociferous in their advocacy of free trade, foreign aid, and contributions to the District of Columbia. But they are wholly unable to comprehend the necessity for maintaining the strength of our own domestic economy through the development of new trade areas at home.

We have not had a rivers and harbors bill since 1954. Blame for this must be laid at the door of President Eisenhower, whose advisers caused him to reject the predecessor of this measure. Now he has recognized the need for public works as a means of combating recession. I trust that he will see in this measure a broad and wise vehicle for stimulating progress in America.

There is under discussion today the question of the place of the Bureau of the Budget in Congressional decisions. All too often the recommendations of the Bureau of the Budget have been held up to the Congress as the proper criterion for guiding our own course of action. This is entirely uncalled for. The Bureau of the Budget is a branch of the executive department of government. The Congress is not bound by its decision or its recommendations. In fact we abdicate our own responsibilities when we follow blindly the recommendations of the Bureau of the Budget, and we fail in our opportunities to serve our own people.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Committee will remember that this is a bill authorizing the Corps of Engineers to carry out an orderly course of development. There is not one iota of legislation in this bill applying to the reclamation laws or to the operation of the Department of the Interior, except an increase in basin authorization for the Missouri River. That is an item that has been traditionally handled under the Flood Control Act, and is the authorization of the project known as the Pick-Sloan plan for the Missouri River. Two hundred million dollars is included in the bill for that project. It would authorize the Department of the Interior and the Corps of Engineers to carry on currently work on the Missouri River and its tributaries.

I can see no reason for not having orderly procedure in the consideration of this bill. Why we should make declarations of State sovereignty and State law relative to operations of the Department of the Interior or the Bureau of Reclamation I cannot see. There is nothing in the bill that goes to legislation on the proposition of the water laws in the various States. We have been very careful to see that we would not impose additional burdens upon either the operation of an agency or upon the States themselves.

So I hope we will resolve this proposition once and for all, because I do not know of any committee of the House of Representatives which has been more generous in their treatment of proposals in the reclamation States as evidenced by the fact we have already approved legislation authorizing over $2,400,000,000 on the Columbia River alone. There never was a moment in the history of the committee since I have been a member that we tried to impose the laws pertaining to the Corps of Engineers in reference to flood control on the Reclamation Bureau. I hope there will be no further misunderstanding. The gentleman's amendment takes out an abstract proposition from a law that was considered in connection with a public works project but was a question of substantive law which has no part in the legislation we are seeking to enact by this bill.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The gentleman stated that there was not any reclamation in any of this. I direct the gentleman's attention to the Flood Control Act of 1944 and to section 8 thereof, where there is an authorization and where in this Flood Control Act a reclamation project may come into play. It is then passed to the Secretary of the Interior. Therefore, reclamation has a part in it. You will find that in the original Flood Control Act of 1944 the 98th meridian was referred to, that the Army Engineers as well as the Bureau of Reclamation were compelled to abide by the State water laws.

Mr. JONES of Alabama. Let me say to the gentleman that there is nothing in the original bill that affected reclamation. If there was some question, it was resolved by the adoption of the amendment I have just offered and by the Baldwin amendment to the Mack substitute. It seems to me the proposition is clear that Flood Control Act sections 1 and 8 are still the law of the land notwithstanding the fact that we pass this bill. There is nothing in this bill to make the gentleman from Colorado fearful that we are going to do something any more than we did in authorizing flood control, navigation, the generation of hydroelectric power, or the impounding of water for municipal or other purposes.

Mr. ROGERS of Colorado. Then I take it, in the gentleman's opinion the amendments thus offered to the Mack substitute and to the Blatnik substitute which protects and sets forth sections 8 and 1 of the Flood Control Act do not disturb the water-right laws in any State west of the 98th meridian?

Mr. JONES of Alabama. I will say to the gentleman most emphatically it would not and I am confident on the point that the members of the committee can assure the gentleman from Colorado and others that that is our purpose—to keep inviolate sections 1 and 8 of the Flood Control Act of 1944.

The question was taken; and on a division (demanded by Mr. BUDGE) there were—ayes 63, noes 84.

Mr. BUDGE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CUNNINGHAM of Iowa to the substitute amendment offered by Mr. MACK of Washington: On page 33, strike out all of the language beginning on line 18 and ending on line 2, page 34, and insert "The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $44,500,000."

Mr. CUNNINGHAM of Iowa. Mr. Chairman, all this amendment does is remove the language dealing with the Saylorville Reservoir north of Des Moines, Iowa, as contained in the Mack substitute and replaces it with the exact language as it appears in the committee bill. It results in this situation: The committee bill provides and authorizes the building of a dam without local participation. The Mack substitute would require 10 percent local participation. The Army Engineers favor it without local participation. The Bureau of the Budget wants local participation. The report of the committee favors it without local participation. My amendment removes the provision in the Mack substitute which requires 10 percent local participation.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Tennessee.

Mr. DAVIS of Tennessee. In other words, the gentleman would change the language from that in the Mack bill to the language in the committee bill?

Mr. CUNNINGHAM of Iowa. Exactly.

Mr. DAVIS of Tennessee. Just one more evidence—if the gentleman will pardon me, because I have the highest regard for him—of inconsistency. We have been trying to be consistent all the way through in the management of this bill, and if you will just stay with us and vote for the committee substitute, everybody in this country will be happy and the people will be put to work. That is what we want to do right now.

Mr. CUNNINGHAM of Iowa. I thank the gentleman from Tennessee. I just want to assure him I agree with him. I just do not want to take any chances, that is all.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Ohio.

Mr. McGREGOR. I want to agree with my distinguished friend from Tennessee that he is being consistent, because last year he and the very same group recommended some projects that had not been O. K.'d by the Army Engineers and the Bureau of the Budget, and the President vetoed it. Now we have our distinguished friend doing the same thing this year. I agree with him. He is being consistent.

Mr. DAVIS of Tennessee. I would remind my good friend from Ohio that we did clean up this bill considerably; in fact, we cleaned it up to where we have now met the objections of the engineers by six-tenths of 1 percent, and I reemphasize for the 50th time, I think, that we are now meeting the objections of the Bureau of the Budget, despite the fact that Mr. BUDGE's bill should be passed to abolish the Bureau of the Budget. We are meeting the objections of the Bureau of the Budget within 3.6 percent.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I would like to point out to my friend from Iowa, since he is worried about the bill, I do not think there can be any possibility any more that the President would veto the bill, because his friends on that side of the aisle over there have all indicated that their arguments did not mean anything. They have accepted amendments right and left completely contrary to the initial position that they did sign. So I mean there is no position for the President to uphold any more. Consequently I do not think you have to worry about the President vetoing anything.

Mr. CUNNINGHAM of Iowa. So you can support my amendment and make it safe for me regardless of whether the Mack substitute or the committee bill is adopted.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Florida.

Mr. CRAMER. I will say to the gentleman from Mississippi and the gentleman from Washington that the amount involved is $300 million, or 20 percent, that is in controversy.

Mr. CUNNINGHAM of Iowa. Not in my amendment.

Mr. CRAMER. No. In the bill itself. Rather than 3.6, there is 20 percent involved, and if the President is going to be consistent, he will veto this bill, and I think he will be consistent. I want to see a good public works bill, which is contained in the minority position. In regard to the water hyacinth control amendment, which is part of the hurricane program, it is a brandnew program which we are trying out as a new program in an effort to see how it works. That is the only reason why it and the hurricane program projects were agreed to by the minority.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I understand the gentleman's proposal is in the committee bill.

Mr. CUNNINGHAM of Iowa. Exactly.

Mr. ABERNETHY. The gentleman is trying to get it in through the back door.

Mr. CUNNINGHAM of Iowa. I just want to play safe, either through the back door, front door or side door.

Mr. ABERNETHY. If the gentleman's amendment is adopted, which train is he going to ride?

Mr. CUNNINGHAM of Iowa. I am not going to ride the one that will assure the same result as my amendment The gentleman knows what that is and I ask his support.

The Saylorville Dam is in a different situation than most of the 18 projects referred to in the Mack substitute because the water storage it will provide was authorized many years ago when another dam was authorized for the same river south of Des Moines. It is therefore not precluded by any subsequent law, order or regulation. This is a water storage project for the entire Mississippi River Basin. It would be both unfair and inequitable, in view of past history, to require local participation in any amount. I will appreciate the Committee's support in seeing that it is enacted as a straight project without local participation either with or without my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. CUNNINGHAM].

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes, 57, noes 90.

So the amendment was rejected.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on the Mack substitute amendment and any amendments thereto be closed at 2:30.

Mr. McGREGOR. Reserving the right to object, Mr. Chairman, I wonder if the gentleman from Minnesota will retain time for the majority and minority members of the committee.

Mr. BLATNIK. Mr. Chairman, if I may modify my request, I ask unanimous consent that all debate on the Mack substitute and any amendments thereto close at 2:30, and that the last 10 minutes be reserved, 5 minutes for the minority and 5 minutes for the majority.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, we are now coming to an important vote on this bill on the question of whether we should accept the Mack substitute amendment. The Mack substitute amendment has as its objective removing from the bill projects which are believed by the minority to be objectionable to the President. While the President issued his veto message on the bill that was passed in the last session of the Congress, in which there was some $500 million worth of projects objected to, in this bill there are $303 million worth of projects which are equally subject to the President's objection. The Bureau of the Budget has been dragged across the floor here today. It has been used as a whipping boy. The Bureau of the Budget is not the whipping boy involved at all. The Congress of the United States instructed the Bureau of the Budget together with the Secretary of the Army, Secretary of the Interior, and the Federal Power Commission to write regulations and instructions as to how these projects should be judged on a long-range basis so that all projects would be judged on a fair and equitable basis. Based upon that instruction, the Bureau of the Budget and the Army Engineers, and the Department of the Interior, and the Federal Power Commission following those instructions have made these determinations. I urge the support of the substitute amendment.

UPPER FOX RIVER IN WISCONSIN

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, the substitute amendment offered by the gentleman from Washington [Mr. MACK] and also in the committee bill, section 108, provides for the transfer of the upper Fox Waterway to the State of Wisconsin. I would like to have the chairman of the committee tell me if it would be possible

for the Army Corps of Engineers to operate the Eureka Dam locks or must the State of Wisconsin operate the Eureka locks in the future, in the event the locks are operated.

Mr. BLATNIK. The State would be responsible for the operation and maintenance.

Mr. LAIRD. The State of Wisconsin?

Mr. BLATNIK. Yes.

Mr. LAIRD. I thank the gentleman from Minnesota very much for this information.

Will the gentleman from Florida [Mr. CRAMER], a member of the committee, tell me if the Wisconsin State government through its conservation commission, requests that the Corps of Engineers place the Eureka locks in operative condition, will this $300,000 authorization cover this additional cost?

Mr. CRAMER. I know of the interest of the gentleman from Wisconsin [Mr. LAIRD] in the conservation and recreational potential of the upper Fox Waterway. The $300,000 authorization would be sufficient to cover the cost of placing the Eureka locks in an operative condition should the State of Wisconsin request this work as a part of the transfer agreement.

Mr. LAIRD. I thank the gentleman very much.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, Members of Congress should be realists. We all know why the rivers and harbors bill was vetoed in 1956. Still some Members of the House want to take a gamble in sending a bill to the President which contains a number of unauthorized projects. In doing so, they are risking the chance of another veto. The sensible thing for us to do is to approve the Mack substitute for the committee bill. This will assure a clean bill containing only such projects as have been fully authorized and approved.

The Floyd River, Iowa, flood control project in my Congressional District is one of the clean projects in the bill which I want to protect. This project was in the bill vetoed in 1956, and I certainly do not want anything to happen which will jeopardize the authorization of the project this time. The thing for us to do is to adopt the Mack substitute and thus send the President a bill which he can conscientiously sign.

The entire Floyd River Basin, which is reported in House Document No. 417, 84th Congress and contained in S. 497, is located within my District. Therefore, I have had a keen interest in the Army Engineers' survey of the Floyd River and tributaries as well as a satisfactory solution to the flood control problems which have confronted my constituents for many years.

Flood control has been a perennial problem in the Floyd River Basin since 1892, and since that time there have been periodic disasters of considerable magnitude. Shortly after coming to Congress, I introduced a resolution which was adopted by the Committee on Flood Control of the House of Representatives on May 29, 1944, calling for a review of the situation existing in the Floyd River Basin, with a view to determining if improvement in the interest of flood control would be feasible. Due to the fact that the United States was at war at that time, and because of the subsequent readjustment to a peacetime economy, it was not possible to begin active investigation of the Floyd River survey until June 1948. The investigation proceeded at a normal rate until it became necessary to suspend operations during the fiscal year 1950 because of inadequate funds. In view of the long period which has elapsed since the inauguration of this survey, I am immensely pleased that the report has been completed and that Congressional consideration is now possible.

Flood disasters have been very much in the news during the past several years. We in northwest Iowa can sympathize with the people of other sections of the country because we know from experience what an uncontrolled inundation of floodwaters can do to the life of a community. On June 8, 1953, the entire Floyd River Basin in northwest Iowa experienced the most disastrous flood in the basin's history. From the standpoint of both loss of human life and damage to property, this flood also ranks among the most disastrous floods of record for streams of its size in the entire Missouri River Basin. The Corps of Engineers estimated the damage at approximately $25,603,000. No one will, of course, attempt to estimate the value of the lives lost during this disaster, a total of 14 individuals perishing in the Sioux City, Iowa, area. These victims were primarily elderly people who had lived in the flood area for many years but were unable to flee their homes fast enough to escape the advancing floodwaters. In the three major floods of the past 61 years in Sioux City, 45 people have been drowned. In the flood of 1892, 25 people lost their lives; 6 other lives were lost in 1926.

The damage caused by the flood of June 1953 greatly exceeded throughout the basin the damages caused by any previous flood. At Sioux City alone, a total loss of $23,185,000 was approximately 20 times the damage reported for the floods of 1892 and 1926, despite the fact that the channel had been improved since those earlier floods. Approximately 90 percent of all the damage in the Floyd Basin from the flood of 1953 occurred in the city of Sioux City. Damage was extensive and severe because of the flash character of the flood, the impracticability of adequate warning of the impending disaster, and the unprecedented depths and velocities of the floodwaters within the city. In the city alone, 4,600 persons were evacuated from their homes and many others were evacuated from their places of business.

The Floyd River Basin is predominantly an agricultural area. Sioux City, however, which suffered the greatest damage in the recent flood, is the second-largest city in the State and the largest city in western Iowa. It is a major industrial, commercial, and transportation center. A substantial part of the city's industrial and commercial developments and nearly all of its railroad yard facilities are concentrated within the flood plain of the Floyd River. Included are the Sioux City Stock Yards, major packing plants, major food- and equipment-manufacturing plants, large wholesale and distributing concerns, and a variety of lesser manufacturing, distribution, and service industries. Business and industrial flood damages are estimated to have been in the neighborhood of over $16 million.

Keen interest in adequate flood control in the Floyd Basin has been displayed by all individuals in the area concerned. In 1953 and again in 1954, I called public meetings at Le Mars, Iowa, for the purpose of discussing methods of flood control and ascertaining whether or not public support would be assured. Representatives of the Army Engineers, Soil Conservation Service, cities and municipalities, and area farmers were encouraged to present their problems as well as their suggestions for solutions of the flood situation. At our meeting in 1954, representatives of the Army Engineers presented their plans for flood control and unanimous agreement was voted.

I cannot express too strongly, however, the need for adequate flood protection for the city of Sioux City and surrounding area. Notwithstanding the potential flood threat to the lives and properties of the people of this area, the possibility of the recurrence of a disaster similar to that of 1953 seriously handicaps the economic expansion of Sioux City. Industrial building sites are limited in the metropolitan area, and most of them are located in the Floyd River Basin of Sioux City, which is the area which suffers the greatest flood damage. This threat is keeping industry from moving into Sioux City, and not until adequate flood protection measures are taken can the economic and commercial expansion of Sioux City be assured.

The proposal in S. 497 we are considering today has the endorsement of the city of Sioux City as well as its chamber of commerce, and its civic organizations. It also has the approval of the Floyd Valley Watershed Association which is interested in control measures in the upper valley.

As indicated in House Document No. 417, 84th Congress, the estimated cost of this project is $11,700,000, of which the Federal contribution will be $8,060,000. Local interests in the area are prepared through bond issues and other means to contribute the non-Federal share of $3,640,000. Local interests will also furnish lands, easements, and rights-of-way, including rights-of-way for temporary ponding of interior drainage or provision of pumps to remove interior drainage over the levees; make necessary highway and highway bridge and utility alterations; remove buildings and other structures from within the rights-of-way limits; and maintain and operate all works after completion in accordance with regulations prescribed by the Secretary of the Army. In addition, local interests will also provide in cash 0.84 percent of the total Federal first cost of the project, which is currently estimated to

be $67,700, as recognition of the enhancement of land values which will result from the construction of the project.

Provision of flood protection at Sioux City, Iowa, is needed to prevent further loss of human life, property, and resources. Further delay in this authorization bill would be a serious handicap and injustice to the people in the area concerned.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the Mack substitute for many reasons.

I think, first of all, it is imperative that we eliminate the pork that exists in the present bill, S. 497, which is before us for these reasons. Certainly, we have a number of public works projects already on the books in the construction stage at the present time. There are more than $8,773,000,000 in public works projects already authorized and already started, but $4,004,500,000 are needed to complete them. If the majority party wants to do something about public works projects in the United States, they have the majority on the Committee on Appropriations and they can do something. They have been doing a lot of talking about loading this bill down with pork barrel projects. If they authorize the construction of these projects and we get the money, we can have a public works program in the United States.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield.

Mr. CEDERBERG. Could it be said that if the Mack substitute is not agreed today, the price of pork will have gone up?

Mr. BROOMFIELD. There is no doubt that the price of pork is going real high if S. 497 is passed.

And that high price of pork in public works projects is going to be reflected in the pocketbook of the American taxpayer. For the benefit of a few votes for a few Congressmen for a few doubtful projects, the majority members of the Public Works Committee are asking us to jeopardize the entire public works program.

Personally, I cannot see that type of reasoning, nor can I agree with that type of action. S. 497 is a deliberate attempt to shove through 18 questionable projects. The majority members of the House Committee on Public Works are daring the President to veto this bill. Personally, I hope the President takes the dare if S. 497 is approved.

Somehow, I was under the impression that some of the platitudes about Government economy and the elimination of waste which the majority Members of the House have been preaching back home to their constituents would rub off on them. Evidently, they have not.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, I am not going to take the entire 5 minutes, and I yield to the gentleman from Florida [Mr. CRAMER] at this time.

Mr. CRAMER. Mr. Chairman, I would like to ask the gentleman this question. Is it not true, since there has been some comment made with regard to the position of the minority in regard to the acceptance by the minority of the hurricane program and the water-hyacinth project on a 75-percent Federal, 25-percent local participation, despite the objections of the Bureau of the Budget—is it not true that those two programs are clearly distinguishable from the other projects under discusison because, in the first place, these two programs are new programs, not subject to directive A–47—new Federal participation programs and the minority is willing to try these programs as recommended and fully studied by the Army Engineers, and that is the reason why the minority are willing to accept them as compared to the other projects which the minority is objecting to because they are a deviation by the majority in the committee, a deviation from the long-established principles and from the directives by the Bureau of the Budget that have been accepted by the Department of the Interior, by the Federal Power Commission and by the Secretary of the Army. There is nothing inconsistent with this position which resulted from a reconsideration of the minority position on hurricane projects as well as water-hyacinths.

Our objection is that these standards should be recognized and should be adhered to. Otherwise, one area is not treated equitably with another.

Mr. MCGREGOR. The gentleman is correct.

I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, I want to go on record as supporting the Mack amendment as being a clean bill and the type of bill this Congress could well afford to pass at this time.

Mr. MCGREGOR. Mr. Chairman, I want to call to the attention of the House that it is my intention at the proper time to offer a motion to recommit. That motion will include the Mack bill, H. R. 11121, which we consider a clean piece of legislation and in conformity with existing law. May I say I am of the opinion that if the projects not in accordance with recommendation of Army Engineers and Bureau of the Budget remain in this legislation, if they are in there when it goes to the President, in my opinion you will be faced with the same condition we had last year; you will get a veto. Then approximately 120 good projects are going to go by the wayside because of the insistence of proponents of four or five projects. I hope you will not do that, because there are many good projects. I am hoping that we may give to the President a bill which he could sign and which would be in conformity with the law.

I yield back the remainder of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota [Mr. BLATNIK] is recognized.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GATHINGS. Mr. Chairman, the Committee on Public Works, in reporting S. 497, is providing the greatest possible antirecession proposal that has been brought previously to the attention of the House. I commend the committee on its work which extended over a period of several months. The projects included in the bill were carefully screened by the committee. It is appropriate and fitting that this legislation be presented at this time and speedily passed. The recent report that there was upward of 5 million unemployed, and that that figure is apparently mounting, would indicate that it is time to move—and move fast—on the construction of public works projects in the field of flood control, river and harbor improvements.

The people of the great alluvial St. Francis Valley are indebted to the committee in recommending the authorization of an additional sum of $35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin which was approved in the act of May 17, 1950. It is hoped that this St. Francis Basin—Missouri and Arkansas—project will move along faster, at a more rapid pace, than has been the case in the immediate past years. Some $3 million in appropriations have been made annually for the past few years, but even that sum was cut back in the budget for fiscal year 1959 to $2,800,000. In view of the tremendous flood losses in the valley as a result of excessive rainfall, it is most important that the project be expedited so that it may be completed at a much earlier date.

Thirty Rotary clubs in southeast Missouri and northeastern Arkansas have recognized the necessity of early completion of the St. Francis Basin project. Each of them passed suitable resolutions urging both Houses of Congress to increase the funds substantially and prevent the crop losses which have been suffered periodically by the people of this vast area. It is hoped that the Appropriations Committee will see fit to approve some four to five million dollars in the new fiscal year instead of the $2,800,000 that has been recommended. In this project, local interests have contributed a total of more than $66 million as against the contributions of the Federal Government of approximately $35 million in the State of Arkansas. The State of Missouri has spent more than $100 million together with the Federal Government's contributions.

The subcommittee and full Committee on Public Works approved the modification of the White River backwater project in Arkansas substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 26 of the 85th Congress, at an estimated additional cost of $2,380,000 for construction and $57,000 annually for maintenance. The construction would include the building of a pumping plant which original plans made by them Maj. Donald Connelly called for. This

project has been highly recommended by the Corps of Engineers and should be authorized in this legislation and the pumping plant built as expeditiously as possible. It is the purpose of the pumping plant, when completed, to provide a means of discharging impounded waters that are contained in a great sump area within the confines of levees.

Prior to the Flood Control Act of May 15, 1928, the landowners in the affected White River backwater area contributed $4,500,000 for levee construction, rights-of-way, and front-line levees. The present White River Drainage District of Phillips, Monroe, and Desha Counties has contributed more than $100,000 for rights-of-way, $750,000 for interior drainage, $450,00 for levee maintenance, and other expenditures, or a grand total of $5,800,000. The Federal Government expenditures on the project have totaled $8,400,000. The landowners of the district have more than borne their share of the costs for flood control on this project.

The pumping plant would prevent the flooding of lands during the flood stages of the Mississippi and White Rivers. The need for the pumping plant is undisputed and has not been successfully questioned. The project has been under study by the Corps of Engineers for many years. On reading Senate Document No. 26 of the 85th Congress, 1st session, which is the report on the lower Mississippi River area, including the White River backwater levee system in Arkansas, it is reflected that the project has one of the greatest benefit-cost ratios of any that has ever been brought to my attention. The estimated benefit-cost ratio is 2.3 to 1. Every landowner within the White River backwater area—to a man—has signed easement agreements, agreeing that their lands may be used in an emergency in case it may become necessary as a result of a great flood on the Mississippi River. The whole area would be used as a reservoir in that event, which would reduce the flood height on the Mississippi River from 6 to 12 inches. This iron-clad agreement, approved by every landowner in the vast area affected, indicates fully the type of cooperation that is given this White River backwater project. In order to obtain the protection accorded by the project, the district and the landowners thereof were required to provide, first, levee rights-of-way; second, all necessary interior drainage; third, an easement across and over the lands for use as an emergency reservoir; fourth, maintenance of levees after construction; and, fifth, safety and protection of the Federal Government from any liability for damages should the area be used for reservoir purposes. The district has lived up fully to its agreement. This easement is a perpetual easement and one of the most all-embracive instruments that has ever been executed in the lower Mississippi Valley. These landowners were required to make a great sacrifice—and they did it gladly.

I concur wholeheartedly in the recommendations by this committee to incorporate the construction costs for the White River backwater pumping plant of $2,380,000, and $57,000 annually for maintenance, as a part of its omnibus bill, S. 497. To pay the total cost of the pumping plant, as approved by the Public Works Committee, is in keeping with the policy set in connection with Mississippi River projects. I trust that the House will see fit to approve this great project, as well as the authorizations to complete the Lower St. Francis—Missouri and Arkansas—flood-control project.

Permission having been heretofore granted, I incorporate as a part of my remarks a telegram received from the White River Drainage District of Phillips, Monroe, and Desha Counties, Ark., and signed by the commissioners, the project engineer, and attorney for the district: The telegram reads as follows:

HELENA, ARK., *March 4, 1958.*

Congressman E. C. GATHINGS,
House of Representatives,
Washington, D. C.

We have been informed that the omnibus flood-control bill, being Senate bill 497, will be brought up on the floor of the House for debate on Wednesday, March 5. We are very much interested in the White River backwater project, section 203, subsection (B) of the bill. This project has the unqualified approval of the Mississippi River Commission and the Chief of Engineers. The Budget Bureau and the minority report of the Public Works Committee have expressed opposition to the project because there was no evidence to show the local interests have contributed large sums of money toward the furtherance of flood control in Phillips and Desha Counties, Ark. Prior to the Flood Control Act of May 15, 1928, landowners in the district contributed $4,500,000 for flood control. Our district has contributed upward of $100,000 for rights-of-way, $750,000 for interior drainage, $450,000 for levee maintenance and other expenditures or a total of $5,900,000 as compared to Government expenditures of $8,400,000. The landowners of this district have borne more than their share of costs for flood control. We sincerely hope you will be in a position to support this project when it comes up for debate. Your efforts in our behalf will be greatly appreciated by the landowners of Phillips, Desha and Monroe Counties, Ark.

WHITE RIVER DRAINAGE DISTRICT OF PHILLIPS AND DESHA COUNTIES, ARK.
E. T. HORNER,
OTIS W. HOWE,
JOHN H. WOOD,
Commissioners.
E. G. GREEN,
Engineer.
J. G. BURKE,
Attorney.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. SISK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the remarks of the gentleman from Minnesota [Mr. BLATNIK].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. McFALL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from California [Mr. SISK].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. HAGEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from California [Mr. McFALL].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from California [Mr. HAGEN].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the distinguished and beloved Speaker.

Mr. RAYBURN. Mr. Chairman, I have heard conversations this afternoon that, as a long-time Member of the House, and being proud of it and its instrumentalities, have been very distressing to me.

Have we come to the point where the membership of the House of Representatives, that studies a bill in the hearings, through executive sessions, and through main sessions on the matter, makes up its judgment that things should be done in the interest of the country, and then we are to be told that we should not pass this bill; it might mean a Presidential veto? Are we coming to the point where we just say "The President and the Director of the Budget will send up a recommendation. We will not change it. We will introduce a resolution saying 'approving'; period."

Mr. BLATNIK. Mr. Chairman, there is nothing further that can be said that has not already been said; in short, this bill is one of the finest, most seriously and thoroughly considered public works authorization bills that has been presented to the Congress in the 12 years it has been my privilege to be a Member of this body and of this committee. The areas of dispute are not serious, and we find here even members of the minority themselves yielding and conceding on the floor that there are cases where exceptions should be made to the recommendations of the Bureau of the Budget and any doubt resolved in favor of the problem that may exist in a given locality or a given area.

I strongly urge that the Mack substitute be overwhelmingly defeated in order that we may in an orderly way proceed with the consideration of S. 497 as amended which includes all projects and which will be subject either to amendment or discussion at any point.

Mr. MACK of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. MACK of Illinois. In reading the bill I am somewhat confused with regard to the Shelbyville project on the Kaskaskia River. It was my understanding that that was not included in the original bill but that it is being included in the substitute with the proviso that the local interests must contribute additional money. Is that the gentleman's understanding?

Mr. BLATNIK. That is my understanding of the gentleman's project.

In the Mack substitute they are trying to tie an amendment onto one project to alter or change the ground rules for a project further south and in another district, as I recall, that of the gentleman from Illinois [Mr. VURSELL] to change the repayment formula already previously established. It would cost the people of Illinois an additional $7 million.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I wish to ask the gentleman with reference to the Millwood project that has the approval of the engineers and of the local people. That is in the committee bill, is it not? And it should be approved by this House.

Mr. BLATNIK. There we had a case wherein the earlier methods of computation of cost-benefit ratio worked out favorably, but in later applying the tax foregone principle it fell just a little below the margin required for economic justification.

HIDDEN AND BUCHANAN DAMS

Mr. SISK. Mr. Chairman, the arguments advanced against authorization of Hidden and Buchanan Dams are completely without basis of fact or logic. They are based on misinformation or lack of information. I do not question the sincerity of those who advance these arguments before this House, but I question their judgment in accepting completely untrue statements.

It is said that these projects have not been sufficiently studied.

The facts concerning study are that these dams have been recommended for construction by every responsible agency which has considered them and the responsible engineers have repeatedly declared they need no further study. These specific projects were recommended by the Bureau of Reclamation in 1949 as a part of the comprehensive program for development of the water resources of the central valleys of California. Earlier, they were studied and recommended for authorization by the Corps of Engineers in 1948, 10 years ago, as a consequence of study authorizations of Congress extending back to 1936. More recently, the State of California has studied and approved construction of Hidden and Buchanan Dams as essential units of the State water plan and the State of California is officially urging Congress to authorize them as Federal flood-control projects.

Let us look at what has happened since the Army Engineers originally asked authorization. We have had two disastrous floods in 1950 and in 1955. Flood damage over this 5 years approached $10 million—practically half of the total cost of constructing these two dams which would have avoided this damage. As a consequence, the Corps of Engineers has reviewed its studies and revised upward the original cost-benefit ratios. Instead of a ratio of 1.07 for Buchanan, the corps now finds a ratio of 1.60. The benefits of Hidden have gone up from 1.12 in relation to cost and now stand at 1.85. This becomes more significant when we realize costs of these projects have practically doubled during the 10 years since their authorization originally was recommended. How much longer must these people wait while they helplessly watch their life savings periodically wiped out by floods?

The legislation before you thoroughly coordinates water conservation features of these dams with Bureau of Reclamation projects in the area. It provides that the Secretary of the Interior shall handle irrigation and water conservation features of the project and this insures that these dams will be operated so as to enhance and add to total water development for irrigation.

The legislation also forbids construction of these two dams until firm assurance of repayment of irrigation benefit costs are entered into by local interests. I am proud of the fact that the irrigation districts benefited have filed their resolutions indicating their willingness and intention of participating in repayment of costs properly chargeable to irrigation. If the districts and property owners do not enter into firm contracts, these dams will not be built and no Federal costs of construction will arise.

The plain fact is that no responsible agency or engineer questions the feasibility, practicality, or need for these dams. No responsible engineer says they need any further study before authorization.

These are good and sound projects, long delayed, and I trust you will now let them proceed.

Mr. McFALL. Mr. Chairman, I rise to oppose the Mack amendment generally, and specifically as it relates to the deletion of Hidden and Buchanan Dams in the State of California from S. 497.

In this instance we have two projects essential to flood control primarily, but also for water conservation in the great interior Sacramento-San Joaquin River Basin of California. And in this case, recommended and approved by the Corps of Engineers but opposed by the Bureau of the Budget, ostensibly because they are projects on which reports are not considered by the Bureau as adequate basis for authorization.

I submit to this body that the hearings before your Public Works Committee provide all the evidence necessary to substantiate that the Budget is wrong and the Corps of Engineers is right, as is the committee in including these projects.

The favorable report by the engineers was submitted in 1948. It was made in every respect and detail the same as any investigation by the corps and contains the same type of facts and figures. The cost benefit ratio on Buchanan is 1.6 to 1 and on Hidden, 1.85 to 1. There is no disagreement with these factors, but a study of the hearings and the correspondence therein indicates Budget's real objections, which were summarized by one witness before the committee thusly:

I think it was due particularly to their feeling that more study should be given to the overall problem and the manner in which it would fit into the plans of the State of California and the Bureau of Reclamation, and there was some doubt as to the arrangements for local cooperation for the irrigation features.

These objections have long since ceased to have any validity, if they had any in the first place.

They are specifically somewhat as follows:

First, the original objection of the Secretary of Army made in 1949, that the report did not justify these dams as a part of the comprehensive valley plan. It would appear this stems from preliminary comment of the State's department of water resources made in 1946, mind you, that the projects should be deferred until needed and justified for irrigation and flood control.

What has transpired since 1948:

In 1949 the Bureau of Reclamation recommended the construction of these dams as part of the valley basin plan.

Floods in 1950 and in the Christmas 1955 flood that struck our State, the area below these dams was flooded for days, doing untold damage and crippling highway and railroad transportation between northern and southern California. And in 1955, these dams were included in the State water plan for development of California water resources—the comprehensive plan previously considered necessary.

Budget takes no cognizance of these changes, of which they are undoubtedly aware, but repeat the same answer based upon facts long since changed.

Second, the willingness and ability of local interests to contribute to the conservation features of the project.

The committee has ample evidence of the willingness of local interests to cooperate. Further, the bill specifically requires assurances for repayment prior to starting construction, putting into the bill a condition precedent our Appropriations Committee would require anyway.

Thirdly, the Bureau demands the projects be authorized in accordance with the Folsom formula, that is, multiple purpose dams are the responsibility of the Bureau of Reclamation, and dams and other works exclusively for flood control are the responsibility of the Corps of Engineers.

As many of you know better than I, this was an administrative compromise devised to resolve an interagency battle on the construction of specifically Folsom Dam. It cannot continue to be applied generally forever to present conditions to which it has no logical application. If extended to its logical conclusion, it means that this entire river basin would be caught in this interagency battle and essential flood control works lost in a jurisdictional hassle on the basis of formula and device of a dozen years ago. By its application the Army Engineers would be practically precluded from building dams for flood control in California.

The committee majority has correctly seen this is not an adequate answer to this region's pressing water problems. Here again is the application of a bare formula without regard for the real facts of the case. And the Interior Committee has also correctly estimated the problem since I am informed that the committee agreed in 1956 that these dams should be considered as part of the flood control

responsibility of the Committee on Public Works.

The Bureau of Reclamation is not now studying or even considering the study of these projects.

The Corps of Engineers has studied these projects. In their opinion, no further study is necessary or would provide anything needed to the determination of value and necessity of these flood-control measures.

If this area of our country is to have flood protection, this is the only way available to it, and the committee majority agrees this is the way to do the job. I ask your support of their position.

Mr. HAGEN. Mr. Chairman, I rise to urge the immediate approval of S. 497, the omnibus rivers and harbors and flood-control bill.

My interest in this legislation is a very personal one stemming from the fact that it includes increased authorizations for Success and Terminus Dams, two projects designed to serve the people of my Congressional District. I would like to review the history of these projects for the purpose of pointing up the necessity for speedy action on this bill.

Success and Terminus Dams were first authorized in the Flood Control Act of 1944 by a single authorization paragraph which classified them together for a joint authorization of less than $5 million. This amount, even at that time, was demonstrably less than the total authorization needed if reference were made to cost studies of the Corps of Engineers. The continued increase in the index of construction cost since that time has made the initial authorization figure even more unrealistic.

The initial limited authorization posed no problem, as a practical matter, until the year 1956 following a repetition of previous disastrous floods. The basis for this statement is the fact that until 1956 only enough strength was mustered by the proponents of these projects to secure increments of planning money which were well within the initial authorization. In 1955 and 1956, however, devastating floods occurred on both the Tule and Kaweah Rivers which stimulated the proponents of the projects and the Corps of Engineers to the point that the Corps made its first request for construction funds. Such funds were granted by the Congress in 1956. The amounts granted, however, still did not violate the ceiling of initial authorization and our authorization problem was postponed, in effect, until 1957. It would not have existed at all had the President signed the Omnibus Act of 1956. This act included the necessary additional authorization for Success and Terminus on my initiative.

In the light of the Presidential veto of 1956 and the size of the appropriations in 1956 we were confronted with a real problem in 1957. Appropriations of the magnitude indicated for steady economical progress on these projects would have violated the ceiling of the initial appropriation and would, therefore, have been subject to a point of order. In the light of this fact the Appropriations Committees of the House and Senate were kind enough to appropriate amounts in excess of said ceiling subject to the condition precedent that such excess amounts could only be spent if and when the additional needed authorization was secured.

The ability to obligate and expend these amounts, therefore, depends upon the passage of authorization legislation such as is contained in S. 497, and such passage will be an immediate boon to such projects.

I endeavored in 1957 to secure special legislation relating to the authorization on these projects alone but I was unable to move the same because of the tradition that such authorizations are handled in an omnibus bill. I should note, parenthetically, that there are two other projects which are in an identical position of having appropriated money which cannot be spent by reason of lack of authorization. One of these is the Los Angeles flood control project in California and the other project is in Florida. These projects will receive the same immediate benefits as Success and Terminus from the early approval of this bill.

I regret the lack of earlier action on S. 497 or similar legislation affecting Success and Terminus Dams; however, I should point out that because of other events earlier action would probably not have changed the timing of progress on them. By other events I refer to ceilings imposed by the Budget Bureau on various departments of Government approximately at the time of adjournment of Congress in 1957 and to the later action of the administrative arm of our Government confining cash outlays to a proportionate division of cash income. I am advised that either or both of these factors in combination would have stayed progress on Success and Terminus Dams whether or not the necessary additional authorization had been secured.

Finally I would like to point out that there is no dispute over the need and value of the increased authorization contained in S. 497 for these projects. Such increased authorization has the approval of both the Budget Bureau and of the Corps of Army Engineers. They were contained in the bill of 1956 and in the present bill. Each project is a project currently under construction. No new start is involved. Delays would only serve to increase costs and project flood dangers which exist every year on a predictable basis.

Mr. JOHNSON. Mr. Chairman, an important measure affecting the upper Mississippi River in the omnibus rivers and harbors bill under consideration here today is the Eau Galle River flood-control project. It is described in Senate Document No. 52, of the 84th Congress and was provided for by my bill H. R. 6959 introduced on June 22, 1955.

Of vital concern to residents of Spring Valley in Pierce County, Wis., this project also affords important protection to the lives and property of others downstream from that community.

For the past 16 years efforts have been under way to undertake positive action to protect residents of the area from flash floods which rise with deadly speed because of the geographical configuration of the earth's surface at that particular spot. The Corps of Engineers has done a thorough job of surveying conditions and has recommended adoption of the project estimated to cost $6,690,000 to build a reservoir in the vicinity of Spring Valley and to complete channel enlargement of the Eau Galle River and channel rectification work on Mines and Burghardt Creeks.

The Eau Galle River flows 50 miles from headwaters at Woodville, Wis., in St. Croix County southeast to a junction with the Chippewa River. The Eau Galle River drainage basin of about 230 square miles has about 90 percent of its area divided into farms averaging about 140 acres in size. The village of Spring Valley is located in a narrow valley of the Eau Galle River between steep limestone bluffs at a point where two creeks, the Mines and Burghardt, which drain small valleys to the west of the village, join the Eau Galle River.

Heavy rains to the north of Spring Valley cause the worst flood conditions when high crests on the two creeks merged with a high crest on the Eau Galle River at the junction point. River stages which normally vary by about 5 feet rise from 10 to 15 feet in a few hours and recede almost as quickly.

Only a constant awareness of this threat to life has helped keep the death toll low. Flood records dating back to 1894 record damages to roads, bridges, and business places. One death is directly traced to a flood in 1934 and two deaths are linked indirectly to a disastrous flood in September 1942.

Dates of maximum known floods, elevations of high water at mile 29.5 are listed in the following table:

Maximum flood data, Eau Galle River at Spring Valley, Wis.

Item	Elevation in feet above mean sea level 1929 adjustment (mile 29.5)	Discharge (second feet)
September 1942	926.0	33,000
September 1938	922.0	19,700
May 1942	920.5	15,000
October 1911	920.3	14,400
August 1907	920.0	13,600
April 1934	920.0	13,600
July 1908	919.0	10,900
June 1894	918.0	8,400
March 1901	918.0+	8,400
May 1901	918.0+	8,400
July 1923	918.0	8,400
June 1903	917.0+	6,400
August 1903	917.0+	6,400
July 1938	917.0	6,400
Flood stage	915.0	2,400

It is ironic to note that about 6 weeks after I supported this project before the House Public Works Committee, May 2, 1956, a typical spring flood ripped through Spring Valley on the night of June 16, 1956. Corps of Engineers experts surveyed the damage that time and found "flood damages at Spring Valley appear to have been caused primarily by overflows on Mines and Burghardt Creeks with damages totaling about $100,000 and including losses due to flooding of about 25 basements, erosion of bridge abutments and streets, and considerable erosion and destruction of

retaining walls along the creek banks." I earnestly hope that action on the measure under consideration here today will eliminate the threat of flooding and the erosion of the area's public works resources in future years.

It was 1942 when the two worst floods hit the community of Spring Valley. The first followed an 8-inch rainfall in May. From 10 p. m., May 29, to 1 a. m. the next day high flows exceeded channel capacity on Mines and Burghardt Creeks, somewhat ahead of high water on the Eau Galle River. The peak discharge was about 15,000 second-feet. Homes, business establishments, and public buildings were damaged. Downstream, railroad embankments and highways were washed out, bridges damaged, and cultivated fields inundated.

The worst flood in the history of the river came on the night of September 17, 1942, when Spring Valley residents had just about cleaned up after the May flood. Some advance rains had raised the river level above flood stage when on the evening of September 17 a heavy downpour caused the river to rise to a record stage about 5.5 feet above the crest elevation of the May flood. The flood lasted about 16 hours reaching a crest of about 926 feet at 11 p. m. and returning to normal the next day. Maximum discharge at Spring Valley was about 33,000 second-feet and the flood volume represented a runoff of about 3.8 inches over the drainage area above Spring Valley. Few buildings escaped damage as the tide moved through the community at a height of about 9 feet above the elevation of the main business street.

That flood destroyed 16 homes and 19 business places completely. The average home and public building could not be reoccupied for about a month. Red Cross relief expenditures alone totaled $25,000. There was Federal aid of about $7,000 and 50 convicts from the State prison worked for almost 3 months on the cleanup that followed. Damages of that flood have been estimated at $1,558,100 to Spring Valley, Elmwood 10 miles downstream, and the farms, roads, and bridges in the area. The cost of health and sanitation improvements for Spring Valley on the heels of the disaster was $276,000.

Each spring and fall since that black night in 1942, residents of the area have feared another flood like that one. The Army Engineers in surveying the situation even considered relocating the village but costs of relocation are greater than flood-protection measures recommended. Besides, the residents want to stay in their town and the flood hazard for the rural community and Elmwood must also be alleviated.

People of Spring Valley have gone ahead with many of the proposals outlined by the Corps of Engineers as condition to the participation of the Federal Government in the project. The village has agreed to purchase the land for the reservoir. They have also agreed to have power lines, telephone lines, and roads relocated so that they will not interfere with the proposed dam and channel widening. Millions of dollars of improvements have been made in business places, homes, utilities, schools, and industries of Spring Valley since the disastrous flood of 1942. These serve to demonstrate how highly the residents value their hometown and also that they are capable of carrying their share of the proposed flood-control project.

Mr. Chairman, this project dates back to October 28, 1941. The problem is too great for residents of the area to handle without Federal assistance. The Department of the Army, the Bureau of the Budget, the Wisconsin State Planning Board, the Interior Department, and the Department of Agriculture, all the Federal and State agencies involved in any way on the proposed flood-control project, concur in the views or have no objection. Certainly the evaluated benefits, as well as the intangible benefits of prevention of the loss of life, removal of hazards of epidemics, and protection of the general welfare and security of the residents are sufficient to justify the improvements.

Final action on this worthwhile project is long overdue. The innocent victim of a Presidential veto directed at companion measures, it has come back again for the consideration, and I trust the approval, of this body. If the original authorization by Congress in 1956 had been approved by the President this project might now be under way and contributing to the economy of workers in the area, as well as serving to protect the residents.

Mr. GRAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY. Mr. Chairman, I rise in opposition to the substitute offered by the gentleman from Washington [Mr. MACK]. I have heard much here today about the Bureau of the Budget, the Army Corps of Engineers, whom I hold in high regard, but not one word has been uttered concerning the ability to carry out the provisions of this bill if the Mack amendments are adopted. As one who has a so-called objectional item in this bill, I would like to state that my people in southern Illinois cannot—I repeat, cannot—comply with the provisions contained in the Mack substitute. I refer to the Saline River project in southern Illinois, where the Bureau of the Budget recommends that local interests contribute the sum of $930,000 for so-called land enhancement. The Committee on Public Works, of which I have the honor of being a member, had the wisdom to reduce the cash contribution to $233,000, an amount which may be within the ability of local interests to meet by making strenuous efforts. Testimony was presented to the committee that conclusively shows that the economy of the area is such as to prevent the large local cash contribution requested by the Bureau. If the unmerciful increase required by the Bureau of the Budget is insisted upon, there will be no project at all.

While I have the opportunity, I would like to reflect back just a few months ago to the last campaign when 19 national Republican speakers came into my District yelling "give Ike a Republican Congress so we can help the people of southern Illinois." Those speakers included the Vice President of the United States, Mr. NIXON, the distinguished minority leader of the House, Mr. MARTIN, and many others from both Congress and the administration. Yet today we find the entire Republican membership of the House voting to kill a southern Illinois project. Trying to demand that local people pay an additional cash contribution of $697,000 if they are to have any protection of life and property from floods. My Republican friends remind me of two famous Elvis Presley tunes. One they played in my District just before election entitled "I Want you, I Need You, I Love You," and then today they are turning the record over and playing the other side entitled "I'll See You Later, Alligator." Because those promises of help have turned into opposition to everything proposed for the welfare of the people of southern Illinois, I urge the defeat of this substitute and the passage of the committee bill as amended by the amendment offered by my distinguished chairman, Mr. BLATNIK. I thank the gentleman for yielding.

Mr. WEAVER. Mr. Chairman, I am pleased to voice my support for S. 497, which is under consideration and debate today. This bill contains many worthwhile flood-control projects, one of which is in the First District of Nebraska, affecting Salt Creek and its tributaries. Nearly 1600 square miles of the Salt Creek drainage area lie within this part of Nebraska, and the citizens there have a real and genuine concern because of the threat of frequent and severe floods.

Lincoln, the capital city of our State, is closely situated to Salt Creek and has frequently been damaged by flooding, along with many other smaller urban communities throughout six counties all within the radius of the Salt Creek drainage area. Most of the land within this watershed is well improved for agricultural purposes and on the average two or three damaging floods each year can be expected to take its toll of this rich soil, bring irreparable property damage, and possibly subject a great loss in human lives. The flood in May of 1950 was estimated to have caused damage of over $1½ million in the city of Lincoln alone, and many lives within the Salt Creek watershed. It has been reliably estimated that the average yearly flood damages in the entire basin amount to an annual dollar figure of over $2 million, based on 1954 price levels. A number of residences and many business and industrial establishments in Lincoln are constantly under threat of flooding by Salt Creek and its upper tributaries. This is applicable to every community on or near Salt Creek and its branches. Highways, bridges, and railroads which are the main line of transportation are constantly subject to damage by high water.

Mr. Chairman, this is a sound project from an engineering standpoint and the cost to the benefit ratio as computed by the Corps of Engineers is 1:1.60. Certainly this is a reasonable justification

for the expenditure of Federal funds to conserve lives and property.

May I say too, Mr. Chairman, that an excellent degree of cooperation exists and has existed among the people of the Salt Creek area and the Government agencies concerned. The Salt-Wahoo Association was formed to deal with the flood problems confronting the citizens of these six counties. Its membership is made up of people of this area whose objective, as a nonprofit organization, is to combat the constant erosion and flood damage that has been wasting the resources of a fertile agricultural area. This association has coordinated its activities with the Soil Conservation Service of the Department of Agriculture and the Corps of Engineers. An integrated and well developed plan was the result. Every single agency of the Government concerned with this overall plan of improvement has given its wholehearted support and endorsement including the Bureau of the Budget. The House Public Works Committee in the 84th Congress and in this Congress have likewise endorsed this project as one meeting all of the necessary criteria for approval. In addition, Mr. Chairman, maximum advantage will be taken of Public Law 566 through the Soil Conservation Service to provide flood retardation and prevent soil erosion in the upland area. This work is already progressing at a very satisfactory pace. To properly give adequate protection to the people of this area it is necessary that larger flood-control structures be undertaken by the Corps of Engineers so that a comprehensive plan of improvement for the entire Salt Creek Basin can be accomplished. With coordination between the Corps of Engineers and the Soil Conservation Service of the Department of Agriculture there will be no overlapping as each program complements the other.

Mr. Chairman, may I point out that a project such as this is an investment in America. It will save human lives and property from further destruction. Last July, for example, 4½ inches of rain in Lincoln caused considerable flood damage. A flood-retarding dam on Antelope Creek, which this legislation would provide, might have prevented substantial property loss. The Salt Creek project is similar to many other sound and worthwhile projects contained in this legislation. Certainly we must not jeopardize unnecessarily our great program of public works at the risk of inclusion of projects within this measure, some of which may be of doubtful value. This must be a clean bill, as it will be if the Mack substitute is adopted and if it is to have the President's signature. That is a fact of which I am sure all of us are aware.

In conclusion, Mr. Chairman, I would like to include for the RECORD several telegrams that have just come into my office from people of this area which point up this constant flood threat:

Understand S. 497, omnibus authorization bill, is coming up for debate in the next day or two. Please do everything you can to obtain passage of this bill. Salt Creek went out of its banks last week; a little more rain would have caused tragedy.

Residents of upper Salt area urge passage of S. 497, omnibus authorization bill. Less than 2 inches of rain last week almost brought damaging floods. In the future disastrous floods are inevitable unless control dams can be built.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. All time on the Mack amendment has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. MACK] to the substitute amendment offered by the gentleman from Minnesota [Mr. BLATNIK].

Mr. MACK of Washington. Mr. Chairman, on that I ask for a division.

The Committee divided; and there were—ayes 102, noes 144.

So the amendment was rejected.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment to the Blatnik amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington to the amendment offered by Mr. BLATNIK: On page 87, lines 3 to 9, strike out all of paragraph (f) and designate the paragraph beginning in line 10 as paragraph (f).

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that the amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk reread the Mack of Washington amendment.

Mr. JONES of Alabama. Mr. Chairman, I make the point of order that an identical amendment to that has been offered to the substitute which has just been disposed of by the Committee; therefore this amendment would be subject to a point of order, the matter having been already disposed of and voted on by the Committee.

The CHAIRMAN. There is no page 87 in the amendment of the gentleman from Minnesota [Mr. BLATNIK], and the Chair sustains the point of order.

Mr. TEAGUE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas: Page 32, immediately after line 16, insert the following:

"TRINITY RIVER BASIN, TEX.

"Notwithstanding clause (b) of paragraph 5 of the report of the Chief of Engineers dated May 28, 1954, with respect to the project for the Navarro Mills Reservoir on Richland Creek, Tex., authorized by section 203 of the Flood Control Act of 1954, local interests shall not be required to pay any portion of the total cost of the project attributable to increase in net returns from higher utilization of the downstream valley lands."

Mr. TEAGUE of Texas. Mr. Chairman, on July 27, 1916, the Congress of the United States authorized preliminary examinations and survey of the Trinity River and tributaries, Texas. This act was further amended by the Rivers and Harbors Act of July 3, 1930, and by the Flood Control Acts approved May 31, 1924, and June 22, 1936.

As a result of this survey of the Trinity River, there was recommended by the Corps of Engineers the construction of five reservoirs and two floodway projects.

The Rivers and Harbors Act of March 2, 1945, called for the construction of the Lavon Reservoir, located north of Dallas on the East Fork of the Trinity River; the construction of the Garza-Little Elm Reservoir, located above Dallas and Fort Worth on the Elm Fork of the Trinity River; the Grapevine Reservoir, located north of Fort Worth on Denton Creek; the Benbrook Reservoir, located south and west of Fort Worth on the Clear Fork of the Trinity River. The Flood Control Act of 1954 authorized the construction of the Navarro Mills Reservoir, located on Richland Creek within the Trinity River Basin.

At the present time four reservoirs have been completed, the Lavon Reservoir, at an approximate cost of $11,160,000; the Garza-Little Elm Reservoir, at an approximate cost of $22,100,000; the Grapevine Reservoir, at an approximate cost of $8,166,000; and the Benbrook Reservoir at an approximate cost of $10,950,000. All of these projects were initiated in 1947 and 1948.

The Navarro Mills Reservoir, which is located within my District, was authorized in 1954. During the time that the district engineer was preparing his final studies of this project for submission to the Chief of Engineers, the Bureau of the Budget issued its circular No. A–47, dated December 31, 1952, which was designed to set forth the standards and procedures to be used by the Executive Office of the President in reviewing proposed water resources projects for the purpose of ascertaining the extent of local participation in the construction of such projects.

The district engineer, in accordance with this circular, recommended that local interests be required to pay an amount equal to 11 percent of the cost of the project, based on the increased use of downstream valley lands which would be enhanced by the construction of the Navarro Mills Reservoir.

Section 3 of the Rivers and Harbors Act, approved June 13, 1902, created what is known as the Board of Engineers for Rivers and Harbors. This Board is made up of seven members, that is, a chairman and a resident engineer who acts as secretary to the Board, both appointed by the Chief of Engineers, and the other five members are the five division engineers located throughout the United States.

The purpose of this Board is to review all reports on projects which the Chief of Engineers plans to submit to the Congress for authorization. The purpose of this review is to determine whether or not the economic justifications for the projects are sound and whether or not any modifications should be made in the district engineer's and Chief of Engineer's reports.

In the instance at hand the Chief of Engineers included in his report the recommendations of the district engineer calling for a payment by local interests of 11 percent of the cost of the project for land enhancement. Insofar as I can ascertain, Mr. Chairman, this is the only flood control project authorized by this Congress which contained these requirements. In fact, I have reviewed all of the authorizing House documents for the other projects included in this bill,

which projects were authorized subsequent to Navarro Mills, and not a one includes local payments based on land enhancement.

As further proof of the infeasibility of this recommendation, I quote from the report of the Board of Engineers for Rivers and Harbors following their review of the district engineer's and Chief of Engineer's reports:

> The Board, however, questions the requirement of a contribution by local interests because of prospective benefits from the higher utilization of downstream lands. These benefits would accrue entirely to agricultural lands and their realization would require a substantial investment on the part of landowners to convert grazing lands to productive croplands. The landowners would not profit immediately since in many cases the benefits would not materialize for many years. While the reporting officers have evaluated these benefits only for the lands along Richland Creek, similar benefits, though to a lesser extent, would accrue along the main stem of the Trinity River. In view of the widespread incidence of the benefits in the varying degree of applicability to the various landowners, the Board considers that the requirement of a contribution on account of benefits from the higher utilization of downstream land is not feasible for this improvement.

At this point, Mr. Chairman, I would like to point out to the Members of the House that there are two other requirements of local participation insofar as this project is concerned which require that local interests pay an amount equal to 25 percent of the total cost of the project for conservation storage space provided in the reservoir, and also that local interests assume 25 percent of the annual cost of maintenance and operation of the reservoir, payable in one lump sum on a capitalized basis or annually, and local interests are prepared to meet these two requirements.

Construction of this much-needed reservoir as a portion of the overall improvement plan for the Trinity River has been delayed because of these requirements, and it is for this reason that I urgently request the Members of this House to adopt my amendment in order that this worthwhile project may proceed in an orderly fashion and on the same basis that the other projects on the Trinity have been constructed.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. In other words, the gentleman from Texas has the same situation that we have up in southeastern Oklahoma and southwestern Arkansas, in the Millwood project where, if we exact this requirement for local contributions, the project will not be built.

Mr. TEAGUE of Texas. I am not familiar with the project the gentleman mentioned, but as I understand, this is the only project where land enhancement below the dam has been placed in a project.

Mr. EDMONDSON. The committee recognized that situation and did not include the contribution for land enhancement in the Millwood project, and I think the gentleman has a very good amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Tennessee.

Mr. DAVIS of Tennessee. I would like to say to the gentleman from Texas that we are very much interested in his amendment, and we think it is a proper one, because the Corps of Army Engineers favors it.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I would like to point out that this project was heard before the committee when it was initially authorized in 1954. It is not a question of something just coming up, and in accepting the amendment, the committee is informed about the details of the project very clearly.

Mr. TEAGUE of Texas. I thank the gentleman.

Mr. MACK of Washington. Mr. Chairman, I move to strike out the last word.

The gentleman's amendment is identical in all respects to the other land enhancement amendments which, according to the directive of the Bureau of the Budget under the Truman administration, has been in effect since 1952. Under Budget Order A–47 a certain portion of land enhancements are charged to landowners who receive the windfall benefits from these projects. On that basis we are opposed to the amendment offered by the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Is there any other project that the gentleman knows of where the Board of Rivers and Harbors said the local enhancement should not be placed in there because it was not feasible?

Mr. MACK of Washington. This was opposed by the Chief of the Corps of Army Engineers on the ground of enhancement.

Mr. TEAGUE of Texas. But the gentleman well knows that the Board of Rivers and Harbors, made up of five division engineers of the United States, in their report said it was not feasible. Of course, the Bureau of the Budget told the Chief of Engineers to put it back in there.

Mr. MACK of Washington. The Bureau of the Budget, the Corps of Engineers, and the Secretary of the Army are opposed to projects of this kind.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The amendment was agreed to.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MACK of Washington: On page 32, lines 1 to 7, strike out all of paragraph "(f)" and designate the paragraph beginning in line 10 as paragraph "(f)."

Mr. SMITH of Mississippi. Mr. Chairman, I make the point of order that the amendment has the same purpose and the same, identical result as the Mack substitute, which has been voted down. We are voting twice upon the same language, the same point made by the gentleman from Alabama a moment ago. The same lines and item are in the Blatnik amendment.

The CHAIRMAN. The Chair overrules the point of order.

Mr. MACK of Washington. Mr. Chairman, this relates to the Greenville project on the lower Mississippi estimated to cost $2,534,000. This project is not approved by the United States Chief of Engineers. It is not approved by the Secretary of the Army. It is not approved by the Budget Bureau. The only member of the United States Army Engineers who approved this project was the division engineer in the district where the project is proposed. There have been no hearings before our Committee on Public Works on any aspects of this project. There is no testimony before the committee to show the nature of this project. We on our committee do not know whether it requires dredging or jetties, whether that harbor is used by small fishing craft, the yachts of wealthy sportsmen, or by large commercial ships.

There is no testimony before the committee except 30 lines in hearings that extended over many weeks. The only place where you will find the word "Greenville" in the entire hearings of the Public Works Committee is a little conversation in 30 lines that was carried on between the gentleman from Mississippi and the Assistant Chief of Army Engineers. In that conversation the gentleman from Mississippi asked the Assistant Chief of Engineers, "Have you received a report on the Greenville project?" The Assistant Chief of Engineers replied, "No." The gentleman from Mississippi said, "General Harding told me that he had sent the report to the Chief of Engineers." The Assistant Chief of Engineers replied, "The report has not been officially received. We know that it has gone from the division engineer to the Mississippi Valley Commission. We have received a copy of it, but that copy has not been studied by the Chief of Engineers, and the Chief of Engineers has never made a report on the project."

The President of the United States in his veto message called attention to the Rivers and Harbors Act of 1954, and this was the basis of his veto of many of the projects in that bill. He said:

> No project or any modification not authorized as a project for flood control or rivers and harbors shall be authorized by the Congress unless a report on such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

I know the project the gentleman has submitted, according to the district engineer, has a very high benefit-cost ratio. I rather suspect that this is a good project. If it goes through the regular procedure it might be approved. We, in this Congress, certainly should not throw away the rule book in order to place a project into a bill when that project has no approval except by the division engineer and has never been before the

United States Army Chief of Engineers, never before the Budget, and never before the Secretary of the Army for their comments.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to make some corrections, first of all, in the statements made by the gentleman from Washington. First of all, he says that this has never been reported by anybody but the District Engineer. The report was submitted by the Division Engineer. It has been before the Chief of Engineers and contrary to what he says, it has been inspected by our committee. It has not gone through the process of transmittal to the Bureau of the Budget because it was put in the bill prior to the time that it would normally have been presented to the Bureau of the Budget, and because of that the office of the Chief of Engineers withheld action on it since it would have been wasted effort to go through the motions on this item since it was in the process of being authorized at any rate. That is why all this costly paperwork has not been ordered since that time. I would like to point out that this project, as testified to by the Assistant Chief of Engineers speaking for the Chief of Engineers, has a 4.51 to 1 benefit-to-cost ratio; and that benefit-to-cost ratio exceeds 90 percent of all the projects that we have authorized in this bill or in past bills. It is more than twice the benefit-to-cost ratio that has been considered to be very generous by the gentleman from Washington himself.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the distinguished chairman of the Subcommittee on Flood Control.

Mr. DAVIS of Tennessee. Mr. Chairman, I regret that it has been necessary for the distinguished gentleman from Mississippi to have to restate, and I think this is about the third time, the facts in connection with this Greenville Harbor project. The gentleman from Mississippi is one of our most dedicated members of our Committee on Public Works and on the Subcommittee on Flood Control. He has had Members from both sides of the aisle to go to the city of Greenville to make a personal examination and inspection of the project. I can say that all of us at that time were satisfied when we heard the recommendations of the engineer there, and the division engineer, and knowing full well that the gentleman has stated all the facts in connection with it, and since we saw at firsthand the worthiness of this project, and since we know that the Mississippi River is carrying a tremendous amount of traffic today—I might add, in passing, that there is a harbor in my city which is a very profitable one, and there has been one authorized at Vicksburg, Miss., and the river is carrying this traffic, and since, of course, the whole theory behind flood control is to permit the rivers to serve the people of the country—I hope that at this very time the gentleman from Mississippi will not say another word in connection with this matter because we know that he has the confidence of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was rejected.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington to the amendment offered by Mr. BLATNIK: On page 85——

Mr. EDMONDSON. Mr. Chairman, I make a point of order against the amendment on the ground that there is no page 85 in the Blatnik substitute amendment.

The CHAIRMAN. The gentleman is correct. The Chair sustains the point of order.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington: Page 31, line 12, strike out "$1,212,000" and substitute the following: "$631,000: *Provided*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 48 percent of the cost of providing major drainage in cash or equivalent work, to furnish without cost to the United States all lands, easements and rights-of-way necessary for construction of the project, and to hold and save the United States free from damages due to the construction works."

Mr. JONES of Alabama. Mr. Chairman, a point of order. As I understand, the amendment is in the same language as the Mack substitute. Therefore, the proposition has already been decided by the Committee and the amendment has been rejected.

The CHAIRMAN (Mr. ALBERT). The gentleman is correct, except that it is now offered as a specific proposition, and under the ruling previously made the point of order is overruled.

Mr. MACK of Washington. Mr. Chairman, this is one of those projects which is disapproved by the Bureau of the Budget, disapproved by the Secretary of the Army, disapproved by the Army Engineers, on the basis that there is no provision for adequate payments by landowners for land enhancements which enrich these landowners, and them alone.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. SMITH of Mississippi. The Chief of Engineers recommended this project in the form contained in the Blatnik bill. The difference is between the corps and the Budget, and the committee took the corps' proposition.

Mr. MACK of Washington. The budget issued Directive No. A–47, which provided that at least half the cost should be paid by those who received windfall benefits from land enhancement. The most of these projects that involve land enhancement would not be economical projects and would not come within the usually recognized 1-to-1 ratio of benefits to cost unless we considered land-enhancement values that would result in a profit to the landowners.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. JONES of Alabama. Does the gentleman intend to offer every item as a separate amendment to that contained in the substitute which was just defeated by the Committee?

Mr. MACK of Washington. I will submit this project, since it involves the land-enhancement issue. Then I will submit all of the other land enhancements, and the House may consider them as one amendment, and without further discussion. I want to keep the record straight.

Mr. JONES of Alabama. It seems to me that the purpose of the substitute was to expedite consideration of the bill. Since the vote recurred on his amendment and it was rejected, that I thought would resolve the issue with respect to the particular items in the bill.

Mr. MACK of Washington. I desire to make the position of the administration perfectly clear.

Mr. JONES of Alabama. I understand the gentleman's position and the party's position. It is very clear and concise. I was just hoping we could go ahead and conclude consideration of the bill.

Mr. MACK of Washington. Mr. Chairman, I ask for a vote on the amendment.

Mr. PASSMAN. Mr. Chairman, I shall support the Blatnik amendment, and I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I rise in support of the committee amendment, as reported, to provide for the modification and extension of the plan of the Boeuf and Tensas Rivers and Bayou Macon Basin, in accordance with the recommendations of the Chief of Engineers, as outlined in House Document No. 108, 85th Congress, at an estimated cost of $1,212,000.

May I inform my colleagues that this particular amendment provides for carrying out recommendations of the Chief of Engineers for flood control and major drainage work in that portion of the Boeuf, Tensas and Bayou Macon Basin that is in the State of Arkansas, to the north of the 5th Congressional District of Louisiana, which I have the great honor to represent in this House. The carrying out of the plan of improvement, as recommendad by the Chief of Engineers, is of vital importance to the areas affected, both in Arkansas and Louisiana.

In fact, Mr. Chairman, the Boeuf, Tensas and Bayou Macon Basin project is a highly significant phase of the invaluable total program for flood control and improvement of the lower Mississippi River and its tributaries, which, on the whole, has a benefits to costs ratio exceeding 4 to 1.

It would be nothing short of foolhardy false economy to unnecessarily delay any of the recommended phases of this constructive and profitable flood protection and resources development plan.

I urge approval of the amendment.

Mr. NORRELL. If I understand the gentleman's question, it can be answered by referring the Committee to Public Law 150, page 11, subparagraph (c) where you will find the project authorized.

Mr. DAVIS of Tennessee. I thank the gentleman.

I am going to say but one thing further: I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was rejected.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment. I may say that I have several amendments of the same nature which I intend to offer. I ask unanimous consent that these amendments may be considered en bloc.

Mr. JONES of Alabama. Mr. Chairman, reserving the right to object, is it the intention of the gentleman from Washington to conclude the section on flood control with these amendments?

Mr. MACK of Washington. We have some other amendments but we want to have them considered en bloc as much as possible.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Amendments offered by Mr. MACK of Washington:

Page 30, line 4, substitute the figure "$14,445,400" for the figure "$19,199,000", change the colon to a period and strike out the remainder of the paragraph.

Page 35, line 9, strike out the figure "$3,152,000" and insert "$3,103,000."

Page 35, line 3, strike out the figure "$2,066,000" and insert "$1,792,000."

Page 30, lines 24–25, strike out "$2,380,000 for construction and $57,000 annually for maintenance" and substitute in lieu thereof the figure "$1,613,000."

Page 31, line 6, change the period to a semicolon and add the following proviso: *"Provided further,* That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 31.2 percent of the cost of the project in cash or equivalent work, and to operate and maintain the pumping plant after completion."

Page 4, line 25, substitute the figure "$5,272,000", change the colon to a period, and strike out the remainder of the paragraph.

The CHAIRMAN. The gentleman from Washington is recognized.

Mr. MACK of Washington. Mr. Chairman, I have no further comments inasmuch as these involve the same principle as the previous amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, I agree with the distinguished gentleman from Washington that no more can be said than has already been said. I ask for a vote on the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Washington [Mr. MACK].

The amendments were rejected.

Mr. SCUDDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCUDDER to the amendment offered by Mr. BLATNIK: Page 4, line 20, insert after the colon and before the word "Senate" the words "Future maintenance in accordance with"; and in line 11 change the comma after the word "Congress" to a colon, strike out the remainder of the line and insert in lieu thereof *"Provided,* That local interests shall not be reimbursed for funds contributed for this improvement."

Mr. JONES of Alabama. Mr. Chairman, I make the point of order against the amendment that it is the same item contained in the Mack substitute that the committee has already acted on.

The CHAIRMAN (Mr. ALBERT). The Chair has already passed on that question. The point of order is overruled.

Mr. SCUDDER. Mr. Chairman, this is a somewhat different project than has been discussed previously. The recommendation and the comments by the Bureau are negative and I desire to quote from the report of the Bureau of the Budget:

> There is no objection to submission to the Congress but would recommend against authorization unless Federal participation is limited to 50 percent of the cost.

The Port Aransas-Corpus Christi waterway was authorized for a 32-foot project. It happens that a very large concern is operating in that area and they took it upon themselves to deepen the channel to 36 feet without any Federal authorization and expended $950,000 to do the job. They are asking in this bill that the Congress authorize that amount of money to reimburse them.

If that is the type of legislation you desire to enact you have a perfect right to put your stamp of approval on it, but I feel that we have a responsibility to authorize a project before we enter into its construction. It is a matter of principle. I know you have the votes. You are all very fine gentlemen. We should stand up and be counted, but I do not believe this is a proper way to handle these types of projects, permitting public or private entities to dredge a channel and then come to the Congress to authorize the project and later appropriate money to make a refund.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Chairman, these things always hurt when they hit at home. As a Texan, I believe this is a bad precedent, I think economy ought to start at home. Therefore I join the gentleman in saying I do not believe this Federal payment to the State is warranted under the circumstances.

Mr. SCUDDER. I thank the gentleman.

Mr. YOUNG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise here to oppose the amendment and welcome the opportunity to correct some of the misstatements that have been made by the minority in connection with this particular amendment.

It was stated that a large firm has invested its money in the channel improvement. That is the first thing I want to correct before the committee. I was County Judge of Nueces County, the county in question at the time this improvement was made and am familiar with the facts. The Nueces County Navigation District, which is a subdivision of Nueces County, constructed this improvement and did it with a bond issue. The majority of the committee in its report states it cannot understand why the Secretary of the Army and the Budget Bureau did not approve this project which is before the Committee at this time. Certainly the question is well put. Let me tell you why, Mr. Chairman.

The La Quinta project—extending from the main channel of the waterway a distance of five and two-thirds miles to a turning basin near La Quinta—was authorized in 1954 to a depth of 32 feet and width of 150 feet, at an estimated cost of $1,800,000. The authorization provided that the Federal Government and local interests would each assume half the construction cost.

The need for this channel was so urgent, however, that local interests immediately constructed it with local funds—to a width of 125 feet instead of the 150 feet provided in the authorization—at a cost in excess of $1,350,000. Local interests thus spent not only the $900,000 to which they were committed under the authorization, but also more than $400,000 of the Federal Government's share of $900,000.

Since commerce using this branch channel became considerably greater than anticipated, and since many costly groundings resulted from the inadequate 125 feet width, local interests then beseeched the Federal Government to appropriate its remaining $500,000 to complete the project to its authorized width of 150 feet. This sum was appropriated in 1956.

Before this appropriation of $500,000 could be expended, however, the Corps of Engineers, responsive to a resolution of the Senate Public Works Committee, was completing a survey which disclosed the need of a further increase in dimensions.

It became evident to both Federal agencies and local interests that considerable money could be saved if the dredging of the new proposed dimensions could be accomplished simultaneously with the dredging provided for by the $500,000 appropriation. Though the new dimensions had not yet been authorized, the need for the deeper and wider channel was so urgent that local interests undertook to bring about the savings by making available the funds to complete the entire project.

On August 24, 1956, General Services Administration urged local interests to proceed with this project in order to obviate the necessity of hauling 1,750,000 tons of ore by truck 14 miles from the main turning basin at the Corpus Christi Port to its stockpile site on La Quinta Channel. This program is now in progress, and is saving the Federal Government more than $5 million, or about double the cost of the entire project.

The entire project eventually cost $2,979,200, which amount was to have been borne equally by local interests and by the United States, or $1,489,600 by each. Local interests, however—by advancing funds in order to effectuate substantial savings to both the Federal Government and local interests—had actually con-

tributed $2,443,000, or $953,400 more than the amount of their fair and equal contribution. It is this sum which should rightfully be reimbursed by the Federal Government.

The Chief of Engineers, in his formal report to the Secretary of the Army dated March 6, 1957, stated that the procedure proposed and prosecuted by local interests was "a sound business-like undertaking," adding that "the unusually high benefit-cost ratio of approximately 12 to 1 substantiates this conclusion."

I say to you that when the Secretary of the Army or the Bureau of the Budget or my colleague from Texas says that this is undesirable precedent, it is a sorry day for this country when it becomes undesirable and sets an undesirable precedent for our Government to live up to its moral obligations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SCUDDER].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I am sending two amendments to the desk involving the same principle, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CRAMER:

Page 34, line 13, delete "$57,000,000" and insert "$45,000,000"; in line 16, change the comma after the word "Congress" to a period and strike the remainder of the sentence, through line 22.

Page 33, line 2, strike out "except as follows:" and substitute a period for the comma after the word "Arkansas" and strike out lines 3 to 13, both inclusive.

Mr. CRAMER. Mr. Chairman, these two amendments involve very fundamental principles in regard to this legislation, and I think it clearly indicates that the position of the minority is sound, for two reasons:

The first reason is that these questions involved are highly technical. The questions involved in this instance are questions of taxes forgone, the question of the incremental method of computing certain allocations of Federal and local participation in hydroelectric projects. It indicates, in my opinion, why in the first instance this type of hit-or-miss consideration should not be given to these questions that are so fundamental but rather through a thorough study by a subcommittee of the Public Works Committee determining whether basic changes in policy should be made and direct the Bureau of the Budget to apply these across the board. The second reason is that the bill as reported is contrary to established standards and I repeat again that A–47, the Bureau of the Budget directive, resulted from instructions from the United States Congress that these questions be decided in meetings with the Bureau of the Budget, the Department of the Interior, the Secretary of the Army, and the Federal Power Commission in an effort to set out ground rules under which all these projects would be considered on a fair and equal basis. Having set out these ground rules as they relate to these particular projects, the Bureau of the Budget, and following these instructions, the Army Engineers, determined that taxes foregone should be included. The second thing that they determined was that it was necessary and proper not to use the incremental method but rather to use the separable-costs-remaining benefits method of determining what portion of the project cost should be allocated for Federal and what portion for local participation. This is indeed a technical question.

It is so technical that I inserted in the RECORD yesterday beginning at page 3803 a discussion of these very fundamental issues involved in these two multiple-purpose, including hydroelectric, projects.

Mr. Chairman, you will see by the majority report on page 51, in the remarks, there was a great deal of effort on the part of the majority to try to justify its position of eliminating taxes foregone as a determining factor in determining cost benefit. The result of eliminating taxes foregone is that a project that otherwise would be bad, would not have a 1-to-1 cost-benefit ratio, would get a cost-benefit ratio of better than 1-to-1. So the objective is to make these three projects, hydroelectric and reservoir projects, economically feasible when they otherwise would not be, contrary to the directive A–47, contrary to the agreement of the Department of the Interior, the Secretary of the Army, and the Federal Power Commission, as well as the other agencies that have the responsibility in this field.

In that report on page 51 the majority itself admitted with regard to the question of taxes foregone that—

This method of measuring the value of power led inevitably to the point that power values were not measured correctly unless the element of taxes, interest rates, and all other factors were included in the computation. As a result, the major Federal agencies—

And I repeat this—

the major Federal agencies concerned with this matter—the Federal Power Commission, the Department of the Interior, and the Corps of Engineers—reached an agreement that taxes foregone would be included as a part of the value of power on the benefit side of the ledger or subtracted from the cost side.

I say to you that that standard should if we are to have uniformity, be observed now and in the future unless the directive is changed and that we are deviating, if we do not accept this amendment, from that standard which has been set up through the direction of Congress.

The second problem involved is with respect to the question of what formula should be used in these projects in trying to determine what the local cooperation should be. There is, of course, the question of land enhancement, but the fundamental question is, What formula should be used in determining what the local participation should be.

These are multipurpose projects. There are three purposes for these projects. There are water power itself, water conservation, and flood control involved in these projects. And the purpose of the directive A–47 that has been worked out very carefully is to make sure that the local costs with regard to these three factors are properly allocated, and are not loaded down on the flood-control aspect which is mostly paid for by the Federal Government, thereby decreasing the amount of money that would have to be paid by the local agencies. That is the sole issue involved. In other words, by taking a new formula, which is not used in this type of project at all—there is no precedent for it—the incremental method, it means that the Federal Government has to pay another $15 million in one of these projects costing $57 million which otherwise would be paid locally.

The CHAIRMAN. The time of the gentleman from Florida [Mr. CRAMER] has expired.

Mr. HIESTAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Chairman, spending more and more Government spending to pull us out of the slump seems the universal cry, but is that the answer?

Remember the disastrous thirties when we tried every spending scheme anyone could dream? We debauched our currency "to make more dollars available" and what happened? We simply stretched out the depression until there were 9½ million unemployed in 1939 and it took a war to get them work. Then we doubled our Federal debt between 1932 and 1939 without recovering and started the inflationary spiral not halted until 1953. Mr. Speaker, why should we try again a proven failure?

Why not an immediate general across-the-board tax reduction, which has invariably been successful in pulling out of a recession, notably in the 1920's and in 1954.

Our general tax structure, a carry-over from prewar and wartime measures is, in my judgment, one of the major causes for the present business slump. The personal-income tax hits almost everybody and since it must be paid, simply takes away nearly $40 thousand million worth of purchasing power from individual citizens. That tax bite, although distributed over 60 million people, prevents many of them from buying things they want and in most cases need, because inflation has driven up the prices higher than they can pay. Inflated prices, forced by coerced wage increases without increased production, has reduced the sale of many lines of goods, and that is causing the business slump.

Furthermore, money for investment in expanded plants and equipment, creating more jobs, has been siphoned off from the upper income brackets by the graduated income tax and many businesses, especially small businesses, have been unable to finance expansion and the creation of more jobs. In fact, in many cases, especially in small business,

it has forced a cutback in business and part of the unemployment situation. General income-tax relief on a percentage basis, the same way taxes were increased, is sound and should come as immediately as possible.

Corporation income tax, accounting for over $20 thousand million of revenue, has, especially in the upper brackets of more than 50 percent, encouraged inflation by encouraging waste expenditure. The spending is simply known as "tax money," since Uncle Sam put up over half of it. Inflation thus occurs and feeds upon itself. Reduction of corporate income tax would enable companies to put a much larger part of their earnings into expansion and the creation of more jobs.

Excise taxes, actually a vicious carryover from wartime when they were used to restrict travel, communication, and so forth, certainly should be repealed, but with restrictive measures, if possible, that prices be reduced with them. This would tend again to make automobiles and durable goods within the means of the hard-hit consumer, especially those in the lower income bracket.

We must realize that only people pay taxes—automobiles do not pay them, corporations do not pay them, airplanes do not pay them, but the people buying the products or services pay them. They are reflected in the cost of living and if the people are relieved of these high costs they have a chance to buy more goods, thus increasing sales volume and creating more jobs.

Tax reduction is sound and will go a long way toward preventing a recurrence of such a business slump and unemployment.

Of course, with such a reduction must—simply must—come expense reduction, and "there's the rub."

Mr. Chairman, everybody approves expense cutting in the other fellow's pet projects. Is it not important enough right now seriously to tackle a real across-the-board expense cut?

To those who urge more spending projects to end unemployment, let me suggest that new projects are mostly construction projects, and the auto workers, airplane workers, parts makers, and electronics experts, very few of them, can do concrete, masonry, carpentry, earth moving, and other construction work. Actually there is very little unemployment in the construction industry. The only sure way to employ the unemployed is "make work" or charity projects such as leaf raking and WPA, and the unemployed today do not want that.

Tax reduction, on the other hand, simply must be accompanied by expense reduction. Otherwise the deficit spending, highly inflationary, defeats the object we seek—namely, stability.

Planned spending on civil public works certainly should, in accordance with the President's recommendation, be reduced, not increased. Many so-called Federal-aid projects, worthy in the long run, can be deferred. Nonessential new starts can be eliminated entirely.

The "spenders" have concocted all manner of new projects and arguments for old ones. Many are logical and powerful arguments. But they must be met and overruled if we are to save our country from that most dangerous inflationary spiral induced by deficit financing.

It is a tough job, but I believe it can be done.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Florida [Mr. CRAMER]. I want to begin my remarks by expressing my appreciation to the Committee on Public Works and to its distinguished chairman and to the distinguished chairman of the subcommittee handling this bill. They have worked long and hard on this matter, and they have brought to us a bill which I think we should all support.

I cannot remember a time when a committee has gone so far to cooperate with the administration in working out an acceptable bill. I was amazed to learn from the distinguished chairman of the subcommittee that more than 96 percent of the projects in this measure have had approval of the Bureau of the Budget. It seems to me that if the Congress went any further than that it would be abdicating its legislative responsibilities to the executive branch of the Government.

The pending amendment would strike from the bill a modified project consisting of some 8 reservoirs, 4 of which are located in my District and 4 in the District of the gentleman from Arkansas [Mr. HARRIS]. This is a modification of the authorized Millwood Dam in Mr. HARRIS' District. The report of the Corps of Engineers states that the project has the very fine cost-benefit ratio of 1.47 to 1. All of the reservoirs in this system except one have been approved by the Engineers. The other reservoir, known as the Sherwood or Narrows Reservoir, would have been approved by the Corps of Engineers except for present criteria of the Bureau of the Budget pertinent to power dams. Studies conducted by the Army Engineers and other agencies of the Federal Government have testified emphatically to the soundness of this project. General Itschner in his appearance before the committee commented that if considered without taxes foregone, the Sherwood project, together with Broken Bow, of which it is a part, would have the favorable cost-benefit ratio of 1.11 to 1. The so-called taxes foregone policy, which kept the Engineers from recommending this project, is not a part of any law enacted by the Congress. It is not something that this Congress has ever agreed to or adhered to or given any indication that it intends to adopt.

The further objection contained in the minority report that the Sherwood project was not supported by a formal, detailed written report from the Corps of Engineers and the Bureau of the Budget, when the Chief of Engineers himself was before the committee and described it at length, is in my opinion so technical and without substantive merit as not to be worthy of the serious consideration of this House.

The Sherwood Dam is a needed project in the overall picture. It will provide additional flood control and additional water storage which is badly needed in this area. It is fully justified under the practices carried out by this Congress for more than 40 years.

With respect to the remaining projects no question has been raised as to their feasibility or desirability. The need for flood control in the area is urgent. Nobody disputes this fact, not even the Bureau of the Budget. Figures furnished by the Chief of Engineers in testimony before the committee show that this area has an average of 6 or 7 floods each year. This is mountainous country and the average annual rainfall exceeds 45 inches. There is no question about the need for the water which will be impounded in these dams or the availability of a market for it. The Chief of Engineers testified that this was the finest, purest water available in the entire area and that municipalities and industries would be clamoring for it before the dams were completed. The State of Oklahoma, through its Governor, has underwritten the water storage provisions of this legislation.

Now come objections to these projects not on their feasibility or merits but because of the form in which the committee has recommended their authorization. The committee has provided that in these projects land enhancement benefits should be nonreimbursable and the incremental method of cost allocation should be used. In other words, the committe has simply said that what Congress has done repeatedly in all sections of the country to the tune of billions of dollars should also be done here.

The truth is, Mr. Chairman, the economy of the area could never support the burden of land enhancement payments and should not have to do so in order to get the relief that is needed and deserved. These people last year suffered one of the worst floods in history. The income in McCurtain County in which these projects are located averaged $799 per capita last year. The relief rolls in this county are the second highest in the entire State of Oklahoma. Twenty-four percent of the population of this county are receiving cash public welfare payments and 27 percent are receiving commodities. If you require a cash contribution for these projects from these people then you have killed the projects. They simply cannot raise the money.

Furthermore this is not a new project. This is simply a modification of an authorized project under which no requirement for land enhancement was to be taken into account. Nobody has argued, not even the Bureau of the Budget or the Corps of Engineers, that those people who would have benefitted by the original project, should be required to assume these additional burdens. In this bill we are simply revising a previous authorization in order to build a project which would be more useful to the Government, more useful to the country, and more useful to the area. If downstream property owners are not charged for flood control benefits why should those people upstream be compelled to pay for land accretion values from flood control projects whose principal purpose is to protect the Federal investment in exist-

ing flood control works along Red River? This project is of primary benefit to the main stem of the Red River but none of those enjoying this primary benefit under the plan submitted by the administration would be required to pay for land enhancement and none of them should be. We in the upstream areas would be placed in the untenable position of having to pay costs not charged against others in the same project and costs which have not been charged in the great bulk of similar projects constructed throughout the United States to which Oklahoma taxpayers have contributed. We called on the Army Engineers for a list of projects constructed on this basis and they gave us the name of only one. With no more precedent than this the Bureau of the Budget is insisting upon provisions which would have the effect of killing this project. Yet the project is among the best in the bill. The Engineers have testified repeatedly to the need for it, to its desirability and to its basic soundness. The people who live in this section of the country should be treated as other citizens have been treated ever since this program began. This project is a needed one. General Itschner testified that it was an exceptionally good one. I urge that you defeat the pending amendment and pass the bill as reported by the Committee on Public Works.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. JONES of Alabama. Did the gentleman from Oklahoma ever hear of taxes foregone up until this project was considered by the committee?

Mr. ALBERT. I not only never heard of it but I asked the Corps of Engineers to give me a list of projects on which it has been used, and I am still waiting for that list. I have been told that some were under construction, but I have never heard of one that has already been built.

Mr. JONES of Alabama. There has never been a method of making cost allocations that brought into play any tax-forgone theory.

Mr. ALBERT. The whole Tennessee Valley, the great Columbia River Valley, and all the great projects built by the Corps of Engineers and Bureau of Reclamation containing power all over the country were built, I have been told, without the taxes-forgone theory.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I join my colleague from the Third District in urging that this project be approved and that this amendment be defeated. We looked at this area during the disastrous floods of last summer. There is no area of the country that needs such a multipurpose project more.

Mr. ALBERT. I thank my colleague, who is thoroughly familiar with the project.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Arkansas.

Mr. HARRIS. I join the gentleman from Oklahoma, members of this great committee and other Members of the House in opposing this amendment.

As the gentleman from Oklahoma has so well stated, Millwood Dam and Reservoir is one of the central projects so necessary to the comprehensive flood-control program for the Red River Basin.

This project has been recognized by the Corps of Engineers, the Red River Valley Association, and everyone who has been interested in adequate protection throughout this great valley as essential and necessary, if we are going to have an adequate program of flood control and other benefits so vital to the millions of people affected throughout the Red River Basin.

Millwood Dam and Reservoir was authorized in the Flood Control Act of 1946. We have experienced controversies within the area which have made it most difficult to bring about the construction of this project.

We have endeavored for years to resolve these differences. Because the central project that would provide 75 percent of the protection so vital to the overall program is in my District, I have personally assumed the responsibility of bringing about a settlement or a compromise which would be as acceptable as possible to the greatest number affected.

Through the cooperation of the Corps of Engineers, the people of Oklahoma and Arkansas, we have proposed a plan which this committee has accepted that will finally bring to a full fruition a project that would mean so much to both Arkansas and Oklahoma as well as as those who dwell in the entire valley.

The amendment proposed here would seriously interfere with and virtually kill this project. If adopted, it would further continue to endanger the lives and property of the people in this great valley with the threat of devastating floods. I, therefore, implore my colleagues to strike down this attempt to destroy the faithful and honest efforts made by so many to such a necessary and worthy project.

Furthermore, I wish to call to the attention of the Committee the fact that only a few moments ago the gentleman from Texas [Mr. TEAGUE] offered an amendment to a project in his District which included the very same provision that the gentleman now would strike from these projects by his amendment.

The committee overwhelmingly adopted Mr. TEAGUE'S amendment and it is included in this bill. To adopt this amendment then would be a departure from the same principle which this committee has approved in the other project. No area is in greater need of a program to stimulate the economy in the interest of the public than does this area throughout the Little River Basin, which is affected by this program.

I want to express my appreciation to the committee for its vision and interest in the economy throughout the Nation and my appreciation for its support of this most worthy program of Millwood and other projects in the Little River Basin. I want to compliment the gentleman from Oklahoma for his untiring efforts and his cooperation with me and the constituency that I represent in helping to bring about a project so vital and so necessary.

Mr. ALBERT. The gentleman is correct.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. SMITH of Mississippi. Has there ever before been considered this entirely hypothetical theory of taxes—foregone from something that might be put there if something else existed, if something else happened?

Mr. ALBERT. Not that I know of.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. BROOKS of Louisiana. The gentleman from Oklahoma has given a very learned and clear explanation of this project and the effect of the amendment on the project. I join with him in vigorous opposition to the amendment.

This project is not within my Congressional District; it is not within the State of Louisiana; it is a most worthy and most important project—one of the most important projects in this bill when considered in relation to the effect upon vast numbers of people residing in a great area of the Southwest.

The Millwood Dam and Reservoir project was approved by the Army Engineers after long studies. It came to Congress and was approved by the Congress in the Interim Red River Flood Control Act which was signed by the President and is now the law. It is true that the Millwood Dam and Reservoir project has been the basis of some discussions and that a rearrangement has been made of some of the plans of the Army Engineers. The project, however, has the same general purpose, bearing the approval of the Engineers and Congress. The modifications made in no way affect the validity of the project, its importance to a great mass of people in the Southwest, and the need of action at this time.

In putting through the Millwood Dam and Reservoir project as presently planned, the Engineers will be able to go forward with their program of flood control for the Red River Valley. This river is over 1,200 miles in length and flows through the Southwest, finally into the Mississippi and Old River in Louisiana. We in the lower valley, of course, are interested in all projects affecting flood control, navigation, and development of these river systems and the use of the water which is channeled in them by those who live within the watershed.

For these reasons, Mr. Chairman, I hope this amendment is voted down and that the committee stipulations regarding the new Millwood Dam and Reservoir plans on the Red River in Oklahoma are fully approved by this House.

Mr. ALBERT. I thank the gentleman. The Engineers testified that the overall benefit-cost ratio is 1.47 to 1. I recommend that the committee bill be retained in its present form.

Mr. TRIMBLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the second part of this amendment refers to page 34 of the bill, known as the Lone Rock and Gilbert project on the Buffalo River, a tributary of the White River. I want to agree with what my colleagues have said here about Circular A–47.

On May 6, 1952, General Chorpening transmitted to me a letter of General Pick, Chief of the Army Engineers, and a letter from the Board of Engineers for Rivers and Harbors, Corps of Engineers, stating that these projects were feasible and should be authorized, but we did not have an omnibus bill. Before we got to that omnibus bill this circular A–47 came along, which makes difficult every project in the United States if it is followed to the letter. These projects are feasible under the same formula under which other projects on the White River and its tributaries were authorized, I hope the amendment is rejected.

Mr. MACK of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in years gone by, I have heard some very severe criticisms of the policies of the Truman administration. But, I just want to say here today that I have never heard as much criticism of the policy of the Truman administration as I have heard this criticism of the directive A–47 of the Budget Bureau. Directive A–47 was a product of the Truman administration. It was issued in 1952 by the Truman Director of the Budget. It was issued by the Truman Director of the Budget after an investigation covering 4 years and 378 hours of hearings and meetings by a commission, an interdepartmental commission 4 of whom were Truman appointees—a representative of the Secretary of the Interior, a representative of the Secretary of Agriculture, a representative of the Secretary of Commerce, a representative of the Federal Power Commission, and in the fifth case of the Army Engineers who are, of course, nonpolitical. We have heard a great deal of criticism about the Truman policy as enunciated in the Truman directive A–47.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. CRAMER. I would like to correct a couple of impressions which have probably been left erroneously, of course, not intentionally. But, in regard to this recommendation as it relates to the incremental method, there are two methods involved here—the incremental method and the separable-cost-remaining-benefits method. The Army Engineers recommended the latter. Why did they recommend the latter? The gentleman from Oklahoma says the TVA should be used as an example with regard to what has been done and justifying his position on taxes, forgone. On page 3805 of the RECORD, it is stated that the method of separable-cost-remaining-benefits is essentially a refinement of the one developed in the Tennessee Valley Authority. Thus this same project justifies my position in opposition to the use of the incremental method. This incremental method, as compared to the separable-cost-remaining-benefits method, was the result of a recommendation of none other than the Hoover Commission task force studying this question. You gentlemen on the majority side and many on the minority side supported, as well as myself, the bill, H. R. 8002, on the question of saving money, the Hoover Commission recommendation. Here is another one. You have an opportunity to support economy and the Hoover Commission further if you support the amendment I introduced.

I suggest, Mr. Chairman, this not only resulted in that but also from a very careful study of the Department of the Interior and all the agencies involved in this particular question. I submit again that this is the wrong place, so far as I am concerned, to try on a hit-and-miss basis to make changes from the directive A–47 which our distinguished colleague, the gentleman from Washington [Mr. MACK], stated resulted from the recommendation of the Jones subcommittee that studied this very question and in that subcommittee stated that, when it came to the question of where costs should be allocated, they be on a basis equal to the different purposes to be served in the project involved. That is exactly what the formula does in my amendment and which the Army Engineers recommended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was rejected.

Mr. BALDWIN. Mr. Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: Page 48, beginning with line 16, strike out all of section 205, ending line 23, page 49, and substitute in lieu thereof the following new section:

"SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or multiple purpose projects.

"(b) In carrying out any authorized navigation or flood control survey, or review investigation, involving improvements which may be useful in developing water supplies, the Corps of Engineers shall consult with the State or States affected and the United States Public Health Service, Department of Health, Education, and Welfare, with a view to including in the reports thereon submitted to Congress, plans for the development of water supplies for domestic, municipal, industrial, and other purposes, and such reports shall include the views and recommendations of the States and the United States Public Health Service on the plans for water supply. Features for providing water supply storage capacity, facilities, or services may be included in any navigation, flood control, or multiple purpose project recommended for construction by the Corps of Engineers, subject to the following provisions of this section.

"(c) Before construction of any project including water supply provisions is completed, State or local interests shall agree to pay the costs allocated to water supply. Such costs shall be determined by the Chief of Engineers in such manner that all authorized purposes served by the project shall share equitably in the benefits of multiple-purpose construction. The schedule of payments by States or local interests of such costs may provide either for paying the share of the construction expenditures during construction of the project, plus annual payments for operation, maintenance, and replacement costs as incurred; or for equal annual payments for the construction costs, and interest on the unpaid balance, plus annual payments for operation, maintenance, and replacement costs as incurred: *Provided*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for 15 years from date of issue.

"(d) The plans for any authorized navigation, flood control, or multiple purpose project on which construction has not been initiated, or any existing project, may be modified or its operation changed by the Secretary of the Army to provide additional storage capacity, facilities, or services for water supply as he considers reasonable: *Provided*, That before construction is completed, or in the case of projects under construction or completed, before changes for the benefit of water supply are made in the project, or before operation is modified in the interest of water supply, State or local interests shall agree to pay the costs allocated thereto as provided in subsection c of this section: *Provided further*, That such modifications which would seriously affect the purposes for which the project was authorized or constructed or which involve major structural or operational changes shall be made only upon the specific authority of Congress.

"(e) The plans for any authorized navigation, flood control, or multiple-purpose project on which construction has not been initiated may be modified to include provisions for future water supply when directed by resolution by the Public Works Committee of the Senate or of the House of Representatives, or when approved by the Secretary of the Army upon recommendation of the Chief of Engineers: *Provided*, That the cost of such provisions for future water supply shall not be more than 30 percent of the total estimated cost of the project and reasonable assurance is given by States or local interests that the use of the future water supply provided for will begin within not more than 10 years after the time the project is first available for the storage of water for water supply purposes, and that necessary water rights for such use have been or can be obtained: *Provided further*, That States or local interests indicate a willingness to pay for such water supply in accordance with subsection c above, beginning when the water supply is used, and costs allocated to water supply shall be repaid within the economic life of the project, but not to exceed 50 years after the time the project is first available for the storage of water for water supply purposes: *And provided further*, That in arriving at the costs to be repaid, the interest charges on the initial cost of provisions for future water supply during the period until the water supply storage is used will not be included, but in no case will the interest-free period exceed 10 years.

"(f) Responsibility for complying with any applicable State law relating to water sup-

ply or water use shall rest with the State or local interests contracting to pay the costs allocated to water supply or utilizing the water-supply services.

"(g) That part of the second proviso of the first paragraph of section 5 of the Flood Control Act of June 22, 1936, as amended (33 U. S. C. 701h), pertaining to modification of reservoir projects is hereby repealed, except as to contracts and agreements in force at the date of this act."

Mr. BALDWIN (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. COAD. Mr. Chairman, I object.

Mr. BALDWIN. Mr. Chairman, this is the amendment to section 205 as it appeared in the Mack substitute bill with the addition of the amendment adopted on the floor stating that the provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. DAVIS of Tennessee. The gentleman from California knows full well my very high personal regard for him. May I ask him this question: Is not this the same language that has been debated over and over and which was defeated earlier in the afternoon?

Mr. BALDWIN. This is the language which appeared in the Mack substitute as amended on the floor. We have not however had a separate vote on this particular section. There was a vote on the entire Mack substitute.

Mr. Chairman, if I may go on to explain the provisions of the proposed amendment, serious objection has been raised in particular by the reclamation States of the West to subsection (b) of section 205 as it appears in the committee bill on the ground that the low-flow provision may conflict with the rights of irrigation users in some of the Western States, and because of the vagueness of the wording of subsection (b) of section 205. This amendment would strike that section and give further opportunity to work out a very specific provision covering such cases.

As to subsection (c) of section 205, it refers to domestic water supply. Subsection (c) as in the commitee bill, gives the Corps of Engineers very broad authority to go ahead and make estimates for some future time, uncertain at the present time, but some future time for domestic water supply without having any specific contract in mind. This amendment would tie that down, would require a specific agreement with the State or locality by the time the project was completed. So that is tied down by more specific language and, therefore, the Corps of Engineers would have some guidelines to follow.

May I say again as I said yesterday that a provision identical to this except for the amendment adopted in the House today was adopted by the other body 2 years ago in the omnibus flood control and rivers and harbors bill. So this amendment has already received the approval of the other body in a similar bill 2 years ago.

This amendment also meets with the concurrence of the Corps of Engineers and the Bureau of Reclamation, both agencies; and it is offered only in an endeavor to resolve some difficult water problems particularly of the Western States.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. EDMONDSON. The gentleman is not maintaining, is he, that the Corps of Engineers prefers his language to the language of the Blatnik amendment?

Mr. BALDWIN. The Corps of Engineers recommended this language 2 years ago at the time the other body adopted these provisions in the omnibus bill.

Mr. EDMONDSON. But the gentleman has no statement from the Engineers that they prefer his language to that in the Blatnik amendment as amended thus far?

Mr. BALDWIN. I have not asked them for a preference; I asked if they concurred in this and they stated that they did.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Colorado.

Mr. ASPINALL. I wish at this time to say that if this amendment is defeated I intend to offer what might be said to be the middle of the road amendment on this question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The amendment was rejected.

Mr. MACK of Washington. Mr. Chairman, I have two amendments that I desire to offer, and I ask unanimous consent that they be considered en bloc. They affect the same region, the Hidden Reservoir and the Buchanan Reservoir in California. They propose to accomplish the same purpose in the same area.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. MACK of Washington: On page 44, strike out lines 17 to 24; on page 44, strike out lines 9 to 16.

Mr. MACK of Washington. Mr. Chairman, these two reservoirs were first surveyed by the Army Engineers in 1945. In 1949 they came before the Congress with a favorble recommendation by the United States Army Engineers. President Truman, his Budget Bureau and his Secretary of the Army wrote letters to the Congress protesting these two reservoirs on the basis that the Army Engineers' surveys did not supply sufficient data to show that these projects were economically justified. They were not approved in 1949.

In 1956, President Eisenhower's Secretary of the Army and the Bureau of the Budget protested these projects and asked that the survey data be brought up to date. The projects were again submitted in 1957, last year, by the Army Engineers with the data not having been brought up to date.

That is the basis for asking that these amendments be accepted. The data, as of now, is not sufficient to pass on their economic justification.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, on January 3, 1957, I introduced in the House of Representatives bills providing for a more comprehensive development and utilization of natural-water resources in plans and construction of reservoir projects with these two bills being H. R. 350 and H. R. 847. My primary concern is the enactment of legislation providing for low-flow regulation. Enactment of this particular legislation is of great importance to my home State of Kentucky and to our section of the United States. In Kentucky we have in the process of construction and in the planning stage, reservoirs which will halt flood damages occurring annually, preventing the loss of lives, millions of dollars in damage to property, and conserving millions of tons of topsoil which is annually washed away. I have urged enactment of the low-flow provision of this particular bill before the committees of both bodies.

The necessity of low-flow regulation is obvious because we look to our rivers more and more for service. Our expanding population has brought about new uses and greater demands for water. It is to the best interests of our people and national security that legislation be enacted to increase low stream flows.

With an adequate flow, navigation stages are more economically maintained, the recreational values of the streams and rivers are expanded, and measures to abate pollution are simpler and more effective. By far the most important justification of low-flow legislation is the ability rendered to control the water temperature which has an important effect on recreational and industrial use and on bacterial pollution.

The daily use of water, industrial and private, amounts to approximately 200 billion gallons. The population of the United States consists of some 165 million people, and the average daily consumption of water is 150 gallons per capita or 17 billion gallons collectively. Actually, the rainfall would provide an adequate supply in most sections of our country if the ground acted as a reservoir. Erosion has made water supply a serious problem, and drastic steps must be taken now to conserve any excess rainfall. By conservative estimate, it is now agreed that the population of our country will be some 207 million people in 1975. In 20 years the public water supply will be expected to furnish 30 billion gallons daily.

Low-cost water transportation is important in peacetime and in wartime. Additional reservoir storage will permit greater flexibility of operations during summer droughts and will serve the orderly progressive expansion of industrialization. Low-cost transportation on water will enable products to move from the mines, forests, and farms to the consumers over a widespread area.

The change in our way of life is responsible for the increased need for recreational facilities. Our yearly vacation with pay and retirement with benefits have enhanced the recreational value of water. Low stream flows play an important role in the conservation of fish and wildlife through the regulation of the water level and abatement of pollution.

The abatement of pollution is beneficial to more than wildlife. The fact that water would no longer stagnate due to the regulation of low stream flows would be of great importance to the solution of certain health and sanitation problems which are presently of great concern.

The control of water temperature through the regulation of low flows is of the utmost importance to industry. Many rural areas have been industrialized for this very reason and the standard of living has been raised. The type of industrialization depends to a great extent on the natural resources found in the vicinity.

Reservoirs built to accomplish low-flow regulation will be large enough to contain all of the rainfall in flood season and they will prevent damage brought about as the result of unchecked floods.

The Corps of Engineers must be given the opportunity to incorporate storage for low-flow augmentation in order to provide for the best development of the Nation's water resources. Enactment of S. 497 will mean that our future reservoir projects will be planned, authorized, and constructed in such a manner as to control and increase low stream flows.

If you will investigate, you will find that the ICA and its predecessor agencies have constructed 197 navigation, flood-control, irrigation, and reclamation projects in 46 countries at a total cost of $355,800,000. During the first 9 months of 1957, the ICA has obligated $63,500,000 for such projects. This figure includes $21,281,000 for 35 new starts in 22 countries. These countries include Cambodia, China, Korea, the Philippines, Thailand, Egypt, Greece, India, Iran, Lebanon, Turkey, Ethiopia, Libya, United Kingdom, Chile, Guatemala, Nicaragua, Costa Rica, Dominican Republic, Peru, British Guiana, and Yugoslavia.

The budget proposals submitted to Congress for fiscal year 1959 contain no money for new surveys, advance engineering and design, or construction starts anywhere in the United States. This action, of course, is not to the best interest of our water-resources development program and on February 27, 1958, the chairman of our Committee on Appropriations, the distinguished gentleman from Missouri [Mr. CANNON] directed a letter to Wilber M. Brucker, Secretary of the Army, in which he stated as follows:

A review of the 1959 budget estimate for civil functions indicates that the program is completely inadequate, particularly in light of the current economic situation. No new construction starts are proposed and the rate of progress reflected in the budget on going projects is being slowed to the point where it is likely that the program will cost the taxpayers much more money than is necessary.

The hearings on the Public Works Appropriation bill have therefore been postponed pending submission by you directly to this committee, a more realistic program and revised estimates.

If we can afford to build navigation, flood control, irrigation, and reclamation projects abroad, we can afford every project provided for under S. 497, and this especially applies to the benefits to be derived from section 205 of the bill which provides for low flow regulation.

Mr. Chairman, S. 497 should be enacted, and I sincerely hope that every Member of the House votes for passage of this important legislation.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the pending amendments.

Mr. Chairman, I feel that the restriction used by the Corps of Engineers on water resources developed in the construction of these reservoirs for an additional water supply would be so limited there would not be a great opportunity to have reservoir capacity over and above that now provided by law. I believe the language contained in the Blatnik amendment will serve the purpose and the objective of regulating low flow and will provide greater facilities in these reservoirs for later use, both by industry and by municipalities in the future.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Mr. Chairman, I want to point out that the Hidden and Buchanan Reservoirs involved in the objections of the Bureau of the Budget stemmed from a long controversy that existed many years ago between the Bureau of Reclamation and the Corps of Engineers as to who would carry on some water projects in California. It goes back to the days when Secretary Ickes was feuding with the Corps of Engineers. The reports came in and the Engineers agreed to those projects. I think if we follow the proposals of the minority to strike these particular items from this bill, they will be adopting a policy that they all opposed a few years ago. These dams are necessary to the future development of the combined water projects in California. I hope the amendments will be rejected.

Mr. MORANO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORANO. Has it been unanimously agreed that these two amendments will be considered en bloc?

The CHAIRMAN. Yes.

The question is on the amendments offered by the gentleman from Washington [Mr. MACK].

The amendments were rejected.

Mr. MACK of Washington. Mr. Chairman, I have one last amendment to submit.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington: Page 28, line 14, change period to a colon and add the following: *"Provided*, That the works at Rome, N. Y., shall not be constructed until a report showing economic justification has been completed by the Chief of Engineers."

Mr. MACK of Washington. Mr. Chairman, the Blatnik amendment proposes three flood control projects in the Mohawk Valley of New York. One of those projects will cost $1.5 million. It has a very favorable cost-benefit ratio, We on this side approve of that project.

The second project has a cost-benefit ratio that is very satisfactory. It will cost $500,000. We approve of those two projects.

The Rome, N. Y., project is a project which will cost the Government only $240,000. It does not have a favorable cost-benefit ratio. So, on this side we are proposing an amendment which says that the Army Engineers shall not construct this project until such time as it is shown that it has a dollar benefit for dollar cost ratio. This is the parity formula that is applied to most projects in river and harbor bills. This is the only issue involved.

Mr. Chairman, this bill as it goes from here to conference with the other body will involve 18 projects which are not entirely acceptable to the administrative branch. It is our understanding that there are 31 such unacceptable projects in the Senate bill. We hope that the majority members of this committee will seek an early conference with the Senate to the end that the differences in the two bills may be ironed out soon and a bill sent to the President of the United States. If the bill is then vetoed, it will come back here in time for the Congress to act on that veto prior to adjournment. We hope the situation on this river and harbor bill will not be like that on the postal pay bill. We do not want the bill to reach the President so late that if a veto comes there will be no opportunity on the part of the House and the Senate to pass their judgment on the President's veto.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was rejected.

Mr. ASPINALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 48, beginning with line 25, strike out all through line 21 on page 49 and insert in lieu thereof the following:

"(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow. Storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior for irrigation, hydroelectric power, municipal and industrial water supply, and allied purposes, under the Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto.) Storage authorized by this section shall be constructed and used in compliance with applicable State laws and interstate compacts with respect to water rights. *Provided further*, That nothing herein shall be construed to amend, modify, or limit the appli-

cability of section 8 of the Reclamation Act of 1902.

"(c) In carrying out this policy, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers or the Bureau of Reclamation to impound water for present or anticipated future demand or need for municipal or industrial water and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when the contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army or the Secretary of the Interior as the case may be: *Provided further*, That the cost of providing storage for such future demand shall not be more than 30 percent of the total estimated cost of the project, and reasonable assurance is given by States or local interests that the use of such storage for future demand will begin not more than 10 years after the date when the project is first available for the storage of water for water supply purposes and that necessary water rights for such use have been or can be obtained: *Provided further*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose, except that (1) no payment need be made with respect to storage for future water supply until such supply is first used, (2) with respect to repayment of cost allocated to such future water supply such 50 years shall not commence until such supply is first used, and (3) no interest shall be charged on such cost until such supply is first used, but in no case shall the interest-free period exceed 10 years. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for 15 years from date of issue: *Provided*, That the provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) relating to the same subject."

Mr. ASPINALL. Mr. Chairman, this is the middle of the road amendment to which I made reference just a few minutes ago. All legislation is more or less a matter of compromise. This is a compromise between what I suggested yesterday on the floor of the House and the amendment which I placed in the RECORD following my presentation, and what the committee itself is desirous of accomplishing in its presentation this afternoon.

May I simply state this, with all due deference to my fine and able friend from Alabama [Mr. JONES] I do not personally believe that the inclusion of the Baldwin amendment to the Mack substitute and the same amendment to the Blatnik amendment does what the gentleman from Alabama seems to think it does, and that is, decides this matter on a parity as far as reclamation and flood control in the Western States are concerned. If that were right, then there would not be any necessity of my making this presentation. But inasmuch as what we are trying to arrive at is equal treatment of all Federal water resource development activities throughout the United States, then it would seem to me that in those 17 Western States which have water rights, recognized as legal rights under State law, and which are at the present time honored under reclamation law, as well as under the flood-control acts, they should be so honored in this legislation which has some new benefits which have not heretofore been given to water resource development programs.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I want to ask my good friend and distinguished chairman of the Irrigation Subcommittee if he believes the effect of his language which he now seeks to have this committee adopt, would be to require the Army Engineers to follow the same rules with regard to water rights in the 17 Western States that the Bureau of Reclamation has followed?

Mr. ASPINALL. As far as they have been followed up to the present time under the flood-control acts that are in operation. In other words, it is my feeling that with this amendment we make no difference between the relationship of the flood-control projects and the reclamation projects, whether they be single or multiple.

Mr. EDMONDSON. Does the gentleman not feel that this places a burden or a requirement upon the Army Engineers in the 17 Western States which they do not now have?

Mr. ASPINALL. I do not feel that it goes that far, nor that it would embarrass them any more than they are embarrassed at the present time in such situations as the Fallbrook case, with which my friend is acquainted.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Is it not true that the original Flood Control Act of 1944 sets out the responsibility of the Army Engineers as well as the Bureau of Reclamation to comply with the water laws of the States west of the 98th meridian?

Mr. ASPINALL. The gentleman is correct, as I understand it. And if it were not for the fact that we are giving additional benefits in the legislation now before us, to water-resource development, then I would not have offered this amendment. But because of these additional benefits I think they should be applicable to both of these agencies which have water-resource development activities under their jurisdiction.

Mr. ROGERS of Colorado. Mr. Chairman, if the gentleman will yield further, the gentleman's amendment does not in any manner change the law that has been in force and effect for a number of years. It is only a reiteration of it to make certain that the Army Engineers and the Bureau of Reclamation respect the State water rights.

Mr. ASPINALL. The gentleman is correct in his assumption so far as the reclamation States are concerned.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Does the gentleman's amendment apply only to the 17 Western States?

Mr. ASPINALL. Inasmuch as the 17 Western States are those States which have water rights as such established by statutory and case law, yes.

Mr. SAYLOR. In other words, will it require the Army Engineers to comply with State law in the States east of the 98th meridian?

Mr. ASPINALL. If that were the determination, when this bill gets to conference, I would be requesting the conferees to make such change in this language so that it would not do as my friend fears.

Mr. Chairman, I yield to the gentleman from West Virginia [Mr. BAILEY], who is on his feet.

Mr. BAILEY. Mr. Chairman, I desired to ask the same question asked by the gentleman from Pennsylvania.

Mr. ASPINALL. I thank the gentleman.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. With reference to the conference which the gentleman mentioned, with all due respect to the gentleman from Colorado, may I suggest that he will not be a conferee.

Mr. ASPINALL. I understand that, but most certainly the great Committee on Interior and Insular Affairs will be interested in seeing to it that we arrive at an equitable decision in our final consideration of the problem.

Mr. SMITH of Mississippi. Mr. Chairman, I sympathize with the gentleman's position, but I should like some information as to how this would affect projects such as we have had before the committee, how it would affect the basic purpose of the Engineers to provide flood control—in other words, whether they would be barred from that.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ASPINALL] has expired.

Mr. ANDERSON of Montana. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Colorado [Mr. ASPINALL] and urge my colleagues to support his amendment.

I am greatly concerned that section 285 as it is now written constitutes a threat to western water rights.

Water law in the arid and semiarid West differs in many ways from English common law and from water law in the humid regions of our country.

In the irrigated areas of the West there is nothing more valuable to an irrigation farmer than his water rights. The entire economy of the irrigated West is dependent upon water rights which have been acquired under State water laws. The validity of these water rights and the integrity of Western

States water laws should be upheld by passage of the Aspinall amendment.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask my distinguished friend from Colorado if he will respond to a question or two regarding this. There is a pretty serious concern on the part of some people who have examined the language which the gentleman has just presented to the House as to the possibility that it might involve imposition of some additional restriction or some slowdown on activities of the Army Engineers not only west of the 98th meridian but east of it as well. I just wanted the gentleman to know that there is very great reluctance on the part of this member of the committee to go along with that language if it does place that kind of restriction on the Army Engineers.

Mr. ASPINALL. It is not my intention to slow down or embarrass any activity of the Corps of Army Engineers. Section (c) as the amendment proposes has placed a limitation, there is no question about that, but this bill goes out ahead of any legislation that we have up to the present time. I think that the limitation of 10 years is a satisfactory limitation for interest-free money to be used in the construction of any facilities of a project which is to be used for municipal, domestic, or industrial purposes.

Mr. EDMONDSON. I believe I understood the gentleman to say there is not any intent on his part to restrict or embarrass the Bureau of Reclamation; or did the gentleman say it is not his intention to do that with regard to the Army Engineers?

Mr. ASPINALL. The gentleman is correct. After all, this is a Corps of Army Engineers' bill, and that is what I meant to say. I state it right now. It is applicable to the Army Engineers' program.

Mr. EDMONDSON. In the event the gentleman's language should be adopted, and I have some very grave reservations personally as to the effect of it on the Engineers' programs, I hope the gentleman will understand it will be subject to considerable discussion in conference.

Mr. ASPINALL. The gentleman from Colorado understands that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The question was taken; and on a division (demanded by Mr. ASPINALL) there were—ayes 46, noes 51.

So the amendment was rejected.

Mr. BLATNIK. Mr. Chairman, may we have some indication from the other side of the aisle as to what time we can expect to terminate this debate?

Mr. WILSON of Indiana. Up to now no one has had an opportunity even to offer an amendment, except members of the committee. After all, there are 435 Members of the House. Up to now no one except members of the committee has had a chance to offer an amendment.

Mr. BLATNIK. We do not have that complaint on our side. There has been considerable repetition of amendments.

Mr. McGREGOR. I wonder if the gentleman would care to designate a time for closing debate on all amendments to the bill, say about 4:30?

Mr. MARTIN. Mr. Chairman, I think the membership of the House besides the members of the committee should have some opportunity to offer amendments and speak on them, if they so desire. That opportunity has not been given to them as yet.

Mr. BLATNIK. Mr. Chairman, can we agree on limiting debate to 4:30 p. m.?

Mr. MARTIN. Mr. Chairman, I cannot agree on that limitation of time. Here is a gentleman who has been trying all afternoon to speak for 5 minutes and he has not been able to do so yet.

Mr. BLATNIK. I am just trying to see if it is not possible to give us some assurance that there will not be a continuation of this repetition of speeches on matters that have already been previously considered.

Mr. MARTIN. Mr. Chairman, I demand the regular order and I believe we are proceeding in the regular order to transact business as usual.

The CHAIRMAN. Does the gentleman from Minnesota desire to propound a unanimous consent request?

Mr. BLATNIK. Not at this time, Mr. Chairman.

Mr. TEWES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEWES: On page 57, immediately after line 22, insert the following:

"SEC. 211. For the purpose of disapproval by the President, each paragraph of each of the preceding sections, shall be considered a bill within the meaning of article I, section 7, of the Constitution of the United States, and each such paragraph which is disapproved shall not become law unless repassed in accordance with the provisions of section 7, article I, of the Constitution relating to the repassage of a bill disapproved by the President."

And renumber the following section accordingly.

Mr. SMITH of Mississippi. Mr. Chairman, I make a point of order against the amendment on the ground that such language is entirely out of order on any type of legislation. We do not have a provision in our Constitution for an item veto.

Mr. TEWES. Mr. Chairman, I do not think that constitutional provisions are involved.

The CHAIRMAN (Mr. SMITH of Virginia). The Chair is ready to rule. The Chair does not pass upon constitutional questions. The amendment seems to be pertinent to the bill and relates to the bill. Therefore, the Chair overrules the point of order.

Mr. TEWES. I thank the Chairman.

The CHAIRMAN. The gentleman from Wisconsin [Mr. TEWES] is recognized in support of his amendment.

Mr. TEWES. Mr. Chairman, as has been indicated by the point of order, the import of my amendment is clear. It would authorize the President to veto this measure item by item. This obviously strikes at the heart of the discussion that has been swirling around us here for the last 2 days and which resulted a short time ago in our eminent Speaker expressing his viewpoints on the powers of the Congress as against those of the President. I think, however, that everyone here is well conscious of the fact, on the basis of debate that we have had to this point, that there are unique and distinctive pressures exerted on the Members of Congress in legislation of this sort. Certainly no harm can come from making it possible for the President of the United States to examine these projects item by item. Furthermore, if my amendment should be enacted and the President should exercise a partial veto, Congress will still have the opportunity to override the veto. I want to say that while I am well aware of the rights and prerogatives of the legislative branch of the Government, I believe the public would like to see the President have the opportunity I have suggested. On numerous occasions I have said publicly that I favor the item veto provision for the President, and I have received nothing but unanimous acceptance of that proposal.

Before I conclude I may just as well meet now one of the inquiries which will inevitably be made. Someone will possibly suggest that I am but a bystander and having no interest in the legislation, can make this proposal easily. There is in this measure a paragraph providing $300,000 for a project which is important to my District and to the people of Wisconsin. Nonetheless, I believe that my project along with the rest of the projects contained in this bill should be subject to the critical examination in the interest of the entire Nation which the President can give it. I hope my amendment will be adopted.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. TEWES. I yield.

Mr. GRIFFIN. I wish to strongly endorse the amendment offered by the gentleman from Wisconsin [Mr. TEWES]. Those who believe that a public works bill should be passed can insure enactment by adopting this amendment. The item veto is a recommendation of the Hoover Commission. It would permit the President to eliminate those pork-barrel projects which make this a bad bill.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with full respect for the intent and the merits of the amendment, I say this for the consideration of the Committee: It is obvious to all Members that this innovation is something completely new. It is a matter which would require nothing but the most careful scrutiny and study after thorough hearings by a committee. I urge that the amendment be rejected and that the gentleman draw up proper legislation which will be referred to the committee for whatever proper procedure may be required.

Mr. ALGER. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ALGER. Mr. Chairman, inasmuch as earlier today I spoke against a Texas project, lest I be misunderstood by those

who, whether they intend to or not, do misunderstand, I want to make something perfectly plain. I am opposed to projects that are hastily conceived, wasteful or politically contrived to evade accepted Congressional procedures.

I recognize as a former member of this committee, that there are something like $8 billion worth of projects backlogged, some 20 years' supply at the current going rate of appropriation, and that this is an authorization bill, not an appropriation bill. So I even wonder at times if we are serious in these deliberations, in view of the world situation today.

It was not so long ago that the Russians put up the sputnik, and Americans agreed that, "We are going to tighten our belts, roll up our sleeves," and build an even stronger defense. The President in his state of the Union message asked Congress to provide the necessary money because the American people are willing to take up the slack in some of the other projects. Then I remember only last year our concern over the big budget. Members on both sides said we must effect economies. Today I say some of these projects can be eliminated, some can be trimmed, and new ones could be postponed. The Texas project, the La Quinta Channel, as the minority report states on page 72 sets a bad precedent and is not entirely warranted according to these facts. Many of these other projects could be delayed, even the best projects, while we put additional money into the satellite program, into missiles, and new defense measures to preserve the United States as the world leader.

I just came back from Cape Canaveral where I had the privilege of seeing some of these missiles, and I know it is taking hundreds of millions of additional dollars that we have not planned in the budget. You and I know that expenditures beyond income means deficit financing. That means not a tax cut but the sorriest tax increase of all, that of inflation, destroying the value of our money, and hurting those who have saved a few dollars. It is too costly a tax. I believe at this time we should cut Government expenditures thus permitting a tax cut without cheapening the dollar. This is the way to help our people. I believe the President will use the item veto with discretion and eliminate those projects which have not qualified according to Congress own agreed upon procedures of securing reports from Engineers, Budget and Interior.

Our world situation today demands frugality and self-discipline on our part if we are to provide the greatly increased military sums. We cannot blindly spend more in every program. A strong economy is a strong defense, and vice versa. A currency declining in value through inflation is the road to ruin—and loss of freedom. We should consider first a balanced budget and then within this framework, select the most worthy public works. Further, we should follow the public works procedures now embodied in the law or change the procedures by law.

I want to commend the able gentleman from Wisconsin for his introducing the item veto. The duly approved projects should not lose out, as they most surely would under a blanket veto. I urge the approval of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. TEWES].

The question was taken, and on a division (demanded by Mr. TEWES) there were—ayes 69, noes 124.

So the amendment was rejected.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. BLATNIK: On page 37, line 2, change the period to a colon and add the following proviso: *"Provided*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute in cash or equivalent work a percentage of the cost of Carlyle Reservoir and Levee Districts 3, 4, 8, 10 and 13, calculated on the same basis as cost sharing for the other projects recommended in the report of the Chief of Engineers."

Mr. SCHERER. Mr. Chairman, my amendment applies to the Shelbyville project on the Kaskaskia River in Illinois.

I point out that the Shelbyville project was one of the projects to which the minority objected because there was not enough information available as to the costs which the local interests were to pay. Since the minority acted in this matter that information has been obtained and its objections have been withdrawn to this particular project except that my amendment has been suggested. It has been suggested by the minority, it has been suggested by the Army Engineers and the Bureau of the Budget. It is an amendment in which I feel everyone should concur in.

Briefly, it is this: The Shelbyville project is in the committee bill. It will be built in cooperation with the Carlyle project, a dam and reservoir that was authorized 20 years ago.

Twenty years ago there was little or no sharing of costs by local communities. Since the proposed Shelbyville project requires such participation on the basis of present formulas and present policies, the Engineers and the Bureau of the Budget recommend that all of the local communities served by both the Shelbyville Dam and the Carlyle Dam pay on an equal basis and on the same formula. That is the only purpose of this amendment. I think it should be adopted. The gentleman who represents the Shelbyville District, I understand, objects to it but it does not affect him.

Mr. MACK of Illinois. Mr. Chairman, will the gentleman yield, inasmuch as he referred to me?

Mr. SCHERER. I yield to the gentleman from Illinois.

Mr. MACK of Illinois. Is it not true that the Shelbyville project has been included and that the gentleman's amendment does not affect this Shelbyville project in any way, shape, or form?

Mr. SCHERER. That is right; it does not affect the gentleman's project in any way, shape, or form.

Mr. MACK of Illinois. The Shelbyville project has always been in. What the gentleman's amendment will do is to try to collect more cost benefits in the Carlyle area?

Mr. SCHERER. Yes, because these two projects now have been united by the Army Engineers and will be developed and be built at approximately the same time. If my amendment is not adopted your people will pay a great deal more—your local communities will pay a great deal more, than the people who are served in the Carlyle area for the reasons I have stated.

Mr. MACK of Illinois. What the gentleman is trying to do is to charge the people in the Carlyle area about $7 million more to get their project built in that area?

Mr. SCHERER. That is right.

Mr. MACK of Illinois. That is a project that was authorized in 1938 like any other project?

Mr. SCHERER. But it has not been built.

Mr. MACK of Illinois. I cannot understand why you should be trying to get in an amendment of this nature that would charge the people in that particular area so much more money.

Mr. SCHERER. Your people that you represent in that area would certainly object if the people in the next district were not required to pay as much as your people for local benefits. I have no personal interest in this. The Army Engineers suggested the amendment and to me it seems sound, fair, and equitable and I submit it for the Committee's consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SCHERER].

The amendment was rejected.

Mr. BYRNE of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNE of Illinois to the amendment offered by Mr. BLATNIK: On page 29, line 17, change the colon to a period and strike out the remainder of the paragraph.

Mr. BYRNE of Illinois. Mr. Chairman, this amendment has to do with the Hendry County, Fla., project and provides that local interests share in the cost of the project according to the recommendations of the Chief of Engineers. The majority of the committee has modified the recommendation of the Chief of Engineers on this project by reducing the amount of local cooperation by an undetermined amount. The estimated cost figure is $3,172,000 as contained in the bill. Under these circumstances the minority concurs in the recommendations of the Bureau of the Budget and the Chief of Engineers and is opposed to inclusion of this item in the bill.

Mr. Chairman, I am new to the legislative end of our Government, but I have had considerable experience in the courts. In the courts, and I assume in the legislative body, we give consideration to expert testimony. I refer to that dedicated group called the Corps of Engineers. I also include the Bureau of

the Budget. We heard nothing to contradict the testimony of those experts and I respectfully suggest that they be given consideration.

At this stage it seems to me that we are in the eighth inning of a ball game and it is about time we get a base hit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BYRNE].

The amendment was rejected.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. BLATNIK: On page 38, line 15, change the period at the end of the line to a colon and add the following proviso: "*Provided*, That with respect to any power attributable to any dam in such plan to be constructed by the Corps of Engineers, the construction of which has not been started, an equitable proportion of such power as may be determined by the Secretary of Interior, or such portions thereof as may be required from time to time to meet loads under contract made within this reservation, shall be made available for use in the State where such dam is constructed."

Mr. SCHERER. Mr. Chairman, I think maybe this is an amendment that the committee might want to listen to, because it was included in the Senate bill on two occasions.

It involves the allocation of power that will be generated by the Big Bend Dam when it is constructed. The Big Bend Dam is located in South Dakota, Under the basic law as it now is and has been administered, the power from that dam will be allocated chiefly and principally to preference customers. As I said, this dam is located in South Dakota. Now, it so happens in this particular instance that South Dakota has practically no preference customers. It adjoins the State of Nebraska, which is a public power State and which has all preference customers. So, the power generated by this dam, if we do not adopt this amendment which was in the bill in the Senate, will be allocated by the Secretary of the Interior to the preference customers in Nebraska. We will be using the natural resources of the State of South Dakota, and the evidence indicates that South Dakota, which needs this power and wants this power, will be allocated to the preference customers of the State of Nebraska.

Now, all this amendment does is to say that the Secretary of the Interior, who under the law has the right to allocate power in these instances, shall allocate or have the right to allocate a fair share of this power to the consumers in the State of South Dakota. As I say, when H. R. 12080 passed this House the last time and was sent to the Senate, the Senate added this amendment which I propose. The Senate in its report at that time said: "The committee considers it equitable that the State in which such power is generated should receive a fair share of the power so generated." When H. R. 12080 went to conference, the managers on the part of the House agreed to this amendment and the House subsequently approved that amendment in H. R. 12080 when it adopted the conference report. Of course, as we all know, that bill was vetoed.

Now, this year, as the Senate bill comes to the House, that same amendment is included, and the Senate committee in its report says the same thing this year as it said last year. The majority of our committee, however, saw fit to strike this language from the bill that is now before you, and all I am trying to do is to put that language which the Senate included in both bills and which the House agreed to in conference last year back in the bill.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Are you not afraid that if we put that language in the bill the President might veto it?

Mr. SCHERER. I know the gentleman is being facetious.

Mr. McGOVERN. Mr. Chairman, I do not know what motivates the unusual concern of the gentleman from Ohio [Mr. SCHERER] about developments in South Dakota. But I do not believe his suggestion would solve the need for more electric power in my State.

What the gentleman is suggesting, in effect, is a repeal of the long-standing Federal power-preference clause under which river-basin developments such as our great Missouri River projects have been executed.

I am convinced that the surest way to kill the building of Big Bend Dam would be to follow the suggestion of the gentleman from Ohio. It is doubtful if the appropriate committees of Congress or the administration would approve of this unusual procedure. If it were to pass the Congress, it could very easily jeopardize future appropriations for the entire Big Bend project.

This is the kind of far-reaching proposal that should be very carefully scrutinized to determine whether its practical results would benefit or hinder the expansion of power resources for the State of South Dakota.

Mr. PERKINS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Chairman, I am glad to have supported S. 497 with the provision providing for inclusion of storage for low-flow augmentation in flood control and navigation projects. The Mack substitute does not contain the low-flow benefits as provided in S. 497. It is a matter of common knowledge that the low-flow benefits will relieve pollution, benefit fish and wildlife, contribute greatly to navigation, and provide more adequate water supplies for both domestic and industrial uses. We also know that industrial development has been retarded in many areas where it could have been prevented if the Congress had heretofore enacted low-flow legislation. The benefits of such low-flow legislation are so general and widespread that they cannot justifiably be charged to any particular locality or group. The Congress has long since recognized that flood control reservoirs which benefit wide areas downstream are properly provided as a Federal function without reimbursement. We know that water supply is becoming a national problem. Low-flow storage in major river systems is increasingly required to relieve developing water shortage.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the majority of the committee is very much opposed to this amendment. In all seriousness, we have been waiting a couple of hours to hear a good friend of ours, the gentleman from Indiana [Mr. WILSON], who served with us on the committee many, many years ago. We would like to have a vote, and we ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SCHERER].

The amendment was rejected.

Mr. WILSON of Indiana. Mr. Chairman, I offer three amendments.

Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Indiana to the amendment offered by Mr. BLATNIK:

Page 42, line 22, after the first comma insert "except that the entire cost be borne by the Federal Government."

Page 42, line 23, after "of" strike out "$4,359,000" and insert "$9,500,000."

Page 42, after line 23, add a new paragraph.

"The State of Indiana shall donate free and without charge all State owned lands within the reservoir area."

Mr. WILSON of Indiana. Mr. Chairman, I apologize to the Committee for taking this time at this late hour. I know the Members have grown weary.

However, I have had a combined total of 18 years of experience and served 6 years on the Flood Control Committee and 2 years as chairman of that subcommittee. And now I would like to offer an amendment to this bill and be heard on it.

I am not rehashing something that has been gone over. This is entirely new material. Every time a bill of this nature, a public-works bill or flood-control bill or rivers and harbors bill comes to this House, I look up and read the plaque on the wall above the Speaker's chair, a quotation from Daniel Webster about building up the great resources of this country. I think it would do all of us good to read that plaque and think in terms of what we can do to build up the resources of our own country.

The project I am suggesting is one with a high ratio of benefit to cost, almost 3 to 1. It involves only about $9,500,000.

I want to say to the Committee that in my experience here, this is the first time I have ever come before this body and asked for funds for a project of this nature. I can look over the House and

see many Members who were here when I was chairman of the Flood Control Subcommittee, whose projects I incorporated in our bills; the great Buffalo Bay project at Houston, Tex., for instance. I remember the author of the bill, Bill Morrell, and Mr. DAVIS and some of the other gentlemen who were on the subcommittee at that time. I know my good friend the gentleman from Arkansas [Mr. NORRELL] had some projects. I can remember projects in Iowa, projects in Pennsylvania, and in Illinois. And in all that time I did not ask for one dime myself. Now I am asking for help on a project that has a ratio of benefit to cost of almost 3 to 1. It is highly desirable and it is made especially desirable at this time because we have 5 big defense projects that have either closed out during the past 6 months or are closing out. The Crane Ammunition Depot is going on a very limited basis. The Goodyear bag plant has closed. The Indiana Ordnance Works has closed. The Jefferson Quartermaster Depot, which has been in operation 100 years is now closed. The Jefferson Proving Grounds in my District is going on part time. In all, we have better than 10,000 employees affected by these developments.

This project would be of much help to us. It is a very meritorious project and I wish the committee would go along with me and help me to get it initiated.

It has been made more important recently by virtue of the Public Service Co. of the State of Indiana ceasing operations of one of their power dams which has provided water for the city of Bedford. Since they have ceased operations and turned that over to the city of Bedford it is doubtful that the city will be able to maintain the dam, maintain that source of water supply. The Monroe reservoir project would be a great source of water supply for the city of Bedford for future needs, as well as the city of Bloomington, which is the home of the University of Indiana. This project has a benefit of more than $2 million a year. It is a $9 million project, but the downstream benefit in the Ohio River, in the Mississippi River, in the Wabash River, and the downstream White River amounts to more than $2 million a year.

I have been helping flood-control projects to protect the great Mississippi Basin and the Ohio Basin by levees and flood walls, but this is a real possibility of flood control because it is retention in upstream reservoirs and it is not flood diversion by directing floodwater into other areas.

I think we are going to get real flood prevention in the lower Mississippi once we adopt a lot of these smaller projects in the upper tributaries in the Mississippi and Ohio, where we can prevent those floods at their source and thereby make it less necessary to build flood walls to protect the dams downstream.

I hope this committee will adopt these three amendments that will make it possible for us to have this project once we get an appropriation, and thereby alleviate some of the unemployment and prevent some of the damage done by the floods in the lower river valleys and the tributaries.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we ask that the amendment be rejected. It is obvious from the explanation that it is a rather involved matter, and I would hope that the committee would have an opportunity to consider it.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. WILSON of Indiana. The reason I had not spoken to the committee about it before was that we had no notification of what was going to happen. We were going on the basis that the proving grounds were closing down the 1st day of June, and we did not know we were going to have limited employment. I would not want to come to the House and ask for a dollar unless we needed it. I would not ask for funds unless they were necessary, and this is a necessary project.

Mr. BLATNIK. Mr. Chairman, I urge that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The amendment was rejected.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming to the substitute amendment offered by Mr. BLATNIK: Page 49, line 24, add a new subsection (e) as follows:

"(e) The Secretary of the Army shall, as to any project in which storage for beneficial consumptive use is provided pursuant to subsections (b) and (c) of this section and which lies in any State wholly or partially west of the 98th meridian, impound water therein and release it therefrom (i) without interfering with any prior valid, subsisting vested right to the use of water, (ii) in accordance with the applicable laws of the State in which the storage is located relating to the appropriation of water for beneficial consumptive use, and (iii) in conformity with the applicable provisions of any interstate judicial decree or judgment or of any interstate compact to which the consent of Congress has been given."

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the chairman of the committee.

Mr. BLATNIK. Mr. Chairman, it is now 4:30 p. m. May we have at this time an indication from the other side as to whether there are any further amendments coming from the other side?

Mr. McGREGOR. I might say to the distinguished gentleman from Minnesota that the committee knows of no other amendments although I am not sure that there are no other amendments. I think it would be in order if the gentleman who is in charge of the bill would ask either by unanimous consent or move to close debate so that we may vote on this tonight.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that following the gentleman whose amendment is now pending before the Committee that all debate on the committee amendment, and all amendments thereto, close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Chairman, there has been considerable discussion this afternoon about this bill and whether or not we should give similar benefits to reclamation projects. This amendment does not go to that in any way, shape, or form. There is nothing here to give any better conditions to reclamation projects than are in the present law. I have tried to reduce this to a simple proposition. I cannot see that there should be any objection to it on the part of anyone. Historically, the Corps of Engineers projects have been for flood control and for navigation. Under this particular legislation in the section which my amendment would amend, there is added to those, that storage may be included for municipal or industrial water or for water for other beneficial community uses not only for the present but as they are anticipated in the future. In the West, we have somewhat different problems. Our problem is to store our water and use it and reuse it rather than so much to protect ourselves from floods and excesses of water. This would merely say within the 17 Western States involved that it would be up to the respective States to adjudicate the uses within that State that their own water will be put to; that is whether it should go for irrigational use or industrial use or domestic use or any other beneficial use. It would then provide that the Secretary of the Army must release that water only for the beneficial consumptive use in conformity with the State law. This is a States rights amendment. I do not see where it can do any harm to the bill. It protects the historic rights of these States to determine what uses the water within those States will be put and the priority of such use.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Would the gentleman agree that this will impose a restriction upon the Army Engineer projects in the West that they do not have existing against them?

Mr. THOMSON of Wyoming. Only insofar as the Army Engineers might come along and try to take water from one consumptive use and put it to another without the consent of the people of the State. I have tried to limit it so that it applies only to the new purposes that are put in this bill for the Army projects, and that is for future beneficial consumptive use.

Mr. EDMONDSON. Is the gentleman of the opinion that the Army Engineers have no storage for municipal or industrial purposes in the present reservoirs?

Mr. THOMSON of Wyoming. I think where they do have it now they have to comply with the State laws. This permits them to come in and not to store under an adjudicated right, under a contract, and so forth, but to store for the

needs that the Secretary of the Army anticipates in the future.

Mr. EDMONDSON. I think that is right and I would be very sorry to see any restriction placed on the very successful operations in some States of the Union that does not apply to other States of the Union.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. ROGERS of Colorado. Under the Flood Control Act of 1944 there is that restriction now on the Army Engineers as well as a restriction on the Bureau of Reclamation. So you are not spelling out any new law, but just making it specific so they can read it and understand it.

Mr. THOMSON of Wyoming. That is what I am trying to say. I thank the gentleman. It only makes definite that it apply to these projects.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. EDMONDSON. We have already adopted an amendment which states very specifically that the provisions of section 1 and section 8 of the Flood Control Act of 1944 shall not be modified by this legislation.

Mr. THOMSON of Wyoming. But, if the gentleman goes back to that act, you will find that that refers to projects authorized in that act.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. ROGERS of Colorado. The gentleman from Oklahoma says that we have now adopted section 1 and section 8 of the Flood Control Act of 1944 as an amendment to this bill. Does the gentleman interpret that to mean that the Army Engineers and the Bureau of Reclamation are now bound under this bill to conform to the State water laws west of the 98th meridian as provided in sections 1 and 8.

Mr. EDMONDSON. I interpret that language which we adopted by the amendment a little while ago to mean that the situation shall continue in the future exactly as it is today with regard to section 1 and section 8 of the Flood Control Act of 1944.

Mr. THOMSON of Wyoming. All this amendment would do would be to write it into the bill and remove the necessity of relying on any interpretation. I urge its adoption.

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. THOMSON] has expired.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

I would like to ask the committee in charge of this legislation if the amendment will materially affect the wording in the present Blatnik bill with regard to the question of charging local communities for benefits accruing from the construction of a flood control installation and trying to shoulder onto the people of that particular community some of the costs that would materialize on downstream, that are properly chargeable for the use of water to carry on navigation for instance in the Ohio Valley. Let us clarify that particular point. I can see no objection to a water board or an industry entering into an agreement with the Army Engineers for the payment of storage facilities for water. But, when you ask a local community to assume responsibility for the cost of a facility, or any part of it, that is going to furnish benefit downstream, will the gentleman advise how this will affect that?

Mr. JONES of Alabama. Under existing law there can be contractual obligation made by a municipality with the Corps of Engineers to construct reservoir capacity and then release it to the municipality once the project is authorized by the Congress of the United States.

Section 205, as at the present moment, will give the Corps of Engineers the right to increase reservoir capacity, to increase downstream flow, and for future use for municipalities and for industry. That is the whole purpose of section 205.

Mr. BAILEY. Then I am against the amendment and for the language in the Blatnik bill.

Mr. BOLAND. Mr. Chairman, I am against recommitting this bill to the Public Works Committee and will vote for passage because I believe these projects are justified. One project in particular, the authorization for the construction of the Littleville Reservoir on the Middle Branch of the Westfield River in Massachusetts, is vitally needed for the prosecution of the comprehensive flood-control plan for the Connecticut River Basin. I filed legislation for this authorization, H. R. 94, substantially in accordance with the plan set forth in the New England-New York Interagency Committee report of March 15, 1955. My bill authorized the Chief of Engineers to make such changes as he deems necessary in view of the hurricane floods of 1955.

Mr. Speaker, those disastrous hurricane floods of August and October 1955 caused millions of dollars in damage in New England. We just cannot afford to allow such a catastrophe to occur again. The Littleville Reservoir project, included in this omnibus bill, will cost approximately $5,430,000, and will afford great protection to the downstream communities of Westfield, West Springfield, and Agawam. The Westfield River empties into the Connecticut River at Agawam and West Springfield, across from the city of Springfield. The water from feeder tributaries, brooks and rivers can be impounded by the Littleville Reservoir and control the flow into the Westfield and Connecticut Rivers during flooding periods. I urge passage of this legislation.

Mr. BATES. Mr. Chairman, I had hoped that the Mack substitute would prevail and thus lessen the possibility of a Presidential veto. As you are aware, there were many questionable projects in the previous public-works bill and as a result, the construction of many meritorious projects was delayed.

I am particularly interested in completing the harbor project at Salem, Mass. Only last fall, I was aboard an oil tanker in that harbor that went aground due to inadequate depth in the channel. Salem is today enjoying a renaissance in shipping but it has been curtailed by the delay in this project.

In the early days of American shipping by sailing vessels, Salem enjoyed a large foreign trade principally with East India, China, and South America. With the increasing size of ocean vessels after the advent of steam power, its comparatively shallow harbor failed to fulfill the requirements of shipping with the result that the foreign trade was entirely lost and the coastwise trade greatly reduced.

The domestic and industrial fuel requirements of a large hinterland area, which for over 100 years had been supplied through the wharves of Salem, had, by the beginning of this century, been forced to depend upon more distant ports for its supplies.

New England being wholly dependent upon imported fuels, and with the increasing demands for coal in the Salem area, the Salem navigation channel depths were subsequently increased in the 1920's to 22 feet and a few years later to 25 feet, while extensive harbor improvements were constructed in order to make high-grade southern bituminous coal available to this industrial region at reasonable prices. By 1929 some 80 deep-water vessels discharged over 455,000 tons of coal at Salem for distribution to that general area.

Just as Salem lost its shipping to deeper draft ports in the 19th century, so again in the 20th century, when the 5,000-ton colliers gave way to ships carrying 11,500 tons and oil in T–2 tankers displaced much of the domestic anthracite coal requirements, Salem Harbor shipping declined by 1950 to a mere 207,000 tons of coal, plus about 49,000 tons of oil.

During the Korean war, Salem Harbor entered upon a period of vast expansion resulting from the general rearming of this country, accompanied by a decentralization of industry spurred on by Federal encouragement. A large, modern oil terminal and distribution point was constructed at Salem Harbor, coal storage and handling facilities there were improved, and a modern steam-electric generating station was erected near the coal terminal, all of which were keyed to the prospective improvement of the navigation facilities to a depth of 32 feet or more, in contrast with the old 25-foot depth which had since shoaled to 24 feet.

With the general slowdown of Federal civil works during the Korean war, local interests were obliged to widen and deepen both the approach channel and berth facilities in order to provide for the emergency handling of T–2 tankers and 11,500-ton colliers which with their drafts of about 30 feet were able to navigate this channel only under the twice daily high tide conditions of short duration.

Meanwhile, the shipment of coal through Salem Harbor has since expanded over threefold from the 207,000 tons in 1950 to about 639,000 tons in 1956; while the oil shipments, which barely existed in 1950, actually reached 4,061,000 barrels—676,000 tons—in 1956 for a total fuel traffic of 1,315,000, or

more than 5 times the shipments of just 7 years ago. Careful estimates for 1959 show a still further increase in fuel shipments of about 30 percent, for a yearly total of over 1,700,000 tons.

Over one-half of the fuel now handled through Salem Harbor is widely distributed by truck and rail to domestic, commercial, and industrial users throughout a large portion of northeastern and north central Massachusetts, and southern New Hampshire.

This phenomenal increase in shipment of fuels through Salem Harbor is of a very permanent nature as evidenced by the extensive onshore installations. To date the shipments have been handled by T–2 tankers and 11,500-ton colliers, but navigation hazards have mounted with this increased traffic by vessels that are oversized for the channel conditions, but undersized for the tonnages involved. As shown by the Division Engineer's Survey Report, the time delays while these ships are awaiting high tide conditions have become so large that they readily justify the cost of increasing the channel depth to 32 feet. Furthermore, the T–2 tankers and 11,500-ton colliers are relatively inefficient and are gradually disappearing from the seas through obsolescence and conversion to larger, more efficient vessels.

Supertankers are presently available for this service to Salem Harbor and the first self-unloading supercollier of 24,000-ton capacity, designed for operation between Norfolk and Salem Harbor, is under construction for Pocahontas Fuel Co. and scheduled for delivery in September 1958. Other such colliers are scheduled for future delivery.

The economies obtainable from the use of these modern vessels cannot be realized with the channel in its present condition. Supertankers cannot transit the channel except under fractional loading of the vessel, and the 24,000-ton collier can not reach its unloading position even under high tide conditions without extensive changes in channel alinement and the enlarging and deepening of both the turning basin and berth, all of which work should be accomplished simultaneously with the 32-foot Federal navigation project.

Federal expenditures at Salem Harbor date back to 1875, but to date the total of such expenditures is believed to be about $120,000, of which only about one-third has been applicable to the present ship channel through which the heavy fuel traffic is carried.

Legislatively, the resurvey of Salem Harbor was authorized by the Chief of Engineers on May 18, 1950, but progress on the study was slow because of lack of funds. Meanwhile on February 7, 1951, the division engineer issued a permit for improvements to the wharf facilities in Salem Harbor, and on March 2, 1951, he authorized the private dredging of a berth, turning basin, and short approach channel in order that the urgent demands for fuel could, at least partially, be met during the Korean war period when Federal civil works were yielding to the more urgent requirements of the war effort.

The division engineer submitted his Salem Harbor review of reports on April 20, 1956, in time for prompt approval by the Board of Engineers for River and Harbors and inclusion in the omnibus rivers and harbors bill, H. R. 12080, which was passed by both Houses of the 84th Congress, 2d session. The division engineer's report recommended the dredging of the Salem Harbor navigation channel to a depth of 32 feet at a Federal cost of $1,100,000, and pointed out that the total local expenditures, private and public, in connection with port developments directly related to deep-draft shipping, have amounted to $836,-000, and that local interests have furnished satisfactory evidence of their meeting the requirements of local cooperation in connection with the recommended 32-foot project, including an estimated 455,000 of local capital expenditures.

Unfortunately for Salem Harbor, the omnibus bill was vetoed by the President on August 10, 1956, althought assurance was promptly forthcoming from the Department of the Army that the President's action on the bill need cause no delay in starting the Salem Harbor project or the many other worthwhile projects in the bill H. R. 12080.

From a defense standpoint, Salem Harbor is well recommended. Its remoteness from target centers is such that the Office of Defense Mobilization issued in 1956 a certificate of necessity for the expansion of power facilities here as being necessary in the interest of national defense. This was preceded by firm recommendations by both the United States and the Massachusetts Department of Commerce since the facility would serve both the defense and defense-supporting facilities in eastern Massachusetts, and its location is such as to conform with the national dispersion program. No bridges or other hazards threaten the access to Salem Harbor.

The new omnibus rivers and harbors bill, S. 497, of the 85th Congress, was introduced on January 9, 1957. The Senate passed the omnibus bill on March 28, 1957, but Congress adjourned on August 30, 1957, without further action on this bill or on the separate Salem Harbor legislation.

The phenomenal increase in transportation at Salem Harbor during the past 7 years has so strained the navigation facilities that shipping has become hazardous and most inefficient. The intermediate sized vessels serving this port are forced to make the channel run during the short duration of the twice daily high tide conditions. Delays are extensive. The assured increases in Salem Harbor fuel requirements in the immediate future, combined with the necessary introduction of the larger ships, will greatly compound not only the inefficiencies, but also the hazards of the present navigation facilities.

Thus, it is imperative that the legislative bottleneck be broken and that the necessary Federal authorization, appropriation and construction of the 32-foot modification of the Salem Harbor navigation project be accomplished without further delays.

Mr. SHELLEY. Mr. Chairman, my purpose in rising to speak on this measure and to advocate its passage is because of my very deep concern with the trend in the American economy that is becoming clearer and clearer as every day passes. Let me state in the beginning that my confidence in this country remains at the highest. We will as a Nation, I am sure, face up to what is necessary regarding the current problem facing us all—the ever-increasing number of unemployed.

Just today, Mr. Chairman, the regular monthly joint announcement of the Departments of Labor and Commerce on the total number of unemployed in the country was released. This information indicates that as of the end of February of 1958 there was a frightening total of 5,173,000 individuals out of work. This is the highest figure reported in this regular bulletin in a 1-month period since August of 1941, and represents more than 6 percent of the total working force of the Nation. In fact, it is 6.7 percent, which is an increase of nine-tenths of 1 percent over the previous month. The figure, incidentally, is equal to almost twice the total population of the entire San Francisco Bay area.

Now, Mr. Chairman, all over the country we see spots of unemployment, which are growing larger right next to areas which are still in the boom of prosperity and the height of inflationary trends continues apace in these particular instances. This is a very paradoxical economic situation, one which is almost unheard of in modern times.

I was glad to support the recent introduction of resolutions on both sides of the Congress, which will indicate the urgency of the situation and the seriousness in which this picture is viewed by the majority of this Congress. These resolutions call for a speedup of military and civilian construction programs for which appropriations have been made.

These are steps in the right direction. But, we must go further than this. It is startling and thought-provoking to me to read in the newspapers that this Congress is considering "PWA projects." Mr. Chairman, I believe that these projects must proceed as quickly as possible.

We have before us today a bill which will place over $1 billion of Federal funds into the mainstream of the economy through public-works projects on rivers and harbors for navigation, flood control, and other purposes. This bill is necessary to help strengthen the economy today. Although it has been sometimes referred to as pork-barrel legislation, this is primarily a job-producing piece of legislation and will provide employment opportunities that are desperately needed.

This bill will act as a two-edged sword. It will, first, provide those very necessary dams, flood-control projects, water storage, and other necessary public-works developments. Secondly, it will give employment to thousands in the building and construction trades, and help forestall further increases in unemployment.

The American people recently heard the White House announcement that

March would mark the beginning of the upturn in jobs. Mr. Chairman, the figures cited here on the floor this afternoon do not exactly herald an upturn. I might also point out that regardless of statements by some of the administration leaders, this five-million plus who are out of work are not the seasonally unemployed. No, this is a hard recession and I pray to God that it is not the start of a hard depression.

I emphasize today to my colleagues, Members of the House, that we must pass this bill as reported to us by the Committee on Public Works. We must pass it by such an overwhelming vote that the Chief Executive cannot veto this measure.

This Congress, under the leadership of our distinguished Speaker and the able Senator from Texas, Mr. JOHNSON, can and will enact a program which will be a beacon of light to those 5 million who are desperately looking for work.

This administration appears to be following the belief of "too little and too late" established during that past and unlamented administration in the early part of 1930. We cannot let this happen again, Mr. Chairman. This Congress must assist by public works programs, tax adjustments, and other measures in stemming this ever increasing flow of unemployed.

Let us get down to the business of today and enact this legislation and speed it down to the White House.

Mr. ELLIOTT. Mr. Chairman, I sincerely urge the House to pass S. 497 as amended by the Blatnik amendment. It is a good bill. America has waited 4 long years now for a rivers and harbors and flood-control bill.

Unemployment is growing. The policies of the depression twins of hard money and high interest are being felt by a growing number of our fellow citizens. If these conditions continue for much longer it will be necessary that our country undertake widespread projects of public works in the battle against unemployment.

This bill is, of course, well justified on other grounds, but I did want to point out that when it is enacted into law it may be called upon to play a dual role against the galloping unemployment of our times.

Some say we already have a backlog of unbuilt projects. That is true, and I for one look forward to the day when we are able to build every single one of them.

In my area of the country in this backlog is the Tennessee-Tombigbee Waterway. It is a great project. It is needed. It is justified. It will constitute a most important and valuable addition to our Nation's inland waterway system. I look forward to the time it can be built.

One of the important projects in the bill now before us is the flood control project on 22 tributary streams of the Tombigbee River. This project has been before the Congress nearly 20 years. The late, great, Speaker William B. Bankhead who at that time represented the District that I am privileged to represent today was interested in this project.

Three of these 22 tributary streams drain a large portion of the 7th Congressional District of Alabama. These are the Buttahatchee, the Luxapallila, and the Sipsey Rivers.

The rainfall in this area is about 52 inches per year. The area is subjected to violent, flash rainstorms of 1 or 2 inches at a time. The area floods from 4 to 7 times per year.

The annual average damage done by floods along the Buttahatchee, the Luxapallila, and the Sipsey is $352,000.

The minority side of the committee is opposed to this project because, its members say, we who are to be benefited by this $20 million project should pay a greater share of the costs of the project.

The Corps of United States Engineers originally recommended that the local contribution for these projects be fixed at $6,338,000. That is the amount that minority members are insisting upon this afternoon. That is the amount they insisted upon yesterday. It is the amount they insisted upon in the committee. It is the amount that the President insisted upon in 1956 when he vetoed the bill containing this project.

But, Mr. Chairman, it is unrealistic to insist that the local areas to be benefited by this project raise $6,338,000. They cannot do it. If the Congress puts this requirement on them it just means that this much-needed project will go unbuilt. The floods in the area will continue to do their damage each year.

Mr. Chairman, just think of it: In the past 20 years the floods along the Buttahatchee, the Luxapallila and the Sipsey have done $7 million worth of damage. Some idea of the impact of these floods can be gained when we consider that Fayette County, Alabama, drained by the Sipsey and the Luxapallila, had a real-estate tax valuation of $9,636,000 in 1957. This information was furnished me this morning by Hon. A. A. Nichols, tax assessor.

The assessed real estate valuation of Lamar County, Alabama, drained by the Buttahatchee and the Luxapallila was $8,160,295 in 1957. This information was furnished me this morning by Hon. G. M. Boman, tax assessor.

The assessed real estate value of Pickens County, Ala., partially drained by the Sipsey River, was $5,735,220 in 1957.

I submit that these figures do not indicate that this area of Alabama can pay its pro rata share of the $6,338,000 local contribution which the minority members of the House Committee on Public Works are insisting on.

I want to be a bit more specific. Under the Corps of United States Engineers recommendation of $6,338,000 as local contributions to this $20 million project, Lamar County, Ala., would have $323,300 assessed against it; $297,100 of this would be for local contribution to the improvement of the Buttahatchee in Lamar County, $26,200 would be the local contribution toward improvement of the Luxapallila in Lamar County. Pickens County, Ala., would have to pay a local contribution toward the improvement of the Sipsey River in Pickens County of $276,900. Fayette County would be called upon for a local contribution of $1,013,400 for the improvement of the Sipsey River in Fayette County.

This area of Alabama cannot pay these amounts which total $1,613,000.

In 1956 Fayette County had a per capita income of $757; Lamar County, $717; Pickens County, $685. These figures just came to me by wire, in answer to my request, from the Bureau of Business Research of the University of Alabama. They are preliminary and heretofore unpublished.

The floods which I speak of are making this area of Alabama proportionately poorer. It cannot pay these high assessments.

Mr. Chairman, I want to take this opportunity to thank the House Committee for lowering the recommended assessments for local contributions by 75 percent from $6,338,000 to $1,585,000. It will be hard for the local interests to raise this money, but it is a much more realistic figure than the higher one.

Continued flood losses have reduced the ability of these counties to pay a large sum for construction of flood-control projects.

Mr. Chairman, I urge the House to pass this bill. I urge it to retain and approve the Tombigbee tributaries project just like it is contained in the Blatnik amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. THOMSON].

The amendment was rejected.

Mr. BLATNIK. Mr. Chairman, I have two technical amendments at the desk, simply to correct the date, which I offer at this time.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: On page 24, line 11, strike out "1957" and insert in lieu thereof "1958"; on page 57, line 22, strike out "1957" and insert in lieu thereof "1958."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. KLUCZYNSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KLUCZYNSKI. Mr. Chairman, if we pass Senate bill 497 and adopt the committee amendments today, and then bring about an acceleration of the road building program, together with construction of post offices and other much needed Federal buildings, and pass a tax-reduction bill for the low income tax groups, take off certain excise taxes and extend unemployment compensation, I am sure that it will restore confidence to the people and will encourage private industry to expand. Our economy is strong and can stand these expenditures. If this is done, and I sincerely hope it will, I am certain that this recession will end within the next 90 days.

It is my privilege to represent one of the largest manufacturing districts in the country and I make it a habit to speak to some manufacturers of my District every week and I can tell you

plainly they are all scared. I also have the largest district in the country of saving and loan associations. There are 58 in my District and I may say to you they are all doing well. People have the money but are afraid of another depression, as we had in the early 30's, and I don't blame them. All they need is confidence, encouragement, and we as Members of Congress can give it to them. Let us start right now. Let us adopt the committee amendments to Senate 497 and pass it today.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Chairman, S. 497—H. R. 11121—as amended, carries an authorization of $1,286,000 for construction of a flood control project at Chartiers Creek, which flows through the city of Washington and the township of Canton in my Congressional District. Washington is the seat of Washington County and is an important industrial and commercial center. The part of Canton Township adjacent to Washington in Chartiers Creek Valley is also an industrial area. Floods have occurred in this area since 1912, but from year to year the peak stages have increased in height. In August 1956 flood damage amounted to $6,243,000. The average annual direct flood damages for the area is estimated at about $60,200. The floods affect certain industrial plants, railroads, highways, sewer systems and some business establishments. A residential area of from 300 to 400 homes is practically isolated when the highway is flooded. Indirect flood damages occur from suspension of industrial and commercial activities. The secession of normal business operations brought about by these repeated floods are reflected over a considerable payroll period and produces a nonrecoverable economic loss to the community. The losses of wages and loss of production and sales cannot be compensated for at a later time.

In 1947 I introduced House Document No. 306 to have the Corps of Engineers make an investigation to determine the advisability of Federal assistance in alleviating the floods in Chartiers Creek area. A preliminary investigation was made. A further investigation was made in 1948. In 1950 the preliminary investigation report was submitted to the Board of Engineers for Rivers and Harbors. In 1951 a survey was authorized by the Chief of Engineers. In August 1956 the survey report was submitted by the district engineer to the Chief of Engineers. The report recommended a plan of channel improvement which would consist of widening and deepening the channel of Chartiers Creek, together with some realinement. The Corps of Engineers feels that this plan would provide a high degree of protection against floods and would be feasible and economically justified.

The project was approved by the Senate last year, but was taken from the House bill in July 1957 because the official report had not been submitted to Congress. Favorable reports have now been received from the Secretary of the Army, the Chief of Engineers and the Bureau of the Budget, and the reports have been transmitted to Congress in House Document No. 286.

Mr. Chairman, this is a very worthy project and is vitally needed in my District. It is essential to the preservation of life and the protection of property. I hope the amendment will pass.

The CHAIRMAN. The question is on the Blatnik amendment.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended by the Blatnik amendment.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committeee rose, and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill S. 497, authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, pursuant to House Resolution 490, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Mr. MARTIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN. As I understand, owing to the provisions of the rule it is impossible to get a separate vote on the amendment to the amendment.

The SPEAKER. The gentleman is correct.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. McGREGOR. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McGREGOR. I am Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McGREGOR moves that S. 497 as amended be recommitted to the Committee on Public Works with instructions to report the same back forthwith with the following amendment: Strike out all of the projects not approved by the Corps of Engineers according to law and insert in lieu of S. 497 as amended, the following: The provisions of H. R. 11121, as amended:

"TITLE I—RIVERS AND HARBORS

"SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

"Navigation

"Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

"Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

"East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

"Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

"New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

"Baltimore Harbor and Channels, Md.: House Document No. 86, 85th Congress, at an estimated cost of $28,161,000;

"Herring Creek, Md.: House Document No. 159, 84th Congress at an estimated cost of $110,000;

"Betterton Harbor, Md.: House Document No. 333, 84th Congress, at an estimated cost of $78,000;

"Delaware River anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

"Hull Creek, Va.: House Document No. 287, 85th Congress, at an estimated cost of $269,800;

"Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

"Intracoastal Waterway, Jacksonville to Miami, Fla.: House Document No. 222, 85th Congress, maintenance;

"Port Everglades Harbor, Fla.: House Document No. 346, 85th Congress, at an estimated cost of $6,683,000;

"Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

"Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

"Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

"Chefuncte River and Bogue Falia, La.: Senate Document No. 54, 85th Congress, at an estimated cost of $48,000;

"Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

"Galveston Harbor and Houston Ship Channel, Tex.: House Document No. 350, 85th Congress, at an estimated cost of $17,196,000;

"Matagorda Ship Channel, Port Lavaca, Tex., House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;

"Port Aransas-Corpus Christi Waterway, Tex.: Report of the Chief of Engineers dated February 10, 1958, at an estimated cost of $6,272,000;

"Port Aransas-Corpus Christi Waterway, Tex., La Quinta Channel: Future maintenance in accordance with Senate Document No. 33, 85th Congress: *Provided*, That local interests shall not be reimbursed for funds contributed for this improvement;

"Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of $317,000;

"Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts; House Document No. 135,

84th Congress, at the estimated cost of $2,476,000;

"Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of $246,000;

"Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of $62,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

"Mississippi River at Clinton, Iowa., Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of $241,000;

"Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of $147,000;

"Mississippi River between St. Louis, Mo., and lock and dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of $5,802,000;

"Mississippi River between the Missouri River and Minneapolis, Minn.; Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn., House Document No. 33, 85th Congress;

"Minnesota River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of $2,539,000: *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

"Vermillion Harbor, Ohio: House Document No. 231, 85th Congress, at an estimated cost of $474,000;

"Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of $66,000;

"Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

"Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of $393,500;

"Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of $66,000;

"Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of $1,760,000: *Provided*, That local interests shall contribute 43½ percent of the total cost of the project;

"St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

"Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of $101,500;

"Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000;

"Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of $859,000;

"Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of $1,865,000: *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

"Santa Cruz Harbor, Santa Cruz, Calif.: Report of the Chief of Engineers dated February 27, 1958, at an estimated cost of $1,612,000;

"Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of $19,800,000;

"Siuslaw River, Oreg.: House Document No. 204, 85th Congress, at an estimated cost of $1,693,100;

"Port Townsend Harbor, Wash.: House Document No. 418, 84th Congress, at an estimated cost of $387,000;

"Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of $83,700;

"Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of $1,394,000;

"Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $372,000;

"Naknek River, Alaska: House Document No. 390, 84th Congress, at an estimated cost of $19,000;

"Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of $5,199,200;

"San Juan Harbor, P. R.: House Document No. 38, 85th Congress, at an estimated cost of $6,476,800;

"Beach erosion

"State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of $12,000;

"Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of $229,000;

"Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of $2,724,000;

"Atlantic coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document No. 332, 85th Congress, at an estimated cost of $6,755,000;

"Delaware coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of $28,000;

"Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Fla.: House Document No. 342, 85th Congress, at an estimated cost of $222,500;

"Berrien County, Mich.: House Document No. 336, 85th Congress, at an estimated cost of $226,000;

"Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of $50,000;

"Fair Haven Beach State Park, N. Y.: House Document No. 134, 85th Congress, at an estimated cost of $114,000;

"Hamlin Beach State Park, N. Y.: House Document No. 138, 84th Congress, at an estimated cost of $404,000;

"Humboldt Bay, Calif.: House Document No. 282, 85th Congress, as an estimated cost of $38,200;

"Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of $516,000;

"San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of $289,000;

"Waimea Beach and Hanapepe Bay Island of Kauai, Territory of Hawaii: House Document No. 432, 84th Congress, at an estimated cost of $20,000.

"SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

"SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now under way of $1,350,000 annually for 5 years, of which 50 percent, presently estimated at $675,000, shall be borne by the United States and 50 percent presently estimated at $675,000, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 50 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

"SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

"SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across Saint George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction, in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

"SEC. 107. That the improvements of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided*, That such payment shall not exceed the sum of $44,000: *Provided further*, That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further*, That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the

recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

"SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided*, That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further*, That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within 2 years after the date of enactment of this act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further*, That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the Upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

"SEC. 109. The project for the Illinois Waterway and Grand Calumet River, Ill., and Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges in part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

"SEC. 110 (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of and appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

"(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons, or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

"(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

"(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through-navigation.

"(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

"(f) There is hereby authorized to be appropriated the sum of $2 million to carry out the provisions of this section.

"SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided*, That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

"SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

"Stave Island Harbor at South Goldsboro, Maine.

"Short Sands Section of York Beach, York County, Maine.

"Tashmoo Pond, Martha's Vineyard, Mass.

"Sachem's Head Harbor at Guilford, Conn.

"Poquonock River at Groton, Conn.

"Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

"Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

"Indian River Bay via Pepper's Creek to Dagsboro, Del.

"Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

"Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

"Currioman Bay, Va.

"Tabbs Creek, Lancaster County, Va.

"Wrights Creek, N. C.

"Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

"Little Gasparilla Pass, Charlotte County, Fla.

"Frenchman Creek, Fla.

"Trinity River, Tex.

"Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

"Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

"Small-boat channel from the port of Panacea, Fla., into Apalachee Bay, Fla.

"Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

"Tampa Bay, Fla., with a view to determining the feasibility of a fresh water lake at that location.

"Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

"Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Blountstown.

"Streams at and in the vicinity of Gulfport, Fla.

"Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, South Dakota-Nebraska.

"Channel from Port Inland, Mich., to deep water in Lake Michigan.

"Connecting channel between Namakan Lake and Ash River, Minn.

"Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

"Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

"SEC. 113. Title I may be cited as the 'River and Harbor Act of 1957.'

"TITLE II—FLOOD CONTROL

"SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

"SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law No. 534, 78th Cong., 2d sess.) shall govern with respect to projects authorized in this act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

"SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

"New Bedford, Fairhaven, and Acushnet, Mass.

"The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Mass., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 59, 85th Congress, at an estimated cost of $15,490,000.

"Narragansett Bay area, Rhode Island and Massachusetts

"The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 230, 85th Congress, at an estimated cost of $16,180,000.

"Connecticut River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24 million for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of $5,090,000.

"The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of $5,430,000.

"Housatonic River Basin

"The project for the flood-control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,960,000.

"The project for the flood-control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of $1,780,000.

"Hudson River Basin

"The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of $2,069,000: *Provided*, That the works at Rome, N. Y., shall not be constructed until a report showing economic justification has been completed by the Chief of Engineers.

"Pantego and Cucklers Creek, N. C.

"The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of $413,000.

"Savannah River Basin

"In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of $44.3 million.

"Central and southern Florida

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

"The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Fla., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of $3,172,000.

"Mobile River Basin

"(Tombigbee, Warrior, and Alabama-Coosa)

"The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document No. 167, 84th Congress, at an estimated cost of $14,445,400.

"The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 83, 85th Congress, at an estimated cost of $1.3 million.

"Lower Mississippi River

"The project for flood control and improvement of the lower Mississippi River adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

"(a) Modification of the White River backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated cost, over that now authorized, of $1,613,000: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Ark., such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project: *Provided further*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 31.2 percent of the cost of the project in cash or equivalent work, and to operate and maintain the pumping plant after completion.

"(b) Modification and extension of plans of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Ark., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of $631,000: *Provided*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute 48 percent of the cost of providing major drainage in cash or equivalent work, to furnish without cost to the United States all lands, easements, and rights-of-way necessary for construction of the project, and to hold and save the United States free from damages due to the construction works.

"(c) In addition to the previous authorization, the sum of $28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

"(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin approved in the act of May 17, 1950.

"(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of $1,932,000.

"(f) The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of $547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

"Red-Ouachita River Basin

"The general plan for flood control on Red River, Tex., Okla., Ark., and La., below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and alternate reservoirs, Little River, Okla. and Ark.

"Gulf of Mexico

"The project for hurricane-flood protection on Galveston Bay, Tex., at and in the vicinity of Texas City, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 85th Congress, at an estimated cost of $6,166,000.

"Arkansas River Basin

"The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of $16,628,000.

"The first section of the act entitled 'An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma,' approved July 6, 1954 (68 Stat. 450), is amended by inserting after 'as recommended by the Chief of Engineers,' the following: 'or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers.'

"White River Basin

"In addition to previous authorizations, there is hereby authorized the sum of $45 million for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress.

"Pecos River Basin

"The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of $1,792,000.

"Rio Grande Basin

"The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of $3,103,000.

"Upper Mississippi River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21 million for the prosecution of the comprehensive plan for the upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

"The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of $6,996,000.

"The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 52, 84th Congress, at an estimated cost of $6,690,000.

"The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress at an estimated cost of $1,620,000.

"The projects for flood protection on the Mississippi River at St. Paul and South St. Paul, Minn., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 223, 85th Congress, at an estimated cost of $5,705,500.

"The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress at an estimated cost of $1,870,000.

"The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of $40 million: *Provided*, That local interests contribute in cash 10 percent of the cost of the project in recognition of the water supply benefits of the project.

"The project for the Kaskaskia River, Ill., is hereby authorized substantially as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of $23 million: *Provided*, That, in addition to the requirements for local cooperation recommended in the report of the Chief of Engineers, local interests agree to contribute in cash or equivalent work a percentage of the cost of Carlyle Reservoir and Levee Districts 3, 4, 8, 10, and 13, calculated on the same basis as cost sharing for the other projects recommended in the report of the Chief of Engineers.

"The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers, in House Document No. 431, 84th Congress, at an estimated cost of $796,000.

"Great Lakes Basin

"The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of $917,000.

"The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of $5,358,000.

"The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of $9,825,000.

"The project for flood protection on the Saginaw River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of $16,085,000.

"The project for flood protection on Oswasco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of $305,000.

"Missouri River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent acts of Congress: *Provided*, That with respect to any power attributable to any dam in such plan to be constructed by the Corps of Engineers, the construction of which has not been started, an equitable proportion of such power as may be determined by the Secretary of Interior, or such portions thereof as may be required from time to time to meet loads under contract made within this reservation, shall be made available for use in the State where such dam is constructed.

"The project for flood protection on the Sun River, at Great Falls, Mont., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 343, 85th Congress, at an estimated cost of $1,405,000.

"The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of $434,000.

"The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of $8,060,000.

"The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of $850,000.

"The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of $1,214,000.

"The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of $13,314,000.

"The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of $2,025,000.

"Red River of the North Basin

"The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of $632,000.

"Ohio River Basin

"The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of $5,272,000.

"The project for the upper Wabash River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of $45,500,000.

"The project for flood protection on Brush Creek at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 122, 84th Congress, at an estimated cost of $917,000.

"The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of $708,000.

"The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. J., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of $4,796,000.

"The project for flood protection on the west branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, at an estimated cost of $12,585,000.

"The project for flood protection on Chartiers Creek, at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 286, 85th Congress, at an estimated cost of $1,286,000.

"The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of $1,188,000.

"The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Ind., in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of $4,359,000.

"Sacramento River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

"The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of $1,560,000.

"Eel River Basin

"The project for flood protection on the Eel River in the Sandy Prairie region, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of $707,000.

"Weber River Basin, Utah

"The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of $520,000.

"San Joaquin River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $13 million, for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

"Kaweah and Tule River Basins

"In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of $28 million.

"Los Angeles River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress.

"Santa Ana River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress.

"San Dieguito River Basin

"The project for the San Dieguito River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 288, 85th Congress, at an estimated cost of $1,961,000.

"Columbia River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112 million, for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

"In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood-control goals not less than those contained in said House Document No. 531.

"Sammamish River Basin

"The projects for flood protection and related purposes on the Sammamish River, Wash., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of $825,000.

"Territory of Alaska

"The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of $9,727,000.

"The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of $60,000.

"SEC. 204. That, in recognition of the flood-control accomplishments of the multipurpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken within 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

"SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance and operation of Federal navigation, flood control or multiple-purpose projects.

"(b) In carrying out any authorized navigation or flood control survey, or review investigation, involving improvements which may be useful in developing water supplies, the Corps of Engineers shall consult with the State or States affected and the United States Public Health Service, Department of Health, Education, and Welfare, with a view to including in the reports thereon submitted to Congress, plans for the development of water supplies for domestic, municipal, industrial, and other purposes, and such reports shall include the views and recommendations of the States and the United States Public Health Service on the plans for water supply. Features for providing water-supply storage capacity, facilities, or services may be included in any navigation, flood control, or multiple-purpose project recommended for construction by the Corps of Engineers, subject to the following provisions of this section.

"(c) Before construction of any project including water-supply provisions is completed, State or local interests shall agree to pay the costs allocated to water supply. Such costs shall be determined by the Chief of Engineers in such manner that all authorized purposes served by the project shall share equitably in the benefits of multiple-purpose construction. The schedule of payments by States or local interests of such costs may provide either for paying the share of the construction expenditures during construction of the project, plus annual payments for operation, maintenance, and replacement costs as incurred; or for equal annual payments for the construction costs, and interest on the unpaid balance, plus annual payments for operation, maintenance, and replacement costs as incurred: *Provided*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for 15 years from date of issue.

"(d) The plans for any authorized navigation, flood control, or multiple purpose project on which construction has not been initiated, or any existing project, may be modified or its operation changed by the Secretary of the Army to provide additional storage capacity, facilities, or services for water supply as he considers reasonable: *Provided*, That before construction is completed, or in the case of projects under construction or completed, before changes for the benefit of water supply are made in the project, or before operation, is modified in the interest of water supply, State or local interests shall agree to pay the costs allocated thereto as provided in subsection c of this section: *Provided further*, That such modifications which would seriously affect the purposes for which the project was authorized or constructed or which involve major structural or operational changes shall be made only upon the specific authority of Congress.

"(e) The plans for any authorized navigation flood control or multiple purpose project on which construction has not been initiated may be modified to include provisions for future water supply when directed by resolution by the Public Works Committee of the Senate or of the House of Representatives, or when approved by the Secretary of the Army upon recommendation of the Chief of Engineers: *Provided*, That the cost of such provisions for future water supply shall not be more than 30 percent of the total estimated cost of the project and reasonable assurance is given by States or local interests that the use of the future water supply provided for will begin within not more than 10 years after the time the project is first available for the storage of water for water supply purposes, and that necessary water rights for such use have been or can be obtained: *Provided further*, That States or local interests indicate a willingness to pay for such water supply in accordance with subsection c above, beginning when the water supply is used, and costs allocated to water supply shall be repaid within the economic life of the project, but not to exceed 50 years after the time the project is first available for the storage of water for water supply purposes: *And provided further*, That in arriving at the costs to be repaid, the interest charges on the initial cost of provisions for future water supply during the period until the water supply storage is used will not be included, but in no case will the interest-free period exceed 10 years.

"(f) Responsibility for complying with any applicable State law relating to water supply or water use shall rest with the State or local interests contracting to pay the costs allocated to water supply or utilizing the water supply services.

"(g) That part of the second proviso of the first paragraph of section 5 of the Flood Control Act of June 22, 1936, as amended (33 U. S. C. 701h), pertaining to modification of reservoir projects is hereby repealed, except as to contracts and agreements in force at the date of this act.

"SEC. 206. (a) In order to provide adjustments in the lands or interests in lands heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

"(1) No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

"(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

"(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to revestment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

"(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

"(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

"(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

"(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

"(f) As used in this section the term 'former owner' means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term 'present record owner of land' shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

"(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer of employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

"(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

"(i) This section shall terminate 3 years after the date of its enactment.

"SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

"Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Pascaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

"Deep Creek, St. Marys County, Md.

"Mills Creek, Fla.

"Streams in Seminole County, Fla., draining into the St. Johns River.

"Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

"Lake Pontchartrain, La., in the interest of protecting Salt Bayou Road.

"San Felipi Creek, Tex., at and in the vicinity of Del Rio, Tex.

"El Paso, El Paso County, Tex.

"Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

"Missouri River Basin, S. Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

"Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

"Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

"Bird, Caney, and Verdigris Rivers, Okla. and Kans.

"Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill. and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

"All streams flowing into Lake St. Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

"Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

"Pescadero Creek, Calif.

"Soquel Creek, Calif.

"San Gregorio Creek and tributaries, California.

"Redwood Creek, San Mateo, Calif.

"Streams at and in the vicinity of San Mateo, Calif.

"Streams at and in the vicinity of South San Francisco, Calif.

"Streams at and in the vicinity of Burlingame, Calif.

"Kellogg and Marsh Creeks, Contra Costa County, Calif.

"Eastkoot Creek, Stinson Beach area, Marin County, Calif.

"Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

"Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

"Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

"Kihei District, Island of Maui, T. H.

"SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public No. 534, 78th Cong.), as amended and supplemented by subsequent acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

"SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood-control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

"SEC. 210. Title II may be cited as the Flood Control Act of 1957."

Mr. McGREGOR (interrupting the reading). Mr. Speaker, owing to the fact that the motion to recommit includes the so-called Mack amendment which has been under consideration for quite some time, I ask unanimous consent that the motion to recommit be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. DAVIS of Tennessee. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 167, nays 234, not voting 30, as follows:

[Roll No. 20]

YEAS—167

Adair	Bates	Brownson
Alger	Beamer	Broyhill
Allen, Calif.	Becker	Budge
Allen, Ill.	Bennett, Mich.	Byrne, Ill.
Andersen, H. Carl	Bentley	Byrnes, Wis.
Arends	Berry	Canfield
Auchincloss	Betts	Carrigg
Avery	Bosch	Cederberg
Ayres	Bow	Chamberlain
Baker	Bray	Chiperfield
Bass, N. H.	Broomfield	Church
	Brown, Ohio	Clevenger
Collier	Jenkins	Prouty
Corbett	Jensen	Quie
Coudert	Johansen	Ray
Cramer	Jonas	Reece, Tenn.
Cretella	Judd	Rees, Kans.
Cunningham, Nebr.	Kean	Rhodes, Ariz.
	Kearney	Riehlman
Curtin	Keating	Robison, N. Y.
Curtis, Mass.	Kilburn	Sadlak
Curtis, Mo.	Knox	St. George
Dague	Krueger	Schenck
Dennison	Lafore	Scherer
Derounian	Laird	Schwengel
Devereux	Latham	Scrivner
Dorn, N. Y.	Lipscomb	Scudder
Dwyer	McCulloch	Seely-Brown
Fenton	McDonough	Sheehan
Ford	McGregor	Siler
Frelinghuysen	McIntire	Simpson, Pa.
Fulton	McIntosh	Smith, Calif.
George	McVey	Smith, Kans.
Glenn	Mack, Wash.	Springer
Griffin	Mailliard	Stauffer
Gross	Marshall	Taber
Gubser	Martin	Talle
Gwinn	Mason	Teague, Calif.
Hale	May	Tewes
Halleck	Meader	Thomson, Wyo.
Harden	Michel	Tollefson
Harrison, Nebr.	Miller, Md.	Utt
Harvey	Miller, N. Y.	Van Pelt
Haskell	Minshall	Van Zandt
Henderson	Moore	Vorys
Heselton	Morano	Wainwright
Hess	Mumma	Westland
Hiestand	Neal	Wharton
Hill	Nimtz	Widnall
Hoeven	Norblad	Wigglesworth
Hoffman	O'Hara, Minn.	Wilson, Calif.
Holmes	O'Konski	Wilson, Ind.
Holt	Osmers	Withrow
Horan	Ostertag	Wolverton
Hosmer	Pelly	Younger
Hyde	Pillion	
Jackson	Poff	

NAYS—234

Abbitt	Diggs	Kelly, N. Y.
Abernethy	Dingell	Keogh
Addonizio	Dixon	Kilday
Albert	Dollinger	Kilgore
Alexander	Donohue	King
Anderson, Mont.	Dooley	Kirwan
	Dorn, S. C.	Kitchin
Andrews	Dowdy	Kluczynski
Anfuso	Doyle	Knutson
Ashley	Edmondson	Landrum
Ashmore	Elliott	Lane
Aspinall	Engle	Lankford
Bailey	Everett	LeCompte
Baldwin	Evins	Lennon
Barden	Fallon	Lesinski
Baring	Farbstein	Libonati
Barrett	Fascell	Long
Bass, Tenn.	Feighan	Loser
Baumhart	Fino	McCarthy
Beckworth	Fisher	McCormack
Belcher	Flood	McFall
Bennett, Fla.	Forand	McGovern
Blatnik	Forrester	McMillan
Blitch	Fountain	Macdonald
Boggs	Frazier	Machrowicz
Boland	Friedel	Mack, Ill.
Bolling	Garmatz	Madden
Bonner	Gary	Magnuson
Boyle	Gathings	Mahon
Breeding	Gavin	Matthews
Brooks, La.	Gray	Merrow
Brooks, Tex.	Green, Oreg.	Metcalf
Brown, Ga.	Gregory	Miller, Calif.
Brown, Mo.	Griffiths	Miller, Nebr.
Burleson	Hagen	Mills
Byrd	Haley	Mitchell
Byrne, Pa.	Harris	Montoya
Cannon	Harrison, Va.	Morgan
Carnahan	Hays, Ark.	Morris
Celler	Hays, Ohio	Morrison
Chelf	Healey	Moss
Chenoweth	Hébert	Moulder
Christopher	Hemphill	Multer
Clark	Herlong	Natcher
Coad	Holifield	Nicholson
Coffin	Holland	Norrell
Colmer	Holtzman	O'Brien, Ill.
Cooley	Huddleston	O'Brien, N. Y.
Cunningham, Iowa	Hull	O'Hara, Ill.
	Ikard	O'Neill
Davis, Ga.	Jarman	Passman
Davis, Tenn.	Jennings	Patman
Dawson, Ill.	Johnson	Patterson
Dawson, Utah	Jones, Ala.	Perkins
Delaney	Jones, Mo.	Pfost
Dellay	Karsten	Philbin
Dent	Kearns	Pilcher
Denton	Kee	Poage
Polk	Santangelo	Thornberry
Porter	Saund	Trimble
Powell	Saylor	Tuck
Preston	Scott, N. C.	Ullman
Price	Selden	Vanik
Rabaut	Shelley	Vinson
Reed	Sheppard	Walter
Reuss	Sikes	Watts
Rhodes, Pa.	Simpson, Ill.	Weaver
Riley	Siak	Whitener
Rivers	Smith, Miss.	Whitten
Robeson, Va.	Smith, Va.	Wier
Robsion, Ky.	Spence	Williams, Miss.
Rodino	Staggers	Willis
Rogers, Colo.	Sullivan	Winstead
Rogers, Fla.	Teague, Tex.	Wright
Rogers, Mass.	Teller	Yates
Rogers, Tex.	Thomas	Young
Rooney	Thompson, La.	Zablocki
Roosevelt	Thompson, N. J.	Zelenko
Rutherford	Thompson, Tex.	

NOT VOTING—30

Bolton	Fogarty	Rains
Boykin	Gordon	Roberts
Buckley	Granahan	Scott, Pa.
Burdick	Grant	Shuford
Bush	Green, Pa.	Sieminski
Dempsey	Hardy	Steed
Dies	Hillings	Taylor
Durham	James	Udall
Eberharter	Murray	Vursell
Flynt	Radwan	Williams, N. Y.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mrs. Bolton for, with Mr. Buckley against.

Mr. Radwan for, with Mr. Boykin against.

Mr. Taylor for, with Mr. Durham against.

Mr. James for, with Mr. Green of Pennsylvania, against.

Mr. Hillings for, with Mr. Fogarty against.

Mr. Williams of New York for, with Mr. Rains against.

Until further notice:

Mr. Vursell with Mr. Dies.

Mr. Scott of Pennsylvania with Mrs. Granahan.

Mr. Bush with Mr. Grant.

Mr. Burdick with Mr. Steed.

Mr. O'NEILL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. BLATNIK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 321, nays 81, not voting 29, as follows:

[Roll No. 21]

YEAS—321

Abernethy	Belcher	Celler
Addonizio	Bennett, Fla.	Chamberlain
Albert	Bennett, Mich.	Chelf
Alexander	Bentley	Chenoweth
Allen, Calif.	Berry	Chiperfield
Allen, Ill.	Blatnik	Christopher
Andersen H. Carl	Blitch	Church
	Boggs	Clark
Anderson, Mont.	Boland	Coad
	Bolling	Coffin
Andrews	Bonner	Colmer
Anfuso	Boyle	Cooley
Ashley	Bray	Corbett
Ashmore	Brooks, La.	Cretella
Aspinall	Brooks, Tex.	Cunningham, Iowa
Auchincloss	Brown, Ga.	
Avery	Brown, Mo.	Curtin
Bailey	Broyhill	Davis, Ga.
Baker	Burleson	Davis, Tenn.
Baldwin	Bush	Dawson, Ill.
Barden	Byrd	Dawson, Utah
Baring	Byrne, Ill.	Delaney
Barrett	Byrne, Pa.	Dellay
Bass, Tenn.	Canfield	Dennison
Bates	Cannon	Dent
Baumhart	Carnahan	Denton
Beamer	Carrigg	Devereux
Beckworth	Cederberg	Diggs

Dingell	Keogh	Preston
Dixon	Kilday	Price
Dollinger	Kilgore	Prouty
Donohue	King	Quie
Dooley	Kirwan	Rabaut
Dorn, N. Y.	Kitchin	Reece, Tenn.
Dorn, S. C.	Kluczynski	Reed
Dowdy	Knox	Reuss
Doyle	Knutson	Rhodes, Ariz.
Edmondson	Krueger	Rhodes, Pa.
Elliott	Landrum	Riley
Engle	Lane	Rivers
Everett	Lankford	Robeson, Va.
Evins	LeCompte	Robsion, Ky.
Fallon	Lennon	Rodino
Farbstein	Lesinski	Rogers, Colo.
Fascell	Libonati	Rogers, Fla.
Feighan	Long	Rogers, Mass.
Fenton	Loser	Rogers Tex.
Fino	McCarthy	Rooney
Fisher	McCormack	Roosevelt
Flood	McDonough	Rutherford
Forand	McFall	Sadlak
Ford	McGovern	Santangelo
Forrester	McIntire	Saund
Fountain	McIntosh	Saylor
Frazier	McMillan	Schwengel
Friedel	McVey	Scott, N. C.
Fulton	Macdonald	Scudder
Garmatz	Machrowicz	Seely-Brown
Gary	Mack, Ill.	Selden
Gathings	Mack, Wash.	Shelley
Gavin	Madden	Sheppard
George	Magnuson	Sikes
Glenn	Mahon	Siler
Gray	Mailliard	Simpson, Ill.
Green, Oreg.	Matthews	Sisk
Gregory	May	Smith, Miss.
Griffiths	Meader	Smith, Va.
Gubser	Merrow	Spence
Hagen	Metcalf	Springer
Hale	Miller, Calif.	Staggers
Haley	Miller, Md.	Stauffer
Harden	Miller, Nebr.	Sullivan
Harris	Mills	Talle
Harrison, Nebr.	Minshall	Teague, Tex.
Hays, Ark.	Mitchell	Teller
Hays, Ohio	Montoya	Thomas
Healey	Moore	Thompson, La.
Hébert	Morano	Thompson, N. J.
Hemphill	Morgan	Thompson, Tex.
Herlong	Morris	Thornberry
Heselton	Morrison	Tollefson
Hill	Moss	Trimble
Hoeven	Moulder	Ullman
Hoffman	Multer	Vanik
Holifield	Natcher	Van Pelt
Holland	Neal	Van Zandt
Holmes	Nicholson	Vinson
Holt	Norblad	Vursell
Holtzman	Norrell	Wainwright
Horan	O'Brien, Ill.	Walter
Hosmer	O'Brien, N. Y.	Watts
Huddleston	O'Hara, Ill.	Weaver
Hull	O'Hara, Minn.	Westland
Hyde	O'Konski	Whitener
Ikard	O'Neill	Whitten
Jarman	Osmers	Wier
Jenkins	Passman	Williams, Miss.
Jennings	Patman	Willis
Jensen	Patterson	Wilson, Calif.
Johansen	Pelly	Wilson, Ind.
Johnson	Perkins	Winstead
Jones, Ala.	Pfost	Wolverton
Jones, Mo.	Philbin	Wright
Judd	Pilcher	Yates
Karsten	Poage	Young
Kearns	Polk	Younger
Kee	Porter	Zablocki
Kelly, N. Y.	Powell	Zelenko

NAYS—81

Abbitt	Dague	McCulloch
Adair	Derounian	McGregor
Alger	Dwyer	Marshall
Arends	Frelinghuysen	Martin
Ayres	Griffin	Mason
Bass, N. H.	Gross	Michel
Becker	Gwinn	Miller, N. Y.
Betts	Halleck	Nimtz
Bosch	Harrison, Va.	Ostertag
Bow	Harvey	Pillion
Breeding	Haskell	Poff
Broomfield	Henderson	Ray
Brown, Ohio	Hess	Rees, Kans.
Brownson	Hiestand	Richlman
Budge	Jackson	Robison, N. Y.
Byrnes, Wis.	Jonas	St. George
Clevenger	Kean	Schenck
Collier	Kearney	Scherer
Coudert	Keating	Scrivner
Cramer	Kilburn	Sheehan
Cunningham, Nebr.	Lafore	Simpson, Pa.
	Laird	Smith, Calif.
Curtis, Mass.	Latham	Smith, Kans.
Curtis, Mo.	Lipscomb	Taber
Teague, Calif.	Utt	Wigglesworth
Tewes	Vorys	Withrow
Thomson, Wyo.	Wharton	
Tuck	Widnall	

NOT VOTING—29

Bolton	Gordon	Rains
Boykin	Granahan	Roberts
Buckley	Grant	Scott, Pa.
Burdick	Green, Pa.	Shuford
Dempsey	Hardy	Sieminski
Dies	Hillings	Steed
Durham	James	Taylor
Eberharter	Mumma	Udall
Flynt	Murray	Williams, N. Y.
Fogarty	Radwan	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mrs. Bolton.
Mr. Hardy with Mr. Taylor.
Mr. Gordon with Mr. Scott of Pennsylvania.
Mr. Flynt with Mr. Radwan.
Mr. Roberts with Mr. James.
Mr. Fogarty with Mr. Hillings.
Mr. Boykin with Mr. Burdick.
Mr. Gordon with Mr. Bush.
Mrs. Granahan with Mr. Williams of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FEDERAL AID ROAD ACT

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 501, Rept. No. 1496), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON SMALL BUSINESS

Mr. YATES. Mr. Speaker, I ask unanimous consent that during the remainder of the week Subcommittee No. 3 of the House Select Committee on Small Business may sit during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE UNEMPLOYMENT SITUATION

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Speaker, the business recession in the United States continues to snowball as thousands of additional wage earners are furloughed from their jobs. Many of us have foreseen the present economic condition, but try as we would, we could not seem to convince the administration that the situation was really serious.

It is indeed regrettable that millions of people must suffer because of this administration's disregard for the average workingman and his family. These people certainly are not to blame for this recession. They want to work and provide a comfortable way of life for their loved ones, but just how can they when they cannot find jobs.

The city of Philadelphia has been hard hit by this recession. I personally know of thousands of families in my Congressional District who are having a difficult time making ends meet. I have tried to help these men and women obtain other employment—and it is a difficult task because there just are not any jobs to be had for love nor money.

When the administration announced its intentions to economize, I knew we were heading for some difficult times. One by one the Federal installations in Philadelphia notified their employees that a reduction in force of present operating personnel was necessary for economic reasons. These agencies, however, assured their personnel that they would be placed in other positions in other Government agencies in the area. While it is true some were absorbed by attrition, the majority were turned out in the streets to fend for themselves. Many of these unfortunate victims had more than 15 years of Government service to their credit. They still have not found work and are depending on public assistance grants or unemployment compensation.

Unemployment in January rose by more than 1 million and today over 5 million citizens are out of jobs. And there are 2 million or more wage earners who are really half employed because they are working only 2 or 3 days a week. With salaries cut off or reduced, these people face stark economic privation unless we pass some constructive legislation within the next month or so.

I believe this economic slump demands the full attention of our President and this administration, but in all honesty to Mr. Eisenhower, I must say that I do not think he is completely aware of the seriousness of the situation. I am convinced he has received bad advice from his economic and financial observers, who are deliberately hiding the truth from him.

Mr. Speaker, it is time the executive branch of the Government stops catering to the rich, the big bankers, the big-business men, and devote some time and efforts to the average Americans. It is

still not too late providing, of course, that immediate steps are taken. Instead of hoping the economy will somehow revive itself, these officials should unite with the Congress in undertaking a bold economic program to get rid of unemployment and get us out of this recession.

Although I hope that the administration will join with us, I do not think the Congress can take the risk of waiting. We must act now to prevent this recession from spiraling further downward. We have learned a lot about our economy and we know that we do not need to sit idly by and see it toboggan to lower and lower levels of activity.

For one thing, we should immediately cut taxes substantially so that we can increase the purchasing power of the consumer. This is the best way to increase the market for the goods of industry.

Second, we should prevail upon the Federal Reserve Board to go even further in removing all vestiges of the tight money policy which was the main culprit in bringing on the present slump.

We must pass special legislation to take care of all depressed economic areas.

We must undertake an immediate program of public works. This will stimulate our economy, provide increased employment and also increase our national stock of desirable and useful community projects.

These are but a few steps we can and must take. Gentlemen, I cannot impress upon you more the urgency for immediate action. This recession must be stopped in its tracks before it becomes a full-fledged Hoover-type depression.

TO ESTABLISH A UNITED STATES FOREIGN SERVICE ACADEMY

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, the attention of the American people is now being focused on proposals for a summit meeting with the Soviets. In our concern with this problem we may overlook the State of our diplomatic relations far below the summit, on the level of the day-to-day work of our Foreign Service officers. The United States is today a superpower with responsibilities that girdle the globe, but we are limping along with a Foreign Service that is equipped to serve a minor power with only limited interests in the world beyond its own shores. It is not simply a question of giving more ambassadorial posts to professional Foreign Service men rather than to political appointees within the Foreign Service corps itself, there is a critical lack of American experts on the languages and people of the Middle East and all of Asia. It is a shocking truth that all too many of our diplomatic representatives are unable even to speak the language of the country in which they are stationed. They are highly capable people who work with the utmost dedication. But they work in foreign lands about which many of them know little. It is for these reasons that I call on both Houses of Congress to take steps to build a more highly skilled and effectively trained diplomatic corps. Specifically, my resolution, H. R. 4420, urges the establishment of a United States Foreign Service Academy, similar to the Military, Naval, and Air Academies.

The bill provides for the location of the academy in or near Washington, D. C., under the supervision of the Secretary of State. It is to offer a 4-year course leading to the bachelor's degree. Entrance would be based on competitive examinations. Instruction at the academy would give special emphasis to the history, sociology, government, and language of the nations in which the diplomatic cadets elect to serve. There would be a substantial period of time set aside for field training in these particular foreign countries. The cadets, or students, would be entitled to quarters and subsistence. Upon graduation they would be given preference when the original appointments to the Foreign Service are made. A Board of Visitors consisting of five members from each of the two Congressional Committees on Foreign Affairs would perform the same function as the Board of Visitors to the United States Military Academy.

I am convinced that the formation of this academy will make a substantial contribution to improving the quality of our diplomatic corps. It will help provide the country with a gradually expanding pool of trained specialists so vital to the effective conduct of foreign relations today. It may be able to raise the level of instruction received by future Foreign Service officers studying in other American universities by establishing a highly competent and relevant standard of teaching at the academy. The provision of quarters and subsistence will enable many of our bright young men and women to enter the diplomatic corps who might otherwise be barred from it because they cannot afford a college education at a private university. Finally, the establishment of the Foreign Service Academy should help to gain a wider acceptance of the diplomat in American society and an appreciation of the important service he performs for all of us.

The job of representing the United States in foreign lands requires both generalists, those with a broad background, and specialists in particular geographic areas. Modern diplomacy and the international responsibility of the United States combine to make this so. Diplomats are the eyes and ears of our Government abroad. Their observations provide important facts and analysis needed by the Executive in making our foreign policy. Moreover, these men and women serve as interpreters of American life and policies to the people of the foreign country in which they are stationed. This is in addition to the routine but necessary assistance they render American travellers, businessmen, and professional people temporarily resident in the country. On top of it all there is the basic function of diplomacy which is to achieve a firm understanding of the points of agreement and difference between nations and through negotiations to accommodate these differences whenever possible. All of these tasks have traditionally been performed by generalists. But the rapid changes in the structure of international politics in the last 20 years and in the role the United States plays in the world have changed all this, and created a need for trained specialists as well as generalists.

Until the Second World War international relations usually meant relations within Europe, or at most, relations between European countries, the United States, and Japan. The Second World War was the first truly world war and international relations have become world politics. The United States became a superpower with foreign policy interests in all parts of the world. This means the United States needs people who can speak the languages and who know the people of the Middle East, Southeast Asia, East Asia, and parts of Africa as well as Europe. The simple truth is that we don't have enough of them.

Today the geographical area specialist has come into his own and has become the backbone of an effective Foreign Service. Our foreign relations have become highly complex and involve contacts with more than 80 different states. Our diplomatic staffs in the capitals of the more important countries must include experts on the economics, politics, and military affairs of the particular nation and on cultural and public relations. The State Department is now again planning to add science attachés and there are still other types of experts required in certain countries.

It is all well and good to say that what the Foreign Service needs are mature men and women with a broad background who can fit into any situation with ease and ability. These we certainly need. But the capable generalist is not an adequate substitute for an economist when our Government needs an accurate analysis of current trends in the banking system of India. Nor is the generalist an effective alternative to someone who knows Arabic when we are trying to explain American policy to a group of Iraqi businessmen. The perils of being without specialists were amply demonstrated to us recently in Indonesia. Before 1949, when the first American trained especially for Indonesian duty was assigned to our Embassy in Jakarta, all translating was done by Indonesians. In order to please their American employers, the Indonesians had a tendency to interpret everything to sound favorable and pro-American. And it was not until our own area and language specialists began to read Indonesian newspapers and attend sessions of the national legislature that the Embassy learned that strong Communist-inspired anti-American feeling was sweeping the country.

The present program of our Foreign Service Institute gives our diplomatic officers some area training in the 3-month period before they leave on their assignments. But this is far from adequate. A few distinguished American

universities like Columbia, Yale, Pennsylvania, Michigan, and Stanford have comprehensive area study programs. But the number of schools offering such studies is insignificant when compared to the total number of our colleges and universities. The quantity of graduates is proportionally small.

The Foreign Service Academy, which I call for in my bill, would concentrate on the training of these sorely needed area specialists. This would be its most important contribution. Indeed, the academy would offer almost unparalleled opportunities for effective area training. The provision for a period of study abroad would be invaluable in giving the student a living knowledge of the land and its people. This combination of concentrated study with experience in the area will be vastly superior to the current practice of a 3-month course at the Foreign Service Institute coupled with random knowledge about the country picked up while the officer is actually on the job.

I do not for a moment suggest that the Foreign Service Academy will replace the area training programs of American universities. Far from it. It will rather fill in the gaps and try to raise the level of all the other individual programs. The academy could emphasize training in those areas of the world where we currently have our greatest lack of specialists. The academy's area programs would also be set up to meet the particular needs of the United States Government Foreign Service. They would require the highest standards of intellectual performance by the cadet students and by drawing on the total resources of the Nation through the Government, would establish a standard of excellence to which private area study programs might aspire. The end result should be a substantial increase in both the number and quality of area specialists.

The provision of quarters and subsistence for the diplomatic cadets will enable the United States to secure the services in the diplomatic corps of more of our bright young men and women who might otherwise be unable to secure the college education needed by a Foreign Service officer. It will also have the important side result of making a contribution to the general problem of opening the doors of higher education to more of our young people. It is appalling that so many of our talented high school graduates are unable to continue their education because they lack the $6,000 to $8,000 it now takes to spend 4 years in the average private college or university. The State universities usually offer an education at a much lower cost to local residents, but there are not enough facilities and faculty to provide for the growing lists of capable high school graduates that apply for admission.

Mr. Speaker, I call upon the Congress to approve this bill, H. R. 4420, which provides for the establishment of the United States Foreign Service Academy. I am convinced it will help meet a crucial need in our diplomatic corps for the trained area specialist and that it will contribute to giving our Foreign Service the proper recognition it is due for the important role it plays in defending and extending the interests of the Nation. Nor should we forget the role the Academy can take in raising the level of instruction in the area study programs of private American colleges, or the assistance that it will give in educating more of our talented young men and women who are denied a college education today by its great cost. Most important of all, the Foreign Service Academy will help close the yawning gap that now exists between the job our diplomatic corps must do and the resources at its disposal.

RAILROAD UNEMPLOYMENT INSURANCE ACT MUST BE AMENDED IMMEDIATELY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, this date I have introduced a bill to extend the benefit period under the Railroad Unemployment Insurance Act from the present 26 weeks to 39 weeks with the cost of such extension to be borne by the Treasury of the United States in the same manner as President Eisenhower proposes to pay the cost of extending for 13 weeks unemployment compensation benefits in other industries.

At the moment thousands of unemployed railroaders throughout the Nation are now receiving an average of $40 a week from the railroad unemployment insurance fund and many of these unemployed persons have exhausted or are about to exhaust their eligibility for such benefits leaving them and their families without any income.

Mr. Speaker, in the central Pennsylvania area where my Congressional District is located nearly 15 percent of the area's 91,000 labor force is unemployed including railroaders.

Since plans are already afoot to extend unemployment compensation benefits an additional 13 weeks in the various States to those unemployed outside the railroad industry, my bill is necessary in amending the Railroad Unemployment Insurance Act to provide an additional 13 weeks of benefits.

Mr. Speaker, my bill is emergency legislation and should receive prompt Congressional approval, thus relieving the desperate plight of thousands of unemployed railroaders not only in my Congressional District but throughout the Nation.

BELIEVE IN AMERICA WEEK

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. CANFIELD] is recognized for 5 minutes.

Mr. CANFIELD. Mr. Speaker, the power of one little candle has been dramatically demonstrated in my home city of Paterson, N. J., where 2 weeks ago the publisher of the Paterson Evening News, Mr. Harry B. Haines, printed an editorial that has snowballed into a nationwide campaign to strengthen America.

His editorial of February 25, calling on the governors of the 48 States to proclaim the week of March 23–29 as Believe in America Week as a prescription to cure the psychosomatic slump in our national economy has evoked a deluge of affirmative response.

Twenty-eight governors already have endorsed the program.

In less than 3 days after the editorial appeared in my hometown paper, Gov. Goodwin Knight, of California, issued his proclamation and urged his fellow governors of "every State in the Union to join in its observance and furtherance."

Gov. James Folsom of Alabama has agreed to issue a similar proclamation.

Senator LYNDON B. JOHNSON, as well as the two New Jersey Senators, H. ALEXANDER SMITH and CLIFFORD P. CASE, and I have hailed the campaign.

Postmaster General Arthur E. Summerfield calls it a magnificent suggestion.

Secretary of Commerce Sinclair Weeks agrees that pessimism is unwarranted and says:

I think Mr. Haines' plan to end depression talk, including his Believe in America Week, is praiseworthy.

John A. Park, Jr., a North Carolina financial consultant, says:

This is most timely and can be of tremendous help to the country.

Milton C. Lightner, president, National Association of Manufacturers, says:

There is a great deal to what you say.

Fred Gentile, of West Allis, Wis.:

We need not succumb, depression is the sign of a people's lack of ingenuity to create new horizons.

Carl Saunders, Jackson, Mich., citizen, says:

The President might with wisdom take up the suggestion and enlist millions of people in a Believe in America campaign.

Rev. David Sikes, Buffalo, N. Y.:

You are on the right track.

This is the voice of America speaking, rising up to the challenge of one little candle lighted by the Paterson, N. J., Evening News.

Its steady glow, joined by all those others lighted from it, can dispel the gloom of pessimism and fear and show us the way out of the shadows into a brighter tomorrow.

WILL UNITED STATES BE SECOND WITH ATOMIC-POWERED AIRCRAFT?

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 10 minutes.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it would seem that by now, 5 months after the successful orbiting of a Russian earth satellite, skepticism about the scientific and technological capability and potential of the Soviet Union would have been dispelled. After sputnik and its companion satellite were launched there was a dramatic surge of interest throughout this country in matters scientific. It appeared that at last we were aware of past shortsightedness and unwarranted overconfidence and that we would take the important steps on the road to survival. We started taking some of those steps.

Then, on Thursday of last week, the President announced a decision which raises serious doubts as to whether some of our leaders have forgotten—if they ever appreciated—the warning of last October. You will remember that in that month of sputnik, the prestige of the United States sagged in the eyes of the world. No longer could we claim uncontended eminence as a scientific power.

Now the President has set the stage for a repeat performance of that avoidable incident. He says scientific manpower and money will be expended on achieving a militarily practical nuclear-powered aircraft without regard for getting into the sky first with a nuclear-powered airplane. His decision means more delay and gives the Russians a clear edge in the field of atom-powered aircraft. There is an unhappy precedent for this sort of Presidential decision: witness the fumbling of our satellite and missile projects.

The President's advisers have told him that basic problems of shielding the crew from radiation and the weight of the airplane are still to be solved. I agree that there are such problems, but I am convinced after thorough investigation that we have made tremendous advances on these problems and an accelerated program aimed at getting this plane airborne would more quickly solve them.

From the experience of the recent past, we could expect that the appearance of a Soviet nuclear-powered airplane in the sky would produce such a hurry-up program. Why delay when the warning is so evident that the Russians are likely to have this kind of airplane flying within the next few years—perhaps within the next 18 months?

We can well imagine the impact on the world of an American atomic-powered airplane. It could be sent on visits to nations all over the globe as a demonstration of the tremendous potential for peaceful applications of the atom. A so-called militarily practical airplane could never have this value.

There is precious little time in which the President can reconsider his decision. There is still the opportunity for him to exert his influence for the fly-early nuclear aircraft as he did for the nuclear-powered merchant ship in 1955.

I wish to read the following editorial from the St. Louis Post-Dispatch which makes an argument of undeniable logic for the ANP project:

President Eisenhower has assumed personal responsibility for the decision against the "fly-early" plan to produce the world's first atomic-powered airplane. His letter to Congressman MELVIN PRICE of East St. Louis will be considered unconvincing by anyone anxious to see the Nation first in this field.

The President contends that the "fly-early" plane would clash head on with a more important objective of developing an operational military atomic plane; that it would have little practical utility; that it would divert scarce talent from fundamental problems that must be solved before the military plane can be produced.

Somebody decided that it would not matter if the United States lost the satellite race but after that happened, it mattered no end. The decision against the "fly-early" plane gives Soviet Russia the chance to score another propaganda victory. Why is it folly to push for the first flyable atomic plane when such a craft flying about the world without need to replenish fuel, would draw crowds wherever it went? What better demonstration could there be of America's ability to harness the atom for peaceful purposes?

In 1955 President Eisenhower pushed hard for building an atomic-powered merchant ship to demonstrate to people everywhere this peacetime use of atomic energy harnessed for the improvement of human living. If an atomic ship was a good ship idea then, what isn't an atomic plane a good idea now?

ASSISTANCE TO THE FISHING INDUSTRY

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 5 minutes.

Mr. LANE. Mr. Speaker, the fishing industry has been fighting a losing battle against unfair competition for many years. It is ironic that its position has been worsened as a result of policies followed by the Federal Government. In a government as large and complex as ours, these contradictions happen, but that is no reason why they should be ignored.

Our fishing industry is not seeking price supports or subsidies, but it does need that form of assistance that will eliminate unfair competition and enable it to become self-reliant.

The Congress is aware of the problems that beset our fishing industry, and is most anxious to help. Under the Saltonstall-Kennedy Act it has provided research funds for the Department of the Interior. The Fish and Wildlife Act of 1956 created a separate organization to explore the problems of the commercial fisheries industry. Over the long haul, we expect constructive results from such legislation.

But direct assistance is needed to prevent the collapse of this essential industry. Tariff relief has been denied, as our fishing industry has been sacrificed in order to maintain harmonious trade relations with our NATO allies.

To satisfy our shipbuilding industry, regulations require that fishing vessels must be built in the United States, even though they could be built much cheaper in foreign countries.

In both cases, we can go along with such policies up to a certain point, but when our fishing industry is threatened with extinction, we must insist on other measures to rescue it from disaster.

These measures I shall outline later, when I refer to the bill I have introduced to provide such assistance.

Meanwhile, to round out the picture of this industry's distress, I bring to your attention the strange way in which some of our foreign aid boomerangs against our domestic industry. It is a disturbing fact that some of the technical and economic aid we extend to our allies is used to assist their own fishing industries to the detriment of ours. Furthermore, our foreign competitors are heavily subsidized by their own governments, undermining the competitive position of our industry even in the United States market.

In 1948, imports of groundfish fillets totaled 54 million pounds.

By 1957, these imports had increased to 141 million pounds.

Conversely, due to unfair competition from abroad, domestic production that totaled 138 million pounds in 1948, declined to 95 million pounds in 1957. Landings at the port of Boston have dropped 74 percent in the last 17 years.

While the prices the fishermen must pay for their nets, steel, and oil, and so forth, have steadily climbed year after year, the money they receive for their catches has been frozen near the 1945 level.

As profits have vanished, so has the capital available for maintenance and modernization of vessels and equipment. This has hiked insurance costs. The fishing processors, likewise, are caught between this vise of rising costs, and falling profits that often turn into deadweight losses.

The fishing industry does not want to ride on the Government's back. It seeks only that help that will give it a fighting chance. It is doing its utmost to avoid any quota or price support system. This commendable spirit is worthy of our complete cooperation.

The bill contains these four major provisions:

First. Incentives to reduce vessel insurance costs.

Second. Construction differential subsidies for vessels built in American yards, for the American fishing industry.

Third. A loan program for the repair and modernization of processing plants.

Fourth. Incentive payments for both fishermen and processing plants. With foreign-processed fish selling for about 8 cents a pound less than that caught and processed by our own industry, it is imperative that we take constructive action to insure the survival of a basic enterprise.

DEMOCRATIC PROPOSAL FOR ADDITIONAL UNEMPLOYMENT BENEFIT PAYMENTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, a few weeks ago President Eisenhower in

one of his recently recurring chins-up speeches assured us that the country would see a turnaround in the employment situation when the March figures on employment and unemployment were released. This has not been the case. The January figures showed 4½ million people were fully unemployed. The figures just released show that there are over 5,100,000 fully unemployed. Added to this, of course, are those workers who are only employed on a part-time basis. These add up to roughly another 1¼ million fully unemployed, giving us a total of fully unemployed which runs about 6,400,000. When we consider that of our total civilian labor force of 67 million, 10 million of this number is self-employed, we realize the serious proportion of our employee labor force which is unemployed—over 11 percent.

In addition to this it is anticipated that capital expenditures for plant and equipment will continue to decline as will be manifested in the figures to be released very shortly by the Department of Commerce. On top of this the index of industrial production continues to fall and consumer spending is falling off as indicated by declining retail sales.

We Democrats have made every effort to get the Eisenhower administration to take off its blinders and take drastic, affirmative action to head off a serious recession.

Unfortunately, about the only answer we have got has been "chins-up" speeches. We are all too familiar with this "prosperity just around the corner" approach and have reason to fear its consequences.

The time for action is now at hand. The consequences to be expected from an economic depression are so grave, and the wages in human misery so high, that the administration should have taken advantage of every economic tool available to it before now. The leadership in the Congress must fill the vacuum created by the administration, and this means that, as usual, the Democrats lead and the Republicans follow.

Last week the Democratic leadership in the Congress moved affirmatively and constructively to bolster our sagging economy. Today Chairman MILLS of the House Committee on Ways and Means and I have introduced legislation providing for continued unemployment compensation benefit payments to those workers who have exhausted or will exhaust their benefit payments. Our bills will continue benefit payments for a period of 16 weeks in an amount which is 50 percent of the worker's weekly wage but not to exceed two-thirds of the average wage in the particular State. This means that in every State of the Union in accordance with State law those benefiting from the passage of this law will receive higher unemployment compensation.

In August of last year, the late beloved chairman of the Committee on Ways and Means, the Honorable Jere Cooper, with the foresight for which he was renowned, and aware of the beginnings of the present decline in the economy, announced general tax revision hearings to be held beginning the first day of this session of the Congress. The gentleman from Arkansas [Mr. MILLS], upon assuming the chairmanship of the Committee on Ways and Means, carried out these hearings and upon their conclusion directed the Congressional staffs to analyze the various recommendations made by representatives of business organizations and by individuals who appeared before the committee so that the committee would be in a position to move promptly in the tax area if it should be decided that this was necessary. Various alternative means of tax reduction have been prepared by the Congressional staffs for the consideration of the Committee on Ways and Means. The Democratic leadership in the Congress will be prepared to act if it becomes evident that such action along tax lines is needed.

We expect to move very promptly on the Mills-McCormack unemployment compensation bill. As I have stated, we will have ready for action a tax-reduction program which will help restore our economy to an upward growth, if and when it is needed.

I might say that the bills introduced by Chairman MILLS and myself will do a great deal in stimulating our national economy. This help will go where it will bring about the greatest amount of recovery.

May I also say that the Committee on Ways and Means will give very prompt and careful consideration to the bills and undoubtedly in their consideration will be able to make amendments that will strengthen the bills in some respects that had not been considered by Chairman MILLS and me when we introduced the bills.

The need for action is very imperative. We find a situation where the forces of deflation which were deliberately brought about by the present administration are accompanied by inflation, a most unusual situation. It is imperative that action be taken, and on the Congressional level the Democratic leadership intends to give our people and our country the leadership and the action that is necessary.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLS. Is it not true that my friend, the distinguished majority leader, and I, when we introduced this bill are concerned with the situation which prevails throughout the country and which will prevail with respect to those individuals who are unemployed and who have exhausted their benefits under the State programs, pending the time that these public works programs or other projects can be completed by Congressional action?

Mr. McCORMACK. The gentleman is correct. That is vitally important. Some of the programs will take some time and the introduction of the bills by Chairman MILLS whose leadership is outstanding, and myself, recognize the immediate situation, and the stimulus that the passage of the bills we have introduced will bring to our national economy. We need a constantly expanding economy of about 4 percent a year in order to meet the demands placed upon our country and upon our people, having in mind the 1,500,000 or so new individuals who come on the labor market each year, together with the other factors which are necessary to keep our economy expanding. One thing is certain—the charge could definitely be made, that the present administration is guilty of deliberately curtailing our expanding economy because of their alleged fear of inflation, which if that did happen, should be met in another direction. But, at the present time they have brought about the forces of deflation while on the other hand the forces of inflation are in operation.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ALBERT. I congratulate our great majority leader and the great chairman of the Committee on Ways and Means. This is the most direct solution that has been offered to a critical problem. It is a solution to provide relief where it is hurting the most and where the need for relief is most urgent; is that not true?

Mr. McCORMACK. That is correct. I might also say that if a tax bill is considered necessary in the near future, and every indication points in that direction, I am confident that the measure reported out of the committee—the Democratic measure— will have the same situation in mind, namely, that the most effective way to bring about the business stimulus that is necessary for our country and for our people is through action in relation to those in the lower income tax groups.

Mr. ALBERT. I congratulate my leader on that statement, but I would like to add this. Tax relief will do no good for the man who has no job and no income. But this proposition will immediately and directly help the man who needs help the most. I would like to add further that our great speaker and our great leader were here when the magnificent program of the Roosevelt administration and the Democratic Congresses of the 1930's brought us out of a deep depression over 20 years ago. They have the skill and the experience needed to meet the current crises.

Mr. McCORMACK. It is interesting to note that every time the Republicans are in control of the Government somehow or at sometime during the time that they are in control, the country suffers from a decline in business—and there is bad business or poor business—with resultant unemployment of our people. I hope that President Eisenhower and my Republican friends will cooperate with us Democratics in meeting this Republican made recession.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. HARDY (at the request of Mr. SMITH of Virginia) on account of official business.

Mr. DURHAM (at the request of Mr. WHITENER) for the 10th, 11th, and 12th of March on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PASSMAN, for 55 minutes, on March 19.

Mr. CEDERBERG, for 1 hour, on Tuesday, March 18.

Mr. CANFIELD, for 5 minutes, today.

Mr. PRICE, for 10 minutes, today.

Mr. LANE, for 5 minutes, today.

Mr. WILSON of California, for 30 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ROGERS of Florida and to include a speech.

Mr. BOLAND and to include extraneous matter.

Mr. FINO.

Mr. MULTER and to include extraneous matter.

Mr. GWINN in two instances and to include extraneous matter.

(At the request of Mr. SILER:)

Mr. BURDICK and to include extraneous matter.

Mr. CURTIS of Massachusetts.

Mr. ALGER.

Mr. MAY.

(At the request of Mr. McCORMACK:)

Mr. FOGARTY and to include extraneous matter.

Mr. DELLAY and to include extraneous matter.

Mr. FLOOD and to include extraneous matter.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 12, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1698. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting certain plans for works of improvement, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U. S. C. 1005), and delegated to the Director of the Bureau of the Budget by Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1699. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting copy of the Air Force's semiannual report entitled "Semi-Annual Research and Development Procurement Action", for the period from July 1, 1957, to December 31, 1957, in compliance with section IV, Public Law 557, 82d Congress; to the Committee on Armed Services.

1700. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act relating to the levying and collecting of taxes and assessments, and for other purposes,'" approved June 25, 1938; to the Committee on the District of Columbia.

1701. A letter from the Comptroller General of the United States, transmitting a report on the review of procedures for canceling production of excess aircraft jet engines in the Department of the Air Force, pursuant to Budget and Accounting Act, 1921 (31 U. S. C. 53), the Accounting and Auditing Act of 1950 (31 U. S. C. 67), and the authority of the Comptroller General to examine contractors' records, as set forth in title 10, section 2313 (b), United States Code; to the Committee on Government Operations.

1702. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend and supplement the Highway Revenue Act of 1956, and for other purposes"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 9369. A bill to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940; with amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. House Concurrent Resolution 226. Concurrent resolution designating the 7-day period beginning March 16, 1958, as "National Library Week"; without amendment (Rept. No. 1495). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 501. Resolution for consideration of H. R. 9821, a bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; without amendment (Rept. No. 1496). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONTOYA: Committee on the Judiciary. S. 280. An act for the relief of Agapito Jorolan; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1342. A bill for the relief of Mrs. Helen Harvey; with amendment (Rept. No. 1493). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9989. A bill to provide for the presentation of a medal to the Sons of Union Veterans of the Civil War; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 11303. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. BENNETT of Michigan:

H. R. 11304. A bill to amend the Tariff Act of 1930 to impose an import quota on iron ore; to the Committee on Ways and Means.

By Mr. BLATNIK:

H. R. 11305. A bill to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses; to the Committee on Public Works.

H. R. 11306. A bill authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada; to the Committee on Foreign Affairs.

By Mr. BONNER:

H. R. 11307. A bill to amend section 216 of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. BURNS of Hawaii:

H. R. 11308. A bill to permit the use of foreign-built hydrofoil vessels in the coastwise trade of the Territory of Hawaii; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H. R. 11309. A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

H. R. 11310. A bill to provide for the establishment of a United States Foreign Service Academy; to the Committee on Foreign Affairs.

By Mr. CHAMBERLAIN:

H. R. 11311. A bill to amend section 102 (b) (1) of title 28 of the United States Code to provide that a term of the United States District Court for the Western District of Michigan shall be held at Lansing; to the Committee on the Judiciary.

H. R. 11312. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer, with adjusted gross income of $7,500 or less, a deduction for the expenses of tuition and certain other fees and charges paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. DELLAY:

H. R. 11313. A bill to amend section 401 (c) of the act of June 10, 1955, as amended, with respect to the salaries of postal transportation service substitutes; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H. R. 11314. A bill to incorporate the Paralyzed Veterans of America; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 11315. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to child's insurance benefits shall continue, after he attains age 18, for so long as he is regularly attending school; to the Committee on Ways and Means.

By Mr. HARVEY:

H. R. 11316. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to

practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. HILL:

H. R. 11317. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. HOEVEN:

H. R. 11318. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H. R. 11319. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. JENNINGS:

H. R. 11320. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. LOSER:

H. R. 11321. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. McGOVERN:

H. R. 11322. A bill to amend the Internal Revenue Code of 1954 so as to increase the amount of the personal exemption for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 11323. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. MAY:

H. R. 11324. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations; to the Committee on Government Operations.

By Mr. MERROW:

H. R. 11325. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. MILLS:

H. R. 11326. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 11327. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 11328. A bill to amend the Tariff Act of 1930 to provide for the refund of duties paid on certain merchandise stolen while in the custody of the Post Office Department; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H. R. 11329. A bill to amend title IV of the Housing Act of 1950 to authorize loans under the college housing loan program for the construction of science buildings and libraries at educational institutions; to the Committee on Banking and Currency.

By Mr. POAGE:

H. R. 11330. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. PORTER:

H. R. 11331. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE:

H. R. 11332. A bill to amend the Internal Revenue Code of 1954 so as to reduce the rate applicable to the first $1,000 of taxable income for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

H. R. 11333. A bill to amend the Internal Revenue Code of 1954 so as to increase the amount of the personal exemption for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. RODINO:

H. R. 11334. A bill to increase from $600 to $700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

H. R. 11335. A bill to provide for the temporary supplementation of State unemployment insurance benefits; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 11336. A bill to provide for Federal assistance for the construction of county agricultural centers; to the Committee on Agriculture.

By Mr. VAN ZANDT:

H. R. 11337. A bill to enable the States to provide an additional 13 weeks of unemployment compensation for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

H. R. 11338. A bill to amend the Railroad Unemployment Insurance Act so as temporarily to increase from 130 to 195 the maximum number of days of unemployment, within a benefit year, for which unemployment benefits may be paid, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHARTON:

H. R. 11339. A bill to prohibit Government agencies to acquire or use the National Grange headquarters site without specific Congressional approval; to the Committee on Public Works.

H. R. 11340. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. HALE:

H. R. 11341. A bill to amend the Department of Defense Appropriation Act, 1958, to permit price differentials for relieving economic distress in certain cases; to the Committee on Appropriations.

By Mr. BATES:

H. R. 11342. A bill to regulate foreign commerce of the United States by establishing quantitative restrictions of the importation of women's fur felt hats and hat bodies; to the Committee on Ways and Means.

By Mr. CRAMER:

H. R. 11343. A bill to stabilize and "freeze" as of January 1, 1958, the Veterans' Administration Schedule for Rating Disabilities, 1945 edition, and the extensions thereto, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 11344. A bill to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records; to the Committee on Government Operations.

By Mr. HAYS of Ohio:

H. R. 11345. A bill to repeal the laws relating to the publication of the Official Register; to the Committee on House Administration.

Mr. McCORMACK:

H. R. 11346. A bill to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under State agreement, for only those State and local employees who desire such coverage; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H. J. Res. 571. Joint resolution proposing an amendment to the Constitution to discontinue executive appointments of Senators; to the Committee on the Judiciary.

By Mr. HESS:

H. J. Res. 572. Joint resolution designating the 7-day period beginning October 19, 1958, as Cleaner Air Week; to the Committee on the Judiciary.

By Mr. MERROW:

H. J. Res. 573. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. O'HARA of Minnesota:

H. Con. Res. 292. Concurrent resolution to provide for printing of proceedings in connection with the unveiling of the Maria L. Sanford statue; to the Committee on House Administration.

By Mr. MUMMA:

H. Res. 502. Resolution authorizing the printing as a House document of the pamphlet entitled "Washington's Farewell Address"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to aid air traffic in West Virginia by providing or helping to provide increased navigational and landing aids at West Virginia airports; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States that the Legislature of West Virginia hereby acknowledges its sincere mourning at the passing of the Honorable Matthew M. Neely, its distinguished West Virginian; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 11347. A bill for the relief of Robert E. Hatridge; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 11348. A bill for the relief of Sime Bozicevic; to the Committee on the Judiciary.

H. R. 11349. A bill for the relief of Sime Fatovic; to the Committee on the Judiciary.

By Mr. COLLIER:

H. R. 11350. A bill for the relief of Louise Drab, Stanley Drab, and Anton Drab; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 11351. A bill for the relief of Joseph J. Piazza, doing business as the Northeastern Construction Co.; to the Committee on the Judiciary.

By Mrs. DWYER:

H. R. 11352. A bill for the relief of Mrs. Eugenia Kwasniak; to the Committee on the Judiciary.

By Mr. FEIGHAN:
H. R. 11353. A bill for the relief of the county of Cuyahoga, Ohio; to the Committee on the Judiciary.

By Mr. SANTANGELO:
H. R. 11354. A bill for the relief of Maria Rubinstein; to the Committee on the Judiciary.

By Mr. SAUND:
H. R. 11355. A bill for the relief of Tarsem Singh Sihota; to the Committee on the Judiciary.

H. R. 11356. A bill for the relief of Raphael De Anda Rodriques; to the Committee on the Judiciary.

By Mr. WALTER:
H. R. 11357. A bill for the relief of Miss Terez Csencsits; to the Committee on the Judiciary.

By Mr. WESTLAND:
H. R. 11358. A bill for the relief of Mr. and Mrs. Fred A. Fletcher; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

March 15, Hungarian Freedom Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 11, 1958

Mr. BOLAND. Mr. Speaker, March 15, 1848, was a significant day for the Hungarian people. After centuries of being tied to Austria, these people finally won some measure of freedom. Inspired by the French Revolution of the same year and under the leadership of the famed Louis Kossuth, the Hungarians laid their demands before the Austrian Emperor. In a charter of freedom the right of equality of public duties, the abolition of serfdom, and an enlarged public representation in political affairs were gained. The most important achievement, however, was the right to create a Hungarian national government. With this reform came freedom and national autonomy. Though the future brought disaster and the loss of this freedom and independence, the people never gave up hope of regaining what had been lost. The victorious Freedom Day of March 15, 1848, would never be forgotten by the Hungarian people.

The next 100 years were hard ones for this nation of freedom-loving people. The boundaries of the country were shifted time and again, until at times they could not even be defined. Occupied by the Soviet Union in 1945, Hungary found its freedom crushed again by a foreign yoke. But even after more than a decade of intense Communist indoctrination the hope for freedom continued to burn in the hearts of the Hungarian people. The youth of the country, torn between loyalty to the foreign-dominated government and loyalty to genuine national independence, showed the world the strength of their belief in freedom. The Communist failure to destroy the ideals of the Hungarian forefathers, revealed itself in the October 1956, youth-led revolution. Once again the Hungarian people rebelled against foreign rule. Once again they demanded freedom and independence. Unfortunately, the freedom day victory of 1848 was not repeated. Although these inspired patriots fought desperately to overthrow the despised regime, they were no match for Soviet tanks and artillery. The revolt was suppressed but no show of arms, however great, could suppress the desire for freedom.

Thousands of Hungarians, unwilling to remain any longer under a regime which denied them their natural rights left their native land and sought freedom elsewhere. A government which denied the existence of God, the sanctity of the family and the dignity of the human being could hardly command the respect of a people who throughout their history have valued these ideas so highly.

Today, 110 years since that first Hungarian freedom day the hope of another day of liberation lives in the hearts of these people wherever they may be. For those who have found freedom in our country and in other lands are united with those who have remained behind in Hungary to continue the fight. They are united in the hope for another Hungarian freedom day. With faith in the guidance of God, and love for their native land they look to the future for a fulfillment of that hope.

Depression and Prosperity Start at the Grassroots

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 11, 1958

Mr. GWINN. Mr. Speaker, when we think this economic situation through, I feel certain that many Members of this body will agree that both prosperity and depressions originate at the grassroots and that the best antidote for the present unfortunate circumstances in which millions of Americans now find themselves is a return to the principles of economy and frugality in public as well as private affairs. I believe we have been taking too much purchasing power away from the American people for too long a time.

Now is the time to curb big government and big spending as well.

It is a cardinal principle of economics that the wealth of a nation consists of those things useful to man individually or society collectively.

In a true sense wealth can only be created by the application of labor with or without tools to the resources of the earth. For example, a tree in a forest is a natural resource. So, too, is the coal in the ground. A person can sit under a tree and enjoy the comfort of its shade. He may contemplate the coal in the ground but that will not keep him warm when wintertime comes.

However, if man, using the crudest of tools, cuts down the tree and fashions its parts into a handle for his ax or a mine prop, by this application of labor he has converted the natural resource into something useful to, or usable by, man. So having converted the resource into a useful commodity the commodity so created becomes available in trade, it now has a value and can be symbolized as wealth.

Where wealth is created over and above the normal consumptive demands in the form of capital, producer, and consumer goods, the accumulated excess serves as a deterrent to further production, and normally will cause a lowering of values.

We in the United States are now witnessing the spectacle of lowered production because of the $90 billion inventory of capital, producer and consumer goods now in the hands of the manufacturers, wholesalers, and retailers of our country. And the more than $8 billion of surplus agricultural commodities held under loan or owned outright by the Commodity Credit Corporation has acted to depress the commodity markets for American farmers.

In attempting to analyze the present depression, I have given much thought to the millions of Americans now caught in a trap of debt and taxes from which there will be no relief except by the exercise of frugality and economy in all public and private affairs. The tax burden that has been heaped upon the American people at Federal, State, and local levels takes approximately 30 percent of our national income. The more than $350 billion in known private debts, coupled with $325 billion in public debt takes nearly $25 billion of the national income for interest alone.

The inflation which has lowered the purchasing power of the dollar from 82.5 cents in 1946 to approximately 48 cents today has wrought havoc with the value of life-insurance policies, investments, and savings of practically every kind.

Burdened with taxes and wallowing in a morass of debt the people down at the grassroot are trying valiantly to get their noses above water and out of debt. So as they pay their debts, they are restricting their purchasing and business is bad and the inventories are not moving like they used to when money and credit was so easy to get and use.

Now there is another facet to this depression which deserves some attention.

During the past 12 years our taxpayers have been called upon to provide some $73,690,000,000 in foreign grants and credits. This is $20 billion more than we spent from the Federal Treasury for the benefit of our own people. And I ask, Mr. Speaker, that a table showing the ex-

penditures for the past 12 years be included at this point in my remarks:

SPENDING FOR FOREIGN ECONOMIC AND MILITARY AID IN 12 FISCAL YEARS GREATER THAN GRANTS-IN-AID TO STATES PLUS CHECKS TO INDIVIDUALS

In the 12 fiscal years 1946 through 1957, inclusive, the United States Treasury has disbursed more of the taxpayer's dollars for foreign economic and military aid than has been spent in grants-in-aid to State and local government plus all the checks direct to individuals for economic relief, veteran benefits, and all other purposes.

As a matter of fact, this obvious preference of foreign peoples over taxpaying American citizens probably will be one of the debatable issues in the coming Congressional elections which cannot be soft-pedaled by political maneuvering.

The table following shows the amounts in separate columns spent for foreign aid (grants and credits) and the amounts disbursed as grants-in-aid and checks direct to individuals for the 12-fiscal-year period:

Fiscal year	Reported gross foreign aid	Grants-in-aid and checks to individuals
1946	[1] $6,904,122,806	$1,209,107,183
1947	[2] 8,523,477,612	1,694,070,076
1948	8,087,000,000	5,551,054,046
1949	7,602,029,206	5,493,710,763
1950	6,338,536,000	5,518,879,345
1951	6,624,288,000	4,850,007,620
1952	5,098,000,000	4,241,158,202
1953	7,030,000,000	4,053,941,794
1954	5,155,410,175	4,284,370,522
1955	4,380,920,377	4,594,669,209
1956	4,473,177,000	5,152,135,647
1957	4,625,000,000	6,468,449,760
Total	73,000,136,176	53,194,654,167

[1] Excluding loans to several American Republics.
[2] Including British loan for $3,750,000,000 of which only $2,050,000,000 is included in total above. (Balance not disbursed.) Excludes payments totaling $3,225,975,000 to capital of the International Bank and Monetary Fund.

This bulletin has been compiled from official reports of the Secretary of the Treasury and from reports once either confidential or restricted concerning the foreign transactions of the United States.

Much of the $73,690,136,176 in grants and credits to foreign governments had to be borrowed when our Treasury was running deficits. The cost of the interest is estimated at an additional $10 billion.

Mr. Speaker, much of the foreign aid money has been used by other countries to tool up their industries for competition with the United States not only in the markets of the world but right here at home as well.

Recent hearing before the Ways and Means Committee on the extension of the Reciprocal Trade Agreements Act of 1934, as amended, indicates that such basic industries as plywood, textiles, ceramics, glass, steel, cement, and scientific and technical instruments including clocks, watches, cameras, and optical goods have already been severely damaged by foreign imports produced with labor paid far below the American scales.

Just a few days ago, the chairman of the board of the United States Steel Co., Mr. Roger M. Blough, in an address before the Cleveland Chamber of Commerce, pointed out that the steelmakers of Dusseldorf, Germany, were able to lay down barbed wire in Cleveland for $40 a ton less than the equivalent product produced by the American Steel & Wire Co., a local subsidiary of United States Steel.

At this point, Mr. Speaker, under unanimous consent, I include 2 tables showing the value of our foreign trade in 1956 and 10 examples of specific imports which are damaging the American economy at the present time:

FOREIGN AIDERS AND FREE TRADERS WORK BOTH SIDES OF THE POLITICAL STREET

Around Capitol Hill in Washington almost daily there appears a number of prominent American industrialists and businessmen, including the representatives of boards of trade and chambers of commerce, who contact the Members of Congress and who are available to appear as witnesses for and in behalf of the President's bill for $3.9 billion in additional foreign economic and military aid and for a 5-year extension of the Presidential authority to negotiate reciprocal-trade agreements which includes authority to raise or lower tariff or custom rates on imports.

One of the principal arguments for the extension of the Reciprocal Trade Agreements Act is that 4,500,000 Americans find their employment because of foreign trade. This is a specious argument which on careful analysis can be shown to be completely phony.

In the calendar year 1956 the exports of commodities from the United States were valued at $18,837,872,000 and the imports which came in were valued at $12,490,240,000, leaving a favorable trade balance of $6,347,632,000.

Assuming that a large number of American workingmen had their jobs displaced by the cheap foreign imports it cannot be shown that as many as 4,500,000 Americans could receive a living wage from the trade balance of $6.4 billion. This would distribute only $1,422.22 per capita. The table following shows the exports and imports according to classes for the calendar year 1956:

Group classification	Exports	Imports
00 Animal and animal products, edible	$398,000,000	$431,000,000
0 Animal and animal products, inedible	289,000,000	310,000,000
1 Vegetable food products, and beverages	2,017,000,000	2,771,000,000
2 Vegetable products, inedible	1,046,000,000	769,000,000
3 Textiles, cotton, wool, other	1,376,000,000	1,027,000,000
4 Wood and paper	441,000,000	1,568,000,000
5 Nonmetallic minerals	1,810,000,000	1,851,000,000
6 Metals and manufactures	2,006,000,000	2,349,000,000
7 Machinery and vehicles	6,687,000,000	631,000,000
8 Chemicals and related products	1,248,000,000	274,000,000
9 Miscellaneous	1,518,000,000	489,000,000
Total	18,838,000,000	12,490,000,000

In 1956 the Department of Commerce reports 49.8 percent of the imports came into the United States duty free and on the balance custom collections amounted to $709,690,000 an average rate of 11.32 percent.

COMMENTS UPON THE FOREIGN TRADE OF THE UNITED STATES FOR THE YEAR 1956

It was reported that American exports in 1956 were valued at $18,838,000,000 while the imports into the United States were of a declared value of but $12,490,000,000 making it appear that there was a favorable trade balance of $6,347,632,000.

In presenting the statistics on foreign trade, the Department of Commerce gave the facts only. There was no attempt made to show to what extent either exports or imports were financed by loans from the Export-Import Bank of Washington or other international banking and financing organization in which the American taxpayers have an interest. Among such organizations are the International Bank for Reconstruction and Development which has made loans for electrical generation and distribution; for transport; for agriculture and forestry and for the development of such industries as iron and steel, pulp and paper, fertilizer and chemicals; mining and for development banks. These loans totaled $3,107,966,464 outstanding as of June 30, 1957.

The Export-Import Bank loans outstanding as of June 30, 1957 totaled $2,520,000,000 exclusively to foreign governments or principals.

Another source by which American dollars are used to build up the economies of foreign nations is the development loan fund of the International Cooperation Administration for which the Congress by Public Law 279, 85th Congress, 1st session, appropriated an advance of $300 million and for which the President asks an appropriation of $650 million for fiscal 1959.

These are examples of how our tax dollars are being used to help build up other countries to ultimately use cheap labor and compete in the world markets with the products of American industry and labor.

Here are 10 examples of manufactures imported into the United States in 1956:

Electric lamp bulbs		157,051,889
Plate glass	square feet	38,754,767
Plywood	do	[1] 706,523,548
Glazed tile	do	13,383,174
Binoculars	units	4,249,498
Bicycles	do	1,173,346
Cameras	do	1,034,385
Cotton shirts	dozen	1,225,578
Table cutlery	units	39,309,030
Sewing machines	do	55,156

[1] Over 50 percent of total used.

These are only a few examples of what foreign factories are shipping to the United States, in competition with American products.

Volunteer Firemen's Bill

EXTENSION OF REMARKS
OF
HON. EDWIN H. MAY, JR.
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. MAY. Mr. Speaker, today I am introducing a companion measure to H. R. 3406, introduced by my colleague, the gentleman from Indiana, F. JAY NIMTZ. This bill would authorize the Administrator of the Federal Properties and Administrative Services Act to donate surplus equipment and materials to volunteer fire fighting organizations throughout the country.

At present, such surplus equipment can be donated free of charge to educational and public health institutions. They are required to pay only the costs of care and handling.

Many small communities throughout our Nation depend solely upon volunteer fire departments for their protection. The task is admirably performed by dedicated men. There is always present, however, the struggle to raise funds for badly needed equipment; funds are often meager and the equipment insufficient. It would be difficult for me to think of more deserving recipients of Federal surplus property than the volunteer fire departments of the Nation, who would put

this equipment to the direct use of saving lives and property. Inasmuch as I am a member of the Subcommittee on Donable Property of the House Government Operations Committee, I have become deeply interested and spent considerable time analyzing this proposed legislation. In my opinion, Mr. Speaker, the gentleman from Indiana, Congressman NIMTZ, has performed a great service to the pepole with his bill designed to bolster the fire-fighting ability of our volunteer fire departments. I wish to support him strongly in his endeavor through the introduction of this companion measure.

Washington Report by Hon. Bruce Alger, of Texas

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 11, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my weekly newsletter of March 8, 1958:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District of Texas)

MARCH 8, 1958.—The Treasury, Post Office, and Tax Court appropriation bill involved $23,600 million (this equals $23 per minute since Christ was born), the year's second biggest money bill, next to defense. Of this $8½ billion was permanent indefinite appropriations (mainly $7.8 billion interest on our national debt). Nor could we cut the $11 billion representing trust funds ($8 billion old-age and survivors payments, $2 billion for payments to unemployed, and 13 others). This left $4 billion for Congress to consider. The Post Office got $3.4 billion, which is $77 million more than last year and $19 million less than requested. The Treasury Department actually asked for $200,000 less than last year, an action almost unheard of in Government agencies, and the new Secretary of the Treasury drew some compliments. So it can be done. Hats off to Secretary Bob Anderson.

H. R. 8002, the accrued expenditure bill, is one of the Hoover Commission's legislative recommendations, aimed at economizing in Government. It passed after spirited debate. Under an accrued expenditure system, Congress would appropriate only as much money each year as the agencies would actually pay out during the year. It would replace the present system under which Congress authorizes agencies to incur financial obligations for years ahead by ordering goods or services and then drawing on the Treasury to pay for them as delivered, even though payments may be made for years after the appropriation was originally made. Enactment of this type of legislation will result in much improved control over Government expenditures and permit substantial savings, it seems to me. Obviously, lead time required between placing of military orders and delivery date will be recognized and necessary adjustments made so contractors will be assured of getting their money. Opposition came, surprisingly enough, from senior members of the Appropriations Committee, claiming the bill would fail to limit expenditures. This I cannot believe. This bill fits the pattern of the constitutional amendment I support which would compel Congress to balance the budget yearly.

Widespread citizen support has forced Congress to consider this bill now, pointing out for all to see what an aroused citizenry can do. Why don't citizens everywhere rise up and demand fiscal responsibility and cutbacks from Congress in other legislation? Why permit an increasing budget in welfare and social programs in the face of slackening business? Increased Government spending now to increase employment is like using gasoline to put out the fire. A sure way to stimulate the economy is through a tax cut. This in turn is practical only if Government expenditures are cut; otherwise, inflation, the most dangerous tax, results.

Nationwide farm facts we all should know: (1) Per capita farm income in 1957 was highest in history; (2) farm assets are at an alltime high, and home equities are up; (3) two-thirds of the farms are free of mortgage; (4) three-fourths of farms are operated by owners; (5) sale prices of farms are high, with ready buyers; (6) present programs will tend to free farmers rather than tighten controls on them. Help for the farmer, as I see it, will not come from more Government regulations, only from less, and ultimately from no Government regulation. All taxpayers should commend Secretary Benson's efforts to free farmers from further Government strangulation.

Trade, not aid is more than a slogan to many Members who are disillusioned with self-defeating foreign aid. What's at stake in foreign trade? More than 4½ million American workers are estimated to work in industries dependent wholly or to a large degree upon foreign trade. In 1957, the United States exported about $19½ billion worth of goods to all parts of the world. These goods were sold for dollars and were exclusive of all military aid. Imports in 1957 were measured at about $13 billion, $11 billion of which comprised materials and partially processed goods completely noncompetitive with domestic production. The balance, therefore, shows $30½ billion in trade which benefits every American and $2 billion that offers competition to some segments of our economy. (Here's the rub—Congress must protect domestic industries—including Texas' defense-vital oil production industry.)

While Capitol Building expansion might be disapproved by some on economy grounds, including myself, yet it should be remembered that the Capitol has been added to many times, and such additions are hardly improper in themselves. As the gloom and doomers point to rising unemployment figures (and some politicians are going to be awfully disappointed if things don't really get bad) maybe its time somebody pointed out the amazing rise in folks who are working. Take Dallas County—according to the Department of Labor, the number of people employed has soared from 268,100 in April of 1950 and 311,300 in July of 1954 to a whopping 348,300 in January 1958. That's a 30-percent increase in the number who are employed in less than 8 years.

The American Stockholder

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 11, 1958

Mr. MULTER. Mr. Speaker, I have just concluded the reading of a most interesting book entitled "The American Stockholder" by J. A. Livingston, who has acquired a well-deserved reputation as an outstanding financial writer.

I commend the book to the attention of every legislator on State and national levels. It not only brings a fresh viewpoint to this important subject but presents most important information without which the intelligent legislator can not exercise the judgment required of him.

There is an interesting subnote in the book, indicating that any person not mentioned in it, on appropriate identification, may purchase the book at the regular price. Not being mentioned in the book, I exercised the privilege of borrowing the book from the Congressional Library. I apologize to the author for thus depriving him of his royalties.

Propaganda for Summit Meeting

EXTENSION OF REMARKS
OF
HON. LAURENCE CURTIS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 11, 1958

Mr. CURTIS of Massachusetts. Mr. Speaker, in extension of my remarks, I include my current newsletter which discusses the present propaganda in favor of a summit meeting, as follows:

President Eisenhower and Secretary Dulles have made clear America's willingness to engage in meaningful negotiations with the Soviets, but distrust of steps whose principal value might be for propaganda purposes.

"It is absolutely futile," said the President at his press conference last week, "to attempt to hold a summit meeting unless the agenda and the subjects included on it are so well prepared as to give a general belief that real progress toward easing of tensions can be accomplished."

The Soviets are now engaged in a tremendous campaign to show that they are the ones most anxious for peace. Perhaps America's reaction to the sputniks and intensified defense efforts were more than the Russians had bargained for, and they are now pouring oil on the troubled waters. Their campaign is featured by demands for a summit meeting.

The New York Times suggests a reason: "The Soviet aim appears to be to relax tensions in Europe in the hope of undermining the West's willingness to bear the burdens of defense, and of gaining acceptance of the status quo—that is, a divided Germany and Russian domination of the eastern half of the continent."

People must guard against the assumption that those who speak the loudest in favor of a summit meeting are therefore the ones who are most devoted to the cause of peace. Russian propaganda has made effective use of that assumption.

A summit meeting is simply one between the heads of state. For us that would mean President Eisenhower's personal participation. For England it would mean attendance by the Prime Minister rather than the Foreign Secretary. It is no cure-all.

After all, international agreements have not usually been made at meetings of heads of state. Neither President Wilson's participation in the Paris Peace Conference following World War I, nor President Franklin D.

Roosevelt's talks with Marshal Stalin, evoke particularly happy memories.

The last summit meeting at Geneva in July 1955 was disillusioning. Then as now people expected great results. There was enthusiasm for the spirit of Geneva. President Eisenhower met with Marshal Bulganin and Mr. Khrushchev, Prime Minister Anthony Eden of the United Kingdom, and president of the council Edgar Faure of France. The meeting culminated in a directive to the foreign ministers which stated:

"The heads of government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security."

But when the foreign ministers met at Geneva a few months later, the Soviets refused to negotiate for the reunification of Germany.

When asked whether this subject should be brought up again at the proposed new meeting, Secretary Dulles replied that he saw doubtful wisdom in a second summit meeting which would in effect bury the results of the first one rather than build on it.

President Eisenhower said at his news conference last week: "We will never close the door * * * if there is any possible avenue, no matter how crooked, no matter how narrow, if * * * it will take us toward some easing of tensions in the world, one step toward peace, I am perfectly ready to start."

The attitude of the administration is in the highest traditions of America. We proceed with wisdom and caution, but will make every honorable effort. Whosoever shall compel thee to go a mile, go with him twain.

A Bill To Permit a Child To Continue To Receive Social Security Benefits After Age 18, in Order To Continue His Education

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. FINO. Mr. Speaker, I am today introducing a bill to allow a child to continue to receive social security benefits after reaching the age of 18 in order that he may continue his education. The 1939 amendments established the important concept that the child of an insured individual who dies or retires is entitled to receive a benefit. The benefit, however, stops at age 18 on the assumption that the child is no longer dependent on his parents at that age.

In the 1956 amendments to the Social Security Act, the Congress recognized that dependency does not necessarily cease at 18 when it provided for the continuation of such benefits after that age in the case of a permanently disabled child who could not be expected to find work. My bill is further recognition of the fact that an arbitrary age line does not meet the needs of modern society. It is clearly in the national interest to provide incentives for our children to continue their education beyond high school. The truth of the matter is that dependency and school attendance go hand in hand.

I therefore propose to continue the social-security benefit in the case of a child who is going to school.

Mr. Speaker, recent events in the field of space satellites and guided missiles, as well as in other fields of scientific progress, have awakened us in the United States to the need for increasing and improving the education of our youth, if we are to maintain our technological and cultural position in the world of the future.

The United States Office of Education stated in a recent publication that "Thousands of America's best young minds—potential scientists, teachers, and leaders in many fields—are foreclosed from college training each year." A study conducted by the educational testing service of Princeton, N. J., indicates that approximately one-half of the top 30 percent of the Nation's high-school graduates do not go to college. Unfortunately, this group includes between 60,000 and 100,000 highly able secondary school graduates with aptitude and interest for college who fail to continue their education solely for financial reasons.

In my own State of New York nearly 22,000 high-school graduates in the upper half of their class failed to go to college in 1953, nearly one-half of whom indicated a desire to go to college.

Mr. Speaker, there are a number of bills now pending before Congress directed toward finding a solution to this difficult problem. My bill, being of somewhat limited scope, is, of course, not intended to supply the answers to the many questions which will be raised by the challenge to our educational system. I believe that it is, however, one simple and logical step toward the solution we are seeking.

Aside from the bearing which the issues of national security may have upon it, I believe that this legislation is justified on its own merits. For we have already approved similar provisions in prior veterans' legislation concerning the benefits of the children of veterans. These provisions are now contained in section 101 of the Veterans' Benefit Act of 1957, under which the child of a veteran may continue to receive benefits after reaching 18 if he is pursuing a course of instruction at an approved educational institution.

An analogy may also be drawn from the definition of a dependent in section 151 (e) of the Internal Revenue Code, under which a taxpayer may claim a child as an exemption if he is 18 years old or younger, or if he is a student, regardless of the income of the child.

Mr. Speaker, the estimated cost of my bill is negligible, being slightly more than one-twentieth of 1 percent of payroll. The bill also contains safeguards against abuse by requiring that a school be properly accredited and by directing that regulations be prescribed to assure regular attendance by the student.

Standing alone, the proposal certainly would not supply any young person with sufficient funds to acquire an education. But it might decide the fate of a great number of youngsters in cases where it would supplement the resources of those who, without it, could not afford to continue their schooling beyond the age of 18.

Address by Hon. Theodore Francis Green, of Rhode Island, at Dedication of Navy Pier, Davisville, R. I.

EXTENSION OF REMARKS

OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, March 11, 1958

Mr. GREEN. Mr. President, on Wedneday, March 5, at Davisville, R. I., I delivered an address at the dedication of the new Navy Pier at the United States Naval Construction Battalion Center. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY UNITED STATES SENATOR THEODORE FRANCIS GREEN, AT DEDICATION OF NAVY PIER, UNITED STATES NAVAL CONSTRUCTION BATTALION CENTER, DAVISVILLE, R. I., MARCH 5, 1958

Captain Husband, Governor Roberts, Admiral Peltier, Admiral Crommelin, and other distinguished guests, this is one of the most gratifying birthday celebrations I have ever had the pleasure of attending, and I have attended quite a number of them, as you know.

This occasion is gratifying to me for several reasons. As an American citizen, I have a vital interest in the progress of our National Defense Establishment. And I'm sure you will all agree that this pier represents its material progress.

Then, as a member of the United States Government, I am gratified because today I am privileged to see personally the realization of one of the many projects which we in the Congress are studying, considering, and supporting in the cause of a stronger America.

And certainly as a native of Rhode Island I am gratified to see this new facility added to the naval installations in this area. It is at once a vindication of my faith in this State and evidence that the Navy has the good sense to agree with my judgment.

For all these reasons, it is a great pleasure for me to have been invited to dedicate this new pier at the Naval Construction Battalion Center. At the same time I feel fortunate in having the opportunity to welcome all of you who have come here to visit or to work in Rhode Island. I hope you will thoroughly enjoy your stay here and come back often.

As you can see, I am a solid booster of the State which I have the honor to represent in the United States Senate. I could wish for no greater honor than to have been chosen by my friends and neighbors to occupy my present position. And I feel sure that you ladies and gentlemen who have come here to live in line of military duty will soon come to know and love the State as I do. I hope so because there is a deplorable tendency in some of our larger States to ridicule Rhode

Island merely because it is small. However, as you get to know us better you will see that this is rather like the stomach poking fun at the heart.

Just as I am a booster for my home State, so I am also a booster for the Navy. (Some people seem to think I am one of the original ones.) At any rate I have always been proud to proclaim myself as a big-Navy man. I have never, and I do not now wish to disparage any segment of our defense team But I am convinced beyond any doubt of the indispensable role of our seagoing forces in the defense of America.

It seems to be an old American trait to climb on bandwagons. It certainly is true in politics. And apparently it is equally true in military planning. At any rate we find ourselves today surrounded by enthusiasts who would have us abandon various parts of our Military Establishment and concentrate on the one service or branch in which they are interested. They would have us pin all our hopes on the airplane, or the missile, or indeed, even the push button. They assure us that, if we dwell upon this or that enthusiasm of theirs, we shall be sublimely impregnable, regardless of where, how or when we are attacked. Indeed, as I listen to their rhapsodic forecasts, I sometimes wonder if we have not already a number of men floating about in space oblivious of gravitational and other considerations.

Certainly these men cannot have studied all the implications of present-day military developments or of our situation in relation to those developments. As for me, I would not pretend that the Navy, or any other single service, can alone protect us from our enemies. But I certainly would suggest that no sensible military man can look at the two wide oceans that bound our Nation on the east and west and then dismiss lightly the mission of the United States Navy. I believe that the Navy is, and must remain in the foreseeable future, our first line of national defense.

If one is realistic enough to look the facts of military life in the face and recognize the genuine need for a well-rounded defense composed of all our military branches, he must inevitably be realistic enough to recognize also that the only way we can be truly impregnable is to keep that military strong, modern and alert.

Here, I think, we run into another kind of enthusiasm which is equally unrealistic and equally dangerous. This is the tendency to concentrate our interest upon that part of the military which attracts the headlines in the press.

It is perfectly natural that the firing of a new missile, the setting of a new airplane speed record or the launching of an atomic submarine should capture the imagination of the public. These are dramatic events, full of tension and excitement, if they do not end in a flop.

But in our attempt to be realistic about our military preparedness, we must never allow the dramatic to obscure the quiet, steady, behind-the-scenes aspect of military activity. We must remember that it is the steady, efficient flow of logistic support that makes possible the success of the headline-stealing devices we admire so much. Indeed, the performance of you men who do the construction, supply and other noncombatant work of the military, has won more battles than we ever give you credit for.

I recall that a certain large graving dock was completed at the naval base at Pearl Harbor. It was a fine accomplishment, as those of us who have been interested in its progress recognize. But none of us knew how important an accomplishment it was until, exactly one week later, Japanese planes swooped out of the west and crippled a major part of our Pacific fleet. Suddenly the new dock became an enormously important part of our naval establishment. Immediately it began receiving damaged ships for repairs which would have required a much longer period to complete had it not been for such a facility. Certainly this dock played a material part in our eventual success in the Pacific war.

Today we are celebrating the completion of another facility which will provide important support to the fleet, and especially to those elements of it which are considered with construction battalion operations. When one considers the degree of activity that prevails here even in peacetime, it does not require much imagination to realize how important such a berthing facility as this would be in time of war to the Seabees, and consequently to the Nation.

Such an addition to the Naval Shore Establishment would be an important event in any case. The fact that it will be principally identified with Seabee operations, however, lends further interest to it as far as I am concerned.

I feel a very deep, almost parental, pride in the accomplishments of the construction men. For even if the Seabees were conceived in Washington, D. C., certainly Davisville, R. I., played an important part in their early training.

It was here at Quonset Point that the first advance base depot was established. And it was at that depot that the famous Camp Endicott was established in June 1942. This was the camp where many a man made the transformation from civilian construction worker to Navy Seabee. And it was from this camp that many thousands of these Seabees embarked for distant parts of the earth.

I was extremely interested in these construction battalions because I had had a number of conversations with Adm. Ben Moreell, then Chief of the Bureau of Yards and Docks, concerning the projected units. I had also had a number of talks with the wartime President Franklin D. Roosevelt on the subject. And when additional funds were needed to enlarge the base at Quonset Point for the Seabee training facility, I had had the honor of introducing a bill in the Senate to appropriate a million dollars for the purpose.

I'm sure you can understand then, why I felt proud when I saw these construction men, whose name, "Seabees" had been coined in Rhode Island, and who wore a device designed for them by a Rhode Island artist, embarking from Davisville.

But my pride, and that of all of us here in Rhode Island, increased a hundredfold when the stories began to fly back from those distant points of operation of this new band of men for whom, seemingly, nothing was impossible. For them, it was said, every problem was merely an exercise in ingenuity. Of them it was reported that their motto, "Construimus, battuimus"—"We build, we fight"—was no empty phrase. While some of them were manning causeways in the landings in Sicily and Europe, the greater number were striding across the Pacific, building the road to Tokyo. It was said that they inspired the marines they teamed with, astonished their military commanders, and utterly bewildered the Japs with their construction feats. No wonder then, that the public was intrigued with these American master builders, and built in turn a legendary fame around them.

We had other things to be proud of, too, here at Davisville, although most people didn't find out about them until the war ended. It was here at Davisville that the famous pontoon designed by a Civil Engineer Corps officer was tested and developed for a score of uses vital to the war effort. Here, too, the English nissen hut was altered and, as the quonset hut, adapted for use in many sizes and in all kinds of places.

There were even some developments made here at the advance base proving ground which never reached the field of operations. A pontoon floating airfield was one example of these. I suppose this is what some of our more expansive friends mean when they announce that we won the war with something to spare. I fear they are stretching things a bit. At any rate, as you see, Davisville has had a long and happy acquaintance with the Seabees.

We thought this relationship might have ended permanently when the camp was disestablished in 1946 as a Seabee installation. But we were happy when the base was reestablished in 1951 as an advance base depot. And then in 1954 we received the good news that the installation here was to serve as the east coast construction battalion center. I think I speak for all local residents when I say that we feel the eastern Seabees are now at home where they belong.

I said earlier that the importance of logistics must not be forgotten if we are to build a strong and efficient military. Let me assure you that the work being done by today's Seabees is in the great tradition of their wartime predecessors. The construction battalions have shown that they are a vital part of the Navy and that no matter what the military developments of the future may bring forth, there will always be a need for the skill, the training, and the innate ingenuity of the American construction man.

It is with this feeling of pride in the Navy's construction forces in the past and in the present, and of confidence in their devoted and skillful performance in the future that I dedicate this pier to their success and our country's protection.

Address Delivered by Hon. Ralph W. Yarborough, of Texas, at the Jefferson-Jackson Dinner at Baltimore

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EXTENSION OF REMARKS

OF

HON. RALPH W. YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, March 11, 1958

Mr. YARBOROUGH. Mr. President, I have been requested to have printed in the CONGRESSIONAL RECORD my remarks at the 7th annual Jefferson-Jackson Dinner at Baltimore, Md., last Saturday evening, March 8, 1958. This annual Maryland Democratic meeting was sponsored by the Young Democratic Clubs of Maryland. I ask unanimous consent that my Baltimore address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS BY UNITED STATES SENATOR RALPH YARBOROUGH, OF TEXAS, FOR DELIVERY BEFORE A MARYLAND STATEWIDE DEMOCRATIC DINNER AT BALTIMORE ON SATURDAY, MARCH 8

Mr. Chairman, fellow Democrats, fellow Americans, it is a rare privilege for a representative of one of the Southwestern States to be a guest here at your own State family meeting, and, representing, as I do, the State of Texas in the United States Senate, I count it an honor to be invited to the State that has sent to the Senate such alltime great Senators as Charles Carroll of Carrollton to the first Senate, and Millard Tydings in our own generation. I am indebted to you for your generous words and hospitable greeting.

It is a particular pleasure to have the opportunity to meet with you young Democrats

of Maryland. I always enjoy getting together with young Democrats because you have the fire, the enthusiasm, and, yes, you are the best fighters for the true principles of our party. It is amusing to hear the older, calmer members complaining that "those wild-eyed young Demos are raising sand" about something or other. I say, more power to you. Stir the sand until you blow up a storm.

I'm also happy to see many senior Democrats here tonight. Someone whispered to me to be careful what I said, that in this audience you had every variety of Democrat known to man. That doesn't worry me. When I hear of factional fights among loyal Democrats, I'm reminded of that famous quip of Will Rogers.

He said he wasn't a member of any organized political party, that he was a Democrat. There's some truth in that. The time I'll start worrying about our party is when all of its factions begin agreeing on everything. After all, the Mason-Dixon line is a land boundary, not a party line.

Of course, I understand that your fight here in Maryland is quite different from ours in Texas. You know that for the past several years we Texans have been plagued with people who are half Democrat and half Republican. They filed as candidates under the party labels of both parties—crossfiled, they call it down there—and run on both party tickets as both Democrat and Republican. Some call them "Demicans," others call them "Republicrats."

I don't know whether you have seen this hybrid political animal. He has a Republican elephant trunk and a Democratic donkey tail, making a rather odd spectacle. Someone has observed this animal is not of much worth to either party because he can't tell his trunk from his tail. As I say, I hope you are not bothered by any such animals around here.

It is a real thrill to visit here in Maryland, a State so rich in history and tradition, recognized in the beginning as the land of sanctuary because of its determination for freedom of religion. Your forebears were the proud people who committed the first act of open rebellion against England in repudiating the unjust Stamp Act. It was William Pinckney of Annapolis, who as attorney general prepared the declaration of war against Great Britain in 1812. The founders and forefathers in this State made a tremendous contribution to success in the Revolution and in the War of 1812.

Fifty years later, your people and mine—even to the heart of families—were ripped asunder by the terrible tragedy of Civil War. My first knowledge of Maryland came to me in the little east Texas Piney Woods country town where I grew up. As a boy, I listened to the old men, some of whom were in a company of Hood's Brigade, which was Gen. Robert E. Lee's favorite in the army of northern Virginia. They talked of the terrible ordeal of the fierce fire at Sharpsburg's battle; they spoke of how good the sweet, green corn of Maryland tasted to a starving man; they grieved over Antietam's Field, where 22,000 Americans died in a single hopeless day.

While every American thrills to Baltimore's history and the heroic defense that gave us The Star Spangled Banner, Texas has a peculiar reason for being grateful to Francis Scott Key.

When Sam Houston was hailed up for trial before the House of Representatives of the United States for beating up a Congressman, because the Congressman had slandered him in a speech on the floor, Francis Scott Key, then a prominent Washington lawyer, came to Houston's defense. Houston's fortunes were then at a low ebb. Separated from his wife, he fled the governorship of Tennessee to live with the Cherokees. Key won an acquittal for Houston, who then went to Texas.

Houston later said that at the time of the trial he was in the depths of despondency. His life seemed utter failure. Had he been taken in a justice court and fined as a common criminal, it would have ended him. But the trial was a triumph for Houston on a national scale. He felt like a new man; the burden of misfortunes seemed to end with that acquittal, and he went forth a new man to the greatest days of his life.

So tonight I give thanks to Baltimore. Francis Scott Key has lighted the fires of hope in many hearts over the years, but none that meant so much to us in Texas as the hope he stirred up in Sam Houston. That hope became San Jacinto, the Lone Star Republic, and finally annexation.

History, to me, is interesting, enlightening, and inspiring. Historians tell us that the real value of history is to give us a better understanding of the present, because history repeats itself. With this thought in mind, I want you to consider how this country's economy appears to be in danger right now; its economic history of 25 years ago is trying to repeat itself. Certainly, if the high interest rate, tight credit, hard money policies of the administration are not curbed the Republican record of 1929 will repeat itself.

I'm not an alarmist, but I'm a realist. Over 5 million Americans walk the streets out of work, and unemployment figures are still climbing. Nearly 50,000 men and women here in Maryland are out of work. Across the Nation 7½ percent of the labor force under Federal unemployment insurance is without work. In my State alone, 106,000 men, women, and children are now receiving food relief supplies.

Small business bankruptcies are at an all-time high; farm income has been constantly cut under Bensonized policies and thousands of small farmers have been moved off their land into cities where they add to the unemployment crisis.

Under the typical Republican plan, which shows that party's undying love and affection for ultrabig business, the giant combines and cartels grow richer and richer while the people become poorer and poorer.

Prices to the farmers for his products go down, but prices the housewife pays in the market place go up and up.

We have an economic anomaly; an inflation in a recession; an inflation in the price of groceries and goods, and more and more workers are unemployed and unable to buy groceries and goods. And the Chief of State advises the hungry, moneyless, unemployed to end the depression by buying more goods and groceries. Men without money are told to spend; people without food are told to eat more; laborers out of jobs are told to work. In short, a country without a head of state is in a dilemma.

Through it all, this administration has sent out two great and unforgettable statements to the American people. Former Defense Secretary Charles Wilson declared that what's good for General Motors is good for the country. You know, he later returned to the firm which netted over $850 million in clear profits last year. The other remarkable statement came from that great Republican Party spokesman who said the unemployed have the right to suffer. I want to make it clear, here, that that is a right guaranteed only by the Republican Party.

The hard, cold fact of life is that the Republican elephant, which has a shockingly short memory for campaign promises, performs only on command from his special interest trainers. The voice of the people goes unheard. Speaking of Republican campaign promises, I remember how their candidate in 1952 was going to cure inflation. During a whistlestop swing, the Republican speaker illustrated the inflation trouble by taking out a 2-by-4 board and holding it up to the audience saying:

"Here's how much board you could buy for a dollar in 1939."

Then he would take out a hand saw and cut the board in half. He would hold up one piece of the board and say: "And here's how much board you can buy for a dollar now."

The way the cost of living has continued to spiral, I gave some thought to sawing up a board here tonight to show they didn't keep that promise. But times are getting so tough for Democrats, I couldn't find anyone with a board or who could afford a saw.

But I'll have to admit one thing the Republicans have accomplished. Never, even in the heyday of our Democratic administration, were we Democrats able to keep a full-blown inflation and recession going at the same time. The Republicans have got 5 million people unemployed, and millions of other old-age pensioners and retirees living or rather starving on bare survival incomes, while milk is nearly a dollar a gallon and hamburger meat is 50 cents a pound and more.

The pathetic part of the picture for the people is that this forgetful Republican elephant is tiptoeing around, afraid to act for the people. He's afraid he might make a move which would not please former Secretary of the Treasury Humphrey's bird dogs. It's either that, or else the Republican high command doesn't know what to do.

Well, the Democrats know what to do. We learned from our great leader, Franklin D. Roosevelt. In the most perilous period of our history, he taught the Democratic Party how to fight a depression, find jobs for all the working force, build homes, produce food, and live a good life.

Of course, America is in nothing like the economic chaos this country was in when President Roosevelt's firm hand took the wheel of government. Thanks mainly to the Democratic Party's guidance and its continuing programs, we have strong hope and reason to believe that another nation-breaking depression will never occur. But need we take chances? Five million unemployed is 5 million too many. This is no time for Ferdinand to sit around and sniff the flowers: This is the time to charge. You know some of the current Republican statements run very much like this:

"Any lack of confidence in the economic future or the basic strength of business in the United States is foolish." But that is not a current Republican quote. It was made by President Hoover in 1929. By the end of his administration, 5,000 banks were closed and 13 million people were without work.

We all know how, under the courageous and inspired leadership of President Roosevelt the country built back to sound economic strength. We know that, principally due to his leadership and that of President Harry Truman, our living standards rose to be the highest ever enjoyed by any people in the world. We became the Nation where most families have a car, a refrigerator, a home. But most is not enough.

Jefferson acquired Louisiana Territory, Jackson held the Union together in his day. Roosevelt whipped a depression; Truman contained communism.

Our goal is plenty for all people. Today, in a land of great food surpluses, many hunger. In our land of vast wealth, nearly one-third of our people live in dank, wet, unhealthful shacks. Thousands need warm clothing. Three basic physical needs of man are food, clothing, and shelter. Millions now lack at least one of these three.

As Democrats in the tradition of Presidents Jefferson and Jackson, and Roosevelt and Truman, and others before them, we still

face a great challenge. We are still dedicated to fight for a more abundant life for all Americans. We are not the party of pendent pessimism. We know that more jobs and a decent living for millions is many times more important than tight credit for timid lenders.

In a religious society which knows that God notes even the sparrow's fall, we Democrats know that we will never quit fighting as long as a child is hungry. While our elderly people end their days in misery and want, we cannot rest. Democrats believe in people; Republicans put their trust in ledger sheets. Our party must always stand and fight for and defend those whom Franklin D. Roosevelt called the forgotten people.

This is no time for timidity or retreat or compromise. This is the time for Democrats of conviction and conscience to stand up for the rights and interests of the average man. By average, I mean that great bulk of Americans of moderate or modest means who constitute the main stream of American life. Following the firm, tried and true principle of fair, honest, concerned government, our party of the people will see the recent tide of Democratic victories grow and spread.

You know the overwhelming Democratic victories of Mayor Robert Wagner of New York; Gov. Robert Meyner of New Jersey. Why, Governor Meyner whipped the whole Republican national administration single handed. His opponent was endorsed by the President, and then Vice President NIXON and three Cabinet members went to New Jersey and campaigned against Governor Meyner, but they couldn't beat him. Of course, the turning tide really came to view last August when the people of Wisconsin elected the very able Senator BILL PROXMIRE. We will elect more Democratic Senators and Congressmen this year, and a Democratic President in 1960.

Maryland has always played a leading role in the main stream of American life. That main stream is running Democratic.

Just how many Democrats we elect will depend on sharp, energetic, farsighted, thinking Democrats like you, for you must take a lead in the fight. I say you should lead the fight because you young men and women can organize the precincts, knock on doors, get out the vote, and tell the people where we stand. All of us—working for a Democratic administration with a goal of plenty for all people—can win. We can win right here in Maryland, too, just like we can win across the Nation. I know that when the firing starts the young Democrats of Maryland will be right up there on the firing line, and I'll predict right now that you'll give a good account of yourselves.

The party of Jefferson and Jackson, of Wilson and Roosevelt and Truman is being called back to power by the people. Maryland, my Maryland. Hear that call.

Heed the call to greatness. You gave the land to the whole Nation for the Nation's Capitol. Now give your full measure of leadership in men to match the land you gave. That is Maryland's just place in history.

God bless you all.

Speech of Senator Allen J. Ellender

EXTENSION OF REMARKS

OF

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. ROGERS of Florida. Mr. Speaker, on March 8, we were fortunate in having Senator ALLEN J. ELLENDER speak in Hollywood, Fla., at a Broward County Democratic dinner. Senator ELLENDER, as an outstanding Senator from the great State of Louisiana, and one who is recognized nationwide for his public service to the Nation, was warmly received.

Senator ELLENDER has rendered a fine service to the Nation as chairman of the Senate Agriculture Committee and as a member of the important Appropriations Committee as well. He has devoted a great deal of his time and effort in keeping abreast of world affairs and has traveled extensively throughout the world, including Russia. This travel and study has given him an exceptional background and knowledge of the administration of the foreign aid program as carried on by our Government. His observations are included in this forceful speech:

Ladies and gentlemen, I was flattered and pleased when your fine, able Congressman, PAUL ROGERS, invited me to come down here to talk to you on problems of mutual interest. I have always had a soft spot in my heart for Florida. My late wife, my only son and I often visited your many interesting sights. It has been my privilege to work closely with your two Senators, Senators HOLLAND and SMATHERS. I also knew and admired PAUL ROGERS' father, who represented this district so ably.

Florida is extremely fortunate in having such a splendid delegation representing it in Congress. SPESSARD HOLLAND, with whom I serve on both the Senate Committee on Agriculture and Forestry and the Senate Committee on Appropriations, is one of the finest, ablest, most courageous, and hardest working Senators I have ever personally known—and I have served in the Senate for nearly a quarter century. He is devoted to the cause of Florida, in fact to that of our great country. GEORGE SMATHERS has consistently represented Florida well and ably. In his capacity as chairman of the Democratic Senatorial Campaign Committee, we depend upon him to carry us to victory—and he has done a fine job. PAUL ROGERS, although a relative newcomer to the House of Representatives, has a fine future ahead of him.

Now, it occurs to me that some of you may wonder why I choose to compliment and pay tribute to your legislators when, on occasion, we do not see eye to eye on national problems. I think it is important that the reason for this is understood and appreciated, for in it is found the basic principles upon which the Democratic Party rests.

The reason is simple.

People are different, their views and opinions vary, from State to State, even from county to county. Yet, within the framework of the Democratic Party, there is room for diversity of opinion, for differences in viewpoint. Our party is no monolithic structure, governed in its views by one man, or one clique. On the contrary, under the Democratic Party's banner gather men and women of varied opinions. I believe this is a good thing. It makes our party truly representative of the people, for we do not purge or outlaw those whose views may differ from the views of the majority.

Let me give just one example of what I mean.

There is the matter of foreign aid.

I have been a Democrat since I first sought and won public office, over 40 years ago. Generally speaking, the leaders of the Democratic Party favor a continuation of the foreign aid program, as, obviously, do the ruling circles of the Republican Party. Yet, I—for one—have been in the vanguard of those opposing the present program. By analogy, the recent announcements made by President Eisenhower, who said he would not support Republican candidates who opposed foreign aid, a move should be under way to read me out of the party.

Such has not been the case. On the contrary, some of those most vociferously in favor of the present aid program have gone out of their way to see that I have been provided a forum from which to make my views known. Their position has been—and I believe rightfully so—that the American people are entitled to the benefit of all the facts, both pro and con, and from these facts, our people can be trusted to reach the right decision.

That is why I have no qualms about telling this audience tonight, as we pay tribute to the patron saints of our party, Thomas Jefferson and Andrew Jackson, that I am going to continue to fight against the program as now administered with every ounce of strength within me.

In this regard, I do not think my views are radical, or ill founded. On the contrary, I am convinced that if we strip the ballyhoo and propaganda from around the foreign aid program, our people will agree that it has been too long continued—that it should, and must, yield to a much different concept if we are to emerge victorious from the global cold war in which we are now engaged.

Ladies and gentlemen, our country has spent over $50 billion—nearly one-sixth of our present astronomical national debt—in an effort to win the cold war by the generous application of what is apparently the only nostrum our Republican friends recognize—dollar balm.

Evidently the administration is of the opinion that since the ills of big business can be alleviated by this remedy, the same medicine should be spoon fed in liberal doses to each and every country of the world.

The abysmal record compiled by the foreign-aid program to date shows the fallacy of this theorem. But evidently the administration just refuses to face facts.

Only a couple of weeks ago, Big Chief Eisenhower and his tribal braves organized a mammoth circus in Washington to whoop it up for foreign aid. Almost everybody of any note was there, from professional politicians to professional baseball players.

I do not believe for one minute that the application of mass advertising techniques will make a $4 billion foreign-aid program palatable to the American people. The program may be a welcome salve to some of our dollar-hungry and greedy allies, but it is castor oil to the American taxpayer.

It would be a lot less grueling upon me, as an individual and as a Senator, if I just sat back and parroted the unctuous and pious platitudes which oozed out of the foreign-aid conclave in Washington.

But I cannot. I have seen the program as it has been operated in the field. I know, from firsthand experience, that waste is plentiful and ill-conceived projects rampant—that we are spending vast sums of money and accomplishing little, if any, real good. In many cases we are becoming the laughingstock of the world; in others, we are downright despised.

For one thing, quite a few of the people we send overseas to administer and operate our country programs are no credit to our Government. There seems to be something about the atmosphere of foreign lands which goes to the heads of some of them. They get the idea that they are better than the folks they are sent to help. They develop an affinity for big cars, large houses, hordes of servants. Too many of them look down their noses at foreign peoples, particularly in Asia and the Middle East, because their customs are different from ours. They forget about the masses and focus their attention on the big shots, the wealthy people,

and too often our programs do the same thing.

For example, I found that in Cambodia we are paying 1,000 American dollars per month to a rich Cambodian landlord for rent of his residence, in which residence we maintain a library.

We are pouring money into such countries as Saudi Arabia and Iran whose oil revenues are staggering. This money is not helping the people who most need help—the masses—but serves primarily to make the rich even richer. You will never convince me that Saudi Arabia and some of the other oil empires of the Middle East need United States dollars when King Saud can come to the United States, leaving a trail of jewels and solid gold wristwatches behind him.

You know, ladies and gentlemen, programs such as foreign aid all too frequently attract more dreamers than hardheaded realists. I am convinced that insofar as the practical use of American funds are concerned, our foreign-aid planners are much more inclined toward testing out harebrained schemes than in rendering help to backward peoples.

In Korea, there are many examples of this.

Now, if you only read the newspapers and the broad justifications submitted to Congress in support of foreign aid, you would be led to believe that our programs in that country are absolutely vital to maintain even a spark of life among the masses of people.

Let me tell you now that the practice does not jibe with the preaching.

Koreans have been rice eaters for many, many centuries. Their traditional diet is rice—they like rice, prefer rice, and most of them have never seen a loaf of bread. But some of our starry-eyed planners concocted the bright idea of changing the diet of the Korean people. As a result, we have built four flour mills in Korea.

Korea does not produce any wheat, so we have to give them the wheat to grind into flour in the flour mills we have built. The justification given was that Koreans should learn to consume wheat so that they could export rice.

This is just one example of such waste. We have also built in Korea a plastics factory, to make plastic rice bowls for the Koreans to hold the rice which our planners are teaching them not to eat. We have bought hundreds of streetcars and buses for Seoul and other Korean cities.

In Formosa, we have undertaken a mammoth GI bill of rights for retired soldiers of Chiang Kai-shek's armies. We are building rest homes for them, and have even purchased road building and similar equipment to be used by these retired soldiers in the construction of roads and buildings, a la WPA.

Afghanistan is one of the most backward countries in the world. Yet, we are undertaking to provide Afghanistan with a complete system of airways—from airports and runways to aircraft and pilots.

Afghanistan is in greater need of things other than airplanes; yet, we are insisting that they take them. But, they cannot turn down the offer of something more or less free, especially when we pay for the services of a prominent airline company to teach them how to manage airports and train pilots.

In addition, it burns me up to be told that we do not have enough money to modernize our own airports when we evidently do have enough money to build new ones for Afghanistan. Florida, like Louisiana, has a heavy interest in tourism. Each year, hundreds of thousands of our people come to this fine State to enjoy your warm breezes, to bask in your sunshine, and, of course, to spend their money. Many more could and would come if transportation methods were improved—if bigger and better airports were built, if more fine highways such as your Sunshine Freeway were constructed. These things could be done if we were not so busy doing similar things in areas which do not need them that we must skimp on important work here at home.

All of us know and understand that we cannot buy admiration or friendship with dollars. All of us should have learned by now that you can go just so far helping someone without ultimately making him so dependent upon you that he refuses to help himself.

Such has happened in Western Europe. We spent money under the Marshal plan in order to bring the Western European countries back to economic health—to strengthen them to a point where they would be of assistance to the Free World. We all understood that the United States could not and cannot bear the whole burden of Free World defense for an indefinite period of time without inviting economic collapse and national bankruptcy.

So we helped Europe to recover.

Today, Europe is back on her feet; as a matter of fact, she is better off than she ever has been in the past.

But are the Europeans helping us to carry the load in the Middle East, in Southeast Asia, in Korea, in Formosa?

They are not. On the contrary, they are cutting their taxes, reducing their armies, and calling to Uncle Sam to make up the difference—even at the cost of raising our own expenditures and our own debt past the danger point.

We have heard a lot about the North Atlantic Treaty Alliance lately. We are being fed some slick advertising to the effect that NATO is strong and vigorous.

Ladies and gentlemen, NATO is sick; the vaunted shield of Western Europe has about the same relative strength as a wet paper bag. Almost the only ground forces available for immediate action in defense of Europe are our own 5½ divisions stationed there. The British have pulled many of their troops back home. The French troops are in North Africa, making war on nationalist-minded natives, using American arms—arms provided to defend Europe, not to perpetuate colonialism, and to bully smaller countries. Just the other day, Secretary of Defense McElroy undertook to justify further large-scale military aid to Europe on the basis that for every dollar we put up, Europe puts up five. Well, that is true up to a point, but that $5 counted as the European contribution includes not only European contributions to NATO, but each country's domestic defense budget as well. If we add in our own domestic defense expenditures, as well as foreign aid, our contribution to Free World defense is three United States dollars to every one of Europe's—a contribution which makes Europe's look mighty small—as it is.

We would also be led to believe that all we do is provide a few weapons to Europe, that the Europeans do the rest for themselves. That is not so. Here are the facts.

Under military aid, we defray the cost of 50 to 60 percent of Europe's military research and development work, in addition to 100 percent of our own. This is called mutual special weapons development.

Then, when weapons are developed, we help build factories in order to manufacture these weapons. This is called facilities assistance.

When the factories we have helped finance are built, then Uncle Sam places contracts with them under the offshore procurement program for the purchase of the weapons we have helped develop. These weapons paid for with American dollars, are then donated to European armies. In other words, we help develop the weapons, we help build factories to manufacture the weapons, then we actually buy and donate many of the weapons so developed and produced.

Over and above this, we donate considerable amounts of our own materials of war to the European armies.

This is not a mutual security program. Mutual means cooperative. As the late Senator Smith from South Carolina used to say, "Europe does all the co-ing and we do all the operating."

Just lately, there is a growing awareness among Americans that we are on the wrong track in our effort to win the cold war—that we are betting our money on the wrong horse and losing every time.

I think it is high time we faced up to the fact that our real enemy in the cold war is Russia. Instead of squandering our substance in such bottomless pits as are found in Western Europe, instead of undertaking to Americanize every country in the world, instead of wooing India, and other neutrals, by providing them with cash and by shipping them wares and goods by the boatload, I think we should face up to the fact that if we can create dissension within the Soviet Union, we will have won a great victory.

We have spent over $50 billion in an effort to strengthen the Free World, and to weaken the Russian system. Instead of building Free World strength, we have succeeded in creating only a desire upon the part of our so-called friends to lean a little bit more on Uncle Sam. Instead of weakening, the Soviet Union is growing stronger.

She is developing her internal resources; she is giving her people a better way of life than they have ever enjoyed, although it is still far below our own standard. We cannot find solace in the fact that our steel production is higher than Russia's when that of the Soviet Union is increasing at a much more rapid rate than our own, nay, when we are now using about 50 percent of our capacity. We cannot burrow our heads in the sand and feel secure because we produce more refrigerators than the Soviet Union when she has obviously progressed much further than we in her rocket research and some other fields of technology.

During the past 3 years, I traveled extensively in Russia. I found some astounding things—things which I am forced to conclude the administration deliberately kept from our people. For instance, just about 2 years ago, Mr. Dulles told Congress that Russia was on the verge of internal economic chaos—of collapse. He was dead wrong, and he must have known he was. The Russians are nowhere near economic collapse—their economy is growing and expanding. Their industrial base has become broad enough to support not only a tremendous military program, but also a fairly large consumer goods production as well.

Siberia, which most of us thought at one time was an icebox, a barren waste, a prison camp, is becoming the granary of Russia; factories are sprouting there, powered by electricity generated by high hydroelectric dams, and the vast coalfields of the area.

But, in addition to these developments which should alarm us, there are others within the Soviet Union which offer us an unprecedented opportunity. Education is the first and most important.

The Russians are going all out to educate their people. As they do so, they are creating curiosity among their people about other countries—about the way other people live. Where this curiosity has been coupled with a peek at the outside world, it has frequently resulted in the Russian leaders having to modify their system in order to accommodate the demands of their people.

In brief, there is an evolution going on inside Russia—an evolution which, if taken advantage of, will offer us an opportunity to mold the future course of Russian society.

We are seeing increasing signs of a willingness of the Red leaders to bow to the demands of their people, when these demands are too vigorous to be denied.

A most recent example involves the decision of Khrushchev, and others to abolish the so-called machinery tool stations.

In Russia, one finds two kinds of farms—state farms and collectives. State farms are owned and operated by the state; the workers are paid fixed salaries. The collectives are essentially cooperatives, composed of large areas of land owned by the government but worked by as many as 500 Russian families, on a cooperative basis.

In the past, collective farms have not been permitted to own machinery, such as tractors, combines, and so forth. Instead, collectives have had to rely on the government-owned machinery tool stations to plant, cultivate, and harvest their crops. This has frequently resulted in hardships. The MTS bosses often gave preferential treatment to some collectives. In addition, because machinery was in short supply, crops were lost.

When I was in Russia in 1955, I found much dissatisfaction among the collective farms with the machinery tool station setup. Evidently, this dissatisfaction grew to such proportions that the Kremlin decided to reverse a basic Marxist theory and permit collective farms to own their own equipment, thus giving Russian farmers a bit more independence from government control.

It is my considered judgment that if we encouraged more of the Russian people to visit the United States, and if we sent more Americans from every walk of life to Russia, we could make the Russians so dissatisfied with their present way of life and so envious of our own, that they would gradually force their leaders to change their ways.

I found, for one thing, that the Russians are convinced that communism is superior to capitalism because they have no conception of the advantages capitalism has to offer—of the abundance of spiritual and material things which we in free countries now enjoy.

All the Russian people know is that communism has brought them a better way of life than that enjoyed under the czars, which, incidentally, it obviously has, although it is far from as good as our own.

Freedom, such as we enjoy within the United States, is a force which communism can never overcome if only it is possible to plant some idea of the benefits of freedom in the minds of the Russian people. Increased exchanges of persons from every walk of life would help us plant and nurture this seed—a seed which will grow to a point where either the Russian leaders will accommodate their system to it, or face their own downfall from forces within Russia.

Let us use the traditions of freedom, of individual choice, of individual dignity we possess here at home to combat the vicious evils of communism; let us set up America as a showplace of freedom's wares, permitting all who desire to look, an opportunity to do so. In such a manner, we can—I repeat—create dissension within the Soviet Union.

Many years ago, when our Nation was in its infancy, the voices of our leaders announced a principle which I fear we have abandoned, namely, millions for defense, but not one cent for tribute. The American people are sick and tired of offering their wealth as tribute to foreign lands—as a kind of bribe, by which we hope to keep our so-called allies on our side. We should not need to bribe nations to accept freedom, and I, for one, think it is time to call a halt.

With faith in the future, with an abiding trust in the justice of our course—we can and shall find means of fostering freedom, of destroying communism, without sacrificing our country's heritage on the altar of continued giveaways.

Certainly, such an approach would be infinitely more beneficial to our country than a continued reliance on programs such as foreign aid, which have not only failed, but which have brought us to the brink of bankruptcy—a development which the Russians like immensely. After all, internal economic collapse of our country would represent a great victory for the Communist system, and would, I believe, ultimately doom the Free World to extinction.

In addition, we must remain militarily strong. We must offer no temptation to any would-be world conquerers to achieve dominance over us by military means.

We need an austere but progressive military program, one based upon sound fiscal concepts. We need more emphasis upon missile research, development, and production, and complete abolition of emphasis upon interservice rivalry and the creation of personal "empires" within our Military Establishment.

We urgently require expanded research on ways and means of defending our cities against nuclear attack, particularly attack by submarine-based launching devices designed to obliterate our coastal metropolitan areas.

In brief, we need the kind of Military Establishment which will concentrate on the meat and potatoes items of defense, and forgo the champagne and caviar—such wasteful things as internal bickering, fancy personal cars for high brass, high-priced personal aircraft—including helicopters—and the maintenance of swank residences, hunting lodges, and night clubs on military bases, or elsewhere.

It is a sad commentary upon political factors operating in Washington and elsewhere that with a military man in the White House, our Defense Establishment has not kept pace with that of the Soviet Union, the armed strength of the Free World has dropped alarmingly, and the missile-testing site up the coast from here a ways has seen more fizzles than successful firings.

For quite some time, I have urged a new look at our foreign policy, but with this should be coupled a new look at things at home, as well. While John Foster Dulles drags us to the brink of war, his cohorts down the street are leading us to—and perhaps over—the brink of depression.

Tonight, and in the future, let us pledge ourselves that there will be no more such brinks, either at home or abroad. Instead, let us work for a Nation which is strong both militarily, and economically—which is respected overseas, not regarded as a laughingstock.

Let us put things in their proper perspective—forego the wasteful programs of the past for the kind which will spell success in the future. We have had a dose of so-called Modern Republicanism in Washington, and we have found that it is 90 percent advertising and 9 percent talk.

One percent results is a sorry batting average in anybody's league.

Our Nation needs action, not slogans. We need a change for the better, not merely more promises that if we wait around long enough, keeping our chins high and our mouths shut, we will pull through.

America deserves better than merely the prospect of pulling through. America needs and deserves a forward look in something besides Chrysler cars.

Florida obviously believes that—as the caliber of your Congressional delegation demonstrates.

I am hopeful that your viewpoint in this regard will not change, and that when the 1958 elections have come and gone, the people of Florida will not only have sent to the Congress a delegation 100 percent devoted to the principles of Thomas Jefferson and Andrew Jackson, but will have done so in such a resounding manner as to put others on notice to "Go, and do likewise."

Remove Limitation of Advancement of Postal Transportation Service Substitutes

EXTENSION OF REMARKS

OF

HON. VINCENT J. DELLAY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. DELLAY. Mr. Speaker, today I introduced a bill to amend the Postal Field Service Compensation Act of 1955 (39 U. S. C. 981) by striking out the limitation on the advancement of postal transportation service substitutes.

Mr. Speaker, section 401 (c), which my bill would amend, now provides, "Each substitute employee in the postal transportation service whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but such substitute shall not be advanced beyond step 4 of salary level PFS–5."

Until a few months ago all postal transportation service substitutes were recruited at level 5 of the postal field service schedule. In November 1957, the Post Office Department changed its procedures and placed some postal transportation service substitutes in postal field service schedule level 4 and gave dual appointments in both levels to others.

My bill would remove the restriction in the last part of the section by removing the limitation that such substitutes could not advance beyond step 4 of level 5. In view of the fact that some postal transportation service substitutes are now going to the top step of level 4 it seems to me that those substitutes who are assigned in level 5 should also be enabled to advance to the top of their particular level.

It is understood that one of the reasons why the limitation originally was included in the act of 1955 is that the post office anticipated that there might be difficulties if a top step postal transportation service substitute in level 5 were to be given a regular assignment in level 4. The problems that were anticipated were centered upon the reduction in pay which would be involved. In view of the fact that conversion from substitute to regular is a voluntary action, there would in fact be no applied pay reduction. The conversion in such cases is at the request of the employee and, consequently, there should be no administrative difficulty.

In the letter which was sent by the Post Office Department to employees who were given appointments at level 4 it is declared that "this action is proposed because the law specifies that distribution clerk work in terminals and airport mail facilities is level 4 work." It must then also follow that the work in railway and highway post offices and in other level 5 assignments should properly be compensated at the appro-

priate step of level 5 within the spirit of the act of June 10, 1955.

Mr. Speaker, my bill would accomplish that purpose, and I hope that the legislation I have proposed will be speedily enacted by this Congress.

Sudeten Germans Stress Need for Peaceful Policy of Liberation for Peoples of Czechoslovakia

EXTENSION OF REMARKS
OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. BURDICK. Mr. Speaker, I believe that some words should be added to the manifestations of friendship and sympathies toward the peoples who had become victims of communism through the communization of Czechoslovakia 10 years ago. The Czechoslovak National Front President Dr. Benes signed the new Communist government on February 25, 1948, and the Parliament of the National Front approved it on March 10, 1948. In this way, the communization was legalized.

For those who study the CONGRESSIONAL RECORD as a source of wisdom, truth, and political information, I may add that Czechoslovakia was a state of many nationalities. She was founded as a new state in 1918, and contained the following nations: 6.8 million Czechs, 3.2 million Sudeten Germans, 2 million Slovaks, 762,000 Hungarians, 477,000 Carpatho-Ukrainians, and 336,000 of other nationalities.

If we express our sympathies toward those who became victims of Communist aggression we should express our sympathies toward all these nationalities.

An outstanding committee of this House, the House Committee on Communist Aggression, under Chairman Charles J. Kersten, investigated the reasons for the communization of Czechoslovakia and published its report in December 1954. I believe that the attention of every student of the communization tactics and of the communization of Czechoslovakia should be called to this excellent report for which the praise belongs to the distinguished members of this committee. Any remembrance of the 10th anniversary of the communization of Czechoslovakia without mentioning the findings of the House Committee on Communist Aggression certainly gives an incomplete picture.

I should like also to add that after the Czechoslovak Republic was restored in 1945 by Benes who returned to Prague with the Communist-led Government of the National Front, the Sudeten Germans and a great part of the Hungarians were expropriated and expelled. The expulsion of such a big segment of population which owned a great part of the entire industry and agriculture on the territory of Czechoslovakia and which was absolutely anti-Communist, was perhaps the most important reason for the success of the communization of Czechoslovakia from within, 3 years later, in 1948.

Also the part played by the Communist Secretary General Rudolf Slansky should be stressed in the same way as the part played by the state security police. Slansky-Salzman was the prime mover in the communization of Czechoslovakia, more powerful than the Communist Prime Minister Klement Gottwald.

Some politicians of the Communist-led National Front were able to come to the West after 1948. I believe we should encourage and ask them to reject any type of collaboration with the Communists and to reject any past unlawful deeds which they had committed in the 3 years of the National Front, 1945–48. We should encourage them to seek friendship and cooperation among all nations of former Czechoslovakia, and to set just aims for the future, above all the restoration of political and economic freedom and of ethnic conditions as they were before the Communist and Nazi interventions; and second, the application of a full and absolute right for self-determination for each nation of former Czechoslovakia.

Instead of giving praise to the National Front men here in the United States, telling them that Czechoslovakia—founded in 1918—was one of the oldest European states or that the first Czechoslovakian university was founded in 1348 or even calling the National Front President Benes a great modern citizen or calling the National Front a government of independent political parties, which all is misleading, not only for the students of history but also for those who would like to find means how to protect the rest of the Free World against Communist intrigues and tactics, we rather should watch closely the situation as it really is and also see that many politicians of the National Front of Czechoslovakia who did not understand sly Communist tactics in 1945–48 obviously also today, in America, do not understand the sly Communist tactics, and while working in Radio Free Europe or the Assembly of Captive European Nations, never reveal and attack the system of the Communist State Security which had outwitted them already once in their homes. We probably should, instead of giving them undeserved praise, ask the National Front politicians to start finally to understand the true Communist system and to fight it, not to protect it.

Finally I should like to stress and to recommend to the attention of my colleagues that not all the refugees of former Czechoslovakia are acting in the way the former National Front politicians are acting. The really anti-Communist Czech, Slovak, Sudeten German and Hungarian refugees and expellees understand the system of the Communist State Security in the Communist countries and they also do not believe in national communism and Titoism. They believe that Gomulkaism and Titoism were invented by the Communists themselves in order to get economic aid from the West and in order to soften and paralyze all real anti-Communist and intelligent policies on the part of the Free World.

Real anti-Communists from Czechoslovakia reject the illusions about Titoism, spread by the Communists, and request rather a realistic policy of liberation which could abolish communism without war and which is expressly wished by the enslaved nations. I call this policy, as it is being recommended by the secretary general of the Sudeten German Council, Dr. Walter Becher, and the Czech exile, Mr. George Brada, and by other anti-Communist exile leaders, to the attention of my colleagues:

The active and concrete policy of liberation, as expressedly wished by the enslaved nations, meaning the abolishment of communism and war contains the following points:

1. Restoration of the Free World's authority and foundation of Western policies on the principles of both the real American traditions and the best traditions of Europe, on the principles of sound reason, morale, social justice, enlightened nationalism, and Christianity.

2. Founding of a possible military strategy planning on a technical and scientific superiority, on guided missiles, rocket weapons, air force, etc.

Restoration and strengthening of the West's scientific and technical superiority so that communism cannot start any war and, therefore, may be abolished without war.

3. Removal of the artificial fear of Russia, created by means of false propaganda. Showing the real basic weaknesses of the Communist slave system, of its collectivist economy, of the system of conspiracy and rule by a minority. Revealing of the fact that the Soviet successes in the past were mere swindles and thefts.

4. Fight against as well revelation of the Communist state security system (the "invisible government" behind the scene) in the East, revelation of the Communist system of agent provocateurs.

5. Fight against communism and the secret Communist conspiracy also in the West by all means of press, radio, and other facilities of enlightenment. Full support and intense publicity for the splendid work of the committees of the United States Congress as well as practical application of the conclusions of their findings. Full and definitive exclusion of all security risks, crypto Communists, and of spies. Full eradication of the Communist conspiracy in the West, which will be followed by the absolute eradication of communism in the East.

6. Revelation of those who form the backbone of world communism. Concentration of all the attacks against this backbone of international communism and promise of amnesty to all those seduced, if they will repent, in order to separate them from the heartless and incorrigible leaders of international communism.

7. Severing of the economic relations with Communist countries and stoppage of every military and economic aid for Communist or Communist-allied countries.

8. Severing of the diplomatic relations with Communist countries and expulsion of Communist representatives from international organizations, as the U. N., etc.

9. Concentration of all anti-Communist refugees and expellees in national organizations, units, and institutions according to their nationalities for various individual tasks, e. g., the strengthening of anti-Communist spirit and work, the creation of magnets causing defection of Eastern nationals and soldiers, and the acknowledgment of exile governments formed by anti-Communist refugees.

10. Declaration addressed to the peoples of the world stating that the enormous tax burdens as well as armaments and the atomic danger can be stopped provided that communism is destroyed. Promise of full economic aid to the enslaved peoples after their liberation has taken place.

11. Better radio broadcasts for the East, practically doing the very opposite of what Radio Free Europe is doing now, giving to the enslaved peoples real guidance, counsels and leadership.

12. Active and material support for anti-Communists in the East.

13. Outlawing war.

Using all deterrents to war, besides those mentioned above, so that communism can be finally destroyed and abolished without war from within, by its own slaves, who will remove the tiny minority ruthlessly governing them.

I assume that all my colleagues will agree with me that the best thing we and the exiles of the nations of former Czechoslovakia can do at the occasion of the 10th anniversary of the completion of the communization of Czechoslovakia is to urge the people of the Free World to accept a new policy of liberation without war and to work actively for it.

A New Birth of Freedom

EXTENSION OF REMARKS
OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. FOGARTY. Mr. Speaker, on last Thursday, February 27, 1958, I had the happy privilege of addressing the 22d annual meeting of the Davis Memorial Goodwill Industries at the Hotel Statler, here in Washington, D. C.

As I said at that time, Goodwill Industries has certainly been true to its mission—a mission based on compassion and humanity and one for which they should be publicly commended. Its record of achievement over the years has been outstanding, and the help and encouragement it has given the handicapped can truly be termed a new birth of freedom for those who, as a result of birth, accident, or disease, suffer mental or physical affliction.

Because of the high regard in which this organization is held, I was deeply moved to be the recipient of its national award for my "good will toward the handicapped." You may be sure that I shall prize this citation always, and I am pleased to have this opportunity to publicly thank the officers and members of Goodwill Industries for so honoring me.

Mr. Speaker, under leave to extend my remarks, I include the address made by me at the luncheon meeting:

A NEW BIRTH OF FREEDOM

Mr. Chairman, distinguished guests, professional and volunteer workers of the Davis Memorial Goodwill Industries, friends of the handicapped, I am very happy to be with you today, because it is almost like being home with my own constituents in Rhode Island. As you know, a politician (and I consider politics one of the most necessary and honorable professions) is always hard put to turn down a speaking invitation within his own Congressional District. And, although we are not in Rhode Island, I feel that I am talking with a special constituency, those interested in the handicapped.

As you have been told, since 1946 I have acquired a special group of constituents—those who are dedicated to giving greater equality of opportunity to those among us who because of birth, accident, or disease have become handicapped. The House Subcommittee on Appropriations which I have the honor to chair has consistently sought new and imaginative ways of waging war on disability. We have enlisted for the duration of this conflict and I can pledge to this audience the continued interest, enthusiasm, and legislative support of programs which seek to change disability into ability, to remove certain indignities under which some handicapped today must labor, and to guarantee, insofar as it is possible in this imperfect old world of ours, that the men, women and children whom God in His infinite wisdom has chosen to suffer mental or physical affliction may do so with a maximum of dignity and a minimum of suffering, neglect, or misunderstanding.

I am indeed pleased to accept your kind invitation because it gives me an opportunity both to compliment Goodwill on the excellent work it has been doing these past few years and also to tell you about a new piece of legislation which should be of interest to all who work with and for the mentally and physically handicapped of our great country. The volunteer spirit so well exemplified by your fine board of directors and ladies' auxiliary is one of the great things about our beloved country, and through you I wish to pay tribute to the more than 120 local Goodwill Industries throughout the Nation who have been in the forefront of this modern crusade for greater equality of opportunity for the handicapped.

Since passage of Public Law 565, the Vocational Rehabilitation Amendments Act of 1954, as amended in 1956, 48 Goodwill Industries in 23 States have received Federal funds totaling $855,193. In order to receive these funds under the grant expansion program, local Goodwill agencies with community support have poured an additional $432,000 into this program which has helped give a new dynamism and imagination to work for the handicapped.

According to a report prepared by your national headquarters, the results have been dramatic and have proven that the effort was well worth the cost in time and talent. We in the Congress are sometimes accused of being overly concerned with statistics and with figures, but those of us who are responsible for saying "Yes" or "No" to these new pieces of legislation as they come along are always confirmed in our enthusiasm when we see such reports as yours, stating that between September 1955 and September 1957 the 48 Goodwill Industries receiving assistance grants showed an increase of 26 percent in the number of handicapped persons served, at a time when other Goodwill Industries were increasing services by only 16 percent.

Of course, we who live here in the Washington area are all aware of the wonderful new Rehabilitation Center which Goodwill has built to better serve the area and the Nation under provisions of Public Law 565. Perhaps less generally known to this audience is the establishment in other areas of 9 sheltered workshops, 9 special projects to better serve the severely disabled (too long the forgotten people in this field), and the expansion of services by some 30 local Goodwill Industries through acquisition of vitally needed equipment. I have summed up much of the progress in a single paragraph when I could have spoken for hours on what this means to people and to our country.

However, dramatic as has been the progress of the past, we must ever look to the future. In summary, I should like to quote from the last paragraph in the introduction of your Goodwill Industries of America report, for it best expresses my own reaction and that of my fellow colleagues on the Hill. Your report says in summary, "this is indeed a magnificent example of Government and community cooperation working successfully to meet an ever-increasing challenge to serve the Nation's handicapped."

But now to the future. On February 10 of this year I had the great honor to introduce in the present Congress, H. R. 10608, a bill proposing the Rehabilitation Act of 1958. As you know, we generally try to explain the purpose of legislation in the first paragraph of a bill. This particular bill is 21 pages in length and the first paragraph reads as follows:

"To provide evaluation of rehabilitation potentials and rehabilitation services to handicapped individuals who as a result thereof can achieve such ability of independent living as to dispense with or largely dispense with the need of an attendant at home, to assist in the establishment of public and private nonprofit workshops and rehabilitation facilities, and for other purposes."

I can almost hear my friends in the audience whispering, "What a mouthful." However, the key words in this all-inclusive paragraph are those which trigger the three major sections of the bill, namely, independent living, workshops and rehabilitation facilities, and evaluation services. I'd like to share with you some comments and ideas on each of these sections because they have great meaning to Goodwill Industries and, in time, could well be as vital and meaningful for your local industries as have been certain sections of Public Law 565.

First, I'd like to highlight the five findings of fact which serve as background material for those considering this legislation and for the State and local groups which must understand and implement it. The Congress has found, through expert testimony and its own staff research that—

1. Many severely handicapped persons, including the mentally ill or retarded, and older persons, now ineligible for vocational rehabilitation, as a result of independent living rehabilitation services can achieve such a degree of independence that institutional care can be terminated, need for attendant's care at home can be ended or substantially reduced and, in many instances, these individuals will be found to be capable of vocational rehabilitation and will become gainfully employed.

2. Independent living rehabilitation services ends or minimizes the public and family burden, contributed to dignity and self-respect and is in the public interest.

3. There is a grave shortage of rehabilitation facilities where independent living and vocational rehabilitation services are provided the severely handicapped.

4. There is a grave shortage of sheltered workshop facilities wherein work capacities of severely handicapped can be evaluated and developed, and can also be utilized in productive work.

5. Federal grants for the above facilities and services are required in the public interest as a necessary expansion of present grants under the Vocational Rehabilitation Act.

As you can see, the Congress hopes to do something specific and special for the severely handicapped and to do it as a reasonable extension of present services, under existing Federal-State programs and in a manner which will make it possible for local groups to undertake additional steps in this partnership of "Government and community cooperation."

At the time H. R. 10608 was introduced, I said that States would be able, when the bill was enacted, to rehabilitate people to enable them to achieve a level of independent living so as to dispense with institutional care or attendant care at home. I feel that freeing

such disabled people of their physical dependence on institutions or their families will not only contribute to their personal dignity and self-respect, but also sharply cut the high costs that many communities are encountering in taking care of their disabled.

Independence has long been a hallmark of America. We were founded on a declaration of independence and we have grown and prospered and increased in world leadership as we maintained our own independence and helped assure our friends in the world community of nations of their continued independence insofar as we were able. Shall we have two kinds of independence in our country—one for the able-bodied and another for the handicapped? I think not and for this reason I am hopeful that the public will understand what this bill does and that the Congress will write a new declaration of independence for the handicapped in enacting this legislation. It has been many months on the drawing boards and has passed through the hands of many of the most distinguished professionals in and out of Government as we worked to perfect a document which can mean so much to so many.

Our Founding Fathers were writing as much for 1958 as for 1776 when they said, "We hold these truths to be self-evident: That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

There can be little life, liberty, or pursuit of happiness for many Americans who today live under the bondage of severe disability. It is our hope that through the independent living provisions of H. R. 10608 we can help assure a greater equality and a greater enjoyment of those unalienable rights which belong to all Americans, including the severely disabled.

The independent living rehabilitation services section would appropriate $10 million this fiscal year and $20 million next fiscal year so you can see that it is a program of substance and one which may provide a major breakthrough in local services to the severely handicapped, a breakthrough I might say that cannot come too soon.

Many public and private groups are now taking admitted long shots in providing rehabilitation services to severely handicapped persons, gambling that the end result will be competitive employment. This bill will lessen administrative pressures on those making decisions and enable findings to be made based more upon justice rather than possible employment. For who among us in work with and for the handicapped can't name person after person who, after being declared nonfeasible by competent authority on the basis of the best facts available, has confounded all the experts and gone forward with indomitable spirit and proved feasibility by actually going out and getting a job and making good at it?

Medicine is not yet an exact science. Counseling is not yet, nor will it ever be, the final answer to inner motivations. The human spirit has yet to be measured exactly in individual cases, probably because there is a spark of Divinity in all of us and who can measure God at work in His creatures? So, we propose to make it possible to provide services to men and women to enable them to free themselves from institutions and from hourly dependence upon heroic family ministrations, while at the same time cutting local costs of institutions and freeing the dedicated families of all or part of the crippling burden of waiting hand and foot upon their loved ones for want of the modern, almost miraculous, medicine of vocational rehabilitation.

Under the third title, "Workshops and Rehabilitation Facilities," the bill provides 10 million this year, 12½ million next year and $15 million for the year ending June 30, 1961. Like the other title, the bill provides for additional sums as decided upon by other Congresses.

As you know, the Hill-Burton bill which was proven such a boon to our care for the crippled and disabled, is medically or hospital-oriented. This title would be community-oriented and would emphasize vocation aspects rather than medical. Thus, it is a logical extension of Hill-Burton and would put on a permanent basis one of the lapsed provisions of Public Law 565 which made it possible to partially finance some workshops and rehabilitation facilities. This construction section allows more elasticity to the States and makes it possible to provide more communities with workshops serving the severely disabled. This particular section could be more helpful to Goodwill than that part of Public Law 565 which was previously mentioned, the grant expansion program, for you could obtain matching funds for expansion or development of workshops.

The last major title of the bill provides for rehabilitation evaluation services. This will be a Godsend to the handicapped and also a great timesaver to the community once it is tried and understood for it short cuts the agonizing trial of the handicapped from agency to agency, from referral to referral each with its duplication of questions, forms, findings, and evaluations. It makes possible a central referral point where diagnostic and other services are done but once, probably in greater detail for better results both to the client and the community agencies which are trying to serve him. We hope to speed up treatment through better referrals based on better findings at great savings in professional time and talent and considerable lessening of the wearing and tearing process to the footsore and heartweary handicapped person who trudges from referral to referral trying vainly to find where he is eligible, where he has rights, where he is nonfeasible and where he can get services.

This provision also should be of real interest to Goodwill Industries across the Nation for you could expand your present vocational evaluation work for the severely disabled, and, as you know, many self-help clients are useful and valuable prospects for your workshops or homebound programs. In going into this program, you would be helping materially in raising the standards of present evaluation services in many areas, in saving local tax and contributed money by making information available to interested agencies without making them dig for it and by generally increasing the professional competence of all workers in this important field.

In conclusion, I should like to compliment the Davis Memorial Goodwill Industries upon another year of magnificent service to the Washington area. I was fortunate to have an advance copy of your annual report and I was thrilled at your past year of progress, at your modern rehabilitation center, and at the promise of greater service when your new building is finished in time for this annual meeting next year. I am particularly struck by the quotation by Betsey Barton in your report where she says, "Freedom of spirit, freedom within * * * is the most important freedom of all." That certainly summarizes the feeling of the Congress as we devote ourselves to assuring a new birth of freedom for the severely handicapped.

And, I would be remiss in the presence of officers and staff members of Goodwill Industries of America whose advice and counsel have been so generously given to the Congress and to me personally, if I did not also pay tribute here before the bar of public opinion to the splendid work done by Goodwill throughout the Nation as graphically outlined in your recent 1957 report. I was particularly impressed to read that 18 percent of the persons you helped in 1957 were among the mentally and emotionally handicapped and more than 14 percent were aged and infirm. Here you have been true to your mission, a mission based upon compassion and humanity and one for which you are to be publicly commended.

As we work together, the Congress and the States and the public and private organizations of this country, we shall help provide the handicapped of our Nation with a new birth of freedom, a new declaration of independence. And, in the concluding words of the Declaration of Independence, "with a firm reliance on the protection of divine providence," I ask that you who work with and for the handicapped so devotedly join with Members of Congress in pledging to each other our lives, our fortunes, and our sacred honor, that the handicapped of America may truly enjoy life, liberty, and the pursuit of happiness.

Subversive Peril Mounts

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the first in a series of eight articles by the Honorable FRANCIS E. WALTER, of Pennsylvania, chairman, Committee on Un-American Activities. This article on the Communist Party apparatus in the United States appeared in the Philadelphia Inquirer:

UNITED STATES REDS BLOODY BUT UNBEATEN: SUBVERSIVE PERIL MOUNTS

(By Representative FRANCIS E. WALTER, of Pennsylvania, chairman, Committee on Un-American Activities)

When the Communist newspaper, the Daily Worker, suspended publication early this year, some Communist officials "admitted," with a suspiciously frank gloominess, that membership in the party had sunk as low as 8,000. Compared with the 25,000 members the Communist Party of the United States had boasted at its 16th national convention just 1 year ago, the present figure apparently marks a drastic decline in the party's prosperity. Compared with the 80,000 members who had joined the ranks in the depth of the depression of the 1930's, today's total seems to prove the Communist Party in America, for all practical purposes, has collapsed—and with it the danger of Red subversion in the United States.

The grim truth is just the opposite.

The past year has been one of the greatest periods of triumph for the Kremlin and its confederates throughout the Free World. Within the United States, the Communist apparatus has evolved new implements of political conquest. These have found roots in, and have in turn contributed to, a dangerous climate of complacency which itself represents an acute threat to the very foundation of our security system.

The danger of communism is mounting—not receding. The United States remains the major target of Soviet aggression. Indifference to the Kremlin's avowed program of global conquest can lead only to the inevitable destruction of our free institutions and ourselves as a people.

It is not pleasant to state these conclusions. I would much prefer to report that the tide has turned against international communism and that the day of its dissolution is in sight. But I cannot do so.

Numerically, it is true, the membership of the Communist Party of the United States has declined. Partly, this is because many dilettantes have gradually left the fringes from which they had long gazed with starry-eyed credulity. A great deal of the "decline," however, is more apparent than real: Many party members have resigned—some with a great public fanfare—because it suits the party's purposes to have them go underground rather than to continue working as confessed Communists.

What Americans must never forget is this: Those remaining in the Communist apparatus comprise a hard core of revolutionaries who have consecrated themselves to accomplish the annihilation of our form of government. And, actually, there are half a dozen kinds of Communists.

First are the professionals, who may or may not be card-carrying party members. Then there is the concealed Communist, the sympathizer, the fellow traveler, the innocent who has been duped by the Communists and, finally, there is the opportunist. For every party member, there may be hundreds able and willing to do the party's work. Put another way, there are at this moment the equivalent of some 20 combat divisions of enemy troops on American soil, engaged in propaganda, espionage and subversion—troops that are loyal only to the Soviet Union.

During the past year a nationwide campaign of political subversion directed by the Communist Party and aided by numerous affiliate organizations, has spread throughout the United States, as a part of what may emerge as the most successful technique thus far devised by the Soviet apparatus in this country.

Into this campaign, the Kremlin has succeeded in enlisting, at a conservative estimate, more than a million Americans. Their participation has ranged from membership in the farflung network of Communist-front organizations to the signing of Communist-sponsored petitions and has included substantial financial contributions.

Let me make this clear: I do not say there are 1 million Communists in this country. Far from it. It is only fair to say that many of the persons who have taken part in this subversive campaign would be aghast if they understood the full import of their actions and if they appreciated the extent to which they had unwittingly benefited the Communist conspiracy.

The clear objective of this campaign is the destruction of the entire security system of the United States. More immediately, it seeks to cripple the antisubversive programs of the executive branch of the Government and of Congress.

It would do this in two ways: One, by shackling or abolishing the Committee on Un-American Activities; two, by discrediting the Federal Bureau of Investigation and its Director, J. Edgar Hoover.

This drive is best exemplified by the work of the so-called Emergency Civil Liberties Committee, which inaugurated its campaign against the FBI and the Un-American Activities Committee at a rally in Carnegie Hall, New York, just a few months ago.

One of the speakers was Dalton Trumbo, playwright and screen writer, a member of the notorious Hollywood ten who was convicted and sentenced for contempt of Congress in refusing to tell the Un-American Activities Committee whether he was a Communist.

Trumbo loudly vilified the committee, J. Edgar Hoover and the FBI and crudely derided a group of Hungarian patriots who were picketing the rally. His speech, and those of others, made clear the objectives of the campaign. Communists not only seek to destroy the House committee but to wreck completely the investigative powers of Congress in the field of subversive activities.

So far as our committee was concerned, the Communists not only admitted their goal—they boasted of it. Harvey O'Connor, chairman of the Emergency Civil Liberties Committee, hailed the New York rally as "historical, because it opens the abolition campaign against the House Committee on Un-American Activities."

O'Connor was identified as a member of the Communist Party by Benjamin Gitlow, a former secretary general of the party, as long ago as October 17, 1939. In addition, he has a long record of association with numerous Communist-front organizations.

His chief assistant, as vice chairman of the abolition drive, was Corliss Lamont, who for years has been one of the foremost apologists for the Soviet Union in the United States.

The O'Connor-Lamont outfit as I said, made no attempt to camouflage its determination to abolish the anti-Communist agencies of Congress but in its attacks on the Federal Bureau of Investigation it was slightly more subtle. Typical of its tactics was an advertisement which appeared in a few magazines, headed, "You and the FBI."

Avoiding a frontal attack, the committee cunningly suggests that FBI agents engage in tactics of intimidation against American citizens. Stripped of its Communist gibberish, the advertisement flatly advises Americans to ignore FBI investigators who may enlist their help in protecting the security of the United States.

"The FBI, unlike courts and grand juries, does not have the power of subpena and of compulsory examination," it declares. "You may decline an invitation to visit FBI agents or to receive them at your home or office."

Then, the advertisement goes on to suggest that G-men engage in political intimidation, like the brutal secret police who characterize every Communist state.

"Unfortunately," it continues with mock concern, "at the present time many FBI inquiries appear to be concerned with political associations rather than with obtaining facts for the constructive purposes of criminal investigation. The very nature of political inquiries means that many of the questions will be of the sort which no citizen is, or should be, required to answer.

"Finally, the use of investigative power by governmental agencies to intimidate or threaten is expressly forbidden by law. We suggest that you report any attempt at intimidation to the Emergency Civil Liberties Committee."

The effrontery of such an attack is obvious when one remembers that its intended victim, the FBI, is the agency which exposed such Communist enemies of the United States as Harry Gold, David Greenglass, and Ethel and Julius Rosenberg—all convicted atomic spies; Judith Coplon, a Justice Department employee convicted of passing secret information to a Soviet diplomat—but who escaped prison on a technicality.

In subsequent articles I will review these cases. They are well worth remembering—and all Americans should keep them in mind when they read such shabby, snide attacks on the FBI by Communist-directed organizations such as the one I have mentioned above.

Here I wish to discuss the Communist menace in more general terms. The Russians themselves have made one aspect of the peril clear enough, by the satellites they have sent soaring into space within the past few months. These present fresh evidences of Soviet Russia's technological progress, a progress made possible to a large degree by the penetration of our internal defenses by Soviet conspirators and their theft of some of our most vital military and scientific secrets.

Communist political subversion presents a danger to the American people equaling that of Soviet satellites and long-range missiles. The U. S. S. R. would prefer to achieve its program without the physical destruction of its enemies; if the gates can be opened from within by dupes and Communist agents, overt aggression by the Soviet Union will obviously be unnecessary.

This would be the fulfillment of Lenin's prophecy, made at the inception of the international Communist empire:

"First," he said, "we will take Eastern Europe, then the masses of Asia, then we will encircle the United States, which will be the last bastion of capitalism. It will fall like an overripe fruit into our hands."

The Communist Party in America, since the death of Stalin, has lost considerable numerical membership. Nevertheless, the Communist leadership in the United States has proved itself equal to its assigned task. In a fundamental shift of tactics, their old cries of revolution and forcible overthrow of the Government have been muted and replaced by more subtle calls for "peaceful coexistence," "universal disarmament" and the like.

It is essential to remember, however, that the effectiveness of the Communist operation has nothing whatever to do with the size of the party. A compact, hard-core elite can be and is of greater value to the Kremlin than would be an unwieldy mass of undisciplined and various adherents.

As the normal party structure recedes from view, it is being replaced by a widespread undercover apparatus, duplicating—beneath the surface—all the mechanisms of Communist Party Activities: Printing and publishing Communist propaganda, formulating strategy, and leading the apparatus.

A few months ago, in a series of articles in the Inquirer, I related the exploits of the counterspy Borris Morros, who enabled this country to unmask agents of the international Soviet apparatus.

His story demonstrated, with new emphasis, the constant secret warfare of the Communist empire against the United States and its Free World allies. The danger is heightened by the fact that it lies hidden from our view and stems in many cases from persons who would not ordinarily be suspected as agents of the Kremlin.

It is instructive that Morros himself, regarded by the Soviets as a key instrument of espionage in the West, had no affiliation with the Communist Party or any Communist fronts. This explains how anyone in such a capacity can swear under oath that he is not a Communist and never has been a Communist and yet can be important in the Soviet apparatus.

How Freedom Vanished by Vote of the People—A Study of History, Including Modern Times

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EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1958

Mr. GWINN. Mr. Speaker, some years ago I was in utter distress of mind to see our own drifting, like the rest of the world, into our own variety of modern-

day socialism and statism. Ours is, without a doubt, one of the worst.

I tried to get some relief by studying history. I was somewhat relieved to find that the Greek and Roman world experienced generally, long before and after Pericles' time, substantially what we are doing through today.

So it appears that people do live through such times, even though it is painful.

It may be a relief and indeed, some will even find humor in the fact that mankind stumbles and makes mistakes like drunken men do over and over. To some, drunken men are so alike that they are indeed funny. Just so, people are cast into a series of spells by political leaders—who are able to deceive them by outpromising each other—over and over again.

Fortunately, there are a few interludes of freedom from these spells in history. They are known as periods of constitutional restraints which are imposed on the government by the people.

The progress of mankind during such periods is phenomenal and makes the story worth telling. As Burke points out in his English studies, these rare examples in history show that the only genius for government people have lies almost wholly in constitutional procedures and not in the voting processes exercised by the people.

A kind of revelation must be brought to the people of the nature of government. By some process other than the voting process—perhaps by handing down the tablets from the fiery mountain—the eternal principle of right and of government must be proclaimed. Some president or some dictator or even some constitutional convention may affirm these principles.

The people, because of the eternal verities of the principle and the desire to live by moral law, find ways of assenting. A supreme court may affirm these eternal principles and thus a nation may be launched for a period of time which will be willing to be governed by moral and natural laws as programed by the constitutional documents.

Thus it was in my study entitled "How Freedom Vanished in the Ancient World by Popular Vote":

HOW FREEDOM VANISHED IN THE ANCIENT WORLD BY POPULAR VOTE

(A study of how majority rule can be used to impose ruthless dictatorship from the earliest times to the Middle Ages, with an observation that the modern day forms of dictatorship (communism and socialism) are likewise imposed by popular vote.)

Interludes of freedom are short and far between.

About 500 years before the birth of Christ, Athens—then the center of the world's civilization—was rapidly falling into a severe depression.

To combat it, Pericles started what would today be called a PWA program. His public works program staggered the imagination. He began with the building of a great temple, called the Temple of Athena Nike. In 9 years he constructed the Parthenon, then art galleries and still more public buildings. Dams were built with PWA money, some wholly unnecessary. Along with all this was his own variety of giveaway programs: public housing, licenses, privileges, loans and contracts—plunder to the faithful voters and members of his political party. He himself dipped into the public treasury too.

All this made Pericles more and more popular. The people elected him Chief Strategos, a title roughly comparable to that of President of the United States. They elected him to this office 15 times. In so doing they violated what one historian called the most sacred tradition in the Constitution—the rotation tradition that had rigidly been observed and which was considered a bulwark against dictatorship. In fact, democracy under Pericles degenerated into liberty of the sovereign people to decide as Pericles thought best. And a majority approved.

The big PWA program brought jobs to a lot of people. Here are some of them, listed by the historian, Plutarch (Pericles, 12): "Carpenters, sculptors, cobblesmiths, stone masons, dyers, moulders of gold, painters, embroiderers, engravers, merchants, sailors, wheelrights, wagoners, drivers, rope makers, flax workers, leather cutters, road makers and miners."

According to the pattern that has come down to this date, Pericles asked for and got from the people all power concentrated into his hands. He could even decide the issue of war or peace. In the end he chose war, as nearly all governments do in the pinch of trouble, threatened resistance by the people, unemployment, and especially fading popularity of the leader. Pericles went to war with Sparta. Most of the experts now agree the disastrous Peloponnesian War was wholly unnecessary. Pericles thought it was. Sparta did not attack Greece. Greece—at the direction of Pericles—attacked Sparta. The Spartan king, Archidamus, did all in his power to prevent war. Neither he nor his countrymen wanted war.

In fact, Archidamus put up with all sorts of insults from Pericles rather than go to war. He received ambassadors from Pericles who taunted Sparta about her shortcomings in the Persian wars. When that didn't work, Pericles "cut inland Greek states off from an outlet to the sea by closing the port of Piraeus which they (the Spartans) had used for many years." He violated a 30-year peace pact by a belligerent act. Plutarch, the historian, said flatly that but for Pericles, the Spartan war could have been avoided.

The real reason for Pericles' decision to go to war was revealed in the plays of the great dramatist, Aristophanes, who said that since Pericles' power and popularity were fading, he saw war as the only way to bolster both.

But the gigantic PWA program of Pericles, and the war expenditures, "left the door open for one type of effective opposition." That was to promise more to the people in the way of government money.

Now take a look at the man who did that:

Cleon

Cleon was a shoe salesman. Like Huey Long, who sold mineral oil, Cleon managed to get around among a lot of people. When Cleon wasn't peddling shoes, he was a cobbler. He had a loud voice, was given to uncouth language. He decided maybe he could outpromise Pericles. So he went around promising the people better pay and shorter hours. The people began to listen to him. He offered more government spending than Pericles ever thought of. That they liked, too.

By this time Athens was in the second year of the war with Sparta, and since the war was unpopular, the prestige of Pericles was slipping. Cleon had support both from the rabble and those who honestly thought the war was a mistake. Although Pericles had taken over most of the democratic forms, he hadn't yet conquered the courts. And Cleon successfully accused Pericles of misappropriating public funds. That was the end of Pericles, and Cleon took over.

Cleon now had to make good. If he was going to keep up government spending, he had to get the money from somewhere. "Under his leadership," says one historian, "Athens extorted every penny she could from the vassal states remaining to her. This fund, augmented by wholesale confiscations of the property of wealthy people, was distributed as a dole to the people. For a short time the people realized higher doles and more leisure, but they were to discover that higher wages would not buy wealth that was not produced."

Cleon had no ethics. He looted the Athenian treasury without compunction. When it came time to submit the annual budget for a vote in the Ecclesia, he didn't submit it item by item, as Athens had once known in the days of democracy. He asked it be approved as a lump sum. Had debate been allowed, Cleon's thievery would have been exposed.

Meanwhile, he put more and more people on the public payroll. A vast bureaucracy was developed. Long after the war with Sparta, thousands were still on the public payroll. Only a feeble democracy survived. Demosthenes describes it "as overrun with salaried paupers."

When at last, in the third century before Christ, Phillip of Macedon destroyed what was left of Greek democracy, he found—as he stood at the gates of the once proud capital—"a hollow democracy in which the people were ground down by poverty and resigned to a spiritless dependence on the state for their daily crusts of bread. The Athenians had long since ceased to take pride in the glory of Athens or any courageous interest in defending free government."

It was the rise of big government, with its one and only policy—government spending—that ruined Athens. Today, as we look on the ruins of the Parthenon, we should remember that those who choose to ignore the mistakes of history are condemned to repeat them.

Octavius

The next outstanding world figure to use the giveaway programs to get the vote through the forms of freedom was the successor to Julius Caesar. He was the Caesar Augustus (Octavius) referred to in the New Testament as emperor of Rome when Jesus of Nazareth was born. Like Pericles and the rapacious Cleon, he believed in government spending on a big scale. That means big government management and control, which means in turn destruction of individual invention and freedom of choice.

Julius Caesar himself, faced with economic crisis, had contrived to keep his popularity by a combination of (a) extraordinary political showmanship, and (b) a modest amount of government spending. Soon after he came into power in 49 B. C. he made free distributions of corn and oil and even money to the populace and staged vast shows—wild beast hunts and gladiatorial contests—in every quarter of the city of Rome.

Likewise he stirred the imagination of the people by grandiose schemes, such as diverting the course of the Tiber, cutting up the Campus Martius into building sites, building a huge theater, establishing large libraries, piercing the Isthmus of Corinth, building a gigantic road over the Apennines, and the codification of all existing law.

But Caesar and his friends also conducted a wholesale pillage of public money under his eyes. In his climb to power he had not hesitated to bribe liberally. But before long he was running out of money. How was he to get more? He cast envious eyes on Parthia (Persia). Here were vast stores of all sorts of material wealth. If only he could conquer it. Plainly, it was the only way out.

So he set out to conquer Persia. Some of his rich friends, however, knew that if he came back with the plunder of Persia, he would be powerful enough also to plunder them. And Caesar was ambitious. So one of these friends (Brutus) assassinated him just as he was to leave on the Persian campaign.

No sooner was Caesar buried than the nation plunged into civil war, out of which emerged Octavius as the supreme leader. He had at his command a tremendous amount of war booty. War was the quickest way in ancient times of getting wealthy. Monopoly—by and with the consent of the dictator—was the second fastest way.

Octavius was not only the richest man in the Roman state but he made himself richer after the murder of Caesar by confiscating the estates of his political enemies. Besides, in Egypt he had captured all the treasure of Cleopatra, then believed to be the biggest single fortune in the world. The redistribution of wealth to his supporters and party members bought their votes in his time. These techniques that had been employed for 2,000 or 3,000 years before Karl Marx were simply modernized by him out of facts of history that were very old by his time.

As chief consul, Octavius observed all the outward forms of a constitutional dictatorship created with the consent of the people. He even continued the tradition of having two annually elected consuls, the other being his stooge. From 30 years before Christ to 27 years after his birth, Octavius ruled Rome; but 3 years before Jesus of Nazareth began His ministry, he took over a new office conferred on him by the senate, called the principate. The senate also gave him the complimentary title of Augustus, by which he is known chiefly in history. In his new office he ceased to go through the forms of running for office each year.

He was also elected by the senate pontifex maximus for life. That meant he was the chief priest of the Roman religion. Finally, he was voted the power to issue edicts, and so—for the first time in Roman history—we have government by edict.

By vote of the majority, he was also voted the power to convene the senate at his pleasure, to commend candidates for election to any post, to set aside the act of any magistrate.

Now, how did the citizens of Rome come to yield all these powers, in spite of the lessons of disaster following dictatorship? Did the people have any choice but to follow one dictator after another who could bump off the dictator before him, often by outpromising him?

First of all, as Ferrero notes in his Greatness and Decline of Rome (vol. IV, p. 163):

"To secure his hold of Rome and of the republic without any display of force or undue influence, he patiently worked to attach every social class to the new government, and these bonds were forged of golden chains, delicate and almost invisible, but, nonetheless, strong. Augustus laid down one of the essential principles for the future policy of the Empire—that expenditure should be wide and free at Rome and directed to the profit of every class."

Says Willis J. Ballinger in By Vote of the People (p. 117):

"Only a thoroughgoing reform of Roman capitalism, which would have been directed to releasing the productive powers of private business in the domestic market, could have made it possible for the Roman citizen to earn his living without being dependent on the state. * * * With a prodigal hand, he annulled all the state claims for back taxes * * * he paid the Roman municipalities for land seized from them in the civil war, distributing among them probably 300 million sesterces in hard cash. To the plebians of Rome, that dangerous and disorderly rabble of more than 250,000 men, he distributed 400 sesterces apiece. To his soldiers, who totaled some 250,000 men, he gave 1,000 sesterces apiece and, in addition, a plot of land."

While Octavius was playing Santa Claus in a big way, he further endeared himself to the voters by affirming his faith in Roman democracy. He even announced he had "handed over the republic to the control of the Senate and the people of Rome."

Now, he started a more ambitious public-works program than Julius Caesar ever dreamed of. He built roads and temples and public buildings on a vast scale. His personal fortune was so vast, derived from war booty and inheritance, that he could for a while delay the day when he had to increase taxes at Rome and on the barbarian tribes. But that day was to come. So great was his government spending program that he created in process one of the most powerful political machines ever known in the history of the world. But he did this, using all the forms and trappings of democracy.

All this government spending made him enormously popular. "The evidence," says Ballinger, "is convincing that Octavius was deeply venerated by the people, and that the people on more than one occasion petitioned him to become dictator. Indeed, in one instance, the masses threatened to burn down the Roman Senate if it did not make Octavius a dictator at once. * * * The gradual absorption of power was done by vote of the people. All during the emerging dictatorship, the Roman Assembly continued to exercise its two basic functions—the election of magistrates which, of course, included the Princeps, and the ratification of all laws. The transference of power was ratified step by step by the Roman Assembly. The conclusion is inescapable that, in the last analysis it was the Roman people who destroyed Roman democracy."

Thus under Octavius, Rome passes from the outward form of a republic to an empire and a long line of emperors.

The last and final step was to make Octavius' dictatorial powers hereditary. Thus Tiberius, Octavius' stepson, became his successor. The Roman Senate and Assembly voted to make Tiberius Princeps for life. That was the end of representative government in Rome.

In fact, the truth is that "under a literal rain of jobs, the people surrendered their sovereignty. But when dictatorship became fully established, the picture changed. The necessity no longer existed to court the people. They no longer had any power to surrender. Dictatorial government then changed its tune. It became thoroughly exploitive. The Roman people one day awoke to find that they no longer possessed civil rights and that their lives were at the mercy of the Emperor."

After Octavius came the deluge—government interference with business, with the individual, with the expression of public opinion. Paul Louis in Ancient Rome at Work (p. 21) describes how the state interfered with the marketing of oil, the conditions of carpentering, earthenware manufacture and of house paintings. So much so, adds this historian, that "the masses of people, broken under tyrannical legislation and plunged into incurable misery, did not even dream of emancipation."

Diocletian

Three hundred years after Octavius (284–305) came the Roman Emperor Diocletian, who outdid in state control anything his predecessors, both in the republic and empire, ever tried.

He not only fixed prices and regulated wages, but persecuted Christians in the bargain. The reason he did the latter was that they were the only ones he couldn't control. He wanted to revive the old Roman religion, and the church as an independent organization he looked upon as a menace to his authority.

"Diocletian," says Ballinger, "for all his purple toga and imperial dignity, sounds a good deal like the La Follettes and Bryans of our day. He excoriated the rich men of his era for stifling production and impoverishing the people as thoroughly as many liberal leaders of our own democracy have done."

But what did Diocletian do?

He decided that everything could be remedied, everything straightened out, if only he could fix wages and control prices. That would give a fair break to everybody. But how to do it? First, he must wipe out the last vestiges of local government. There was some local autonomy even under the empire. Clearly, that was bad. So he set to work to centralize all authority in Rome.

He set up a huge bureaucracy, entirely dependent on—guess whom?—the emperor. He filled the ancient capital with thousands upon thousands of civil servants. Everything had to be decided from Rome.

Like Octavius, he was enamoured of a public-works program. He adorned the city with numerous buildings, such as the Thermae, of which extensive remains are still standing.

But Diocletian made himself famous—one of the few Roman emperors to be remembered—by his effort to control prices and fix wages.

Never had the ancient world seen anything like it.

It has gone down in history as the imperial edict of 301 A. D.

The punishment fixed for violating the price-fixing edict was—death.

Pricefixing included cereals, wine, oil, meat, vegetables, fruits, skins, leathers, furs, footgear, timber, carpets, and all clothing. There were maximum prices set in great detail for all these articles.

Wages were also controlled, ranging all the way from the wages of laborers to the fees for lawyers and doctors.

The effect of the price-fixing-wage-control edict was disastrous. Business was bound down in a maze of redtape. Trade came virtually to a standstill. The value of money was also rigidly controlled, adding to the confusion.

So many violations were alleged that Diocletian himself pardoned or exonerated many; the tribunes (courts) were clogged; nobody could make any sense out of what was going on. The price-fixing, wage-control attempt was limited to the eastern part of the empire. The law was on the books long after Diocletian died, but enforcement fell by the wayside, and finally fell into abeyance. Technically, it was on the books of the empire at least down to 403 A. D., but long before that it was recognized as impossible to enforce. It was the last and most ambitious attempt in the ancient world to control wages and fix prices. Yet the effort was bound to fail, just as the empire itself centuries later was bound to fall, not only from external assault but internal decay.

Cosmo, dictator of Florence (1434–64 A. D.)

Now we come to the most interesting story of all. No people in the history of the world loved freedom more than the people of Florence, an independent state on the Italian peninsula. They did not have a democracy, as we know it, nor even representative government. But they did love freedom, and they went to extraordinary lengths to safeguard it—but even Florence was taken in by a dictator who beguiled them with government spending—and the end, as usual, was ruin.

In fact, Cosmo founded a dictatorship which lasted 300 years. Yet the citizens of Florence thought they had done everything possible to prevent a dictator from rising.

Florence in the 13th century had a population of about 90,000, but only 4,000 or 4,500 could hold office. They included the merchants, learned lawyers, and great artists. Within this small circle was an intense love of political liberty and an ever-present dread of despotism. Now this small group appeared to have one purpose in common: that was to prevent the rise of a dictator.

To achieve this purpose, they wrote extracautious provisions into the constitution. Let us see how the constitution came about.

In the 11th century Florence was little more than a town in northern Italy. A feudal nobility owned most of the land. Gradually, however, the city of Florence expanded rapidly in 3 centuries, and the merchants—getting together in 7 guilds—wrested political power in the realm from the nobles, so that by the 13th century, the Florentine constitution was an extraordinary instrument of freedom.

By the 14th century, the people—that is, every male resident—had the right to approve or reject any change in the constitution. This did not mean that everybody could hold office in the state. They couldn't as these honors were limited to the merchants and the professions.

Whenever a change in the constitution was proposed, the government had to summon a gathering of the whole male resident population of Florence. Whatever change was proposed was to be carried out by a specially appointed commission. And the question would be put to the people whether such a commission should be appointed.

Thomas A. Trollope in his History of the Commonwealth of Florence (vol. 2) describes the Florentine Constitution and how jealously the merchants and professional class guarded the freedom of the people—for a while.

Instead of having a chief executive or president, they feared the centralization of power in one man, so the executive office or signory was composed of 36 members, with a presiding chairman called the gonfalonier.

Instead of having 1 attorney general, they had 12 attorneys, schooled in constitutional law.

To avoid having a legislature that might be pliant to the will of the executive office, even though the latter was composed of 36 members, the legislative power was split into three houses. Further to prevent the rise of a dictator, the constitution provided that all of the above-named officials were to rotate in office every 2 months.

But the Florentines carried their caution further:

Because they thought the commander in chief of the Florentine Army might become a military hero and thus become a dictator, they provided by law that he must be a foreigner, chosen annually, and thus not eligible for any civil office. Likewise, they provided that the chief of police and the minister of justice must be foreigners, appointed in a similar manner.

Finally, to prevent the rise of a political machine, the Florentine Constitution provided that officeholders (drawn from the special group hitherto mentioned) must be selected by lot. Thus, "the names of all citizens eligible for office were put into borse or purses. Citizens so eligible were business proprietors who were not in arrears in their taxes."

The historian, Trollope (vol. 2, p. 179) goes on to say:

"No people under heaven ever had so much faith in the virtue of haphazard * * * the names of all citizens should be put and drawn by chance for all offices of trust and power * * * for how else can we prevent our rulers from getting to be greater than we?

If we appoint the most able, his very ability will help him to put the yoke on our necks * * * we will trust no man. * * * Then, at all events, I am as likely to be king as you. And in order that every dog may have his day, and we may be all kings in our turn, we will reduce the term of office to 2 months. There surely can be no danger of a man making himself great in that time."

Now one would think, on the face of this, that it would have been impossible for a dictator to have arisen in Florence. The people had written extraordinary precautions into law against the possibility. But they reckoned without the cleverness and the government spending ideas of one Cosmo di Medici.

Cosmo—the people called him that—inherited, like Octavius in Rome, a great fortune. His father, Giovanni di Medici, had been one of Florence's richest bankers at a time when Florence was the banking center, or financial capital, of the world. The Florentine bankers in the 13th century loaned money even to the kings of England and of France. At this time Florence had 120 banking firms, each with branch offices all over Europe.

Cosmo's father had made the family name revered among most Florentines by leading a reform in the tax system, whereby the rich paid their fair share of taxes. On the death of his father, Cosmo fell heir to the leadership of the liberal party. There was the counterpart of the liberal and conservative party running all through this history.

There was a great difference between Cosmo and his father, however. Cosmo was ambitious. He saw dreams of personal power. To get it he remained in the background. Like Boss E. H. Crump of Memphis, he held no political office—for a while. Instead, he went around quietly paying up the tax arrears of citizens qualified to hold office. Next there were rumors that the borse or purse, from which officeholders were selected by lot, had been tampered with. The right names seemed to be coming up all the time. In fact, a blind beggar by the name of Benedetto "made himself rich by predicting what names would come out of the borse when a new signory was drawn."

In addition, Cosmo—still keeping in the background—lent money to influential men. It was not long before every important citizen in the commonwealth was indebted to him. His behind-the-scenes power got so great that the signory, not yet under his control, ordered him into exile.

Yet this did not faze Cosmo. Even from exile he continued to dictate things. Within a year, however, a new signory, favorable to him, came into power and he was brought back into the city as a hero. The deft way he had manipulated "the selection by lot" of the signory now paid off. The members bent to his will. They summoned a parliamento of the people, and it granted him dictatorial power for 5 years!

Never had Florence seen anything like it. He had seduced the processes of free government by his money bags, and now he started on a spree of government spending.

He started what today would be called a WPA and PWA. He ventured on a gigantic public hearings and even churches.

He established his dictatorship in Florence in 1434. For 30 years he ruled with a despotic hand—so cruel that many murders were committed by his henchmen and no man was brought to justice for them.

The technical name of the Signory had been the Priors of Signory. He changed the name to Priors of Liberty. Why? Machiavelli amused all of Europe by explaining: "He did this so that the people might at least preserve the name of the thing they had lost."

Gradually, government spending increased, instead of lessened, and Florence sank from the foremost republic in the world to a tax-ridden tyranny. The people were abandoned to their poverty, the slums of Florence became models of filth and disease. For 300 years the dictatorship, initiated by Cosmo, continued until fell before the invading armies of a united Italy.

Significantly, however, Cosmo acquired his dictatorship by majority vote, and until he had firmly intrenched himself he appeased the masses by government spending until the people were finally reduced to incredible poverty. Yet never before had so many safeguards been thrown around republican government, all to no avail in the face of an ambitious man, greedy for power with his supporters and beneficiaries corrupting the voters by taking from those having the fewer votes and giving the proceeds to those with the greater number of votes.

We now move toward communism by majority vote, while observing all the forms of democracy.

A STUDY OF KARL MARX'S COMMUNIST MANIFESTO AND THE EXTENT OF ITS TRANSLATION INTO FACT IN THE UNITED STATES OF AMERICA

The Communist Manifesto was published in 1848. It is the official creed of the Communist Party. In 1948 the 100th Anniversary edition of this book was published. The following are the major goals in the modern giveaway programs already tested in history as sure to work and get the vote of a majority of the people, as set out in the official Communist Manifesto (pp. 32, 33, 34). We are all quite familiar with them. Most of the countries of the world have adopted the concepts, including the United States. It has adopted the principle of Marx but in some cases stopped short of Marx's total consummation of his goals. Having adopted the principles, how can we stop or reverse the course?

1. Abolition of property in land and application of all rents of land to public purposes.

How far has this happened in the United States of America?

To get an understanding of the answer, we must look at the traditional land policy of the Government. As Admiral Ben Moreell has pointed out, the early American policy was to get this land into the hands of private owners as quickly as possible. Sometimes it was given away, but always the idea was to get it into the hands of private owners, whether it be a railroad, a college, an individual homesteader, or others.

Now, however, the reverse is true. More and more land is being taken, for public purposes. So what has happened? One-fourth of all the land now in the confines of the continental United States is owned by the Federal Government.

Thus, the Federal Government owns 85 percent of Nevada, 71 percent of Utah, and 69 percent of Arizona. There isn't much land left to acquire west of the Mississippi and the trend is steadily upward.

2. A heavy, progressive or graduated income tax.

In this, our beloved country has out-Marxed Marx.

In 1894 a revenue bill was passed by Congress which provided for a graduated income tax (act of August 27, 1894).

The law was declared unconstitutional by the Supreme Court on April 8, 1895 (*Pollock v. Farmers Loan and Trust Co.*). It was held invalid on the ground that the law imposed direct taxes, not apportioned among the States as required by the Constitution.

On February 25, 1913, the 16th amendment to the Constitution was adopted authorizing

the imposition of income taxes without apportionment among the several States.

The tax, says Morcell, "was described by its proponents as a modest levy, with a normal rate of 1 percent on personal income up to $20,000, a surtax to a maximum of 6 percent of $500,000, and a flat corporate tax rate of 1 percent. The sole purpose, they said, was to produce revenue. When a Senator protested that the normal rate might some day rise to the confiscatory level of 10 percent, he was shouted down in derision."

Instead of 10 percent, the personal tax has risen to more than 90 percent in the highest brackets. The tax acts as a powerful brake on private capital, this making it easier for the Government to step in with public capital.

Take a specific illustration in line with the Marxian ideal of wrestling, by degree, all capital from the owners of private property. In 1951, says Morcell, "the total of the income-tax payments to the Federal Governmen by the largest company in each of the twenty largest industries was three times the total amount that was paid out to the owners of the businesses. That is, for every dollar set aside for Federal taxes and dividends by these companies, 75 cents went to the Federal Government and 25 cents to the stockholders."

3. Abolition of all right of inheritance.

Not only has the inheritance tax taken as high as 75 percent of the grants in the highest brackets, but to this has been added the gift tax, something Marx never thought of.

When one of the Du Ponts died recently, leaving an estate of $75 million, a total of 75 percent of this was paid out to the Federal Government in inheritance taxes. This, too, is moving in the direction of the Marxian goal "to wrest, by degrees, all capital from the bourgeoisie."

To quote Morcell: "You may condone this action, saying 'Oh, well, there is plenty left,' but I speak here of a basic moral principle, the right to retain property."

4. Confiscation of the property of all emigrants and rebels.

American citizens of Japanese parents, who were suspected of possibly becoming rebels, were deprived of their property during World War II. When the war was over the Government compensated them for it at a fraction of what it was worth.

5. Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.

Already proposals are before the Congress, with the support of the New Dealers and Fair Dealers, to buy stock of the Federal Reserve bank and place title in the Government. Then all new Government money requirements, including those for retiring outstanding bond issues, would be met by delivering non-interest-bearing bonds to the banks, which "would establish corresponding credits on their books." Better than that: the United States variety of socialism issues interest-bearing Government bonds at 3 percent tax-exempt. For example, 3 percent public housing bonds in the hands of those in the 80 to 90 percent tax bracket is better for them than investments in 13 percent dividend stock. Thus public ownership thrives—private investment dies. Lenin said the surest way to destroy the capitalistic system is to destroy its currency. Government control of credit and interest rates is a movement in exactly the direction Marx had in mind.

6. Centralization of the means of communication and transport in the hands of the State.

Both the FCC and ICC have made a start in this direction. The railroads, for example, are not only sometimes taken over by the Government, but they are so strictly controlled they cannot, with propriety, be pointed to as examples of private ownership and operation. Add to this situation the heavy Federal subsidies to steamship lines, airlines, airports, bridges, etc., and we have the beginning of overall controls.

7. Extension of factories and instruments of production owned by the State, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.

Here we have a record of many manufacturing plants owned outright by the Federal Government. Then there is the entry of the Federal Government into the ownership and operation of electric powerplants. Federal ownership in this field (of plants already in operation) has reached 10.7 percent of the total, and by the end of 1955 it will be 15.4 percent. If State and local plants are added, the total is 23.8 percent.

In another field—synthetic rubber—in the first 6 months of 1952, Government-owned plants produced 62.3 percent of the Nation's consumption of new rubber.

8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.

This one plank has not gained wide acceptance here, despite memories of the Works Progress Administration and the Civilian Conservation Corps. Yet the American Communist Party in 1921 advocated the closed shop as essential to the creation of a Red America.

Nor should the Temporary Industrial Disputes Settlement Act of May 26, 1946, recommended by President Truman, be forgotten. This empowered the President to draft workers and management into the Army. The House of Representatives, by overwhelming majority vote and under suspension of the rules, voted it 306 to 13. In the Senate, Senator Taft led the fight to eliminate the draft provisions, and was successful; the bill then was passed and died in conference. Said Taft at the time: "I wish to say that it seems to me that section 7 goes further toward Hitlerism, Stalinism and totalitarian government than any provision I have ever seen proposed in any measure."

9. Government planning in agriculture and industry.

We appear to have accepted the fundamentals of this plank. Proposals are now under consideration to force the decentralization of industry under the emergency powers of the Defense Production Act. Likewise we have the example of the Truman-sponsored Brannan plan, "a scheme to lock a large segment of agricultural production in the vise of bureaucratic controls." Rent, wage, and price control are commonly accepted policy.

10. Government-controlled schools.

The president of Harvard University recently advocated the abolition of all privately operated grade and secondary schools. In a recent Columbia University study, James Earle Russell reported: "The Federal Government in a typical year (1947) spent $500 million of the $1 billion it cost the colleges to operate—or 50 cents of every dollar." The report shows higher education has become a major concern of the Federal Government. The Supreme Court has already laid down the principle: "It is hardly lack of due process for the Government to regulate that which it subsidizes." How far off is regulation?

Observes Ben Morcell of these 10 planks: "We cannot imprison or shoot an idea. We can only study it and try to understand it. If the ideas we sponsor—knowingly or unknowingly—are Communist ideas, democracy will be of little help. It is just as much a Communist idea if the majority impose it upon a minority * * * as if it is done in the name of dictatorship."

Martin Van Buren (1837–41)

Like a breath of fresh air in a smoke-filled room was the philosophy expressed in the message of Martin Van Buren to Congress on September 7, 1837.

It came at the height of the first great depression to hit the United States. In it President Van Buren turned down suggestions, emanating from both parties, that he take the lead in a program of Government spending. Said the President to Congress:

"All communities are apt to look to the Government too much. Even in our country, where its power and duties are strictly limited, we are prone to do so—especially at periods of sudden distress and embarrassment. But this ought not to be.

"The framers of our Constitution, and the people who approved it with calm and sagacious deliberation, acted at the time on a sound principle. They wisely suggested that the less Government interferes with private pursuits the better for general prosperity. * * *

"It is not the Government's legitimate object to make men rich or to repair, by direct grants of money or legislation, losses not incurred in the public service. This would be substantially the use of the property of some for the benefit of others."

This philosophy, expressed by the President of the United States, raised a storm of objection in Congress, in both Houses, but the President stood his ground.

Daniel Webster professed to be shocked. Said Webster, addressing the Senate, "I confess this declaration [of the President] is to me quite astounding. And I cannot think but that—when it comes to be considered—it will be a shock to the country. This avowed disregard for the public distress on the ground of alleged want of power; this exclusive concern for the interest of Government and revenue—now for the first time drawn—between the interest of the Government and the people, must surely be regarded as commencing a new era in our politics."

The press echoed with Webster's denunciation, but suddenly support came to the President from a strange quarter. John C. Calhoun and his followers had all but withdrawn from the Democratic Party. Now, almost overnight, they returned. And Calhoun himself, although ill and hardly able to stand, took the floor of the Senate and alined himself squarely on the side of the President of the United States. Said Calhoun:

"I dread the doctor more than the disease itself. * * * I rely more on the growing crops, on the cotton, rice, and tobacco of the South, than all the projects and devices of the politicians. * * * We have arrived at a remarkable era in our history. The days of legislative and executive encroachment * * * and extravagant expenditures are past for the present. We are about to make a fresh start. I move off under the States-rights banner, and go in the direction in which I have long been so long moving."

A revolt against Van Buren's policy broke out in his own party, however, led by Nathaniel Talmadge, of New York, and William C. Rives, of Virginia. Nevertheless, the President was able to muster enough support, including Calhoun and his followers, to avert upset of his leadership.

And so we conclude, that where the Constitution has been torn down, the first step is to repair and reassert it. The way to do it is clear. Who will do it?

SENATE

WEDNESDAY, MARCH 12, 1958

The Senate met at 10:30 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, at the day's beginning, in this hallowed moment dedicated to the upward look, we proclaim our faith that Thy truth, against which the gates of hell cannot prevail, is marching on to its coronation even amid the perplexities of these terrific days.

So strengthen and steady our inner supports that the outer tensions of these testing times may not break our spirits. Solemnize us with the consciousness that, beyond the appraisals of men regarding what we do and say here, there falls upon our record the searching light of Thy judgments. Maintain in Thy servants who serve the Republic and the world in this Chamber the fidelity of those to whom much has been given and from whom much will be required. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 11, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to sit during today's session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour. I ask unanimous consent that statements made in connection with the business of the morning hour be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the Senate is meeting early today in the hope that it may be possible to dispose of the housing bill today and conclude the deliberations of the Senate at a reasonably early hour. Many Senators plan to attend an annual function given by the National Press Club. We hope that it will not be found necessary to have any yea and nay votes after 6:30 p. m.

I appeal to my colleagues to be as brief as they feel they can be in their discussions today. I hope we shall be able to live up to the schedule which has been outlined.

If any Senators have unusually long speeches, I assure them that the Senate will be in session every day this week, in order that they may have the opportunity to make such speeches.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of John M. Allison to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Czechoslovakia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Robert G. Barnes to be Special Assistant for Mutual Security Coordination, in the Department of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. JOHNSON of Texas. I ask that the President be immediately notified of all nominations confirmed this day.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROGRESS REPORT ON LIQUIDATION OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Administrator, General Services Administration, Washington, D. C., reporting, pursuant to law, on the progress of liquidation of the national defense, war, and reconversion activities of the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

AMENDMENT OF ACT RELATING TO TAXES AND ASSESSMENTS, DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938 (with accompanying paper); to the Committee on the District of Columbia.

AUTHORIZATION FOR CERTAIN OFFICERS OF DEPARTMENT OF STATE AND FOREIGN SERVICE TO ADMINISTER OATHS

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties (with an accompanying paper); to the Committee on Foreign Relations.

REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF INTERIOR

A letter from the Administrative Assistant Secretary of the Interior, transmitting, pursuant to law, a report prior to restoration of balances, Department of the Interior, Bureau of Indian Affairs (with an accompanying report); to the Committee on Government Operations.

PROPOSED NORTH PACIFIC FUR SEAL ACT OF 1958

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to give effect to the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington, February 9, 1957, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Delegates of the State of West Virginia; to the Committee on Interstate and Foreign Commerce:

"House Resolution 11

"Resolution memorializing the Congress of the United States to aid air traffic in West Virginia by providing or helping to provide increased navigational and landing aids at West Virginia airfields

"Whereas the number of fatalities from aircraft accidents has sharply increased in this State; and

"Whereas air traffic is increasing daily in this State; and

"Whereas weather conditions in West Virginia require every possible aid to safe military operation of aircraft as well as civilian; and

"Whereas increased landing and navigational aid would possibly have prevented at least two of our latest accidents: Therefore be it

"Resolved by the house of delegates, That the Congress of the United States should be urged to provide and increase aid to West Virginia for increased navigational and landing aids at West Virginia airports; and be it further

"Resolved, That the clerk of the house of delegates send copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, each member of the West Virginia delegation and the chairman of the proper committees of the Congress of the United States.

"C. A. BLANKENSHIP,
"Clerk of the House of Delegates."

A concurrent resolution of the Legislature of the State of West Virginia; ordered to lie on the table:

"House Concurrent Resolution 13

"Concurrent resolution concerning the death of Hon. Matthew M. Neely

"Whereas death ended the colorful career on January 18, 1958, of United States Senator Matthew Mansfield Neely, thus closing a memorable chapter in the political history of West Virginia; and

"Whereas the fighting spirit of this well-known West Virginian kept him alert and vigilant to his duties, even to the threshold of death, and despite a long illness and the suffering incident thereto; and

"Whereas the death of Senator Neely brings to a close a 50-year period in the political annals of West Virginia, beginning with his election as mayor of the city of Fairmont in 1908 and followed by his election as clerk of the house of delegates in 1911, election to the House of Representatives in 1913 and election to the United States Senate in 1922, and as Governor of West Virginia in 1940; and

"Whereas during his political career he served five terms as a Member of the House of Representatives and was five times elected to the United States Senate; and

"Whereas the late Senator was an ardent fraternalist, a devout churchman, a veteran of the Spanish-American War, and an eminent lawyer, whose professional services were in wide demand during his active years in the practice of law: Therefore be it

"Resolved by the house of delegates (the senate concurring therein), That the Legislature of West Virginia hereby acknowledges its sincere mourning at the passing of this distinguished West Virginian; and be it further

"Resolved, That out of respect to the memory of this former Governor, Member of the Congress of the United States and legislative official that when the two houses of the legislature adjourn this day they do so until Thursday, January 23, 1958; and be it further

"Resolved, That the president of the senate and the speaker of the house of delegates name a committee from the membership of their respective houses to attend the funeral of the late United States Senator; and be it further

"Resolved, That the clerk of the house of delegates send a copy of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, and to the family of Senator Neely.

"C. A. BLANKENSHIP,
"Clerk of the House of Delegates."

A resolution adopted by the Board of Supervisors of Maui County, T. H., relating to the provision of fast water transportation to the Territory of Hawaii; to the Committee on Interstate and Foreign Commerce.

FEDERAL AID TO URBAN HIGHWAYS—LETTER

Mr. WILEY. Mr. President, many of the most important and, at the same time, hazardous roads and highways in our Nation are not located in the open country. They are to be found within the city limits of many of our major centers of population.

In planning our further program of Federal aid to highway construction, we continually endeavor to improve the arteries leading from one city to another, but up to the present have not placed enough emphasis on cities themselves.

Most of our city streets have more traffic in 1 hour than many of the Federal highways have in 1 day. Still, the Government has not made sufficient provisions for modernization and construction of major thoroughfares where traffic is bottlenecked sometimes for many hours. The traffic jam has become one of the symbols of American urban life.

I call attention to a proposed amendment to H. R. 9821—the Federal Highway Construction Act—proposed by the committee on planning public improvements with Federal assistance of the Common Council of the City of Milwaukee.

I believe this amendment has great merit and deserves serious consideration by the Public Works Committees of both the Senate and the House of Representatives.

I ask unanimous consent that this amendment, together with introductory remarks, in the form of a letter which was submitted to the House Public Works Committee be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

MARCH 7, 1958.

Congressman GEORGE H. FALLON,
Chairman, Subcommittee on Public Roads, House Committee on Public Works, House Office Building, Washington, D. C.

DEAR CONGRESSMAN FALLON: Although your committee has concluded its hearings on bill H. R. 9821, under which the Federal-aid highway program is to be continued for 2 more years and appropriations therefore authorized, it is our understanding that matters may still be included as part of the committee record. There is attached for your information a resolution adopted by the Common Council of the City of Milwaukee on March 4, 1958, dealing with this bill. It is requested that this letter and the attachment be included as part of the committee record if this is still possible.

It is our belief that the interests of cities will be more adequately protected if the bill approved by your committee is amended to broaden the definition of projects on which Federal-aid funds can be used within urban areas. The city of Milwaukee feels that the highway needs of urban areas are of sufficient importance to the welfare of the Nation as a whole to warrant Federal consideration at least equal to that accorded the highway needs in rural areas. We feel that streets sufficient to meet major urban traffic needs should be eligible for Federal construction aid. This would accord to urban areas treatment similar to that given rural areas through the operation of the Federal-aid secondary system. We feel that such additional Federal assistance is justified because most of the highway revenues that are received by the Federal Government come from urban areas, because the most pressing traffic problems exist there, and because municipalities are generally excluded from the field of effective taxation of motor vehicles.

The Federal Government has repeatedly indicated its interest in the preservation of healthy urban areas. To a limited extent, the traffic needs of such areas have been recognized by the Federal Government, although as you are no doubt aware, a 1955 reinterpretation of highway laws made by the Bureau of Public Roads eliminated the so-called Federal-aid urban system as an object of Federal concern. It is the feeling of the city of Milwaukee that action should be taken by the Federal Government, if not to reestablish the Federal-aid urban system, at least to increase the limited number of urban highways now eligible for Federal assistance. Major traffic arteries in urban areas should be eligible for Federal assistance provided they are of sufficient importance to the community life of the area and subject, of course, to necessary review and approval by the State highway commissions concerned and by the Secretary of Commerce. This eligibility should not be contingent on such routes being extensions of rural highways.

We therefore suggest the following amendment to section 1 (a) (1) (C) of bill H. R. 9821:

"(C) Twenty-five percent for projects on extensions of and feeders to these systems within urban areas. Extensions and feeders in urban areas shall consist of such additional lateral, feeder, and distributor routes as may in the judgment of the Secretary of Commerce be required to meet the major traffic needs in the area and to provide maximum utility to the various Federal-aid systems and their extensions within or adjacent to such areas."

Although we realize that bill H. R. 9821 is in a relatively late stage of House passage, the city of Milwaukee feels that consideration of this amendment will serve to provide more adequate recognition of urban highway needs by the Federal Government. Your committee's consideration of this proposed amendment is, therefore, respectfully requested.

Respectfully submitted.

COMMON COUNCIL OF THE CITY OF MILWAUKEE, COMMITTEE ON PLANNING PUBLIC IMPROVEMENTS WITH FEDERAL ASSISTANCE.
JAMES J. MORTIER, *Cochairman.*
IRVING G. RAHN, *Cochairman.*
COMMITTEE ON STREETS-ZONING.
BERNARD B. KROENKE, *Chairman.*

Resolution relative to amending Federal highway legislation to provide more adequate recognition of urban highway needs

Whereas the Congress of the United States is now considering legislation to amend and supplement the Federal Aid Highway Acts and to authorize appropriations for continuing the program of federally aided highway construction; and

Whereas such acts have now been interpreted so that Federal participation in construction costs is limited largely to streets which represent extensions of rural highways; and

Whereas many major streets in urban areas do not represent such extensions, but, nevertheless, serve as distributor, lateral, and feeder streets to the Federal-aid systems and are of considerable importance both to the municipality and to the Federal-aid highway systems; and

Whereas such major streets often carry enormous amounts of traffic, often in excess of those carried by streets on the Federal-aid system: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, That the special committee on planning public improvements with Federal assistance be, and is hereby, authorized and directed to seek amendment of bill H. R. 9821, or other House or Senate bills intending to supplement and continue the Federal-aid program for highway construction, so as to provide more adequate recognition of urban highway needs; and be it further

Resolved, That such committee be, and is hereby, authorized and directed to present testimony in such manner as it considers feasible and to cooperate with other agencies and organizations in an attempt to accomplish this end.

REA INTEREST RATES—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the board of directors of the Northern Electric Cooperative Association of Virginia, Minn., concerning REA interest rates.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

"*Be it resolved*, That we urgently request that you do everything within your power to provide REA adequate funds without an increase in this interest rate for the fiscal year starting July 1, 1958, which is necessary to take care of increasing load and to provide service to those who do not have electricity yet.

"We are opposed to any changes in the REA Act which will force us into open money market.

"Please treat us equal with Mr. Nasser of Egypt, the British, and the other foreign countries."

I, Emil H. Sande, do hereby certify that I am the duly elected, qualified, and acting secretary of Northern Electric Cooperative Association, and the keeper of its records; that the foregoing copy is a true and correct copy of the resolution as adopted at the special meeting of the board held on February 21, 1958, at its principal office of business, in the city of Virginia, Minn.

In witness whereof, I have hereunto set my hand and affixed the seal of the cooperative this 7th day of March 1958.

EMIL H. SANDE, *Secretary.*

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—LETTER

Mr. HUMPHREY. Mr. President, the port director of the Port Authority of Duluth, Robert T. Smith, has written to me expressing the full support of the commissioners of the port authority for the renewal of the Reciprocal Trade Agreements Act.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

DULUTH, MINN., *March 6, 1958.*

Hon. HUBERT H. HUMPHREY,
Senator, United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: The commissioners of our port authority, being fully cognizant of the value of foreign trade to the economy of our State and Nation, respectfully request your support of the subject act.

Surveys, conducted by this authority in the State of Minnesota, disclose we have in excess of 350 manufacturers and processors engaged in foreign trade and their total production for the purpose in 1956 exceeded 250,000 tons. This does not include grain grown by our farmers that goes into foreign markets.

We are now engaged in more detailed surveys and find that the processors of linseed and soybean oils anticipate a tremendous increase in their foreign sales, when cheaper water transportation is made available with the opening of the seaway. The same indications are had from the processors of meats, lard, edible and inedible greases. We are reasonably sure that when individual commodity surveys are completed on other products of our State, similar expectations will be had.

Should failure to renew the reciprocal trade agreement cause a reduction in our foreign trade, then these expectations could very well not materialize. This would be most unfortunate, in view of the public funds we are spending on port development projects.

Yours very truly,

PORT AUTHORITY OF DULUTH,
ROBERT T. SMITH, *Port Director.*

INCREASED FUNDS FOR WILDLIFE AND RECREATION IN NATIONAL FORESTS—LETTER

Mr. HUMPHREY. Mr. President, I have recently received a letter written by William V. Sinnott, president of the Lake George Conservation Club, urging an increase in the funds in H. R. 10746 on the wildlife and recreation in national forests.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

ANOKA, MINN., *March 5, 1958.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: I have been instructed by action of the Lake George Conservation Club to write you requesting that you support legislation to gain an increase in the funds in bill H. R. 10746 on the wildlife and recreation in national forests.

We are affiliated with the Minnesota Conservation Federation and respectfully request your support of this much needed legislation which has been passed by the House.

Yours very sincerely,

WM. V. SINNOTT,
President, Lake George Conservation Club.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1976. A bill to clarify the application of navigation rules for the Great Lakes and their connecting and tributary waters, and for other purposes (Rept. No. 1381); and

S. 2115. A bill to amend the act of June 7, 1897, as amended, and section 4233 of the Revised Statutes, as amended, with respect to lights for vessels towing or being overtaken (Rept. No. 1382).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

S. 2937. A bill to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government (Rept. No. 1383).

By Mr. ANDERSON (for Mr. MURRAY), from the Committee on Interior and Insular Affairs, without amendment:

S. 847. A bill to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont. (Rept. No. 1384).

By Mr. ANDERSON (for Mr. MURRAY), from the Committee on Interior and Insular Affairs, with amendments:

S. 2813. A bill to provide for certain credits to the Salt River Valley Water Users' Association and the Salt River project agricultural improvement and power district in consideration of the transfer to the Government of property in Phoenix, Ariz. (Rept. No. 1386).

By Mr. O'MAHONEY (for Mr. MURRAY), from the Committee on Interior and Insular Affairs, without amendment:

S. 2557. A bill to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation (Rept. No. 1385).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 71. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Maria L. Sanford, late of Minnesota; and

S. Res. 272. Resolution authorizing an increase in expenditures for the Committee on Foreign Relations.

FREE IMPORTATION OF CERTAIN ARTICLES FOR EXHIBITION PURPOSES—REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, from the Committee on Finance, I report favorably without amendment the bill (H. R. 10242) to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held at Chicago, Ill., from July 1, 1959, to July 19, 1959, inclusive, to be admitted without payment of tariff, and for other purposes, and I submit a report (No. 1379) thereon.

The Chicago International Fair and Exposition sponsored by the city of Chicago and the Chicago Association of Commerce and Industry brings our international trade relations closer to the heart of our great Nation. This is of timely importance because of two historic world trade events scheduled for 1959—one the opening of the St. Lawrence Seaway which will link mid-America with the other deepwater ports of the world and the inauguration of commercial jet aviation which will also bring these markets within 20 hours travel of every city in the world. The statement of policy of this great exposition is as follows:

The Chicago International Fair is first and foremost a trade fair—organized for the explicit purpose of bringing buyer and seller together to transact the maximum amount of business in the most efficient manner.

Every effort is being made by the people of Chicago, and other interested groups, in providing the best possible service for understanding and assistance in participation in this trade fair. I want to extend my compliments to the honorary chairman, Mayor Richard J. Daley, of the city of Chicago, and to the officers and men of the Chicago Association of Commerce and Industry of that great city for their splendid efforts in developing and carrying out this exposition.

The bill, H. R. 10242, provides that the imported articles shall not be subject to marking or identification requirements of the general tariff laws except when such articles are withdrawn for consumption or use in the United States. Articles thus admitted may be lawfully sold at any time during or within 3 months after the close of exposition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe.

This bill follows the pattern of previous legislation enacted by the Congress in connection with international exhibitions and fairs held in the United States. It has long been the policy of Congress to facilitate the participation of foreign countries in international expositions held in the United States by permitting articles intended for display at these expositions to be entered free of import duties and charges under safeguarding regulations of the Secretary of the Treasury. This bill provides the necessary safeguards.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

RECOGNITION OF 20TH ANNIVERSARY OF CIVIL AVIATION—REPORT OF A COMMITTEE

Mr. BIBLE from the Committee on Interstate and Foreign Commerce, reported an original concurrent resolution (S. Con. Res. 72) favoring Congressional recognition of the 20th anniversary of civil aviation under the Civil Aeronautics Act of 1938, which was placed on the calendar, as follows:

Whereas the late Senator Pat McCarran, of Nevada, and Congressman Clarence Lea, of California, sponsored legislation for the regulation and promotion of civil aeronautics; and

Whereas this legislation became the Civil Aeronautics Act of 1938 and established as being in the public interest:

"(a) The encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(b) The regulation of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and coordinate transportation, by, air carriers;

"(c) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices;

"(d) Competition to the extent necessary to assure the sound development of an air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(e) The regulation of air commerce in such manner as to best promote its development and safety; and

"(f) The encouragement and development of civil aeronautics."; and

Whereas these 20 years have marked the unparalleled growth of civil aviation in the United States and witnessed the development of the world's largest and finest air transportation system; and

Whereas the Civil Aeronautics Board and the Civil Aeronautics Administration, together with our aircraft industry, our air transportation companies, our private fliers, and other aviation interests, have been primarily responsible for the orderly development of civil aviation in accordance with policies established by the Congress, leading to the world's outstanding system of civil airways and civil airports, and civil aviation; and

Whereas American civil aviation is on the threshold of new frontiers of travel, comfort, and safety as they prepare for the transition of our air transport fleets from piston-engined to jet-powered aircraft; and

Whereas current war plans of the military continue to place great reliance on our air carrier industry; and

Whereas American leadership in aviation must be maintained: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States, on this 20th anniversary of the Civil Aeronautics Act of 1938, reaffirms its support of the policies set forth therein; and urges strict adherence to policies which will enable civil aviation to solve its present economic and technical problems and assure the public of the benefits of a strong air transport system and civil aviation industry.

ELEANOR N. GAGG—REPORT OF A COMMITTEE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 275) to pay a gratuity to Eleanor N. Gagg, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Eleanor N. Gagg, widow of William H. Gagg, an employee of the Senate at the time of his death, a sum equal to 7½ months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL FUNDS FOR OFFICIAL REPORTERS OF SENATE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 276) providing additional funds for the Official Reporters of the Senate, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, to the Official Reporters of Senate Debates and Proceedings, during the period March 1, 1958, to December 31, 1958, so much as may be necessary, not to exceed $10,000, for the employment of additional office personnel.

REPORT ENTITLED "RAPID AMORTIZATION IN REGULATED INDUSTRIES"—INDIVIDUAL VIEWS (S. REPT. NO. 1380)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 57, as extended, I submit a report entitled "Rapid Amortization in Regulated Industries," together with the individual views of the Senator from Illinois [Mr. DIRKSEN] and the Senator from Wisconsin [Mr. WILEY]. I ask unanimous consent that the report be printed, together with the individual views, and an illustration.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Tennessee.

Mr. DIRKSEN. Mr. President, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary has concluded its hearings on the steel industry, and filed its report. I ask unanimous consent to have printed in the RECORD a press release which explains, in some measure, my individual views, as contained in the report.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

The Antitrust and Monopoly Subcommittee of the United States Senate has concluded its study of administered prices in the steel industry and a report including my individual views is being released for distribution. On February 28, past, because of a leak to the press, a press release was hurriedly issued with individual views by myself and Senator ALEXANDER WILEY.

I wish to specifically refer to the opening paragraph of the majority's view in the press release, which stated as follows:

"The steel industry was not justified in establishing recent price increases, since these increases 'substantially exceeded' its cost increases, the Senate Antitrust and Monopoly Subcommittee has concluded in a report whose major findings were made public today."

As I stated in my individual views, "the majority's report is based on a theoretical, preconceived, biased economic and legal analysis developed by the subcommittee staff. It fails to make an impartial appraisal of the testimony presented to the subcommittee; and in many respects it would appear to offer economic superstition where simple and reasonable facts are plainly evident."

I further pointed out in my individual views, "every Member of the Congress has a responsibility in terms of our national welfare to avoid exaggeration, partisan statements and criticism not supported by the evidence developed in committee hearings or otherwise in the preparation of Congres-

sional reports. Every Congressional report may become an official Government document.

"The minority regrets that the majority has accepted the unwarranted and prejudiced assumptions of the staff in the preparation of its views. It is satisfied that they have unwittingly provided propaganda which may be used to our national detriment."

My individual views in the report on the study of administered prices in the steel industry goes to the record of the hearings to categorically deny the majority's position that the steel industry was not justified in establishing the recent price increases, which majority claim that these increases substantially exceeded its cost increases.

I quote from my individual minority views, contained in said report, as follows:

"The minority notes that the testimony received by the subcommittee indicated that in no instance was the July 1 steel price increase adequate in terms of the companies' cost positions at that time. It can find no justification for the majority's attempt indirectly to impose its pricing formulas over large segments of American economy.

"It would do well at this point to analyze and refer briefly to the record. The majority report, itself, refers to a statement made by Jones and Laughlin, fourth largest producer in the steel industry, as follows:

" 'The announced price increase (July 1) is grossly inadequate insofar as covering our total anticipated cost increases is concerned.' [1]

"The inadequacy of the price increase was reflected by the testimony of various steel company officials who testified. Mr. Roger M. Blough, chairman of the board, United States Steel Co., stated:

" 'In other words, to put it in figures that you can understand perhaps a little more clearly, dollarwise a price increase which would have been, let us say, entirely justified based upon what we have just been through for 17 years, would have been in the area of $9 or $10. Now, that is the figure to compare with the $6.' [2]

"Mr. A. B. Homer, president, Bethlehem Steel Corp., stated that although Bethlehem Steel prices rose on an average of $5.20 per ton, the average costs were expected to rise to $8 per ton, thereby forcing Bethlehem Steel to absorb the loss of $2.80 per ton or a total of $35 million.[3]

"Mr. George M. Humphrey, chairman of the board, National Steel Corp., stated that the total effect by reason of increases in the cost of purchased materials and services would be 2.5 to 2.75 times the increase in employment cost.[4]

"The chairman, Senator ESTES KEFAUVER, in examining Mr. Humphrey at this point came to the conclusion that the increased cost per ton as a result of wage increases was $3.15 which he stated he found to be in line with United States Steel and with Bethlehem Steel. This $3.15 increased cost per ton as a result of wage increases, was lower than the approximately $4 per ton increase due to wage costs found by the steel companies.

"It should be further noted at this point that the record adequately shows that for each dollar of increased employment costs, there is an additional dollar increase in material and service costs.

"Mr. Robert C. Tyson, chairman, finance committee, United States Steel Corp., said:

" 'For each dollar that our employment costs increase, our total costs increase over $2. Economic arithmetic tells us that the new cost-push inflation can never be terminated until inflation in the biggest and most basic cost, employment cost, is terminated.' [5]

"Also, Jules Backman, professor of economics, New York University, writes:

" 'It is evident that over the years, the steel industry has had good reason to anticipate that an increase of $1 in employment costs would soon be accompanied by at least a similar rise in the costs of products and services bought.' [6]

"Summarizing this analysis of the testimony, the minority finds that the conclusion is inescapable that the average price increase of steel announced on July 1 ranged from $5.20 to $6 per ton.

"If one uses the steel companies view of approximately $4 per ton increase in wage costs and again using the Tyson, Backman formula, the total cost increase would be approximately $8 per ton and the steel price increase was not only justified, but that the steel corporations would have to absorb a loss of over $2 per ton of steel.

"If Mr. Humphrey's formula of relationship of employment costs to material and service costs were used, the steel companies' loss due to total increased costs in relation to the price increase would even be larger."

I believe that the above quotations taken from the record of the hearings conclusively prove erroneous and unfounded the majority's findings "that the recent steel price increase substantially exceeded its cost increase" and the conclusion is inescapable that the steel price increase was inadequate to meet the increased labor costs and increased cost of materials and services, resulting in the steel companies absorbing a loss as high as $2.80 per ton of steel.

In my individual minority views in said report, after careful analysis of the testimony adduced at the hearings, found:

1. That the position in the majority's report that the steel industry has made unjustified price increases is erroneous and unfounded.

2. That the position in the majority's report that steel price increases are injurious to the whole economy is erroneous and unfounded.

3. That the position in the majority's report that corporate profits in general and profits in the steel industry in particular are exorbitant is erroneous and unfounded.

4. That the position in the majority's report that there is no price competition in the steel industry is erroneous and unfounded.

5. That the position in the majority's report that steel prices are insensitive to changes in market conditions is erroneous and unfounded.

6. That the position in the majority's report that efficiency of the low-cost producers is reflected in higher profits rather than in lower prices for the consumer is erroneous and unfounded.

7. That the position in the majority's report that inelasticity of demand for steel has not been proven is erroneous and unfounded.

8. That the position in the majority's report that uniformity of steel prices is maintained through the price leadership of the largest producer is erroneous and unfounded.

9. That the position in the majority's report that there is too much concentration in the steel industry and such concentration is increasing is erroneous and unfounded.

10. That the position in the majority's report that executive compensation in the steel industry is excessive and contributes to inflation is erroneous and unfounded.

11. That the position in the majority's report that the frequency of identical price bidding on Government contracts suggests antitrust implications is erroneous and unfounded.

12. That the position in the majority's report that present pricing practices in the steel industry are a continuation of elaborate pricing systems historically used for the purpose of eliminating competition is erroneous and unfounded.

[1] 15 NS mono section.

[2] Administered prices, hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 305.

[3] Administered prices, hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 647.

[4] Administered prices, hearings before the Subcommittee on Antitrust and Monopoly, pt. 3, p. 805.

[5] Administered Prices, hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 244.

[6] Jules Backman, professor of economics, New York University, Steel Prices, Profits, Productivity and Wages, p. 17.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself, Mr. MANSFIELD, Mr. HUMPHREY, and Mr. NEUBERGER):

S. 3456. A bill to provide a substantially self-financing program to protect the returns of producers of milk and butterfat used in manufactured dairy products to the producers thereof, to provide a formula for computing parity farm income and parity income equivalent prices, to establish a Federal Dairy Advisory Committee, to promote and protect and encourage family-scale farming in the dairy industry, to enable milk producers to keep supplies in reasonable balance with the need and demand therefor, to prevent discrimination between the various manufactured dairy products in Government food-purchasing programs, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appears under a separate heading.)

By Mr. IVES:

S. 3457. A bill for the relief of Dr. Mei-Chieu Lo; to the Committee on the Judiciary.

By Mr. DWORSHAK:

S. 3458. A bill to add certain lands located in Idaho to the Boise and Payette National Forests; to the Committee on Interior and Insular Affairs.

By Mr. CHAVEZ:

S. 3459. A bill providing for a preliminary examination and survey of the streams at and in the vicinity of Alamogordo, N. Mex., for flood control and other purposes; to the Committee on Public Works.

By Mr. JOHNSTON of South Carolina (by request):

S. 3460. A bill to govern the salaries and personnel practices for teachers, certain school officers, and other employees of the dependent schools of the Department of Defense in foreign countries, and for other purposes; and

S. 3461. A bill to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEALL:

S. 3462. A bill to provide for the acquisition of certain real property in Prince Georges County, Md., to be used for the site of the National Air Museum of the Smithsonian Institution; to the Committee on Public Works.

By Mrs. SMITH of Maine:

S. 3463. A bill to provide that all United States currency shall bear the inscription "Peace"; to the Committee on Banking and Currency.

By Mr. HUMPHREY:

S. 3464. A bill for the relief of Harriet H. Witesman; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. BIBLE, from the Committee on Interstate and Foreign Commerce, reported an original concurrent resolution (S. Con. Res. 72) favoring Congressional

recognition of the 20th anniversary of civil aviation under the Civil Aeronautics Act of 1938, which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. BIBLE, which appears under the heading "Reports of Committees.")

RESOLUTIONS

ADDITIONAL FUNDS FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina submitted the following resolution (S. Res. 273), which was referred to the Committee on Post Office and Civil Service:

Resolved, That the Committee on Post Office and Civil Service is authorized to expend from the contingent fund of the Senate, during the 85th Congress, for the purposes specified in section 134 (a) of the Legislative Reorganization Act of 1946, $10,000 in addition to the amount authorized in such section.

Mr. CHAVEZ (for himself and Mr. ANDERSON) submitted Senate Resolution 274, relating to the death of Hon JOHN J. DEMPSEY, late a Representative from the State of New Mexico, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. CHAVEZ, which appears under a separate heading.)

Mr. HENNINGS, from the Committee on Rules and Administration, reported the following original resolutions, which were placed on the calendar:

S. Res. 275. Resolution to pay a gratuity to Eleanor N. Gagg; and

S. Res. 276. Resolution providing additional funds for the Official Reporters of the Senate.

(See the above resolutions printed in full when reported by Mr. HENNINGS, from the Committee on Rules and Administration, which appear under the heading "Reports of Committees.")

DAIRY PRODUCTS MARKETING ACT OF 1958

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from Montana [Mr. MANSFIELD], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to provide a substantially self-financing program to protect the returns of producers of milk and butterfat used in manufactured dairy products, with protection to be assured directly to the producers thereof, to promote and protect and encourage family-scale farming in the dairy industry, to provide a formula for computing parity farm income and parity income equivalent prices, to establish a Federal Dairy Advisory Committee, to enable milk producers to keep supplies in reasonable balance with the need and demand therefor, to prevent discrimination between the various manufactured dairy products in Government food purchasing programs, and for other purposes.

Mr. President, this bill incorporates the provisions for a dairy program in the comprehensive farm bill (S. 2952) which I introduced on the first day for the introduction of bills of this session.

I ask unanimous consent, Mr. President, to have a brief statement which I have prepared, describing the provisions of this bill, printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3456) to provide a substantially self-financing program to protect the returns of producers of milk and butterfat used in manufactured dairy products to the producers thereof, to provide a formula for computing parity farm income and parity income equivalent prices, to establish a Federal Dairy Advisory Committee, to promote and protect and encourage family-scale farming in the dairy industry, to enable milk producers to keep supplies in reasonable balance with the need and demand therefor, to prevent discrimination between the various manufactured dairy products in Government food-purchasing programs, and for other purposes, introduced by Mr. PROXMIRE (for himself, Mr. MANSFIELD, Mr. HUMPHREY, and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. PROXMIRE is as follows:

STATEMENT BY SENATOR PROXMIRE

This bill provides mandatory protection to the returns of milk producers, at levels of not less than 80 percent nor more than 100 percent of the parity income equivalent price on milk and butterfat used in manufactured dairy products for the marketing years ending on August 31 of 1959 and 1960.

This would give farmers protected returns ranging from about $4 to $5 per hundredweight for manufacturing milk of 3.95 percent butterfat test, at national average price levels.

Under the present parity equivalent price formula used by the Department of Agriculture, 100 percent of price parity for manufacturing milk is $4.04 per hundredweight.

Under the present farm law, the Secretary of Agriculture can set supports between $3.03 and $3.64 per hundredweight. He has ordered milk support reduced to $3.03—the lowest permitted by law—effective next April 1. He has recommended to Congress that the law be changed to allow him to cut manufacturing milk supports to as low as only $2.43 per hundredweight, which is only 60 percent of the present parity.

PARITY OF INCOME STANDARDS

This bill would substitute a more realistic parity of income standard for the present parity price formula as a basis for determining levels of protection for milk producers. It would measure the returns to farmers according to the incomes received by nonfarm people.

The formula provided in this bill for computing parity of income and parity income equivalent prices is based on the definition of parity of income contained in the Agricultural Adjustment Act of 1938, as amended, which reads as follows:

"Parity farm family net income shall be that net family income from farming that will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupations."

Parity income equivalent price is calculated under this bill as that price for each commodity which would provide producers on the average, with parity incomes.

In 1952, when farm prices last averaged 100 percent of price parity, farmers received only 52 percent of parity income. In 1956, farmers received only 44 percent of parity income.

Because farmers' production expenses tend to be high and rigid and do not rise or fall proportionately to changes in prices received by farmers, most of any change in prices received by farmers tends to add or detract from their net income.

The parity income equivalent price will be computed on a national average basis by the Secretary, in accordance with a formula set forth in the bill.

At the present time, the average person living on a farm in the United States receives less than half as much income as the average nonfarm person. The parity income equivalent price for any farm commodity would be that price which would give to farm people, on the average, the same per capita income as that received by nonfarm people. According to our calculations, farm prices would need to rise by about 40 percent in order to yield parity of income to our farming population.

Prices of more than $5 per hundred pounds for manufacturing milk would be required to raise the returns of dairy producers to parity of income. This bill would provide for mandatory protection to producers at not less than 80 percent of the parity of income equivalent prices. This is close to the parity price as calculated under the present formula—but somewhat less than full parity for manufacturing milk as it was calculated before the formula was reduced by Secretary of Agriculture Benson.

MILK MARKETING QUOTAS

The Secretary of Agriculture will proclaim a production base and marketing quota for milk when it appears that the average market price for manufacturing milk during the marketing year will fall below 80 percent of the parity income equivalent price. The production base for each farm will be the average production for the preceding 3-year period. The marketing quota will be calculated by deducting 3 percent from the production base of each farm for each 5 percent (about 26 cents) by which the average estimated market price is less than 80 percent of the parity income equivalent price.

Assuming that the estimated average free market price for manufacturing milk in the coming year were the same as the actual price received by farmers in December 1957, the marketing quota for each farm would be 88 to 91 percent of the production base.

PARITY INCOME DEFICIENCY PAYMENTS

The Secretary will make such payments to each producer who complies with his milk marketing quota as to be sufficient, when added to the State average net price received by producers, to give the producer a total return equaling 80 to 100 percent of the parity income equivalent price.

The objective is to protect the returns to farmers at a level that will provide farmers, on the average, with not less than 80 percent nor more than 100 percent of parity of income. Some farmers would receive more, others less, depending on the number of units they have to sell.

The total amount of parity income deficiency payments to an individual milk producer would be determined as follows:

The protection level—expressed as a return per unit to be determined by the Secretary between 80 and 100 percent of the parity-income equivalent price;

Minus the State average net price received in the marketplace by producers;

Times the number of units sold by the producer, if not in excess of the individual producer's milk-marketing quota.

At the present time, the national average price received by farmers (in February, 1958) was $3.28 per hundred pounds. If the parity-income equivalent price were computed according to this bill, it would provide for mandatory minimum protection at about $4 per hundred pounds. Farmers would receive payments of 72 cents per hundred pounds to bring their total returns to the production level of $4 per hundred pounds—80 percent of the parity-income equivalent price—or more, up to 100 percent of the parity-income equivalent price if the Secretary so decided.

QUOTAS WILL BOOST PRICES

The actual amount of payments under this bill, of course, would be much lower, because most of the price-boosting effect of this program would be accomplished by reducing the supply placed on the market.

Studies by agricultural economists have found that the price received by farmers for manufacturing milk tends to rise 1.4 percent or more for every 1 percent by which the supply is decreased. In the case of fluid milk, the price rises 5 percent for every 1 percent by which the supply is decreased.

This means that farmers can realize higher gross and net incomes by reducing the volume of their marketings. This bill permits farmers to employ this economic fact for their own protection.

The reverse effect, of course, is also true—that prices received by farmers decline faster than they can increase their production, so that increased overall milk production can lead only to reduced gross and net returns to milk producers.

EFFECT ON INDIVIDUAL FARMERS' INCOME

If this bill were put into effect without any additional programs to expand food consumption, with a marketing quota for milk of 88 percent of the individual farm base, each producer who complied with his quota would increase his gross income from milk by about 12 percent. This 12-percent increase in gross income represents the minimum increase possible under this bill under present market conditions.

The average dairy farm in eastern Wisconsin would receive about $850 per year of increased gross income, and the average dairy farm in western Wisconsin would receive an increase of about $710. Because some production expenses could be cut by reducing the volume of milk sold, this would actually raise the average Wisconsin farmer's net return on his capital and labor by at least $1,000 per year.

If provisions for expanding food consumption so that all Americans were assured of adequate diets for good nutrition—such as would be the case with a food-stamp plan and expanded school lunch program provided for in other bills which I have introduced—then the gross incomes of dairy farmers would be increased by a minimum of about 20 percent under this Dairy Products Marketing Act.

PROTECTING THE FAMILY FARM

This bill would give specific and deliberate protection and encouragement to family-sized farming operations. The limit on the total of parity income deficiency payments that any individual could receive would be set at $3,000—which would allow even the very largest genuinely family-operated dairy farm to participate fully.

Provisions are made for adjusting marketing quotas for small producers who need to expand in order to become economic operators. Marketing quotas would not be cut lower than the minimum needed to operate a family-sized farm. And quotas for smaller producers would be raised in proportion to those of larger producers.

PROGRAM COMPLETELY VOLUNTARY

Compliance with milk marketing quotas would be completely voluntary, with no penalty for noncompliance excepting ineligibility to receive parity income deficiency payments.

SELF-FINANCING PLAN

(1) An import duty shall be levied on all imports of manufactured dairy products, ranging from 10 percent when the national average market price is 80 percent or more of the parity income equivalent price, up to 50 percent ad valorem when domestic prices are lower.

(2) A processing tax shall be levied on the first purchaser from the producer of all milk and butterfat sold, at a rate of not more than 10 cents per hundredweight on whole milk or 2½ cents per pound on butterfat.

Proceeds of these levies shall be paid to the Treasury of the United States to the account of the Secretary of Agriculture, and may be drawn upon to reimburse the costs of protection to the returns of milk producers under this act. This self-financing program would work in essentially the same way as the present direct payments plan for wool established by the present administration.

Most of the work of raising milk producers' prices and incomes would be accomplished by the effect of marketing quotas in reducing supplies on the market.

Studies indicate that these self-financing provisions will be more than adequate to cover the costs of parity income deficiency payments under terms of this bill. If there were full compliance with quotas, market prices would rise approximately to the protection level. To the extent that quotas would not be respected, the extent of eligibility for payments would decrease, allowing sufficient funds to cover larger payments to producers who comply with quotas.

PURCHASES OF DAIRY PRODUCTS FOR PUBLIC PURPOSES

The Secretary is designated as the agent of the Federal Government for purchasing manufactured dairy products for the school-lunch program, public institutional use, relief programs within the United States and abroad, the Armed Forces and Veterans' Administration facilities. Such purchases shall be made:

(1) So as to insure, insofar as possible, that temporary seasonal surpluses shall be removed from normal commercial markets; and

(2) That the relationship between the market prices of the various manufactured dairy products shall be maintained during such periods of temporary seasonal surplus in reasonable accordance with the relationship that exists during periods of normal supply. The bill specifies that such purchases shall include but not be restricted to "butter; American, Swiss, and other foreign-type cheeses; dried milk; canned, condensed, concentrated, and evaporated milk," thus preventing the present discrimination against producers of many of these products.

Surpluses of dairy commodities accumulated prior to the effective date of this act shall be insulated from commercial markets for use only for public purposes.

NEW PRODUCERS

New producers may obtain a production base (1) by transfer with the purchase or lease of a farm from a farm operator who has already established a base, or (2) by producing milk or butterfat for 3 years, during which he may market milk without any restriction but will receive protection on his returns on only 50 percent of his deliveries of milk.

FEDERAL DAIRY ADVISORY COMMITTEE

This farmer-controlled committee shall consist of 15 members to be appointed by the President from a list of nominees elected by a milk producers' secret ballot. At least 12 members must be actual milk producers; up to three may be officers or full-time employees of organizations of dairy producers. The committee shall have the duty of reviewing the status and operations of Government programs, and of presenting recommendations both to Congress and to the Secretary.

REFERENDUM OF MILK PRODUCERS

Prior to July 15, 1958, and prior to July 15 preceding any year for which marketing quotas are proclaimed, the Secretary shall conduct a nationwide referendum of milk producers. If half of those voting approve of the provisions of this program, it shall be put into effect for the marketing year beginning September 1. If half do not approve, the present program shall continue.

DWIGHT S. SHARER—AMENDMENT

Mr. DOUGLAS submitted an amendment, in the nature of a substitute, intended to be proposed by him, to the bill (S. 784) for the relief of Dwight S. Sharer, which was referred to the Committee on the Judiciary, and ordered to be printed.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO BENEFITS OF WIDOWS—AMENDMENT

Mr. IVES submitted an amendment, intended to be proposed by him, to the bill (H. R. 5411) to amend title II of the Social Security Act to provide that a widow or former wife divorced who loses mother's insurance benefits by remarriage may again become entitled if her husband dies within 1 year of such remarriage, which was referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF SOCIAL SECURITY AMENDMENTS OF 1954, RELATING TO COVERAGE FOR CERTAIN EMPLOYEES OF TAX-EXEMPT ORGANIZATIONS—AMENDMENT

Mr. IVES submitted an amendment, intended to be proposed by him, to the bill (H. R. 7570) to amend section 403 of the social security amendments of 1954 to provide social security coverage for certain employees of tax-exempt organizations which erroneously but in good faith failed to file the required waiver certificate in time to provide such coverage, which was referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF SOIL BANK ACT—ADDITIONAL COSPONSOR OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the name of the Senator from Missouri [Mr. SYMINGTON] may be added as a cosponsor of the bill (S. 2937) to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government, introduced by the Senator from South Dakota [Mr. MUNDT], on January 9, 1958.

The VICE PRESIDENT. Without objection, it is so ordered.

REIMBURSEMENT TO STATES FOR CERTAIN FREE OR TOLL ROADS—ADDITIONAL COSPONSORS OF BILL

Mr. BUSH. Mr. President, on March 10, 1958, I introduced the bill (S. 3429) to authorize reimbursement to the States for certain free or toll roads in the Interstate System. I ask unanimous consent that the names of my colleague, the junior Senator from Connecticut [Mr. PURTELL], and the Senator from New York [Mr. IVES] may be added as additional cosponsors of that bill, the next time it is printed.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED AREA ECONOMIC REDEVELOPMENT ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 11, 1958,

The names of Senators JAVITS, REVERCOMB, MANSFIELD, and COOPER were added as additional cosponsors of the bill (S. 3447) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. PAYNE (for himself and other Senators) on March 11, 1958.

AMENDMENT OF LEGISLATIVE APPROPRIATION ACT, 1956—ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of March 11, 1958,

The name of Mr. CASE of New Jersey was added as an additional cosponsor of the amendment intended to be proposed by Mr. CLARK (for himself and Senators BYRD, ROBERTSON, DOUGLAS, SMITH of New Jersey, FLANDERS, HUMPHREY, and BEALL) to the bill (S. 2883) to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. NEUBERGER:

Address delivered by Senator CHURCH before the American Association of School Administrators, San Francisco, Calif., March 9, 1958.

DEATH OF REPRESENTATIVE JOHN J. DEMPSEY, OF NEW MEXICO

Mr. CHAVEZ. Mr. President, it is with a sense of deep regret that I announce to the Senate at this time, the death on yesterday at the George Washington University Hospital of Hon. JOHN J. DEMPSEY, late a Representative at Large from my State of New Mexico.

Later in the day I shall submit a formal resolution relative to his death, and have something further to say concerning his character and service as a Representative.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. ANDERSON. I wish to say that all of us in New Mexico were profoundly shocked by the news of the death of Mr. DEMPSEY. As my colleague well knows, he had been very active in our State for a long time. He ran for office the first time in 1934, at the time my colleague first came to the Senate. He served our State as Governor, and prior to that as Under Secretary of the Interior. Of course, as we know, he served several terms in the House of Representatives. All of us were deeply shocked to hear of his death. I appreciate the announcement by my colleague prior to the receipt of the formal notice from the House of Representatives.

Mr. CHAVEZ. It was my purpose to delay any further remarks until formal notice had been received from the House of Representatives. Then I shall have something further to say.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield to the majority leader.

Mr. JOHNSON of Texas. I have been grieved by the knowledge of the condition of our beloved friend, Representative DEMPSEY; and I am distressed to learn that he has passed away. For many years, as my two colleagues from New Mexico know, I served with Mr. DEMPSEY as a Member of the House of Representatives. I had great admiration and affection for him. Mrs. Johnson and I extend to his lovely wife Gladys and members of his family our deepest sympathy on this occasion. I appreciate the Senator from New Mexico yielding to me to make my statement.

Mr. CHAVEZ. As I have stated, I shall have something more to say about Representative DEMPSEY. For the moment I thought I should withhold any further remarks until formal notification had been received from the House of Representatives.

EXTENSION OF INTERNATIONAL TRADE

Mr. FULBRIGHT. Mr. President, it is not often that the Eisenhower administration acts in a manner which is encouraging to those of us who believe in an expansion of international trade. Frequently, the administration supports freer trade in speeches; while in actions it appears to be primarily concerned with appeasing those who are continually pressing for increased trade barriers.

On February 28, however, the administration acted affirmatively on a matter of great importance to the future course of America's foreign economic policy. I refer to a decision announced by Defense Mobilizer Gordon Gray on that date, that the administration has rejected petitions by the domestic watch and clock manufacturers for additional protection under the so-called defense essentiality provisions of the 1955 Trade Agreements Extension Act. It is encouraging, to say the least, to see the administration, for once, talking and acting in the same direction.

Less than 4 years ago, in June 1954, the domestic jeweled-lever watch manufacturers became the first industry to be singled out by the Office of Defense Mobilization as essential to national security despite the fact that this industry is minute compared to our basic mass production industries. This device, which increased tariffs by 50 percent was so helpful to the watch firms that other protectionist groups immediately wanted to come under the defense essentiality umbrella. A line quickly formed outside ODM's door of more than a dozen industries which suddenly considered themselves vital to America's defenses.

In the spring and summer of 1956, a subcommittee of the Joint Economic Committee conducted a lengthy investigation into the problems raised by defense essentiality arguments and their relationship to America's basic policy of encouraging trade among the free nations. The subcommittee, of which I was a member, used the watch industry as a case study because of the precedent-setting nature of the 1954 ODM decision. One of our basic findings was that:

> Protection of the watch industry by trade restrictions in the name of defense is unwarranted.

Now, after 2 years of careful reexamination of the problem Defense Mobilizer Gordon Gray has reached this same conclusion.

Mr. President, the importance of this recent decision by Defense Mobilizer Gray goes far beyond the narrow interests of the watch and clock industry. It raises hopes that the administration will not permit the defense essentiality provisions of the Trade Agreements Extension Act to become a sieve for protectionism, and that relief under this section will be restricted to industries which are truly vital to our national security. I hope that in the future we will look back on this decision as marking the end of the vacillating attitude of the Republican administration toward efforts to broaden international trade.

ACCELERATION OF CONSTRUCTION OF INTERSTATE HIGHWAY SYSTEM AND OTHER FEDERAL-AID HIGHWAY SYSTEMS

Mr. BUSH. Mr. President, the Subcommittee on Roads of the Senate Committee on Public Works is meeting today to begin drafting new highway legislation which will permit acceleration of construction of the Interstate System and other Federal-aid highway systems.

I desire to invite the attention of the Senate to the crucial importance of fair and equitable reimbursement to States which have already constructed sections

of the Interstate System to the required standards with either State or toll financing.

On Monday of this week, I introduced S. 3429, which is intended to provide such reimbursement.

I have received a telegram from Hon. Abraham A. Ribicoff, Governor of Connecticut, endorsing my bill, in answer to a telegram I sent to him to inform him of the fact that the Congress soon will be considering highway legislation and requesting him to alert the Governors of other New England States to the importance of recognition of the reimbursement principle.

Mr. President, I ask unanimous consent that these telegrams be printed in the RECORD, following these remarks, together with a statement which I made yesterday before the Subcommittee on Roads.

There being no objection, the telegrams and statements were ordered to be printed in the RECORD, as follows:

MARCH 10, 1958.

The Honorable ABRAHAM A. RIBICOFF,
Governor of Connecticut,
State Capitol, Hartford, Conn.:

Senator JOHNSON pressing for early action on highway legislation. Public Works Committee holding open hearing tomorrow, and executive session on Wednesday at which time will probably start marking up bill dealing with Interstate System and other Federal-aid highways. Regard question of reimbursement for existing highways already incorporated into Interstate System as crucially important, and have introduced today a bill to implement Clay committee's recommendations in this regard. Request you contact other New England governors and urge their support of reimbursement principle, and that they file statements with committee. Text of my bill after enacting clause follows:

"That it shall be the policy of the Federal Government to equitably reimburse a State for free or toll highways on the Interstate System within its boundaries, the construction of which has been completed or partially completed subsequent to August 2, 1947, or which was either in actual construction, or under construction by contract, for completion, awarded not later than June 30, 1957, if such highway or partially completed section thereof meets the standards required for the Interstate System.

"SEC. 2. If an existing free or toll highway or partially completed section of highway which is located upon the Interstate System and included in the report submitted to Congress under section 114 of the Federal-Aid Highway Act of 1956 (70 Stat. 374) (H. Doc. No. 301, 85th Cong.), is believed to measure up to the standards of construction adopted under section 108 (1) of the Federal-Aid Highway Act of 1956, a State may request of the Secretary of Commerce that it receive reimbursement for such highway, and the State shall be entitled to receive such reimbursement subject to the conditions of this act. The Secretary of Commerce shall first determine whether or not the highway, or partially completed section of highway, meets such standards. If he approves the same, the Secretary of Commerce shall determine, in accordance with the rules and regulations issued pursuant to section 4 hereof, the amount of reimbursement to which the State is entitled based on the cost of such highway, less depreciation, and the total amount of any Federal funds used in the construction of such highway. In each such determination for a toll highway, the Secretary shall also exclude from the cost of the highway the cost of financing thereof and the cost of any toll plazas, toll collection facilities, and any other facilities not included within the definition of the term 'highway' under Federal-aid highway legislation.

"SEC. 3. Any State entitled to reimbursement under this act, whether for a toll or a free highway or a partially completed section of highway, shall use the funds so reimbursed, for construction of projects on the Federal-aid systems, subject to the condition that all Federal-aid highway funds apportioned to a State under Federal-aid highway legislation for the current fiscal year have been expended within the meaning of said legislation. Whenever a State constructs such projects with funds received as a result of a reimbursement under this act, all procedures and steps shall be taken in the same manner as though such funds had been apportioned under Federal-aid highway legislation:

"*Provided,* That State matching funds shall not be required; and

"*Provided further,* That the funds received as a result of a reimbursement under this act shall constitute the total Federal share of any project upon which such funds are expended. The State shall obligate the amount to which it is entitled to be reimbursed under this act within 5 years after the time such amount is credited to it, and any amount not so obligated shall lapse.

"SEC. 4. The Secretary of Commerce shall establish such rules and regulations necessary to carry out the purposes of this act."

HARTFORD, CONN., *March 11, 1958.*

The Honorable PRESCOTT BUSH,
United States Senate,
Washington, D. C.:

Fully endorse your bill implementing Clay committee's recommendation for Federal reimbursement to States for existing highways already incorporated into Interstate System.

Have asked other New England governors to join me in supporting it and enlisting aid of their Congressional delegations.

I consider bill important to interests of Connecticut. It effectively gives fair consideration to Connecticut for providing at its own expenses and in the national interest highway facilities such as the Connecticut turnpike for Interstate System.

I appreciate your deep interest and stand ready to lend every assistance. Please feel free to make any use of this statement you may deem advisable.

ABE RIBICOFF.

STATEMENT BY UNITED STATES SENATOR PRESCOTT BUSH, OF CONNECTICUT, IN SUPPORT OF S. 3429, A BILL TO AUTHORIZE REIMBURSEMENT TO THE STATES FOR CERTAIN FREE OR TOLL ROADS ON THE INTERSTATE SYSTEM, DELIVERED BEFORE THE SENATE SUBCOMMITTEE ON ROADS, MARCH 11, 1958

I am grateful for the opportunity to appear before this committee to urge that, in drafting new highway legislation, you provide for fair and equitable reimbursement to States which have constructed sections of the Interstate System to the required standards with either State or toll financing.

This committee and the Congress have a moral obligation to treat fairly those States which had the courage and vision to proceed to finance by their own methods the construction of these urgently needed highways prior to enactment of the Federal-Aid Highway Act of 1956. Yet, unless legislation for reimbursement is enacted in the present session, severe penalties will be imposed against the very States which made the most progress in modernizing the Interstate System within their borders.

Although many of us fought hard for the principle of reimbursement when the 1956 act was under consideration, Congress avoided a decision at that time. The bill as passed by the House did recognize the need for reimbursement. Amendments to the Senate bill regarding reimbursement were rejected. In the final outcome, the act contained merely a declaration that it was the intent of Congress to determine whether or not reimbursement should be made to the States for highways, toll or free, which have been completed or put under construction on the Interstate System between August 2, 1947, and June 30, 1957.

It is now time for Congress to make that determination, and fairness and justice require that reimbursement be granted.

The Interstate System portions of the Federal-Aid Highway Act of 1956 resulted, in large part, from the recommendations of the President's Advisory Committee on a National Highway Program, headed by Gen. Lucius D. Clay. The Clay committee recognized that unless reimbursement were provided, the fact that a radically new highway program was under consideration might lead States to delay their plans for modernizing their interstate highways. Accordingly, the Clay committee strongly recommended reimbursement, and in the faith that Congress would recognize the equity and justice of their position many States proceeded with construction of their interstate highways.

I quote the pertinent section of the Clay committee's report:

"Some States have already constructed sections of the Interstate System to the required standards with either State or toll financing and others are proceeding along similar lines. Such construction should not be discouraged by this report since our goal is maximum highway improvement. Those States in which sections of the Interstate System have been provided to meet the presently established standards for the completed system should receive appropriate credit, provided such funds are used to improve other roads on established Federal-aid systems or as may be approved by the Federal Government and all other Federal funds for highway purposes have been matched as required. No funds should be made available as a credit for toll roads unless the returns from tolls above financing requirements are used exclusively for road construction as contemplated above.

"To limit the Federal liability, credit for roads built between 1947 and 1951 should be limited not only to those sections fully meeting the new standards but also to a maximum of 40 percent of costs other than financing. The credit for those roads completed prior to the calendar year 1955 should be limited to 70 percent of such costs. In no instance, would credit be given for Federal funds expended on the road or for toll roads, in excess of remaining amortization. Roads built at a later date should be credited at full cost.

"The funds thus made available to the States will not only encourage matching of available funds but will also make possible accelerated improvement of primary, secondary, and other roads, and will encourage local financing of interstate mileage to make funds available for other roads without increasing total Federal responsibility. They will be paid to the States only as required to meet the costs of projects approved for construction, and it thus appears would provide a major incentive to the highway improvement program as a whole."

S. 3429, which I introduced in the Senate on yesterday, is intended to implement the Clay committee's recommendations for reimbursement.

Under its terms, all 48 States would benefit, for all, to greater or lesser degree, have constructed or have under construction free or toll interstate highways which would create eligibility for reimbursement. Among

the States, 26, or more than half, have toll facilities on the Interstate System, while the remainder have constructed only free highways.

My bill would:

1. Declare it to be the policy of the Federal Government to equitably reimburse the States for acceptable highways, free or toll, incorporated into the Interstate System.

2. Authorize the Secretary of Commerce to provide reimbursement, upon request of a State, if he determines such highways meet interstate standards. The amount of reimbursement would be limited to the cost of the highway, less depreciation and the total amount of any Federal funds used in its construction. In the case of toll highways, the reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for its toll operation.

3. Permit the States to use funds so reimbursed for construction of projects on the Federal-aid systems within their borders without a requirement of State matching funds.

It is equally important to recognize what the bill would not do, particularly in respect to the proposal for reimbursement for toll roads:

1. It would not give any State a so-called windfall because if the State had not had the initiative to construct the highway, the Federal Government would have had to finance its construction with 90 percent Federal funds under the terms of the 1956 act.

2. It would not violate the prohibition against use of Federal funds on toll highways because any funds reimbursed would have to be spent on Federal-aid systems which are toll free.

I strongly urge the committee to include the provisions of my bill in any legislation affecting the Interstate System which it may report to the floor.

REDUCTION OR REPEAL OF AUTOMOBILE EXCISE TAXES

Mr. McNAMARA. Mr. President, for some time I have been reticent about fully endorsing a reduction or repeal of automobile excise taxes. One reason was the psychological factor, that heavy publicity on the subject might cause potential buyers to hold off their purchases until such a tax cut went into effect. The other, and most important reason, was that we had no assurances that the manufacturers would pass on any such savings to the dealers and then to customers.

Today, however, I received a telegram from Mr. Harlow Curtice, president of General Motors, which gives his views on both these questions.

He suggests that the reduction or repeal be made retroactive to an early date in March. Further, he promises to pass on savings to the dealers, by stating:

> Finally, with respect to any reduction or elimination of excise taxes on any items manufactured and sold by General Motors, including motor vehicles, effective with the enactment and effective date of legislation for that purpose, General Motors will pass along the savings resulting therefrom to its distributors and dealers and will ask them in turn to pass the savings on to the retail customers.

This is the first official word I have received from the automobile manufacturers that they favor repeal or reduction of the excise taxes. The assurance we have here, that the savings in taxes will be passed on, and the suggestion to make any repeal or reduction retroactive, will offset the effect the psychological thinking of some people might have on an already bad situation.

I ask unanimous consent that the telegram from Mr. Curtice be printed in full in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DETROIT, MICH., *March 11, 1958.*

United States Senator PAT MCNAMARA,
Senate Office Building,
Washington, D. C.:

I endorse legislation designed to reduce or eliminate excise taxes. However, if legislation designed to reduce or eliminate excise taxes is publicized to potential purchasers of the affected items, it will materially slow up retail sales of automobiles, appliances, and other items as soon as known and understood by public and this condition will continue until legislation is effective or abandoned. Such a situation developed in the automobile industry in Canada on the basis of a mere rumor that the 1958 budget would eliminate excise taxes on automobiles and retail sales fell off sharply for a period of about 3 weeks until the budget was published, necessitating the closing of some manufacturing plants. Any such condition when the spring seasonal upturn in the automobile, appliance, and other markets should be developing could have serious consequences. In view of this suggest that any proposed legislation applicable to motor vehicles, refrigerators, air conditioners, electric appliances, or other items of substantial value immediately be made retroactive to any early date in March with provision for refund to manufacturer of applicable excise taxes subsequent to specified date, provided manufacturer, in turn, passes refund to distributors and dealers on wholesale transactions and the latter, in turn, pass refunds to customers on retail transactions.

With respect to inventories in the hands of dealers and distributors representing items purchased from the manufacturer prior to the specified date, a similar provision for refund of the excise tax to the manufacturer and by the manufacturer to the dealer should be incorporated in legislation so that dealer inventory may be liquidated on the same basis for dealer and his customers.

Finally, with respect to any reduction or elimination of excise taxes on any items manufactured and sold by General Motors, including motor vehicles, effective with the enactment and effective date of legislation for that purpose, General Motors will pass along the savings resulting therefrom to its distributors and dealers and will ask them in turn to pass the savings on to the retail customers.

H. H. CURTICE,
President, General Motors Corp.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. ANDERSON. I merely wish to say to the Senator from Michigan that I have pending at the desk, for presentation in connection with the insurance bill, an amendment dealing with the automotive industry. I have some other amendments, too, but I have one that deals solely with automobiles and automobile parts. It would reduce by one-half the amount of the excise tax on automobiles and trucks, and would reduce by 5 percent the amount of the excise tax on parts. For automobiles, the amendment carries an effective date of March 1. Therefore, there would be no slowing up or decline in sales of automobiles. With respect to parts, because of the situation concerning inventories, the reduction would be applicable in the first succeeding month after the passage of the bill.

It is my understanding that unemployment in the automotive industry in Detroit alone has reached about 200,000, and 350,000 in the State of Michigan.

Mr. McNAMARA. That is correct.

Mr. ANDERSON. It is an extremely serious situation, with which we should deal directly. I am happy to see the great interest in the matter on the part of the junior Senator from Michigan.

Mr. McNAMARA. I thank the Senator from New Mexico. I assure the Senate that this is a small step in meeting this serious problem. What we need, of course, is not only a reduction or an elimination of the excise taxes, but a reduction in the income tax for the low-wage and middle-income groups, and I shall continue to pursue a course of action along that line in addition to what I have indicated by these brief remarks.

Mr. DOUGLAS subsequently said: Mr. President, I should like to read into the RECORD a telegram I have received from L. L. Colbert, president of the Chrysler Corp.:

> Concerning your proposal to reduce the Federal excise tax on automobiles, such a reduction would stimulate business activity in the entire United States economy by making more of the consumer's money available for the purchase of goods of all kinds as well as automobiles. In addition to the beneficial effect upon the 1 out of every 6 businesses directly dependent upon the manufacture, distribution, servicing and use of motor vehicles, any increased activity in the automotive industry would be felt immediately in the steel, textile, rubber, glass, and machine tool industries which sell a large portion of their products to the automobile manufacturers.
>
> Reduction of this tax must be made on all cars now in dealers' stocks. Protection must be given to purchasers between now and the enactment date.
>
> Since the manufacturer pays the excise tax, we would, of course, reduce the cost of our automobiles to our dealers accordingly, and we will suggest to our dealers that they pass this on to the retail customers.

Mr. President, it is my understanding that the junior Senator from Michigan [Mr. MCNAMARA] has already offerred for the RECORD this morning a telegram from H. H. Curtice, president of the General Motors Corps., to the same effect.

Mr. President, by consent of Representative MACHROWICZ, of Michigan, I should like to report that Mr. Walter Reuther, in a telegram to Mr. MACHROWICZ, states:

> We wholeheartedly favor repeal—
>
> Of the excise tax on automobiles—
>
> if the full benefit of the elimination of the tax is passed on to the consumers. Sales, production and employment will increase with great benefit to the automotive production workers, which have been hard hit by the

recession, and to the entire national economy. As a union, we are firmly committed to conduct our collective bargaining on a basis that will provide no legitimate justification for price increases. We offered some months ago to bargain within the framework of the economic position of the corporations, that would result from a price reduction that would average $100 per car. The collective-bargaining program adopted by our recent special convention is specifically designed to avoid any possibility that acceptance of our demands by the corporations could be used as a basis or excuse for a price increase. We strongly urge repeal of the excise and can assure you that nothing we do in collective bargaining will compel the automobile corporations to raise their prices.

WALTER P. REUTHER.

Mr. President, I noticed on the ticker that the United Automobile Workers have announced that since last fall 167,000 hourly workers in the automobile industry have been laid off.

I ask unanimous consent that sundry telegrams which I received yesterday too late for printing in the RECORD, from manufacturers, supporting a decrease or a repeal of excise taxes, be printed in the RECORD at this point in my remarks.

I should like to point out that one of the telegrams comes from Charles H. Percy, the brilliant young president of Bell and Howell, a leading fund raiser for the Republican Party.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

LINCOLNWOOD, ILL., *March 11, 1958.*

SENATOR PAUL DOUGLAS,
United States Senate,
Washington, D. C.:

I concur completely with you that the removal of a wartime excise tax designed to discourage consumption will be of great benefit now in stimulating purchase and therefore employment, however, if action is to be taken it should be prompt. In 1949 when discussions were carried on in the Congress about the removal of this tax consumer and dealer purchases dried up waiting for hoped-for lower prices and the photographic industry suffered one of the worst years in its history. Thank you for your action. Wires are going out immediately to Senators.

CHUCK PERCY.

CICERO, ILL.,
March 11, 1958.

HON. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.:

Urge you continue your fight to repeal appliance excise taxes as stimulant to depressed appliance business we feel strongly this would bring timely upturn for spring season.

W. F. ROGERS,
President, Crown Stove Works.

CHICAGO, ILL.,
March 11, 1958.

HON. PAUL H. DOUGLAS,
United States Senator,
Washington, D. C.:

We believe manufacturers excise taxes on photo equipment are burdensome and inequitable. Their elimination would benefit a large segment of the consumer public. We urge you to do everything in your power to remove these taxes.

REVERE CAMERA CO.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table I have prepared to show the excise provisions of the tax cut amendment which I intend to propose to the life insurance tax bill, H. R. 10021, when it comes up for consideration, today or tomorrow. This table shows the present rate of taxation on the various items, how the tax is collected, and the new rate which I propose, as well as the estimated revenue loss.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Excise provisions of Douglas tax cut amendment

Item	Present rate	How collected at present	New rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	*Million*
1. Retailer's excises:				
Sec. 4001: Watches and clocks below $100	10 percent of selling price	Paid by consumer to retailer		$10.0
Sec. 4021: Toilet preparations	10 percent	Retailer	0	102.0
Sec. 4031: Luggage, handbags, wallets, etc	do	do	0	60.0
2. Manufacturer's excises:				
Sec. 4061(a)(2): Passenger automobiles	10 percent (permanent rate 7 percent).	Paid by manufacturer to Government	5	500.0
Sec. 4061 (b): Auto parts and accessories (includes parts for trucks).	8 percent (permanent rate 5 percent).	do	4	57.0
Sec. 4111:				
1. Refrigeration equipment, household type	5 percent	Paid by manufacturer	0	44.0
2. Air conditioners	10 percent	do	0	
Sec. 4121: Electrical, gas, and oil appliances	5 percent	do	0	75.0
Sec. 4131: Light bulbs	10 percent	do	0	28.0
Sec. 4141: Radio and TV, phonographs, etc	do	do	0	179.0
Sec. 4151: Musical instruments	do	do		
Sec. 4161: Sporting goods (except fishing equipment)	do	do	0	10.0
Sec. 4171:				
1. Cameras and films	do	do	0	22.0
2. Projectors, still and motion, of household type	5 percent	do	0	
Sec. 4181: Pistols and revolvers	10 percent	do	0	2.0
Sec. 4191: Business machines	do	do	0	93.0
Sec. 4201: Mechanical lighters, pencils, fountain and ball-point pens.	do	do	0	10.0
Sec. 4211: Matches:				
1. Plain	2 cents per 1,000 but not more than 10 percent.	do	0	6.0
2. Fancy	5½ cents per 1,000	do	0	
3. Facilities and services:				
Sec. 4231 (1-6): Admissions of all kinds, including musicians cabaret.	Various (20 percent cabaret)	Paid by person paying admission; collected from proprietors.	0	100.0
Communications:				
Sec. 4251:				
1. Tel and Tel, leased wires, etc	10 percent	Imposed on person paying for facility	5	330.0
2. Local telephone	do	do	5	
3. Wire and equipment service	8 percent	do	4	
Transportation:				
Sec. 4261: Persons	10 percent	Paid by person making purchase; collected by transportation company.	5	107.5
Sec. 4271 (a):				
1. Transportation of property other than coal	3 percent	Paid by person making purchase of transportation.	1½	238.0
2. Transportation of coal	4 cents per ton	do	(1)	
4. Miscellaneous:				
Sec. 4281: Safe-deposit boxes	10 percent	Paid by person paying for use of box	0	6.0
Sec. 4451: Playing cards	13 cents per pack	Manufacturer's excise tax	0	6.9
Sec. 4471: Occupation tax on bowling alleys and billiard tables, other minor provisions.	$20 per year per alley or table	Occupational tax. Paid by person owning or leasing item.	0	1.0

[1] 2 cents per ton.

PERSONAL STATEMENT BY SENATOR MORSE—COMPENSATION TO JEROME K. KUYKENDALL

Mr. MORSE. Mr. President, I rise to a point of personal privilege, and ask unanimous consent that I may speak for 5 minutes on the point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Oregon may proceed.

Mr. MORSE. Mr. President, last night I raised a point of order in regard to an amendment to the appropriation bill which gave to Mr. Kuykendall, of the Federal Power Commission, for services not rendered, $3,000 of the taxpayers' money. Although I was opposed to Mr. Kuykendall's nomination and voted against its confirmation, I hope I made clear in debate last night, and if I did not I wish to make it clear this morning, that the point of order was raised in accordance with my consistent record of seeking to protect the procedures and the rules of the Senate of the United States. I think substantive rights can be no better than procedural rights. It is the procedural rules of the Senate that protect our substantive legislative rights in the Senate.

I was satisfied last night that I was completely right with respect to the facts involved in this case, and those facts have been confirmed this morning. I have received a telephone message from within the Federal Power Commission, to the effect that Mr. Kuykendall did not do one lick of work during the period the confirmation of his nomination was under consideration. In fact, Mr. Kuykendall took the attitude at the Federal Power Commission that he was not in a position to do anything at the Commission until his nomination was confirmed, because he was out of office—as, indeed, he was out of office. It was pointed out his name had been taken off the Federal Power Commission's door.

Yet the fact remains that last night there was added to an appropriation bill a legislative amendment giving $3,000 to Mr. Kuykendall for performing no work for the taxpayers during the period of time his nomination was under consideration by the Senate. The action of the Senate last night in overruling my point of order without adequate time for study demonstrates the error of our ways last night of deciding rules of order by the Senate rather than by the Parliamentarian. I speak respectfully, but I do not like the procedure we followed last night. We did not have a ruling from the Parliamentarian last night. I think it was his responsibility. We ought to have had his advice.

It gives me no satisfaction to have the excuse presented that the Parliamentarian did not have time to prepare a ruling. We should have had a quorum call so he could have had time. Those of us who engage in these procedural controversies are entitled to the advice of the expert we pay to sit in the Senate at all times to advise us what the rules are. Although the majority can hide behind rule XX and say that a presiding officer can refer a point of order to the Senate for decision, the fact remains that the point of order I raised is so important to the protection of our procedural rights in the Senate that the Senate should have insisted upon a ruling through the Chair from the Parliamentarian. The rules of the Senate are too precious to the legislative rights of the American people to be treated as we treated rule XVI last night. The fact remains that what we did was dip into the pockets of the taxpayers, take out $3,000, and give it to a man who never performed a lick of work for the $3,000. The amendment of the Appropriations Committee was clearly a private claim bill for Mr. Kuykendall.

I call attention this morning to rule XVI of the Standing Rules of the Senate, which was pointed out to me by the Senator from New Mexico [Mr. ANDERSON]. Section 5 of that rule reads:

> No amendment, the object of which is to provide for a private claim, shall be received to any general appropriation bill, unless it be to carry out the provisions of an existing law or a treaty stipulation, which shall be cited on the face of the amendment.

I think that is a pretty conclusive rule. What happened last night was a good example of what occurs when there is immediately referred to the Senate, in the heat of debate, the question of interpreting a rule of the Senate. Of course, we need time to study such a technical matter before we rule on it. That is why we should have had a quorum call last night after I raised my point of order so the Parliamentarian could study the rules. The Parliamentarian can point out what the rules are to those of us who may not know of some technicality or precedent. That is what should have happened last night. Instead of taking our time for a careful ruling we have established an exceedingly bad precedent. I am speaking this morning so that in future references which may be made to it in the Senate it will have been made clear that the case was not what it may have seemed to be when the Senate took action on the point of order I raised last night.

In my opinion, there was a procedure we should have followed. Section 1 of rule XVI reads as follows:

> All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

The record is perfectly clear. The Committee on Interstate and Foreign Commerce of the Senate adopted no such motion as is referred to in rule XVI. What is the purpose of the requirement for such action by the committee? One of the purposes of such a procedural rule is to make certain that some knowledge circulates through the Senate, through our friends on various committees, as to what a committee is doing. If the Interstate Commerce Committee had followed rule XVI and taken the formal action required by the rule some of us could have appeared before the Appropriations Committee and asked for an investigation of what Mr. Kuykendall had done for the $3,000. That is one of the purposes of the rule.

The talk last night about substantial compliance with rule XVI was an attempt to escape from what we ought to have done. Some of us were willing to have action postponed until this morning, so that the Committee on Interstate and Foreign Commerce could have had a meeting and could have taken formal action, this would have enabled some of us to appear before the Appropriations Committee and have asked the committee some pertinent questions about what services Mr. Kuykendall had performed for the $3,000.

As the RECORD will show, I stated time after time last night that I wanted to know what Mr. Kuykendall had done for the money—I am advised he did not do anything. I felt the taxpayers ought to know what they were paying $3,000 for.

Such a committee hearing would have raised another point, about which I do not have a fixed opinion, because I do not know all the facts. That point is whether or not, under existing rules, because the appointment was for a 5-year period, the appointment was retroactive back to the time the previous appointment ended. I am openminded about it, but we need time to go into such questions and find out what the facts are.

This case illustrates the vital importance of the rule that the Appropriations Committee should not turn itself into a superlegislative committee. I am not speaking without the knowledge of the chairman of the Committee on Appropriations this morning, because I told him I was going to discuss this matter and I asked him to be present on the floor of the Senate for this discussion. He was present on the floor a few minutes ago. I have violated no courtesy so far as the Senator from Arizona [Mr. HAYDEN] is concerned. He knows my deep conviction about the question. I warn the Senate that it had better be on guard whenever it is proposed to make exceptions to its precious procedural protections set forth in the rules.

I speak respectfully about the Appropriations Committee. I have been a Member of the Senate 13 years. We have to be constantly on guard about a tendency that crops up periodically to turn the Appropriations Committee into a superlegislative committee. The rule is that the Appropriations Committee has one primary function, namely, to pass on appropriations in accordance with authorization bills already enacted by Congress. I do not intend to vote to suspend the rules or vote to make an exception to the rules so that the Appropriations Committee can function as a legislative committee.

The action of the Appropriations Committee was clearly wrong on the face of it. Anyone who can read the rules can see that. There ought to have been a quorum call so that the Parliamentarian could have had the time to check the rules and advise the Presiding Officer,

instead the Senate permitted an act of buckpassing last night.

When action on such a procedural question is taken in the heat of debate, it is likely to be action which will not be in accordance with the true meaning of the rules. I am sure that if the Parliamentarian had suggested to the Presiding Officer that he needed time to examine the rules in respect to my point of order the Chair would have seen to it that a quorum was called thereby giving the Parliamentarian the time he needed to check the rules.

This is not a matter of politics, Mr. President. I wish to say, as I close, that in my judgment what the record shows is further evidence why we ought to be going forward with an investigation of the Federal regulatory bodies. It is unfortunate that the Senate becomes involved in such complicated procedure as occurred last night, because I happen to think that the Federal Power Commission should also be investigated. There is great cause for a thoroughgoing investigation of the Federal Power Commission including Mr. Kuykendall.

There is a resolution pending before the Committee on Interstate and Foreign Commerce, with regard to an investigation of regulatory bodies, but some members of the committee have told me it has been sidetracked; it has been put aside, or, to use a descriptive term, in effect it is in a deep freeze.

I desire to say now that either the resolution ought to be pursued by the Committee on Interstate and Foreign Commerce, or some other committee with jurisdiction ought to proceed on its own. The Senate committee which has the obligation of considering the confirmation of the nominations of members of these commissions certainly owes to the people of this country a duty to have an investigation of such regulatory bodies, including the Federal Power Commission. We should not be giving away $3,000 of the taxpayers' money to the Chairman of the Commission for doing nothing.

I am sorry we have muddied the water a bit, in my judgment, by the action of the Senate with respect to one of the regulatory bodies, by the appropriation of $3,000 to be paid to a man as a gift, to which he is not entitled, and for which he performed not a lick of work, if I am correctly advised. I think it was a great mistake for us to do that last night by way of an exception to the very sound and seasoned rule that the Committee on Appropriations of the Senate should not function as a legislative committee.

Mr. ANDERSON rose.

Mr. MORSE. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator from Oregon not remember the many times when he and I have joined in an effort to change the rules of the Senate with regard to cloture, and how many times we have been told how sacred the rules are? Despite that, by a vote of 50 to 29, the Senate has said in effect, "We do not care what the rules are. This guy wants $3,000. Let him have it." There was fixed up a little amendment to take care of it in complete violation of the rules of the Senate which provide that legislation cannot be added to an appropriation bill.

Mr. MORSE. I think the Senator does well to point that out.

I have made my point, Mr. President, unless there are further questions, and I shall yield the floor.

Mr. ANDERSON. Does the Senator from Oregon regard such an action in effect as action on a private claim?

Mr. MORSE. There is no question about the matter being a private claim. It was tacitly admitted in the debate last night it was such a claim, and it was tacitly admitted in the debate that the Committee on Interstate and Foreign Commerce did not take any formal action under rule XVI and it was tacitly admitted in the debate last night that Mr. Kuykendall was out of office during the period his nomination was under consideration. Despite that, the matter was brought up by way of an amendment, without there being a hearing and without there being provided an opportunity for those who wanted to testify against the proposal to appear before the committee, to tell why they think such a course of action should not be followed.

It is by such procedures that rules are ruined. That is the way to destroy the procedural rights of Senators. What we ought to do is take time, when we face a situation like that.

The Senator from Washington [Mr. MAGNUSON] suggested that we should take some more time. He outlined a proposal. I was willing to go along with the proposal, which would have brought the matter before the committee this morning. As Senators know, there were objections to that suggestion made by the Senator from Washington [Mr. MAGNUSON]. Furthermore, I would stress the point that subsection 5 of rule XVI is a direct prohibition to providing for private claims on an appropriation bill unless they involve the carrying out of the provisions of an existing law or treaty stipulation. Even in such cases that fact must be cited on the face of the amendment. Clearly the $3,000 gift to Kuykendall does not meet the requirements of subsection 5 of rule XVI. Furthermore, I contend that the clear, precise language of subsection 5 of rule XVI overrides the argument of the chairman of the Appropriations Committee [Mr. HAYDEN] that under subsection 1 of rule XVI a standing committee or a select committee of the Senate can, in effect, empower the Appropriations Committee to add a legislative amendment to an appropriation bill if such a standing committee or select committee, by formal motion passed by said committee, so recommends. I contend that a private-claim amendment is absolutely prohibited by subsection 5 of rule XVI unless it is to carry out the provisions of an existing law or treaty stipulation.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Is it not also true that, by the action which was taken, there was an indication of knowledge that there was no law on the statute books under which to pay this gentleman?

Mr. MORSE. That is my position. I should like to get to the bottom of the situation. I have raised the point as to whether a case could be made for paying him for doing no work, on the basis that the effective date of appointment might have dated back to the time his last term ended.

Mr. JOHNSTON of South Carolina. Is it not also true that, if there were a law upon the statute books, it would be unnecessary to put the provision in an appropriation bill?

Mr. MORSE. Yes. Let me say that if we had been talking about Mr. X and not Mr. Kuykendall—somebody who had never served on the Federal Power Commission—my curbstone judgment would be that his pay would have started from the day his nomination was confirmed.

Mr. President, I yield the floor.

Mr. KNOWLAND subsequently said: Mr. President, I do not intend to delay the Senate or prolong the discussion which was begun by the Senator from Oregon [Mr. MORSE] today, except to say that in my judgment the action which the Senate took was in conformity with the rules of the Senate.

I also wish to say, as a matter of observation, that in 13 years in this body and 6 years in the Legislature of California, I have never known a Parliamentarian who performed his duties more diligently and faithfully than does our able Parliamentarian. He functions without the slightest touch of partisanship of any type. The same observation applies to his assistant.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I know nothing about any discussion which may have occurred today, but I certainly associate myself with the last statement by the Senator from California.

Mr. KNOWLAND. I thank the Senator.

With respect to a great many questions regarding the rules, there are, of course, honest differences of opinion. Sometimes there are conflicting precedents in the Senate. Not only our rules, but our precedents, are taken into consideration by the Senate in matters relating to the rules of this body.

However, I submit that the action taken by the Appropriations Committee was taken with the full knowledge and approval—and, as a matter of fact, the recommendation—of a standing legislative committee, through its chairman, who made that fact perfectly clear on the floor of the Senate yesterday.

At the time the point of order was raised by the Senator from Oregon, under the rules of the Senate, the then Presiding Officer had the opportunity either to make a ruling at that time or to submit the question to the Senate for decision. He chose, under the rules, to follow the latter procedure, which is provided for in the rules.

The Senate, after listening to the discussion, by a vote of 50 to 29, determined that, in its judgment, based upon the

facts presented, the point of order was not well taken.

Certainly no Senator was foreclosed from making his views known. There can be no challenge on the ground that the then Presiding Officer was not within his rights and within the precedents of the Senate in submitting a point of order to the Senate.

Senators may honestly differ, as they have done during the long history of the Senate; but I know of no rule of the Senate which would permit the Parliamentarian or any other employee of the Senate to address the Senate on his own motion, on matters before the Senate.

I think the Senate is perfectly competent to pass upon questions of this kind. The Parliamentarian faithfully advises the chair on subjects with respect to which he is called upon for advice. In most cases the chair may follow the advice of the Parliamentarian. There may be some cases in which the chair does not follow the advice of the Parliamentarian.

Be that as it may, I merely wished to set the RECORD straight so far as I was concerned.

Mr. FULBRIGHT. Mr. President, I certainly do not wish to prolong this particular argument either, except to say that, after considering the question overnight, I think it is more clear than it was last night that the provision in question was legislation on an appropriation bill. I think it is a very dangerous practice for the Senate to lay aside its rules whenever it sees fit to do so, especially when the particular case appears to involve largely partisan considerations.

Mr. JOHNSON of Texas. Mr. President, I had intended last night to associate myself with the viewpoint expressed by the distinguished Senator from Arkansas in connection with his vote on that question last evening. I should like to do so at this time.

Mr. FULBRIGHT. I appreciate the statement of the Senator from Texas.

Mr. SPARKMAN. Mr. President, I certainly agree with the statement of the Senator from Arkansas.

There is one thought that has been passing through my mind. This particular provision was added to the bill as a Senate amendment. It will be subject to consideration by the conferees. I hope the conference committee will give very serious consideration to the points which have been so well raised.

Mr. FULBRIGHT. Mr. President, I think the Senator from Alabama has made a very good suggestion. As I stated last night, I voted for the confirmation of the nomination of Mr. Kuykendall. I have no disposition to criticize him; but I think whatever happens to his appropriation or reimbursement is of far less importance than the maintenance of the rules of this body, because if they were not maintained, the Senate could become a disorganized and undisciplined group, which I think would be very dangerous to the stability of the country.

DAIRY PRICE SUPPORTS

Mr. PROXMIRE. Mr. President, only 20 days now remain until Secretary Benson's order to cut dairy price supports will go into effect. I have today received a telegram from a group in my State of Wisconsin, who are one of many groups who will suffer severely if the proposed cut goes into effect on April 1. I shall read the telegrams. It comes from the Secretary of the Chamber of Commerce of Pulaski, Wis. It says:

> The Pulaski Chamber of Commerce of Pulaski, Wis., is opposed to any cut in the dairy support prices until a new satisfactory dairy program is formulated and put into force.

Mr. President, I wish to point out that the telegram does not come from a farm group or from farmers who would be helped by stopping Secretary Benson's order. On the contrary, it comes from a chamber of commerce. I may say that this is one of several chambers of commerce in Wisconsin which have sent me telegrams and letters asking that I do everything in my power to prevent the destructive order of Secretary Benson going into effect.

I may point out, too, that this is not only the attitude of the business people of Wisconsin, as evidenced by telegrams I have received from chambers of commerce, but it is also the attitude of the working people of Wisconsin. They, too, have let me know that they strongly oppose cutting dairy price supports. Their protest is the kind of protest I am sure people all over the country would register if they could only know the effect the cut would have on our total economy, at a time when 5,175,000 people are unemployed. The proposed cut in dairy price supports will surely increase the number of unemployed and injure our economy further.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, I was interested in the telegram read by the Senator from Wisconsin, because, contrary to Secretary Benson's position, it indicates that there is unity between the future welfare and well-being of the farmer and of businessmen and workers. As the distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out yesterday, the tactic of Mr. Benson is to divide and conquer, to give preference to one particular commodity for the time being, but in the end to sink them all. The tactic of Mr. Benson is also to travel up and down the country to tell the businessmen that the farmers are responsible for the condition in which they find themselves, and to tell the workers that they are the ones to blame for the difficulty in which the farmers find themselves.

I am delighted that the telegram from the Chamber of Commerce was read to the Senate this morning, because it is a recognition of the fact that if something is not done to give a reasonable degree of security to the farm economy, the businessman on Main Street will also suffer at the same time. I think the Senator from Wisconsin has performed a useful service.

Mr. PROXMIRE. I thank the Senator from Montana for his remarks. I have talked with many of the farmers of Wisconsin, and most of them recognize that the farmers of the Nation must stick together, because whatever hurts the cotton farmer in Alabama or the wheat farmer in Montana will hurt the dairy farmer in Wisconsin. The farmers understand that the only way to have an effective farm program, one which will protect not only the farm economy but also the entire economy, is to have the representatives of the farmers from all the States recognize that they have a common interest, and to act accordingly.

PLIGHT OF AGRICULTURE IN ALABAMA

Mr. SPARKMAN. Mr. President, the farmers in my State of Alabama have suffered immensely during the last 6 or 7 months from heavy rains, excessive freeze, and an unsympathetic Secretary of Agriculture.

Only yesterday, the Senate voted $250 million in order that the Federal Government might keep faith with the farmers of Alabama and the Nation in the acreage-reserve program, a program which is not limited to cotton, but which extends to all commodities.

In no sense can this move be considered a remedy for the problems besetting our farmers, especially those in Alabama and the South generally. The most that can be said is that yesterday's appropriation was a stopgap move with more comprehensive legislation to follow.

The situation in Alabama is especially grim, as the noted syndicated columnist, Drew Pearson, pointed out in the Birmingham News of Saturday, March 8, 1958. I ask unanimous consent that this timely article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRIM ALABAMA GROUP TELLS OF FARMERS' PLIGHT

(By Drew Pearson)

WASHINGTON, March 8.—Ten grim-faced Alabama State legislators made a pilgrimage to Washington this week to lay before Congress the life-or-death situation confronting cotton farmers in the Southeast.

The picture was a solemn one, summed up in the words of a cotton farmer, E. F. Mauldin, of Leighton, Ala., now serving as a consultant to the State legislators.

"Our farmers are more demoralized than ever before," Mauldin told the House Agriculture Committee. "They find farm labor gone, their tenants vanished or barely existing, their plows rusting, their tractors down, their mules converted to dog meat, their fields vacated and lying idle, their rural communities disappearing, and their country homes, churches, and schools standing vacant like corroded monuments to haunt the memory of what once was a cherished and respected way of life."

The causes are low prices and a gigantic 35-percent slash, since 1953, in the number of acres allowed to be planted in cotton under Secretary Benson's flexible-support system. For, as the Nation's cotton surplus mounts, the acres planted to cotton are cut.

Meanwhile, the Southeast—Alabama, Georgia, Mississippi, North and South Carolina—has borne the brunt of the decline, while the acreage of such Western States as California, Arizona, and New Mexico has fared proportionately better.

INDIVIDUALS DON'T COUNT

This is because a State's share of the national cotton acreage is based upon its average acreage in the preceding 5 years. And with poor cotton farmers in the Southeast abandoning the soil for city jobs, Alabama's allotment has decreased, which has penalized farmers remaining on the soil. For, when their neighbor quits cotton farming, other farmers get their acreage cuts, so that some individual allotments have been cut 70 percent since 1953 in contrast to the national acreage decrease of only 35 percent.

The trouble, says Mauldin, is that Benson's plan reckons in terms of States and counties. The fate of the individual farmer is crassly ignored.

Result: In Alabama 125,000 farmers have signed up with the State employment service for off-farm jobs. One tractor dealer reports he sold 60 tractors in 1955, only 32 in 1956, and just 14 in 1957.

Most of the 14 he sold in 1957 had to be repossessed when farmers couldn't meet their payments.

Ginners, bankers, crushers, farm laborers, fertilizer manufacturers, warehousemen, and cotton merchants are all affected.

CITY JOBS DON'T HELP

According to Maynard Layman, farm editor of the Decatur Daily, the solution is not in moving farmers off the land. What Alabama needs, he says, is more marginal farmers, not fewer. He points out that it doesn't solve anything for farmers to sell out and move to the city. There they merely add to unemployment rolls and create all kinds of social problems. Moreover, in many cases it's just plain impossible for a man who has been a farmer all his life to make the shift to city life at the age of 45 or 50.

"A pestilence has been visited upon the land of cotton," farmer Mauldin told the House committee. He proposed these solutions:

1. An increase in cotton-acreage allotments, not across the board by State, but just enough to guarantee every farmer his historic share of the Nation's production.

2. A Brannan plan for cotton, whereby all American cotton would be sold without price supports at the normal level. By letting the price seek its own level, cotton would better compete with nylon, dacron, and other synthetics. Instead of price supports, farmers would receive direct production payments to the extent necessary to raise their income to parity with industrial workers.

NOTE.—The soil bank hasn't helped. A total of 70,000 Alabama farmers were frozen out of the soil bank by insufficient soil bank funds, many of them after they had sold their implements. Even if Congress appropriates more soil bank funds, it won't help the thousands of farm owners and tenant farmers whose jobs disappear whenever an acre of land goes into the soil bank.

WORK ON GREAT LAKES HARBORS AND CONNECTING CHANNELS

Mr. WILEY. Mr. President, it is essential that vital public works are, indeed, accelerated in order to pick up the slack in America's economy.

As we realize, and has been pointed out on many occasions by our good friend, the able majority leader [Mr. JOHNSON of Texas], there is a very considerable shelf of public works. We must now take off that shelf those essential projects which previously we had not expected to be able to turn to until a much later date, because of budgetary problems.

Of course, there is still a limitation on the amount of public works which can now be speeded up.

None of us enjoys the possibility of a huge Federal deficit in the remainder of the 1950 fiscal year, or in the 1960 fiscal year.

Nevertheless, the more acute problem of five and a quarter million Americans unemployed is one which can hardly fail to receive anything but our full attention.

In my judgment, one of the most important of all jobs which can be done is to take action on that mighty artery which serves the valley of the Great Lakes and, thereby, literally more than one-fourth of the American people.

MORE FUNDS NEEDED FOR CHANNELS

So I say, specifically, that the Corps of Engineers should receive sufficient funds to speed action on the Great Lakes connecting channels and Great Lakes Harbor improvement.

In the spring of 1959, the St. Lawrence Seaway, as far as Lake Erie, will be opened. But from the spring of 1959 until the year 1962, or 1963, or 1964, the fact is, unfortunately, that instead of 27-foot draft beyond Lake Erie, there will be a continued limitation, by and large, of 25 feet on down bound and 21 feet on upbound traffic.

Time is of the essence in making fuller use of the Great Lakes artery. If we use the artery to the fullest, there will be more economic health, fuller employment, more purchasing power. Allow the artery to remain narrow, and the reverse will be the case.

The Corps of Engineers has the definite capability of speed action on the channels. We must enable it to use that capability.

We of the upper Middle West must not be denied access to the connecting channels for another 5 or more years. We of Michigan, Wisconsin, and Minnesota are entitled to speed in this respect.

Fortunately, the overall seaway outlook is increasingly promising.

FOUR HUNDRED AND FORTY-EIGHT THOUSAND TONS FROM 11 LAKE PORTS

As proof of that fact, I should like to cite an important statement made by Marvin Fast, executive director of the Great Lakes Commission.

This statement was published in the February 27 issue of the Journal of Commerce. The article proves, for example, the enormous tonnage—448,000 short tons which moved overseas from merely 11 Great Lakes ports in 1957.

But it also proves that the ports themselves, through local action and through Federal and State action, must improve their own capability.

That is why I urge a speeding up in Federal assistance for harbor improvement along the Great Lakes. That includes, of course, assistance to the many Wisconsin cities which are ready, willing, and eager to carry their share of the load, if the Federal Government will give reasonable assistance to them.

S. 497 INADEQUATE SO FAR AS LAKES CONCERNED

In conclusion, Mr. President, I say in all frankness that the bill, S. 497, which passed the House yesterday in amended form, and which would authorize numerous construction, repair and other public works on rivers and harbors for navigation and flood control is sadly inadequate, as far as the Great Lakes are concerned. Supplementary action by way of additional legislation will in my judgment be essential in view of the 5¼ million Americans unemployed. Action must provide increased assistance to the Great Lakes area.

I send to the desk the text of Mr. Fast's article, and ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TONNAGE UP 10 PERCENT—MORE OVERSEAS TRAFFIC GOING VIA GREAT LAKES

(By Marvin Fast, executive director, Great Lakes Commission)

Preliminary tonnage statistics on the overseas trade of the Great Lakes ports point to further growth in this commerce in 1957. Unofficial figures compiled from reports by 11 United States port agenices indicate overseas traffic at their facilities totaled approximately 448,400 short tons. This represents an increase of about 41,500 tons, or 10.2 percent, over the tonnage exported and imported through their terminals in 1956.

Only partial data for 1957 has been reported by Chicago, which in 1956 accounted for 41.7 percent of the 574,152 tons shipped to and from overseas points through the United States lake ports. Preliminary reports indicate facilities of the Chicago regional port district on Lake Calumet increased their tonnage from about 85,600 tons in 1956 to approximately 112,000 tons last year. Not yet reported are the 1957 overseas commerce moved through other Chicago facilities, which in 1956 handled nearly two-thirds of the city's overseas tonnage. Indications are, however, that these facilities, too, increased their overseas volume and that the total increase for all of the United States lake ports in 1957, consequently, may exceed 50,000 tons.

Overseas tonnage for 1957 reported by the 11 United States ports, along with official 1956 figures, are as follows:

Port	Total overseas tonnage	
	1956	1957
Buffalo	6,972	8,678
Cleveland	57,488	76,168
Detroit	90,348	70,879
Duluth-Superior	7,407	2,655
Green Bay	29,188	53,990
Lake Calumet (Chicago)[1]	85,642	112,000
Menominee	1,388	-------
Milwaukee	83,939	64,054
Muskegon	15,048	17,382
South Haven	13,754	10,435
Toledo	17,006	32,109

[1] Includes only Chicago regional port district terminal.

The largest tonnage increase in 1957 at the United States lake ports reported to date occurred at Chicago's Lake Calumet facilities. Substantial tonnage increases also were scored by Green Bay, Cleveland, and Toledo. Percentagewise Toledo made the

biggest increase, followed by Green Bay, Cleveland, and Chicago.

CANADIAN OVERSEAS TRADE

Preliminary information available from Canadian lake ports suggests Canadian's overseas trade through the Ontario lake ports also may have reached a new high in 1957. Tonnage statistics for last year have been reported only by Toronto and Hamilton but both ports surpassed 1956 totals by substantial amounts. Toronto's overseas trade increased from 158,073 short tons in 1956 to 200,395 tons. Hamilton's 1957 figure totaled 41,697 tons as compared to 32,769 tons in the previous year. The combined increase of the two ports—which in 1956 accounted for more than 63 percent of the overseas commerce of the Canadian lake ports—was approximately 50,000 tons or about 26 percent.

PROSPECTS

Prospects for an even more remarkable expansion of the overseas trade of the Great Lakes ports are bright. Opening of 27-foot navigation at the start of the 1959 shipping season will open the door to saving in transportation costs even more significant than those already demonstrated by the volume of commerce now using the Great Lakes-St. Lawrence route. Effects of the seaway's impact also will be felt in 1958 as both shippers and steamship lines explore more seriously than ever the potentials of the Great Lakes-St. Lawrence route.

Indeed the crucial question appears to be whether the lake ports as a whole are making adequate preparation to handle a potential tonnage greatly in excess of existing commerce. Dr. John L. Hazard of Michigan State University and former consultant to the St. Lawrence Seaway Development Corporation has suggested that facilities available at the Great Lakes ports and their traffic development programs, rather than any limitation of the seaway route or any limit on exports which can utilize the route with economic advantage, will be decisive in determining the actual future overseas tonnages of the Great Lakes ports. Only the ports adequately equipped for the commerce which will seek to use the seaway, he predicts, will realize fully their potential importance as ports in overseas trade.

Whether the port cities will be ready will depend in part on their recognition of the importance of improved port facilities and of strong traffic promotional programs to their economy. A serious limitation on the future of the lake ports may be the prevailing view that the port operation and facilities should be entirely self-sustaining.

On the basis of planning and preparation now under way, Dr. Hazard estimates that the overseas general cargo commerce of the United States lake ports in 1960 will almost triple the 1955 volume. By 1965 it may be almost 8 times greater and by 1970 more than 10 times the 1955 tonnage. Should port improvement and traffic promotion programs be stepped up substantially, these estimates may prove too conservative.

His estimates do not include bulk commodities in the overseas commerce. Even larger proportional increases can be expected after 1959 in bulk commodity movements—notably of coal and coke, certain metallic minerals and chemicals, and grain.

BULK COMMODITY MOVEMENTS

Nineteen hundred and fifty-seven also proved a banner year for the Great Lakes bulk fleet, which registered its second best year in history. The big lakers, according to the Lake Carriers' Association, delivered more than 196 million tons of iron ore, coal, limestone, and grain during the year. This volume has been exceeded only in 1953 when, due to the demands of the Korean conflict, tonnage reached almost 200 million. An expanded iron ore movement, a brisk coal trade, and a near-record limestone tonnage accounted for the bulk fleet's excellent showing.

Fleet activity is expected to continue high during 1958, although commodity movements will probably not reach 1957 levels. Final figures will depend largely on how soon the present downward trend in steel production and in the demand for lake-borne commodities is reversed.

Long-range prospects are favorable and suggest further increases in bulk commodities tonnages. Successful pioneering of taconite and construction of the seaway, which will enable Labrador ore to enter the Great Lakes in large amounts, give assurance that traffic in iron ore at the lake ports will continue heavy. Shipments of limestone have increased remarkably and almost continuously in the postwar years, and the needs of the steel industry and expansion of the chemical and cement industries in the Great Lakes region point to further growth. The pace of industrial development throughout the region also will demand vast quantities of coal and petroleum products. A significant downbound movement of both products in the completed seaway thus is a reasonable expectation. Finally, the seaway's effect on the cost of transporting grain is sure to boost strongly waterborne shipments of grain via the lake ports.

Revival of a package trade on the Great Lakes also is a possibility. Plans now being developed in several areas—notably Duluth—call for application of the roll on, roll off principle to the package freight trade between Duluth and Buffalo. Estimates on initial annual traffic run as high as 800,000 tons.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I expect to call up Senate Concurrent Resolution 68; but before doing so, I shall suggest the absence of a quorum. I wish to make certain that any other Senators who desire to address the Senate during the morning hour will have an opportunity to do so.

I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROUTY in the chair). Without objection, it is so ordered.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

Mr. JOHNSON of Texas. Mr. President, on behalf of the minority leader and myself, I send to the desk a proposed unanimous-consent agreement which I ask to have stated.

The PRESIDING OFFICER. The proposed agreement will be stated.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective at 12 p. m. today, during the further consideration of the bill (S. 3418) to stimulate residential construction, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 3 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided, further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed agreement?

Mr. LONG. Mr. President, reserving the right to object, let me ask whether the agreement is directed to the housing bill.

Mr. JOHNSON of Texas. Yes; it is.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. LONG. Then I shall not object.

The PRESIDING OFFICER. Is there objection to the proposed agreement? Without objection, the agreement is entered into.

ORDER FOR CONSIDERATION OF SENATE CONCURRENT RESOLUTION 68 WITHOUT APPLICATION OF THE AGREEMENT PERTAINING TO THE HOUSING BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at any time during the afternoon it may be in order to lay aside further consideration of the housing bill, in order to have the Senate proceed to the consideration of Senate Concurrent Resolution 68, without having the time required for that purpose charged to the time available to either side under the agreement pertaining to the housing bill.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, may we have an explanation of the concurrent resolution?

Mr. JOHNSON of Texas. It is the concurrent resolution relating to the acceleration of public works.

Mr. LONG. Then I shall not object.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

STIMULATION OF RESIDENTIAL CONSTRUCTION

Mr. FULBRIGHT. Mr. President, I first wish to thank the leadership in the Senate for scheduling such prompt action on S. 3418. I believe that this bill can make a significant contribution to economic recovery if it is enacted quickly.

The bill will be explained in some detail by the Senator from Alabama [Mr. SPARKMAN], the chairman of our Housing Subcommittee and a recognized leader in the field of housing.

I wish to pay tribute to the junior Senator from Alabama. During the time I have been a Member of the Senate he

has been an acknowledged expert in the field of housing. I do not believe any Member of either body has contributed more to the development of a sound and successful housing program than has the junior Senator from Alabama.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. The Senator from Arkansas expresses my sentiments so well that I want the RECORD to show that I fully concur in the very high estimate he has expressed with respect to our colleague from Alabama.

Mr. FULBRIGHT. I am very much pleased to be able to arouse the support of the Senator from Texas today. It makes me feel that my wisdom has come to maturity.

Mr. JOHNSON of Texas. The Senator from Arkansas usually has the support of the Senator from Texas in his endeavors.

Mr. FULBRIGHT. I appreciate the support of the Senator from Texas. I certainly could not achieve anything in this body without his support.

I should like to point out some of the major provisions of this bill.

First. It reduces downpayments, primarily for moderate priced housing, in an effort to stimulate the purchase of homes.

Second. It provides special assistance funds for the Federal National Mortgage Association to create an immediate market for mortgage loans secured by new construction.

Third. It extends the loan programs administered by the Veterans' Administration and provides additional funds for direct loans.

Fourth. It removes unworkable provisions of law relating to discounts on FHA and GI loans, and authorizes increases in the GI interest rate and the military housing interest rate.

I believe that these changes in the housing laws, with one exception, are necessary and desirable. I can see no justification for authorizing increases in interest rates at this time. All interest rates are tending downward, and I believe that within a short time, GI loans and military housing loans can become competitive at their present interest rates. For this reason, I intend to support an amendment to the committee bill which would remove the provisions authorizing increases in interest rates.

If I could select one feature of this bill for special pleading, I would choose the provisions extending and authorizing funds for the direct loan program administered by the Veterans' Administration. As I said in a statement on February 21, 1958, this program is the only hope of veterans from small towns to achieve benefits comparable to those received by veterans in metropolitan areas where the loan guaranty program has been so helpful.

Mr. JOHNSON of Texas. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Texas. Mr. President, if there are no other Senators who desire to address the Senate during the morning hour, I ask unanimous consent that the unfinished business be laid before the Senate.

Mr. DWORSHAK. Mr. President, I have a statement to make.

Mr. MORTON and Mr. CASE of New Jersey rose.

Mr. JOHNSON of Texas. I remind the Senator from Arkansas that the Senate is operating under a 3-minute limitation on statements during the morning hour.

Mr. FULBRIGHT. I thought the morning hour had been concluded.

Mr. JOHNSON of Texas. It has not been concluded.

Mr. FULBRIGHT. It will require only 1 minute longer to complete my statement.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Arkansas may conclude his statement, notwithstanding the 3-minute limitation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Following the completion of the statement of the Senator from Arkansas, I hope the Chair will recognize the distinguished Senator from Idaho [Mr. DWORSHAK], as well as the distinguished Senator from Kentucky [Mr. MORTON], and the distinguished Senator from New Jersey [Mr. CASE].

Mr. FULBRIGHT. The Veterans' Administration testified that as of January 31, 1958, only approximately $5 million remained available for direct loans, and that there were 7,298 veterans on active waiting lists who have not been given application forms because funds are insufficient. This number does not begin to measure the number of deserving and eligible veterans who have no source for home financing and who have not actively sought applications because of the limited funds available.

While I commend the entire bill, with the exception of increased interest rates, to the favorable consideration of the Senate, I am most anxious that this direct-loan program be extended and revived with the new authorizations provided in S. 3418.

Mr. President, I conclude by urging the Senate to take quick action on the bill, because one of its most beneficial aspects is the assistance it would give to employment and to a revival of our economy at this time.

CAMPAIGN CONTRIBUTIONS AND EXPENDITURES

Mr. MORTON. Mr. President, in recent years Members of the Congress have been giving more than a mere passing glance toward legislation which would plug up the ever-widening loopholes in Federal statutes governing campaign contributions and expenditures. A number of bills already introduced in the Congress indicates that this matter is being given careful consideration, a concern which has been amply substantiated at committee hearings on the measures.

There is general agreement that current laws through long experience have engendered a sentiment of cynicism and lack of confidence in our elective system. The matter has been given the closest study by legislative leaders. At the same time, several citizens' groups, alarmed by the trend of public opinion, have concerned themselves with studying the problem with a view of developing a realistic plan which would restore confidence in the integrity of our elective system and foster the independence of public officials by freeing them from undue pressure in raising campaign funds.

One of these bipartisan citizens' groups, which represents a broad range of political views but agreeing on the basic principles of fair elections, is the Committee on Campaign Contributions and Expenditures, whose chairman is the distinguished former Governor of Rhode Island, Mr. William H. Vanderbilt.

I ask unanimous consent that there may appear in the RECORD as part of my remarks a letter from Mr. Vanderbilt, on behalf of the Committee on Campaign Contributions and Expenditures, dated February 12, 1958, and a copy of an editorial entitled "Money Shouldn't Buy American Elections," which appeared on March 10, 1958, in the Louisville Courier-Journal, Louisville, Ky.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

ENGLEWOOD, FLA., *February 12, 1958.*

The Honorable THRUSTON B. MORTON,
United States Senate,
Washington, D. C.

DEAR SENATOR MORTON: The undersigned, a bipartisan Citizens' Committee on Campaign Contributions and Expenditures, believe that present laws governing campaign contributions and expenditures are unrealistic and ineffective. Their ineffectiveness leads to widespread cynicism, which tends to impair public confidence in the elective system. Their lack of realism makes it almost impossible for a conscientious candidate and his supporters to comply with them, for they do not take adequate account of the high cost of legitimate campaigning under modern conditions, including our increased population and mass mediums of communications.

We believe that substantial improvement is possible, and necessary to foster not only the integrity of our elective system, but also the independence of public officials by freeing them from undue pressure in raising campaign funds.

We are encouraged to note that Members of Congress are already giving this subject careful consideration. A number of bills within the past 2 years—including the Hennings bills, the Johnson bill and the Gore bill—and the hearings on them give ample evidence of the need for change and widespread recognition of the need.

The extensive study already made by legislative leaders in opening up the problem gives an opportunity to work it out in a balanced, sensible and effective way. We believe that a bipartisan citizens' group such as ours, representing a broad range of political views but agreeing on basic principles of fair elections, can help to do this, and to spread public understanding.

We believe that national legislation should be enacted to give effect to the following general principles:

First. Comprehensive and effective public disclosure, including complete reports by all candidates for Federal office (including candidates for President and Vice President),

listing all campaign contributions and expenditures received or spent by them or by organizations and committees supporting them.

Second. Overall limits on campaign expenditures by all of such candidates, including expenditures by all organizations and committees supporting them.

Third. Overall limits on campaign contributions by individuals.

Fourth. Extension of the above requirements to primary and nominating campaigns.

The limits set should be high enough to take account of legitimate, modern campaign costs; but comprehensive and tight enough to be effective. Full publicity is a key factor for there may well be no better test of the propriety of a contribution or expenditure than the willingness to expose it to general public knowledge. It would also enable our citizens to know what the facts really are and to base plans for improvement on these facts, rather than guess and rumor.

Sound new legislation in accordance with these four principles could pave the way for a sustained effort, at the community level and the national level, to develop general citizen financial support for election campaigns.

We earnestly hope that you will be willing to help enact such legislation.

With best wishes.

Sincerely yours,

WILLIAM H. VANDERBILT,
(For the Committee.)

[From the Louisville (Ky.) Courier-Journal of March 10, 1958]

MONEY SHOULDN'T BUY AMERICAN ELECTIONS

Federal laws governing political contributions are as full of holes as a hunk of Swiss cheese. The Hatch Act, passed in 1939, is the basic statute. It was well intended, but it has sprung so many leaks in the ensuing years that it permits any candidate and his supporters to do almost anything they want on campaign contributions.

For instance, the Hatch Act seems to limit the contributions of any individual to $5,000 for the benefit of any one candidate for Federal office. But there is a tremendous loophole built into the fabric of the bill. This is an exemption for "contributions made to or by a State or local committee" in a Federal election.

The way this works out is that any number of committees can be set up all around the country for Candidate X. His supporter Y can then pour $5,000 into each and every one of them, if he has the funds and the inclination. Furthermore, a rich man can repeat this process with as many candidates as he pleases, so that the sky is literally the limit to what he can give for political purposes.

This Swiss cheese type of law is beginning to smell. Campaigns are getting more and more expensive. They rely heavily on paid publicity, including high-priced television programs. A candidate who can raise huge sums of money from a few rich supporters has a great advantage over his rival whose supporters cannot finance a gaudy campaign.

This is not a partisan issue. Both parties suffer by the cynicism the American people feel when they see the unbridled spending of money in political campaigns, and the frustration they suffer when they can get no accurate record of who is spending what for whom.

A strong bipartisan committee has recently come into action to demand some long overdue reforms. Its chairman is William Vanderbilt, a former Republican Governor of Rhode Island.

It demands four specific reforms: full public disclosure of all campaign contributions by every candidate for Federal office, including candidates for President and Vice President, with a full listing of all committees, their receipts and expenditures; overall limits on the total that can be spent for any candidate; overall limits on the total each individual can contribute in a given year; and extension of regulations to cover primary and nominating campaigns.

There are several bills now before Congress to attack this problem. The Committee on Campaign Contributions is centering on S. 2150 as being the most promising, though it will need some amendments to accomplish the committee's full purpose.

There seems nobody who is willing to argue that present laws are adequate in this field. Nobody contends that it is not dangerous to democracy to allow money to run loose in political campaigns, or that a Federal statute inspires respect if its whole intent can be easily flouted.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The PRESIDING OFFICER. Is there further morning business?

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana desire to speak in the morning hour?

Mr. CAPEHART. I merely wished to make some comments on the statement of the able Senator from Arkansas.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. CAPEHART. Mr. President, I did not hear all the statement of the able Senator from Arkansas, except that I understand he is opposed, in the housing bill, to increasing military housing and GI housing interest rates. I refer to a statement which has been distributed to every Senator this morning. What we are trying to do in the bill reported by the committee is not necessarily to increase interest rates, but to step up the formula whereby the Veterans' Administration GI housing interest rate and the FHA housing interest rate will be brought closer together, in order to immediately start construction of GI housing, and in that way put men back to work immediately.

As the chart shows, when the interest rates are the same—that is for FHA and GI housing—more GI houses are always built. For example, in 1954, when the VA interest rate was 4½ percent and the FHA rate was 4½ percent, 307,038 houses were built, and 250,910 FHA houses were built. That has been the record. In 1955 it was even greater. When the interest rate for VA housing was 4½ percent and the FHA interest rate was 4½ percent, 39,789 VA houses were built and 263,650 FHA houses were built.

In January of this year, when the VA interest rate was frozen at 4½ percent and the FHA interest rate was 5¼ percent, only 4,074 VA houses were built, as against 12,228 FHA houses.

What we are trying to do is stimulate the construction of new houses immediately in order to put men to work now. We are not necessarily trying to increase or decrease the interest rates; we are merely trying to get the two rates closer together and give the President the right, which he now has under FHA, to increase or decrease interest rates. However, when he decreases one, he must decrease the other, and when he increases one, he must increase the other. In that way the veteran will be able to buy a house. As we know, a veteran can buy a house without any downpayment and with long terms, and his monthly payments are less than he would pay for rent. That is what we are trying to do. If we do it, it is my judgment we will be able to build no less than 250,000 VA houses in the next 12 months.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. It will put to work thousands of men, because every time a new house is built it is necessary to have a new refrigerator, a new furnace, a new washing machine, and nails, and it is necessary to hire carpenters and bricklayers, and so forth. That is what we are trying to do. We have no desire to raise or lower interest rates, because that is up to the President in his discretion, depending upon the condition of the mortgage market. We are merely trying to get the two rates closer together so that we will be able to give the GI an advantage. Of course, the GI has the advantage now under the law, and we are trying to help the GI.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LONG. While, of course, I am in favor of extending liberal credit to veterans, I personally feel that one of the best things that could be done for the country at this time would be for the Federal Reserve Board, with the cooperation of the Treasury Department, to use the powers available to it to effect a drastic and immediate reduction of the interest rates to as low a point as it is expected the interest rates will be reduced during this administration. Anyone who is thinking of major construction, particularly if he is an industrialist, looks at the interest rate, and, of course, the interest rate is a major part of the cost in any new construction. If he thinks the interest rate will continue to come down, he will be inclined to wait until the interest rate comes down further. If he feels the interest rate is as low as it will be in the future, he would be encourged to go ahead with the construction.

Mr. CAPEHART. I am certainly not going to quarrel with the Senator from Louisiana with respect to lower interest rates. However, that is not the problem we have to face now. The problem now is to bring the VA and FHA interest rates closer together. Then, as they go up and down, the private-mortgage purchasers will be inclined to buy VA mortgages. As it is now, they will not buy 4½-percent mortgages when they can get 5¼-percent mortgages. Therefore let us hope that the interest rates will go down, but that is up to the Federal Reserve Board and the President under the existing act. However, as the rates go up and down, only Congress can change the formula whereby the two rates will remain close together, thereby permitting the GI's whom we all want to encourage to buy houses, to buy houses and own them. We can help the GI's do that by helping them to finance their houses. That is something we can do. What we propose to do is to start employment to-

morrow if the bill is passed by the House and Senate and if the President signs it—and I am sure it will be signed by the President—and that is something that will put the men to work immediately. We will not have to wait 30 or 60 or 90 days or 6 months.

I believe that anyone who is in a position to know will tell us that we can immediately start building GI houses, if that is done. It is not a question of whether the interest rate should be high or low. That is not the problem. What we are trying to do is to get the two rates closer together, so that private industry will buy both mortgages. That is what we are trying to do.

Mr. LONG. What I have in mind is that, rather than to play a part in raising interest rates, it would be good for the country to have the Senate adopt a resolution expressing it to be the sense of the Senate that the Federal Reserve Board, in cooperation with the Treasury, use the powers available—and they have plenty of power to do this—to make certain plenty of credit is made available, so that Veterans' or FHA mortgages can be purchased at 4½ percent.

Mr. CAPEHART. That would not solve the problem, because the Federal Reserve might do what the Senator suggests at the moment, but there would always be a spread between the two. I am proposing a formula which would be established by Congress to provide that regardless of whether the rate were increased or decreased, as the committee bill is now written, there could be a difference of only one-half of 1 percent.

What the Senator is talking about is an entirely different matter. Perhaps it should be considered. Perhaps the Senate should adopt a resolution in the hope that the Federal Reserve would do what the Senator has suggested.

Even then, that would still not change the situation of there being a discrepancy. On the one hand, Congress has limited the VA rates to no higher than 4½ percent. For the FHA, the law provides that the President can increase the rate to 6 percent. He can fix the rate under 6 percent. But the VA rate cannot go higher than 4½ percent. We would like to bring the two rates together, to start the construction of houses tomorrow.

Mr. LONG. If the Senator will review the hearings which the Committee on Finance has been conducting on the interest-rate problem, I think he will see that the position which the Secretary of the Treasury, the Under Secretary of the Treasury, and the Chairman of the Federal Reserve Board took about a year ago, was that this was a desirable policy to discourage people from buying things. As of now, very likely, that testimony would not be subscribed to, because it is no longer timely. That being the case, it seems to me that Congress should be making certain that the money will be made available for housing at 4½ percent interest.

Mr. CAPEHART. I do not question that at all. All we are trying to do today is to provide a formula which will provide that the interest rates on VA loans shall be one-half of 1 percent less. That is all we are trying to do in this instance. The Senator from Louisiana is talking about an entirely different matter. His may be a desirable objective; but even then, if we succeeded in accomplishing what the able Senator has suggested, there would still be the problem which we are trying to solve today.

Mr. FULBRIGHT. Mr. President, to keep the record clear, I did not say I was opposed to the bill; on the whole, I am for the bill. It is a good bill, with the exception of the interest-rate provisions.

What the Senator from Indiana said about the building of houses under the VA and FHA programs is entirely correct. The only point is that all the evidence is quite clear that the interest rates are going down rapidly. The rates for short-term loans have already gone down 50 percent in the past 3 months.

I believe most of the members of the committee from this side of the aisle believe it is not necessary to try to reverse, even for the short-term loans, the downward trend in interest rates.

One cannot help recalling that this administration, peremptorily, artificially, and arbitrarily, raised interest rates when the administration first came into power. When the going rate was 2⅞ or 2¾ percent, the administration issued 3¼-percent bonds, which immediately were sold at a premium. With that background, we feel we should not make a last valiant stand for high interest rates.

I do not think this matter is nearly so important as does the Senator from Indiana. I think interest rates are dropping. Money will be available at 4½ percent perhaps this year. But I think the FHA interest rate of 5½ or 5¼ percent is higher than the market will justify in the immediate future.

It is true there is a slight lag of perhaps from 3 to 6 months in the reduction of long-term interest rates. That is for reasons which are inherent in our financial system. Building and loan associations and insurance companies do not immediately react to lower interest rates, as the short-term issues do. That is for the Government issues and for short-term loans by the banks. They have been going down very sharply since last November. The long-term rates are lagging behind. But as I see the picture, there is nothing which could possibly keep the long-term rates from following, in the course of time, the short-term rates.

So, to me, the argument is about a rather insignificant element, because I think the market will force the interest rates down.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. The Senator from Arkansas well knows that what the average person considers when he buys a home is the amount of his monthly payment. The trend in recent years has been to give the borrower more and more time to pay his loan, but at a higher interest rate. I do not think we do a person a favor by making it possible for him to pay on his mortgage for an extra 5 or 10 years in order that he might pay a higher interest rate.

There is no doubt whatever in my mind that if we leave the law as it is, in short order there will be plenty of money available for the construction of houses at a rate of 4½ percent. On the other hand, if we raise the amount by a quarter percent or a half percent, that will simply encourage people to make a tremendous effort to sell houses on long-term loans at high-interest rates, which could not be maintained if it were not made possible for them to make loans on that basis.

Mr. FULBRIGHT. There is much in what the Senator from Louisiana says. Granted the Senator from Indiana stated the purpose correctly, as I think he has, I have no quarrel with the idea of getting the rates closer together. But if we took such action in the face of what is now going on in the money markets, I think it would create the false impression that Congress thought interest rates were going up, or even are going to stay where they are. I do not believe that to be so.

I do not believe it will be very significant even if we raise the rate to 4½ percent. It will not be maintained at that figure if the market makes available sufficient money at lower interest rates. The rates are bound to go down. I do not think that with even the most valiant assistance of the administration, rates could remain high when money was in great supply.

Mr. CAPEHART. Under the existing FHA law, the President can fix the interest rate as high as 6 percent. He has fixed it at present at 5¼ percent.

Mr. FULBRIGHT. The Senator is correct.

Mr. CAPEHART. Under the existing VA law, the President can fix the interest rate at 4½ percent or less. The problem is not one of increasing or decreasing; it is to eliminate the 1½-percent spread between the two rates.

What I should like to have Congress say to the President is, "You can use the same formula that is used for FHA, except that the VA rate must always be one-fourth of 1 percent less than the FHA rate."

Congress might well adopt a resolution saying to the President, "We are thinking seriously of the loosening of credit. If that be done, we think you should lower both the VA and FHA rates, but always keeping the VA rate within one-fourth of 1 percent of the FHA rate, so that the veterans can sell their mortgages and get their houses and do something which will immediately put men back to work."

That is the problem. We should correct the situation, regardless of whether the interest rates go up or down. We should, by law, bring the two rates closer together.

Mr. FULBRIGHT. I wish to make it clear that I am not opposing the bill. I am for the bill. I think it is a good bill. I think the Senator from Indiana [Mr. CAPEHART] and the Senator from Alabama [Mr. SPARKMAN] have cooperated well to produce a bill which I hope the Senate will pass with the least possible delay.

I do not wish to argue the matter of interest rates. The fact is that the market place has already indicated lower rates and a more plentiful supply of credit.

The Senator from Indiana says the Federal Reserve should move. The Federal Reserve has already moved, and has moved quite rapidly, in reducing the reserve requirements and the discount rate. I think it may be argued whether they moved soon enough, but that is another matter. Certainly they have been moving lately, which is the matter immediately under consideration. I think the program will get under way immediately, and that there will be no trouble in obtaining money at lower interest rates.

Mr. CAPEHART. As one who borrows money in his business, I hope the rates will go down.

Mr. FULBRIGHT. The Senator knows they are going down.

Mr. CAPEHART. Even if they do, we do not solve a problem which ought to be solved by establishing a formula which will bring the two rates closer together.

Mr. FULBRIGHT. Does the Senator not believe the President can reduce the FHA rates today?

Mr. CAPEHART. He could reduce the VA rate today, but the point is that under the law one rate has a 6-percent ceiling, and the other a 4½-percent ceiling, and the 2 rates ought to be brought together.

Mr. FULBRIGHT. The President does not have to fix the rate at the ceiling.

Mr. CAPEHART. But the Congress ought to accept the responsibility.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

The PRESIDING OFFICER (Mr. MORTON in the chair). The Chair desires to announce that, the hour of 12 o'clock having arrived, under the unanimous-consent agreement which has been entered into, the time is now limited and under control.

Mr. JOHNSON of Texas. Mr. President, I yield 20 minutes to the Senator from Alabama [Mr. SPARKMAN].

The PRESIDING OFFICER. The Senator from Alabama is recognized for 20 minutes.

Mr. LONG. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield 30 seconds to the Senator from Louisiana.

Mr. LONG. Mr. President, in regard to the colloquy which has occurred in the last few minutes, I wish to state that, at a time when interest rates were being increased, the Federal Reserve Board did not hesitate to raise interest rates seven times in a single year. In my opinion, those actions did as much as anything else to get the Nation into the economic plight it is in today.

If the Federal Reserve Board will undo the job it did in raising the interest rates, nothing will contribute more to relieving the present unfortunate economic situation.

The provision to guarantee 4¾-percent loans to veterans looks to me like a price-support bill for the money lenders. With that part of the bill, I want nothing to do.

Mr. SPARKMAN. Mr. President, the bill S. 3418, which has been made the pending business, and which the Senate is considering today, would not be before us at this moment if the members of the Senate Banking and Currency Committee and other Members of the Senate had not felt apprehensive about the current state of our national economy.

There is now general agreement that the present trend of the economy is downward, and that the recession, instead of being mild and of short duration, as originally anticipated, may be more serious, and may extend over a considerable period of time. Economists utilize a number of tests to determine the present state of the economy and to forecast future levels of the economy. Most of us are familiar with these indicators. They refer, for example, to the gross national product; the national income; the levels of disposable income; expenditures for new plant and equipment; employment levels, both agricultural and nonagricultural; and so forth. All these indicators are very helpful in analyzing what is happening to our national economy. They help to pinpoint the areas in which levels of activity are high or low. They tell us which industries are prosperous and which are feeling the pinch of depression. They are, in effect, the symptoms used by the expert economists to diagnose the ills of a nation.

But there is one statistical report which overshadows all others in importance. There is one set of figures which alone can tell us as a nation whether we are enjoying a period of prosperity or whether we are suffering economic reverses. I refer to the unemployment figures published by the Department of Commerce. Based upon that data alone, we can make a fairly good evaluation of our economic status.

When there is full employment, our factories hum with activity and our people are in a position to buy the products of the factories. So long as he is employed, the average worker has the confidence which the administration presently seeks to instill. He will spend his disposable income and, in fact, will go into debt to purchase the thousand and one items upon which our economy depends. However, when the average wage earner is not working, he obviously cannot spend, and is reluctant to assume even short-term debts. The apprehension which he feels is communicated to all around him, and the psychological feeling of depression can dilute the confidence of even those who may not be affected directly.

According to the official Government survey, it is reported that 5.2 million persons were unemployed in mid-February. By this time the figure is probably higher. The last time we had similar levels of unemployment was in 1941.

When we find ourselves in an economic predicament such as that which faces us today, the time has come to act, and to act quickly, if we are to stop the decline and reverse the trend. In my capacity as chairman of the Subcommittee on Housing of the Senate Committee on Banking and Currency, I have tried to do just that. I have encouraged the taking of prompt action on the bill now before the Senate, and every member of the Banking and Currency Committee has acted with the same sense of urgency.

As a result of this cooperation, we are able to discuss a housing bill today. If we had not felt the sense of urgency brought on by increasing unemployment and declines in almost every field of economic activity, I would not be standing here discussing proposed housing legislation. That probably would not have taken place until the month of May. But because my desire to take prompt and effective action, insofar as home construction is concerned, is shared by other members of the committee, we have brought to the Senate a bill which we call the 1958 emergency housing legislation.

On the 27th of February, I introduced a bill, and, with the consent and approval of other members of the Banking and Currency Committee, scheduled brief hearings for March 4. Following the hearings, we held two brief executive sessions, during which we had the full cooperation from Members of both sides of the aisle, who, I think, shared my desire to report a bill to the Senate as promptly as possible. S. 3418 is a clean committee bill representing the views of the majority of the committee.

It is my purpose now to discuss briefly the features of that bill and to attempt to point out, first, that the bill will provide the aids to permit the housing industry to increase its productivity; and, second, that the housing industry can make a substantial contribution to our economy.

With respect to the first point, namely, that the bill will provide aids to permit the housing industry to increase its productivity, the following table is pertinent:

	Homes
(a) $1,000,000,000 of special assistance; at $13,500 per mortgage this would provide financing for	75,000
(b) $500,000,000 additional to be used at the discretion of the President as an antirecession measure at $13,500 per mortgage would provide financing for approximately	38,000
(c) $25,000,000 for purchase of Capehart housing mortgages at an average of $16,500 per unit would provide financing for	1,515
(d) $25,000,000 for purchase of FHA section 809 housing mortgages at an average of $12,000 per unit would provide financing for	2,083
(e) $150,000,000 for VA direct loans, at an assumed $13,500, would provide financing for	11,000
(f) Extension of VA loan guaranty program and revision of FHA downpayment schedule privately financed could produce	72,500

One billion dollars of special assistance mortgages at $13,500 per mortgage will produce 75,000 homes. I point out that the bill would authorize lower downpayments on modestly priced homes, and

would provide for the financing at par for these units. All that remains is for builders to process applications through the FHA and the FNMA and find buyers. This, I think, can be done.

The President, if he sees fit, could assist in the production of an additional 38,000 homes by authorizing the purchase of mortgages by FNMA in amounts up to half a billion dollars. The press recently reported that the President released $200 million of special assistance funds to FNMA for the purchase of mortgages secured by low-cost housing. This new half-billion dollar authorization would replenish existing funds and would provide the President with additional anti-recession resources.

The $25 million for the purchase of Capehart housing mortgages and the $25 million for the purchase of FHA section 809 mortgages will be committed almost immediately. Construction on both Capehart and FHA section 809 housing can go on as soon as the bill is signed.

The $150 million made available for VA direct loans during the next year will also permit immediate construction to go forward. This program could produce 11,000 units in each of the next 2 years.

Those who advocated increases in the interest rate for the VA programs and the repeal of discounts, were hopeful, and I believe with some reason, that the changes would attract private money into the VA guaranty program. If this is true, the reactivation of this program, along with the units of FHA-insured housing which will be privately financed under the new downpayment schedule, could easily produce an additional 72,000 units.

With respect to the second point, namely, that the housing industry can make a substantial contribution to our economy, I have shown how this bill, if enacted in time to permit the industry to move this year, could produce 200,000, and possibly more, units. I believe the number might well go as high as 300,000.

It is estimated that each housing unit built in recent years has provided between 2½ and 3 man-years of employment, composed of 1 man-year of employment on the job, 1 man-year of employment directly in the factories producing the materials that go into the house, and an additional half man-year or more in such related items as transportation of materials and in the multiplier effect of new home building in such fields as retail sales, additional commercial construction in growing communities, and the like.

Assuming a volume of 200,000 units produced as a result of this bill, it would appear that employment could be increased, during a 1-year period, by 500,000 to 600,000 man-years of work.

These new homes would also provide, in the remainder of 1958 alone, markets for an additional: 2½ billion feet of lumber; 900 million to 950 million bricks; 460 million pounds of cement; 400,000 tons of steel; 1,800,000 doors; 2 million kitchen cabinets; 2 million asphalt roofing shingles; 5 million wall-plug outlets; and 2.2 million electric switches.

Necessarily, these estimates are made under certain assumptions. One assumption is that the new liberal terms and the ready availability of mortgage money in the FNMA and in the private market will stimulate demand. By that, I mean that the new terms will encourage people to buy houses as they are constructed. However, if we delay and if these new provisions are not made available within the near future, I am fearful that growing unemployment and the psychological fear of unemployment will induce prospective purchasers to postpone the buying of needed homes. While I have no intention of encouraging those who should not buy homes to buy them, I do think it wise to avoid a mass withdrawal from the buyers' market primarily based on a fear of recession.

This bill, S. 3418, contains 13 pages. The bulk of the text is a revision and extension of section 512 of the Servicemen's Readjustment Act of 1944, which deals with the direct-loan program for veterans of World War II. It includes a 2-year extension of this program and a similar 2-year extension of the VA home loan guaranty program. Last year, both the Senate and the House of Representatives passed H. R. 4602, which was ultimately vetoed by the President. The present bill contains language identical with H. R. 4602, with two exceptions. These exceptions are, first, that the present bill is a 2-year extension, whereas H. R. 4602 was a 1-year extension; and, second, that the present bill contains language which would permit the Administrator to increase the interest rate on both direct and guaranteed loans, up to a ceiling of 4¾ percent, provided that the rate established must be at least one-half percent below the rate established by the FHA Commissioner, under section 203 of the National Housing Act.

In addition to extending and revising VA programs, the committee bill seeks to broaden the housing market by reducing downpayments on FHA loans, and thus making more buyers eligible. Both the revitalization of the VA programs and the reduction of FHA downpayments are directed toward this same end.

In order to meet the expanded demand which would be encouraged by these provisions, the committee has made available to the Federal National Mortgage Association substantial sums of money to purchase FHA and VA mortgages. The bill authorizes the Federal National Mortgage Association to purchase $1 billion of VA and FHA mortgages on new homes where the loan does not exceed $13,500.

The bill increases from $450 million to $950 million a special fund made available to FNMA, at the discretion of the President, for the purchase of home mortgages generally as a means of aiding and maintaining the stability of a high-level national economy.

I may say that provision is already in the law. It was under this provision that the President released $200 million a few days ago. It is simply being proposed to add money to that fund in order to replenish it because of the funds which were released, and to give the President additional funds to use for housing in accordance with economic needs of the country, as provided by the law now on the statute books.

It is no secret that interest rates are being reduced generally and that mortgages such as those placed on Capehart housing projects should soon become more competitive. In fact, the committee received testimony to the effect that an increase of one-fourth of 1 percent would permit Capehart mortgages originated in the future to be financed by the private market. The bill would authorize an increase, at the discretion of FHA Commissioner, in the interest rate on Capehart mortgages from 4 to 4½ percent, and at the same time would provide authority in the Federal National Mortgage Association to purchase up to $25 million of such mortgages. I should like to express my personal insistence, and in this I believe I am supported by the committee, that those who administer the Capehart program should consider the 4½ percent a ceiling and that the rate established for these mortgages should be the lowest possible rate below that ceiling necessary in order to attract private funds. An additional $25 million would be made available for the purchase of mortgages placed on houses purchased by essential civilian workers at research and development centers.

The only other remaining provision of significance contained in the committee bill is that which would remove discount controls on FHA and VA mortgages. It may be recalled that last year this provision was added to the Senate bill by an amendment offered on the floor of the Senate after a similar amendment had not been approved by the committee. There are members of this body who feel that Government-supported mortgages should not be discounted. I for one share that belief. However, during recent periods when mortgage money has been in short supply, certain lenders have charged unconscionable and unnecessary discounts. I cannot defend the lenders who charge these unreasonable discounts, but I must say in all honesty that we have been deluged by protests against discount controls from lenders, builders, and from the administration itself.

Almost invariably, these protests have stated that discount controls work hardships on the very persons they are designed to protect, by eliminating any possibility that those individuals may purchase homes. It is my opinion that the committee voted to remove discount controls, not from any change in attitude reflected by the vote of the Senate last year, but rather because the sense of urgency, which I have previously referred to, demanded that prompt actions be taken to stimulate the production of housing as best we could.

It might be well to express my interpretation of the thoughts which guided the committee in producing this bill.

First, as I have said, we have shared a sense of urgency and have felt that something must be done to permit the housing industry to make a contribution to our lagging economy. In order to do this, we acted to broaden the market by making more prospective purchasers eligible. This can be accomplished, as I

have said, by the extension and revision of the two VA home-loan programs and by the reduction in FHA's downpayment schedule.

Anticipating that these provisions will increase the effective demand for housing, we have furnished the President and the Federal National Mortgage Association with an additional $1½ billion to purchase mortgages which should be originated by this demand. These funds, in my opinion, will have the effect of providing ready financing immediately for new housing, and will induce the private market to purchase substantial numbers of these new mortgages.

As a further inducement—and I must call it that—to attract the private market, the interest rates on two programs have been increased by action of the majority of the committee. These increases, along with the removal of discount controls, and the fact that interest rates in the private market are being reduced generally, should narrow any remaining gap between Government-supported mortgages and other types of investment, and should attract substantial sums of mortgage money from the private market.

The steps which the committee has taken in recommending this bill to the Senate will have both a widespread and immediate effect upon the housing industry. While I did not personally support each of the provisions adopted by the committee, I have no hesitancy in saying that the recommendations made should be effective.

At the conclusion of my remarks I shall ask consent to place in the RECORD a section-by-section analysis of the bill S. 3418.

The PRESIDING OFFICER. There being no objection, the analysis will be printed in the RECORD.

SECTION-BY-SECTION ANALYSIS

Section 1: Amends section 203 (b) (2) and section 220 (d) (3) of the National Housing Act by decreasing the minimum downpayment under FHA's sales housing programs to 3 percent of the first $13,500 of value or replacement cost, as the case may be (now 3 percent of the first $10,000).

Section 2: Amends section 305 (c) of the National Housing Act by increasing from $450 million to $950 million the Federal National Mortgage Association's special assistance fund made available to the President for the purchase of home mortgages which are not otherwise marketable, and for the purchase of home mortgages generally as a means of aiding and maintaining the stability of a high-level national economy.

Section 3 (a): Amends section 305 (f) of the National Housing Act by authorizing an additional $25 million to FNMA for the purchase of military housing mortgages insured under FHA section 803 and $25 million for the purchase of housing at research and development centers insured under section 809.

(b) Amends section 803 (b) of the National Housing Act by increasing from 4 percent to 4½ percent the interest rate ceiling on FHA section 803 military housing mortgages.

Section 4: Amends section 305 of the National Housing Act by creating a new Federal National Mortgage Association special assistance category, with a revolving fund of $1 billion, for the purchase of FHA and GI mortgage loans on new homes where the loan does not exceed $13,500.

Section 5 (a): Amends section 512 of the Servicemen's Readjustment Act of 1944, by revising and extending the entire section in order to—

(1) Define direct-loan areas as rural areas and small cities and towns not near large metropolitan areas. (Existing law does not contain geographical limitations.)

(2) Provide that the interest rate on direct loans may not exceed the interest rate on guaranteed loans.

(3) Increase the maximum loan amount under the direct-loan program from $10,000 to $13,500.

(4) Authorize the VA Administrator to reserve direct loan funds for 3 months under commitments to builders for a 2-percent fee. Private lenders would receive the commitment fee, if such lenders purchase these loans within 60 days following VA disbursement. The VA would make construction advances up to an amount equal to cost of land, plus 80 percent of value of improvements.

(5) Extend the direct-loan program by 2 years and 25 days to July 25, 1960. The extra 25 days is added in order to make the expiration date of the direct-loan program coterminus with the expiration date of the loan-guaranty program for World War II veterans.

(6) Require VA to begin immediate processing of all direct-loan applications, such processing to run concurrently with a 20-day period allowed for voluntary home mortgage credit program action.

(b) Amend section 513 of the Servicemen's Readjustment Act of 1944 to make available $150 million for the direct-loan program during each of the fiscal years 1959 and 1960, and $50 million for each quarter of fiscal year 1958 remaining unexpired upon enactment of this bill.

(c) Technical amendment relating to the date on which the VA guaranty of home loans made by supervised lenders becomes effective.

(d) Amends section 500 and 507 (a) of the Servicemen's Readjustment Act of 1944 to extend the loan-guaranty program for 2 years until July 25, 1960, for World War II veterans.

(e) Amends section 500 (b) of the Servicemen's Readjustment Act of 1944, to permit the interest rate to be adjusted by the VA Administrator, with approval of the Secretary of the Treasury, up to a ceiling of 4¾ percent, provided that the rate established must be at least one-half percent below the rate established by the FHA Commissioner for FHA loans under section 203 (b) (5) of the National Housing Act.

SEC. 6. Repeals section 605 of the Housing Act of 1957 which authorized the Commissioner of the FHA and the Administrator of the VA to regulate discounts on FHA insured and VA guaranteed loans.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes; I yield.

Mr. ELLENDER. I have been scanning through the report which accompanied the bill. I wonder if the Senator can tell us the total loans outstanding under the FHA and VA home loan programs? In this connection I also would like to have the figures for the total authorizations and loss experience under the FHA and VA programs.

Mr. SPARKMAN. We have those figures in the file. I am sorry I cannot give them offhand, but I shall be glad to supply them for the RECORD, and also supply them to the Senator from Louisiana personally.

Mr. ELLENDER. If the Senator will supply them for the RECORD, that will be sufficient.

Mr. SPARKMAN. Yes; I shall be glad to produce those figures.

The information supplied by Mr. SPARKMAN is as follows:

Federal Housing Administration—Statement of financial condition as of Dec. 31, 1957

ASSETS

Current assets:	
Cash	$29,832,759
Accounts receivable	6,346,495
Accrued income	2,751,467
Total	38,930,721
Investments:	
U. S. Government securities (amortized)	525,211,411
Stock purchased in rental and cooperative housing corporations (432,722 shares)	473,660
Total	525,685,071
Other assets:	
Mortgage notes acquired on sale of properties (less reserve for losses)	$118,627,966
Acquired security:	
Real property (at cost less reserve for losses)	70,704,461
Mortgage notes acquired under terms of insurance (at cost less reserve for losses)	74,153,964
Defaulted title I notes (less reserve for losses)	14,501,273
Furniture and equipment (less reserve for depreciation)	1,147,741
Assets held for account of mortgagors	2,252,111
Total	281,387,516
Total assets	846,003,308

LIABILITIES

Current liabilities:	
Accounts payable	10,831,678
Participation dividends payable	2,778,680
Accrued interest on debentures	2,504,951
Trust and deposit liabilities	13,636,027
Deferred credits (unearned fees, premiums and other)	74,892,474
Total	104,643,810
Debenture obligations:	
Debentures payable (issued and outstanding)	$103,694,150
Debenture claims in process	34,805,050
Total	138,500,200
Other liabilities:	
Reserve for foreclosure costs—defaulted mortgage notes	1,302,668
Total liabilities	244,446,678

RESERVES

Statutory reserve: For participation payments and future losses	95,231,854
Insurance reserve: Available for future losses and expenses	506,324,776
Total reserves	601,556,630
Total liabilities and reserves	846,003,308

NOTE.—Since July 1, 1940, the FHA has been self-supporting and has paid all expenses out of earnings. In the early years of operation, the Treasury Department advanced funds totaling $65,497,433 to pay expenses and to establish certain of the insurance funds. In the fiscal year 1954 all of the funds advanced were repaid to the U. S. Treasury together with interest thereon in the amount of $20,385,529.

Federal Housing Administration—Insurance written, insurance outstanding, and losses to funds as of Dec. 31, 1957

[Total FHA insurance authorization at present $25.8 billion]

	Insurance written	Insurance outstanding	Losses to funds	Percent of losses to insurance written
Property improvement loans, sec. 2	[1] $10,632,186,245	$1,141,141,180	[1] $100,288,972	94/100
Home mortgages	30,682,564,688	16,491,738,371	17,977,259	6/100
Project mortgages	5,685,418,327	4,365,838,236	31,792,084	56/100
Manufactured housing	5,316,041		788,147	14 83/100
Total	47,005,485,301	21,998,717,787	150,846,462	32/100

[1] Includes $778,860,621 insurance written and $14,708,557 losses relating to insurance operations prior to the June 3, 1939, amendment which authorized FHA to collect an insurance charge.

Home mortgage foreclosure experience

Total dwelling units insured	4,557,000
Total foreclosed (units acquired by FHA)	34,000
Percent foreclosed	0.7

VA LOAN GUARANTY PROGRAM

Authorization: No money limit set. Expiration date for World War II veterans now set at July 25, 1958, and for Korean war veterans set at January 31, 1965.

Summary of operations, home loans:	*Billion*
Original principal amount of loans guaranteed	$42.0
Original amount of guaranty	23.0
Outstanding as of December 31, 1957:	
Principal amount	30.7
Guaranteed amount	17.2

REPAYMENT RECORD

(Testimony of Mr. Thomas Sweeney, Director of Loan Guaranty Service, Veterans' Administration, to Banking and Currency Committee on March 4, 1958)

We have paid out on the guaranty $127 million, and, in connection with the acquisition of properties, we have spent an additional sum of $156 million, or a total of $284 million. Now, when we acquire the properties we, in turn, take back receivables which bear interest in excess of 4¼ percent. Out of that operation we have returned to the Treasury $93,974,000 of the $284 million. We have assets and receivables on hand of $190 million, which is represented by $129 million of what we call mortgage receivables, and we have property on hand, $40 million. We have the veterans owing the Government as a result of claims—this is net after writeoffs—$14 million, and we have other miscellaneous receivables of $190,000. So that we will say, as a pro forma statement, we have in the liquidation operation a paper loss now of $5,672,000. In addition to that, we have written off about $24 million of the veterans' liability account. So, in essence, if I was to total it, I would say we have less than $25 million direct appropriated-fund loss. That does not enter any of our administrative expenses. I am just talking about spending appropriated money.

Total home loans guaranteed	5,083,000
Claims paid	35,000
Percent foreclosed	0.7

VA loan guaranty program—Income and expense statement as of December 31, 1957

Income:	
Gross profit on sales of property	$14,074,000
Rental and miscellaneous income	2,523,000
Interest income on loans receivable and veterans accounts	19,898,000
Total	36,495,000

VA loan guaranty program—Income and expense statement as of December 31, 1957—Continued

Expenses and losses:	
Property management and sales expense	17,670,000
General expense	454,000
Written off liability accounts	24,043,000
Total	42,167,000
Net loss	5,672,000

VA direct-loan program—Authorization

The maximum amounts of Congressional authorizations for Treasury advances to the direct loan revolving fund, pursuant to the various legislation enactments described above, are recapitulated in the following table:

Fiscal year 1951	$150,000,000
Fiscal year 1952	25,000,000
Fiscal year 1953	100,000,000
Fiscal year 1954	100,000,000
Fiscal year 1955	150,000,000
Fiscal year 1956	150,000,000
Fiscal year 1957	150,000,000
Fiscal year 1958	[1] None
Total	825,000,000

[1] The bill provides an authorization of $150 million for the direct-loan program for each of the fiscal years 1959 and 1960, and $50 million for each quarter of fiscal year 1958 which remains unexpired upon enactment of this bill. The following tables show the present status of direct-loan funds, the extent to which applications greatly exceed loans made even though it has been widely known that funds were limited, and that income has exceeded expense by over $33 million:

Status of direct-loan funds

Funds available for loans, end of June 1957	$120,764,000
Principal and other repayments July 1-Dec. 31, 1957	16,476,000
Total available for making loans July 1-Dec. 31, 1957	137,240,000
Net increase in funds encumbered July 1-Dec. 31, 1957	133,760,000
Unencumbered funds, end of December 1957	3,480,000
Estimated principal repayments, Jan. 1-June 30, 1958	17,520,000
Estimated funds available for loans Jan. 1-June 30, 1958	21,000,000
Balance due on loans outstanding, Dec. 31, 1958	730,507,000

Income and expense statement as of Dec. 31, 1957

Income:	
Interest on direct loans	$83,481,000
Gross profit on sales of property	59,000
Interest income on mortgage receivables	140,000
Miscellaneous	80,000
Total	83,760,000
Expense and losses:	
Interest expense on Treasury advances	46,481,000
Property management and selling costs	169,000
Fees to attorney	3,246,000
Liquidation expense	40,000
Charges against reserves	150,000
Total	50,082,000
Net worth	33,678,000

Mr. ELLENDER. How much additional authorization is provided by the bill for the Federal National Mortgage Association?

Mr. SPARKMAN. One billion dollars would be authorized to FNMA, to be used in a special assistance program for the purchase of mortgages on houses costing up to $13,500. We are trying to put the emphasis on lower cost houses.

Mr. ELLENDER. That would apply to mortgages already in existence?

Mr. SPARKMAN. No. It would be limited to new construction.

Mr. ELLENDER. On new construction?

Mr. SPARKMAN. Yes; because the object of the program is to produce jobs.

Mr. ELLENDER. It is different from FNMA?

Mr. SPARKMAN. The Senator is thinking of secondary operations, is he not?

Mr. ELLENDER. Yes.

Mr. SPARKMAN. The funds are restricted to use on new construction, for the reason I have stated. I may point out that the bill makes a further authorization to FNMA, amounting to half a billion dollars, which the President can use at his discretion. The President has used $200 million from that fund within the last few days.

Mr. ELLENDER I fear that, unless the money was used on new construction, these funds might be used for the benefit of those who hold mortgages.

Mr. SPARKMAN. The money is to be used for new construction. The Senator is correct in anticipating such a possibility. The committee anticipated it, and wrote this provision in the bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. First I wish to say the Senator from Alabama has done an excellent job of explaining the bill. The bill carries an authorization of $1,850,000,000 for purchase by the Government of home mortgages. Is that correct?

Mr. SPARKMAN. The Senator is correct.

Mr. CAPEHART. However, the $1,850,000,000 is to be used at the discretion of the President; is it not?

Mr. SPARKMAN. I do not wish to engage in a debate over technical terms. I would prefer to rest on the statement I have made. The $500 million is to be used purely at the discretion of the President. The other funds which the bill would authorize for FNMA may be used by FNMA to purchase mortgages under provisions now written in the law.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 additional minutes.

Mr. SPARKMAN. The expenditure of the half billion dollars is wholly within the discretion of the President. The other funds which the bill would authorize FNMA fall under the provisions of law set forth in the report. The provisions provide, in effect, that the Commissioner is authorized to go to the Treasury for funds, so far as the amount

is authorized by law, as he needs such funds. The Secretary of the Treasury, of course, is authorized to let him have the funds.

There was some testimony before the committee as to whether this procedure was mandatory so far as the Secretary of the Treasury was concerned. The opinion, I believe of all members of the committee, was that it was not mandatory upon the Secretary of the Treasury, but that, as the statute says, authority was given to him to comply.

We all know that the Secretary of the Treasury is a part of the President's executive body. Certainly, to the extent that the President controls the Secretary of the Treasury, the President has the power to control the use of those funds.

Mr. CAPEHART. He likewise controls the Director of FNMA; does he not?

Mr. SPARKMAN. No, I do not think so. FNMA is a constituent agency.

Mr. CAPEHART. A corporation.

Mr. SPARKMAN. A constituent agency of the Housing and Home Finance Agency, which is an independent agency. That Agency reports directly to the President, but my understanding of the legal status of an independent agency is that it is not subject to the President's control.

Mr. CAPEHART. As to one of the funds, the President definitely has discretionary authority.

Mr. SPARKMAN. The Senator is correct. That authority is complete.

Mr. CAPEHART. As to the other, the President has the power to stop the use by positive action.

Mr. SPARKMAN. The President as the Chief Executive has the same power over all appropriations of Congress, does he not?

Mr. CAPEHART. Yes. I wish to say, if the Senator will yield further, that what we were trying to accomplish in the bill—and I think what we did accomplish—was, first, to give the President up to $1,850 million with which to purchase mortgages.

Mr. SPARKMAN. Within the explanation I gave.

Mr. CAPEHART. Yes.

Mr. SPARKMAN. Let me make clear that we have not suggested a change of the existing law at all, so far as the exercise of that control or discretion is concerned.

Mr. CAPEHART. If private industry did not purchase the mortgages we would expect the Government to do so.

Mr. SPARKMAN. That is correct.

Mr. CAPEHART. In order to help alleviate the unemployment situation.

Mr. SPARKMAN. Mortgages up to $13,500.

Mr. CAPEHART. Yes. Then we have attempted to give the President another tool, which is the bringing of the VA interest rate closer to the FHA interest rate, in the belief that by so doing, by extending the GI Housing Act another 2 years, by reducing the downpayments, and by doing other things provided in the bill, we will induce private industry to build 1¼ million or at least 1 million homes in the next 12 months.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. And that private industry will buy the mortgages.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. So that it will not be necessary for the Federal Government to dip very deeply into the $1,850 million.

Mr. SPARKMAN. I hope that will be true. However, it will take a little time to bring about the desired result.

Mr. CAPEHART. It is the feeling of the committee, or at least of a great majority of the members of the committee, that the bill is a good bill and ought to be passed, because it will stimulate home construction, thereby immediately putting unemployed people back to work.

Mr. SPARKMAN. As I recall, the committee reported the bill by a unanimous vote.

Mr. CAPEHART. But if we cripple the bill by eliminating the increase in the interest rates, we may not get the results desired without calling further upon the taxpayers to buy the mortgages.

Mr. SPARKMAN. I rather wish the Senator from Indiana had not raised that question, because he knows what my attitude with regard to the increased interest rates has been all along. I am not willing to concede that point. I do not want to get into an argument about it. An amendment will be offered, which will provide ample time for debate.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. Will the Senator wait for a moment, please?

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes more.

The PRESIDING OFFICER. The Senator from Alabama is recognized for an additional 5 minutes.

Mr. SPARKMAN. I do not concede that the change in the interest rate would weaken the bill, but I do not care to debate that question at this point.

Mr. ROBERTSON. Mr. President, will the Senator yield so that I may answer the question as to the interest rate?

Mr. SPARKMAN. If the Senator will wait a moment, I want to make the RECORD clear that in answering a question the Senator propounded a while ago concerning funds voted for use by the President I made the statement the funds would be used for the purchase of mortgages up to $13,500. That statement applies generally, but it does not apply to the half billion dollars which goes to the President for use in his discretion. Under the law, the President can use that fund for the purchase of any class mortgage he desires. He did, however, in his action the other day, limit the application to mortgages not in excess of $10,000. That action shows that the President is trying to deal with the same problem we are seeking to solve, that of getting lower-cost housing for the mass market.

I now yield to the Senator from Virginia.

Mr. ROBERTSON. I wish to say, on the question of interest rates, that the distinguished chairman of the subcommittee will remember that the junior Senator from Virginia twice voted to hold the GI interest rate at 4½ percent. Naturally, everyone would like to see the interest rate for the veterans' housing held to as low a figure as is possible.

The testimony was that the banks would not buy the 4½-percent bonds. We tell the veteran we are in favor of low interest rates, but the veteran says, "I am not getting a house." Can we say in answer, "Well, that is simply too bad?"

The bill provided $1½ billion of new FNMA money, which would be a $1½ billion drain on the Treasury if we could not sell the bonds. We were told that the President's fiscal program was not in a position to stand another $1½ billion drain on the Treasury. Therefore, the junior Senator from Virginia tried to break the deadlock by offering a compromise.

We should repeal the prohibition against rediscounts, so that if the builder wants to shade his mortgage by one-quarter or one-half percent, he can do so. If the President wants to raise the interest rate from 4½ to 4¾ percent, then we would not be doing it, but the President would be doing it. We should give him that authority. If the President finds the administration cannot move the bonds, if he wishes to protect the Treasury from the drain on FNMA purchases, and desires to get the houses built, we should provide the authority by which he can do so. That is all the proposal represents, in a nutshell. I have no apology to offer to anybody in that regard. I made the motion. It was adopted, as the Senator from Alabama says, and on the final showdown the bill was reported by the committee on a unanimous vote.

Mr. SPARKMAN. The Senator is correct.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. SPARKMAN. Before I yield further let me supply an answer to the question which was asked by the Senator from Louisiana [Mr. ELLENDER] a while ago.

The present total FHA insurance authorization is $25.8 billion. Insurance in effect and outstanding commitments are now nearing that total. For that reason, the committee will at an early date consider an administration request to add an additional $3 billion to the present FHA authorization. In other words, the amount outstanding and already committed by FHA is in the neighborhood of $25 billion.

Mr. ELLENDER. Was evidence provided to show that payments are being made?

Mr. SPARKMAN. Yes. We have all of that information in the record. We do not have it here at the present time.

This has really been a most successful operation. That is true of FHA and even more true, I believe, of VA.

Mr. ELLENDER. It might be well to have that material printed in the RECORD.

Mr. SPARKMAN. I shall be very glad to get those figures and place them in the RECORD.

I want to say that nobody has demonstrated a greater interest in housing than has the Senator from Louisiana. Back in the early days he was one of

the three who were fighting year in and year out for a housing program. The basic housing law which we have today is in large part the result of the handiwork of the Senator from Louisiana, along with the late Senator Bob Taft and the late Senator Bob Wagner.

Mr. ELLENDER. I was not looking for such compliments, but I appreciate them.

Mr. SPARKMAN. I am merely making a statement of fact. The program to which I refer has been one of the most remarkable and successful programs we have ever had.

Mr. ELLENDER. I thank the Senator.

Mr. McNAMARA. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum and ask unanimous consent that the time consumed be not charged to either side?

Mr. SPARKMAN. My time has expired, I believe. If I have any time left, I yield 30 seconds to the Senator from Michigan.

Mr. McNAMARA. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, the time consumed thereby to be not charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. McNAMARA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, on behalf of the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the senior Senator from Rhode Island [Mr. GREEN], the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Oklahoma [Mr. KERR], the Senator from North Dakota [Mr. LANGER], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the senior Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the junior Senator from Rhode Island [Mr. PASTORE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. TALMADGE], the senior Senator from Minnesota [Mr. THYE], the Senator from Texas [Mr. YARBOROUGH], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "(a)."

On page 2, it is proposed to strike out lines 11 through 13.

On page 12, beginning with line 4, it is proposed to strike out through line 2 on page 13.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an hour and a half.

Mr. MONRONEY. Mr. President, I yield myself 15 minutes.

Mr. President, I rise to discuss an amendment to the housing bill before us, S. 3418. This amendment is offered on behalf of myself and 21 other Senators.

As reported by the committee, the bill would increase the maximum interest rate on GI guaranteed mortgages from 4½ to 4¾ percent, and raise the interest rate chargeable on Capehart military housing mortgages from 4 to 4½ percent. Our amendment would strike out those provisions of the bill which increase these interest charges, thus continuing present rates.

Joining with me in offering this amendment are Senators CARROLL, CLARK, GREEN, HILL, HUMPHREY, JACKSON, JOHNSTON of South Carolina, KEFAUVER, KERR, LANGER, LONG, MAGNUSON, MORSE, MURRAY, NEUBERGER, O'MAHONEY, PASTORE, PROXMIRE, TALMADGE, THYE, and YARBOROUGH.

When the committee first considered this bill last Tuesday, it rejected by a vote of 8 to 7 an amendment to increase maximum interest rates on GI mortgages from 4½ to 5 percent and on Capehart military housing mortgages from 4 to 4½ percent. Last Thursday, however, it adopted by voice vote an amendment to increase the GI rate from 4½ to 4¾ percent and the Capehart rate from 4 to 4½ percent.

I disagreed with these rate increases and originally intended to file vigorous dissent. However, in order to expedite reporting the bill I agreed not to file minority views, but I served notice that I intended to wage a fight on these increases when the bill came before the Senate.

WHY RAISE INTEREST RATES NOW?

Mr. President, I am firmly convinced that we will make a grave mistake if we boost these interest rates at a time when interest rates generally are rapidly declining. To do so would place an artificial floor by senatorial action, under the money market.

It was less than 2 hours after the committee ordered the bill reported that the Federal Reserve Board approved another substantial cut in the rediscount rate. This was the third such cut in less than 4 months, bringing the rate from 3½ to 2¼ percent, a drop of 33⅓ percent. The committee's action took place 2 hours before the third cut was made by the Federal Reserve Board as an antirecession measure to meet economic conditions prevailing today. This represents their latest effort to loosen the tight-money policy they, themselves, have created in order to help erase its effects.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am glad to yield to my distinguished colleague from Tennessee.

Mr. GORE. There is some indication that certain people in Wall Street had more advanced notice of the impending action than the committee itself must have had.

Mr. MONRONEY. I am not advised as to that, although I have read reports in the newspapers also suggesting this fact. Certainly the committee would have been red-faced if it had had any such information. I cannot conceive of a senatorial committee going one way, toward a deepening depression, when the Federal Reserve Board is going the other way in an effort to correct its original error of tightening the money supply of the Nation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LONG. I am sure the Senator realizes that anything we do to discourage the rapid reduction of the interest rates, and an immediate drastic reduction, too, will merely prolong the recession we are in at the present time. Anyone engaged in a major construction program would be inclined to wait until the interest rates were as low as they could go.

Mr. MONRONEY. I thank my distinguished colleague for his comment.

Mr. BUSH. Mr. President, will the Senator yield, or does he prefer to conclude his remarks before yielding?

Mr. MONRONEY. I am glad to yield. I am happy to have so many interested colleagues ask me questions.

Mr. BUSH. I wish to raise a question about what the Senator said in regard to putting a floor under interest rates. By the pending measure, we would permit an increase in the VA rate ceiling to 4¾ percent. I ask the Senator if the ceiling on the FHA rate is now 6 percent, although the interest rate in practice is 5¼ percent.

Mr. MONRONEY. The Senator is correct. However, when the Banking and Currency Committee of the Senate, which is supposed to be the economic committee of the Senate, comes out in favor of higher and higher interest rates as they have done in the pending bill, we are serving notice on the entire money market that we will reverse the trend and will put a floor under the money market.

Even if we wanted a higher floor, I cannot imagine what justification there is for the one-half of 1 percent increase on the Capehart housing, mortgages which are insured by the Government, and cover housing built for Government use on Government reservations. It is like legislating an increase on Government bonds. Later I shall read a statement made by the Housing Subcommittee stating that Capehart mortgages are comparable to Government bonds.

Mr. BUSH. If they are that sound, they will seek their level, as Government bonds will seek their level. They should be allowed to seek their level. What the Senator is saying is that he is more interested in interest rates than in housing. What we are trying to do is to get houses built.

Mr. MONRONEY. What the distinguished Senator from Connecticut would do would be to pay a premium that would cost both Uncle Sam and the GI's

$1 billion during the term of these mortgages.

Mr. BUSH. I respectfully——

Mr. MONRONEY. It is unconscionable. It is regressive. It is the height of economic folly. It is calculated to lead this country back into the jungle of a deepening depression at a time when there are a few signs, at least in the money market, that we are about to get the price of money down to a point where the average borrower can build a house and small-business men can borrow the money with which to make improvements in their businesses.

I do not like the stranglehold which the money lenders have had on the economy of the country. As a Member of the Senate I do not intend to be a party to any attempt to tighten the stranglehold. I hope the Senate will vote to break the stranglehold by approving my amendment.

Mr. BUSH. I certainly wish to join my friend from Oklahoma in breaking any strangleholds, because I do not believe there should be any strangleholds. However, I would prefer to have the people who want to build homes have a stranglehold on some money. A great deal of money is available if the interest rate is made attractive. That has been demonstrated by the FHA program. What we are seeking to do in the bill is to provide the veterans, as the American Legion so urgently requests, with the same possibility of attracting the money as is afforded other citizens, and at a differential of one-half of 1 percent.

Mr. MONRONEY. I am not willing to offer a bribe of one-half of 1 percent to get money for the GI's 90 days sooner, when I know that they will be paying through the nose for the 90-day speedup over the 30-year life of the mortgage. I do not believe the Senate should do it, and a great many of my colleagues on this side of the aisle, at least, do not think so either.

Mr. BUSH. The Senator paints a picture of a few men controlling vast sums of capital.

Mr. MONRONEY. Does the Senator doubt it?

Mr. BUSH. I certainly do.

Mr. MONRONEY. The Senator from Connecticut is experienced in Wall Street, and he knows the money market. He knows the banking fraternity. I will say that a few men, heads of great accumulations of money such as the large insurance companies, can sit around a table and decide that money will be tight tomorrow.

Mr. BUSH. The Senator knows that the money he is talking about belongs to the 100 million people who have life-insurance policies and 50 million people who have savings and loan deposits and thrift accounts in the commercial banks. That is the money the Senator is talking about. Those people are entitled to a return on their savings. It would be a bad day, indeed, when we discouraged people from saving their money and getting the going rate of interest on it. I am sure the Senator does not disagree with me on that point.

Mr. MONRONEY. I do not disagree that there are probably 60 million people who own life-insurance policies.

Mr. BUSH. The number is 100 million.

Mr. MONRONEY. Or 100 million. However, 10 men representing 100 million does not look like good representation to the junior Senator from Oklahoma. That is what has happened. Perhaps that is good representation for Wall Street, but it is not representation in the style of Oklahoma, Pennsylvania, Louisiana, Texas, or the rest of this country. Those men enjoy great power and can determine what investment will be favored and what investment will be blackballed.

Mr. BUSH. Has the Senator found some way in Oklahoma of operating savings banks and life insurance companies which would be an improvement over the present system?

Mr. MONRONEY. In Oklahoma we are establishing some great, fine insurance companies, because we are sick and tired of sending money to be concentrated in Wall Street. When we shall have succeeded, the Senator will find that our insurance executives will be interested in building Oklahoma instead of building larger and larger reserves of tax-exempt wealth.

Mr. BUSH. May I ask whether in the Senator's State the insurance companies are interested in buying mortgages?

Mr. MONRONEY. Some institutions have been ready to buy to the limits of their capacity at the present rates. The building and loan associations have been buying GI mortgages when they have been blackballed by the lending fraternity in the great centers of population.

Mr. BUSH. Have they bought FHA mortgages?

Mr. MONRONEY. They have, because the financial institutions, indigenous to Oklahoma, are interested in building up the State.

The Hartford insurance companies can make available plenty of money for housing in Hartford, but it will not help Oregon or Texas or Wisconsin.

Mr. BUSH. The insurance companies in Hartford lend money not only in Hartford, but all over the United States—and very generously.

Mr. MONRONEY. But the stream becomes progressively thinner as it reaches areas a greater distance from Hartford.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. Mr. President, I yield myself another 10 minutes. If time is available, I should be delighted to return to this discussion.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. Do not the savings banks and insurance companies in Oklahoma operate under the same kind of laws under which similar institutions operate in New York, Pennsylvania, and Indiana?

Mr. MONRONEY. They do, but they are a little more interested in investing their funds in Oklahoma than in having it siphoned into New York and other great centers.

Mr. CAPEHART. Does not the Senator think that the commercial banking rates in Oklahoma are higher than they are in Indiana and other States?

Mr. MONRONEY. I am not familiar with the bank rates. I have never tried to borrow money in Indiana. I am certain it would be a little more difficult than it would be in Oklahoma.

Mr. CAPEHART. Will the Senator state categorically that the interest rates charged by banks in Oklahoma are lower than, or are the same as they are in Indiana?

Mr. MONRONEY. I should be happy to yield to the friend of the distinguished Senator from Indiana, namely, the distinguished senior Senator from Oklahoma [Mr. KERR], who might be able to impart some of that information.

Mr. KERR. I may say to the distinguished Senator from Indiana that I have never honored that State by borrowing money there. If any bank there is available for lending and would accept the collateral which the Senator from Oklahoma has to offer, I assure the Senator from Indiana that he need not become uneasy; the Senator from Oklahoma will be around to call on any of the banks which have the money available.

As of now, the interest rate which the Senator from Oklahoma or any organization in which he has any interest whatever is paying is higher in the State of New York than it is in either Oklahoma, Texas, Louisana, Illinois, or any of the other places which, at the moment, the Senator from Oklahoma is favoring with the handling of his borrowings.

Mr. President, will my colleague yield for a question?

Mr. MONRONEY. I am glad to yield.

Mr. KERR. The distinguished Senator from Connecticut [Mr. BUSH] has talked about the availability and unavailability of money. I wonder if he is aware of the fact that about 4 months ago the United States Treasury was paying interest of about 3.70 percent-plus on its 90-day bills. For the last few weeks, the Treasury has been paying from 1.20 up to 1.64 percent interest on 90-day bills, solely because the Federal Reserve Board and the United States Treasury decided that they would no longer inflict upon the economy and the Government the exorbitant interest rates which the Humphrey-Burgess policies, with the approval of the Senator from Connecticut, had imposed upon the country and the Government. Thereby, they prove to anyone who is either curious or objectively available to receive information that they can and do determine the interest rates which are available, and that the Government can determine whether mortgages shall bear the rate of interest provided in the bill as it was reported to the Senate, or whether they shall bear the rate of interest provided in the amendment of the Senator from Oklahoma and his colleagues who joined him in offering the amendment. Any suggestion that the interest rate will be determined by the money market is purely window dressing, is purely alibi, is purely and theoretically a justification for grand larceny. [Laughter.]

Mr. BUSH. Mr. President, will the Senator yield?

Mr. KERR. I do not have the floor.

Mr. MONRONEY. I yield to the Senator from Connecticut. I hope it will be agreeable to the Senator from Connecticut to yield back to me some of the time which has been used by my senior colleague and him.

Mr. BUSH. I appreciate the courtesy of the junior Senator from Oklahoma.

My good friend, the senior Senator from Oklahoma, made so many extraordinary statements in one very involved sentence that it is a little difficult to answer them all at once.

I certainly agree with him that interest rates have come down. I do not believe this has been due to the Treasury or to the Federal Reserve Board, but to the fact that the demand for money has slackened somewhat, so that money has sought a lower level, just as, unfortunately, commodities do from time to time when the demand slackens.

I emphatically reject the whole of the Senator's statement that what he calls the tight-money policy was a result of the policies of the current administration, because it was not at all. The senior Senator from Oklahoma and I have heretofore discussed this question. He knows perfectly well that under the law the control of the money market, such as there is, is in the hands of the Federal Reserve Board. The Federal Reserve Board is not composed of members of this administration. On the contrary, I think that with one exception they are all the appointees of previous administrations. They were pretty good appointments.

If the Senators of the opposition want to do something about controlling the interest rates and controlling the money market, they ought to propose legislation to revise the Federal Reserve Act. That is how it could be done. But to say that what has happened is the fault of the administration makes no sense at all, in my judgment.

Mr. KERR. With the permission of my colleague, my response is that the Senator from Connecticut has finally made an accurate statement on the floor. He said those policies made no sense at all. In that, the Senator has finally made an accurate statement.

Mr. BUSH. I did not say that.

Mr. KERR. I should say that an obstinate Senator has stumbled on the truth.

Mr. BUSH. I appreciate the Senator's compliment, but that is not what I said. I said the Senator's accusation regarding the tight-money policy being the result of the policies of, I think he said, Humphrey and Burgess, and so forth, did not add up; that control of the money market, as the Senator from Oklahoma well knows, because he sat through hours and hours of hearings and had the situation explained, and he read and reread the record and talked about it, lies with the Federal Reserve Board, and that was established by an act of Congress. That is an independent agency; it does not report to the President.

If the Senator wants to do something constructive about the money market, from his point of view, then what is needed, I can assure him, is a revision of the Federal Reserve Act. But I venture to predict that any move in that direction would meet with a very marked lack of enthusiasm in the Senate.

Mr. MONRONEY. Mr. President, will the Senator agree to a request for the return of about 5 minutes time? We are operating under a time limitation. I should be glad to yield further, but the time is getting short.

Mr. BUSH. I shall be glad to ask that the time be yielded from this side, because both Senators from Oklahoma have been very courteous in listening to me on this subject.

Mr. MONRONEY. We shall not ask for interest at the rate of 4½ percent.

Mr. BUSH. We shall be glad to make it 4¾ percent.

Mr. MONRONEY. I now yield to my distinguished colleague.

Mr. KERR. In response to what the Senator from Connecticut has said, I must remind him that former Secretary of the Treasury Humphrey said it was his policy, speaking for the administration; that Mr. Burgess said it was his policy, speaking for the administration; and that the President of the United States, at a press conference last year, said that those policies were his fiscal policies, and that when Mr. Humphrey left the Treasury, those policies would not be changed; that Mr. Humphrey had merely been carrying out his, President Dwight D. Eisenhower's, policies.

I wish to say to the distinguished Senator from Connecticut and to this honorable body that we were advised by Mr. Humphrey and Mr. Burgess and Mr. Martin of the Federal Reserve Board that they met together; that on one day, Mr. Humphrey and Mr. Burgess would have lunch with the Chairman of the Federal Reserve Board, and then, on another day of the week, the Chairman of the Federal Reserve Board and his associates would have lunch with the Secretary of the Treasury. So they worked out these policies together.

I placed in the RECORD the statement of Mr. Burgess, namely, that he went into office to put into effect the higher-interest-rate policies. He admitted that he had achieved them.

I also placed in the RECORD the statement he made to the directors and stockholders of his bank in New York City, early in 1953, before he came to Washington. That statement was that he was going to be away from them for a little while, but that in his job in Washington, as he said, "I will still be working for you." I put that statement into the RECORD, and it is there. The Senator from Connecticut can see it there, and the world knows it.

The Senator from Connecticut can rise on this floor and can say that those were not the policies of his administration, if he wishes to. But the spokesmen for his administration said they were the policies of the administration and that the administration did put them into effect. And they resulted in the present recession.

Then, working with the President, he has publicly——

The PRESIDING OFFICER. The time yielded by the Senator from Oklahoma to himself has expired.

Mr. MONRONEY. Mr. President——

Mr. BUSH. Mr. President, I yield to the Senator from Oklahoma 2 minutes from the time available to our side.

But first I should like to have the Senator from Oklahoma yield to me, in order that I may make a correction, if he does not object.

Mr. MONRONEY. I yield.

Mr. BUSH. The senior Senator from Oklahoma [Mr. KERR] has referred to the policy as a tight-money policy. But what the President and George Humphrey spoke about was a sound money policy, and that has been the policy of this administration from the very start. That is thoroughly set forth in the RECORD; and the Senator from Oklahoma knows perfectly well that that—not a tight money policy—has been the policy of this administration. Tight money has been the result of other things; it has not been a deliberate policy. Tight money has been a result of the excessive demand for the money, because of an unprecedented use of money, unprecedented prosperity, unprecedented employment, and so forth. I wish the RECORD to be clear.

Mr. KERR. Mr. President, I wish the Senator from Connecticut would detail what is included in the "and so forth." That is what I am interested in, and that is what is playing hell with the country right now—the "and so forth." [Laughter.] I wish the Senator from Connecticut would discuss that phase of the subject for a few minutes.

Mr. BUSH. Mr. President, if the Senator from Oklahoma will feel happier to have me do so, I shall strike out the words "and so forth."

Mr. KERR. No, Mr. President; I do not want the Senator from Connecticut to strike them out. I only want him to detail their meaning.

Mr. BUSH. I hope the Senator from Oklahoma understands the difference between tight money and sound money, because there is quite a difference. At times, one may be the result of the other.

But at the present time we are in a period of much easier money. In my judgment, this is a result of the sound money policy.

Mr. KERR. Mr. President, I can only say that a rose by any other name would smell as sweet; and tight money by any other designation would bind as tightly. [Laughter.]

I thank my colleague for yielding to me.

Mr. CLARK. Mr. President——

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I wonder whether the Senator from Oklahoma will agree with the following brief summary of the difference of opinion existing between himself and the distinguished Senator from Connecticut: The Senator from Connecticut, who has so ably stated his views in the Banking and Currency Committee, where both of us serve, is

laboring, I believe, under the misapprehension or delusion that there is a free-money market in the United States, whereas it is my judgment that our country has an administered money market. I happen to believe that the views of the Senator from Connecticut—and, Mr. President, he is a good friend of mine, and I know that as a result of the statement I am about to make, he will not think I am trying to violate the Senate rule—are a little obsolete.

I believe we have need for some governmental action in connection with the fixing of interest rates, in order to bridge the gap between what is now cheap money in every other field and the high interest rates which are still in effect on mortgages. We have suggested that such action be taken by continuing the present ceiling on interest rates on VA loans. But if it is not taken, the end result will be a further gap between the interest rates on mortgage money and the interest rates in the open market. Does not the Senator from Oklahoma agree?

Mr. MONRONEY. I agree in part. But if, as a result of Congressional action, the interest rates are advanced one-half of 1 percent—a 16 percent increase—in the case of Capehart housing mortgages, which are as good as Government bonds; there is no dispute on that point, and if as a result of Congressional action the interest rate on GI mortgages is advanced one-quarter of 1 percent, to the rate of 4¾ percent, the Congress will have taken two steps to increase interest rates while the monetary managers are trying to correct their grave error which brought about the recession; they are trying to reduce by one-third the rates they put into effect. The situation is as simple as that. In other words, that would be a case of jumping on a horse and attempting to ride off in opposite directions. The money managers are going to lower their rates one-third; but the bill reported by the Senate Committee on Banking and Currency proposes to increase the interest rates by one-fourth of 1 percent. Certainly if there could be a simultaneous movement in opposite directions, it would be the neatest trick of the week.

Mr. BUSH. Mr. President, will the Senator from Oklahoma yield further to me?

Mr. MONRONEY. Mr. President, my time is limited.

Mr. BUSH. Then I shall be glad to yield myself an additional 5 minutes, if my leader will permit.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for an additional 5 minutes.

Mr. BUSH. Mr. President, I desire to confirm what the Senator from Pennsylvania has said about our friendship. In many ways my respect for him is very high indeed. I am sure he is correct in many cases. But I am also sure that in this case he is wrong.

If he does not like the way the money market is being handled, why does he not, along with other Senators who share his view, propose a change in the money market? I challenge them to propose that the Federal Reserve Act be amended in any way which they think should be done. That would be the way to make the corrections they call for.

Mr. CLARK. Mr. President, at this time I am delighted to defer to the Senator from Oklahoma, who knows much more about this matter than I do.

Mr. MONRONEY. Mr. President, I yield to my distinguished quarterback [laughter] that is to say, I yield to the distinguished senior Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, certainly the Federal Reserve Board thinks there is something wrong with the present situation, because beginning in November the Board reversed itself, and now the Board is going in the opposite direction—as it has authority to do, and as it felt compelled to do.

I wish to say that I am so completely in approval of what the Board is doing now—namely, making money more available, and at a lower interest rate—that I wish to encourage the Board to continue to do that. I would give the Board my encouragement, instead of attempting to draft a bill which would simply slow down the Board in its tracks, throw it back on its haunches, and compel it to return to the tight-credit, tight-money, high-interest-rate policy which the Board itself adopted and put into effect for so long, but which it now has abandoned and reversed. While the Board is in that frame of mind, why should we cram a reversal down its throat?

Mr. BUSH. Mr. President, in the first place, let me say that I hope the Senator from Oklahoma will agree that there must be some flexibility in interest rates, just as there must be in the case of the price of any commodity.

The Senator from Oklahoma was here in 1951, when a very great debate took place in regard to the control of the Federal Reserve Board by the Treasury. Because of the efforts of 1 or 2 Senators on his side of the aisle, in the course of very statesmanlike speeches—for instance, I may refer to the excellent speech made by the distinguished Senator from Illinois [Mr. DOUGLAS]—the hold of the Treasury upon the Federal Reserve Board was broken at that time, the artificially depressed interest rates were then ended, a free market in Government bonds was restored, and interest rates began to seek a proper level, as required by the law of supply and demand.

So I give full credit to the Senators on his side of the aisle who, at that very critical time, had the courage to stand up and call a spade a spade. They actually had sufficient influence to break the hold of the Treasury on the Federal Reserve Board. The record in that matter is very clear. But if the Senator from Oklahoma would like me to do so, I can dig it out of the files and can put it into the RECORD again.

Mr. KERR. Mr. President, the Senator from Connecticut has almost worn it out in the process of putting it in the RECORD many times; and PAUL DOUGLAS, the senior Senator from Illinois, will never live it down. [Laughter.] If the Senator from Connecticut does not stop bragging about the part the Senator from Illinois [Mr. DOUGLAS] played in that movement, he will never be able to show his face again, not even in the Senate of the United States, without being accompanied by a bodyguard. [Laughter.]

Mr. BUSH. Mr. President, I shall always give the Senator from Illinois credit for it; it is one of the best things he ever did.

The PRESIDING OFFICER. The time the Senator from Connecticut has yielded to himself has expired.

Mr. MONRONEY. Mr. President, I yield an additional 10 minutes to myself.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an additional 10 minutes.

Mr. MONRONEY. Mr. President, the distinguished Senator from Connecticut has said that flexibility is needed. It seems that the Republicans believe that farm price supports need flexibility in order to go down, but that interest rates need flexibility in order to go up.

In my opinion, an attempt is being made to place price supports under the interest rates which have been falling. The same persons who cheer the stand taken by the Secretary of Agriculture, Mr. Benson, in opposition to price supports for cotton, corn, wheat, and dairy products, and who say that his position in that respect is sound business, now are asking that price supports be placed under the interest rates on money.

We are told these rates need to be flexible. The administration is talking about flexible farm price supports. When the moneylenders, the banks, the big financial institutions, are involved, the administration means flexibility up; but when farmers are involved, the administration means flexibility down.

One of the most accurate reflections of the administration's attitude I have seen is a statement which Mr. Cole, Mr. Eisenhower's Housing Administrator, made in the hearing on the bill. I wish Senators would listen to this:

> Mr. COLE. Assuming that money for mortgages becomes more difficult, Senator, which we do not see immediately in the picture—assuming that money becomes more difficult to obtain, we believe, naturally, that the FHA interest rate should rise. Assuming that money becomes more and more easily obtainable, then, naturally, the Government must undertake a study—

I emphasize this—

> must undertake a study to determine when and if the interest rate should be lowered.

When money becomes tight they raise interest rates, but when money becomes easy, then they study and think and find out if or when rates should be lowered. That is a fine illustration of the administration's attitude. It urges lower and lower price supports in the agricultural market, while the cost of producing agricultural products goes higher and higher; but the administration now asks for a $1 billion support under a falling money market for the benefit of Wall Street.

I call the attention of the Senate to the chart which is in the Chamber to illustrate that since last October interest rates have been moving down on a wide front. Interest costs on the Treasury's

3 months' bills have fallen from 3.66 to 1.35 percent—a decline of 2.31 percentage points. Rates on prime commercial paper (4–6 months), have dropped from 4.1 to 2.6 percent, or 1½ points. The average yields on Moody's AAA corporate bonds dropped from 4.1 to 3.59 percent. High grade municipal bonds declined from 3.8 to 3.36 percent. Long term United States Government bond yields have fallen from 3.73 to 3.27 percent.

I ask unanimous consent that a table showing these trends be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Interest-rate trends

Type	Interest rate, October 1957	Interest rate, latest figure	Interest rate, drop	Percentage drop
Treasury bills (3-month)	3.66	1.35	2.31	60
Prime commercial rates (4 to 6 months)	4.1	2.6	1.5	37
Federal Reserve discount rates	3.5	2.25	1.25	36
Corporate bonds (Moody AAA)	4.1	3.59	.51	12
Municipal bonds (high grade)	3.8	3.36	.44	12
U. S. Government (long term)	3.73	3.27	.46	12

Source: Economic Indicators, p. 29.

Mr. MONRONEY. Mr. President, I wish to reiterate that since last October interest costs on the Treasury's 3 months' bills have declined 60 percent; on prime commercial rates, 37 percent; Federal Reserve discount rates, 36 percent; on corporate bonds, 12 percent; on high-grade municipal bonds, 12 percent; on long-term United States Government obligations, 12 percent.

That has occurred at a time when it is proposed that the Senate of the United States approve a bill which would make interest rates flexible upward, and would provide for increased interest rates, over a period of 25 years, on Government-guaranteed mortgages on Capehart housing.

I agree with what my senior colleague from Oklahoma said a while ago: This is a deliberate effort to force up interest rates at a time when there is a downward trend. When interest rates are preparing to come in for a landing, it is proposed that they take off again.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. HUMPHREY. Is it not interesting that the administration, at a time when money is getting cheaper to the Government, asks that our citizens pay more interest, that flexible interest price supports be put in effect, which are flexible upward only, yet the same administration, at a time when costs of agriculture are going up, when the cost of producing agricultural products is rising, while the price the farmer receives is going down, wants support prices to go down? When it comes to the farmer, it says "Take less." When it comes to the bond broker or the moneylender, it says, "Take more." I do not think one needs much more of a description of what the administration stands for.

I wish to join wholeheartedly, as I have, as a cosponsor of the amendment of the junior Senator from Oklahoma. I say he is rendering a great service and is reminding the American people again that the rent of money—which is what an interest rate is—should at least be fair and just, and not be moving upward at the very time the cost of money to the Government is going down.

Mr. MONRONEY. I agree completely with my distinguished and able colleague from Minnesota, who is always fighting for the group of people in the United States who seem to be of so little concern to some of those who manage our money. We always find the Senator from Minnesota fighting for the people neglected by this administration—laborers, farmers, small-business men.

When such people are in distress, it represents an economic cold front. When farmers and small-business men in Butte, Mont., Amarillo, Tex.; Grand Junction, Colo., are failing that economic cold front moves from west to east, and pretty soon the fires go out under the blast furnaces in Pittsburgh and Cleveland. If one studies the history of what happens when the little people are neglected, he will see that the result is unemployment in the large industrial and monetary centers. We are trying to do something to arrest a downward trend in economic activity, and to make more available on the money front means to combat the recession. When the Senate takes a stand for higher interest rates, such action will not go unnoticed in the money marts of the Nation. There will be a stiffening all down the line, and the Treasury, which under the tight money policy, had to pay $3 billion in extra interest payments from 1955 to 1957, will have to pay more because of the block sought to be put in the way of the declining money market by senatorial action. I for one am not willing to take a gamble that may result in having the Government again pay the fantastic rates on its 90-day bills which it had to pay at the height of the tight money market.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. MONRONEY. I yield.

Mr. HUMPHREY. I cannot help thinking of the arguments which were made in the past year as to why interest rates were rising. The argument was made that, of course, interest rates the Government has to pay must go up, because money must find its own level of worth, and that interest rates paid by the Government were going up because they were going up in the private market. Now the interest rates are beginning to go down, but the Government still says, "My, wasn't that a fine formula we had before. When the interest rates are going up, that is fine." So the effort is made to keep them up.

Mr. MONRONEY. Mr. Cole said that when money gets tight, of course interest rates have to be raised. When money loosens up he said he would have to study it. It is a question of "heads I win, tails you lose."

Mr. HUMPHREY. At the very time they are studying the matter, they want to peg the interest at the high rate. However, when we want to study what is happening to the man on the farm, they say, "Let him slip a little bit more. That makes it a little bit more flexible to study."

I say to the Senator from Oklahoma that he is rendering a service because surely the Congress of the United States does not want to put its badge of honor upon tight-money, high-interest-rate policies which have brought the Nation to the worst period of unemployment in 16 years and to the third worst recession in our country's history. I wish to commend the Senator.

I am sorry that because of a committee meeting I could not be here earlier today. But I assure the Senator he is doing a job which millions of Americans will applaud—the millions of Americans who have lost hundreds of thousands and millions of dollars because of the high interest rates in the private economy, as well as in the public economy. I will be with the Senator, shoulder to shoulder.

Mr. MONRONEY. I appreciate the distinguished Senator's cosponsorship of the amendment.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. Will the Chair please advise me how much time I have remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 55 minutes remaining.

Mr. MONRONEY. Does that include the time which was paid back to me without interest?

The PRESIDING OFFICER. Ten minutes were yielded from the Republican side.

Mr. MONRONEY. I thank the Chair.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Tennessee.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. MONRONEY. I yield myself 10 additional minutes.

Mr. GORE. Several times during the course of the debate it has been stated that interest rates have gone up or, conversely, it has been stated that interest rates have gone down.

As a result of the investigation conducted by the Committee on Finance, it is clear beyond doubt that interest rates were increased by deliberate, deeply conceived Government policy. Interest rates have now been brought down by equally deliberate, deeply conceived Government policy. It has not happened by accident.

I had been entertaining the hope that our distinguished friend, the senior Senator from Connecticut, would be disabused of his fallacious notions by the untoward events of recent months, but, alas, he is still laboring under the view that Government bonds are seeking their level in a so-called free money market. Alas for him.

Mr. MONRONEY. I thank my distinguished colleague for his contribution.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague, the junior Senator from Wisconsin, who has already demonstrated so much interest in fighting the battle for the average American.

Mr. PROXMIRE. As a member of the Committee on Banking and Currency I should like to say that I am very proud and happy that the Senator from Oklahoma is making such an excellent statement in the Senate Chamber this afternoon. The Senator is making a valiant fight. I am proud to join him in the fight.

I should like to emphasize a matter which has been brought out in the colloquy between the Senator from Oklahoma and the Senator from Minnesota, which is the impact or the effect of the hard money, high interest rate policy upon the people of America.

I have in my hand a paper which indicates what has happened to income in this country since 1952, according to the Joint Economic Committee.

I point out for the information of Senators that since 1952, in the past 5 years, personal interest income has risen 58½ percent; I repeat, 58½ percent. Farm income has fallen 20 percent. Total personal income has gone up only 26 percent. Labor income has gone up 28 percent. Business and professional income has gone up 10 percent. Rental income of persons has gone up 5 percent. Personal interest income has gone up 58½ percent.

What has happened in this society in the past 5 years is that unearned income has climbed rapidly. Dividend income is up 35 percent, and interest income is up 58½ percent. The unearned income has climbed, and climbed rapidly. This money has come out of the pockets of the farmers, of the workingmen and of the small-business men.

I say to the Senator from Connecticut, I think he makes an excellent point. Indeed there are 100 million people who benefit to some extent from interest income. I should also like to invite the attention of the Senator from Connecticut to the fact that these are the people who by and large pay a great deal more in interest than they receive in interest.

There are a very few people in our economy who receive virtually all the dividend payments. Statistics I have seen, which I have never heard questioned, show that about 2 percent of the people receive more than 50 percent of the dividends, and a very small proportion of the people receive a very large proportion of the interest income.

The fight which the Senator from Oklahoma is making this afternoon is a fight for all the people of America against the very few people who control most of the capital of the country.

Mr. MONRONEY. I thank the distinguished Senator.

Mr. BUSH. Mr. President, will the Senator yield for an observation?

Mr. MONRONEY. I will yield to the Senator, if the Senator will yield some time to me.

Mr. BUSH. I yield 5 minutes to the Senator, Mr. President.

Mr. MONRONEY. I am happy to have the additional 5 minutes. I yield to the Senator.

Mr. BUSH. I should like to make one or two observations to the Senator from Wisconsin.

The Senator from Wisconsin speaks about the rise in interest rates. I think the Senator should, when he is talking about a 58½ percent increase, be a little more precise. It would be quite significant to know from what level the Senator began his computation. In other words, a 58-percent increase on 1 percent would take the interest rate up to 1.58 percent, and that would still be a pretty low rate.

I believe it is quite significant that the interest rates began to be considered back in 1951, as I pointed out, when they were artificially depressed—it might be said suppressed—by the Treasury, under orders from the administration of that time. The interest rates did get down to very, very low levels, so as to discourage people from buying Government bonds and from saving money.

Mr. KERR. Mr. President, will the Senator yield?

Mr. PROXMIRE. May I reply to the Senator?

Mr. BUSH. I do not think the Senator's comment about a 58½-percent increase in the interest rate is at all significant, unless the Senator gives the detail as to the level from which it rose and the level to which it went, which finally represented a 58½ percent increase.

Mr. PROXMIRE. I shall be delighted to give the details for the information of the Senator.

In 1952 the personal interest income in this country was $12.3 billion. At that time the farm income was $15.1 billion. The personal interest income has now risen, from $12.3 billion—which is a great deal of money—to $19.5 billion, which is a 58½ percent increase. At the same time, the farm income has dropped from $15 billion to $12 billion.

I see the point of the distinguished Senator.

Mr. BUSH. We are talking about interest rates, not total dollars.

Mr. PROXMIRE. I understand the Senator's point. Interest rates were relatively low in 1952. I reply by saying to the distinguished Senator from Connecticut that in my judgment interest rates were low, they should have been low, and they should continue to be low. I have always been a low interest rate man. I think that the compensation which capital received in 1952 was ample.

Mr. BUSH. In other words, the Senator says he disagrees with the decision to separate the Federal Reserve Board from control of the Treasury, which took place back at that time?

Mr. PROXMIRE. I may say to the Senator from Connecticut that he has been very well and eloquently answered by the senior Senator from Oklahoma [Mr. KERR], who pointed out that there has not been any real separation, but that the members of the Federal Reserve Board lunch with the Secretary of the Treasury and the other Cabinet members, and with the President of the United States. This is a policy which has to be planned. If the policy is not planned, I think there is something wrong with the procedure. I think we should have a planned monetary system.

Mr. BUSH. I will say to the Senator that I attended some of the meetings of the Committee on Finance when the distinguished Secretary of the Treasury was answering questions, and he confessed, under questioning by the Senator from Louisiana, that he differed with one of the moves which the Federal Reserve Board had made just prior to that time. I think the Federal Reserve Board had raised the rediscount rate. The Secretary of the Treasury was attacked for that action, and Secretary Humphrey said, "Well, to tell the truth, I did not agree with that."

It would be ridiculous, I think, to say that the Federal Reserve Board should not consult with the Treasury Department or with leaders of the Senate, like my distinguished friend from Oklahoma. I think the members of the Federal Reserve Board would profit by more contact with him from time to time, with other officers of the Government, and with the public, too. The fact that they might have lunch together occasionally, or even frequently, would seem to me to be a very good idea. If the Senator were the Chairman of the Federal Reserve Board, I think he would welcome all the advice he could get from interested persons with sound ideas.

Mr. PROXMIRE. I agree; but I merely contend that they work together.

I defer to the senior Senator from Oklahoma.

Mr. KERR. Mr. President, will my colleague yield to me?

Mr. MONRONEY. I am happy to yield to my colleague.

Mr. KERR. The statement by the distinguished Senator from Connecticut about the remarks of our good friend from Wisconsin illustrates the fog in which the distinguished Senator from Connecticut seems to insist on moving.

The Senator from Wisconsin made the statement that the interest income of the American people had gone up 58 percent. That was in terms of volume of dollars of interest paid by borrowers on the one hand, and collected by lenders on the other hand. That was the statement which the Senator from Wisconsin made. The Senator from Connecticut rose and talked about how much interest rates had gone up percentagewise, with reference to the interest borrowers pay.

Mr. BUSH. And the Senator from Wisconsin thought I had a good point.

Mr. KERR. The Senator from Wisconsin was talking about one thing, and the Senator from Connecticut was talking about another thing. That illustrates the posture in which the Senator from Connecticut is found this afternoon.

The administration has fled in terror from the high-interest rate, tight-credit, hard-money policy which it had invoked. The Federal Reserve Board has been lowering rediscount rates. It has been operating with its open market com-

mittee, buying securities in the market to increase the reserves of member banks. It has even taken the most drastic step of all the steps it could take, and that is to reduce the reserve requirement, to get away from the high-interest rate, tight-credit, hard-money policy.

Yet the Senator from Connecticut stands on the floor of the Senate, like the boy on the burning deck, "Whence all but he had fled," and tries to do that which would force the others back to the burning ship, from which they have fled in terror.

I know that they look with chagrin upon the efforts of the Senator from Connecticut to put a chain upon them and pull them back to the burning ship, from which even the Senator from Oklahoma and his colleagues are now attempting to protect them by offering them sanctuary and safety away from it.

My good friend from Connecticut stands there alone, with the flag of the high-interest rate, hard-money, and tight-credit policy unfurled to the breeze, with the very beams of the ship burning under him. I say to him, "Get off the ship before it consumes you, as it has consumed the administration which perpetuated it."

Mr. BUSH. Mr. President, the Senator from Oklahoma has paid me such delicate compliments and has offered such assurances of sympathy and concern that I could not let the occasion pass without grateful acknowledgement. The Senator from Oklahoma has always been most generous in his concern for my position in the Senate, and I appreciate it.

I should like to ask the Senator a question. He stated that the Federal Reserve Board had lowered the rediscount rate and eased the reserve requirements. Does the Senator think the administration has forced the Federal Reserve Board to do those things? Has the administration compelled the Federal Reserve Board to reduce the rediscount rate, and to reduce the reserve requirements, or did the Federal Reserve Board take those actions in perfect freedom, and without any hampering restrictions on the part of the administration? What does the Senator honestly think about that?

Mr. KERR. I honestly think that it was not done on either basis. I honestly believe that when Bob Anderson became Secretary of the Treasury he persuaded the President of the United States to appoint a Monetary Control and Fiscal Committee. As the Senator will remember, it was highly publicized. The Committee was to consist of the President himself, the new Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve Board, and one or two others.

They started a new program of concentration and cooperation with respect to the monetary control and fiscal policies which were in effect. In my judgment, the new Secretary of the Treasury was instrumental in bringing into play the powerful influence of the President of the United States with the Federal Reserve Board. I do not believe that the Federal Reserve Board took action uninfluenced by the administration. Nor do I believe that the administration compelled it to act. However, I believe that the administration persuaded it.

The Federal Reserve Board has not only taken the actions to which the Senator from Oklahoma referred, and which the Senator from Connecticut knows it took. It took another action—whether it was for psychological purposes or as an effective weapon, I do not know. It even reduced the margin requirements on purchases of bonds in the market.

Mr. BUSH. I think the Senator must know the Governors of the Federal Reserve Board. Certainly he knows the distinguished Chairman, Mr. Martin. I think it is belittling to Mr. Martin for the Senator to paint him as a man who blows with the wind, who can be easily pushed this way by one Secretary of the Treasury and easily pushed another way by another Secretary of the Treasury, or even by the President of the United States. I do not believe that at all. I think Mr. Martin is capable of making up his own mind about these questions, and he does make up his own mind about them. Certainly he will listen to advice from the Secretary of the Treasury, whether it be George Humphrey or Bob Anderson. If the Senator from Oklahoma were the head of the Federal Reserve Board, he would do the same thing, I am sure.

Mr. KERR. No. I would listen to Anderson, but not to Humphrey.

Mr. BUSH. I accept the amendment; but even that would show a little broader-minded attitude than the Senator from Oklahoma has frequently shown.

So I think it is somewhat of a slight to the Chairman of the Federal Reserve Board for the Senator from Oklahoma to paint him before the Senate of the United States as a wishy-washy individual who blows just the way the wind is blowing from the White House. I think it is a reflection on the preceding President, President Truman, who appointed him, as well as upon the present incumbent of the White House, who reappointed him. I think Bill Martin is one of the strongest men we have ever had on the Federal Reserve Board; and he is not taking orders from anyone.

Mr. KERR. I hope Bill Martin feels as happy over what the Senator from Connecticut has said as the Senator himself evidently feels. However, the record shows that up until November the Federal Reserve Board continued to tighten money and credit, and the Treasury continued to pay higher and higher interest rates. Beginning at that time, a number of actions have been taken which constitute a direct reversal of the previous policy.

I think the Secretary of the Treasury had something to do with it. I believe that even the President had something to do with it.

I am not saying that Bill Martin is wishy-washy. In the first place, as the Senator knows, he does not make these decisions.

Mr. BUSH. The only conclusion one can draw from the Senator's statement——

Mr. KERR. Bill Martin does not make these decisions. He is one of seven Governors of the Federal Reserve Board.

Mr. BUSH. I am not belittling any of them. I think they are all men of integrity and judgment, who try to do the right thing in the interest of the economy of the United States.

Mr. KERR. I am not belittling any of them. I am saying that when the weather was clear they steered a course of high interest rates, tight credit, and hard money. When the sky became entirely blackened by disapproval, and the air reverberated with the thunder of the approaching recession, they turned, as a prudent captain of a vessel does in a storm, to seek a safe harbor.

My good friend from Connecticut, whom I love very dearly, and for whom I have profound sympathy, is standing in the middle of that storm, under the battered and torn flag of the high interest rates, hard money, and tight credit policy. If he looks around him he will discover that he is alone, and he will see that the decks are burning. Wiser men have abandoned the ship. They have fled from it in terror.

The Senator from Oklahoma seeks action by which they will not have to go back and try to salvage.

Mr. BUSH. I do not wish to prolong the debate. I have imposed too much already on the Senator from Oklahoma. I shall be glad to yield 3 minutes of my time for this purpose.

Mr. MONRONEY. I am sure the Senator means a return of 3 minutes to me.

Mr. BUSH. Yes, a return of 3 minutes. I have issued my challenge to the members of the Senator's party to come into the Senate with proposed legislation to change the Federal Reserve Act. If they in good faith believe all the things they are saying today, then they have a way of correcting it. They can introduce proposed legislation which will curtail the powers of the Federal Reserve Board. They can do that. I do not believe that they will do it, because I do not believe, frankly, that they believe the Senate would put up with that kind of bill for even a second.

That is my challenge. The senior Senator from Oklahoma can rant and rave, and say all he wants about blowing with the wind, and about the poor Senator on the burning deck, but that does not impress me. What impresses me is the fact that the Senator and the members of his party will not come to grips with the problem in the only way that it can be dealt with if they really want to do something about it.

Mr. KERR. Mr. President, I should like to express my deep appreciation for the tolerant and suffering Senator from Connecticut in giving me additional time to respond to his challenging remarks. I say to him that the hard economic situation has already brought a reversal in policy on the part of the Treasury, on the part of the Federal Reserve Board, and on the part of the administration. The Federal Reserve Board, as the Senator knows, has the power, under existing law, to control the source, the amount, the supply of credit, and the tariff that must be paid to obtain it. They are now

doing it on the basis of making it more available.

Mr. BUSH. They are doing it.

Mr. KERR. Oh, they are doing it, but the Senator does not want to let them do it. The Senator would write an act that would compel them to go back to the high-interest rates. We have an amendment before the Senate now. The amendment would place its stamp of approval on the present policy now in effect under the Federal Reserve Board, the Treasury, and the President. The amendment seeks to do that very thing. Instead of facing up to it, the Senator from Connecticut talks about a challenge to us to propose some other legislation. We are going to vote on the pending amendment. We approve of the present policies of the administration and the Federal Reserve Board in making credit more available at lower interest rates. We do not want to force them to start back on the high plateau from which they themselves fled in terror.

Mr. BUSH. I would say to the Senator that I respect him very much, as always, but I do not believe the amendment will prove to be anything of the kind. The amendment would merely result in artificially depressing the interest rate chargeable on VA loans, and it might well have the result of keeping veterans from getting in the mortgage market money they ought to have and which they are entitled to have.

The amendment would eliminate from the committee bill the needed flexibility in respect to the interest rate on VA loans. The committee bill would establish a ceiling, not a floor. That is demonstrated by the fact that the FHA interest ceiling is 6 percent, although the interest rate on insured mortgages is 5¼ percent. The ceiling rate does not mean that the interest rate on insured mortgages is 6 percent. It is simply a ceiling. The interest rate on FHA housing may go down to 4¾ percent, and I hope it will. However, what the Senator's amendment would do would be to adopt the same old policy in reverse that is in effect on farm price supports in connection with the high, inflexible price-support program. In this case, the Senator's amendment is seeking to put into effect a low inflexible interest rate. That is not in the interest of the veterans, any more than the high inflexible farm price supports have been in the interest of the farmers and taxpayers of the Nation.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. I yield myself 5 additional minutes.

Mr. President, while the Republican policy under the flexible system has been to flex the farm price supports consistently downward, it now proposes to flex interest rates up. The bill as reported by the Republican members of the committee, voting en bloc, with a Democratic member voting with them, would flex the interest rates upward again. As the distinguished Senator from Connecticut has said, there is a 6-percent ceiling. However, there has been an increase, and only an increase, under that ceiling during the Republican administration.

The Democratic administrations worked downward from the ceiling and lowered the interest rates, as it had better experience and better opportunity to study the program. However, the Republicans have consistently raised the rates.

For the record I should like to point out that we started in 1934 with an FHA interest rate of 5½ percent. We dropped that in 1935 to 5 percent. In 1939 we went to 4½ percent. In 1950 we went to 4¼ percent. From 1953 to 1956 the rate was 4½ percent. Then the Republicans came into power. It was prosperity Republican style—that is, for the moneylenders.

From then on we find that the rate has been climbing. In 1956 it was 5 percent. In 1957 it was raised to 5¼ percent. Now they are trying to jack up the rate, not only for GI housing, but also for FHA-insured Capehart mortgages, which, I repeat, are as good as a Government bond. I say that because the Government is the guarantor and the Government is the tenant, and there is no service expense.

Therefore, if we yield to this high-interest-rate proposal, when interest generally is going down, we will be using Senate action to support higher interest rates. We will be giving increased price support to the money market at a time when the Republican policy is to reduce the price supports under agricultural products.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. YARBOROUGH. I wish to commend the distinguished Senator from Oklahoma for his leadership in this field and for his leadership in offering the amendment. I am privileged to join in cosponsoring the amendment, together with other Senators. It is a privilege to be a cosponsor of the amendment. It was my duty to the people of my State and to the people of the Nation to join in cosponsoring the amendment.

There has been considerable difference of opinion as to why the Federal Reserve Board has backed up on its interest-rate policy. Personally, I believe it is a reluctant dragon which has been dragged down to a lower interest rate by the people themselves. I believe events have forced interest rates down.

I should like to cite one little example that happened before the Senate began its session in January. In my State we have a veterans' land-sale program. The people have adopted an amendment to the constitution under which the State may borrow money to buy land, which it sells to farmers and veterans. It sells homes to them also. There is a ceiling on that lending. The State cannot pay more than 3 percent interest on the money it borrows to lend to the veterans. It was found that the State of Texas could not sell the bonds. They went begging on the market. On December 16, 1956, they made a reoffering of $12½ million of bonds they had not been able to sell because of the low-interest ceiling under which they could not be sold for more than 3 percent. On December 16, on the open market they were able to sell them at 2.69 percent, average.

The State of Texas will now be able to take that money and, with 1 percent added for administration, actually sell the farmers and veterans in Texas land at 3¾ percent. If a veteran can buy a farm with a home already on it, he pays 3¾ percent for it. But if he wants to build a new house, under the Republican administration the interest rate is 4¼ percent. That is proof positive that the money market itself was collapsing.

Interest was going down. It was being reduced because the economy was collapsing. Last December people were walking the streets, unemployed. That is why interest rates on bonds began to fall. The interest rate on State bonds went down before the Federal Reserve Board started the general decline which now prevails in interest rates.

The Senator from Indiana passed around a table showing the number of new houses constructed by the FHA and the VA. A copy is on every Senator's desk. It shows the starts made in every year since 1951, and the interest rates prevailing in each year.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. Mr. President, I yield myself 5 additional minutes.

Mr. YARBOROUGH. I point out that in 1956 there were 270,675 new housing starts.

It is estimated that those veterans' housing starts were at the rate of $10,000 a house.

Let us consider what the one-half percent increase in the interest rate meant between 1952 and 1956. In 1952 the rate was 4 percent. In 1956 the rate was 4½ percent.

On a veterans' house costing $10,000, one-half of 1 percent on $10,000 amounts to $50 a year. When the period is stretched out over 25 years, the total amount is $625. That means a greater interest cost on the home.

Multiply that by 270,000 new starts, and it will be seen that the veterans will be paying $200 million more in interest on the homes started in 1956, alone, than they would have paid on a comparable number of houses built under the old rate.

Next let us consider the number of veterans' housing starts in 1954, 1955, and 1956. More than a million starts were made in those 3 years at a one-half percent increase in the interest rate over the 4 percent paid in 1952. On all those starts, $625 more in interest per start will be paid, at the average price of $10,000 for a house.

Those homes will cost the veterans $600 million more than they would have cost, based on a 25-year pay-out, at the rate which was prevalent in the preceding administration.

Consider the purchasing power lost by those people. It is small wonder that houses are being repossessed. It is small wonder that the lots are being filled with repossessed cars. It is small wonder that the warehouses are being filled with repossessed washing machines and refrigerators. The wheels of industry are grinding to a halt.

I say the figure of 5,200,000 unemployed is not a true figure of the number out of work. Why? According to the statistics of the Secretary of Labor published December 1, 1957, 1,200,000 people went off the payrolls in November 1957. The Secretary of Labor said 600,000 of them should not be considered, since it was normal that that number should go off the payrolls, because they become old enough to quit anyway or, among the women, many of them get married. He said that 600,000 leave their jobs every month anyway.

Let us figure that out for ourselves. In the United States there is a labor force of 66 million. If 700,000 quit every month, the entire labor force would be retired in about 9 years. That is why I think the administration has not given the true facts about the actual numbers who have gone off the payrolls. They have not given an accurate appraisal of what the facts mean.

I say that by any accurate appraisal the figure of 5 million unemployed is far too small. The administration has not considered the hundreds of thousands of farm laborers in the southern area of the Nation, who have been tied down because of the heavy rains so far this spring, and cannot move northward to other agricultural regions.

Many of the unemployed are not included on the unemployed rolls. Unemployment is greater than 5 million. This is, as has been pointed out by the junior Senator from Oklahoma, because of the tight money situation. In the first place, lending institutions will not make money available to many small borrowers, so bankruptcies have increased to an all-time high. The little man cannot make a go of his business. It is the big-business men who can make the grab. Consider the price which the country is paying for that grab by big business.

I pay tribute to the Senator from Oklahoma for the lead he has taken. His suggestions go to the whole problem of recovery. The whole question of the national income is related to interest rates. A lowering of the interest rates will mean that more wages will be paid for consumer goods, and this will again start the wheels of industry turning. It will put back on the payrolls some of the men who are now walking the streets, unemployed.

Mr. President, this is a fight between those who favor more money for the money lenders and those who favor more payrolls for industry and more wages for workers.

Mr. MONRONEY. I thank the Senator from Texas for his complimentary remarks, but more especially for his able statement in the interest of the average American. He has shown the need for a growing, expanding, viable economy. He has demonstrated that we cannot prosper in an environment of increasing interest rates.

I now yield to the distinguished Senator from Indiana. I hope he will replace the time he uses.

Mr. CAPEHART. I shall be glad to yield whatever time I take.

I may seem to be a demagog for a few minutes, because I have been listening to a lot of demagoguery in the last hour.

One could make just as good an argument that, starting a year ago, certain Senators from the other side of the aisle, with their talk about high interest rates and tight money, succeeded in drawing the Nation into a depression, because when interest rates were high, when the money was tighter, we had full employment.

Starting with the conversations and the debates in the Senate about 9 months ago, employment began to go down. Today interest rates are lower, and more than 5 million persons are unemployed. So it might be said that if high interest rates had been maintained, there might be full employment today.

I can make just as good an argument for high interest rates as has been made on the other side against high interest rates.

The able Senator from Texas [Mr. YARBOROUGH] has completely missed the point concerning the chart which I distributed. What we are trying to do is to show that when the VA interest rate and the FHA interest rate were about the same, there was little difference between the number of houses which were built in each category. When the difference between FHA and VA rose to three-quarters of 1 percent, as it did in the last 6 months, the VA starts practically dried up, because no one would buy a 4½-percent mortgage when he could get a 5¼-percent mortgage.

We are not talking about increasing interest rates. The bill calls upon Congress to adopt a formula which will bring the VA and FHA interest rates closer together, so that VA mortgages can be sold and veterans can have homes; so that people can be put back to work; and so that a realistic situation will exist between the two rates of interest.

The law fixes the maximum rate on FHA homes at 6 percent. The President, at the moment, has fixed the rate at 5¼ percent.

The law fixes the VA interest rate at 4½ percent, which is the rate at the moment. The President can fix it lower if he wishes to. All we are trying to do—and the able Senator from Virginia [Mr. ROBERTSON] is the one who offered the amendment in the committee—is to increase the maximum rate on VA loans to 4¾ percent, so that the rate will be nearer the FHA rate of 5¼ percent.

Then the bill provides that as the President etiher raises or lowers the interest rates, either for VA or FHA, under the law, he must keep them within one-half of 1 percent of each other, so that VA mortgages can be sold.

Senators on the other side of the aisle want to include $1,850 million in the bill to buy mortgages. They would tax the American people to get the money with which to buy them. If the purpose is to tax the American people to buy all the mortgages, that is one thing. But if it is desired to have private industry buy the mortgages, if it is desired to provide jobs, if it is desired to support the private industry of America; if Senators believe in private industry, if they believe in the American system of government; then let us do those things which will promote private industry. Let us do the things which will put people back to work quickly by building houses.

We are not talking about high or low interest rates in this instance. I hope the interest rates will go down. I hope that after Congress passes a bill, some of these days, the President will be justified, under existing economic conditions, in lowering both the FHA and the VA rates. But when he does, I hope he will lower them so that they will be in line with each other, so that private enterprise will buy the VA mortgages. Private industry is not buying those mortgages at the moment.

That is how I myself understand the situation, after having listened to the debate. It seems to me that Senators on the other side of the aisle are blaming high interest rates for the so-called recession and unemployment. But when interest rates were high, there was full employment. Practically all our people were at work.

Senators on the other side of the aisle had better stop, think, and listen, because on their shoulders, as a result of their talking and talking and talking about tight money and reducing interest rates, such a situation has been created in the United States that more than 5 million persons are unemployed, and those Senators will have to accept the responsibility. They will have to accept the responsibility, because today the Treasury has low interest rates, and today there are 5,100,000 persons unemployed. If the same Senators bring about lower interest rates, who knows but that another 5 million persons will become unemployed?

Mr. MONRONEY. Mr. President, will the Senator from Indiana yield to me, from the time available to his side, the 7 minutes of my time he has consumed?

Mr. CAPEHART. No; the time I have consumed will be charged to the time available to my side.

Mr. MONRONEY. Then, Mr. President, at this time will the Senator from Indiana yield—on my time—for a question?

Mr. CAPEHART. Yes.

Mr. MONRONEY. I was greatly interested to learn of the Senator's burning desire to bring the interest rates for the VA-guaranteed mortgages within one-half percent of the rate for FHA-insured mortgages. I should like to ask him whether it would not be possible—just one teeny, weeny time—to bring them into this relationship by bringing the FHA interest rate down one-quarter of 1 percent, instead of bringing the GI rate up? If the purpose is to have parity, that could be achieved by the President under present law in 10 minutes, by the taking of such administrative action.

Mr. CAPEHART. There is no objection at all to that. But if the Senator from Oklahoma believes that should be done, let him have the courage to introduce a resolution asking the President to do it, or to introduce a bill compelling the President to do it.

Mr. MONRONEY. That is unnecessary. Furthermore, I think the men in the White House would veto any attempt

of that sort—any attempt to take away the right of the President to get the interest rates into the stratosphere.

The United States got a missile into outer space after the Russians did, and the people of the United States were somewhat ashamed that the United States was behind. Here we have an obvious attempt on the part of the administration to make sure that it leads the way in getting interest rates into outer space.

Mr. CAPEHART. Today, as a result of what the Senator from Oklahoma has been advocating, the United States has low interest rates, and today 5,100,000 of the American people are out of employment.

Mr. MONRONEY. Did I correctly understand the Senator from Indiana to say that is the fault of the Democratic Party?

Mr. CAPEHART. I say that when there was tight money and high interest rates, virtually all the American people were working, and there was full employment. But today, when the interest rates are lower and when there is looser money, 5,100,000 of the American people are unemployed, and there is the existing depression.

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Illinois, who is a great economist.

Mr. DOUGLAS. Do I correctly understand that the Senator from Indiana is proposing, as one of the cures for the recession, that the interest rates be raised?

Mr. MONRONEY. I understood him to say that interest rates have fallen, and this has caused the depression. Incidentally, that was the first time I ever heard a Republican admit that the present situation is a depression. The Republicans started calling it a rolling readjustment. But evidently it now finally has become the Capehart depression.

It seems to me that the Senator from Indiana lacks the faith that so many of us have in the adequacy of the very many wise steps that were taken during Democratic administrations—such as social security and insurance of bank deposits. So many wise measures of that sort were taken during past Democratic administrations, that today even the Republicans cannot ruin the country.

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield further to me?

Mr. MONRONEY. I yield.

Mr. DOUGLAS. Is it the proposal of the Senator from Indiana that the interest rates be raised?

Mr. MONRONEY. That is what I understood him to say.

Mr. DOUGLAS. That would be an interesting suggestion to make to the Secretary of the Treasury, because the Treasury seems to believe that the way to get out of the present difficulty is to lower the interest rates.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. CAPEHART. I made a statement of fact, namely, that when there was in the Nation what my Democratic friends call tight money, and when there were high interest rates, there was virtually no unemployment. But finally my Democratic colleagues have been successful in getting the interest rates reduced somewhat, and now 5,100,000 of the American people are out of work. I make that as a statement of fact; that is all.

Mr. YARBOROUGH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield 2 minutes to my distinguished friend, the Senator from Texas.

Mr. YARBOROUGH. Mr. President, we have heard the Senator from Indiana make some rather astounding statements about economics. But fortunately he has distributed around the Chamber a statement of the statistics on which he relies, so that each Senator can see for himself whether the Republican high-interest-rate policy stimulated employment. If Senators will examine the table which the Senator from Indiana has distributed, they will see that in 1954, when there were 307,038 housing starts under VA inspection, and 250,910 housing starts under FHA inspection, the VA interest rate was 4½ percent, and so was the FHA interest rate. In short, in that year the total number of housing starts, under both of those categories, was in excess of 557,000.

The table also shows that in 1957, when the Republicans had gotten the interest rates on FHA housing up to more than 5 percent, the FHA housing starts declined by more than 100,000, and the VA housing starts declined to 128,302.

Thus we see the effect of high interest rates on the housing starts. Once the interest rates were increased, the number of housing starts in 1957, during a period of high interest rates—during the period of the prosperity the distinguished Senator from Indiana has talked about—was less than half the number of the housing starts in 1954 or 1955, before the Republicans tightened up or increased the interest rates. In other words, Mr. President, the cold facts disprove the theory of the Senator from Indiana.

The Senator from Indiana would tell us that the prosperity of 1929 was due to tight money and high interest rates. Actually, it was a surface prosperity until the crash came.

I do not believe there will be a crash now, because today there are in effect the Democratic-sponsored old-age insurance system, social-security system, unemployment-insurance system, and many other wise innovations which were applied to the economy following 1929. However, in a small way we are able to see that the minute the Republicans got the money markets high, such an inordinate share was required to pay for the use of capital, that jobs no longer were available for many of the members of the working force.

Obviously, Mr. President, the distinguished Senator from Indiana is unable to read correctly the statistics which he himself has presented.

The PRESIDING OFFICER. The time yielded to the Senator from Texas has expired.

Mr. MONRONEY. Mr. President, As is usual in a business recession, short-term rates, which have fallen between 36 and 60 percent have moved down more rapidly than long-term rates, which have dropped about 12 percent. But with the shrinkage in demand for funds while the supply becomes more plentiful, the rates on long-term loans move downward more noticeably. To be sure, financial institutions are reluctant to readjust their rates, but the increasing competition for business results in a reduction in the price of loans to their customers.

I have heard it stated that the massive cutback in business-capital spending is one of the major factors in the current recession. Much of this expansion takes place by means of long-term bond issues. Thus, if there is a huge cutback here, it ought to free additional funds for the mortgage market.

With the reduction in the demand for business loans, financial institutions find the mortgage market more attractive. Moreover, the easing of the Federal Reserve Board's reserve requirements and its other actions have made bank funds more plentiful. The excess reserves of the Nation's commercial banks last week rose to $594 million, and can support an expansion of loans to 6 times this amount, or about $3½ billion. This situation should also stimulate the flow of funds into the mortgage market for housing construction.

The efforts to raise the interest rate on Government-supported mortgages strengthen the natural resistance of financial institutions to readjust their rates at a time when the business recession calls for a sharper downward revision in the price of credit.

Certainly the investment policies of the big financial institutions take time to adjust, causing stickiness in long-term investments, including the purchase of mortgages. The big lenders have been "living high on the hog," but they ought to adjust with the rest of us. This they will not do if we permit them to get higher interest rates frozen into our Federal housing programs.

CAPEHART HOUSING

Mr. President, I have indicated my belief that no increase in interest rates on Government-supported mortgages is justified. I regard an increase in the rate on Capehart military housing as completely unconscionable.

Prior to enactment of the Capehart on-base family-housing program, housing for military personnel was financed with Government funds. To the degree that the cost of such construction was paid from borrowed funds, the cost of obtaining money for such housing was the same as the cost of Federal borrowing generally. These rates of interest have always been less than the 4-percent rates charged on Capehart housing mortgages, but the program was justified on the ground that Congress had failed to appropriate enough money.

There is no question that this housing for military personnel can be provided at lower cost from appropriated funds. I believe that the only reason why more strenuous objection has not been made to the Capehart program is that the 4-percent rate represents only a slight increase in the cost of building these much-needed houses.

Why is it that the Capehart mortgages can carry a 4-percent rate? Normally, when a financial institution buys GI or FHA mortgages, it incurs expenses for servicing the mortgages. The mortgage holder must make arrangements for someone to collect the monthly payments and to pay out the amounts held in escrow for taxes and insurance. In addition, there will be extra expenses in case a mortgage falls into default. Although these mortgages are either guaranteed or insured, the problems of carrying out foreclosure proceedings represent an added detail which makes mortgage lenders more hesitant about making such investments.

None of these problems is involved in Capehart housing mortgages. The Government holds title to the projects, so certainly there will be no foreclosure problems. The Government makes all the collections, so there is no servicing expense. Thus, there is no risk at all, and no cost of servicing.

In its Review of Military Housing Programs, Report No. 231, of the 85th Congress, submitted in April 1957, the Committee on Banking and Currency made these comments on the Capehart mortgage:

> However, at the end of the construction-loan period when the Commissioner places his final endorsement on the note, the long-term lender acquires by assignment from the construction-loan lender a mortgage as secure as a United States Government bond in practically every respect. This security is based on the fact that the Secretary of the respective service gives the lender an unconditional written guaranty of all mortgage payments. With this guaranty by the Federal Government, acting through the Secretary of the Air Force, Army, or Navy, as the case may be, the FHA insurance of the mortgage becomes unimportant. This guaranty by the Government places the credit of the United States Government behind these mortgages. They bear interest at 4 percent, so the yield is almost 1 percent higher than can be secured from Government bonds of equivalent maturity.
>
> The new title VIII mortgages are considerably undervalued in comparison with United States Government bonds and high-grade corporate bonds.

In our hearings last week, the distinguished chairman of the Housing Subcommittee pointed out why interest rates on Capehart mortgages should not be increased. He said:

> I do not mind saying this is one interest rate that I just cannot see any argument for increasing, because if there is such a thing as a Government guaranty being equal to a Government bond, this is. It is insured. It is guaranteed, and the rental allowances due the men are pledged for the payment. So you have a guaranty in effect in three different ways. In fact, there was a witness at our last hearing who suggested that perhaps they would not be too eager to try to sell these on the market because they were so closely competitive with the long-term Government bonds. (Hearings, p. 85.)

Since interest rates are falling, since Capehart mortgages are more like Government bonds than mortgages, and since the taxpayers are already spending more than is necessary for the construction of military housing, I think it would be utterly absurd for us to increase the interest rates on these mortgages.

So far as I am concerned, raising the interest rate to 4½ percent would be the straw that broke the camel's back. I would be opposed to it, even though interest rates were not generally falling. In my opinion, if the program will not work with a 4 percent rate, and with secondary market support from the Federal National Mortgage Association, it should be abandoned.

There is another compelling reason for holding the line on Capehart housing interest rates: Many such projects have been approved and are ready to go. These projects are, in fact, the fastest source of stimulation of the economy in the entire housing field. An increase in the interest rates will add to the cost of these projects, so they will have to be completely refigured.

In addition, builders generally have been given an allowance for a moderate discount. If the interest rate is increased, this discount will no longer be justified, and the result will be an unwarranted windfall. The military authorities can be expected—quite properly—to check and double check to see that such windfalls do not occur. All this refiguring would necessarily result in delays of at least several months in these projects. Thus, the bill as reported, with the higher interest rates, will stymie, rather than stimulate, immediate housing construction in this program.

COST OF HIGHER INTEREST

What is the real cost of the so-called modest increase in interest rates provided in this bill?

First. For Capehart housing:

The basic law establishing this program authorizes $2.3 billion in total mortgage insurance by FHA. Of this amount, $1,844,000,000 remains unused.

An increase of one-half percent in interest on this amount would result in an added cost to the Defense Department and taxpayers of $6,196,000 a year. Over 25 years, the usual life of these mortgages, this would mean an added cost of $154,900,000.

Second. For VA housing:

The proposed increase in VA-guaranteed mortgages is from 4½ to 4¾ percent, a mere one-quarter of 1 percent, or 15 cents per $1,000 per month.

On a mortgage of $13,500 this means the GI would pay an additional $2.03 per month, or $24.36 per year, or $730 on a 30-year mortgage for the same house that he was purchasing before the Congress voted for this increase, if it does vote for it. That would happen in the case of every GI house built during the next 2 years.

Does this still seem a small amount? Then let us remember that in 1955—a good year, under the old rate of interest—the VA guaranteed 660,000 units of housing. If 1 million of the 9 million eligible World War II veterans use their housing benefits during the 2 years the bill will extend these opportunities to them, they will pay additional interest of $730 million.

This bill is a billion-dollar bounty to the moneylenders.

I am not willing to vote to establish price supports for money at 200 percent of parity, and to send the bill to America's GI's.

POSSIBILITY OF VETO

The last time Congress extended the VA housing program, the President vetoed it because Congress did not increase the interest rates. I have heard it said that Congress must, in this bill, increase the interest rates, in order to avoid another veto. Even with the gravity of the current economic situation—the need for more housing, more employment, more construction, more cement, more lumbering in the woods—I cannot believe that any President, even the present one, would veto the bill because of a petulant insistance on higher interest rates.

I say there is before the Senate today the clear-cut issue whether we believe that by making money more plentiful and cheaper there will be more construction and thus more employment, or whether, by increasing interest rates, by senatorial mandate, we shall help the housing market.

My study leads me to believe, and I think the historical record disclosed by the Senator from Texas, shows, that as interest rates go up, veterans are priced out of the market and FHA borrowers are priced out of the market. Nine hundred thousand automobiles remain unsold on the dealers' lots today. Why? Because the great minds in Detroit have priced the automobile buyers out of the market.

So an attempt is being made to legislate in order to provide higher interest rates at a time when other interest rates are falling by 60 percent, 36 percent, 12 percent, and so on down the line. Do we want that kind of price support under money?

If I were teaching a course in government and my students wanted me to give one single, simple definition of the difference between the Republican and Democratic Parties, I would say that the Republicans believe in high wages for companies and the Democrats believe in high wages for people; one begets recession, the other begets prosperity.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. I reserve the remainder of my time, unless Senators wish me to yield for questions.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Colorado.

Mr. CARROLL. I wish to commend the junior Senator from Oklahoma for his very clear presentation of the issues involved in this extremely important interest rate fight. The Senator has referred to 900,000 unsold automobiles on dealers' lots. He has touched upon a vital fact in our economic life—the administered manipulation of prices. In

our recent Antitrust and Monopoly Subcommittee hearings we learned how automobiles have been priced out of the market. I suggest that the evidence presented in the Antitrust Committee hearings fully sustains the Senator's viewpoint. The consumer in today's society is being put under tremendous economic pressure, and one of these pressures is high interest rates on mortgages on his home. The Senator is doing the small homeowner a great service in making this fight. The economic conditions he describes exist all over this Nation, and I am here to tell my colleagues today that the conditions also prevail in Colorado. Loanable money is now plentiful as we have seen from the recent 6-to-1 oversubscription of a Treasury bond issue. There is absolutely no reason to keep interest rates artificially high and further gouge the veteran and small homeowner. I am happy to have been associated with the distinguished Senator from Oklahoma on this amendment and in this most worthy fight.

Mr. MONRONEY. I may say to my distinguished friend and colleague that it was his cosponsorship of the amendment that convinced me we were on the right path, and that we must avoid, at a time when interest rates are going down, supporting legislation which would increase interest rates, or we might reverse the whole declining trend in interest rates.

Mr. CLARK. Mr. President, could the Senator yield 10 minutes of his time to me?

Mr. MONRONEY. I would prefer that the other side use some of its time. It has used very little time. I should like to reserve the remainder of my time until later.

Mr. CAPEHART. Mr. President, I yield 10 minutes to the Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, I have listened to the discussion with a great deal of interest. I heard similar debate in the Finance Committee. It is perfectly obvious that the approach to one of the fundamental problems of our times has become a political approach.

I should like to refer to the figures on the table which the Senator from Indiana has passed to all Members of the Senate. I shall probably look at these figures from a slightly different point of view.

I shall review briefly the recent experience in Veterans' Administration housing. That housing reached its peak in 1955, with 392,000 units. The number dropped substantially in 1956. In 1957 it dropped about 40 percent from the high point. It was still dropping in January of 1958, when there was a low point of 4,100 starts for that month, which would be approximately 49,000 starts for the year—much less than the 1957 rate.

In 1952, there was a low of 141,000 starts.

In 1953, the interest rates on veterans' loans was raised from 4 to 4½ percent. That occurred in the middle of the year. The effect on the 1953 figure was not marked, but in 1954 the starts increased to 307,000. In 1955, they increased to 392,000.

Those figures are a simple demonstration of the fact that in 1953, by raising the interest rate one-half of 1 percent, a flood of mortgage money was brought to bear on the veterans' housing problem.

A similar realistic facing of the interest rate problem in 1958 could bring about the same kind of result.

Between 1952 and 1955, the increase in the number of starts was 250,000.

We are talking about a bill we hope may produce 200,000 more starts. Perhaps that is one of the ways it can be brought about. It would be done without drawing on the resources or credit of the Federal Treasury. It was done then; it could be done now.

I tried to learn as much as I could about the current situation with respect to the availability of funds to go into veterans' housing mortgages, or, for that matter, in Government-guaranteed mortgages. Insurance companies can still find use for all their available funds, at interest rates of 5 percent or more. They can take conventional mortgages, which generally pay interest rates at 5¼ percent or more.

I was interested to learn that insurance companies still have an adequate supply of corporate bonds—not bonds offered on the public markets, but bonds privately placed, which is the way insurance companies like to deal. I am told there is an adequate supply of such bonds at 5 percent or more.

Insurance companies currently have commitments for the future. They have already contracted to take between $3½ billion and $4 billion worth of mortgages at these or higher rates. So we can understand why they are not interested in buying Veterans' Administration mortgages at 4½ percent. Undoubtedly, being good businessmen—more than that, being trustees of the savings of 100 million people—they will continue to invest their money at those rates as long as they can. Moreover, insurance companies have to fix their basic policy dividend rates substantially in advance, and that acts as another brake on their freedom to change rapidly interest rates they can or want to accept. So far as insurance companies are concerned, therefore, I was assured this morning that they are not in the market for any VA mortgages, regardless of Government guaranties, at 4½ percent.

I see my friend, the Senator from Oklahoma, is still present in the Chamber. I was present earlier when my colleague made the interesting observation that the insurance companies in Oklahoma were taking Veterans' Administration mortgages at 4½ percent.

Mr. MONRONEY. Mr. President, if the Senator will yield for a correction, I think the remarks in the RECORD will show that the building and loan associations of Oklahoma are taking the GI mortgages which are being issued, because they are patriotic and are anxious to build up Oklahoma.

Mr. BENNETT. I have had an opportunity to inquire about the situation in Oklahoma. It is true that there are some GI mortgages being taken with a nominal rate of 4½ percent, but they are being taken at discounts, to yield from 5.22 to 5.28 percent.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. MONRONEY. As I understand the bill which has been reported by the Republican members and a Democrat of the committee, the bill also strikes out whatever restrictions against discounting are in the present law. To that I do not agree.

Mr. BENNETT. The Senator from Utah believes that this is another brake on the flexibility of the situation. I differ with my colleague, and I approve of the elimination of the restriction on discounts.

I think it is interesting to observe that discounts are now being used in Oklahoma to sweeten the 4½ percent VA loans which are being made.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. MONRONEY. That is true not only in Oklahoma but elsewhere. The bill proposes to eliminate whatever restrictions there are to prevent discounting. What assurance have we that after we allow the extra quarter percent, in the reversal of the general interest rate movement, there will not be discounts to a greater extent?

Mr. BENNETT. The Senator from Utah brought the subject up merely because his colleague had made a point of it.

I referred briefly to the position with respect to insurance companies. I did what I could to checkup on the building and loan situation. The current dividend rates being paid by most building and loan associations are at least 3½ percent. Some such associations are paying 4 percent. Since their cost of doing business is added to the current cost of the money they loan on mortgages, the total is 5 percent or more. Therefore, the VA mortgages, at a rate of only 4½ percent, are not interesting to such associations, except at a discount. Such associations are likewise in no great hurry to make very substantial investments in FHA mortgages, which yield 5¼ percent.

Banks have acquired more liquid assets as a result of the recent changes in the policy of the Federal Reserve Board, so they have money to put into mortgages, but they are still able to make better investments than 4½ percent on VA mortgages or 5¼ percent on FHA mortgages.

It seems to the Senator from Utah, also, that it is even more difficult to stimulate new housing construction now than it was in 1953, when the one-half percent raise in interest rates produced such dramatic results.

Building costs are higher, not in terms merely of the difference in the cost of interest, but also in terms of the cost of labor and materials. Last fall, when I was working on the investigation of the Committee on Finance, I had a check made to discover how much more housing costs now than it cost at the end of the war.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The 10 minutes yielded by the Senator from Indiana have expired.

Mr. BENNETT. Mr. President, will the Senator yield me an additional 5 minutes?

Mr. CAPEHART. I yield whatever time the Senator may need.

The PRESIDING OFFICER. The Senator from Utah is recognized for an additional 5 minutes.

Mr. BENNETT. With relation to a house of a certain size the monthly payments have increased $55. Of that amount, $8 represents an increase in interest and the balance represents an increase in the cost of labor and materials. Of course, the increase in the interest cost is not entirely an increase in rates, but also represents an increase in cost because of carrying a larger mortgage.

Not only are costs higher, but there is the same consumer resistance in this field there is in other fields, previously referred to.

I was very much interested to read an article which appeared in the Wall Street Journal of February 19, which said, referring to FHA rather than the VA speed-up mortgages, but I think the statement may be applied to both:

> So far, the FHA speed-up has been more pronounced in applications involving sale of older houses than deals for newly built homes. In the Newark, N. J. area, for example, in 5 weeks through February 7, new house applications rose to 217 from 184 in the comparable 1956 period, while those on existing houses jumped from 364 to 728.

If the purpose of the bill is to stimulate the erection of new houses, it will not be very easy to achieve that purpose if the pending amendment is adopted.

That is the general situation as I have been able to gather it. Neither the 5-percent rate nor the 4½-percent rate will attract interest in substantial quantities from money lenders.

I also tried to analyze what the situation might be over the next 8 or 9 months, and I shall relate for the information of Senators what I was told. In the first place, the gyrations of the market for Federal notes and short-term bonds have no relationship to the basic changes in interest rates on mortgages and other long-term investments. Those who buy these investments are completely different in background or experience.

The Government bond market reacts to psychological situations. It reacts to daily headlines in the newspapers. The mortgage market is more stable.

I was told that today there would be no interest on the part of building and loan insurance companies, from whose funds most of the money must come in mortgages at 4½ percent or at 4¾ percent. It was suggested that probably in 60 to 90 days there might be some interest in 4¾-percent loans, and that there might be some interest in October or November in 4½-percent loans.

I think we are interested in trying to get buildings started as the spring opens, when the ideal building season is available. If we wait until October or November, we will be running into winter again.

It may be asked, Why can the Government not take up the burden in the meantime by direct financing? Of course, it can, but I wonder if we want to put that burden on the credit of the United States. If we should increase our total housing production by 200,000, with an average mortgage of $13,000, somebody would have to dig up $2.6 billion of mortgage money.

We raised the debt ceiling $5 billion the other day. I voted for that, because I thought the Secretary of the Treasury should have some flexibility. I know some of my colleagues voted for it, and were honest in saying that they wanted the additional potential debt used for other purposes.

I have tried to analyze the problem we face in the Congress in terms of programs which are being suggested.

The PRESIDING OFFICER. The additional 5 minutes the Senator yielded have expired.

Mr. BENNETT. Mr. President, will the Senator from Indiana yield an additional 3 minutes?

Mr. CAPEHART. I yield an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. BENNETT. Programs are being suggested as antirecession measures, all of which will require the use of the credit of the United States, and thus impinge directly not only on deficit spending, but on the debt ceiling. As near as I can figure, if we were to adopt today all the proposals before us we would increase Government spending this year by $10 billion or more.

It is also proposed that we make certain tax cuts as a part of an anti-recession program. If we were to adopt only two of the tax-cut proposals now before the Senate, we would cut off between $4½ and $5 billion. So, from that point of view, we are thinking in Congress of increasing the Government's debt by approximately $15 billion.

Some of the suggested programs may be very worthy. Some of them we may wish to adopt. But I do not think we should burden the Treasury now with the responsibility of financing these houses when private industry is ready to do it, over the next 6 to 8 months.

It has already been brought out that we may be dealing chiefly with a time lag. I hope the amendment of my friend from Oklahoma will be rejected, and that the Senate will adopt the proposal which the committee has reported.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. BUSH. I congratulate the Senator from Utah on his very careful, thoughtful, and accurate analysis of the bill. I believe that if every Senator would take the trouble to read what the Senator from Utah has said today, he could not possibly vote for the Monroney amendment—at least very few Senators would vote for it, in my judgment.

The Senator from Utah has clearly shown that the adoption of this amendment might very well involve the Treasury in an additional $2 billion of purchases of mortgages, which would be entirely unnecessary, because, as he has just said, the private mortgage market, through various organizations, stands ready, willing, and able to buy these mortgages. I therefore commend the Senator from Utah for a very clear and forcible exposition of the fallacy of the amendment of my dear friend, the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. MONRONEY. I am sure the distinguished Senator from Connecticut would not wish to imply that the amount invested in Government-guaranteed mortgages is an expenditure. It is rather a gilt-edged investment, is it not?

Mr. BUSH. That is the statement that is always made. Notwithstanding all the protests that this program is only temporary, and a good investment for the Government, at the present time we have a total of mortgages in FNMA of approximately $4 billion.

The same thing is said about the farm surpluses—that they represent a good investment. That is the same as the argument which is made with respect to these mortgages. It is said that they are here today and gone tomorrow, but they are not. They come into the picture and remain there.

Mr. MONRONEY. The distinguished Senator from Connecticut would not say that first mortgages on American homes held by FNMA are any less valuable than first mortgages on American homes held in equal amount by the great insurance companies of the United States, would he? They are an asset when they are in private hands, but the Senator would have them become a liability when the self-same mortgages are held by FNMA.

Mr. BUSH. I do not deprecate the value of the mortgages. They are very good mortgages. In fact, they are perfect, because they are guaranteed by the Government of the United States. There is no money risk, but they are in the wrong place. They should not be in the Treasury.

Mr. MONRONEY. They do not represent an expenditure. They represent a gilt-edged investment in the safest security in the world, the American home.

Mr. BUSH. There may be an investment, but we would have to borrow the money to make it.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield 1 minute to the Senator from Louisiana.

Mr. BENNETT. Mr. President, may I finish?

Mr. ELLENDER. I should like to ask a question.

Mr. CAPEHART. I yield 1 minute to the Senator from Louisiana.

Mr. ELLENDER. I am somewhat confused, after looking over the table of housing starts. My good friend from Indiana [Mr. CAPEHART] stated that during the time when interest rates were high there was full employment, and that during a later period, when interest rates were low, there was less employment. I cannot quite follow that argument as applied to housing. For example, in 1954, when interest rates had been raised from 4 to 4½ percent, the housing program rose.

Mr. BENNETT. It doubled.

Mr. ELLENDER. That is correct. A similar situation existed in 1955.

But when interest rates were raised in 1956, the housing program went down, as it did also in 1957. Why does not the rule which my good friend from Indiana discussed a while ago apply in both cases? I should like to have the situation clarified as it applies to housing.

Mr. CAPEHART. The VA interest rate has remained the same since the middle of 1953, namely, 4½ percent. The FHA rate increased from 4¼ to 5¼ percent.

All we are trying to do by the amendment of the Senator from Virginia [Mr. ROBERTSON], which was added to the bill in committee, is to eliminate the big difference of three-quarters of 1 percent as between the VA and the FHA.

Mr. ELLENDER. I understand; but I am trying to follow the argument the Senator made a while ago, that while interest rates were high full employment was prevalent. It is only lately that unemployment has occurred. Why do not the same rules apply to housing?

Mr. CAPEHART. I think the Senator will remember that I said that that statement made as much sense as what I had been listening to for the previous hour and a half.

Mr. ELLENDER. Was the Senator being facetious?

Mr. CAPEHART. No more so than other Senators.

Mr. ELLENDER. The Senator is an expert on housing. I wonder if he can explain for the RECORD why it is that in 1954 and 1955, under a 4½-percent rate, housing rose, as compared with previous years, whereas when the rate rose in 1957 and a part of 1956, the housing program went down?

Mr. CAPEHART. We must look at the percentage of the total. The Senator will notice the heading "percent of total."

Mr. ELLENDER. Yes.

Mr. CAPEHART. That means the percentage of the total housing starts in the entire United States that were financed by private industry. In other words, in 1957, private industry accounted for about 70 percent of the housing starts in the United States; and in January of 1958, private industry accounted for about 77 percent of the starts.

The figure for January 1958, under the VA, is 63 percent. That means 63 percent of the total, including FHA, VA, and private starts.

Mr. ELLENDER. Yes.

Mr. CAPEHART. So, under the interest rate of 4½ to 5¼ percent, private industry was buying more of the mortgages. These figures do not represent the total housing in the United States.

Mr. ELLENDER. The starts in 1957 under the FHA program were fewer than they were in 1956. Under the FHA program in 1957, there were 150,126 starts, compared with 183,350 the previous year under the FHA program.

Mr. CAPEHART. The reason is that in 1957 private industry financed 85 percent of the housing. Only 15 percent was financed by FHA.

Mr. ELLENDER. Has this table been made a part of the RECORD?

Mr. CAPEHART. The Senator may place it in the RECORD at this time.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the table to which reference has been made be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New houses constructed by FHA and VA by years showing different interest rates

Year	Starts under VA inspection		Starts under FHA inspection		VA interest rate	FHA interest rate
	Number	Percent of total	Number	Percent of total		
1951	148,634	14.6	186,924	18.3	4 percent	4½ percent.
1952	141,274	13.2	229,085	21.5	do	Do.
1953	156,616	14.7	216,509	20.2	4 percent to May; 4½ percent May to December.	4¼ percent to May; 4½ percent May to December.
1954	307,038	25.5	250,910	20.9	4½ percent	4½ percent.
1955	391,789	29.9	268,650	20.5	do	Do.
1956	270,675	24.7	183,350	16.8	do	4½ percent to December; 5 percent from December.
1957	128,302	12.9	150,126	15.2	do	5 percent to August 4; 5¼ percent from August 4.
January 1958	4,074	6.3	12,228	19.1	do	5¼ percent.

Mr. BENNETT. Mr. President, I think I still have the floor. I ask that I may be yielded 1 more minute.

Mr. CAPEHART. Mr. President, I yield 2 additional minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, I wish to take a moment to assure my good friend from Connecticut [Mr. BUSH] that he does not stand on the burning deck alone. When our good friend from Oklahoma [Mr. KERR] gave him that gigantic hotfoot and put him on the burning deck, I hope he was prepared to move over and make room for the Senator from Utah.

Mr. BUSH. I certainly am glad to have the Senator from Utah behind me on that burning deck, and at all times. I thank him for that assurance.

Mr. MONRONEY. Mr. President, would the Senator from Indiana care to use some time? We have only 23 minutes remaining.

Mr. CAPEHART. I shall use a little time. I believe the Senator from Louisiana placed in the RECORD the chart which I prepared and had placed on the desks of all Senators.

I ask unanimous consent at this time to have printed in the RECORD a resolution adopted last October by the American Legion, recommending that we do exactly what the bill as reported by the committee would do. In other words, the American Legion was opposed to the Monroney amendment, according to the resolution it adopted last October.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the American Legion has been the guiding force behind the GI bill of rights, which includes the GI home loan program; and

Whereas the number of home loans being made under the GI bill is declining steadily because the interest rate is no longer competitive under current and foreseeable market conditions; and

Whereas the failure of the Congress to enact legislation to permit the interest rate on GI loans to be competitive, has prevented a continuing flow of funds from private sources into the GI home loan market; and

Whereas under present conditions home-purchasing veterans are being deprived of a GI loan, thereby limited to conventional and FHA loans, which are not as advantageous to veterans as would be GI loans with a competitive rate; and

Whereas the American Legion is already on record in favor of a flexible rate as recommended in the Collins report, approved twice by the national executive committee: Now, therefore, be it

Resolved by the American Legion in national convention assembled at Atlantic City, N. J., September 16–19, 1957, That appropriate legislation be enacted by the Congress to provide the Administrator of Veterans' Affairs with the same authority to regulate interest on VA loans as the FHA Administrator now exercises over FHA loans, with authority within realistic limits to increase or decrease rates to meet changing conditions as they occur, in order to assure the continued flow of GI loans under private auspices; and be it further

Resolved, That the legislative commission and the staff members of the economic commission be instructed to vigorously promote this program, and through all available media make a grassroots appeal to the Legion membership to actively support this movement in order to insure continuation of the GI home loan program which has proven to be of such inestimable value to our country and its veterans.

Mr. CAPEHART. Mr. President, I also wish to read from the report of the economic committee of the American Legion when it adopted the resolution asking Congress to increase the interest rate. This is what they said, among other things:

As brought out in testimony before the convention committee, because of the absence of GI home loans in today's market, our veterans are currently faced with the following choices to borrow money to purchase homes:

1. Use of FHA loans with rates at 5¼ percent plus one-half percent for FHA insurance. Total 5¾ percent.

2. Use of conventional financing requiring downpayments from 20 percent to 33⅓ percent with interest rates ranging from 5½ percent to 8 percent and over, or

3. Use of second mortgages at rates of better than 6, 7, and up to 10 percent.

Those are the statements of the economic committee of the American Le-

gion, which recommended that the Legion itself adopt the resolution authorizing an increase in the interest rates. They point out exactly what our Committee on Banking and Currency learned as a result of a survey, namely, that that situation exists with reference to VA mortgages. There is no market for them at 4½ percent. I ask unanimous consent that the statement may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Economic Committee is deeply concerned over developments adversely affecting the GI home loan program.

For the past 8 months the Veterans' Administration statistics show that World War II and Korean veterans are finding it increasingly difficult to obtain loans at 4½ percent to purchase homes. In fact, it is estimated by the Veterans' Administration officials that for all intent and purposes the program will come to a halt by January 1958.

The simple truth is that no one can possibly lend money today at 4½ percent. Interest rates have risen progressively over the past 6 years, as a result of the tremendous demand for money for all purposes. The present fixed interest rate on GI home loans has thus become less and less attractive to investors.

As brought out in testimony before the Convention Committee, because of the absence of GI home loans in today's market, our veterans are currently faced with the following choices to borrow money to purchase homes:

1. Use of FHA loans with rates at 5¼ percent, plus one-half percent for FHA insurance—total of 5¾ percent.

2. Use of conventional financing requiring downpayments from 20 percent to 33⅓ percent with interest rates ranging from 5½ percent to 6 percent, and over; or

3. Use of second mortgages at rates of better than 6, 7, and up to 10 percent.

Each of these alternatives represented, in the committee's considered view, too high a price to pay for retention of a fixed interest rate—a rate which in effect is preventing the veteran from securing the GI loan to which he is entitled.

The committee, therefore, unanimously recommends adoption of the enclosed resolution.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Does the Senator also wish to put into the RECORD the statement of the Veterans of Foreign Wars of America, another great veterans' organization, which takes a diametrically opposite view?

Mr. CAPEHART. I would be glad to put it in the RECORD. Does the Senator have a copy?

Mr. MONRONEY. Yes. I hand the copy to the Senator.

Mr. CAPEHART. I am very glad to put it in the RECORD. I wish to say, however, that while this organization adopted the resolution, in conversation with them since then—although I cannot speak for them—I am sure that as a result of that conversation they have changed their mind, particularly since there were only 4,000 VA starts in the month of January.

I ask unanimous consent to have printed in the RECORD the resolution of the Veterans of Foreign Wars.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., March 4, 1958.

Senator J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. FULBRIGHT: I appreciate this opportunity to present the written views, as I interpret them, of the Veterans of Foreign Wars with respect to the several bills being considered which propose to extend the veterans' housing programs.

More and more veterans have been expressing their deep resentment and frustration over their inability to obtain money under either the guaranteed or direct-loan program. Last summer our delegates to the 58th national convention held in Miami Beach, Fla., August 25–30, 1957, grappled with this problem and adopted five resolutions which are very pertinent to this hearing, which read as follows:

(a) Extension to July 25, 1962, of the authority to make, guarantee, and insure loans under title III of the Servicemen's Readjustment Act of 1944, as amended.

(b) Extension to June 30, 1962, of the direct-loan program, and provision for the necessary funds.

(c) That the service charge currently authorized lending organizations by the Veterans' Administration with respect to any GI loans shall be prohibited by regulation or by legislation.

(d) That the Veterans of Foreign Wars of the United States vigorously oppose any legislation to increase the present interest rate of 4½ to 5 percent or higher.

(e) Expansion of the Veterans' Administration direct-loan program in all areas where private funds for guaranteed loans are not adequate or totally unavailable, and increase of the maximum direct loan from $10,000 to $13,500 (H. R. 4602, 85th Cong.). Further consideration of the proposal to use part of the NSLI reserve funds, with proper safeguards, for direct loans.

Taking thought of our national resolutions, therefore, would indicate our delegates favor extending both the direct- and guaranteed-loan programs to 1962, endorsing the Congressionally approved version of H. R. 4602, which was vetoed by the President, and vigorously opposing any increase in the present 4½-percent interest rate on VA-administered loans.

It is noted that the legislation being considered would authorize the Veterans' Affairs Administrator to prescribe by regulation such rate of interest as he may find the loan market demands—not to exceed at any time the rate of interest established by the Federal Housing Commissioner. At present the interest rate in FHA loans is 5¼ percent, with optimistic observers predicting a downward revision due to present economic conditions and governmental actions to loosen credit. Since the present FHA rate exceeds 4½ percent, I could not advocate the granting of discretionary authority to the Veterans' Affairs Administrator to establish an interest rate in excess of 4½ percent. Conversely, the Veterans of Foreign Wars would not oppose a flexible interest rate providing a maximum of 4½ percent were established.

One of the underlying reasons behind the firm position of the VFW on the interest issue stems from the widespread practice of discounts on GI loans which range up to 12 percent in some areas, according to our information. If it is decided to increase the present interest rate, the Veterans' Affairs Administrator should be given discretionary power to outlaw discounts on GI loans so that the interest rate will reflect the true cost of the GI loan to the veteran.

While the VFW has long championed the direct-loan program since its inception in 1950, your attention is directed to this fact. The VFW has never advocated an all-out direct-loan program—only to the extent and limits as contained in H. R. 4602, with the moneys to be used only when private funds are not readily available in any area. We feel a minimum of $200 million is required to revive this program for the coming year.

With the foregoing considerations in mind, the VFW strongly recommends favorable consideration of the legislation before your committee, to extend and liberalize the VA loan programs. Many veterans will be given an opportunity to obtain a home which has been previously denied because of circumstances beyond their control.

In conclusion may I once again express my sincere appreciation for this opportunity to express the views of the Veterans of Foreign Wars with respect to one of our most important legislative objectives.

Sincerely,

OMAR B. KETCHUM,
Director.

Mr. CAPEHART. Mr. President, I hold in my hand many telegrams urging Congress to pass the bill as it was reported by the committee. Let us keep in mind that the committee reported the bill, and that I am recommending, as, I hope, to the great majority of Senators, that the bill be passed as reported by the committee, with but one purely technical amendment on which the chairman of the committee, the Senator from Alabama [Mr. SPARKMAN], and I have agreed.

The telegrams I am about to place in the RECORD are telegrams supporting that position. For example, I have a long telegram from the president of the National Association of Home Builders, among others. There is one here from the president of the Shreveport Home Builders Association, which reads:

SHREVEPORT, LA., *March 5, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Strongly urge GI bill extension with rate increase but with elimination of discriminatory feature restricting direct loans to rural areas. This feature promotes attraction of suburban areas outside metropolitan city limits, causing costly commuting to veterans, while urban developments more desirably located but without benefits of direct loans are rendered unattainable to veterans.

E. L. BERRY,
President, Shreveport Home Builders Association.

I have another telegram from Montgomery, Ala., which reads:

MONTGOMERY, ALA., *March 5, 1958.*

Senator CAPEHART,
Senate Banking Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: We desperately need extension of GI housing bill with authority for administrator to adjust interest rate in accordance with market requirements. Appreciate you doing all you can for us.

Yours very truly,

M. J. LEARY,
Contractor.

I shall not take the time of the Senate to read all the telegrams. However, I will say that I did not receive one letter or

one telegram from anyone in opposition to the bill as reported by the committee—not one. Nor have I received a telephone call in opposition to the bill.

The amendment of the able Senator from Oklahoma [Mr. MONRONEY] would strike out the amendment which was offered by the junior Senator from Virginia [Mr. ROBERTSON]. I strongly urge the passage of the bill without any amendments, for the reason that it is the only way I know of to put people back to work building houses, and to do it quickly. That is what we want to do.

We can talk all we want to about interest rates being high or low, but what we really want to do is put men to work, and we want the GI's to get housing, because the GI's can buy houses without any downpayment. Even with a slight increase in the interest rate, the monthly payments on GI housing are much less than the rents they are now paying in the places in which they live. We will not only get housing for GI's, but we will also put men to work. We in the committee know of no other way to do it, unless we want the Government to buy the mortgages.

Of course, we can adopt a 3-percent interest rate if we wish to do so, or a 2-percent interest rate, and use taxpayers' money with which to buy the mortgages.

That can be done. It does not require any imagination or intelligence to enact a law saying that the Government shall buy up all the mortgages. The $1,850,000,000 authorized in the bill, for the purpose of buying mortgages at the discretion of the President, if he were to use all of it, would buy 136,000 mortgages at $13,500 each.

As I said in the committee, we may now well need all the money we can get to handle the depression. Here is one case where it is the best judgment of everyone in the industry that private industry will buy the mortgages, thereby relieving the taxpayers in this instance of putting up any money. If we can do it, we ought to try to do it. We ought to give it a chance to work. We provide in the bill $1,850,000,000. If it becomes necessary, the President can buy the mortgages, but let us save our money for possibly a better use, if we can do it by having private industry pick up the mortgages.

I ask unanimous consent that the telegrams be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 11, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Your participation in housing debate today on S. 3418 tremendously important to entire home-building industry and to Nation's economy. We fully support committee bill and oppose changes which would curtail its effectiveness. Specifically we support:

1. Elimination of mortgage-discount controls which is accomplished by committee bill.

2. Committee proposal to give President discretion to adjust GI interest rate.

3. Extension of World War II home loan guaranty program.

4. Committee proposals for more funds for Federal National Mortgage Association to purchase FHA and VA mortgages.

5. Committee proposal to lower FHA downpayments for low-cost housing.

Elimination of discount controls and some authority for adjustment of GI rate are essential if veterans' home-loan program is to be effective in all areas of the country and produce needed stimulant to residential construction. I urge your full support for committee bill and your vote against amendments which would weaken it.

We believe that the bill as reported out by the Banking Committee is best possible means of assisting private industry to create more jobs, use more materials, and supply much-needed housing for the American people. This is the view of the entire home-building industry speaking through this association which represents 40,000 members affiliated in 302 local and State associations throughout the country.

NELS G. SEVERIN,
President, National Association of Home Builders.

WASHINGTON, D. C., *March 12, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge your support of realistic interest rate for GI loan program. If reactivated this program can boost home building and related fields and stimulate our economy. VA applications are down from 19,000 last January to 5,200 this January. Obviously 4½ percent will not do the job.

STEPHEN SLIPHER,
United States Savings and Loan League.

COUNTRYLANE HOME BUILDERS,
McHenry, Ill., March 8, 1958.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: As an individual vitally interested in the construction of homes for qualified veterans and their families, I hasten to offer my congratulations for your recent introduction of a bill to continue the operation of a veterans' home-building program under the Veterans' Administration.

Our company owns a franchise from the National Homes and have constructed approximately 100 homes in the vicinity of McHenry, Ill., during the last 2 years.

We can fully appreciate the enjoyment which these veterans and their families have experienced in their own—well-built, well-designed—homes. This has been accomplished by reason of the plan which has permitted them to acquire such properties without any downpayment but upon the assumption of a 29-year, 4½-percent mortgage.

The change in the interest rate on mortgages has created a condition which naturally meant that any investor would be reluctant to invest in such low-rate paper when higher yield mortgages were available. This condition imposed upon the franchisee or builder a discount rate of anywhere from 11 percent to 13 percent. This prohibitive discount has definitely discouraged any further building of this character.

It is fair to say that the mere raising of the interest rate on such veterans mortgages is all that is necessary to reestablish such building and create a market for such paper comparable to anything now offered. It is no exaggeration to say that there is a desperate need for such homes at low cost. Hundreds of thousands of qualified veterans are desperate for a home of their own, and the veterans plan has been the answer. The simple revision, viz, the higher interest rate, will suffice. The investor is concerned with the yield provided the investment is safe. There has been no reluctance heretofore to invest in veterans mortgages. The builder, however, cannot survive if he is compelled to pay the prevailing discount rate.

I trust that I may have an expression of your reaction to the above suggestions.

Respectfully submitted,

E. N. HEINZ, Sr.,
Treasurer.

OAK PARK, ILL.

HOLLYWOOD, CALIF., *March 10, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

We have constructed several thousand housing units under VA and FHA programs. Our program almost stopped under present FHA–VA conditions. Respectfully urge adoption of pending housing legislation, particularly upward adjustment of VA interest rate, lower FHA downpayment, and relaxation discount controls. If adequate housing bill adopted, we will commence substantial program at once which will provide employment for large numbers. Other builders in area indicate they will do the same. We believe adoption of the pending legislation will provide immediate substantial relief against growing nationwide unemployment.

DANIEL E. AND EDGAR M. COHN.
BEVERLY HILLS, CALIF.

HOLLYWOOD, CALIF., *March 10, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

This office represents several homebuilders engaged in substantial housing projects under VA and FHA programs. On behalf of our clients, we urgently request favorable action on the proposed housing bill. We deem it imperative to bolster sagging economy. Believe substantial development in housing industry will result under new bill providing tremendous immediate employment. Upward adjustment VA interest vital to usability of program.

ROBERT K. LIGHT,
Light, Garcin & Grossman.

SAN BERNARDINO, CALIF., *March 11, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Committee for Housing Legislation,
Washington, D. C.:

Present conditions must change immediately if the housing industry is not to become entirely defunct on the west coast. One year ago we predicted current conditions would occur if the following were not approved:

1. Action must be taken immediately to eliminate any form of control over mortgage loan discounts.

2. Interest rate ceilings must be eliminated or substantially lifted on both VA and FHA insured loans. The current conventional rate is at not less than 6 percent.

3. Equity downpayment requirements under FHA loans must be reduced to the barest minimum. We recommend a flat 3 to 5 percent to a maximum sales price of $20,000.

FHA loan ceiling must be raised from $20,000 to at least $25,000.

5. FNMA regulations must be adjusted to allow purchase of any loan guaranteed or insured by VA or FHA regardless of size and without discount. We believe loan funds adequately available under above adjustments.

C. WM. FLEMING,
President, Mortgage and Loan Corporation of the West.

ELKHART, IND., *February 28, 1958.*

Hon. HOMER E. CAPEHART,
Member United States Senate,
Senate Office Building,
Washington, D. C.

DEAR HOMER: I have just read your introduction to your bill revising the GI housing

requirements and extending the loan guaranty program for World War II veterans.

Your bill looks very sound and sensible to me and should deserve the support of all lending institutions. It would, in my opinion, bring the GI mortgage back into an attractive picture; that is to say, a picture equally attractive against FHA title II mortgages and should appeal to mortgage lenders. Your figures on the number of homes financed by the GI housing bill, including the years 1951 through 1957, speak for themselves in reflecting the disfavor the GI mortgages have come under in the last 2 years. Based on their restricted rates and their restricted limits, I can say that if your bill is approved and becomes law, our bank, which has not been writing GI mortgages for several years, will again be interested in the GI mortgage borrowers.

I hope you every success with this bill, and meanwhile please accept my kindest personal regards.

Sincerely yours,

GEORGE S. ANDERSON,
President, First National Bank of Elkhart.

MARION COUNTY RESIDENTIAL BUILDERS, INC.,
Indianapolis, Ind., February 26, 1598.

The Honorable HOMER E. CAPEHART,
Senator from Indiana,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: We recently received your newsletter of February 24 which dealt with the extension of the GI housing law. Since that time I have had an opportunity to discuss your proposal with several of our local builders. All with whom I have talked expressed their enthusiastic support of extending the GI housing bill.

Here in Indianapolis we appreciate your constant support of the home building industry. If there is anything further we can do to aid your recent proposal, we shall be happy to do so.

We hope that we shall again have the opportunity to have you with us during the May directors' meeting in Washington.

Sincerely yours,

FELIX C. DEHEBREARD,
President.

JASPER, IND., *February 24, 1958.*

Hon. HOMER E. CAPEHART,
United States Senator,
Washington, D. C.

HONORABLE SIR: I wish to commend you on your recent proposal to extend the GI bill for 2 years and to raise the maximum loan amount from $10,000 to $13,500.

I feel this would be a fair way for the Government to curtail unemployment, and on the same token will be very beneficial to the veteran with no expense to the Government.

I also feel that in order for this program to work effectively the maximum interest rate will have to be 5 percent in order that more money will be available.

As in the past 5 or 6 years very few loans other than direct VA have been made because investment companies were able to get a better rate of interest elsewhere.

I realize this isn't giving a veteran a low interest rate, but being a veteran, and in this present day, the problem is finding money to build. By doing the two things mentioned you would make home building possible.

I'm employed as a banker and my fellow-workers share in my opinions expressed in this letter.

Very sincerely yours,

MAX L. BURKE.

NEW ROCHELLE CHAPTER,
WESTCHESTER COUNTY REALTY BOARD,
New Rochelle, N. Y., February 24, 1958.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SIR: I was pleased to read in the New York Times today that you are prepared to ask for a 2-year extension of the World War II GI home loan program. I was also pleased to see that you are in favor of raising the interest rate to 5½ percent.

Frankly, to extend the program without raising the interest would be an empty gesture. In 1956 our members, who deal only in used homes, used GI loans in about half our sales. In 1957, we were unable to secure a single GI loan. Incidentally, it was a very poor year for real estate in this area.

Many young veterans are able to carry a large mortgage, but between the high cost of living and high income taxes are unable to save enough money to make the down payment required in this area for a conventional deal, namely 40 percent. This prevents all but the most desperate GI's from buying. The really desperate ones load themselves with a conventional mortgage at 5½ to 6 percent, and with a second mortgage at 6 percent on top of the first mortgage. This is certainly not a healthy situation.

We feel that to extend the GI loan program and to allow a higher interest rate would be a service to the veterans and a real help to our stumbling economy. The veteran who is enabled to buy a home also buys stoves, refrigerators, washing machines, rugs, grass seed, garden tools, etc., etc. And this is one move that does not actually cost the Government any money, hence no additional taxes.

Wishing you every success in your efforts in behalf of the GI loan program, I am,

Sincerely yours,

PERRY B. HOUGH, Jr.,
President, New Rochelle Realty Board.

GRINSLADE-KRABBENHOFT CONSTRUCTION CO.,
Indianapolis, Ind., March 3, 1958.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPEHART: I understand that the Senate Banking and Currency Committee is going to consider your bill 3336 to extend the loan guaranty program for World War II veterans.

As a legislative member of the National Association of Home Builders, I would like for you to know that this legislation is very important for our local veterans if they are to be able to build a home. Our builders are unable to secure VA loans until the interest rate is made realistic.

We hope very much that your bill becomes law.

Yours truly,

T. E. GRINSLADE.

ALBERT E. THOMPSON CO.,
Indianapolis, Ind., February 28, 1958.

HON. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.

DEAR HOMER: I am in receipt of copy of the Senate bill relative to extension of GI loan privileges and the adjustment of interest rates introduced by you in the Senate.

I wish to compliment you on introducing this piece of legislation as it is much needed if we are to keep the home building industry going.

Thanking you for your interest in the affairs of the small builders, I remain

Very truly yours,

ALBERT E. THOMPSON.

HONOLULU, *February 25, 1958.*

Senator HOMER CAPEHART,
Senate Banking and Currency Committee, Senate Office Building,
Washington, D. C.:

Just read press dispatch you are introducing bill to extend GI home loan program for 2 years. This is inspiring news for thousands GI's and subdivider builders in Hawaii and on mainland. Such legislation realized as vitally important to Nation's economy and patriotic support of GI's thus comes this strong appeal for action.

J. R. BOLKER,
President, Brighton-Bilt Homes,
Los Angeles.

(Visiting Hawaii address Royal Hawaiian Hotel.)

LOS ANGELES, CALIF., *March 5, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Have read in Wall Street Journal re action taken by Senate Banking Committee to stimulate housing as anti-recession measure. Increased funds to FNMA for purchase VA and FHA mortgages, and lower down payments on FHA will both help. However, of utmost importance to raise interest rates from 4½ to 5½ percent or at least 5¼ percent, same as FHA. Also to eliminate discount controls. Will make more mortgage money available and will reduce need for direct purchases by FNMA of insured mortgages. Also of utmost importance VA program for World War II veterans should be extended for at least 2 years. Over 60 percent of VA home sales are to World War II vets as they are older, have larger families, have greater need of housing. Approximately 40 percent of VA sales are to Korean vets. If program not extended for World War II vets, 60 percent of potential VA housing sales will be eliminated as of July 25th. During past 5 years have built over 600 homes under VA programs. Respectfully urge you make every effort to put through above programs as it is vital to successful stimulation of recovery in housing construction, which is basic to our economic recovery.

JOSEPH LEIPZIGER,
Foremost Contracting and Engineering Co., Los Angeles, Calif.

NIAGARA FALLS, N. Y., *March 4, 1958.*

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Very much in favor of your proposed bill S. 3336 to extend the loan guaranty program for World War II veteran.

WALTER S. JOHNSON,
President, Johnson Building Co.

STATEN ISLAND, N. Y., *March 5, 1958.*

Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Hope you are successful in securing support of S. 3336 which embodies position of American Legion to revitalize GI home loan program.

JOSEPH HOLZKA,
Member, National Economic Commission, American Legion.

JEFFERSONVILLE, IND., *March 4, 1958.*

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Urgently request extension of World War II GI home loan guaranty program.

R. P. VOIGT,
President, Home Builders Association of Southern Indiana.

PUEBLO, COLO., *March 5, 1958.*
Senator HOMER E. CAPEHART of Indiana,
Senate Office Building,
Washington, D. C.:

Extension of GI loan benefits without interest increase to 5 percent would hurt economy and building industry more than it would help. Increase to 5 percent imperative otherwise let program expire in fairness to buyers, builders, and investors.

PUEBLO, COLO., HOME BUILDERS ASSOCIATION.

MUNCIE, IND., *March 5, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

We appreciate your vote regarding the increase in rate and the extension of the World War II program.

WILLIAM L. POOLE,
Secretary and Treasurer,
Muncie Homebuilders Association.

BEVERLY HILLS, CALIF., *March 9, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We feel that the home building industry in southern California will be seriously curtailed by the failure of the Senate Banking Committee to approve increase of interest rates on Veterans' Administration loans and the extension of loan program for World War II veterans. We would greatly appreciate your support of extension of program and increase of interest rates.

GRANDVIEW BUILDING CO.
BARNEY MORRIS.
EDWARD K. ZUCKERMAN.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Housing is the backbone of American recovery. Don't penalize us. Make America strong. Vote for a free interest rate and extension of the World War II program.

THE TOBIN COMPANIES.
W. J. BORTNER, *Secretary.*

INGLEWOOD, CALIF., *March 5, 1958.*
Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Strongly urge GI rate increase plus extension of World War II program as deserved benefits to veterans and as antirecession move.

HARRY KISSEL,
President, Kissel Homes.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We consider it vital for the building business and United States economy that Senate Banking Committee decide in favor of GI rate increase plus extension of World War II program. Please do your utmost for a favorable decision.

HIRSCH VICTORY ENTERPRISES, INC.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Congratulations. Veterans and home builders all over country have been working all day long to assist you in your fight to convince the Democrats they should vote approval of your bill S. 3336 to extend the GI bill and increase interest rate.

J. R. BOLKER,
Brighton-Bilt Homes.

SAN DIEGO, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge approval and extension of VA World War II program. Vital to our area.

CARL WHITE, Jr.,
Executive Vice President,
Palomar Mortgage Co.

BEVERLY HILLS, CALIF., *March 5, 1958.*
Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Strongly urge you vote for extension of World War II program and rate increase.

S. CHARLES LEE.

WHITTIER, CALIF., *March 5, 1958.*
Hon. HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Sagging economy needs shot in arm; urge GI rate increase and extension of World War II program.

K. C. TURNER,
President, Builders & Developers, Inc.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We strongly urge you to approve and support the GI rate increase and the extension of the World War II program.

JAMES M. WOODS,
President, Woods Construction Co.
and Pioneers Builders, Inc.

WHITTIER, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We wholeheartedly support GI rate increase and extension of World War II program and urge you vote in favor of same.

HAROLD H. PYRON.

LOS ANGELES, CALIF., *March 5, 1958.*
Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

The home builders of southern California urge your assistance in securing favorable passage of housing legislation now pending in Banking and Currency Committee. Extension of GI program at reasonable and equitable interest rates extremely important to southern California economy. Present GI interest rate is completely unreasonable and is major reason for lack of financing for builder and GI purchaser. Recommend this be placed on par with FHA interest rate. Current drop in local residential construction directly attributable to low-interest rate and possible expiration of GI program.

GEORGE O. PRUSSELL,
Executive Vice President, Home Builders Association of Los Angeles, Orange, and Ventura Counties.

LOS ANGELES, CALIF., *March 5, 1958.*
Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Urge increase in GI interest rate and extension of same.

SAM YOUNG,
Surety Development Co.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

I urge your recommendation and support of extension of World War II VA program and flexible interest rate.

ARTHUR C. WRIGHT.

LOS ANGELES, CALIF., *March 5, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

We are among top 10 quantity home builders of United States. GI program was backbone of our business. Urge extension of program and increase of interest rate to prevent tremendous drop in number of homes built this year.

BOLLENBACHER & KELTON INC.

LA MESA, CALIF., *March 6, 1958.*
Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

We wholeheartedly endorse your proposal for the extension of the GI bill and increasing the interest rates we are wiring our Representatives and Senators from this area as well as the Senate Banking Committee giving our endorsement there are thousands of veterans in this area who have not yet purchased homes but who will be able to do within the next 2 years. The extension of this program will be good for San Diego and the Nation as a whole.

Respectfully,

HEATIZER HARRIS BUILDERS.
SAM C. HARRIS.
LEMON GROVE, CALIF.

LONG BEACH, CALIF., *March 6, 1958.*
Senator HOMER CAPEHART,
Washington, D. C.:

As one of the leaders in the building industry in southern California I know of no other single thing that would stimulate our economy more at the present time than the Government's approval of a GI interest rate increase. We sold over 1,200 homes last year and we feel that we could double that figure with the passage of this interest increase. Notwithstanding, but has appeared in the paper as to housing start sales at this time are practically at a standstill. The building industry needs this interest increase.

ROSSMOOR HOMES, ROSS W. CORTESE.
LONG BEACH, CALIF.

NEW YORK, N. Y.,
March 6, 1958.
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Imperative that home building industry and general economy be helped by the extension of the GI bill for World War II veterans for 2 years with an interest rate increase.

GEORGE M. PARDE, Jr.,
Regional Vice President for Southern California National Association for Home Builders.

RICHMOND, IND., *March 3, 1958.*
Senator HOMER CAPEHART,
United States Senate,
Washington, D. C.:

Association requests your influence to have World War II GI home-loan guaranty program extended, also adjust interest rates.

WAYNE COUNTY HOME BUILDERS ASSOCIATION
W. S. WOOLLEY, *Secretary.*

MOTHERS OF WORLD WAR II,
Redkey, Ind., February 28, 1958.

DEAR SENATOR CAPEHART: The bill to extend the GI housing loan law 2 years while providing interest rates to attract mortgage money you are introducing in the Senate meets with the approval of Mothers of World War II, Inc., unit 87. We are glad the 14 million eligible veterans of World War II and Korean war will get what they are justly entitled to.

Thanks so much for your support and we hope the bill will pass.

Very sincerely,

Mrs. ROSE SMITH,
Legislative Chairman.

MUNCIE, IND., *March 4, 1958.*
Senator HOMER E. CAPEHART,
Washington, D. C.:
Congratulations for your introduction of the bill to extend World War II home loans. We still have lots of inquiries from veterans about GI loans and feel sure we could sell many more homes if the GI bill is extended and interest rates adjusted to be attractive to the lender. We feel sure you will use your best efforts to obtain extension of this program. Thank you.
HALTEMAN HOMES, INC.,
JOSEPH S. HALTEMAN, *President.*

ANDERSON, IND., *March 3, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:
Local sentiment strongly in favor of extension of World War II GI home-loan guaranty program. Urgently recommend continuance past July 1957 and increased interest rates comparable to FHA rates to attract additional mortgage funds. GI construction at standstill since December 1957.
J. D. WEST,
Secretary, Anderson Home Builders Association.

FORT WAYNE, IND., *March 4, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:
As a home builder, realtor, prefabricator, and chairman of the Fort Wayne Home Builders Legislative Committee, I strongly endorse and recommend passage of S. 3336.
ROBERT J. ALLEN.

FORT WAYNE, IND., *March 4, 1958.*
Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.:
Please use every possible means to encourage extension of the World War II GI home-loan guaranty program. This program is vital to construction industry and to potential home buyers. We urgently request your attention.
LEBRATO HOMESITES, INC.

RICHMOND, IND., *March 3, 1958.*
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:
Appreciate your efforts on extension of GI bill under S. 3336. We as veterans as well as builders are behind you 100 percent.
J. E. DANNENBERG,
General Manager,
Modern Developments, Inc.

FORT WAYNE, IND., *March 4, 1958.*
Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.:
The World War II GI home-loan guaranty program is of major importance to the housing industry and to veterans. Your encouragement of this extension is extremely important and will be greatly appreciated.
STYLEMASTER HOMES, INC.

FORT WAYNE, IND., *March 4, 1958.*
Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.:
We urgently request that you give serious consideration to extension of World War II GI home-loan guaranty program. This would be invaluable both to home builders and prospective buyer. Your attention and consideration will be greatly appreciated.
LEBRATOR BROS., INC.

FORT WAYNE, IND., *March 4, 1958.*
Hon. HOMER CAPEHART,
United States Senate,
Washington, D. C.:
It is respectfully requested that you make every effort to insure extension of the World War II GI home-loan guaranty program. Such a program is of utmost importance to home buyers and builders of homes throughout the Nation. Your attention and support will be greatly appreciated.
HOMECRAFT DISTRIBUTING CO.

HAMMOND, IND., *February 28, 1958.*
Senator HOMER E. CAPEHART,
Washington, D. C.:
Urgently request your support in passage of extension of World War II GI home-loan guaranty program.
BALDWIN BUILDERS.

LOS ANGELES, CALIF., *March 6, 1958.*
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:
Being a builder of GI houses, I feel that an extension of the VA program is imperative in order to stimulate the company.
R. A. WATT CONSTRUCTION CO.
R. A. WATT.

HOME BUILDERS ASSOCIATION OF INDIANA, INC.,
Indianapolis, Ind., February 28, 1958.
HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.
DEAR SENATOR: We have received, with a great deal of satisfaction, the news of your introduction of a bill extending the GI loan program with a realistic approach to interest rates, which has been the biggest stumbling-block to the program in the last couple of years.

The veterans should have the additional time as the lack of funds for financing at the present rate has deprived them of the opportunity of exercising the privileges which Congress intended to convey. I do not believe that the individual veteran should be penalized for the shortsighted zeal with which he has been represented in Congress in the matter of interest rates.

We applaud your alertness to the situation and feel certain that the veteran will welcome this renewed opportunity to avail himself of the benefits of the GI program which are so soon to be permanently withdrawn.

Your proposal is also timely in that it will have a tremendous effect in helping the home-building industry to take the lead in rolling back the threat of economic recession, and we certainly can use such help in Indiana right now.

Cordially yours,
JOSEPH W. VAN BRIGGLE,
Executive Vice President.

Mr. MONRONEY. Mr. President, may I inquire as to the remaining time on both sides?

The PRESIDING OFFICER (Mr. BEALL in the chair). The Senator from Oklahoma has 23 minutes remaining, and the Senator from Indiana has 23 minutes remaining.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated March 6, 1958, addressed to the chairman of the committee [Mr. FULBRIGHT] from the AMVETS, which is another of our very great veterans' organizations. The letter protests the increase in interest rates.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMVETS NATIONAL HEADQUARTERS,
Washington, D. C., March 6, 1958.
Hon. J. W. FULBRIGHT,
Chairman, Banking and Currency Committee, United States Senate,
Washington, D. C.
DEAR SENATOR FULBRIGHT: We note with interest that your committee is considering legislation to extend the veterans' housing programs. In order that you may be apprised of the views of AMVETS, we would like to bring our position to your attention.

At our last national convention, AMVETS adopted a resolution, subsequently reaffirmed by our national executive committee, placing us firmly against raising the 4½ percent interest rate on GI mortgages. We believe there are other means of encouraging lenders to buy mortgages at this rate, and these methods should be tried before giving the cost-of-living index another boost. Also, there is no proof that an interest increase would have the desired effect of stimulating the veterans' housing programs, for this action has already been tried by the FHA with no great success.

At their last meeting, our national executive committee adopted a resolution stating "that legislation be enacted to the effect that those persons and institutions investing in GI loans at 4½ percent be permitted to receive the interest from these investments tax free thereby providing an incentive to invest funds in this program." They felt so strongly that this plan would be an overwhelming success that they included a restricting clause providing that "no more than 300,000 houses or units would be built or sold under this plan in any one year, funds for 50,000 of the 300,000 units to be made available in those sections of the country previously considered direct loan areas." This tax exemption would encourage private organizations to invest welfare, pension, and trust funds in the GI loan programs.

Another stimulant which we feel would be effective is the expansion and continuance of the Veterans' Administration direct loan program. We also recommend that conventional lending institutions have the right to purchase direct loan contracts from the VA at the established interest rate of 4½ percent.

And finally, both our national convention and national executive committee adopted resolutions emphatically urging the extension of the World War II housing loan program. Primarily because of the constantly rising cost of living, the recent period of tight money, and previous and current recessions, there are several million veterans who have not yet made use of their benefits under this law. Obviously these circumstances are not directly under the veteran's control, and should not deprive him of a basic right.

We sincerely urge you to report a bill that will incorporate these provisions.

Very truly yours,
JOHN R. HOLDEN,
National Legislative Director.

Mr. MONRONEY. Mr. President, I yield 10 minutes to my colleague, the distinguished junior Senator from Oregon, who is a cosponsor of the amendment.

Mr. NEUBERGER. Mr. President, I am privileged to be a cosponsor of the amendment offered by the able junior Senator from Oklahoma. The amendment is vital to the entire country, but it is particularly urgent as it concerns the region and the State which I represent, in part, in the Senate.

On November 16, 1957, the Oregonian, of Portland, which is the newspaper having the largest circulation in our State, declared editorially:

> The wood-products industry of the Northwest is a prime example of an industry depressed by a building slowdown caused by high interest and diminished credit.

I subscribe fully to that statement from the Oregonian. It summarizes and epitomizes what has happened in the Pacific Northwest.

As of February 1, 1958, these were the leading States in percentage of insured unemployment:

Montana, 13.3 percent.

Oregon, 12.3 percent.

Washington, 11.1 percent.

This demonstrates how the Pacific Northwest has suffered more than any other region in the Nation from the impact of high interest rates, and from the adverse effect of high interest rates on the housing and lumber industry.

The New York Times of January 6, 1958, in its authoritative National Economic Review, said that for the first time since 1940, during 1957 fewer than 1 million privately built dwelling units were started. About 975,000 units were started, which is still below the normal 1,093,000 private starts in 1956, and far less than the 1,352,000 private starts in the peak year of 1950.

High interest rates have cut down the great lumber industry, on which Oregon in particular, and the Pacific Northwest in general, are so reliant. For example, lumber production in the Douglas fir belt of the Northwest during December 1957 was 16.6 percent below the November level and an alarming 19.3 percent below December of 1956. This shows what has happened to our area's No. 1 industry. Furthermore, the Douglas fir realm is by far the major source of the Northwest's lumber production.

In Oregon, which is the foremost lumber-producing State in the Nation, there were 538 business failures in 1957, as compared with 282 business failures in 1956. This was an increase of almost 100 percent.

As evidence of what has happened to our lumber industry during the reign of tight money and high rates of interest, some 88 sawmills in southwestern Oregon closed down in the years 1956 and 1957.

I regret to say that I could continue to cite statistics indefinitely, if time were not limited, as to what has happened of an unfavorable economic nature to the Pacific Northwest in recent years. During every single year which the present national administration has been in office the per capita incomes of the people of Oregon have dropped with respect to the national average. This has been the result of high interest rates, of the slowdown in housing construction, and of the effect on Oregon's lumber industry.

About 75 percent of the lumber production of Oregon goes into housing. When residential housing construction is down, the production of lumber is down. When the production of lumber is down, Oregon is down. That is the reason I support the amendment offered by the Senator from Oklahoma. It seeks to lower interest rates so that more new housing starts may be undertaken throughout the Nation.

It is my understanding that about 5 years ago the total interest charge on a $5,000 home, financed with a standard FHA mortgage which ran for a period of 20 or 25 years, was approximately $10,400. Today, that interest charge will total approximately $15,600, or a sum greater than the cost of the house itself. In other words, the home buyer will pay more for the rental of the money than he will pay for all the labor, all the lumber, all the plywod, all the paint, all the bricks, all the lighting fixtures, and even the real property on which the house is built.

I should like to echo some words spoken in the Senate yesterday by the able senior Senator from California [Mr. KNOWLAND], when he called attention to the fact that only the San Francisco District of the Federal Reserve Board had not gone along with the lowering of the rediscount rate. I ask unanimous consent to have printed at this point in the RECORD a telegram which I have sent to Hon. William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve Board, urging that he use his influence to see to it that the San Francisco Federal Reserve District adhere to the national policy in lowering the rediscount rate. I do this especially because the Pacific Northwest is a part of the San Francisco district, and because the Pacific Northwest has suffered so cruelly and grimly as a result of high-interest rates and what that has done to residential construction.

I am pleased that the distinguished Senator from California, the minority leader, called this to our attention yesterday. It is my hope that the San Francisco District of the Federal Reserve Board will follow what is now the prevailing policy of the Federal Reserve Board, although it comes very belatedly, in bringing about a lowering of the rediscount rate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 12, 1958.*

Hon. WILLIAM MCCHESNEY MARTIN, JR.,
Chairman, Board of Governors,
Federal Reserve Board,
Washington, D. C.:

It is my understanding that Federal Reserve Bank of San Francisco is only district in Nation which has not followed lead of the Board of Governors of Federal Reserve in lowering rediscount rate. In view of fact that Pacific Northwest is under San Francisco district, I feel this policy highly unwise. Northwest is suffering from highest rate of insured unemployment in United States. Much of this stems from adverse impact of high interest rates on both residential and commercial construction, with resulting adverse effect on northwest lumber industry. Urge you and your fellow governors to use all possible influence to have San Francisco Federal Reserve District adhere to national policy of lowering rediscount rate to member banks. Kind regards.

DICK NEUBERGER,
United States Senator.

Mr. NEUBERGER. Mr. President, I realize that time is limited. I do not desire to presume upon the patience of my colleagues any further, except to summarize very briefly.

The Pacific Northwest, which formerly was one of the most prosperous areas in the entire Nation, today is in the grip of a depression. What is a recession elsewhere is a depression in the Northwest. I have cited the figures showing that even though there is very grave, disturbing unemployment in other States, the three major States of the Pacific Northwest, Oregon, Washington, and Montana, have the highest ratio of insured unemployment of any of the 48 States. This is an unenviable distinction. It stems from the depression in the lumber industry. What has happened in the lumber industry is the direct result of high rates of interest which make it prohibitive for average families to build or buy homes, because residential construction takes about 75 percent of the softwood saw timber which is produced in the Pacific Northwest.

Ever since I came to the Senate early in 1955, I have been trying to emphasize and stress to my colleagues the adverse effect of the economic policies of this administration on my State and my region. I have culled from the newsletters entitled "Washington Calling," which Mrs. Neuberger and I publish, some of the warnings that we have cited from time to time about what was happening in our State. I conclude this brief presentation in support of the amendment offered by the junior Senator from Oklahoma by asking unanimous consent that there be printed in the RECORD particular items contained in our news letters, which stress what has happened to the lumber industry and the economy of the Pacific Northwest, and how high interest rates, as well as the diminution of low-cost Federal power projects, have had a direct and very unfavorable result on economic conditions in the Pacific Northwest.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From Washington Calling of June 1955]

TAX REDUCTION AN ECONOMIC STIMULANT

(By Richard and Maurine Neuberger)

A great deal of self-serving talk is emanating from high places in the administration over recklessness of income tax cuts. A glance backward shows that on the eve of the 1954 elections, the ranking Republican member of the Senate Finance Committee himself proposed a $20 tax credit for each taxpayer. It wasn't as fair as the Democratic proposal made at this session, but it was along the same general lines. Republicans in the Senate favored the 1954 cut by a margin of 46 to 1, but there was then no charge of "irresponsibility" coming down from the administration.

There is ample reason for belief that the $20 tax cut, giving more take-home pay to every family, would benefit our economy. Average families would spend the money for such necessities as food, clothing, medical care, transportation, shelter, and a modest portion for recreation. This boost to consumption would stimulate the economy at a time when—as we in Oregon know from bitter experience—we do not have full em-

ployment and full use of the productive capacity of agriculture and industry.

[From Washington Calling of July 1955]

POWER RATES—OREGON'S FUTURE

(By Richard and Maurine Neuberger)

This was the page-one headline in America's leading daily newspaper, the New York Times, when the Hoover Commission submitted its report on water power and natural resources: "Hoover unit asks a rate increase in Federal power."

The headline points up the goal of the whole Republican attack on public power. That goal is the end of the low-cost power yardstick. When that goal is reached, Oregon can expect no more industries which use electric power for fuel. Our one great advantage in creating new payrolls will be forever at an end.

[From Washington Calling of August 1955]

BUBBLE ON THE BOOM?

(By Richard and Maurine Neuberger)

Times are good in most parts of the United States. This unquestionably helps the administration in office. A depression would help politically the party out of power, which is the Democratic Party. But we do not want a depression, of course. We are citizens first, Democrats second. No good American desires partisan advantage at the expense of his country.

That is why we are somewhat disturbed over a few of the manifestations of the boom. Commercial bank loans expanded by about $1 billion during the first half of the year. Real estate loans by commercial banks climbed a further $1.3 billion. Consumer debt in the United States has ascended to a new all-time high in our history of $31.6 billion. How high can the rocket soar? Are we overextended?

Even Secretary of the Treasury Humphrey has warned that "we believe at this time of great prosperity, all of us should exercise self-restraint in the use of public or private credit." Of course, the Secretary has not necessarily followed his own advice. I sat on the Public Works Committee while he urged upon us a highway bond issue which would have provided $11.5 billion in interest for banks, just to spend about $18.5 billion on roads.

We trust that the prosperity continues. We want the boom to go on. But we do not want the boom and bust of the Hoover era, and so we believe the danger signals should be watched carefully.

[From Washington Calling of May 1956]

IN DOLLARS AND CENTS

(By Richard and Maurine Neuberger)

City people read of the "farm depression" and think this is merely political oratory. Let's look at Fayette County, leading agricultural area in Ohio.

In 1953, the first year of the Eisenhower administration, the price of hogs was $21.65 per hundredweight. This dropped to $14.95 by 1955. The cash income of the county from hogs alone has dropped $2,640,000 per year since Eisenhower took office. Bank deposits in the county have not gone up during the time the Republicans have occupied the White House, although in nearby cities all bank figures are up enormously.

The New York Times reports that the leading attorney in Fayette County recently made out the income-tax returns for 73 farmers. "Only 11 of them had made enough money in 1955 to pay any income tax—and this in a county which is first in income per farm in the State," it added.

[From Washington Calling of October 1956]

HOW MUCH PROSPERITY FOR OREGON?

(By Richard and Maurine Neuberger)

In 1952 average per capita incomes of Americans stood at $1,727 annually. That in Oregon was $1,824, or nearly $100 higher than the national average.

In 1956, average per capita incomes of Americans stand at $1,915. That in Oregon is now $1,905, or $10 less than the national average.

This, in a nutshell, summarizes what has happened to Oregon economically in recent years. On December 31, 1952, each person in Oregon enjoyed an annual income $97 above the national level; now, as the year 1956 draws to an end, the annual income for each person in Oregon is $10 less than the national average.

When we consider that per capita income is averaged for every man, woman and child, this is a staggering loss in Oregon's wealth. It amounts to $107 multiplied by the 1,620,000 inhabitants in our State.

Between 1952 and 1956, per capita incomes in the country as a whole rose 10.9 percent, but in Oregon they rose a mere 4.4 percent—hardly enough to offset the simultaneous rise in the cost of living under the Eisenhower administration. We failed to keep pace. Neighboring California, by contrast, was just about even with the national rate: 10.2 percent upward.

Of course, Oregon relies preponderantly for prosperity and progress on timber, agriculture and expansion of our hydroelectric power system, all of which are greatly affected by Federal policies and legislation.

[From Washington Calling of March 1957]

HOW TO REVIVE OREGON'S ECONOMY

(By Richard and Maurine Neuberger)

Many letters come through the mail asking for our specific proposals as to how to halt the decline in Oregon incomes. This is the program which we presented through the columns of the Oregonian 3 months ago:

1. Revive the low-cost Federal hydroelectric-power system.

2. Repeal the 3 percent government tax on freight shipments.

3. Prevent monopolization of Federal timber stumpage by a few big absentee companies.

4. End the "hard-money" policy which chokes off credit, housing and lumber sales.

5. Promote Federal aid to schools, to help alleviate the financial crisis in Oregon educational support.

There are other ideas, of course, but these are some which seem the most feasible and practical.

[From Washington Calling of April 1957]

BEHIND THE CUTBACK IN LUMBER

(By Richard and Maurine Neuberger)

Numerous Oregon communities are feeling painfully the slowdown in lumber orders. Behind this looms the curtailment in housing. And behind the housing curtailment is the Eisenhower administration. Read this column by John G. Forrest, business editor of a famous pro-Eisenhower paper, the New York Times:

"The administration did take a small step toward reducing spending. Housing appropriations will be cut by one-third, or $200 million. Home building is already in somewhat of a slump. The spring season has gotten off to its poorest start in 8 years. The Labor Department has reported that new building starts had fallen to an annual rate of 910,000 homes. This is the first time in 5 years that starts have dropped below 1 million a year. Moreover, the prospect for reversal of the trend is far from encouraging.

"The National Association of Home Builders blames the housing lag on tight money. And there are no indications yet that the Federal Reserve plans to lighten its money-market restraints."

[From Washington Calling of July 1957]

OREGON'S URGENT NEED: PAYROLLS AND JOBS

(By Richard and Maurine Neuberger)

My mail, my personal contacts with people from home, the statistics cascading across my desk—all demonstrate one thing: Oregon desperately requires year-round payrolls for an economic revival.

That is why I have introduced an amendment to the Bonneville preference clause to make possible a higher priority for industrial uses of power. My amendment would assure the Oregon State Power Agency (if created by the voters next year) of low-cost energy on a preference basis, which could be offered to attract industrial customers to Oregon. Another objective stated in my amendment is to maintain fair geographic distribution of Columbia River kilowatts. This would enable Oregon to compete for manufacturing power loads with States which might otherwise receive a disproportionately large share of BPA power.

Of course, the success of any such proposal is dependent upon an adequate power supply. We must try to recover from the 3-year delay caused at John Day Dam by the ill-fated partnership scheme. We must try to recover from the administration's abandonment of the high dam at Hells Canyon. We must try to recover from the inability to reach an agreement with Canada for beneficial storage on the upper Columbia. One group of politically and selfishly motivated people caused all this loss of precious time.

Power for industry is my purpose. If given a choice, I believe it is less important to use low-cost kilowatts for roasting turkeys and lighting TV sets than it is to use them for jobs, so that Oregon families can buy turkeys and TV sets. When a great ceremony was held recently to herald the coming of St. Lawrence Seaway power to the major industrial State of this Nation, Robert Moses, of the New York Power Authority, said that it is "the primary function of power to attract industry and that, in the truest sense, is the way to benefit the family as the individual consumer."

[From Washington Calling of September 1957]

WHY HARD MONEY IS A HARD POLICY

(By Richard and Maurine Neuberger)

Many of our readers ask why high interest rates are so burdensome. An example will explain vividly why the economic policies of this administration prove adverse for the average family.

The cost of borrowing $15,000 at 5 percent interest, on a typical home mortgage, is $8,760! Thus the home buyer pays a total of $23,760—yet only 64 percent of his money goes for lumber or bricks or labor or plastering or light fixtures or the lot on which the dwelling stands. More than 36 percent of his total expenditure has been the fee paid for the advance use of $15,000. That is why every hike in the prevailing rate of interest saddles the home buying family with higher costs, just like the old man of the sea weighed down the shoulders of poor Sinbad the Sailor.

[From Washington Calling of January 1958]

WHAT'S HAPPENING TO OREGON?

(By Richard and Maurine Neuberger)

The condition of a State's unemployment reserves tells a good deal about a State's payrolls and economic health. Here is what

has been happening to the reserve funds in the Oregon State Unemployment Compensation Commission treasury since the White House changed hands 5 years ago:

	Million
1952	$76.9
1953	72.8
1954	61.2
1955	55.8
1956	53.9
1957	46.1

What lies ahead?

[From Washington Calling of February 1958]

THE TRUTH ABOUT OREGON'S RECESSION

(By Richard and Maurine Neuberger)

Several Oregon bankers and business leaders, more interested in politics than in business, have tried to make partisan capital out of the current unemployment crisis. Happily, not all bankers are in this sorry category. These are the opening paragraphs in a story in the Oregon Statesman of January 8:

"A slowdown in home construction in the United States caused mainly by tight money was blamed yesterday for bringing on Oregon's economic slump. H. M. Phillips, vice president and investment director of the First National Bank of Portland, spoke to members of Salem Kiwanis Club on Oregon—Today and Tomorrow.

" 'Home construction accounts for three-quarters of Oregon's lumber output and less construction means less lumber sold,' he said. 'National fiscal policy, as expressed by the Federal Reserve System, and the high debt level have tightened credit and made home financing more difficult and more unattractive to investors,' he said."

We congratulate Mr. H. M. Phillips upon being one Oregon banker who has the candor to talk economics instead of politics, in analyzing what has happened to our State.

[From Washington Calling of February 1958]

GOVERNOR MILLS AND HIGH INTEREST RATES

(By Richard and Maurine Neuberger)

When former Portland banker Abbot L. Mills came up for reappointment to the Federal Reserve Board, I felt I should ask him about the disastrous impact of tight money on the economy of the State where both he and I were born and raised. After all, Mr. Mills is the only person from the Western district of the Federal Reserve System among the Governors of the Board, and it is in this district where much of the economic misery has been concentrated. In December, Oregon topped the Nation in its unemployment rate, Montana was next and Washington State third.

Because Governor Mills is a member of the Board's committee specializing in economic growth and stability, I asked him if he thought the high interest rates decreed by the Board had contributed to the growth and stability of Oregon. Governor Mills conceded that our home State was suffering from adverse conditions, but he said he was on the Board as a national member and not from any one region. He also defended the Board's tight-money program as essential to controlling inflation.

However, Senator DOUGLAS, of Illinois, and PROXMIRE, of Wisconsin, emphasized to Governor Mills that inflation had not been controlled. They cited the fact that prices had continued to soar during the regime of high interest rates, and that the price rise actually had been the steepest in our peacetime history. Although not entirely satisfied with some of Governor Mills' replies, I made no effort to block his confirmation by the Senate because I regard him as a man of integrity and good character. I think the weapon of rejecting a nominee should not be used recklessly or indiscriminately.

Yet high interest rates are not to be taken with indifference. Of every $1 which each of us will pay in Federal taxes this year, 11 cents will go to meet interest on the national debt. You have heard President Eisenhower and his advisors complaining about sums spent on veterans' benefits, on social-welfare programs, on farm bounties. Yet the Treasury's interest bill is $2.9 billion more than that expended for veterans' welfare, $3.3 billion more than the cost of all farm programs, and over double the budgeted sums for all labor and welfare programs, even including those on medical research and the country's health. Interest cost on the national debt has risen $1.2 billion since 1953. Thus, a smaller part of each tax dollar goes to pay for actual Government service; a larger part to those who lend money to the Government through bonds and notes. That's what tight money means to taxpayers—less service, higher cost.

[From Washington Calling of January 13, 1957]

AS ANOTHER YEAR DAWNS FOR THE UNITED STATES OF AMERICA

(By Richard and Maurine Neuberger)

These are some of the fundamental issues which must be faced by the administration and Congress during 1958:

1. How to restore the prestige and influence of the United States throughout the world.

2. How to bring back full employment in the United States and particularly in the Pacific Northwest, the hardest-hit region of all economically.

3. How to make available to American schools and colleges some fair and reasonable measure of financial assistance and encouragement from the Federal Government.

4. How to prevent the waste and dissipation of America's natural resources, now taking place at a fearful rate.

5. How to strengthen social security so that men and women in their later years are liberated from constant financial pressure, especially with respect to hospital bills.

6. How to plug such tax loopholes as the 27½ percent depletion allowance, by which vast oil empires are allowed to pay a lower rate of taxation than the humblest wage earner.

7. How to end the Republican-fostered imbalance in our economy, under which farm income has dropped 17 percent during the past 5 years while banking profits have soared nearly 26 percent.

8. How to bring about full granting of civil rights for our colored citizens in all 48 States of the Union.

9. How to extend reciprocal trade, which is one of the best hopes for continued existence of a Free World alliance—an alliance now torn by many stresses and strains.

10. How to provide more Government support for basic medical research, which might lead to an answer to the terrible riddle of cancer and other grim diseases plaguing the human race all over the globe.

The second session of the 85th Congress will not begin to solve all these pressing problems; nor will the Eisenhower administration, which has demonstrated an alarming lack of leadership and vision. But if even a start is made in the right direction, there will be some hope for the future.

[From Washington Calling of November 25, 1957]

WHO KILLED COCK ROBIN?

(By Richard and Maurine Neuberger)

On November 16, when the GOP administration at last moved reluctantly to relax slightly the pinch of tight money, the Oregonian declared editorially: "The wood products industry of the Northwest is a prime example of an industry depressed by a building slowdown caused by high interest and diminished credit."

Of course, the Oregonian is 100 percent correct in this statement. And is this not exactly and precisely what we have been contending in Washington Calling over the past 2½ years? Yet how many local Republican politicians in Oregon have been filling the press and the air with cries that the lumber recession was due not to tight money but to Oregon's need for a sales tax?

Perhaps the flat statement by the Oregonian that high interest and diminished credit are at the root of lumber's difficulties may finally silence these people. After all, northern California and Washington State have shared in the lumber adversity, and they are areas which have been under sales-tax systems for a long time.

This is not to claim that Oregon's present State tax system is perfect—far from it. But it is not the tax system which has our State flat on its back economically today. It is (1) tight money and (2) no more low-cost Bonneville power. And both policies stem straight from the GOP national administration and no place else.

[From Washington Calling of January 20, 1958]

THE GRIM ECONOMIC DECLINE IN OREGON

(By Richard and Maurine Neuberger)

As Maurine and I traveled through Oregon this fall, we knew we were residents of a State in crisis. We talked with families out of work, with county officials worrying about rising welfare costs, with lumber operators who had shut their mills, with retailers unable to move their merchandise, with phone-company executives preoccupied with ripping out present connections rather than installing new ones.

And, everywhere, people asked us: "Why has this happened?"

Oregon, alas, is virtually a one-industry State. That industry is lumber. It relies mainly on housing to sell its product. When housing is up, lumber is up—and vice versa. Today housing is down. The tight-money policy of the present administration has choked it. When Mr. Truman left the White House, the prevailing total interest bill on a $15,000 home was $10,400; now it is $15,616 or more than the actual cost of the dwelling itself.

On January 6 the New York Times published its authoritative National Economic Review, awaited eagerly by business leaders throughout the world. Here is what it said of the year 1957: "For the first time since 1940, fewer than 1 million privately built dwelling units were started. About 975,000 starts were recorded, well below the 1,093,000 private starts in 1956 and the 1,352,000 private starts in the peak year of 1950."

Oregon has been hardest hit of Pacific seaboard States because it is most dependent on lumber. But not Oregon alone is caught, despite the shabby effort of some Portland bankers and realtors to make a political issue of their fellow citizens' economic distress. The Times headline in the National Economic Review ran: "West Coast Stumbles After a Long Advance—Aircraft Suffer—Northwest Injured by Lumber Cutback."

Mr. NEUBERGER. I thank my distinguished friend from Oklahoma for yielding me the time to make these brief remarks in support of his amendment.

Mr. MONRONEY. I thank the distinguished Senator from Oregon for his very clear portrayal of what the tight money policy has done to one of the great areas of the Nation.

Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from Oklahoma has 15 minutes.

Mr. MONRONEY. I yield 10 minutes to the distinguished junior Senator from Pennsylvania.

Mr. CLARK. Mr. President, no one could have heard the debate on the amendment of the distinguished Senator from Oklahoma during the course of the day without being not only instructed, but also entertained. It is rare that such undiluted partisanship has flowed across the aisle, at least in my brief tenure as a Senator.

Mr. President, I address myself to the purpose of the amendment, and shall discuss whether, if it be adopted, it will result in the building of more or fewer houses for veterans. I am confident that my good friends on the opposite side of the aisle are just as much interested in having more houses built as a result of the bill as I am as my colleagues on this side of the aisle are. There can be no partisanship about that.

I think the fact that the bill was reported to the Senate with such strong support on both sides of the aisle, with respect to almost all its features, indicates that the Senate as a whole is quite prepared to rise above partisanship in connection with the proposed legislation.

Very briefly, I shall state why, in my judgment, the adoption of the amendment sponsored by the Senator from Oklahoma will result in the building of more houses at an earlier time than if the amendment shall be defeated. I think we can all agree—at least, I hope we can—that in the United States we do not have a free money market, but an administered money market. The Federal Reserve Board was established for the specific purpose of administering the money market in the interest of the overall economy. I, for one, have no strong criticism of the Federal Reserve Board, or its distinguished Chairman, Mr. Martin, who I think, on the whole, has done an excellent job.

But there is another phase of the administration of the money market. Because of the large accumulations of capital which are controlled by small groups of individuals and corporations—as in the steel industry and in the automobile industry—there can be a long lag between a diminution of demand and a decrease in prices. So, in the money market, too, particularly in the mortgage money market, a similar situation will occur.

Mr. President, I believe we have only to look at the record to see that the interest rate has come down in the most extraordinary and rapid way.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "Treasury Bills Sold at 1.532 Percent Yield, Up From Last Week's Rate," which was published in the Wall Street Journal on yesterday. I also ask unanimous consent to have printed at this point in the RECORD a table showing the interest rate on Treasury bills during the last 5 months.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

BOND MARKETS—TREASURY BILLS SOLD AT 1.532-PERCENT YIELD, UP FROM LAST WEEK'S RATE

WASHINGTON.—The Treasury's short-term borrowing costs for the second week in a row edged up from their 3-year low.

The latest issue of 91-day bills was sold for a price equivalent to an average yield of 1.532 percent. Last week, a similar issue drew a rate of 1.351 percent, which was up from the 3-year low of 1.202 percent announced February 24.

Department experts saw nothing unusual in the rise. They noted corporations are getting ready to pay their taxes, due March 15, and apparently did not buy many bills this week.

Accepted bids on the latest issue ranged from a high of 99.660 (1.345 percent), to a low of 99.609 (1.547 percent), and an average price of 996.613 (1.532 percent). Of the amount bid for at the low price, 3 percent was accepted, the Treasury said.

Applications for the issue aggregated $2,436,867,000. The Treasury accepted $1,700,377,000, including $312,155,000 offered on a noncompetitive basis and accepted in full at the average price.

These bills are dated March 13, and mature June 12.

Interest rate—3-month Treasury bills

	Percent
1956:	
October	3.591
November	3.337
December	3.102
1957:	
January	2.598
February	1.812
Current	1.532

Source: Council of Economic Advisers.

Mr. CLARK. Mr. President, this table reveals that the interest rate on Treasury bills declined from a high in October of 3.591 to a rate, this week, of 1.532 percent. This is the most precipitous decline in interest rates in the history of the Nation.

Comparably, Mr. President, the rate of yield of United States Government taxable bonds, on high-grade municipals, on corporate AAA bonds, on corporate BBB bonds has also declined. But the mortgage market is lagging behind, and it is doing so because a relatively small number of mortgage lenders are able to hold up the interest rate long after the general money market has loosened.

Now we come to the key question in this debate: Will holding the VA housing interest rate at 4½ percent help break the logjam, the capital strike in the mortgage market, and thereby bring down the interest rates on mortgages quicker; or, as my friends, the Senator from Connecticut and the Senator from Indiana, contend, will the result be that no mortgages at all will be sold, because the interest rate will be too low?

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am glad to yield.

Mr. MONRONEY. Does what the Senator from Pennsylvania has said illustrate the wisdom of the theory of throwing the baby off the sleigh, to the wolves? Or if the baby is thrown to the wolves, will the result merely be that the wolves will return, all the hungrier?

Mr. CLARK. Certainly the latter is the case; and I thank the Senator from Oklahoma for his contribution to the debate.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am glad to yield.

Mr. PROXMIRE. Mr. President, the point made by the Senator from Pennsylvania is the key point or question in the debate.

The members of the minority have ignored the point that time is all important in connection with keeping down the interest rates.

In that connection, I shall refer to testimony which was taken last week.

John C. Williamson, director of the National Association of Real Estate Boards, stated—page 89—that—

Realtors throughout the United States are reporting a marked easing of the residential mortgage market for FHA insured mortgages.

Mr. Robert E. Scott, president of the R. E. Scott Mortgage Co., reported—page 90:

Savings and commercial banks, life companies, savings and loans and mortgage companies all competing aggressively for mortgage loans on residential properties in New Jersey. Supply of money substantially exceeds demand as result, interest rates on conventional loans discounts on FHA–VA loans have been steadily dropping for 3 months.

Mr. Danie Brown, of Alberquerque, N. Mex., reported:

Residential mortgage money completely adequate in this area.

Mr. George J. Pipe, of Detroit, Mich., stated:

Investment funds here are seeking mortgage loans.

Others in other sections of the country report the same easing of the mortgage market. Surely now would be a poor time to raise interest rates.

I should also like to point out that the Administrator of FNMA, Mr. Baughman, said:

Under our secondary market operations, since the market has changed in the last few months—in fact, within the last 4 or 5 weeks—we are now selling mortgages. At the present time we have approximately $70 million under contract for sale.

The point is that within a few more weeks the interest rate will come down, unless the Senate acts to peg the interest rate and keep it high.

Mr. CLARK. I thank the Senator from Wisconsin.

Mr. President, I should like to add a reference to an article entitled "New 3 Percent Treasury Bonds To Raise $1,250,000,000 Oversubscribed Fivefold," which was published in the Wall Street Journal of March 5, 1958. I ask unanimous consent to have the article printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW 3 PERCENT TREASURY BONDS TO RAISE $1,250,000,000 OVERSUBSCRIBED FIVEFOLD

WASHINGTON.—The Treasury's offer of a new 3-percent bond to raise $1,250,000,000 in cash was oversubscribed by more than five times, the Department reported.

Subscriptions for the 8-year, 5½-month bond totaled $6,715,000,000, according to reports thus far from Federal Reserve banks.

Treasury officials were pleased with the outcome of the financing. Earlier, the Department said it expected the bond to be particularly attractive to banks. Officials said the preliminary figures on the results indicated that roughly half of the subscriptions came from banks.

The bond was offered publicly last Friday, the day after a one-half percentage point cut in Federal Reserve member bank reserve requirements took effect for the biggest banks. The Federal Reserve Board, in announcing the cut in the percentage of their demand deposits banks would be required to keep on reserve, said this move would free some $500 million directly, which would be a potential increase of $3 billion in the bank's lending power as the released reserve dollars made their way through the banking system.

One requirement in the offering, put in to curb possible speculation, was that nonbank subscribers put on deposit 15 percent of their subscriptions. Treasury officials said it was too early to tell for sure, but believed this helped curb any speculation in the issue.

The Treasury announced a 20-percent allotment on subscriptions in excess of $10,000 with subscriptions for $10,000 or less to be allotted in full. Subscriptions for more than $10,000 will be allotted not less than that amount.

In addition to the amount allotted to the public, the Department said, $100 million of the bonds will be allotted to Government investment accounts. Full details of the allotments and subscriptions will be announced when final reports are received from the banks, the Treasury said.

The Department is expected to go into the money market again next month for a substantial amount of cash, perhaps $3 billion to $4 billion.

Mr. CLARK. Mr. President, what does the article mean? It means that at a 3 percent rate of interest, those who had $6,715,000,000 of private funds were ready to buy Federal bonds at 3 percent. But only $1,250,000,000 of them were expected to be sold. In other words, the issue was oversubscribed fivefold. Thus, at the 3 percent rate of today, the private money market had ready for investment $5,465,000,000 more than had been anticipated.

Again I point out that the question may be one of judgment. However, my judgment causes me to believe that in view of all the money in the market, seeking investment, and with the FNMA selling its mortgages so quickly, adequate mortgage money is available, and that it will be available at the present rate of interest; and soon the termination of discount controls, which this bill requires—which I regret—will result in a little flexibility to tide us over for a few weeks, if that is needed.

One of the best reasons for supporting the amendment of the Senator from Oklahoma is that it will get into the market more loans and better loans than would be the case if the interest rate were increased or raised.

For that reason—not because of any philosophical position as to whether the Republicans were correct in regard to the tight-money, high-interest-rate issue, but because I believe that if the interest rate is pegged where it is today, more houses will be built for the people who need them, whereas fewer houses would be built if the interest rates were increased in the way our Republican friends would like to see them increase—I shall support the amendment of the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I yield 2 minutes to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I am going to discuss a subject of special interest to my State—the housing industry. In my request last night and again now I join my colleague [Mr. NEUBERGER] in opposition to increased interest rates. The health of Oregon's economy depends to a great extent upon the vitality of home construction. When housing is in a slump, as it has been for the past several years, Oregon is in a slump.

The housing industry is to Oregon what the automobile industry is to Michigan, what the steel industry is to Pennsylvania, and what the citrus fruit industry is to Florida.

A sick housing industry not only affects these families in Oregon who wish to buy a home, but it affects most all Oregon citizens as well, due to the major role that the lumber industry plays in our State's economy.

I do not have to tell the people of Oregon how serious the present situation is. Our State is suffering more than most. It was bad enough when we had to cope with a sagging housing industry, but now that it is coupled with the sharp downturn in the whole economy, the position of Oregon is made even worse.

The Labor Department reports that last year private housing starts totaled less than 1 million for the first time since 1949. This was a drop of 10 percent from 1956 and a drop of 24 percent from 1955. Within 2 years, in other words, private housing starts fell from 1,300,000 to 990,000. Is it any wonder that the economy of our State has suffered so greatly?

The question naturally comes to mind of why there should be such a drastic decline in home construction. There are millions of families who want and need homes. The population is steadily rising. Many large families have outgrown their present dwellings. And yet, fewer and fewer homes are being built.

The answer is really quite simple. It can be given in two words—"tight money." I have spoken to you many times these last 5 years on the dangers to the economy in the tight-money policies of this administration. As long ago as February of 1953, only a few days after it took office, I spoke out against its announced fiscal policies because they were designed to make credit harder to obtain and to raise interest rates. I warned then that such policies were not in the best interest of the country and that their ultimate effect would be to hold back its economic growth. And that is just what has happened.

The tight-money policies have jeopardized small business by making it ever more difficult for independent businessmen to obtain the credit they need to grow. They have given big business even a greater advantage over small competitors. This has been reflected in record profits for big business at a time when small business has seen its profits shrink. Tight money has resulted in the largest rate of business failures in 18 years. And no segment of business has been harder hit by tight money than the home-construction industry.

As a result of these policies, the interest payments of business, consumers, home buyers, and local, State, and Federal Government have increased by $11 billions in 5 years' time—an increase of 58 percent.

And who has benefited? The bankers, of course. This past year bank profits after taxes totaled $1,169,000,000. No wonder the bankers support this administration. It has given them a 41-percent rise in profits in 5 years, and that is not bad by anyone's standards.

With interest rates soaring, the banks and other lending institutions lost interest in making housing loans. FHA and GI home loans fell off sharply as interest rates rose to new heights. There were too many other more profitable places to invest money at higher rates of return. As a result, hundreds of thousands of American families of modest means simply could not obtain GI and FHA home loans. Unless a family could make a downpayment of several thousands of dollars, it could not even obtain a conventional loan. This meant that many potential buyers had to give up their dream of a new home. In the past 2 years, FHA home loans have fallen by 39 percent and GI loans by 67 percent. Is it any wonder that the housing industry is in trouble?

But despite the chaos in the housing industry and the national disgrace of not having a construction program to meet the growing needs of our people, what did the administration offer as a solution? It offered just what the bankers wanted—higher interest rates. This was the administration's answer to the housing crisis. Remove the interest-rate ceiling on GI loans so that money lenders can charge veterans a higher rate of interest; raise the interest rates on FHA loans for military, rental, and cooperative housing; and kill the GI loan program, despite the fact that some 9 million veterans have not yet used their GI benefits. That was the administration proposal.

I call it interest-rate leapfrog. It is a very neat trick to further line the pockets of financial institutions. But it is not the right answer—either economically or morally—to provide decent housing for the American people.

This housing bill is vital to the construction industry of our country. It is a housing bill designed to build an additional 200,000 private homes this very year. I would like to describe briefly the provisions of this housing bill.

First, the Senate bill overrides the objections of the administration, and extends GI mortgage guaranty and direct-loan program for another 2 years.

I strongly favored this extension, as the GI home-loan program has been a main bulwark of the housing industry.

The Senate bill also reduces the down-payment requirements on FHA-backed home loans. It provides an extra $300 million for direct loans to veterans and $50 million for military housing. It creates in the Federal National Mortgage Association a new special assistance fund of $1 billion to buy FHA- and GI-backed mortgages which will release additional private funds for making FHA and GI loans.

This housing bill will put new life into the housing industry. It will be a shot in the arm for our State's economy and for the lumber industry, in particular. As would be expected, the administration opposed the bill on the ground that we do not need it. Another example of its stand-pat thinking.

I am joining with the able Senator from Oklahoma [Mr. MONRONEY], and with several other Senators in opposing a section of the bill as reported out of committee which would raise GI interest rates from 4½ to 4¾ percent, and also raise from 4 to 4½ percent the interest rate on FHA-insured and Government-guaranteed mortgages on military housing. It is my position that at the very time when interest rates are finally dropping, it would be inexcusable for the Senate to boost them again and thereby hand over to the moneylenders additional millions in interest from veterans and military personnel. Raising interest rates would simply mean that more of a veteran's monthly mortgage payments would go for interest and less into the house itself. Perhaps he would buy a smaller house, or none at all.

There are over 9 million World War II veterans who have not yet exercised their entitlement to obtain a home through the medium of VA home mortgage financing. If only 2 million of them exercise their right, the committee bill would extract an additional $600 million in interest costs alone from these veterans. That is why I oppose increasing interest rates.

Amazing as it may seem, a rise in the interest rate of only one-fourth percent on an average-sized GI mortgage that is paid off in the average time of 12½ years means an additional $300 in interest payments alone. So when we talk about one-fourth percent rise in interest rates we are not talking about pennies or about peanuts. This is the reason why the administration is so insistent on boosting the GI interest rates. It knows what this means in cold, hard cash to its loyal banker allies who will reap the benefits.

In conclusion, I want to say again that this housing measure is a major step to end the recession. And in particular, for our State of Oregon it will serve as a prompt boost to the construction industry and to our lumber industry.

It is but the first of many steps which Congress must take to end the recession that has resulted from the administration's sorry fiscal and monetary policies. It is quite apparent that the administration itself is not going to take the kind of bold and imaginative action needed to stem the business decline. The administration has had its chance to act and has not done so. Congress must not sit by and wait for the President to act. Americans cannot afford at this crucial time in history to suffer another depression.

Mr. President, I hope the Monroney amendment will be agreed to, and that the Senate will keep faith with the GI's and the military personnel, because I believe that any increase in the interest rates at this time of spreading depression would be unjustified.

Mr. MONRONEY. I deeply appreciate the splendid speech made by the Senator from Oregon, and I also appreciate the speech he made last night. He has done much to help us in our effort.

Mr. President, I yield the remainder of my time, which is 3 minutes, to the Senator from Wisconsin, who is also a cosponsor of the amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 minutes.

Mr. PROXMIRE. Mr. President, I should like to point out that one of the greatest puzzles for the American people these days is how in the world prices can be rising when unemployment is increasing and profits are dropping off. Action by the committee providing for an increase in interest rates, it seems to me, provides a large part of the answer.

The action of the committee will result in an increased cost of $730 on a $13,500 mortgage, over a 30-year period. That money will have to come out of the pocket of a veteran and go into the pocket of a moneylender. It will not contribute to bolstering the economy at all. It will increase prices without putting people to work. In fact, in doing so, it will discourage employment and increase unemployment.

I simply say, in conclusion, that the Senator from Utah [Mr. BENNETT] made an excellent statement on the bill. He discussed the issues in the bill. I think it should be made clear to the Senate, however, that there is involved a matter of timing, as the Senator from Oklahoma pointed out. As he indicated on the charts, interest rates have dropped more in the last few weeks than at any other time in history, and it is true that VA rates are bound to follow. It makes no sense for the Senate at this time, of all times, to increase interest rates.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. BUSH. Mr. President, I have already expressed myself on the bill at some length. My good friends, both Senators from Oklahoma, have given us an opportunity to develop our views; but I wish to make a few remarks on my own time.

I oppose very strongly the amendment offered by the distinguished junior Senator from Oklahoma. I oppose it for various reasons, but particularly because I think it carries with it the danger of an inflationary potential.

In the bill as reported by the committee there is created an opportunity to provide veterans and other citizens with housing, to stimulate the economy, and to create jobs by the building of homes, all by the use of private funds, the owners of which, as the Senator from Utah [Mr. BENNETT] said, are ready, willing, and able to have them used in this field.

The Monroney amendment, in contrast, may well force an outlay of public funds, running up to $2 billion, because the Monroney amendment provides a pipeline for $2 billion from the Treasury of the United States.

We are very much concerned about unemployment. We are considering many steps to create jobs. However, in attempts to combat unemployment, we must be careful not to create a dangerous, runaway inflationary situation, for which measures such as the Monroney amendment certainly will provide fuel.

The amendment seeks to strike out a section of the bill which resulted from a compromise sponsored by the distinguished Senator from Virginia [Mr. ROBERTSON]. I should like to quote what the Senator from Virginia had to say about the danger of inflation before the Committee on Banking and Currency, and I now read from page 23 of the hearings on the bill:

> I will not say who is trying to get to bat first to relieve this recession, but I remember the race between the *Robert E. Lee* and the *Whippoorwill*. The *Whippoorwill*, you remember, blew up.
>
> And the widow of the fireman of the *Whippoorwill* called her seven children together and said, "Children, one thing sure; your next daddy is going to be a railroad man."
>
> What blew the *Whippoorwill* up was too much fat pine put under the boilers, and it just could not take the steam pressure.
>
> All of us want to do something about this recession because unemployment, much of it seasonal, is reaching serious proportions, 4.5 million. Everybody has some fat pine to put under the boiler.
>
> We are going to put $2 billion of fat pine in the defense program; the revenue is going to be $2 billion less than anticipated. That is $4 billion right there. This bill will add $2 billion of borrowing power for FNMA against the Treasury. There is $6 billion. The morning paper says that Republican leaders say that a tax-cut bill is inevitable, and all estimates are that it will not be less than $5 billion. That is $11 billion of fat pine going to be put under the boiler.
>
> I say: Let us do something about it, but let us not blow the boiler up.

In opposing the Monroney amendment I think we are taking steps to keep the boiler from blowing up, as well as steps to help provide veterans with housing, and in that way create jobs in the housing industry and in the manufacturing industries which supply that field.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. KNOWLAND. Mr. President, I yield 5 additional minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, the bill reported by the committee does not increase interest rates. It merely raises an artificially low ceiling placed on VA loan rates, a ceiling which has dried

up funds and prevented thousands of veterans from taking advantage of this program.

That is why the American Legion supports a loosening of interest rates. That is why it is for the committee bill and is opposed to the Monroney amendment. The bill would permit greater flexibility in rates, and allow interest rates to drop when funds are plentiful and to rise moderately as mortgage money becomes scarcer.

It has been argued that the 4½-percent rate on VA loans should remain unchanged because interest rates are now declining. The fact is that interest rates on mortgages lag behind other interest rates.

If it is desired that more houses be built and that more jobs be created, the committee bill should be supported, and the Monroney amendment should be rejected.

I think the issue is very simple: Do we want to invite our savings institutions and private enterprise to continue to support the VA mortgage program and expand loans for that program or do we want to force taxpayers to pay for it by having the United States Treasury bear the cost, which I believe would be the effect of the Monroney amendment?

Mr. President, in closing I may say that my friends on the other side of the aisle have made a great point about the question of interest rates, and have taken a great many slaps at the administration and at the Federal Reserve Board. I repeat my challenge. If they are sincere in a desire to do something about the matter, the way to do it is to introduce a bill to amend the Federal Reserve Act. If they really mean business they can do that. If they come forward with that kind of a proposal, I predict they will receive a very cold reception.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. The time allotted to the Senator from Oklahoma has expired.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Oklahoma 1 minute on the bill.

Mr. MONRONEY. In answer to the statement of the distinguished Senator from Connecticut that the American Legion has come out in favor of higher interest rates for GI housing, I am sure the Senator is aware that the Veterans of Foreign Wars and the AMVETS have come out against an interest-rate increase.

I should like to say there is no pipeline into the United States Treasury on an FNMA operation. It is the most secure investment one can make when one buys mortgages insured by the Federal Government.

I say to Senators that any idea this bill will not raise interest rates is a complete fallacy and wishful thinking, because every time we grant the right to raise interest rates they are raised. The bill as reported would increase the rates by one-half of 1 percent, or would provide a 16 percent increase in the interest on Capehart housing, which is as secure as a Government bond. It would increase the rate on GI housing, so that the total increase over the period of the 30 years of the anticipated sales would be $775 million, simply because we are so afraid that the private lenders will not buy mortgages, which they were buying at the old rate.

Mr. President, I ask Senators to support the amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN J. DEMPSEY, late a Representative from the State of New Mexico, and transmitted the resolutions of the House thereon.

ACCELERATION OF CIVIL CONSTRUCTION PROGRAMS

Mr. JOHNSON of Texas. Mr. President, earlier in the day we entered into an agreement to call up for consideration at any time during the debate Senate Concurrent Resolution 68. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate Concurrent Resolution 68.

The PRESIDING OFFICER (Mr. CLARK in the chair). The concurrent resolution will be read by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Con. Res. 68) favoring the acceleration of civil construction programs for which appropriations have been made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Public Works with amendments, on page 1, line 2, after the word "substantial", to strike out "and growing"; in line 3, after the word "since", to strike out "many" and insert "some"; in line 4, after the word "are", to strike out "either"; in line 5, after the word "idle", to strike out "or" and insert "and many are", and in the same line, after the word "partially", to strike out "occupied" and insert "utilized"; at the beginning of line 6, to strike out "there is a clear danger involved in"; in line 7, after the word "unchecked", to strike out "until it becomes unmanageable and unresponsive to even a maximum effort" and insert "makes it less responsive"; on page 2, line 1, after the word "to", to strike out "take"; and after line 13, to insert:

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

So as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That since there is substantial unemployment in many areas of the country; since some of the productive facilities of our economy are idle and many are only partially utilized; since permitting an economic downturn to continue unchecked makes it less responsive to corrective action; and since there are many authorized and urgently needed civil construction projects for which substantial appropriations have already been made;

It is hereby declared to be the sense of the Congress that all such construction programs for which funds have been appropriated should be accelerated to the greatest practicable extent so as to achieve the desirable objectives of reducing unemployment, putting our productive facilities to fuller use, and moving forward the date of completion of these projects which will contribute greatly to enhanced national productivity and continued economic growth and prosperity.

The Congress commends the President and the executive agencies for such action as they have taken to accelerate these programs.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time for consideration of Senate Concurrent Resolution 68 and all amendments thereto be limited to 10 minutes for each side, to be controlled by the minority leader and majority leader, respectively.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. What is the subject matter?

Mr. JOHNSON of Texas. The concurrent resolution, submitted by the Senator from Texas and other Senators, which has now been considered and reported by the Committee on Public Works, and relates to an acceleration of civil construction programs for which appropriations have been made.

Mr. President, I yield myself 5 minutes.

Mr. President, the resolution before us today represents the first step in an urgently needed program of action.

These are serious days for America. The headlines shriek the news of 5,200,000 American working men and women who are jobless.

We are not here to indulge in academic debate as to the future of our economy. Neither dark forebodings nor rosy forecasts will put people to work.

The need of the hour is action—and action is precisely what we hope to accomplish with this resolution.

This resolution would express the feeling of Congress that it will support the administration in speeding up to the greatest extent practicable the civil works projects which have already been authorized and for which funds have been appropriated.

There is a companion resolution which I hope will be before us later this week. It expresses the same Congressional intent with regard to military construction projects.

Mr. President, this resolution comes before us with solid and substantial backing.

It bears the names of 66 Senators.

It expresses a philosophy which has been well stated in a report of the Joint Congressional Economic Committee.

The President has already acted to accelerate some projects.

I believe we should make it clear that, as far as we are concerned, he will have

our backing in using the fullest resources of his office to combat the specter of unemployment.

We all recognize that this resolution is only the beginning of a beginning. There is some $4 billion that could be covered by this resolution, and about $3.1 billion in the companion resolution.

These are the unexpended balances from appropriations for civil and military construction as of January 1, 1958.

But even though it is only a beginning, we must start somewhere. We cannot remain indifferent to the shocking news that came to us yesterday.

This resolution does not involve 1 cent of new money or one comma of new authority. It merely says that we will take the projects which we have already approved, and for which we have already provided money, and urge that the projects be constructed a little sooner and the money spent a little faster.

At this point, we do not know just how many of the projects can be accelerated. I have been informed that the Army Engineers could spend an extra $150 million by October 1 out of the $1 billion of the appropriation that they control.

This would mean jobs for 35,000 people. That might not appear to make a serious dent in the 5,200,000 unemployed. But it will make an important difference to 35,000 American men and women who otherwise must depend on unemployment funds—and perhaps even relief—for food, clothing, and shelter. But that example of 35,000 can be multiplied a number of times.

Furthermore, it would mean orders for steel, orders for cement, and orders for all the materials that go into construction. And one of the greatest pockets of unemployment is in the steel industry.

Mr. President, I would like to point out that not only is it good humanity to accelerate these projects at this time, it is good economic sense. This point was made—and well made—by the report of our Joint Economic Committee issued on February 27. The committee said:

> Outlays for development of the Nation's water resources, including navigation and flood control, water and soil conservation and reclamation command a high priority. These programs have great merit in the present circumstances, both for the immediate employment opportunities they create and because of their contribution to long-run economic development. Similarly, expanded grants to accelerate the Federal-aid highway program, stepped-up urban renewal programs, programs for needed public buildings such as post offices, the revision of present public and private housing programs to meet the accumulated backlog and demands of our expanding population, and a higher level of participation by the Federal Government for additions to the Nation's school and health plant would stimulate economic activity and contribute to long-run growth.

We are proceeding as rapidly as we can to consider new legislation which would create jobs. Before this session has ended, there will be a housing bill, a road bill, and, I hope, a public works agency to engage in some long-term planning and to be ready to go into action in the event the situation becomes worse.

I do not think that the situation will become worse. I think that Congress and the Executive will cooperate to put our people back on payrolls for productive work.

But even though I do not expect my house to burn down, I carry an insurance policy on it. And I count the cost of the premium as money well spent.

Mr. President, it is time that we face up to the situation and make the decisions that must be made. Five million two hundred thousand men and women unemployed is not just a figure. It is a human tragedy to which we cannot be indifferent.

We have to meet the problem in all of its aspects. We must act as soon as we can to open up new channels of credit for small business so it can survive. We must act as quickly as we can to give our farmers some assurance that they will not be driven to the wall.

I hope and anticipate that we will have action on agriculture this week. I hope and anticipate that we will hold early hearings on small-business credit and act as quickly as possible.

There have been some who have suggested a tax cut as an antirecession remedy. The suggestion will, of course, receive the serious consideration of serious men.

I have not come to any conclusion on this question. I do not consider this a time in which we should be bound by hard and fast theories nor should we say that one form of action rules out another.

There is only one worthwhile objective which should be firmly before us. It is to put 5,200,000 men and women back to work.

These working men and women must now depend on unemployment compensation. To this they have contributed out of their wages in more fortunate days.

But they are rapidly exhausting their benefits. The fund—unless it is to become a charity proposition—cannot stand the drain indefinitely.

And when unemployment compensation is exhausted, proud and upright American citizens must depend upon sources of income to which they have made no contribution.

Mr. President, Americans do not want something for nothing. America is a Nation that has achieved strength because its people are willing and eager to work.

The projects in this bill would add to the total wealth of America. We lose nothing by speeding up the dates upon which they will be ready. But we gain something very important and very vital—increased self-respect by Americans who want to work.

Mr. President, this resolution forthrightly commends the President of the United States for the action he has taken already. It may be that in the days that lie ahead he will want to take even more action. He should not have to hesitate to determine the Congressional will. It should be made apparent now and I hope that my colleagues on both sides of the aisle will embrace this resolution, support it, and send it to the House for concurrence.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my previous statement on the concurrent resolution, a letter which I wrote to Secretary of Defense Neil H. McElroy on February 19, in which I recommended that he consider "the immediate adoption of a policy of accelerating the completion dates of each authorized construction project in the military establishment located in areas where there is substantial unemployment." I also ask unanimous consent to have printed at this point in the RECORD the reply I received to that letter, the reply being dated March 6. It was delivered to me on March 7. The letter is signed by Donald A. Quarles, Deputy Secretary of Defense. In the letter Mr. Quarles makes the following significant statement:

> I wish to thank you for your recent suggestion that this Department accelerate the completion dates of authorized construction projects located in areas where there is substantial unemployment.
>
> Of course, our overriding aim in management of the defense program must be to do those things that will contribute the most to our national security. Nevertheless, we are fully alert to the economic implications of the program. In this regard, it is significant that the rate of contract placement for major procurement and construction during the last 6 months of the current fiscal year will be more than 50 percent greater than the comparable rate during the first 6 months of the fiscal year.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 19, 1958.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D. C.

MY DEAR MR. SECRETARY: Upon reflection and study, I have reached the conclusion that it is possible to accomplish two very desirable results by a single action within the capabilities of the Department of Defense. The present economic recession has temporarily idled many of our country's workers and much of its resources.

I should like to recommend for your consideration the immediate adoption of a policy of accelerating the completion dates of each authorized construction project in the Military Establishment located in areas where there is substantial unemployment. I hope that this suggestion can receive your immediate consideration and I shall be very pleased to discuss it with you and to receive your reactions and comments at any time.

Sincerely,

LYNDON B. JOHNSON.

THE SECRETARY OF DEFENSE,
Washington, March 6, 1958.

Hon. LYNDON B. JOHNSON,
United States Senate.

DEAR SENATOR JOHNSON: I wish to thank you for your recent suggestion that this Department accelerate the completion dates of authorized construction projects located in areas where there is substantial unemployment.

Of course, our overriding aim in management of the defense program must be to do those things that will contribute the most to our national security. Nevertheless, we are fully alert to the economic implications of the program. In this regard, it is significant that the rate of contract placement for major procurement and construction during the last 6 months of the current fiscal year will be more than 50 percent greater than the comparable rate during the first 6 months of the fiscal year. This substantial increase

during the months ahead will unquestionably provide a desirable impetus to the economy. Moreover, the effect of this increase will extend beyond the end of the current fiscal year, as defense contractors translate the increase in their order backlogs into procurement from their own subcontractors and suppliers and into employment of labor.

With reference to your specific suggestion, we have checked our construction program and find that there are approximately $450 million of projects currently authorized and funded which will involve construction within the labor-market radius of cities that have been designated as areas of substantial labor surplus by the Department of Labor. Construction of these projects is being initiated as expeditiously as possible. We are also exploring the feasibility of accelerating construction projects already under way in labor surplus areas without increasing the total cost to the Government.

Sincerely yours,

DONALD A. QUARLES, *Deputy.*

Mr. JOHNSON of Texas. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD, immediately following my previous remarks, a letter which I wrote to the Director of the Bureau of the Budget, the Honorable Percival F. Brundage, on August 30, 1957, and the reply he made to that letter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 30, 1957.

Hon. PERCIVAL F. BRUNDAGE,
Director, Bureau of the Budget,
Washington, D. C.

DEAR MR. BRUNDAGE: I am deeply concerned about the practice of the Bureau of the Budget of controlling, through the apportionment procedure, the expenditure of funds appropriated by the Congress.

Prior to passage of the public-works appropriation bill this year, the Public Works Subcommittee of the Senate Appropriations Committee heard 1,132 witnesses in 40 sessions. The committee reported a bill that passed the Senate with only one dissenting vote. The bill thus may be conservatively said to represent the will of the Congress.

Yet a letter over your signature to the Secretary of the Army, under date of June 28, 1957, suggests that a portion of the funds appropriated by the Congress for construction projects by the Corps of Army Engineers will be placed in budgetary reserve by the Bureau of the Budget.

The Congress has consistently refused to grant the President the item veto of appropriation bills. The item veto has never been granted to the Bureau of the Budget. But in the implementation of your letter, referred to above, the Chief of Engineers has ordered delays in starting new contracts wherever possible, and requests for apportionment are to be held to 75 percent of available funds or accompanied by a list of deferrable items that will bring the request down to the level of 75 percent.

I request a report from you as to the authority by which such action, overriding the will of Congress, is taken.

I request that in the report you cite the source of the power you have assumed to postpone beyond a year a project for which the first step was being taken.

Sincerely yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., September 10, 1958.

Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR JOHNSON: This is in response to your letter of August 30, 1957, in which you state that you are deeply concerned about the practice of the Bureau of the Budget controlling, through the apportionment procedure, the expenditure of funds appropriated by the Congress. You state that my letter of June 28, 1957, to the Secretary of the Army suggests that a portion of the funds appropriated for construction projects of the Corps of Engineers will be placed in budgetary reserve by the Bureau of the Budget, and you request a report as to the authority by which such action is taken.

At the outset, I want to make it clear that my letter of June 28 did not relate to the function of the Director of the Bureau of the Budget to make apportionments and establish budgetary reserves. As the letter plainly states, its purpose was to convey to the agency head the instructions of the President with regard to action to be taken by the agency head. The opening sentences of the letter read as follows:

"The President has requested that all agencies in the executive branch keep the rates of commitments, obligations, and expenditures for fiscal year 1958 at or below the level for the fiscal year 1957, to the extent feasible, and that I inform you of the necessary procedures for achieving this purpose. This task can best be accomplished by positive action on the part of each agency head. The apportionment and allotment system offers an existing administrative channel for each agency head to accomplish these purposes. * * *"

The fiscal situation is such that careful management will be required—particularly during the next few months before heavier tax receipts can be expected—to keep Government borrowings within the statutory limitation on the national debt. It was for this reason that the President directed the issuance of the instructions which were transmitted to the Secretary of the Army by my letter of June 28, 1957, and similar instructions which I conveyed to the heads of other major agencies by other letters of the same date.

As you know, the appropriations to the Corps of Engineers referred to in your letter are available until expended—that is, amounts which are appropriated for 1 fiscal year but not obligated or expended in that fiscal year remain available for obligation and expenditure in subsequent fiscal years for the purpose for which they were appropriated. These are lump sum appropriations providing for many individual projects, and substantial unobligated balances are carried forward each year from the preceding fiscal year, due to inability to initiate construction on approved projects, slippages in progress of construction, completion of projects at a lower cost than originally estimated, and so forth. For example, the unobligated balance on July 1, 1957, in the appropriation "Construction, general, Corps of Engineers," is reported by the corps as being in excess of $2 million.

The apportionment requests for the Corps of Engineers have been received only recently and we have not yet completed their analysis. However, the President's instructions contemplate that some projects might be deferred until later in the fiscal year 1958, others might be deferred until the fiscal year 1959, and others might not be prosecuted as rapidly as might otherwise have been the case. This does not represent a determination that these projects should not ultimately be carried out as contemplated by the appropriation act; it simply means that they will be prosecuted only as rapidly as is permitted by a proper regard for the Government's overall fiscal situation.

I am aware, of course, that the item veto has not been granted to the Bureau of the Budget, as your letter points out. Nor has it been granted to the President. I am sure you will agree, however, that the President should not permit operations under these or other appropriations to continue at full speed without regard to the effect of such action upon the Government's ability to keep borrowings within the statutory limitation of the national debt.

Under the provisions of the Antideficiency Act (sec. 3679 of the Revised Statutes, as amended), I am required to apportion all appropriations granted without fiscal year limitation—such as those referred to in your letter—so as "to achieve the most effective and economical use thereof." I am authorized to establish reserves "to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available." In considering the requests submitted by the agency for apportionment of the appropriations for the Corps of Engineers I shall, of course, be guided by these provisions.

Sincerely yours,

PERCIVAL F. BRUNDAGE, *Director.*

Mr. STENNIS subsequently said: Mr. President, without causing alarm, we must face the fact that a serious economic situation confronts our Nation today.

Any time more than 5.1 million people who are both able and willing to work are unable to find jobs in the United States, the situation is serious. This has not caused panic, and it should not, but it has brought forth positive, constructive proposals for increasing job opportunities in a number of badly needed public works projects by advancing earlier schedules for completion.

Something must be done now to offset what can be a snowballing downward trend in production, employment, and income.

We want no leaf-raking or other make-work program. I feel strongly that this is the time to accelerate work on many necessary and economical public works projects presently authorized by law, and which have been recommended for years by responsible agencies for completion. Approval has been given on the bases of need, merit, and ultimate national benefit, but they have been delayed thus far because of the lack of necessary funds. Where money is necessary to get these constructive and useful projects moving, I advocate the necessary appropriations and spending.

The situation facing our Nation has been presented largely from the urban, industrial point of view. In my State, during February, there has been an increase of 27 percent in the ranks of the unemployed nonagricultural workers over the figure for the same month of 1956, and an increase of 14 percent over that for February of last year. The situation is growing steadily worse.

There is another side of this picture which is of equal importance and concern. This includes the agricultural problems and those attendant on an agricultural economy. By starting many local projects and providing some type of employment for people in as many different areas of the country as possible, the farm community may be able to hold on until a new long-range positive agricultural program has been designed to solve many farm problems.

The farm economy situation is serious. In my own State of Mississippi, private farm income derived from crops dropped from $425 million in 1956 to $270 million

in 1957—a drop of 36 percent in 1 year—Soil Bank payments for the same period amounted to only $17 million.

Total Mississippi private farm income decreased from $591 million in 1956 to $450 million in 1957. This is a drop in income of over 23 percent.

Present conditions require that immediate steps be taken to put men to work on needed public-works projects until the readjustment of farm economy and other factors in America improve the opportunities for private employment.

Typical projects which from personal knowledge I feel could be advocated for special treatment in my section at this time are:

First. Public buildings: Both Federal office buildings and post offices are authorized under existing law and the number of projects undertaken depends mainly on the leadership of the administration and the willingness of Congress to appropriate necessary funds—or authorize long-term lease-purchase agreements. It is in this specific area, where projects have been approved for years but passed over because of the lack of funds, that the great bulk of the activity in a new Federal program could be readily undertaken. In the area of public buildings, it would be highly desirable if the administration would follow a course of geographical uniformity in giving the green light to these projects. Every State needs modern Federal buildings and post offices.

Second. Roads: Where the States are ready, work should rapidly proceed to modernize our highways. In pushing this program to relieve our clogged arterial routes, we should not ignore the need for an adequate secondary and farm to market road system. Our highways and local road systems generally have not kept pace with modern traffic needs and further delay is both unnecessary and costly.

Third. Flood control: Flood-control work in the Mississippi River Valley is of paramount importance to the local economy, welfare, and protection of the people who face the greatest dangers of inundation from rampaging spring floods.

The Army Engineers, working with the levee boards and other local interests, have made great progress in developing a constructive and effective flood-control program. However, the growth of our agricultural and industrial economy has been so rapid in the Mississippi River Valley area that an expanded program and a more rapid rate of progress are most desirable. Specifically, in Mississippi more work is needed on the following projects affecting the Mississippi River and its tributaries:

(a) On the main stem: Mississippi River levees, bank-stabilization program, Memphis Harbor project, Vicksburg Harbor project, and the Old River control.

(b) Off the main stem in the Yazoo Basin: The lower auxiliary channel project, Yazoo tributary projects, and the Big Sunflower River control project.

In the same area work needs to be done on the Tombigbee River channel project.

All these projects should be pushed at the maximum economic rate if our water and land resources are to be fully utilized.

Fourth. Hill-Burton Act—hospital program: This vital program which has meant so much to the health and welfare of all our people is actually scheduled to expire this year. It must be continued; it should be greatly strengthened. We cannot ignore the need for adequate hospital facilities so vital to many communities. My efforts in the Appropriations Committee have, for the last 6 years, been directed to making adequate funds available for this necessary and humanitarian program.

Fifth. National Guard armories: The Department of Defense has given top priority to the construction of five National Guard armories in Mississippi for fiscal year 1958. I am urging the Department of Defense to approve early construction and make funds available for these facilities at the earliest possible date, and that this program be expanded so that badly needed National Guard facilities will be available in future years.

Sixth. The airport program: Along with the growing need for more adequate highways and local roads is the parallel and equally important need for adequate airport facilities to meet the requirements of modern commercial aviation. Expanding industry throughout the South makes adequate air transportation urgent.

Seventh. Military construction: As chairman of the Real Estate Subcommittee of the Senate Armed Services Committee, I am urging the military departments to speed up work on projects in progress and to begin work on those approved. I have been following closely the progress on projects under construction in my State, and feel that there have been unnecessary delays in the past which I hope will not be repeated in the future. Adequate funds are available for these programs, so there is little excuse for prolonged delay.

Eighth. Natchez Trace Parkway: This project was authorized in 1933 and actual work was undertaken in 1935. For 23 years it has been held to a slow pace by limited appropriations. By increasing available funds, this beautiful historic and necessary parkway could be brought to early completion and use. I am urging that construction work be speeded up on this long-standing and highly desirable undertaking.

Ninth. Tennessee-Tombigbee Waterway: This much needed inland navigation facility would provide a closer and good slack water route between the Tennessee River and the gulf. Navigation tonnage on the Tennessee River has been steadily increasing, and this new channel would provide a great stimulus to industry not only in the immediate Tennessee Valley but also in all points directly affected by the waterway. Beneficial results would flow to the whole southeastern section of our country. The latest report of the Corps of Engineers on expected benefits and feasibility of the projects is expected by June 30 of this year. The Rivers and Harbors Act of 1946 authorized the Tennessee-Tombigbee Waterway, but Congress has not appropriated necessary funds.

The waterway will make a lasting contribution to the southern economy, and I strongly believe that this project is fully justified, as I did when I urged our Appropriations Committee in 1956 to include $160,000 needed for the resurvey of the project, which is presently being concluded.

These programs certainly cannot be criticized as leaf-raking programs. Each of them will result in permanent and much needed improvements, will provide lasting benefits to the communities and the Nation. If they are carried into effect early enough, they can make some future leaf-raking program unnecessary.

I urge the administration to furnish the leadership for an extensive public works program of this type and put it in operation before the economic recession has gained such speed that it cannot be checked. An ounce of prevention is worth a pound of cure, and now is the time for prevention.

Mr. JOHNSON of Texas. Mr. President, I ask that the yeas and nays be ordered on the concurrent resolution now pending.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The pending business before the Senate is S. Con. Res. 68. The Senate is operating under a unanimous-consent agreement which allots 10 minutes for each side, of which the majority leader has used 5 minutes.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. KNOWLAND. Mr. President, I yield to myself 1 or 2 minutes.

Mr. President, I shall support Senate Concurrent Resolution 68 in the form in which it has been reported to the Senate.

In the situation which is confronting the country I believe that both the executive branch of the Government and the legislative branch have an obligation to work together in trying to find a solution for the common problems which affect the Nation. As in a time of national emergency or in a time of war we do not divide on narrow partisan lines, in times of economic stress I think we should look at the problem from the standpoint of what is best for America and not what is best for a partisan political interest.

It is in this spirit that I believe the committee, by an overwhelming vote on the part of the membership of both parties, has reported the concurrent resolution to the Senate; and on that basis I shall support it.

I now yield 8 minutes to the Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, I defer to the chairman of the committee [Mr. CHAVEZ].

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, yesterday, the Senate Public Works Committee reported Senate Concurrent Resolution

68. This resolution which was introduced by the majority leader is designed to encourage the use of funds which have been appropriated in accelerating construction work or other type of work which will provide useful employment and which will reduce the unemployment in our country.

There are in excess of 5 million men and women in our country who are unemployed today. Many of our industrial and manufacturing plants are idle or are only operating on a part-time schedule. The steel industry is operating at about half capacity. Railroads are reducing their operations. Mining, lumbering, and many other industries are operating on reduced schedules.

The Congress has always been ready and willing to take prompt and proper action in granting authority and making appropriations to meet critical situations. However, after such appropriations are made it is up to the executive branch to put the programs into action.

There is a large backlog of authorized projects available. There is also a large amount of appropriations available which the Public Works Committee believes should be used to accelerate the programs which will result in prompt employment of many people. The resolution requires no additional authority; however, it does admonish and urge the executive branch to release funds and to proceed with all vigor in carrying out works which will help to relieve the unemployment in this great Nation of ours.

So concerned was the subcommittee about this subject matter that, as stated by the Senator from California, the subcommittee unanimously reported to the full committee day before yesterday. Yesterday, March 11, the full committee reported the concurrent resolution to the Senate. The committee action was completed within 2 days after the subcommittee started to work.

I feel that not only the subcommittee, but the full committee, realized the seriousness of the situation, and hence acted promptly.

I wish to thank not only the members of the subcommittee, but the members of the full committee for their fine cooperation.

Mr. KNOWLAND. Mr. President, I yield 8 minutes to the Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, I yield 1 minute to the Senator from West Virginia [Mr. REVERCOMB].

Mr. REVERCOMB. Mr. President, I shall heartily support the concurrent resolution, as I did when it was first submitted to the Senate.

I think the concurrent resolution declares very clearly the purpose of the Congress in proceeding as promptly as possible with the works for which appropriations have already been made.

Furthermore, I think the concurrent resolution shows a great sense of fairness in commending the President for the action which was taken even before the submission of the concurrent resolution.

Personally, I know that steps have been taken to release appropriated moneys for the purposes for which they were appropriated.

So I come here today to join my colleagues in adopting the concurrent resolution declaring it to be the purpose of the Congress to proceed in this important field.

Mr. CASE of South Dakota. Mr. President, as has been indicated, the Senate Committee on Public Works acted promptly upon the concurrent resolution which was referred to it. It was submitted by its author, the distinguished majority leader [Mr. JOHNSON of Texas], and his statement was largely supported by a table which listed the civil public works and the military construction, and gave a summary of the unexpended and unobligated balances.

Inasmuch as it has been impossible to have the hearings printed by this time, and since only one or two copies are available, I ask unanimous consent that the table which was submitted by the Senator from Texas at the conclusion of his statement be incorporated in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Civil public works and military construction—Summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative	$143,738,427	$131,048,157
Independent offices	1,857,688,383	918,264,892
Agriculture	67,422,385	47,304,522
Commerce	449,946,000	267,473,000
Defense:		
Military	3,188,600,000	2,071,360,000
Civil	376,359,698	200,698,428
Health, Education, and Welfare	613,706,939	262,996,441
Interior	305,674,935	198,755,956
Justice	1,930,252	1,066,212
Post Office	32,073,569	6,871,619
State	77,700,000	23,200,000
Treasury	2,976,576	2,238,627
District of Columbia	46,418,100	46,418,100
Total	7,164,324,264	4,237,695,354

Mr. CASE of South Dakota. An examination of the tables submitted as the hearings developed yesterday indicated that there was some misunderstanding about the so-called backlog of projects. There was a total of approximately $7 billion worth of military and civil works projects with respect to which appropriations had not been expended as of the last of December 1957, the end of the first half of this fiscal year. However, of that amount $3 billion had been obligated, so that the unobligated figure for both civil and military projects combined totaled $4 billion.

Of the $4 billion figure of unobligated money, about half was military and half civil works, or approximately $2 billion for each.

Of that half, a considerable part classed as civil works projects did not consist of projects within the purview of the Public Works Committee. Let me illustrate: Tennessee Valley Authority, $23 million; St. Lawrence Seaway, $34 million; Smithsonian, $34 million; legislative branch of the Government, $131 million.

Of the $131 million, $40 million was for the expansion of the Capitol; $84 million was for the additional House Office Building; $2.8 million for the new power plant for the Capitol, and $3.7 million for the new Senate Office Building, or a total of $131 million for the legislative branch, which was proceeding without any action by the executive branch of the Government.

The figure for the Civil Aeronautics Authority was $200 million; and the Department of Health, Education, and Welfare had a large portion of the money. Approximately $750 million, or 10 percent of the total of $7 billion, consisted of loan funds of the Department of Health, Education, and Welfare, of which $613 million was for loans to college housing authorities. A substantial portion of that sum had been obligated. The rate of expenditure of that money is controlled by the college housing authorities themselves, and not by the Government.

Next we considered the agencies with which the Public Works Committee dealt. The largest of those was the Corps of Engineers. General Itschner testified that in the latter part of January of this year he was advised that the reserve, or the expenditure ceiling, would be lifted so far as the Corps of Engineers was concerned.

On the 28th of February he sent word to some of those in the field, and all the funds for the civil works of the Corps of Engineers were released from reserve on March 3, which was Monday of last week, several days before the concurrent resolution we are now considering was submitted to the Senate.

That was the largest single item before the committee. All the funds of the Corps of Engineers were taken out of reserve before the concurrent resolution came to the Senate.

The Corps of Engineers expects to spend this year about $700 million, which will be the largest amount of money the Corps of Engineers has ever expended. We understand that a supplementary request will be submitted for $125 million additional appropriations for the Engineers. That is for the fiscal year 1959.

So the expenditure for 1959 will go up proportionately, and the expenditure for 1960 and 1961 will be higher; but all of them will be well above the ceiling for maximum expenditures by the Corps of Engineers for any previous year.

The committee then proceeded to consider other agencies, such as the soil conservation projects of the Soil Conservation Service; the Forest Service; and the Bureau of Reclamation.

The only funds we found to be still in reserve and not released, were some small funds in the Bureau of Reclamation with respect to which Mr. Dominy testified. He said they were in reserve because repayment contracts had not been worked out on the projects. There was also about $2 million more in the National Park Service. In that case a reserve was being held because of some local conditions. For instance, plans had not been approved for some hospitals in the Indian Service.

Actually the committee was unable to find any sizable amount which was still held in reserve.

Why was there an expenditure ceiling?

Mr. Merriam, of the Bureau of the Budget, testified that on the 27th of June of last year, when it was apparent that Congress was not going to raise the debt ceiling, a letter was addressed to the heads of agencies, asking them to try to hold expenditures within the level of expenditures in the fiscal year then ending, fiscal year 1957. This was necessary because the Treasury did not have the elbow room it needed to handle large expenditures in excess of revenue coming in, and the Treasury did not have any borrowing room. In the fall, Mr. Merriam testified, the Treasury situation was so close that at one time the Treasury had only $350 million below the debt ceiling. Had there been a snow storm, or if the inflowing revenue to the Federal Treasury had been delayed as much as 2 days, the debt ceiling would have been exceeded. That is why we had a debt ceiling and an expenditure ceiling during the fall. We had an expenditure ceiling because, the debt ceiling was not raised.

With the anticipation that in this Congress the debt ceiling would be raised, word was sent to the agencies that the expenditure ceiling would be lifted. That is why in January and February of this year they were able to release the funds. Consequently, the committee very properly, I think, on reviewing the whole matter, decided that the resolution should be appropriately amended, and it was amended to make it a little more direct, and also to commend the President and the executive agencies for the action they had taken in releasing these funds.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from South Dakota has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Dakota may proceed for an additional 2 minutes.

Mr. COTTON. Mr. President, reserving the right to object to the unanimous consent request, I merely wish to say that as a member of the committee who opposed the resolution in the committee, I regret that because I was faithful in serving on the committee in dealing with the so-called Gore bill, I was not on the floor, and by not being on the floor I was deprived of the opportunity of stating my reasons for opposing the resolution. Having been deprived of the privilege by the unanimous consent agreement which was entered in my absence, because of my service on the committee, and having been unable to obtain the floor on my own time, I merely wish to say that at some future time, after the vote has been taken, I shall express myself more fully and frankly as to my reasons for opposing the resolution than I had intended to do had I been given the time to do so at this time. I do not object to the unanimous consent request of the Senator from South Dakota.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? Without objection, the Senator from South Dakota may proceed for an additional 2 minutes.

Mr. CASE of South Dakota. In conclusion, I should like to say that I regard the resolution as having served a very useful purpose. It has spotlighted the funds available for obligation. It has brought out the steps which have been taken to remove the roadblocks in the way of spending the funds which Congress had appropriated. The author of the resolution was very emphatic in pointing out to the committee that the resolution dealt with funds already appropriated.

As one illustration of roadblocks which we found had been removed, in the consideration of small watershed balances, the official testifying for the Department of Agriculture said that S. J. Res. 148, which the Senate passed some time ago, prescribing methods of speeding up small watershed projects, had been used and had been helpful in clearing the way for these projects to go ahead.

I also believe that the Forest Service, the General Services Administration, the National Park Service, the Indian Bureau, the Corps of Engineers, all understand now that it is the desire of Congress that they go forward and commit their funds in the days remaining so that the expenditures will achieve the maximum beneficial results in putting people to work.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Oklahoma.

Mr. KERR. I wish to congratulate the Senator from South Dakota on his statement to the effect that in his judgment the resolution has focused the attention of the country, of Congress, and of the executive branch of the Government and its agencies upon the need for acceleration in the expenditure of moneys heretofore appropriated by Congress, which funds have been in part held in reserve under a prudent fiscal policy, and detained on the journey from the Congress to the implementation of the construction projects authorized. I wish to congratulate the minority leader upon his visit to the White House, which brought forth the President's letter of last Saturday, in which he says:

> In recent press conferences I have stressed the point that in the current economic situation, certain kinds of governmental measures, including the acceleration of planned and needed public improvements, can be useful in promoting increased growth of the economy.

Members of the committee who heard a great number of witnesses were impressed by the fact that the Budget Bureau had been holding in reserve substantial sums of money appropriated by Congress, arranging it so that they were not available for expenditure under the authorizations and appropriations for the construction projects.

The resolution is not a crash program. It is not deficit spending. Neither is it meaningless. It represents action. That is what the country needs. That is what the people demand.

I was happy to hear from the Director of the Budget that in the past few weeks, and, indeed, last week, reserves had been released and were being released, to the point where, when he came before the committee, it was evident that practically all the reserves accumulated by administrative action had been released.

I am happy to have a part in commending the President and the executive agencies for such action as they have taken to accelerate these programs. I am happy that the resolution not only commends them for such action as they have taken, but also will be inspirational to them, leading to their taking further and more substantial action.

The PRESIDING OFFICER. All time allotted on the resolution has expired.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that an additional 20 minutes be allotted for the discussion, 10 minutes to each side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quroum, and I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is operating under a unanimous-consent agreement to consider Senate Concurrent Resolution 68. By unanimous consent, an additional 20 minutes has been allotted for further discussion, half the time to be controlled by the majority leader, and half by the minority leader.

Mr. KNOWLAND. Mr. President, I yield to the distinguished senior Senator from Pennsylvania [Mr. MARTIN], the ranking minority member of the Committee on Public Works.

Mr. MARTIN of Pennsylvania. Mr. President, I have always favored public works programs during periods of recession. However, we should consider projects which will create as many man-hours of work as can possibly be provided.

I favor the concurrent resolution. As it is now framed, it is highly commendatory of the executive branch of the Government.

The letter of the President, dated last Saturday, discloses that the executive department has a very clear understanding of the situation which confronts the Nation. None of us wants to see out of employment anyone who desires to work. However, we must not forget that the number of people who are becoming employable is increasing by more than 900,000 each year. So the number now unemployed is not at a dangerous level. That does not mean that this is not a good time to construct public works.

Congress should consider the matter of reducing taxes with great caution, because the program of public works will be not only for the moment, but for future years. The work now contemplated by the resolution applies to the future. For that reason, it must not be dangerous to the general economy.

All of us, Democrats and Republicans alike, should remember that during the past few years productivity in the United

States has not kept pace with the increased cost of wages. This is a serious matter. What made America the great economic nation of the world, the country upon which the other nations of the world, economically speaking, are now leaning, was the productivity of the individual American under the free-enterprise system.

I shall vote for the concurrent resolution; but let us bear in mind that we should not engage in the construction of projects which will not be of permanent value to the United States. The building of roads and post offices, the improvement of rivers and harbors, and projects of that kind, will add to the economic assets of the Nation.

I favor the resolution; but let us consider all proposals of this kind with the greatest of care.

Mr. KNOWLAND. Mr. President, I yield to the distinguished junior Senator from New Hampshire.

Mr. COTTON. Mr. President, as a member of the Committee on Public Works, I felt compelled, reluctantly, to vote against the concurrent resolution submitted by the distinguished majority leader. I state most emphatically that in casting that vote I did not intend in any way to reflect upon the complete sincerity of the majority leader in presenting the resolution, and I do not have any quarrel with the members of the committee or with the overwhelming membership of the Senate who, I have no doubt, will vote to adopt it.

However, I feel impelled to state, in the time which has been yielded to me, my reason for opposing the resolution in committee, and the reason why I shall not vote for it in the Senate.

Either the resolution means something or it does not mean anything. If it does not mean anything, then at this particular time, when everyone agrees that we are engaged in psychological warfare to preserve the solvency, the prosperity, the life, and the vigor of the Nation, Congress should not be adopting meaningless resolutions which are mere grandiose gestures.

It has been quite clearly brought out in the debate by the distinguished Senator from South Dakota [Mr. CASE], and brought out rather clearly in the deliberations of the committee, that the resolution, which calls for speeding up the spending of money already authorized and appropriated, affects, as a matter of fact, only a very small sum and would produce very few jobs.

In that case, Mr. President, what does the resolution mean? In the opinion of the Senator from New Hampshire, by means of the resolution, the Congress of the United States would take formal action to tell the people of the United States that the Congress has decided to sound a clarion call that the way to deal with the present situation is to speed up spending. But, Mr. President, speedier spending or faster spending is foolish spending.

Mr. President, I stand ready to vote for a reasonable acceleration of appropriations for our highway program, and certainly we have necessarily accelerated the expenditures for the national defense. Such expenditures mean something. They put money into circulation and they mean jobs.

But I believe that a resolution which simply sounds a call for hurry-up spending is not the kind of medicine we should be giving to the country at this time. It would amount to whipping a horse that already is running, but not giving him any more oats.

If we are to adopt a policy of pump-priming—which I would oppose—then let us meet the issue in manly fashion and decide whether or not to follow such a policy.

Mr. President, even if I were to be the only Member of the Senate to vote against this proposal, I would still vote against it, not because I question the sincerity or the motives of the Senator who submitted the resolution, but because I cannot see how it would result in any material good, and because I rather fear its psychological effect.

Mr. FULBRIGHT. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the distinguished Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. FULBRIGHT. Mr. President, again I wish to commend the distinguished majority leader for submitting this resolution.

I shall support it because it seems to me that acceleration of our public-works program is the most logical and sensible thing we can do under present conditions.

I am at a loss to understand why to decrease the income taxes of the unemployed would add any substantial benefits either to them or to the country as a whole. With vastly increased expenditures facing the country, tax reduction should not be resorted to until the necessity therefor is more urgent than it now appears to be.

The pending resolution is the proper measure for the Senate to take favorable action on at this time.

I was amazed at the remarks of the Senator from New Hampshire [Mr. COTTON], who said that the pending resolution was similar to a proposal to whip a horse that already was running, but not to give him any oats.

If I correctly understood it, the response the President made the very next day after the resolution was submitted by the majority leader was that the President was in favor of accelerating the public-works programs and that he would take steps to do so. In other words, the President of the United States, the leader of the party to which the Senator from New Hampshire [Mr. COTTON] belongs, accepted the principle of acceleration of the public-works programs as a proper response and a proper step to be taken under the present conditions. So I am unable to understand the remarks the Senator from New Hampshire made in opposition to the principle of acceleration.

I believe that the pending concurrent resolution calls for the sound way to proceed.

The report shows that $8 billion will be available, under such acceleration, and that $4 billion of it will be in the civil construction field. In my State alone, so the Corps of Engineers has informed me, $22.1 million more than is called for in this year's budget could be used effectively on authorized river-development projects.

So I certainly believe the pending concurrent resolution is a wise measure, and that, when agreed to, it will be of immediate benefit to the national economy.

Mr. President, I hope the Senate will agree, by an overwhelming vote, to the pending concurrent resolution.

Mr. JOHNSON of Texas. Mr. President, how much time remains available to each side?

The PRESIDING OFFICER. Seven minutes remain under the control of the Senator from Texas, and 4 minutes remain under the control of the other side.

Mr. HOLLAND. Mr. President——

Mr. JOHNSON of Texas. I yield 5 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I strongly support adoption of the pending concurrent resolution. I do not regard it as a meaningless or an idle gesture.

Mr. President, I am not here to raise any partisan question, because I realize perfectly well that last fall, when there was danger of getting into a situation in which operations would be impossible, because of the level of indebtedness, there was reason for the slowing down of the construction of various projects.

However, I wish to point out what has been the result of slowing down the construction of those projects; and I also wish to point out that the letting of contracts which commit the additional funds now available, under appropriations made for various projects, both in my State and elsewhere in the Nation, means that we are trying to get back to the former tempo of construction, the one under which we were working prior to the time when we had to have that slowing down.

I realize that when a Senator calls for new construction projects in his own State, some persons may think he is thinking only in terms of his own State. However, Mr. President, that is not a fact in this case. I use the projects in my State only to illustrate my point.

Mr. President, by way of such illustration, let me refer to the following:

Last year the Congress made an appropriation of $5,500,000 for the central and southern Florida flood control project. That appropriation was recognized as insufficient; and the Engineers were working toward an appropriation of $10 million, to be included in the budget for the fiscal year 1959.

But as a result of that slowdown, Mr. President, a smaller amount is reflected in the budget for the fiscal year 1959. The amount reflected is $5 million, or just half of what the Engineers were working toward, under the tempo which they believed would result in the construction of the project at an economical rate.

As to the Tampa Harbor project, the appropriation for last year was $2,250,-

000. I have before me a telegram from the district engineer, and the telegram shows what was the expectation for the appropriation for the fiscal year 1959 in order to proceed on the project in an orderly manner—namely, an appropriation of $2,950,000. However, because of the necessity to slow down on the commitment of funds for the fiscal year 1958, the entire project was set back; and the amount included in the budget for the fiscal year 1959 is only $1,150,000, instead of $2,950,000, even though the larger amount could have been spent economically, and can still be spent economically if we resume construction operations at the rate we were working last year.

The PRESIDING OFFICER. The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Texas yield 1 additional minute to me?

Mr. JOHNSON of Texas. Yes, Mr. President; I yield 1 more minute to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 additional minute.

Mr. HOLLAND. Mr. President, the third project I shall mention is the East Coast Intracoastal Waterway. The appropriation made for it for this fiscal year was $1,150,000. The engineers had expected to step up the work materially, because it is a project of the greatest importance from the standpoint of the national defense. The Intracoastal Waterway runs along the east coast, where so many tankers and other ships were sunk by submarines during World War II.

But instead of speeding up or stepping up the completion of the project, as a result of the entire slowdown the amount requested for the project in the 1959 budget is only $800,000.

Mr. President, I do not expect projects in my State to be treated differently from projects in other States.

However, Mr. President, I expect the concurrent resolution to be used as a notice that the Congress expects to have a return made to an economical rate of construction of projects such as these highly desirable projects which mean so much to the Nation.

The PRESIDING OFFICER. The time yielded to the Senator from Florida has again expired.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield if I may do so under the time permitted.

Mr. SALTONSTALL. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. I wish to say to the able Senator from Florida that I think it will be found that many of the projects will have a higher rate of construction under the supplemental request for 1959 of $125 million, which General Itschner stated was needed. That will also entail a larger appropriation for civil functions projects in the succeeding fiscal year. The $700 million level for this year is the highest it has ever been, and it will go to $775 million in fiscal 1959, and $850 million in fiscal 1960.

Mr. HOLLAND. I thank the Senator from South Dakota. I desire to make it clear that what he has said is what I am driving at. We are not in favor of just getting money to work which has already been appropriated. We are anxious to get back to the rate of construction which was prevailing and which was slowed down by the order to reduce work. Unfortunately, as reflected by the smaller amounts in the 1959 budget, it is proposed to spend less than can be economically spent to bring about this accomplishment.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back my remaining time, on condition that the acting minority leader will yield back his time.

Mr. SALTONSTALL. Mr. President, I am prepared to yield back my remaining time, unless any Senator wants additional time. I see none who does. Therefore I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time remaining on the concurrent resolution has been yielded back.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to considering the committee amendments en bloc? The Chair hears none, and the committee amendments will be considered en bloc.

The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing to Senate Concurrent Resolution 68, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent on official business.

I further announce that if present and voting the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

The result was announced—yeas 93, nays 1, as follows:

YEAS—93

Aiken	Capehart	Dworshak
Allott	Carlson	Eastland
Anderson	Carroll	Ellender
Barrett	Case, N. J.	Ervin
Beall	Case, S. Dak.	Flanders
Bennett	Chavez	Frear
Bible	Church	Fulbright
Bricker	Clark	Goldwater
Bridges	Cooper	Gore
Bush	Curtis	Green
Butler	Dirksen	Hayden
Byrd	Douglas	Hennings
Hickenlooper	Magnuson	Robertson
Hill	Malone	Russell
Hoblitzell	Mansfield	Saltonstall
Holland	Martin, Iowa	Schoeppel
Hruska	Martin, Pa.	Scott
Humphrey	McClellan	Smathers
Ives	McNamara	Smith, Maine
Jackson	Monroney	Smith, N. J.
Javits	Morse	Sparkman
Jenner	Morton	Stennis
Johnson, Tex.	Mundt	Symington
Johnston, S. C.	Neuberger	Talmadge
Kefauver	O'Mahoney	Thurmond
Kerr	Pastore	Thye
Knowland	Payne	Watkins
Kuchel	Potter	Wiley
Langer	Proxmire	Williams
Lausche	Purtell	Yarborough
Long	Revercomb	Young

NAYS—1

Cotton

NOT VOTING—2

Kennedy Murray

So the concurrent resolution (S. Con. Res. 68) was agreed to.

Mr. LANGER. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment offered by the Senator from Oklahoma [Mr. MONRONEY].

The yeas and nays were ordered.

DEATH OF REPRESENTATIVE JOHN J. DEMPSEY, OF NEW MEXICO

The PRESIDING OFFICER. The Chair lays before the Senate a resolution from the House of Representatives, which the clerk will read.

The legislative clerk read, as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable JOHN J. DEMPSEY, a Representative from the State of New Mexico.

Resolved, That a committee of eight Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. CHAVEZ. Mr. President, on behalf of myself and the junior Senator from New Mexico [Mr. ANDERSON], I send to the desk a resolution which I ask to have read, and for which I ask immediate consideration.

Mr. JOHNSON of Texas. May we have order, please, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

The resolution will be read for the information of the Senate.

The resolution (S. Res. 274) was read, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN J. DEMPSEY, late a Representative from the State of New Mexico.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate, at the conclusion of its business today, adjourn until 10 a. m. tomorrow.

The PRESIDING OFFICER. The question is on proceeding to the consideration of the resolution.

The resolution was considered by unanimous consent, and unanimously agreed to.

Under the second resolving clause, the Presiding Officer appointed Mr. CHAVEZ and Mr. ANDERSON as the committee on the part of the Senate to attend the funeral of the deceased Representative.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY] on behalf of himself and other Senators. The opposition has 12 minutes remaining. The time of the affirmative side has expired.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Does the distinguished Senator from Indiana [Mr. CAPEHART] choose to use any further time?

Mr. CAPEHART. I do not believe so. I wish to say only this: I sincerely hope, in the best interests of housing and employment in the United States, that this amendment will be rejected, and that Senators will support the action of the full committee.

With that statement I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Inasmuch as some time has elapsed since the beginning of debate on this amendment, I ask the Chair if the following is a correct statement: Senators wishing to continue the GI and Capehart interest rates at their present level should vote "yea" on the amendment.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. CAPEHART. Mr. President, all the bill does is to establish a ceiling of 4¾ percent. The President will have to take action to increase the interest rate from 4½ to 4¾ percent. This measure would simply give the President that authority if, in his opinion, it should be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY] on behalf of himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The vote was recapitulated.

Mr. HUMPHREY. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Minnesota is recorded as having voted in the affirmative.

Mr. McNAMARA. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Michigan is recorded as having voted in the affirmative.

Mr. LONG. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Louisiana will state his point of order.

Mr. LONG. Mr. President, is it in order for a Senator to change his vote at this time?

The PRESIDING OFFICER. It is in order.

Mr. LONG. Will the Chair inform me if I am recorded as having voted in the affirmative?

The PRESIDING OFFICER. Yes; the Senator from Louisiana is recorded as having voted in the affirmative.

Mr. LONG. I thank the Chair.

Mr. KNOWLAND. Mr. President, I request the regular order.

The PRESIDING OFFICER. The regular order has been called for.

Mr. MANSFIELD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is absent because of illness. The Senator from Montana [Mr. MURRAY] is absent on official business.

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

The result was announced—yeas 47, nays 47, as follows:

YEAS—47

Anderson	Jackson	Neuberger
Bible	Javits	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Chavez	Johnston, S. C.	Proxmire
Church	Kefauver	Revercomb
Clark	Kerr	Russell
Douglas	Langer	Scott
Eastland	Lausche	Smith, Maine
Ervin	Long	Sparkman
Fulbright	Magnuson	Stennis
Gore	Malone	Symington
Green	Mansfield	Talmadge
Hayden	McClellan	Thurmond
Hennings	McNamara	Thye
Hill	Monroney	Yarborough
Humphrey	Morse	

NAYS—47

Aiken	Case, N. J.	Hoblitzell
Allott	Case, S. Dak.	Holland
Barrett	Cooper	Hruska
Beall	Cotton	Ives
Bennett	Curtis	Jenner
Bricker	Dirksen	Knowland
Bridges	Dworshak	Kuchel
Bush	Ellender	Martin, Iowa
Butler	Flanders	Martin, Pa.
Byrd	Frear	Morton
Capehart	Goldwater	Mundt
Carlson	Hickenlooper	Payne
Potter	Schoeppel	Wiley
Purtell	Smathers	Williams
Robertson	Smith, N. J.	Young
Saltonstall	Watkins	

NOT VOTING—2

Kennedy	Murray

So the amendment offered by Mr. MONRONEY, on behalf of himself and other Senators, was rejected.

Mr. CAPEHART. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Indiana [Mr. CAPEHART].

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

The vote was recapitulated.

Mr. SPARKMAN. Mr. President, may I ask how I am recorded?

The VICE PRESIDENT. The Senator from Alabama is recorded as voting in the negative.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Iowa will state it.

Mr. HICKENLOOPER. What is the result of the vote?

Mr. CAPEHART. Mr. President, I ask for the regular order.

Mr. JOHNSON of Texas. Mr. President, a Senator is en route to the Chamber. It is customary to allow a reasonable time for him to arrive. I hope the Chair will recognize Senators to enable them to inquire how they voted.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to know how I am recorded.

The VICE PRESIDENT. The Senator from South Carolina is recorded as voting in the negative.

Mr. KERR. Mr. President, how am I recorded?

The VICE PRESIDENT. The Senator from Oklahoma is recorded as voting in the negative.

Mr. GORE. Mr. President, am I recorded?

The VICE PRESIDENT. The Senator from Tennessee is recorded.

Mr. GORE. How am I recorded?

The VICE PRESIDENT. The Senator from Tennessee is recorded as voting in the negative.

Mr. MANSFIELD. I announce that the Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent on official business.

I further announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Montana [Mr. MURRAY] would each vote "nay."

The yeas and nays resulted—yeas 47, nays 47, as follows:

YEAS—47

Aiken	Bennett	Butler
Allott	Bricker	Byrd
Barrett	Bridges	Capehart
Beall	Bush	Carlson

Case, N. J.	Hoblitzell	Potter
Case, S. Dak.	Holland	Purtell
Cooper	Hruska	Robertson
Cotton	Ives	Saltonstall
Curtis	Jenner	Schoeppel
Dirksen	Knowland	Smathers
Dworshak	Kuchel	Smith, N. J.
Ellender	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Frear	Morton	Williams
Goldwater	Mundt	Young
Hickenlooper	Payne	

NAYS—47

Anderson	Jackson	Neuberger
Bible	Javits	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Chavez	Johnston, S. C.	Proxmire
Church	Kefauver	Revercomb
Clark	Kerr	Russell
Douglas	Langer	Scott
Eastland	Lausche	Smith, Maine
Ervin	Long	Sparkman
Fulbright	Magnuson	Stennis
Gore	Malone	Symington
Green	Mansfield	Talmadge
Hayden	McClellan	Thurmond
Hennings	McNamara	Thye
Hill	Monroney	Yarborough
Humphrey	Morse	

NOT VOTING—2

Kennedy	Murray

The VICE PRESIDENT. The result of the vote is 47 yeas and 47 nays. Under the Constitution, the Vice President, having the right to vote in the case of a tie, casts his vote in the affirmative.

So Mr. KNOWLAND'S motion to lay on the table was agreed to.

Mr. MORSE subsequently said:

Mr. President, I have been a Member of the Senate 13 years, and I have witnessed some great legislative battles. I wish to say very good naturedly that I do not think in my 13 years I ever witnessed such a symbolic battle as I witnessed this afternoon, when an overwhelming majority of Republicans won the great battle for high interest rates to be imposed on GI's and military personnel. I believe it was particularly symbolic because on one such occasion Vice President Dawes did not get here at all, but our present Vice President got here for half of the battle, and really inflicted the final coup de grace to the cause of low interest rates in America. I think the action will make political history.

Mr. COOPER subsequently said: Mr. President, I may say the official action of the Vice President of the United States, in breaking the tie, needs no comment from this side of the aisle; but inasmuch as a comment has been made, from the other side I should like to say that, as one Member of the Senate, and as a veteran, I think the Vice President of the United States, in casting his vote, as he had the duty to do, cast a vote for the veterans of the United States.

As a veteran, I may say that the amendment offered by the Senator from Oklahoma was not an amendment in the interest of veterans. It was an amendment which appeared to be in their interest, but in reality it was not. I am glad, as a veteran, to have voted for the interest of veterans. I am glad the Vice President, a veteran himself, also had an opportunity to cast a true vote for the veterans.

SPECIAL ELECTIONS AND THE POLITICAL TIDE

Mr. FULBRIGHT. Mr. President, I should like to have the attention of the senior Senator from Connecticut [Mr. BUSH], if I may.

Three days ago I had a brief colloquy with the senior Senator from Connecticut about a supposed plan on the part of the Republican Party not to hold special elections this year. The senior Senator from Connecticut questioned my authority for that statement, which at that time was an article in the New York Times.

I merely wish to cite to him an editorial from the Wall Street Journal of March 7, 1958, which I think speaks for the Republican Party as much as does any other newspaper in the country.

The editorial concludes with the following:

Now that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principle of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

I ask unanimous consent to have this editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STEMMING THE TIDE

The Republicans, like any sensible group of men who sense a storm in the wind, are trying to stem a political tide they believe is right now running for the Democratic Party. There is a question, though, whether some of the things they are doing are politically sensible.

For example, reports from Washington tell us that the Republicans are trying to prevent the holding of special Congressional elections right now. They were upset by the election of a Democrat, Mr. PROXMIRE, to the late Senator McCarthy's Wisconsin seat last year. And 2 weeks ago the First Congressional District in Minnesota gave them an even greater start. Though the Republican won in this special election, the Democratic candidate came within less than 700 votes of winning in a traditional GOP stronghold.

So the political generals of the GOP have decided these special elections are far too risky. The word is that a policy is being tried out that will avoid the riskiness by avoiding the elections.

There are two phases to this policy. One is a decision said to have been suggested by the Attorney General, Mr. Rogers, not to name any Republican Congressmen to the Federal bench right now. Such an appointment would cause a vacancy in Congress, which, if filled by a special election, may well go to the Democrats and thus increase even more that party's majority.

Now the trouble with this sort of thing is that it is not only not the best kind of government; it isn't even good politics. This newspaper, to be sure, thinks that a good rule of thumb for appointments to the Federal bench is to choose men already on a lower Federal or State bench. But we certainly would never say that a good judge cannot be found in Congress. And it is even worse to say that, for partisan political reasons, Congress may not provide a judge.

In a great many places in this country Federal court dockets are already overcrowded, and the Attorney General's office has from time to time reminded Congress of that in its requests for additional judges. From a viewpoint of good government, one may fairly ask whether the Attorney General's interest in this matter is to be found on the side of what is best for an orderly judicial process or on the side of what is best for the GOP?

And if, as seems plain, the weight is in the political balance, what is the effect one may expect on the Republican Congressmen who are now denied a chance at the Federal bench? Does Mr. Rogers actually believe that creating disappointed—and perhaps even disgruntled—Congressmen benefits the internal structure of his party?

Even more serious in its implications is the second phase of a policy of preventing special elections. Representative Lawrence H. Smith, of Wisconsin's First Congressional District, a Republican, passed away last January. Gov. Vernon Thomson, a Republican, has said he will not call a special election to fill the vacancy, but will leave the seat unfilled until the general elections next November.

Now that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principle of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I wanted the Senator from Connecticut to be reassured as to my authority. This editorial is from the Wall Street Journal.

Mr. BUSH. I am glad to hear the Senator quoting from the Wall Street Journal. I find it quoted from more frequently on the other side of the aisle than on this side. I agree with the Senator that it is usually a pretty good authority on such subjects.

The Senator from Arkansas is a very good friend of mine. I admire him as a great Senator. I intended by what I said to him a few days ago to caution him about following political forecasts of elections. I invite his attention to the fact that the New York Times, to which he referred, and from which he inferred that it forecast a disastrous result for the Republicans in the next election, might prove to be a dangerous forecaster indeed. In 1956 it attempted to forecast senatorial election results and other election results. It ended with an average of about 50 percent. It made about as many bad guesses as good guesses. That is the point to which I desired to invite the Senator's attention.

Mr. FULBRIGHT. The Senator misconstrues the purport of the editorial. It does not forecast anything. It gives good advice to the Republicans, to the effect that it would be a mistake to withhold special elections in case of vacancies this year, on the theory that they might not win them. They should still abide by the democratic processes.

I believe that this is a very good editorial in that connection.

OIL IMPORTS

Mr. JOHNSON of Texas. Mr. President, I wish to call to the attention of the Senate and of the country a very serious situation that strikes at the lifeblood of a vital industry.

Constantly mounting oil imports from the Middle East and Venezuela are flooding our country. The domestic industry is being undermined by imports from areas where wages are so fantastically low that domestic operators cannot compete without forcing down the living standards of the American workingman.

In my own State of Texas at least 300 oil rigs have been closed down. That means a minimum of 6,000 skilled workingmen who cannot work at their trade.

For the month of March, our operators are allowed to produce only 9 days. This means greater unemployment and those still at work will be only partially employed.

The impact of imports is dramatically illustrated by the sharp decline in our petroleum reserve. The American Petroleum Institute released figures today showing that total reserves of liquid hydrocarbons have declined by 349 million barrels between December 31, 1956, and December 31, 1957.

This is the first time our domestic industry has had to dip into its backlog of crude reserves since the abnormal war year of 1943.

Mr. President, this decline does not result from the inability of the domestic industry. It comes directly from declining exploration and drilling activity because our operators do not have adequate incentives.

There was a 7.4-percent drop in drilling for oil in the United States in 1957. Had there been adequate incentives drilling would have followed a normal course. This is a bad omen for the future. It also has serious implications as to our preparedness to face an unexpected emergency.

As Russell Brown, general counsel for the Independent Petroleum Association of America, has pointed out:

> The result is a stark final warning that a dependable solution to the important problem can no longer be postponed. To ignore this clear warning will be to invite dependence on remote and indefensible petroleum supplies in any future emergency such as the Suez crisis or, even worse, in war.

I have talked to leaders in the industry—both labor and management. They share a common concern. They know the industry cannot survive under such conditions and if the industry cannot survive neither can its payroll.

I am a strong advocate of reciprocal trade. I believe it is a policy vital to America's prosperity. I am going to do whatever I can to see that the measure is passed once again.

But, Mr. President, a mule team cannot pull a wagon up a hill when it is too heavily loaded, and this is one case in which a far too heavy load may have been dropped into the wagon.

I believe in the Golden Rule. I believe in treating other people as I would have them treat me.

I also believe in treating our own people as well as we treat others. And I hope that those who have the responsibility for administering the act will execute their responsibility as Congress clearly intended when we passed the last extension of the Trade Act. And I hope some action is taken soon. Otherwise the wagon may break down.

Last week, I wrote to the President and suggested a course of action. I proposed a 20-percent cut in imports and a system whereby imports can be cut back from month to month on a basis comparable to the cutbacks in the domestic industry.

There is ample authority to take such action in the Trade Agreements Act. It is a part of simple justice.

If we do not act and act soon, an important industry will be lost and with it will go the jobs of skilled workers throughout the country.

I ask unanimous consent that there be printed in the RECORD as part of my remarks a copy of the letter I wrote to President Eisenhower on March 6.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 6, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: I am writing you directly about a situation which has already had a grave impact upon an important domestic industry and which, if unchecked, will have a greater depressing effect upon the economic standards of our people.

The domestic oil industry is reeling under the impact of imports. There is no necessity of repeating the figures here. They are very well known. Imports have continued to mount and have been offset by cutting production to a point where in Texas the allowable for March has been set at 9 days.

No industry can be prosperous and strong when it operates on the basis of 9 days out of the month. Any depressed industry tends to drag down other segments of our economy with it. To this must be added the importance to our defense efforts and our preparedness of having a strong domestic oil industry in the event of an emergency.

I respectfully suggest two steps:

First, a mandatory reduction by 20 percent of oil imports under the authority which Congress has granted to you under the Reciprocal Trade Agreements Act.

Second, a system whereby imports can be cut back from month to month on a basis comparable to the cutbacks in the domestic industry in those States where prorationing is in effect.

It would seem to me that it is difficult to justify cutbacks for our people when no similar cutbacks are suffered by importers. Some action is necessary to keep the domestic oil industry in a healthy state and to reassure our people that their interests are being safeguarded by our Government. I commend the above proposals to your attention.

Sincerely,

LYNDON B. JOHNSON.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

Mr. JAVITS. Mr. President, I call up my amendment identified as "3-10-58-D," and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, between lines 5 and 6, it is proposed to insert a new subsection, as follows:

(b) Section 203 (b) (3) of such act is amended by striking out "30" and inserting in lieu thereof "40."

On page 1, in line 6, it is proposed to strike out "(b)" and insert in lieu thereof "(c)."

Mr. JAVITS. Mr. President, the purpose of my amendment is in no way unfriendly to the bill. The amendment is for the purpose of extending the period for the maturity of a mortgage on the typical one-family dwelling which is dealt with by the bill from a possible maximum of 30 years to a possible maximum of 40 years.

My position regarding the bill is entirely friendly—as is my position in regard to the effort being made by the committee to bring in, in what I regard as an admirable way, an antirecession housing bill.

Extension of the term of the mortgage from 30 years to 40 years will have the effect of lowering the monthly payments by means of which most of these homes are bought at the present time.

Mr. REVERCOMB. Mr. President, at this point will the Senator from New York yield for a question?

Mr. JAVITS. I yield.

Mr. REVERCOMB. Does the amendment of the Senator from New York apply to FHA housing or to Veterans Administration housing?

Mr. JAVITS. My amendment would apply to the standard FHA mortgage—the Federal Housing Administration mortgage.

Mr. REVERCOMB. I thank the Senator from New York.

Mr. JAVITS. My amendment would have the effect of lowering the monthly payments, the means by which most of these homes are bought.

In view of the fact that the chief problem confronting the country is how to deal with middle-income housing, it seems to me that this amendment, if adopted, would make a real contribution, because as the cost is lowered, we come closer to what middle-income families can afford.

The great hope for middle-income housing now, aside from cooperative housing in the cities, which have not as yet attained great size, is in the kind of housing to which this particular section of the National Housing Act is directed. Payments would be brought down somewhere between 15 and 25 percent, depending on interest rates. It is obvious that if the term of the mortgage is extended, there will be continued payment of interest, so over the whole length of the mortgage greater interest will be charged.

Mr. President, I have checked with the Housing and Home Finance Agency on the possibilities of 40-year instead of 30-year mortgages. The agency has advised me that there are two kinds of mortgages now which are allowed to have the 40-year term on the same type of structure which I am discussing. One is insurance of mortgage in individual sales-type properties under section 213 upon their release from a project sales type mortgage—that relates to a cooperative type housing project—and the other is the insurance of mortgages on homes of those who have been relocated because of dislocation brought about by the construction of roads or other pro-

grams being carried on by the Government.

There is no question about the actuarial questions involved in the endurance of the houses to justify a mortgage of 40 years instead of 30 years. Indeed, the Housing and Home Finance Agency has stated that—

> While our experience to date has been inadequate, the fact that the 40-year maximum is available under these two programs will give us an opportunity to study the effect of its use and to consider the desirability of adopting it for section 203.

So the matter is having the consideration of the Housing and Home Finance Agency.

I thought it was desirable and important that the subject be raised at the same time we are considering the possibility of getting the maximum amount of building which can be encouraged, and therefore the maximum amount of buying.

I have discussed the matter with the distinguished chairman of the subcommittee. If he will help me at this time by stating his views on this subject, perhaps we can dispose of the amendment very promptly.

Mr. SPARKMAN. Mr. President, I appreciate the interest of the Senator from New York in the subject. We have discussed this matter. It has been discussed with others. The staff director of the Subcommittee on Housing wrote a letter to the Housing and Home Finance Agency regarding it. A reply was received, in which a promise was made that the Agency would study the matter.

I may say to the distinguished Senator from New York that it is our plan to start hearings before not too long. We plan hearings immediately after we return from the Easter recess—if we shall have such a recess—on an omnibus housing bill. The proposal of the Senator from New York would properly be a part of that bill. I hope by then we shall have helpful information from the Housing and Home Finance Agency. I hope the distinguished Senator from New York will withhold his amendment until that time, and present it as a part of the omnibus housing bill. I assure him the committee will give full consideration to it.

Mr. President, I should like to ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the letter from Mr. Cole to Mr. Jack Carter, staff director of the Subcommittee on Housing of the Committee on Banking and Currency.

Mr. JAVITS. Mr. President, I ask unanimous consent that that may be done, without my losing the floor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington D. C., February 28, 1958.

Mr. JACK CARTER,
Staff Director, Subcommittee on Housing, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. CARTER: In response to your inquiry of January 27, addressed to Mr. Sweet, Deputy Commissioner of the Federal Housing Administration, we are pleased to supply the following comments relative to the proposals for section 203 mentioned in your letter.

With respect to the extension of the maximum mortgage term to 40 years, it may be noted that such a maximum term is currently in effect for two special FHA programs, (1) the insurance of mortgages in individual sales-type properties under section 213 upon their release from a project sales-type mortgage, and (2) the insurance of home relocation mortgages on single-family dwellings under section 221. In the latter case, the mortgagee has an option to assign, transfer, and deliver to the Commissioner the original credit instrument and the insured mortgage securing it, provided such mortgage is not in default at the expiration of 20 years from the date of endorsement. Up to the present time, while there has been considerable use of the 40-year term under section 213, there has been relatively limited use of this maximum term under section 221. While our experience to date has been inadequate, the fact that the 40-year maximum is available under these two programs will give us an opportunity to study the effect of its use and to consider the desirability of adopting it for section 203.

With respect to the regular program of mortgage insurance under section 203, the Federal Housing Administration has in recent months taken at least three significant steps designed to liberalize this program for the prospective home purchaser. These include (1) the adoption in August 1957 of the lower downpayments permissible under the Housing Act of 1957, (2) at the same time, the elimination of the first annual mortgage insurance premium which had formerly been paid at the time of closing and is now amortized over the first year of the mortgage term, and (3) just last month, the removal of the requirement for FHA home buyers to pay closing costs in cash. We are only now beginning to have an opportunity of studying the effect of these liberalizing moves in other than a very tight money market situation and believe no further liberalization should be undertaken until we have had an opportunity to appraise the effect of these measures in stimulating the production of new housing.

With reference to the second proposal in your letter, as you know the annual mortgage insurance premium under the FHA home mortgage program, is one-half of 1 percent of the average outstanding balance during the year. The proposal of reducing the present mortgage insurance premium rate to a single premium of one-half of 1 percent of the face value of the mortgage would provide income totally inadequate to cover the administrative expenses and insurance losses for this program. The present premium rate of one-half of 1 percent per annum has been determined to be actuarially necessary to make the mutual mortgage insurance fund self-sufficient under adverse economic conditions. Any excess income over expenses and losses after the accumulation of earned surplus necessary to cover the reserve requirements is returned to the mortgagor at termination of the mortgage. The proposal, if adopted, would undoubtedly require appropriated funds to administer this program since the one-half of 1 percent would be insufficient to cover even administrative costs, aside from insurance losses.

With reference to the proposal for a single premium or one amortized annually over all or part of the life of the mortgage, from the point of view of actuarial soundness of the insurance program, the single premium or the annual premium can be made to yield to the insurance fund whatever premium income may be deemed necessary for sound operation of the program. Following the present value procedure, depending on the discount rate used and the earnings on fund investments, identical resources can be made available to the fund through either procedure.

With regard to the proposal authorizing second mortgages to cover that part of the total payment between the purchase price and the insured mortgage amount, we have on many occasions expressed our growing concern over the apparently increasing use of the second mortgage device. I believe that FHA's great contribution to home financing in this country has been the advancement of the high percentage fully amortized single mortgage to obviate the need for high-cost secondary financing and thereby eliminate the attendant evils of such practices.

As you know, we have from time to time recommended legislation liberalizing the financing terms of home purchases, and we are only now beginning to experience the effect of the most liberal terms ever available to the homeowner.

In view of your request for an immediate report, this is being sent to you prior to clearance with the Bureau of the Budget. As soon as the Bureau's views are obtained, we will send you a supplemental report.

Sincerely yours,

ALBERT M. COLE,
Administrator.

Mr. JAVITS. I am very grateful to the chairman of the committee. I think the matter deserves the attention of the committee. I hope it will have concentrated attention when the committee considers the bill. May I have that assurance?

Mr. SPARKMAN. The distinguished Senator from New York is correct. It will.

Mr. JAVITS. I thank the Senator. Upon that basis, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. The Chair may state that no action is necessary because, under the rule, a Senator has a right to withdraw his amendment.

Mr. JAVITS. I call up my amendment, identified as 3–10–58–E, which I ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The CHIEF CLERK. It is proposed, on page 1, between lines 8 and 9, to insert a new section, as follows:

SEC. 2. (a) Section 203 (c) of the National Housing Act is amended by inserting before the period at the end of the first sentence a colon and the following: *"Provided further,* That in the case of any contract of insurance executed by the Commissioner under this title after the effective date of this proviso the premium charge for the insurance of mortgages shall not exceed an amount equivalent to one-quarter of 1 percent per annum on such outstanding principal obligation."

(b) Section 803 (c) of such act is amended by inserting before the period at the end of the first sentence a colon and the following: *"Provided,* That in the case of any contract of insurance executed by the Commissioner under this title after the effective date of this proviso the premium charge for the insurance of mortgages shall not exceed an amount equivalent to one-quarter of 1 percent per annum on such outstanding principal obligation."

Renumber succeeding sections.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, I can finish my remarks in about 2 minutes. Would the Senator prefer to have the floor in his own right?

Mr. CAPEHART. I should like to discuss this subject.

Mr. JAVITS. I yield to the Senator from Indiana.

Mr. CAPEHART. Madam President (Mrs. SMITH of Maine in the chair), I, too, consider the action of the Senate on the Monroney amendment a great victory for the veterans and those unemployed in the United States.

We had a recession in 1953 and in the early part of 1954, at which time the interest rate on the Veterans' Administration GI housing was increased from 4 percent to 4½ percent. In 1953, when the interest rate was at 4 percent, there were 156,000 houses built under the VA mortgage program. With a one-half of 1 percent increase in the interest rate, in 1954 there were 307,038 such houses built. Then in 1955 there were 391,789 such houses constructed. The housing construction was twice as great when the interest rate was 4½ percent as it was when the interest rate was 4 percent. It is my best judgment the increase in the interest rate resulted in the building of so many houses under the VA mortgage program in 1954 and 1955 that that home-building program brought us out of the slight recession we were experiencing at that time.

I consider the Senate action in this regard to be a victory for those who are unemployed. I cannot help but be reminded that when we had higher interest rates, when we had so-called tight money, we had full employment.

I say that when we again have full employment in the United States, when we again have nobody out of work, we shall have pressure upon interest rates. We shall have pressure upon money. The reason is that everybody will be working. Homes will be under construction. Everything will be going strong. Factories will be going full blast. Full employment will require a lot of savings and a lot of money, simply to handle the business.

Let us hope we can get back to where we were a year ago when we had full employment, when everybody was working, when the Nation was prosperous.

I say again that we shall have a shortage of money. We shall have higher interest rates. We shall find it hard to sell mortgages or any other kind of paper when there is full employment, when there is prosperity, when every factory is in operation. Then all the money will be at work.

When there are low interest rates—and we shall have them—we shall have much unemployment. Back in 1932 we had low interest rates. We shall have them again.

I consider the action we have taken to be a victory for those who are unemployed, and a victory for the veterans of America. I am happy about the outcome, because in my best judgment we can now get many houses built this year.

I also invite the attention of Senators to the fact—and this information will be out in the morning, I think—that during the month of February there were the smallest number of housing starts since 1949, on the basis of only 890,000 houses for the year. That was not because there was a shortage of money; it was because there was a lack of attention to interest rates. I think we ought to encourage the American people to be thrifty and to save their money, since the money can be invested, and provide more jobs. It is the investment of money which provides jobs. We ought to encourage the people to save their money, and to invest it in houses and factories. We ought to assure the people of a fair return on their investment, rather than to discourage them from saving money and investing money.

I say to the Senate that today is a great day in the lives of veterans, and particularly in the lives of the unemployed men. I am sure the man who is unemployed today would like to have the good job he had a year ago, even though the interest rates might have been a little higher a year ago than they are today. I am confident the man who is unemployed today would be happy to trade a little higher interest rate for a good job.

Let us be very careful that we do not talk ourselves into a depression. Let us do the things which will bring out all the money in the United States which is in the savings accounts, in the banks, and every place else, so that it can be invested in home mortgages, in the purchase of bonds, and in the construction of highways and churches. That is the way to put the people back to work, rather than to discourage business.

Several Senators addressed the Chair.

Mr. JAVITS. Mr. President, I prefer not to yield except upon my amendment.

Mr. JOHNSON of Texas. Mr. President, who controls the time on the opposite side, in opposition to the amendment?

The PRESIDING OFFICER. The majority leader, if he is against the amendment.

Mr. JOHNSON of Texas. Mr. President, if the Senator from New York desires to speak further, let me state I have a request or two from Senators who desire recognition. I should like to yield some time in opposition when the Senator has concluded.

Mr. JAVITS. If the majority leader will permit me to proceed for about 3 minutes, he will find there will be nothing further left to do. I think the chairman of the subcommittee and I have agreed as to the disposition of the amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Alabama, the chairman of the subcommittee.

Mr. SPARKMAN. Mr. President, I appreciate the Senator's yielding to me. He and I voted alike on the interest-rate issue.

It is not my purpose to discuss that issue, but I desire to discuss the proposal the Senator has suggested. This was one of the suggestions which was talked over between us, and which I also took up with Mr. Cole, the Administrator of the Housing and Home Finance Agency. Mr. Cole makes an objection to it, to the effect that the amount proposed for the insurance would, according to his words, "provide income totally inadequate to cover the administrative expenses and insurance losses for this program."

Of course, we have heard no evidence, so far as this proposal is concerned, but I assure the distinguished Senator from New York that it will receive attention in connection with the omnibus housing bill.

I may say, Mr. President, that this matter was discussed in the letter which I had printed in the RECORD.

Mr. CAPEHART. Mr. President, I think the proposal of the Senator from New York should be given careful consideration.

Mr. JAVITS. I thank both of my colleagues.

I wish to say a word as to why my attention was fixed on this matter. If the amendment were put into effect, it would result in cutting the carrying charges for the homes which are insured by the FHA under this program by a quarter of 1 percent, which, when figured out on the basis of a long-term repayment of a mortgage, would be an appreciable reduction.

The facts and figures, very briefly, are these: About three-quarters of a billion dollars have been taken in as premiums on FHA mortgages of one-half of 1 percent. At present the reserve funds on hand as a result of the payment of the one-half of 1 percent premium are $368 million. From the one-half of 1 percent payments, roughly, $76 million a year is realized, of which we will still have some $45 million, after we pay all the administrative expenses of the FHA which are chargeable to this particular program.

The balance which is realized by the FHA is put into two funds. One is the insurance reserve, and the other is the so-called property reserve. The only thing that is done with the property reserve is that ultimately the money is returned to certain of the mortgagors who happen to be around and who have paid out their mortgages.

It seems to me an insurance reserve is legitimate. For a mutual organization to return money to the mortgagor is not. The mortgagor ought to have the benefit of that in his interest payment.

I am very pleased, Mr. President, that by bringing the matter so forcibly to the attention of the committee, as I have by proposing the amendment, it will now receive attention. I deeply feel that the next time we have a housing bill under consideration it will be possible to decrease the carrying charges on these FHA mortgages from 6 percent, as so many of them are, or five and three-quarters percent, by one-quarter percent, by virtue of the savings which can effectively and properly be made.

Mr. President, with the assurance I have from the chairman of the subcommittee, I withdraw the amendment.

My purpose in proposing the amendment was to bring forcibly to the attention of the Senate and the committee

the need for digging into both these questions, and I am very pleased to know that that will now be done.

IMPACT OF EXISTING AND PROPOSED TAX LAWS UPON INCOME OF LIFE-INSURANCE COMPANIES

Mr. ANDERSON. Mr. President, the life-insurance-tax bill will shortly be before the Senate. We have tried to find some estimates as to what the proposed legislation would do to various companies. On Friday, March 7, the Senate Committee on Finance requested information along this line from the Life Insurance Association of America and the American Life Convention.

I desire to present two lists. The first list shows that under the existing law 51 mutual companies would pay $302,566,000 in taxes. Under the tax-forgiveness provisions of the Mills bill, they would pay $206,625,000, or a savings to that group of 51 companies of $95,941,000.

I desire to present also a list showing estimated amounts of Federal income tax on the 1957 income of the 25 largest stock life-insurance companies, computed under the formulas of the Mills bill and the 1942 law.

Those companies, under existing law, would pay $74,242,000. Under the so-called Mills bill, they would pay $54,903,000.

I ask unanimous consent that these two lists be printed in the RECORD at this point as a part of my remarks.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

ESTIMATED AMOUNTS OF FEDERAL INCOME TAX ON THE 1957 INCOME OF THE 51 LARGEST MUTUAL LIFE INSURANCE COMPANIES COMPUTED UNDER THE FORMULAS OF THE MILLS LAW AND THE 1942 LAW

This information was requested of the Life Insurance Association of America and the American Life Convention by the Senate Finance Committee on Friday, March 7. These two associations requested the data by wire of the companies listed below, which companies, in turn, submitted the reported data by wire.

	Mills law	1942 law
1. Acacia Mutual Life Insurance Co., Washington, D. C.	$968,000	$1,464,000
2. American Mutual Life Insurance Co., Des Moines, Iowa	121,000	204,000
3. American United Life Insurance Co., Indianapolis, Ind	309,000	479,000
4. Baltimore Life Insurance Co., Baltimore, Md	142,000	233,000
5. Bankers Life Co., Des Moines, Iowa	2,559,000	3,593,000
6. Bankers Life Insurance Company of Nebraska, Lincoln, Nebr	301,000	477,000
7. Berkshire Life Insurance Co., Pittsfield, Mass	492,000	752,000
8. Boston Mutual Life Insurance Co., Boston, Mass	122,000	204,000
9. Central Life Assurance Co., Des Moines, Iowa	368,000	587,000
10. Connecticut Mutual Life Insurance Co., Hartford, Conn	3,510,000	5,260,000
11. Equitable Life Assurance Society of the United States, New York, N. Y	25,000,000	36,100,000
12. Fidelity Mutual Life Insurance Co., Philadelphia, Pa	781,000	1,185,000
13. General American Life Insurance Co., St. Louis, Mo	662,000	1,003,000
14. Guarantee Mutual Life Co., Omaha, Nebr	219,000	336,000
15. Guardian Life Insurance Company of America, New York, N. Y	1,225,000	1,808,000
16. Home Life Insurance Co., New York, N. Y	952,000	1,389,000
17. Indianapolis Life Insurance Co., Indianapolis, Ind	280,000	438,000
18. John Hancock Mutual Life Insurance Co., Boston, Mass	13,860,000	19,060,000
19. Lafayette Life Insurance Co., Lafayette, Ind	63,000	111,000
20. Lutheran Mutual Life Insurance Co., Waverly, Iowa	190,000	305,000
21. Manhattan Life Insurance Co., New York, N. Y	326,000	485,000
22. Massachusetts Mutual Life Insurance Co., Springfield, Mass	5,551,000	8,394,000
23. Metropolitan Life Insurance Co., New York, N. Y	44,743,000	64,931,000
24. Midland Mutual Life Insurance Co., Columbus, Ohio	252,000	398,000
25. Minnesota Mutual Life Insurance Co., St. Paul, Minn	470,000	722,000
26. Mutual Benefit Life Insurance Co., Newark, N. J	4,720,000	7,020,000
27. Mutual Life Insurance Co. of New York, New York, N. Y	$7,300,000	$10,900,000
28. Mutual Trust Life Insurance Co., Chicago, Ill	403,000	605,000
29. National Guardian Life Insurance Co., Madison, Wis	100,000	172,000
30. National Life Insurance Co., Montpelier, Vt	2,003,000	3,005,000
31. New England Mutual Life Insurance Co., Boston, Mass	4,996,000	6,924,000
32. New York Life Insurance Co., New York, N. Y	16,840,000	25,000,000
33. North Carolina Mutual Life Insurance Co., Durham, N. C	10,050,000	15,000,000
34. Northwestern Mutual Life Insurance Co., Milwaukee, Wis	1,985,000	2,674,000
35. Pacific Mutual Life Insurance Co., Los Angeles, Calif	619,000	888,000
36. Pan-American Life Insurance Co., New Orleans, La	4,495,000	6,716,000
37. Penn Mutual Life Insurance Co., Philadelphia, Pa	2,034,000	2,943,000
38. Phoenix Mutual Life Insurance Co., Hartford, Conn	172,000	279,000
39. Presbyterian Ministers' Fund, Philadelphia, Pa	2,184,000	3,270,000
40. Provident Mutual Life Insurance Co., Philadelphia, Pa	38,369,000	57,000,000
41. Prudential Insurance Company of America, Newark, N. J	109,000	183,000
42. Security Benefit Life Insurance Co., Topeka, Kans	56,000	100,000
43. Security Mutual Life Insurance Co., Lincoln, Nebr	326,000	470,000
44. Security Mutual Life Insurance Co., Binghamton, N. Y	122,000	207,000
45. Shenandoah Life Insurance Co., Roanoke, Va	170,000	285,000
46. Standard Insurance Co., Portland, Oreg	211,000	341,000
47. State Life Insurance Co., Indianapolis, Ind	1,796,000	2,668,000
48. State Mutual Life Assurance Company of America, Worcester, Mass	1,822,000	2,736,000
49. Union Central Life Insurance Co., Cincinnati, Ohio	305,000	413,000
50. Union Mutual Life Insurance Co., Portland, Maine	1,972,000	2,849,000
51. Western and Southern Life Insurance Co., Cincinnati, Ohio	206,625,000	302,566,000
Total		

ESTIMATED AMOUNTS OF FEDERAL INCOME TAX ON THE 1957 INCOME OF THE TWENTY-FIVE LARGEST STOCK LIFE INSURANCE COMPANIES COMPUTED UNDER THE FORMULAS OF THE MILLS LAW AND THE 1942 LAW

This information was requested of the Life Insurance Association of America and the American Life Convention by the Senate Finance Committee on Friday, March 7. These two associations requested the data by wire of the companies listed below, which companies, in turn, submitted the reported data by wire.

	Mills law	1942 law
1. Aetna Life Insurance Co., Hartford, Conn	$10,528,000	$13,568,000
2. American National Insurance Co., Galveston, Tex	1,723,000	2,512,000
3. Business Men's Assurance Company of America, Kansas City, Mo	593,000	769,000
4. California Western States Life Insurance Co., Sacramento, Calif	701,000	847,000
5. Connecticut General Life Insurance Co., Bloomfield, Conn	5,353,000	7,350,000
6. Continental Assurance Co., Chicago, Ill	1,585,000	2,051,000
7. Equitable Life Insurance Company of Iowa, Des Moines, Iowa	1,573,000	2,365,000
8. Franklin Life Insurance Co., Springfield, Ill	1,001,000	1,513,000
9. Great Southern Life Insurance Co., Houston, Tex	547,000	835,000
10. Jefferson Standard Life Insurance Co., Greensboro, N. C	1,740,000	2,613,000
11. Kansas City Life Insurance Co., Kansas City, Mo	863,000	1,307,000
12. Liberty National Life Insurance Co., Birmingham, Ala	617,000	940,000
13. Life & Casualty Insurance Company of Tennessee, Nashville, Tenn	$632,000	$971,000
14. Life Insurance Company of Virginia, Richmond, Va	1,167,000	1,694,000
15. Lincoln National Life Insurance Co., Fort Wayne, Ind	3,717,000	5,040,000
16. Monumental Life Insurance Co., Baltimore, Md	479,000	736,000
17. National Life & Accident Insurance Co., Nashville, Tenn	1,992,000	2,788,000
18. Northwestern National Life Insurance Co., Minneapolis, Minn	798,000	1,210,000
19. Occidental Life Insurance Company of California, Los Angeles, Calif	2,288,000	2,951,000
20. Ohio National Life Insurance Co., Cincinnati, Ohio	406,000	633,000
21. Southland Life Insurance Co., Dallas, Tex	532,000	755,000
22. Southwestern Life Insurance Co., Dallas, Tex	1,038,000	1,568,000
23. Travelers Insurance Co., Hartford, Conn	13,377,000	17,105,000
24. United Benefit Life Insurance Co., Omaha, Nebr	703,000	940,000
25. Washington National Insurance Co., Evanston, Ill	941,000	1,181,000
Total	54,903,000	74,242,000

Mr. ANDERSON. These lists indicate that of the $124 million which the bill would return retroactively to the life-insurance companies, $115,280,000 would go to 51 mutuals and 25 of the principal stock companies. The other approximately $8 million would go to the other 1,100 companies, for which all the tears are being shed.

These small companies need help. The relief of $20 million proposed for one company is far greater than all the relief which would go to the one-thousand-one-hundred-odd small insurance companies.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. Did I correctly understand the Senator to say that there is a retroactive provision in the bill?

Mr. ANDERSON. The bill provides a retroactive rebate of approximately $124

million to the life-insurance companies of America.

Mr. LAUSCHE. What is the theory behind the granting of relief?

Mr. ANDERSON. There is a difference of opinion. They have been given this promise year after year for several years, and they made up their statements this year in the belief that they would be able to get such a bill through Congress. It has been vigorously opposed by some of us who think it is an improper thing to do.

STATEHOOD FOR ALASKA

Mr. RUSSELL. Mr. President, I noted with great interest in today's Washington Daily News an advertisement which carries an editorial from the Daily Alaska Empire, a newspaper printed in Juneau, Alaska.

This editorial deals with the question of statehood for Alaska in more realistic fashion than almost any other material I have ever seen on the subject. It confirms the position I have taken, that the economy of Alaska is not such at this time as to support a State, and that the Congress, instead of voting statehood for Alaska under present conditions, should interest itself in bettering conditions there, particularly in the field of agriculture, so that the people of that Territory may be able to purchase their food supplies at a reasonable cost.

I also happened to notice, in an article in today's Wall Street Journal which deals with the question of unemployment insurance, a statement to the effect that no State had been compelled to borrow from the $200-million fund which we established for that purpose, but that in both 1955 and 1956 the Territory of Alaska was compelled to borrow from the fund.

I hope that in considering the bill to grant statehood to Alaska, which is being pressed upon us so vigorously, we will consider the wishes of the people who live in Alaska, people who have been there for some time, and not land speculators or those engaged in Government employment which is likely to be of limited duration.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the editorial to which I have referred.

There being no objection, the editorial was order to be printed in the RECORD, as follows:

[From the Washington Daily News of March 12, 1958]

Alaska's Delegate ROBERT (BOB) BARTLETT, has put his finger on the statehood problem in the only realistic way that it can be solved for the benefit of the 48 States and the Territory of Alaska.

Delegate BARTLETT announced February 2 of this year that he has a bill pending in Congress to remove the 25-percent ceiling on the cost-of-living bonus given Federal employees in Alaska and allowing this 25-percent tax benefit to be placed at a realistic figure of about 50 percent or more.

Statehood in Alaska is the most misunderstood fact facing the House of Representatives and Senate because it is loaded with political emphasis and is sponsored by voters in Alaska, 90 percent of whom never remain in Alaska longer than 36 months.

Congressman Dr. MILLER, of Nebraska, conducted a survey and found that the overwhelming majority of the people of Alaska only want statehood after some realistic adjustment of taxes and are against statehood at this time. And yet Congressman MILLER stated before his survey that he would be for statehood regardless of what his sample balloting reflected.

The Alaska Daily Empire is the oldest daily newspaper in Alaska and it has been owned by three separate families, including the present owners, who have had interests and members of their families in Alaska more than 60 years.

Considering statehood, this is what the Federal Internal Revenue Department announced last fall: "The tax collections in Alaska have dropped from a high of $43,566,000 down to $36,431,000, which indicates that Alaska's economy has only approximately 20 percent of the strength of the Hawaiian economy.

In other words, Hawaii pays in Federal income taxes five times as much as Alaska ever paid and Hawaii's is increasing and Alaska's economy is decreasing.

To further reflect the soundness of Alaska's economy, 65 percent of all income in Alaska is paid to Army personnel and Federal Government employees and because of the Army spending in Alaska is on the decline, Alaska's economy is on the decline.

To further reflect the truth about Alaska, we combined some figures for Mr. Seaton and for Congressman MILLER of Nebraska and this showed that Lincoln, Nebr., had a far greater amount of money in savings accounts than the total of Alaska and yet the population of Alaska was approximately twice the population of Lincoln, Nebr.

Alaskans are the highest taxed group under the American flag, with sales tax and Territorial income tax and a cost of living that runs 50 percent to 100 percent higher than the balance of the United States.

Alaska needs a 10-year moratorium on the statehood issue, which is a political football, and is being forced by intimidation on the property owners of Alaska. During this moratorium we can put our house in order to develop industry so that we can afford statehood at the end of 10 years.

And we need to have Delegate BARTLETT'S realistic tax concession granted to Federal employees and extended to all taxpayers in Alaska for 10 years so industry can be established and we in Alaska can pay into the Treasury of the United States rather than being a liability, which is now the case. We believe industry will bring us revenue and growth plus statehood.

Now here's some sober thinking for the Congressmen and Senators who have the interests of the United States in the uppermost part of their minds: To grant statehood to Alaska at this time, we would find that the leftist extreme element in Alaska and Hawaii would undoubtedly run a race in case of war to see which area would voluntarily join the Communist bloc first, and being next door to Russia, Alaska might go first.

These Congressmen and Senators should heed the statement of Dr. Allan M. Bateman, professor of geology of Yale University, who said on February 23 of this year: "There are 32 critical minerals necessary for successful war or peace or industry." Now what he didn't say was that Alaska is the great reservoir under the American flag for these 32 necessary minerals and statehood at this time would delay the development of these minerals for at least 25 years.

Dr. Bateman stated that Russia alone has more of these necessary 32 minerals and is less dependent than any country in the world. The British Commonwealth has a surplus of 25 of these minerals with a deficiency of only 7 of these minerals.

He further stated that the United States is third from the top and is in a serious position.

Alaska has more of these necessary minerals. Therefore, statehood taxes and the welfare of our Nation should be considered in one package—which is the true way to develop Alaska. Bring about statehood and at least a 10-year moratorium by having Congress wash its hands of this situation which is festered throughout with leftist intimidation and is lacking in integrity and good for the 48 States plus the Territories.

Our continued request to be heard has been jockeyed and moved around. Anyone who speaks realistically about the development of Alaska for the benefit of all of the United States meets the propaganda of the emotionists and the leftists and those who put political gain first and our Nation second.

THE GROWING PLIGHT OF SMALL BUSINESS

Mr. HUMPHREY. Mr. President, in the Washington Star of March 11 there appeared a very thought provoking article by Sylvia Porter on the growing plight of small business. Miss Porter warns that unless a real effort is made soon to solve the problems of financing and taxation of small business the industrial giants will dominate the economy more and more.

I ask unanimous consent that this timely article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 11, 1958]

TRIUMPH OF GIANTISM

(By Sylvia Porter)

"Within 18 years, all manufacturing business and most of the distribution and service business of the Nation will be controlled by corporations having more than $100 million of assets. * * *"

So predicted the House Small Business Committee in January 1957. It qualified its forecast with only one if—"if small-business failures and big-business expansions continue at the rate of the past 5 years."

Today I can report that the committee's timing for the triumph of industrial giantism is beginning to appear conservative.

The rate of small-business failures is intensifying by the week. So far in 1958, businesses are failing at the pace of 300 a week, close to 16,000 a year.

At the same time, the business birthrate is slowing down. In January new business incorporations were 2.3 percent below the number of new formations in January a year ago. In 1957, business births were below both 1956 and 1955.

Meanwhile, the merger trend is as strong as ever.

Voluntarily or involuntarily, dozens of medium-big firms merge and consolidate every day. In addition, the number of companies which do not fail but which disappear nevertheless through merger with stronger firms or through just simple dissolution runs from 350,000 to 400,000 a year now, authoritative sources estimate.

There's no missing the trend or the reasons behind it.

The squeeze of rising costs of materials and manpower is a major force. While this cost squeeze may pinch a big corporation, it often strangles a smaller one.

The difficulty of getting loans and capital is an immense factor. While stiff credit requirements may annoy a large corporation, they frequently destroy a smaller one which can't get the cash it must have in time and at a price it can afford to pay.

Taxes are a brutal killer. In prosperous periods the tax burden doesn't permit a smaller firm to accumulate a nest egg to carry it through rougher times. Again, while the taxload may slash a big company's net profits, it often wipes out a smaller one.

And this era of fierce competition is proving the final blow to painful numbers of little businesses. The price wars which have followed the abandoning of fair trade on small appliances may be building plenty of business for the big stores, and they're certainly giving consumers a chance to grab some bargains, but the wars also are dooming small-appliance retailers the Nation over.

There's nothing new about the plight of small business. The only news is that the plight is getting steadily worse.

What, then, did the 1st session of the 85th Congress, and what did the administration do about it last year?

Nothing.

Oh, there was plenty of talk. There were lots of proposals, promises, speeches, pledges, hearings, "tidbits" of assistance. But when you ask what important and practical moves were made, the answer must be: Nothing significant was done.

What, then, is the outlook for 1958?

Because of the business recession, because this is an election year, because some leaders in Congress really seem to care about preserving our system of free, competitive enterprise, there may be some tax-relief measures, a few other moves.

But there still is no convincing evidence of a major effort to solve the problems of financing and taxation of small business. And until this effort is made, the industrial giants will dominate the economy more and more. And our economic system will continue to die—fast.

BIPARTISAN FUND RAISING

Mr. HUMPHREY. Mr. President, on February 25, 1958, I placed in the CONGRESSIONAL RECORD an article by John Obert entitled, "Money, Politics, and the Minnesota Story." This article grew out of and discussed the imaginative experiment conducted in Alexandria, Minn., in the interest of bipartisan fund raising.

Recently I have been happy to note that the American Heritage Foundation has taken up this cause. The New York Herald Tribune for Saturday, February 15, 1958, contained an editorial entitled "Grassroots Campaign Funds." This editorial specifically mentions the new effort which the American Heritage Foundation is to make and places it in the context of the Alexandria, Minn., experiment.

I ask unanimous consent that the text of this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GRASSROOTS CAMPAIGN FUNDS

Two Gallup polls prove that millions of voters are ready to contribute to the political party they support—but most of them are never asked to give. Although exact statistics are not available, experts estimate that more than 90 percent of the financing involved in Federal elections is done by less than 1 percent of the population. This is unhealthy for democracy. The American Heritage Foundation is trying to remedy it by a campaign to broaden the base of political giving through enlisting the support of more individuals giving smaller amounts.

When Senator FRANCIS CASE, of North Dakota, reported in February 1956 that he turned down a $2,500 campaign contribution because it seemed to him to be based on the assumption that he would support a bill to exempt natural gas producers from Federal regulation, he touched off a Senate investigation by the Gore committee of the effectiveness of the laws concerning political donations. Among other things, the committee charged that during the 1956 campaign:

"Although the national committees of the Democratic and Republican Parties were limited to expenses of $3 million each, up to 10 other committees collected funds for each party in two or more States.

"Although Senators themselves can spend only a maximum of $25,000 and Representatives $5,000, independent committees supporting them raised and spent much more.

"Although individual contributions are limited to $5,000, there are so many committees that one Democrat gave as much as $70,000 and one Republican as much as $65,000.

"Although national committees, Senators and Representatives have to report on their expenditures, there were some 300 Republican committees operating at State, county, and local levels and nearly 250 similar Democratic organizations, most of which did not have to make any reports."

The American Heritage Foundation, in cooperation with the Advertising Council, has proposed a national, nonpartisan educational campaign to get more of the American people to appreciate the importance of giving financial support to the candidates or parties of their choice. In the words of Brig. Gen. David Sarnoff, chairman of the foundation, it "looks upon such widespread participation by the American citizenry as a basic element of participating citizenship, the fundamental goal to which our foundation is dedicated." Such a campaign would certainly provide more widespread participation, would strengthen the vigor of the political system by enlisting the interest of the grassroots voter and would probably be a better way of financing our two-party system. That it can be done was demonstrated in Alexandria, Minn., where teams of Republican and Democratic solicitors canvassed 1,000 voters in three evenings. They collected $1,200 from 76 percent of those canvassed. It is worth trying on a national scale.

ANNUAL GIDEON SEYMOUR MEMORIAL LECTURE BY DR. HARRISON BROWN

Mr. THYE. Mr. President, on Sunday, March 9, the annual Gideon Seymour memorial lecture was given at the University of Minnesota by one of our Nation's leading scientists, Dr. Harrison Brown, professor of geochemistry at the California Institute of Technology.

I have noted much comment in the press which has resulted from Dr. Brown's views, but I think his address is worthy of being brought to the attention of my colleagues in the Senate. In this connection, there was an editorial in the Minneapolis Morning Tribune of March 10 commenting on Dr. Brown's lecture. Because of the difference in views which has been expressed by other scientists with respect to Dr. Brown's views, I ask unanimous consent that both the text of Dr. Brown's lecture and that editorial be printed in the body of the RECORD at this point as part of my remarks.

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

OUR INSTANT OF TIME

Another, brilliant contribution to the dead-earnest debate over America's and the world's proper approach to survival was put before Minnesotans Sunday in the 7th Gideon Seymour memorial lecture. Scientist Harrison Brown underscored the urgency of the moment by warning that "today, in but an instant of time, man is called upon either to exert his power (to control his destiny and to understand the universe) or forever to lose it."

In a sense, Brown joined issue forcefully with another outstanding speaker recently here, Henry Kissinger, and with physicist Edward Teller, whose views have gained wide attention through his testimony before Congressional committees and his public writings.

With Kissinger, Brown's dissent was only implicit but nonetheless basic. Kissinger, though he rejects the label of advocate, does believe in the possibility of and even, under certain circumstances, the necessity for limited wars (employing tactical nuclear weapons). Brown believes it fantastically wishful thinking to expect that human beings will handle themselves intelligently and coolly in these wars and that everyone's ability to retaliate with massive destruction will result in stabilization.

Brown's difference with Teller are bluntly, almost brutally explicit. The chief point at issue between them is whether it may be possible to achieve some kind of agreement with the Soviet Union which might reduce world tensions, offer a political solution to global problems, and head off the nuclear holocaust toward which Brown fears we may be marching. Brown feels there can be such agreement * * * must be. Teller—out of a deep-rooted hatred of the Soviet Union which borders upon the fanatic, according to Brown—sees no political solution on the horizon and maintains we have no choice but to continue our military policy of nuclear stalemate with Russia.

Such questions, of course, lie in the realm of another science, political, and have to do with elements, human emotions and reasoning not entirely subject to the techniques and tools used by either Brown or Teller in their fields of special expertness (geochemistry and nuclear physics). However, Western scientists, unlike their Soviet counterparts, do study and speculate and debate outside the narrow confines of their laboratories, and their achievements both in their scientific fields and in outside speculation command respect and attention for their views.

It may be confusing to the mere laymen who may ultimately make or shape the national decisions on these momentous matters to find disagreement, even deep disagreement, among such eminent men. But the questions involved are complex, they cannot be much simplified without danger, and they invite difference of opinion, even among the best informed.

We cannot, however, if we pay attention, be other than helped in our own thinking by the shared speculation of men like Brown. We can be thankful for the free-flowing channels of communication which make such sharing possible in our society, whatever burdens and perplexities may be foisted upon us as a result.

BROWN SAYS NEXT DECADE OFFERS NEW LIFE OR DOOM

(Following is the text of the Gideon Seymore memorial lecture given Sunday at Northrop Auditorium by Harrison Brown, professor of geochemistry at California Institute of Technology:)

Today we are confronted with the most critical, the most desperate, the most dangerous situation in mankind's long history.

The way in which human beings conduct themselves, and in particular the way in which we in the United States conduct ourselves during the next brief decade may well

determine whether man continues to inhabit the earth. In all likelihood, our conduct during this short period will determine whether or not it will be possible for civilization of any sort to thrive.

Almost certainly our conduct will determine whether or not it will be possible for man to continue to move forward and attain the new level of life and understanding—the new level of richness—which is within our reach.

Never before have we been in a position in which the decisions of individual men have been so critical in determining the ultimate destiny of all mankind. We are at a junction which has been thousands of millions of years in the making and unfortunately we are only beginning to perceive the real nature of this turning point.

EONS REQUIRED

A billion or so years were required for our earth and sun to be formed from primordial matter. Another billion or so years elapsed before the first primitive life forms emerged in the early oceans. Additional billions of years passed before life evolved to the point where it could survive on land. Hundreds of millions of years were required before life on land evolved to the point where a creature could emerge which was endowed with the power of conceptual thought; which could use tools and which could control his environment.

It took this creature, man, hundreds of thousands of years to reach the point where he could create a civilization. Additional thousands of years passed before he attained the power not only of controlling his destiny but of understanding the universe in which he lives.

Today, in but an instant in time, he is called upon either to exert that power or forever lose it.

It is both ironic and tragic that man, the only animal capable of both understanding his environment and controlling it, is the primary threat to his own survival. He is able to look up at the stars and wonder. He is able to build machines with which he can study both the infinitely great and the infinitely small. He probes the depths of the oceans and the earth beneath his feet, the world within the atom and the universe of galaxies. His mind enables him to transport himself far into the past and into the future. He has the power of flying to the stars. He has come close to achieving the almost godlike power of creating life in the laboratory. And he has the power of destroying the natural life around him on an unprecedented scale.

As he pursues his endless quest, his probing into the far reaches of the unknown, there emerges the bare glimmering of an understanding of the how of his universe and of his place within it.

As yet his degree of understanding is small. But the important thing is that he understands enough to realize that he can understand, if he persists in his quest, and if he preserves the tools which he now has together with the wherewithal to create new ones. And he is even sufficiently bold to believe that he need not stop once he understands the how of his universe—that there remains the problem of the why. And that, too, he believes he may one day answer.

MAN CREATES BEAUTY

But man is capable of more than cold mechanistic understanding—he is capable of emotional feeling as well. He can feel and appreciate the beauty of his universe and of the wondrous laws which regulate its motions. He can isolate himself on a mountaintop or in a forest, and without attempting to understand he can feel the beauty which enguifs him.

He can close his eyes in a concert hall and permit the sounds to transport him into a world where emotional experience is the only reality and understanding is both impossible and unnecessary. He can feel the beauty of life, both of the flesh and of the spiirt. And where nature is deficient, he can create beauty where it had not previously existed—beauty in words, in sound, in sight, in touch, and in a variety of unclassifiable emotional experiences.

Yet this same creature, who is endowed to such a high degree with the powers of understanding, of feeling, and of creating, now finds himself threatened by the very qualities of nature which were responsible initially for his emergence. He permits instincts which were formed in a totally different environment from that in which he now lives to dominate his actions. He destroys that which he does not understand and which might possibly be a threat. He thinks of today and ignores tomorrow. He is concerned far more with himself than with the community of mankind to which he belongs. He tolerates ugliness and selfishness in the interest of expediency. And he tolerates expediency without thinking of the long-range effects of his actions and his inactions.

I do not wish to imply that if we survive the next decade our problems will be solved. Indeed, for as long as our civilization lasts we are going to be faced with critical problems involving its perpetuation. But I do wish to make clear the fact that we are called upon today to make decisions which will have vastly greater effect upon mankind's destiny than any decisions which have thus far been made in the course of human existence.

No decisions which Alexander or Caesar or even Hitler could possibly have made could have determined whether mankind as a whole would live or die. They could make decisions which could determine the destinies of their own civilizations and cultures. Their decisions could result in a speeding up or a slowing down of progress. But no decision within their power could have excluded the later emergence of new civilizations. No decisions on their part could have resulted in the destruction of the greater part of humanity.

By contrast, the decisions we make today, if they are wrong, can result in exactly that. Can we as a Nation and as a people devise the means of forestalling the unprecedented dangers which confront us? This is the overwhelming question of our age.

MEN THINK OF TODAY

If we were to compile a comprehensive list of those characteristics of man which operate to his disadvantage, very high in relative importance would be his reluctance to look ahead. He thinks primarily of today. He takes actions aimed at satisfying immediate needs and ignores their long-range consequences. And his failure to look ahead frequently precludes actions aimed at preventing the emergence of serious new problems.

In a society which is relatively stable, in which there is little or no change either in the society or in its external environment from one year to the next, it is not necessary to look ahead. And even were one inclined to do so, one would see but an interminable sameness.

These were the conditions which prevailed in the millenniums during which the ancient empires of the East reigned supreme, or later during the centuries of Roman supremacy, or still later in the Middle Ages. To be sure there were changes in those societies, but they were slow when compared with the life span of a human being. So slowly did changes take place, they were usually not noticeable from one generation to the next. Totally new problems appeared only at infrequent intervals.

For as long as a society could cope with the new problems as they arose, it survived. But when new problems emerged with which the society was unable to cope, death was the inevitable result.

By contrast with the rates of change which prevailed in the ancient civilizations, those in modern industrial societies are fantastically high. And we must recognize that so rapid is the rate of change, the solution of the immediate problems which confront us today will by no means stem the tide, that there will be even more problems tomorrow of even greater complexity.

EMOTIONS ENTER

It is clear that both the recognition and the anticipation of problems are necessary for our survival. It is obvious, however, that recognition and anticipation are not sufficient, that problems demand solution. And unfortunately it often happens that although most problems can be solved on the intellectual level, they all too frequently resist solution on the emotional level. All of us know of problems where the solutions might make a great deal of sense intellectually, mathematically, economically, biologically, and morally, but where the solutions would not be valid for the reason that they would not be acceptable to most of the people.

The fact that problems must be recognized and anticipated if we are to survive indeed makes life seem difficult. Even were we called upon only to arrive at intellectual solutions to these problems life would seem unreasonably complex. But called upon as we are not only to anticipate, to recognize, and to arrive at conclusions intellectually, but to arrive at conclusions which will satisfy most people emotionally as well, I fear is a challenge so great that it makes pessimists of most of us.

Certainly such thoughts have made a pessimist of me—although I would like to stress that I am a pessimist with hope. Somehow I have the feeling that once people understand the major problems which confront us, they will find solutions. And I feel that even those who don't really understand the problems might eventually turn out to be at least somewhat tolerant of the solutions which emerge.

This afternoon I will speak primarily of problems, but at the risk of irritating you I will speak but little of solutions. With the conviction that problems must be spelled out before they can be solved, I hope to outline the major problems which confront us today, as I see them, together with those which will in all likelihood confront us tomorrow.

NUCLEAR WAR THREAT

The most obvious threat to our survival today is nuclear war with the Soviet Union. This is also the most immediate threat, but I would like to stress that in the long run it is not necessarily the most serious one.

For more than 12 years we have been locked in an arms race with the Russians. Both parties in this race fully realize that war between them is a very real possibility. Both sides have expended prodigious efforts aimed at putting themselves in the position of winning the war should it break out. Both sides have been developing varieties of nuclear armaments for tactical, strategic, and defensive purposes.

The race has led to the concentration of tremendous technological resources upon military problems and has resulted in the emergence of dramatically new techniques of waging war.

Efforts to secure some measure of arms limitation have failed repeatedly and there is little prospect that disarmament negotiations will be reopened in the near future. The United States now relies in large measure for its defense upon her ability to retaliate with devastating power against an aggressor.

Today we can strike with planes carrying nuclear bombs and which stand ready for

practically instantaneous takeoff from a worldwide network of bases. Tomorrow we will be able to strike with missiles carrying nuclear warheads launched from both stationary ground and mobile sea bases scattered throughout the world. The Russians also presumably have the means of striking with devastating power using planes, possibly with submarine-based missiles and soon with land-based long-range missiles.

We in turn are engaging in an intensive program aimed at developing a variety of nuclear antiplane and antimissile devices. We recognize that in the event of war far more nuclear explosives may be detonated in the process of defending ourselves than in striking at the enemy.

We recognize further that the radioactive products of these explosions can result in far more deaths than those resulting from the bombs which are aimed at cities. In part for this reason we have been working intensively on the development of a so-called clean H-bomb.

Deadlocked as we are with the Soviet Union and hoping that the threat of retaliation will prevent the outbreak of a major nuclear war, we have reached the conclusion that small or limited wars are perhaps inevitable. We have, as a result, embarked upon a program of devising nuclear armaments which are particularly suited to this type of war.

The proponents of preparedness for limited nuclear war apparently believe that the leaders of nations will be guided predominantly by rational considerations and that they will handle their warmaking in a sufficiently wise manner that the boat will not be rocked unduly—that fear of the consequences will prevent the outbreak of an allout nuclear war involving the strategic use of megaton bombs.

INFLUENCE EXERTED

There are many sincere proponents of the view that massive preparations for massive retaliation and for limited war represent the only realistic path toward security at the present time. Outstanding among these proponents is a group of men, symbolized in the public mind by Dr. Edward Teller, and who exert enormous influence upon our policies in this area.

Indeed, the combination of Dr. Teller's position, his prestige, his knowledge, and the iron wall of secrecy which enables him to make statements which cannot easily be checked or refuted by critics outside and often inside the Government, gives this group a degree of influence in the area of policy formation which rivals that of any group of persons in our country in modern times.

In a recent article in Foreign Affairs and still more recently in an article in Life magazine Dr. Teller explains his views concerning disarmament. He states that "since a political solution of the global problem is nowhere in sight, it has been proposed to make the world more peaceful by eliminating the means rather than the causes of war."

He then goes on to say, "There are at present two major reasons why such schemes are doomed to failure. One is the existence of the Iron Curtain. The other is the nature of modern scientific discoveries." He states that it is obvious that the Second World War was brought about by a race in disarmament, and although he notes in passing that historical analogies are not reliable, it is amply clear that he is convinced that any agreement on our part aimed at achieving some degree of arms limitation would be suicidal.

Concerning the Iron Curtain, it seems clear to me that Dr. Teller is motivated by a deep-rooted hatred of the Soviet Union which borders upon the fanatic. From this hatred there stems the belief that no agreement with the Soviet Union can be trusted and that in our modern technological age no inspection system can be relied upon. "In the contest between the bootlegger and the police," he says, "the bootlegger has a great advantage."

The combination of his fear of the Soviet Union and associated with it his fear that the United States might engage in disarmament agreements have led Dr. Teller to make some statements which are designed to convince but not necessarily to clarify.

Concerning control of H-bomb tests he says, "Actually a nuclear test is easily noticed only if it is performed in the most obvious manner. There can be no doubt that if a nation wants to carry out tests in secrecy, observation will become difficult and uncertain." He then minimizes the dangers of radioactive fallout from testing with statements which are somewhat reminiscent of the old saying that gonorrhea is no worse than a bad cold.

And finally, Dr. Teller argues that the very rapidity of technological progress renders disarmament an impossibility. "Scientific and technological developments," he says, "have produced and will produce unexpected types of weapons. How shall one check whether such weapons exist when the person who does the checking does not even know what he is looking for?"

Thus, the American people have placed before them the rationale for what is, in effect, our policy today—a policy which stems primarily from fear and hatred of the Soviet Union and which has produced a blindness concerning other serious short-range and long-range problems. I, for one, believe that this almost fanatic fixation, this blind fear, this hatred which causes us to look upon the Soviet Union as the only threat, and which leads us to justify practically everything we do or don't do on the basis of what the Soviet Union does or does not do can, in the long run, lead to disaster.

SECURITY CONSIDERED

At this point I should like to make my position with respect to the Soviet Union clear. I dislike her form of government as intensely as I dislike any totalitarian regime. I believe that she would, if given the opportunity, dominate the world. Her recent behavior in Hungary was despicable.

I do not believe that she would keep agreements unless it were to her advantage to do so. I also believe that science and technology have placed in the hands of the Soviet leaders weapons of both persuasion and coercion of such power that the prospects for a dramatic change in the nature of Soviet leadership are remote.

But I do not believe that the Soviet leaders are stupid, nor that they are necessarily blinded by preconceived goals to the extent that they would attempt to achieve those goals by means which would seriously jeopardize their own security. And here, I believe that we should keep in mind that security in the eyes of the Soviet leaders has two aspects—the first is the security of the nation; the second is the security of the regime.

These aspects of the problem should obviously be recognized and taken into account in our attempts to extricate ourselves from the morass in which we find ourselves. But there is a difference between taking facts into account coolly and logically and permitting ourselves to become so hysterical over the facts that we establish a blind, one-track policy, which in the long run may be suicidal.

We have seen that the policy as prescribed by Doctor Teller is to continue the arms race into the indefinite future. He offers us no short-term prospects or even remote long-range hopes for an end. There must be no disarmament. We must wage an endless sequence of little wars. We must continue developing new and more effective weapons for offense and defense. The specter of nuclear holocaust will be ever-present. We must resign ourselves to this and shape our way of life accordingly.

Where might such a policy take us in the long run? What will happen not only to our own culture but to the rest of the world if we pursue such a policy for the next quarter century and if, by some miracle, catastrophe does not intervene in the meantime?

TECHNOLOGY ASSESSED

Recently I have had the opportunity of participating in a series of discussions concerning these problems which have been held under the sponsorship of the National Planning Association. A group, composed about 50 percent of scientists, a number of whom possess considerable knowledge of weapons systems, has been surveying the general technical and political problems of disarmament.

In our first working paper we have attempted to take a long look into the future and to assess what military technology might be like in another 20 to 25 years in the absence of any weapons-control agreements. The picture which unfolds, I regret to say, is not a pretty one.

We must realize that today we are in the middle of an enormous revolution characterized by the rapid spread of industrialization throughout the world. Hand in hand with the growth of industrialization goes the power of waging modern war. Within the last half century we have seen the growth of industrialization and of war-making potential in Japan. We all know what happened as a result.

More recently we have seen the growth of industrialization in the Soviet Union and we see today what is happening as a result. But I would like to stress that the Soviet Union is by no means last on the list, that we are closer to the beginning of this revolution than we are to the end. China is industrializing and already she is causing trouble. Other areas of the world will follow—India, Africa, the Middle East, South America. We must recognize that the potential for waging modern war is likely one day to become worldwide.

FALLOUT INCREASES

As nuclear weapons are increasingly taken for granted in fighting small wars, the techniques of making them and of using them will become worldwide—and here I mean all nuclear weapons ranging from the artillery shell to the superbomb. I suspect that about 15 nations will be in the business of manufacturing nuclear explosives within the next 25 years. In another 25 years the number may well be double that.

This brings up one point concerning which Dr. Teller and I are in complete agreement. If weapons are to be used they must be tested. Presumably each nation will run its own testing program and the level of radioactive fallout, which Dr. Teller calls insignificant, may well increase another tenfold.

Today this insignificant effect results in the deaths of perhaps a few thousand persons each year who might not otherwise have died (Dr. Teller would probably express this differently, the average length of life is shortened by only a few hours). Tomorrow the annual additional deaths might well be numbered in the tens of thousands.

In the next quarter of a century we will make great advances in the struggle for space supremacy. There will be manned satellites, television observation satellites, radar satellites, bomb-carrying satellites. And as we are driven relentlessly into space, we will also be driven relentlessly into the oceans.

There will be missile-carrying submarines which will be capable of descending to vastly greater depths than do those of today and which will be even less subject to detection. There will be underwater vehicles driven by remote control which will carry thermonuclear explosives capable of destroying coastal cities.

And in 1975, I can see in a flight of fancy, an article in Life magazine, written by Dr. Edward Teller, grand old man of science and father of the H-bomb, who by then has succeeded in establishing a crash program at the Livermore laboratories aimed at beating the Russians to the moon.

He is worried that the then-current Soviet-American negotiations aimed at placing the moon under United Nations jurisdiction might succeed, and in eloquent words he describes how such an agreement might work to our disadvantage. He states that "since a political solution of the space problem is nowhere in sight, it has been proposed to make space more peaceful by eliminating the means for waging war in space."

He then goes on to say that "there are at present two major reasons why such schemes are doomed to failure. One is the existence of the iron curtain. The other is the nature of modern scientific discoveries." He concludes ominously, "Actually the establishment of a lunar base is easily noticed only if it is established in the most obvious manner. There can be no doubt that if a nation wants to establish such bases in secrecy, observation will become difficult and uncertain."

MEANS ACHIEVED

But to return to the problem of military technology, we are faced during the course of the next 25 years with the prospect of seeing one nation after another achieve the means of manufacturing nuclear explosives and of delivering them with planes, missiles, and submarines. With the addition of each new nation to the list, the problem of achieving control of any sort will increase enormously. As missiles become more dependable agents for delivery increased emphasis will be placed upon the use of nuclear explosives for defensive purposes.

Eventually most nations will be heavily armed with these weapons. Stockpiles for offensive purposes will be numbered in the hundreds of thousands, and those for defensive purposes will be numbered in the millions.

Within this anarchic framework there will be little wars in which tactical nuclear weapons will be used. We are asked to believe that human beings will handle themselves intelligently and coolly in these wars and that everyone's ability to retaliate with massive destruction will result in stabilization. No nation, it is argued, will employ H-bombs strategically for fear of being destroyed herself.

The degree of wishful thinking which is involved in this view is, I believe, fantastic. In a rapidly changing world, such a situation would be about as stable as a billiard ball balanced on a pinhead.

To persons who doubt this, I can only say that a Tunisian village was bombed the other day as the result of an order which was given by an officer who acted rashly and without the knowledge of the government of France. This was not the first time a French officer has taken a rash action on his own and it may not be the last.

Imagine if you will a world in which nuclear weapons of all sizes have become commonplace and widespread. Couple this with the ever-present possibility of rash military action such as we have just witnessed in Tunisia. Add to this the prospect that rash actions can be precipitated in virtually every region of the globe. Mix with this the consideration that individual human beings are more likely to act in a crisis on the basis of heated emotions and deep-seated fears than on the basis of considered judgment. Add to this the extent to which ignorance permeates human society. Add, for what it is worth, our knowledge from past history concerning the frequency of occurrence of wars.

Now examine all of these factors and ask yourselves for how long a time you honestly believe violence on a large scale can be avoided. Our opinions will, of course, vary. But I believe that most of us who are able to divorce ourselves from our tendency to indulge in wishful thinking would agree that the time which stands between us and large-scale disaster some place in the world is agonizingly short.

WHOM TO BLAME?

There will also be another problem. Against whom does one retaliate? If Minneapolis were suddenly destroyed today, we would know that either a large meteorite or the Russians were to blame, and being that the fall of a large meteorite is perhaps considerably less probable than a Russian attack, we would retaliate with full force against the Soviet Union.

But what about tomorrow? If San Francisco is destroyed by a nuclear bomb launched from a submarine in 1980; against whom should we unleash our power? We might guess that the Russians were to blame. But what about the Chinese, the Egyptians, the Japanese, the Peruvians, the Indians?

I do not believe that much imagination is required to appreciate that such a situation would be intolerable and probably in the long run fatal. Yet, it is the kind of situation which will almost certainly emerge if we pursue our present policies.

Thus far we have discussed the most urgent of our survival problems. But we must realize that in the decades ahead we will be faced with other and in a sense even more difficult ones involving not only our biological survival, but the survival of individual freedom as well.

I am convinced that if the Soviet Union were, by some magic, to disappear tomorrow our situation would not be greatly eased—we would soon be confronted by other difficulties of equally grave magnitude. I am convinced that as industrialization continues its relentless spread, within the framework of international anarchy, we are going to be faced by new Germanys, new Japans, and new Soviet Unions.

FUTURE PROBLEMS

As worldwide consumption of goods increases and as the earth's resources of high-grade raw materials diminish in abundance, we will be faced with the necessity of applying our science and technology on an unprecedented scale to the task of surviving on the leanest of natural materials.

As the population of the world continues its accelerating rise, mankind will be faced with problems of providing living space and adequate food and shelter for billions of new additions to the human community.

As industrialization spreads we will be faced with the prospect of watching more and more nations shift to totalitarian forms of government in the interest of shortening their periods of transition and in the interest of their own military survival.

As our own population grows, as the pressures from outside become even more intense, as our industrial network becomes increasingly complex, as the problems of military defense become even more involved, we will be confronted internally by extraordinarily difficult problems involving our learning how to live in an industrial society.

We have only seen the beginnings of rules and regulations designed to regulate and bind men's actions. In Dr. Teller's world of the future, the world of the armed peace, the brush-fire war and the do-it-yourself air-raid shelter, the people of the United States will be driven steadily toward increased organization, increased conformity, and increased control over the thoughts and actions of the individual.

In the face of the powerful modern tools of persuasion and coercion I fear that what dignity and freedom we still possess may one day vanish.

TOTALITARIAN DRIFT

Today we are arming ourselves against the Soviet Union because we are afraid she may destroy us. But equally important, we are arming ourselves because we don't like totalitarianism in any form. Would it not, then, be ironic if in the process of combating totalitarianism in this narrow manner, it were to descend upon us through the back door?

China has already embraced communism. I believe that the pressures of eking out an existence will soon force Japan to return to the totalitarian fold. Several months spent in India have led me to the belief that we should not be surprised were that nation to attempt to emulate China. And even in our own country I would not be surprised if we were to drift into some form of totalitarianism which we would, of course, continue to call democracy.

I would now like to say that if I really thought that the dismal future which I have discussed thus far were inevitable I would not be with you now discussing the matter. If a friend of mine were suffering from an incurable disease, I would not be inclined to give him a vivid description of the nature of his disease, nor would I be inclined to give him a detailed outline of his future agonies.

On the other hand if I believed my friend's disease curable, and if an understanding of his difficulties were a prerequisite for the cure, I would be inclined to describe his disease to him and to project its course into the future as best I could.

CURES ARE POSSIBLE

I am not at all certain that the political diseases which now infect mankind can be cured. But I believe that cures are possible. And for as long as the possibility of cures remains I believe we should do everything we can to find them and apply them. I believe further that our present policies can be likened to the ancient practices of bloodletting or of applying leeches—practices which stemmed from ignorance rather than from knowledge and which killed more often than they cured.

I have already stated that it is not my intention this afternoon to discuss solutions to our problems. But I would like to discuss in the few remaining minutes some possible approaches to solutions.

First we must take both the long view in time and the broad view in personal outlook and ask ourselves: What kind of a world do we want? When we examine the future in time perspective we must recognize that change will be the major characteristic of our society for many decades, and perhaps for centuries. We must recognize that one day, other nations may be as powerful, or perhaps even more powerful than ours.

In our thinking in time perspective let us keep in mind the tremendous superiority enjoyed by the United Kingdom for so many years. There were many reasons for the decline in British power, but certainly one of the major ones was the failure of the leaders to take a long view of the future. They worked, often brilliantly, on the immediate problems of the day, but they failed to come to grips with the problems of the future until it was too late. Secondly, they attempted to maintain a vaguely defined status quo, much as we in the United States are doing today, not realizing that change was as much a characteristic of their world as it is of ours.

It seems to me that our primary long-range objective should be to do what we can to help create a world in which the great majority of the people have the opportunity of leading free and abundant lives. But when I look at the world of the future it seems obvious to me, and I believe also to most persons who think about the problem, that world anarchy is incompatible with this objective.

Enforceable world law is the only alternative and I believe that we should both understand this and state it clearly as one of our long-range goals, recognizing fully that enormous difficulties lie in the path.

STABILITY NEEDED

Our second long-range goal should be to make the industrial transition in the presently unindustrialized parts of the world as painless as possible. We should recognize that a world in which a few own much and in which many persons suffer deprivation, is inherently unstable. Even were we to look at the problem solely from the selfish point of view, the elimination of starvation in India would appear to be more to our advantage in the long run than the development of the ultimate in intercontinental ballistics missiles.

In connection with the second goal we should realize that our modern science and technology can in principle, in the absence of catastrophe, enable mankind to provide an abundance of food and goods for an indefinitely long period of time. Given the will and the mobilization of effort, there is little doubt that large-scale deprivation could be eliminated from the world scene.

I realize that being in favor of eliminating starvation and deprivation is like being against sin—it is respectable, but only for as long as operational details are omitted. In the present situation the operational details are loaded with concepts which give rise to strong emotional reactions.

One of these, which I have already cited, is world law or world government, which is our only alternative to world anarchy. Another, for example, is birth control, which is our only means for adjusting to the consequences of death control, which we have practiced for so many decades.

In assessing our long-range goals it seems to me essential that we do everything we can to divorce emotion from such concepts, and others like them, and give them the hard-headed respectability which they deserve.

EDUCATION IS GOAL

Our third long-range goal should be the education of people. We have got to realize that we are simply not sufficiently well-educated to survive in our complex industrial world, that the savage in the jungle is far better equipped to survive in his world than we are in ours.

We have reached the point where we have become completely dependent upon the smooth functioning of our science and technology for our survival—yet few persons know anything about what science is, how it operates, or what its potentialities and limitations are. A savage in the jungle who knows nothing about the operations of his own tools and weapons, or the habits of the plants and animals about him cannot survive for long.

In addition, we have become dependent upon our ability to accumulate new knowledge which can enable us to control the forces of nature. Yet we are producing far fewer scientists and engineers than we need today, and our needs tomorrow will be even greater.

Our fourth long-range goal should be to decrease the vulnerability of industrial society to disruption. No matter how successful we are in the decades ahead in disarmament, in world development or in the achievement of enforceable world law, the specter of nuclear war will be with us for a long time in the future.

As our industrial network is now arranged, the destruction of a few well-chosen centers could result in complete stoppage of our production, and in effect could result in the death of our Nation. It is possible, I believe, to rearrange our network in such a way that our vulnerability would be greatly reduced.

I have only mentioned four aspects of what I believe our long-range goals should be—world law, world development, education and, related to it, the accumulation of new knowledge, and the lessening of our vulnerability. There should undoubtedly be many more goals. But whatever they are, they should be stated forcefully and clearly in terms that all people of the world can understand. Given a clear statement of our long-range goals, it is then possible to formulate short-range goals which make sense.

URGENCY NOTED

Of all of our short-range goals, the one of overwhelming urgency, it seems to me, is to secure agreements which would make it extremely difficult for the Soviet Union and the United States to engage in large-scale nuclear war and which would severely hinder, if not completely stop, the spread of nuclear military technology to the rest of the world.

Dr. Teller believes that any such agreements would work to our disadvantage because we could not be certain that the Soviet Union might not "bootleg" tests. I challenge this view, and in doing so I do not stand alone in the scientific world.

I believe that Dr. Teller is willfully distorting the realities of the situation. I believe that it is possible for us to secure agreements with the Soviet Union to stop tests and I believe further that the agreements could be of such a nature that the Soviet Union would adhere to them because it would be very much to her advantage to do so. I also believe that it is well within the realm of feasibility to establish a detection system which would make the bootlegging of tests extremely difficult, if not impossible.

I would now like to speak more specifically and outline a possible sequence of steps which could be taken which I believe would ease the present critical situation and which would create an atmosphere within which longer-range goals might be pursued.

TESTING HALTED

First, we could agree to stop testing nuclear explosives of all sorts for a specified period of not less than 1 year and not more than 3. This agreement should be divorced from all other aspects of military technology and all international-political considerations. The existing detection stations, located in various parts of the world, would render difficult gross violation of the agreement in the short time during which the agreement would be in effect.

The staffs at the various nuclear armaments laboratories here and abroad could make plans for new weapons and they could assemble devices for future testing on as large a scale as they might desire.

During the first few months of the agreement, an international conference could be held, composed primarily of scientists and technologists in the military-nuclear field, for the purpose of discussing in detail the technical requirements for detecting nuclear tests in relation to their size, nature and method of detonation. I believe that such a group could, in a relatively short time agree upon a scheme which would be workable both technically and politically.

DETECTION OUTLINED

It seems likely to me that a worldwide network of landbased detection stations, spaced approximately at 1,000-mile intervals, coupled with a similar network of observation ships over the oceans would be a reasonable recommendation. These stations would be equipped with the most modern seismographs, microbarographs, and radiation-detection instruments and they would be in daily radio communication with a central detection headquarters.

The network of detection stations could be under United Nations jurisdiction and operation. The stations could be located and operated in such a way that other aspects of a nation's military program could remain unobserved. Once agreed upon, stations could be established first in those areas of the world where tests have been conducted thus far. Then over a period of 5 to 10 years the network could be extended over the entire surface of the earth. In the meantime the original short-term agreement could be placed on a permanent basis.

But what about Dr. Teller's bootlegger? Would not the United States be at a disadvantage? We would not think of violating such an agreement, but the Russians might expend vast efforts in attempts to conduct tests in secret.

I believe that there is an answer to this difficulty. Remote though the possibility of conducting tests in secret might be, it is conceivable that some bright young scientist might think of a way of circumventing the agreement. In view of this possibility and in order to place the United States on an equal footing with the Soviet Union, I would be inclined to legalize secret nuclear tests—in short to make the bootlegging of tests an honorable profession.

DANGERS CURTAILED

The agreement which I visualize would not be one to stop all nuclear testing. It would be an agreement to stop all tests which could be detected by the established network. This would mean that no appreciable radioactivity could be poured into the atmosphere to contaminate the air, no appreciable air pressure waves could be initiated, no large ground-shocks could be generated.

It would mean further that our scientists and technologists at Los Alamos and Livermore could be kept happy and busy exploring all possible roads which might enable them to circumvent these formidable restrictions.

I believe that it is possible for us to approach the problems of controlling missiles and satellites which will soon be upon us, in a similar way—although the technical problems will be much more formidable. Yet here also I believe we can reach agreements which can be kept because it would be to the interest of all parties to keep them.

As a start it should be possible to place the region outside the earth's atmosphere under United Nations jurisdiction and to establish a system whereby a satellite could be launched only with United Nations approval following inspection to ascertain its function.

I realize that it is a long way from cessation of nuclear tests and the assignment of the control of space to the establishment of a truly peaceful world. But it seems to me that we have got to start some place and we have got to start soon. We are rapidly approaching the time when it will be too late.

It is time that our policymakers face the realities both of the present and of the future and conduct our affairs accordingly. It is time that we abandon our narrow view of world affairs and our negativistic approach to them, and establish positive policies which have meaning, which can be understood abroad and which can effectively get us started on the path toward peace.

It is time that we realize that we in the United States, the most powerful, the richest, and technologically the most advanced nation in the world are in the position to take leadership in the creation of a world such as has been dreamed of by man for thousands of years but never realized—a world in which freedom reigns, in which all persons are able to lead abundant lives, in which all persons are free from the fear that the skies may once again darken with the clouds of war. I realize that this is a big order. But the order is no greater than the stakes we forfeit if we lose our race with time.

STIMULATION OF RESIDENTIAL CONSTRUCTION

The Senate resumed the consideration of the bill (S. 3418) to stimulate residential construction.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage of the bill, in order that all Senators may be informed that a yea-and-nay vote is expected.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, we are approaching the close of debate on one of the most important measures we could pass to combat the recession.

A few weeks ago, I met with union representatives of my State. They reported on conditions in their areas and the facts they had to present gave no cause for comfort.

One of the darkest pictures was that in the building trades industry.

One after another the facts rolled in.

In one city in the South High Plains, 30 percent of the carpenters out of work.

In union halls on the gulf coast, idle workers congregating in the hope that someone would call for their services.

In heretofore expanding towns of east Texas, no new construction in sight to take up the employment slack.

Legislation to stimulate housing at this time has an unusually strong appeal. Not only will it put skilled workers back on payrolls, but it will provide more homes for the families of America.

The experts of the Senate Banking Committee estimate that this measure could stimulate at least 200,000 extra housing starts in 1958. If the estimate is correct, this could put more than 10 percent of our unemployed back on the job.

Mr. President, under any circumstances I would consider this essential legislation. Homebuilding is not expanding as rapidly as the needs of the Nation. It has fallen below levels that are adequate.

Even this bill would do more than restore homebuilding to what it was 3 years ago.

Mr. President, this is only one of the measures which are to come as the response of Congress to the serious emergency which confronts our workingmen and women.

We have already approved a resolution to speed up the civil works which Congress has already authorized and funded. Before the week is over, I hope we will have completed action on farm legislation.

Shortly thereafter, I hope we can proceed to the highway bill, and a measure to establish capital banks for small business. I also anticipate facing up to a proposal to establish a Public Works Administration to engage in long-term planning and to be ready to go in the event a large-scale public-works program becomes essential.

We will face up—I hope very quickly—to the question of tax cuts. I have not come to any firm conclusion on this issue. But I believe we owe it to our fellow Americans to end the suspense at the earliest possible moment.

There is no intention here of jumping into crash programs or poorly-thought-out schemes. The steps we are taking are steps that will be carefully considered by prudent men.

But neither are we going to allow catch phrases and Madison Avenue slogans to sabotage the steps that must be taken.

I wish to congratulate the very able chairman of the Committee on Banking and Currency [Mr. FULBRIGHT] and his associate subcommittee chairman, the Senator from Alabama [Mr. SPARKMAN], for the many long hours of arduous effort they have devoted to the bill which we are about to pass.

I express my appreciation also to members of the minority who have cooperated in reporting this proposed legislation. I hope we may soon have a heavy vote in favor of its passage.

We cannot forget that we are confronted with an emergency—at least it is an emergency to 5,200,000 men and women. There is no intention to disrupt the economic life of America by rash moves. But there is an equal determination not to disrupt further the lives of 5,200,000 men and women by procrastination and delay.

Mr. President, the committee has done an excellent job. This is a bill which I believe can be supported proudly.

I hope that it is approved by an overwhelming vote and that we can start this legislation marching on its way to the relief of our fellow Americans.

Mr. President, I believe it is appropriate here to point out that no Member of the Senate has shown a greater awareness of the housing problem than the junior Senator from Oregon.

He has been in constant contact with me and with his colleagues. Just last week, I received a letter from him on the housing and other economic needs of Oregon and I ask unanimous consent that it be printed in the RECORD at the end of my remarks.

In this, as in all other matters, the junior Senator from Oregon [Mr. NEUBERGER] has displayed the keen interest that is to be expected from a Senator who is trying to give his constituents the highest type of service.

The people of Oregon have shown excellent judgment in sending him to the Senate. They assured themselves representation of the ablest, most patriotic and effective type.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
March 6, 1958.

Hon. LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR LYNDON: You were kind enough to invite my opinion as to what action the Senate could take to do most for Oregon's lagging economy and high rate of unemployment.

In my opinion, there is no doubt that this action would be passage of an effective and adequate housing bill to encourage the early construction of a large volume of new homes throughout this country.

Oregon produces more lumber than any other State; about 75 percent of that lumber goes into housing. When housing is down—as it has been under this administration's progressively higher interest rate policies—lumber output is down, and Oregon is gripped by unemployment, mill closures, declining sales along Main Street. The other States of the Pacific Northwest are similarly affected.

One need not be a prophet of gloom and doom to recognize the depressed business conditions in Oregon. All the facts illuminate this reality. Unemployment has gone on so long that many insured workers have already exhausted their full quota of benefits, thus they do not show in compilations which currently place Oregon in second place in percentage of insured unemployment. Of 105,276 persons filing claims for unemployment benefits in the first 7 months of the 1957–58 benefit year, 5,818 already have drawn their full amount and this number is increasing at the rate of more than 800 a week.

On top of all this, public assistance payments in Oregon in December of 1957 topped the $3 million mark for the first time in the history of the State Public Welfare Commission. This reflects the burden of direct relief of those not covered by unemployment compensation and of those whose unemployment benefit protection has expired. Lumber production in the Northwest Douglas fir belt during December was 16.6 percent below the November level and an alarming 19.3 percent below December of 1956. Department store sales for Oregon in December were at an index of 106, compared with the year earlier figure of 115.

Even before effects of tight-money policies were felt nationally, Oregon's economic health began to dwindle. During the winter of a year ago, this condition was erroneously diagnosed as a seasonal decline. However, the sharp drop in housing starts, reduction of the backlog of new orders for lumber and other factors forecast more serious consequences. At that time, I urged study for designation of Oregon's major metropolitan area as one having a labor surplus. I did this so that contracts for Federal purchases might be channeled into the area early enough to partially restore employment. It was not until last month, when joblessness touched one out of every 8 persons covered by unemployment insurance, that the Portland metropolitan area was placed on the list of distressed employment centers.

These events illustrate the results of policies which do too little, too late and give urgency to our efforts to accelerate action on a broad and dynamic housing program. Danger still exists that the administration will continue to ignore underlying factors, thus failing to act with the required promptness. There have been predictions that an upswing in employment will come this month, or in April or May. No one needs a crystal ball to foresee a rise in jobs during later months of this year. That has been the historic pattern of our Nation's employment trends—even in depression years. What must be sought is an antirecession program of sufficient volume and velocity to carry the economy above its former plateau when the upturn comes.

In my opinion, a vastly expanded housing program will be the key to achievement of such a goal. Housing absorbs a wide variety of materials and manufactured products and requires a large amount of manpower. Money funneled into the economy through this avenue shows up quickly in the market place.

There are other beneficial social and fiscal aspects of an enlarged housing program. Our Nation will have difficulty turning the tide against spread of slums and inadequate housing until a rate of new starts in the neighborhood of 2 million units annually is achieved. Moreover, money de-

voted to housing has less of an inflationary impact because—even with a large degree of Government support—housing attracts funds derived from savings into the avenues of commerce.

The lumber industry is so responsive to conditions in the housing market that an early improvement in the Oregon situation is possible through a housing program of broad scope undertaken at an early date. A program including direct Government loans to reach the middle-income bracket housing market, more rapid scheduling of public housing construction, expansion of FHA lending authority, and acceleration of urban renewal projects would certainly provide stimulus for restoring prosperity to my home State, as it would to other parts of the country.

Low-cost Federal power from sites like John Day, Libby and Hells Canyon is another urgent need for improvement of the economy of my State. Expansion of public works projects far above the unrealistic level proposed by the administration also is needed, and I intend to work for larger allocations for vital Oregon projects through the House and Senate Appropriations Committees. But it takes from 5 to 7 years to construct great projects such as these which would strengthen our long-range industrial base through greater diversification. Housing starts would give a far earlier and prompter forward thrust to Oregon's economic situation.

I am pleased to have had an opportunity to give my views on means of reversing the down-hill trend of our economy. Please be assured of my desire to cooperate in your efforts to bring forth the constructive housing program needed to meet the present perilous situation.

With best wishes, I am,

Sincerely,

RICHARD L. NEUBERGER.

Mr. SPARKMAN. Mr. President, in connection with the remarks of the distinguished majority leader on the housing bill, I wish to acknowledge at this point the very active interest taken in the measure by the majority leader himself. He early sensed the need for legislation which would put people to work. I remember one day early in the session, at the beginning of the year, he talked with me about a housing measure which would put people to work. That is what we have tried to do in the pending measure.

I should also like to say that we have had the finest type of cooperation in the Committee on Banking and Currency on both sides of the table. Everyone was eager to have a bill passed which would do the job, and I believe the pending bill will do it. The only controversy was on the subject of the interest rate, and we all saw how sharp that controversy was.

Mr. JOHNSON of Texas. I appreciate the remarks of the Senator from Alabama. I commend my able colleague from Oklahoma [Mr. MONRONEY] on the gallant fight he made on the floor of the Senate.

Mr. SPARKMAN. We should not forget the very fine cooperation that has been shown on the housing measure by the distinguished Senator from Indiana, the ranking minority member of the Committee on Banking and Currency [Mr. CAPEHART]. He was eager to get a bill through.

By the way, if the Senator from Texas will permit me, I should like to make one more observation concerning the seriousness of the present situation. So far I am one who has not viewed the present situation with exceeding alarm. I have thought of it all along as one that could become dangerous, but only if we did not act quickly enough to stop it. I certainly felt that we could act quickly.

In the report which came from the Secretary of Labor, there appear some charts which I commend to the attention of every Senator. They show a sharp decline in employment and a precipitous incline in unemployment. That line runs sharply up.

I have heard the statement made, in connection with economic matters, that if a change is rather steady and gradual, there is nothing to become excited about, but if it is a sharp break, then there is something to become excited about. It is not possible to have a sharper break than that shown on the chart in connection with unemployment in comparison with employment. That facts lends emphasis to the statement of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I must leave the Chamber, but first I shall yield to the Senator from Oklahoma, with the request that when he has concluded he suggest the absence of a quorum before final vote is had on the bill. He is authorized to assign the available time as he sees fit.

Mr. MONRONEY. First I should like to congratulate the Senator from Indiana on his victory. I now yield to him.

Mr. CAPEHART. That is very gracious of the Senator from Oklahoma. Mr. President, I send some amendments to the desk and ask that they be stated.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The amendments will be stated.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. What is the pending question?

The PRESIDING OFFICER. The Senator from New York has withdrawn his amendment. The amendments offered by the Senator from Indiana will be stated.

The CHIEF CLERK. On page 9, lines 20 and 21, it is proposed to strike out "20 days" in each place it appears and insert in lieu thereof "20 working days."

On page 8, line 24, before the comma, to insert "or expects to do so within 10 additional working days."

On page 10, line 2, to strike out the quotation marks.

On page 10, between lines 2 and 3, to insert the following:

(3) As used in this subsection, the term "working days" means calendar days exclusive of Saturdays, Sundays, and legal holidays.

Mr. CAPEHART. Mr. President, it was the intention of the committee to give 20 days for the specific purpose stated, exclusive of Saturdays and Sundays. It is therefore necessary to amend the bill to exclude Saturdays and Sundays.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. The Senator from Indiana has discussed this question with me. So far as I am concerned, I am perfectly willing to accept the amendments.

Mr. MONRONEY and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Do Senators on both sides of the question yield back the remainder of their time?

Mr. MONRONEY. I should like to reserve my time on the final passage of the bill.

The PRESIDING OFFICER. Do the Senators yield back their remaining time on the amendments?

Mr. CAPEHART. Yes.

Mr. MONRONEY. Yes.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from Indiana [Mr. CAPEHART].

The amendments were agreed to en bloc.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. It was my intention to offer an amendment to the bill relating to section 6, on page 13, which would have restored section 605 of the Housing Act of 1957.

I discussed the matter with a number of my colleagues and also with the chairman of the subcommittee and the chairman of the full committee. I should like to ask the chairman of the subcommittee, the distinguished Senator from Alabama, whether in the regular housing bill which is apt to be considered later, the whole matter of discount rates will be taken up again, in light of the trouble we have had with the discounting practice, and in view of the fact that in the pending bill, as I understand, FNMA is instructed to buy up to 99 percent of the value of the mortgages, or at least up to $1½ billion.

Mr. SPARKMAN. The Senator is correct. As I said a moment ago, the bill is a hurry-up measure, in an attempt to try to get housing starts going. We provide in the pending bill that FNMA shall have authority to buy all mortgages up to $13,500. Under the special assistance program in existing law, it is required to pay 99 percent of par. Therefore, the matter of discount control is not of concern at the moment. In order to be technically correct, let me say that the law requires it to pay par, but there is a 1 percent fee for handling, so that makes it 99 percent.

Mr. HUMPHREY. Had the Monroney amendment which would have stabilized the interest rates, been adopted, I would have felt that it was not nearly so important that we have control over discount rates. However, one of the most vicious practices that has developed in the housing finance field is the practice of discounting paper. It has the tendency to raise the interest rate. That is the indirect effect.

Mr. SPARKMAN. An 8-point discount is equal to a 1 percent increase in the interest rate.

Mr. HUMPHREY. Is it the Senator's view that the provision contained in the

act of 1957 worked to the disadvantage of the home buyer?

Mr. SPARKMAN. We have been told so by the people who have had to administer the law, and the people who finance the mortgages. They tell us that this is the effect, because it scares investors away.

Mr. HUMPHREY. Is it the Senator's view that with the high interest rate which is now authorized by the bill, money will be available?

Mr. SPARKMAN. Plus the special assistance program of FNMA.

Mr. HUMPHREY. Plus the special assistance program of FNMA, money will be available without the rather obnoxious practice of discounting?

Mr. SPARKMAN. The Senator is correct.

Mr. HUMPHREY. I hope that when the Committee on Banking and Currency begins to consider the general housing program, which I gather will be done this year——

Mr. SPARKMAN. We plan to start the hearings immediately after the Easter recess.

Mr. HUMPHREY. I hope the discounting practices will be thoroughly reviewed, and that the Commissioner will be called in for a much more careful examination than was possible during the consideration of the special emergency program which we are about to pass.

I shall not press the point tonight; but at the time the regular housing bill is considered, I respectfully request that the chairman and the other members of his subcommittee inquire intensively and in detail into the discounting practice. I hope they will ask the Commissioner for his recommendations as to how that practice can be stopped.

Mr. SPARKMAN. I give to the Senator from Minnesota my personal assurance that not only will we inquire into it, but that we shall watch it carefully as this program gets under way. It will be a matter of interest and concern to us at all times.

Mr. HUMPHREY. Does the Senator from Alabama agree with me that those who are lenders of money under the emergency housing program and under any housing program ought to be on guard lest they abuse the privileges which are accorded them, and not engage in the discounting practice?

Mr. SPARKMAN. I certainly do.

Mr. HUMPHREY. I serve notice now that if the discounting practice continues in the manner in which it has been used in the past, in the light of the action of Congress relating to interest rates on FNMA purchases, I shall be back when the housing bill is before the Senate with an amendment even stronger than that which was placed in section 605 of the act of 1957.

Mr. SPARKMAN. That was the Senator's amendment which was accepted at that time by the Senate.

Mr. HUMPHREY. I hope I will have some support of my proposal.

Mr. SPARKMAN. There is no difference between the Senator from Minnesota and me concerning this practice.

Mr. HUMPHREY. I thank the Senator from Alabama.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. I commend the Senator from Alabama and the Senator from Minnesota for making the RECORD crystal clear that the passage of the bill without the discount provision will not place a stamp of approval on the discount practice, which is injurious to the buyer.

As I recall the legislative history, in 1951 there was a statutory regulation. Then last year Congress provided what was, at least, a discretionary action on the part of those in charge of the housing program. This time we have withdrawn it.

The ultimate effect of the bill actually will not minimize or diminish the interest rate to the home builder in Colorado at all.

The report says that this matter is difficult to administer. Very often the minimum standards which are set become the maximum standards.

I think the Senator from Minnesota is absolutely correct. We ought to establish a real watchdog committee—a housing watchdog committee—as the junior Senator from Alabama has said, to watch the discount rate practice. We can be very easily misled by the bill which we are about to pass by the deletion of an important provision from the bill.

Mr. HUMPHREY. It should be understood by the lenders and other financial institutions that by the passage of the bill they are, in a sense, put on their honor and their good behavior. If they exercise the prerogatives they seem to think they have, of discounting to the point where it has a substantial effect on the interest rate, they will have to face another legislative battle in Congress.

I know the Senator from Colorado will be in the forefront of that struggle, as will other Senators who have spoken to me, including the Senator from Oklahoma [Mr. MONRONEY], the Senator from Tennessee [Mr. GORE], and the Senator from Wisconsin [Mr. PROXMIRE]. We do not intend to stand idly by and see the interest rates raised, first, by act of Congress; second, by the repeal of a provision which allows banks and lending institutions to run the market at their own pace.

Not only do we hope the Committee on Banking and Currency will exercise a watchdog operation upon this matter, but that other committees of Congress, too, can be alerted to it.

I was speaking only recently to the Senator from Louisiana [Mr. LONG], who said that even the Select Committee on Small Business, in some of its operations, could interest itself in this matter. Happily, the chairman of the Subcommittee on Housing of the Banking and Currency Committee is the chairman of the Select Committee on Small Business.

Mr. CARROLL. I remember the brilliant work done last year by the distinguished Senator from Tennessee [Mr. GORE] and the arguments made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Notwithstanding the action taken by the Senate today, as a result of the tie vote which was broken by the Vice President, this is only one step in the legislative process. The House of Representatives can act on the bill. It can give protection, just as the Senate sought to do. The House, historically, always has been closer to the people. I hope the House will take a very close look at the bill. They know that 47 Senators have a deep concern about the increase in interest rates.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LAUSCHE. I subscribe to the words spoken by the Senator from Minnesota [Mr. HUMPHREY] about practices which will sap the strength of the bill we contemplate passing. Any activity by any segment of the economy which will take from the ordinary citizen the benefits which Congress contemplates giving, by this bill will be contrary to the purpose which I will have in mind when I vote for the bill. The taking of an unjust discount rate from a man who wants to buy a house ought to be watched and condemned.

But I go beyond that. Any segment of the economy, whether labor leaders, banks, contractors, or building material suppliers, which contemplate receiving special benefits from the passage of the bill ought to be warned. I listened to the words of the leader of the majority, who said that labor leaders in the building crafts unions came to him and said that a great many of their members were out of work. I suggest to the Senate that in this year, while we are providing money to reestablish the economy and to help Americans build houses, we should be watchful so as to guard against, if possible, a huge wave of demands for increased wages and increased prices by material suppliers which will be financed by the general taxpayers and will destroy the purposes we have in mind as we pass the bill.

I want to vote for the bill, but I shall watch with interest to see how quickly the labor leaders and suppliers step in and ask for 25- and 30-cent-an-hour wage and also price increases, which will reduce the size of the house which a veteran will be able to buy, and will nullify the purpose of the bill.

The purpose of the bill is to reestablish the economy. While the general taxpayer is contributing to the fund which will make possible the buying of the mortgages, we should call upon all segments of the economy to join shoulder to shoulder to hold the price line, and to recognize that we are in a recession, and that we should cooperate in the effort to help the economy pull out of it.

I ask the chairman of the subcommittee, while he is watching other things, to watch to see that in the depression the cost of building houses does not go up. If the cost goes up, there will be shame upon us in taking money from the general taxpayers and spending it.

Mr. MONRONEY. Mr. President, I join with the distinguished chairman of the Subcommittee on Housing [Mr. SPARKMAN] and the distinguished Senator from Minnesota [Mr. HUMPHREY] in condemning, in the strongest possible terms, the shyster practice which has

grown up of discounting Government guaranteed mortgages. The purpose of the Government guaranty was to endeavor to give a full dollar's value for every dollar invested in such a mortgage.

However, when a mortgage is discounted by 10 cents on the dollar, that is a concealed manner of giving the veteran only 90 cents for each dollar of his mortgage.

I hope our committee will search for every possible way to end what I consider to be one of the most onerous of all the practices that have grown up in the mortgage field. I trust that a way can be found to put an end to it.

If, 6 years ago, such mortgages had been discounted, that practice would have been made the subject of a Congressional committee investigation. However, today, that is standard operating procedure even for the Federal National Mortgage Association. I suspect that today the discount rate is being set by that Government agency. I believe we should put an end to this despicable discount practice.

Mr. President, today the Senate voted to make a 16-percent increase in the interest rates. If the discount practice continues, the United States Senate will have been played for a sap. I hope the practice will be ended beyond any question.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). Does the Senator from Oklahoma yield to the Senator from Indiana?

Mr. MONRONEY. I am glad to yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I believe the RECORD should be kept straight. Under the law the Congress passed—and the bill was voted for by almost every Senator who was present—the Congress provided that when the FNMA purchased mortgages, it should purchase them at the market, and that it could not purchase them above the market. From time to time the Congress has admonished the FNMA not to purchase mortgages above the market, and it has not been supposed to purchase them above the market.

If we do not like what has been done under that law, the law will have to be changed.

Mr. MONRONEY. What I meant to say was that more times than not the FNMA discount rate has set the pattern for the discount rate throughout the country; and instead of buying the mortgages at the market rate, the FNMA has been setting the market rate. I believe it is despicable for a Government agency even to condone, much less to establish, a practice of giving the veteran only 90 cents for each dollar of his mortgage money.

Mr. SPARKMAN. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. Of course, the Senator from Oklahoma knows that I have brought up this matter many times in the subcommittee's hearings. The Senator from Oklahoma has placed his finger exactly on the trouble spot.

Let me say that the Senator from Indiana [Mr. CAPEHART] has correctly stated the situation. The mistake was made by the Congress in the 1954 act, by reconstituting the FNMA and by making it a profit-making institution and by giving it the direction which the Senator from Indiana has correctly pointed out.

I agree with the Senator from Oklahoma that as a matter of fact the Federal National Mortgage Association, a Government agency, ought not be a profit-making organization. It ought to influence the market toward par, instead of away from par, as is the case at the present time.

I agree that in order to accomplish that, a change in the basic law will be required.

Mr. MONRONEY. Mr. President, the FNMA was established under the Democratic administration, for the original purpose of stabilizing at par the Government-insured mortgages which, in fact, are as good as Government bonds.

But as a result of the practice which has developed since the changeover—and it was urged upon us by many persons in the home-construction field—the FNMA has become a quasi-moneymaking institution, and has been engaging in what I believe the loan sharks call "shaving paper." In other words, the interest rate has been "loaded," but the borrower has not read the fine print. That is the practice today, and it will continue to be the practice if we permit the FNMA to continue to operate as it does at the present time. I say it is a despicable practice; and it should be corrected at the earliest possible time, and by means of the strongest possible law.

Mr. SPARKMAN. Mr. President, will the Senator from Oklahoma yield again to me?

Mr. MONRONEY. I am glad to yield.

Mr. SPARKMAN. I was interested in the statement the Senator from Oklahoma made, namely, that a Government-guaranteed mortgage is almost as good as a Government bond. In fact, if possible, one type of Government-guaranteed mortgage—that is to say, the mortgage on Capehart housing——

Mr. MONRONEY. The Senator from Alabama means the type of mortgage for which the bill will increase the interest rates, does he not?

Mr. SPARKMAN. Yes. If possible, a Government-guaranteed mortgage on Capehart housing ought to be better than a Government bond, because a Government bond is guaranteed only once, but a mortgage on Capehart housing is guaranteed three times; and today the Senate voted to increase the rates of interest applying to such mortgages—which action I suppose constitutes a still stronger guaranty.

Mr. CAPEHART. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. CAPEHART. Mr. President, several times today I have heard Senators say on the floor of the Senate that a mortgage on Capehart housing is as good as a Government bond. I wish to say that the same can be said of everything connected with the name CAPEHART, including CAPEHART's word and CAPEHART's promises. All of them are equally as good as Government bonds.

Mr. MONRONEY. Mr. President, we hope everything connected with the name of the Senator from Indiana is regarded in that way.

Mr. President, I should congratulate the Senator from Indiana for the very successful fight he has made. I wish to congratulate the chairman of the committee for the very fine fight he has made. Above all, I realize that I should congratulate the President of the Senate, the Vice President of the United States. Let me say that never before have I been so completely knocked out as I was today by the final punch delivered by the Vice President. It is one which I shall do my best to avoid in the future. [Laughter.]

Although I protest against increasing the interest rates on these mortgages at a time when other interest rates are dropping, and although I protest against the $1 billion premium, the payment required to the moneylenders, nevertheless I feel that I cannot vote against the bill, when my colleague, the chairman of the Housing Subcommittee of the Banking and Currency Committee [Mr. SPARKMAN], with whom I serve on that committee, and with whom I served for 12 years in the House of Representatives—a body which in some ways is closer to the people of the country than is the Senate—has taken the position that the Senate should pass the bill, and that then, in the conference, the conferees on the part of the Senate will have an opportunity to reach a decision as between the interest rates voted by the House of Representatives and the higher interest rates voted today by the Senate with the help of the distinguished Vice President.

Mr. McNAMARA. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. McNAMARA. I thank the Senator from Oklahoma for his courtesy in yielding to me.

Mr. President, I desire to state that I subscribe to the sentiments and views which have been expressed by the Senator from Oklahoma.

I shall vote for the bill, despite the fact that it includes a provision for the high interest rates, which I believe are most unjustified, particularly in view of the colloquy which has just occurred between the Senator from Alabama [Mr. SPARKMAN] and the Senator from Oklahoma [Mr. MONRONEY], who have pointed out that the faith and credit of the United States are behind these mortgage loans, and guarantee them, and that, therefore, under the existing economic condition, there is no justification for requiring such high interest rates.

However, Mr. President, despite the high interest rates which are provided for by the bill, I take the position that, in view of the prevailing unemployment and the desperate situation of those who are unemployed, I should vote for the bill. Therefore, I shall vote for it.

Mr. YARBOROUGH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. Mr. President, I yield to the distinguished junior Senator from Texas, who has waged such an able fight for low-interest rates.

Mr. YARBOROUGH. Mr. President, I desire to congratulate the distinguished Senator from Oklahoma for the able fight he has made in opposition to the unconscionably high interest rate for which the pending bill provides.

I also desire to associate myself with the position taken by the Senator from Oklahoma, as indicated by his remarks in opposition to the discount practices now prevailing, and also as indicated by his remarks in opposition to the higher interest rate established by the bill.

I shall vote for the bill because its enactment is needed.

However, Mr. President, this situation reminds me of a story I was told when I was a young man. The story was that a boy about 18 years of age was about to drown, while another boy who was swimming was holding onto a log. The boy who was drowning screamed for help. The boy who had hold of the log yelled, "I will shove it out to you for $20."

In other words, the boy who had hold of the log was demanding that a premium be paid by the drowning boy for his survival.

Mr. President, that is similar to what has been required by the proponents of the higher interest rate.

As the Senator from Ohio [Mr. LAUSCHE] has said, they know that a depression and a recession exist. I congratulate the Senator for stating the facts. The people know a depression and a slowdown exist. Fortunately, they have not been going on for years and years; and, fortunately, the Government—especially the Members of the Senate on this side of the aisle—is moving to do something about this situation.

But then to say—as the bill now provides—that, as the price for giving assistance to the millions of workers who today are unemployed and are walking the streets, the payment of a higher price, by means of higher interest rates, will be required, to me is unconscionable.

Mr. President, I am proud to have joined today in the fight which has been made under the leadership of the distinguished junior Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. I thank the Senator from Texas.

Mr. PROXMIRE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. PROXMIRE. Mr. President, I, too, wish to associate myself with the position which has been taken by the Senator from Oklahoma.

I feel very strongly that the higher interest rates are wholly unjustified, are improper, will have an adverse effect, and will retard the effect of the other provisions of the bill in putting people back at work.

Mr. President, I shall vote for the bill; but I shall do so with a very heavy heart. I shall vote for the bill because it is my understanding, on the basis of the testimony which has been given by the distinguished senior Senator from Alabama [Mr. SPARKMAN], the outstanding expert in this field, that the bill, when enacted, will put 500,000 people to work.

Under the circumstances, although it will result in an increase in interest rates, I have no choice but to vote for the bill.

Mr. MONRONEY. I am not so sure it will result in an increase in interest rates, because if I understand the psychology of the Members of the House, they are going to look a long time before they buy a package such as the Senate has bought today.

Mr. PROXMIRE. I am glad the Senator has pointed out that fact. For whatever little influence it may have on the conferees' report, I hope an opportunity will be presented for them to keep the interest rates as they are, and to agree on a bill which will not result in increasing interest rates.

Mr. MONRONEY. I thank the Senator.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Tennessee.

Mr. GORE. It has been my privilege and pleasure to serve with the distinguished Senator from Oklahoma in both Houses of Congress. I have seen him make many able and vigorous fights. This is surely one of them. In almost every fight he has made I have been on his side. I have been on his side today. I congratulate him on a brilliant job, and I am sorry he suffered defeat at the hands of the Vice President of the United States—an event he will long remember.

Mr. MONRONEY. I thank my distinguished colleague. His remarks almost make up for the disappointment of losing the amendment.

Mr. LONG. Mr. President, will the Senator yield so that I may offer an amendment?

Mr. MONRONEY. I yield for the purpose of having the Senator from Louisiana offer an amendment.

Mr. LONG. Mr. President, I have an amendment at the desk, which I offer at this time and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed to insert the following at the appropriate place:

It is the sense of the Congress that interest rates for housing loans as of March 12, 1958, were too high, and that the Federal Reserve Board should exercise its powers to assure that an adequate volume of money and credit should be available to assure that housing loans subject to guaranties by instrumentalities of the United States Government should be available at a rate not to exceed 4½ percent per annum (assuming that no discount is paid).

Mr. LONG. Mr. President, the purpose of the amendment is to make it clear that the Federal Reserve Board should see to it that there is adequate credit and that there are adequate funds available for housing loans at 4½ percent interest, as Congress from time to time has indicated is desirable.

We have heard the argument made on the floor, by Republicans in the main, and by a few of our Democratic members, that they voted for higher interest rates on loans for veterans and others in order that housing may be built. If that argument is sound, and if those Senators are against high interest rates, if they are at heart in favor of having veterans and others obtain housing loans at reasonably low interest rates, they should certainly join us in having the Federal Reserve Board, which instrumentality was created by the Congress, see to it that credit is made freely available for such purposes, at reasonable rates of interest. The question is that simple. They will not have to resolve any conflict of conscience as to whether they are for higher interest rates and housing, or low interest rates and no housing. They can say they are for housing and for low interest rates. If they believe that the way to get housing is to see to it that housing funds are available at reasonable interest rates, this is the way to do it.

Senators have asked from time to time how we can go about getting reasonable interest rates. We have been challenged by leaders in favor of high interest rates as to what we can do about it. The first thing I would like to do is have Congress, which created the Federal Reserve Board, tell the Board that it is the sense of Congress that 4½ percent is a high enough interest rate to pay on Government guaranteed loans.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. REVERCOMB. Of course, the Senator is aware, is he not, that the Federal Reserve Board has reduced the discount rate another half percent, making it now 2½ percent? I know the Senator from Louisiana wants to be fair in his discussion. A moment ago he made the all-encompassing statement that the Republicans opposed the amendment offered by the Senator from Oklahoma. I think the RECORD will show, and I am sure the good Senator noted, that there was a division on both sides of the aisle on that vote.

Mr. LONG. I quite agree.

Mr. REVERCOMB. Both Republicans and Democrats divided on the vote.

Mr. LONG. It is my estimate that about 80 percent of the Republicans voted against the provision which, in my judgment, would have led to lower interest rates, and about 80 percent of the Democrats voted for the provision which would have led to lower interest rates.

My proposal will resolve a conflict of interest. It will permit veterans to have housing by expressing the sense of Congress that 4½ percent is enough interest to pay for Government-insured mortgages.

The Senate Finance Committee has been studying the matter for the past year. Lengthy hearings have been held. I should imagine that the printed hearings will comprise over 2,000 pages. The committee heard the Secretary of the Treasury, the Under Secretary of the Treasury, and the Chairman of the Federal Reserve Board. We have heard conflicting testimony and conflicting answers, and we can count on one thing; at a time when the Nation appears to be having a serious recession, it would be desirable to have housing loans available at reasonable rates.

I hope the Senate will adopt the proposal that it is the sense of Congress that interest rates on housing loans are presently too high and should be reduced.

Mr. President, I ask for the yeas and nays on my amendment.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator will state it.

Mr. BUSH. I should like to ask whether the question before the Senate is an amendment or a resolution.

Mr. LONG. It is a resolution expressing the sense of Congress that interest rates on housing loans guaranteed by the Federal Government should be available at 4½ percent and that the Federal Reserve Board should use its powers to see that that obtains.

Mr. BUSH. Mr. President, I raise a point of order.

Mr. LONG. I am offering this proposal as an amendment to the bill.

Mr. BUSH. I raise a point or order and a parliamentary inquiry as to whether a resolution of this type is appropriate upon the pending bill.

Mr. LONG. This is not a resolution; it is an amendment to the bill.

Mr. BUSH. I thought the Senator said it was a resolution.

Mr. LONG. I am offering it as an amendment to the bill, to express the sense of the Congress. I am saying we should state it is the sense of Congress that no more than 4½ percent is a fair rate of interest on a Government-guaranteed housing loan.

Mr. BUSH. Mr. President, may we have the proposal now pending read?

The PRESIDING OFFICER. Without objection, the clerk will read.

The LEGISLATIVE CLERK. It is proposed to insert in the appropriate place the following:

It is the sense of the Congress that interest rates for housing loans as of March 12, 1958, were too high, and that the Federal Reserve Board should exercise its powers to assure that an adequate volume of money and credit should be available to assure that housing loans subject to guaranties by instrumentalities of the United States Government should be available at a rate not to exceed 4½ percent per annum (assuming that no discount is paid).

Mr. CAPEHART. Mr. President, I move that the amendment of the Senator from Louisiana be laid on the table.

The PRESIDING OFFICER. The motion is not in order at this time.

Mr. BUSH. Mr. President, I raise a question as to whether that motion is in order.

The PRESIDING OFFICER. Does the Senator from Connecticut desire a ruling from the Chair?

Mr. BUSH. I do.

The PRESIDING OFFICER. It is the opinion of the Chair that the amendment is germane.

Mr. BUSH. Is it in order?

The PRESIDING OFFICER. The amendment is in order.

Mr. LONG. Mr. President, I ask that the yeas and nays be ordered on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. CAPEHART. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. LONG] has the floor.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

Mr. CAPEHART. Mr. President, a point of order—a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Mr. President, a point of order. The Senator from Louisiana suggested the absence of a quorum.

The PRESIDING OFFICER. The Chair did not hear the suggestion.

Mr. CAPEHART. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Just a minute. The Chair will advise the Senator from Louisiana that a call of the roll will have to come out of his time, if the Senator suggests the absence of a quorum.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Why is the motion to lay on the table the amendment offered by the Senator from Louisiana not in order?

The PRESIDING OFFICER. The Chair will advise the Senator from Indiana that the Senator from Louisiana has the floor.

Mr. CAPEHART. Is that the reason why I cannot move to lay the amendment on the table?

Mr. GORE. The regular order, Mr. President.

Mr. LONG. Mr. President, how much time do I have on this amendment?

The PRESIDING OFFICER. The Chair will advise the Senator from Louisiana that he has used 8 minutes out of 90, leaving a balance of 82 minutes.

Mr. PAYNE. Mr. President, will the Senator from Louisiana yield so that I may ask to have a statement printed in the RECORD?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maine?

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. LONG. I will yield for that purpose.

The PRESIDING OFFICER. The Senator from Louisiana yields to the Senator from Maine.

Mr. PAYNE. Mr. President, I ask unanimous consent that a statement I have prepared in connection with the housing bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE HOUSING BILL BY SENATOR PAYNE

The housing bill now before the Senate is the first major piece of housing legislation to reach the floor this session and will be one of the most important bills to be acted on this year. The drafting of this legislation was dominated by two policy considerations, namely: the need to continue the VA housing programs and the need to counter the current economic slump.

The two veterans housing programs—direct loan and insured mortgage—have allowed more than a million former servicemen to build or purchase homes, providing the impetus for one of the greatest housing booms in history. Through the insured mortgage program the Government has stimulated the flow of funds into housing without involving the Government directly in the housing field. The direct loan program was designed to augment the insured mortgage program in areas where mortgage funds were not available from regular credit sources. It too has proven successful, especially during the last 2 years when mortgage money has been relatively tight.

Both of these valuable programs are due to expire this summer. Indeed, the funds for the direct loan program are already exhausted and many veterans who have applied for these loans have had to be turned down. Veterans in Maine have written to me recently explaining that the direct loan program offered the only source of mortgage funds available at reasonable rates.

Ever since the issue of extending both these programs came before the Congress last year it has been my belief that they were valuable and necessary and that they should be extended. Less than a month ago here in this Chamber I reiterated this position and called for a rejuvenation of the direct loan program, and the $150 million annual authorization included in this bill will go far toward accomplishing that goal.

It is imperative that both of these veterans housing programs be extended for at least 2 years as provided in this bill.

The second and most important aim of this legislation is to combat the effects of economic recession. In this respect a unique device is incorporated in this bill which makes use of the rather involved operations of the private mortgage market. The prevailing interest rates in the mortgage market today are governed by the rates set by FHA- and VA-insured mortgages. These mortgages, after being issued, are often sold by the issuing bank or other lending institutions, and it is in this sale that the real supply-and-demand effect of the money market is reflected. In most money markets, it is still felt that both VA and FHA mortgage-interest rates are too low and therefore the dollar value of the mortgage is discounted upon this sale. These discounts may amount to from 3 percent to nearly 8 percent. Banks and builders usually take this loss and it has made many of them reluctant to issue mortgages, even those insured by the Federal Government, since they probably will not realize full value if they decide to sell.

To stimulate the flow of mortgage money again into VA- and FHA-insured mortgages this bill would authorize the Federal National Mortgage Association to purchase $1 billion worth of these mortgages from banks and other issuers at par value without discount. To boost the construction industry and aid employment the bill requires these mortgages to be only on new homes. There can be little doubt as to the effect this shot in the arm will have on the economy. It will increase home construction by at least 100,000 units this year and create hundreds of thousands of new jobs. The building-supply manufacturers can immediately set their sights higher. Transportation and appliance industries will be aided. The result may well be the economic stimulus to reverse the present economic trends.

In addition to the $1 billion for FHA- and VA-insured mortgages this bill gives the President an extra $500 million to use in this or other FNMA par purchase programs as he sees fit. This money can be used in the same fashion as the $1 billion which I just mentioned. And its results can be the same.

This is an outstanding piece of legislation and deserves prompt and favorable action by the Senate.

Mr. CAPEHART. Mr. President——

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, I yield to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may move to lay on the table the amendment offered by the able Senator from Louisiana.

Mr. LONG. Mr. President——

Mr. CAPEHART. And I ask further unanimous consent that there be a yea-and-nay vote on the motion.

Mr. LONG. Under those conditions, Mr. President, I will agree.

The PRESIDING OFFICER. The Senator from Indiana has proposed a unanimous-consent request. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

The question is on the motion of the Senator from Indiana to lay on the table the amendment offered by the Senator from Louisiana [Mr. LONG]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from North Carolina [Mr. ERVIN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of Illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from North Carolina [Mr. ERVIN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 45, nays 43, as follows:

YEAS—45

Aiken	Curtis	Martin, Pa.
Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Beall	Fulbright	Payne
Bennett	Goldwater	Potter
Bricker	Hickenlooper	Purtell
Bridges	Hoblitzell	Robertson
Bush	Hruska	Saltonstall
Byrd	Ives	Smith, Maine
Capehart	Jenner	Smith, N. J.
Carlson	Knowland	Thye
Case, N. J.	Kuchel	Watkins
Case, S. Dak.	Lausche	Wiley
Cooper	Malone	Williams
Cotton	Martin, Iowa	Young

NAYS—43

Anderson	Douglas	Green
Carroll	Eastland	Hayden
Chavez	Ellender	Hennings
Church	Frear	Hill
Clark	Gore	Holland
Humphrey	Mansfield	Scott
Jackson	McClellan	Smathers
Javits	McNamara	Sparkman
Johnson, Tex.	Monroney	Stennis
Johnston, S. C.	Morse	Symington
Kefauver	Neuberger	Talmadge
Kerr	Pastore	Thurmond
Langer	Proxmire	Yarborough
Long	Revercomb	
Magnuson	Russell	

NOT VOTING—8

Bible	Flanders	O'Mahoney
Butler	Kennedy	Schoeppel
Ervin	Murray	

So Mr. LONG's amendment was laid on the table.

Mr. SPARKMAN. Mr. President, I point out, even at this late hour, that the veterans legislation proposed in the housing bill is almost word for word the substance of the bill which was introduced earlier this year by the distinguished junior Senator from South Carolina [Mr. THURMOND] and myself, as joint sponsors, and also is almost identical with an amendment which we sponsored to the housing bill last year. The bill passed both Houses of Congress, but was vetoed by the President subsequent to the adjournment of Congress. I think it is particularly important to point that out for this reason.

In the Senate there is dual jurisdiction of housing. A similar situation exists in the House. In the Senate, the Committee on Labor and Public Welfare has jurisdiction of the Servicemen's Readjustment Act, except for the direct loans. It happens that the Committee on Banking and Currency, by a long established practice, has jurisdiction of the direct loans, but the GI guaranteed loans are under the jurisdiction of the Committee on Labor and Public Welfare.

The distinguished junior Senator from South Carolina is the chairman of the Subcommittee on Housing of that committee, and he has rendered very valuable and distinguished service in helping to get the bill which was passed today in proper form. It was the working agreement which the Committee on Banking and Currency had with the Committee on Labor and Public Welfare which made it possible to handle the veterans provisions in one bill.

I hope that when the bill goes to the House, the House Committee on Veterans' Affairs will not insist upon dividing the jurisdiction, but that the bill will be handled as one bill in the House. I have reason to believe that the Chairman of the House Committee on Veterans' Affairs will agree to such a procedure.

I pay tribute to the Senator from South Carolina for the excellent cooperation and outstanding work he has done on the measure which is about to be passed, and for the excellent cooperation he has shown in making it possible to have it considered in the manner in which it was.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. THURMOND. I appreciate the kind remarks of the distinguished Senator from Alabama. It has been a pleasure to work with him on the matter of veterans housing. I am vitally interested in any matter pertaining to the welfare of veterans. If it were not for the veterans, we would not have a country today. I shall do anything I can for their welfare and the promotion of their interests.

I deeply appreciate the great interest which has been taken in this matter by the distinguished Senator from Alabama, and I express to him my deep gratitude.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

Mr. KNOWLAND. I yield back the remainder of my time.

The VICE PRESIDENT. The question is on the passage of the bill. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from Virginia would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

YEAS—86

Aiken	Cotton	Humphrey
Allott	Curtis	Ives
Anderson	Dirksen	Jackson
Barrett	Douglas	Javits
Beall	Dworshak	Jenner
Bennett	Eastland	Johnson, Tex.
Bricker	Ellender	Johnston, S. C.
Bridges	Frear	Kefauver
Bush	Fulbright	Kerr
Capehart	Goldwater	Knowland
Carlson	Gore	Kuchel
Carroll	Green	Langer
Case, N. J.	Hennings	Lausche
Case, S. Dak.	Hickenlooper	Long
Chavez	Hill	Magnuson
Church	Hoblitzell	Malone
Clark	Holland	Mansfield
Cooper	Hruska	Martin, Iowa

Martin, Pa.	Proxmire	Stennis
McClellan	Purtell	Symington
McNamara	Revercomb	Talmadge
Monroney	Robertson	Thurmond
Morse	Russell	Thye
Morton	Saltonstall	Watkins
Mundt	Scott	Wiley
Neuberger	Smathers	Williams
Pastore	Smith, Maine	Yarborough
Payne	Smith, N. J.	Young
Potter	Sparkman	

NOT VOTING—10

Bible	Flanders	O'Mahoney
Butler	Hayden	Schoeppel
Byrd	Kennedy	
Ervin	Murray	

So the bill (S. 3418) was passed, as follows:

Be it enacted, etc., That (a) section 203 (b) (2) of the National Housing Act is amended by striking out "$10,000" wherever it appears and inserting in lieu thereof "$13,500."

(b) Section 220 (d) (3) of such act is amended by striking out "$10,000" wherever it appears and inserting in lieu thereof "$13,500."

SEC. 2. Section 305 (c) of the National Housing Act is amended by striking out "$450 million" and inserting in lieu thereof "$950 million."

SEC. 3. (a) Section 305 (f) of the National Housing Act is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "*Provided,* That the total amount of purchases and commitments authorized by this subsection shall not exceed $500 million outstanding at any one time: *Provided further,* That of the amount authorized in the preceding proviso not less than $58,750,000 shall be available for such purchases and commitments with respect to mortgages insured under section 809."

(b) The last paragraph of section 803 (b) of the National Housing Act is amended by striking out "4" and inserting in lieu thereof "4½."

SEC. 4. Section 305 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(g) With a view to further carrying out the purposes set forth in section 301 (b), and notwithstanding any other provision of this act, the Association is authorized to make commitments to purchase and to purchase, service, or sell any mortgages which are insured under title II of this act or guaranteed under the Servicemen's Readjustment Act of 1944, if the original principal obligation thereof does not exceed $13,500: *Provided,* That the total amount of purchases and commitments authorized by this subsection shall not exceed $1 billion outstanding at any one time: *Provided further,* That applicants for such commitments shall be required to certify that construction of the housing to be covered by the mortgages has not commenced."

SEC. 5. (a) Section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 694 (1)) is amended to read as follows:

"DIRECT LOANS TO VETERANS

"SEC. 512. (a) The Congress finds that housing credit under section 501 of this title is not and has not been generally available to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. It is therefore the purpose of this section to provide housing credit for veterans living in such rural areas and such small cities and towns.

"(b) Whenever the Administrator finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed under section 501 of this title, he shall designate such rural area or small city or town as a 'housing credit shortage area,' and shall make, or enter into commitments to make, loans for any or all of the following purposes in such area—

"(1) For the purchase or construction of a dwelling to be owned and occupied by a veteran as his home;

"(2) For the purchase of a farm on which there is a farm residence to be owned and occupied by a veteran as his home;

"(3) For the construction on land owned by a veteran of a farm residence to be occupied by him as his home; or

"(4) For the repair, alteration, or improvement of a farm residence or other dwelling owned by a veteran and occupied by him as his home.

If there is an indebtedness which is secured by a lien against land owned by a veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

"(c) No loan may be made under this section to a veteran unless he shows to the satisfaction of the Administrator that—

"(1) he is a satisfactory credit risk;

"(2) the payments to be required under the proposed loan bear a proper relation to his present and anticipated income and expenses;

"(3) he is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans, a loan for such purpose for which he is qualified under section 501 of this title; and

"(4) he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act or under the Housing Act of 1949.

"(d) (1) Loans made under this section shall bear interest at a rate determined by the Administrator, not to exceed the rate authorized for guaranteed home loans, and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable.

"(2) The original principal amount of any loan made under this section shall not exceed an amount which bears the same ratio to $13,500 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to $7,500; and the guaranty entitlement of any veteran who heretofore or hereafter has been granted a loan under this section shall be charged with an amount which bears the same ratio to $7,500 as the amount of the loan bears to $13,500.

"(3) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction. The Administrator shall determine the expenses incident to origination of loans made under this section, which expenses, or a reasonable flat allowance in lieu thereof, shall be paid by the veteran in addition to the loan closing costs.

"(4) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in paragraph (2), (3), or (4) of subsection (b), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments.

"(5) The Administrator may sell, and shall offer for sale, to any person or entity approved for such purpose by him, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and shall guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 of this title.

"(6) No veteran may obtain loans under this section aggregating more than $13,500.

"(e) (1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, the Administrator may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of 3 months, or such longer period as the Administrator may authorize to meet the needs in any particular case, for the purpose of making loans to veterans to purchase such dwellings. Such commitment may not be assigned or transferred except with the written approval of the Administrator. The Administrator shall not enter into any such commitment unless such builder or sponsor pays a nonrefundable commitment fee to the Administrator in an amount determined by the Administrator, not to exceed 2 percent of the funds reserved for such builder or sponsor.

"(2) Whenever the Administrator finds that a dwelling with respect to which funds are being reserved under this subsection has been sold, or contracted to be sold, to a veteran eligible for a direct loan under this section, the Administrator shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Administrator may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 percent of the value of the construction in place.

"(3) After the Administrator has entered into a commitment to make a veteran a loan under this subsection, he may refer the proposed loan to the Voluntary Home Mortgage Credit Committee, in order to afford a private lender the opportunity to acquire such loan subject to guaranty as provided in paragraph (5) of subsection (d) of this section. If, before the expiration of 60 days after the loan made to the veteran by the Administrator is fully disbursed, a private lender agrees to purchase such loan, all or any part of the commitment fee paid to the Administrator with respect to such loan may be paid to such private lender when such loan is so purchased.

"If a private lender has not purchased or agreed to purchase such loan before the expiration of 60 days after the loan made by the Administrator is fully disbursed, the commitment fee paid with respect to such loan shall become a part of the special deposit account referred to in subsection (c) of section 513 of this title. If a loan is not made to a veteran for the purchase of a dwelling, the commitment fee paid with respect to such dwelling shall become a part of such special deposit account.

"(4) The Administrator may exempt dwellings constructed through assistance provided by this subsection from the minimum land planning and subdivision requirements prescribed pursuant to subsection (b) of section 504 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

"(f) The authority to make loans under this section shall expire July 25, 1960, except that if a commitment to a veteran to make such a loan was issued by the Administrator before that date the loan may be completed after that date.

"(g) (1) The Administrator shall commence the processing of any application for a loan under this section upon the receipt of such application, and shall continue such processing notwithstanding the fact that the assistance of the Voluntary Home Mortgage

Credit Committee has been requested by the Administrator for the purpose of ascertaining whether or not such loan can be placed with a private lender.

"(2) If the assistance of such Committee has been requested by the Administrator in connection with any such application, and the Administrator is not notified by such Committee within (A) 20 working days after such assistance has been requested, or (B) 20 working days after the date of enactment of this subsection, whichever is the later, that it has been successful in enabling the applicant to place such loan with a private lender or expects to do so within 10 additional working days, the Administrator shall proceed forthwith to complete any part of the processing of such application remaining unfinished, and to grant or deny the application in accordance with the provisions of this section.

"(3) As used in this subsection, the term 'working days' means calendar days exclusive of Saturdays, Sundays, and legal holidays."

(b) (1) Subsection (a) of section 513 of such act (38 U. S. C., sec. 694m) is amended (1) by striking out "June 30, 1957" and inserting "July 25, 1960", and (2) by inserting immediately before the period at the end of the second sentence thereof the following: "retaining, however, a reasonable reserve for making loans with respect to which he has entered into commitments with veterans before such last day."

(2) Subsection (c) of such section is amended by striking out "June 30, 1958" and inserting "June 30, 1961."

(3) Subsection (d) of such section 513 is amended by striking out "1957" and inserting "1960."

(c) (1) The fourth sentence of subsection (a) of section 500 of such act (38 U. S. C., sec. 694) is amended by striking out all that follows "in this title," and inserting "is automatically guaranteed by the Government by this title in an amount not exceeding 60 percent of the loan if the loan is made for any of the purposes specified in section 501 of this title and not exceeding 50 percent of the loan if made for any of the purposes specified in section 502, 503, or 507 of this title: *Provided*, That unless the loan is made for one of the purposes specified in section 501 of this title the aggregate amount guaranteed shall not exceed $2,000 in the case of non-real-estate loans, nor $4,000 in the case of real-estate loans, or a prorated portion thereof on loans of both types or combination thereof."

(2) Subsection (b) of section 501 of such act (38 U. S. C., sec. 694a) is amended by striking out all that follows "(b)" to the colon immediately preceding the first proviso and inserting: "Any loan made to a veteran for any of the purposes specified in subsection (a) or subsection (c) of this section 501 of automatically guaranted, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan."

(3) Subsection (c) of such section 501 is amended by striking out "may be guaranteed" and inserting "is automatically guaranteed."

(d) (1) Section 500 (a) of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 694) is amended by striking out "eleven" and inserting in lieu thereof "thirteen."

(2) Subsection (g) of such section is to read as follows:

"(g) Notwithstanding any other provision of this title, if a loan report or an application for loan guaranty relating to a loan under this title has been received by the Administrator on or before July 25, 1960, such loan may be guaranteed or insured under the provisions of this title on or before July 25, 1961."

(3) Section 507 of such act (38 U. S. C. 694h) is amended by striking out "eleven" and inserting in lieu thereof "thirteen."

(e) (1) Section 500 (b) of the Servicemen's Readjustment Act of 1944 is amended by striking out the last proviso and inserting in lieu thereof the following: "*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation from time to time such rate of interest as he may find the loan market demands, but the rate of interest so prescribed by the Administrator shall not exceed at any time the rate of interest (exclusive of premium charges for insurance, and service charges if any), established by the Federal Housing Commissioner under section 203 (b) (5) of the National Housing Act, less one-half of 1 percent per annum; except that such rate shall in no event exceed 4¾ percent per annum."

(2) The provisions of the Servicemen's Readjustment Act of 1944 with respect to the interest chargeable on loans made or guaranteed under such act which were in effect prior to the date of enactment of this act shall, notwithstanding the amendment made by this subsection, continue to be applicable (1) to any loan made or guaranteed prior to such date of enactment, and (2) to any loan with respect to which a commitment to guarantee has been entered into by the Veterans' Administration prior to such date.

SEC. 6. Section 605 of the Housing Act of 1957 is hereby repealed.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. MORSE subsequently said: Mr. President, I desire to make a brief comment on the housing bill which was so ably generaled, from a parliamentary standpoint, by the distinguished Senator now presiding over the Senate, the Senator from Alabama [Mr. SPARKMAN].

I voted for the bill. I did so with a sad and heavy heart because of the unfair blow the bill strikes against the veterans of the country, as a result of the higher interest rates provided by the bill. During the proceedings in the Senate today, I spoke against that provision, as I also did last evening.

Mr. President, knowing what the general attitude of the House of Representatives has been regarding policies such as the one which would be established by the Capehart proposal for increased interest rates, which now has been included in the bill the Senate has passed, I am very hopeful that that provision for increased interest rates will be eliminated from the bill in the conference.

As I said in the course of the speech I made in the Senate last night, I believe stimulation of the construction industry is essential, not only to improvement of economic conditions in Oregon, but to improvement of economic conditions throughout the entire country.

In the case of Oregon, in particular, in view of the fact that many, many lumber mills in Oregon are closed and thousands of Oregon lumber workers are now unemployed—I believe it essential that the Congress take steps to proceed as rapidly as possible with an accelerated home-construction bill. Therefore, I voted for the bill.

But, Mr. President, in fairness to myself and to my record, and particularly in view of the bitter and unfair criticisms of me which constantly are published by the reactionary press of Oregon, I wish to say that last year—as the distinguished Senator from Alabama [Mr. SPARKMAN], who now is the Presiding Officer, will recall—I was very critical of the bill which he, as the chairman of the Housing Subcommittee of the Banking and Currency Committee, brought to the floor of the Senate. I was critical of it because it did not provide for the number of public-housing units which I thought it obviously should provide for. The Senator from Alabama will also recall that I urged that provision be made for a minimum of 200,000 units.

The Senator from Alabama on the record took the position that he did not disagree with my objective; but he stated frankly that he was confronted with a situation in which a bill containing provision for more public-housing units simply could not be passed.

The Senator from Alabama will further recall that on that occasion I said that I believed, however, that the battle should be fought out on the line which we knew was in the best public interest; and in my speech on that bill I criticized it because it failed to contain provision for the number of public housing units which I thought essential if we were to save the construction industry from a slump. I forewarned that the high-interest-rate policy of this administration and the failure of the bill to contain the provision for the number of public-housing units which I thought obviously it should contain, would result in deprivation to the lumber industry, the closing of many of the lumber mills in my State, and a serious blow to the construction industry.

Mr. President, if it becomes necessary—in case the conferees are not able to plug this loophole—then I believe we should get busy before the Congress adjourns this summer and pass some proposed legislation dealing with the discount practice.

I make these statements about the housing bill, because I yield to no other Member of the Senate in my desire for, and my consistent work in the Senate for, the enactment of a bill which will provide for an adequate housing program. I take that position because, as I indicated in the course of the remarks I made in the Senate last night, I know the direct relationship which exists between the construction industry of the country and the one industry in my State that determines more than anything else the status of the economy of Oregon at any given time, namely, the lumber industry. As construction goes down, the lumber industry goes down; and as the lumber industry goes down, Oregon tailspins into a depression—which tragedy has been visited upon

Oregon at the present time. That is what has happened; I thought at that time it was easy to see that it would happen.

But I am glad that today we are again dealing with the problem, and that today the Senate has passed a bill which we hope will do at least some good.

I believe the bill will do a great deal of good if we are able to eliminate from it, as a result of the conference, the provision for increased interest rates.

I believe the bill would do even more good if it contained a provision for the elimination of what I consider to be the discount scandal. I believe the distinguished Senator from Minnesota [Mr. HUMPHREY] is to be commended for the record he made today in regard to that scandal. I believe the present practice of the moneylenders, in connection with mortgage loans, spells out "avarice." I know of no other word which more properly would describe that of which the moneylenders are guilty. I believe that they simply are guilty of avarice when, in effect, they say to a GI, "We will lend you $10,000, but we will give you only $9,000." There are a good many instances in which the discount has been much higher than that, in fact. That is a charlatan practice. It is legalized usury, because they are able to get by with it under the law. However, that does not make it moral. I believe it is an immoral business practice. I hope that, somehow, in the conference this problem, too, can be solved.

But, at least—as the Senator from Minnesota [Mr. HUMPHREY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Oklahoma [Mr. MONRONEY], and other Members of the Senate have pointed out—today the Senate has served notice that it does not intend to keep its eyes shut to this discount malpractice.

Mr. President, as I speak from this desk tonight, I wish to say to the people of Oregon that I made the best fight I could to prevent the gouging of the GI's and the military personnel by an increase in the interest rates. I want them to know that I shall join other Senators in exercising vigilance over the discount matter, and I shall continue to work for an even better housing bill than the one the Senate passed today.

ADDRESS DELIVERED BY SENATOR COOPER

Mr. PAYNE. Mr. President, I ask unanimous consent that an address delivered by my colleague, the Senator from Kentucky [Mr. COOPER], before the Economic and Legislative Conference of the American Federation of Labor and the Congress of Industrial Organizations, at the Sheraton-Park Hotel, be printed in the body of the RECORD.

The PRESIDING OFFICER. Did the Senator's request apply to the body of the RECORD?

Mr. PAYNE. The body of the RECORD, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN SHERMAN COOPER, REPUBLICAN OF KENTUCKY, BEFORE THE ECONOMIC AND LEGISLATIVE CONFERENCE OF THE AMERICAN FEDERATION OF LABOR AND THE CONGRESS OF INDUSTRIAL ORGANIZATIONS, SHERATON-PARK HOTEL, WASHINGTON, D. C., MARCH 12, 1958

Chairman Reuther and members of the Economic and Legislative Conference of the American Federation of Labor and Congress of Industrial Organizations, I thank you for your invitation to discuss one of the Nation's most serious shortages—school classrooms for the Nation's children.

I appreciate very much the introduction of your chairman today, Mr. Walter Reuther. On hearing him speak again, I recalled the past occasions when I had heard him speak words of encouragement to the small, but active labor movement, and words which kindled the fire of freedom in the hearts of the people of the country.

This conference has met to discuss the immediate problem of unemployment, which reached in February a total of 5,173,000. And I understand that the objective of the conference is to determine how to put America back to work.

I read with great interest in the morning's papers, the speech of your president, Mr. George Meany, one of the great labor statesmen in our country's history. I read also the speech of Secretary of Labor Mitchell, an able official and one deeply interested in labor's problems and welfare. Both were straightforward speeches.

I am not here to speak on the subject of the total steps that can be taken by the Government to stimulate employment, immediately. Nevertheless, I would like to say that the most effective steps that can be taken are in those fields where programs are established, where funds are now available, or can be made quickly available by the Congress. And these are, in my view: (1) Highway construction on the Interstate Highway System, and more particularly on the primary, secondary, and urban Federal-aid roads; (2) housing; and (3) accelerated defense expenditures.

Mr. Meany suggested in his speech yesterday the long delay in getting some type of public works into action. River and harbors, and reclamation projects are examples, because they must be preceded by engineering studies, required by law, which take months, and usually years. But highway construction, housing, and defense expenditures can begin at once. Housing and road construction reach every State, every section in the States, and can be directed to the neediest areas. And accelerated defense expenditures would stimulate employment in the durable-goods sector, which, as Secretary Mitchell has pointed out, is the real core of unemployment.

And these expenditures utilize the great sources of strength in this country, labor and private industry, which have the organization and the resources to throw immediately into the effort to relieve unemployment.

And it is these organizations of production, as well as all the people, that a tax cut will reach, to stimulate immediate consumption and investment.

Immediate provision of unemployment insurance funds by the Federal Government is necessary to sustain those whose insurance has expired. On Monday, my colleague, Senator CASE of New Jersey, joined by Members of the Senate, including myself, introduced a bill which would provide Federal funds, as needed, until more comprehensive legislation, as proposed by the Kennedy-McCarthy bill, can be considered.

As the Secretary of Labor stated yesterday, the President has been moving, and is moving now, for the acceleration of these efforts, and we in the Congress will do our part.

I have faith in the strength of our economy, that has been steadily growing, and I am sure that we will meet these tests.

In these last few weeks, because of our concern for unemployment, we have not been talking and thinking as much about other long-range problems of our country. While the present situation is being righted, and it will be righted, we must not forget that we must strengthen the defenses and security of this country. For if our security is lost, all is lost.

And it is now recognized, if belatedly, that the long-range security of the United States, as well as the economic position, will depend upon educated men and women.

The problem of education is immense. In October, Prof. John R. Dunning, of Columbia University, speaking at a conference, said the United States must meet the challenge of the Soviet Union in our "age of technological imperialism" if our strength and progress are to be maintained. "While the Soviets have already begun their exploitation of this new and awesome age," Professor Dunning said, "we have not, because our people, our Government, and schools have not yet grasped its full significance."

In large measure this challenge must be met by the decisions of State, local, and private school bodies. It will involve better teaching and scholarships, higher standards in curricula, and more classrooms.

And we must face the fact—the problem cannot be met without Federal aid.

The problem of classroom shortages is not new. We all know that the shortage has not blossomed full-bloom overnight. We have known for a long time that not enough schools were built during World War II and the Korean war because of shortages of both manpower and materials during those emergencies. But we have done little about it.

This fall the opening elementary and secondary school enrollment is estimated at 32,899,000. Accordingly to projections made by the United States Census Bureau, by 1960 the country's elementary and secondary schools will have an enrollment of 39,970,000 and it is entirely possible that by 1965 this enrollment could swell to the thought-provoking figure of 44,103,000.

Moreover, according to the United States Office of Education, there are almost 2 million pupils in excess of the normal capacity in various publicly owned schools throughout the country.

Right now, according to the Office of Education, we need 140,400 classrooms. Almost half of these classrooms—63,200, to be exact—are needed to take care of the overflow or excess of students in relation to present space capacity, and 77,200 classrooms are needed to replace classrooms no longer fit for children to use.

Unofficial and official surveys have shown our desperate need for these new classrooms; official surveys have confirmed it. No matter how you analyze or interpret the fact, there is only one logical conclusion. This country does not have classrooms enough for its present school-age population and this situation will grow steadily worse in the years to come.

This crisis is a real one. As Secretary Marion B. Folsom has pointed out, 59,000 to 65,000 additional rooms are needed each year simply to keep up with each year's enrollment increases and replacement needs. The States estimated that they would build 69,000 classrooms in 1956–57. Actually they completed 68,600. Even if the States had reached this all-time peak of classroom construction, Mr. Folsom points out, the States "would reduce the shortage by only 4,000 to 10,000 classrooms. At this rate, a minimum

of 16 years would be required to eliminate the shortage. The maximum would run all the way to 40 years."

Four years ago I was chairman of a Senate subcommittee of the Labor and Public Welfare Committee, which committee reported out a version of a school construction bill which I had introduced. The evidence presented to the committee then clearly indicated in the words of our committee report "that merely to meet the present need for schoolrooms, and without regard to the facilities needed to meet the tremendous expansion in enrollment expected to occur in future years, an expenditure of between 10 and 12 billion dollars would be required."

We knew at that time—and we emphasized this point—that this estimated expenditure would merely overcome existing needs. We also knew that the proposed bill would authorize an appropriation designed only to permit Federal assistance for the most urgent needs of the State and Territories. But even legislation of this limited scope was not enacted, and two subsequent proposals debated in the House met the same fate.

Last year we got nearer to action in the House. But leaders and members in both parties killed the bill. With the bill killed in the House, we took no action in the Senate. And so education is still unfinished business. There is a need for at least a billion dollars a year from the Federal Government for the next ten years to save, to maintain, to develop our Nation's public schools.

You people know that many of the States cannot do the job themselves. They have not the necessary taxable resources. Some have the resources, but will have to work for years to change State laws to utilize present financial resources, and to develop their potential resources. But our schools, our children's schools—our children cannot wait ten or twelve years for a school. Today's children need help today. It is proper that the States and local communities should make the greatest effort, but even using all the States' resources we would still be short. Today well over half—almost two-thirds of the money used to run our schools comes from local resources. Local funds, as we all know, must rely heavily on property taxes. And your property taxes—both on real property and on personal property—are about as high as you can stand.

We cannot expect these heavy taxes to be raised because some people don't want Federal resources touched, and because some people may lose heavy personal gains if Federal funds now available were used to build schools. This is the simple fact.

Enough has been said about this shortage among groups such as this great labor organization, which is willing to face up to this problem on the merits. Further delay will only increase the seriousness of our alarming classroom shortage. This the Nation cannot afford. It is false economy. We can never save money by short-changing the children of America. We are doing just that when we do not enact Federal aid legislation to help meet this emergency situation. The problem has reached flood-tide proportions—State and local sandbags will not hold much longer. It is increasingly apparent that only a federally supported program of school construction can avoid a serious washout.

The impact of our times makes a program of Federal assistance to education an even urgent necessity. The scientific advances of recent months dramatically underline the Nation's need for a continually improving educational program which is not limited to the need for better facilities. We must also find ways of getting and retaining more qualified teachers, of encouraging the education of the gifted, of raising the quality of education. This is a program which will adequately prepare the Nation's children for the broader horizons which stretch even into the limitless beyond of outer space. If there was ever a time for the Nation to take stock of its materials for the future the time is now.

I do not want to pass over, or derogate many good bills which are now before the Congress. But I will mention one briefly. Because of the unique demands of the times in which we live I have joined with a number of other Senators, Republican and Democratic, in cosponsoring a bill introduced by Senator MURRAY which would authorize assistance to the States and local communities to help stimulate school construction and to remedy the inadequacies in the number of teachers and in their salaries. Although we recognize that responsibility for providing adequate school facilities and teaching staffs rests primarily with the States and local communities, we believe the national interest requires that the Federal Government assist them in solving these pressing problems.

S. 3311 would provide a program of Federal grants to the States based on a contribution of $25 per school-age child in the first year rising to $100 per child in the fourth year and each year thereafter. With approximately 40 million school-age children, Federal funds could amount to slightly over a billion dollars in the first year of the program.

This legislation, if enacted, would provide for a reasonable Federal sharing in the basic financial support of education and would leave the responsibility and full discretion to the States in dividing their Federal allotments between salaries and construction. Since this proposal is to aid the States in financing an almost overwhelming burden there would be no requirement for the States to match Federal funds, but they will be required to keep their effort index at the same level as the national educational effort index or above it.

In my opinion, we need Federal legislation of this scope and size in order to keep our freedom and our leadership in the world.

I heartily agree with the Resolution of your Executive Council last month when it stated, "There can be no disagreement about the need to protect America's most precious asset—its children. * * * There must be no limit on what we do to protect and strengthen this asset." In urging the "Administration and Congress to move boldly and quickly" you have once again demonstrated your full support for education in this country. For, as the resolution concludes "the future of our children and the world they inherit is at stake."

We need to broaden our outlook to match the explosive expansion of our age. If our educational system is to be "re-tooled" in order to help us meet today's challenges and tomorrow's plans, we must, in the national interest, recognize the actual significance of the impact of education upon the Nation's present and future security. The Federal Government cannot ignore the Nation's vital educational needs, nor can it be bound by attitudes and opinions which perhaps in the past have seemed merely provincial or dilatory, but which in today's fast-moving world constitute a real threat to our continued existence.

There are other aspects of our educational needs, about which I wish I could speak.

We should maintain our aid to education for Federally affected areas, which is now being threatened. We should see to it that any school construction bill embodies the Bacon-Davis Act—and if you permit a little partisanship, both of these men were Republicans.

Today there are almost 90,000 teachers in our public schools who are not prepared well enough to be certified as qualified teachers. Speaking frankly again, on the low salaries now offered teachers one can't expect to attract a great number of professionally qualified men and women to teaching. We know that not many of today's college students will go into teaching. Worse still, we know that at least 7½ percent of the qualified teachers we now have will leave the profession this year, as they have done in former years. Teaching is hard, even under the best conditions. But today, with classes badly overcrowded, with schools unfit and unsafe for use, with essential school facilities lacking, with clerical work piled up on already heavily burdened classroom teachers, with little or no relief from their low salaries in sight—and it won't materialize without Federal aid in most places—what is offered to enable a community to hold its teachers?

While Federal aid for school construction is necessary, we need, also, Federal aid to enable the States to hold qualified teachers in the classrooms.

I've talked on school needs and Federal aid in general terms today because I know I'm talking to an audience whose views are sympathetic to these problems.

You, in the labor movement have good cause to be in the forefront of this fight today. It's where labor has been since the Revolution. There's no more stirring story in our national history than is labor's fight for the establishment of the free public school system. I know the textbooks will tell of the part played by Barnard, by Horace Mann to establish the free public school. And they did a magnificent job.

But before them as long as there was light at night after work, and as soon as there was light in the morning before work, labor put in time to help build schoolhouses for their children and for their neighbors' children. Their pay was the better chance in life they were building for their children. Today, as then, organized labor is still determined to build more, good, schoolhouses for America's children.

We are facing a disturbing economic situation. We know we must adopt a constructive program which will enable us to combat the threat of an economic crisis. We know that action to meet this threat must be put in full operation. We cannot detach man from his economic problems nor from the world of which these problems are a part. We must use all possible means to understand the issues and to find the ways through which to meet them.

The power, the dignity, and indeed, the sanctity of the individual men and women must be preserved and developed in an atmosphere of freedom. It is through a program of better education, a program to awaken thought and to develop ideas that we may approach these objectives. In this program, I expect now as ever before, that organized labor will play a significant role.

SUPPORT PRICES FOR DAIRY PRODUCTS — UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, on behalf of the minority leader and myself, I send to the desk a proposed unanimous-consent agreement and ask that it be read.

The VICE PRESIDENT. The proposed unanimous-consent agreement will be read.

The proposed agreement was read, as follows:

Ordered, That during the further consideration of the joint resolution (S. J. Res. 163) to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices, debate on any amendment, motion, or ap-

peal, except a motion to lay on the table, shall be limited to 3 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said joint resolution shall be received.

Ordered further, That on the question of the final passage of the said joint resolution debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said joint resolution, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

SUPPORT PRICES ON ACREAGE ALLOTMENTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 162.

The VICE PRESIDENT. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. Calendar No. 1377, Senate Joint Resolution 162, to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I should like to state for the information of the Senate, with reference to the unanimous-consent agreement which has just been stated, that I have an identical unanimous-consent agreement with respect to Senate Joint Resolution 162. If I could get the Senate to enter into the two unanimous-consent agreements, we could proceed with the consideration of Senate Joint Resolution 162, and when action has been completed on that joint resolution, we could take up Senate Joint Resolution 163, on dairy price supports.

The proposed unanimous consent agreement submitted by Mr. JOHNSON of Texas on Senate Joint Resolution 162 is as follows:

Ordered, That, during the further consideration of the joint resolution (S. J. Res. 162) to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 3 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said joint resolution shall be received.

Ordered further, That on the question of the final passage of the said joint resolution debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders or either of them, may, from the time under their control on the passage of the said joint resolution allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the unanimous-consent agreements are entered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. I understand that both unanimous-consent agreements have been agreed to.

The VICE PRESIDENT. Both unanimous-consent agreements have been entered.

The question is on agreeing to the motion of the Senator from Texas to proceed to the consideration of Senate Joint Resolution 162.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. JOHNSON of Texas. Mr. President, I should like to announce for the benefit of all Senators that, so far as I know, there will be no controversial matters to come before the Senate requiring a yea-and-nay vote this evening. The Senate will meet tomorrow morning at 10 o'clock, and we expect to have an evening session tomorrow and for the rest of the week, if necessary, and also have a Saturday session, if necessary, in the hope of concluding action on the two joint resolutions and on the tax bill.

AUTOMOBILE EXCISE TAXES

Mr. DOUGLAS. Mr. President, I ask that my amendment to H. R. 10021, designated "3-10-58-F," be modified as in the text I now send to the desk. I further ask that the amendment be printed as modified, so that Senators may have it before them in the RECORD tomorrow morning.

The purpose of my modification is to meet the objections advanced by certain of the automobile companies that the prospect of a decrease in the automobile excise taxes will prevent sales while customers are anticipating such a tax cut.

My modified amendment meets these objections by providing for refunds of the excise taxes paid by the customers after March 1, 1958.

Therefore, a customer who buys a car tomorrow will know that if the automobile excise reduction proposed in my bill shall be finally passed, he will receive a refund of the tax.

The VICE PRESIDENT. The amendment, as modified, will be received, printed, and lie on the table.

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO CERTAIN TRANSPORTATION

Mr. SPARKMAN. Mr. President, what seems to me to be an unfair procedure has been brought to my attention on several occasions recently. I refer to the practice of the armed services not defraying the transportation costs of dependents, household effects, and so forth, of service personnel separated under other than honorable conditions to a location beyond the port of entry.

Under the present practice, the family of a man from Alabama serving in Japan but separated under other than honorable conditions could be stranded in the port of entry, say San Francisco.

The Defense Department should at least have the authority to pay the expenses of transportation of the dependents and household effects of such a person to a destination determined by the Department and the serviceman to be his home.

I have checked with authorities in the Department of Defense and am advised that legislation such as I propose will be necessary to give such authority.

I now introduce a bill which covers the matter.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3465) to amend section 303 of the Career Compensation Act of 1949, as amended, to authorize in all cases the transportation of dependents, baggage, and household effects under certain conditions, introduced by Mr. SPARKMAN, was received, and read twice by its title, and referred to the Committee on Armed Services.

AMENDMENT OF AGRICULTURAL ACT OF 1938, RELATING TO PARITY FORMULA FOR CERTAIN AGRICULTURAL COMMODITIES

Mr. SPARKMAN. Mr. President, from conversations with leaders in agriculture, I am convinced that the level of price support for the basic agricultural commodities for 1958 other than cotton, tobacco, and rice will be around 75 percent of parity unless Congress acts to impose a higher level. Seventy-five percent is the minimum level that the Secretary of Agriculture can establish under present law. In some instances, this would assure that farmers will receive a lower level of support for their commodities in 1958 than they received in 1957.

There is one provision of law which, coupled with the 75 percent support level—or in fact any support level—will serve to reduce further farm income in 1958 on basic commodities of peanuts, corn, and wheat unless the provision is made inoperative. This provision is the so-called transitional parity provision, which does not affect cotton, tobacco, and rice because they have already reached new parity.

A few years ago, legislation was enacted which eliminated old parity, determined on the 1910–14 period, and substituted a so-called new parity. In the majority of instances, new parity for the various commodites was substantially below old parity. In order to prevent farm income from decreasing drastically in any one year, legislation was enacted which in effect prevented more than 5-percent change in parity price in a given year. However, since the support level is going to be materially less for several of the basic commodities in 1958, I am introducing a bill for the Senator from Alabama [Mr. HILL]

and myself which would make the transitional parity formula inactive for the 1958 crop year.

Without this legislation, the effective support level for peanuts, corn, and wheat would be 90 percent of old parity. With this proposed legislation, the parity price would be 95 percent of old parity for these commodities. In other words, the percentage of parity received on these commodities in 1958 under our bill would be the same as that received in 1957.

Attached is a table showing the effect this proposed provision would have on assuring farmers higher income on corn, wheat, and peanuts, which I ask unanimous consent to have printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the table will be printed in the RECORD.

The bill (S. 3466) to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958, introduced by Mr. SPARKMAN (for himself and Mr. HILL), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The table presented by Mr. SPARKMAN is as follows:

Crop	Old parity	New parity	Transitional parity	Effective parity for 1958 under present legislation	Effective parity for 1958 if transition from old to new parity is halted, assuming a support level of 75 percent of effective parity	Difference in loan rate if transition from old to new parity is halted
Corn	$1.93	$1.70	$1.74	$1.74	$1.83	7.0 cents.[1]
Wheat	2.65	2.37	2.38	2.38	2.52	11.0 cents.
Peanuts	.144	.128	.13	.13	.137	0.525 cents or $10.50 per ton.

[1] Farmers in noncommercial area receive 75 percent of effective support—7 cents×75 percent=5.2 cents.

PRESIDENTIAL DISABILITY STOPGAP

Mr. NEUBERGER. Mr. President, two editorials which were published in the Portland Oregonian, one on March 5, the other on March 10, 1958, express some of my own sentiments regarding the so-called disability pact between President Eisenhower and Vice President Nixon.

While this arrangement should certainly have been revealed to the public from the start, the agreement itself has definite merits and should not be cavalierly denounced. In my opinion, the principal fault with the pact was that it was kept from the press and public for so long, rather than being disclosed at the beginning.

But this informal arrangement may be equally as acceptable as some of the proposed constitutional amendments that are presently before the Congress. For example, the Oregonian's editorial emphasizes that, under the Eisenhower-Nixon pact, the decision as to disability would be "confined to the top executives, both directly indorsed by the people." Some pending amendments to the Constitution, by contrast, would allow an appointed Cabinet to declare vacant the highest office in the land, that of the President of the United States. This certainly is a step which should be undertaken slowly, if at all.

Mr. President, I think the two Oregonian editorials are worthy of attention, and I ask unanimous consent that they be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian of March 5, 1958]

DISABILITY STOPGAP

The White House memorandum setting forth the procedure to be followed in event of the disability of the President appears to be a reasonable extension of article II, section 1, paragraph 6, of the United States Constitution, which reads:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability be removed or a President shall be elected."

The natural assumption has been that the decision on disability is the President's or, should he be unable to act, the Vice President's. This is the theory spelled out in the Eisenhower-Nixon agreement.

Among objections to such an arrangement are these: (1) That a President could become incompetent to judge his own ability or even to recognize the propriety of a Vice President's taking over on that ground, and (2) that an ambitious Vice President might usurp the authority of a weak but not actually disabled President.

The Nation has had no experience with the latter hypothetical situation, but it has weathered critical periods of Presidential disability or near disability without Presidential or Vice Presidential action. The constitutional authority, Edward S. Corwin, writes in the 1957 edition of The President: Office and Powers:

"In connection with neither Garfield nor Wilson nor FDR, whose inability was clearly evident to his close associates even before his last election, was any official action taken. The disabled Presidents were left to depend on their immediate families and personal entourage."

The Eisenhower-Nixon agreement gives substance to the implication of the Constitution. Had such a procedure been generally recognized at the times recalled by Dr. Corwin it might have been useful. It will not, of course, be binding on subsequent administrations. But Congress could do worse than to adopt it as a guide to action in any future crisis.

It is not a perfect solution. It is possible to imagine situations (such as those cited by Dr. Corwin) in which both President and Vice President would fail to act. But it is as good as any other proposal before Congress. It has the merit of holding strictly to the spirit of the Constitution and of confining the decision to the top executives, both directly endorsed by the people. Moreover, it is in being. President Eisenhower has acted while Congress argues over even the method it should pursue in implementing the constitutional provision.

[From the Portland Oregonian of March 10, 1958]

PRESIDENT OR VEEP STILL?

President Eisenhower's reference to the Vice President's oath as covering all matters of concern to a Vice President acting in the place of a disabled President raises a fundamental constitutional issue: Is a Vice President, who replaces a President because of the latter's "death, resignation or inability," as provided in article II, section 1, paragraph 6 of the Constitution, then acting as President or as Vice President?

The President's implication is that the Acting President would legally be acting as Vice President, although performing the duties of the Presidency. There would therefore be no need for a new oath and no insurmountable complications should the President's disability come to an end. The President would merely resume the responsibility of his office.

This, too, was initially the expressed belief of the first Vice President affected by succession provision. When President William Henry Harrison died April 4, 1841, Vice President John Tyler avowed that he was fully qualified to perform the duties and exercise the powers and office of President * * * without any other oath than that taken as Vice President. In short, it was clearly his view that he was Vice President acting as President and would remain so until the election of a President. Two days later, however, he took the Presidential oath, as he said, for "greater precaution."

Still later, when he published his inaugural address on April 9, Tyler was bold enough to proclaim that he had been called to the high office of President of this confederacy. And when Congress convened a few weeks later, routine resolutions were drawn to inform the President that the Houses were in session. An amendment to change this to the Vice President was promptly voted down, 38 to 8, by a Senate mindful of its relations with the new Chief Executive. And thus was established the precedent that upon the death of the President, the Vice President actually becomes President in name as well as in duty.

It must follow, therefore, that a Vice President who succeeds on the disability of the President also assumes the higher post, for the Constitution does not distinguish between the proceedings as a result of death and those as a result of disability. But what a complication application of the precedent brings about, in the case of disability: Visualize two President—one disabled, the other serving in his stead. How does the former resume his role if able?

The constitutional authority, Dr. Edward S. Corwin, believes that John Tyler was right in his initial interpretation of his role, that he remained a Vice President merely acting as President. Thus Dr. Corwin also endorses what appears to be the Eisenhower view that Mr. NIXON would not need to take an additional oath upon taking over the Presidential duties under terms of the Eisenhower-Nixon agreement.

"It was clearly the expectation of the framers (of the Constitution)," writes Dr. Corwin in "The President: Office and Powers" (New York University, 1957), "that the Vice President should remain Vice President, a stopgap, a locum tenens, whatever the occasion of his succession, and should become President only if and when he was elected as such."

The Tyler precedent has been repeated six times, most recently by Harry Truman, so that it has effectively become the law of the land, admits Dr. Corwin, although it is, in his view, contrary to the intent of the Constitution. If it were not so, the problem of Presidential succession, in event of disability, would not be such a complicated one.

AMERICA'S EDUCATION NEEDS

Mr. MORSE. Mr. President, on yesterday, March 11, I testified before the Senate Committee on Labor and Public Welfare on the subject, America's Education Needs.

Because I wish to have that testimony and the colloquy I had at that time with the chairman of the committee, the Senator from Alabama [Mr. HILL], printed as a reprint, I now ask unanimous consent to have both the testimony and the colloquy printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the testimony and colloquy were ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR WAYNE MORSE, OF OREGON, ON AMERICA'S EDUCATION NEEDS BEFORE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, UNITED STATES SENATE, MARCH 11, 1958

Chairman HILL. Our next witness will be a man who has taught for 21 years, a former teacher, a former dean of his law school, the University of Oregon, and, may I say, one of the most brilliant men I have ever known, and surely one of the ablest Senators that it has ever been my privilege to know and to serve with.

So at this time I am delighted to have before us the teacher, the professor, the dean, and now the Senator from Oregon, our good and brilliant friend Senator WAYNE MORSE.

STATEMENT OF HON. WAYNE MORSE, UNITED STATES SENATOR FROM THE STATE OF OREGON

Senator MORSE. Mr. Chairman, in response to those flattering remarks I want to say you just demonstrated how wealthy I really am because you represent one of the greatest treasures a man can have, a biased friend. I do not know of anything more precious than a biased friend.

I am delighted to respond to your kind remarks, but with no flattery, when I say that you honor me by listening to me this morning as chairman of the committee. As I sit before you, I would have the record show that I am sitting before a man in the Senate who deserves the title "Mr. School" and "Mr. Hospital," because to those of us in the Senate of the United States who have followed your leadership on education and health legislation that is just what the Senator from Alabama [Mr. HILL] really is.

The CHAIRMAN. Thank you, Senator, most generously.

Senator MORSE. I could not begin to summarize the contributions that you have made to the school and health needs of the American people during your brilliant service in the House and in the Senate. Let me assure you that I shall be very proud of the transcript of your remarks here this morning about the Senator from Oregon for my descendants to read.

It reminds me, Mr. Chairman, of a little experience I had last week, when the vice president of the Oklahoma State College expressed great surprise when he saw me at a cattle show and discovered that it was my cattle that had the horns. [Laughter.]

I am very glad to have this record for my descendants to read because it tends to refute those who think I have horns.

In all seriousness, Mr. Chairman, I turn to my testimony this morning.

This hearing extends to all proposals for science and education for national defense now pending before the Senate Labor Committee and it is with that understanding that I wish to bring out a few points I feel have not yet been sufficiently emphasized.

Most of the testimony we have had so far has involved higher education and most of that has emphasized higher education aimed at improving our standing in science and technology vis-a-vis the Soviet Union.

I do not quarrel with the need to improve the use we make of our intellectual resources in these fields. But I would warn this committee against stopping there. We need a national scholarship program, and we also need grants to the States for education at the elementary and secondary levels. At all levels, aid must not be confined to any special fields of study, and that is true even if our sole purpose is to raise our standards in terms of the progress being made in Soviet Russia.

It is quite true that action by Congress in this field has been stimulated by the Russian sputniks.

But while Soviet achievement with satellites and missiles presents a challenge to us in these fields, we must not react so defensively that we meet only that one challenge. We know enough about communism to know that it menaces Western civilization as a whole, not just our scientific and technical capacity. It will not confine its assaults upon us to these fields. It is a challenge to our entire culture, to our political, economic, and social systems, to our religions, and to our creative arts. The Communist system will seek by any avenue it can find to overthrow our own. Therefore, we must develop our intellectual resources in all fields of endeavor—in the humanities, the arts, and the social sciences, as well as in the physical sciences and mathematics.

For Communist advances are not made only via modern transportation. They are made through literature, through all kinds of propaganda, and through subversion. Its appeals are made to the sympathies and aspirations of mankind. It attacks any weakness that appears in a national society, and cannot be guarded against just by putting a rocket on the moon ahead of Russia, as important as that is.

We must remember that it is all the intellectual power and talent of our youth that must be mobilized, whatever their field of endeavor. I think this must be the framework of the legislation that is developed from these hearings.

That is why I said a few moments ago, Mr. Chairman, that we need to watch out that we do not waste brainpower in our country. I do not think we have any right to deny to a boy and girl a college education if he or she has the mental potential to do satisfactory college work. We need to follow various criteria for admission to college. A high school transcript is one, but it must not be made an exclusive one.

I would like to point out that in all my years of teaching I used to take the position that if a boy or girl of normal intelligence failed out of the law school it was my failure and my faculty's failure and not the boy's or girl's. It simply meant that we had failed some way, somehow, to find out where that particular student's best aptitudes lay. That is why I always sought to get a student transferred to some other academic discipline at which that boy or girl could be a success.

I recognize that there are those students who just have no intention of doing satisfactory work. They attend college primarily for recreational purposes. They, of course, should be flunked out. We also have a certain percentage of students that do not have the intellectual capacity to do college work.

But I want to point out that time and time again, so many times that I am not going to accept a high-school transcript as an exclusive criterion for admission to college, the high school C student and low B student can make a satisfactory record in college. Frequently, greater maturity, the passage of time, a developing sense of values, a newfound ambition, and other similar factors cause a boy or girl to find himself or herself upon entrance to college. To deny such students admission to college, I think, is wrong from the standpoint of the Nation, and it is wrong, Mr. Chairman, from the standpoint of what it does to the individual student.

I am speculating and conjecturing about this but I am inclined to believe that a scientific study would prove my conjecture right. We are doing great psychological damage to a lot of young men and young women in this country by denying them admission to college because of the fact that they are C high-school students. I wish there were some way of measuring the cost of this human loss to the American society.

I am critical of college presidents about this only because I think that too many of them are not giving us the assistance that we need in trying to get legislators to see that there are other criteria for admission to college that must be followed. Many college presidents are harassed men. They are running institutions with inadequate funds. They see a flood of students pounding at the school gates. They understandably ask such questions as the following: Where are the classrooms? Where are the teachers? Where are the facilities? How are we going to educate all of them with our inadequate budget? Not being able to answer such questions they adopt shortcuts. They pick what they think are the upper 5 or 10 percent of the applicants and deny an education to the rest. This is inexcusable human waste.

It is an easy way out, but it is a wasteful way out. We in a legislative position have the duty and the obligation to these young people to see that the education facilities are available so that they can obtain the best education their abilities will permit.

The major premise on which I approach this problem is that I want to see the maximum education benefits given to every boy and girl who wants to go on and develop his or her mental potential. That means I want whatever facilities are necessary to save the brainpower of American youth.

The chairman has heard me say on the floor of the Senate and I repeat for the record this morning, "We are not going to keep ahead of Russia in manpower but we just better not fall behind Russia in brainpower." We are going to fall behind Russia in brainpower if we adopt any such rule of thumb that too many college presidents are adopting these days that only the upper 5 to 10 percent of high-school graduates should go to college. It is not a sound criterion that we should take this upper 5 to 10 percent of high-school graduates and let the others go ahead and do some other type of work. It is a waste, I repeat, of valuable brainpower.

I want every American boy and girl to have the opportunity for a maximum development of his brainpower potential.

I would be the first to admit the need for better high-school standards in many places. This is especially true in connection with high school preparation for college. But my point is that we cannot justify penalizing an American boy or girl's chance to go on to college simply because of a C average in high school. We need to do a better job at the high school level it is true. But we also need to develop a college orientation program during the first year of college that will save many high-school graduates from being denied a chance, with greater maturity that

rapidly develops after high school, to go to college.

That is an underlying thesis of the remarks I make here this morning.

Aid to primary and secondary schools

I think we must start meeting our national responsibility by providing financial assistance to the States for their elementary and secondary schools. No American program that deals only with the final stages of our education system, as the Eisenhower administration's program does, is going to restore America to an equality with Russia, even in the fields of science and technology. In my judgment, any legislation that comes out of the 85th Congress on education that does not deal with this part of the education system will not meet the real need. We know from many estimates, including the White House Conference on Education and the President's Committee on Education Beyond the High School that educational expenditures must be increased at least 75 percent within the next 15 years just to stay where we are now. With half our public elementary and secondary school revenue tied to local property taxes, there is little hope, in my opinion, that local governments can double their contributions to education. And we should be improving our education system in that time, not just maintaining what we have now.

As a matter of fact, just what do we have now? First, we have 840,000 boys and girls attending classes only part time because of classroom and teacher shortages. I respectfully ask what good we can do these youngsters by offering them scholarships to attend colleges and universities? They are being penalized right now, and the penalty will be felt again when they compete with full-time students for financial assistance to go to college which so many of us think necessary and desirable.

Second, we have 87,391 emergency teachers. I do not intend at all to disparage these men and women by pointing out that they do not have the minimum requirements for teaching in their States. We can be thankful we have them at all in the teaching profession. But their continued employment means that our boys and girls are not getting the standard of instruction that each State has fixed for itself. Interestingly enough, the United States Office of Education does not seem to regard these emergency teachers as replaceable, but includes them in its figures for the entire teaching staff in American schools. The skill of our teaching staff as a whole will not rise to where we want it until salaries are raised to a level in keeping with what these men and women can earn outside the profession. That is one of the primary reasons why I believe Federal grants to the States are essential.

School construction needed to combat slump

Third, we need more classrooms and other school facilities. As we cast about for construction projects to stimulate our sagging economy, I can think of no more useful and timely program than one of school construction. The American Association of School Administrators has written to me about this, as I expect it has written to other Senators. I ask to have the letter I received from the association's executive secretary, Mr. Finis Engleman, placed in the record at this point.

The CHAIRMAN. We will have the letter put in the record at this point, Senator.

(The letter follows:)

AMERICAN ASSOCIATION
OF SCHOOL ADMINISTRATORS,
Washington, D. C., February 18, 1958.

The Honorable WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR MR. MORSE: I write to propose a Congressional action which in my judgment would result in two exceedingly significant and timely advantages to the people of the United States. They grow out of my observation of what at this moment constitutes two of the biggest problems facing the Nation. I refer to the recession in business and employment, which is seemingly growing more serious every day and must in some way be halted. The second is the need for school-building construction which also is increasing in its seriousness.

I believe that both of these problems could be sufficiently met by quick action of the Congress. I therefore propose that a schoolhouse construction act, somewhat on the plan submitted by Representative KELLEY in the last session of Congress, would be a suitable plan. I believe that it is generally agreed that building construction constitutes one of the best means of improving the economy. Surely increased school building would seemingly affect unemployment in nearly all aspects of labor and at the same time it would stimulate business in a great many directions. In the first place, heavy equipment such as trucks, cranes, and bulldozers would be in increased demand. Steel, masonry, and lumber would have an immediate pickup. Furthermore, industries producing window shades, many kinds of furniture, glass, floor coverings, plumbing accessories, stoves, boilers, slate, draperies, and the like could be relieved of their excess inventory rather quickly, and industries which produce these materials would again spring into full production.

While stimulating our economy, we would be, at the same time, strengthening the Nation by providing schools for our potential workers and leaders of tomorrow. This in itself justifies the expenditure, and certainly holds many advantages over almost any kind of construction, particularly public buildings such as post offices and the like.

Never before, in my judgment, have so many people been concerned over the improvement of our school system. I believe, too, that the Congress would hit a popular note by embarking on such an enterprise.

Sincerely,

FINIS E. ENGLEMAN,
Executive Secretary.

Just last year, the administration was agreeing with us about the classroom shortage to the extent of giving half-hearted support to a construction bill. Now it has abandoned that program, without, of course, giving any indication that Federal assistance is no longer needed. It did not because it cannot. At the opening of the school year, the Nation required about 200,000 new classrooms to meet new enrollments and replace obsolete buildings. The States are building about 60,000 new classrooms a year, thereby keeping up with new enrollments but making only a small dent in the backlog of construction needs.

I can think of no more worthwhile public works program than one of school construction. The bill I sponsored last year with Senator CLARK, S. 1134, and the new bill introduced by Senator MURRAY and cosponsored by myself and many others would include school construction among the uses to which the Federal grants could be put. Senator PROXMIRE of Wisconsin, this year joined us as a cosponsor of S. 1134.

To those who still cling to the old notion that Federal assistance would lead to Federal control, I remind them of the history of Federal school construction. A great many people have forgotten that school buildings were among the major projects built by the Federal Government during the depression of the 1930's. In the 1955 report on Federal Aid for School Construction by the Library of Congress, there is contained a summary of the activities of the Public Works Administration and the Works Projects Administration. PWA made its grants to the localities to use for the construction they needed most. From 1933 through 1942, PWA made allotments for 6,687 elementary and secondary schools costing over $979 million. Every State of the Union participated in this program. School buildings comprised 40 percent of all non-Federal projects for which PWA made allotments.

Every Senator, in other words, has schools in his State that were built with Federal grants in the 1930's. Can any one of them show where any Federal control of teaching methods or curricula has resulted? Can anyone point to a single school in this country built with PWA funds and say that it fell under Federal domination because Federal money helped build it?

Then we have WPA schools. The WPA did not make grants to the localities or States, but built its projects directly. Over a period of 8 years, more than 5,900 new schools were built, and more than 33,000 others were modernized under WPA, at a cost of $466,700,000. Can any Senator who is opposing Federal aid because of fear of Federal control point to any WPA-constructed school and say that it is now being run or dominated by the Federal Government?

The same record can be shown for Public Law 815, under which Federal money is provided to build schools in the so-called federally impacted areas.

I think the record already made on Federal funds for school construction puts to rest these fears of Federal control of the schools of America.

In fact, I digress to point out that millions of dollars have poured into the States over many, many years for the so-called land-grant colleges under the Morrell Act. I am going to have complete computations shortly on this. We are at work on it now.

Does any Senator want to tell me that any State college in his State is dominated by the Federal Government because it has been the recipient of great sums of money over the years?

Of course, the answer is that such a charge is nonsense. It is pure nonsense. It is a fear argument. It is a scarecrow that is being built up in the communities of America, with the result that timid politicians too frequently are following this propaganda line, and unwittingly, I am sure, but nevertheless effectively, denying to American boys and girls the educational opportunities that I think are their heritage.

I have said before, and I repeat this morning, we cannot let the educational opportunities of American boys and girls be dependent upon an act of God. The place of birth of an American boy and girl is an act of God.

I take the position that every American boy and girl, wherever born in this country, is deserving of an equal chance for the maximum development of his or her brain potential. That is basic in this whole philosophy that the chairman and I have been fighting for, along with other wonderful colleagues in the Senate, for decent Federal aid to education for many years past.

The committee already has before it the testimony of Dr. Edward Teller to the effect that there is no more important segment of our school system in developing scientists and engineers than the high-school level. I wish to reenforce that opinion with my own, based on 21 years of teaching at the college level. Every college professor and administrator knows that what is accomplished with a student in college depends in large measure upon what he brings with him, intellectually speaking, from high school. If the high-school training is deficient—and we have a lot of evidence that it is—then the colleges must make up the difference. They are doing it with special classes for freshmen, for example, in English, in mathematics, and other basic subjects that should have been learned in high school. This does not even take into account the number of boys and girls with good minds who were unable to

meet college requirements at all. Money will not solve all this problem of our educational deficiencies. But it is a part of the problem where the Federal Government can and should help out. The billion a year provided in S. 1134 is a reasonable and even conservative amount for the Federal Government to contribute to the States for school support.

Scholarships alone not enough at college level

Now I would like to devote myself for a moment to the college aspect of education for defense. I am a cosponsor with Senator CLARK of S. 1237, about which he will testify tomorrow. Our bill is somewhat broader in scope than the Hill bill, as you know. It provides for more scholarships and does not limit eligibility to specific fields. I appreciate that the Hill bill, which I also cosponsored, does not limit the field of study for the student as he enters college, but awards the scholarships on the basis of the student's achievement in science, mathematics, and foreign language in high school. It assumes that the curricula in these departments will thereby be strengthened in our high schools.

There is one major deficiency in both these measures, in my opinion. This is a grant to the institution for each student it enrolls with a Federal scholarship, whether the program follows the essentials of the Clark-Morse bill or the Hill bill. Last November, I received from the chancellor of the Oregon State System of Higher Education a copy of the statement presented to the House Subcommittee on Special Education on behalf of the Oregon State Board of Higher Education. It presents a very convincing case, in my judgment, in showing that scholarships alone will be of little value without accompanying grants that will enable our colleges and universities to expand their facilities.

"Unless some way can be found to build classrooms, libraries, laboratories, dormitories, and other college buildings," says the Oregon State Board of Higher Education, "there will not be enough space available for students. Unless funds are available to pay adequate salaries to attract and retain added faculty, there will not be enough professors available to teach students who might be recruited by a scholarship program."

Oregon expects a 58-percent increase in 4 years in the enrollment in our eight institutions in the State system of higher education. A scholarship program that would increase the number of boys and girls able financially to enroll in these schools would require the schools to raise their admission standards in order to cut down the total number admitted. Oregon has traditionally admitted all Oregon high-school graduates to its colleges. Recently, it has had to abandon that policy. I think it is most unfortunate that we had to do so in Oregon. I know that some schools do favor selective admissions and may welcome a greater degree of selectivity.

But at the same time it is the objective of a Federal scholarship program to give college training to qualified young men and women presently unable to obtain it for financial reasons. It is surely not the objective of these scholarship programs—neither the Hill bill nor the Clark bill—to raise admission standards only, and keep the number of students admitted at current levels or at levels only proportionate to the population. Yet that is the effect they well may have if we do not help the institutions expand their facilities.

I ask to have the statement by the Oregon State Board of Higher Education appear at this point in my remarks.

The CHAIRMAN. The statement will be placed in the record at this point.

(The statements follow:)

"STATEMENT OF WILLARD B. SPALDING, DEAN OF THE FACULTY, PORTLAND STATE COLLEGE

"The Honorable CARL ELLIOTT, members of the Subcommittee on Special Education, ladies, and gentlemen, the official position of the Oregon State Cystem of Higher Education, which I represent at this meeting, can be stated briefly. The proposed scholarship program is not generally opposed, but neither is it strongly endorsed, for it will be of little assistance to the colleges. The larger student bodies become, the harder pressed colleges will be for physical facilities and added faculty. Unless some ways can be found to build classrooms, libraries, laboratories, dormitories and other college buildings, there will not be enough space available for students. Unless funds are available to pay adequate salaries to attract and retain added faculty, there will not be enough professors available to teach students who might be recruited by a scholarship program. Scholarships, at best, are a modest and most inadequate approach to the problems of higher education in seeking to avoid being overwhelmed by students. The Congress of the United States would do well to study the major problems, as well as the present minor one.

"The size of the general educational task is set forth clearly on pages 8 and 9 of the report on the development of scientific, engineering, and other professional manpower prepared for your committee by Charles Quattlebaum. Scme added specific data for the Oregon State System of Higher Education may shed further light on the problem.

"In 1953–54, there were 14,968 students enrolled in the eight institutions in the State system. By 1956–57, this number had increased to 20,918 and, for the current year is up 9 percent over 1956–57. A 58 percent increase in 4 years is a precursor of even greater increases in the next decade. Predicting enrollments is hazardous for they are determined by economic conditions, admissions policies, world tensions and many other factors and forces. But, if these remain constant, the Oregon State System of Higher Education could enroll, under its present policies, a minimum of 40,000 students in 1967–68, if space and faculty were available.

"One of its present policies, created in part to meet the impending crisis of increasing enrollment and inadequate physical facilities, is that of selective admissions. While this policy can be defended on educational grounds, it is significant that only when the enrollment crisis was imminent did the Board of Higher Education abandon its traditional procedures of admitting all Oregon high school graduates to its colleges.

"Even though providing scholarships is, at best, an inadequate answer to the problems of higher education when confronted by increased enrollments, the proposal deserves to be considered as a possible way to induce more able youth to attend college. As the distinguished members of this committee are well aware, the Nation needs the contributions to the arts, to industry, to agriculture and to science which able young men and women can make after appropriate education.

"We in higher education have some unique interests in encouraging superior students to enroll in our institutions. First, all evidence points to an immediate and almost overwhelming increase in the number of high-school graduates desiring to enter college. The already meager supply of recruits for college faculties will become proportionally smaller as enrollments rise. Encouraging more superior graduates to attend college will increase the source of professorial possibilities.

"Second, much faculty research requires the assistance of graduate students. Individual professors develop new concepts in their studies, the validity of which must be tested in laboratory, library, or the field. Many routine, and some not so routine, tasks of investigation are carried on by students under the direction of the master. Everyone profits from this arrangement; research is done more rapidly; students learn to be scholars as they work with their professors; professors learn more about their fields and their students.

"Third, graduate students, and some advanced undergraduates, assist in teaching. Laboratory assistants, readers of examinations and other papers, proctors and the like are commonly drawn from the ranks of able college students. Unless this supply keeps pace with increasing enrollments, either professors will be forced to spend more of their own time in such activities, to the detriment of their teaching and other scholarly work, or colleges will be forced to use less able assistance to the detriment of their students.

"Use of graduate assistance in teaching and scholarly activity is closely related to increasing the supply of college teachers, for in pursuing these two occupations students begin their progress toward faculty status.

"But the need of the Nation for more highly trained and highly intelligent specialists and the peculiar needs of institutions of higher education should not overshadow the complexity of the problem of encouraging able youth to attend college, nor lead to the acceptance of partial answers to it. The problem cannot be solved by the easy answer of scholarships at Federal expense, worthy as they may be.

"The proposal to solve the problem by providing Federal scholarships is based upon the assumption that most able students who do not go to college would do so if they could afford it. This assumption is of doubtful validity. True, able students who fail to enter college are, on the average, from less wealthy homes, although there are marked individual exceptions. Undoubtedly, some of them, perhaps a sizeable fraction but surely much smaller than one-half, would take advantage of Federal scholarships. But the gain would be much less than that claimed by proponents of scholarships and not all of those who enter would be able to complete college courses successfully.

"To turn first to the probable failure of some able students, a point which is often overlooked, one needs to recognize that success in college is due more to what the student knows and what he can do than to his latent ability. Students who cannot spell, who cannot read college-level texts, who cannot write an intelligible paper, who cannot compute accurately, will not secure passing grades in any reputable college. Accurate performance in these basic skills is as much a result of the environment and homes in which these students were born and lived as of the public schools which they attended. The records of urban colleges, like those of Portland State College, reveal that many students of unquestioned ability are dropped from college because of failures due to the above-mentioned defects.

"These defects are at least as widespread among able students from less well-to-do families who do not attend college as among those who do attend, and probably more so. To the extent that Federal scholarships encouraged more students with defective skills to attend college, they would also be increasing the number and probably the proportion of those who are dropped because of academic failure. Each such failure means waste of both college and Federal funds.

"Turning back to the basic problem, many able students have acquired life goals, often because of their experiences in school and at home, which do not include extended education. They are motivated to succeed in careers which they see as not requiring any more preparation than they already possess. Further, many of them have learned to look at intellectual activity as the work of eggheads, and have no desire to pursue it. Discovering fully what makes able students

choose other ways of life than attending college will involve careful and extensive research. This committee might well propose Federal support of research into this aspect of the problem as a first step toward developing a more nearly complete solution than can be provided through scholarships.

"Present students of high ability would be eligible for national scholarships, for they would apply at the most sizable source of income. This would release some presently available local funds for the support of less able students than those who now receive them. Thus, the cumulative effect of national scholarships upon college enrollment would be considerably in excess of the actual number of recipients.

"Most proposals for national scholarships include distributing them among the States on some basis, often in proportion to population. But, if the aim is to attract the largest number of able students to college, geographical limitations are undesirable. The publication by Mr. Quattlebaum, to which I referred earlier, mentions the national merit scholarship program on pages 117–118. These scholarships are available by States, on a quota basis, to students who score high on the test used. If my information is correct, there were more students in New York State who scored higher than the best student in the 16 lowest States and yet did not score high enough to secure a scholarship, than there were students in these low States who received scholarships. In other words, if the funds had been used to support the most able students in the country, irrespective of residence, residents of New York would have received many more scholarships, residents of the 16 lowest States, few or none.

"In closing, I repeat, the major problems confronting higher education are providing faculty and facilities for the tremendous number of students who are about to apply for admission. National scholarships compound this problem, while also providing a small but needed supply of able students. How large a supply will be provided and how to increase the supply by other means than scholarships deserve careful study. This committee could well propose that the Congress underwrite scholarly research as a basis for a many-pronged attack upon the problem of attracting more able youth to the Nation's colleges."

Senator MORSE. I also received more recently a letter from John R. Richards, the chancellor of the State board. I quote one sentence of it: "Removing the financial barriers to attendance at college is recognized to be important but secondary to the provision of teachers, classrooms and laboratories in our public and independent institutions."

The second half of that sentence is underscored in his letter. I ask to have his entire letter of January 29, 1958, appear at this point.

The CHAIRMAN. We will have it appear in the record at this point in your testimony.

(The letter follows:)

OREGON STATE BOARD
OF HIGHER EDUCATION,
OFFICE OF THE CHANCELLOR,
Eugene, Oreg., January 29, 1958.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The present Congress is under great pressure to do something about higher education. Many suggestions are coming to you, and I write to express the official position of Oregon public higher education.

It must seem to you at times that the position of college educators is somewhat mixed on the direction of Federal support. Actually, there is a consensus among us about what should be done by the Congress in this session. Enclosed is a statement from the American Council on Education which outlines an agreed-upon program in some detail.

Please note that there are five groups of action that are recommended to you. First priorities are given to legislation that will have the effect of increasing the numbers of teachers and improving the physical facilities of our institutions. Removing the financial barriers to attendance at college is recognized to be important but secondary to the provision of teachers, classrooms and laboratories in our public and independent institutions.

I shall be glad to attempt to answer any questions that you may have about our adopted program for the strengthening of higher education in the United States through increased Federal support.

Sincerely,

JOHN R. RICHARDS,
Chancellor.

Senator MORSE. I have come to the conclusion, as I told Chancellor Richards, that a direct grant, as a kind of matching sum for each student entering an institution under a Federal scholarship program is essential if their facilities are not to be overloaded.

I urge the committee to add such a provision to any Federal scholarship bill it approves.

While I have this opportunity, I would remind the chairman of the committee of my long-standing support of his oil-for-education proposal which would provide a source of revenue for school support. It would be most unfortunate for the future of American education if his proposal were allowed to wither at a time when it is most vitally needed.

I also want to call attention to S. 714 and other bills like it that would reestablish education and training benefits for veterans. Hearings have been held on these bills by the veterans subcommittee, and I am very anxious that action be taken. The World War II and Korean GI bills were an investment in our intellectual resources that will continue to bring returns to the Nation for many years to come.

I ask to have printed in the record the testimony I gave the subcommittee last year in support of renewal of the GI bill.

The CHAIRMAN. At this point in the record we will have it printed.

(The testimony referred to follows:)

"REVIVAL OF THE GI BILL OF RIGHTS IS A SOUND INVESTMENT IN AMERICA'S FUTURE

"(Statement of Senator WAYNE MORSE before Subcommittee on Veterans' Affairs, Committee on Labor and Public Welfare, March 22, 1957)

"Mr. Chairman and members of the subcommittee, I appreciate this opportunity to present my views to the subcommittee on the vital legislation before it.

"As a cosponsor of S. 714, I urge its favorable consideration and an early report to the Committee on Labor and Public Welfare so that it can be acted upon during the present session of Congress.

"This is not a new field for me. In the 80th Congress it was my privilege to be chairman of this subcommittee. That experience and my work on the parent committee afforded me a priceless opportunity to observe the operation of the World War II GI bill of rights. As a member of the Labor Committee in the 82d Congress, I participated in the writing of the Korean GI bill of rights, the benefits of which were terminated by Presidential order.

"That experience in the formulation of these programs and observation of their effects convinces me that they were among the great achievements of our democratic system.

"The policy underlying the GI bills

"Any consideration of the bills before the subcommittee requires a restatement of the policy underlying the GI bills.

"Historically the United States, as a peace-loving nation, has maintained only small regular Armed Forces composed of professionals. It is the hope of all peace-loving peoples that we will once again be able to limit the military establishment to a small professional force and that other nations will be relieved of the heavy burdens of armament and large military forces.

"Since the outbreak of World War II this has not been possible. Unsettled world conditions and the aggressive designs of Hitler's Germany, and since World War II, the Soviet bloc, have forced upon the United States a program of military preparedness as a means of discouraging aggression and having available, if the dread occasion arises, military capability sufficient to crush an aggressor.

"We have sought to build and maintain that military capability in a democratic manner by the use of a civilian draft in which the burdens of service fall as equally as possible upon our able-bodied young people.

"Since the beginning of the World War II draft, we have recognized that most draftees are civilians in uniform taking their turn in manning our defenses. This has been the policy in both war and peace.

"I do not recall that any proponents of the peacetime draft argued or urged that the draft should be a means of staffing the armed services with permanent or long service personnel. To the contrary, the basic argument was made that enlistments were insufficient to provide the full requirement of manpower, that the draft was a supplement to supply the deficiency by rotating civilians for fixed periods of time. In enacting the so-called Universal Military Training and Service Act, the basic approach of training civilians for short-term service in the Armed Forces was not changed.

"The 1955 act does attempt to extend training so that there will be a pool of relatively skilled manpower in recognition of the continual need for trained personnel.

"However, the basic pattern was maintained; namely, that compulsory service was to be required for civilian servicemen.

"In the testimony of the representatives of the armed services on Tuesday the basic objection to all benefits provided by the GI bills was bottomed on the proposition that such benefits would be lures back to civilian life which would defeat reenlistment, which the armed services naturally desire.

"The Department of the Army painted a bleak picture of its reenlistment rate. I appreciate the problem. However, we must recognize that the draft and Reserve programs are primarily and almost exclusively concerned with civilians temporarily in the Armed Forces. Numerically and by percentage they have been and would be the principal beneficiaries of the GI-bill program.

"To the extent that Regular Army personnel are induced to return to civilian life by a cutoff date for qualifying for such benefits I see no objection, although I have not reached a final conclusion on the matter to extending the qualifying period for those who reenlist.

"However, the present administration is in an awkward position indeed when it opposes the proposed revival of a GI bill on the ground that it discourages reenlistment. The administration's policies of cutting the manpower of the Army in particular have been a principal cause of discouraging young men from making a career of the Army. The administration's cutbacks in the Air Force have had the same result. I only wish I had every letter I have received from captains and majors who were forced out of the Air

Force as overage in grade, 2 and 3 years ago, to present to this subcommittee. They would make a voluminous budget document look like a Reader's Digest short story in comparison.

"This administration has forced out of service thousands of men who desired to make the Army and the Air Force their careers. Many of us warned that this would be a costly process both in terms of individual loss and retraining replacements.

"The Army and the Air Force fail to make a convincing case on many counts in their narrow approach to this legislation.

"General Hershey's testimony

"As I am not a member of this subcommittee I was not present for General Hershey's testimony, but I have read it. Let me say that he is a great American who has discharged a hard and onerous task with great distinction. I respect his ability and integrity, and feel that he has manned a difficult station for long and thankless years without sufficient recognition for his patriotic service.

"I note, however, that the answers that he gave concerning his views of the desirability of bills such as S. 714 were off-the-cuff opinions. I must disagree with some of the conclusions he presented.

"My comments on the incentive to leave service argument also apply to General Hershey's comments, although I do not suggest that he is in any way accountable for the administration's on-again, off-again manpower policies.

"He did state that the various forms of compulsory service are designed to be universal and to require equality of sacrifice for at least all able-bodied persons. That is the theory of the system, but it has not been the practice. No one can serve in Congress for long without observing that in fact the obligations of service do not fall equally upon even the able bodied. Many tens of thousands, for various reasons, do not serve their time in the armed services. In most instances deferments are warranted and justified. But we should not close our eyes to the fact that many young men whose families can afford sending them to college are thereby obtaining deferments. In that period of deferment they may marry and have children and become, for all practical purposes, draft proof.

"There are many other circumstances in which economic good fortune or special status enable some young men to delay their service to more convenient times, or completely, when less fortunately situated Americans have no option but to comply with the President's greetings. Anyone with a television set has seen several professional baseball players hot-foot-it through a full world series game but receive deferments or even exemptions from military service on physical grounds.

"So, I think it fair to say that the present system is not in fact universal, has seldom been universal and its burdens and sacrifices fall unequally.

"GI bill not an incentive or special reward

"But, I disagree with General Hershey on another basic principle. The GI bill is not an incentive or special reward. First, I should emphasize that, so long as a civilian draft is necessary, such service is a right and privilege of citizenship and residence in this country of freedom and opportunity. But it is not carried by all families and all young men. The service obligation applies only to males—families without sons are not all affected even indirectly. Many families with sons do not have their lives disrupted for a great variety of reasons. The men in service and their families in time of international tension, such as the one we have been living through in recent months, experience anxiety that is not so intense or direct when the obligations are contingent upon future changes of status.

"We must recognize that many thousands who are in service during peacetime have more arduous and onerous duties and stations than many of those who served in relatively safe positions in wartime. Even in war the exposure to enemy action falls upon a relatively small number.

"What then is the basic purpose of the GI bill? I submit it is to enable the individual to make up for many of the lost opportunities that 2 or more years of military service involve. The young man who loses 2 years of civilian life thereby loses many economic opportunities—some excellent, some routine. But it can hardly be argued that 2 years of military service do not represent a 2-year handicap in relation to his contemporaries or the stage of economic and family life the individual would otherwise have.

"Many young men just out of high school who are drafted will not go on to college or into vocational training if they lack the GI bill. A young man out of service at 21, who may marry as many do while in service, needs a home for his new family which frequently only a GI insured loan will make possible.

"These opportunities to make up for lost time and improve his lot are not only for the benefit of the individual. They are good for the country because we thereby receive a better trained, more self-sufficient, more skilled crop of young adults.

"The GI bill is not an incentive for service. The service must be performed. It is, rather, a national insurance policy that our young people will not be permanently handicapped by reason of their military service.

"General Hershey suggested that if we provide such incentives in peacetime what is there to offer in a real emergency? The answer is simple: we needed no incentives during World War II or the Korean war for our young men to render gallant service. I do not fear that we will need any incentives in future emergencies.

"Education

"As a longtime educator I am specially interested in the educational opportunities the GI bill has afforded and will afford.

"College professors and school administrators are practically unanimous that their veteran students were among the best they have worked with. Young people with their military service behind them are more mature, in addition to being a few years older. They are more serious about their work, put more into it, and get more out of it.

"The GI bill is no gravy train. No GI students have lived high on their benefits. At best, the benefits are enough to get by on while taking a full-time course. Tens of thousands used their entitlement for night study while working—and received only tuition and not subsistence. Tens of thousands had to work their way through schools or their wives worked. The GI bill made it possible to have that extra margin of income and help to finish school, but only with great effort and sacrifice.

"As a result, however, our World War II and Korean veterans have improved themselves and the schools, too. We have better educated employees, fathers, and citizens. Industry and commerce have benefited from the new skills. Many communities have doctors and dentists they would not otherwise have.

"In sum, the Nation is richer not just in money, but in more fully developed human resources.

"Home and business loans

"Home and business loans have provided similar benefits to both individuals and communities by making possible home building and better family life and providing the enterprising with a start in business. Whether we are at war or not, the need is as great and the benefits as full to communities throughout the Nation.

"An incentive to end the draft

"The philosophy of S. 714 is that so long as military service is required of civilians, the Nation will provide its young servicemen with assistance in reestablishing themselves in civilian life.

"As the Department of Defense testimony indicates, one basic problem of the military establishment is the lack of career personnel who are skilled. The answer to this is not to make civilian life less attractive to civilian draftees. I believe that the answer was suggested by Adlai Stevenson in 1956—the encouragement and establishment of a professional military unit geared to the highly technical weapons which are the mainstay of our defenses will relieve the pressure for civilian draftees. Indeed, the turnover of technically trained personnel testified to by the Department of Defense witnesses indicates that we are spending more money than we should for retraining because of the lack of an adequate professional career corps.

"These costs and those of the GI bill may serve as an inducement for remedying the current situation.

"But we should bear in mind that the dividends of the GI bill are far greater than the dollar investment.

"Administration cuts—but only human benefits

"This administration claims to be liberal in human affairs and conservative in economic affairs. There is never any doubt that in case of conflict, the dollar will be the victor over the human being.

"In this case, the administration opposes revival of the GI bill and its proven benefits to tens of thousands of human beings and their communities. Yet it has money for weapons, talking (but not human) stamp-vending machines, Mideast dictators, hydrogen bomb tests, quick tax writeoffs for utilities and railroads.

"I suggest to the mothers and fathers of America that instead of adding 'Jr.' to their youngsters' names, they will prosper far more if they add 'Inc.'"

Senator MORSE. I wish to close by emphasizing that better facilities and teachers in the sciences at all levels of education are vital to our military defense. But meeting the needs of war is not enough; we must prepare our citizens to attack as well the problems that lead to war. To do that we must develop our brainpower in the social sciences and the humanities, in addition to developing our brainpower in nuclear physics and aerodynamics. It may well be that in today's world it will take more brains for us to live in peace than it would take to go to war.

In my judgment, the American people are far ahead of the administration and even ahead of Congress in their willingness to put forth effort and even money to improve our education system. We need to show them that we in Congress will also do our part, and we must do it now.

I would like, Mr. Chairman, to also quote from that great educator and politician of Pennsylvania, Thaddeus Stevens, who once pointed out that we should "learn to dread ignorance more than taxation."

I also would like to emphasize, in closing, that great tenet of Thomas Jefferson, "The strength of a democracy can be no greater than the enlightenment of its people."

Who among us can deny the fact that if we fail to give the support to the American school system that we should, we are selling short future generations of American boys and girls?

Lastly, I will close the record with a couple of rhetorical questions.

As I have said in debate in the Senate: "Give me that price tag, will you, on a nuclear physicist. What is he worth? What is a great biochemist worth? Price him for me."

But let us move out of the natural sciences into the social sciences. What is the value of a great theologian? What is a great historian worth? What is a great linguist worth?

Or to summarize it, what is any trained mind worth?

The CHAIRMAN. Let me interrupt you. What is a great teacher worth?

Senator MORSE. Yes; what is a great teacher worth? What is any trained mind worth? You cannot price trained minds because in fact they are priceless.

To the American people I say from this witness chair this morning, as a people we are guilty of a great waste of a great natural resource in America, the greatest natural resource we have, the brainpower of millions of our boys and girls. They are God's gift to America.

I want to plead that the politicians in the Congress, in this year 1958, do a little rethinking about this whole matter of training brainpower, because the real source of fear of Russia, the real cause of fear from Russia, in my judgment, is the fear that she may outstrip us in brainpower. I urge the passage of a broad Federal aid to education bill.

The CHAIRMAN. Senator, let me thank you on behalf of the committee for this most powerful and eloquent statement. I am sure these gentlemen who heard this statement this morning now understand why I presented you as "this brilliant Senator."

We are coming to the close of these hearings, and it is certainly very fine that we could have this magnificent statement of yours here in the record at this point, sir.

Senator MORSE. I appreciate you kindness to me.

The CHAIRMAN. There is a deep appreciation for your testimony.

Senator MORSE. I appreciate your comments, Mr. Chairman, and I am glad at the end of the testimony I still have with me my biased friend the distinguished chairman of this committee and Senator from Alabama [Mr. HILL]. Thanks very much.

VIEWS OF OREGON FARMERS ON THE EISENHOWER-BENSON PROPOSALS TO REDUCE PRICE SUPPORTS

Mr. MORSE. Mr. President, the Eisenhower-Benson proposals to reduce price supports have caused a great deal of consternation among farmers of the State of Oregon, particularly the dairy farmers. I am sure that farm families across the Nation share the views of the majority of our Oregon farmers with respect to the administration's farm program or lack of a program.

In order that the administration may have the benefit of the views of Oregon farmers, I ask unanimous consent that there be inserted at this point in the RECORD, in connection with my remarks, an open letter on subsidies, written by the North Bayside Grange No. 691, of Coos Bay, Oreg.; a letter dated February 10, addressed to me by Mrs. Melissa Berber of Nehalem, Oreg., protesting the Benson dairy price reduction proposal; a letter dated March 6, written to me by Mr. A. Cellers, president of the Buchanan-Cellers Grain Co., of McMinnville, Oreg., expressing opposition to the administration's cut in soil-conservation-practice payments; a letter dated March 4, written by the United Dairymen's Association of Seattle, Wash., urging opposition to a drop in dairy price supports; and a letter under date of March 6, addressed to me by Mr. W. E. Davis of The Dalles, Oreg., containing a very profound analysis of Benson's program to unbalance the farm economy of the Nation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OPEN LETTER ON SUBSIDIES

The members of North Bayside Grange, No. 691, of Coos County, Oreg., have seen fit to protest the proposed lowering of dairy support prices. Coos County is a dairy county, so our members are concerned over this development.

This protest should not be construed as an argument for subsidies as such. The dairyman is as willing as anyone to cease being dependent on the Government, providing that all other segments of the economy return to the same basis.

The dairyman has unwittingly been caught in the subsidy trap. The price of cheese is governed by the support price and his costs of production is kept high by other artificial means. Lowering of supports on one commodity without lowering on all is clearly a discrimination against that commodity.

Agriculture is the only industry that has been and is being ridiculed for receiving subsidies. Airlines and shipping, rapid amortization and other beneficiaries receive little or no publicity at all.

The majority of our press, nationally, has pursued a policy that has been both misleading and harmful. Namely, they create the impression that the entire budget of the United States Department of Agriculture is being used for price supports. The fact is that the major part of this budget is being used for the benefit of nonfarmers in the Forest Service, school lunches and many reimbursable funds. If the United States Department of Agriculture has done anything to counteract this trend it has not been noticeable in this area. This grange has always been committed to the belief that the United States Department of Agriculture should be helpful to the farmers.

Public utilities are guaranteed the right to set their rates according to costs so that they may have a profitable operation.

Labor is guaranteed the right to bargain for a raise based on the cost of living. In many cases, escalator clauses are in effect. Labor also has a national minimum wage law.

The grange does not begrudge labor a decent standard of living but where this is reflected in the basic commodities we must buy, the dairyman becomes more acutely aware of his diminishing income and lowered standard of living.

Taxes continue to climb and no one is optimistic enough to predict that they will not continue to do so. Our responsibility to the school system is clearly mapped out for a number of years in advance. Teachers' salaries are increasing. There is national publicity on behalf of raising teachers' salaries.

The dairyman will acknowledge this responsibility unless he is forced out of business and can find no place in industry. Industrial unemployment is now a major problem.

The major portion of the milk in Coos County is used for cheese. This cheese has been moving into the markets under competitive conditions, but at a subsistence rate to the producer. The support price alone would not be a profitable operation so it has been used only in cases of extreme emergencies. All that cheese supports have meant is insurance that the market will not collapse.

It is the grassroots opinion of this representative cross section of dairymen, that we deserve some consideration.

The trend of the administration to eliminate the small operator could result in a monopoly condition which would be more harmful to the general public than the total of all subsidies ever paid.

If the time has come to end subsidies, let us eliminate them on everyone alike. The dairyman does not ask for preferential treatment—all he asks is equal treatment. It is not realistic to expect the dairy industry to exist in competition to Government largess.

BONNIE FULLERTON,
Secretary, North Bayside Grange No. 691.
COOS BAY, OREG.

NEHALEM, OREG., *February 10, 1958.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am glad to read you were one of several Senators that joined in a move to avert the threatened reduction in dairy product support levels on April 1, 1958.

We need a prosperous agriculture to keep our Nation's economy sound. I trust the self-help plan, as proposed by the National Milk Federation, National Grange, and many dairy cooperatives, will receive your support when it gets to Congress. I don't like subsidies, but with the rising costs of production and the inflation resulting, we need some help.

I have read that one in every 11 left the farm last year. Total farm population dropped 4.7 million people in 7 years. Where are they going to find jobs and employment?

Yours truly,

MELISSA BARBER.

P. S.—As a dairyman and rural mail patron, I would rather have our mail service cut to every other day service than have the postal rates on first-class mail advance.

I am much interested in your newsletter. I also believe that our billions for foreign aid should be used more to help the underprivileged masses in the Middle East rather than military aid to the dictators who govern these countries.

I feel badly when I hear over the radio the reports that France used our made planes to bomb a Tunisian frontier town. Bad enough to use their own made ones.

France and Britain have in the past (as our history teaches) been dictators, and still do mistreat their possessions in Africa.

Yours sincerely,

MELISSA BARBER.

BUCHANAN-CELLERS GRAIN CO.,
McMinnville, Oreg., March 6, 1958.
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We are informed that the Secretary of Agriculture and the administration have announced in advance that they oppose crop-sharing assistance for liming, seeding, and fertilizing, and the planting of perennial crops to prevent water and wind erosion or to be plowed under to maintain the organic matter content and fertility of the soil. They also oppose cost sharing on vegetative cover used for this purpose.

Now, in our way of thinking, our soil is the most sacred heritage that we have left and anything that can be done to prevent soil erosion and build up the fertility certainly should be encouraged.

We are also informed that the Secretary of Agriculture and the administration propose to drop the soil-conservation-practice payments from the present $250 million to $125 million for the fiscal year 1959 and we consider this a very backward step, one that we should not tolerate. If this is done present practices that cover about 75 percent of the farm participation under the ACP program will be done away with and we think that everything should be done to continue this program for the good of the farmers

throughout the Nation who use the program and your Senators and Representatives from Oregon. A good percentage of the income of the farmers particularly of the Willamette Valley is in the production of these cover-crop seeds and if this ACP program is thrown overboard they will have no market for their seed.

Not only does this program help them in the way of cash income but in growing the seed they are preventing soil erosion and building up the fertility of the soil here in the Willamette Valley. No doubt you know this without having it called to your attention because it is self-evident fact.

We earnestly urge that you do everything you can to see that these administration recommendations to cut these soil-conservation-practice payments back to $125 million for 1959 are defeated and that the ACP program be continued as it is at the present.

We understand that hearings on this start March 10 and we are taking the liberty of writing to you now.

We believe this is vital not only to the farmers in the southeastern part of the United States but to our own Oregon farmer.

Thanking you in advance, we are,

Yours very truly,

A. CELLERS, *President.*

UNITED DAIRYMEN'S ASSOCIATION,
Seattle, Wash., March 4, 1958.

The Honorable WAYNE MORSE,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR: Attached please find copy of resolution unanimously adopted last week at the regular quarterly directors' meeting of the United Dairymen's Association. This association is composed of twenty-nine cooperative dairy associations located in the States of Washington, Oregon, Idaho, and Montana with a combined membership of approximately 50,000 dairy farm families. There were assembled in Seattle February 28, 1958, ninety-one delegates from the four States, consisting of officers, directors and managers of the associations, all duly elected or qualified by the dairy farmers themselves.

We urge you, as a representative of the dairy producers in your State, to use your every effort through legislation or otherwise to prevent the drop in dairy support prices announced to become effective April 1, 1958. Also, we urge you to use your influence to secure passage of the dairy self-help bills now before Congress, which will permit dairymen, if they so choose, to finance the surplus disposal of their own products to the benefit of producers and consumers alike.

We thank you in advance for your support on these two measures.

Very truly yours,

R. S. WALTZ,
General Manager.

RESOLUTION OF UNITED DAIRYMEN'S ASSOCIATION

At the regularly assembled meeting of the board of directors of United Dairymen's Association, February 28, 1958, in the city of Seattle, it was moved, seconded, and unanimously adopted that this association go on record as being opposed to the announced drop in dairy support price announced to become effective April 1, 1958, and that Congress be urged to take action to prevent such drop in price.

It was further urged that all Congressional Representatives be requested to use their influence to secure passage of the dairy self-help bills now introduced in Congress.

THE DALLES, OREG., *March 6, 1958.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: After viewing and hearing the program Youth Wants To Know, Secretary of Agriculture Benson as guest, I cannot restrain myself from making the following comments:

If you, and Members of the Senate and House, allow the administration's farm policy, the lowering of agriculture prices, while at the same time allow all the forces to flourish which raise prices of commodities, which of necessity the farmer must buy, creating a tighter squeeze, and a more general unbalanced economy.

Not many months ago Mr. Benson made a public statement: "If business and labor does not hold down prices, drastic steps must be taken." Well, what is he waiting for?

More than 2 million farmers have been forced off the land into the ranks of the unemployed. These 2 million, added to the millions which will also be forced from the land by Benson's wrong thinking, will eventually build a vast army of unemployed.

Let the crackpots continue on with the theory of substantial wage increases, longer paid vacations, theoretically to put more money into the pockets of consumers and the creation of more jobs. While all this is going on, encourage Benson to further lower agriculture prices and you will have created that which will certainly worsen our now serious economic mess.

Mortgage debt has risen 70 percent on Oregon farms since 1950. Total interest paid has more than doubled, due mostly to increased debt. Interest paid on short-time loans has also doubled in amount with only a small increase in rate.

Undoubtedly what started this depression is low agriculture income, a repetition of 1929.

I know very well that the other elements of the economy who have effectively protected themselves against free competition are not going to allow the blessings of a free market to include themselves. The farm problem must be viewed in light of the economy in which it actually exists and not in a theoretical situation which Benson may be trying to obtain.

Yours very truly,

W. E. DAVIS.

Mr. MORSE. Mr. President, here and there a lonely voice is heard in support of what Benson is doing to our farmers. But it is my opinion that an analysis of the arguments put forth by those who support Mr. Benson cannot withstand the acid test of logic and the general public interest. Illustrative of what I mean is a copy of a letter forwarded to me by a person who wrote to the Secretary of Agriculture and commended his activities. I ask unanimous consent that the letter be included at this point in the RECORD, together with a copy of my reply.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Mr. EZRA T. BENSON,
Secretary of Agriculture,
Washington, D. C.

DEAR MR. BENSON: In this election year we note that some of our Senators and Representatives have asked that you resign so that high farm price supports and soil conservation payments may be continued. We just wish you to know, and we believe that many, many people will agree with us, that we feel your stand on the matter is absolutely correct.

We have reason to believe that our large grain growers and dairymen in Oregon are reaping a rich harvest from soil conservation payments and farm price supports, to the detriment of consumers and other small farmers as well. We would like to see a statistical record of the number of dollars received by some of the large Oregon farmers in 1957 which can be traced directly or indirectly to soil conservation and farm price supports. Surely some such compilation has or could be made.

As for Oregon's depressed economy, it is quite fashionable to say that it can be blamed on tight money. This is possibly true to some extent, but we are convinced that higher costs, principally labor, are pricing many things, and particularly homes, out of the market. In spite of depressed building here, yet within the past three months we have seen in the papers where the building trades workers received a raise of some $1.20 per day, and plumbers helpers also received a substantial raise. These increases aggravate an already bad condition. Our family sold our old home last summer. We shopped around for another here in Portland. We looked at several new ones. We bought an older home, not because we couldn't get financing, but simply because we couldn't see paying $13,500 for a skimpy three bedroom home and assume terrific monthly payments, including the interest thereon.

To be blunt, it is our opinion that there is nothing in our recession that $10,000 three-bedroom homes, $1.00 haircuts and five-cent coffee, won't cure.

Sincerely yours,

_____, _____.

MARCH 12, 1958.

DEAR SIR: Thank you for bringing to my attention a carbon copy of your letter of March 3 addressed to the Secretary of Agriculture. While I certainly can appreciate the desire that you, and most of us, have to lower the cost of living, candor compels me to respectfully dissent from the conclusions that you have drawn from the analysis you have made of our economic plight.

To begin with, I think that we can both agree on the premise that ours is an interlocked economy; and that as a corollary, economic ill-health in one section of the economy has repercussions elsewhere.

If this be so, then it is in the national interest to take such steps with respect to agriculture, as will tend to assure a fair economic reward to this segment of our population, some 13 percent of all Americans, who produce the food and fiber upon which we all depend. The Eisenhower-Benson farm program asserts this is the objective of the administration. Yet, what are the facts? After almost 6 years of modern republicanism in the farm sector, while the Benson policies have been operative, we find that in terms of what the farmer has to pay for the industrial goods and commercial services he uses, his own return in prices paid to him, at the farm gate, amounts to 80 to 83 percent of what he received in 1937. The term parity, as you know, refers to what a farmer could buy per dollar value received for his goods in a base period. The years 1912–1913 and 1935–1937 are almost equivalent in this respect. Most of us feel that the years 1935–1937 were not prosperous years, yet the farmer is getting almost 20 percent less now than at that time for what he has to sell, in terms of what can be bought.

The Benson proposals to drop price supports, without advancing other programs designed to increase farmer's buying power, seek to make the position even more untenable for a great many farmers.

The problem may be simplified by the statement that what is sought is the replacement of many farmers by a few operating larger units. What will the cost be if many of our farmers go broke? Can men in their upper forties and fifties be retrained for other employment if they move to the city once their land is gone, or will they and their families join the ranks of the unemployed?

I feel with a deep conviction that the administration farm proposals are wrong on

two major counts. They neither satisfy canons of economics nor morality in the deepest sense. On the first count, the Benson plans have not worked as we were assured they would, and, on the second count, they violate the ethical imperatives that hold it morally wrong to reduce food production when human beings are hungry. Again from the standpoint of our national interest, but this time with Russia in mind, the strongest weapon we have in our arsenal of democracy is the wheat, meat, cotton, and cheese that we send to hungry people abroad, especially in the Middle East and Asia, and the food that we use in our school-lunch programs here at home.

Benson tells us over and over again that we have overproduction of food and fiber; he is wrong. We need instead to work out ways of distributing the food and fiber we raise within the framework of our political and economic system of free enterprise so human needs are satisfied. It can be done, but only if we have the will to do it. I am afraid that the administration lacks both the vision and the will to take the steps necessary to accomplish the job.

When an administration becomes so paralyzed that it cannot fulfill its function, it ought in a democracy, to make way for those who can do the job. Secretary Benson, by his attitude, gives the impression that he would prefer ruin to agriculture rather than to reevaluate his position. The stop-gap measures that are under debate in the Senate at this time seem to me, inadequate as they may be, essential to counteract the slow economic strangulation of small farm and small business being aggravated by the Benson policy. It is for this reason that I am reviewing with care S. J. Res. 163 on dairy price-support legislation. The report of the committee is attached for your information.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, I turn now to the last subject I desire to discuss this evening.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

RULING ON POINT OF ORDER ON AMENDMENT PROVIDING PAYMENT TO JEROME K. KUYKENDALL

Mr. MORSE. Mr. President, I turn now to another subject, by way of a reply to the minority leader [Mr. KNOWLAND]. I spoke to the minority leader and told him I was going to make this reply. He knows of it. He agreed that, in view of what he had said on the floor of the Senate, which is his position on the issue, and because he had another important engagement, it would not be necessary for him to be on the floor of the Senate while I made this reply to him.

This morning I spoke on the very unfortunate action that was taken by the Senate of the United States last night in sustaining, by a vote of 55 to 29, the granting, on an appropriation bill, of a $3,000 gift to the Chairman of the Federal Power Commission, which I submit was clearly legislation on an appropriation bill. The vote does not change the fact that it was, because the vote of the Senate does not repeal the rules of the Senate. The most charitable thing that could be said of the vote of the Senate last night would be that they knew not what they did, because it was perfectly obvious that Senators who voted in favor of overruling my point of order simply did not take the time to study the rules. I am sure if they had, my point of order would have been sustained by an overwhelming vote.

Because a matter of precedent is involved, I shall do everything I can to make a legislative record, so that future Senates, if they come to deal with this problem again—and the question will come up again, Mr. President—will know very clearly exactly what happened last night.

This morning the minority leader took the position that the Senate acted properly last night. The RECORD will show that he took the position that the $3,000 gift to Mr. Kuykendall was not, in fact, legislation on an appropriation bill; and it is to that, I respectfully say, in my opinion, unsound position taken by the minority leader that I now reply.

I said earlier today I thought it was most unfortunate that the Senate did not have a quorum call last night, so there could have been some conferences with the Parliamentarian before the great error was made.

I am not a competent witness, Mr. President, to testify as to what actually did go on at the desk while I was debating my point of order; but I surmise—and this is a little bit more than conjecture, based on conversations I have had with colleagues today—that there were those who, realizing the soundness of the position taken by the senior Senator from Oregon, suggested that the procedure be followed of submitting the point of order to the Senate, under rule XX.

I have never denied, and I do not now deny, that, under rule XX, a point of order can be referred to the Senate by whoever is presiding in the Senate at the time. In fact, for the RECORD, I shall read rule XX:

> 1. A question of order may be raised at any stage of the proceedings, except when the Senate is dividing, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate. When an appeal is taken, any subsequent question of order which may arise before the decision of such appeal shall be decided by the Presiding Officer without debate; and every appeal therefrom shall be decided at once, and without debate; and any appeal may be laid on the table without prejudice to the pending proposition, and thereupon shall be held as affirming the decision of the Presiding Officer.

So I do not take the position, and never have in this debate, that the Presiding Officer did not have the right to resort to rule XX if he wanted to; but I have sat in the chair the present Presiding Officer, the Senator from Alabama [Mr. SPARKMAN], is now occupying, and I know what happens. I know the Presiding Officer is advised by the Parliamentarian, and I know what happened last night so far as physical observations are concerned. There was quite a bit of consultation at the desk. Several Senators went to the desk and talked to the Parliamentarian. There was a conversation held with the Presiding Officer.

As I pressed for a ruling on my point of order, it was then announced by the Presiding Officer of the Senate that he was going to refer the question to the Senate. That is when I think an error was committed, as a matter of policy, because the point of order went to such a fundamental procedural safeguard in the Senate. In my judgment, the Senate of the United States should have had the benefit of the advice of the Parliamentarian, through the Presiding Officer of the Senate.

As I said this morning, that is what the Parliamentarian is paid for; and other Senators, as well as the Presiding Officer, are also entitled to his advice. I respectfully submit that when there is raised a point of order so far reaching and so important as the point of order I raised last night, it is due us that the decision be based upon the rules. It should not be based upon a play of alinement in the Senate, which in some instances I am satisfied was influenced by the known position of the Senator from Oregon against the confirmation of the nomination of Mr. Kuykendall in the first place.

I tried to make clear that my objection to paying the $3,000, which I think is an unwarranted taking of money from the pockets of the taxpayers, had nothing to do with my opposition to the confirmation of the nomination, but had to do with a very precious procedural safeguard in the Senate, that the Appropriations Committee shall not function as a superlegislative committee.

Oh, I know there are those who said to me today, "Well, don't ride the Appropriations Committee too hard, because, after all, you know, it is a committee of tremendous power." The members of that committee are my colleagues and I have complete respect for each one of them, and my respect for each one of them is such that I know they will respect the position I am taking that the Appropriations Committee must be held within the bounds of functioning as an Appropriations Committee, and not as a legislative committee.

If we permit this precedent, which was established in the Senate last night, to stand, I do not know where the limit will be. Therefore, I say we should have taken the time last night to obtain the advice of the Parliamentarian, through the Chair. We should not have permitted the Parliamentarian to escape his responsibility of advising us as to what the rules mean.

As a result of the procedural course of action we followed, Mr. President, a very bad precedent was established, and I intend to do the best I can to write such a record in the Senate that it will not be much of a precedent in the future when the question again arises in debate.

Mr. President, for the benefit of the minority leader, who took the position this morning that the rules were not violated by the Committee on Appropriations, I return to a consideration of [illegible] XVI, which was cited by the chair[illegible] of the Committee on Appropriation[illegible] Senator from Arizona [Mr. HAYDEN] last night in justification of the action his committee took, and which was cited by the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON], as a justification for the action which was taken, although in fairness to the

Senator from Washington it should be pointed out he tacitly admitted in the debate that the Committee on Interstate and Foreign Commerce never took any formal action, as required by subsection 1 of rule XVI.

I am about to proceed, Mr. President, to point out that even if the committee had taken formal action it would have been illegal action. What I desire to say, is that the explanation of the chairman of the Committee on Appropriations, the Senator from Arizona, wherein he stated he received an oral communication from the chairman of the Committee on Interstate and Foreign Commerce, to the effect that the Committee on Interstate and Foreign Commerce was in favor of the $3,000 appropriation to Mr. Kuykendall, is not sufficient.

In view of the position taken by the Senator from Arizona I think it is important to make perfectly clear in the RECORD the relationship between subsection 1 of rule XVI and subsection 5 of rule XVI. In my judgment, the Senator from Arizona is as wrong as a man can be in his interpretation of the rule of the Senate, because his interpretation violates a very elementary principle of statutory construction, namely, that when in one part of a statute—and it is similar in this case, because we are considering one part of a rule—when in one part of a rule there is a general provision and in another subsection of the rule or the statute there is a specific prohibition against a certain course of action, then the general language in the forepart of the statute does not apply to the specific prohibition.

I respectfully say that the Senator from Arizona in his discussion of the matter ignored subsection 5 of rule XVI and sought to rest his case, which is a weak case, I respectfully submit, on subsection 1.

The same statement applies to the position taken by the Senator from Washington and it also applies to the position taken by the Senator from Florida [Mr. HOLLAND]. The Senator from Florida talked about substantial compliance, but, Mr. President, there was not any compliance which either the Committee on Appropriations or the Committee on Interstate and Foreign Commerce could name to legalize under the rules of the Senate the action which the Committee on Appropriations took.

I desire to read the rule, to point out why subsection 5 of rule XVI, in my judgment, removes any doubt as to the procedure followed last night being a violation of the rule of the Senate that legislation must not be added to an appropriation bill. Then I desire to answer another argument which was developed today, namely, that because the appointment was for a 5-year period perhaps the $3,000 amendment could be justified on the ground that after confirmation of the nomination the appointment really was effective at the end of the last term of the particular nominee. That in my judgment is an equally fallacious argument.

Let me read to the Senate rule XVI, subsection 1:

> All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

What is the contention of the Senator from Arizona and of the Senator from Washington? As I understand their contention, it is that the Senate Committee on Interstate and Foreign Commerce at one of its meetings informally decided that there ought to be added to the appropriation bill an item to authorize the payment of $3,000 to Mr. Kuykendall. It was admitted by the Senator from Washington that no motion to that effect was ever adopted by the Committee on Interstate and Foreign Commerce. I could rest the case there, Mr. President. The fact is that, even if we accept the interpretation of the Senator from Arizona and the Senator from Washington as to rule XVI, the Committee on Interstate and Foreign Commerce never met the requirements of subsection 1 of rule XVI. The Senators admit that no motion was adopted by the committee as is required.

Mr. President, what is the purpose of such a requirement in rule XVI? One of the purposes is to protect those of us who are not members of a given committee. I hope we have not reached such a point in the Senate that we are to be at the mercy of committees of which we are not members, by having them proceed without any notice whatsoever to us to decide to hand $3,000 over to anybody because his wife was operated upon—which seemed to be one of the arguments of the Senator from Washington—because he had had a hard time, because he was a man without means, or because there had been a long delay before the Senate acted to confirm his nomination.

Mr. President, it simply does not happen to be within the prerogatives of the committee, in my judgment, to take action in that way. The fact is that the Committee on Interstate and Foreign Commerce never complied with the language of the rule, and the Senator from Washington admits it. Suppose that had been done. Would that mean the Committee on Interstate and Foreign Commerce could meet and adopt a motion to pay a private claim of Tom, Dick, or Harry? If so, what a nice state of affairs we would be in.

If the committee had followed the rule in subsection 1 of Rule XVI, some of us, at least, would probably have had a pretty good chance of obtaining some notice as to what the committee was doing, and we would have been given an opportunity to appear before the Committee on Interstate and Foreign Commerce, or before the Committee on Appropriations, to protest. But what happened? We woke up to an accomplished fact in the Senate Chamber, when the chairman of the Committee on Appropriations reported an appropriation bill containing in italics an amendment by way of a $3,000 grant to Mr. Kuykendall.

Mr. President, I thought the Senator from Washington was exceedingly fair when he saw the position he was in. When he recognized, after we pointed it out to him, that no formal action had been taken by his committee, I thought his proposal was very fair. The proposal was that the amendment be withdrawn last night, and that the committee meet this morning, which would give an opportunity to those of us who so desired to raise some questions about the $3,000 grant. The committee then could have taken formal action, after there had been such deliberation.

As the CONGRESSIONAL RECORD of yesterday will show, I said that I wanted to know what Mr. Kuykendall had done to earn the $3,000. My understanding then was that his name had been taken off the door of the room he had occupied; that he had taken the position that he had no official position with the Federal Power Commission; and that he could not act officially until his nomination was confirmed. In that respect I think he was absolutely correct.

We had a debate last night without any proof. The allegation was made that he had worked during that period of time. In my opinion, if he had done so, whatever he might have done would have been an illegal act, because he was not a member of the Federal Power Commission during that period of time. He had no interim appointment. This is not the case of an interim appointment. This is the case of a new appointment while the Congress is in session. So he had no official standing during the period of time his nomination was under consideration. He was simply out of a job.

When any Senator stands on the floor of the Senate and says that Mr. Kuykendall performed services for the American people during that period of time, that is a confession that he does not realize that during that period Mr. Kuykendall was not carried on the rolls of Government employment, and could not be until his nomination was confirmed.

So I say most respectfully to my colleagues that in what they did—and I do not care what language is used to try to cover up what they did—they proceeded to seek to give $3,000 of the taxpayers' money to a man who was not on the payroll of the taxpayers at the time. It was an out-and-out gift to him.

We shall be in a sorry state of affairs if the Congress of the United States, through any committee, is to start passing out gifts of $3,000 to some of its favorites who are not even on the payroll of the Federal Government.

So I say that even if my colleagues had followed the course of action set forth in subsection 1 of rule XVI, they would have been acting illegally. If they had done that, they would have flown in the face of subsection 5, which contains a specific prohibition, involving the elementary rule of statutory construction that when a part of a statute specifically prohibits an act, that act cannot be justified under general language contained in another section of the statute. I did not teach that rule

of statutory construction for years to law students, only to walk out on it when I came to the Senate. It happens to be so elementary that it is not subject to dispute—that is, not subject to logical dispute.

I read subsection 5 of rule XVI:

> No amendment, the object of which is to provide for a private claim, shall be received to any general appropriation bill, unless it be to carry out the provisions of an existing law or a treaty stipulation, which shall be cited on the face of the amendment.

I challenge the minority leader; I challenge the chairman of the Committee on Appropriations; I challenge the chairman of the Committee on Interstate and Foreign Commerce, or anyone else who wishes to take the position that the Senate Appropriations Committee acted within the rule, to show me in what respect this handout of $3,000 to Kuykendall involved the carrying out of the provisions of any existing law or treaty stipulation. The answer is that obviously it did not.

So I say, for the benefit of the minority leader, that he should have read subsection 5 of rule XVI before he made his speech today, because subsection 5 of rule XVI contains a clear prohibition against what the Appropriations Committee did, and what the Senate Committee on Interstate and Foreign Commerce testifies it tried to do informally. I shall read that rule again, because I want it to be indelibly in the RECORD. It should be in the RECORD for the benefit of the Parliamentarians, too.

I am critical about what happened here last night, and I mean to be critical, let me say to the minority leader. I have great respect for the Parliamentarians, but they make mistakes, too. In my judgment, in view of the situation which existed here last night in the Senate, in the face of this rule, which is so precious as a safeguard to the legislative process of the Senate, the Parliamentarian should have gone to the Presiding Officer of the Senate before he ruled and called his attention to the language of subsection 5 of rule XVI. Whoever sits in that chair is entitled to that kind of service from the Parliamentarian.

I know it can be said that technically the Parliamentarian does not rule; that it is not for the Parliamentarian to interfere with the business of the Senate. I agree. But it is for the Parliamentarian to see to it that the Presiding Officer does not make a grievous mistake. I know that if I had been sitting in the chair of the Presiding Officer last night and the Parliamentarian had pointed out to me subsection 5 of rule XVI, I would not have referred the question to the Senate, because subsection 5 of rule XVI provides:

> No amendment, the object of which is to provide for a private claim, shall be received to any general appropriation bill, unless it be to carry out the provisions of an existing law or treaty stipulation, which shall be cited on the face of the amendment.

My colleagues were wrong in their course of action, no matter from what phase of the rule the situation is approached. They are wrong because of the specific prohibition. They are wrong because if they were trying to comply with the provisions of subsection 5 of rule XVI, they did not cite on the face of their amendment, as the rule requires, the existing law or a treaty stipulation which they thought justified putting a legislative rider on an appropriation bill.

The cold letter of the rule leaves no room for question about ambiguity. What happened? Although some of us did our best last night to forewarn the Senate about the mistake it was making, instead of having this warning emphasized through the Chair on the basis of advice which I think should have gone to him from the Parliamentarian, we got into a situation in which other considerations besides the rule decided the vote. I do not intend to kid myself about that. After sitting here for 13 years observing how the Senate operates, I could not fail to recognize what happened last night.

The situation was a tough one. Certain Senators were caught in a serious mistake. We should have followed the suggestion of the Senator from Washington. The amendment should have been withdrawn and brought up this morning before the Committee on Interstate and Foreign Commerce for hearing. Then the committee could have decided whether or not it wished to make a recommendation, in view of subsection 5 of rule XVI. So much for the language of rule XVI.

The argument is being made in the cloakroom by some Senators: "Well, it is a 5-year appointment, and after his nomination was finally confirmed, his position went back to the date of the appointment in the first place, and therefore he was entitled to the pay."

Mr. President, there is a very simple answer to that statement. As I said, "Tell it to the General Accounting Office."

If those who advance that argument are right about it, then they did not need an amendment at all. If they are right about that, then the General Accounting Office would have been paying his salary back to the day of his appointment. The fact is he could not get his pay. He could not get it because he was not entitled to it. He could not get any pay because he was not on the payroll. He could not get any pay because it could not start until his nomination was confirmed and he was sworn in. What are the confirmation and swearing in procedures for?

That argument is as weak as the other arguments which have been made in trying to explain this irregular course of action of putting legislation on an appropriation bill.

The fact is no argument can be advanced which justifies pay for Mr. Kuykendall for the period of time while his nomination was under consideration. There is no rule of the Senate that justifies it. The only way in which it can be done under proper procedure is to have a private claim bill submitted.

I respectfully submit that if the Committee on Interstate and Foreign Commerce had held a meeting this morning, had adopted a motion, and had sent it to the Committee on Appropriations, that committee still could not put the item in the appropriation bill; it still would be subject to a point of order. That is so because it would violate subsection 5. Subsection 1, cited by the Senator from Arizona has nothing to do with this issue. Subsection 5 controls.

Subsection 5 provides that no amendment to provide for a private claim may be added to an appropriation bill unless it is for the purpose of carrying out a provision of an existing law or a treaty stipulation. Certainly no one wishes to take the absurd position of saying that that rider on the appropriation bill carries out any provision of law or treaty stipulation.

Therefore, under the rule, a majority of the Senate defied its own rules last night, trespassed upon its own rules, emasculated its own rules, polluted its own rules, and did a great injustice to orderly procedure.

I hope it will never happen again. I hope we have seen the last of such a proceeding. I hope that when the bill goes to conference this amendment will be stricken.

I am critical of the procedure. I am not personally critical of the Senators concerned because I have an honest professional difference of opinion with them. No one in the Senate has greater respect for the Senator from Arizona [Mr. HAYDEN] than I have. I believe that when any Senator—I care not who he may be—is, in my judgment, making a procedural mistake in the Senate which will establish a bad precedent, I owe it to the obligations of my office to make my record against his position. That is why I notified the Senator from California [Mr. KNOWLAND] today that I was going to make my record against his position.

I said in my statement this morning—and I close with this—that the fact I wanted to have determined by committee hearing was what Mr. Kuykendall actually did during this period of time. I said this morning that I was called on the telephone by an official within the Federal Power Commission who had become aware of the fact that last night I made my position known about the $3,000 grant to Mr. Kuykendall, and that official told me that I was absolutely right about it, that Mr. Kuykendall did not do any work during that period of time; that, in fact, Mr. Kuykendall had taken the position that he could not legally do any work, because he was not on the payroll. Mr. Kuykendall was absolutely right in that position, if that is the position he took. I was advised he took that position. However, I wanted to have that question of fact determined. I say that because I also know how some persons engage in second thought, and I am sufficiently familiar with the irregularities going on within governmental regulatory bodies to recognize that it is not beyond the realm of imagination, at least, that, by way of second thought, someone might try to make a case by saying that Mr. Kuykendall did do something during that period of time. If he did, he would not be entitled to a private claim for it by way of a provision in an appropriation bill, in view of the prohibition in the rules of the Senate I have already mentioned by way of subsection 5 of rule

XVI. Whatever consideration he would be entitled to for any work he performed during that period of time would have to be by way of a private-claim bill. If the Committee on Interstate and Foreign Commerce thought he was entitled to some compensation or some contribution or some gift or some handout, or whatever words we may wish to use to describe it, should have been recommended by that committee to the Senate in the form of a private-claim bill, and the Appropriations Committee should have taken the position that it could not add a private claim to an appropriation bill in view of section 5 of rule XVI.

We should have had before us a private claim bill. That would have given an opportunity to Senators to protect the taxpayers' interests. We know what we do with private claim bills. Private claim bills do not go through the Senate as a matter of form. Private claim bills are very thoroughly considered by the Committee on the Judiciary.

At one time, when I first came to the Senate, I served on a claims committee, which we had in those days. Under the Reorganization Act that was one of the committees dispensed with. Private claim bills are now handled by the Committee on the Judiciary. However, we had a claims committee at that time, and we spent hours and hours on claim bills, going into the merits of them. Why? Because we had a great trust and we were dealing with taxpayers' money. We certainly had no right to be shoveling out taxpayers' money for every claim bill that came along because a Senator or a Representative wanted to introduce it. They had the burden of proving that the person involved was entitled to the compensation or the money that was being asked for.

I checked with some members of the Committee on the Judiciary today, to see if there had been any change made in the practice of handling claim bills. Without quoting by name, the Senator who spoke to me, I was told, "I certainly wish we could get some legislation passed which would refer all claim bills to the Court of Claims and that the Committee on the Judiciary would have nothing at all to do with them, because of the hours and hours and hours of work a claim bill takes for a Member of the Senate who is a member of the Committee on the Judiciary, particularly of the subcommittee that deals with claims."

Therefore, the fact is that I am completely right when I point out that claim bills are given serious consideration and study by the Committee on the Judiciary.

Let us take a look at the $3,000 claim. How much study did it have? Let us read the record. It is perfectly obvious from the statements made on the floor of the Senate by the members of the Committee on Interstate and Foreign Commerce that at best they handled the claim informally. We know how informally they handled it. There was no hearing, and no opportunity to testify against the claim.

The committee did not even take formal action on it. Apparently the chairman of the Committee on Interstate and Foreign Commerce, who also is a member of the Committee on Appropriations, informally said to the chairman of the Committee on Appropriations, "My Committee on Interstate and Foreign Commerce is for this." I am giving my opinion about what I think happened in this matter. I say that is bad precedent, too. Even if the two committees could sustain themselves within the rule, which they cannot, the procedure they followed in this instance ought to be condemned by the Senate.

These committees are ours; they are not independent agencies of the Senate. The Committee on Appropriations is no law unto itself, and we had better make that perfectly clear to the Committee on Appropriations. The Committee on Appropriations is a child and an agent of the Senate. I am one Senator, irrespective of the power of the Committee on Appropriations, who serves notice on that committee that I intend to "watchdog" to make certain that the committee stays within the rules. Every time it goes outside the rules and practice and into something which amounts to legislation on an appropriation bill, and the senior Senator from Oregon is aware of it, I shall object and raise a point of order, as I did last night.

I happen to think, furthermore, that every other Senator ought to be on his feet, joining me in raising the point of order, because if ever we let the Committee on Appropriations start to place legislation on an appropriation bill, there will be utter confusion and chaos in the legislative process of the Senate.

This has been one of the most jealously guarded rules of the Senate over the decades. That is why I am at a loss to understand how the point of order could have been treated so cavalierly last night by referring it to the entire Senate to decide, when I say, most respectfully, that I would bet there were not five Members of the Senate last night who ever read a single line of the rules to which I have referred.

I wanted to make this case, Mr. President, because I think that what happened was a clear violation of the Senate rules.

I now make my final statement about the matter and direct it to the Chairman of the Committee on Appropriations. He is not only a man for whom I have admiration and great affection, but he is a man who is, in fact, revered. I happen to think that Senator HAYDEN, of Arizona, is one of the greatest men who ever sat in this body. The great monument of public service he will leave behind him—and I hope he will not leave it behind him for many, many years to come—will be one of the greatest monuments of public service in the entire history of the Senate. Therefore, when I express my difference with Senator HAYDEN on this matter, I do not do so lightly; I do not do so happily; I do so only because I am convinced that, as a matter of duty, and as one who for 13 years has been a stickler in the Senate for the protection of the procedural rights of Members of this body, the case I am making against the Committee on Appropriations in this matter had to be made.

In this matter, so far as I am concerned, Kuykendall is simply, shall I say, the operative fact. It is not Kuykendall who is concerned in this matter; what I am protesting is the violation of the rule that an appropriation bill shall not contain legislation.

I close with this appeal to the Senator from Arizona, because he will be the chairman of the Senate conferees. In view of the strong difference of opinion which has developed in the Senate over the action of the Committee on Appropriations, I respectfully say to him: "I think you owe it to those of us who are willing to make the fight that I have made to protect the rules of the Senate to take the position in conference that that particular amendment be stricken."

Any Senator who is interested in a $3,000 grant to Mr. Kuykendall can introduce a private claim and have it referred to the Committee on the Judiciary for a hearing. Ultimately, depending on the action of the Committee on the Judiciary, if a favorable report shall be made on the bill, the Senate can debate and vote on the bill. I think that what is involved is so important that the mistake which was made last night ought to be corrected in conference. The bill never should come back to the Senate with this rider in it. If it does, the Senate will be in the position, once again, to have a quarrel over the conference report.

If this provision remains in the report, the wrong will still exist, and it will still be the duty of those of us who believe the rules of the Senate should be protected to continue to make an issue of it.

I happen to think that the statesmanship of the Senator from Arizona is such that if he will take the time to give due deliberation to the recommendation I am making, he will agree with me, that under these circumstances it would be better to eliminate the amendment in conference, and to treat the subject ab initio in a private bill, so that the Committee on the Judiciary can consider its merits. I respectfully submit that the merits of the claim were never considered last night by the Senate.

I yield the floor.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN:

S. 3465. A bill to amend section 303 of the Career Compensation Act of 1949, as amended, to authorize in all cases the transportation of dependents, baggage, and household effects under certain conditions; to the Committee on Armed Services.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 3466. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities

for 1958; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

DEPENDENT CHILDREN UNDER TERMS OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. NEUBERGER. Mr. President, it seems only simple justice that alien children adopted by American families in Government service abroad should come within the definition of dependent in the Internal Revenue Code. That is not now the case. At the present time the term "dependent" does not include any individual who is not a citizen of the United States unless such individual is a resident of the United States, of a country contiguous to the United States, or the Canal Zone or the Republic of Panama or was adopted in the Philippine Islands before January 1, 1956, and resides in the Republic of the Philippines.

Thus, families of Armed Forces personnel and others stationed abroad in Government service cannot claim as dependents alien children legally adopted by them and living in their households. This discriminates unfairly against those in Government service, and I am submitting an amendment to correct this situation. This amendment should not be controversial.

Mr. President, on behalf of my colleague the senior Senator from Oregon [Mr. MORSE] and myself, I submit an amendment to H. R. 8381, now before the Finance Committee, to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, to be referred to the Committee on Finance.

The PRESIDING OFFICER. The amendments will be received, referred to the Committee on Finance, and be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TAXING INCOME OF LIFE INSURANCE COMPANIES—AMENDMENT

Mr. POTTER submitted an amendment, intended to be proposed by him, to the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which was ordered to lie on the table, and to be printed.

ELIMINATION OF DISCRIMINATORY EMPLOYMENT PRACTICES BECAUSE OF AGE IN CERTAIN CASES—ADDITIONAL COSPONSOR OF BILL

Mr. NEUBERGER. Mr. President, on January 30, 1958, I introduced S. 3188, a bill to prohibit any Government contractor or supplier from imposing any requirement or limitation of maximum age with respect to the hiring or employment of persons. This bill was co-sponsored by nine Senators. I had also asked the junior Senator from Washington [Mr. JACKSON] whether or not he would like to co-sponsor this bill, and I am informed that only through inadvertence he had not previously been able to inform me of his desire to do so. I am delighted, therefore, Mr. President, to ask unanimous consent that the name of the junior Senator from Washington may henceforth be listed among sponsors of S. 3188.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF POSTPONEMENT OF HEARINGS ON INCREASED PAY FOR SUPERVISORS AND POSTMASTERS IN POSTAL FIELD SERVICE

Mr. NEUBERGER. Mr. President, on Tuesday, I announced hearings to begin Thursday on S. 3400, to establish a more equitable pay scale for supervisors and postmasters in the postal field service.

Due to the extreme urgency of the legislation now pending before the Public Works Committee, of which I am a member, I find that I must postpone the hearing on S. 3400 to next Monday, March 17.

As a member of the Public Works Committee, which will be considering legislation on Thursday to help alleviate the terrible unemployment situation throughout the country, I feel that I must give my undivided attention to this matter now.

I also feel that the importance of the provisions contained in S. 3400 is such that I should give it my personal attention and be in attendance during the hearings. For these reasons, I have postponed the hearings to next Monday, at 10 a. m.

NOTICE OF HEARINGS ON PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. MONRONEY. Mr. President, on behalf of the Subcommittee on International Finance of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on March 18, 19, and 20, 1958, at 10 a. m., in room 301, Senate Office Building, on the proposed International Development Association—Senate Resolution 264.

All persons who wish to appear and testify at this hearing are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone CApitol 4-3121, extension 3921, as soon as possible.

ADDITIONAL RECORD MATTERS

By Mr. MONRONEY:

Article entitled "Senator Urges Citations For Living," written by Senator MARGARET CHASE SMITH of Maine, and published in the Washington Evening Star of March 10, 1958.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The work of the day being completed, the Senate, pursuant to the order previously entered, and in accordance with the last clause of Senate Resolution 274, will stand adjourned until 10 o'clock tomorrow morning.

Thereupon (at 7 o'clock and 57 minutes p. m.), the Senate adjourned, the adjournment being, under the order previously entered, in accordance with the last resolving clause of Senate Resolution 274, as a further mark of respect for the late Representative of New Mexico, until tomorrow, Thursday, March 13, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 12, 1958:

UNITED STATES ATTORNEY

Jack D. H. Hays, of Arizona, to be United States attorney for the district of Arizona for a term of 4 years. He is now serving in this office under an appointment which expired March 4, 1958.

Julian T. Gaskill, of North Carolina, to be United States attorney for the eastern district of North Carolina for a term of 4 years. He is now serving in this office under an appointment which expired March 4, 1958.

UNITED STATES MARSHAL

Louis O. Aleksich, of Montana, to be United States marshal for the district of Montana for the term of 4 years. He is now serving in this office under an appointment which expired March 11, 1958.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 12, 1958:

DIPLOMATIC AND FOREIGN SERVICE

John M. Allison, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Czechoslovakia.

DEPARTMENT OF STATE

Robert G. Barnes, of Pennsylvania, to be Special Assistant for Mutual Security Coordination, in the Department of State.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 12, 1958

The House met at 12 o'clock noon.

Dr. Julius G. Neumann, rabbi of Congregation Zichron Moshe, New York City, offered the following prayer:

Eternal God, our Heavenly Father, as we enter upon a new day, we pray for Thy spirit in this hour.

We come asking for a wisdom greater and higher than our own. Thy Torah has bidden us to "replenish the earth and subdue it," to stay devoted to the vision of a world happier, brighter, and nobler as the harvest of our work for universal justice, mercy, and peace. Thy divine guidance has ever summoned us to the abolition, not only of coldness, cruelty, and corruption, but of all diseases and avoidable misery.

We pray for these, Thy servants, who now have the high privilege and heavy burden of leadership. Imbue them with vision, understanding, wisdom in council, and firmness for the right as Thou givest them to see the right.

Wilt Thou go with us to inspire to that devotion to duty that gives dignity and worth to human life.

In these days of tension and tumult, permit us to hear "the still small voice" above the thundering detonation of A- and H-bombs and behold "the great light" beyond the blinding flashes of nuclear power.

May Thy Holy Spirit forever reign over us. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10881. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, and Mr. KNOWLAND to be the conferees on the part of the Senate.

H. R. 11086

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 11086.

The SPEAKER. Is there objection?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so, without this request being a precedent for the future, may extend their remarks in the RECORD and include therein, if they so desire, extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

THE LATE HONORABLE JOHN J. DEMPSEY

The SPEAKER. The Chair recognizes the gentleman from New Mexico [Mr. MONTOYA].

Mr. MONTOYA. Mr. Speaker, with a deep sense of grief I announce to this House the untimely death of our esteemed colleague and friend, the Honorable JOHN J. DEMPSEY. He passed away last evening at the hour of 10:20 after a short illness. In behalf of his bereaved family I want to thank his many colleagues who expressed great concern over his illness prior to his passing. Needless to say, we shall miss him as a distinguished Member of this House and as a rare type of friend. His loss has created a great vacuum in the field of public service and our country and my State of New Mexico will grieve his loss with a heavy heart. During my short service in the Congress I have been privileged to serve with him and to seek his counsel and advice which he willingly gave at all times. He was revered by Members on both sides of the aisle because his great dedication to public service dictated to him that he should rise above partisan politics. He practiced a philosophy which became the secret of his success as a legislator and public servant. He believed strongly that sincere friendship and high regard for his colleagues were the cornerstones for success in human endeavor. I knew Congressman DEMPSEY throughout his public life and always sought his advice on many public matters. As Governor of our State he administered this important office with indomitable courage and unsurpassed dedication of purpose. Reared in humble circumstances he appreciated fully well that the commonweal of the majority of our citizens was the very foundation of a healthy America. Never forgetting his background, he was at all times tuning his official demeanor and labors to the very things that would promote the public welfare. He subscribed tenaciously to the idea that love of one's fellow man should be the prime objective in life; that hatred and resentment were unwelcome allies. His service as a legislator clearly demonstrates to all of us an exemplary lesson of statesmanship which we cannot help but appraise with approving satisfaction. My State adopted him in 1928 and soon he was contributing greatly in public affairs. This adoption inured to the benefit of New Mexico because his contributions were so great and so vivid that today a grateful populace mourns his passing. He has indeed left an indelible imprint in the hearts of his fellow men. We shall sorely miss him as a colleague and friend. We shall not forget him. My most profound sympathies go to his bereaved wife and family who will miss him greatly but who will find comfort in the thought that he enriched his fellow man and his life was not in vain. May God grant them serenity in this hour of need.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the depression that this House feels today because of the death of Representative JOHN J. DEMPSEY, of New Mexico, is somewhat mitigated by the fullness of JOHN DEMPSEY'S life. Here was a man who during his lifetime lived successfully and to the very limit through several careers. His foremost career I am sure it will be said of him was in his service here in this House and in his contribution to the betterment of the lot of the ordinary man. This level of contribution to the welfare of his country is probably matched by his achievement as Governor of New Mexico, a post to which he was twice elected. What endeared him to me, apart from the affection that all of us felt for him, was that while he understood and practiced abundantly and constructively all the enlightened and accepted practices of the skillful statesman, his basic motivation invariably was an uncompromising religious conscience. He was a devout man religiously.

Moreover there shone in the sparkling personality of JOHN DEMPSEY and in his distinguished bearing all the color and the variety that marked his progress through his 78 years. New Mexico was his home and the seat of his major services to America but he was born in White Haven, Luzerne County, Pa., in 1879. And what always appeals to the American pride in self-reliance and in our devotion to the success story is the fact that Representative DEMPSEY'S career during and after grade schools began as a water boy for a railroad. The next line in his biography tells you that while he worked as a telegrapher and at various odd jobs, we find him in due course a vice president of the Brooklyn Rapid Transit Co. JOHN DEMPSEY early acquired the habit of success.

Then in 1919 this remarkable American pulled up stakes, leaving behind him a life of substance and stability, to start anew in Santa Fe, N. Mex. There he built up an asphalt and oil business becoming an independent operator. In 1933 we find him—starting yet another career—as a State director for the National Recovery Administration. We see him move to the position of member and president of the board of regents of the University of New Mexico. It was a kind of political logic that he should be elected—as a Democrat—to the 74th, 75th, and 76th Congresses, a period covering January 3, 1935, to January 3, 1941. He failed in his try for the Senate. He served with great effectiveness and purpose on several commissions and as Under Secretary of the Interior. From 1943 to 1947 he was Governor of New Mexico, twice elected. Then from the 82d Congress to his death here in the 85th we knew him again as one of our beloved and respected colleagues.

What I have done in this hour of bereavement is to give this House a capsule story of a very typical American whose robust and dynamic career in many ways reflects the life of our country, its faith in private initiative, its independence, its courage, its insistence upon results, and its deep and profound and spiritual conscience. In being proud of the remarkable and varied life of JOHN J. DEMPSEY, we are really being proud of America which makes careers like that possible and which invites in its citizens qualities of boldness, courage, and fortitude. All there is left for me to say to JOHN'S family—his wife, his son, his two daughters—is that we join them in their feeling of grief and that they may take some comfort in knowing we in this House knew JOHN DEMPSEY as a type of American who did immense credit to his racial and religious background, who served his State and his Nation according to the best and the highest traditions, and whose impress on the life of his time advanced the progress of man.

I do miss him very much. It was only the other day I was chatting with him on the floor, as were other colleagues of mine. He was one of the most powerful contributing Members of the Congress of the United States during his years of honorable and trustworthy service in this body. I shall miss him very much, as will all of the Members of the House.

I know I express the sentiment of all of my colleagues on both sides of the aisle when I join with the delegation from New Mexico in expressing the deep sorrow that is in all of our hearts at the passing of this outstanding gentleman and this great American, and particularly in extending my profound sympathy to Mrs. Dempsey and her loved ones.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, the House mourns today the loss of one of its most esteemed and able Members in the death of JOHN DEMPSEY. In his many years of service as Congressman, Governor, and Cabinet officer, he served with great ability and distinction.

His life was an example of what America affords to those who have the courage, the persistence, and character necessary for success. Starting as a poor boy in Pennsylvania and New York, he steadily climbed the ladder of success, until he reached his present position of prominence.

It was my privilege to be a member in 1937 of a joint committee from the Senate and House to study statehood for Hawaii. The committee was headed by Senator King, of Utah. JOHN DEMPSEY was a member of that committee and the assignment gave me the opportunity of knowing the splendid character of our deceased colleague. A friendship developed which grew stronger as time passed.

It is with profound sadness I heard of his unexpected and untimely death. To his wife, Gladys, and his family goes my deepest sympathy in their hour of bereavement. They have suffered a severe loss of a loved one, the House has lost a fine Member, and New Mexico and the country have lost a dedicated public servant.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, most certainly I desire to join with my colleagues today as we pay a most deserved tribute to the fine and outstanding personality and to the strong character in life's activities of our late friend and co-worker, the Honorable JOHN J. DEMPSEY.

Once again death has paid a hurried call to our ranks and has snatched from among us one whom we loved to see—one with whom we loved to work and visit. Today, and the tomorrows, will have a meaningful void because of his absence, for no one among our number was more universally loved than he whose life is the subject of today's tribute.

It was my pleasure and profit to work most closely with JACK, as he was affectionately called by all of us during his last service in the Congress—from 1951 to the present. Never have I worked with anyone who bore his share of the load more effectively and more willingly than he. He gave of his talents and his valued counsel most freely but also, most unobtrusively. He was always attentive to his own responsibility in all of our mutual undertakings. I wish particularly at this time to recognize and call to the attention of my colleagues the outstanding and valuable services and contributions of our late colleague and companion to the study, planning and successful conclusion of the legislation which resulted in the authorization of the Upper Colorado River Storage Project Act. Because of his attribute of humility, very few of his friends except those who were most closely allied with him in this work, realized what a tower of strength he was in that battle. May I say as I pay my personal tribute today that I feel better that I was able to let him know during his lifetime what a high value I placed on his services in our mutual undertakings as well as the high regard I came to have for him during the years that I was privileged to be numbered among his associates and friends.

His interest and kindness for his colleagues will be forever remembered by me because of many events and happenings, but especially because of one particular situation where he came very close. Just a year ago at this time I happened to remark at lunch one day that I was due for a little trip to Bethesda for some surgery. JACK said in his friendly way, "WAYNE, are you well prepared for your trip?" When I suggested to him that I was as well prepared as I could be he reached into an inner pocket and brought out a scapular, an emblem of his religious faith, and said, "Please take this. It will help you along the way." I accepted this token and have carried it ever since—may I add further, largely because of a sense of appreciation of the love which this noble gentleman bore for his fellow men regardless of their creed, color, or nationality. During his recent illness my prayers for the restoration of his health and strength were with him, but God in his infinite wisdom has ruled otherwise and now I join with my colleagues in a fervent prayer for the restful repose of his beautiful soul. Mrs. Aspinall and I extend our deepest sympathy to Mrs. Dempsey and their children in the loss of their loved one.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker; this is an unhappy day for me. I have lost another fine, personal friend in the death of our colleague, JOHN DEMPSEY.

Even though the reports of his illness had been most discouraging, there is no way we can condition ourselves to the distressing news that one we have known and loved for many years has left our ranks.

My friendship with JACK DEMPSEY dates back to 1935, the year we both came to the House of Representatives.

Ours was no mere acquaintanceship. My feeling toward JACK was one of deep affection, and I have no reason to believe he felt otherwise about me.

It was because of this closeness that I knew something of JACK'S background. His career was the story of a boy of limited opportunities in the generally accepted sense who demonstrated that in this great land of ours anyone with what we out in Indiana call "gumption" can succeed.

JACK DEMPSEY was a success.

He was a success because he made the most of his capacities.

He was a success because he was a man of solid integrity.

He was a success, finally, because he was willing to give unselfishly of his fine talents to help make this a better world.

I am saddened by his death and offer my deepest sympathy to his gracious wife, Gladys, and the other members of the wonderful family he has left behind. It is my hope that they may find some measure of consolation in the fact that a devoted husband and father lived a full and rich life, a life dedicated to the service of his fellow men.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Speaker, the passing of our beloved colleague, Representative JOHN J. DEMPSEY, is a loss, not only to his bereaved family and the State of New Mexico, but to the Congress and the entire Nation.

His life was one of inspiration and encouragement, for it was in the fine American tradition. He was a poor boy who achieved much and finding honor for what he did, through hard work, a constant reaching out for more knowledge and a lifelong striving to find ways to serve those less favored than he was in abilities and personal assets.

I was associated closely with Mr. DEMPSEY as a member of the House Public Works Committee and I have personal knowledge of his devotion to duty, his deep knowledge of national problems and his zeal for sound, constructive legislation.

He was the sponsor of the original Soil Conservation Act in 1935. He always was an active exponent of good conservation legislation. We and the Nation at large benefited from this thorough knowledge of natural resources and his ability as a highway and transportation expert. He was one of the prime movers in the expanded national highway program and his motivation was mostly the saving of lives in traffic.

JOHN J. DEMPSEY had a well-rounded, well-filled life, marked by outstanding achievements for universal good and better living for many thousands of his contemporaries. He will be missed for his great knowledge, his wise counsel and personal charm. His accomplishments will continue to affect all of us for time to come.

It was an inspiration and a privilege to have known and worked with JOHN J. DEMPSEY. His memory will be cherished, not only here in Congress, but throughout the Nation.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Speaker, it is with sincere regret that I note the death of my longtime friend and colleague, Congressman JOHN J. DEMPSEY, of New Mexico.

Known to his many close friends as "Governor JACK," Congressman DEMPSEY will be long remembered by those of us

who were privileged to know him as a real statesman, who went far beyond his required duties to be of help to his fellow men, regardless of whether they were rich or poor. His record in public life, both as Governor of the State of New Mexico and as a Member of the Congress of the United States, was the kind of record his family can be justly proud of, and it was the kind of record which could well serve as the goal of any American youth.

"Governor JACK" was possessed of an uncanny ability as a mediator between groups in disagreement, and his wise counsel and complete willingness to be of service will be greatly missed, both by the people of New Mexico and by his fellow Members of Congress.

It was our privilege to join with him and his lovely wife on many inspection trips in connection with our duties as members of the Public Works Committee. His vast experience and sound judgment were of great assistance to all of us in discharging these committee responsibilities.

The Nation has lost a great American, Mrs. Dempsey a loving husband, and we who knew him so well a trusted and loyal friend. I want to extend my heartfelt sympathy to Mrs. Dempsey and the children and, at the same time, to assure them that their "Governor JACK" has left an indelible mark on the minds and hearts of us all.

Mr. MONTOYA. Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, it is with a heavy heart that I rise to join in this tribute to the life and character of the late JOHN J. DEMPSEY, Representative at large from New Mexico. This morning I found that I was almost afraid to open the morning's newspaper, for I had made inquiry about 8 o'clock last night as to how JACK was coming along at the hospital. The information I then received was such that it caused me to be sad and afraid that I was about to lose a good and true friend. When I opened that newspaper this morning, there was the sad news.

When JACK DEMPSEY was vice president and general manager of the Brooklyn Rapid Transit Co., he and my father-in-law, the late Edward P. Hughes, were as close friends as any two men could be. At the time he was with the transit company I never dreamt that many years later I would have the privilege of serving here in the House of Representatives with JACK DEMPSEY and learn to admire him and to love him.

It is, indeed, with a heavy heart that I join in these eulogies and extend to his loving widow, his son, and daughters, my deepest sympathy and prayers in their bereavement. May Almighty God in His mercy and wisdom grant him the peace and rest which I know will be his just reward.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I was greatly distressed, as were all Members of the House, to learn of the illness of our good friend and colleague, Representative JOHN J., or better known as JACK DEMPSEY, of New Mexico. Though we were prepared because of the seriousness of his illness we were still shocked by the news of his death.

It has been my privilege, and it has been a distinct privilege, to know JACK DEMPSEY for more than 20 years and to serve with him in the Congress and in other capacities and call him a friend. He was a self-made man and though he grew to where he sat in the seats of the mighty, he always remained humble. He always had a friendly word on his lips and a helpful hand out to those who needed it.

This Congress and this country have suffered a great loss in the passing of JACK DEMPSEY. We shall always remember him. To his family he has left the priceless heritage of a good name and to those of us who called him friend, many precious memories.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, it was with a heavy heart that I was awakened in the middle of the night last night to receive a telephone call informing us of the passing of our friend and colleague, JOHN DEMPSEY. I served with JOHN DEMPSEY on the Atomic Energy Committee for the past 3 years and of course I knew him, as many Members have known him, over a period of many years.

In thinking of him we remember that this man was an outstanding success in the business world before he came to the Congress of the United States in 1935, and served 3 terms in the 74th, 75th, and 76th Congresses. After that period of 6 years' service in Congress he served on the United States Maritime Commission and was Under Secretary of the Interior. Then the people of the State of New Mexico elected him twice to the highest office they could give him, the governorship of that great State. During his time in office there he pioneered many great social reforms. The highways, housing, and health conditions of New Mexico bear the imprint of his thinking.

After serving there for 4 years he was again elected to Congress and served in the 82d, 83d, 84th, and 85th Congresses until his death last night. I was privileged to know him as a colleague, but Mrs. Holifield and I were privileged to know Mr. and Mrs. DEMPSEY as close personal friends. They have been guests in our home and we have enjoyed the privilege of being guests in their home in Santa Fe, N. Mex. Over the years I served on the Atomic Energy Committee with him I got to know him better. I got to know of his close interest and concern in the terrible effects of the weapons which come as a result of atomic energy. I got to know of his fervent hope that somehow or other these weapons would not be visited upon a suffering mankind. I also learned at first hand his great interest in the peacetime application of atomic energy and his desire that no efforts go unexpended which could increase the blessings to mankind of this great new property.

He was a great Christian gentleman, he was kindly, he was possessed of that unfailing Irish humor which always made me glad to be in his company.

It is with a deep sense of grief that I extend to his son and his two daughters and his bereaved wife, Gladys, the deep personal sympathy of Mrs. Holifield and myself in this hour of their bereavement. May God in His infinite wisdom and compassion overshadow his bereaved family and grant to them the courage and fortitude which they need to help them through this hour of sorrow.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, by the death of JACK DEMPSEY the Nation has lost a most conscientious citizen and a truly delightful person. All his life he worked hard and many years were devoted to the service of his fellow citizens who acknowledged his unselfish endeavors on their behalf by reelecting him time and again to public offices of high trust.

He had a host of friends who were charmed by his personality; by his modesty and sincerity and his gentle humor which was so infectious. He was always courteous but he had strong convictions, at all times respecting the opinions of others. He had great charm of character and it was a privilege to know him.

A tireless Congressman, working for the interests of those he represented, a loyal and devoted friend, a distinguished American, and an outstanding Christian gentleman, he has achieved his reward of a crown of life amongst that host of others who have gone before him. He will be greatly missed and he will never be forgotten.

I offer my deepest sympathy to his widow and children and may the prayers and thoughts of his many friends support them in this hour of sorrow.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I join our colleague, the gentleman from New Mexico [Mr. MONTOYA] in his expressions and tributes to a great American, Representative JOHN J. DEMPSEY. JACK DEMPSEY was a true pioneer. He contributed a great deal toward the building of his beloved Western State of New Mexico, and he contributed much through his wisdom and judgment on the national scene. His was truly a valuable service to both State and Nation.

JACK DEMPSEY adopted the great West after having already established a successful career in his native East. He was twice Governor of the State of New Mexico, and he has served in the House of Representatives on two different occasions. He was a Member of the House from 1935 to 1941, and again from 1951 until the present time. His contemporaries will recognize that these were periods that required much from the individuals who represented their people in judgment and in plain hard work.

I have had the pleasure of close contact with JACK DEMPSEY in his second period of service in the House of Representatives. I know of no finer person. He was always pleasant and considerate. He was a good man to work with. He was deeply interested in his committee assignments and contributed much toward the work of the committees on which he served.

He had other important assignments aside from his elective positions and in which he served with great distinction. He was close to President Franklin D. Roosevelt, and was called upon by him to serve in important capacities in the Government. He was appointed by President Roosevelt to the United States Maritime Commission in January 1941 and later was selected by President Roosevelt to serve as Under Secretary of the Interior. He left this latter important position to serve as Governor of New Mexico.

My deepest sympathy is extended to his wife, Gladys, and to his son and daughters.

His loss will be greatly felt for a long time, his memories will be treasured by the hundreds of close friends he has made in his long years of service in New Mexico and in Washington.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, I wish to associate myself with my colleagues in expressing our deep regret and sorrow on the passing of our beloved friend, the Congressman from New Mexico, Hon. JOHN DEMPSEY. He was my friend—my personal friend and neighbor long before he became a Member of the House of Representatives. He was a great supporter and great worker for all the projects and problems incident to the development of our western areas as well as the Nation at large. We are losing a most valuable member of the legislative branch of our Government. His usefulness is a matter of record. To his wife and family I extend my deepest and most sincere sympathy. May a kind Providence provide to each of his loved ones the peace and understanding which a Father in heaven alone can give to us in the distress and sadness which must come to our hearts when we face such events. His wonderful record will fill a glowing page in the history of our country.

Mr. MONTOYA. I yield to the distinguished Speaker.

Mr. RAYBURN. Mr. Speaker, I know of few deaths which have occurred in the House of Representatives since I became a Member that touched me more deeply and made me sadder than to learn of the passing of our colleague, JOHN J. DEMPSEY. JACK DEMPSEY, as he was known to all of us, was not only a gentleman; he was a noble man. He had the elements of kindness, the elements of high character, the elements of real statesmanship in him as few men I have known here or elsewhere. He was as kind a man as I ever knew. He sought never to offend anyone, but he knew how to do his job in the executive department of the Government, in the executive department of the great State of New Mexico, and in the legislative branch. He went into all of those fields capably and well. Let me repeat, he was an effective man on the floor of this House. He knew what he wanted to do. If he had a proposition he could explain it to us so that we would understand it. Therefore, he was one of the most effective legislators it has been my privilege to see in this House. He and his lovely wife and I were close personal friends. To her and the other members of his family go my deepest sympathy and my most affectionate regards.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, I am grieved to learn of the passing of JACK DEMPSEY. He was a rugged American who served well his day and generation. Many honors came to him during his long and distinguished career. He was one of the most able Representatives ever to serve in this House. I shall miss him in the days that lie ahead. My deepest sympathy goes out to all his loved ones.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, one of the high privileges of Congressional service is the friendships that we make here. JACK DEMPSEY was my friend in every sense of the word.

As all Members can testify, JOHN J. DEMPSEY was a modest man, but he was also a big man. He was big in service, big in ideals, great in character and ability. He was a solid and constructive Member of this House, an effective legislator, a real statesman. He was a noble American.

JOHN DEMPSEY was formerly a resident of my State. He has had many business interests in Oklahoma over the years. At the time of his death he had important business interests in my Congressional District. His friends in Oklahoma were legion.

I shall miss him. I extend my deepest sympathy to his fine family.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Speaker, we, the Members of the House of Representatives who knew him best, are here today to pay tributes to the memory of one of the finest American gentlemen any of us ever knew and to one of the ablest statesmen this Congress ever has produced.

Our friend, JOHN DEMPSEY, was a man of great ability. He was always sincere and forthright. His integrity was such that his word was as good as his bond.

We admired him for these sterling qualities but more than that we loved JACK DEMPSEY because of his great capacity for friendship. He was always kindly, congenial, and helpful. He radiated optimism. His very presence in a room brightened it. It was always a joy to be in his presence.

In Congressman JACK DEMPSEY's death, his State and his country have lost an outstanding public servant and a great statesman. We, his colleagues, who knew and loved him have lost one of our dearest friends.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Mr. Speaker, it is a very sad occasion for me to join in the tributes being paid to our late friend and colleague, JACK DEMPSEY.

For many years I sat by his side as a member of the Committee on Public Works. I want to express my appreciation for the many courtesies he showed me in my endeavors on that committee. I want to tell my colleagues that one of his great attributes was that of being a fighter; he fought for what he believed in. I know, because were were often in conflict about certain views or issues which came before our committee. We often disputed them sharply in committee but we found ways to resolve these differences and could always come together in friendship and understanding in support of a mutually agreed upon plan or approach.

As has been said here by so many Members, JACK DEMPSEY in his life was a fine expression of everything we believe to be good and true about our American system.

I join proudly in the tributes that have been paid to this great man and express my deep sympathy to his wonderful wife and to his family.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, I rise today with a heavy heart, for I have lost a great and good friend. It was my good fortune to meet JACK DEMPSEY a number of years before I came to Congress. I have many relatives in the State of New Mexico, and they have always held JACK DEMPSEY in the highest esteem.

I wish I could remember the words of praise one of my brothers, who has now also passed on, had for his friend JACK DEMPSEY. They were great friends; so when I came to Congress and learned to know this great man I could appreciate what my brother meant when he said: "There is a man."

We shall miss JACK DEMPSEY in this House of Representatives; the great State of New Mexico will miss his good services. It so happened that through my membership on a committee I was in a position to assist JACK in many of the problems of benefit to New Mexico, which State he served so well in this House.

He would come to me and say: "BEN, lend me your ear for a minute. I have a problem which I need your help to solve."

I listened, and always his requests were completely justified. I am glad I was of service to him and his great State.

He was a noble, patriotic gentleman of the highest order. May the same God who called him to his heavenly home give his loved ones strength to bear the great loss they have sustained.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, as so many of his colleagues have said here today, JACK DEMPSEY was a man. He was a big man, a big man in every sense of the word. He was big in his capacity to serve his people, as Governor, as Maritime Administrator, and as a Member of this body. He was energetic in the representation of his people. Frankly, Mr. Speaker, I was amazed to learn of his age. I thought he was a much younger man because his energy and his active representation and presentation of the problems of his State reflected the activity of a man many years his junior.

Finally, Mr. Speaker, he was big in his capacity for love and for friendship. If time permitted, each Member on both sides of the aisle would pay tribute to his memory because wherever JACK DEMPSEY went he made friends and whoever knew him was proud to call him a friend.

I join with my colleagues in paying tribute to him and in expressing our deepest sympathy to his very fine family.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, the people of Arizona are deeply grieved and shocked at the passing of our good friend and neighbor, the Honorable JOHN J. DEMPSEY. If each of them could speak to the people of New Mexico, I am sure they would express the sympathy which they feel and the grief they share at the loss which the whole West has suffered in the passing of this great and fine man.

Speaking personally, I can say that I have lost a very valued friend. The effectiveness of JACK DEMPSEY was illustrated about a week ago when several of us were in a meeting dealing with the problems of the West. After we discussed the problems the consensus of the group, as expressed by one member, was that only JACK DEMPSEY could handle the problem and do it right. That was typical, Mr. Speaker, of many other meetings which I attended to discuss problems of the West since I have been a Member of Congress.

Here was an effective man, an honest man, a sincere man, who through those qualities was able to make more friends in this House than any other Member in my experience.

One of the things which he possessed was a great sense of humor. This was a man who was able to be serious about his job but also was able to exercise that sense of humor to keep him and to keep those around him from becoming discouraged at times when things were not going well.

We will miss him, and I can only say I hope that his family and all of his friends will be comforted by the kind of man he was, the kind of record he made, and by the reverence with which every Member of the House, every person who knew him, regards the memory of that great and good man.

May God rest his soul.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, this is indeed a sad moment for all of us. I can think of few people who have served in public life who will be claimed by as many States as will claim our good, late friend, JOHN DEMPSEY.

Born in Pennsylvania, he went as a young man to New York State. From there he went to Oklahoma and then to New Mexico. As the dean of the New York delegation has so well put it in the title of his book, "one never leaves Brooklyn." So, we in Brooklyn have always looked upon JACK as one of us. I was still a young man in school in Brooklyn when JACK DEMPSEY had already made his mark in the life of our community, not only in the business world but as one who looked upon the privilege of being an American citizen as carrying with it the duty to constantly participate in the political and the civic life of his community. Brooklyn has always been a better place because JACK DEMPSEY tarried with us for a while. As JACK went on to other fields and moved up the political ladder to important places in Government, Brooklyn always rejoiced in his successes. We gloried in the fact that here was a man whom we could claim had been part and parcel of us. He went on to higher and better things, always having in mind that he was a public servant, performing and fulfilling a public trust. Always in that kindly way that typified JACK DEMPSEY, he tried to arrive at the best solutions of those difficult problems that confront persons in public life, whether in the administrative field or the legislative field.

We will miss JACK. Brooklyn, New York State, all of the States that he has lived in and served, the whole Nation, pays tribute to a loyal, a good, a true, a noble and devoted servant.

I join with all of our colleagues in extending to his family our heartfelt sympathy.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. PATTERSON].

Mr. PATTERSON. Mr. Speaker, I was grieved on learning of the saddening news of my friend JACK DEMPSEY, and his untimely passing. I first met JACK years ago when I was a student at Georgetown and had, as my mathematics professor, his son. But then, as the years rolled on and I came to Congress, I also learned to know JACK even better and to build up a greater affection for him. I do not think there is any man in the House of Representatives who was more devoted to his country, nor who was more devoted to his duties, nor who was a greater American than our good friend, JACK. I do not think there is anything greater that may be said about a man than to say he was a great American. Certainly that was demonstrated in everything that JACK did.

So, it is my sad duty to offer my most sincere condolences to his most wonderful wife and his lovely family. I am sure that right now our friend, JACK DEMPSEY, has taken his rightful place in the choir of angels, and may God in His infinite wisdom and mercy have compassion upon his soul.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, it is with a sad heart that I join my colleagues in paying last respects to our departed colleague, the Honorable JOHN J. DEMPSEY. He was a great American. He understood people and he always wanted to help people. His was a spirit of understanding and cooperation. We in the western part of the United States realize that he was a great leader. His devotion was to those who trusted him.

America, and especially New Mexico, has lost its leading citizen. It has been my privilege to know our departed colleague for a number of years. When I first came to Congress I always found sound advice and counsel when I consulted him.

May I pay my respects to his widow and his children as we shall miss JACK in the years to come.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, it was my privilege during the past 4 years to serve on the Committee on Public Works of this body with the Honorable JOHN DEMPSEY. During that period of time I came to have a deep respect for JOHN DEMPSEY. I found that he was one of the outstanding Members of our committee and of this body. There was no one in this body who had a greater love for America, a greater love for the West, and that was demonstrated in all of the actions he took on this House floor and in our committee. I think those of us who had the privilege of serving on the Committee on Public Works with him have been benefited greatly by the sound judgment he constantly demonstrated in all discussions and debates that we had in that committee.

He approached every problem not in a spirit of partisanship but in a spirit of what was best for this country and what was best for the area that he represented.

Mr. Speaker, I would like to join with the other Members in their tributes to him and to express my deep sympathy to his widow and his children.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Oklahoma.

Mr. MORRIS. Mr. Speaker, there are many reasons, but there are three particularly, which I should like to mention, why I know that our departed colleague, JOHN J. DEMPSEY, was one of God's noblemen. My secretary, Miss Ella Marice Ryan, was for a period of about 4 years secretary to Congressman DEMPSEY. She is a lady of very high character and is one of the most efficient secretaries I have ever known. A Congressman's secretary knows him perhaps as well as, if not better than, anyone else, because the secretary is in daily contact with him. The secretary knows what his thinking is, his philosophy in life. The secretary knows how he operates generally. The secretary knows whether he is efficient or inefficient, knows more about him, perhaps, as I say, than anyone else. And Miss Ryan has told me so many times

how noble was JACK DEMPSEY. She has told me of the power of his mind, his true greatness.

He was so kind and considerate toward those with whom he worked. He was so magnanimous in his attitude generally. He was so powerful in representing the people of his district and the people of our whole great country. That is one reason why I know he was one of God's noblemen.

In addition to that, just a few moments ago, we heard the great Speaker of this House tell us of his friendship for and closeness to Congressman DEMPSEY.

In addition to that, may I refer again to Miss Ryan, who has told me so many times how close JACK DEMPSEY was to the Speaker and how the great Speaker of this House admired him so much. Any Member of this House or anyone else that Speaker RAYBURN has such a high regard for I know is a man of extraordinary character and ability.

Then the last point, and I conclude, I personally knew JACK DEMPSEY well, as all Members of this body did. My personal contact with him was such that I came to a realization soon after I became acquainted with him that he was a man of extraordinary ability and of the very highest character.

The poet has said:

The night has a thousand eyes,
And the day but one;
Yet the light of the bright world dies
With the dying sun.

The mind has a thousand eyes,
And the heart but one;
Yet the light of a whole life dies,
When love is done.

The light of Congressman DEMPSEY's life will never die because his love was never done. He loved this great country of ours with zeal and fervor. He loved justice. He loved all of those things all of us should love. He was truly a great man.

To his loved ones I extend my heartfelt sympathy. May God comfort them in this their hour of great bereavement.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Speaker, gratitude is not only the greatest of all virtues, but it is the mother of all virtue. I am proud to belong to a group of this kind, the great United States House of Representatives, which demonstrates this wonderful Christian principle of gratitude and appreciation for great men.

Truly, JACK DEMPSEY was a great man. He was gifted, he was courageous, he was a man of principle and of honor. He was also a warm friend, as I found in working closely with him in our fight to bring life-giving waters to our desert areas in the upper-basin States. There I develop a real affection for this wonderful man. The people of Utah owe him a debt of gratitude. They have already expressed their appreciation and I repeat this expression.

Comfort to his family can come from two chief sources. The first is from Almighty God, and I know that He will do His part. The second is from friends such as we are, and I am sure we are doing our part. We hope and pray that the grief in the hearts of his family will be assuaged from these two sources.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, yesterday the House received the news of the serious condition of JACK DEMPSEY's health and, as the saying goes, "I will come like a thief in the night." Today he is no longer with us.

He was my friend. We came to this body together and our great friendship grew between our families on our trip to the Philippines for the inaugural of the Philippine Commonwealth in 1935.

JACK DEMPSEY's attributes have been told here today by many who knew and admired him. He was a loyal person. He was a real person. He could differ as well as agree with you, but any differences of opinion were forgotten when he left this Chamber. I often heard him speak fondly of his family. But, he had a particular interest in his grandson of whom he always spoke of "as the boy who carries my name." I was reminded as I sat here today and listened, of the words of a song:

Sometimes between long shadows on the grass,
The little truant waves of sunlight pass,
Mine eyes grow dim with tenderness the while,
Thinking I see thee, thinking I see thee smile.

May the soul of this faithful public servant be received in heaven and may the angels conduct him to his final home.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, I was grief stricken beyond words when I learned in the middle of the night from a news broadcast on the air that my friend, JACK DEMPSEY, had passed away. Of course, we had the word through the House yesterday afternoon that he was in a desperately critical condition. But, everyone of us left yesterday evening hoping that he was going to recover. Mr. DEMPSEY was one of the outstanding Members of the House even as long ago as 1939 when I came to the Congress. Very early we formed a firm and close friendship that continued down through the years. Not only was he a patriotic American, a fine Governor, a great Congressman, and a devoted public servant, but he was one of the most lovable men I have ever known. You could not be around JACK DEMPSEY without feeling a deep affection for him. His life reads like a Horatio Alger success story—a great story of the American boy coming up without any great wealth and without any great assistance, but as a result of his own efforts and energy and ambition. Mrs. LeCompte and I were with JACK DEMPSEY and his charming wife in Hawaii 3 years ago. Even then, while on vacation, he was devoted to his duties. The people of Hawaii felt a great affection for him and they displayed it on every occasion. JACK DEMPSEY was one of God's noblemen. I loved him from the very first, and I venture to say that the gentleman from New Mexico, who will serve many years in Congress, will always regard his association with JACK DEMPSEY as a benediction and a great memory that will linger with him down through the years. The same will be true of all others who were privileged to serve with him. To his wife and his family, I extend my deepest sympathy. I have a firm feeling that time is a great healer and that down through the years Mrs. Dempsey will be comforted by the tender recollection of the many happy years that she and her husband were permitted to be together. His life is an inspiration. He lived his religion every day of his life. We will not soon see his like again.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I would like to express my deep sympathy to the family of JOHN DEMPSEY. All of us who served with him on the Committee on Public Works quickly knew him as a kind, friendly, and effective man. I remember first going on the committee, the consideration he showed each junior member, and the time he would take to discuss the problems that each of us had, with as much interest as he had in his own problems. Knowing of the great burden that each Member of this House bears for the problems of his own district, I think that one of the great characteristics of JACK DEMPSEY was that he took time to worry about each Member's problems as if they were his own.

He also had a great sense of humor. Whenever things would become a little tense in committee, he could always inject that sense of humor and relieve the tension. We will always remember his great contributions to that committee and to this House and Nation. Also, I think it has been noteworthy that so many wonderful tributes have been paid to JACK DEMPSEY today, signifying that each of the Members of this great body considered him more than just a passing friend—considered him as he truly was, a very personal friend to each one of us.

So it is with a very deep heart and with a very sincere feeling that I express my own personal loss and sympathy to his wonderful wife and to his family.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. Mr. Speaker, it was with great sorrow that I learned of the passing of our friend and colleague, JOHN J. DEMPSEY, of New Mexico.

One of the principal personal privileges of my serving in Congress has been to work closely with Congressman DEMPSEY and to come to know him well. To know Governor Dempsey was to admire him. He typified the spirit of America and the spirit of the West. His word was his bond. He was a man of courage and action. He was dedicated to his country and to the district which he represented, in this case his entire State. As a representative of a sister Western State, I fully appreciate that the great loss to the people of New Mexico is particularly shared by this entire area.

Few men have served their State and their country so well in so many diversified capacities. The continuing confidence expressed in him by the people of his country and his State over so long a period of time speaks for itself of the true ability and service of our dear colleague.

Myself and the people of Wyoming join in expressing our sincere and heartfelt sympathy to the members of his family and to the people of New Mexico. May God rest his soul. May God comfort and sustain his widow and members of his family.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from California.

Mr. DOYLE. Mr. Speaker, I have not prepared any written remarks on this sad occasion. I was greatly shocked this morning to learn that our distinguished colleague, a man whom I regarded as an esteemed personal friend during all the 12 years I have been here, had passed on. It is most unfortunate. I was visiting with him in the Speaker's lobby just the middle of last week. On an occasion like this, it is difficult to extemporaneously appraise all the fine qualities of a man like JACK DEMPSEY. But there are 2 or 3 I want to mention. They are not the most common qualities either: First, his always pleasant friendliness, always a warm, understanding personality that made one like to be with him. He had love of his fellow man. He had that God-given quality in an unusual quantity. Then his firmness and fairness for what he believed in. Always, while there was a firmness on his part for what he believed in, always, he respected a difference of opinion by another.

And I remember him so well in relation to one of the committees on which I served, the Committee on Un-American Activities. I think, more than most any other Member of the House, JACK DEMPSEY asked me about that committee and how we were getting along; what progress we were making; and the types of problems which faced us on that committee. He sought information and understanding, he made valuable suggestions. I appreciated that because he was, as you know, constructive in all his approaches. He was anxious to be helpful to his State and his Nation. His utmost desire was to be of valuable, but humble, service.

And then Mrs. Doyle and I will not soon forget the occasion of a Democratic conference in his State some months ago when at his cordial invitation we visited his beautiful home and family. His loyal wife, Gladys, and family were so gracious to us. My wife and I extend to them our sincere sympathy and condolence. I am very happy I listened to him so often tell me of his experiences and best judgment.

Finally, may I observe that I recognize that he was one of these men of elder years who had so much of rich and continuing public service in State or National affairs that they leave something when they pass on. They leave a void which is not filled; they leave a cavity that cannot be filled by any substitute or successor. My distinguished and beloved friend and colleague, JACK DEMPSEY, lived among us with such exemplary friendship that his death will not cause it to depart from our experience.

Mr. MAILLIARD. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from California.

Mr. MAILLIARD. Mr. Speaker, I like to believe that in a few years I have been here I have made friends in this House. I can think of no one whose passing would fill me with such a deep sense of personal sadness as does this loss of JACK DEMPSEY.

I do not need to add to the tributes that have been paid to him today as a great American, a great statesman, a devoted public servant, but I would like to add a little personal comment as to his enormous and unusual worth as a friend and as a man. Now that he has been taken from us, I am happy that I have had the pleasure of staying with him in his home in Santa Fe, and thereby getting to know him on his home ground. When he and Gladys were at my house to dinner just a few weeks ago and he thanked me as he left, something made me put my arm around his shoulder and say: "JACK, it is always a pleasant evening when one can be in your company."

I never knew him to speak ill of anyone, but this did not mean any lack of discernment. He was an astute judge of men; he simply remained quiet if he could not speak well of others. This humanity and warmth made him loved by his opponents as well as his teammates. To Gladys and to his children I wish to convey the condolences and warm affection of my wife and me, and our wish that the memory of JACK'S extraordinary services to his country will in some measure help reconcile them to their personal loss.

This man was truly lovable, and it is a shame that we will have him with us no longer.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Speaker, it has been my privilege and pleasure to know JACK DEMPSEY for a long, long number of years. I always found him to be interesting and wholesome company. He had truly a Christian spirit and charity for all men. He was interesting to talk with. I found he had vast knowledge on many subjects, and a lovable disposition. I shall miss him greatly, as I know his host of friends in this House will miss him. It brought sadness to me, as it did to many others, to learn of his passing.

To his family and loved ones I express my very deepest sympathy.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Mr. Speaker, the passing of our beloved friend and colleague, JOHN J. DEMPSEY, has brought deep-felt sorrow, not only to his immediate family, but to countless thousands who knew and loved him.

It has been my personal privilege to work very closely with "JACK," as he was affectionately known, on vital problems affecting our Western States. I know of no one who was more devoted to the welfare of his own people, and to the Nation as a whole, than this fine man. The high regard in which he was held by members of both political parties served him well and made of him a most effective Member of Congress. I recall the debate on the second supplemental appropriation bill, held just a few days ago, when an amendment to secure funds for the Navaho project in New Mexico was offered by our colleague. This, I believe, was one of the last days he was to appear on the floor of the House. This amendment was offered to a measure on which amendments of this type were most difficult to obtain. Yet, because of the high regard Members on both sides held for JACK DEMPSEY, the amendment was adopted without a dissenting vote. This was one of the finest and most deserving tributes which could be paid to our esteemed colleague.

With the passing of years, JACK DEMPSEY seemed to grow in vitality and effectiveness. He had passed the time when most men seek retirement and seem to fade with time—but with the passing of years his powers and personality seemed to grow and to increase with each session of Congress.

As Victor Hugo was nearing the sunset of life he wrote the following lines, which are most applicable to our beloved colleague:

IMMORTALITY OF THE SOUL

I feel in myself the future life. I am like a forest once cut down; the new shoots are stronger and livelier than ever, I am rising, I know, toward the sky. The sunshine is on my head. The earth gives me its generous sap, but heaven lights me with the reflection of unknown worlds. You say the soul is nothing but the resultant of the bodily powers. Why, then, is my soul more luminous when my bodily powers begin to fail? Winter is on my head, but eternal spring is in my heart. I breathe at this hour the fragrance of the lilacs, the violets, and the roses, as at 20 years. The nearer I approach the end, the plainer I hear around me the immortal symphonies of the world which invites me. It is marvelous, yet simple. It is a fairy tale, and it is history.

For half a century I have been writing my thoughts in prose and in verse; history, philosophy, drama, romance, ode, and song. I have tried them all. But I feel I have not said the thousandth part of what is in me. When I go down to the grave I can say like many others, "I have finished my day's work." But I cannot say I have finished my life. My day's work will begin again the next morning. The tomb is not a blind alley; it is a thoroughfare. It closes on the twilight, it opens on the dawn.

To his beloved wife and family, Mrs. Dawson, Billie, and I extend our deepest sympathy in this their hour of bereavement. May our Heavenly Father further buoy them up with the faith which JACK had that death is not the end but only an open door through which all shall enter to a new and more glorious life.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, the eloquent and heartfelt tributes which have been paid by so many of our colleagues here today to Congressman DEMPSEY is a token of the love, the

affection, and the esteem which all who knew him felt for this wonderful man.

Mr. Speaker, I rise particularly because I want to recall to some the long years of service to his country which Congressman DEMPSEY so faithfully gave throughout all of his public career. I remember particularly the closeness and the warm personal friendship which he had with my father when my father was President of the United States. He relied on Congressman DEMPSEY as an adviser, as a man whom he knew he could trust to tell him the unvarnished truth, and yet do it in a way which never had the sting of malice or any taint of disagreeableness. I remember, too, his service in the executive branch of the Government, and he brought, wherever he went, the ability to think clearly and to be constructive, and his contributions will certainly live for many, many days to come.

So on behalf of my family, my mother in particular, and for myself, I want to express our very deep sense of loss and affectionate sympathy to Mrs. Dempsey and her family.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, I, too, desire to express my sympathy at the passing of a good friend and a loyal legislator, Congressman DEMPSEY. I had the opportunity of serving with him on the Public Works Committee for quite a number of years, and in all that time he displayed a keen interest in the welfare of the internal conditions of our country and was always very willing to assist in every way possible to bring about a better economic condition.

Congressman JACK DEMPSEY had a long and interesting experience in political affairs. His name stands out in construction work in the city of New York and elsewhere throughout our country. He distinguished himself as Governor of the State of New Mexico and in the many years he served in the Congress of the United States did much for the welfare of our country and its people.

He was kind and considerate and was always desirous to be of assistance in connection with problems in all areas of our country as well as being a champion for the needs of his own district.

I shall always remember his cheery personality and I desire to extend to his wife and family my sympathy in their hour of grief.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, here was a kind man. This was a gentle man; this was a gentleman.

Mr. Speaker, I feel I have some special privilege in speaking these words about JACK DEMPSEY, because he was born and raised in a little mountain village in my district in the hard-coal fields of northeastern Pennsylvania. The Dempsey family were old settlers in this very old part of America. And, in the greatest and the best traditions of the Alger stories of our boyhood did JACK DEMPSEY, the son of a coal miner, the nephew of railroaders, with the seat out of his pants, as a kid of 12 or 14, sit in a cold mountain railroad switching shanty and learn railroad telegraphy. He worked at night, while in the day he walked 6 miles to the little red schoolhouse in these Pennsylvania mountains. So, from our part of the country we have been close to him all during his great years as a Pennsylvanian and as a great American. Gladys is a very lovely and very charming wife. She has been close to Mrs. Flood and me. JACK, because of his committee duties, periodically would be in Panama for the road conference. My duties on the committee for the Panama Canal would take me with him. Every other year at Easter we would make that trip. This was a hard working man. This was a businessman. This was a politician in the sense of the word that we should be proud to define.

His history in the great State of New Mexico, I say to the gentleman who was so kind as to yield to me, is known to him so well because of his own service in the same great State.

Mr. Speaker, I say these words because I want them to be heard in the Hall where he worked and loved so many of us. I shall extend my remarks, because my heart is filled and I want to be sure that I pour it forth in this tribute to our friend.

As you know, our late colleague was held in such esteem and respect by the people of New Mexico that he was twice elected to the highest public office in that State, the governorship.

During his many years of residence in his adopted State, JACK DEMPSEY made an outstanding record in the field of business, particularly in the railroad industry, and, in addition, was one of the early pioneers in the research and development of the oil industry. As I'm sure you will agree, few people have enjoyed such success in such diversified fields of endeavor—business, industry, and as a public official.

The passing of our dear friend and colleague at this time of the year is particularly distressing because on next Monday we shall observe and celebrate St. Patrick's Day throughout this great Nation of ours.

I say this because JACK DEMPSEY was not only an outstanding public figure but he was an equally outstanding son of Erin. Mrs. Flood and I were privileged on many occasions to experience the warmth and humorous personality of this fine Irishman who, I might add, was a storyteller second to no one.

During his years as a member of the Joint Committee on Atomic Energy, we often got together and discussed the role that atomic energy would play in the future for peaceful purposes, as opposed to the destructive use to which it might be put. JACK DEMPSEY was a peace-loving gentleman and possessed great vision, a vision that we can ill afford to lose during this era of international tension and danger.

Even though JACK DEMPSEY was an outstanding man with a record of immense accomplishments, he never during his long career lost the common touch. He could walk with the mighty and still retain that humbleness that we all recognized as the mark of a real and true gentleman. He always took his social responsibilities seriously and considered them a vital part of his job as a public servant as a means of meeting folks from all strata of our society. He was as at ease in a diplomatic atmosphere as he was making acquaintances at a neighborhood workingman's club. This exemplified the scope and the broadness of our late dear friend and colleague.

He shall be greatly missed, not only by the Members of this great body, but also by the thousands upon thousands of his friends and constituents who knew him so well and whom he served so faithfully and conscientiously for these many years.

To his family and particularly his gracious lady, Gladys, I express for myself and Mrs. Flood our heartfelt sorrow.

The SPEAKER. Without objection, all Members who desire to do so may extend their remarks on the life and services of the late Honorable JOHN J. DEMPSEY, at this point in the RECORD.

There was no objection.

Mr. EVINS. Mr. Speaker, permit me to join with my colleagues in paying a brief but sincere tribute to the memory of our late colleague and esteemed friend, the distinguished gentleman from New Mexico, Congressman JOHN J. DEMPSEY. The news of his passing is received with sadness by all his friends. His death leaves me with a real sense of personal loss. He was possessed with a most genial personality and was a colorful Member of the House. In his service in this Chamber, he demonstrated great attributes of insight, wisdom, and justice. Both his State and Nation have been enriched by the contributions he made as a Member of the Congress. We shall miss JACK DEMPSEY, and I wish to convey to the members of his family an expression of my sympathy.

Mr. HILLINGS. Mr. Speaker, it was with sadness that I heard of the passing of JOHN J. DEMPSEY, a devoted father, a real friend and a fine legislator.

I valued his friendship although we were of different political faiths. He was never too busy to express a kind word, never too busy to counsel.

He achieved a brilliant record of public service, as a Member of the House of Representatives, as Governor of New Mexico, and as an Under Secretary of the Interior.

He was an enthusiastic, important contributor to the development of the West, which he loved and which he consistently battled for over the many years of his public service. We shall miss him.

My sympathy goes to Mrs. Dempsey and other members of his family.

Mr. FALLON. Mr. Speaker, in the passing of JOHN J. DEMPSEY, I have lost not only a close friend but one of the best members of my committee. As a leader in highway matters, his work in this field received much well-deserved praise and acclaim. He was a man of great determination, ability, and always did what he felt in his heart was the right and proper thing to do. He was a gentleman of the old school, loyal and devoted.

To his widow, Gladys, and his other loved ones, I extend my deepest sympathy.

Mr. EDMONDSON. Mr. Speaker, many good causes have lost a true champion in the passing of New Mexico's able statesman, the Honorable JOHN J. DEMPSEY.

"The Governor," as he was known to all of us, established a great record as a friend and advocate of conservation, good roads, justice for the American Indian, and good government in general.

Oklahoma, on more than one occasion, has benefited in this House through his stalwart friendship.

The Governor was always ready to listen to a colleague's problems, and to give a colleague sympathetic and wise counsel. On more than one occasion, he did this for the Member from the Second District of Oklahoma, and I feel today that my district, my State, and the Nation have lost a great and true friend.

To his family, and to his State which will miss him so much, I extend my warm sympathy.

Mr. THOMAS. Mr. Speaker, in the passing of our beloved friend, JACK DEMPSEY, the House has lost one of its most able and outstanding Members. He was young in spirit, mind, and action. He could get as much done as any man it has ever been my privilege to serve with.

The people of his great State of New Mexico have lost one of its ablest and most faithful public servants, the Congress one of its stalwarts, and his family a great father and a wonderful character.

He was my friend of many years, and I join his family in their bereavement.

Mr. LONG. Mr. Speaker, New Mexico has been doubly influenced in losing two distinguished Members of Congress when they were at the apex of their outstanding careers. It was with a keen sense of personal loss that I learned of the death of my very good friend and colleague, JOHN J. DEMPSEY, affectionately known as JACK. I have known JACK DEMPSEY since coming to Washington and found his friendship and ever ready willingness to lend a helping hand most gratifying and reassuring. I came to look upon him as more than a friend—someone to whom I could go with my problems for help and sincere guidance. JACK was a member of our Congressional Breakfast Club. There, as in his other endeavors, he occupied a warm place in the hearts of all who were associated with him.

This Congress and our Nation has suffered a great loss in the untimely death of Congressman DEMPSEY, and I express my heartfelt sympathy to his family in this hour of their great sorrow.

Mr. SISK. Mr. Speaker, it was with deep regret that I heard of the passing of our colleague and friend, JACK DEMPSEY, on a late news broadcast last night.

Upon my coming to Washington at the start of the 84th Congress as a very green freshman, JACK was one of the first Members that I was privileged to meet. He extended to me the hand of friendship and was most helpful in assisting me in becoming orientated in my new duties. During the past 4 years that it has been my pleasure to serve in this House with Governor DEMPSEY, I found him a wonderful source of help and encouragement in the performance of my duties.

I wish to join my colleague from New Mexico, Mr. MONTOYA, in paying my respects to a real gentleman, a great American, a man who served well his State as well as his Nation. I extend my deepest sympathies to his wife, children and his many friends in this hour of their bereavement. This body and the Nation, too, have lost a great friend and legislator.

Mr. THOMPSON of Texas. Mr. Speaker, news of JACK DEMPSEY's passing fills my heart with sadness. All this morning, since I first heard about it, a train of thoughts has been running through my mind—countless little recollections of things JACK has said—and kindly acts, little and big, that I have watched him perform.

I first came to know him many years ago when I was asked by the Democratic National Committee to campaign for him and various others who were running for office in New Mexico. He was the candidate for Governor. I had not known him, so I took pains to familiarize myself with his background. What I learned then I can repeat with particular emphasis today.

He has always been a devoted servant of the public. Even when he was engaged in private enterprise, he had a keen and understanding attitude toward his fellow man. To one of that temperament, it was natural that he should find his way into public office. That his people have profited by it is manifest in the words of those whom I join in paying tribute today. There have already been, and will be many more, references to his unfailing good nature, to his instant readiness to help anyone who needed it, to his fine judgment on the complex matters which continually confront us.

It fell to Mrs. Thompson's and my happy lot to be warm, personal friends of both JACK DEMPSEY and his lovely wife. We visited frequently and exchanged the warm relationship of good friends with common interests. We shall miss this association more than words can express. We join with JACK's and Gladys' countless friends in extending deepest sympathy to her and the other members of the family. May I extend sympathy, too, to the people of New Mexico and to the remaining members of their fine delegation in Congress.

Mr. BOLAND. Mr. Speaker, I was grieved to learn of the death last night of my friend and colleague, Congressman JOHN J. DEMPSEY, of New Mexico. When I first came to this Chamber as a new Member of the 83d Congress there was no veteran Member of this body who could have been as friendly, kind, and courteous to me as he was. The willingness to parcel out his experience and his good and sound advice was a hallmark of his personality. As I came to know him better over the last 5 years my respect and affection for him deepened. Of all of the men I have come to know in nearly 25 years of my public service, there have been none more considerate, none more gentle, and none more eager to help his fellow man as JOHN DEMPSEY. The great State which he served as Governor for two terms and the Nation mourn the passing of an outstanding statesman. And he was a great statesman. I doubt whether there ever sat in the Halls of Congress a man who exemplified as much courage, integrity, sincerity, and industry as did Congressman DEMPSEY. He had the unanimous respect and admiration of all of his colleagues, no matter what their political affiliation. I know that my colleagues will agree with me when I say that this Nation is much better off because of the outstanding and devoted service that JOHN DEMPSEY gave in Congress, on the United States Maritime Commission and as Under Secretary of the Interior. To his wife and son and two daughters I extend my deepest sympathy.

Mr. PASSMAN. Mr. Speaker, there are relatively few mortal beings who gain, and merit, such abundant opportunities for public service as did the Honorable JOHN J. DEMPSEY, of New Mexico. Of those who do, a limited few indeed succeed so well and worthily as did our late and beloved colleague in fulfilling the responsibilities and discharging the duties of these opportunities.

His devoted and superior service to our Nation and his State as a Member of this House for a total period of more than 11 years is a matter of common knowledge among all those among us who have been permitted the good fortune to serve with him through the years. His record as Governor of the State of New Mexico, for the period 1943–47, is similarly outstanding. Also marked by earnest effort and distinguished accomplishment were his services in the executive branch of our Government as a member of the United States Maritime Commission and as Under Secretary of the Interior, as well as in a number of other highly important posts of public trust.

The measure of a life is in the quality, and not in the length of it—but the sterling quality of Jack Dempsey's life was especially blessed through full activity over a span of almost 79 years. Our Nation, his State, and the individuals who have been associated with him along the way, have been made richer, fuller, better because of him.

I am incapable of words to express my boundless respect and esteem for our late friend and his great works, or my sense of personal loss at his passing.

I wish to join my colleagues in conveying my most sincere sympathy to his bereaved family. May they be sustained in their grief by the cherished memory of his good and useful life, and by the certain knowledge that his soul is at peace on the other side of eternity.

Mr. ENGLE. Mr. Speaker, it is difficult to express the deep sense of personal loss I feel over the passing of my close and dear friend, Governor DEMPSEY. It stems from his many acts of friendship, his unfailing kindness, and the many generous and helpful things he has done. A man needs friends in the House of

Representatives—just as he does anywhere. Gov. JOHN DEMPSEY was an unfailing and loyal friend. He was kind and wise in his advice, which I often sought, and he was strong and steadfast in giving his support. The genuine grief expressed on the floor here today comes from a sense of gratitude for favors that can never be repaid, and sorrow in losing such a fine friend and wonderful human being.

Mr. FEIGHAN. Mr. Speaker, a great American has earned his eternal reward. Our very able, distinguished, and personable colleague, Mr. DEMPSEY, has passed from our midst. We all will miss him for the many fine things that he always represented and for his interest in the cause of keeping America strong. The life and times of Mr. DEMPSEY epitomize the great opportunities that are offered here in America for anyone who is willing to work and sacrifice. From humble beginnings, our former colleague rose to positions of distinction and great public trust through his own zealous and untiring efforts. Mrs. Dempsey and his children can look back upon the life and times of Mr. DEMPSEY with feelings of great satisfaction and admiration. His always helpful and understanding relationships with other Members of the House will be sorely missed.

Mr. COLMER. Mr. Speaker, I am sure that I speak the sentiment of every Member of this House when I say that we are extremely saddened as we gather in this Chamber today and miss the genial, familiar face of our esteemed colleague, JACK DEMPSEY. Possibly the most esteemed compensation which we receive for our service in this body is the friendships which we are given the opportunity to form here as well as in our respective districts at home.

For almost 20 years it has been my high privilege to know, honor, and respect him who departed from us on yesterday. During the course of those years I learned a great deal from my association with him. We had much in common. His philosophy of government generally was very much in line with my own. He frequently confided in me what he and I regarded as inimical to the future welfare of this country—the trend away from sound constitutional and fiscal policies to the overemphasized values of so-called progressive or liberal government. As one who had come up the hard way and as one who appreciated the benefits to be derived from the older system, he viewed with much alarm the modern trend away from those sound principles upon which this Government was founded.

Mr. Speaker, the cause of good government has lost a good friend. I join with his host of other friends here in extending my sincere sympathy to his family.

Mr. BUCKLEY. Mr. Speaker, it is with a deep sense of sorrow that I join my colleagues in paying tribute to my friend and colleague, the Honorable JOHN J. DEMPSEY, who has passed to his reward. As a member and then as chairman of the Public Works Committee it was my privilege to serve shoulder to shoulder with Governor Dempsey and to learn to know him as a truly Christian gentleman, one dedicated to his work and to the welfare of his State.

He was a good father and husband, raising and educating a fine family. His 3 children and 5 grandchildren have been given a heritage of honor that will continue for them throughout their lives. His wife, Gladys, has suffered a loss that all of us share.

Congressman DEMPSEY served in the House from 1935 to 1941; then as a member of the United States Maritime Commission, later as Under Secretary of the Interior, and from 1943 to 1947 as Governor of New Mexico. He returned to the House in 1951 and up until the day of his death served the people of New Mexico and the Nation to the best of his ability. His record of public service is one of which any man could be justly proud.

I know the entire membership of the House joins with me in an expression of heartfelt sympathy to his dear wife and family.

Mr. KEOGH. Mr. Speaker, we are all saddened by the passing of our distinguished colleague, JOHN DEMPSEY, of New Mexico. For of his many fine qualities, it will always be remembered that he was basically a good man. He was a good American, a good public official, a good Representative, ever anxious to be of assistance to those who sought his counsel, advice, and support. He had a most distinguished and colorful career—not the least important of which was served in Brooklyn, N. Y., where he was recognized as one of our outstanding businessmen. His thoughts and heart always remained with Brooklyn, and he will always be remembered by the citizens of our community. He was, indeed, my good friend, and I shall miss him greatly. To his wife and to his family go my sincere sympathy. May he rest in the peace that he earned.

Mr. REED. Mr. Speaker, today I am deeply saddened by the passing of one of my dearest personal friends. The unexpected death of Hon. JOHN J. DEMPSEY, of New Mexico, is another fallen oak in the forest of our Congressional friends.

JACK DEMPSEY, as he was affectionately known, possessed a personality that radiated sunshine and sincere fellowship. Not only this, he was a man of marked ability, courage, and fidelity.

It was once said by a distinguished statesman, "that a disposition to preserve and an ability to improve taken together would be my standard of a statesman." Measured by this yardstick, Representative DEMPSEY was every inch a statesman of the highest order.

My heart goes out to Mrs. Dempsey and to the members of his family at this hour of their great bereavement. Mrs. Reed joins in extending our deepest sympathy.

Mr. CHELF. Mr. Speaker, I am indeed sad to learn of the passing of our honored and beloved friend and colleague, Gov. JACK DEMPSEY. His great State of New Mexico and the Nation have lost an industrious, loyal, devoted, dedicated, sincere, intelligent, honest, persevering public servant. JACK DEMPSEY was a noble character, considerate, generous, sympathetic, and understanding. He was a good speaker, an excellent debater, and a splendid legislator. He was truly a Chesterfield in his manners; gracious, kind, unassuming, and interested in the problems of his fellow men but, above all—JACK was a God-fearing, God-loving Christian gentleman. Gov. JOHN J. DEMPSEY traveled this way, leaving behind for him admiration, love, affection, tenderness; in fact, a full and wonderful life. Truly he let his "light so shine" that he has earned a place in that great mansion of rest.

We shall all miss his ready smile and his warm handclasp, his sage advice and counsel.

May God rest his soul in peace and bless his dear sweet loved ones.

Mr. WHARTON. Mr. Speaker, I cannot let this opportunity pass to join in the many contributions upon the passing of our good friend and colleague, whom we affectionately referred to as Gov. JOHN J. DEMPSEY.

Upon moving to Washington, I soon discovered that I was a neighbor of our late colleague, who was at one time the vice president of the Brooklyn Rapid Transit Corp., of my State. A gentleman of the old school, I was deeply impressed by his affection and outstanding loyalty to his constituency and to the country at large. He related to me the circumstances of his humble beginning, his removal to the State of New Mexico, his phenomenal success in business there and his elevation to the high office of Governor of that great State. Subsequently and as a Member of our body, as we all know, he served as a devoted public servant with great distinction.

We shall all miss his presence here and I can only join in extending deepest sympathy to his beloved wife and family.

Mr. WATTS. Mr. Speaker, under permission to extend my remarks, I wish to join with my colleagues and the friends of Gov. JACK DEMPSEY in evidencing the personal and deep feeling of sorrow that his passing brought to me.

JACK DEMPSEY was a friend to all of mankind. I was privileged to serve with him on the Public Works Committee of the House and had opportunity to observe him under many and varying conditions. Truly, no one that I have ever known radiated more graciousness and courtesy. He was tireless in his efforts to serve well his constituency and his country. A stalwart advocate for any cause, he was the personification of fairness in his consideration of the viewpoint of others. His standards and norms of conduct were models of perfection and dignity—they squared with a proper evaluation of the duties, responsibilities, and obligations of the membership in this great body.

While the State of New Mexico lays full claim to him by adoption, the Commonwealth of Kentucky does not and never did let such claim go unchallenged. Exercising the wisdom and foresight which was one of his outstanding lifetime's characteristics, JACK DEMPSEY, prior to getting into the then little-known New Mexico, shored up his fortunes by joining in marriage with one

of Kentucky's great ladies—Gladys Everett. The soundness of his judgment in this instance has been proven many, many times by the record and by acclamations of JACK DEMPSEY.

JACK DEMPSEY never lost his love for Kentucky. Neither did his love falter for his colleagues and his friends.

It was my privilege to know Jack and Gladys Dempsey personally and well. I was privileged to visit them in their home. His deportment in the Congress was his deportment in his home. He was always a gentleman.

In New Mexico's annals he etched a record that will forever be the goal of achievement for those who follow. Those who knew him loved him. All will miss him because he was a friend to all.

To his wife and family I extend my sincere and heartfelt sympathy.

Mr. RUTHERFORD. Mr. Speaker, I shall miss, as do all Members of the House, our good friend and colleague, JOHN J. DEMPSEY.

I have been associated in the Congress with JACK DEMPSEY, as we knew him here, for only 3 years, but I had long been aware of his excellent record of public service.

During the period I had the pleasure of serving with JACK DEMPSEY, I worked with him on numerous water projects so vital to his State of New Mexico and my State of Texas. We tried to settle these matters without going to the courthouse, and I always found JOHN J. DEMPSEY honorable and fair.

JACK DEMPSEY had many friends in my Congressional District, which adjoins New Mexico. I shall miss him deeply, but his work in this body shall long be remembered. I extend personal sympathy to his bereaved family and hope it will be of some consolation to them to know that JOHN J. DEMPSEY will always be recalled with fondness by his colleagues in the United States House of Representatives.

Mr. MAHON. Mr. Speaker, I wish to join with others in paying tribute to the memory of the late JOHN J. DEMPSEY, of New Mexico. The Congressional District which I have the honor to represent borders along the eastern New Mexico line for many miles, and I was closely associated with Mr. DEMPSEY for many, many years.

JACK DEMPSEY and I came to Congress at the same time. Our associations have been very close. I have taken pride in his stalwart stand through the years for good government, and in his accomplishments in behalf of the people. He was a friend to the Southwest and to people of good will everywhere. He was most cooperative with his colleagues. He was regarded on both sides of the aisle in the House of Representatives as a man of quality, a true and devoted servant of the people.

I am saddened by the passing of JACK DEMPSEY, and I should like to join with others in extending my deepest sympathy to Gladys, his devoted wife, and other members of the fine family which he has left behind. I hope they may receive some consolation from the fine record of public service which JACK DEMPSEY has left as a memorial to his life and works.

Mr. O'BRIEN of Illinois. Mr. Speaker, JACK DEMPSEY was my friend, and I do not use the phrase "my friend" lightly. To me it has real significance and meaning. Mine has been a life rich in experiences. In my many years, I have met a great number of people from all walks of life and have come to appreciate the qualities which make up a friend. JACK DEMPSEY possessed these to a superlative degree which I found only in a few people.

JACK DEMPSEY was warm and helpful. There was never a time that he was not willing to do everything he could to be of assistance to anyone who needed his help. He never raised his voice, he never became angry. He was kind and considerate.

I cherish the memory of the many conversations I have had with him. He had a sense of what was right and proper and would never stoop to engage in anything mean or nasty.

JACK DEMPSEY's passing creates a void in this House which will be hard to fill. He was able and had a sense of good legislating. He knew his work thoroughly and performed it in a most painstaking manner.

I will miss JACK DEMPSEY very much. I want to express my sympathy to his lovely family, with the hope that their grief may be tempered in some measure by the treasure of rich memories which they helped create with him. May the Lord have mercy on his soul.

Mr. CELLER. Mr. Speaker, we are all saddened at the demise of our colleague, JOHN J. DEMPSEY, of New Mexico.

His was a real Horatio Alger story. From railroad water boy in Brooklyn, he grew up to be Governor of New Mexico and a Democratic Representative from his adopted State. It was only 2 days before he went to the hospital that he supplied expert leadership in the House directing work on the $36 million Navaho Dam on the upper Colorado River in the New Mexico water storage project.

I knew JOHN DEMPSEY for almost 40 years. I first grew acquainted with him when he was claim agent for the Brooklyn Rapid Transit Co. in my native city of Brooklyn. Soon after that, he became president of the company. The pioneer spirit was in him and he sought new challenges in the West. He became State director of the National Recovery Administration in New Mexico during the Roosevelt administration. He won the esteem and affection of the good people of New Mexico, who elected him twice as Governor of their State. He then became a Representative in Congress from New Mexico from 1935 to 1941 and was welcomed back again by this body in 1951.

JOHN DEMPSEY was a man of fine character, geniality, ability and humanity. Our condolences go forth to his wife, two daughters, and his son.

Mr. MACDONALD. Mr. Speaker, I want to join with my colleagues in paying honor to the late Congressman JOHN J. DEMPSEY, who was a great American and a great patriot.

Congressman DEMPSEY was a wonderful person. He was a man possessed of strong convictions and a most effective Member of the House, who long will be remembered for his demonstrated leadership both in his adopted State of New Mexico and in the executive and legislative branches of our Federal Government. He was a fighter for the causes in which he deeply believed and espoused. Yet he accomplished what he wanted by being kind and working with people. His friendships knew no party or factional limitations and he was one in whom one could put the utmost faith and confidence.

Mr. Speaker, I had the pleasure of spending many delightful hours with Congressman DEMPSEY. I want to say that I admired and respected JACK, as he was familiarly known to his friends and colleagues. I shall forever be deeply indebted to him for his kindness and sound advice. I shall miss him very much. In the years to come I shall remember his ability, his accomplishments, his constructiveness, his noble and sterling character, and all that he stood for, and in my memory I shall always cherish his friendship.

To his widow and the loved ones he leaves behind I extend my heartfelt sympathy.

Mr. LANE. Mr. Speaker, the life story of Congressman JOHN J. DEMPSEY, of New Mexico, was so good and true that it will linger long in our memories.

He did what few men have ever succeeded in doing, by building two consecutive careers in two sharply contrasting environments, and by that accomplishment alone he proved how closely he was identified with our national character; its courage, its faith, and its friendliness.

From the crowded canyons of Broadway to the quiet reaches of the Rio Grande he was equally at home, for all of it embraced the Nation of which he was so proud. From vice president of the Brooklyn Rapid Transit Co., to Governor of New Mexico, and Representative from that State in the Congress at Washington, JOHN built a full and varied life that was devoted to the service of others.

He was a quiet man and a kind man. In everything that he did or said, he was guided by a deep and abiding devotion to the principles of his religious faith. Those of us who were privileged to know him and to work with him will ever cherish the memory of his great humanity which was inspired by his love of God.

As a member of the Public Works Committee, and the Joint Committee on Atomic Energy, he had a hand in shaping the development of the United States, and its pioneering leadership in all fields that are necessary to the preservation of freedom.

I like to think that the soul which JOHN DEMPSEY put into his work as an able Member of Congress, will, in ways beyond our ken, continue to inspire us with his fervent belief that eternal truths will finally prevail.

To his widow, his son, and his two daughters, we extend our sympathy, for we share in their loss.

The life of a good man whose earthy journey has ended, becomes immortal: in the paradise of the blessed, and in the hearts of those who loved him.

Mr. DURHAM. Mr. Speaker, all the members of the Joint Committee on Atomic Energy join me in expressing sorrow over the passing of Congressman JOHN J. DEMPSEY, our longtime friend and coworker on the Joint Committee. We feel that our committee, the Congress, the State of New Mexico, and the Nation have suffered a great loss. Congressman DEMPSEY rendered long and fine service to the Congress and to his country.

On the Joint Committee on Atomic Energy, JACK DEMPSEY was an active and valuable member on the Subcommittee on Raw Materials, and the Subcommittee on Communities, of which he served as chairman. He regularly attended meetings of these subcommittees, as well as other subcommittees, and the meetings of the full committee. He spoke with great experience and wisdom, and his opinions and advice were sought and of great value to us.

Only last month, on February 24 and 25, when he was not enjoying good health, Congressman DEMPSEY attended 2 long days of hearings before our committee on the problems of the uranium mining industry. He was deeply concerned about the individual hardships, as well as the broad policy questions involved, and he was tireless in his efforts to reach an intelligent and forward-looking solution to this problem, as well as to many others.

But more than anything else, his colleagues on the Joint Committee will all remember the twinkle in JACK DEMPSEY'S eyes; and we shall cherish his friendship the highest of all. He had many, many friends, and we were glad to be among them.

On behalf of all the members of the Joint Committee on Atomic Energy, who knew JACK DEMPSEY and loved him well, I extend to his wife, Gladys, and to the other members of his family our heartfelt sympathy.

Mr. UDALL. Mr. Speaker, I knew our departed colleague, JACK DEMPSEY, as a neighbor, a friend—a fellow Representative from the great Southwest. During my brief tenure I learned to understand his fine personal qualities by sitting with him in conferences, and by working together with him on the common problems of our sister States.

I always found Congressman DEMPSEY a man of his word, who had a profound loyalty for the people and institutions of his State. He was a fighter, who never quit until he reached his objective. JACK fought the good fight, and he will be sorely missed by the citizens of his State and his many friends in this body.

Mr. DORN of South Carolina. Mr. Speaker, the late JOHN J. DEMPSEY was one of the most outstanding Americans it has ever been my privilege to know personally. He was an asset to this great deliberative body. He served with dignity, honor, and integrity. This House is a better body by having known and served with him. He was a great Governor, served the National Government in the highest traditions and was a superb United States Representative.

Mr. Speaker, above all, he was American to the core. He loved his country, free-enterprise system, and the great Southwest that he so ably represented. I extend to Mrs. Dempsey and the children my most heartfelt and deepest sympathy.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Speaker, through our association on the Committee on Public Works during the 83d Congress, I learned to know and to admire Mr. DEMPSEY for his friendliness, his ability, his courtesy, and his statesmanship.

I want to join my colleagues in every word that has been said here today in tribute to this great man. Likewise, I join with all Members in extending to his widow and his family my most sincere and deep sympathy.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Speaker, I should like to pay my brief tribute to JACK DEMPSEY. I was not thrown into close contact with him, but I always enjoyed his genial smile, his gracious personality, which I thought reflected a life well lived, many friends well loved, and service freely and finely given. I shall miss him.

Mr. Speaker, I extend my warmest sympathy to his family.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I want to say that we are all saddened to hear about JACK DEMPSEY, whom we all liked so well. He was a good friend, a charming person, and, as the gentleman from Maine has said, one with a ready and wonderful smile.

It is hard to lose a good friend such as JACK DEMPSEY. I am sure his colleagues here in Congress have suffered a great loss at his death and extend our sincere sympathy to his good wife, Mrs. Dempsey.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, I had a great affection for our late colleague, JACK DEMPSEY. I met him for the first time 6 years ago, when I was assigned to the Committee on Public Works. I have never known a more friendly individual, a man who went out of his way to work with his colleagues, one with a kind word always.

Our late colleague spent many of his earlier years in the city of Brooklyn, where I was born. During our years together we discussed many things about Brooklyn and the people we both knew through the years.

Mr. Speaker, I join my colleagues in saying that we have sustained a great loss through the death of this very fine man, a great Member of this House. I extend my deepest sympathy to his family and pray that they will be able to bear up under their great loss.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I want to join the gentleman from New Mexico and my other colleagues who have paid tribute to our beloved colleague, JOHN J. DEMPSEY.

I was greatly distressed yesterday when I heard for the first time of his illness. I was deeply shocked and saddened this morning when I learned of his death.

I liked JACK DEMPSEY and was proud to have him as a friend. JACK DEMPSEY was a friend of everyone. He did not wait for us to go to him for help with our problems, but he came to us. I have never seen a more able, courageous, and influential Member of this House, or one who was more gracious. My life is richer for having known JACK DEMPSEY.

My District borders on the State of New Mexico, and naturally JACK and I had many similar problems. We conferred frequently on matters of mutual interest to both Colorado and New Mexico. I recall how devoted he was to his State, and how diligently he worked to find a solution to the problems of his people.

The State of Colorado, as well as the State of New Mexico, has lost a real friend in the passing of JACK DEMPSEY. He was a strong supporter of every project we sponsored in Colorado. I recall his interest in the Fryingpan-Arkansas project when this legislation was on the floor of the House in 1956. Jack was very anxious to see this project approved and talked to me many times concerning the same. He personally contacted many of his friends and sought their support for the bill. He was very disappointed that the rule was not adopted for the consideration of this project. This was just one example of his desire to be of help in matters of importance to Colorado. We could always count on JACK DEMPSEY to help us.

We need more men like JACK DEMPSEY in public life today. He rendered devoted and unselfish service to his State and the Nation. He was independent in thought and action, and always put the interests of his country first.

I am going to miss JACK DEMPSEY. He never failed to have a friendly greeting and was never too busy to stop for a visit. His passing is an irreparable loss, not alone to the State of New Mexico, which he served so faithfully, but to the entire Nation, and to me personally. He was a great American, as well as a delightful person, and a Christian gentleman.

I extend my deep personal sympathy to Mrs. Dempsey and the other members of the family.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Speaker, it was a privilege to know Gov. JACK DEMPSEY, of New Mexico, who for many years has

represented the people of that fine State. I valued his friendship very highly. He was an able and effective Representative in Congress and one who served his constituents well.

I would like to take just a moment to recall my first association with him some 3 years ago when I came to Congress. I was not a member of the same political party as Governor DEMPSEY. But this made no difference. Several important public-works matters pertaining to my District and Nebraska were to come before the House Public Works Committee and the subcommittee of which Governor DEMPSEY was chairman. I shall always feel indebted to him because of the assistance and encouragement that he gave to me as a new member on these matters. His kindness and generosity and his interest in my problems helped me accomplish my task.

Mr. Speaker, the citizens of New Mexico have lost a diligent and conscientious leader in the person of JACK DEMPSEY. All who knew him respected and admired him. We have lost a true friend.

To Mrs. Dempsey and members of his family, I extend my deepest sympathy.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Speaker, the news of the death of JACK DEMPSEY came as a great shock to me. I came to this Congress 4 years ago and was assigned to the Public Works Committee, where he had already distinguished himself as a very prominent and important member. I felt especially close to JACK, because he was one of the first of those sitting across the aisle to make himself acquainted with me and to counsel with me at times and offer his help in his kindly way in so many ways. Through that association I grew to appreciate the greatness of this man; he seemed to know how to tend to the little things of life that are so important.

I pride myself on being interested, at least, in the history of this great Nation. I am impressed many times with the fact that this Nation is great because it has had great men as leaders. As I have had a chance to reflect upon the past life and brief biographies and statements I have heard here, I am impressed with the fact that here was an example of a man that will stand long with other great men in the history of our country.

I believe it was Albert Pike who once said that what a man does for himself dies with him but what a man does for his community and his country lives forever. I cannot help but observe that, as I think of this great man and all the fine contributions he has made so unselfishly in so many ways for his country, JACK DEMPSEY will live forever.

There are these lines written to another great American that I think apply also:

Here was a man to hold against the world,
A man to match the mountains and the sea.

At times like this words seem inadequate and sometimes futile. To pay adequate tribute to this man is difficult. I am sure there is comfort in knowing that other people share your sympathy in times like this. If this be true, and I am sure it is, then the load his family is called upon to carry at this time will be much lighter because I can think of no man whose loss would prompt more sympathy for his family.

So I want to join with the many colleagues who are paying tribute to him this day and to extend my sympathy to his family and to the State that he represented so well for so many years in this great body.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I wish to join my colleagues in extending my sympathies in memory of Gov. JACK DEMPSEY as he was affectionately known to all of us on the Committee on Public Works and in the Congress. The first committee to which I had the privilege to be assigned as a Member of the Congress was the Committee on Public Works, and one of the first people on that committee with whom I became acquainted due to his inherent friendliness and cheerful demeanor was Governor DEMPSEY. He rendered on that committee and in this Congress a great service to the people of his State and to the people of the Nation. Time after time in our committee, it was Governor DEMPSEY's suggestions and recommendations and his sound proposals resulting from seasoned experience as a long-term public servant that led the way many times to more constructive legislation. On that important Committee on Public Works, he made invaluable contributions. He served on the same subcommittees as I did, the Subcommittee on Roads being one of them. He made many proposals that are now embodied in the national defense highway program of 1956 that is so important at this time and that will streak across the Nation as one of the many monuments to his memory. The memory of JACK DEMPSEY will remain with us always vividly and I wish to join in expressing my sympathy to his loved ones.

Mr. MONTOYA. Mr. Speaker, I yield to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Speaker, I want to join with my colleagues who are expressing sympathy for the family of our beloved colleague in their bereavement. The District I have the honor to represent joins on one side the great State that has been so ably represented by Mr. DEMPSEY and Mr. MONTOYA. In many of the problems we have come face to face with, we always knew that JACK DEMPSEY was standing by our side. He was a great source of strength and, of course, although we know and we must recognize the fact that he has passed on to greater rewards, those of us whom he helped so much and who knew him so well know too that he will not be gone, but that he will continue to be that great source of strength in the future. He was truly a great American, a man who was born in one section of the country and who availed himself of opportunities in that section of the country and then moved on to another section of the country where he was so well received. He knew and understood the problems of America from one seashore to the other and from Canada to Mexico. His death, of course, will be a great loss to this country. Our hope is that many American boys will look upon his life as an example and follow in his footsteps.

Mr. MONTOYA. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

House Resolution 503

Resolved, That the House has heard with profound sorrow of the death of the Honorable JOHN J. DEMPSEY, a Representative from the State of New Mexico.

Resolved, That a committee of eight Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members on the part of the House: Mr. MONTOYA, New Mexico; Mr. JENSEN, Iowa; Mr. HOLIFIELD, California; Mr. PRICE, Illinois; Mr. BLATNIK, Minnesota; Mr. JONES, Alabama; Mr. ASPINALL, Colorado; Mr. RHODES, Arizona.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 1 o'clock and 44 minutes p. m.), the House adjourned until tomorrow, Thursday, March 13, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1703. A communication from the President of the United States transmitting amendments to the budget for the fiscal year 1959, involving increases in the amount of $14,780,000 for the Department of Agriculture and $70,823,000 for the Department of the Interior (H. Doc. No. 351); to the Committee on Appropriations and ordered to be printed.

1704. A letter from the Secretary of Commerce, transmitting a report of overobligation of amounts by officials of the Bureau of Public Roads, pursuant to section 3679 of the Revised Statutes, as amended, and section 15 (e) of the Bureau of the Budget Circular No. A-34; to the Committee on Appropriations.

1705. A letter from the Secretary of the Treasury, transmitting the quarterly report on the Reconstruction Finance Corporation liquidation fund-Treasury Department activities for the period ended December 31, 1957, pursuant to the Reconstruction Finance Corporation Liquidation Act, as amended (67 Stat. 230), and Reorganization Plan No. 1 of 1957 (22 F. R. 4633); to the Committee on Banking and Currency.

1706. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to authorize certain officers of the Department of State and the Foreign Service to administer oaths in the performance of their official duties"; to the Committee on Foreign Affairs.

1707. A letter from the Comptroller General of the United States, transmitting a report on the review of certain activities of the government of the Virgin Islands for the fiscal year ended June 30, 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67), and by section 19 of the Revised Organic Act of the Virgin Islands (48 U. S. C. 1632); to the Committee on Government Operations.

1708. A letter from the administrative assistant, Secretary of the Interior, transmitting a report prior to restoration of balances, pursuant to the act of July 25, 1956 (31 U. S. C. 701–708), and the Bureau of the Budget Circular A–23, dated June 21, 1957; to the Committee on Government Operations.

1709. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Ether Kwang-Tzu Yang, A–6936483, involving suspension of deportation under the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 11086. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to wheat acreage history; with amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H. R. 3816. A bill to amend section 752 of title 28, United States Code; with amendment (Rept. No. 1498). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRD:

H. R. 11359. A bill to provide for the temporary supplementation of State unemployment insurance benefits; to the Committee on Ways and Means.

By Mr. FULTON:

H. R. 11360. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

H. R. 11361. A bill to amend title 18 of the United States Code to prohibit traffic in obscene articles; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 11362. A bill to repeal the act requiring the inspection and certification of certain vessels carrying passengers; to the Committee on Merchant Marine and Fisheries.

By Mr. HOSMER:

H. R. 11363. A bill to amend the Communications Act of 1934 to prohibit subliminal projection by television stations; to the Committee on Interstate and Foreign Commerce.

By Mr. LONG:

H. R. 11364. A bill to provide certain adjustments in organization and salary structure of the department of medicine and surgery in the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MAY:

H. R. 11365. A bill to authorize reimbursement to the States for certain free or toll roads on the Interstate System and for other purposes; to the Committee on Public Works.

By Mr. METCALF:

H. R. 11366. A bill to further amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries; to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

H. R. 11367. A bill to amend the Agricultural Act of 1949 to provide for the increased use of milled or enriched rice by the Armed Forces, Federal penal and correctional institutions, and in certain federally operated hospitals, and for other purposes; to the Committee on Agriculture.

By Mr. ROBERTS:

H. R. 11368. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

By Mr. ROOSEVELT (by request):

H. R. 11369. A bill to amend title IV of the Veterans' Benefits Act of 1957 to provide a pension of $100 per month for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SCHWENGEL:

H. R. 11370. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. DOYLE:

H. J. Res. 574. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship; to the Committee on the Judiciary.

By Mr. FULTON:

H. Con. Res. 293. Concurrent resolution expressing the sense of Congress against admission of the Communist regime in China as the representative of China in the United Nations; to the Committee on Foreign Affairs.

By Mr. JUDD:

H. Con. Res. 294. Concurrent resolution providing for the printing of 5,000 copies of the proceedings held in connection with the acceptance and unveiling of the statue of Maria L. Sanford in the United States Capitol; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BAILEY: Memorial of the West Virginia Legislature, House of Delegates, House Resolution No. 11, to aid air traffic in West Virginia by providing or helping to provide increased navigational and landing aids at West Virginia airfields; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELLAY:

H. R. 11371. A bill for the relief of Carmelo Tumino; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 11372. A bill to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society; to the Committee on the District of Columbia.

By Mr. KEOGH:

H. R. 11373. A bill for the relief of Wang Kwie Ding also known as Kwie Ding Wang; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 11374. A bill for the relief of Louis Di Giovanni; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H. R. 11375. A bill for the relief of Georgies Kougionmoutsakis; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H. R. 11376. A bill for the relief of Mrs. Tow Yook Ping; to the Committee on the Judiciary.

By Mr. WHITENER:

H. R. 11377. A bill for the relief of Mrs. Anna D. Myers; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 575. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 576. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 577. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

472. By Mr. RHODES of Arizona: Petition of Mrs. Ruth B. Fitzgerald and 441 other citizens of Arizona, urging Congress to pass legislation prohibiting alcoholic-beverage advertising on television and radio programs; to the Committee on Interstate and Foreign Commerce.

473. By the SPEAKER: Petition of the secretary, Tennessee Historical Society, Nashville, Tenn., relative to the Tennessee Historical Society registering strong opposition to certain alterations to the National Capitol Building in Washington, D. C.; to the Committee on Public Works.

474. Petition of the county clerk, Wailuku, Maui, T. H., relative to endorsing C. Vernon Augustine's plan for providing fast water transportation in the Territory of Hawaii; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

Federal and State Highway Systems—Reimbursement to States

EXTENSION OF REMARKS

OF

HON. EDWIN H. MAY, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. MAY. Mr. Speaker, with the passage of the Federal-Aid Highway Act of 1956, the Congress of the United States gave impetus to the construction of a vast Interstate Highway System. Our rapidly expanding population and economy, as well as our requirements for national defense, require urgent implementation of this program. Equally necessitous is the well-planned coordination, on the part of the Federal Government, the State governments, and the municipalities of the highway system, which takes into consideration all aspects of interstate, State, and municipal responsibilities.

Prior to the Federal-Aid Highway Act, many States took the initiative and had the foresight to initiate and complete the construction of highways which meet the standards of the act and which were financed wholly out of State funds or as toll roads. Many of these fine highways today are incorporated as an integral part of the interstate transportation system and thus constitute an enormous contribution on the part of the various States. Had these State governments not had the foresight to undertake highway construction programs of this nature, it would today be incumbent upon the Federal Government to finance their construction at this time, very possibly on a higher cost basis, under the present formula of 90 percent contribution in Federal funds with 10 percent State matching. There is little question but that these programs constituted a considerable drain upon the resources of the individual States involved. This is important for our consideration at this time, because our States today must undertake the responsibility for increasing and improving the State highway facilities and aid their urban communities in a program of coordination that will make our overall highway program meaningful and serviceable.

In my opinion, Mr. Speaker, it is unfortunate that the Congress did not include in the Federal Highway Act reimbursement to the States which constructed sections of the Interstate System on their own. Today, I intend to propose legislation which would correct this omission. I propose that:

First. The Federal Government shall be required to reimburse the States for highways that meet the standards of the Federal Aid Highway Act of 1956, either free or toll, which are incorporated into the Interstate System.

Second. The Secretary of Commerce would be authorized to provide reimbursement upon his determination that the highways meet interstate standards.

Third. Initiation of the request for reimbursement must come from the States themselves. Reimbursement shall be limited to the cost of the highway less depreciation and the total amount of any Federal funds contributed to construction. In the case of toll highways, reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for toll operation.

Fourth. States would be permitted to use reimbursement funds for construction of projects in the Federal aid systems lying within their borders without requirement of State matching funds.

In my estimation, Mr. Speaker, this proposal should be a part of any highway legislation passed by the Congress dealing with the interstate program.

Citations for the Living

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 12, 1958

Mr. MONRONEY. Mr. President, the Washington Evening Star, one of the 100 newspapers which regularly publish a column of comment written by Thomas L. Stokes, one of the Nation's outstanding newspapermen, and which is distributed by the United Features Syndicate, on Monday night printed the first of a series of guest columns written by friends of Tom Stokes in public life, who are substituting for him during a serious illness.

Monday night's column, which was written by our colleague, the distinguished senior Senator from Maine [Mrs. SMITH], is praiseworthy, not merely as a rare example of a news commentator's art, but as a reminder from her that courage and conviction are not commodities as rare as they are sometimes represented, and as living proof that kindness, love, and appreciation still abound in this strife-torn world.

I ask unanimous consent to have printed in the RECORD the article written by Senator MARGARET CHASE SMITH and published in the Washington Evening Star of March 10, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITATIONS FOR THE LIVING

(By MARGARET CHASE SMITH)

It is a pleasure to pinch-hit for Tom Stokes, a truly great newspaperman and one of the outstanding columnists of our time. I wish him a speedy recovery, for I miss his column and his observations very much.

Actually, writing this guest column is like coming back home journalistically, as for 5½ years I wrote a daily column distributed by United Features Syndicate. I belonged to the same organization as Tom Stokes and I enjoyed it even though it was hard work.

If I were to become a columnist again I would hope that I could write with the courage and conviction that Tom Stokes has through the many years he has been on the Washington scene.

Courage and conviction are not commodities as rare as they are sometimes represented. I have seen them displayed by members of the press on more than a few occasions. That is why I feel it as a signal honor for me to come to bat for Tom Stokes while he is incapacitated but certainly aware of the esteem in which we hold him.

And courage is not as rare in politics and public life as the negative critics and detractors would have the public believe. Yet, ironically enough, it is rare when the courage of a politician or a public officeholder is recognized and acclaimed while he is alive.

It seems to me that too often only the deceased receive the profiles-in-courage award. Perhaps that is because it takes time to evaluate the man and his act or acts of courage. Perhaps it is because it is less controversial to evaluate a man after he dies than while he is living. Even many of the enemies or critics are mellowed in their attitude toward a man after he dies. They have less resistance to his being given credit as long as he is no longer around.

But why not have profiles-in-courage awards to the living? Surely, it makes much more sense to give such awards to a man while he is living to encourage him to keep up his behavior of courage. Surely, it would give inspiration to more living politicians themselves to commit acts of courage. Surely, it would be the inspiration for courage in the present that posthumous awards cannot be.

Several publishers have asked me to write an autobiography. Thus far I have declined. I would much rather write a book such as Living Profiles in Courage, for I think it would serve a far better purpose and would be much better reading.

I am not sure as to whom I would include in such a book, however. But I can think of a few that might be in that list—even though I may disagree with them politically and philosophically and may be on the opposite side of the fence from them.

I think I would include former President Herbert Hoover, who came back from a humiliating defeat and repudiation by the electorate in the 1932 election to become a much greater man as an elder civilian statesman than as a President. It would have been only human for him to retire in bitterness after 1932. But he had the courage to rise above that bitterness and to give magnificent service to his country and his fellow Americans in heading up the Hoover Commissions.

I think I would include former President Harry S. Truman, the man who refused to be licked in 1948 when practically everyone had written him off for overwhelming defeat. Here is a fighter who speaks his mind—and whose courage and frankness you must admire even if you don't agree with what he says. It might have been reasonably expected when he retired from the Presidency in 1953 that he would gradually be forgotten by the public. But not so, for this

year in the Gallup poll he is rated as the second most-admired man in the world by Americans. And, interestingly enough, Harry S. Truman says he doesn't believe in polls.

I think I would include Agriculture Secretary Ezra Benson, who is probably the No. 1 political target today, for his courage in facing the heavy and continuous onslaught heaped upon him. He has refused to be frightened into resignation. But yet, it would take considerable courage for him to to resign under fire if he believed that was the right thing for him to do for his country, the farmers, his President and his party. For he would do so in the face of misinterpretation of his true reason for resigning.

I think I also would include LYNDON JOHNSON, majority leader of the Senate, who came back from a severe heart attack that almost took his life. To most men this would have meant the end of a public office career. It was even more significant in Senator JOHNSON'S case because of the constantly tremendous pressure in the work of the Senate majority leader, who literally runs the Senate. When LYNDON JOHNSON was told to spare himself and take it easy, his answer was: "I would rather burn out than rust out." Today LYNDON JOHNSON is the most energetic and active Member of the Senate in spite of the fact that he is a heart patient.

There are others, of course, whom I would include but space does not permit listing them here. If you have any nominees for Living Profiles in Courage I would appreciate your sending a letter to me at 326 Senate Office Building, Washington, D. C.

Yale Political Union on Trade and Aid

EXTENSION OF REMARKS

OF

HON. EDWIN H. MAY, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. MAY. Mr. Speaker, there has been much discussion in the land concerning the status of our educational system and the problem of our youth. Certainly, we are realistic when we call for reappraisal of our educational facility; certainly, we are justified when we call for measures to stem the tide of juvenile delinquency. Not to recognize these problems would be a display of complete blindness in the face of obvious defects in our sociological structure. On the other hand, amidst the darkness there are rays of light which give hope for a new dawn.

I had the honor of witnessing such a ray of light this week at Yale University, while participating in the Yale Political Union meeting. It was my honor to have delivered the principal address in support of the extension of the Trade Agreements Act and in behalf of the administration's mutual security program. Following the presentation of my position, views were presented by representatives of the three parties which make up the Yale Political Union, the Liberals, the Conservatives and the Party of the Right.

The eloquence of those who participated in the debate, and the lucidity with which their arguments were presented would give credit to any parliamentary body. As long as the universities of our land can produce potential leaders of the quality of those members of the Yale Political Union, I believe we can take heart that the future will lie in good hands.

There was no passive approval of these two important issues by the Yale group. Indeed, some of the weaknesses of the programs received acute analysis, but, in the end, as the final vote was taken, the full importance of the reciprocal trade program and the mutual security program became evident as the entire political union, representing a cross section of political philosophy, endorsed these programs unanimously. The final vote was 40 to 0 with one abstention. This was the first time within the memory of those in attendance that the Yale Political Union voted unanimously on any issue debated.

This should further convince those who find the realities of the present world situation difficult to appraise and act upon.

Aircraft Nuclear Propulsion Program

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

JOINT STATEMENT BY REPRESENTATIVE CARL T. DURHAM, CHAIRMAN OF THE JOINT COMMITTEE ON ATOMIC ENERGY, AND REPRESENTATIVE MELVIN PRICE, CHAIRMAN OF THE SUBCOMMITTEE ON RESEARCH AND DEVELOPMENT, REGARDING THE AIRCRAFT NUCLEAR PROPULSION PROGRAM

It is clear that the administration's decision to abandon the concept of achieving a nuclear flight capability at the earliest moment constitutes a serious setback to our aircraft nuclear propulsion program. It opens the door wide to the prospect that the Russians will once again administer a humiliating defeat to the United States by placing the first nuclear powered aircraft in the skies. Coming on the heels of the sputnik fiasco, a Russian victory in this field could well prove disastrous to world confidence in America's scientific abilities.

We had been led to believe, until very recently, that the longstanding inaction and indecision which have characterized the conduct of the ANP program since its inception would be replaced by a vigorous and well coordinated program aimed at an early flight capability. A concrete plan of action to achieve this important first step was prepared within the Defense Department after sputnik on the basis of the best expert advice available and had been submitted to the Secretary and Deputy Secretary of Defense for their approval, prior to submission of the Defense Department's recommendations to the President.

At this point the Killian Committee stepped into the picture to expedite matters. An advisory group set up by Dr. Killian proceeded to make a cursory review of the program and after a brief inspection trip to the field, returned with recommendations that the early flight concept with a modified conventional plane be scrapped in favor of a vague development program aimed at the ultimate achievement of a high performance craft. Little or no account was taken, apparently, of the obvious psychological importance, in terms of world opinion, of our producing the first nuclear powered aircraft before the Soviets.

The recommendations of the Killian Committee were passed along to the President, oddly enough, before he had received the Defense Department recommendations. In the interim, the Killian advisory panel was reconstituted as an advisory group to the Pentagon. We now find that the end result of all this expediting has been to slow down rather than accelerate the program and that we are actually worse off today in terms of our objectives than we were a year ago, before sputnik. This situation is patently ridiculous and raises the gravest doubt as to whether the United States can effectively respond to the Soviet challenge.

Members of the Joint Committee have always recognized and continue to recognize that very difficult technical problems confront the scientists and engineers in the field who are doing the actual developmental work in the ANP program. We do not hold ourselves out as technical experts but we have followed the program closely over the years and have been impressed during our trips to field installations with the very substantial progress which has been achieved in overcoming these technical problems and in meeting goals. We have consistently given our strong support to this project in the belief that it is vitally important to the national interest. The record shows that similar strong support from the Joint Committee was instrumental in the development of the hydrogen bomb and the atomic submarine, both of which now stand as bulwarks of our Nation's defense and are among the strongest deterrents we possess against aggression.

We have no illusions about the magnitude of the task ahead nor about the many tough technical hurdles which still must be surmounted. But we firmly believe, as we have over the years, that progress can be achieved and will be achieved when we have a concrete program with clear objectives and target dates for completion, up to and including a proven flight capability. Without such goals, there can only be a hopeless, hapless and helpless policy of drift and indecision.

This is where we have been for the last 10 years, and this is where we stand today. No amount of rationalization can hide this fact and we think the record should be very clear as to where the responsibility lies for this sorry state of affairs, namely, in the executive branch.

Mr. Alhambra

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. HILLINGS. Mr. Speaker, the city of Alhambra, the State of California, and our Nation, have been deprived of a

truly great citizen with the death at age 91 of Judge William M. Northrup.

He was one of the wealthiest men in our Nation, using, of course, the yardstick of friendship, community service, and humanitarianism as the accurate measure of the richness of Judge Northrup's life.

He was so beloved by his community that he automatically wore the title "Mr. Alhambra."

There was no service too large or too small for Judge Northrup to undertake in his 53 years in Alhambra.

His civic activities alone would require a large-sized volume to cover, and his record as a judge and as an attorney could not be contested.

In 1955, on the occasion of his 89th birthday, the Kiwanis Club honored Judge Northrup, describing him as one of the seven wonders of Alhambra, along with the city's outstanding schools, parks, business facilities, churches, citizenry, and city administration.

His friends, who were countless, perhaps summed up Judge Northrup's rich and full life best when they said of him: "Judge Northrup practiced moderation in all things except humanitarianism."

All of us who knew him will miss him.

Strength Through Trade and Aid

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement on foreign trade and aid:

STRENGTH THROUGH TRADE AND AID

Suppose, so to speak, we, the people of the United States, pulled in our sails, withdrew from all our overseas commitments, built a high tariff wall around our country, plugging our ears and turning our head from the rest of the troubled world. Then what? Would we be snug and safe in our beds of isolation?

The concept of Fortress America is really, to put it bluntly, an infantile wish to escape from the burdens of responsibility, to evade the necessity of making choices; it is the panic reaction to the child's reluctance to grow up. We forgive and understand the child who runs and hides. The adult who does just that, we call sick.

Certainly we can understand the wishful thinking of adults to keep away from the troubles in Asia and Africa; the crosscurrents in Europe, etc.; the temptation to say, "A plague on all your houses" is strong. But if we yield to this temptation, we are choosing to side with fantasy and against the facts.

American intelligence is too acute to permit itself to fall into the trap of self-delusion. The hard, unshakable truth is that foreign aid and a liberal tariff policy, both, are for the present and the future, America's insurance for peace and prosperity. However much countries abroad will gain thereby, the greatest gain will be for the United States.

Tough foreign aid and a liberal tariff policy are actually, at present, one policy, since one is indivisibly entwined with the other in that one without the other would be incomplete. I want to dwell for a few moments on the Reciprocal Trade Agreements. Anyone who believes that the United States is a completely self-sufficient country, growing and producing all the materials it must have within its own borders, is tragically mistaken. The industrial giant of the United States to be kept alive must be fed materials like natural rubber, bauxite, cobalt, mercury, graphite, tungsten, tin, chromite—just to mention a few basic items. We don't have them; we must import them.

People are always startled to learn that we have to import, for example, 100 percent of our natural rubber, 100 percent of our tin, 100 percent of our industrial diamonds, 100 percent of our graphite, 98 percent of our platinum metals, 80 percent of our cobalt, 68 percent of our mercury, and so forth. No airplane or automobile could be made to work without imports.

Now, let's look at the other side of the ledger.

Our exports far exceed our imports. Both industry and agriculture in the United States must, and do, export to keep our economy alive and growing. Four million five hundred thousand American workers earn their living in export trade. The products of 40 million acres of American farmland are sold abroad. That's one-tenth of all the cropland in the country. The United States sells abroad chemicals, textiles, iron and steel, agricultural machinery, automobiles, trucks, and aircraft.

Suppose, then, we wall in the United States by high protective tariffs. Whom are we protecting? Not American labor, not American industry, not the consumer. Who gains by protective tariffs is a small group who seek to be insulated from competition, a sort of subsidy for which the consumer ultimately pays. Actually, the equation is a simple one. If we do not buy from other countries, they will not buy from us.

But let us suppose that, despite their unwillingness to buy from us when high tariffs are imposed on their own products, these countries, nonetheless, feel they must have our products. If they don't earn the dollars by selling us their goods, where will they find the dollars to use for purchasing ours? Where, then, can they turn? To Red China. To Red Russia. You may be sure the tentacles of these nations are itching to clutch at the advantages offered by foreign trade. It would be a major victory for the Communists, and we shall have handed it over to them in the name of self-protection. Can there be greater irony?

Right here I'd like to explode the theory of cheap labor which all protectionists scream about. With our mastery of mass production methods, the cost of labor is computed on the basis of cost per unit produced. Because of these specialized mass production techniques, our labor can be termed the cheapest on each article manufactured. No foreign labor costs are so drastically reduced by quantity produced, as is ours.

Our industries are no longer babies in swaddling clothes, to be nurtured into growth and protected from the wind of competition. We can and do hold our own as the amount of our exports testify. If a product of equal quality comes from aboard, why should not the American consumer, as a member of a free society, be permitted to make his choice? I know of no better impetus toward better products and lower costs than the principles of competition.

The failure to renew the reciprocal trade agreements program would, beyond a shadow of a doubt, advertise to the world that we are abdicating from our position of leadership and, as a corollary, brand these United States as a people ingrown, afraid, and distrusting. This must not happen.

Equally as important as the renewal of our reciprocal trade agreements program is enactment of foreign aid legislation. Ten years ago the United States instituted this program of military, economic, and technical assistance to less privileged nations. This was one of the most—if not the most—fruitful and dynamic ideas of the 20th century. It spelled the difference between hope and despair at a cost less than 1 year's expenditure for World War II.

Militarily, the foreign aid program assures us of defenses which we could never hope to obtain by going it alone. Since 1950, 50 million men have been added to collective defense. The naval forces of the Free World have increased 100 percent. We and our allies, because of this military aid, have now 32,000 aircraft for defense, of which 14.000 are jets.

It is little advertised that those who have joined with us for collective security have spent five times as much as we on military assistance. Moreover, 80 percent of all sums appropriated for defense support abroad are actually spent in this country.

The United States now has over 200 air and naval bases around the Communist empire circle. At the present time they are indispensable for logistic reasons, for the necessity of immediate response to danger. They constitute the most significant of all our defense facilities.

Moreover, we must be prepared with adequate conventional forces lest we be pushed into the bitter choice of either abject surrender or nuclear war. Of this we must never lose sight.

But beyond the military aid set forth in the foreign-aid program is the long range importance of economic aid. Underdeveloped countries do not have investment capacity, do not have the trained manpower, do not have the techniques of production, which would bring them into the 20th century.

If imitation is the sincerest form of flattery, then, indeed, we have been enormously flattered by the Soviet Union. Within the past 3 years the Soviet Union has undertaken a program of economic aid to the have-not areas. The Soviets are not making the mistake of understressing the advantages which must inevitably accrue to themselves from just such a program.

In all, it is estimated that we will require the sum of $3,942,100,000 this year to achieve our purposes in the area of military, economic, and technical assistance. This is approximately one-fourth of 1 percent of our national output.

The point has been made that flight time from Moscow to the Midwest by way of the polar route is about 9 hours by jet aircraft. This stresses not only the narrowing of the world as we knew it only some short 25 years ago, but stresses the interdependence of all nations. No man, no country, can live as an island unto himself, or itself. We talk of dependent nations, but we are, in a measure, dependent, too.

This, perhaps, is the thrust of what I want to say. Our own dependence upon the countries of the Free World and our dependence upon an expanded foreign trade have sunk below the conscious level. We have adopted a phrase, "dependent countries," without realizing that we, too, belong in that category. True, we are rich, we are powerful—but we are not impregnable.

Thus far I have spoken in terms only of enlightening self-interest. But I want to go beyond that. What if we were not actually

dependent to the degree I have pointed out? What if, actually, we did have a sufficiency of raw materials, we did have the ability to stand alone against any enemy? What if all this worked (which it would not)? Why could we not, if this were so, acknowledge proudly the strain of generosity that is so much a part of our people that without it we would lose our identity as Americans? Throughout our history, in private and public endeavor, we have given to the needy. We have abhorred unnecessary suffering, accepting it as as much a part of our heritage as our freedom.

It is not the threat of war. From our very first offer of sharing, through the Marshall plan to which all peoples were invited, we have expressed this characteristic of the American people.

In the final analysis, it may be that this generosity of a free people will be the ultimate weapon against Soviet aggression, be that aggression by arms or by subversion.

Public Education at the Crossroads

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, March 12, 1958

Mr. NEUBERGER. Mr. President, on Sunday night last our colleague the junior Senator from Idaho [Mr. CHURCH] delivered an address to the American Association of School Administrators at Civic Auditorium, San Francisco, Calif., on the subject Public Education at the Crossroads.

This is a timely and significant contribution on this subject, which is of such vital interest to all of us. Schools are a major responsibility of this session.

Anyone reading this able address will come to have a new respect for the knowledge and wisdom which our fine colleague from Idaho brings to his task in the Senate, particularly with respect to legislation affecting schools and education.

I ask unanimous consent that the Senator's address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PUBLIC EDUCATION AT THE CROSSROADS

(An address by United States Senator FRANK CHURCH, Democrat, of Idaho, before the American Association of School Administrators at Civic Auditorium, San Francisco, Calif.)

Mr. Chairman, delegates to this regional convention of the American Association of School Administrators, I know of no poorer way to commence an address than to speak of the cold war. With an American audience, it nearly always evokes an equally cold response.

This is natural enough, I think, because we Americans did not want the cold war. We resent it. We would joyfully end it now, if we could only find a way. Because of our distaste for the cold war, we Americans have a distorted image of it. We have, for example, no clear appreciation of the danger.

When the German Kaiser was our antagonist, and again when Adolph Hitler confronted us, we regarded Germany as a formidable enemy. Yet Germany was little larger than Texas. Russia is 2½ times as large as the United States.

During two great wars with Germany, our sea legs sustained our forces in the field. both times we saw them nearly amputated by German submarines. Hitler commenced the war with about 50 submarines. Russia, today, has 10 times that many in her underwater fleet.

Hitler, when he went to war, had annexed Austria, and occupied Czechoslovakia. Russia's western boundary is the Iron Curtain, patrolled by her satellite troops. It cuts across the heart of Europe. Russian influence is growing in the Middle East, and now stretches, in an extending arc, across the restless continent of Africa. Communism, with much of Asia in its grasp, encompasses half the world.

All of the advances made thus far in the cold war have been Communist; the victories scored by the Free World have been few, and all have been defensive in nature. And now, once more, in the wake of the Russian sputniks, we find the Free World thrown back again on the defensive. Our alliances are shaken. The Red Star has been catapulted aloft by the unsuspected lead Russia has suddenly demonstrated in the race for the ultimate weapon. Russian prestige is rising among the uncommitted people who may well constitute the balance of power in the years ahead.

This, then, is the present danger. It is the danger we may lose the cold war.

Why is this important?

Why do we fight the cold war?

Is it for survival? Yes, but not for survival alone. If it is life we want, we can have it on Russian terms. If it is peace we want, we can buy it cheaply through submission. If it is our national independence we want, it has already been largely lost. Technology has shriveled the world into a tight neighborhood of nations. Decisions made in Russia today have greater effect upon the shaping of American policy, at home and abroad, than all the lobbies in Washington.

What is it, then, for which we wage this cold war? There is only one answer. We wage it to prevent Communist conquest of man. We wage it to save free government in the world at large, so that free government shall not be stifled in America. Yield to communism the continents of Europe, Asia, and Africa, and ultimate Communist dominion of the world is assured.

So we must not lose the cold war. It may last for generations. To wage it will tax our strength and stamina, as nothing we have known before. To win it, in the long run, will depend upon the wisdom and understanding of the American people, which is the aggregate product of our educational system.

In these times it would be difficult to imagine anyone envying American educators. Your burdens are many. Not the least of them is finding ways to cope with the mercurial shifts of public opinion that wash against you.

We have been afflicted of late with much panic, and panic, sufficiently prolonged, can be fatal to freedom. Only a few years ago, an inquisition of sorts took place in this country. It reached into the field of education. Who can forget the raging controversies over loyalty oaths and the contents of text books? American educators, more than any other group, resisted these pressures. In resisting, often against heavy odds, the bullying of people whom they knew to be without qualification for passing upon either the philosophy or methods of our educational system, they reflected great credit upon themselves and their profession.

Those were days, you will remember, when anyone favoring anything Russian was likely to find himself, first, called before a committee of Congress to give an accounting; second, assailed on the front pages of the Nation's newspapers; and, third, out of a job. It was so bad for a time that one had to be against anything the Russians were for. If the Soviet Government was encouraging composers, musicians, and other artists, it was easy to persuade the public that artists in America were suspect, if not subversive. When it became apparent that Russia had inspired the innocuous Stockholm peace appeal, people in America spoke out less vocally for peace, though it remained just as close to their hearts. One is left to wonder what would have happened to our schools, during that period of hysteria, had we learned then, what we know now, that Russia is giving great emphasis and priority to public education.

Well, today the country seems to have made a complete turnabout-face. Having escaped, more or less unscathed, from the acute era of Russophobia, you are now confronted with a ground swell of demands that you remold our American educational system, overnight if you please, in imitation of the Russian system. I trust you will be able to keep your bearings. Both attitudes are, of course, quite wrong.

A Nation's educational system is the most important instrumentality by which its national values are served. It would be hard to imagine two nations whose values differ more absolutely than do those of the Soviet Union and the United States. Does it not follow that we should expect equal differences in the schools that each would devise to nurture and develop these values? Their educational system is plainly designed to serve the needs of a rigid, doctrinaire, and authoritarian society. Ours is designed, or should be, to serve the needs of a free society. If we are in need of a model, we might look, perhaps, to England or to Western Europe, but it is nothing less than absurdity to look to Russia to find one.

I cannot emphasize too strongly my belief that, when we lay the measuring rod against our educational system, we ought not to think in terms of comparison with Russia. For example, frantic warnings are being sounded nowadays because the Russians are turning out 125,000 graduates each year in the sciences, while only half that many are being graduated annually in the United States. Indeed, to read the comment currently appearing in our magazines and press, one would conclude that, unless a student has majored in physics, chemistry, and mathematics, he hasn't been educated at all. I suggest we should remember that Russia was but recently a feudal country; she is engaged in a massive effort, from a very late start, to develop the kind of industrial economy we have taken a century to build. Her need is feverish for competent technicians and engineers. The question we should ask ourselves is not whether we are presently keeping pace with Russia in the number of technicians we graduate each year, but whether we are meeting the needs of our own industry and defense. If we are failing to do this, then the Government should furnish such added inducement, including scholarships, as may be necessary to attract the number of science students our own needs require.

Just as this must be true where quantity is concerned, so also it must be true where considerations of quality are concerned. Here, the question we should ask ourselves is, not how our school curriculum compares with

that of Russia, but rather, how is it serving the needs of our own country and the ends of a free society?

Such is the standard by which I would measure our system of public education in America. It is a harder standard than the Kremlin need apply to Russian schools, for the burden of American education is not only to train chemists, physicists, and engineers, but also to equip each student, regardless of his chosen craft, to accept and intelligently discharge the self-governing responsibilities that attend citizenship in a free society.

If you agree with what I have said thus far, I hope we are not now about to part company. I have posed the question of whether public education in America is fully meeting our own needs as a nation, and whether it is fulfilling its responsibility to serve the ends of freedom.

I fear it is falling short of this goal.

The chief burden of my doubt is this: Do our schools stimulate our young people to the utmost? Do we require of them their full potential? If not, we are wasting time and talent, both of which may be vital to our survival as a free country.

The critics of our secondary schools say that our typical high-school graduate has had only a sketchy exposure to such demanding courses as chemistry, physics, and mathematics; that he has been permitted, while still too young to make responsible decisions, to act as the architect of his own course of study; that he has filled his time with snap courses; that he has probably played in the band, learned to dance, and may have tasted local fame by starring in the football or basketball team; that he knows how to get along well with the teachers and his fellow classmates, but he hasn't learned much. These critics charge that scholastic standards in our high schools are geared for the slower students, with the result that the abler students are neither challenged nor stimulated by their work, but develop a distaste for study, and, in the end, grow bored with school, spending much of their time in a frantic search for diversion.

Perhaps these criticisms are overstated; certainly they are not true of every high school. But if there is any truth in the charges, and I think there is, then it is time for us to reappraise some of the tenets basic to American education today.

There is much to be said in defense of the emphasis given to personality adjustment in our schools. But the emphasis goes too far, I think, when it causes a corresponding deemphasis on subject matter. John Dewey's great work well suited the needs of our country in his time. Prior to the First World War, we had the era of Pax Britannica. There had been almost a century of peace, progress and prosperity. The Golden Age had come, and Dewey's emphasis on social adjustment, on the development of balanced and happy personalities, was natural. It harmonized with the times.

The Nation, in that day, was still caught up in the excitement of educating and training the tide of immigrants streaming to our shores. Adjustment indeed was a real problem, a real goal to be sought. The teacher who faced a babble of tongues and cultures in her classroom could see that the schools had as much of a role to play in adjusting youth to citizenship, as in educating youth to citizenship.

But times have changed. Our national assimilation is nearly complete. Our schools now have other and more pressing responsibilities than student adjustment. If we are to win the cold war for freedom's sake, we must discover, draw out, and develop our talent to the fullest. It is time, I think, in our own interest, to shift the emphasis back to subject matter, to make courses more challenging and more stimulating for all.

I recognize this proposal cannot be made without at once raising a host of further questions. If courses were to be made harder, you may ask, what is to be done for the slower student, or even the average student? I would answer: endeavor, insofar as possible, to give to each student a course commensurate with his abilities.

This would make for unequal treatment, it may be said, which is not only contrary to the traditions of free public schools, but undemocratic as well. I would answer: the true democratic principle is to afford to each student an equal opportunity. To give to each an equal opportunity does not mean to give to each an equal dose.

I recognize that it is much easier to make this proposal than to put it into effect. Your patience and ingenuity have already been strained in keeping a standard education up to standard for our burgeoning school population. To offer more for the gifted, and to establish alternative courses of study, will require enlarged facilities, additional training for teachers, and more money. This is a responsibility that local, State, and Federal Governments must stand ready to assume.

I know this proposal may not be popular. It might cause a storm in each community, and doubtlessly would involve teachers in many more unpleasantries with parents. I make it because I think it is right. The important thing to remember is that the minds of our young are like the mines of the earth, and the richest ore may lie deepest. We owe it to ourselves, as well as to our young, to get from each his full potential. Is there another way to do it?

No appraisal of American public education, however brief, should overlook the tradition of anti-intellectualism in this country, and the mark it has left upon our schools.

With the end of the Revolutionary War, our young Union soon became preoccupied with the problems of settling the land and conquering a continent. Our land was vast and rich. Our faces were ever set against the raw frontier. The pioneer tradition has done much to shape our national character. This tradition does not breed intellectualism. Pioneering requires more action than thought. The cloistered, reflective life it holds in disdain.

We were nurtured at our birth as a nation by the great minds of the 18th century. But as we pushed our frontiers westward, we turned away from the heritage of Jefferson and Hamilton. It is significant, I think, that William Henry Harrison was elected President of the United States on no more of a platform than a catchy slogan, a log-cabin birth, and a taste for hard cider.

Even today this legacy of anti-intellectualism is everywhere apparent. A person with an intellectual bent is an egghead. The absent-minded professor is everybody's joke.

Our schools, likewise, have been affected. A carnival atmosphere prevails at many of our colleges. Their impact upon their communities depends, not so much upon the quality of their faculties and academic programs, as upon the successes or failures of their athletic teams on the playing fields. The students are absorbed in extracurricular activities. Social life and good times sometimes seem to receive more emphasis, in and out of the classroom, than does the pursuit of learning. If courses in the physical sciences are being avoided because they are hard, then the clear implication is that alternative courses in history, political science, and literature, which ought to be equally hard, are made attractive by their ease.

Whether or not the public schools have contributed materially to anti-intellectualism in America, it is clear that they have suffered much from it. Can the schools help to cure the affliction?

Certain things, at least, can be done. Teachers and administrators can make it their business to accent the academic side of school life. Recognition, in the classroom and in the community, should be increasingly accorded to those who excel in scholarship. And teachers, at every level, should fight the temptation to withdraw into the cloistered life; they should work, rather, to bring academic activities to public attention. Teachers should be civic leaders. They should strive to participate actively in the affairs of their communities. The more that they will do this, the more will grow the general regard for them and their profession.

Government, too, has a role to play in helping to restore respect for learning. It is clear that the schools need money—for new classrooms, for improved salary schedules, for all kinds of equipment which grows daily more expensive. The continued neglect of these things results in a down-grading of the prestige of schools and teachers, and of the intellectual side of life for which they stand. Several bills are now pending before the Congress that look toward this end. Federal aid to education, under legislation that will insure continued local control of our schools, is badly needed and needed now.

Let me conclude by saying what, perhaps, I should have said at the outset, that I feel genuinely honored to be here. If I have been overly critical, remember it has not been so long since I sat in the classroom, and this has been my first chance to talk back to so many teachers. If I have dwelt too much on what seem to me to be shortcomings, it is only because there is not time enough to pay proper tribute to your accomplishments.

I thank you for being teachers, a noble calling, too poorly paid.

I thank you for having preserved the liberal arts, and for having withstood the pressure to turn the grade school into a trade school.

I thank you for the integrity you have shown in your unremitting efforts to keep intellectual freedom alive in America. It is on this ground alone that the cold war can be won; that we may emerge from it as free human beings, preserving the precious principles and institutions which give meaning to our conviction that what seems right today may change tomorrow, that final answers to the great questions involving the destiny of man have not been given, but must be sought anew by each generation. The right to change, to evolve, to grope for meaning, to question even the most fundamental assumptions, must never be abandoned.

Yours is our youth.

Yours is the future.

Radio Amateurs Are Real Pros

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1958

Mr. HILLINGS. Mr. Speaker, we are too prone to overlook what are seemingly small things as big events unfold in

these days when space has succeeded the sky as the limit for our ability and capacity to progress.

We all know of the real contribution made by Caltech's jet propulsion laboratory in the launching of our first earth satellite—the Explorer.

Working with the laboratory in tracking satellites—not only our own but those of the Russians—is a small group of radio amateurs who call themselves the San Gabriel Valley Radio Club.

A spokesman for the National Academy of Sciences has advised me that the club's contribution in tracking the Explorer and Sputniks I and II has been of immeasurable help to our own satellite program.

The San Gabriel club operates a microlock station located at the sheriff's headquarters at Temple City, Calif., and has supplied data that has been important to United States participation in the International Geophysical Year.

I think we should all recognize the value of such amateur radio clubs in our satellite program and the real contribution they are making in our efforts to conquer space for peaceful uses.

The San Gabriel Valley Radio Club and its president, Charles F. Booher II, are to be commended for their vigilance and diligence in furnishing information on all satellites, whether they be native or foreign.

